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PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, SECOND SESSION

SENATE

TUESDAY, AUGUST 1, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, the Father of us all, we pause in this moment to praise Thy glorious name. We would reaffirm our faith and allegiance in the things unseen which, from the beginning, have been the fabric and fiber of our Nation's life. Help us to plant the seeds of confidence in spiritual things wherever we may go. Assist us to strengthen the bulwark of liberty by a serene trust in the things that cannot be shaken. Help us not to be torn asunder or put to flight by the utterances of little men, but rather enable us to stand strong in the faith that we know is able to encompass and overcome all lesser things, because it is of Thee.

We pray in the name of Him who came to make all things new. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 31, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Ecton	Holland
Anderson	Ellender	Humphrey
Benton	Ferguson	Hunt
Brewster	Flanders	Ives
Bricker	Frear	Johnson, Colo.
Bridges	Fulbright	Johnson, Tex.
Butler	George	Kefauver
Byrd	Gillette	Kem
Capehart	Graham	Kerr
Chapman	Green	Knowland
Chavez	Gurney	Langer
Connally	Hayden	Leahy
Cordon	Hendrickson	Lehman
Douglas	Hickenlooper	Lodge
Dworshak	Hill	Lucas
Eastland	Hoey	McCarran
McCarthy	Mundt	Sparkman
McClellan	Murray	Stennis
McFarland	Myers	Taft
McKellar	O'Conor	Thomas, Utah
McMahon	O'Mahoney	Thye
Magnuson	Pepper	Tydings
Malone	Robertson	Watkins
Martin	Russell	Wherry
Maybank	Saltonstall	Wiley
Millikin	Smith, Maine	Williams
Morse	Smith, N. J.	Young

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from South Carolina [Mr. JOHNSTON] is absent because of the death of a close personal friend.

The Senators from West Virginia [Mr. KILGORE and Mr. NEELY] are absent on public business.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the junior Senator from Kansas [Mr. DARBY], the Senator from Missouri [Mr. DONNELL], the Senator from Indiana [Mr. JENNER], the senior Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

LEGALITY OF SESSION OF CONGRESS AFTER JULY 31

Mr. WHERRY. Mr. President, I should like to make a parliamentary inquiry. Section 132 of the Reorganization Act provides:

> Except in time of war or during a national emergency proclaimed by the President, the two Houses shall adjourn sine die not later than the last day (Sundays excepted) in the month of July each year unless otherwise provided by the Congress.

I am asking the question constructively, and there is no ulterior motive involved. In view of the fact that Congress has not declared war, and to my knowledge a national emergency has not been declared by the President, I am wondering under what authority the Senate is operating in order to make further sessions legal.

The VICE PRESIDENT. The Senator's question may be a legal question and not a parliamentary question. The Chair's recollection is that Congress continued past the 31st day of July last year until some time in October without an emergency being declared and without any resolution or any act on the part of Congress touching the subject. The Chair may be mistaken, but that is his recollection.

Mr. WHERRY. I make the further inquiry whether the fact that Congress has convened after July 31 represents implied authority. It must be in session under some authority. Would the distinguished occupant of the chair make an observation on the question? I am making this inquiry for the RECORD, in view of the provisions of the Reorganization Act.

The VICE PRESIDENT. That is really a legal question and not a parliamentary question. If the Chair were called upon to pass on it, without further investigation, he would feel that the provision referred to by the Senator is directory and not mandatory, and if Congress does not see fit to adjourn according to that direction, that fact does not nullify its acts.

Mr. WHERRY. I just read the statute.

The VICE PRESIDENT. In the Chair's opinion it is not automatically operative. Congress must take positive action to adjourn in order to nullify its actions subsequent to the 31st day of July.

Mr. WHERRY. I submit to the distinguished occupant of the chair that the statute is mandatory, and it seems to me that unless some action is taken the Senate and the Congress are sitting in violation of the statute. I am wondering if a resolution on the subject should not be adopted.

Mr. LUCAS. Mr. President, I make a point of order.

Mr. WHERRY. I am making a point of order.

Mr. LUCAS. This is a hypothetical matter, pure and simple. It does not have anything to do with anything that is before the Senate. It is purely a legal point. It is not debatable at this time.

Mr. WHERRY. I have the floor and I have raised the point of order. It is before the Senate.

The VICE PRESIDENT. The Chair holds that it is not a parliamentary point of order. It is a legal question on which the Chair cannot pass. However, he is giving what may be called his curbstone opinion. The Chair is giving his opinion for whatever it may be worth to the Senator from Nebraska.

Mr. WHERRY. Certainly it would be deeply appreciated by the Senator from Nebraska.

The VICE PRESIDENT. The Chair's opinion is that the provision of law referred to by the Senator is not self-operative. It is not automatic. Congress must take affirmative action to adjourn, notwithstanding the provision of law which the Senator has read, which the Chair thinks is directory but not mandatory.

Mr. WHERRY. I appreciate the observation of the Chair. My feeling was that it was to the contrary. I raised the point because it seems to me that the provision is mandatory and that Congress should continue the session under some authority. However, I appreciate that it is a legal question.

The VICE PRESIDENT. That point was not raised at all last year and Congress sat through until October. Certainly the point was not brought to the attention of the Chair.

Mr. WHERRY. The fact that the question was not raised last year does not mean that it could not be raised this year.

The VICE PRESIDENT. That is correct. The fact that a point of order is not made in one session does not mean it cannot be made at the next session. The Chair does not think the Senator raises a parliamentary question on which the Chair can deliver an authoritative opinion. However, the Chair is giving what may be called his curbstone opinion, or what we lawyers call obiter dictum. The Chair used that phrase the other day and one not a lawyer came to the Chair and asked him what he meant by it. The Chair had to give a law lecture on the Latin phrase "obiter dictum," which of course means something said outside the decision, and having nothing to do with the question at issue.

Mr. WHERRY. I very much appreciate the colloquy, and I have enjoyed it very much. Although I feel that the distinguished occupant of the chair has not fully answered my question, I appreciate the observations he has made.

The VICE PRESIDENT. The Chair still thinks the point raised does not involve strictly a parliamentary question, but really a legal question. Only a court can pass on that question. The Chair does not think that the continuance of the session beyond the 31st of July without any additional action on the part of the Senate nullifies or has any legal effect on its actions.

Mr. WHERRY. Mr. President, I appreciate the observation of the Vice President. It gives at least some color to the claim Congress is still legally in session, and that the acts we pass can be construed as legal.

The VICE PRESIDENT. The Chair does not know how much color there is, but he gives the opinion for what it is worth.

Mr. LUCAS. Mr. President, since this very grave and unusual parliamentary inquiry has now been disposed of, though not to the satisfaction of the Senator from Nebraska, I wish to ask to have an address inserted in the RECORD.

The VICE PRESIDENT. In further reply to the Senator from Nebraska, the Chair would suggest that this question was raised in the House of Representatives half a dozen times during the last session of the last Congress in 1949. The Speaker held that Congress having never declared the state of war to have terminated, and since we were still technically in a state of war, the provision of the Reorganization Act for the adjournment of Congress on the 31st of July did not apply; that no peace treaty having been entered into or negotiated which terminated hostilities, we were still at war, and that therefore it was not necessary for Congress to make further declaration on the subject.

Mr. WHERRY. So it is on the theory that we are still at war with Japan and Germany that the Senate continues its work legally, notwithstanding the provisions of the reorganization act.

The VICE PRESIDENT. That is one theory; that point was raised in the House of Representatives, and the Speaker took the position which the Chair has just outlined.

Mr. WHERRY. I recall very distinctly the colloquy on that question.

The VICE PRESIDENT. The question has never been raised in the Senate, and the present occupant of the Chair has never had opportunity to pass on it.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. The Chair would advise Senators that not later than 12:30 the Senate must proceed to the consideration of the so-called McCarran amendment. Therefore Senators must proceed rapidly to present matters for the RECORD and the Appendix.

By unanimous consent the following routine business was transacted:

ENROLLED BILL SIGNED DURING RECESS

Under the order of the Senate of July 31, 1950,

The VICE PRESIDENT announced that on today, August 1, 1950, he signed the enrolled bill (H. R. 7273) to provide a civil government for Guam, and for other purposes, which had previously been signed by the Speaker of the House of Representatives.

REPORT ON WAR CONTRACT TERMINATIONS AND SETTLEMENTS

The VICE PRESIDENT laid before the Senate a letter from the Administrator, General Services Administration, transmitting, pursuant to law, a report on war contract terminations and settlements, for the period April 1 through June 30, 1950, which, with the accompanying report, was referred to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

Resolutions adopted by the Associated Townsend Clubs of Dade County, Bay Front Park; the St. Cloud Townsend Club No. 1, and senior citizens of Osceola County, at St. Cloud, and the Orlo Vista Townsend Club No. 1, and senior citizens of West Orange County, all in the State of Florida, favoring the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

A letter in the nature of a petition from Mrs. Ruth Marchant, of Los Angeles, Calif., relating to social-security legislation, and so forth; to the Committee on Finance.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. BREWSTER, from the Committee on Interstate and Foreign Commerce:

H. R. 7192. A bill to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended; without amendment (Rept. No. 2218).

IMPROVED PROCEDURES WITH RESPECT TO FINANCIAL CONTROL OF POST OFFICE DEPARTMENT—REPORT OF A COMMITTEE

Mr. HUMPHREY. Mr. President, from the Committee on Post Office and Civil Service, I report favorably, without amendment, the bill (H. R. 8923) to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes, and I submit a report (No. 2217) thereon.

This is one of the bills recommended by the Hoover Commission, and it represents considerable work on the part of the committee.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCARRAN:

S. 3993. A bill to provide for the appointment of deputy United States marshals without regard to the provisions of the civil-service laws and regulations; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 3994. A bill for the relief of Terumi Date; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado (by request):

S. 3995. A bill to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board and the Secretary of Commerce to undertake security measures relative to the regulation and control of air commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMAS of Utah:

S. 3996. A bill to establish a program of financial aid to students in higher education, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. MAGNUSON:

S. 3997. A bill to encourage the development and expansion of privately owned tramp shipping operations under the United States flag, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON (for himself, Mr. HOLLAND, Mr. O'CONOR, Mr. PEPPER, and Mr. MORSE):

S. 3998. A bill to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to nonprofit contests wherein prizes are awarded for the specie, size, weight, or quality of fish caught by the contestant; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 3999. A bill to authorize Edwin B. Kirwin, of New Orleans, to accept the award of the Palme d' Academie tendered by the Gov-

ernment of France; to the Committee on Foreign Relations.

By Mr. SPARKMAN:

S. 4000. A bill for the relief of Ernestine Bacon Jacobs; to the Committee on the Judiciary.

S. 4001. A bill to authorize certain administrative expenses in the Government service; to the Committee on Expenditures in the Executive Departments.

GENERAL APPROPRIATIONS—AMENDMENTS

Mr. LUCAS submitted an amendment intended to be proposed by him to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. SMITH of New Jersey submitted an amendment intended to be proposed by Mr. BRIDGES (for himself and other Senators) to House bill 7786, supra, which was ordered to lie on the table and to be printed.

REDUCTION OF EXCISE TAXES—AMENDMENTS

Mr. THYE. Mr. President, I submit amendments intended to be proposed by me to the bill (H. R. 8920) to reduce excise taxes, and for other purposes. The amendments relate to an additional allowance for military, naval, and air force personnel in connection with exclusions from gross income for servicemen, in the case of compensation received after June 30, 1950, for active service.

The VICE PRESIDENT. The amendments will be received, referred to the Committee on Finance, and printed.

KEYNOTE SPEECH BY SENATOR THOMAS OF UTAH TO THE UTAH DEMOCRATIC CONVENTION

[Mr. LUCAS asked and obtained leave to have printed in the RECORD the keynote address delivered by Senator THOMAS of Utah at the Utah State Democratic Convention on July 29, 1950, which appears in the Appendix.]

ANNUAL REPORT OF DAIRYLAND COOPERATIVE ASSOCIATION—STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him on the subject of the annual report of the Dairyland Association, of Juneau, Wis., which appears in the Appendix.]

UNITED STATES PLANES, PILOTS DANGEROUSLY FEW—ARTICLE FROM THE BOSTON HERALD

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article entitled "United States Planes, Pilots Dangerously Few," written by Bob Sibley, and published in the Boston Herald of July 9, 1950, which appears in the Appendix.]

AS THE PEASANT GOES, SO WILL GO ASIA—ARTICLE BY WOLF I. LADEJINSKY

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "As the Peasant Goes, So Will Go Asia," written by Wolf I. Ladejinsky and published in the Washington Post of July 30, 1950, which appears in the Appendix.]

THE VOICE OF AMERICA AND A MARSHALL PLAN OF IDEAS—EDITORIAL COMMENT

[Mr. CHAPMAN asked and obtained leave to have printed in the RECORD two editorials, one entitled "A Clear Voice Needed Instead of a Whisper," published in the Louisville Courier-Journal of July 4, 1950, the other entitled "Let Us Give the World Ideas as Well as Bullets," published in the Louisville Times of July 10, 1950, which appear in the Appendix.]

THE SALVATION ARMY IN CZECHOSLOVAKIA

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a statement by the general of the Salvation Army in Czechoslovakia, which appears in the Appendix.]

THE CASE AGAINST YELLOW OLEOMARGARINE—ADDRESS BY S. J. MAUHS

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a radio address on the subject The Case Against Yellow Oleomargarine, delivered by Assemblyman S. J. Mauhs, of Schoharie County, N. Y., on April 7, 1950, which appears in the Appendix.]

MANPOWER RESOURCES OF RED CHINA—ANALYSIS BY HENRY G. MAZLEN

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an analysis entitled "Manpower Resources of Red China," prepared by Henry G. Mazlen, a demographer at National University, Washington, D. C., which appears in the Appendix.]

SEAWAY'S LAST CHANCE

[Mr. HUMPHREY asked and obtained leave to have printed in the Appendix of the RECORD an article entitled "Seaway's Last Chance," written by Alfred D. Stedman, and published in the St. Paul (Minn.) Pioneer Press of June 18, 1950, which appears in the Appendix.]

HOUSEHOLD HINTS FOR HOARDERS—POEM BY DAVID L. COHN

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD a poem entitled "Household Hints for Hoarders," by David L. Cohn, which appears in the Appendix.]

WE CANNOT SELL OUR IDEALS ABROAD IF THEY DIE AT HOME—EDITORIAL FROM THE SATURDAY EVENING POST

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "We Can't Sell Our Ideals Abroad if They Die at Home," from a recent issue of the Saturday Evening Post, which appears in the Appendix.]

USE OF OUR NATIONAL DEFENSE FUNDS

Mr. HUMPHREY. Mr. President, innumerable questions have been asked concerning the use of our national defense funds. These are legitimate questions from sincere and patriotic citizens. The Washington Evening Star for July 22, 1950, performs a true public service by presenting an editorial analysis of defense expenditures. It dramatizes the tremendous cost of military preparations. I ask unanimous consent to have the editorial printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHERE DID THE MONEY GO?

Letters to the Star are asking what a great many war-worried citizens and taxpayers are asking these days: Where did all the billions appropriated for defense since World War II ($95,600,000,000) go? Why, with such enormous expenditures to make us militarily strong, did the Red attack in Korea find us so tragically weak? Why have we so few modern tanks, so few modern antitank weapons, so few planes, so few ships, so few of everything needed for national safety? Just how were our defense dollars spent?

In an effort to find the answers to these pertinent questions the Star asked Defense officials for a breakdown of military expenditures since VJ-day. The figures supplied reveal how amazingly little of the defense dollar goes for the purchase of actual fighting equipment. Few persons realize that of every dollar they have contributed to the Army, Navy, and Air Force only 18 cents have gone for guns and ammunition and tanks for the ground troops, aircraft for the flyers, ships for the Navy. The biggest slice of the dollar—40 cents—went for pay, food, clothing, and transportation. The tabulation below gives a rough breakdown of the defense dollar, based on expenditures since the close of the late war:

Item	*Cents*
Salaries, food, clothing, transportation	40
Operations and maintenance of equipment	26
Weapons, planes, ships, etc	18
Research and development	5
Administration and secret work	4½
Reserves and National Guard	4
Industrial mobilization	1
Retired pay (nearly)	1
Construction, public works	½
Total	100

Defense expenditures for the 5 years since VJ-day have far exceeded the peak World War II budget of $84,500,000,000 for 1945. The postwar budgets were: 1946, $45,134,000,000; 1947, $14,316,000,000; 1948, $10,961,000,000; 1949, $11,914,000,000; and 1950 (exclusive of Korean supplementary budget), $13,335,000,000. That totals $95,650,000,000. This sum includes stockpiling and certain other costs not regularly encompassed in the military budget. The Defense Department lists the expenses, exclusive of stockpiling and the other extras, at a little less than $91,000,000,000 from July 1945, to June 30 of this year. Nearly $42,000,000,000 of this was spent during the let's-bring-the-boys-home-quick demobilization period, from the latter part of 1945 to June 1946. Vast sums during this period also were paid for material already used in the war, much of which was destroyed or consumed and hence did not add to our postwar strength. Included also were contract settlements. From July 1, 1946, to June 30, 1947, we continued demobilization and spent about $14,000,000,000. Since then we have spent approximately $35,000,000,000 for defense.

Defense officials say the best measure of military spending, as it relates to what we have to show for our money today, is the authorized outlays for the 4-year period from July 1, 1946, to June 30, 1950. During this time Congress authorized $49,300,000,000 for the military, of which $48,400,000,000 has been spent to date and nearly a billion more will have been spent by the end of this fiscal year. Almost $20,000,000,000 went for payrolls, food, clothing, and travel, $13,000,000,000 for operating and maintaining military installations and tactical equipment around the globe and $8,500,000,000 for procurement of planes, tanks, rifles, artillery, ships, and other combat tools.

During this cold-war era, it should be remembered, occurred the costly airlift operations and the support of our occupation troops in Europe and Japan—expenses not ordinarily budgeted in time of so-called peace. In summation, our defense dollar has had a huge chunk eaten out of it by ordinary and extraordinary expenses that produced no tangible equipment for our foot soldiers, fliers, sailors and marines. In fact, 70 cents of the dollar went for housekeeping and operational costs. If there is any possible way to reduce the drain on the defense dollar, the Defense Department has been unable to find it. For our fighting men must not only be supplied with arms but must be paid, fed, clothed, housed, and transported. It is for such essential things that our money—nearly $100,000,000,000 of it—has gone during the past half decade of an uneasy peace.

THE LATE ALBERT B. REPLOGLE

Mr. MURRAY. Mr. President, yesterday afternoon the late Albert B. Replogle, a prominent citizen of my State of Montana, and a distinguished hero of World War I, was buried with full military honors in Arlington National Cemetery.

Few men have served their country in the armed services with greater distinction than Bert Replogle. He joined the Army on September 7, 1917, and served with the Ninety-first Division of the Three Hundred and Sixty-second Infantry. In the bloody battle of Argonne he led his group in a frontal attack on entrenched enemy positions and was severely wounded in that engagement. Subsequently, Mr. Replogle was awarded the Distinguished Service Medal and the Purple Heart.

Because of his outstanding service to the United States during World War I, Mr. Replogle was nominated by Gov. Joseph Dixon, of Montana, in 1921, as our State's most distinguished soldier. Upon invitation by the late President Harding, he was a delegate to the ceremonies committing the body and dedicating the Tomb of the Unknown Soldier of World War I.

Mr. Replogle lived in Lewistown, Mont., for most of his adult life, and had been engaged in the practice of law there for over 20 years. During those years he devoted his unremitting efforts to the interests of veterans—not only of World War I, but of World War II, as well. He was past State commander of the Disabled American Veterans, and a member of the Veterans of Foreign Wars and the American Legion.

I think it fitting to make these few remarks on the floor of the Senate in honor of Bert Replogle, whose valor, patriotism, and heroism in war, as well as his loyal service in the cause of the veterans of the State and Nation in peacetime, have earned him an enduring place in the memories of all those who have served the United States on the field of battle.

PRODUCTION OF ABACÁ BY THE UNITED STATES

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3520) to strengthen the common defense by providing for continuation and expansion of Western Hemisphere production of abacá by the United States, which was, on page 7, line 10, after "the" insert "Congress or the."

Mr. HUNT. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

EXPORT OF STRATEGIC MATERIALS FROM ECA COUNTRIES TO RUSSIA AND SATELLITE NATIONS

Mr. WHERRY. Mr. President, yesterday, in support of an amendment which I offered to the ECA portion of the appropriations bill, my amendment prohibiting the shipment of strategic materials by ECA countries to satellite countries or directly to Russia, I made a statement relative to the amount of exports which had been delivered by ECA countries to Russia or her satellites, totaling approximately $1,000,000,000, and so far this year amounting to approximately $200,000,000. The Senior Senator from Arizona [Mr. HAYDEN] asked me whether I could furnish a breakdown to show whether the $200,000,000 included strategic materials. At this point in the RECORD I ask unanimous consent—because of the limited time available for insertions in the RECORD—to have printed the amendment I offered yesterday to the committee amendment and a statement which I have prepared, which gives the Senator from Arizona the information he requested in his query of yesterday.

There being no objection, the amendment and statement were ordered to be printed in the RECORD, as follows:

Amendment proposed by Mr. WHERRY to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, viz: On page 448, line 24, strike out the period and insert a colon and the following: *"Provided further,* That, during any period during which the Armed Forces of the United States are actively engaged in hostilities while carrying out any decision of the Security Council of the United Nations, no part of the funds appropriated in this paragraph shall be used to provide assistance to any participating country which exports or permits the exportation, to the Union of Soviet Socialist Republics or any of its satellite counties (including China and Northern Korea), of any article or commodity usable by, or which may be used in the manufacture of any article or commodity which may be useful to, the armed forces of the Union of Soviet Socialist Republics or such satellite countries."

STATEMENT BY SENATOR WHERRY

Mr. President, to complete remarks which I made yesterday regarding the export of strategic materials from participating ECA countries to Russia and her satellite nations in eastern Europe, I ask unanimous consent to include in the RECORD today, a tabulation obtained by me from the Fiscal and Trade Policy Division of the Economic Cooperation Administration.

The points that I made in my statement yesterday regarding the lack of administration of section 117 (d) of the Foreign Assistance Act of 1948, are amply demonstrated by this information, which was secured only after days of effort by my staff, and which at best is incomplete and long overdue.

I submit it to show that information is not available as to the movement of exports from the ECA countries from the ECA Administration—either in accurate or timely form. It shows that $186,347,000 in trade was conducted by western European countries to eastern Europe, in the first quarter of 1950, although information is not available for three countries; particularly the bizone of Germany shipments of strategic materials into Russia, according to intelligence reports.

My friend, the senior Senator from Arizona, asked me yesterday if the $200,000,000 of materials claimed to be shipped from Germany to Russia, in a newspaper article, which I quoted in the RECORD yesterday, were strategic materials. I said I did not know what percentage were.

However, this breakdown of export shipments furnished by the ECA, which gives commodities shipped for the fourth quarter of 1949 (although it lacks them for first quarter 1950), shows conclusively that the predominance of shipments were in crude and semifinished steel, hot finished steel and end products—and in electrical machinery, industrial equipment and transportation equipment.

I believe that answers, as far as information is available to us through ECA Administration—that exports from ECA participating countries do include war potential materials and manufactures—it is further evidenced that the ECA Administration has not secured the cooperation of ECA countries to curtail such export traffic, at the expense of our national security—as is required by the Foreign Assistance Act of 1948.

Exports of ECA participating countries to eastern Europe, fourth quarter 1949 and first quarter 1950

[Thousands of dollars]

Commodity	Austria		Belgium/Luxemburg		Denmark		France		Greece		Germany		Iceland		Ireland	
	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter
Bread grains						18	0						0	0		
Oils and fats		(1)	259	687	(1)	2,620	7	(1)	3	6	253	(1)	0	0		(1)
Sugar				13			0						0	0		
Meat			48	2		284	5				2		0	0		
Milk products				5		233	0						0	0		
Tobacco						2	0		742	668			0	0		
Fish—fresh, frozen, or smoked, dried, canned						670							1,842	1,173		
Eggs						1	0						0	0		
Coarse grains						1,835	0						0	0		
Oilcakes, meal, other feeding stuffs						2	95						0	0		
Fertilizers	1,504		111	1,216			197				11		0	0		
Dyestuffs	2		198	388		55	0				889		0	0		
Raw materials for plastics	4		629	2		33	0				231		0	0		
Refined liquid fuels and products	0		11	22		12	88						0	0		
Raw materials for steel and iron products (pig iron and ferro-alloys)	661					5	2				1,858		0	0		
Crude and semifinished steel and hot finished steel and end products	6,979		2,549	791		53	3,099				3,825		0	0		

Exports of ECA participating countries to eastern Europe, fourth quarter 1949 and first quarter 1950—Continued

[Thousands of dollars]

Commodity	Austria		Belgium/Luxemburg		Denmark		France		Greece		Germany		Iceland		Ireland	
	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter
Raw wool			1,181	2,254		5	599				39		2	0		
Natural fibers (except cotton, wool)			1,149	1,779		48	29						0	0		
Artificial fibers, continuous filaments	167		1,305	1,184			358				24		0	0		
Softwood: Sawn timber except sleepers	514			1			0						0	0		
Pitprops	223						0						0	0		
Pulpwood							0						0	0		
Newsprint	347						0						0	0		
Other paper, board and wallboard			13	4		21	20				65		0	0		
Leather	568		29	66		1	149						0	0	1	
Generators, motors, electrical machinery	1,024		1,392	1,406		243	813				1,204		0	0		
Nonelectrical machinery	1,154		2,474	2,276		1,690	3,069				6,465		0	0		
Transportation equipment	865		976	192		83	2,863				2,255		0	0		
Manufactured leather (except fur.)	1		13	14		4	3				13		0	0		
Zinc ore							0						0	0		
Anthracite and hard coal			101	154			0						0	0		
Coke (except petroleum coke)			581	108			0				1,770		0	0		
Brown coal briquettes							0						0	0		
Aluminum primary metal	134						0				16		0	0		
Copper metal, unwrought			502	920			0						0	0		
Lead primary metal			313	162			0				33		0	0		
Zinc primary metal			615	210			0				4		0	0		
Cotton fabrics							196						0	0		
Raw hides and skins (except 7140)							1						0	0		
Sulfur							0						0	0		
Tracklaying and wheel tractors							132						0	0		
Rubber manufactures							522						0	0		
Pulp	220												0	0		
All other commodities	9,426		5,627	5,746		4,400	9,484		803	557	7,879		122	316	46	
Grand total	23,793		20,077	19,603		12,318	21,731	18,694	1,548	1,231	26,836		1,966	1,489	47	

Commodity	Italy		Netherlands		Norway		Portugal		Sweden		Switzerland		Turkey		United Kingdom	
	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter	1949, fourth quarter	1950, first quarter
Bread grains									0	129					0	
Oils and fats	15	13	1,001	631	(1)	(1)			1,527	778	(1)	(1)	(1)	(1)	120	(1)
Sugar			862	72					0						0	
Meat		1							14	44					3	
Milk products		5	5	113					207	46					0	
Tobacco	1,245	962		1											8	
Fish—fresh, frozen, or smoked, dried, canned			453	568					998	382					862	
Eggs			7	11					39	128					0	
Coarse grains	7														0	
Oilcakes, meal, other feeding stuffs	104		7	78						0					0	
Fertilizers															34	
Dyestuffs	66	261							1	1					316	
Raw materials for plastics	17	30	168	126					34	58					283	
Refined liquid fuels and products	572	233	289	368					174	79					154	
Raw materials for steel and iron products (pig iron and ferro-alloys)	25	27	211	63					3,199	1,458					53	
Crude and semifinished steel and hot finished steel and end products	1,210	2,491	705	263					2,638	1,343					3,046	
Raw wool			0					56							386	
Natural fibers (except cotton, wool)	2,126	682	518	393					50	3					3	
Artificial fibers, continuous filaments	1,906	1,189							23	66					11	
Softwood: Sawn timber except sleepers																
Newsprint		36								1						
Other paper, board and wallboard	82	50	13	1					388	491					20	
Leather			8	28											56	
Generators, motors, electrical machinery	2,117	3,979	752	1,007					3,144	2,525					4,749	
Nonelectrical machinery	7,213	6,741	290	592					7,962	8,690					8,980	
Transportation equipment	1,577	1,161	2,016	343					208	483					2,316	
Manufactured leather (except fur)		2	89	23					4	0					16	
Zinc ore	625	544							67	0					0	
Anthracite and hard coal															1,358	
Coke (except petroleum coke)			456	43											493	
Brown coal briquettes															0	
Aluminum primary metal															0	
Copper metal, unwrought															0	
Lead primary metal															0	
Zinc primary metal															0	
Cotton fabrics	283	387													680	
Raw hides and skins (except 7140)							2								0	
Sulfur	256	288													3	
Tracklaying and wheel tractors	125	635							56	39					717	
Rubber manufactures															809	
Pulp									421	733					0	
All other commodities	6,675	7,209	10,287	11,023			499	317	3,897	4,063					14,023	
Grand total	26,246	26,897	18,137	15,747	11,615	8,255	501	373	25,050	21,541	21,135	14,016	12,057	3,651	39,497	42,532

[1] Not available.

Source: Fiscal and Trade Policy Division.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The VICE PRESIDENT. The hour of 12:30 having arrived, for 1 hour and one-half hence the time is divided equally between the Senator from Nevada [Mr. McCARRAN] and the Senator from Tennessee.

Mr. McCARRAN. Mr. President, I ask that my amendment be read.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 448, line 7, after the word "specified", it is proposed to insert the following: "*Provided further*, That of this appropriation $100,000,000 shall be used only for assistance to Spain, to be extended upon credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended."

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Nevada a question. I think I understood the reading of the amendment, but I believe the intent of the proposal should be made indelibly clear. If I correctly understand the Senator's amendment, the $100,000,000 referred to in it is to be spent out of the proceeds of this appropriation, and is not an amount in addition to the appropriation. Is that correct?

Mr. McCARRAN. That is correct.

Mr. HAYDEN. Mr. President, that is a question I was going to ask. I object to that procedure. I would not object to an appropriation of $100,000,000 for aid to Spain under the present circumstances, but I do not believe it is wise to rob Peter to pay Paul.

Mr. WHERRY. That is exactly the reason why I am going to support the amendment, because I think the funds for ECA are ample. So it is perfectly agreeable to me to take $100,000,000 out of this appropriation and give it to Spain.

Mr. McCARRAN. Mr. President, let me say in response that the watchdog committee has reported to the Appropriations Committee and to the Senate that the appropriation contained in the bill is in the neighborhood of $240,000,000 more than is needed by ECA. That is set forth in the report referred to in no mean manner. The fact remains that last year we analyzed the requirements of ECA, and our prediction, if we may call it such, was almost correct.

Again this year we analyzed the requirements to the Appropriations Committee, and we suggested that there be an appropriation of $2,200,000,000 plus the carry-over. Now the appropriation is much more than that.

In my judgment, today the ECA fund is $300,000,000 larger than will be needed at all by the ECA, following out the principles and the program and arrangement adopted by ECA.

So the Senator from Arizona need have no fear that we are borrowing from Peter to pay Paul, as he has seen fit to state. The fact is that Peter has too much money now, much more than he will need; and he could just as well let Paul have a little of it, because Peter is going to need Paul's help before very long.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. HAYDEN. The situation, as I understand it, last year was that we were very fortunate in being able to acquire commodities in the United States at quite reasonable prices. In my judgment, the savings are due to the fact that we did not have to pay as much for the commodities supplied to Europe as it was anticipated we would have to pay. So that is where the saving was made.

However, this year that situation is exactly reversed. It is clearly evident that in order to buy the commodities required for ECA in Europe, the cost, by reason of advancing prices in the United States, will be from $200,000,000 to $300,000,000 more than it would have cost last year. Everyone knows that the prices of commodities have risen.

So I merely point out that the Appropriations Committee considered this matter very carefully, and we arrived at a conclusion; and I do not like to depart from that conclusion by so much as $100,000,000.

Mr. McCARRAN. Mr. President, at the outset let me say that it is time for the United States of America, confronted, as it is, by a threatening enemy of no mean magnitude, to remember that it needs friends and allies now and will continue to need them in the future.

If there is one nation of the world which has consistently through all the ages and through all the years fought, opposed, and indeed defeated communism, it is Spain. Today communism is not known in Spain. It does not dare raise its head in Spain. But the United States of America, although confronted with communistic enemies all over the world, seems for some reason or other to desire to isolate and to lend neither succor, support, nor encouragement to the one nation in the world which has positively defeated communism and refused to yield to it. Only yesterday, the leading citizen of Spain, in the course of a dedicatory address, drew to the attention of his people the fact that it was better to die physically than to die spiritually, that any country which yielded to the onslaught of communism would die spiritually, and that Spain was not going to yield to that, either now nor at any other time.

So, Mr. President, all that Spain is asking, all that she will accept, is not a gift but a loan—a credit, if you please—whereby she may be enabled to buy our commodities and may, after buying our commodities here or wherever else she can get them, strengthen her own internal economy, to prepare for the emergency of war; to prepare her organized army, now in existence and only recently alerted to the conditions prevailing in Korea, because of which Spain might become involved at any moment. Spain only recently alerted her young soldiers to respond immediately to the centers where they are under the law required to respond, because the leadership of Spain sees the imminence of war and, seeing the imminence of war, is ready to join us and to stand at our side and, at the side of all the democracies of the world, so that freedom may prevail in the world.

Mr. President, it is time that we lay aside the little things that have entered into this question for so long and so lastingly. It is time that the little things which have from time to time swayed or colored our judgment be laid aside. Our boys today are dying in Korea. It is not a question of whether they may die: they are dying. We know they are dying, and we know why. We may be called upon for additional sacrifices. Today, all over America we are being alerted to the imminence of war. It is not a war against Korea. If it were, it would be a small thing and easily handled. It is a war against a greater enemy and a more deadly foe than could possibly be found in Korea.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from New Mexico?

Mr. McCARRAN. I yield to the Senator for a question.

Mr. CHAVEZ. Is it not a fact, as the Senator has already stated, that this war is not necessarily against Korea, but is essentially against communism? Am I correct?

Mr. McCARRAN. Undoubtedly, that is the question.

Mr. CHAVEZ. That being the case, how can we moralize to the world, if we deny the kind of help that will stop communism to the only country in Europe that has fought communism?

Mr. McCARRAN. Mr. President, the Senator raises a question that can only be answered by the categorical statement, that we should stand at the side of Spain. Spain is ready to stand at our side, and all she now asks is an opportunity to buy—what? Let me recite what she wants for her own internal improvement. This has been laid before the Export-Import Bank as a statement of Spain's necessities, for which she wants, not a gift but a loan, financed under the rules and regulations of the Export-Import Bank. The statement of her necessities is as follows:

Distribution and application of a credit in United States dollars to meet most urgent and important activities of Spanish reconstruction

For the production of nitrogenous fertilizers	$13,000,000
Machinery and equipment for coal production in mines working at present	3,000,000
Machinery and equipment to promote mineral production	6,000,000
Commercial planes for international lines and ground installations for airports and air traffic	6,000,000
Equipment for electric-power plants	5,000,000
Railroads and equipment	15,000,000
Tractors and fertilizers	20,000,000
Construction of airports and improvement of runways	12,000,000
Cotton	20,000,000
	100,000,000

Those are all items looking to the stabilization of the economy of a country which is ready to die at the side of the democracies of the world.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield further to the Senator from New Mexico?

Mr. McCARRAN. I yield for a question.

Mr. CHAVEZ. Does not the Senator agree with me that if the philosophy of ECA is correct—and I personally believe it is—and if the idea of ECA is to place the democracies of the world on an economic basis so that they can exist, the geography of Spain lends itself to the very idea of stabilizing the economy of western Europe?

Mr. McCARRAN. Mr. President, my answer to that is in the affirmative: Certainly it is.

Mr. CHAVEZ. How can we have economic stability in what we call the anti-communistic area of Europe, which is western Europe, without taking into consideration Spain and Germany?

Mr. McCARRAN. Mr. President, let me say that Spain, occupying the Iberian Peninsula, occupies the most strategic place in all the world. The country that would control Gibraltar would control the Mediterranean, and the country or agency that would control the Mediterranean would control northern Africa and southern Europe; and there, right in the midst of it, projecting out into the Mediterranean, is one of the signatories to the North Atlantic Pact—Italy.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield further to the Senator from New Mexico?

Mr. McCARRAN. I yield.

Mr. CHAVEZ. Is it not true that in discussing this particular item of the appropriation bill, pertaining to ECA, we must consider two different bases upon which to justify our votes; one of which is whether what we are doing now with the American taxpayers' money is going to stabilize the economy of western Europe; the other, whether by carrying out that program we are going to do something against communism? I ask the Senator whether, in trying to stabilize the economy of western Europe—which is the only legal justification we have for this appropriation—and in fighting communism, Spain is not as much a part of the scheme of things as any other country of western Europe?

Mr. McCARRAN. I would say more so, because Spain has consistently at all times lent her aid and her arms to the defeat of communism.

Mr. President, I now yield 10 minutes to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I shall support the amendment offered by the Senator from Nevada, because I think that we are at a point in world affairs where we have to be very realistic, where we have to be very wise, and where we have to be reasonably imaginative in order to comprehend the dangers which beset democracy, meaning our own country and those associated with us, at this critical hour. It is important that we keep the Marshall plan in full force, because, as we know in our own country that no nation, militarily, is any stronger than the economic machine behind it which supports it. Military machines must have food, weapons, clothing, transportation, and all the other things which are necessary to succeed. They cannot have these things unless there is an economy sufficiently strong to produce the taxes to support a military organization. That is true in the United States, and it is true in the nations of western Europe which are associated together primarily in what we call the North Atlantic Security Alliance. If those countries are weak economically, they will be correspondingly weak militarily. If they are strong economically, they will be stronger militarily.

Mr. President, I supported the amendment offered by the Senator from Nevada when it was last offered, and I shall again support it, because I believe that Spain is a very integral part of the defenses against communism in this country and in the world. Militarily, Europe is weak. Only 5 years ago most of the nations in the North Atlantic Security Alliance were occupied by an enemy for a period of four and a half years, during which time their governments were secondary to that of the invader's. Their revenues were practically nil. Their factories were destroyed. Their harbors were full of sunken ships. Their railroad bridges had been torn down. Eighty percent of the machinery in most of the democratic countries had been removed and used for war purposes by the Axis power, so that when the day of deliverance came those countries were very weak economically and, of course, were tremendously weak militarily, because most of them had no armies during the four and a half years of enemy occupation. In fact, the only remnants of the armed might that remained were those forces which had escaped and had gone to Africa or to Britain, and they were but a small part of the armed might with which those nations were equipped when they were invaded by Hitler.

Mr. President, we may as well be frank about it. It is idle to claim that we in the United States must be strong economically if we are to be strong militarily, and say that the nations of western Europe need not be strong economically if they are to be strong militarily. We must take one or the other; we cannot blow hot and cold. Just as it is necessary for us to be strong economically so that we can be strong militarily, so it is necessary for the nations of western Europe to be strong economically in order to be strong militarily.

I dislike to make the remark which I am about to utter, but it ought to be made, in truth. The nations of western Europe are not as strong militarily as they should be to confront the peril which everywhere looms over them. The countries of western Europe are not as strong economically as they should be in order to produce the sinews without which they cannot be strong militarily.

Approximately 2 months ago, on this floor, I made the statement in an address that the worst thing this country and the other democracies of the world could do would be to underestimate the military and economic power of Soviet Russia. I pointed out that Russia had the greatest artillery pool in the world—more artillery weapons than had any other nation on the face of the earth—that Russia had the greatest tank pool in the world—more tanks than had any other nation on earth—and I pointed out that a great many of those tanks were the equal of, if not superior to, any tanks in the world. I believe there are tanks now being produced in this country which are superior to the Russian tanks, but they are not in great numbers as yet, because it has been difficult to construct them in the period since World War II when we already had so many other tanks on hand.

We have been trying to build up the nations of western Europe under the Marshall plan, not primarily because of any detached altruism, not because of any generosity, although that was a part of our undertaking, but because it was essentially in our own national welfare that Norway, Denmark, Holland, Belgium, Luxembourg, and France recover from the condition of the weakness into which they had fallen because of the impact of war, so that they could gain an economic momentum and secure sufficient taxes to produce the revenue which would enable them to supply the military necessities for their own defense. I have spoken several times with reference to it. I think that every dollar we spend under such conceptions as the Marshall plan is a dollar for national defense. The more we weaken the nations of western Europe militarily, the more we weaken the United States militarily, because we must rely upon these nations for a large measure of the military effort which must be made if war shall come to western Europe. In my humble judgment, at the pace at which we are proceeding, I do not believe western Europe can be made sufficiently strong militarily in less than 5 or 10 years to meet the threats which exist. We have got to make up our minds that $1 spent now is worth $50 spent after war breaks out. Now is the time to make the fortress of western Europe so strong that any aggressor will hesitate to attack it, for fear of ultimate defeat.

The $4,000,000,000 which I understand will be asked for in order to furnish aid primarily to western Europe as well as to other nations associated in this democratic effort is a great start in that direction, but I should like to see the sum increased. At the same time, I should like to see pressure put upon the nations of western Europe to take the Marshall plan money, which is primarily appropriated to build them up and make them strong economically, and do all they can possibly do in connection with what we are doing to make the sum total of the two efforts sufficient to amass military

strength that would assure us of victory in Europe and the United States if a world war should come. I should like to see the $4,000,000,000 for arms aid increased, in the firm conviction that every dollar which is wisely spent to build up the democracies of western Europe militarily is equivalent to $10 we will spend ultimately if they are weak and we have to carry the full load in meeting the onslaught of Russia in the event of war.

The VICE PRESIDENT. The time of the Senator from Maryland has expired.

Mr. McCARRAN. Mr. President, I yield five additional minutes to the Senator from Maryland.

The VICE PRESIDENT. The Senator from Maryland is recognized for 5 minutes.

Mr. TYDINGS. Mr. President, it would be idle to conceive of a strong western Europe without some stress upon Spain. Spain occupies a strategic position. It is a great peninsula, to start with, and its northern boundary is one of the most natural defenses in all the terrain of all countries of the world. The Pyrenees Mountains were designed by the Almighty as if to form a barricade against any advance from the north into the peninsula of Spain which runs along the Mediterranean and finally comes to its termination at Gibraltar.

There is no question in the world that the Spaniards are strongly anti-Communist. They have the will to fight. They are strongly opposed to any totalitarian doctrine of the kind which Russia has embraced, with its attack on religion, with its attack on human rights, with its attack on democracy. In cooperating with other western European countries in building up a strong wall of defense against communism, I believe it would be short-sighted if we did not strengthen Spain at the same time.

I wish to repeat once more that in my humble judgment, at the rate we are going, it will take probably from 5 to 10 years to make western Europe sufficiently strong militarily to perform the role it must perform for quick victory and ultimate success. It is my firm conviction that if we increase the $4,000,000,000, which is the amount which will be asked for, and provide more and more armament for western Europe, while at the same time putting all reasonable pressure on western European countries to do their utmost to supply themselves, it will be the cheapest money we have ever appropriated. To go through with this plan without putting Spain in the picture, with her great national army, with her great geographic advantages, and with her great antipathy to communism, is to lose one of the great assets of national defense without which the picture is not complete.

I hope the amendment offered by the Senator from Nevada will prevail. It is a step in the right direction. It is necessary to the people of the United States. It is necessary to build an additional bulwark against Russian communistic imperialism and expansion.

Of course we could try to equip the remaining countries of Europe bordering on the Atlantic and leave Spain out of the picture. However, in sheer realism and in sheer self-defense we should bring Spain within the orbit of the western European countries associated with us in opposition to Russian communistic imperialism.

I wish to commend the Senator from Nevada for his persistent fight to bring this condition to pass. I supported him when he offered the proposition the last time, and I offer him my support in behalf of his amendment now.

Mr. THYE. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Minnesota.

Mr. THYE. I have listened with very keen interest to what the very able Senator from Maryland has said about national defense and the fact that Spain should be brought in as a security measure for ourselves. I have long had the same conviction. With some of my colleagues I flew across Spain and landed at the airport which was being developed at Madrid. I would say that having Spain allied with us probably would give us greater strength in western Europe if we had to meet Russia on the western European continent.

Mr. TYDINGS. I think the Senator and I agree thoroughly. I should like to make a concluding observation. Even a man who has but a rudimentary knowledge of geography and location can look at the map of Europe and see that, should war come to western Europe, there is in all that area no bastion which would be of more importance in bringing about ultimate defeat of an aggressor than Spain. She is put there as if by the Almighty. With her geography, her mountains, and bordering on the Atlantic Ocean and the Mediterranean, indeed at the very entrance to the Mediterranean, she occupies a position of strategy second to no other country in Europe. If we were to build up European countries economically and militarily and leave such a gem outside the fortress, we would only be deluding ourselves. Mr. President, the truth of the matter is we need Spain and we should incorporate her into this chain of support to hold Russian communistic imperialism in check.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). The Senator's time has expired.

Mr. McCARRAN. I wish to express my gratitude to the very able Senator from Maryland for his kind expressions and for his able utterances on a just and outstanding cause. As usual, when the Senator is really interested in something, I find him to be vehement, able, and efficient.

Mr. President, I desire at this time to read to the Senate an expression that comes to us directly from the Spanish representative in Washington:

Questioned by correspondents on Spain's attitude toward the Korean conflict, a spokesman of the Spanish Embassy stated:

"Spain has never had any doubt about the danger of communism, the warlike intentions of Communist countries. It knows likewise that the only remedy to this menace is the moral and material preparation of peace-loving nations and their armed resistance to aggression, as the United States is now doing."

Continuing, he said:

"Spain's present and future stand is governed by this conviction. And side by side with those nations opposed to violence, Spain was always willing to make sacrifices comparable to theirs.

"Spain reserves her free action. However, she is always ready to reach agreements with other peace-loving countries. Like them she respects present laws of international relations, and it is within the framework of these that Spain's action would take shape."

Mr. President, I have utilized practically one-half of the time. As I recall, the agreement was that between 12:30 and 2 o'clock the time would be divided between the Senator from Tennessee and myself. It was understood that the Prime Minister of Australia would be received, and following his reception we would proceed for an additional hour and a half, the time also to be divided between the Senator from Tennessee and myself.

I have practically used all the time that I wish to use, unless some other Senator wishes to speak on my side for 5 or 6 minutes.

If the Senator from Tennessee wishes to take his time, I shall of course yield.

Mr. McKELLAR. Mr. President, I ask if there is any Senator who desires to speak against the amendment. If so I am perfectly willing to yield time to him. I am in this position simply because I am the chairman of the committee. I have voted for the Spanish amendment every time it has come before the committee, or whenever it has come before the Senate. I am not on the opposing side. I am on the side of the Senator from Nevada. I think Spain ought to be treated like other western European nations, and I think it is very important that that be done. However, as chairman of the committee I would be perfectly willing to yield time to anyone who would like to speak on the opposite view. I am merely dividing the time; that is all.

Mr. McCARRAN. Would the Senator be willing to divide the time between us for a quorum call?

Mr. McKELLAR. Indeed I would.

Mr. McCARRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

During the call of the roll the following occurred:

Mr. McKELLAR. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McKELLAR. Is there any reason why, during a roll call, I cannot ask if there is any Senator opposed to the amendment, and if so, whether he will take some time in debating it?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian

that the Senator may make that request by unanimous consent, since the absence of a quorum has not yet been announced.

Mr. McKELLAR. Very well. I have already indicated what I desired to find out, and I am satisfied. I thank the Chair.

The PRESIDING OFFICER. The clerk will proceed with the call of the roll.

The legislative clerk resumed the calling of the roll.

Mr. McKELLAR. Mr. President, a member of the committee has asked me for time to make some remarks. I withdraw my point of the absence of a quorum, and yield to the Senator from New Mexico [Mr. CHAVEZ].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. CHAVEZ. Mr. President, I would prefer, if it is all right with the Senator, to have the roll call continued, because I do not desire to take the floor at this moment.

The PRESIDING OFFICER. Does the Senator from Tennessee withdraw his request?

Mr. McKELLAR. I withdraw the request.

The legislative clerk resumed and concluded the calling of the roll, and the following Senators answered to their names:

Brewster	Hendrickson	Malone
Bricker	Hill	Martin
Butler	Holland	Morse
Capehart	Hunt	Myers
Chapman	Kem	O'Conor
Chavez	Kerr	Sparkman
Cordon	McCarran	Stennis
Ellender	McClellan	Taft
Ferguson	McKellar	Thye
Flanders	Magnuson	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk proceeded to call the names of the absent Senators, and

During the call of the names of the absent Senators, the following occurred:

Mr. McKELLAR. Mr. President, I have made diligent search and inquiry for any Senator who is opposed to this amendment. I find none at all. Therefore, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER. The Chair is advised that the Senator from Tennessee cannot at this time obtain unanimous consent, since the absence of a quorum has already been announced.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Senate may stand in recess, subject to the call of the Chair.

The PRESIDING OFFICER. The Chair is advised that, in the absence of a quorum, it is not in order to ask unanimous consent.

Mr. McKELLAR. It seems that the Senator from Nevada [Mr. McCARRAN] has offered an amendment which is very popular. I can find no Senator who wants to speak against it; indeed, I have not found any Senator who opposes it and who wants to vote against it. So I am in a quandary. I suppose it will be necessary to continue calling the names of the absent Senators.

The PRESIDING OFFICER. The call is not complete.

The legislative clerk resumed and concluded calling the names of the absent Senators; and Mr. AIKEN, Mr. ANDERSON, Mr. BENTON, Mr. BRIDGES, Mr. BYRD, Mr. CONNALLY, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. ECTON, Mr. FREAR, Mr. FULBRIGHT, Mr. GEORGE, Mr. GILLETTE, Mr. GRAHAM, Mr. GREEN, Mr. GURNEY, Mr. HAYDEN, Mr. HICKENLOOPER, Mr. HOEY, Mr. HUMPHREY, Mr. IVES, Mr. JOHNSON of Colorado, Mr. JOHNSON of Texas, Mr. KEFAUVER, Mr. KNOWLAND, Mr. LANGER, Mr. LEAHY, Mr. LEHMAN, Mr. LODGE, Mr. LUCAS, Mr. MAYBANK, Mr. McCARTHY, Mr. McFARLAND, Mr. McMAHON, Mr. MILLIKIN, Mr. MUNDT, Mr. MURRAY, Mr. O'MAHONEY, Mr. PEPPER, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. THOMAS of Utah, Mr. TYDINGS, Mr. WATKINS, Mr. WHERRY, Mr. WILEY, Mr. WILLIAMS, and Mr. YOUNG answered to their names when called.

The PRESIDING OFFICER. A quorum is present.

RECESS

Mr. McCARRAN. Mr. President, I ask unanimous consent that the Senate now stand in recess, subject to the call of the Chair.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate (at 1 o'clock and 46 minutes p. m.) took a recess, subject to the call of the Chair.

At 2 o'clock and 42 minutes p. m., the Senate reassembled, when called to order by the Vice President.

CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Malone
Anderson	Hendrickson	Martin
Benton	Hickenlooper	Maybank
Brewster	Hill	Millikin
Bricker	Hoey	Morse
Bridges	Holland	Mundt
Butler	Humphrey	Murray
Byrd	Hunt	Myers
Capehart	Ives	O'Conor
Chapman	Johnson, Colo.	O'Mahoney
Chavez	Johnson, Tex.	Pepper
Connally	Kefauver	Robertson
Cordon	Kem	Russell
Douglas	Kerr	Saltonstall
Dworshak	Knowland	Smith, Maine
Eastland	Langer	Smith, N. J.
Ecton	Leahy	Sparkman
Ellender	Lehman	Stennis
Ferguson	Lodge	Taft
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tydings
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McKellar	Wiley
Green	McMahon	Williams
Gurney	Magnuson	Young

VISIT TO THE SENATE OF THE HONORABLE ROBERT GORDON MENZIES, PRIME MINISTER OF AUSTRALIA

The VICE PRESIDENT. A quorum is present. As has been previously announced the honorable Robert Gordon Menzies, Prime Minister of Australia, is to be the guest of the Senate immediately. He is now waiting for the committee to escort him into the Chamber. The Chair appoints the Senator from Illinois [Mr. LUCAS], the Senator from Nebraska [Mr. WHERRY], the Senator from Texas [Mr. CONNALLY], and the Senator from Wisconsin [Mr. WILEY] as the committee to escort the Prime Minister into the Senate Chamber.

At 2 o'clock and 50 minutes p. m. the Prime Minister of Australia, escorted by the committee appointed by the Vice President, entered the Chamber, and was greeted with prolonged applause, Senators rising.

The members of the party accompanying the Prime Minister of Australia on his visit to the Senate were:

The Ambassador of Australia, Hon. Norman V. O. Makin.

Mr. Allen S. Brown, Secretary, Prime Minister's Department.

Mr. Fred K. H. Wheeler, First Secretary, Treasury.

Mr. Francis Anthony Meere, Assistant Comptroller General, Department Trade and Customs.

Mr. Trevor W. Swan, Prime Minister's Department.

Mr. J. R. Willoughby, personal assistant to the Prime Minister.

Mr. Henry G. Rourke, Australian Military Forces.

The Viscount Bruce of Melbourne, Director of Council of FAO.

Hon. Jack K. McFall, Assistant Secretary of State, also accompanied the Prime Minister.

The VICE PRESIDENT. Members of the Senate, we have with us today a very distinguished statesman from almost the other side of the world. He has been honored by the people of his country in a signal way, but in a way no more signal than his ability and his character merit. He was for 5 years Prime Minister of the Province of Victoria. He has been for 16 years a member of the Australian Parliament. He has been Prime Minister of his country, and is now again serving as Prime Minister. He was also the Attorney General of Australia. Not only on that account, but on account of his ability and his brilliance as a lawyer, he ranked as one of the heads of the Australian bar. Not only because of his political achievements and the honors which he has borne so gracefully, but because of his high moral character, his intellectual integrity, and his sympathetic attitude toward the problems which face us all, it is a great privilege for me to present to the Senate the Honorable Robert Gordon Menzies, Prime Minister of the Commonwealth of Australia. [Applause, Senators rising.]

The PRIME MINISTER of Australia. Mr. Vice President, for all I know, you

may have a rule in this Congress similar to the one which exists in my own Parliament, namely, that one must never refer in one House to a debate in the other House. If you have such a rule, I shall now proceed to break it by telling you that this morning it was my privilege to address the House of Representatives. There, of course, I was rather on my home ground, because I am a House of Representatives man. Indeed, you will understand my feelings in addressing the Senate when I tell you that at this very moment in my own country I am conducting an internecine war with the Senate, which has the bad taste to disagree with me. I hope I shall secure some unanimity here, even though I cannot at the moment secure it in my own country.

Sir, I want to talk for a very few minutes today about my own country and about its relation to some of the acute problems of the world, but before I do I should like to remind you of something in your own history. A little more than 80 years ago the United States of America had survived the immense crisis of internal war, with all its profound disturbances which might have wrecked the future of a nation less endowed with tenacity, vision, and a sense of destiny. You, sir, in this country set about the task of rebuilding and of expansion. In the next 40 years you brought from the Old World no less than 15,000,000 migrants. You pushed out the frontiers of settlement. You began a new and epic period of pioneering. You laid the foundations of a remarkable and unparalleled industrial power. To adapt the famous phrase of George Canning, "A new world was created to redress the balance of the old."

In the last generation you have assumed and mightily discharged your responsibilities on the world scale.

But, Mr. Vice President, I venture to think that you have not forgotten your own past. It is for that reason that I am confident that we in Australia, beginning as we have since the war what I hope and believe will be a great immigration movement and a great and corresponding period of expansion of our own, will have your friendship and your encouragement—above all, your understanding.

We have, sir, I believe—and I am sure that many, many thousands of your magnificent soldiers will testify to it—done what we could to be your friends. That friendship we are determined to nourish and to promote. [Applause.]

Sir, I venture to say that the world needs friendship. Most of its troubles arise from a decay of the basic human faith that hatred is a killer; that it is friendship alone that gives life; that freedom matters; that governments exist for the people; that our duty and privilege are to encourage the power, the significance, and the responsibility of the individual and immortal human spirit.

Sir, it is in that mental atmosphere that I accept this remarkable honor of being, as I believe, the first representative of Australia ever to address the Senate of the United States of America.

I have spoken in another place, and I do not need to repeat it, of our cooperation in the great war, our present and growing cooperation in Korea. All I want to say about it is that so far as Australia is concerned, we have given and are continuing to give everything we can to the Korean campaign alongside your own people. [Applause.]

Sir, if I may intrude an observation of my own, I believe we must not allow our minds to become concentrated on one incident, however grave and important it may be, to the exclusion of having a clear conception of the world problem as a whole. Korea is symptomatic. It is not in itself definitive. It indicates and proves to us, if we needed to have proof, that there are problems in this world which can be solved only by high intelligence, great imagination, and continuing preparation and courage.

Let me look at it from the point of view of an Australian. Surely we must be charged with the duty of resisting Communist military aggression. Communist aggression is not always military, but there is military aggression of a Communist kind to be found in this world, and I, for one, believe—and that is why I speak about it quite plainly to you—that if we are to meet that kind of threat in our various homes, in our various democratic countries, we must always remember that it is concerted defense that is needed against concerted aggression; that we must think together, we must work together; we must, so far as possible, plan together. We must not assume that we may go on our separate paths regardless of each other until the time comes, and then suddenly coalesce into effective force. I am all for the closest and most intimate exchange of ideas, of plans, and of everything that goes into preparation between countries like yours and mine. [Applause.]

In the second place, Mr. Vice President, I believe that we have the duty of resisting the Communist war of ideas and world Communist propaganda and, from our point of view in Australia, particularly in southeastern Asiatic countries, because that area of the world is very, very near to us in every sense. If we are to meet that kind of propaganda, we are not to do so merely by having blank minds. We must do it by positive means. I believe that we all have the responsibility to do what we can to encourage true, honest, and free national development in those countries, to encourage rising standards of living, to help in every way in the development of those lands. We cannot do it merely by pious resolutions. We cannot do it merely by benevolent words. We can do it only by first of all developing our own resources of material, finance, and trained manpower.

In other words, paradoxical as it may seem, our duty in Australia is to develop our own country to the full as the precondition of our rendering any real benefits to these other countries who are less fortunately placed. In the third place, we must, as indeed we are trying to do, accept heavy obligations in the way of military preparation. We are at the moment engaged in the preliminary organization for the creation in Australia for the first time in peace of a complete scheme of national service training on a compulsory basis for adequate periods of time, calculated to produce in the future something that unfortunately we lack at the moment, and that is a great reservoir of trained manhood and a substantial reserve of trained manhood, so that if the time should unhappily come when we must resort to arms on a great scale, we shall find ourselves there ready and competent.

All these things are existing in our minds and in our policies against the background of two very remarkable series of events. The first of them relates to migration. I said something about your own great movement of population in the concluding 35 or 40 years of the nineteenth century. We in Australia have a population of 8,000,000, and yet we are bringing into Australia, and have been doing so for the past 2 or 3 years, migrants from the Old World at the rate of 200,000 per annum. This represents a migratory movement proportionately as great as in your own history. It represents a vast task for a country to undertake. It produces enormous problems, great pressures on capital goods, and great pressures and demands on basic industries. But it is vital that we should have this movement of people if we are in the short run—and I hope a fairly short run—to have a population in Australia which will in some way match our spirit and our desire.

In other words, Mr. Vice President, we are setting out today in Australia on the journey on which you so boldly and bravely stepped out so many years ago. We have our ambition that in due course we may find ourselves not a small and friendly power on the other side of the Pacific, but a substantial and friendly power. Because then our partnership, already so valuable to us, will be stronger, and a much better thing, a much more powerful thing for the world.

Of course, side by side with migration, you will not need to be told by me, in a country of the size of Australia, the size of the United States, we must attack quickly and successfully problems of development, of making great storages of water, of bringing land now dry under irrigation, of providing more and more industrial horsepower for manufacturing development, clearing the land for increasing vastly the production from the soil. All these things represent a very, very great task and, you will understand, without being told by me, an enormous task for 8,000,000 people to undertake. But we are going out after it, and I do not mind telling you that among other things we are fired by the example of your own history, of your own achievement. We must, I believe, in the free quarters of the world, aim at

having expanded economies. We cannot become static; we cannot become bogged down with rather cautious conservative ideas. We must expand our economies. We must realize that not one of us can make his best contributions to the world unless it is a contribution from strength and not from weakness.

Now, sir, I could, if I were bold enough and if I thought you would tolerate it, expand on a great number of these matters, but I do not propose to do so. I do not propose to outwear your most generous welcome.

I should like to conclude by saying this to you: You in this historic Chamber are the representatives of a very great power. But, as human nature now is, great powers are apt to inspire great jealousies, great suspicions, great resentments. That is one reason why even the greatest nations need friends. We Australians are your friends. It may be said that we have selfish reasons to be so. That we have reason to be grateful to you, no Australian will deny. But our gratitude, I am proud to say, does not proceed from any feeling of mere dependency. You would not wish it to do so. Your historic European aid would, in large measure, be wasted if it did not help to restore, not only the fields and factories of the Old World, but also a sense of pride and a courage and capacity to resist aggression.

So, for the sake of our common humanity, do not let us divide ourselves into benefactors and beneficiaries. The problems confronting the free world can be solved only by a sense of partnership, a feeling of real interdependence among free peoples. Great or small, we can and must trust each other and help each other. Let us have the spirit of the Kokoda Trail and the Coral Sea. Sir, it is in this sense that we of Australia are proud to call ourselves your junior partner in a great and continuing adventure toward human liberty. [Applause, Senators rising.]

The VICE PRESIDENT. Mr. Prime Minister, before you depart, let me, on behalf of the Senate and of the American people, thank you for your gracious and heart-warming presence, and for your statesmanlike and humanitarian remarks, to which we have listened with great pride and great pleasure.

We all hope for your country and for your people the greatest possible happiness and prosperity. We entertain for them, for you, and for the world the hope that somehow or other out of the chaos and the frustration of this day may come peace, healing peace, to all the suffering people who inhabit this globe. God bless you and go with you. [Applause.]

Thereupon the Prime Minister of Australia and the distinguished visitors accompanying him were escorted from the Chamber.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The VICE PRESIDENT. In accordance with the agreement under which the Senate is operating, there is to be yet not more than an hour and a half of debate on the pending amendment, the time to be divided, and to be controlled by the Senator from Nevada [Mr. McCARRAN] and the Senator from Tennessee [Mr. McKELLAR].

Mr. McKELLAR. Mr. President, may I ask if there is any Senator who desires to speak at this moment in opposition to the amendment? If so, I should be glad to yield him time.

The VICE PRESIDENT. The Senator from Tennessee desires to know whether any Senator desires to speak in opposition to the pending amendment. If so, he will be glad to yield him time.

STATE DEPARTMENT EMPLOYEE LOYALTY INVESTIGATION

Mr. McCARTHY. Mr. President——

Mr. McKELLAR. I yield the Senator from Wisconsin 10 minutes.

The VICE PRESIDENT. The Senator from Wisconsin is recognized for 10 minutes.

Mr. McCARTHY. Mr. President, as I explained to the Senator from Tennessee, I am not speaking upon the McCarran amendment, but another matter which I deem of importance.

I hold in my hand a secret document entitled "An Authenticated Translation of Sorge's Own Story," and I shall read briefly from it. This is a document issued by General MacArthur's intelligence headquarters. I read from the document:

> The purpose and objective of the original Tokyo report remains the same: The suggestive story of international espionage; its technique of subversion, sabotage, and betrayal; the participation of known individuals as accessories; the recognizable links with American Communists, pseudo citizens, fellow travelers, stooges, and gullible dupes; the links with Comintern agents that have also appeared on the American stage and, finally, the sinister background story of the Shanghai conspiracy, an incredible web of Communist machinations, by willing collaborators of every description and nationality, including Americans, to bring about the collapse of the National Chinese Government, a plan that has since ripened into a disastrous fait accompli.

Now I read further from the report:

> The German, Richard Sorge, entered the German Communist Party in 1919, was sent to Comintern headquarters in January 1925, immediately became a member of the Russian Communist Party, joined the staff of the Comintern intelligence department and engaged in espionage activities in the northern European nations, China, and elsewhere. He was ordered to serve as a spy in Japan in 1933, went to that country as a correspondent for the Frankfurter Zeitung, organized a secret espionage ring including the German Max Clausen, a member of the German Communist Party and radio technician sent out by the same Soviet intelligence authorities; the Yugoslav and member of the French Communist Party Branko de Voukelitch, the United States Communist Party member Miyagi Yotoku, who had been sent to Japan by his party to perform espionage work; the political adviser to the Chinese Communist Party, Ozaki Hozumi, whom Sorge himself had recruited around 1930 in Shanghai; and others, and directed and supervised the said ring in the collection and transmission to Soviet headquarters, either in writing or via radio, of information concerning military affairs, foreign relations, politics, economics, and other miscellaneous subjects.
>
> The contents of the present printed document comprise part 1 of a translation of typewritten German notes prepared by Sorge in lieu of a statement at the direction of the Tokyo District Criminal Court.

Mr. President, the front of this document bears the following notation:

> The contents of this document vitally affects domestic administration and foreign relations and should be kept absolutely secret.

For that reason I shall not be able to read important parts of this record. However, I believe I am at liberty to let some of my colleagues read the entire espionage story.

I have read this part of MacArthur's intelligence report so that the Senate may better get the picture of the significance of the affidavit which I am going to read.

This affidavit was made by a man who is now living in Switzerland, whom, incidentally, I have never met. I have before me, however, a brief description of him by the very excellent investigator who is working for me at the present time in Switzerland, Paris, and Germany. This is his description:

He was born in Germany in 1905, he went to Moscow in 1928 where he was employed by the Soviet Heavy Industry Commissariat as an engineer. Sickened by what he saw there, he went, with wife and son to Vladivostok, en route to Shanghai. Owing to troubles he had with Soviet authorities, he hurriedly escaped to Japan where he settled down in the spring of 1932. From a small automotive shop he built a machine-tool factory where he eventually employed 1,200 workers, many of whom were German Jewish refugees.

He goes on to describe this man Foerster. He says Foerster was picked up by the Japanese as a spy for the Allies, that is, for the United States and our Allies. He was held in Sugamo prison with this man Sorge, whom MacArthur's headquarters names as the top Russian spy, and with Clausen. Sorge was eventually hanged, and Clausen given life imprisonment.

Now for the affidavit:

> I, Willy Rudolf Foerster, residing in Agro, Ticino, Switzerland, a stateless subject of German extraction, make the following statement voluntarily without threats or promises of reward or immunity, and the information I hereby give is true and correct to the best of my knowledge and belief.
>
> During my residence in Japan from 1932 to 1947, when I was repatriated to Germany, I knew Dr. Richard Sorge, and, intimately, Max Clausen—

Clausen was the other member of the ring, and he got life imprisonment—

both convicted in Japan in 1943 as Kremlin spies—Sorge being hanged, and Clausen receiving life imprisonment from which he was released by General MacArthur.

This was not MacArthur's wish. This was an order from our "brass" in Washington, releasing Clausen. Clausen returned to Russia and has not been heard of since.

I continue reading the affidavit:

Max Clausen, later convicted of being Dr. Sorge's assistant in the Russian spy ring, became associated in business with me in 1934 when he, along with Helmuth Ketel, owner of the Rheingold Bar, Tokyo, lent me a sum of several thousand yen with which to expand my business. He later (in 1937) came to me to borrow money until, as he said, he could have his money transferred from the United States of America. He received all of his money from the United States of America and had a bank account with the National City Bank or Chase National Bank, New York. This indicates to me that he was receiving his finances for his activities from someone in the United States. I had seen his check book.

During my association with Clausen, I also became acquainted with Mrs. Max Clausen. She had made, during the 1930's, several trips to Shanghai, and during a conversation once told me that she had been for 2 or 3 years with Mao Tse-tung and the Communists there. She did not speak kindly of them to me. I had not, at that time, heard of Mao Tse-tung, but later, when learning of his position have felt that she may have remarked to me as she did purely as a precaution against divulging to me her real feelings.

In 1938 when my wife returned to Germany for a visit, via the United States, Max Clausen came to my house and in my presence asked my wife to take with her a letter which he asked her to stamp and mail from San Francisco. She objected at first and asked his reasons for not passing it through regular mail channels. Clausen explained that this letter contained "delicate family matters" which he did not wish to submit to possible Japanese censorship. I made a record of this address in my Clausen business file, which I turned over to American Army Intelligence officers in Japan, but which was not returned to me as promised. My wife, while en route to the United States, fearing that she might be bringing money or other matter illegally into the United States, opened the letter and although she could not read it (she did not read English), she noted positively that it it was signed by Dr. Richard Sorge who had apparently given it to Clausen to give to my wife. My wife recorded the address at that time in her diary. I remember distinctly, as my Clausen business file and my former wife's diary will prove, that the address on this letter was Owen Lattimore (which I believed at that time was a feminine name) and I believe the address was somewhere in California.

Incidentally, Lattimore was the head of OWI in California at that time.

Mr. President, I ask unanimous consent to have the entire document inserted in the RECORD.

The VICE PRESIDENT. Without objection, the document referred to will be printed in the RECORD.

The document is as follows:

AFFIDAVIT

To Whom It May Concern:

I, Willy Rudolf Foerster, residing in Agno, Ticino, Switzerland, a stateless subject of German extraction, make the following statement voluntarily without threats or promises of reward or immunity, and the information I hereby give is true and correct to the best of my knowledge and belief.

1. During my residency in Japan from 1932 to 1947, when I was repatriated to Germany, I knew Dr. Richard Sorge and, intimately, Max Clausen, both convicted in Japan in 1943 as Kremlin spies—Sorge being hanged, and Clausen receiving life imprisonment from which he was released by General MacArthur.

2. Max Clausen, later convicted of being Dr. Sorge's assistant in the Russian spy ring, became associated in business with me in 1934 when he, along with Helmuth Ketel, owner of the Rheingold Bar, Tokyo, lent me a sum of several thousand yen with which to expand my business. He later (in 1937) came to me to borrow money until, as he said, he could have his money transferred from the United States of America. He received all of his money from the United States of America and had a bank account with the National City Bank or Chase National Bank, New York. This indicates to me that he was receiving his finances for his activities from someone in the United States. I had seen his check book.

3. During my association with Clausen, I also became acquainted with Mrs. Max Clausen. She had made, during the 1930's, several trips to Shanghai, and during a conversation once told me that she had been for 2 or 3 years with Mao Tse-tung and the Communists there. She did not speak kindly of them to me. I had not, at that time, heard of Mao Tse-tung but later, when learning of his position have felt that she may have remarked to me as she did purely as a precaution against divulging to me her real feelings.

4. In 1938 when my wife returned to Germany for a visit, via the United States, Max Clausen came to my house and in my presence asked my wife to take with her a letter which he asked her to stamp and mail from San Francisco. She objected at first and asked his reasons for not passing it through regular mail channels. Clausen explained that this letter contained "delicate family matters" which he did not wish to submit to possible Japanese censorship. I made a record of this address in my Clausen business file, which I turned over to American Army intelligence officers in Japan, but which was not returned to me as promised. My wife, while en route to the United States, fearing that she might be bringing money or other matter illegally into the United States, opened the letter and although she could not read it (she did not read English), she noted positively that it was signed by Dr. Richard Sorge who had apparently given it to Clausen to give to my wife. My wife recorded the address at that time in her diary. I remember distinctly, as my Clausen business file and my former wife's diary will prove, that the address on this letter was Owen Lattimore (which I believed at that time was a feminine name) and I believe the address was somewhere in California.

5. In 1944 in Sugamo Prison, Tokyo, I had several accidental visits with Dr. Sorge in the barbershop, bath, and waiting room. He was then awaiting execution. The last time I saw him, and because I felt sorry for him, I offered to tell or give anything he wished to any member of his family. He stated he had no such request. I also asked him the meaning of the letter my wife had mailed, as I had by that time come to suspect that possibly I had unwittingly helped Dr. Sorge by my wife mailing that letter. (At this time I had joined together the facts of the mailing of the letter and the reasons for the conviction of Dr. Sorge.) When I mentioned the letter to Sorge he was very surprised and very excitedly asked me not to divulge to the Japanese police that my wife had taken the letter. He said it would not help me to do so and it would only "endanger his innocent sister." (A German expression was used which could mean not only "sister," but also comrade.)

W. R. FOERSTER,
Ing. VDI.

MAY 15, 1950.

Mr. McCARTHY. Mr. President, how much time have I left of the 10 minutes allotted to me?

The VICE PRESIDENT. About half a minute.

Mr. McCARTHY. I wonder if the Senator from Tennessee would give me another 5 minutes?

Mr. McKELLAR. Mr. President, I am sorry it is not possible for me to do so.

Mr. McCARTHY. Mr. President, will the Senator from Nevada [Mr. McCARRAN] yield me 5 minutes?

Mr. McCARRAN. I am very sorry, but I cannot accommodate the Senator.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed the bill (S. 3644) to amend the War Claims Act of 1948, as amended, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 2225. An act for the relief of William B. Buol;

H. R. 3464. An act to record the lawful admission for permanent residence of alien John Michael Ancker Rasmussen;

H. R. 3805. An act for the relief of Yuk Onn Won;

H. R. 4188. An act for the relief of Dr. Ferdinando Schiappa;

H. R. 4628. An act for the relief of John G. Essenberg;

H. R. 4806. An act for the relief of Dr. Francesco Drago;

H. R. 5016. An act for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati;

H. R. 6225. An act for the relief of Mrs. Aime Hoyningen-Huene;

H. R. 6458. An act for the relief of Maj. Roy E. Bevel;

H. R. 6505. An act to legalize the entry of Mrs. David Munson Osborne (nee Janet Mary Tole) a native of New Zealand;

H. R. 6066. An act for the relief of Cheng Sick Yuen;

H. R. 6173. An act for the relief of Sun Yip Chin and Chung Lum (Lum Chung);

H. R. 6363. An act conferring jurisdiction on the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.;

H. R. 6758. An act for the relief of Ruby Thaw and Hla Sein;

H. R. 7071. An act for the relief of Mrs. Masa Iyoki;

H. R. 7228. An act for the relief of Kazuko Kamada;

H. R. 7812. An act for the relief of Martha Aporta Strickland;

H. R. 8117. An act for the relief of Yoshiko Emory;

H. R. 8245. An act for the relief of Dr. Alessandro Rizzo; and

H. R. 8655. An act for the relief of Toshiko Kikyo and Francis Kikyo.

The message further announced that the House had severally agreed to the

amendments of the Senate to the following bills of the House:

H. R. 1991. An act for the relief of Alexander Stewart;

H. R. 4528. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Louis J. Marx;

H. R. 5566. An act for the relief of Dr. Agostino DeLisi;

H. R. 6461. An act for the relief of Jirina Zizkovsky; and

H. R. 8440. An act for the relief of Noae Kawashima.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2655) for the relief of Mrs. Evelyn M. Hryniak.

The message further announced that the House had passed a bill (H. R. 9109) to amend the Agricultural Adjustment Act of 1938, as amended; the Soil Conservation and Domestic Allotment Act; Public Law 74, Seventy-seventh Congress; the Agricultural Act of 1949; and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 249) authorizing the Clerk of the House to make a change in the enrollment of H. R. 6533, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 298. An act for the relief of John Rowland;

S. 442. An act to amend the Air Commerce Act of 1926 (44 Stat. 568), as amended, to provide for the application to civil air navigation of laws and regulations related to animal and plant quarantine, and for other purposes;

S. 503. An act for the relief of Solly Manasse.

S. 648. An act to amend title 18, United States Code, section 705, to protect the badge, medal, emblem, and other insignia of auxiliaries to veterans' organizations, and for other purposes;

S. 920. An act for the relief of Ellen Rodriguez Moreno;

S. 1059. An act for the relief of John W. Wagner;

S. 1169. An act for the relief of Christina Shalfeieff;

S. 1419. An act for the relief of Wilhemus Johannes Marie Van Der Kooy;

S. 1491. An act for the relief of Rudolf Meinhard and Irene Hallinger;

S. 1529. An act for the relief of Amy L. Hefington;

S. 1551. An act for the relief of Jose Augusto Pereira;

S. 1573. An act for the relief of Anastacia Roshani;

S. 1654. An act for the relief of Kyra Kite Riddle;

S. 1760. An act to amend section 101 (b) of the Department of Agriculture Organic Act of 1944 (58 Stat. 734; 7 U. S. C. 429);

S. 1942. An act for the relief of Isabel Alba Casas, Concepcion Garcia Perez, Maria del Carmen Fernandez Matesaenz, Maria Santos Zuniga, Felipa Casado del Blanco, Mercedes Rodriguez Villanueva, Selina Milan Gonzalez Teresa Duque Saenz, Martina Equiza Garces, and Teresa Baztan Elizalde;

S. 1963. An act for the relief of Augusto Segre;

S. 2053. An act for the relief of Vivienne Joy Wilson and minor daughter Mary Ann Vaughn;

S. 2016. An act for the relief of Mr. and Mrs. Charles R. Proctor;

S. 2080. An act to authorize the regulation of whaling and to give effect to the International Convention for the Regulation of Whaling signed at Washington under date of December 2, 1946, by the United States of America and certain other governments, and for other purposes;

S. 2183. An act for the relief of Nicholas J. Chicouras;

S. 2240. An act to authorize certain personnel and former personnel of the United States Coast Guard and the United States Public Health Service to accept certain gifts tendered by foreign governments;

S. 2242. An act for the relief of John E. Dwyer;

S. 2253. An act for the relief of Dr. In Sung Kwak;

S. 2264. An act for the relief of Juliana Sosa de Solis;

S. 2297. An act for the relief of the estate of Lee Jones Cardy;

S. 2314. An act to provide for holding a term of the United States District Court for the District of Oregon at Eugene;

S. 2357. An act to amend the act of May 26, 1936, authorizing the withholding of compensation due Government personnel;

S. 2442. An act for the relief of Yone T. Park;

S. 2565. An act for the relief of Edward E. Duff;

S. 2608. An act for the relief of Dr. Kun Ken Hu;

S. 2723. An act for the relief of Maria del Carmen Moreno-Elorza, Maria Luisa Asin Luri, Rafaela Garcia Casini, Giovanni Importa, and Teresa Campagnoni;

S. 2774. An act to amend section 2113 of title 18 of the United States Code in order to include certain savings and loan associations within its provisions;

S. 2866. An act for the relief of Egbert G. Gesell;

S. 2934. An act for the relief of Julius Elzas;

S. 2990. An act for the relief of Amy Louisa Shier;

S. 2991. An act for the relief of the Chicago, Rock Island & Pacific Railroad Co.;

S. 2996. An act to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation;

S. 3012. An act for the relief of Mrs. Osa J. Petty;

S. 3098. An act to amend section 104 of title 28 of the United States Code so as to create a Greenville division in the northern district of Mississippi, with terms of court to be held at Greenville;

S. 3163. An act for the relief of Mrs. Houora Redman;

S. 3253. An act for the relief of Lyon F. Hibberd and the estate of George T. Erb;

S. 3377. An act to amend the Civil Aeronautics Act of 1938, as amended;

S. 3585. An act for the relief of Dodge County, Wis.;

S. 3652. An act to facilitate the settlement of the accounts of certain deceased civilian officers and employees of the Government;

S. 3653. An act to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes;

S. 3832. An act to approve a contract negotiated with the Ogden River Water Users' Association, to authorize its execution, and for other purposes;

S. 3833. An act to approve a contract negotiated with the South Cache Water Users' Association, to authorize its execution, and for other purposes;

H. R. 1991. An act for the relief of Alexander Stewart;

H. R. 2225. An act for the relief of William B. Bond;

H. R. 3464. An act to record the lawful admission for permanent residence of alien John Michael Ancker Rasmussen;

H. R. 3805. An act for the relief of Yuk Onn Won;

H. R. 4188. An act for the relief of Dr. Ferdinando Schiappa;

H. R. 4528. An act conferring jurisdiction on the United States District Court for the Southern District of New York to hear, determine, and render judgment upon the claim of Louis J. Marx;

H. R. 4628. An act for the relief of John G. Essenberg;

H. R. 4806. An act for the relief of Dr. Francesco Drago;

H. R. 4942. An act to regulate the collection and disbursement of moneys realized from leases made by the Seneca Nation of Indians of New York, and for other purposes;

H. R. 5016. An act for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati;

H. R. 5566. An act for the relief of Dr. Agostino De Lisi;

H. R. 6066. An act for the relief of Chong Sick Yuen;

H. R. 6173. An act for the relief of Sun Yip Chin and Chung Lum (Lum Chung);

H. R. 6225. An act for the relief of Mrs. Aimee Hoyningen-Huene;

H. R. 6363. An act conferring jurisdiction on the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.;

H. R. 6458. An act for the relief of Maj. Roy E. Bevel;

H. R. 6461. An act for the relief of Jirina Zizkovsky;

H. R. 6505. An act to legalize the entry of Mrs. David Munson Osborne (nee Janet Mary Tole), a native of New Zealand;

H. R. 6758. An act for the relief of Ruby Thaw and Hla Sein;

H. R. 7071. An act for the relief of Mrs. Masa Iyoki;

H. R. 7228. An act for the relief of Kazuko Kamada;

H. R. 7764. An act to authorize the construction of modern naval vessels, and for other purposes;

H. R. 7812. An act for the relief of Martha Aporta Strickland;

H. R. 8117. An act for the relief of Yoshiko Emory;

H. R. 8139. An act to authorize the attendance of the United States Navy Band at the annual reunion of the United Confederate Veterans to be held in Biloxi, Miss., September 27 through September 30, 1950;

H. R. 8245. An act for the relief of Doctor Alessandro Rizzo;

H. R. 8440. An act for the relief of Naoe Kawashima;

H. R. 8655. An act for the relief of Toshiko Kikyo and Francis Kikyo;

H. R. 9178. An act to suspend restrictions on the authorized personnel strength of the Armed Forces, and for other purposes;

S. J. Res. 133. Joint resolution authorizing the return to Mexico of the flags, standards, colors, and emblems that were captured by the United States in the Mexican War; and

S. J. Res. 147. Joint resolution giving the consent of Congress to an agreement between the State of Missouri and the State

of Kansas establishing a boundary between said States.

HOUSE BILL REFERRED

The bill (H. R. 9109) to amend the Agricultural Adjustment Act of 1938, as amended; the Soil Conservation and Domestic Allotment Act; Public Law 74, Seventy-seventh Congress; the Agricultural Act of 1949; and for other purposes, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

MRS. EVELYN M. HRYNIAK—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, I submit a conference report on the bill (S. 2655) for the relief of Mrs. Evelyn M. Hryniak, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2655) for the relief of Mrs. Evelyn M. Hryniak, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the sum passed by the House insert $6,250; and the House agree to the same.

HARLEY M. KILGORE,
ALEXANDER WILEY,
WARREN G. MAGNUSON,
Managers on the Part of the Senate.

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. McCARRAN. Mr. President, I yield 10 minutes to the Senator from New Mexico [Mr. CHAVEZ].

Mr. CHAVEZ. Mr. President, this afternoon the Senate of the United States and the good citizens of the country who were fortunate enough to have been present in the Senate Chamber as our guests, listened to what in my opinion were words of wisdom from an honored guest of this body, the Prime Minister of Australia. It is my purpose this afternoon to speak in favor of the amendment offered by the Senator from Nevada. I wish to recall to the Senate some of the words of wisdom uttered by the great man who appeared before us and addressed us this afternoon, and to say that in keeping with his advice it would be well for this body this afternoon to adopt the amendment of the Senator from Nevada.

The Prime Minister of Australia said, in effect: The world needs friendship. Friendship gives life. Concerted efforts affect results in the right manner. We will have to have a sense of partnership, and trust each other.

Mr. President, there are several justifications for the amendment upon which we are about to vote. There are several justifications and reasons why the amendment should be included as one of the items of the ECA appropriation. What is one reason why Congress passed the ECA authorization? It is because the world needs friendship, it needs economic betterment so countries can be put back on their feet again, so the standards of living of peoples can be improved. If that does not fit in with what the Senator from Nevada has in mind nothing else will.

What is another reason? Why is this body going to vote hundreds of millions of dollars for ECA? Because Congress authorized ECA. That is a legal authorization. It is the law of the land. Hence it is the duty of this body and of the House to take the taxpayers' money and appropriate from it whatever is needed to carry out the law of the land.

What is another reason? Stern reality, again keeping in mind that the world needs friendship, and that friendship gives strength.

What is the idea of the moment? What is the concern of the world? What did our good guest of today talk about, and what was the advice he gave us? To fight with united effort against Communists. Very well; that being the case, the amendment of the Senator from Nevada is in order. It is in keeping, first, with carrying out the purposes of ECA, and next in fighting Communists.

Let Senators visualize in their own minds the map of Europe. Visualize what is referred to now as western Europe. Look at the geography of that area of the world, and look at the history of the countries involved, and of the peoples of those countries. Has any country in western Europe or elsewhere done anything more against communism than has Spain? I am not talking now of governments. I am talking about peoples. If there is any one race of people that has fought against communism it is the people of Spain.

Oh, I know it will possibly be said, "Of course, there is nothing in the ECA law that will keep Spain from participating, provided the participating countries invite her." If we are to fight communism, let us once in a while try to analyze for ourselves why it is that Spain is not invited. That is due to communistic influences pure and simple. The fact that 180 Communists sit in the French Parliament is bound to have some effect on the Government of France when it comes to the question of inviting Spain. As was stated by the Senator from Nevada, and as was stated by the Senator from Maryland, even if we were to forget ECA and the economic development of Spain, even if we were only to think about our own national interests, Uncle Sam's interests, we should adopt the amendment. It is to our interest at this time to remember what was said by our good guest who addressed us this afternoon, that the world itself needs friendship, that we need friends, that friendship gives life, that faith can preserve life. By adopting the amendment of the Senator from Nevada we will be carrying out the purposes of the concerted effort our guest of today spoke about, which will bring about the results we need.

I hope the amendment of the Senator from Nevada will be adopted.

Mr. McCARRAN. Mr. President, I yield 8 minutes to the Senator from Maryland [Mr. O'CONOR].

The VICE PRESIDENT. The Senator from Maryland is recognized for 8 minutes.

Mr. O'CONOR. Mr. President, I rise to voice my support of the amendment offered by the Senator from Nevada [Mr. MCCARRAN] to earmark funds for aid to Spain. A change in the policy of our Government in this respect is long overdue.

If anything were needed to point up the lack of reality which has so consistently marked the United States attitude toward Spain, the Korean crisis and the return of Communist Russia to the deliberations of the United Nations today do so in dramatic fashion.

The whole world is shaping up into two hostile camps, and the United States should not ignore any possible supporter in the critical situation forced by Communist aggression. Nevertheless, our policy makers continue to spurn the friendship and support of the very nation which first and successfully repulsed the forces of communism in one of the few setbacks any free nation has been able to give to the common enemy.

Spain geographically, ideologically, and economically would be vital and necessary in defending western civilization against any advance from totalitarian or Communist enemies.

Our defense authorities have long recognized and conceded the strategic and military value of Spain. It takes in most of the Iberian Peninsula, and is a natural fortress in western Europe. Its geographic position at the entrance to the Mediterranean, where it straddles the Straits of Gibraltar, is of unusual military importance.

Military strategists declare that Spain's natural naval anchorages in the northwestern section are superior to those of any European nation; and the Pyrenees are the only uninterrupted bulwark between the Urals—Russia—and the sea.

The attitude of our State Department toward Spain is difficult to understand. We poured billions of dollars and the most critical machinery and materials into Russia only a few years ago, to help her, even though we had reason to believe that her Government was and is the most ruthless dictatorship the world has ever see, more ruthless than Genghis Khan or any of the other despoilers of all history.

With regard to Yugoslavia, our Nation has ignored the injustices, the massa-

cres, and the annihilation of religious practices by its despotic ruler, and has given economic and financial help, even though Tito and his followers have lined up consistently on the side of our enemy, world communism.

Billion after billion of dollars have been poured into England, which has repudiated principles which are the essence of the economic system which has brought our country to its present high estate.

In conclusion, Mr. President, let me say that I venture the assertion that if Spain had received a proper share of assistance and had received treatment equal to that accorded the United Nations members, Spain would have responded more promptly and more helpfully than the great majority of the other nations have done in the Korean crisis.

We have gone around the world giving funds here, there, and everywhere; and yet we refuse to aid a country which could be of real service to us, a country whose people are friendly to us, and whose present needs stem directly from their valiant fight against communism.

Mr. President, the United States policies with regard to Spain should be completely revised, I am convinced. Adoption of the McCarran amendment would be a first step in that proper direction.

Mr. McCARRAN. Mr. President, if one were seeking a text today in furtherance of the amendment I am submitting, he need go no further than to recall to mind the expressions of the able Prime Minister of Australia, who addressed this body just a few minutes ago: Hatred is a killer; friendship gives life. All of us need friendship. The hatreds which have been extended toward Spain from certain influences, must of necessity disappear, because this is a moment when America and the other democracies of the world require life; and friendship gives life, whereas hatred is a killer.

The United States of America, of all countries on the earth, and the other countries which have joined with us in striving for the welfare of civilization, need today, and will need tomorrow and in the tomorrows thereafter, more and more friendship.

Mr. President, this, however, is not a question of sentiment; neither is it a question of theories. It is a condition, rather than a theory, which confronts the world today. We may say that the Korean War—and it is a war, because it is resulting in the death of our boys over there; it can scarcely be called a police activity any longer—may be only a flash in the pan, and it may subside after Korea has been cleaned up. However, I need not call the attention of the Members of this body to other places in the world where other disturbances are likely to break out.

Mr. President, another text which might be taken from the expressions of the able Prime Minister of Australia, who spoke to us a few minutes ago, is that we must in each instance, and in each nation, build internal strength, so that we may be of assistance to each other and may lend strength to each other in the struggles which may lie ahead. That statement is true, regardless of whether there lies ahead of us either a shooting war or a cold war.

All that is sought by means of this amendment is an opportunity to render to a friendly country, which today is holding itself ready to do battle with us against a common foe, assistance in building up its internal strength, so that it may be of worthwhile aid to us in a greater struggle. The only purpose of this amendment is to allow that nation to obtain credit, not a gift. She does not request a gift. All she is asking for is credit, in order that she may build herself to such an extent that she will be able to aid us in the hour of struggle. When we are threatened with war, Mr. President, any country which says to us, "We are ready to stand at your side" certainly should have our succor and support. Even if in times past that country had been our most deadly enemy, yet if it were to say to us, in a time of need, "We are going into this struggle, and we will stand at your side," would we deny to that former enemy support to enable it to stand with us tomorrow?

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from New Jersey?

Mr. McCARRAN. I yield.

Mr. SMITH of New Jersey. I should like to ask the distinguished Senator from Nevada whether he can inform us as to the present status of the application by Spain for assistance from the Export-Import Bank? I understand an application has been made, and, unless I am erroneously informed, that is now being considered. I do not know the amount, but I understand there is such an application.

Mr. McCARRAN. The application has been made, and it has been standing for 4 or 5 months without any action whatever. I may say, in furtherance of that suggestion, that hoping something would be done, communications have gone from some of us to the Secretary of State, even by telegraph, in an effort to get relief by way of processing the application.

Mr. SMITH of New Jersey. I thank the Senator for the information.

Mr. McCARRAN. Mr. President, I am not going to take much time. I think the temperament of the Senate is pretty well made manifest when no Senator seems to be inclined to speak against this worthy amendment. If we were not confronted with a condition which threatens our very life, and which threatens the civilization of the world, one might then pause, and, if he held a hatred, might give vent to it; but no one can afford to take that position today with reference to any country which will give succor and support to us in the days to come, if war should befall us.

Mr. President, I need not invite your attention to the fact that others are thinking along the same line, because in a very recent expression made by a great British statesman, he in substance said: "I see no reason why Spain should not be taken into the North Atlantic Pact. I see no reason why Spain should not be fully recognized in diplomatic circles." Neither can anyone in this Chamber say why we have not recognized fully in diplomatic circles the great nation of Spain, a great Christian people, a great liberty-loving people, desirous of helping themselves and thereby of helping us. Spain is asking now not alone for recognition—that is a matter of diplomacy, a matter which addresses itself to the Executive—but is asking now that she may obtain credit from us in order that she may buy our commodities which are in surplus, that she may build for herself an internal structure economically sound, that tomorrow she may stand with her soldiery at the side of our boys, to die together with them for the freedom of the world. Are we to say "No"? Are we to say to that Government, to those people who seek liberty, "No; we will give aid to all the world under the point 4 program, we will spend money all over the world; we will send it to South America, to central Africa, and to Siam—we will send it everywhere, but, no, Spain, you cannot have it, although you are willing to send your soldiers to be with us at any minute that you may be called upon"?

Mr. President, that is inconsistent with American ideals. It is inconsistent with the American way of life. It is inconsistent with our history. It is inconsistent with the very things we are doing on the floor of the Senate in appropriating nearly $3,000,000,000 for aid to western Europe, to refuse aid at the one strategic point in all Europe, the one point of greatest military strategic position, the Iberian Peninsula, which, if it should fall to an enemy, would mean that Gibraltar would be gone, the Mediterranean would be gone, north Africa would be gone, Italy would be gone—gone from the North Atlantic Pact, gone from everything.

Mr. President, it is impossible that the Senate should today reject this amendment; it is inconceivable, in view of what we are doing.

Mr. President, I now yield to the Senator from Maine such time as he may wish. Will the Senator indicate about how much time he will want?

Mr. BREWSTER. About 10 minutes. How much time, may I inquire, has the Senator from Nevada remaining?

Mr. McCARRAN. Mr. President, may I inquire how much time I have remaining?

The VICE PRESIDENT. The Senator from Nevada has 22 minutes remaining.

Mr. BREWSTER. I should like to take 10 minutes, if I may.

Mr. McCARRAN. Very well.

Mr. BREWSTER. I trust the Senator from Nevada will then reserve some time for the conclusion.

Mr. McCARRAN. Very well; let the Senator take 10 minutes.

The VICE PRESIDENT. The Senator from Maine is recognized for 10 minutes.

Mr. BREWSTER. Mr. President, I share the sentiments and the judgment

which have been so effectively and forcefully presented by the Senator from Nevada, with whom I am happy and proud to have been associated in seeking to secure the restoration of more friendly relations with Spain, which, in the judgment of the Senator from Maine, are very vital to our future security although I would not put this action upon a merely mercenary ground. I believe that many other considerations may be most persuasive. I believe that the attitude which we have hitherto adopted has proved itself utterly bankrupt, as have the policies which we have been pursuing in the Far East, which have resulted so disastrously there and which have compelled a reorientation of our policy in that area, a reorientation which I trust will also take within its purview the situation on the European Continent, where Spain is an infinitely more vital and strategic spot than is Korea in the Orient.

There is no military authority in this country, nor in fact anywhere else in the world, but what will testify to the profound significance of the Iberian Peninsula in the strategic map of the world. There, behind the Pyrenees, is the one spot in Europe which, before a Russian avalanche, might not be wiped out. There is the key to the Mediterranean, as Winston Churchill has always recognized. There is the spot where airfields are available, if properly equipped. They are not now properly equipped, as I learned, myself, when flying there, when, in an American naval plane it was impossible at 5 miles from the Madrid airport to communicate with the airport because of their utterly inadequate communications facilities. Tomorrow, unless we resume friendly relations with the Spanish regime, American planes may be seeking safety and salvage there, and not have the facilities which would be provided if we would simply normalize our relations with the Spanish Government and carry out the policies which have been urged not only by our military authorities but by many of the diplomatic authorities most intimately concerned.

This is no time to hash over ancient grievances, but rather it is time to recognize the future rather than the past. We have done that in seeking to rehabilitate the people of Germany, Italy, and Japan. Why are we so concerned when it comes to normalizing relations with a government which, at any rate in our modern history, has never been our foe?

I want to read briefly, in the course of my remarks, a portion of an address by the Reverend Dr. Joseph F. Thorning, associate editor of The Americas and World Affairs, delivered at Le Clerc Hall at the College of Notre Dame of Maryland, and then to ask permission to have the remainder of it printed in the RECORD. Father Thorning spoke as follows:

The Spaniards want none of the so-called liberation, to which the Poles, the Czechs, the Slovaks, the Hungarians, Rumanians, Bulgarians, Austrians, Albanians, and East Germans have been subjected. The Spaniards were eye-witnesses of the first futile attempts of Soviet imperialists to dominate all the people of the world. The Spaniards won their victory over home-grown traitors such as Francisco Largo Caballero, who called himself the Spanish Lenin, and Dr. Juan Negrin, who never explained what happened to the $600,000,000 gold reserve of the Spanish people. Perhaps Mr. Acheson does not know that most of the gold is now in the hands of Soviet Politburo and that this stolen property is financing the Soviet Party line against Spain, to which a United States Secretary of State, rather naively, contributed his mite.

Mr. Acheson ought to know that you cannot beat something with nothing. We, the citizens of the United States, Protestants, Catholics, and Jews, have a right to know his candidate for leadership in a non-Soviet Spain. If Mr. Acheson is dissatisfied with the policies of the present head of the Spanish state, who led the crusade against Bolshevism and who conquered our enemies, what manner of man can be presented by our State Department as the ideal Spanish ruler, whether he is to be called President, Chief of State, or King? Allowing for the moment, simply for the sake of discussion, that we have any right to suggest Spain's form of government or the name of her Chief Administrator, who is the paragon of virtue and executive skill to be recommended by Mr. Dean Acheson and the little clique in the State Department that continues to wage a vicious rear-guard action against 28,000,000 decent people?

President Roosevelt quickly accepted the administration which now rules as the de facto and de jure government in Madrid. Furthermore, in November 1942, he gave assurances to the head of the Spanish state that have been more honored in the breach than in the observance. For Mr. Acheson to join the Soviet-inspired, Soviet-engineered smear campaign against Spain and the Spanish people is a failure in honor and gratitude which future historians will record and assay. Moreover, it is a blow at the security of the free world, because every department in Washington except the State Department, headed by Mr. Dean Acheson, recognizes the vital interest of our country in the Iberian Peninsula.

At a time when freedom and democracy need fearless moral leadership and a foreign policy divorced from cant and hypocrisy, Mr. Dean Acheson, who once before misjudged the true nature of Soviet imperialism, has turned up with a species of "double talk" which in effect, maintains the Soviet-initiated boycott of a friendly nation and a noble people. Is this the way to gain friends and to inspire loyalty?

Mr. President, I ask unanimous consent that the complete address of Rev. Dr. Joseph F. Thorning be inserted at this point in the RECORD, as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

BALTIMORE.—Addressing the Parents and Friends of Notre Dame in Le Clerc Hall at the College of Notre Dame of Maryland, the Reverend Dr. Joseph F. Thorning, associate editor of The Americas and World Affairs, declared that "the present Spanish Government shows a liberal, generous attitude toward those of diverse religious faiths by allocating funds raised by national taxation to Jewish and Moslem schools in the Protectorate of Morocco." This tax money, Dr. Thorning added, is "distributed on the basis of the number of Jews and Moslems in the population. Consequently, Spain, although according official protection to the Catholic faith, proclaims to the world, through its tax and educational policies, that its government is quite as enlightened, socially, as that of the United Kingdom, or Canada, or Australia, and other English-speaking countries where it has long been understood that without Divine revelation our youth will slip into the morass of dialectical materialism."

"In Spain as well as in other Catholic countries, such as Ireland and Portugal," Dr. Thorning emphasized, "it is clearly perceived and widely taught that the enemy of modern man is totalitarian Marxism, not Protestantism, nor Judaism. Within the past few months, for example, the Spanish Cabinet ratified two decrees favoring the Jews: one, which provided a new synagogue for Madrid and its respected Jewish community numbering at least 5,000; the other, granting Spanish citizenship to Sephardic Jews in Greece and Egypt. Presumably, other Jews in the Near East, descendants of those exiled from the Iberian Peninsula in 1492, will be able to avail themselves of this privilege. It may prove to be an opportunity of inestimable value in case the Soviets, 'the Collectivizers par excellence,' succeed in their drive to occupy the Greek Archipelago and then seize control of the eastern Mediterranean. At any rate, this is one illustration that, so far as Christians are concerned, 'time heals all wounds.'"

"Everywhere under the Spanish flag today, religious people are authorized to worship God according to the dictates of their conscience, while Jews and Moslems, because of their historic connection with the country and because of their relative numbers in the total population, enjoy benefits that are not conceded to religious minorities in the United States. In some Spanish cities, Jewish synagogues, Moslem mosques and Christian churches exist side by side. For that reason, Spaniards still speak of their country as 'the land of the three religions,' although Catholics constitute the bulk of the population. Indeed, much of the charm and poetry of southern Spain springs from the fact that, as in the tales of Washington Irving, three streams of history and culture, Jewish, Moorish, and Christian, have become interwoven, romantically and artistically.

"If contemporaneous Spain has a predominant mood, it is that of spiritual reconciliation. Above all, the people crave unity, understanding, and peace. The only foe Spaniards recognize, and it must be admitted they were alert to the peril before the rest of the Western World, is the Soviet Union. Not only did the Spaniards identify the Soviet monster; they are the one people in the world who can claim to have defeated, at least temporarily, the designs of the totalitarian tyrants in the Kremlin.

"Why then does Mr. Dean Acheson, United States Secretary of State, fail to see the importance of the Iberian Peninsula in the limited war which is being waged against us by the Soviet Union. Why does Mr. Acheson, repeatedly snub, rebuke, and inflict slights upon Spain and the Spanish people? Why does Mr. Acheson fail to accept the hand of friendship extended to him by the Spanish Cabinet in Madrid?

"The fundamental reason for Mr. Acheson's cool attitude and air of pretended indifference with respect to an exchange of Ambassadors with Madrid is that he and many others of his kind consider Spain so surely and firmly in the democratic camp that Spain is the one country in Western Europe that does not need to be wooed, courted, or flattered in order to remain free from Soviet influence. In other words, Spain and the Spaniards, because of their fierce in-

dividualism and fervent Catholic faith, cannot be won over by Moscow. In a world of uncertainty, Madrid is like the Vatican, an uncompromising champion of personal freedom and an irreducible bastion of Christian civilization. Why worry about the devout Catholics, Jews, and Moslems of the Spanish State? They can be counted upon at all hazards. They have seen the international traitors, the Soviet sympathizers of every land, hard at work in Barcelona, Madrid, Albacete, Valencia, and Teruel, at their familiar trade of arson, rape and murder.

"The Spaniards want none of the so-called 'liberation', to which the Poles, the Czechs, the Slovaks, the Hungarians, Rumanians, Bulgarians, Austrians, Albanians and East Germans have been subjected. The Spaniards were eye-witnesses of the first futile attempts of Soviet imperialists to dominate all the people of the world. The Spaniards won their victory over home-grown traitors such as Francisco Largo Caballero, who called himself 'the Spanish Leinin', and Dr. Juan Negrin, who never explained what happened to the $600,000,000 gold reserve of the Spanish people. Perhaps Mr. Acheson does not know that most of the gold is now in the hands of Soviet Politburo and that this stolen property is financing the Soviet party line against Spain, to which a United States Secretary of State, rather naively, contributed his mite.

"Mr. Acheson ought to know that 'you cannot beat something with nothing.' We, the citizens of the United States, Protestants, Catholics, and Jews, have a right to know his candidate for leadership in a non-Soviet Spain? If Mr. Acheson is dissatisfied with the policies of the present head of the Spanish state, who led the crusade against bolshevism and who conquered our enemies, what manner of man can be presented by our State Department as the ideal Spanish ruler, whether he is to be called president, chief of state, or king? Allowing for the moment, simply for the sake of discussion, that we have any right to suggest Spain's form of government or the name of her chief administrator, who is the paragon of virtue and executive skill to be recommended by Mr. Dean Acheson and the little clique in the State Department that continues to wage a vicious rear-guard action against 28,000,000 decent people?

"Does Mr. Acheson favor Indalecio Prieto, the leader of Spanish Marxists who have not yet fallen under the shadow of the Kremlin? Does the United States Secretary of State imagine that the good religious people of Spain want a follower of Karl Marx in the place of her one-time 'Catholic Kings?'

"Are we to understand that Mr. Dean Acheson has forgotten, so quickly, the fate of Jan Masaryk and the tragic end of Edouard Benes in what is now Sovietized Czechoslovakia? Why would Mr. Acheson propose a left-wing candidate for supreme power in Spain? Would the Secretary of State consider Sr. Julio Alvarez del Vayo, who writes pro-Soviet international news analysis for the left-wing 'nation', a suitable leader for Spaniards who remained in Spain in order to rebuild their country? Or does Mr. Acheson have some Marxists in mind who, like weaklings in Hungary, Bulgaria, and Rumania, simply served to pave the way for Matyas Rakosi, Vassily Koslov, and Ana Pauker? In short, does Mr. Acheson have to learn, the hard way, that the Marxist variety of agnostic is merely a stopgap and a push-over for the Soviet gauleiters at work on every continent, including our own?

"Is it necessary, or even expedient, to offer passive cooperation to Generalissimo Josef Stalin in his feud with Christian Spain? Is it wise to allow the Marxists to take over the Iberian Peninsula and, in that way, to warm the chair of high office for another Klement Gottwald? Do we have to see Dolores Ibarruri (La Pasionaria) bedecked in scarlet raiment in the Royal Palace at Madrid before we awaken to the realities of power politics? Are Mr. Dean Acheson and his intimates waiting for the revival of civil strife in Spain in order to install some agnostic, Marxist stalking-horse in Madrid who will play his puppet role until the advent of the real Soviet gauleiter, a counterpart of Jacob Berman in Warsaw?

"Mr. Acheson, in his wierd document about Spain (May 11, 1949), describes a possible Ambassador in Madrid as 'a symbol of the fact that after all we don't care much about these rights * * *' Mr. Acheson was referring to the writ of habeas corpus, the right of trial by jury, and religious liberty.

"Although Mr. Acheson overlooked the fact that the judiciary is free in Spain and that no one can be deprived of life, liberty, or property without due process of law, he can be judged, in the light of his own principles, by comparing the facts of life behind the Soviet iron curtain with the true conditions in both Portugal and Spain, which have authoritarian governments.

"In the Soviet satellite states as well as in the Soviet Union itself, the most brutal violations of these rights mentioned by Mr. Acheson occur every day. The Honorable Selden Chapin, United States Minister to Hungary, where a prince of the church, Joseph Cardinal Mindszenty, was tortured before the eyes of the whole world, was recalled for consultation, not withdrawn as a public protest against the kangaroo-court injustice of the trial. In Sovietized Prague, the Honorable Joseph E. Jacobs remains as Ambassador of the United States of America. Does not the United States Secretary of State know that he maintains a chief of diplomatic mission in Soviet Poland as well as in Tito's totalitarian Jugoslavia? Indeed, when Mr. Acheson took office, he expressed the hope for better relations with Jugoslavia, without a single word of criticism of the wave of civil and religious persecution which rolled over the Protestants, Moslems, Jews, orthodox people, and Catholics under the police-state rule of Tito. Or is the tyrant Tito excusable for violations of civic rights because of his Red services in the leftist forces which tried to subdue Spain?

"On the other hand, there is no iron curtain at the Pyrenees or along the Mediterranean. President Franklin D. Roosevelt had heard all the clap-trap about Fascist Spain when, on March 31, 1939, he recognized the same government Mr. Acheson criticizes.

"President Roosevelt quickly accepted the administration which now rules as the de facto and de jure government in Madrid. Furthermore, in November 1942 he gave assurances to the head of the Spanish state that have been more honored in the breach than in the observance. For Mr. Acheson to join the Soviet-inspired, Soviet-engineered smear campaign against Spain and the Spanish people is a failure in honor and gratitude which future historians will record and assay. Moreover, it is a blow at the security of the free world, because every department in Washington except the State Department, headed by Mr. Dean Acheson, recognizes the vital interests of our country in the Iberian Peninsula.

"At a time when freedom and democracy need fearless moral leadership and a foreign policy divorced from cant and hypocrisy, Mr. Dean Acheson, who once before misjudged the true nature of Soviet imperialism, has turned up with a species of doubletalk, which, in effect, maintains the Soviet-initiated boycott of a friendly nation and a noble people. Is this the way to gain friends and to inspire loyalty?

"The religious people of the world are awakening to the underlying agnostic motivation of the Soviet and left-wing persecution of Spain. Spain won the first battle against the Soviet Union; Mr. Acheson is not only attempting to nullify that victory, the only one of its kind, but he is also contributing to the confusion and chaos on which Bolshevism feeds. At an hour when the United States should have shown leadership and a respect for the plighted word, Mr. Acheson joined the pro-Soviet claque that triumphed at San Francisco in the exclusion of Spain, Ireland, and Portugal from the United Nations.

"Either Secretary Acheson was talking for Marxist satisfaction in Paris and London; or he meant what he said. If his document was intended to appease the non-Soviet followers of Karl Marx, he must reckon with the damage he did to the good-neighbor policy among descendants of the Iberians in the other American Republics; if, on the other hand, he really believed what he put forth on May 11, 1949, he produced a so-called state paper without parallel in the diplomatic history of the United States, from the standpoint of unfairness, inconsistency, and insincerity. What Mr. Acheson said added up to a hodgepodge of discrimination, inherent contradictions, and hypocrisy. No better caption for this failure of policy, as embodied in Mr. Acheson's remarks, can be devised than that published over a powerful editorial in the Washington Star, Tuesday, May 17, 1949, 'Perpetuating a Fraud.'"

Mr. BREWSTER. Mr. President, I ask unanimous consent that a more complete text of my remarks, prepared by myself and entitled "Should We Resume Friendly Relations With Spain?" be printed in the RECORD as a part of my remarks.

There being no objection, Mr. BREWSTER's statement was ordered to be printed in the RECORD, as follows:

SHOULD WE RESUME FRIENDLY RELATIONS WITH SPAIN?

(By Senator OWEN BREWSTER, of Maine)

Every military authority with whom I have discussed the subject at home and abroad agrees in the importance of Spain to American security if we consider communistic Russia as our potential foe.

The emphasis varies according to the service concerned.

The Navy believes the Mediterranean vital in any conflict with the Soviet and points out the obvious impossibility of holding the Mediterranean if Spain is controlled by an unfriendly interest.

The Air Corps looks at Spain from the standpoint of operational bases in the European littoral.

The Army looks at Spain from the standpoint of its defensive position behind the Pyrenees as the only spot in Europe it might be possible to hold with a minimum of cost.

With this in mind more and more thoughtful Americans are pondering the implications of our policy in apparently seeking to starve out the Franco regime. The Moscow-dominated Spanish government in exile, is still functioning in Paris with the assistance of the $500,000,000 in gold removed from Spain—partly to Moscow and partly to Mexico.

The representatives of this Government in exile presented themselves at the recent meeting of the Inter-Parliamentary Union at Stockholm and were accepted under the leadership of the British delegation. The Communists are operating a sabotage school at Toulouse in France near the Spanish border and infiltrating their representatives at every opportunity into adjacent industrial areas in Spain to stimulate unrest.

Spain goes by extremes, as was demonstrated in its civil war. The comfortable assumption that the Franco regime might be

succeeded by a more moderate and more democratic regime is utterly unwarranted and one of the false hypotheses upon which our policy is apparently predicated.

Spain would very much like to install modern ground equipment on its rather excellent airports to enable the commercial planes of America and other countries to operate safely and conveniently through this main airway for world travel.

At present the airports are supplied only out-moded equipment which made communication almost impossible even at a distance of 5 miles from the airport. In time of peace the safe and constant operation of American airlines overseas would be tremendously assisted by proper ground equipment on the Spanish airports and our subsidies to our overseas airlines would be materially reduced. In time of war the security of America might immeasurably assisted by proper operating equipment on the Spanish airports on the very easy assumption that any movement by Moscow toward world domination would inevitably involve Spain.

Stalin is not likely to make the mistake of Hitler so far as Spain is concerned. How far the United States should go in assistance to the Spanish economy is naturally a matter for prudent and careful consideration as events develop. The continuing failure to normalize relations with Spain by the sending of an Ambassador is a crime against the security of America and against our sons who must perhaps pay the price of our neglect.

To suggest that we cannot send an Ambassador because there is not complete religious freedom such as we are familiar with in the United States flies in the face of our sending an Ambassador to Czechoslovakia where the Roman Catholic Church today is being deliberately taken under absolute control by legislation and the clergy purged.

The United States has just sent a Minister to Hungary where Cardinal Mindszenty is being crucified for standing up for his religious convictions.

Meanwhile, we have an Ambassador in Moscow where human rights of every character—religious and otherwise—are entirely subject to the decrees of the politburo with no semblance of regard for the traditions of Anglo-Saxon respect for the rights of the individual.

We have a Minister in Saudi Arabia where King Ibn Saud is the law and where no Jew is even allowed to enter the Kingdom—even to do work in connection with the American oil concession which has been fostered by American money and protected by the American State Department.

Under the present Spanish constitution freedom of worship is pledged for Protestant sects and recent American visitors have attended services in Protestant chapels which have been operating freely for sometime with police protection furnished by the Government whenever there was any indication of possible interference.

There are reported to be from 10,000 to 30,000 Protestants in Spain with approximately 160 Protestant chapels listed.

The Government has undoubtedly moved slowly in issuing permits for some of the chapels to open for operation, but the same moderation is evident in many other fields in the Government as we were pointedly reminded by businessmen concerned with the delays in the functioning of the Government in connection with purely business matters.

Occasional delays are sometimes evident even in Washington officialdom. Undoubtedly proselyting as distinct from worship presents a problem which has not yet been solved in a country which is 99 percent Roman Catholic exactly as we have certain social problems in the United States in certain areas. To say that Spain was neutral during the war is no more than America sought to be until Pearl Harbor settled our participation.

To say that the Spanish regime favored the Germans or the Italians is to ignore the fact that we are spending more than $1,000,000,000 a year to assist the Germans and the Italians in their rehabilitation because we believe it is the most effective way to check the spread of communism.

The Franco regime is the one government in all the world which has been successful thus far in dealing with communism and is least likely to succumb to its blandishments or its domination.

After our recent experience in China, it would seem more desirable that we do not permit any unsettlement in Spain to serve the cause of Communist expansion and yet our present policy seems well calculated if not designed to serve no other end.

Mr. BREWSTER. Mr. President, in conclusion, I desire to invite attention to what Winston Churchill has said regarding this matter, in his statement on the situation, in which he made it perfectly clear that the policies pursued by the Spanish Government during the course of World War II were of a character which, in his judgment—and certainly he was in a position to judge—were best calculated to serve the interests of the great enterprise in which we were then engaged. This is why it is my earnest hope that the Senate may accept the amendment of the Senator from Nevada and thus do this belated act of recognition of a people whose friendship with us may be more and more vital as the years pass on.

Mr. McKELLAR. Mr. President, before I yield to the next speaker I desire to make a brief statement.

This amendment was before the Senate last year. I voted for it, and I think probably every other member of the Committee on Appropriations voted for it, but it was defeated in conference. This year the committee has again endorsed the amendment and authorized it to be submitted to the Senate.

Because I happen to be chairman of the committee I was designated to control the time on behalf of those Senators who are opposed to the amendment. I have faithfully tried to get some Senator to speak against the amendment, as I thought it was my duty to do, but up to this time I have not found any Senator who wished to speak against it. I am therefore put in the embarrassing position of announcing the names of the speakers against an amendment of which I am in favor and for which I expect to vote. Under those circumstances, Mr. President, I yield 5 minutes to the Senator from Oregon [Mr. MORSE], and after that I should like to yield to the Senator from Connecticut [Mr. BENTON].

The PRESIDING OFFICER (Mr. HILL in the chair). The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, if I were to give a title to my remarks this afternoon, I think I would choose as a title "A Wrestle With One's Conscience."

I have voted consistently against the so-called Spanish loan amendment up to this time. I have waited all day for an argument which could convince me that I should vote for the amendment on this occasion, but up to this moment I have heard none. I shall keep my ears open until the final argument is made.

However, Mr. President, there are three or four points which disturb me very much in regard to this amendment. I want to say that I hate, with all my soul and being, everything that is communistic. But likewise, I hate with an equal hatred, and with all my soul and being, everything that is Fascist.

We are confronted, Mr. President, with the fact that Spain is a Fascist nation. So far as I have been able to find, Mr. President, that great essence of democracy, which is the exercise of a freedom of choice at a truly free ballot box, is as nonexistent in Spain as it is in Communist Russia.

It has been argued on the floor of the Senate, however, that world conditions have so changed that we should now loan money to Franco Spain as a matter of military defense, because we are in need of some great air bases in Spain. As a member of the Armed Services Committee, Mr. President, that argument has tremendous weight with the junior Senator from Oregon, but another principle has great weight also, namely, that I do not think we are ever going to win the fight for freedom around the world if we proceed to support totalitarian principles, whether they be Communist or Fascist. I have not up to this time been able to bring myself in this wrestle with my conscience to vote in favor of what I think looks like a bribe to Franco for military bases, and thereby give support to what I think is anything but freedom of choice in Spain. I cannot bring myself to think that we strengthen freedom by bribing either fascism or communism.

The next point I want to make is that I supported the North Atlantic Pact and have supported, without exception, the United Nations program. But I wonder what the effect of our proposal to loan millions of dollars to Franco Spain will be upon public opinion in England and in France, and what it will be on governmental opinion, also, in those countries. Senators know what I think the State Department ought to have been doing within the United Nations procedure in trying to work out a satisfactory understanding with Spain that would permit her to join the United Nations. I want to say, in criticism of the State Department, that I do not think the Members of the Senate should have been allowed to get into the position in which we find ourselves at this time over this Spanish issue. I think that negotiations should have been carried on with Spain which would have resulted in her admission into the United Nations, provided she permitted the exercise of freedom of choice at a free ballot box in Spain.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. MORSE. I shall not yield at this time. I want, in the interest of continuity, to complete this brief statement for the RECORD. I think the State Department should have been taking the steps necessary to bring about an under-

standing between Franco Spain and the United Nations.

I think the first test to our making a loan to Spain is whether or not Franco Spain can meet the tests of the United Nations for membership. I should like to see her in the United Nations. I wonder why our State Department has not been using its influences and its good offices to bring about the healing of the breach which apparently has existed between the United Nations and Franco Spain.

We are a member of the North Atlantic Pact. We are a member of the United Nations. I have great reservations, Mr. President, about our proceeding with unilateral action in regard to Spain when we know the attitude in regard to Franco Spain, at least, up to this date, of our compatriots and allies in the North Atlantic Pact. I want to know, Mr. President, what is going to be the effect of our action upon our allies in the North Atlantic Pact and in the United Nations. It has been argued that by this proposed loan we may help put ourselves in a position where Spanish boys will stand shoulder to shoulder with American boys to fight this great fight we are in against communism. Well, I would say, Mr. President, that they were not standing with American boys in the last war. I cannot escape the fact that there are thousands of American boys lying buried in Europe today because of the behind-the-scenes support that Franco gave to Mussolini and Hitler. What proof has been advanced in this debate that there has been any change in the philosophy of the Government of Spain in regard to freedom and the great cause of freedom for which we are fighting? Not any. O Mr. President, if I thought that by this loan we would save the life of a single American boy, I would pay a bribe to Franco to save that life. However, I fear that this loan will be an aid to lying Russian propaganda about us. I fear that this loan will raise doubts as to our devotion to the principles of freedom. I fear that this loan will not stand the judgment of history.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. If I may have time to finish just one sentence: Unless something can be said in the closing minutes of this debate is unanswerable justification of this loan, the junior Senator from Oregon, irrespective of political consequences—and there is a powerful lobby supporting this loan, Mr. President—will hold fast to what he thinks is a basic principle in opposition to the loan, namely, the need for supporting freedom the world around and fighting communism and fascism wherever they rear their heads in challenge to freedom and the dignity of the individual.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. McCARRAN. Mr. President, the Senator from Oregon said he would like to know what Great Britain was thinking about aid to Spain. Great Britain is our partner. Will the Senator listen to Great Britain's greatest statesman? He said:

> I see no reason why Spain should be excluded from the United Nations any longer, or why our vote should be cast in favor of their exclusion. No British or Americans were killed by the Spaniards. The indirect aid we received from Spain throughout the war was immense service. Spain refused to facilitate the movement of Germans to attack Gibraltar and to enter Africa. It cannot be said that Spain injured us or the United States in the late war. Then why should we say that the Spanish people must be treated as outcasts just because they are governed by General Franco?

That was said by none other than Winston Churchill on the 10th day of December 1948.

The Senator from Oregon said Spain was not protecting our boys in the last war. I read the following from Admiral William D. Leahy's book entitled "I Was There" about Spain's contribution to World War II:

> Mussolini had first asked to come to Spain to discuss passage of German troops through that country, presumably for an attack on Gibraltar. Franco proposed instead that he himself proceed to Italy. When he arrived in Rome, Franco told Mussolini that the Spanish people would never permit the Germans to pass through Spain, even if he, Franco, wished to authorize such a movement, and that he himself was opposed to the proposition. After the war, it was learned that Hitler had been much irritated in October 1940, when Franco refused to join actively in the Fuehrer's plans for a pincer movement against the British in the Mediterranean involving Gibraltar and an invasion through Spanish Morocco.
>
> Similar evidence appearing from time to time led me to believe that General Franco, while desiring to appear neutral in the war, really was on the side of the Allies.

I wonder, Mr. President, who knows more about it, the Senator from Oregon or Admiral Leahy? I now yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, on behalf of the Senator from Arizona [Mr. HAYDEN], the Senator from Connecticut [Mr. McMAHON], and the Senator from Pennsylvania [Mr. MYERS], I desire to offer an amendment to the amendment of the Senator from Nevada. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. After the word "That", in line 2 to strike out the remainder of line 2 and all of line 3 and insert in lieu thereof the following: "the Administrator is authorized and directed to issue notes from time to time during the fiscal year 1951 for purchase by the Secretary of the Treasury, who is hereby authorized and directed to make such purchases, in an amount not exceeding in the aggregate $100,000,000 for the purpose of assistance to Spain."

Mr. O'MAHONEY. Mr. President, many Members of the Senate in the past and at the present moment have been doubtful of supporting the amendment offered by the Senator from Nevada, not because they are opposed to economic aid to Spain but because they do not want to subtract any economic aid from the other nations of western Europe in which the Economic Cooperation Act has been working. The amendment of the Senator from Nevada provides that of the appropriation contained in the bill $100,000,000 shall be used only for assistance to Spain. Therefore that amendment would subtract $100,000,000 from the appropriation which is sorely needed to carry out our national policy with respect to other countries of western Europe. In last year's economic-aid appropriation bill I find a provision which I think completely answers the dilemma which has plagued the Members of the Senate who want to support economic aid to Spain because of the realities of the situation but who do not at the same time wish to take away anything from the other nations in which we are trying to accomplish economic rehabilitation.

In Public Law 327, Eighty-first Congress, first session, the Foreign Aid Appropriation Act, 1950, there appears, on page 2, this proviso:

> *Provided further*, That the Administrator is authorized to issue notes from time to time during the fiscal year 1950 for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate $150,000,000 for the purpose of allocating funds during such fiscal year to the Export-Import Bank of Washington for assistance on credit terms under the provisions of said act.

That is precisely what the Senator from Nevada wishes to do—provide export-import credit aid to Spain. It can be done, it seems to me, more successfully by adopting the technique in the bill which was passed last year rather than by cutting anything out of the appropriation for the rest of western Europe. So the amendment which I have offered is patterned on the act which was passed last year, and provides a public-debt transaction, instead of appropriating new funds or cutting out any part of the appropriation.

Mr. President, Senators may be interested to know what was done with this $150,000,000 of credit aid through the Export-Import Bank authorized last year. I cite this particularly because of the suggestion that we should not grant any aid to any country which might be called a dictatorship.

Of the $150,000,000 which we authorized in this manner last year, $27,500,000 has already been allotted to the Government of Portugal. If the ruler of Portugal, Señor Salazar, is any less a dictator than others whose names have been mentioned, I am certainly unaware of it.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am glad to yield.

Mr. LEHMAN. It is not clear to the junior Senator from New York how this proposal of the Senator from Wyoming changes the situation. Is it not a fact that the Export-Import Bank today has full authority and full power to make loans to Spain?

Mr. O'MAHONEY. I will show the Senator precisely how it changes it. I think that as a matter of realism we have to come to the conclusion now we should no longer be dependent upon vague promises which are not fulfilled,

and here is a directive of the Congress to perform an act the failure to perform which in the past has been defended on the ground, "Well, we have the legal power and we need no more." Yes, the Export-Import Bank had the power, but for reasons which are difficult to explain on any theory that does not conflict with our announced policy to contain communism the loans have not been made.

So, Mr. President, in the language which I propose to substitute for two lines of the amendment of the Senator from Nevada, I provide that the administrator "is authorized and directed to issue notes from time to time during fiscal year 1951 for purchases by the Secretary of the Treasury, who is hereby authorized and directed to make such purchases in an amount not exceeding in the aggregate $100,000,000 for the purpose of assistance to Spain." The proceeds of these notes in the words of the McCarran amendment are to be used in assistance to Spain "upon credit terms as provided in section 111 (c) of the Economic Cooperation Act of 1948, as amended."

Mr. President, knowing, as I do, and as every Senator who has examined the history of World War II and what has been going on since, knows, that in Spain there are deposits of strategic and critical materials which this country sadly needs, and which can be secured as security for this loan, I feel this amendment should be adopted in the form I suggest.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from New Mexico.

Mr. ANDERSON. Is it not true, however, that the policy which the Export-Import Bank has followed, it has followed because of the position of the State Department?

Mr. O'MAHONEY. I very much fear the Senator is correct but I think the State Department has been wrong.

Mr. ANDERSON. Are we to go through this appropriation bill and write amendments which reverse the State Department policy in Korea, or reverse the State Department policy in Spain, or reverse the State Department policy elsewhere? Is this the place to reverse the State Department?

Mr. O'MAHONEY. I think that with respect to the policy toward Spain, if the State Department has opposed Export-Import Bank loans, this is precisely the place to reverse it, because if the Spanish peninsula is not held in the affairs which are now rapidly developing in western Europe, much if not all of our economic aid to ECA countries will have been lost. If the arguments which are being made today at Lake Success, in the Security Council, under the Presidency of the representative of the Soviet Union and on behalf of the Kremlin policy—if those arguments and those tactics should prevail, it seems to me that there could be no possible question that refusal to deal realistically in Spain will only help to handicap our program. We should match realism with realism, and meet the issue as it is.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from New York.

Mr. LEHMAN. Is it not a fact that by this device, which might appear to some to make the transaction somewhat more palatable, the United States Government would be taking unilateral action, not in consultation with its friends and allies and fellow members in the United Nations, but purely on its own initiative, even going so far as to overrule the policies of the State Department?

Mr. O'MAHONEY. The Senator from New York has already answered himself, when a moment ago he rose and interrupted me to ask me a question. His question was: Does not the Export-Import Bank now have the authority to do this? The inference from the Senator's question was, of course, "We are ready to lend this money now. The Export-Import Bank can do it." But the sad fact is that the authority of the Export-Import Bank is not being used and we were told this afternoon the State Department is responsible.

If we can extend Export-Import Bank credit to Portugal, we can extend it to Spain. The formula I propose takes nothing from the ECA appropriation, but it will provide economic rehabilitation we have extended by virtue of a similar proviso in last year's bill to France, Iceland, Ireland, Italy, Netherlands, Portugal, Turkey, and the United Kingdom, as well as others. Let us no longer exclude Spain.

The PRESIDING OFFICER. The time of the Senator has expired.

COMMENT ON ADDRESS BY PRIME MINISTER ROBERT GORDON MENZIES TO THE SENATE

Mr. McKELLAR. I yield 10 minutes to the Senator from Connecticut [Mr. BENTON].

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 10 minutes.

Mr. BENTON. Mr. President, I do not want the most moving and important address which Prime Minister Menzies delivered to the Senate today to go without comment on the floor of the Senate. I have, therefore, asked the Senator from Tennessee to yield me a few minutes in order that I may point out to the Senate three important key points brought out by Prime Minister Menzies which I hope we shall remember.

First, Mr. President, Prime Minister Menzies warned us to keep in mind the fact that Korea is an incident, that it is merely an incident against the far greater world-wide problem we are facing. He warned us not to become "preoccupied" with Korea.

Implicit in that warning, and a question in the minds of all of us at this time, is the question of what we shall do if our boys are literally thrown out of Korea; if we suffer, indeed, a Dunkerque in Korea.

Should we then necessarily pick Korea, an unfavorable battleground, militarily difficult and disadvantageous to us, should we necessarily thereafter engage in the vast investment of resources and manpower which would be involved in a reinvasion of Korea?

This question will be discussed in at least 5,200 Connecticut homes tonight. At 4 o'clock this afternoon came the announcement that the Forty-third Division of the National Guard, with 5,200 Connecticut boys in it, is being called up to the colors.

It is obvious to all who read the papers that we are losing a battle in Korea, a most important battle. But I hope our pride will not influence our good judgment if we lose this battle, and that we will heed the warning of the Prime Minister of Australia, and remember that Korea is an incident and that we must not allow ourselves to become preoccupied with it. Perhaps we should not carry this particular battle further. That will be a very grave decision.

Now to his second point which I wish to emphasize. What did Mr. Menzies pick as his main illustration of the world-wide battleground now spread out before us? Mr. Menzies—and this is a matter of life and death to his Australians—picked the propaganda war as the main war, and he used for his illustration the propaganda war in Southeast Asia.

Here, said Mr. Menzies, here in the field of propaganda is the main fight, and not in Korea. The big war is the propaganda war. That is what he said, and I want to reemphasize it today to my colleagues in the Senate.

We must not, he said, turn to this war "blank faces." At least I thought that was what I heard him say, blank faces. Yet for the last 10 days the Committee on Appropriations of the House of Representatives has been debating the request of the State Department for $89,000,000 for additional facilities for the Voice of America. There has been little if any discussion of this in the papers or on the floor of the Senate, relatively no public notice, yet I was told by a member of the committee last night over the telephone that a considerable part of that request is going to be turned down by the House Committee on Appropriations.

Mr. President, this is a very modest request, one formulated by the State Department long before Korea. It is pre-Korean thinking. It should be examined, not to cut it back but to step it up and very greatly. It is a request far too small in line with the urgent current problem. I call on the State Department and the Congress to recognize that fact.

We have witnessed in the last 10 days a request for $10,500,000,000 for military armament. I am told that another four billion, which this week is to be added to that sum for further armament, will not be the last such request. Yet at the very time we are debating this $14,500,000,000 for armaments, I fear we shall ignore what Prime Minister Menzies has stated to us today—that the main war and the principal front on which the victory will really be fought out is the war of ideas—the war for the minds of loyalties and men.

His third point which I wish to call to the attention of the Senate, was his comment on the need for developing a dynamic economy within Australia and throughout the rest of the world.

We here in the United States have learned that the best answer to the Communist propaganda is a healthy and prosperous economy. Prime Minister Menzies, in his comments today, applied that same principle to the goals and ambitions of the 8,000,000 people of Australia.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BENTON. I yield.

Mr. LUCAS. I rise on the floor of the Senate to commend the Senator from Connecticut for what he is trying to do. For a long time he has been a sort of lone soldier fighting for his proposal. He has not met with much success. I certainly hope the Senator from Connecticut will continue to talk, will continue to harass, will continue to annoy, will continue to do everything that is within his power to make the Congress see the light with respect to appropriating the money needed for propaganda purposes.

Mr. President, the newspapers disclose what the northern Koreans are doing at this very moment to our soldiers whom they have captured. No doubt through threats against their lives they are compelling our soldiers to speak over the radio and advise the American troops who are now fighting in Korea what they should and what they should not do; they are advising them to desert the American forces, they are telling them what good treatment they are receiving, and so forth. That is propaganda of a type which is being spread constantly throughout the whole Russian orbit and to all the satellite countries they control. We do very little to counteract such propaganda. We sit back, and, apparently because of the few dollars we would have to expend, we are afraid to go forth and meet the challenge. Communist propaganda represents one of the most serious challenges we have to meet. Congress should act quickly on this problem instead of fooling around with it.

Mr. BENTON. Mr. President, I thank the distinguished majority leader for his comment. May I again remind the Senate that the majority leader was one of the first Members of the Senate, when I was serving as Assistant Secretary of State, to see the importance of this issue I am discussing today, and again and again the Senator from Illinois assumed leadership when it was so badly needed in those dark days?

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. BENTON. Let me see if I have time to yield to the Senator from New York when I have finished my brief comments. Or if the Senator from Tennessee will give me further time, I shall be glad to yield.

Mr. President, it is no longer enough for us merely to stimulate our dynamic economy at home, as called for by Prime Minister Menzies this afternoon. He outlined a similar goal and applied it to the South Pacific. Such a goal, of course, applies also to Latin America, and also to other areas throughout the world. We must give technical assistance as called for under the point 4 program to help stimulate other countries to a far greater dynamic development of their own economies. We mmust do this as one of the strongest arms of our propaganda effort in countering the attacks of the Soviet Union.

Because of the power of the propaganda put out by the Communists in North Korea, I remind the majority leader that the North Koreans throw themselves so passionately into the fighting against our soldiers that, as I read in one newspaper dispatch the North Koreans move into the fire from our machine guns with such a passion that they are shot down so that their bodies are piled up like cordwood. Why do they fight this way? They fight because they are pumped up with the Soviet propaganda. They have never had anything presented to them which would give them a reasonable answer or a counterargument against the Soviet propaganda. They move in against our machine-gun fire as they do because the Soviet propaganda ties itself to historic background and to their legitimate aspirations. The Soviet propaganda promises them land reform. Yes, it promises the peasants the land. It, of course, does not mention the progress of land reform in South Korea.

It says, "We will get rid of your age-long exploiters. We will rid you of the greedy people to whom you have been turning over such a high percentage of your production." The small peasant farmers know that their aspirations for land are legitimate. They feel they have little to lose, that perhaps the Marxist slogan is right that they have nothing to lose but their chains. They believe these promises of the U. S. S. R. and move against our boys and into the fire of our machine guns with reckless abandon. Due in large part to the Soviet propaganda they have been fired with such zeal that they have gone through South Korea, I am told, as rapidly as the German panzer divisions ever went through France.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. BENTON. Mr. President, I am glad to have been able to emphasize those three points. I am sorry I cannot summarize my conclusions, which I hope are self-evident.

The PRESIDING OFFICER. Does the Senator from Tennessee yield time to any Senator?

Mr. McKELLAR. I first yield to the Senator from Illinois.

Mr. LUCAS. Mr. President, I do not desire any time, I will say to my friend from Tennessee.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me for 15 seconds?

Mr. McKELLAR. Of course.

Mr. O'MAHONEY. I merely wish to correct an omission in my statement. The amendment which I offered, I offered on behalf of the Senator from Arizona [Mr. HAYDEN], the Senator from Connecticut [Mr. MCMAHON], the Senator from Pennsylvania [Mr. MYERS], and myself.

Mr. McKELLAR. Mr. President, I yield 3 minutes to the Senator from New York [Mr. LEHMAN].

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. LEHMAN. Mr. President, I simply wish to say that I have been very much interested in hearing the remarks of the majority leader complimenting the junior Senator from Connecticut [Mr. BENTON]. I, of course, associate myself with these words of praise for what the junior Senator from Connecticut has been doing. I believe in the kind of propaganda which spreads knowledge of America and her ideals, and I am proud that I am a cosponsor of the bill which would provide the necessary machinery for that purpose. I do not think there is anything more important than that kind of propaganda. But how can we spread throughout the world that kind of propaganda for democracy when, by statute, we provide that the State Department or other agencies of government shall give money to a regime which is as completely totalitarian and intolerant as any within my knowledge in the last quarter of a century?

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LEHMAN. I have only a few minutes.

The chief of that state has completely stifled freedom of action, freedom of religion, freedom of speech, and freedom of thought. Our only chance to advocate freedom and democracy in the world today and to oppose totalitarianism is to show the world that we are for freedom everywhere and against tyranny and oppression everywhere. We cannot preach democracy while at the same time we enact legislation such as this—legislation to aid an enemy of freedom and an avowed advocate of Fascist totalitarianism.

Mr. CHAVEZ. Mr. President, I wonder if the Senator from Tennessee will yield me a couple of minutes.

Mr. McKELLAR. I am glad to yield to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 10 minutes.

Mr. CHAVEZ. Mr. President, I am possibly as much against totalitarianism as is the Senator from New York. But we are trying to do something in this particular instance. I ask the Senator from New York if it is not as important to help hungry people in Spain as it is to help the French to kill Indonesians in Indonesia.

Mr. LEHMAN. Let me say to the able Senator from New Mexico that when I addressed the Senate 2 or 3 months ago, I expressed the deepest sympathy and affection for the Spanish people.

Mr. CHAVEZ. That does not help the hungry Spaniard. Sympathy does not help Spain to obtain an economic adequacy. The Senate has voted to furnish help to the French, and then the French shoot down people in Indochina. Sympathy alone does not help to feed

the hungry Spaniards. But if we vote to give the Spanish people aid, as we give aid to the French, we will accomplish something that sympathy alone cannot accomplish.

Mr. LEHMAN. Mr. President, the Senator from New York will say that he will gladly support any bill the Senator from New Mexico wishes to introduce to provide direct aid to starving or needy people in Spain. That is very different from what is proposed in the amendment we are now discussing.

Mr. CHAVEZ. What is proposed is what the Senator from New York has been talking about ever since I remember him as a Member of the Senate. We are trying to make western Europe self-sufficient, to bring about economic self-sufficiency in western Europe. The only reason I can see, in many instances, for opposition to aid to Spain is communistic influence in the United States; many Senators are afraid of a few votes in New York City or elsewhere, and I do not like that.

Mr. LEHMAN. Mr. President, let me say that in advocating economic assistance for western Europe, as I have done, and as I shall continue to do, I have advocated this assistance in order to help nations and regimes which have a philosophy of government and of life similar or analogous to ours. I believe that the Spanish people have such a philosophy, but I do not believe the head of the Spanish state and his intolerant regime do. This legislation will help keep that man and that regime in power. It will not help the Spanish people for whom I have such a deep regard.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

The Senator from Tennessee is recognized.

Mr. McKELLAR. Mr. President, I yield the remainder of my time to the Senator from Nevada [Mr. McCARRAN], my good friend on the committee.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. McCARRAN. Mr. President, some statements have been made today on the floor of the Senate in regard to lending money or giving assistance to a dictatorship or a Fascist government. Last year we passed a law identical with the measure we are endeavoring to enact now; and with that law passed and on our statute books, we loaned to Portugal $27,500,000. If there is a dictatorship anywhere in Europe or if there is a Fascist form of government anywhere in Europe, it is in Portugal. No one who is familiar with that situation will deny the accuracy of that statement.

Mr. President, it has also been said, both by way of implication and otherwise, that we should not lend this money, no matter what Spain would do for us, because Spain, so it is said, was against us in the Second World War, the recent conflict. Let me read from statements which are to be found in the book, Wartime Mission in Spain, by Ambassador Carlton J. H. Hayes:

> It is very unfortunate that propaganda of the Soviet Union, and of its conscious or unconscious apologists and appeasers in this country, has served, especially during the last 3 years, to conceal from the American people the signal services which Spain rendered us in the critical war years from 1942 to 1945, and to induce our Government to adopt toward Spain a policy which I can only regard as contrary to American interests and derogatory of American honor. Our fellow citizens should be enlightened, not deceived, about the actual facts in the situation.

Mr. President, I am sorry that the Senator from Oregon [Mr. MORSE] has seen fit to leave the Chamber while these statements are being read, because they would be enlightening to him.

I quote further from the ambassador:

> Under Senor Lequerica, as under his predecessor Count Francisco Jordana, the Spanish Foreign Office, with the obvious approval of the head of the Spanish State, granted us more favor than did any other neutral government, whether Sweden, Turkey, Switzerland, or Portugal. Not only did the Spanish Government pledge itself not to interfere in any way with our fateful landings and campaign in North Africa. Not only did it assure us as early as February 1943 that it would join us in the war if the Axis should attempt an invasion of Spain. Not only did it permit us to use Spain as the base for invaluable espionage of Axis activities in France and the Mediterranean. It also accorded us important positive favors. It allowed us to get over 1,200 American airmen safely across the peninsula, without any internment. It permitted the transit and exit of over 25,000 members of the French resistance movement as reinforcements for the allied armies in North Africa. It choked off export of strategic war materials to Germany before any other neutral had done so. Spain, too, was the first country to conclude a permanent air agreement with us, and one whereby we were enabled to obtain landing rights for military as well as civilian planes. In the light of all such facts, it is simply hypocritical to countenance the notion that Spain has been hostile to us and should therefore be treated as a pariah among the nations. It certainly belies the solemn assurances which President Franklin D. Roosevelt gave to the head of the Spanish State in writing in November, 1942.
>
> The policy which we have latterly been pursuing toward Spain has had, I believe, still another unfortunate effect. It has retarded the natural, and otherwise inevitable, evolution of the Spanish domestic regime toward greater liberty and democracy. No nation likes to be dictated to by foreigners, and when our Government joins Marshal Stalin in telling the Spanish people that they must get rid of the head of the Spanish State, the natural response is popular reaction in support of the existing regime. And how silly it is to allege that Spain—or the head of the Spanish State—is a threat to world peace. The real threat to world peace is in Moscow and not in Madrid.
>
> Spain is vital, as I see it, to American interests. The late war has abundantly demonstrated the great strategic importance of the Iberian Peninsula for any way in which the United States, unhappily, may henceforth be involved. Nor can the United States have enduring proper understanding with Spanish America without proper understanding with Spain.

Mr. President, it seems to me that the authorities who have been on the ground, as was Ambassador Hayes during the Second World War, and who know the attitude of Spain, and have known Spain all these years, should have weighty influence with those who think otherwise.

Mr. President, one last word: All that this amendment would provide would be to permit a freedom-loving, liberty-loving, God-fearing people to enhance their own internal economy, so that when we call on them, they will not be found wanting. The day will come, I am sorry to say—but everything indicates it—when we shall be calling on all the freedom-loving peoples of the world. However, some of them are not responding too rapidly just now.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. McKELLAR. Mr. President, let us vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY], for himself and other Senators, to the amendment of the Senator from Nevada to the committee amendment.

Mr. McCARRAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Maybank
Anderson	Hill	Millikin
Benton	Hoey	Morse
Brewster	Holland	Mundt
Bricker	Humphrey	Murray
Bridges	Hunt	Myers
Butler	Ives	O'Conor
Byrd	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Pepper
Chavez	Kefauver	Robertson
Connally	Kem	Russell
Cordon	Kerr	Saltonstall
Douglas	Knowland	Smith, Maine
Dworshak	Langer	Smith, N. J.
Eastland	Leahy	Sparkman
Ecton	Lehman	Stennis
Ferguson	Lodge	Taft
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tydings
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McKellar	Wiley
Green	McMahon	Williams
Gurney	Magnuson	Young
Hayden	Malone	
Hendrickson	Martin	

The PRESIDING OFFICER. A quorum is present. The question is on the amendment offered by the Senator from Wyoming, for himself and other Senators, to the amendment of the Senator from Nevada.

Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. In the event the O'Mahoney amendment is agreed to, there will be a second vote, will there not, on the McCarran amendment as amended?

The PRESIDING OFFICER. That is correct. If the O'Mahoney amendment is agreed to, the question will then recur on the McCarran amendment as amended by the O'Mahoney amendment.

Mr. HOEY. Mr. President, may we have the O'Mahoney amendment stated.

The PRESIDING OFFICER. The clerk will read the O'Mahoney amendment.

The CHIEF CLERK. The amendment reads as follows:

On page 448, line 7, after the word "specified", insert the following:

"*Provided further*, That the Administrator is authorized and directed to issue notes from time to time during the fiscal year 1951 for purchase by the Secretary of the Treasury, who is hereby authorized and directed to make such purchases, in an amount not exceeding in the aggregate $100,000,000 for the purpose of assistance to Spain, to be extended upon credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended."

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. The Senator from Minnesota was wondering whether, with the offering of the O'Mahoney amendment, additional time would be allowed for debate on that particular amendment, in view of the fact that the unanimous-consent agreement which was entered into pertained to the McCarran amendment.

The PRESIDING OFFICER. The O'Mahoney amendment having been offered before the time for debate expired, it is the opinion of the Chair that there is no time now for debate on the O'Mahoney amendment. The question is on agreeing to the amendment offered by the Senator from Wyoming, for himself and other Senators, to the amendment offered by the Senator from Nevada. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from South Carolina [Mr. JOHNSTON] is absent because of the death of a close personal friend.

The Senator from Kentucky [Mr. CHAPMAN] and the Senators from West Virginia [Mr. KILGORE and Mr. NEELY] are absent on public business.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Kentucky [Mr. CHAPMAN] is paired on this vote with the Senator from West Virginia [Mr. KILGORE]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from West Virginia would vote "nay."

The Senator from Kentucky [Mr. WITHERS] is paired on this vote with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from West Virginia would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY], the Senator from Missouri [Mr. DONNELL], the Senator from Indiana [Mr. JENNER], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] who is absent by leave of the Senate is paired with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Washington would vote "yea" and the Senator from New Hampshire would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is absent by leave of the Senate, and if present would vote "nay."

The result was announced—yeas 52, nays 27, as follows:

YEAS—52

Aiken	Holland	Murray
Brewster	Hunt	Myers
Capehart	Ives	O'Conor
Chavez	Johnson, Colo.	O'Mahoney
Connally	Johnson, Tex.	Pepper
Cordon	Kefauver	Robertson
Eastland	Kerr	Russell
Ferguson	Knowland	Saltonstall
Flanders	Leahy	Smith, Maine
Fulbright	Lodge	Smith, N. J.
George	Lucas	Sparkman
Green	McCarran	Stennis
Gurney	McFarland	Thomas, Utah
Hayden	McKellar	Thye
Hendrickson	McMahon	Tydings
Hickenlooper	Magnuson	Wiley
Hill	Maybank	
Hoey	Millikin	

NAYS—27

Anderson	Frear	Malone
Benton	Gillette	Martin
Bricker	Graham	Morse
Bridges	Humphrey	Mundt
Butler	Kem	Taft
Byrd	Langer	Watkins
Douglas	Lehman	Wherry
Dworshak	McCarthy	Williams
Ecton	McClellan	Young

NOT VOTING—17

Cain	Jenner	Taylor
Chapman	Johnston, S. C.	Thomas, Okla.
Darby	Kilgore	Tobey
Donnell	Long	Vandenberg
Downey	Neely	Withers
Ellender	Schoeppel	

So the amendment offered by Mr. O'MAHONEY for himself and other Senators to Mr. MCCARRAN's amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Nevada [Mr. MCCARRAN] as amended by the O'Mahoney amendment.

Mr. WHERRY and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from South Carolina [Mr. JOHNSTON] is absent because of the death of a close personal friend.

The Senator from Kentucky [Mr. CHAPMAN], and the Senators from West Virginia [Mr. KILGORE and Mr. NEELY] are absent on public business.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Kentucky [Mr. CHAPMAN] is paired on this vote with the Senator from West Virginia [Mr. KILGORE]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from West Virginia would vote "nay."

The Senator from Kentucky [Mr. WITHERS] is paired on this vote with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from West Virginia would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the junior Senator from Kansas [Mr. DARBY], the Senator from Missouri [Mr. DONNELL], the Senator from Indiana [Mr. JENNER], the senior Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting the Senator from Washington [Mr. CAIN], the senior Senator from Kansas [Mr. SCHOEPPEL], and the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

The result was announced—yeas 65, nays 15, as follows:

YEAS—65

Aiken	Hunt	Millikin
Brewster	Ives	Mundt
Bricker	Johnson, Colo.	Murray
Bridges	Johnson, Tex.	Myers
Butler	Kefauver	O'Conor
Capehart	Kem	O'Mahoney
Chavez	Kerr	Pepper
Connally	Knowland	Robertson
Cordon	Langer	Russell
Dworshak	Leahy	Saltonstall
Eastland	Lodge	Smith, Maine
Ellender	Lucas	Smith, N. J.
Ferguson	McCarran	Sparkman
Fulbright	McCarthy	Stennis
George	McClellan	Taft
Gillette	McFarland	Thye
Gurney	McKellar	Tydings
Hayden	McMahon	Watkins
Hendrickson	Magnuson	Wherry
Hickenlooper	Malone	Wiley
Hoey	Martin	Young
Holland	Maybank	

NAYS—15

Anderson	Flanders	Humphrey
Benton	Frear	Lehman
Byrd	Graham	Morse
Douglas	Green	Thomas, Utah
Ecton	Hill	Williams

NOT VOTING—16

Cain	Johnston, S. C.	Thomas, Okla.
Chapman	Kilgore	Tobey
Darby	Long	Vandenberg
Donnell	Neely	Withers
Downey	Schoeppel	
Jenner	Taylor	

So Mr. MCCARRAN's amendent, as amended, was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed, without amendment, the bill (S. 3380) to amend the act of August 9, 1939, to redefine the term "contraband article" with respect to narcotic drugs and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2160) to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2591) to amend the Public Health Service

Act to support research and training in arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy and blindness, and other diseases, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 1293. An act for the relief of the Franco-Italian Packing Co.; and

H. R. 5074. An act to promote the national defense by authorizing specifically certain functions of the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 7695. An act to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force; and

H. R. 8909. An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2234) for the relief of Mrs. Gladys J. Senyohl McCarthy; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. DENTON, and Mr. KEATING were appointed managers on the part of the House at the conference.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The PRESIDING OFFICER. The question now is on the committee amendment, chapter X–B, as amended.

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. What is the question before the Senate?

The PRESIDING OFFICER. The question before the Senate is the amendment offered by the Senator from Virginia [Mr. BYRD], the Senator from New Hampshire [Mr. BRIDGES], and other Senators as a substitute for the language proposed to be stricken by the committee beginning on line 21, at page 476.

Mr. DOUGLAS. In lieu of the language proposed to be stricken on pages 476 and 477 by the so-called Byrd-Bridges amendment as a substitute for the language proposed to be stricken by the committee I move to insert the following language, which I send to the desk. I have been joined in this amendment by the Senator from Missouri [Mr. KEM], the Senator from Delaware [Mr. WILLIAMS], and also the junior Senator from Connecticut [Mr. BENTON] and the junior Senator from Vermont [Mr. FLANDERS]. I should like to have the amendment read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In lieu of the language proposed to be inserted by Mr. BYRD (for himself and others) as a substitute for the language proposed to be stricken out by the committee on pages 476 and 477 (embraced in sec. 1114), insert the following:

SEC. 1114. Reductions in appropriations contained in this act are hereby made in the sum of $1,000,000,000. Such reductions shall be made in the following manner:

(a) Funds appropriated in this act for supplies and materials, for lands and structures, and for Federal-aid postwar highways shall be reduced by $500,000,000: *Provided*, That the Director of the Bureau of the Budget is empowered to make such reductions among the departments and agencies in the executive branch of the Government in such a manner as to provide for the most efficient use of the Nation's manpower and resources consistent with prevailing needs for an adequate national defense and a sound national economy.

(b) Funds appropriated in this act for personal services, travel, transportation of things, communications services, rents and utilities, printing and reproduction, other contractual services, and equipment shall be reduced by $500,000,000, which reduction shall be made among the departments and agencies in the executive branch of the Government on a pro rata basis: *Provided*, That reductions in personnel shall, where practicable, be made by eliminating a total of 5 percent of the personnel provided for in the President's budget and the filling of a total of not more than one-half of all vacancies which occur by reason of death, resignation, or otherwise: *Provided further*, That the reductions provided for in this subsection among the departments shall be made on a department-wide basis and the Secretaries of the Departments are empowered, by means of transfers and adjustments, to keep the agencies within their respective departments at a maximum of efficiency: *Provided further*, That the Director of the Bureau of the Budget is empowered by means of transfers and adjustments to administer the reductions provided for in this subsection among the nondepartmental and independent agencies in such a manner as to provide for a maximum of efficiency: *Provided further*, That hereafter the amount of annual leave for Government employees, including employees of the postal services, shall be at the rate of 20 days per year and the amount of sick leave shall be at the rate of 12 days per year for classified and wage board employees (except that no annual leave nor sick leave shall be granted to any Government employee who has not been in continuous Government service at least one calendar year).

SEC. 1115. The reductions provided for in this chapter shall not apply to the following (except that the annual- and sick-leave provisions shall apply to all classified and wage board employees):

(a) Chapter X, chapter X–B, and the amount appropriated to the General Services Administration for carrying out the provisions of the Strategic and Critical Materials Stockpiling Act of July 23, 1946;

(b) Appropriations in title I of chapter VIII for the Executive Office of the President under the headings "Compensation of the President," "The White House Office," "Emergency Fund for the President," and "Executive Mansion and Grounds.";

(c) Appropriations for the atomic energy program;

(d) Trust funds;

(e) Funds of Government corporations, excluding those made available in this act (1) for administrative expenses and (2) by appropriation from the general fund of the Treasury;

(f) Amounts (other than under the Veterans' Administration) for furnishing medical and hospital services and domiciliary care, excluding (1) administrative expenses not directly connected with the operation of a specific hospital, dispensary, or clinic, and (2) expenses for employee health service programs;

(g) Amounts provided in this act for payment of obligations incurred under prior appropriations, or authorizations, and obligated balances of reappropriations;

(h) Appropriations of, or measured by, receipts;

(i) Amounts appropriated by this act for the operation of law-enforcement agencies, including the Federal Bureau of Investigation, Bureau of Customs, Immigration and Naturalization Services, and the Secret Service; or for the payment of compensation and expenses of agents and auditors of the Bureau of Internal Revenue, and such other officers and employees of other agencies whose duties primarily pertain to intelligence operations (including funds transferred pursuant to section 6 (a) of the act of June 20, 1949; 63 Stat. 211), or to the investigation, apprehension, prosecution, or detention of persons suspected or convicted of offenses against the criminal laws of the United States;

(j) Amounts provided for any program of the Veterans' Administration, excluding (1) administrative expenses not directly connected with the operation of a specific hospital, dispensary, clinic, or facility, and (2) expenses for employee health service programs;

(k) Grants (other than those for Federal-aid postwar highways), subsidies, and contributions where amounts are determined by law;

(l) Amounts provided to make payment of or contributions toward pensions, retirement and disability annuities and benefits, employee's death or injury benefits, or other items of a similar nature;

(m) Appropriations for refunds, awards, and indemnities;

(n) Appropriations for the Coast Guard; and

(o) The amount appropriated to the Post Office Department for transportation of the mail.

Mr. DOUGLAS. Mr. President, this is the same amendment that was offered last Friday, July 28, and at that time I made a brief statement explaining the nature and purposes of the amendment. It is not my purpose to speak at any great length today, but for the benefit of those Senators who were not here at the time the amendment was offered, or who perhaps have not read the RECORD, I may say that this is a proposal to make a total reduction in the appropriations of $1,000,0000,000.

This reduction is divided evenly between two portions. Five hundred million dollars of the reduction is to be on construction, materials, and supplies, and $500,000,000 on personnel, transportation of persons and things, equipment, communications, printing, and so forth.

Mr. President, the need for an appreciable reduction should, I think, be evident to all. The budget was out of balance by from four to five billion dollars before the Korean hostilities broke out. Even had there been no war in Korea it would have been necessary for us to have reduced our expenditures in order to decrease the deficit and in order to diminish the need for Government borrowing, and therefore to reduce the danger of inflation. But the coming of the Korean war,

with its added expenses—how great, we do not know—has intensified the need for governmental economy.

Thus far in my attempts to make selective cuts there have been virtually no reductions. I have only goose eggs to show for my efforts. It now appears, therefore, that the only possibility for an effective reduction in the budget is through some general cut of the type now proposed.

The reduction in outlay of a billion dollars, would put us in a much better condition of financial health, and it would be a reassurance to the people that we mean business, and want to take in the slack. If this were accompanied by a vigorous tax program which would meet the added cost caused by the hostilities in Korea, we might well be able to get through the difficult months and the difficult year ahead of us without appreciable price inflation. If we do not take in sail, if we do not tax, the governmental deficit will be large. We will be forced to borrow from the banks, the banks will create more credit, and the amount of money and credit in relationship to goods will grow greater and greater. The result inevitably will be a large rise in prices, with all the difficulties which that causes to people with fixed incomes, and with all the unsettling effect it has upon labor relations.

Therefore, Mr. President, it seems to me that we should reduce our expenditures and this reduction of a billion dollars in our civilian budget is aimed in that direction. We have made this general reduction as careful in nature as possible. No reductions are to apply for anything connected with the national defense.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am very glad to yield for a question.

Mr. KEFAUVER. Many of us share the desire to cut down at this time some nondefense expenditures, and the junior Senator from Tennessee would like very much to join in support of the amendment.

There is one matter which bothers me, namely, that in connection with the expenditures, there is an appropriation for the Tennessee Valley Authority, for a steam plant at New Johnsonville, Tenn., and one at Widow's Creek, Ala., and for three or four hydroelectric dams, some of which are under construction. These are vitally necessary, and they have been certified as necessary in order to furnish power for the atomic energy plant at Oak Ridge, and for the Arnold Air Engineering Development Center at Tullahoma, Tenn., for the Aluminum Co. at Alcoa, the Reynolds Metals Co., at Listerhill, Ala., the Red Stone Arsenal at Huntsville, and many other vital defense establishments in that section of the country.

Looking at the language at the end of page 1 and the beginning of page 2, where it is provided the Director of the Budget must first take into consideration the defense of the country in considering reductions of appropriations. I wonder if the Senator thinks that these necessary defense expenditures by the TVA would be exempted from the proposed cut.

Mr. DOUGLAS. I thank the Senator from Tennessee for his question. He has very properly called attention to the language beginning on line 9, page 1, and continuing to line 5, on page 2, namely, "the Director of the Bureau of the Budget is empowered to make such reductions among the departments and agencies in the executive branch of the Government in such a manner as to provide for the most efficient use of the Nation's manpower and resources consistent with prevailing needs for an adequate national defense and a sound national economy."

Therefore, while the decision on any particular project would have to be in the hands of the Director of the Budget, where power is needed for atomic energy and for other war needs, it would certainly seem to me that that would be in the interest of an adequate national defense, and that therefore such an expenditure would be exempt. But the final ruling would have to be made by the Director of the Bureau of the Budget.

Mr. KEFAUVER. Mr. President, will the Senator further yield?

Mr. DOUGLAS. I yield to the Senator from Tennessee.

Mr. KEFAUVER. In view of the fact that these steam plants and some of these dams were particularly recommended by the Defense Establishment for the purpose of furnishing electricity to these projects, some of which I have named, which have a direct and very important bearing upon our national-defense effort, does the Senator feel, as a sponsor of the amendment, that the money for such electrical projects should and would be excluded from the reduction which the Senator is seeking?

Mr. DOUGLAS. That is my own personal feeling, but of course the determination is placed in the hands of the Director of the Bureau of the Budget. The Senator has stated my own feeling.

Mr. KEFAUVER. I wonder if the Senator would consider amending—of course by agreement of the other sponsors of the amendment—the amendment he is offering, so as to cover the point I have raised.

Mr. DOUGLAS. There are about five sponsors of the amendment, and it is somewhat difficult to get agreement on such points on the floor, but it would certainly seem to me that such expenditures as those referred to would be exempt. The difficulty is that when we start making exemptions in terms of specific projects, then a whole series of exemptions will be demanded by differing Senators, and the logic and symmetry of the amendment itself is destroyed.

Mr. KEFAUVER. I thank the Senator.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. FULBRIGHT. If I could phrase the question a little differently, can the Senator tell us where he thinks the first five hundred million would be cut or should be cut—where the cut would be made, primarily?

Mr. DOUGLAS. I can give the Senator the totals. The total of construction items for the nonexempt agencies is about $1,040,000,000. The total budgeted amount for supplies and materials is about $820,000,000. The total amount in the bill for Federal aid postwar highways would be three hundred and eighty-five million, and four hundred and five million, depending on the final figure which is adopted in conference. This makes a total of about two and a quarter billion dollars from which the $500,000,000 reduction provided for in paragraph (a) would be drawn.

In other words, there would be an aggregate average reduction of about 22 percent distributed over the items for construction, materials, and supplies.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield for a question. Pardon me. I do not think the Senator from Arkansas has finished his questioning. After the Senator from Arkansas has finished his questioning I shall be glad to yield to the Senator from New Hampshire.

Mr. FULBRIGHT. I should like to get further enlightenment. I recall the Senator's views about certain rivers and harbors projects which were particularly the object of his disapproval. I wondered if this particular item primarily would come out of that program.

Mr. DOUGLAS. I am not passing judgment as to what should be eliminated from the program. That is up to the Director of the Bureau of the Budget. From the whole range of projects, of highways, rivers and harbors, public buildings, materials and supplies, and so forth, he is merely directed to make a reduction of $500,000,000, but not to eliminate anything which in his judgment is necessary for the national defense.

I now yield to the Senator from New Hampshire.

Mr. BRIDGES. The Senator from New Hampshire wants to know how much the Senator from Illinois is cutting on the highways.

Mr. DOUGLAS. The question is left up to the Bureau of the Budget. What I am saying is that the items from which this $500,000,000 reduction can be drawn will total approximately $2,250,000,000. Approximately one billion and forty million dollars for land and structures, about $820,000,000 for materials and supplies, and somewhere around $400,000,000 for highways, or a total, as I have said, of $2,250,000,000. Then from this, the Director of the Bureau of the Budget would take the $500,000,000 least essential items, the 22 percent which is least essential, leaving in the 75 to 78 percent which is most essential.

Mr. BRIDGES. Would the Senator from Illinois be surprised, after the statement he has made about highways——

Mr. DOUGLAS. Let me interrupt the Senator. It is not merely highways. It is all public works.

Mr. BRIDGES. Very well. In the second paragraph of the amendment appears the following:

(a) funds appropriated in this act for supplies and materials, for lands and structures, and for Federal-aid postwar highways shall be reduced by $500,000,000.

Now having put that in his amendment and then explained it, would the Senator be surprised if he found that he provides no reduction whatsoever in his amendment?

Mr. DOUGLAS. Unless there is some catch here, I should be greatly surprised, because the funds for these items are specifically reduced to make a total reduction of $500,000,000 for those categories. The Senator from New Hampshire may have some subtle catch in mind, but I am not aware of it. I shall be much interested in having the jack-in-the-box come out.

Mr. BRIDGES. I do not want to say that I think the amendment has not been properly drafted or that the Senator does not realize what is in it. But paragraph (g), on page 4, says:

Amounts provided in this act for payment of obligations incurred under prior appropriations or authorizations, and obligated balances of reappropriations.

I have here, from the Bureau of the Budget, an analysis of what paragraph (g) provides, and included in it is everything for postwar construction, Federal-aid program. In other words, what the Senator has done is to insert in one paragraph and in another paragraph take out.

Mr. DOUGLAS. May I urge upon my good friend from New Hampshire, since he is interested in a detailed analysis of the bill, to consult paragraph (k), on page 5 of the amendment. Among the items exempted are grants other than those for Federal postwar highways. So that the Federal-aid postwar highways would be included in the two and a quarter billion dollars from which the $500,000,000 reduction could be made. But let me emphasize again that there is no direction to the Director of the Bureau of the Budget as to what projects he will eliminate in order to make the $500,000,000 reduction. He is to take the $500,000,000 from what is least essential, but not to interfere with what is necessary for the national defense.

Mr. BRIDGES. But under paragraph (g) the Senator takes it entirely out. He exempts the whole thing.

Mr. DOUGLAS. No. Funds for Federal-aid postwar highways are provided under the appropriation for the Department of Commerce, Bureau of Public Roads, and are in the form of grants to States for highway construction. Therefore, in including highways I have specified that these funds are not exempt.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. HUNT. Is the Senator from Illinois aware of the fact that under expenditures for 1950 and anticipated expenditures in 1951, even the full amount is not maintaining our highways, and repairing damage caused to them, and does the Senator think it is economy further to allow our highways to deteriorate, which would mean in the future a tremendous additional outlay in order to bring them back to the condition they are in at the present time?

Mr. DOUGLAS. I may say to my good and esteemed friend from Wyoming that I am not the Director of the Bureau of the Budget. The final decision is not to be made either by an individual Senator or by the Senate as a whole. It is to be made by the Director of the Bureau of the Budget. Now in practice this is about what will happen anyway. The amendment gives the President power to suspend construction of that which in his opinion is not in the national interest. But the present situation is that we take credit amongst our constituents for making the appropriations, and then we throw upon the President the onus of canceling the contracts and the work. Under my proposal the Senate and the Congress would help to assume the responsibility with the President for an act of national economy, the necessity for which I think we all admit, namely, that it is better to put our resources into tanks, guns, and ammunition than into some of the public works for which we have made appropriations.

Mr. HUNT. Mr. President, will the Senator yield for an additional question?

Mr. DOUGLAS. I yield.

Mr. HUNT. Does the Senator feel that in the amendment he has suggested he is placing tremendous authority in the Executive?

Mr. DOUGLAS. As a matter of fact, so far as the suspension of public works is concerned, that is already given to the Executive. He does have the power to suspend construction of public works if in his judgment such construction contributes to inflation, and so forth. The President exercised that power in the summer of 1946 when, with the sharp rise of prices, he shut off the construction of some public works. He is doing that now. But the point is that by this appropriation bill we join him in that effort, and we give him a mandate that at least $500,000,000 is to be cut, instead of leaving him all alone to hold the fort against the demands not only of bureaus but of localities. We would say: "Good work. Cut $500,000,000. And you can do it by legislative authority, and not mere Executive discretion, and we will take the 'rap' along with you." If there is popular indignation, we will take the "rap" too, instead of claiming for ourselves all the benefits for appropriations and throwing upon the President all the opprobrium for cuts.

Mr. HUNT. May I say to the distinguished Senator from Illinois that that does not maintain American highways, which we need in our war effort.

Mr. DOUGLAS. If it is necessary to spend $500,000,000 for American highways, the money will be spent. The amendment does not say that there must be proportionate cuts for each of these purposes. It merely says that there shall be a total cut of $500,000,000 among the items which aggregate $2,250,000,000.

Mr. President, I do not wish to take too much time, but I should like to point out also that another $500,000,000 is to be drawn from reductions in personnel, equipment, transportation of persons and transportation of things, printing, and communications. The total items in this connection amount to about four billion, six hundred million dollars in the nonexempt agencies. The average cut on these items would be around 11 percent.

Mr. BYRD. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield to the Senator from Virginia.

Mr. BYRD. The Senator from Illinois proposes to reduce the appropriations by $1,000,000,000.

Mr. DOUGLAS. In total; yes.

Mr. BYRD. Total. How is he to accomplish that reduction?

Mr. DOUGLAS. For the $500,000,000 of construction, the Bureau of the Budget will make the reduction. For the $500,000,000 of other items, those amounts are to be prorated amongst departments and independent agencies in the same ratio as their total sums for these purposes, as the Bureau of the Budget has already indicated in an analysis.

Mr. BYRD. But the amendment does not say that. Let me ask the Senator this question. The amendment says:

That the Director of the Bureau of the Budget is empowered to make such reductions among the departments and agencies in the executive branch of the Government in such a manner as to provide for the most efficient use of the Nation's manpower and resources consistent with prevailing needs for an adequate national defense and a sound national economy.

Yet the amendment does not direct the Director of the Bureau of the Budget to do that; the amendment would simply empower him to do it.

The amendment covers a much broader field than the question of making a reduction in the amount of $500,000,000, for the amendment goes into the question of the Nation's manpower and resources, the language being—

in such a manner as to provide for the most efficient use of the Nation's manpower and resources consistent with prevailing needs for an adequate national defense and a sound national economy.

That includes the entire field.

Mr. DOUGLAS. Mr. President, if the Senator from Virginia will consult the first sentence of section 1001 (a), he will see that the reduction to be made by the Director of the Bureau of the Budget is to apply to "supplies and materials, for land and structures, and for Federal-aid postwar highways,". On the other hand the executive departments and agencies will make the reductions in the case of funds for "personal services, travel, transportation of things, communications services, rents and utilities, printing and reproduction, other contractual services, and equipment"—according to subsection (b). In other words, this latter reduction is to be prorated among the various departments and agencies.

Mr. BYRD. The Senator from Illinois is not reading from the amendment now, for the amendment simply says that the Director of the Bureau of the

Budget is empowered to do it. He is not directed to do it; and in that connection, under the provisions of the amendment, he can proceed on whatever basis he regards as best or most suitable in connection with the purpose of the amendment—

To provide for the most efficient use of the Nation's manpower and resources consistent with prevailing needs for an adequate national defense and a sound national economy.

The amendment does not direct the Director of the Bureau of the Budget to proceed in any particular way; but it gives the Director the power to make reductions of the appropriations in the case of any or all of the departments, so long as he proceeds—

In such a manner as to provide for the most efficient use—

I do not know just what that means—

of the Nation's manpower and resources—

And so forth. So in this amendment the Senator from Illinois is not directing the Bureau of the Budget to do anything specifically, but the amendment would simply give him a power which has never been given to any official of the Government, so far as I have ever heard.

I should like the Senator from Illinois to explain these things. For instance, just what is "the most efficient use of the Nation's manpower and resources"?

I may say that this amendment proposed by the Senator from Virginia does not direct any cuts—it authorizes the cuts.

Mr. DOUGLAS. I would also say that the most efficient use of the Nation's manpower and resources consistent with needs for national defense is to have men work at those public works which, in comparison with defense needs and civilian needs, will have the greatest beneficial effect on our defense effort. In other words, only nonessential projects would be eliminated.

Mr. BYRD. That is the Senator's interpretation and definition, but it is not written in the amendment.

Mr. DOUGLAS. I do not know how it could be made plainer.

Mr. BYRD. As I read the language of the amendment, it is so broad that the Director of the Bureau of the Budget could do anything he wished to do or anything he might decide to do.

Mr. DOUGLAS. Mr. President, the amendment reduces construction funds by $500,000,000 and gives the Bureau of the Budget the power to allocate this reduction among the projects which are regarded as least necessary, and the amendment would permit them to be eliminated. The amendment gives that power; and in that connection the national defense and the total productivity of the Nation are to be considered.

Mr. BYRD. But I submit to the Senator from Illinois that the amendment does not say that. The Senator may have that in his mind, but there is nothing in the amendment to indicate that in any way whatever.

Mr. DOUGLAS. When the amendment says that—

Funds appropriated in this act for supplies and materials, for lands and structures, and for Federal-aid postwar highways shall be reduced by $500,000,000——

Mr. BYRD. Very well; let the Senator from Illinois read the rest of the amendment, rather than to draw upon his own thoughts or imagination in this connection. I ask the Senator to read the entire sentence.

Mr. DOUGLAS. It has been read many times. I am perfectly willing to strike out the word "empowered," and substitute for it the word "directed", although the Senator's own amendment merely uses the word "authorized."

Then the amendment would read as follows, at that point:

Provided, That the Director of the Bureau of the Budget is directed to make such reductions among the departments and agencies in the executive branch of the Government in such a manner as to provide for the most efficient use of the Nation's manpower and resources consistent with prevailing needs for an adequate national defense and a sound national economy.

The Director of the Bureau of the Budget would be directed to proceed in that way to the extent of making reductions of appropriations in a total amount of $500,000,000 although, since the reduction is already made by the amendment, it seems obvious to me that the word "empower" merely provides a vehicle for the allocation of the reduction.

Mr. BYRD. However, the amendment says nothing about the 22 percent the Senator from Illinois has been discussing. Under the amendment, the Director of the Bureau of the Budget could cut out all of the funds for roads; he could cut out the entire $380,000,000 for roads, for the amendment would not limit him to making a 22 percent reduction in any particular item.

Mr. DOUGLAS. No; but the figures which I gave were based on an analysis of the budget made by the Bureau of the Budget and with particular respect to the expenditures proposed to be made on the basis of the available materials. I should like to have parts of this memorandum inserted at the end of my remarks.

Mr. BYRD. However, all that is not set forth in the amendment.

Mr. DOUGLAS. No; but from this it will be seen that a reduction of $500,000,000 will mean that the average reduction will be approximately 22 percent. That does not mean that the appropriations for each project will be reduced by 22 percent, but it does mean that there will be a reduction in the aggregate of 22 percent in the appropriations we have made thus far for these purposes for the nonexempt agencies and those which are regarded as the least necessary and the least efficient would be eliminated.

Mr. BYRD. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. I yield.

Mr. BYRD. The Senator from Illinois contends, does he not, that the amendment does apply to the road fund?

Mr. DOUGLAS. Yes, certainly.

Mr. BYRD. The bill appropriated $380,000,000 for the road fund for the coming year. Is it not true that under the amendment the Director of the Bureau of the Budget could cancel the entire appropriation for the road fund, if he chose to do so?

Mr. DOUGLAS. However, he certainly would not do so.

Mr. BYRD. But could not he do so?

Mr. DOUGLAS. Of course he could make a reduction of $500,000,000 in total amount from a variety of projects.

Mr. BYRD. And could not he take $380,000,000 from the road fund, as a part of the total reduction of appropriations? Nevertheless, the road fund is a contractual obligation, because the States are authorized by law to contract for that purpose and to issue obligations in that connection.

Mr. DOUGLAS. Does the Senator suggest that the entire cut would be directed at the highway funds?

Mr. BYRD. I do not think it would be done, but I say that under the amendment it could be done.

Mr. DOUGLAS. However, I am sure the Senator from Virginia knows perfectly well that it would not be done.

Mr. BYRD. I do not know what would be done. I have seen many things done in the Government which I thought never would be done.

Mr. DOUGLAS. As a matter of fact, what is proposed by the amendment is really the situation today, for under acts passed by the Congress prior to 1946, the President has the power to suspend those public works which he thinks would contribute to inflation and are not in the national interest.

I remember that in the summer of 1946 the President called off the commencement of all new projects. I also know that in the last few days the President has sent to the Government departments a letter asking them to list the projects the construction of which in their opinion is not essential; and that list, when prepared, will go to the President, and he will strike out those projects. Furthermore, the Army engineers have called a conference to eliminate some of their items.

So this amendment will not give to the President any more power, insofar as eliminating construction is concerned, than he already possesses.

Mr. BYRD. Mr. President, if the Senator will further yield, let me ask him another question.

Mr. DOUGLAS. I yield.

Mr. BYRD. All these amendments—whether they call for percentage reductions or any other kind of reductions, other than specific ones—are very technical. Has the Senator from Illinois submitted his amendment to the Director of the Bureau of the Budget or the Legislative Drafting Service or to the General Accounting Office, to have the amendment approved by them?

Mr. DOUGLAS. Legislative counsel helped to draw up the amendment and members of the staff of the Bureau of the Budget have been contacted, and they say that technically the amendment can be administered although it probably would not be easy. I may say that a meat-ax cut of 10 percent would probably be easier to administer. However, I have always thought that the Congress, not the Bureau of the Budget, is the legislative body, and that Congress should at least specify the areas where the cuts are to be made.

Mr. BYRD. Of course, Congress is the legislative body. However, I am sure the Senator is well aware of the fact that the Congress has learned the wisdom of submitting technical matters for expert advice.

Does the Senator from Illinois have a written statement to the effect that the amendment is workable? Let me ask also who in the Office of the Bureau of the Budget says the amendment is workable?

Mr. DOUGLAS. A man by the name of Donald MacPhail; but the statement is not in writing. I should make it clear that I do not claim the support of the Budget Bureau and that Mr. MacPhail only indicated that the amendment was technically workable. I may say that the Budget Bureau has not endorsed the amendment proposed by the Senator from Virginia, either.

Mr. BYRD. Then let me ask another question, if the Senator will yield further.

Mr. DOUGLAS. I yield.

Mr. BYRD. The Senator from Illinois proposes a general reduction of appropriations, and by his amendment the Director of the Bureau of the Budget would be directed to accomplish a reduction of $500,000,000. However, the Senator's amendment states, in the first few lines, that a total reduction of $1,000,000,000 is to be made. Who is to make the other reduction?

Mr. DOUGLAS. The other reduction is to be made in the funds appropriated "for personal services, travel, transportation of things, communications services, rents and utilities, printing and reproduction, other contractual services, and equipment."

Mr. BYRD. However, the details in regard to those items are not set forth in the amendment.

Mr. DOUGLAS. The Bureau of the Budget has made a classification of those items, based on the appropriations bill; and I hold that classification in my hand at this time. It is a classification on a functional basis for these items, and it is classified by departments, as well, showing the amounts spent for these purposes by the various departments. In that way we can determine the proportionate reduction to be made in the case of each and every department and independent agency. Then the head of each department or agency is to determine that matter for his particular department or agency; and the Bureau of the Budget is to make the determination for the combined independent agencies. I ask unanimous consent to insert this study at the close of my remarks.

There being no objection, the material was ordered to be inserted as requested.

Mr. DOUGLAS. In other words, this cut, which averages around 11 percent, can be applied within each department according to the judgment of the head of that department, picking out those items he regards as least necessary. It is the most scientific across-the-board cut that we could have.

Mr. BYRD. Let me ask the Senator this question: He says the Director of the Budget only has to do with the $500,000,000. As to the other $500,000,000, who is to see that each department makes a proportionate cut? There must be someone who has that authority, otherwise it will not be made. They are not going to make a cut unless we make it. There must be an apportionment. Someone must apportion the reduction among the various departments.

Mr. DOUGLAS. If they do not have the funds, they will have to make the cut.

Mr. BYRD. No, but who is going to cut the funds?

Mr. DOUGLAS. This makes an automatic reduction in the appropriations in these amounts, to each department.

Mr. BYRD. What reductions? Who is to say what is to come out of the Department of State and all the other departments?

Mr. DOUGLAS. If the Senator will be kind enough to look at lines 9 and 10 on page 2, he will find:

> shall be reduced by $500,000,000, which reduction shall be made among the departments and agencies in the executive branch of the Government on a pro rata basis.

Mr. BYRD. What is a pro rata basis?

Mr. DOUGLAS. Each department would be reduced in an amount which bears the same ratio to $500,000,000 as the amount appropriated to such department for such purposes bears to the total amount appropriated for such purposes in this act which are not exempt.

Mr. BYRD. Where in the amendment does that definition appear?

Mr. DOUGLAS. Is it necessary to define everything in the amendment? I do not see how any other interpretation could be applied.

Mr. BYRD. Yes; but we are not going on the opinion of the Senator from Illinois. His opinion might be incorrect.

Mr. DOUGLAS. The legislative history can furnish a basis for this, as the Senator from Virginia well knows.

Mr. BYRD. What pro rata basis? I never heard of it before.

Mr. DOUGLAS. I think that is a perfectly good term.

Mr. BYRD. It would be necessary to define it, in order to make it workable under this amendment.

Mr. DOUGLAS. I have defined it although its meaning seems clear. It is workable. I think if we used the Anglo-Saxon word "proportionate" instead of the Latin term, it would be just as good as "pro rata."

I am sorry if there has been any heat in this interchange between the Senator from Virginia and myself.

Mr. BYRD. There is no heat.

Mr. DOUGLAS. The Senator is a worthy laborer in the vineyard of economy, and I should like to think of myself as laboring alongside of him and trying to get the same end, even if by different means.

Mr. BYRD. Let me say I have enjoyed greatly my associations with the Senator from Illinois in our joint efforts for economy. I admire the efforts he has made. But even regardless of how anxious I am for economy, I want to vote for a law which will be workable. I want to vote for something which, if enacted, is going to work efficiently as between the departments. I respectfully submit to the Senator that in this case he is doing what the House did in adopting the Taber amendment and the Jensen amendment. Both of those amendments were declared to be impractical from an administrative standpoint. When the Senator tells me that it will be necessary to make an estimate, to find out what a pro rata basis is, when we are asked to write into the law a provision involving a $1,000,000,000 reduction, I simply cannot follow him on it. I think it ought to be made clear, if the amendment should become law. I am not a lawyer, but it seems to me that what is meant should be written in the law.

Mr. DOUGLAS. I think it is in the bill. Were it not for the fact that so able a gentleman as the Senator from Virginia finds difficulty in determining where it is, I should be certain it is in the law. But, since the Senator from Virginia finds some doubt about it, it is possible we shall have to fall back on legislative history, which I hope I have made clear.

Mr. BYRD. One of my colleagues has suggested it is not heat, but probably a lack of light that is bothering the Senator. [Laughter.]

Mr. DOUGLAS. The Senator knows there is a wise-crack to the effect that when people ask for light rather than heat, they sometimes forget that they themselves are the soot upon the lamp chimney which prevents the diffusion of light. It is very likely that it is my fault, and that I have obscured the real light that is within this amendment.

Now, Mr. President, I do not want to take up too much time, but I do want to say that this is really a very simple proposal, and, on the whole, one which would cut about 11 percent from these items. That can be done by reducing vacation leave, now 26 working days or 5⅕ weeks, and by reducing sick leave from 15 working days, or 3 weeks, to 20 days and 12 days, respectively.

We would still be providing for governmental employees better conditions than 99 44/100 percent of private employers provide, and we would also squeeze out the 2 percent, let us say, of the least efficient governmental employees. We would then merely fill one-half of the vacancies which occur. This is much, much milder than the Thomas-Taber and the Jensen amendments. The Thomas-Taber amendment provided for a 10-percent cut, and then the Jensen amendment, on top of that, provided for filling only one-tenth of the vacancies. Nine-tenths of the vacated jobs would be allowed to fall vacant. This amendment allows the filling of one-half of vacancies, and diminishes the force by one-half. That is, by one-half the vacancies, during the course of the year. The average Government turn-over is about 26 percent, so that at the end of the year the working force would have shrunk by 13 percent, plus the 2 percent for vacations, or an average for the year of around 7 percent. When this is combined with the 5 percent reduction effected by reducing leave and eliminating the most inefficient personnel we get a total personal reduction of about 12 per-

cent. It is the most painless way of taking the fat out of the Government service, and yet, if in a given department the head of the department wants to make his economies from equipment, materials and supplies rather than from personnel, he can make all the economies in that way. He is given freedom, but he does have to make reductions from specific areas.

I commend the Senator from Virginia, the Senator from New Hampshire and their gallant cohorts for their desire to save money. They have made estimates that their amendments will save about $800,000,000, and I am ready to accept that estimate. This amendment will save $1,000,000,000. In other words, if they have $800,000,000 worth of virtue, this amendment has $1,000,000,000 worth of virtue. It saves $200,000,000 more than the eminent gentlemen propose to save. It is done in a more painless fashion, and in a more discriminating fashion. We both use the meat-ax, but whereas they bring it down indiscriminately and order a 10 percent cut across the board, this cut is employed with discrimination and with care. So I hope that my amendment will be adopted. If it should fail, then I shall vote for the Bridges-Byrd amendment as a last resort—as the worst possible way to cut the budget. [Laughter.] But before we turn to the worst way, let us do it in a better way.

SUMMARY OF OBLIGATIONS, BY OBJECTS, FISCAL YEARS 1949, 1950, AND 1951

(Includes those items exempt by Douglas amendment)

The attached tables, summarizing obligations by objects, show the nature and scope of the services, articles, or other items for which obligations have been or will be incurred for the fiscal years 1949, 1950, and 1951.

The classification consists of the categories shown in the numbered stubs of table 1. These categories are defined in part V of the Budget-Treasury Regulation No. 1, dated June 1, 1942, as modified by section 45 of Budget Bureau "Instructions for the preparation and submission of the annual budget estimate," dated August 1, 1949. (See appendix 1 attached.) Unnumbered categories: "Unvouchered obligations" includes only those obligations which may lawfully be incurred for confidential purposes, without being subject to vouchering; "Obligations not distributed by object class" is used when the agencies have not classified all of their obligations by objects; "Reserve for future allocation" represents mutual defense assistance funds undistributed to other agencies for obligation.

The dollar amounts of obligations entered in these tables consist of "orders placed, contracts awarded, services received, and all other transactions during a given period which legally reserve an appropriation for expenditure." (See sec. 2 of the Budget-Treasury Regulation No. 1.) These amounts include all obligations from general, special, and postal accounts, but not from trust accounts or corporation checking accounts. The obligations included for the Post Office Department consist of those transactions financed by postal revenues plus the appropriation from the Treasury to cover the postal deficiency. In the case of wholly-owned Government corporations, data are included only for those obligations which are incurred from appropriated funds, and hence exclude all obligations paid by checking, special deposit, or trust accounts. Federal contributions to retirement and disability funds and the District of Columbia are included in the obligations listed under object "11 Grants, subsidies and contributions." Object "13 Refunds, awards and indemnities" excludes the amounts of obligations representing refunds of excess deposits in the Treasury receipt accounts.

When one agency of the Government requests a service from another agency on a reimbursable basis, the agency originating the request obligates its appropriated funds for "07 Other contractual services" or some other appropriate object at the time it makes advances to working funds prior to the work being done, or makes reimbursements after it is performed. The agency receiving the advance payment or reimbursement uses the same amounts to incur obligations for the various objects required to provide the service involved. This causes a duplication, which, under the present accounting system, would be difficult to eliminate.

The tables were prepared from obligation schedules printed in the 1951 budget. They include obligations based on (a) actual or recommended appropriations for 1949, 1950, and 1951, and (b) the anticipated supplemental appropriations for 1950. They do not include obligations for 1950 or 1951 based on (a) appropriations required by proposed legislation, and (b) the few anticipated supplemental appropriations which are not included in the obligation schedules.

Obligations against "Funds appropriated to the President" (pp. 51 to 68) are shown either under the respective agencies to which allocations were made, or in consolidated schedules under the respective funds. Unallocated balances are shown as reserve for future allocation.

TABLE I.—*Summary of obligations by objects, general and special accounts, for the fiscal years 1949, 1950, and 1951*

Description	1949, actual	1950, estimated	1951, estimated
01 Personal services:			
Permanent positions	$5,818,471,829	$5,793,430,629	$5,795,072,078
Part-time and temporary positions	499,948,433	461,783,395	462,013,465
Military	3,651,041,098	4,008,750,453	3,917,683,308
Other	[1]—41,343,915	187,124,183	181,244,507
Net total, 01	[2] 9,954,466,833	[2] 10,479,761,775	[2] 10,385,869,330
02 Travel	335,787,043	360,678,180	355,583,413
03 Transportation of things	994,066,487	899,780,287	784,154,014
04 Communication services	64,112,490	65,292,729	64,041,788
05 Rents and utility services	203,764,462	213,668,350	217,107,045
06 Printing and reproduction	51,987,726	55,879,854	58,073,105
07 Other contractual services	2,109,885,287	1,955,744,377	1,367,141,315
Services performed by other agencies	185,517,098	129,894,508	126,908,783
08 Supplies and materials	5,692,568,658	4,941,324,999	3,973,724,605
09 Equipment	2,917,404,287	3,803,873,007	3,610,081,894
10 Lands and structures	1,343,603,233	2,008,126,752	1,359,260,954
11 Grants, subsidies and contributions	5,601,993,717	7,451,399,318	3,474,547,221
12 Pensions, annuities and insurance losses	5,764,709,619	5,508,337,560	5,310,067,407
13 Refunds, awards and indemnities	3,188,030,678	2,489,626,707	2,330,551,457
14 Interest	5,447,283,936	5,825,573,768	5,732,221,204
16 Investments and loans	2,111,340,475	1,359,953,073	1,190,513,963
Obligations not distributed by object class	9,936,682	19,290,387	13,090,500
Unvouchered	24,677	592,245	160,000
Reserved for future allocation		1,314,010,000	
Total obligations	45,886,483,388	48,882,807,876	40,353,097,998

[1] Due to deduct charges for quarters and subsistence.

[2] Detail does not add to this total because of the inclusion of 1949, $10,105,655; 1950, $9,988,680; 1951, $10,428,407 for Senate; and 1949, $16,015,540; 1950, $18,448,215; 1951, $19,178,710 for House; and 1949, $228,193; 1950, $236,220; 1951, $248,855 for miscellaneous not shown under the separate catagories above.

Source: Obligation schedules in pt. II of the 1951 budget document.

TABLE II.—*Obligations by organization unit, general and special accounts, fiscal years 1949, 1950, and 1951*

Organization unit	1949 actual	1950 estimated	1951 estimated
Legislative branch	$102,572,180	$113,419,804	$117,981,372
The judiciary	21,361,635	24,146,016	26,033,100
Executive Office of the President	8,198,338	8,976,468	9,735,802
Funds appropriated to the President	(5,250,045,303)	(5,286,190,300)	
Economic Cooperation Administration	5,246,034,042	3,912,180,300	
All other	4,011,261	1,374,010,000	
Independent offices	(8,820,244,157)	(9,599,373,141)	(8,100,856,878)
Atomic Energy Commission	630,567,997	895,210,229	610,809,100
Civil Service Commission	244,202,972	324,837,105	353,289,254
General Accounting Office	35,565,732	35,726,212	36,946,800
National Advisory Committee for Aeronautics	50,432,223	63,820,621	63,487,000
Railroad Retirement Board	589,112,451	612,334,146	603,433,136
U. S. Maritime Commission	257,439,898	157,002,222	159,719,235
Veterans' Administration	6,508,575,441	6,702,232,763	5,958,797,205
Other	504,347,443	808,209,843	314,375,148
Federal Security Agency	456,419,065	1,664,858,910	1,670,841,907
General Services Administration	735,559,921	1,037,781,855	816,536,535
Housing and Home Finance Agency	20,255,731	21,687,015	30,569,875
Department of Agriculture	1,345,105,314	1,501,445,686	1,534,627,116
Department of Commerce	720,631,376	861,758,550	834,960,126
Department of the Interior	565,497,701	727,589,568	739,734,499
Department of Justice	129,753,104	137,515,783	149,590,818
Department of Labor	200,241,899	181,452,814	220,173,871
Department of Defense	(16,108,332,893)	(16,576,140,123)	(15,088,372,517)
Office of the Secretary of Defense	279,815,173	340,146,000	373,300,000
Department of the Army:			
Military	4,795,414,861	4,792,866,614	4,482,385,676
Civil	2,122,700,013	1,425,634,476	911,511,501
Department of the Navy	5,429,296,924	5,112,584,847	4,790,355,541
Department of the Air Force	3,481,105,922	4,904,908,186	4,530,819,799
Department of State	302,472,640	386,256,425	282,567,812
Treasury Department	8,948,283,402	8,544,205,216	8,468,008,770
Post Office Department	2,139,508,729	2,198,010,202	2,250,497,000
District of Columbia	12,000,000	12,000,000	12,000,000
Total obligations	45,886,483,388	48,882,807,876	40,353,097,998

TABLE III.—*Obligations for 01 Personal services by organization unit—General and special accounts for the fiscal years 1949, 1950, and 1951*

[In millions]

Organization unit	1949 actual	1950 estimated	1951 estimated
Legislative branch	$61	$67	$69
The judiciary	18	19	21
Executive Office of the President	7	7	8
Funds appropriated to the President	10	13	
Independent offices	(863)	(867)	(865)
Atomic Energy Commission	21	23	24
Civil Service Commission	15	15	15
General Accounting Office	34	34	35
National Advisory Committee for Aeronautics	25	28	31
Railroad Retirement Board	4	4	4
U. S. Maritime Commission	25	23	20
Veterans' Administration	613	618	623
Other	126	122	113
Federal Security Agency	84	92	98
General Services Administration	112	80	77
Housing and Home Finance Agency	13	17	24
Department of Agriculture	209	222	234
Department of Commerce	161	219	200
Department of the Interior	162	195	215
Department of Justice	104	109	115
Department of Labor	19	23	27
Department of Defense	(6,155)	(6,453)	(6,260)
Office of the Secretary of Defense	5	8	9
Department of the Army:			
Military	2,281	2,417	2,382
Civil	237	206	186
Department of the Navy	2,175	2,221	2,090
Department of the Air Force	1,457	1,601	1,593
Department of State	72	94	92
Treasury Department	366	399	425
Post Office Department	1,538	1,603	1,656
Total obligations for personal services	9,954	10,480	10,386

OBLIGATIONS FOR 02 TRAVEL BY ORGANIZATION UNIT

Legislative branch	$1	$1	$1
The judiciary	1	1	1
Executive Office of the President	(1)	(1)	(1)
Funds appropriated to the President	1	1	
Independent offices	(19)	(19)	(19)
Atomic Energy Commission	1	2	2
Civil Service Commission	(1)	(1)	(1)
General Accounting Office	(1)	(1)	(1)
National Advisory Committee for Aeronautics	(1)	(1)	(1)
Railroad Retirement Board	(1)	(1)	(1)
U. S. Maritime Commission	(1)	(1)	(1)
Veterans' Administration	11	10	11
Other	6	6	5
Federal Security Agency	3	3	4
General Services Administration	1	1	2
Housing and Home Finance Agency	1	1	1
Department of Agriculture	11	14	15
Department of Commerce	7	10	9
Department of the Interior	7	10	11
Department of Justice	5	6	7
Department of Labor	1	2	3
Department of Defense	(217)	(226)	(212)
Office of the Secretary of Defense	(1)	1	1
Department of the Army:			
Military	96	94	91
Civil	14	11	10
Department of the Navy	51	59	52
Department of the Air Force	56	61	58
Department of State	9	10	12
Treasury Department	7	11	13
Post Office Department	43	45	45
Total obligations for travel	336	361	356

[1] Less than $500,000.

TABLE III.—*Obligations for 01 Personal services by organization unit—General and special accounts for the fiscal years 1949, 1950, and 1951*—Continued

OBLIGATIONS FOR 03 TRANSPORTATION OF THINGS BY ORGANIZATION UNIT

[In millions]

Organization unit	1949 actual	1950 estimated	1951 estimated
Legislative branch	$1	$1	$1
The judiciary	(1)	(1)	(1)
Executive Office of the President	(1)	(1)	(1)
Funds appropriated to the President	29	13	
Independent offices	(15)	(14)	(15)
Atomic Energy Commission	4	3	4
Civil Service Commission	(1)	(1)	(1)
General Accounting Office	(1)	(1)	(1)
National Advisory Committee for Aeronautics	(1)	(1)	(1)
Railroad Retirement Board	(1)	(1)	(1)
U. S. Maritime Commission	(1)	(1)	(1)
Veterans' Administration	5	6	5
Other	5	4	5
Federal Security Agency	(1)	(1)	(1)
General Services Administration	1	1	(1)
Housing and Home Finance Agency	(1)	(1)	(1)
Department of Agriculture	2	2	2
Department of Commerce	2	3	3
Department of the Interior	9	10	10
Department of Justice	1	1	1
Department of Labor	(1)	(1)	(1)
Department of Defense	(484)	(405)	(302)
Office of the Secretary of Defense	(1)	(1)	(1)
Department of the Army:			
Military	161	170	159
Civil	163	79	14
Department of the Navy	86	77	57
Department of the Air Force	74	78	72
Department of State	4	4	5
Treasury Department	3	3	3
Post Office Department	442	443	442
Total obligations for transportation of things	994	900	784

OBLIGATIONS FOR 04 COMMUNICATION SERVICES BY ORGANIZATION UNIT

Legislative branch	$1	$1	$1
The judiciary	(1)	(1)	(1)
Executive Office of the President	(1)	(1)	(1)
Funds appropriated to the President	(1)	(1)	
Independent offices	(9)	(8)	(8)
Atomic Energy Commission	2	2	2
Civil Service Commission	(1)	(1)	(1)
General Accounting Office	(1)	(1)	(1)
National Advisory Committee for Aeronautics	(1)	(1)	(1)
Railroad Retirement Board	(1)	(1)	(1)
U. S Maritime Commission	(1)	(1)	(1)
Veterans' Administration	5	4	4
Other	1	1	1
Federal Security Agency	1	1	1
General Services Administration	5	5	4
Housing and Home Finance Agency	(1)	(1)	(1)
Department of Agriculture	2	2	2
Department of Commerce	8	9	10
Department of the Interior	1	1	1
Department of Justice	2	2	2
Department of Labor	(1)	(1)	(1)
Department of Defense	(25)	(24)	(22)
Office of the Secretary of Defense	(1)	(1)	(1)
Department of the Army:			
Military	8	8	8
Civil	5	3	2
Department of the Navy	4	3	4
Department of the Air Force	7	9	8
Department of State	4	6	6
Treasury Department	3	3	3

[1] Less than $500,000.

TABLE III.—*Obligations for 01 Personal services by organization unit—General and special accounts for the fiscal years 1949, 1950, and 1951*—Continued

OBLIGATIONS FOR 04 COMMUNICATIONS SERVICES BY ORGANIZATION UNIT—continued

[In millions]

Organization unit	1949 actual	1950 estimated	1951 estimated
Post Office Department	$2	$2	$3
Total obligations for communication services	64	65	64

OBLIGATIONS FOR 05 RENTS AND UTILITY SERVICES BY ORGANIZATION UNIT

Legislative branch	$1	(1)	(1)
The judiciary	(1)	(1)	(1)
Executive Office of the President	(1)	(1)	(1)
Funds appropriated to the President	(1)	(1)	
Independent offices	(31)	($35)	($37)
Atomic Energy Commission	8	11	14
Civil Service Commission	(1)	(1)	(1)
General Accounting Office	(1)	(1)	(1)
National Advisory Committee for Aeronautics	2	3	3
Railroad Retirement Board	(1)	(1)	(1)
U. S. Maritime Commission	(1)	(1)	(1)
Veterans' Administration	16	16	16
Other	4	4	3
Federal Security Agency	1	2	2
General Services Administration	24	23	22
Housing and Home Finance Agency	1	1	2
Department of Agriculture	4	5	5
Department of Commerce	5	6	7
Department of the Interior	3	4	5
Department of Justice	2	2	2
Department of Labor	(1)	(1)	(1)
Department of Defense	(92)	(91)	(89)
Office of the Secretary of Defense	(1)	(1)	(1)
Department of the Army:			
Military	35	35	33
Civil	11	10	8
Department of the Navy	28	26	29
Department of the Air Force	18	20	19
Department of State	3	3	3
Treasury Department	10	11	10
Post Office Department	26	29	32
Total obligations for rents and utility services	204	214	217

OBLIGATIONS FOR 06 PRINTING AND REPRODUCTION BY ORGANIZATION UNIT

Legislative branch	$1	$2	$2
The judiciary	(1)	(1)	(1)
Executive Office of the President	(1)	(1)	(1)
Funds appropriated to the President	(1)	(1)	
Independent offices	(6)	(5)	(5)
Atomic Energy Commission	(1)	(1)	(1)
Civil Service Commission	(1)	(1)	(1)
General Accounting Office	(1)	(1)	(1)
National Advisory Committee for Aeronautics	(1)	(1)	(1)
Railroad Retirement Board	(1)	(1)	(1)
U. S. Maritime Commission	(1)	(1)	(1)
Veterans' Administration	3	2	3
Other	1	1	(1)
Federal Security Agency	1	1	1
General Services Administration	1	1	1
Housing and Home Finance Agency	(1)	(1)	(1)
Department of Agriculture	3	3	3
Department of Commerce	4	6	6
Department of the Interior	1	1	1

[1] Less than $500,000.

TABLE III.—*Obligations for 01 Personal services by organization unit—General and special accounts for the fiscal years 1949, 1950, and 1951*—Continued

OBLIGATIONS FOR 06 PRINTING AND REPRODUCTION BY ORGANIZATION UNIT—continued

[In millions]

Organization unit	1949 actual	1950 estimated	1951 estimated
Department of Justice	$1	$1	$1
Department of Labor	(1)	1	1
Department of Defense	(24)	(22)	(23)
Office of the Secretary of Defense	(1)	1	1
Department of the Army:			
Military	9	8	10
Civil	(1)	1	1
Department of the Navy	9	8	7
Department of the Air Force	5	4	4
Department of State	2	2	3
Treasury Department	6	7	7
Post Office Department	2	4	4
Total obligations for printing and reproduction	52	56	58

OBLIGATIONS FOR 07 OTHER CONTRACTUAL SERVICES BY ORGANIZATION UNIT

Legislative branch	$6	$9	$11
The judiciary	2	3	3
Executive Office of the President	(1)	(1)	(1)
Funds appropriated to the President	710	563	
Independent offices	(352)	(421)	(420)
Atomic Energy Commission	181	262	272
Civil Service Commission	(1)	(1)	(1)
General Accounting Office	(1)	(1)	(1)
National Advisory Committee for Aeronautics	2	3	3
Railroad Retirement Board	1	1	1
U. S. Maritime Commission	22	6	2
Veterans' Administration	137	132	124
Other	9	17	18
Federal Security Agency	4	5	5
General Services Administration	44	36	37
Housing and Home Finance Agency	(1)	2	2
Department of Agriculture	26	15	16
Department of Commerce	11	10	9
Department of the Interior	53	55	63
Department of Justice	6	6	6
Department of Labor	(1)	(1)	1
Department of Defense	(776)	(795)	(762)
Office of the Secretary of Defense	(1)	1	1
Department of the Army:			
Military	229	267	240
Civil	66	66	47
Department of the Navy	292	248	252
Department of the Air Force	188	213	222
Department of State	11	14	12
Treasury Department	14	16	14
Post Office Department	5	5	5
Total obligations for other contractual services	2,020	1,956	1,367

OBLIGATIONS FOR 07 SERVICES PERFORMED BY OTHER AGENCIES BY ORGANIZATION UNIT

Legislative branch	(1)	(1)	(1)
The judiciary	(1)	(1)	(1)
Executive Office of the President	$1	$1	$1
Funds appropriated to the President			
Independent offices	(41)	(40)	(38)
Atomic Energy Commission	40	37	36
Civil Service Commission	(1)	(1)	
General Accounting Office	(1)	(1)	(1)
National Advisory Committee for Aeronautics	(1)	(1)	(1)
Railroad Retirement Board	(1)	(1)	(1)
United States Maritime Commission	(1)	(1)	(1)
Veterans Administration			
Other	(1)	2	1

[1] Less than $500,000.

TABLE III.—*Obligations for 01 Personal services by organization unit—General and special accounts for the fiscal years 1949, 1950, and 1951*—Continued

OBLIGATION FOR 07 SERVICES PERFORMED BY OTHER AGENCIES BY ORGANIZATION UNIT—continued

[In millions]

Organization unit	1949 actual	1950 estimated	1951 estimated
Federal Security Agency	$1	$1	$1
General Services Administration	2	6	13
Housing and Home Finance Agency	(1)	(1)	(1)
Department of Agriculture	57	4	5
Department of Commerce	2	9	12
Department of the Interior	15	4	4
Department of Justice	(1)	(1)	(1)
Department of Labor	(1)	(1)	1
Department of Defense	32	33	(19)
Office of the Secretary of Defense	(1)	(1)	(1)
Department of the Army:			
Military	17	7	5
Civil	3	2	2
Department of the Navy	6	6	6
Department of the Air Force	6	18	6
Department of State	1	1	3
Treasury Department	30	26	26
Post Office Department	4	4	4
Total obligations for services performed by other agencies	186	130	127

OBLIGATIONS FOR 08 SUPPLIES AND MATERIALS BY ORGANIZATION UNIT

Legislative branch	$27	$29	$29
The judiciary	(1)	(1)	(1)
Executive Office of the President	(1)	(1)	(1)
Funds appropriated to the President	111	62	
Independent offices	(199)	(184)	(221)
Atomic Energy Commission	71	55	77
Civil Service Commission	(1)	(1)	(1)
General Accounting Office	(1)	(1)	(1)
National Advisory Committee for Aeronautics	5	5	
Railroad Retirement Board	(1)	(1)	(1)
U. S. Maritime Commission	3	2	4
Veterans' Administration	95	92	97
Other	24	29	37
Federal Security Agency	15	14	13
General Services Administration	474	778	505
Housing and Home Finance Agency	(1)	(1)	(1)
Department of Agriculture	20	18	19
Department of Commerce	17	16	15
Department of the Interior	45	58	67
Department of Justice	7	7	7
Department of Labor	(1)	(1)	(1)
Department of Defense	(4,687)	(3,688)	(3,014)
Office of the Secretary of Defense	(1)	(1)	(1)
Department of the Army:			
Military	1,371	1,207	978
Civil	1,140	439	
Department of the Navy	1,496	1,300	1,209
Department of the Air Force	680	742	773
Department of State	4	7	10
Treasury Department	37	41	45
Post Office Department	49	37	28
Total obligations for supplies and materials	5,693	4,941	3,974

OBLIGATIONS FOR 09 EQUIPMENT BY ORGANIZATION UNIT

Legislative Branch	$2	$2	$3
The judiciary	(1)	(1)	(1)
Executive Office of the President	(1)	(1)	(1)
Funds appropriated to the President	1	4	
Independent offices	(243)	(160)	(186)
Atomic Energy Commission	24	21	21
Civil Service Commission	(1)	(1)	(1)
General Accounting Office	(1)	(1)	(1)
National Advisory Committee for Aeronautics	3	4	4

[1] Less than $500,000.

TABLE III.—*Obligations for 01 Personal services by organization unit—General and special accounts for the fiscal years 1949, 1950, and 1951*—Continued

OBLIGATIONS FOR 09 EQUIPMENT BY ORGANIZATION UNIT—continued

[In millions]

Organization unit	1949 actual	1950 estimated	1951 estimated
Independent offices—Con.			
Railroad Retirement Board	(1)	(1)	(1)
U. S. Maritime Commission	$181	$82	$74
Veterans' Administration	16	20	28
Other	19	33	58
Federal Security Agency	5	4	6
General Services Administration	1	2	7
Housing and Home Finance Agency	(1)	(1)	(1)
Department of Agriculture	13	9	9
Department of Commerce	18	36	31
Department of the Interior	24	29	34
Department of Justice	2	2	3
Department of Labor	(1)	(1)	(1)
Department of Defense	(2,578)	(3,522)	(3,276)
Office of the Secretary of Defense	(1)	(1)	(1)
Department of the Army:			
Military	503	480	528
Civil	26	28	
Department of the Navy	1,102	968	975
Department of the Air Force	946	2,046	1,755
Department of State	6	5	5
Treasury Department	11	14	30
Post Office Department	13	14	19
Total obligations for equipment	2,917	3,803	3,610

OBLIGATIONS FOR 10 LANDS AND STRUCTURES BY ORGANIZATION UNIT

Legislative branch	$1	(1)	(1)
Executive Office of the President			(1)
Funds appropriated to the President	3		
Independent offices	(328)	($638)	($253)
Atomic Energy Commission	278	478	157
National Advisory Committee for Aeronautics	12	21	17
Veterans' Administration	36	136	75
Other	2	3	4
Federal Security Agency	(1)	(1)	(1)
General Services Administration	59	67	76
Department of Agriculture	3	3	3
Department of Commerce	54	41	43
Department of the Interior	205	323	292
Department of Justice	1	1	1
Department of Defense	(658)	(894)	(664)
Department of the Army:			
Military	66	99	36
Civil	456	574	577
Department of the Navy	92	108	31
Department of the Air Force	44	113	20
Department of State	28	35	22
Treasury Department	3	6	5
Total obligations for lands and structures	1,344	2,008	1,359

OBLIGATIONS FOR 11 GRANTS, SUBSIDIES, AND CONTRIBUTIONS BY ORGANIZATION UNIT

Legislative branch	(1)		
Executive Office of the President	(1)	(1)	
Funds appropriated to the President	$3,047	$3,163	
Independent offices	(509)	(1,287)	($452)
Atomic Energy Commission	2	1	2
Civil Service Commission	227	308	336
Railroad Retirement Board	9	4	3
U. S. Maritime Commission	26	45	58
Veterans' Administration	118	517	47
Other	127	412	6
Federal Security Agency	326	1,507	1,507
General Services Administration	8	32	60
Housing and Home Finance Agency	4		
Department of Agriculture	438	627	651
Department of Commerce	428	492	490

[1] Less than $500,000.

TABLE III.—*Obligations for 01 Personal services by organization unit—General and special accounts for the fiscal years 1949, 1950, and 1951*—Continued

OBLIGATIONS FOR 11 GRANTS, SUBSIDIES, AND CONTRIBUTIONS BY ORGANIZATION UNIT—con.

[In millions]

Organization unit	1949 actual	1950 estimated	1951 estimated
Department of the Interior	$28	$32	$30
Department of Justice	(1)	(1)	(1)
Department of Labor	178	154	187
Department of Defense	(1)	(1)	(1)
Department of the Army:			
Military	(1)	1	1
Civil	(1)	(1)	(1)
Department of the Navy	(1)	(1)	(1)
Department of the Air Force	(1)	(1)	(1)
Department of State	139	144	85
Treasury Department	125	(1)	(1)
District of Columbia	12	12	12
Total obligations for grants, subsidies, and contributions	5,602	7,451	3,475

OBLIGATIONS FOR 12 PENSIONS, ANNUITIES, AND INSURANCE LOSSES BY ORGANIZATION UNIT

Independent offices	($5,453)	($5,150)	($4,925)
U. S. Maritime Commission	(1)	(1)	
Veterans' Administration	5,453	5,150	4,925
Federal Security Agency	1	1	1
Department of Commerce	(1)	(1)	(1)
Department of the Interior	(1)	(1)	(1)
Department of Defense	(298)	(342)	(368)
Office of the Secretary	266	322	356
Department of the Army:			
Military	8	(1)	1
Civil	(1)	(1)	(1)
Department of the Navy	24	19	11
Department of the Air Force	(1)	(1)	(1)
Treasury Department	13	15	16
Total obligations for pensions, annuities and insurance losses	5,765	5,508	5,310

OBLIGATIONS FOR 13 REFUNDS, AWARDS, AND INDEMNITIES BY ORGANIZATION UNIT

Legislative branch	(1)	(1)	(1)
Funds appropriated to the President	$4		
Independent offices	(178)	($167)	($62)
Atomic Energy Commission	(1)	(1)	(1)
General Accounting Office	(1)	(1)	(1)
National Advisory Committee for Aeronautics	(1)	(1)	(1)
U. S. Maritime Commission	(1)		
Veterans' Administration	(1)	(1)	(1)
Other	176	165	60
Federal Security Agency	14	33	32
General Services Administration	2	7	8
Housing and Home Finance Agency	(1)	(1)	(1)
Department of Agriculture	12	2	2
Department of Commerce	3	3	(1)
Department of the Interior	8	1	(1)
Department of Justice	(1)	1	5
Department of Labor	(1)		
Department of Defense	(80)	(77)	(72)
Office of the Secretary	6	7	6
Department of the Army:			
Military	10	(1)	(1)
Civil	(1)	2	(1)
Department of the Navy	64	68	66
Department of the Air Force	(1)	(1)	(1)
Department of State	(1)	20	(1)
Treasury Department	2,878	2,172	2,143
Post Office Department	7	6	6
Total obligations for refunds, awards, and indemnities	3,188	2,490	2,331

OBLIGATIONS FOR 14 INTEREST BY ORGANIZATION UNIT

Independent offices: Other	$1	$1	$1
Federal Security Agency	(1)	(1)	(1)
General Services Administration	(1)	(1)	(1)

[1] Less than $500,000.

TABLE III.—*Obligations for 01 Personal services by organization unit—General and special accounts for the fiscal years 1949, 1950, and 1951*—Continued

OBLIGATIONS FOR 14 INTEREST BY ORGANIZATION UNIT—continued

[In millions]

Organization unit	1949 actual	1950 estimated	1951 estimated
Department of Agriculture	(1)		
Department of the Interior	$1	$1	$1
Department of Defense	(3)	(3)	(3)
Department of the Army:			
Military	1	1	1
Civil	1	1	2
Department of the Navy	(1)	(1)	(1)
Department of the Air Force	1	(1)	(1)
Treasury Department	5,442	5,821	5,727
Total obligations for interest	5,447	5,826	5,732

OBLIGATIONS FOR 16 INVESTMENTS AND LOANS BY ORGANIZATION UNIT

Executive Office of the President	(1)	(1)	(1)
Funds appropriated to the President	$973	$150	
Independent offices: Railroad Retirement Board	575	602	$594
General Services Administration	1	(1)	4
Department of Agriculture	544	568	570
Department of the Interior	1	4	3
Department of State	11	30	14
Treasury Department		(1)	
Post Office Department	6	5	5
Total obligations for investments and loans	2,111	1,360	1,190

UNVOUCHERED OBLIGATIONS BY ORGANIZATION UNIT

Funds appropriated to the President	(1)	(1)	
Independent offices: Atomic Energy Commission		(1)	(1)
Federal Security Agency		(1)	(1)
Department of Defense	(1)	(1)	(1)
Department of the Army:			
Military	(1)	(1)	(1)
Treasury Department	(1)	(1)	(1)
Total unvouchered obligations	(1)	$1	(1)

OBLIGATIONS NOT DISTRIBUTED BY OBJECT CLASS

Legislative branch	$1	$1	$1
Department of Agriculture		6	1
Department of the Interior	(1)	(1)	(1)
Department of Justice		(1)	(1)
Department of State	8	11	11
Post Office Department	(1)		
Total obligations not distributed by object class	10	19	13

RESERVE FOR FUTURE ALLOCATION

Mutual defense assistance		$1,314	

NOTE.—Due to rounding the detail in table III may not add to totals.

[1] Less than $500,000.

APPENDIX 1

DEFINITIONS OF OBJECT CLASSES

01. Personal services: Includes all salaries and wages for labor or other services of officers or employees, either civil or military, of the Government. This classification also includes compensation for special services rendered by consultants or others employed on a per diem or fee basis, and cash allowances for quarters, heat, light, and other cash emoluments incident to personal services.

Examples:

Civil-service employees: Salaries and wages and other compensation of all civil-service officers and employees, including that portion which represents employees' retirement contributions, and other deductions creditable to other appropriations and funds.

Non-civil-service employees: Salaries and wages and other compensation of all non-civil-service officers and employees.

Military and naval personnel: Pay and cash allowances for quarters or subsistence of all military, naval, and quasi-military personnel.

Relief employees: Wages to persons who have been certified as needing relief and who are employed on work projects operated by a Federal agency.

Special and miscellaneous payments for personal services: Commissions, fees, etc., for special and miscellaneous services rendered by consultants or others.

02. Travel: Includes transportation of persons, their subsistence while in an authorized travel status, and other expenses incident to travel which are to be paid by the Government either directly or by reimbursing the traveler.

Examples:

Transportation of persons: Contactual services rendered in connection with carrying persons from place to place, whether by land, air, or water, and the furnishing of accommodations incident to actual travel. This includes commercial transportation charges, charter of passenger cars, trains, vessels, or airplanes, and expenses incident to the operation of the chartered conveyances. It also includes mileage allowances and reimbursement for gasoline and oil used in privately owned vehicles, storage and care of vehicles, and streetcar and taxi fares.

Subsistence: Food and lodging, whether on the basis of a reimbursement for actual expenses or a per diem allowance in lieu of subsistence.

Incidental travel expenses: Other expenses necessitated by travel, such as baggage transfer, steamer chairs, and telephone and telegraph expenses, as authorized by travel regulations.

03. Transportation of things: Includes those charges for the transportation of things (including animals) which are paid or to be paid directly by the Government and not by the vendor, whether such transportation be by land, air, or water. It also includes charges for the care of such things while in process of being transported.

Examples:

Freight and express: Charges by common carrier, including freight and express, demurrage, switching, recrating, refrigerating, and other incidental expenses.

Drayage and other local transportation: Cartage, handling, and other charges incident to local transportation.

Mail transportation: Contractual services for the transportation of mail by water, rail, air, motor vehicles, etc.

04. Communication service: Includes the transmission of messages from place to place, such as tolls for land telegraph service, marine cable service, radio and wireless telegraph service, telephone service, postage, and messenger service. It also includes switchboard and service charges and telephone installation costs.

05. Rents and utility services: Includes charges for rents as well as for heat, light, power, water, gas, electricity, and other utility services exclusive of transportation and communication services.

Examples:

Rents: The right of possession and use of land, structures, or equipment owned by another, the possession of which is to be relinquished at a future time. This also includes charges under purchase rental agreements. Under such agreements, until the title to the equipment is acquired, payments should be classified as rentals. Payments subsequent to the acquisition of title should be classified as equipment.

Heat, light, power, water, gas, and electricity: The services indicated when billed separately from "rent."

06. Printing and reproduction: Includes all contractual services for the printing and binding of books, pamphlets, documents, and other publications. Printed forms and letterheads are also included under this group.

07. Other contractual services: Includes all contractual services not otherwise classified.

Examples:

Repairs and alterations: Repairs and alterations to buildings, bridges, viaducts, vessels, equipment, and like items, when done by contract, except those which add materially to the value of such property and therefore may be properly considered as capital improvements.

Storage and maintenance of vehicles: Storage and care of vehicles, except items of this nature incurred in connection with travel and which are, therefore, classified under "02 Travel."

Subsistence and support of persons: Services for providing board, lodging, and care of persons, except travel items, which are included under "02 Travel."

Photographing, typewriting, and stenographic services: Includes contractual stenographic work, typewriting, and duplicating work, such as multigraphing and mimeographing, as well as photographing, developing, and blueprinting.

Advertising and publication of notices.

Fees and other charges: Includes fees and expenses of witnesses and jurors, and fees of abstracting land titles.

08. Supplies and materials: Includes all commodities which are ordinarily consumed or expended within a comparatively short period of time, converted in the process of construction or manufacture, or from a minor part of equipment or fixed property. Also includes commodities purchased for resale.

Examples:

Office supplies (other than printed forms and letterheads).

Chemicals, surgical and medical supplies.

Fuels: All substances, such as coal, wood, petroleum, and oils used in cooking, heating, and generating power, or in making artificial gas.

Clothing and clothing supplies: Articles of clothing, together with materials and sewing supplies used in the manufacture of wearing apparel.

Provisions: Food and beverages for human consumption.

Forage and stable supplies: Food used for livestock and other animals, and stable supplies such as bedding, horseshoes, collar pads, etc.

Cleaning and toilet supplies.

Ammunition and explosives: Bombs, shells, propellant powders, mines, torpedoes, chemical and chemical gases used for combat, powder, fuses, detonators, primers, pyrotechnic supplies, and components thereof.

Materials and parts: Commodities, including building material, entering into the construction, repair, or production of supplies, equipment, machinery, buildings, and other structures.

09. Equipment: Includes machinery, implements, tools, furniture and fixtures, livestock (other than that purchased for slaughter), armaments, vehicles, and other apparatus, which are adapted to continuing use without material impairment of their physical condition, and which it may be expected will have an extended period of service.

Examples: Transportation equipment: Vehicles including passenger-carrying automobiles, motor trucks, motorcycles, tractors, aircraft of any character, wagons, carts, vessels, steamships, barges, lighters, and power launches.

Furniture, furnishings, and fixtures: Movable furniture, fittings, and fixtures, such as desks, tables, chairs, typewriters, adding and bookkeeping machines, and household equipment.

Machinery and apparatus: Engines, generators, manufacturing machinery, transformers, shop equipment, stationary pumps, and other production and construction machinery. Instruments and apparatus, such as surgical instruments, X-ray apparatus, signaling and telephone and telegraph equipment, scientific instruments and appliances, measuring and weighing instruments and accessories, photographic equipment, picture-projection equipment, and accessories, and mechanical drafting devices.

Armaments: Tanks, armored cars, tractors, machine guns, rifles, bayonets, antiaircraft guns, cannons, lights, detectors, fixed and mobile mounts or carriages for cannon, including limbers, caissons, battery and store wagons, reels and carts, fire-control apparatus, submarine mine equipment, ammunition hoists, torpedo tubes, and other special and miscellaneous military equipment.

10. Lands and structures: Includes land and interest in land, buildings, and other structures and permanent improvements and additions when acquired under contracts.

Examples:

Lands and interest in lands.

Buildings and other structures: The acquisition or construction of buildings and structures, and additions and alterations materially adding to the original value when secured under contract.

Nonstructural improvements: Improvements of land, such as landscaping, fences, sewers, wells, reservoirs, when secured under contract.

Fixed equipment: Fixtures and equipment which become permanently attached to or form a part of buildings or structures, such as elevators, plumbing, power-plant boilers, fire-alarm systems, lighting or heating systems, generators, and air-conditioning and refrigerating systems.

11. Grants, subsidies, and contributions: Includes educational and public-welfare grants, Federal contributions to the retirement and disability funds, public-assistance grants, and aid to States, Territories, political subdivisions, corporations, associations, and individuals. Gratuities, contributions to international societies, or payments of quotas of expenses of international societies and proceedings or projects; and contributions of the Government fixed by treaty.

12. Pensions, annuities, and insurance losses: Includes retirement pay on the basis of civil or military service to the Government, pensions on account of service, annuities paid from trust funds to civil service employees and others, monetary allowances on account of military and naval services, losses on life- and marine-insurance policies, and payments made on account of accidents to civil employees of the Government while in the discharge of their official duties.

Examples:

Pensions: Army, Navy, and Marine Corps pensions, civil pensions on account of disability or death due to service.

Retirement salaries: Accruals and compensation for past civil or military services of the Government.

Annuities: Accruals and compensation from retirement and disability funds and from the old age and survivors' insurance trust fund.

Allowances: Allowances to families of deceased soldiers and sailors, vocational rehabilitation allowances for disabled persons discharged from military and naval forces, medical attendance and hospital allowances, other allowances, United States employees' compensation fund payments.

Insurance losses: Losses from the United States life-insurance fund, and on military and naval insurance, etc. Does not include charges under the Government Losses in Shipment Act.

13. Refunds, awards, and indemnities: Includes refunds of the whole or part of amounts previously received by the United States; items for or included in awards by courts of law, boards, or commissions; indemnities made on recommendation of officers of the Government; or indemnities for destruction or injury of persons or property.

Examples:

Refunds: Refunds of fines, penalties, forfeitures, taxes, duties, refunds from retirement and disability funds, and other refunds on account of adjustments, errors in computation, etc.

Awards: Awards arising from abrogation of contracts, awards for the destruction of livestock, crops, etc.; awards to persons for losses incurred in the courses of duty; and other awards such as amounts paid to informers and awards paid to foreign nations not covered by treaty.

Indemnities, losses, and contingencies: Remuneration for loss or injury, such as damage to property, personal injuries, etc. This also includes losses made good on Government shipments, and the difference between the face value of uncurrent coins and the value of coins resulting from their recoinage.

Repayments of deposits: Repayments of amounts not subject to demand or claim by the United States for which it has assumed custody. Such items represent the repayment of those moneys received in trust for private purposes and over which the Government exercises the responsibility of custodian rather than owner.

14. Interest: Includes compensation to creditors of the United States for the use of funds loaned, deposited, overpaid, or otherwise made available to the United States.

16. Investments and loans: Includes the purchase of stocks, bonds, notes, and other choses in action; the original advances for revolving funds—that is, nonstock enterprises, and any increase of the original advances; and loans to foreign governments, States, Territories, and other political subdivisions, or loans to corporations, associations, and individuals.

Examples:

Investments in securities: The purchase of stocks, bonds, debentures, and other securities in which money is invested either temporarily or permanently, including the amounts paid for interest accrued on such investments at the time of purchase, as well as any premium paid on such investments. This classification also includes subscriptions to paid-in surplus of Government-owned corporations.

Advances to revolving funds: The establishment of revolving and other funds, and increase thereof, where such funds are to remain intact, either in the form of cash, receivables, inventory, or other assets, the investment in which is to be returned when the enterprise is liquidated, transferred, or sold.

Loans: Advances to foreign governments, States, Territories, and other political subdivisions, as well as loans to corporations, associations, and individuals.

ANALYSIS OF OBLIGATIONS BY OBJECTS

In order to provide a uniform basis for consideration of the estimates and for consolidation of certain information on a Government-wide basis, the following information will be supplied in the schedule of "Obligations by objects":

Total number of permanent positions.

Average number of all employees.

01. Personal services: Permanent positions, part-time and temporary positions, regular pay in excess of 52-week base, payment above basic rates, total personal services, deduct charges for quarters and subsistence, net personal services.

02. Travel.

03. Transportation of things.

04. Communication services.
05. Rents and utility services.
06. Printing and reproduction.
07. Other contractual services. Services performed by other agencies.
08. Supplies and materials.
09. Equipment.
10. Lands and structures.
11. Grants, subsidies, and contributions.
12. Pensions, annuities, and insurance losses.
13. Refunds, awards, and indemnities.
14. Interest.
16. Investments and loans (net).
Unvouchered.

The first two lines will contain information as follows: "Total number of permanent positions—All full-time permanent positions, regardless of the status of the employees (permanent, temporary, etc.), which are occupied or to be occupied at any time during the fiscal year.

"Average number of all employees"—Average paid employment on a full-year basis, stated to the nearest whole number, including the full-time equivalent of terminal leave and of temporary and part-time employment.

The amounts under object class 01 will be broken down as follows:

"Permanent positions"—Net obligations for regular pay for full-time, permanent positions, after deducting savings due to delays in filling vacancies, absences without pay, etc., offset to whatever extent may be necessary by terminal leave payments. Where such positions are paid from more than one appropriation, the applicable portion will be included under each appropriation. Only the actual reimbursement made (if any) for military personnel on detail to civilian agencies will be included. New positions for the budget year are to be estimated at the minimum of the grade.

"Temporary and part-time positions"—Net obligations for regular pay for all positions not included in "permanent positions" above.

"Regular pay in excess of 52-week base"—Compensation at regular rates for the extra day or two, if any, in excess of 52 weeks in the fiscal year.

"Payment above basic rates"—Net obligations for all other types of compensation, including overtime and holiday pay, nightwork differential, living and quarters allowance, and additional pay for service abroad.

Where employees are charged for quarters or subsistence, provided in kind, an additional entry "Deduct charges for quarters and subsistence" will be used, followed by an entry called "Net personal services."

Each other object class will be set forth on a single line, except that (a) within class 07, reimbursements and advances to other agencies (for items ordinarily classed as 07) will be set forth separately as an unnumbered item, immediately following the usual entry for the remainder of 07, and (b) a more detailed subclassification may be used optionally to show the distribution of large or unusual obligations under any class.

The distribution of obligations by object class will follow the definitions in the latest Budget-Treasury Regulation No. 1, as revised and amended, issued under Executive Order 8512.

The uniform wording of the object classes will be used exactly as set forth, although an explanatory phrase may be added in parentheses where the whole of the obligations in some class are for a particular or special object. The unnumbered entry "unvouchered" will be used only where obligations may be incurred lawfully for confidential purposes, not subject to detailed vouchering or reporting.

Mr. McKELLAR. Mr. President, I shall speak but a word or two in regard to this very simple amendment. I recently said I did not believe in legislating on the floor of the Senate. I referred to the preparation of bills. Here is a committee which, since the 26th day of last January, has worked on this bill faithfully and well, to my knowledge, as faithfully as any committee ever worked. And here is a Senator who says, "We will turn down all this; I have a plan here which provides that almost anyone can make reductions." He first proposes that the Bureau of the Budget make the reductions. He then provides that the heads of the departments shall make the reductions. What would happen, I may ask, if we suppose that neither of them made reductions? I wonder whether the Senator expects that they will turn it over to him to make the reductions.

The Senator from Illinois must not have exerted himself very much in getting information about this bill. The Senator from Virginia has exposed the utter ineptness of this amendment, the utter unfitness of it.

Mr. DOUGLAS. If the able Senator from Tennessee will yield, I ask, in what way?

Mr. McKELLAR. The Senator will have to excuse me. I did not interrupt him.

Mr. DOUGLAS. I beg the Senator's pardon.

Mr. McKELLAR. I accept the apology. I think the Senator should have apologized, after proposing this remarkable amendment. I want to read it to the Senate. It will take me only a minute. I ask Senators to listen carefully to it:

SECTION 1001. Reductions in appropriations contained in this act are hereby made in the sum of $1,000,000,000. Such reductions shall be made in the following manner:

(a) Funds appropriated in this act for supplies and materials, for lands and structures, and for Federal-aid postwar highways shall be reduced.

"Postwar highways"? We have had quite a number of wars, and I suppose we can be said to be "postwar" as to all of them. We had the Revolutionary War. The Senator's amendment would not specify whether he meant after the Revolutionary War, or whether he meant after World War II. Perhaps he means after the Civil War. On the other hand, possibly the expression is used with reference to the Mexican War. Also, it may have been used, having in mind a half-dozen Indian wars. The Senator does not specify. He merely says "postwar highways."

The Senator calls it fat.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. McKELLAR. I shall not yield at this time.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. McKELLAR. I shall yield a little later, but not at this time.

Mr. DOUGLAS. I could clear things up for the Senator by saying that the term "postwar highways" is used in the appropriations bill reported by the Senator from Tennessee. That is why I used it.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. McKELLAR. The Senator has shown that if this is a product of his mind, he has one of the most unclear minds in the world. I do not see how he could attempt to explain anything to anyone. I have heard him attempt to explain many things, but this is an amendment which I am sure he cannot explain. It is inexplicable. Listen to this:

Provided, That the Director of the Bureau of the Budget is empowered to make such reductions among the departments and agencies in the executive branch of the Government in such a manner as to provide for the most efficient use of the Nation's manpower—

The Nation's manpower? I wonder what the Senator means.

Mr. CHAVEZ. I wonder if he means the mail carrier on a post road.

Mr. McKELLAR. He may. I do not know whether he means a mail carrier or not. He may mean a stenographer in the office. I do not know what he has in his mind. Yet he wants to clarify something which no one can clarify. I think the Senator from Virginia [Mr. BYRD], in the questions which he asked the distinguished Senator from Illinois a while ago, brought out a very clear exposition of the matter. I suggest that the Senator from Illinois get the Senator from Virginia to explain what is in this amendment other than a lot of contradictions.

I have just read that the Bureau of the Budget is to make reductions. I wonder what part of the Bureau of the Budget—a clerk? An office boy? A stenographer? The amendment does not say, as was pointed out by the Senator from Virginia.

After giving the Director of the Budget such power, what happens? Listen to this:

That the reductions provided for in this subsection among the departments shall be made on a department-wide basis—

I wonder what that means. I wish the Senator from Illinois would find out from the Senator from Virginia what that means, when he has time to do so—

and the secretaries of the departments are empowered—

The Senator is now turning over the power, already vested in the Bureau of the Budget, to the secretaries of the various departments on a department-wide basis. Suppose a department head cut out a billion and a half dollars and the Bureau of the Budget did not cut out more than half a billion or three-fourths of a billion dollars: Who would decide the matter? One would cut out the fat and the other would cut out the lean, as the Senator from Illinois has said. I do not know what those things mean in that connection. I know when a man is fat or when he is lean, of course, but I do not understand the use of the words "fat" and "lean" in this manner.

Let me go on, Mr. President:

the secretaries of the departments are empowered—

They are not authorized or told to do it; they are not directed to do it, as the Senator from Virginia so well explained a while ago. Is there a Senator

present who is so dumb as to believe that simply granting such power would cause a single officeholder, whether he be in the Bureau of the Budget or in the Bureau of Foreign and Domestic Commerce, to reduce expenses by a billion dollars because he is empowered to do it? If so, let him hold up his hand.

I see no hands go up. I congratulate the Senate that no hands went up.

I can see a good deal of advertising by the Senator from Illinois in this amendment. Many persons think that if a man says he is for economy he can show it by offering an amendment of this kind. My heavens. What an effect it would have on the country. The Senator could probably be elected Vice President next time on a platform of that kind. He could say, "Fellow citizens, I did not attempt to cut out only a half-billion dollars; I cut it all out. That shows how economical I am. I just cut it all out."

I read further:

The secretaries of the departments are empowered, by means of transfers and adjustments—

See how easy it is—

by means of transfers and adjustments—

My heavens. Can we make money by transfers and adjustments? I wonder what that means. I yield to the Senator from Illinois to tell me what "adjustments" means.

Mr. DOUGLAS. Does the Senator yield?

Mr. McKELLAR. Yes.

Mr. DOUGLAS. Mr. President, I take it that this very interesting outpouring of ridicule and satire is not really intended to be taken seriously by the Senator from Illinois. I am very glad indeed if the exercise of this ridicule and satire by the Senator from Tennessee has served to make him happier, and I may say that if I have contributed to giving him more of the joy of life, even though he has exposed me to satire and ridicule, I feel that perhaps that may be one of my unwitting contributions to the Senator, for which I shall be grateful. He has indulged in a fit of temper, and I hope he feels better for it. But since the Senator has yielded to me——

Mr. McKELLAR. Oh, no; I did not yield to the Senator from Illinois to make a foolish speech. I am not at all surprised. What the Senator is now saying is in full accord with the remarkable production which after-ages will heed and because of which they will rejoice. I am very much obliged for his kind feeling toward me because of my recent Charley-horse affliction. I appreciate it very much. Without pursuing the matter much further, I should like to challenge any Senator, with the exception of the Senator from Illinois, who feels there is anything justifiable in the Senator's amendment to say what it is. Certainly it would be a blow at the system used by the Senate if we were to adopt the Senator's amendment.

Mr. President, here we have a committee working day and night on the appropriations bill. My friend from Arizona [Mr. HAYDEN], my friend from Nebraska, the minority leader [Mr. WHERRY], who is one of the finest of men, as is the Senator from Arizona, the Senator from Virginia [Mr. ROBERTSON], the Senator from New Mexico [Mr. CHAVEZ], and all the other members of the committee, have been working almost like slaves on this bill since the 26th day of January, sometimes at night, although mostly in the daytime. Most of them have spent from 8 to 10 hours a day on the committee's work. They prepared a wonderful bill. I think when it is finally enacted into law it will be pleasing not only to the Senate, the House, and the President, but to the country at large, because it is a well prepared bill which fits in with governmental policies and governmental practices. It does not cut one thing off here, another thing there, and it does not destroy. Here at the last moment, Mr. President, comes an amendment offered by a Senator who has not taken part in any hearings, who has not given us any evidence on this bill or on any other bill.

Mr. CHAVEZ. Mr. President, may I ask the Senator a question at that point?

Mr. McKELLAR. Yes.

Mr. CHAVEZ. Listening in the best of faith to the Senator from Illinois [Mr. DOUGLAS] in his laudable attempt at economy——

Mr. McKELLAR. I am sure it is laudable.

Mr. CHAVEZ. With particular reference to highways and roads, is it not a fact that the committee recommended to the Senate appropriations for roads only to the limited amount that would be in keeping with our present-day finances?

Mr. McKELLAR. Exactly. We had the proof. Road officials from the various States appeared before our committee. We had all kinds of expert evidence given to us on the question of roads. We made reductions. How did we do it? By resort to imagination? Not at all. We made reductions based on evidence. We based our decisions on evidence which was given before us and very carefully considered. Here at the last minute we have the whole thing being upset.

Mr. CHAVEZ. On the road provisions of the bill we had evidence from the Commissioner of Public Roads and the American Association of State Highway Officials, who are the ones back home who do the actual construction. Does the Senator from Tennessee know of any Senator, aside from the Senator from Illinois, who would like to take one dollar out of the money for the construction of roads in any State?

Mr. McKELLAR. I do not know of a single one.

SEVERAL SENATORS. Vote! Vote!

Mr. McKELLAR. There may be some Senators, but I do not know of any. I think I have heard several Senators ask that we vote. I want to vote. I hope we can vote on this amendment. I ask for a vote on the amendment of the Senator from Illinois.

The PRESIDING OFFICER. The question is on agreeing to the substitute amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I thought it best to wait to say what I had to say until the Senator from Tennessee had finished so that he would have a chance to resume his seat and rest. I thought it would be better to not interrupt him frequently while he was in the process of speaking.

Mr. President, essentially what the Senator from Tennessee is saying is that once a committee has made a report it is an act of impudence for any other Member of the Senate to question the recommendation made by the committee. I should like to point out that excellent as the work of this committee was—and I want to say that I know that a lot of work was done and I want to pay tribute to the Senator from Tennessee, who in many ways is a very gallant gentleman—that despite its virtues the committee did bring in an appropriation bill which even prior to the Korean war would have put us approximately four billion dollars in the red. I submit that it is perfectly proper for any Senator, after such an appropriation bill has been brought in, to try to save money for the taxpayers and the country, and that it is not helpful for one Senator to try to hold up to ridicule a Senator who seeks such economies.

Mr. President, the need of our country for economy is certainly greater in view of the Korean situation, which is going to cost us $10,000,000,000 and possibly $15,000,000,000 more, and needs for which were not before the Committee on Appropriations when it held its hearings and made its report.

The other day on the floor of the Senate I produced a copy of the hearings which were held by the Committee on Appropriations which showed that the regular hearings were closed on March 6, I believe, or more than 3 months before the Korean war broke out, that the supplementary hearings were closed in May, or 6 weeks before the Korean war broke out, and that the report and recommendations were made before the Korean war broke out. In the light of changed conditions, in the light of the need for munitions and matériel, I submit that we should economize, and I submit it is not improper—if Senators will bear with me I shall conclude in a moment and we can vote on the amendment—for a Senator to move for economy in general items after all specific efforts at economy have failed.

Mr. President, I have only one specific reply to make to what the Senator from Tennessee has said and what the Senator from Virginia has alluded to. The Senator from Tennessee has poked fun at my use of the term "empowered," when I suggested that the Director of the Budget be empowered to make reductions of construction amounting to $500,000,000, and that the secretaries of the various departments also be "empowered" to do so. The Senator from Virginia did not make fun of my use of the term, but he did imply that it was not sufficiently strong. In helping to draft the amendment I consulted the amendment introduced by the Senator from Virginia, the Senator from New Hampshire, and other eminent Senators. They used the words, "the head of each

department and agency of the executive branch of the Government is hereby authorized to make adjustments and transfers." In view of the fact that they used the weaker term "authorized" I thought it would be permissible for me to use the term "empowered." If "authorized" is correct for the Senator from Virginia, I do not quite see why he cavils at the use of "empowered." What is proper for the gander should not be improper for the goose.

I may say for the benefit of the Senator from Virginia, who has just returned to the Chamber, that I was saying that my use of the term "empowered" was based on the precedent which the Senator from Virginia had set when he used the term "authorized." So I feel I am in goodly company with the Senator from Virginia and the Senator from New Hampshire, except that I am trying to effect a bigger cut.

Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point an analysis of the so-called Douglas amendment which I have had prepared by the staff.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SEC. 1001. This paragraph purports to reduce appropriations in the amount of $1,000,000,000. But just as in the case of the original Taber-Thomas amendment adopted by the House, there are serious questions not answered by the remainder of the amendment as to how this reduction is to be accomplished and how the total reduction is to be achieved.

Paragraph (a). This paragraph provides for a $500,000,000 reduction in funds appropriated in this act for supplies and materials, lands and structures, and Federal aid to postwar highways, and empowers the Director of the Budget to make such reductions among the executive departments and agencies. This paragraph is subject to the same objection as the original Taber-Thomas amendment, chapter 10–A, for the reason that the Director of the Budget, an official of the executive branch, is empowered—not required—to allocate the reductions. In other words, the appropriation act in itself does not make the appropriations but some further action must be taken in the executive branch before it can be determined how much money is actually appropriated under the headings affected.

This Executive action is not merely ministerial, but discretionary, and, under the authority granted, the Director of the Budget could completely wipe out all appropriations for any given agency under these headings if he could determine what such appropriations are, as made in other parts of the act.

However, it must be remembered that budget estimates are not binding in any way unless the Congress specifically states so when an appropriation is actually made. They are merely used for the purpose of justification as to how the agency or department expects to spend the money involved. Therefore, unless some formula is given as to how to determine what is meant in (a), the Bureau of the Budget or anyone else would have to guess. In other words, appropriations in the act are frequently made, not for "supplies and materials" or "lands and structures" but for "salaries and expenses" or for carrying out certain programs. There is no breakdown in the bill between the different objects of expenditure, and frequently the amounts carried in the budget estimates in the aggregate of objects of expenditure have been varied so that no one can tell how much is finally carried in the bill under a given heading of appropriations applicable to a given object of expenditure.

Furthermore, the $385,000,000 provided for the Federal-aid postwar highway-construction program and a major part of funds indicated in this paragraph are exempted under section 1002 (g) of the Douglas amendment.

1001 (b). This paragraph is subject to the same type of objection as paragraph (a), since it attempts to operate on objects of expenditure rather than on appropriations. Furthermore, the paragraph specifies no one to allocate the reduction between the departments and agencies, merely providing for a "pro rata basis" of allocation. There is no definition as to what, in this connection, the words "pro rata" mean. Obviously, someone has got to make this interpretation. Does it mean prorated between departments on the basis of the total amount appropriated to each department for all purposes elsewhere in the bill? Does it mean prorated in relation to the total amount appropriated for each object or for all objects specified in (b) or theoretically appropriated for, again, no one can possibly tell the amount appropriated for a given object? Incidentally, if this is going to be done on a pro rata basis, it would be a very nice financial proposition to make it come out exactly $500,000,000.

The second and third provisos would authorize department heads within their departments and the Budget Director in nondepartmental agencies to make unlimited transfers and adjustments. It may be significant that the department heads, while making reductions, are required to keep the agencies within their respective departments at their "maximum of efficiency," whereas the Director of the Bureau of the Budget, in making the reductions in the nondepartmental and independent agencies, is only required "to provide for maximum of efficiency." In any event, the standard of a maximum of efficiency would be difficult to attain under the reductions provided in the amendment.

The first proviso seems to require reductions in personnel where practicable to be made by eliminating 5 percent of the personnel—not 5 percent of the amount of money estimated for personnel—in the President's budget, and by filling in more than one-half of vacancies. This requirement, while it would be difficult to meet as a firm one, is actually meaningless because of the leeway granted.

The final proviso relates to the annual and sick leave for Government employees. If this subject is to be attached to the bill at all, it should be in the way of a separate amendment since it is a separate legislative problem.

The PRESIDING OFFICER. The question is on agreeing to the substitute amendment offered by the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Virginia [Mr. BYRD].

Mr. SMITH of New Jersey. Mr. President, I have an amendment to the amendment offered by the Senator from Nebraska, the Senator from Virginia, and other Senators, which I send to the desk. I am heartily in favor of the amendment offered by these Senators, but I stated at the time it was offered that I would offer an amendment which would exclude the Economic Cooperation Administration from the effects of the amendment. I will send the amendment forward, and have it lie on the table, and bring it up tomorrow for discussion, if the plan is to take a recess now. I should like to have the amendment stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 2, lines 24 and 25, it is proposed to strike out the words "paragraph headed 'Mutual Defense Assistance'" and insert in lieu thereof the following: "paragraphs headed 'Economic Cooperation', 'International Children's Welfare Work', 'International Development', and 'Mutual Defense Assistance'; so much of title III of chapter X–B as is contained in the paragraph headed 'Aid to Palestine Refugees'."

Mr. SMITH of New Jersey. Are we to continue in session tonight, or take a recess at this time?

Mr. LUCAS. I may say, in reply to the Senator, that we will recess in a very few minutes.

Mr. President, I hope that we can finish the bill tomorrow, and I am sure the Senator from Tennessee would like to have that done.

Mr. McKELLAR. I certainly would.

Mr. LUCAS. The Senator from Tennessee has been very constant in his attendance on the floor of the Senate for a long time, and he is not in the best of health, so I hope we can get through with the bill tomorrow. We have spent weeks on it, and I should indeed like to accommodate the distinguished Senator from Tennessee.

Mr. McKELLAR. I thank the Senator with all my heart, and I hope the minority leader and the other Senators on the other side feel as does the majority leader.

Mr. WHERRY. Mr. President, I see no reason why the bill should not be concluded tomorrow, unless some unforeseen amendment comes up about which we do not know at the present time.

Mr. LUCAS. Mr. President, I offer an amendment which I send to the desk. It is a very minor amendment.

The PRESIDING OFFICER. The Senator from Illinois offers an amendment, which will be printed and lie on the table.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an amendment which I intend to offer to the appropriation bill, on page 366, together with a statement which I have prepared in support of the amendment.

There being no objection the amendment intended to be proposed by Senator DOUGLAS and the statement were ordered to be printed in the RECORD, as follows:

On page 366, before the period in line 16, insert a colon and the following: *"Provided further,* That none of the funds appropriated herein shall be used for construction of the Pine Flat Reservoir or the Isabella Reservoir, California, unless (1) within 6 months following the date of enactment of this act, the Secretary of the Army shall have received reports with respect to the division of costs of such projects among flood control, irrigation, and other water uses from the Bureau of Reclamation and local organizations

and, within 9 months following the date of enactment of this act, the Secretary of the Army, with the concurrence of the Secretary of the Interior, shall have made a determination as to the allocation of such costs, and (2) repayment contracts, complying with the provisions of the reclamation laws and covering the portion of such costs allocated to irrigation and assigned for repayment by the owners of such lands, shall have been entered into by the Secretary of the Interior with irrigation, reclamation, or water districts or associations embracing at least 75 percent of the lands within the respective projects."

STATEMENT BY SENATOR DOUGLAS

The amendment which I am introducing in reference to Pine Flat and Isabella Reservoirs in California is designed to meet a situation in which there is grave danger that the repayment requirements, acreage limitations and antispeculation features of basic reclamation laws may be nullified.

The amendment would condition the expenditure of further funds under the appropriations for these two projects upon a new allocation of the costs assignable to irrigation and upon the making of repayment contracts in compliance with Federal reclamation laws by owners of 75 percent of the lands within the projects.

The first section of the amendment is similar to the provisos introduced last year by Senator HAYDEN in reference to the Isabella Reservoir alone. The second part of the amendment follows the lines of earlier recommendations of the President.

Recent developments in the Kings and Kern Rivers Valleys, where these projects are, seem to have demonstrated the clear need of this amendment. In the Senate hearings on the Army Civil Functions Appropriations for 1951 (pp. 745–749) there is a statement on the matter by Mr. M. C. Hermann, quartermaster adjutant of the Veterans of Foreign Wars, Department of California. He reports that there is strong resistance to the signing of contracts in compliance with the law by the water users there and asserts that "we are fearful that unless Congress insists on compliance with reclamation law now, as a precondition of expending appropriations for these two projects, we will end up with the benefits of the projects in the hands of a few, and the United States Government will be whistling for a repayment contract."

He, therefore, urges Congress to follow the recommendation of President Truman in 1946 to make execution of proper repayment contracts a precondition of expenditure of moneys on the projects. He was supported in this appeal by Congressman JOHN F. SHELLEY, of the Fifth District in California.

In view of other contradictory testimony on this question, I addressed a letter to the Commissioner of the Bureau of Reclamation, Hon. Michael W. Straus, who replied fully confirming the principal facts set forth by Mr. Hermann.

For the information of Senators, I am glad to make available my letter and the reply of Commissioner Straus, as follows:

JULY 3, 1950.

Hon. MICHAEL W. STRAUS,
Commissioner, Bureau of Reclamation,
Department of the Interior,
Washington, D. C.

DEAR MR. STRAUS: Would you be good enough to send me the information requested below in connection with the Kings and Kern River projects in California, additional appropriations for which will soon be before us in the Senate?

As you know from prior correspondence, I have been greatly interested in the favorable development of the Central Valley project and in the maintenance of the family farm, 160 acre limitations of the reclamation law.

I note in the Senate hearings on Army civil functions appropriations for 1951, however, an important statement and proposal by Mr. M. C. Hermann, quartermaster adjutant of the Veterans of Foreign Wars, Department of California. He asserts that the resistance to signing contracts with the 160-acre clause is still great, and if continued, may endanger the Federal investment and compliance with reclamation law. He proposes that the Senate approve a 1946 recommendation of the President that execution of proper repayment contracts be made a precondition for expenditure of funds. (Hearings, pp. 745–749.)

Congressman JOHN F. SHELLEY, of the Fifth District in California, supports this view.

On the contrary, there is other testimony to the effect that the projects are primarily flood-control projects, that the determination of $14,250,000 as the part of the cost allocable to irrigation on the Kings River is too high and that local water users have been willing to repay a fair price, made repeated requests for a contract for 2 years prior to the unacceptable contract proposal by the Bureau in January 1950, and are still willing to negotiate a reasonable contract. (Hearings, pp. 749–758.)

I would now be grateful if you would send me:

1. Your comments on the Hermann proposal, as supported by Congressman SHELLEY.
2. Your report on the progress of negotiations for repayment contracts in line with reclamation-law policies.
3. Your estimate as to whether recent negotiations indicate any probability of such contracts being agreed upon in the near future without an affirmative legal requirement.
4. An analysis of the present reasonableness of the $14,250,000 figure in the light of rising cost estimates, and a comment upon the appropriateness of an amendment for a new allocation, similar to that introduced by Senator HAYDEN in connection with the 1950 bill. (Hearings, p. 758.)
5. Your judgment as to whether there are other projects in addition to Pine Flat and Isabella, where similar conditions exist and to which the proviso suggested by Mr. Hermann should be made applicable.
6. Any appropriate formula which the President may have prepared since 1946 for such situations, as in the case of the Folsom project.
7. Suggestions of suitable language to insert in the pending appropriation bill, H. R. 7786, to incorporate any one or more of the above protective features.

Your assistance in furnishing this data will be greatly appreciated.

Kindest personal regards,

Faithfully,

PAUL H. DOUGLAS.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., July 12, 1950.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR DOUGLAS: Your letter of July 3 requested information regarding the Kings and Kern Rivers projects in California, additional appropriations for which are pending in the Army Civil Functions portion of the appropriation bill now before the Senate. In particular your letter requested information as to the negotiations for repayment contracts for the portion of the costs allocable to irrigation.

The ultimate decision on the matters dealt with in your letter is, of course, for the Congress. The reclamation laws cover such matters in the case of Federal reclamation projects and section 8 of the Flood Control Act of 1944 indicates a congressional policy that the irrigation phases of water development projects should be handled under such laws, even though the particular project, as in the case of Pine Flat and Isabella Dams, is constructed by an agency other than the Bureau of Reclamation. The implementation of section 8 of the Flood Control Act of 1944 in relation to the Pine Flat, Isabella, and other projects authorized and proposed in the Central Valley area of California has been before the Congress and the Executive for several years.

The following comments are in response to your specific requests for information. For convenience, your inquiries are set forth below, and after each, our comments thereon.

"(1) Your comments on the Hermann proposal, as supported by Congressman SHELLEY."

Mr. Hermann's proposal that any appropriation of funds for prosecution of the construction of Pine Flat Dam on Kings River and Isabella Dam on the Kern River be made subject to the requirement that repayment contracts first be executed by the irrigation beneficiaries would give some assurance to the Congress that its repayment policies for irrigation projects are carried out. Experience has shown, particularly in the case of projects constructed by nonreclamation agencies, that the desire of the project beneficiaries to contract for the repayment of reimbursable costs decreases progressively as construction advances. Once the Federal investment has been made, the availability of irrigation benefits, difficult to withhold, places the water users in a stronger position to insist upon obtaining the benefits upon terms which do not include requirements contained in the Federal reclamation laws.

The entire history of our negotiations with respect to repayment of the reimbursable irrigation costs of Pine Flat Dam leads me to the conclusion that without such action as Mr. Hermann recommends, it will be difficult to obtain repayment contracts within the provisions of the Federal reclamation laws. The Kings River Water Association has made this clear ever since the enactment of the Flood Control Act of 1944. Despite the wording and legislative history of that act, the local group has persisted in its stand that the project is not subject to the Federal reclamation laws and that the Secretary of the Interior is not authorized to execute the repayment contracts on behalf of the United States. It repeatedly has stated the only function with respect to which they will recognize the Secretary of the Interior is as a bargaining agent for the Secretary of the Army. If no condition of the type that Mr. Hermann suggests is attached to the use of funds for Pine Flat Dam construction, there may be no contracts executed before the project is completed. If the project is completed before repayment contracts are executed, it is highly doubtful that contracts will be obtained that will be subject to the Federal reclamation laws, since it will be difficult for any agency to withhold the irrigation benefits. Reclamation could hardly be an effective withholding agency, while not even operating the dam.

It is highly important that the provisions of the Federal reclamation laws be applied in this area as well as the Central Valley project of which Pine Flat Dam should be a part. It would be discriminatory for the Kings River water users to obtain the substantial reclamation benefits free of the excess-land provisions of the Federal reclamation laws; for example, while their neighbors in the Central Valley project are required by the Congress to meet the requirements of those provisions. Mr. Hermann's organization is comprised of veterans. Veterans, as well as taxpayers in general, are entitled to insist that these requirements be applied in the Kings River area to the fullest extent

possible. I am not suggesting that there will be vast areas available for settlement by veterans. That can be determined only in the future. I do feel, however, that whatever conditions are contained in the Federal reclamation laws which could conceivably afford settlement opportunities should be preserved as a statutory and contractual matter. This has not been done and it may not be done if the construction of the project is completed before the repayment contracts are executed.

"(2) Your report on the progress of negotiations for repayment contracts in line with reclamation law policies."

Progress of the negotiations for repayment contracts in line with reclamation law policies has been practically nil. The Kings River Water Association consistently has refused to recognize the applicability of the reclamation laws to the principal benefits which will be derived from the Pine Flat project. This attitude is best reflected from quotations from correspondence. In July 1946, the association stated, as a condition precedent to the negotiation and execution of repayment contracts, "That any so-called acreage limitations shall not apply to land now having water rights or [rights to service from parties to this agreement]." [Matter in brackets supplied.] The major portion of the irrigation benefits to be derived from Pine Flat Dam will arise from reregulatory service and it is with respect to this type of service that the association insists the excess-land provisions stipulated by the Congress should not be applicable.

In a letter dated March 2, 1950, to the Fresno office of the Bureau of Reclamation, the theory of the nonapplicability of the excess-land provisions of the law was extended to new water supplies as well as the reregulatory service to be provided by Pine Flat Dam. In that letter it was stated, "Some water now leaving the Kings River area will be regulated in Pine Flat. This is the so-called new water as this term has been used in past discussions. Whether this type of water comes within the terms of reclamation law is primarily a matter of interpretation of the 1944 Flood Control Act, particularly section 8 and the specific authorization of this project. We are advised that this project contains no additional works bringing it within the scope of section 8 of this act."

In addition, the association refuses to acknowledge that the Secretary of the Interior has the authority to execute the necessary repayment contracts. In a letter dated June 27 of this year, Mr. Philip A. Gordon, chairman of the Kings River Water Association, stated, "In conclusion, let us remind you that we propose to negotiate with the Bureau of Reclamation, 'for conservation storage when used' in Pine Flat Reservoir, as Congress directed in the Flood Control Act of 1944. Public Law 534, Seventy-eighth Congress, second session, and that we recognize no legal authority under which the Bureau of Reclamation can act in these negotiations in any other capacity than as a bargaining agent for the United States. In short, we propose to adhere to our original offer to pay for actual benefits what they are reasonably worth, and we also insist on negotiating within the conditions clearly laid down by Congress in Public Law 534." If the association continues to adhere to this position, it is clear that no contracts can be executed since the Flood Control Act of 1944 clearly requires that the contracts be subject to the Federal reclamation laws and that they be executed by the Secretary of the Interior. Other points, not dealing with the Federal reclamation laws, probably will be resolved by negotiation. The legal requirements, however, are not subject to negotiation and therefore even if all other terms are agreed upon, negotiation inevitably will fail unless the water users will accept the law.

"(3) Your estimate as to whether recent negotiations indicate any probability of such contracts being agreed upon in the near future without an affirmative legal requirement."

For the reasons already stated and some additional reasons which I shall point out, I am of the opinion repayment contracts subject to the Federal reclamation laws could be executed in the near future much more readily with an affirmative additional legal requirement laid down by the Congress.

While I believe that most of the major issues aside from the requirements of the Federal reclamation laws could be resolved, the negotiations we have had with the local groups and the statements issued by them lead me to the conclusion that in order to protect the investment of the Federal Government and in order to insure that the intention of the Congress with respect to the application of the Federal reclamation laws will be accomplished, a legal requirement such as is proposed would assist the execution of contracts in the near future.

The attitude of the local interests with respect to the matter was made clear in the hearings on H. R. 4485, which later became the Flood Control Act of 1944. The Committee on Flood Control, in reporting on the bill, stated, "Local interests are so strongly in opposition to a project built under reclamation law that they have stated that rather than have the project built by the Bureau of Reclamation they prefer no project at all." (H. Rept. No. 1309, 78th Cong., 2d sess.) It appears that the local interests are fond of Federal funds but not the terms of Federal law. Since that time the local interests have reiterated this view.

"(4) An analysis of the present reasonableness of the $14,250,000 figure in the light of rising cost estimates, and a comment upon the appropriateness of an amendment for a new allocation, similar to that introduced by Senator HAYDEN in connection with the 1950 bill (Hearings, p. 758)."

It is my opinion that $14,250,000 as a reimbursable allocation to irrigation is not up to date in view of the increased costs of the project. The original amount of $14,250,000, recommended in 1946, was based upon a then estimated total construction cost of $36,500,000. The latest cost estimate is closer to $50,000,000. Even representatives of the Kings River Water Association in testimony before the Senate Subcommittee on Appropriations, at hearings on items for civil functions, Department of the Army, 1951, stated that information in their possession indicated the actual cost would be in the neighborhood of $45,000,000, which is some $8,500,000 more than the cost upon which the $14,250,000 repayment was based. The sum of $14,250,000 paid over a period of 40 years, together with the estimated annual operation and maintenance costs, would result in an annual per-acre charge of about $0.44 for the approximately 1,000,000 assessable acres in the Kings River area. If the actual construction costs were to be $50,000,000 and the irrigation allocation increased accordingly, the annual charge would still be well within the payment ability of an area represented by the local witnesses before the Senate Appropriations Subcommittee as one of the most prosperous farming communities in the world. (The water users have by no means agreed to pay $14,250,000. The only offer made so far is to pay only $10,000,000.) It should be borne in mind that the reclamation laws look toward repayments based upon actual costs not estimates alone. Consistency with the congressionally approved policies reflected in the reclamation laws would appear to require that Pine Flat be considered in a similar fashion.

With respect to Kern River, the Bureau of Reclamation has conducted no negotiations with the prospective beneficiaries of Isabella Dam. We have had no part in discussions relating to cost allocation. I believe that a provision on reclamation's participation in those studies, similar to the provisions respecting Pine Flat Dam contained in the War Department Civil Functions Appropriation Act, 1947, would be appropriate. There is every reason to believe we will be faced with the same problems with respect to Isabella that are now being encountered in connection with Pine Flat, a matter to which the President called attention in his letter to Senator MCKELLAR, dated April 8, 1949, set forth at page 641 of the Senate hearings on the civil functions bill for 1950.

"(5) Your judgment as to whether there are other projects in addition to Pine Flat Dam and Isabella where similar conditions exist and to which the proviso suggested by Mr. Hermann should be made applicable."

Were such a requisite as Mr. Hermann has described made applicable to all projects constructed by other agencies which serve irrigation functions, the Congress would come nearer achieving its reclamation repayment policy. In the case of projects to be constructed by reclamation, there is no question of the applicability of the reclamation laws, however, where the project is constructed by other agencies that question is the one which most delays the execution of repayment contracts. Bureau of Reclamation policy is to insist upon proper assurances of repayment of irrigation allocations in advance of the initiation of construction.

"(6) Any appropriate formula which the President may have prepared since 1946 for such situations, as in the case of the Folsom project."

The President, in a letter dated August 15, 1949, to the Secretary of the Interior, set forth at page 5 of Senate Document 113, Eighty-first Congress, first session, stated with respect to the Central Valley:

"The existing construction authorizations of the Corps of Engineers for the New Melones, Black Butte, and New Hogan multiple-purpose reservoir projects, and the Pine Flat, Isabella, Folsom, Terminus and Success multiple-purpose reservoir projects after completion of construction by the Corps of Engineers, should be transferred to the Bureau of Reclamation.

"As additional individual proposed projects not now authorized are found feasible on the basis of detailed projects reports, they will be approved for authorization in accordance with the Folsom formula, i. e., multiple-purpose dams are the responsibility of the Bureau of Reclamation and dams and other works exclusively for flood control are the responsibility of the Corps of Engineers.

"I believe that cooperative effort by your Department and the Department of the Army under the functional division of responsibility outlined above will not only facilitate the development and attainment of a sound comprehensive valley plan without duplication of effort and overlapping of jurisdiction, but will provide for unified administration and operation of the completed works which are essential to the best utilization of the benefits from the project as set forth in my message to the Congress on January 12, 1948, House Document No. 496."

These recommendations of the President are before the Congress for action. They go to the crux of the situation. If these recommendations were to be adopted, the basic solution of the problem would be at hand, because the projects in question would be governed by the Federal reclamation laws.

"(7) Suggestions of suitable language to insert in the pending appropriations bill H. R. 7786, to incorporate any one or more of the above protective features."

Pending the enactment of legislation transferring these projects to the Department of the Interior as recommended by the President, the objectives which you and Mr. Her-

mann have outlined would be met by the inclusion of a general requirement along the following lines in the civil functions portion of the appropriation bill:

"All projects authorized in the Flood Control Act of 1944, for construction by the Department of the Army, as well as all other projects thereafter authorized for construction by that Department, to the extent that a portion of the cost is or has been allocated to irrigation and assigned for repayment by the project beneficiaries and for which repayment contracts have not been executed, shall be subject to section 8 of the Flood Control Act of 1944, notwithstanding the fact that no additional works for irrigation are necessary, and no funds hereafter appropriated shall be available for expenditure for the construction of any such project unless and until the irrigation beneficiaries shall have executed repayment contracts with the Secretary of the Interior covering at least 50 percent of said reimbursable allocation to irrigation."

Sincerely yours,

MICHAEL W. STRAUS,
Commissioner.

It therefore appears that (a) there is determined opposition to the signing of repayment contracts in compliance with reclamation laws, (b) very substantial irrigation benefits can be secured by landowners from the mere construction of the dams and the raising of the underground water level, (c) evasion of reclamation law in these projects will make it very difficult to enforce these carefully developed policies of the Government in other parts of the Central Valley and elsewhere in the country, (d) the $10,000,000 figure pressed by some water users as a repayment limit in the Kings River Valley (Pine Flat Reservoir) and the $14,250,000 figure earlier suggested by the Bureau of Reclamation both seem too low in view of the present cost estimates of $51,121,000 and the 1948 report of the Corps of Engineers that over 60 percent of the benefits of the project will be to irrigation, and (e) the only effective way to enforce reclamation policies here is by requiring compliance prior to completion of construction of the projects.

The President has on a number of occasions revealed his clear understanding of these issues and appealed for such a proviso in connection with any further appropriations for these projects. For the further information of Senators, I also submit a copy of the President's letter of April 8, 1949, to Senator MCKELLAR (Civil Functions, 1950 Appropriations, Senate Hearings, pp. 641–642) as follows:

THE WHITE HOUSE,
Washington, April 8, 1949.

Hon. KENNETH MCKELLAR,
Chairman, Senate Committee on Appropriations,

MY DEAR MR. CHAIRMAN: When I approved the War Department Civil Functions Appropriations Act of 1947, I issued a statement on May 3, 1946, expressing gratification that the Congress, by the addition of provisos to the item for the Kings River project in California, had afforded an opportunity for assuring that the Federal reclamation policy, including repayment and wide distribution of benefits, would apply to the project. The Kings River project was the first of several similar projects in that area on which actual construction was to have begun by the Corps of Engineers. Construction of that project is now continuing as is construction on the second of these four dams: namely, the Isabella Dam. In addition, funds have been provided in the pending civil-functions appropriation bill to undertake detailed plans and specifications for the remaining two dams in this series: namely, the Terminus and Success Dams.

All of the reservoirs created by these dams will serve multiple purposes and in substantial measure are to serve irrigation needs in that part of the Central Valley, as well as to provide flood control. The disposition of the irrigation service in all four cases should be by the Secretary of the Interior pursuant to the reclamation laws.

In addition, because of the physical characteristics of the area, I am sure that we all recognize that, even if these particular reservoirs are built and operated solely for flood control, a substantial portion of the total potential irrigation benefits will result inevitably as incidental to the manner in which these reservoirs must be operated for flood control. Thus, as shown by experience in other cases, the most effective manner of assuring suitable repayment arrangements for the incidental as well as the direct irrigation services would be provided by agreement on those arrangements in advance of construction.

I urge, therefore, that, if the Congress deems it wise to appropriate funds for work on any of these reservoirs, the bill provide for irrigation service to be rendered through the Secretary of the Interior pursuant to the reclamation law. In doing so, I hope that the Congress will also find suitable means of safeguarding the Federal investment through assurance of suitable repayment arrangements.

Because of the importance of this matter to the integrity of the great Central Valley project of the Bureau of Reclamation, of which these reservoirs by their very nature must necessarily serve as a part, I hope that it may have your careful consideration.

Sincerely yours,

HARRY S. TRUMAN.

ADVANCED TRAINING IN AERONAUTICS OF TECHNICAL PERSONNEL OF CIVIL AERONAUTICS ADMINISTRATION

The PRESIDING OFFICER (Mr. HILL in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 4) authorizing the advanced training in aeronautics of technical personnel of the Civil Aeronautics Administration, which were, on page 1, line 5, strike out "Administrator" and insert "Secretary of Commerce"; on page 1, line 10, strike out "Administrator" and insert "Secretary of Commerce"; on page 1, line 11, strike out "not to exceed twenty-five"; on page 2, lines 3 and 4, strike out "Administrator" and insert "Secretary of Commerce"; on page 2, line 11, after "aviation." insert "There is hereby authorized to be appropriated such sums, not to exceed $50,000 for any fiscal year, as may be necessary to carry out the provisions of this subsection.", and on page 2, line 12, strike out "Administrator" and insert "Secretary of Commerce."

Mr. JOHNSON of Colorado. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

AID TO STATES IN FISH RESTORATION AND MANAGEMENT PROJECTS—REENROLLMENT OF H. R. 6533

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 249, authorizing the Clerk of the House to make a change in the enrollment of H. R. 6533, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives, in the enrollment of the bill (H. R. 6533) to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes, is authorized and directed to strike out paragraph (c) of section 2 and to insert in lieu thereof the following:

"(c) the formulation and adoption of plans of restocking waters with food and game fishes according to natural areas or districts to which such plans are applicable, together with the acquisition of such facts as are necessary to the formulation, execution, and testing the efficacy of such plans."

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent for the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

CONTROLS OVER WAGES, PRICES, AND THE DISTRIBUTION OF GOODS—LETTER FROM THE PRESIDENT

Mr. LUCAS. Mr. President, the President of the United States has sent a letter to the distinguished Senator from South Carolina [Mr. MAYBANK], the chairman of the Committee on Banking and Currency, which I desire to have placed in the body of the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR MR. CHAIRMAN: I am writing you in response to your request for my views on the expressed desire of various Members of the Senate to add to the defense production bill (S. 3936) some kind of authority for direct controls over wages, prices, and the distribution of goods to consumers.

It is urgently necessary that the Congress act on the defense production bill without delay. If this measure is enacted promptly, we can do a great deal to ease the economic adjustments which our defense effort will require. At the same time, we can continue, on an expedited but careful basis, our planning and preparation for other economic controls, if and when needed.

Of course, there is no objection, in these circumstances, to enactment of additional stand-by control powers which the President could invoke when the need arose. Before my message of July 19, I gave careful thought to the desirability of asking at once for stand-by authority to control prices and wages, and to ration at the consumer level. I refrained from making this proposal to the Congress because it seemed more important to obtain quick action on the powers contained in the defense production bill. To have included a request for stand-by controls might, it seems to me, have dangerously delayed enactment of the immediate program, while the Congress considered these broader authorities. My recommendations of July 19 were designed to meet the problems immediately before us.

The Congress, in its judgment, may now want to make price, wage, and rationing controls available, on a stand-by basis, for use if and when needed. But if the Congress were to take this course, the following conditions appear essential:

First. These additional controls should be supplementary to, and not in lieu of, the basic powers already contained in the defense production bill. The production aids and limited controls for which I have asked are essential now.

Second. We cannot afford to bog down or delay in enacting what is needed at once, and supplementary provisions should be added only if they do not prolong consideration or delay action in either House.

Third. Any provisions relating to prices and wages should not set up a rigid formula or freeze in advance of experience. If these

powers are now made available in advance of widespread need, it is simple common sense that they must be written in a form which allows wide discretion and flexibility as to the method and place and timing of application.

Fourth. For the same reason, any grant of price and wage authority should leave open the question of the method of administration. This should remain flexible, because it cannot be separated from the question of the extent to which price and wage controls actually might have to be applied.

If these reasonable conditions can be met, I should have no objection to the granting of authority beyond that requested in my message of July 19. But if, for any reason, these conditions cannot be met, I urge strongly that the Congress move at once to enact the defense production bill without including these additional powers.

Very sincerely yours,

HARRY S. TRUMAN.

AUGUST 1, 1950.

LOCAL 50, INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION, AND THE WAR IN KOREA

Mr. MORSE. Mr. President, I wish to read a resolution I have received, and make a very brief comment on it. It is a resolution that was passed by Local 50 of the International Longshoremen's and Warehousemen's Union of Astoria, Oreg., dated July 9, 1950.

As a preface to the reading of the resolution, I wish to point out that for some years there has been a conflict within various maritime unions on the west coast as between the so-called right wing and the left wing. By left wing we mean those who within the maritime union have been following the Communist Party line.

I desire to say, as a Senator from the State of Oregon, that I am very proud of the fact that the members of Local 50 of the ILWU of Astoria, Oreg., on July 9 passed this resolution. It is about as clear evidence as can be offered that there is in a great number of the ILWU locals on the Pacific coast control by the right-wing element. I believe that when men take a stand against communism and make a fight against communism, as these free American workers within the maritime unions have been doing, it is worthy of comment and compliment on the floor of the Senate, and I am pleased to make such comment at this time in this form by reading the resolution.

The communication I have received is as follows:

The Honorable WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SIR: The following resolution was adopted by the officers and membership of Local 50, ILWU, the longshoremen of Astoria, Oreg., on July 9, 1950, in a special meeting:

"Whereas we, the longshoremen of the port of Astoria, banded together in Local 50, are American citizens, proud of our country and loyal to it; and

"Whereas serious international trouble has broken out in Korea, caused by the invasion of southern Korea by the Communist northern Korean Army; and

"Whereas in many places doubts have been cast on our loyalty as American citizens by recent local statements that the longshoremen are Communist dominated; Therefore be it

"*Resolved,* That we, the longshoremen of Local 50, ILWU, in no uncertain terms, condemn the act of aggression by the Communist North Korean Army in breaking the peace and invading South Korea; and be it further

"*Resolved,* That we go on record without any reservations that we will support our Government and President 100 percent in this great crisis, and we will load any and all cargoes destined for the war area; and be it still further

"*Resolved,* That we shall not join in, condone, or recognize any Communist demonstrations, picket lines, etc.; and be it finally

"*Resolved,* That copies of this resolution be sent to the President of the United States, the Secretary of Labor, Senators WAYNE MORSE and GUY CORDON, Congressman WALTER NORBLAD, and the press."

Yours very truly,

HARRY LARSON,
Secretary.

I am very proud of the action taken by local 50 in Astoria, Oreg., and I am satisfied that a majority, and I think a large majority, of the workers in the maritime unions, whose work is so vital to the security of our country, can be counted upon to rally to their patriotic duty, as have the members of local 50 of Astoria, Oreg.

THE KOREAN WAR SITUATION—POSITION OF THE INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION IN HONOLULU

Mr. BUTLER. Mr. President, I ask unanimous consent to insert in the body of the RECORD several newspaper clippings and editorials from Honolulu regarding the position taken by the I. L. W. U. union there with reference to the Korean war situation.

First is a clipping from the Honolulu Star-Bulletin of July 26, 1950, giving the full text of the statement of the International Longshoremen's and Warehousemen's Union in Hawaii regarding the Korean situation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TEXT OF THE ILWU STATEMENT ON UNION'S POSITION IN KOREA ACTION

Following is the text of the local ILWU policy statement on UN and United States action in Korea. The statement, on behalf of the four ILWU local groups, was given to the Star-Bulletin this morning. The four groups are the sugar, pineapple, longshoremen's and warehousemen's and miscellaneous.

"Members of the ILWU are loyal Americans as the record conclusively proves. We all support our Government in the Korean police action which was sanctioned by the Security Council of the United Nations. Our locals will cooperate fully with our Government in this action.

"However, we deplore war and we earnestly believe that all international disputes should be settled peacefully through the machinery of the United Nations, without recourse to force of arms, so that the possibility of an atomic world war III might be avoided. This position is the same as that expressed by our union when the Arabs invaded Israel and the Dutch invaded the Indonesian Republic."

USING THE KOREAN SITUATION

"While we support our Government, we must express publicly our real concern about the speed with which certain employer elements in this community, including most newspapers, have seized upon the Korean situation as a smoke screen behind which they are carrying on an increasingly stepped-up campaign to split our union and to wipe out our economic gains.

"These elements are using the Korean situation to divert attention from their plot to speed up their production and to increase profits by getting more work out of less men for less money.

"This selfish program can only result in aggravating Hawaii's chronic unemployment situation."

WE WARN EVERYONE

"We warn everyone not to forget that the reduction in our unemployment rolls which is resulting from a move toward a war economy is but temporary and a return to stabilized economy with peace on the international scene will find unemployment and depression for Hawaii much worse than the recent chaos, should we permit the destruction of our wage and working standards by certain employers acting under their self-tailored cloak of 'patriotism.' "

SEES HORRIBLE EXAMPLE

"Already we have one horrible example of this employer technique.

"A walk-out at Kekaha 10 days ago over the attempt of a sugar company to increase the workload of employees (which was since settled to the satisfaction of the workers) prompted a scurrilous employer newspaper to editorialize that the walk-out was organized by ILWU leadership to aid communism and North Korea.

"A simple, but defeated employer scheme to speed up employees thus becomes a 'red' plot."

WE SERVE NOTICE ON EMPLOYERS

"We serve notice upon any employers who may harbor such plans that we are not going to be intimidated into surrendering our hard-won wages and working conditions because of a phony, profit-inspired clamor that it is necessary for us to do so if we are to prove our loyalty to the Nation.

"We workers of Hawaii have had something more than our share of this 'loyalty' line during the last war when we suffered under the heel of martial law.

"We will not soon forget how we were ordered to 'work to win' and frozen to ill-paid jobs under miserable conditions while tens of thousands of other workers were imported for the relatively well-paid jobs in military employment. We can't and won't tolerate such discrimination in the future."

LOYALTY TO AMERICA

"Loyalty to America is one thing that must be indivisible and universal. It must apply equally to employers and workers.

"Employers must not be permitted to take advantage of their employees in this Korean situation as they did in World War II.

"The future will prove, as has the past, that the loyalty of the ILWU and its members cannot honestly be questioned.

"And, if labor peace is mandatory at this time, we are prepared to meet the employers halfway on the basis of mutual confidence, respect, and fair play.

"If it can't be achieved on that simple, honest basis, then serious consideration must be given to the establishment of machinery such as the war labor boards of World War II for the peaceful adjudication of labor disputes."

Mr. BUTLER. Second, Mr. President, an editorial from the Honolulu Star-Bulletin of the same date in which it is pointed out that "to date the ILWU has not backed the Government in its move to bar Communists and other subversives from American ships."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHERE DOES THE ILWU STAND ON KOREA?

(Since this editorial was written the ILWU has partially clarified its stand. A local

statement, given out last night, says in part: "Members of the ILWU are loyal Americans as the record conclusively proves. We all support our Government in the Korean police action, which was sanctioned by the Security Council of the United Nations. Our locals will cooperate fully with our Government in this action. However, we deplore war and we earnestly believe that all international disputes should be settled peacefully through the machinery of the United Nations, without recourse to force of arms, so that the possibility of an atomic World War II might be avoided. This position is the same as that expressed by our union when the Arabs invaded Israel and the Dutch invaded the Indonesian Republic.")

ILWU rank and file members here should realize that some of the activities of their official leaders are doing them no good.

In Washington a policy of maritime security has been worked out by representatives of the Government, representatives of ship and shore management, and unions in the maritime industry.

The purpose is to give the maximum security for our maritime activities in port and on the sea. This security is aimed to serve and benefit both the merchant marine and Government transport.

Its purpose is to bar Communists and other subversives from American ships, both in the loading and in the sailing phases of operation.

The American Federation of Labor's chief maritime union, the Sailors Union of the Pacific, is outspoken both in its repudiation of communism and in its support of Government security plans.

A spokesman for the AFL Sailors Union of the Pacific says:

"The SUP has always been against the Communists. We will fight them at the drop of the hat and will kick them out of our union as fast as we find them."

But the ILWU, which is dominated by Harry Bridges, is not so forthright.

In Seattle the regional director of the ILWU said Tuesday:

"The barring of Communists from American ships is the obligation of the Government. If it doesn't want Communists on the ships, then laws to that effect should be passed by Congress."

This spokesman, William Gettings, says that if laws are passed barring subversives from working aboard ships or on docks, then the ILWU will obey the law.

But to date the ILWU has not backed the Government in its move to bar Communists and other subversives from American ships.

In Honolulu the ILWU has been similarly negative in its attitude toward the Korean war and the stand of the United Nations authorizing immediate military intervention on behalf of invaded South Korea.

The radio spokesman for the ILWU in Honolulu has been busily promulgating the assertion that Harry Bridges' stand on the Korean question is for "endorsement of the United Nations position."

And this stand is explained by reference to a resolution which Harry Bridges recently proposed to the San Francisco longshoremen.

This resolution was "that we support the United Nations order to cease fire and for return to the status quo; and to have that organization settle the dispute peacefully through all parties concerned in order to avoid a world-wide atomic war."

But so far the local radio spokesman, representing the ILWU, has failed to add that the position of the UN is one of intervention and military aid for the hapless South Koreans.

It must not be forgotten that the United Nations' first statement, within 24 hours after the northern Red Koreans had invaded the south, was an order to cease fire. Then simultaneously came an appeal to Soviet Russia to use its influence to halt the attacks of the North Koreans.

The North Koreans kept up their invasion. Soviet Russia did nothing to stop them.

Then the United Nations promptly and unequivocally backed the order and moves of President Truman to institute police action by military force in South Korea.

That is the position of the United Nations today.

And so the Bridges proposal of "support for the UN order to cease fire and for return to the status quo" is not only out of date but misleading.

It does not represent the position of the United Nations now or for several weeks past.

It will be interesting to see—very interesting—if the position of the leaders of the ILWU, here and on the Pacific coast, constitutes a "delaying action."

We have no doubt of the loyalty to the United States of the great majority of the rank and file members of the ILWU, provided they are given the straight facts.

They are not getting them now from some of their leaders.

Mr. BUTLER. Mr. President, the third insertion is an editorial from the Honolulu Advertiser of July 27, 1950, entitled "No 'Conditional' Loyalty," in which is shown the sharp contrast between the lukewarm, evasive, and confusing statement of position of the ILWU in Hawaii on the Korean situation, compared with the forthright patriotic statements of some other ILWU locals which are not, like the Hawaii union, completely under the control of Communist leaders.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

No "CONDITIONAL" LOYALTY

Longshore rank-and-file union men along the Pacific coast from San Pedro to Seattle have rejected flatly Harry Bridges' attempt to swing them in line behind the Stalin "Stockholm peace offensive" and have pledged themselves unconditionally to support the United States Army in Korea. At the same time Bridges' lieutenants in Hawaii have issued a "declaration of policy" in which they seek to place the ILWU rank and file here in a position of "conditional" loyalty to the United States. This is a rank injustice to the loyal Americans who make up the rank-and-file membership of Hawaii's ILWU unions.

ILWU members in Hawaii will be wise to compare the position taken by the rank and file of the coast ILWU unions at San Pedro, San Francisco, Portland, and Seattle with that which is offered to them by Bridges' leaders in Hawaii. San Francisco's Local 10 expressed the rank-and-file sentiment when it adopted a resolution saying:

"Resolved, That we, the longshoremen of Local 10, ILWU, in no uncertain terms, condemn the act of aggression by the Communist North Korean Army, * * * that we go on record without any double talk that we support our Government 100 percent, * * * will load any and all cargoes destined for the war area, * * * not join in, condone, or recognize any phony Communist demonstrations, picket lines, etc."

When Harry Bridges appeared at the meeting of Local 10 and opposed this resolution, attempting to substitute for it a demand that the United States cease firing in Korea, he was booed off the platform by the rank-and-file members of the union. The rest of the coast rank-and-file longshoremen followed the lead of Local 10.

Now look at what Bridges' lieutenants in Hawaii offer to the patriotic rank-and-file members of Hawaii's ILWU locals. They would have these good Americans say:

Members of the ILWU support our Government in the Korea "police action." * * * However, we deplore war, and we earnestly believe that all international disputes should be settled peacefully through the United Nations. * * * While we support our Government, we must publicly express our concern about the speed with which certain employer elements, * * * including most of the newspapers, have seized upon the Korean situation as a smoke screen behind which they are carrying on a * * * campaign to split our union and to wipe out our economic gains. * * * We workers of Hawaii had something more than our share of this "loyalty" line during the last war, when we suffered under the heel of martial law.

There is more of it—the full text was printed in Wednesday morning's Advertiser—along the same line. The effort is to make it appear that ILWU members are sorry for sharing with the rest of the people of Hawaii the denials and hardships of World War II.

We do not believe this is true. We believe that the members of the ILWU locals in Hawaii are just as loyal to their country as are their fellow unionists on the Pacific coast and as are all good Americans everywhere. We cannot believe they will subscribe to or condone this phony line offered in their name by their self-elevated leaders here any more than the mainland ILWU rank and file would condone the "phony Communist line" which was denounced by San Francisco's Local 10.

Hawaii's rank-and-file ILWU members are patriotic Americans, and we do not believe they will stand for having any strings or conditions hooked onto their loyalty.

Mr. BUTLER. Fourth, Mr. President, is a new story from the Honolulu Advertiser of July 27, 1950, entitled "ILWU 'Policy Statement' Is Seen as Forced by Membership Here."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENTIMENT BACKS UNITED STATES IN KOREA—ILWU "POLICY STATEMENT" IS SEEN AS FORCED BY MEMBERSHIP HERE

(By Lawrence Nakatsuka)

Executive officers of the four ILWU locals in Hawaii went on record Tuesday night to back up United States intervention in the Korean conflict.

Their action is in line with that taken by some west coast locals of the union. It is a position, however, which has been opposed by ILWU President Harry Bridges.

An "antiheadquarters" informant this morning interpreted the executive officers' support of the United States statement as a ruse to head off a popular demand for such action.

The informant, a union officer, who has been at odds with ILWU Regional Director Jack W. Hall and others of the ILWU regional office, said the executive officers were forced to back up American police action in Korea because most of the membership felt that way.

MANY NOT HAPPY

"Many of the rank and file are not happy about Bridges' stand on Korea," he added.

In reply, Hall said the executive officers' action is not the result of any pressure by anybody.

Hall was said to have been approached by some members immediately after the outbreak of the Korean war, to place the union on record in favor of American intervention. But Hall rejected the requests, it was reported.

"There were no such requests made," Hall said today.

He said he believes the Korean war stand taken by the executive officers "represents the views of all the membership."

Their statement charged that certain employer elements in this community, including most newspapers, have used the Korean situation to step up a campaign to split our union and to wipe out our economic gains.

The Hawaii officers' action came amid reports from the west coast of a growing split from Bridges' leadership on account of the Korean issue.

The executive officers' statement pledged the Hawaiian locals will cooperate fully with our Government in this (police) action by the United States in the Korean conflict.

The "Statement on Policy on the Korean Situation" was made Tuesday night.

Bridges' position in opposing a resolution to support United States intervention in Korea has been reported in a bulletin issued by the San Francisco longshore local.

Bridges' position is in support of a cease-fire order of the United Nations. But he refused to go along with a subsequent UN order for all-out aid to South Korea because of the North Koreans' rejection of the cease-fire order.

The executive officers of the Hawaiian locals asserted that members of the ILWU are loyal Americans as the record conclusively proves.

SUPPORT GOVERNMENT

"We all support our Government in the Korean police action which was sanctioned by the Security Council of the United Nations.

"Our locals will cooperate fully with our Government in this action."

Mr. BUTLER. Finally, Mr. President, is a clipping from the Honolulu Advertiser of July 27, 1950, entitled "Libby Suspends 26 at Waipio For Slowdown," which makes it clear that the union leaders, afraid to sabotage the military effort in Korea openly, have resorted to slowdowns and other disruptive tactics designed to hamper our military action in every way without, however, laying themselves open to the direct charge of sabotage.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIBBY SUSPENDS 26 AT WAIPO FOR SLOWDOWN

E. R. Craddock, plantation manager on Oahu for Libby, McNeill & Libby, announced yesterday afternoon that 26 men have been suspended indefinitely for slowdown tactics in harvesting work.

Craddock said that since this year management has noticed slowdown on the part of the employees. The slowdown, he said, became steadily worse and was most evident in the field and the transportation department.

"In the meantime," said Craddock, "a general union meeting was being held every week, then gang by gang. Union stewards and officials met almost every night."

Yesterday morning Craddock addressed a letter to Roque Agbayani, president of ILWU local 152, Waipio, as follows:

"For some time this company has known that an organized slowdown has been going on among its employees. We have had meetings with you and with employees several times to discuss this slowdown. We have appealed to your fairness and honesty of the employees involved without any results. This slowdown has hurt operations badly and cannot be permitted to go on any longer.

"We know that the slowdown in effect is not a separate individual action of employees but is an organized group action which is being run by the ILWU. The slowdown has been going on for some time. We have been patient and we have tried to get employees to perform a fair and honest day's work, but the slowdown has continued. It has become a bad situation which cannot be permitted to continue any longer.

"This letter is to notify you, the officials of the union, and the members of the union who work for Libby that unless the slowdown is ended today, appropriate action will be taken.

"We assume that the union representatives have informed the members of the union who work for Libby that slowdown is a violation of the contract which subjects them to discharge or discipline. However, to make sure that each and every employee is aware that such slowdown is in violation of our agreement and that employees who slow down can be disciplined or discharged, the company is making a copy of this letter for each member of the union in the employ of this company."

Copies of the letter were distributed to gangs in the field yesterday morning and the men were told then that unless their work improved they would be suspended.

Shortly before the 3 p. m. quitting time, two gangs were observed still carrying out slowdown tactics and were then called together and informed that they were indefinitely suspended unless they showed improvement in their work on the next day.

According to Craddock, if the men follow the same procedure that took place recently on Maui where men were suspended for slowing down work, they will report to work at 6:15 this morning as usual.

By 9 a. m., it can then be determined, he said, if the men intend to turn in a fair day's work. If they don't they will then be laid off for 6 days.

Observers said it is likely the union workers will call a strike if the men were laid off. This was done by Maui workers.

REDUCTION OF THE NONDEFENSE BUDGET—LETTER FROM SENATOR BYRD AND EDITORIAL FROM THE WALL STREET JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the body of the RECORD, as a part of my remarks, a letter by me in response to an inquiry from the Wall Street Journal with respect to the necessity of reducing the nondefense budget.

My proposal may seem to some as drastic, but the answer to that is that we are in a situation that demands drastic action. I am asking, Mr. President, that the nondefense spending, exclusive of that for the armed services, veterans, and interest on the public debt, be rolled back to the level of fiscal 1948. In fiscal 1948, we spent for these strictly domestic-civilian activities $6,400,000,000. The President is now asking $11,600,000,000 for these same purposes, an increase of $5,200,000,000. I then ask for a reconsideration, in view of the present emergency, of our nonmilitary foreign aid.

We should recognize now that the present emergency may continue for a long time, as the United States has been maneuvered into a situation whereby we may have to fight a number of side-line wars such as we are now fighting in Korea. Russia can start these wars without showing her hand, and without firing a Russian gun or losing a Russian soldier. She will grow strong while we grow weak.

I emphasize again that financial preparedness is the very base of all preparedness. We are now planning billions and billions of additional expenditures. We should, at the same time, reduce to the utmost nondefense expenditures.

In this connection, it is significant that Chairman CANNON, of the House Appropriations Committee, has called his committee together for the purpose of making still further reductions in nondefense spending, which Chairman CANNON says should be very substantial. This emphasizes the seriousness of our fiscal crisis.

There being no objection, the letter and comment were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of July 31, 1950]

BYRD SAYS: TRIM BUDGET $10,000,000,000

EDITOR, THE WALL STREET JOURNAL:

It is possible to trim the present budget of the extra $10,000,000,000 just requested by the President.

It is imperative that it be done because fiscal preparedness is the source of all preparedness. It cannot be done without leadership by the President. With such leadership, assuming the President's 1951 expenditure budget requests as a base, it can be done in this way:

1. Our soundest postwar progress was recorded in fiscal year 1948. Federal expenditures reached their postwar low and business was good. The budget was balanced and the national debt was reduced while taxes were being cut. In that year Federal expenditures for strictly domestic-civilian activities (exclusive of defense with stockpiling and atomic energy, veterans, foreign aid and interest on the debt) totaled $6,400,000,000. For comparable items this year the President wants to spend $11,600,000,000, an increase of $5,200,000,000. Under a virtual war economy, the Federal fiscal situation now demands retrenchment below the 1948 peacetime level in these strictly domestic-civilian items with no relation to future defense or past wars. If the domestic-civilian programs were cut back to the 1948 level the saving would be $5,200,000,000.

WAR ECONOMY BUDGET

2. Reduction of $5,200,000,000 in the President's domestic-civilian expenditure requests would still leave $6,400,000,000 for these activities. It seems logical that conversion to a wartime economy should be accompanied by conversion to a war economy budget. In the remaining $6,400,000,000 for domestic-civilian activities there would be numerous expenditures highly inconsistent with the civilian austerity required by a war economy. A most conservative estimate would indicate that there should be further reductions under current circumstances of approximately $1,000,000,000.

For example: The President originally requested authority to spend $1,300,000,000 in peacetime housing and community development in fiscal year 1951. Besides borrowing authority nearly $150,000,000 was to be in new or extended programs. In connection with his current request for conversion to wartime economy, the President himself ordered brakes on housing. Exclusive of commitments already made under previous programs it would appear that housing items still remaining after the $5,200,000,000 reduction could be cut further in a war economy budget by more than $150,000,000.

The $5,200,000,000 cut in the President's requests would reduce 1951 public works expenditures (other than housing) from $3,000,000,000 to $1,800,000,000. Of this amount a minimum of $500,000,000 would be in dispensable civilian works. During the war in 1945 we were spending approximately $200,000,000 for nonmilitary public works. Including reductions incident to slowing down expenditures on numerous projects al-

ready under way, it would appear that public works items still remaining after the $5,200,000,000 retrenchment could be cut further in a war economy budget by at least $500,000,000.

ERASE POSTAL DEFICIT

Under the budget as cut back by $5,200,000,000 there would remain a postal deficit item of $300,000,000. During the war there was no postal deficit. With or without a war economy this should be wiped out for the obvious saving of $300,000,000.

There are other items which, in a wartime economy, definitely should be reduced not only for the purpose of reducing nonessential Federal expenditures but also as a means of reducing inflationary pressure. But the examples cited are typical and total approximately $1,000,000,000 in round figures.

3. In addition to the strictly domestic-civilian expenditure items above there are other areas of Federal expenditures which should not escape absorbing at least some of the requested war economy requirements. In this category the President requested an expenditure budget of $6,000,000,000 for veterans programs this year. This included up to $500,000,000 in general administrative overhead costs (exclusive of hospital and facility administration) and nearly $2,700,000,000 in readjustment programs, such as the on-the-job training, etc. Abuses in these programs have been officially noted. Exclusive of pension, hospital, and insurance programs, it is certain under present employment and defense requirements that general administrative and readjustment programs of the Veterans' Administration could be reduced by 25 percent, and that without curtailment of the solid obligations of the Government to our veterans VA expenditures could be cut by $700,000,000.

TRIM FOREIGN HAND-OUTS

4. It would seem hardly justifiable to reduce civilian expenditures at home to a war economy basis and at the same time lavish undiminished financial hand-outs to civilian economies abroad. In 1948 our expenditures for foreign nonmilitary aid totaled $4,800,000,000. For this year the President requested $4,700,000,000. The figure this year, in addition to some $700,000,000 by the original estimates for the mutual defense assistance program, would include approximately $3,700,000,000 for foreign civilian recovery and development. Since World War II, there have been 25 foreign aid programs through which we have dumped abroad nearly $35,000,000,000 ostensibly to help others combat communism.

The principal objective of the civilian foreign-aid program was to build up favorable trade balances for our European allies. Our own conversion to an economy of war production restrictions automatically will accomplish that objective with respect to both civilian and strategic military goods. Yet we still have before us the President's determination to convert the American economy to a restricted wartime basis, and, at the same time, we would continue to spend nearly $4,000,000,000 to build up the European economy on a peacetime basis.

With the possible exception of the German occupation costs in the current situation, we should be able to reduce the foreign civilian-aid program in Europe to a liquidation basis without impairment of the principal objective to combat communism. As to civilian aid in Korea, it should be left to the military. This is not the time to divide authority there with another UNRRA operation while military operations are in progress. Military authorities in Korea need both the authority and the money for relief to assure Korean civilian assistance. The foreign civilian-aid program, under current conditions, could be cut by at least half. This would save a minimum of $2,400,000,000.

BIG CUT POSSIBLE

It should be noted that all of the figures used in this discussion have been in terms of the President's January expenditure budget requests. I have adopted this base for common-denominator purposes. Of course, action on the appropriation bill in Congress to date indicates some variation from these figures. But the action is not completed in the first place, and, in the second place, while some of the requests have been decreased others have been increased. But on the basis which has been used the reductions suggested to this point total between $9,000,000,000 and $10,000,000,000.

In addition to the reductions already cited, there could be more and, in fact, it is indicated that there must be more, because I have it on good authority that in addition to the $10,500,000,000 supplemental defense budget already submitted we may expect further requests of four to five billion dollars.

The President has requested the powers and the money of a wartime economy, but he completely omits the necessity of converting to a wartime Federal expenditure budget. On the day before his war economy message to Congress and speech to the public he called Senate Majority Leader LUCAS to the White House and directed him to oppose the amendment to the pending appropriation bill introduced by more than a third of the Senate, including Senator BRIDGES, ranking minority member of the Appropriations Committee, and myself, to reduce nondefense spending by 10 percent.

THE TAX LOAD

Instead, appearing to be completely oblivious to the fact that we may win the battle abroad and lose the war at home, he has indicated that he proposes to pay for all of the additional spending throught increased taxes. Last year tax revenue from corporations was less than $11,000,000,000. If this additional tax burden of $10,000,000,000 to $15,000,000,000 is placed on corporations, the obvious increase would have to be more than 100 percent. The revenue from individual income taxes last year was $18,000,000,000. If this additional tax burden were placed on individuals, it would mean an increase of more than 60 percent. If it were split percentagewise between corporations and individuals, it would mean a general tax increase of more than 40 percent.

To increase taxes to such an extent we would either have to impose a general sales tax of at least 10 percent or make paralyzing increases in levies on income—individual, corporation or both. I submit that no such stupendous new tax burdens should be added to the existing high tax rates until the nonmilitary expenditures are cut to the bone.

The Federal debt is now approaching $260,000,000,000, and even before the precipitation of a virtual state of war another deficit was in prospect on a peacetime basis. Unbearable debt and taxation can destroy our solvency, and if we do not reduce nondefense Federal expenditures wherever we can, we shall be hastening indefensibly to the precipice of financial disaster. It is alarming indeed that the President of the United States did not even mention the necessity of preserving the fiscal solvency of America in either his recent message to Congress or his radio broadcast to the people of the Nation.

FREEDOM AND FISCAL SYSTEM

Once our fiscal system is weakened, our freedoms will be destroyed, and Russia knows this. The mass production capacity of the American free enterprise system is the source of our protection. Destroy this and you cut the heart out of America. Russia has no fear of our expenditures in Europe to combat communism; she fears the capacity of the United States to outproduce the rest of the world combined in military matériel—tanks, airplanes, and the other implements of war which determine military success or failure. For instance, the United States is producing nearly five time as much steel as Russia.

Our fiscal crisis at home is just as serious as our military crisis abroad. We can't meet the military crisis without the preservation of our free-enterprise, mass-production system, and we cannot preserve this system in fiscal insolvency.

I have fought inordinate public spending throughout my 17 years in the Senate. I know the difficulties of eliminating or reducing public expenditures once they are started.

On the other hand, I am confident that the American people would respond almost unanimously to an appeal from the President of the United States for the preservation of our fiscal solvency through reduction of nondefense expenditures during a war crisis.

Have we enough statesmanship to see the whole picture? To date, the President has failed in this respect to meet his responsibility in the crisis which confronts our Nation.

At home and abroad, we must choose now between guns and butter.

I apologize for the length of this letter, but I have gone into some detail in the belief that the justifications were necessary to show that the reductions suggested would impair no essential activity on a wartime basis and that without them we are risking the soul of the American democratic system.

HARRY F. BYRD,
United States Senator From Virginia.

[From the Wall Street Journal of July 31, 1950]

Elsewhere on this page Senator BYRD of Virginia suggests a program whereby expenditures of the Federal Government could be reduced by $9,000,000,000 to $10,000,000,000 a year.

Senator BYRD, who has made Government finances his special business for a number of years, says that it is only necessary to cut Federal outgo for other than military purposes back to the level of 1948 and to revamp the foreign aid program to conform to new conditions created by the Korean war.

We think it is not a severe program. Surely the civilian activities of Washington were not being starved in 1948. Just as surely foreign governments which have been receiving American funds will not expect this country to proceed on the assumption that nothing unusual has happened in Korea; indeed they would probably be puzzled and distrustful if there is not recognition of changed conditions.

It may be that the administration at Washington feels that if it adopts a wide retrenchment program, Congress will be less likely to give it the new taxes which it has suggested. Retrenchment has been discussed as an alternative to new taxes in these columns and in other quarters as well.

Reluctantly this newspaper has come to the conclusion that both retrenchment and additional taxes are needed. One without the other may not allow the Government to meet armament expenses without borrowing and it is the inflationary effect of borrowing that must be avoided.

The price rises which have taken place recently are a danger signal and the trend they indicate could get out of hand.

Prices are not bid up because people are unpatriotic or irresponsible. Historically wars have been financed by the inflationary device of creating new money and when war appears people try to protect themselves by buying before the increased supply of money gets to work on a supply of goods which is not proportionately increasing. Threats to impose direct controls such as rationing and price fixing only aggravate the situation

because that induces more people to attempt to protect themselves.

What will stop the price rises is a statement that the Government is not going to create new money; that the Government will live within its income and pay its bills from current receipts. That will put on the brakes before the most adept legislative draftsmen in Washington could write the preamble to a control statute.

We think President Truman has it within his power to effect such a check. Many of his recent statements suggest he knows what should be done, but they have been clothed in somewhat technical and nebulous language. What needs to be said is that the Government does not intend to inflate, that however hard the process may be it intends to pay as it goes.

We think there never was a nation more ready to respond to such a determined leadership.

We also think that the effect on our allies and our enemies would be increased respect for an exhibition of courage.

KOREA, THE TIME AND THE PLACE—ADDRESS BY JOHN FOSTER DULLES

Mr. SMITH of New Jersey. Mr. President, on yesterday, Monday, July 31, former Senator John Foster Dulles, now consultant to the State Department, made an important address before the Commonwealth Club luncheon in San Francisco, Calif. The title of Mr. Dulles' address was Korea, the Time and the Place.

This address by former Senator Dulles is so pertinent at this time with the Korean crisis before us that I ask unanimous consent to have it printed in the body of the RECORD in order that we may all have the opportunity to read it carefully.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KOREA—THE TIME AND THE PLACE

When the armies of the puppet Communist regime of North Korea attacked the Republic of Korea, they opened a new chapter in history. No one knows how that chapter will end, but already the national response shows that what we shall write into that chapter will be written with unity, power, courage, and high resolve.

No doubt this dangerous moment had to come. There would be a time when the leaders of Bolshevik communism would judge that they had largely exhausted the possibilities of indirect aggression and would explore the possibilities of direct aggression. That they are doing now.

Their timing is understandable. Indirect aggression was no longer likely to pay big dividends. It was being checked in Europe and in Asia where lie the Ruhr and Japan—two areas which, it seems, Bolshevik leaders particularly covet and which, under their control, would sharply alter the balance of world power. The European recovery plan, the North Atlantic Pact and the military-aid program are withering Communist hopes for overrunning the European continent; and the Schuman plan would end their hope of communizing western Germany.

In Asia, the United States had turned from what had seemed a policy of drift, and we were developing policies which would give hope to those new nations whose independence was endangered by a new form of international enslavement. Secretary Johnson, General Bradley, and myself had gone to Japan to confer with General MacArthur about Japan's future. That showed that we did not admit that the Soviet had veto power over that future and could perpetuate a do-nothing policy which would enable communism to make great underground gains.

The Communist world was in process of being contained, unless it resorted to open force. That may explain why there came armed attack at this particular time.

As to place, there were good reasons why Korea should have been picked.

There was in North Korea a thoroughly trained, fanatical, and well-equipped satellite army with a hard core of battle-trained veterans drawn from Siberian and Chinese armies.

Opposed to them was the young and inexperienced army of the Republic of Korea. It had excellent morale and discipline, but not a single combat plane or tank or artillery heavy enough to stop opposing tanks.

Not only was the Republic of Korea's army no conceivable match for the North Korean Red army, but the Communist leaders may have felt that the Republic, if attacked, would not get help from the United Nations or the United States. Their propaganda was spreading that impression throughout the Republic of Korea and trying to develop a defeatist attitude.

Our Government sensed the danger and tried to remove it. On June 21, I addressed the Korean Second National Assembly at its opening session and pointed out that although the Republic of Korea was technically not a member of the United Nations because of Soviet veto, nevertheless "the United Nations considers you as, spiritually, one of them." I recalled that the United Nations Charter binds all nations "to refrain from any threat or use of force against your territorial integrity or political independence." I went on to say that the Republic of Korea had built a healthy society which was entitled, on merit, to membership in the free world, and that as between the members of the free world "compulsions to common action are powerful because they flow from a profound sense of common destiny."

We had hoped that that public declaration might contribute to peace. But the time-fuse had already been lighted. Almost at the exact time I was speaking in Seoul, the Communist regime in Pjongyang was proclaiming its program. It called for the unification under it of South Korea. It promised the liquidation of President Rhee who, it was said, was serving "the plundering interests of American imperialists"; it demanded the expulsion from Korea of the United Nations Commission and the holding on August 15 of all-Korean elections under North Korean auspices. The next Sunday the Red army was hurled against the Republic in order to impose that program.

Even though the Communist leaders may have been uncertain that their act would bring United Nations or United States aid to the Republic of Korea, theire is considerable evidence that they took that possibility into account. That did not deter them, for they doubtless figured that if, in fact, Western powers gave military help to the Republic of Korea, they might become bogged down in an all-Asia struggle of the "masses" against the "colonial imperialists" and their "lackeys." That has from the beginning been a main point of Stalin's strategy.

A further reason for the selection of Korea was, no doubt, the important role that the Korean peninsula occupies in relation to Japan, Port Arthur, and Vladivostok. During the Russo-Japanese war of 1904-05, the control of Korea by Japan prevented the Russians from carrying the offensive to Japan and made it possible for the Japanese to capture Port Arthur, 150 miles to the west of Korea, and to threaten Vladivostok, 75 miles to the east of Korea.

Russian analyses of the cause of Russia's failure in that war ascribe it largely to the fact that Japan controlled the Korean peninsula. Ever since, Russian strategists sought that control for Russia.

All in all, it must be conceded that, from the Bolshevik Communist standpoint, the blow in Korea was shrewdly struck. To the extent that it was a surprise, it was a tactical surprise of the kind that those who strike offensively can usually inflict on those who accept a defensive role. The orbit of Soviet and satellite control extends continuously from the Bering Strait, south to the China Sea, west to the Mediterranean, and north to the border of Norway. There are 15,000 miles of iron curtain, behind which a single will can secretly prepare and execute land thrusts against any one of 15 contiguous nations. If to this we add the capability of striking by air across the Arctic regions, it can be seen how hard is the task of defense. It was already difficult when the Bolshevik Communists limited themselves to methods of indirect aggression. Now that they have shown willingness to use also methods of direct aggression the task of anticipation is truly colossal.

We do not, I think, need to conclude from Korea that the Bolshevik leaders have decided on general war. The action there plainly indicates that they are now willing to run greatly increased risks. That, however, does not necessarily mean that they want general war or that they are irrevocably committed to provoke it. The place selected for the first armed attack was one that could be exploited without an open use of Soviet forces. That indicates that the leaders may not yet be prepared to make the fateful decision that would mean general war. It may be that the free world, by a show of resolution and strength, can bring the Soviet leaders to avoid that reckless course.

When only one assumption gives chance of winning peace, we must act on that assumption.

POLITICAL OBJECTIVES

Military victory in the battle of Korea is bound to loom large in our thinking and acting. But those who are not directly involved in the fighting must not become mere battle watchers. Korea must not monopolize our thoughts and actions and divert us from achieving vital political objectives elsewhere.

The United States has one very bad habit. In times of fighting we usually forget all about political objectives. In my recent book, War or Peace, I pointed out that we Americans usually look on war as a kind of gigantic prize fight. The objective is to knock out your opponent. If you do knock him out, the job is done. Then it is in order to go home, break training, and enjoy yourself until you may have to go into training for a return bout.

That habit explains the wisecrack that the United States has never lost a war and never won a peace. Our statesmen and diplomats are not less able than those of other countries; but we consider that wartime is their vacation time. If we have even childish capacity to learn by experience, World War II should have taught us the folly of that attitude.

At Yalta, Stalin won great political victories which enabled him to expand Soviet influence into the heart of Europe and throughout much of north China. He won those victories because his eye was on the political ball while we were thinking only in military terms. Mr. Stettinius, who was at Yalta as Secretary of State, records that he asked the President whether he wanted any help from the State Department. The answer was "No," because says Stettinius, the President thought "it was primarily a military matter and * * * had best remain on a purely military level."

Mr. Justice Byrnes, who was at Yalta as a principal political adviser to the President and who was shortly to become Secretary of State, says of the Yalta agreement regarding Asia, "I did not know of this agreement * * *. The evidence is clear that the agreement was, in great part, a military

decision." So it was, from our standpoint; but not from Stalin's.

Military victory is, of course, indispensable. But if the moral and material power marshalled to win victory is not used to attain political objectives, then sacrifice is cruelly wasted.

There are today political goals of the utmost importance which ought to be promoted by the national strength, unity, and momentum which we shall develop to help the United Nations win the battle for Korea. Let me mention three of the political fronts.

Japan: The Japanese nation should be given the opportunity to become equal partners in the community of the free nations and to contribute to the peace and security, the economic prosperity, and the cultural and spiritual life of the free world. As General MacArthur has pointed out, the conduct of the Japanese under occupation entitles them to that, legally and morally. The battle for Korea should not lead the free world to forget about Japan or to postpone dealing with its problems. The Japanese are front-seat spectators of a drama which is arousing them from their postwar stupor. The very fact that the attack in Korea may be aimed at Japan and designed to check positive and constructive action there shows how important it is to take such action. Japan represents the only large industrial power in Asia outside of the Soviet Union and that power should, in the future, serve the cause of freedom and not become a tool of despotism. Neglect and indecision in Japan could lose the great gains of General MacArthur's superb administration. We could, indeed, lose more in Japan than can be won in Korea.

Europe: The free peoples of Europe, backed by Canada and the United States in the North Atlantic Council, are seeking security through increased unity and common defense. There is still a long way to go and getting there is more important than ever. We cannot afford now to neglect that goal.

In the past, concentration upon the problem of Europe may have led us to subordinate the problem of Asia. Now that the problem of Asia hits us with a violence that compels attention, let us not go wholly into reverse gear and neglect Europe. We face a two-front struggle, in Asia and in Europe. That requires from us balanced effort, for we cannot afford to lose on either front. The fact that Bolshevik Communists are now using methods of open warfare in Korea shows that they may do so elsewhere. That means that we should speed up the unity and the economic and military strengthening of a free Europe that would include west Germany.

Let us not forget that while most of Germany and all of Japan are geographically within the orbit of the free world, they lie at the outer fringe and are physically close to the world of despotism. If they were lost to exploitation by Soviet communism, that would substantially complete the encirclement phase of the strategy that Soviet communism has announced. The stage would be set for what they call the final act, which could be slow strangulation or overpowering assault.

In the long run, the continuing freedom of the Germans and Japanese can only be assured by their cooperation. The United States cannot alone, by remote control, keep the 45,000,000 west Germans and the 85,000,000 Japanese within the free world unless our power reinforces the good-will efforts of the Germans and Japanese themselves. These people want to make those efforts and they ought to be given that opporunity. That does not mean giving them national armies to serve purely national ambitions. It does mean treating them as equal partners within the framework of a European, a Pacific, or a United Nations effort which subordinates national ambitions to goals which advance the general welfare of all free peoples.

The United Nations: The Security Council showed an amazing capacity to respond quickly and effectively to the needs of the Korean crisis. However, only unusual circumstances made that possible. The Soviet Union was boycotting the Security Council and the representative of the Chinese Communist regime had not been seated. Either, if present, would have vetoed the action which produced the world's first peacetime demonstration of solidarity against unprovoked aggression.

No one who wants peace should want the Soviet to go on boycotting the United Nations. That recalls the withdrawal of Germany, Italy, and Japan from the League of Nations. Stalin, speaking of that in March 1939, interpreted it as designed by the "aggressive states * * * in order to have their hands free."

When international differences exist, as they now do, it is better to bring them into the open, around a council table, rather than to have the differing parties separate and each go his independent way.

A town meeting is of little value if it is only attended by those who agree. We want those who differ to be present when the United Nations functions as the town meeting of the world.

On the other hand, the members of the United Nations now have a vision of what the United Nations can be. The Assembly had established observers to watch the northern frontier of the Republic of Korea, anticipating the possibility of armed attack. When the armed attack occurred these observers instantly reported to the Security Council. The Security Council met within 24 hours and initiated a series of actions to repel the aggression and to restore peace and security in the area. Fifty-two nations indicated their support of the Security Council action. The United Nations has established under its flag a United Nations military command in Korea and six members have already contributed military force to that command. Others have offered armed assistance and the details are being worked out.

That is a magnificent accomplishment and the member nations, particularly the smaller nations, who have seen that accomplishment and who have taken hope from it, will not be happy to revert to a condition where similar action on their behalf could be prevented by one malevolent vote in the Security Council.

Of course, it is important that the United Nations should be a universal organization. But it is also important that that universality should not turn the United Nations into an impotent organization.

At this juncture we can usefully recall the Senate resolution of June 1948—the Vandenberg resolution—calling for "voluntary agreement to remove the veto from all questions involving pacific settlements of international disputes and situations, and from the admission of new members." If there were such agreement, which our Government has sought, it would be far easier to achieve universality.

Prime Minister Nehru, of India, the great leader of a great people, has expressed the hope that the United Nations should not be plagued by Soviet boycott or by an unresolved dispute about whether the Communist regime is now entitled to replace the Nationalist Government of China. We should all like to clear up these matters and to see the United Nations fully representative of all of the peoples of the world. However, we are bound to be concerned about seating a Chinese Communist regime which openly preaches violence as an instrument of international policy and which encourages the North Korea regime to act in flagrant defiance of the expressed will of the United Nations. Our concern about seating that regime is bound to be deepened when the seating gives it not merely a right to vote, but a right to veto the peace-making role of the Security Council.

The Korean crisis has opened our eyes to the great possibilities of good inherent in the United Nations. There has developed a momentum of action, a lift of spirit, which should be used to realize the high hopes which the whole world felt when, 5 years ago, the United Nations was born here at San Francisco.

I have now called attention to three political fronts that require our continuing attention. There are many more. They ought not to be obscured by the smoke of battle. Victory is indispensable, but let us be sure this time to use constructively the power that is required to win victory.

Policies are of little use unless behind them lies the power, moral or material, potential or actual, to make them good. Equally, power is of little value unless it be the servant of wise policies. From now on, let policy and power go hand in hand in quest of peace that is just and durable.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HILL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

Mr. CONNALLY, from the Committee on Foreign Relations:

Waldo E. Bailey, of Mississippi, and sundry other persons for routine appointment in the Diplomatic and Foreign Service.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the calendar will be stated.

UNITED STATES MARSHAL

The Chief Clerk read the nomination of Edward J. Carrigan, of California, to be United States marshal for the northern district of California.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Edward Weinfeld to be United States district judge, southern district of New York.

Mr. LEHMAN. Mr. President, I wish to speak very briefly in support of this nomination. Edward Weinfeld, by my appointment, served as commissioner of housing of the State of New York from 1937 to 1942. In addition to his duties as commissioner of housing he served as unofficial counsel to the Governor. During those 5 years of his service I formed an extremely high opinion of his legal qualifications, his thorough knowledge of the law, his experience as a counselor, and of his high character. He has proved himself to be a fine administrator,

and I am very confident that he will be an outstanding judge of the United States. I am glad indeed to vote for the confirmation of his nomination.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The Chief Clerk read the nomination of Eugene John Pajakowski to be United States marshal for the northern district of Indiana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL MARITIME BOARD

The Chief Clerk read the nomination of Vice Adm. Edward L. Cochrane, United States Navy (retired), to be a member of the Federal Maritime Board for the term expiring June 30, 1952.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That concludes the nominations on the Executive Calendar.

RECESS

Mr. LUCAS. As in legislative session, I move that the Senate stand in recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 22 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 2, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 1 (legislative day of July 20), 1950:

PUBLIC ADVISORY BOARD

Orin Lehman, of New York, to be a member of the Public Advisory Board, established under title I, of the Foreign Assistance Act of 1948, vice Herbert H. Lehman, resigned.

MUNICIPAL COURT OF THE DISTRICT OF COLUMBIA

Emory Byington Smith, of the District of Columbia, to be an Associate Judge of the Municipal Court for the District of Columbia to fill a new position.

IN THE NAVY

The following-named officers of the Navy for permanent appointment to the grade and corps indicated:

REAR ADMIRAL, LINE

Francis X. McInerney

REAR ADMIRAL, DENTAL CORPS

Henry R. Delaney

CAPTAIN, LINE

Joseph Finnegan
Philip F. Wakeman
John Zabilsky
Thomas A. Ahroon
William A. Schoech
William A. Cockell
John F. Mullen, Jr.
David L. McDonald
Theodore F. Ascherfeld
Joseph F. Quilter
William S. Parsons
Wells Thompson
Earle C. Hawk
Michael P. Bagdanovich
George P. Enright

CAPTAIN, MEDICAL CORPS

Robert L. Ware
Robert A. Bell
John J. Wells
Murphy K. Cureton
Alvin J. Cerny
George B. Ribble
Paul K. Perkins
Edward F. Kline

CAPTAIN, CIVIL ENGINEER CORPS

Howard L. Mathews
Howard F. Ransford
Horace B. Jones
Stanley P. Zola

COMMANDER, LINE

Matthew V. Carson, Jr.
Howard J. Bergman

COMMANDER, MEDICAL CORPS

Roger W. O'Neil

COMMANDER, CIVIL ENGINEER CORPS

James B. Robinson

COMMANDER, MEDICAL SERVICE CORPS

Horace C. Dudley
Roland A. Bosee

LIEUTENANT COMMANDER, LINE

John P. Fitzpatrick
Robert L. White
Douglas "M" Birdsall
Carl A. Brown, Jr.
Edwin C. Ensley
Charles D. Conyers
Harry S. Rodgers
Marvin J. Franger
Richard D. Chamberlain
Burton R. Trexler
Alfred E. Brown
James K. Alleman
William K. Keller
Walter G. Shuttleworth, Jr.
Ralph E. Rhodes
Robert W. Drewelow
James J. Kinsella
Donald Gordon
Robert E. Taylor
Philip E. Souza
Rolf E. Jacobsen
Ralph W. Hart, Jr.
Louis A. Menard, Jr.
Paul T. Gannon
William Schroeder
Frank C. Hearrell, Jr.
Robert G. Nester
James S. Neander
Robert F. Bergeron
Robert T. Tolleson
William J. Rivers
Albert H. Magie, Jr.
James O. Weimer
Samuel L. Lanier
Arnold E. Downs
Ben Sparks, Jr.
Eugene P. O'Brien
John E. Porter, Jr.
Anderson M. Dowling

LIEUTENANT COMMANDER, MEDICAL CORPS

Sarkis S. Sarkisian
Russell M. Maynard
John H. Cheffey
Francis G. Geer
James N. Sussex
Berwyn R. Force
Richard B. Leander
Rudolph P. Nadbath
John A. Pease
Frank A. Cerzosimo
James A. Kaufman
Granville I. Walker, Jr.
Vorris M. Reist
Lawrence A. Whoolery
William S. Stryker
Frederick E. Wetzel
Caesar F. Orofino
Charles W. Reynolds
David P. Osborne
Harry A. Weiss
Andrew F. Braff
Earle G. Canfield
Walton L. Jones, Jr.
Gustave T. Anderson
Thomas D. Yocum
Dean Schufeldt
Herschel C. Sudduth
Ervine S. Bills
Gale G. Clark
Donald R. Childs
Dominic A. Kuljis
Quentin J. Florence
John W. Trenton
Arthur R. Errion
John J. Rieder
Philip H. Von Fraenkel
George C. Calderwood
Francis J. McMahon
Maurice Schiff
Milton M. Small
Scott Whitehouse
Romulus L. May
William L. Smith
James M. Smith
Richard G. Barry
Daniel M. Pino
Dwight A. Callagan
Albert J. Zuska
Edwin C. Sweeney
Albin A. Galuszka
Henry G. Wagner

LIEUTENANT COMMANDER, SUPPLY CORPS

Winston L. Adair
Robert H. Stonum
Vincent P. Giuli

LIEUTENANT COMMANDER, DENTAL CORPS

Wilbur A. Trick

LIEUTENANT COMMANDER, NURSE CORPS

Minnie O. Overton

LIEUTENANT, LINE

Joseph W. Janecky
B. Russell Dooge, Jr.
Henry J. Williams
Harry A. Wilson, Jr.
James R. Collier
James R. Craig
Willis L. Somervell, Jr.
Murray A. Moyce
Herman J. Stansell, Jr.
Dee LaVern Leland
Kenneth W. Wade
Lewis O. Smith
Charles A. Rankowski
William E. Keeler
Robert I. Marr
Charles C. Henderson
Vinton C. Vint
Joseph E. Kington, Jr.
James O. Bess
Richard J. Hicks
William H. Simpson, Jr.
Rupert W. Legare, Jr.
Richard H. Spindler
Wilson R. Gawthrop
Fred K. Woodburn
Charles R. Leonard
Howard H. Harrison
William E. LeClere
Jack LaVern Moore
Joe "E" Chambliss
Leon E. L. Mathwick
Robert E. Custer
Charles F. Poenicke, Jr.
Paul Johnson
Russell L. Smith
Warren W. Denney
Jack Harris
Carl F. Wiesendanger
Bernard M. McClaughery
Jennings B. Wilson, Jr.
Irl Junior Allison
Richard Conlan
Minor F. Abel
James H. Keating
Merwin E. Drain
Albert L. Moore
Frank Aponowich
Lionel J. Goulet
Arthur E. Hammarlund
Albert J. Cullen
William J. Hart, III
Alexander N. Dussel
Clifford L. Stewart
Charles E. Delaney
Robert D. Warren
Marvin C. Lee
Joseph R. E. LeTourneau
James H. Wirth
Ervin "F" Hodge
Howard "T" Webb, Jr.
Carl H. Yeagle
John H. Underwood, Jr.
Walter Hurst
Edward D. Foye, Jr.
George H. Matthiesen
Edward Snicer
Leonard M. Nearman
Arthur C. Flynn
Ralph R. Lang
Rollin W. Brigham, Jr.
Billy L. Havron
Louis B. Clayton, Jr.
Frederick W. Hartson
Patrick F. Cunningham
Donald W. Taylor
Lyle H. Sette
Edward D. Jones
Robertson L. Miller
Robert L. Ammidown
Charles N. Frisbie
John E. Ford
Austin G. Karnes
Earl L. Robinson
Robert E. Wiegan
Charles D. Grimmett
Angelo J. Rosegrant, Jr.
Gerard M. Donovan
Harry J. Klein
Phillip N. Searles
Robert A. Koch
Robert E. Swigart
Robert L. Warner
Walter D. Roll
Lewis W. Rambo
Alexander Julian, Jr.
Willis C. Barnes
David McK. Saunders
Warren Taylor
LaVerne W. Brown, Jr.
Robert D. Donavan
Daniel E. Chesler, III
Carvel H. Blair
Donald H. Ziebell
Richard H. Lee
Henry A. R. Peyton
William C. Kistler
Peter G. Beierl
Frederick H. Lamartin, Jr.
James A. Reid
Edward McN. Bain
Mason DeM. Milliken
Chandler E. Swallow, Jr.
Will M. Adams, Jr.
John D. Eaton
Francis M. Holmes
Lloyd F. Bell
Donald C. Curran
Richard E. Jortberg
Walter W. Schwartz, Jr.
Scott C. Daubin
Allen M. Dame
Joseph E. Schwager
Lyle A. Cox
Joseph E. Snyder, Jr.
Alvin L. Meints
Edward A. Christofferson, Jr.
John P. Wise
Robert B. Baldwin
Douglas S. Mackay
Henry L. Bagby
John J. King
Charles E. W. Dobbs
Homer R. Adrianse
Dean L. Axene
Crumpton Farrell
Samuel M. Cooley, Jr.
Luther B. Wallace
Theodore R. Fick
Richard D. Hertzig
Richard Hardy
Norman B. Bessac
Edward P. Coleman
Thomas A. Bush, Jr.
Orville B. Karge
Frank H. Markle, Jr.
Wiley V. Conover
Robert B. Gohr
Alexander K. Rentschler
Lyle D. Oder
Charles F. Donaghy
Frank B. Correia
John M. Charles
William J. Beardsley
Max R. Rush
Ted H. Colvin
Anthony J. Divito
Everett A. Parke
Robert G. Newby
Jack A. Pate
Robert H. Watson, Jr.
Eben Leavitt, Jr.
William V. Steuteville
Charles E. Starns, Jr.
Walter R. Gerich
Robert E. May
William P. Crenshaw
Robert A. Hogsed
James G. Gallemore
Frederick W. Botts, Jr.
John N. Longfield
Robert Delgado
Dick G. Wilson
Joe L. Midgett
Joseph F. Bolger, Jr.
Forrest S. Petersen
Joseph E. Bonds
William S. Stewart, III
Warren R. Colegrove
Donald P. Curtis
Pierce A. Jensen, Jr.
Clarence R. Bryan
Thomas F. Utegaard
Edward W. Behm
Frank W. Ewald
Arnett B. Taylor
Nelson J. Gambrill
Robert A. Eidson
Charles Priest, Jr.
William D. Counts
Robert B. Williams
Robert D. McCrary
Merton D. Van Orden
Robert J. Lauer
Harry B. Doyle, Jr.
Patrick "J" Hannifin
Walter Dedrick
Richard M. Shively, Jr.
Thaddeus M. Taylor
Herbert "R" Poorman
Roland T. E. Bowler, Jr.
Custav F. Swainson, Jr.
John F. Kurfess
Dewitt A. Graybill
Alfred C. Bessette
John McC. Smith
Frederick J. Kelley

Alex A. Kerr
"W" Loron Cranney, Jr.
Francis A. Packer, Jr.
Richard J. Dzikowski
John B. Haines
William A. Berger
Willis B. Van Oss
James C. Matheson
Joe P. Moorer
Arthur G. Red
Bernard B. Forbes, Jr.
Merrill E. Kelly, Jr.
Hassell L. Norton
Robert D. Reynolds
John F. Kalina
Richard J. Cooke
George F. Ellis, Jr.
Peter R. Braginton
Fred C. Watson
Eugene M. Masica
John V. Peters
George H. Webster
James W. Hamburg
Kenneth W. Chambers
Harry L. Milhan
Franklynn R. Sperberg
William H. McLaughlin, Jr.
Olney J. Bryant
Fred T. Berry
Floyd K. Lissy
Robert Kirk
Robert G. Curley
Wade R. Bascom
James B. Hennegan
Benjamin C. Rogers, Jr.
Jo A. Humes
Quinley R. Schulz
Phaon B. Derr, Jr.
Gerald G. O'Rourke
Jens B. Hansen
Philip D. Johnston, Jr.
Willis I. Brown
Burris D. LaMar
Ernest R. Barrett
Bobby C. Brogoitti
William P. Ferguson
Frederick E. Blum
James K. Boak
Cleo N. Mitchell, Jr.
Philip M. Erickson, Jr.
Clifford E. Seeman
Jean L. Leslie
Elmer W. Ylitalo
Francis T. Kleber
Roy K. Jones, II
Joe "W" Watts
Henry O. Anson, Jr.
James F. O'Neil
Richard C. Fay
Roy Riser
Wayne S. Nelson
Samuel W. Selfridge, Jr.
David M. Longton
Charles F. Fadeley
Lawrence N. Smith
Edward F. McCartan
Thomas W. Madigan
Robert C. Wood
William E. Fannin
Clark L. Beck
John F. Wester
Richard W. Mansfield
John N. Price
Theodore A. Wagner, Jr.
Alexander A. Padis
Clarence B. Stephenson
John R. North
Daniel C. Clements
John K. Allison
Wilton L. Atkinson
Michael J. Kane
Robert J. Clancey
Benton W. Decker, Jr.
John W. Rhinesmith
Roy G. Davis
Morris A. Esmiol, Jr.
James M. Faddis
William C. Lewis
Robert S. Hayes
Rudolph V. Biordi
Robert R. Hale
Leland W. Bauch
Robert O. Sherman
William W. Strong
Paul L. Nuschke
William W. K. Miller, Jr
Douglas E. McIntyre
Edwin C. Bain, Jr.
Donald W. Kennedy
Ralph G. Lipfert
John T. McMenamin
Robert M. Waters
James R. Wiggins
Lando W. Zech, Jr.
Howard J. Ursettie
Royal T. Daniel, Jr.
John Mullen, Jr.
John H. Flook
John W. Farley
George A. Hamilton
Charles H. Boldt, Jr.
Doniphan B. Shelton
Bruce A. Cunningham
William B. Shepard, Jr.
Alfred R. Olsen, Jr.
Paul A. Adams
Randell H. Prothro
Allen J. Gilmore
Robert W. Dosien
Richard M. McCool, Jr.
Stanley R. McCord
John B. Padgett, Jr.
Hugh C. Mason
Herbert L. Ogier, Jr.
Howard Bucknell III
Paul V. Converse
John R. Chappell
Carson R. Worley
George A. O'Shea, Jr.
Homer B. Thomas, Jr.
Frederick S. Gore
William DeR. Brotherton, Jr.
George P. Steele II
John M. Prewitt
Robert H. Merrick, Jr.
James T. Cockrill II
George M. Hecker
Alan B. Shepard, Jr.
William R. Chester
Edward F. Zenisek
Leroy S. Edmonds
Wilbur C. Trautman, Jr.
Robert H. Ewing
Charles K. Moore
Harlan D. Williams
John A. Gillcrist
Victor M. Vissering, Jr.
Grant A. Nisbet
William Carrier, Jr.
Robert F. Stanton
Mark G. Tremaine
Lawrence A. Wilder
Allan P. Slaff
Loyd J. Kiernan, Jr.
Robert M. Fortson, Jr.
Walter H. Godshall
James F. Bradley, Jr.
Julien J. LeBourgeois
Albert R. Dunn
John F. Gillooly
Frank F. Clifford, Jr.
Eugene F. Dmuchowski
William G. Pledger
John K. McAdams
Robert O. Coulthard
Hubbell Y. Davidson
Thomas K. Ives
Edward H. Doolin, Jr.
Donald R. Richards
Joseph J. Doak, Jr.
Paul V. Purkrabek
Tracy H. Wilder, Jr.
Allen R. Howard, Jr.
John J. Forrest
Carl W. Gronemann, Jr.
Walter N. Dietzen, Jr.
Gilbert C. Gayler
Irving H. Knudson, Jr.
Merl E. Betz
Samuel G. Gorsline, Jr.
Edward C. White
John F. Riley
John C. Loveday
William J. McGarry, Jr.
Peter R. Perkins
George R. Froyd
Donald T. Poe
Thomas H. Polk
Donald B. Carpenter
John Duff, Jr.
Arthur D. Heinze
Robert T. Kavanagh
Beverly deP. Staser
Joseph M. Snyder, Jr.
Edward P. Hermann
John W. Miller
Clifford E. Hunter
William P. Page
Dickson W. Alderton
Harold A. Taylor
Edward H. Morgan
Clayton H. Shoemaker
Frank L. Haines
Hugh D. Murphree
Jack M. Manherz
James W. Montgomery
Harvey C. Hartzel
Robert W. Herrick
Robert G. Douglas
Orville C. Everhart, Jr.
Samuel T. Bussey
Ralph W. Stell, Jr.
Robert C. Barnhart, Jr.
William E. Barnes
Craig E. Randall
Robert A. Swensen
Searle J. Barry
Richard E. Rumble
William H. Hoover
Steven W. Callaway, Jr.
John R. Gilbert
Walter J. Brauer
Eugene H. Spangler
William C. Lewis
Robert A. Close
Clyde O. Morrison
Cornelius F. Moul
George P. Peed
Robert B. Mack
James I. Hemphill
John H. Boelens
Benjamin H. Dean
Wilbur N. Sims
Ralph A. Hilson
James T. Ingram
William W. Stevens
John O. Horn
Richard J. Campbell
Richard G. Alexander
William F. Chaires
John F. Hill
Ronald O. Wilson
Theodore L. Johnson
Warren H. O'Neil
Gordon T. Randall
John R. Johnson
William J. Traynor
Frank T. Rawlings, Jr.
William A. Bowes
Lucius E. Steere III
Lowell F. Fitch
James F. Braun
Bryce E. Royalty
John E. Pearce, Jr.
Henderson G. Silliman
John E. Brown, Jr.
Joseph Colton
Robert A. Scherrer
Howard E. Blum
Gordon R. Hopwood
John A. Swank
Anson D. Geiger
Gerald M. Johnson
William L. Graham
Edward L. Cochrane
Merlin D. Becker
Vernon F. Anderson
Robert W. Ferrin
Josiah Henson
Ralph R. Riley
Emil Saroch, Jr.
Vincent J. Anania
Walter S. Rose
William A. Doubt
William T. Zeigler
Tom E. Sulick
Louis B. Schmeltzer
Baird Snyder, Jr.
Robert J. Delaney
William J. Flynn
Edward H. Loftin, Jr.
Arthur K. Keevil
Donald B. Edge
Clifford C. Lockwood
William R. Campbell, Jr.
James S. Kennedy
Edward S. Caple, Jr.
James C. Masters, Jr.
Edward A. Hall
Phillip S. Harward
John W. Chapman
Robert D. Steele
Ernest J. King, Jr.
Robert I. Kasten
Edward E. Hastings II
Evans P. K. King
Ted S. Johnson
Raymond C. Jordan
Graydon T. Stout
George W. Cogswell
John J. Pirro
James W. Nance
Albert S. Giorgis
Toria J. Bratten, Jr.
David A. Kribs, Jr.
Victor R. Knick
Stephen L. Layton
William T. Noll
John D. Kidd
Grady R. Gay
William B. Hayler
Scott E. Peck, Jr.
Woodford M. Rand
John R. Potter
Charles S. Bowcock, Jr.
Walter N. Temple
John C. Eakin
Roger H. Mullins
Lee B. Findly
James M. McCaskill
Lawrence R. Crum
John K. Cabaniss
Jesse B. Cobb
Robert J. Tartre
John T. Knudsen
George H. Asman
Walter S. DeLany, Jr.
Woodrow W. Thompson
John W. Fietsch
Lloyd E. Helwick
Theodore J. Wildman
Theodore C. Gavett
John A. Tennant
Edwin P. Smith
John E. Russ
Charles F. Yarbrough
George S. Schlemmer

LIEUTENANT, MEDICAL CORPS

Charles C. Muehe
Charles A. Mead, Jr.
Ernest F. Wallner, Jr.
Harry F. Schwenker, Jr.
Robert G. W. Williams, Jr.
Frederick G. F. Wiegand
Richard Foulk
Marshall K. Steele, Jr.
Donald E. Lloyd
Willard P. Arentzen
Henry R. Delaney, Jr.
Jay S. Broadbent
Leslie W. Sederstrom
Edward A. Horr
Stephen V. Landreth
Martin O. Greaney, Jr.
Robert M. Dimmette
Eugene C. Stone, Jr.
Leo J. Frank, Jr.
Thomas H. Taber, Jr.
William E. Mayer
Robert J. McCarthy
Lawrence A. Denney
Robert W. Lykins
Robert R. Cooper, Jr.
George J. Taylor III
Phillips L. Bates
John P. Wellborn, Jr.
Kevin A. Doyle
Harold T. Meryman
John C. W. Campbell
Tom Charles Hardy
Thomas J. Coleman
Bernard D. Sherer
Thomas H. Lewis
Thomas N. Quilter
Milan Diklich, Jr.
Myron E. Samuelson
William G. Krech
William F. Park
Claude R. Nichols, Jr.
David G. Doane
Roger K. Wallace
Edward E. Parker
Donald J. Noliet
Charles E. Bancroft
Anton A. Tratar, Jr.
Lorrain E. Watters, Jr.
Harold G. Johnson
Daniel McKay Shook
Charles C. Houghton, Jr.
Richard S. Farr
Keith D. Powelson
William K. Woodard
David M. Butler
John W. Hanni
William Ingram, Jr.
Walter F. Hansen
Charles E. Boonstra
Orville M. Graves, Jr.
"C" "L" Manning, Jr.
Charles L. Lear
James H. Harris
Harold W. Garvin
Frank D. Fuller
James H. Holmes
Paul A. Jarand
Francies Marshall
Samuel L. Moschella
David B. Carmichael, Jr.
Wayne L. Wright, Jr.
Matthew P. Romeo
Jack C. Berger
Herman E. Carr, Jr.
Robert R. Hirst
Donald W. Grimes
Paul K. Hamilton, Jr.
John S. Featherston
Harry S. McGaughey
Nathaniel M. Cohen, Jr.
Theodore H. Wilson, Jr.
Nathaniel E. Fowler
Lyle D. Litton
Clayton L. Thomas
John F. Wetegrove
Raleigh M. Hood
John M. Jones
Richard E. Luehrs
Robert J. Kleinhenz
Preston H. Bandy
John L. Butler
Richard F. Hoffman
William F. Bennett, Jr.
Leonard V. Phillips
Morton Johan
James C. Peterson
James M. Cole
George V. Teter, Jr.
Harold M. Peacock
Edward M. Smith, Jr.
Gordon B. Magill
Arthur J. Wilets
John H. Young
Robert W. O'Brien
Marshall P. Stonestreet
Thomas B. Lebherz
Roy W. Holmes
James F. Morrell
Gerald A. Martin
Albert E. Marland, Jr.
Lockland V. Tyler, Jr.
Edwin M. Tomlin
Stephen H. Ware, Jr.
Albin Gedarovich
Mack M. Hill, Jr.
Donald O'Hanian
James W. Greer
Donald R. Koerner
Edwin P. Woodward
James R. Hamilton
Aubrey D. Gantt
James E. Whiteside
John W. Reece
William E. Larsen
George G. Zorn, Jr.
Dayton A. A. Cooper
Murdock S. Bowman
Alden V. Holmes
Peter W. Schneider
James M. Poynter
James I. Thorn
George R. Frempter
Harold E. Wood, Jr.
Alvin C. Jensen
George F. Sager
Stewart A. Wilber
Alan D. Watson
William E. Carter
Walter G. Leonard, Jr.
Robert N. Webster
Robert E. Fultz
Clay N. Wells
Earl E. Correll
William M. Strunk
David C. Dixon
Frederick B. Becker
Paul H. Pennypacker
William R. Thomas
William S. Carter, Jr.
Livius L. Lankford
Herbert L. Walter
Edwin P. Shanks
Edward G. Haskell, Jr.
Frank P. Hammon
Carl C. Stanford
Walter D. Reese
John C. Country

Maurice N. Johnson
William C. Sharp, Jr.
Markham J. Anderson
Charles E. Mangin
Stuart D. Kustermann
James B. Flanagan, Jr.
Richard H. Lee
Marshall G. Morris, Jr.
Donald R. Mundie

LIEUTENANT, SUPPLY CORPS

Charles W. Ireland
George E. Bell
William E. Sigman
William N. Haddock
James M. Wright
Glen L. Dunlap
Alvin H. Rampey
Hugh A. McManus
William W. Fink, Jr.
George P. Hoffman
William A. Novak
Paul W. Woodhead
Murry Cohn
Francis W. Moseley
James W. Herb
Charles Daniel, Jr.
Archie B. Meihls, Jr.
Howard L. Madden
Keith Bennett
William J. Robinson
Vernon G. Rivers
Wilbur A. G. Wilson
Robert K. Ponder
John L. Adams
Robert C. Hobbs
Gerry N. McLeod
William H. Johnson
Philip Crosby
Samuel R. Simpson, Jr.
Wesley J. McClaren
John W. Lipscomb
Sherman W. Blandin, Jr.
Robert J. McCormick
Edward S. Ruete
Charles F. Grad
Herbert H. Aull
James A. Smith
Clarence A. Creel
William S. Berkshire
Joe J. Wilcox
Elmon A. Geneste, Jr.
William W. Collier
Kenneth L. Woodfin
George L. Fitchett
Robert C. Porter
James J. Conlin, Jr.
Robert A. Schauffler
Hugh L. Culbreath, Jr.
Edward E. Beasley
Herbert F. Mills, Jr.
Kenneth W. Longnecker
Louie B. Knudsen, Jr.
Zack F. Brown, Jr.
Lester G. Maxwell
John C. Stringer, Jr.
Charles E. Whiteside
James I. Hightower, Jr.
Howard D. McPike
Gerald J. Patton
Oscar N. Dale
Richard K. M. Bridges, Jr.
Charles E. Kridle
Robert W. Hanwell
Charles A. Gardner, Jr.
William L. Bryson
Elbert S. Rawls, Jr.
Howard L. Rezner
Richard J. Kessler
John F. Paolantonio
Frank L. Spillman, Jr.
Raymond H. Bates
William E. Stephens
David E. Ward
Toxie A. Thomas
Laurens Bradham Mathews
John E. McGraw
Edward M. McDonough
Russell A. Jones
Carl L. Henn, Jr.
Armand E. Mulffaert
Don H. Kleinhammer
John W. Holmes
Willard N. Schneider
William W. Statia
Lloyd Gooisby
Lawrence O. Purkaple
Edward L. Kurek
Thomas A. Cassin
Carl E. Lemzik
Franklyn L. Clark
Jack J. Moore
William H. Yarborough
Carl M. Johnson
Paul Elam
Dan P. Appleby
Thomas E. Stevenson
Harry J. Halley
Charles M. Mason
Clyde D. Killion
George H. Treece, Jr.
Adrian D. Bell
Paul C. Shumaker
Noble "T" Hawkins
John J. O'Malley
William M. Poulson
Joseph H. Steveley
John J. Wohlschlaeger
Conrad A. Barger
Richard L. McNutt
Donald D. Stumm
Roland H. Bouchard
Raymond S. O'Connell
James H. Ard
Foster F. Comstock
Alton W. Barton
William O. Foulkes
Herman L. Philbrick
Douglas G. Aitken
John C. Kelleher
John J. Casey
Paul W. Hebert
David G. Lamborne
Milton W. Harvey
James E. Laney
Matthew Mackey, Jr.
Donald W. Bahl
Carl W. Utterback
Bert E. Smith
Paul "D" O'Keefe
George E. Bell
Ray N. McDaniel
Elwood M. Bevins
Paul N. Bentley

LIEUTENANT, CHAPLAIN CORPS

Peter H. Brewerton
Andrew J. Grygiel
Harold H. Cummings
Ernest W. Metzger
Samuel Sobel
Edwin R. Weidler
Deane W. Kennedy
Robert F. Lang
Eugene S. Swanson
Robert M. Harrison
John M. Danielsen
Glynn A. Oglesby
Thomas B. Uber, II

LIEUTENANT, CIVIL ENGINEER CORPS

Edward T. Diberto
John J. Manning, Jr.
Ervin E. White
Charles W. Graff
Oliver B. Sholders
Custer F. Krickenberger, Jr.
Albert R. Marschall

Sydney J. Wynee, Jr.
Russell J. Rowson
John P. Williams
Foster M. Lalor, Jr.
Howard T. Johnson
Henry E. Stephens
Joe R. Wilson
William B. Stephenson
Benjamin T. Dibble
Karl O. Munninger
Allen S. Waters
Ralph B. Grahl, Jr.
George R. Shepard
Robert B. Jarvis
Henry C. Besmen
John M. Bannister, Jr.

LIEUTENANT, DENTAL CORPS

Bert E. Eldred
John R. Sheppard
Stewart T. Elder
Neale H. Morrow
Enrique Valentin, Jr.
James A. Mitchell
Wayne A. Nelson
William N. Grammer
Lewis L. Gunther
Carl B. Thimes
Harvey W. Lyon
Ray B. Mueller
Theodore R. Hunley
Walter F. Woodward
Loren F. Enke
Dwight W. Newman
Luke J. Braxmeier
Robert P. B. Yingling
Warren C. Caldwell, Jr.
Henry H. Scofield, Jr.
Charles E. Kailer
Thomas J. Pape
Henry J. Ruff

LIEUTENANT, MEDICAL SERVICE CORPS

Albert E. Mibeck
Arthur E. Johnson
Guy A. Richard
Philip M. Griffith
John W. Fechter
Solomon C. Pflug
Ned B. Curtis
James E. Thompson
Ernest N. Grover
Richard C. Richardson
Guy H. Morgan
William B. Hall

LIEUTENANT, NURSE CORPS

Margaret B. Binkley
Mary G. Chisler
Elizabeth Feeney
Barbara A. Leonard
Mary E. Kelly
Grace L. Barrett
Ninetta M. Chapman
Marion M. Dooley
Wanda T. Szymborski
Margaret W. Warren
Anne Dubik
Laura M. Stevens
Barbara K. Allen
Ruth S. Edmunds
Ruth E. Fabian
Barbara E. Bernstein
Sarah E. Adams
Gaetana Blandino
Kathryn C. Duprea
Agnes Findlay
Jean F. Halpin
Elizabeth M. Murray
Sunshine M. Payne
Dorthy M. Edwards
Irene I. Schanz
Marguerite F. T. Johnson
Eleanor R. O'Donnell
Julia M. Blair
Elsie L. Werner
Elizabeth L. Spangler
Hilda L. Freseman
Dorothy A. Dalesio
Lillian A. Shipman
Rita E. Belanger
Mary C. Burda
Jeanette F. Clabaugh
Alice F. Gibbons
Helen L. Mongan
Clella P. Cain
Helen E. Casby
Norma R. Wood
Elizabeth A. Nimits
Eunice E. Richardson
Bertha Bernstein
Ruth M. Crofton
Alice M. Bonora
Charlotte L. Venettozzi
Jean E. Wilson
Wilma R. Berg
Roberta E. Perron
Helen T. O'Brien
Virginia C. Duerr
Evelyn L. Aaberg
Virginia S. Hamilton
Elizabeth H. Barrington
Cecilia C. Flannery
Frances J. Floriano
Margaret J. Janney
Eva M. Mahr
Pauline M. Peters
Ethel M. Weik
Martha A. Petrick
Emma R. Wing
Bertha M. Davis
Phyllis A. Scungio
Caroline M. Prunskunas
Lillee E. Schuster
Ellen E. Pullekinus
Catherine O'Donnell
Alma R. Ross
Marguerite L. Durnwald

The following-named officers of the Navy for temporary or permanent appointment to the grades and corps indicated, subject to qualification therefor as provided by law, to correct spelling of name as previously nominated and confirmed:

FOR TEMPORARY APPOINTMENT IN THE NAVY

Captain, line

Erle V. E. Dennett

Commander, line

Wilfred E. Fleshman
Francis G. Gooding, Jr.
Rolland L. Hastreiter

Commander, Medical Corps

Byron D. Casteel

Lieutenant commander, line

Phillip F. ErkenBrack
Franklyn E. Dailey, Jr.

Lieutenant, line

Earl J. Schiffbauer

FOR PERMANENT APPOINTMENT IN THE NAVY

Lieutenant (junior grade), line

Frank W. Corley, Jr.
Nello A. DaRodda
"H" Reid Hunter
Robert T. MacOnie
Stuart M. Steen
Victor D. Brockmann

Lieutenant (junior grade), Supply Corps

James R. Duquette

Lieutenant (junior grade), Nurse Corps

Margaret De Filippo

The following-named officer of the Naval Reserve on active duty for permanent appointment to the grade of lieutenant (jg), subject to qualification therefor as provided by law;

John H. Gentry

CONFIRMATIONS

Executive nominations confirmed by the Senate August 1 (legislative day of July 20), 1950:

FEDERAL MARITIME BOARD

Vice Adm. Edward L. Cochrane, United States Navy, retired, to be a member of the Federal Maritime Board for the term expiring June 30, 1952.

UNITED STATES DISTRICT JUDGE

Edward Weinfeld to be United States district judge for the southern district of New York.

UNITED STATES MARSHALS

Edward J. Carrigan to be United States marshal for the northern district of California.

Eugene John Pajakowski to be United States marshal for the northern district of Indiana.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 1, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, our light in darkness, our strength in weakness, our consolation in sorrow, our refuge in times of trial and tribulation, may we begin this new day strong in faith and in the assurance of Thy guiding and sustaining presence.

Grant that in our hours of doubt and perplexity, of confusion and uncertainty, we may not surrender to despair or allow our trust in Thee to become eclipsed but, with increasing tenacity of faith and courage, may we lay hold upon the eternal truth that Thy grace is sufficient for all our needs.

We believe, help Thou our unbelief, that the longings and aspirations for peace, which Thou hast implanted within our hearts, will be fulfilled and that righteousness and justice will be the controlling principles in the life of all mankind.

Through Jesus Christ our Lord and Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that

the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 332) entitled "Joint resolution providing for the establishment of a Joint Senate and House Recording Facility."

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3520. An act to strengthen the common defense by providing for continuation and expansion of Western Hemisphere production of abacá by the United States.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2655) entitled "An act for the relief of Mrs. Evelyn M. Hryniak."

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title:

H. R. 7273. An act to provide a civil government for Guam, and for other purposes.

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on yesterday, July 31, 1950, he did on today sign the following enrolled bill of the House:

H. R. 7273. An act to provide a civil government for Guam, and for other purposes.

COMMITTEE OF ESCORT

The SPEAKER. The Chair appoints as a committee to escort our distinguished guest into the Chamber the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Massachusetts [Mr. MARTIN], the gentleman from South Carolina [Mr. RICHARDS], and the gentleman from Illinois [Mr. CHIPERFIELD].

RECESS

The SPEAKER. The Chair declares the House in recess at this time subject to the call of the Chair.

Accordingly (at 12 o'clock and 5 minutes p. m.), the House stood in recess, subject to the call of the Chair.

RECEPTION OF THE RIGHT HONORABLE ROBERT GORDON MENZIES, PRIME MINISTER OF AUSTRALIA

During the recess the following occurred:

The Prime Minister of Australia, the Right Honorable Robert Gordon Menzies, entered the Hall of the House of Representatives at 12 o'clock and 13 minutes p. m., and was escorted to the Speaker's rostrum by the committee appointed for that purpose.

The SPEAKER. Members of the House of Representatives, it is my great pleasure, and I deem it a high privilege, to present to you the representative of a great, a free, and a friendly commonwealth. I present to you the Right Honorable Robert Gordon Menzies, Prime Minister of Australia. [Applause, Members rising.]

Mr. MENZIES. Mr. Speaker, oddly enough it does not seem strange to me today because this is only one of, I suppose, a thousand speeches in the course of my lifetime, but you have received me with such warmth that I must tell you, at once I feel at home. Of course, Mr. Speaker, I am a House of Representatives man myself of 16 years' standing. Indeed if you will excuse a little autobiography, half of the 16 years have been devoted to assisting the government of my country and the other half to assisting some other gentlemen to run the government of my country by giving them the benefit of my critical advice.

One other thing, sir, I would like to say to you at once is occasioned by your reference to my country as a great and friendly country. The truth is that when we Australians think about the other people of the world we think of some of them as foreigners and some of them as not. I want to tell you at once that except in the jaundiced eye of the law, Americans are not foreigners in Australia.

Third, I have this very great honor of speaking to you this morning not only as a representative of Australia, but also, if I may assert that right, as the representative of the British Commonwealth of Nations, a commonwealth which is your greatest group associate and friend in all the things that matter in this world.

So far as Australia is concerned we of course have the closet possible association with you. One has only to go back to the early days of 1942 to recall the impact of the first American troops to arrive in Australia. "Impact" is perhaps the right word because they swept in on us almost like an invading force. If I can reveal one of their secrets, their company was not always strictly masculine. But they came with almost delightful and refreshing courage and optimism. From the very time they arrived, whatever doubts may have existed in some minds disappeared. We knew that with these magnificent allies and these imperishable friends that there could be one end and one end only to the war. I believe the association in this war has done something which will endure forever in the relations between your country and mine.

Once again, sir, we have a small, but I hope significant and growing association in the campaign in Korea. The campaign in Korea is something that is giving us all cause for anxiety. I know that. But I would like to say to you as an onlooker for this purpose that the onlooker who has any discernment in his eye will recognize in this hastily improvised campaign in South Korea, a campaign hastily brought up against deliberate and organized aggression a really brilliant feat of arms, and its value will be more appreciated as the succeeding stages of this combat unfold.

We, as you know, in Australia are not rich in manpower. We feel that our people when they go to war are first-class fighters. But we are not rich in manpower. We are not rich in standing armies or immediately available resources. We have already some commitments in Malaya where for a long time now operations of a defensive kind have had to be carried on against Communist bandits. But already, as you know, in the case of Korea, indeed within the first few hours after your own decision, we placed at your disposal a fighter air force and certain vessels of the Royal Australian Navy. As far as ground forces are concerned, I think I can say this to you: Our capacity is very limited. We have no substantial standing army, and troops for service abroad must therefore, in the normal course, be specially enlisted, trained, and equipped. But in my talks with your leaders here it has been completely agreed that the time factor is so important in Korea that a comparatively small force, speedily trained, equipped, and dispatched, is better than a larger force postponed for many months.

In the light of these considerations, and after full consultation, and I think I can say agreement with the United States authorities, the Australian Government will, on the basis of the army component of the British Commonwealth occupation force in Japan, and further recruitment of men with battle experience, organize and dispatch within as few weeks as possible a force which, cooperating, as I hope and believe it will, with the New Zealand force, would serve to make up a first-class combat group. [Applause.]

I would like to see these troops and others made available by the United Kingdom, and other British Commonwealth countries, brought together sooner or later, and I would hope sooner, into a British Commonwealth division, serving alongside your own men.

Now, sir, I am not to delay you too long. I have already noticed with warm approval that there is a clock opposite the Speaker, as there is in my Parliament, but I would like to say a few words to you, if I may, about my own country in relation to the problem which goes outside and after Korea. Korea, after all, is a symptom. It is a symptom of a very widespread disease in this world, and it behooves all of us, in our own way in our own lands, to do what we can to develop our strength; our moral strength, our physical strength, in order that we may at all times be fit to resist aggression, and fit to drive out fear.

As far as my country is concerned, we, therefore, have been addressing ourselves to what I will call a triple problem.

The first is the problem of getting more pepole. When I was a very small boy there was much talk in Australia about American immigration, about the vast class of people who came to this continent from the Old World. It is only recently that I began to have a look at that matter in statistical terms, and I would like you to know that at the present time our immigration program in Australia is at least as great as any undertaken by your country in the whole course of its history. You must remember that we are a community of 8,000,000 people. You might think we are more, because occasionally we make quite a bit of noise, but we are a community of 8,000,000 people.

We are now taking in year after year 200,000 immigrants from the Old World which, after all, is, if one may venture on a proportion sum, just as if you were undertaking now to bring in with your vast population the better part of four millions every year. Two hundred thousand immigrants coming into a community of 8,000,000. And that presents us, of course, with tremendous problems. But we have accepted those problems because we believe that the time is overdue when all of the countries that love freedom should determine to develop their strength and not to float along and fail to develop their strength. But we shall have no proper strength for so great a problem until we have a great population.

The second thing that we are endeavoring to do goes hand in hand with that; you cannot have a free world as it ought to be unless you encourage all around it an expanding economy. We must have an expanding economy in Australia; we must, as you have done in your time, set out, and we are indeed now setting out on it, we must set out on a new era of development. Here is a great continent like Australia that needs water. The water falls, but it runs away. It needs storage; it needs irrigation; it needs more industrial horsepower; it needs more land cleared; it needs a greater production of the wealth from the soil; it needs these things, and it needs them quickly. I want to tell you that so far as my own Government is concerned we are determined to exercise every ounce of energy that we have to bring in to Australia in the next 10 years such an amount of development, such an amount of new wealth, such a basis for new industry, such a high living standard for new and expanding populations that we shall in due course be able to look at all our friends around all the world and say: "Not only are we your friends, but we have power to serve you and to serve ourselves, and to serve with you." [Applause.]

The third thing, Mr. Speaker, and perhaps these are merely illustrative, but I am talking about my own country—the third thing to which we are devoting our attention is the preparation of manpower not only for industry but for the defense of the country, not only for the defense of the country, but for the defense of freedom wherever freedom is challenged. We this year—I cannot go back too far because at the moment we are a 6 or 7 months' Government—we are this year introducing for the first time in peace in Australia a complete system of national service training calculated to produce year by year under a draft system a substantial number of trained men and to build a substantial reserve over the years to come. [Applause.]

Now, sir, I shall elaborate on those matters. I do not want to elaborate on them. Whenever a politician speaks out of his own bailiwick, somebody is bound to think that he is criticizing somebody in the other bailiwick, and I do not want to do that. All I want to do is to express my own faith and the faith of my own country that we all have laid on us today the duty to be prepared, to be strong, not with the strength of a bully but with the strength of a deliverer.

The world needs the United States of America; the world needs the British people of the world; the world needs every scrap of democratic strength that can be found in it, because nobody, however optimistic, need underestimate the measure or the character of the danger that always confronts us. It is not merely our privilege to be strong; it is our duty to be strong.

Sir, we in Australia occupy a vast continent as big as the United States but with a population, as I have said, no greater than yours was in the early days of the nineteenth century. But what of it? The power and the significance of the United States are not the creation of a few modern years. They are a growth of centuries. The spirit of America was not breathed into you day before yesterday. Some of it goes back, I am proud to say, to the Shakespeares and the Raleighs and the Drakes and a common heritage. It found its most eloquent expression in the Declaration of Independence right back in the eighteenth century. It was guided into new and noble paths by the immortal Washington through the lives and words and deeds of countless famous or obscure men and women. It has been built into the character of your people right up to the day when a noble declaration by an American President, and an epoch-making vote by an American Congress, can bring light to dark places, and, let us not forget, hope to many people about to despair.

History, sir, is continuous, it is dynamic, and never more so than when a nation has pride, when it has courage, when it has responsibility. Sir, those are the reasons why the Prime Minister of a numerically small people may speak quite frankly to the Representatives of an enormous world power in brotherhood and with, as I believe, high mutual respect.

Mr. Speaker, in the name of Australia, I salute you and your great people. May all that you stand for and that we stand for be preserved under the providence of God for the happiness of mankind. [Applause, the Members rising.]

At 12 o'clock and 33 minutes p. m., the Prime Minister of Australia retired from the Hall of the House of Representatives.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 38 minutes p. m.

AMENDMENT OF PUBLIC HEALTH ACT

Mr. BIEMILLER. Mr. Speaker, I call up the conference report on the bill (S. 2160) to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. WOLVERTON. Reserving the right to object, Mr. Speaker, will the gentleman from Wisconsin make an explanation of the conference report? I do wish to say, however, that the conference report was unanimous.

Mr. BIEMILLER. This is a bill that extends to the commissioned corps of the Public Health Service the same benefits on accrued leave that the Seventy-ninth Congress extended to commissioned officers of the Army and Navy. It was an oversight that the commissioned corps of the Public Health Service was not included in the original bill. The only point at issue with the Senate was that the House has adopted an amendment knocking out a Senate provision extending income tax exemption to the funds which will be paid out by this bill. There were also certain technical changes made by the House which the Senate accepted. The House conferees receded and agreed to keep the bill identical with the previous legislation affecting commissioned officers of the Army and Navy, that these payments should be exempt from the income tax. It was a unanimous report, as the gentleman from New Jersey stated.

Mr. SCRIVNER. Reserving the right to object, Mr. Speaker, can the gentleman inform the House how much this is going to cost us and what kind of precedent it is going to establish?

Mr. BIEMILLER. It costs nothing, because there are sufficient funds left over from those previously appropriated for paying off the commissioned officers of the Army and Navy. It establishes no precedent whatsoever because it does not apply to the classified service of the Public Health Service. It simply extends, I repeat, the action previously taken by the Congress with regard to commissioned officers of the Army and Navy.

Mr. SCRIVNER. Has the gentleman from Wisconsin discussed this matter with the gentleman from Missouri [Mr. CANNON], chairman of the Committee on Appropriations?

Mr. BIEMILLER. The matter was discussed at the time the bill was before the House.

Mr. SCRIVNER. Has it been discussed with him since the conference report was filed?

Mr. BIEMILLER. No; not since that time.

Mr. SCRIVNER. I would request that the gentleman withhold calling up this conference report until such time as the chairman of the Committee on Appropriations may discuss this matter with him.

The SPEAKER. The Chair is going to object to any such request as that. We must not act here in response to the suggestion of any one man or group of men but as the House of Representatives.

Mr. SCRIVNER. A reading of this report, Mr. Speaker, does indicate that it will set a precedent for other branches of the Government. If this is followed in times to come the impact upon the Treasury cannot now be determined, be-

cause this will be rightfully regarded as a precedent by every other employee of the Federal Government, who will feel that he has the right to come in and ask for just exactly this kind of terminal pay. It will cost the taxpayers money because if this money does not go into this use it would revert to the Federal Treasury.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. SCRIVNER. I yield.

Mr. MANSFIELD. May I ask the Chair if, on the basis of the request of the gentleman from Kansas, any piece of legislation hereafter brought in here by a standing committee of the House of Representatives will have to be referred to the chairman of the Committee on Appropriations for approval?

The SPEAKER. There is no rule of the House that signifies that.

Mr. SCRIVNER. I understand that perfectly, Mr. Speaker, but as the Speaker well knows, only yesterday afternoon the full Committee on Appropriations adopted a resolution under which each subcommittee is now to restudy and reevaluate the 1951 appropriation bill. They hope there can be places found where there may be some reduction in nondefense and nonessential Federal expenditures. If we are to be consistent, and I think we should be—it is supposed to be a virtue—then, of course, these things should somehow or other be discussed with the Appropriations Committee to find out what the impact on the Federal Treasury in fact is going to be.

Mr. Speaker, in view of the discussion that was had yesterday and in view of the action taken by the Committee on Appropriations, I am constrained to object.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2744)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2160) to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of sixty days, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 2 and agree to the same.

Amendment numbered 3: That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"SEC. 3. (a) Sections 1 and 2 of this act shall be effective on July 1, 1950.

"(b) Any officer who, on June 30, 1949, was credited with more than sixty days of accumulated and accrued leave, shall be compensated for so much of such leave as exceeds sixty days but does not exceed one hundred and twenty days, in a lump-sum payment on the basis of the base and longevity pay, the allowance for subsistence, and the allowance for rental of quarters (whether or not he was receiving such allowance on such date), which were applicable to him on such date under provisions of law then in effect: *Provided*, That there shall be deducted from the number of days upon which such lump-sum payment is otherwise authorized to be computed the number of days of leave in excess of thirty days taken during the period from July 1, 1949, to June 30, 1950. Payments authorized pursuant to this subsection shall be due and payable on July 1, 1950. All amounts received pursuant to this subsection shall be exempt from taxation.

"(c) The provisions of this act shall not be applicable to an officer who has, prior to July 1, 1950, been placed on terminal leave preceding separation, retirement, or release from active duty."

And the House agree to the same.

J. PERCY PRIEST,
ANDREW J. BIEMILLER,
GEO. HOWARD WILSON,
CHAS. A. WOLVERTON,
HUGH D. SCOTT, Jr.,
Managers on the Part of the House.

JAMES E. MURRAY,
CLAUDE PEPPER,
M. M. NEELY,
ROBERT A. TAFT
Per H. A. S.,
H. ALEXANDER SMITH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2160) to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments Nos. 1 and 2: These amendments made necessary technical and clarifying changes. The Senate recedes.

Amendment No. 3: This amendment made technical and clarifying amendments and, in addition, eliminated the sentence in the Senate bill which provided that the lump-sum payments to be made under section 3 of the bill should be exempt from taxation. The Senate recedes with an amendment which is the same as the House amendment except that it also contains the Senate provision providing for exemption from taxation. The inclusion of this provision from the Senate bill will afford to commissioned personnel of the Public Health Service the same treatment which was provided for personnel of the armed services by the Armed Forces Leave Act of 1946.

J. PERCY PRIEST,
ANDREW J. BIEMILLER,
GEO. HOWARD WILSON,
CHAS. A. WOLVERTON,
HUGH D. SCOTT, Jr.,
Managers on the Part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

OMNIBUS MEDICAL RESEARCH BILL

Mr. BIEMILLER. Mr. Speaker, I call up the conference report on the bill (S. 2591) to amend the Public Health Service Act to support research and training in arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, and blindness, and other diseases, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. WOLVERTON. Mr. Speaker, reserving the right to object, will the gentleman from Wisconsin explain the conference report which, I might mention, was unanimously agreed to?

Mr. BIEMILLER. Mr. Speaker, this conference report deals with bill, S. 2591, to amend the Public Health Act, to create various new research institutes. It is usually called the omnibus medical research bill. The main difference between the House and Senate bills was that the House bill gave to the Surgeon General discretionary power to set up institutes in various other fields besides the existing cancer, heart, dental, and mental health institutes. The Senate bill directed him to set up two such institutes, one dealing with arthritis, rheumatism, and other metabolic diseases; and the other dealing with diseases such as cerebral palsy, multiple sclerosis, other neurological diseases, and blindness. The House receded on that point and agreed that those two institutes should be mandatory and that the Surgeon General should have discretionary power with reference to other diseases such as poliomyelitis, which had been added to the bill by vote of the House.

Secondly, the bill standardizes the composition of extant and new councils as follows: There shall be six laymen and six scientific experts in their respective fields on each of the councils that deal with these various institutes. Ex officio there shall be the Surgeon General of the United States, who shall be chairman of each council, and a representative of the Veterans' Administration Medical Department, and a representative of the Department of Defense Medical Department. Those, in essence, are the changes which were agreed to in conference.

This bill brings to fruition the desires of many Members of the Congress and thousands of fine American citizens who have been looking forward to the day when these new research institutes would be established. Very few actions of the Congress will bring such important and humanitarian long-range benefits as this bill.

Mr. WOLVERTON. Mr. Speaker, as I have previously indicated, this conference report is presented to the House by unanimous agreement of the conferees. It also had the unanimous consent of the House Committee on Interstate and Foreign Commerce where it was originally considered. I think there is no legislation Congress has passed which is more commendable in character than that contained in this legislation.

Mr. Speaker, the conference report now before the House, in addition to administrative changes, provides for an expansion of the research program now being conducted under the Public Health Service Act.

The purpose of this act is to improve the health of the people of the United States through the conduct of researches, investigations, experiments, and demonstrations relating to the cause, prevention, and methods of diagnosis and treatment of arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, blindness, leprosy, and other diseases; assist and foster such researches and other activities by public and private agencies, and promote the coordination of all such researches and activities and the useful application of their results; provide training in matters relating to such diseases; and develop, and assist States and other agencies in the use of, the most effective methods of prevention, diagnosis, and treatment of such diseases.

In response to demonstrated needs, the Congress, prior to 1949, had created a National Institute of Health and separate national institutes for research on problems of cancer, mental health, heart disease, and dental care. Through these institutes, not only does the United States Public Health Service prosecute research into the causes, cure, and treatment of disease but, with the advice of advisory councils in each field, it makes grants to scientific bodies, institutes of learning, and qualified professional men throughout the country for similar work. It also analyzes, correlates, and makes available to scientists, medical practitioners, and the general public the results of such investigations.

The need for additional research in other fields was so apparent and the existing institutes of health had proved so successful in operation and had won such widespread support from professional groups and from the general public that there was a general feeling they should be expanded to include other diseases. Hearings were held and testimony taken which convincingly demonstrated the need for intensified research in other fields.

In the course of the hearings many victims of the diseases under consideration were in attendance and testified in most moving terms as to the great numbers of similarly afflicted people in the country, and to the appallingly negligible amount of research now being conducted in an attempt to find the causes and cures for these diseases. The testimony of these victims of disease was buttressed by that of outstanding members of the medical profession. Without exception, these witnesses agreed that the economic costs to the Nation incident to the spread of these diseases—to say nothing of the pain and suffering they entail—run into billions of dollars, whereas the amount being spent in an effort to prevent the onset of these diseases or to develop effective cures therefor are altogether negligible.

In view of the loss of productivity to the Nation, and the burden thrust upon the taxpayer, when these diseases strike and render so many of our people dependent upon others for support, our committee concluded that such sums as the Congress may deem wise to appropriate for a research into the causes and cure of these diseases will undoubtedly represent a saving rather than a spending of the taxpayers' money. I feel that not only is the Congress obligated by every dictate of human decency to encourage a serious attempt to put an end to the pain and suffering caused by these crippling diseases, but that, even if we were motivated only by considerations of economy and efficiency, we would be forced to conclude that the expenditures of a relatively few dollars for research in these fields would result in the saving of many more.

In this connection, I call attention to the fact that when the Congress has taken action and has appropriated funds for research—as in the case of cancer and heart disease—it provided a remarkable stimulus to private philanthropy in those same fields. Recognition by the Congress of the necessity for such undertakings is reliably reported to have been responsible for vastly increased contributions to those private, voluntary agencies undertaking similar work and with which the Public Health Service coordinates its activities.

There is no work in the Congress, that I have had the privilege of participating in, that has so appealed to me as that which has brough about a program of research and study in those crippling diseases that effect countless thousands who suffer from them. To have contributed in some measure in providing even the possibility of relief gives me a personal pleasure and satisfaction beyond words to describe.

I trust that the House will concur in the conference report and permit the good work to proceed.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2750)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2591) to amend the Public Health Service Act to support research and training in arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy and blindness, and other diseases, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the purpose of this Act is to improve the health of the people of the United States through the conduct of researches, investigations, experiments, and demonstrations relating to the cause, prevention, and methods of diagnosis and treatment of arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, blindness, leprosy, and other diseases; assist and foster such researches and other activities by public and private agencies, and promote the coordination of all such researches and activities and the useful application of their results; provide training in matters relating to such diseases; and develop, and assist States and other agencies in the use of, the most effective methods of prevention, diagnosis, and treatment of such diseases.

"ESTABLISHMENT OF ADDITIONAL INSTITUTES

"SEC. 2. (a) The heading of title IV of the Public Health Service Act (42 U. S. C., ch. 6A) is amended to read 'TITLE IV—NATIONAL RESEARCH INSTITUTES'.

"(b) Title IV of such Act is further amended by adding immediately after part C the following new part:

" 'PART D—NATIONAL INSTITUTE OF ARTHRITIS, RHEUMATISM, AND METABOLIC DISEASES, NATIONAL INSTITUTE ON NEUROLOGICAL DISEASES AND BLINDNESS, AND OTHER INSTITUTES

"ESTABLISHMENT OF INSTITUTES

" 'SEC. 431. (a) The Surgeon General shall establish in the Public Health Service an institute for research on arthritis, rheumatism, and metabolic diseases, and an institute for research on neurological diseases (including epilepsy, cerebral palsy, and multiple sclerosis) and blindness, and he shall also establish a national advisory council for each such institute to advise, consult with, and make recommendations to him with respect to the activities of the institute with which each council is concerned.

" '(b) The Surgeon General is authorized with the approval of the Administrator to establish in the Public Health Service one or more additional institutes to conduct and support scientific research and professional training relating to the cause, prevention, and methods of diagnosis and treatment of other particular diseases or groups of diseases (including poliomyelitis and leprosy) whenever the Surgeon General determines that such action is necessary to effectuate fully the purposes of section 301 with respect to such disease or diseases. Any institute established pursuant to this subsection may in like manner be abolished and its functions transferred elsewhere in the Public Health Service upon a finding by the Surgeon General that a separate institute is no longer required for such purposes. In lieu of the establishment pursuant to this subsection of an additional institute with respect to any disease or diseases, the Surgeon General may expand the functions of any institute established under subsection (a) of this section or under any other provision of this Act so as to include functions with respect to such disease or diseases and to terminate such expansion and transfer the functions given such institute elsewhere in the Service upon a finding by the Surgeon General that such expansion is no longer necessary. In the case of any such expansion of an existing institute, the Surgeon General may change the title thereof so as to reflect its new functions.

" 'ESTABLISHMENT OF NATIONAL ADVISORY COUNCILS

" 'SEC. 432. (a) The Surgeon General is also authorized with the approval of the Administrator to establish additional national advisory councils to advise, consult with, and make recommendations to the Surgeon General on matters relating to the activities of any institute established under subsection (b) of section 431, or relating to the conduct and support of research and training in such disease or group of diseases (except a disease or group of diseases for which an institute is established under any provision of this title other than section 431 (b)) as he may designate. Any such council, and each of the two councils established under section 431 (a), shall consist of the Surgeon General, who shall be chairman, the chief medical officer of the Veterans' Administration or his representative and a medical officer designated by the Secretary of Defense, who shall be ex officio members, and of twelve members

appointed without regard to the civil-service laws by the Surgeon General with the approval of the Administrator. The twelve appointed members shall be leaders in the field of fundamental sciences, medical sciences, education, or public affairs, and six of such twelve shall be selected from leading medical or scientific authorities who are outstanding in the study, diagnosis, or treatment of the disease or diseases to which the activities of the institute are directed. Each appointed member of the council shall hold office for a term of four years except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term and except that, of the members first appointed, three shall hold office for a term of three years, three shall hold office for a term of two years, and three shall hold office for a term of one year, as designated by the Surgeon General at the time of appointment. None of such twelve members shall be eligible for reappointment until a year has elapsed since the end of his preceding term.

"'(b) In lieu of appointment of an additional advisory council upon the establishment pursuant to subsection (b) of section 431 of an additional institute or upon expansion pursuant to such subsection of the functions of an institute, the Surgeon General may expand the functions of an advisory council established under section 431 (a) or any other provision of this Act so as to include functions with respect to the particular disease or diseases to which the activities of the additional institute or the expanded activities of the existing institute are directed. In the case of any such expansion of an existing council, the membership thereof representing persons outstanding in activities with which the council is concerned may be changed or increased so as to include some persons outstanding in the new activities. Any new council established under subsection (a) of this section or any expansion of an existing council under this subsection may be terminated by the Surgeon General at, before, or after the termination of the new institute or expansion of the existing institute which occasioned such new council or expansion of an existing council. In the case of any such expansion of an existing council, the Surgeon General may change the title thereof so as to reflect its new functions.

"'FUNCTIONS

"'SEC. 433. (a) Where an institute has been established under this part, the Surgeon General shall carry out the purposes of section 301 with respect to the conduct and support of research relating to the disease or diseases to which the activities of the institute are directed (including grants-in-aid for drawing plans, erection of buildings, and acquisition of land therefor), through such institute and in cooperation with the national advisory council established or expanded by reason of the establishment of such institute. In addition, the Surgeon General is authorized to provide training and instruction and establish and maintain traineeships and fellowships, in such institute and elsewhere, in matters relating to the diagnosis, prevention, and treatment of such disease or diseases with such stipends and allowances (including travel and subsistence expenses) for trainees and fellows as he may deem necessary, and, in addition, provide for such training, instruction, and traineeships and for such fellowships through grants to public and other nonprofit institutions. The provisions of this subsection shall also be applicable to any institute established by any other provision of this act to the extent that such institute does not already have the authority conferred by this subsection.

"'(b) Upon the appointment of a national advisory council for an institute established under this part or the expansion of an existing institute pursuant to this part, such council shall assume the duties, functions, and powers of the National Advisory Health Council with respect to grants-in-aid for research and training projects relating to the disease or diseases to which the activities of the institute are directed.'

"NATIONAL ADVISORY COUNCILS

"SEC. 3. (a) Effective October 1, 1950, section 217 (a) of the Public Health Service Act is amended to read as follows:

"'(a) The National Advisory Health Council, the National Advisory Cancer Council, the National Advisory Mental Health Council, the National Advisory Heart Council, and the National Advisory Dental Research Council shall each consist of the Surgeon General, who shall be chairman, the chief medical officer of the Veterans' Administration or his representative and a medical officer designated by the Secretary of Defense, who shall be ex officio members; and twelve members appointed without regard to the civil-service laws by the Surgeon General with the approval of the Administrator. The twelve appointed members of each such council shall be leaders in the fields of fundamental sciences, medical sciences, or public affairs, and six of such twelve shall be selected from among leading medical or scientific authorities who, in the case of the National Advisory Health Council, are skilled in the sciences related to health, and in the case of the National Advisory Cancer Council, the National Advisory Mental Council, the National Advisory Heart Council, and the National Advisory Dental Research Council, are outstanding in the study, diagnosis, or treatment of cancer, psychiatric disorders, heart diseases, and dental diseases and conditions, respectively. In the case of the National Advisory Dental Research, four of such six shall be dentists. Each appointed member of each such council shall hold office for a term of four years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of the members first taking office after September 30, 1950, shall expire as follows: Three shall expire four years after such date, three shall expire three years after such date, three shall expire two years after such date, and three shall expire one year after such date, as designated by the Surgeon General at the time of appointment. None of the appointed members shall be eligible for reappointment within one year after the end of his preceding term, but terms expiring prior to October 1, 1950, shall not be deemed "preceding terms" for the purpose of this sentence.'

"(b) Subsection (b) of such section is amended to read as follows:

"'(b) The National Advisory Health Council shall advise, consult with, and make recommendations to, the Surgeon General on matters relating to health activities and functions of the Service. The Surgeon General is authorized to utilize the services of any member or members of the Council, and where appropriate, any member or members of the national advisory councils established under this act on cancer, mental health, heart, dental, rheumatism, arthritis, and metabolic diseases, neurological diseases and blindness, and other diseases, in connection with matters related to the work of the Service, for such periods, in addition to conference periods, as he may determine.'

"(c) Effective October 1, 1950, subsections (c), (d), (f), and (g) of such secton are repealed, and subsection (e) of such section is redesignated subsection '(c).' Terms of office as members of national advisory councils pursuant to such section subsisting on September 30, 1950, shall expire at the close of business on such day.

"(d) The heading of such section is amended to read as follows: 'NATIONAL ADVISORY COUNCIL.'

"(e) Subsection (c) of section 208 of such act is amended to read as follows:

"'(c) Members of the National Advisory Health Council and members of other national advisory councils established under this act, other than ex officio members, while atending conferences or meetings of their respective councils or while otherwise serving at the request of the Surgeon General, shall be entitled to receive compensation at a rate to be fixed by the Administrator, but not exceeding $50 per diem, and shall also be entitled to receive an allowance for actual and necessary traveling and subsistence expenses while so serving away from their places of residence.'

"GENERAL PROVISIONS

"SEC. 4. (a) Section 406 of the Public Health Service Act is amended to read as follows:

"'OTHER AUTHORITY

"'SEC. 406. This title shall not be construed as limiting (a) the functions or authority of the Surgeon General or the Public Health Service under any other title of this Act, or of any officer or agency of the United States, relating to the study of the prevention, diagnosis, and treatment of any disease or diseases for which a separate institute is established under this Act; or (b) the expenditure of money therefor.'

"(b) Section 208 of such Act is amended by adding at the end thereof the following new subsection:

"'(g) The Administrator is authorized to establish and fix the compensation for, within the Public Health Service, not more than thirty positions, in the professional and scientific service, each such position being established to effectuate those research and development activities of the Public Health Service which require the services of specially qualified scientific or professional personnel: *Provided*, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than $10,000 per annum nor more than $15,000 per annum, and shall be subject to the approval of the Civil Service Commission. Positions created pursuant to this subsection shall be included in the classified civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose.'

"(c) Sections 415, 425, and 426 of the Public Health Service Act are hereby repealed."

And the House agree to the same.

That the title of the bill be amended to read as follows: "An Act to amend the Public Health Service Act to support research and training in matters relating to arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, blindness, leprosy, and other diseases."

J. PERCY PRIEST,
ANDREW J. BIEMILLER,
GEO. HOWARD WILSON,
CHAS. A. WOLVERTON,
HUGH D. SCOTT, Jr.,
Managers on the Part of the House.

JAMES E. MURRAY,
CLAUDE PEPPER,
M. M. NEELY,
ROBERT A. TAFT
Per H. A. S.,
H. ALEXANDER SMITH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the

House to the bill (S. 2591) to amend the Public Health Service Act to support research and training in arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, and blindness, and other diseases, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute text. The Senate recedes from its disagreement to the House amendment with an amendment which is a substitute for both the Senate bill and the House amendment.

The substitute agreed to in conference is the same as the House amendment except for the provisions explained below, and except for technical changes and certain changes in dates made necessary because of lapse of time since passage of the bill by the Senate.

DECLARATION OF PURPOSE OF THE ACT

Both the Senate bill and the House amendment contained a statement of the purpose of the act, which is to improve the health of the people of the United States through the conduct of researches, investigations, experiments, and demonstrations relating to the cause, prevention, and methods of diagnosis and treatment of certain diseases. In the bill as it passed the Senate the diseases specified were "arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, and blindness, and other diseases." In the House amendment the diseases specified were "rheumatism and arthritis, multiple sclerosis, cerebral palsy, epilepsy, other neurological diseases, poliomyelitis, blindness, leprosy, and other diseases." In the substitute agreed to in conference the diseases are specified as follows: "rheumatism and arthritis, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, blindness, leprosy, and other diseases."

ESTABLISHMENTS OF NEW INSTITUTES AND RESEARCH COUNCILS

The Senate bill directed the establishment of two new institutes, one on "arthritis, rheumatism, and metabolic diseases" and another on "neurological diseases (including epilepsy, cerebral palsy, and multiple sclerosis) and blindness." It also authorized the Surgeon General to establish one or more additional institutes relating to other particular diseases or groups of diseases. The House amendment simply authorized the establishment of one or more additional institutes without directing the establishment of any. The substitute agreed to in conference follows the provisions of the Senate bill in this respect.

With respect to the establishment of new councils, the Senate bill directed the establishment of two such councils—one for each of the new institutes which were required to be established. In addition it authorized the establishment of such additional councils as the Surgeon General may find necessary, regardless of whether a corresponding new institute is established. The House amendment authorized the establishment of additional councils but did not require the establishment of any. Furthermore it authorized the establishment of a new council only when a new institute had been established. The substitute agreed to in conference follows the provisions of the Senate bill in this respect.

COMPOSITION, CHAIRMANSHIP, AND TERMS OF OFFICE IN THE CASE OF RESEARCH COUNCILS

Both the Senate bill and the House amendment provided for 12 appointed members on any new research council which may be established, such members to serve for 4-year terms. The Senate bill also provided for three ex officio members—the Surgeon General and one medical representative each from the Veterans' Administration and the Department of Defense. The only ex officio member provided for by the House amendment was the Surgeon General. The Senate bill provided that the Surgeon General should serve as chairman of each new council, while the House amendment provided for a biennial election of a chairman by the council members. The substitute agreed to in conference follows the Senate bill on these points.

The Senate bill also contained provisions standardizing, for all existing research councils, the provisions relating to the composition, chairmanship, and terms of office, so as to make them correspond to the provisions included with respect to new councils to be established pursuant to this legislation. The House amendment contained no comparable provisions. On this point the substitute agreed to in conference follows the Senate bill.

J. PERCY PRIEST,
ANDREW J. BIEMILLER,
GEO. HOWARD WILSON,
CHAS. A. WOLVERTON,
HUGH D. SCOTT, JR.,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Mr. DURHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5074), to promote the national defense by authorizing specifically certain functions of the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 17, after "necessary", insert: ": *Provided*, That no such alien shall be employed until he has been cleared for such appointment as a result of an appropriate security investigation as determined by the Director of the Committee."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

OFFICE OF CIVIL DEFENSE

Mr. McMILLAN of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8909), "An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes," with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 8, insert:

"Notwithstanding the limitation of any law, there may be employed in such Office of Civil Defense any person who has been retired from any of the Armed Forces of the United States or any office or position in the Federal or District governments, and while so employed in such Office of Civil Defense any such retired person may receive the compensation authorized for such employment or the retired pay, retirement compensation, or annuity, whichever he may elect, and upon the termination of his employment in such Office of Civil Defense, he shall be restored to the same status as a retired officer or employee with the same retired pay, retirement compensation, or annuity to which he was entitled before having been employed in such Office of Civil Defense."

Page 3, line 22, after "(e)", insert "in accordance with the civil service laws and regulations."

Page 3, line 24, strike out "without reference to" and insert "in accordance with."

Page 4, line 3, after "act", insert ": *Provided*, That no person shall be employed pursuant to this paragraph until the Federal Bureau of Investigation shall have made an investigation and a report to the Director concerning the loyalty of such person, and the Director, in accordance with such regulations as he shall issue, shall make a finding on the basis of the report of the Federal Bureau of Investigation, whether the employee is suitable for employment."

Page 5, after line 19, insert:

"SEC. 6. The Office of Civil Defense, through the Commissioners of the District of Columbia, shall submit to the Senate and House of Representatives on the first day of each regular session of the Congress a report of its activities and expenditures under this act."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FIVE-DAY WEEK FOR METROPOLITAN POLICE FORCE

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7695) to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, strike out line 20, and insert:

"SEC. 2. The first sentence of section 203 (a) of title 3, United States Code, is amended by striking out the words "one hundred and ten" and by inserting the words "one hundred and thirty-three" in lieu thereof."

Page 2, after line 20, insert:

"SEC. 3. This act shall take effect when funds have been appropriated and made available for the additional personnel necessary to carry out the purposes of this act."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

REDEFINING THE TERM "CONTRABAND ARTICLE"

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3380), to amend the act of August 9, 1939, to redefine the term "contraband article" with

respect to narcotic drugs, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1 (b) (1) of the act of August 9, 1939 (53 Stat. 1291; U. S. C., 1946 ed., title 49, sec. 781 (b) (1)), is amended to read as follows:

"(1) Any narcotic drug which has been or is possessed with intent to sell or offer for sale in violation of any laws or regulations of the United States dealing therewith; or which has been acquired or is possessed, sold, transferred, or offered for sale, in violation of any laws of the United States dealing therewith; or which has been acquired by theft, robbery, or burglary and carried or transported within any Territory, possession, or the District of Columbia, or from any State, Territory, possession, the District of Columbia, or the Canal Zone, to another State, Territory, possession, the District of Columbia, or the Canal Zone; or which does not bear appropriate tax-paid internal-revenue stamps as required by law or regulations."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an explanation of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, under existing law vessels, vehicles, and aircraft are subject to seizure and forfeiture when used to carry or conceal any contraband article. Contraband includes any narcotic drug intended for sale or sold in violation of any laws of the United States or any drug not bearing appropriate tax-paid internal-revenue stamps.

There are other violations of the narcotics laws which do not at present make it possible to invoke the procedure for seizure and forfeiture of vessels, vehicles and aircraft used in such illicit operations. This bill would make it possible to seize the means of transportation of narcotics violators whenever a norcotic drug has been acquired or is possessed, sold, transferred or offered for sale in violation of any laws of the United States, or which has been acquired by theft, robbery or burglary.

In recent years there has been an increase in the number of narcotics thefts, robberies, and burglaries from drug stores, physicians' offices, and other places from which narcotic drugs are dispenced. The perpetrators of these crimes rely to a large extent on the use of high-powered automobiles to make their escape from the jurisdiction in which the crime took place. When captured, the narcotic drugs thus stolen are often found to bear the required internal-revenue stamps, and consequently seizure and forfeiture of the vehicles used is difficult to obtain, particularly when the drugs have not been sold by the thieves subsequent to the theft. The proposed legislation would attack this problem by permitting the seizure of vessels, vehicles, and aircraft used in connection with the traffic in stolen drugs, when such drugs are carried or transported in interstate commerce, or within any Territory, possession, or the District of Columbia.

AMENDING SECTION 3224 (b) OF THE INTERNAL REVENUE CODE

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7891) to amend section 3224 (b) of the Internal Revenue Code, relating to the transportation of narcotic drugs.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HALLECK. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina explain the provisions of the bill and its purpose?

Mr. DOUGHTON. I will ask the gentleman from New York [Mr. REED] to explain the bill.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to insert an explanation of the bill at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, with certain exceptions in the case of registered dealers, physicians, common carriers and others, it is presently unlawful for any person to send or transport narcotic drugs to any person in another State. This practical measure for the enforcement of the narcotics laws has been difficult of effective administration because of requirement of proof of delivery to another person. Narcotics peddlers have avoided prosecution by alleging that they personally have carried narcotics drugs across State lines for illicit distribution. This bill would amend section 3224 (b) of the Internal Revenue Code to prohibit the unauthorized transportation of narcotics drugs into another State so as to eliminate the necessity of proof of delivery to a person in another State.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3224 (b) of the Internal Revenue Code is hereby amended to read as follows:

"(b) Transportation: Except as otherwise provided in this subsection, it shall be unlawful for any person to send, ship, carry, or deliver any of the aforesaid drugs from any State or Territory or the District of Columbia, or any insular possession of the United States, into any other State or Territory or the District of Columbia, or any insular possession of the United States. Nothing contained in this subsection shall apply—

"(1) to any person who shall have registered and paid the special tax as required by sections 3220 and 3221;

"(2) to common carriers engaged in transporting the aforesaid drugs;

"(3) to any employee acting within the scope of his employment for any person who shall have registered and paid the special tax as required by sections 3220 and 3221, or to any contract carrier or other agent acting within the scope of his agency for such registered person;

"(4) to any person who shall deliver any such drug which has been prescribed or dispensed by a physician, dentist, or veterinarian, required to register under the terms of this part of section 2551 (a) and employed to prescribe for the particular patient receiving such drug;

"(5) to any person carrying any such drug which has been obtained by the person from a registered dealer in pursuance of a prescription, written for legitimate medical uses, issued by a physician, dentist, veterinarian, or other practitioner registered under section 3221 if the bottle or other container in which such drug is carried bears the name and registry number of the druggist, serial number of prescription, name and address of the patient, and name, address, and registry number of the person writing such prescription.

"(6) to any person carrying any such drug which has been obtained by the person as a patient from a registered physician, dentist, or other practitioner in the course of his professional practice if such drug is dispensed to the patient for legitimate medical purposes; or

"(7) to any United States, State, county, municipal, district, Territorial, or insular officer or official acting within the scope of his official duties."

With the following committee amendment:

Page 2, line 16, strike out the word "or" and after "veterinarian,", insert "or other practitioner."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIMINATION OF CERTAIN TAXES ON COCONUT OIL FROM COPRA FROM TRUST TERRITORY

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8992) to eliminate the additional internal-revenue taxes on coconut oil coming from the trust territory of the Pacific islands, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HALLECK. Mr. Speaker, reserving the right to object, I wonder if some member of the committee intends to put in an explanation of the bill?

Mr. DOUGHTON. This relates to taxes on coconut oil imported from the trust territories of the United States in the Pacific islands and accords them the same freedom from duty that is accorded to coconut oil imported from the Philippine Islands.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. REED of New York. Does the gentleman intend to put in an explanation of the bill?

Mr. DOUGHTON. Yes.

Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, to insert a further explanation of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, this bill would exempt coconut oil derived from copra originating in the trust territory of the Pacific islands from the additional processing tax of 2 percent per pound imposed by section 2470 (a) (2) of the Internal Revenue Code. A similar exemption is now provided for coconut oil derived from copra from the Philippine Islands or any possession of the United States.

This legislation, which was requested by the Secretary of Defense, is important to the 56,000 people residing in the trust areas of some 96 island groups in the Pacific Ocean. Although the trust territories supply only about 1 to 2 percent of the normal copra imports of the United States, this accounts for about 85 percent of the dollar value of exports from those territories and is a principal source of native income. The quantity of such imports is so small that domestic industries would not be adversely affected.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2470 (a) (2) of the Internal Revenue Code (relating to additional rate on coconut oil) is hereby amended by striking out the words "or any possession of the United States" wherever appearing therein and inserting in lieu thereof the following: ", any possession of the United States, or the trust territory of the Pacific islands."

SEC. 2. Section 2483 of the Internal Revenue Code (relating to payment of proceeds of processing tax) is hereby amended by striking out the words "Guam or American Samoa" wherever appearing therein and inserting in lieu thereof the following: "Guam, American Samoa, or the trust territory of the Pacific islands."

With the following committee amendment:

Page 1, beginning on line 9, strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CUSTOMS DUTIES ON ARTICLES ENTERING THE UNITED STATES FROM THE VIRGIN ISLANDS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6343) relating to customs duties on articles coming into the United States from the Virgin Islands.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. REED of New York. Mr. Speaker, reserving the right to object, does the chairman of the Committee on Ways and Means intend to insert an explanation?

Mr. DOUGHTON. Mr. Speaker, under existing law, articles from the Virgin Islands are admitted to the United States or its possessions free of duty if such articles do not contain foreign materials in excess of 20 percent of their total value. This bill merely makes clear that in determining whether an article contains 20 percent of foreign materials, any material which would be admitted free of duty from the foreign country of origin directly into the United States does not come within the scope of the 20-percent limitation.

The purpose of the bill is to encourage the establishment of industries in the Virgin Islands thereby giving full employment to the Americans residing there who now must rely upon the seasonal sugar industry for their main source of employment. This bill has received the unanimous approval of the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection. The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to provide a temporary government for the West Indian Islands acquired by the United States from Denmark by the convention entered into between said countries on the fourth day of August 1916, and ratified by the Senate of the United States on the seventh day of September 1916, and for other purposes", approved March 3, 1917 (39 Stat. 1133; 48 U. S. C., 1946 edition, sec. 1394), is amended by adding at the end thereof the following sentence: "In determining whether such a Virgin Islands article contains foreign material to the value of more than 20 percent, no material shall be considered foreign which, at the time the Virgin Islands article is entered, or withdrawn from warehouse, for consumption, may be imported into the continental United States free of duty."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LIQUIDATION AND REPLACEMENT OF CERTAIN INVENTORIES

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3278) to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. DOUGHTON. Mr. Speaker, this bill was introduced by the gentleman from Rhode Island [Mr. FORAND]. I yield to him for an explanation of the bill.

Mr. FORAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FORAND. Mr. Speaker, under existing law, taxpayers using the last-in-first-out method of inventory accounting and who were required to liquidate their inventories in whole or in part because of war conditions beyond their control, can adjust their income for the taxable year in which liquidation occurs to take into account the ultimate cost of replacement of such inventories. If the cost of replacing the inventory is greater than the value of the inventory liquidated because of war conditions the excess cost is an item of expense for the taxable year of liquidation. On the other hand, if the replacement cost should be less than the original value, the difference is to be included in income for the taxable year in which liquidation occurred.

In order to have the advantage of such a tax recomputation, however, existing law provides that the taxpayer must elect to have such provisions apply at the time of filing of his income-tax return for the year in which the inventory liquidation occurred. In some cases because of erroneous inventory classifications taxpayers have been unable to make a timely election, and this bill merely provides that such taxpayers can make the required determination under regulations prescribed by the Commissioner with the approval of the Secretary.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 22 (d) (6) (A) (relating to the involuntary liquidation and replacement of elective inventories) is hereby amended as follows:

(1) By amending that portion thereof preceding clause (i) to read as follows:

(A) Adjustment of net income and resulting tax: If, for any taxable year beginning after December 31, 1940, and prior to January 1, 1948, the closing inventory of a taxpayer inventorying goods under the method provided in this subsection reflects a decrease from the opening inventory of such goods for such year, and if the taxpayer elects, at such time and in such manner and subject to such regulations as the Commissioner with the approval of the Secretary may prescribe, to have the provisions of this paragraph apply, and if it established to the satisfaction of the Commissioner, in accordance with such regulations, that such decrease is attributable to the involuntary liquidation of such inventory as defined in subparagraph (B), and if the closing inventory of a subsequent taxable year, ending prior to January 1, 1951, reflects a replacement, in whole or in part, of the goods so previously liquidated, the net income of the taxpayer otherwise determined for the year of such involuntary liquidation shall be adjusted as follows:".

(2) By amending the last sentence thereof to read as follows: "Any increase in such taxes resulting from such adjustments shall be assessed and collected as a deficiency with interest computed from January 1, 1948, or from the date prescribed by law for the payment of the tax for the year of replacement, whichever date is the later, and any overpayment so resulting shall be credited or refunded to the taxpayer with interest computed from January 1, 1948, or from the date of expiration of 1 year after the filing of a claim for credit or refund of such overpayment, whichever date is the later."

(b) The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1940.

With the following committee amendments:

Page 2, strike out all of lines 19, 20, and 21;

Page 3, strike out all of lines 1 to 8, inclusive.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREE IMPORTATION OF CERTAIN MUSICAL INSTRUMENTS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3934) to permit religious or charitable societies to import musical instruments free of duty in certain cases.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Colorado [Mr. CARROLL] for an explanation of this bill.

Mr. CARROLL. Mr. Speaker, this bill would enable religious and charitable organizations manufacturing musical instruments in a foreign country to import such instruments solely for its own use free of duty. The bill specifies that the privilege of free importation does not include musical instruments for resale. It is understood that the Salvation Army wishes to import free of duty for use of its units in the United States musical instruments manufactured in its factory in England. This would be possible under the bill, which follows precedents in existing law for the duty-free entry of various merchandise for the use of religious, charitable, educational, and similar organizations.

Mr. JENSEN. Mr. Speaker, reserving the right to object, if we permit musical instruments to come in here in competition with the manufacturers in our own land of these instruments, then, naturally, we are opening the flood gates for everything to come in here duty-free. You can base this thing on being kind to the Salvation Army and churches and all that, but that does not suffice. I think the gentleman should make a further explanation of this bill and try to justify it to a greater degree than he has up to this time.

Mr. CARROLL. I will be happy to do that. This matter came to me from the gentleman from Oklahoma [Mr. MONRONEY]. I presented it to the committee for him and the committee considered it. I understand the gentleman's objections because they occurred to me the first time the matter was brought up.

First of all, we must remember that these instruments are not for resale in this country. It merely goes to the particular religious institution, as I said, specifically the Salvation Army, which manufactures their musical instruments—their drums and their horns—in England. They are distributed in this country only to the Salvation Army. These are religious and educational institutions, and the precedent is paragraph 1631 of our tariff laws, which provides for the free entry of books, maps, music, photographs, etchings, when imported by and for any society or institution established solely for religious, philosophical, educational, scientific, or literary purposes. In other words, I appreciate the objection of the gentleman from Iowa, and I think it is a good one. We do not want to establish any precedent for some religious or educational group to manufacture instruments and bring them in here for resale. As I said, boiling it all down, it is to have these instruments come in here on that basis. We have placed restrictions in the bill to prohibit the very thing the gentleman has in mind.

Mr. JENSEN. I want the membership of the House to understand that I have no manufacturers of musical instruments in my district that I know of. Also that I hold the Salvation Army in high regard. Does this bill apply only to the Salvation Army?

Mr. CARROLL. It is my understanding that this bill would enable any religious or charitable organization manufacturing musical instruments in a foreign country to import such instruments solely for their own use; that is, the use of the religious group itself. I may be mistaken, but it is my understanding that the only one involved is the Salvation Army.

Mr. JENSEN. There are a lot of laborers in America who belong to and support our churches and the Salvation Army and who work in plants that manufacture musical instruments in the United States.

Mr. CARROLL. They would not qualify under the law. That would not qualify them to bring these instruments in.

Mr. JENSEN. Under this bill musical instruments would be brought into the country due free in competition with the manufacturers here. An instrument that comes in here from any foreign country is certainly going to keep someone in this country from manufacturing that instrument.

Mr. CARROLL. That is the very point I want to make to the gentleman from Iowa. I had the same doubt when the bill first came in. The religious organization must do its own manufacturing itself in its own plant.

Mr. JENSEN. In a foreign country?

Mr. CARROLL. In a foreign country, yes.

Mr. JENSEN. So the laboring people of this Nation who support our churches and the Salvation Army, and so forth, would not get one dime in wages from the manufacture of foreign-made instruments. Now, Mr. Speaker, I ask in all seriousness, is not our American factory laborer, who is a mighty big tax payer, entitled to some tariff protection from foreign-made goods, when today he is paying through the nose for European aid on everything he buys?

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would like to advise that the Salvation Army, which is the one that is concerned the most with this, tells me that it is a question of either no instruments, or permitting them to bring in the instruments manufactured by the Salvation Army in England. You are not going to make any business for the manufacturers of musical instruments in this country by refusing to pass this bill. You are going to deny that great organization, the Salvation Army, the right to have the musical instruments.

Mr. JENSEN. Oh now, wait. We have a tariff on these instruments now, do we not?

Mr. MONRONEY. That is true.

Mr. JENSEN. How much is it, can the gentleman tell me?

Mr. MONRONEY. I think it is very high. I do not recall exactly what the amount is. But, that is for commercial sales.

Mr. JENSEN. Possibly 20 percent ad valorem, but regardless of what the tariff is, it is not prohibitive. I am sure of that.

Mr. MONRONEY. The only purpose of the tariff is to protect commercial sales of musical instruments. This is in no way a commercial sale. They are not going to buy the instruments here unless they can manufacture them and unless they have the manufacturing capacity.

Mr. JENSEN. Your argument falls flat, my friend, because we could say the same thing about farm commodities, and about every commodity. The American people are not ready to open the floodgates to foreign-made goods tariff free.

Mr. MONRONEY. The gentleman is not being fair with the Salvation Army. This is limited strictly to the Salvation Army.

Mr. JENSEN. Now just a minute. I presume I am just a good a friend of the Salvation Army as is the gentleman from Oklahoma. I contribute to it, in fact, for several years I was one of their sponsors in my home town. I think it is a great organization.

Mr. MONRONEY. I think so, too. These instruments in no way find their way into the commercial market.

Mr. JENSEN. That is not the question in point. The point is these goods would be brought here tariff free, which is just another step in the direction of letting this country be flooded with every kind of foreign-made goods that are made at a wage rate from 2 to 20 times less than we pay our American workers. If we are not careful it will not be long until everyone will demand cheap foreign-made goods. Then who will or could support our churches and the Salvation Army?

Mr. MONRONEY. There are no wage rates involved in this bill in any way, shape, or form.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. JENSEN. I object, Mr. Speaker.

HOLIDAY BILLS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to make a brief statement, by direction of the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, as chairman of the Committee on the Judiciary, I have been directed by the Members of

the Committee to make a general statement on the floor concerning the many holiday bills which have been referred to the Judiciary Committee.

Doubtlessly, they are praiseworthy bills; but were they to be enacted into law, there would not be enough days on the calendar to meet the designated holiday periods called for by these bills. The President of the United States would be unduly occupied issuing proclamations setting aside this week or that for specific celebrations.

Most of the occasions called for by these bills are occasions which could very well be taken care of by the respective States. Bills range from designating the first Tuesday of March as National Teachers Day to designating the second Sunday in April as National Daughter's Day. We have bills for Patriots' Day, Victory Day, National Baseball Day, National Inventors Week, Emblem Day, Flag Day, Friendship Day, and so on.

The commission has taken the position that unless the occasion called for is national in scope and is of widespread significance, serving the Nation as a whole, it cannot view these bills with favor. To act favorably on these bills would diminish the significance of all occasions and dilute their meaningfulness.

APPROPRIATION REDUCTIONS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, the Committee on Appropriations was called together yesterday for the purpose of having each subcommittee go back over its chapter of the House appropriations bill for the purpose of further reducing the appropriations to the various departments. This action was requested because of the tremendous military outlays with which we are faced. I understand the request for the increases for the military and the effort of the Nation totaling not less than $4,000,000,000 is on its way to the committee.

These two actions are in recognition of the absolute necessity to curtail domestic expenditures and effort and to transfer our efforts and activity to increased military support. These two moves would meet this problem by cutting the appropriations for regular departments and activities of the Government, increasing money-wise the expenditures for military. That is one way to approach the matter.

However, Mr. Speaker, it is my belief that we could better handle this matter by providing that we actually transfer personnel. I believe this is a much more sound basis than to try to handle in a money-wise way entirely. I feel that we should authorize and direct the Military Establishment to draw its increased personnel from the regular departments and activities of the Government. Such personnel so transferred would be experienced and, therefore, of greater assistance to the military than would new employees. Thus such transfer would reduce the expense of the regular departments and activities. Such personnel so transferred would retain their present rating and present pay and we could easily provide that the regular department and agency not fill such vacancies but that the regular jobs be held for personnel so transferred. I believe this is the answer. Doubtless there would be some personnel and some departments and agencies that would not like this approach. It would work some hardship. In my judgment, however, it would work less hardship, would bring about greater efficiency, would give to the Military Establishment expert people and would result in saving hundreds of millions of dollars. We would to some extent avoid competition for manpower, we would really transfer our effort to our military problems and their support.

I call this to the attention of the House for consideration. I have already taken it up with some members of the Appropriations Committee and am hopeful that it will be accepted. It is workable and as I have stated will work less hardship than to merely cut the appropriation for regular activities and increase the appropriation for the military. This way we do that but we actually transfer personnel. It can mean that we will not build up a greatly increased number of Federal employees and will prevent the unpleasant job after war is over of having to cut off or fire people who have contributed greatly to our efforts during the war. I hope that this suggestion will be accepted by our Committee on Appropriations and the Congress.

ALBERT B. (BERT) REPLOGLE

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I rise at this time to announce the death last week of a distinguished citizen of my State of Montana.

Bert Replogle was buried yesterday in Arlington National Cemetery. I had intended to attend this ceremony because of my high esteem for Bert Replogle, but through a misunderstanding, I thought the occasion would take place today.

Bert Replogle was born in Flora, Ill., in 1893. As a young man he moved to Montana at Grass Range, and later at Lewistown. On September 7, 1917, he enlisted in the United States Army. He served overseas with the Three Hundred and Sixty-second Infantry of the Ninety-first Division. In the battle of the Argonne his unit led the attack against the enemy and he was severely wounded. He was awarded the Distinguished Service Medal and the Purple Heart, and was honorably discharged in March 1918.

In 1921, because of outstanding war service, he was named by Gov. Joe Dixon, of Montana, as our State's most distinguished soldier and was invited by President Warren Harding to attend the ceremony for the commitment of the body of the Unknown Soldier of World War I.

Bert Replogle was a past State commander of the DAV of the Department of Montana. He was also a member of and held office in both the VFW and the American Legion.

He was declared by the manager of the veterans' facility at Fort Harrison, Mont., as the most disabled war veteran in our State of either World War.

A good soldier has gone to his reward. May his soul rest in peace.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include newspaper clippings and letters.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

[Mr. BRYSON addressed the House. His remarks appear in the Appendix.]

SERVICEMEN'S LIFE INSURANCE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I have been furnished with a copy of the report of the Government Operations Subcommittee of the Committee on Expenditures in the Executive Departments, which recently completed an inquiry into the operations of the National Service Life Insurance Act.

The subcommittee recommends, as I understand it, that the appropriate committees of the Congress—and in the House, this would be the Committee on Veterans' Affairs—give consideration to a reappraisal of the operation of the National Service Life Insurance Act and also to the establishing of a gratuitous life insurance program which would be automatic in nature.

On May 10, by resolution adopted unanimously by the Committee on Veterans' Affairs, the staff was directed to study the possibilities of a new life insurance program and to consult with the Veterans' Administration, Bureau of the Budget, General Accounting Office, Department of Defense, American Legion, Veterans of Foreign Wars, Disabled American Veterans, and American Veterans of World War II. This study is going forward, and as soon as all of the reports have been received from these interested organizations, steps will be taken by the Committee on Veterans' Affairs relative to the development of a new insurance program.

In this connection, in order that we may get the reaction of the agencies interested in such a program, as well as the veterans' service organizations, I am having drafted a bill providing gratuitous life insurance for those members of the Armed Forces who in the future lose their lives while serving on active duty.

Provisions of the proposed legislation will be announced when the bill is introduced.

I hope the Congress will stand by the Committee on Veterans' Affairs and not

repeat the serious blunder that was made at the beginning of World War II when the Committee on Veterans' Affairs was bypassed, to the detriment of the men and women in the Armed Forces.

FRANCO-ITALIAN PACKING CO.

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1293) for the relief of the Franco-Italian Packing Co., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 3, after "States", insert ": *And provided further*, That any action instituted hereunder shall be filed within 1 year after the date of approval of this act."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

A WATCHDOG COMMITTEE

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, at this time we are getting ready to roll out billions of dollars for war purposes. I think it is very essential that the full Committee on Appropriations have within it a committee for the purpose of acting as a watchdog on these expenditures and seeing to it that this huge sum of money is used for what the Congress has intended, with a minimum of waste. We can here save hundreds of millions of dollars, if not billions, by holding consultations with the chiefs of our armed services before the funds have been spent or allocated. We on the Committee on Appropriations must provide for a real examination into the method of expenditure of all of these billions of dollars the war effort will entail. All of us want to make available every dime needed to back up the boys on the front but we do not propose to waste taxpayers' money nor to pour out tens of billions of dollars without scrutinizing very carefully the uses to which these funds are put.

For example, President Truman has requested over $5,000,000,000 for the expressed purpose of rearming our allies. We are now at war and I am in agreement with such rearming as long as it is on a scale large enough to do some good. But while helping these allies rearm we have the right to know that these $5,000,000,000 are expended for that purpose and not diverted to some scheme entirely at variance with what Congress has in mind. Also we must know whether the $23,000,000,000 turned over to the Armed Services for this fiscal year will buy a large amount of first-class, modern war materials, planes especially, rather than to be frittered away in what is termed "housekeeping expenses."

We must get our industrial plants into operation, turning out the arms so much needed by our Nation, even though the Armed Services have had at least $50,000,000,000 in appropriations since the close of World War II. It is the duty of Congress to know where the defense money goes and not simply give the administration a blank check and the go-ahead signal. We must accept our responsibility.

Feeling as I do that proper scrutiny by the Congress may save billions of dollars, I suggested to the Appropriations Committee yesterday that a watchdog committee, properly staffed, be immediately set up. It is our duty to do everything we possibly can to help maintain a strong America militarily, financially, and morally, and we must cut out waste and extravagance all along the line. That is the least we in the Congress can do to back up our troops abroad. Let us lock the door on extravagance before it breaks loose and runs wild. I hope my suggestion for the watchdog committee will receive favorable consideration by the Committee on Appropriations.

OFFICE OF TEMPORARY INFORMATION

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, as we embark against our will upon another gigantic program of building for our defense, we should look back over some of our mistakes in World War II and rectify them.

I believe we have just scratched the surface in bringing our industrial and business genius to bear upon the Nation's defense building.

There are scores of small concerns and hundreds of able businessmen in my district who feel they should be given the chance to prove their worth. I agree, they should have such opportunity.

It is, of course, the accepted theory that the next war will be waged with atomic and other powerful type bombs which will do untold destruction in given areas.

Therefore, our plants and factories must be scattered over the length and breadth of this great land so that not more than a few of them can ever be destroyed at once.

Our weapons of defense could be made in part in these smaller plants dispersed around the country. For instance, I know of a friend who offers to convert his recreation center out in a rural location into a small factory.

He says he has all the local labor he would need among women and older men in that locality. This would assure his plant of constant employment. It would also save tremendously on gasoline and tires because his employees live right near his plant.

Another business has approached me about converting an old plant now closed and formerly manufacturing household utilities into a factory for employing 50 people. This is already partially tooled to turn out electrical gadgets by the thousands.

The plants I have described are considerable distances from dense metropolitan sections and are suited for subcontract work.

Such factories could be utilized by our Government to produce parts. A transport system of trucks, trailers, railroads and even airplanes can be devised to distribute them to places of assembly.

All these details could be worked out by master planners. Such a course will assure a maximum defense program through a decentralized system which is of course the only solution in view of a much greater bombing hazard than ever before in case of attack.

However, advanced steps must be taken before any orderly procedure with such an idea can be realized.

I proposed to set up a temporary Office of Information with authority to commit the Government to reasonable assurances to businessmen so that they may go ahead immediately with their conversion plans.

There is no time left to fiddle. Let such an organization be set up right away. Then have businessmen back home come down here to Washington to confer with able, informed officials within this agency who have the spirit of patriotism and cooperation sufficient to utilize the services of these countless American businessmen without whom our Government cannot hope to meet the great demands now arising for powerful weapons of defense.

PEACE

Mr. FELLOWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. FELLOWS. Mr. Speaker, a little girl 14 years of age came to Washington a short time ago. After she got home she wrote this letter. I will read to you the last few lines:

It is getting late and, as I am a Sunday-school teacher for the third-grade girls, I have to study my lesson and finish my letters. Send all my love to everyone in Washington, and if you see Mr. Truman say just what he said to everyone, "That we are nearer to peace than we ever have been before."

NEED FOR ADEQUATE AIRLIFT LEGISLATION

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KENNEDY. Mr. Speaker, we should have more transport cargo planes in this country. The military has stated that their minimum requirements figure for M-day is the equivalent of 2,000 C–54's, or a smaller number in larger-type planes. As against this requirement we have presently in military and civil hands no better than 800 aircraft of suitable type, and even that figure is stretching it a great deal because

it includes a great many aircraft which would have to be modified before they would be suitable for military use. By simple subtraction anyone can see that we are short by at least 1,200 C–54's, or their equivalent in larger planes.

At present our Marines and other supplies are going from the west coast by boat. This means that our effective force in Korea would not be felt for at least 3 weeks. We must develop sufficient airlift so that we can make ourselves felt immediately in Korea as well as in other parts of the globe. Let us not forget that the Russians have a submarine force five times the size of that with which the Germans started World War II.

Mr. Speaker, the time has come for the Congress to consider some really adequate airlift legislation. At the very beginning of the Eighty-first Congress on January 3, 1949, Senator JOHNSON of Colorado and I introduced what has become known as the air merchant-marine bill, H. R. 448 and S. 237. This bill has been referred to the Committee on Interstate and Foreign Commerce. It provides for development and procurement of transport planes suitable for commercial use and readily adaptable for military service. These planes can be operated in the domestic and import-export trades in peace and be available for instant military use in time of war.

Now that the Korean crisis is here with us, I urge that members of the Interstate and Foreign Commerce Committee dust off this piece of legislation and have a good look at it. It is not a perfect bill by any means and there are a good many amendments that ought to be made in it, but we should get an airlift bill reported onto the floor of the House as quickly as possible. We have already been caught short without adequate means of flying our troops and supplies and we do not want to be caught in an even worse jam by failure to act.

EXTENSION OF REMARKS

Mr. HOWELL (at the request of Mr. ADDONIZIO) was given permission to extend his remarks.

Mr. WHITE of California asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. LANE asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. SHORT asked and was given permission to extend his remarks.

Mr. RICH asked and was given permission to extend his remarks and include a statement by the Secretary of Commerce of the Commonwealth of Pennsylvania, Theodore Roosevelt III; and in another instance to include an article by Paul O. Peters, on Federal Government Spending.

Mr. LECOMPTE asked and was given permission to extend his remarks and include a newspaper article.

Mr. WOODRUFF asked and was given permission to extend his remarks in two instances; in one to include an article by Karl H. Von Wiegand of the Baltimore-American, and one by Leslie Gould of the New York Journal-American.

Mr. VAN ZANDT asked and was given permission to extend his remarks and include an article on slave labor in Russia, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $191.34.

Mr. McGREGOR asked and was given permission to extend his remarks and include a newspaper article.

Mr. HOEVEN asked and was given permission to extend his remarks and include a letter.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in four instances and include newspaper articles.

Mr. CASE of New Jersey asked and was given permission to extend his remarks in two instances and in each to include extraneous material.

Mr. DONDERO (at the request of Mr. HALLECK) was given permission to extend his remarks.

Mr. HALLECK asked and was given permission to extend his remarks and include an editorial.

Mr. FALLON asked and was given permission to extend his remarks and include a resolution.

Mr. DONOHUE asked and was given permission to extend his remarks and include an editorial.

Mr. RANKIN asked and was given permission to extend his remarks and include a letter and a statement from the Tennessee Valley Authority.

DEFENSE PRODUCTION ACT OF 1950

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 740 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Banking and Currency now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. LYLE. Mr. Speaker, this resolution makes in order the consideration of the Defense Production Act of 1950. This is a flexible rule and was drawn in such a manner as to permit the House to work its will as to the degree of controls it deems necessary to establish. It was drawn in anticipation that one or more substitutes would be offered for consideration, and it was the thought of your committee that such substitutes would be germane and in order under this rule. There is, of course, a parliamentary limitation under this rule or any other rule on the number of complete proposals that may be pending at one time.

Your Committee on Rules has attempted to call up this question in such a manner that there could be full and complete consideration of the problem of economic controls.

At the moment, Mr. Speaker, the Defense Production Act of 1950 is the issue, but the problem of the hour is a contest in which the world is the prize, a struggle between freemen and slaves under dictators. You and I have a staggering responsibility in the outcome.

I cannot and do not attempt in this short time to analyze the provisions of the Production Act of 1950 or the other proposals that will be made, except to say generally that H. R. 9176 provides for a system of priorities and allocations for materials and facilities, authorizes the requisitioning thereof, provides for financial assistance for expansion of production capacity and supply, strengthens controls over credit, and regulates speculation on commodity exchanges. The purpose of such controls, simply stated, is to facilitate the production of goods and services necessary for the national security and, at the same time, to hold our civilian economy upon an even keel.

Reasonable minds cannot differ, Mr. Speaker, in the conclusion that we must establish controls. The issue is the extent to which we shall go in this direction. To me, sir, it is a challenge to rise above the mediocrity which normally is so much a part of us and to not only cope successfully with the brutal force of our enemy but to meet his cunning and devilish scheming. I am sure no one of us fails to understand the difficult military undertaking in which we are engaged, and the decision of this hour must be made in the light of the requirements of victory for our forces on the field of battle.

The decision to win the campaign in Korea has been made. We will win, but the extent of the men and materials necessary to accomplish this still is a matter to be determined by future military developments over which we have no control.

Economic controls of the nature contemplated generally, sir, are opposed to and contrary to our way of life and are tolerated by Americans and their representatives only at a time and to the extent necessary to meet a challenge to our national security and welfare. Through the character of our people, their love

for freedom and independence, we are a great and powerful nation. We have the moral, economic, and political strength to survive in the war against communism and the character to accept that which is necessary to win.

It is therefore, Mr. Speaker, not a question of whether the American people are ready to accept controls, or whether it would inconvenience them in their daily lives, or whether they would be harassed in their business and normal transactions. It is, on the other hand, a question of what is needed at this time to win our fight against an unscrupulous enemy.

Therefore, today you and I decide to what extent controls are required by the present situation and the foreseeable future. This is not an easy decision. It requires calm and deliberate thought, based upon the best information available. It requires an understanding of the American people and of the enemy. It requires a knowledge of our capacity to produce and it requires a devotion to the principles of American freedom. It is, sir, in my judgment, a decision that will affect the lives and character of Americans for generations to come.

The courses open to us are limited. We may authorize no further controls under the assumption that the President has sufficient power to cope with the present situation. In the light of information available, this would be a foolish and foolhardy attitude, and could well result in great harm to our national security. On the other hand, we may proceed with partial mobilization and such controls as are necessary to meet the present situation and the foreseeable future; or we may throw caution to the wind and authorize a complete economic regimentation.

The President of the United States, in his message to the people and his message to the Congress transmitting a report on the situation in Korea, was forthright and realistic and in my judgment used admirable restraint in his requests for power and control over the economic life of the Nation. He has subsequently displayed the high qualities of good leadership by asking only the minimum power which he, being fully advised, feels is necessary to meet the issue at hand. It should be most heartening to the people of America, yes, the free people all over the world, that the President has not grabbed at power as he might popularly have done, nor has he asked the American people to subject themselves to controls and regimentation beyond that point which the situation demands. It is strange, indeed, that so many people, both in and out of Congress, who have been most vociferous in their condemnation of regimentation and Government bureaucracy, now stand in the forefront of those demanding complete economic controls.

Upon what facts, Mr. Speaker, may one rightfully say that we should have complete controls? The production capacity of America is at its greatest peak of our history. With few exceptions, I am informed, no shortages now exist and none are anticipated in commodities that make up the ordinary life of our economy. In spite of the fact that too many people have bought too much of what they did not need and could not afford, the rises in prices are unwarranted and have been dictated by speculation, overextension of credit, hoarding, profiteering, and unwarranted profittaking on inventories. A continuation of these elements will demand complete price and wage controls and I am certain that the President will promptly ask for them and the Congress will promptly grant them, for such practices are frowned upon by all decent Americans and cannot and will not be tolerated long by this Government.

However, Mr. Speaker, we must not in our enthusiasm to meet the military demands promptly and adequately, overlook our great responsibility to maintain and insure a free and independent America. Stalin and his stooges subject their slaves to complete bureaucratic dictatorship. They detest the freedom and independence of Americans and would with glee have us subject ourselves to the same type of low slavery. They would, I am sure, be pleased to lose a battle if they could win the war of complete regimentation of the lives of Americans and our economy.

Controls that are passed today, not in the light of the foreseeable military situation, could well do more harm than good and could result in more confusion and chaos than stability. The President has requested, upon the advice of such outstanding Americans as Stuart Symington and General Bradley, the prompt passage of provisions set out in H. R. 9176.

"This act," said Stuart Symington, "facilitates our support of the United Nations by taking steps to meet effectively the economic programs required for the support of our fighting men in the field. The area," he said, "in which it is planned to work in this act, is one in which it is necessary to set a pattern which will permit spacing, not only for the steps that have to be done now, but also for any possible additional steps."

Mr. Speaker, the temper of this House appears to be such that it will enact not only the recommendations of the President as outlined in H. R. 9176, but will also authorize additional controls over wages and prices. If this is done it should be in such flexible form that the President will not be required by law to set up a great many new agencies, transfer functions from existing departments, or create numerous boards and bureaus. He should be permitted to utilize the present Government departments.

If further economic controls become necessary this Congress is available to enact the needed legislation. We cannot rightfully meet our responsibilities nor properly discharge them by creating a rigid, all-out economic dictatorship and throwing it into the lap of the President. Legislation worthy of the American people and in the tradition of this great body must be based upon reliable information. To this date, so far as I am informed, no information has been placed before any committee of this House to justify enactment of complete economic controls.

We now live in a world and will for years to come where we must react calmly and realistically to crisis and danger, and we must keep in mind always the preservation of our way of life, even as we meet the enemy on the field of battle, for victory at arms is indeed costly if we must pay the price of losing our own way of life through overregimentation and economic dictatorship.

Mr. Speaker, let us take the wisest course, not the easiest course. Let us take the sanest course, not the political course. Let us do that which is necessary to win against the enemy, but let us be reluctant, or perhaps, better said, let us be thoughtful before we radically change our way of life. For it is that, and that alone for which we are fighting.

Fear and confusion have no place in our lives today. Our course is clear, our capacity to create is unlimited. Our ability to meet the demands of the hour cannot be questioned. Our source of information is uncensored, and the only fear that any American need have is that he will not discharge with all his heart and mind his obligation as a freeman.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as always, my good and able friend from Texas has given a very enlightening and good address. He has explained the provisions of this rule which are very flexible.

There are five titles to the bill as well as subtitles. There are many sections. The rules, as he has mentioned, makes it possible for anyone to offer practically any amendment that I believe will be found germane.

Mr. Speaker, this is not the easiest bill that has been before the Congress during the 18 years I have been a Member. We look with reluctance on another OPA which this bill provides for. We know when this bill is passed we are going to have another OPA. We are going to have bureaucrats running around the country like we did back in World War II days. We know that we are going to have controls, regimentation, bewilderment, and confusion among practically all of our people as we did in the OPA days. I know though, if we do not pass this bill there is going to be inflation, which means that the people will have lessened their life savings, that they will have lessened the face value of their insurance policies, that they will have lessened their income. So the question is, Which is the hardest dose to take?

Already the indexes show that during the past 6 weeks prices have risen from 6 to 11 percent on many commodities. The President, Mr. Speaker, has asked for these powers. He wants these powers and he has requested them. He sent up before the Committee on Banking and Currency four administration men, but he did not bring in anyone from agriculture and small business. He sent up four administration men asking for these many stringent powers. It is going to be up to the President of the United States

to decide just what he is going to do, and the people of the country, like back in 1946, are going to be the judge of whether the President of the United States, after he asked for all these unusual powers, is going to administer those powers wisely. Frankly, I feel that the Congress has certain responsibilities and that we should clearly write the rules of the game and let the executive branch do the administering.

Just a little while ago we heard the address by the Prime Minister of Australia. He made a splendid speech. He made a speech of encouragement. But, just last week when I was back in Illinois there was no question about the people of the United States being in a state of bewilderment and confusion, as evidenced by the remark of my good friend from Texas a few minutes ago, that most of the boys in Korea did not know what they were fighting for. My people back home, and I talked to many, want to win this war, there is no question about that, but the great majority of the people in northwestern Illinois, as well as I am sure the people in your districts wonder why we are in this war in the first place. There is no question about that being in their minds.

As I picked up the morning papers I saw the headlines "United States Pours Fresh Troops Into the Sagging Lines," I remembered the remarks made by both Members of this House and the other body when the United Nations was formed, and I took this language from addresses of many distinguished men, and one was that after we organized and formulated the United Nations, before anyone will make an aggression, they will stop, look, and listen, because they know that the troops of 52 nations will be in there fighting side by side.

So I say to you, Mr. Speaker, in picking up these headlines this morning reading "United States Pours Fresh Troops Into the Sagging Lines," where are these 52 nations that are supposed to be fighting side by side with the few thousand boys we have in Korea? I say to you Members of the House that the United Nations has a test case right before it now, and our people are wondering why the people of Great Britain, France, and Italy, and all the other places are not in there fighting as promised by these statesmen of both Houses when they said that any aggressor nation will stop, look and listen, and that you can depend on the troops of 52 nations to fight side by side against any aggressor. I want to back the United Nations but I feel they should move faster in this crisis; otherwise, they will lose much prestige.

In conclusion, Mr. Speaker, I want to say this, I know that we are going to win this war, but this Nation of ours, which now has a debt around $260,000,000,000 and pouring out military aid and sustenance to people all over the world, is standing alone when we need these other countries the most. Why are not their troops and their flags flying along that sagging line which now exists in Korea?

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, for many reasons I hesitate to make an expression on this measure. I have such little patience with weakness in time of stress that it is difficult for me to exercise restraint when confronted with the timidity and the hesitation that is reflected in the bill which the pending rule is intended to make in order, for the measure does not reflect the strength that the needs of the moment demand. However, as between the measure and nothing, I will, of course, take the bill, but it is my opinion that it is not quite an honest treatment of the problem with which it deals, that it does not go far enough, that for some reason it would repeat the same mistakes we made at the beginning of World War II.

I cannot see that it is possible to control the price of a commodity without at the same time controlling the price of the principal elements of cost that enter into production.

Mr. Speaker, in spite of the bad advertising the Congress has received in the past several years and the studied effort to undermine it in the estimation of the public, I say to you, sir, that at this hour of world anxiety and world stress the people of this country are looking to the Congress as their main hope of salvation. In their thinking, Mr. Speaker, as regards the safety of the Republic, the people of the country are at least 5 years ahead of official Washington. My people do not mind bleeding and dying for the flag, but if they must bleed and die they want it to be under a leadership that they trust. They are troubled, Mr. Speaker. They do not have confidence in, nor do they trust, many of the people playing important rolls in this tragic era.

I make no criticism of any particular individual. I do applaud the President, however, for the realism he manifested when he took cognizance of what was going on in Korea. For dissembling I have no patience. We speak of waging a war of resistance against the aggressions of North Korea. Neither the press nor any individual in the Government exercising power has manifested a willingness to tell the people of the country exactly who it is we are fighting.

Mr. Speaker, we are obliged to take action. We are obliged to do something of the character that is here proposed. But let us not go just halfway. Let us not be hypocritical about it. Let us realize what conditions demand, and let us do the whole job and do it now. This idea of running away from the responsibility of imposing some sort of control over labor is cowardice which deserves the scorn of the patriot.

The SPEAKER pro tempore [Mr. WHITTINGTON]. The time of the gentleman from Georgia has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 6 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, perhaps no piece of legislation, in my time as a Member of this body, has given me as much concern as the one which will soon be before us, and the questions involved in its consideration.

I listened with a great deal of attention to the explanation of this measure when it was brought before the Committee on Rules yesterday. This bill was reported by the House Committee on Banking and Currency. There were two or three sessions of that committee given to consideration of this measure during which time only official spokesmen of the administration or the Government were heard. Not a single representative of American business or industry, not a single citizen speaking for the general public, had an opportunity to express himself on this legislation before the Banking and Currency Committee. Let me say, in explanation, that the legislative committee, as was pointed out, seemingly deemed it necessary to move rapidly. The bill was explained before the Committee on Rules by, I think, two, or perhaps three or four members of the Committee on Banking and Currency, who were heard only briefly.

As I have studied this measure it either goes too far, or it does not go far enough, according to what the true situation may be in the world today. If, as the President has publicly stated, we are engaged only in a police action in Korea, then this bill now before us goes entirely too far. If, on the other hand, as many Members seemingly believe, and as I have heard some Members express themselves, we are already in the beginning of world war III, then this bill does not go far enough.

If we are to have a mobilization of only about 10 percent of our manpower and our economic power, as is claimed by some of the spokesmen for this administration, then the bill before us goes entirely too far, and confers upon the Chief Executive great and unusual powers, privileges, and authorities which no President should have under such circumstances.

If, on the other hand, we are to have 100 percent mobilization of our manpower and economic strength, as a necessity to safeguard our liberty and freedom, then the measure does not go far enough.

It seems to me, of course, the President of the United States should know whereof he speaks. But I am not unmindful of the fact that the President, when he speaks, does not always give us his own thoughts and ideas, but only passes on to us the information, thoughts, and ideas his subordinates have given him. While it may be his voice we hear, he may be expressing the ideas of those who advise him. I most reluctantly must say on this floor that I do not have the greatest confidence, faith, or respect for the abilities or opinions of some of his advisers.

I wish to point out to you, if I may, that we are being called upon to vote upon this measure at the very moment when it is impossible for any of us to tell what the future may hold. I wish it were possible for us to know now, or tomorrow, when we vote on this bill, what is going to happen in the United Nations Security Council meeting at Lake Success in the next 2 or 3 days, or what is to happen on the Korean front, where our boys are fighting with their backs to the sea.

I realize and appreciate fully that every Member of this House is a patriot

at heart and wants only to do that which is best for our beloved country, and that which will best aid and support those brave fighting sons of America now on the battle line to the limit.

We should give the President of the United States only those powers which he needs and must have to meet the present emergency, if he is right in his judgment of the situation which confronts us, and not give to him the powers contained in this bill which would permit him to put into effect some of the socialistic plans and schemes which have been before these bodies of the Congress time after time throughout the years. But, if this is all-out war, if it is a battle for our survival, then we must confer upon the President full and complete powers to regulate and control, not only production, allocation, distribution, and pricing of goods and commodities, but also wages and almost every other activity within the realm of thought.

We must remember, when we cast our votes and reach our final decisions on this measure, that if we give the President the all-out powers contained in either this bill or suggested in some of the other bills which will be offered as amendments, that not a single individual in this House will live long enough to see those powers restored to the Congress and to the people.

Let me say, with all the emphasis at my command, that the gentleman from Texas [Mr. LYLE] was entirely right, when he said you can vote away your liberties and your freedoms much easier than you can recover them.

Let me say to you, the hour and the time is near when we, the representatives of the people in Congress assembled, must decide whether or not we will take every step possible to protect, here at home, their liberties and freedoms, and to make sure that dictatorship and totalitarianism do not win out here at home while we are attempting to destroy them abroad. Let us remember we have within our borders here in the United States those who would destroy us from within, as well as we have enemies abroad who would destroy us from without. Let us remember that more nations have been destroyed by enemies from within than have ever fallen before a foreign conqueror from without. So let us be certain we do nothing here which will destroy at home the liberties and freedoms we are attempting to extend to the other peoples of the earth through the strength of our military forces. May divine providence give us the wisdom and the courage to act wisely and well in this hour, is my prayer.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. BROWN] has expired.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, we all realize that today the Congress is confronted with a great problem. This bill calls for the protection of large and small business which must have essential and in most cases scarce material in order to continue their normal business in this critical period. There is no question that it is the duty of the Congress to pass this legislation, considering the orders for war production which has already taken place in the 5 weeks since the trouble started in Korea.

I have had at least half a dozen requests from my district for legislation to control allocation of critical materials. In fact, one company engaged in the filing cabinet manufacturing business which uses considerable sheet steel, has already informed me that it will be impossible for them to obtain steel to continue his line of business unless some kind of regulation and protection is made for the small manufacturer. I merely mention this as one of perhaps hundreds of instances where the small-business man, the small manufacturer, is going to be closed out of business unless H. R. 9176 is passed by this House and enacted into law.

I mention another problem that exists not only in my district but also in probably every congressional district in the United States, possibly more so in my district than others because mine is a great industrial area: I have had numerous letters, and telegrams complaining about the increased price of meat, groceries, and clothing has already gone up unreasonably in price in the five weeks since the trouble started in Korea. My friend the gentleman from Illinois [Mr. ALLEN] mentioned that the cost of living had gone up between 6 and 11 percent. A spot check taken in my district showed that costs of meats and other provisions, which you buy in the grocery store, like coffee, sugar, eggs, bacon, milk have already soared to unreasonable heights. Clothing, hardware, and other necessities have also gone up. A few spot checks reveal prices have gone up between 9 and 11 percent since the trouble started in Korea. This means that the wage dollar of the man who works on wage or salary has gone down between 9 and 11 percent in five short weeks. What is going to happen to Mr. Worker who gets his pay check every 2 weeks, or every month, and goes into the grocery store or clothing store to buy life's necessities. If this condition continues unchecked until Christmas, the take-home purchasing power pay of the average family man will be almost 50 percent less than it was when the trouble started in Korea. This is a problem Congress has in its lap, and it is our duty to decide what steps should be taken in order to circumvent an economic catastrophe.

The profiteers of this country are taking advantage of this war situation without any reason whatsoever. I remember after World War II that one of the great powerful propaganda and lobbying institutions of this country that came to Washington asking that price controls be released. That institution was the National Association of Manufacturers. If that organization would cooperate with the consumers in America at this hour they would contribute a great deal toward curbing profiteering and the unreasonable rise in the cost of living that has been going on in the last 5 weeks. Up to this hour we have not heard one word from the National Association of Manufacturers calling upon its members to keep prices down and curb this disgraceful profiteering. Congress must act now on curbing wartime profiteering before we lose the war at home through unnecessary inflation. The consumers need help. Laws will not solve all of the economic troubles that are going to confront us. Organizations representing industry and business and labor must work in harmony and help keep down this unreasonable rise in the cost of living.

Mention was made here by one gentleman—I think the gentleman from Illinois [Mr. ALLEN] questioning what we are fighting for. He said that "The boys over there do not know what they are fighting for." Remember 15 years ago when Italy went into Ethiopia. If we had a United Nations organization 15 years ago and had stopped Mussolini at that time and if we stopped Japan when it went into China 13 years ago Hitler would have never marched on Poland. World War II would have been prevented. The fight in Korea may serve notice on Stalin that the free nations of the world will fight to stop aggression. A victory in the Korean fight which we are now engaged in may prevent world war III.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 6 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, the bill that is made in order by this rule and that is being discussed by the House at this time is a very extraordinary piece of legislation, taking into consideration the circumstances under which it is presented to us. We are today suffering from what the gentleman from Illinois has recently described as a rise in prices, due to a number of things. The principal one has been a great demand caused by people who are afraid of scarcities, who want to get into the market and are buying excessively at this time in order to hoard and to increase their inventories. But even before the Korean issue we were beginning to suffer from an inflationary trend in this country as the result of excess credit.

We have today something like $40,000,000,000 worth of mortgages outstanding on real estate. We have built up at the rate of $500,000,000 a month consumer credit for the purchase of automobiles, refrigerators, television sets and so on, all of this an artificial priming of the pump, giving people more purchasing power with which to buy commodities which are not in sufficient supply. That automatically has forced prices up. This situation has been accelerated by the terribly serious situation that we face in Korea.

The bill that comes before us does not in any way meet the situation. There is not a single thing in the bill which today could stop an immediate rise in prices. There are some very drastic, and in some respects over-drastic, provisions in the bill with respect to the curtailment of credit, particularly on real estate, which might result in the violation by Government action of every contract entered into between the sellers and the veterans who are building small houses.

However, that is not the essential issue. The essential issue is whether or not the economics of this bill are in any way sound. It provides for allocations, and we are told that allocations are the prime necessity of the moment in order that there will be sufficient steel, aluminum, and so forth for war matériel. The minute you begin to allocate any commodity because it is scarce, and that is the only reason for allocating it, you have to take it away from somebody who has a demand for it and give it to somebody who is going to turn it into war matériels. The minute you take it away from a person who has a demand for it, at once the product that he was going to make, be he a small manufacturer or large manufacturer, is going to be in scarce supply. At once the price of that supply is going to go up; at once everybody who wants it is going to try to purchase it before anybody else; at once everybody is going to try to hoard it. So it follows immediately the minute you monkey with our economy by allocating—and I think allocating is essential—you at once have to follow that up with price controls and rationing, and there is no use kidding ourselves that we can do a piece of this thing without doing the other thing. If we begin doing a piece of it, as provided for in this bill, merely allocation, we are going to dislocate the economy of this country to a point where, when we have to come to price controls and rationing, we will have to be backtracking in a very unpleasant and difficult way, and we will have to recognize a lot of inequities which have grown up in the interim period. As I see it, the problem we are facing today, as it has been outlined by some of the previous speakers, is whether we believe we are now moving into a war economy, where we have to do on the home front a number of unpleasant things that we do not want to do, but have to do in order to keep and balance our economy for the long pull, or whether we are going to take this situation lightly and say we can build all the war necessities on top of our normal civilian demand, and get away with it. My personal view is that we cannot do that; that we have to make up our minds in the next 2 days which way we are going.

There is one thing, however, in connection with this bill which I resent bitterly. As I pointed out at the outset, there is not a single urgent matter taken care of in this bill. We have a lot of credit controls today available to the Federal Reserve, and the Federal Reserve has been dragging its feet like nobody's business in exercising existing powers it now has to contract the credit of this country. We have allocation powers to take care of the more urgent war necessities, so that there is nothing immediately needed in this bill; nothing that will meet this situation of rising prices about which complaint has been made. Yet there was not brought before the committee that produced this bill a single representative of business, a single representative of labor, a single experienced person in the direction of our entire economy. Everyone of the witnesses was an individual who had no personal experience whatsoever in the handling of our economy. General Bradley may be a great man and a great military man, but I do not think a single Member of this House would expect him to give expert testimony as to how we are to conduct our own internal affairs from the point of view of the direction of our internal economy. No one was drawn on to try to point out the simple economics of this picture. You just cannot do this thing piecemeal, and if we attempt to do it piecemeal we are going to have chaos which will be infinitely more difficult to rectify at a later date when we are forced to resort to price fixing and rationing. It seems to me if we are going to do the right thing, we are going to give to the President of the United States the powers to institute controls that may be very painful to us, controls we will have difficulty of getting rid of later, but controls on the domestic front that will maintain a stable situation in order to give proper backing to those boys overseas.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of my time to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, in all my 16 years in the House I do not believe I have seen the House of Representatives approach any matter of great importance and consequence in the state of confusion that exists here at this time. I understand that when we are in trouble, to talk about confidence in the leadership may be rocking the boat, and some may not think it completely patriotic. However, I think that some things have to be said now and then if we are to bring order out of confusion and chaos.

First of all, of course, I can understand why the people of the country are confused and why we are confused, because it was not long ago that we were all told that Korea was outside of the perimeter of the defense of this country; that our troops should be withdrawn; that it was of no strategic importance to us and could not be defended anyway.

Then, overnight, with apparently no one understanding just what was expected of us, no one knowing just what the job might be, we are all at once at war in Korea.

In like manner, it was not so very long ago that we were being told from the White House that there was no necessity for any sort of even stand-by control over prices and wages, that all we needed was some power about allocations and requisitions and some other things; let all the rest of it go. Here we are today. A headline in the paper says, "Truman drafting own stand-by control plan." Why, I say, how can anyone deny that there is a state of confusion, and how can he question from whence comes most of that confusion?

Let us just take a look at this. Here we have before us a bill that does not deal with prices or wage controls at all. It has to do with allocations and restrictions and some other things. No one has yet contended successfully, so far as I know, that there was any emergency or is now any emergency in respect to the matters covered in the bill pending before us. Who has indicated that there is any lack of steel for a defense project now in being? No one. Who has indicated any important necessity for allocations? No one. For requisitions? No one. Yet on that bill, not on price and wage control, mark you, the committee did not hear a single representative of industry, of agriculture, or of labor.

This is a most important matter which confronts us. Certainly to legislate properly upon it we should have the advice of the people who know most about it. Again, I say there was no emergency and is now no emergency in respect to the provisions of the pending bill.

I am not so sure but what if I had been a member of the Committee on Rules, although I can understand the pressures that are exerted in a time like this, it might well have been said, "Since there is no emergency, take this back to the committee and study it and find out what we really need and what is good and what is bad."

If there was any emergency and if there is today any emergency it is that which arises from increases in prices of the things that people have to buy. If there is any necessity for immediate action, it seems to me to be clearly in the field of price and wage controls. Yet there were no hearings on that feature at all, none at all. There are no such bill or proposal before the committee.

So here we are. I have no doubt but what the folks on the Democratic side in the majority on the Committee on Banking and Currency probably have in their pockets this bill that we are told has been drafted downtown. I do not know how soon it will be forthcoming. Whenever they trot it out, we will have to take a look at it.

Of course, if the administration knew just how serious this threat to our national security would develop to be, if they had foreseen, as I say competent people with all the inside information should have foreseen, the circumstances that would here confront us, why did they not come up here immediately upon the development of the situation in Korea and say, "Freeze everything for 30 or 60 days, you people in Congress. Let us call a halt to any increases. Then you take the time to look around and see just what we need." There, again, that has not been done.

In respect to the pending bill, I think there should have been hearings on the propositions advanced in it. I would still like to see such hearings.

I think it is quite apparent we are not going to have them, so probably about all anyone can do at this juncture is to say for the record, with all the power at his command, that before those broad powers contained in the provision of the pending bill are put into effect, the people who will be affected by them and who will have to live with them and who will have to do the job of production which this country must have if we are to be successful, be consulted step by step in order that wrong and damage not be done.

As a matter of fact, the provisions of the pending bill go much further than

in my opinion, they need to go. There is a lot more there than meets the eye.

As to price and wage controls, apparently we are going to have that in this bill too. I do not know whether it is going to be the Deane substitute, or the Kunkel substitute, or whether it will be the Spence substitute. I do not know. I do have some convictions about what ought to be in it. If we have price controls, are we not going to have to have wage controls right along with that. I know for many people that is not very good music. Many people are not very happy about it.

Whether they are going to be stand-by controls, or immediately effective, I do not know. And what is to be done about prices to the farmer. Many of his prices are now below parity. If I knew just what the Truman administration people were proposing, I would have a little better idea about what we might expect. Whether they are going to be across-the-board, or just some selective items, I do not know. I think it is a fortunate thing that many of us here served through those difficult days when we were struggling with the problems of price control, rationing, and wage controls during World War II.

The Congress never faced a more difficult situation than that which confronts us today. We have not been adequately informed to meet it. But I hope, and as a matter of fact I am sure, out of the collective judgment of the people who now constitute the House of Representatives, we can come up with the right answer even though we have not had the sort of assistance, help, and information that we should have had.

Mr. LYLE. Mr. Speaker, I yield 9 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I am sure we all have troubled and perplexed souls today over this momentous question which we are called on to decide. I suspect when we search those souls, we would find first that as free Americans living in a great democracy we are fundamentally and basically opposed to regimentation such as controls bring about. Then I think we would find when we searched a little further and read the press reports of the boys who are dying over there, we would feel it incumbent upon us as patriotic Americans and liberty-loving people, to give them every support we have at our command.

The question seems to be whether we are going to have a limited control bill such as has been brought in by the Committee on Banking and Currency by the narrow margin of one vote, or whether we are going to have an all-out across-the-board control law.

Again, our individual souls are going to be put to the task of deciding, tomorrow possibly, which horn of the dilemma we will take.

To arrive at a proper conclusion—and certainly I do not profess to have the proper conclusion or analysis—I think we must try to analyze the situation as it presents itself.

Five years ago this month, Mr. Speaker, a small band of us in this House spent 2 weeks in Russia during our 2 months' study abroad of economic and political conditions. Some of that time was spent in the Kremlin in conferences with that man of mystery, Mr. Stalin, with Mr. Vishinsky and Mr. Beria, and other members of the Politburo. We saw the regimentation of those people first hand. We came out of there with certain conclusions. Among those conclusions I recall three most distinctly. We wrote them into our report to the Congress in the form of recommendations for the administration and the Congress to consider.

No. 1, that in our judgment Russia did not want war with us any more than we wanted war with them.

No. 2, that Russia was determined, through Stalin and his little band of fellow conspirators, which made up the politburo, to gain world control and domination using communism as a front. That to do this she would do everything within her power to prevent our attaining the one goal in which we were interested, namely, world peace. That she would accomplish this by using every means within her power to bring about world chaos and confusion, placing a hurdle here, an obstacle there, and a barrier elsewhere.

No. 3, that the United States, Great Britain and the other allied powers must abandon our Chamberlain-like appeasement policy and adopt a firm policy in dealing with our late ally, Russia. Further, that firmness and power is the only language that Russia understands.

To implement those recommendations, as chairman of the Postwar Policy Committee, I introduced a resolution in the beginning of the Eightieth Congress which would declare that, among other things, as our policy.

Unfortunately, it would now appear that our prediction proved only too true.

There appear to be many lines of thought and speculation as to whether this is a police action or whether it is the beginning of world war three. If my analysis of the situation is correct, it is not necessarily either. It could well be a part and parcel of the Communist plan of confusion, chaos, divisions, and destruction.

I point out to you in substantiation of this that in all of the countries which have been taken over by Russia since the closing of hostilities and brought into her orbit of influence not a single Russian gun has been fired by a Russian soldier. Czechoslovakia and all of the others have been taken under the iron thumb and behind the iron curtain through the simple process of bringing about division, confusion, chaos, infiltration and finally revolution. Moreover, it is generally conceded by all military authorities that Russian arms could march to the English Channel almost overnight. Again, is there one here who doubts that Russia yesterday or today could prevent the landing of our troops at Pusan if she were ready and willing to risk all in an all-out warfare with this country and our allies?

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to my distinguished friend and colleague.

Mr. COX. You know Russia can also return the North Koreans to the area that they formerly occupied.

Mr. COLMER. Yes, permit me to say to my devoted friend that in the present situation she can do almost anything that she wants to do, and I might add that Russia today and ever since the war ceased has been calling the signals and pulling the strings.

Again, if I am correct about it, terrible as the thought may seem, somewhere along the line we may have to take the initiative rather than to be strung in Russia's own pattern all over the world at every point so that we will not be strong enough at any one point to resist them. Russia so wants to weaken our economy that she can make us ripe for a revolution in this country and then take over as she has done in other countries.

Now, again, on that premise, if we are to be confronted with one incident after another, then we are in war, to all effects, and we ought to do something about it.

Yes; the President and his advisers who make our foreign policy might well consider reluctantly, I grant you, but nevertheless they may be forced to consider the necessity of our taking the initiative rather than playing into the hands of the master minds of the Kremlin. At least, we must be prepared for such an eventuality.

No, Mr. Speaker; it is my thought, for whatever that is worth, that this is not necessarily the beginning of world war III. When the Korean incident is settled, one way or the other, then Russia will start in another area of the globe to bring about further confusion with another incident, possibly Iran, Greece, Turkey, or who knows where? Then, when that is settled, another incident somewhere else, and perhaps two or three incidents at the same time in different parts of the globe, always using her puppet nations or agents—all in furtherance of obstacles, destruction, confusion, and chaos—all leading to her one objective—world revolution.

Therefore, permit me to say to you, my colleagues, that the world picture is not a pretty one. And the coveted goal of peace appears to be years and not months away. It may be later than some people think. Therefore, if we are going to mobilize our efforts it should be on an all-out, across-the-board basis. We must avoid the pitfalls and errors of the past. We found out in the last war that we could not have partial controls. If you are going to regulate the prices of commodities, then you have got to regulate the price of the chief cost of the commodities, labor. Some people in this country, some people in this Government do not want that; but you cannot eat your pie and keep it too. If we are going into this field, then we ought to go all out and see that everybody bears an equal portion of the burden.

Mr. Speaker, we face a very serious situation, as I said, one that calls for the most patriotic careful thought that

we can exert and that we can practice. I do not think this is any time to blame anybody here or there, in this position or that position; for what has occurred or for what might occur. As the distinguished chairman of the Committee on Armed Services said here so aptly the other day, regardless of who got the ox in the ditch, it is our obligation and our burden to get the ox out of the ditch.

Mr. Speaker, in my humble judgment, for whatever that is worth, we are in for many more Koreas, many more such incidents, unless as I intimated a moment ago we are driven to the initiative. God forbid that coming events will make that necessary.

In the meantime there is no place for selfishness, greed, a business as usual policy, or politics as usual. The American boys who are fighting and dying on the Korean Peninsula find this to be war regardless of what others may call it. We can do no less than give them and their loved ones our all-out support.

The SPEAKER. The time of the gentleman from Mississippi has expired. All time has expired.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9176, the Defense Production Act of 1950, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the time is divided equally between the gentleman from Kentucky [Mr. SPENCE] and the gentleman from Michigan [Mr. WOLCOTT], and is limited to 1 day; so debate will conclude when the Committee rises this afternoon.

The gentleman from Kentucky is recognized.

Mr. SPENCE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it is purely coincidental but it may be significant that the last two digits in the number of this bill are "76." It evinces the spirit of 1776.

Why are we in Korea? This Nation was dedicated to the principle, and it is self-evident, that all men are created equal, endowed by their Creator with certain inalienable rights. Among these are life, liberty, and the pursuit of happiness. To secure these rights governments are instituted among men deriving their just powers from the consent of the Government. It did not state that all men are equal financially, equal intellectually equal morally, equal in strength, but that all men are equal. All men of whatever race or religion or wherever they may reside are endowed with equal rights.

It was in performance of that principle, and adherence to it, that with the aid of the United Nations we sponsored the organization of the liberal government in Korea south of the thirty-eighth parallel. They established a free government there, a government that was dedicated to the same principles to which our Government has been dedicated.

Koreans are a homogeneous people of one religion, of one race, with deep attachments to one soil. It was not long after the Republic of Korea was established that it was brutally attacked by the Communist people of northern Korea. This uncalled-for attack demonstrates that two ideologies cannot exist together in a peaceful world. We had to go to the defense of the Republic of Korea because we were committed to it.

We have to see that these little nations that are speaking for the liberty and the independence of the people shall not be destroyed, not only for their interest but for our interest.

Russia selected a theater of war that was well adapted to her. By reason of the remoteness and inaccessibility of the country it has placed a great burden upon us. But we have got to see it through.

There has been some talk about the confusion that exists in this bill. There is no confusion on this side. We reported this bill by a vote of 20 to 1. The only confusion that has been brought about has been due to amendments that were proposed in committee, and I presume they will be proposed on the floor. The President must deal with the great responsibility that is upon him. He must deal with a responsibility that few men have placed upon them. He wants this bill. He wants the bill as reported by the committee. He wants that bill because he thinks he can accomplish the purposes that are desired to be achieved by it.

They ask us why we did not invite great numbers of people to testify. We did not invite them because if we had opened the door there would have been hundreds who would have wanted to come in and most of them would have testified against the inappropriateness of restrictions being put upon them. That is natural, of course. The interests wanted to come in, but we did not let them come in because we were told that expedition is necessary.

Nero fiddled while Rome burned, and we did not want to do anything that would prolong the rise in prices that is now taking place. You talk about controls. We do not like controls and the President did not want to put any more controls on the people than he thought were absolutely essential to accomplish the purposes which he was trying to accomplish. Was that not natural. Yet, when were in the committee the constant complaint and criticism of the minority members was that these controls were too stringent; that these controls might make him a dictator; that he might use them for improper purposes, and there was an endeavor continuously to whittle away the authority that had been provided him in the bill. Then, without any forewarning, without any opportunity to consider it, an amendment was offered by the minority that gave him absolute power over prices and wages; powers that he did not ask for. Of course, there is confusion, but there is no confusion on our side. I can say to you now that the President wants the bill as we reported it. He wants to take this step by step. He feels that these powers are sufficient at the present time. He feels that if he needs more powers we will grant them to him. And, of course we will. What is wrong with that? If the President had asked for these powers I can see the reaction there would have been to that. They would say, "We are only in police action in Korea, and he is asking for despotic powers contrary to the principles of our Government."

Now, I like a little consistency, and I would like to see more consistency than I have seen in the consideration of this bill. Who did we ask as witnesses to come before us? Mr. Symington of the Security Resources Board, a very able man and a fine administrator, who knew of the resources of America, gave us an over-all picture. We had Governor Evans, of the Federal Reserve Board, who read a statement from Chairman McCabe, and we had that able Secretary of Commerce, splendid lawyer and outstanding administrator, the Honorable Charles Sawyer, who gave the benefit of his expereince. He ought to be the person that will control these things, because it is largely connected with his Department. Then we had that great man, a distinguished citizen and great general, Omar Bradley, and he painted the picture of what is going on in Korea, a picture that made every member there believe that expedition was necessary. What ought we to have done? Under these circumstances ought we to have listened to the requests of 100 or maybe 200 people who represented various phases of industry and activities of the United States and let them come before the committee to express their views? Should we have done that? Should we be condemned because we sent for the top men in the Government of the United States who had conferred with those who were most familiar with this subject? Or should we have opened the door and let them all testify, actuated by special interests they had? I realize everybody ought to have fair treatment and I realize that that is a right in normal times to come before the committee, but it was just a matter of expediency and necessity that these hearings were closed.

Now we brought a bill to you that the President wants. He is responsible for it. He says, under those powers granted, he could control the conditions that exist today by allocations and priorities, by requisitioning commodities, materials and facilities, by expansion of production and supply and by the control of

credit and speculation on commodity markets. That is what he said he wants, and we provided for it in the bill. Can any argument be made against that? When the very fabric of our Government, when the future prosperity and happiness of our people may be at stake, must we open the doors and let all testify?

The President did not want total mobilization, he did not want to regiment our economy. He wanted to do as little of it as possible. Yet he is criticized for that. He is criticized for that by those who want to give him a power he does not want. Why do they want to give it to him? May be it will not result in political advantage as they seem to think it will if we give it to him. I know the President will exercise any power that is given to him with a patriotic spirit that is worthy of the President. I know he has only one object in view, and that is to bring about conditions that will bring happiness and prosperity to all of our people.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. JAVITS. Under the requisition authority which is contained on page 30 of the bill I notice the President may seize property or the use thereof. May I ask the gentleman on that point, first, whether it is designed to enable the President to operate any plant he seizes?

Mr. SPENCE. Of necessity I think he could operate it. There would not be any point in seizing it if he could not operate.

Mr. JAVITS. Can the gentleman tell us what is contemplated as to terms and conditions of employment?

Mr. SPENCE. There is nothing in the bill in regard to the terms and conditions of employment. If the President seized a plant he would have to negotiate as to the terms and conditions of employment. Under our Constitution and form of government there is no power to make a man work if he does not want to work. You have seen that. You cannot enjoin a man to work. Of course, the President would have to make arrangements with the employees as to the terms and conditions of their employment.

Mr. JAVITS. I thank the gentleman.

Mr. SPENCE. I earnestly ask that the House not be stampeded by the statement that so much confusion exists, when there is no confusion, and vote for the bill that was reported by your committee.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. JENSEN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-three Members are present, a quorum.

Mr. WOLCOTT. Mr. Chairman, I can readily understand why many people would like to have but little confusion in respect to this bill. I think if there is an understanding of the bill there should at least be concern for the domestic economy. If there is an understanding of this bill and the powers which it creates, then I think the confusion can be excused.

Confusion in respect to this bill and the thinking in respect to this bill is due, if it exists, to the fact that this bill as reported out of committee goes ever so much further in the granting of authority and power to control our economy than has ever been given to the President of the United States during any of our wars.

It goes ever so much further in the granting of powers than we went during the Second World War.

I have a great deal of respect for Mr. Symington, but Mr. Symington was unable to give us any information in respect to the details of this bill. As a matter of fact Mr. Symington made the statement that there are no greater powers in this bill than we had delegated to the President during World War II. So perhaps the confusion might be due to the fact that the sponsors of this bill apparently do not know what is in it, because within 5 minutes after he made that statement it was pointed out in the committee that this bill gives new and most unusual powers to the President over and above what he had during World War II.

The Federal Reserve admitted that this bill grants to the President powers which he never had or which the Federal Reserve never had during World War II.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HALLECK. I certainly do not want to interfere with the very splendid statement that the gentleman is making, but is it not also true that the powers granted in this bill go much further than the message indicated they would go? I refer to the message of the President which was addressed to the Congress seeking the enactment of some such legislation as this.

Mr. WOLCOTT. Yes; and I shall point that out.

Now, I want to point out some examples wherein this bill gives the President more power than he had during World War II.

In the first place, it gives him power to control the commodity exchanges, which he never asked for in World War II. It gives him the power to take any property, which, in his own opinion, is necessary for national defense. He did not have that authority in the Second World War. He could take it only for the production and distribution of materials of war. Theoretically, under this bill the President could make a finding that a rocking-chair factory was necessary for the national defense, and could take that rocking-chair factory and close it down. He never had such authority as that during the Second World War.

In respect to corporations which we authorized to be set up in the Second World War under 5 (d) of the Reconstruction Finance Corporation Act, the activities of those corporations were limited to the production, storage, and distribution of war supplies. There is not that limitation in this bill.

During World War II the President activated the sections of the Trading With the Enemy Act of 1917, under which he controlled, through the Federal Reserve, consumer credit. The President's control of credit in the Second World War was confined to consumer credit. This bill gives the President the power to control every dollar of credit which is issued by anyone. It gives the President the power, which has been sought on many occasions but always denied by this Congress, the power to control the lifeblood of the American economy, which is credit. If those provisions remain in this bill, then the President does not need any other authority. He has got a shackle hold on America that this Congress will have to release. Otherwise, there will be such confusion and uncertainty as to effect the economy during this time of stress, when it should be stabilized, even more than it was wrecked by trying to enforce an equally bad Price Control Act, which this Congress passed in 1946, after the President had vetoed a bill which would have authorized the gradual restoration of the liberties which we have been talking about here today, and the gradual elimination of price controls, without too much shock to our economy.

Why does the President want the power to control all credit? I should like to have someone explain where I am wrong.

The President is authorized to control consumer credit. There is not any reason why he should not have that power; as a matter of fact, he has the authority at the present time to control consumer credit. All the President has to do is to declare that an economic emergency exists, and he can reactivate consumer credit by that proclamation under Regulation W, or whatever you wish to call it, just as effectively as he could do it under this bill. The only reason that provision is in the bill, of course, is that the President apparently does not want the responsibility of declaring an emergency; he wants the Congress to take the responsibility of declaring the emergency. Well, there will be no trouble about that; we will not quibble on how it is done; there is no reason why we should not legislate to give him this power if he wants it, to reenact the power that he already has.

During the Second World War the President never sought the power to control real-estate credit; it was never given to him because he never asked for it. The President under this bill can stop every dollar of real-estate credit; he can tell the banks that they no longer shall take mortgages on real estate; he can stop the Federal housing program notwithstanding the language on page 40, line 19. He can prevent the operation wholly or partially of the Veterans' Administration guaranty of veterans' mortgages. He already, by Executive order, has increased the amount which the veteran has to pay. He can stop the FHA program completely or partially; he can stop the operation of the Federal National Mortgage Association. He can do anything he wants to do in respect to any credit. You will find the definition of credit on page 42 of the bill; you will

find the definition of real-estate credit on page 41, and also on page 41 of the bill you will find the definition of consumer credit. Of course, if the credit mentioned in the definition on page 42 applies, as some of them may tell you from now on, only to consumer credit, then there would be no necessity of having that definition in here, for the definition of consumer credit, of course, would apply to that. The definition of credit on page 24 must be read in connection with subsection (b) of page 39 in which it states:

No person shall extend or maintain any credit—

It does not say "consumer credit"; it does not say "real-estate credit"; so it must mean all other credit; it cannot mean anything else—

or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section.

That section would reach right down to situations between individuals. I just want to show you how far reaching this bill is in that respect. I will not use this as a ridiculous example but as an example which can become very realistic.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 additional minutes.

Mr. Chairman, we may assume for the purpose of this example that I go to you and borrow $100. I say to you, "I will pay you $50 next week and I will pay you the other $50 the following week." If you lend that money to me and I accept it other than in accordance with the regulations of the President, you and I may go to jail for a year and be fined $5,000.

Now, is there not justification for a little confusion in people's minds when you ask for that kind of power? It was asked for in 1935, Mr. Chairman, and we denied it. It was asked for again in 1939 and we denied it. It was not even asked for as a part of the controls during the last war.

Surely, even though we might expect, as many of us do, that Korea is merely the start of a series of incidents which will eventuate in a world war, the drain on the American economy and the necessity for powers to control the economy will be no greater in the event of a third world war than they were during World War II.

I am in favor of giving the President all of the powers that he had during World War II. No more. These things were thrashed over hour after hour, day after day, from 1941 to 1946. These are not new questions; these are not new problems.

Mr. Chairman, I do not want to be a party to the possible socialization of America in the name of an emergency. If we must socialize America to meet an emergency, then, of course, there is a tremendous weakness in the democratic form of government and I shall not acknowledge that there is any such weakness in a republican democracy as would justify the change of this form of government to that of a socialized state under a dictator. We have always fought our wars under and not in spite of the American Constitution. We have been successful up to the present time in saving the American system after each of our wars and restoring the liberties and freedoms temporarily taken from the people to the people. And we will do it this time unless we give the President such new and unusual powers that in the use of those powers he will destroy the foundation of our Government, which is the American economic system. You destroy the American economic system and you will have effectively destroyed America. I shall not be a party to it. But, I shall give the President all the powers he needs to stabilize our economy during world war III and this threat of world war III. We should give him power to allocate; we should give him the power to exercise priorities and the distribution of all materials; we should give him the authority to even take plants as he was given the authority during the Second World War when it became necessary to take those plants or set up new plants for the manufacture of war goods; we should give him the authority to control prices; we should give him the authority to control the costs of production, including wages; we should give him the authority to ration consumer goods as a means of stabilizing the economy in order that war production might go forward. We should give him all the powers he needs, but no more.

Up to the present time there has been no use whatsoever of the powers which the President has today to prevent inflation; inflation in the real-estate credit field, inflation in the consumer-credit field, inflation due to credit expansion. I asked the representative from the Federal Reserve Board whether this was a currency or a credit inflation. He said this is a credit inflation. Well now, if this is a credit inflation, and I think we all agree that it is a credit inflation, the way to meet that problem is not by these little more or less inconsequential but irritable consumer credit controls. Trying to control the velocity of credit by controlling consumer credit is like trying to prevent the inflation of a child's balloon by resting your finger lightly on it; it means about just as much. You have to get to the source of that credit.

Now, what is the source of that credit? The source of that credit is, of course, the banks. Without the banks there can be no consumer credit, and there are orthodox methods set up for the control of credit. Do you know that the Federal Reserve Board today has it within its power to make it impossible or, rather, impracticable, for a person to borrow a dollar anywhere? The Federal Reserve Board could put a rediscount rate on loans, sufficiently to dry up every dollar of credit in the United States, and instead of that they are maintaining credit almost as cheap as it ever has been in the history of the United States. The banks can go to the Federal Reserve banks and get their money at 1½ percent. Six or 8 months ago it was 1 percent. They raised it to 1½ percent. Why do they not raise it to 7 percent if they have to? It was up to 7 percent in 1929.

Why do we deliberately keep money cheap and credit cheap, and then wonder why we have high prices? Why do we continually talk about consumer credit controls when we have it within our power to stop all credit, consumer and otherwise? Why are we talking about giving the President in this bill control of credit, when ever since 1913 under the action taken by this Congress there was set up the Federal Reserve Board as the agency for the control of credit, and we gave them the machinery with which to control credit? We do not have to give the President these new and unusual and autocratic, perhaps, powers.

As late as 90 days ago FHA reduced the interest rates on real estate mortgages from 4½ to 4¼ percent, to make real estate credit easier. Why now give the President further authority to control real estate credit, until he has used the authority he already has, and now is the time to do it? In other words, these credit controls should not be given to the President or anyone else until the power and authority which he now has and the authority which the Federal Reserve has is fully utilized. Then if these powers are not sufficient to do the job we can give consideration to giving more power.

Why does the President insist on keeping the gold reserve behind the issuance of Federal Reserve notes at 25 percent?

It was reduced from 40 percent to 25 percent. Why does he insist upon that when the restoration of the gold reserve behind Federal Reserve notes from 25 percent to 40 percent would freeze that much of the gold base upon which so much of this credit is predicated? Why does he insist upon keeping the gold reserve behind deposits at 25 percent, when it was traditionally 35 percent up to the time we reduced it to increase the volume and velocity of credit?

Why does the Federal Reserve, or the Treasury, which dominates the Federal Reserve policy today, insist that Government bonds be supported above par? We agreed with the people to pay them par. We never agreed with the holders of these bonds, most of which are in the banks, to pay them more than par. They are being supported today by the Federal Reserve at above par, which is admitted to be inflationary.

Why does the President want these unusual controls? We should not give him these controls until he has used those credit controls which we already have given him in an attempt to stop prices from going any higher.

There is a job that has to be done here and the President should have the authority and he should have the responsibility to stabilize our economy. So we should give him all of the powers he had during the Second World War, but not the powers in this bill.

I have been asked what could we do by way of amending this bill to do that? That would confound the confusion to a point where we would not know where we are going. I think the better plan

is to wrap it all up in one package and read it all in one program. We will give that to the President and then say to him, "Mr. President, here is the authority to stop prices from going higher, which added to the authority you now have under existing law should be sufficient to do the job. If it is not sufficient to do the job after you have tried it, and if it does not go far enough, come back and show us wherein you need additional power, and we will consider giving it to you." That is my idea of what we should do at this crucial moment.

The gentleman from Pennsylvania [Mr. KUNKEL] has worked assiduously under the most trying circumstances to try to get such a program together. I hope it will receive the attention from the committee that it deserves, because it is a good program. It is the program under which the job was done during World War II, and it is the program that will authorize and empower the President to do a similar job during this crisis.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I am supporting the bill reported by the committee by a vote of 20 to 1. I am not supporting the proposed substitute to place controls on the prices of every commodity produced in this country. I am not for the amendment which I hear will be introduced by some Member on my right to give these controls to the President of the United States to use when he wants to.

I am standing by the committee bill.

I am surprised at some of these speakers who start out by saying that the bill goes too far and then before they finish their argument they say it does not go far enough. When you put price controls on every commodity produced in this country, it will be a generation before you get them removed. Therefore, this is a time for sober thinking. I know back home the people are dissatisfied, but this is a time when men must keep their feet on the ground.

Here we are being urged under a wave of hysteria to control prices on commodities when there is an abundance of foodstuffs everywhere, enough for our Army and enough for our civilians. We have over 450,000,000 bushels of wheat; over 900,000,000 bushels of corn; 7,500,000 bales of cotton; plenty to eat and plenty to wear, and yet some want to put on controls. Why do you want controls? In World War II we removed controls as soon as we had a surplus of any commodity. Here in peacetime, before we have declared war, some are advocating placing controls on every commodity in the United States, and the record shows that we have an abundance of everything to feed and clothe the people of this country.

I say to you again, not in your lifetime or in your generation, when you take this step to put controls on every commodity, will you live long enough to see them done away with.

Take rent controls. Even 6 years after the war you still have rent control.

This is a serious question, and I hope nobody in this Chamber will try to play politics during these trying times. I feel that all want to win this Korean struggle. We all feel keenly about backing and protecting our boys, and we want to do everything we can. If you put on controls you cannot do it so quickly. It will take from 6 to 7 months before you can get controls and have them administered properly, under the proposed Kunkel or Deane substitute. Then we will either be off the Peninsula of Korea or we will run them back across the thirty-eighth parallel.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. BROWN] has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. BROWN of Georgia. Now, there are two schools of thought. One is the bill reported by the committee. And they talk about this bill being too severe. I am surprised at anyone talking about this bill being too severe. It gives authority to do what? To allocate the materials of war, and why? Because some of those materials are scarce. Steel is scarce. Copper, lead, and other critical materials are scarce. We have a sufficient supply of steel, I understand, to supply the needs of our country at present, but this critical material is not strategically located so as to meet our civilian needs and to supply our armed forces. Who objects to taking some steel away from the automobile factories of this country in order to use it to make weapons of war to back our boys, and take them off the shores of Korea, or any other spot in the world? That is one commodity of which there is a scarcity. The bill allocates it. It is true that everyone who uses critical materials will have to give up something, and I believe everyone wants to. Of course the bill puts some restrictions on credit, but principally on installment buying.

The chief purpose of this bill is to authorize the President to requisition plants and facilities, to allocate materials needed for the Armed Forces, and to tighten bank credit by curbs on installment buying.

The other school of thought is to place controls on all commodities now when we have a reservoir of foodstuffs and staple commodities more than adequate for our present need. Just a few weeks ago many Members were inquiring what we were going to do with the surplus of our agricultural commodities. Those same people today are asking for rationing—yet the foodstuffs are still in our supply stream and readily available. Gentlemen, unless we exercise the due caution which is our duty we will be compounding the scare buying which has been occurring in some areas recently. When we have full production like we have now there is no cause for inflation. When the people back home know that we are sincere and believe that we have enough food, enough clothing, enough of every commodity, that in itself will defeat inflation, and that is the only way to defeat inflation. In the clamping down of controls you will see the wheels of industry stopped, to a great extent; you will see the cultivators and the people working in the fields reduced to a minimum and then you will have failure of production and more inflation.

We must let the people back home know the true situation, that we have an abundance of all commodities, and that it is unnecessary to rush to the market to buy things they do not need. Yes; I know some say "Control everything, control everything"; but they do not understand that we have an abundant supply of everything—more than is required. The object of any control is to defeat inflation, and you have it defeated when the people know that you have a sufficient amount of every commodity.

Let me relate again the chief purpose of this bill is to authorize the President to requisition plants and facilities. Who objects to that? What man who owns a facility or plant for the making of the tools of war would not let Government have it in order to free his son or his neighbor's son from overseas? What else does it do? It provides allocations of material needed for the Armed Forces, and tightened bank credit by curbs on installment buying. I know there are one or two things that could be cut out of this bill; we took three or four objectionable features out of the bill ourselves. I think the real estate section is objectionable. You can cut that out if you want to by amendment. Some people do not agree with me in this.

I do not believe commodity exchanges ought to have been included in the bill. I introduced an amendment to this section, which was adopted, for the purpose of meeting the objections but I understand now that the amendment is not altogether satisfactory and may not be workable. You can cut that section out entirely by amendment. So, if this bill does not suit you, offer your amendments to carry out your objections, but for goodness' sake, do not let this fear that is going all over the country that we do not have enough food, enough clothes, go unchallenged. We have enough of everything on earth except the scarce materials we need for war purposes.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BROWN of Georgia. And now, as to those who testified for the bill. Here is Mr. Symington, Chairman of the National Security Resources Board, a man that everyone has the utmost faith in, recognized as one of the best businessmen in the United States, and when he was appointed to his present job it was heralded all over this country in practically every daily paper in the United States what a wonderful man he was, and what a grand selection the President had made. What did he say? "I want this bill." He helped draw the bill. He said further:

> We do not want any controls now; we do not need them now, but we need what is in this bill.

Let me call the roll a little further. Here is the Secretary of Commerce, perhaps one of the greatest businessmen Ohio ever produced, from the great city

of Cincinnati. His whole life demonstrates that he was a clean, good businessman and one of the best in the West. What does he say? He says:

> We want the curbs in this bill. We do not want, and do not need, and cannot enforce at this time all-out control of every commodity in the United States.

Who else testified? Mr. Evans, a member of the Federal Reserve Board of the United States, another one of the best businessmen in the country.

What did he say? He was for this bill and wanted it passed immediately. Here are three of the greatest businessmen in the country. They are the men who helped write this bill. They were there. Of course, we want to win this war. They testified for allocation of critical materials needed for tools of war and for curbs on installment buying and against price control at the present time. Then the next witness was our great General Bradley whom you and I are relying upon to lead us to victory. What did General Bradley say? He said this bill carries out what we need now. He said that we need this and we must have this.

Mr. Chairman, when it is stated that we did not call businessmen who know about business, may I say that we not only called three of the greatest businessmen in the United States but we called the leaders, some of them occupying positions in the Cabinet, and we called General Bradley who is leading our military forces. Is there a man who will say we could have called any other witness who would have known more what they were talking about than the four we did call?

Mr. Chairman, the situation calls for action, it calls for immediate action on this bill. It is time to quit sparring around. It is time to think and not bring on controls on all commodities when these witnesses do not want them at the present time.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman one additional minute.

Mr. BROWN of Georgia. Mr. Chairman, let me say to the gentleman on my right, I am against your bill if you offer it giving the President stand-by authority to put in controls as he sees fit at the present time. If you are going to have controls I would rather see them across the board. I will fight that amendment the same as I will fight the one that will be offered from the left side of the aisle.

I do hope and pray that you will follow these leaders who know more about the situation than we do. If we have to roll back, the whole world knows the situation; if we have to roll back it will not hurt our conscience to roll back because the people of this country know that we will do it if prices continue to go up. But when the people find out that we have passed this bill and that there is an abundance of all commodities, you will see prices go back to their level where they ought to be. When you have controls, let me tell you, let me repeat, you will never get them off in your day or in mine.

We had hearings on this bill and no other bill. We did not have a single witness to appear for or against the proposed Kunkel bill or the proposed Deane bill. If you are in favor of complete controls let us pass this bill now and have a hearing, which can be started any time, on complete controls of all commodities, but our leaders who know more than you and I are calling for this bill immediately. Let us pass it, then if you desire let us have a hearing on the proposed bills referred to and decide at the hearing whether or not we want complete controls on all commodities across the board. Who can justify a vote against this bill in favor of the Kunkel or Deane bills when there have been no hearings at all.

Gentlemen, let me remind you that the outlay proposed at the present time to support our defense effort is $10,000,000,000. It does not require price and wage controls—for the amount is well within the range of normal economic fluctuation in our economy. Our present situation does not now require—in the opinion of our leaders—the capital outlays and the total mobilization which were needed at the beginning of the last war. The authority the President has requested and which the committee bill provides is adequate at this time. Our huge supply of foodstuffs will dampen the price increases caused by panic buying. Effective credit controls can contract demand for consumer durable goods. These are the instruments to use to stabilize our economy. A general freeze in prices and wages will result in untold inequities—unnecessary maladjustments in our economy. In fact, they may well retard the effort we must make at once. If we do not need price and wage controls, why should we risk the chaos that would be the inevitable result. It would take from 6 to 9 months to set up the administrative machinery to work out the chaos and disorganization resulting from a freeze. Does the House desire this result. Or does the House desire to provide the authority which is necessary to support our defense effort now—the authority which will do the job required—and do it in a manner which will expedite the things required to be done. We do not want disorganization now. We do not want to upset our economy. We want to stabilize it. The committee bill does that. Freezing of wages and prices at this time will do just the opposite.

Again I caution my colleagues to give due recognition to the facts of the situation before embarking on a course which our principal advisers tell us is not required now—and one which may well undo what we here today desire to accomplish.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, the toughest vote I will have to face in my 16 years in this House will be the vote to reinstate price and rationing controls on the production of goods for peacetime and wartime. I mean price controls and production controls.

In studying the bill that has been reported by the committee, and I refer to that printed matter in H. R. 9176 which does not have lines drawn through it because I am not too clear on what is before the House, I find that section 2 is a proposal which I do not believe I can vote for under any conditions. And I think I shall offer an amendment to strike that section from the bill. That is a declaration of policy which talks about the United Nations organization and what this country is going to do, and so forth, in connection with that general approach. I do not think it has any place in this bill whatsoever, and I think the so-called policy which is set forth in the Kunkel bill, in the opening statement, is far more applicable to American industry and production and price controls, and what have you, than section 2 of H. R. 9176. I am surprised the committee put that section in this bill. I am not surprised that the administration recommended it.

The bill (H. R. 9176), on page 32, title 3, deals with expansion of productive capacity and supply, and if I understand section 301 it gives the President of the United States, under such regulations as he may prescribe, the right to take the Federal Reserve bank, as a fiscal agency, and go out and expand loans and build any kind of a plant, produce any kind of goods, which comes within the scope of this general approach, as deemed advisable by the President, and in my opinion sets up the machinery to provide a complete taking over of American industry by the Government of the United States through this mechanism here provided.

Section 301 in connection with section 401, control of credit, certainly enables the President of the United States to take over the control of credit through private channels.

Then in section 301 he can create his own credit-making machinery, using the Federal Reserve bank as a mechanism:

> To guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount or advance, or on any commitment in connection therewith, which may be made by such financing institution.

In my opinion this will be one of the greatest deterrents to private enterprise doing the job that has ever been laid down by the Congress of the United States.

Over on page 34 you find this language which I think under the political operations of this bill would prove to be absolutely pusillanimous, and it is on lines 18, 19, and 20 on page 34. All of these things can be done "except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms."

Well now, who is going to determine what reasonable terms are? Any of you who ever sat on the board of a large bank, where you determine whether or

not credit lines shall be extended for the building of plants, extension of productive facilities, the building up of inventories, the opening of new territories, things of that kind, know what twisting and squirming can be done with language such as that, especially, speaking very boldly, when powers like this are placed in the hands of politicians. I think the bill is just as dangerous along that line as anything can be.

Now we go over to section 411, commodity speculation. I have no idea on earth that the other body will leave section 411 in this type of a bill. I do not think it should be in the bill at all. I think it ought to go out of any bill that we pass which deals with this general subject. Those are some of my own views with respect to H. R. 9176.

Now I am going on to the proposal in general. Here we are talking of initiating price controls. What does that mean? That means black markets.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I call the attention of the gentleman to section 101 on page 29 where there is a proviso at the end that this authority shall not be used to ration at retail level consumer goods for household or personal use. That is a limitation.

Mr. CRAWFORD. That is true.

Mr. AUGUST H. ANDRESEN. Now it would indicate to me that under the general language and authority of the bill, considering the definition relating to raw materials which is found on page 47, materials include: Raw materials, articles, commodities, products, supplies, components, technical information, and processes. It would seem to me that hidden within the privileges of the bill is a provision giving the President power to allocate at wholesale or ration at wholesale and to deal with food products, farm products, farms themselves, or any other institution or manufacturing plant that produces raw materials or goods that pass in interstate commerce.

Mr. CRAWFORD. Yes, I think they do that.

Mr. AUGUST H. ANDRESEN. Therefore, as I see it, if that is correct, then the President could put into operation the Brannan plan for American agriculture and seize farms if the farmers did not comply with the rules and regulations laid down by the Administrator appointed to administer this act, or he could put into operation any other scheme that might clearly control the production of civilian goods under the authority in this bill.

Mr. CRAWFORD. I do not think the gentleman is stretching his imagination in those observations at all.

As I said a while ago, reinstating price controls and rationing puts us back into the black markets. It discourages production, without question; and it not only discourages production, it prevents production. I have not seen anything in this bill, and if I am not correct in this the chairman will correct me on it, which has anything to do with the control of wages or the prevention of strikes. Is there anything in the bill which would give the President power or control over one of those propositions to prevent strikes?

Mr. SPENCE. No; there is nothing in the bill. We have taken no powers away from him that he has, but there is nothing in the bill to prevent strikes.

Mr. CRAWFORD. The other day I voted against the selective-service bill that came through here, and I voted with three other gentlemen of this House. I was not then and I am not yet in favor of putting a small group of our people under compulsion and leaving everybody else free. I do not think the tax rates under the present conditions are as high as they should be. I think we should tremendously increase the tax burdens on individuals and corporations, both normal taxes and excess-profits taxes. I think that would have a great deal more to do with the prevention of inflation, or softening of the force of inflation, than anything in this bill that we have referred to will do. That would also let all of our people make some contribution, by compulsion through tax bills, the same as the boys are making who are being sent up to the front.

In other words, I should like to have the opportunity of voting for something which really has tremendous teeth in it and goes right to the crux of the situation and puts the burden on all of our people.

If we would increase the taxes fifteen or twenty-five billions of dollars a year to pay these new war costs and cut out this deficit financing, you would not have inflation.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. GROSS. Does the gentleman find anything in this bill which outlaws cost-plus contracts?

Mr. CRAWFORD. No, sir; I do not. I do not think this bill is efficacious at all along that line.

Mr. GROSS. As a matter of fact, on page 35, under paragraph (b) it provides that the President can continue the processes of the last World War on cost-plus contracts.

Mr. CRAWFORD. Yes, sir; that means big profits through war contracts.

Mr. GROSS. Certainly.

Mr. CRAWFORD. It means fantastic profits. It means brutal profits. It means extravagance and waste of the dollars provided by the bond buyers and the taxpayers.

I do not know what the other body is going to recommend to us in the way of a tax bill, but my guess is it will not be more than three or four billion dollars. I voted for the tax bill that went through here the other day before the Korean situation developed, and I voted so in the hope that I would have another vote on a different proposition when it came back from the other body. But now we are considering a proposal to give ten, fifteen, twenty-five, or maybe three hundred billions of dollars additional to be spent in the war effort. So let us put a tax burden on the people and raise some of that money as we go along.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HOFFMAN of Michigan. I thank the gentleman. We are in the present situation either because the preceding and the present administration wanted us in it or because they are incompetent to handle the situation as it arose. Where did you get any idea or have you any idea that the present administration would now show any efficiency in administering this program? Where did you get the idea that they are more capable of handling it now than they have handled the other programs that got us where we are now?

Mr. CRAWFORD. I did not think that I had expressed that idea.

Mr. HOFFMAN of Michigan. I am just inquiring whether you had it somewhere in the back of your head.

Mr. CRAWFORD. I do not have any such idea at all because I was referring a while ago to the political aspects of this power. I know, as well as you Members know, that under this bill special privileged persons can go and get almost anything they want and reap millions of dollars of profit as a result of the special privileges proposed here.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield once more?

Mr. CRAWFORD. I yield.

Mr. HOFFMAN of Michigan. With General Vaughan and the rest of those fellows down there at the White House, who have been down there all during these years grabbing off these special privileges and making these profits, where do you expect—or do you expect that the average fellow is going to get a square deal out of that gang or out of any one of them?

Mr. CRAWFORD. No, I do not expect them to.

Mr. HOFFMAN of Michigan. Then why vote for it?

Mr. CRAWFORD. Let me go back to this tax thing again. People will say, "Why, that fellow is advocating a setting up of fifteen or twenty-five billion dollars in the new tax bill." Yes, that is what I am advocating. I do not want to be misunderstood about it. I am advocating that if we are ordering a big dinner party in the name of war, let us pay for it as we go along. That is tough medicine. That is very tough medicine. I am willing to make my personal contribution, up to 90 percent of my income. Who wants to go along on that?

I am talking about myself now. I am willing to give up to 90 percent of my income. I am willing to reduce my standard of living down to the raw bone and just as tough a proposition as any doughboy has to put up with on the battlefield. Who is willing to go along with that? I am willing if necessary in connection with the tax proposal to contribute the Government bonds and saving certificates I have into the pool in order to pay for this game as we go

along. Does anybody want to join me on that? That is what I am willing to do as an individual.

I have some idea of what those boys are putting up with. So let us not increase these flames of inflation by going along here with a lot of deficit financing and then trying to wash it off through a pusillanimous approach such as we have here. Let us go right to the heart of the thing and clean it up.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. GROSS. The gentleman wants everybody else to go along with him, does he not—that is the bondholders and all the rest of them?

Mr. CRAWFORD. Oh, sure. That takes in all of them who have taxable income. And let us be sure that we write a definition of what is taxable income so that it will be picked up.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman mentioned something about tremendous profits. They announced down here that you do not need 5-percenters to get contracts. Do you think that they are all picked for the chosen few?

Mr. CRAWFORD. Maybe they are.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Chairman, I have heard a great deal of talk today about confusion with reference to this bill. There is a lot of confusion with reference to the price-control situation in general.

I noted that my esteemed friend from Michigan [Mr. WOLCOTT] said that the committee bill was too drastic and that it would give the President of the United States a shacklehold on the economy of the Nation. Yet in the breath just preceding he said that it did not have any teeth in it, so to speak, and you will note that colleagues of his on the committee offered a more stringent and drastic bill. Thus, the confusion.

The simple truth is that in the Committee on Banking and Currency the bill offered by my friend the gentleman from Pennsylvania [Mr. KUNKEL] was presented without ever having even been read. It was not a sincere effort for price control by Republicans in the committee. It was my feeling then, and still is, that there should be some kind of stand-by price-control legislation in this bill.

The other day I had a fair sample of it. A friend of mine down in Alabama wired me that he was in the chicken business and that he had a broiler business which averaged about a million and a quarter dollars a year; that he went around on his chicken runs to get his broilers and he found out that some fellow from New York had been down in that particular section and had paid unreasonable prices above the market, and he closed his broiler plant.

Today, since I have been here I have been approached by men interested in the lumber industry. I was amazed to find the terrific increase in the price of lumber within the last few days. More than that, it is clear that you cannot charge this price increase, this unjustifiable price rise, up to the farmer, because he is not getting it. More than that, I should like to say that you cannot charge it to the wage earner, because he is not getting it. The price increases—and they are terrific—which we have witnessed in the last 2 or 3 weeks have been unjustifiable. It has been absolute, plain, outright robbery of the American consumer. Somewhere between the man who produces it, whether he be in industry or whether he be a farmer in this country, somebody is not doing his patriotic duty in this time of stress and strain. So I would like to see a provision put into this bill whereby the President of the United States can, if necessary, roll back these prices to a reasonable point, because there has been no increase in labor and there has been no increase from the standpoint of the farmer.

I noted in the paper today that four divisions of the National Guard are to be called up for active duty. One of these may be the Thirty-first from Alabama and Mississippi. In the last 3 or 4 days a call to active duty was sent to members of the Alabama National Guard of my district, combat engineers, to report on the 14th. I think when the time comes, whether it is a police action or war, that we can take from the homes of America young men to fight in the battlefields far away from home, we should not quibble about holding down run-away prices.

So, Mr. Chairman, today we are doing a job that I had hoped, and as all of you who served with us in the earlier war days hoped, we would never face again.

I dislike price controls very much, but I think I can tell you, because of recent trips to Alabama this month, that the people back home are away ahead of us and that they are demanding a stop to these unjustifiable price increases. So I say, before we get through with this bill, let us give to the President the powers that he needs to curb inflation and let us give him stand-by controls to hold down prices.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. LODGE].

Mr. LODGE. Mr. Chairman, outnumbered and outarmed, but not outfought, American troops are making an heroic stand on Korea. I join my fellow citizens in the deep prayer that, by virtue of their sheer courage, our soldiers may be able to cling to a beachhead until adequate reinforcements in men and equipment are brought to their aid.

The dismal events of the last 5 weeks on that remote peninsula should convince every American that we can no longer temporize with the grave threat of Soviet Communist aggression. Surely, this is no time for business as usual—no time for politics as usual. On our willingness to incur certain small discomforts may well depend the opportunities and the freedoms which we now enjoy. This is a juncture in which America must be able to translate her enormous latent strength into actuality; for, if we fail, the penalty may well be slavery or death.

The war in Korea is but the outward manifestation of an onslaught against freedom which has been in process for many years, and particularly since the year 1945, when our leaders threw away the peace. It is but the tip of the iceberg of Soviet aggression. Beneath the waves lies the great bulk of the forces of communism which, by external aggression, by infiltration, by bribery and corruption, by intimidation and coercion, have captured and enslaved 800,000,000 people. The Korean war is but the outward manifestation of Communist determination to achieve world domination. We should, therefore, be prepared for a series of such outbreaks in other parts of the earth where the free and Soviet worlds are in contact. There is no easy way out of these difficulties. Considerable sacrifices will probably be required by all freedom-loving peoples in order for us to win through. Given dependable and far-sighted leadership, the people will meet this challenge. We need men and women of vision in high places. For where there is no vision, the people perish.

The week before last, following the President's message on the Korean war, I said that I feared that the President had asked for too little and that I hoped that he would ask for more before events make it too late. This is an important election year. It is also a year in which our country stands at the crossroads of its destiny. It is unthinkable that at this hazardous hour any responsible national or State leader would attempt to tell our citizens anything but the full truth. To conceal, to minimize, to straddle and temporize at this fateful moment, is to place in horrid jeopardy the whole future of the American people. Our immediate objective is to repulse Communist aggression in Korea, to bring peace and freedom to this little Republic, which we helped to create, which we abandoned, and which we belatedly decided to defend, at great cost in American blood and treasure. On our ability to win in Korea may well depend a peaceful world. Our ultimate objective must be peace in a free world. In order to achieve this we must be in a position to mobilize our military and economic strength. We must guard against two foes: Communist aggression and that insidious enemy—inflation.

I am deeply convinced that the people of our country are ready to exert themselves to the utmost in order to bring our power into line with our commitments. I believe strongly that the people understand the nature of the challenge. Workers, farmers, scientists, industry, businessmen, professional men and women, are all anxious to play their part.

The President has asked for only limited controls. The Governor of Connecticut, who seeks to advise the President on this grave issue, cautiously suggests a half-hearted scheme of limited and "voluntary controls." The people of Connecticut, the people of the United States, have, in my opinion, been ahead of the Congress in their thinking, and the

Congress is ahead of the President and of the Governor of Connecticut. While our young men are meeting this dreadful threat with their life's blood, we should not seek refuge in dilatory tactics. This is no time for timidity; the future is now.

Our survival as a free people should not depend upon shallow expediencies, based upon paid surveys of public opinion in which a few loaded questions are asked of a minute fraction of our citizenry. This is no time to think of political careers. This is the time to submerge personal ambitions. This is a time for selfless rededication to the cause for which so many Americans gave their lives in World Wars I and II, and for which young Americans are now fighting and dying 7,000 miles away.

Let us then face boldly up to this danger, tell the people the truth and repose our confidence in the loyalty and ultimate wisdom of the people. Notable among those who have sounded the clarion call to action is the distinguished elder statesman, Bernard M. Baruch. Several Members of the Senate and House have also urged stand-by legislation which will provide for the mobilization of American resources for the defense of our Nation. In the words of Lincoln, let us prepare for the worst, even while we strive mightily to bring about the best. The time to prepare is now, not in some hoped-for future, when, our plans unshaped, our strength unmarshalled, we are helpless to cope with the gathering storm.

To that end I urge that the following steps be taken at once:

First. The Congress should immediately draft and enact stand-by legislation providing for the control of prices, wages, excess profits, and for rigid controls of all essential commodities in short supply. These laws should also provide for allocations of critical war materials on a system of priorities designed to insure fair and equal distribution to individuals and to industry, together with a steady flow of military equipment and supplies.

Second. Legislation to implement the program should in each case be drafted so as to permit frequent review by the Congress and should contain termination dates. In each delegation of authority, the legislation should become effective upon the passage of a concurrent resolution, in order that the people's representatives should have a reasonable control over the situation.

Third. In order to minimize deficit financing and combat inflation, taxes on incomes and profits must be increased. Insofar as practicable, the cost of this security program should be met currently and not postponed. This is desirable in order that we should not place a heavy burden upon future generations.

Fourth. Of vital importance to our Nation is the question of civilian defense. In accordance with a statement which I made several weeks ago, I again urge the Governor of Connecticut to activate without delay a comprehensive civilian-defense program based upon the lessons learned during World War II, designed to implement the Hopley report and with whatever accommodations are necessary in view of the current situation. The people in the heavily populated industrial centers of our State should receive adequate protection. Safety of life and property must be assured.

Fifth. Communists and subversives should be required to register at once and reasonable restrictions should be placed upon their movements. It is unthinkable that we should be helpless to fight the enemy at home even while we are making sacrifices to combat the enemy abroad. Freedom does not include the freedom to destroy freedom. We cannot in all conscience draft Americans to fight against communism abroad unless we take the necessary steps to combat Communists at home.

Sixth. The Congress should remain in session during this critical period in order to provide the necessary authority and funds, and in order that funds appropriated by the Congress for defense purposes should not be impounded contrary to Congressional intent.

This crisis requires that we have in high places men and women who will inspire public confidence, and who have proven by their actions that they understand the nature of the Communist threat.

The confidence of our people has naturally been severely shaken by the administration's lack of foresight in its foreign policy, the ineffective weapons, and the poorly equipped troops, which were thrown into the Korean battle against staggering odds.

These restless events are far vaster than any individual or group of individuals. They are no respecters of persons. Those who were associated with the gross miscalculations of the past should be replaced by men and women of tested capabilities, who can and will do the job. General MacArthur said recently that in life there is no security; there is only opportunity. We Americans are today faced with a dire threat and with a heavy responsibility. We can take heart from the sure knowledge that our opportunities for useful service and for dynamic leadership are equal to these responsibilities.

Let us then grasp the nettle and plunge on to victory.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I got into the Congress because when I was in the Pacific theater and in the Atlantic theater in the course of the war as a staff officer—not as a foxhole soldier or a hero—I hasten to add, but one of many others who served similarly, and saw what the men who were the foxhole heroes endured, I decided that if there was something that could be done about a better and more peaceful world I ought to do it. I do not think there was ever a time in my 4 years of service in this House when I felt that I was more completely carrying out my resolve and desire than this afternoon. Today we are sending men out to fight, and we are sending men out to be wounded or die, we are sending out men also to stand the agony—and anyone in the House who served in the last war will agree with me in that—of long stretches under the fear of dying or being wounded. Now, under those circumstances it is no surprise that I think the American people are way ahead of their leaders in the things they are willing to do to defeat this Communist menace as we see it in Korea. For one thing, Korea has shown to the world and certainly to the people of the United States that the Soviets will resort to thinly disguised naked military aggression to effect their purposes. There was a lot of doubt about that before Korea. Would they try to infiltrate? Would they try to take over labor unions? Would they try to take over political parties? Would they try to foment general strikes? No one can be unclear on the point now. If they deem it necessary to their purposes they will go ahead with naked military aggression very thinly disguised today, tomorrow perhaps undisguised.

Now the American people have to choose, and the two available roads are very clear. First, they may proceed by imposing upon themselves the same restrictions and the same disciplines which they did during World War II in order to enable us to engage in a vast effort of preparation an effort in the magnitude needed to fight both on military fronts where necessary, as in Korea, and on economic fronts where essential in order to win this ideological struggle in which we are engaged. For we must not alone defend freedom, but we must also convince the peoples of the world who are still free that ours is the best system, that it is better than the Communist system and that it can produce infinitely more in goods and services and distribute them fairly. Or second—and this is to be emphasized—they may proceed to undertake a preventive war against the Soviet Union. It must be clear to all that the American people do not want a preventive war, but that they do want to sweat this one out—and win, and that therefore they have chosen the road of military defense and economic offense. This leads us to this one conclusion in respect to this bill; we have got to have not only what this bill provides, but we have got to have more—and that is the important point the American people understand—we have got to give the power to effect rationing and price control. We may have to give the power, too, of wage control, but I hasten to emphasize, we cannot consider wage controls without the corresponding imposition of excess profits taxes.

The American people have got to understand that if we want to do this job without a preventive war against the Soviet Union it has got to be done over a long time, that we are considering flexing our muscles today not for 6 months or a year but that we may have to remain in this posture, anywhere up to 10 years, yes, maybe for even longer. I think this is the most solemn thing that in this hour, this very critical hour, we have got to make clear to the American people.

I would remind those of my colleagues who feel that this bill is inadequate that the American people are deeply resentful of the fact that cost-of-living prices especially food prices are today at probably the exact peak they attained following the world war, that peak being attained in 1948; and they are still going, and going, and going; apparently there is no way to stop this spiraling cost of living except by intervention of the Government; hence the American people, in my opinion, are fully prepared for the intervention of Government by the imposition of controls. But it would be a sad travesty on our responsibility which we owe to them if we did not make it clear to the people that if they do want these controls and are willing to accept them—and I believe they are—they must be prepared to live under them for a very considerable period of time, in my opinion, probably as long as ten years. And that this is necessary if we are to win this struggle with the Soviet Union without a preventive war which will completely shatter the world, and which I believe the people do not want.

Now, one further thought, and this comes from my experience in my own district. Perhaps other Members will check it with their experience in the districts they represent. The people of America are very troubled about this situation and they look to us to act decisively in respect to it. I believe every incumbent in the Congress will find that what he does between now and the time that Congress recesses or adjourns in respect to this situation will be viewed most importantly in the eyes of his constituents.

The American people consider this as a time of crisis. They want us to take a heavy responsibility and to make, if necessary, onerous decisions. In my own view, they are willing to back us up if we act decisively. But if any show fear, if any do not believe the American people know the extent of the sacrifice that must be made, if they feel any are not ready to have faith and confidence in them in calling upon them for the full share of that sacrifice, then I believe they will repudiate those who show that fear at the polls this coming November, because they will feel that when faced with difficult decisions in an hour of trial those—and I believe they will be few—failed to measure up to it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. I yield 13 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, it is never possible to deal with so complicated a problem in a one-package bill. The temptation is to attempt it, but it would be utterly impossible. For example, no matter how earnestly we might hope to control inflation, and we do earnestly hope to control it, we do not know what the final outcome will be until we reach decisions with reference to taxes, whether or not we are prepared to increase taxes, whether or not we will consider excess-profits tax proposals, or what we will do with reference to the sale of commodities by the Commodity Credit Corporation to release pressure in particular areas. No; it just is not possible for us to prepare all of the answers in this legislation.

I commend the gentlemen on my left who have attempted it, I am sure in good faith. They think that by adding the substitute to this bill that might be done.

The point I would like to make, and I remind my good friend the gentleman from Pennsylvania of this, is that there is a danger that ill-considered price and rationing legislation actually will discourage production. The price mechanism under the American system of free enterprise is often the greatest incentive. To withdraw it entirely might defeat its very purpose. So the thing for us to do, it seems to me from the thought I have given to this matter and listening to the testimony presented to our committee, would be to pass the committee bill in very much its present form.

Mr. Chairman, this bill was not hastily considered. For the time we had it, it was well considered. It was reported by the committee with only one dissenting vote. The committee considered the bill objectively. We deleted, for example, the first proposal to increase the reserves for building and loan associations. We deleted section 412 with reference to the Commodity Credit Corporation's power to sell commodities for less than parity. We made certain changes in section 411. The committee did a good job considering the limited amount of time we had.

The bill does include rather sweeping powers on the part of the Executive. The Congress has just given power to local boards and other agencies to take from American homes hundreds of thousands of men that will be necessary to win this war. I think sometimes that we are unnecessarily timid in an economic problem and fail to realize that the proposals are quite consistent with the sweeping powers we give to military authorities.

What are the three principal things in this bill? Surely no one can say we ought to hesitate about these three things. First, allocations and priorities; second, the requisitioning of plants and commodities and things that are needed and, finally, the V-loan program, involving the lending of money to little businesses and others that might participate in the stepped up military program. Those are the three principal objectives of this bill.

I regret to disagree with my good friend, the able gentleman from Michigan [Mr. WOLCOTT], when he speaks of the real estate provisions of this bill. Not long ago this House decided that there had to be some restraints, a modification of policy as to housing construction, and that is tough for a lot of people. But, we are deciding now that construction materials must go into armaments and into plants needed in the military program. It means sacrifice on the part of many people, but it is necessary because it has been in the construction industry, perhaps, that we had our most powerful inflationary pressure. Related is the whole problem of real estate credit. For that reason it seems to me the provisions of this bill ought to stand pretty much as they are reported.

Another thing, if I might close on a positive note is that the stakes are high. I think that in the consideration of this bill the defeatist attitude is dangerous. The suggestion was made, Mr. Chairman, that this is either a policing action or start of a third World War. That is not necessarily true, it seems to me. It is, perhaps, technically a policing action; we do not want to quibble over words, but it need not lead to war. The best chance to escape a general war is to regard it as a phase of a long-range defense policy that encircles the globe. If our dedication is complete and if we act wisely in this respect, without tension and without panic, I am convinced that we can make the Korean operation an effective means of averting a world war.

Mr. Chairman, the other day the mother of General Deane came home. A reporter asked a question about her son, Did she still hope to see him? This lady, 70 years of age, the mother of one of our great fighting men, one of our leaders, said, "I still have hope that I will see my son, but I must remember that this is a period in which personal sorrow and adversity must be borne without complaint." And she added, "the suffering that comes from living in an unfree world is such that we ought not to hesitate to accept any of the denials and deprivations that go with our military program." Those were the words of the mother of a man reported missing in action. It ought to be the spirit of the whole people, and I think it is.

I agree with the gentleman from Alabama [Mr. RAINS]. I wish we heard his voice more often. I agree with him that the people are ahead of us in their thinking on this point. I think they are. Nevertheless, it is a time for calmness on our part. It is a time—I hope this does not sound like scolding, for that is not in my mind—this is a time to drop the incriminations, the tendency to say, Who is to blame for our difficulty?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I have heard several Members express the opinion that the people are far ahead of the Members of Congress, most of us, in their recognition of the world situation and its relation to ourselves and to our country. I think I can give testimony to that effect, because I was majority leader of this body in 1940 and 1941, and again I am majority leader in the present world situation. I am very proud of the state of mind of America today? It is entirely different than it was in 1940 and 1941. I can vouch for the fact as well as can other Members who were here in 1940 and 1941, for the changed public opinion. But, I can particularly say that as majority leader it was my duty to participate actively in the passage of the defense legislation in those days as well as now. I think the American people are to be complimented. I might also

say as majority leader that we can point with pride to the membership of this body; I am not necessarily comparing it with the other body but in this crisis and all through the past months the membership of this body has responded.

There is a profound recognition of the world situation. I think the Members of this body recognize that our people are insisting and demanding that we enact legislation that will not only meet any challenge against our Government and our way of life but will affirmatively operate to assure a continuance of our way of life and everything we believe in, not only for ourselves but for the peoples of countries to whom it is now denied. So I think I can testify and be a witness to the fact that the American people today are strongly demanding, they are not only in favor of but they are demanding the passage of legislation that will not only be for the national interest of our country but be the best assurance for future peace. As far as this body is concerned, there is a profound recognition of that public opinion.

Mr. HAYS of Arkansas. I am very grateful to my friend, the gentleman from Massachusetts, for this comment.

Mr. Chairman, I am very happy, of course, that the gentleman from Massachusetts interrupted because he did buttress one point I wished to make. But it seems to me we can leave out of consideration any thought of who is to blame for our troubles. We have all made mistakes. There have been times when I would like to recall two or three of my own votes. I did not have the enlightenment needed when I cast those votes and they would be different if they were recorded today.

This brings to mind an old Sunday school lesson, one that I recall came to me in a little Baptist church down in the foothills of the Arkansas Ozarks. I recall it today as having a certain timeliness.

The Israelites were involved in a war with the Amalekites, and while they were in a campaign they left their women and children in the town of Ziklag. The Amalekites bypassed them and came to Ziklag and destroyed the city. They carried away the women and children and burned the city to the ground. According to this Old Testament story, when the children of Israel returned they found their city in ashes. Then, the story is, they wept, strong men wept. The king, the beloved King David, wept until, the Bible says, he "had no more power to weep." Then it was found that the people were saying, "Who is to blame?" Some said, "King David." They talked of taking his life. Hours went by before it occurred to them that no one of their own number was to blame, that the Amalekites were the ones to blame.

So it is not the Democrats or the Republicans or the Executive Department or the Congress who are to blame, though there are some who would blame the Congress. The blame is upon an evil idea. Partly to blame are those deceived and deluded people of Russia and the satellite nations who are the victims of an idea but primarily the offenders are a power-hungry group who would overrun the free world, the rulers of the Kremlin.

I suggest, Mr. Chairman, that in this legislation and in all the legislation we consider we must remember that our enemy is not over here. We must try a little harder to work in that atmosphere of unity which brings us to recognize that an evil idea must be put down.

I really believe we are on the verge of great victories for a free world. In a sense it is fortunate for us that we have been alerted, for we were in danger of allowing aggression to take place here and there in little isolated spots, adding up finally to the loss of freedom everywhere. But the Korean aggression has aroused the free world. I insist again that our people are prepared to accept the sacrifices, among the first of which are those in this bill. Others will come.

If the Banking Committee does a good job, whatever happens as to the stand-by authority for the President, we must continue our work on control legislation. It is not completed. The people of this country must be given every evidence on our part that we are working in wisdom and unity and in the spirit of sacrifice ourselves to stabilize our economy and make it possible for military plans to go forward.

Mr. GAMBLE. Mr. Chairman, I yield to the gentleman from Michigan [Mr. SHAFER] such time as he may require.

Mr. SHAFER. Mr. Chairman, every day that the Fair Deal politicians in the Pentagon keep Gen. Douglas MacArthur from invoking censorship on radio and news dispatches from Korea means another day of greater danger to America and swifter death for our soldiers fighting there.

Several instances have been publicized already of how lack of censorship is playing into the hands of the left-wingers among our press and radio reporters and of how the North Korean Communists are benefiting by it.

One of these was most unfortunate. Several days ago it was purposely disclosed by the Information Section of the Department of Defense that we would have reinforcements in Korea in 18 days. This announcement was made purposely to confuse the enemy for it had been planned to have reinforcements in Korea in half that time and to have them in line fighting before North Korean Communists would know about it.

No sooner had the troops landed—the Second Division—on Sunday, July 30, than did Bill Costello, a CBS reporter, disclose the fact to the American people and, of course, to every Russian spy or radio monitor on earth, thus making it possible for the North Koreans to be prepared to receive the Second Division.

Not only this, but Costello and other radio commentators and news reporters pointed out that the troops were from Okinawa, thus disclosing to the North Koreans and to their wily Kremlin masters one of the strong points of war preparation in the Pacific area.

Such tragedies as this are commonplace in any war where strict censorship relating to military matters is not imposed. It is essential that the Fair Deal politicians in the Pentagon must forget their politics in these critical times and do those things that must be done if we are to win the Korean war and save the lives of our soldiers who are fighting there.

Censorship is one of the most important phases of fighting a war. MacArthur should be given the authority to establish censorship in his discretion without delay. This Congress should insist upon orders to that effect.

In my opinion, broadcasts such as those made by Bill Costello Sunday night regarding the arrival time of the Second Division in Korea could be classed as giving aid and comfort to the enemy.

Mr. GAMBLE. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. KUNKEL] 25 minutes.

Mr. KUNKEL. Mr. Chairman, having served on the Committee on Banking and Currency all during the last World War, there were certain things which were impressed on me very strongly. A main one was that if you had any kind of freezing of prices and wages, it had to be done at a time when the prices and wages had been determined by ordinary, natural, economic causes and free-collective bargaining. I feel if we postpone action on prices and wages and services and on rationing, which is a necessary part of allocation—in fact the power to ration is included in the power to allocate—I feel if we let this time slip by, we will then be faced with the situation where the only remedy will be selective-price controls and selective-wage controls, if there are any wage controls. It will be then too late to balance and stabilize our economy.

In the back of everybody's minds must be the question: How serious is the world outlook and how serious will it become? Let us look at what we will surely be called upon to do now in the light of how much it may affect the economic conditions here at home and the future economy of the United States. I think we should first study and decide what is the best that can be hoped for judged in the light of the facts now at our command.

Even if the Korean operation is localized in Korea, it will require the establishment, which has already started, of a 5,000-mile line of supplies to Korea. Assuming—that we will hold the beachhead at Korea—it will require the landing of enough troops, military equipment, and supplies of various kinds to recapture South Korea by driving the North Koreans back to the thirty-eighth parallel.

At that time it will be necessary to make a decision on what further should be done, that is, seek to establish a unified Korean nation. It is necessary to replace the equipment taken out of Japan. It is necessary to send new and additional equipment in much larger volume than in the past to Japan to be there to protect that island in the future. It is necessary to activate certain units of our Navy to take part in the protection of Formosa and other islands in the Pacific. It is necessary to activate large parts of our merchant marine to transport these ever-increasing supplies. We must also establish sufficient forces here

in the United States to meet any additional threat which might break out in any other point in the world such as Yugoslavia, Greece, Berlin, or any of a number of other places.

In my judgment all that is a large order. It is going to place a strain on our economy which will reach far into the future. Therefore, we should take steps to meet this coming strain at a time when we can set up a stabilized economy as far as a stable natural economy can be set up under price control.

My good friend from Arkansas [Mr. HAYS] and others have mentioned that the price mechanism is a delicate thing, that it might disturb distribution and production to have controls. Price controls are always a poor substitute for the delicate natural operation of the price mechanism. That is true. But under the powers contained in my bill and in the administration bill and in other statutes already on the books, there are sufficient powers to assure production. When you come to the adjustment of distribution, when you come to channeling goods from one place to another, from the time when the raw product is marketed until they are manufactured and until finally they are sold on the shelf, in order to have those adjustments somewhere near accurate and effective to start, they must be made at a time when prices all along the line have been determined by natural causes. Then the natural flow already created will continue to guide goods to the right spot. That is one reason why I feel it is essential to enact price and wage controls at this time.

I have talked a great deal to various Members of the House. My considered judgment still supports the plan to freeze prices and wages by congressional action. But the sentiment seems to be preponderant that this should be done by giving the President stand-by authority to institute these programs. So, when my bill is submitted, I am going to change the policy declaration at the end of the first paragraph to read as follows:

It is further declared that it is necessary for the national defense and security, and to accomplish the objectives of this act that if the price and supply controls are invoked by the President, the wage controls authorized hereunder shall simultaneously be put into effect. It is further declared to be the policy of this act that all of the controls provided hereunder for the control of costs, including prices, wages, rationing, allocations and limitations, shall, insofar as practicable, be put into effect at the same time so that, for a period at least, there will be a general ceiling over the economy and a period of general stabilization during which it will be possible to determine with reasonable accuracy in what ares the continuation of controls is necessary and in what areas controls may safely be released.

My bill can be made a stand-by bill by changing section 4 (a), eliminating the words "There is hereby created" and substituting in their place the words "The President is hereby authorized to create."

There will be a further change in the termination date. While the date remains the same—March 31, 1951—the act can also be terminated any time either by concurrent resolution or by Presidential proclamation. The language is exactly the same as that used in the Spence bill, only the date differs. There are some other changes designed to bring the other powers into line with war and defense needs in conformity with the language of section 18 of the Selective Service Act.

In this bill I have tried to combine wage, price, and services controls, and in addition, to provide as much of the power sought in the administration bill as could be done safely without giving powers that go beyond the present war needs or the authority in these fields conferred upon the President during World War II.

I have cut out the power to control commodity exchanges. Our experience in the last war demonstrated that they were willing to cooperate. In fact very shortly before the close of the war the Secretary of Agriculture said he did not want to have any controls over the commodity exchanges—that such controls were unnecessary.

I have put in the same exemptions that were contained in the old OPA Act; that is, for newspapers and professional services; for public utilities, which are determined by State regulatory ratemaking bodies; and for insurance rates, which is also determined by State regulatory bodies.

I have cut down the vast power over credit contained in the Spence bill to consumer credit strictly, eliminating real-estate credit, and also eliminating that broad general grant of credit which would probably permit the President to control even personal loans between two individuals, as the gentleman from Michigan [Mr. WOLCOTT] pointed out today. As a matter of fact, the gentleman from Arkansas [Mr. HAYS] referred to the fact that you should have this real-estate credit, because you might want to use it to channel goods and materials away from building and into some kind of war production. There is absolutely no need of that because my bill gives the full power to allocate and to establish priorities. Hence if these goods and materials are needed the President can channel them under that specific power to allocate. I am sure my bill includes the three propositions that the gentleman from Arkansas just said were absolutely essential plus these two which I think are essential to put into effect now because if we do not do this now, then the time when a natural point of stabilization can be arrived at will have passed.

In my bill as introduced in the committee I had the date line as approximately the present, between July 24 and 28. I have changed that to June 10 and 25; that is the last 15 days in which we had a strictly normal economy. I talked to Mr. Baruch about that specific point and he said that most of the mark-ups which had occurred in the intervening time—and this was confirmed by others with whom I discussed it—had been mark-ups in inventories, so that there would not be much of a squeeze in attempting to make a roll-back to that period assuming this was done soon enough. Of course, every day that goes by without freezing prices, wages, and services adds to the danger. I think the two insertions I have made in the declaration of policy put it clearly up to the President to act quickly with the intention clearly stated that Congress feels that this ought to be done at once. The other declaration reflects the judgment and thinking of most of the Members with whom I have talked on this specific subject. I feel and they feel that you ought to tie wages, prices, and services all up in one package and freeze them all at one time. This is relatively less objectionable now than it normally would be, because most of the major large wage contracts do not expire until after the expiration date of my bill.

The bill is not perfect. I have been trying to perfect it day after day. I am sure that it will go a lot further toward accomplishing the purpose of preserving and protecting the consumer from undue price rises and at the same time preventing the socialization of America than will the administration bill.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. KEATING. Would it be a fair characterization of the gentleman's bill to say that it includes most of the powers given to the President in World War II but excludes those in the administration bill brought here now which were not given to the President in World War II?

Mr. KUNKEL. That is correct.

There is one thing I should call attention to—the elimination of the power to requisition facilities. The power to requisition commodities, and so forth, is kept intact. Under section 18 of the Selective Service Act the President, under present law, has the power to requisition facilities for war purposes and defense purposes; he has that power already under existing law, except that instead of having the particular power to do it under any circumstances at his own discretion, it is limited to where he does it for strictly war purposes and needs.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. CRAWFORD. Does H. R. 9283 make price control applicable only at the wholesale level?

Mr. KUNKEL. No, it covers retail and whole prices and also services and wages. Under the method prescribed in section 206 the administrator can unloose ceilings at the retail level. That section gives the administrative authority to issue the orders, rules, regulations and adjustments needed.

Mr. CRAWFORD. Under section 206

Mr. KUNKEL. Yes.

Mr. CRAWFORD. In the control on ceilings applicable to services, if wages are controlled, wholesale prices are controlled, retail prices are controlled, why do you not control the charges made by professional people, for instance, doctors,

dentists, lawyers? Why should they be exempt?

Mr. KUNKEL. If the gentleman wishes to offer an amendment to do that he may. As a matter of fact, I was trying to make this conform as closely as possible to previous OPA legislation. As a matter of fact, the exemptions in this bill are slightly less. Certain ones were left out.

Mr. CRAWFORD. What I am trying to get at is the equity of the case. Upon what ground under a condition of this kind should a lawyer or a doctor or dentist or any professional person have his chance to go ahead and advance his fees against the consuming public when everybody else is making their contribution by subscribing to the control? What is the argument in favor of it?

Mr. KUNKEL. The argument advanced is that there is no set fee for services rendered by doctors, lawyers, etc. Therefore it is administratively impossible to regulate their fees. As I say, I hold no brief for that one way or the other. This was taken from the previous OPA Act. I think the exemption of public utilities and insurance is sound on the ground there is State regulation already.

Mr. CRAWFORD. I would not argue against that. May I ask the gentleman this question: In the absence of a control on wages, how can production be maintained under price control when wages are moving upward?

Mr. KUNKEL. The only way they can be maintained is by a constant increase in the price by the administrator.

Mr. CRAWFORD. So that you do not then have price control?

Mr. KUNKEL. You do not have price control, no.

Mr. CRAWFORD. We went through all that in World War II in the previous OPA hectic days, because a new production would come into the picture, such as the production of new types of clothing and new types of ready-to-wear, whether house dresses, baby shoes or whatnot; a new processor comes into the picture and he can charge higher prices because he never sold any production at the previous price. So when he came into the picture he would push his prices up and the consumer would have to pay. That is the experience we had, is it not?

Mr. KUNKEL. Yes.

Mr. CRAWFORD. And as wages increased, the old processor could not push his prices up because he had a historic background of a certain price level; therefore it was a mechanism that promoted new prices in that field and washed out the old prices. Did it not happen exactly that way?

Mr. KUNKEL. To a considerable degree, yes. There were other phases of it where it was difficult for new processors to get into the field because they could not get allocations under the historic-use features of allocations. So the new man was shut out there.

Mr. CRAWFORD. Well, let us take this example: Old processor A is pushed out of business completely. His plant becomes for sale or for lease. A new processor comes into the picture. He makes a differently designed article, and he sells it at a higher price, at $15 a dozen instead of $12 a dozen, whether overalls, cotton socks, or what not. Those were the experiences we had all over the country. Take the case of the house dress manufacturer, the lady at Kansas City, who had worked up there to 3,500 employees. She was selling dresses at from $2.98 to $4.98. She could not sell those for $3.25 or for $5.50. But the new fellow could come into the picture and sell them for $9.98. Now, who was protected? It was the one who slipped in under the wire.

Mr. KUNKEL. I do not think you can handle that problem entirely by wage control.

Mr. CRAWFORD. The point I am making is that the increase in wages becomes a factor because it increases the price of the material as well as the wages that go into the product.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from Texas.

Mr. LUCAS. I should like to inquire of the gentleman if he has incorporated in his bill all of the suggestions that were made by Mr. Baruch?

Mr. KUNKEL. Yes. I talked to him over the telephone and I also received a letter from him. He suggested a change in the date of the base period, moving it forward to June 10 to 25. I did that. He suggested making it the highest price instead of the lowest price during the base period. Inasmuch as I decided to put the basing period back I thought that was an excellent change also. He also suggested cutting out the exemption for people employing less than eight people. I accepted that. These were really all of the substantial suggestions he made.

As I understand Mr. Baruch's point in respect to stand-by controls, he is still of the opinion, and so am I, that it would be better to do it all at one time. On the other hand, he believes it is much better to have this type of bill on the books even in stand-by form than to let the general principles involved fail because of the rather widespread objection to this one feature.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Would the gentleman inform the House as to the deletion of rent control from the bill? Does he consider our present rent control bill adequate to do the job, or will we require another?

Mr. KUNKEL. I think it will require some amendments to the rent control law. The one I have in mind as being necessary in order to conform both with the new situation with the policies embodied in the present rent control bill would be to give the Rent Control Administrator power to put controls into effect at the base period level in all areas where there has been an influx of people and a shortage of houses created since June 25, 1950. In other words, he would be given power to control when and where shortages arose since then, but yet keep substantially to the same policy expressed in the rent control bill which the House passed.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. MONRONEY. It is not the gentleman's idea then to leave rent control out of the over-all control?

Mr. KUNKEL. No.

Mr. MONRONEY. Because it would be impossible, I am sure, to do what the gentleman has in mind if you leave that big percentage of the consumer cost of living out from under.

Mr. KUNKEL. Definitely that has to come in. As the gentleman from Michigan [Mr. CRAWFORD] has pointed out, in an over-all program of this nature an excess profits tax should be included. The longer that is postponed the greater the inequities resulting will be because you cannot have retroactive taxation. So, that, in my judgment, should be done very quickly also. It should be part of this new tax increase bill.

Mr. MONRONEY. In regard to the questioning by the gentleman from Michigan [Mr. CRAWFORD] I understood you to reply that your bill did not include real estate credit restrictions when, as I read your bill, it carries practically the same real estate credit restrictions which the ranking Republican Member of the Committee on Banking and Currency has objected to so strenuously.

Mr. KUNKEL. Which bill does the gentleman have?

Mr. MONRONEY. H. R. 9283.

Mr. KUNKEL. That is the credit control cutback?

Mr. MONRONEY. As I read the bill, it refers to consumer credits.

Mr. KUNKEL. Yes.

Mr. MONRONEY. But in the definition of consumer credit it means any credit extended to a business enterprise for the financing or purchasing of goods for resale.

Mr. KUNKEL. I think the gentleman left a "not" out in reading that.

Mr. MONRONEY. Yes, I thank the gentleman. In other words this does strip out then any control of credit whatsoever excepting the consumer credit of the regulation W type.

Mr. KUNKEL. If it comes down to a question whether controls are necessary, that is referred to in another section of the bill.

Mr. MONRONEY. I think the gentleman has overlooked a great point of inflation, sales of real estate, which takes rental housing off the market, because previously there was no credit control on the resale of housing, and therefore you lost your housing supply because anyone could sell his house at two or three times its original price. The gentleman does not think that any real controls are necessary at this time?

Mr. KUNKEL. I think we can get along under the existing ones.

Mr. MONRONEY. I am unable to understand, with the testimony that we have that 60 percent of the real estate

financing is completely outside of the Federal program, in an effort to control inflation in that field which is highly speculative and which responds first to inflationary tactics, why the entire matter of real estate credit should be held so sacred and be deleted from the bill. I was intending to compliment the gentleman for including it until he called my attention to the fact that I have overlooked a "not" in that section of the bill.

Mr. KUNKEL. I do not think that it should be included. Certainly, if it were, we would have to work it out very carefully so as not to interfere with the VA and FHA, and limit it along those lines.

Mr. MONRONEY. VA and FHA are already under some type of control. But you are leaving 60 percent of the financing out, which happens to be the part that the National Real Estate Board objects to, at the very time when we are calling out reserve divisions of Marines and the Forty-fifth Division of the National Guard of Oklahoma, which was called into active service this afternoon; yet some way, somehow, the credit on real estate becomes so sacred that it is the thing that is stripped from the bill. I would like a clearer explanation of that.

Mr. KUNKEL. The bill is restricted to consumer credit.

Mr. MONRONEY. Does not the gentleman realize in going so far as to take in wage controls and every other type of control that he exempts this vast amount of inflationary credit simply because someone seems to object to it? If the gentleman is designing his bill to restrict the inflation and the expansion of credit on an unwise basis, we should ignore that. Can the gentleman tell us if this is a part of Mr. Baruch's recommendations?

Mr. KUNKEL. No. All of this part was taken from the Spence bill with limitations placed upon those provisions. It is not included in the recommendations of Mr. Baruch.

Mr. MONRONEY. It seems to me on reading this bill we have stripped out everything that has to do with real estate, including rent controls and including credit controls on the sale of real estate. I am tremendously worried about the situation. If we are going to call this an over-all price-and-wage-control bill, and yet we find that we have set out one segment of the economy to operate exactly as it pleases——

Mr. KUNKEL. I think the gentleman will agree we have to deal with rent control separately.

Mr. MONRONEY. I just wonder if perhaps that is more important than dealing with the wage thing and dealing with the farm thing, and also dealing with the over-all control of prices. I am in complete sympathy with the gentleman's attitude toward the urgency of this situation. However, the thing that worries me, having gone through this with the gentleman over a period of a great many years, is the fear that in order to get something done immediately that the country seems to wish we will enact a bill that has not been properly considered line by line and page by page, and we will have a bill that, because of language that might not be clear, will not work. I have listened to this debate carefully, but I am inclined at the moment to feel that we should by all means go forward on the credit control proposition, which has been heard, and have the Banking and Currency Committee stay on the job either a week or two weeks to decide exactly what should be done on this matter of over-all controls and rationing.

I see no difference at the moment between the gentleman's bill, with the exception of the deletions from the second portion of his bill, and the bill the committee has studied and reported. I just wonder if it would not be best to have more hearings. The committee has not yet heard Mr. Baruch.

Mr. KUNKEL. We certainly tried hard to get more hearings.

Mr. MONRONEY. Does not the gentleman think, however, that in an effort to stop the first outbreak of fire we had better get there with a few buckets of water and then decide whether it is a three-alarm fire instead of a one-alarm fire?

Mr. KUNKEL. We are trying to get there with five or six buckets under my bill instead of the three buckets provided under this administration bill.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from New York.

Mr. JAVITS. Does the gentleman feel that his substitute needs any additional provision for management of this whole mobilization effort? All that is provided in the committee bill, and I ask the gentleman if the same is carried over into his bill, is that the President can redistribute whatever powers he feels the various departments ought to have.

In short, does the gentleman believe we should set up now a mobilization production board to parallel the War Production Board of World War II?

Mr. KUNKEL. The Office of Inflation Control specifically is mentioned, to be set up in the Executive Office of the President. The President can delegate, or the administrator can delegate, powers and duties.

Mr. JAVITS. In other words, you will have the President free to set up a specialized agency under your substitute?

Mr. KUNKEL. Yes; and I should think it would be necessary in view of the experience of price control in the last war. We must realize that there are certain elements which only the administrator of price control, or inflation control, or whatever you call it, can take care of. It is a large and tough assignment.

Mr. JAVITS. So the gentleman does contemplate a special agency for that purpose?

Mr. KUNKEL. I definitely contemplate a specialized agency for that purpose, particularly as my bill includes the power to ration at the retail level.

Mr. JAVITS. So that we are talking about another OPA?

Mr. KUNKEL. Yes.

Mr. JAVITS. Thank you.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. HUGH D. SCOTT, JR. As I understand the administration bill, there is no provision for price control or rationing or wage control, but the gentleman's bill contains these provisions?

Mr. KUNKEL. That is correct.

Mr. HUGH D. SCOTT, JR. May I ask the gentleman what, in his opinion, will happen to the cost of living if the administration bill passes without the inclusion of the Baruch plan or the gentleman's bill, or some such similar provision to freeze the inflationary forces which are already at work in this country? What happens if we just pass the administration bill?

Mr. KUNKEL. As time goes on, you will have the price structure get more and more out of kilter and more and more dislocated—that is, assuming you accept my premise that we are in a world situation which is going to require a heavy burden on this country even if it turns out most favorably. Of course, if the dangers and difficulties grow, the burdens will increase correspondingly. So that, as time goes on, you will have the price structure getting more and more out of kilter as the days and weeks pass. For that reason I think legislation should be passed at once.

Mr. HUGH D. SCOTT, JR. Does the gentleman think that the Truman bill, which we have before us, would really stop the hoarding of sugar and the buying of automobile tires and the rush for whatever happens to be left in the shops without the imposition of these controls?

Mr. KUNKEL. No. Until we have some kind of rationing and controls we are going to have this rush. Fortunately the best advice I can get is that most commodities are in good supply, particularly food commodities, as the gentleman from Georgia pointed out earlier in the afternoon; and I believe our supplies will stand up in most cases, that this buying is scare buying. While it is the natural judgment of people on world conditions, it is not indicative of a real scarcity of supplies in the present or near future.

But unless you make plans to set up a plan of action at some time in the immediate future, there will come a point—I do not know when—when it will get completely out of hand.

Mr. HUGH D. SCOTT, JR. My point is that the administration bill does not go far enough for that purpose.

Mr. KUNKEL. The Administration bill does not even contemplate any action along that line at all. Why, for example, there is a proviso in it which prevents any use of rationing at the retail level. That is specifically prohibited in the administration bill. Yet it is a key power, if there is to be any real control of the demand side of the supply-demand equation.

Mr. HUGH D. SCOTT, JR. In other words, the administration was too little and too late on the war front, and now they are being too little and too late on the home front?

Mr. KUNKEL. That is what we are trying to prevent them from being. I do not want to get into a political argument on this. Someone on the other side said there is no use trying to assess blame

for what has happened to date. I am convinced from the condition now existing that we had better take action if we want to curb inflation and get out of the tight spot in which we find ourselves.

Mr. DOLLINGFR. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from New York.

Mr. DOLLINGER. Does the gentleman admit that rent control and excess profits taxes are necessary to curb inflation?

Mr. KUNKEL. I stated it emphatically. It was not a case of merely admitting.

Mr. DOLLINGER. Would the gentleman say it is necessary that that be done at this time?

Mr. KUNKEL. I think the sooner you put on excess profits taxes the better. They should be put on coincidentally with the present bill. They should be included in the coming tax bill.

Mr. DOLLINGER. The gentleman realizes that rent controls will expire on the thirty-first of this year—on December 31—and that we should do something, either by the gentleman's bill or any other bill to make certain that rent control is enacted?

Mr. KUNKEL. I think you should take that up separately, as I have said. Of course there is not the immediate rush for that because you do have rent control now in effect and will have rent control in effect until December 31. To have placed a rent-control extension title in this bill would have complicated the picture and gained nothing, because rent control is still in effect.

Mr. DOLLINGER. Why could it not be put into one bill? It will help to curb the inflationary practice.

Mr. KUNKEL. If you have a rent-control bill along the lines of all the other rent-control bills that were passed, you will have to give the Administrator power to recontrol where it is necessary, and I think you will have a great deal of trouble with a rent-control bill that did not take into account the policy embodied in the rent-control bill previously passed by the House. I think you would have a relatively simple time if you amended that bill along the lines I have suggested.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. HAYS of Arkansas. I would be glad if the gentleman would give some further thought to adopting the committee bill and then pose that simple issue before the House as to whether or not discretionary power should be granted to the President. For example, the gentleman has deleted this power to requisition plants on the theory that authority is already there under the Selective Service Act.

Mr. KUNKEL. And my bill also includes section 3 of the old RFC Act. That is included in my bill.

Mr. HAYS of Arkansas. But would you have that difficulty regarding compensation? The gentleman remembers that in the committee we provided that 75 percent of the Government's appraised price should be immediately paid to the owner. I am not sure that your provisions for compensation and appraisal under the other statute would be as liberal as under our bill. I am simply suggesting that the gentleman might give some thought to it, because I think there is every reason for thinking constructively on this thing and getting it in as acceptable shape as we can. Does the gentleman remember what provisions there are in the RFC statute and the selective service statute for compensation?

Mr. KUNKEL. No; I do not, but I think the gentleman from New York [Mr. COLE] could answer that question.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. KUNKEL] has again expired.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman one additional minute.

Mr. KUNKEL. I yield to the gentleman from New York [Mr. COLE].

Mr. COLE of New York. With respect to the authority vested in the President to take over plants under the Selective Service Act, it is my recollection that he is authorized to pay to the plant owner whatever price the President determines to be adequate and fair. If the plant owner is not satisfied, later on he can sue for the difference, but the determination is with the President as to the amount that is to be paid.

Mr. KUNKEL. Then, if there is a dispute, the plant owner gets the full amount of what the President decided he should have. Of course, that is more liberal than the provision in the present administration bill.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. ADDONIZIO].

Mr. ADDONIZIO. Mr. Chairman, this is indeed a sad day for me. Little did I think when I was fighting the bloody battles of World War II in Africa and Europe that so soon, 5 years later, I would be called upon to vote money to carry on another war. Neither did I suspect that I might be registering a vote in favor of taking some of the liberties of our democracy away from businessmen and consumers. But that is just what I am going to do and I will do it proudly. I want to tell you why.

Through the courageous action of our President and Commander in Chief, we have taken positive and direct action to eliminate a communistic sweep throughout the world. The action in North Korea may be the start of world war III. Certainly it will be unless we promptly bring the full force of our tremendous might to stamp out the blaze which is now raging there.

Unfortunately, perhaps, we are a peace-loving nation. We have tried to demonstrate this fact by the way in which we have reduced our Military Establishment to a purely defensive level. But our desire for peace has only whetted the appetite of Russia for faster conquests and emboldened her to order the use of military force.

If this move is put down vigorously and decisively we can perhaps discourage the use of force in other areas of the world. If it is not, I fear to contemplate the kind of future we must face.

I, like almost every one of my colleagues on the floor of this House, am eager for the opportunity to vote for each and every measure which will strengthen the security of the United States and increase the insecurity of our enemies. I want to give the administration all the authority it needs to bring the Korean trouble to a prompt and decisive end. If H. R. 9176 does not accomplish that, I shall support any reasonable amendment to achieve that end. I wish to emphasize, however, the legislation we are considering was not dreamed up on the spur of the moment. Three weeks elapsed during which the President and his advisers worked day and night reviewing existing problems, the prospects, and what was needed to deal with them. They tried to figure out ways in which to handle the Korean situation using the normal processes of the free-enterprise system. They hoped and prayed they could avoid the use of Government controls. But they found they could not.

They found that more manpower was needed. They decided they had to draft men and call up reserves.

They found that more munitions were needed—planes, guns, tanks, electronic equipment—all kinds of offensive and defensive weapons. They decided they had to make a limited draft of the products of industry—plant, equipment, and materials.

Recently with almost no hesitation, we lifted the limit on the size of the Armed Forces and extended the period of service on men now in uniform by 1 year. Earlier upon the request of the Commander in Chief, we promptly authorized the draft of men into uniform.

Personally, I would much prefer to draft a sheet of steel, an aluminum ingot, a bar of copper, a machine tool, or any other inanimate object to fight the war than I would to draft a man. And I do not see how any Member of this House who voted to draft men could fail to vote to draft materials.

The President's request for authority to control credit and his requests for tax increases are intended in part to influence consumer spending and decrease demand. Credit controls and tax increases will help to relieve pressures on critical resources and thus aid military procurement. Nevertheless they alone are inadequate to deal with a problem as big as the one before us.

At a time like this the need of the military for things to fight with—things to protect the very lives of the boys we are drafting—must come ahead of the need for the latest model automobile, refrigerator, electric stove, and the other things which make American life so enjoyable. But these things are not the essence of the American dream. We do not hesitate to stint ourselves in the effort to protect the precious intangibles that make life worth living for free men.

And so we have no alternative but to give the President the authority to say whether, for example, steel is to be used

to make mechanized weapons or mechanical toys. To do this he needs priority authority.

At the same time we give him authority to curtail consumer demands we must give him authority to cut industrial demand. We must give him the power to limit the demand for highly critical raw materials by limiting the quantities of given types of nonessential civilian end products which are produced. To do this he needs allocation authority.

Partly to back up his authority and partly to cut legal red tape involving legal impediments to sale, differences of opinion about values, and foreign ownership, we must give him authority to requisition materials, products, and property needed to support our men in uniform.

Finally we must give him authority and tools with which supplies of things needed for fighting can be increased. These include both materials and facilities. Our small business concerns are in a position to be of tremendous help in this connection. But often they need financial help to finance larger inventories, to expand plants, and to convert to war production. Financial assistance in various forms is therefore needed.

As I study the program proposed by the President, I find it to be a moderate, well-considered, balanced plan for dealing with the situation which now confronts us. I am confident that it is adequate to the task at hand. Whether we should grant the President standby authority of a more sweeping nature seems to me to be definitely a secondary issue. If the emergency should become more acute, or if the economic dislocations are even more severe, then I know that the Congress would not hesitate to act quickly and decisively. Thus I have no objection to voting standby powers, but I do not feel that is the critical issue. What is urgent is that we give the President power he has requested so that he can meet the problems before us. I therefore register my vote in favor of this legislation.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, it seems to me there has been a lot of fencing here today, and a lot of talk, and very little difference in opinion as to what should actually be done.

As our distinguished chairman very aptly said to the Rules Committee yesterday, everybody apparently is in agreement with the principle of this bill, but each one objects to its application to himself. That is the theme of the debate, as I see it, as it emanates from the minority side of the House.

You were told a moment ago that the gentleman from Pennsylvania [Mr. KUNKEL] is going to amend his proposed substitute so that there will be stand-by controls instead of mandatory immediate controls of wages and prices.

Now, let us take the two bills for a moment and get down to cases.

H. R. 9176, as reported by our committee, with a vote of 20 to 1, has several subtitles; one is priorities and allocations.

The proposed substitute that is going be offered to you from the Republican side at page 37 has the title "Priorities and Allocations." H. R. 9176 has as title 2, "Authority to Requisition." The same title appears on page 37 of the proposed Republican substitute except that they add the word "rationing."

Title 3 in H. R. 9176 is "Expansion of Productive Capacity and Supply." The same title appears at page 24 of the proposed substitute. Title 4 of H. R. 9176 is "Control of Credit and Commodity Speculation." Page 33 of the proposed substitute carries the title "Control of Credit." Title 5 of H. R. 9176 is "General Provisions," and the same title appears on page 40 of H. R. 9283, which we were told will be the Republican substitute.

Who is being kidded here? I do not think we are on our side of the aisle; I do not think the American public is going to be kidded very much by the similarity of titles.

What do they actually propose to do in this substitute? The commodity exchange representatives came down here and told those of us that commodity exchanges should be excluded from control. Do not touch speculation, they say. Is there anyone in this House or anywhere else who will not admit that the first element of inflation is speculation? Why should not that be the first thing to control?

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. MULTER. Gladly.

Mr. PACE. I am just seeking information. If there is a ceiling price on a commodity, would speculation affect the price beyond that point?

Mr. MULTER. If there is a ceiling price then, of course, there should not be any speculation. At the same time I can easily conceive of a condition where there might be speculation despite the ceiling price. We know from past experience that when you fix a ceiling price everything goes up to the ceiling although theoretically things could sell at less. They seldom do, however.

We are told that in the proposed substitute that will be offered they are going to eliminate this commodity speculation provision which was put into H. R. 9176. Remember that H. R. 9176, while prohibiting commodity speculation, in so many words does permit legitimate hedging. But still they take out the language of H. R. 9176 and actually put into the proposed substitute even stronger language. If you will look at section 207 of the proposed substitute, and I am referring to H. R. 9283 which was introduced only yesterday, you will find this language:

> Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this title, he may, by regulation or order, regulate or prohibit, with respect to any article, speculative or manipulative practices, selling, marketing, or inventory practices.

So the language of the proposed substitute goes even further than the language of H. R. 9176. It goes so far, if you please, that it actually vitiates the powers presently vested by existing law in the Federal Reserve Board, in the Securities Exchange Commission, in the Home and House Finance Agency and even those powers established the Commodity Exchange Act itself.

What else do they do here? They tell you they are going to control consumer credit. Under this proposed substitute they eliminate real-estate credit because the real-estate interests told us "Do not control us, let us alone, control everybody else." It has already been forcefully pointed out that you must control real-estate credit if you are going to have effective controls. They tell us the substitute will control consumer credit, but only such consumer credit where the agreement calls for two or more installment payments. They are not going to control charge accounts. All you need to do if you want to evade such controls of consumer credit, as set up in the proposed substitute, is to go into any store and say: "I want to open a charge account. I agree to pay my charge account every 30 days, but actually I cannot do that. I will pay it in two or more installments." Therefore your consumer credit provision as written in the proposed substitute is a farce and accomplishes nothing. You will have to go back to the language of 9176 if you do want to control credit, particularly consumer credit.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Has the Government ever before put in any control of real-estate credit? In the entire history of the country has it ever been done before?

Mr. MULTER. My answer to the gentleman is, it matters not whether it has been done before. We have never before been faced with the crisis that we are facing today. The question is, What shall we do now to save the economy of the country and to save the freedom of the world?

Mr. NICHOLSON. We are not in an all-out war. We are in a proposition of defending Korea; that is all.

Mr. MULTER. Oh, no. We are not merely defending Korea. We are now defending the liberties and the freedoms of the peace-loving people of the world. We have to set up laws and procedures now by which we can save this country from the onslaught of the subversive and destructive forces that we know will be leveled at us in the days ahead.

Mr. NICHOLSON. So in doing that we sacrifice all of the liberties that we have in this country, so far as real estate is concerned or the right to enter into a contract with somebody to buy a house is concerned.

Mr. MULTER. We are sacrificing no liberties when we take these steps to preserve our liberties. The credits and the real estate you talk about are no less precious than the lives our boys are called upon to sacrifice.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman contend that we are in a greater and

more serious emergency than we were in World War II?

Mr. MULTER. No. I am saying that we are now preparing against such an emergency, we are now taking the steps that must be taken so that we do not get caught short in the days ahead. We are doing now, what must be done in order to save our economy from the forces that will be exerted against us in days ahead.

Mr. KEATING. Does the gentleman not feel that the controls we had during World War II should be sufficient for the present emergency?

Mr. MULTER. We are not enacting those controls now.

Mr. KEATING. The gentleman, I take it, favors the enactment of all controls which were enacted to control our economy during World War II?

Mr. MULTER. With the right given to the President to use them when he thinks the time calls for it.

Mr. KEATING. Does the gentleman contend at the other end of the pole that greater and more extensive controls should be granted now than were granted at the time of World War II?

Mr. MULTER. I do not concede that we are granting any greater controls now than we did then.

Mr. KEATING. The gentleman means in the bill offered by the committee? The gentleman's contention is it does not go further than the extension of controls during World War II?

Mr. MULTER. That is my contention; yes.

Mr. KEATING. With regard, for instance, to the control of credit, there never was a general control of all credit in World War II, was there?

Mr. MULTER. You mean that we did not control all credit but we had the right to control all credit. All we found necessary was to have regulation W during most of those days; nevertheless, the right existed to go way beyond that, if necessary.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MULTER. Mr. Chairman, who else wants to be excluded from the terms of this bill? Big business wants exclusion and the proposed substitute for the committee bill will exclude big business.

Under the title of requisition and allocation, the proposed substitute will limit those powers to "articles and commodities." The committee bill provides "plants and facilities" as well as "articles and commodities" may be allocated and may be requisitioned when necessary.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman contend, then, that the provisions in the Selective Service Act, which we have already adopted, are not sufficient to take care of the requisitioning of facilities and plants?

Mr. MULTER. I so contend, because the provisions there apply only for the national defense, and if you cannot find that the national defense requires requisitioning under that act the President may not requisition.

Let me call your attention to this, too. In H. R. 9176, the declaration of policy refers to the fact that this bill will enable us to protect the national security of the country and also enable us to carry out our commitments to the United Nations and other foreign commitments such as those under the Atlantic Pact. One Member earlier in the day got up and said he did not like that; he was going to move to strike it out and he was going to substitute for it the declaration of policy as contained in the proposed substitute H. R. 9283. When we look at page 3 thereof, we find the declaration of policy says:

> To enable the Government to provide for the national defense and to carry out our foreign commitments made in conformity with the Charter of the United Nations and other foreign commitments.

It is in that connection that we need these present new powers of requisition and allocation as contained in H. R. 9176. If any of our commitments to the United Nations or under the Atlantic Pact or any other foreign commitments that we have duly made necessitate requisitioning, the President should have the power that we give him under H. R. 9176 to requisition big-business plants, if necessary, big-business facilities, as well as articles and commodities that are usually found in the hands of the small-business man.

There is one other item here. Our bill will control consumer credits and real-estate credits, and under the powers given to the President under this bill there will be no attempt and there can be no attempt at evasion. Under the emasculated provisions as written into the proposed substitute, which uses the same titles but somewhat different language, it creates many loopholes. You will have all sorts of evasion and avoidance of the principles that everybody agrees should be enacted into law.

Mr. KEATING. Mr. Chairman, if the gentleman will yield further, do I understand that in the so-called Deane substitute that contains all of the provisions of the original administration bill, that is, the committee bill, plus provisions for rationing, price control, and wage control? Is that a fair analysis?

Mr. MULTER. I believe that the proposed Deane substitute contains all of the provisions of H. R. 9176 plus an additional title calling for mandatory wage and price controls at this time. Is that right, may I ask the gentleman?

Mr. DEANE. Not mandatory, but stand-by.

Mr. MULTER. By the time you get through with the proposed Kunkel substitute and the proposed Deane substitute I think they will be somewhat alike, at least as to wage and price controls.

This is a good bill as presented by our committee. If you think you can make it a better bill by adding stand-by price and wage controls, then add them. But do not do it with weasel words. Do it in plain and simple language that will accomplish what we intend.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DOLLINGER].

Mr. DOLLINGER. Mr. Chairman, it must be conceded that the present time of great stress can become at any moment a time of grave crisis. Only by taking every precaution and laying a firm foundation of constructive defense plans now, can we be assured of successfully meeting the crisis, should it come.

Let us not forget that the great conflict for the preservation of our freedom and our very lives has begun. The aggression which would deprive the Koreans of their liberty is a threat to our very existence, and a stern warning that a long period of work, sacrifice, and hardship is ahead of us. It is of vital importance that the aggressor who would destroy freedom in the world be convinced that we are solidly united in our aims and endeavors here; that no sacrifice is too great; and that the deprivations we are called upon to bear will be borne cheerfully, in the name of liberty.

This is no time for wishful thinking, inefficiency, or lack of vision. We must call into use all our resources, the maximum efforts of brains and brawn—rekindle in every heart, love and patriotism for our great country, and tackle effectively the tremendous job that we have to do. Our men who are now giving their lives in battle are entitled to know that we have a strong and impregnable home front and that every citizen is cheerfully meeting the demands placed upon him.

Confusion must be avoided at all costs. The people are looking to us, their Representatives, to point the way for them. We are charged with the responsibility of taking every necessary measure to meet at once the demands as they arise. Adequate defense calls for economic as well as military strength. All-out preparedness is more to be desired than to be found vulnerable; the morale of our people will be maintained at a high level if we give them a workable program of defense now—and we cannot take action too soon.

The bill before us for consideration would answer part of that need. However, it falls far short of adequacy. The importance of controls over production and credit is recognized. But we must go much further. In my opinion, the President should be given stand-by controls over all prices, rents, and rationing. Time is a vital factor toward any victory, and we must be ready for complete economic mobilization at any given moment.

We should benefit by our experiences in World War II. You will recall that price controls were not put into effect until long after the emergency, and it was necessary to roll back prices. Prices on necessary commodities are already soaring. Controls of production without price control mean inflation and resulting hardship to the millions who cannot afford to meet the increased prices of essentials. You have all read countless stories of the hoarding

which has already begun. It does no good to try to assure the people that hoarding is not necessary. It is going on now at an alarming rate and shortages will soon be upon us unless we provide necessary safeguards. Without them, those who are willing to be sensible will suffer unfairly because of the selfishness of the hoarders. Rationing protects all, and conservation of necessities is another step in the structure of defense.

Our present rent-control law is useless in the face of a wartime emergency. Again we can profit by our experiences of only a few years ago and provide adequate protection for the countless persons who will find themselves homeless if we do not remember them now. A strong, adequate, Federal rent-control law is a must.

If we enact comprehensive stand-by laws now, which could transform our economy from a peacetime basis to a wartime basis the moment it becomes necessary, we will only be using the foresight our people expect of us. It simply is not possible at this point for us to be too well prepared—for anything. Only by meeting every problem and emergency just as soon as it is upon us, can we hope to win the bitter conflict of ideologies now under way.

Profits must be taken out of war. An excess-profits-tax bill must be passed at once. This is one time business must assume its proper burden; business cannot be let alone so it can make huge profits while men die in the hills and rice paddies of Korea. Profiteering must be stopped—not when it is too late—but now.

Inconvenience, sacrifice, deprivations, let us have them. What a small price to pay for that most precious heritage which is now so critically threatened—liberty.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, I take pride in my membership on the House Committee on Banking and Currency. I admire and have a great respect for the keen minds and the loyalty of the members of that committee.

Digressing for a moment, I feel that I express the sentiment of each member of our committee and this House when I say that, while wishing him great success as he goes into other fields, we are going to miss very much our beloved friend and a member of our committee the gentleman from Oklahoma [Mr. MONRONEY].

I hope I may not be classed as a deserter of our committee in offering a substitute bill H. R. 9280 which I feel goes to the heart of the problem we face in the country today in view of the present economic emergency.

I am inserting in the RECORD here photostatic copies of editorial comments from representative newspapers in various sections of the country indicating that we should be realistic in the legislation before us. These observations to which I invite your attention clearly indicates that. We should take an additional step and provide for price and wage controls.

[From the Birmingham (Ala.) Post-Herald of July 28, 1950]

STOP INFLATION NOW

From two eminent sources, Congress and the country got two varieties of advice this week about what economic actions are made necessary by the world crisis in Korea.

One variety came from President Truman and his Council of Economic Advisers. It filled a 160-page printed book, replete with charts and tables of statistics.

Its substance was that the actions already taken or proposed by Mr. Truman are sound and adequate to the present situation.

The other variety, filling 15 typewritten pages, was read by Bernard M. Baruch to the Senate Banking and Currency Committee.

Its theme was that Mr. Truman's actions, taken or proposed, though good as far as they go, are gravely deficient in that they don't go far enough to mobilize the country and to stop inflation.

Mr. Baruch warned against trusting "the futile, illusory hope" that the Korean crisis will pass off without upsetting us too much.

That crisis, he said, is bigger than Korea. The "final area of decision" is not there. Another world war may yet be averted—but only through far greater effort than thus far has been proposed.

For we are lagging in a race against an enemy who has mobilized and armed for war while America and other free nations disarmed. Even if the Korean affair did blow over, we still would have to mobilize and arm, or invite aggression elsewhere.

But mobilizing and arming on the scale not imperative will require vast Government spending, increasing already serious inflationary pressures.

They call also for Government priorities, such as Mr. Truman has asked on materials and productive facilities. And once the Government steps into the market with enormous demands, requiring quick priorities, it starts an inevitable chain reaction.

Those from whom the Government takes materials will seek to replace them, bidding up prices to get what they want. So control of prices will become necessary. But price controls won't work well or fairly without rationing. And price controls will prove ineffective if wages and other costs are left free to rise.

Therefore, Mr. Baruch told Congress, it is Government's urgent duty to place a ceiling over the entire economy—a ceiling on prices, wages, rents, food and all other costs—to eliminate profiteering and to ration scarce essentials.

And to do that at once, instead of deliberately refusing "to lock the stable door until after the horse is stolen." For "the right time to stop inflation is always now. * * * It will never be easier to do than now."

Like many other Americans, Mr. Baruch fears concentration of power in the Government and too great dependence of the people on the Government. But, he said:

"The gravest threats to preservation of the American system today are not Government controls. They are military defeat abroad and further inflation at home. What could make people more dependent on Government than inflation?"

If the value of savings is destroyed, he pointed out, with it will go the ability of individuals to care for themselves. If some are permitted to profiteer at the expense of many, the people's confidence in justice will be sapped, leaving grievances for the politically unscrupulous to exploit.

He further advocated taxes high enough to eliminate profiteering and cover all defense costs, postponement of all nonessential Government spending, and fast steps to organize America for all-out mobilization.

Ten years ago, in another growing world crisis, Mr. Baruch began giving President Roosevelt and Congress and the American people that self-same advice.

Looking backward now, it's plain to see that the limited amount of his advice then followed promptly has proved wise.

But to a great extent his advice was disregarded, or followed by degrees too little and too late. And for that fact this country and its people have paid, and still are paying, a fearful price.

This time, let's heed the lessons of experience.

[From the Cleveland (Ohio) Plain Dealer of July 31, 1950]

CONTROLS, MILD OR DRASTIC?

The most important issue before Congress at this time is the determination of the character and extent of the Government controls which should be imposed on the domestic economy in view of the increased military expenditures which are necessary at this time and which may be required in the future.

Bernard Baruch, America's distinguished statesman without portfolio, has expressed the belief that complete controls should be applied immediately to materials, wages, prices, and profits, and that rationing should be invoked for scarce essentials, or those likely to become scarce.

The extreme opposite viewpoint is that the war effort can be maintained satisfactorily merely by a voluntary system of allocating raw materials and other facilities where they will be needed.

A middle-ground program has been submitted to Congress by President Truman. It calls for allocation and priority authority, credit restrictions, and Government loans to finance business expansion for war production.

In the long run, the extent and nature of the controls that are required will be governed by the proportion of our total production that must be devoted to defense. That, in turn, will be determined by the military situation throughout the world. If the war in Korea remains localized, and no others like it break out, we can probably maintain a state of readiness, or partial preparedness, for an indefinite period without imposing drastic controls over the civilian economy. But in the event of more incidents on the Korea model, or a general war, the situation would be entirely different.

This newspaper believes drastic controls should be avoided if that is at all possible. Production can be achieved much more quickly and efficiently in a free economy than in a controlled one. Moreover, we know from recent experience how reluctant bureaucratic officials are to relinquish controls when they are no longer necessary.

Therefore, unless the war situation grows worse, what is more needed at this time, we believe, are higher taxes and strict limitations on bank credit and installment buying. These measures would have the twofold effect of helping to put the Nation on a pay-as-you-go basis, which is the surest way to avoid inflation, and of curtailing the demand for civilian goods, which would facilitate the smooth operation of a system of priorities and allocations for military production, avoid shortages of civilian goods, and reduce pressures for price increases.

We must recognize, however, that in the event of a general world war, mild controls would not be sufficient. And of this we are certain, that if the military situation should require the imposition of drastic controls, such as those recommended by Baruch, they must all be put into effect at the same time.

But whatever type of controls is adopted, they must be accompanied by a sharp curtailment in Government spending for nondefense purposes, if a serious disruption in

the economy of the Nation is to be avoided. There should be a complete suspension of Government spending for all projects which can be deferred. There must be more evidence than there has been to date of a sincere desire on the part of Congress and the administration to make a substantial reduction in Government spending that is not related to the war and rearmament.

In this connection, the administration might very well give thought to a revision of the European aid program from a civilian to a military basis. We have gone a long way toward helping the nations of western Europe restore their civilian economies. Today the threat they face is no longer economic collapse but armed aggression. Perhaps the time has come to give western Europe guns instead of butter. But we should insist that those we aid should help themselves and should also contribute whatever they can to the fighting war in Korea.

[From the Hartford (Conn.) Times of July 27, 1950]

MR. BARUCH'S BLUEPRINT

President Truman is asking for certain controls and alterations in the present economic set-up to meet the demand for expansion of our military forces and to offset the financial effects of greater Government spending. These changes include credit controls, allocation powers covering scarce materials, and increased taxes. He has not asked for excess-profits taxes or for price controls.

Exercise of these new powers may enable us to hold the line. If they do not, Mr. Truman says they will at least make the next steps easier and that all preparations for such steps have been made. "If it should become necessary," he says in his economic report, "I shall without hesitation ask the Congress for the grant of the powers to implement these further plans, whether for complete economic mobilization or for further intermediate action, depending upon the need."

To Mr. Bernard Baruch, however, there is no warrant for such a gradual approach to the problem. Mobilization is a familiar problem to him. He has served as a Presidential confidant and public adviser through two world wars and has made a specialty of national preparation to meet a military crisis.

Like any other good planner, Mr. Baruch has a program adequate for circumstances of the gravest nature. His differences with the President's program lie in the degree to which he deems it essential to interfere immediately with the normal factors in our economy. He would go all out at once.

The elder statesman tells the Senate Banking Committee that the time is already here for "an all-over ceiling across the entire economy—over all prices, wages, rents, fees and so on, with high enough taxes to prevent profiteering and pay all defense costs, and an all-embracing system of priorities."

This is total mobilization, at least so far as the whole economy of the country is concerned. Probably Mr. Baruch would not contend that we have yet reached a stage of total war but he evidently believes that our financial and industrial status should be the same as it would be if we were facing a foe on every front.

It is not likely that Congress will adopt this viewpoint. Nor is it essential that it should, provided—and this is a proviso of imperative urgency—we have economic scouts on the job capable of reporting the approach of even a creeping inflation.

Although he does not ask for them now, the President presumably would not object to stand-by powers in excess of anything he intends to use immediately. These, however, the Congress will be most reluctant to grant. Probably a Presidential request for them would precipitate a partisan battle we can ill afford just now. The alternative is that Congress remain on the job and that the executive branch keep it alerted to all inflationary tendencies. Also there should be an advance agreement among the leaders as to what should be done if the time arrives for more drastic curbs on prices, wages, credit, civilian use of scarce materials, or the normal tendency of production to seek the channels of largest profits.

Mr. Baruch thinks we already face the choice of total economic mobilization "or of clinging to petty wants and petty profits, imperiling our freedom and our civilization." If such a choice does not actually confront us, it may very well be just around the corner. If we are wise, we will be fully prepared to meet it on short notice. If it comes, there is no question that something closely resembling the Baruch blueprint should be adopted as our program of national action.

[From the Atlanta (Ga.) Constitution of July 28, 1950]

FOR ALL-OUT MOBILIZATION—NOW

Better than most of those in Washington, the people are aware that half-measures invariably result in a half-way job.

We now are trying to prepare the country for possible all-out war with half-measures, both military and economic.

The people are confused. Being at least 6 months ahead of official Washington in their thinking, they are ready now to begin whatever sacrifices may be necessary to insure victory should the Soviet Union attack.

Congressmen are aware of the growing sentiment in this direction. Yesterday the House Banking Committee defeated by only one vote a proposal for full economic controls.

Bernard Baruch, elder statesman and adviser to Presidents, has told Congress he believes full mobilization of all our resources is necessary. Mr. Baruch's thinking is in line with that of nearly all economists and military leaders. Only a few days ago Representative CARL VINSON, of Georgia, chairman of the House Armed Services Committee, cried that Mr. Truman's partial mobilization measures fall far short of our need. Both Mr. Baruch and Mr. VINSON long have held the opinion the country's defenses were being allowed to deteriorate beyond the margin of safety. It was his criticism on that point that brought about the break between Mr. Baruch and the President.

The people, we firmly believe, are fully ready to accept Mr. Baruch's program of total mobilization, including price controls, wage controls, rationing, rent controls, and all other measures needed to channel the country's full productive capacity into war goods and supplies.

That would mean regimentation, but regimentation in an emergency is the only means of insuring against discrimination. Moreover, there are few among us who would say that regimentation, of limited duration, would not be preferable to defeat at the hands of the Communists.

Mr. Truman, in opposing all-out mobilization at this time, finds himself in the strange company of Senator TAFT, Republican, of Ohio. The integrity of neither is to be questioned. But the weight of evidence is against them.

The President has made one point clear. When controls are imposed they will be complete. Mr. Truman has made it plain he realizes wage controls must go along with price controls, rationing, excess-profits tax, and other measures. All are necessary to a balanced wartime economy and as assurance that one group does not profit from mobilization at the expense of others.

We do not know when Russia will attack. But if the Soviet Union wanted peace it could be assured of it. That Stalin has not called off the war in Korea means the masters of the Russian people have not changed their avowed determination to dominate the world. The poor state of our defenses is shown in the almost daily reverses in Korea. It will require the concerted energy of the Nation to rebuild them to the point of safety. We already have waited too long. The people are ready. They merely wait on a lagging Congress and a reluctant President.

[From the Indianapolis (Ind.) News of July 27, 1950]

SHALL WE DO IT NOW?

Shall we do now what we know will have to be done later?

That is the question, and the honesty and degree with which it is met may decide this Nation's entire future.

Bernard Baruch, the elder statesman, posed the question, and also gave its corollary: "or shall we fumble and falter and invite defeat."

The American people, as so often happens, are ahead of the President and Congress, this newspaper believes, in understanding the gravity of the hour.

Some Members of Congress, it is true, realize it; Senator HOMER E. CAPEHART spoke for them when he asked why an emergency isn't declared and when he warned there is no way of telling how long America must be on a war footing—"it might be 10 years or 25 or 100 years, I can't tell."

Congress undeniably is faced with a difficult decision: Should it go along with President Truman's program for industrial allocations and credit controls without rationing and wage and price controls? Or should it heed Mr. Baruch, who resolutely told the legislators that the President's plan does not go far enough.

The reasons put forth for total economic mobilization are compelling ones. The real danger, he warns, is not Government control but military defeat abroad and inflation at home. And it is true that the President's program proposes a system of priorities over production, yet it does not provide for controlling prices and other costs. And that unquestionably is inviting more inflation.

"It may be argued that the menace of inflation is not so frightful today," Mr. Baruch said, "since we are not yet at war. Actually the danger is greater."

What is needed, he told Congress, "is an over-all ceiling across the entire economy—over-all prices, wages, rents, fees, and so on, with high enough taxes to prevent profiteering and to pay all defense costs, and an all-embracing effective system of priorities."

Is Mr. Baruch right? Must the Nation completely control its economy? Even if he is not correct on every point, his program unquestionably is sounder than the administration's.

While President Truman acted with courage and foresight in calling the Communist bluff and in asking for higher taxes, he cannot sever himself altogether from his political background. He would like to settle for both guns and butter, just as many a Congressman would, and just as some citizens mistakenly believe is possible.

If we have learned anything from past wars, we should know that the longer we delay cutting away peacetime fat and comfort, the longer we defer the equality of sacrifice and effort that is required, the harder the job is later on.

As Mr. Baruch says, "experience has taught us that when the Government steps into the market with such enormous demands requiring such quick priority, you must control all prices, including wages, rents, foods, and other costs. This is not a pleasant outlook. Neither is that of the young man who has

to go to battle. He risks all. Those who remain at home are called upon only to have less comfort."

It is far easier to agree with the adviser to Presidents that, before peace is won, we shall have to come to total mobilization, than it is to follow the faction that would try piecemeal adjustments. That simply isn't possible in this dread day of the atom.

[From the Louisville (Ky.) Courier-Journal of July 27, 1950]

WE MUST MOBILIZE NOW OR WE IMPERIL ALL

The gloomier the news from Korea gets, the more we must marvel that the Nation continues to turn a doubting ear to the advice of Bernard Baruch. And even if the news should suddenly improve, we face, as President Truman and Senator TAFT and just about everybody has said and knows, long years of meeting the requirements if not of world war at least of world defense.

President Truman, it is true, has acted with political courage and statesmanlike foresight in asking Congress for prompt action now in raising taxes, an inevitable follow-up to the enlarged armed forces necessitated by the Korean war and its global implications and ratified quickly enough by Congress. Heavier personal taxes, heavier corporation taxes, and sharp excess profits taxes are demanded by even partial mobilization, and we do well to accept that hard fact now.

But, as Bernard Baruch has tirelessly reminded us between wars, at least three-quarters of the effort required to wage modern war must be civilian. We may not now have the many years of detailed planning without which no major war can be fought efficiently, but such time as we have should not be frittered away in wistfully inactive agreement that of course we will do thus-and-so when and if events show thus-and-so is needed. Two world wars have given us a clear outline of what the present situation calls for, and Mr. Baruch is quick to urge Congress to meet it: All-out economic mobilization now, the better to expedite that all-out military mobilization toward which we must build and plan as fast as danger demands that we should.

The real danger, as Mr. Baruch says, is not Government control but military defeat abroad and inflation at home. We must organize ourselves—"all our resources of men, money, materials, and morals—so that whatever happens—new aggressions abroad, possible destruction at home—whatever happens, the Armed Forces can get what they need when they need it, with the least necessary dislocation of the civilians."

What this involves, of course, is "an overall ceiling across the entire economy—over all prices, wages, rents, fees, and so on, with high enough taxes to prevent profiteering and to pay all defense costs, and an all-embracing effective system of priorities."

We learned that in the last war. Now, with a small-scale war already burning and the prospect of global war sharp in the minds of us all, we still show reluctance to believe that we must begin to cut away our peacetime fat and comfort if we are to have muscle strong enough for the job. The limited powers sought by the President under the Defense Production Act of 1950 are, as Mr. Baruch told the Senate Banking Committee, not enough; indeed, in piling a system of priorities on top of a necessarily huge military spending program, with no provisions for price control, they constitute an invitation to inflation.

We hope that Congress this time will listen and act with speed and wisdom. If we win the next war we can end excessive governmental controls when we please—but without them we are in mortal danger of losing that war. And who then, except Soviet academicians, would be interested in how and why it was that we mobilized too late?

[From the Birmingham (Ala.) Post-Herald of July 29, 1950]

THE MODERATION FRONT

President Truman said rightly that price and wage controls and rationing should start simultaneously—if danger of inflation makes them necessary.

But, he makes it clear, he does not think them necessary now.

He continues to hope his present program will keep them from becoming necessary. That program includes:

A new $5,000,000,000 tax bill, which Congress will take some weeks to pass; a heavier tax bill, which he says should be enacted after the November elections; Government power to curb consumer and speculation credit; reduction of nondefense Government spending wherever feasible.

In addition, his economic report this week called for voluntary measures against inflation—for businessmen, consumers, and labor to practice moderation, refrain from hoarding or avarice, and avoid inflationary wage demands and strikes.

Let's see, then, how goes the battle on the "moderation" front:

The day Mr. Truman's economic report reached Congress the Government daily spot index of wholesale prices for 28 commodities had risen 3 percent in less than a week, 10 percent in the last 4 weeks.

That same day the Dun & Bradstreet wholesale food price index hit $6.49—up 8 cents in a week to its highest point since September 1948.

Despite Agriculture Department efforts to hold them down by selling Government's stored stocks at a 200,000-bale-a-week clip, cotton prices had jumped about $26 a bale since Korea.

The Wall Street Journal reported "gray marketeers" demanding premiums of 100 percent or more for steel; savings-bank deposits tapering off as one effect of "war-scare buying;" moneyed people, seeking refuge from coming higher taxes, bidding up prices of tax-exempt bonds.

The Federal Reserve Board reported Nation-wide department store sales the week of July 15 were 46 percent above a year ago; the greatest increase on record.

Milk prices rose in Chicago, Dallas, New Jersey, and New York City, where the increase was a cent a quart in groceries, a cent and a half home delivered. Manufacturer's prices for Camel and Cavalier cigarettes went up half a cent, retail prices a cent.

The United States Labor Department reported an all-time peak of average hourly wages in manufacturing industries—$1.45 an hour. Machinists and toolmakers at 6 Reynolds Metals Co. aluminum plants struck for higher pay.

And a whimsical Washington (D. C.) grocer decided to see how silly hoarders could get. He put up big signs offering 5 pounds of sugar for 98 cents, almost twice his price the day before, and sold 800 pounds in 4 hours.

Congressmen in growing numbers lack Mr. Truman's faith in voluntary measures and indirect controls.

Republicans on the House Banking Committee tried Thursday to write Bernard M. Baruch's proposal for price-wage controls and rationing into the administration's pending defense production bill.

The committee defeated their effort, but by a vote of only 10 to 9.

Mr. Baruch has urged Congress to order price-wage controls and rationing started without delay. If Congress won't go that far, he says, it should at least write authority into law right now, then keep it ready for Mr. Truman to use instantly if and when he changes his mind.

Congress would be exceedingly wise to do just that.

For Mr. Truman may find it necessary to change his mind suddenly and soon.

Certainly the menace of inflation is far more serious today than it was on November 17, 1947, when he demanded from an emergency session of the Republican Eightieth Congress immediate price-wage control and rationing powers. Or than it was on January 7, 1948, when he repeated that demand although a period of deflation was then already under way.

Three of us in the committee voted for a bill offered by the gentleman from Pennsylvania [Mr. KUNKEL], not with the idea that it was perfect but in order that the committee might work its will in bringing to this floor legislation that would be comprehensive.

My bill, which was distributed to the offices of the Members this morning, is H. R. 9280. It will carry every provision contained in the committee bill, H. R. 9176 except the addition of this language in the declaration of policy:

It is the objective of this act to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military and other programs in support of our national security and foreign-policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use.

H. R. 9280 which I am offering as a substitute differs from the latest Kunkel bill, 9283, in these important parts. The priorities and allocations in both the Kunkel bill and my bill are the same.

As to the power to requisition, my bill is the same as reported from the committee. The bill offered by the gentleman from Pennsylvania [Mr. KUNKEL] is limited to commodities and articles.

The expansion of productive capacity in both bills is approximately the same.

As to the control of credit and commodity speculation, my bill provides for the regulation of consumer credit, housing credit, and commodity speculation, as reported by the committee. As discussed here on the floor this afternoon, the bill offered by the gentleman from Pennsylvania provides only for consumer credit.

Someone may ask who wrote the so-called Deane bill, H. R. 9280. I have studied carefully the statements made by Mr. Baruch. I have also advised with the former distinguished Member of this body, the Hon. John Sparkman. I advised at length with the legislative counsel and the loyal clerk of our committee, in trying to bring together the additional title V, which I feel is representative of the thinking of the American people today.

I cannot help but see in my mind at this time the picture we saw in the morning Post of soldiers from this area leaving for camp. Many of us, no doubt all, are disturbed mentally about the situation. We should not lose a single opportunity to draft into legislation comprehensive control over wages and

prices. To that end I propose to submit H. R. 9280, my bill, with title V, as a substitute unless there is offered by the committee amendments that will take care of the provisions included in title V of my bill because I feel that the time is here when we should seriously come to grips with the problem.

Mr. Chairman, I feel that we would actually defeat the purpose of our committee bill if we did not add those provisions that would make available the stand-by authority vested in the President to control wages and prices.

TITLE V. DEANE BILL

I outline here the provisions of title V of my bill, the title that is not included in the committee bill:

TITLE V—PRICES AND WAGES

NOTICE OF INTENDED PRICE INCREASES

SEC. 501. The President may by regulation or order require sellers of any commodity which significantly affects the cost of living, the costs of industrial or agricultural production or of construction, or the costs of national defense or foreign aid to give up to 60 days' notice to the President prior to the effective date of any intended price increase with respect to any such commodity. After the issuance of any such regulation or order, no price increase shall become effective for the specified commodity without the giving of the notice required by the regulation or order and until the expiration of the period required to be specified in the notice. The President may require any seller who has filed such a notice to appear at a public hearing with respect to the justification for such price increase. At the expiration of the period required to be specified in the notice, the price increase may become effective, unless prior thereto a maximum price for such commodity is established pursuant to this title. If a maximum price is not so established prior to the expiration of the period required to be specified in the notice, that fact shall not preclude the establishment at a later date of a maximum price for such commodity in accordance with this title.

CONDITIONS FOR ESTABLISHING MAXIMUM PRICES

SEC. 502. The authority granted by this title to establish maximum prices for a commodity shall not be exercised unless it is determined by the President that—

(1) the price or prices of such commodity have risen or threatened to rise at any time after June 1950 to such an extent as to affect significantly the cost of living, the costs of industrial or agricultural production, or of construction, or the costs of national defense or foreign aid;

(2) other measures available under this act would not promptly and effectively deal with the rise or threatened rise in prices in a manner consistent with the purposes of this act;

(3) the proposed action will help to carry out the objectives of this act as stated in section 2.

DECONTROL

SEC. 503. Whenever any authority is exercised under this title, the President shall periodically review the conditions of its exercise for the purpose of assuring the removal of such control at the earliest practicable date and, to the extent that he determines that the continued exercise of such authority is no longer necessary to effectuate the purposes of this act, he shall immediately rescind such controls.

STANDARDS FOR ESTABLISHING AND ADJUSTING MAXIMUM PRICES

SEC. 504. (a) Whenever in the judgment of the President the conditions set forth in section 502 for the establishment of maximum prices for a commodity have been satisfied, the President may by regulation or order establish such maximum prices for the commodity as, in his judgment, will be generally fair and equitable and will aid in effectuating the purposes of this act. In establishing any such maximum price, the President (1) shall, so far as practicable, ascertain and give due consideration to the prices generally prevailing in June 1950 (or if, in the case of any commodity, the prevailing prices in June 1950 are not generally representative because of abnormal or seasonal market conditions, or other cause, then to the prices prevailing during the nearest period in which, in the judgment of the President, the prices for such commodity are generally representative for such commodity) and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability; and (2) may consider, among other factors which he deems relevant, speculative fluctuations, unusual price relationships, and the level of costs of production, distribution and transportation: *Provided*, That no such regulation or order shall contain any provisions requiring the determination of costs otherwise than in accordance with established accounting methods.

(b) Before issuing any regulation or order under the foregoing provisions of this section, the President shall, as far as practicable and appropriate, advise and consult with persons who, in his judgment, are representative of the industry which will be subject to such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the President shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order, appoint an industry advisory committee or committees, either national or regional or both, consisting of such number of representatives of the industry as in his judgment may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The President shall from time to time advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein, and shall consider any recommendations that the committee may submit.

(c) After the issuance of any regulation or order establishing a maximum price under subsection (a), the President may on his own initiative or at the request of the industry advisory committee, established under subsection (b), review and, when he deems necessary, revise the maximum price or prices established by such regulation or order. In making such review the President shall consider, among other factors which he deems relevant, changes in the costs of production, distribution, and transportation since the establishment of the maximum price, and the level of profits earned by sellers of the commodity or commodities.

(d) Every general regulation issued under the foregoing provisions of this section establishing a maximum price or prices for commodity shall be accompanied by a statement of the considerations involved in the issuance of such regulation. This requirement shall not apply to modifications of any such previous regulation where the President determined that justification for such modification is adequately covered by previously published statements of consideration.

(e) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this act, he may, without regard to the foregoing provisions of this section, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities during such period subsequent to June 1, 1950, as the President shall specify; but any such temporary regulation or order shall be effective for not more than 90 days, and may be replaced by a regulation or order issued under the foregoing provisions of this section.

(f) The President shall make an adjustment for hardship to a seller caused by a maximum price established under this section, if in the judgment of the President such adjustment is necessary to prevent gross inequities and can be made without impairing compliance with the provisions of this title and the effectiveness of the regulation.

(g) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this title, he may, by regulation or order, regulate or prohibit manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, which in his judgment are equivalent to, or are likely to result in, price increases inconsistent with the purposes of this title.

AGRICULTURAL COMMODITIES

SEC. 505. (a) No maximum price shall be established or maintained for any agricultural commodity below a price which will reflect to producers of such commodity the parity price, as determined by the Secretary of Agriculture, or, in case a comparable price has been determined for such commodity under subsection (b), such comparable price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials); and no maximum price shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the parity price or comparable price, as so determined.

(b) For purposes of this title, in the case of any agricultural commodity other than the basic crops—corn, wheat, cotton, rice, tobacco, and peanuts—the Secretary shall determine and publish a comparable price whenever he finds, after investigation and public hearing, that the production and consumption of such commodity has so changed in extent or character since the parity base period as to result in a price out of line with parity prices for basic commodities: *Provided*, That comparable prices heretofore determined by the Secretary may be used for the purposes of this title.

(c) Whenever a maximum price has been established, under this title or otherwise, with respect to any fresh fruit or any fresh vegetable, the President from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity.

(d) Nothing contained in this title shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provisions thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act.

WAGES

SEC. 506. (a) The adjustment of wages, salaries, or other benefits (hereafter referred to as wages) through collective bargaining to reflect increases in productivity, to protect and improve standards of living, and to afford an equitable distribution between wages and profits, is in accord with the policy of the United States. This title is not intended to modify this policy, but rather to

further the objective of preventing price increases which tend to destroy economic stability and correspondingly to destroy the value of the wage earner's dollar.

(b) The President is authorized to establish a Temporary Wage Board, hereinafter referred to as the "Board." The Board shall be composed of six members, to be appointed by the President, two of whom, including the Chairman and the Vice Chairman, shall be representative of the public, two representative of employees, and two representative of employers. For each member of the Board the President shall appoint an alternate member who shall serve as a member of the Board in the absence of his principal. The Board shall be within the Department of Labor, but shall be independent of the Department of Labor with respect to its decisions.

(c) An increase in wages granted by an employer who produces or processes a commodity for which a maximum price is in effect under this title may not be considered as an increase in cost of production for the purpose of adjustments in price ceilings under section 504 (c) until 6 months after the effective date of the wage increase, except to the extent that the wage increase has been found by the Board to be necessary for one or more of the purposes specified in subsection (d). A wage increase or prospective wage increase may be submitted to the Board at any time, under procedures to be established by the Board, for a determination under subsection (d).

(d) When an increase in wages or a prospective wage increase has been submitted to the Board, it shall be the duty of the Board to determine whether the wage increase or any portion thereof is necessary for one or more of the following purposes: (1) To compensate for increases in the cost of living, or (2) to correct inequities in the wage structure, or (3) to correct substandards of living, or (4) to maintain essential production at levels certified by the President. The decision of the Board shall be rendered as expeditiously as possible after receipt of the application. Decision shall be by the majority vote of the Board.

(e) Members of the Board representing the public shall receive compensation on a per diem basis when actually employed at the rate of $15,000 per annum and travel expenses as authorized by section 5 of the act of August 2, 1946 (5 U. S. C. 73b-2), for persons so employed. Other members of the Board shall serve without compensation but shall be entitled to transportation and subsistence as authorized by said section for persons so serving at a rate of $25 per day.

(f) Service of an individual as a member of such Board shall be exempt from the provisions of sections 281, 283, and 284 of title 18, United States Code (Public Law 772, 80th Cong.), and of section 190 of the Revised Statutes (5 U. S. C. 99).

(g) In the exercise of the authority conferred upon the Board by this act it may issue rules, regulations, and orders, and include therein such provisions as it finds are reasonably necessary to exercise its functions hereunder.

(h) The President may transfer and delegate the function, power, authority, and discretion conferred on the Board by this section with respect to salaries, and wages of agricultural labor as defined by the President in regulations, to such departments and agencies or officials of the Government as he may deem appropriate.

ADMINISTRATION AND ENFORCEMENT

SEC. 507. (a) The protest procedure set forth in section 203 of the Emergency Price Control Act of 1942, as amended, shall be applicable to this title, except that protests may be filed only within a period of 60 days after the issuance of the protested regulation or order, or, if such protest is based solely on grounds arising after the issuance of such regulation or order, within a period of 60 days after such grounds arise.

(b) The Emergency Court of Appeals created by section 204 (c) of the Emergency Price Control Act of 1942, as amended, is hereby continued in existence for the purposes of review of proceedings under section 507 (a) of this act, and for those purposes the provisions of section 204 of the Emergency Price Control Act of 1942, as amended, shall be applicable.

(c) The enforcement provisions of section 205 of the Emergency Price Control Act of 1942, as amended, with the exceptions of subsections (b), (f), and (g) thereof, shall be applicable to this title.

(d) (1) It shall be unlawful, regardless of any contract, agreement, lease, or other obligation heretofore or hereafter entered into, for any person to sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity, or otherwise to do or omit to do any act in violation of any regulation or order under this title, or to offer, solicit, attempt, or agree to do any of the foregoing.

(2) It shall be unlawful for any officer or employee of the United States or for any adviser or consultant to the President (or to any department or agency to which functions under this title may be delegated) to disclose, otherwise than in the course of official duty, any information obtained under this title or to use any such information for personal benefit.

(3) Nothing in this title shall be construed to require any person to sell any commodity.

(e) The President from time to time, but not less frequently than once every 90 days, shall transmit to the Congress a report of operations under this title. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate, or the Clerk of the House of Representatives, as the case may be.

(f) The provisions of the Emergency Price Control Act of 1942, as amended, which are incorporated by reference in section 507 (a), (b), and (c), shall be applied to this title with such changes in designation of provisions as may be appropriate. Reference in these incorporated provisions to the Administrator shall be deemed to refer to the President (or to any department or agency to which functions under this title may be delegated). Reference in those incorporated provisions to a regulation or order issued under section 2 of the Emergency Price Control Act of 1942, as amended, shall be deemed to refer to a regulation or order issued under section 504 of this act. Reference in those incorporated provisions to the violation of section 4 of the Emergency Price Control Act of 1942, as amended, shall be deemed to refer to the violation of section 407 (d) of this act.

DEFINITIONS

SEC. 508. As used in this title—

(a) The term "sale" includes sales, dispositions, exchanges, leases, and other transfers, and contracts and offers to do any of the foregoing. The terms "sell," "selling," "seller," "buy," and "buyer" shall be construed accordingly.

(b) The term "price" means the consideration demanded or received in connection with the sale of a commodity.

(c) The term "commodity" means commodities, articles, products, and materials (except materials furnished for publication by any press association or feature service, books, magazines, motion pictures, periodicals, and newspapers, other than as waste or scrap), and it also includes services rendered otherwise than as an employee in connection with the processing, distribution, storage, installation, repair, or negotiation of purchases or sales of a commodity, or in connection with the operation of any service establishment for the servicing of a commodity: *Provided*, That nothing in this title shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees, except as provided in section 506, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting station, a motion picture or other theater enterprise, or outdoor-advertising facilities, or (5) rates charged for any professional services.

(d) The term "maximum price," as applied to prices of commodities, means the maximum lawful price for such commodities. Maximum prices may be formulated in terms of prices, margins, commissions, fees, and other charges and allowances.

In my bill H. R. 9280 it is provided that both wages and prices be rolled back to June of this year. Instead of taking a particular date during a particular month, the entire month is taken, because if a certain date is taken it is possible that some particular commodity may have reached the low point in the market. If a spread is given for the entire period of June, less inequalities are likely to result.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. PACE. Does the gentleman tie prices and wages together so that where one is in effect the other must be in effect? Or does he leave them independent of one another where either one can be put into effect?

Mr. DEANE. On that particular point I will say to the gentleman from Georgia my bill provides, so far as wage controls and price controls are concerned, that 60 days' notice must be given before a price rise can go into effect on any article which the President has listed as significantly affecting the cost of living or the cost of national defense. A public hearing is then required, and at the end of 60 days the price goes into effect unless a maximum price for such commodity is established for such article. And my bill further provides that wage increases shall not be the basis for price increases on any article described above for a period of 6 months. I direct attention of the gentleman to section 504 in my title V as spelled out above.

Mr. PACE. But the point I am particularly interested in is can he put on wage controls without price controls, or can he put on price controls without wage controls? Must he have both if either goes on?

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. COLE of Kansas. The gentleman's provision with reference to the wage-control board is not a fixing or freezing of wages, but it merely provides for a board which will permit the employer and employee to present their application for a wage increase and thus have it approved. Am I not correct in that statement?

Mr. DEANE. Yes, that is correct if that is the question the gentleman from Georgia is asking.

Mr. PACE. Then, if it is discretionary he could invoke the one without invoking the other? Do you think that is the situation?

Mr. DEANE. I will say to the gentleman from Georgia, that under the provisions in the bill, equity would certainly result by proper adjudication. The purpose of my bill is to stabilize both prices and wages and where increases are granted they would be granted in the best interests of the public and the great emergency we face.

Mr. PACE. The gentleman understands I am particularly interested from the agricultural viewpoint. If you are going to fix a ceiling price on an agricultural commodity and leave the producer helpless as to the wage he must pay to produce that commodity, it sometimes becomes disastrous.

Mr. DEANE. That would not be the case I assure the gentleman from Georgia. I think the gentleman would be interested in section 505 which provides that no maximum price for an agricultural commodity will be at any time below the parity price.

Mr. PACE. If the gentleman will pardon me, I do not think that would necessarily take care of the situation because we do now have parity prices which do not truly reflect the cost of production because the parity price, as the gentleman understands, does not entirely reflect the labor cost which enters into the cost of production.

Mr. DEANE. I appreciate the gentleman's contribution. My purpose in offering my bill to the Members of the House is to give the Members the benefit of my studies, as well as my reflection upon the statements made by Mr. Baruch, and the feeling as represented by the people throughout our country.

I am satisfied that the members of this Committee want a control bill to stabilize prices and prevent a wholesale increase in wages. It behooves us to think seriously of amending the committee bill.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. McKINNON].

Mr. McKINNON. Mr. Chairman, it is evident to everyone who has been reading the newspapers that we are engaged in two kinds of war. One is against the Reds in Korea and the other is against inflation here at home. If we lose either one of these wars we will lose our American system, our way of living. Therefore, it seems to me, our major problem is not only a matter of concern about the war in Korea, but also in seeing that we have adequate protection on the inflationary front here at home.

There have been charges made that this bill is too broad and is dangerous. I completely disagree. In fact, I do not think the bill goes far enough to accomplish what we need to whip this inflation at home. The bill before us does several good things. One is the allocation of materials, so that they can be used where necessary in the war effort. The surplus can then be channeled for essential civilian use so that large and small industries alike will have equal opportunities. It will prevent a few big business establishments from hoarding materials that are necessary for small-business men as well.

Another provision is to regulate credit. We know that in the next week or two we are going to be voting out some $16,000,000,000 for the war effort. That is a very inflationary pressure. We have got to siphon off some of that buying power in some way if we are going to hold our economy even. If we put $16,000,000,000 out for the war effort, then we have to take $16,000,000,000 back to hold things even. We have $40,000,000,000 in home mortgages, and another $20,000,000,000 in consumer credit. Through this section of controlling credits it enables the creditor to begin to tap off some of that consumer money so as to begin to balance the books and keep our economy stable. I do not think there is anything dangerous about that at all.

I have had a number of protests from real-estate people, protesting any credit curb at all on real estate, but I think the realtors have a stake in this war, the same as everybody else, and I think that they should make a sacrifice the same as everyone else. As good American citizens, they should stand up and be counted. What is so sacred about property, when you start drafting people and sending them off to war? If you are going to do that with a man's life, what is so unusual in doing something about property rights?

In these two powers there is nothing at all that will upset our economy. On the contrary, it will stabilize our economy.

The third provision helps finance small business and other industries in the war effort. We know that in every war there is concentration, a tending toward monopoly. Big ownerships and big money get control of many businesses and expand, to the detriment of the small-business man. This will help the small-business man keep in the swim, so that we can have a continuation of American system after the war is over. There is nothing unusual or dangerous about that. We have precedents for that many times over.

Those are three provisions that we have in this particular bill. The reason I say this bill is not broad enough: If you have been reading the newspapers and going shopping, you know that, regardless of what people may say about voluntary efforts, they simply are not working today in keeping prices where they should be. There is no reason why prices should be higher today than they were 4 or 5 weeks ago, but we know they are. Therefore, it seems to me that we must have a stand-by control—at least—for the President to use on prices and wages. Let us control prices and let us control wages.

The two go hand in hand. I would not want to separate one from the other. I would want to keep them right together, and I am pretty sure that labor will agree and I am pretty sure they would feel it is a fair bill if we have wage and price control together. I do not think we should go ahead with one without the other.

I do not think rationing should be in the bill. We have been telling the people for the past few weeks that there is no reason for them to hoard, that there is plenty of goods, that there is enough for everybody and a surplus. As soon as we put anything about rationing in the bill it is going to be a signal, so far as the public is concerned, for them to rush in and buy; it is going to be a tip-off that they had better go in right now and hoard all they can because rationing is going to be instituted in the near future. Therefore, if we have price control and wage control, but no rationing, it is going to be pretty good evidence to the people that we have been telling them is the fact, and I believe it is, that there is no reason for them to hoard. They would be foolish to do it anyway, for they would simply be raising the price. If the prices were going to be rolled back through the June 25 level, they would be hoarding at a cost of 10 to 15 percent above what it would cost them to wait until price control went into effect. To me it would be very foolish to go ahead with the rationing program, because it completely turns the tables on what we have been telling the people, that there is plenty of material. All we need is price control; we do not need rationing. Price control would be an encouragement for the people to hold back and wait until prices are rolled back, and their diminished panic buying would contribute to a reduction and stabilization of prices.

We are told that these controls are going to restrict our freedom. I would like to know what is freedom when you have to pay a dollar and a quarter for meat that is worth 90 cents a pound? Where is freedom when you pay 65 cents for 49-cent sugar, or when you pay $140 for lumber that is worth about $105.

When you put on these controls it is going to take the price-stabilization picture and put it in the hands of the American people to control through their President and through their Congress rather than placing it in the hands of a few hoarders and speculators who compel us to pay prices that are very unfair.

We have two great safeguards: One is in the very last section of the bill which states that the President by proclamation or the Congress by concurrent resolution can repeal this law at any time. The other is brought about by price and wage controls. So many express the fear that, once voted, we would never again get out from under controls. But they overlook the tremendous influence of business and labor. Both will join together in an effort to get these controls repealed when the time comes. If you have simply price control on the one hand and not wage control on the other there would be a big section of our society that would want controls retained; but when you have both together you are going to have a great section of America working together to repeal these controls when the emergency is passed. That is why I say this is a good bill except that it does not go quite far enough. I think price control and wage control should be coupled together rolled back to June 25 and inserted in

this bill. Then we would have a good bill.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. PACE. Does the gentleman have an amendment prepared to carry out his suggestions?

Mr. McKINNON. We will have such an amendment tomorrow.

Mr SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I am speaking on the pending bill with the conviction that we are now facing the gravest crisis of our national existence. I would not be fair with the House or with the country unless I were that frank in stating my appraisement of the present world situation.

I took very seriously the words before our Banking and Currency Committee of the Honorable W. Stuart Symington, Chairman of the National Security Resources Board, that we were fighting for our existence, for our survival; and it is that serious.

If we are to survive, we must sacrifice and sacrifice and sacrifice. No one anywhere in America can claim immunity. No individual at home can withhold the last ounce of sacrifice, when called upon, in any less measure than those who are summoned to arms and shipped to battlefields. No business, however large or however useful in normal times of peace, can escape the same test of sacrifice to the last ounce when that which has descended upon us is a struggle for survival.

What we have been discussing today has seemed to me, as I have listened to the learned and the brilliant debate that has been going on, was merely the breaking of toothpicks when ahead of us was a forest of trees. We have been talking about orthodox ways of handling business and credits as though there were anything orthodox about snatching young men from the peaceful activities of their preparatory years and fitting them to the pattern of war. Everyone knows that our soldiers, at this moment fighting heorically with their backs to the wall in Korea, are not living by the orthodox rules of social etiquette, dining with the knives and spoons on the right side and the forks on the left. If we waste time in this Chamber trying to explore ways of proceeding in a strictly orthodox manner with business it is clear we will be striking a fatal blow to the morale of our troops and of the country.

I do not know what controls will be needed tomorrow. I do know that when word goes out for total mobilization that means war. We do not want war if in honor it can be avoided. We are still hoping and praying and toiling for peace. The word from this Congress for total mobilization at this time would be tantamount to a declaration of war. War may be close—none of us can say. But we would only be drawing it closer when before we knew that it was necessary we took a step for total mobilization that in its very nature would be a gesture toward war.

I have been down here for a year and a half, and from the very first month I came here I have felt that over us were the clouds of war, that the Eighty-first Congress might go down in history as a war Congress. A year ago I went back to a meeting in the University of Chicago district of the Independent Voters of Illinois, a fine group of men and women, and I told them of my fears. Here we were, a Nation of men and women of peace and good will, with a program under point 4 for laying the foundations of a permanent peace by erasing from all the countries of a free and democratic world that poverty which is the cause of strife and wars. A program, too, here at home for erasing all unnecessary causes of unrest to the end that we might have for the gaze of all the world the example of a democratic people living harmoniously, contentedly and without discrimination in a happy land. Give us but 10 years of peace and we knew our objective could be reached and the permanent peace at last be achieved. But against us was not only a foreign power that refused to meet us on a basis of understanding but some of our own people, sincere and patriotic but refusing to get down from the dear old horse and buggy to take a look around in a modern world.

I have heard from this well about throwing money down the rat holes of Europe and throwing money down the rat hole of Korea. Last January when we had before us the little ECA bill for Korea, and it was defeated on this floor 192 to 191, the people there who believed in us, who thought we were sincere in holding out to them the hand of democratic fellowship, certainly were disillusioned, and the radio of the Communists made the most of it. In this well were used the words "just throwing money down the rat hole of Korea." If you had been a young man or young woman over in Korea and you had believed in America, then you read that in a debate some Member of the Congress of the United States had referred to your land as a rat hole, what would have been your reaction? Certainly the Communists made the most of it, certainly the words that had been used carelessly in this well—"rat hole of Korea"—were quoted over and over again by the Reds in Korea. Certainly those words—"rat hole of Korea"—were pounded into the ears of Koreans who had been loyal to us and who may be against us now because they lost faith in us, simply because of words carelessly said by men in the Congress with the high responsibility truly to reflect the sentiment of the American people.

I wish now to refer to the President. I am one of those old-fashioned Americans who has always believed in my President. It did not concern me whether he was a Democrat or a Republican, he was my President.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. O'HARA of Illinois. Mr. Chairman, when a man is sworn in as President of the United States he has reached the highest office and there can be but one thought in his mind, to leave for posterity the record of a good administration that his name will go down in the history of his land in glory. So I have always respected the President of the United States. I know that always he is giving to his country the best that is in him. I do not like to see in this hour of crisis, or at any time, anyone with the voice of partisanship questioning the ability, the sincerity, or the wisdom of the President of the United States.

President Truman has told us at this time there are certain controls he needs. He does not know what he is going to need tomorrow, but he said "at this time this is what I need, and if you give me this, I hope we can take care of the immediate situation, and more drastic measures will not be necessary.

I have faith in the President of the United States. I have abiding faith in President Truman.

If our young men are being called upon to die for their country, certainly every man who has money and who has it invested should be willing to sacrifice his interest and his advantage and every man who works should be willing to make similar sacrifices, provided always that he has positive assurance his employer can take no advantage of him. I am for an all-out control bill if this proves indeed to be, as is now feared, a war for survival in which every individual and every business must contribute his all, subject to the common benefit and the national security. When that time comes, if it does, I have the abiding faith that President Truman will ask of us and will receive the full authority necessary to be vested to him to meet any emergency.

I have given much consideration and long thought as to what should be my course and my vote as one Member of the Congress and I am not ashamed to say I have given it prayer because I do not believe that any man with the responsibility that is upon everyone of us in this Chamber now at this most critical hour in our history should be ashamed to say that at night he goes to the fountainhead of all wisdom for guidance. And I did that. So, I am going to vote tomorrow for the bill that contains just the powers that our President is now asking. I am going to trust in the wisdom of the President of the United States and I am going to trust that the wisdom of a higher wisdom will be visited upon him in guiding our country through in safety.

Mr. Chairman, I yield back the remainder of my time.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON of Ohio. Mr. Chairman, during the hours that we have been debating this bill, a good many very important things have happened. This afternoon at 3 o'clock the Security Council of the United Nations was called together by Jacob Malik of the U. S. S. R. His demand, and I heard some of it and saw some of it over the television upstairs, was that the Communist China delegate should be seated instead of the man who now represents Nationalist China in the Security Council, whom he refuses to recognize. Until today, as you all know,

the U. S. S. R. had withdrawn, they were not turned away, but they withdrew from the councils of the United Nations. There has been no suggestion that the door would be closed to them at any point. The chair is there for them to occupy.

Now, in the regular rotation of the chairmanship the U. S. S. R. has the chairmanship during August of the Security Council. Naturally all the members of the United Nations are very deeply concerned as to what the outcome will be, what will be attempted through that chairmanship to annul any acts of the free nations of the United Nations.

At noontime, here in this House, we received and heard the speech of the very brilliant Prime Minister of Australia. We of the Committee on Foreign Affairs were included in a luncheon given by the Foreign Relations Committee of the Senate. We heard him a second time speaking very intimately of the friendly relations that exist between his nation and ours. He spoke of the fact that they sent their fighters over immediately to Korea. Other nations have followed suit, and, as you know well, we now have offers of ground troops from Thailand, from Turkey, and from many others. I have not seen the full list as of today. We had destroyers from Canada. We are to have troops from New Zealand. We are to have various assistance, because it is a United Nations project.

What that means is that the United Nations has become an active military force, not just a group where discussions take place. That is of very great moment in the history of our civilization.

We must take our leadership seriously. To take it seriously we must retain our strength, our morale, and our right to leadership, which we must earn every day of our lives. Nothing is static.

This legislation has come before us with great speed. It has been said that it has been very well considered. To my knowledge, and I have made considerable inquiry, there were three witnesses heard. They were all Government witnesses. The people of this country directly or through their Representatives have not been heard. Nor have the people of this country been reminded of the Presidential powers that already exist in the Selective Service Act. It seems to me they have a right to be told, to be made aware. Without proper consideration, Mr. Chairman, we can unintentionally force many hardships on millions of our people and upon thousands of small businesses.

Our people everywhere appreciate the fact that it is very deeply ingrained in all our hearts, that we are going into a long period of difficult times. We are agreed there must be controls but they must be protective controls, not destructive controls.

Surely we all remember how often we asked: "Why did we not have the sense, the judgment, the wisdom to freeze everything the day after Pearl Harbor day, December 8, 1941? Then everybody would have been in exactly the same boat and decisions could have been made with quiet judgment."

That was the wisdom of hindsight. What has become of it?

I should like to recommend to us all the need for some of the hindsight that we heard a good deal about a number of years after Pearl Harbor. To put it in a few words, "why did we not have the sense, the judgment, the wisdom, to freeze everything at that time?"

Mr. Chairman, I ask why that could not be done in connection with whatever bill is passed here. If the House decides to give stand-by powers to the President, why could it not add a freezing provision until it is decided what those powers should be. We should not lay our people open again to some of the mistakes control-wise which we made during World War II. You recall that we had rationing of meat and various other products, and price controls which were put on partially here and in full there and completely confused the whole situation. I feel, as I am sure all of you do, that controls must be, but I want them very carefully considered.

There is no question in my mind but that if this legislation rolls through at the speed with which it is now intended, we shall find the same inequities and mistakes written into it from which we have already suffered. Hindsight should have taught us to give more time to developing an adequate, just, and constructive program.

Every single American in every walk of life, and every stranger within our gates, will have to live under the controls that will be put on through this legislation. Certainly this Congress should take time to give adequate consideration to this far-reaching measure.

Like many others of you, I have not made up my mind whether I shall vote for this, that, or the other. We do not know what will be the final outcome of the amendments and the substitutes, and the intricate parliamentary procedures which will undoubtedly take place here tomorrow.

But I most earnestly hope, Mr. Chairman, that in consideration of all the matters which are put before us, we will do everything in our power to give time for adequate consideration—time to make the people of this country aware of what lies before them; time to make the Members of the House of Representatives aware of what lies before us all. It is so desperate—this, that lies before us—because in our hands and possibly in the solution that we make of the complex problems of controls may lie the future of mankind. If we do it wrong because of too great haste and this country is not able to sustain the program it must assume and sustain if it is to continue to have the leadership among the free nations of the world, then indeed do we jeopardize freedom everywhere.

Mr. SPENCE. Mr. Chairman, we have no further requests for time.

Mr. GAMBLE. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act, divided into titles, may be cited as the "Defense Production Act of 1950."

TABLE OF CONTENTS

Title I. Priorities and allocations.
Title II. Authority to requisition.
Title III. Expansion of productive capacity and supply.
Title IV. Control of credit and commodity speculation.
Title V. General provisions.

Mr. KUNKEL. Mr. Chairman, I offer an amendment, incorporating the change I outlined in my remarks.

The Clerk read as follows:

Amendment offered by Mr. KUNKEL: Strike out the committee amendment appearing on pages 28 to 55, inclusive, and insert the following:

TITLE I—SHORT TITLE, PURPOSES OF ACT, DEFINITIONS, AND OFFICE OF INFLATION CONTROL

SHORT TITLE

SECTION 1. This act may be cited as the "Emergency Inflation Control and Defense Production Act."

DECLARATION OF POLICY AND PURPOSES OF ACT

SEC. 2. It is hereby declared that it is in the interest of the national defense and security and the purposes of title II are (a) to preserve the value of the national currency against the consequences of price and credit inflation; (b) to stabilize prices, wages, and salaries and to prevent speculative, unwarranted, and abnormal increases therein; (c) to prevent economic disturbances, labor disputes, burdens upon interstate and foreign commerce, interference with the effective use of the Nation's resources for defense, and impairment of national unity and morale, which would result from unwarranted increases in prices, wages, salaries, and the cost of living; (d) to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; (e) to prevent prospects of increases in prices, wages, and salaries from encouraging the accumulation and hoarding of materials needed for national defense, and from impending long-term commitments for production; (f) to assure that defense appropriations are not dissipated by excessive prices, wages, and salaries; (g) to obtain the maximum necessary production without undue profits to low-cost producers; (h) to protect persons with relatively fixed incomes, investors, and persons dependent on life insurance, annuities, and pensions, from undue impairment of their standard of living; (i) to prevent a post-emergency collapse of values, and the reappearance of price and cost disparities for farmers and other primary producers; and (j) to provide procedures for administration and review which will fairly protect the interests of those subject to this act, without endangering the dominant public interest in the accomplishment of the foregoing purposes.

It is further declared that it is necessary for the national defense and security, and to accomplish the objectives of this act that if the price and supply controls are invoked by the President, the wage controls authorized hereunder shall simultaneously be put into effect. It is further declared to be the policy of this act that all of the controls provided hereunder for the control of costs, including prices, wages, rationing, allocations, and limitations, shall, insofar as practicable, be put into effect at the same time so that, for a period at least, there will be a general ceiling over the economy and a period of general stabilization during which it will be possible to determine with reasonable accuracy in what areas the continuation of controls is necessary and in what areas controls may safely be released.

To enable the Government to provide for the national defense and to carry out our foreign commitments made in conformity with

the Charter of the United Nations and other foreign commitments, certain materials and facilities must be diverted from civilian use to military purposes and productive facilities must be expanded beyond the levels needed to met the civilian demand. In order that this diversion and expansion may proceed at once, and that the national economy may be maintained with the maximum effectiveness and the least hardship, normal civilian production and purchases must be curtailed and redirected. It is the objective of titles III, IV, and V to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by such titles in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use.

DEFINITIONS

SEC. 3. For the purposes of this title and title II—

(a) "Person" means an individual, partnership, association, corporation, business trust, or any organized group of persons, or any receiver, trustee, or other legal representative of any of the foregoing, and includes the United States, any State or political subdivision thereof, or any Territory, District, or possession of the United States.

(b) "Article" means any article, product, material or commodity.

(c) "Services" means any service, operation, or function performed otherwise than as an employee by a person (other than a State or political subdivision thereof) for any other person for compensation.

(d) "Labor" means any function performed by an individual as an employee of a person other than a State or political subdivision thereof.

(e) An article shall be deemed the "same" article as another article if it is identical in every respect with such other article.

(f) An article shall be deemed "similar" to another article if it is not the same article but is an article of the same kind and of the same or substantially the same quality as such other article.

(g) An article shall be deemed a "new" article if neither the same article nor a similar article was sold at wholesale during the base period.

(h) Services shall be deemed the "same" services as other services if they consist of the same or substantially the same operations or functions as such other services.

(i) Services shall be deemed "new" services if the same services were not performed during the base period.

(j) Labor shall be deemed the "same" labor as other labor if it consists of the same or substantially the same functions and duties of the same or substantially the same functions and duties as such other labor.

(k) Labor shall be deemed "new" labor if the same labor was not performed during the base period.

(l) "Sale" means any disposition, exchange, lease, or other transfer, or any contract to do any of the foregoing, and "sell," "selling," "seller," "buy," and "buyer," shall be construed accordingly.

(m) "Sale at wholesale" of an article means (1) any sale of such article for resale by the buyer, or (2) in the case of a sale by the manufacturer, producer, or importer of such article for consumption or use by the buyer, such sale by the manufacturer, producer, or importer; except that wherever specific reference is made to a "sale at wholesale of an agricultural commodity," such sale shall be deemed to refer only to a sale of such commodity by the farmer who produced such commodity.

(n) "Price" means the consideration received or receivable in connection with the sale of an article or for the performance of services.

(o) "Wage" means the rate of consideration received or receivable for the performance of labor, whether in the form of wages, salary, or any other form.

(p) "Ceiling" means the maximum price for which an article may be sold or which may be received for the performance of services, or the maximum wage which may be paid for labor.

(q) "Agricultural commodity" includes only an agricultural commodity in the form in which it is customarily marketed by farmers.

(r) "Base period" means the period June 10, 1950, to June 25, 1950, both inclusive.

(s) "Comparable" means substantially the same real, utility, and neighborhood value.

(t) "Administrator" means the Administrator of the Office of Inflation Control created by section 4.

ADMINISTRATOR OF OFFICE OF INFLATION CONTROL

SEC. 4. (a) The President is hereby authorized to create in the Executive Office of the President an Office of Inflation Control, which shall be under the direction of an Administrator, to be known as the Administrator of the Office of Inflation Control (in this act referred to as the "Administrator"). The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and receive compensation at the rate of $17,500 a year.

(b) The Administrator may establish and utilize such advisory, regional, local, industry, or other groups or agencies, and utilize such voluntary and uncompensated service, as may from time to time be needed. The Administrator shall give due consideration to the recommendations of such groups, committees, or other agencies appointed under this section, and he shall utilize, insofar as practicable, local agencies to the end that compliance with the act may be effectuated.

(c) The Administrator may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions and duties under this title and title II, and shall fix their compensation in accordance with the Classification Act of 1949, as amended. Attorneys appointed under this section may appear for and represent the Administrator in any case in any court. In the appointment, selection, classification, and promotion of officers and employees of the Office of Inflation Control, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

(d) The principal office of the Administrator shall be in the District of Columbia, but he or his duly authorized representative may exercise any or all of his powers in any place.

(e) The Administrator shall submit to Congress a quarterly report covering his activities for the preceding quarter and including such information and data, and recommendations with respect to matters covered by this title and title II as he may find advisable.

(f) The Administrator with the approval of the President may delegate any power or authority conferred upon him by this act to any officer or agency of the Federal Government and may authorize such redelegations by that officer or agency as he may deem appropriate.

TITLE II—PRICE AND WAGE CEILINGS

PROHIBITED ACTS

SEC. 201. (a) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to sell or deliver, or to buy or accept delivery of, any article at a price in excess of the ceiling applicable to such sale.

(b) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to receive or pay, or to enter into any contract, agreement, or other obligation under which he is entitled or required, or under which he purports to be entitled or required, to receive or pay, for the performance of any services a price in excess of the ceiling applicable to such services.

(c) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to pay for any labor a wage in excess of the ceiling applicable in respect of such labor.

CEILINGS APPLICABLE TO SALES OF ARTICLES

SEC. 202. (a) Except as provided in subsection (b) and section 205, the ceiling applicable to the sale of an article by any person shall be—

(1) in case the sale is at wholesale and the article is the same article as an article sold at wholesale by such person during the base period, the highest price at which it was so sold by such person during the base period:

(2) in case the sale is at wholesale and the article is not the same article as an article sold at wholesale by such person during the base period, but is similar to an article so sold by such person during the base period, the highest price at which such similar article was so sold by such person during the base period;

(3) in case the sale is at wholesale and the article is not the same article as, nor an article similar to, an article sold at wholesale by such person during the base period, the highest price at which the same article was regularly so sold by any other person during the base period, or if the same article was not regularly so sold by any other person during the base period, the highest price at which a similar article was regularly so sold by any other person during the base period;

(4) in the case of any article to the sale of which paragraph (1), (2), or (3) is applicable, such ceiling as the Administrator may prescribe pursuant to section 206. Any such ceiling so prescribed shall be in lieu of the ceiling applicable under such paragraph; and

(5) in the case of a new article, and in the case of any article to the sale of which paragraph (1), (2), (3), or (4) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 206.

(b) The ceiling applicable to the sale at wholesale of an agricultural commodity shall in no case be less than the parity price therefor, as determined and published by the Secretary of Agriculture in accordance with other provisions of law.

CEILINGS APPLICABLE TO SERVICES

SEC. 203. Except as provided in section 205, the ceiling applicable to services performed by any person shall be—

(1) in case such services are the same services as services performed by such person during the base period, the highest price for which such services were so performed by such person during the base period; and

(2) in case such services are not the same services as services performed by such person during the base period (or in case such person did not perform any services during the base period), the highest price for which the same services were regularly performed by any other person within the same county or parish, or within the same State if there be no such other person within the same county or parish, during the base period;

(3) in the case of any services to which paragraph (1) or (2) is applicable, such ceiling as the Administrator may prescribe pursuant to section 206. The ceiling so prescribed shall be in lieu of the ceiling applica-

ble to such services under such paragraph; and

(4) in the case of new services and in the case of services to which paragraph (1), (2), or (3) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 206.

CEILINGS APPLICABLE TO WAGES AND SALARIES

SEC. 204. (a) Except as provided in subsection (b) and section 205, the ceiling applicable in respect of labor performed by an individual shall be—

(1) in case such labor is the same labor as labor performed, whether or not by him, for his employer during the base period, the highest wage paid by his employer during the base period, at the place of employment where such individual is employed, for the same labor to an employe with the same seniority rights and length of service;

(2) in case the same labor was not performed either by him or any other employee, for his employer during the base period, at the place of employment where such individual is employed, the highest wage paid for the same labor by any other employer within the same county or parish, or within the same State, if there be no such other employer within the same county or parish, during the base period to an employee with the same seniority rights and length of service;

(3) in the case of any labor in respect of which paragraph (1) or (2) is applicable, such ceiling as the Administrator may prescribe pursuant to section 206. Any such ceiling so prescribed shall be in lieu of the ceiling applicable in respect of such labor under such paragraph; and

(4) in case such labor is new labor, and in the case of labor to which paragraph (1), (2), or (3) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 206.

(b) The ceiling applicable in respect of any labor shall in no case be less than the minimum compensation prescribed therefor in or pursuant to any law of the United States, or of any State or political subdivision thereof, or of any Territory, District, or possession of the United States.

EXEMPTIONS

SEC. 205. The Administrator may by regulation or order exempt from the provisions of sections 202, 203, and 204 articles, services, and labor, with respect to which he makes a finding of fact that—

(1) such exemption is necessary in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended; or

(2) it is unnecessary that ceilings be applicable to such articles, services, or labor in order to preserve the Nation's price structure and to prevent a rise in the cost of living.

POWERS OF ADMINISTRATOR WITH RESPECT TO CEILINGS

SEC. 206. (a) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this title, he shall by regulation or order establish such ceiling or ceilings as in his judgment will be generally fair and equitable to buyers and sellers of the article or articles in question, or to the person or persons performing the services in question and the person or persons for whom they are performed, or to the employees and employer or employers in question, as the case may be, and will effectuate the purposes of this title. So far as practicable, in establishing a ceiling for any specified articles, services, or labor the Administrator shall ascertain and give due consideration to the prices prevailing for such article or services, or the wages prevailing for such labor, as the case may be, during the base period, and shall make adjustments for such relevant factors as he may determine to be of general applicability in respect of such article, services, or wages, including the following: Speculative fluctuations, general increases or decreases in costs of transportation, general increase or decrease in cost of maintenance and operation, general increases or decreases in costs of living, and general increases or decreases in profits earned by sellers of the article, persons performing such services, and employers for whom such labor is performed, during and subsequent to the year ending June 25, 1950. Every regulation or order establishing any ceiling under this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order.

(b) Any ceiling or ceilings may be established under this section in such form and manner, may contain such classifications and differentiations, and may provide for the continuation of models, the standardization of the production of essential items and such other provisions and adjustments, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this title. Any such ceiling may be established in terms of price, wages, margins, commissions, fees, charges, allowances, or other terms. Except as provided in section 202 (b) (relating to agricultural commodities) the Administrator may establish a ceiling or ceilings under this section with respect to articles and services below the general market price for the article or articles or services in effect at the time of establishment of such ceiling or ceilings.

(c) The Administrator shall exercise his powers under subsections (a) and (b) with respect to agricultural commodities, and with respect to articles derived in whole or in substantial part from agricultural commodities, in such manner as to support prices to farmers for such agricultural commodities at such levels as may be necessary to enable farmers to receive therefor the highest price received in the base period or the parity price for such commodities, whichever is higher.

POWERS OF ADMINISTRATOR WITH RESPECT TO MARKET PRACTICES

SEC. 207. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this title, he may, by regulation or order, regulate or prohibit, with respect to any article, speculative or manipulative practices, selling, marketing, or inventory practices (including practices relating to changes in form or quality, hoarding, or other practices) which in his judgment, are equivalent to or are likely to result in price increases inconsistent with the purposes of this title.

PROCEDURE

SEC. 208. (a) Regulations or orders establishing any ceiling or ceilings may be issued after such inquiry as the Administrator deems necessary or proper. Within a period of 60 days after the issuance of any such regulation or order any person subject to the provisions thereof may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to such regulation or order and affidavits or other written evidence in support of such objections. At any time after the expiration of such 60 days any person subject to the provisions of such regulation or order may file such a protest based solely on grounds arising after the expiration of such 60 days. Within a reasonable time after the filing of any protest under this subsection, but in no event more than 30 days after such filing or 90 days after the issuance of the regulation or order in respect of which the protest is filed, whichever occurs later, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith.

(b) In any proceedings under this title the Administrator may take official notice of economic and other facts, including facts found by him as a result of action taken under section 210, and may limit such proceedings to the filing of affidavits or other written evidence, or the filing of briefs.

REVIEW

SEC. 209. (a) Any protestant who is aggrieved by the denial or partial denial of his protest, may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals, praying that the regulation or order protested be set aside in whole or in part. A copy of such complaint shall forthwith be served on the Administrator who shall certify and file with such court a transcript of the proceedings in connection with the protest which shall include a statement of the materials of which the Administrator has taken official notice. Upon the filing of such transcript the court shall have exclusive jurisdiction to affirm or set aside such regulation or order, in whole or in part, or to remand the proceeding, except that the regulation or order may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to any regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably have been offered to the Administrator, and the court determines that such evidence is material, the court shall order the evidence to be presented to the Administrator. The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof, and any modification made in the regulation or order as a result thereof, except that on request by the Administrator, any such additional evidence may be presented directly to the court.

(b) No such regulation or order shall be set aside in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court setting aside in whole or in part any such regulation or order shall be postponed until the expiration of 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (c) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) Within 30 days after entry of a judgment, interlocutory or final, by the Emergency Court of Appeals a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 1254 of title 28 of the United States Code. The Supreme Court shall expedite the disposition of all causes

filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any ceiling under this title, and the provisions of this title authorizing any regulation or order establishing any ceiling. Except as provided in this section, no court, Federal, State, or Territorial, shall have power to consider such validity, or to stay, restrain, enjoin, or set aside, in whole or in part, any such provision of this title, or any provision of this title, or any provision of any such regulation or order.

OBTAINING INFORMATION

SEC. 210. (a) The Administrator may make such studies and investigations, and obtain or require the furnishing of such information under oath or affirmation or otherwise, as he deems necessary or proper to assist him in prescribing any regulation or order under this title, and in the administration and enforcement of this title, and regulations and orders thereunder. For such purposes the Administrator may administer oaths and affirmations, may require by subpena or otherwise the attendance and testimony of witnesses and the production of documents at any designated place, may require persons to permit the inspection and copying of documents, and the inspection of inventories, and may, by regulation or order, require the making and keeping of records and other documents and the making of reports. No person shall be excused from complying with any requirement under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (49 U. S. C., sec. 46), shall apply with respect to any individual who specifically claims such privilege.

(b) The Administrator shall not publish or disclose any information obtained under this title that he deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless he determines that the withholding thereof is contrary to the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended.

(c) The production of a person's documents at any place other than his place of business shall not be required under this section in any case in which, prior to the return date specified in the subpena issued with respect thereto, such person either has furnished the Administrator with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Administrator as to the information contained in such documents.

REGULATIONS AND ORDERS

SEC. 211. The Administrator may, from time to time, issue such regulations and orders as he may deem necessary or proper in order to carry out the purposes and provisions of this title, and to prevent the circumvention or evasion thereof. Any regulation or order issued under this title may be amended or rescinded by the Administrator whenever in his opinion such action is necessary or proper in order to carry out the provisions of this title or to prevent the circumvention or evasion thereof.

ENFORCEMENT

SEC. 212. (a) Whenever in the judgment of the Administrator any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of this title, or any regulation, order, or requirement thereunder, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with this title or such regulation, order, or requirement, and upon a proper showing a permanent or temporary injunction, restraining order, or other order shall be granted without bond. In cases of actual controversy, a like application may be made by any interested person, and upon a proper showing a like order or decree shall be granted.

(b) Any person who willfully violates any provision of this title or any regulation, order, or requirement thereunder, and any person who willfully falsifies in any material respect a document or report required to be kept or filed thereunder, shall, upon conviction thereof, be fined not more than $5,000, or imprisoned for not more than 1 year, or both. Whenever the Administrator has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) The district courts shall have jurisdiction of violations of this title and of regulations, orders, or requirements thereunder, and concurrently with State and Territorial courts, of all civil proceedings to enforce any liability or duty created by, or to enjoin any violation of, this title or any regulation, order, or requirement thereunder. Such civil proceedings and any criminal proceedings may be brought in any district in which any act or transaction constituting the violation occurred. Any such civil proceedings may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. No costs shall be assessed against the United States Government in any proceeding under this title.

(d) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this title or any regulation, order, or requirement thereunder, notwithstanding that subsequently such provision, regulation, order, or requirement may be modified, rescinded, or determined to be invalid. The Administrator may intervene in any suit or action wherein a party relies for ground of relief or defense upon this title or any regulation, order, or requirement thereunder.

SEC. 213. The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices, except where such action is affirmatively found by the Administrator to be necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this title.

SEC. 214. Nothing in this title shall be construed to authorize the regulation of (1) rates charged by any common carrier or other public utility except where such action is affirmatively found necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this title, or (2) rates charged by any person engaged in the business of selling or underwriting insurance, or (3) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting station, or (4) rates charged for any professional services.

TITLE III—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

SEC. 301. (a) In order to expedite production and deliveries under Government contracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement as he may designate (hereinafter referred to as "guaranteeing agencies"), without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance, or in connection with or in contemplation of the termination, of any contract or other operation deemed by the guaranteeing agency to be related to efforts or undertakings on the part of the United States or an agency thereof in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended.

(b) Any Federal agency or any Federal Reserve bank, when designated by the President, is hereby authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guarantee and in otherwise carrying out the purposes of this section. All such funds as may be necessary to enable any such fiscal agent to carry out any guarantee made by it on behalf of any guaranteeing agency shall be supplied and disbursed by or under authority from such guaranteeing agency. No such fiscal agent shall have any responsibility or accountability except as agent in taking any action pursuant to or under authority of the provisions of this section. Each such fiscal agent shall be reimbursed by each guaranteeing agency for all expenses and losses incurred by such fiscal agent in acting as agent on behalf of such guaranteeing agency, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

(c) All actions and operations of such fiscal agents, under authority of or pursuant to this section shall be subject to the supervision of the President and to such regulations, as he may prescribe; and the President is authorized to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guarantee and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guarantees.

(d) Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it, or which are or may become available to it, for such purposes or in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended.

SEC. 302. To assist in carrying out the objectives of this Act, the President may make provisions for loans (including participations in, or guarantees of, loans) to private business enterprises for the expansion of capacity, the development of technological processes, or the production of essential materials. Such loans may be made without regard to the limitations of existing law and on such terms and conditions as the President deems necessary, except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms.

SEC. 303. (a) To assist in carrying out the objectives of this Act, the President may make provision for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or for resale.

(b) Purchases and commitments to purchase and sales under subsection (a) may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods, as the President deems necessary, except that purchases or commitments to purchase involving higher than currently prevailing market prices or anticipated loss on resale shall not be made unless it is determined that supply of the materials could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the armed forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended.

(c) The procurement power granted to the President by this section shall include the power to transport and store, and have processed and refined any materials procured under this section.

SEC. 304. (a) For the purposes of sections 302 and 303, the President is hereby authorized to utilize the Reconstruction Finance Corporation and such other departments, agencies, officials, or corporations of the Government as he may deem appropriate, or to create new corporations.

(b) Any corporation created under this section—

(1) shall have the power to sue and be sued; to acquire, hold, and dispose of property; to use its revenues; to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for subject to laws specifically applicable to Government corporations; and to exercise such other powers as may be necessary or appropriate to carry out the purposes of such corporation;

(2) shall have its powers set out in a charter, which shall be published in the Federal Register, and all amendments to which shall be similarly published;

(3) shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to act of Congress; and

(4) shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of said act.

(c) Any corporation established or utilized pursuant to this section is authorized to borrow from the Treasury of the United States, for any of the purposes of the corporation, such sums of money as may be necessary to carry out its functions under this title: *Provided*, That the total amount borrowed under the provisions of this section by all such corporations shall not exceed an aggregate of $2,000,000,000 outstanding at any one time. For the purpose of borrowing as authorized by this paragraph, any corporation established pursuant to this section may issue to the Secretary of the Treasury its notes, debentures, bonds, or other obligations to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations. Such obligations may mature subsequent to the period of succession of the corporation. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations of the corporation.

SEC. 305. In order to aid the Government of the United States in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the armed forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1940, as amended, the Reconstruction Finance Corporation is authorized—

(1) with the approval of the President, to create or organize a corporation or corporations, with power (a) to produce, acquire, carry, sell, or otherwise deal in strategic and critical materials as defined by the President; (b) to purchase and lease land, purchase, lease, build, and expand plants, and purchase and produce equipment, facilities, machinery, materials, and supplies for the manufacture of strategic and critical materials, arms, ammunition, and implements of war, and such other articles, equipment, supplies, and materials as may be required in the manufacture or use of any of the foregoing or otherwise necessary in connection therewith; (c) to lease, sell, or otherwise dispose of such land, plants, facilities, and machinery to others to engage in such manufacture; (d) to purchase, lease, build, expand, or otherwise acquire facilities for the training of aviators and to operate or lease, sell, or otherwise dispose of such facilities to others to engage in such training: *Provided*, That nothing in this section shall be construed to authorize the Corporation to take any action, directly or indirectly, with respect to the proposals heretofore considered by the Congress and known as the Great Lakes-St. Lawrence seaway, Passamaquoddy, Fla., ship canal, and Tombigbee River projects, or to the project known as the Nicaragua Canal. The powers of every corporation hereafter created or organized under this section shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charters shall be valid only when similarly filed and published. No corporation created or organized by the Corporation pursuant to this section shall have succession beyond March 31, 1951, except for purposes of liquidation, unless the life of such corporation is extended beyond such date pursuant to an act of Congress. The Corporation may make loans to, or purchase the capital stock of, any such corporation for any purpose within the powers of the Corporation as above set forth in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, on such terms and conditions as the Corporation may determine.

(2) to acquire real estate and any right or interest therein by purchase, lease, condemnation, or otherwise, determined by the Corporation to be necessary or advantageous to the carrying out of any authority vested in any corporation created or organized pursuant to this section. The Corporation is also authorized to sell, lease, or otherwise dispose of any such real estate. Proceedings for such condemnation shall be instituted in the name of the United States pursuant to the provisions of the act approved August 1, 1888 (25 Stat. 357), as amended, and any real estate already devoted to public use which would be subject to condemnation in proceedings instituted upon application of any officer of the Government shall likewise be subject to condemnation in proceedings instituted upon application of the Corporation as herein provided. Sections 1, 2, and 4, of the act approved February 26, 1931 (46 Stat. 1421), as amended, shall be applicable in any such proceeding. Any judgment rendered against the United States in any such proceeding shall promptly be paid by the Corporation. Immediately upon the vesting of title in the United States of America in any such proceeding, the Secretary of Commerce, by deed executed by him in the name of the United States of America, shall transfer the entire title or interest so acquired to the Corporation, and the Corporation shall thereupon have the sime right with respect to any real estate so acquired as it has with respect to real estate acquired by purchase. No proceedings for condemnation in pursuance of this section instituted prior to the termination of this act shall abate by reason thereof.

TITLE IV—CONTROL OF CREDIT

SEC. 401. (a) To assist in carrying out the purposes of this act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of consumer credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements thereto, and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this title or to prevent evasion thereof.

In prescribing and suspending such regulations, including changes from time to time to take account of changing conditions, the President shall consider among other factors, (1) the level and trend of consumer credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for goods and services, and (3) the need in the national economy for the maintenance of sound credit conditions.

(b) No person shall extend or maintain any consumer credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any such credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any such credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any such credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, under oath or otherwise, as the President may by regulation require

as necessary or appropriate in order to effectuate the purposes of this title; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

(c) Any person who willfully violates any provision of this title or any regulation or order thereunder, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than one year, or both.

(d) To assist in carrying out the purposes of this title, the President by regulation may require transactions or persons or classes thereof subject to this title to be registered or licensed; and, after notice and opportunity for hearing, the President by order may suspend any such registration or license for violation of this title or any regulation prescribed by the President pursuant to this title. The provisions of section 25 of the Secruities Exchange Act of 1934, as amended, shall apply in the case of any such order of the President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that act. In carrying out this title, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

(e) For the purposes of this title, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms, insofar as any such definitions are not inconsistent with the provisions of this title, and, in like manner, may define technical, trade, and accounting terms:

(1) "Consumer credit" means credit which the obligor undertakes to pay in two or more payments: *Provided*, That it shall not include (i) any credit to finance or refinance the construction or purchase of an entire residential or nonresidential building, (ii) any credit extended to a business enterprise solely to finance the purchase of goods for resale, (iii) any other credit extended to a business or agricultural enterprise for any business or agricultural purpose unless the credit is secured by or is for the purpose of purchasing or carrying any durable or semidurable goods which are used or usable for personal, family, or household purposes, or any accessory, insurance, or service connected with any such goods or any interest therein, (iv) credit secured, either wholly or partly, by real property, (v) credit for the purpose of purchasing or carrying real property or constructing buildings or otherwise improving real property, or (vi) credit involving a right to acquire or use real property. As used in this paragraph the term "real property" includes leasehold and other interests therein.

(2) "Person," in addition to the definition given it by section 602 (a) of this act, includes the United States, any State or subdivision thereof, and any agency or instrumentality of one or more such authorities, except that the criminal penalties of this title shall not be applicable to the United States, any State, or other governmental agency or instrumentality.

SEC. 402. In the exercise of powers under this title, the President shall give consideration to the preservation of such relative credit preferences as are accorded to veterans of World War II under existing law.

TITLE V—PRIORITIES, ALLOCATIONS, RATIONING, AND REQUISITIONS

SEC. 501. The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, and this power to allocate includes power to ration consumer goods at the retail level to prevent undue price rises and to secure equitable distribution.

SEC. 502. Any person who willfully performs an act prohibited, or willfully fails to perform any act required, by the provisions of section 501 or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

SEC. 503. Whenever the President determines (1) that the use of any article or commodity is needed in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, (2) that such need is immediate and impending and such as will not admit of delay or resort to any other source of supply, and (3) that he has been unable to acquire such article or commodity or the use thereof, as the case may be, on fair and reasonable terms, he is authorized to requisition such article or commodity or the use thereof in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, upon the payment of just compensation for such article or commodity or the use thereof, to be determined as hereinafter provided. The President shall determine the amount of the compensation to be paid for any article or commodity or the use thereof requisitioned pursuant to this section but each such determination shall be made as of the time it is requisitioned in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the President as just compensation is unwilling to accept the same as full and complete compensation for such article or commodity or the use thereof, he shall promptly be paid 75 percent of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims or, where the amount involved does not exceed $10,000, in any district court of the United States within 3 years after the date of the President's award, an additional amount which, when added to the amount so paid to him, shall be just compensation. Whenever the need for the national defense of any article or commodity requisitioned under this section shall terminate, the President may dispose of such article or commodity on such terms and conditions as he shall deem appropriate, but to the extent feasible and practicable he shall give the former owner of any article or commodity so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the President, or (2) if it is to be disposed of (otherwise than at a public sale of which he is given reasonable notice at less than such value, at the highest price any other person is willing to pay therefor: *Provided*, That this opportunity to reaquire need not be given in the case of fungibles or items having a fair value of less than $1,000.

TITLE VI—GENERAL PROVISIONS

SEC. 601. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this act.

(b) In order to carry out this policy—

(i) the President shall provide small-business enterprises with full information concerning the provisions of this act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this act;

(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations or orders, or amendments thereto, issued under authority of this act, and in their formation consideration shall be given to providing fair representation for small, medium, and large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

(iii) in administering this title and titles III, IV, and V, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this act; and

(iv) in administering this act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

SEC. 602. As used in this title and titles III, IV, and V—

(a) The word "person" shall include individuals, firms, corporations, associations, partnerships, and any organized groups of persons whether or not incorporated.

(b) The word "materials" shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

SEC. 603. The President may delegate any power or authority conferred upon him by this act to any officer or agency of the Government and may authorize such redelegations by that officer or agency as the President may deem appropriate. Any officer or agency may employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, without regard to section 607 (g) of the Federal Employees Pay Act of 1945, as amended (5 U. S. C., sec. 947 (g)), as the President deems necessary to carry out the provisions of this act.

SEC. 604. The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of titles III, IV, and V. Any such regulation or order may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper in order to effectuate the purposes of such titles.

SEC. 605. (a) The President shall be entitled, while this act is in effect and for a period of 2 years thereafter, by regulation, subpena, or otherwise, to obtain such information from, require such reports, and the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of this title and titles I, II, IV, and V, and the regulations or orders issued thereunder. The President shall issue regulations insuring that the authority of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority.

(b) No person shall be excused from complying with any requirement under this section or from attending and testifying or from producing books, papers, documents, and other evidence in obedience to a subpena before any grand jury or in any court or administrative proceeding based upon or growing out of any alleged violation of this title and titles III, IV, and V on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture in any court, for or on account of any transaction, matter, or thing concerning which he is so compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such natural person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying: *Provided*, That the immunity granted herein from prosecution and punishment and from any penalty or forfeiture shall not be construed to vest in any individual any right to priorities assistance, to the allocation of materials, or to any other benefit which is within the power of the President to grant under any provision of this act.

(c) The production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpena, or other document issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(d) Information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the President determines that the withholding thereof is contrary to the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended.

SEC. 606. The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this title and titles III, IV, and V, or any rule, regulation, order, or subpena thereunder, and of all civil actions under such titles to enforce any liability or duty created by, or to enjoin any violation of, such titles or any rule, regulation, order, or subpena thereunder. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; the subpena for witnesses who are required to attend a court in any district in such case may run into any other district. The termination of the authority granted in any such title, or of any rule, regulation, or order issued thereunder, shall not operate to defeat any suit, action, or prosecution, whether theretofore or thereafter commenced, with respect to any right, liability, or offense incurred or committed prior to the termination date of such title or of such rule, regulation, or order. No costs shall be assessed against the United States in any proceeding under this title or titles III, IV, or V.

SEC. 607. No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from his compliance with a rule, regulation, or order issued pursuant to title V, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under ttitle V or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

SEC. 608. (a) No act or omission to act which occurs while this act is in effect, if requested by the President and found by him to be in the public interest as contributing to the national defense, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

(b) The authority granted in subsection (a) shall not be delegated except to a single official of the Government and then only upon the condition that such official consult with the Attorney General not less than 10 days before making any request or finding thereunder.

(c) Upon withdrawal of any request or finding made hereunder the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

SEC. 609. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof.

SEC. 610. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this title and titles III, IV, and V, is authorized to place positions and employ persons in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that act.

(b) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation; and he is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code or section 190 of the Revised Statutes (5 U. S. C., sec. 99). Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

SEC. 611. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions of this act by the President and such agencies as he may designate or create. Funds made available for the purposes of this title and titles III, IV, and V may be allocated or transferred for any of such purposes with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out such titles. Funds so allocated or transferred shall remain available for such period as may be specified in the acts making such funds available.

SEC. 612. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 613. This act and all authority conferred hereunder shall terminate March 31, 1951, or at such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 9176, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill H. R. 9176.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SOCIAL SECURITY LEGISLATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the conferees on the social security bill may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER TRANSFERRED

Mr. HAYS of Arkansas. Mr. Speaker, on behalf of the gentleman from Wisconsin [Mr. BIEMILLER], I ask unanimous consent that the special order granted him for today may be carried over until Thursday of this week.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

RESTORATION OF POSTAL SERVICE

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I hold in my hand a copy of today's issue of the New York Times featuring a story with this two-column caption:

Faster mail service here urged; cuts called damaging to business.

I shall quote the first paragraph of this story:

A series of steps to improve postal service here was outlined yesterday by the Commerce and Industry Association of New York. The recommendations grew from a survey of 500 companies, which showed that recent curtailments in postal service have had a disruptive effect on business in the city, Thomas Jefferson Miley, executive vice president of the association, said.

On August 14 the House will have opportunity to remedy this situation. It will also have an opportunity to keep faith with our fighting men in Korea and our GI's elsewhere throughout the world in seeing that their mail to their dear ones back home is expeditiously delivered. The opportunity will come with the vote on the resolution directing the Postmaster General to rescind the curtailment order.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield to the gentlewoman from Massachusetts, who has been so active in the fight to have the postal service maintain its prompt delivery tradition.

Mrs. ROGERS of Massachusetts. Is it not also true that it is very important in this war effort that the mail go forward very promptly?

Mr. CANFIELD. Most certainly. The gentlewoman may recall that the now Postmaster General Mr. Donaldson, acting as First Assistant Postmaster General in November, 1945, appeared before the subcommittee of the House Appropriations Committee to ask that the two-delivery system, bogged down in World War II, be restored. First, because the people of the country were clamoring for it; and, secondly, because the one-delivery system was causing the post offices of our country literally to become warehouses congested with mail.

Mrs. ROGERS of Massachusetts. Does not the gentleman believe that the Postmaster General himself will change that ruling?

Mr. CANFIELD. He may.

Mrs. ROGERS of Massachusetts. It should be done by directive.

Mr. CANFIELD. I wish it would be done that way.

PRINTING OF PROCEEDINGS DURING RECESS OF HOUSE TODAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings that took place today during the recess of the House, the able address of welcome and introduction by the Speaker, and the able and brilliant address of our distinguished visitor, the Prime Minister of Australia, be incorporated in the RECORD at the proper place before the other considerations of the day.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. KELLEY of Pennsylvania (at the request of Mr. EBERHARTER) for an indefinite period on account of illness.

EXTENSION OF REMARKS

Mr. BIEMILLER (at the request of Mr. HAYS of Arkansas) was given permission to extend his remarks in three instances and include extraneous matter.

Mr. PRESTON (at the request of Mr. HAYS of Arkansas) was given permission to extend his remarks and include an article.

Mr. ANDREWS (at the request of Mr. HAYS of Arkansas) was given permission to extend his remarks and include an article.

Mr. ROOSEVELT and Mr. CELLER asked and were given permission to extend their remarks and include extraneous material.

Mr. BENNETT of Florida asked and was given permission to extend his remarks and include extraneous material.

Mr. McGUIRE asked and was given permission to extend his remarks and include a letter from Governor Bowles, and also an editorial from the New York Times.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1991. An act for the relief of Alexander Stewart;

H. R. 2225. An act for the relief of William B. Bond;

H. R. 3464. An act to record the lawful admission for permanent residence of alien John Michael Ancker Rasmussen;

H. R. 3805. An act for the relief of Yuk Onn Won;

H. R. 4188. An act for the relief of Dr. Ferdinando Schiappa;

H. R. 4528. An act conferring jurisdiction on the United States District Court for the Southern District of New York to hear, determine, and render judgment upon the claim of Louis J. Marx;

H. R. 4628. An act for the relief of John G. Essenberg;

H. R. 4806. An act for the relief of Dr. Francesco Drago;

H. R. 4942. An act to regulate the collection and disbursement of moneys realized from leases made by the Seneca Nation of Indians of New York, and for other purposes;

H. R. 5016. An act for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati;

H. R. 5566. An act for the relief of Dr. Agostino De Lisi;

H. R. 6066. An act for the relief of Cheng Sick Yuen;

H. R. 6173. An act for the relief of Sun Yip Chin and Chung Lum (Lum Chung);

H. R. 6225. An act for the relief of Mrs. Aimee Hoyningen-Huene;

H. R. 6363. An act conferring jurisdiction on the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxtent Development Co., Inc.;

H. R. 6458. An act for the relief of Maj. Roy E. Bevel;

H. R. 6461. An act for the relief of Jirina Zizkovsky;

H. R. 6505. An act to legalize the entry of Mrs. David Munson Osborne (nee Janet Mary Tole), a native of New Zealand;

H. R. 6758. An act for the relief of Ruby Thaw and Hla Sein;

H. R. 7071. An act for the relief of Mrs. Masa Iyoki;

H. R. 7228. An act for the relief of Kazuko Kamada;

H. R. 7764. An act to authorize the construction of modern naval vessels, and for other purposes;

H. R. 7812. An act for the relief of Martha Aporta Strickland;

H. R. 8117. An act for the relief of Yoshiko Emory;

H. R. 8139. An act to authorize the attendance of the United States Navy Band at the annual reunion of the United Confederate Veterans to be held in Biloxi, Miss., September 27 through September 30, 1950;

H. R. 8245. An act for the relief of Dr. Alessandro Rizzo;

H. R. 8440. An act for the relief of Naoe Kawashima;

H. R. 8655. An act for the relief of Toshiko Kikyo and Francis Kikyo; and

H. R. 9178. An act to suspend restrictions on the authorized personnel strength of the Armed Forces, and for other purposes.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 298. An act for the relief of John Rowland;

S. 442. An act to amend the Air Commerce Act of 1926 (44 Stat. 568), as amended, to provide for the application to civil air navigation of laws and regulations related to animal and plant quarantine, and for other purposes;

S. 503. An act for the relief of Solly Manasse;

S. 648. An act to amend title 18, United States Code, section 705, to protect the badge, medal, emblem, and other insignia of auxiliaries to veterans' organizations, and for other purposes;

S. 920. An act for the relief of Ellen Rodriguez Moreno;

S. 1059. An act for the relief of John W. Wagner;

S. 1169. An act for the relief of Christina Shalfeieff;

S. 1419. An act for the relief of Wilhemus Johannes Marie Van Der Kooy;

S. 1491. An act for the relief of Rudolf Meinhard and Irene Hallinger;

S. 1529. An act for the relief of Amy L. Hefington;

S. 1551. An act for the relief of Jose Augusto Pereira;

S. 1573. An act for the relief of Anastacia Roshani;

S. 1654. An act for the relief of Kyra Kite Riddle;

S. 1760. An act to amend section 101 (b) of the Department of Agriculture Organic Act of 1944 (56 Stat. 734; 7 U. S. C. 429);

S. 1942. An act for the relief of Isabel Alba Casas, Concepcion Garcia Perez, Maria del Carmen Fernandez Matesaenz, Maria Santos

Zuniga, Felipa Casado del Blanco, Mercedes Rodriguez Villanueva, Selina Milan Gonzalez, Teresa Duque Saenz, Martina Equiza Garces, and Teresa Baztan Elizalde;

S. 1963. An act for the relief of Augusto Segre;

S. 2016. An act for the relief of Mr. and Mrs. Charles R. Proctor.

S. 2053. An act for the relief of Vivienne Joy Wilson and minor daughter, Mary Ann Vaughn;

S. 2080. An act to authorize the regulation of whaling and to give effect to the International Convention for the Regulation of Whaling signed at Washington under date of December 2, 1946, by the United States of America and certain other governments, and for other purposes;

S. 2183. An act for the relief of Nicholas J. Chicouras;

S. 2240. An act to authorize certain personnel and former personnel of the United States Coast Guard and the United States Public Health Service to accept certain gifts tendered by foreign governments;

S. 2242. An act for the relief of John E. Dwyer;

S. 2253. An act for the relief of Dr. In Sung Kwak;

S. 2264. An act for the relief of Juliana Sosa de Solis;

S. 2297. An act for the relief of the estate of Lee Jones Cardy;

S. 2314. An act to provide for holding a term of the United States District Court for the District of Oregon at Eugene;

S. 2357. An act to amend the Act of May 26, 1936, authorizing the withholding of compensation due Government personnel;

S. 2442. An act for the relief of Yone T. Park;

S. 2565. An act for the relief of Edward E. Duff;

S. 2608. An act for the relief of Dr. Kun Ken Hu;

S. 2723. An act for the relief of Maria del Carmen Moreno-Elorza, Maria Luisa Asin Luri, Rafaela Garcia Casini, Giovanni Importa, and Teresa Campagnoni;

S. 2774. An act to amend section 2113 of title 18 of the United States Code in order to include certain savings and loan associations within its provisions;

S. 2866. An act for the relief of Egbert G. Gesell;

S. 2934. An act for the relief of Julius Elzas;

S. 2990. An act for the relief of Amy Louisa Shier;

S. 2991. An act for the relief of the Chicago, Rock Island & Pacific Railroad Co.;

S. 2996. An act to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation;

S. 3012. An act for the relief of Mrs. Osa J. Petty;

S. 3098. An act to amend section 104 of title 28 of the United States Code so as to create a Greenville division in the northern district of Mississippi, with terms of court to be held at Greenville;

S. 3163. An act for the relief of Mrs. Honora Redman;

S. 3253. An act for the relief of Lyon F. Hibbard and the estate of George T. Erb;

S. 3377. An act to amend the Civil Aeronautics Act of 1938, as amended;

S. 3585. An act for the relief of Dodge County, Wis.;

S. 3652. An act to facilitate the settlement of the accounts of certain deceased civilian officers and employees of the Government;

S. 3653. An act to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes;

S. 3832. An act to approve a contract negotiated with the Ogden River Water Users' Association, to authorize its execution, and for other purposes;

S. 3833. An act to approve a contract negotiated with the South Cache Water Users' Association, to authorize its execution, and for other purposes;

S. J. Res. 133. Joint resolution authorizing the return to Mexico of the flags, standards, colors, and emblems that were captured by the United States in the Mexican War; and

S. J. Res. 147. Joint resolution giving the consent of Congress to an agreement between the State of Missouri and the State of Kansas establishing a boundary between said States.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 56 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Wednesday, August 2, 1950, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1607. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1951 of $4,000,000,000 to provide military assistance to foreign nations (H. Doc. No. 670); to the Committee on Appropriations and ordered to be printed.

1608. A communication from the President of the United States, transmitting a revised draft of a proposed provision for the Department of Defense, Department of the Navy (H. Doc. No. 671); to the Committee on Appropriations and ordered to be printed.

1609. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1951 in the amount of $3,375,000 for the Treasury Department (H. Doc. No. 672); to the Committee on Appropriations and ordered to be printed.

1610. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for fiscal year 1951 in the amount of $9,000,000 for the Veterans' Administration (H. Doc. No. 673); to the Committee on Appropriations and ordered to be printed.

1611. A letter from the Administrator, General Services Administration, transmitting the twenty-fourth quarterly report on contract settlement, covering the period April 1 through June 30, 1950; to the Committee on the Judiciary.

1612. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to clarify and consolidate the authority to require the establishment and maintenance of aids to navigation on private structures in or over navigable waters of the United States"; to the Committee on Merchant Marine and Fisheries.

1613. A letter from the Comptroller General of the United States, transmitting report on the examination of the financial statements and accounts of Commodity Credit Corporation for the fiscal years ended June 30, 1948, and June 30, 1949, pursuant to the requirements of the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 674); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 6298. A bill to provide for the conveyance of certain land in Monroe County, Ark., to the State of Arkansas; without amendment (Rept. No. 2766). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 8345. A bill to amend the Columbia Basin Project Act with reference to recordable contracts; with amendment (Rept. No. 2767). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOSSETT: Committee on the Judiciary. S. 1858. An act to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces; with amendment (Rept. No. 2768). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Florida: Committee on Interstate and Foreign Commerce. S. 3357. An act to prohibit transportation of gambling devices in interstate and foreign commerce; with amendment (Rept. No. 2769). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIBICOFF: Committee on Foreign Affairs. House Joint Resolution 516. Joint resolution authorizing the President, or such officer or agency as he may designate, to conclude and give effect to agreements for the settlement of intercustodial conflicts involving enemy property; without amendment (Rept. No. 2770). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON: Committee of conference. H. R. 6000. A bill to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes; without amendment (Rept. No. 2771). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. NOLAND:

H. R. 9289. A bill to extend the provisions of the Servicemen's Readjustment Act of 1944, as amended, and Public Law 16, Seventy-eighth Congress, as amended, to persons in active service in units of the Armed Forces employed in the Korean theater, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. EDWIN ARTHUR HALL:

H. R. 9290. A bill to provide allotments through Government contribution for wives and children of all members of the armed services on active duty; to the Committee on Armed Services.

By Mrs. NORTON:

H. R. 9291. A bill to authorize the printing of the annual reports of the Girl Scouts of the United States of America as separate House documents; to the Committee on House Administration.

By Mr. ROGERS of Florida:

H. R. 9292. A bill to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to provide further relief for persons in military service, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CAVALCANTE:

H. R. 9293. A bill to amend the Hatch Act; to the Committee on House Administration.

H. R. 9294. A bill to amend the Selective Service Act of 1948, as amended, and for other purposes; to the Committee on Armed Services.

By Mr. McCORMACK:

H. R. 9295. A bill to amend the act of August 7, 1946, so as to authorize the making of grants for hospital facilities, to provide a basis for repayment to the Government by the Commissioners of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. KING:

H. J. Res. 517. Joint resolution to create a joint congressional committee to conduct continuing studies and investigations of the administration of the Defense Production Act of 1950; to the Committee on Rules.

By Mr. ADDONIZIO:

H. Res. 743. Resolution to create a select committee to investigate and study the high cost of living; to the Committee on Rules.

By Mr. EDWIN ARTHUR HALL:

H. Res. 744. Resolution granting 6 months' salary and $350 funeral expenses to the estate of Arthur Hall, late an employee of the House of Representatives; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREHM:

H. R. 9296. A bill for the relief of Ruby Francis Down; to the Committee on the Judiciary.

By Mr. FORAND:

H. R. 9297. A bill authorizing the Secretary of the Navy to permit Andre Caradec to receive instruction at the United States Naval Academy; to the Committee on Armed Services.

By Mr. KING:

H. R. 9298. A bill for the relief of Masaki Hoshi; to the Committee on Post Office and Civil Service.

By Mr. McGRATH:

H. R. 9299. A bill providing for the permanent residence of Sister Mariannina Silipigui; to the Committee on the Judiciary.

By Mr. NIXON:

H. R. 9300. A bill for the relief of Emiko Aki; to the Committee on the Judiciary.

By Mr. RIBICOFF:

H. R. 9301. A bill for the relief of Capt. Merton Jesse Clark; to the Committee on the Judiciary.

By Mr. WITHROW (by request):

H. R. 9302. A bill for the relief of Arthur DeWitt Janes; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2298. By Mr. McGREGOR: Petition of public officials and others, of Licking County, urging immediate action relative to the high cost of living; to the Committee on Banking and Currency.

2299. By the SPEAKER: Petition of Chester Bowles, Governor, Hartford, Conn., relative to a letter addressed to Senator BURNET R. MAYBANK proposing an economic stabilization program; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, AUGUST 2, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. R. Murphy Williams, Jr., pastor of Bethel Presbyterian Church, Staunton, Va., offered the following prayer:

How is it, O Lord God, that each hour seems more crucial than the one preceding? Yet, at this hour we are certain that we need Thee and Thy guidance more than ever before.

We give Thee our heartfelt thanks for all those millions of people who recognize our need and who pray for those who frequent these Halls. But at this moment we are not content to be only the object of these prayers, but in the altar of our own hearts we earnestly pray for the needs of our people. Give them, we pray, the ability to put the national good above selfish interest. Redeem them from the blight of self-seeking. Bring our Nation to its knees, not in submission to some other world power, but rather in humble dependence on Thy strength and guidance.

Make each one of us a good steward of our heritage. Keep us true to the principles on which our Nation is founded.

Make us good stewards of our people. Keep us looking for the common good, rather than for any personal gain.

Make us ever mindful of our stewardship to Thee. Help us to put into concrete decisions what we know to be true—that honor is more important than popularity, and that the greatest accolade is not reelection but Thy commendation: "Well done, thou good and faithful servant: thou hast been faithful."

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 1, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3278. An act to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory;

H. R. 6343. An act relating to customs duties on articles coming into the United States from the Virgin Islands;

H. R. 7891. An act to amend section 3224 (b) of the Internal Revenue Code, relating to the transportation of narcotic drugs; and

H. R. 8992. An act to eliminate the additional internal-revenue taxes on coconut oil coming from the trust territory of the Pacific Islands, and for other purposes.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. HILL, and by unanimous consent, a subcommittee of the Committee on Labor and Public Welfare was authorized to meet this afternoon during the session of the Senate.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Maybank
Anderson	Hill	Millikin
Benton	Hoey	Morse
Brewster	Holland	Mundt
Bricker	Humphrey	Murray
Bridges	Hunt	Myers
Butler	Ives	Neely
Byrd	Johnson, Colo.	O'Conor
Capehart	Johnson, Tex.	O'Mahoney
Chavez	Johnston, S. C.	Pepper
Connally	Kefauver	Robertson
Cordon	Kem	Russell
Donnell	Kerr	Saltonstall
Douglas	Kilgore	Schoeppel
Dworshak	Knowland	Smith, Maine
Eastland	Langer	Smith, N. J.
Ecton	Leahy	Sparkman
Ellender	Lehman	Stennis
Ferguson	Lodge	Taft
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tydings
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McKellar	Wiley
Green	McMahon	Williams
Gurney	Magnuson	Young
Hayden	Malone	
Hendrickson	Martin	

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN] is absent on public busines.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Kansas [Mr. DARBY], the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present. The question is on the amendment offered by the Senator from New Jersey [Mr. SMITH] to the amendment offered by the Senator from Virginia [Mr. BYRD] for himself and other Senators.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to present petitions and memorials, introduce bills and joint resolutions, and submit routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AIDS TO NAVIGATION ON PRIVATE STRUCTURES OVER NAVIGABLE WATERS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to clarify and consolidate the authority to require the establishment and maintenance of aids to navigation on private structures in or over navigable waters of the United States (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

REPORT OF MARITIME ADMINISTRATION, DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, the quarterly report of the Maritime Administration of the Department of Commerce on its activities and transactions under the Merchant Ship Sales Act for the period April 1, 1950, through June 30, 1950 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON CONTRACTS NEGOTIATED FOR RESEARCH AND DEVELOPMENT PURPOSES

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a report on contracts negotiated for research and development purposes (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

AUDIT REPORT OF COMMODITY CREDIT CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Commodity Credit Corporation for the fiscal years ended June 30, 1948 and 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT OF COMMISSION ON RENOVATION OF EXECUTIVE MANSION

A letter from the Acting Chairman of the Commission on Renovation of the Executive Mansion, reporting, pursuant to law, on the progress of the Commission regarding the renovation of the Executive Mansion for the period August 3, 1949, to June 30, 1950; to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

Resolutions adopted by Club 100, an association of veterans of the One Hundred Infantry Battalion, and the Board of Directors of the Four Hundred and Forty-second Veterans Club, both of Honolulu, Hawaii, favoring Statehood for Hawaii; ordered to lie on the table.

Resolutions adopted by the Palm Beach County Townsend Clubs, and senior citizens, West Palm Beach, and the Sanford Townsend Club No. 1, and senior citizens of Seminole County, Sanford, in the State of Florida, favoring the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 2121. A bill to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials; with an amendment (Rept. No. 2236);

H. R. 4065. A bill to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens; without amendment (Rept. No. 2219);

H. R. 4117. A bill to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the National Park System, and for other purposes; without amendment (Rept. No. 2220);

H. R. 5282. A bill to amend section 3 of the Organic Act of Puerto Rico; without amendment (Rept. No. 2221);

H. R. 7431. A bill for expenditure of funds for cooperating with the public school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes: without amendment (Rept. No. 2222);

H. R. 7773. A bill to authorize the sale of certain allotted land on the Pine Ridge Indian Reservation, S. Dak.; without amendment (Rept. No. 2223); and

S. J. Res. 163. Joint resolution to designate the reservoir above the Bald Hill Dam in North Dakota as Lake Ashtabula; with amendments (Rept. No. 2224).

By Mr. HUMPHREY, from the Committee on Post Office and Civil Service:

S. 541. A bill to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, with respect to clerks in air mail field railway post offices; with an amendment (Rept. No. 2237).

By Mr. ECTON, from the Committee on Interior and Insular Affairs:

H. R. 6959. A bill authorizing the Secretary of the Interior to issue a patent in fee to William Watt; without amendment (Rept. No. 2225);

H. R. 6960. A bill authorizing the Secretary of the Interior to issue a patent in fee to James Wilbur Watt; without amendment (Rept. No. 2226);

H. R. 6961. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mary E. White Watt; without amendment (Rept. No. 2227); and

H. R. 8144. A bill to authorize the sale of a small tract of land at Great Falls, Mont.; without amendment (Rept. No. 2228).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 752. A bill for the relief of the E. J. Albrecht Co.; with an amendment (Rept. No. 2229);

S. 1832. A bill to amend the Immigration Act of October 16, 1918, as amended; with an amendment (Rept. No. 2230);

S. 3069. A bill to establish a Bureau of Passports and Visas to be headed by a Director; without amendment (Rept. No. 2231);

H. R. 602. A bill for the relief of Fritz Busche; with an amendment (Rept. No. 2234); and

H. R. 4832. A bill for the relief of the Graphic Arts Corp. of Ohio; with an amendment (Rept. No. 2232).

By Mr. WILEY, from the Committee on the Judiciary:

H. R. 8792. A bill to amend the statute relating to certificates of trade-mark registrations; without amendment (Rept. No. 2233).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

H. R. 3605. A bill to provide for the documentation of the Canadian-built vessel *North Wind* owned by a citizen of the United States; without amendment (Rept. No. 2235).

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, August 2, 1950, he presented to the President of the United States the following enrolled bills and joint resolutions:

S. 298. An act for the relief of John Rowland;

S. 442. An act to amend the Air Commerce Act of 1926 (44 Stat. 568), as amended, to provide for the application to civil air navigation of laws and regulations related to animal and plant quarantine, and for other purposes;

S. 503. An act for the relief of Solly Manasse:

S. 648. An act to amend title 18, United States Code, section 705, to protect the badge, medal, emblem, and other insignia of auxiliaries to veterans' organizations, and for other purposes;

S. 920. An act for the relief of Ellen Rodriguez Moreno;

S. 1059. An act for the relief of John W. Wagner;

S. 1169. An act for the relief of Christina Shalfeieff;

S. 1419. An act for the relief of Wilhemus Johannes Marie Van Der Kooy;

S. 1491. An act for the relief of Rudolf Meinhard and Irene Hallinger;

S. 1529. An act for the relief of Amy L. Hefington;

S. 1551. An act for the relief of Jose Augusto Pereira;

S. 1573. An act for the relief of Anastacia Roshani;

S. 1654. An act for the relief of Kyra Kite Riddle;

S. 1760. An act to amend section 101 (b) of the Department of Agriculture Organic Act of 1944 (58 Stat. 734; 7 U. S. C. 429);

S. 1942. An act for the relief of Isabel Alba Casas, Concepcion Garcia Perez, Maria del Carmen Fernandez Matesaenz, Maria Santos Zuniga, Felipa Casado del Blanco, Mercedes Rodriguez Villanueva, Selina Milan Gonzalez Teresa Duque Saenz, Martina Equiza Garces, and Teresa Baztan Elizalde;

S. 1963. An act for the relief of Augusto Segre;

S. 2016. An act for the relief of Mr. and Mrs. Charles R. Proctor;

S. 2053. An act for the relief of Vivienne Joy Wilson and minor daughter Mary Ann Vaughn;

S. 2080. An act to authorize the regulation of whaling and to give effect to the International Convention for the Regulation of Whaling signed at Washington under date of December 2, 1946, by the United States of America and certain other governments, and for other purposes;

S. 2183. An act for the relief of Nicholas J. Chicouras;

S. 2240. An act to authorize certain personnel and former personnel of the United States Coast Guard and the United States Public Health Service to accept certain gifts tendered by foreign governments;

S. 2242. An act for the relief of John E. Dwyer;

S. 2253. An act for the relief of Dr. In Sung Kwak;

S. 2264. An act for the relief of Juliana Sosa de Solis;

S. 2297. An act for the relief of the estate of Lee Jones Cardy;

S. 2314. An act to provide for holding a term of the United States District Court for the District of Oregon at Eugene;

S. 2357. An act to amend the act of May 26, 1936, authorizing the withholding of compensation due Government personnel;

S. 2442. An act for the relief of Yone T. Park;

S. 2565. An act for the relief of Edward E. Duff;

S. 2608. An act for the relief of Dr. Kun Ken Hu;

S. 2723. An act for the relief of Maria del Carmen Moreno-Elorza, Maria Luisa Asin Luri, Rafaela Garcia Casini, Giovanni Importa, and Teresa Campagnoni;

S. 2774. An act to amend section 2113 of title 18 of the United States Code in order to include certain savings and loan associations within its provisions;

S. 2866. An act for the relief of Egbert G. Gesell;

S. 2934. An act for the relief of Julius Elzas;

S. 2990. An act for the relief of Amy Louisa Shier;

S. 2991. An act for the relief of the Chicago, Rock Island & Pacific Railroad Co.;

S. 2996. An act to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation;

S. 3012. An act for the relief of Mrs. Osa J. Petty;

S. 3098. An act to amend section 104 of title 28 of the United States Code so as to create a Greenville division in the northern district of Mississippi, with terms of court to be held at Greenville;

S. 3163. An act for the relief of Mrs. Houora Redman;

S. 3253. An act for the relief of Lyon F. Hibberd and the estate of George T. Erb;

S. 3377. An act to amend the Civil Aeronautics Act of 1938, as amended;

S. 3585. An act for the relief of Dodge County, Wis.;

S. 3652. An act to facilitate the settlement of the accounts of certain deceased civilian officers and employees of the Government;

S. 3653. An act to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes;

S. 3832. An act to approve a contract negotiated with the Ogden River Water Users' Association, to authorize its execution, and for other purposes;

S. 3833. An act to approve a contract negotiated with the South Cache Water Users' Association, to authorize its execution, and for other purposes;

S. J. Res. 133. Joint resolution authorizing the return to Mexico of the flags, standards, colors, and emblems that were captured by the United States in the Mexican War; and

S. J. Res. 147. Joint resolution giving the consent of Congress to an agreement between the State of Missouri and the State of Kansas establishing a boundary between said States.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCLELLAN:

S. 4002. A bill to simplify administration in the Government service, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. McCARRAN:

S. 4003. A bill for the relief of Ertogroul Osman and Mehmed Fahreddin; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 4004. A bill for the relief of Mrs. Despina Hodos; and

S. 4005. A bill for the relief of Titus Radulesco-Pogoneano; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 4006. A bill to exempt certain civilian employees of the Department of Defense from the laws governing the employment, removal, classification, pay, retirement, and leave of Federal officers and employees; to the Committee on Post Office and Civil Service.

By Mr. MORSE:

S. 4007. A bill for the relief of Kozuko Kudo; to the Committee on the Judiciary.

GENERAL APPROPRIATIONS—AMENDMENTS

Mr. BRIDGES submitted an amendment intended to be proposed by him to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. DOUGLAS submitted an amendment intended to be proposed by him to House bill 7786, supra, which was ordered to lie on the table and to be printed.

Mr. McKELLAR submitted amendments intended to be proposed by him to House bill 7786, supra, which were ordered to lie on the table and to be printed.

REDUCTION OF EXCISE TAXES—AMENDMENTS

Mr. WILLIAMS submitted amendments intended to be proposed by him to the bill (H. R. 8920) to reduce excise taxes and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred to the Committee on Finance:

H. R. 3278. An act to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory;

H. R. 6243. An act relating to customs duties on articles coming into the United States from the Virgin Islands;

H. R. 7891. An act to amend section 3224 (b) of the Internal Revenue Code, relating to the transportation of narcotic drugs; and

H. R. 8992. An act to eliminate the additional internal-revenue taxes on coconut oil coming from the trust territory of the Pacific islands, and for other purposes.

SESQUICENTENNIAL OF THE LIBRARY OF CONGRESS—LETTER FROM THE PRESIDENT

[Mr. GREEN asked and obtained leave to have printed in the RECORD a letter addressed by the President to the Librarian of Congress on the occasion marking the sesquicentennial of the Library of Congress, which appears in the Appendix.]

THE EFFECT OF THE KOREAN SITUATION ON RELATIONS BETWEEN POLITICAL PARTIES—ARTICLE BY GOULD LINCOLN

[Mr. THYE asked and obtained leave to have printed in the RECORD an article entitled "War in Korea Stimulates Party Warfare at Home," written by Gould Lincoln, and published in the Washington Evening Star, which appears in the Appendix.]

FEDERAL SPENDING—EDITORIAL COMMENT

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial entitled "The Administration's Duty," published in the Milwaukee Sentinel July 27, 1950, and an editorial from the Chippewa Falls Herald-Telegram, which appear in the Appendix.]

UNION NOW FORESIGHTED—ARTICLE BY CLARENCE K. STREIT

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD the second of a series of five articles by Clarence Streit, editor of Freedom and Union, under the headline "Korea's Lesson: The Free Must Federate Sooner," which appears in the Appendix.]

THE KOREAN WAR—ARTICLE BY DREW PEARSON

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an article concerning the Korean war by Drew Pearson, which appears in the Appendix.]

WHAT DOES CVA MEAN TO YOU?—DISCUSSION BY SENATOR WATKINS AND ASSISTANT SECRETARY OF THE INTERIOR DAVIDSON

[Mr. WATKINS asked and obtained leave to have printed in the RECORD a radio discussion entitled "What Does CVA Mean to You?" between himself and C. Girard Davidson, Assistant Secretary of the Interior, on July 22, 1950, which appears in the Appendix.]

CONVENTIONS CONCERNING NIGHT WORK OF WOMEN AND YOUNG PERSONS EMPLOYED IN INDUSTRY—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 676)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and with the accompanying papers, referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In accordance with the obligation of the Government of the United States of America as a member of the International Labor Organization, I transmit herewith, for the enactment of legislation or such other action as the Congress may consider appropriate, authentic texts of a convention (No. 89) concerning night work of women employed in industry (revised 1948), and a convention (No. 90) concerning night work of young persons employed in industry (revised 1948), both of which were adopted by the International Labor Conference at its thirty-first session, held at San Francisco June 17 to July 10, 1948.

I transmit also the report of the Secretary of State with regard to the conventions, together with a copy of a letter from the Secretary of Labor to the Secretary of State regarding those conventions. Attention is invited to the recommendation of the interested departments and agencies of the executive branch of the Government, as set forth in the above-mentioned letter, that no Federal legislative action, except with respect to the District of Columbia, be taken.

Under the constitution of the International Labor Organization there is also contemplated appropriate action by a member in respect of territories for which it has responsibility for the conduct of international relations. I am, accordingly, requesting the Secretary of the Interior to transmit the above-mentioned conventions to the Governments of Alaska, Guam, Hawaii, Puerto Rico, and the Virgin Islands for the enactment of legislation or other action. In addition, I am requesting the Secretary of

the Navy to take such action as may be appropriate with respect to American Samoa and the Territory of the Pacific Islands.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 2, 1950.*

MEMBERS OF CONGRESS WHO HAVE BEEN AWARDED THE CONGRESSIONAL MEDAL OF HONOR

Mr. MARTIN. Mr. President, I have had a search made to find the number of Members of Congress who have received the Congressional Medal of Honor, the highest military award of our Nation. I find that five Senators have been awarded the Medal of Honor. They are former Senators Ames, Dupont, Quay, Sewell, and Warren. Former Senator Warren was the father-in-law of General Pershing. Twelve Members of the House of Representatives received the Medal of Honor.

I ask unanimous consent that the list be printed in the body of the RECORD as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Members of Congress awarded the Congressional Medal of Honor, 1862–1950

Name	State	Service in Congress
SENATORS		
Adelbert Ames	Mississippi	Feb. 23, 1870, to Jan. 10, 1874.
Henry A. Dupont	Delaware	June 13, 1906, to Mar. 3, 1917.
Matthew S. Quay	Pennsylvania	Mar. 4, 1887, to Apr. 24, 1900. Jan. 16, 1901, to May 24, 1904.
William Joyce Sewell	New Jersey	Mar. 4, 1881, to Mar. 3, 1887. Mar. 4, 1895, to Dec. 27, 1901.
Francis E. Warren	Wyoming	Mar. 4, 1895, to Nov. 24, 1929.
REPRESENTATIVES		
Henry H. Bingham	Pennsylvania	Mar. 4, 1879, to Mar. 22, 1912.
John C. Black	Illinois	Mar. 4, 1893, to Jan. 12, 1895.
Thomas Wilson Bradley.	New York	Mar. 3, 1903, to Mar. 3, 1913.
Amos J. Cummings	do	Mar. 4, 1887, to May 2, 1902.
Newton N. Curtis	do	Nov. 3, 1891, to Mar. 3, 1897.
Byron M. Cutcheon	Michigan	Mar. 4, 1883, to Mar. 3, 1891.
John M. Farquhar	New York	Mar. 4, 1885, to Mar. 3, 1891.
John H. Moffitt	do	Mar. 4, 1887, to Mar. 3, 1891.
Charles E. Phelps	Maryland	Mar. 4, 1865, to Mar. 3, 1869.
Philip S. Post	Illinois	Mar. 4, 1887, to Jan. 6, 1895.
Daniel E. Sickles	New York	Mar. 4, 1857, to Mar. 3, 1861. Mar. 4, 1893, to Mar. 3, 1895.
William E. Simonds	Connecticut	Mar. 4, 1889, to Mar. 3, 1891.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. FLANDERS. Mr. President, if there are no further routine matters, I should like to have the floor.

The VICE PRESIDENT. The senior Senator from New Jersey [Mr. SMITH] offered an amendment and was on his feet seeking recognition when routine matters were taken up, and the Chair feels he should recognize the Senator from New Jersey first.

Mr. FLANDERS. Very well.

Mr. SMITH of New Jersey. Mr. President, I wish to address myself to the amendment I offered yesterday to the amendment offered by the Senator from Virginia [Mr. BYRD], the Senator from New Hampshire [Mr. BRIDGES], and other Senators and to explain the reason for offering the amendment to that amendment.

I am wholeheartedly in favor of the so-called Byrd-Bridges amendment, making a 10 percent cut in the nonmilitary items of the pending appropriation bill, but I feel that we would be making a critical mistake if we included in the amendment the ECA. I have added to the exemption for ECA certain other items in chapter X-B which it seemed to me were small in amount, and which might be affected to a greater or less degree if we did not include them in the exemption.

The purpose of my amendment is to add to the exemptions from the Byrd-Bridges amendment the ECA and these other small items, the total of which is relatively so small that I think the psychology of not cutting them would be valuable. I address my remarks principally to the ECA, because of a very simple fact. The Senate passed an authorization for ECA of $2,700,000,000, but the appropriations committee reduced this practically 10 percent.

Mr. ROBERTSON. Mr. President, in giving the figures of the authorization, the Senator from New Jersey failed to state that the authorization also included any unexpended balance, which amounted to about $276,000,000 more. So that would have to be added to the figure he gave, if we are to have before us the full amount Congress authorized.

Mr. SMITH of New Jersey. I was going to say, Mr. President, that the inclusion of the unexpended balance would add $277,000,000 more, making a total of $2,726,761,437, including the carry-over. That already has been cut by the Appropriations Committee approximately 10 percent. The reason I am asking to have the ECA exempted from the Byrd-Bridges amendment is that unless that is done it would mean a second 10 percent cut, or a total of 20 percent, from the figure the Senate authorized.

Mr. THYE and Mr. BYRD addressed the Chair.

The VICE PRESIDENT. Does the Senator from New Jersey yield; and if so, to whom?

Mr. SMITH of New Jersey. I yield first to the Senator from Minnesota.

Mr. THYE. Mr. President, I have studied the full effect of the 10 percent reduction, and, after having discussed the proposal at some length with the very able Senator from New Jersey, I have come to the conclusion that the Senator from New Jersey is entirely correct in offering his amendment to exempt ECA from the 10 percent reduction which the Byrd-Bridges amendment proposes. Therefore, as one of the cosponsors of the Byrd-Bridges amendment I urge my colleagues to support the amendment of the Senator from New Jersey so that the ECA will be exempt from the 10 percent reduction proposed by the Byrd-Bridges amendment.

Mr. SMITH of New Jersey. I thank the Senator from Minnesota.

Mr. BYRD, Mr. ROBERTSON and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from New Jersey yield; and if so, to whom?

Mr. SMITH of New Jersey. I yield first to the senior Senator from Virginia.

Mr. BYRD. Is it not true that the 10 percent reduction made by the committee is less than the carry-over? In other words, there was $276,000,000 not spent in the past fiscal year. The 10 percent reduction is $265,000,000. What the committee had in mind was to make a reduction approximately the same as the unexpended balance, the amount which has not been expended, but which, of course, could have been expended. However, it has not been expended.

Mr. SMITH of New Jersey. I will say to the senior Senator from Virginia that I have talked this matter over very fully with Mr. Hoffman and members of his staff and I found that they were willing to accept the proposed reduction because they had the two-hundred-and-seventy-odd-million-dollar carry-over, which made it possible for them to operate on the minimum budget. Therefore I was very happy yesterday when the amendment offered by the Senator from Arizona [Mr. HAYDEN] bringing the figure up of $2,450,000,000, plus the carry-over, was adopted, because that provided an appropriation under which Mr. Hoffman and his group felt they could carry on. That reflected a 10-percent cut in the amount authorized by the Senate when the authorization bill was sent to conference, and ultimately as it went to the Appropriations Committee.

I am maintaining that if we permit ECA to be subject to the 10-percent reduction which is called for by the Byrd-Bridges amendment, we shall be asking the ECA to take a 20-percent over-all cut, as against the 10-percent cut which was practically agreed to in fixing the figure the Senator from Arizona had approved yesterday.

Mr. ROBERTSON. Mr. President, will the Senator yield at this point?

Mr. SMITH of New Jersey. I yield.

Mr. ROBERTSON. Mr. President, I can explain to my distinguished friend, the Senator from New Jersey, that when we reached the ECA item in our committee, by a vote of 17 to 3 we agreed upon the figure of $2,450,000,000 of new money, plus the carry-over, which was approximately $276,000,000. As the Senator has said, that was approximately 10 percent below the authorization. Then, after we had finished all the items in the military assistance section of the bill, of which the foreign-aid item was one, the distinguished Senator from Michigan [Mr. FERGUSON] offered an amendment to cut the nonmilitary provisions of that title 10 percent below the budget estimate. That amendment was carried by a vote of 12 to 11.

So this week the senior Senator from Arizona [Mr. HAYDEN] offered an amendment, which was adopted, which restores the $58,000,000, the difference between what the committee had previously agreed to and 10 percent below the budget estimate.

If we now apply the proposed horizontal cut to this fund, it will not be 10 percent below what the Congress authorized, and it will not be 10 percent below the budget, but, as the distinguished Senator from New Jersey has already pointed out, in a base that already is approximately 10 percent below the budget estimate, we shall have cut the fund $272,600,000 more, because the presently proposed 10-percent reduction not only applies to the new money, but also to the carry-over, so it applies to the total of $2,726,000,000, if that is the correct figure.

Mr. SMITH of New Jersey. It is $2,726,761,473, including the carry-over.

Mr. ROBERTSON. Then the Byrd-Bridges amendment will cut that fund by $272,000,000 plus. That is the effect of the amendment.

Furthermore, increased prices already have reduced the effectiveness of the program by approximately $300,000,000; and prices are still rising.

Mr. Hoffman and his assistant, Mr. William Foster, have told me that if we impose this additional cut upon ECA, it will be absolutely impossible for ECA to do an effective job. They say we simply face the question of whether we believe in this program, whether we wish to rehabilitate our allies, whether we wish to carry the work further, or whether we wish to cut the funds to a point where the program will be nullified.

Mr. SMITH of New Jersey. Mr. President, I thank the junior Senator from Virginia for his exposition, because it brings out exactly what I have been maintaining, namely, that in my judgment the leaders of the ECA operation have cooperated with those of us, like myself, on the Foreign Relations Committee who have been studying this matter very closely. They have sharpened their pencils and have tried to make every possible saving. Of course they have reported their carry-over, and they include it in the total.

So, actually, $2,450,000,000 is the only new money we shall be appropriating, as the matter now stands. With that as a base, if we cut the amount 10 percent further, the result will be, in my judgment, that the effectiveness of ECA will be seriously jeopardized. I wish to stress that point.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. LUCAS. I desire to commend the Senator from New Jersey for the position he has taken with respect to the ECA funds. Certainly I shall give him all the support I can as majority leader in respect to adoption of the amendment which he has offered.

As has been said here again and again, the Appropriations Committee went over the ECA program with a fine-toothed comb, and came to a conclusion, by a vote of 17 to 3, as to the proper amount necessary to carry on effectively the ECA program. That was done after all the testimony had been received and after the members of the committee had listened to Mr. Hoffman, Mr. Foster, and others who are vitally interested in this matter from the standpoint of the proper and effective administration of ECA and its funds.

Now to take a meat ax and cut 10 percent from the ECA appropriation would absolutely cripple the ECA operations to the point where there would be chaos and confusion in its administration and the effectiveness of the program would be largely destroyed.

In view of the fact that my friend the Senator from New Hampshire [Mr. BRIDGES] is so strongly in favor of the bipartisan foreign policy, and has gone along with the ECA program all the way through, I cannot understand how at this particular time in the history of this country and of the world, in view of present conditions, he could join in an attempt to cripple the ECA by a further 10-percent reduction.

From my examination of the evidence and on the basis of what I know about this matter, I undertake to say that a further 10-percent reduction will cripple the ECA. Certainly this is no time to fool around with cutting the ECA funds. This is a time when we should carry out our international obligations in order to maintain at a high level the morale of those in Europe who are the beneficiaries of this fund. Instead of discouraging them, we should encourage them at this time by standing firm on our international commitments. I wish to make that statement for the benefit of the RECORD, Mr. President.

Mr. SMITH of New Jersey. Mr. President, I thank the majority leader for his support.

When I associated myself with the Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BRIDGES] in sponsoring the amendment calling for a 10-percent cut, I announced that I would bring up this point in behalf of ECA when the matter came up for debate.

The other approach which might be followed would be to request a higher base for the ECA appropriation, and then permit the cut to be made. However, it seems to me that the better procedure is to exempt the ECA appropriation from the cut, in order that we shall not be put in the position of crippling our all-out international and military efforts at this time. I insist that at this time the ECA program must be coupled with our military assistance program. Accordingly, we are jeopardizing our position if we make such a cut in the case of funds appropriated for the benefit of countries which are joined with us in the international and military picture.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. BRIDGES. I should like to say a word of explanation in connection with this situation.

In the first place, I agree with the Senator from Illinois that certainly we do not wish to cripple the ECA. However, there is a division of opinion as to whether the amendment would cripple it or would not cripple it.

Let me give the picture as I see it and understand it to be. To begin with, I have voted against every amendment—both in connection with the authorization and in connection with the appropriations bill—which I thought would cripple the work of the ECA; but I have supported amendments which would reduce both the authorization and the appropriation to what I thought were amounts within reason.

As the Senator will recall, there was originally requested $2,950,000,000 plus the carry-over. On the floor of the Senate that was reduced by an amendment offered by the Senator from New Hampshire, by $250,000,000, so far as the total authorization was concerned. Another amendment to reduce the authorization by $500,000,000 was lost on a tie vote, and a third amendment which would have cut it by $1,000,000,000 was lost by a substantial vote.

The Senator from New Hampshire voted for his own amendment, which reduced it $250,000,000. He also voted for the amendment which lost on a tie vote, which would have reduced it $500,000,000. He voted against the $1,000,000,000 cut.

I shall now refer to the action in the Appropriations Committee. In February 1950, it was estimated that there would be a carry-over of $149,000,000. In May that was increased, and it was estimated there would be a carry-over of $276,000,000, approximately $127,000,000 more than the carry-over estimated in February. I do not know what the actual figure was. It was certainly as much as $276,000,000, and it may have been more than that. But at any rate, from that source, entirely apart from current appropriations, there was a carry-over substantially more than a quarter of a million dollars. The Budget Bureau then requested, instead of the full amount of the authorization, which was $2,700,000,000, $2,657,700,000. The Appropriations Committee reduced that first to $2,450,000,000, which is the amount to which the Senator from Illinois and the Senator from New Jersey referred.

There was then an amendment adopted, reducing the entire ECA by 10 percent, which would actually cut $58,000,000 more from ECA, making the total cut by the Appropriations Committee some $308,000,000. But that was not a net cut, because the carry-over was increased from $149,000,000 to $276,000,000. So it was only a net cut of something under half of that. On the Senate floor, I think it was yesterday, the distinguished Senator from Arizona [Mr. HAYDEN] offered an amendment which restored $58,000,000, so that we have now boosted this up $58,000,000.

So that, while I know the Senator from New Jersey is very ably presenting his case, and while I think there is logic in what he says, I believe that, when we study the history of the requests relating to this appropriation, there need be no fear, as expressed by the distinguished Senator from Illinois, about crippling

the ECA. Certainly I do not want to cripple ECA, and I know many other Senators who do not, who favor this amendment. But in my opinion, if we analyze it, and take into consideration all the factors, including the restoration of yesterday, plus the increase in the carry-over, a 10-percent reduction would not be harmful.

Mr. LUCAS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Illinois?

Mr. SMITH of New Jersey. Mr. President, I assume I may yield without losing the floor. I think this is a very helpful discussion.

The VICE PRESIDENT. The Senator understands of course that he may yield for a question only. Both the Chair and the Senate have been rather lenient in the observance of the rule, but if any Senator were to make the point of order, the Chair would have to sustain it.

Mr. SMITH of New Jersey. The Senator from New Jersey has not objected, because he felt that this discussion and the contributions by Members of the Senate who are so familiar with this subject helped to clarify the issue. I am wondering whether I may, without losing the floor, obtain unanimous consent to yield for statements by the various Senators.

The VICE PRESIDENT. Does the Senator make that as a blanket request?

Mr. SMITH of New Jersey. I ask unanimous consent that I may yield for such observations, without losing the floor.

The VICE PRESIDENT. The Senator asks unanimous consent that he may yield, without losing the floor, to all Senators who may want to interrogate him or to make statements while he has the floor, whether by question or otherwise. Is there objection?

Mr. McCLELLAN. Mr. President, reserving the right to object, I think such a request ought to be limited as to time. I do not think any Senator ought to have blanket authority to dispense and control the time throughout the day.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Illinois for a question?

Mr. SMITH of New Jersey. I am happy to yield to the Senator from Illinois for a question.

The VICE PRESIDENT. Did the Senator from Arkansas object to the unanimous-consent request?

Mr. McCLELLAN. Reserving the right to object, I shall not object if the request is made for a reasonable length of time. But if a blanket request is made, which will give one Senator the power and authority to control the time and the debate of the Senate all day, I shall object, if it is made in that form.

The VICE PRESIDENT. The Senator objects, then, to the request in the form in which it is made. Does the Senator from New Jersey yield to the Senator from Illinois?

Mr. SMITH of New Jersey. I yield to the Senator from Illinois for a question.

Mr. LUCAS. Does the Senator from New Jersey agree with me that the procedure indicated is followed here practically every day without being objected to by anyone? That is a question.

Mr. SMITH of New Jersey. I seem to have observed such procedure when I have been on the Senate floor. I do not think any of my colleagues would abuse the privilege of discussing this matter or would take undue time. But I am glad to abide by the rule that I may yield for a question only.

Mr. LUCAS. Does the Senator agree with me that the Appropriations Committee did rather a whale of a job, in respect to the over-all appropriations, in reducing the budget submitted by the President by more than $1,000,000,000? Am I correct in that?

Mr. BRIDGES. No.

Mr. LUCAS. How much did the Appropriations Committee cut from the appropriations recommended by the President?

Mr. SMITH of New Jersey. In answer to the question, the Senator from New Jersey will say he is not familiar with those figures.

Mr. BRIDGES. Mr. President, I ask unanimous consent that I may reply to the Senator from Illinois, without prejudice to the rights of the Senator from New Jersey to the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. BRIDGES. The first request that came to us——

Mr. LUCAS. We are talking about the over-all figure, not about ECA.

Mr. BRIDGES. The ECA——

Mr. LUCAS. No, no; I am talking about the over-all appropriations.

Mr. BRIDGES. Oh, I beg the Senator's pardon.

Mr. LUCAS. As I understand, the Appropriations Committee reduced the budget which was submitted by the President by more than $1,000,000,000.

Mr. BRIDGES. The amount of the over-all appropriation, after the House cuts, the Senate cuts, and everything, is more than $1,000,000,000 under the President's budget.

Mr. LUCAS. That was my understanding. I wanted to make it clear before the Senate and before the country that, through the Appropriations Committees of the House and Senate, more than $1,000,000,000 has already been cut from the over-all budget submitted by the President. So far as I am concerned, I am going to stand with the Appropriations Committee on the cuts made by the committee. As majority leader, I have gone along with the committee in that respect, and shall continue to do so.

Many persons have the notion, as a result of the amendment offered by the Senator from Virginia, the Senator from New Hampshire, and other Senators, that the 10-percent cut which they now seek is the only reduction which has been made. The country should know that the Appropriations Committee has already trimmed the budget submitted by the President by more than $1,000,000,000, and that another cut of 10 percent is now sought with respect to ECA funds.

On the question whether ECA funds ought to be cut, I can only place my confidence in the administrators of the funds, and also in what the Appropriations Committee did, by a vote of 17 to 3, after having heard all the evidence. I must stand by the committee, Mr. President. I think the Senate ought to stand by the committee, and ought not, in these critical times, capriciously and arbitrarily cut the ECA funds—and that is exactly what is being proposed—after the Appropriations Committee has heard all the evidence and, by a vote of 17 to 3, has decided upon the appropriation of a certain amount. That is what I want to stand by.

I do not want to take any chances, Mr. President, in this crucial hour of our history, in cutting the ECA appropriation to a point where, as the Senator from New Jersey said, it might ultimately affect our military assistance program abroad. The whole thing is wrapped up in one ball of wax, so to speak. I would rather take criticism for staying directly with the amount which the Administrator thinks he can get along with, if someone wants to criticize me for that, than to attempt to economize on the ECA fund.

Mr. SMITH of New Jersey. The Byrd-Bridges amendment specifically excludes the paragraph headed "Mutual Defense Assistance." I look upon the Economic Cooperation title as having an important bearing on the military operations. That is the reason I am urging that we stand by the figure now contained in the bill, which was the basic figure the ECA Administrator and his colleagues assured us they could take without jeopardizing the economic situation in Europe in connection with the military program.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. SALTONSTALL. I agree, as a member of the Appropriations Committee, that we cut the President's budget estimates by $1,395,000,000, but since that time, since the ECA appropriation had been figured in the Appropriations Committee, the Senator from New Jersey and the Senator from Illinois must realize that there have been, I believe, 20 supplemental requests amounting in the aggregate to $16,640,000,000. So that while we have cut the estimates $1,395,000,000, we have received requests for additional appropriations, because of the tremendous emergency in which we find ourselves, amounting to $16,640,000,000.

Mr. SMITH of New Jersey. I agree with the Senator. That is the reason why I join with the Senator from New Hampshire and the Senator from Virginia in the amendment providing for a cut of 10 percent in nonmilitary operations. I think we should reduce appropriations for nonmilitary operations, because, as has been pointed out, we shall definitely jeopardize the whole picture

if we cut the amount for ECA below the floor which has been set.

Mr. SALTONSTALL. Does the Senator also realize that an additional amount of $4,000,000,000 is asked for the military-assistance program? In other words, there is already authorized $1,200,000,000, and there has come in a request for $4,000,000,000 in addition to that, or a total of $5,200,000,000 for military assistance, plus the ECA, which I think should be considered in the overall picture.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. BRIDGES. The distinguished Senator from Illinois, in his very forceful way, has stated that he wanted to stand on the report of the Appropriations Committee with reference to the ECA program. I believe the Senator voted to increase the amount by $58,000,000——

Mr. LUCAS. That is correct; but I voted on the theory, as I understood, that the Appropriations Committee had actually made a mistake and it was in error that the $58,000,000 was not included. It was on that basis that I supported the amendment of the distinguished Senator from Arizona [Mr. HAYDEN].

Mr. BRIDGES. I do not think there was a mistake made. There was a difference of opinion.

Mr. LUCAS. I understood $58,000,000 was restored by the Hayden amendment and that was the original amount involved when the committee voted 17 to 3.

Mr. BRIDGES. The committee voted subsequently to reduce it a further $58,000,000 so as to make the reduction an even 10 percent. The Senator stated so forcefully that he was in favor of the Appropriations Committee's report that I wanted to invite his attention——

Mr. LUCAS. I want to be fair about the situation. It had been my understanding that $58,000,000 was the amount which was absolutely necessary to go along with the ECA appropriation in order that the ECA might do the kind of job in western Europe that was necessary under the powers granted to the Administrator. I listened to the argument made by my friend from Arizona [Mr. HAYDEN]. I want to err on the side of giving the Administration the necessary money; I do not want to err on the side of giving it too little money. I would rather give it too much money and have it called surplus, or unexpended balance, or whatever Senators may want to call it. If the money can be saved, I am sure the Administrator will save it in the final analysis.

Mr. SMITH of New Jersey. Mr. President, the history of the ECA in the first 2 years of operation has been that the Administrator has saved money and has reported his saving, and we have commended him for having the savings as a carry-over. So there is no question in my mind that, if the money is not needed, a saving will be made. It is necessary to have a leeway for the operation. We have to carry out our military operations. It is a matter of national defense, I will say to the Senator from Illinois, and I think he agrees with me.

Mr. LUCAS. I wholeheartedly agree with the Senator. I would rather take the chance of giving the Administrator the necessary money. I know, as a result of the administration Mr. Hoffman has given the program, it will be an economical one. He is not going to spend any more money than is necessary. I hope that at the end of the year there will be a carry-over of $300,000,000 or $400,000,000. But I do not think the Senate can take the chance of providing too small a sum of money.

Mr. BRIDGES. Mr. President, will the Senator yield again to me?

Mr. SMITH of New Jersey. I am glad to yield to the Senator from New Hampshire.

Mr. BRIDGES. I feel that the ECA, under Mr. Hoffman and Mr. Foster, has done an excellent job. We cut them a little bit last year, and a great cry went up that they had been cut too large an amount, and so forth. Yet the ECA had a carry-over of $276,000,000. I have every reason to believe that the figure which we have been discussing could be adopted without crippling the ECA. If I thought it would cripple the Administration, I would join with the Senator from Illinois. I want the Administrator to get down to the most reasonable base possible in order to do the job.

Mr. SMITH of New Jersey. Mr. President, last year there were falling prices which helped the ECA to accumulate a carry-over, but this year there are rising prices, and $300,000,000 more is necessary in order to take care of the situation.

When I first offered my amendment it was limited to excluding from the 10-percent cut the economic cooperation paragraph in chapter X–B. Since I offered the amendment the fact was called to my attention that there were other paragraphs in this chapter which I added to the amendment for the reasons which I shall state.

On page 449, under the heading "International Children's Welfare Work," it was pointed out to me that the $12,500,000 reported by the Appropriations Committee was only one-half of what the children's program called for and one-half of the carry-over from that work last year.

Originally we were asked in the hearings, as I remember, for $25,000,000. That amount was cut to $15,000,000 in conference, and then the Appropriations Committee cut it to $12,500,000. Knowing as I do about the great expansion of the work and the wonderful job which has been done by Mr. Pate and his associates, having known him for many years, I am glad to add the children's work to this amendment so that the $12,500,000 will not be further reduced.

I felt that if there were a question in anyone's mind about the other items, rather than jeopardize ECA I would take them out. However, by special request I have put them in and have given this short explanation of them. On page 449 of the bill there appears the heading "International Development." This is the program for technical assistance, and so forth, which it was felt was desirable for certain backward areas in the light of the present world situation. The Committee on Appropriations originally put the figure at $10,000,000. Subsequently, at the special request of the President, the figure was increased to a sum approximating $26,000,000. This figure would cover the operations that are at hand at the present time for helping some of the backward areas. It seems to me to be reasonable, inasmuch as the figure was put in the bill after consultation between the Senator from Tennessee [Mr. MCKELLAR] and other members of the Appropriations Committee and the President of the United States, that it would be unwise to cut this figure. Therefore I have asked that it be exempted from the Byrd-Bridges amendment.

The third item I have added is in title 3, chapter X–B, under the heading "Aid to Palestine Refugees." I think we are in danger of overlooking the importance of this matter, because along with other appropriations it would receive a 10 percent cut. Mr. President, I have received from friends of mine who have been very intimately acquainted with Middle Eastern affairs for some time, especially Mr. Henry Sloane Coffin, who is head of this Palestine refugee movement, earnest representations that a reduction in this particular appropriation now might have very damaging psychological effects in the Arab world. These Palestine refugees are Arabs who have lost their homes because of the unfortunate warfare in the Palestine area. The United Nations in making an effort to do something for them, and our share of the amount needed for that purpose, on the basis of a study made by the special commissioner whom we sent there for that purpose, is $27,450,000. That figure has been restored in the bill and it stands at that. If a 10-percent cut were made in the amount provided for in this program it is felt that a serious psychological mistake would be made in our dealings with our Arab friends. Therefore at the request of my friends, who are vitally interested in this work I added the item Aid to Palestine Refugees as an exemption from the Byrd-Bridges amendment.

Let me point out that the total of these three items, International Children's Welfare Work, International Development, and Aid to Palestine Refugees, would be $66,850,000, of which we would save only $6,000,000 by a 10-percent cut, and probably give a devastating psychological blow to the work being done in these areas. Therefore I have decided to add these items to my amendment as well as the paragraph headed "Economic Cooperation."

I desire to emphasize again that my real concern in this matter is over the item of Economic Cooperation, because if we subject it to a 10-percent cut we would take $272,000,000 from the operations of the ECA. I am absolutely certain from my contacts with the lead-

ers of the ECA and in going over the figures carefully, that there would be a detrimental effect on the work of the ECA in bringing about production in Europe by the building up of plants for military production, and building up transportation systems for military transportation, which although not immediately necessary, are vitally essential to the military. I am convinced that if we reduced the $272,000,000 we would deal a staggering blow to the whole operation of our military program in Europe.

I should like to say also that I have conferred with many persons about this matter, including our military advisers, and they feel that the ECA operation is vitally important in going along with and as a part of the military operations. I submit that the amendment which I have offered would take care of these matters by simply exempting from the operation of the Byrd-Bridges amendment these various items I have mentioned.

In closing let me indicate the way the Byrd-Bridges amendment would read in the affected section if my amendment should be accepted. It would read:

SEC. 1003. The reductions provided for in this chapter shall not apply to the following:

(a) Title II of chapter IV; chapter X; so much of title I of chapter X–B as is contained in the paragraphs headed "Economic Cooperation," "International Children's Welfare Work," "International Development," and "Mutual Defense Assistance"; so much of title III of chapter X–B as is contained in the paragraph headed "Aid to Palestine Refugees"; and the amount appropriated to the General Services Administration for carrying out the provisions of the Strategic and Critical Materials Stock Piling Act of July 23, 1946.

I submit the amendment and express the sincere hope that the Senate will adopt the amendment and thus protect these vital interests which are so intimately connected with the war operation.

LET'S TRY GOD

Mr. FLANDERS. Mr. President, no one needs to be told that the people of the United States, while determined and courageous, are yet in a state of uncertainty and dismay. They are ready to go ahead. They are ready to make any sacrifice, but there is no clear or hopeful course of action spread before their eyes, as they view the world scene.

While we meet surprise attack in unexpected places and against unexpected strength, and while we see stretching ahead of us the dismal prospects of more of these unexpected and strong attacks, time and location unknown, our courage and determination, still strong, find little to feed upon for a continuance of that strength. It is time that we examined our foreign policy both to see how it led us where we are and to determine whether by revision, or abandonment and substitution, it can lead us out of the quicksands onto a solid footing.

Mr. President, our foreign policy contains but one element of over-all achievement, and that is the Marshall plan embodied in ECA. That plan has strengthened the economies of western Europe, increased production, raised the standard of living, and brought courage and confidence to the people. Had it not been for the Marshall plan, Germany, Italy, and France would now be in the hands of Communists, and Russian-controlled armies would now be encamped on the shores of the Atlantic Ocean. Here is solid achievement.

This achievement was made in other fields and by other means than that of military preparation or action. But there are scores of other opportunities for strengthening the position of the Western World in these nonmilitary undertakings which have been neglected or discarded. From time to time on the floor of this body I have fruitlessly called attention to these neglected opportunities. They still remain. But as time passes, the measure of their usefulness decreases. We are losing ground daily. Without neglecting these smaller things, more drastic measures must be undertaken.

Aside from the successful ECA, there have been two main elements in our foreign policy. The first of these has been the policy of "getting tough" with Russia. This was first proposed in an article in Foreign Affairs by a Mister X in the issue of July 1947. Mr. X was later identified as Mr. George Kennan, counselor of the Department of State, who became director of the policy planning staff. As the alternative to appeasement, this policy was necessary, for appeasement quite evidently had become the road to disaster. As an effective road to positive achievement, however, the "get tough" policy has failed. When we get tough, Russia gets tougher. Her capacity for getting tough is limitless. Ours is restrained by the desire of our people to live in peace and prosperity, and even more restrained by moral considerations which do not in any way control Russian policy. Getting tough has been fruitless of positive achievement.

Aside from ECA and getting tough, the third element in our foreign policy was that of containing communism. This was first enunciated by our President in connection with the loans to Greece and Turkey. The idea looked simple. It looked good. Its first application in Greece was effective. But what has containment come to mean? The area of our containment stretches from the Bering Sea to Japan, Korea, Formosa, the Philippines, Indochina, Siam, Burma, India, Pakistan, Iran, Iraq, Turkey, Greece, Yugoslavia, Austria, Western Germany, through Scandinavia to the North Cape in Norway.

At the present moment the active military defense of the Korean sector is engaging us. The attack was unexpected in time and unexpectedly strong. When we consider it, we begin to realize that this attack may be repeated indefinitely around this enormous line of containment. Russia with her internal position can make trouble here, there, or elsewhere at will. She takes the offensive. We will be rushing frantically to the defensive, perhaps 10,000 miles from where the last attack was made.

There are more serious problems involved in this than the simple problem of having men enough, resources enough, and transportation facilities enough to respond to any fire alarm at any unknown point at any unexpected time. This Korean situation begins to outline a pattern of economic and moral disaster. On the economic side, Russia has not engaged her own forces and only a small part of her own resources. If she can repeat this strategy over and over, she can wear us down while maintaining her own strength. She will weaken her puppet states one after the other as she weakens us, but she herself will remain strong. The prospect is disheartening.

The moral aspects are not less so. As a result of this Korean campaign, we find ourselves ruining the people we set out to protect. The fighting, the destruction, is in South Korea and only to a limited extent in North Korea. How long can the people of South Korea bless us for coming to their aid? This point must give us serious concern for it is already and has for a long time been in the minds of the peoples of western Europe. Can they afford to have us come to their aid? This, Mr. President, is a very serious question.

Another moral problem will be raised, particularly with later outbreaks of the Russian attack. Indochina is a likely area for a new full-scale invasion, employing Chinese Communist troops. Here we have the misfortune of finding ourselves, in opposing communism, supporting an old and outmoded colonial system. It is indeed almost the only remaining remnant of this system now that the Dutch have released Indonesia as the English have released Burma, India, and Pakistan, and as we earlier released the Philippines. The irony of fate and the perverse genius of Communist statecraft put us in the role of defenders of this last remaining bastion of colonial exploitation. What can we do about this?

Another place where with some confidence we can look for trouble is in Iran. It is not likely that this will be invaded from the north by Soviet armies, for Russia does not have to employ her own armed forces and thus definitely initiate world war III. Why should she initiate a world war when she believes herself able to accomplish her purposes in Iran by fomenting civil war for which she can deny responsibility? To make effective armed intervention in such a civil war, Mr. President, is an exceedingly dubious thing for us to undertake. But unless we meet the situation in some way here, there will be another slice of the earth's territory which will be lost to freedom and come under the totalitarian power of the Politburo. What reactionary social conditions there may be allied with that side of a civil war which we would feel disposed to support, I do not know, for I am not familiar with the internal conditions of Iran. I do know, and anyone familiar with Russian policy does know, that she will appear in the guise of the protector of the underdog. It is going to be extremely difficult, Mr. President, for us to contain communism at this spot under these conditions. Combine this involvement in

moral problems with the drain on treasure and lives to which we may be subjected, and from which our opponents are free, and we have a measure of the dangerous situation in which we have been placed.

Mr. President, except for ECA, our foreign policy lies in ruins at our feet. It has failed of its purposes. While being actively and directly applied, we have lost ground; we have gone deeper and deeper into the quicksands and now we must find our way out. There is nothing left to do with this foreign policy except to sweep the pieces up into the dustpan and throw them out onto the dump. What then shall we do?

Mr. President, let us try God.

I make this as a very practical proposal and not at all in the way in which the pious mouthings of such a sentiment are ordinarily interpreted. It has, for instance, often been said that Christianity has not failed because it has not been tried. There is involved in this some idea of the moral strength of millions of Christians leading Christian lives. There is undoubted moral strength in such a condition. The assumption is sometimes implicit that we need in the world a majority of Christians whose lives should in some sense radiate a world preponderance of Christian influence. That is not at all what I have in mind in my proposal.

It has likewise been suggested that bombarding the throne of grace with 50,000,000, 150,000,000, or even 500,000,000 prayers would solve the world's problems. This assumes that with enough prayers God can be persuaded to work a miracle. With regard to this, Mr. President, may I make two suggestions. The first is that no miracle is necessary, for God in His law has already provided the means. The second suggestion is that these prayers would be better addressed to the opening of the blind eyes and closed minds of the petitioners themselves, who have neither understood the law of God nor worked in accordance with it.

The suggestion I am making is based on the fact that there is a moral law in the universe as there is a physical law. That moral law has never been broken. It cannot be broken. We can break ourselves against it, but the law remains firm. It shows itself to us in two aspects. If we see it and follow it, it is full of blessings. If we disobey it, we suffer punishment.

The moral law is unlike statute law, which can be broken. It is unlike statute law in that punishment is not inflicted after indictment, trial, and judgment. The punishment is an indissoluble part of the law itself. The unlawful act carries its own punishment with it.

In these respects the moral law established by God for the ordering of the moral universe more nearly resembles the physical law for the ordering of the physical universe. If we decide to walk on the air and for that purpose step out of the tenth-story window, we are punished by a swift fall to the ground and sudden death therefrom. We are not punished after indictment, trial, and conviction. The punishment is a part of the act. There are no indulgences or judicial pardons. Results are inescapable. The same is the case with the moral law.

What is the moral law? The Old Testament is an unfolding record of the search of a morally conscious people for the laws of the universe. This search finds its finest expression in the 176 verses in the one hundred and nineteenth Psalm, in which the psalmist expresses his delight in the law of the Lord. But that law was also revealed in the harsh terms of the experience of those who transgressed it. Viewed in this aspect the Old Testament is an inspiring story of the search of an inspired people for the rules under which they might live in harmony with the purposes of the Creator.

In the New Testament we find the capstone, the pinnacle of the law which was so finely set forth in the Old. Jesus gave His final definition of the law in His life and in His words. He summed it all up in the twenty-second chapter of Matthew, the thirty-fifth to the thirty-ninth verses, which I now proceed to read:

> Then one of them, which was a lawyer, asked him a question, tempting him, and saying, "Master, which is the great commandment in the law?"
>
> Jesus said unto him, "Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind." This is the first and great commandment.

I see that my manuscript is faulty at this point, because the next verse was omitted, so I repeat from memory:

> And the second is like unto it, thou shalt love thy neighbor as thyself.

So we have now arrived at this word "love." In our day it has been given meanings and connotations which sap its strength and hide its power. As a matter of fact, it is the strongest thing in the world. We must put it to the test. How shall we do it?

On the last page of the July 28 issue of United States News and World Report, the editor, Mr. David Lawrence, made a practical suggestion of means for using the supreme power of love. He said, "The President of the United States could reflect the earnest desire of the American people to prevent a world war if he would broadcast through the Voice of America stations to the people of Russia a message in substance as follows." I have taken the liberty, Mr. President, of paraphrasing the substance of this message into basic English, for ease in translating into basic Russian. I now read my version:

> I, the President of the United States, send this message from the American people to the people of Russia:
>
> We, the American people, would like to have the Russian people know more about us. We would like to know more about you. This is hard to do, because your rulers do not allow letters to pass freely between us. They jam our messages on the radio and are probably making it hard for you to hear this message. We hope that some of you are hearing some of it.
>
> The American people have no quarrel with the Russian people. You have nothing that we want. We do not want your land. We do not want the riches of your farms, mines, or forests, except in fair trade between free people, in which both buyer and seller gain profit. The American people do not want ever to fight the Russian people.
>
> Many years ago, in 1919, we made a bad mistake. With a small armed force we joined with other nations in interfering with the new government which had been set up in Russia. We must not do this again in any country in which a free people freely choose the kind of government under which they wish to live.
>
> Why, then, are we spending billions of dollars in arming ourselves and the free nations of western Europe? Why are we training hundreds of thousands of soldiers, sailors, and aviators? We are doing this because we have seen your rulers destroying the freedom of free people, compelling them by violence to give up their right to choose their own rulers, and to submit instead to rulers placed over them by your rulers.
>
> Since 1938 we have seen free Finland invaded by your rulers, conquered, and much of its valuable territory taken away from it. We have seen your rulers destroy the freedom of Esthonia, Latvia, and Lithuania, and send most of its population into exile. We have seen your rulers first divide Poland with Hitler and then take all of it. We have seen the free peoples of the Balkans enslaved, and then the peoples of Czechoslovakia and Hungary. None of these peoples invaded your country. None of them wanted anything you have.
>
> While your rulers were doing this, the western nations, which you call the capitalistic countries, were doing the opposite Our country gave freedom to the Philippines. Great Britain gave freedom to Pakistan, India, and Burma. The Netherlands gave freedom to Indonesia. All these peoples are now free to choose their own rulers. If those rulers do not do well, these people are free to dismiss them and choose other rulers. That is democracy. Do you have democracy in Russia?
>
> Our people, with the peoples of other nations among the United Nations, are now fighting with the people of South Korea against the armies of North Korea. Why is this? It was intended that all of Korea should be one free nation. The United Nations asked that free elections be held all over the nation. Your rulers would not permit this. Elections were held in South Korea. South Korea is free.
>
> When South Korea became free our country withdrew its army. It left behind no fighter or bomber planes, no tanks, no heavy artillery. Your rulers armed North Korea with a multitude of tanks, fighter and bomber planes, and heavy artillery. Under the direction of your rulers North Korea attacked South Korea. As so many times before your rulers have once again set out to destroy free governments and enslave free people.
>
> The free nations cannot permit your rulers to do this any more. That is why we are fighting in Korea.
>
> We would like to say to you, the people of Russia, that the citizens of the free nations are better fed, better clothed, and live in better homes than do you in Russia and in other countries which do not enjoy real democracy. The good things of life come in less and less amount to the peoples whom your rulers have conquered.
>
> Your own lot would be far better if your rulers did not compel so much of your work to go for armament, if it did not make so many of your workers go from productive work into the army, and if it did not hold so many millions of your people as political prisoners.
>
> Your country is rich in soil, in mines, and forests. It can give you a good living. But it can do this only if your rulers seek peace and freedom. No one outside of Russia can

change your government for you and make it a blessing to you and to other people.

We, the American people, want to help you. We can do so if you will first help yourselves. The time is short. Your rulers are hurrying you and us toward useless senseless war. We pray that this tragedy may be prevented.

We believe it to be the law of God that we can live in peace and prosperity if we love one another. In this message we are trying to tell of our love for you.

This is the message from us, the American people, to you, the Russian people, sent through our President, Harry S. Truman.

Mr. President, this is not to be a single shot message. It must be broadcast around the globe. It must be incessantly drilled into the ears of such listeners in Russia as can hear it. It must not merely go through the iron curtain by radio. It must go over the curtain by balloons. It must go under the curtain by human messengers—not of subversion but of conversion. Other ways must be found, but the message must be that of love. In so being, it will be a message of truth. The technique of spreading falsehood was developed to the limit by Hitler and Goebbels and now is used by the Politburo. It consists in the insistent reiteration, without pause and for an indefinite period, of the lie it is desired to have take on the form and effectiveness of truth. Is there any reason why the technique cannot be applied to the implanting, germination, and growth of truth? I believe that it can be.

As I said, Mr. President, this is not a one-shot undertaking. It is one to go on day and night, year after year, with some variety of method, with some variety of form, but with its unvarying message of good will for the Russian people and of a desire to work together with them for their own and the world's good, instead of toward world disaster.

Mr. President, the book of Genesis tells how Abraham and Lot settled by the wicked cities of Sodom and Gomorrah. According to the old story, the Lord found it necessary to destroy those two cities of the plain. And He said, "Shall I hide from Abraham that thing which I do?" So He told Abraham his problem. And Abraham drew near and said, "Wilt thou also destroy the righteous with the wicked? Peradventure there be 50 righteous within the city." And the Lord said He would spare the city for 50 righteous. Then Abraham said, "Peradventure there shall lack 5 of the 50 righteous." And God said in that case He would spare the city. And Abraham said, "Peradventure there shall be 40 found there." And God said He would spare the city for 40. Then Abraham bargained Him down to 30, then to 20, and finally to 10, and the Lord said He would not destroy the city for ten's sake. Since there were not 10 righteous men within the city, as the old story tells us, the city was destroyed.

I think we may throw this story into reverse, Mr. President, and put it another way. If there are two righteous men to be found in the Western world, perchance the Lord will save western civilization and that part of its life and institutions which are based on His law. It is not necessary that there be hundreds of millions of righteous. It is not necessary that the throne of grace be bombarded with hundreds of millions of prayers. It is only necessary that the foreign policies of our country be established and directed in accordance with the laws of God. It is only necessary that our love and good will by any means, conventional or unconventional, known or unknown, be poured upon the people of Russia. He who does so through the power and authority vested in him will be a righteous man. Mr. President, if we find in the President of the United States and in the Secretary of State of the United States two righteous men in this sense of the word "righteous," the world can be saved. We await the outcome.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. McCARRAN. Mr. President, we have voted a great deal of money in order to keep the Marshall plan going for another year. In my capacity as chairman of the Joint Committee on Foreign Economic Cooperation—the so-called "watchdog committee"—I have kept in close touch with Marshall-plan operations; and during the weeks since the Communist invasion of southern Korea, I have given particular attention to just what the function of the Economic Cooperation Administration should be under the conditions which confront us today.

It is obvious, Mr. President, that fundamental changes have taken place since Congress made its last evaluation of the Economic Cooperation Administration program in passing the authorization legislation this year. I recognize that the big problem is to fit the ECA program into our all-out defense effort in cooperation with the countries of western Europe. Until a comprehensive defense program has been developed, we should not try to be too specific in assigning responsibilities to the ECA.

Nevertheless, Mr. President, it seems clear that the ECA should immediately make a new approach. The old standards by which it judged whether or not a request for assistance should be granted are no longer valid. From now on, every dollar that is spent should be evaluated with a new set of factors in mind.

The administrators of the Marshall plan should keep constantly before them the following factors:

First. The demands on the United States Treasury are much greater than when the Marshall plan appropriation request was originally submitted to Congress. Today we cannot afford to do certain things that we could afford last spring.

Second. Every pound of steel or of certain other scarce items that is allocated to Europe under the ECA program in the future will be taken away from rearmament or from the American consumer. The American people have a right to know that scarce materials will not be available to Europeans for uses which would not be approved here in the United States.

Third. The fighting in Korea has given a new priority to Asiatic problems in United States foreign policy. I do not see how we can escape doing more for Asia than we have done in the past, and I do not see how we can afford to do more for Asia unless we do less for Europe.

Fourth. The defense objective which has received highest priority in our Marshall-plan spending so far has been defense against internal penetration by the Communists. From now on, I believe that the ECA must give first priority to strengthening western Europe against external aggression.

Fifth. It seems clear that ECA can no longer be as patient as it has been in the past with countries which persist in dragging their feet. Up to now, our approach has been that the United States was helping Europe to help itself. Europe was primarily responsible for the results; and although we were prepared to suggest and facilitate, we have not tried to impose our will on any participating government. However, the situation is different now. Today we face an emergency. The United States and all the countries in Europe are in danger. Not a single American dollar should be spent in Europe unless the responsible United States official believes that the expenditure of that dollar will mitigate that danger. We cannot continue to supply money to nations which are not wholeheartedly carrying forward the program.

Sixth. The goal of making western Europe self-supporting by 1952 will have to be pushed into the background. We are going to distort our own economic structure for military purposes. We expect the European recipients of our aid to do the same.

We must accept the fact that this will create a problem of reconversion in Europe when the crisis is over. We cannot, however, spend money to make Europe "normal" while we are spending money here to make the United States "abnormal."

Seventh. The unification of Europe continues to be desirable and presumably will be accelerated by participation in a mutual defense program. Nevertheless, I do not believe that the ECA can finance projects for rebuilding or relocating industries primarily to advance the integration of Europe, under present circumstances. It is true that greater industrial efficiency in Europe will facilitate our rearmament program, but the problem is immediate and it is urgent. We should limit our expenditures for machinery and equipment for European factories to those cases where a definite contribution can be made to meeting the present emergency.

Let me make it clear, Mr. President, that while I have emphasized the point that the ECA should immediately readjust its sights and modify certain of its procedures, I recognize that many of the operations now being carried on by

the ECA are essential to our defense effort and should continue. We must acknowledge the fact that a few of the Marshall-plan countries are still in a very weak and uncertain situation. They are not in a position to do very much to defend themselves, let alone aid in the defense of their neighbors or contribute to the arms program of the United States. It is nevertheless in our interest to keep these weak countries from falling under Soviet domination, and we must consequently help to feed them and to provide employment for their people, in order that internal unrest may not undermine their present governments.

I want to point out that in the strongest of the Marshall plan countries we expect the greatest contribution to our mutual defense, and that in order for them to divert a substantial proportion of their manpower and industrial resources to military use, their ability to manufacture for export and to produce essentials for their consumers may be seriously impaired. It will be essential to the rearmament effort that, under these circumstances, we give necessary financial aid.

Let me express the hope that none of the productive resources of western Europe will be allowed to remain idle or devoted to nonessential production while American industry is overburdened and American consumers are unable to obtain articles which they require. My observation of Europe convinces me that there are numerous factories there with precision equipment and highly skilled labor which can manufacture certain types of weapons and other armament for the United States Army, and that there are many things which European industry can supply to American consumers to replace in part the production which is lost here as a result of the conversion of some of our major plants to the turning out of military equipment. I urge that an all-out effort be made in this direction, and I believe that the ECA is better organized and equipped to inaugurate a program of this kind than any other agency.

I think it is clear that we want to keep the ECA in business, but that the ECA now has a different job to do from what it had before. I should like to make this further point: The ECA has not, so far, in supplying food, materials, or machinery to Europe, considered such factors as the will and ability to fight in the receiving country, the contribution the receiving country can make to defense against communism, and the ability of the receiving country to supply products to the United States. It is essential that the ECA should not spend money in the future without taking these new considerations into account. Under present conditions we cannot afford to finance a country merely because its standard of living is low, its factories inefficient, or its budget unbalanced. We should use American dollars to raise a country's living standard if it is necessary to prevent a Communist uprising, or if a country shows promise of being a fighting ally. We can spend American dollars to make factories more efficient and to balance budgets only when such action is essential to the defense effort.

It has not been the function of the ECA to evaluate the fighting ability or the defense role of the various countries of western Europe. I am greatly concerned lest a portion of the appropriation which we have voted be wasted through sheer bureaucratic inertia. ECA has certain standards and procedures now in effect. I am afraid that during the next 2 or 3 months, while our comprehensive program for rearming and defending the free world is taking shape, the ECA will continue to operate in the old way.

I believe that the interests of the American taxpayer would be better protected if the ECA were at once to suspend the making of expenditures in certain categories, pending the development of new rules and their coordination with our military authorities. This is particularly true of machinery and equipment and industrial materials. The ECA as yet has taken no action of this nature, and I note that only last week the ECA authorized Belgium to purchase $5,000,000 worth of automobiles, procurement to be made any time before December 31 of this year. I am not sure that, when the part Belgium is to play in the defense program and the extent to which the United States auto industry is to be converted to war production are determined, we can regard this money as well-spent.

Mr. President, I supported the Appropriations Committee's recommendations. I did it with misgivings, because the situation has changed greatly since the committee made its recommendations, and now, as of today, we intend that the ECA shall not spend the money as contemplated in the program submitted in justification of the appropriation request. I hope that the ECA will interrupt the flow of its expenditures, except in the clearest cases, until the course it should follow in the future is better defined.

In spite of these misgivings it is desirable that the Marshall plan should continue its essential functions.

I can assure you, Mr. President, that as chairman of the watchdog committee I shall give my continued attention to this situation, and that if ECA money is not being utilized for advancing our new program for Europe, I shall call the matter to the attention of the Congress.

Mr. SALTONSTALL. Mr. President, I rise to oppose the amendment of my good friend and colleague, the senior Senator from New Jersey. He and I have both been supporters of the ECA from its inception, in principle and in practice. I cannot, however, in view of the present situation, agree with him when he seeks to omit from the so-called Bridges amendment the amount appropriated for the ECA for the current year.

I voted for the Hayden amendment which restored the 10 percent cut made from the ECA authorization and put the ECA appropriation in the same position as the other appropriations that are affected by the Bridges amendment. In other words the ECA appropriation at the present time is the amount actually voted by the committee without any percentage cut. This puts it in exactly the same position as the other items that are to be cut by 10 percent if the Bridges amendment is adopted.

The Bridges amendment becomes vital to our economy when we think of the additional requests for appropriations submitted by the President since this bill which has been under debate on the floor of the Senate was considered by the Committee on Appropriations. These requests have come largely because of the fighting in Korea.

I know, though I do not for 1 minute consider that I know of them all, of supplemental requests totaling approximately $16,640,000,000. This total includes $10,500,000,000 for the Department of Defense, $4,000,000,000 for military aid to Europe, $260,000,000 for atomic energy, $600,000,000 for stockpiling, $89,000,000 for the Voice of America, $46,000,000 for the Post Office Department deficit, and $950,000,000 for additional planes for the Navy.

I was told this morning, that there have been some 20 separate supplemental requests submitted by the President.

Merely reading these huge amounts tells more clearly than any words can possibly do the immediate necessity for large appropriations by the Congress for the security of our country, our citizens, and our loved ones at home.

I have always voted for the authorization of appropriations for ECA because I have been confident that expenditures for ECA helped to give our country greater security and would lead to a more peaceful world. While I still realize the great benefits that have accrued and which I hope will continue to accrue from ECA, I am thinking too of all features of the problem of peace in the world and of our own security. We are faced now with the need for tremendous increases, immediate increases, in our military strength and in the armed resources of the countries friendly with us, and our first endeavor must be in that direction.

Many of the countries that have been receiving aid from the ECA must give greater attention to their defense budgets. It is in line with that that we are increasing the military assistance program from $1,200,000,000 to $5,200,000,000. Thus, where the Bridges amendment will cut the ECA appropriation and narrow our assistance to those countries in the amount of approximately $250,000,000, we will contribute to those countries a large part of the total of $5,200,000,000 for military aid.

Mr. President, I am in favor of the Bridges amendment and support it as it is now written. The expenditures of our Government must be made on a basis of service to our people. The greatest service that we can render to our people is to protect them, as never before, from both external and internal enemies.

If there must be any sacrifice of services to our people, that sacrifice must be made in those expenditures that do not deal directly with our security. Where there are two expenditures being made for security and our economy cannot

meet both demands in full, then priority must clearly be given to defense security. At this moment, in August 1950, there is no question in my mind that priorities must go to the providing of arms for the protection of our own citizens and for those of friendly nations. We must support to the very limit the boys on the fighting front.

The armed strength of our country today and that of the nations friendly to us is what the forces hostile to us and to freedom understand most clearly. I quote from an article in today's Washington Post which in turn quotes from an article that just appeared in the magazine, Bolshevik, an article written by Premier Stalin. It reads:

> On the basis of a study of the world situation in our time, when the Soviet Marxist revolution occurs in only one country and capitalism reigns in all other countries, then the country where the revolution triumphed must not weaken but must do its utmost to strengthen its state, its state organs, its intelligence organs, and the army—if this country does not want to be crushed by capitalist encirclement.

Stalin also predicted that all languages will be fused into one language, "when socialism has won its world-wide victory and imperialism and national animosities have disappeared."

For all these reasons I hope the amendment of the Senator from New Jersey will be defeated and that the amendment of the Senator from New Hampshire will be adopted without any amendment that will reduce the extent by which it cuts the appropriation bill in the amount of approximately $750,000,000.

The continuing studies which I have made of the pending appropriations bill bring home to me the fact that we are endeavoring to carry two buckets of water, one being labeled defense and security activities; the other, normal peacetime civilian activities. When both pails are full, they are too heavy for us to carry. Let me repeat that I have always supported the principle of ECA. I shall continue to support ECA, both in principle and in practice; but we have clearly reached a period when first things must come first. The first things today are the appropriations for our own Armed Forces and for the armed forces of the friendly nations throughout the world to whom we wish to give military assistance. The fact that $16,640,000,000 has been requested of the Congress since the bill was considered by the committee has made me feel that military matters must come first, and that the ECA appropriation can be cut by the amount suggested without hurting its principle or its practice.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. HAYDEN. I have great respect for the business ability of the Senator from Massachusetts, but what disturbs me about the matter is that last year we provided in cash for the Marshall plan $3,778,000,000. With this proposed cut it would mean an appropriation of $2,105,000,000, as I figure it——

Mr. FERGUSON. The Senator should not forget to add the carry-over.

Mr. HAYDEN. The carry-over, whether we count it one way or the other, is not going to be available, because the carry-over was for last June, and we are now in the month of August. If there ever was any carry-over, it has been used up.

What I am trying to point out is that the testimony of the Administrator was that $600,000,000 of the appropriation is earmarked for the European payments union. The Administrator testified before the committee, under questioning by the Senator from Michigan [Mr. FERGUSON], that if it were not used for that purpose it would not be used at all, but would remain in the Treasury of the United States. This project is entirely new this year. It is being undertaken for the first time. It is being undertaken with the idea of breaking down trade barriers, reducing quotas, and other impediments to commerce. The $600,000,000 has been earmarked for that purpose. That leaves for the former purposes of ECA only $1,505,000,000 which, as I see it, would be a reduction of $2,273,000,000 of what was spent for this purpose last year. I do not believe that the work can be carried on for that small sum of money.

Mr. SALTONSTALL. First let me say that I appreciate very much the opening sentence of the Senator's statement. I hold the Senator's knowledge of financial matters in very high esteem. As I see it, the figures of the Senator from Arizona are incorrect by $100,000,000. I believe the appropriation is for $2,450,000,000.

Mr. HAYDEN. That is correct. That is the figure we are asked to cut 10 percent.

Mr. SALTONSTALL. The Hayden amendment restored the appropriation the amount at first recommended by the committee, of $2,450,000,000.

Mr. HAYDEN. Yes.

Mr. SALTONSTALL. If we took off 10 percent, or $245,000,000, there would be left $2,205,000,000. I believe the Senator said $2,105,000,000.

Mr. HAYDEN. I believe the Senator is correct.

Mr. SALTONSTALL. If we add to that amount the carry-over of $276,000,000 we have approximately two and one-half billion dollars for ECA. Six hundred million dollars would be used to supply a dollar deficit in the currency union. What appealed to me enormously in this situation was that, outside of military purposes of our own, and the increase in the national budget of $16,640,000,000—and I am sure the Senator will agree that it will be much more than that before very long—remember the original MAP or military assistance program, which was $1,200,000,000 and is now going to be $5,200,000,000. It would at least in part help the economy of the participating countries. It would employ people. It would not employ people profitably, to be sure, but it would employ some people, and it would go to increase production, the building of factories, and so forth, for unfortunate purposes, I agree, but it would employ people. That is the one thing that interests me.

Mr. HAYDEN. The point that I should like to make is that when Europeans are employed in a munitions plant making guns or munitions, while they draw wages and are better satisfied, yet, they are not adding ultimately to the wealth of the country. On the other hand, if they are employed in constructive enterprises such as improving port facilities, or building roads or hydroelectric plants, they are adding to the wealth of the country and to its ability to better defend itself in case of war. Its economic base is that much broader. What I am fearful of is that the squeeze that we would be putting on, when we consider that last year we expended $3,778,000,000, and this year we will be expending only $1,605,000,000 for the same purposes, would have a detrimental effect.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I think I have the floor.

Mr. FERGUSON. May I ask the Senator to yield so that I may reply to the Senator from Arizona?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Massachusetts yield to the Senator from Michigan?

Mr. SALTONSTALL. I should like to answer the Senator from Arizona; then I shall be very glad to yield to the Senator from Michigan. I think one answer to the Senator from Arizona is that we are appropriating this year, before conditions changed because of the Korean conflict, about $13,500,000,000 for military purposes out of appropriations of about $34,000,000,000 which does not include around six billion service on our debt. That is nearly one-third of the budget. I am not sure of my figures, but I think they are not far off. That is a higher percentage than any participating countries, even England, France, or Belgium have spent for such purposes.

Mr. HAYDEN. The reason for that is that we are better able to afford it, because we have a broader economic base in America and a sounder economy. That is why we can afford to or have been able to spend as much as $13,000,000,000 for military purposes. We have a greater national income. We have better social conditions. Those factors enable us to do it. My conception from the start has always been that what we did in Europe under the Marshall plan was done primarily for our own national defense.

Mr. SALTONSTALL. I agree with the Senator entirely. That is the only justification. We are working on two things. We are working for our national security by providing appropriations for ECA and we are working for military defense by MAP. When we are working in two ways for our own national security, and we reach the point where we cannot do all of it, we must decide which comes first.

I have reached my decision on this question with great reluctance, but it seems to me that in view of the additional requests for enormous appropriations coming to Congress and in view of

all we must do to further world security and international peace by stimulating with our assistance military defense on the part of the other nations, we must ask them, when we increase their military defense through MAP, that they must let us cut down a little on ECA.

Mr. HAYDEN. If it were only a small reduction that would be one thing, but we would be going from $3,778,000,000, which we spent during last fiscal year, to $1,605,000,000 this year.

Mr. SALTONSTALL. I do not think the Senator is quite fair in this consideration when he fails to include the $600,000,000 for the currency stabilization fund.

Mr. HAYDEN. To my mind the $600,000,000 constitutes the most valuable part of the program.

Mr. SALTONSTALL. I agree.

Mr. HAYDEN. But it is not for the things we have been doing heretofore. The things we have been doing heretofore have been to build up the basic economy of those countries, and I do not think it would be in the interest of our national security to withdraw from that field.

Mr. SALTONSTALL. Of course a certain amount of it would still be used for the building of roads and power dams.

Mr. HAYDEN. Based on whatever business judgment I have, it does not seem to me that we will be putting sufficient money in this program if we were to reduce the appropriation by the additional amount now proposed.

Mr. SALTONSTALL. I regret that I must disagree with my friend from Arizona, because I usually do agree with him.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. FERGUSON. The Senator from Arizona will recall that when we started the ECA program it was with the understanding it would be completed entirely in 1952. The prophecy was that every year would see a reduction. It is because of that understanding that we have reduced it from $3,000,000,000, to $2,000,000,000, approximately, or almost a billion dollars. It is Mr. Hoffman's word that next year it will be reduced further. The Senator could come in at that time and say, "Well, how can it be reduced this year?"

Mr. HAYDEN. No. I am simply arguing about the proportion of the proposed reduction. During the first year we spent $6,074,000,000. During the second year we spent $3,378,000,000. This year we propose to provide $2,450,000,000.

Mr. FERGUSON. That was the plan.

Mr. HAYDEN. I think it is a sound plan. I think a reduction of more than a billion dollars in 1 year is enough from a sound business point of view.

Mr. SALTONSTALL. I should like to say only one more thing before I yield the floor. I simply say to my good friend from Arizona that with the substance of what he said I am entirely in accord. Putting it on a business basis of a citizen thinking of security, we must decide on a priority basis how our money can best be spent.

Mr. President, I have said what I have said, and taken the position I have assumed, since I went over last night the additional Presidential requests, which now aggregate $16,640,000,000, or about half again as much as we are asked to appropriate in the bill we are discussing. I felt that the money could be better expended in the way I have indicated.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Vermont.

Mr. AIKEN. I notice that the Senator from Massachusetts gives consideration to approximately a quarter of a billion dollars carry-over from last year's funds in estimating the amount available for expenditure for the ECA this year. However, is it possible so to plan the work that the amount will be completely used up at the end of the fiscal year? If we anticipate a carry-over next year of possibly similar proportions, it does not seem to me that we should then include the carry-over in the amount available for expenditure this year.

Mr. SALTONSTALL. Mr. President, $600,000,000 is included in this appropriation, as the Senator from Arizona so well brought out, which is to be set aside to support the Currency Union. If the Currency Union supports itself and does not run into dollar deficits, or does not need bolstering, that $600,000,000 will be held in the Treasury, and will be available again next year.

How much of a carry-over there will be it is impossible to estimate. Naturally, if we cut the amount down, there probably will be less of a carry-over, but we will be in a better position to know next year how the ECA is going along, and how peaceful the world may be.

Mr. AIKEN. Could we not normally expect that the reduction in the carry-over would correspond, roughly, with the reduction in the amount of the appropriation made this year?

Mr. SALTONSTALL. I do not think we could—though the Senator from Arizona may not agree with me—because the ECA Administration has planned, naturally, somewhat tentatively, and not accurately as to the amount. They cannot figure accurately just what they are going to do. The ECA is very well managed by Mr. Hoffman, Mr. Foster, and their associates, and they have saved money, represented by the carry-over, and are willing to take the cut in the original authorization, and we are making a cut. When they agreed to take the cut, they had no more anticipation than did the Senator and I of the situation in Korea, and the immense increases in appropriations to be asked of the Congress.

Mr. AIKEN. However, is it not true that under the ECA program, if the Marshall plan countries do make the recovery expected, through the production of armaments, or by any other means, the Administrator could then reduce the amount of spending under the civilian recovery program?

Mr. SALTONSTALL. Unquestionably he could; but as I see it, we in the Congress have a responsibility to exercise our best judgment possible on the estimates submitted to us by the President, and when we have to determine the priorities where our money is going, we have to take some responsibility in making a cut.

Mr. AIKEN. Has the Senator from Massachusetts any idea of what the effect of an additional reduction might be on the morale of the people of the western European countries, who undoubtedly do not want war and would rather make their living by some means other than war, if it were indicated by the reduction that they themselves were expected to get into war? Has the Senator any estimate as to the effect on the thinking of the people of western Europe of spending, let us say, this additional quarter of a billion dollars, to help them restore a better living for themselves permanently, contrasted with the effect of spending a quarter of a billion dollars paid to them to produce war materials, which would conceivably, in the long run, bring them into the war itself? I am not saying that we should not take steps against the contingency of war in western Europe; I am merely wondering what the effect of the proposed cut would be upon the morale and the spiritual condition of the people of western Europe.

Mr. SALTONSTALL. If the Senator is correct in his implication, if that question is answered affirmatively, and it would lower their morale, then we should not consider sending them all the $4,000,000,000 additional MAP assistance. In other words, must we not, in the interest of our own security, and in the interest of protecting the lives of our own boys, who are now fighting and dying in Korea, emphasize the fact that we expect the participating countries whom we have been assisting to engage more extensively in the production of what is needed?

Mr. AIKEN. The Senator is entirely correct about that, but I do not think we should lose sight of the fact, or that they should lose sight of the fact that our primary purpose in going into Europe with the ECA was to restore the people there to a respectable standard of living as quickly as possible.

Mr. SALTONSTALL. I agree with the Senator.

Mr. AIKEN. And it is the hope of all of us that it may be permanently maintained under peaceful conditions.

Mr. SALTONSTALL. It is the wishful prayer of all of us.

Mr. AIKEN. I believe that in the over-all picture the $250,000,000 which it is proposed to cut from the ECA program might pay good dividends if left in the bill.

Mr. SALTONSTALL. That is a question of judgment, and the Senator from Vermont and the Senator from Massachusetts could answer only at the end of the next fiscal year as to which is right. I should like to agree with the Senator from Vermont, and I should like to agree with the Senator from Arizona, but when I think of all the things we must do, and all the responsibilities, I feel there are other things which come

ahead of the items proposed to be cut which will make it possible and wise and practicable to make this 10-percent cut effective.

Mr. HAYDEN. Mr. President, will the Senator from Massachusetts yield to me with respect to the unexpended-balance question?

Mr. SALTONSTALL. I yield to the Senator from Arizona.

Mr. HAYDEN. As I recollect the testimony before the committee, it was shown that the unexpended balance was in large measure due to the fact that in estimating the cost of supplies which were to be purchased the estimates were liberal, but actually the costs were not so great as was anticipated, and perhaps the quantities were not so great. I am sure that with respect to the costs they were estimated liberally, and actually they were not so high, and therefore the ECA did not have to spend as much money in the United States in the purchase of the supplies as had been anticipated.

Mr. SALTONSTALL. Did not the reduction in the value of the pound have something to do with it as well? I am not sure.

Mr. HAYDEN. That may be. We now face the fact that this year whatever is to be bought in the United States will be bought on an advancing market, and the appropriation has to be higher. The money will not go so far. I believe we have testimony to the effect that if the same quantity were purchased this year as last year the amount spent would be $300,000,000 more. So we have two factors, one a substantial cut in the amount of money, a quarter of a billion dollars, and then we have another quarter of a billion in increased prices. So that really the ECA Administration is going to be half a million dollars short if it does what it wanted to do a year ago.

Mr. SALTONSTALL. Their prices will not go up a quarter of a billion dollars, and I think the Senator should include the additional amounts we are providing under the MAP program, which is a fourfold increase of the amount provided last year and of what we planned to do this year. A substantial percentage of that sum will immediately be expended on the employment of individuals, whether it is good or bad employment, in the countries affected.

I yield the floor.

HOW FORTUNES ARE MADE IN "WAR BABY" STOCKS—ADVERTISEMENT FROM THE WASHINGTON POST

Mr. SCHOEPPEL. Mr. President, on last Sunday morning there appeared in the press throughout the United States a story which saddened and disturbed all loyal Americans and which, I am sure, brought great grief and sorrow to the loved ones of men who are so heroically fighting in Korea to stem the tide of the Communist advance. I refer to the story of Lt. Gen. Walton H. Walker when he issued a dramatic stand-or-die order to his outnumbered, hard-pressed American soldiers.

We read that General Walker firmly ruled out any thought of surrender or evacuation. The general said, at that time, there could be no hope of a Dunkerque, that mass evacuation by sea would be impossible.

It was hard to conceive, Mr. President, on that beautiful Sunday in this country where millions were seeking their recreation and pleasure as usual, that the youth of this Nation was again spilling their blood in the far-distant reaches of the Pacific.

As I continued to read my newspaper my feeling turned from one of sadness and deep concern to one of anger and chagrin when I read on the financial page a headline of an advertisement which read: "How Fortunes Are Made in 'War Baby' Stocks." That was the headline, Mr. President.

I read on in that advertisement and I could not believe that American business or American financial interests could be indulging in that which I read. But let me read on:

> In other wars, favorably situated companies with large military orders showered amazing profits on well-informed investors. Now, new billions of dollars will be spent on recently invented secret weapons, protective and offensive gadgets, antisubmarine devices, tanks, guns, etc. Again, some investors with courage and a few hundred dollars will buy the right war-boom stocks and become independently wealthy.

I remind you again, Mr. President, that the language which I have just read from this advertisement appeared in the same newspaper as did the report of the order to American soldiers to stand or die.

Let me read on:

> Will history repeat itself as little-known bargain-priced "war babies" leap into prominence with perpendicular advances? Fourteen "war baby" stocks picked by famous experts to bring you riches.

They further say:

> The experts say this period is just beginning. It is then you need this pooled advice to take full advantage of money-making opportunities.

I shall not read all of the advertisement, Mr. President, for it is all in the same tone. But I shall offer it for insertion in the RECORD at this point in my remarks. I ask unanimous consent that the advertisement may be inserted in the RECORD at this point in my remarks.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

[From the Washington Post of July 30, 1950]

HOW FORTUNES ARE MADE IN "WAR BABY" STOCKS*

In other wars favorably situated companies with large military orders showered amazing profits on well-informed investors. Now, new billions of dollars will be spent on recently invented secret weapons, protective and offensive gadgets, antisubmarine devices, tanks, guns, etc. Again, some investors with courage and a few hundred dollars will buy the right war-boom stocks and become independently wealthy.

*Every speculator should have a backlog—a savings account and adequate life insurance. He should buy United States savings bonds regularly.

DO GOLD STOCKS NOW OFFER QUICKER WEALTH-MAKING OPPORTUNITIES THAN STEELS, COPPERS, ALUMINUMS, ELECTRONICS, OR AIRCRAFTS?

Which companies can change over to war production fastest and with least expense? Will the 1950 "war baby" stocks be low-priced rails with enormous war-materials traffic? Will history repeat itself as little-known bargain-priced "war babies" leap into prominence with perpendicular advances?

FOURTEEN "WAR BABY" STOCKS PICKED BY FAMOUS EXPERTS TO BRING YOU RICHES

The leading advisory analytical staffs of America combed over thousands of stocks and applied modern standards of appraisal to find today's big "war baby" money makers. The 14 most-favored stocks of these foremost experts (who are usually correct) are tabulated in our exciting report—now ready for you. Get it at once. If you hold listless or weak issues, this report will point out profit-making exchanges into issues ready for tremendous moves. The experts say this period is just beginning. It is then you need this pooled advice to take full advantage of money-making opportunities. If you know what the leading experts recommend, you have in your possession the opinion of all the major specialists whose life work is investment counsel. How often, after depending on one expert's advice, have you wished you knew what the others were advising?

VALUABLE INFORMATION ONLY $1

Quick—send $1 for this fortune-building report on today's new opportunities—14 "war baby" stocks picked by the experts. Free: 4-week trial subscription covers profit-making and profit-saving aids and buy, hold, and sell consensus. Fill out, clip, and mail coupon.

Duval's Consensus, Inc., Department T-126, 41-43 Crescent Street, Long Island City, N. Y.

Rush me profit-packed report on 14 "war baby" stocks with free 4-week-trial subscription for only $1 (air mail, $1.25).

Name' ----------

Address ----------

Mr. SCHOEPPEL. Mr. President, what has happened to the moral fiber of the American people? What has happened to the ethics of business when this type of advertisement is presented to the American public, suggesting that one may become independently rich at the expense of the blood and sacrifice of American youth; that great wealth may be accumulated through channels which are causing heartbreak for the wives, mothers, fathers, and children of the finest young men on the face of the earth?

I stood on this floor several weeks ago, during the debate on the extension of the Selective Service Act, and I said at that time that if American youth were to be again inducted into the armed service the entire industry and economy of this Nation should be mobilized and that we should see to it that there would not be a new group of millionaires created at the expense of those who now make the sacrifice for the preservation of our liberties and freedoms.

Mr. President, I believe this advertisement speaks far more eloquently than could I in a demand for rigid controls. It indicates for me that there must be a rebirth of patriotism in the hearts and minds of some of our people. I believe the great majority of Americans will consider such activities as reprehensible

as I, but those who would place material wealth above their love of country and honor of those who are serving in the armed forces must be regulated and controlled.

We have been asked to appropriate huge sums of the taxpayers' dollars to carry on a great armament and construction program for defense. I, for one, Mr. President, will demand that those funds which are appropriated be used for that purpose and that they shall not be siphoned off into the pockets of a few speculators. These funds must be used, Mr. President, so that there shall be no more orders that American soldiers must stand or die without adequate equipment. They shall not be used for speculative business as usual or gambling in war baby stocks.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I yield.

Mr. AIKEN. I should like to commend the Senator from Kansas for the statement he has just made. I do not know in what newspaper the advertisement the Senator read from appeared. I care not in what newspaper it appeared, but I desire to say that there must be something wrong with the thinking and the patriotism of any newspaper which will carry an advertisement of that kind. I hope the publishers were unaware of the fact that such an advertisement was carried in their newspaper. I also hope that the press will do its part in not carrying advertisements of similar nature while we are in the situation in which we now find ourselves.

Mr. SCHOEPPEL. Mr. President, I appreciate very much the remarks of the distinguished Senator from Vermont. I may say for the information of the Senator from Vermont and the other Members of the Senate that the advertisement appeared in the Washington Post of Sunday, July 30, 1950.

Mr. AIKEN. I would not condemn a newspaper for the first appearance of an advertisement of that kind. But if newspapers continue to carry advertisements of that kind, then I think they should be condemned.

RUNAWAY PRICES AND OUR MIDDLE- AND LOW-INCOME GROUPS

Mr. STENNIS. I shall address myself quite briefly to the problem, which is daily becoming more acute, of what should be done with reference to price control.

Mr. President, on the twenty-fifth day of June last, we had a choice to make. We could have heeded the call of the United Nations to go into Korea, or we could have refused to go. We made that choice. We chose to go in. We did go in, and have been fighting there for over 30 days. And let us remember the constant threat of danger from many possible fighting fronts beyond Korea.

Now, we are bound by our choice. We must back it up. We shall back it up. Success on our fighting front will depend on our success on our home front. The home front has certain grave and essential duties. The home front is entitled to protection as it buckles down to meet those duties.

By far, the largest segment of this home front is our middle- and low-income groups. As the military spending increases and prices steadily rise by leaps and bounds, the purchase value of the wages, salaries, and savings of the people will steadily fall.

Mr. President, the following facts confront the people on the economic front as we enter this military program:

First, there will be tremendous new spending for military purposes. The $10,000,000,000 now requested by the President will prove to be a mere starter. Soon, the rate of military spending will doubtless be increased at the rate of $20,000,000,000 to $25,000,000,000 per year above our June 1950 levels.

Second, with these huge sums being rapidly poured forth, we will have a runaway of prices that will skyrocket the cost of living for the middle-income and low-income groups on the home front, and they are the ones who really carry the burdens of the war effort. These prices will rise, not once, but over and over again, week after week, and thus rapidly make serious inroads into the buying power of the public.

Third, new taxes will be imposed and will have to be paid by this middle- and low-income group from their already greatly shrunken buying capacity.

Compensating or offsetting increases in wages or income will be slow in coming, and to many workers, wage earners, white-collar groups, and small farmers, these increases will not come at all, or at least not appreciably. Of course the wage increases will eventually come to certain organized groups, and this item itself will even further increase prices and further add to the burdensome and crushing load carried by the unorganized millions. Thus, these conditions will soon be taking a triple toll from the small farmers, the white-collar group, and those who live on small savings. These are the very ones least able to bear it.

Mr. President, these conditions and circumstances are not remote and uncertain. They are positive, certain, and immediate. Three things have become increasingly clear: the first is that the only effective way to avoid run-away prices with consequent ruinous inflation is for Congress effectively to establish price controls and roll back prices of commodities and goods to a date just prior to the Korean invasion; second, the dark clouds of inflation are daily destroying values and will continue to do so as these prices rise. Savings accumulated through years of toil and sacrifice are rapidly losing their buying power, and people dependent thereon will find themselves in need. Other values are being destroyed. It seems clear to me that without price controls during this emergency and during this enormous expenditure of money, we will have a 30-cent dollar within a few short years. Third, the duty of the Congress to act and to act quickly, is clear and demanding. We are burning daylight now.

There is no easy or absolute solution, but something can be done. We are not without experience in this grave problem. We have the benefit of experienced administrators, and—more—we have in the United States Senate Members who gained invaluable experience on this subject during World War II. I feel that our able Committee on Banking and Currency will soon report a worthy bill which will meet the realities and needs of these unusual conditions. I hope the bill as reported will provide ample power for early application of price controls and a roll-back of prices to June 25, 1950, with properly protected rights, of course, for any group to show cause for the allowance of increases in proven and proper cases.

Mr. President, in these brief remarks I emphasize merely the roll-back of prices and price controls because they are the most immediate matters. I believe that the people of the United States stand on the proposition that so far as is humanly and practically possible at this time, all our resources—our capital, wages, commodities, and goods—should be dedicated to the single purpose of carrying out effectively our operations in the war or in whatever we may face in the future. I stand on the proposition of controlling those matters and dedicating ourselves to the proper purpose and doing what we can to keep this from being a profiteers' war.

I pledge the committee my wholehearted support for the passage of such a bill, even though I greatly dislike the necessity for the enactment of such legislation.

However, even with all the evils and dangers of such a law—and there are evils and dangers in it—it does not involve the threat which we would face in what could be military disaster, nor does it present the threat involved in ruinous inflation.

Mr. President, I now yield the floor.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. FERGUSON. Mr. President, the Senate today has before it two measures, the first being the so-called Bridges-Byrd amendment, of which I am a cosponsor, and which calls for a 10-percent cutback in certain of the nondefense items in the pending appropriations bill. The second measure is a modification of that amendment by which it is proposed that certain other programs, notably ECA, shall be excepted from its operation. At this time I desire to address myself to both of those measures.

Appropriations really mean that the people of the United States, through their tax payments, are providing certain funds to be put into the Treasury of the United States, as a bank, so that the Government may draw upon that account. The question now before the Senate is how much money we are to deposit in that bank, as a charge against the account of the taxpayers, in order that the Government may have funds to be used by it during the coming year.

The principal business now before the Senate, the Bridges-Byrd amendment, calls for a specified reduction in the amount of money which is proposed to be placed in that bank by the people of the United States, in the form of the pending omnibus appropriation bill, with the money so deposited to be spent for the purposes indicated. The proposal is to reduce by 10 percent the funds to be expended on certain items, with all sums for national defense, the Post Office, and other items, including appropriations for the Atomic Energy Commission, to be excepted from the operation of the amendment. These items are excepted because we do not want to affect emergency functions and others are excepted because we believed they represent firm commitments to our citizens, notably our veterans. As a result the 10-percent reduction would apply only to approximately $8,000,000,000 of the approximately $36,000,000,000 intended to be deposited in the Government's checking account by the omnibus appropriation bill.

Mr. President, it seems to me that we have reached the point where we must answer two questions. First, do we wish to reduce the appropriations for some of the less essential Government activities? Second, how are we to do so; how are we to reduce the amount of money which is to be deposited in the Government's account to be drawn on during the next fiscal year, which began on July 1 of this year?

To my mind, there can be nothing but an affirmative answer to the first question. The military situation we now face, with its economic reverberations, makes such an answer imperative.

Five weeks ago, Mr. President, our country did not know it was about to face combat in Asia. On the morning of June 25, apparently none of our Government agencies, including the Army, the Navy, and the Air Force, realized they were about to become engaged in combat, although there were available, if we had but paid sufficient attention to them, intelligence reports indicating that combat was to come at a very early date. However that may be, the events since June 25 have come upon us hard and fast, and with serious military problems there also have come serious economic problems.

As I said on this floor the other day, when I urged a 50 percent reduction in the amount of money to be appropriated for civil works projects, the day of spending-as-usual has passed. Of course, it is quite true that claims are made by someone for every item in the appropriation bill that it is "worth while," or is a "desirable" expenditure in behalf of the people. Nevertheless that is not the test today.

The question no longer is whether a project is worth while or desirable. At this time, when every Government dollar to be spent for nondefense purposes must compete with the dollars to be spent for military or defense purposes, and both are competing with the public's dollars for goods and services, the test is whether the proposed expenditure is essential to the welfare of the people of our country.

Moreover, Mr. President, at the time when this budget was prepared, we were confronted with a deficit of approximately $5,000,000,000. Since then the Joint Committee on Internal Revenue Taxation has estimated that the deficit for the present fiscal year would amount to more than $7,000,000,000. In other words, even before the present emergency it was estimated that for every day of the present fiscal year the Government's deficit would be $20,000,000, and each day we would be going that much farther into the red through deficit spending.

But even that dismal prospect was laid before us at a time when there was no knowledge of the increased military expenditures which are now required; none of our armed services then knew of the present situation, and they had not planned on engaging in any real military action in Asia.

Since then, in fact since this appropriations bill was brought out upon the floor of the Senate, the military expenditures we are going to be called upon to provide threaten to send deficit spending up to $20,000,000,000. We are now being asked for $16,640,000,000 in spending authority to be placed on top of the $5,000,000,000 deficit originally estimated.

Mr. President, it is sheer folly to permit that sort of deficit financing when we can curb it by reducing expenditures for other governmental functions than those which are actually mandatory for our defense.

If the Federal Government had unlimited funds it would not be difficult to lay down a spending program for nonmilitary projects which would exceed $180,000,000,000. Mr. President, we are speaking constantly about billions of dollars, and yet there are few of us who know what a billion dollars actually is.

I try at times to visualize it. I have traveled all over the State of Michigan and into every one of its counties and most of its towns. I have tried to visualize the physical wealth of my great State.

Do Senators realize that all the property in the State of Michigan is assessed, approximately, at only $8,000,000,000? That shows how much a billion dollars is. The people of Michigan have been working for 150 years in order to accumulate wealth, farms, factories, and buildings amounting to $8,000,000,000. But here we speak calmly of deficit spending of up to $20,000,000,000 a year, almost three times the entire assessed valuation of the great State of Michigan.

I think at times that, as we have become accustomed to speak of billions of dollars rather than of millions, we have become more careless in the matter of expenditures of the people's money. We simply cannot let ourselves be blinded by the size of the amounts in which we deal here.

I have said there is practically no limit to the amounts of money which Government could spend. A survey of the Joint Committee on the Economic Report suggests the need of $41,000,000,000 expenditures to improve and expand highways, roads, and streets in the United States.

It has been estimated that from $77,500,000,000 to $81,600,000,000 could be profitably spent removing slums, providing decent housing for all citizens.

The American Association of School Administrators proposes a $12,000,000,000 spending program for school construction.

The Federal Security Administrator suggests that $9,000,000,000 could be spent profitably on hospital construction.

A Hoover Commission task force estimates an ultimate cost of $40,000,000,000 for presently contemplated programs of major power, flood-control, and irrigation projects.

And so the list of worth while and desirable projects goes. This Government could spend money on all these programs—if we had the money to spend. The facts of the matter are well known to every Member of the Senate. We do not have the money to spend.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. FERGUSON. I am glad to yield.

Mr. McCLELLAN. I am very much interested in the figures given by the distinguished Senator from Michigan with reference to the opportunity and need for internal development within our country. Does the Senator have the figures for highways, flood control, hospitals, and schools, showing the total amount that is actually needed in order to bring this country up to its present requirements in these particular fields of development?

Mr. FERGUSON. I mentioned a sum in excess of $180,000,000,000. I should mention also that the distinguished Senator from Arkansas has estimated that merely the new programs proposed by the President this year would, if adopted and put into effect, call for ultimate expenditures of about $25,000,000,000 a year.

Mr. McCLELLAN. This program differs from that. This is a program over a period of years for the development of our resources and for internal improvement. The figures I gave, to which the Senator alludes, related to the legislative program already enacted into law.

Mr. FERGUSON. That is correct. The sum of $180,000,000,000, which I mentioned, and that is undoubtedly a low estimate, refers to internal development and related projects which it has been suggested the Government might undertake over a number of years in the future.

Mr. McCLELLAN. I may say to the able Senator that I was particularly interested in the breakdown he was giving because, several months ago, without meticulous calculation as to each particular field and area in which expenditures of this character were needed, I made a general statement that within the next 20 years the Federal Government could well afford to spend, commensurate with its needs, $100,000,000,000 here at home for internal improvements and developments. In that

figure I included construction of highways, improvement of rivers and harbors, flood control and hydroelectric power development projects, the building of hospitals and schools, and other internal improvements of that character.

At that time I was challenged. It was said to me, "You talk economy, but now you are advocating a $100,000,000,000 spending program." I advocated no such thing. I was simply drawing a line to show that the need exists for further development of this country in order to strengthen our economy, and that we would have to forego these necessities in order to meet the world crisis, particularly to help carry out the ECA program which is now before the Senate, upon which we are challenged to make any cut whatever, notwithstanding the fact that the Appropriations Committee has gone through the bill and made severe cuts in the expenditures for projects here at home. But when we undertake to make a comparable cut in foreign expenditures we are told that to do so would wreck the program. I merely call that to the attention of the Senate.

Mr. FERGUSON. The Senator and I had in mind exactly the same things when we laid out those figures. I also understood what he had in mind when he totaled the future cost of the legislative program recommended by the President. He was trying to contrast requirements or desirabilities with the capacity to meet them at the present time. I know how the Senator feels about it, and the Nation is indebted to him for the clarity with which he has presented that picture.

I know how, when mention is made of cutting foreign spending, people are immediately shocked. They seem to believe there is magic in foreign spending, that we can spend abroad, and that we can buy peace. As a matter of fact, peace cannot be purchased; it is not for sale.

Mr. McCLELLAN. Mr. President, will the able Senator yield further?

Mr. FERGUSON. I am glad to yield.

Mr. McCLELLAN. I should like to make one further brief observation. We are told that we must spend this money in order to strengthen the recipient countries so they can stand against communism. I am in accord with that idea. But I want to get $1 in value for every dollar expended. I am very much concerned about that, of course. I am not criticizing the entire program. I have supported it, but I have tried to think in terms of economy, in view of our own condition here at home.

The point I wish to make is this: We can spend this money on ECA countries, but if we do not back up the expenditures with adequate military power both at home and abroad, then, at any time that Russia decides to march to the sea from any direction, from any place where she is now poised, she can do so within 30 days, and all the developments made in those countries will fall into her hands, unless we are ready to go all out in this fight and back it up with all our strength. It is merely a foolish expenditure to pour money into the recipient countries unless we protect it. And we have not been protecting it, until now.

Mr. FERGUSON. That is proved today. We have put many millions of economic aid into Korea. All that is now so much wasted money. We were proved unable to protect any benefits of that economic aid militarily. But we have rallied. We have sent men into the field of battle. We are equipping and transporting more men over 7,000 miles of water to join the battle and defend the cause of freedom in South Korea. Could we have expected anyone else to assume that task? That is the test.

We have to remain strong if we are to help to stem the tide of communism. And let us never forget that our own economic stability is at the heart of this Nation's power to resist and to extend aid to resistance.

It has been suggested by some persons that we should spend on the military the same percentage of our national income which Russia devotes to her armament. If this suggestion were carried out, our military budget would approximate $55,000,000,000 a year. As a matter of fact, with supplemental defense requests and with foreign arms and economic aid included, our defense budget is creeping well over half that figure, when we started with a small fraction of it.

We do not know what the fiscal year 1951 will demand of us. We know only that it will call for new sacrifices on the part of everyone. This Government cannot aggravate the needs for such sacrifices by imposing a burden of peacetime "spending as usual" upon our people, who will have to carry the superimposed burden of a military effort.

Obviously, then, Mr. President, this is a time to be cutting back on nondefense spending. Our people have a right to expect from the Congress a cutback in appropriations for items not directly related to the military effort or the minimum requirements of Government operations. The question, then, is, How?

There has been a great deal of talk, Mr. President, about the meat-axe approach to the cutting of the budget. That is so much byplay, although the advocates of "spending as usual" will speak at length about the need for delicate surgery in this operation.

If we were operating on a human anatomy I could understand such talk. But our experience a week ago, when we sought to trim the so-called pork barrel appropriation proves that the anatomy of government has its nerve centers everywhere, and appears even to be most sensitive in its fat.

As a matter of fact, this bill has been subjected to some close surgical probings. The junior Senator from Illinois has spoken about 68 specific reduction amendments that he has offered. I have never counted the number of times that motions to reduce specific items were introduced in the Appropriations Committee and its subcommittees. I dare say that such motions corresponded almost to the number of appropriation items submitted.

Further in the case of all chapters in this bill except that which had already been reduced by the subcommittee, a motion was made in the full committee to return the chapter to subcommittee for item-by-item reductions that would bring the chapter total down by at least 10 percent.

The fact that all these motions were by and large unsuccessful can be attributed to two factors.

In the first place, when the full committee and the subcommittees were at work the same urgency for economy was not upon us. The Korean affair had not then exploded in our faces. For my own part, I found the need for reductions impelling even at that time, but I can understand that other members of the committee may have been less inclined in that direction.

Second, any reduction in an appropriation item is an arbitrary decision by the committee. This is so because the department and agency representatives come before the committee and contend most forcefully that their estimates represent irreducibles. They claim this because it it true that those estimates have been screened first in their own budget offices and then by the Bureau of the Budget. It is too much to expect of them that they would ever say their screening efforts had not been perfect. With the limited facilities at the disposal of the committees it is difficult to go behind those persuasive presentations, and so they are accepted.

The amendment for which I speak today is a workable, clear, and unmistakable directive to the executive branch that in certain appropriation items it shall review and reduce its expenditure schedules in accordance with a firm policy adopted by the Congress.

We took pains to specify that this directive applies only to certain appropriation items.

This amendment has been carefully drawn and worked over for fully 3 months by its sponsors, competent staffs, and representatives of the Bureau of the Budget and the General Accounting Office who gave very freely of their time.

This amendment is free of the "bugs" which were the basis for criticism of the similar amendment adopted by the House. By careful analysis of the expenditure budget it exempts all of those items for which there is a military need and the greatest justification can be made.

It is a sound approach to the problem we have before us, of how appropriation reductions are to be made—now.

In particular, it is well adapted to the omnibus appropriation bill. It will be recalled that the omnibus appropriation idea was adopted because it would permit the Congress to take an over-all look at Government appropriations in a single package, and thereby permit the Congress to take responsible action, if necessary, to bring together the levels of receipts and expenditures.

I believe the omnibus appropriation approach is a success insofar as it now gives us an opportunity to take general action with this reduction amendment—to do what must be done in terms of trimming down appropriations on nondefense items.

It is an opportunity to vote responsibly in the interests of the working men and women of America who must pay

the cost of Government, who will be called upon to exert an even greater effort in behalf of their Government in the coming year, and who look to the Congress for sound defense measures by reducing nondefense expenditures.

Mr. President, it has been argued in support of the modification to the Bridges-Byrd amendment that we should consider the morale of those who are to receive funds in foreign lands. The argument is made that if we cut ECA we shall reduce the morale of the people of Europe. Therefore, it is argued, we should exempt ECA and related programs from this percentage cut.

Mr. President, I want to speak today of the morale of the American people. What about their morale? What if we reduce their morale to the point where they cannot defend America as well as helping to defend the other nations of the world? I think someone's voice must be raised for America as well as for the morale of our friends across the water.

As I said when the Senator from Arkansas [Mr. McCLELLAN] was on his feet, if America had not been strong, if America had not had her Air Force, if America had not been able to ship fighting forces to Korea, who would be defending the free people of the world today? No one, Mr. President.

The time has come when we must raise our voices, even though it be unpopular to do so, in behalf of the taxpayers of America. We are told, "Do not touch the spending by ECA. That is a sacred thing; that is something that cannot be reduced." I say the dollars of the American taxpayer are sacred, for they are the source of this Nation's strength in an hour of great foreboding.

Mr. President, this appropriation bill, including its provisions for ECA, must be reduced if the American people are to meet the national needs of today. I have supported ECA. I have voted on all occasions for ECA. But ECA is only one of the weapons by which we took it upon ourselves to contain communism. It merits no priority over our own economic stability and our own capacity to defend ourselves and to prosecute an actual war.

I say that all civilian items in this appropriation bill must be reduced, and that includes the civilian items contained in ECA money. There is no other way in which it can be done.

Mr. President, I come from the great State of Michigan, whose industries will be called upon heavily to produce war weapons in this great emergency. The people of Michigan will be taken from their civilian employment and put on war work. We are asked to send to Europe some $4,000,000,000 in arms aid. Some of the people over there will have to go into war work. When the people of Michigan are not allowed to carry on their civilian occupations, how can the morale of the people of Europe be said to be lowered by the fact that we cannot give them all the money desired to carry on their civilian activities?

To be sure, I hope the European people will come into full alliance with us in this great fight against the ideology of communism. I think they will and I do not think any 10 percent reduction of economic aid will prevent them.

Mr. President, I cannot forget the dramatic scene I witnessed yesterday on television, of the meeting of the United Nations at Lake Success. The Russian delegate, Mr. Malik, who is now the president of the Security Council, appeared on the screen. It was ironic. The arsonist, the man who had set fire in Korea, was sitting in the seat of the fire chief, whose duty is to put out other fires. We saw how he acted. We saw how he tried on an arbitrary ruling to have Communist China seated on the Security Council. We saw our delegate, backed by the other members, upset that ruling.

America has a real battle. The other members of the Security Council who voted with America yesterday at the Security Council, and who gave their reasons for doing what they had done, were right, Mr. President, because they were on the right side.

We are all in this together. Therefore, when we cut our civilian production in America our friends in Europe must expect also to cut their civilian production in Europe. We are to send some $5,200,000,000 in arms aid over there. Much of it would be spent by European countries for defending themselves, as we are going to defend ourselves.

I was one who supported the arms-aid program, because I believed it was essential for the common defense of America and the common defense of people in Europe who believe in the same ideals in which we believe. At the time the first authorization was before us I offered an amendment which made clear that the purpose of the act was to provide for a common defense. We are now getting around to that common defense.

Mr. President, the President yesterday asked for $4,000,000,000 in additional aid. He is not asking just for the $1,300,000,000 of last year, or the $1,200,000,000 of this year, but he is asking for an extra $4,000,000,000. Much of that would be spent in Europe. But with all that it is said that we cannot take $1 off ECA, which is intended for civilian expenditure.

Mr. President, I want to refer at this time to some of the items that would be sent over under ECA. Let us note whether our own people will not have need for them, for military defense, and for basic and essential civilian pursuits here.

It is proposed that ECA will supply in industrial raw materials, $359,000,000. Iron and steel, raw, $6,700,000. Iron and steel, crude and semifinished, $57,100,000. Nonferrous ores and concentrates, $32,100,000. Aluminum, $25,100,000. Copper, $77,000,000. Lead, $3,600,000. Zinc, $6,800,000. Other nonferrous metals, $15,800,000. Lumber, $39,500,000. Paper and pulp, $8,200,000. Rawhide and skins, $25,500,000. Industrial chemicals, $61,000,000. Capital equipment, $494,700,000.

Mr. President, regardless of what we appropriate for, much of that material simply cannot be shipped to Europe if we are to produce the necessary weapons of war in this country. If we are to go to rationing, if we are to go on an allotment of materials, such as iron and steel, it will be apparent that these materials cannot be shipped abroad in the amounts specified, and the people of Europe will understand that fact.

Mr. President, ever since the war we have been sharing our money and our substance with others because we believed that we were making common cause. I hope and I believe that those other people will understand the effort we are making here today. I believe they will understand and appreciate, because it must be understood by all people, that if we are to maintain this Republic of ours so that it may be a beacon of light for all the people of the world, it is necessary for us to reduce our nonessential government expenditures.

In that process it must be understood that we are applying our cutbacks as well and in the same proportion, to the economic aid we have been giving gladly to other nations.

I hope that every Senator, in voting on the two proposals now before us, will probe his conscience. I hope that when he casts his vote he will be absolutely certain that he is acting to strengthen this Republic of ours in a critical hour of its history. He can be so assured if he will throw his weight behind the effort to cut all the nonessentials of government spending. It would be a tragedy if we were to endanger or to lose the institutions of America in this emergency through the fiscal folly of the representatives of the people.

Mr. MARTIN. Mr. President, a magnificent chapter of American heroism and sacrifice is being written in far-off Korea.

It is being written in the blood of America's finest young men.

Facing a force superior in numbers and armament they were ordered to "stand and die."

They were called upon to hold the line—to pay with their lives for the time needed to bring in reenforcements.

The "No retreat—no surrender" order of Lieutenant General Walker was in the best and bravest tradition of American valor.

And along the blazing 200 miles of Korean battlefront the order was obeyed. Our boys fought and died to hold the line.

Mr. President, the appropriation bill now before us for final action must be considered in the light of that grim picture.

We, too, must hold the line. We are moving rapidly toward a supreme test of American strength, patriotism, and sacrifice.

How soon we shall be called upon to meet that test no one can foretell. But no one questions the imperative need for full-scale preparation which may take us up to the limit of our total resources in manpower, wealth, and productive capacity.

The people are aware that the President's request for an additional $10,000,000,000 for the current military budget is only the beginning.

They know that in this fiscal year alone many more billions of dollars will be called for, not only to build our own military strength, but also to arm the friendly nations of the Atlantic Pact.

The people are prepared to support whatever expenditures may be required to defeat Communist aggression wherever it may threaten human liberty.

But, Mr. President, when we ask the American people to make the sacrifices that are part of the price of war we must make sure that every expenditure by the Government not necessary for national defense is cut to the bare essentials.

I know that such a proposal will be criticized by every pressure group that has sought public funds for local or regional advantage.

I know it will be unpopular in many sections which hoped to benefit from public works to be paid for in whole or in part from the Federal Treasury. I know it will displease the free-spending bureaucrats in many Government departments and agencies. But I contend, Mr. President, that in order to hold the line on the home front we must practice the most drastic economy in every Government function not directly connected with defense. Every cut we make in Government spending is a step for the preservation of our freedom.

I submit, Mr. President, that we should attack this problem courageously. We must stand firm against the demands of the free spenders. I am not unmindful of President Truman's order directing Government departments and agencies to review their spending programs. I commend him for this action, and I am hopeful that it will result in recommendations for substantial savings. But I am not too optimistic that the drastic economies which should be our objective will be achieved in that manner. Decisive action must be taken in this Chamber. Ours is the responsibility. The way to reduce expenditures is to cut appropriations.

I am firmly convinced that if we pass this appropriation bill and leave it up to the bureaucrats to reduce expenditures, it will never be done. My experience has been that bureaucrats, whether they are Democrats or Republicans, never willingly take less. They always want more. The one way to reduce bureaucratic spending is by not giving the bureaus the money to spend. Even then, in many cases, they will not live within the amounts provided. They will come back before the end of the fiscal year and ask for deficiency appropriations. We have seen that happen year after year.

In the face of the situation that confronts us and the sacred responsibilities that are ours, we cannot continue the present free-spending program on the domestic front. If we do, we will spell out in bold letters the final destruction of individual freedom in the United States.

When we are through fighting this war and the Stars and Stripes are carried to victory, we must be in such financial condition that our individual liberties will not have been destroyed.

I ask my colleagues to bear with me while I go over some figures relating to the cost of war. I believe the figures make very clear our duty to cut to the bone every appropriation not directly connected with national defense.

Wars have become more expensive with each generation. The Revolutionary War cost a little less than $80,000,000; the War of 1812 cost $180,000,000; the Mexican War cost $116,500,000; the War Between the States cost $3,358,000,000; World War I cost $25,000,000,000; and World War II cost $356,000,000,000. This does not include interest on the debt incurred, benefits to veterans and their dependents, and other postwar costs.

We are starting the present war with a debt of about $257,000,000,000. If world war III should continue for 4 years it will cost a minimum of $600,000,000,000. How do I arrive at this conclusion? I wish to give a few examples of the rising costs. In World War II the maintenance of a soldier cost $1,900 a year; it now costs $4,000. A fighter plane which formerly cost $100,000 now costs $150,000. In World War I the cost of an aircraft carrier was $65,000,000; now it is twice that amount. In World War II a bazooka cost $36.25; it now costs more than three times that amount. A tank cost $60,000 in World War II; now it costs double that amount. A rifle that cost $40 in World War II now costs $64. An antiaircraft gun in World War II cost $113,000; now it costs two and one-half times as much. War demands much heavy construction, and steel which cost $50 a ton in World War II now costs $88 a ton. Critical materials like gasoline and oil cost twice as much now as they did in 1943.

One of the big items of expense to the United States in wartime is the pay received by the men in the armed services. For example, a private, first class, now draws $95.33 a month while he received only $54 in World War II. The base pay of an Army captain in World War II was $230 a month; now it is $313.50. Every other item essential for waging war will show a corresponding increase in cost. During the 4 years of World War II, even with the high taxes that were imposed, we were able to pay only 45 percent of the combat cost out of taxation.

If the conflict in Korea should develop into full-scale warfare and we should impose taxes that would pay 45 percent of the estimated $600,000,000,000 cost, we would add approximately $315,000,000,000 to the present national debt, making a total debt of $572,000,000,000. If that should occur, the whole economy of the United States would be hog-tied under Government controls and regulations from which it might never free itself. The liberty of the individual which we have enjoyed as Americans for 174 years would be lost. We would continue to live under wartime price and wage controls, rationing, priorities, allocations, and regimentation, restricting every activity of our daily lives.

We will have robbed every boy and girl in America for many generations of the opportunities to which they are rightfully entitled. The burden that we will have placed upon them will be so great that they will never be able to get ahead. Instead, in the words of James F. Byrnes, they will become "economic slaves, pulling an oar in the galley of the state."

Mr. President, I repeat, we must hold the line against nonessential Government spending, without regard for political consequences. We must make substantial cuts even though some desirable services may be curtailed or eliminated. We must have the courage to say "No" to every pressure group which places selfish advantage above the national interest.

As I said before, the people are prepared for willing and patriotic sacrifice. They are ready to assume an increased burden of taxation, even though it may mean a reduced standard of living. Therefore we must do our part by holding nondefense spending to a minimum. As far as possible we must proceed on a pay-as-you-go basis, paying the costs of war preparations out of the increased taxation. By that method we can avoid a substantial part of the deficit financing which would mean dangerous inflation, and would prolong the time when wartime controls would be fastened upon our people.

Mr. President, we have before us an appropriation bill written in peacetime and in contemplation of a continuance of peace. Just before the peace of the world was violated by Communist aggression in Korea we were working on a tax-revision program, including the elimination or reduction of war-imposed excise taxes. When the shooting started that plan was abandoned immediately. It was recognized that instead of tax reductions it would be our job to legislate sharply increased rates of taxation.

Can we, in voting on this bill, close our eyes to the changed conditions forced upon us and the world? Can we justify spending programs which would require the use of money, manpower, and materials vitally needed for defense purposes?

Mr. President, brave men are dying on the front lines in Korea. In time of war there must be battle casualties. Here in this Chamber we must have the courage to face the political fire of those who continue their demands for legislation favoring their own pet projects. The situation confronting us calls for courage to stand and fight for the whole United States.

If we must have political casualties in the battle to build the strength of our Republic and to preserve our freedom, then, I say to my colleagues, we must be ready to make that sacrifice. But there is no doubt in my mind that the patriotism of the American people will support every economy we can effect that will help maintain the financial strength of the United States.

Mr. President, while our boys are displaying such magnificent heroism with bayonets, machine guns, and bazookas, in the tanks, and piloting our fighting planes, we ought to have the courage to do what good, common horse sense directs, without any thought of political consequences.

I shall therefore vote for the Byrd-Bridges amendment, and ask my colleagues on both sides of the aisle to vote for its adoption.

The one regret I have is that the amendment does not go far enough or cut deep enough.

I am informed that the junior Senator from Nebraska [Mr. WHERRY] intends to offer an amendment to cut the appropriation deeper, and I shall support that amendment with all my heart and soul because I believe it represents good sound Americanism.

For my part I am convinced that every nondefense item should be reconsidered and that the cuts should go right down to the bone.

Mr. WHERRY. Mr. President, as the distinguished Senator from Pennsylvania has just stated, it will be the purpose of the junior Senator from Nebraska to offer an amendment at the proper time providing for a cut of 15 percent. That, of course, will be after the vote is taken on the so-called Smith amendment which provides that ECA, the point 4 program, and other projects be eliminated from the Byrd-Bridges amendment. Until that is done it, of course, is the pending amendment, an amendment of very great importance.

I wish to thank the distinguished Senator from Pennsylvania for his very forceful speech. The Senator from Pennsylvania is not only an able statesman, but he is a man with a military record second to none. The observations made by him at such a time as this, a time of need, were forceful and sound. They should be heeded by the Senate of the United States. When the time comes for the Senate to act I hope the sound advice given by the Senator from Pennsylvania will be heeded.

A few moments ago the distinguished Senator from Arizona [Mr. HAYDEN] mentioned that we should do many of the things proposed in connection with ECA because our country is much more able financially than other countries to do them; that our people are on a higher economic level, that we have greater financial strength than other countries, and therefore we can afford to do what is called for under the ECA program. No one has more charity in his heart for all people than has the Senator from Nebraska. I should like to see other peoples have what those who administer ECA wish them to have. But unless the United States maintains its financial stability, unless we maintain the value of our dollar, the prime medium of exchange, the time may come when we can no longer lead any nation out of its difficulties, because of the troubled financial situation in which we find ourselves. Unless we preserve the stability of our own great country we cannot be of effective help to others. So when it is proposed that we appropriate for this, that, or the other civil purpose in the name of defense, whether the appropriation is made for projects to be undertaken across the water or in the United States, I appeal to my colleagues to comb over the proposals with a fine-toothed comb, to cut from nonmilitary expenditures every dollar that properly can be cut and to apply to military expenditures every dollar that can be taken from nonmilitary expenditures. I say it is common sense and good judgment to do so. The time for such action has now arrived, and we must act.

Dictator Lenin said in 1924 that the Communists would drive the United States of America to spend itself into destruction. Unless we use wisdom, and meet the military needs of the hour by devoting to military purposes every dollar we can save on the home front or across the water from nonmilitary expenditures, we will hasten the day when the United States of America will lose its financial stability and be unable to help other nations, let alone amass the defense needed to protect itself.

In discussing the appropriations bill many general statements have been made. We have heard it said on the floor of the Senate that if expenditures from ECA could be cut by $1,000,000,000 it would be a tremendous cut. It has been proposed to cut ECA expenditures for this year by several hundred million dollars. The first budget request was for $2,900,000,000. That estimate came to the Senate and the House long before we were confronted with the Korean situation. In my humble opinion, we should now approach the question along an entirely different line in view of the situation in Korea.

I shall not now discuss the merits of ECA generally. However, in the face of our military needs, justifications for certain ECA projects should be looked upon in an entirely different light than they were last May. If any items in the ECA program are of a long-range character, and have been included for the purpose of maintaining the morale and economic strength of the ECA countries, we should again examine those items to see whether money for such purposes can now be used by the people of western Europe to help them protect themselves from external force. Such protection—against possible attack from outside their countries—in my opinion, is more important in the face of the present acute situation than long-range programs which are provided for under ECA. I repeat, the acute situation with which we are now faced makes it necessary that we go over the ECA proposals with a fine-toothed comb to see whether any cuts should be made.

Mr. President, I sat in the Appropriations Committee and very patiently interrogated witnesses who came before the committee with respect to the ECA program. If Senators were to be presented with some of the specific items which are included in ECA overseas development projects I believe they could easily understand the viewpoint of the junior Senator from Nebraska. I say with all the force and strength within me, that many items can be cut out of the ECA program, and the money used for the purpose of helping ECA countries defend themselves, at the same time permitting us to spend our dollars in such a manner that we can secure the greatest amount of defense equipment in this critical time. I ask Senators to turn to page 383 of the hearings before the Committee on Appropriations on foreign-aid appropriations for 1951. The first item is "Jamaica irrigation project, $175,000." Mr. President, I ask: Is the money spent for such a purpose going to aid any ECA country to help defend itself today?

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. McCLELLAN. I ask the Senator from Nebraska what justification there is for spending money for such a purpose in a foreign country while we are discussing reduction of 50 percent in appropriations for civil projects in the United States?

Mr. WHERRY. That is the point I had expected to make. The Senator has anticipated my argument. The Senator from Arkansas, however, has made the point more ably than could the junior Senator from Nebraska. How can we justify an irrigation project in Jamaica while we are discussing cuts of 50 percent in public-works projects in the United States of America? I ask Members of the Senate that question. How can it be done? Mr. President, I come from a State where civil projects such as those for irrigation mean a great deal. I think an across-the-board cut in expenditures for civil projects should be made. But why, in the face of such a cut, should we exempt ECA projects in out-of-the-way corners of the earth, which have no more to do with defense over there than they have to do with defense over here?

Arguments are made by Senators in favor of cuts being made in nondefense projects in this country, but the same Senators say we cannot touch the ECA items at all. That to me does not make sense, Mr. President.

I have mentioned the Jamaica irrigation project. Then I come to Gold Coast road development project, $301,200. Cypress agricultural project, $100,550. Northern Rhodesia road project, $695,700.

Here we are talking about reducing appropriations for the road program in the United States, including military roads which we need. The other day a point of order was raised against an amendment which would have provided for construction of roads we do need, and the point of order was sustained. Yet we say to foreign nations, "We will give you all the money you need"; and we take that position on the theory that such expenditures will contribute to the national defense.

Mr. President, I appeal to my colleagues to stop and consider. Do they really feel that such projects will contribute to defense and will prevent an external force from attacking western Europe? If Senators answer that question in the affirmative, then I say what is the difference between such a road

project in Rhodesia and a road project here in the United States? I ask that question, because I know about this matter; I have been on the Appropriations Committee, and I have spent hour after hour attempting to justify these requested appropriations. I can refer to many similar items.

Here I have a list of 22 projects, including the British Honduras road project, for which an appropriation of $288,400 is requested. I happened to be in the neighborhood of British Honduras last fall, and I know that American representatives have had to go to British Honduras to talk the officials there into even accepting the money and spending it for that purpose. They do not need it, and it will not add to the defense of the western European countries or to the defense of the United States of America. Yet now we are discussing the question of cutting by 50 percent the appropriations for some of our own projects, which are much more needed from the military standpoint.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. THYE. I am very happy to hear the able Senator from Nebraska speak about the proposals to reduce the appropriations for some of the very worthwhile projects in the United States which have been recommended and approved. If the Senator from Nebraska will permit me to do so, I should like to explain why I voted against the proposed 50-percent reduction in nonmilitary appropriations.

I voted against the amendment calling for a 50-percent reduction in nonmilitary appropriations, and the citizens of my good State could rightfully question why I would vote aginst a so-called economy proposal today, when we find ourselves confronted with the necessity of greatly increasing taxes and still of having a tremendously unbalanced budget.

However, in Minnesota we have had a drastic flood condition, not only during the past year, but for 3 years of the last 5. In 18 of the counties of Minnesota there has been a loss of some $12,000,000, and farmer after farmer has lost the opportunity to grow a crop this year, because of the floods.

In the appropriations bill, and as set forth at page 255 of the report, an item of $35,000 was recommended for the purpose of making a study leading to the correction of the flood conditions which might recur in Aitkin County, Minn.

There was another reason for the Red Lake and Clearwater projects; that item was in the amount of $1,350,000.

I met the delegation which came here from the northwest section of Minnesota, and I took the members of that delegation to various of the Senate committees, where they made a very fine presentation in regard to the need for that appropriation. The committees have respected their request, and have recommended that the item be included in the appropriation bill.

Another project involved $1,300,000 for the Red River of the North. That, likewise, is an appropriation to correct flood conditions which may recur. At the present time we are just recovering from one such condition.

So, Mr. President, after I appeared before those committees with those delegations and presented our requests, and after our requests were given consideration by the committee, by including the items in the appropriations bill, if 2 weeks later I came to the floor of the Senate and voted in favor of an amendment calling for a 50-percent reduction in the appropriation items, how could I explain such a stand to the people of my State who lost their crops and had their buildings damaged anywhere from 50 to 75 percent? Of course, I could not explain such a position.

On the other hand, I have received from some of the good, sound people of my State letters in which they make statements which should cause any of us to blush.

I fully recognize the fact that these good people are confronted with increasing taxes, even though the tax burden already is too great; and of course the deficit which may be incurred this year, because of the excess of expenditures over revenues, is most frightening.

So, Mr. President, I wish to say that I appreciate full well the force of the explanation the Senator from Nebraska is making apropos of items in the appropriation bill which were proposed to be included under the proposed 50-percent reduction; and I realize that some of the Senators who voted against the amendment calling for a 50-percent reduction did so because they knew full well that some of those proposed expenditures are badly needed and that the investments, if made, will be good, sound investments and will return dividends manyfold.

I thank the Senator from Nebraska for yielding to me.

Mr. WHERRY. Mr. President, I thank the Senator from Minnesota for his observation. In the case of the specific projects he has mentioned, and in which he is greatly interested, he has expanded on the point I have made.

Mr. President, I voted against the amendment which proposed a 50 percent reduction in civil functions appropriations because I thought such an amendment was the wrong way to handle appropriations in the Senate. I may join in the proposal to make a 10-percent reduction in appropriations, because I believe that if appropriations are to be reduced—and they should be—the reduction should be on the basis of a straight-across-the-board cut.

Last January I was asked, "But will you vote to reduce the expenditures for projects in Nebraska?"

I replied, "Yes; if the Senate will vote to cut all appropriations, both those for domestic projects and those for foreign projects, straight across the board, I will vote to cut all appropriations enough to permit the budget to be balanced, and I mean just what I say."

Of course, Mr. President, since that time the military situation has changed. I will vote to appropriate every dollar that is needed for the national defense.

In further reference to the statement just made by the Senator from Minnesota, let me say that of course the people are alarmed by the proposed increase in taxes, as they have a right to be. After all, what good does it do to increase taxes, if the Congress continues to appropriate money for nonmilitary, nonessential purposes? In that case, the more the Government obtains by means of taxes, the more will be thrown away.

Mr. President, we must work in two ways. We must cut out nonessentials, and must see to it that 100 cents worth of national defense is obtained for every dollar that is spent. Then we should proceed on a pay-as-you-go basis.

I say that we must determine the ability of the people of the United States to pay the bill, not only this year, but in the years to come. I sit on various subcommittees of the Appropriations Committee, and I assure the Senate that the demands which will be made for various defense items will require the people of the United States for a number of years to come to tighten their belts, in order to help protect the solvency of the Nation.

So, Mr. President, why should we not cut out proposed appropriations for some of the long-range items which last March or last April might have had a place in the ECA section of the bill, but which, believe me, should be put off in favor of projects for the national defense, which we must undertake in order to back up sufficiently the men who today are giving their lives on the foreign front.

I was reading a list of some of the projects which certainly, to say the least, should be postponed. After we find where much of the money is proposed to go, or where much of it already has gone, and we protest, we are told that in the name of national defense the appropriations for those projects cannot be cut. However, Mr. President, that simply is not the fact. Nevertheless, we are told that we must provide 100 cents for every dollar requested for such projects, or else the morale of the ECA countries will be impaired. However, the cut proposed in regard to such items is very small, as compared to the amount of funds which will be provided to the people of the western European countries under appropriations still to be made under the ECA program, as all of us must realize when we add the $4,000,000,000 to be provided under MA? to the previous $1,200,000,000 for that purpose, and to other supplemental appropriations which I think will be required before this year is over.

If we are to protect the countries of western Europe, we must protect them from an external force, and that I think has the first consideration, rather than the long-range programs which not only require money now but which, as the years come and go, will require more money, as I shall point out in a moment or two. The projects which I have in mind are merely being started. It would be impossible to build these roads this year in order to help in the transportation of strategic materials. These projects are just in the making, and if they can be delayed, it will help us provide the money for national defense, even though some day when conditions permit, they might be undertaken, if we

want to continue to help build up the productivity of the countries involved.

We have heard much of the dollar gap. It has been argued that we should send the money over there, so they can have the wherewithal with which to buy. Well, we are going to send them plenty of money, including $1,200,000,000 plus $4,000,000,000 under the military-assistance program. That is more than $5,000,000,000. What about the dollar gap? That will close it. And the more we spend, the more counterpart funds are available the more they will spend over there. That is the way to handle it. They do not need the money represented by this small proposed reduction. It is unnecessary to come here and say that it must be provided for defense, or that it must be provided because of the dollar gap. Not any more—not with MAP assistance, which I think those countries surely will get.

Here are two other items:

Tanganyika mechanical cultivation of rice project	$176,660
Tanganyika cotton and food development project	324,610

These are not the mother countries in Europe, these are their colonies. The ones I have mentioned are in Africa. The next item is:

Tanganyika soil-conservation project	$38,930

So a soil-conservation project is to be started in Tanganyika. We pared the soil-conservation appropriation in this country down to the bone, if you please, Mr. President, on the theory that we could not afford it this year. Yet we are going into Africa and starting up a new project of soil conservation. I ask those who feel that this is necessary for defense to show me wherein it is necessary for defense. Why must such a project be established this year? I ask the question.

Other projects are:

Uganda road project (new)	$64,000
Nigeria road project	160,000
French West Africa road-development project	1,245,000
Conakry iron-ore project	1,743,000
Algeria soil-erosion project	525,000

What has soil erosion in Algeria to do with the defense of the Western Powers today? Can anyone stand on the floor of the Senate and plead that if we fail to make provision for such a project it will undermine the morale of those countries? Why, Mr. President, they have not even started these projects. They can be delayed. They are authorized now, and, believe me, before they are completed, the taxpayers of this country will be called upon to pay millions upon millions of dollars to complete the initial projects which are now being proposed.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Florida?

Mr. WHERRY. I yield.

Mr. PEPPER. I have not had the privilege of hearing all the discussion by the able Senator from Nebraska, but when the Senator, by his remarks, questions the value of soil erosion, surely the Senator is overlooking the fact that we have had to help feed the world, and that we may have a larger obligation in that respect in the future.

Mr. WHERRY. I am sorry the Senator did not hear all my remarks, because had he heard them I believe the question would not have been asked. I am not questioning the merits of soil conservation projects in the United States. I am referring to such projects in overseas territories of ECA countries, and I am not here trying to sabotage the basic and essential appropriations. I am not questioning the soil conservation program either at home or abroad. But I am saying that if we cut them, in this country, we should also cut them in overseas territories not related to defense. The argument is now made that we must protect the defense of these countries. I ask again, if we do need to finance soil conservation programs in Tanganyika and Algeria, do Senators think it will vitally affect the defense of the western European powers? My judgment is that we shall be called upon to prevent an external force from disrupting western Europe—and we shall be called upon to do so to the tune of about $5,000,000,000. What the Senate should do is to cut out these nonessential expenditures, to safeguard those dollars which will have to be appropriated for the defense of those countries. That is my plea. I am not questioning soil conservation. I come from a section that needs it, and I voted for soil conservation. But I am not going to cut soil conservation 50 percent at home and not apply the ax to soil conservation in Africa. That is the way I feel about it.

Mr. PEPPER. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Nebraska yield further to the Senator from Florida?

Mr. WHERRY. I am glad to yield.

Mr. PEPPER. I imagine, of course, the Senator would wish to know the facts as to what the need was for these soil erosion projects before acting upon them, would he not?

Mr. WHERRY. Mr. President, the Senator does not need to give a discourse on the needs. I sat in the committee, and I questioned the witnesses for hours regarding the justifications, and, perchance, as one who has been on the Appropriations Committee for nearly 8 years, I know as much about the needs in Africa as does the Senator from Florida.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield further to the Senator from Florida?

Mr. PEPPER. The thing I wanted to know was that the Senator from Nebraska knew the facts, and that he was commenting upon them.

The PRESIDING OFFICER. The Senator from Nebraska has not yet yielded to the Senator from Florida.

Mr. PEPPER. I beg the Senator's pardon.

Mr. WHERRY. I am glad to yield to the Senator from Florida. There is no one for whom I have more respect than I have for him.

Mr. PEPPER. I appreciate the Senator's remark.

Mr. WHERRY. There is no other Senator to whom I would rather yield.

Mr. PEPPER. I appreciate the characteristic chivalry of the distinguished Senator from Nebraska.

Mr. WHERRY. The feeling is mutual.

Mr. PEPPER. The thing in which I was interested was to observe that the Senator was speaking from a specific knowledge of facts about these specific projects. In hearing his remarks, I thought he was just saying, "Let us cut out all these soil-erosion projects over there; they are not needed."

Mr. WHERRY. Mr. President, I think I have made my point very clear. I am attempting to cut out these nonmilitary overseas colonial projects. The defense dollars come first with me. They have a priority. I am not discussing the value of soil conservation. But, so far as the facts are concerned, I know I have the facts relative to the justification of these projects. I questioned the witnesses, and I want to say there is an absence of facts, and an absence of a showing of need all through the ECA justification. I ask Senators to read the hearings. I particularly urge them to read the testimony by Mr. Thorp on point 4. I challenge any Senator here to justify the appropriations for the point-4 program on the basis of Mr. Thorp's testimony. In fact, he himself admitted that he did not make a case. I again urge Senators to read the testimony, showing that we can and should cut out these appropriations.

I could go through the list of projects; I do not want to take the time of the Senate to do so. I did not intend to get into an argument as to the merits of certain of these projects, and I am not arguing about them now.

Mr. President, the United States of America is faced with a new condition since these recommendations were made. In my opinion, the United States of America is at war, and I think we are going to be called upon to appropriate all the money the people of this country can pay, and all the money we can spend, not only now, but in the months to come. For that reason, I think we should scrutinize these appropriations once again. The House is doing it. The House has sent a number of bills back to the committee. I hope the President of the United States, if the Senate lacks the courage to do it, will review every one of these projects and will send to the Congress a rescission bill that will do the very thing I am attempting to do. If the legislative body does not exercise that authority, I hope the President will. And when and if he does, I want him to do it right across the board. If he is going to rescind an appropriation for a project here, let us rescind an appropriation for one in Africa which to my mind has not one iota to do with either the defense of its mother country, or the national defense of this country.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the table of projects found at page 383 of the hearings, from which I have been reading.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ECA overseas development projects approved or under active consideration as of May 1, 1950, out of the special fund

UNITED KINGDOM

	Estimated cost (tentative)
Jamaica irrigation project	$175,000
Mauritius food development project	38,880
Gold Coast road development project	301,200
Cyprus agricultural project	100,550
Northern Rhodesia road project	695,700
North Borneo road project	449,000
British Honduras road project	288,400
Sarawak road project	75,002
Uganda food production project	24,300
Tanganyika mechanical cultivation of rice project	176,660
Tanganyika cotton and food development project	324,610
Tanganyika soil conservation project	38,930
Tanganyika water development project	336,840
Tanganyika road development project	546,000
Uganda cottonseed project	12,000
Uganda road project (new)	64,000
Nigeria road project	160,000
Total	3,807,072

FRANCE

French West Africa road development project	1,245,000
Conakry iron ore project	1,743,000
Algeria soil erosion project	525,000
Morocco rice cultivation project	267,000
Cameroons road development project	71,300
French Equatorial Africa road project	97,632
Total	3,948,932

BELGIUM

Belgian Congo soil conservation project	1,000,000
Navigation aids of Belgian Congo project	650,000–3,000,000
Belgian Congo road project	1,698,000
Total	3,348,000–5,698,000

NETHERLANDS

Surinam land reclamation project	1,200,000
Surinam land reclamation project	800,000
Total	2,000,000

Mr. WHERRY. Mr. President, I desire now to turn to page 411 of the hearings. I come to the subject of power and this international power program. I agree that power is needed in Europe. That has certainly been shown. We also need power here. I repeat, power is needed in Europe, but I want to say that all the power they can get within the next few months is not going to help the cause of defense in the situation which now confronts us, and which may confront us within the next 12 months. I am satisfied materials will be allocated, and that will be a brake. But on page 410 appears one statement which I desire to read:

As anticipated in the initial planning of the European assistance program, the problem of making an adequate supply of electric power has been extremely difficult. In the effort to relieve the situation, ECA, as of June 12, 1950, has approved 32 projects of the national programs which will provide approximately 1,215,000 kilowatts of new generating capacity. These projects will have a total cost of about $320,000,000 (all currencies), and the dollar assistance will be about $150,000,000.

That dollar assistance will come from the taxpayers of the United States of America. Grant that they need it; grant that the projects are meritorious; I say that at this time we cannot afford to risk the financial stability of the United States and our ability to provide the necessary money for the defense of this country and our allies, by entering upon a long-range scheme of projects such as these—projects which involve not only tax dollars, but strategic materials as well.

Mr. President, the Senator from Florida raised a question about these projects. Here they are. I am not going to take the time to read them, but they can be found on page 236 of the justifications, revised as of May 4, 1950.

I desire to close by reading some observations by ECA itself, made on July 5. While the United States is talking about huge military appropriations, while the Banking and Currency Committee is reporting a bill to place controls on commodities practically across the board, including stand-by controls, and while we are talking about increasing taxes, let us see what the ECA says in its release of July 5, 1950:

Industrial commodities represented nearly 70 percent of the dollar value of Marshall plan recovery goods and services approved for purchase by western European countries during May. * * *

The total for the month for 17 countries was $143,900,000, of which $100,400,000 was for industrial commodities. The major items were machinery and equipment, nonferrous metals and their products, and crude oil and petroleum products.

I hope the Senator from Arizona [Mr. HAYDEN] will listen to that statement, because he was interested a few days ago in the products going across the water as strategic materials. Seventy percent of those materials that went across the water were industrial commodities, and yet we are going to allocate materials in this country.

I ask unanimous consent to place the entire release in the RECORD. I read only the first two paragraphs.

The PRESIDING OFFICER. Without objection, the two paragraphs will be printed in the RECORD.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. I might have misunderstood, but I understood the Chair to say that the first two paragraphs of the release were admitted into the RECORD. I understood the Senator from Nebraska to say that he had read only the first two paragraphs, but he desired to insert the entire release in the RECORD.

The PRESIDING OFFICER. The Chair apologizes for the error. Without objection, the entire release may be printed in the RECORD.

Mr. WHERRY. Mr. President, I appreciate the statement of the Senator from Missouri.

There being no objection, the release, ECA No. 1582, was ordered to be printed in the RECORD, as follows:

WASHINGTON, July 5.—Industrial commodities represented nearly 70 percent of the dollar value of Marshall plan recovery goods and services approved for purchase by western European countries during May, the Economic Cooperation Administration reported today.

The total for the month for 17 countries was $143,900,000, of which $100,400,000 was for industrial commodities. The major items were machinery and equipment, nonferrous metals and their products, and crude oil and petroleum products.

Food and agricultural commodities totaled $43,800,000, of which $22,400,000 was for cotton. The May total also included $600,000 for technical services and a decrease of $900,000 on ocean freight.

The May figure brought the cumulative Marshall plan total for western Europe to $9,115,100,000. Purchase approvals announced through July 3 raised the figure to $9,430,260,000.

About 40 percent of the May total, $57,800,000, was for France and her territories. The United Kingdom was second with $24,200,000; the Netherlands, third, $15,100,000, and Italy, fourth, $10,700,000.

The other countries who received purchase approvals during May are: Austria, Belgium and Luxemburg, Denmark, the Federal Republic of Germany, Greece, Iceland, Ireland, Norway, Portugal, Sweden, Trieste, and Turkey.

The leading May commodity group was machinery and equipment, with a total of $24,100,000. The bulk of this amount went to France, who received $12,600,000 primarily for machine tools; construction, mining and conveying equipment; agricultural machinery; and engines and turbines.

Austria received $3,800,000 for machinery and equipment. Italy received $3,500,000, mainly for industrial machinery.

The month's total for nonferrous metals and their products was $24,000,000, of which $10,500,000 was for the United Kingdom, primarily for copper and aluminum and their products. France received $8,300,000, mainly for copper and copper products.

Crude oil and petroleum products showed a total during May of $21,600,000, of which $9,500,000 was for the United Kingdom and $4,800,000 was for Sweden.

The May cotton purchase approvals totaled $22,400,000, with $20,600,000 going to France. Denmark received $1,400,000 for raw cotton, excluding linters.

Other May commodity totals included $8,200,000 for chemicals and related products, including medicinal and pharmaceutical preparations, of which $4,100,000 went to France and $1,900,000 to Belgium-Luxemburg, and $8,000,000 for bread grains, including $7,000,000 to Greece for wheat.

Following are May and cumulative commodity and country totals (in millions of dollars):

[Amounts in millions of dollars]

Commodities	May 1950 totals	Cumulative totals (as of May 31)
Grand total	143.9	9,115.1
Commodity total	144.2	8,430.5
Food and agricultural commodities	43.8	4,074.0
Industrial commodities	100.4	4,356.5
Technical services	.6	26.0
Ship disbursements		6.5
Ocean freight	−.9	652.2

[Amounts in millions of dollars]

Commodities	May 1950 totals	Cumulative totals (as of May 31)
COMMODITY DETAIL		
Food, feed, and fertilizer	19.9	2,681.0
Bread grains	8.0	1,338.7
Wheat	7.8	1,088.5
Wheat flour	.7	239.7
Rye	−.5	10.5
Fats and oils	6.0	327.0
Peanuts	-------	55.2
Flaxseed	5.8	44.3
Soybeans	-------	41.5
Copra	-------	29.5
Oilseeds	-------	10.9
Lard	-------	54.1
Soybean oil	−1.1	28.6
Tallow	.6	22.5
Linseed oil	-------	9.2
Whale oil and fish oils	-------	7.8
Soap, soap stock, and fatty acids	-------	4.8
Other	.7	18.6
Coarse grains	5.7	278.2
Corn	4.8	200.5
Grain sorghums and buckwheat	.8	31.2
Barley	.1	25.0
Oats	-------	21.5
Sugar and related products	2.2	259.4
Sugar, etc	2.2	239.6
Molasses, inedible	-------	19.8
Meat	−.2	122.1
Beef, veal, pork, lamb, and mutton	-------	80.4
Horse meat	−.2	20.6
Canned meat and poultry	-------	18.0
Other	-------	3.2
Dairy products	-------	114.0
Cheese	-------	73.5
Milk	-------	39.2
Other	-------	1.3
Feeds and fodder	−1.4	51.5
Oilcake and oil cake meal	−1.3	46.6
Other	-------	5.0
Fertilizer	.9	44.5
Nitrogenous	−0.1	27.5
Other	1.0	17.0
Fruits and nuts, excluding peanuts	−1.3	31.9
Rice	.3	27.4
Vegetables and preparations	-------	17.5
Fish and fish products, excluding fish oil and meal	−.2	17.0
Coffee	-------	16.4
Eggs	−.1	15.8
Miscellaneous grain preparations	-------	6.5
Seeds, other than oilseeds	-------	5.7
Miscellaneous agricultural products	-------	7.3
Fuel	21.6	1,189.7
Petroleum and products	23.3	911.7
Coal and related fuels	−1.7	277.9
Raw materials and semifinished products	72.1	2,723.5
Cotton	22.4	1,010.0
Raw cotton, excluding linters	21.4	996.3
Cotton linters	1.1	12.0
Cotton waste	−.1	2.2
Unclassified cotton credits	-------	−.6
Nonferrous metals and products	24.0	551.5
Copper	18.2	281.3
Aluminum	7.0	115.7
Zinc	−2.6	68.4
Lead	-------	55.4
Brass and bronze	.1	7.0
Nickel	.1	6.3
Tin	-------	1.9
Other, including precious metals	1.2	15.6
Iron and steel mill materials and products, including ferro-alloys	2.5	247.3
Chemicals and related products	8.2	238.4
Medicinal and pharmaceutical preparations	.2	44.9
Industrial chemicals, excluding alcohol	1.5	32.9
Alcohol	.3	16.9
Pesticides	.2	3.5
Other	6.0	140.2

[Amounts in millions of dollars]

Commodities	May 1950 totals	Cumulative totals (as of May 31)
COMMODITY DETAIL—continued		
Raw materials and semifinished products—Con.		
Lumber and lumber manufactures	1.8	124.0
Metallic ores and concentrates	4.4	107.3
Fabricated basic textiles	.5	106.5
Pulp and paper	3.5	99.5
Nonmetallic minerals	3.2	85.0
Hides, skins, and leather	1.1	76.4
Fibers, ex. unmfd. cotton and wool	.5	36.4
Naval stores	.6	23.1
Wool, unmanufactured	.2	16.3
Miscellaneous fiber products	−.4	1.7
Machinery and vehicles	25.4	1,439.3
Machinery and equipment	24.2	1,126.6
Construction, mining and conveying equipment	3.5	169.0
Metalworking machinery, excluding machine tools	3.4	154.6
Machine tools	3.0	107.3
Electrical apparatus, excluding generators and motors	1.0	71.0
Engines and turbines	1.3	44.6
Generators and motors	.3	42.7
Industrial machinery	6.2	335.0
Agricultural machinery, excluding tractors	2.2	96.4
Tractors, tracklaying, 50 horsepower or over	1.9	39.7
Tractors, other (largely agricultural)	1.4	65.3
Motor vehicles, engines, and parts	1.4	175.9
Aircraft, engines, and parts	−.2	84.6
Other transportation equipment	.1	52.3
Miscellaneous and unclassified	5.2	397.0
Tobacco	−.1	287.8
Miscellaneous industrial commodities	4.6	89.9
Miscellaneous iron and steel manufactures	.2	18.2
Scientific and professional instruments	.6	16.2
Other	3.9	55.6
Unclassified agricultural commodities	.7	19.5
Unclassified industrial credits	-------	−.2
RECIPIENT COUNTRIES		
United Kingdom	24.2	2,485.7
France	57.8	1,959.8
Italy	10.7	1,013.2
Germany—Federated Republic	3.6	870.0
Netherlands	15.1	835.0
Belgium-Luxemburg	−.7	476.3
Austria	5.5	420.5
Greece	8.8	319.6
Denmark	4.1	194.5
Norway	2.0	187.0
Ireland	−1.4	119.6
Sweden	6.0	92.4
Turkey	5.7	88.3
Trieste	.6	25.7
Portugal	1.3	15.5
Iceland	.6	12.1

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts. Overseas territories are reported with recipient mother countries.

Mr. WHERRY. Mr. President, I read from a release of the ECA, dated June 30, 1950:

Hundreds of miles of roads opening up isolated areas of Africa and the British East Indies will be constructed with the help of Marshall-plan dollars, the Economic Cooperation Administration announced today.

Mr. President, the Senator from Florida wanted the facts, and I have given him the facts. He can read the record.

This release came from the ECA, and I am giving the facts as the ECA released them. I want to read again the first paragraph, and then I shall ask that the entire release be printed in the RECORD:

Hundreds of miles of roads opening up isolated areas of Africa and the British East Indies will be constructed with the help of Marshall-plan dollars, the Economic Cooperation Administration announced today.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, June 29.—Hundreds of miles of roads opening up isolated areas of Africa and the British East Indies will be constructed with the help of Marshall-plan dollars, the Economic Cooperation Administration announced today.

Nearly 1,000,000 ECA dollars will buy United States equipment to be used in road-development projects in seven British territories—the Gold Coast, Northern Rhodesia, Nigeria, Sierra Leone, and Nyasaland in Africa, and North Borneo and Sarawak in the British East Indies. The funds, totaling approximately $975,000, are coming from the special reserve fund set aside by ECA to help the development of overseas territories of Marshall-plan countries, both for their own economic well-being and their contributions to the economic stability of the mother countries.

An additional $356,000 will be made available from this same reserve fund to buy United States equipment for three other development projects announced by ECA today. They are a rice-cultivation project in French Morocco, in which ECA costs will be $300,000; a reservoir-construction project in British Somaliland, to which ECA will contribute $36,000; and an anterosion program on the British island of Cyprus, with ECA costs of about $20,000.

The road-development projects in the British African territories are companion projects to three announced last week for French West Africa, French Equatorial Africa, and the French Cameroons. ECA aid in African road-development projects is designed to help open up isolated areas on the continent as well as improve existing road facilities so that resources can be developed and goods moved to inland and coastal centers. ECA pointed out that this will increase intra-African trade as well as trade between the territories and the mother countries.

ECA dollar costs in the British African road-development projects are estimated at $314,000 in the Gold Coast; $267,000, Northern Rhodesia; $149,000, Nigeria; $91,000, Sierra Leone; and $65,000, Nyasaland.

The North Borneo road-development project calls for the reconstruction and improvement of 68 miles of road and the construction of an additional 46 miles. The territory's road system was badly damaged by the Japanese during the war, and the project provides for rehabilitation of old roads as well as construction of new roads. These will open up additional areas for settlement and rice cultivation and also aid the further economic development of a region now producing large quantities of rice, peanuts, sugar, tobacco, and large numbers of draft animals. ECA expenditures in this project are estimated at $48,000.

The Sarawak road-development project calls for the construction of 225 miles of arterial and 143 miles of secondary roads, with ECA dollars buying equipment at an estimated cost of $40,000. The purpose of the project is to open up areas capable of producing foodstuffs, chiefly rice, urgently required for local consumption; to help relocate population; and to generally aid expansion of the territory's area of economic development now confined to regions bordering on waterways.

In the French Morocco rice-cultivation project, ECA dollars will buy equipment to help cultivate the Rharb area to make the territory self-sufficient in rice by 1952. When the project is completed, 6,250 acres will be devoted to rice cultivation, compared to 180 acres last year.

The British Somaliland reservoir construction project is designed to prevent the exhaustion of the territory's coastal areas by overgrazing. Small reservoirs are to be built at suitable points along the routes taken by camels and other livestock on their return from inland grazing areas. One of the territory's key economic problems is the severe erosion and deterioration of grazing areas due to overstocking and competition for pasturage.

The antierosion program on Cyprus is one phase of a land-reclamation program designed to help increase the island's agricultural production, which has been retarded by erosion as well as antiquated farming methods. The increased output will be used both for domestic consumption and export.

Mr. WHERRY. Mr. President, there is a list of approximately 25 projects in Africa, the British East Indies, and all over the world. The taxpayers of this country are called upon to pay for those projects when we are confronted with a war. Yet, Mr. President, there is an amendment to take ECA out from this proposed cut. It is being said that we cannot touch ECA funds, that they are for defense. But these are long-range projects that do not have anything in the world to do with defense.

Mr. MALONE and Mr. McCLELLAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. WHERRY. I yield first to the Senator from Nevada.

Mr. MALONE. Does the Senator agree that the money for these projects for England, France, Belgium, the Netherlands, and Africa would result in furthering the colonial system in Africa, holding down wages, and keeping the Negroes in practical bondage, so far as their own government is concerned?

Mr. WHERRY. I think there can be no doubt about that, and I appreciate the Senator's observation. That is another very good point which can be argued in connection with these appropriations. But the point I am making is that, regardless of the merits or demerits—and that question could be argued all afternoon—here is an appropriation for 25 projects in colonial territories, when we are confronted with a budget which, when we take into consideration the military expenditures, the supplemental appropriations and the deficiency appropriations will approach nearly $50,000,000,000. How far am I off in my figures?

Mr. MALONE. If the Senator will yield further, I should like to ask him, with reference to the appropriation for ECA for the purpose of strengthening the peacetime industrial structures of the 16 Marshall-plan countries, whether in the opinion of the Senate, it is a type of strengthening the industrial production in Europe which puts them into position to fulfill their contracts under the 96 trade treaties they have with Russia and with the satellite nations in accordance with which they are furnishing ballbearings and other commodities to equip them for world war III.

Mr. WHERRY. First, let me place this release in the RECORD, and then I shall be glad to yield to the Senator from Arkansas. I want to read the first paragraph:

WASHINGTON, May 10.—A project to further mechanize rice farming in French West Africa to provide basic food for a growing population has been approved by the Economic Cooperation Administration, it was announced today here and in Paris.

Mr. President, I ask unanimous consent that the entire release may be printed in the RECORD at this point in my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, May 10.—A project to further mechanize rice farming in French West Africa to provide basic food for a growing population has been approved by the Economic Cooperation Administration, it was announced today here and in Paris.

The project, to be undertaken by the Office du Niger, a public agency under the jurisdiction of the Government of French West Africa, involves $1,400,000 in ECA financing. This covers funds for the purchase of agricultural and earth-moving equipment including tractors, graders, ditchers, and scrapers.

ECA funds do not include requirements for spare parts estimated to total $400,000 by 1952. Of this sum, $50,000 will be required this fiscal year, $150,000 in 1950–51, and about $200,000 in 1951–52. These purchases will be made from local dealers.

With the equipment to be purchased it is expected that 13,000 acres of rice land will be developed for the 1951 crop and a similar amount of acreage for 1952. The French West Africa Administration plans on developing about 120,000 acres of rice land by mid-1957 at a cost of about eight billion colonial French African francs, equivalent to approximately $46,000,000 (at the present rate of exchange). Of this amount, about six billion francs would represent direct expenditures for reclaiming new areas and extending main irrigation canals.

Although cotton was to be the chief product of the area when the Office du Niger was formed in 1932, experience showed the area was well suited to rice production. Upon completion of a dam across the Niger River in 1947, assuring an adequate supply of water for irrigation, emphasis swung to rice production. This decision was prompted by the uncertainty over the prospective availability of rice from Indochina and the need for a greater supply of the commodity for the increasing population.

Mr. WHERRY. The next release which I have here is dated May 12, 1950, the first paragraph of which reads as follows:

Increased electric power for industrial and home use will be provided under two Marshall plan industrial projects approved for Iceland, the Economic Cooperation Administration announced today in Washington and Reykjavik.

Then it goes on to say:

The expansion of two hydroelectric power projects will also reduce Iceland's requirements for imported fuels, ECA said.

ECA funds totaling $5,065,000 will be used to finance the purchase of machinery and equipment in the United States and to pay for American engineering services. Total over-all cost of the projects is estimated at the equivalent of more than $12,000,000.

I ask unanimous consent that the entire release from which I last read be printed in the RECORD at this point in my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, May 12.—Increased electric power for industrial and home use will be provided under two Marshall plan industrial projects approved for Iceland, the Economic Cooperation Administration announced today in Washington and Reykjavik.

The expansion of two hydroelectric power projects will also reduce Iceland's requirements for imported fuels, ECA said.

ECA funds totaling $5,065,000 will be used to finance the purchase of machinery and equipment in the United States and to pay for American engineering services. Total over-all cost of the projects is estimated at the equivalent of more than $12,000,000.

One project provides for expansion of the Sog River plant of the Reykjavik Municipal Electric Light & Power Co. Development of this plant was first authorized in 1933 and the plant went into operation in 1937 with an installed capacity of 8,800 kilowatts. In 1944 an additional 5,500 kilowatts of capacity was added.

Under the expansion program, a dam will be constructed across the Sog River about 32 miles above Reykjavik and an underground powerhouse to accommodate three 16,000 kilowatt units will be built. However, only two of these units will be installed at this time. A transmission line from the station to Reykjacik and substations, transformers, switchgear, and underground cables will also be provided.

ECA will provide financing of $3,955,000 for the project for the purchase in the United States of insulators, transmission line towers, steel aluminum wires, generators, transformers, switchgear, and other miscellaneous equipment as well as engineering plans and services. Total over-all cost is estimated at the equivalent of $9,060,000.

The second project calls for expansion of facilities on the Laxa River in northeastern Iceland. A reinforced concrete dam, intake works, and powerhouse will be constructed, together with a transmission line to Akureyri, and necessary substation and auxiliary equipment.

United States equipment costing $1,110,000 will be purchased with ECA financing. The commodities needed include: Wood poles and crossarms, insulators, penstock and surge tank, copperstrand, a generator, transformers and switchgear, a turbine, and construction machinery. Funds will also be used for supplying American engineering services. It is estimated that the total over-all cost will be the equivalent of $2,981,000.

The Reykjavik project will supply power to meet increased domestic and industrial demand which has resulted from a rise in population. Power from the Laxa River project will be used mainly for domestic consumption in the central part of northern Iceland and to supply various industrial plants including a textile mill, three herring oil and meal factories, and a number of freezing plants.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. WHERRY. I yield.

Mr. MALONE. The 96 trade treaties which have been put into the RECORD by the junior Senator from Nevada are being serviced from the material we are furnishing the 16 nations under ECA to further the two nonaggression pacts separately made by England with Russia and by France with Russia and which are still in good standing, are they not?

Mr. WHERRY. Of course the answer would be "Yes," as to any money or materials furnished by us and so used.

I now yield to the Senator from Arkansas.

Mr. McCLELLAN. I wish to compliment the able Senator from Nebraska for giving this splendid exposé of those projects that we are expected to pay for out of these funds. I want to point out that every dollar of this ECA money under present conditions must be borrowed, must be added to our national debt, and must be charged to the American taxpayers and American toilers and producers of the future. Why cannot France, Britain, and other countries, who have an interest in the areas mentioned, use counterpart funds or use their own money to employ people to build roads and build soil-conservation projects? The point I make is that all the free peoples of the world are confronted with an international danger, and we here at home are faced with the demand and urgent need for the identical character of projects that we are asked to appropriate for abroad in ECA. We are sacrificing and we are doing without over here. Why? It is because of the international crisis and because we feel we must conserve and concentrate our strength and power in this hour of danger where they will be most effective in meeting this crisis. Yet we are told that if we do not build some trails in Africa or pile up or dump some dirt somewhere to keep some little topsoil from washing away in some overseas territory, and charge it to the American people in this time of crisis, the whole economy of the ECA countries is going to crumble. I want to say that if their economy is so weak, all the dollars that America can borrow, scrape together, and spend will not be adequate to save the crumbling economy of those countries.

Mr. WHERRY. I wish to thank the distinguished Senator from Arkansas for his observations. Why cannot these countries use counterpart funds? I asked that question many times in the Committee on Appropriations. The answer has always been that we cannot interfere with the sovereignty of another nation. We cannot tell another nation what it must do. We can give them money. However, after they get the money, there are no strings attached. Does the Senator agree with that statement?

Mr. McCLELLAN. That is correct. Will the Senator yield further?

Mr. WHERRY. Yes.

Mr. McCLELLAN. May I ask the Senator what is keeping those countries from issuing their own currency?

Mr. WHERRY. That would suit me.

Mr. McCLELLAN. The primary purpose of our providing dollars is that the countries may use them for the purchase of materials to rehabilitate their plants, and so forth, which materials they must buy from us because they cannot get them elsewhere.

Mr. WHERRY. The Senator will agree with me, I think, that the huge amount of money which the United States will give to the European countries for machinery, trucks, and so forth, will supply the dollar gap without having to depend on ECA.

Mr. McCLELLAN. Certainly.

Mr. WHERRY. Someone asked for the facts. I shall give a few facts. I did not intend to go into all these facts today, but I think they should be put into the RECORD. I am giving the Senate the releases issued by the ECA. Inasmuch as the question has been brought up I shall give these facts. I have another one.

MAY 18.—Generating equipment which produced electric power for a wartime air base—

If we ever needed air bases, we need them now. We certainly need them in Spain. At long last we finally got an authorization for Spain yesterday.

Generating equipment which produced electric power for a wartime air base will soon supply electricity for a peacetime irrigation and food-development project in Jamaica, British West Indies.

What do Senators think of that? Taking it from an air base and putting it into a peacetime irrigation project.

We will probably raise some more money and build another air base next to the irrigation project. That is the way the Fair Deal operates. The more taxes are levied and the more money we give them, the more they throw away. I ask that the entire release be inserted in the RECORD at this point.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, May 18.—Generating equipment which produced electric power for a wartime air base will soon supply electricity for a peacetime irrigation and food development project in Jamaica, British West Indies.

The Economic Cooperation Administration announced today that it has authorized the use of $175,000 in Marshall-plan funds for the purchase by the Jamaican Government of three generatcrs to supply power for the island's mid-Clarendon irrigation project. The generators have been operating at the United States Air Force base at Vernam Field, Jamaica, which is now being evacuated.

The ECA announcement marks the first use of a special reserve fund set aside by the recovery agency to aid the development of overseas territories of Marshall-plan countries through special projects.

In requesting this ECA aid, the Jamaica Government said that provision of electric power is an essential prerequisite to the implementation of the project and that purchase of the Vernam Field equipment would be the most economical way of obtaining it. The power available from the Vernam Field electric plant is sufficient to pump the water required for the project.

Jamaica's mid-Clarendon area covers approximately 5,000 acres and at present supports a population of about 2,000. Surveys have determined that this low-rainfall area contains inherently fertile soil, capable of heavy production if irrigated. It has also been determined that there are sufficient reserves of underground water to carry out the irrigation project and insure permanent benefit from it.

It is estimated that with proper irrigation, the mid-Clarendon area will produce about 6,500 tons of cane sugar annually, primarily for export, as well as food for the farmers living on the land, and crops such as swamp rice, corn, and pulses for sale on the local market. A dairying industry will also be established in the area. It is planned to devote about 2,000 acres to the production of cane sugar.

The Jamaica Government, which is managing the mid-Clarendon project, plans to lease the power plant to the Jamaica Public Service Co., Ltd., a private company, since the Government has neither the organization nor staff to operate the plant. Construction and installations for the irrigation system will be completed within 18 months.

The total cost of the equipment required for the project is estimated at the equivalent of $280,000. In addition to the $175,000 from ECA, the Jamaican and British Governments will provide the equivalent of $105,000 to purchase auxiliary equipment to operate the power plant.

This is the first irrigation and food development project in the Caribbean area receiving Marshall plan aid, as well as the first ECA use of the special reserve fund. ECA's program to aid the development of dependent overseas territories also provides for purchases of recovery goods for these areas, technical assistance projects, and special projects and surveys in the territories in connection with ECA's procurement of strategic materials for the United States stockpile.

Previous ECA aid in the Caribbean area has provided for purchases of recovery goods and, under the strategic materials program, a project for the development of mining resources and facilities in Jamaica and other British West Indies areas.

Mr. WHERRY. Mr. President, I have before me a release dated July 27 in which it is said:

To help the Portuguese to develop the rich timber reserves in their West Africa colony of Angola, the Economic Cooperation Administration has made available the services of an American forestry expert.

I ask the Senators if that is an item that is untouchable? Does that have anything to do with the defense of our country? I ask that the entire release be inserted in the RECORD at this point.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, July 27.—To help the Portuguese develop the rich timber reserves in their West African colony of Angola, the Economic Cooperation Administration has made available the services of an American forestry expert.

He is Winslow L. Gooch, who has left for Lisbon, en route to Cabinda, Angola, where he will spend 3 months surveying the area's timber resources and production facilities for the Portuguese Government.

Through the project, the first under ECA's technical assistance program to aid in the development of a Portuguese colony, a new source of lumber may be opened for western Europe.

Cabinda, located on the Atlantic coast near the mouth of the Congo River, is covered with dense tropic forests, many of them virgin. Among the valuable species, for which a ready market exists in Europe, is mahogany.

During his stay, Gooch will make a study to determine the quality, amount, and distribution of the various species and the costs involved. In addition, he will inspect the production set-up, including existing sawmills, transportation, and handling facilities and will recommend to the Colonial Government and the Ministry of Colonies ways for increasing productivity in the timber industry.

Mr. WHERRY. I read from another release:

WASHINGTON, May 20.—The Economic Cooperation Administration announced today the conclusion of an agreement with the French Government whereby $965,000,000 worth of American equipment will be provided for the modernization and development of nickel production in New Caledonia.

There may be some use for nickel, but we cannot get it out of there now. I ask that the release be printed in the RECORD at this point.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, May 20.—The Economic Cooperation Administration announced today the conclusion of an agreement with the French Government whereby $965,000 worth of American equipment will be provided for the modernization and development of nickel production in New Caledonia by Societe le Nickel.

The arrangement calls for delivery by Societe Le Nickel for the United States Government stockpile of nickel in an amount corresponding to the amount of the ECA dollar advances. At the time ECA advances the dollars, the company will deposit the equivalent in francs, and as nickel is delivered, corresponding amounts of francs will be released to the company.

The arrangement takes into account the nickel requirement of the French Union in accordance with the terms of the ECA agreement between the United States and France.

According to ECA officials, the expansion program helped by the Marshall plan should increase the production of New Caledonian nickel from the prewar rate of 6,000 to 7,000 tons a year to 10,000 to 12,000 tons a year.

The modernization of the New Caledonian mining operation is expected to enable the company to sell its product at competitive world prices.

Mr. WHERRY. Mr. President, it is said that in the interest of national defense we cannot take one dollar from the ECA appropriations. If the President fine combs the bill and he takes from it items affecting projects which need to be developed in America he should do the same thing with the projects such as I have mentioned designed for places in the West Indies, Africa, and other parts of the globe. They should be postponed indefinitely. How can we justify taking dollars from our taxpayers and throwing the Nation into more debt than we are already faced with, for projects like these, when we are confronted with a war? I say conditions have changed, Mr. President, and these projects should be viewed in the light of such changed conditions.

I have before me release No. 1574.

WASHINGTON, June 29.—Belgium today signed agreements with the Economic Cooperation Administration and the Export-Import Bank under which she will receive a loan of $1,778,000 to finance a major road development project in the Belgian Congo.

We are asked to pay for that. American taxpayers are being asked to pay for it. It must be undertaken immediately. Yet we need every dime we can get, and to obtain the money, we will have to levy taxes in order that we may defend the United States and defend western European countries, to which we have already agreed to send, or will send probably $5,000,000,000 under the MAP.

I ask that the release be printed in full in the RECORD at this point.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, June 29.—Belgium today signed agreements with the Economic Cooperation Administration and the Export-Import Bank under which she will receive a loan of $1,778,000 to help finance a major road development project in the Belgian Congo.

ECA announced that the Marshall plan dollars will pay for United States equipment to be used in initial stages of the Congo road-building program and also for salaries of 12 United States technicians who will train local workers in operation of the equipment. The Congo project is a 10-year program and its total cost is estimated at the equivalent of $120,000,000.

The loan, which is the first under the Marshall plan for an overseas territory development project, was negotiated through ECA and signed for Belgium by her Ambassador to the United States, Baron Silvercruys. It is a 20-year loan with interest set at 2½ percent. Principal and interest payments are scheduled to begin at the end of 1952, with 50 percent of the principal to be paid in equal semiannual installments during the 1952–60 period, and the remaining 50 percent between 1960 and 1970. The loan agreement provides that Belgium will negotiate at the request of the United States for all or any part of such payments to be made in materials needed for United States stockpiles.

The Congo road project is one phase of the Belgian Government's 10-year plan for the economic and social development of the African territory. Covering more than 904,000 square miles and with a population of about 12,000,000, the Congo is the world's largest producer of industrial diamonds, one of the world's leading copper-producing areas, and a producer of a variety of other products including minerals, palm oil, cotton, rubber, and ivory.

Much of the area, however, is untapped jungle and its only coastline is a short stretch bordering on the south Atlantic at the mouth of the Congo River. Consequently, the Belgian Government's overall program for Congo development calls for expansion of such basic utilities as roads, railroads, water navigation, power facilities and warehouses, as well as projects in the housing, public welfare and education fields.

The purpose of the program is to create economic conditions conducive to private as well as public investments, leading to development of new industrial, mineral and agricultural enterprises. The Belgian Government foresees this development as providing new employment in diversified Congo industries with an accompanying increase in levels of income, and more extensive and intensive development of indigenous mineral and agricultural resources. Much of the increased output would go into world trade channels.

The road development phase of the overall program calls for a network linking productive areas of the Congo and providing transportation for regions now inadequately served by existing water and rail transport facilities. Five primary routes will be constructed and 11 feeder roads. In addition, existing roads will be improved so that they will be able to carry loads of more than 4 tons, the present maximum, which is considered economically unfeasible.

The Marshall-plan dollars aiding the project will come from two ECA funds. A total of $1,718,000 to pay for United States road-building equipment is being made available from the special reserve fund set aside by ECA to help the development of overseas territories of Marshall-plan countries.

The balance of $60,000 is coming from funds set aside by ECA for its technical assistance program, under which United States technical know-how is channeled to Marshall-plan areas. The $60,000 will pay salaries and certain incidental expenses of the 12 United States technicians who will go to the Congo for 6 months to advise on the setting up of base maintenance shops and the deployment of equipment among road construction sites, as well as instruct local workers in the operation and maintenance of the United States equipment.

The United States equipment will provide 10 road construction units. Each will consist of one heavy and one medium scraper, seven tractors of varying power, one motor grader, one ripper, six dump trucks, a mobile shop, and spare parts.

Mr. WHERRY. Mr. President, I read another release:

WASHINGTON, May 25.—Plans of Italy's leading automobile manufacturer to increase production by more than 25 percent during 1950 will be aided by Marshall-plan industrial project, the Economic Cooperation Administration announced today in Washington and Rome.

Of course it would be well to increase the manufacture of automobiles in Italy; but I ask Senators if manufacturing automobiles in Italy is in the interest of national defense of this country? Is it in the interest of our national defense to help automobile manufacturers in Italy increase their output by 25 percent? Yet we are told that we cannot take this item out of ECA. Would it hurt the defense of the United States in the least if we took this item out of the bill? Anyone with sound judgment knows that it would not. I should like to have the release inserted in the RECORD at this point.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, May 25.—Plans of Italy's leading automobile manufacturer to increase production by more than 25 percent during 1950 will be aided by a Marshall plan industrial project, the Economic Cooperation Administration announced today, in Washington and Rome.

The ECA supplemental project to assist in financing a modernization program for the FIAT Co., was approved along with two other Italian projects. The other projects provide financing for an Italian steel works and a new thermal power station.

FIAT production of automobiles, vans, trucks, and buses in 1950 is expected to reach a total of about 107,000 units. This compares with 71,144 units produced in 1949.

The expected increase in production results from a multimillion dollar modernization program now under way at FIAT. The original project was approved by ECA last July, when $14,620,000 of Marshall-plan funds were earmarked for the purchase of equipment in the United States.

Under the supplement, the equivalent of approximately $26,000,000 will be spent by FIAT for modernization of its mechanical sector. Of this total, ECA will supply $8,432,000 to finance the purchase of machine tools from United States firms and $200,000 to meet ocean freight charges. Other expenditures will include $468,000 in non-ECA dollars; the equivalent of $3,094,000 in sterling and the equivalent of $13,450,000 in lire for the project.

The steel project provides for $4,523,000 in ECA financing for the purchase of United States equipment and services for the Milan works of Acciarierie e Ferriere Lombardo, FLACK. An additional $314,000 is provided for ocean freight. The company will provide the lire equivalent of $3,000,000 for the project.

New equipment to be purchased under this phase of the project is primarily for the modernization of the plant's wire rod, plate, sheet and seamless tube facilities. Certain of the

new equipment will replace outmoded existing facilities.

Previously, ECA approved the use of $2,200,000 in Marshall-plan funds for the same plant.

The third Italian project provides for boilers for a new 120,000-kilowatt thermal power station at Tavazzano. The plant will be connected to the high-tension transmission system of northern Italy. Five companies participating in the STEI, will own and operate the plant.

A total of $2,680,000 in ECA financing will be used for the purchase of two boilers, control equipment and American technical services. Freight costs are estimated at $320,000 for the project, which will cost the equivalent of $10,877,000.

Mr. WHERRY. I wish I could read all this material at this time. Someone wanted facts. I am giving the facts. We do not need those items in the ECA program, and they ought to be taken out. Projects for unessential purposes should be taken out of our domestic programs. If the Senators cannot rise to the occasion and have the courage to take these items out of the bill, even if to do so may hurt their own States, I hope the President of the United States will send to the Congress a rescission bill that will take these items out clear across the board as affecting both foreign and domestic spending. I think he should do that to protect the interests and stability of the United States of America.

Here is another release. It is release No. 1498 dated May 26, 1950:

WASHINGTON, May 25.—An industrial recovery project to provide equipment for oil prospecting—

This is a good one. Oil prospecting. We have 50,000 wildcat operators prospecting in this country every year. This item is also apparently in the interest of national defense. We are providing $1,300,000 out of ECA funds to pay for oil prospecting in French North Africa for two French oil companies. I ask that the release be printed in the RECORD at this point.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, May 25.—An industrial recovery project to provide equipment for oil prospecting and drilling in French North Africa for two French companies has been approved by the Economic Cooperation Administration, it was announced today in Washington and Paris.

The over-all cost of the project is the equivalent of $15,000,000 including $1,300,000 in ECA financing. The companies receiving aid are S. N. Repal, which operates in Algeria, and SCP, which operates in Morocco.

Exploration has disclosed that seven-ninths of Algeria's territory is underlaid by potential oil bearing strata. Morocco is now producing oil in commercial quantitites.

Under the project approved, S. N. Repal will receive $220,000 for maintenance and replacement machinery and $500,000 for additional drilling equipment.

SCP will receive $580,000 for maintenance and replacement equipment.

Mr. WHERRY. Mr. President, it has been said that to take a dime off these appropriations would destroy the morale of people in the participating foreign countries and hurt their national defense. The facts were presented before me as I sat in the meetings of the Committee on Appropriations time and time again, hour after hour after hour, and to say that it is necessary to appropriate $2,900,000,000 of ECA funds for the defense of those countries is just not stating a fact.

Here is another release, ECA No. 1544, dated June 15:

Three pulp and paper mill projects which are expected to substantially benefit Austria's balance of trade.

Mr. President, I have not anything against that if we desire to help them when the proper time comes, but what do three pulp and paper plants in Austria mean to the defense of the United States, or Austria for that matter. How will that aid the boys in Korea, whom we need to back up with military equipment?

I ask that this release be printed in the RECORD at this point.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, June 15.—Three pulp and paper mill projects which are expected to substantially benefit Austria's balance of trade, strengthen her domestic economy and provide additional employment have been approved by the Economic Cooperation Administration, it was announced today in Washington and Vienna.

Total cost of the three projects is the equivalent of $9,936,000, including $3,902,000 in ECA financing for purchases to be made in the United States.

The first project is for modernization of two mills owned by Arland Papier- und Zellstoffariken A. G. One of these factories is a fine paper mill at Andritz, and the other plant is a sulphite pulp mill at Rechberg. Upon completion of the modernization program, it is estimated that paper production at Andritz will be increased from 8,000 metric tons to 17,000 metric tons annually and that pulp production at Rechberg will be increased from 10,000 metric tons to 16,000 metric tons. The present equipment of the two mills is obsolete and inefficient. Modernization will provide increased production with considerable savings in power, fuel and pulpwood per ton of production.

Total cost of this project is estimated at the equivalent of $2,647,000. Of this amount, $1,169,000 in ECA dollars will be used for purchases in the United States. The equivalent of $144,000 in German drawing rights, $75,000 in Italian drawing rights and local currency of $1,259,000 will also be used for the project.

A second project involves replacement of two obsolete newsprint paper machines by the purchase and installation of one modern high-speed newsprint machine, together with the necessary auxiliary equipment in the plant of Murztal Pulp and Paper Manufacturing Co., Ltd., at Bruck a. d. Mur, Austria.

The total cost of the project amounts to the equivalent of $3,714,000, including $80,000 for ocean freight costs. Of this total, ECA financing for machinery and equipment will amount to $1,604,000. In addition, drawing rights for the equivalent of $549,520 were approved for purchases in Germany. Local currency to be expended is equivalent to $1,480,000.

With the proposed improvements it is estimated that the plant production of newsprint, for which there is an increasing world demand, will be increased from 12,500 tons in 1949 to 30,000 tons in 1952. It is planned to export all of this additional production, thereby increasing Austrian exports by approximately $1,500,000 per year. Through the erection of a new boiler plant and improved utilization of power, importation of black coal will be eliminated, saving approximately $250,000 per year.

The third project covers modernization of a completely integrated pulp and paper mill at Niklasdorf for Brigl & Bergmeister A. G. The mill is old and its equipment is inefficient and obsolete. Total cost of the project is estimated at the equivalent of $3,575,000. Of this amount, $1,129,000 will be financed by ECA for purchases in the United States. In addition, the project involves an equivalent of $221,743 in German drawing rights, $218,085 in Swedish krona and $81,650 in Swiss francs. The local currency cost is estimated at an equivalent of $1,925,000.

The proposed modernization is expected to increase the chemical pulp capacity from 26,000 to 30,000 metric tons per year and paper manufacturing capacity from 10,000 metric tons to 18,000 metric tons per year. The contemplated improvements in equipment and methods is expected to bring about this increased production without a significant increase in raw material consumption.

Mr. MARTIN. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield to the Senator from Pennsylvania.

Mr. MARTIN. Does the Senator realize that already the paper industry in America is in a very serious condition? Imports are coming in which are putting out of business many of our old standing paper mills. Paper is a very important product in the United States in connection with defense.

Mr. WHERRY. Mr. President, the situation in the paper and pulp business is rather tight, I know. It is a question whether we want to put the money into such projects in foreign countries now, or when the proper time comes. I am saying that the acute need is for defense dollars. That is what is confronting the Senate this afternoon. These so-called junstifications were made before the Korean war situation developed. As I said before, a fine-toothed comb must be used on these appropriations, and every one taken out that is not essential, and is not for the military. That is what should be done by every Senator. I propose to do it. Any other Senator can do as he pleases, of course.

Here is another release, No. 1555:

Nearly $4,000,000 Marshall plan dollars will be spent in the United States to buy equipment which will help Africa develop her road systems, agriculture, iron-ore deposits, and soil-conservation programs.

This release, No. 1555, was issued on June 23.

This is a soil conservation program! I submit to all Senators present that we have delayed and put off a comprehensive soil conservation program in the United States because we could not afford it. We have put it off and put it off. We have tightened up at every corner. Yet we are asked to launch out and spend $4,000,000 to start soil conservation in Africa, and help in that section of the world. It is meritorious, I suppose, if we can afford it. But the time has come when we have to choose where we are to spend our dollars.

I ask that this release be printed in full in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, June 22.—Nearly four million Marshall-plan dollars will be spent in the United States to buy equipment which will help Africa develop her road systems, agriculture, iron-ore deposits, and soil-conservation programs.

The Economic Cooperation Administration today announced the first six African projects under a special reserve fund set aside by the recovery agency to help the development of overseas territories of Marshall-plan countries. The areas involved range from Algeria in French North Africa to French West Africa and to the island of Mauritius in the Indian Ocean off the coast of South Africa.

The projects are:

Three road development projects—in French West Africa, French Equatorial Africa, and the French Cameroons, in which ECA dollar assistance amounts to $1,236,000.

ECA financing of $1,976,000 worth of equipment to help develop iron-ore deposits in the Conakry Peninsula in French Guinea.

Purchases, financed by ECA, of $603,750 worth of United States heavy earth-moving equipment vitally needed in Algeria to help halt soil erosion.

A Marshall-plan dollar outlay of $13,460 to pay for the purchase of agricultural machinery to go into an equipment-loan pool for farmers on the island of Mauritius.

ECA said the projects will aid the development of African resources and, through the road-construction programs, help to move goods to other areas of the continent and to coastal ports for shipment to other world regions.

The road projects will help fill in gaps in meager existing road systems and will aid materially in linking together the transportation network of the French territories. In French West Africa, the goal is construction of 4,300 miles of paved road. ECA will contribute $1,035,000 to this program. In French Equatorial Africa, the goal is 8,500 miles of paved road, with ECA aid amounting to $117,000. In the French Cameroons, the program calls for construction of about 200 miles of paved road, with ECA aid under the new project amounting to $84,000.

Inadequate transportation facilities have isolated large areas of the African Continent. Development of road, rail, and waterway systems, ECA said, is essential to the economic progress of the African territories and a rise in their trade with Europe and the Americas.

The Conakry iron-ore project is a principal phase of French Guinea's over-all economic plans, which also call for development of hydroelectric power resources in mountains northeast of Conakry and development of the port of Conakry. The Conakry deposit, in which Societe Miniere de Conakry holds a 75-year lease, is considered well suited for open-pit operations by mechanized means.

The Algerian soil-conservation program has been developed by the Algerian and French Governments to cut heavy agricultural losses resulting from soil erosion of Algeria's hilly countryside during seasonal torrential rains.

The ECA project for the British island of Mauritius will provide agricultural equipment to be used by local farmers. The machinery will aid in opening up approximately 200 acres of land annually for the lifetime of the equipment, to be planted in rice or maize, potatoes, beans, and onions. The machinery will also help intensify cultivation of 1,200 acres now planted in corn, root crops, and vegetables.

Mr. WHERRY. I have here, Mr. President, an ECA pamphlet. It is quite a pamphlet, and shows what they are doing. On page 2 I find this headline: "ECA names '49 top projects in Europe."

I shall read only the last one, because time is fleeting.

In the Netherlands the Zuyder Zee reclamation project being developed at a cost of $11,000,000 is an outstanding ECA project.

In Norway there is another one costing $5,000,000, aided by ECA funds.

The ECA pamphlet is advertising to the world what we are doing for these countries, including an $11,000,000 reclamation project in The Netherlands. Yet we are denying the very same kind of thing in this country.

Mr. President, I should like to have the particular part of page 2 to which I have referred printed at this point in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

ECA NAMES 1949 TOP PROJECTS IN EUROPE

Ten of the outstanding Marshall plan aid projects of 1949 have been picked by ECA-Washington and the European headquarters of ECA in Paris.

The projects range from the completion of the Corinth Canal in Greece to the rehabilitation of Norway's mines 300 miles inside the Arctic Circle.

The reconstruction of the Corinth Canal was started by American contractors under the supervision of the United States Army Corps of Engineers in 1947 and was completed in 1949. American funds totaling approximately $522,000 and 8,800,000,000 drachmas, part of which was ECA money, were spent to rebuild the canal.

The largest single Marshall plan project for western Europe was the Sollac Steel Works in Lorraine near Metz in France. With $49,360,000 in ECA funds, the company is expanding its plant facilities and installing the latest American steel milling equipment.

In the Black Sea mining town of Zonguldak in Turkey, American and Turkish engineers are modernizing the vital mines under a $55,000,000 program, of which ECA will contribute more than $12,000,000. Zonguldak's harbor is also being improved at a cost of more than $9,000,000 with ECA advancing $4,000,000.

In the lower Rhone Valley in France a combined electric power and irrigation project will add 2,000,000,000 kilowatts to the nation's electric potential and an elaborate system of canals is expected to turn southeastern France into fertile farmland. More than $9,000,000 of counterpart funds is being invested.

The construction of new plant installations of the Steel Co. of Wales in Port Talbot reached an advanced stage in 1949. ECA financing permits the dollar purchase of about $27,000,000 worth of machinery and equipment from United States companies which is not available in the United Kingdom. The construction program is currently employing 6,000 workers.

In the Netherlands the Zuyder Zee reclamation project being developed at a cost of $11,000,000 is an outstanding ECA project. In Norway the Syd Varanger mines at Kirkenes, demolished by the retreating Germans, are being restored with ECA dollar aid amounting to $5,000,000.

In 1949 western Europe saw a great revival of rail transportation. Dollar funds advanced by ECA enabled the Belgium firm of Brugeoise, Nicasise and Delcuve Co. to modernize its machine shops and assembly lines. The firm is now turning out a new freight car every 18 minutes, and is completing a 3,000 freight car order for Bizone Germany.

With $4,250,000 from ECA the Aquila Oil Refinery in Trieste was able to largely reconstruct it war-damaged plant. Twenty American technicians helped expedite the installation of new American equipment. In its partially rebuilt state the refinery is already working at more than 140 percent of its prewar capacity.

A greatly augumented ECA technical assistance program in 1949 provided the peoples of western Europe with an unprecedented opportunity to study and acquire industrial and scientific know-how from other European countries and from America. The technical knowledge and experience furnished under this program generally through sending technicians from one country to another, is expected to have a lasting effect on the agriculture and industry of the countries participating in the Marshall plan.

Mr. WHERRY. Mr. President, I desire to top this off. I stated that requests for appropriations for such purposes would continue to come to Congress. A new one has just come in today. The President of the United States, in a supplemental estimate, is asking for seventy-eight million more dollars in cash and $25,000,000 in public debt authorizations. I have here a document which came before our committee, whose chairman, the senior Senator from Tennessee [Mr. MCKELLAR], has done such wonderful work in connection with this appropriation bill. On page 16 is this proposed provision:

The funds (not to exceed $700,000) and authority available to the Secretary of State pursuant to the act of March 11, 1941 (55 Stat. 31), as amended, to carry out the agreement of December 31, 1943, between the Government of the United States of America and the Government of Liberia for the construction of a port, port facilities, and access roads in Monrovia, Liberia, shall remain available until June 30, 1951, for the purpose of constructing and improving roads giving access from the interior of Liberia and adjoining areas to the port of Monrovia.

I now read from the document submitted to the committee:

Extension of the availability of these funds and authority will permit the establishment of a year-round highway to the port of Monrovia. The increased traffic will make it possible to utilize the full potential of the port and increase its success as a financial venture.

I ask, Mr. President, is that necessary for the defense of the United States of America? Is that necessary for the defense of the western European powers?

As I said in the beginning, the appropriation is authorized, and therefore one should not sabotage the appropriation, but with all due respect to those who believe in ECA, the junior Senator from Nebraska has been and is constructively pointing out project after project after project that is nonessential, that has not a thing to do with defense, which should not be started at this time, which should not be an added obligation on the people of the United States until they can afford it. What we need to do is to take every dime we can raise and use it first for defense.

Mr. President, as a member of the Committee on Appropriations, I appeal to every Senator on this floor to reduce these appropriations. The committee has spent hours and hours, during the

years, studying this question, and many of these projects have not been justified, and if they are eliminated it will not hurt the ECA program. Some of them can be eliminated under a 10-percent cut.

Mr. President, I hope that the amendment offered by my distinguished friend from New Jersey, who made a very admirable case for his amendment, will be defeated, not because of any personal feeling I have, because I respect the Senator, who is doing great work on the Committee on Foreign Relations, and he believes in these things, but I have pointed out project after project after project, which could be dispensed with, and I ask him if in his good judgment and his good will, he does not feel that he should withdraw the amendment he offered and permit a cut of 10 percent to be applied to ECA, as we are applying it to projects in the United States, so that projects in Africa, the West Indies, the Congo, and the others to which I have referred may be eliminated. I submit to his good judgment, to his integrity, to his ability. After all, this is a very serious matter. The United States of America is facing a dangerous situation, and if we are to lead the nations of the world out of the darkness into the light, it is absolutely mandatory that we maintain the financial and economic stability of the land we love.

Mr. President, this is the place where it should be done, and if we fail on the floor of the Senate today, I shall appeal to the President of the United States to send a rescission bill to the Congress which will do what the junior Senator from Nebraska has attempted to do in making the proposed cut in the ECA appropriations, along with the others mentioned.

Mr. McCLELLAN. Mr. Presient, simply for the record and for an expression of my own views I wish to follow up along the line of discussion taken by the able Senator from Nebraska. I remind Senators that in the effort of both the House and the Senate to economize with respect to our domestic program at home on projects similar to those which have been referred to by the able Senator from Nebraska—in fact more important projects really to any economy, than some of those to which the Senator has referred—the House has cut from the flood control and rivers and harbors appropriation 24.9 percent under the budget recommendations. Those cuts were made by the House before the present crisis arose. But, in our efforts to economize, in view of conditions that obtained then, the House made cuts in our domestic program of this character of 24.9 percent.

The Senate committee felt that those cuts were too great. Therefore the Senate committee restored a number of those cuts, and the over-all cut under the budget by the Senate committee in this particular field amounted in round figures to $66,936,000, or 8.40 percent.

Mr. President, what I am emphasizing is that these efforts to economize here at home were being made, and we felt the impelling duty to make them, prior to the war situation that has now developed, which makes the necessity for making cuts far more impelling than at the time the House itself and the committee of the Senate acted.

Mr. President, the Bridges-Byrd amendment, to which I subscribe, if adopted, will, under the Senate bill, result in a further reduction of 10 percent. Thus, funds for this type of projects in America will be reduced a minimum of 18.4 percent under budget estimates.

We are doing our best to cut here at home, and are cutting where it hurts, and pains deeply. Many of our projects, when constructed and completed, and are in operation, will be a protection to human life, just as the able Senator from Minnesota [Mr. THYE] has pointed out with respect to projects in his State. The same is true in my own State, Mr. President. I think we have in Arkansas more miles of navigable rivers than any other State in the Union. Such projects are badly needed there, as well as in many other States. But, Mr. President, in view of the exigencies of our fiscal situation, we are undertaking to make these sacrifices in the name of international security, as well as for our own security; we are paying by way of sacrifices here by way of deferring the construction of many projects of the character I have mentioned.

Mr. President, if this proposed 10 percent is added to the House cut, then we would have a total reduction in amount under the Budget recommendation of 34.9 percent.

When the bill goes to conference, the cut on this character of projects is going to be somewhere between 18.4 and 34.9 percent in America's program of internal development and the strengthening of our economy and the preserving of our resources and developing them for the benefit of mankind. That is the sacrifice we are making here on the home front.

Mr. President, can anyone successfully persuade the intelligent American people that it is imperative that we make the character of expenditures abroad that have been so ably pointed out by the distinguished Senator from Nebraska? Can anyone successfully argue that we are compelled to do that as a part of an international defense program?

Mr. President, in my judgment there is no Senator nor anyone else who has the wisdom or the force of persuasion to make a convincing argument to the effect that ECA countries, with respect to projects in the same category we are cutting out in the United States, should not, for their own protection and their own defense be required to cooperate with us and make their contribution, too, make their sacrifice. They would not be making the sacrifice at their own expense. The sacrifice would be made at our expense, at the expense of the American taxpayer. We are very anxious to help them rehabilitate themselves; we are very anxious to help improve their economy and strengthen it, but can we not in good conscience ask them in this crisis to relieve our taxpayers of that much of the burden for the present, at least? Just a 10-percent cut is all we are asking be made in what we appropriate for internal projects in those countries. We have already taken off our own internal program from 8.4 percent to 24.9 percent.

As we impose upon ourselves a further cut of 10 percent, is it unreasonable, is it improper to ask the ECA countries to go along with the same kind of sacrifices?

Mr. President, we must spread this thing around. We have got to take our cuts. We have all got to deny ourself some of the things we need and that we want, both personally and in Government.

To support the program, even with the proposed reductions and the economies we are compelled to make, and in order to carry out the military program which must be carried out effectively, the American people are called on to do two other things. They will be required to take from their earnings money with which to pay higher taxes as a contribution to the common defense and the common welfare. Beyond that, they are asked to go still further in debt, a national debt, which will be a charge upon generations unborn.

Assuming there is a legal obligation and committal on our part, yet when the very lives of the people in the ECA countries are in danger, when their very existence is threatened as well as our own, as we make sacrifices here at home should they not be willing to make sacrifices also? In my judgment every supporter of ECA should be willing to say "We are all going to travel the same road at this time." That, Mr. President, is all we are asking the ECA countries to do.

It may be said that all the proposed civil expenditures are in the interest of national defense. However, the projects which were read off to us by the very able Senator from Nebraska furnish a thoroughly convincing argument, which will remain unchallenged on this floor. The spending of money for such purposes will not contribute to the defense of the countries involved. The program is a fine one in time of peace. The purpose is to build up the economy of the various countries. I probably would support such a program in time of peace. I certainly would support the same character of program here at home. But in this crisis, when we have got to place first things first and give priority of attention and effort to those things which are most vital and essential, we are compelled to dispense with many things and defer many projects that are desirable, in order to be able to provide for those things which are of compelling necessity.

Mr. President, I could make the same comparison in reference to Federal-aid highways.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. SMITH of New Jersey. I should like to make a brief statement, but I shall put it in the form of a question: Is the Senator aware of the fact that this matter was explored fully by Mr.

Hoffman, of the ECA, and that he has said that he is always glad to take his share of any cut which must be made, provided he is not required to take his cut twice?

Mr. McCLELLAN. Mr. President, in reply, let me say that we have taken cuts twice for domestic projects. If the Senator from New Jersey means what he says, he should withdraw his amendment right now, and should follow Mr. Hoffman's advice, for we are taking the cuts twice and where it hurts, so far as our projects in the United States are concerned.

Mr. SMITH of New Jersey. I am talking against the proposed 20-percent cut.

Mr. McCLELLAN. But our domestic projects and programs are taking a 20-percent cut. For instance, in the case of highways we have already cut the appropriations for that purpose 9.6 percent, under the budget recommendations, and here is another 10-percent cut to be made, which will comprise a total of approximately 20 percent.

Mr. SMITH of New Jersey. Of course, my State takes its share of that cut.

Mr. McCLELLAN. Of course.

Mr. SMITH of New Jersey. But the Senator from Arkansas does not realize that the only justification at all for exempting the ECA from the proposed reductions to be made is because the ECA is a part of the military operations. That is the only purpose.

Mr. McCLELLAN. The Senator from New Jersey certainly does not maintain that projects of the character of those which have been enumerated here by the able and distinguished Senator from Nebraska constitutes a part of any military defense operations; does he?

Mr. SMITH of New Jersey. Oh, not for a minute.

Mr. McCLELLAN. Of course not. Then why not cut out the appropriations for them?

The only way we can cut them out is by means of this proposed blanket cut of 10 percent. If we insist upon having the blanket cut made, then the ECA will cut out those projects, or some of them. That is the only way to get them taken out.

Mr. SMITH of New Jersey. But, Mr. President, I have endeavored to determine about these matters, and I have been assured that the whole program is adapted to the military operation. I would be amazed if any of those projects are included this year.

Mr. McCLELLAN. Mr. President, we can say just as much—and, in fact more—in favor of every flood-control project and every highway project in the United States that is included in this bill. They are for the defense of the United States, and for the defense of other countries too, because if our power to defend ourselves breaks down, there will be no power on earth which will be able to save the other countries.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. CORDON. Is the Senator from Arkansas aware of the fact, as has just been stated by the senior Senator from New Jersey, that the entire basis on which the Appropriations Committee recommended this appropriation and the entire basis on which the appropriation was justified have been changed and tossed out the window, and another one substituted?

Mr. McCLELLAN. Of course the situation has changed. That is one of the reasons why we have before us now the 10-percent-reduction amendment. We are undertaking to cut drastically in the appropriations for projects here at home; and we undertook that before the new development occurred. We were undertaking that because of our fiscal situation and the fact we are operating our Government at a deficit, and because we wanted to keep our economy stable and sound.

So we were deferring many desirable projects until we could afford them.

Mr. CORDON. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I am glad to yield.

Mr. CORDON. Did the Senator from Arkansas understand the statement made by the Senator from New Jersey to be that he had been advised by Mr. Hoffman that the entire basis on which these funds would be expended had been changed by the ECA since ECA presented its justification to the Appropriations Committee? That is news to me, I say frankly.

Mr. McCLELLAN. I do not think the Senate has that information.

Mr. SMITH of New Jersey. Mr. President, may I correct that statement?

Mr. McCLELLAN. Mr. President, I simply say that I do not have that information.

Mr. SMITH of New Jersey. Mr. President, if the Senator will yield to me, let me say that I have understood that the ECA has studied this matter, so that unnecessary expenditures which do not contribute to the all-out military effort will be eliminated and that the ECA is trying to focus on plants which can be put into production for military needs, and also on transportation projects and on power plants in connection with the military necessities; and also the ECA is reconsidering the entire policy with regard to the counterpart funds which must be used for military purposes abroad, and we are getting the benefit of that.

I appreciate what the Senator from Nebraska [Mr. WHERRY] said, but I felt that he had not been fully advised in regard to the application of this entire matter to the military picture. If that picture has been ignored by the ECA, and if ECA is going ahead with a peacetime program, I would be as much opposed to that as the Senator from Arkansas is, and I would not support such a position.

Mr. McCLELLAN. Then let me say to the Senator that the ECA certainly should acquaint us with the revised plans. All we have before us today are the justifications the ECA submitted to the Appropriations Committee. If all that is changed now, certainly until the ECA discloses its change in plans, and as long as we can act only on what is before us, then let us treat ECA with the same economy provisions and practices which we are going to apply here at home.

Mr. President, I have just this further brief statement to make with reference to highways: There are a number of road projects coming under the ECA program. The Senate Appropriations Committee has reduced by 9.6 percent all proposed expenditures for highways. Mr. President, we are going to add to that a further 10-percent reduction, if this amendment is adopted; and that will mean a total reduction of approximately 20 percent in our highway program.

Mr. President, cannot we dispense with the building of some roads in Africa, while the necessity is upon us to concentrate on Europe and Asia where our boys are dying? Had not we better dispense with the construction of roads in Africa for the present? That is the way the situation impresses me.

In regard to both the road programs here at home and flood control and rivers and harbors projects here at home, let me say that notwithstanding that the further 10-percent reduction will be applied, and notwithstanding that the law may be enacted in that form, the President of the United States will still have the power—and it is my anticipation that he will use it—to freeze or impound the funds appropriated for any project, if the crisis grows more acute, and if the President feels that such an expenditure would not be justified in the war effort. Therefore, we can expect the appropriations for these projects and these programs to take a further cut, in addition to the 10-percent reduction; and I say frankly that whenever that situation arises and the President exercises that power, instead of complaining, I shall applaud and approve.

Mr. CHAVEZ. Mr. President, will the Senator yield to me?

Mr. McCLELLAN. I yield.

Mr. CHAVEZ. With reference to the power the President now has to control the expenditure of funds in the case of any department if an emergency occurs, is it not a fact that in considering the new road bill, which was drawn up even before the situation in Korea became so serious as it is now——

Mr. McCLELLAN. The Senator from New Mexico refers to the highway authorization bill, does he not?

Mr. CHAVEZ. Yes. Did not the committee, at the instance of one of its members, insist upon writing into that bill a provision which will strengthen the power of the President in this respect?

Mr. McCLELLAN. Yes; and very definitely so in the case of highway funds, because the committee voted to give the President the power to divert all those funds to military purposes and military construction.

Mr. President, I can well foresee that if the present conflict abroad becomes drawn out, as it may well become, although I hope not—but I cannot view the present situation with sufficient optimism to lead me to believe that the conflict there will end soon—in view of the present appropriations and in view of the

power we have vested in the President to further withhold the expenditures for construction of projects needed in this country, I say we will not be true in the highest sense to the American people or to ourselves or to the countries abroad which we wish to help if we do not make the same reduction in the appropriations for their nonessential projects which we are financing that we are making in our own domestic program. We should make the reductions straight across the board; and the ECA should make its sacrifices in connection with its program, just as is done in the case of the highway program in the United States and all the other internal development programs in our country.

Mr. CORDON. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I am glad to yield.

Mr. CORDON. Frankly, I am troubled by the statement which was made by the Senator from New Jersey. I hope some light will be thrown upon this question, with respect to exactly where we are in the entire ECA program, if the fact is as indicated by the Senator from New Jersey.

Does the Senator from Arkansas agree that the only source of counterpart funds which accrue as a result of the ECA operations, is when the dollars appropriated for ECA are used by private industry in a recipient country and the private industry pays the equivalent of those to its government, and that government then receives from private industry the equivalent of dollars in its own currency?

Mr. McCLELLAN. That is correct, as I understand. I am not referring to normal conditions, since ECA has been in operation, but in my opinion, if they do not want to use those funds for the national defense in the present situation, they are funds of the character that ought to go into the building of roads down in Africa or somewhere else, in order that we may not be required to put up dollars for them. But if we are going to rehabilitate them, certainly they can do that character of work. But let us provide the tools and the machinery to rehabilitate their industries. That is what I thought was the purpose of the ECA program, together with the other purpose, of course, of providing them with food, as to which they have a deficiency, because it is necessary to sustain them until they can be rehabilitated economically.

Mr. CORDON. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Arkansas yield further to the Senator from Oregon?

Mr. McCLELLAN. I am very glad to yield.

Mr. CORDON. If there is a new concept in the recipient countries with reference to the need for changing the use of the American dollar, or its equivalent in counterpart funds, and that new concept includes a greater use for national defense purposes, is it not a fact that if the dollar itself be used for national defense purposes it will be used by the recipient government, in which case there will be no counterpart funds equivalent to it; and if it be used by private industry, then its equivalent in counterpart funds will be available anyway to the Government, and the Government will have the use of the same amount of money in its own currency, that it would have otherwise in dollars?

Mr. McCLELLAN. In its own currency, for these purposes. That is what I have been trying to point out. I feel that those funds should be used for that purpose, Mr. President. We keep speaking of defense of the European countries, and we are appropriating, I think about $5,000,000,000, or we are asked to appropriate it, for military assistance. Many of the things that we are talking about here as being necessary for their defense will be provided in this additional appropriation for military assistance.

I sincerely hope that in fairness to the American people, in all common sense and justice and equity, and in deference to the situation as it applies to the countries we are trying to help and to ourselves, that this cut of 10 percent will be made across the board.

Mr. HOLLAND. Mr. President, I should like to speak briefly in support of the amendment offered by the Senator from New Hampshire, the Senator from Virginia, and other Senators, of whom I am happy to be one, and in opposition to the amendment to that amendment, offered by the distinguished senior Senator from New Jersey. I may say in the beginning that I think it would be appropriate at this time to review the history of the effort of the Congress this year to make appropriations to meet the expenses of our National Government. Both the committee in the other branch of Congress and the committee in the Senate have, I think, worked with tremendous devotion. I have never seen, in the brief time I have been in the Senate, anything approaching the hard work which those committees have done on the subject of appropriations this year. Therefore, Mr. President, I wish to make it very clear in the beginning that the things I shall say are not to be regarded as criticism leveled against our own committee, or, for that matter, against the House committee. I think both have worked hard and diligently. But, Mr. President, when one looks at this bill he will have to recall that the House of Representatives passed the bill in the early part of May. It came to the floor of the Senate on May 11 of this year. All the efforts of the House committee on this bill were expended prior to that time. All of them were against a background of a belief on the part of the President of the United States and of the heads of our Defense Department, of our armed services, and of many, many others of our very finest citizens, as announced to the public and to us repeatedly and from time to time, that we were nearer to a secure peace than we had been for a long time, and that the situation was a good one, in which we could confidently plan for the development of our Nation and for the enlargement of our peacetime activities.

Mr. President, on May 11 that bill came to the floor of the Senate and was referred to our able Appropriations Committee, which had already been working diligently on the subject, but which continued its labors until early July, when it reported to the Senate the bill in the form that it came from the Senate committee, with the Senate committee amendments.

It goes without saying that every one of us knows that the labors of the Senate committee were complete before the stunning notice and knowledge came upon the Members of the Senate and upon the world in general that we were faced with what may be the beginning of a long war, with what is certainly a difficult and expensive war, fought on a spot where we were not prepared to fight, a spot most remote from our Nation, and under highly difficult circumstances.

It is quite apparent that the comment made by the Senator from Oregon in his colloquy with the Senator from Arkansas is completely sound, namely, that the background against which this bill was reported by our own diligent and able and devoted committee has been changed completely to a background of war and military apprehension and generally worsened world conditions. It seems to me that that background, changed as it is, must apply to the thinking and action of the Members of the Senate as they pass upon this bill. If the Members of the Senate do not regard that as the background upon which this bill now must be acted upon by the Senate, we will have to be blind to world conditions, we will have to be deaf to the requests of our people, we will have to be completely oblivious to the fact that our own people all over this Nation are apprehensive, and that they do not expect this bill as originally drawn, on a basis of "business as usual," "government as usual," and "expenditures as usual," to be enacted in that form, but instead expect the Senate of the United States, which is the only body of the Congress which has the opportunity to view this bill under these changed conditions, to reflect those changed conditions in the action which we take upon this bill.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from Florida yield to the Senator from Tennessee?

Mr. HOLLAND. I yield.

Mr. McKELLAR. I was wondering whether the Senator imagines, as certain other Senators seem to have done, that the Appropriations Committee has not reduced this appropriation. The Senate committee has already reduce this appropriation nearly $1,000,000,000 below what it was last year. It has already reduced the appropriations $332,915,000 under the estimate. The committee has made very large reductions already. We have cut out on a percentage basis quite as much with reference to these items as we have with reference to other items of the bill. The committee has not been derelict in its duty.

Mr. HOLLAND. I appreciate the Senator's question. I refuse to yield further.

Mr. McKELLAR. We have not mentioned——

The PRESIDING OFFICER. The Senator from Florida declines to yield.

Mr. McKELLAR. I beg the Senator's pardon.

Mr. HOLLAND. In reply to the question of the distinguished Senator, I want to say that I am not at all without knowledge of the fact that reductions under the budget figures have been made. Before the Senator returned to the floor I had expressed my appreciation of the committee so ably headed by the distinguished Senator from Tennessee for its long and devoted service, but I had invited attention to the fact that the background of war which prevails now did not prevail while the able and devoted services of the Members of the Senate who are members of the Appropriations Committee were being performed.

Mr. President, I want to read into the RECORD two short paragraphs appearing on page 6 of the report of the Appropriations Committee to the Senate, because they show that the work was done and that reductions were made, but they also show, inescapably, Mr. President, that the same kind of approach was followed by our own able committee of the Senate as was followed by the Appropriations Committee of the House of Representatives. I read:

> Of the $28,701,781,168 of budget estimates considered by the House, a total of $27,346,713,664 was approved by the House, or a reduction of $1,354,967,504 from the budget estimates.
>
> Of the $33,900,208,648 of budget estimates considered by the Senate, a total of $32,504,972,672 was approved by the committee, a reduction of $1,395,235,976.

In other words, Mr. President, it must be remembered that supplemental estimates came to the Senate committee in the amount of nearly $5,000,000,000 after the House committee had worked on the bill, and it will appear from the quoted figures that the total reductions made by the House committee and by the Senate committee from the estimates upon which they were working were quite similar, and that there was no real difference in the approach, and there was no reason why there should be a difference, because there was no war threat at that time. I think it shows that equal devotion, equal ability, and equal understanding of the situation which then prevailed, and which does not now prevail, existed both in the Senate committee and in the House committee.

Mr. President, to make my point perfectly clear I want to read again simply two figures. One is that the House committee cut off from the budget estimates which went before it $1,354,000,000, and that the Senate committee cut off from the larger amount of estimates which came before it $1,395,000,000. In other words, Mr. President, no one is in the slightest degree to blame for the present situation. The philosophy which prevailed when both of these excellent and devoted committees were performing their able services was exactly the same when the service was being performed in the House as when the service was being rendered in the Senate, and the two committees came to very nearly the same answer and to very nearly the same kind of treatment of the claims by agencies of the Government for appropriations for the fiscal year 1951, in which we are now operating.

Mr. President, there is no blame to be attached to the action of either committee. To the contrary, they were serving ably, they were serving splendidly, and they both showed a grasp of the situation.

But, Mr. President, war is now here, and that fact is going to change and must change the thinking of every Senator, just as it has already changed the thinking of every businessman, of every farmer, of every young man who is facing possible induction into the service. Every person in our entire Nation necessarily has to readjust his thinking as to his own situation as well as to the situation of his State and Nation in the light of the changed conditions. Mr. President, if we did not recognize that changed situation, if we did not adopt a different approach, if we did not bring out a different answer, we would simply make it appear that we thought the problems of this Nation which is now at war and now in the critical condition which we recognize, were identical with the problems of this Nation as they were thought to be by these two able committees—and they had every right to think them so to be in the spring and the summer—when they were passing upon the peacetime estimates which had been submitted to them.

Mr. President, so much for that point. The next point I want to make is this, and I ask Senators to follow it carefully because the performance of the Senate is going to be measured not only by our demonstrated understanding of the changed situation, but it is going to be measured to some degree by a comparison of the attitude which we are reflecting after war has come with the attitude reflected on the floor of the House when the House passed this particular measure. The House wrote into the bill before it permitted its passage, two amendments. I shall not labor the question as to what is involved in those amendments. One was the Taber amendment, appearing as chapter X-A of the Senate bill; the other was the Jensen amendment which is now sought to be replaced by the amendment offered by the Senator from New Hampshire [Mr. BRIDGES], the Senator from Virginia [Mr. BYRD], and other Senators of whom I am one.

Mr. President, no matter how wise or unwise those amendments were—and personally, my thinking is different from the approach used under both of those amendments—the fact remains that the House of Representatives, before the existence of war, in performing its function against the background of peace, for peace then seemed to be here for a good long time, insisted upon putting two general economy amendments upon the bill which would have effected a saving of somewhere between a billion dollars and $1,200,000,000, if the figures reported by the staff are correct, as I believe them to be.

Mr. President, it is now proposed here, after weeks of debate and after war has come, that we go along with the striking of both those efforts at economy and pass to the conference a bill without any general approach toward economy whatever. In the House there were two amendments with an attempt to indicate economies effected by the lopping off of approximately $1,200,000 in the general list of expenditures, and in the Senate both of those amendments are to be stricken and nothing offered to take their place. In spite of the fact that we are at war, there is nothing offered which looks to reduced expenditures except the amendment offered by the Senator from New Hampshire, the Senator from Virginia, and other Senators.

Mr. President, this bill will go to conference. I think the Senate owes it to itself, in the first instance, to show that it realizes the fact that we are at war, that conditions have changed, that the able committee could not possibly base its decisions upon the present conditions, and that we, in justice to ourselves and to the country, ought to make it clear that, in our judgment, the changed conditions require and necessitate a reduction of the expenditures of our Nation in these civilian activities of our Government which have nothing to do directly with our defense. If we do not take that action, we shall be unfair to ourselves and to our country.

There is another thing which I want to mention. If we do not take that action, I think we shall be unfair to our committee and to the conferees who have to go into conference on the bill.

Mr. President, I remind Senators that the House bill will come to conference with two House economy amendments on it. We should pass a bill with this particular amendment or some other general economy amendment, and not pass a wide-open peacetime appropriation bill, knowing that war has changed our situation and problems, without any instructions whatever or any indications whatever to our conferees as to where economies should be effected. It is from that point of view that I think it is highly necessary not only for the protection of the country and the protection of Senators themselves, but in particular for the holding up of the hands and giving information to our conferees as to what is the attitude of the Senate as a whole that this amendment be passed because, carefully drawn as it is, I think it makes very careful distinction between exempt fields of appropriation, on the one hand, which are not affected by the amendment and wherein appropriations are not reduced, such as the appropriations for defense, atomic energy, law enforcement, and tax collection, and the other group of activities, as to which this amendment makes it clear that this Senate thinks, not as against the background of when the bill was being drawn but as against the background now existing, that substantial reduction is in order, and that these particular activities can be and should be reduced. I think the conferees would go to conference with a much better understanding of what the Senate wants and with a much better chance of bringing back a good sound bill under which these agencies could properly function, if we passed this particular amendment for the guidance of our conferees.

To summarize what I have said, I think we owe it to ourselves and the

country to make it clear that we realize that this Nation at war should not go on with the business-as-usual, big-Government-as-usual, and expenditures-as-usual basis, which might have prevailed very properly if the situation were otherwise and if we were going toward a more lasting peace.

If we pass this amendment we would not only be fair to ourselves and our country, but particularly we would be pointing out to our conferees, who as Members of the Senate will want to know, what the opinion of the Senate itself is upon the question as to which appropriations can be properly cut to meet the emergency. By the passage of this amendment we would indicate to them that we think there are items that should be left as they are. They are the items in the exempt classifications. However, we would also point out that we do think there are other items and other activities that do not have to continue on a 100-percent basis in time of war as they would be continued in time of peace. With the passage of this amendment, Mr. President, the conferees would go into conference with the definite expression from the Senate that we have divided out from the essential wartime activities of our Nation those which do not have such direct relation to our national defense. We would have the first class of items, those that are essential. They should stay as they were originally put in. We know that some of them will require much more in the near future. As to the other items, however, we feel that they should take cuts, and we do not believe any harm would be done by such cuts.

I know that during World War II some 16 or 17 Members of the Senate served as Governors of their States. They had to reduce their budgets, and usually more than the 10 percent which would be accomplished under the terms of this amendment. They found it not impossible to do. They found it quite easy to do. They found their people not only expected it and approved it, but were highly satisfied with the reduction in size of the civil agencies and functions of government.

Mr. President, I think such a situation prevails now. I confess I am disappointed that heads of agencies which are not essential to the successful defense of our Nation have not come in and offered to take reductions and to point out the places where such reductions could be accomplished. I think that is what they ought to be doing. I regret they are not doing it. Since they are not doing it, I think it is the clear duty resting upon the Members of the Senate, and ultimately upon the whole Congress and the President, to see that appropriations for these nonessential agencies be reduced in conformity with the fact that we are operating under wartime conditions.

I want to say that I much prefer this amendment to either or both of the amendments offered in the House. If the Senators will follow the remarks which I am about to make, perhaps they will see some compelling fact in what I am about to mention, namely, it seems to me that the reductions proposed by the House, which will be in conference no matter what form of bill we send to conference, are absolutely wrong in the light of the changed conditions which now prevail. For instance, if Senators will read one of the amendments, they will find that it actually proposes a reduction of defense personnel—not a large reduction, but nevertheless a 2-percent reduction in defense personnel. Many of the activities which we now know to be so necessitous are not exempted by the House amendments. For instance, the personnel for the collection of revenue, personnel for the handling of our immigration problems, and numerous other agencies, which we certainly want to have functioning on a basis of real effectiveness during wartime, and many other such activities that I could mention, are not exempted in the House amendments, as they are under the terms of the proposed Senate amendment which is now pending. This amendment has been very carefully drawn and I think it carefully discriminates and differentiates between activities which are essential to the war effort, and which are exempted from this 10-percent cut, and activities which are not essential to the war effort and are subjected to the 10-percent cut.

Mr. President, I am glad to see the junior Senator from Illinois on the floor of the Senate, because I want to say that while I have not been able to support him in all the efforts he has made, I have a very wholesome respect for the way in which the Senator from Illinois has devoted himself to the effort to bring down the total of the appropriation bill to something like what we can pay or should pay for the civilian activities of government under our present confused and difficult situation. Certainly I want him to understand that while I have been able to vote with him on some things and not vote with him on others, nevertheless I greatly respect his approach to this problem. I honor him for his approach, even though at times he must have felt like a man armed with a toothpick or a teaspoon trying to chop up an iceberg. That is all it has amounted to. Going at an appropriation bill item by item the Senator from Florida would respectfully say to his good friend the Senator from Illinois is quite properly to be likened to an attack on an iceberg, in the hope of demolishing it, with a toothpick or teaspoon.

We have come down now to where we can by general effort, which is an effort based on the desire to discriminate between essential and nonessential items, approach the problem in a way in which I hope a majority of the Senate are willing to enact savings which will amount to around $800,000,000.

Mr. President, there were other particulars in which I was not wholly in accord with the approach made by the Senator from Illinois, but I think it would be useless to discuss them now. I do want to mention just one of those particulars, however, namely, the one that has to do with internal improvements, particularly for flood control and waterpower development.

If we are in the middle of a hot war which will continue as such, those things which cannot be quickly completed will of course be cut off by Executive decision; and if we are not in the middle of a hot war, but will shortly find ourselves back again in the progress of a continuing cold war for an indefinite period of time in the future, I say respectfully to the Senator from Illinois that I think it is of very great importance to have available appropriations in these particular fields. I especially name flood control and waterpower development because if we press them to completion, we strengthen the sinews of war in this Nation, and every additional project we complete we find ourselves better able to cope with the problems which will possibly confront us in the future in the event of a long war.

Mr. President, on that point I may say that it is not necessary to complete every internal improvement to get value from it. I happen to know of one which is in my own State, and which will have to be differentiated from some of the others in my State. I think every additional mile of levee finished and constructed on that project serves a two-fold purpose, of saving lives or property in the event of a disastrous flood, and also saving additional precious acres for the production of an immense amount of food which will be of incomparable value to our Nation in time of great or global war.

It seems to me, therefore, that in his thinking on that point the Senator from Illinois may have been mistaken. I realize that he was perfectly sincere in his approach. Perhaps he was right and the Senator from Florida wrong, but at least it seems to the Senator from Florida that the action sought to be taken by the Senator from Illinois in the matter was not sound in that, in the first place, if hot war comes, the action is not necessary, and is meaningless, because the cut-backs will come anyway; and if hot war does not come, I think we should press ahead with all vigor to conclude construction of these very great developments, which mean so much to the strength and power, the food-producing power, of our Nation.

Mr. President, I am not going to dwell longer on this particular point. It seems to me that the Senate must adopt this amendment or leave itself on the RECORD as having determined that there is no war going on, and that if there is a war going on, it does not change our situation at all, and that the painstaking and devoted efforts of the committee of last summer, rendered against a back drop of peace and promised peace, are still applicable to the present situation, changed as it is, and disagreeably changed.

Mr. President, I come now briefly to a discussion of the amendment offered by the senior Senator from New Jersey [Mr. SMITH], for whom I have the deepest respect. I doubt if the Senator from New Jersey has any keener desire than I to carry on to its logical, successful conclusion the ECA effort, which I think has already rendered great service to ourselves as well as to our allies, a great service in the cause of freedom and free men everywhere. I submit that I am as anxious to carry that on to successful completion as is the Senator from New Jersey, but I am strongly of the feeling that the amount of the appropriation

can, against the background of what has happened to us in the last several weeks, be cut down and reduced without in any way jeopardizing the successful completion of that great effort.

I wish to associate myself wholeheartedly with the remarks made a little while ago by the senior Senator from Massachusetts [Mr. SALTONSTALL] on that particular point. I believe it was sound, and I should like to carry a little further two points which the Senator from Massachusetts made so ably, namely, that we were going to be called upon very soon to do two things which do affect very greatly the interior economic stability of our friends in western Europe, and that we must have that fact in mind as we pass upon the provisions of the bill relating to ECA, which affect them now.

One point has to do with the raising of the amount for our strategic stockpiling of materials. We have already raised it somewhat in this year's bill, as related to last year's bill. We have raised it to $730,000,000, and if the Senators care to look through the record of what was done last year and the year before, they will find that much, indeed, the great majority, of the stock-piled materials which were required for our Nation to make a bulwark of safety and security in the event we are thrown into global war, was purchased from and came from our friends in ECA. In some instances they produced within their own areas in Europe some of these vital materials, and in other instances, in many instances, in fact, empires like the British Empire, the French Empire, and the Dutch Empire, produced in their colonies, possessions, and dependencies lying outside of their own territorial limits, these materials which are regarded as of such strategic importance to us.

I call attention, therefore, in the first instance, to the fact that the pending bill raises materially, raises substantially, the appropriation for stockpiling, and that that very fact will throw more business into the hands of our friends in western Europe, in the regular channels of trade. That is the finest thing that could happen, because that is regular trade, where real dollars move from us in the purchase of materials produced by them and help to restore the sound balance which we are so eagerly hoping eventually to restore.

I go to the next point mentioned by the Senator from Massachusetts when he called attention to the fact that the supplemental estimate that reached us a few days ago calls for $600,000,000 additional money for stockpiling to be made available immediately.

Mr. President, no matter how much this appropriation is combed with a fine-tooth comb—and we may reduce the appropriations—it is inconceivable to me that the Congress of the United States will not listen to the advice of the executive department of the Government and of the leaders of the Armed Forces and those who are responsible for our industrial mobilization when they tell us that our stockpiles are not large enough, that we need more money to acquire more of such strategic materials, particularly in certain very vital cases, and that we should step up greatly the tempo of our acquisition of these strategic materials.

Every Senator knows that we are certainly going to appropriate whatever can be justified, and it is not going to be very far from what is asked for as necessary to build, as rapidly as we can, our strategic stockpiles. We are going to make the appropriations, and I call again to the attention of the present occupant of the chair, the senior Senator from Washington [Mr. MAGNUSON], who himself has been so interested in this subject matter, together with all other Senators who are present, the fact that of necessity most of the added amount, just as most of the $730,000,000 already in the bill, is going to have to be spent in ECA countries, because they are the only ones who produce, either by themselves or through their dependencies, the materials which are strategically of such vital and of such overwhelming necessity to us.

Mr. President, I have looked at the proposed budget, and I am just as sure as that I am standing here that there is more business for our friends in western Europe, the ECA nations, involved in the $600,000,000 added stockpiling appropriation, and in the expenditures to accomplish it, than there is in the reduction of the $245,000,000 which is proposed under the amendment we are considering at this time.

But, Mr. President, that is not the whole of the picture. There is yet another part of the picture which shows greater and even greater acceleration of the business of Europe. I do not feel justified in referring to it in too great detail, though if Senators wish to do so they will find in committee the papers, they will find the justification of the supplemental estimates which have reached our committee. I understand that the committee has not considered it. It is not classified information, but I prefer not to discuss it in detail so long as the committee has not itself yet had the opportunity to consider it, because I do have the greatest of confidence in the patriotism, the ability, and the industry of the able chairman and the members of his committee. I know that they will give due effect to those supplemental requests and the others which are being made now by the President just as quickly as he can prepare them. But I do feel justified, since the Senator from Massachusetts has already put the matter in the RECORD, in calling attention to the fact that one of the supplemental estimates calls for $4,000,000,000 of military aid over and above what is in the present bill, and that the President asks for its quick consideration and for its prompt appropriation, in order that the timing of our stepping up of the ability of western Europe to stand with us sturdily, if there should come serious difficulty shall be accelerated so that they will be sooner prepared than if we merely continued the present program.

Mr. President, this $4,000,000,000 is broken down, and Senators can see the justification, if they wish. It is available in the Appropriations Committee. I shall not quote the figures. But they can see for themselves how that justification is broken down into amounts to be expended here, and then into amounts to be expended overseas in the ECA countries themselves, to build up their facilities in the one case or give them more materials to enable them to work at full blast with many of their facilities which are not now operating at full blast, so that their economy must be greatly affected for the better by the expenditure of these increased amounts.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. KNOWLAND. I should like to ask the able Senator from Florida, apropos of his discussion of the $4,000,000,000 supplemental arms implementation program, if he does not think it would be advisable for the State Department and the National Defense Establishment to give more attention to the Pacific flank. I have at this moment more particularly in mind bringing both Australia and New Zealand into the picture. So far as I can learn from reading the press dispatches dealing with the statement from the White House the other day, there is no provision in the request for funds which is being submitted to us which would cover Australia and New Zealand. In the event of trouble of a major sort breaking out in the Pacific, and in view of Prime Minister Menzies' speech here yesterday, it seems to me that we should not underestimate the importance of the Pacific flank in the arms implementation bill.

Mr. HOLLAND. I appreciate the question and the remarks of the Senator from California. I thoroughly agree with him that just as we are helping friends in one direction to make themselves strong and able to help themselves and us, so we must help friends in the other direction to do exactly the same thing. I comment only for myself, but I believe my comments will find approval in the heart of every Senator who was present and heard Prime Minister Menzies yesterday. I comment, however, only for myself when I say that I have not heard in a long time such sturdy, self-reliant, pioneering words coming from good never-yielding stock as I heard from the Prime Minister of Australia yesterday. I say if we cannot back up the Australians and New Zealanders and stand with and help them to arm themselves and help to make themselves the effective force for liberty and the effective force for freedom they want to be, we are very unwise and blind to the fact that we have no such natural friends on top side of green earth, except the Canadians on our northern boundary. I fully agree with the sentiments expressed by the Senator from California.

Mr. President, I spoke of the reduciton a while ago as $245,000,000. That would be the reduction accomplished by taking 10 percent of the amount mentioned in the bill, which has now been restored under the amendment adopted yesterday, from an amount somewhere under $2,400,000,000 to $2,450,000,000; 10 percent of that, of course, would be $245,000,000.

There is in addition a small amount that is carried over, variously mentioned in the debate today all the way from some $230,000,000 to two-hundred-and-seventy-odd million dollars all across the board. There seems to be some question as to exactly how much there is in the carry-over. But 10 percent of that amount would be cut off by the amend-

ment offered by the Senator from New Hampshire [Mr. BRIDGES], the Senator from Virginia [Mr. BYRD], and other Senators.

Mr. President, that amount, that whole 10 percent—or about $270,000,000—will be so far offset and so completely offset by the added amounts for stockpiling which will be purchased through ECA countries, and the added amounts for arms aid which will be expended through those countries, that there will be no comparison between the lesser amount which we proposed to cut off here, the 10 percent, and the much larger amount which will be poured into their domestic economy through the two other channels which I have just mentioned.

So in conclusion, Mr. President, it seems to me that to make a distinction between ECA and vital, very vital agencies, domestic agencies of Government to which we are applying cuts in the amount of 10 percent, would be unwise. Are not these people our partners? Are they not our allies? Or are they simply beneficiaries? I think they are our partners and allies, and I think they are as proud to be considered as our allies as we are proud to be considered theirs. I think they will feel that we have done the right thing in applying to this particular expenditure, now become so much less necessary than that part of the helping of Europe which has to do with arms aid, that they will be so sure that this effort must be subordinated to that, that they will approve heartily the consideration of this effort as of no higher standing than that of our own domestic agencies to which we apply a 10-percent cut.

Mr. President, I very strongly hope that the Senate of the United States, looking now at the backdrop of war which has fallen back of the stage, changing the scenery since this bill was developed by a devoted and excellent and patriotic committee, and realizing the meaning of the changed scene, will make a reduction in ECA, particularly when it knows that it can do so without hurting one bit. To the contrary, Mr. President and Senators, the amounts which I have spoken of as being added to the stream of American money which is going into European industry in connection with the stockpiling and arms-aid efforts, are so much greater than the cut we propose to ECA, that when the time comes for us to consider those amounts, I think we are going to see that it is going to be necessary for us to take steps to reduce further the ECA appropriation. I would not be in favor of doing so at this stage, but I do think, with all the information we now have, we have definite assurance that we are not hurting this important objective by the application of the same degree of cut-back to them that we are applying to our own important domestic agencies.

BUILDING AND OPERATION BY THE DU PONT CO. OF PLANTS FOR THE PRODUCTION OF HYDROGEN BOMB EXPLOSIVES

Mr. FREAR. Mr. President, I have just been advised of an announcement by the Atomic Energy Commission to the effect that the du Pont Co. of Wilmington, Del., will build and operate plants for the production of hydrogen bomb explosives. The fact that it is necessary to produce any atomic weapons is regrettable, but in the light of existing international conditions no other course of action appears possible. It is a source of great satisfaction to me personally, and I know to all the people of Delaware, that the Government has asked the du Pont Co. to play a major part in this program.

As I am sure you know, Mr. President, du Pont has already had wide experience in the field of atomic energy. The company built and for a time operated the huge atomic plant at Hanford, Wash., during and until shortly after World War II.

I am advised that the du Pont Co. officials in their proposed contract with the Government have stipulated that all patents growing out of this work are to go to the Government and that the company will receive a fee of $1.

I am completely confident that this important assignment by the Government could have been placed in no more capable hands than those of du Pont Co. As the Senate may recall, only a short time ago I made here on the floor an address in which I expressed the belief that in the present emergency, the du Pont Co.'s facilities and its personnel stand ready at any time for a call by the Government. Those comments, Mr. President, were made in connection with an incident, which I described, concerning the inability of the du Pont Co. to supply business establishments of this country with an adequate supply of cellophane, a product extensively used in the packaging of foods and other goods. The du Pont Co. has been unable to meet its demands because a pending suit by the Department of Justice against du Pont made it undesirable for this concern to proceed with the construction of additional plants.

I said then, Mr. President, that in my opinion this is no time for our Government to restrict the activities of American business, either large or small; and I added that a company is not good or bad because of its size. The du Pont Co. has made its greatest contributions to America's economic life in the field of chemistry. In doing so, it has provided employment for thousands and thousands of our citizens, and most of its products are in constant and increasing demand because of their high quality. The fact that this company has been so successful in this field indicates to me that its efforts to assist our Government in atomic projects will be equally successful. This has already been proven by the company's accomplishments during the past war, and I know it will attain comparable results in its newest endeavors in the atomic field.

Mr. President, American business is probably the most expressive form of our free economic system, and I hope it will ever remain so. Without it, I fear that our standard of living, and in fact our whole way of life could not successfully continue.

I join with all other peace-loving peoples in the hope that the mere feasibility of an H-bomb will successfully deter any further aggression on the part of unscrupulous Governments. I commend the leadership of this Government in association with American business and industry in leading the way toward the successful attainment of essential weapons to defend the democratic way of life, and thereby to hasten the day when world peace will be a reality.

UNIVERSAL MILITARY TRAINING—STATEMENT BY SENATOR MALONE

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a release issued today from my office on the subject of the universal military training bill, Senate bill 66, now before the Armed Services Committee.

Mr. President, I joined in introducing this bill on January 5, 1949, and if it had been passed at that time we would have trained troops in Korea now instead of sending untrained boys up against the superior training of the North Koreans.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 2, 1950.—United States Senator GEORGE W. MALONE (Republican, of Nevada) today called on the Senate Armed Services Committee to report out the Malone bill for universal military training, S. 66, introduced in the Senate on January 5, 1949. The Nevada Senator said that the American Legion and the military leaders of the Nation are now calling for "just such legislation as is provided for in the Malone bill which was referred to committee a year and a half ago."

It is being suggested by congressional leaders in the Capital that the Malone bill, which when passed will be cited as the National Security Training Act, will now at last be considered, that hearings on the bill will be started before the Senate Armed Services Committee.

Senator MALONE said that he agreed with Secretary of Defense Louis Johnson and the other military leaders who recently have expressed the opinion that, had a universal military training program been adopted, when the Malone bill was introduced, we would not have suffered such severe setbacks in Korea. Our boys must have the proper fundamental training and the most modern equipment so as to have an even break in any conflict," the Senator said.

Senator MALONE expressed the belief that the Korean situation might never have arisen in the first place if the State Department had not blundered in advocating loss of China, Manchuria, and Korea. In this connection, Senator MALONE said: "For 3 years I have been pressing the executive branch to name the nations in Europe, Asia, the South Seas, and Africa, whose integrity is important to our ultimate safety, and to build a national defense organization, spearheaded by an Air Corps and a submarine fleet, strong enough to defend those areas, so that the entire world would be on notice not only as to our position, but as to our ability to fight if necessary to maintain that position. The executive branch paid no attention to these demands, and even now have no fixed foreign policy. The people of foreign nations and our own people are entitled to know just what we intend to do and what areas we must protect for our own ultimate safety.

"It has been demonstrated that we must keep our Nation strong industrially and militarily. An important part of the over-all program to keep us strong is the permanent establishment of military training as provided for in the Malone bill."

AID GIVEN BY OUR COMBINATION DOMESTIC AND FOREIGN POLICY TO THE ADVANCEMENT OF COMMUNISM—STATEMENT BY SENATOR MALONE

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement released from my office on July 26, relative to the effect of our combination domestic and foreign policy on the advancement of communism.

The attack on American industry which has been carried on within the present administration, through its free-trade policies, curtailing or preventing the domestic production of the articles so necessary to our national defense, constitutes a dire threat to our entire economic structure.

Our State Department at the same time was advocating the loss to Russia of Manchuria, China, and Korea—and at the same time gave Berlin to the Russians without means of ingress or egress.

The combination of wrecking our economic structure and giving away strategic foreign areas has more than doubled the hazards in the defense of our country.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., July 26, 1950.—United States Senator GEORGE W. MALONE (Republican, Nevada) charged today that we have been "sold out" by our State Department. The Nevada Senator said that the foreign policy of our Government "which got us into this war was part of a deliberately designed plot to advance communism."

Continuing, Senator MALONE said: "The handing over of Asia to the Soviets, the arming of Russia through Marshall-plan countries, the encroachment of socialistic ideas in our legislation here, and the wrecking of American industry were some of the steps in the treacherous plot.

"Undoubtedly, Stalin thought he had the nod from Acheson to go ahead in Asia. Everything points to that. But Acheson's position on Korea was suddenly reversed, and it may be presumed that he is now apologizing to the Hisses and his other Communist friends. Our position in Asia and elsewhere is just what could be expected with the personnel of our State Department what it is.

"On the home front, the Red plot has been carried on within the administration by a constant attack on American industry. This attack has come through (a) Government regulations so designed as to eliminate venture capital, which made this country great; (b) taxes so designed as to eliminate initiative; (c) a foreign free-trade policy so designed as to curtail domestic production; and (d) reckless spending on the part of the Government so designed as to threaten our whole economic structure.

"Until this country squarely faces its errors in foreign and domestic policy, which is all one policy, until it abandons the spend-and-elect theories of welfare statism, and until its citizens are discouraged from running to Washington for hand-outs we will continue to tremble before the threats of a people backward in production and culture. Until that time, the prestige of America will continue to sink as it sank in the face of the Korean affair.

"How far are we now from the mood for reclaiming our national self-respect? Unless there is a complete reversal in Washington's mood, this armed outbreak will be the occasion for more reckless spending, further demands for power, and more of all the same trappings that have accompanied this country to its present plight.

"There will no doubt be bigger requests for all sorts of things that can in some way be tied to the label 'national defense.' We will not question many of these expenditures. Peace that was so costly won has been thrown away by blunders and stupidities. And with it gone, we must, however sadly, prepare to defend curselves against the possibility of new onslaughts.

"We do not anticipate that the present administration will curtail its spending on nondefense items. It has shown no love for a balanced budget or a strong currency. Now is the time Congress needs a little backbone to stand up against Government waste and against unlimited powers for the administration—all in the name of saving us.

"We need to remind ourselves that our first and foremost task is to keep ourselves strong. Only with a strong American industry can we win. The anti-Communist forces of the world that are able and willing to fight are outnumbered. The defense of the free world must be achieved by quality which is able to overcome quantity. We are not big enough to overwhelm our opponents by the massing of military power. Since we cannot hope to be bigger, our fate depends on whether we can be better.

"Where is the greatest danger—at home or abroad? We have been repeatedly warned that we are in danger from within. Since 1932 there has been a constant war against America, within our gates.

"The State Department's foreign free trade policy, through the 1934 Trade Agreements Act, as extended, which has been erroneously called 'Reciprocal,' has removed the floor from under wages and investments and has stopped the flow of venture capital in a large section of the industrial field. American mines have been closed, and at a time when an adequate stockpile of strategic metals and a going-concern mining industry is vitally needed. The so-called escape clause proved to be no escape; a deaf ear has been turned to the American industries which have appealed for relief from the State Department's actions. The so-called peril-point provision is just as much of a snare and delusion; in case of a test, it would mean nothing, because it provides only that when the peril point is reached the President write a letter to Congress. Nothing more.

"Let us clean up the home front, give assurance to American people that American industries and things American will be protected. Let us once and for all put a stop to the foreign policy which weakens our positions abroad and destroys our industries at home. Let us fight for ideals and for an administration that will uphold them when this war is at an end. The boys on the front have little to fight for unless they can know clearly that they are defending the American way of life."

TIMID REPUBLICANS—EDITORIAL FROM THE CHICAGO DAILY TRIBUNE

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Timid Republicans," which appeared in the Chicago Daily Tribune of July 27.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TIMID REPUBLICANS

The Democrats in Congress are almost a total loss to the country. They know that the administration invited what is happening to our Army and our prestige in Korea. In the circumstances, the only thing the Democrats can do is to wrap the flag around them and cry that in such a time of crisis the Executive must be supported in every proposal he now offers.

The Democrats, to save their own hides, have to pretend that the President is a leader whose recommendations for domestic legislation on taxes and economic controls can safely be trusted. The Republicans are under no such necessity. There is nothing to prevent them from examining the administration's proposals and pointing to the flaws in them. Nevertheless, with the honorable exceptions of Mr. TAFT, Mr. MALONE, and a few others, the Republicans are taking the whole business lying down. The country expected better of them and is bitterly disappointed.

First, as to taxes: They are surely going up, but even before they are raised the Government's expenditures for nonmilitary purposes should be shaved to the bone. If the Republicans were worth their salt, they would be crying for the reduction of farm subsidies, for the dismissal of thousands of departmental press agents, and all other superfluous help in Government offices, for the withdrawal of all funds for reclamation and river and harbors pork until the war is won, for denying free service in veterans' hospitals to anyone whose disabilities are not service connected, and for a great many other economies of the sort which, in the aggregate, could save the war-burdened Treasury $10,000,000,000 a year.

With that accomplished, the need for new taxes would be considerably less.

Second, as to economic controls: The Republicans know that a voluntary system of giving priority to military contracts can be improvised in a couple of days and will work more quickly and more effectively than any compulsory system that can be devised. A voluntary system of allocating raw materials and factory facilities to war needs is all that is required, at least for the present, and anything more than that will only delay a start until an elaborate bureaucratic machine is assembled and set in motion. A voluntary system of allocations will save months and millions.

The measures which the President is proposing are wholly disproportionate to the scale of the war. All that Mr. Truman's controls will accomplish is to tie the Nation in knots, hamper production, and promote the Socialist revolution to which he long has been committed. The war gives him an excuse for demanding the dictatorial power that he craves but is wholly unfit to wield. Why haven't the Republicans had the sense and courage to say so?

PROVIDING FOR THE WARTIME BUDGET BY MAKING SAVINGS IN OUR PEACETIME DOMESTIC EXPENDITURES

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a release from my office under date of August 2, showing how $8,000,000,000 can be saved for the wartime budget, through making reductions in our peacetime domestic expenditures.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 2, 1950.—United States Senator GEORGE W. MALONE (Republican, Nevada) said today that there is no need at present to raise the taxes on the overburdened American taxpayers. In a statement issued by his office in the Capitol, the Nevada Senator said it is unfair to call on the American people to support Europe and pay for new domestic peacetime projects while they are carrying the cost of the war.

"We will provide whatever is necessary to win this war," Senator MALONE said, continuing: "The administration has called on the people to tighten their belts. The administration should tighten its own belt along with them—call a recess in its world-wide boondoggling, its peacetime projects,

and, in fact, all domestic spending which is not absolutely necessary."

The Senator has suggested the following savings which he says would make available the funds now requested by the President for the expanded military program without raising the tax rates at the present time:

(a) Suspend ECA, a peactime endeavor, save $3,000,000,000.

(b) Suspend domestic peacetime public works, save $500,000,000.

(c) Suspend 20 percent of civil government spending, save $3,500,000,000.

(d) Suspend extra foreign military assistance, save $1,000,000,000.

Total savings, $8,000,000,000.

The Senator made the following comments about the four items:

"(a) ECA assistance was to be dependent upon continuity of cooperation among countries participating in the program. Furthermore, ECA assistance to European industry—the carrying on our backs of 16 foreign countries—was to be a peacetime endeavor. We must pay for a new war now.

"(b) Worthy as are our peacetime public works, our taxpayers cannot be expected to pay for these while having to bear the heavy cost of war.

"(c) Let us look at our budget for the current fiscal year:

"National defense	$13,545,000,000
Veterans' services and benefits	6,080,000,000
Interest on public debt	5,625,000,000
Remaining	17,189,000,000
Total	42,439,000,000

"I have suggested that we save 20 percent on the last item, the seventeen-billion item. This would be a reasonable cutting back of the Government's domestic expenditures, and would not take 1 penny from national defense, the stockpiling of atomic energy, veterans' aid, or interest on the public debt.

"(d) The money appropriated for military assistance to foreign countries can now be better spent in our expanded military program, which doubtless will be on a global basis. Our military programs should be unified."

Senator MALONE concluded: "There is no valid reason for gouging the people to build up peacetime economy in Europe and finance domestic peacetime projects here while we are on a wartime basis. Economy is a much sounder method of meeting the increased military costs than burdening the American people with more taxes."

PRESIDENT TRUMAN'S APPROVAL OF LEGISLATION FOR STAND-BY PRICE, RATIONING, AND WAGE CONTROLS—STATEMENT BY SENATOR LEHMAN

Mr. LEHMAN. Mr. President, yesterday I issued to the press a statement commenting on President Truman's approval of legislation for stand-by price, rationing, and wage controls. I ask unanimous consent to insert that statement in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN ON THE PRESIDENT'S MESSAGE ON STAND-BY PRICE, RATIONING, AND WAGE CONTROLS

I am pleased that the President has approved the idea of stand-by price, rationing, and wage controls. I feel that such controls may soon be necessary, if they are not necessary already. I agree that the powers proposed to be granted should be authorized in such a manner as to make their application flexible in the situation as it develops. But the country must know and must be assured that inflation is not to be allowed to run rampant. The health of the national economy must be preserved. Whatever powers are necessary to guarantee this must be granted and must be enforced whenever and in whatever manner necessary.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. PEPPER. Mr. President, one of the provisions of the amendment submitted by the Senator from New Jersey [Mr. SMITH] to the Bridges-Byrd amendment reads as follows: "so much of title III of chapter X–B as is contained in the paragraph headed 'Aid to Palestine Refugees'."

Mr. President, the purpose of the Smith amendment is to exempt from a further 10-percent cut, such as is proposed by the Bridges-Byrd amendment, the subjects covered in the ECA legislation, namely, the mutual defense assistance program, the Economic Cooperation program, the international children's welfare work, international development, the mutual defense assistance program, and aid to Palestine refugees.

The Senator from New Jersey is to be commended, in my opinion, for offering this amendment and asking the Senate not to impose a second 10-percent cut on the appropriations for these purposes, all of which were embodied in the ECA authorization bill passed by the Congress, and all of which are directly related—as is the amendment I shall discuss—to the peace and progress of the world.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CONNALLY. Is it not true that a few days ago we had a direct vote in regard to making provision for ECA, and that the Senate sustained the ECA on these very items? Now to reconsider them and take another cut at them is not in accordance with our method of procedure?

Mr. PEPPER. I thank the able chairman of the Foreign Relations Committee for his inquiry and observation, and I wish to commend him for already having acquiesced, without opposition, in the making of the cut of 10 percent in the ECA funds, as recommended by the Appropriations Committee.

In other words, the distinguished chairman of the Foreign Relations Committee, supported by the members of his committee, already has recognized the need for all possible and practical economy, and has accepted a 10-percent cut in ECA appropriations, as recommended in the wisdom of the Senate Appropriations Committee.

However, I think it is the position of the distinguished chairman of the Foreign Relations Committee—and it is certainly mine—that a second 10-percent cut should not be imposed on the appropriations for those items, which are as vitally related to the peace and security of the world as is the defense effort itself.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. FERGUSON. I wonder whether the Senator from Florida is not mistaken so far as the appropriation for aid to Palestine refugees is concerned. The full amount of the budget estimate was allowed; no 10 percent cut was made in it.

Mr. PEPPER. I understood that the Appropriations Committee had recommended a 10 percent cut, and that a 10 percent cut was made, on the recommendation of the committee.

Mr. FERGUSON. No; the full amount of the budget estimate was restored.

Mr. HAYDEN. It was restored, on my motion.

Mr. FERGUSON. Likewise, the appropriation for the international point 4 program is up to the amount of the budget estimate, namely, $26,900,000. So no cut has been made in it.

Mr. PEPPER. So the Palestine refugee fund is now back to the amount of the budget estimate; is it?

Mr. FERGUSON. Yes; it is back to the full amount of the budget estimate, namely, $27,450,000. So is the appropriation for the point 4 program.

Mr. PEPPER. Mr. President, I thought the same principle should be applied. I would acquiesce in the application of the principle similarly to the appropriations for all these subjects. I shall not ask for special treatment in favor of the Palestine refugee fund, although I feel that the Foreign Relations Committee was correct in speaking of the significance of that program.

I wish to read what the committee said in January in support of the resolution allowing approximately $27,500,000 for that purpose. As I understand, there is $27,500,000 in the bill for this purpose.

Mr. FERGUSON. The exact amount is $27,450,000, which is the budget estimate.

Mr. PEPPER. That is very good. So there would be only one 10-percent cut for the Palestine refugee fund, even if the Bridges amendment should prevail.

Mr. FERGUSON. That is correct.

Mr. PEPPER. Mr. President, while, as I said, it is very questionable whether there should be any cut in these funds, I am not disposed to ask that they be treated in any more favorable way than the ECA appropriation was treated. But I do want to call attention to what was said in the report of the Foreign Relations Committee:

REASONS FOR COMMITTEE ACTION

Quite apart from humanitarian considerations, the committee believes that it is in the interests of American foreign policy to continue our contribution to the Palestine refugee program. The presence of 750,000 refugees in the Near East constitutes a serious strain on the economies of the Arab states and consequently creates real dangers to the peace and security of that area. Moreover, it is apparent that so long as the refugee problem remains unsolved, one of the major sources of friction between Israel and the Arab states will be prolonged. On the other hand, a satisfactory solution of this problem would ease existing tensions and contribute greatly toward an over-all political settlement in Palestine and the Near East.

No one can doubt that peace and security in the Near East have a direct and important bearing upon the security and prosperity of the western world. Taken together the six countries of Israel, Egypt, Jordan, Syria, Lebanon, and Iraq comprise an area of great strategic importance in world affairs. They serve as a vital cross road of world-wide sea and air communications, they are a major

source of petroleum supply, and they are the center of the Moslem religion whose followers number nearly 300,000,000 people.

Traditionally our relations with the peoples of the Near East have been friendly. The committee strongly believes that the reservoir of good will which we have built up in that area is well worth preserving. This resolution will help accomplish that purpose, for our leadership in a humanitarian enterprise such as this is not likely to be forgotten by the peoples of the Near East.

I am pleased to learn that the committee has restored that 10 percent cut, and I shall not ask treatment more favorable than is accorded to these other subjects. Let me ask, has anything been done about the International Children's Fund?

Mr. CONNALLY. That is in the bill.

Mr. PEPPER. I understand that, but is the appropriation the amount the Bureau of the Budget requested for that fund?

Mr. HAYDEN. No. My recollection—we did not allow the Budget request, but we allowed more than the House did.

Mr. PEPPER. The Senate committee allowed a 10 percent cut of the budget request; is that correct? Does the Senator from Michigan recall what was done?

Mr. FERGUSON. The Budget estimate was $15,000,000, and the committee allowed $12,500,000.

Mr. HAYDEN. Twelve million five hundred thousand is correct.

Mr. PEPPER. Is it proposed that that be cut again, unless the Smith amendment is adoped?

Mr. FERGUSON. That item would come under the cut.

Mr. PEPPER. Mr. President, no doubt the Senator from New Jersey was not aware that this restoration had been made. I suggest that if there has already been a 10 percent cut in the children's fund, the Senate should weigh wisely the subject of whether an additional cut should be imposed. Surely, if we are trying to provide some means for the salvation of homeless and helpless children, we should not impose an additional cut above the 10 percent cut that has already been made by the committee. So I certainly hope that that part of the Smith amendment will prevail.

Mr. HAYDEN. Mr. President, I am so anxious to see whether an arrangement can be made whereby we may conclude consideration of the entire bill tomorrow, that I should like to suggest that the leadership discuss the question of a limitation of debate.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate at 1 o'clock tomorrow proceed to vote on all amendments to the bill and on the bill itself, and that each Senator be allotted 5 minutes on each amendment, if he desires to take it.

Mr. MAGNUSON. Reserving the right to object—and I shall object—every day I have been here, the same question has been asked. But there are two important amendments pending to this bill. There have been many amendments which have been discussed by Senators, in some cases for hours. There is a very important amendment on the subject of cancer and heart research. I know 38 Senators are sponsors of that amendment, many of whom, probably, will want to discuss certain portions of it. The other is a very important amendment affecting our entire war effort, namely, the amendment regarding ship repair of vital merchant marine ships necessary for any naval movement. That is pending. I think it would be a little bit unfair if we were allowed only 5 minutes.

Mr. LUCAS. How long does the Senator think it would take to discuss the amendments?

Mr. MAGNUSON. I could finish what I have to say in 20 minutes or half an hour. But there are several other Senators who I know want to speak on the health amendment. It is the last important amendment pending. I have waited here patiently through the whole week, with the acquiesence of the distinguished chairman of the committee. If we could make some arrangement whereby we could devote about 2 hours to those amendments and to the other amendments which have already been discussed, that might suffice. There has been no discussion whatever of the amendments to which I refer.

Mr. HAYDEN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Arizona?

Mr. MAGNUSON. I yield.

Mr. HAYDEN. Let me make this suggestion to the Senator: I am quite sure that so far as the heart and cancer amendments are concerned practically every Senator has made up his mind, and there is no occasion for much argument. If the limitation were 10 minutes, and the Senator had not completed his remarks in that time, and another Senator took the floor, he could yield to him some time. This, as I understand, is a proposal that no Senator shall speak more than once, nor more than 10 minutes. It could be modified to not more than 5 minutes.

Mr. MAGNUSON. Why cannot these two amendments, which have not been discussed at all, be excepted from the unanimous consent agreement?

Mr. HAYDEN. What would be a proper limitation as to the amendments to which the Senator from Washington refers?

Mr. MAGNUSON. I suggest that we limit discussion of those two amendments to half an hour. We would probably get through in half an hour.

Mr. LUCAS. Does the Senator from Washington mean a half hour on each amendment?

Mr. MAGNUSON. I mean on the two amendments.

Mr. PEPPER. Does the Senator mean half an hour on each side?

Mr. MAGNUSON. I mean for each side. There would probably be 10-minute talks at most.

Mr. McKELLAR. Why not begin at 1 o'clock on those two amendments, devote a half hour to each amendment, and then vote at 2 o'clock, beginning approximately at the hour suggested by the distinguished majority leader? I belive that would be the best way.

Mr. MAGNUSON. I think that would be agreeable with me, but I know there are many Senators who would like to speak.

Mr. HAYDEN. Each of them would have 10 minutes.

Mr. MAGNUSON. We would limit it between 1 and 2 o'clock.

Mr. LUCAS. Assuming we start upon the debate on the amendments in which the Senator is interested at 12 o'clock, would 2 hours be sufficient time on those amendments?

Mr. MAGNUSON. I think 2 hours would be a sufficient time. But in order to be sure, why not make it 2:30, because usually when the Senate convenes a half hour is taken up by Senators wanting to make insertions in the RECORD.

Mr. HAYDEN. Let me remind the Senator that this is the fourth week the bill has been before the Senate. I know he has been waiting all that time, but the bill must be passed.

Mr. MAGNUSON. It was not my amendments that took up the time. I am willing to limit the time on my amendments to a very short time compared to the time which has been consumed on other amendments. There has been no discussion whatever of these amendments. This is the fourth week, I appreciate that, but the discussions have continued for hours on other amendments.

Mr. McKELLAR. Mr. President, even with no discussion, I think the two amendments of which the Senator speaks have the best chance of any amendments at all of being agreed to.

Mr. LUCAS. I suggest the Senator from Washington had better accept the 2-hour limitation, in view of what the distinguished chairman of the committee has said.

Mr. McKELLAR. I think the Senator had better accept it, and if he needs any additional time, if I have any time, I will yield it to him.

Mr. MAGNUSON. I am not speaking for myself. I am speaking for many other Senators. I know the Senator from Montana wants to make some remarks on the dental-care provision. The Senator from West Virginia wants to place in the RECORD certain important facts regarding cancer research. I can get through in 15 or 20 minutes, so far as I am concerned.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from California?

Mr. LUCAS. I yield.

Mr. KNOWLAND. I wondered whether, in order to try to arrive at some arrangement, it would be possible for some of the Senators who I know are vitally interested in the subject of cancer and heart research, and so forth, to put some of their statements in the RECORD tonight, so there would be an opportunity to review them when the RECORD is read tomorrow, and thereby save some of the time required, so that we could fix a time for voting with a reasonable limitation on debate.

Mr. MAGNUSON. I will agree that that may be done. It is all right with me. But, as has been said, there has been debate over a period of 4 weeks, during which time I have not said a word. I have two important amend-

ments. An effort is now made to cut me down to 10 minutes.

Mr. LUCAS. Where has the Senator been during all these 4 weeks?

Mr. MAGNUSON. I have been here all the time.

Mr. LUCAS. He has surely had opportunity during that time.

Mr. McKELLAR. I suggest giving the Senator from Washington 2 hours.

The VICE PRESIDENT. What is the request?

Mr. LUCAS. There is no request. We are trying to formulate one.

Mr. MAGNUSON. I would just as soon act on the amendments now, if the Senate is willing to stay here.

Mr. HUNT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Wyoming?

Mr. LUCAS. I yield.

Mr. HUNT. If the distinguished chairman of the committee wishes to accept the so-called Magnuson amendments, why not act on them now, get them out of the way, and not have any discussion on them?

Mr. LUCAS. I doubt whether the Senate will do that.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, if the majority leader will agree, I am sure it would be satisfactory to all the Members on this side of the aisle to carry out the proposal of the distinguished chairman of the Appropriations Committee. In fact, I should not be averse, in order to have a unanimous-consent agreement tonight, to meet at 11:30 tomorrow morning and make these two amendments the pending business, and, at 2 o'clock, start voting on all pending amendments and motions, with 5 minutes for each Senator on each amendment or motion.

Mr. MAGNUSON. After 2 o'clock?

Mr. WHERRY. Yes. I make that suggestion to the distinguished majority leader.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAGNUSON. I should like to have not more than 20 minutes on the so-called cancer and heart amendment. I should like to have another 20 minutes on the ship-repair amendment. I know the Senator from New York [Mr. LEHMAN] would like to have 15 or 20 minutes. The Senator from West Virginia [Mr. NEELY], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. PEPPER] want some time. It will not take me very long. I do not talk all afternoon on an amendment. I think my amendments are very important, however.

Why not meet at 11 o'clock?

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CHAVEZ. The amendments which the Senator from Washington has in mind are amendments which are in the chapter which I handle. To my mind, they are so meritorious that they do not require a debate of 20 minutes; they could be handled in 5 minutes if their merits were discussed.

As chairman of the subcommittee, I have other responsibilities. I think the amendments of the Senator from Washington are so good that if they require 20 minutes of discussion they should not be agreed to at all. I think there is so much merit in the proposals that the Senator from Washington should accept the unanimous-consent request.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAGNUSON. I shall limit myself to less than 20 minutes. Why can we not modify the agreement so as to vote at 2 o'clock? If we can meet at 11 o'clock it will accommodate a few Senators who want to make a few brief remarks.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate meet at 11 o'clock a. m. tomorrow and proceed to the amendments which the Senator from Washington has been discussing, that those amendments be debated until not later than 2 o'clock, and that following the disposition of those amendments we proceed to vote upon each and every other amendment, each Senator to have 5 minutes, if he so desires.

The VICE PRESIDENT. Does the request include motions and points of order?

Mr. LUCAS. Yes.

Mr. MAGNUSON. Mr. President, how will the time be divided?

Mr. LUCAS. It will be divided equally between the Senator from Tennessee [Mr. McKELLAR] and the Senator from Washington in the case of the amendments to which the Senator from Washington has referred.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, it was not my understanding when I said we would approve the unanimous-consent request that the amendments were to be voted upon at 2 o'clock. I meant that the Magnuson amendments were to be debated until 2 o'clock, and at 2 o'clock the Senate would proceed to take up the amendments in turn where we left off, the pending business being the ECA appropriation.

Mr. MAGNUSON. Let us vote on my amendments and get them out of the way.

Mr. MURRAY. Mr. President, there is one other important matter to which I should like to invite attention. It relates to the vocational-training program. Could it not precede the amendments offered by the Senator from Washington? It comes ahead of the Senator's amendments in the bill. It is on page 141. The amendments of the Senator from Washington follow that.

Mr. LUCAS. Mr. President, it would not make any difference so far as the offering of the amendment is concerned, whether it is offered in the way the Senator suggests or whether we take up the other amendments first. So long as the Senator has an opportunity to present it before the debate is closed, the Senator will be protected.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAGNUSON. I should like to have it understood that if we are ready to vote on these amendments by 1:30 o'clock, we vote on them and get them out of the way.

Mr. LUCAS. That was included in my unanimous-consent request. I said, no later than 2 o'clock.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. GEORGE. Mr. President, I would have to object if there is going to be any vote before 1 o'clock, because the Finance Committee is called upon to raise $5,000,000,000 of additional revenue. We are working on the tax program presented by the President and the Secretary of the Treasury, and if we have to adjourn our meeting in the morning at 11 o'clock, or even if we have to vote before 1 o'clock or 1:30 o'clock on any of these important amendments, we would be precluded from any consideration of them or from speaking a word above them if we should be moved to say anything about them. I should like to have a definite understanding that the vote shall not begin on these amendments prior to 1 o'clock.

Mr. MAGNUSON. Mr. President, I do not think there will be any vote prior to 1 o'clock.

Mr. GEORGE. I should like to have it in the agreement; otherwise, I shall object.

Mr. LUCAS. Mr. President, I further modify my request with reference to the amendments which we have just been discussing and as to which more time is desired for debate, that they be not voted on before 1 o'clock.

The VICE PRESIDENT. The Chair would ask the Senator from Illinois what effect that would have on the pending question before the Senate, which is the amendment offered by the Senator from New Jersey [Mr. SMITH] and the amendment offered by the Senator from Virginia [Mr. BYRD].

Mr. LUCAS. I do not see why the Magnuson amendments cannot be disposed of first, and then we can move along with the other amendments.

The VICE PRESIDENT. Is it the Senator's request that the amendments offered by the Senator from Washington be discussed from the time of the meeting of the Senate until 1 o'clock, and then that the amendments be voted on seriatim?

Mr. LUCAS. That is correct.

The VICE PRESIDENT. And that after that, each Senator is limited to one speech of 5 minutes on all amendments.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MORSE. After we dispose of the amendments covered by the proposed unanimous-consent agreement, will the offering of amendments be then in order?

The VICE PRESIDENT. After disposing of the pending amendment, which is the amendment of the Senator from

New Jersey, and then when the amendment of the Senator from Virginia is disposed of, other amendments will be in order. The Chair will suggest that if the amendments which are under discussion are debated until 1 o'clock, that need not necessarily mean they will be voted upon first. They can take their place and be voted on following the disposition of the amendment offered by the Senator from New Jersey and the amendment offered by the Senator from Virginia.

Mr. LUCAS. Mr. President, I cannot see that it makes much difference.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, it will be perfectly agreeable to the minority, I am satisfied, to proceed to vote on the two amendments covered by the unanimous-consent request, either at 1 o'clock or 2 o'clock, so far as we are concerned. It is perfectly agreeable to vote on them, provided that after the vote on them the Senate proceed to vote on the Smith amendment, which is the pending business.

The VICE PRESIDENT. That would be the order, anyway. If the pending question is temporarily laid aside for the disposition of the two amendments referred to, the course which the Senator has suggested would automatically be followed.

Is there objection to the unanimous-consent request?

Mr. NEELY. Reserving the right to object, Mr. President, may I inquire whether there would be a disposition on the part of those in control to accept the amendment to increase the appropriation for the war against cancer by $17,000,000? If not, I must insist on having at least 10 minutes to discuss this vital matter.

The VICE PRESIDENT. That is one of the amendments which is under discussion.

Mr. MAGNUSON. The Senator will be afforded sufficient time to discuss the amendment.

Mr. NEELY. May I have some assurance on that point?

Mr. MAGNUSON. I shall be glad to yield 10 or 20 minutes to the Senator for that purpose.

Mr. NEELY. Ten minutes would be sufficient. I thank the Senator.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

Mr. O'CONOR. Mr. President, may I ask whether the Senator from Illinois will make the time for voting 2 o'clock? Several Senators will be required to attend a meeting of a committee in Baltimore.

Mr. LUCAS. I modify my request to make it 2 o'clock. Are there any other proposals?

The VICE PRESIDENT. Is it the Senator's request that the Senate meet at 11 o'clock?

Mr. LUCAS. Perhaps we should meet at 11 o'clock.

The VICE PRESIDENT. Very well.

Mr. WHERRY. I wish to thank the distinguished majority leader for presenting the unanimous-consent request. I ask that the usual provisions be inserted in this unanimous-consent request, namely, that any motion or amendment which is pending or may be offered is included in the agreement giving 5 minutes on each amendment after the amendments of the distinguished Senator from Washington are disposed of.

The VICE PRESIDENT. Does the Senator modify his request to that extent? Let the Chair understand whether the request is that each Senator has the right to speak 5 minutes on each amendment, or whether there shall be a limitation of 10 minutes on each amendment, to be equally divided.

Mr. LUCAS. Each Senator is to have 5 minutes on each amendment.

The VICE PRESIDENT. Each Senator will have 5 minutes on each amendment. Is there objection?

Mr. ELLENDER. All amendments must be germane.

Mr. AIKEN. I should like to inquire, if the appropriation bill is passed tomorrow night, whether the Senator from Illinois contemplates a Friday session?

Mr. LUCAS. A Friday session is contemplated for the purpose of calling the calendar.

Mr. ELLENDER. All amendments must be germane.

The VICE PRESIDENT. Does the Senator include in his request the elimination of amendments that are not germane?

Mr. LUCAS. Yes.

The VICE PRESIDENT. Is there objection to the request? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

Ordered, That on the calendar day of Thursday, August 3, 1950, at the hour of 11 o'clock a. m., the Senate proceed to the consideration of certain amendments intended to be proposed to the bill H. R. 7786, the general appropriation bill for 1951, by Mr. MAGNUSON, for himself and others, relating (1) to the National Cancer and Heart Institutes and mental health activities; (2) to appropriations for vocational education; and (3) providing for repair of vessels in the national defense reserve, and consider same until 2 o'clock p. m.: *Provided,* That no vote shall be had on any of said amendments prior to the hour of 2 o'clock p. m., that the time for debate between said hours shall be equally divided between those favoring and those opposing the amendment, and controlled, respectively, by Mr. MAGNUSON and Mr. MCKELLAR, and that at the hour of 2 o'clock p. m. the Senate shall proceed to vote, without further debate, upon said amendments.

Ordered, That after the disposition of the foregoing amendments, no Senator shall speak more than once or longer than 5 minutes upon any amendment or motion that may be pending or that may be proposed to the said bill, and that no amendment that is not garmane shall be in order and points of order shall not be waived.

Mr. WHERRY. Mr. President, will the majority leader yield?

Mr. LUCAS. I yield.

Mr. WHERRY. In view of the announcement made by the majority leader that he proposes a call of the calendar on Friday, may I ask whether he proposes to have the calendar called from the point at which we left off at the last call of the calendar or from the beginning of the calendar?

Mr. LUCAS. From where we left off the last time.

The VICE PRESIDENT. The Senate will be in order. The Chair cannot hear Senators and does not know how anyone else can hear what is going on.

ANNOUNCEMENT AS TO NOMINATIONS REPORTED ADVERSELY

Mr. LUCAS. I should like to make another announcement. Four or five nominations appear on the Executive Calendar which have been reported adversely by various committees. I think that probably on Tuesday next we shall try to dispose of all these nominations one way or another. They are on the calendar and we must do something with them sooner or later.

ANNUAL AND SICK LEAVE OF CERTAIN COMMISSIONED OFFICERS — CONFERENCE REPORT

Mr. MURRAY. Mr. President, I submit a conference report on Senate bill 2160, amending the Public Health Service Act, with respect to annual and sick leave of commissioned officers, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2160) to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of sixty days, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 2 and agree to the same.

Amendment numbered 3: That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"SEC. 3. (a) Sections 1 and 2 of this Act shall be effective on July 1, 1950.

"(b) Any officer who, on June 30, 1949, was credited with more than sixty days of accumulated and accrued leave, shall be compensated for so much of such leave as exceeds sixty days but does not exceed one hundred and twenty days, in a lump-sum payment on the basis of the base and longevity pay, the allowance for subsistence, and the allowance for rental of quarters (whether or not he was receiving such allowance on such date), which were applicable to him on such date under provisions of law then in effect: *Provided,* That there shall be deducted from the number of days upon which such lump-sum payment is otherwise authorized to be computed the number of days of leave in excess of thirty days taken during the period from July 1, 1949, to June 30, 1950. Payments authorized pursuant to this subsection shall be due and payable on July 1, 1950. All amounts received pursuant to this subsection shall be exempt from taxation.

"(c) The provisions of this Act shall not be applicable to an officer who has, prior to July 1, 1950, been placed on terminal leave preceding separation, retirement, or release from active duty."

And the House agree to the same.

JAMES E. MURRAY,
CLAUDE PEPPER,
M. M. NEELY,
ROBERT A. TAFT,
Per H. A. S.
H. ALEXANDER SMITH,
Managers on the Part of the Senate.

J. PERCY PRIEST,
ANDREW J. BIEMILLER,
GEO. HOWARD WILSON,
CHAS. A. WOLVERTON,
HUGH D. SCOTT, JR.,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

Mr. WHERRY. I have no objection.

There being no objection, the conference report was considered and agreed to.

OMNIBUS MEDICAL RESEARCH BILL—CONFERENCE REPORT

Mr. MURRAY. Mr. President, I submit a conference report on Senate bill 2591, the omnibus medical research bill, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of August 1, 1950, pp. 11498–11500.)

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

EXPANSION AND DISPOSITION OF CERTAIN NATIONAL CEMETERIES

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2863) to provide for the expansion and disposition of certain national cemeteries, which was, to strike out all after the enacting clause and insert:

That the Secretary of the Army is authorized and directed—

a. to expand existing facilities at the Rock Island National Cemetery, Rock Island, Ill., by utilizing not to exceed 30 acres of federally owned lands under the jurisdiction of the Department of the Army adjoining the present national cemetery facility, which are surplus to military needs, and to provide for the care and maintenance thereof under the same regulations as prescribed for other national cemeteries under the jurisdiction of the Department of the Army; and

b. to expand existing facilities at the Fort Leavenworth National Cemetery, Fort Leavenworth, Kans., by utilizing not to exceed 8 acres of federally owned land under the jurisdiction of the Department of the Army, adjoining the present national cemetery facility, which are surplus to military needs, and to provide for the care and maintenance thereof under the same regulations as prescribed for other national cemeteries under the jurisdiction of the Department of the Army.

SEC. 2. The Secretary of the Navy is authorized to transfer, without compensation therefor, to the Secretary of the Army for cemeterial purposes such Government-owned land under the jurisdiction of the Department of the Navy, located adjacent to the Barrancas National Cemetery near the city of Pensacola, Fla., as may be determined by the Secretary of the Navy to be available for the expansion of said cemetery. The lands transferred pursuant to the provisions of this act shall be constituted a part of the Barrancas National Cemetery.

Mr. O'MAHONEY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

CIVIL RULE FOR GUAM

Mr. O'MAHONEY. Mr. President, yesterday the President of the United States signed a bill providing an organic act for the Island of Guam. It is a measure of a great deal of significance, particularly in the light of what is now going on in the Pacific area. In that connection, I desire to ask unanimous consent that there may be printed in the body of the RECORD as a part of my remarks an editorial from the New York Times of July 28, an editorial from the Washington Post of July 26, and a letter to the editor of the Washington Post written by Martha L. Jay, assistant editor, Guam Echo.

There being no objection, the editorials and letter were ordered to be printed in the RECORD, as follows:

[From the New York Times of July 28, 1950]

DOING JUSTICE TO GUAM

The Senate did a good thing on Wednesday in adopting, by unanimous vote, an organic act for Guam. The measure has already passed the House and the amendments are minor. Quick agreement and Presidential signature should therefore be relatively easy. There is more reason than ever, in the light of what is happening in the Far East, for this wise and beneficent measure, and it is gratifying that action has come, at length, with such unanimity of support.

The people of Guam have been under American rule for 51 years, but during all that time the question of the establishment of the machinery for civil government and a large measure of self-government has been kept pending. A short time ago Guam's first civilian Governor was appointed and the transfer of administration from the Navy Department to Interior was scheduled for July 1, but then postponed for 1 month. The organic act that has been adopted will make this transfer automatic, but it provides for supervision rather than administration.

Under this act the people of Guam become citizens of the United States and Guam becomes an unincorporated Territory of the United States. It is clear, however, that Guam does not look to eventual statehood, but will have, rather, a special form of self-government within the large framework of the American political structure. The act contains an admirable bill of rights which embraces not only the provisions of the first 10 amendments to the Constitution but also the other constitutional stipulations in defense of individual liberty. It provides for an elected legislature and a civil judiciary integrated with our Federal courts. The Governor will be a Presidential appointee.

This organic act has the full approval of the people of Guam and that is its most important characteristic. The people of Guam do not want independence or statehood, but they do want to live under a civil government of their own choosing. It is part of our political philosophy that governments derive their just powers from the consent of the governed and this act, as far as Guam is concerned, establishes government by that consent.

This action of the Congress is unusually timely. It gives us the opportunity to make a demonstration of our good faith just when that good faith is being challenged by Communist propaganda. We can thus show that we are earnestly devoted to the enlargement of human liberties rather than to their constriction. We can show, moreover, that the menace of assault does not deflect us from good purposes and constructive actions. In Guam, also, the transfer to civil rule should take a burden from our armed services and make their task easier.

The people of Guam have been our faithful and loyal friends for many decades. We can now, with singular pleasure, extend our enthusiastic welcome to this group of our fellow Americans.

[From the Washington Post of July 26, 1950]

CIVIL RULE FOR GUAM

August 1 is the date which has been officially fixed for the transfer of Guam from naval to civilian rule. This transfer was supposed to take place by Presidential order on July 1 but was postponed for 30 days by the President, presumably because of the eruption in Korea. We trust that there will not be another postponement. Administration of the island is already actually in civilian hands, and a shift of authority from the Navy Department to the Interior Department would in no way impair the efficiency of naval operations in the area. Indeed, it would relieve the Navy of the burden of administering the island's internal affairs.

Guam was acquired from Spain half a century ago under an agreement which committed the United States to promote its growth toward self-government. It is high time for that agreement to be fulfilled. The House has already passed a bill, due to come up on the Consent Calendar of the Senate today, to establish an organic law giving Guamanians American citizenship, the access they now lack to the courts of the United States, and the guaranty of a bill of rights. These minimum attributes of freedom belong as a matter of natural right to any people; the people of Guam have earned them in particular by their suffering and their devotion to the United States during the war against Japan.

Passage of the organic act and realization of the transfer of administrative authority from the Navy to the Interior Department will strengthen the bonds between Guam and this country and thus enhance our security in the Pacific. These measures will serve, too, as a fresh demonstration of American adherence to democratic principles. Both should be given effect without any further delay.

CIVIL RULE FOR GUAM

Your editorials, "Puerto Rico Left Out" (July 18) and "Statehood Now" (July 19), stress the point that there is a need, particularly at this time, for the United States to set an example consistent with democratic traditions in the treatment of dependent areas.

We desire to add one more example of the treatment of dependent areas where the United States is in imminent danger of acting unwisely. On June 30, the long-planned transfer of the administration of Guam from military rule to civilian government was postponed from July 1 to August 1.

As H. R. 7273, a bill to provide a civil government for Guam, nears Senate action (scheduled for Wednesday), Guamanians stir uneasily at the thought that further postponement of the transfer may cause the death of H. R. 7273. This bill was passed by the House on voice vote on May 23. President Truman has consistently stated his approval of both the transfer of Guam government from the Navy, a military agency, to one better equipped and trained in civil administration, the Department of the Interior,

and passage of organic legislation. Both measures have been a basic part of the President's civil-rights program.

Patriotic Americans and democratic peoples watch with the grave apprehension that further postponement will provide ammunition for Communist accusations of American imperialism, broken promises, military domination, etc.—accusations which the United States can ill afford to brook at this critical time.

MARTHA L. JAY,
Assistant Editor, Guam Echo.
WASHINGTON.

AMENDMENT OF RULE RELATING TO CLOTURE

Mr. MORSE. Mr. President, on behalf of myself and the junior Senator from Minnesota [Mr. HUMPHREY], I send to the desk a resolution amending the present cloture rule of the Senate, and ask for its appropriate reference.

The resolution proposes to change the cloture rule in the following respects:

First. Cloture may be invoked by a majority vote of those voting, instead of the present requirement of two-thirds of the Senators duly chosen and sworn.

Second. After a cloture motion is adopted, debate is limited to 1 hour for each Senator, except that any Senator may yield his time to another.

Third. Subsection 3 of the cloture rule, added last year, is repealed. This subsection of Rule 22 exempts proposals to change the Standing Rules of the Senate from application of the cloture rule, thus guaranteeing unlimited debate, if such were desired, on any motion to amend the rules of the Senate.

Mr. President, in submitting the resolution, I wish to say it is the opinion of the authors that in this time of great national crisis this is a very important defense measure, because I think it is important that we pass legislation providing for changes in the rules of the Senate which will guarantee to the American people that a successful filibuster cannot be conducted in the Senate of the United States.

The VICE PRESIDENT. The resolution will be received and referred to the Committee on Rules and Administration.

The resolution (S. Res. 322) submitted by Mr. MORSE (for himself and Mr. HUMPHREY) was received and referred to the Committee on Rules and Administration, as follows:

Resolved, That subsection 2 of rule XXII of the Standing Rules of the Senate, relating to cloture, is hereby amended to read as follows:

"If at any time, notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, a motion, signed by 16 Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the following calendar day but one he shall lay the motion before the Senate and direct that the Secretary call the roll, and, upon the ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

"'Is it the sense of the Senate that the debate shall be brought to a close?'

"And if that question shall be decided in the affirmative by a majority vote of those voting, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Thereafter no Senator shall be entitled to speak in all more than 1 hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same; except that any Senator may yield to any other Senator all or any part of the aggregate period of time which he is entitled to speak; and the Senator to whom he so yields may speak for the time so yielded in addition to any period of time which he is entitled to speak in his own right. It shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate."

SEC. 2. Subsection 3 of such rule is hereby repealed.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the Speaker had affixed his signature to the following enrolled bills:

S. 4. An act authorizing the advanced training in aeronautics of technical personnel of the Civil Aeronautics Administration;

S. 2655. An act for the relief of Mrs. Evelyn M. Hryniak;

S. 3380. An act to amend the act of August 9, 1939, to redefine the term "contraband article" with respect to narcotic drugs, and for other purposes;

S. 3520. An act to strengthen the common defense by providing for the continuation and expansion of Western Hemisphere production of abacá by the United States;

H. R. 1293. An act for the relief of the Franco-Italian Packing Co.;

H. R. 5074. An act to promote the national defense by authorizing specifically certain functions of the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, and for other purposes;

H. R. 6533. An act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes;

H. R. 7695. An act to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force; and

H. R. 8909. An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. WILLIAMS. Mr. President, I rise to support the amendment offered by the Senator from Virginia [Mr. BYRD], the Senator from New Hampshire [Mr. BRIDGES], and 34 other Members of the Senate, including myself. This amendment, with certain exceptions, such as military, trust funds, and so forth, proposes a 10-percent cut in the appropriations of each department or agency in the executive branch of the Government.

In view of the situation with which our country finds itself today as a result of the Korean episode, this 10-percent cut in the domestic programs is the very least which we should do. The adoption of the amendment would mean a reduction of approximately $800,000,000 in this $34,000,000,000 appropriation bill. This $34,000,000,000 does not include the $5,600,000,000 interest on the national debt, plus another $2,500,000,000 on other items such as trust funds, and so forth.

Even after the reduction it would mean that we would still be spending more money on the domestic programs under the executive departments of our Government than was spent during either of the years 1947 or 1948, at which time the Eightieth Congress under the control of the Republican Party cut the appropriations and balanced the budget.

For instance, during the year 1947 the total appropriations were $36,931,503,000, and in 1948 our Government was operated with a total appropriation of $33,484,343,000.

After the Democratic Party regained control of the Congress, these appropriations were increased to $40,476,613,000 in 1949, and in 1950 the total appropriations were $43,495,385,000. This year's appropriation again will exceed $43,000,000,000, excluding the additional billions which will be required as a result of the Korean incident.

The argument ofttimes is advanced that a substantial part of this increase during the past 2 years was as the result of increased military expenditures, but that statement cannot be supported. A major part of the increased appropriations during the past 2 years has been to pay for the additional cost of the domestic projects of the Fair Deal program.

For instance, the appropriations to the Department of the Interior during the past 4 years have been doubled:

1947	$290,408,000
1948	320,603,000
1949	516,401,000
1950	646,431,000

During the past 10 years the Department of Justice appropriations have increased from $67,135,000 in 1941 to $135,970,000 in 1950:

1941	$67,135,000
1942	84,215,000
1943	107,885,000
1944	114,940,000
1945	117,866,000
1946	106,650,000
1947	112,086,000
1948	116,024,000
1949	126,759,000
1950	135,970,000

The deficit of the Post Office Department has increased during the past 10 years from $30,465,000 in 1941 to a deficit of over $550,000,000 in 1950. During this same period the efficiency of our postal service has deteriorated by more than 50 percent. This drop in efficiency is true despite the fact that the number of the employees in the Postal Department during this same 10-year period has increased from 303,654 in 1940 to 535,745 in 1949. In fact as of January 1, 1950, there were employed in the Post Office Department alone almost as many employees as were required to operate

all branches of the Federal Government including the Postal Department as recently as 1934. Congress should authorize some increase in postal rates to offset this deficit; however, with proper management at the executive level a substantial part of this deficit could be eliminated by greater efficiency.

The appropriations for the Department of Commerce have increased over 400 percent during the past 10 years from $147,827,000 in 1941 to $688,200,000 in 1950:

1941	$147,827,000
1942	445,437,000
1943	622,846,000
1944	136,200,000
1945	88,313,000
1946	108,469,000
1947	200,112,000
1948	198,372,000
1949	642,859,000
1950	688,200,000

The functions of these departments are practically all related to domestic programs and therefore this increase cannot be charged against the military defense of our Government. In view of the manner in which the appropriations for these domestic departments of our Government have increased there is absolutely no reason why the Byrd-Bridges amendment should not be agreed to, nor is there any reason why any of the essential services under the executive departments of our Government should be curtailed as a result of its enactment.

Not only should the Byrd-Bridges amendment be agreed to but also of equal importance is another amendment which I, with the support of the Senator from New Hampshire [Mr. BRIDGES], am offering. This second amendment proposes:

First. That construction or work on any Government project authorized under this appropriation bill be postponed indefinitely; and

Second. That the construction or work on any Government project which has been commenced prior to the enactment of this act be suspended immediately unless—

(a) it is certified by the Secretary of Defense as essential to national security; or

(b) the construction work has proceeded to the point where its suspension would result in an unnecessary loss.

The President of the United States has already during the past 2 weeks issued similar instructions to the executive departments of our Government, requesting that they survey each project with the thought of determining whether or not that project could be temporarily suspended. I commend the President for taking that step and sincerely hope that he will follow through with the necessary Presidential directive, ordering the suspension of those projects which are not found to be essential to our national defense program. However, the President's orders apply only to those projects authorized by Congress under prior appropriation bills.

In view of the fact that the Senate is now in the process of passing the 1951 appropriation bill, we should accept our own responsibility and order the suspension of all nonessential Government work, thereby telling our constituents that all of those projects in our own States which are not absolutely essential to the national defense program are being postponed indefinitely with our consent.

During World War II this same step was taken; however, unfortunately, during that period the decision to suspend Government public-works programs was delayed until after a critical shortage had developed in many of the strategic materials which were needed to further our war effort. Let us not make the same mistake this time. It would be much better to suspend all Government projects at this time and then a few months later find that the action was unnecessary, in which event either Congress next January or the President by Presidential directive could order the resumption of the work. It is much safer that we make a mistake in that direction than it would be to continue Government construction at this time and then find that the materials and manpower which are being used in this work were seriously needed in those programs relating to our national security.

The adoption of these two amendments would also reduce Government expenditures at a time when the American people are on the verge of being confronted with a drastic upward tax revision and while these reductions in Government expenses will not eliminate entirely the necessity for an upward tax revision, they will reduce the percentage of that increase.

We must not overlook the fact that there is a vast difference in the financial condition of this country today as compared with the period in which we entered World War II. In 1940 our national debt was less than $43,000,000,000, and during that year the total cost of operating our Government, including both domestic and military programs, was only $9,305,000,000. Today we are approaching the present crisis with a national debt of over $257,000,000,000 and an annual budget in excess of $40,000,000,000. The interest charges alone on our national debt today are over $5,600,000,000.

During the next few months as a result of our expanded military expenditures our country is going to be confronted with the most serious threat of inflation we have ever experienced, and it is absolutely useless for us to attempt to check this inflation through rigid controls and increased taxes and at the same time continue to aggravate the situation by pumping into our economy billions representing unnecessary Government programs.

I repeat—the very least that the Senate could do at this time in the way of economy would be to agree to the Byrd-Bridges amendment authorizing a 10-percent cut in the domestic appropriations along with the second amendment which is being offered by the Senator from New Hampshire [Mr. BRIDGES] and myself and which would immediately suspend all Government work not essential to national defense.

It is perfectly absurd for anyone to say that these appropriations cannot be cut to at least this extent when we consider that the Hoover Commission has already pointed out the manner in which this Government could be reorganized on a more efficient basis resulting in a net saving of at least $3,000,000,000 without the elimination of a single essential Government service. The program of this bipartisan commission has been in the hands of the President for more than 1 year and to date about the only portions of the recommendations which have been placed in effect by the President are those proposals which would give to the executive departments of the Government increased power and an increase in their own salaries.

On the other hand, that portion of the recommendations of the Hoover Commission which proposes a reduction in personnel of these departments by consolidating the agencies and promoting greater efficiency with a lesser force has been resisted by all departments. Actually, the number of civilian Government employees during the 3-month period between December 1949 and March 1950 was increased 5 percent representing an additional personnel of more than 100,000, bringing the total to 2,090,998 Government employees. This represents more than double the 949,418 employees on the payroll in March 1940. Incidentally this latter figure of 949,000 in March 1940 included those employees in the WPA, CCC, and the other make-work agencies.

In the face of this shameful record, and as one who has consistently reported the reorganization plans which have been submitted to the Congress by the President, I am of the firm opinion that the only way that the American people will ever get any economy in this Government or any reduction in nonessential personnel will be by cutting the appropriations of those departments, and at the same time Congress should tell the executive heads of these government agencies that they must operate their departments within the reduced budget.

Mr. President, just a brief reference to the amendment offered by the Senator from New Jersey [Mr. SMITH] which would eliminate the foreign aid cut from the Byrd-Bridges amendment. I notice that the present occupant of the chair, the distinguished Senator from Florida [Mr. PEPPER], addressed his remarks just a few minutes ago in opposition to that amendment, and pointed out in his statement that the Committee on Appropriations had already reduced this year's authorization by $1,000,000,000 below last year's appropriation.

Mr. President, much emphasis has been placed on that point, and that has been used as an argument against any further cut in the ECA appropriation. I point out, however, that in the very beginning, when ECA was first authorized, it was never intended that its appropriations should equal each year what they received in the prior years. The committee at that time planned for a gradual reduction in the program each year until its elimination in 1951. The reduction in the appropriation bill of this year, which is now before the Senate, is only about the same reduction which was contemplated at the time Congress acted on the ECA appropriation.

To support that statement I refer to the report put out by the Committee of European Economic Cooperation, under the supervision of the State Department. I refer to page 54 of that report published in 1947, prior to the enactment of the ECA Act. They point out to Congress that in the year 1950, which is this year we are now operating in, we should expect to and we should cut the appropriations by $1,000,000,000 below what they were in the year 1949. They point out how that the 1949 appropriation would be cut below the 1948 appropriation, and how the program would finally end in 1951. So this reduction in the present appropriation bill does not in reality represent a cut of a single dime. It is only the reduction which was contemplated in 1947 at the time the ECA was first authorized. So I do not think we should do a great deal of boasting about the fact that there has been a cut, because there has been up to this point no cut made in that program. It is true there has been a cut made in what the Bureau of the Budget asks. But if we are going to take as our guide here what the Bureau of the Budget asks, then we would always be cutting the appropriations, or else spending about twice as much as we have been spending.

Every Member of the Senate knows that the Bureau of the Budget always figures to ask about 50 percent more than they ever expect to receive. So I say again that there has actually been no real cut made in the ECA program. All of these programs have merit, but they are all going to be cut unless we want to bankrupt this country.

I most certainly shall vote against the Smith amendment, and support both the Byrd-Bridges amendment and the amendment proposing to suspend all unnecessary Government works programs.

Mr. President, I ask unanimous consent to have printed in the RECORD tables prepared by the Bureau of the Budget showing how the appropriations for the different departments of our Government have increased during the past 10 years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Appropriations by organization unit for fiscal years 1941 through 1950

(NOTE.—Includes permanent appropriations and refunds of receipts; excludes public debt retirements)

[In thousands]

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Legislative branch	$25,230	$29,700	$32,057	$47,897	$49,562	$55,770	$62,517	$61,919	$62,413	$66,406
The judiciary	11,785	12,410	12,748	13,425	13,620	15,856	17,935	20,147	21,456	24,497
Executive Office of the President:										
Bureau of the Budget	840	1,315	1,982	2,817	2,957	3,037	3,762	3,377	3,280	3,300
Council of Economic Advisers							275	350	310	300
National Security Council									200	200
National Resources Planning Board	709	1,101	806	80					[1]3,000	[1]3,500
Office of Censorship			26,500	29,600	29,700	13,000				
Office for Emergency Management	1,000	437,798	1,426,697	2,725,912	941,455	651,695	128,325	500	435	
Office of Price Administration			133,450	169,500	185,700					
Office of Government Reports	748						50	230		
Office of Strategic Services				35,000	57,000	20,000				
Petroleum Administration for War			4,050	6,070	6,000	3,968				
Other	598	548	546	529	779	2,290	1,161	2,235	2,722	3,536
Funds appropriated to the President:										
Economic cooperation, foreign assistance									5,074,000	3,628,380
Assistance to the Republic of Korea										110,000
Assistance to Greece and Turkey								400,000	225,000	45,000
Defense aid	7,000,000	11,432,738	6,287,015	32,286	3,572,471	2,683,386	5,751	500	250	100
Emergency fund for the President:										
National defense		200,000	150,000							
War	66,000	66,000								
Navy	34,000	34,000								
Defense housing, temporary shelter	20,000	300,000								
National defense housing	100,000									
Foreign aid, Austria, France, and Italy								577,000		
Foreign aid, China								18,000	400,000	
Foreign war relief		35,000								
International Children's Emergency Fund of the UN									35,000	
Mutual defense assistance										814,010
Overtime, leave, and holiday compensation							20,000			
Payments, Armed Forces Leave Act, 1946							2,431,708			
Refugee relief	50,000									
Relief assistance to war-devastated countries								332,000		
Relief of Palestine refugees									12,000	4,000
Surplus property, care and handling overseas								35,348	18,300	
UNRRA					450,000	1,765,000				
Independent offices:										
American Battle Monuments Commission	135	134	50	46	42	42	223	362	1,079	5,921
American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas					40	40				
Atomic Energy Commission								175,192	621,851	703,229
Bituminous Coal Consumers Counsel	173	205	189							
Civil Service Commission	97,466	115,959	124,859	194,969	219,019	265,992	236,797	262,807	244,116	324,402
Board of Investigation and Research—Transportation		347	500	275						
Commission on Organization of the Executive Branch of the Government								1,939		
Commission on Renovation of the Executive Mansion									50	50
Displaced Persons Commission									3,200	4,210
Economic Cooperation Administration									5	180
Employees' Compensation Commission	6,403	9,660	11,165	11,547	15,422					
Federal Communications Commission	2,376	5,656	7,777	7,885	6,312	5,955	6,252	6,240	6,717	6,729
Federal Deposit Insurance Corporation		159	483							
Federal Mediation and Conciliation Service								2,260	3,090	2,758
Federal Power Commission	2,509	2,807	2,789	2,683	2,798	2,975	3,729	3,961	4,305	4,139
Federal Emergency Relief Administration	1									
Federal Trade Commission	2,300	2,360	2,050	1,958	2,054	2,174	2,850	2,955	3,622	3,723
Foreign Service Pay Adjustment	1,280	975	1,350	640	790	950				
Filipino Rehabilitation Commission						50				
General Accounting Office	10,913	12,355	17,545	28,465	38,480	41,964	40,300	36,517	35,791	35,070
George Washington Bicentennial Commission	9									
Indian Claims Commission							15	150	90	90
Interstate Commerce Commission	9,059	9,323	9,569	9,173	9,196	9,016	10,524	10,748	11,335	11,420
Interstate Commission on the Potomac River Basin									[1]	5
Maritime Labor Board	175	30								
Motor Carrier Claims Commission									50	[1]50

[1] Represents National Security Resources Board.

Appropriations by organization unit for fiscal years 1941 through 1950—Continued

[In thousands]

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Independent offices—Continued										
Mineral Act of October 5, 1918	$198	$165								
National Advisory Committee for Aeronautics	11,200	19,865	$25,429	$38,393	$40,943	$26,015	$30,720	$43,453	$48,664	$128,009
National Archives	933	1,078	1,045	941	1,071	1,078	1,242	1,261		
National Capital Housing Authority			12	27	19	19	19	22	28	35
National Capital Park and Planning Commission	850	1,390	200		740	394	868	354	400	715
National Capital Sesquicentennial Commission								15		3,009
National Labor Relations Board	2,901	3,396	3,642	2,493	3,664	4,308	4,454	5,975	9,400	8,605
National Mediation Board	383	474	424	527	657	721	829	918	941	1,211
Office of Selective Service Records							5,103	4,250	2,477	
Office of Housing Expediter								24,199	22,222	22,100
Office of War Mobilization and Reconversion			138	138	1,198					
Philippine War Damage Commission							10,000	70,000	95,000	184,800
Price Decontrol Board							250			
Protection of interest of United States in matters affecting oil lands in former naval reserves	26	26			--					
Railroad Retirement Board	132,324	152,423	231,707	277,417	324,580	307,623	317,384	705,308	652,701	758,589
Securities and Exchange Commission	5,400	5,440	4,910	4,603	4,697	4,694	5,535	5,739	6,121	5,878
Selective Service System	24,825	37,270	58,508	58,943	62,502	52,000	27,750		25,000	8,500
Smithsonian Institution	1,446	1,708	1,850	2,314	2,127	2,401	2,777	3,010	3,593	3,721
Tariff Commission	920	920	931	907	962	1,007	1,117	1,152	1,268	1,272
Thomas Jefferson Memorial Commission	480									
The Tax Court of the United States	557	558	582	588	587	580	712	772	788	811
United States Maritime Commission	498,190	2,360,811	4,985,368	1,289,780	6,766,000	437,583	144,747	252,565	101,989	74,007
United States Commission for the Celebration of the Two-Hundredth Anniversary of the Birth of Thomas Jefferson	5									
United States University of Pennsylvania Bicentennial Commission	2									
Thomas Jefferson Bicentennial Commission			50							
Veterans' Administration	582,026	611,034	608,147	946,637	1,517,209	4,780,630	8,352,918	6,972,714	5,962,865	6,352,430
Panama Railroad Company								10,000		
Tennessee Valley Authority	65,000	196,800	136,100			9,648	39,906	18,700	30,339	61,041
War Assets Administration							510,000	257,149		
Federal Loan Agency	1,400									
Federal Security Agency	1,009,225	1,098,891	840,194	762,754	658,033	749,668	884,925	1,045,297	1,381,206	1,574,726
Federal Works Agency	1,854,558	1,462,499	466,637	360,577	200,623	256,755	422,445	342,806		
General Services Administration									514,670	683,495
Housing and Home Finance Agency		309,501	629,380	163,251	118,804	458,527	138,162	145,205	131,496	29,878
Department of Agriculture	1,150,629	1,254,224	860,571	1,024,248	720,137	768,412	778,908	833,415	843,634	880,223
Department of Commerce	147,827	445,437	622,846	136,200	88,313	108,469	200,112	198,372	642,899	688,200
Department of Defense:										
Office of Secretary of Defense									6,800	191,450
Department of the Army:										
Military functions	8,483,709	75,464,199	42,820,959	59,036,403	15,457,647	21,503,953	7,305,457	4,749,853	5,829,000	6,018,795
Civil functions	274,617	309,655	343,483	110,156	115,782	367,177	1,071,882	1,447,517	1,999,464	1,583,656
Department of the Navy	3,629,234	18,686,603	23,808,853	28,527,446	29,075,688	23,010,931	4,150,609	3,642,964	3,768,392	4,366,776
Department of the Air Force								1,437,889	939,977	4,121,731
Department of the Interior	169,537	286,490	281,206	235,424	214,338	248,817	290,408	320,603	516,401	646,431
Department of Justice	67,135	84,215	107,885	114,940	117,866	106,650	112,086	116,024	126,759	135,970
Department of Labor	23,013	24,145	26,112	55,034	71,589	82,289	140,490	86,590	15,490	58,805
Post Office Department (general fund)	30,465	25,469	26,621			160,576	260,080	310,215	527,210	558,000
Department of State	23,955	31,434	37,922	53,190	55,340	102,345	193,269	315,595	350,852	300,672
Treasury Department	1,429,294	2,060,834	2,320,767	3,267,938	6,635,995	8,776,631	8,546,165	8,147,705	9,112,894	8,224,548
District of Columbia	6,000	6,000	6,000	6,000	6,000	6,000	8,000	12,000	12,000	12,000
Total, appropriations	27,071,973	117,653,534	87,512,656	99,798,026	67,866,508	67,879,061	36,931,503	33,484,343	40,476,613	43,495,385

EXECUTIVE SESSION

Mr. MAGNUSON. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. PEPPER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a committee was submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Executive N, Eighty-first Congress, second session, a treaty between the United States of America and Canada concerning uses of the waters of the Niagara River, signed at Washington February 27, 1950; with a reservation (Ex. Rept. No. 11).

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the nomination to the Motor Carrier Claims Commission, the nomination to the Federal Trade Commission, the nomination to the Advisory Board for the Post Office Department, and the nominations of United States district judges, be passed over.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. MAGNUSON. Mr. President, I ask that the nominations in the Diplomatic and Foreign Service be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and without objection, the nominations in the Diplomatic and Foreign Service are confirmed en bloc.

RECESS

Mr. MAGNUSON. As in legislative session, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 3, 1950, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate August 2 (legislative day of July 20), 1950:

POST OFFICE DEPARTMENT

John M. Redding, of Illinois, to be Assistant Postmaster General, vice Paul Aiken, resigned.

INTERNATIONAL CLAIMS COMMISSION

The following-named persons to be members of the International Claims Commission of the United States:

Josiah Marvel, Jr., of Delaware.
Raymond S. McKeough, of Illinois.
Roy G. Baker, of Texas.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be senior assistant scientists (equivalent to the Army rank of captain), effective date of acceptance:

Norman S. Radin
William R. Carroll

To be senior assistant nurse officer (equivalent to the Army rank of captain), effective date of acceptance:

Irma F. Monlux
Apollonia F. Olson
Frances E. Shelley

Senior sanitary engineers to be sanitary engineer directors (equivalent to the Army rank of colonel):

Judson L. Robertson, Jr.
Clarence C. Ruchhoft

Sanitary engineer to be senior sanitary engineer (equivalent to the Army rank of lieutenant colonel):

Glen J. Hopkins

Senior assistant dietitian to be dietitian (equivalent to the Army rank of major):

Clara B. Tavis

CONFIRMATIONS

Executive nominations confirmed by the Senate, August 2 (legislative day of July 20), 1950:

DIPLOMATIC AND FOREIGN SERVICE

To be consuls general of the United States of America

Waldo E. Bailey
Cabot Coville
John B. Ocheltree

To be consuls of the United States of America

William C. George
Edward F. Rivinus, Jr.
Robert Rossow, Jr.
Mrs. Doris H. Allen
Sanford Menter
LaMar D. Mulliner
Edwin L. Smith
Joseph A. Yager

To be consuls and secretaries in the diplomatic service of the United States of America

Belton O'Neal Bryan
Howard Trivers

To be secretary in the diplomatic service of the United States of America

Coburn B. Kidd

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 2, 1950

The House met at 11 o'clock a. m.

Rt. Rev. Msgr. Joseph E. Schieder, Ph. D., national director of youth, National Catholic Welfare Conference, Washington, D. C., offered the following prayer:

O Almighty and Merciful God, creator of both the living and the dead, look down with propitious eye upon this august assemblage. In Thy divine providence, O Heavenly Father, the moral leadership of the world has been entrusted to the Members of this Congress together with the other leaders of our God-fearing Republic. The fate of humanity is in their hands; the nations of the world look to them for survival; western civilization stands or falls with America. Even now as we pray, the lives of thousands of fine, clean, life-loving young Americans, the finest flowers in Your garden of creation, are in the hands of these leaders. In these days of tragedy and crisis, all that we hold dear is challenged; belief in God, respect for human personality, honor, integrity, the very freedom of the human spirit—all these are at stake and our country, champion of truth and justice, must lead the nations of the world to the dawn of a brighter hope, to a spiritual resurgence, to a renaissance of belief in the importance and dignity of the individual man, to an insurance that You shall not walk the universe alone.

"The world may desert You, too much of it has;
Your law may meet only a sneer,
Your name may be canceled from councils of peace;
Your cross may no longer appear.
Self-satisfied masters Your teaching may scorn;
Your gospel, their schools may disown,
But here are disciples, who welcome you still—
You should not walk this world alone."

Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 249. Concurrent resolution authorizing the Clerk of the House to make a change in the enrollment of H. R. 6533.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 4. An act authorizing the advance training in aeronautics of technical personnel of the Civil Aeronautics Administration.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on August 1, 1950, the President approved and signed bills of the House of the following titles:

H. R. 4390. An act to authorize the conveyance for school purposes of certain land in Acadia National Park to the town of Tremont, Maine, and for other purposes;

H. R. 8709. An act to change the designations of Health Officer and Assistant Health Officer of the District of Columbia, respectively, to Director of Public Health and Assistant Director of Public Health; and

H. R. 7273. An act to provide a civil government for Guam, and for other purposes.

EXTENSION OF REMARKS

Mr. BRYSON asked and was given permission to extend his remarks and include an address by Mr. Clifford Woodrum, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $205.

Mr. ANGELL asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. RICH asked and was given permission to extend his remarks and include an editorial appearing in the Mansfield Advertiser and an article entitled "Creeping Shadow of Socialism."

Mr. DONDERO asked and was given permission to extend his remarks and include a statement.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include excerpts.

Mrs. ST. GEORGE asked and was given permission to extend her remarks and include three articles.

Mr. MANSFIELD asked and was given permission to extend his remarks and include an article entitled "We All Are To Blame in Korea."

Mr. LANHAM asked and was given permission to extend his remarks and include extraneous matter.

Mr. CHIPERFIELD, Mr. REDDEN, and Mr. WAGNER asked and were given permission to extend their remarks.

Mr. PATTEN (at the request of Mr. WAGNER) was given permission to extend his remarks.

Mr. McKINNON asked and was given permission to extend his remarks and include a newspaper article.

Mr. LECOMPTE asked and was given permission to extend his remarks and include a letter.

Mr. BROWN of Ohio asked and was given permission to extend his remarks and include a copy of a report by Bill Costello from Tokyo over the Columbia Broadcasting System on last Sunday.

CALL OF THE HOUSE

Mr. MANSFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 220]

Allen, La.	Gavin	Norton
Anderson, Calif.	Gillette	O'Brien, Mich.
Boggs, La.	Gore	Pfeiffer, William L.
Bolton, Md.	Hand	Phillips, Tenn.
Breen	Hare	Powell
Brehm	Hébert	Priest
Bulwinkle	Hedrick	Quinn
Burke	Heller	Rees
Camp	Hinshaw	Sabath
Cannon	Holifield	Sadowski
Celler	Irving	Sanborn
Chatham	Jennings	Sheppard
Christopher	Johnson	Sims
Cole, N. Y.	Karst	Smathers
Cooper	Kee	Smith, Kans.
Cox	Keefe	Smith, Ohio
Davies, N. Y.	Kelley, Pa.	Sutton
Davis, Tenn.	Kennedy	Vursell
Dawson	Kilday	Wadsworth
Dingell	McMillen, Ill.	Welch
Dolliver	Miller, Nebr.	White, Idaho
Doughton	Mills	Williams
Doyle	Morrison	Willis
Eaton	Moulder	Winstead
Evins	Murphy	
Fenton	Murray, Tenn.	
Frazier	Murray, Wis.	

The SPEAKER. On this roll call 340 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House today for 3 minutes following the legislative program and any special orders heretofore entered.

DEFENSE PRODUCTION ACT OF 1950

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9176, the Defense Production Act of 1950, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KUNKEL. Mr. Chairman, yesterday when I was outlining this bill I mentioned certain changes that were going to be made in it in order to bring it more in line with what I thought was the thinking of a large number of Members in this body, and also yet preserve the general intent of the measure itself.

In order that everybody should have an opportunity to read it exactly and without any possible delay, the amendment was offered last night through the courtesy of the Chairman of the Committee of the Whole, and the chairman of the committee, and it is now available in the CONGRESSIONAL RECORD at page 11535, and following.

The present substitute is tied closely to the language of the Selective Service Act; in fact, the language is taken exactly from section 18 of the Selective Service Act.

There were several things which I did not have time to mention yesterday, and a number of them are very important. In the first place there probably could not be a better time in which to freeze the economy than the period from June 10 to June 25. That was a period when we had relatively high employment throughout the country, when prices and wages had been determined by the ordinary course of economic causes and free collective bargaining, and the President called attention to this in his recent statement on the state of the Union and in his message outlining the present condition of the country which he sent up to Congress not long ago.

It is particularly important to note in connection with the wage freeze that most of the large unions today have already signed contracts which run for a considerably longer period than the term of this bill. The bill runs until March 31, 1951. I call attention to a few of the contracts which have been recently signed:

Allis-Chalmers signed one for 5 years.

Ford has a 2-year contract signed late last year.

Chrysler signed this year for a 3-year contract.

The steel industry has a 2-year contract, although there is a provision in it that it can be reopened this fall on the ground of higher wages.

Coal has a national contract for 1 year.

The construction industry earlier this year signed a 3-year contract.

The clothing industry signed a 5-year contract for men's clothing in 1949, and for ladies one for from 2 to 3 years.

The Sperry Gyroscope Co., has also signed a 3-year contract.

So that when the wage freeze is put in it could not impose any too great hardship on any of the groups if the cost of living is only held in line as is contemplated in the provisions of the bill relating to price control and rationing.

The theory of the bill is that there should be established by the President a period during which everything will be held and stabilized, and then he can release or continue controls as he sees fit and in regard to certain areas and certain commodities as he sees fit.

It is also definitely stated in the new bill that the President is to put into effect simultaneously controls on wages, prices, and services. I call your attention to the specific language on that, which is given on page 11535 in the second paragraph of section 2, where it starts out, "It is further declared that it is necessary for the national defense and security," and the language immediately following.

I also refer to the termination date of this proposal. The termination is March 31, 1951. That is a relatively short time, but it is plenty of time to accomplish the purposes of this act. It gives the new Congress 3 months in which to consider the matter, to see whether the measure is still necessary, and also to place in it perfecting amendments.

I am quite sure that no matter what bill is adopted today we will find as time goes on—certainly that was our experience with the OPA acts in the past—that these measures will require certain adjustments in the light of practical experience, so that all that will fall naturally within the purview of a study in connection with a renewal bill at the expiration date of this bill.

On the other hand, I do not believe the general public will at any time have any doubt as to whether or not the act will be extended when the time for renewal comes. Anyone who follows the papers and reads the developments in the international picture, as we all do from day to day, no matter what our walk of life, will readily understand and will readily know whether this act will be extended when the proper time comes.

I feel that it is certainly important to adopt a bill embodying the policy contained in this act. I think it is extremely important to limit the President in general to the powers which he had during the last war, until we have at least had more time to examine the new powers requested more closely. That is what this bill does in respect to the titles of the bill other than those relating to rationing, price control, and wage control. These latter are in general based on provisions in laws used for similar purposes during World War II.

I hope gentlemen will give it their consideration, and I certainly urge its adoption as being much better fitted to meet the situation than the administration substitute, both in regard to taking care of the consumer and also in regard to keeping under some kind of control the powers granted to the President, giving him enough control to take care of every need that he may have for war and security purposes but at the same time keeping a checkrein on those powers in the hands of the Congress.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from New York.

Mr. O'TOOLE. I have not read the bill completely, but I wonder whether the gentleman from Pennsylvania could inform me if this measure provides any ceilings on profits.

Mr. KUNKEL. No, the ceilings on profits should come under an excess-profits tax, which could be acted on in the present tax bill if it were adjusted in that way. I do not know the status exactly of the tax bill, but certainly the way excess profits have always been taken care of in the past is through tax legislation.

Mr. HARRISON. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from Virginia.

Mr. HARRISON. Did I correctly understand the gentleman to say that it was the purpose of his bill to require the imposition of ceilings on wages if they were also imposed on prices?

Mr. KUNKEL. They should all be imposed simultaneously. I should like to read the gentleman what is contained in the declaration of policy of the act.

Mr. HARRISON. Is it not a fact that under section 204 power is given to the Administrator to exempt wages? That is carried out under 205, and under 206 ceilings may be placed on prices below the cost of production and the ceilings on wages may be raised to any figure desired.

Mr. KUNKEL. That is not the intent of that section.

Mr. HARRISON. Is that not the language of it?

Mr. KUNKEL. No. In the first place I do not think that you want to have any bill with controls for the sake of having controls.

Mr. HARRISON. That is correct.

Mr. KUNKEL. And you certainly want to look forward even in the war emergency to a time when the Administrator or the President will decide that he will control in a certain field but that it may be unnecessary to control in another field. However, that may be true of areas or sections of the country.

Mr. HARRISON. Then under the gentleman's bill the President could control wages. Is that not correct?

Mr. KUNKEL. In my judgment, taken in connection with the policy declaration which is very specific, I think the intent of that language is to just give him that authority with certain limitation, perhaps eliminating certain articles or certain areas and that it could not be taken to mean a general exemption of wages while imposing ceilings on goods and services because the policy direction is clear and specific on that point.

Mr. SPENCE. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL].

The Clerk read as follows:

Amendment offered by Mr. SPENCE, as a substitute for the amendment offered by Mr. KUNKEL. Strike out all of the amendment offered by Mr. KUNKEL and insert the following:

"That this act, divided into titles, may be cited as the 'Defense Production Act of 1950.'

"TABLE OF CONTENTS

"Title I. Priorities and allocations.
"Title II. Authority to requisition.
"Title III. Expansion of productive capacity and supply.
"Title IV. Price and wage stabilization.
"Title V. Settlement of labor disputes.
"Title VI. Control of credit.
"Title VII. General provisions.

"DECLARATION OF POLICY

"SEC. 2. It is the policy of the United States to oppose acts of aggression and to promote peace by insuring respect for world law and the peaceful settlement of differences among nations. To that end this Government is pledged to support collective action through the United Nations and through regional arrangements for mutual defense in conformity with the Charter of the United Nations. The United States is determined to develop and maintain whatever military and economic strength is found to be necessary to carry out this purpose. Under present circumstances, this task requires diversion of certain materials and facilities from civilian use to military and related purposes. It requires expansion of productive facilities beyond the levels needed to meet the civilian demand. In order that this diversion and expansion may proceed at once, and that the national economy may be maintained with the maximum effectiveness and the least hardship, normal civilian production and purchases must be curtailed and redirected.

"It is the objective of this act to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military and other programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use.

"TITLE I—PRIORITIES AND ALLOCATIONS

"SEC. 101. The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.

"SEC. 102. Any person who willfully performs any act prohibited, or willfully fails to perform any act required, by the provisions of this title or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

"TITLE II—AUTHORITY TO REQUISITION

"SEC. 201. Whenever the President determines (1) that the use of any equipment, supplies, or component parts thereof, or materials or facilities necessary for the manufacture, servicing, or operation of such equipment, supplies, or component parts, is needed for the national defense, (2) that such need is immediate and impending and such as will not admit of delay or resort to any other source of supply, and (3) that he has been unable to acquire such property or the use thereof, as the case may be, on fair and reasonable terms, he is authorized to requisition such property or the use thereof for the defense of the United States upon the payment of just compensation for such property or the use thereof to be determined as hereinafter provided. The President shall determine the amount of the compensation to be paid for any property or the use thereof requisitioned pursuant to this title but each such determination shall be made as of the time it is requisitioned in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the President as just compensation is unwilling to accept the same as full and complete compensation for such property or the use thereof, he shall promptly be paid 75 percent of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims or, where the amount involved does not exceed $10,000, in any district court of the United States within 3 years after the date of the President's award, an additional amount which, when added to the amount so paid to him, shall be just compensation. Whenever the need for the national defense of any property requisitioned under this title shall terminate, the President may dispose of such property on such terms and conditions as he shall deem appropriate, but to the extent feasible and practicable he shall give the former owner of any property so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the President, or (2) if it is to be disposed of (otherwise than at a public sale of which he is given reasonable notice) at less than such value, at the highest price any other person is willing to pay therefor: *Provided*, That this opportunity to reacquire need not be given in the case of fungibles or items having a fair value of less than $1,000.

"TITLE III—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

"SEC. 301. (a) In order to expedite production and deliveries under Government contracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement as he may designate (hereinafter referred to as "guaranteeing agencies"), without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance, or in connection with or in contemplation of the termination, of any contract or other operation deemed by the guaranteeing agency to be related to efforts or undertakings on the part of the United States or an agency thereof which are designed to meet the necessities of the national defense.

"(b) Any Federal agency or any Federal Reserve bank, when designated by the President, is hereby authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guaranteeing and in otherwise carrying out the purposes of this section. All such funds as may be necessary to enable any such fiscal agent to carry out any guaranty made by it on behalf of any guaranteeing agency shall be supplied and disbursed by or under authority from such guaranteeing agency. No such fiscal agent shall have any responsibility or accountability except as agent in taking any action pursuant to or under authority of the provisions of this section. Each such fiscal agent shall be reimbursed by each guaranteeing agency for all expenses and losses incurred by such fiscal agent in acting as agent on behalf of such guaranteeing agency, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

"(c) All actions and operations of such fiscal agents, under authority of or pursuant to this section, shall be subject to the supervision of the President and to such regulations as he may prescribe; and the President is authorized to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guaranty and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guaranties.

"(d) Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purpose of meeting the necessities of the national defense.

"SEC. 302. To assist in carrying out the objectives of this act, the President may make provision for loans (including participations in, or guaranties of, loans) to private business enterprises for the expansion of capacity, the development of technological processes, or the production of essential materials. Such loans may be made without regard to the limitations of existing law and

on such terms and conditions as the President deems necessary, except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms.

"SEC. 303. (a) To assist in carrying out the objectives of this act, the President may make provision for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or for resale.

"(b) Purchases and commitments to purchase and sales under subsection (a) may be made, without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods, as the President deems necessary, except that purchases or commitments to purchase involving higher than currently prevailing market prices or anticipated loss on resale shall not be made unless it is determined that supply of the materials could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability to the United States of overseas supplies.

"(c) The procurement power granted to the President by this section shall include the power to transport and store and have processed and refined any materials procured under this section.

"SEC. 304. (a) For the purposes of sections 302 and 303, the President is hereby authorized to utilize the Reconstruction Finance Corporation and such other departments, agencies, officials, or corporations of the Government as he may deem appropriate, or to create new corporations.

"(b) Any corporation created under this section—

"(1) shall have the power to sue and be sued; to acquire, hold, and dispose of property; to use its revenues; to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for subject to laws specifically applicable to Government corporations; and to exercise such other powers as may be necessary or appropriate to carry out the purposes of such corporation;

"(2) shall have its powers set out in a charter, which shall be published in the Federal Register, and all amendments to which shall be similarly published;

"(3) shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to act of Congress; and

"(4) shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of said act.

"(c) Any corporation established or utilized pursuant to this section is authorized to borrow from the Treasury of the United States, for any of the purposes of the corporation, such sums of money as may be necessary to carry out its functions under this title: *Provided*, That the total amount borrowed under the provisions of this section by all such corporations shall not exceed an aggregate of $2,000,000,000 outstanding at any one time. For the purpose of borrowing as authorized by this paragraph, any corporation established pursuant to this section may issue to the Secretary of the Treasury its notes, debentures, bonds, or other obligations to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations. Such obligations may mature subsequent to the period of succession of the corporation. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations of the corporation. The Secretary of the Treasury is authorized and directed to purchase any obligations of any such corporation to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the obligations of any corporation hereunder.

"TITLE IV—PRICE AND WAGE STABILIZATION

"SEC. 401. It is the intent of Congress to provide stand-by authority necessary to achieve the following purposes in order to promote the national defense; to prevent inflation and preserve the value of the national currency; to assure that defense appropriations are not dissipated by excessive costs and prices; to stabilize the cost of living for workers and other consumers and the costs of production for farmers and businessmen; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities; to protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from under impairment of their living standards; to prevent economic disturbances, labor disputes, interference with the effective mobilization of national resources, and impairment of national unity and morale; to protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings; and to prevent a future collapse of values. It is the intent of the Congress that the authority conferred by this title shall be exercised, so far as practicable, in accordance with the policies set forth in section 2 of this act, and in particular with full consideration and emphasis, so far as practicable, on the maintenance and furtherance of the American system of competitive enterprise, including independent small-business enterprises, the maintenance and furtherance of a sound agricultural industry, the maintenance and furtherance of sound working relations, including collective bargaining, and the maintenance and furtherance of the American way of life. Whenever the authority granted by this title is exercised, all agencies of the Government dealing with the subject matter of this title, within the limits of their authority and jurisdiction, shall cooperate in carrying out these purposes.

"SEC. 402. (a) Whenever the President shall find it necessary or appropriate to carry out the purposes of this title he may issue regulations or orders—

"(1) establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery or, the purchase or receipt, by or to any person of any material or service: *Provided*, That the term "rental" as used in this title shall not include the lease or rental of real property.

"(2) establishing a ceiling or ceilings on any salary, wage, or other compensation paid to or received by any person, for any type of employment. Such ceilings shall apply regardless of any obligation heretofore or hereafter incurred except as provided in section 402 (e).

"(b) The President may designate the materials, services, or types of employment to which specified ceilings will apply or he may prescribe a general ceiling for all materials, or services, or for all types of employment. So far as practicable, in establishing any ceiling, the President shall ascertain and give due consideration to comparable prices, rentals, commissions, margins, rates, fees, charges, and allowances, and to salaries, wages, or other compensations, prevailing during the period from May 24, 1950, to June 24, 1950, inclusive. In establishing price or wage ceilings the President shall give due considerations to the national effort to achieve maximum production in furtherance of the objectives of this act. In determining and adjusting ceilings on prices with respect to materials and services he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material or service, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the material or persons performing such services, subsequent to June 24, 1950. In determining and adjusting ceilings on salaries, wages, or other compensation, the President shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such salaries, wages, or other compensation. Any regulation or order establishing a ceiling or ceilings shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order.

"(c) The President, in or by any regulation or order, may provide exemptions for any materials, or services, or transactions therein, or types of employment, with respect to which he finds that (1) such exemption is necessary to promote the national defense; or (2) it is unnecessary that ceilings be applicable to such materials, or services, or transactions, or types of employment, in order to effectuate the purposes of this title. Where the President so exempts transportation, communication, or public utility services, he may intervene in a proceeding involving the charge for such service in order to carry out the purposes of this title.

"(d) Regulations or orders under this section may be established in such form and manner, may provide for such adjustments and reasonable exceptions, and may contain such requirements, classifications, and differentiations, and such provisions, including provisions relating to types of employment, and quality, speculation, hoarding, standardization, manipulation, simplification, and production by a manufacturer of a required percentage of the less expensive items of his line, and definitions as in the judgment of the President are necessary to effectuate the purposes of this title, or to prevent circumvention or evasion, or facilitate enforcement, of this title or any regulation, order, or requirement thereunder.

"(e) (1) The ceiling applicable in respect of any salary, wage, or other compensation shall not be less than that paid during the period from May 24, 1950, to June 24, 1950, inclusive. No action shall be taken under authority of this title with respect to salaries, wages, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the Labor-Management Relations Act, 1942, as amended, or any other law of the United States, or of any State, the District of Columbia, or any Territory or possession of the United States.

"(2) No ceiling shall be established or maintained for any agricultural commodity below the higher of the two following prices: (i) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or (ii) the average price received by producers on June 15, 1950, as determined by the Secretary

of Agriculture and (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials); and no ceiling shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the higher price therefor specified above. Whenever a ceiling has been established under this title with respect to any fresh fruit or any fresh vegetable, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such fresh fruit or fresh vegetables. Nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act.

"SEC. 403. It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade, to buy or receive, any material or service, or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer, solicit, attempt, or agree to do any of the foregoing.

"SEC. 404. In carrying out the provisions of this title the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

"SEC. 405. Nothing in this title shall be construed to require any person to sell any material or service, or to perform services.

"SEC. 406. At any time prior to 6 months from the effective date of any regulation or order under this title, or, in the case of new grounds arising after the effective date of any such regulation or order, within 6 months after such new grounds arise, any person subject to any provision of such regulation or order may, in accordance with regulations to be prescribed by the President, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation or order may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the President. Within a reasonable time after the filing of any protest under this section, but in no event more than 30 days after such filing, the President shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the President denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the President has taken official notice.

"(b) In the administration of this title the President may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 705 of title VII of this act.

"(c) Any proceedings under this section may be limited by the President to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however,* That, upon the request of the protestant, any protest filed in accordance with subsection (a) of this section shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the United States designated by the President in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittee thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpenas shall issue to procure the evidence of persons, or the production of documents, or both. The President shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provisions against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the President. The protestant shall be informed of the recommendations of the board and, in the event that the President rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

"(d) Any protest filed under this section shall be granted or denied by the President, or granted in part and the remainder of it denied within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the President in disposing of his protest may petition the Emergency Court of Appeals; and such court shall have jurisdiction by appropriate order to require the President to dispose of such protest within such time as may be fixed by the court. If the President does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

"SEC. 407. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals, specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation or order, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided,* That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest of such evidence and shall be continued in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on the request by the President, any such evidence shall be presented directly to the court.

"(b) No such regulation or order shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation or order shall be postponed until the expiration of the thirty days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such thirty days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

"(c) The Emergency Court of Appeals created by section 204 (c) of the Emergency Price Control Act of 1942, as amended, is hereby continued in existence for the purposes of this title, and the powers heretofore granted by law to the Emergency Court of Appeals are hereby continued for purposes of exercises of the jurisdiction granted by this title.

"(d) Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under this title, and of any provision of any such regulation or order. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"SEC. 408. (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 403 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provisions, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(b) Any person who willfully violates any provision of section 403 of this title shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than $10,000, or to imprisonment for not more than 1 year, or both. Whenever the President has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(c) If any person selling a commodity violates a regulation or order prescribing a ceiling or ceilings, the person who buys such commodity for use or consumption other

than in the course of trade or business may, within 1 year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In any action under this subsection the seller shall be liable for reasonable attorney's fees and costs as determined by court, plus whichever of the following sums is greater: (1) Such amount not more than the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine. For the purposes of this section the word "overcharge" shall mean the amount by which the consideration exceeds the applicable ceiling. If any person selling a commodity violates a regulation or order prescribing a ceiling or ceilings, and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the President may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the President, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the President, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. The President may not institute any action under this subsection on behalf of the United States—

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the President or any official authorized to act for him;

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"(d) (1) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this title and to assure compliance with and provide for the effective enforcement of any regulation or order issued or which may be issued under this title, he may by regulation or order issue to or require of any person or persons subject to any regulation or order issued under this title, a license as a condition of selling any commodity or commodities with respect to which such regulation or order is applicable. It shall not be necessary for the President to issue a separate license for each commodity or for each regulation or order with respect to which a license is required. No such license shall contain any provision which could not be prescribed by regulation, order, or requirement under this title: *Provided,* That no such license may be required as a condition of selling or distributing (except as waste or scrap) newspapers, periodicals, books, or other printed or written material, or motion pictures, or as a condition of selling radio time: *Provided further,* That no license may be required of any farmer as a condition of selling any agricultural commodity produced by him, and no license may be required of any fisherman as a condition of selling any fishery commodity caught or taken by him: *Provided further,* That in any case in which such a license is required of any person, the President shall not have power to deny to such person a license to sell any commodity or commodities, unless such person already has such a license to sell such commodity or commodities, or unless there is in effect under paragraph (2) of this subsection with respect to such person an order of suspension of a previous license to the extent that such previous license authorized such person to sell such commodity or commodities.

"(2) Whenever in the judgment of the President a person has violated any of the provisions of a license issued under this subsection, or has violated any of the provisions of any regulation, order, or requirement under this title, which is applicable to such person, a warning notice shall be sent by registered mail to such person. If the President has reason to believe that such person has again violated any of the provisions of such license, regulation, order, or requirement after receipt of such warning notice, the President may petition any State or Territorial court of competent jurisdiction, or a district court subject to the limitations hereinafter provided, for an order suspending the license of such person for any period of not more than 12 months. If any such court finds that such person has violated any of the provisions of such license, regulation, order, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under this title is applicable; but no suspension shall be for a period of more than 12 months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed. If any such court finds that such person has violated any of the provisions of such license, regulation, order, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under this title is applicable; but no such suspension shall be for a period of more than 12 months. For the purposes of this subsection, any such proceedings for the suspension of a license may be brought in a district court if the licensee is doing business in more than one State, or if his gross sales exceed $100,000 per annum. Within 30 days after the entry of the judgment or order of any court either suspending a license, or dismissing or denying in whole or in part the President's petition for suspension, an appeal may be taken from such judgment or order in like manner as an appeal may be taken in other cases from a judgment or order of a State, Territorial, or district court, as the case may be. Upon good cause shown, any such order of suspension may be stayed by the appropriate court or any judge thereof in accordance with the applicable practice; and upon written stipulation of the parties to the proceeding for suspension, approved by the trial court, any such order of suspension may be modified, and the license which has been suspended may be restored, upon such terms and conditions as such court shall find reasonable. Any such order of suspension shall be affirmed by the appropriate appellate court if, under the applicable rules of law, the evidence in the record supports a finding that there has been a violation of any provision of such license, and no such suspension shall confer after receipt of such warning notice. No proceedings for suspension of a license, and no such suspension, shall confer any immunity from any other provision of this title.

"TITLE V—SETTLEMENT OF LABOR DISPUTES

"SEC. 501. It is the intent of Congress, in order to provide for effective price and wage stabilization pursuant to title IV of this act and to maintain uninterrupted production, that there be effective procedures for the settlement of labor disputes affecting national defense.

"SEC. 502. The national policy shall be to place primary reliance upon the parties to any labor dispute to make every effort through negotiation and collective bargaining and the full use of mediation and conciliation facilities to effect a settlement in the national interest. The President is authorized, after consultation with labor and management, to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes affecting national defense, including the designation of such persons, boards, or commissions as he may deem appropriate to carry out the provisions of this title.

"SEC. 503. In any action which may be taken pursuant to authority provided for in this title, due regard shall be given to terms and conditions of employment established by prevailing collective bargaining practice which will be fair to labor and management alike, and will be consistent with stabilization policies established under this act. Any such action shall be consistent with the provisions of the Fair Labor Standards Act of 1938, as amended, and other Federal labor standards statutes and with other applicable laws.

"TITLE VI—CONTROL OF CREDIT

"SUBTITLE A—CONSUMER AND REAL ESTATE CREDIT

"SEC. 601. (a) To assist in carrying out the purposes of this act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of consumer and real estate credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values maximum maturities, maximum amounts of credit, rules regarding the amount, form and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements (1) the level and trend of consumer and real estate credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for real property and improvements thereon and for other goods and services, and (3) the need in the national economy for the maintenance of sound credit conditions.

"(b) No person shall extend or maintain any credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any credit, or arrange for any of the foregoing in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any credit, or arranges for any of the foregoing shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports under oath or otherwise, as the President may by regulation require as necessary or appropriate in order to effectuate the purposes of this subtitle; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable

periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

"(c) Any person who willfully violates any provision of this subtitle or any regulation or order thereunder, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than 1 year, or both.

"(d) To assist in carrying out the purposes of this subtitle, the President by regulation may require transactions or persons or classes thereof subject to this subtitle to be registered or licensed; and, after notice and opportunity for hearing, the President by order may suspend any such registration or license for violation of this subtitle or any regulation prescribed by the President pursuant to this subtitle. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such order of the President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that act. In carrying out this subtitle, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

"(e) Any restrictions for real estate credit for home construction shall not restrict loans made by private lenders to any percentage of value or maturity less than the maximum authorized for any loans authorized to be made, insured, or guaranteed by the Government or any Government-owned agency or instrumentality, nor shall any restriction otherwise discriminate in favor of Government loans or Government insured or guaranteed loans against private loans for home construction.

"(f) For the purposes of this subtitle, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms and, in addition, may define technical, trade, and accounting terms, insofar as any such definitions are not inconsistent with the provisions of this subtitle:

"(1) 'Consumer credit' means credit which the obligor undertakes to pay in two or more payments, or any other credit: *Provided*, That it shall not include (i) any credit to finance or refinance the construction or purchase of an entire residential or nonresidential building, (ii) any credit extended to a business enterprise solely to finance the purchase of goods for resale, or (iii) any other credit extended to a business or agricultural enterprise for any business or agricultural purpose unless the credit is secured by or is for the purpose of purchasing or carrying any durable or semidurable goods which are used or usable for personal, family, or household purposes, or any accessory, insurance, or service connected with any such goods or any interest therein.

"(2) 'Real estate credit' means credit secured, either wholly or partly, by real property; credit for the purpose of purchasing or carrying real property or constructing buildings or otherwise improving real property; and credit involving a right to acquire or use real property. As used in this paragraph the term 'real property' includes leasehold and other interests therein.

"(3) 'Credit' means any loan, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment, leasing, or other use of property under which the bailee, lessee, or user has the option of becoming the owner thereof, obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof, or has the right to have all or part of the payments required by such contract applied to the purchase price of such property or similar property; any option, demand, lien, pledge or similar claim against, or for the delivery of property or money; any purchase, discount, or other acquisition of, or any credit under the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

"(4) 'Person', in addition to the definition given it by section 702 (a) of this act, includes the United States, any State or subdivision thereof, and any agency or instrumentality of one or more such authorities, except that the criminal penalties of this subtitle shall not be applicable to the United States, any State, or other governmenal agency or instrumentality.

"SEC. 402. To assist in carrying out the objectives of this act, the President may, at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers, the President shall give consideration to the preservation of such relative credit preferences as are accorded to veterans of World War II under existing law.

"SUBTITLE B—COMMODITY SPECULATION

"SEC. 611. The Commodity Exchange Act, as amended (42 Stat. 998; 49 Stat. 1491; 52 Stat. 205; 54 Stat. 1059), is further amended by inserting at the end of section 4a the following:

"'(5) (A) Whenever the President determines that the nature or extent of speculative trading on boards of trade causes or threatens to cause sudden or unreasonable fluctuations or unwarranted changes in the price of any commodity, he may prescribe rules and regulations governing the margin to be required with respect to the speculative purchase or speculative sale of any such commodity for future delivery, or the maintenance of a speculative position resulting from such purchase or sale, on or subject to the rules of any board of trade, whether or not designated as a contract market under section 5 of this act: *Provided*, That no such rule or regulation shall be applicable to bona fide hedging transactions.

"'(B) It shall be unlawful for any person to buy or sell, or accept orders for the purchase or sale of any such commodity for future delivery, subject to the rules of any board of trade, or maintain or carry a position resulting from such purchase or sale, unless margin funds or securities are deposited and maintained in compliance with the rules and regulations promulgated under this paragraph (5). No floor broker shall be deemed to have violated this paragraph (5) with respect to any transaction in connection with which he has acted solely in the capacity of floor broker.

"'(C) All money, securities, or properly deposited as margin shall be handled by the person receiving such margin in compliance with the requirements of section 4d (2), regardless of whether such person is a futures commission merchant as defined in this act and, for the purpose of this provision, the term "contract market", as used in section 4d (2), shall be deemed to mean board of trade.

"'(D) It shall be unlawful for any person to engage in soliciting or accepting orders for the purchase or sale of any commodity for future delivery on any board of trade, whether or not such board of trade is designated as a contract market, unless such person shall keep a record in writing showing the date, the parties to such contracts and their addresses, the commodity covered and its price, the terms of delivery, and the amount and kind of margin deposited. Such record shall be kept for a period of 3 years from the date of the transaction and shall at all times be open to the inspection of any representative of any agency of the United States designated for the purpose by the President.

"'(E) For the purposes of this paragraph (5) the term "commodity" shall mean, in addition to those commodities specifically mentioned in section 2 (a) of this act, any other agricultural or forest product or byproduct.

"'(F) For the efficient execution of the provisions of this paragraph (5), the provisions of section 21 of the Securities Exchange Act of 1934 (48 Stat. 899), as amended, are made applicable to the jurisdiction, powers, and duties of the President in administering and enforcing the provisions of this paragraph (5) and to any person subject thereto.

"'(G) Sections 4a and 4i of this act are extended and made applicable to any commodity as defined in (E) above, and for the purposes of this paragraph (5) the term "contract market" as used in sections 4a and 4i shall be deemed to mean Board of Trade.'

"TITLE VII—GENERAL PROVISIONS

"SEC. 701. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this act.

"(b) In order to carry out this policy—

"(i) The President shall provide small-business enterprises with full information concerning the provisions of this act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this act;

"(ii) Such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations or orders, or amendments thereto, issued under authority of this act, and in their formation consideration shall be given to providing fair representation for small, medium, and large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

"(iii) In administering this act, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this act; and

"(iv) In administering this act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

"SEC. 702. As used in this act—

"(a) The word 'person' shall include individuals, firms, corporations, associations, partnerships, and any organized groups of persons whether or not incorporated.

"(b) The word 'materials' shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

"SEC. 703. The President may delegate any power or authority conferred upon him by this act to any officer or agency of the Government, including any new agency or agen-

cies, which are hereby authorized to be created by the President when deemed necessary, and may authorize such redelegations by that officer or agency as the President may deem appropriate. The President is authorized to appoint heads and assistant heads of any such new agencies, and other officials therein of comparable status, and to fix the compensation therefor, without regard to the Classification Act of 1949, as amended, at rates comparable to the compensation paid to the heads and assistant heads of independent agencies of the Government. Any officer or agency may employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, without regard to section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219), as the President deems necessary to carry out the provisions of this act. Attorneys appointed under this section may appear for and represent the agency in any case in any court.

"SEC. 704. The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this act. Any regulation or order under this act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper in order to effectuate the purposes of this act.

"SEC. 705. (a) The President shall be entitled, while this act is in effect and for a period of 2 years thereafter, by regulation, subpena, or otherwise, to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises of property of, and take the sworn testimony of, any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of this act and the regulations or orders issued thereunder. The President shall issue regulations insuring that the authority of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority.

"(b) No person shall be excused from complying with any requirement under this section or from attending and testifying or from producing books, papers, documents, and other evidence in obedience to a subpena before any grand jury or in any court or administrative proceeding based upon or growing out of any alleged violation of this act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture in any court, for or on account of any transaction, matter, or thing concerning which he is so compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such natural person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying: *Provided*, That the immunity granted herein from prosecution and punishment and from any penalty or forfeiture shall not be construed to vest in any individual any right to priorities assistance, to the allocation of materials, or to any other benefit which is within the power of the President to grant under any provision of this act.

"(c) The production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpena, or other document issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(d) Information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the President determines that the withholding thereof is contrary to the interest of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

"SEC. 706. The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this act or any rule, regulation, order, or subpena thereunder, and of all civil actions under this act to enforce any liability or duty created by, or to enjoin any violation of, this act or any rule, regulation, order, or subpena thereunder. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; the subpena for witnesses who are required to attend a court in any district in such case may run into any other district. The termination of the authority granted in any title or section of this act, or of any rule, regulation, or order issued thereunder, shall not operate to defeat any suit, action, or prosecution, whether theretofore or thereafter commenced, with respect to any right, liability, or offense incurred or committed prior to the termination date of such title or such section, or of such rule, regulation, or order. No costs shall be assessed against the United States in any proceeding under this act.

"SEC. 707. No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from his compliance with a rule, regulation, or order issued pursuant to this act, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under title I of this act or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

"SEC. 708. (a) No act or omission to act which occurs while this act is in effect, if requested by the President and found by him to be in the public interest as contributing to the national defense, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

"(b) The authority granted in subsection (a) shall not be delegated except to a single official of the Government and then only upon the condition that such official consult with the Attorney General not less than 10 days before making any request or finding thereunder.

"(c) Upon withdrawal of any request or finding made hereunder the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

"SEC. 709. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof.

"SEC. 710. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place positions and employ persons in grades 16, 17, and 18 of the general schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that act.

"(b) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation; and he is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code or section 190 of the Revised Statutes (5 U. S. C., sec. 99). Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

"(c) The President may utilize the services of Federal, State, and local agencies and may utilize and establish such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed; and he is authorized to provide by regulation for the exemption of persons whose services are utilized under this subsection from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code or section 190 of the Revised Statutes (5 U. S. C., sec. 99).

"SEC. 711. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this act by the President and such agencies as he may designate or create. Funds made available for the purposes of this act may be allocated or transferred for any of the purposes of this act, with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out this act. Funds so allocated or transferred shall remain available for such period as may be specified in the acts making such funds available.

"SEC. 712. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"SEC. 713. This act and all authority conferred hereunder shall terminate at the close of June 30, 1952, or at such earlier time as the Congress by concurrent resolution or the President by proclamation may designate."

Mr. SPENCE (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the substitute amendment be dispensed with, since printed copies of it are available to the membership.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, may I inquire of the chairman of the Committee on Banking and Currency whether in substance the substitute which he has offered contains the language of the

bill H. R. 9260, introduced by the gentleman from North Carolina [Mr. DEANE].

Mr. SPENCE. No; it is not.

Mr. WOLCOTT. May I then propound another inquiry: With the exception, as I understand it, of the addition of price controls, wage controls, and rationing, does the bill differ from the bill as reported out of the committee?

Mr. SPENCE. The bill as reported out of committee is contained in this bill.

Mr. WOLCOTT. And in addition to that, what else is contained in it?

Mr. SPENCE. Plus rationing, price controls, wage controls, and a provision for the settlement of labor disputes.

Mr. WOLCOTT. Mr. Chairman, there is a great deal of confusion incident to these three proposals, and inasmuch as we have had absolutely no opportunity, and as a matter of fact, I do not now have a copy of this amendment which is being offered as a substitute by the gentleman from Kentucky, which I had assumed was along the line of the DEANE bill, and which I was following down to the point where the gentleman asked unanimous consent to dispense with further reading of the amendment, it is almost identical with the Deane bill. We have the Deane bill before us and if the substitute amendment were the Deane bill, we might not have to have it read. But if it differs from the Deane bill and inasmuch as we have not been furnished with a copy of the substitute amendment, and will have no opportunity whatsoever to mark the bill up while it is being read, then perhaps we should give more consideration to having it read so that we will know what it is about.

Mr. SPENCE. The only differences between this bill and the Deane bill are titles IV and V.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HALLECK. Mr. Chairman, it now appears that the statement I made yesterday during the debate that there would very likely be a Spence substitute was correct, since that has now come to pass. I cannot help but comment on the very obvious fact that we find ourselves indeed in a deplorable situation. Here is a completely new bill in many of its titles that we will be called upon to act today. No one has had a chance to see it. Certainly it should be open for amendment, and undoubtedly should be amended in many particulars. But under this sort of procedure, what fair chance does the House of Representatives have to find out what is in the bill and to prepare amendments to the bill and to offer them? Under the mechanics and under the parliamentary situation, the vote will come finally on the substitute which is offered against the pending substitute, and if this substitute is adopted——

The regular order was demanded.

Mr. MARTIN of Massachusetts. Mr. Chairman, who has the floor?

Mr. WOLCOTT. I have yielded to the gentleman from Indiana.

The CHAIRMAN. The gentleman from Michigan [Mr. WOLCOTT] has the floor, under reservation of objection.

Mr. HALLECK. And the gentleman has yielded to me, so at the moment I have the floor.

The CHAIRMAN. The gentleman is correct.

Mr. HALLECK. If I may proceed, under the parliamentary situation, the vote will come on this substitute that is presently being offered as a substitute for the Kunkel substitute, and if it is adopted, there will be no further opportunity to amend it. If I am in error in that, I ask to be corrected. However, I know I am right about it. In other words, we must immediately start to the amending stage of the substitute that is here presented, and I say that is a poor way to legislate. If the administration leaders in the executive branch and here in the House of Representatives intended to have this sort of bill, they should have had it before us so that we might have looked at it and legislated fairly and honestly and decently for the best interests of the country.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. PACE. Mr. Chairman, I object. I want time to read the bill.

The CHAIRMAN. Objection is heard. The Clerk will read.

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. After the substitute, can there be any amendment offered to the Spence substitute?

The CHAIRMAN. There can be. One amendment could be offered.

The Clerk will continue reading the amendment.

The Clerk continued the reading of the substitute.

Mr. SPENCE (interrupting the reading of the substitute). Mr. Chairman, I am afraid from the debate that some of the gentlemen do not understand that this bill has been printed. This substitute is available to all Members. We have it on our desk and there are some over at the Clerk's desk. The Members may obtain printed copies of this substitute.

Mr. Chairman, I ask unanimous consent that the further reading of the substitute be dispensed with, with the exception of titles IV and V.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I have just been handed what purports to be a committee print which I asume the Clerk is reading; is that correct?

The CHAIRMAN. That is correct.

Mr. WOLCOTT. May I ask the gentleman from Kentucky whether the committee ever met and authorized this committee print?

Mr. SPENCE. Well, I do not think the committee ever met and authorized the committee print.

Mr. WOLCOTT. No. Further reserving the right to object, I want to call attention to the fact that this is the first intimation we have had that the gentleman was going to introduce a substitute. I think we had a right to assume from the statements made yesterday that the bill as reported out of the committee was going to be the gentleman's position. I do not think it is hardly in keeping with good parliamentary procedure to try to take us as much by surprise as you have done this morning. If we had even the substance of this proposal last night we might be in position to save a lot of time on this bill today.

Mr. SPENCE. We have a very illustrious precedent, even if we did not give the other side any notice, because the Kunkel amendment to the bill was considered in the committee. It was offered without anybody having any notice of it, without anybody having any knowledge of its provisions. If we are going to follow precedent, we have a much stronger precedent.

Mr. WOLCOTT. In answer to that, may I call the gentleman's attention to the fact that the committee did not adopt the Kunkel amendment, perhaps for the reason that the gentleman has stated; so the gentleman has justified the position which we take. We want to find out what is in this before we vote on it. This Kunkel amendment was offered in committee, it was fair in the committee and it was fair in the House to offer the amendment last night in order that all of the Members might know what is in the amendment. I think the gentleman should have done likewise.

Mr. PICKETT. Mr. Chairman, reserving the right to object, the situation that confronts us in this Congress and in the world is one that should require serious consideration of every proposal under the circumstances. I would like to give it my serious consideration and because I have not had time to look at this proposal that is now pending and being read, I object to the request of the gentleman from Kentucky.

The Clerk continued the reading of the substitute.

Mr. CASE of South Dakota (interrupting reading of the substitute). Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order that when a substitute is pending, and the Kunkel amendment was offered in the nature of a substitute, a second substitute may not be considered until the first substitute is disposed of.

The CHAIRMAN. Under the rule under which this bill is being considered, the committee amendment printed in the bill is being considered as an original bill; therefore, it was in order to offer an amendment to that original bill. This is a substitute for the Kunkel amendment. The point of order is overruled.

Mr. CASE of South Dakota. Was not the Kunkel amendment offered in the nature of a substitute, it having been an amendment to strike out the original Spence bill?

The CHAIRMAN. That was an original amendment and it was in order to offer a substitute, which was offered by the gentleman from Kentucky. The point of order is overruled.

Mr. CANFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CANFIELD. Where can a copy of the report on this substitute be obtained?

The CHAIRMAN. That is not a parliamentary inquiry. The Chair assumes the gentleman may obtain them where they are usually obtained.

The Clerk continued the reading of the substitute.

Mr. TABER. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. I make the point of order that the amendment violates the provisions of section 4 of rule 21, which I should like to read:

No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations, nor shall an amendment proposing an appropriation be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction. A question of order on an appropriation in any such bill, joint resolution, or amendment thereto may be raised at any time.

The CHAIRMAN. Will the gentleman from New York point out the specific language in the bill to which he objects?

Mr. TABER. I call the Chair's attention to page 7, lines 18 to 23:

(d) Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purpose of meeting the necessities of the national defense.

Page 11, lines 1 to 10:

The Secretary of the Treasury is authorized and directed to purchase any obligations of any such corporation to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the obligations of any corporation hereunder.

Page 48, lines 8 to 14:

Funds made available for the purposes of this act may be allocated or transferred for any of the purposes of this act, with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out this act. Funds so allocated or transferred shall remain available for such period as may be specified in the acts making such funds available.

Every one of those items that I have referred to constitutes an appropriation, and every one of them is in violation of the provisions of clause 4 rule XXI.

This whole question was thoroughly covered at the time the first bill for the reorganization of the Government was up for consideration and a point of order was sustained. Unless the Chair desires some further information, that presents the situation.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard on the point of order?

Mr. SPENCE. Mr. Chairman, I may say there was the same provision in the housing bill considered last year. A point of order was raised with respect to the public debt transactions and the point of order was overruled in that instance.

Mr. CASE of South Dakota. Mr. Chairman, it is true that the point of order was raised in connection with consideration of the housing bill with respect to language similar to that which appears on page 11 dealing with public debt transactions. Having made the point of order I remember rather regretfully that the point of order was not sustained. However, what may have applied to that would not apply to the language appearing on page 7.

The paragraph cited by the gentleman from New York on page 7 is purely a reappropriation. The language reads:

Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it.

Right at that point, that is clearly a reappropriation.

On page 71 of Cannon's Procedure in the House of Representatives, there are several precedents cited on this point. For example under "What Constitutes an Appropriation Under the Rule," there is the following:

Legislative direction that funds previously appropriated be used for a purpose not specified in the original appropriation (VIII, 2147).

Further:

Proposition to reappropriate or make available appropriations or parts of appropriations previously made or to divert such appropriation to any other urpose than that for which originally made.

Precedent cited: VII, 2146.

Clearly the language there used in lines 19 and 20 making available funds heretofore appropriated, constitutes a reappropriation and as such is a violation of the rules.

Mr. SPENCE. I would like to inquire if the gentleman's point of order is made against that language.

Mr. TABER. The point of order is made to the entire substitute.

Mr. SPENCE. I intend to make the same point of order against the Kunkel amendment.

Mr. FURCOLO. Mr. Chairman, I desire to be heard.

Mr. Chairman, with reference to the comments made by the gentleman from South Dakota about an appropriation, I think the language in line 11 must be read in connection with the words "to it" in line 21. As I understood the gentleman's point, he indicated this would be perhaps a new appropriation, but if it is read in connection with that language it is not.

Mr. CASE of South Dakota. It is the fact that it is a reappropriation of funds appropriated for other purposes, and a proposal to appropriate for a purpose not contained in the original amendment.

Mr. FURCOLO. If you take into account the words "to it" that changes it.

Mr. McCORMACK. Mr. Chairman, in connection with that portion of the point of order which relates to page 11 and the point of order on page 48, I remember well when that question was raised last year in the Housing Act, because I participated in the discussion that took place at that time. The question then involved was squarely the same one, as I remember, that is involved on page 11. At that time it was ruled, and in my opinion properly so, that it was not an appropriation on an authorization bill, or an appropriation in connection with any kind of organic legislation in the bill pending at that time.

It seems to me that the provision on page 48, included in the point of order raised by my friend from New York, relates back to page 11, and it is very clear that those portions of his point of order have been passed upon before.

It seems to me that those two parts of his points of order are not the meat of his point of order, and that the provision on page 11 and the provision on page 48 are clearly in order and germane in a bill of this kind.

So far as page 7 is concerned, lines 18 to 23, which read "Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purpose of meeting the necessities of the national defense" seems to me to be the meat of the situation and not the other parts of the points of order raised by my distinguished friend from New York.

Therefore, the question is whether or not the language appearing in lines 18 to 23 constitutes an appropriation on a legislative bill. I am frank in stating that it is a very close decision as far as that provision is concerned, but as far as the other two provisions are concerned, it is very plain and very apparent to me that the point of order would not lie.

The CHAIRMAN (Mr. SMITH of Virginia.) The Chair is ready to rule.

With respect to the point of order raised by the gentleman from New York against the language on page 48 of the bill, section 711, that language reads, "There are hereby authorized to be appropriated." No funds are appropriated under that section, but there is a provision for the allocation of funds which may in the future be authorized and appropriated. For that reason, the Chair is of the opinion that that point of order should be overruled, and does overrule it.

With respect to the point of order raised by the gentleman from New York to the language on page 11, lines 1 to 10, the Chair finds that the identical language has already been ruled upon in the

consideration of the Housing Act of 1949, H. R. 4009. Chairman BOGGS on June 28, 1949, RECORD page 8538, overruled the point of order as to that language, and the present occupant of the chair sustains that rule.

As to the language on page 7, lines 18 to 23, against which a point of order was raised, the Chair is of the opinion that the language there does constitute an appropriation in violation of the rule cited by the gentleman from New York, and accordingly sustains the point of order against the amendment on account of that objectionable language.

Mr. SPENCE. Mr. Chairman, I reoffer the amendment with that objectionable language stricken out.

The CHAIRMAN. The gentleman from Kentucky offers an amendment which the Clerk will report.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, it is my purpose as soon as the gentleman from Kentucky has been recognized on the amendment and it is in order, to move that the Committee rise, in order that we may have an opportunity to study this in the light of the changes which have obviously been made. I call attention to the fact also that on one page of the amendment he is now offering he has left out at least five lines. We surely do not want to legislate in that respect. So I think that for the time being the amendment should be read, at least until someone has an opportunity to correct the very obvious language errors in the bill.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Indiana.

Mr. HALLECK. If the Members of the House will look at page 31 of the Spence substitute, line 21, and compare that with the committee bill that is pending before us, they will discover that six lines have been dropped out in this committee bill.

I have heard of being presented with things that did not even have the ink dry, but if you rub your finger over this new substitute bill offered by the gentleman from Kentucky [Mr. SPENCE] you will find the ink is not even dry. Certainly if it is here under such careless circumstances that six lines have been dropped out so that now there are sentences in the bill which make no sense at all, we had better look at it before we begin legislating and doing something that no one knows how long we will have to live with.

No one wants to delay action on this important matter in any way, but at the same time we had better get this right and legislate as our responsibility dictates we should. I submit this is not the way to do it.

Mr. McCORMACK. Mr. Chairman, reserving the right to object, this is a most unusual procedure. Of course the gentleman from Michigan [Mr. WOLCOTT] has served notice that he intends to offer a motion that the Committee rise, and thereby take over control, so far as this is concerned, which is most unusual, because we never did that during the Eightieth Congress. However, that is his privilege. During the debate the amendment will be discussed and explained. There is not going to be any attempt to limit debate. I hope if such a motion is made that the Committee will not rise, and that we will proceed with the consideration of this bill.

The present situation arose, and we must be frank about it, as a result of certain Members offering mandatory price controls and wage and salary ceilings, and so forth, and apparently the source of those proposals are very much disturbed themselves, and they apparently do not know where they are at. They are very much divided. So far as I can see from my reading of the Kunkel bill, it has been revised on at least three occasions. Of course the gentleman has a perfect right to do that. The uncertainty is not on this side. The plain question here is as between the Kunkel substitute and the Committee substitute which we call the Committee bill, as amended by certain standby controls or authority granted to the President. That is the question.

As debate goes along, that could be brought out. It seems to me it will do no good for the Committee to rise, and I hope that the Committee will defeat any such motion.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MICHENER. Mr. Chairman, there is confusion. The speech just made by the distinguished majority leader demonstrates that.

Mr. McCORMACK. Demonstrates what?

Mr. MICHENER. That there is confusion on the floor.

Mr. McCORMACK. Not on our side, but on your side; that is where I said the confusion was. As a matter of fact, you are very much disturbed, from what I can see. You do not—well, I do not want to go too far, but you do not know just where you are. You are all divided.

Mr. MICHENER. Yes, that is true.

Mr. McCORMACK. That is true? I am glad my friend admits that that is true.

Mr. MICHENER. Will the gentleman yield?

Mr. McCORMACK. Of course I yield.

Mr. MICHENER. That is true. But the committee brought out a bill, and it was alleged by some when the bill was brought out that the committee was in confusion. Members of the committee said it was not in confusion, and that it understood thoroughly what we were doing. So we took up the committee bill and we had not proceeded but a few steps before there was confusion worse confounded on your side and on our side and on everybody's side.

In order to overcome some of that confusion there was brought in another bill, the Spence substitute, which is entirely different, which again compounds the confusion, and we are certainly in a state of general confusion right now. The committee bill, the Kunkel substitute, and now the Spence substitute, which we have never seen or read.

Mr. McCORMACK. I do not admit that all of the House is in confusion. I can see that most, but not all; but most of your side is in confusion.

Mr. MICHENER. I will admit I am confused. If the gentleman is not, he must have looked at a crystal ball——

Mr. McCORMACK. Oh, now, now. My friend is too generous. I cannot accept his generosity.

Mr. MICHENER. I do not mean to impugn any——

Mr. McCORMACK. Of course not, but a little flattery or a little facetiousness, you know.

Mr. MICHENER. But we are confronted with a condition and not with a theory. The gentleman is quite right parliamentarily when he appeals to his majority colleagues not to permit the motion of the gentleman on the Republican side that the Committee rise to prevail, because that loses leadership on the part of the party in power. Under those circumstances—granting that we are all confused and that 24 hours might save the Nation a whole lot of trouble and confusion—why does the gentleman not ask unanimous consent that this matter be put over until tomorrow, so that we all may read the bill that we are going to be asked to vote upon, and so that all of us who are confused will have some little idea of what it is all about? It seems to me that that is the common-sense method of legislating. That is all I want.

I hope to go along with a bill agreed upon by the House; but I do think the gentleman would render a service if he came out and said, "We do not thoroughly understand, and therefore we want to do the thing right."

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. RAYBURN. If the confusion is so much and so confounded, does not the gentleman think that we should at least take the remainder of today and, if necessary, all of tomorrow, in debating this thing, to see if we cannot get unconfounded?

Mr. MICHENER. My answer to that is this: There are 48 pages in this bill that no one has read. The ink is not dry on it. The Speaker remembers well in days gone by when the House passed bills without even reading them. They were just brought in and the House told that, "This is an emergency and the bill must be passed," and the House not even permitted to read it, or to know what was in it. The Supreme Court declared the NRA unconstitutional. Possibly it would not have done that had the House had an opportunity to read the bill and know something about it.

Now, I appeal to the Speaker: You have the power and you have the votes. We are in the minority. We have had these fights in days gone by, but let us be fair and let us be generous and let us act in behalf of all of the people and not in a partisan manner between the Re-

publicans and Democrats. Let us adjourn so that we may read this bill through and come back in the morning and pass a bill.

Mr. McCORMACK. The gentleman from Michigan served notice of his motion. This procedure is well understood in this House. The gentleman served notice, and the first I knew, as majority leader, of any intention was when he served that notice. He did not have to do that, but I know this much, that I would feel very much distressed if the ranking minority member of a committee in the Eightieth Congress did not let the leadership on the other side know of such an intention.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will yield in a minute. My friend from Michigan, whom I respect very much, I deeply respect him—there is nothing at all political about my position, but all I am seeking is to proceed in an orderly way, as we have always done. It seems to me if we proceed with the debate, and there will be no attempt made to close debate, because we all recognize it is a very important matter; the Kunkel amendment and the substitute, of which there are about 19 pages of new matter, can be considered, explained, and the Members will come to understand what is in there far better. As far as the bill is concerned, it seems to me that we ought to approach this to get it through after proper debate as quickly as we can because it is a measure of great importance.

Mr. MICHENER. There is no question about that.

Mr. McCORMACK. Certainly we should meet it head-on; we should go ahead and debate the amendment and study it as we go along.

Mr. MICHENER. But there are some of us who would like to read the bill and know what we are debating. Now, if we must sit here and listen to debate about something that we have never read, about which we have no knowledge, I say it is wrong parliamentarily, and it is wrong morally.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. We talk about debate, we are now in debate under the 5-minute rule; we are now at the amendment stage. General debate has expired.

In respect to this substitute, I take it that the Spence substitute is offered with the idea that it will be supported on the majority side and will become the law of the land subject to action in the other body; so it is not a matter of debate; we are here now working under the 5-minute rule in the amendment stage on a proposal of far-reaching consequence. I may say to the gentleman that I have read the bill through as hastily as I could.

Mr. McCORMACK. Not as far-reaching as the Kunkel substitute, not as far-reaching as that.

Mr. HALLECK. May I say also in respect to the matter of confusion that the majority leader is more than a little confused, as confused as everybody else, specifically on the subject of mandatory controls, and the chairman of the committee himself is a little confused when he states that the provisions of the bill that dealt with that, and the provision contained in the committee bill presently before us are the same in this substitute. The fact of the business is they are not. You will find place after place where there are changes in the provisions of the bill as reported.

Mr. McCORMACK. Will the gentleman cite instances?

Mr. HALLECK. Yes. I daresay there is not a member of the committee on the Democratic side who knows what is in this substitute.

Mr. COX. Mr. Chairman, may I inquire who has the floor?

The CHAIRMAN. The gentleman from Massachusetts has the floor.

Mr. COX. Will the gentleman from Massachusetts yield to me?

Mr. McCORMACK. I yield to the gentleman from Georgia.

Mr. COX. It ought to be perfectly apparent to everyone that this House at the moment is not in position to act intelligently on any sort of proposal that may be now pending. This being so I wonder if the gentleman from Michigan would not yield to someone on the majority side to move that the Committee rise until tomorrow? I wish to say that it is just as much the responsibility of a Member of the minority to get good legislation as it is the responsibility of a Member of the majority to get good legislation.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WOLCOTT. It is our desire that we should.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BROWN of Georgia. I thoroughly understand this confusion. The gentleman knows that I am for the original bill because that is what our war leaders want now, and I think we ought to take that bill up, amend it, and then meet tomorrow and take up the control of prices and wages and work out a good bill. I think that would be the satisfactory thing to do.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MICHENER. If the majority leader will submit a unanimous consent request in behalf of good legislation it would take the place of any motion and I am sure no one will object.

Mr. RAYBURN. What motion?

Mr. McCORMACK. What was the gentleman's request?

Mr. MICHENER. My suggestion is that the majority leader acting in his usual wise way and fair way, will recognize that the condition is such, and as suggested by the gentleman from Georgia, we are in no mood to legislate. God knows I want to do the right thing; the same is true of other Members. We should know what we were voting on. We should at least have an opportunity to read the bill before we are asked to vote on it.

If the majority leader will ask unanimous consent, he will not lose anything politically, he will still control the House, and we will go along with him.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Mr. Chairman, I believe we are working on probably the most difficult bill that will ever face the Eighty-first Congress. I have had some experience in price-control legislation; I know what the change of one or two words in a price control could mean to blotting out an entire industry. My record on price control is pretty good. I was one of the 87 who went along with the original Baruch price control bill, when it was offered in 1941 by my distinguished colleague the gentleman from Tennessee [Hon. ALBERT GORE]. I believe perhaps by good committee action we can work out the right kind of a bill. I am inclined to believe we need stronger controls over prices and wages, and ought to pass something at least in a standby way.

But we have not had a chance to have hearings on this important phase of legislation on over-all controls or the language that goes into an over-all control. We have before us a bill, an original bill that was reported by the committee 20 to 1, to give the President emergency credit control provisions that he says he needs to stop speculative rises in the market. Any inflation control legislation requires credit controls. In other words, it calls out one company of the fire department. Now, let us give to the President these credit controls now so that one company can be called out to work on the fire that is burning today and let the Committee on Banking and Currency tomorrow start adequate hearings to know where we are going and what language is needed in order to get a decent over-all price control bill.

Mrs. BOLTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentlewoman from Ohio.

Mrs. BOLTON of Ohio. Mr. Chairman, the situation we are faced with here would indicate that there is wisdom in the amendment that I intend to offer. This amendment provides for a general temporary freezing as of the period between June 10 and 25. This would give time to permit everyone to think through the needs and evaluate the controls we all know may be required for years to come. To act with the unseemly haste now expected of us is unthinkable. Certainly the country has the right to expect this House to use more judgment than is being demonstrated here at the moment. Were we to freeze everything for a temporary period, opportunity would be there for sanity and calm consideration of what is best for this country.

Mr. Chairman, as I said late yesterday, our action on this bill and the various substitutes offered is of vital moment not only to ourselves, but also to

the future of this free country and because of her position of leadership among the nations, to the fate of mankind. I would urge upon this committee the wisdom to so rewrite the legislation that a temporary freezing straight across all boards may take place, that during the time needed by the President to make decisions relative to the use of such power as may be given him, there may be an end to the spiraling of prices that has already begun.

Mr. JENSEN. I want to say that I am in complete harmony with the thinking of the gentlewoman from Ohio.

Mr. McCORMACK. Mr. Chairman, this is just a little illustration of why the process of screening through the leadership of both parties is of great importance, and custom has shown its value. My friend from Michigan served notice, which was the first we knew. There is no criticism. He is within his rights. But if the leadership on your side had conferred with us, that is one thing. There is one thing that the leadership, no matter who they are, in control of this body always falls over backward to do; it is to preserve the rights of the minority. That is vitally important in a democracy, no matter what party may be in control. In the Eightieth Congress your leadership did it for us. But it is a question of the leadership having a meeting of the minds.

I might state to the committee that we have had a little conference here on the floor and we have agreed to proceed with the debate under the 5-minute rule, but there will be no votes. For all practical purposes this afternoon will be devoted to general debate.

Mr. MARTIN of Massachusetts. There will be no vote on any single amendment?

Mr. McCORMACK. No vote on any substitute or any amendment thereto. The debate will go on this afternoon and we will proceed tomorrow. This accomplishes everything desired and we can proceed with debate, which is very vital and important.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan

Mr. WOLCOTT. May I say to the gentleman I did not take the time, even had I had the opportunity, to explain my reason for giving notice that a motion would be made that the committee rise. But I had in mind exactly what has been going on here right now. I think that the gentleman is always fair and he appreciates that the motion would have been predicated upon a desire to study the bill and to more fully understand it. I think the gentleman's solution of it is a correct one to make. It does not make any difference to me whether I study it here on the floor or whether I take it back to my office and study it, so long as I study it. Perhaps more information can be obtained if we remain here and have general debate than if the Committee rises and work it out by ourselves. I am in agreement that that should be done with the understanding, of course, within the parliamentary procedure, that amendments may be offered and points of order may be made, points of order discussed, and so forth, but that no action shall be taken on any amendment today.

Mr. McCORMACK. That is understood. I have stated that.

Mr. WOLCOTT. And that in general we can debate anything within the purview of the legislation.

Mr. McCORMACK. We are under the 5-minute rule, but for all practical purposes it is general debate. There will be no vote. Of course, if there is an amendment offered to either the amendment or the substitute to which any Member feels a point of order lies, he has to make it to protect his rights.

Mr. WOLCOTT. And those amendments will then be printed in the RECORD and voted on tomorrow.

Mr. McCORMACK. There will be no votes on them today.

Mr. WOLCOTT. And this is not to prejudice the offering of any further amendments tomorrow?

Mr. McCORMACK. Of course not.

Mr. CASE of South Dakota. Does that mean then that we may have amendments in the third degree, or more than one amendment?

Mr. WOLCOTT. It is my understanding that amendments will be offered in conformity with parliamentary rules.

Mr. McCORMACK. If any Member wants to offer an amendment which is germane and permissible under the rules, he can offer it, discuss it, but it is not going to be voted upon today.

Mr. MARTIN of Massachusetts. Of course, we expect that all debate is going to be germane to the bill.

Mr. McCORMACK. That is right.

Mr. CASE of South Dakota. Then an amendment can be offered either to the original Kunkel amendment or the Spence substitute?

Mr. McCORMACK. If a Member is going to offer an amendment to the Kunkel amendment or the Spence substitute, we will wait until tomorrow for a vote, because we have agreed there will be no vote today. That is the practical situation.

Mr. HALLECK. Mr. Chairman, if the gentleman will yield, I just wanted to make the suggestion or express the hope that as we go into the debate this afternoon surely some of the Members on the majority side, who presumably have had something to do with preparing this new substitute, and who are supposed to know what is in it, will explain what some of the language in that substitute means.

Mr. McCORMACK. That is the purpose of the debate, of course.

Mr. KUNKEL. Mr. Chairman, if the gentleman will yield, one thing that the gentleman said in his statement that I could not quite agree with, and perhaps I misunderstood him, was that a point of order, if not made against an amendment offered this afternoon, would then be lost.

Mr. McCORMACK. Of course, the gentleman from Massachusetts has no control over that. The rules of the House govern, and if any Member offers an amendment, that is not going to be voted upon, that is the understanding. But, we cannot stop a Member from offering an amendment if it is in order, and if some other Member thinks a point of order lies, it is his duty to make it then. In practical operation, it seems to me no Member will offer an amendment to either the amendment or the substitute until tomorrow, with this understanding.

Mr. KUNKEL. I wanted to bring that point out so that the Members who are not here will know that that is the situation.

Mr. McCORMACK. Only one amendment can be offered to either the amendment or the substitute now without getting into the third degree. Any Member may ask to have printed in the RECORD an amendment he intends to offer tomorrow, but I understand only one amendment can be offered to the Kunkel amendment, and only one amendment offered to the Spence substitute that would be germane, that would be permissive under the rules. So it is not a question of the right of an amendment being offered, because there can only be one offered to each one.

Mr. KUNKEL. One to each bill.

Mr. McCORMACK. Yes.

Mr. MICHENER. Mr. Chairman, if the gentleman will yield, it seems to me we will be more confused. I just picture the Chairman tomorrow when there will be more confusion. If I understand the gentleman correctly, we are going to talk here today—just talk. We are going to be able to offer amendments but we cannot vote on them. We will come in tomorrow and have all those amendments on the desk and have to start all over again. We will have to read each one of them and we will have to have an explanation on each as to what it is. The gentleman may say, "That is not necessary; oh, no. We can just do it the other way." But that is not practical.

Mr. McCORMACK. My friend is too experienced a parliamentarian not to know that having amendments on the desk is one thing and the actual offering of amendments is quite another thing. An amendment may be on the Clerk's desk, but it is not offered until a Member is recognized to offer it and does offer it.

Mr. MICHENER. No amendments are going to be offered today?

Mr. McCORMACK. I know of no Member that is going to offer an amendment today, but only two amendments could be offered, if Members did want to offer them.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. It seems to me that what the distinguished majority leader is suggesting is that the Chair not put to a vote either of the two amendments which would now be in order; that is, there would now be in order an amendment to the Kunkel amendment and an amendment to the Spence substitute. What the gentleman is saying is that the Chair is not going

to put either of those amendments, if offered, to a vote today, so that the only other amendments that would be in order thereafter would be pro forma amendments.

Mr. McCORMACK. In substance that is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky that the reading of the amendment be dispensed with?

There was no objection.

The Spence substitute for the Kunkel amendment is as follows:

Strike out all of the Kunkel amendment and insert the following:

"That this act, divided into titles, may be cited as the 'Defense Production Act of 1950'.

"TABLE OF CONTENTS

"Title I. Priorities and allocations.
"Title II. Authority to requisition.
"Title III. Expansion of productive capacity and supply.
"Title IV. Price and wage stabilization.
"Title V. Settlement of labor disputes.
"Title VI. Control of credit.
"Title VII. General provisions.

"DECLARATION OF POLICY

"SEC. 2. It is the policy of the United States to oppose acts of aggression and to promote peace by insuring respect for world law and the peaceful settlement of differences among nations. To that end this Government is pledged to support collective action through the United Nations and through regional arrangements for mutual defense in conformity with the Charter of the United Nations. The United States is determined to develop and maintain whatever military and economic strength is found to be necessary to carry out this purpose. Under present circumstances, this task requires diversion of certain materials and facilities from civilian use to military and related purposes. It requires expansion of productive facilities beyond the levels needed to meet the civilian demand. In order that this diversion and expansion may proceed at once, and that the national economy may be maintained with the maximum effectiveness and the least hardship, normal civilian production and purchases must be curtailed and redirected.

"It is the objective of this act to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military and other programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use.

"TITLE I—PRIORITIES AND ALLOCATIONS

"SEC. 101. The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.

"SEC. 102. Any person who willfully performs any act prohibited, or willfully fails to perform any act required, by the provisions of this title or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

"TITLE II—AUTHORITY TO REQUISITION

"SEC. 201. Whenever the President determines (1) that the use of any equipment, supplies, or component parts thereof, or materials or facilities necessary for the manufacture, servicing, or operation of such equipment, supplies, or component parts, is needed for the national defense, (2) that such need is immediate and impending and such as will not admit of delay or resort to any other source of supply, and (3) that he has been unable to acquire such property or the use thereof, as the case may be, on fair and reasonable terms, he is authorized to requisition such property or the use thereof for the defense of the United States upon the payment of just compensation for such property or the use thereof to be determined as hereinafter provided. The President shall determine the amount of the compensation to be paid for any property or the use thereof requisitioned pursuant to this title but each such determination shall be made as of the time it is requisitioned in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the President as just compensation is unwilling to accept the same as full and complete compensation for such property or the use thereof, he shall promptly be paid 75 percent of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims or, where the amount involved does not exceed $10,000, in any district court of the United States within 3 years after the date of the President's award, an additional amount which, when added to the amount so paid to him, shall be just compensation. Whenever the need for the national defense of any property requisitioned under this title shall terminate, the President may dispose of such property on such terms and conditions as he shall deem appropriate, but to the extent feasible and practicable he shall give the former owner of any property so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the President, or (2) if it is to be disposed of (otherwise than at a public sale of which he is given reasonable notice) at less than such value, at the highest price any other person is willing to pay therefor: *Provided*, That this opportunity to reacquire need not be given in the case of fungibles or items having a fair value of less than $1,000.

"TITLE III—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

"SEC. 301. (a) In order to expedite production and deliveries under Government contracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement as he may designate (hereinafter referred to as "guaranteeing agencies"), without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance, or in connection with or in contemplation of the termination, of any contract or other operation deemed by the guaranteeing agency to be related to efforts or undertakings on the part of the United States or an agency thereof which are designed to meet the necessities of the national defense.

"(b) Any Federal agency or any Federal Reserve bank, when designated by the President, is hereby authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guaranty and in otherwise carrying out the purposes of this section. All such funds as may be necessary to enable any such fiscal agent to carry out any guaranty made by it on behalf of any guaranteeing agency shall be supplied and disbursed by or under authority from such guaranteeing agency. No such fiscal agent shall have any responsibility or accountability except as agent in taking any action pursuant to or under authority of the provisions of this section. Each such fiscal agent shall be reimbursed by each guaranteeing agency for all expenses and losses incurred by such fiscal agent in acting as agent on behalf of such guaranteeing agency, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

"(c) All actions and operations of such fiscal agents, under authority of or pursuant to this section shall be subject to the supervision of the President and to such regulations, as he may prescribe; and the President is authorized to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guaranty and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guaranties.

"(d) Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which hereafter may be appropriated or allocated to it for such purposes or for the purpose of meeting the necessities of the national defense.

"SEC. 302. To assist in carrying out the objectives of this act, the President may make provision for loans (including participation in, or guaranties of, loans) to private business enterprises for the expansion of capacity, the development of technological processes, or the production of essential materials. Such loans may be made without regard to the limitations of existing law and on such terms and conditions as the President deems necessary, except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms.

"SEC. 303. (a) To assist in carrying out the objectives of this act, the President may make provision for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or for resale.

"(b) Purchases and commitments to purchase and sales under subsection (a) may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods, as the President deems necessary, except that purchases or commitments to purchase involving higher than currently prevailing market prices or anticipated loss on resale shall not be made unless it is determined that supply of the materials could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability to the United States of overseas supplies.

"(c) The procurement power granted to the President by this section shall include the power to transport and store, and have

processed and refined any materials procured under this section.

"SEC. 304. (a) For the purposes of sections 302 and 303, the President is hereby authorized to utilize the Reconstruction Finance Corporation and such other departments, agencies, officials, or corporations of the Government as he may deem appropriate, or to create new corporations.

"(b) Any corporation created under this section—

"(1) shall have the power to sue and be sued; to acquire, hold, and dispose of property; to use its revenues; to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for subject to laws specifically applicable to Government corporations; and to exercise such other powers as may be necessary or appropriate to carry out the purposes of such corporation;

"(2) shall have its powers set out in a charter, which shall be published in the Federal Register, and all amendments to which shall be similarly published;

"(3) shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to act of Congress; and

"(4) shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of said act.

"(c) Any corporation established or utilized pursuant to this section is authorized to borrow from the Treasury of the United States, for any of the purposes of the corporation, such sums of money as may be necessary to carry out its functions under this title: *Provided*, That the total amount borrowed under the provisions of this section by all such corporations shall not exceed an aggregate of $2,000,000,000 outstanding at any one time. For the purpose of borrowing as authorized by this paragraph, any corporation established pursuant to this section may issue to the Secretary of the Treasury its notes, debentures, bonds, or other obligations to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations. Such obligations may mature subsequent to the period of succession of the corporation. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations of the corporation. The Secretary of the Treasury is authorized and directed to purchase any obligations of any such corporation to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the obligations of any corporation hereunder.

"TITLE IV—PRICE AND WAGE STABILIZATION

"SEC. 401. It is the intent of Congress to provide stand-by authority necessary to achieve the following purposes in order to promote the national defense; to prevent inflation and preserve the value of the national currency; to assure that defense appropriations are not dissipated by excessive costs and prices; to stabilize the cost of living for workers and other consumers and the costs of production for farmers and businessmen; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities; to protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from undue impairment of their living standards; to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale; to protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings; and to prevent a future collapse of values. It is the intent of the Congress that the authority conferred by this title shall be exercised, so far as practicable, in accordance with the policies set forth in section 2 of this act, and in particular with full consideration and emphasis, so far as practicable, on the maintenance and furtherance of the American system of competitive enterprise, including independent small-business enterprises, the maintenance and furtherance of a sound agricultural industry, the maintenance and furtherance of sound working relations, including collective bargaining, and the maintenance and furtherance of the American way of life. Whenever the authority granted by this title is exercised, all agencies of the Government dealing with the subject matter of this title, within the limits of their authority and jurisdiction, shall cooperate in carrying out these purposes.

"SEC. 402. (a) Whenever the President shall find it necessary or appropriate to carry out the purposes of this title he may issue regulations or orders—

"(1) establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery or, the purchase or receipt, by or to any person of any material or service: *Provided*, That the term 'rental' as used in this title shall not include the lease or rental of real property.

"(2) establishing a ceiling or ceilings on any salary, wage, or other compensation paid to or received by any person, for any type of employment. Such ceilings shall apply regardless of any obligation heretofore or hereafter incurred except as provided in section 402 (e).

"(b) The President may designate the materials, services, or types of employment to which specified ceilings will apply or he may prescribe a general ceiling for all materials, or services, or for all types of employment. So far as practicable, in establishing any ceiling, the President shall ascertain and give due consideration to comparable prices, rentals, commissions, margins, rates, fees, charges, and allowances, and to salaries, wages, or other compensations, prevailing during the period from May 24, 1950, to June 24, 1950, inclusive. In establishing price or wage ceilings the President shall give due considerations to the national effort to achieve maximum production in furtherance of the objectives of this act. In determining and adjusting ceilings on prices with respect to materials and services he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material or service, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the material or persons performing such services, subsequent to June 24, 1950. In determining and adjusting ceilings on salaries, wages, or other compensation, the President shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such salaries, wages, or other compensation. Any regulation or order establishing a ceiling or ceilings shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order.

"(c) The President, in or by any regulation or order, may provide exemptions for any materials, or services, or transactions therein, or types of employment, with respect to which he finds that (1) such exemption is necessary to promote the national defense; or (2) it is unnecessary that ceilings be applicable to such materials, or services, or transactions, or types of employment, in order to effectuate the purposes of this title. Where the President so exempts transportation, communication, or public utility services, he may intervene in a proceeding involving the charge for such service in order to carry out the purposes of this title.

"(d) Regulations or orders under this section may be established in such form and manner, may provide for such adjustments and reasonable exceptions, and may contain such requirements, classifications, and differentiations, and such provisions, including provisions relating to types of employment, and quality, speculation, hoarding, standardization, manipulation, simplification, and production by a manufacturer of a required percentage of the less expensive items of his line, and definitions as in the judgment of the President are necessary to effectuate the purposes of this title, or to prevent circumvention or evasion, or facilitate enforcement, of this title or any regulation, order, or requirement thereunder.

"(e) (1) The ceiling applicable in respect of any salary, wage, or other compensation shall not be less than that paid during the period from May 24, 1950, to June 24, 1950, inclusive. No action shall be taken under authority of this title with respect to salaries, wages, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the Labor-Management Relations Act, 1942, as amended, or any other law of the United States, or of any State, the District of Columbia, or any Territory or possession of the United States.

"(2) No ceiling shall be established or maintained for any agricultural commodity below the higher of the two following prices: (i) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or (ii) the average price received by producers on June 15, 1950, as determined by the Secretary of Agriculture and (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials); and no ceiling shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the higher price therefor specified above. Whenever a ceiling has been established under this title with respect to any fresh fruit or any fresh vegetable, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such fresh fruit or fresh vegetables. Nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act.

"SEC. 403. It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade,

to buy or receive, any material or service, or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer, solicit, attempt, or agree to do any of the foregoing.

"SEC. 404. In carrying out the provisions of this title, the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

"SEC. 405. Nothing in this title shall be construed to require any person to sell any material or service, or to perform services.

"SEC. 406. At any time prior to 6 month from the effective date of any regulation or order under this title, or, in the case of new grounds arising after the effective date of any such regulation or order, within 6 months after such new grounds arise, any person subject to any provision of such regulation or order may, in accordance with regulations to be prescribed by the President, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation or order may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the President. Within a reasonable time after the filing of any protest under this section, but in no event more than 30 days after such filing, the President shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the President denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the President has taken official notice.

"(b) In the administration of this title the President may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 705 of title VII of this act.

"(c) Any proceedings under this section may be limited by the President to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however,* That upon the request of the protestant, any protest filed in accordance with subsection (a) of this section shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the United States designated by the President in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpenas shall issue to procure the evidence of persons, or the production of documents, or both. The President shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the President. The protestant shall be informed of the recommendations of the board and, in the event that the President rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

"(d) Any protest filed under this section shall be granted or denied by the President, or granted in part and the remainder of it denied within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the President in disposing of his protest may petition the Emergency Court of Appeals; and such court shall have jurisdiction by appropriate order to require the President to dispose of such protest within such time as may be fixed by the court. If the President does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

"SEC. 407. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals, specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation or order, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided,* That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complaint in the protest of such evidence and shall be continued in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on the request by the President, any such evidence shall be presented directly to the court.

"(b) No such regulation or order shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation or order shall be postponed until the expiration of the 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

"(c) The Emergency Court of Appeals created by section 204 (c) of the Emergency Price Control Act of 1942, as amended, is hereby continued in existence for the purposes of this title, and the powers heretofore granted by law to the Emergency Court of Appeals are hereby continued for purposes of exercises of the jurisdiction granted by this title.

"(d) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under this title, and of any provision of any such regulation or order. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"SEC. 408. (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 403 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(b) Any person who willfully violates any provision of section 403 of this title shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than $10,000, or to imprisonment for not more than 1 year, or both. Whenever the President has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(c) If any person selling a commodity violates a regulation or order prescribing a ceiling or ceilings, the person who buys such commodity for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by court, plus whichever of the following sums is greater: (1) Such amount not more than the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine. For the purposes of this section the word "overcharge" shall mean the amount by which the consideration exceeds the applicable ceiling. If any person selling a commodity violates a regulation or order prescribing a ceiling or ceilings, and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the President may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the President, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the President, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this

subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. The President may not institute any action under this subsection on behalf of the United States—

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the President or any official authorized to act for him;

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"(d) (1) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this title and to assure compliance with and provide for the effective enforcement of any regulation or order issued or which may be issued under this title, he may by regulation or order issue to or require of any person or persons subject to any regulation or order issued under this title, a license as a condition of selling any commodity or commodities with respect to which such regulation or order is applicable. It shall not be necessary for the President to issue a separate license for each commodity or for each regulation or order with respect to which a license is required. No such license shall contain any provision which could not be prescribed by regulation, order, or requirement under this title: *Provided*, That no such license may be required as a condition of selling or distributing (except as waste or scrap) newspapers, periodicals, books, or other printed or written material, or motion pictures, or as a condition of selling radio time: *Provided further*, That no license may be required of any farmer as a condition of selling any agricultural commodity produced by him, and no license may be required of any fisherman as a condition of selling any fishery commodity caught or taken by him: *Provided further*, That in any case in which such a license is required of any person, the President shall not have power to deny to such person a license to sell any commodity or commodities, unless such person already has such a license to sell such commodity or commodities, or unless there is in effect under paragraph (2) of this subsection with respect to such person an order of suspension of a previous license to the extent that such previous license authorized such person to sell such commodity or commodities.

"(2) Whenever in the judgment of the President a person has violated any of the provisions of a license issued under this subsection, or has violated any of the provisions of any regulation, order, or requirement under this title, which is applicable to such person, a warning notice shall be sent by registered mail to such person. If the President has reason to believe that such person has again violated any of the provisions of such license, regulation, order, or requirement after receipt of such warning notice, the President may petition any State or Territorial court of competent jurisdiction, or a district court subject to the limitations hereinafter provided, for an order suspending the license of such person for any period of not more than 12 months. If any such court finds that such person has violated any of the provisions of such license, regulation, order, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under this title is applicable; but no suspension shall be for a period of more than 12 months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed. If any such court finds that such person has violated any of the provisions of such license, regulation, order, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under this title is applicable; but no such suspension shall be for a period of more than 12 months. For the purposes of this subsection, any such proceedings for the suspension of a license may be brought in a district court if the licensee is doing business in more than one State, or if his gross sales exceed $100,000 per annum. Within 30 days after the entry of the judgment or order of any court either suspending a license, or dismissing or denying in whole or in part the President's petition for suspension, an appeal may be taken from such judgment or order in like manner as an appeal may be taken in other cases from a judgment or order of a State, Territorial, or district court, as the case may be. Upon good cause shown, any such order of suspension may be stayed by the appropriate court or any judge thereof in accordance with the applicable practice; and upon written stipulation of the parties to the proceeding for suspension, approved by the trial court, any such order of suspension may be modified, and the license which has been suspended may be restored, upon such terms and conditions as such court shall find reasonable. Any such order of suspension shall be affirmed by the appropriate appellate court if, under the applicable rules of law, the evidence in the record supports a finding that there has been a violation of any provision of such license, and no such suspension, shall confer after receipt of such warning notice. No proceedings for suspension of a license, and no such suspension, shall confer any immunity from any other provision of this title.

"TITLE V—SETTLEMENT OF LABOR DISPUTES

"SEC. 501. It is the intent of Congress, in order to provide for effective price and wage stabilization pursuant to title IV of this act and to maintain uninterrupted production, that there be effective procedures for the settlement of labor disputes affecting national defense.

"SEC. 502. The national policy shall be to place primary reliance upon the parties to any labor dispute to make every effort through negotiation and collective bargaining and the full use of mediation and conciliation facilities to effect a settlement in the national interest. The President is authorized, after consultation with labor and management, to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes affecting national defense, including the designation of such persons, boards, or commissions as he may deem appropriate to carry out the provisions of this title.

"SEC. 503. In any action which may be taken pursuant to authority provided for in this title, due regard shall be given to terms and conditions of employment established by prevailing collective bargaining practice which will be fair to labor and management alike, and will be consistent with stabilization policies established under this act. Any such action shall be consistent with the provisions of the Fair Labor Standards Act of 1938, as amended, and other Federal labor standards statutes and with other applicable laws.

"TITLE VI—CONTROL OF CREDIT

"SUBTITLE A—CONSUMER AND REAL ESTATE CREDIT

"SEC. 601. (a) To assist in carrying out the purposes of this act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of consumer and real estate credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of our fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements (1) the level and trend of consumer and real estate credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for real property and improvements thereon and for other goods and services, and (3) the need in the national economy for the maintenance of sound credit conditions.

"(b) No person shall extend or maintain any credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, under oath or otherwise, as the President may by regulation require as necessary or appropriate in order to effectuate the purposes of this subtitle; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

"(c) Any person who willfully violates any provision of this subtitle or any regulation or order thereunder, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than 1 year, or both.

"(d) To assist in carrying out the purposes of this subtitle, the President by regulation may require transactions or persons or classes thereof subject to this subtitle to be registered or licensed; and, after notice and opportunity for hearing, the President by order may suspend any such registration or license for violation of this subtitle or any regulation prescribed by the President pursuant to this subtitle. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such order of the President in the same manner that such provisions apply in the case or orders of the Securities and Exchange Commission under that act. In carrying out this subtitle, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

"(e) Any restrictions for real estate credit for home construction shall not restrict loans made by private lenders to any percentage of value or maturity less than the maximum authorized for any loans authorized to be made, insured, or guaranteed by the Government or any Government-owned agency or instrumentality, nor shall any restriction otherwise discriminate in favor of Government loans or Government insured or guaranteed loans against private loans for home construction.

"(f) For the purposes of this subtitle, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms and, in addition, may define technical, trade, and accounting terms, insofar as any such definitions are not inconsistent with the provisions of this subtitle:

"(1) 'Consumer credit' means credit which the obligor undertakes to pay in two or more payments, or any other credit: *Provided*, That it shall not include (i) any credit to finance or refinance the construction or purchase of an entire residential or nonresidential building, (ii) any credit extended to a business enterprise solely to finance the purchase of goods for resale, or (iii) any other credit extended to a business or agricultural enterprise for any business or agricultural purpose unless the credit is secured by or is for the purpose of purchasing or carrying any durable or semidurable goods which are used or usable for personal, family, or household purposes, or any accessory, insurance, or service connected with any such goods or any interest therein.

"(2) 'Real estate credit' means credit secured, either wholly or partly, by real property; credit for the purpose of purchasing or carrying real property or constructing buildings or otherwise improving real property; and credit involving a right to acquire or use real property. As used in this paragraph the term 'real property' includes leasehold and other interests therein.

"(3) 'Credit' means any loan, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment, leasing, or other use of property under which the bailee, lessee, or user has the option of becoming the owner thereof, obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof, or has the right to have all or part of the payments required by such contract applied to the purchase price of such property or similar property; any option, demand, lien, pledge or similar claim against, or for the delivery of property or money; any purchase, discount, or other acquisition of, or any credit under the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

"(4) 'Person,' in addition to the definition given it by section 702 (a) of this act, includes the United States, any State or subdivision thereof, and any agency or instrumentality of one or more such authorities, except that the criminal penalties of this subtitle shall not be applicable to the United States, any State, or other governmental agency or instrumentality.

"SEC. 402. To assist in carrying out the objectives of this act, the President may, at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers, the President shall give consideration to the preservation of such relative credit preferences as are accorded to veterans of World War II under existing law.

"SUBTITLE B—COMMODITY SPECULATION

"SEC. 611. The Commodity Exchange Act, as amended (42 Stat. 998; 49 Stat. 1491; 52 Stat. 205; 54 Stat. 1059), is further amended by inserting at the end of section 4a the following:

"'(5) (A) Whenever the President determines that the nature or extent of speculative trading on boards of trade causes or threatens to cause sudden or unreasonable fluctuations or unwarranted changes in the price of any commodity, he may prescribe rules and regulations governing the margin to be required with respect to the speculative purchase or speculative sale of any such commodity for future delivery, or the maintenance of a speculative position resulting from such purchase or sale, on or subject to the rules of any board of trade, whether or not designated as a contract market under section 5 of this act: *Provided*, That no such rule or regulation shall be applicable to bona fide hedging transactions.

"'(B) It shall be unlawful for any person to buy or sell, or accept orders for the purchase or sale of any such commodity for future delivery, subject to the rules of any board of trade, or maintain or carry a position resulting from such purchase or sale, unless margin funds or securities are deposited and maintained in compliance with the rules and regulations promulgated under this paragraph (5). No floor broker shall be deemed to have violated this paragraph (5) with respect to any transaction in connection with which he has acted solely in the capacity of floor broker.

"'(C) All money, securities, or property deposited as margin shall be handled by the person receiving such margin in compliance with the requirements of section 4d (2), regardless of whether such person is a futures commission merchant as defined in this act and, for the purpose of this provision, the term "contract market," as used in section 4d (2), shall be deemed to mean board of trade.

"'(D) It shall be unlawful for any person to engage in soliciting or accepting orders for the purchase or sale of any commodity for future delivery on any board of trade, whether or not such board of trade is designated as a contract market, unless such person shall keep a record in writing showing the date, the parties to such contracts and their addresses, the commodity covered and its price, the terms of delivery, and the amount and kind of margin deposited. Such record shall be kept for a period of 3 years from the date of the transaction and shall at all times be open to the inspection of any representative of any agency of the United States designated for the purpose by the President.

"'(E) For the purposes of this paragraph (5) the term "commodity" shall mean, in addition to those commodities specifically mentioned in section 2 (a) of this act, any other agricultural or forest product or by-product.

"'(F) For the efficient execution of the provisions of this paragraph (5), the provisions of section 21 of the Securities Exchange Act of 1934 (48 Stat. 899), as amended, are made applicable to the jurisdiction, powers, and duties of the President in administering and enforcing the provisions of this paragraph (5) and to any person subject thereto.

"'(G) Sections 4a and 4i of this act are extended and made applicable to any commodity as defined in (E) above, and for the purposes of this paragraph (5) the term "contract market" as used in sections 4a and 4i shall be deemed to mean Board of Trade.'

"TITLE VII—GENERAL PROVISIONS

"SEC. 701. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this act.

"(b) In order to carry out this policy—

"(i) the President shall provide small-business enterprises with full information concerning the provisions of this act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this act;

"(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations or orders, or amendments thereto, issued under authority of this act, and in their formation consideration shall be given to providing fair representation for small, medium, and large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

"(iii) in administering this act, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this act; and

"(iv) in administering this act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

"SEC. 702. As used in this act—

"(a) The word 'person' shall include individuals, firms, corporations, associations, partnerships, and any organized groups of persons whether or not incorporated.

"(b) The word 'materials' shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

"SEC. 703. The President may delegate any power or authority conferred upon him by this act to any officer or agency of the Government, including any new agency or agencies, which are hereby authorized to be created by the President when deemed necessary, and may authorize such redelegations by that officer or agency as the President may deem appropriate. The President is authorized to appoint heads and assistant heads of any such new agencies, and other officials therein of comparable status, and to fix the compensation therefor, without regard to the Classification Act of 1949, as amended, at rates comparable to the compensation paid to the heads and assistant heads of independent agencies of the Government. Any officer or agency may employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, without regard to section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219), as the President deems necessary to carry out the provisions of this act. Attorneys appointed under this section may appear for and represent the agency in any case in any court.

"SEC. 704. The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this act. Any regulation or order under this act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper in order to effectuate the purposes of this act.

"SEC. 705. (a) The President shall be entitled, while this act is in effect and for a period of 2 years thereafter, by regulation, subpena, or otherwise, to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, and take the sworn testimony of, any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of this act and the regulations or orders issued thereunder. The President shall issue regulations insuring that the authority of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority.

"(b) No person shall be excused from complying with any requirement under this section or from attending and testifying or from producing books, papers, documents, and other evidence in obedience to a subpena before any grand jury or in any court or administrative proceeding based upon or growing out of any alleged violation of this act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture in any court, for or on account of any transaction, matter, or thing concerning which he is so compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such natural person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying: *Provided*, That the immunity granted herein from prosecution and punishment and from any penalty or forfeiture shall not be construed to vest in any individual any right to priorities assistance, to the allocation of materials, or to any other benefit which is within the power of the President to grant under any provision of this act.

"(c) The production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpena, or other document issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(d) Information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the President determines that the withholding thereof is contrary to the interest of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

"SEC. 706. The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this act or any rule, regulation, order, or subpena thereunder, and of all civil actions under this act to enforce any liability or duty created by, or to enjoin any violation of, this act or any rule, regulation, order, or subpena thereunder. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; the subpena for witnesses who are required to attend a court in any district in such case may run into any other district. The termination of the authority granted in any title or section of this act, or of any rule, regulation, or order issued thereunder, shall not operate to defeat any suit, action, or prosecution, whether theretofore or thereafter commenced, with respect to any right, liability, or offense incurred or committed prior to the termination date of such title or such section, or of such rule, regulation, or order. No costs shall be assessed against the United States in any proceeding under this act.

"SEC. 707. No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from his compliance with a rule, regulation, or order issued pursuant to this act, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under title I of this act or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

"SEC. 708. (a) No act or omission to act which occurs while this act is in effect, if requested by the President and found by him to be in the public interest as contributing to the national defense, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

"(b) The authority granted in subsection (a) shall not be delegated except to a single official of the Government and then only upon the condition that such official consult with the Attorney General not less than 10 days before making any request or finding thereunder.

"(c) Upon withdrawal of any request or finding made hereunder the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

"SEC. 709. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof.

"SEC. 710. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place positions and employ persons in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that act.

"(b) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation; and he is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code or section 190 of the Revised Statutes (5 U. S. C., sec. 99). Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

"(c) The President may utilize the services of Federal, State, and local agencies and may utilize and establish such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed; and he is authorized to provide by regulation for the exemption of persons whose services are utilized under this subsection from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code or section 190 of the Revised Statutes (5 U. S. C., sec. 99).

"SEC. 711. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this act by the President and such agencies as he may designate or create. Funds made available for the purposes of this act may be allocated or transferred for any of the purposes of this act, with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out this act. Funds so allocated or transferred shall remain available for such period as may be specified in the acts making such funds available.

"SEC. 712. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"SEC. 713. This act and all authority conferred hereunder shall terminate at the close of June 30, 1952, or at such earlier time as the Congress by concurrent resolution or the President by proclamation may designate."

Mr. MANSFIELD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANSFIELD. Did I correctly understand the majority leader to say that we can offer only two amendments to the bill now under consideration—that is, the bill and the substitute?

The CHAIRMAN. The Chair will state that there is an amendment which is known as the Kunkel amendment and a substitute known as the Spence substitute. It would be in order only to have one amendment actually pending to either one of those amendments. Therefore, it will be in order to offer one amendment to either one of those two. They can be offered today, but I understand it to be the mutual agreement that they will not be voted on until tomorrow.

Mr. MANSFIELD. A further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MANSFIELD. Is my understanding correct, then, that on the acceptance of either one of these two bills we will be able to offer amendments to the bill which has been accepted by the House?

The CHAIRMAN. No; they have to be perfected before the vote.

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. Mr. Chairman, I intend to offer an amendment to the Spence substitute concerning the antitrust provisions, in pursuance of an urgent request made of me by the Attorney General. Will I be precluded from offering that amendment unless I place that amendment on the desk today, and will it be considered tomorrow?

The CHAIRMAN. Any amendment can be placed on the desk. An amendment placed on the desk will be called up when a gentleman arises and asks for recognition to offer it.

Mr. CELLER. So only one amendment, for example, to the Spence substitute can prevail at one time, and if that is voted down, another amendment can be offered?

The CHAIRMAN. Under the general rules of the House only one amendment can be pending to the Spence substitute.

Mr. JAVITS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JAVITS. Is it clear now that any number of perfecting amendments to either the Spence or Kunkel substitutes may be offered tomorrow, but only one today?

The CHAIRMAN. Only one may be offered.

Mr. JAVITS. One at a time?

The CHAIRMAN. One at a time. That is under the general rules of the House.

Mr. JAVITS. I thank the chairman.

Mr. BROWN of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Ohio. Mr. Chairman, I wonder whether it would be in order for the majority leader, if he desires to do so, in order to clear up all the confusion, to ask unanimous consent that the Committee proceed for the balance of the day as under general debate, with the time being equally divided between the gentleman from Kentucky [Mr. SPENCE] and the gentleman from Michigan [Mr. WOLCOTT].

Mr. McCORMACK. May I state to my friend that we are in the Committee of the Whole, and I do not believe that can be done under the rules. That would be a matter coming under the jurisdiction of the House. If we go along the way we are, everything will be all right.

Under the rules, Members will be recognized for 5 minutes and they can ask for 5 minutes more time, and for all practical purposes it will be the same as general debate.

Mr. BROWN of Ohio. I presume that it is in the mind of the majority leader that the Chair will alternate between the two sides in recognizing Members.

Mr. McCORMACK. The majority leader would never undertake to invade the jurisdiction of the Committee of the Whole or the Chairman of the Committee.

The CHAIRMAN. If the Chair may be permitted to do so, the Chair will make this statement. For the balance of the afternoon the Chair will recognize Members under the general rules of the House, under the 5-minute rule, which is usually on a motion to strike out the last word. It is always customary to alternately recognize Members from the majority side and Members of the minority side.

If the gentlemen of the House will just have a little patience we will try to get along for the rest of the day.

Mr. BROWN of Ohio. Mr. Chairman, not only will we have patience, but we do have and will have complete confidence in the nonpartisanship of the Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE], in support of his amendment.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the Clerk may read a letter.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, from whom is the letter which the gentleman from Kentucky desires to have read?

Mr. SPENCE. From the President of the United States.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read as follows:

THE WHITE HOUSE,
Washington, August 1, 1950.

The Honorable BRENT SPENCE,
Chairman, House Committee on Banking and Currency, the House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I am writing you in response to your request for my views on the expressed desire of various Members of the House to add to the defense production bill (H. R. 9176) some kind of authority for direct controls over wages, prices, and the distribution of goods to consumers.

It is urgently necessary that the Congress act on the defense production bill without delay. If this measure is enacted promptly, we can do a great deal to ease the economic adjustments which our defense effort will require. At the same time, we can continue, on an expedited but careful basis, our planning and preparation for other economic controls, if and when needed.

Of course, there is no objection, in these circumstances, to enactment of additional stand-by control powers which the President could invoke when the need arose. Before my message of July 19, I gave careful thought to the desirability of asking at once for stand-by authority to control prices and wages, and to ration at the consumer level. I refrained from making this proposal to the Congress because it seemed more important to obtain quick action on the powers contained in the defense production bill. To have included a request for stand-by controls might, it seems to me, have dangerously delayed enactment of the immediate program, while the Congress considered these broader authorities. My recommendations of July 19, were designed to meet the problems immediately before us.

The Congress, in its judgment, may now want to make price, wage, and rationing controls available, on a stand-by basis, for use if and when needed. But if the Congress were to take this course, the following conditions appear essential.

First. These additional controls should be supplementary to, and not in lieu of, the basic powers already contained in the defense production bill. The production aids and limited controls for which I have asked, are essential now.

Second. We cannot afford to bog down or delay in enacting what is needed at once, and supplementary provisions should be added only if they do not prolong consideration or delay action in either House.

Third. Any provisions relating to prices and wages should not set up a rigid formula or freeze in advance of experience. If these powers are now made available in advance of widespread need, it is simple common sense that they must be written in a form which allows wide discretion and flexibility as to the method and place and timing of application.

Fourth. For the same reason, any grant of price and wage authority should leave open the question of the method of administration. This should remain flexible, because it cannot be separated from the question of the extent to which price and wage controls actually might have to be applied.

If these reasonable conditions can be met, I should have no objection to the granting of authority beyond that requested in my message of July 19. But if, for any reason, these conditions cannot be met, I urge strongly that the Congress move at once to enact the defense production bill without including these additional powers.

Very sincerely yours,

HARRY TRUMAN.

Mr. SPENCE. Mr. Chairman, we have heard a great deal about the methods that have been pursued by the committee and that we have not given the opposition the opportunity to familiarize themselves with the amendment that has been proposed.

I try to be fair with both sides, not because I think it will prevent me from being subject to criticism, but because of the satisfaction it gives me. I think we have been perfectly fair. There was some delay in drawing this substitute. As soon as it was in proper form we endeavored to have it printed so that every Member of the House might have a copy. That is in great contrast to the method that was pursued in the committee when an amendment was proposed without any notice and without any opportunity to read it.

I want fair and honest consideration of this bill. It is a bill that holds in itself much of the destiny of our country. It is a bill that might strengthen our economy and make us better able to fight, not only inflation, the insidious enemy at home, but the enemy that is attacking us on the battlefronts abroad.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. Not at the present time. I have only a few minutes.

We have tried to make the bill conform to the President's wishes in some respects. I think he should have respectful consideration by the House because he is charged with the duty of enforcing the provisions of this bill. He has said he did not want anything but the things that were contained in the original bill. He was even criticized for asking for those powers because they might make him a dictator; it was alleged they were powers that were not in conformity with the provisions of the Constitution.

I will tell you where the confusion has arisen. The confusion has arisen from the fact that the minority was determined to give him more powers than he wanted, undefined powers that nobody knew very much about when they were first proposed. That is what all the confusion has arisen about.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I have not time right now.

Mr. HALLECK. We will get the gentleman plenty of time.

Mr. SPENCE. I yield.

Mr. HALLECK. The gentleman says that the minority apparently brought about the confusion that is confronting us here today. In view of the fact that the Democrats have a majority of 90 or more in the House of Representatives why was the gentleman so concerned about what might have been the purposes or proposals of the minority?

Mr. SPENCE. The minority endeavored to give to the President more powers than he wanted. That was very confusing; that was just as confusing as the Greeks bearing gifts. After criticizing the President for wanting the powers he asked for, and after trying to whittle them away, then they attempted to give the President far more power than he asked for and more power than he wants now. The President has said that there are no shortages, yet they give him the power to ration. You do not ration plenty; you ration shortages; you ration scarcities. The President says there is no scarcity, yet you thrust upon him this power. He can use it if he wants to. He says he is not averse to taking these powers if they are stand-by powers.

The Kunkel bill freezes wages and salaries by act of Congress; it freezes them and provides penalties for violation, yet there is no machinery provided contemporaneously to take care of that problem.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I cannot yield all the time.

Mr. HALLECK. The gentleman has made a reference to the Kunkel bill that just does not square up with the bill that is offered as a substitute.

Mr. SPENCE. Oh, no; it is not. The Kunkel bill is not the same as the bill offered as a substitute; the Kunkel bill as a matter of legislation freezes wages and salaries and provides penalties. The President has no option in that respect at all because it is done by legislative action.

Mr. HALLECK. As a matter of fact——

Mr. SPENCE. I do not yield further.

The Kunkel bill also fixes prices at the wholesale level, but it omits to fix them at the retail level, which are the prices the consumer is interested in.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PACE. I should like to ask the distinguished chairman if some member of the committee is going to explain the substitute?

Mr. SPENCE. Yes. We explained yesterday the provisions of the original bill. The substitute is very similar.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. COX. I should like to know if the gentleman is for his original bill or if he is for his substitute. Would it be agreeable to accept the original bill and then let the matters that are raised in these substitutes stand for further consideration by some committee?

Mr. SPENCE. Yes; I have stated absolutely that it would be. Let us pass the original bill and have hearings on these other questions; that would be very satisfactory to me, and I said that. It is the exigencies of the occasion that have caused us to do what we have done today.

Mr. COX. I take it that that is the view that is entertained by my colleague and devoted friend from Georgia [Mr. BROWN], an influential member of the gentleman's committee.

Mr. SPENCE. Yes.

Mr. COX. In other words, I take it that the position of the gentleman is that he will accept what the President says he now needs, and that is set out in the gentleman's original bill.

Mr. SPENCE. Yes.

Mr. COX. But if the House, not being satisfied with the provisions of that bill, wants to delegate greater powers, then the gentleman asks that they consider the substitute that he has offered.

Mr. SPENCE. That is it. I think you can see what has arisen. We have a substitute offered by my good friend, the gentleman from Pennsylvania [Mr. KUNKEL], whose sincerity I do not question and for whom I have great respect and friendship.

He has offered his substitute. We felt because of that substitute having been offered that we should offer a substitute which would more nearly conform to the desires of the President with reference to the carrying out of the things that were delegated in that substitute. We felt they were not delegated in the proper way and we felt this was the proper way to give him these powers if they were to be given to him.

Mr. COX. I would not want my position to be misunderstood as a result of the questions I have propounded of the gentleman. I would like to say that the Kunkel substitute comes more nearly being what I think the Congress ought to do than any of the other substitutes.

Mr. SPENCE. I suspected that all along.

Mr. COX. That is right, because I want to be realistic. I know that under the gentleman's bill it is drawn with a view of making it possible that labor shall not be brought under control.

Mr. SPENCE. I think that is a rather strong statement.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Georgia.

Mr. PACE. Is it the gentleman's recommendation to us that we vote down the substitute of the gentleman from Pennsylvania and vote down his substitute, and pass the original bill?

Mr. SPENCE. No. I said that the conditions have made it necessary to introduce our substitute. I would be perfectly willing to have passed the original bill.

Mr. PACE. The committee bill?

Mr. SPENCE. And have hearings on the other things, and report a bill.

Mr. PACE. Vote down everything else and pass the committee bill?

Mr. SPENCE. I am not asking you to do that. The gentleman is making some other propositions with which I do not agree. I am willing to take the original bill, but I am not willing to take the original bill with the Kunkel amendment.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Iowa.

Mr. JENSEN. The gentleman has said that because of the Kunkel substitute he found it necessary to introduce his substitute bill, which he introduced. Now I would like to know who "we" are and who wrote the bill?

Mr. SPENCE. I would like to know who is behind the Kunkel bill, if you want to know that. I think I know. I think the minority was behind the Kunkel bill.

Mr. JENSEN. That is right.

Mr. SPENCE. They wanted to give the President some powers in a way he did not want to use them. When I say "we" on this side, I mean the Democratic majority in the committee.

Mr. JENSEN. The Democratic majority in the committee?

Mr. SPENCE. It seems this is confusion worse than confounded and I shall not yield further.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. COX. Mr. Chairman, I think the gentleman should be given additional opportunity to explain this matter and I therefore ask unanimous consent that he may proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. POAGE. Mr. Chairman, reserving the right to object, may I ask the chairman of the committee if there will be an opportunity under the present arrangement to offer amendments.

The CHAIRMAN. The gentleman from Georgia asked unanimous consent that the time of the gentleman from Kentucky be extended for 5 minutes.

Mr. POAGE. Mr. Chairman, reserving the right to object, may I ask the chairman of the committee if under the present procedure there will be any way whereby those Members who feel that we ought to impose price controls, wage controls, and the whole gamut of controls at the present time, will have any opportunity to vote upon a proposal to that effect, or have we reached the point on substitutions where all of them sim-

ply propose to give stand-by powers without actually imposing these controls?

Mr. SPENCE. It is my understanding, and I do not profess to render any decisions on parliamentary law, that if either one of the amendments or substitutes is adopted, it will be subject to any germane amendment.

Mr. POAGE. Will they be subject to amendment after you have adopted one substitute for another substitute? Does that not preclude the opportunity to offer amendments?

Mr. SPENCE. No, it does not, in my opinion. The expeditious passage of this bill will strengthen our economy, hasten the defeat of our enemies, and add to the extent of our victory.

Mr. KEATING. Mr. Chairman, further reserving the right to object, it seems to me that the gentleman cannot possibly finish in 5 minutes. I suggest that the extension be for 20 minutes in order that he may explain this bill to us.

The CHAIRMAN. Does the gentleman from Kentucky desire additional time?

Mr. SPENCE. I will take 5 minutes, Mr. Chairman.

The CHAIRMAN. Is there objection to the gentleman from Kentucky continuing for 5 minutes?

Mr. BURDICK. I object, Mr. Chairman.

Mr. HUBER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the distinguished gentleman from Kentucky, and able chairman of the committee, if he can give us any assurance that if this House sees fit to pass legislation limiting wages there will be an opportunity given to limit profits?

Mr. SPENCE. Yes. Any germane amendment, I think, would be in order. Before the bill would be perfected, it would be open for amendment. That is my opinion.

Mr. HUBER. That is most difficult under the present procedure. I just want to say to this House that I am unwilling to limit wages and freeze the salaries of low-income workers in stores or factories and yet allow the manufacturers of munitions and other war goods to become millionaires. If you limit one, you should limit the other. Let us take the profits out of war and do it today.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield to the gentleman from Colorado.

Mr. CARROLL. That is one reason I tried to get the chairman of the committee to yield. He has been trying to explain the Kunkel bill, how it freezes the wage level, and he was trying to distinguish the difference between the wholesale price and the consumer price features of the Kunkel and Spence amendments. If you will permit me to continue, the gentleman raises the most important question in the whole bill. We are being asked to freeze prices, and to freeze wages, but what will happen to excess profits? Of course, that whole subject is under temporary consideration by the Committee on Ways and Means and will not be, in my opinion, fully considered for some weeks, if at all. The question then comes up in the Senate whether taxes on excess profits will be considered along with corporation taxes and increases in individual income taxes. Nobody knows. Now, the gentleman has put his finger on the crux of the whole issue before this body, freezing the wage scale without taxing excess profits.

Mr. HUBER. I will say to the gentleman that I have the same feeling. It is necessary and urgent, they say, that we must take this action this afternoon, but next month, or 2 or 3 months from now or next year we eventually will get around to collecting these excess-profits taxes. I wonder if some of these people who are worried about this 24-hour delay are not interested in getting into communication with the pressure groups back home to find out if they have any objections to the proposed bill.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. HUBER. I yield to the gentleman from New York.

Mr. JAVITS. This is stand-by control; the President can push the button. Does not the gentleman feel we ought to have some assurance—and I thoroughly agree with the gentleman from Colorado and the gentleman speaking on excess-profit taxes—from the President that he will not push the button for wage controls unless contemporaneously therewith there is coupled an excess-profits tax? The gentleman must remember that the President under this bill has control of the timing of price-and-wage control.

Mr. HUBER. If we allow the President to send our American boys to death 7,000 miles away, we can give him the right to control excess profits or anything else needed to stop the sacrifice of American boys and bring this emergency to an end.

Mr. CARROLL. I want to make this one point. The gentleman from New York is absolutely correct. It is the real difference between the Kunkel amendment and the substitute offered by the gentleman from Kentucky. This is stand-by legislation. If we put the onus and the responsibililty upon the administration as to when they freeze prices and wages, then it is incumbent upon us to go forward also with an excess-profits program.

Mr. HUBER. I agree with the gentleman.

Mr. JAVITS. I heartily agree with the gentleman speaking.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BURDICK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, everyone knows that when war is on and we are mobilized under complete controls under the direction of the President, democracy ceases until the war ends.

If we carry out our theory of being the policeman of the world to settle every dispute among nations anywhere and everywhere, war will not cease so far as the United States is concerned, and controls, even mild at first, will become absolute. The President has not asked for rigid controls at this time and the reason, I suspect, is that he does not think we are at war; that the Korean situation will clear up without further involvment. If he is right in this conclusion, he has, of course, asked for enough controls to carry through on our attempt to settle the dispute in Korea.

I look upon the matter differently—as everyone knows I have been against our getting involved in foreign entanglements for I know that the longest period of peace everywhere in this world since the first page of history was written is a period of less than 3 years. Wars will continue just as long as human nature remains as it is. Wars cannot be stopped by more wars—peace cannot be forced at gun's point for more than a temporary period. As soon as a nation is again ready to pursue war, it will pursue it.

If our policy is to remain as it is now—to quell every uprising or invasion, anywhere in the world, we shall continually remain at war as long as time lasts. Controls will be necessary, of course, because we have human nature here as well as other nations. The tendency in business will be, as it always has been, to exact the last pound of flesh. Hoarding is a part of human nature. The instinct to live is strongly rooted in the whole human race, and on food products this fear of having no sugar, or anything else will cause people to hoard. This fear deprives people of any consideration for their fellowmen, and if they can get sugar, they are not much concerned with the fact that their neighbors may not be able to get any. So some control is necessary. If we go into all-out control now it would be the proper move if we are in fact to be engaged in another world conflict, but if the Korean situation remains localized, no such controls are necessary.

Congress turned down my proposition which I have worked and voted for—namely to keep out of foreign entanglements. Those entanglements have now embroiled us in the first steps toward a world war—at any rate it has involved us in the Korean war. Since we are at war, regardless of the reasons why we are the fact remains that our boys are being killed and wounded on the battlefield it has become the duty of every American to support them in all things that will protect them as far as a Government now can protect them.

I always considered that our efforts in the United Nations would not produce a deterrent to war. The only contribution made by the United Nations as such is to present a UN flag to our command in the Korean battle front. Where are the men from England, France, and South America? Not a man has showed up except those in English battleships and a few fliers from Australia. We might as well make up our mind that there is not anything to the United Nations in the plan of active force to stop the invasions of weaker governments by more powerful ones. We are, just as I suspected, in a position where we shall have to carry the financial war burden and the manpower burden of any action taken by the United Nations. In other words there seems to be no concerted action of force available except our own.

If we remain at war, which we cannot escape, if we intend to police the

world, wartime controls will increase until there will be nothing left of our democratic freedoms. I propose to vote for the power the President has asked for in the original bill but not for any proposition to increase that power.

Mrs. DOUGLAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first of all I should like to address a question to the chairman of the Committee on Banking and Currency. Would the gentleman from Kentucky inform me what the plans of the Committee on Banking and Currency are in relation to rent control?

Mr. SPENCE. I may say to the distinguished gentlewoman from California that if the present conditions increase it is very obvious that we must have rent control. The Committee on Banking and Currency will meet to consider that question in the near future, I think. We have a Rent Control Act now which is still in effect, but I have no doubt it will not be adequate if the inflationary conditions which now prevail as the result of our military activities grow. We will certainly have a hearing on that subject before long if price and wage controls go into effect. Of course, if price and wage controls and the other things in this bill do not go into effect, it would be a futility to have rent control. I think they ought to have complete controls if conditions warrant it.

Mrs. DOUGLAS. In other words, we will not leave Washington until some provision has been made to extend rent controls if they are needed?

Mr. SPENCE. Yes, I will say that is a fair statement of what I think will happen.

Mr. YATES. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from Illinois.

Mr. YATES. I note that the Kunkel bill is supposed to expire in March of 1951. The new Spence bill by its terms in section 13 provides for termination at the close of June 30, 1952. Insofar as the Kunkel bill is concerned, I see no need for consideration of additional rent controls except for those areas which have been decontrolled and which may be subjected to inflationary trends. However, insofar as the Spence bill is concerned, I would think, in view of its termination date, provision should be made in this bill for adequate rent controls throughout the administration of the act.

Mrs. DOUGLAS. Mr. Chairman, the reaction of the American people to the immediate and courageous decision by the President to resist Communist aggression in Korea has been most heartening. I am convinced that most American citizens will respond with equal support to forthright leadership for mobilization on the home front to match our efforts on the fighting front. We can only be strong militarily if we are strong economically. The most important single force for peace in the world today is the productive strength of the United States. The inflation of the last few weeks threatens to interfere with our economic strength. We must move quickly and boldly to prevent the dangers and distortions and weakening forces of inflation which has taken hold so strongly.

President Truman has asked the Congress to appropriate approximately $10,500,000,000 for immediate military needs, $4,000,000,000 for military assistance abroad, and has indicated that further money may be needed. Even before one cent of these funds has been appropriated, much less spent, we have seen what can be done by a few selfish and short-sighted individuals by pushing up prices through hoarding and inventory accumulation and speculation. These self-seeking activities of the few cannot be permitted to endanger the well-being of the many. The Government has the clear responsibility to prevent profiteering and speculation which benefit a small number at the expense of all the people and of the defense effort.

We must not delay one day longer than absolutely necessary in taking all essential steps to prevent further inflation. We all remember how extremely difficult it is to stop inflation, let alone to roll back prices once they have been increased substantially. Every day there is failure to move against inflation, makes more difficult the job of mobilizing our country for an all-out effort.

The rise in prices in recent weeks has been primarily the result of speculative and inventory buying. There is no evidence that this hoarding is at an end. Once defense spending really increases in any substantial amount, such spending piled on top of spending for inventory accumulation and hoarding will aggravate the inflationary pressures and make for even more and larger price increases. Exhortation and patriotic appeals will not be enough to stop this tragic development. Greed on the home front cannot be permitted to run loose and result in fantastic profits for the few while our boys are dying and being wounded on the battlefield. Many veterans of World War II were sorely disillusioned to come home and find so many war-made millionaires. It must not happen again.

I do not believe that the legislation we will vote upon today or tomorrow or the next day is legislation to meet a short-run emergency. I believe we must be prepared for a long, hard pull—maybe 10 to 15 years. To do this we must set our sights high. We must lay our plans now to make our economy strong while we are making our military defenses strong.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mrs. DOUGLAS. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Chairman, I stand in support of the present defense production bill but also in support of a total program necessary to meet the present demands upon our economy. Such a total program has three main parts.

First, we must have ever-increasing production, in order to meet our defense requirements, the requirements of other nations, and the needs of our own economy. This is the key to a successful program today. H. R. 9176 is designed to see that we meet our production needs.

We must not forget that it was the tremendous increase in our productive capacity and output that spelled success in the last war.

What the Communists really fear, is our productive capacity.

I noticed an item in the paper the other day that the bazooka was manufactured and shipped to Korea in 4 days. That is our great strength, and that is what will win this race between democracy and communism. It is the expansion of our productive capacity that we must look to.

Mr. Chairman, today we are short in electric power capacity in this country. We entered World War II with an excess power capacity of 40 percent. At no time during the war did it drop to less than 18 percent. Today we only have 12 percent excess power capacity. We are short in steel. We were producing at 102 percent of rated capacity even before Korea. Do you remember just before and even during the war, Mr. Chairman, that there were some who hesitated and dragged their feet and opposed any expansion in steel and in the other basic industries? Why? Because they were afraid that they would be left with excess capacity in peacetime. But they were wrong. Instead of excess capacity we have had shortages. Capacity has not been sufficient to meet our ever-growing domestic needs.

Mr. Chairman, this is the point I want to emphasize—expansion of our domestic capacity is the greatest weapon we have in fighting communism.

In the long-range operation of our civilian and defense economy, we need housing, schools, and hospitals. We need to expand the production of power, steel, and aluminum. We need our reclamation and flood-control projects. These are all essential programs in the long pull that is ahead.

Mr. Chairman, because I believe this is a long pull, any sound program must take into consideration our farmers, our wage earners, our shopkeepers, and our independent businessmen. For instance, our defense plans must not shut out small business. Our defense plans must not encourage monopoly.

We must see that the small-business man can make his contribution. We ought to pass immediately H. R. 9243, which is designed to assure that participation of small business in the defense effort.

Standby power for the President to enforce rationing and controls over prices and wages is a necessary part of our present defense program and I shall support it. We may need such controls but only as an aid to the increase of our production and to insure that we get the most for our tax dollar. Controls are not an end in themselves. What could OPA have accomplished in the last war without the War Production Board?

We must also have a revised tax program. It is preposterous to talk for 1 minute of imposing price and wage controls without, at the same time, imposing

an excess-profits tax. An excess-profits tax is essential even if controls over prices and wages are not now necessary.

The President has already requested a new system of taxes which will raise an additional $5,000,000,000. I am strongly in favor of such an increase. But it is not enough—it is inadequate for our present needs. To meet the inflationary strain placed upon the economy by nearly $15,000,000,000 in defense and foreign-aid expenditures, as they are presently estimated, we need at least a $15,000,000,000 added tax program now. These taxes should be raised from two main sources. The President's program will bring in $5,000,000,000; but more important, we must reimpose a steep excess-profits tax. That program could raise $10,000,000,000 more. I believe that such excess-profits taxes should be based on current earnings.

A realistic tax program must be geared to fight inflation and to help as much as possible to operate on a pay-as-you-go basis in meeting the expenses of a sound defense effort. Deficits in the Government budget are needed when there is widespread unemployment and inadequate total buying power. A deficit now in the early stages of what promises to be a long and costly defense period makes no sense. Today, and as long as this defense period continues, we need as nearly a balanced budget as we can create.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COX. Mr. Chairman, will the gentleman yield for one question?

Mr. HOFFMAN of Michigan. Well, I am not an encyclopedia.

Mr. COX. I would like to see done, as regards the question that is before us, that which in its statement of policy the Kunkel bill says ought to be done. I am wondering if the bill does that. In other words, the language that I have in mind is this:

It is declared——

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that my 5 minutes begin when the gentleman from Georgia has concluded.

The CHAIRMAN. Does the gentleman yield to the gentleman from Georgia?

Mr. HOFFMAN of Michigan. How much of my time has expired?

The CHAIRMAN. One-half minute.

Mr. HOFFMAN of Michigan. I yield the other half minute.

Mr. COX (continuing):

It is declared that it is necessary for the national defense and security, and to accomplish the objectives of this act, that if price and supply controls are invoked by the President, wage controls authorized herein shall simultaneously be put into effect.

Can the gentleman inform the committee if the Kunkel bill makes good that declaration of policy?

Mr. HOFFMAN of Michigan. I am very sorry I cannot, but I can call the gentleman's attention to the fact that on page 2, section 2, of the unnumbered bill introduced this afternoon, there is a pledge that whenever anywhere in the world any of the member nations of the United Nations, or those who have subscribed to the Atlantic Pact, get into trouble, that we are to come to their aid and fight their war. That is in there. And also in there is what might be construed, and I think should be construed, as a surrender of the independence of the Republic.

H. R. 9176, the unnumbered bill just submitted and similar proposed legislation we are now considering, each grant to the President arbitrary and unlimited power over all civilian productive activities.

In each is carried the statement that—

This Government is pledged to support collective action through the United Nations and through regional arrangements for mutual defense in conformity with the Charter of the United Nations.

That language implies the surrender of our freedom of action as a nation, a pledge to participate in every war in which the Security Council of the United Nations may choose to involve us.

Enacted into law, this type of legislation would give us a government similar to that which now exists in England, where a farmer cannot even turn a furrow, an industrialist manufacture an article, a storekeeper purchase or sell merchandise, unless he complies with bureaucratic rules, orders, or regulations which prescribe to the minutest detail the extent and method of operating.

Even superficial knowledge of what has happened in England under this form of government should cause the rejection of this bill.

If this and similar proposed legislation, because of fear or hysteria, can be put through Congress, the end of the Republic has arrived; Stalin and the Communists need no longer attempt the overthrow of our Government by force or violence.

I cannot, I will not, support any legislation which, in my judgment, by subterfuge ends our form of government, brings about the Communist objective.

The argument is that only under bureaucratic control can our Armed Forces win this war.

No war is justified except as it becomes necessary to protect the liberty of the citizen, the welfare and security of the Republic.

If, to win a war, the freedom and the opportunity of the citizen are destroyed; if, for the form of government under which our Nation has grown great, is substituted either socialism or a dictatorship, then the war, when won, has served no useful purpose.

The war won, our people would find themselves with a military victory, but without the blessings, spiritual and material, which the Republic has given us.

The argument for this form of legislation rests upon several false assumptions.

One is that our people—workers, farmers, businessmen, and industrialists—are so greedy, so selfish, so lacking in patriotism and the willingness to sacrifice, that they will either fail or refuse to contribute to the utmost of their ability to the support of our fighting men.

That assumption is not true. If it be true, we have already lost the war. This war cannot be won unless we have an all-out, united effort.

It is true that in this, as in every other age and land, there are some human jackals who would feed on the sufferings of their fellow men. But they are few in number. Specific legislation, designed to prevent their efforts, to drastically punish violators, can and should be quickly enacted, vigorously enforced.

A few profiteers thrown in jail or, in wartime, publicly whipped, would stop that traitorous activity.

Another false assumption, sometimes unwittingly, entertained by the proponents of this and similar legislation, is that under the direction of the bureaucrats we would the more quickly get larger quantities of better munitions of war than if production and transportation are under the jurisdiction of producers, i. e., workers, farmers, industrialists.

Our military experts never have been, and they are not now, trained—they have never learned by experience—to produce at the lowest cost in the greatest quantity the most efficient munitions of war.

War is always wasteful, for always, if a battle or a war is to be won, there must be available when needed an excess of supplies, and this regardless of the cost.

Common sense and ordinary good judgment as well as experience force the conclusion that those who have had years of training, who have demonstrated their ability, as have those groups to which I have referred, have the know-how and the facilities to produce the most of the best of the things needed to wage war successfully, and that in the shortest possible time.

The Nation's production crew—individual, group, and as a whole—is the best in the world.

We must proceed upon the assumption that on the whole they are patriotic, willing to sacrifice to support the sons, brothers, fathers, husbands, who have enlisted or been drafted to fight.

Unless that assumption be true, the Communists have already won this war. Without a united effort we cannot win.

Our military experts may or they may not be the best in the world, but they are all we have and, in my judgment, when we become involved in armed conflict, we should permit them, not the State Department, nor any other executive department, nor the politicians, the bankers or the profiteers, to tell the Nation either what it should make, when, where, how or in what quantity it should be produced.

Those at the head of our Armed Forces should tell us what we need, how much, when and where it should be delivered. Then, without any restrictions by rule, order, or regulation, those who have heretofore carried the burden of making this Nation what it is should be given the task of producing and transporting, of

fulfilling the requests of our military experts.

The power given under this type of legislation, destroying the freedom of the individual, impairing the form of government under which we have grown great, giving added authority to the bureaucrats, is never wholly relinquished.

In my opinion, this type of legislation tends to defeat the only purpose which justifies war, the protection of the liberty of the citizen, the welfare of the Republic.

As stated, it is based upon the false assumption that the bureaucrats know more about production than do the civilians; that the bureaucrats are less selfish, less greedy, more willing to sacrifice than are others.

There is one other and, to me, a conclusive reason why this proposal should not become law.

It might be defined as the demonstrated incompetency (if not worse) of this administration to deal successfully with any policy, domestic or foreign.

President Roosevelt once told us:

Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy.

Any government, like any family, can for a year, spend a little more than it earns. But you and I know that a continuation of that habit means the poorhouse.

During the last 5 years of peace and, if judged by the standard of national income, the five most prosperous years in the history of the Republic, this administration has, each and every year except two when the opposition was in power, operated in the red. Proof conclusive either that it did not want to or was incapable of avoiding the rocks, the poorhouse, to which President Roosevelt referred.

The foreign policy which it has followed has been disastrous. This administration, by its foreign policy, has failed to prevent our involvement in this war. By its lack of foresight, it appears to have given us a second Pearl Harbor in Korea. Proof positive that this administration either did not desire or was incapable of establishing peace, avoiding war.

This and the preceding administration coddled and protected Communists—our present enemies—here in America.

This administration in its foreign policy, by design or unwittingly, advanced the interests, increased the power, of the Communists who are now directing the fight against our men in Korea.

To me occurs no reason, to me it seems folly, to entrust to an administration, to a group of individuals, which has failed so miserably at home and in our foreign policy, the direction of this, a supreme, effort to save our Republic.

If the people's representatives, here in Congress assembled, lack the intelligence or the courage to write and successfully enforce legislation which will save us from the dangers now threatened, I know of no way of better announcing that fact to the people than by the passage of this type of legislation.

The people will then have the opportunity, on the 7th day of November, next, of electing a Congress made up of individuals who, regardless of their political affiliation, will act for the preservation of the citizen's liberty, the welfare and security of the Republic.

A Congress which will not shirk the duty, surrender the responsibility imposed upon it by the Constitution.

Mr. BEALL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BEALL. Mr. Chairman, yesterday I received a letter from a constituent, Mr. Charles Z. Heskett, attorney at law, Cumberland, Md., who brought to my attention historical facts which I think a great many of us may have forgotten. In order to refresh our minds, under leave to extend my remarks in the RECORD, I want to include Mr. Heskett's comments.

In the fourth year of the French Republic and after having adopted the third constitution in 4 years—an instrument which the French described as the most democratic instrument of government ever evolved by man—the French Republic was beset with wars by the Emperor of Austria, the King of Prussia and England. The French Army was in dire straits. The Utopia promised by the Republic had not materialized. Thomas Carlyle records the matter as follows:

"The menacing movements of the people of Paris, who were beset with the reality of famine and the phantom of monopoly, the ravings of Chaumette and Hebert in the commune, compelled the convention (the French Assembly) to make deplorable concessions, which resembled zeal, but which were only weakness. The convention decreed a maximum—that is to say, an arbitrary price—below which no bread, meat, fish, salt, wine, coals, wood, soap, oil, sugar, iron, hides, tobacco, and stuffs could be sold. It fixed likewise the maximum of wages. It was making itself master of all the liberty in commercial transactions, in speculation and labor, which exist only in a state of liberty. It was placing the hand of the state amongst all sellers, all purchasers, all laborers, and all proprietors of the Republic. Such a law could not but produce the concealment of capital, the cessation of work, the langor of all circulation, and the ruin of all."

Does the above legislation have a familiar sound to you? Six years after the enactment of these total war measures, France was governed by an absolute tyrant, namely, Napoleon Bonaparte, who, after his victory at Austerlitz, crowned himself Emperor. Perhaps, a few people in Washington, need to know something about history.

With kindest personal regards.

Very sincerely yours,

CHARLES Z. HESKETT.

Mr. PACE. Mr. Chairman, I ask that there be read in my time an amendment I propose to offer to the Spence amendment when it is before the House for consideration.

The CHAIRMAN. Without objection the Clerk will read the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. PACE to the amendment offered by Mr. SPENCE: On page 16, after the word "any" in line 17, strike the words "fresh fruit or any fresh vegetable"; and in line 24, after the word "such", strike out in lines 24 and 25 the words "fresh fruit or fresh vegetables" and insert in each instance the words "agricultural commodity."

Mr. PACE. Mr. Chairman, the Spence amendment as now drawn provides that adjustments may be made in the ceiling price of fresh fruits and vegetables if it is found that the producers have encountered unusual increases in cost of production and other factors which result from the hazards occurring in connection with production and marketing. It is difficult for me to understand why that authority should be limited to fresh fruits and vegetables. The producers of the basic storable commodities—wheat, corn, cotton, rice, peanuts and tobacco—may be faced with similar circumstances of unusual cost of production or hazards. The wheat producers can face some unusual condition of production, some disease or rust which will make the portion of the crop they produce bring them much less than the cost of production. Insects, droughts, floods, and other disasters can visit any group of farmers regardless of the commodity they produce or whether it is perishable or nonperishable. I am hoping that when the amendment is offered it will be acceptable to the committee to treat the producers of all commodities the same.

I should like to state further, for the information of the committee, that I shall offer an amendment, not yet ready, to page 16, line 7, which seeks to limit the ceiling price of agricultural commodities to either the parity price or the average price received on June 15, 1950. I have been unable to find anybody to tell me what is sacred about June 15, 1950. I shall ask the committee and the House to accord to those who must produce the food and fiber to feed and clothe our people, and doubtless the people in many other lands, the same privilege that they extend to those who work in our industrial plants.

On page 15, the period for determining the wage scale is the period from May 24 to June 24, 1950. It is difficult for me to understand why the wage earner should get the benefit of the highest wage during a 30-day period, but in the case of the agricultural producer, the man who must feed them all, he is tied down to 1 day, June 15, 1950. I think you will find it will be very unfair to the producers of many agricultural commodities, because you are going to find on that particular day some of them were in a very favorable condition, but on that particular day my limited investigation during the afternoon discloses you are going to find some agricultural producers in a very unfavorable position. So why should we extend to the wage earner, who has my complete sympathy and support, the 30-day period for the highest wage and not extend the same privilege to the agricultural producer who gets his wages out of the commodity which he produces?

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from New York.

Mr. JAVITS. I am concerned about that provision, too, and I would like to ask the gentleman this question: It appears as a fact that there was a very considerable rise in food prices from April 1 to June 15. June 15 is the peak of that rise. Now, I want to ask the gentleman whether or not, in view of the fact that we are trying to get a period before the sensational rise took place in contemplation of what happened in Korea, it would be fair to fix a date for anything, whether labor, prices, or food, preceding the day of these sensational rises in food that started on April 1?

Mr. PACE. I must reply to the gentleman from New York that that is the difficulty the agricultural producers are in. The food rises the gentleman refers to were not rises in farm prices; they were rises which the farmer himself had no benefits from. He had already sold his crops. I agree with the gentleman there was a rise there, but it was from the processor and wholesaler on down through the retailer and the consumer.

Mr. JAVITS. Suppose I should move to amend, which I have a mind to do—and I would like the gentleman's advice on the subject—to roll back to April 1, 1950. Would that bear on the farmer or would it come off the processor and distributor?

Mr. PACE. I am compelled to state to the gentleman I would have to analyze that date in order to advise him.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PACE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. JAVITS. Will the gentleman consider that carefully so that we may have his considered advice on tomorrow?

Mr. PACE. I will be delighted to.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Illinois.

Mr. YATES. I know the gentleman is well-qualified in the field of agriculture. Perhaps he can answer a question which seems to be popping up in my mail very frequently. Many of the residents of my district, which is entirely a city district, are at a loss to understand why the surpluses, particularly in perishable commodities, cannot be used to stabilize the markets and prevent undue inflation in the cost of such perishable commodities. Would the gentleman be willing to comment on that and state why that should not be made a part of this bill, to permit the Secretary of Agriculture, if possible, to use the perishable commodities in order to stabilize such market?

Mr. PACE. May I say to the gentleman that under section 407 of the Agricultural Act of 1949 the Secretary now has the right to sell any commodity in surplus that is owned by the Commodity Credit Corporation at the support price which, as the gentleman knows, is always below parity, from 90 percent down to 60—to sell it at the support price plus 5 percent, plus reasonable carrying charges. So, the law now permits and fully authorizes the Secretary of Agriculture to take surpluses available and move them into the market, providing he does not dump them in a manner that will demoralize and break the market.

May I say to the gentleman that our Committee on Agriculture just this morning, in order to move these perishable surpluses in the hands of the Commodity Credit Corporation reported a bill to authorize the Secretary to give them away and to pay the cost of transporting them to some central point in each State. So, the Secretary not only has not been able to sell them, he has not been able to give them away, with the other fellow paying the transportation, and now we are authorizing the Secretary to give them away and pay the transportation.

Mr. YATES. Would not the gentleman's bill that was presented to the House last year, known as the Pace bill, give some alleviation to the inflation that is now taking place in this country with respect to perishable commodities, by giving a necessary flexibility to the powers of the Secretary of Agriculture?

Mr. PACE. Let me answer that in this way, that that question was asked the Secretary of Agriculture last week, and he said emphatically yes; it would contribute very much to alleviate that situation.

Mr. YATES. Does the gentleman agree with that?

Mr. PACE. Yes; I do.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman refers to an amendment to the Spence substitute.

Mr. PACE. Yes.

Mr. PATMAN. Is the gentleman aware that under the Kunkel substitute price is not controlled except at the wholesale level?

Mr. PACE. That was my understanding. I do not think, frankly, that that cures the evil, because the gentleman from Texas knows as well as I that there is a terrific spread between the farm and the table and there is also a great spread between the wholesaler and the table.

Mr. PATMAN. My object was to point out that that is a defect in the Kunkel bill. It does not apply to anything but the wholesale level.

Mr. PACE. I regard it as a very serious defect.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Indiana.

Mr. HARVEY. In further pursuit of the presentation the gentleman has made, I would like to ask the gentleman in this particular instance whether he would suggest that the alternative of only substituting the parity price be taken or the date as given in the bill.

Mr. PACE. No. We are in this sort of shape right now, and I do not know what to do about it. Cotton has jumped up since the Korean conflict about 6 or 8 cents a pound. Many mills have purchased their cotton at the high price. The Government sold two or three hundred thousand bales this week at that price. Now, those mills have, we will say, 38-cent cotton. They are making, or they will in a few weeks make that into textiles. What will happen if we roll that textile price down to a basis of raw cotton at 32 or 33 cents, and they have 38-cent cotton in the product? It seems to me that some of us are going to have to get together on that.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. HARVEY. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PACE. It seems to me that some of us here overnight are going to have to give consideration, not on a permanent basis, but purely on a temporary basis, to the situation where a processor is caught with raw products at a high level, to at least let him get rid of the processed goods at that level. Now, it may work out itself. If the President does not invoke ceiling prices for, say, 3 or 6 months, then that in itself might allow them to be able to move such goods out at the comparative cost.

Mr. HARVEY. The reason I propounded that question, particularly I have in mind many of the products of the farm, especially livestock products. We also experienced a similar sharp increase, and there is such a great disparity between the parity price and the present price or the price as of June 15 that naturally under the law they would have to take the higher price and not reflect the stable level for those livestock products.

Mr. PACE. I think you have the identical problem in the case of many wholesalers of meats, that they have acquired supplies of meats at a pretty high price and when you roll that back, in my judgment, you are going to bankrupt many of them.

Mr. HARVEY. May I say in conclusion that I think this is of such far-reaching import that it should have a great deal of consideration before we hastily pass such legislation.

Mr. PACE. I certainly agree with the gentleman.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. BROWN of Georgia. I may have misunderstood my colleague, but I do not agree with the proposition that cotton went up some 6 or 8 cents a pound due to the Korean war.

Mr. PACE. No; I said "since."

Mr. BROWN of Georgia. It went up when it was announced that the acreage in the United States was reduced 31 percent. That is when cotton went up.

Mr. PACE. That is exactly right. I say, too, that cotton did not go up on account of the Korean conflict but, as my colleague says, it went up following

the report on the cotton planted as of July 1. The result was the same. Cotton is now up to 38 cents.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Washington.

Mr. HORAN. Is not this a question the great Committee on Agriculture of the House has had under consideration, at least privately, by individuals, for a long while?

Mr. PACE. Yes, indeed.

Mr. HORAN. Have they not been able to arrive at conclusions?

Mr. PACE. On many of these problems we have not.

Mr. HORAN. The reason I asked that question is that I am wondering if we should try to write legislation here on the floor overnight that we have not fully considered and at least held some hearings on and had all sides and all facts aired.

Mr. PACE. We certainly should not. On the agricultural angle, I have not had an opportunity to confer with my chairman. I am hoping he may be able to call our committee together tomorrow to have at least a quick look at the agricultural provisions.

Mr. HORAN. The gentleman thinks this should be fully aired by those capable of considering it?

Mr. PACE. Yes, indeed.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Mississippi.

Mr. COLMER. I wonder if it would be possible in writing this bill, and I am asking this of my friend because I know he knows more about it than I do, to make some provision that in fixing any price under the controls it should not be less than parity or some percent of parity?

Mr. PACE. The bill provides that. I object to it for this reason: It says the higher of parity or the price on June 15.

Mr. COLMER. I am not talking about the June 15 price, I am talking about the provision that no price shall be set at less than say full parity.

Mr. PACE. I thoroughly agree with the gentleman, but that may require too great a roll-back.

Mr. COLMER. I wonder if one of my friends would not be in a position at the proper time to offer such an amendment.

Mr. PACE. That is provided on page 16 of the bill at this time.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from New York.

Mr. JAVITS. Does the gentleman know whether the market prices on this June 15 date were considerably higher than parity on major commodities?

Mr. PACE. I am going to ask the gentleman from New York if he will check that. I checked the agricultural prices on that date. I found many commodities out of position on that particular day. That is the difficulty in trying to fix one 6-hour period, you might say.

Mr. JAVITS. What would the gentleman think of giving the President discretion to pick a period between April 1 and June 24, 1950, depending upon the quotations and the different situations?

Mr. PACE. It is customary to provide, as is done in the case of wages here, that the wage would be the highest wage during a 30-day period. Probably the gentleman will not agree with me, but my philosophy is to let Congress write the ticket and not leave too broad discretion in the hands of those who would administer the law. We should at least set the limits and fix the standards to guide them. We should be governed here by the experiences we had and the lessons we learned during the last World War. We must not discourage production, but should encourage and increase it.

Mr. POTTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am going to speak generally on the issue before us and not on any particular amendment.

These are trying days. These are days when our every thought reverts back to the men who are doing the fighting in Korea. I suppose the remarks I make here today would be better left unsaid—that is, from a political standpoint. But I feel compelled to speak at this time and get a few things off my chest.

Mr. Chairman, the men who are fighting in Korea are making the sacrifice of their lives, and so it behooves none of us to worry about any political sacrifice which we may be making.

Mr. Chairman, this is no time for business as usual. This is no time for politics as usual. We cannot afford semi-mobilization, or piecemeal mobilization. Whether we call our action in Korea a police action or a small minor incident, or the beginning of world war III, I can assure you that the men fighting in Korea not only think—they know—it is war. I say that Congress has no right—Congress has no moral right—to reach into the homes of American families and pull out its citizens and force them into duty which will jeopardize their very lives and then be niggardly in the performance of duties and responsibilities that we have on the home front.

Mr. Chairman, I despise Government control. I have opposed them in the past and will in the future when Government controls have been asked for unnecessarily in peacetime. But, Mr. Chairman, despite my dislike for Government controls, I hate war more. Despite my hatred for war, I have a greater hatred and a greater fear—and that is my hatred and my fear of international communism.

Mr. Chairman, we draft men to go into the service to do our fighting for us, so we should not hesitate one instant to mobilize for total war. Many of you here today were in this body during the last war. I was not. I humbly ask the indulgence of the membership to permit me to make a few personal references to my service in the last war, something that I have never done before and I assure you will not happen again.

I was a combat infantry officer. I can well remember when we hit the Siegfried Line we were ordered to halt at that line with the enemy in front of us and on both flanks. Our troops were rationed—mind you, we were rationed on gasoline and we were rationed on artillery ammunition. That artillery ammunition was so necessary at that time so that we could set up a harassing fire to keep the enemy from closing in on us. But we were rationed. At that very moment, Mr. Chairman, I well remember getting an issue of the Stars and Stripes, the Army newspaper, telling the story of the coal strike. I belonged to the Twenty-eighth Infantry Division. Most of the members of that division were from Pennsylvania. Many of the men in the outfit were the sons of coal miners. Let me tell you that strike cut the very moral fiber of those men. This same Twenty-eighth Division has just now been called back into Federal service.

At the same time we heard of a woman in Detroit who was working in a defense plant and who had just received her check. On the way home, riding the bus, she kissed the check and said, "I hope this war never ends." A man next to her slapped her. He said, "That is for my son who was killed at Pearl Harbor." He slapped her again, and he said, "That is for my son who was killed in Normandy."

Yes, I can remember time and again of getting stories of industries fighting to get their contracts at 20 percent plus costs.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. POTTER] has expired.

Mr. POTTER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. POTTER. Mr. Chairman, I remember distinctly the effect it had on the moral fiber of those men when they heard of the immense black-market rackets.

The reason I have stated these incidents is the fact that we must remember, and we should know that the morale of the troops that we have in Korea and that we will send to Korea depend a great deal on what we do in the next few weeks. When the Government of the United States takes 10 men or 10,000,000 men and asks them to put their lives in jeopardy, we have no right to do other than to prepare for total mobilization.

Mr. Chairman, I had hoped I could find some one of the substitute bills that I could support. To be frank with you, at the present time I do not know what I can do. The original Spence bill, of course, was wholly inadequate, and I am not too sure but that the Kunkel bill and the later Spence bill are not wholly inadequate.

Last week I signed a statement with 14 other Members of this body calling for legislation for total mobilization but leaving the responsibility to the Congress and not to the President to pull the trigger. I still concur in those views.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. POTTER. I prefer to yield later.

However, I believe the time to pull the trigger is now. Food prices are going out of sight. The cost of living is reaching

a stage which is making it most difficult for people of low income and with fixed income to live. If this is allowed to continue, of course there will be new wage demands. There will be many, many serious economic dislocations. You know as well as I that price and wage controls are needed. You know as well as I that within a very few weeks the President will ask for those controls. The longer it goes on the more difficult it will be for our citizens to make the necessary adjustments. We are doing no one a favor by prolonging this inevitable fact. As long as the threat of controls hangs over the American people, there will be an increase in the hysteria which causes hoarding and which in itself accelerates inflation.

Mr. Chairman, I doubt if there is a man in this Congress today who seriously believes that the Korean incident is not part of a master plan dominated and controlled by the atheist leaders in the Kremlin. I do not believe there is a man or woman in this room who deep down in his own heart does not believe that once this Korean question is over another crisis will develop. We are put in the position of a man in the boxing ring who has got a knock-out punch, a good right hand, but whose managers have told him not to use his right but to counter.

How long can we continue to block the jobs, the opposition of our enemy, to sacrifice ourselves piecemeal all over the globe, whenever and wherever he sees fit to call the shots? One of these days we are going to have to recognize a most unpleasant fact, that we do have this good right hand and that it may be necessary to throw tradition to the wind and use our good right hand at our discretion when and where we want to.

Mr. Chairman, the people of this country are looking to the Congress for leadership. They will despise our action if we look for political advantage, regardless of what side of the aisle we may sit on.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. POTTER. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. POTTER. It is time for this Congress to show the same intestinal fortitude as the men in Korea; it is time for this Congress to show some guts and pass legislation which will go into effect immediately to stabilize our economy in order to facilitate the effort of our men in Korea. At the same time we should enact legislation along the lines recommended by the distinguished gentleman, Mr. Bernard Baruch, for total mobilization which may carry things that may be unpleasant to many of you but which are absolutely necessary at this time. An excess-profits tax, certainly; universal military training, yes. We must train our men for whatever eventuality may confront us. This will do more to show the men in Korea that we do not consider their sacrifice a thing of minor concern, and that we are interested in getting them out of there as soon as possible so that they can enjoy the fruits and benefits of a free world and go home to their families and loved ones and live a life of peace. But this can be achieved only when Communist aggression is stamped out.

CONTROLS

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I agree with the gentleman from Michigan who has just spoken, that it is time the Congress demonstrate intestinal fortitude; and I agree, too, that any sacrifice we make on the home front is certainly minor and insignificant compared to the least sacrifice by our fine servicemen on Korea.

INFLATION

One of the greatest mistakes made during World War II was the failure to put on price and other proper controls sooner than we did. We were too late inaugurating controls. Another serious thing that we did was to take controls off too soon. By taking the controls off too soon we caused the 60-cent dollar we have today.

One of the most serious problems confronting us today outside of winning the war and the loss of life and limb is inflation. It is possible for our heroic young men to win the war on the battlefield and for us to permit the losing of the war here on the home front by reason of worthless dollars.

It goes a little further than that. It is possible for us to lose the war by reason of worthless dollars. Before we win the war, it is possible for dollars to become so cheap that wage earners will not work for the cheapened or worthless dollar, or the producers will not produce for the cheapened or worthless dollar.

It is necessary that we retain stability of our money; otherwise people have less incentive to work, even during a war effort.

SIXTY-CENT DOLLAR

The first OPA law in 1941, actually adopted in 1942, was very much criticized. It was opposed by some of the most effective people in our Congress. But we passed the best law we could. One of the cruelest things that ever happened on the floor of this House was the fact that we had to come in before the House every year and ask for a continuation of this unpopular and in many instances referred to as obnoxious controls. We came before this House, not under a gag rule, never, but under an open rule.

Now, on questions of taxation and other things that were not near as important as the question of price control, the committees were given closed rules, and I am not objecting to that, but I do say the cruelest thing that happened during that war was the fact that we just had to fight and force through every year a continuation of price controls under an open rule on the floor of this House where any kind of an amendment was in order. I do not see how we did as well as we did, but we did very well until 1946 when many controls were absolutely necessary. However, the House voted them off. There were six or eight separate roll calls—I have forgotten which. That killed price control and because we killed price control the value of our money went down, down and down to the 60-cent dollar we have today. That was the cause of it.

Let us resolve here and now that we will not repeat any such performance as that but any control bill we pass, let us pass it for the duration of the emergency and not be compelled to come in here every 6 months or year and fight through the extension of an unpopular act. Any control bill is an unpopular bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, there is no satisfactory way to administer price controls. There are too many borderline cases and exceptions that the people think should be made in the law that we cannot make. It is like relief. There was no satisfactory way to administer relief. There was no person on relief who could not point to other people who were getting more than he was getting and actually prove it. There is no way to administer exact justice. We are doing very well if we administer equal justice. So with a price control law, you are going to have something that is very difficult to administer. Any law that we pass, let us pass it for the duration of the emergency.

We can have a race between prices and wages and cause this worthless money I have been speaking about. Today prices are shooting up. At the retail level, if you please, meat prices have gone up as high as 20 cents a pound in one week, other prices in proportion at the retail level. If we permit that to continue, wage rates are going to have to be increased also. One way it will be demanded and finally obtained, or it will be received under existing contracts between labor and management. You will recall that in the General Motors contract the wages are tied to the cost of living index, and even though they do not demand more wages, they automatically receive more wages if we permit the cost of living to go up, and other people in different groups, where they do not have that favorable contract, will demand it. Every day the wages and salaries of 62,000,000 people are going down and down and down. That cannot continue very long until we will have some serious repercussions in this country. When you have these high prices like we have now, then there is a demand for high wages and salaries to offset these high prices, and they go up as high as the prices on comparable bases, then prices go up again, then wages go up again. There is a race between prices and wages that can cause us to have worthless money.

I agree with what the distinguished gentlewoman from California [Mrs. DOUGLAS] said a while ago about increased capacity for certain commodities

or certain basic materials, I will say. We need more electricity, as the distinguished gentlewoman states; much more electricity than we have now. We do not have enough. We need a much greater steel capacity. We could use 10,000,000 tons more steel today than we can possibly make. Steel is a basic material.

Now I desire to invite your attention to the fact that any bill that we pass here should certainly have strong provisions that will encourage the production of basic materials as well as other materials and articles. It is production that holds down inflation. Production is the answer to inflation. So, we must have more production.

I invite your attention to one or two things in the bill offered by my distinguished colleague from Pennsylvania [Mr. KUNKEL]. If I read his bill correctly, and I hope he is on the floor and I hope he corrects me if I am in error, his bill insofar as price fixing is concerned relates to wholesale prices only; it does not relate to retail prices.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. If the gentleman will turn to page 10 of the print of H. R. 9283, which part is exactly the same——

Mr. PATMAN. I will take the gentleman's word. Does it apply to retail prices?

Mr. KUNKEL. Yes. I will read it to the gentleman.

Mr. PATMAN. All right, that is enough for me. All I want is just the gentleman's word on that. I misunderstood him. I read the word "wholesale" in there and did not see "retail," and I thought it would only apply to the wholesale price.

Mr. KUNKEL. If the gentleman will let me read that statement, I will. It is quite short. The first four paragraphs under section 202 apply to wholesale, and then you come to subparagraph 5 which reads:

> In the case of a new article, and in the case of any article to the sale of which paragraph (1), (2), (3), or (4) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 206.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. I am not entirely convinced from the reading of the language. I hope to read it more carefully, but I will take the gentleman's word for it if he says it applies to retail prices.

COUNTRY GOING SOCIALIST?

Many people are saying that this country is going socialistic. Are we going socialistic or communistic? There has never been a time in the history of the United States when more people owned their own homes, their own farms, their automobiles, their personal property, including savings, and more life insurance, than in the United States today.

The country that is ripe for socialism or communism is a country where the people are poor, where they do not have anything to divide. Only people who have nothing to divide are ripe for communism or socialism because they are supposed to divide with others what they have.

As long as we are encouraging people to own their homes and their farms, and making it possible for them to get the money at a low rate of interest over a long period of time to pay for those farms, and as long as they take advantage of that and own their own homes in the cities and have as much as they have today, with good jobs and good wages, there is no danger of this country's going toward socialism. It is going in exactly the opposite direction, and that is the direction in which we want our country to continue.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, for several days now since the first committee print was available I have been studying the price-control section. If my words of counsel are worth anything at all, it is because of my 25 years of experience in business before coming to Congress and my 8 years of experience here, many of those years during the war years when we had price controls.

The first speech I made in January of 1943 was against the inequities of the OPA functioning. I fear we are again making the mistake we made back in 1942, 1943, 1944, and 1945. We are going at this thing piecemeal. We are going to do too little too late. In my opinion, the only country that actually made price control work and work as equitably as possible on its citizens was Canada. They put price controls on across the board—wages, prices, profits, everything—at one time. Then the function of their price-control board was to remove controls selectively. We tried to put the controls on selectively, and every time we put a control on a commodity we created additional inequities. Every time we allowed an adjustment in the price control we created a hundred maladjustments. That is exactly what we are headed for again.

As far as I am concerned, the original committee bill was a spineless fraud under the circumstances, and I do not care who sponsored it or who asked for it. I say they did not ask for enough to take care of the situation that exists in this country today.

What are we looking for in a bill of this kind? We are looking for a piece of legislation to control inflation, and inflation is already on the way. I do not care when we put a bill into effect, we are going to freeze inequities. I do not care how carefully we write it, we are going to freeze inequities. It is impossible in a free enterprise system for everything to be equitable at any one time. It is always fluctuating, and so it will be regardless of the day or the period we select as a base when we put this bill into effect. When we put the bill into effect we will see special pleaders coming forward to take care of the prices of agricultural commodities. We will have others to take care of the price of labor and we will have others to take care of the excess-profits taxes. We will have special pleaders of all kinds. I say to you that the only special pleading that should be done today is for the complete benefit of all the people of the United States.

Every Member of this House should read the speech that was made by the gentleman from Michigan [Mr. POTTER]. There is not a Member of this House who has the right to speak as authoritatively as he did. There are some others that have reason to speak authoritatively, but no one that I know of has more reason to speak authoritatively, as he did, because he probably sacrificed more than any of us.

I say every Member of the House ought to read his words. We ought to come to the House tomorrow, not with the idea of obtaining partisan or special class advantage, but with the idea of doing a job where we can go back and look at ourselves in the mirror and say that we did the job which was needed for the American people. Yes, we imposed hardships. We imposed inequities; but who is there who will say that inequities and hardships are not being imposed upon those boys who have been sent out to Korea to fight and who are fighting with their backs to the sea at this time for you and for me?

I say that if any man gets upon the floor of the House and makes a special plea for some partisan effect or for some special interest effect in the light of the job that is to be done that that man is unworthy of Membership in this House. I say every one of us should subordinate every selfish interest and every partisan interest to do this tremendous job which faces us, because I agree with the gentleman from Michigan when he says that this is not the ending, this is the start. This is perhaps the start of the fight for the preservation of the free enterprise system and the free constitutional government system throughout the world.

I believe we have to gird our loins for the battle with every strength we have, moral, physical, and spiritual, or we are going to be left at the gate when the race is over. And remember this, that in the kind of war we will have in world war III, no nation and no people can win—we all lose.

Mr. CELLER. Mr. Chairman, I send two amendments to the Clerk's desk.

The amendments are as follows:

Amendment to Spence substitute offered by Mr. CELLER: Page 45, line 23, after the word "act", insert "pursuant to this act".

Page 46, line 6, after the word "general", insert "and the Chairman of the Federal Trade Commission".

Page 46, line 13, after the word "general", insert "and the Chairman of the Federal Trade Commission."

Page 46, line 14, strike out the period, add a comma and the following words: "and that if any objection is made by the Attorney General or by the Chairman of the Federal Trade Commission within that period, the President or such person as he may designate shall approve or disapprove the request."

Page 46, after line 18, add a new subsection, subsection (d), as follows:

"The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this act. The Attorney General shall submit to the Congress and the President within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable."

The CHAIRMAN. Does the gentleman intend to offer either one of his amendments at this time, since he can only offer one?

Mr. CELLER. No, Mr. Chairman; I am simply placing them on the Clerk's desk for consideration on the morrow.

Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, I shall address myself merely to the two amendments which I will offer to the bill, and which will be voted on tomorrow, according to the parliamentary situation. They refer to the exemptions granted by the President, or whoever he may designate under the antitrust laws, to certain firms engaged in war work—exemptions from antitrust sanctions.

Those exemptions to the antitrust laws are highly important. They are exemptions which must be, indeed, jealously guarded and reluctantly given, and only given when they are in the national interest and are absolutely necessary for the purposes of quickening and improving and increasing war production.

The amendments which I shall offer have been cleared through and have been approved by the office of the Attorney General, and by the Chairman of the Federal Trade Commission. They, in a word, would put a brake upon the granting of these exemptions to the antitrust laws. I presume that when the authority we will pass is implemented by the administration, that the Secretary of Commerce will have the paramount word with reference to the administration of this act and particularly it shall be he who will grant these exemptions under the antitrust laws.

Now, the Secretary of Commerce is not the administrative agent who enforces the antitrust laws. That is the function of the Attorney General and Federal Trade Commission. This is partly recognized in the pending bill which provides that before the Secretary of Commerce shall grant the exemption from the antitrust laws he must consult with the Attorney General. One of the amendments which I shall offer goes a step further than that and provides that that consultation shall be with the Attorney General and the Chairman of the Federal Trade Commission as well. Why do I add the Chairman of the Federal Trade Commission? For the simple reason that the Sherman Act is within the direct purview of the Attorney General. He enforces the Sherman Act. But the enforcement of the Clayton Act, with the exception of its criminal provision, lies within the jurisdiction of the Federal Trade Commission. Thus the Federal Trade Commission might likewise be considered and its judgment as to exemptions from operation of the sanctions of the Clayton Act respected.

These exemptions are to be granted, not only from the operations of the Sherman Act but from the operations of the Clayton Act. Therefore, it is proper and appropriate that the Chairman of the Federal Trade Commission as well as the Attorney General be consulted.

My amendment likewise provides that the exemption shall not be granted if either the Attorney General or the Chairman of the Federal Trade Commission objects. If either of those two distinguished representatives of our Government objects, then the final decision must be made by the President or whomever he may personally designate for that purpose. Thus there would be provided necessary and reasonable brakes upon the administration official who would be empowered to grant these highly important exemptions. My amendment would supply the brakes against great pressures of great corporations—supply the brakes against possible favoritism; brakes against greed and selfishness. Nor would war production be impeded or delayed.

During the last war, comparatively few exemptions were granted. Actually, only one such exemption was granted over the objection of the Department of Justice by Donald Nelson of the War Production Board. This referred to practices of certain railway-rate bureaus.

During the last war the general practice was to suspend punishment for violations of the antitrust laws, but in flagrant cases prosecutions were had. Such suspension did not mean condonement of the violations, and in a number of instances, prosecutions were resumed after the war.

Under the instant bill, as in the previous act, where exemptions are granted, there can be no prosecutions whatsoever at any time. Thus we must be watchful and vigilant and see to it that exemptions are granted only for the best of reasons and when granted must be carefully scrutinized. Remember exemptions must be distinguished from suspensions of prosecutions.

The amendments I propose do exactly that.

The second amendment provides that there shall be a survey made by the Attorney General concerning the operations of these exemptions. In the War Mobilization and Reconversion Act of 1944 we put into that act the exact language of one of my amendments which I seek to insert in the pending bill.

Mr. FERNANDEZ. I think the gentleman should have the amendments printed in the RECORD.

Mr. CELLER. I am speaking this afternoon so that I will have placed before all Members of the House the amendments, and I shall insert in the RECORD communications I have received from the Department of Justice and from the Federal Trade Commission approving these amendments.

The second amendment to which I have directed your attention is as follows:

The Attorney General is directed to make and request the Federal Trade Commission to make for him surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this act. The Attorney General shall submit to the Congress and to the President, within 90 days after the approval of this act, and at such times thereafter as he may deem advisable, reports setting forth the results of such surveys, including such recommendations as he may deem desirable.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. PATMAN. The gentleman has another amendment along similar lines that he expects to offer?

Mr. CELLER. Correct. I have already referred to it.

Mr. PATMAN. In view of the fact that the Department of Justice does not have an economics division, and the Federal Trade Commission does have such a division, I think the gentleman's amendment is timely, and I hope it will be adopted.

Mr. CELLER. I thank the gentleman very much.

In pursuance of that provision in the War Mobilization and Reconversion Act, which I seek to insert in the pending bill, a preliminary report was made by the Attorney General in 1944, or shortly thereafter, and four distinct surveys were made, and they were very important, very cogent, very interesting and helpful to the Members of the House and to the administration. Those reports covered aluminum, steel plates, tin plate, and air transport. I think what we did in 1944 we should do now again, because the present situation is on all fours with events around 1944.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. KUNKEL. Will the gentleman tell us exactly at what point in the committee print these amendments are to be inserted?

Mr. CELLER. They would be inserted on page 46, and are amendments to section 708, 708 (a), and 708 (b) of the Spence substitute. Those provisions of the Spence substitute, namely, 708, 708 (a) and (b), and so on, relate to these exemptions under the antitrust law.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. YATES. I think the gentleman has some very desirable amendments, but I wish the gentleman would explain why he refers the question only to the Chairman of the Federal Trade Commission rather than to the Commission as a whole, inasmuch as the Commission must act through a majority of its members. Does not the gentleman believe that the

question is of such importance that it should be considered by the entire Commission rather than by the single chairman?

Mr. CELLER. I will say to the gentleman, such a matter will be considered by the entire Commission. It is customary to refer the matter to the chairman of the Federal Trade Commission, and he, in turn, refers it to his colleagues on the Board.

I may say further that the Federal Trade Commission approves that form of amendment.

Mr. YATES. In other words, then, the Commission as an entirety will be the ones to determine it.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. MULTER. I think it is safe for me to say that it was the intent of the committee when we considered the antitrust provisions of the law in connection with this bill that there should be no change in the law as it affects anyone who is properly in violation of the antitrust laws. But we tried to write into this bill provisions which would permit the Government to carry on in the event of an emergency and that if anybody, any industrial plant complies with the Government request for help they will not be in violation of the law during the course of the emergency, but then that they could not continue in violation of the antitrust laws after the emergency had passed.

Mr. CELLER. I thank the gentleman for his contribution. Let me say that these provisions that we seek to insert in the Spence substitute in no way interfere with war mobilization or war production; they are simply safeguards to prevent certain types of greed and selfishness, and the desire for inordinate profits resulting from monopoly power.

It is distressing to me that at the first signs of economic emergency, there is a mad rush to see who can scrap the antitrust laws first. This happened during the NRA days of the depression; it occurred to a large degree in the last war. Again, today, at the first signs of shortages and war rumblings, businessmen are all too eager to reinstate so-called voluntary allocation systems, planned rationing, and other devices which have so often been tools of monopoly power.

I realize full well that adequate national mobilization of resources requires some collective actions on the part of industry which may or may not accord with the free competition that in general is essential to our success in peace or war. I strongly protest the idea, however, that in order to fight communism abroad, we must entrench monopoly at home and abolish with a single flourish the economic and political philosophy which has formed the basis of the institutions of this Nation since its inception and given us the higher standards of living.

Restrictions of production, unfair methods of competition, cartel arrangements, price rigidity, these have been the characteristics of industry after industry studied by the Subcommittee on Study of Monopoly Power, a subcommittee of the House Judiciary Committee which has been investigating monopolistic and restrictive practices of this country's economy for the past year. There is nothing in the record to show that these malignant practices are less baneful in war than they are in peace. On the contrary, in wartime, restrictions on output, territorial divisions, suppression of patents, and numerous other devices of monopoly power create bottlenecks, artificial scarcities, and serious technological deficiencies at the ultimate cost of countless lives. In times of war, not only is it essential that we do not let the concept of competition become eclipsed by monopoly through abdication of our antitrust laws, but it is necessary that we double our vigilance against the strangling and deadening effects of monopoly power.

Some of us remember that great American corporations were found to have made cartel arrangements before World War II, by which this country was blocked from prewar development of synthetic rubber, optical glass, and other essential materials. In some cases, the exchange of information with foreign cartel members even included betrayal of American military designs. Some of us remember the great difficulties that our Government faced in obtaining conversion of plants to war production, and in persuading industries like steel and aluminum that expansion would be necessary to win the war. Our Government was forced to make concessions, such as building war plants interlocked with existing plants, and granting patent rights for inventions developed at public expense. These concessions in many cases were demanded for the sole purpose of building monopoly powers for use after the war.

There are even now situations that ought to be investigated, to discover whether monopoly power is denying Americans the use of the most efficient type of storage battery, and utilization of deposits of strategic minerals said to exist in this country.

There were enough cases uncovered by the Truman committee during World War II of great companies looking toward their postwar monopoly position at the cost of their immediate service to the war effort, to indicate that a watchful eye must be kept on all exemptions from antitrust law, merely to protect war production itself.

I believe that the effective use of our resources for defense requires more than the voluntary cooperation of the vast majority of businessmen whose patriotism is beyond question. It requires also a constant guard against the few who would take advantage of the country's need to build unlawful powers for selfish purposes.

As to the amendment requiring surveys of the Attorney General and reports thereupon to Congress and the President concerning operations under the granted exemptions from antitrust laws, I wish to emphasize that it can in no way hinder or obstruct the war and defense effort. The sole duty imposed upon the Attorney General is one of reporting. To reject this proposal is in effect to argue that Congress and the Nation should pursue its wartime activities in blind ignorance of the economic facts which are recurring throughout the Nation. It is said that ignorance is bliss, but we cannot afford to conduct a war which extends to the four corners of the globe and fail to be cognizant of exactly what consequences our conduct is having upon the economic structure of the country as a whole.

This amendment has the approval of the Department of Justice, in fact it was written in conjuntion with the reprensentatives of the Attorney General. Its benefits are of long range, insofar as these studies will present a graphic picture of the economic phases of the American economy in its transition from peace to war. They are of short range in that a continuing panorama of the Nation's industrial structure will be made available to the Congress and to the people.

One of the great principles for which this country is at present fighting and arming itself is that of freedom of information. The Congress and the people are entitled to know the status of their economic institutions. They would be foolish were they to refuse to take advantage of their freedom to attain such valuable and essential knowledge.

I herewith insert the communications of approval from the Department of Justice and the Chairman of the Federal Trade Commission:

DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, August 2, 1950.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: At a conference yesterday with representatives of the antitrust division, you asked that this Department express its views with respect to certain proposed amendments to subsections (a) and (b) of section 508 of H. R. 9176, the "Defense Production Act of 1950." As amended, these two subsections would read as follows (changes are indicated by single quotes):

"SEC. 508. (a) No act or omission to act 'pursuant to this act' requested by the President, and found by him to be in the public interest as contributing to the national defense, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commisison Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General 'and the Chairman of the Federal Trade Commission' when made, and it shall be published in the Federal Register, unless publication thereof would, in the opinion of the President, endanger the national security.

"(b) The authority granted in subsection (a) shall not be delegated except to a single official of the Government and then only upon the conditions that such officials consult with the Attorney General 'and the Chairman of the Federal Trade Commission' not less than 10 days before making any request or finding thereunder, 'if objection is made by the Attorney General or by the Chairman of the Federal Trade Commission

within that period, the President shall himself approve or disapprove the request.'"

The inclusion of the words "pursuant to this act" appears desirable in our opinion, since it avoids the possibility that subsection (a), as it now reads, might be construed as applying to activities not coming within the over-all scope of the act.

Except for the provisions relating to the Chairman of the Federal Trade Commission and provision for personal decision by the President in the event of objection to a request for exemptions, subsections (a) and (b) are substantially similar to provisions contained in the Small Business Mobilization Act of 1942 (50 App. U. S. C., sec. 1112).

In view of the Attorney General's responsibility for the enforcement of the antitrust laws and his close familiarity with the operation of the Federal Trade Commission Act as well, both by virtue of his position as the chief law officer of the Government and his direct responsibility for enforcement of orders entered under the latter act, we are satisfied that the Attorney General could discharge his responsibilities under the provisions requiring his review of proposed exemptions and that he could do so promptly, effectively, and without delaying the administration of the program contemplated by the Defense Production Act. This view is supported by our experience in the administration of similar statutes during World War II.

Considering the importance of the matter in question, the provision for leaving the final decision to the President in the event of objection also seems desirable in principle. We believe, however, that the President should not be precluded from delegating the power to make this decision to some other responsible person in the event that his many other duties render it impossible to give the matter the personal attention it would warrant. Accordingly, we recommend that the last clause of your proposed subsection (b) of section 508 be modified to read as follows: "The President, or such person as he may designate, shall approve or disapprove the request."

For the reasons stated and subject to the modification suggested in the preceding paragraph, we favor the adoption of the amendments proposed by you insofar as they relate to the Attorney General. We express no opinion as to the necessity for the additional provisions relating to the Chairman of the Federal Trade Commission or the effect of these provisions upon the administration of the act.

Yours sincerely,

PEYTON FORD,
Deputy Attorney General.

DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY
ATTORNEY GENERAL,
Washington, August 2, 1950.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary, House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: In accordance with your request made at a conference yesterday with representatives of the Antitrust Division, I am pleased to express the views of this Department concerning a proposed amendment to H. R. 9176, the Defense Production Act of 1950. The amendment would consist of a new subsection under section 508 of the bill and would read as follows:

"The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this act. The Attorney General shall submit to the Congress and the President within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable."

This provision is substantially the same as section 205 of the War Mobilization and Reconversion Act of 1944 (50 App. U. S. C., sec. 1660). There are two minor differences, other than mere changes in language, between the 1944 statute and your proposed amendment. Your proposal would (1) authorize the Attorney General to request the Federal Trade Commission to make for him the surveys referred to, in addition to making them himself, and (2) provide for submission of the Attorney General's report to the President as well as to the Congress.

Since legislation of the type contemplated in H. R. 9176 necessarily has far-reaching effects upon our economy, it is of great importance that in its administration careful attention be given to the preservation of our competitive and free-enterprise system. Accordingly, we favor adoption of the amendment in question, the purpose of which is to evaluate the operation of this legislation from that standpoint.

Yours sincerely,

PEYTON FORD,
Deputy Attorney General.

FEDERAL TRADE COMMISSION,
Washington, August 1, 1950.

Hon. EMANUEL CELLER,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN CELLER: In response to your request, I am glad to offer my views on the amendment which you propose to introduce regarding section 508 of the defense production bill, H. R. 9176.

Your insertion of the phrase "pursuant to this act" corrects what must have been only an oversight in the drafting of the bill. Without the insertion of this phrase, the bill could be interpreted as authorizing the granting of exemptions for presently unlawful acts which have no relevance whatever to the purposes of the defense production bill.

With regard to the second feature of your amendment, I am in complete agreement, for the reasons set forth in Commissioner Ayres' letter of July 27, with the proposal to insert the words "and the chairman of the Federal Trade Commission" at each point in the section where the term "Attorney General" appears.

As to your final proposal to add at the end of subsection B the words "that if an objection is made by the Attorney General or by the chairman of the Federal Trade Commission within that period, the President shall himself approve or disapprove the request," the objection can be made that such a procedure would place an unnecessary, heavy burden upon the President. However, I am sure that both the Attorney General and the chairman of the Federal Trade Commission would be mindful of the fact and accordingly would not harass the President with objections to minor or trivial exemptions but would confine their objections to matters of major importance. It would appear to be completely in accord with principles of sound public administration that in such matters the power to resolve the dispute should be given to the head of the official family rather than to one of the disputants.

Because of the very short time available, I have not had any opportunity to ascertain whether or not these proposals are in accord with the program of the President.

Sincerely yours,

JAS. M. MEAD, *Chairman.*

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have taken this time to ask some member of the committee on the majority side to answer a question. At page 41, lines 2 to 4, of the committee substitute there is a totally new provision from that which appeared in the original bill. That provision reads as follows: "including any new agency or agencies which are hereby authorized to be created by the President when deemed necessary."

I wish the gentleman would tell us whether it is proposed under this provision to establish a mobilization production board or any agency similar to the War Production Board of World War II. This is completely new language from what was in the original bill as it was presented to the House during general debate.

Mr. PATMAN. Since the first bill was introduced this amendment was prepared. It also includes rationing and wage controls. In view of these two additions it is necessary that the language read by the gentleman be inserted.

Mr. JAVITS. Does the gentleman know whether it is contemplated by the President to set up what would be equivalent to an OPA?

Mr. PATMAN. I am not able to say; I not not know what the President has in mind.

Mr. JAVITS. Does not the gentleman believe that for the information of the House before we vote on this whole subject we should know tomorrow just what is implied in that new language; that is, what agencies, if it is known, what agencies the President contemplates to set up in the way of OPA, a War Production Board, or otherwise, under this completely new grant of power which we did not see before and which is now in the Spence substitute.

Mr. PATMAN. Any agency set up to administer the act could be considered the same as the OPA or WPB, and probably would be, although it is possible for these two provisions to be administered by existing departments, like the Department of Commerce or the Department of Labor.

Mr. JAVITS. May I say to the gentleman I would hope very much that we could know tomorrow, that being the purpose of the overnight delay, whether the administration has in mind the organization of new specific agencies.

Mr. MULTER. May I attempt to answer the question?

Mr. JAVITS. Yes. I yield to the gentleman.

Mr. MULTER. When Mr. Symington was before our committee he tried to make it clear to us it was intended so far as possible to use existing agencies. Naturally, it is necessary to have the power in this bill. If existing agencies should not be sufficient for the purposes, then a new agency may be created. One of the primary differences between this substitute and the Kunkel bill is that the Kunkel bill sets up a new agency to do all of these things. The Spence bill and the substitute for the Kunkel amendment gives the power to the President to use existing agencies wherever possible and, according to Mr. Symington, that is the intent and the desire,

but if a new agency is necessary he then may create it.

Mr. JAVITS. I think I reflect not only my own views but that of many Members of this House when I say that in consonance with the spirit in which we are proceeding in respect to this bill I certainly hope that the President will use his authority to set up separate agencies like the OPA and the War Production Board to do this job. We found during the war, and we found since the war, that the way to do a job of national importance in a national emergency like this is to get America's best brains. America's best brains are generally devoted to business and the professions and they do not often want to get into the existing Government departments. That is not said with any disrespect to the men who are there now. There are some very able men in the Government at this time. When they know it is on a temporary basis in an agency that is to care for this particular national emergency, as they did in the War Production Board, we will get America's best brains for this job and no less than that is what I think we ought to have in deference to what is happening in Korea and the views that have been expressed on the floor here.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from California.

Mr. HOLIFIELD. May I say that the gentleman is exactly right. This is a big job. It is a job that has got to be properly coordinated. If it is spread out among every agency of Government, different agencies will be taking action which will affect other agencies and the jurisdiction and functions of other agencies. It should be concentrated in one over-all board so that we will know what we are doing.

Mr. JAVITS. Another thing, may I say to the gentleman from California, it should be above politics.

Mr. HOLIFIELD. Absolutely.

Mr. JAVITS. The way to get it above politics is to set up emergency agencies to do this job.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. I answered the same question when the gentleman asked me yesterday and I told him what was contemplated. The criticism was made that my bill did not permit the delegation of any of these authorities. That is an incorrect statement. You will notice a paragraph in there which reads:

> SEC. 603. The President may delegate any power or authority conferred upon him by this act to any officer or agency of the Government and may authorize such redelegations by that officer or agency as the President may deem appropriate.

In other words, the thought in my bill is the creation of an over-all agency along the same general line as was the case in the last war and which the gentleman has in mind, and also that certain functions will necessarily and properly be delegated to other branches of the Government such as the Department of Agriculture. There is a specific provision in the bill that permits that delegation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, I would like to ask the gentleman from Pennsylvania this question: One of the greatest acts that we have done here in the last few weeks, and which had enormous impact on the world, was the vote with only one dissent on the Mutual Defense Assistance Act. Is there a chance that the gentleman from Pennsylvania can get together with the majority members of this committee and work out and agree upon a substitute which could come in here tomorrow and get the same kind of a resounding vote of confidence in this House?

Mr. KUNKEL. I do not know about that. Certainly there would appear to be a very strong chance that substitutes will be introduced tomorrow.

Mr. JAVITS. The gentleman does not feel that can be done in this case?

Mr. KUNKEL. I would be glad to cooperate.

Mr. JAVITS. I would like to call the attention of the House to one other point. I intend to offer an amendment tomorrow with respect to this agricultural section which is found on page 16.

The House will notice that there is established what is apparently a completely arbitrary date, June 15, 1951, as the date to determine the maximum price for agricultural commodities. Now, that date has no relation to June 24, 1950, which is the day before the Korean episode began. It bears no relation to any other date which relates to maximum prices or to maximum wages (May 24 to June 24, 1950) in this bill. I certainly hope very much that the Members of this House from the cities will at this time, when we are talking about the provision for maximum prices for food, which is going to determine the living standards of their people perhaps for a good many years to come, will carefuly examine what is proposed. We all want to be more than fair to the farmer. The farmer, just like the industrial worker, is just as necessary as the soldier in the kind of a job we have ahead of us. But, I think it is absolutely essential that the city worker and the industrial worker be fairly protected in whatever is done, and that we just do not shut our eyes to the responsibility we have as Members from the cities. I think the Members from the agricultural districts should be the first to say that the only way you get anything made fair is by the attrition of people who have different interests, and that therefore we should not just blindly leave it to them. We should try to make up our own minds as to whether this is fair to the people we represent in the cities.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman, in offering such an amendment, will, of course, remember that agriculture took a drop of about 40 percent below the high point in 1947 whereas labor since that time has received increases in various industries.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. I am sure that the gentleman will keep that in mind, whatever proposal he might care to advance to the House, because after all the gentleman from New York has, in my opinion, always endeavored to be fair, and what both he and I want is to try to be fair to all segments of our great population. We must also keep in mind that costs which the farmer today must meet are nearly as high as in 1947. The men I hire today on my farm have not taken any considerable drop in wages since 1947. However, the barley I sell today for $1.40 per bushel brought $2.35 3 years ago. Rye sells today for $1.10 less a bushel than in 1947. The gentleman, I repeat, has always been fair and I am sure he will consider these factors.

Mr. JAVITS. I appreciate the gentleman's comment. I assure the gentleman I will be fair. I point out to the gentleman that during the war the income of agriculture tripled whereas the income of industrial workers just doubled. We have had that out before.

Mr. H. CARL ANDERSEN. Of course, the gentleman knows that the income of agriculture prior to the war was so pitifully small that any reasonable amount would triple it or even quadruple it.

Mr. JAVITS. I was not making that point with the idea of depreciating the gentleman's statement; but only by way of bringing out all the facts. I take the gentleman's injunction very sincerely and I will do my utmost in trying to be fair.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Illinois.

Mr. YATES. I think it should be pointed out, and I think the gentleman has a just point, that even though the income of the farmer has dropped, the fact still remains that food prices have gone up, and while wages have increased, the workers have to pay additional wages for the food.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Iowa.

Mr. GROSS. I want to say to the gentleman once again, as I did before, that the price that the farmer receives for the product he has to sell is not always reflected in the price that the consumer pays, by a whole lot.

Mr. JAVITS. I thank the gentleman and of course that is so. Yet we have to

deal with the situation of a sensational rise in the prices of foods not alone since the Korean struggle began but a constant upward climb since April 1.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the amendments which I have sent to the Clerk's desk for consideration tomorrow be inserted in the RECORD at the inception of my remarks this afternoon.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DURHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize the difficulty in writing such legislation as this and the problem that the committee has. I take this time particularly to ask some questions, and why such a section as 303 was placed in the measure, in the so-called substitute on page 8. Can anybody give me a good reason as to why this was placed in the legislation? It deals primarily with minerals and metals.

Mr. PATMAN. That was one of the things Mr. Symington said we must have.

Mr. DURHAM. Mr. Symington and all the departments have been asked consistently for the past 5 years since Public 520 was adopted as a stockpiling measure if they needed any further legislation to acquire minerals and metals. That is the reason I cannot understand why this provision is placed in this measure.

Mr. PATMAN. I assume that during the emergency they would be willing to pay more for these materials than they have in the past.

Mr. DURHAM. They are doing that at the present time, of course.

Mr. PATMAN. I do not know.

Mr. DURHAM. They are operating under a 25 percent differential because of the high prices on the "Buy American" plan. They have the money to buy these minerals and metals at the present time with the so-called 5 percent funds which we placed in the European Recovery Act, which at the present time stands with an unexpended balance of around $200,000,000, because we cannot acquire them from those countries offshore at the present time. So I see no particular reason why such a provision should be in the measure.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. ENGLE of California. What the gentleman is saying is that Public, 520, passed in 1946, the Seventy-ninth Congress, is sufficient for all necessary purposes. I call the attention of our distinguished friend from Texas to the language on page 8, line 18, referring to purchases of these strategic and critical minerals and metals, and I ask for an explanation of this kind of language. It states here:

> Except that purchases or commitments to purchase involving higher than currently prevailing market prices or anticipated loss of resale shall not be made unless it is determined that supply of the materials could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability to the United States of overseas supplies.

Mr. DURHAM. I think the gentleman is raising quite a serious question there, because in the stockpiling program you have metals and minerals which have a life expectancy, and you necessarily have to rotate those metals. You might have to sell them at a loss, in order not to lose the whole thing.

Mr. ENGLE of California. Not only that, but could not this be considered an implied repeal of the provision of the Stockpiling Act which permits the 25-percent differential for the domestic producers? This language not only states that the Government shall not pay more than the market price for these critical and strategic minerals and metals but it says that higher prices can be paid for foreign production.

Mr. DURHAM. I think the gentleman is correct.

Mr. ENGLE of California. If there is any stockpile which is valuable to this Nation it is the stockpile from the domestic mines. This bill is apt to do exactly the reverse.

Mr. PATMAN. The reverse is not intended, I may say to the gentleman.

Mr. DURHAM. I certainly hope the gentleman from Texas is correct. I would like a full explanation as to just why such a provision arose. They have told us they needed no further legislation to acquire stockpiles and materials for the stockpiling of materials.

Mr. PATMAN. I hope the gentleman will read the hearings between now and tomorrow. I think he will find in the testimony an explanation which will be satisfactory to the gentleman .

Mr. DURHAM. Mr. Symington said no later than this morning that no legislation was needed for the acquisition of stockpiles of critical materials for the stockpiling program in this country.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. DURHAM. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DURHAM. Mr. Chairman, I yield to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. With reference to the statement of the gentleman from California [Mr. ENGLE], the testimony before our committee is that if we do not procure from certain foreign countries critical materials, even though there is domestic production, then certain foreign products would get into the hands of potential enemies. If we do not buy, they will buy them. I am sure the gentleman would not want that.

Mr. DURHAM. We can do that under the present Public Law 520. We have funds to do that, and we can do it now. We can commit ourselves up to 20 years if we want to.

Mr. HAYS of Arkansas. Incidentally, the language mentioned by the gentleman is the same in all three bills, the committee bill, the substitute offered by the gentleman from Pennsylvania [Mr. KUNKEL], and the substitute offered by the gentleman from Kentucky [Mr. SPENCE]. I appreciate his comment; and if it should be necessary to change the language, of course, the House should do that. But I do want to reinforce what the gentleman from Texas [Mr. PATMAN] said. It certainly was not the purpose of the committee to produce the result mentioned. We were satisfied with the statement of Mr. Symington, and I believe the gentleman from North Carolina would be satisfied. I think there is an abundance of material in the report throwing light on that problem. It is an extremely important problem. We need production both of our domestic producers and foreign producers.

Mr. DURHAM. I agree with the gentleman, but the fact is that we have the money today to buy material to put into the stockpiles. We can buy the materials in any part of the world we want to, or where we can get it. At the present time we also have over $200,000,000 of 5-percent funds which we were not able to expend because of the fact we cannot secure materials from countries who participate in the plan. I feel sure this is a limitation on the "buy American provision" in Public Law 520 and, in my opinion, will in no way add one item to our present stockpile of materials and should be stricken from all three measures before us.

Mr. DAVIS of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the members of the committee to explain three provisions in particular which I am somewhat concerned about. There are many broad grants of authority in the bill which I am not quite sure I understand the implications of, but I do not want to take the time of the committee to explain more than three of them at this time. One of them is on page 9, where the President is given the power to create new corporations. Is there any precedent in our recent history for the creation of such corporations by the President, and if so, can any member of the committee give me any examples of that?

Mr. MULTER. The RFC, of course, originally started before the war, but during the war it was authorized to help in various war activities. You have the Defense Plant Corporation which was created as a separate subsidiary. You have other corporations which were also organized during the war for the express purpose, as Government-owned corporations, to do various war jobs.

Mr. DAVIS of Wisconsin. Were they set up by the President, or did Congress provide the charter, and provide the authorization for them? I am sure in the case of the RFC at least the Congress laid out the charter.

Mr. MULTER. That is right.

Mr. DAVIS of Wisconsin. And provided the organization.

Mr. MULTER. That is correct.

Mr. DAVIS of Wisconsin. Were there any cases even during World War II where the President had the power to reach out and create a corporation as he

does under the broad powers outlined in this bill?

Mr. MULTER. The creation of the corporation has its counterpart in every instance in a congressional authorization—in legislation of the Congress authorizing it. But somebody must actually physically go forward with the formation of the corporation, and we are here giving the authority to the President when he finds it necessary to bring these corporations into being. Of course the gentleman understands they do not come into being automatically.

Mr. DAVIS of Wisconsin. I appreciate that. But this places the power in the hands of the President as an individual to create any Government corporation that he may see fit.

Mr. MULTER. That is, within the limitations and restrictions of the bill. They must be for the purposes set forth in the bill. They must be related to the national security and to the efforts which we are seeking to further by the bill.

Mr. PATMAN. May I add also for the purpose of providing coordination.

Mr. DAVIS of Wisconsin. I do not find those limitations in the bill. All I find is the power that will be granted to such corporations, if they are established.

Mr. MULTER. You must read the sentence in connection with section 302 and section 303. Section 304 reads:

> For the purposes of sections 302 and 303, the President is hereby authorized.

Only those two sections. I was reading from section 304 on page 9.

Mr. DAVIS of Wisconsin. Yes, I appreciate that, but sections 302 and 303 certainly are broad in their objectives, and it does give a great deal of leeway to one person, to have the President authorized to set up these corporations without any further authorization from the Congress.

Mr. MULTER. If you agree with the principle as sought to be accomplished by sections 302 and 303, then I think you will agree that the President must have the power to create these new corporations for these limited purposes.

Mr. DAVIS of Wisconsin. I am not so much concerned about the fact that there shall be such corporations. What I am concerned about is giving the President authority to create them without the Congress specifically authorizing it.

Mr. MULTER. Surely there is no great distinction between the President saying to a department, "You go ahead and do these things," and bringing into being a wholly owned Government "corporation which will do those things. It is much better if you have a wholly owned Government corporation do certain manufacturing, rather than to set up a department of Government in the manufacturing business.

Mr. DAVIS of Wisconsin. I do not dissent from that. The question I have is as to the advisability of permitting the President to do these things without specific authorization from the Congress.

Mr. MULTER. The question of advisability is a matter of principle that we will have to lay down here.

Mr. DAVIS of Wisconsin. Yes. That is right.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. YATES. The gentleman from New York has just stated that the Government could create a corporation to do some manufacturing. Is that provided for in this section? As I interpret section 302, it is with reference to the granting of loans to private business, and the power to create the corporations is for the purpose of implementing that board. Is that not true?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. DAVIS of Wisconsin. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DAVIS of Wisconsin. I yield to the gentleman from New York.

Mr. MULTER. Section 302 does cover loans and guarantees of loans, but section 303 provides "to assist in carrying out the objectives of this act, the President may make provision for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels," and so on.

Mr. YATES. But that gives no authorization for manufacturing or producing facilities.

Mr. MULTER. Yes. Page 9, subsection (c), says:

> The procurement power granted to the President by this section shall include the power to transport and store, and have processed and refined any materials procured under this section.

But I think it would be a fair interpretation of that language. There seems to be some difference of opinion as to whether or not it can be interpreted as broadly as I have interpreted it. But it certainly does give him the power to buy, transport, and store these products and make loans in connection therewith.

Mr. DAVIS of Wisconsin. I have two more questions that I would like to ask. The second question I have is with reference to page 26, where the bill begins to set forth very broad licensing powers in the hands of the President. I can recall legislation during World War II that existed for export licenses, and things like that. This is much broader than anything that I am familiar with in World War II legislation. Was there such broad legislation as this in effect at that time?

Mr. MULTER. We are inclined to overlook the fact that during World War II there were no actual licenses issued to each person who was in business, or to each person to whom was loaned the money. Nevertheless, the law provided, just as it does here, for these licensing provisions. As a matter of fact, the Federal Reserve Board, I think, one time granted what was known as general licenses, without issuing specific licenses to each person. That law was that anyone lending money, any bank or private company engaged in the business of lending or financing these various industries, had to file a statement with the Federal agency advising what they were doing; and under the general-licensing provision they were deemed to have a license. The same with anyone engaged in the sale of products; the law said they must have a license. The Administrator issued what was known as a general license. If there was any violation, the court suspended or revoked the license, but no specific license was issued in each case.

Mr. DAVIS of Wisconsin. Is this substantially what was done in the other law?

Mr. MULTER. Yes.

Mr. DAVIS of Wisconsin. And does not go any further than that language?

Mr. MULTER. No.

Mr. DAVIS of Wisconsin. A third question is that on page 30 the bill contains this language:

> The President is authorized * * * including the designation of such persons, boards, or commissions as he may deem proper to carry out the provisions of this title * * *. Due regard shall be given to terms and conditions of employment established by prevailing collective bargaining practice which will be fair to labor and management alike, and will be consistent with stabilization policies established under this act.

I am wondering to what extent this amounts to a bypassing of the National Labor Relations Board or the National Conciliation Service in the settling of these disputes. We have had some controversy at least in the newspapers on this subject, and I am wondering if this could be interpreted as a means of bypassing what these agencies may be trying to do.

Mr. MULTER. This title, unlike others, proceeds along different lines. In most other statutes we suspend all other laws inconsistent with the law we enact; here we do just the opposite. I call the gentleman's attention to the last sentence which reads:

> Any such action shall be consistent with the provisions of the Fair Labor Standards Act of 1938, as amended, and other Federal labor-standards statutes and with other applicable laws.

In other words, this must be construed with and follow existing statutes.

Mr. DAVIS of Wisconsin. In other words, it would be in addition to and not in place of.

Mr. MULTER. In addition to and not in place of, yes.

Mr. DAVIS of Wisconsin. I thank the gentleman.

Mr. LYLE. Mr. Chairman, during the past 2 days there have been many confused pleas from the well of this House. Their justification is a matter of speculation, but I do not want it to be charged per se that every Member is confused. I believe that many Members are thinking calmly and clearly.

There could not possibly be enough confusion to obscure and black-out the basic principles, facts and circumstances that are self-evident. When the President of the United States, having full knowledge of the workings of the Congress of the United States, requested the immediate passage of the Defense Production Act of 1950, he most assuredly

knew then that if he tied in price and wage controls and rationing it would result in prolonged debate and would cause a delay in the procurement of the vital materials needed by the United States. He stated then that he would request additional controls as the circumstances dictated. There can be no confusion about his position on that matter.

We could not be confused on the issue that the President desires and that it was in the interest of the Nation for him to have the power to requisition needed materials. In justice to the Nation this House should have passed these controls before now.

There is another matter about which there can be no confusion, Mr. Chairman. As a basic principle, good legislation comes after the proper committee has procured ample testimony and facts and has prepared legislation to meet the circumstances revealed by that testimony and those facts. Our Committee on Banking and Currency should begin immediate hearings on price and wage controls and rationing and such other controls as are necessary to meet the needs brought on by our participation in the Korean campaign and such other requirements as might easily be required by our fight against communism. The committee should investigate immediately into the causes for unwarranted increases in the cost of things the people must buy daily so that the legislation they recommend and the legislation this body passes would aim at the heart of the problem.

It is not a pleasant spectacle to the American people in their concern for the general welfare to have a Kunkel bill or a Spence bill or any bill except one drawn by the proper committee after due hearings and deliberation and based upon the demands of the circumstances. The people want and are entitled to legislation that is consistent with the problem at hand and they cannot get that type of legislation out of the midst of a political struggle. And I now, Mr. Speaker, urge that the Committee on Banking and Currency begin hearings as quickly as possible on price and wage controls, rationing and such other measures as are necessary to keep a stable economy while we fight communism abroad.

It seems to me most consistent with the circumstances in which we find ourselves to immediately pass the Defense Production Act of 1950 with stand-by controls, and to then request our Committee on Banking and Currency to recommend as quickly as possible adequate legislation in the field of further controls.

There can be no confusion about the soundness of this. Controls voted today without adequate machinery for enforcement and without proper thought and consideration of the entire problem will result in more chaos and confusion than stability.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Montana.

Mr. MANSFIELD. I would like to call the attention of the gentleman from Texas, my very good friend, to the fact that there is a necessity for some sort of price roll back, if my mail is any indication of the sentiment of the people.

Mr. LYLE. It is my judgment that it is not only unwise but most difficult to attempt to legislate on the mail that comes to the Members of Congress. Such mail is refreshing, inspiring, helpful, and useful, but it cannot alone be the basis of legislation that affects 150,000,000 people.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Texas.

Mr. PATMAN. May I ask the gentleman if it is his recommendation that we pass the original bill? Should we vote down both substitutes and pass the original bill? He stated that we should have standby price controls and wage controls.

Mr. LYLE. The House is going to have some kind of wage and price controls. It ought to be flexible. There is no machinery, and you know it, whereby it could become effective immediately.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Georgia.

Mr. COX. With regard to this stand-by legislation, there are those of us who would not be satisfied with that kind of a measure because of the fear that it would not be used in dealing with the labor situation.

Mr. LYLE. In answer to my dear friend—and there should be no confusion about this, either—it is fundamental that if you have controls over prices you must control wages also. But there is another thing. You cannot simply control wages of the men who work in the steel plants and like places. You must also control the wages of people who work on commission, people who make profits in all fields.

Mr. COX. I agree with the gentleman.

Mr. LYLE. Mr. Chairman, let us move along by first supplying the President with the authority he requests, and then as rapidly and as orderly as possible enact those additional controls that our situation demands. Good and adequate legislation comes, not from under park benches, as do some good ideas, but it comes out of the proper functioning of our great committees.

Mr. BARDEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I ask for this time in order to make a brief statement and at the same time see if I can get a little information on some parts of this bill. So far as I am personally concerned, if my Nation is in trouble, and it is, I am perfectly willing to go straight across the board and take any steps that are necessary to insure an early recovery from that trouble. That feeling, I am sure, is shared by all good Americans. Some may have differences as to the approach to the problem, but we all have that feeling.

I have listened to the gentleman from Texas [Mr. PATMAN] on a number of occasions in answering questions refer to the existence of this emergency. I have heard any number of Members, virtually every single speaker in this well, refer to the fact that this Nation is in an emergency. Yet there is no reference to a declaration of the existence of an emergency in this bill. I am wondering why that has been left out. I am wondering if the gentleman from Texas can give me some light on that.

Mr. PATMAN. I assume it is because the present trouble is looked upon more as a police action than an over-all war. We are not ready to admit that we have a national emergency.

Mr. BARDEN. The gentleman has admitted it and every Member of the House has admitted it. The President has admitted it by asking for absolutely unlimited powers.

Mr. PATMAN. We hope it is temporary.

Mr. BARDEN. My stars above, do you not hope this law is temporary if we pass it?

Mr. PATMAN. Certainly.

Mr. BARDEN. I read over on page 2:

> It is the policy of the United States to oppose acts of aggression and to promote peace by insuring respect for world law and the peaceful settlement of differences among nations—

And so forth.

Is this to last as long as the United Nations set-up remains in existence?

Mr. PATMAN. Mr. Chairman, if the gentleman will yield, there is a definite date that it will expire, in June 1952, or whenever the Congress, by concurrent resolution, declares this temporary emergency at an end.

Mr. BARDEN. There we go again, "temporary emergency." We are not declaring any emergency so how could we pass a resolution declaring the emergency over, unless we say it exists, puzzles me. Let me say to the gentleman, I believe in meeting an issue right square in the face. Somewhere back yonder I heard a little verse which said: "When we once attempt to deceive, oh what a tangle do we weave."

Now, the thing that troubles me here is why can we not approach this thing from the front door and say that the United States of America is facing an emergency? As a result of that, the people of America through their Representatives are willing to take this step, grant these powers, and entrust the Administrative head of our Government to guide this Government out of that emergency. I think that is the way the American people would want it; that is the way I justify voting for these unusual powers; that is the way the gentleman from Texas better justify his voting for these unusual powers. Yet, in the wordage of this bill we are faced with everything normal, and over here in the very caption of it, why it uses the words "and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes." Why, you could wind up the Social Security Act that way.

Mr. PATMAN. I believe you will find that the Secretary of Defense, Mr. Johnson, testified today, and the Chairman of the Joint Chiefs of Staff, General

Bradley, testified that they believed $10,500,000,000 would be enough to take care of this present emergency, which they considered temporary. They do not consider it at all an all-out emergency.

Mr. BARDEN. Wait a minute. An emergency? The gentleman says "not an all-out emergency" but it is an emergency.

Mr. PATMAN. It is a temporary emergency; yes. We hope it is temporary.

Mr. BARDEN. How temporary?

Mr. PATMAN. We hope it is temporary.

Mr. BARDEN. Now, that is a little bit like defining how high is high, is it not?

Mr. PATMAN. This ends in 1952.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BARDEN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. PATMAN. Or at such earlier times as the Congress by concurrent resolution, or the President, by proclamation, may designate. So, it will certainly end in 1952 and it can end earlier than that by proclamation of the President or resolution of the Congress.

Mr. BARDEN. Let me say to the gentleman from Texas, we have granted powers like this before, but never in our lives have we ever done it except upon the declaration of an emergency, and I do not think that can be denied.

Now we come to this: A bill bounced in here yesterday afternoon, took a couple of hops and turned out and changed its color and here it is again, and we are traveling when we pass some 48 pages of law here that fast, it really troubles me when we do it in that fashion. If the President declares an emergency, as a matter fact I think the gentleman will agree with me that there are probably 60 percent of these powers that would be his powers as a matter of right, as the President of the United States, if he declares an emergency.

Mr. PATMAN. Certainly, but I do not think we are willing to admit now that we are in world war III. If that is what the gentleman is trying to get me to agree with, I am not going to agree; therefore I think the President is right in not declaring a national emergency.

Mr. BARDEN. I just say to the gentleman we are in the next war after World War II. I do not know what number the gentleman wants to assign to it, but when a quarter of a million people are shooting at each other and killing each other, that is not backyard play stuff. If an emergency exists let us declare it and pass appropriate legislation, if it does not exist then nothing is required but peacetime legislation.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Georgia.

Mr. COX. I wonder if the gentleman proposes to make any observation with reference to title V of the bill. Does he find in that title sort of an undercover monkeying with the Taft-Hartley law?

Mr. BARDEN. I will say to the gentleman that that was my real purpose in taking the floor.

Mr. PATMAN. It is just the opposite of the suggestion of the gentleman from Georgia.

Mr. BARDEN. I will have to ask the gentleman from Georgia to clarify that statement. Does the gentleman want to say something on that point?

Mr. PATMAN. Yes. The gentleman from Georgia suggested that it would affect the Taft-Hartley Act. I invite the gentleman's attention to the last sentence in section 503, which reads:

> Any such action shall be consistent with the provisions of the Fair Labor Standards Act of 1938, as amended, and other Federal labor standards statutes and with other applicable laws.

Mr. BARDEN. I believe I have labored with more labor laws than the gentleman ever will, I hope.

Mr. PATMAN. I am sure the gentleman has.

Mr. BARDEN. A lot of it I have not enjoyed, either. But I want to know who testified as to this section before your committee. Who was it? Where did it come from?

Mr. HAYS of Arkansas. If the gentleman will yield, the part the gentleman refers to is not in the committee bill.

Mr. BARDEN. What is this bill, the Spence bill?

Mr. HAYS of Arkansas. It is in the bill offered by Mr. SPENCE but not in the committee bill.

Mr. BARDEN. The gentleman does not mean to tell me the committee has not approved this bill?

Mr. HAYS of Arkansas. The gentleman is speaking of Mr. SPENCE's substitute.

Mr. BARDEN. One of us is badly mixed up.

Mr. HAYS of Arkansas. No, I do not think either of us is.

Mr. BARDEN. I am talking about this bill that was offered by the gentleman from Kentucky [Mr. SPENCE]. It is headed "Committee Print." Did not the committee print this bill?

Mr. HAYS of Arkansas. No.

Mr. BARDEN. The committee has not approved this bill?

Mr. HAYS of Arkansas. No.

Mr. BARDEN. Does the gentleman know anything about this bill?

Mr. HAYS of Arkansas. Yes. I am quoting the gentleman from Kentucky [Mr. SPENCE]. He said this to the House this morning.

Mr. BARDEN. Wait a minute. I do not want any hearsay unless the gentleman can give me some trace of where this section came from.

Mr. HAYS of Arkansas. I am trying to, sir. The committee did not approve Mr. SPENCE's substitute nor consider it. He offered it in his own name this morning, and it does not represents committee action. The committee did not pass on it one way or the other. When the gentleman referred to the committee bill, I naturally assumed he referred to the original bill which is before the House, H. R. 9176. That was the reason I said title V is not in the committee bill.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BARDEN. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. If I have made a mistake, was it not a perfectly normal one? Who was it said that if he saw a feathered bird in the barnyard, with a flat bill and webbed feet, and it walked around and said "Quack, quack," and associated with ducks, he would naturally assume it was a duck. I naturally assumed this bill was a committee bill.

I am still worried over this title V. I happen to be chairman of the Labor Committee, and we have a staff, we have counsel, and we try to work with the Labor Department and with the other agencies of the Government. There is not one single agency of this Government, not one department head and not one single member of the Committee on Banking and Currency that opened his mouth about any need for additional legislation of this type. I do not know how far this legislation goes. I have read it. I asked the committee counsel, "Where is the gimmick in it? What is it in here for?" If it is what the gentleman from Texas [Mr. PATMAN] says, then there is no necessity for it. Just go on and use the existing law we have.

Mr. HAYS of Arkansas. It seems to me what the gentleman has said confirms what the gentleman from Georgia [Mr. BROWN] said this morning, and the gentleman from Oklahoma [Mr. MONRONEY], which represent my views. It would be far better for us to come back to the committee bill, H. R. 9176, and pass that. It embodies the powers that we are pretty much in agreement on. Then the Committee on Banking and Currency could begin at once to hold hearings.

Mr. BARDEN. Let me say to the gentleman that I am approaching this matter rather seriously.

Mr. HAYS of Arkansas. I know that, of course.

Mr. BARDEN. I want to do the thing which is necessary and helpful and wise for my country.

Mr. HAYS of Arkansas. Why nobody who knows the gentleman from North Carolina would question that.

Mr. BARDEN. We are in more trouble than just a little police action, and we are making plans for it. I want somebody who can stand up here and tell the 435 Members of the House just what this bill means and what it does and where the authority for this statement comes from.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. HALLECK. When the debate opened on this measure, I said then, and I want to say again, that as far as the provisions of the bill as reported by the committee are concerned, there is no emergency. No one has pointed out where there is any lack of steel for any defense project in being. If there is an emergency at all it is on the price con-

trol side. As a matter of fact, if the emergency had not been there, if the demands had not been coming in to Members of Congress from all over the country to do something in that field, you would not have any Spence substitute, and I do not think you would have any Kunkel substitute.

Mr. BARDEN. I am perfectly willing to work and study and investigate and take no chances so far as passing legislation which might be needed. But I have discussed this matter with the gentleman from Pennsylvania [Mr. McCONNELL], the ranking minority member of the Committee on Education and Labor, and we can find no reason for it and no source for this language.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, the gentleman has made some very helpful and interesting observations in respect to the so-called labor sections of the Spence substitute. Could the gentleman advise us, in the light of his long experience in connection with labor legislation and the development of such legislation, whether or not the language contained in the Spence substitute would be so broad as to permit the President to resort to injunction, for instance, to settle labor disputes or to use the military forces of the country to settle labor-management disputes?

Mr. BARDEN. I wish I could give the gentleman an answer which would be at least satisfactory to myself, but I do not see any provision here for any appeal or any relief from any ruling which may be made. I do not know what could be done by some board which might be consistent with anything that might be done under this language. I reckon anything that was not inconsistent would be "consistent," and that gives them a rather large field of operation. I do not know—I just cannot answer the gentleman's question.

Mr. HALLECK. On page 30 we find this language:

> The President is authorized after consultation with labor and management to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes affecting the national defense.

Now then, "to take such action"—some have said to me might be so broad as to permit any sort of action such as an injunction or the use of the military, or anything else that the President might see fit to use and certainly so far as that language is concerned, I think it would do serious damage to the emergency provisions of the Taft-Hartley Act which are presently in effect.

Mr. BARDEN. I could lift that paragraph out of this bill and bring it in under a separate resolution and offer it on this floor and start the worst fight you have ever seen over that one paragraph, but when we see it in a 48-page bill like this, we are more or less inclined to take it and go right along. The things that I see in there that are troublesome are going to affect some other folks, whose views are not always in accord with mine, more than they are me.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. MONRONEY. I appreciate very much the statement the gentleman has made in discussing the difficulties in trying to write a perfect bill on the floor of the House. Would the gentleman enlighten us, because of his experience, as to his views on the provisions of the Kunkel bill, which is before the House the same as the Spence substitute?

Mr. BARDEN. I am sorry. I have not even seen the Kunkel bill. Both were introduced or offered today.

Mr. MONRONEY. At a later time may I ask the distinguished chairman of the Labor Committee to examine the provisions of the Kunkel bill and give us his opinion on that as well?

Mr. BARDEN. Well, I do not know that it will be of any value, but I will be glad to do that.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. VURSELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Chairman, today I want to discuss the resolution I recently introduced to provide for the building of a bridge accoss the Wabash River between New Haven, Ill., and Mount Vernon, Ind. There has been considerable criticism of my action, particularly by the newspapers at Evansville, Ind. I want to give the people interested my reason for introducing the resolution, and the facts as I see them.

I welcome fair and just criticism. Those who have served with me for 8 years, and the people who know me best, at times may question my judgment, but they seldom question the sincerity of my purpose.

The press sometimes misrepresents one's purpose and gives the people the wrong impression through a barrage of criticism, misleading cartoons, and only partial facts. I think that has happened in this instance. However, I have always believed that truth will catch up and win through.

Mr. Chairman, when I was elected 2 years ago to represent the new twenty-fourth district, I gave up years of seniority on a major committee and transferred to the Committee on Flood Control, believing I could render a greater service to the people because of the flood problems along the Wabash and Ohio. I believe everyone in the valley who has followed my work will agree that I have rendered a real service in pushing the projects of flood control affecting five or six counties. There is much to be done along this line in the future, and it will be done.

I believe all will agree that in this session of the Congress I rendered an outstanding service to everyone interested directly or indirectly in preventing the passage of legislation that would have gone far toward wrecking the oil industry in southern Illinois.

WHO BLOCKED WHAT?

The press has intimated that I, with others, have helped to block the Indiana Toll Bridge Commission from constructing this bridge across the Wabash River. I told the people in the vicinity of New Haven over 2 years ago that I would try to be helpful to them in securing such a bridge. I now offer definite proof that such charge of obstruction on my part is not true.

The Indiana Toll Bridge Commission has been talking about building such a bridge for several years. Rather than block them, I tried to help them. Here is the proof:

On March 2, 1948, 2½ years ago, at the suggestion of Mr. H. J. Phelps and other business men of Norris City, I contacted Governor Green's office by letter to his administrative assistant, Mr. Leslie P. Volz, and asked him to confer with the Governor. I strongly recommended that the State of Illinois agree to build the approach at New Haven, Ill., in an effort to be helpful to the Indiana Toll Bridge Commission to construct the bridge then, they are now talking about. In reply I received the following letter:

SPRINGFIELD, ILL., *March 29, 1948.*

Honorable CHARLES W. VURSELL,
Member of Congress, Washington, D. C.

DEAR CHARLEY: Your letter received expressing your keen interest in the building of an approach to accommodate a bridge across the Wabash River.

Herewith enclosed is copy of letter which I have just written to Mr. H. J. Phelps, chairman of the Norris City Lions' Club road and bridge committee, relative to the Wabash River bridge, which is self-explanatory.

For your information, it appears from what Mr. Polk, chief State highway engineer, has told me, that the Governor has agreed that the State should build a connection to this bridge.

With personal regards and all good wishes, I am

Sincerely,

LESLIE P. VOLZ,
Administrative Assistant to the Governor.

That should prove to everyone that I was trying to help, rather than block the building of the bridge. Governor Green was defeated, which prevented his further cooperation.

TOLL BRIDGE CROWD

Another reference in the press suggested I had joined the toll bridge crowd. Well, let us see about that.

There are only two ways the bridge in question can be built. If the Indiana Toll Bridge Commission builds the bridge, or has it done, some organization will be given the authority by the Federal Government to issue and sell bonds to the public which may be redeemed in 30 years. The Commission will then collect sufficient tolls to pay the cost of operation, and set aside a sinking fund with which to redeem the bonds as they come due. At the expiration of 30 years, under present law, or earlier if sufficient tolls

are collected to retire the bonds, it will become a free bridge.

There is another way the bridge can be built, and that would be a free bridge. If Governor Stevenson, of Illinois, and Governor Schricker, of Indiana, would each have their legislatures appropriate one-half of the cost of the bridge to be paid out of State revenues, and then construct the bridge, tolls would not be necessary and it would be a free bridge. Possibly these two Democratic leaders have enough power with the people of their States to get such laws passed to build a free bridge. However, I doubt it.

People on both sides of the river want the bridge built. None of us like to pay tolls, but often we would rather have the bridge and its convenience, particularly in times of high water, even if we do have to pay to cross it.

It is not a matter of any personal interest to me. I seldom cross the Wabash. I like Illinois best. I was simply trying to render an honest, and what I thought to be a fair service to the people. The chances are 99 out of 100 that any bridge built will be a toll bridge. If we get a bridge, we will all have to join the toll-bridge crowd.

In order for the White County Bridge Commission to build a bridge, a resolution has to pass the Congress. Not so with the Indiana Toll Bridge Commission. All it has to do to build this bridge is to bring a plan to the Army engineers and the Secretary of the War Department which they will approve under Federal law, sell bonds to raise the money, and then begin the construction of the bridge. If they have not done it, why blame me?

Knowing the desire on the part of a great many people in my district that this bridge be built, when I was approached recently by former Congressman Clippinger who informed me that the White County Bridge Commission would like to have its authority extended to build this bridge, I gave the matter consideration.

In order to give full consideration to the matter, I held a conference which was attended by a representative of the United States Army engineers, the attorney representing the Committee on Public Works and Flood Control, an attorney from the legislative counsel of the House of Representatives, and Mr. Clippinger representing the White County Bridge Commission.

As the result of this conference, the resolution was drafted which I introduced.

I introduced the resolution in good faith believing I could assist in rendering a transportation service to the people of my district who want to cross back and forth into Indiana.

I would have introduced such a resolution for any responsible group of citizens in my district, regardless of their political views, who would have assured me they were capable of, and desired to build the bridge.

POSTPONES CONSIDERATION OF BILL

I am not interested in who builds it. I only want to follow the wish of the people I represent. To prove the sincerity of this statement, I shall request when the resolution comes before the House in the next few days that further consideration be postponed for this session of Congress.

I take this action so the people who are interested may have an opportunity to more fully consider the facts surrounding this controversial question. The criticism and opposition to the resolution, I feel, has confused, rather than clarified, the thinking of the people as to the intent and purpose of the legislation.

A news article in the press carried in various papers Monday, July 31, adds to the confusion and I quote the article in part:

> The Indiana Toll Bridge Commission wants to build the bridge and make it toll-free as soon as the bonds are retired. It opposes the building of the bridge by the White County interests by pointing out it has collected tolls on the New Harmony Bridge since 1930, and many of the bonds are said to be outstanding.

First, the people should know that if the Indiana Toll Bridge Commission builds the bridge under the Federal law it will be financed with 30-year bonds and the people will pay tolls for 30 years before the bonds are retired and it becomes a free bridge.

Furthermore, the record shows that the White County Bridge Commission under Federal law acquired the New Harmony Bridge in 1941 by issuing bonds to be paid out in 20 years. Every bond has been paid on time and it is predicted that the bonds will be retired in probably 19 years instead of 20 and no more tolls will be collected.

The action I am taking however will give the Indiana Toll Bridge Commission an opportunity to break their talking filibuster of the past few years and give them, or anyone else interested, an opportunity to get going on this project if they so desire. It will be interesting to watch and see whether any action is taken.

A PUBLIC AGENCY

Mention has been made in the press that the White County Bridge is a private bridge. That is not true. The White County Bridge Commission was created under an act of Congress April 12, 1941, under a bill introduced by Senator LUCAS. Here is what the law says:

Section 4 of the act provides for a commission composed of three citizens of Carmi, Ill., to direct the affairs of the White County Bridge Commission. Section 4 of the act says:

> The commission is hereby authorized to provide for the payment of the cost of such bridge as may be acquired and its approaches by an issue of negotiable bonds, which bonds shall mature at such time or times not exceeding 20 years from the date of approval of this act.
>
> The commission may employ a secretary, treasurer, engineers, attorney, and other such assistants and employees as they may deem necessary, who shall be entitled to receive such compensation as the commission may determine.

The law states that "each member shall qualify and be approved by the Federal Works Administrator here in Washington."

The law further states:

> Before the issuance of bonds herein provided, each member of the commission shall give such bond as may be fixed by the commissioner of public roads, conditioned upon the faithful performance of all duties required by this act. The commission shall elect a chairman and a vice chairman from its members, and may establish rules and regulations for the government of its own business.

Section 9 of the act says:

> The commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act.

The law states that—

> Maximum compensation of the chairman in any year shall not exceed $1,200 and of each other member of the commission named not to exceed $600 per year.

According to the records I have before me, the New Harmony Bridge opened for business on January 1, 1931. In 1941, according to the records, it was acquired by the White County Bridge Commission.

The records show that all bonds have been retired at their maturity date, and as of the month of June there is a sinking fund in the amount of $55,801.28. It appears that all bonds now outstanding against the White County Bridge Commission should be liquidated and the bridge be free of tolls on or before June 1, 1960.

The bond issue was to run for 20 years from 1941. If they liquidate the bonds on or before 1960, the bridge will become free 1 year earlier than anticipated.

Let me close by saying, my only purpose has been to try to serve the best interest of all the people of my district.

This whole bridge question is only a small tempest in a teapot, which has been blown up and magnified far beyond its importance.

MORE IMPORTANT BUSINESS

Let us now turn to something a great deal more important and more serious which needs my attention here in Washington and is giving the people of my district great concern and worry.

Our American boys are sacrificing their lives 6,000 miles away from home in Korea in the defense of this country. It is for us now to plan and work to give them and the Government every ounce of power and support. Let us put first things first. The lives of our boys and the defense of our country is now first in every home in America.

Mr. Chairman, in concluding my remarks, I include an editorial from the New Harmony Times which discusses at some length the operation of the White County Bridge Commission's administration of the New Harmony Bridge:

NOW LET'S READ THE TRUE STORY

It has been the policy of the New Harmony Times to try to deal with facts and not fancies. Pursuant to this policy, when the furor regarding the local bridge was started we contacted Mr. Roy Clippinger, manager of the bridge commission, who furnished us with the following facts.

The bridge commission is not a private interest. The commission was created by Public Law 37 of the Seventy-seventh Congress, chapter 71, first session, Senate bill 824. The commissioners have to qualify

with the Federal Works Administrator, in Washington, D. C., and salaries of the commissioners were set by the law at $50 per month, and $100 per month for the chairman of the commission—this cannot be changed. There are no stockholders, the purchase of the bridge was entirely from the proceeds for the bond issue sold at the time of the creation of the White County Bridge Commission.

The law specifically states that when the bonded indebtedness has been paid that the bridge shall be given to the States of Indiana and Illinois.

Those of us who live here are aware that considerable money has been spent to keep the river under the bridge. From Mr. Clippinger we got the figure $562,965.16 as having been spent since the creation of the commission, June 13, 1941, for this purpose. These programs of maintenance are not undertaken without the consent and orders from the consulting engineer. This consulting engineer is the representative of the trustees. The maintenance figure given does not include the usual maintenance that must be taken care of.

The purchase price of $895,000 for the bridge and $50,000 for the ferry was made through money derived from the original bond sale of $945,000. When the bonds were sold the American National Bank & Trust Co., of Chicago, were made the trustees, and all money aside from that required for operation and maintenance of the structure is deposited with them to be used for the retirement of bonds and for interest to the bondholders. These trustees, through their engineer, have a control on the maintenance expenditures, and at all times are well aware of any work that is being done or that is needed to be done. Again, there are no stockholders to receive dividends as the only indebtedness is that to the bondholders.

The income of the bridge has not always been at the level of today; in fact, there was 1 month in its history when the gross income was $38.40 (April 1933).

We have heard the time required to retire the bonds on the Henderson Bridge mentioned in connection with the local bridge. Those who make this comparison are not aware of the facts: Tolls on the Evansville-Henderson Bridge had to retire only one-half of the cost of the structure; the other half was at the cost of Indiana taxpayers. This reduced not only the principal but also the interest that was required. The traffic on United States 41 is over eight times as great as over United States 460.

The commission was set up with the bonds to all be retired in 1960. The commission is, and always has been, ahead of schedule in the retiring of the bonds. When the bonds were sold they were divided into classes, difference classes to be redeemed different years. Their redemption is well ahead of schedule.

During times of high water, as many people have found out to their personal benefit, the bridge at New Harmony is open when all other means of getting into Evansville are closed. This is no accident, nor was it done without expense. The fill across the Illinois bottoms was built by the State on land jointly purchased by Phillips Township and the Harmony Way Bridge Co., then owners of the bridge.

In speaking of high water, it is true that when this is the only means of crossing the Wabash there is an increase in traffic which means an increase in revenue, but from the standpoint of the retiring of bonds it also means an additional expense which far offsets the benefits. As an example, during the high water of this spring it was necessary that the bridge spend $18,756 to prevent the river's cutting to the west enough to endanger the bridge structure. This same has been true during all of the former high waters since 1943. This problem is not a result of malmanagement; it is a result of the river's tendency to cut off its west bank. This tendency became apparent soon after the bridge was built and even before the bridge was open to traffic it was necessary that a land pier be converted into a river pier.

Few realize that the tax bill of the commission is $11,500, that the insurance is $5,000. Frankly, few people have any idea as to the amount of money involved in the operation and maintenance of a toll bridge; it is not a matter of just paying the collectors and the light bill.

The bridge budget, which is submitted to the engineer and to the trustee for approval at the first of the year was shown to us and is as follows: Operating expense, collector's salaries, light, heating, uniforms, etc., $29,586. Maintenance expense as set up this year was $25,710. General and administration expense, including commissioner's salaries, bridge manager's salary, salaries for bookkeeping, auditing expenses, trustees, and fiscal agent, fee for consultant, advertising, taxes, insurance, etc., $42,910, making a total for this year of $102,756.58. This is not a typical budget as in the maintenance expense there is included two items of $8,060.58 and $15,000 which were owed to contractors for work done last year, representing an expenditure that depends entirely on what the river does to the west bank, and how much the commission is forced to do in the preservation of the bridge to keep it in an operating condition.

Since the White County Bridge Commission took over the bridge in 1941:

Bonds paid	$367,000.00
Spent for river maintenance	562,965.15
On deposit with banks and trustee	60,597.01
Total spent aside from regular maintenance and operations	990,562.16
Total income	1,606,596.10
Total as above	990,562.17
Total operations and regular maintenance from June 13, 1941, through June 30, 1950 [1]	616,562.17
Average operations and regular maintenance per year	68,448.33
Average per month	5,704.02

[1] In this figure is included collector's salaries, taxes, interest, insurance, painting the bridge, auditors, commissioner's salaries, and supplies—in fact all of the expenses aside from river maintenance and the retiring of bonds.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. KUNKEL. I would like to call attention to the fact that there is absolutely nothing comparable to title 5 in the Kunkel substitute, in view of what the gentleman from Oklahoma [Mr. MONRONEY] just said.

Mr. FULTON. May I ask the committee a question with reference to page 23, section 408 (a) of the Spence bill? It provides there:

Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 403 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision—

And so on. Then, if you will turn back to page 17, you will see what section 403 is. It says:

It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade, to buy or receive, any material or service—

And may I comment there, that term would include labor services—

or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer, solicit, attempt, or agree to do any of the foregoing.

I come from an industrial area in Pittsburgh, and we in Pittsburgh do not like blanket injunctions. We do not like injunctions that can be issued even without somebody coming up and giving the reason why, and without restriction as to number or method of issuance. In fact, we do not like injunctions at all.

Now, if there is a labor organization, for example, that would simply solicit its members in person or through its publication to take certain actions which they believe under the Constitution they have a right to do to obtain a good contract through the principles of collective bargaining, how far does this injunctive power go in preventing such action? What are the limits on this injunction power, how many people can be covered? Does this provision in any way limit or exclude blanket injunctions, or, as we have called them, yellow-dog contracts? Or, if you once sign such a contract, then you cannot assert any rights whatever, whether labor or management?

Mr. MULTER. May I answer the gentleman briefly?

Mr. FULTON. I yield to the gentleman.

Mr. MULTER. This provision is the identical provision we found in the controls during World War II. I think you will recall that the courts in interpreting that said you cannot enjoin anybody to work. You cannot issue an injunction against anyone to compel them to go to work and remain on the job if they refuse to work. You must read it in connection with the intent of the act, as far as section 403 is concerned. If anybody attempts to violate the price-control provisions, or any other provision, you must be in a position to move in and stop it before the damage is done.

Mr. FULTON. Then, why do you have the word "service" in section 403, if it refers just to price control, rather than matters that have to do with employment?

Mr. MULTER. There is a volume of adjudicated cases that came about during World War II which interpret and restrict this language, and that is why we tried to use language that had already been interpreted by the court instead of going out and writing new language which would require a new interpretation by the courts.

Mr. FULTON. The committee means by this bill that in peacetime, which we now are in, although there is a crisis at hand, that in these times of peace, you are to then invoke war controls for labor, service, and employment?

Mr. MULTER. I mean to say that if we must invoke controls, price controls,

wage controls, and other controls we ought to go all out and make them enforceable.

Mr. FULTON. Does that include having controls such as the President had put in the railroad bill that he once submitted here, to put people in the Army if they failed to agree to certain terms of employment? And, secondly, would this provision cause the issuance of blanket injunctions even without service individually on individual members, for example, of a labor organization?

Mr. MULTER. I am afraid I am not in position to answer the gentleman's question; but certainly, if railroad transportation is necessary in order to transport vital materials that are needed in Korea or anywhere else in connection with this all-out effort that we are embarking upon, that we have got to go all out.

Mr. FULTON. I am sorry that there are not specific provisions in this Spence bill for protection for labor and management in legitimate negotiations, for collective bargaining, and for new contracts that are entered into by such legitimate means.

Mr. MULTER. If it is not here, let us put it in.

Mr. FULTON. I agree.

Mr. HAYS of Arkansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from North Carolina brought out an important point. I am sorry that no member of the committee momentarily at the table could answer his question regarding the purpose of the gentleman from Kentucky [Mr. SPENCE] in title 5. I believe, however, he will find that it was not the purpose of the author to change the provisions of the Taft-Hartley bill, and that the import of the title is not as the gentleman from North Carolina [Mr. BARDEN] fears. It confirms the wisdom of the suggestion by the gentleman from Oklahoma [Mr. MONRONEY] that we come back to the original bill which did receive the consideration of the Committee on Banking and Currency and which conveys some powers that are desperately needed.

It was suggested a while ago by the gentleman from Indiana that the emergency needs were not shown. A reading of the committee hearings will show, however, that Mr. Symington, Secretary Sawyer, and others stated that these powers are required, and they are required at once. I see no value in our speculating very much over failure to use the word "emergency." There are technical implications and certain legal meanings are involved. Just one consideration, for example: Never before in human history has a nation proceeded as we are now proceeding in defense of an area, a spot of earth, under the mandate of an international organization, the United Nations; and there, again, are certain legal implications. We have at our command now the help, though it is small, of other nations; and 48 other nations have officially aligned themselves with us in resisting the aggression of the North Koreans. For us to say we are involved in a war rather than a police action at this stage might carry some grave misunderstandings internationally. Mr. Symington said as much in his statement.

I do agree, however, and I believe the mood of the House is just that, with the point of the speech of the gentleman from North Carolina [Mr. BARDEN] to the effect that this is a grave hour, and that we must make our decisions with that in mind is correct. We believe that an emergency in the usual sense in which the word is used is upon us.

Mr. Symington further said that while he regards it technically as a police action it is one phase of a war. He also expressed this thought, and while it is repetition of things that have been said before I say it for emphasis, that the best hope for peace is for us to take vigorous action and to grant powers that would ordinarily be of an emergency character. The best hope of preventing a global war is to prepare ourselves and to have a larger mobilization of forces. Executive powers so sweeping must be carefully defined. They must be adequate but, Mr. Chairman, we must proceed in the spirit of the bipartisan policy that has characterized defense measures. I am sure that progress has been made today in that very sphere of action. This legislation must represent the contribution of the minority as well as the majority.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. I appreciate the courtesy of the gentleman in yielding to me at this time. He raised one point I would like to pursue just a little further here. He stated that the gentleman from Kentucky [Mr. SPENCE], or whoever is the author of this bill, had no intention of repealing the Taft-Hartley law. Let us assume that is correct.

Mr. HAYS of Arkansas. That is my impression. He will speak for himself.

Mr. McCONNELL. Let us assume that is correct. What is the purpose of title V? I have talked to Members on both sides of the aisle, men who disagree with me as far as the philosophy of government is concerned, also as far as my labor views are concerned, men of decidedly different viewpoints, and I discover in talking with them that there is general dissatisfaction with title V. That being the case, what was the purpose of title V? With whom did the gentleman from Kentucky [Mr. SPENCE] consult before it was written, or, perhaps putting it another way, who wrote title V and what was the purpose in writing it?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS of Arkansas. I am sorry I cannot answer that question. It was only in response to the question asked by the gentleman from North Carolina [Mr. BARDEN] regarding the committee bill that I rose to point out that the committee has not had an opportunity to act upon Mr. SPENCE's bill. In the interest of precise legislation I wanted to point out that the title V he discussed appears in the Spence substitute and not the committee bill. Many of us prefer the committe bill, feeling still the urgency for action on the price and wage front, feeling that the two must be geared together to some extent. I have no great difference of opinion with the gentleman from Pennsylvania [Mr. KUNKEL] on major policy. I share his feeling of urgency on that score.

Mr. McCONNELL. Of course, this provision is not in the Kunkel bill, referring to title V. It is the new Spence bill.

Mr. HAYS of Arkansas. Yes. May I say at this point that I have asked our staff to prepare an outline that can be set out in parallel columns—it will be in the RECORD in the morning if the House grants that permission—showing what each of these measures, including the Deane substitute, provides with reference to each of these major subjects. I think that should be helpful in the consideration of this bill tomorrow.

Mr. McCONNELL. The gentleman realizes that under title V the President would be empowered to go to great lengths in dealing with labor and management. Has that general thought or idea been considered when these provisions were written?

Mr. HAYS of Arkansas. No, that was not considered. The gentleman is correct if he assumes there was no consideration given by the committee of that matter. That is correct.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from California.

Mr. ENGLE of California. I want to say to the gentleman from Arkansas that in making objection to subdivision (b) of section 303, relating to the acquisition of critical and strategic minerals and metals, I did not object to the Government's acquisition of foreign minerals and metals. I think we should get all we can from that source. What I was saying is, I believe that the provisions of that subsection are more limited than the existing law for the same purpose.

Mr. HAYS of Arkansas. I thank the gentleman for that clarification.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Illinois.

Mr. YATES. I would like to ask a question of the gentleman, calling his attention to sections 402 (a) and (b). I wonder whether the gentleman can tell us whether it is intended by section 402 that the fees for any of the professions are covered under this section.

Mr. HAYS of Arkansas. Is the gentleman speaking now about the Spence substitute?

Mr. YATES. Yes. The section provides that the President may issue regulations or orders—

(1) Establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received

on the sale or delivery or, the purchase or receipt, by or to any person of any material or service.

And then it goes on in subparagraph (2) "establishing a ceiling or ceilings on any salary, wage, or other compensation paid to or received by any person, for any type of employment."

Does that apply to the professions as well?

Mr. HAYS of Arkansas. I had not intended to discuss the Spence substitute, and I do not want to undertake to speak for the gentleman. If the gentleman from New York [Mr. MULTER] wants to speak on that point, I will yield to him.

Mr. MULTER. I think under the general definition of "services" that medical services are included. There are provisions, however, for exemption, and if the President sees fit to exempt them, they will be exempted.

Mr. YATES. The gentleman means, then, that it is within the discretion of the President to exempt certain classes of persons from the provisions of this bill?

Mr. MULTER. Yes.

Mr. YATES. But until the President acts, all types of professions are covered or intended to be covered under the bill; is that right?

Mr. MULTER. That is right.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Under the old OPA bill, in section 302 (C), there was an exemption of newsprint and newspapers from the coverage of the bill.

Mr. MULTER. That is in here too.

Mr. HAYS of Arkansas. I am advised that that is included in the bill.

Mr. FULTON. Is that included in the Spence substitute, so that you do not have coverage either, first, of newsprint supply, or, second, licensing of newspapers, so that we have freedom of the press?

Mr. MULTER. That is in there, and they are exempted, including radio broadcasts.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Not newsprint as such. Newsprint was covered in OPA, but the operation of newspapers was exempt. Under the old OPA Act the price per ton of newsprint, which was a roll of newspaper, was covered by price control, but the cost of a newspaper for sale or advertising or things like that was exempt under the freedom of the press theory of the Constitution.

Mr. HAYS of Arkansas. Does not the gentleman from Oklahoma agree that this is a good illustration of the need of committee consideration of the detailed application of policy to particular industries?

Mr. MONRONEY. This is one of the things that I believe. We are not too far apart between the Kunkel amendment and the Spence substitute, to where a week of hearings and adequate testimony would probably give us a bipartisan bill. If anything is needed in this critical time it is going to be a bipartisan approach to the handling of our economics. We cannot possibly do this job if we are going to have a fight between one side of the aisle and the other side of the aisle, because both Democrats and Republicans are doing business and will be affected by this law, and we need the best law that Congress can possibly write.

Mr. FULTON. I agree with the gentleman thoroughly.

Mr. HAYS of Arkansas. The table I referred to in debate is as follows:

Comparison of H. R. 9176 and the substitutes offered by Mr. Spence and Mr. Kunkel

	H. R. 9176	Spence amendment	Kunkel amendment
1. Priorities and allocations	Contains proviso against consumer rationing.	Permits consumer rationing	Permits consumer rationing.
2. Power to requisition	Power runs to equipment, supplies, and facilities.	Same as H. R. 9176	Power runs to any article or commodity; uses national security clause found in Selective Service Act.
3. Expansion of productive capacity and supply.	Provides loan guaranties, loans for plan expansion, and right to purchase raw materials.	Same as H. R. 9176	Same as H. R. 9176 plus limited authority given RFC under sec. 5 (d) in last war.
4. Price and wage stabilization	None	Provides for standby general or select controls. Base period month preceding June 25. Contains new title V dealing with settlement of labor disputes affecting national defense.	Provides for general freeze. President authorized to create Office of Inflation Control. Price controls cannot be invoked without wage controls. Freeze date 2 weeks prior June 25.
5. Control of credit and commodity speculation.	Provides for control of consumer credit, real estate credit with prohibition against discrimination against conventional lenders. Also provides for control of speculation on commodity exchanges (sec. 411).	Same as H. R. 9176. NOTE.—Printing error, 7 lines omitted from 601.	Consumer installment credit only.
6. General provisions	Contains general provisions relating to the authority granted and provides for termination June 30, 1952.	Contains 2 provisions made necessary because of the addition of wage and price controls.	Comparable to H. R. 9176. Termination date is Mar. 31, 1951.

Deane bill differs from Spence amendment in following aspects:

First. Commodity speculation is eliminated (sec. 411).

Second. Wages are tied to individual commodity. For example, if President set price for steel he would have to establish a wage freeze on those engaged in making steel.

Third. Termination date is June 30, 1951, in regard to price and wage controls.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. JACOBS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to see if I can cast some light upon the question raised in reference to title V. The question was posed here as to whether or not title V would interfere with the application of the Taft-Hartley law. It seems to me those who addressed themselves to this subject more or less skated all around it but did not come to grips with the real question.

Of course it does. This whole bill interferes with what we understand as our normal legal rights as citizens. Certainly it interferes to some extent with the right of a man to sell property at the price he names upon his property. It interferes with the rights of labor, as during the last war we had our War Labor Board, and at least we had public opinion as a sanction for the prevention of strikes. The whole purpose of the bill is to substitute the authority of Government in order to keep production going where people are not able to agree upon the terms by which they do business.

Title V refers back to title IV, and title IV refers to services along with the prices of commodities. It does give the Executive the authority to fix prices and fix terms by which people do business, either in rendering service or otherwise.

The gentleman from Mississippi [Mr. COLMER] in discussing this matter under the rule the other day said it was a question that was coming before us, and further, it would cause us to search our souls as to how far we feel we can or must go.

Others on the floor have stated that if we fix prices on commodities we will have to fix wages because you cannot let one go without controls and control the other. That is the real question we have before us. I am inclined to favor controls across the board, and a roll-back of prices and wages to pre-Korea, as the gentleman from Michigan [Mr. POTTER] said here this afternoon, and as the gentleman from California [Mr. MCKINNON] said yesterday. But I think we ought not to kid ourselves. It seems sometimes we shy away from the torturing truth which faces us. Of course title V is not in keeping with our labor laws which we have enacted for peacetime, because our labor laws all have as their purpose, whether they have that effect, to encourage collective bargaining and agreement. Whereas this bill proposes to substitute the authority of the Government for voluntary agreement in the interest of continued production. It is the antithesis of our way of life.

Many of us feel that we have had it forced upon us by the menace of communistic aggression. But I only arose to say to you that that is a cold, unvarnished fact. Let us not dodge it. Let us face it. Only when we face that fact can we come to a decision. That was my purpose in rising here. Of course title V is the antithesis of the purpose of our peacetime labor legislaton. I am not going to tell you how it should be drafted. Perhaps it should be considered more in committee. I believe all bills should be well considered. But I just arose here to inform the House that in my judgment as a member of the Committee on Education and Labor, the answer would be "yes"; it does affect the terms of the Taft-Hartley Act, and also to say that I hope we, as representatives of the people, will face the facts and face the exact issue and not dodge it. Then maybe we can come nearer to arriving at a correct conclusion.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield.

Mr. KEATING. It seems to me that the gentleman's analysis of Title V is correct. It is intended to meet a situation other than a normal situation. But in doing so it seems to me the language giving to the President authority to take any action which he may deem appropriate is entirely too broad, and unnecessary to meet even an emergency situation and is the type of carte blanc authority which this Congress should never give to the Executive, and for which we would be justly criticized if we did give it to them.

I wonder if the gentleman does not agree that the language of this bill is entirely too broad and that it also should have the scrutiny and consideration of the gentleman's own committee before we are confronted with such provisions as are incorporated in title V.

Mr. JACOBS. I know I would like to have further study upon it before I would say whether I am for it or not. I will point out that in section 405 this language is found:

> Nothing in this title shall be construed to require any person to sell any material or service, or to perform services.

I assume that language was calculated to say, in effect, as the provision in the emergency section of the Taft-Hartley law says, that no individual shall be required to perform any service.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. JACOBS. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JACOBS. Mr. Chairman, in answer further to the question of the gentleman from New York, the point I am thinking about here is that the language of title IV is not so drafted that it applies to a collective situation as where a union calls a strike, but would apply to individuals. I believe I am correct in that interpretation of the language of title IV, so that the meaning of section 405 might well result in requiring individuals to perform particular service for other persons if you put a sensible interpretation upon the whole of title IV. I do not know just exactly what effect it would have. I am somewhat confused about it, except as to the general purpose, which I believe I have stated correctly. I believe some Members have shyed a little from meeting face to face the real issue, but I think it should be studied a little further. Maybe it will be necessary.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield.

Mr. MULTER. May I compliment the gentleman for his manner of approach to this very serious problem. Although I had nothing to do with the drafting of title 5, I made a hasty comparison of title 5 with section 1507 of the War Labor Board Act. Obviously, this is an attempt to settle any such labor disputes that may come into being, all within the framework of existing law, including the Taft-Hartley law.

Mr. JACOBS. May I ask you if title 5 is exactly the same language as that under which the War Labor Board was set up during the last war?

Mr. MULTER. It is not the exact language, but I would say the principle is attempted to be enunciated similarly.

Mr. JACOBS. You would say substantially the same?

Mr. MULTER. Substantially, yes.

Mr. JACOBS. Of course, I thought it probably was. I just wanted to say that when we get down to the proposition of where we have to devote our total effort to the war, it means that men who are toolmakers, men who are engaged in manufacturing, who have investments, that we are calling upon them to make some sacrifices to match, in a small way, those of our boys who are tapped on the shoulder and put into uniform.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. JACOBS. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JACOBS. There is not anyone in this House, and there is not any constituent back home who likes it, but it is a condition that is forced upon us. It is trite to say so, but as long as I favor taking a boy from his home and putting him in uniform, I am not going to be squeamish about saying to a fellow, "You must stay on this vital job," or say to a man who owns a factory or a facility, "You must devote it to the war effort," or in saying to a man who makes a large profit, "60 percent of this total effort is devoted to the war, so that we are going to take 60 percent of the national income to pay for this war as we go." I am not going to be squeamish about that. I do not like it but can someone show me how we can avoid it?

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. FULTON. Mr. Chairman, I would like to proceed for just a minute.

In order to take up where we left off with the gentleman from New York [Mr. MULTER], may I ask a question? On page 26, at the bottom of the page, is that not the place where newspapers, periodicals, and other printed material, as well as radio facilities are eliminated from controls under the Spence bill?

Mr. MULTER. That is the language I had in mind when I answered your question, when I said they were permanently exempted from control under the Spence substitute.

Mr. FULTON. Under the Spence substitute it is not intended to control the sales price of daily or weekly newspapers, either at news stands or by mail, wholesale or retail, nor is the bill to control the price of advertising of any kind?

Mr. MULTER. Nor to motion pictures, periodicals, or books.

Mr. KUNKEL. And if the gentleman will yield, it is also in the Kunkel bill spelled out at greater length.

Mr. BATTLE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BATTLE. Mr. Chairman, as we debate the economic safeguards needed to back up our boys on the battlefield, I am sure we all have the same objective in mind—the objective of gearing our economy for the greatest production to help keep the fighting in Korea from spreading into world war III, and to help finish the job of winning the peace that was never completed after World War II.

Mr. Chairman, the main lesson in controls that we learned the hard way in World War II is the interdependence of one economic factor upon another. It is impossible to control one segment of our economy without throwing the whole system out of kilter. For example, a policy of priorities and allocations without price control is an open invitation to inflation and economic disaster. Likewise, the price of pork should not be controlled unless the price of corn which the hogs eat is also controlled, and so on.

The safest estimate of this international crisis is that we face a long, drawn-out fight for our existence. Russia is determined to dominate the world one way or another. Her tactics in Korea show the world that she is willing to do it by armed aggression if she cannot accomplish it by insidious infiltration. We face an all-out war if Russia goes much further, or we face the temptation of false security when we win temporary victories. They are equally dangerous and we must be prepared to meet either contingency.

As long as American blood is being shed, the least we should do is to make an all-out effort on the economic front to back up our boys on the fighting front. We should do everything possible to eliminate war profiteering and prevent inflation. Every segment of our society

should share the burden of controls equally. Less essential works should be postponed, production increased, critical materials stock-piled or substitutes developed and machinery set up to adjust inequalities.

In order to keep our economy sound, a pay-as-we-go policy should be adopted immediately. We have a debt of nearly $264,000,000,000 already and we must not lose the peace by ruining our economy. This would mean a Communist victory too. The only chance we have of avoiding an economic disaster is to pay as we go. This will necessitate the raising of taxes to meet the demands. In addition to being the soundest policy, it would not be fair to ask our boys to fight a war and then return home to carry the brunt of the war debt.

This all-out program will take courage. There will be inconveniences. There will be pitfalls. But the courage we will need is small besides the amount of courage our boys making their brave stand in Korea must muster. And our inconveniences will be trifling compared to theirs. We should not fear all-out mobilization, for it will be a source of strength. The gravest threats to our freedom in this crisis are not Government regimentation and controls—but military defeat abroad and inflation at home. We must be prepared to suffer a little discomfort or a great defeat. When we see the issues clearly, the choice is made for us. Mr. Chairman, I urge Congress to meet this emergency with courage and conviction—with an all-out effort on the military, economic, and diplomatic fronts to win the peace.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like the attention of the members of the committee who are bringing these various bills, amendments, and substitutes here. I have tried to examine them, and as far as I can find out there is one group that is not being controlled and that will not be controlled unless the criminal penalties of these bills are different from what I have been able to find so far.

In the Military Defense Assistance Act of 1949, which became law last fall, was a provision I wrote which I called the "anti-5-percent" or the "anti-deep-freeze" provision. It is as follows:

SEC. 412. Whoever offers or gives to anyone who is now or in the past 2 years has been an employee or officer of the United States any commission, payment, or gift, in connection with the procurement of equipment, materials, or services under this act, and whoever, being or having been an employee or officer of the United States in the past 2 years, solicits, accepts, or offers to accept any such commission, payment, or gift, shall upon conviction thereof be subject to a fine of not to exceed $10,000 or imprisonment for not to exceed 3 years, or both.

I ask the members of the committee: Is there any such provision in the Spence bill or in any of the pending amendments?

Mr. MULTER. I do not think I caught the gentleman's entire question.

Mr. VORYS. What I want to know is this: We are talking about the people being ahead of the Congress. I will tell you one group of people who are ahead of the Congress, those who are swarming down here planning to make money out of this dreadful emergency through the purchase and sale of influence; that is a group that is ahead of the Congress, and I think we ought to catch up with them.

When I attempted to put this penalty provision into the military assistance law last fall the administration opposed it in the committee and in conference, I find general penalty provisions, in these present bills and amendments something like this: "Whoever violates any provision or regulation shall be fined and imprisoned" and so forth, I do not think that the administration, based on the view they took of this section 412 I have just read, which is in the law now but solely applicable to mutual defense asistance are going to have any regulations that prohibit 5-percenters and deep-freeze deals, I do not think they are going to approve a drastic penalty which will prohibit the sale and the purchase of influence through commissions, payments of gifts by those now in Government or those who are selling the influence they accumulated while they were in Government.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JACOBS. Would the gentleman also agree with an amendment such as I offered to one of the security bills which was adopted in this House some time ago, that the statute of limitations should not run as to any person holding an office or a position in government until he is out of the Government?

Mr. VORYS. I would certainly agree to that; and I confess that I am somewhat amazed that these bills and amendments which purport to put controls on the general public do not, as far as I have been able to find out, provide any controls upon those who try to buy and sell influence. We are, therefore, likely to find out some time later that this sort of thing has been going on again in connection with this present effort. I ask the committee whether they have such a provision and whether they would be willing to consider such an amendment?

Mr. MULTER. I think that the bill as written, the Spence substitute, is broad enough to cover that situation. Just as in World War II when we had prohibitions in war contracts against sales, commissions, and other payments or the use of influence to get contracts, we had similar provisions there to prohibit that kind of practice, section 402 (a) subchapter 1 on page 12 is broad enough to permit the making of such orders, rules, and regulations.

Mr. VORYS. I may state to the gentleman that the statute which specifically prohibits the use of influence by prohibiting gifts, payments, compensation, and so forth, was opposed by the administration; and I do not think that such regulations will be issued.

Mr. MULTER. I think there is a much different situation now and I think we will treat with them the same as we did in World War II if it comes to making unconscionable profits or profits they are not entitled to, or trying to sell influence under this bill.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. VORYS. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. I merely wanted to point out that the scandal we had last fall of the 5-percenters and deep freezes came about because there was no criminal law to prevent it.

Mr. MULTER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I want to point out that at least twice today and I think perhaps once yesterday the statement was made that there is no immediate need for the enactment of the bill as reported by our committee. The point was attempted to be made that there is nothing in our economy today which requires an allocation of matériel or raw materials. During the examination of Mr. Symington before our committee, the gentleman from Michigan [Mr. WOLCOTT] asked Mr. Symington there very pertinent and important questions:

Mr. WOLCOTT. What power would you expect to use immediately?

Mr. SYMINGTON. One power we would have to use immediately, if we are going to back up the military people, is the right to allocate steel. Another power we would have to use immediately would be the right to allocate aluminum. There is not enough steel or aluminum to handle the new military orders coming up unless allocation is provided promptly.

* * * * *

Mr. WOLCOTT. You expect to use the powers in title I, "Priorities and allocations," in respect to steel, aluminum, and perhaps some others?

Mr. SYMINGTON. Definitely some others.

Mr. WOLCOTT. Immediately?

Mr. SYMINGTON. Yes; we would have to use them right away.

That should set at rest once and for all any argument against the need having been established for the immediate enactment of the bill as reported by our committee.

Mr. BLATNIK. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, my very good friend the distinguished and able gentleman from New York [Mr. MULTER] has just mentioned the question of steel, which the committee report—page 5—refers to as the backbone of our economy both in time of peace and certainly in time of war. The report refers to the national capacity for steel production—and the picture is quite a favorable one—but it does not mention—and I do hope it has not been ignored—the situation regarding the source of steel, which is iron ore. You cannot make steel out of any substitute; there is only one source and that is iron ore. You can produce synthetic

rubber, you can produce synthetic gasoline, and other synthetic items of strategic value, but you cannot find a substitute or a synthetic article for iron ore.

The iron-ore situation in the United States is serious. This, briefly, is the picture. I have the honor to represent in Congress the most important iron-ore district in the world—the Mesabi Iron Range of northeast Minnesota, which has produced 75 percent of all this Nation's iron ore for the last 50 years. Unfortunately, the high-grade ore of Mesabi is not unlimited. According to a 1946 estimate of the United States Bureau of Mines, there was only 992,000,000 tons of Mesabi ore remaining. The easily accessible high-grade open-pit ore is rapidly being depleted at the present time at the rate of about 65,000,000 tons a year. At the present rate of consumption, the Mesabi iron ore will be exhausted by 1960, or if we accept the most optimistic reports it may last until 1965. With a 10- to 15-year reserve of iron ore remaining, I say that the Congress must consider the development of new sources of iron and steel.

Iron ore mining cannot be expanded overnight so far as capacity is concerned. In view of the importance of steel, in view of the fact that today the shortage of iron ore is so serious, I wish to remind the committee that we in Congress must make a decision regarding our policy as to the future source of iron ore. Shall we allow ourselves to become completely dependent upon Canadian and Venezuelan iron ores, as has been suggested and contemplated or shall we take steps to develop a source of iron and steel within our own continental borders which will strengthen our national economy and give us a security in time of emergency?

Fortunately, we have an unlimited amount of a hard iron formation, known as taconite, which can supply our iron and steel needs for a thousand years if Federal assistance is given for its development. Under section 302 of the bill the President is given power to make loans for the development of technological processes in the production of essential materials. May I ask the members of the committee if it is in accord with the intent of that section that the President have the authority to give loans—long-term loans—let us say on a 30-year basis, to companies that today have processes which are commercially feasible to produce high-grade iron ore out of this taconite rock.

The big problem in taconite development is that the amounts of equity capital required are so enormous, comparatively speaking, that no single company today can get into the taconite field and finance the enormous investment required to create the necessary new plants. Taconite production is not mining like that involved in production of direct-shipping ores—it is a manufacturing process. Taconite must first be quarried, crushed, and ground up fine as flour, the silicate washed out and from the powder, iron ore concentrate is extracted. My question is, Will section 302 of the measure under consideration permit the granting of loans for taconite development? Will the gentlemen of the Banking Committee answer the question? Will this authorize the President to make the necessary long-term loans to companies to develop taconite?

Mr. SPENCE. Mr. Chairman, if the gentleman will yield, I think there is no doubt about that. I think in the discretion of the President that those loans could be made.

Mr. BLATNIK. I appreciate the favorable answer on this very important point, and I appreciate the opportunity given me to call it to the attention of the committee.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Michigan.

Mr. FORD. I know the gentleman's sincere and long-standing interest in trying to find a suitable supply of ore for our steel production, particularly his interest in the St. Lawrence waterway, which would provide us with an adequate supply of iron ore. It seems to me that perhaps it might be cheaper and quicker for us to embark upon that program in conjunction with or ahead of the program that he is suggesting here this afternoon. I would like to have his reaction on that.

Mr. BLATNIK. My answer is that both are essential. The taconite development is a slow process and will take years before you can produce substantial amounts, such as forty and fifty million tons a year. The construction of the St. Lawrence waterway and the development of taconite run hand in hand. They complement each other and together they would insure a future supply of iron ore and would prolong the high-grade ore reserves we now have remaining. Both of them are essential, and I am heartily in favor of embarking on both the St. Lawrence waterway and taconite development immediately.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from New York.

Mr. KEATING. Do I understand then that a process which is going to take years and years to develop, as stated by the author of this substitute, to be envisioned and embodied within the provisions to which he referred, is intended to be covered in a proposition like this?

Mr. BLATNIK. I am not speaking of the process. The taconite manufacturing is already available. The process is here. What I am saying is just that the capacity to produce steel cannot be enlarged overnight. A taconite plant is a matter of gigantic proportions, requiring a heavy initial capital investment. I said it would take years to produce taconite concentrated in sufficient amounts by this process. I am talking about an annual volume of fifty or seventy-five million tons instead of five or ten million, which can be developed in the very near future.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. BENNETT of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe that we should have immediate, all-out mobilization, military and economic. I favor right now, price and wage controls and elimination of profits from war. If a bill can be adequately and carefully shaped up in this debate to achieve those objectives I will vote for it. But I doubt that it can be done in the present parliamentary situation. If it is not done the committee should immediately undertake the drafting and presentation of such legislation. Proper steps now may preclude a third world war and we should strengthen our economy and our armed forces now, not later. In undertaking the limited objectives which will probably be achieved in the present legislation, and the stronger objectives which I hope will come about with dispatch, I feel that a "watchdog committee" should be established from the Congress; and if I am recognized for the purpose I hope to offer the following amendment as a new section at the end of the bill:

A joint committee consisting of five Members of the House of Representatives to be appointed by the Speaker and five Members of the Senate to be appointed by the President of the Senate shall be set up to assist in the proper functioning of the powers delegated and regulations and orders issued under this act. This committee shall choose a chairman from among its members and may sit at such times and places as the committee shall decide. In order to assist in the effective and orderly prosecution of the defense and other programs set up under this act and to provide recourse in the Congress for citizens feeling aggrieved or who have suggestions to offer for the improvement of any programs set up under this act, this committee shall hear petitions from citizens whether representing industry, labor, agricultural or other groups or individuals.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I ask the committee, in cleaning up this question regarding newspapers, periodicals, and books, if they would look at page 24, section 214, of the Kunkel amendment. You will find there a specific statement excluding the rates, for example, of common carriers, public utilities, insurance, persons engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting station, and also rates charged for any professional services. My point is this: Why does not the Committee adopt that section and put it into the Spence bill?

Mr. BUCHANAN. If the gentleman from Florida will yield, in answer to the question of the gentleman from Pennsylvania may I say that the language referred to there is the exact language that was in the old OPA bill. It is likewise part of the Kunkel substitute and part of the Deane substitute. It is not included in this legislation.

Mr. FULTON. Will the gentleman put it in the legislation?

Mr. BUCHANAN. Insofar as the term "commodity" is concerned it does not appear in the legislation, but I am working now on the draft of an amendment to offer to the chairman here to include the words "service or utility" in place of

the term "commodity" and striking out section 1 in the proviso. That will adequately take care of the situation.

Mr. FULTON. The Spence amendment at page 26 in subsection (d) (1) in respect to newspapers, periodicals, and so forth specifically states that no license shall be required, but it does not go further and say that the bill shall not control the rates.

Mr. BUCHANAN. I would insert in section 703 a new section (c), in the bill known as the Spence substitute. That is on page 40.

Mr. FULTON. Will the gentleman be kind enough to submit that amendment to me in advance of offering as I am interested in it?

Mr. BUCHANAN. I am having it drafted at the present time and am going to offer it to the chairman.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Kansas.

Mr. REES. As I understand it, the gentleman from Florida is in support of what is known as the Baruch plan?

Mr. BENNETT of Florida. As I understand that plan, I am very emphatically for it. I think we are making a very serious mistake in considering only halfway measures here today.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, tomorrow we are going to vote on this most important bill. I think from the debate today and probably from the debate tomorrow you are going to find a most troublesome, perplexing, and complicated parliamentary situation with amendments pending to both of the substitutes offered, with the supporters of those bills claiming that their bill, and theirs alone, will do this or that, that their bill is really the one that will do this over-all freeze and control wages and prices, and everything wil be rosy if we pass their bill.

I have had a good many years' experience in price-control legislation, and I only wish it could be that simple. I wish that when you finished writing the bill, whether it was in your own office or in committee or on the floor, you could say, "Well, we finished that, and prices will be held stable and there will be no inflation."

Unfortunately, as my good friend the gentleman from New York [Mr. GAMBLE] knows, this is a most complicated economy. An over-all freeze or anything else that you have is going to find very difficult going as you get down to the end of the price line. You can freeze the price of ice cream and fluid milk, but you might find that the freeze on ice cream will provide a better profit for the milk dealer than on the fluid milk, so the fluid milk goes into ice cream and does not go into the bottles of the babies of America.

You can go down the line and find that the steel you might freeze in price is finding its way into kiddie cars and missing the harvesters or the plows that are needed for America.

The one thing I have been trying to focus on today—I do not know whether we will have any luck or not—is that I believe the President's program does not go far enough. I compliment the gentleman from Pennsylvania and the gentleman from Kentucky on trying to seek the answer, but I just wonder if we can write the kind of a bill we need on the floor of the House. I wonder if we can do it in our offices.

I remember when a price-control bill, which was the counterpart of the bill offered by the gentleman from Pennsylvania [Mr. KUNKEL] was offered by my good friend, Congressman ALBERT GORE, of Tennessee. It was, I believe, a great bill in 1941. Gentlemen, the year is 1950 and our experience with price control has been seven long, tough, hard years of trial and error. I believe there are problems we have discovered that go beyond that bill which he had in 1941.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. KUNKEL. All I would like to say is that I agree thoroughly with the gentleman from Oklahoma in his observations as to the difficulties you encounter when you have price control. I would not offer a bill embodying price control and rationing and wage freezes at this time if I were not sure that within the next 2 or 3 months it would be absolutely essential for the country to adopt those procedures. If we are going to have to do it sooner or later, then we should freeze the economy as much as we can at a time when the prices, particularly in the channels of distribution, are determined by natural economic causes.

I feel with every week or month that we let go by it is made more impossible to do the job which we should do when we do have a natural economy. I felt that the Gore bill was too late. I might say to the gentleman from Oklahoma also, who I know supported that bill vigorously, that the basic part on price controls and rationing in my proposal is taken directly from the bill which the gentleman from Tennessee [Mr. GORE] introduced at that time, and which received a great deal of study, and a great deal of debate. So it is nothing new or hasty and it is nothing that has been drawn out of a hat.

Mr. MONRONEY. I agree with the gentleman completely. I respect and admire him for his courageous stand. I believe if the House itself today on both sides of the aisle in a nonpolitical way could say, "We have before us the Baruch plan for price control," and vote on it and be through with it, that we would pass it by a great majority.

But there is no Baruch price-control plan before us. It is an idea, and in trying to take that idea and put it into legislative language and put it into law so it does not blot out this industry or that industry or distort a situation or freeze anything at below the cost of production, perhaps in our farm economy, I believe the House would be glad to go along if it were as simple as passing an idea. If we could resolute in favor of vigorous controls and against profiteering and establish a war economy and get on with the job—that we would have support on both sides of the aisle.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Chairman, I agree with the gentleman that we dare not wait 2 or 3 or 4 months. But I wonder if we are doing the economy of our country, which is such a delicate, complicated economy, a favor by denying perhaps a week of hearings or maybe 10 days of hearings by the Committee on Banking and Currency.

I wonder if we would not be in better shape if we could come in as a united Committee on Banking and Currency. Other committees are dealing with the war effort and they come here united. You never see a fight between the two sides of the Committee on Military Affairs, and not very often do you see disagreement between the members of the Committee on Foreign Affairs. But this affects the progress of the war just as much as perhaps the draft and other military legislation.

Mr. KUNKEL. We spent 4 months studying the original price-control bill, and by the time we got through we were still in the same difficulties that we were when we started. I do not believe any committee of this House or the other body or any other legislative assembly at any time is going to be able to bring to the floor a bill which will operate perfectly. Any bill that you bring in has to embody a framework and an idea. Then it is up to the President to get an administrator who will try to carry forward that idea within that framework of the authorization which is passed by the Congress. I do not think a week's study of a subject as complex as price control would mean a thing. But I think the dislocation in prices which might occur during the week, and then another week perhaps on the floor, and then some more time that might elapse might prove disastrous and cause us to lose the advantage we have in doing these things when we have a natural determination of prices such as we have at the present time.

Mr. MONRONEY. I wonder perhaps if that does not illustrate what I have in mind. The gentleman from Pennsylvania in our colloquy yesterday admitted that his bill had absolutely no rent control in it; and that we go back to the ineffective rent-control bill of peacetime without any other controls. We face as much of a problem on the side of rent control as we do pricewise on other things.

When I asked him why rent control was not in there, he said it was too difficult to write in at this time. The chairman of the Labor Committee stood on this floor and criticized the substitute offered by Mr. SPENCE. I asked him about the labor provisions in your bill, and he had not studied those.

Here is a big segment of this picture that the chairman of the Labor Committee has not even observed. He criticized the Spence bill, but he has not read the other.

I have great respect for this House of Representatives, for its rules, for its procedure, for its study of these problems. I just hope that in our effort to give the President what every Member wants to give him; that is, enough power to meet this emergency and crush Communist aggression wherever it breaks out; in our eagerness and zeal to do that, I hope that we do not pass legislation that within 2 or 3 weeks we will find we are getting less production instead of more production, and that we are getting more luxuries and fewer necessities; that we are blotting out the low-cost production that the working man needs, for socks and shoes and overalls, and getting silk shirts. That is the thing I am talking about.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MONRONEY] has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. LYLE. I think the gentleman and I will agree that ill-considered legislation controlling the economic life of the Nation, without proper machinery, will result in considerably more confusion than stability, and more harm than good; that it is beneath the dignity and power of this body to legislate off the cuff when we have a bill before us that the President of the United States says is sufficient at the moment to meet the emergency. We ought to pass that and then go into a series of hearings so that we may give intelligent thought to this great problem.

Mr. MONRONEY. I thank the gentleman. I know that prices are going higher. I know the mistakes we made in World War II when we let the thing get away from us and broke the line by 20 percent before we brought it back by the act of October 12.

I also wonder, after seeing the bill that the gentleman from Pennsylvania [Mr. KUNKEL], in a very patriotic effort, has offered, and has changed two or three times since the bill was introduced; that the distinguished chairman, after he came in with his substitute, has changed it two or three times; and there are dozens of amendments that will be offered tomorrow that may be accepted by the authors of the amendments or the committee of the House.

I just wonder if we realize that we are putting these rules, that we are so casually considering, around the neck of American industry and affecting all of the far-flung business around this country—I wonder of the fact that we are going to have an elevation of our prices in the next week.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. GROSS. Does the gentleman mean to say the chairman's substitute was amended this afternoon?

Mr. MONRONEY. I mean to say it will probably have amendments written into it, just as your distinguished leader will accept some amendments to his bill, without committee consideration and without discussion around the table.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. KUNKEL. I would like to reiterate to the gentleman that I think all the mistakes he has pointed out will occur, and these problems will occur under any kind of legislation like this that is ever passed by the House. I think the real problem that every Member of the House should face up to in voting on this bill is this: Are you convinced in your mind that these controls are going to be needed in the reasonably near future? If they feel that they are going to be needed in the reasonably near future, then I urge you to vote in favor of a bill along the lines of my bill. If they feel they are not going to be needed, then I think that the gentleman's argument about time and millstones around the neck of the economy obtain in full force.

Mr. MONRONEY. In answer to that I may say that our whole experience of 5 years with price control, left one thing conclusive that no one can dispute: Roll-backs are almost impossible. When material gets in the pipeline from the manufacturer through the long chain of distribution to the retailer it makes it impossible to effectuate a fair roll-back. With all due regard to what the gentleman is trying to do with this period of June 1950 if this stand-by power is invoked, say as of October 15, it would be a complete impossibility to reflect at the retail price line in any given situation, the price prevailing between June 1 and June 30. It is most fantastic.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. It is almost an impossibility. I think the gentleman will agree with me. The retailer has paid the prices of an advancing market in building his inventory. His inventory of June 30 will have been sold in July and replaced at July prices; his July inventory will be replaced by the August wholesale merchandise, and in October his inventory will reflect September prices. That is the great difficulty of the roll-back provision.

The supply is in the hands of the retailer and you are never going to roll those prices back no matter what law you pass. We are going to have to catch and freeze prices where we find them.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield further?

Mr. MONRONEY. I yield.

Mr. KUNKEL. If the gentleman will remember, the first draft of my bill contains substantially the present date as the time of the price freeze.

Mr. MONRONEY. It was a mandatory freeze, as I understand it.

Mr. KUNKEL. Yes; but after talking with Mr. Baruch and other people in whose economic judgment I had a good deal of confidence, naturally when I put the present in I was thinking along the same lines that the gentleman from Oklahoma has just been outlining. They tell me that the main rises which have occurred have been mark-ups in inventory already on hand.

Mr. MONRONEY. My dear sir, I have sat at the buying desk of a very small establishment with my fellow businessman. There is not a day that goes by that they do not get dozens and dozens of price increases at the wholesale level. I think it has been greater at the wholesale level in many lines than at the retail level.

Mr. KUNKEL. But mark-ups that occur on inventories at the wholesale level reach the retail level.

Mr. MONRONEY. Or at the manufacturing level.

Mr. KUNKEL. So that there will not be the substantial squeeze they fear that would occur later if there were to be a roll-back. I agree with the gentleman that if the President lets this go until the 15th of October we probably would have an imposisble situation; but at the same time do not forget that one of the things I am trying to do in this bill is to avoid selective controls which I think are terrible.

Mr. MONRONEY. With that I am in agreement.

Mr. KUNKEL. And I cannot see how you can avoid going into a selective control bill at some later date unless this step is taken immediately and unless the President carries it through, unless it is put into effect within 2 or 3 weeks after the powers are given to him.

Mr. MONRONEY. In conclusion let me make this plea: If the committee gets mixed up tomorrow after the blood runs hot and our blood pressure is up, and we cannot find where this amendment fits into either bill, and we find ourselves in a state of confusion, may I plead with this House to pass the bill that the committee has reported by a vote of 20 to 1; and if we get into that state where neither side nor anyone likes the committee bill, as it has been modified, or changed and amended—and I believe my distinguished Republican friends will agree with me on that—if we find ourselves in that state then let us pass the committee bill and give the President some power to meet this situation, a bill that has been carefully considered, carefully worked out and agreed to by 20 of the 21 members of the Committee on Banking and Currency. We must have some legislation, even if we do not think it goes far enough to suit the need. The bill that the committee has reported should be passed if we canont find an agreement on the other suggestions.

Mr. FULTON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise at this time to ask particularly about title V, settlement

of labor disputes, in the Spence bill. My questions are directed to the statutory draftsmanship in the main. For example, if you will refer to line 15 on page 30 it will be seen that the language states:

> The President is authorized to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes.

May I ask the chairman of the Committee on Banking and Currency whether that is not the greatest power ever given to one man in this country. This provision will cover all employment with one man setting the principles without limit, with that one man setting the procedures without limit, and that one man authorizing such action to be taken in employment matters as the one man deems appropriate. How can that question be met? I do not see why that is not giving into somebody's hands complete control of management, labor, and production in this country without restraint.

Mr. SPENCE. The Stabilization Act of 1942 gave the President the same powers. While the President may fix wages of labor there will be other questions involved. There will be the question of collective bargaining about some things; there will be conciliation and other matters of importance. It does not repeal the labor acts already on the books. The settlement of wages could be in the hands of the President. You have got to give the laboring people, however, a chance to present their claims in the future as they have in the past where it does not interfere with this law.

Mr. FULTON. It means that by reenacting this law, with the provision in it on pages 30 and 31, "Any such action shall be consistent with the provisions of the Fair Labor Standards Act of 1938, as amended, and other Federal labor standards statutes and with other applicable laws," that anybody who votes for this bill is voting for reenactment in its present terms of the Taft-Hartley law, which I do not like in its present form.

Mr. SPENCE. They are not voting for the reenactment of any law. It merely refers to the laws on the statute books and which are applicable. This does not repeal any act, it does not reenact any law. It seems to me that is obvious. We do not reenact any other law, we do not repeal any other law. It says that where the law itself does not enter the scope of this act, it shall still remain in effect and shall be operative as it is now.

Mr. FULTON. I think the chairman's statement simply high lights the fact that you are freezing at the present time all labor practices, all collective bargaining practices, and all practices whatever that exist in either labor or management. In lines 21 to 23, on page 30, the Spence bill requires the President to give due regard to the terms and conditions of employment established by prevailing collective-bargaining practices.

Therefore, if any labor organization wants to try to get further pensions, or a pension plan, or wants to get anything that is beneficial to the members of the union, such as better working conditions, those working conditions are frozen in the North, in the South, in the East, and in the West. The Spence bill unfortunately freezes social gains, as well as inflationary factors. Why does the Spence bill contain the power to freeze social progress which have no bearing whatever on inflation?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. This Spence bill on page 30, line 24, requires that the collective bargaining practices must be consistent with the stabilization policies established under this act. As a matter of draftsmanship you are therefore saying in one place in the bill that you freeze at the present prevailing bargaining practice; and just below you say that they must be consistent with the stabilization policies established under this act.

Mr. SPENCE. There is no freeze of wages in the substitute I introduced.

Mr. FULTON. I am reading from the gentleman's substitute which says that due regard shall be given to terms established by prevailing collective-bargaining practices. From what the Chairman says, I think everyone in the country should be on notice that Mr. Denham will be in charge as he always has been. In addition, there will not be any possibility of anyone going back to the practice of hiring halls, and I am sure that many of the men on our merchant ships do not want that practice stabilized and put into permanent law in peacetime. In addition to that, in the Typographers Union, the conditions of work and practices that they have been complaining about, are by this act put into permanent law and continued for peacetime purposes indefinitely.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Indiana.

Mr. JACOBS. On page 15 of the Spence substitute, line 17, there is this language:

> No action shall be taken under authority of this title with respect to salaries, wages, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the Labor-Management Relations Act, 1942, as amended.

Should that not be 1947?

Mr. SPENCE. 1947.

Mr. FULTON. That is a good point, because you have also brought out by your quotation that the bill freezes at the minimum. So, whatever the minimum standards are at the time of this particular bill, they are required to be frozen right at that point. As this bill is written, management and labor cannot go into social benefits that might be negotiated by collective bargaining otherwise than under this act.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 9176, had come to no resolution thereon.

INTERNATIONAL LABOR ORGANIZATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 676)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

In accordance with the obligation of the Government of the United States of America as a member of the International Labor Organization, I transmit herewith, for the enactment of legislation or such other action as the Congress may consider apppropriate, authentic texts of a convention—No. 89—concerning night work of women employed in industry—revised 1948—and a convention—No. 90—concerning night work of young persons employed in industry—revised 1948—both of which were adopted by the International Labor Conference at its thirty-first session, held at San Francisco June 17 to July 10, 1948.

I transmit also the report of the Secretary of State with regard to the conventions, together with a copy of a letter from the Secretary of Labor to the Secretary of State regarding those conventions. Attention is invited to the recommendation of the interested departments and agencies of the executive branch of the Government, as set forth in the above-mentioned letter, that no Federal legislative action, except with respect to the District of Columbia, be taken.

Under the constitution of the International Labor Organization there is also contemplated appropriate action by a member in respect of territories for which it has responsibility for the conduct of international relations. I am, accordingly, requesting the Secretary of the Interior to transmit the above-mentioned conventions to the governments of Alaska, Guam, Hawaii, Puerto Rico, and the Virgin Islands for the enactment of legislation or other action. In addition, I am requesting the Secretary of the Navy to take such action as may be appropriate with respect to American Samoa and the Territory of the Pacific Islands.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 2, 1950.*

SPECIAL ORDER GRANTED

Mr. LYNCH (at the request of Mr. MULTER) was given permission to address

the House for 15 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

THE PRESENT ECONOMIC CRISIS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, on Monday last I laid before the House what I thought should be done about the present economic crisis. I ask unanimous consent to insert in the RECORD at this point an editorial from the Missoulian, of Missoula, Mont., and sundry letters and telegrams.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The matters referred to follow:

MISSOULA, *July 25, 1950.*

DEAR MR. MANSFIELD: To our great alarm the prices of meat, bread, sugar, and many other foods have been steadily rising in the city of Missoula. My husband is a veteran attending the University of Montana under the GI bill. We have two babies and have had to struggle these past 2 years to stay in school. We feel that there is no justification for prices to go sky high, or I should say even higher; they were sky high before.

We feel very strongly that controls should be put on prices of foods and on rent. We feel it is our right as voters in Montana to ask you to do what you can to see that controls are put on immediately. We will appreciate your efforts in this direction.

Sincerely,

MRS. ALAN C. VAN HORN.

HELENA, MONT., *July 27, 1950.*

Hon. MIKE MANSFIELD,
Member of Congress,
Washington, D. C.

DEAR MIKE: Isn't it just about time to tromp on someone along the line in an effort to put a stop to this steady rise in prices, especially on food? The prices of meat are prohibitive for the average white-collar worker, particularly the young couples with children.

There is a lot that I don't know about economics, but it does seem that we could stop pampering the farmers for a while with huge subsidies. Most of them have more money than they know what to do with, buying large convertibles for every child in the family and tossing the money around in general. I like to see everyone make a good fair living, but when these greedy, grasping people, worth close to a million, will raise bread 3 cents per loaf, doughnuts (that aren't even worth 40 cents per dozen) to 50 cents per dozen, it makes my blood boil.

It does seem a shame that we have to resort to price control, but evidently a warning from our President does not suffice for some of our so-called Americans. If price control is used, it should go back at least 4 months to be of any help.

We were pleased that you made your usual fine showing in the last election; it certainly shows how you rate with the people of Montana.

Our son-in-law, "Mack" Hughes, is working with Judge Pope in Missoula this summer, and daughter and children are here with us.

Kindest regards and give 'em both barrels on this price situation.

Sincerely,

OTTILIA K. ASHTON.

MISSOULA, MONT., *July 31, 1950.*

MIKE MANSFIELD,
House of Representatives,
Washington, D. C.:

Urge immediate action to adopt Baruch proposal wages-prices.

J. P. WIEBER.

DEER LODGE, MONT., *July 26, 1950.*

Mr. MIKE MANSFIELD,
Washington, D. C.:

Just a few lines to tell you of food rising prices.

I just got back from town after buying two loaves of bread (from the Safeway store). They raised the price 2 cents on a 20-cent loaf. The local store raised 1 cent per loaf.

I wonder if the Government is going to raise our pension in proportion?

That's why I said in my last letter to you to confiscate all profits to raise our pensions.

Yours truly,

LUKAS DACHS.

P. S.—Besides if you could close all loopholes you could pay all veterans a decent living pension and still have some left. I mean all loopholes of all tax dodgers.

MISSOULA, MONT., *July 25, 1950.*

Hon. MIKE MANSFIELD,
Representative from Montana,
Washington, D. C.

DEAR SIR: I wish to protest the rise in the price of the loaf of bread in Missoula the past 2 days from 19 cents to 22 cents. I feel that this is merely taking advantage of the national crisis and thereby wholly unwarranted. It is certainly too bad that we have to have such unscrupulous businessmen in our country.

I would appreciate your consideration of this matter and would be in favor of rationing of civilian materials if it is necessary.

Thank you for your time.

SHERMAN B. HUBLEY.

MISSOULA, MONT., *July 29, 1950.*

DEAR SIR: This is a protest against rising food prices. The Government claims there is no justification for the rise. I would like to see prices rolled back to pre-Korean war levels.

Sincerely yours,

Mrs. S. T. MELBY,
Housewife.

MISSOULA, MONT., *August 1, 1950.*

Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.

DEAR MIKE: Congratulations on primary victory. No doubt as to further success. Sentiment here for complete wage and price control.

JOHN M. O'CONNOR.

BOZEMAN, MONT., *July 31, 1950.*

Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.

DEAR MR. MANSFIELD: This letter is being written to you because of the growing concern in our family over rising food costs specifically and other costs in general. In my opinion there is only one time to hold prices and that is now. In fact, the base period will have to be set prior to the Korean war. We have noted the greatest marked increase in wheat products. Two weeks ago in Bozeman one could get a loaf of bread for 20 cents, now it is 22 cents. A package of hamburger buns 2 weeks ago was 15 cents, now 17 cents. Breakfast rolls have gone up 5 cents a half dozen. Meat and other staples have begun to climb. In none of these products do we have a shortage. To the contrary, we have a definite surplus of wheat products. The only conclusion one can come to is that voluntary controls will not work. Businesses are going to increase prices while they can. That is human nature. I am sure they are genuine patriotic Americans. However, they also look to the Congress to set the pattern of controls during an emergency. I know that something must be done and done quickly.

No one likes controls, but more important, no one likes to create a panic in this country. The economy cannot stand another round of wage and price increases. Wage earners are one of the major groups in this country and they will not stand by while their costs go up and income remains constant. Salary people (in which class I am) are in a much more serious position since there is no chance to bargain for increases. My wife purchased $23 worth of groceries last week which was brought home in a box under one arm. This condition cannot exist very long without serious consequences. Increased taxes on excess profits is not the answer. It is too far around. I would rather pay a 20-percent increase in my personal tax and know that our cost of living will remain constant than to be constantly wondering if my income will be able to meet another price increase.

A few general comments are also in order. Controls must be total this time, not piecemeal. Manpower mobilization is necessary. Skills should be placed where they will do the most good. Also, the individual should have some protection for returning to his former job when he comes back.

If we are successful in reconquering the southern half of Korea, we should push up the entire peninsula. Let's take the initiative this time. I believe world opinion is now fully behind us. We certainly are justified in truly liberating a people.

In closing, may I say that we do hope this price situation is brought under control immediately.

Very truly yours,

G. A. BRYANT.

BUTTE, MONT., *July 29, 1950.*

Hon. MIKE MANSFIELD,
House Office Building,
Washington, D. C.

DEAR MIKE: My wife and I, as well as our son, Wallace, were greatly pleased about your well-deserved victory at the primaries here on the 18th. No doubt the results will be as satisfactory to you at the general election; at least we shall do what we can to make them that way.

In addition to expressing our gratification in regard to your renomination, I am impelled to write in regard to the rapidly increasing price of everything sold on the market, not that I feel you require any such information, for we always find you on the right side of all these questions regarding the welfare of the people, but more, perhaps, to just "get something off my chest."

I am sure that any of our citizens that are thinking about our national affairs are greatly disturbed at the recent turn of events. I cannot help but feel that it will get no better until there has been an all-out world war with Russia. Such a thing, in my opinion, means utter ruination of this Nation as a democracy. It is the final showdown between communism and capitalism.

I can recall in the old days when we used to idly predict the coming of this era; it was when we were very active in the labor movement and always thought of our fine employers as the plutocratic class. I doubt, however, if there is one in a hundred of the railroad-labor class that even thinks that way since the communistic doctrine has evolved from the talking stage in world affairs. In other words, we still feel that our way of life under the so-called capitalist domination is the best on this earth.

Such a form of government as we have is, of course, anathematic to everything related to communism, and it seems they are now prepared to use force to eradicate everything that interferes with their despotic desires. And the worst part of my thinking is that eventually they will acquire some measure

of success. Not in my time perhaps, but in the lifetime of my sons, likely. This infiltration of our very Government structure, including many of our labor organizations, is something to really worry about. In the event of war we will have great trouble from the few that are members here in our own country.

Now, as to the rapidly increasing prices, it seems to me that Mr. Baruch has a fine idea, provided we go back to a date before the outbreak of this Korean affair. You know and all of us know that a demand for wage increase must follow these other increases; this will cause endless trouble at a time when we require united action. Labor will be branded as traitors and communistic when they make such a demand, but the vendors of our necessities of life go merrily along at their pleasure of soaking the consumer. This is one of the many reasons why we sometimes become impatient with our Government.

Let's not allow them to run everything sky high, then make the "freeze." Every right-thinking American heartily supports the President in his move in Korea because we had endured as much as could be endured if we were to retain a place as a leading world nation. Let us not disrupt this unity by just talking about "control" and ultimately making thousands of millionaires again.

With best wishes, I beg to remain

Sincerely,

J. B. LOVE.

MISSOULA, MONT., *July 29, 1950.*

DEAR MIKE: I was not opposed in the primary, received a very fine courtesy vote, am continuing to work hard, and now believe that I have a very good chance for election this fall to the State senate. And McGinnis has no chance against you around here regardless of whether you return for any campaigning or not.

But I am writing about the new rise in prices and the new inflation that is already taking place. The people I talked to as I campaigned yesterday all want price controls. They think Baruch is right and that unless we have drastic regulation now we will have so many demands for wage increases and all kinds of adjustments that it will mean years of weakening internal strife.

My own opinion is that we need all controls and rationing and very, very high taxes—pay as you go—and at the same time a very strong prosecution of all forms of racketeering and profiteering.

Good luck and best wishes, and you needn't bother to answer this letter. All I wanted was to help you appraise what people here are thinking.

ROBERT D. WATT.

DEER LODGE, MONT., *July 30, 1950.*

DEAR MIKE: How busy and anxious you must be these days.

I am writing to inform you that from here it certainly seems imperative that prices on food, clothing, rents, wages—everything—should be frozen and now.

While you and others with an income of $12,000 or more do not feel these price rises, believe me the average family does. The great majority of Americans fall into a wage group of $300 per month or under, and they just cannot take any higher prices. For instance, a registered pharmacist gets about $250 per month for a starting wage and an experienced man gets from $300 to $325 per month, and that is about all the store owner can afford to pay. He falls into the so-called white collar group and must just cut his standard of living with rising prices while the organized labor groups start a round of crippling strikes as a result.

Who is at the head of Procter & Gamble, and why should their prices on soap and Crisco go up now? Why the rise in already too-high meat prices? Bread jumped 2 cents a loaf in Missoula over the weekend and suppose it will be general in a day or so. Surely now is the time to stop this vicious inflation and profiteering. We do not have to be told, it is so obvious, that Russia can certainly wreck us economically if our lawmakers do not use some sense. It is ridiculous to appeal to people to be unselfish and patriotic and not to hoard when it is very evident that the leaders in business, agriculture, labor, and politics are not putting the welfare of their country first.

And, Mike, when the new tax bill is written, isn't that the time to put some of the long-past-due tax reforms into effect. The public is certainly willing to go all out now to do whatever is necessary to protect themselves and their way of life, so tax on co-ops, businesses belonging to educational and charitable organizations, etc., can be put into effect without damage to anyone's political status, and personally I think it might build it up. And isn't now the time to put into effect the balance of the Hoover report reforms.

We, the people, feel that while we are ready and anxious to pay taxes for protection of our country, we also feel more than ever there should be less Government waste, duplication, and inefficiency. We are ready to go all out, but feel that non-defense spending should be cut not only to have more money for military purposes, but also to put our country and Government on a sounder footing and so be less vulnerable.

I am not just speaking for myself, Mike. Let me assure you this is general opinion. Freeze everything. Correct tax inequalities. Cut non-defense spending, especially where it is just a matter of duplication, inefficiency, and plain waste.

We are counting on your good judgment, natural honesty, and influence to help us.

Kindest personal regards,

MRS. HAZEL GROVER.

MIKE: The consensus of opinion of the people coming into our store is embodied in this letter. What can be done about it? Much concern is expressed over the Korean situation.

BUD.

P. S.—Just informed by the Coke man that sugar went up 50 cents, bottles went up, boxes went up. Better get this through in a hurry.

MONTANA STATE COLLEGE,
DEPARTMENT OF CHEMISTRY,
Bozeman, Mont., July 29, 1950.

Representative MIKE MANSFIELD,
Washington, D. C.

DEAR REPRESENTATIVE MANSFIELD: I should like to express my opposition to the recent proposal by the administration for a 20-percent increased tax in the lower bracket income while only 10 percent is being proposed for the higher incomes, and as far as I know, no proposal has been made for increased corporation taxes. It seems to me that on the basis of our present inflation and the very recent increases in food and commodity costs that this is an entirely unreasonable proposal and should be opposed by individuals interested in the welfare of the small income group. I hope that you will oppose this legislation.

I should like to comment further upon the increased cost of commodities. Very sharp jumps have taken place, as you no doubt know, in our commodities within the last week, and unless some sort of controls can be put on to guarantee more or less reasonable costs, I feel that the situation will become very difficult for small-income families. I hope you will take this into consideration in your legislative actions.

Yours very truly,

C. N. CAUGHLAN,
Associate Professor.

HELENA, MONT., *July 28, 1950.*

Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.

HONORABLE SIR: I have noticed with considerable interest the steps being taken to put the Nation on a sound footing for the prosecution of the war in Korea, but am wondering how sound it actually is. Back here at home it does not look as though the President or Congress were really going at it in a first-class way. There is only one way to fight or get ready for a war, and that is on an all-out basis. We have found from experience that we have always worked on a "too little and too late" basis and seem to be following the same procedure again.

Unless controls are slapped upon prices, wages, and all other things required for total mobilization, we are just wasting time and money. For your information an important food item such as bread has advanced in Helena from 20 to 23 cents, a boost of 15 percent. This is higher than at any time during World War II. Sugar has been boosted 50 cents a hundred and everything is going up regardless of the soothing words from Washington. It seems to be the old story after we get the prices up good and high, then we put the controls on, so if this is eventually in the picture, let's get them on. Although Washington can reiterate that there is no shortage of food (which I fully believe), it does not prevent the profiteers from shoving up the prices right off. Everything is done for the manufacturers, labor unions, farmers, and politicians, but the innocent consumer who should be protected is shoved and kicked around, and no one raises an oar for him.

Don't you think we have had enough experience in the past to take the word of someone like Mr. Baruch and quit fooling around. You really don't know what profiteers and hoarders are doing to the home front while you sit in Washington.

Yours very truly,

ALBERT D. DAY.

[From the Daily Missoulian of July 28, 1950]

WISE MAN HAS SPOKEN

Bernard Baruch, veteran adviser to presidents, goes before the banking committee of the Senate with a plea to "put a ceiling on everything," in full scale mobilization of the national economy for a struggle "in which America can lose only once." This "elder statesman" urges a "quick freeze" on prices, wages and rents, along with taxes "higher than a cat's back—a high cat's back." We must mobilize now, says Mr. Baruch, because "events have left us no choice."

He thinks that we are moving too slowly, that we do not recognize the dire probabilities of the Korean situation, that we should get ready now for all-out war, with, of course, the hope that such preparation would insure peace. "The situation," he says, "is sufficiently grave to warrant an over-all ceiling across the entire economy, over all prices, wages, rents, fees and so on, with high enough taxes to prevent profiteering and to pay all defense costs, and an all-embracing, effective system of priorities." The dangers before us, he says, are not Government control but military defeat abroad and inflation at home.

In other words, Mr. Baruch thinks that we should mobilize as if world war III were already upon us, as, of course, it could be within a month or so. He thinks that we must be ready to win not only in the far east but also in the near east, as well as in Europe. He believes that we should do now what worsened war conditions would force us to do later. He thinks we should make great sacrifices today, lest greater ones be required of tomorrow. And through his thinking shines the bright ray that, perhaps, such sacrifices now

would prevent the infinitely great tragedy of another major war.

Americans generally have great respect for Mr. Baruch, believe in his uncompromising loyalty to his land and Nation, understand that he speaks from a fine background of wise consideration. And, thus, his earnest advice may have some effect upon national action within the next few weeks. But it will be unpopular. Nobody likes the prospect of a return to wartime regulation and restriction, to rationing, to "frozen" wages and rents, to much higher taxation on earnings and profits. Yet the most thoughtless must realize that we would have been much better off, had some such advice been followed as we were getting ready for our part in World War II, which would have come about even without the Japanese attack on Pearl Harbor, to which we were committed much more closely than the American majority then knew.

A wise man has spoken; we should at the very least pay earnest attention. Above all, our leaders must forget that this is an election year. Politics should not be allowed to endanger our liberty.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 3 minutes.

DEPARTMENTAL RED TAPE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I suggest that the Defense Departments try to eliminate their red tape. I have been waiting from one department for a simple regulation to go through. I expected it to be through in about 2 weeks, and instead it has taken months for it to go through. The regulation is of great interest to service people. I earnestly request the departments to simplify their work in sending their regulations which are approved by one department to another and have it done quickly when the occasion seems to slow up the regulation.

SOCIAL SECURITY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I take this time today to discuss some very important issues which this body must decide yet this week. They were formally presented to the House when the conference report was filed yesterday on H. R. 6000, the pending social-security bill. They will be decided next Friday when the previous question is ordered on the adoption of the conference report.

At the outset, I want to stress that I hold the distinguished chairman of the Committee on Ways and Means in the highest esteem. My regard and affection for him transcend the honest differences of opinion we may have on any issue.

Nor should what I have to say be construed as criticism of any other member of the House conferees on the social-security bill. Every legislator under a bicameral system appreciates that the basic foundation of the committee of conference is the spirit of compromise. It is fundamental, however, that the House conferees are responsible and accountable to the membership of this body. And, in the event the conference agreement deviates too sharply on matters of substantive importance, it is not only the prerogative, but the duty, of the Members of this body to reject the conference report and to instruct the conferees that a new agreement be sought.

Mr. Speaker, some Members may recall the conclusion of the debate on H. R. 6000 last October. It was my privilege as majority leader to close the debate. At that time I paid tribute to the great chairman of the Committee on Ways and Means for his great work in the field of social security. At that time I said:

> Probably the proudest man, Mr. Chairman, and justifiably so today, is one of the youngest-minded men in the House. But in years he is the dean of the House, the great chairman of the Committee on Ways and Means, who piloted through the Congress the original Social Security Act and under whose leadership the House will pass the bill we have before us today—our dear colleague, the gentleman from North Carolina, BOB DOUGHTON.
>
> As it was my purpose to call attention to this great American, to this great Member of Congress, this great statesman, and what he has done in connection with this legislation, I will conclude my remarks by stating that in the great career he has had, as he looks back he will remember as the greatest act he has ever performed in the legislative field, leading the fight in the passage of this Social Security Act and amendments thereto. By doing that he has done more to strengthen the family life of America than any legislation passed in the last 50 years.

And, Mr. Speaker, these sentiments were concurred in by a unanimously cheering House.

It grieves me very much, therefore, to find that this great contribution to the social security program—this monument to the distinguished author of the original Social Security Act of 1935 should have become marred and misshapen in its course through the other body.

H. R. 6000, as passed by the House on October 5, 1949, extended old-age and survivors insurance coverage to more than 10,000,000 additional persons, increased benefits, liberalized conditions for eligibility for benefits, and added protection against permanent and total disability to the insurance program.

It increased substantially, especially in those States where average income is low and poverty and disease take their heaviest toll, the Federal share in public assistance payments made by the States to the needy aged, blind and dependent children. Under the bill the Federal Government would also share in assistance payments made by a State to needy permanently and totally disabled persons who are in need. The programs for maternal and child health, child welfare, and crippled children were strengthened.

But what has happened to this prize progeny of the House of Representatives since then? What has the other body done, you may rightfully ask, that so greatly disfigures our monumental masterpiece? Of course, we expect the statesmen of the other body to refine and improve even our best efforts on any subject. But when they wield a sledgehammer instead of a sculptor's mallet, we may properly question their judgment.

Listen, then, to what has happened to the social security bill since last October 5, when it passed the House by a vote of 333 to 14. There now are two major deformities, both embodied in the conference agreement, and both of which should be repaired before final enactment. They are:

First. The 45,000,000 workers and their families in the old-age and survivors insurance program would be denied protection against the hazards of forced retirement resulting from permanent and total disability. In the event of an accident or breakdown in health, the hapless victim still would be left to private charity or public relief whenever his personal assets run out.

Second, a provision, utterly extraneous to the bill, has been added to nullify the requirement that State unemployment insurance laws must conform with the original Federal standards prescribed for the establishment and operation of an approved State system of unemployment compensation. Under the conference agreement, which retains the so-called Knowland amendment, the authority of the Federal Government through the Secretary of Labor to insist upon these minimum standards is rendered so impotent as to become almost meaningless.

Mr. Speaker, my views on these matters are buttressed by several years of service on the Committee on Ways and Means. I was a member of that great committee during the consideration of the original Social Security Act of 1935 and I was still a member when the only previous major revision of that act was passed by Congress in 1939. I look upon the Federal system of social security as probably the most important single piece of domestic legislation enacted during my career in Congress. It is with deep conviction, therefore, that I shall urge this body to insure that the system is strengthened to the maximum extent possible at this time.

PERMANENT AND TOTAL DISABILITY INSURANCE

I earnestly believe that a social-insurance system should provide for the payment of cash benefits to workers who are permanently and totally disabled, as well as to those who suffer loss of income because of old age, premature death, or unemployment. There are more than 2,000,000 persons in the United States at the present time who are chronic invalids from such diseases as heart ailments, arthritis, cancer, rheumatism, and from

accidental causes. For the average person, a disability which permanently excludes him from earning a livelihood is a major catastrophe—fully as great as his inability to work because he has reached retirement age. In many cases, the very fact that it is impossible to anticipate such a calamity makes the hardship even greater than the loss of earnings from forced retirement because of age.

It is true that State workmen's compensation laws provide protection against the loss of income from work-connected disabilities, but today only about 5 percent of all permanent and total disability cases are of work-connected origin.

Yet today the old-age and survivors-insurance system not only fails to provide benefits for permanent and total disability, but it actually penalizes the disabled worker by reducing any eventual benefits he may receive when he reaches age 65 because of the fact that he has been unable to work in covered employment while disabled.

In other words, the present old-age and survivors insurance program even fails to provide a waiver of premium in the event of total disability.

The problem of permanent and total disability is more than mere statistics. Let me give you an actual case related in a recent letter to a Member of Congress:

> The experience I am about to tell you of has probably happened to many and I feel it is unjust. My husband who was employed for all but 15 months of the 10-year period paid into social security from an average $180-a-month salary. In 1945 because of a series of strokes suffered from high blood pressure, he was totally disabled. This only 5 quarters away from security coverage. As we understand the law there is no security benefits because he was forced to lose this employment. My husband is only 54 years old at present, unable to ever be employed again and in need of my constant assistance, which prevents me from being employed. Now even if he is permitted to live until he is 65 he can claim no benefits from the premiums deducted from his salary. Yet many men and women 65 who are strong and well have retired and are receiving assistance from the fund which many of the disabled have helped to build.

Every Member of this House has received similar letters, and, Mr. Speaker, I can say that few letters have been more difficult for me to answer.

At the present time there is available little protection from private sources against the risk of permanent and total disability. Both wage earners and self-employed persons in the middle- and low-income groups can hardly rely upon their own savings to meet such an emergency, and private insurance contracts providing disability income for long-term disability, for the most part, are not available to persons in middle- or older-age groups. Moreover, the costs of private insurance against disability are so high as to be almost prohibitive for low-income and middle-income families.

In 1935 Congress decided that a system should be established for systematic budgeting against the risk of loss of income from old age. In 1939 we extended this system to provide protection to the surviving dependents of an insured individual against loss of earnings from premature death of the family breadwinner. Now the need for further improvement is undeniable. We should expand the old-age and survivors' insurance program to make available to insured persons a minimum measure of protection against loss of earnings because of permanent and total disability.

Even the minority report of the Committee on Ways and Means on H. R. 6000 stated:

> We recognize that permanent and total disability is a major economic hazard and that protection in this field is a concern of Government.

Opposition to insurance against permanent and total disability, under which employed persons are able to purchase protection as a matter of right in the event of disability, has been raised by the insurance companies and by others who content that such people should be left to private or public charity.

Mr. Speaker, this answer is offensive to the dignity of the American home. Do not misunderstand me. I am in complete support of having the Federal Government share in the cost of assistance payments to the needy disabled, but over the long haul we should make it possible for such unfortunate persons to obtain benefits under the insurance program. To those who say it cannot safely be done, my answer is that the Congress has already provided such protection for Government employees under the civil service retirement system, and for the railroad workers under the Railroad Retirement Act.

On the question of possibility of abuse through malingering I quote the Chairman of the Railroad Retirement Board, Mr. William J. Kennedy, who recently stated:

> The observation of all of us who are concerned with the administration and evaluation of the (railroad disability) program is that malingering and abuse are so rare that they cannot, in any sense, be said to weaken or detract from its value.

Under the House bill a person would not be eligible for disability benefits unless he had worked 5 years out of the last 10 years prior to disability and unless he had worked 6 quarters out of the previous 12 quarters before his disability. The House bill provided for a strict concept of disability. In order to qualify, an individual would have to be disabled for all types of work and the impairment would have to be permanent. It would not be sufficient merely that an individual was disabled only for his customary work. There is nothing new about this idea, and all of our experience under the veterans' program for permanently and totally disabled veterans would be available in administering permanent and total disability insurance. These standards, plus the required waiting period of 6 months after dsability has occurred, in addition to the relatively low benefits compared with previous earnings, all should serve to prevent abuse of the system. In my opinion, the greatest contribution made by the social security bill as passed by the House of Representatives was the addition of this protection, through contributory social insurance, against permanent and total disability. It is a matter of firm conviction with me that such a provision should be included in any social security bill passed by the Eighty-first Congress.

THE SO-CALLED KNOWLAND AMENDMENT

One of the biggest issues facing the conference committee on the Social Security Act amendments, H. R. 6000, was the so-called Knowland amendment. This amendment, added as a rider to the bill on the floor of the Senate after 10 minutes debate, has engendered more pressure on the Congress than any other provision in the bill.

Why has so much heat been created by what appears to be only a technical amendment to the unemployment insurance features of the Social Security Act?

It has been explained by the proponents of the amendment that it would merely require that the highest court in the State must pass on the interpretation of a change in the State law before the Secretary of Labor can determine whether the change meets Federal requirements. On the other hand, the opponents of the amendment have represented it as undermining the very basis of the unemployment-insurance program. I believe the latter interpretation is correct. I will not go into the technicalities of the amendment, although a careful study of it indicates that it will more drastically curb the ability of the Federal Government to require a State to meet Federal requirements than its proponents contend.

The Knowland amendment is important because it would undermine the basic purpose of Congress in enacting the unemployment insurance provisions of the Socity Security Act. When Congress passed the act in 1935, unemployment was the most important problem facing the country. Congress was vividly aware, in 1935, that unemployment was a national problem. The local communities and States were helpless to deal with it and the Federal Government had to pour billions of dollars into relief and work projects to care for the unemployed. It was realized that unemployment is caused by national, rather than local, conditions. Recognizing the national character of unemployment and also recognizing the need for a more orderly way of dealing with it that would preserve the self-respect of the unemployed, Congress enacted the unemployment-insurance features of the Social Security Act. These features created a Federal-State system. There were many at the time who believed that only a national unemployment-insurance system would meet the problem due to the national causes of unemployment and the high mobility of our work force which moves across State lines by the millions each year. However, it was feared that a Federal system of unemployment insurance would be unconstitutional.

There were also those who favored preserving the maximum State responsibility.

Both groups were confronted with the need of some Federal action. They were faced with the fact that although unemployment insurance bills had been introduced in 30 State legislatures, only one State had enacted an unemployment insurance law. The States did not dare to act singly because of the fear that the cost of unemployment insurance would have an adverse effect on competitive positions of their employers in interstate commerce. Congress therefore enacted the Federal Unemployment Tax Act with the proviso that contributions to State unemployment-insurance laws would be credited against 90 percent of the Federal tax. These provisions had the desired effect and in 2 years all the States had enacted unemployment-insurance laws. A minimum of conditions was laid down that the States had to meet in order to get credit against the Federal tax. Only such conditions were provided as were considered absolutely essential to assure that workers would get genuine security against unemployment through the State laws.

The Knowland amendment was inspired by employers who want a free hand to whittle unemployment insurance down in order to reduce the taxes they will have to pay to the system. They have been doing this in two ways: by amendments to the State law and by interpretation of the State law. They have had freedom to do this because of the very few conditions in the Federal act. However, they have been prevented from going as far as they would like by the so-called labor standard required in State law by the Federal act. Knowing that they could not persuade Congress to repeal this standard directly, they are attempting to repeal it by indirection; that is, through restricting and delaying the ability of the Federal agency to intervene when the Federal standard is being circumvented by interpretation of the State law. The basic question is whether Congress is going to let a slyly worded amendment tear down the purposes of the Congress in establishing a system of unemployment insurance that will effectively deal with the national problem of unemployment.

The 36,000,000 workers covered by unemployment insurance have a vital stake in the preservation of these Federal standards and particularly in the so-called labor standard which the Knowland amendment is particularly aimed at. Under unemployment insurance, a worker is, of course, expected to take a job if available instead of drawing benefits. The Social Security Act provides that benefits be paid through public employment offices to make sure that jobs have precedence over benefits. However, this creates the danger that the threat of denying benefits may be used to force workers to accept jobs at greatly reduced wages, for excessive hours, or that are substandard in other aspects. Congress, in 1935, considered it so important to protect labor standards against undercutting through unemployment insurance that it required the States to place the so-called labor standard provision in their laws. It is vital to labor, whether organized or unorganized, that this protection be kept in the Federal act and it should not be undermined by the delays and restrictions on Federal authority which would result from the Knowland amendment.

The 36,000,000 covered workers have a broader stake in the Knowland amendment and what it would do than the so-called labor standard. If the Knowland amendment is passed, it will hamstring any additional standards that Congress might want to require of the States. President Truman, only a few months ago, recognizing the inadequacy of many State unemployment insurance laws, recommended minimum Federal standards regarding the amount and duration of benefits. In his words:

> The variations among States create serious inequities. They mean that workers who lose their jobs in identical circumstances are treated very differently because of the accident of geographical location. They mean that businessmen in some States suffer a greater loss in markets when unemployment occurs than do those in other States. * * * For these reasons, I believe that Nation-wide minimums should be established by law which will assure adequate benefits in all States.

The same forces that are handling the Knowland amendment immediately expressed opposition to these proposed standards. No doubt, one reason they attach so much importance to the Knowland amendment is to forestall any attempt to strengthen the unemployment insurance system with additional Federal standards.

Finally, the 36,000,000 workers covered by the act will have their security weakened by the delays in enforcement of Federal standards that will result by the Knowland amendment. The proponents of the amendment have said that all they wish to do is to require that the highest State court pass on the interpretation of the State law before the Federal Government can intervene. Under a possible construction of the amendment, however, the Secretary of Labor could only find the State out of conformity with Federal requirements if the State had amended its law so that the language of the law no longer meets the Federal requirements. This means that a State agency could issue regulations or the State court could make a decision interpreting the State law so as to no longer meet the Federal standards, and the Secretary of Labor would be powerless to intervene. Even if the amendment would only do what its proponents claim; namely, to require the Secretary to wait until the courts have passed on the State agency's interpretation of the State law before determining whether it is out of conformity, it will have damaging effects on the security of the unemployed. Unemployment insurance brings security to an unemployed worker only if he can get his benefits promptly while he is unemployed, but if the amendment prevails, hundreds or thousands of workers can be deprived of benefits while an interpretation of the State law which is being generally applied, in violation of Federal requirements, is winding its slow way through administrative appeals and several court reviews. It is no security to the worker that maybe after several years it will be found that he was always entitled to benefits.

As national legislators, we have the responsibility for assuring that a strong employment security system is built up throughout the Nation. An adequate system of unemployment benefits can be one of the greatest bulwarks we can build against communism. Labor is already strongly dissatisfied with the restrictive disqualification provisions and inadequate benefits being provided under many State unemployment insurance laws. The unemployed are particularly vulnerable to radical propaganda when they cannot get the wherewithal to provide food for themselves and their families. If the Federal Government ties its own hands so that it is helpless to maintain the present limited Federal standards, let alone to improve the unemployment insurance system, the deterioration in State unemployment insurance protection which may follow will play into the hands of the agitators against our democratic system. A national emergency, such as exists today, when we are facing a fight for the preservation of our democracy, is no time to permit an undermining of one of the greatest bulwarks that we have in unemployment insurance against unrest. Those in our population, who, without unemployment benefits, would face privation and extreme hardship must be protected.

CONCLUSION

In conclusion, Mr. Speaker, H. R. 6000, as passed by the House of Representatives, is a great piece of social legislation. The amendments made in the other body which I have described are so serious, in my opinion, that the House should insist that they be rejected. On balance, since one of the amendments strikes out one of the most important provisions of the bill and the other would cripple the Federal-State system of unemployment insurance, it would be difficult for me to believe that H. R. 6000 under the conference agreement represents the majority opinion of the Eighty-first Congress as to needed improvements toward a better Federal social-security system. For that reason, at the proper time I shall support a motion that the conference report on H. R. 6000 be recommitted with instructions to the House conferees to reject the Senate amendments that I have described. If recommitted the conferees can get together and quickly adjust differences. There is no question in my mind but what this bill, if recommitted and perfected, will be enacted into law. I cannot conceive of the conferees allowing this important bill to die in conference.

It would be a terrible responsibility for the conferees of both branches to take.

EXTENSION OF REMARKS

Mr. JACKSON of Washington (at the request of Mr. MANSFIELD) was given permission to extend his remarks.

Mr. MANSFIELD asked and was given permission to extend his remarks and include an editorial from the Chattanooga Times.

Mr. ALLEN of California (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks and include a newspaper article.

Mr. HARVEY (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks and include an editorial.

Mr. WEICHEL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks and include an editorial.

Mr. JONES of Missouri and Mr. DAVENPORT asked and were given permission to extend their remarks, each to include a newspaper article.

Mr. WOLVERTON asked and was given permission to extend his remarks.

Mr. REES asked and was given permission to extend his remarks and include an editorial from a magazine.

Mr. BUCHANAN asked and was given permission to extend his remarks and include an editorial.

Mr. HAYS of Arkansas. Mr. Speaker, in the Committee of the Whole today I made reference to a table that had been prepared by the able staff of the Committee on Banking and Currency showing the differences between the bill under consideration, H. R. 9176, the Kunkel amendment, the Spence amendment, and the Deane amendment. I ask unanimous consent to extend at the appropriate place in the RECORD this table showing the differences between the amendments under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BURKE, for Wednesday, August 2, on account of official business.

To Mr. DONDERO, for 1 day, on account of death in the family.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1293. An act for the relief of the Franco-Italian Packing Co.;

H. R. 5074. An act to promote the national defense by authorizing specifically certain functions of the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, and for other purposes;

H. R. 6533. An act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes;

H. R. 7695. An act to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force; and

H. R. 8909. An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 4. An act authorizing the advanced training in aeronautics of technical personnel of the Civil Aeronautics Administration;

S. 2655. An act for the relief of Mrs. Evelyn M. Hryniak;

S. 3380. An act to amend the act of August 9, 1939, to redefine the term "contraband article" with respect to narcotic drugs, and for other purposes; and

S. 3520. An act to strengthen the common defense by providing for the continuation and expansion of Western Hemisphere production of abacá by the United States.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 157. An act authorizing the Attorney General of the United States to recognize and to award to outstanding courageous young Americans a medal for heroism known as the Young American Medal for Bravery, and for other purposes;

H. R. 1991. An act for the relief of Alexander Stewart;

H. R. 2225. An act for the relief of William B. Bond;

H. R. 3464. An act to record the lawful admission for permanent residence of alien John Michael Ancker Rasmussen;

H. R. 3805. An act for the relief of Yuk Onn Won;

H. R. 4188. An act for the relief of Dr. Ferdinando Schiappa;

H. R. 4528. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Louis J. Marx;

H. R. 4628. An act for the relief of John G. Essenberg;

H. R. 4806. An act for the relief of Dr. Francesco Drago;

H. R. 4942. An act to regulate the collection and disbursement of moneys realized from leases made by the Seneca Nation of Indians of New York, and for other purposes;

H. R. 5016. An act for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati;

H. R. 5566. An act for the relief of Dr. Agostino DeLisi;

H. R. 6066. An act for the relief of Cheng Sick Yuen;

H. R. 6173. An act for the relief of Sun Yip Chin and Chung Lum (Lum Chung);

H. R. 6225. An act for the relief of Mrs. Aimee Hoyningen-Huene;

H. R. 6363. An act conferring jurisdiction on the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.;

H. R. 6458. An act for the relief of Maj. Roy E. Bevel;

H. R. 6461. An act for the relief of Jirina Zizkovsky;

H. R. 6505. An act to legalize the entry of Mrs. David Munson Osborne (nee Janet Mary Tole), a native of New Zealand;

H. R. 7071. An act for the relief of Mrs. Masa Iyoki;

H. R. 7228. An act for the relief of Kazuko Kamada;

H. R. 7764. An act to authorize the construction of modern naval vessels, and for other purposes;

H. R. 7812. A act for the relief of Martha Aporta Strickland;

H. R. 8117. An act for the relief of Yoshiko Emory;

H. R. 8139. An act to authorize the attendance of the United States Marine Band at the annual reunion of the United Confederate Veterans to be held in Biloxi, Miss., September 27, through September 30, 1950;

H. R. 8245. An act for the relief of Dr. Alessandro Rizzo;

H. R. 8440. An act for the relief of Noae Kawashima;

H. R. 8655. An act for the relief of Toshiko Kikyo and Francis Kikyo; and

H. R. 9178. An act to suspend restrictions on the authorized personnel strength of the Armed Forces, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, August 3, 1950, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1614. A letter from the Secretary of Commerce, transmitting the quarterly report of the Maritime Administration of this Department on the activities and transactions of the Administration and the former United States Maritime Commission under the Merchant Ship Sales Act of 1946 from April 1 through June 30, 1950, in accordance with section 13 of that act; to the Committee on Merchant Marine and Fisheries.

1615. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated June 1, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Fairport Harbor, Ohio, with a view to shore protection, authorized by the River and Harbor Act approved on July 24, 1946; to the Committee on Public Works.

1616. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated June 20, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Leland Harbor, Mich., with a view to shore protection, authorized by the River and Harbor Act approved on July 24, 1946; to the Committee on Public Works.

1617. A letter from the Acting Chairman, Commission on Renovation of the Executive Mansion, transmitting the second report on the progress of the work on the renovation of the Executive Mansion, for the period from August 3, 1949, to June 30, 1950, pursuant to section 2 (h) of Public Law 40, Eighty-first Congress; to the Committee on Public Works.

1618. A letter from the Administrator, General Services Administration, transmit-

ting the second report providing specified information covering contracts negotiated for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test, pursuant to section 302 (c) (10), Public Law 152, Eighty-first Congress; to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILES: Committee on Public Lands. S. 3584. An act to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes"; without amendment (Rept. No. 2780). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. S. 3875. An act to amend section 9 of the Central Intelligence Agency Act of 1949; without amendment (Rept. No. 2781). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SHORT: Committee on Armed Services. S. 3446. An act to authorize the restoration of Edwin M. Rosenberg, lieutenant commander, retired, to the active list of the United States Navy; without amendment (Rept. No. 2772). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. S. 815. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Crow Creek Indian Agency, S. Dak.; with amendment (Rept. No. 2773). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. S. 816. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Reservation, S. Dak.; with amendment (Rept. No. 2774). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. S. 1064. An act to authorize the sale of land allotted to Mrs. Iris Huebner Marak on the Pine Ridge Reservation, S. Dak.; with amendment (Rept. No. 2775). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. S. 1222. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Agency, S. Dak.; without amendment (Rept. No. 2776). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. S. 1426. An act to authorize the sale of lands allotted to James Brown on the Crow Reservation, Mont.; without amendment (Rept. No. 2777). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. S. 1457. An act to authorize the sale of lands allotted to George C. Estes on the Lower Brule Indian Reservation, S. Dak.; with amendment (Rept. No. 2778). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. S. 3129. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Rosebud Indian Agency, S. Dak.; without amendment (Rept. No. 2779). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS of Delaware:

H. R. 9303. A bill to increase from $10,000 to $20,000 the maximum amount of Government life insurance which may be granted to persons now or hereafter in active service in the Armed Forces; to the Committee on Veterans' Affairs.

By Mr. CLEMENTE:

H. R. 9304. A bill to prevent the suppression of inventions; to the Committee on the Judiciary.

By Mr. LEONARD W. HALL:

H. R. 9305. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the separation of subsidies from airmail pay, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WALTER:

H. R. 9306. A bill to amend sections 1331 and 1332 of title 28, United States Code, relating to amount in controversy; to the Committee on the Judiciary.

By Mr. COX:

H. R. 9307. A bill to amend title 18 of the United States Code so as to outlaw the Communist Party by making unlawful membership therein or affiliation therewith; to the Committee on the Judiciary.

By Mr. KUNKEL:

H. R. 9308. A bill to protect the national safety and security from the consequences of price and credit inflation, to facilitate the production of goods and services necessary for the national defense, and for other purposes; to the Committee on Banking and Currency.

By Mr. MORRISON:

H. R. 9309. A bill relating to the classification of registration officers in the Veterans' Administration; to the Committee on Post Office and Civil Service.

By Mr. WALTER:

H. R. 9310. A bill to amend the Foreign Agents Registration Act of 1938, as amended; to the Committee on the Judiciary.

By Mr. SAYLOR:

H. R. 9311. A bill to amend the Selective Service Act of 1948, as amended, and for other purposes; to the Committee on Armed Services.

By Mr. HAVENNER:

H. R. 9312. A bill to grant succession to the War Damage Corporation; to the Committee on Banking and Currency.

By Mr. GRANGER:

H. R. 9313. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. SPENCE:

H. R. 9314. A bill to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, provide for price and wage stabilization, provide for the settlement of labor disputes, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes; to the Committee on Banking and Currency.

By Mr. EDWIN ARTHUR HALL:

H. Res. 745. Resolution to provide equality of opportunity and freedom of expression for all candidates for public office in public print and radio speech making; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCHANAN:

H. R. 9315. A bill for the relief of Raymond C. Sowko; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 9316. A bill to authorize the appointment of Nathaniel M. Havenick as a permanent major in the Regular Army; to the Committee on Armed Services.

By Mr. WALSH:

H. R. 9317. A bill for the relief of Wanda R. Barnett; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred, as follows:

2300. By Mr. PLUMLEY: Resolutions of Newfane Grange, No. 299, Newfane, Vt.; Taconic Grange, No. 491, South Shaftsbury, Vt.; Green Mountain Grange, No. 1, St. Johnsbury Center, Vt.; Cold Spring Grange, Wells, Vt.; and Rutland Valley Grange, No. 314, Rutland, Vt., all in opposition to any form of compulsory health insurance or any system of political medicine; to the Committee on Interstate and Foreign Commerce.

2301. Also, resolutions of Middlebury Grange No. 315; West Burke Grange, No. 475; Prosperity Grange, No. 528, Benson, Vt., all in opposition to any form of compulsory health insurance or any system of political medicine; to the Committee on Interstate and Foreign Commerce.

2302. By the SPEAKER: Petition of Miss Frances B. Turner, secretary, Associated Townsend Clubs and Senior Citizens of Dade County, Miami, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

2303. Also, petition of Mrs. E. L. Shadoin, secretary, Sanford Townsend Club, No. 1, Sanford, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

2304. Also, petition of B. W. Kellogg, secretary, St. Cloud Townsend Club, No. 1, St. Cloud, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

2305. Also, petition of H. C. Curtis, secretary, West Palm Beach Townsend Club, No. 1, West Palm Beach, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

2306. By Mr. CANFIELD: Petition of citizens of Passaic, N. J., and vicinity, urging that the recommendations of the bipartisan Hoover Commission be put into effect; to the Committee on Expenditures in the Executive Departments.

2307. Also, resolution of American Housewives Organized, Inc., urging legislation to prevent black-market conditions and wartime profiteering; to the Committee on Banking and Currency.

SENATE

THURSDAY, AUGUST 3, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Be to us, O God, the guiding light of this day, that with wisdom and insight we may be able to competently match its responsibilities. May our faith look up to Thee; our hearts put their trust in Thee; and our souls be flooded with the power of Thy presence. Give unto us, we beseech Thee, the motive of the day; a complete willingness to serve Thee as we seek the best ends for our fellow men. Let us be radiant diffusers of confidence by every act and service we perform, that men may see, in these days of insecurity, our faith in Him who does not change. Amen.

THE JOURNAL

On request of Mr. MAGNUSON, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 2, 1950, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

ENROLLED BILLS SIGNED

The VICE PRESIDENT announced that on today, August 3, 1950, he signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 4. An act authorizing the advanced training in aeronautics of technical personnel of the Civil Aeronautics Administration;

S. 2655. An act for the relief of Mrs. Evelyn M. Hryniak;

S. 3380. An act to amend the act of August 9, 1939, to redefine the term "contraband article" with respect to narcotic drugs, and for other purposes;

S. 3520. An act to strengthen the common defense by providing for the continuation and expansion of Western Hemisphere production of abacá by the United States;

H. R. 1293. An act for the relief of the Franco-Italian Packing Co.;

H. R. 5074. An act to promote the national defense by authorizing specifically certain functions of the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, and for other purposes;

H. R. 6533. An act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes;

H. R. 7695. An act to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force; and

H. R. 8909. An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes.

LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate today and tomorrow.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. MAGNUSON. Mr. President, I call up the amendments relating to the National Institutes of Health, offered by myself and a number of other Senators to the pending bill.

The VICE PRESIDENT. The amendments will be stated.

The amendments offered by Mr. MAGNUSON, for himself, Mr. BENTON, Mr. GRAHAM, Mr. GREEN, Mr. HUMPHREY, Mr. IVES, Mr. LANGER, Mr. LEHMAN, Mr. PEPPER, Mr. MURRAY, Mr. NEELY, Mr. THOMAS of Oklahoma, Mr. THOMAS of Utah, Mr. SPARKMAN, Mr. AIKEN, Mr. KERR, Mr. DOWNEY, Mr. KILGORE, Mr. HUNT, Mr. MORSE, Mr. CHAPMAN, Mr. MYERS, Mr. JOHNSTON of South Carolina, Mr. MAYBANK, Mr. MCFARLAND, and Mr. LEAHY, were read by the legislative clerk, as follows:

On page 149, line 24, strike out "$15,750,000" and insert in lieu thereof "$79,750,000."

On page 150, line 10, change the period to a colon and add the following: *"Provided,* That funds shall be transferred to the appropriations 'National Cancer Institute', 'Mental Health Activities', 'National Heart Institute', and 'Dental Health Activities' in the amounts of $17,000,000, $16,000,000, $28,000,000, and $3,000,000, respectively, and amounts so transferred shall be available for the objects specified herein under these heads and for grants for drawing plans, erection of buildings and acquisition of land therefor to provide facilities for research, and, with respect to dental health activities, for plans, specifications, construction and equipment of a research building and facilities for the National Institute of Dental Research."

Mr. WHERRY. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. WHERRY. Does not the Senator feel, inasmuch as we are about to start debate on these very important amendments, that there should be a quorum call?

Mr. MAGNUSON. I will appreciate a quorum being called.

Mr. WHERRY. I suggest the absence of a quorum, the time taken by the quorum call to be charged to both sides, if that is agreeable.

Mr. MAGNUSON. That is agreeable.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Darby	Graham
Anderson	Donnell	Green
Brewster	Douglas	Gurney
Bricker	Dworshak	Hayden
Bridges	Eastland	Hendrickson
Butler	Ecton	Hickenlooper
Byrd	Ellender	Hill
Capehart	Ferguson	Hoey
Chapman	Flanders	Holland
Chavez	Fulbright	Humphrey
Connally	George	Hunt
Cordon	Gillette	Ives
Johnson, Colo.	McKellar	Saltonstall
Johnson, Tex.	McMahon	Schoeppel
Johnston, S. C.	Magnuson	Smith, Maine
Kem	Malone	Smith, N. J.
Kerr	Martin	Sparkman
Kilgore	Maybank	Stennis
Knowland	Millikin	Taft
Langer	Morse	Thomas, Okla.
Leahy	Mundt	Thomas, Utah
Lehman	Murray	Thye
Lodge	Myers	Tydings
Lucas	Neely	Watkins
McCarran	O'Mahoney	Wherry
McCarthy	Pepper	Wiley
McClellan	Robertson	Williams
McFarland	Russell	Young

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Delaware [Mr. FREAR], and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONOR] is absent on official committee business.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

Mr. MAGNUSON. Mr. President, in calling up the amendment relating to the National Institutes of Health, I do so of course with the full understanding that it seeks an increase for four categories of national health, namely, cancer, heart disease, mental illness, and dental care. It calls for an increase of $64,000,000 in the amount provided by the committee for these four items. I fully appreciate the fact that in these days, with the background of war, the question of nonessential spending and essential spending becomes a very important matter for Congress to consider. Should I believe for one moment—and I am sure it can be said of the other sponsors of the amendment—that this amendment was in the category of nonessential spending I would not be so insistent on bringing the amendment to the floor. Careful perusal of the situation regarding national health, particularly these four great elements of national health, have convinced us that despite the fact that we are at war the subject falls into the category of the most essential type of spending. It is for that reason and for the specific reasons which we hope to set forth in the RECORD today, that we are asking for the increase and we hope to convince those who may not have had the facts at their disposal that this should be done.

The amendment, Mr. President, is sponsored by myself, the Senator from Connecticut [Mr. BENTON], the Senator from North Carolina [Mr. GRAHAM], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota

[Mr. HUMPHREY], the senior Senator from New York [Mr. IVES], the Senator from North Dakota [Mr. LANGER], the junior Senator from New York [Mr. LEHMAN], the Senator from Florida [Mr. PEPPER], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Oklahoma [Mr. THOMAS], the Senator from Utah [Mr. THOMAS], the Senator from Alabama [Mr. SPARKMAN], the Senator from Vermont [Mr. AIKEN], the Senator from Oklahoma [Mr. KERR], the Senator from California [Mr. DOWNEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Wyoming [Mr. HUNT], the Senator from Oregon [Mr. MORSE], the Senator from Kentucky [Mr. CHAPMAN] the Senator from Pennsylvania [Mr. MYERS], the Senator from South Carolina [Mr. JOHNSTON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Rhode Island [Mr. LEAHY]. Several other Senators, who had been apprised of the background of the facts concerning this very important problem, have come to the sponsors since the printing of the amendment and have likewise associated themselves with the amendment. Altogether, therefore, probably at least one-half of the membership of the Senate is actively in support of the amendment. That situation came about only after a considerable amount of deliberation and many conferences and communications from those who are prominent in the so-called research field of these four great subjects.

Mr. President, the proposed increase of $64,000,000, of course, would be a part of the appropriation for the Public Health Service. We offer the amendment in order to accelerate the fight, at this vital time, against three of the greatest cripplers of our age—cancer, mental illness, and heart disease. The very important subject of dental care has been added in a smaller degree to the $64,000,000 proposal. I know of nothing which has attracted the attention of the scientific world so much as these three subjects. Most of us have conferred, not on one but on many occasions, with the authorities in the fields of cancer, health, and mental disease.

It is the considered opinion of authorities in the health field that the appropriations now incorporated in the bill are not enough to carry out the intensive research needed to cut the enormous toll now exacted by these devastating cripplers, which bear names that are bywords not only in the medical and scientific world of America, but in the average home.

The strongest pillar of our great democracy, in peace as well as in war, is the physical and mental health and well-being of our 150,000,000 citizens. In the effort to preserve the freedom and integrity of the peoples of the world against totalitarian domination, we must go into the battle with heads clear, hearts strong, and bodies unfettered by diseases which sap our strength and will to win. To achieve this, we must intensify our drive to ferret out the fifth columnist of disease before they are permitted to exact their deadly price. The Hoover Commission has pointed out the absolute need for a high level of continuing medical research in war and in peace.

Of course, the Hoover Commission's main objective was to economize and to cut such Federal spending as was possible, but in this one field they suggested that we not only continue the high level of last year, but that we intensify the fight against these three cripplers of American health.

Mr. President, I am convinced that more money for research now will save this Nation millions of dollars in the years to come. To those who would pursue a penny-wise-and-pound-foolish policy, closing their eyes to the long-range gains of this program, I say, "You may not only lose your pennies, but the very heritage of democracy itself. Our best exhibit of our democratic experiment lies, not in talking about human welfare, but in continually practicing it."

Our relentless and humane fight to save thousands upon thousands of Americans every year from death at the hands of these chronic killers is the most accurate barometer I know of our real concept of human values. It is our firm answer to the totalitarianisms which hold tha the individual is insignificant, particularly the weak and the sick.

Only last month the Committee on Economic Development, in its report on how to raise real wages, paid tremendous tribute to the work of medical research. In the last several generations medical research has increased our industrial output by vastly improving the health of our labor force. I wish to point out, Mr. President, that it is the basic strength of our industrial and farm production system, convertible to a smashing war machine, that is the bulwark of the Western World.

I should like to talk for a moment about the savings in medical care expenditures that arise from medical research.

Consider what has happened in the mortality rate and to costs of medical care of those suffering from infectious diseases, where the greatest strides in medical research have been made over the past decades. I quote these figures from the Hoover Commission report, to show what can be done by spending sufficient amounts of money for research, to show what it will save in the long run.

Diphtheria: 50,000 more people would have died in 1947 if the mortality rates of the year 1900 had not been cut through research. Medical care costs for this disease were cut from $30,000,000 to $600,000.

That indicates a saving of more than $29,000,000, on an outlay for research involving probably not in excess of $5,000,000, to be spent in industrial output.

Typhoid: 40,000 lives saved in 1947 as a result of the decline in typhoid mortality since 1900. The cost of the disease was cut from $45,000,000 to $800,000.

In that case there was a saving of more than $44,000,000, with an outlay for research of less than $5,000,000. The results in the treatment of these two diseases alone saved almost $75,000,000 a year in either private expenditures or tax expenditures for medical care. This saving goes on year after year.

At this point I wish to state some facts which I think should be brought now to the attention of the United States Senate.

Cancer alone is the number two killer of our people. One out of every eight persons who died in 1947 died of cancer. Nineteen million thirty-eight thousand and five hundred persons now alive will die of cancer, unless new treatments and cures are found. I repeat that statement: More than 19,000,000—almost 20,000,000 of our people—will die of cancer unless new cures are developed as a result of further research.

One hundred eighty-nine thousand eight hundred and eleven persons died of cancer in 1947, or one out of every eight deaths.

In 1937 it was estimated that 930,000 persons were suffering from cancer and other tumors. There was an alarming increase in the following 10 years. At least 555,000 persons are presently under treatment for cancer. Approximately 325,000 new cases of cancer are diagnosed each year. If the present alarming rate continues, one out of every five persons now alive in the United States will have cancer at some time.

Mr. President, I might even bring those figures home to the Senate in a very direct way, by saying that if we use that ratio, we find that there are 12 Members of the United States Senate who are going to have cancer, and there are eight Members of the United States Senate who have cancer and do not know it. That shows how alarming the situation is becoming and how important research is, and how necessary it is that research be supported in an adequate way.

Mr. President, much of the money we are requesting will be used for bricks and mortar, to provide the buildings which are necessary for the fine scientists and medical men who are engaging in the research. Today there are only 1,834 special cancer beds available in both private and public hospitals in the United States, for an estimated 555,000 patients under treatment for cancer.

One purpose of the amendment, of course, is to help by way of grants in aid to hospitals which specialize in cancer treatment. In contrast with the amount of assistance being given them, we find that 81,328 special beds are available for tuberculosis patients. Tuberculosis killed 48,064 persons in 1947, whereas cancer killed 188,811. We do not object to the provision of beds for tuberculosis patients, but I am calling attention to these figures to show the disparity between what is being done in the case of one great disease, which we have almost conquered now, because we have spent considerable money for research, and what is being done to combat this other great killer. Of course it

is true that heart disease is the number one killer in the country.

Mr. President, in view of the alarming increase of cancer cases, there is need for a cancer clinic for at least every 100,000 persons of our population. Probably we cannot achieve that goal immediately, but certainly the funds requested by means of this amendment will go a long way toward meeting that need.

Let me present some other figures. Nearly four times as many persons died from cancer as died from tuberculosis in 1948. Nearly 330 times as many persons died from cancer in 1948 as died from infantile paralysis in the same year; yet we provide and spend approximately 10 times as much money in connection with infantile paralysis as we do in connection with cancer. Certainly I think we should provide adequate funds in both cases.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. NEELY. Does the Senator from Washington know that during the past 24 hours cancer has killed more than five times as many persons in the United States as have been killed by our enemies in Korea since the 24th day of June?

Mr. President, in my opinion, it is unfortunate that all Senators are not present to hear the very important speech of the Senator from Washington.

Mr. MAGNUSON. I thank the Senator from West Virginia for his observation. I can also state for the RECORD—and I hope Senators will read it; it is in connection with the suggestion the Senator from West Virginia has made—that nearly 2½ times as many persons died from cancer during World War II as were killed in the entire war in our Armed Forces.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. NEELY. It cost the American people more than $221,000,000 a day to fight that war against the Germans, Japanese, Fascists, and their allies. During that bloody conflict 273,000 American boys were killed by our enemies. Contemporaneously cancer killed 501,019 of the American people. For the entire war period our total appropriations for defense against cancer were less than an eighth of 1 day's cost of carrying on our military operations against the Axis powers.

Mr. MAGNUSON. I thank the distinguished Senator from West Virginia for his contribution. Of course, the more closely we examine the figures regarding the great fifth-column killers of the American people, from the point of view of health, the more startling the figures become. The same is true in the case of the statistics relating to the beds and other facilities available to take care of such patients.

Mr. President, I wish to say here that in the case of cancer, for instance, there is considerable feeling among the American people that cancer is something we cannot combat. However, the scientists and the medical men have many leads toward a solution of the problem. I look for it to be solved, for "the case to break," almost any time now; it would not surprise me to have the solution found very soon. There is now available a simple test by which to detect cancer in certain types of cases. However, most of the American people have the feeling that cancer is something like leprosy—in short, that it is a disease which cannot be cured, or that it is infectious or contagious. Mr. President, cancer is neither infectious nor contagious. It is merely a cell which has decided not to conform; and then it reproduces and forms other similar cells, and causes growths in the body, which wreck the health of the patient and finally kill him. Whenever the diseases affects a patient's organs, is the most painful of all diseases, because of the pressure of the growth of the cancer cells.

For instance, there are cells in our eyes. For generation after generation those cells conform with the processes and the work of the cells pertaining to sight. In the same way, we have cells in our kidneys. Cancer is merely the situation which develops when one of the cells in the organs of the body or sometimes a cell on the surface of the skin decides not to do the work that the other cells have been doing. It goes wild, to use that term, and as it goes wild it reproduces and causes destructive growths. I have held cancer in my hand, gobs of it. Dr. Little, in Bar Harbor, makes it, and he says if he wanted to develop it it would grow until it became as large as the Senate Chamber. That is all it is. It is not a contagious disease. It is not infectious. It is merely life itself. It is what the cell is.

Research in cancer goes completely into the realm of atomic energy, which also deals with life. We have gone a long way, and one of the real reasons why we have to deal with many scientists and medical people in this matter is because there is no one building, no one structure in which all the research can be conducted. The fellow at the University of Minnesota does one thing, the fellow at Columbia does another. Dr. Little, in Bar Harbor, does another. The correlation, through the National Cancer Institute, which, with the Senator from West Virginia [Mr. NEELY], I had the honor of helping to establish many years ago, when I was in the House and when he was in the Senate, is necessary in this field. The activities must all be correlated. When a cut is made—and I refer to a flat cut—in research work in heart disease, cancer, and mental illness, which is a newer field, taking scores of American lives, it is pretty hard to know which segment to cut out. It is somewhat like a centipede. If you determine to cut off 10 or 15 of its legs, you do not know just which leg you are going to cut off, because they are all correlated. As I shall later point out, in the next 10 years, if this research can be continued adequately, the saving in monetary value as compared to the expenditure will amount to 20, 50, or perhaps 100 times over, let alone the saving in the lives of Americans.

That is why we propose this amendment. It is not to add new money. It is not to give too much for these projects. I remember last year we added a little too much to the appropriation for the Health Institute. The private agencies, such as the Cancer Society and the American Heart Institute met with us and said, "We have a program, and this is all the money we can use." So we cut out a great deal of the money which the House added to the bill. But this year, in meeting with these people, the Senators who are sponsoring this amendment having met both with the research people and representatives of the private agencies, we found that we had given too little to carry to this over-all program, and they are fearful that a cut might eliminate an important segment, which would result in their inability to continue the over-all research.

The Senator from West Virginia has presented some interesting figures as to costs, and, following his suggestion, I should like to refer to the inconsistency of voting billions of dollars for medical care, as we do in this country, and not paying enough attention, as we should, to medical research and training. I am not talking about health insurance or any of the proposed new legislation. I refer solely to the load carried because of groups entitled to medical care under existing legislation. I may mention the medical-care load of the Veterans' Administration, alone. In the fiscal year of 1949 the taxpayers bore the cost of 17,000,000 patient-days for veterans with mental disorders. The cost was $118,000,000, $14,000,000 higher than in the fiscal year 1948. The Veterans' Administration tells me that the cost is steadily going up. In the case of the veterans alone, because we have had an utter and complete lack of research in mental disease insofar as the correlation of things that should be done, and stopping the thing when it begins, it is costing us millions of dollars more than it should.

I desire to refer to the Hoover Commission report. The Commission was looking for ways to economize in the Government. In this field it said, "Do not economize, because economy will only lead to greater costs in the future." I quote the Hoover Commission's task force report on Federal medical services:

> In 1948, over 85 percent of the Federal medical expenditures * * * was for medical service—that is, the care of established disease among the Government's particular beneficiaries. Only * * * 3.9 percent was spent for research. * * * Increases in expenditure for medical care are outstripping relatively those for research. The reverse should be the case.

In the mental-health field alone, Federal expenditures would drop by at least $12,000,000 a year if research could reduce the incidence of mental disorders by only 10 percent. We are asking for less than that for mental diseases. There is an example of the fact that if we could reduce the incidence of the disease by

10 percent, we would save the amount we are now asking for.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Minnesota?

Mr. MAGNUSON. I yield.

Mr. HUMPHREY. I wonder whether the Senator from Washington knows that, of the total Federal health budget, 40 percent goes for medical care.

Mr. MAGNUSON. That is correct.

Mr. HUMPHREY. I wonder, too, whether the Senator from Washington is aware of some of the reports made recently by the Navy, the Army, and the Air Force, on the matter of the care of mental patients and the rejection of men in the armed services, or their dismissal because of mental illness? I wrote the Secretary

Mr. MAGNUSON. I do not have those figures, but I am sure the Senator from Minnesota will supply them in the course of this debate. But I do know, and the Senator from Minnesota, I am sure, is aware that the Veterans' Administration advises me that it is alarming the way mental diseases are increasing.

Mr. HUMPHREY. For example, in the Department of the Navy, of the total number of men rejected, 12,843 were rejected because of mental diseases. In the Department of the Air Force, 43,000 were rejected. Needless to say, in the Army, the figures were almost unbelievable. For example, the total number of rejections in the Army, which I shall place in the RECORD, ran I think somewhere around 200,000 or 300,000, all of which indicates the tremendous waste of manpower and the tremendous cost, as the Veterans' Administration points out. Neuropsychiatric hospitals are the greatest need of the time.

Mr. MAGNUSON. I appreciate that.

Mr. LEHMAN rose.

Mr. MAGNUSON. I desire to yield to the Senator from New York, who has had great experience in this particular field, but before doing so, I want to repeat that the Hoover Commission which is looking into every nook and cranny of the Federal Government for ways of bringing about economy nevertheless says that "increases in expenditure for medical care are outstripping relatively those for research. The reverse should be the case."

Mr. President, listen to this: In the mental health field alone, Federal expenditures would drop by at least $12,000,000 a year if research could reduce the incidence of mental disorders by only 10 percent.

I now yield to the Senator from New York.

Mr. LEHMAN. I wonder whether the Senator realizes that we have today less than 5,000 trained psychiatrists, whereas there is need for more than 15,000. I also wonder whether the Senator further realizes that in the State hospitals for the mentally ill alone, more than six times as many trained psychiatrists are needed than are now available.

Mr. MAGNUSON. I know that those figures are correct. It is alarming when one digs into the situation.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. LEHMAN. I also wonder whether the Senator realizes that of the draftees who were examined in World War II, more than one-sixth were rejected because of psychoneurotic disorders.

Mr. MAGNUSON. I appreciate those figures. The Senator has had vast experience, as the able Governor of New York, with this problem. I have just quoted from the report of the Hoover Commission's task force on Federal medical services, but in this area the burden falls even more heavily on the States, which spend more than $350,000,000 a year for the care of mental patients alone; and even $350,000,000 is entirely inadequate, as the Senator knows.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HUMPHREY. I should merely like to supplement the Senator's remarks regarding the Hoover Commission. I have a report from the Commission which states that by 1975, if research and training are not rapidly stepped up in the field of mental health, we shall need an additional 155,000 veterans' mental hospital beds instead of the present 45,000. Even more alarming is the fact that while 52 percent of the veterans' hospital beds are now used for mental cases—at this time the percentage of mental patients is 52—by 1975 the proportion will reach 75 percent of all patients. The cost of neuropsychiatric veterans' hospitals will rise from $125,000,000 a year, as at present, to $375,000,000, by 1975, and—mark this—the cost of construction for the additional hospital beds to take care of sick people will amount to $2,200,000,000 by 1975 on the basis of present prices. So it is possible to see that if we are only going to build beds for these patients, we are simply going to bankrupt ourselves to be able to take care of them. The need is for research and training, and for the facilities needed to correct this dread disease.

Mr. MAGNUSON. The Federal Government itself under present laws spends well over $3,000,000,000 for direct grants and care for these three diseases alone. The Hoover Commission and all recognized scientists and medical men agree that increased medical research expenditures will necessarily reduce the great Federal and State expenditures, which are now reaching a breaking point, to the extent that what we spend here will be worth 50 or 100 times more in years to come.

Mr. HUMPHREY. There have been plenty of examples of what research can do in the field of malaria, typhoid fever, tuberculosis, and diphtheria. All those diseases involve practically the same problems. By a concentration of effort and by the use of competent scientific personnel we have been able to reduce the costs tremendously, because we not only take care of the sick, but practice preventive medicine.

Mr. MAGNUSON. The care of the patients and the over-all strain on the national economy reduce manpower and productivity in connection with the other things we need.

Mr. President, I know we all recognize what these startling figures mean. The saving in industrial production alone has been worth 40 times over what has been expended in research in typhoid, resulting in the saving of lives. We know that medical research can save money and that it will produce results in the major critical diseases. The figures of current and projected medical care costs are not open to any argument. Increased medical research expenditures will reduce Federal and State expenditures. But, quite apart from the economy of the expanded medical research, we are faced with a basic decision as to how the nation's resources can best be deployed in these critical times. Of course, the Korean situation will not be resolved in a month or two. Does any Senator in this Chamber believe that Korea will be our last war effort? We must not be misled into ignoring the underlying well springs of our total national strength.

One of these fundamental sources of national strength is research, and high on the list is medical research.

Basic medical research is one factor of national security that should be immediately expanded. What we do now to train advanced medical research investigators, to provide them with adequate facilities and with adequate equipment, will determine our strength in medical research not only next year, but for the years ahead.

Here is what Dr. Vannevar Bush, the chief of our splendid wartime research organization and advocate of the National Science Foundation, has to say in his recent book, Modern Arms and Free Men:

> For all its horror there were bright spots in the last war, and the brightest was the record of the medical men and those in the allied sciences who supported them. With sulfa drugs, penicillin, blood plasma, and advanced surgery, the mortality among the wounded was brought so low that the chances of survival of the wounded man who reached a front-line dressing station was extraordinarily high.

I may say, Mr. President, that the appropriation is even more important in that respect. Strangely enough, as to all other nations which either engaged with us in war or against us in war, when they draft men they are quite selective about it. No Russian scientist ever saw the front lines. As a matter of fact, the Russian scientists were given special treatment; they were placed on a pedestal, so to speak, and they were given extra rations, extra money, and extra privileges. But this Nation, typical of a democracy, drafted young men unless they were in the very advanced stages of medical school. A young man who might

have had some scientific bent, or who intended to be a doctor, a research worker, or a psychiatrist, was taken in the draft like all the other boys. We were not going to make any exception for Johnny. The result was that for five long years we had a complete dearth of trained scientists and of trained basic research people.

At this time there is a great shortage of doctors and dentists in this country. There was a period of almost 7 years during which the output from American institutions of research experts and active practitioners of medicine was almost nil. So we have 7 years to catch up. I am told that in the great research fields, such as are occupied by du Pont and the General Electric Co., it is very difficult to find sufficient men who have been basically trained in research.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CHAVEZ. Agreeing with everything which the Senator from Washington has stated, as a practical proposition, following the statement he has just made of the difficulty in trying to get young men to take up research, and realizing the acuteness of the shortage of doctors even for war purposes, could we, as a practical proposition, go ahead now and get young men to engage in work in this field?

Mr. MAGNUSON. I agree with the Senator's point entirely. My purpose in bringing it out was not that it would have the direct result of taking care of the lack in our national life, but if research work continues and we show successes, it will have a good result. It is a strange thing that young men will attend the college which has the best football team, or they will go into something which will attract their attention, as an adventure. Here is the greatest adventure in modern history for a young man who is inclined to go into the research of cancer and of mental diseases.

Mr. CHAVEZ. I am agreeing with every statement the Senator has made as to the absolute necessity of carrying on the program which the Senator has so ably described to the Senate this morning, but we have to be realistic about the matter. I want to help him as much as I possibly can, with the full responsibility as chairman of the subcommittee, but can we, as a practical proposition, persuade young men to go into this kind of work under the circumstances? I am asking the question in the best of faith.

Mr. MAGNUSON. Yes. I can answer that question, because I think we learned a lesson in World War II. Research men are vitally concerned with the matter, because there is this great barren field of 7 years which has, I think, influenced their thinking in connection with the very distasteful task of getting American boys into war. I think we shall watch that a little more carefully. If we have sufficient funds for research, if we have the place for research, boys will naturally want to be in that field. Many of them will want to be scientists.

I do not know that I have answered the Senator's question, but I have attempted to answer it.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. NEELY. May I say a word in reply to my distinguished friend from New Mexico?

Mr. MAGNUSON. I yield.

Mr. NEELY. The answer to the question of the Senator from New Mexico is that it will not be possible to induce young men and women to enter this field of activity until Congress makes it clear that not only this year but next year and in the years to come there will be sufficient appropriations to pay them for devoting their entire time and energy to the great enterprise of reducing human suffering and saving human life.

Mr. CHAVEZ. That is correct.

Mr. NEELY. The difficulty lies in the fact that there is no assurance that the Congress will, in future years, provide sufficient funds to finance research.

Mr. CHAVEZ. That was not the evidence submitted to the Committee on Appropriations. Over and over again the complaint was made—and in part this carries out the idea of the Senator from West Virginia—of the lack of facilities for these young men. There was evidence submitted to that effect. That is why an appropriation was requested for the purpose of constructing places so that the medical schools at the universities and the clinics throughout the country would have the facilities where young people could be trained. The question I had in mind and which I suggested to the Senator from Washington was a practical one.

If everything the Senator from West Virginia has stated is correct—and I will say it is correct—would nevertheless face the stern reality that no provisions of law exist at the moment under which it is possible to say that Jim Jones, for example, at a certain State university, or Bill Smith, at another medical school, has the adaptability and the talent giving promise that he could do wonderful work in heart research. I am trying to get some information in order that I may be of some help. I want to be constructive. Basically I feel as do the Senator from Washington and the Senator from West Virginia. I know what it means. For the moment, however, I should like to know how we are to get young people to engage in this work.

Mr. MAGNUSON. I should like to suggest that we must make a start.

Mr. CHAVEZ. Of course.

Mr. MAGNUSON. We must make a start. For instance, the amendment would increase research projects on cancer. I have all the projects listed.

Mr. CHAVEZ. If we cannot take care of the matter with what the committee has allowed, how are we to take care of additional projects?

Mr. MAGNUSON. For research projects we ask for an additional $7,000,000. These projects are screened, as the Senator knows, and the screening process is really marvelous. Scientists and medical men give their services free on a revolving screening group, rotating their services at stated intervals. For example, I have before me a project at Columbia University.

Mr. CHAVEZ. There is one in Utah also.

Mr. MAGNUSON. Yes. These projects have been looked into. These are projects as to which scientists have said, "They appear to be worth while and we should go ahead with them." We are asking $7,000,000 additional for those projects. For research fellowships the appropriation would have been $250,000 extra, but I can appreciate the committee's holding that amount down because the National Science Foundation bill contains a medical research item. We are asking $9,000,000 for construction of facilities. All these plans have been justified by lay organizations and the National Health Institute.

Mr. CHAVEZ. I am sure that every one of these projects is justified. I am sure that every one has merit. I am sure that every one of them is necessary. Nevertheless, if those in charge of the program could not take care of the amount that was allowed by the committee, how are they going to take care of an additional amount?

Mr. MAGNUSON. I have here the approved projects which would have to be cut out if the present proposed appropriation stands. This is on cancer alone. We also have some figures on mental disease. We are asking only for projects which the scientists, medical men, lay organizations, the Federal Government, the National Health Institute, and Dr. Scheele, the Surgeon General, have approved.

Mr. CHAVEZ. We had complete hearings on the subject. Not only did we have complete hearings, but we had sincere and unselfish people come before us who gave the most pathetic kind of testimony. I want the Senator from Washington to understand that we heard all that evidence. We heard evidence given by fine, sympathetic people who are not interested in the selfish end of it at all. They came to us with tears in their eyes. We know what it means. We know the necessity. We know the dreadfulness of the disease of cancer. We know how it kills innocent and fine people. We know all that. However, I should like the Senator to make the record on what we can do as a practical matter.

Mr. MAGNUSON. I have before me a list of pending construction-grant applications which have been approved. They range from California to Wisconsin. This comprises the whole list. In Massachusetts for example, the list shows the Beth Israel Hospital, Harvard University, and the Jewish Memorial Hospital.

Mr. CHAVEZ. Mr. President, has the Senator read the hearings? He will find all that information in the hearings.

Mr. MAGNUSON. No. These are applications which were approved subsequent to the hearings.

Mr. President, I ask unanimous consent to place in the RECORD at this point in my remarks the list of pending construction-grant applications to which I have referred.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

National Cancer Institute, Grants and Fellowships Branch, list of pending construction-grant applications as of Feb. 1, 1950

State and institution	CC grant No.	Amount of pending request	Individual contact
California:			
University of Southern California.	7011 (S)	$550,000	Dr. B. O. Raulston.
Stanford University	772 (RS)	400,000	L. R. Chandler.
Connecticut: Yale University		750,000	Dr. Geo. B. Darling.
District of Columbia: George Washington University.	7016 (S)	400,000	Dr. Walter A. Bloedorn.
Florida: Dade County Cancer Society.		75,000	J. Gerald Lewis, president.
Illinois:			
Loyola University (Stritch)	7008 (S)	255,000	Dr. John F. Sheehan.
Michael Reese Hospital	7022	542,000	Dr. Albert Tennenbaum.
Indiana: Indiana University Medical Center.	7018	485,920	Dr. Edwin A. Lawrence.
Iowa: State University of Iowa	7021	12,250	Dr. Titus C. Evans.
Massachusetts:			
Beth Israel Hospital	1022 (R)	100,000	Dr. C. F. Wilinsky.
Harvard University		300,000	Dr. James S. Simmons.
Jewish Memorial Hospital	7020	182,500	Dr. F. Homburger.
Michigan: Wayne University	1033 (S)	465,000	Dr. David D. Henry.
North Carolina:			
University of North Carolina	979	460,950	Dr. W. R. Berryhill.
Duke University	840 (S)	1,100,000	Dr. Wilburt C. Davison.
New York:			
Mount Sinai Hospital	7002	200,000	Dr. George Baehr.
New York—Continued			
Montefiore Hospital	7004	$418,700	Dr. Daniel Lazzlo.
Do	7005	373,700	Dr. H. M. Zimmerman.
Ohio:			
Ohio State University	851 (S)	1,200,000	Dr. Chas. A. Doan.
Western Reserve University	7010 (S)	350,000	Dr. J. T. Wearn.
Oregon:			
University of Oregon Medical School.	[1] 7013	000,000	Dr. Frank B. Queen.
Pennsylvania: University of Pittsburgh.	7006 (S)	200,000	Dr. Wm. S. McEllroy.
South Carolina: Medical College of the State of South Carolina.	7017 (R)	250,000	Dr. Kenneth M. Lynch.
South Dakota: University of South Dakota School of Medicine.	7019	120,000	Dr. Donald Slaughter.
Tennessee:			
Baroness Erlanger Hospital		250,000	Dr. S. S. Marchbanks.
Vanderbilt University	7023	551,000	Dr. Howard J. Curtis.
Washington:			
University of Washington	7003	900,000	Dr. Stuart W. Lippincott.
Northwest Cancer Foundation	7009	738,000	Dr. Simeon T. Cantril.
Wisconsin: Marquette University School of Medicine.	7007	300,000	Dr. John S. Hirschboeck.
Total		12,930,020	

[1] Informal application.
(S) Requested over and above present active grant.
18 States and District of Columbia and 28 institutions represented.

Mr. MAGNUSON. Mr. President, I ask to have placed in the RECORD at this point a list of cancer research construction grants which have been approved since the beginning of the program.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Cancer research construction grants, State and institution, approved since the beginning of the program (December 1947)

Alabama: Medical College of Alabama and the Jefferson County Health Department	$47,280
California:	
University of California Medical School, San Francisco	1,000,000
University of California at Los Angeles	700,000
Los Angeles County Hospital	35,255
University of Southern California	200,000
Stanford University	100,000
Colorado: University of Colorado	400,000
Connecticut: Yale University	250,000
District of Columbia:	
George Washington University	250,000
Georgetown University Medical School	148,500
Georgia: Emory University	500,000
Illinois:	
University of Chicago	690,000
Loyola University—Stritch School of Medicine	200,000
Kansas: University of Kansas	200,000
Maine: Jackson Memorial Laboratory	350,000
Maryland: Johns Hopkins University	750,000
Massachusetts:	
Boston University School of Medicine	49,900
Massachusetts General Hospital	700,000
New England Deaconess Hospital	485,000
Tufts College Medical School	133,522
Michigan: Wayne University College of Medicine and Detroit Institute for Cancer Research	150,000
Minnesota: University of Minnesota	$879,438
Missouri:	
Washington University	700,000
St. Louis University	625,000
New York:	
Columbia University College of Physicians and Surgeons	1,000,000
Memorial Center for Cancer and Allied Diseases	250,000
New York University—Bellevue Hospital	575,000
University of Rochester	434,368
North Carolina: Duke University	200,000
Ohio:	
Ohio State University	300,000
Western Reserve University and University Hospitals of Cleveland	300,000
Oklahoma: Oklahoma Medical Research Foundation	125,000
Oregon: University of Oregon Medical School	10,000
Pennsylvania:	
Institute for Cancer Research	198,468
University of Pennsylvania	256,208
University of Pittsburgh	200,000
South Carolina: Medical College of the State of South Carolina	16,000
Tennessee:	
Meharry Medical College	50,385
University of Tennessee	491,584
Texas: University of Texas	300,000
Utah: University of Utah School of Medicine	416,404
Virginia:	
Medical College of Virginia	10,588
University of Virginia School of Medicine	75,000
Wisconsin: University of Wisconsin Medical School	975,000
Total of 25 States and the District of Columbia, 44 institutions	15,727,000

Mr. MAGNUSON. Mr. President, I ask to have printed in the RECORD at this point a list of institutions which have expressed their intention to apply, showing the heads of the institutions involved. These institutions have gone through the preliminary screening of the so-called advisory committee.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

NATIONAL CANCER INSTITUTE, GRANTS AND FELLOWSHIPS BRANCH, INSTITUTIONS WHICH HAVE EXPRESSED THEIR INTENTIONS TO APPLY AS OF FEBRUARY 1, 1950—STATE, INSTITUTION, AND INDIVIDUAL CONTACT

Alabama: Muscle Shoals Heart and Cancer Research Clinic, Mr. M. A. J. Phillips.

Arizona: Pima County Medical Society, Dr. L. Lindberg.

California: Cedars of Lebanon Hospital, College of Medical Evangelists, Mount Zion Hospital, Dr. N. B. Friedman, Dr. W. F. Norwood; Dr. G. R. Biskind.

Florida: Florida State Board of Health, Dr. R. F. Sondag.

Illinois: Brokaw Hospital, Mr. L. F. Shepard.

Indiana: University of Notre Dame, Protestant Deaconess Hospital, R. H. Sweeney, C. S. C.; Mr. A. G. Hahn.

Louisiana: Louisiana State University, Tulane University of Louisiana, Dr. William W. Frye; Dr. M. E. Lapham.

Massachusetts: Children's Medical Center, Dr. Sidney Farber.

New York: Albany Medical College, Syracuse University, Dr. L. W. Gorham; Dr. Allan D. Bass.

North Carolina: Wake Forest College, Dr. C. C. Carpenter.

Pennsylvania: The American Oncologic Hospital, Mr. V. H. Frazier.

Tennessee: University of Tennessee, Dr. C. E. Brehm.

Texas: Baylor University, Dr. Warren T. Brown.

Vermont: The Mary Fletcher Hospital, the University of Vermont, L. E. Richwagon, Superintendent; Dr. W. E. Brown.

Virginia: The Memorial Hospital, Danville, Dr. T. J. Moran.

West Virginia: Alderson Broaddus College, Dr. Joseph Peary.

San Juan, P. R.: San Juan City Hospital, Dr. Robert J. Jimenez Lopez.

Total of 16 States and 1 foreign country and 23 institutions represented.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I should like to conclude my remarks and then I shall be glad to yield the floor. We have further amendments which are to be discussed, and we are to vote at 2 o'clock.

Mr. CHAVEZ. Not only that, but the committee would like to have a little something to say, at least to complete the record and give the historical, factual background.

Mr. MAGNUSON. I also wish to place in the RECORD the effect of the amendment in its relation to cancer, mental health, heart, and mental health activities, together with the operating expenses of the National Cancer Institute, which are broken down in great detail, the mental health activities, which are also broken down in great detail, the figures on the National Heart Institute, and the figures on the dental health activities.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

The effect of the amendment is as follows:

FOR CANCER ACTIVITIES

Increases the amount for grants for research projects by $7,212,500.

Increases the amount for grants for research fellowships by $250,000.

Adds $9,000,000 for construction of research facilities.

Increases the amount for grants for training stipends by $375,000.

Increases the amount for direct research by $44,000.

Increases the amount for other direct activities by $118,500.

FOR MENTAL HEALTH ACTIVITIES

Increases the amount for grants for research projects by $1,164,000.

Increases the amount for grants for research fellowships by $50,000.

Increases the amount for grants for expansion of teaching of subjects relating to mental illness by $2,991,000.

Increases the amount for grants for training stipends by $910,000.

Adds $8,000,000 for construction of research facilities.

Increases the amount for grants to States for detection, diagnosis, and other preventive and control services by $1,200,000.

Increases the amount for direct research by $900,700.

Increases the amount for other direct activities by $784,300.

FOR HEART ACTIVITIES

Increases the amount for grants for research projects by $6,700,000.

Increases the amount for grants for research fellowships by $1,000,000.

Adds $18,000,000 for construction of research facilities.

Increases the amount for grants for expansion of teaching of medical subjects relating to heart diseases by $800,000.

Increases the amount for grants for training stipends by $500,000.

Increases the amount for grants to States for detection, diagnosis, and other control activities by $1,000,000.

FOR DENTAL HEALTH ACTIVITIES

Adds $1,100,000 for construction grants.

Adds $1,900,000 for construction of intramural research facilities.

Operating expenses, National Cancer Institute, Public Health Service budget, 1951

Project	1950 comparable amount	Agency estimates, 1951	Bureau of Budget allowances, 1951	House bill, 1951	Senate committee report, 1951	Amendment, 1951
GRANTS						
1. Grants to medical and dental schools and other institutions and to individuals for research and training:						
(a) Research projects	$2,600,000	$4,680,000	$2,600,000	$2,600,000	$3,200,000	$10,412,500
(b) Research fellowships	500,000	500,000	500,000	500,000	500,000	750,000
(c) Construction of research facilities:						
Obligational cash	0	9,000,000	0	0	0	9,000,000
Liquidating cash	4,175,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Contract authority	6,000,000	0	0	0	0	0
(d) Teaching of medical subjects:						
Obligational cash	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
Contract authority	0	2,250,000	0	0	0	0
(e) Training stipends	375,000	375,000	375,000	375,000	375,000	750,000
2. Grants to States for detection, diagnosis, and other control services	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
3. Grants for special control projects	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
DIRECT OPERATIONS						
1. Research	3,590,663	3,376,000	3,756,000	3,756,000	3,756,000	3,800,000
2. Other direct operations:						
(a) Technical assistance to States	392,388	428,000	422,000	422,000	422,000	475,000
(b) Review and approval of research and training grants	78,670	85,000	85,000	85,000	85,000	85,000
(c) Administration	410,265	821,000	408,000	408,000	408,000	465,000
3. Pay increases	128,500	192,800	190,000	190,000	190,000	198,500
Total obligational cash	14,825,486	26,207,800	15,086,000	15,086,000	15,686,000	32,686,000
Total contract authority	6,000,000	2,250,000	0	0	0	0
Total obligational authority	20,825,486	28,457,800	15,086,000	15,086,000	15,686,000	32,686,000
Liquidating cash	4,175,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Grand total	25,000,486	33,457,800	20,086,000	20,086,000	20,686,000	37,686,000

Mental health activities, Public Health Service, 1951 budget

Project	1950 comparable amount	Agency estimates, 1951	Bureau of Budget allowances, 1951	House bill, 1951	Senate committee report, 1951	Amendment, 1951
GRANTS						
1. Grants to medical schools and other institutions and to individuals for research and training:						
(a) Research projects:						
Obligational cash	$450,000	$1,825,000	$724,000	$724,000	$780,000	$1,944,000
Liquidating cash	344,000	376,000	376,000	376,000	376,000	376,000
Contract authority	650,000	0	0	0	0	0
(b) Research fellowships	100,000	200,000	200,000	200,000	200,000	250,000
(c) Expansion of teaching of subjects relating to mental illness:						
Obligational cash	1,544,500	3,251,000	300,000	300,000	300,000	3,291,000
Liquidating cash	406,000	1,999,000	1,999,000	1,999,000	1,999,000	1,999,000
Contract authority	1,500,000	809,000	0	0	0	0
(d) Training stipends	900,000	1,145,000	1,050,000	1,050,000	1,050,000	1,960,000
(e) Construction grants	0	0	0	0	0	8,000,000
2. Grants to States for detection, diagnosis, and other preventive and control services	3,550,000	3,650,000	3,550,000	3,550,000	3,550,000	4,750,000
DIRECT OPERATIONS						
1. Research	319,350	933,700	599,300	599,300	599,300	1,500,000
2. Other direct operations:						
(a) Review and approval of research and training grants	134,284	152,900	152,500	152,500	152,500	220,000
(b) Training activities	224,644	224,000	232,400	232,400	232,400	700,000
(c) Technical assistance to States	358,140	386,100	385,200	385,200	385,200	500,000
(d) Administration	212,472	328,300	295,900	295,900	295,900	360,000

Mental health activities, Public Health Service, 1951 budget—Continued

Project	1950 comparable amount	Agency estimates, 1951	Bureau of Budget allowances, 1951	House bill, 1951	Senate committee report, 1951	Amendment, 1951
DIRECT OPERATIONS—continued						
3. Pay increases	$55,500	$85,470	$79,700	$79,700	$79,700	$150,000
Total obligational cash	7,848,890	12,181,470	7,569,000	7,569,000	7,625,000	23,625,000
Total contract authority	2,150,000	809,000	0	0	0	0
Total obligational authority	9,998,890	12,990,470	7,569,000	7,569,000	7,625,000	23,625,000
Total liquidating cash	750,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
Grand total	10,748,890	15,365,470	9,944,000	9,944,000	10,000,000	26,000,000

Operating expenses, National Heart Institute, Public Health Service, 1951 budget

Project	1950 comparable amount	Agency estimates, 1951	Bureau of Budget allowances, 1951	House bill, 1951	Senate committee report, 1951	Amendment, 1951
GRANTS						
1. Grants to medical schools and other institutions and to individuals for research and training:						
(a) Research projects	$3,820,000	$7,416,000	$3,820,000	$3,820,000	$4,420,000	$11,120,000
(b) Research fellowships	300,000	300,000	300,000	300,000	300,000	1,300,000
(c) Construction of research facilities:						
Obligational cash	1,600,000	8,000,000	0	0	0	18,000,000
Liquidating cash	0	4,309,000	4,459,000	4,459,000	4,459,000	4,459,000
Contract authority	4,459,000	10,000,000	0	0	0	0
(d) Expansion of teaching of medical subjects relating to heart diseases:						
Obligational cash	741,000	420,000	0	0	0	800,000
Liquidating cash	0	741,000	741,000	741,000	741,000	741,000
Contract authority	741,000	1,161,000	0	0	0	0
(e) Training stipends:						
Obligational cash	150,000	150,000	0	0	0	500,000
Liquidating cash	0	150,000	150,000	150,000	150,000	150,000
Contract authority	150,000	0	0	0	0	0
2. Grants to States for detection, diagnosis, and other control activities	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	3,000,000
DIRECT OPERATIONS						
1. Research	1,407,939	2,010,000	1,830,354	1,830,354	1,830,354	1,830,354
2. Other direct operations:						
(a) Review and approval of research and training grants	67,846	72,407	72,407	72,407	72,407	72,407
(b) Technical assistance to States	437,000	445,000	445,000	445,000	445,000	445,000
(c) Administration	219,715	401,593	221,239	221,239	221,239	221,239
(d) Pay increases	68,000	122,609	111,000	111,000	111,000	111,000
Total obligational cash	10,811,500	21,337,609	8,800,000	8,800,000	9,400,000	37,400,000
Total contract authority	5,350,000	11,161,000	0	0	0	0
Total obligational authority	16,161,500	32,498,609	8,800,000	8,800,000	9,400,000	37,400,000
Liquidating cash	0	5,200,000	5,350,000	5,350,000	5,350,000	5,350,000
Grand total	16,161,500	37,698,609	14,150,000	14,150,000	14,750,000	42,750,000

Dental health activities, Public Health Service, 1951 budget

Project	1950 comparable amount	Agency estimates, 1951	Bureau of Budget allowances, 1951	House bill, 1951	Senate committee report, 1951	Amendments, 1951
GRANTS						
1. Grants to dental schools and other institutions and to individuals for research and training:						
(a) Research projects	$200,000	$810,000	$250,000	$225,000	$250,000	$250,000
(b) Research fellowships	35,000	130,000	75,000	50,000	75,000	75,000
(c) Traineeships	0	100,000	0	0	0	0
(d) Construction grants	0	0	0	0	0	1,100,000
DIRECT OPERATIONS						
1. Research	227,700	329,225	329,225	280,570	329,225	329,225
2. Construction of research facilities	100,000	1,900,000	0	0	0	1,900,000
3. Other direct operations:						
(a) Review and approval of research and training grants	14,900	15,225	15,225	15,225	15,225	15,225
(b) Technical assistance to States	1,241,600	1,284,000	1,214,000	1,214,000	1,214,000	1,214,000
(c) Coordination and development of dental resources	77,500	150,000	115,000	115,000	115,000	115,000
(d) Administration	47,300	51,550	51,550	51,550	51,550	51,550
4. Pay increases	64,000	99,030	90,000	88,655	90,000	90,000
Total	2,008,000	4,869,030	2,140,000	2,040,000	2,140,000	5,140,000

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the remainder of my address be printed in the RECORD at this point.

There being no objection, the remainder of Mr. MAGNUSON's address was ordered to be printed in the RECORD, as follows:

These medical advances, it should be borne in mind, were the fruit of long-time, obscure, basic research done in prewar years. Sir Alexander Fleming first noticed the antibiotic effect of penicillin in 1929. He was not looking for anything to kill germs effectively. He was a fungus expert—a mycologist—studying obscure mold growths.

We must support the Flemings now at work on basic medical research in this country.

We are fortunate in that the results of medical research are applicable both to protection of the population against such diseases as cancer, heart disease, and mental health and to defense measures. Basic studies of human reactions are applicable to the problems of individuals and to mass reactions, such as mass panic. Basic studies of the action of ionizing radiation upon cells are applicable to cancer research and to protection against atomic-bomb radiation. Basic studies of the transfer of liquid across body membranes are applicable to heart disease and to treatment of burns. Basic studies of the nutritional requirements of bacteria and other micro-organisms are ap-

plicable both to protection against bacteriological warfare and to protection against venereal disease, tuberculosis, tropical diseases, and other diseases that affect persons in civilian life.

More important, the specific investigations needed for specific military medical purposes cannot be effective unless they stem from accelerated basic research.

The medical research programs now under way in the Nation's laboratories and hospitals, with the aid of Federal funds distributed through the National Institutes of Health, are the vehicles for pressing ahead on a national medical research effort.

There is another most significant reason for a stepped-up medical research effort. Fully half of the medical research carried on by all medical schools of the Nation is done by 10 institutions. That is no criticism of them, but the fact remains that we have a militarily vulnerable medical research organization.

We need more new medical research facilities to give us a strong regional research structure for peace. We have a strong obligation to disperse this structure. Compared with industrial installations, medical research facilities are cheap. This part of the economy can and should be diversified, both for scientific productivity and for national defense. But to do a bold and effective job far more is needed than the Committee on Appropriations approved for this purpose.

Research is uniquely tied to the capabilities of individuals. All the facilities—all the equipment—are useless without highly trained manpower. Adequate training facilities and adequate fellowships for the most able are critically important to the maintenance of a strong national medical research effort. The demands for trained medical research men will grow heavier over the next few years. To produce these men in time we must start training them now.

In calling for increased Federal support for medical research, I do not propose that private sources of support be squeezed out. It is vitally important that the support for research be diversified. The major private health organizations of the Nation support expanded Federal aid to medical research. Their goals—prevention and control of specific diseases and groups of diseases—are aided by Federal support for research in non-Federal institutions.

All that I have said can be summarized quickly—expanded medical research is the means of cutting Federal expenditures; expanded medical research is essential to the protection of the Nation.

We have been faced recently with depressing examples of critical shortages due to lack of foresight, and to errors of judgment traceable to defective intelligence.

Why should we, when the logic is so clear and when advice from the best qualified sources is unanimous, make a mistake by failing to expand medical research?

Need we, with our eyes open, invite a scientific Pearl Harbor when the other course of action is clear?

If we are to have peace, failure to expand medical research now will prove to be wasteful and cruel.

If we have war, failure to expand medical research now will prove to be a blunder that will weigh heavily upon the conscience of all of us, and heavily on our national budget also.

I propose that the appropriation of the National Institutes of Health of the Public Health Service be increased from the $15,750,000 proposed by the Appropriations Committee to $79,750,000. I further propose that this increase of $64,000,000 be allocated by the National Institutes of Health as follows: $17,000,000 to the National Cancer Institute $16,000,000 to the National Institute of Mental Health; $28,000,000 to the National Heart Institute; and $3,000,000 to the National Institute of Dental Research.

NATIONAL CANCER INSTITUTE

Mr. President, up to this point in my remarks I have been presenting the general argument for the amendment. For the next few minutes I want to speak specifically on the $17,000,000 increase we are requesting for the National Cancer Institute.

First, let me explain the composition of the $17,000,000 increase; $7,212,500 is to finance additional grant for research projects; $250,000 is for additional research fellowships; $9,000,000 is for construction of research facilities—the committee recommendation contains no funds for construction; $375,000 is for grants for training stipends; $44,000 is for direct research; and $118,500 for other activities worked on directly by the Cancer Institute itself.

Most of my colleagues know the pioneering I have done in the cancer field and my continued interest in the program. Most of you have supported appropriations for the National Cancer Institute. Your action, my action, is based on the conviction that medical research can lick this disease.

In 1948, 197,000 Americans died of cancer and other malignant tumors. Cancer is the No. 2 killer of the Nation.

In addition to those who died in 1948, 930,000 citizens suffered from cancer. The National Cancer Institute, exclusive of construction funds, was able to spend only $32.48 per death to finance research against this killer.

In 1948 we appropriated $73,860,000 for research in control and cure of plant and animal diseases. Of this amount $46,000,000 was appropriated to finance the campaign in Mexico for control and eradication of foot-and-mouth disease.

We appropriated less than $20,000,000 for cancer research. Apparently we were willing to spend over twice as much for research on cattle as for research on human beings.

Unless the appropriation for the National Cancer Institute is increased, applications totaling approximately $13,000,000 for construction alone, from 18 States and the District of Columbia—applications representing 28 institutions will have to be rejected. This list includes two from my own State.

The University of Washington, with its newly established medical school has applied for a $900,000 grant. The Northwest Cancer Institute, under the able direction of Mr. Simeon T. Cantril, has requested $738,000 to get its project under way. Neither of these sums can be granted unless the appropriation for cancer research is increased.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a list showing cancer research construction grants awarded since December 1947, a list of pending construction grant applications and a list of institutions by States which have expressed their intention to apply for construction funds.

I hope the Senate will adopt the amendment we have offered.

Appropriations fact sheet (National Health Institutes amendment)

	1950 comparable amount	1951 House bill	1951 Senate bill	1951 citizens committee [1]
National Cancer Institute	$25,000,486	$20,086,000	$20,686,000	$37,686
Mental health activities	10,748,890	9,944,000	10,000,000	26,000
National Heart Institute	16,161,500	14,150,000	14,750,000	42,750
Dental health activities	2,008,000	2,040,000	2,140,000	5,140

[1] This committee is composed of outstanding citizens who have seen the need for and the benefits emanating from medical research. Last year the Senate voted the funds recommended by this committee.

This year's amendment follows the same pattern

Mr. MAGNUSON. Mr. President, I ask unanimous consent to place in the RECORD a copy of a letter and enclosure which I sent to Senators today under the signature of myself and that of the senior Senator from New York [Mr. IVES] on the tax-saving feature of the proposed amendment.

There being no objection, the letter and enclosure were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE,
July 17, 1950.

DEAR SENATOR: Many Senators believe that the appropriations for National Cancer Institute, Mental Health Activities, National Heart Institute, and Dental Health Activities recommended by the Senate committee, in the omnibus bill, are inadequate—are insufficient to insure the volume and quality of research contemplated by the Congress when authorizing legislation was enacted. Last Friday 14 of us introduced an amendment to rectify this situation. We anticipate others will join us as cosponsors before the amendment is called up this week.

Medical and biological research bear a direct relationship to national security. The men we train, the research we perform, the facilities we construct under the cancer, mental health, heart, and dental health programs will be as indispensable in event of another world conflict as they are to the physical and mental well-being of our people in peacetime.

The economic effect of chronic disease, with prolonged illness, upon the homes of the Nation is devastating. Through research our national-health bill can be reduced; the health of the Nation increased. Many of the contagious diseases most feared 25 years ago have been conquered.

The Nation's great killers—cancer and heart—and mental illness continue to fill our institutions. The individuals and homes afflicted speak out for adequately financed cancer, heart, mental, and dental research programs.

We invite your support and respectfully direct your attention to the enclosures.

Best personal regards,

Sincerely,

WARREN G. MAGNUSON,
United States Senate.

FACTS ON THE MAGNUSON AMENDMENT—TAX SAVINGS AND NATIONAL DEFENSE

I. What the amendment does:

Expands basic medical research, the training of medical research scientists, and the construction of medical research facilities in non-Federal hospitals, medical schools, and universities by $64,000,000 * * * for the immediate purpose of reducing the tax cost of medical care and providing a strong medical and research structure for defense.

II. Why the amendment is proposed:

(a) To cut Federal and State medical care expenditure.

Medical research is the only means of reducing the growing Federal burden of medical care costs, which now exceed $1,000,000,000 per year.

A 10 percent reduction in Federal and State mental health expenditures alone by research would save $45,000,000 per year in taxes.

(b) To strengthen national defense.

Medical research on a vast scale will be required in the event of war—

To protect us against bacteriological warfare.

To provide effective burn and radiation medical measures.

To combat tropical diseases.

To deal with physical problems of high-speed, high-altitude flight.

Medical research must be done, facilities built, and medical scientists trained before the emergency hits.

The Nation's medical research plant is inadequate.

The Nation has too few medical scientists.

The Nation's medical research structure is too concentrated (half of all medical school research is done in 10 institutions).

Medical research is defense research.

Cancer radiation research is atomic bomb casualty research.

Heart research on fluid balance in the body is burn casualty research.

Basic research on the endocrine system is research on stress in battle.

Mental health research on mass hysteria is research on war panic.

Basic research on microbes and viruses is research on bacteriological warfare protection.

Training medical research scientists now provides a backlog of trained people for war research.

Appropriations fact sheet (National Health Institutes amendment)

	1950 comparable amount	1951 House bill	1951 Senate bill	1951 citizens committee [1]
National Cancer Institute	$25,000,486	$20,086,000	$20,686,000	$37,686,000
Mental health activities	10,748,890	9,944,000	10,000,000	26,000,000
National Heart Institute	16,161,500	14,150,000	14,750,000	42,750,000
Dental health activities	2,008,000	2,040,000	2,140,000	5,140,000

[1] This committee is composed of outstanding citizens who have seen the need for and the benefits emanating from medical research. Last year the Senate voted the funds recommended by this committee. This year's amendment follows the same pattern.

Mr. MAGNUSON. The report of the Senate Appropriations Committee, page 72, states that there is allowed an increase of $11,000,000 in the National Institutes of Health, including the cancer, heart, and mental health activities.

While it is true that the actual cash appropriated for these institutes shows an increase of approximately $11,000,000, an analysis of the items indicates that there is an effective decrease of approximately $12,000,000 in obligations authorized.

Mr. President, I ask that the remainder of the statement and the attached tabulation be printed in the RECORD at this point in my remarks.

There being no objection, the statement and tablation were ordered to be printed in the RECORD, as follows:

This reduction of $12,000,000 in obligations authorized is brought about by the cash necessary to liquidate obligations incurred in prior years and the contract authority granted in the 1950 appropriation, principally for construction grants, which is not continued in the 1951 appropriation bill. In summary, the comparison between 1950 and 1951 is as follows:

	1950	1951
Cash appropriations	$52,156,013	$63,326,000
Deduct cash necessary to liquidate prior year obligations	4,925,000	12,725,000
Net cash available	47,231,013	50,601,000
Contract authority	15,425,000	----------
Net amount available for obligations	62,656,013	50,601,000

The above summary includes appropriations for the national institutes of health, National Cancer Institute, National Institute of Mental Health, National Heart Institute, dental-health activities, and $100,000 appropriated in 1950 for plans and specifications for a building for the National Institute of Dental Research.

Statement comparing 1950 National Institutes of Health appropriations with 1951 allowances by Senate Appropriations Committee

	1950 comparable appropriations	1951 Senate bill
Cash appropriation:		
National Institutes of Health	$11,737,137	$15,750,000
National Cancer Institute	19,000,486	20,686,000
Mental health activities	8,598,890	10,000,000
National heart activities	10,811,500	14,750,000
Dental health activities	2,008,000	2,140,000
Total cash appropriations	52,156,013	63,326,000
Deduct cash required to liquidate prior year obligations:		
National Institutes of Health	----------	5,000,000
National Cancer Institute	4,175,000	5,000,000
Mental health activities	750,000	2,375,000
National Heart Institute	----------	5,350,000
Dental health activities	----------	----------
Total liquidating cash	4,925,000	12,725,000
Net cash available for obligating	47,231,013	50,601,000
Contract authority:		
National Institutes of Health	1,925,000	----------
National Cancer Institute	6,000,000	----------
Mental health activities	2,150,000	----------
National Heart Institute	5,350,000	----------
Dental health activities	----------	----------
Total contract authority	15,425,000	----------
Total available for obligating	62,656,013	50,601,000

Mr. MAGNUSON. Mr. President, there is no question in my mind, as I stated in the beginning, that those of us who sponsored this amendment did so with the full realization that we must cut down what we call nonessential expenditures. We had many discussions with those engaged in the great worth of research into national health problems, an activity which might have the effect of saving more lives in one month, if it can be adequately developed, than are lost in a war in a whole year, even in great World War II. After consultation with those people we have come to the conclusion, and a very serious conclusion, that what is proposed is in the category of something which must be done not only for the health of the Nation, but for the defense of the Nation.

As I pointed out, it is going to save money for the Federal Government. The Hoover report says, "Go ahead and do more along this line," and it is estimated that an increase of research by even 10 percent would save as much money as we are now spending for the whole research program.

The cost of medical care to the Federal Government and the State governments runs into billions of dollars. The records show the great increase in the effectiveness of research in the three diseases the appropriation covers. So I say it is penny-wise and pound-foolish for us not to go ahead with this program in an adequate way.

The need has been carefully pointed out by the American Cancer Society, the Heart Institute, and by doctors. I have many letters from great research organizations pointing out that the sums we ask to have added can be used very efficiently on projects which are now either under way or projects which have been approved in the great research that is being undertaken.

I point out again that last year the House appropriated a great deal of money for cancer research. We had a meeting with all the same people who appeared before the House committee, and cut out much of the money in the Senate, because it was said, "We cannot effectively spend that amount." But this year the reverse is true.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MAGNUSON. I will yield in a moment. Furthermore, there is the expense of fellowships, and construction grants, for which we are asking appropriations. We found that in Columbia University there was a fine project under way, but there was no building in which to house it, and for a very small amount an additional story can be built on top of one of the buildings now there.

What happens in research is that one man does one thing at one place, and another conducts research along another line at another place, and there is another at some third place. Those activities are all correlated, and it was felt that any cut like that proposed would slow up the whole program. That is why we are asking for the amount we have stated.

Mr. CHAVEZ. Will the Senator yield now?

Mr. MAGNUSON. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I believe the Senator made the point which I have been trying to make all morning. He stated that last

year it was said, "We cut it out because we were not in position to handle it."

Mr. MAGNUSON. That is correct.

Mr. CHAVEZ. In my opinion that is the basic point the Senate should consider today; can we use the appropriation if the extra money is given?

Mr. MAGNUSON. It is the best opinion of all the great organizations, and the great men involved in this worthy enterprise, that we can. We did not set this amount of $64,000,000. The Senator from Montana [Mr. MURRAY] knows that, the Senator from West Virginia [Mr. NEELY] knows it. It was a figure set by those in charge of the research movement, those who said, "We can effectively spend it, and we think the return from this extra amount will be great." I would not know how to arrive at a figure, and I do not think any other Senator would. We are not in charge of these developments. It was the American Heart Institute, the American Cancer Society, the National Health Institute, and those informed as to the necessities, who fixed the figure. I have letters from the presidents of at least 46 universities in which projects are either now being processed, or, if they have no projects ready to go, in which projects have been approved, and these men say that they agree on this over-all amount.

As I have said, we ourselves did not set the figure. We would not know how to arrive at it. These organizations and men think they can use effectively the appropriation provided by the amendment, but they are afraid that with the amount now in the bill certain segments of the work would be cut out, and the whole program might bog down.

Mr. President, I shall yield the floor now. I know several other Senators want time, and I shall be glad to yield 15 minutes to the Senator from New York.

Mr. McKELLAR. Mr. President, I yield time to the Senator from New Mexico.

Mr. MAGNUSON. I yield to the Senator from New York, unless the Senator from New Mexico desires to speak at this time.

The VICE PRESIDENT. The Senator from Washington has just yielded to the Senator from New York 15 minutes.

Mr. MAGNUSON. I did not know the Senator from New Mexico wanted to speak.

Mr. CHAVEZ. I shall get some time from the chairman of the Committee on Appropriations.

Mr. LEHMAN. I doubt if I shall speak more than 10 minutes, certainly not more than 15.

The VICE PRESIDENT. The Senator from New York is recognized for 15 minutes.

Mr. LEHMAN. Mr. President, I rise to speak on the amendment proposed by the distinguished Senator from Washington and others dealing with funds for research in cancer, heart disease, and mental hygiene.

I consider the proposed expenditure a defense expenditure, a measure which will help in our defense during the years that lie immediately ahead of us, and in our defense and security over the years ahead.

I am interested in all matters relating to the health, and therefore the welfare, of our people, but I am perhaps more familiar with the problems of mental hygiene than with any other. As Governor of New York, I devoted much time and thought to the problems of the unfortunate men, women, and children suffering from mental diseases. I had the opportunity, during the 10 years I was Governor, to visit frequently each one of our great State hospitals. In that way I was able to observe the care that was given to the patients, the custodial responsibilities of the State, the research work that was being carried on, and the amount of study and thought that was being given to this great problem.

Mr. President, I feel that people generally do not realize the size and the social and economic implications of this problem. I wonder whether people generally know that today 8,500,000 persons in the United States suffer from mental disorders. The impact of this fact on the social and economic life of the Nation is almost unimaginable; certainly it is not possible to overestimate the importance of it.

I wonder whether the Members of the Senate, and the people generally, know that from 30 to 40 percent of all patients seen by doctors have complaints which are due to emotional disorders. I wonder if they know that more than 50 percent of the Veterans' Administration hospital patients are psychiatric cases. I wonder if they have given thought to the fact that the nonhospitalized mentally ill are a very important factor in crime, delinquency, and other social problems.

Figures have been given by the distinguished Senator from Washington which were contained in the Hoover report, showing that the cost of the maintenance of State hospitals was approximately $350,000,000. That is a staggering figure, but if it errs, I think it errs on the conservative side. In New York State alone in the institutions conducted by the State, there are 115,000 mentally ill patients. One hundred and seven million dollars is provided in the budget of the State of New York for maintenance of the mental hygiene department. Of this, $88,000,000 is merely for the upkeep of State institutions. I point out that the amount contained in the State budget for the mental hygiene department, $107,000,000, represents more than one-third of the entire administrative budget of the State for all purposes.

In addition to that the State of New York alone has upward of $500,000,000 invested in these institutions. I stated that there were 115,000 mentally ill patients in the institutions, but there are several times that number who are not hospitalized, or hospitalized in private institutions. Just think of the vastness of that number—from 300,000 to 400,000 mentally ill patients in the State of New York alone. And that is the number in only one State of the Union, even though, of course, it is the largest and has the greatest population.

Our State has sought to do its duty by the mentally ill. New York has recognized its responsibility. But in my opinion the State cannot do more than it is doing now even though there is great wealth in the Empire State.

The State—and I speak now of New York, but I have no doubt the same situation obtains in other States of the Union—is, I believe, giving good custodial care, but I want to point out that relatively little progress had been made until the past few years either in the prevention of mental disease or the cure of mentally-ill patients. And even now, the progress in research work carried on in the State of New York—and I am sure my remarks will carry the same weight in respect to every other State—is very slow and relatively insignificant.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. CHAVEZ. The matter the Senator is now discussing is in my opinion of extreme importance. As a matter of fact, there is not an item which is being discussed in connection with the amendment of the Senator from Washington which is more worthy of consideration by this body than that of mental hygiene research. We owe a greater responsibility to the mentally ill, or those who are likely to become mentally ill, than we do to a man who can take care of and protect himself. I believe our duty in such cases is even greater than in other cases. I am glad the Senator from New York is discussing the subject.

Mr. LEHMAN. I realize, of course, that the Senator from New Mexico has the deepest sympathy for those who are in such unhappy condition, and has the greatest interest in the problem involved, and desires to help in every way possible. There is no question in my mind about that at all. But the Senator from New Mexico a few moments ago raised the question as to how we will obtain the human material to carry on this work.

Let me point out to the Senator from New Mexico that at the outbreak of World War II, as he knows, there was a great shortage of nurses. It seemed almost impossible to recruit or train a sufficient number to care for the needy. Then, through action by the Congress of the United States, and the President and with the enthusiastic support of the people of the country, funds were made available to the Public Health Service for the recruitment and the training of volunteer nurses. During the course of the war we trained—I do not have the exact figures, but my recollection is—somewhere between fifty and one hundred thousand nurses. Even that number did not take care of all our needs. But it certainly helped not only during the war years but during the years since the war.

Furthermore, I may say that there are a great number of individuals who wait

today to be trained for the medical profession, in surgery, internal medicine, or psychiatry. I can testify to the fact that I have tried to have placed in good medical schools scores and scores of well-qualified young men and women who could not be accepted, merely because there was a lack of facilities, both of space and of teachers. Those individuals are anxious to be trained. They are anxious to take up the medical profession and to accept their responsibilities in the field of research.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. MAGNUSON. I recall to the Senator from New Mexico, and I know he remembers it as vividly as I do, that several years ago the Senator from New Mexico and I watched a pitiful procession of young men from the State of New Mexico and surrounding territory, who appeared before us as members of a subcommittee to voice their complaints. In many cases the real complaint was that the Government was not doing the job in the veterans' hospital in Albuquerque in regard to mental disorders. They were all men who had been incarcerated by the Japanese for many months, and who had suffered from malnutrition. Many of them were cases who needed help. Had we had the right kind of research at the inception of their treatment, that is, immediately after they were brought back to the United States, they having fought and suffered at Bataan, the Senator and I would not have had to sit and watch that pitiful parade go by.

Mr. McKELLAR. Will the Senator from New York yield before he proceeds any further?

Mr. LEHMAN. Yes.

Mr. McKELLAR. Of course, like every other normal human being, I am intensely interested in seeing that everything possible is done to mitigate the ravages of the four diseases in question, which have been so hurtful to our people. There is nothing in the world I would not be willing to do if we would have a reasonable chance of helping those suffering from such diseases, and diminishing the number of those who are suffering from the diseases. But if not enough help has been rendered, simply because we have not appropriated sufficient money, how does the Senator explain that those who came before our committee and testified, and received appropriations for research and treatment of the diseases, have $780,206 of the present year's appropriation which they have not spent and will not spend?

Mr. MAGNUSON. Mr. President, I can explain that.

Mr. LEHMAN. I yield to the Senator from Washington for that purpose.

Mr. MAGNUSON. That is because of the fact that the projects which must be set up are very complex. The National Health Institute tells me that the panel of advisory scientists and doctors had not approved all these items, and that last year there was very slow progress in approval being made of the items because sufficient personnel was not available. But I have placed in the RECORD, I will say to the Senator from Tennessee, all the items that have been approved.

Mr. McKELLAR. I heard them read a while ago.

Mr. MAGNUSON. Yes; that was what they told us. I have no personal knowledge of it.

Mr. McKELLAR. The officials referred to by the Senator came before our committee, and they made no such request as is now being made. Our committee went even further than those who have the matter in charge in the department asked us to go. Those who have the matter in charge came before us and asked us for $46,320,000 in connection with the four diseases which represent the large requests, and the committee gave them $1,500,000 more than that. Those who are going to spend the money for research and other purposes came before our committee and told us what they wanted. The committee gave them what they wanted and gave them more than they asked for. In order to be on the safe side we added another million and a half dollars.

Mr. MAGNUSON. Mr. President, I can answer the Senator.

Mr. McKELLAR. They are not asking for the amount now suggested. They are asking for the budget estimate. The committee has gone beyond the budget estimate.

I do not believe any Senator has a greater desire than I have to help do away with cancer, mental diseases, heart troubles, and diseases of all kinds. If it can be guaranteed that the money can be spent in such a way as to bring even to partial health those who are suffering, I should be glad to accede to the request now being made. But we have no such guaranty. Under the Senator's amendment we would add $64,000,000 more than the Department has asked, that much more than it says it can possibly spend for the purpose.

They admit they did not spend what we appropriated for them last year. If that be the case, although we have the greatest sympathy for their work—and heaven knows we should have sympathy for anyone who has any of these four diseases—inasmuch as the same agency which is going to handle the money we now appropriate in this connection has not been able to spend what we appropriated for it heretofore, I do not see the need for adopting the Senator's proposal.

Mr. MAGNUSON. Mr. President, I think I can answer the Senator.

When the representatives of the Public Health Service appeared before the subcommittee, they were limited by what the budget had approved. The budget hearings were held many months ago.

In the meantime, various new projects were being established, and some of them are still in the process of being established. I know that in my own university, work has been continuing on a project for approximately 6 months, and it has just now been set up. That project had been approved, but only now has it been set up. When the budget hearings were held, the representatives of the Public Health Service thought that money was available for those purposes. All these other projects have since come along; but at the hearings before the subcommittee, the representatives of the Public Health Service were limited by the estimates the budget had approved.

The VICE PRESIDENT. The time of the Senator from New York has expired.

Mr. MAGNUSON. Mr. President, I yield five more minutes to the Senator from New York.

The VICE PRESIDENT. The Senator from Washington has only 8 minutes remaining.

Mr. LEHMAN. Mr. President, I appreciate that other Senators wish to speak; therefore, I shall conclude my remarks.

Mr. McKELLAR. Mr. President, when the Senator finishes I shall yield some of the time available to me to the Senator from New Mexico [Mr. CHAVEZ], who has had charge of this portion of the bill as chairman of the subcommittee, and has done such wonderful work in developing the facts and making research in that connection. He has the greatest sympathy, as I have and as every other member of the committee has, for such matters; and we wish to do everything in the world we can do for those who are in trouble because of the incidence of the diseases which have been mentioned.

Mr. LEHMAN. Mr. President, I realize that, and I am very grateful to the Senator from Washington and to the Senator from New Mexico for permitting me to continue.

Mr. McKELLAR. Mr. President, I shall later yield 20 minutes to the Senator from New Mexico.

Mr. MAGNUSON. Mr. President, in the meantime I yield an additional 4 minutes to the Senator from New York.

The VICE PRESIDENT. The Senator from New York is recognized for an additional 4 minutes.

Mr. LEHMAN. Mr. President, in New York aside from the work of the State Psychiatric Institute and some work done in private hospitals, little progress has been made other than by means of the work done through grants made by the National Institute of Mental Health, of the Public Health Service.

Like other States, New York has benefited greatly in its mental-health program from the annual grants of the National Institute of Mental Health. Like other States, we in New York have augmented those grants for preventive work by means of appropriations made by our State legislature. However, now we find that the funds which thus far have been made available are completely inadequate.

I wish to say, Mr. President, that in addition to what the State of New York is doing, many of the private hospitals are seeking to be helpful. One great hospital in New York, with which I have long been connected, has set up a psychiatric clinic. Psychiatrists work directly in the wards of the hospital, in

consultation with the doctors who are treating the physical ailments of the patients in question. Those psychiatrists interview patients and seek to help the patients who are in the hospital because of physical disorders. It has been found that this service is of the greatest assistance in the treatment and cure of patients hospitalized for physical ailments.

The same system is now being instituted in a great many other hospitals in New York. They are eager to increase that service, and are convinced that it will do a tremendous amount of good.

I wish to point out that in the field of mental health, some of the patients suffer indescribable agony. Some of the patients have been in the State hospitals upward of 40 years, and they have no hope or chance for improvement. Yet through the help which has come by means of research, even though it has been conducted on a very limited scale, many of the patients have been improved or completely cured through psychiatric treatment or by physical or chemical treatment, such as insulin injections, electric shock treatments, heat treatments, and similar procedures.

What we need beyond everything else in connection with mental hygiene—although of course my remarks pertain to all the other various medical activities—is more research. The amount of money which has been available and which can be made available for research by the States and by private charities has been completely inadequate. It cannot be increased to any great extent. Federal grants, for which we now are asking, are the only answer.

As I have said before, Mr. President, more trained personnel are needed.

The VICE PRESIDENT. The Senator's time has expired.

Mr. CHAVEZ. Mr. President——

The VICE PRESIDENT. Let the Chair inquire how much time the Senator from Tennessee yielded to the Senator from New Mexico.

Mr. CHAVEZ. The Senator from Tennessee has gone to lunch, but he asked me to take time out of his time.

The VICE PRESIDENT. Then the Senator from New Mexico is recognized for whatever time he wishes to take, of the time available to the Senator from Tennessee.

Mr. CHAVEZ. Mr. President, I do not believe the Senate has had any more important items to consider in connection with an appropriation bill than the ones now being considered. When we think of the devastating effects of mental disease, heart disease, and cancer, we can readily realize that the items now being considered are of the utmost importance to humanity in everyday life, for they result in death, sadness, torture, heartaches, tribulations of all sorts. No one realizes that more than does the chairman of the subcommittee which handled this portion of the bill.

I wish all Senators had been able to attend the long and thorough hearings. If so, they would have had a liberal education in terms of some of the most important needs of humanity. We heard many witnesses. Outstanding students of mental health appeared before our subcommittee.

Among the witnesses were Miss Isabel Leighton; Dr. Arthur Bunker; Dr. George Stevenson; Dr. Clifton T. Perkins; Mr. John C. Virden, an industrialist from Cleveland, who had had personal experience in his industrial plant with the results of the lack of understanding in mental cases; Dr. Douglas D. Bond; and Dr. Johan H. W. Van Ophuijsen, who is a director of the Creedmoor Institute for Psychobiologic Studies, in New York, that being a laboratory on mental disorders and diseases.

Mr. LEHMAN. It is a State institution.

Mr. CHAVEZ. Yes.

Other witnesses were Dr. Arthur M. Sackler and Dr. C. H. Hardin Branch, of the University of Utah Medical School.

Everything that others Senators have said today concerning the serious situation caused by the lack of understanding of mental cases is correct, Mr. President. At the subcommittee hearings we received first-hand information from those who are dealing with the problem and who understand it.

As I have stated heretofore to the Senator from New York, I think we owe a greater responsibility to persons afflicted with mental diseases than we do even to those afflicted with heart disease and cancer, as devastating as they are, because persons afflicted with mental disorders or mental diseases cannot help or protect themselves. A person who has cancer, or who is suffering from a heart condition can go to a doctor and say, "What can you do for me?" and then can undergo the treatment prescribed. The mental case is different. The patient is entirely dependent on the good will, probably the charity, of his neighbors, his fellow citizens, perhaps public officials. I sympathize to the limit with persons so afflicted, and I want to go along in doing the things which should be done to help them. I think action in that direction should be a must. The public weal, public interest, social advancement, the existence of society itself, are all dependent upon what we do and the responsibility we assume along the lines suggested by the Senators who have preceded me in this discussion.

Mr. LEHMAN. Mr. President, will the Senator yield a moment for a very brief statement? I start it by saying that we need more trained personnel, and I emphasize that point, because I think it is of the utmost importance. I want to point out again that there are only 5,000 trained psychiatrists in the Nation, while 15,000 are needed. State hospitals alone need six times as many psychiatrists as they have. With only 5,500 nurses in psychiatric hospitals, 1.1 percent of the Nations' nurses take care of 50 percent of its hospital beds. This situation, representing but one aspect of the need for these funds, indicates the importance, the humanitarian and national defense importance, of this amendment.

Mr. CHAVEZ. In reference to heart research, I am sure that the country as a whole knows that among the foremost authorities on research with reference to the heart are Dr. Jones, medical director of the Helen Hay Whitney Foundation, and Dr. Paul D. White, clinical professor of medicine, Harvard University. From the professions engaged in that line of endeavor those two doctors, among others, appeared before the committee. But we also had Mr. Citizen come before the committee to talk of the devastating effects of the lack of research and understanding of heart conditions and heart diseases. We had such persons as Mrs. Arthur Baer and Miss Gloria Swanson, who came of their own accord. They were not subpenaed. They came at their own expense, and testified concerning conditions which affect the 150,000,000 people of this country. So we know about the heart situation. Others came and talked about cancer and other matters, including dental research. The committee was entirely convinced that what they were stating was correct, and that the committee had to take its responsibility and do what was right.

How do we view it? I happen to be chairman of the subcommittee. Other members of the subcommittee are the Senator from Tennessee [Mr. McKELLAR], the Senator from Alabama [Mr. HILL], the Senator from California [Mr. KNOWLAND], and other Senators. Being sympathetic toward the subject and wanting to cooperate, we worked harder than ever, as evidenced by the record, before we marked that bill. So I shall try in the next few minutes to give the Senate the history of the work of the committee in connection with this subject, a statement of what we have heretofore done, a statement of what the House has heretofore done, and what the Congress has heretofore done. I shall refer to the record which has been made, as I have stated, by those who desire that the program go forward.

Mr. PEPPER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Florida?

Mr. CHAVEZ. I yield.

Mr. PEPPER. A moment ago there was an inquiry as to whether the United States Public Health agency supported in substance the amendment which is before the Senate at the present time, and there was some observation as to whether the funds which had previously been made available by the Congress had been employed. The suggestion was made, as I understood, by the distinguished chairman of the committee that the agency itself did not think more funds could be employed. Merely by reference to the hearings before the Senate and the testimony of Dr. Van Slyke, beginning on page 492, I observe that at page 494, Dr. Van Slyke, speaking to the

distinguished chairman of the subcommittee, the able Senator from New Mexico, said:

Mr. Chairman, in answer to your inquiry, I can say that the $3,820,000 will suffice for carrying on projects already being supported and which should be carried on in the next fiscal year.

Then, on page 495, Dr. Van Slyke says:

I appreciate the interest of the committee in this particular problem, and recognize that there are economic considerations beyond our own particular interests. But we did ask for a larger amount of funds than this for research grants. We feel that heart disease, which is the No. 1 killer in the country, which bids fair to respond to research activities so we could cut down the toll of death and incapacity from it, justifies our asking this committee to spend or to appropriate more money so we could attack the problem more vigorously.

Later, at the middle of page 495, the distinguished chairman of the subcommittee said:

Very good. We do not want to get the agency in wrong with the Budget Bureau, but we still would like to know what you gentlemen who are doing this work which we have authorized you to do, and which you are carrying on, think that is necessary. We would like to know what is necessary.

On page 500 of the hearings Dr. Van Slyke submitted an estimate of what the National Heart Institute, for example, would like to have, and it carries a $33,000,000 request, far in excess of what the Bureau of the Budget allowed. That estimate, submitted by the National Institute, plus the new requests which have come in, made by the Citizen's Committee, a group of experts in the respective fields, is in the amendment which is now before the Senate.

If I may, I should like to add that, according to the Surgeon General, Dr. Scheele, last year, the Heart Institute, for instance, not only used up all Congress made available to them, which was the largest appropriation they had ever had, a total of about $16,000,000, including the contract authorizations, but they had $22,000,000 worth of approved and worthy and meritorious research construction projects for which they had no funds at all.

Mr. CHAVEZ. Mr. President, everything the Senator from Florida has stated is correct. The Senator from New Mexico has always insisted that Congress does the appropriating, not the Bureau of the Budget. But it appears that the Government departments once in a while are afraid to make a statement before a committee, because it might be contrary to the wishes of the Bureau of the Budget. The Bureau of the Budget might suggest that a certain amount would be sufficient for the War Department, for the national defense. I think the National Defense Agency would know more about what it wants than even the Bureau of the Budget, notwithstanding the fact that the Budget Bureau is for that purpose making recommendations.

But I should like to state to the Senate the history of what happened. The Senate is still supreme in all these matters. We try to obtain factual information for this body, so that we can at least make a contribution, in order that the individual Senator may be able to make up his mind as to these various items. I want the Senator from Washington, the Senator from New York, and other Senators who are interested to follow the history of this item and a statement of what the amendment would do if it were agreed to.

The amendment proposed would increase the appropriation to the National Institutes of Health, Public Health Service, from $15,750,000 to $79,750,000, an increase of $64,000,000, which is authorized by the amendment to be transferred to the appropriations "National Cancer Institute," "Mental Health Activities," "National Heart Institute," and "Dental Health Activities," in specified amounts.

Let us break that down and see about each one of the items.

For the National Cancer Institute, our committee has provided $20,686,000, an increase of $600,000 over the House allowance and over the budget estimate.

Irrespective of what the head of the Public Health Service said, I am speaking from the record made with reference to the bill. The agency which administers the funds is the Public Health Service. It is the agency which goes before the Budget Bureau and says, "For this particular purpose we need so much money." The Public Health Service requested of the Bureau of the Budget total funds in the amount of $29,127,800——

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. CHAVEZ. In a moment. The Public Health Service requested of the Bureau of the Budget total funds in the amount of $29,127,800, of which $9,000,000 was to be used for grants for construction of research facilities. The amendment offered by the Senator from Washington would increase the appropriation for the National Cancer Institute to $37,686,000, which is $8,558,200 more than was requested by the agency of the Budget Bureau.

That is the point I am trying to make. I do not say that the request to increase the amount by $8,558,200 is wrong. In my personal opinion, it is not half enough; but I am trying to give the Senate the record as it appeared before the committee as to the request which was made by the agency which administers this particular fund.

I now yield to the Senator from Florida.

Mr. PEPPER. Mr. President, I shall turn to the other figures in a moment, but there was nothing for construction in the amount allowed by the Appropriations Committee, was there? Neither the Budget Bureau nor the committee allowed anything for construction.

Mr. CHAVEZ. The agency requested of the Budget Bureau $9,000,000. The Budget Bureau did not allow anything.

Mr. PEPPER. The Budget Bureau did not grant the request of the agency, although the agency requested construction funds of $9,000,000?

Mr. CHAVEZ. That is correct.

Mr. PEPPER. And, of course, the committee limited itself substantially to the request of the Bureau of the Budget.

Mr. CHAVEZ. Inasmuch as the House had not taken any action whatsoever, one way or the other; that is correct.

With reference to the appropriation for mental health activities the committee has provided $10,000,000.

Please follow this carefully.

That was an increase of $56,000 over the House allowance and over the budget estimate. The Public Health Service requested from the Budget Bureau a total of $11,545,470. The amendment offered by the Senator from Washington would give an additional $16,000,000, or a total of $26,000,000, to the appropriation for mental health activities, which is $14,454,530 more than was requested of the Budget Bureau by the agency. The language of the amendment would permit the use of the funds appropriated for grants for construction purposes.

Mr. President, I am giving this information to the Senate so that the Senate can make up its own mind. I want the Senate to decide these questions, but I want it to decide after it hears the factual information from the committee on which the committee took its stand or made recommendations. I am so strongly in favor of the Senate deciding these matters that, notwithstanding the fact that there is no authorization for the use of funds in the substantive law, and that the amendment is subject to a point of order, the chairman of the subcommittee is not going to make a point of order. I want the Senate itself to take the responsibility. I am not saying that the amendment provides for too much or for too little. In my personal opinion, it is not enough, but, nevertheless, I want this information to appear in the record, and then to let each Senator decide.

For the appropriation "National Heart Institute," our committee has provided $14,750,000, an increase of $600,000 over the House allowance and over the budget estimate. The Public Health Service requested of the Bureau of the Budget $33,241,600, including $18,000,000 for grants for construction of research facilities, which item was disallowed in its entirety by the Budget Bureau. The proposed amendment would transfer to this appropriation $28,000,000, which would make available a total of $42,750,000, or $9,508,400 more than was requested of the Budget Bureau.

The VICE PRESIDENT. The Chair is advised that the Senator from Tennessee had allotted 20 minutes to the Senator from New Mexico, and the time of the Senator from New Mexico has now expired.

Mr. CHAVEZ. Mr. President, the Senator from Tennessee [Mr. MCKELLAR] told me that he was going to lunch and that I might proceed until he returned. I do not think I shall take more than 2 or 3 minutes longer.

Mr. HILL. Mr. President, the distinguished Senator from New Mexico is chairman of the subcommittee, and he not only had charge of the hearings, but engineered, guided, and directed the consideration of this bill and has the prime responsibility for the bill.

The VICE PRESIDENT. The Senator from Tennessee has control of the time.

If the Senator from New Mexico will take the responsibility, he may proceed.

Mr. CHAVEZ. I shall take the responsibility, so long as the Senator from Tennessee is not present.

For the appropriation "Dental-health activities" our committee has provided $2,140,000, an increase of $100,000 over the House allowance. The Public Health Service requested of the Bureau of the Budget only $2,609,030. This amendment would provide in addition to the committee recommendation an additional $3,000,000 or a total of $5,140,000, or $2,530,970 more than was asked of the Budget Bureau.

Last year many Senators appeared before the committee with reference to this particular item. I believe there were seven or eight Senators present. If I recall correctly, the Senator from Montana [Mr. MURRAY], the senior Senator from Ohio [Mr. TAFT], appeared before the committee, as did several other Senators. They made a showing as to the necessity which the committee agreed was correct. It will take me only a very brief time to give a history of the appropriations and requests, the committee recommendations, and so forth, and I ask that at the completion of my remarks, which will be brief, certain tables be inserted in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHAVEZ. Mr. President, the tables give the figures covering the National Institutes of Health for operating expenses. In the 1950 appropriation bill the item was $11,737,137. The 1951 agency estimate was $14,892,500. The Bureau of the Budget allowance was $13,250,000. The Senate committee recommendation was $15,750,000, or more than was requested by the agency itself, or practically $2,000,000 more than the budget allowed.

What is the record of the National Cancer Institute? The appropriation for 1950 was $19,000,486.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. PEPPER. Is it not correct to say that there were contract authorizations of an additional amount, which made the total of the contract authorization and appropriation, if I am not mistaken, $25,486,000?

Mr. CHAVEZ. That is correct. I am merely giving the figures to the Senate. For the National Cancer Institute the 1950 appropriation was $19,000,486. The agency's request for this year was $29,127,800. The budget allowed $20,086,000. The Senate committee recommended $20,686,000, or more than the budget allowed.

Mr. PEPPER. May I say that the difference between what the Bureau of the Budget recommended, what the distinguished committee recommended to the Senate, and what is requested in the pending amendment is embraced largely in two categories: $9,000,000 for construction projects, which was included in the agency's request to the Bureau of the Budget, as set forth at page 477 of the hearings, which the Senate committee reduced, and $8,000,000 for additional research projects which the agency has processed and found meritorious since that time.

Mr. CHAVEZ. I think the Senator from Florida has stated the record correctly.

Mental health activities: The 1950 appropriation was $10,323,890. This year the agency's request was for $11,545,470. The budget allowed $9,944,000. The Senate committee recommendation is $10,000,000, or an increase over the budget allowance.

National Heart Institute: The 1950 appropriation was $16,161,500. The agency requested this year $33,241,600. The budget estimate allowed $14,150,000. Notwithstanding the request of $33,241,600, the Bureau of the Budget allowed only $14,150,000. The committee increased the budget allowance to $14,750,000, or $600,000 more than the Bureau of the Budget allowed.

Mr. KNOWLAND. Mr. President, will the Senator yield for an observation?

Mr. CHAVEZ. I yield.

Mr. KNOWLAND. Because of the limitation of time, it may be that I shall not have an opportunity to make a statement. As the ranking minority member of the subcommittee over which the able Senator from New Mexico presides, I know what a deep interest he has in all these humanitarian projects—heart, cancer, public health, and all the others—but I also know that he has a sense of responsibility to the over-all picture, which as a responsible chairman of a subcommittee he must possess.

I am glad he is putting the figures into the RECORD, because it seems to me that the correct procedure for those who are interested in getting additional funds—and I think a considerable case can be made out for it—would be to go before the Bureau of the Budget, present the facts, get the full endorsement of the agency which would have to administer the projects, and then come back to Congress either in a supplemental or in the next regular appropriation bill. It seems to me, in view of the fact that the committee itself has in every one of these fields, I believe, exceeded the budget estimate, and in many instances has even exceeded the request of the agency itself, that the action of the subcommittee should be supported. I merely wished to make the comment while the able chairman of the subcommittee was making his statement.

Mr. PEPPER. The able Senator from California, I am sure, will also recall that the major part of the credit—and I think it is estimable credit—for the progress which has been made during the past few years in the field of research is due to action by the Congress of the United States. The Bureau of the Budget in the past 3 or 4 years has not seen fit to go as far as Congress was determined to go. I do not believe that any of us, seeing what has been accomplished and what the problem lying in the future is, would go back and have done less than we have done. The question now is whether we shall continue to progress this cause of saving human life and strengthening human life, or whether we shall neglect to meet the challenge as it exists.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CHAVEZ. I should like to finish with the presentation of these records; then I shall yield.

Dental health activities: The 1950 appropriation was $1,908,000. For 1951 the agency requested $2,609,030. The Bureau of the Budget allowed $2,140,000. The Senate committee agreed with the budget allowance and allowed the complete budget estimate. There was no additional allowance for dental health. It is a little lower than was requested by the agency.

Mr. President, I appreciate personally the feelings and attitude of the sponsors of the amendment submitted by the Senator from Washington and other Senators. If I had my way I would go even further than their amendment proposes to go. However, as the Senator from California has stated, there is such a thing as responsibility, and I am trying to be conscientious. I know how sympathetic I am to the items covered by this amendment. I know what they mean to the people of the United States, but we must act on information. If the agencies did not give us the correct information, that is not our fault. We must go on factual information, whether it hurts or not.

I wish I could go along with the amendment. I am all for it, but I cannot in justice to the Senate and to the oath I took go contrary to the information given to us by those who adminster these projects. If the agency has more information at this time, the committee has not received it. The committee would be glad to consider sympathetically any new information. It is actually leaning toward that side, and if justified it would bring in a supplemental bill. However, although it nearly breaks my heart to do so, I feel duty bound to stay with the committee's recommendations.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. HUMPHREY. I should like to ask the Senator with reference to this item in the bill, particularly one portion of it in which I have a very deep interest, namely, the mental health provision, whether it is not true, in view of the international situation which confronts us at the moment that there is a greater need for financial assistance by Congress than there was, let us say, 3 or 4 months ago.

I raise that question because I have in my hand a report from the Department of the Army, a report from the Secretary of the Navy, a report from the Department of the Air Force, and from General Cates, of the Marine Corps, and every one of them says in his report that the very fact of mobilization, the very fact that we take men into the armed services, accelerates the problem of mental health and mental disease far beyond all proportions experienced in normal peacetime.

The report of the Hoover Commission task force shows that in a very few years 75 percent of all of the hospital beds the Veterans' Administration has under its jurisdiction, in the 1960's and the 1970's, will be dedicated to the care of mental patients who served in the last war.

The record of inductions under the selective service shows that the one weakness in the make-up of American soldiers was mental illness. I emphasize that.

Mr. CHAVEZ. If we have been negligent in not providing a sufficient number of beds for the Veterans' Administration, that is another matter. Only indirectly does the item now being considered apply to the Veterans' Administration. Of course research would help.

Mr. HUMPHREY. The record from the trained psychiatrists, from the men in the medical field, shows that the research, the teaching fellowships, the training facilities, are basic and fundamental to preparing the number of people we need at induction centers, veterans' hospitals, and in the Army itself. That is only one aspect, and, to be sure, there is a greater aspect in the total population.

Mr. CHAVEZ. I assure the Senator from Minnesota that my attitude in that respect is exactly the same as that of the Senator from Minnesota.

Mr. HUMPHREY. I know it is.

Mr. CHAVEZ. There is no question about it. I am merely trying to do a duty which I consider I must perform. As I stated before, so far as mental disease is concerned, I think that is the most important of all, because we are trying to take care of those who cannot take care of themselves. If a person is suffering from cancer, and knows it, at least he can complain to someone, and he can ask for a little help. He might not get it, but at least he can ask. One suffering from heart trouble is in the same situation; he might suffer personally, but he can complain to his wife or his son or his neighbor or someone else. He can go to the doctor and yell at him, "Why don't you do something?" But the poor mental case cannot do that. I think our duty to the mental sufferer is greater than to the others.

Mr. HUMPHREY. I testified before the Senator's subcommittee, and he gave us a most friendly and gracious reception. I know of his deep interest in this subject. But the amendment proposed by the Senator from Washington is an amendment that is supported not merely by those of us in public life as public officials, but is supported by the best scientific brains of the country, those who have put life into the whole program of research into heart, cancer, mental, and dental health.

Mr. CHAVEZ. The Senator is correct.

Mr. HUMPHREY. They are supporting 100 percent the amendment of the Senator from Washington. No one knows what can be done better than do these brilliant, capable scientists and doctors who have come to the Senator from Washington, the Senator from Montana, the Senator from New Mexico, the Senator from Minnesota, the Senator from New York, and many others, and urged us to forword a program to meet the needs of today.

Mr. CHAVEZ. I read the list of the scientists, the unselfish men and women who appeared before the committee, people who have given of their intelligence, their efforts, their work, and their money, ir order to make this world a better place in which to live. I realize that.

Mr. President, all I wanted to do was to make the record clear, and give the figures as I understand them.

Mr. HUNT and Mr. MAGNUSON addressed the Chair.

The PRESIDING OFFICER (Mr. NEELY in the chair). Does the Senator from New Mexico yield; and if so, to whom?

Mr. CHAVEZ. I yield first to the Senator from Wyoming, who has been on his feet for some time.

Mr. HUNT. Mr. President, I should like to ask the distinguished chairman of the subcommittee whether I correctly understood him to say that the appropriation for dental research was less than that suggested by the budget.

Mr. CHAVEZ. Oh, no. We agreed completely with the budget estimate.

Mr. HUNT. It was not increased?

Mr. CHAVEZ. It was not increased to the amount of the request. The request was larger than the budget allowed, and the committee went along with the budget.

Mr. HUNT. The Senator is aware of the fact that the most widespread of all diseases to which the human body is heir is dental disease, is he not?

Mr. CHAVEZ. I would say "Yes," generally, without making an investigation. Nearly every person alive has some kind of dental difficulty.

Mr. HUNT. Is the Senator aware of the fact that in World War II, of the draftees who were rejected because of physical disability, 35 percent were not acceptable because of dental disease?

Mr. CHAVEZ. I understood that to be the case.

Mr. HUNT. I know the Senator is not a physician, but from general knowledge does he know that the resultant disease conditions throughout the entire body very often have their foci of infection in the oral cavity?

Mr. CHAVEZ. I have been told that over and over again.

Mr. HUNT. Does not the Senator then agree with me that the small amount appropriated for dental research is entirely inadequate, and will not the Senator also agree with me that the dental division of scientific research has constantly been neglected all along the line and never has had its fair share of attention and appropriation?

Mr. CHAVEZ. I believe we have had testimony to that effect, and I think it has been proved.

Mr. HUNT. While I am hopeful that the Senator may go along with the entire request in the amendment of the Senator from Washington, I would hope he can at least accept in full the amount requested for dental research because it is pitifully small and the dental research carried on today primarily is carried on by private industry and appropriation, and in the last few years, of course, two men of the University of Illinois, without aid from the Federal Government, have made great discoveries along that line.

Mr. CHAVEZ. I am so deeply interested in the four items—cancer, heart, mental disease, and dental research—that I do not want to be partial to any of them.

Mr. HUNT. I agree with the Senator. I hope that the distinguished chairman of the subcommittee can accept the amendment as it is written. I realize the great need in the other categories, but I would say to the Senator that of all the categories in this bill the one that has always been neglected, and still is neglected in the amendment, is money for dental research.

Mr. CHAVEZ. I thank the Senator.

EXHIBIT 1

Operating expenses, National Institutes of Health

Project	1950 comparable appropriation	1951 Agency estimates	Bureau of the Budget estimates	Senate committee recommendation	Increase (+) or decrease (−), Senate recommendation compared with—		
					Comparable appropriation	Agency request	Budget estimate
Grants:							
1. Grants to medical schools and other institutions and to individuals for research and training:							
(a) Research projects	$5,480,000	$7,760,000	$6,650,000	$9,150,000	+$3,670,000	+$1,390,000	+$2,500,000
(b) Research fellowships	515,000	515,000	515,000	515,000	0	0	0
Direct operations:							
1. Research	4,819,137	5,610,200	5,107,000	5,107,000	+287,863	−503,200	0
2. Other direct operations:							
(a) Review and approval of research and training grants	501,000	515,000	515,000	515,000	+14,000	0	0
(b) Administration	234,000	223,000	213,000	213,000	−21,000	−10,000	0
3. Pay increases	188,000	269,300	250,000	250,000	+62,000	−19,300	0
Total obligational cash	11,737,137	14,892,500	13,250,000	15,750,000	+4,012,863	+857,500	+2,500,000

National Cancer Institute

Project	1950 appropriations	Agency request, 1951	Budget estimates, 1951	Senate committee recommendations, 1951	Increase (+) or decrease (−), Senate recommendations compared with—		
					1950 appropriations	Agency request	Budget estimates
Grants:							
1. Grants to medical and dental schools and other institutions and to individuals for research and training:							
(a) Research projects	$2,600,000	$2,600,000	$2,600,000	$3,200,000	+$600,000	+$600,000	+$600,000
(b) Research fellowships	500,000	500,000	500,000	500,000	0	0	0
(c) Construction of research facilities	0	9,000,000	0	0	0	−9,000,000	0
(d) Teaching of medical subjects, obligational cash	2,250,000	2,250,000	2,250,000	2,250,000	0	0	0
(e) Training stipends	375,000	375,000	375,000	375,000	0	0	0
2. Grants to States for detection, diagnosis, and other control services	3,500,000	3,500,000	3,500,000	3,500,000	0	0	0
3. Grants for special control projects	1,000,000	1,000,000	1,000,000	1,000,000	0	0	0
Direct operations:							
1. Research	3,590,663	3,786,000	3,756,000	3,756,000	+165,337	−30,000	0
2. Other direct operations:							
(a) Technical assistance to States	392,388	428,000	422,000	422,000	+29,612	−6,000	0
(b) Review and approval of research and training grants	78,670	85,000	85,000	85,000	+6,330	0	0
(c) Administration	410,265	411,000	408,000	408,000	−2,265	−3,000	0
3. Pay increases	128,500	192,800	190,000	190,000	+61,500	−2,800	0
Total obligations	14,825,486	24,127,800	15,086,000	15,686,000	+860,514	−8,441,800	+600,000
Liquidating cash	4,175,000	5,000,000	5,000,000	5,000,000	+825,000	0	0
Grand total	19,000,486	29,127,800	20,086,000	20,686,000	+1,685,514	−8,441,800	+600,000

Mental health activities

Project	1950 comparable appropriations	Agency request, 1951	Budget estimates, 1951	Senate recommendations, 1951	Increase (+) or decrease (−), Senate recommendations compared with—		
					1950 appropriations	Agency request	Budget estimates
Grants:							
1. Grants to medical schools and other institutions and to individuals for research and training:							
(a) Research projects	$794,000	$1,476,000	$1,100,000	$1,156,000	+$362,000	−$320,000	+$56,000
(b) Research fellowships	100,000	200,000	200,000	200,000	+100,000	0	0
(c) Expansion of teaching of subjects relating to mental illness	1,950,500	2,964,000	2,299,000	2,299,000	+348,500	−665,000	0
(d) Training stipends	900,000	1,145,000	1,050,000	1,050,000	+150,000	−95,000	0
2. Grants to States for detection, diagnosis, and other preventive and control services	3,550,000	3,650,000	3,550,000	3,550,000	0	−100,000	0
Direct operations:							
1. Research	319,350	933,700	599,300	599,300	+279,950	−334,400	0
2. Other direct operations:							
(a) Review and approval of research and training grants	134,284	152,900	152,500	152,500	+18,216	−400	0
(b) Training activities	224,644	232,700	232,400	232,400	+7,756	−300	0
(c) Technical assistance to States	358,140	385,900	385,200	385,200	+27,060	−700	0
(d) Administration	212,472	319,600	295,900	295,900	+83,428	−23,700	0
3. Pay increases	55,500	85,670	79,700	79,700	+24,200	−5,970	0
Total funds for program performance	8,598,890	11,545,470	9,944,000	10,000,000	+1,401,110	−1,545,470	+56,000
Adjustment for obligations incurred in advance of program performance	+975,000	−2,375,000	−2,375,000	−2,375,000	−3,350,000	0	0
Total obligations	9,573,890	9,170,470	7,569,000	7,625,000	−1,948,890	−1,545,470	+56,000
Liquidating cash	+750,000	+2,375,000	+2,375,000	+2,375,000	+1,625,000	0	0
Total	[1] 10,323,890	11,545,470	9,944,000	10,000,000	−323,890	−1,545,470	+56,000

[1] Includes $1,725,000 contract authority. $425,000 additional contract authority was reserved by the Budget Bureau.

National Heart Institute

Project	1950 appropriations	Agency request, 1951	Budget estimates, 1951	Senate recommendations, 1951	Increase (+) or decrease (−), Senate recommendations compared with—		
					1950 appropriations	Agency request	Budget estimates
Grants:							
1. Grants to medical schools and other institutions and to individuals for research and training:							
(a) Research projects	$3,820,000	$4,120,000	$3,820,000	$4,420,000	+$600,000	+$300,000	+$600,000
(b) Research fellowships	300,000	300,000	300,000	300,000	0	0	0
(c) Construction of research facilities	1,600,000	[1] 18,000,000	0	0	−1,600,000	−18,000,000	0
(d) Expansion of teaching medical subjects relating to heart diseases	741,000	1,161,000	741,000	741,000	0	−420,000	0
(e) Training stipends	150,000	150,000	150,000	150,000	0	0	0
2. Grants to States for protection, diagnosis, and other control activities	2,000,000	2,000,000	2,000,000	2,000,000	0	0	0
Direct operations:							
1. Research	1,407,939	2,190,354	1,830,354	1,830,354	+422,415	−360,000	0
2. Other direct operations:							
(a) Review and approval of research and training grants	67,846	72,407	72,407	72,407	+4,561	0	0
(b) Technical assistance to States	437,000	445,000	445,000	445,000	+8,000	0	0
(c) Administration	219,715	221,239	221,239	221,239	+1,524	0	0

[1] Includes $8,000,000 cash and $10,000,000 contract authority.

National Heart Institute—Continued

Project	1950 appropriations	Agency request, 1951	Budget estimates, 1951	Senate recommendations, 1951	Increase (+) or decrease (−), Senate recommendations compared with—		
					1950 appropriations	Agency request	Budget estimates
Direct operations—Continued							
3. Pay increases	$68,000	$122,600	$111,000	$111,000	+$43,000	−$11,600	0
Total funds for program performance	10,811,500	28,782,600	9,691,000	10,291,000	−520,500	−18,491,600	+$600,000
Adjustment for obligations incurred in advance of program performance	+5,350,000	−741,000	−891,000	−891,000	−6,241,000	−150,000	0
Total obligations	16,161,500	28,041,600	8,800,000	9,400,000	−6,761,500	−18,641,600	+600,000
Liquidating cash	0	+5,200,000	+5,350,000	+5,350,000	+5,350,000	+150,000	0
Total	16,161,500	33,241,600	14,150,000	14,750,000	−1,411,500	−18,491,600	+600,000

Dental health activities

Project	1950 comparable appropriations	Agency request, 1951	Budget estimates, 1951	Senate committee recommendation, 1951	Increase (+) or decrease (−), Senate recommendations compared with—		
					1950 appropriation	Agency request	Budget estimates
Grants:							
1. Grants to dental schools and other institutions and to individuals for research and training:							
(a) Research projects	$200,000	$450,000	$250,000	$250,000	+$50,000	−$200,000	0
(b) Research fellowships	35,000	130,000	75,000	75,000	+40,000	−55,000	0
(c) Traineeships	0	100,000	0	0	0	−100,000	0
Direct operations:							
1. Research	227,700	329,225	329,225	329,225	+101,525	0	0
2. Other direct operations:							
(a) Review and approval of research and training grants	14,900	15,225	15,225	15,225	+325	0	0
(b) Technical assistance to States	1,241,600	1,284,000	1,214,000	1,214,000	−27,600	−70,000	0
(c) Coordination and development of dental resources	77,500	150,000	115,000	115,000	+37,500	−35,000	0
(d) Administration	47,300	51,550	51,550	51,550	+4,250	0	0
3. Pay increases	64,000	99,030	90,000	90,000	+26,000	−9,030	0
Total	1,908,000	2,609,030	2,140,000	2,140,000	+232,000	−469,030	0

Mr. MAGNUSON. Mr. President, will the Senator from New Mexico yield for one question?

The PRESIDING OFFICER. The Senator from Tennessee [Mr. McKELLAR] and the Senator from Washington [Mr. MAGNUSON] have control of the time. The Senator from Tennessee has remaining 38 minutes and the Senator from Washington has 4 minutes remaining.

Mr. MAGNUSON. Mr. President, I wanted to make merely one observation for the record. I hope there has been no intimation in the debate today that the Senator from New Mexico has not been more than sympathetic with the suggestions we have made. Our only purpose in presenting the figure stated in the amendment is to present one not arrived at by us, but by men who have knowledge of what can be done. I am sure the opposition is no fault of the Senator from New Mexico, because he has been more than sympathetic.

Mr. CHAVEZ. I am sure the Senate will decide the question properly.

Mr. HILL. Mr. President, I wanted to say exactly what the Senator from Washington has said. I can bear witness to the devotion of the Senator from New Mexico to the cause of health. I know that he, as the chairman of the subcommittee, works and labors day in and day out doing all he can to promote the cause of health. As I said on the Senate floor a year ago, the cause of health has no finer or more devoted or indefatigable friend than the Senator from New Mexico.

Mr. CHAVEZ. I thank the Senator from Alabama.

Mr. HILL. I know of no better evidence of that friendship than the speech the Senator has made here today. He has not risen on this floor and made any onslaught on the amendment. He has not made any attack on the amendment. All in the world he has done is to present the facts as his subcommittee gathered them. He has stated that if the matter were left to him personally he would go much further in connection with the appropriation, but he set forth the facts, and said "I leave the decision to the Senate."

Mr. President, I recognize that money in and of itself cannot find the cause for and cure of these terrible diseases. But we know that money is a most important and essential factor. We know that there must be money used for research and cure. The splendid men and women who are today devoting their lives to trying to find the answer to these questions, to find the cause and cure of these diseases which are wreaking such havoc and bringing so much suffering and death to the American people, come to us and say "We do not have the funds necessary to carry on the research. We do not have the funds necessary to enable us to find the answers to these questions."

Mr. President, I, for one, have strongly felt that in attacking these diseases and seeking to find the cure for them we should use the same imagination, the same determination, the same American skill and genius, the same fine action we used in developing and making the atomic bomb. We did not stop to count the cost of the bomb. We said we had to have the bomb, and we got the bomb. I say today that what we should do is whatever may be necessary to find the cause and cure of these terrible diseases.

I come back to where I started, to pay my tribute to the chairman of the subcommittee for his loyal and devoted friendship to the cause of health.

Mr. CHAVEZ. I thank the Senator.

Mr. MURRAY. Mr. President, I wish to associate myself with the remarks which have been made during the course of the debate with respect to the devotion of the distinguished chairman of the subcommittee, the Senator from New Mexico [Mr. CHAVEZ] to the cause of national health and welfare. I know he recognizes the need for these research programs and that he desires to do everything in his power to aid in bringing about an effective program that will result in eradicating these dreaded diseases or at least lessening their deadly effect to such a degree that we may have a more healthy and vigorous population I cannot think of any program that is more important for the strengthening of our Nation and for the welfare of our people than the program for research into the causes of and cure for these fatal diseases affecting the American people.

I wish to say that after hearing the very able arguments made by the Senator from Washington and other Senators who have participated in the debate, there is very little I can say to add to the argument in support of the Magnuson

amendment. I shall not take up the time of the Senate in further discussing matters which have already been covered at great length. I should, however, like to make a few remarks with reference to the Dental Research Institute.

I am very glad to note that his amendment includes funds for research into the causes of dental diseases. All too often this is a health subject that is overlooked in favor of diseases which have been more highly dramatized, such as cancer, polio, and heart disease.

As the able Senator from Wyoming [Mr. HUNT] said a few moments ago, there is no disease more widespread and more apt to bring serious ill-health to the American people than dental disease. Yet we have spent very little if anything toward research into the causes of dental disease. I understand that if we spent a reasonable sum for that purpose it would be quite possible to lessen very greatly the suffering and fatal illnesses resulting directly from dental disease. Of course, I realize that it is only within the last 50 years that dental research of any kind or even dental care in a substantial degree, has been had in this country.

Unlike general medical research, relatively little support is given to dental research by private funds and foundations or by industrial interests. In fact, until the Congress passed a national dental research bill a couple of years ago, there was practically no basic research in the problems of dental health being done in this country or anywhere else. It would be a waste of time to give detailed statistics about the cost of dental diseases to the health, productivity, and happiness of the people of this country. Dental diseases and defects are almost universal. The American people now spend about a billion dollars yearly for dental services, which is about half as much as they spend for medical services.

Mr. MCKELLAR. Mr. President, I suggest to the Senator from Montana that the time under my control is not sufficient to give Senators who have already applied for and have been allotted time, sufficient time to make the statements they desire to make. If the Senator can arrange to have his statement placed in the RECORD, I would be very much obliged to him.

Mr. MURRAY. Mr. President, I will accommodate the able Senator from Tennessee. The Senator from Tennessee has also been very helpful to us in considering these problems. I do not want to take up the time of the Senate on this matter unnecessarily, and I ask unanimous consent to have the remainder of my statement printed in the RECORD at this point.

There being no objection, the remainder of Mr. MURRAY's statement was ordered to be printed in the RECORD, as follows:

The American Medical Association has estimated that in 1947 we were spending about $110,000,000 for medical research but only about $1,000,000 for dental research. In other words, we spend half as much for dental services as for medical services, but we spend only one-tenth as much for dental research as for medical research. Yet dental diseases and defects lead to various kinds of bodily diseases affecting the health of the people and frequently constitute the direct cause of fatal illness, shortening our lives.

We are making good progress toward the solution of many of our medical problems through research, but we have hardly even begun to solve the fundamental causes and problems of dental diseases. Real advances in this field will be delayed many years under the present scale of public and private financial support. If the amendment of the Senator from Washington is approved, the three millions of added Federal funds will this year provide a very real beginning of research in the causes and cures of dental diseases. By such a program we will overcome the record of the last war, which showed that in the administration of the selective-service program a high percentage of our boys were rejected because of dental defects. This program will build a stronger nation for peace or war.

The funds which this amendment will make available for dental research will permit the dental research program in this country to be doubled. One of the most important things it will accomplish will be the construction of dental-research facilities at the various dental schools. Recently the National Advisory Dental Council asked the deans of the Nation's 41 accredited dental schools whether they needed funds to construct new or additional laboratories for research. Answers have been received from about half the schools. From their answers it is estimated that a minimum of $2,000,000 a year for 3 years is needed for this purpose alone. These facilities will do far more than enhance the research program that is basic to the problem. They will also permit the training of additional research scientists to work on these problems.

New or enlarged research-training facilities would be established at such leading dental schools as the University of Alabama, Tufts College in Boston, Washington University and St. Louis University in St. Louis, at Northwestern University, and at the Universities of Pennsylvania and Indiana. Additional facilities would also be possible at graduate schools that are already doing outstanding fundamental research in dental disease problems. Among such institutions whose excellent present programs could be expanded, the names of the University of Chicago and the University of Rochester come to mind.

This amendment would not only enlarge research and training facilities, but it would permit an immediate and sizable increase in the use of existing facilities. As I understand it, about $1,000,000 additional would be made available for research in the laboratories of the Public Health Service at Bethesda and for financial assistance to scientists in the Nation's university laboratories. It would also permit doubling the number of Federal fellowships granted to brilliant young research students who would thus be permitted to concentrate in this field.

My dental friends tell me that dental disease and the research problems of dentistry are divided into two major fields. The first and best known is that of caries or cavities, which are principally a scourge of childhood and the younger adult years. Less well known, but of even great importance, is the problem of periodontal disease, which is mainly a disease of the soft tissues of the mouth and is mainly a problem of the later years of life. In this latter group we find the cause of the loosening and loss of adult teeth; we find gingivitis and pyorrhea and the ulcerating type of gingivitis we laymen know and dread as trench mouth.

There are numerous other dental disease problems. One of the most important, though less frequent, is the problem of the occasional death or serious physical damage arising from infections following upon the extraction of teeth. Another major problem that requires extensive research is the infection which may start in the mouth but makes itself known by damaging another part of the body. All of these are problems about which our dentists and our physicians know very little at the present time. The cause or origin of many of these conditions is unknown. For some of these conditions diagnosis is difficult or inaccurate and treatment is seldom effective.

Good work has been begun in the Government's own laboratories at the National Institute of Dental Research toward finding the answers that are needed. Good work has begun elsewhere. This amendment will insure the expansion of research that is needed.

I wish to speak now about a totally different aspect of fundamental research in dental diseases. This type of research is hardly distinguishable from basic research in cancer, heart disease, or the various infectious diseases. The experts in this field tell me that it requires careful and patient investigation into the basic properties of living cells by men skilled in such scientific specialties as biochemistry, biophysics, physiology, and so on. The discoveries which these scientists make in basic dental research often help solve the problems of investigators in other areas of health. Similarly, the findings of scientists working in these other fields are likely to provide clues to solving some of the basic problems of dental health.

The interchangeability of scientific skills and discovery in this whole field of medical, dental, and mental health and the related basic biological sciences is a major reason why we must support the amendment that is before us. By such support we will bring nearer the day when our people can enjoy the good health and the life span to which they are entitled. We will not only strengthen the most important of all our national resources with which we must defend our country against aggression, but we will also be adding to the basic structure of scientific equipment and manpower upon which our future strength in peace or in war primarily depends.

I would remind you that we in the Senate and our colleagues in the House have already studied and approved this program. We have made available a hundred thousand dollars to be used to plan a dental institute at Bethesda which would serve as the focal point of research in dental disease. It would also serve as a concrete symbol of our pledge to students of dentistry that if they are willing to devote their lives to research in this field, we will provide them with the place and the materials needed for their so important work.

But although those funds were appropriated and although the plans have been drawn and approved, the Dental Research Institute remains unbuilt. Unless we vote the funds requested by Senator MAGNUSON, we will have not only broken faith with our schools of dentistry and with the dental profession; but, in a time when economy is all-important, we will have been guilty of willful waste—those funds already spent for the planning of the institute will have gone down the drain.

The American Dental Association has studied this program for years. It has brought it to the attention of dentists in every State of the Union. And, after full and lengthy consideration of this institute, the American Dental Association has assured us of its great value and urges us to carry it to completion.

I am glad that Senator MAGNUSON has succeeded in bringing together in one amendment the needs of all our institutes of health. The dental profession and the people will be grateful to him for his awareness of the fact that the needs of dentistry should be handled on a coequal basis with those of medicine. I urge my colleagues to support the Magnuson amendment in full as a

great step forward in the health of the American people.

Mr. MURRAY. I wish to say in conclusion that I think it would be a great misfortune for the country if the appropriation for the worthy purposes of research into deadly diseases which are embraced in the program we have been considering should be defeated.

Mr. McKELLAR. Mr. President, I now yield to the junior Senator from New Mexico [Mr. ANDERSON].

Mr. ANDERSON. Mr. President, I desire to take some time at this point because I do not know whether there will be an opportunity later, to discuss the possibilities of a reconsideration of the vote by which the McCarran amendment was agreed to a couple of days ago.

Mr. MAGNUSON. Mr. President, will the Senator yield to me for a question?

Mr. ANDERSON. Yes.

Mr. MAGNUSON. If the Senator were assured that after the vote is had at 2 o'clock, sufficient time would be given to him to take up that subject, which is not related to the amendments now under discussion, would he then allow us to proceed with germane discussion of the pending amendment?

Mr. ANDERSON. I know of no way to secure such assurance, because when the unanimous-consent agreement was entered into yesterday——

Mr. MAGNUSON. Will the Senator from New Mexico be satisfied if I should ask and obtain unanimous consent from the Senate that the Senator from New Mexico be afforded time to discuss the subject he desires to discuss?

Mr. ANDERSON. Yes; that will be entirely satisfactory to me. It might also solve the problem of the Senator from Tennessee.

Mr. MAGNUSON. If the Senator from New Mexico will yield for that purpose, I ask, Mr. President, that after the vote is taken at 2 o'clock, the Senator from New Mexico be allowed to speak for 20 minutes on the subject with which he was about to deal.

The PRESIDING OFFICER (Mr. HUNT in the chair). The unanimous-consent request is made by the Senator from Washington that the Senator from New Mexico be given 20 minutes, after the vote is had at 2 o'clock, to make a statement in connection with the McCarran amendment. Is there objection?

Mr. IVES. Mr. President, reserving the right to object, does the Senator request that the time be given to the Senator from New Mexico after all the votes are taken following the hour of 2 o'clock on the appropriation bill?

Mr. MAGNUSON. No; after the votes on my amendments have been taken.

Mr. IVES. On the Senator's amendments?

Mr. MAGNUSON. Yes.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Washington? The Chair hears none, and it is so ordered.

Mr. McKELLAR. Mr. President, I now yield 5 minutes to the Senator from West Virginia [Mr. NEELY].

Mr. NEELY. Mr. President, I was assured yesterday that I would be given 10 minutes. I cannot make my speech in five.

Mr. McKELLAR. Mr. President, I yield to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, how much time does the Senator from Tennessee yield to me?

Mr. McKELLAR. I yield the Senator 5 minutes.

Mr. HUMPHREY. I wish to thank the Senator from Tennessee.

Mr. President, in the 5 minutes which have been allotted to me by the distinguished chairman of the Appropriations Committee, I shall make but a few generalized statements in reference to the Magnuson amendment.

The amendment provides for an additional appropriation of $64,000,000, in addition to that provided for this purpose by the Appropriations Committee. That is a substantial sum of money, but when we think of $64,000,000 in relation to the health and welfare of the 150,000,000 American people, it is not a large appropriation—in fact, the request is small and inadequate.

Mr. President, we are not discussing a theory, but we are discussing a program which has been proved and tested. The education, teaching, and research provided by the Federal Government through the National Institutes of Health have resulted in great accomplishments.

As I have said, $64,000,000 in relation to the 150,000,000 American people is not a large sum to appropriate, but I submit that there is no investment which the Federal Government has ever made, in terms of the amount of money invested, which has yielded such good results as those which have come from the investments made in medical research and medical teaching and facilities.

The record of the Government of the United States, through the appropriations made for the National Cancer Institute, the mental-health activities, the National Heart Institute, and the dental-health activities, is one which can go down in history as one of the great accomplishments of our Government.

The present request for an additional $64,000,000 is not only made by a number of Senators but it is supported by a great number of scientists, doctors, and others who are engaged in the related fields of health activities and health services. The request is supported by every one of the citizens' groups which have dedicated their energies to the provision of better health in the United States.

In fact, Mr. President, let me say to the present occupant of the chair that the entire amount of the requested adtional $64,000,000 could well be used in the field of dental health.

The basic strength of the country is in its people. It is time that we recognized that fact and considered how the people are getting along in their homes and communities.

Mr. President, when we have this wonderful opportunity to make a definite improvement in our progress in the field of the health of all of our people, it is unthinkable that we should hesitate for a moment to make this additional appropriation in order to improve the services which are so desperately needed.

The record of the doctors and others who are engaged in the various health research activities indicates that we have reached a turning point. For several years we have been making small appropriations for training, teaching and research, but now we have reached the point where the agencies are ready to go ahead with much broader programs. Now we have broken the ice, so to speak, in the field of medical research. So, Mr. President, to cut back at this time would be as foolish as it would be to make inadequate preparations for the national defense, in the name of economy. We already have a war against disease; we do not have to wait for the Communists to start that one. The war against disease should be prosecuted with relentless purpose. The adoption of this amendment will make it possible for the Government of the United States, working with the great universities and the great scientific laboratories of the Nation, to carry on a relentless war against disease, and to do so in a manner which will produce positive results.

Mr. President, I had prepared a speech on the subject of mental health, because I think it is one of the basic problems of our country. In view of the present limitation of time, I ask unanimous consent to have printed at this point in the RECORD the statement I have prepared, which includes a number of statistics and certain observations regarding the problems of mental health.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

Mr. Chairman, gentlemen of the subcommittee, there is much concern these days about economizing on Government expenditure. Different people have different ideas on what should be cut. I should like to bring to your attention today an expenditure that is increasing relentlessly and is bound to run away from us if Congress does not put a roadblock in its path.

For the 3 years prior to 1947, patients piled up in the State and Federal mental hospitals at the rate of 12,500 each year. The cost increased at the rate of fifty million tax dollars per year. The estimated cost of hospitalization of the mentally ill in tax supported hospitals for 1950 will be about five hundred million, as against three hundred and sixty million in 1947.

Forty percent of the Federal health budget goes for mental illness, and yet only 4.5 percent of Federal medical research is devoted to getting at the bottom of this problem.

Appropriation bodies in both the States and the Federal Government are realizing that it is to their own interest to put additional money into training and research in order to cut down the cost of hospitalization of the mentally ill.

In the case of other diseases, medical training and research should be carried on in order to cut down the cost and the misery and to save the lives of the citizenry at large. That should be done. There is no better way to spend citizens' taxes than for their own benefit. But in the case of mental illness there is an even more urgent reason for a vigorous, spirited, all-out program of research and training because the cost of hospitalization falls upon the Public Treasury itself.

It is to the self-interest of both State and Federal Governments to intensify treatment of the mentally ill, in order to outflank the gigantic and rising costs of custodial care in the hospitals.

There are more patients being admitted to our State and Federal mental hospitals than we are able to cure and send home. The reasons are that we do not have trained personnel to apply treatments that are already known and also, we are not conducting an all-out research program to find new, quicker, better treatments.

Hospitalization is the most expensive form of treatment. That is what we want to avoid from a cost standpoint. When a patient is in a hospital, the taxpayer has to pay room and board and other hospital expenses to care for him. Many of the new treatments we are on the verge of discovering will bolster up the patient so that he can be treated outside the hospital, either through a private physician or through a clinic. This kind of treatment is not only less expensive than the operating cost of the hospital, but when applied on a broad scale, will enable us to cut-back on the tremendous hospital-building program that is ahead of us, if we neglect this training and this research program.

These new developments will give us a chance to treat more intensively thousands of patients who are already in the hospitals receiving little or no treatment and are therefore stagnating, getting worse and becoming hopeless cases to be a burden on the taxpayer for the rest of their lives.

We do not have to find an absolute cure-all in order to justify this research. Psychiatry is at a turning point in its history. We are on the threshold of finding methods to improve the patient, so we can stave off a breakdown, thus avoiding the necessity for him to go into a hospital. This not only helps him, but it helps the taxpayer.

These new treatments will enable thousands of patients to leave the hospitals sooner than otherwise to get jobs to support themselves and to contribute their share to the taxes of the country instead of being a burden on the other taxpayers.

These treatments will also help patients to stay out of the hospitals once they are discharged. There is a great danger of relapse among discharged mental patients and proper treatment can keep additional thousands from going back to the hospitals.

Research and the training of personnel is by far the cheapest way to handle this problem of mental illness. The taxpayers, as well as the patients are suffering when we have a backlog of promising, approved research projects that are not being put into operation because of lack of appropriation. The same thing is true with regard to the training grants and the construction of research and training facilities.

We are in a period of economy at the present time and it may be said that we cannot afford to spend an additional $10,000,000 on training and research. But is it economy to neglect the research and training and thereby deliberately shoot up the cost of hospitalization 10 to 15 times in one generation? What we must realize is that within this same budget, for which we are responsible, if we keep down the item on research the cost of hospitalization will go up out of our control. On the other hand, in proportion, as we increase research we cut down the cost of hospitalization many times over the amount we have paid for the research and training.

Fifty years ago we would not be able to say with so much confidence that research could furnish new weapons for man's struggle against the scourge of disease. But one by one seemingly hopeless diseases have yielded their secrets to the relentless activity of medical scientists. These discoveries are not miracles, but the result of hard work by trained experts, the fruit of man's genius pitted against the stubborn forces of nature. We are confident of success against mental illness, because we have succeeded with other illnesses.

Many of you have probably heard something about these new treatments. First there is the electro-shock treatment and the insulin-shock treatment. Both of these are in fairly widespread use at the present time and are achieving good results, but there is a great deal of research and testing that should be done to find out more about the basic processes involved here so that we would be able to improve the results. The big thing about the shock treatment is that in many hospitals there is not enough equipment or trained personnel to apply the treatment to all those who might benefit from it. There is also not enough personnel for the out-patient clinics to treat those in the community who could be kept out of the hospitals by these and other treatments.

Pioneer work is now being done in using cortisone and ACTH, the newly found hormones, in the treatment of serious mental illness. It is possible that great new strides will be made in this field which would enable us to relieve some of the terrific overcrowding in our mental hospitals. Cortisone and ACTH are still in the research stage as far as mental illness is concerned. Lead after lead in many projects are waiting to be followed up. The sooner we set in motion these projects the sooner we will be able to capitalize on the results.

The same is true regarding new possibilities which are now opening up in the use of histamine. Startling results have already been obtained on a small scale, but a variety of possibilities have to be explored. These and many other lines of inquiry make necessary new research projects and the construction of facilities to house them. The cost would be in terms of nickels and quarters as compared to the dollars and dollars that are now being appropriated by the Federal and State Governments for locking up patients in mental institutions for years with little or no treatment.

Another new and promising treatment for patients with certain types of mental illness has been developed by the New York State Psychiatric Institute. This involves the use of intravenous injections of ether. Here again the need for further exploration and testing to the fullest extent possible would enable us to capitalize more quickly on this discovery.

These are only a few avenues of investigation which need to be put into operation. I think that if we neglect the opportunity to push ahead with this research that will save the taxpayers millions of dollars that it will be the worst so-called kind of economy. To neglect this research, to drift on and on, laying out money for hospitals running into billions over the coming years is crying economy where there is no economy, and the taxpayer will foot the bill.

Somebody might say, How do we know we will be able to cut down hospital care by the use of these treatments? We have a good example of how this can be done. Six or seven years ago in the mental hospitals in the State of Massachusetts there was a pile-up of 800 patients every year. It was easy to see that, if this continued, overcrowding would increase to the point where new hospitals would have to be built and staffed at tremendous expense. A campaign of research, training, intensified treatment in the hospitals and development of community clinics brought the situation under control.

Testimony was given by the commissioner of mental health before this very subcommittee, that Massachusetts now had leveled off its hospital population to the point where they are discharging as many patients each year as they admit. Prominent among the weapons used to achieve this result were electro-shock and insulin-shock treatments in the hospitals to a greater degree. Other States could do the same thing if there were more trained psychiatric personnel. Massachusetts was able to achieve this result by its own efforts only because of the fact that it was a center of psychiatric training and research and had inducements to offer existing qualified personnel that other States did not have.

Thus we have in the achievement of one State a demonstration of what can be done in other sections of the country.

In 1947 veterans' neuropsychiatric hospitals cost some $96,000,000 to operate. In 1949 they cost nearly $125,000,000, mostly because of the increase in patients. An actuarial study by the Metropolitan Insurance Co., made for the Hoover Commission Task Force on Medical Services, states that whereas in 1948 there were about 100,000 veteran hospital beds (about one-half for the mentally ill) that by 1975, even though non-service-connected veterans would be cared for only in case of chronic illness, 250,000 beds would be required, and that three-fourths of these would be for mental illness. It was pointed out that this would be true if we did not step up treatment through training of personnel, and if we did not find new cures through research.

The Hoover Commission, whose purpose was to cut governmental expenditures, stated that—

"Transcending in importance any of our other recommendations, is the need to outflank disease by giving the highest priority to research, preventive medicine, public health, and education.

"Federal medicine has, to a large extent, developed negatively with patient care as its principal function.

"First it is the need for maximum employment of present scientific knowledge to control disease (training of personnel). But beyond application of present knowledge lies research to find new weapons.

"It is (also) imperative to maintain constantly a high level of medical research activity as a protection to us in war. Such research must be stimulated and supported to the extent which may prove necessary, to the maximum potential of the skilled manpower available to conduct it."

I might add that the Budget Bureau has not lived up to this recommendation with regard to mental health research, because it has ignored the backlog of approved but unpaid projects amounting to over a half million dollars, as well as the estimated new applications to be approved during fiscal year 1950–51 of $825,000,000 (based on last year's experience). But even this would put into operation only the existing potential of the research apparatus. What we must do is to expand the existing potential of research, if we are to cut down the pile-up of patients, and the voracious attack on the Public Treasury now made by mental illness.

Everyone is now conscious of the fact that in our Nation we have an aging population. That means that a larger and larger proportion of Americans will be in the group over 40 years of age in the years to come.

The proportion of patients who are victims of the diseases of middle and old age, that is, the chronic diseases, will grow larger. Right now a count on an average day would show that five out of every six hospital patients in the Nation are there because of a chronic disease. Three out of that five are mental patients, or one-half the total. These mental patients are 97 percent in tax-supported hospitals. As the population ages in the years to come, the proportion of mental patients is going to increase if we continue to put so little into research and training.

Therefore as custodians of the public treasury, and as representatives of the taxpayer, we cannot keep mental health research and training at the present inadequate level.

Some people have said to me, "How can you say the President's budget asked for too little for research and training in this field? They have increased it for 1951 over 1950 by $1,300,000." They have increased it but that is not the complete story. It is the purpose of research and training to cut down the cost of medical care, and especially of hospitalization, with its tremendous building programs. As long as the cost of maintaining and building hospitals is going up, that means not enough is being devoted to research and training. The test is not whether a few more dollars are being put into the research program than last year. The test is, are we putting enough into research and training to control mental illness in its most costly form, that is, maintenance of patients in hospitals.

That is the test, and the President's budget does not meet the test. It is not a question of blaming the Budget Bureau. That organization has a tremendously complicated task, the task of weighing off against each other countless item, to find out which are more important. On the other hand, we have a system of checks and balances in our Government, set up by the Constitution. If that system of checks and balances means anything, it means that Congress should in the interest of the people, change some of the items, when it encounters facts not taken into account by the Budget Bureau when it made its estimates.

Nobody can call it spending to increase these items of research and training, because actually it will save money in another item of the budget, that is, hospital operation and hospital building. Since the taxpayers are saddled now with the expense of maintaining the patients in hospitals, because we do not cure them, then we had better get down to the job of training people and finding new cures. We had better do it quickly, because if we do not, we will be pouring tens of millions of the taxpayers' money into the sand, because of our own neglect. I do not call that economy and I am against it.

It is an offense against the Nation as a whole, against every taxpayer in the country, against the innocent victims of mental disease, and against the conscience of every Member of Congress, to have a group of these research projects ready and waiting to go, to have next year's applications come in, with no money to carry them out. Who in this room could bear to count the number of patients sitting right now in the stench-filled backwards of our Nation's mental hospitals, doomed to a living death away from their fellow man—Americans who could be released to productive, imcomparably happier lives, because of the new knowledge which could certainly come from this research activity? Who would dare to count the number of them that will be condemned to remain there helpless and dumb because we shrank from the task of finding the money to get them out?

And again, I ask, who will face the taxpayers who have to support these people in the hospitals, to the tune of half a billion and more every year? Who will do that when in 10 years the over-all hospital bill for these people will reach a cool billion annually?

I suppose it might be said, "All well and good, but where is the money coming from? We have to be practical."

I agree, we do have to be practical. But there are many places the money could come from. If we take the trouble to run down the budget and find $10,000,000 items, we can find them. And we could find places where increases were made over last year's budget. We would not have to increase the deficit one penny.

I would take a look at all the roads that are planned to be built during the coming year, all the highways, expressways, intermediate roads, rural roads, all the wildlife trails, and forest highways, and find three or four million dollars there which could be diverted to research and trained personnel to cure several thousand Americans who are victims of mental disease and who, without it, are going to be doomed to years of living death in the back wards of mental institutions all over our land. Are we going to legislate, as the will of the greatest Nation on earth, that a mile of back road costing $10,000 is more important than a research or training project to apply or discover cures that can bring our own fellow-Americans forth from a mental hospital as from a tomb?

I have open in front of me, the proposed budget of the United States Government for the fiscal year ending June 30, 1951. On page 1121, I see a table headed "Expenditures for civil public works." The second item calls for an increase of $13,000,000 over the current year for public roads. I would take five million of that increase and build research and training facilities in the medical schools and mental hospitals of our land, and take a firm step toward cutting down the $500,000,000 taxpayers now have to pay, because we build roads instead of research for mental health.

The ninth item in that table calls for an increase over last year of $62,000,000 for "Public Buildings." These buildings are no doubt useful and in the general course of Government business are justifiable expenditures. But the sixty-two million is only the increase over last year. The total figure is one hundred and eleven million. These buildings would not pay for themselves many times over. These buildings would provide no more employment for our people in their construction than facilities for research. These buildings would not enable us to cut back on the construction of hundreds of millions of dollars worth of hospitals. But research laboratories and training facilities would do just that. They would in the long run make unnecessary hospital after hospital the country over. They would save money. These other buildings would not do that; they are straight spending, and then you have to spend more money to maintain them. These buildings would not save people, my own brother Americans, from a hopeless vegetating existence in some mental hospital. So I would cheerfully take five or ten million from that sixty-two million, and put it toward mental health research and training.

The last item on this table is called "All Other," and it calls for an increase of construction of some kind or other, for 1951, of sixty-three and a half million over 1950. And the total is one hundred and twenty-eight million. I do not know what the "All Other" refers to, but I am sure it will not pay for itself 10 or 15 times over. So, again, I would be in favor of tightening our belt on this item, whatever it is, and of taking ten million for medical research. Or perhaps I would cut out some of the cost-plus bidding in some of these contracts and save a few million that way and invest it in research and save money on hospital contracts later.

The money for research and training is there and it is not very hard to find if you just look for it. It is not a very good argument to say, as some do, that we have a deficit and cannot afford to spend the money on these projects and this research construction. In a few minutes I have shown where twice the money needed could be taken without anyone making any sacrifice.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a report by the Department of the Air Force, a report by the Secretary of the Navy, and a report by the Department of the Army, all pertaining to material I requested in regard to the causes of physical disability or rejections for service in the Armed Forces; and I also include in the request a copy of the letter I sent to the respective secretaries of the armed services.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JUNE 7, 1950.

Hon. FRANK PACE,
Secretary of the Army,
Washington, D. C.

DEAR SECRETARY PACE: I would like very much to get information as to the approximate total manpower sent overseas during the shooting phase of World War II from 1941 to 1945 in the following theaters of operation:

European.
Mediterranean.
CBI (Ceylon, Burma, and India).
Pacific.

What is the average strength of an Army division?

Please also furnish me with the following information:

1. The total number of men examined for military service during World War II.
2. The total number accepted for military service.
3. The total number rejected for—
(a) Medical reasons.
(b) Neuro-psychiatric reasons.
(c) All other reasons.
4. The total number of discharges after induction prior to cessation of hostilities—
(a) Medical reasons.
(b) Neuropsychiatric reasons.
(c) All other reasons.

I need this information as promptly as possible and I shall greatly appreciate your expediting the handling of my request.

With cordial good wishes,

Sincerely yours,

HUBERT H. HUMPHREY.

DEPARTMENT OF THE AIR FORCE,
Washington, June 30, 1950.

Hon. HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: I refer again to your letter of June 7, 1950, requesting information concerning Air Force personnel strength.

The figures covering the approximate total manpower sent overseas during World War II are not available to the Department of the Air Force, as during this period the Department of the Army consolidated totals for the entire Army, to include the Air Corps, which was then a part of the Army.

Organizationwise, the Air division is comparable to the Army division. However, the Air division may actually be described as an Air task force and its size and composition depends on the situation under which it is operating. As such, there is no figure that may be quoted as to average strength.

During World War II, the Air Corps did no recruiting and thus no figures are available as to the number of men examined, accepted, or rejected. Since Selective Service examined all men, it was not until after they had been examined that men were actually assigned to the various services. The number of discharges for medical reasons from the Air Corps after induction, during the years 1942, 1943, and 1944, are listed below:

	Officers	Enlisted	Total
Total medical	2,238	103,060	105,298
Neuropsychiatric	886	42,174	43,060
Other causes	1,352	60,886	62,238

Also, attached hereto is a study entitled "Analysis of the Causes of Disqualification of 164,687 Applicants Rejected for Aviation Training," which it is thought will be of

interest to you in your study of these matters.

I have checked with the Department of the Army and have been informed that they are furnishing you detailed information on the questions posed in your letter. The Air Corps figures are included in the Department of the Army figures but are not recorded separately.

Sincerely yours,

JOHN A. MCCONE,
Under Secretary of the Air Force.

THE SECRETARY OF THE NAVY,
Washington, June 28, 1950.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: I am pleased to forward below the information that can be made available in answer to the questions contained in your letter of June 7, 1950, concerning naval personnel.

Records of the total naval manpower sent overseas during the war to the various theaters of operations were not maintained. However, the peak strength of naval personnel in these theaters was as follows:

Theater	Peak strength	Date
European (continental)	49,801	Nov. 30, 1944
North Atlantic (ashore and afloat)	150,046	June 30, 1944
Mediterranean (ashore and afloat)	90,175	Aug. 31, 1944
CBI (Ceylon, Burma, and India)	(1)	
Pacific (ashore and afloat)	1,366,716	Aug. 31, 1945

[1] Not available.

There is no Navy combat unit comparable to an Army Division. The wartime complement of an aircraft carrier is approximately 3,500 men, battleship 2,500, cruiser 1,700, and destroyer 350. Numbers of these ships together with necessary transports and auxiliaries were formed into a task force, the composition of which depended upon the mission to be accomplished and the availability of vessels.

Information is not available concerning the total number of personnel examined for service in the Navy during World War II. A total of 3,54€,179 persons entered the naval service during that period.

The Bureau of Medicine and Surgery has record of the examination by Navy medical officers of 2,449,925 applicants for service in the Navy. These personnel are exclusive of selective-service inductees. The records show rejections for medical reasons prior to entry into the service of these applicants as follows:

Mental reasons	12,843
All other medical reasons	568,212
Total rejected for medical reasons	581,055

Information on the number of rejections of these personnel for administrative reasons (overage, police record, etc.) is not available.

During the period of World War II 485,006 persons were discharged or separated from the Navy for all reasons. The records of the Bureau of Medicine and Surgery show the following invalided from the service during that period:

Mental reasons (plus combat and operational fatigue)	86,008
All other medical reasons	179,479
Total invalided from service	265,487

I trust that the foregoing information satisfactorily answers your inquiry.

Sincerely yours,

DAN A. KIMBALL,
Under Secretary of the Navy.

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D. C., June 22, 1950.

Hon. HUBERT A. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: In reply to your request for certain manpower statistics pertaining to the combat phases of World War II, a compilation has been made of the available figures. The results of their research are attached hereto as tabs A, B, and C.

It was impossible in many instances to furnish the exact data requested. For example, answers to the question relating to inductions could be obtained only from Selective Service data and consequently includes men inducted for the Navy as well as the Army. In all cases Army figures include Air Force since that service was then a branch of the Army.

The information contained in the attached tabs is the best available in the Department of the Army and I trust that it will be of assistance to you. If additional information is needed, please do not hesitate to call on me.

Sincerely,

JOHN W. MARTYN,
Administrative Assistant.

PASSENGERS, INCLUDING TROOPS AND OTHERS UNDER ARMY JURISDICTION, EMBARKED BY SURFACE CARRIER FROM THE UNITED STATES TO THE THEATERS OF OPERATIONS LISTED BELOW [1]

Dec. 1, 1941–Aug. 31, 1945

European	3,344,063
Mediterranean (including Central Africa and Middle East)	1,071,642
China-Burma-India	253,492
Pacific [2]	2,171,511

[1] Totals include Navy, Allied personnel, civilians, and prisoners of war moved on ships in Army service. A detailed break-out to show troops alone is not possible but the percentage of miscellaneous personnel is so small as to be negligible for all practical purposes.

[2] Does not include troops sent to Alaska.

Source: Statistical Review, World War II, Army Service Forces, War Department.

NOTE.—This tabulation does not include the small percentage of troops and other War Department personnel transported overseas by air transport, the statistics on which are not available.

World War II division strengths

Type of division:	Average strength
Infantry	14,477
Mountain (Infantry)	15,185
Airborne	12,842
Cavalry	13,054
Armored	11,339

By way of comparison the table of organization strengths of the present day types of divisions are shown below:

Type of division:	T. O. & E. strength
Infantry	18,839
Armored	16,053
Airborne	16,265

Induction statistics

1. Estimated number physically examined [1]	17,684,700
Acceptable	12,435,500
Rejected	5,249,200
2. Principal causes for rejection: [1]	
Manifestly disqualifying defects	510,500
Mental disease [2]	856,200
Mental deficiency	676,300
Physical defects	2,708,700

Footnotes at end of tabulation.

3. Separations from the Armed Forces through Aug. 31, 1945: [1]	T. O. & E. strength
Medical	1,067,256
Unadaptable	445,246
4. Army separations from Jan. 1, 1942 through 1945: [3]	
Neuro-psychiatrics	395,343
Medical reasons	604,109
Other	163,091

[1] Includes both Army and Navy inductees.

[2] Majority of psychoneurotics are included in this category.

[3] Data furnished by Surgeon General, United States Army.

Source: "Physical Examination of Selective Service Registrants," Special Monograph No. 15, Vol. 1, Text, published by Selective Service System, 1947.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, a letter I received from Dr. Donald W. Hastings, professor and head of the Department of Psychiatry and Neurology, University of Minnesota; and also a telegram which I have recently received from Dr. William C. Menninger, of the Menninger Institute, at Topeka, Kans.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

UNIVERSITY OF MINNESOTA,
THE MEDICAL SCHOOL,
Minneapolis, April 29, 1949.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: I wish to thank you most appreciatively for your telegram and for the action which you took on the Senate floor in behalf of the funds to be given to the National Mental Health Act. It is heartening to realize that this most humanitarian cause has such a good friend in court.

At the risk of repeating information with which you are already well acquainted, I would like to pass on to you a few observations from the psychiatrist's standpoint, particularly from the standpoint of the psychiatrist occupied primarily with teaching and research. It is well known to you how immense is the problem presented by actually psychotic patients requiring hospitalization, and how much larger are the problems presented by the multitudes of people who have crippling neuroses, alcoholism, marital discord, certain types of criminality, etc. However, I think only a professional worker in the field is in a position to realize adequately how pitifully small is the body of sound scientific knowledge which we possess in trying to unlock these riddles, and how few are the well-trained hands and minds to help. The fundamental keys in this whole situation are (1) research and (2) training of personnel to do service, teaching, and research.

Research and training take money, and they take a lot of it. Cancer, tuberculosis, and poliomyelitis, by way of example, are similar problems which require similar help but alongside the size of the mental-health problem they are almost statistically insignificant.

Funds for training and research are not easy to come by, and up until the Congress in 1946 enacted the Mental Health Act, such funds were peculiarly difficult to come by in the field of mental health. The Mental Health Act, I can assure you from personal observation, has given this whole venture a much-needed shot in the arm, to date a small shot it is true, but nevertheless a shot. Judged by the local situation, the United

States Public Health Service has been careful in the administration of these funds. In any event, it seems to me tremendously important that the Congress gradually expand these funds for training and research compatible with the ability of the training and research centers to use them wisely, and this is a determination, it seems to me, which the United States Public Health Service is in the best position to make.

Again my sincere thanks for your help.

Most sincerely,

DONALD W. HASTINGS, M. D.,
Professor and Head, Department of Psychiatry and Neurology.

TOPEKA, KANS., *July 12, 1950.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

In the name of 8,000,000 victims of serious mental illness, both civilian and veteran, in order to build a strong manpower to preserve our security in war and to protect the Public Treasury against gigantic costs for the hospitalization of mental patients who cannot be treated for lack of personnel, I urge you to vote and work to secure other votes for Humphrey amendment on Senate floor increasing appropriation to $16,000,000 for mental health research and training, including construction and project grants.

WILLIAM C. MENNINGER, M. D.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. McKELLAR. Mr. President, I yield 5 minutes to the Senator from New York [Mr. IVES].

Mr. IVES. Mr. President, to begin with, I wish to state that I have no criticism whatever to make of the distinguished Senator who has been chairman of the subcommittee, for I understand the problem with which he and the other members of the subcommittee have been faced. I wish them to understand that I am fully sympathetic with their situation and the way in which they have found it necessary to resolve it.

However, I regret that I cannot agree with their findings. For that reason, I rise to speak in behalf of the amendment.

Mr. President, with billion-dollar expenditures for waging war the order of the day, an appropriation for the expansion of basic medical research—aimed at saving human life—is a happy one.

The purpose of this amendment is to enlarge training programs for medical research scientists, and extend study facilities in hospitals, medical schools, and universities. The proposed increase is a four-pronged attack on human suffering caused by cancer, mental illness, heart diseases, and dental defects.

Although the amendment proposes an increase of $64,000,000 above the amount allowed by the Senate committee, examination of specific items reveals the compelling necessity for each expenditure.

For instance, the $16,750,000 sum proposed for cancer research, would be broken down to provide $7,000,000 for the conduct and expansion of existing research projects, $9,000,000 for further laboratory construction so that additional study may be carried on, and $750,000 to augment the technical training program for personnel.

The problem we are dealing with inspires the imagination of one who realizes that unless great advances in medical science are made, the next 5 years will see over 1,000,000 people die of cancer alone. The task before us is clear. What is needed is more and better training for young scientists, expanded efforts to develop effective diagnostic tests, and more laboratories equipped with the best that modern science can provide.

Progress is presently underway toward all these goals, but thus far funds have been sadly lacking. It is to remedy this defect that the proposed increase in appropriation has been offered.

The same glaring need for funds can be seen in the inadequacy of present research facilities for heart disease, mental illness, and dental health. Research aimed at discovery of causes and cures for each of these blighting diseases is a powerful force in alleviating misery.

One factor—not previously emphasized—which makes this increase especially necessary now is the present difficulty in securing top-flight medical personnel to engage in Government-financed research projects. Medical research specialists hesitate to cast their lot with a program which might be unstable or uncertain for lack of definite and continuing congressional policy. We must assert our support and approval of this worthy medical research project in terms that leave no doubt as to our future intentions.

We have before us a proposal that will bring human progress—in a real sense—beyond the realistic comprehension of anyone here. It is a truly noble task—the elimination of human suffering and disease.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. McKELLAR. I yield 5 minutes to the Senator from West Virginia.

Mr. MAGNUSON. I yield 3 minutes to the Senator from West Virginia.

Mr. McKELLAR. I yield 2 minutes more, making it seven, so the Senator may have 10 minutes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 10 minutes.

Mr. NEELY. Mr. President, to our unlimited sorrow and never-ending regret, we have learned that in the last 39 days the bloodthirsty Communist hordes of northern Korea, fully armed with bombers, tanks and other modern weapons of war, have killed—all told—109 of the armed forces of the United States. It is our fervent hope that the immortal souls of these departed heroes are now in paradise with the Savior of the world, and that He will mercifully comfort all who mourn the loss of these gallant patriots who gave their precious lives to save humanity from intolerable slavery, and liberty from ignominious death.

But while solemnly remembering these champions of freedom and revering their memory, let us not forget the appalling fact that during the 39 days in which the brutal Communists killed 109 of our troops, cancer—the most agonizing of all diseases—killed 21,879 American men, women and children. Since this time yesterday this merciless monster has destroyed 561 American lives—more than five times as many as the forces of infamy and desolation destroyed in 39 days.

During the entire Second World War all the Axis Powers, with unlimited supplies of the most deadly weapons ever devised, killed only 273,000 of the millions of Americans engaged in that titantic struggle. But while these enemies of democracy destroyed 273,000 of our troops cancer killed 501,019 of our people.

According to an official report of the Treasury, the last World War cost the United States, on the average, $221,043,000 a day. But during the entire period of that war the appropriations of public funds to combat cancer amounted to less than $25,000,000—less than our war-waging cost for three hours!

And please remember that, day for day, cancer killed nearly twice as many as were killed by the minions arrayed against us during the war. In view of the unlimited generosity with which the Nation appropriated money for defense against military aggression, its failure to provide more than token funds with which to combat cancer defies comprehension and mocks justification.

Forty years ago, of all the most deadly diseases in the United States, cancer was the number seven killer. Twenty-eight years later it became, and it ever since has continued to be, the second most deadly and defiant of all this country's destroyers of mankind.

Within the memory of the living the death rate from cancer in this and every other civilized land has increased by leaps and bounds.

In 1928, when I passed through this body the first anticancer bill ever approved by either House of the Congress, cancer was destroying, on the average, one in our midst every 5 minutes and 30 seconds. In the United States last year, every time the clock ticked off 2 minutes and 30 seconds cancer sent some man, woman, or child to the dissolution of the grave. In 1949 our cancer deaths reached the appalling total of 205,000.

Mr. President and Members of the Senate, please come with me down the corridor of tribulation for a final farewell visit with 561 of our fellow human beings who, in agony and despair, will die of cancer during the next 24 hours. If these pitiful sufferers should be arranged in the order in which they will set out upon their journey to the undiscovered country from which no traveler returns, the first one whom we should see would die within the next 2 minutes and 30 seconds, the second within the next 5 minutes, and so on, until this time tomorrow when the last of the 561 would pass through the grim and gruesome slaughterhouse which the cannibalistic cancer monster tirelessly, ceaselessly, and relentlessly operates against all mankind.

At the conclusion of our visit with these 561 who had just passed into the silent land, it would be well to remember that 20,000,000 more of our own flesh and blood now living will eventually be destroyed by this insatiate destroyer.

When voting on the proposed $17,000,000 increase of funds with which to intensify our anticancer warfare please re-

member these simple facts: If the United States were in the shape of a rectangle, its entire boundary line would be approximately 7,000 miles long. If all the 20,000,000 who have been branded for death by cancer should be buried in a single unbroken line, it would be necessary for the grave to be more than twice as long as this 7,000-mile borderline.

This, in brief, is the human element of the problem to which it is sincerely hoped the Senate will give its most favorable consideration. But manifestly a most important financial factor is involved in this matter, because the amendment before us contains a request for an increase of $17,000,000 in an appropriation. Please consider a few statistics which speak to the point.

On the basis formulated by Dr. Louis I. Dublin, noted statistician for the Metropolitan Life Insurance Co., care and medicine for those who died of cancer in the United States last year cost $205,000,000. When the economic value of those destroyed is augmented by the cost of the medicine, and the cost of the care bestowed upon them, it appears that the cancer killer in the year 1949 extorted from the American people more than $1,400,000,000.

For many years cancer has been steadily gaining on all the doctors and all the other scientists who have been leading the war against it. Medical science has conquered yellow fever, diphtheria, typhoid, smallpox, and many other dire afflictions. Medical science has even robbed leprosy and tuberculosis of their terrors. But in spite of all that physicians, surgeons, chemists, biologists, and other scientists have amazingly accomplished, cancer is still the most unconquerable, frightful foe of the human race. Radium, X-ray, and the surgeon's knife are the only generally approved means of combating this scourge. Every passing year adds to the demonstrations that cancer cannot be annihilated by these or any other known means, and that it is impossible, with available funds, existing facilities, and present methods, to stay the progressive acceleration of its horrifying destruction in this or any other country.

For generations the world has been waging war against cancer with bows and arrows and other primitive, Stone Age weapons. In this life-and-death struggle no country has yet supplied its scientists with sufficient funds to enable them to advance even to the age of the flintlock musket. And while we feebly resist cancer in the manner approved in our grandmother's days, this devouring monster "laughs at our calamity and mocks at our fear when it cometh as desolation."

The adoption of the proposed amendment will enable a host of competent, eager scientists, who have long been handicapped by a lack of funds, to exchange their useless bows and arrows for weapons as modern as this afternoon, and with them proceed to win victories in keeping with the general, hopeful, prayerful expectations of the atomic age in which we live.

When voting on the question of increasing the appropriation for the relief of present or prospective victims of cancer, let us find inspiration in the example set by the distinguished Walter Winchell who, by the most generous use of his extraordinary voice and pen, has during the last 3 years raised $3,750,000 for the Damon Runyon Fund for cancer research. The value of the relief which has been or will be provided with these funds is beyond the power of computation.

Mr. Winchell is entitled to the unlimited gratitude of every humanitarian in the land for his great service in throwing out the lifeline to an innumerable throng of suffering humanity. He has immeasurably helped, and is tirelessly continuing to help speed the final conquest of the most terrifying affliction that has ever descended upon the human race.

Mr. President and fellow Members of the Senate, let us fully live up to our opportunity by voting for the amendment which, if adopted, will provide the means which may heal multitudes of the afflicted, comfort hosts of the suffering, and bring faith, hope, and courage to millions who are in distress and despair.

Mr. McKELLAR. Mr. President, I yield 5 minutes to the junior Senator from Maine [Mrs. SMITH].

THE PORTLAND PLAN

Mrs. SMITH of Maine. Mr. President, it is only natural for all of us to have a deep pride in our home State as well as our country. But every once in a while something happens back in our home State that makes us straighten our shoulders and stand a little taller in genuine pride.

Today the Maine congressional delegation stands a little taller and with shoulders squared because of something that has happened back in my beloved State of Maine. This coming Sunday evening will mark the launching of the Portland plan. The Portland plan will be a campaign against hoarding. It will be a voluntary campaign on the part of private rank-and-file citizens who recognize that patriotism is not always measured in military uniforms but as well in civilian restraint.

It will not be an involuntary rationing-control program invoked by the Government. It will be American civilian patriotism at its best. I hope with all my heart that the Portland plan launched in Portland, Maine, on Sunday will spread to the four corners of our country and be a crushing victory over the challenge of selfish, hysterical hoarding.

The story of the Portland plan requires no elaborate presentation. It is simply told in its slogan of "Hoarding helps communism." Those three words speak such telling truth that any additional words are mere surplusage.

I commend the Portland plan to every Member of Congress and to every American for adoption in his own State, city, and home.

Mr. President, I ask unanimous consent to include at this point in my remarks the details of the Portland plan, the pledge card which goes with it, and also the story which brought about the Portland plan. It is very worth while and is most interesting, I think.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

THE PORTLAND PLAN

Purpose: To conduct a campaign and to obtain signatures of the majority of citizens in the community pledging not to hoard.

Name of organization: Home Defenders of Freedom.

Slogan: "Hoarding helps communism."

Pledge: "As a patriotic American, I wish to be counted as one of the Home Defenders of Freedom. I pledge that I will not buy more than my normal needs during this war emergency.

"I make this pledge because I know that in so doing I am making a very real contribution to the cause of freedom and the security of my country."

Anticipated result: If this campaign is successfully completed in many communities, the trend toward scare buying and hoarding can be stopped, prices stabilized, and all the gyrations of prices and supply of basic commodities at retail, wholesale, and manufacturing level can be overcome and stopped.

Sponsors of program: Local chamber of commerce and retail trade board.

Result of sponsorship: Local business can for the first time organize a cooperative consumer effort to protect the individual's economic security. If we fail and prices rise and scarcities begin, it is the local merchant who, because of his direct contact with the consumer, will take the blame.

Plan of operation: A suitable promotional and advertising build-up is planned in advance of a mass meeting which provides a kick-off for this program. The promotional technique used includes radio, newspaper, theater trailers, bus signs, slugs in advertising, loud-speaker announcements at race tracks and ball games, and any other vehicle that can be thought up.

Mass meeting August 6 at stadium: The Governor, Senators, and Congressional Representatives are present and speaking; the city manager is chairman of the meeting and master of ceremonies. Other guests, such as from theater circles, are invited. Attempts are made to get whatever national figures are available. The mass meeting is preceded by a parade—parade to include units of the National Guard who are likely to be called into service and veterans' organizations, including such bands as may be available. The mass meeting is held at night; efforts made to obtain national radio coverage. The conclusion of the meeting is a mass verbal pledge by the assemblage.

Campaign August 7 through August 12: Campaign for 1 week—booths set up in as many retail stores, banks, theaters as possible—complete distribution in all grocery stores in area as well. The individual signs the pledge which is placed in a box and eventually returned to headquarters for counting. For this pledge he or she received buttons to be worn for the entire family and two stickers—one for the automobile and one for home. Speakers will be on call to go to large industrial units in order to reach many hundreds or even thousands at one meeting and obtain pledges at that time. During the week publicity is organized with many photographs, radio interviews of the average citizen consumer at the time of pledge, as well as any and all comments by the people and by well-known personages. Advertising slugs to be in newspaper by all advertisers possible.

Follow-up: A continued follow-up to be made to request patriotic citizens who have signed pledges to continue wearing their buttons, particularly while shopping, in order

to be counted as one of those who refuses to hoard.

Greater Portland, a community of 100,000, will be the first community in this country to inaugurate a voluntary cooperative pledging of its thousands of citizens to become home defenders of freedom, and to pledge not to hoard because they believe that hoarding helps communism. Portland can set the example for the entire country because the same action can be taken in every community in America, no matter how large and no matter how small. The effort alone will immeasurably contribute to the spiritual strength and courage of our people.

Although there may be battles and wars in Korea and in other far distant lands, the real conclusive battle between the ideologies of communism and democracy will be fought and won or lost on our own home front. We can lose our freedom and democratic way of life without having a single Russian soldier set foot on our continent. The deterioration of our home front can be the means of our self-destruction.

The individual is confused, not only about whether or not there will be a world war III but he is confused about whether or not there will be scarcities of commodities, and inflation. Individual confusion multiplied by millions of people can bring about economic chaos. We can witness each individual helping to bring about the destruction of our economic stability, just as a horse bringing about self-destruction by heedlessly rushing back into the burning barn. On the other hand, if the individual knows his neighbor will not hoard he in turn will not hoard, and that destructive process will stop. It is lack of unity of purpose which is so dangerous. Portland can provide an example of unity in a community. In unity of purpose such as no hoarding can be and will be economic safety.

There is no other decision that the people can make today that will contribute more to real civilian defense than the simple decision of self-restraint in buying. Continued panic buying will bring about needless scarcities, increase the cost of living, depreciate the value of savings and insurance, and will needlessly add billions to the cost of war preparations, which will ultimately result in a breakdown of our national financial security.

No hoarder who thereby helps the cause of communism can possibly have self-respect.

In 1932, President Roosevelt gave courage to the people of this country by stating simply, "We have nothing to fear but fear itself." Today we have nothing to fear but the lack of our own self-restraint. The hoarder at home does this country more harm than a thousand Communists in Russia.

On our western shores the first civilian air-raid warning posts have gone into 24-hour operation. Our greater danger lies not from without but from within.. Have we the spirit to maintain a patriotic home front? As United States Senator MARGARET CHASE SMITH said in her column of July 24, "The point is that no one can gain from hoarding food or other commodities by Americans—except Joe Stalin and his associates."

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. McKELLAR. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Chair is advised that the Senator from Maine failed to utilize 2 minutes of her time. Does the Senator from Tennessee wish to yield that 2 minutes to the senior Senator from Maine?

Mr. McKELLAR. Mr. President, I yielded 5 minutes to the Senator from Maine.

The PRESIDING OFFICER. The junior Senator from Maine did not use 2 minutes of her time. Does the Senator from Tennessee yield 2 minutes to her colleague?

Mr. McKELLAR. I yield.

Mr. BREWSTER. Mr. President, I want very heartily to second what my colleague [Mrs. SMITH] has so appropriately said, and to invite the attention not alone of the women of the country, but of the men as well, as they have apparently been coequal, and also the attention of the Senate to the cartoon on hoarding drawn by Mr. Berryman, which I hope will appear in many places outside of Washington, because I do not think the message is needed in Washington alone.

I may say, in connection with what has been referred to as the Portland plan, that as the boys go away to war, and as the supporters of the Portland plan say farewell to them, they ask all who remain behind to pledge themselves not to hoard, as the best method of fighting communism. The poster which is being used in Washington will also be used in Maine and, I trust, in many other places. It shows men as well as women indulging in this nefarious and unfortunate practice of hoarding while our boys are overseas.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. McKELLAR. Mr. President, I yield 5 minutes to the Senator from Florida [Mr. PEPPER].

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point some additional remarks which I shall send to the desk, which go more fully into the subject now pending before the Senate. Following that, I ask to have inserted in the RECORD a statement on the so-called Magnuson amendment to which I have the honor to be a party, and an explanation of the effect of that amendment.

I also ask to have printed in the body of the RECORD a statement submitted to the Bureau of the Budget by the National Cancer Institute, the National Heart Institute, the Mental Health Institute, and the Dental Health Institute, showing the great need for additional funds for research in these fields.

I should add, Mr. President, that the funds which are requested are not adequate at the present time, because new needs have risen since the estimates were submitted.

There being no objection, the matters were ordered to be printed in the RECORD at the end of Senator PEPPER's statement.

Mr. PEPPER. Mr. President, it was said a moment ago by the distinguished chairman of the subcommittee, whom I commend for his heartfelt interest in this subject and for his gracious indulgence to his colleagues in the presentation of the amendment, that he had a responsibility. The able chairman of the subcommittee referred to his responsibility to the subcommittee of which he has the honor to be the chairman. But, Mr. President, the Senate, while recognizing its responsibility to its distinguished committee, to the chairman of the full committee, and to the chairman of the subcommittee, has a higher responsibility—a responsibility to the people of the United States of America, who, day by day and year by year, are dying from the anguish of cancer and from the greatest killer of them all, heart disease, from the vagaries of mental disease and disability, and from all that follows in the wake of dental diseases and disability as well.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CHAVEZ. I stated that the Senate had the greater responsibility in this particular matter.

Mr. PEPPER. Yes. The Senator was very able and fair in the way he handled the matter.

Mr. President, it is refreshing that in the midst of death and making provision for killing people, the Senate pauses to make provision for life and the saving of the human personality and the lengthening of human life.

Mr. President, the total amount provided by this amendment is $79,750,000. Surely, Mr. President, the Senate will vote for this amendment to save countless lives as a result of improved research in these vital health fields.

STATEMENT BY SENATOR PEPPER

There is not one of us here who has not time and again first agonized with the suffering of a loved one and then felt the heavy hand of premature death within our own homes. Beyond these walls, throughout all the homes in this land, there is hardly one that has not known cancer or heart disease or mental illness.

This intimate universal knowledge of the consequences of these diseases has made it comparatively easy to secure private and public funds with which to fight them. Because of this fact, the human and natural thing is to approach these problems by instinct and emotion, rather than with the methods of logic, or the balance sheet, or an inventory of national resources.

The speakers in support of this amendment have emphasized its importance to national strength in terms of a healthier population and of increased scientific manpower for an era when science may ultimately mean the difference between national freedom and national subjugation.

I know those who have thought on this subject share the utter conviction of the necessity for more research if we hope ever to reduce the terrible and steadily mounting public cost of caring for the victims of long-term disabling illnesses such as cancer, heart disease, mental disease, arthritis, multiple sclerosis, and the many others which cannot now be prevented or cured.

As you all know, I have been especially interested in health and medical problems throughout my years in the Senate. I cosponsored the bills on which are based the laws establishing the cancer, heart, mental, and dental research programs. It has been a source of real satisfaction for me through all of these years that political and personal differences are nearly always cast aside by my colleagues here when we are considering the appropriations for medical reasearch. For the most part our only differences have been upon the question of the most effective methods.

I think our main concern here and now is the question of method. Upon this question I do not see any real differences among us. In the testimony of experts before our committees, and from our past experience, there can be derived only one answer as to method—and that is more research.

Research by whom? Again there is only one answer—research by scientists in our medical and dental schools, hospitals, and laboratories. It does not matter where they are nor whether they are operated by government or under private auspices.

Research requires more than highly trained men and women. They must have a roof over their head and walls around them. They must have laboratory benches, and chemicals, and they must frequently have complicated and expensive apparatus.

These people and these things require money. They require time. The time and the money are in inverse ratio. The less money, the more time; the more money, the less time.

This amendment, therefore, is simply buying time, because we believe time is important.

What assurances do we have that more effective methods for the prevention and control of the chronic disabling illnesses can be had in less time if we spend more money for this purpose now? Actually, there is no absolute assurance. However, past performance in medical research when it is given liberal financial support give every reason to believe that results well worth the expenditure will be forthcoming.

Let me briefly sketch for you a few of the advances which would not have been possible had not large sums of public and private funds been made available to medical scientists in the last few years.

For the first time in history effective treatment drugs for arthritis are available. These drugs are also of great value in treating a wide variety of other serious ailments for which no effective treatment had hitherto existed. ACTH and cortisone and similar compounds would not now be at their present stage of development had not two great industrial organizations devoted millions of dollars to basic research in cooperation with scientists at Mayo Bros. and other medical-research institutions.

Penicillin would not have been available to save the lives of thousands of American soldiers and civilians in the last war had not both industry and Government poured scores of millions of dollars into research which quickly found the means for large-scale production. The Senators should remember also that the very real hope we now have for conquering syphilis in the next few years would not have been possible had not sizable Federal appropriations permitted the mass testing of penicillin as a treatment for this disease.

These few examples, however, only show the dramatic end results of research speeded up by additional money. They reveal the one-third of the iceberg that can be seen above the ocean's surface. Unseen are the years—even generations—of basic investigations, usually hampered by lack of money, lack of space, lack of manpower and equipment, because of the lack of public understanding and interest.

However, in recent years the Congress has recognized the need for basic research and has liberally supported the efforts by the Public Health Service to solve in its own laboratories some of the basic problems which form the submerged two-thirds of the problems of chronic disease. The Congress has also supported basic private research in these fields by authorizing the Public Health Service to allocate Federal funds to research projects in our universities and research hospitals throughout the country.

Let me tell you of just a few of the basic advances which have been made in these public and private institutions which give us reason to believe that increased support will bring the desired results sooner. In the last few years in the laboratories of the Public Health Service's National Cancer Institute, out of thousands of chemicals tested for their ability to produce cancer, more than 300 have been found capable of producing tumors in various specials of animals. This may lead to precise knowledge regarding the cause and prevention of cancer in humans due to environmental causes.

This same Government agency has developed a technique for growing large cultures of cancer cells, and also of normal cells, from a single cell taken from various parts of the body. This accomplishment greatly increases the possibility of ultimately developing cancer-destroying drugs and of finding out the cause of cancer.

This same group just last year developed a new method for the production of a substance hitherto very scarce which is of critical value in the diagnosis and treatment of cancer of the prostate.

In the National Heart Institute, which was established by congressional action only 2 years ago, cooperative studies with various medical schools have shown that in addition to German measles during pregnancy, congenital heart disease can be caused by other conditions such as mumps, prolonged bleeding, and diarrhea. They have also found a method for producing in animals certain heart conditions which the scientists are confident will lead to the discovery of new methods for treating these conditions in human patients.

Research in private institutions aided by Heart Institute grants has developed techniques for grafting arteries that have been injured in warfare or by industrial and automobile accidents. This means that a condition which formerly resulted frequently in thrombosis, or required amputation, may now be treated with greater chance of success.

Valuable new knowledge of the effect of diet on high-blood pressure is just another one of the many other important achievements recently recorded by joint Federal and private research in the field of heart disease.

The National Institute of Mental Health has just recently reported important new research evidence on the dangers from indiscriminate use of certain types of sleeping pills. In this connection, some years ago these scientists also developed methods of testing whether any new drug or compound is likely to prove habit-forming in man. Without this knowledge it is unquestionable that thousands of Americans might have become drug addicts before the need of controlling certain new drugs was discovered.

Important new basic knowledge on multiple sclerosis; on the psychological effects of certain types of brain surgery; and in the whole field of psychological and psychiatric testing have arisen from research done in this agency or by private institutions aided by Federal grants.

The National Institute of Dental Research, whose scientists pioneered in the discovery that fluoride would prevent the formation of cavities in children and young people, has moved on into the study of the dental diseases which cause nearly every older person endless expense, suffering, and disability. There is not time to describe to you now the several important, fundamental discoveries which have already come as a direct result of increased appropriations for dental research made by the Congress in the last year or so.

I could go back into the history of the National Institutes of Health and describe to you scores of extremely important research accomplishments with respect to such infectious diseases as typhus, Rocky Mountain spotted fever, rabies, Q fever, hookworm, pellagra, encephalitis, and amebic dysentery. But I am confining myself to the chronic diseases which are acknowledged to be our greatest medical problems of today.

This amendment would permit intensified support of a program which has already aided nongovernmental investigators in the last few years to develop for the first time a very promising new treatment for stomach ulcers. It has aided in the discovery of the danger of incompatible blood types between mother and the newborn child, which has already resulted in a saving of the lives of thousands of infants. Grants have materially aided such other work of great importance such as that which should soon result in vastly increasing the supply and reducing the pride of ACTH and cortisone.

The period which I have discussed is a period of increased congressional interest in medical research. It began in 1938 when the Congress made its first appropriation to the National Cancer Institute. That appropriation was $400,000. For the next 9 years, the cancer appropriations seldom exceeded $500,000 annually. In 1947, the Congress surveyed the results of these first years and decided to increase its support. That year the appropriation was about four and a quarter million dollars. Each year since, the appropriation has been increased until last year it amounted to approximately $21,000,000.

Other speakers have told you the details of how this money has been spent and have shown you that increased Federal appropriations have stimulated increased non-Federal expenditure for medical research. Here are some figures. Over this same period, public contributions to the annual campaign of the American Cancer Society have grown from around $200,000 to approximately $14,000,000 in 1949.

Our appropriations for heart disease started with $1,600,000 in 1948 and totaled around $16,000,000 last year.

In fiscal 1946, only $34,000 was appropriated for heart research; in 1947, $416,000; in 1948, $1,650,000; in 1949, $2,835,000; in 1950, $16,075,000; a total of $21,010,000 for the 5-year period.

Over this same period, public contributions to the appeal of the American Heart Association have approximately doubled. Much the same story could be told about other organized public drives. Increased Federal expenditures have stimulated increased private support of research.

The national mental health research program was approved by Congress in 1946. Congressional appropriations in fiscal 1947 were less than $50,000; in 1948, $5,086,000; in 1949, $8,783,000; in 1950, $10,015,000; a total of about $24,000,000 for mental health research activities in this 4-year period.

The pattern and the path is clear. Properly supported, scientists can solve many of our most pressing medical problems. Experience and logic have shown that the greater the support the sooner the solution.

If we desire to speed the day of greater national strength, productivity, health, and happiness and the day when costs of caring for the chronically ill are reduced, there is only one answer. We must support this amendment.

EFFECTS OF THE MAGNUSON AMENDMENT FOR CANCER ACTIVITIES

Increases the amount for grants for research projects by $7,212,500.

Increases the amount for awards for research fellowships by $250,000.

Adds $9,000,000 for construction of research facilities.

Increases the amount for grants for training stipends by $375,000.

Increases the amount for direct research by $44,000.

Increases the amount for other direct activities by $118,500.

FOR MENTAL HEALTH ACTIVITIES

Increases the amount for grants for research projects by $1,164,000.

Increases the amount for awards for research fellowships by $50,000.

Increases the amount for grants for expansion of teaching of subjects relating to mental illness by $2,991,000.

Increases the amount for grants for training stipends by $910,000.

Adds $8,000,000 for construction of research facilities.

Increases the amount for grants to States for detection, diagnosis, and other preventive and control services by $1,200,000.

Increases the amount for direct research by $900,700.

Increases the amount for other direct activities by $784,300.

FOR HEART ACTIVITIES

Increases the amount for grants for research projects by $6,700,000.

Increases the amount for awards for research fellowships by $1,000,000.

Adds $18,000,000 for construction of research facilities.

Increases the amount for grants for expansion of teaching of medical subjects relating to heart diseases by $800,000.

Increases the amount for grants for training stipends by $500,000.

Increases the amount for grants to States for detection, diagnosis, and other control activities by $1,000,000.

FOR DENTAL HEALTH ACTIVITIES

Adds $1,100,000 for construction grants.

Adds $1,900,000 for construction of intramural research facilities.

Number and amount of research grants in fiscal 1950 by the United States Public Health Service

Item	Number	Amount
Heart	388	$3,964,057
Cancer	316	2,708,082
Mental	75	805,408
Dental	37	205,248
General	712	5,917,156
Total	1,528	13,599,951

The following is a comparison of the requests made by the United States Public Health Service and the amounts allowed by the Bureau of the Budget for the National Cancer Institute, National Heart Institute, the mental and dental health activities in the fiscal year ending June 30, 1951:

Operating expenses, National Cancer Institute

	Agency estimates, 1951 [1]	Bureau of the Budget allowances, 1951	Increase (+) or decrease (−)
Grants:			
1. Grants to medical and dental schools and other institutions and individuals for research and training:			
(a) Research projects	$2,600,000	$2,600,000	0
(b) Research fellowships	500,000	500,000	0
(c) Construction of research facilities	9,000,000	0	−$9,000,000
(d) Teaching of medical subjects	2,250,000	2,250,000	0
(e) Training stipends	375,000	375,000	0
2. Grants to States for detection, diagnosis, and other control services	3,500,000	3,500,000	0
3. Grants for special control projects	1,000,000	1,000,000	0
Direct operations:			
1. Research	3,786,000	3,756,000	−30,000
2. Other direct operations:			
(a) Technical assistance to States	428,000	422,000	−6,000
(b) Review and approval of research and training grants	85,000	85,000	0
(c) Administration	411,000	408,000	−3,000
3. Pay increases	192,800	190,000	−2,800
Total obligations	24,127,800	15,086,000	−9,041,800
Liquidating cash	5,000,000	5,000,000	0
Total	29,127,800	20,086,000	−9,041,800

[1] Excludes estimates for forward financing.

Operating expenses, National Heart Institute

	Agency estimates, 1951 [1]	Bureau of the Budget allowances, 1951	Increase (+) or decrease (−)
Grants:			
1. Grants to medical schools and other institutions and to individuals for research and training:			
(a) Research projects	$4,120,000	$3,820,000	−$300,000
(b) Research fellowships	300,000	300,000	0
(c) Construction of research facilities	[2] 18,000,000	0	−18,000,000
(d) Expansion of teaching of medical subjects relating to heart diseases	[3] 1,161,000	[3] 741,000	−420,000
(e) Training stipends	150,000	[3] 150,000	0
2. Grants to States for detection, diagnosis, and other control activities	2,000,000	2,000,000	0
Direct operations:			
1. Research	2,990,354	1,830,354	−360,000
2. Other direct operations:			
(a) Review and approval of research and training grants	72,407	72,407	0
(b) Technical assistance to States	445,000	445,000	0
(c) Administration	221,239	221,239	0
3. Pay increases	122,600	111,000	−11,600
Total funds for program performance	[4] 28,782,600	9,691,000	−19,091,600
Adjustment for obligations incurred in advance of program performance	[3] −741,000	[3] −891,000	−150,000
Total obligations	28,041,600	8,800,000	−19,241,600
Liquidating cash	5,200,000	5,350,000	+150,000
Total	[4] 33,241,600	14,150,000	−19,091,600

[1] Excludes estimates for forward financing.
[2] Includes $8,000,000 cash and $10,000,000 contract authorization.
[3] Some of the obligations for teaching grants and training stipends are incurred 1 year in advance of program performance. By means of the adjustment line shown in this schedule, the amounts by activity reflect actual performance levels.
[4] Includes $10,000,000 contract authorization for construction of research facilities.

Mental health activities

Appropriation title	Agency estimates, 1951 [1]	Bureau of the Budget allowances, 1951	Increase (+) or decrease (−)
Grants:			
1. Grants to medical schools and other institutions and to individuals for research and training:			
(a) Research projects	[2] $1,476,000	[2] $1,100,000	−$376,000
(b) Research fellowships	200,000	200,000	0
(c) Expansion of teaching of subjects relating to mental illness	[2] 2,964,000	[2] 2,299,000	−665,000
(d) Training stipends	1,145,000	1,050,000	−95,000
2. Grants to States for detection, diagnosis, and other preventive and control services	3,650,000	3,550,000	−100,000

See footnotes at end of table.

Mental health activities—Continued

Appropriation title	Agency estimates, 1951 [1]	Bureau of the Budget allowances, 1951	Increase (+) or decrease (−)
Direct operations:			
1. Research	$933,700	$599,300	−$334,400
2. Other direct operations:			
(a) Review and approval of research and training grants	152,900	152,500	−400
(b) Training activities	232,700	232,400	−300
(c) Technical assistance to States	385,900	385,200	−700
(d) Administration	319,600	295,900	−23,700
3. Pay increases	85,670	79,700	−5,970
Total funds for program performance	11,545,470	9,944,000	−1,601,470
Adjustment for obligations incurred in advance of program performance	[2] −2,375,000	[2] −2,375,000	0
Total obligations	9,170,470	7,569,000	−1,601,470
Liquidating cash	[3] 2,375,000	[3] 2,375,000	0
Total	11,545,470	9,944,000	−1,601,470

[1] Excludes estimates for forward financing.

[2] Some of the obligations for grants for research projects and teaching are incurred several years in advance of actual program performance. By means of the adjustment line shown in this schedule, the amounts by activity reflect the actual performance levels.

[3] Liquidating cash includes amounts as follows: $1,999,000, expansion of teaching of subjects relating to mental illness; $376,000, research projects.

Dental health activities

Title	Agency estimates, 1951 [1]	Bureau of the Budget allowances, 1951	Increase (+) or decrease (−)
Grants:			
1. Grants to dental schools and other institutions and to individuals for research and training:			
(a) Research projects	$450,000	$250,000	−$200,000
(b) Research fellowships	130,000	75,000	−55,000
(c) Traineeships	100,000	0	−100,000
Direct operations:			
1. Research	329,225	329,225	0
2. Other direct operations:			
(a) Review and approval of research and training grants	15,225	15,225	0
(b) Technical assistance to States	1,284,000	1,214,000	−70,000
(c) Coordination and development of dental resources	150,000	115,000	−35,000
(d) Administration	51,550	51,550	0
3. Pay increases	99,030	90,000	−9,030
Total	2,609,030	2,140,000	−469,030

[1] Excludes estimates for forward financing.

Mr. PEPPER. Mr. President, I ask unanimous consent to insert in the body of the RECORD a statement entitled "What Are We Doing About Cancer?"; following that, a tabulation as to the effect of the amendment upon cancer research construction allocations; following that a fact sheet pertaining to diseases of the heart and circulation; following that a tabulation by the Federal Security Agency of pending cardiovascular research construction application; following that, some material on the mental health situation in the United States today, together with a list of requests for construction granted for research in the mental health field; and, following that, a so-called dental fact sheet presenting the problem in respect to dental health.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

WHAT ARE WE DOING ABOUT CANCER?

I. HOW MANY PEOPLE DIE OF CANCER IN THE UNITED STATES?

1. The No. 2 killer of our people in 1948 was cancer (1).

2. One out of every eight people who died in 1948 died of cancer (1).

3. About 20,000,000 people now alive will die of cancer unless new treatments and cures are found (2).

4. 197,042 persons died of cancer in 1948 in the United States, or one out of every 8 deaths (1).

II. HOW MANY PEOPLE ARE SUFFERING FROM CANCER IN THE UNITED STATES?

1. In 1937, it was estimated that 930,000 people were suffering from cancer and other tumors (3). No more recent estimate is available.

2. At least 600,000 people are presently under treatment for cancer or other malignant neoplasms (4).

(a) About 325,000 new cases of cancer are diagnosed each year (4).

3. About 1 out of every 5 people now alive in the United States will have cancer at some time in his life unless new treatments and cures are found (4).

III. WHAT IS BEING DONE TO HELP CANCER SUFFERERS?

1. There were only 15 special cancer hospitals having 1,492 beds registered by the American Medical Association in 1949. In addition there were 5 related institutions (such as nursing homes and infirmaries, which give certain medical and nursing care), with 718 beds (5).

(a) In contrast with this, 99,757 special beds are available for tuberculosis patients (6); tuberculosis killed 43,833 people in 1948, while cancer killed 197,042 (1).

2. We have only about 129 cancer detection centers approved by the American College of Surgeons (for people with no apparent symptoms), in the United States; or one detection center to every 1,120,000 people (7).

3. We have only about 503 approved cancer treatment and diagnostic clinics, of which 74 are cancer diagnostic (only) clinics in the United States (8).

(a) There is need of a cancer clinic for every 100,000 population, one within a radius of 30 to 50 miles from each patient (7).

IV. HOW MUCH MONEY IS AVAILABLE FOR RESEARCH TO FIND NEW TREATMENTS AND CURES FOR CANCER?

1. About $12,938,898 divided as follows (see appendix I):

(a) Government funds:

The National Cancer Institute, USPHS, and the Atomic Energy Commission have appropriations for cancer research for the fiscal year beginning July 1, 1949, of about $7,781,398.

(b) Non-Government funds:

Voluntary agencies allocated approximately $5,157,500. (See appendix I.)

2. This means that we are spending about $65.67 per cancer death annually, or $21.56 per known case.

(a) In contrast, the National Foundation for Infantile Paralysis allocated $2,479,617 for research in 1948, or about $1,308 per death (10).

(b) Congress authorized the expenditure of $45,889,811 by the Department of Agriculture in 1949, for the campaign of control and eradication of foot-and-mouth disease now being conducted in Mexico in cooperation with the Mexican Government (11).

V. DO THE PEOPLE OF THE UNITED STATES WANT MORE DONE ABOUT CANCER RESEARCH?

1. Yes. In a Nation-wide poll, 82 percent of the people questioned said they believed that $200,000,000 should be spent by the Government for cancer research (12).

VI. HOW MUCH MONEY HAS THE AMERICAN CANCER SOCIETY RAISED FOR EDUCATION AND SERVICE TO CANCER PATIENTS, AND FOR LAY AND PROFESSIONAL EDUCATION IN THIS FIELD EXCLUDING RESEARCH?

1. The American Cancer Society and all its State and local divisions raised about $10,200,000 for the purpose in 1949, over and above the amount raised for research (13).

(a) This is in contrast with $832,862 raised nationally by the society in 1944, and $372,057.17 in 1943 when no funds were allocated to research (14).

VII. HOW MUCH IS THE GOVERNMENT SPENDING FOR ESTABLISHMENT OF CANCER CLINICS AND SERVICES?

1. The National Cancer Institute, United States Public Health Service, has about $3,500,000 for the year ending June 30, 1950, for grants-in-aid to States for establishment of clinics and services to cancer patients, and $2,250,000 for teaching grants and $375,000 for trainees, to medical schools (9).

(a) This makes a total of about $16,325,000 for service and education in this field, both from voluntary organizations and Government funds, to be spent over a 14-month period.

2. In contrast to this, Congress made available to the United States Public Health Service alone for grants-in-aid to States to establish clinics and services—$13,403,000 for control of venereal diseases, and $6,790,000 for tuberculosis control (15).

(a) Only 11,616 deaths were attributed to syphilis in 1948 and 43,833 deaths to tuberculosis; but cancer killed 197,042 people in the same year (1).

VIII. HOW DOES WHAT WE SPEND ON CANCER RESEARCH COMPARE WITH WHAT WE SPEND ON OTHER THINGS?

1. In contrast with the total of about $12,938,898 which is available from public and private sources, for cancer research:

(a) The people of the United States spent approximately (16): $6,048,000 for dog and pet medicaments in 1948; $5,844,000 for bath salts, tablets, and oils; $4,667,000 for elastic stockings; $2,750,000 for waveset lotions; $2,625,000 for eye lotions.

IX. HOW DO DEATHS FROM CANCER COMPARE WITH DEATHS FROM OTHER DISEASES?

1. The No. 2 killer of the United States is cancer. Only diseases of the heart and arteries cause more deaths (17).

(a) More than four times as many people died of cancer as of tuberculosis in 1948 (17).

(b) Nearly 104 times as many people died of cancer in 1948, as died of infantile paralysis in the same year (17).

(c) Nearly two and a half times as many people died of cancer during World War II as were killed in action in the Armed Forces (18).

X. IS CANCER PRIMARILY A DISEASE OF OLD AGE?

1. No. Of 197,042 deaths in 1948 from cancer and other malignant tumors (1):

(a) 97,606, or over half, were under 65 years old.

(b) 18,855, or about 10 percent, were under 45 years old.

(c) 2,775, or about 1½ percent, were under 25 years old.

XI. WHAT ARE THE LEADS IN THE FIELD OF CANCER RESEARCH?

1. There are leads in cancer research in many directions, including:

(a) Uses of radioactive materials, both as methods of treatment and as research tools.

(b) Use of nitrogen mustards in the treatment of leukemia and Hodgkins disease.

(c) Antibiotic substances and chemical compounds which affect cancer tissue.

(d) Use of hormones, including ACTH and cortisone in leukemia, lymphosarcoma, and other types of cancer; also use of estrogens and androgens in the treatment of cancer of the breast, and estrogens in cancer of the prostate gland.

(e) Studies in nutrition.

(f) Improved methods of surgery; new methods in the use of X-ray.

APPENDIX I

Funds available for cancer research

GOVERNMENT FUNDS

1. National Cancer Institute, U. S. Public Health Service for fiscal year 1949–50 (9):	
Intra-mural research	$3,300,000
Research projects (grants-in-aid)	2,600,000
Research fellowships	500,000
Total	6,400,000
2. Atomic Energy Commission, Division of Biology and Medicine (for fiscal year 1949–50 (19))	1,381,398
Total Government funds	7,781,398

NON-GOVERNMENT FUNDS

1. American Cancer Society (13) (for 1949–50 program beginning July 1, 1949—figures as of Nov. 15, 1949) approximate	$3,400,000
2. Damon Runyon Memorial Fund (14) (for 1949) approximate	[1] 1,000,000
3. Babe Ruth Cancer Fund (14) for the period Sept. 1, 1949, to Aug. 31, 1950	107,500
4. Other voluntary agencies throughout the (20) country—estimated annually at about a minimum of	650,000
Total non-Government funds	5,157,500
Total all funds (approximate)	12,938,898

[1] Grants totaling $2,500,000 have been made from July 1947 to Dec. 31, 1949, or an average of $1,000,000 annually.

REFERENCE LIST

(1) National Office of Vital Statistics (1 out of 7.33 in 1948; 1 out of 7.61 in 1947).

(2) Thirteen and sixty-four one-hundredths percent of the total deaths in 1948 were caused by cancer; 13.64 percent of 150,000,000 (estimated 1950 United States population) is 20,460,000.

(3) The Problem of Chronic Disease, by George St. J. Perrott, Chief, Division of Public Health Methods, United States Public Health Service, presented at joint session of American psychiatric Association and American Society for Research in Psychosomatic Problems, May 15, 1944.

(4) Estimates contained in letters from John R. Heller, Director, National Cancer Institute, United States Public Health Service, September 13, 1949, and November 10, 1949.

(5) Journal of the American Medical Association, May 7, 1949, volume 140, No. 1, pages 37–96: Seven governmental hospitals with 766 beds, 6 nonprofit hospitals with 524 beds, 2 proprietary hospitals with 202 beds.

(6) United States Public Health Service, Division of Tuberculosis: Index of Hospitals and Sanatoria With Tuberculosis Beds as of January 1, 1949.

(7) Cancer-control letter, Federal Security Agency, National Cancer Institute, No. 16, dated March 28, 1949.

(8) Bulletin of the American College of Surgeons, December 1948.

(9) Distribution of United States Public Health Service funds, National Institutes of Health, Division of Research Grants and Fellowships, fiscal year 1950, National Cancer Institute:

Cash:

Intramural research	$3,300,000
Research projects (grants-in-aid)	2,600,000
Research fellowships	500,000
Research construction grants	4,175,000
Trainees	375,000
Teaching grants	2,250,000
Grants-in-aid to States	3,500,000
Other	2,200,000
Total	18,900,000
Contract authority:	
Construction grants	6,000,000
Total cash and contract authority	24,900,000

(10) National Foundation for Infantile Paralysis, 1948 Annual Report.

(11) Letter from Bureau of the Budget, Office of the Director, dated September 15, 1949.

(12) Report of Gallup poll in New York World-Telegram, June 12, 1946.

(13) American Cancer Society, New York; Clifton Read, December 29, 1949.

(14) American Cancer Society, New York; J. H. Teeter, December 13, 1949.

(15) National Institutes of Health, Division of Research Grants and Fellowships, chart dated November 29, 1949.

(16) Drug Topics, volume 93, No. 20, September 26, 1949, page 2. Published by Topics Publishing Co., New York, N. Y.

(17) National Office of Vital Statistics. 1948 death—tuberculosis, 43,833; heart and circulation, 637,679; infantile paralysis, 1,895; cancer, 197,042.

(18) Killed in action in World War II, 282,025 (World Almanac 1949, p. 326; World Almanac 1946, p. 44). Cancer deaths for same period, 678,883. (National Office of Vital Statistics.)

(19) Atomic Energy Commission, Division of Biology and Medicine, Washington, D. C.; Mr. Finley, December 20, 1949.

(20) Survey conducted by Dr. C. P. Rhoads for the Committee on Growth for American Cancer Society, 1946.

Tabulation of pending cancer research construction applications, by State and institution

	Amount of application
Illinois: Michael Reese Hospital, Chicago	$542,000
Indiana: Indiana University Medical Center, Indianapolis	485,920
Massachusetts: Jewish Memorial Hospital, Roxbury	182,500
New York:	
Montefiore Hospital, New York City	418,700
Montefiore Hospital, New York City	373,700
Mt. Sinai Hospital, New York City	300,000
North Carolina: Duke University, Durham	125,000
Oklahoma: Oklahoma Medical Research Foundation, Oklahoma City	125,000
Oregon: University of Oregon, Portland	900,000
South Dakota: University of South Dakota Medical School, Vermillion	120,000
Tennessee: Vanderbilt University, Nashville	551,100
Washington:	
University of Washington, Seattle	900,000
Northwest Cancer Foundation, Seattle	738,000
Wisconsin: Marquette University School of Medicine, Milwaukee	300,000
Total	6,061,920

In addition to the applications tabulated above, other meritorious requests were reduced by approximately $11,500,000 due to lack of funds and the following institutions have indicated their intentions to make applications at such time as funds are made available to the National Cancer Institute:

Alabama: Muscle Shoals Heart and Cancer Research Clinic, Listerhil.

Arizona: Pima County Medical Society, Tucson.

California: Cedars of Lebanon Hospital, Los Angeles; College of Medical Evangelists, Los Angeles; Mount Zion Hospital, San Francisco.

Florida: Florida State Board of Health, Jacksonville.

Illinois: Brokaw Hospital, Bloomington.

Indiana: University of Notre Dame, Notre Dame; Protestant Deaconess Hospital, Evansville.

Louisiana: Louisiana State University, New Orleans; Tulane University of Louisiana, New Orleans.

Minnesota: University of Minnesota, Minneapolis.

New York: Albany Medical College, Albany; New York Infirmary Building Fund, New York City; Syracuse University, Syracuse; New York University, New York City.

North Carolina: Wake Forest College, Winston-Salem.

Pennsylvania: The American Oncologic Hospital, Philadelphia; Jefferson Medical College of Philadelphia, Philadelphia; Wills Hospital, Philadelphia; University of Pennsylvania, Philadelphia; Institute for Cancer Research, Philadelphia.

Tennessee: University of Tennessee, Knoxville.

Texas: Baylor University, Houston.

Vermont: The Mary Fletcher Hospital, Burlington; The University of Vermont, Burlington.

Virginia: The Memorial Hospital, Danville.

West Virginia: Alderson Broaddus College, Philippi.

San Juan, P. I.: San Juan City Hospital, San Juan.

DISEASES OF THE HEART AND CIRCULATION

I. HOW MANY PEOPLE DIE OF DISEASES OF THE HEART AND CIRCULATION EVERY YEAR IN THE UNITED STATES?

1. The number one killer of our people is heart disease (1).

2. More than 1 in every 3 deaths is due to a disease of the heart and circulation (2).

3. Six hundred thirty-seven thousand six hundred and seventy-nine human beings died of diseases of the heart and circulation in 1948 (2):

Heart diseases	471,469
Intracranial lesions of vascular origin	131,036
Acute rheumatic fever	927
Other circulatory diseases	34,247

4. More than 66,000,000 Americans now alive will die of diseases of the heart and circulation unless new treatments and cures are found (3).

5. During World War II, 1,967,468 people died in the United States of diseases of the heart and circulation (4). This is nearly eight times as many people as were killed in action in the Armed Forces (5).

II. HOW MANY PEOPLE ARE SUFFERING FROM DISEASES OF THE HEART AND CIRCULATION IN THE UNITED STATES?

1. Between 9,000,000 and 10,000,000 people are suffering from diseases of the heart and circulation (6).

2. In contrast with this, 670,302 Americans were wounded in action in World War II (7).

3. A total of at least 152,000,000 workdays a year are lost because of diseases of the heart and circulation (8).

III. HOW DO DEATHS FROM DISEASES OF THE HEART AND CIRCULATION COMPARE WITH DEATHS FROM OTHER DISEASES?

1. More than 44 percent of all deaths are caused by diseases of the heart and circulation (3).

2. Diseases of the heart and circulation kill:

(a) Over three times as many people as cancer (9).

(b) Over fourteen times as many people as tuberculosis (9).

(c) Over 1,700 people every day. This is more people than die of scarlet fever and diphtheria in a whole year in the United States (9).

IV. HOW MANY DOCTORS SPECIALIZE IN DISEASES OF THE HEART?

1. Only 420 physicians are certified by the American Board of Internal Medicine as specialists in the field of cardiovascular disease (10).

(a) There are an additional 5,000 qualified specialists in internal medicine, the majority of whom give special attention to cardiovascular diseases (11).

V. WHAT FACILITIES ARE AVAILABLE FOR SPECIAL CARE OF PEOPLE WITH DISEASES OF THE HEART AND CIRCULATION?

1. For the minimum number of 9,000,000 people suffering from diseases of the heart and circulation, there are in the entire United States less than 200 beds set aside for clinical research in diseases of the heart and circulation to find new treatments and cures for these diseases (12).

VI. HOW MUCH MONEY IS AVAILABLE FOR RESEARCH IN THIS FIELD ANNUALLY?

1. About $7,217,015 divided as follows (appendix I):

(a) Public funds:

The National Heart Institute, USPHS, has appropriations for research for the fiscal year beginning July 1, 1949, of about $5,462,400.

(b) Private funds:

Leading voluntary agencies interested in cardiovascular diseases allocated for 1949 approximately $1,754,615.

2. In other words, we are spending only about $11.31 per death annually for research to find causes and cures of the greatest killer of our people.

VII. HOW DOES THIS COMPARE WITH WHAT WE SPEND ON OTHER RESEARCH?

1. In contrast with the total of about $7,217,015 being spent for research in diseases of the heart and circulation:

(a) Congress appropriated a total of $77,351,628 for the Research Administration of the Department of Agriculture for 1949 (13).

(b) Congress authorized the expenditure of $45,889,811 by the Department of Agriculture in 1949, for the program of control and eradication of foot-and-mouth disease now being conducted in Mexico in cooperation with the Mexican Government (14).

(c) For industrial research, to improve manufactured products (excluding atomic energy) (15):

American industry is spending $450,000,000 a year.

The United States Government spends $625,000,000 a year.

Universities and other agencies are spending $85,000,000 a year.

This means that Americans are spending a total of $1,160,000,000 for industrial research, but only about $7,217,015 to save the lives of people suffering from diseases of the heart and circulation, the No. 1 killer.

2. We live in an economy where, in 1945, American manufacturers spent these amounts for industrial research:

Bendix Aviation Corp., for research and engineering, approximately (16)	$18,150,000
Allis-Chalmers Manufacturing Co., for development, testing and experimental expenditures (16)	$3,286,234

3. About $12,938,898 is being spent in the field of cancer research—the second cause of death in the United States (17). This contrasts with only about $7,217,015 for diseases of the heart and circulation, the first cause of death.

4. The total amount available from all sources for research in diseases of the heart and circulation is about one-third the amount voted by Congress for forest roads and trails for 1949 (18).

5. Forty-two million two hundred and sixty-eight thousand dollars is spent annually for stomach sweeteners (19), in contrast with about $7,217,015 spent for research in diseases of the heart and circulation.

VIII. IS HEART DISEASE PRIMARILY A DISEASE OF OLD AGE?

1. No. Of the 637,679 people who died from diseases of the heart and circulation in 1948, 217,636, or one-third, were under 65 years of age (2).

2. In 1948, more children died of diseases of the heart than the total number of deaths of people of all ages from infantile paralysis (20).

(a) Among children under 15, more than twice as many died of diseases of the heart in 1948 as died of infantile paralysis (20).

IX. DO PEOPLE OF THE UNITED STATES THINK MORE RESEARCH IN THIS FIELD IS NECESSARY?

1. Seventy-nine percent of the people questioned in a recent poll were in favor of the Government's spending $200,000,000 for research to find the causes and cure of diseases of the heart; and 80 percent were willing to pay more taxes to provide the money (21).

APPENDIX I

Funds available for research in diseases of the heart and circulation

PUBLIC FUNDS

1. National Heart Institute, through U. S. Public Health Service, for fiscal year beginning July 1, 1949 (22):	
Intramural research	$1,350,000
Research projects (grants-in-aid)	3,820,000
Research fellowships	292,400
Total, public funds	5,462,400

PRIVATE FUNDS

1. Helen Hay Whitney Foundation (23) approximately	200,000
2. New York Heart Association (24)	[1] 287,335
3. Life Insurance Medical Research Fund (25)	667,280
4. American Heart Association (26)	[2] 380,000
5. Other affiliates of American Heart Association throughout the country (27)	220,000
Total, private funds	1,754,615
Total, all funds (approximate)	7,217,015

[1] In addition to contribution of $67,500 to American Heart Association.

[2] Includes contribution of $67,500 from New York Heart Association.

REFERENCE LIST

(1) National Office of Vital Statistics (1 out of 2.26 deaths in 1948; 1 out of 2.31 deaths in 1947).

(2) National Office of Vital Statistics: Total deaths 1948—1,444,337; deaths from diseases of the heart and circulation, 637,679.

(3) Forty-four and fifteen hundredths percent of the total deaths in 1948 were caused by diseases of the heart and circulation; 44.15 percent of 150,000,000 (estimated 1949 United States population) is 66,225,000.

(4) National Office of Vital Statistics.

(5) Killed in action in World War II—Army, 176,432; Navy (died overseas) 72,269; total, 249,701 (World Almanac 1948, p. 551.)

(6) Dr. Rolla E. Dyer, director, National Institutes of Health; estimate based on analysis of the health of the Nation, 1940 (memorandum date May 28, 1947).

(7) Wounded casualties in World War II—Army, 571,822; Navy, 98,480; total, 679,302 (World Almanac 1948, p. 551).

(8) National Health Survey, 1938.

(9) National Office of Vital Statistics. 1948 deaths: Cancer, 197,042; tuberculosis, 43,833; scarlet fever, 68; diphtheria, 634.

(10) American Board of Internal Medicine—letter dated October 15, 1949.

(11) Dr. Charles Connor, American Heart Association—letter dated September 21, 1949. Based on listings in Directory of Medical Specialists, Volume 4, 1949.

(12) Fact brought out in hearings before Senators BRIDGES and PEPPER on need for additional research funds for heart disease, by group of heart specialists, April 24, 1947.

(13) United States Budget, fiscal year ending June 30, 1950, p. 279.

(14) Bureau of the Budget, Office of the Director—letter dated September 15, 1949.

(15) "Science and Public Policy—A Report to the President," by the President's Scientific Research Board, volume I, page 12. August 27, 1947.

(16) National Industrial Conference Board.

(17) Government funds for fiscal year beginning July 1, 1949: $7,781,398; voluntary agencies: approximately $5,157,500; total: $12,938,898.

(18) $22,550,000 was appropriated for forest development roads and trails for 1949. United States Budget, fiscal year ending June 30, 1950, page 361.

(19) Drug Topics—volume 93, No. 20—September 26, 1949, page 2. Published by Topics Publishing Co., New York, N. Y.

(20) National Office of Vital Statistics: 1948—deaths of children under 15 from heart diseases: 2,278; from infantile paralysis, 1,085; total deaths from infantile paralysis, 1,895.

(21) Poll conducted by American Institute of Public Opinion, Princeton, N. J., June 26, 1948.

(22) Distribution of United States Public Health Service funds, National Institutes of Health, Division of Research Grants and Fellowships, fiscal year 1950, National Heart Institute:

Cash:	
Intramural research	$1,350,000
Research projects (grants-in-aid)	3,820,000
Research fellowships	292,400
Research construction grants	1,600,000
Trainees	150,000
Teaching grants	741,000
Grants-in-aid to States	2,000,000
Other	764,000
Total	10,717,400
Contract authority:	
Construction grants	4,459,000
Trainees	150,000
Teaching grants	741,000
Total cash and contract authority	16,067,400

(23) Helen Hay Whitney Foundation—Fiscal year beginning January 1, 1949.

(24) New York Heart Association—Fiscal year beginning January 1, 1949.

(25) Life Insurance Medical Research Fund—Fiscal year beginning January 1, 1949.

(26) American Heart Association—Fiscal year beginning July 1, 1949.

(27) For 1949. Dr. Charles Connor, American Heart Association—Telephone conversation, December 19, 1949.

Tabulation of pending cardiovascular research construction applications, by State and institution

	Amount of application
Alabama: Medical College of Alabama and Jefferson Health Department, Birmingham	$416,931
California:	
University of California Medical School, San Francisco	1,250,000
University of California Medical School, Los Angeles	884,736
District of Columbia: Georgetown University, Washington, D. C.	909,960
Georgia: Emory University, Atlanta	500,000
Illinois:	
University of Illinois, Chicago	2,350,000
Loyola University (Stritch School of Medicine), Chicago	116,000
Michael Reese Hospital, Chicago	2,647,850
Mount Sinai Hospital, Chicago	125,000
Massachusetts:	
Boston University School of Medicine, Boston	58,810
Children's Medical Center, Boston	450,000
Jewish Memorial Hospital, Roxbury	128,500
New England Center Hospital, Boston	220,000
Michigan: Wayne University, Detroit	377,226
Missouri: Washington University, St. Louis	300,000
New York:	
Bellevue Hospital, New York City	150,000
University of Buffalo, Buffalo	96,583
Columbia University College of Physicians and Surgeons, New York City	1,000,000
Cornell University, New York City	200,000
Montefiore Hospital, New York City	418,700
Mount Sinai Hospital, New York City	300,000
New York Hospital, New York City	800,000
University of Rochester, Rochester	414,368
North Carolina:	
Bowman Gray School of Medicine of Wake Forest College, Winston-Salem	843,900
Duke University, Durham	1,347,000
Duke University, Durham	45,000
University of North Carolina, Chapel Hill	516,800
Ohio: Western Reserve University, Cleveland	275,000
Oklahoma: Oklahoma Medical Reserve Foundation, Oklahoma City	225,000
Oregon: University of Oregon, Portland	230,000
Pennsylvania:	
Jefferson Medical College of Philadelphia, Philadelphia	1,000,000
University of Pittsburgh, Pittsburgh	500,000
Temple University Hospital and Medical School, Philadelphia	900,000
Woman's Medical School of Pennsylvania, Philadelphia	169,645
South Carolina: Medical College of the State of South Carolina, Charleston	485,000
Tennessee:	
University of Tennessee, Memphis	468,600
Vanderbilt University, Nashville	503,700
Texas: Southwestern Medical College of University of Texas, Dallas	500,000
Washington: University of Washington, Seattle	500,000
West Virginia: University of West Virginia, Morgantown	5,860
Total pending applications	22,635,269

In addition to the applications tabulated above, other meritorious requests were reduced by approximately $6,500,000 due to lack of funds.

WHAT IS THE MENTAL HEALTH SITUATION IN THE UNITED STATES TODAY?

I. HOW MANY PEOPLE IN THE UNITED STATES ARE SUFFERING FROM SOME FORM OF MENTAL ILLNESS?

1. About 8,500,000 people in the United States are suffering from some form of mental illness (1).

(a) This means that more than 1 in every 18 persons is now suffering from some form of mental illness.

2. One out of every ten persons will need psychiatric care at some time during his life (2).

(a) This means that about 15,000,000 persons now living in the United States will require psychiatric care at some time (2).

3. One out of every eighteen persons will spend some part of his life in a mental hospital (3).

(a) This means that about 8,334,000 people now living in the United States will be hospitalized for mental illness at one time or another.

4. Severe mental illness:

(a) One out of every two hospital beds in the United States is occupied by a mental patient (2).

(b) 664,399 or 54 percent of the 1,217,154 patients comprising the average daily hospital census in 1948, were patients in nervous and mental hospitals (4).

(c) 305,000 patients, new and old, were admitted to mental hospitals in 1948 (4). Of this total, 210,000 were new patients (4).

(d) Prewar studies showed that at any one time there are about 1,000,000 persons sufficiently disabled by mental illness to warrant hospitalization, although only a little more than 600,000 get it (5).

5. Minor mental illness:

(a) About 50 percent of general practitioners' patients suffer from some form of mental illness (6) (7).

(b) About 30 percent of hospitalized general medical and surgical cases are more or less neurotic (8).

II. WHAT IS THE COST OF MENTAL ILLNESS TO OUR NATIONAL ECONOMY?

1. Including hospitalization and loss in earnings, the complete loss to the Nation annually from serious mental illness alone, would reach a billion and a half dollars (9).

2. In 1947 taxpayers spent over $360,000,000 to maintain patients in the Nation's public mental hospitals (1).

III. WHAT DID SELECTIVE SERVICE EXAMINATIONS SHOW ABOUT THE PEOPLE'S MENTAL HEALTH?

1. Rejection before induction: About 1,846,000, or 38 percent, of the 5,000,000 men rejected before induction were rejected for neuropsychiatric disorders (10).

(a) About 12 percent, or 1 out of 8, of the 15,000,000 men examined were rejected for neuropsychiatric reasons (10).

2. Discharge after induction: Of the men discharged for medical disability after induction, about 387,000 (or 37 percent of Army medical discharges) were discharged from

the Army, and 76,621 (or 32.4 percent of Navy medical discharges) were discharged from the Navy, for neuropsychiatric reasons (10) (11).

(a) This means that more than 1 out of 3 men medically discharged from the Armed Forces were discharged for neuropsychiatric reasons.

(b) This is exclusive of the 163,000 Army men and 91,563 Navy men discharged administratively for such reasons as psychopathic personality, mental deficiency, drug addiction, or homosexuality (10) (11).

IV. HOW MANY HOSPITALS FOR MENTAL DISEASE ARE THERE IN THE UNITED STATES?

1. About 586 hospitals, with a capacity of 691,499 beds (4).

(a) 97.7 percent of all mental patients are in public hospitals (12). 84.2 percent are in State hospitals (12).

Only about 2.3 percent of mental patients are cared for in private hospitals (12).

2. There is an immediate need for 350,000 more beds for mentally ill patients (13).

V. HOW MANY CLINICS FOR MENTAL DISEASE ARE THERE IN THE UNITED STATES?

1. About 855 clinics, including both part- and full-time clinics. This includes all those organized by communities, divisions of State or county governments, and the Veterans' Administration (14).

(a) 6 States are without a single community psychiatric clinic of any type; and there are vast areas in other States where no psychiatric help is available (1).

(b) At least 1,500 full-time community clinics are needed (15).

VI. HOW MUCH IS BEING SPENT TO RUN THESE CLINICS AND HOSPITALS TO TAKE CARE OF MENTAL PATIENTS IN THE UNITED STATES?

1. About $400,000,000 was spent in 1947 to provide long-term hospital care for 651,000 mental patients (16).

(a) Virtually all of this money comes out of tax funds.

2. In contrast to this, the people of the United States spent about $1,115,000,000 for service in beauty parlors and barber shops in 1948 (17).

VII. HOW MUCH IS THE UNITED STATES PUBLIC HEALTH SERVICE SPENDING FOR RESEARCH TO PREVENT AND CURE MENTAL ILLNESS?

1. About $1,223,200 for research has been allocated for the fiscal year beginning July 1, 1949 (18).

(a) On the basis of 664,399 (4) patients in mental and nervous hospitals, this means that the United States Public Health Service is spending only about $1.84 per year for research for new treatments and cures for each hospitalized case.

(b) In contrast, the Department of Agriculture spent in 1949 $73,860,691 for research in control and cure of plant and animal diseases. This includes $45,889,811 for the eradication of foot and mouth disease (19).

(c) $100,000 was spent for research fellowships (18).

VIII. HOW MUCH IS UNITED STATES PUBLIC HEALTH SERVICE SPENDING FOR ESTABLISHMENT OF MENTAL HEALTH CLINICS AND SERVICES?

1. $3,550,000 has been allotted for grants-in-aid to States for the fiscal year beginning July 1, 1949 (18).

(a) These funds are to be matched by State funds at the rate of 50 cents for each Federal dollar (20).

IX. HOW MUCH WAS BEING SPENT FOR RESEARCH ON MENTAL HEALTH IN BOTH PRIVATE AND PUBLIC INSTITUTIONS AND CLINICS IN THE UNITED STATES IN 1947?

1. Approximately $3,322,411 was available, divided approximately as follows:

Public funds (including Veterans' Administration (22), approximately (21)	$2,249,516
Private funds, about (21)	716,895

2. On the basis of 664,399 (4) patients in mental and nervous hospitals, this would indicate that the amount spent in 1947 per individual hospital case, employing both private and public funds, is less than $5.

(a) This figure compares with $94 per patient for research in infantile paralysis (23).

3. In contrast, the Nation spent $8,800,000,000 for alcoholic beverages alone in 1948 (24), an average of about $59 annually for each man, woman, and child.

X. IN HOW MANY INSTITUTIONS IN THE UNITED STATES IS RESEARCH IN THIS FIELD BEING CONDUCTED?

1. Results of a recent poll of mental institutions, nervous hospitals, medical schools and universities, etc., show that there are about 161 of these institutions that have research facilities and are engaged in research in one or more of the phases of mental illness (21).

(a) About 80 percent or $2,534,896 of the approximate total of $3,322,411 is being spent by 20 institutions throughout the country. Of these, 3 are supported by Federal Government; 7 are supported by State governments; 10 are privately supported (21).

(b) Of this $2,534,896, $2,089,262, or 82 percent, comes from public sources; $445,634, or 18 percent, comes from private sources (21).

XI. DO THE 664,399 PATIENTS IN MENTAL HOSPITALS RECEIVE ADEQUATE CARE?

1. No. The average cost of State, county, and city hospital long-term patient maintenance in the United States was only $549 per year, or $1.50 per day in 1947 (25), and $1.26 per day in 1942 (26).

(a) The average cost of food for these patients was only 22 cents per day in 1942 (26).

(b) These figures compare with $5 per patient per day for acute and recovering mental hospital patients and $2.50 per patient per day for chronic cases which were considered the minimum standard (27), and a little more than $13 per ward patient per day in a general hospital, average cost in New York City in 1948 (28).

2. Whereas the approved APA standards are:

(a) For psychiatrists: Observation and acutely ill patients 1–30; reeducation service 1–75; convalescent 1–50; continuous treatment and senile 1–200.

(b) For nurses: Observation and acutely ill patients 1–4; convalescent 1–10; reeducation service 1–25; continuous treatment and senile 1–40 or 50.

(c) For the Army: One psychiatrist to each 50 patients.

The actual ratio is 1 psychiatrist to each 387 patients and 1 graduate nurse to each 120 patients (1).

3. It is estimated that there are the following deficiencies in State hospital employees:

(a) All employees, 42 percent (29).

(b) Clinical psychologists, 91.9 percent (29).

(c) Social workers, 70.8 percent (29).

(d) Trained nurses, 80 percent (30).

(e) Attendants, 50 percent (30).

XII. HOW MANY DOCTORS AND OTHER MEDICAL PERSONNEL SPECIALIZE IN THE CARE OF MENTAL PATIENTS?

1. In 1948 there were 4,765 psychiatrists in the United States, many of whom are administrators or retired (1). Of these, only 2,463 hold diplomas from the American Board of Psychiatry and Neurology (1).

(a) The present need in the United States is for at least 18,785 more psychiatrists (1).

(1) There are approximately 8,099 graduate nurses specializing in psychiatry in the United States (4), 50,320 other nurses and attendants (4), and 1,011 psychiatric social workers (1).

a. The National League of Nursing Education estimates our need is at least 47,000 psychiatric nurses (31), or almost six times the number we now have.

b. Of the 1,163 State accredited nursing schools (4) in the country, only 32 are located in mental hospitals. Fourteen States have no training facilities in psychiatric nursing (5).

(2) There are approximately 1,500 trained clinical psychologists (32) and at least 1,700 more needed (33).

(b) It has been estimated that 6,000 new psychiatric social workers are needed in this country (34).

REFERENCE LIST

(1) Statistics Pertinent to Psychiatry in the United States, report No. 7, Group for the Advancement of Psychiatry, March 1949.

(2) Former Surgeon General Thomas Parran in One Out of Ten, This Week, November 17, 1946.

(3) The Hospital Survey for New York, volume II, page 947.

(4) Journal of the American Medical Association, hospital number, May 7, 1949, pages 29, 30, 34.

(5) National Committee for Mental Hygiene, 1946 annual report, pages 9, 21.

(6) Dr. William C. Menninger[1] quoting C. A. Rymer: Psychiatric Education, American Journal of Psychiatry, 102: 548–551, January 1946.

(7) Dr. William C. Menninger[2] quoting F. G. Ebaugh: The Care of the Psychiatric Patient in General Hospitals, Chicago American Hospital Association, 1940.

(8) Dr. William C. Menninger[1] quoting B. Mittelman et al.: Personality and Psychosomatic Disturbances in Patients in Medical and Surgical Wards, Psychosomatic Medicine, 7:220–223; July 1945.

(9) Computation by Dallas Pratt, M. D., National Mental Health Foundation, January 1947. Quoted in bulletin of the Menninger Clinic, volume 12, No. 1, January 1948, page 8.

(10) Dr. William C. Menninger[1] quoting Medical Statistics Division, Surgeon General's Office, 1946.

(11) Dr. William C. Menninger[2] quoting F. J. Braceland: Psychiatric Lessons From World War II, American Journal of Psychiatry, 103: 587–593, March 1947.

(12) Patients in Mental Institutions, 1946, United States Department of Commerce, Bureau of the Census, page 11.

(13) National Committee for Mental Hygiene, 1947 annual report, page 9.

(14) Directory of Psychiatric Clinics, National Committee for Mental Hygiene, 1948.

(15) Dr. George Stevenson, medical director, National Committee for Mental Hygiene, in personal interview. "At least 1,500 full-time community clinics should be planned for on the basis of one clinic to each 100,000 people, which has proved practical. This does not entirely fill the need."

(16) Estimate of Mental Hygiene Division, United States Public Health Service, from J. AMA October 1948, volume 138, No. 7, page 517.

(17) Survey of Current Business, July 1949, national income number, United States Department of Commerce, page 23.

(18) Distribution of USPHS funds by types—fiscal year 1950; chart from National

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[1] From Challenge to Psychiatry, a paper compiled by Dr. William C. Menninger.

[2] From Facts and Statistics of Significance for Psychiatry, a paper compiled by Dr. William C. Menninger. Bulletin of the Menninger Clinic, January 1948.

Institutes of Health, Division of Research Grants and Fellowships:	
Intramural research	$329,200
Project grants-in-aid research	794,000
Research fellows	100,000
Trainees	920,000
Teaching grants	1,986,000
Grants-in-aid to States	3,550,000
Other	933,090
Total cash	8,662,290
Contract authority:	
Research grants. (Of this amount, it is proposed to only $225,000 and allow the balance of $425,000 to remain unobligated)	650,000
Teaching grants	1,500,000
Total of cash and contract authority	10,812,290

(19) Budget of the United States, fiscal year ending June 30, 1950. Letter from Kenneth Stiks, Office of the Director, Executive Office of the President, Bureau of the Budget, Washington, D. C., September 15, 1949.

(20) National Mental Health Act, 1946.

(21) Survey of Research in Mental Institutions, National Committee for Mental Hygiene, March 1948. Public funds: $2,249,516. Private funds: $716,895.

(22) Letter dated August 13, 1948, from E. H. Cushing, M. D., Assistant Medical Director for Research and Education, Veterans' Administration: Research in Mental Health, $356,000.

(23) Bulletin of the Menninger Clinic, volume 12, No. 1, January 1948, page 13. Chart on research.

(24) Office of Business Economics, release 242—June 20, 1949, Department of Commerce.

(25) Press release September 1948, Mental Hygiene Division, United States Public Health Service.

(26) Dr. William C. Menninger quoting from Patients in Mental Institutions, 1942, Bureau of the Census, 1944.

(27) National Committee for Mental Hygiene, 1947 annual report, page 11.

(28) United Hospital Fund, 1948 annual report, page 6.

(29) Dr. William C. Menninger[2] quoting R. H. Felix: Phychiatric Plans of the United States Public Health Service, Mental Hygiene 30: 381-389, July 1946.

(30) The Nation's Health by Oscar R. Ewing, Federal Security Administrator, September 1948.

(31) Dr. William C. Menninger[1] quoting National League of Nursing Education, 1945. Pamphlet on "New Frontiers in Psychiatric Nursing."

(32) Bulletin of the Menninger Clinic, volume 12, No. 1, January 1948, quoting Pepper, C.: National Mental Health Act, Senate Report No. 1353, May 16, 1946.

(33) Bulletin of the Menninger Clinic, volume 12, No. 1, January 1948, quoting Communication from Dr. David Rapaport, dated February 15, 1947.

(34) Miss E. L. Martin, secretary, Division on Hospital Service, National Committee for Mental Hygiene, letter dated October 4, 1949.

[1] From Challenge to Psychiatry, a paper compiled by Dr. William C. Menninger.

[2] From Facts and Statistics of Significance for Psychiatry, a paper compiled by Dr. William C. Menninger. Bulletin of the Menninger Clinic, January 1948.

Mental health activities

REQUESTS FOR CONSTRUCTION GRANTS

Michael Reese Hospital (Illinois)	$1,000,000
University of Texas (Texas)	500,000
Washington University (Missouri)	1,000,000
University of Michigan (Michigan)	800,000
Boston University (Massachusetts)	800,000
Menninger Foundation (Kansas)	856,000
Temple University (Pennsylvania)	750,000
University of Rochester (New York)	233,260
Langley Porter Clinic (California)	350,000
University of Wisconsin Medical School-Hospital	250,000
Total (10 institutions)	6,739,260

REQUESTS NOT SPECIFYING AMOUNTS

University of Cincinnati (Ohio).
Institute of Psychoanalysis (Illinois).
Pinel Foundation (Washington).
University of Chicago (Illinois).
Massachusetts Memorial Hospital (Massachusetts).
University of Washington (Seattle, Wash.)
Six institutions.
Total institutions, 16.

DENTAL FACT SHEET

THE PROBLEM

The American Medical Association has estimated that Americans spend a total of nearly $1,000,000,000 a year for dental care and treatment, much of it preventable. This is about one-half of what they spend for medical services.

Yet, less than $1,000,000 a year is being spent on dental research, as against $110,000,000 for medical research.

Dental disease strikes almost every individual, causes much suffering, the loss of many man-hours of productivity, and is expensive.

Apart from dental caries and periodontal disease, dental diseases frequently causes or aggravates other serious bodily ailments. Of all selectees examined during World War II between November 1940 and December 1943, nearly 12 percent had defective teeth. (This rejection rate was so high that standards had to be lowered still further and extensive dental rehabilitation programs undertaken by the armed services.)

WHAT IS NEEDED

An augmented program of basic research into the fundamental aspects of diseases of the mouth.

Strengthened training program to provide an adequate number of skilled laboratory and clinical research personnel.

Expanded research facilities which will provide opportunity to link dental research more closely to basic medical research in other fields.

A strengthened program of control activities, with particular emphasis on preventive dentistry and the extension of fluorine programs.

WHAT IS PROPOSED

To add $1,900,000 for the construction of intramural research facilities.

To add $1,100,000 for construction grants.

THE KIND OF PROGRESS THAT IS BEING MADE

New and improved techniques for treating and preventing dental caries, pyorrhea, and other dental illnesses.

Fluorine studies, both reduction of caries by topical application, and partial control through introduction of fluorine into community water supply.

Fundamental knowledge on the causes of diseases of the soft tissues is being obtained.

Mr. PEPPER. Mr. President, I ask leave to insert certain newspaper clippings which I send to the desk.

There being no objection, the newspaper clippings were ordered to be printed in the RECORD, as follows:

[From the New York Times of July 16, 1950]

CANCER SCIENTISTS GATHER IN PARIS—250 OF 850 HAIL FROM UNITED STATES—BELGIAN SEES NEAR CONTROL WON WITHIN 10 YEARS

(By Waldemar Kaempffert)

PARIS, July 15.—Scientists who officially represent 55 countries have assembled in Paris to participate in the Fifth International Cancer Congress which will be ceremoniously opened tomorrow by President Vincent Auriol. About 850 cancer specialists are in attendance and of these more than 250 are from the United States.

No official representatives of the Soviet Union are present. All invitations addressed to the Soviet Union have remained unanswered.

At a meeting of the general assembly, the governing body of the International Union Against Cancer, which organization arranges these congresses, Vietnam was elected a member.

Though the scientific sessions will not begin till Monday, the International Research Commission and the general assembly, both integral parts of International Union Against Cancer, took steps to unify action against cancer.

The International Research Commission is an autonomous body composed of scientists appointed by their governments, one scientist to each government. Yet this research commission is part of international union and the union is, in turn, a nongovernmental agency of the World Health Organization.

It is the purpose of the research commission of the general assembly, and hence of the international union, to unify cancer research and education on a continental scale.

Last May, representatives of European governments met in Brussels, Belgium, and created a European Cancer Society. The enormous influence of the United States in bringing about a consolidated attack on cancer was manifest today in an action taken by the general assembly on this new European Cancer Society.

Both the founders of the new European society and the general assembly were struck by the fact that in the United States there are many State and local cancer societies, yet all work for a common cause under the auspices and direction of the American Cancer Society which formulates policies, raises money in annual drives, and distributes it throughout the country.

It is the intention of the founders of the European Cancer Society and of the General Assembly of the International Union to follow as closely as possible the American pattern. But the General Assembly of the International Union, while approving the aims of the new European society, stipulated that it regard itself as a section of the union even though it will be autonomous.

There was no marked opposition to this amendment.

This Fifth International Cancer Congress is the first of world-wide scope to be held since the outbreak of World War II. Much is expected of it. In an interview today Dr. Jay Maisin, director of the Cancer Institute at the University of Louvain and an eminent European authority, said that this international congress was necessary to bring

cancer research scientists together. Like many others in attendance, he saw great prospects ahead.

"In the rather near future," he said, "we may expect a solution, not of the whole cancer problem, but of a considerable part of it. That is, we shall know better than we do now how to control cancer."

When he was asked what he meant by "near future," Dr. Maisin answered:

"About 10 years."

He added that those who were attending the congress were working in such diverse fields as chemistry, heredity, endocrinology, and viruses.

"It is highly important to find out just how some chemicals and agents produce cancers," Dr. Maisin said. "It is a mode of action that we must discover and when it is discovered we shall know just what cancer is and know its real nature. And when we know that we shall come close to understanding the mechanism of life itself."

During the course of this same interview, Dr. A. Claude, formerly of Rockefeller Institute, explained how he had been using the electron microscope to find out what makes a normal cell go wild and behave in an anarchical way.

Cancer students do not agree whether the disturbing cause always lies outside or whether it sometimes lies inside the cell. Dr. Claude said his work seemed to indicate that "much of the cause of cancer lies right in the cell itself," but he does not know what that cause is.

The next International Congress Against Cancer will be held in Rio de Janiero in 1953.

[From the Washington Star of July 17, 1950]

NONSHRINK CHEMICAL IS FOUND TO SLOW UP CERTAIN CANCERS

(By Alton L. Blakeslee)

PARIS, July 17.—A chemical made to prevent clothes from shrinking is able to shrink or halt some cancers for a time, experts from 50 nations were told today.

The chemical is called TEM. It was described to the Fifth International Cancer Research Congress by Dr. C. Chester Stock and Sonja M. Buckley of the Sloan-Kettering Institute for Cancer Research at New York's Memorial Hospital.

About 800 scientists are attending the congress, which opened today at the Sorbonne.

TEM hits at such cancers of the lymphatic tissue as Hodgkins disease and at some cases of leukemia, or cancer of the blood, Dr. Stock said. As with other treatments for these diseases, its effects are temporary.

Dr. Stock's team tested 3,000 chemicals for their anticancer value. Only nine were found to stop cancer growth or make cancers shrink in laboratory trials using mice. Such a low batting average is typical of the myriad problems in cancer research.

TEM was developed originally as an antishrinkage chemical for textiles. As a drug it has been used at Memorial Hospital on some humans with Hodgkins disease or leukemia. It is reported as effective against the two cancers as the nitrogen mustards, the wartime poison-gas chemicals. But TEM can be swallowed as a pill and does not nauseate human beings. Nitrogen mustards are given by injection.

Neither TEM nor nitrogen mustards cures these diseases but patients feel better for a time.

[From the Washington Star, July 15, 1950]

SOME CANCER CONTROL SEEN IN 10 YEARS

PARIS, July 15.—Humans can hope for some medical controls of cancer in perhaps 10 years, Dr. Jean Maisin, famous Belgian scientist, said today.

"We can't hope to solve the whole cancer question in that time," he said, "for the line between cancer and normal life is too fine."

But, he asserted that new developments "are brewing in laboratories throughout the world. They will very possibly lead to some medical aids to control cancer."

Dr. Maisin is secretary-general of the International Union Against Cancer, which mapped new world-wide strategy for cancer control at a meeting today. He is director of the Cancer Institute at the University of Louvain.

The union, composed of scientific organizations in 55 nations, sponsors the Fifth International Cancer Research Congress, which opens at the Sorbonne in Paris Monday. More than 800 scientists, including about 250 Americans, will attend to present or hear the latest reports on advance in cancer research.

Unparalleled progress toward eventual control of cancer will be reported at the sessions, said Dr. E. V. Cowdry, of St. Louis, president of the last congress held in St. Louis in 1947.

Mr. MAGNUSON. Mr. President, at 2 o'clock the Senate will vote on the cancer and health amendment. As for the other amendment, relating to ship repair, all I ask is that I may be allowed a short time in which to explain it, and then that the Senate may vote on it.

I merely want to add, Mr. President, in the short time which remains, that the figure provided for in the amendment, $64,000,000, is not a figure arrived at by the sponsors of the amendment. It is arrived at by doctors and scientists in charge of the great laboratories who say that that amount of money is required for research work in the coming year.

Mr. HUNT subsequently said. Mr. President, earlier in the session today I had intended to address myself to the Magnuson amendment designated as "D." However, time ran out. I did not have that privilege. So I now request unanimous consent that the remarks I had intended to make be incorporated in the RECORD immediately preceding the vote on the Magnuson amendment lettered "D."

There being no objection, Mr. Hunt's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUNT

I fully support the views of the distinguished Senators who are sponsors of this amendment. It surely is not necessary to speak at length on the need for more funds in the field of human-disease research.

Surely all four of the institutes of health research referred to in the amendment deserves our full support.

Not because it is of greater importance but because of the knowledge I have of the profession of dentistry, I will limit my remarks to comments on this amendment in terms of dental needs.

What I say with reference to dental health and the need for research in that field is, of course, equally applicable to the other fields of health, namely, cancer, heart, and mental conditions.

There is no disease more widely spread than dental disease. Diseases of the mouth, teeth, and supporting tissues affect everyone of us. Yet funds for dental research, in my opinion, always have been totally inadequate, in fact almost nonexistent.

Regardless of how widespread dental diseases are and even though we know that in World War II 35 percent of all draftees rejected for physical disability were due to dental ill health—yet today less than $1,000,000 a year is being spent on dental research and training from all sources.

On the other hand, American citizens spent approximately $1,000,000,000 last year for dental care and treatment.

We have always approached the problem of dental care from the standpoint of restoration and reconstruction instead of prevention.

We must have additional funds for research grants-in-aid and research laboratories to support the present modest requests from universities, dental schools, and other organizations for funds.

As I have set out—dental disease is a universal affliction of our people. Its destructive nature causes much suffering, the loss of many man-hours of productivity, the loss of the general health of our people, and it is expensive.

To give you some idea as to how extensive dental diseases exist—you may be surprised to learn that at the age of 6 more than 9 out of 10 children have one or more decayed teeth. By the time a boy or girl reaches the age of 18, nine teeth in the average mouth have become decayed, and several of necessity have been extracted.

Science has proven long ago that a dental disease often is the foci of infection or the primary liaison which causes other conditions such as arthritis, heart disease, infections of the kidneys, and gastro-intestinal ulcers.

Previously I referred to the number of rejections of drafted men in World War II because of general health and to be more specific 188,000 out of the first 2,000,000 men in the earliest days of the Selective Service System were rejected even though dental requirements were not too exacting or severe.

Everyone seems to be in agreement that the only hope of successfully attacking this problem of dental disease is through research and I strongly urge you gentlemen to support the amendment for more research in the medical and dental sciences.

That research will bring benefits not just to this generation but the generation yet unborn will be the greatest benefactors of what we do now in attempting to search out the cause and to cure these various human ailments.

Not only will we have accomplished a great thing for humanity if through research we can find the causes or quicker cures for diseases, but we will also have effected a tremendous economy for you will agree with me that the cost of being ill is one of the greatest problems facing this country today.

And so, Mr. President, I hope the Senate will give its full support to the amendment offered by the Senator from Washington and the Senators from other States in support of this increased appropriation, the $3,000,000 requested for research in the field of dental disease is actually insignificant as compared with the crying need and demand for such research.

The VICE PRESIDENT. The hour of 2 o'clock has arrived.

Mr. MAGNUSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Byrd	Darby
Anderson	Capehart	Donnell
Brewster	Chapman	Douglas
Bricker	Chavez	Dworshak
Bridges	Connally	Eastland
Butler	Cordon	Ecton

Ellender	Kerr	Myers
Ferguson	Kilgore	Neely
Flanders	Knowland	O'Conor
Fulbright	Langer	O'Mahoney
George	Leahy	Pepper
Gillette	Lehman	Robertson
Graham	Lodge	Russell
Green	Lucas	Saltonstall
Gurney	McCarran	Schoeppel
Hayden	McCarthy	Smith, Maine
Hendrickson	McClellan	Smith, N. J.
Hickenlooper	McFarland	Stennis
Hill	McKellar	Taft
Hoey	McMahon	Thomas, Okla.
Holland	Magnuson	Thomas, Utah
Humphrey	Malone	Thye
Hunt	Martin	Tydings
Ives	Maybank	Watkins
Johnson, Colo.	Millikin	Wherry
Johnson, Tex.	Morse	Wiley
Johnston, S. C.	Mundt	Williams
Kem	Murray	Young

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the amendment of the Senator from Washington and other Senators, which the clerk will state.

The LEGISLATIVE CLERK. On page 149, line 24, it is proposed to strike out "$15,750,000" and insert in lieu thereof "$79,750,000"; and on page 150, line 10, to change the period to a colon and add the following: "*Provided*, That funds shall be transferred to the appropriations 'National Cancer Institute,' 'Mental Health Activities,' 'National Heart Institute,' and 'Dental Health Activities' in the amounts of $17,000,000, $16,000,000, $28,000,000, and $3,000,000, respectively, and amounts so transferred shall be available for the objects specified herein under these heads and for grants for drawing plans, erection of buildings and acquisition of land therefor to provide facilities for research, and, with respect to dental health activities, for plans, specifications, construction and equipment of a research building and facilities for the National Institute of Dental Research."

Mr. MAGNUSON and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Delaware [Mr. FREAR], and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Alabama [Mr. SPARKMAN] is unavoidably detained on official business.

The Senator from Connecticut [Mr. BENTON] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from New Hampshire would vote "nay."

If present and voting, the Senator from California [Mr. DOWNEY], the Senator from Delaware [Mr. FREAR], the Senator from Louisiana [Mr. LONG], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Kentucky [Mr. WITHERS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY], who is absent by leave of the Senate, is paired with the Senator from Connecticut [Mr. BENTON]. If present and voting, the Senator from New Hampshire would vote "nay" and the Senator from Connecticut would vote "yea."

The result was announced—yeas 36, nays 48, as follows:

YEAS—36

Aiken	Johnston, S. C.	Magnuson
Bricker	Kerr	Maybank
Capehart	Kilgore	Morse
Chapman	Langer	Murray
Ecton	Leahy	Myers
Flanders	Lehman	Neely
Graham	Lodge	Pepper
Green	Lucas	Thomas, Okla.
Hill	McCarran	Thomas, Utah
Humphrey	McCarthy	Wiley
Hunt	McFarland	Williams
Ives	McMahon	Young

NAYS—48

Anderson	George	Millikin
Brewster	Gillette	Mundt
Bridges	Gurney	O'Conor
Butler	Hayden	O'Mahoney
Byrd	Hendrickson	Robertson
Chavez	Hickenlooper	Russell
Connally	Hoey	Saltonstall
Cordon	Holland	Schoeppel
Darby	Johnson, Colo.	Smith, Maine
Donnell	Johnson, Tex.	Smith, N. J.
Douglas	Kem	Stennis
Dworshak	Knowland	Taft
Eastland	McClellan	Thye
Ellender	McKellar	Tydings
Ferguson	Malone	Watkins
Fulbright	Martin	Wherry

NOT VOTING—12

Benton	Jenner	Taylor
Cain	Kefauver	Tobey
Downey	Long	Vandenberg
Frear	Sparkman	Withers

So the amendment offered by Mr. MAGNUSON for himself and other Senators was rejected.

Mr. MAGNUSON. Mr. President, the next amendment I have pending is to add $25,000,000 for ship repairs. I wonder if I could ask unanimous consent that I might have 5 minutes to explain the amendment, inasmuch as we had no time whatsoever to explain it because of the time taken on the cancer amendment.

The VICE PRESIDENT. The Senator may ask unanimous consent. Under the agreement as it was entered into, it would take unanimous consent to get the time.

Mr. MAGNUSON. I ask unanimous consent.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, I have no reason to object to the Senator having 5 minutes in which to explain the amendment, but I feel that if there is any opposition the same right should be accorded to whoever may oppose the amendment. I think the unanimous-consent request ought to be modified.

Mr. MAGNUSON. I ask unanimous consent that each side may have 5 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The amendment offered by the Senator from Washington and other Senators will be stated.

The LEGISLATIVE CLERK. On page 329, line 20, it is proposed to strike out "$9,271,700" and to insert in lieu thereof "$10,076,330."

On page 329, line 25, to strike out "$436,000" and to insert in lieu thereof "$511,370."

On page 330, between lines 2 and 3, to insert the following:

Repair of vessels in the national defense reserve pursuant to section 11 (2) of the Merchant Ship Sales Act of 1946 (60 Stat. 41), $24,120,000: *Provided*, That the invitations for bid for survey or repair of vessels shall provide that (1) the bidder shall provide for and pay for the movement of the vessels to his repair site and that he shall be reimbursed for the actual cost as determined by the Commission of such movement but not in excess of 10 percent of his bid for such survey or repair and (2) the bidder shall, as directed by the Commission, after completion of the repairs move the vessel to a reserve fleet site designated by the Commission and the Commission shall reimburse the bidder for the actual cost as determined by the Commission of such movement: *And provided further*, That the sums appropriated herein shall be available for the reimbursement provided hereinbefore.

Mr. MAGNUSON. Mr. President, under the unanimous-consent agreement, after the vote at 2 o'clock on the amendments offered by me and other Senators relating to the cancer and heart and other activities, the Senate agreed to vote on my amendment, which provides for an appropriation of $25,000,000 for the repair of vessels—134 in number, in the national defense reserve.

These ships are stationed in a laid-up fleet of 464 ships, and they are not to be confused with commercial vessels. They are ships placed in the custody of the Maritime Commission by the Navy and the military, and they include vessels in such categories as hospital ships, ammunition ships, LST's, and repair ships. They are ships of no commercial value whatsoever, but they belong to the so-called auxiliary fleet.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. Let me finish this thought and I shall be glad to yield.

Last year the Senate adopted the same amendment overwhelmingly. It was not accepted in the conference committee, but the situation this year has changed. There is even greater need for these ships because the Joint Chiefs of Staff have picked out 134 ships they will need. The ships are widely distributed on the coasts—some on the west coast, some in the Gulf, and some on the Atlantic coast. The ship-repair yards are completely shutdown; there is no work in them at all. The ships have to be repaired ultimately, and the great need for them now was evidenced by the fact that the President of the United States in his last message to the Congress sought to include an amount for repairs of these very ships. I think we can hasten what he sought by adopting the amendment.

I now yield to the Senator from Maryland.

Mr. TYDINGS. I should like to ask the Senator whether the amendment of-

fered by him, which is pending, is an amendment which in substance has the approval of the Joint Chiefs of Staff and the President of the United States.

Mr. MAGNUSON. It does.

Mr. TYDINGS. And the ships in question are for national defense?

Mr. MAGNUSON. They are for national defense. They are not commercial ships. Commercial ships are also being pulled out by the Maritime Commission, for cargo vessels.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Is not this the same amendment the Senator offered last year, in which I joined, involving 134 ships? The President has already asked for $18,000,000 to recondition 85 ships, and the pending amendment calls for repairs to 134 ships at a cost of $25,000,000; does it not?

Mr. MAGNUSON. Yes, and they are ships which the Joint Chiefs of Staff have picked out.

Mr. SALTONSTALL. If the Senate adopts the amendment, it will go to conference with the House, and be considered in connection with the President's recommendation, will it not?

Mr. MAGNUSON. Yes, and it would speed the matter up considerably.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Is not this practically the same amendment the Senator offered before the chapter on the independent offices appropriations which contains the maritime appropriation, was considered by the committee?

Mr. MAGNUSON. Yes.

Mr. O'MAHONEY. Is it not the same amendment with respect to which I said there was at that time no budget estimate?

Mr. MAGNUSON. That is correct.

Mr. O'MAHONEY. The Senator's amendment then is for $25,000,000?

Mr. MAGNUSON. Yes.

Mr. O'MAHONEY. Is it not a fact that a budget estimate for $18,000,000 is now under consideration in the House, and in connection with the supplemental bill?

Mr. MAGNUSON. That is correct.

Mr. O'MAHONEY. Mr. President, I am sure the Senator will understand therefore why, as chairman of the subcommittee dealing with the independent offices chapter of the bill, I feel that his amendment should be rejected so that it may be considered on the supplemental bill.

Mr. MAGNUSON. The Senator is taking my time. I do not think the amendment should be rejected at all, because the work should have been done a year ago, and the Senate so said. The main purpose of the amendment now is to speed up the work. These ships are lying unrepaired, and the quicker they are repaired the better. The President concurs, the Bureau of the Budget, the Joint Chiefs of Staff concur, and the quicker we get to work on these vessels the better. The ships are needed in this war.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BRIDGES. Will the Senator accept an amendment to his amendment in line with the request made by the President of the United States, which I hold in my hand, for $18,000,000?

Mr. MAGNUSON. I shall be glad to do so. Then there will be no conflict. I have had no opportunity to do so since the amendment was offered.

Mr. BRIDGES. I should then like to offer that as an amendment to the Senator's amendment.

Mr. MAGNUSON. Mr. President, I modify my amendment to read $18,000,000 instead of $25,000,000.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment is modified accordingly.

Mr. CORDON. Mr. President.

The PRESIDING OFFICER. Does the Senator rise in opposition to the amendment?

Mr. CORDON. In opposition to the amendment.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. CORDON. I rise not in opposition to what is sought to be done; but it is the opinion of the Senator from Oregon that we will serve the defense interests better if we do not include the item in the general appropriation bill. A supplemental appropriation bill is now being prepared. I think everyone understands that the general appropriation bill must go through conference. Every one of the departmental appropriations must be discussed, and agreements must be reached by a conference committee. Discussions in the conference committee may continue for an interminable length of time. On the other hand, the supplemental appropriation bill will be brought before us very shortly. That bill now carries an estimate for $18,000,000, for the purpose sought by the Senator from Washington. If needed, another supplemental appropriation bill will come to us.

In my opinion, we can secure final action on the supplemental appropriation bill, with the Senator's item in it, more quickly, and the appropriation will be made more expeditiously in that way, than if the item were placed in the bill we are now considering, which must be sent to an interminable conference, where the point will be raised that an item for this subject is contained in the supplemental bill which will soon be before us. It seems to me that strategy would be in favor of holding a hearing on this matter as a supplemental item, and placing the item in that bill. The result, I believe, will be far more effective and we will have a better chance of action at an early date.

Mr. McKELLAR. Mr. President, in view of the trouble we know we will have on the item in conference, I hope the Senator from Washington will give ear to what the distinguished Senator from Oregon has just said. I believe it would be better to have the item carried in the supplemental bill.

Mr. CORDON. Mr. President, I simply want the RECORD to be perfectly clear that what I seek to do is what the Senator from Washington seeks to do by his amendment, but from the knowledge I have in the premises I believe the proper procedure is to place the item in the supplemental measure, and not add it to the bill we are now considering.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. MAGNUSON. Of course, I would be in favor of using the method which would result in the quickest action, whether that be by placing the item in the pending bill or in the supplemental bill. The work must be done, and done quickly. The supplemental bill may not come to us until the pending bill is agreed to in conference. The ships must be repaired. They are needed. The President, the Chiefs of Staff, the Bureau of the Budget all are agreed that they are needed. There surely can be no harm in placing the item in the pending appropriation bill.

Mr. WILLIAMS. Mr. President, in reference to what the Senator from Washington has just said, I should like to suggest to the Senator from Oregon that the testimony before our committee was to the effect that the Military Establishment had had the authority and could have proceeded with this work at any time within the past 12 months had they seen fit to do so. The only reason they have not done so is because there has been an argument as to who should spend the money, the Maritime Commission or the Military Establishment.

Mr. CORDON. There is a great deal of truth in that statement, to my knowledge. Orderly procedure would dictate the handling of the matter in connection with the supplemental appropriation bill.

Mr. O'MAHONEY. Mr. President.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 1½ minutes.

Mr. O'MAHONEY. In view of the fact that this matter was before the subcommittee charged with the handling of the independent offices chapter, in view of the fact that there was no budget estimate and that the item was rejected at that time, in view of the fact that there is a budget estimate now for less than the amount provided by the amendment, and that the Senator from Washington has accepted an amendment in line with that estimate, but, primarily, in view of the fact that the regular order is to have the matter considered in committee in connection with the supplemental appropriation bill, and that it is always unwise to legislate from the floor, I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON]. [Putting the question.]

Mr. MAGNUSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. MAGNUSON. I ask for a division.

On a division the amendment was rejected.

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement prepared by me relating to the Bridges-Byrd amendment.

There being no objection, Mr. LEHMAN's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HERBERT H. LEHMAN ON BRIDGES AMENDMENT

Mr. President, during the past few weeks of deliberation by this body on the appropriations bill I have said many times that I am strongly in favor of making cuts in the bill as reported out by the committee. I have tried to make it very clear that because of the sudden critical turn of events in Korea I would support amendments which would decrease those funds in the bill in any and every case where such a cut would not hurt or interfere with national defense, public health and welfare, or the efficient operation of the essential Government activities.

I have sought to implement my words by my votes here on the floor. I have supported many of the amendments proposed by my friend the very able and distinguished junior Senator from Illinois. I supported and voted for the amendment introduced by the Senator from New Hampshire, the Senator from Michigan, and the Senator from Massachusetts which would have cut the civil-functions chapter—rivers and harbors and flood-control projects—by 50 percent. None of these amendments, which would have trimmed the appropriations items in this bill at the time of their individual consideration, were approved except the one provision regarding the construction of the new Senate Office Building. I voted to delete that item, at some cost to the efficient operation of my own office.

Mr. President, I am now confronted, as is every Member of this body, with the decision as to whether I will vote for the amendment of the senior Senator from New Hampshire to cut the entire bill by 10 percent across the board. I decided not to make this decision without hearing all the expressions of sentiment, both in favor of and in opposition to this amendment. I have followed very closely and attentively the debate on the amendment. I have read what I could on both sides of this question, practically hoping to be convinced that this amendment would be performing two worthy purposes—first, that it could be effecting necessary economies in this bill; second, that it would be in the national interest.

Mr. President, I have now come to the conclusion that this amendment performs neither of these two functions. I say this with regret, but I say it most sincerely. The method employed to effect the 10-percent cut in this amendment is bad government. It is a delegation of power to the Executive which abdicates the most fundamental powers and duties of the Congress—the duty to approve or disapprove Government functions by appropriating for them. It places in the hands of the Executive the mandate and the discretion to cut any item, however essential we may deem it.

For example, the theoretical share of the Interior Department in this cut would be some $60,000,000. Under the amendment introduced by the distinguished senior Senator from New Hampshire, the Secretary of the Interior could attain this cut by merely cutting the Missouri River Basin project construction and rehabilitation funds by two-thirds of the figure recommended by the Senate Appropriations Committee. Thus, all the other offices and agencies in his Department would be spared by this one discretionary act of the Department head.

Mr. President, I believe that this amendment is far from being in the national interest. Some offices and agencies of the Federal Government that contribute the most to the mental and physical well-being of our people would be curtailed and in some cases even crippled.

It is true, as I have stated many times in the past few weeks, that our primary emphasis must be on our national defense activities. But I, for one, Mr. President, do not wish this emphasis to be used as a means of dealing a damaging blow to the social progress which is so vital to our democracy. This Nation and the world may well be in for a period of many years of emphasis on defense against aggressor nations. In this period of time, whether short or long, the outcome of the international struggle depends greatly on the physical strength and the high morale of the American people. Therefore, I cannot support an amendment which I now believe would harm this spiritual and physical strength by curtailing funds for housing, the farm program, education, power development and many other programs to which I might refer.

I wish to say again to my colleagues that, even though I believe further and extensive economies for which I voted could have and should have been made in various items in this bill, I cannot support the means devised in this amendment to attain this end.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMITH of New Jersey. In light of the fact that my amendment to the Byrd-Bridges amendment contains four different propositions, and in light of the fact that several Senators have expressed to me a desire to vote separately on the several propositions, my parliamentary inquiry is whether I am privileged to invoke rule XVIII and ask that the several propositions be divided for the purpose of voting, namely:

First, the proposition that the paragraph headed "Economic cooperation" in title I of chapter X–B be included among the items exempted by section 1003 (a) of the Bridges-Byrd amendment.

Second, that the paragraph headed "International children's welfare work" in title I of chapter X–b be likewise included among the items exempted.

Third, that the paragraph headed "International development" in title I of chapter X–b be likewise included among the items exempted.

Fourth, that the paragraph headed "Aid to Palestine refugees" in title III of chapter X–B be likewise included among the exemptions.

I should like to ask a ruling on that point, because I wish to present the matter in that manner, at the request of some of my colleagues.

The PRESIDING OFFICER. The Chair calls attention to rule XVIII of the Senate, which is as follows:

If the question in debate contains several propositions, any Senator may have the same divided, except a motion to strike out and insert, which shall not be divided.

Mr. SMITH of New Jersey. May I be recognized by the Chair for a moment as to that? While there is an expression in the amendment with reference to striking out, it is simply for the purpose of orderly arrangement. The words "paragraph headed 'Mutual defense assistance'" are stricken out, but the words "mutual defense assistance" are later inserted, so virtually there is no striking out, except to change the form. The words are retained. Had I drawn the amendment a little differently there would have been no need to strike out at all.

The PRESIDING OFFICER. The amendment of the Senator from New Jersey is:

On page 2, lines 24 and 25, strike out the words "paragraph headed 'Mutual Defense Assistance'" and insert in lieu thereof the following—

Setting out certain words.

Mr. SMITH of New Jersey. I call the Chair's attention to the fact, that the words stricken out "Mutual defense assistance" are repeated again, but in a little different order. It was simply a matter of arrangement that the amendment was worded in that way. There are no real words stricken out.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Permit the Senator from New Jersey to finish his statement.

Mr. SMITH of New Jersey. Does the Chair rule that that procedure cannot be followed?

The PRESIDING OFFICER. The Chair thinks that procedure cannot be followed under the rule.

Mr. SMITH of New Jersey. I should like to ask if a unanimous consent request would be in order, so that I may accommodate my colleagues who would like to have these different items voted on separately? I ask unanimous consent that the four items be voted on separately.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. HILL in the chair). The Senator will state it.

Mr. CHAVEZ. Can an argument be made or a parliamentary inquiry propounded in regard to a proposition on which the Chair has already ruled and concluded his ruling?

The PRESIDING OFFICER. The Chair thinks that is a matter within the discretion of the Chair. If the Chair wishes to have a Senator make a little further statement, that is in the discretion of the Chair, just as in the case of an argument on a point of order.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Is the time for this purpose being charged to either side?

The PRESIDING OFFICER. No.

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AIKEN. Could not the Senator from New Jersey modify his own amendment?

The PRESIDING OFFICER. Of course the Senator from New Jersey could modify his amendment or could withdraw it, for the amendment is entirely in the control of the Senator from New Jersey,

until the yeas and nays have been ordered on the question of agreeing to it. So the Senator from New Jersey can withdraw the amendment or can modify it in any way he may see fit to do.

Mr. AIKEN. Could not the Senator modify the amendment, which is the pending question?

The PRESIDING OFFICER. Yes; the Senator can modify it by striking out all but one item; it is within his power to modify his amendment in any way he may see fit to do.

Mr. WHERRY. Mr. President, reserving the right to object, although I am not going to object, let me say that the situation simply is that the Senator from New Jersey can withdraw all but one of the amendments, and can have them voted on separately. So why not have the votes taken now on the amendments?

Mr. McKELLAR. Mr. President, reserving the right to object, although I shall not object, let me say that I hope the amendment will be rejected.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from New Jersey? The Chair hears none, and it is so ordered.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. Was not I to be recognized after the two amendments were voted on, under the previous agreement?

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, the Senator from New Mexico is entitled to 20 minutes, whenever he wishes to proceed.

Mr. ANDERSON. I desire to proceed now.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. It is my understanding, under the unanimous-consent agreement entered last evening, that immediately after the vote on the Magnuson amendment, the amendment of the Senator from Virginia will be the pending question, and that not more than 5 minutes are to be allowed to any Senator in connection with the further proceedings relative to that amendment. Of course, that agreement might have been modified in my absence from the floor.

The PRESIDING OFFICER. The Chair will advise the Senator from Nebraska that the agreement was modified so as to give the Senator from New Mexico the right to speak for 20 minutes.

Mr. WHERRY. Then I wonder whether the distinguished Senator from New Mexico feels that his remarks should come immediately before the vote on the amendment of the Senator from New Jersey. Of course, I have no objection to having him given unanimous consent to speak for any length of time. However, it seems to me that if we could have the votes taken on these amendments, and then have the Senator from New Mexico present his remarks, that would expedite matters.

Mr. ANDERSON. Mr. President, I have no objection to speaking at any time. I felt that under the unanimous-consent agreement which was entered yesterday afternoon, I was required to speak early this afternoon. However, when there was discussion earlier today, I thought I should withhold my remarks for a certain length of time.

Mr. WHERRY. Mr. President, I simply wish to say that if the Senator from New Mexico will permit the votes on these amendments to be taken now, I shall deeply appreciate it.

Mr. ANDERSON. How many amendments are there?

Mr. WHERRY. Four, I believe.

The PRESIDING OFFICER. The Chair understands that there are probably 12 or 15 amendments.

Mr. ANDERSON. Then I desire to proceed at this time, Mr. President.

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, the Senator from New Mexico may proceed for 20 minutes.

THE M'CARRAN AMENDMENT PROVIDING FOR A LOAN TO SPAIN

Mr. ANDERSON. Mr. President, I desire to speak briefly with reference to the adoption, a day or two ago, of the so-called McCarran amendment. I do not know whether there will or will not be a motion to reconsider the vote by which the McCarran amendment was agreed to. I hope there will be, but unquestionably the matter of the McCarran amendment will come before the Senate again if the Senate does not agree to reconsider it. So I think it desirable that we consider the implications of the so-called McCarran amendment.

At the outset, I think it necessary for me to establish the fact that I have not been opposed to trading with Spain. Let me call attention to the fact that on May 22, 1947, the Commodity Credit Corporation, with which I was then associated in a rather responsible position, attempted to trade with Spain in the handling of tobacco. Every effort was made to deal with Spain and to make such trading with Spain possible. At that time a docket on that subject came before the Commodity Credit Corporation, and I was then in a position where I could have either killed it or supported it. I supported it very vigorously, and provided for the sale of 12,000,000 pounds of United States fire-cured tobacco and additional supplies of tobacco which might be made available to the Spanish tobacco monopoly in Spain. I felt then that this matter should be handled by the Export-Import Bank.

However, the Export-Import Bank was not willing to handle it. Every possible appeal was taken by the Department of Agriculture to the Secretary of the Treasury and to various other governmental officials, in order that American commodities might move in their normal path and that there might be normal dealings with Spain.

Again, on a subsequent date, while I was a Member of the United States Senate, a committee of Senators met with a representative of Spain, Mr. Andres Moreno, general manager of the Banco Hispano-Americano, of Spain; and we discussed the need which Spain had for agricultural commodities. As a result of that discussion, a committee was appointed to meet with the Export-Import Bank and to urge it to provide for the procurement of certain agricultural commodities by Spain. It was not an accident that I was designated as the one to speak to the Export-Import Bank, because the Senators there present recognized that I did believe in trying to trade with Spain in the case of our agricultural commodities.

I did confer with the Export-Import Bank; and immediately thereafter the Export-Import Bank met with Mr. Moreno and discussed the desire of Spain for funds through loans in order that it might deal with this Government in regard to the procurement of agricultural commodities.

Therefore, I say that the vote I cast against the McCarran amendment was not a vote against trading with Spain, but was a vote against doing it on a compulsory basis within the framework of ECA.

At this time I desire to call the attention of the Members of the Senate to an editorial appearing in this morning's Washington Post, the editorial being entitled "Spanish Omelet." In the closing sentences of the editorial we find the following:

> But the sinister aspect of the vote is the harm that will be done in western Europe to the American standing. A week or so ago much disquiet was expressed in the Senate over the success of Soviet propaganda against America. The theme song is America's alleged antidemocracy. In this respect the vote on the loan to Spain was as good as an appropriation of many times the loan to the publicity chest of Moscow. It will be played up as proof of the mockery of the democratic pretensions of America; surely that is patent enough. This is a heavy price to pay for bribing the enemy of your enemy to be your friend.

Mr. President, I ask unanimous consent that the entire editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of August 3, 1950]

SPANISH OMELET

That the enemy of your enemy is your friend is the theory which gives plausibility to the Senate resolution to lend $100,000,000 to Franco's Spain. But it is a theory entertained only by primitive minds, and is utterly at variance with logic, or common sense. Worse, in the present case the illusion is terribly harmful, for the vote will alienate many of our true friends, and will erode our moral standing all over free Europe. Whether the theory had much to do with the Senate vote is problematical. What is known is that many elements conspired to tack Spain onto the beneficiaries of Marshall aid without benefit of theory. A wing of the Catholic Church has never ceased to plug financial aid for Franco, though Vatican-Madrid relations are not exactly cordial. For the last year or so cotton interests, thinking of business with Franco, have joined the backers. Then the military, worrying over beachheads in Europe, have never hidden their views about the need for a friendly Spain, though the anticommunism of Franco surely requires no activation along the route of bribery. Finally, sparking the whole campaign, a Spain lobby has

been subjecting Members of Congress to tremendous pressure, concentrating of late upon the Republicans, and indulging in much the same tactics as the China lobby practices.

At any time, of course, the Spanish Government could apply for a loan to the Export-Import Bank. But the bank sets certain criteria, such as a reasonable prospect of repayment, which the loan lobby knows that Madrid could not meet. That is the reason for this extraordinary alternative. If the vote is allowed to stand, ECA will presumably set up a mission in Madrid and proceed to invite Franco's government to offer a program of requirements. It will be an isolated mission. ECA cannot expect to get its European opposite number, the Organization of European Economic Cooperation to participate, for the members of OEEC have already refused to open their door to admit Franco, and are bound to resent the pressure of America back of Franco. This has long been known to the administration. Why, then, was it so apathetic toward the loan proposal? The surmise is that it felt any further struggle to be useless. At least, however, there should have been a reminder of what the vote would mean in terms of damaged prestige.

From the first, this newspaper has never been in favor of the severance of ambassadorial relations. But recognition is one thing, financial aid of the present official character, another. The one merely takes cognizance of a fact, the other is a special favor, and, in the context of the existing absence of ambassadorial relations, looks ludicrous. But the sinister aspect of the vote is the harm that will be done in western Europe to the American standing. A week or so ago much disquiet was expressed in the Senate over the success of Soviet propaganda against America. The theme song is America's alleged antidemocracy. In this respect the vote on the loan to Spain was a good as an appropriation of many times the loan to the publicity chest of Moscow. It will be played up as proof of the mockery of the democratic pretensions of America; surely that is patent enough. This is a heavy price to pay for bribing the enemy of your enemy to be your friend.

Mr. ANDERSON. Mr. President, I desire to call to the attention of the Members of the Senate the important consideration that $100,000,000 granted as a loan to Spain under these circumstances is far more valuable to the Soviet Government than $100,000,000 which Russia itself might spend for propaganda. I wish to call the attention of the Senate to the terms we use in the McCarran amendment, when we provide that the Administrator is "authorized and directed" to do these things. A year ago the Senate—and very properly so, I think—adopted a resolution authorizing the Export-Import Bank to deal with Spain.

However, the present McCarran amendment, as amended by the modified O'Mahoney amendment, goes far beyond that, for it says:

Provided further, That the Administrator is authorized and directed to issue notes from time to time during the fiscal year 1951 for purchase by the Secretary of the Treasury, who is hereby authorized and directed to make such purchases, in an amount not exceeding in the aggregate $100,000,000 for the purpose of assistance to Spain—

And so forth. There is a provision that requires the Government of the United States to make this money available to Spain. Both the State Department and the Export-Import Bank are agreeable to a consideration of the needs of Spain, but they believe that there should be an orderly way in which this should be done. I do not condone what has been done in the past. I think the Export-Import Bank might have reached out and made some credit available to Spain on terms that we could approve, but I want to remind the Senate that this $100,000,000 is not all that will be asked.

When Señor Moreno came to this country and appealed to the Export-Import Bank for funds, he was asked how much would be needed to restore the Spanish economy. The figure supplied by him in an official capacity at that time, May 1949, was between $700,000,000 and $1,275,000,000. This $100,000,000 is merely the start. I desire to call that to the attention of the Senate, because only this afternoon we have voted down an amendment increasing the appropriation for heart and cancer research, with which we are all very sympathetic. That amendment proposed an increase of $60,000,000 or $65,000,000, and if it were not for the fact that we had become involved in other sums like aid to Spain, it might have been possible to consider favorably the heart and cancer amendment.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ANDERSON. I am glad to yield to the Senator.

Mr. CHAVEZ. I accept the statement that the State Department agrees that something should be done, and that it should be done correctly; but, does not my colleague agree with me that once in a while the Senate can do things correctly?

Mr. ANDERSON. Oh, yes; I realize that the Senate can sometimes do things correctly. But I also realize the fact that a year ago an amendment was adopted which permitted Spain to come here and apply for loans, and up to this date the total amount of the loans for which Spain is applying is $700,000, and that is a long way from $100,000,000. I think we should have done very well had we insisted that a much smaller amount would be more appropriate.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Nevada?

Mr. ANDERSON. I had no opportunity to discuss this question the other day, and I have been trying to get time to discuss it. I shall, of course, be glad to yield to the Senator from Nevada.

Mr. McCARRAN. Does the Senator remember that the application of Spain for a loan has been pending now for some 7 or 8 months?

Mr. ANDERSON. Yes, I do; and I have said to the distinguished Senator that I believe that the Export-Import Bank should have done something about it, particularly in view of the fact that the State Department has recommended that that particular loan be granted. The difficulty, it seems to me, is that in the ECA Act, of which this has been made a part, it is stated, and I quote the exact words—

It is declared to be the policy of the United States to encourage these countries through joint organization—

To do certain things. Now it just happens that Spain is not a member of that joint organization, and here responsibility is being imposed upon ECA which it cannot carry out through the joint organization. There is no machinery to do that. It cannot work through the European offices. It has to set up a separate and solely individual organization in Spain to handle aid to Spain, and I think it is wrong here for us to proceed in that way.

I admit, as the distinguished Senator from Nevada, chairman of the Judiciary Committee and author of this amendment, indicated to the Senate recently, that there is $100,000,000 worth of needs in Spain, and he supplied to the Senate a table pointing out the $100,000,000 worth of needs. No one questions that Spain needs $100,000,000. The significant thing is that Spain needs many, many times that amount—$700,000,000 or $1,275,000,000—and I desire to point out to the Senate that it is impossible to get that much money for Spain in the present circumstances of our budget.

Yes, they have indicated that they could do with less, and here and there they have made offers for less. But I point out that when the actual time for filing projects which offer some opportunity for repayment under the terms of the Export-Import Bank is laid down to them, $700,000 is all Spain would apply for.

I was interested recently in listening to the arguments which were made as to the military desirability of aid to Spain, and I should like to call to the attention of Members of the Senate an editorial in the Christian Science Monitor of about 30 days ago, which mentioned the fact that the hopes for peace were increasing, that arrangements for closer military coordination seemed to make possible the defense of western Europe. The editorial says:

This is a great change from strategic concepts advanced as recently as last summer which assumed that the Red army could not be halted short of the Pyrenees. This view gave military support to American politicians who for their own reasons wanted to play with Franco. The military men wanted bases in Spain to insure a foothold on the Continent.

These words I think are significant:

That defense plan was politically disastrous. It not only outraged all the anti-Fascist elements in Europe; it appeared to have abandoned America's democratic friends to Soviet occupation.

And there we are with the whole military story bared. If it be true that we are to abandon France and Belgium and Holland to the Soviet Government and try to make our stand behind the Pyrenees, then we have completely destroyed the hopes of those people who believed that our pacts meant something to them. I also wish to call attention to the closing paragraph of that editorial, which reads:

The other warning has to do with the assumption that the basic problem of peace can be solved by military means alone. A false reliance on military power can cause the free nations to lose sight of the fact that this is primarily a struggle of ideas. It can lead them to neglect the moral and mental measures required even to halt Russia—and much more necessary to halt communism.

Finally it doesn't spur them to develop among themselves the basic sense of brotherhood and the necessary political and economic cooperation essential to positive peacemaking.

Mr. President, I think that expresses the idea that many people have. We should like to see some assistance to Spain and many of us have been working toward that end. But we think it may be a mistake to do it through ECA, where we are depending upon mutual assistance from many European countries who have decided they do not want this type of procedure in Spain. If we suddenly say we will sweep away that mutual agreement, that we will proceed to deal unilaterally with Spain and in complete violation of what we have pledged ourselves to in ECA, then we treat our allied countries badly indeed.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I was wondering whether the Senator had observed that the keystone of our North Atlantic defense program, the key nation is the Republic of France, and that this action taken by the advice apparently of military minds over the advice of those who are formulating a policy of political organization, is an action which runs counter to the definite purposes and proposals of the French Government, a government around which we are building the bulwark of our strength for the defense of western Europe.

Mr. ANDERSON. Yes; I will say to the Senator from Minnesota that not only is that true, but it also runs completely contrary to the advices of the British Government, contrary to the advice of the Governments of Holland and Belgium. I wonder how in the world we explain it to those people. I recognize that there are European nations which are trading with Spain, and I say to my friend that I have myself suggested the desirability of trading with Spain within the powers of the Export-Import Bank, but that I believe we should do it that way, and in no other way.

Mr. LEHMAN. Mr. President, will the Senator yield for an observation?

Mr. ANDERSON. Let me make one further comment. I think it is significant that time after time we were told this was militarily a wise thing to do. In other words, it seemed desirable to accept the decision of military people on what the State Department should do. I wonder how the military department would like it if the State Department tried to begin deciding which particular type of tanks the Army should use, and when it should use them. The State Department recognizes the right of the military people to make the decision on military weapons, and I do not believe that Department will appreciate the advice of the military department as to how to run the State Department.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LEHMAN. Mr. President, it seems to me that what we have done in the Senate in voting $100,000,000 is contrary to the spirit of a resolution adopted——

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. ANDERSON. I yield for a question.

Mr. McCARRAN. Mr. President, 20 minutes' time was yielded to the Senator from New Mexico, not to other Senators to make speeches.

The PRESIDING OFFICER. The Senator from New Mexico has the floor. He can yield only for a question.

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield for a question.

Mr. LEHMAN. Is it not a fact that this action is contrary to the spirit of a resolution adopted more than a year ago by the United Nations, is it not a fact that it is an affront to the members of the OEEC, who have consistently and vigorously refused to include Franco as one of them, and that these friendly and allied nations will inevitably resent our action in defiance of their attitude? Is it not a fact that this gives the Soviet government a propaganda weapon which it will use to the fullest extent in advancing the thesis that we are not sincerely democratic, but that we are ready to support a Fascist government? Finally, is it not a fact that it is a direct repudiation of our own State Department and will undoubtedly make our Government's task in relation to other countries far more difficult than it has been?

Mr. ANDERSON. I think that is correct.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ANDERSON. I should like to conclude, but I shall yield to my colleague from New Mexico.

Mr. CHAVEZ. Is it not also a fact that the action taken day before yesterday would also be contrary to the ideas of the Communists in the French Parliament, and is it not contrary to the ideas of the Communists in Italy?

Mr. ANDERSON. I am not able to express an opinion as to the number of Communist members of the French Parliament, or anything of that nature, but I do say that the State Department, having decided upon a program, and this country having launched upon the ECA program and a mutual-aid pact, I do not think we should turn around and say we will no longer ask the advice and counsel of our European friends, but that we will proceed to handle matters in a completely unilateral fashion.

I point out that I think the aid ought to have some strings tied to it. I think Spain ought to be required to follow conditions laid down for ECA loans. I think the money sent to Spain ought to be spent for the benefit of the people of Spain, and should contribute as well to the general economic welfare of Europe. If the total appropriation were required to go through the Export-Import Bank so they might negotiate with Spain, they might approve only those projects which contributed to the economic health of Europe. But, under the amendment, the Spanish Government can ask for money for any purpose, and the Secretary is directed to take the note.

I do not object to authorization, but I do object to direction which ties the hands of ECA, of the Export-Import Bank and of the State Department completely.

I want to say a word, Mr. President, with reference to those Senators who voted for the McCarran amendment and for the O'Mahoney substitute. I recognize that a great majority felt they were assisting in saving ECA. If the McCarran amendment provided for $100,000,000 and was to be included in over-all ECA funds in a way which would be harmful to the program, I can understand why many Senators would support the O'Mahoney amendment in a desire to help ECA. I hope the opportunity comes for us to continue to work in Europe.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Has not the Senator's time been consumed?

The PRESIDING OFFICER. The Senator has half a minute left.

Mr. ANDERSON. Mr. President, if I have only half a minute, I shall use it to say that we should try to support the State Department in what it is now doing in Europe. I think acceptance of the McCarran amendment would probably be bad news to the countries of Europe, and I think the Senate ought to reverse itself. I agree that something should be done in the way of more assistance to Spain, and I have tried to show that on two different occasions that I have gone far out of my way to try to make possible some agricultural trading with Spain. But this action, it seems to me, destroys the opportunity of the State Department to do efficient work and to require cooperation from Spain, and I think the amendment is an extremely bad one and should be finally rejected by the Senate of the United States.

Mr. LUCAS. Mr. President, I ask unanimous consent that I may proceed for not more than 10 minutes.

Mr. WHERRY. I object.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the first branch of the amendment of the Senator from New Jersey exempting the ECA from the provisions of the Byrd-Bridges amendment.

Mr. SMITH of New Jersey. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMITH of New Jersey. I understand that we are about to branch off the amendment affecting the ECA appropriation. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. SMITH of New Jersey. Mr. President, yesterday the question was raised on the floor that the ECA was or might be engaged in projects which would not directly help the military effort. I made the statement, which was challenged by some Senators, that I was convinced,

from my talks with Mr. Hoffman and other persons, that the ECA was reconsidering the whole program since the Korean war began, and was relating its entire operations to the military effort.

I pointed out that certain products were being handled in one form or another, such as machine tools, railroad transportation, and power plants, which would directly aid the military effort. I stated that all these matters were being carefully considered. Last night, for fear I had overstated the case, I called up Mr. Foster and asked him to read the RECORD and write me in regard to my statement. I have received from Mr. Foster a letter which I should like to read to the Senate as my contribution to the discussion at this time. The letter is as follows:

AUGUST 3, 1950.

HON. H. ALEXANDER SMITH,
United States Senate,
Washington, D. C.

DEAR ALEX: In connection with the debate yesterday in the Senate on various overseas projects, it has been suggested that you would like to have some comment from me. At the start let me emphasize the fact that since the invasion of Korea there has been a general reorientation of ECA thinking with respect to the entire program, including the various projects of assistance in dependent overseas territories of Marshall-plan countries in Europe. Every project presented to us is being examined with the fullest consideration of the direct contribution which it can make to the meeting of collective defense needs of the free peoples. Already these territories provide significant amounts of strategic materials now required in increasing quantities by the United States and other North Atlantic treaty powers and the direct contribution that these areas can make to the support of the participating countries in Europe is in many cases an important item.

So far as concerns the specific project in British Honduras which has been much mentioned in the last few days, I should point out that this, like the other projects that were shown by ECA to the Senate Appropriations Committee, was presented by us before the start of hostilities in Korea and only on an illustrative basis. For the Honduran program, for example, we have not yet even received an application and when that application is received you may be sure that, however justifiable the project may be on economic grounds, it will be screened and scrutinized not in the light of circumstances as they existed last May but in light of the more urgent and particular needs of the present time.

To be quite specific, decisions with respect to projects in overseas territories are now guided by:

(1) The direct contributions which these territories are making and can increasingly make to the rearmament effort;

(2) Their present and potential value in the maintenance of free world economies, especially those of western Europe;

(3) The political importance of these territories in the cold war; and

(4) Their military importance in the event of an outbreak of general hostilities.

Sincerely yours,

WILLIAM FOSTER,
Acting Administrator.

I submit, Mr. President, that this is a part of the war effort. That is the position which I have taken from the beginning and that is why I ask that the ECA be exempted from the provisions of the Byrd-Bridges amendment providing for a 10-percent cut.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I am happy to yield to the Senator from Nebraska.

Mr. WHERRY. I merely want to say that from what I heard it appeared that this is a long-range program of the ECA, and it will use the money for something else. Representatives of the ECA justified the appropriations for 22 projects which they said they would use under this appropriation if they could get the money.

Mr. SMITH of New Jersey. I will say to the Senator that they are simply reorienting their entire program in line with the war situation.

Mr. WHERRY. If they intend to change the basis upon which the appropriations are made, they should come before the Appropriations Committee and justify the new appropriations.

Mr. SMITH of New Jersey. I may say to the distinguished Senator that I asked Mr. Foster that question, and he said it was not possible, since the Korean situation, to justify all these individual changes.

Mr. WHERRY. If the Senator will yield further, I should like to ask him whether he does not feel that the Committee on Appropriations has the right to consider the question, as the Committee on Foreign Relations has the right to do so? Therefore, why should not those who seek additional appropriations come before the committee and justify the new basis on which those appropriations are being asked?

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. HAYDEN. Mr. President, I speak in behalf of the adoption of the amendment offered by the Senator from New Jersey to exempt ECA. Yesterday I listened to speech after speech which was made in favor of imposing a further reduction of 10 percent, or $245,000,000, in the funds appropriated to carry on the Marshall plan. If one of the Senators who made those speeches said one word about the great gain to come to our country from the Marshall plan in the event of a world-wide war against communism, I failed to hear it. Every Senator who spoke on the subject expressed a perfect willingness to supply arms to the people of Europe, but said nothing about an increase in their willingness to use those arms to resist a Communist attack.

Mr. President, it is utterly useless to put a rifle in the hands of a man only to have him throw it down and run away at the first sign of danger. Every general who has commanded great armies, from Napoleon to Eisenhower, has asserted the truth of the maxim that morale is to matériel as 10 is to 1. The soldier who does not have the will to fight, however well armed he may be, is a liability, not an asset.

Some Senators seem to have forgotten that it was the address of former Secretary of State Marshall and the prompt action of Congress in implementing his recommendations which prevented some countries in Europe, notably France and Italy, from adopting a Communist form of government. We acted in the nick of time, or those nations would have followed Poland and Czechoslovakia behind the iron curtain. Indeed, our line of defense would be at the Pyrenees instead of east of the Rhine.

The Marshall plan has given the men of western Europe something to live for. Their children are no longer weakened by malnutrition. Their wives are no longer clad in rags. They and their families are better sheltered. They themselves are not the slaves of a government which has no power to do anything except obey the orders of the Politburo in Moscow. The men and women of western Europe know that the Marshall plan is the catalyst which made it possible for them to arise from the depths of despair to see hope of a happy future. Convincing proof of this is that in every election held in every country in western Europe since the adoption of the Marshall plan there has been a reduction in the number of votes cast for Communist Party candidates.

I still assert the truth of what I said before, that the chief justification for the money which we have spent and will spend for implementing the Marshall plan is our own national defense. The people of western Europe know that the United States has helped them to help themselves, and consequently they are willing to help us in defending the peace of the world.

We cannot carry a war to our greatest potential enemy by sitting at home. We must have bases nearer to him if he is to be punished until he cries for peace. Certainly it is to our advantage not only to have those bases surrounded by friendly people but to have those people cheerfully join with us in fighting the menace which they know is just as deadly to their liberties as it is to our own.

Therefore, let me emphasize that every Marshall-plan dollar has a greater value than any dollar which this Nation may spend for any type of armament, from a rifle cartridge to an atom bomb, to be used in defending its right to exist in a free world.

Mr. President, I reserve the remainder of my time.

Mr. KEM. Mr. President, I am compelled to oppose the proposal to exempt ECA from the 10-percent over-all reduction called for by the Bridges-Byrd amendment. In my judgment, it is not in keeping with our efforts to provide whatever is necessary to bring the Korean war to a successful conclusion, and at the same time to preserve a solvent America.

ECA is feeding inflation in two ways. First, the competition for our limited supply of goods between domestic and foreign purchasers, the latter using United States gifts of dollars, is serving to increase prices in this country. In some cases prices are already rising at an alarming rate. Second, ECA is to an extent responsible for our unbalanced budgets during the last 2 years and for the resulting rise in a monstrous national debt.

Mr. President, the Kansas City Star is running a series of syndicated articles which undertake to give "a voice to the little man who is never heard, you and

me and the guy next door, and probing what is on people's minds these days."

The reporter came across an independent grocer who was persuaded to "let down his hair." Among other things, this man said: "When you add on crazy taxes to make this nutty country a Santa Claus for the family of nations, excepting ourselves, what can we expect but busting inflation? I am ashamed to ask the prices I must charge for foodstuffs if I am to stay in business. What else can I do?"

How are we to meet this problem? The President has suggested a system of limited controls over certain phases of our economy. Others advocate all-out controls over prices, wages, and so forth; in other words, total economic mobilization.

We have learned from experience that police-state controls afford over a period of time no sound solution to the problem of inflation. Controls attack only the effects of inflation, not the cause. Inflation can be effectively stemmed only by bringing about a balance between supply and demand, and by avoiding deficit financing by paying as we go.

We must provide whatever is necessary in Korea. We should eliminate all unnecessary domestic expenditures. For example, this is no time for building, with the taxpayers' money, pleasure-boat harbors. We must also eliminate unnecessary foreign expenditures. There is no reason why the ECA program should not take its share of the reduction.

Does it make sense to reduce the amount to be appropriated for the construction of badly needed domestic projects in this country, and yet exempt from reduction ECA funds to be used for foreign peacetime projects such as soil conservation in Algeria?

Many such projects can be named in addition to the one in Algeria. For example, a meat plant in Zanzibar.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. KEM. I yield for a question.

Mr. CHAVEZ. If the Senator will yield I shall be glad to tell him about one more such project.

Mr. KEM. I shall be glad to yield. However, I have only 5 minutes.

Mr. CHAVEZ. A highway is to be built in British Honduras. The necessity for the highway was brought about by some political differences between Guatemala and the British Empire. I should like to inquire what ECA has to do with the building of that road, and why ECA funds should be used to comply with an agreement entered into between the British Empire and Guatemala.

Mr. KEM. Mr. President, I agree entirely with the distinguished Senator from New Mexico. Similar instances of totally irrelevant projects could be piled up much beyond the time which has been allotted to me.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. KEM. Mr. President, I ask unanimous consent that I may insert the remainder of my remarks in the RECORD.

The PRESIDING OFFICER. Without objection——

Mr. CONNALLY. Mr. President, reserving the right to object, I cannot agree to the Senator putting his remarks in the RECORD unless they are labeled as a statement, and do not appear as a speech. We have been edging up on the rule in the Senate for a long time. The Senate has never heretofore adopted the policy of having remarks published in the RECORD as if they were delivered on the floor when they were not delivered on the floor of the Senate. I have no objection to the Senator inserting his statement, but he must label it a statement. Otherwise I shall object.

Mr. KEM. Mr. President, I ask unanimous consent that the remainder of my prepared remarks be set out in the RECORD labeled in large letters "statement."

Mr. CONNALLY. I cannot guarantee the size of the letters.

The PRESIDING OFFICER. Without objection, the remainder of the Senator's remarks will appear in the RECORD as a statement.

The remainder of Mr. KEM's remarks are as follows:

It is about time that the needs of the American people received consideration at least equal to that accorded peoples of foreign countries.

We can—we must—win the hot war against communism. But victories on the battlefield will be in vain if our American economy is shattered by inflation.

We shall gain nothing by defeating communism only to embrace sccialism in the process.

Mr. THOMAS of Utah. Mr. President, I rise to speak for the amendment of the Senator from New Jersey. I do so with some feeling and with no reservations whatever.

Since the American Government became a member of the United Nations, since it embarked upon the Marshall plan, as it is called, and since it accepted the principle of collective security, I have allowed my thinking to fall entirely into the scope of what all that means. It means international cooperation, and only those things should be done by a nation which can be done through the medium of international agreement.

Mr. President, it is for that reason that I voted against the amendment which probably would add to the strategical welfare of Europe by strengthening Spain. It seemed to me that when the United Nations had made a decision we should stand by that decision. It seemed to me, in regard to the Marshall plan, that when a decision had been made to go forth in cooperation with other nations, and an implied contract had been made that we would stand by what we had done and what we had been planning for so many years, any other action on the part of Congress, as the Senator from New Mexico [Mr. ANDERSON] has said, would tend to destroy the morale of nations which we have been trying to get to cooperate with us.

There is, of course, a great fundamental question in the world. Everyone knows that the world is divided into two schools of thought. One school believes in a single will, a judgment to be made by one man and to be followed by all the others, a dictator notion of ideas. Another school believes in freedom of discussion, freedom of thinking, freedom of ability to work in harmony with one another.

Mr. President, it is the second school with which the United States allies itself. I would not budge from the great advancement which has been made. I was a supporter of the proposal of Briand, the great Prime Minister of France, for a United States of Europe. I have wanted to see Europe saved, and the Marshall plan is a part of the method of saving it, and the United Nations is part of it. If we are to be saved in this world we have to be saved by making friends, by developing the right kind of allies.

Whether my reasons are consistent with those of others or not, I will stand as I have always stood, and as I intend to stand, trying above all to respect any kind of international commitment which we have made, and doing nothing which would in any way destroy such a commitment.

Mr. President, that is my fundamental thinking. That was the thinking in my mind when I voted upon the Spanish amendment a few days ago, and that is the thinking which will control my mind in the vote we are about to take.

I think it wrong for the Congress of the United States to put an impediment in the way of the Government of the United States in its attempt to bring about the preservation of the world by cooperative action.

Mr. KILGORE. Mr. President, in line with the address of the junior Senator from New Mexico [Mr. ANDERSON], I now enter a motion to reconsider the vote by which chapter X–B, as amended, was agreed to, and also the vote agreeing to the McCarran amendment as amended. The motion is made in this way because it will be necessary to reconsider the entire chapter in order to get at any specific amendment.

The PRESIDING OFFICER. The motion will be entered.

Mr. McCARRAN. A point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. Is a motion to lay on the table now in order?

The PRESIDING OFFICER. Not at this time. There is other business before the Senate. Entering the motion by the Senator from West Virginia is a privileged matter, but that does not automatically bring the motion before the Senate. The motion is entered, but it is not before the Senate at this moment.

KYRA KITE RIDDLE—REENROLLMENT OF BILL

Mr. McCARRAN. Mr. President, I send forward a concurrent resolution, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will read the concurrent resolution.

The Chief Clerk read the concurrent resolution (S. Con. Res. 99), as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States is requested to return to the Senate the enrolled bill (S. 1654) for the relief of Kyra Kite Riddle. If and when

said bill is returned by the President, the action of the presiding officers of the two Houses in signing said bill shall be deemed rescinded; and the Secretary of the Senate is authorized and directed, in the reenrollment of said bill, to make the following correction: In line 5 of the Senate engrossed bill strike out "$1,764.43" and insert "$1,560.80."

The PRESIDING OFFICER. Is there objection to the consideration of the concurrent resolution?

Mr. McCARRAN. Mr. President, a word of explanation. S. 1654 is a private bill for the relief of Kyra Kite Riddle. At the time it passed the Senate and the House of Representatives it authorized the payment of the sum of $1,764.43 to Kyra Kite Riddle. By reason of an error in calculation the amount which should have been provided in the bill was $1,560.80. The enrolled bill is now at the White House. The concurrent resolution which I now send to the desk requests the President of the United States to return the enrolled bill to the Senate and that, upon its return, the action of the presiding officers of the two Houses signing said bill shall be deemed rescinded. It further provides that the Secretary of the Senate is authorized and directed to correct the amount appropriated in said bill by inserting the figures "$1,560.80" in line 5 of the engrossed bill, in lieu of the figures "$1,764.43."

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. WHERRY. Is this a privileged matter, Mr. President?

The PRESIDING OFFICER. It can be considered by unanimous consent only.

Mr. WHERRY. It is all right if it is merely a correction, but if it is to provoke argument, I certainly hope the request will be withdrawn. I think we should proceed to vote on the amendments to the appropriation bill.

The PRESIDING OFFICER. Is there objection to the consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. CONNALLY. Mr. President, I do not care to take the time of the Senate, but I hope very much that the Senate will support the amendment of the senior Senator from New Jersey [Mr. SMITH]. All Senators know, from the debate and from information generally, what a tremendous influence the ECA has had upon the restoration of business, commerce and industry in Europe, western Europe particularly.

Mr. President, this particular hour in our history is not the time to reduce or to discontinue the ECA appropriation for western Europe. We are calling upon many of the nations of the United Nations to come to our aid in the Korean war, and we cannot afford to send out a message to those nations and to the rest of the world that we are cutting down our aid under the Marshall plan.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BYRD. Can the Senator from Texas give us a statement as to how many nations have responded to our call, and what they are furnishing in the Korean war?

Mr. CONNALLY. I cannot at the moment. I can get the information, however, for the Senator.

Mr. BYRD. Can the Senator mention one single foot soldier that is going to Korea?

Mr. CONNALLY. Yes, they are on their way. Australia is furnishing some foot soldiers. Great Britain has promised some foot soldiers.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. LODGE. Is it not true that the French Army in Indochina is facing precisely the same enemy we are facing in Korea? Is it not true that Joseph Stalin is behind similar moves in both countries?

Mr. CONNALLY. I am sure that is true.

Mr. KEM. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield very briefly.

Mr. KEM. Is Australia a beneficiary of the Marshall plan?

Mr. CONNALLY. No.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BYRD. There have been no foot soldiers sent to assist our military force in Korea up to this date. Our soldiers have been there now for more than 30 days.

Mr. CONNALLY. Before they are sent there, the Government must make arrangements to send them. There are objectors in Australia and in New Zealand, just as we sometimes have them in the United States Congress. So objections have to be overcome.

Mr. BYRD. Apparently there are so many objectors that we are not going to receive any assistance; and we will have to do all the fighting.

Mr. CONNALLY. Mr. President, we want assistance. We are not opposed to receiving assistance. But I know my duty regardless of whether others come to our rescue or not. I am not going to sit down and say, "Well, Australia has not done her part, England has not done her part; therefore, I will not do my part." We have got to go on with this war if there is not a single foot soldier from another land sent to assist us, or if there is not a dollar contributed from any other land. We have laid our hands to the plow. We have got to continue until the victory is ours.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MYERS. Is it not true that efforts to cut ECA appropriations were ofttimes made by some persons long before there was any incident in Korea? Is it not true that efforts were then made to cut ECA funds? The argument about the Korean incident does not seem to hold water because of the actions of certain individuals last year and this year.

Mr. CONNALLY. That is very true. Of course, the Senator from Missouri [Mr. KEM] has never voted for any ECA appropriations. No wonder he is willing to trim it down. He is willing to trim off a little slice here, a little slice there and a little slice elsewhere. When the legislation was originally enacted he was willing to slice off its head and cut off each of its arms and its legs and its ears and its nose. He wanted to kill it all.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD at this point a letter addressed by Mr. William Foster, Acting Administrator of the ECA to the Senator from Texas [Mr. CONNALLY], together with a letter addressed to me, as well as an article entitled "Marshaling the Marshall Plan," published in the Christian Science Monitor.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D. C., July 27, 1950.

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.

DEAR SENATOR CONNALLY: It is expected that the Senate will vote very soon on the appropriation for the European recovery program. This vote and the amount to be appropriated take on new significance in view of the struggle in which we are now engaged.

I think it vital that certain considerations be emphasized in advance.

Vast new expenditures for military purposes are called for and in light of this circumstance all proposed appropriations must be strictly scrutinized so that resources can be husbanded for the most essential needs. But among such needs high priority must be given to the sums required for maintaining the economic strength of our friends and increasing their military strength as well.

It is important to recollect that early in 1948 the Communist threat to western Europe was a clear and present danger. The Marshall plan has not only so far prevented this treat from being translated into action, but has greatly increased the strength of western Europe to resist the danger. The continued need for world-wide strength to prevent further aggression and to preserve the peace is apparent.

It is this strength which the current vote on ECA will decisively affect. It is this strength which obviously must be made up out of the resources of the whole free world and not the United States alone. And the rest of the free world, particularly the free nations of western Europe, are now, as a result of Marshall aid, in a position to contribute substantially to that end.

What are the political, psychological, and economic changes in the OEEC nations that 2¼ years with ERP aid have accomplished and which justify this statement?

Those changes include: a greatly increased industrial and agricultural production; an attainment of reasonable internal financial stability; a political stability allowing for freely chosen democratic governments with constantly declining totals of Communist voters; the sharp reduction of arbitrary restrictions on intra-European trade; the in-

stitution of the European Payments Union with its promise of convertibility within Europe; and a steadily growing belief by the people of Europe in their own future.

Without the assistance furnished by this country through the Foreign Assistance Act, this strong economic base could not have been built. And a strong economy and stable society is the foundation of military strength. In the months ahead, this economic base will have to bear a far heavier load as the free nations of western Europe build up their military strength. It is, therefore, more essential than ever that ECA assistance be continued so that the European economy can carry the load of rearmament, as well as contribute to the maintenance of a decent standard of living.

It is clear that such a continuation of ECA assistance, together with mutual defense assistance, will guarantee more security and a greater increase in military strength for each United States dollar that is spent than we could possibly achieve relying on United States production alone.

This multiplying effect has been demonstrated many times over the past 2 years in the industrial field. For example, electric power capacity in western Europe has vastly increased since April 1948. This increase results mainly from expansion of plants thrcugh capital investment, of which about 95 percent was contributed by the European countries themselves, and only 5 percent from ECA dollars. Yet without this 5 percent in dollars the developments could not have been built. Similarly, in military items, though the ratio of total production to dollar investment may not be so dramatic, the effect of each dollar made available to Europe will be multiplied many times.

In this connection and because of our own military effort, question has been raised regarding future use of local currency counterpart funds. While it is clear that in some countries at least a portion of the counterpart could well be directed toward expanding facilities to be used for production of military equipment, there are many instances where present use of counterpart should be maintained best to help attain this new objective. For instance, where the major portion of a nation's counterpart is now being released for such purposes as development of electrical energy supply, improvement of basic transportation facilities, such as roads and railroads, or increasing the facilities of important seaports, these developments can contribute substantially and directly to increasing production for military purposes or to the movement of troops and supplies. It is true, moreover, that wise use of counterpart will further increase the multiplying effect to which I referred and our efforts will be directed to that end.

Up to this point the Marshall plan has been chiefly concerned with building resistance to communism within certain of the participating countries; from now on equal emphasis must also be given to building resistance to aggression from without. But in either case the proved principle of the Marshall plan is applicable: That American aid brings increased returns when coupled with self-help and mutual aid by the participating countries. On the other hand, withdrawal of adequate support by the United States would result in almost immediate economic disruption of the western European nations.

Therefore, I urge in the national interest and in order effectively to wage the peace, that you, Mr. Chairman, and the members of your committee, all of whom are so aware of these dangers, press for a fully adequate amount.

The Marshall plan is firmly identified in the European mind as the symbol of United States partnership in attaining peace and strength. Any sharp curtailment of Marshall aid might well be profoundly misunderstood as indicating a loss of United States interest in the economic stability of Europe. However, a further endorsement by the Senate will give confidence in the present and hope for the future to the entire free world.

Sincerely yours,

WILLIAM FOSTER,
Acting Administrator.

Hon. CARL HAYDEN,
United States Senate,
Washington, D. C.

DEAR SENATOR HAYDEN: You have inquired about our actions and plans for reorienting the Marshall plan in light of the evident willingness of international communism to use arms in attaining its ends. First, I should like to point out that from the moment Mr. Molotov and representatives of the satellite nations walked out of the initial meetings in Paris on July 2, 1947, our efforts to promote recovery in Europe became this country's prime implement for combating communism. And when, subsequently, on October 6, 1947, the Cominform was announced, the Marshall plan became the avowed enemy and chief target of the Communists.

Mr. Paul G. Hoffman, Administrator of the Economic Cooperation Administration, repeatedly pointed to the dangers of Communist aggression on all fronts—economic, political, informational, as well as military—with all the energy, sincerity, and urgency at his command. Therefore, when the aggression began in Korea on June 25, the ECA staff was psychologically well-conditioned, and immediately understood the import of the Communist move. At staff meetings held thereafter, gratitude was expressed that in 2 years the Marshall plan had changed western Europe from an economic and military liability into a considerable asset to the strength of the free world.

It was agreed that all efforts to build general economic strength as the absolutely necessary base on which to build military power must be accelerated. It was also agreed that our programs should be restudied at once in order to focus more on those projects which would more directly contribute to early improvement in western European defense.

Although use of counterpart funds for direct defense purposes had been previously discouraged, it was agreed that the new situation warranted sympathetic reception of new proposals submitted by the participating countries to use their counterpart for this purpose. At the same time a review of programs to see whether certain long-range projects might be shelved in favor of those that might be completed more quickly in favor of speedier defense was undertaken.

A complete review of the problems of dollar earnings by the participating countries was also undertaken in the light of the fact that increase in war production would probably cause a decline in consumer-goods production in western Europe.

Little notice of this change in emphasis was given in the press, no doubt largely because of the need to devote so much space to the Korean war, but within a short time questions were posed, and by the end of July it is fair to say that quite broad coverage had been given our new plans and reorienting. I attach a few clippings from leading newspapers to illustrate this fact.

The top staff of ECA was, of course, involved in all these decisions and activities. We had the advantage of frequent telephonic communication with Mr. Hoffman, who is confined to his home recuperating from an operation. On July 28 we held a meeting of all our ECA division chiefs and went over the new development together in as much detail as possible. On July 29, I delivered a letter to Senator CONNALLY setting forth our position. A copy of this is also attached.

In general, I should define our present objectives as being to continue the process of strengthening resistance to communism from within the participating countries while adding as much, and as quickly as possible, to the powers of the participating countries to resist Communist aggression from without.

Sincerely yours.

WILLIAM FOSTER,
Acting Administrator.

[From the Christian Science Monitor]

MARSHALING THE MARSHALL PLAN—AN INTIMATE MESSAGE FROM WASHINGTON

(By Neal Stanford)

WASHINGTON.—Just as with everything else, the Korean war is having its effect on the Marshall plan.

Heretofore the Marshall plan's contribution to winning the cold war has stemmed from the improved economic conditions it fostered in western Europe, making communism less and less attractive to western Europeans.

But in the month since the North Korean aggression, there has been a visible reorientation of the Marshall plan concept toward winning a hot—as well as a cold—war.

It is no secret in Washington that from now on the Marshall plan purpose will be expanded to include resisting communism from without the participating countries as well as within those countries.

To that end, the Economic Cooperation Administration is taking the following steps:

1. It is giving priority to the flow of materials required in defense production in the participating countries.

2. Present and future recovery projects are being reviewed to discover how quickly or how extensively they can contribute to western Europe's defense. Some will be speeded up and others shelved as a result of this study.

3. A vigorous deliberate effort will be made to build up America's stockpile of strategic materials by developing the source of such materials in cooperation with Marshall-plan countries. New ECA missions to southeast Asiatic countries will be particularly active here.

4. Counterpart funds, wherever possible, will be used to further western Europe's defense efforts while at the same time advancing its economic recovery.

It is fully recognized that with this new emphasis on defense production there will be a certain disruption in Europe's production of consumer goods for export. That means that this reorientation of the Marshall plan can be expected to cut into the anticipated dollar earnings of western Europe from such exports.

However, there will be a more than counterbalancing effect on the dollar-earning position of western Europe, it is believed, from the increase in United States strategic materials buying that is expected. And, as the United States ships raw materials and semifinished goods to Europe for western Europe's new rearmament program, the overall effect, it is felt, will be to temporarily remove the dollar gap as a serious problem.

This reorientation of the Marshall plan concept to take into account the Korean hot war does not alter ECA's basic purpose to bring about western Europe's economic recovery. It only means that while in the past the Marshall plan has confined itself to building resistance to communism within western Europe through recovery, it will now be giving equal emphasis to the building of resistance to communism from without through defense production as well.

ECA Administrator Paul Hoffman has frequently emphasized that in today's conflict between the free world and international communism the battle goes on on four fronts—economic, political, informational, military. Sometimes there is activity on

all fronts—as now; sometimes there are periods of lull on one or more fronts. But the fronts are constantly present and the battle joined on one or all fronts whenever communism decides to attack.

With western Europe being forced to step up its defense production, the economic strength that ECA has built up in western Europe over the past 2 years suddenly becomes military potential for the free world. In the last 2 years, the 24-percent increase in Europe's industrial production, the 52-percent rise in its steel production, the 17-percent increase in hard-coal production, the 21-percent advance in electric power production, not only have resulted in startling economic recovery but have provided a military potential that will contribute greatly to making western Europe secure.

Western Europe may be no match for the heavily armed and constantly arming Soviet Union. But, it is pointed out here, through its own efforts and with ECA help, it has today: a steel capacity of 50,000,000 tons as compared with the Soviet Union's 31,000,00 tons; coal production one and a half times that of eastern Europe and Russia; five times the electric power production of the U. S. S. R.

Western Europe does not have to match the Soviet Union in armaments to have security, for besides its own economic strength it has the industrial power and potential of the United States on its side. However, for the indefinite future, now that communism has shown its willingness to resort to a shooting war to gain its objectives, western Europe will have to adjust itself to less production for export and more for defense. And, as a result, the United States will have to accept a new concept of Marshall plan aid.

Mr. LUCAS. Mr. President, what some Senators seem to be overlooking is the fact that the Appropriations Committee already has cut and sliced the budget submitted by the President to the tune of $1,395,000,000. In that $1,395,000,000 is 10 percent of the ECA funds. Now it is proposed, by the Byrd-Bridges amendment, to cut the ECA funds another 10 percent. It is proposed to use the meat axe, without any rhyme or reason, without any sound argument being advanced—so, without the facts upon which a cut should be based.

Mr. President, after the ECA fund has been reduced 10 percent, after the Appropriations Committee has voted by a vote of 17 to 3 to leave the ECA fund as it was originally in the committee, it is false economy to come in with another 10 percent slice. That simply does not make sense. Members of the Appropriations Committee who have put in weeks and months upon the question should know what is most wise and judicious.

Mr. President, it is fine for Senators to be for economy, but in this instance Senators are going to be for economy at the expense, as the able Senator from Arizona has said of the morale of the countries across the sea who are expecting ECA help at this particular time.

Mr. President, as I said previously, never before in the history of this Republic has it been so necessary for America to have friends and allies in the western democracies as it is at this very moment. It is necessary that we have friends and allies by reason of the paralysis which is creeping through the world because communism is spreading its poisonous tentacles everywhere. Two hundred and seventy million people in the western democracies are depending upon the Marshall plan. Anyone who goes to Europe today and surveys what has happened by way of relieving the people of Europe from the economic burdens, from the squalor and the poverty which existed immediately following the most devastating war in all our history, will truly understand what the Marshall plan has meant to them.

Mr. President, this is not a one-way street. The Marshall plan is for the benefit of, for the safety and security of America as well as the countries across the sea.

Mr. President, I undertake to say that without the Marshall plan—and I believe each of the governments of the western European democracies will corroborate what I now say—that without the Marshall plan many of them would be under the iron heel of Joe Stalin. Were it not for the Marshall plan Italy today would be under the iron heel of communism. Were it not for the Marshall plan France would also be under that despotic power. Norway would be under that iron heel. Probably Sweden, Turkey, and Greece and other small countries would also be under that Kremlin dominion. That would result from infiltration such as occurred in Czechoslovakia, Poland, and other countries of Europe.

Mr. President, the amendment we are considering is an important one. We cannot take $240,000,000 more from the ECA funds and permit the Administrator to use what is left, without crippling severely the proper administration of the plan. The amendment ought to be overwhelmingly agreed to by the United States Senate in the interest of our own country, in the interest of the countries which are our friends and allies across the sea. I plead with Senators on both sides of the aisle to give this amendment their vote in the interest of America and the world.

Mr. KNOWLAND. Mr. President, I happen to be a Member of the Senate who has supported the ECA program since its inception, but I am going to vote against the amendment offered by the Senator from New Jersey [Mr. SMITH]. I do not agree that what is proposed is a meat-ax approach to the problem. To the contrary, we have a new set of facts which have come into the picture since the ECA budget was submitted to the Appropriations Committee. That set of facts is that we have naked aggression in Korea. Congress has been requested to appropriate an additional $10,000,000,000 for our Defense Establishment. We are being asked for an additional $4,000,000,000 for the arms-implementation program. The President of the United States has already requested $5,000,000,000 more in new taxes. In my judgment he will have to come to the Congress and request at least an additional $5,000,000,000. The Senator from Illinois, the majority leader [Mr. LUCAS] talks about a meat-ax approach. We are called upon to approach the American people with a meat ax in order to take new taxes from them.

It seems to me that under all those circumstances, we are justified in applying this reduction to the ECA appropriations, along with the other nondefense appropriations. I do not underestimate the importance of the ECA program; but I do say that, as in Korea, to have the ECA, unless we have sufficient arms with which to defend the free world, will merely be to invite further Communist aggression in Europe and the Far East.

Right now we have to do first things first, and the first thing we have to do is to arm adequately the free world, including ourselves.

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). The question is on agreeing to the first branch of the amendment of the Senator from New Jersey [Mr. SMITH] to the Byrd-Bridges amendment.

Mr. WHERRY. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Legislative Clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Millikin
Anderson	Hill	Morse
Brewster	Hoey	Mundt
Bricker	Holland	Murray
Bridges	Humphrey	Myers
Butler	Hunt	Naely
Byrd	Ives	O'Conor
Capehart	Johnson, Colo.	O'Mahoney
Chapman	Johnson, Tex.	Pepper
Chavez	Johnston, S. C.	Robertson
Connally	Kem	Russell
Cordon	Kerr	Saltonstall
Darby	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Douglas	Langer	Smith, N. J.
Dworshak	Leahy	Sparkman
Eastland	Lehman	Stennis
Ecton	Lodge	Taft
Ellender	Lucas	Thomas, Okla.
Ferguson	McCarran	Thomas, Utah
Flanders	McCarthy	Thye
Fulbright	McClellan	Tydings
George	McFarland	Watkins
Gillette	McKellar	Wherry
Graham	McMahon	Wiley
Green	Magnuson	Williams
Gurney	Malone	Young
Hayden	Martin	
Hendrickson	Maybank	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the first branch of the amendment of the Senator from New Jersey to the Byrd-Bridges amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Delaware [Mr. FREAR], and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Kentucky [Mr. WITHERS] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Kentucky would vote "yea" and the Senator from New Hampshire would vote "nay."

I announce further that if present and voting the Senator from Delaware [Mr. FREAR] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN] and the Senator from Indiana [Mr. JENNER] would each vote "nay."

The Senator from New Hampshire [Mr. TOBEY], who is absent by leave of the Senate, is paired with the Senator from Kentucky [Mr. WITHERS]. If present and voting, the Senator from New Hampshire would vote "nay" and the Senator from Kentucky would vote "yea."

The result was announced—yeas 45, nays 40, as follows:

YEAS—45

Aiken	Hoey	Morse
Anderson	Humphrey	Murray
Chapman	Ives	Myers
Chavez	Johnson, Tex.	Neely
Connally	Kerr	O'Conor
Douglas	Kilgore	O'Mahoney
Ellender	Leahy	Pepper
Flanders	Lehman	Robertson
Fulbright	Lodge	Smith, Maine
George	Lucas	Smith, N. J.
Graham	McCarran	Sparkman
Green	McFarland	Thomas, Okla.
Gurney	McKellar	Thomas, Utah
Hayden	McMahon	Thye
Hill	Magnuson	Tydings

NAYS—40

Brewster	Hendrickson	Millikin
Bricker	Hickenlooper	Mundt
Bridges	Holland	Russell
Butler	Hunt	Saltonstall
Byrd	Johnson Colo.	Schoeppel
Capehart	Johnston, S. C.	Stennis
Cordon	Kem	Taft
Darby	Knowland	Watkins
Donnell	Langer	Wherry
Dworshak	McCarthy	Wiley
Eastland	McClellan	Williams
Ecton	Malone	Young
Ferguson	Martin	
Gillette	Maybank	

NOT VOTING—11

Benton	Jenner	Tobey
Cain	Kefauver	Vandenberg
Downey	Long	Withers
Frear	Taylor	

So the first branch of Mr. SMITH's amendment to the Byrd-Bridges amendment was agreed to.

The PRESIDING OFFICER. The question now is on the second branch of the amendment offered by the Senator from New Jersey, which exempts the International Children's Welfare Work from the provisions of the Byrd-Bridges amendment. [Putting the question.] The "ayes" appear to have it.

Several Senators requested a division.

On a division, the second branch of the amendment was rejected.

The PRESIDING OFFICER (Mr. HILL in the chair). The question now is on the third branch of the amendment offered by the Senator from New Jersey [Mr. SMITH] exempting the international development from the provisions of the Byrd-Bridges amendment.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Will the Chair announce the result again?

The PRESIDING OFFICER. The Chair announced that the second branch of the amendment was rejected on the division vote.

Mr. LUCAS. That it was not agreed to?

Mr. HUMPHREY. I ask for the yeas and nays.

The PRESIDING OFFICER. The request for the yeas and nays comes too late, now that the result has been announced.

Mr. NEELY. I move to reconsider the vote by which the amendment was rejected.

The PRESIDING OFFICER. The Senator from West Virginia moves to reconsider the vote by which the second branch of the amendment offered by the Senator from New Jersey [Mr. SMITH] was rejected.

Mr. WHERRY. I move that the motion be laid on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska to lay the motion to reconsider on the table.

Mr. HUMPHREY and other Senators demanded the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska [Mr. WHERRY] to lay on the table the motion of the Senator from West Virginia [Mr. NEELY] to reconsider the vote by which the second branch of the amendment offered by the Senator from New Jersey [Mr. SMITH] was rejected. Senators favoring the motion to lay on the table will vote "yea" when their names are called; those opposed will vote "nay." The yeas and nays having been ordered, the Clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Delaware [Mr. FREAR], and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Arkansas [Mr. FULBRIGHT] is detained on official committee business.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

I announce further that if present and voting, the Senator from Delaware [Mr. FREAR] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], and the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

The result of the vote was—yeas 42, nays 42.

YEAS—42

Brewster	Ferguson	Malone
Bricker	George	Martin
Bridges	Gillette	Millikin
Butler	Hendrickson	Mundt
Byrd	Hickenlooper	Robertson
Capehart	Hoey	Russell
Chapman	Holland	Saltonstall
Cordon	Johnson, Colo.	Schoeppel
Darby	Kem	Smith, Maine
Donnell	Knowland	Stennis
Dworshak	Langer	Watkins
Eastland	Lodge	Wherry
Ecton	McCarthy	Williams
Ellender	McClellan	Young

NAYS—42

Aiken	Johnson, Tex.	Murray
Anderson	Johnston, S. C.	Myers
Chavez	Kerr	Neely
Connally	Kilgore	O'Conor
Douglas	Leahy	O'Mahoney
Flanders	Lehman	Pepper
Graham	Lucas	Smith, N. J.
Green	McCarran	Sparkman
Gurney	McFarland	Taft
Hayden	McKellar	Thomas, Okla.
Hill	McMahon	Thomas, Utah
Humphrey	Magnuson	Thye
Hunt	Maybank	Tydings
Ives	Morse	Wiley

NOT VOTING—12

Benton	Fulbright	Taylor
Cain	Jenner	Tobey
Downey	Kefauver	Vandenberg
Frear	Long	Withers

The PRESIDING OFFICER. On this vote, the yeas are 42, the nays 42; so the motion to lay on the table fails.

The question now recurs on the motion of the Senator from West Virginia to reconsider the vote by which the second branch of the amendment offered by the Senator from New Jersey [Mr. SMITH] was rejected.

Mr. HOLLAND and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Delaware [Mr. FREAR], and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

I announce further that if present and voting, the Senator from Delaware [Mr. FREAR] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER] and the Senator from New Hampshire [Mr. TOBEY] would each vote "nay".

The result was announced—yeas 43, nays 42, as follows:

YEAS—43

Aiken	Douglas	Green
Anderson	Flanders	Gurney
Chavez	Fulbright	Hayden
Connally	Graham	Hill

Humphrey	McFarland	Pepper
Hunt	McKellar	Smith, N. J.
Ives	McMahon	Sparkman
Johnson, Tex.	Magnuson	Taft
Johnston, S. C.	Maybank	Thomas, Okla.
Kerr	Morse	Thomas, Utah
Kilgore	Murray	Thye
Leahy	Myers	Tydings
Lehman	Neely	Wiley
Lucas	O'Conor	
McCarran	O'Mahoney	

NAYS—42

Brewster	Ferguson	Malone
Bricker	George	Martin
Bridges	Gillette	Millikin
Butler	Hendrickson	Mundt
Byrd	Hickenlooper	Robertson
Capehart	Hoey	Russell
Chapman	Holland	Saltonstall
Cordon	Johnson, Colo.	Schoeppel
Darby	Kem	Smith, Maine
Donnell	Knowland	Stennis
Dworshak	Langer	Watkins
Eastland	Lodge	Wherry
Ecton	McCarthy	Williams
Ellender	McClellan	Young

NOT VOTING—11

Benton	Jenner	Tobey
Cain	Kefauver	Vandenberg
Downey	Long	Withers
Frear	Taylor	

So the motion to reconsider the vote by which the second branch of the amendment offered by the Senator from New Jersey [Mr. SMITH] was rejected, was agreed to.

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). The question is on the second branch of the amendment offered by the Senator from New Jersey [Mr. SMITH].

Mr. WHERRY and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Delaware [Mr. FREAR], and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

I announce further that if present and voting the Senator from Delaware [Mr. FREAR] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], and the Senator from New Hampshire [Mr. TOBEY] would each vote "nay."

The result was announced—yeas 44, nays 41, as follows:

YEAS—44

Aiken	Hill	McCarran
Anderson	Humphrey	McFarland
Chavez	Hunt	McKellar
Connally	Ives	McMahon
Douglas	Johnson, Tex.	Magnuson
Flanders	Johnston, S. C.	Maybank
Fulbright	Kerr	Morse
Graham	Kilgore	Murray
Green	Leahy	Myers
Gurney	Lehman	Neely
Hayden	Lucas	O'Conor
O'Mahoney	Sparkman	Thye
Pepper	Taft	Tydings
Smith, Maine	Thomas, Okla.	Wiley
Smith, N. J.	Thomas, Utah	

NAYS—41

Brewster	Ferguson	Malone
Bricker	George	Martin
Bridges	Gillette	Millikin
Butler	Hendrickson	Mundt
Byrd	Hickenlooper	Robertson
Capehart	Hoey	Russell
Chapman	Holland	Saltonstall
Cordon	Johnson, Colo.	Schoeppel
Darby	Kem	Stennis
Donnell	Knowland	Watkins
Dworshak	Langer	Wherry
Eastland	Lodge	Williams
Ecton	McCarthy	Young
Ellender	McClellan	

NOT VOTING—11

Benton	Jenner	Tobey
Cain	Kefauver	Vandenberg
Downey	Long	Withers
Frear	Taylor	

So the second branch of the amendment of Mr. SMITH of New Jersey was agreed to.

The VICE PRESIDENT. The next question is on agreeing to the branch of the amendment exempting international development. [Putting the question.] The "noes" seem to have it.

Mr. MORSE. I ask for a division.

The VICE PRESIDENT. Those who favor the amendment will rise and stand until counted.

Mr. HUMPHREY. Mr. President, let us have the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. Those in favor of the amendment will be seated, and those opposed to the amendment will rise and stand until counted.

Mr. KERR. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Delaware [Mr. FREAR], and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

I announce further that if present and voting the Senator from Delaware [Mr. FREAR] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], and the Senator from New Hampshire [Mr. TOBEY] would each vote "nay."

The result was announced—yeas 39, nays 46, as follows:

YEAS—39

Anderson	Gillette	Humphrey
Chavez	Graham	Ives
Connally	Green	Johnson, Tex.
Ellender	Hayden	Johnston, S. C.
Fulbright	Hill	Kerr
Kilgore	Magnuson	Pepper
Leahy	Maybank	Smith, Maine
Lehman	Morse	Smith, N. J.
Lodge	Murray	Sparkman
Lucas	Myers	Thomas, Okla.
McFarland	Neely	Thomas, Utah
McKellar	O'Conor	Thye
McMahon	O'Mahoney	Tydings

NAYS—46

Aiken	Flanders	Martin
Brewster	George	Millikin
Bricker	Gurney	Mundt
Bridges	Hendrickson	Robertson
Butler	Hickenlooper	Russell
Byrd	Hoey	Saltonstall
Capehart	Holland	Schoeppel
Chapman	Hunt	Stennis
Cordon	Johnson, Colo.	Taft
Darby	Kem	Watkins
Donnell	Knowland	Wherry
Douglas	Langer	Wiley
Dworshak	McCarran	Williams
Eastland	McCarthy	Young
Ecton	McClellan	
Ferguson	Malone	

NOT VOTING—11

Benton	Jenner	Tobey
Cain	Kefauver	Vandenberg
Downey	Long	Withers
Frear	Taylor	

So the third branch of the amendment of Mr. SMITH of New Jersey was rejected.

The VICE PRESIDENT. The question now recurs on the fourth branch of the amendment of the Senator from New Jersey exempting aid to Palestine refugees.

The fourth branch of the amendment was rejected.

The VICE PRESIDENT. The question now is on the amendment, as amended, offered by the Senator from Virginia [Mr. BYRD] on behalf of himself and other Senators, the so-called Byrd-Bridges amendment.

Mr. WHERRY. Mr. President, I send to the desk an amendment to that amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, in line 10, it is proposed to strike out "10 percent" and insert in lieu thereof "15 percent."

Mr. HUMPHREY. Mr. President, I rise to register my firm opposition and deep regret over the action which has just been taken on the subject of international development. At a stage in world history when we are in desperate need of the point 4 program for economic development of the underdeveloped and underprivileged areas, it seems to me that the action of the Senate in rejecting the amendment of the Senator from New Jersey was a most unfortunate action. I realize there is little or nothing we can do about it at this stage, except to let it be known that there is at least a sizable number in the United States Senate who feel that the war against communism is not merely a war of tanks and guns; that the war against communism is also a relentless war against poverty, misery, and disease. To think that the Senate of the United States would slice off $2,600,000 from a $26,000,000 appropriation in the name of economy when the peoples of the world that are going into the Communist camp are the underprivileged people of the underdeveloped areas.

If ever there was a weapon that could be used on the side of freedom and democracy it is the weapon of technological assistance and scientific advance, of which this country has an abundance. Here we are about to appropriate vast sums, billions of dollars, for armament which we desperately need for fighting against the Communist aggressor on the battlefield, and yet we do not seem to possess the good judgment to appropriate a few million dollars to fight against the very forces that take people into the arms and into the camp of the Communist menace. I think that is a tragic mistake, and I think this country will rue the day that the Congress of the United States did not have the foresight to strike a blow in behalf of humanity through striking against disease and disaster by giving to these people in other parts of the world a chance to help themselves.

We just sustained the vote on ECA, and there were projects in ECA which could be questioned. But I say there is not one single proposal in the point-4 program that can be questioned. One cannot question the fight against malaria, one cannot question the need for land reclamation, for irrigation, for electric power, the fight to rid these underprivileged areas of disease. We are proposing to pass millions and millions of dollars of appropriations, but when it comes to a matter of equipping the United States of America and the United Nations with a little money to employ teachers, educators, scientists, technicians, those who can help other people help themselves, what do we do? We say no.

Mr. President, I say now that our action will ring over the Moscow radio into Indochina, and it may not be long before we will have to send troops to Indochina, and when we send those troops the Moscow radio will say, "Yes, they will send their soldiers to kill the Indochinese but they will not send you a public health doctor to help you rid your swamps of disease."

Mr. President, what we have done is a shame and a tragedy. I hope that in conference the conferees will reconsider the action of the Senate and in the name of all that is decent and good, in the name of humanity and progress, will report to the Senate an appropriation for the point 4 program which is worthy of the United States of America. In view of the billions we are spending elsewhere, our action today is not worthy of the United States.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nebraska [Mr. WHERRY] to the Byrd-Bridges amendment.

Mr. HAYDEN. Mr. President, I should like to address myself for five minutes to the effect of the Wherry amendment upon the various departments of the Government.

As Senators know, the appropriation for the State, Justice, and Commerce Departments and the Judiciary are combined under one head, in one chapter of the bill. The appropriation for that chapter as reported by the Senator from Nevada [Mr. MCCARRAN] was $119,516,000 or 10 percent under the budget estimate. The proposal we now have before us is to cut 15 percent more from the appropriation for those several departments. The result will be that the appropriation for the Department of State will be reduced by $28,863,000. The appropriation for the Department of Justice will be reduced $2,248,000. The Judiciary itself is exempt. The appropriation for the Department of Commerce will be reduced by $37,200,000.

The total reduction, under the budget, by the amendment offered by the Senator from Nebraska, instead of the $119,000,000 reduction, as our committee has reported, will be increased to $188,050,000.

It seems to me the Senate ought to realize what a drastic cut is now proposed to be made by imposing a 15 percent reduction on the 10 percent reduction which the committee, after careful study, has already provided.

Let us now look at the Department of Agriculture. Let us see what would be done there. The chapter of the bill dealing with the Department of Agriculture, as reported by the committee, carries a reduction of $30,000,000 under the budget estimate. The 15-percent cut would add $96,000,000 more to that. So the total reduction under the budget would be $127,000,000 for the Department of Agriculture. But, more than that, it would also cut $105,000,000 from the ability of the Department of Agriculture to make loans. The 15 percent cut in the money provided for rural electrification and for the farm loan program throughout the United States, would affect those programs to the extent of $105,000,000.

Mr. BYRD. Is the Senator speaking of a 15 percent reduction or a 10 percent reduction?

Mr. HAYDEN. A 15 percent reduction, which is the proposal made by the Senator from Nebraska [Mr. WHERRY] as an amendment to the Byrd-Bridges amendment.

Mr. BYRD. Bridges-Byrd amendment calls for a 10 percent reduction.

Mr. HAYDEN. The pending amendment, offered by the Senator from Nebraska to the Byrd-Bridges amendment, calls for a 15-percent reduction.

I simply wished to give these illustrations of the effect of agreeing to such a proposal; I did so in order that Senators might know what they were voting for.

Mr. MCCLELLAN. Mr. President, I shall not support the amendment of the Senator from Nebraska to the Byrd-Bridges amendment.

I believe it is imperative that we economize. For that reason, I voted against the amendment to exclude the ECA from the provisions of the Bridges-Byrd amendment. I have felt, and I still believe, that it is just as necessary for us to economize in peacetime spending abroad as it is for us to economize in our peacetime domestic spending at home.

I think the action taken by the Senate this afternoon in excluding ECA from any cut, is extremely unfortunate. It indicates that we have adopted two standards in regard to spending by the United States in time of an emergency. One is that we shall place the yoke upon our own people and make their burden heavier in order to make certain that we do not withhold anything from those abroad.

Let me remind the Senate that every dollar that is spent abroad under the ECA program, however much it may be justified, makes more compelling and necessary retrenchment and curtailment in our expenditures at home for the development of programs in our own interest and welfare. Our action in voting a few minutes ago the extra $200,000,000-odd for the ECA program, for the building of roads and the carrying on soil-conservation projects, and so forth in Africa and elsewhere, means that every dollar that is spent in such places will have to be taken out of the corresponding programs here in the United States.

Therefore, I shall support, as I originally planned, the Byrd-Bridges amendment calling for a 10-percent reduction; but I shall not support any further reduction.

I regret exceedingly that we are not willing to apply a 10-percent reduction straight across the board, all around the world, in the case of all programs of the same character. There is an inclination on the part of some—and I personally feel the same way, but I will not follow my personal feelings and preference at the moment—that if we are going to spend money abroad for such purposes, then we should not vote to reduce the appropriations for such programs here at home. If reductions are not to be made in the appropriations for foreign assistance, then we should not vote to reduce the appropriations for similar purposes and programs here in the United States.

Mr. President, that is the way I, too, feel about the matter. However, I shall not vote my personal feelings and preference in these trying times. I should like to act that way, but I believe there is a call of duty which is higher than my personal feelings at this moment. Unless we are willing to accomplish, and unless by our actions we actually accomplish, rigid economy in all our programs here in the United States, then, in view of the obligations and burdens we are assuming abroad, we are headed for a national catastrophe.

Yes, Mr. President, every dollar we spend on the ECA, and particularly for certain projects that have been submitted and programed in this appropriation, makes more necessary and more compelling retrenchment and rigid economy in our programs here at home. Unless we are ready and willing to throw all restraint to the winds and spend and spend for everything we want, we must practice rigid economy all the way across the board, Mr. President. If we do not pursue that course, but instead continue as we have proceeded this afternoon, in my judgment we shall soon arrive at a destination of national economic chaos.

The VICE PRESIDENT. The time of the Senator from Arkansas has expired.

The question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY] on page 2, in line 10, of the Byrd-Bridges amendment, to strike out "10 percent" and insert "15 percent."

The amendment was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the so-called Bridges-Byrd amendment, offered by the Senator from Virginia, the Senator from New Hampshire, and a number of other Senators.

To that amendment the Senator from Nevada has offered an amendment, which will be stated.

The LEGISLATIVE CLERK. On page 4, in line 10 of the Bridges-Byrd amendment, after the parenthesis, it is proposed to insert "or the preservation of law and order."

Mr. McCARRAN. Mr. President, I had understood that the authors of the Byrd-Bridges amendment would accept this amendment to it.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Nevada to the so-called Byrd-Bridges amendment.

Mr. BYRD. Mr. President, let me say to the Senator from Nevada that the law-enforcement agencies are exempted. I am not certain of the purposes of the amendment he has offered. I do not have the amendment before me.

The VICE PRESIDENT. The Secretary will state the amendment again.

The LEGISLATIVE CLERK. On page 4, in line 10, of the Byrd-Bridges amendment, after the parenthesis, it is proposed to insert "or the preservation of law and order."

Mr. McCARRAN. Mr. President, in answer to the question of the Senator from Virginia, let me say that a quick examination of the amendment now pending would indicate that practically the entire Department of Justice would be exempted. However, under a stricter interpretation other vital functions and operations of the Department of Justice closely tied into those exempted would suffer a 10-percent reduction in appropriations, thereby directly affecting the activities which would be exempted.

For example, the offices under the appropriation "General administration," such as the Attorney General's Office and other offices which direct and supervise the activities of such exempted groups, would have their appropriations cut, and that would bring about an impossible situation of the tail wagging the dog.

Furthermore, the appropriation for "General legal activities" would be cut 10 percent; and under that heading comes the Criminal Division, whose duties are primarily in connection with the prosecution and investigation of persons suspected or convicted of offenses against the criminal laws of the United States, and it falls clearly within the exemption. Therefore, if the 10-percent cut is apportioned to the other divisions but if the Criminal Division is exempted, that division will suffer a comparatively greater reduction. That would mean that the Antitrust Division, the Claims Division, the Tax Division, the Lands Division, and the Customs Division would be very seriously curtailed and obstructed in their law-enforcement activities.

So, Mr. President, I hope my amendment to the Byrd-Bridges amendment will be accepted.

Mr. BYRD. Mr. President, I do not follow the explanation by the Senator from Nevada. For example, the Customs Division is exempted. In response to a request a very careful analysis of the amendment has been made in writing by the Bureau of the Budget. The FBI is exempted under section 1003 subsection (i), the Immigration and Naturalization Service is exempted, the district attorneys are exempted, the Bureau of Customs is exempted, the Secret Service is exempted, the Bureau of Internal Revenue is exempted; those who audit the accounts and do police work in connection with the collection of taxes are exempted; the Bureau of Narcotics is exempted; and section (a) of the act——

Mr. McCARRAN. I may say to the Senator from Virginia that I have been reading from an opinion by the Department of Justice on the pending Bridges-Byrd amendment. It is from the Department itself.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARRAN. I do not have the floor.

The VICE PRESIDENT. The Chair thought the Senator from Nevada had yielded to the Senator from Virginia.

Mr. BYRD. All I can say is we have an interpretation from the Bureau of the Budget, in writing, after a very careful examination of the proposed amendment, and the language itself I think is clear:

> The amounts appropriated by this act for the operation of law-enforcement agencies, including the Federal Bureau of Investigation, the Bureau of Customs, the Immigration and Naturalization Service, and the Secret Service are exempt, and so are the funds for the payment of compensation and expenses of agents and auditors of the Bureau of Internal Revenue and other officers and agents, whose duties pertain to intelligence operations, including funds transferred pursuant to section 6 (a) of the act of June 20, 1949, or the investigation, apprehension, prosecution, or detention of persons suspected or convicted of offenses against the criminal laws of the United States. The exact language may be seen on page 4, subsection (i).

Mr. FERGUSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Michigan?

Mr. BYRD. I yield.

Mr. FERGUSON. Will the Senator yield that I may ask the Senator from Nevada a question?

Mr. BYRD. I yield, provided I do not lose the floor.

Mr. FERGUSON. I desire to ask the Senator from Nevada whether it is the intention to limit this to the Department of Justice.

Mr. McCARRAN. The amendment I have offered to the Bridges-Byrd amendment addresses itself entirely to the Department of Justice.

Mr. FERGUSON. So there cannot be any question about that.

Mr. McCARRAN. It is a clarifying amendment.

Mr. HAYDEN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Arizona?

Mr. BYRD. I have 5 minutes only, but I yield.

Mr. HAYDEN. I merely want to say that the information I have from the Bureau of the Budget is that this 10 percent reduction would affect the Department of Justice to the extent of $1,632,500. So evidently there are some parts of the Department of Justice that are not covered by the language which the Senator has quoted from the Bureau of the Budget.

Mr. BYRD. I think that is correct. There are some expenses of the general administration that are not covered by the exemption. But in the main, it was intended that all the law-enforcement agencies would be exempt.

Mr. McCARRAN. Mr. President, have I any time remaining?

The VICE PRESIDENT. The Senator can speak again only by unanimous consent, under the agreement entered into.

Mr. McCARRAN. I ask unanimous consent that I may be permitted to speak for 1 minute.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator is recognized for 1 minute.

Mr. McCARRAN. This matter was worked out after many weeks of careful study, investigation and hearings, and the committee cut the appropriation $7,050,000 under the Budget estimate. The way the Byrd-Bridges amendment is worded, it would affect seriously certain divisions of the Department of Justice wherein both law and order are involved. The amendment that I have offered would exempt them.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nevada to the so-called Byrd-Bridges amendment.

Mr. MYERS. Mr. President, I should like the attention of the Senator from Virginia, because he read a rather lengthy list of divisions within the Department of Justice which would be excluded from the amendment which he is sponsoring. I wish the Senator from Virginia would read to the Senate those divisions within the Department of Justice that are embraced in his amendment and that will receive a 10-percent cut if his amendment should prevail.

Mr. BYRD. In answer to the Senator from Pennsylvania, I may say that the fees and expenses of witnesses, $1,250,000, are exempt.

Mr. MYERS. I was asking for those that are not exempt. Will the Senator read those that are not exempt?

Mr. BYRD. Those that are not exempt include the general administrative expenses, the salaries and expenses of the general administration, the salaries and expenses of the general legal activities, and salaries and expenses of the Antitrust Division. The salaries and expenses of the marshals are exempted.

In most of these departments, as the Senator well knows, there is opportunity for great economy in administrative expenses.

Mr. McKELLAR. Is the Tax Court of the United States exempt?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Tennessee?

Mr. BYRD. All of the judiciary is exempted, but the Tax Court is not included in the judiciary appropriations in this bill. It is not exempt.

Mr. McKELLAR. That is not my question.

Mr. BYRD. The Tax Court is not exempt.

Mr. MYERS. According to the response of the Senator from Virginia to my question, it seems that the attorneys who are in charge of the administration of justice are the ones who will suffer as a result of this amendment. I particularly note that the Antitrust Division is a part of the Department of Justice. Its work will be curtailed if this amendment should prevail. Therefore, although the FBI and a number of the agencies are exempt, it seems to me that all the other divisions indeed will be hindered in their work, and, at such a critical time in the history of our country we certainly should not curtail the work and activities of the Department of Justice. I hope——

Mr. HOLLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Florida?

Mr. MYERS. I have but 5 minutes. However, I will yield as soon as I finish this sentence. I hope, at such a critical time as this, that we will not in the case of one of the most important agencies of the Government undertake to practice a false economy. I now yield to the Senator from Florida.

Mr. HOLLAND. I should like to ask the Senator from Pennsylvania whether he thinks it is more appropriate for the Antitrust Division and its personnel to be exempted from this cut than for similar personnel of the Federal Trade Commission, which is enforcing exactly the same laws and performing exactly the same duties, to be exempted.

Mr. MYERS. Perhaps the Senator does not believe in the Federal Trade Commission. Let the Senator offer such an amendment. I am simply saying that the Department of Justice is one of the most important agencies of the Government. It is, in fact, a more important agency than the Federal Trade Commission. I certainly believe it would not be in the best interest of our country or in the best interest of the efficient and proper administration of justice to practice economy on this agency.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nevada to the so-called Byrd-Bridges amendment. [Putting the question.] The amendment to the amendment is rejected.

Mr. McCARRAN. I ask for the yeas and nays.

Mr. TAFT. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. The Chair has ruled.

The VICE PRESIDENT. The Senator from Nevada was on his feet. But the demand for the yeas and nays is not sufficiently seconded. The question now is on the amendment offered by the Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BRIDGES].

Mr. O'MAHONEY. Mr. President, I desire to speak very briefly upon this amendment. The question before the Senate this afternoon is simply whether it is going to vote according to a symbol or according to reality. I have every sympathy with the purpose of those who have sponsored this amendment to make a substantial cut in the nondefense, nonessential expenditures of the Federal Government. As a member of one of the subcommittees which handled one of the largest chapters in this bill, I want the Senate to know that the committee in charge of that bill diligently sought to reduce expenditures to a minimum. I know that the same thing was done by other subcommittees. Substantial reductions were made. But it seems to be difficult for Senators to make up their minds that it is impossible to legislate upon the floor of the Senate upon a matter of such great complexity as appropriations. When the predecessor of this amendment was presented in the Appropriations Committee, on the very first day of its consideration, when I first read it, I saw gaping holes in the amendment, through which, in the term so familiar to us all, it would be possible to drive a coach and four. I pointed out that there was no exemption for the Post Office Department, and that it contained a provision for a 10-percent decrease of the amount of money to be expended for the transportation of things. That necessarily meant the transportation of mail. The sponsors of the amendment say that it was a valid criticism. It does not appear——

Mr. BYRD. It does not appear in this amendment?

Mr. O'MAHONEY. It does not appear in this amendment. I raised the question about the application of this cut to strategic and critical materials. It was not in the old amendment. There is an exemption in this amendment.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I have but 5 minutes. Let me proceed.

So it went, Mr. President. Every criticism which I made very briefly, within scarcely 5 minutes of the meeting of the Senate Committee on Appropriations, was met, but I had not begun to point out the loopholes in the amendment. This amendment, although it has been labored over, still contains loopholes which will injure the defense program if the Senate agrees to it. For example, on page 3, it undertakes to exempt trust funds. It should read "appropriations for trust funds."

In the next paragraph it deals with funds for Government corporations, excluding those made available in the act for administrative expenses. It should say "appropriations for funds."

Then there is an exemption which does not exempt administrative expenses. It deals with the Farm Credit Administration, for example, which receives an appropriation for its administrative proceedings, and which does not operate on a single dollar of public funds, because every penny is repaid. The Farm Credit Administration contributes three or four million dollars annually to the Treasury of the United States. It will be vitally necessary, in case of a great war, to maintain our livestock.

The Senator from Nebraska [Mr. WHERRY] was concerned about the failure to exempt meat inspection. How can we handle our meat program?

Mr. WHERRY. Mr. President, I am still concerned.

Mr. O'MAHONEY. Of course the Senator is concerned.

Mr. WHERRY. The way I want to handle it is to offer an amendment to the agriculture chapter.

Mr. O'MAHONEY. The Senator will pardon me, but I cannot yield.

These illustrations are indicative of the loopholes in this amendment, Mr. President.

I want to invite attention to the fact that the General Services Administration——

The VICE PRESIDENT. The Senator's time has expired.

Mr. DOUGLAS and Mr. HUNT addressed the Chair.

The VICE PRESIDENT. The Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President, I believe I have made it clear that I do not like the meat-ax approach to reducing expenditures. That is why I have been trying to cut appropriations item by item so that cuts would be made by Congress itself on those items which should be reduced. After making little headway on 68 individual proposals for reductions, I resorted to a general amendment which although it did not hit individual items, did specify the areas where the cuts were to be made so that Congress would not be completely abdicating its power of appropriating. I did not assert that the amendment was perfect. Any proposal for a general cut has flaws. But the reductions would have been made. However, I could not get the necessary support, even to get a roll call.

It may have appeared that there was competition between my general amendment calling for a reduction of $1,000,000,000 from selected areas and the Byrd-Bridges amendment calling for a 10-percent cut amounting to an estimated $525,000,000. It is true that I wanted to vote on my amendment first because I thought it was a better method but, in the final analysis, the important thing is to make the reductions so that we can keep down inflation and release manpower and resources for the defense effort. Therefore, I want to give my wholehearted support to the Byrd-Bridges amendment. While I shall not offer other amendments, this is our last opportunity to make a major reduction and we must not let it pass us by.

The Byrd-Bridges amendment may be a meat ax, but it will make reductions and since my previous efforts have not been successful, I hope we can pass it. It has an excellent chance. It has a great deal of support whereas my efforts apparently had little. Therefore, I ask those senators who have so graciously supported me to support the Byrd-Bridges amendment as well. If we pool our strength we can get these reductions, and I certainly hope that partisanship will not enter into the drum on this issue.

We all know of the great need for economy in nonessential expenditures. Let us follow this up and show the country that we are aware of this need by passing this amendment reducing these funds by $525,000,000.

Mr. RUSSELL. Mr. President, it had been my purpose to support this amendment, but since the Senate has seen fit to make fish of one appropriation and fowl of another, I shall vote against it. Having some responsibility as the chairman of the subcommittee which handles the agricultural appropriations, I wish to refer briefly to the effect of this amendment upon agricultural appropriations.

The subcommittee and the full committee reduced the appropriations for the Department of Agriculture approximately $30,000,000. This amendment would reduce them $65,000,000.

I have a letter from the Secretary of Agriculture, in which he points out that if this 10 percent cut is applied across the board it will mean a reduction of 346 meat inspectors and will seriously curtail the program of meat inspection. He further says that it would ruin the Rural Electrification Administration; that it would restrict the rural telephone program and would make it impossible to give the minimum attention required to safeguard the Government's interest in $2,200,000,000 worth of loans. It would level a great blow at the operations of the Soil Conservation Service and would deny technical assistance to from 150 to 190 soil conservation districts, as well as reducing technical assistance in 250 other districts.

If the amendment were applied across the board it would reduce the appropriation for the National Forest Service by approximately $3,000,000. According to the Department of Agriculture, there have been more fires this season than ever before. We all know there is a great need for protection of our forest resources because of the fact that they are shrinking, due to the unparalleled and unprecedented demand made upon them during the past 10 years.

Those are only a few of the items, Mr. President, in the agricultural appropriation bill, which are pointed out by the Secretary, in connection with which very dire consequences would be visited upon our domestic economy.

I am not any expert on the Scriptures, Mr. President, but I remember something is said in the Bible to the effect that he who does not look after his own household is worse than an infidel.

We have now seen fit to eliminate the ECA from any reduction whatever. I cannot go along with the proposition of drastically reducing appropriations which are so important to the national welfare as are those which I have mentioned, and I could point out others in the bill.

I assert without any fear of successful contradiction that $1 spent on the national forests of the United States means more to the free peoples of this earth than would $7 spent for the ECA.

I believe, Mr. President, that the health of the American people, protected through a meat-inspection program, is as important as is the health program in other lands so eloquently outlined by the distinguished Senator from Minnesota [Mr. HUMPHREY]. We are preserving and protecting our natural resources and carrying on a research program which will be crippled if this 10-percent reduction is agreed to. That program is infinitely important not only to the American people, but to freemen everywhere.

Mr. President, we always help the other nations of the earth, but in the last analysis here in America is the last citadel of freedom. These appropriations deal with the resources of America and our ability to protect and defend ourselves from the forces of aggression which threaten us at this very hour.

Mr. President, for the reason that this so-called economy drive has at least half collapsed, I shall not cast a discriminatory vote to reduce appropriations within the United States when no reduction whatever is being made in the appropriations for the foreign economic administration.

Mr. McKELLAR. Mr. President, the subcommittee headed by the distinguished Senator from Wyoming [Mr. O'MAHONEY] has done a wonderful work on this sector or chapter of the bill. I hardly know whether to call it a sector or a chapter, under the new method of dividing up appropriations, but whatever it may be called, the committee has done a splendid work. I endorse everything the Senator has said, and I hope the Senate of the United States will not agree to this amendment.

Mr. LUCAS. Mr. President——

The VICE PRESIDENT. The Senator from Illinois.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. O'MAHONEY. May I offer an amendment in the nature of a substitute and speak on it for 5 minutes?

The VICE PRESIDENT. The Senator may offer an amendment to the Byrd-Bridges amendment either as an amendment or by way of a substitute for it.

Mr. O'MAHONEY. I desire to do that at the appropriate time.

The VICE PRESIDENT. When the Senator gets the floor is the appropriate time to do it.

Mr. O'MAHONEY. May I be recognized now for that purpose?

The VICE PRESIDENT. The Chair recognized the Senator from Illinois [Mr. LUCAS] before he asked the Senator to state his parliamentary inquiry.

Mr. LUCAS. Mr. President, I rise in opposition to the amendment and desire to make what I believe to be some pertinent observations which have not been brought out in any of the debates I have listened to since the pending measure has been before the Senate.

I do not know why it is necessary to go into the Department of Justice, Department of Agriculture, and Department of Commerce and trim down their personnel. If it is fair to do it in the executive branch of the Government, why is it not fair to do it in the legislative branch? Why do we in the Senate, instead of decreasing our personnel 10 percent, increase the appropriation? Last year the appropriation for the Senate alone was $12,013,000. This year the figure is $12,422,000, or an increase of approximately $410,000 for personnel in the Senate and for things that have to be done in the way of paying for telegrams, telephone calls, and so forth. Yet no one in this economy group, who are so strong for cutting everything in the executive branch of the Government, has done a single thing to see to it that something along the same line is done in our own house.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield for a question.

Mr. BRIDGES. The Senator is making rather an extensive statement when he says not a single thing has been done.

Mr. LUCAS. Mr. President, I shall not yield for a speech. The record speaks for itself.

The VICE PRESIDENT. The Senator declines to yield.

Mr. LUCAS. Last year we appropriated $12,013,000. This year we intend to appropriate $12,422,000. For the contingent fund of the Senate we appropriated for the fiscal year 1949 $2,626,-118. For the fiscal year 1950 we appropriated $2,755,000.04, or an increase of approximately $125,000. Mr. President, so far this year we have resolutions for investigations alone calling for $1,200,-000. Yet only $832,000 has been appropriated in the appropriation bill for that kind of work. We shall be forced to have another deficiency bill. The disbursing officer tells me that this year the contingent fund of the Senate alone will require at least $3,000,000. That is an increase over last year of approximately $400,000. Apparently we in the Senate are not willing to apply the meat ax on our own people in order to decrease the personnel of the United States Senate, but we are willing to apply it to the executive branch. Of course not very much is involved, but the principle is exactly the same. We ought to do it in the judiciary and the legislative branches if we are to do it in the executive branch. If we are to reduce appropriations in one, we should do it in all. That is the point I am making.

Those who are so strong for economy did not examine the Senate cut and offer to economize. If 10 percent is good for the executive, it should be good for the legislative and judiciary. That is something that someone will have to answer for. Somebody ought to talk about it. I am certain the country would be interested in knowing why the legislative branch was excluded.

Mr. O'MAHONEY. Mr. President, I send forward an amendment in the nature of a substitute and ask that the clerk read it.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. In lieu of the matter proposed to be inserted by said amendment, it is proposed to insert the following:

CHAPTER X–A—AUTHORIZATION TO STUDY AND REPORT ON RESCISSIONS OF APPROPRIATIONS AND CONTRACT AUTHORIZATIONS

SEC. 1001. The Senate Committee on Appropriations and the House Committee on Appropriations, acting jointly, or any duly authorized subcommittee of said committees, are authorized and directed to make a full and complete study of each appropriation, reappropriation, and contract authorization or reauthorization, made by this act for the fiscal year ending June 30, 1951, or made by any other act and available for expenditure or obligation during such fiscal year, to any department or agency in the executive branch of the Government (including funds of Government corporations authorized by this or any other act for administrative expenses), with a view to making such rescissions in nondefense spending as may be possible without impairing effective and efficient operation of the Government.

SEC. 1002. The said committees shall report to the Senate and to the House the results of its study, together with such recommendations as they may deem desirable, not later than August 31, 1951.

The VICE PRESIDENT. The Chair would suggest to the Senator that the amendment is not in order to X–A. It would be in order to section 1114.

Mr. O'MAHONEY. The amendment is offered to chapter XI.

The VICE PRESIDENT. Is the Senator offering the amendment at the same place as the pending amendment?

Mr. O'MAHONEY. Yes.

The VICE PRESIDENT. To take the place of the language of the Byrd-Bridges amendment?

Mr. O'MAHONEY. Yes.

The VICE PRESIDENT. Then it is in order. The Senator is recognized for 5 minutes.

Mr. O'MAHONEY. Mr. President, this amendment is very plain in its terms. It is a direction to the Committee on Appropriations, which has the responsibility of examining the evidence and the facts, to go over all these appropriations and to report back to the Senate and House by the end of the month recommendations for the rescission of nondefense expenditures. Mr. President, I say that is essential, because by the other amendment, for which this is a substitute, we would seriously injure the defense of the United States.

One of the agencies for which appropriation is made in the bill is the General Services Administration. The agency was established by act of Congress in 1949 for the express purpose of providing the Federal Government with economical, efficient, and effective management of the Government's personal property, real property, and records. The General Services Administration was recommended by the Hoover Commission. I want to call to the attention of Members of the Senate that it has the custody of the 66 reserve plants of the Nation. I have in my hand the list showing the location of these 66 plants, which would be needed in our national defense. The so-called Byrd-Bridges amendment would impair the ability of the General Services Administration to handle those defense plants. It would cut millions of dollars and hundreds of persons from the necessary operation of providing for this national industrial reserve. This list contains not only 66 industrial plants. It contains 14,000 tons of machine tools.

Then, Mr. President, there is the wartime Civilian Disaster Relief Planning, under which the General Services Administration works with the National Security Resources Board. With the broad-ax method of a flat 10 percent cut we would impair the essential activities of the National Security Resources Board at a time when in a day or two we shall turn around to provide additional appropriations.

Mr. President, are we to march up the hill and then march right down the hill? Let us cut the nonessential, nondefense appropriation, but let us not take the risk of cutting defense appropriations, as it is clear we would be doing. Let us consider the problem of the strategic relocation activity of the Federal Government which is carried on by the National Security Resources Board and the General Services Administration.

Mr. President, as was pointed out in my statement a moment ago, when the Byrd-Bridges proposal was considered in the Senate committee, we pointed out the loopholes and the errors that were being made. The few I mentioned there were corrected. Here I mention others. If there were not a limitation of time, I could go through this amendment line by line and show that the result of the adoption of the amendment would be seriously to impair the capacity of the Government to function at a time when we need its most efficient operation.

Mr. President, I trust that the substitute which I have offered may be accepted by the Senate. Again I say, I have here in my hand the list of the 66 industrial plants which are in the custody of the General Services Administration, the care of which will be seriously impaired unless the substitute is agreed to.

Mr. BYRD. Mr. President, I do not know where the Senator from Wyoming got his figures. As a matter of fact, General Services Administration appropriations totaling $782,000,000 are exempted in this cut.

Mr. O'MAHONEY. I referred to the appropriation for carrying on the Strategic Materials Stockpiling Act.

Mr. BYRD. Six hundred and five million dollars for the strategic materials, and $175,000,000 in addition to that, are exempted in the particular agency referred to.

Mr. FERGUSON. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield to the Senator from Michigan.

Mr. FERGUSON. Is it not also true that the buildings to which the Senator from Wyoming referred would be exempted because they come under the $10,500,000,000 to finance the war effort, and the Administration would have absolute power under that to take over the buildings for the necessary manufacturing of war materials?

Mr. BYRD. Any building to the extent that prior obligations are made, is exempted. There is a number of buildings. There is the office building in Nashville, Tenn. Some of the funds for that are exempted. There is a partial exemption for the Alaska public works item. There is exemptions for the defense planning for Federal public works, to the extent of $14,000,000. There are partial exemptions for water-pollution plants, and so forth. When the Senator talks about millions and hundreds of millions, he has overlooked the fact that $782,000,000 in this particular agency is exempt.

Mr. HOLLAND. Mr. President, I strongly hope that the Senate will vote down the substitute amendment offered by the Senator from Wyoming, and will then adopt the so-called Byrd-Bridges amendment.

First answering the point made by the Senator from Illinois, I call his attention to the fact that the Senate is in excellent position to require that these civilian agencies shall make a reduction of their expenses. The only substantial cut in the appropriation bill which has been made in the weeks of debate on the bill has been the cutting off of the $10,000,000 appropriation which was designed to start a new Senate office building, very badly needed by Senators and their staffs and the Senate committees.

In the next place, I remind the Senator from Illinois that just as the President's salary and the salaries of his staff and assistants are exempted from the cut because they are a war agency, as well as a peace agency, and their efforts are largely increased in time of war, so in the case of the legislative staffs and the legislative expenses. I do not have to tell every Senator here, because he knows already, that his mail has been greatly increased, that his efforts are greatly spread out, and that war has brought upon him added duties, instead of lessened duties, whereas in the case of the civilian agencies, the opposite is the case.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HOLLAND. I can not yield just now, to my regret. I have only five minutes.

Mr. President, this is the acid test. We have not made any real reductions. The House voted over a billion-dollar reduction in time of peace. Shall we, the Senate, be blind to the fact that war has come, that these civilian agencies should make some contribution by way of greater economy, as we face the difficult test, the supreme test, which lies ahead of our Nation?

Mr. President, it seems to me that this is the last chance we are going to have to indicate to the public whether we recognize the fact that this Nation is at war, and that the same philosophy and logic and reasoning which very properly were applied by our able committee, our devoted committee, in drafting the pending bill, should not be applied now.

They drew the bill in time of peace. We are passing the bill in time of war.

Mr. President, I think we would make a tragic mistake if we gave rise to a feeling on the part of the people of the country that we think no real effort toward economy should be made. It is not a big effort, cutting out $525,000,000, but it will show that we do recognize that there is a changed situation which requires a changed approach, and that we propose to attempt to economize as we tighten our belts and face the difficult days ahead.

Mr. BUTLER. Mr. President, I have a statement with regard to the pending amendment which I should like to have inserted in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, Mr. BUTLER'S statement was ordered to be printed in the RECORD, as follows:

Mr. President, I believe it should be made crystal clear that there is nothing in the language of the so-called Bridges-Byrd amendment, which I have joined in sponsoring, that requires a reduction in personnel in any specific office, division, or bureau within any one of the departments.

I am particularly concerned about the lay-off notices which have been given to several hundred meat inspectors, apparently in anticipation of a possible reduction in the general appropriations covering the whole Government. There was absolutely no necessity for such a reduction, and, in my judgment, it was ridiculous to single out this small, highly essential service to bear the brunt of the reductions in the Department of Agriculture. I refuse to believe, Mr. President, that there is no other place within the Department of Agriculture where an equivalent saving could be made without hampering any vital service.

The meat-inspection service is essential if packing plants are to continue to process livestock under present law. If the inspector is not there, then the packing plant must close down. I believe it should be fully understood that Congress intended the Secretary of Agriculture to use his discretion, to make adjustments and transfers between such appropriations, so as to protect the really essential functions of the Department.

Mr. AIKEN. Mr. President, I wish to take about 5 minutes. I have not used any time on the bill so far.

I intend to vote for an amendment which does not have my unqualified approval. I think this means of forcing economy in the executive branch of the Government is an outright evasion of responsibility on the part of the Congress. I believe that in delegating certain appropriating powers, or the power to vary appropriations to the executive branch, entails a good deal of risk, and is something we should be slow to start. Nevertheless, I am unable to see that there is any other way of forcing the executive branch of the Government to cooperate with the legislative branch in an effort to effect some measure of economy in appropriations which we are making.

There are enough unwarranted appropriations in the pending bill which we are considering to amount to more than the 10 percent which it is proposed to cut from certain departments. I believe that if we had done as we should have done, we would have stricken out the appropriations which are completely unwarranted; but we have not done that.

I do not believe that a cut across the board, even though it affects only a few departments, is the right way to handle the situation. Nevertheless, I do not see any other way under the sun by which we can require economy within the executive branch of the Government, or certain agencies in it, at this time unless we take some strict measures, whether we like them or not.

Mr. President, in spite of the fact that the head of at least one agency has indicated that if he is required to cut at all, he is going to cut where it hurts most—and I presume that applies to more than one agency head—I think we should vote for the amendment, and then, if it turns out that the Congress has done an injustice to certain departments, if after doing the best they can, they are still unable to operate in an efficient manner, we will still have a chance to make supplementary appropriations at the beginning of the year.

Mr. President, I shall vote for the amendment offered by the Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BRIDGES] because I see no other way whereby we can force this matter to a conclusion, and get some showdown on careful spending with the executive branch of the Government.

I was simply amazed when the President, less than 2 weeks ago, sent a special message to the Congress asking for authority to begin several brand new projects, including a dam in Idaho where there had been no dam before, and dams here and there. It looked to me as if it were done for political purposes, and I do not like that at all. I believe some department could well cut out spending for political purposes and propaganda. We cannot expect to spend as much as we would like for peacetime projects while there is a war on. The executive departments should give us full cooperation in reducing appropriations to a feasible minimum. If they are unwilling to do this, we have no other recourse than to force economy in nonessential programs by reducing appropriations.

Mr. CAPEHART, Mr. HAYDEN, Mr. WHERRY, and Mr. CORDON rose.

Mr. CAPEHART. Mr. President——

The VICE PRESIDENT. The Chair recognizes the Senator from Nebraska.

Mr. CAPEHART. Mr. President, a point of order. I addressed the Chair, and the Senator from Nebraska did not even open his mouth.

The VICE PRESIDENT. The Chair would suggest to the Senator from Indiana that he is behind the Senator from Nebraska while the Chair is in front of him. The Chair understood the Senator from Nebraska to address the Chair.

Mr. CAPEHART. Mr. President, a point of order. I addressed the Chair, and the Senator from Nebraska did not. I notice too much of that sort of thing going on, so far as I am personally concerned.

The VICE PRESIDENT. Does the Senator from Nebraska, whom the Chair had recognized, yield temporarily to the Senator from Indiana?

Mr. WHERRY. I will be glad to. I did not know that the Senator from Indiana was on his feet, but I will agree with everything he said, except that for the first time in my life I did not speak.

Mr. CAPEHART. Mr. President, I understand the rule of the Senate to be that the Senator who rises and addresses the Chair first is the one who should be recognized. I may be wrong in that, but that is my understanding of the rule. My observation here during the past several months or a couple of years has been that that rule has not been observed so far as I am personally concerned.

The VICE PRESIDENT. The Chair would like to say to the Senator from Indiana that that statement is not true.

Mr. CAPEHART. Mr. President, I want to say that I do not yield to the Chair; that I do not yield for an observation.

The VICE PRESIDENT. The Chair has made it just the same.

Mr. CAPEHART. The Chair has made it, but the Chair has made it out of order so far as I am personally concerned, because it has happened to me on any number of occasions, and I want the Senate to know, and I want the Presiding Officer to know that I do not particularly appreciate it.

The VICE PRESIDENT. The Chair would like to say to the Senator from Indiana——

Mr. CAPEHART. Mr. President, I have not yielded to the Chair to make an observation.

The VICE PRESIDENT. The Chair will say to the Senator—and he will extend his time long enough to permit the Chair to do so—that he has never knowingly or intentionally ignored the Senator from Indiana or any other Senator. Frequently it transpires here that a number of Senators rise at the same time and address the Chair, and in that case the Chair certainly has discretion in determining which one he will recognize.

Mr. CAPEHART. Mr. President, I agree with that, but in this particular instance the Senator from Indiana rose and addressed the Chair, and the able Senator from Nebraska did not address the Chair. I shall be very happy to leave that observation up to anyone who was on the floor.

What I rose for was to say that it seems to me the United States Senate today has two standards. It has a standard for appropriating money for foreign nations, and another standard for appropriating money for its own people. I have observed on the floor of the United States Senate this afternoon that we are against cutting any of the appropriations for foreign nations. I do not know how others feels about it, but I do not think the people of the United States particularly appreciate it.

When we need to reduce expenses in this country, when we need to save money because we are at war, when we are asked to cut all appropriations straight across the board, I can see absolutely no fairness in cutting the appropriations for our own people and increasing the appropriations we make for peoples in other countries. I say that it is a dual standard in the Senate. We have one standard for foreigners and another standard for Americans.

It is perfectly all right, according to Senators, as shown by their votes, to reduce the expenditures for our own domestic concerns, and yet it is absolutely wrong to do the same thing when it comes to appropriations for foreign nations. That does not make sense to me. We either should economize, or we should not. We either should balance the budget and raise taxes to finance this war, or we should not. By such actions it seems to me we make ourselves look silly not only to our own people, but silly to the peoples in other parts of the world.

Here we are prosecuting a war. We are prosecuting a war. We are getting ready to raise taxes by from $5,000,000,000 to $10,000,000,000, which we should do. Yet we set up two standards in the United States Congress. We are told, "You dare not touch an appropriation the money from which is to be used by some other nation," and at the same time we are told that we should cut the appropriations for our own people.

Mr. President, I do not like to cut appropriations for our own people. My inclination is exactly the same as that of the able junior Senator from Georgia [Mr. RUSSELL]. I do not like such action. My personal inclination is to say that I shall vote against the pending amendment, but I am not going to do so. I am not going to vote against it. But that is what I should do. I repeat, that is what I should do. I should at least treat every American as well as we are treating every foreign nation. I shall vote for the amendment, but I certainly want the Senate to know that I do not like it, and I am certain the people in the State of Indiana do not like two standards. I am certain they do not, and I am not so sure that that is not true in all the other 47 States.

We have a war on our hands. It is not a police action. We have a war. We have not yet seen published the casualties, the names of the boys who have been lost in battle, the boys who have been wounded, the boys who have been killed. We have a war on our hands, and it is going to take several months even to win this Korean war. We are going to need a great deal of money. We are going to have to tighten our belts. But the United States Congress says to the American people, "We will furnish all the materials, all the money, all the men to fight this war," and then we say to the American people, "Tighten up your belts now. We are going to reduce the amounts for your highways and roads and everything else, but at the same time we are going to increase the appropriations for the peoples in every other country in the world."

The VICE PRESIDENT. The time of the Senator——

Mr. FERGUSON. Is it not true that the Senator's last statement——

The VICE PRESIDENT. The time of the Senator from Indiana has expired.

Mr. WHERRY. Mr. President, I certainly want to apologize to the Senator from Indiana if he feels that I saw him on the floor and wanted to gain recognition first.

I did not have an opportunity to speak on the 15-percent-cut amendment, and I feel that the facts have been pretty well presented to the Senate. Of course, now that the foreign-aid part of the bill is not touchable, it makes necessary more of a cut in our own domestic economy. Those who are interested in our own construction projects and in our civil function, which have been reduced 8.6 percent, and the Interior Department appropriation which has been reduced almost a like amount, and in other branches of the Government the appropriations for which have been reduced considerably below the estimates, will find that the cut heretofore made will be increased by 10 percent. I think the Members of the Senate ought to know that.

I agree with the remarks made by the Senator from Indiana [Mr. CAPEHART]. I have already expressed myself. The question has been very well presented by the distinguished Senator from Arkansas [Mr. MCCLELLAN].

Mr. President, it seems to me we take an untenable position when we say, as I outlined yesterday on the Senate floor, that we will build projects everywhere around the globe, and yet not do the same thing here at home. The Senate, however, has acted on that proposition. The Senate has made its decision. Now what can we do with what is left?

I should like to say briefly that the amount of the appropriation carried in the bill is $32,504,972,672. Add to that the increase we have made for foreign aid of $65,000,000, and it makes the figure $32,569,972,672. If we add to that the Spanish loan of $100,000,000, if we add to that the contract authority carried in the bill—and to me contract authority is just the same as cash on the barrel head—if we add to that $2,183,336,000, and then if we add to that the $10,500,000,000 the military is asking for—and I sat in the Appropriations Committee and know that every Senator wants to back up the military—and if we add to that the $1,200,000,000 that has already been given to MAP, and then if we add to that the $4,000,000,000 more which is being asked, we will have a figure of $50,553,308,000. That does not take into consideration the supplemental appropriation bills and the deficiency bills which will still come before the Senate of the United States.

Think of it, Mr. President—$50,553,308,000! Yet when there comes before us a proposal to adopt a little bit of an amendment which would now reduce these appropriations, as I figure the proposal, by only $552,000,000—just think of it; that is the result of the economy drive which was started way back last January to balance the budget—Senators oppose making such a small reduction.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WHERRY. If I have time to do so.

Mr. SALTONSTALL. The Senator said that additions of $10,500,000,000 and $4,000,000,000 have been made, making $14,500,000,000 of additional requests for appropriations. However, there are additional costs in all of $16,649,000,000.

Mr. WHERRY. I thank the Senator from Massachusetts. I totaled the figures rather hurriedly.

So, Mr. President, what the Senator from Massachusetts has just said means we must add practically another billion dollars to the total amount to which I have referred.

Senators can talk all night about these matters, if they will; and of course, every Senator has a good reason to urge opposition to making a reduction in one item or another. However, the committee worked hours and hours to get a formula by which appropriations could be cut straight across the board, and by which that cut could be made with the least detrimental impact.

To Senators who wish to vote for economy in the right way, I say here is the formula, although all it will save, out of $51,000,000,000 of appropriations, is the paltry sum of $552,000,000.

Mr. President, I am going to support that amendment. I shall continue to support a proposal for a 10-percent reduction of appropriations; and if that amendment is not carried, I shall vote for any other amendment providing for reductions in appropriations, as I have done in the past. I certainly think that in the last move we make on this subject, we should deduct at least $552,000,000 from a grand total of nearly $51,000,000,000 of appropriations which now confront the people of the United States.

It is said that we are now engaged in only a police action. If that is so, Mr. President, what will our situation be when we have a real four-alarm war? Certainly we must tighten our belts. Much as I respect the distinguished senior Senator from Wyoming [Mr. O'MAHONEY] I hope his substitute amendment will not prevail, and that at least the 10-percent reduction will be made.

The VICE PRESIDENT. The question is on the substitute amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] to the so-called Byrd-Bridges amendment.

Mr. CHAVEZ. Mr. President, I think the Appropriations Committee did a very good piece of work. Although we might like to make further reductions in the appropriations, I, for one, say to the Senator from Nebraska that I am not willing to agree to make reductions in the appropriations for a single American—not a penny's worth of reduction—so long as we do not make reductions in the appropriations for the foreign programs. I did not want to make any reductions in the appropriations for the programs abroad; but neither do I wish to agree to make reductions in the appropriations for a single American at this time. That may be considered treason, but I am still for the Stars and Stripes, rather than the UN.

We might as well face the stern realities, Mr. President. In other words, why should we give money to Europe and to Asia, and then say that the people of the United States, who are paying the bill, must be penalized and must have cuts made in the appropriations for the

programs in the United States of America itself, programs which our people need?

So, Mr. President, I hope the substitute amendment offered by the Senator from Wyoming will be rejected at this particular time.

Senators who take a different view may think they are correct; Senators may be convinced by reports in the newspapers and on the radio to the effect that it is better to do something for the foreign programs. However, Mr. President, such a view is a mistaken one, for in the final analysis the burden must be borne by the people of the United States.

The VICE PRESIDENT. The question is on agreeing to the substitute amendment offered by the Senator from Wyoming to the so-called Byrd-Bridges amendment.

Mr. CORDON. Mr. President, I have addressed the Chair perhaps 12 times, but I seem to have difficulty in obtaining recognition even when no other Senator is addressing the Chair.

Mr. President, I rise in opposition to the amendment offered by the senior Senator from Wyoming as a so-called substitute for the Byrd-Bridges amendment. I may later discuss the Byrd-Bridges amendment itself, for which the O'Mahoney amendment is offered as a substitute, and thereby takes 10 minutes in presenting my views. However, I hope I can state my views in 5 minutes.

The amendment which has been submitted by the Senator from Wyoming as a substitute for the Byrd-Bridges amendment will confer on the Appropriations Committee no authority which that committee does not now possess. The substitute would be utterly idle and futile, were it not for the fact that it directs a reexamination; to that extent, there may be something to be said for the so-called O'Mahoney substitute.

However, Mr. President, what the Appropriations Committee now would be directed to do by the substitute amendment, the committee has just finished doing. There are no changes in the situation so far as the items in this bill are concerned.

Senators say a war has intervened and that we should reexamine, to see whether these items or all of them or the whole of each of them are essential to the war. Mr. President, if there is in this bill a provision for a dollar that is essential to the economy of the United States, to that extent it can be said to be essential to the war effort, to the national security. So, in that respect, we are simply playing with words.

Ninety-five percent of the items in this bill, other than those in the chapter devoted to the national defense, are items which have been recurring over and over and over again, through all the years; and there is not a member of the Appropriations Committee who is not entirely familiar with all of them.

The committee did the best it could. I have previously stated on this floor that I think this is the best bill which has ever come from the Appropriations Committee since I have known it. I repeat that statement.

However, Mr. President, in the time given to this matter by the Appropriations Committee, and available to the committee for that purpose, and in view of the limited staff which can be made available to the Appropriations Committee, the kind of job the people of the United States have a right to have done on this subject cannot be done, and it will not be done if the substitute amendment is adopted and if the committee is directed to re-do the same thing by the 31st of August. Such a direction would be a direction to do a vain thing, and it would be wasting our time.

Let us go directly to the point, Mr. President. Either we want economy or we do not want it. If we do want economy, here is a method of getting it—namely, the Byrd-Bridges amendment.

I say that in my opinion the mechanics of this bill cannot be improved upon. The mechanics incorporated in this bill represent the best thinking of the Bureau of the Budget and of the General Accounting Office. I do not mean to say that either of those agencies recommends the Byrd-Bridges amendment; of course, I do not know of any executive department or agency which wants any reductions made in its appropriations. But those two agencies did work—and they worked faithfully together, in cooperation with the members of the Appropriations Committee—to evolve a practicable working arrangement.

Of course, we shall hear criticism of the Byrd-Bridges amendment to the effect that if it is adopted discretion must be vested in the President and in the executive agencies to make the necessary transfers, and so forth, and so on. However, the same Senators who will voice that criticism with reference to the Byrd-Bridges amendment will be heard within the next few days on this floor asking the Congress to give to the President unlimited dictatorial authority in every other field under the sun.

Mr. President, let us once in a while try to be logical.

The VICE PRESIDENT. The question is on agreeing to the so-called O'Mahoney substitute to the Byrd-Bridges amendment.

Mr. ROBERTSON. Mr. President, I merely wish to endorse what my distinguished colleague the Senator from Oregon has said. He and I and some of the other members of the Appropriations Committee worked on this bill for months. In the committee we voted for the cuts which have thus far been made by the Senate, and in the committee we also voted for some cuts which the Senate has not seen fit to make. Certainly it would be an absolute futility to send the bill back to the Appropriations Committee. We now have reached the point where the Senate must vote on the question of whether it wishes to impose, according to a formula which we have been assured is workable, an additional 10-percent cut on nondefense items.

Personally, much as I regret to disagree with some of the members of the Appropriations Committee, I hope the substitute will not be approved, and I hope the Byrd-Bridges amendment will be approved.

The VICE PRESIDENT. The question is on the so-called O'Mahoney substitute for the Byrd-Bridges amendment. [Putting the question.] The "noes" seem to have it.

Mr. O'MAHONEY. I request a division.

Mr. WHERRY. If a division is requested, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Oklahoma [Mr. THOMAS] is unavoidably detained on official business.

I announce further that if present and voting the Senator from Kentucky [Mr. WITHERS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER] and the Senator from New Hampshire [Mr. TOBEY] would each vote "nay."

The result was announced—yeas 25, nays 60, as follows:

YEAS—25

Anderson	Kerr	Murray
Fulbright	Kilgore	Myers
Graham	Langer	Neely
Hayden	Lehman	O'Mahoney
Hill	Lucas	Pepper
Humphrey	McCarran	Russell
Hunt	McFarland	Sparkman
Johnson, Tex.	McMahon	
Johnston, S. C.	Maybank	

NAYS—60

Aiken	Frear	Martin
Brewster	George	Millikin
Bricker	Gillette	Morse
Bridges	Green	Mundt
Butler	Gurney	O'Conor
Byrd	Hendrickson	Robertson
Capehart	Hickenlooper	Saltonstall
Chapman	Hoey	Schoeppel
Chavez	Holland	Smith, Maine
Connally	Ives	Smith, N. J.
Cordon	Johnson, Colo.	Stennis
Darby	Kem	Taft
Donnell	Knowland	Thomas, Utah
Douglas	Leahy	Thye
Dworshak	Lodge	Tydings
Eastland	McCarthy	Watkins
Ecton	McClellan	Wherry
Ellender	McKellar	Wiley
Ferguson	Magnuson	Williams
Flanders	Malone	Young

NOT VOTING—11

Benton	Kefauver	Tobey
Cain	Long	Vandenberg
Downey	Taylor	Withers
Jenner	Thomas, Okla.	

So Mr. O'MAHONEY's amendment to the so-called Byrd-Bridges amendment was rejected.

The VICE PRESIDENT. The question now is on agreeing to the Byrd-Bridges amendment, as amended.

Mr. BRIDGES and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Kentucky [Mr. WITHERS] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Kentucky would vote "nay" and the Senator from New Hampshire would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN] and the Senator from Indiana [Mr. JENNER] would each vote "yea."

The Senator from New Hampshire [Mr. TOBEY], who is absent by leave of the Senate, is paired with the Senator from Kentucky [Mr. WITHERS]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Kentucky would vote "nay."

The result was announced—yeas 55, nays 31, as follows:

YEAS—55

Aiken	George	Martin
Brewster	Gillette	Millikin
Bricker	Gurney	Morse
Bridges	Hendrickson	Mundt
Butler	Hickenlooper	O'Conor
Byrd	Hoey	Robertson
Capehart	Holland	Saltonstall
Chapman	Ives	Schoeppel
Cordon	Johnson, Colo.	Smith, Maine
Darby	Johnson, Tex.	Smith, N. J.
Donnell	Kem	Taft
Douglas	Knowland	Thye
Dworshak	Lodge	Tydings
Eastland	McCarran	Watkins
Ecton	McCarthy	Wherry
Ferguson	McClellan	Wiley
Flanders	McMahon	Williams
Frear	Magnuson	
Fulbright	Malone	

NAYS—31

Anderson	Kerr	Neely
Chavez	Kilgore	O'Mahoney
Connally	Langer	Pepper
Ellender	Leahy	Russell
Graham	Lehman	Sparkman
Green	Lucas	Stennis
Hayden	McFarland	Thomas, Okla.
Hill	McKellar	Thomas, Utah
Humphrey	Maybank	Young
Hunt	Murray	
Johnston, S. C.	Myers	

NOT VOTING—10

Benton	Kefauver	Vandenberg
Cain	Long	Withers
Downey	Taylor	
Jenner	Tobey	

So the so-called Byrd-Bridges amendment, as amended, was agreed to.

The amended amendment, as agreed to, is as follows:

In lieu of the matter proposed to be stricken by the committee amendment on pages 476 and 477, beginning in line 21 (sec. 1114), insert the following:

"SEC. 1001. Except as hereinafter provided, each appropriation, reappropriation, and contract authorization or reauthorization, made by this act for the fiscal year ending June 30, 1951, to any department or agency in the executive branch of the Government (including funds of Government corporations authorized by this act for administrative expenses), is hereby reduced by 10 percentum.

"SEC. 1115. In order to provide for the most effective use of appropriations and contract authorizations reduced by section 1114, the head of each department and agency in the executive branch of the Government is hereby authorized to make adjustments and transfers between such appropriations, and between such contract authorizations, within his department or agency; but no such appropriation or contract authorization shall be increased under the authority of this section to an amount in excess of that provided in other chapters of this act.

"SEC. 1116. The reductions provided for in section 1114 shall not apply to the following:

"(a) Title II of chapter IV; chapter X; so much of title I of chapter X–B as is contained in the paragraphs headed 'Economic Cooperation,' 'International Children's Welfare Work,' and 'Mutual Defense Assistance;' and the amount appropriated to the General Services Administration for carrying out the provisions of the Strategic and Critical Materials Stock Piling Act of July 23, 1946;

"(b) Appropriations in title I of chapter VIII for the Executive Office of the President under the headings 'Compensation of the President,' 'The White House Office,' 'Emergency Fund for the President,' and 'Executive Mansion and Grounds;'

"(c) Appropriations and contract authorizations for the atomic energy program;

"(d) Trust funds;

"(e) Funds of Government corporations excluding those made available in this act (1) for administrative expenses and (2) by appropriation from the general fund of the Treasury;

"(f) Amounts (other than under the Veterans' Administration) for furnishing medical and hospital services and domiciliary care, excluding (1) administrative expenses not directly connected with the operation of a specific hospital, dispensary, or clinic, and (2) expenses for employee health service programs;

"(g) Amounts provided in this act for payment of obligations incurred under prior appropriations or authorizations, and obligated balances of reappropriations;

"(h) Appropriations of, or measured by, receits;

"(i) Amounts appropriated by this act for the operation of law enforcement agencies, including the Federal Bureau of Investigation, Bureau of Customs, Immigration and Naturalization Services, and the Secret Service; or for the payment of compensation and expenses of agents and auditors of the Bureau of Internal Revenue, and such other officers and employees of other agencies whose duties primarily pertain to intelligence operations (including funds transferred pursuant to section 6 (a) of the act of June 20, 1949; 63 Stat. 211) or to the investigation, apprehension, prosecution, or detention of persons suspected or convicted of offenses against the criminal laws of the United States;

"(j) Amounts provided for any program of the Veterans' Administration, excluding (1) administrative expenses not directly connected with the operation of a specific hospital, dispensary, clinic, or facility, and (2) expenses for employee health service programs;

"(k) Amounts provided for payments to States or political subdivisions thereof;

"(l) Amounts provided to make payment of or contributions toward pensions, retirement and disability annuities and benefits, employees' death or injury benefits, or other items of a similar nature; and

"(m) Appropriations for refunds, awards, and indemnities."

Mr. WILLIAMS. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The Chair will say to the Senator from Delaware that there is another committee amendment to be acted on first. Then the Senator's amendment will be in order.

The next section of the bill is section 1114. The clerk will state the next amendment.

The next amendment was, on page 477, after line 22, to insert:

SEC. 1114. During the current fiscal year, no part of any money appropriated in this or any other act shall be used during any quarter of such fiscal year to purchase typewriting machines (except bookkeeping and billing machines) at a price which exceeds 90 percent of the lowest net cash price, plus applicable Federal excise taxes, accorded the most-favored customer (other than the Government, the American National Red Cross, and the purchasers of typewriting machines for educational purposes only) of the manufacturer of such machines during the 6-month period immediately preceding such quarter.

The amendment was agreed to.

The next amendment was, on page 478, after line 7, to insert:

SEC. 1115. No payment shall be made from appropriations in this act to any officer on the retired lists of the Regular Army, Regular Navy, Regular Marine Corps, Regular Air Force, Regular Coast Guard, Coast and Geodetic Survey, and Public Health Service for a period of 2 years after retirement who for himself or for others is engaged in the selling of or contracting for the sale of or negotiating for the sale of to any agency of the Department of Defense, the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service any supplies or war materials.

The amendment was agreed to.

The PRESIDING OFFICER. We now return to chapter X–A, on page 444 of the bill. The clerk will state the next amendment.

The next amendment was, at the top of page 444, to strike out:

CHAPTER X–A—GENERAL REDUCTIONS IN APPROPRIATIONS AND CONTRACT AUTHORIZATIONS

Reductions in appropriations and contract authorizations contained in this act are hereby made in the sum of $600,000,000.

Not more than the following sums may be obligated by any agency or department provided for in this act, viz:

(1) For civilian personnel, not more than an amount 10 percent below the amount proposed in the President's budget estimates for fiscal year 1951, except that in the Department of Defense where no more than the amount of the President's budget estimate minus 2 percent shall be obligated. This paragraph shall not apply to nurses, doctors, or other medical personnel, including orderlies, in the Public Health Service and the Veterans' Administration.

(2) For travel, not more than a total for all departments and agencies of $319,000,000, and not more than 5 percent less than the estimates provided for military personnel travel and not more than 20 percent less than the amount provided for civilian personnel travel, then the estimates therefor contained in the President's budget message for the fiscal year 1951.

(3) For transportation of things, for all departments and agencies, not more than $720,000,000: *Provided further*, That in no

case shall the amount obligated exceed a figure 10 percent below the estimate submitted by the President in his budget message for 1951 for each item for all agencies except the Department of Defense, and for the Department of Defense not more than 5 percent less than the estimates of the President, transmitted in said budget message.

(4) For communications services, not more than $59,000,000, and not more for any department other than the Department of Defense than the amount of the President's budget estimates for 1951 minus 10 percent, and for the Department of Defense not more than a figure 5 percent below the President's budget estimates for 1951.

(5) For rents and utilities, not more than $205,000,000, and for all establishments other than the Department of Defense not more than the President's budget estimates for fiscal year 1951 minus 10 percent.

(6) For printing and reproduction, not more than $52,000,000, and not more in any case than the President's budget estimates for 1951 minus 10 percent.

(7) For other contractual services, not more than $1,301,000,000, and for all departments other than the Department of Defense not more than the President's budget estimates for 1951 minus 10 percent.

(8) For supplies and materials, not more than $3,888,000,000, and for all departments of the Government except the Department of Defense and the Veterans' hospitals not more than the President's budget estimates for 1951 minus 10 percent.

(9) For equipment, not more than $3,577,000,000, and for all departments other than the Department of Defense, not more than the President's budget estimates for 1951 minus 10 percent.

(10) For lands and structures, for all departments of the Government, except the Department of Defense not more than the President's budget estimates for 1951 minus 5 percent.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, I ask that the clerk state the amendment which I send forward to the desk on behalf of the senior Senator from New Hampshire [Mr. BRIDGES] and myself.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Delaware.

The LEGISLATIVE CLERK. On page 478, between lines 18 and 19, it is proposed to insert the following:

SEC. . No funds or contract authorizations made available by this act shall be used for the construction of any structure, work, or other project unless (1) such construction is certified by the Secretary of Defense to be essential to national security, or (2) the construction of such structure work, or other project has been commenced prior to the enactment of this act, and substantial detriment to the interests of the United States will result if the proposed further construction is not carried out.

Mr. WILLIAMS. Mr. President, this amendment will place into effect the same rule which applied to Government projects during World War II, only that in this instance, as we pass the appropriation bill we in Congress will be assuming our own responsibility. The President of the United States during the past 2 weeks has called for a survey by the different departments of the Government of all projects which, in their opinion, could be suspended.

The President's recommendation can apply only to those projects for which appropriations have been made. This amendment applies to the projects which are referred to in the appropriation bill which is now before us and holds up those projects until such time as they are certified to be essential to our national defense. In cases where a project has been started, and if the suspension of work would result in an unnecessary loss, it is exempt.

I urge that the Senate accept the amendment. I do not know what the amount of savings will be, as I have no way of knowing how many of the projects will be determined to be nonessential, however we do know that it will reduce expenditures by several hundred millions of dollars.

With a critical shortage of many strategic materials developing in this country it is essential that all public works programs be suspended unless their construction is needed as part of our defense program.

A vote on this amendment is the equivalent of a vote on the percentage of tax increase that will be needed later to pay for these programs. I urge that Congress accept its own responsibility and not pass the decision on to the President.

Mr. President, I ask for the yeas and nays.

Mr. McKELLAR. Mr. President, I make the point of order that the amendment proposes legislation in an appropriation bill.

The PRESIDING OFFICER (Mr. HOEY in the chair). The Chair sustains the point of order.

Mr. WILLIAMS. Mr. President, I have filed with the clerk a motion to suspend the rule of the Senate, and I ask for a vote on the motion to suspend the rule in order that the Senate may vote on this amendment.

The PRESIDING OFFICER. The Senator has filed such a notice. A two-thirds affirmative vote is required to suspend the rule. The question is on the motion to suspend the rule.

Mr. WILLIAMS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Wyoming [Mr. HUNT] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from South Carolina [Mr. MAYBANK] is unavoidably detained on official business, and if present would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from New Hampshire [Mr. TOBEY] would vote "yea."

The Senator from Nevada [Mr. MALONE] is detained on official business.

The yeas and nays resulted—yeas 34, nays 49, as follows:

YEAS—34

Brewster	Hendrickson	Robertson
Bricker	Hickenlooper	Saltonstall
Bridges	Ives	Schoeppel
Butler	Kem	Smith, N. J.
Byrd	Knowland	Stennis
Capehart	Langer	Thye
Donnell	Lehman	Tydings
Douglas	Lodge	Wherry
Eastland	McCarthy	Wiley
Ecton	McMahon	Williams
Ferguson	Martin	
Frear	O'Conor	

NAYS—49

Aiken	Hill	Morse
Anderson	Hoey	Mundt
Chapman	Holland	Murray
Chavez	Humphrey	Myers
Connally	Johnson, Colo.	Neely
Cordon	Johnson, Tex.	O'Mahoney
Darby	Johnston, S. C.	Pepper
Dworshak	Kerr	Russell
Ellender	Kilgore	Smith, Maine
Flanders	Leahy	Sparkman
Fulbright	Lucas	Taft
George	McCarran	Thomas, Okla.
Gillette	McClellan	Thomas, Utah
Graham	McFarland	Watkins
Green	McKellar	Young
Gurney	Magnuson	
Hayden	Millikin	

NOT VOTING—13

Benton	Kefauver	Tobey
Cain	Long	Vandenberg
Downey	Malone	Withers
Hunt	Maybank	
Jenner	Taylor	

The PRESIDING OFFICER. Fewer than two-thirds of the Members of the Senate having voted in the affirmative, the motion of the Senator from Delaware [Mr. WILLIAMS] is rejected.

Mr. RUSSELL. Mr. President, a clerical error was made in the bill through inadvertence. Two words were left in the agricultural section of the bill which should not have been there, and I therefore ask unanimous consent that on page 171, line 14, the two words "farm structures" be stricken out.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I have some amendments to offer which I think will take but a few minutes to consider. The Department of the Army has sent two or three amendments, and I will ask to have them reported. I do not think there will be any opposition to them.

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. On page 472, line 16, following the word "involving", it is proposed to insert "the national security"; on page 473, line 13, following the word "operations" and before the word "receipts", to insert "any appropriation as to which the President determines such an exemption to be necessary in emergencies affecting the national security"; on page 473, line 20, following "confidential nature", to insert "or, in an emergency, any item determined by him to be necessary for the national security"; on page 473, line 24, to insert "(6) any item determined by the Presi-

dent, in an emergency, to be necessary for the national security."

The PRESIDING OFFICER. Is there objection to any of these amendments?

Mr. BRIDGES. I certainly do object.

Mr. McKELLAR. I submitted the amendments to the Senator from New Hampshire, and I believe he had a substitute for them.

Mr. BRIDGES. The Senator is correct.

Mr. McKELLAR. I have been so busy that I have not been able to take the matter up with the Department. I am perfectly willing to accept the substitute the Senator has drawn.

The PRESIDING OFFICER. The Senator will send forward the substitute.

Mr. BRIDGES. I send the substitute to the desk.

Mr. McKELLAR. It will give us an opportunity to take the matter up in conference, and we will work it out there.

The PRESIDING OFFICER. The clerk will state the amendment in the nature of a substitute offered by the Senator from New Hampshire.

The LEGISLATIVE CLERK. On page 443, after line 12, it is proposed to insert a new section, as follows:

SEC. 630. Appropriations and contract authority contained in this chapter shall not be subject to the provisions of subsections (c) to (i) inclusive of section 3679 of the Revised Statutes, as amended by section 1111 of this act during the existence of an emergency affecting the national security.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire [Mr. BRIDGES] in the nature of a substitute.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SALTONSTALL. Mr. President, I offer an amendment which I send to the desk and ask to have read.

Mr. McKELLAR. Mr. President, is this the amendment about which the Senator from Massachusetts spoke to me?

Mr. SALTONSTALL. It is.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 443, between lines 12 and 13, it is proposed to insert:

SEC. 630. No part of the appropriations made in title IV of this chapter shall be available for contracts with any person, firm, or corporation to make or cause to be made with a stop watch or other time-measuring device a time study of any job of any employee within the Navy; nor shall any part of the appropriations made in title IV of this chapter be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant; and no moneys appropriated in title IV of this chapter for the Naval Establishment or made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article, or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government naval shipyards or arsenals of the United States, when time and facilities permit, and when in the judgment of the Secretary of the Navy, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government, except when the repair, purchase, or acquirement, by or from any private contractor, would, in the opinion of the Secretary of the Navy, be advantageous to the national defense.

Mr. FLANDERS. Mr. President, I raise a point of order against the amendment.

Mr. SALTONSTALL. Mr. President, will the Senator from Vermont withhold his point of order until I can make a brief statement?

Mr. FLANDERS. I withhold it.

Mr. SALTONSTALL. This is an amendment which was a part of the law with regard to the Navy Department from 1915 to 2 years ago. It is in two parts. The first part is the so-called stop-watch amendment, which has applied in all navy yards, as I have stated, from 1915 to 2 years ago. The second part of the amendment would require work to be done in a naval establishment except when, in the opinion of the Secretary, it would be advantageous to the national defense to have it done by a private contractor. That has also been in the law of the land, as a part of appropriation acts, for about 25 years, except for the past 2 years.

I have received permission of the Subcommittee on Defense of the Committee on Appropriations to offer the amendment, and to ask that the rule be suspended so that it may be agreed to.

Mr. FLANDERS. Mr. President, I raise the point of order.

Mr. McKELLAR. Mr. President, the amendment is subject to a point of order.

The PRESIDING OFFICER. The Chair withheld a ruling until the Senator from Massachusetts could speak on the amendment.

Mr. FLANDERS. I raise the point of order again.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. WHERRY. Mr. President, I send to the desk an amendment and ask that it be read and immediately considered.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 180, before the period in line 9, it is proposed to insert a colon and the following: "*Provided*, That nothing contained in this act shall be construed to reduce or to authorize any reduction in this appropriation or in the number of meat inspectors authorized to be paid from this appropriation."

Mr. WHERRY. Mr. President, the amendment is probably very trivial to be considered along with a $52,000,000,000 appropriation bill. I think it involves 256 meat inspectors and provides that they shall not be laid off, as a measure of protecting the health of the country.

Mr. HOLLAND. Mr. President, was it the intention of the Senator to cut the reduction applicable to the Department of Agriculture, or simply provide that this part of the activities of the Department of Agriculture should not be affected in the adjustment of the cut by the Secretary of Agriculture between various divisions, bureaus, and offices in the Department of Agriculture?

Mr. WHERRY. The latter part of the Senator's statement is what I intended. The Bridges amendment permits the Secretary to transfer employees to different departments. My amendment would permit the retention of these inspectors without a cut, notwithstanding the Bridges amendment.

Mr. HOLLAND. And it would not reduce the amount of the reduction accomplished under the Bridges amendment?

Mr. WHERRY. Oh, no.

Mr. HOLLAND. I thank the Senator.

Mr. RUSSELL. Mr. President, there is no question about the importance of meat inspection, but there are other items in the agricultural chapter of the appropriation bill which are just as important. Some Senator remarked to me a few minutes ago that no sooner would this amendment be agreed to than Senators would be marching down the hill with amendments on other items.

Mr. CHAVEZ. Mr. President, I think the Forest Service employees are just as important as meat inspectors, and if this amendment shall be agreed to, it is my purpose to suggest an amendment providing that the Forest Service employees be exempted.

Mr. RUSSELL. Mr. President, I do not think we should approach this matter in this way. We have provided a 10-percent cut in the Department, and left it up to the Secretary of Agriculture to make the cut. The Secretary of Agriculture knows the relative values of the various offices. If he cuts meat inspectors unduly, we can deal with it in the same deficiency bill in which we deal with other items for which it will be necessary for us to make deficiency appropriations.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from South Carolina.

Mr. MAYBANK. I merely wish to say that I voted to reduce appropriations for the Marshall plan. That is now not included in the reduction which has been made. Other departments were cut, including the Department of Agriculture, which will have to take most of the cut. I voted against that cut. I thoroughly agree with the Senator from Georgia that we should not start exempting sections of the Agricultural Department appropriations. I voted against cutting the appropriations for the agencies of the Government, but voted to cut the appropriations for the foreign activities.

Mr. RUSSELL. Mr. President, it would be necessary to offer a number of amendments to other items to exempt them, and if we start on such a practice, Senators will have been able to go on record as voting for a 10-percent cut, and then proceed to vote for amendments which will eliminate any possibility of reducing the appropriation one dollar. After we have just voted for a 10-percent cut, we should not start to make exemptions. If that is kept up and similar action is taken on all items all of us would like to exempt, we will have made a great play of publicity in cutting

appropriations, and then forestalling the cuts by amendments.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Oregon.

Mr. CORDON. Is it not a fact that under the provisions of the amendment just agreed to the authority rests with the head of the department to make any transfers which may be needed, or advisable, or desirable, to increase the efficiency and protect the essential services of his department?

Mr. RUSSELL. The Senator is correct.

Mr. CORDON. And we do not need any such provision as that now proposed, do we?

Mr. RUSSELL. No.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, now that I have that statement from the Senator from Georgia [Mr. RUSSELL] and from the Senator from Oregon [Mr. CORDON], and before any Senator proposes to modify the amendment or take exception to it, I should like also to ask the ranking minority member of the Committee on Appropriations, the Senator from New Hampshire [Mr. BRIDGES], if he agrees with the statement made by the Senator from Georgia and the Senator from Oregon that the Secretary has power to transfer these funds.

Mr BRIDGES. Yes.

Mr. WHERRY. Very well, I withdraw the amendment.

The PRESIDING OFFICER. The Senator from Nebraska withdraws his amendment.

Mr. ANDERSON. Mr. President, in the section relating to the price-support operations I think there has been an error in the language. The language tries to exempt price-support operations. I call up the amendment which I have sent to the desk, lettered "A" of July 17, 1950.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 472, line 1, it is proposed to strike out all after the word "States", down to and including the word "programs", in line 3, and in lieu thereof insert the following: "No funds (other than funds for administrative expenses) available for price support, surplus removal, and related operations, with respect to agricultural commodities shall be subject to apportionment pursuant to this section."

Mr. ANDERSON. Mr. President, the committee attempted to exempt price-support operations from apportionment under the provisions of the bill. The Department has other activities than price-support operations. They have certain activities under section 32. My amendment merely makes it possible for the Department to proceed in an orderly fashion without attempting to apportion the operations between any particular months or any 6 months' period. I have discussed the amendment with the distinguished Senator from Georgia [Mr. RUSSELL] and I am sure he knows that is true.

Mr. RUSSELL. Mr. President, I can see no possible objection to the amendment, because the section 32 funds cannot be handled on such a basis as has been proposed. Unless the amendment is adopted, the effectiveness of the section 32 program, as well as the price-support program, would be destroyed.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MAYBANK. We have cut the Marshall-plan funds, and we have made other cuts. How much of a cut does the Senator's amendment represent. I realize, of course, that the cut will not apply to section 32 funds, but there may be a reduction in employees.

Mr. ANDERSON. No, Mr. President; the amendment has nothing to do with reduction. The amendment simply means that, if a price-support program is begun on cotton, for example, cotton cannot be supported for 6 months, and then an attempt be made to divide the money on a year's basis, and apply half of it to one period and half to the other.

Mr. RUSSELL. The amendment does not provide for any reduction at all?

Mr. ANDERSON. No.

Mr. RUSSELL. It merely deals with antideficiency provisions of the bill. It has nothing to do with reduction or increase in appropriation.

Mr. ANDERSON. The Senator from Georgia is entirely correct.

Mr. BRIDGES. Mr. President, may we have the amendment explained again by the Senator from New Mexico?

Mr. ANDERSON. Yes; I shall be glad to explain it. Under the language adopted by the committee attempt was made to exempt price-support operations from the provisions of the bill. The Department does other things in addition to carrying on price-support operations. It has certain activities under section 32, which is not really a price-support operation. The language I suggest in my amendment merely makes it possible for the Department to proceed in an orderly fashion, without attempting to apportion the operation between any particular months or any 6 months' period. I am sure there is nothing wrong with the amendment.

Mr. BRIDGES. Does it increase the amount of money available?

Mr. ANDERSON. Not in the slightest.

Mr. RUSSELL. No, not in the slightest.

Mr. BRIDGES. What is the advantage of it, if there is not an increase?

Mr. ANDERSON. If the Department of Agriculture had to apportion its section 32 funds, 6 months in one period and 6 months in another period, it might throw the entire program out of balance. Mr. President, has the amendment been agreed to?

Mr. TAFT. Mr. President, was the amendment read?

The PRESIDING OFFICER. Yes, the amendment has been read. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. ANDERSON].

Mr. CORDON. Mr. President, I should like to call the attention of the Senator from New Mexico to what I think is adequate language on page 472 of the bill which would make his amendment unnecessary.

Mr. ANDERSON. Mr. President, I wish to say to the Senator from Oregon that it is because the language on page 472 is not adequate, that the amendment has been offered.

Mr. CORDON. I am not going to object to the amendment, but I should like to read into the RECORD at this time the provision which appears on page 472, paragraph (d) (2):

> Nothing in this subsection shall be so construed as to interfere with the initiation, operation, and administration of agricultural price-support programs.

I have made some little study of this subject over a period of years. I know that it is not contemplated under the language of the bill itself that there be apportionment in connection with funds which are used in seasonal or emergency operations. The amendment in itself, so far as I can see, can do no harm. Perhaps it might satisfy someone who has a doubt as to the effect of the language of the bill without it. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. ANDERSON].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment on behalf of the junior Senator from Illinois [Mr. DOUGLAS], and myself, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 124, line 11, it is proposed to strike out "$400,000,000" and insert in lieu thereof the following: "$370,000,000: *Provided*, That no part of this appropriation shall be used to pay the expenses of moving empty railroad cars, except where consistent with prevailing commercial practices, and no officer or agency of the United States shall have authority to obligate the Post Office Department, or to cause the Post Office Department to become in any way obligated, for the payment of any such expenses."

Mr. McKELLAR. Mr. President, I make a point of order against the amendment. The amendment is not in order.

Mr. HUMPHREY. Mr. President, will the Senator withhold his objection for a moment while I make a brief statement concerning the amendment?

Mr. McKELLAR. Yes.

Mr. HUMPHREY. Mr. President, in the 5 minutes that have been allotted to me, I wish to explain the amendment.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I have only 5 minutes, and I should like to make my statement, which is very brief.

The purpose of the amendment is to curtail expenditures for transportation of mails from $400,000,000 to $370,000,000, which would amount to a saving of $30,000,000.

I had the privilege to be the chairman of the Subcommittee of the Post Office and Civil Service Committee which held

extensive hearings last year on the whole problem of transportation of our mails by railroad. I am convinced as a result of those hearings that our Government is today overpaying the railroads in what amounts to a subsidy of at least $30,000,000—an amount, Mr. President, which is conservative in the light of reports in my possession from the General Accounting Office and the Post Office Department.

The appropriation bill appropriates $400,000,000 for the transportation of the mails. More than half of this sum—nearly $250,000,000—is allocated to the transportation of mail by railroad. Postmaster General Donaldson, in hearings before the House Committee on Post Office and Civil Service last year, stated that the Post Office Department "used about half of the space we paid for." The General Accounting Office checked some of the mail runs, and found that our Government was paying as much as 84 percent additional for unused space and deadhead cars. It found that 22 percent of the money the railroads received from the Post Office Department was received for no services rendered. The Post Office Department has estimated that in 1949 it paid more than $30,000,000 to the railroads for space it did not use. The General Accounting Office, therefore, recommended that the Post Office Department should not pay for empty cars and unused space.

Our amendment, Mr. President, once and for all, would correct this gross inequity and would be a significant step in placing the Post Office Department on a businesslike basis.

I was much amused to notice an advertisement in the July 1950 issue of Ties, the Southern Railway System magazine. The advertisement, which appeared regularly in the newspapers of towns and cities served by the Southern Railway System, was signed by Mr. Ernest E. Norris, president. I ask unanimous consent that the advertisement be incorporated at this point in the RECORD.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

LET'S STOP CALLING IT AN "AGRICULTURAL IMPLEMENT"

Plain talk is urgently needed today on a matter that affects the pocketbooks of all taxpayers—subsidies to commercial intercity transportation agencies that long ago outgrew the infant industry stage.

The yearly expenditures of the Federal Government alone for aid to forms of transportation other than the railroads now approach one and one-half billion dollars. These are your tax dollars—and ours. They help provide the highways used by huge commercial trucks, the airports, and other facilities used by commercial airlines, and the waterways used by waterway carriers.

In contrast, the railroads do not receive, and do not want, one single penny of subsidy. They are self-supporting. They pay more than $1,000,000,000 a year in taxes. And their charges reflect their true costs of doing business.

We think it's time to call a spade a spade—time to point out that these subsidized carriers can destroy but not supplant the self-reliant railroads—time to urge that simple justice be done for the good of all America and all taxpayers.

ERNEST E. NORRIS,
President, Southern Railway System.

Mr. HUMPHREY. Mr. President, I simply want to point out with great satisfaction Mr. Norris' statement that "the railroads do not receive and do not want one single penny of subsidy." With this statement, Mr. President, I am sure the railroad industry, therefore, will undoubtedly support the amendment I propose.

I also would like to place in the body of the RECORD at this point an editorial which appeared in Aviation Week for May 22, 1950, called The Great Train Robbery, or Our Self-Supporting Railroads, which comments on the advertisement of the Southern Railway System and which deals with the subject matter of our amendment.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE GREAT TRAIN ROBBERY, OR OUR SELF-SUPPORTING RAILROADS

We have before us the Southern Railway System's new advertisement in Business Week for May 6. The rails have been pretty noisy for a long time about subsidies and how they don't have any. This ad is typical.

It says that of all the forms of intercity commercial transportation, only the railroads are self-supporting. "They don't leave it to George," says the Southern.

George is you, Mr. Taxpayer.

"The railroads pay their own way * * *. It isn't easy, especially when we have to compete for business with subsidized carriers. But it's easier on you and your pocketbook, George."

Frankly, to the contrary, it does look pretty easy to us, but if what we read in the stuffy CONGRESSIONAL RECORD is true, it definitely isn't easy on us taxpaying Georges.

For we started reading the fine print in the Appendix of the RECORD and after we got through some of the complaints of a certain Indiana Congressman we could practically feel you railroads snitching our wallets.

It certainly smashed a lot of illusions we Georges had built up in our minds from reading all those ads and press releases about how only you in the transportation world got none of those juicy subsidies.

Because Representative JOHN R. WALSH contends that ever since the Railway Mail Pay Act of 1916 was passed you railroads have pocketed millions and millions of our dollars which the Post Office Department allows you for carrying empty mail cars all over the biggest railway system in the world.

One big reason, it seems, that you railroads can be so self-supporting is that we Georges paid you in 1946, for example, for carrying 580,462,152,219 cubic-foot-miles on nonlocal surface mails, and yet you really carried only 323,677,344,195 cubic-foot-miles. That means that in 1946, 44.24 percent of the space we tax-paying Georges paid for was not used. Even now, Mr. WALSH says, the Government (meaning us Georges) pays about $250,000,000 annually to you railroads for transporting mail, but we receive only half this service we pay for. This is because—as you fellows knew all along, you jokesters—the 1916 act requires the same rate for the return of a mail-storage car as was paid for its full outbound movement, provided the car is not used by the railroad for other traffic on the return run.

In dramatic fashion, Mr. WALSH introduces testimony in Postmaster General Donaldson's own words before the House Committee on Post Office and Civil Service:

"Yes * * * there is a difference in pay to railroads. * * * I think what you are talking about is space purchased by full cars or storage cars or what-not. That is different from the regular RPO lines, the lines in which railway postal clerks operate. Now with reference to the space for transporting mails by full carlots or by 15 or 30 feet or 45 feet or what-not, I think that our investigation indicated that we used about half of the space that we paid for. Under the law, if we transport a carload of mail from New York City to San Francisco we pay for that so much per foot per mile, so to speak, and then we pay for the return movement of the car, whether we use it or not. There is far more mail moving west than there is mail moving back."

After reading this, the rest of you Georges may like to know what the General Accounting Office told the Senate Post Office Committee about this particular manner in which the railroads self-support themselves out of our pockets. After its own study of the so-called round-trip provision of the act, it told the Senators:

"The study has indicated that cars carrying full-pay loads out do not return promptly, but are often directed to other use for the carrier's convenience and substitute cars are returned, making it possible for the railroads to realize a greater income. The propriety of this practice is a possible question since the act does not appear to anticipate such substitution. * * * Many substitute cars are returned in freight trains and the trip is paid for at passenger rates.

"The operation of the round-trip provisions has resulted in numerous complex agreements, which assure the railroads full payment for all returned deadhead cars and empty space. In some instances the return movement is in advance of the outbound loaded movement."

This last idea is ingenious. This wrinkle extracts our money to buy empty space on the return portion of a round trip that hasn't started yet. How self-supporting can you be?

And C. B. Allen, a very capable news hawk, finds interest in the GAO's comment: "In practically all instances, the carrier is paid more by the Post Office for the return of a car empty than if the car was carrying a payload of a private shipper. Returning a car empty is to the railroad's advantage." (Especially if it can get paid for the return trip before it starts out.)

Two years ago, Mr. Allen reported in the New York Herald Tribune, the railroad post-office practice reached the proportions of a minor wartime scandal when it was charged in Government circles that the railroads had been operating empty cars back and forth across the country, despite an acute "shortage" of shipping space, to collect the higher mail-pay rate.

Mr. WALSH, in a final word, says "The Post Office Department has permitted the railroads to abuse this provision of law in such a way as to increase greatly the amount of empty space paid for. While some empty returns must, under the law, be paid for, this has been turned into a racket by the railroads with Post Office Department approval."

So ends today's lesson on how America's self-supporting railroads are the only form of inter-city commercial transportation who don't still rely on help from the people's tax dollars. That's how the railroads are "easier on you and your pocketbook."

Mr. HUMPHREY. Mr. President, one of the most inexcusable practices in government today is the practice by which the Post Office Department pays our railroads at full rates for the movement of mail in both directions even though mail may actually be transported in only one direction. The Post Office Department as the customer of the railroads is required to assume an obligation which no private shipper or no other governmental agency assumes. I emphasize the words "which no private shipper or no other governmental agency assumes."

I submit that this is a waste of Government funds, Mr. President. In view of the overt evidence of waste of Government funds and in view of the emphasis which has been placed again and again in the Senate on economy, there is no excuse for appropriating an additional $30,000,000 of funds which the General Accounting Office by its own survey has said is unwarranted.

Therefore, I offer my amendment.

Mr. MAYBANK. Mr. President, I rise to the point of order that the amendment is legislation offered to an appropriation bill.

I wish to say to the minority leader, to the Senator from New Hampshire [Mr. BRIDGES], and to members of the Committe on Post Office and Civil Service that this matter was not called to our attention. If the Senator from South Carolina [Mr. JOHNSTON], the chairman of the Committee on Post Office and Civil Service, or the Senator from North Dakota [Mr. LANGER], or other members of the Committee on Post Office and Civil Service wish to report such a proposal from their committee, that should be done—although of course I am not familiar with the details of this matter.

However, I do not think it is proper to include post office legislation in an appropriation bill. Therefore, I make the point of order.

The PRESIDING OFFICER. The point of order is sustained.

Mr. MORSE. Mr. President, I offer the amendment which I send to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 476, it is proposed to strike out the language in section 1113, beginning in line 5, through line 20.

Mr. MORSE. Mr. President, I am satisfied that if the Senate will hear me through on this amendment—and I expect to take less than 5 minutes—the Senate will agree with me that this section should be stricken from the bill.

My first point is that if this language had been proposed by the Senate committee as an amendment to the bill, it would have been subject to a point of order, because clearly it would have been legislation proposed to an appropriation bill. However, the Parliamentarian advises me that because the section was inserted by the House of Representatives, it is not subject to our Senate point of order rule.

My second point is that there is now pending a bill on security risks in Government employment known as the Tydings bill. Those of us who are members of the Armed Services Committee have been working hard on the Tydings bill in trying to iron out some differences in regard to appeal procedure. I say we should handle all measures on this subject of security risks in one bill, because if we proceed on that subject by piecemeal operations, we shall find that there will be considerable differences in procedures between the departments in respect to the handling of security risks.

My next point is that in its present form this section of the bill is highly arbitrary. It does not provide a check or any review or any appeal at all from the decisions of the dismissing officers. Of course we wish to get the security risks out of Government employment, but we also wish to see that we are fair to the innocent. We owe it to our sense of fair play and justice to provide some appeals procedure and checks on the discretionary action of dismissing officers. However, on the basis of section 1113 of the bill which my motion seeks to strike, we might just as well repeal the entire civil service appeal system now.

Mr. President, because I think this matter should be handled in a separate bill; because I think the procedure should be uniform; because section 1113 of the bill is legislation on an appropriation bill, although not subject to our Senate point of order, I say we should strike this section from the bill, and then should proceed to cover the same subject by means of the Tydings bill, which will be before the Senate in a very few days.

At this point I ask unanimous consent to have incorporated in the RECORD, as a part of my remarks, some arguments in regard to this matter which have been submitted to me by some scientists. I do not speak for the scientists, but their arguments speak for themselves.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE ROONEY RIDER TO THE APPROPRIATION BILL, H. R. 7786

The Scientists' Committee on Loyalty Problems wishes to call the attention of the Senate Committee on Appropriations to a section of the omnibus appropriation bill which has come to be known as the Rooney rider. This rider merits much more consideration than would be indicated by its brevity. It has been attached to the appropriation of the Department of Commerce (sec. 113 of ch. XI, H. R. 7786, p. 429) and states that:

"Notwithstanding the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Secretary of Commerce may, in his absolute discretion, during the current fiscal year, terminate the employment of any officer or employee of the Department of Commerce whenever he shall deem such termination necessary or advisable in the best interests of the United States."

Since this tersely worded rider grants to the head of a civilian agency sweeping powers, the rider must be subjected to a careful and sober appraisal. What are its objectives? What are its implications? What will be its effects?

PURPOSE OF THE RIDER

The power of summary dismissal which is contained in the rider is intended to expedite the removal of poor security risks and is similar to the power which is now held by the military departments and the Department of State. It is indisputable that in these times the security of classified information must be carefully protected and therefore, when reasonable suspicion falls on a worker in a sensitive position, some steps must be taken promptly. However, we must consider whether the rider, as worded, in attempting to mend small holes in our cloak of security, may not tear apart the whole fabric of our carefully and tediously knit procedures of civil service.

In the following analysis of the rider, it will be shown that the rider as stated is vague and indefinite, that it circumvents and abrogates established Civil Service procedures, and that it will hurt the morale of the employees. Before beginning this analysis, it is instructive to look into the legislative background of this rider.

LEGISLATIVE BACKGROUND OF THE RIDER

The rider was proposed by Congressman JOHN J. ROONEY (Democrat), of New York. Its wording is identical with that of the McCarran rider to the appropriation bill of the Department of State. Apparently such authority was requested by the Department of Commerce, as shown by the following quotation from the hearings before the Subcommittee on Appropriations, House of Representatives, page 2344:

"Mr. ROONEY (speaking to Mr. Gladieux). Are you familiar with the so-called McCarran rider which is a part of the appropriation bill for the Department of State? * * * What is your reaction to the suggestion to have a similar rider for the appropriation bill for the Department of Commerce?

"Mr. GLADIEUX. We have requested legislation—we have prepared legislation giving us the same authority and submitted it to the Bureau of the Budget for clearance, about 3 months ago.

"Mr. ROONEY. Do you feel that such a provision should apply generally to the Department of Commerce or only to certain of the bureaus of the Department, such as the Bureal of Standards, the Coast and Geodetic Survey, the CAA, and so forth?

"Mr. GLADIEUX. Our requested legislation makes no distinction. We requested authority for the entire Department of Commerce. * * * We have not yet received clearance from the Bureau of the Budget. * * * There are a number of kinds of cases where we find ourselves seriously handicapped in coping with them on a dismissal basis, because under Civil Service regulations we must file specific charges, hold hearings, and otherwise follow a standard procedure. Frequently these kinds of charges are just not subject to handling in the normal civil-service way."

In April, Representative MARCANTONIO raised points of order against both the McCarran rider and the Rooney rider. The points of order were sustained and the provisions stricken from the bill. On May 9, however, the House passed a resolution waiving further points of order against chapter XI of the bill and specifically points of order against these two amendments, which were then reinserted as part of chapter XI—General Provisions. There has been no opportunity for public hearings at any stage.

The McCarran rider is the legal basis for the security safeguards of the State Department. This is temporary authority, renewed each year. (Section 104 of the Departments of State, Justice, Commerce, and the Judiciary Appropriation Act, 1949.) The sweeping provisions have rarely been used. Permanent legislation granting summary suspension of poor security risks has been introduced in two identical bills: H. R. 7439 (the Murray bill) and S. 3104 (the Tydings bill). These bills provide some safeguards for the employees. They now appear to be sidetracked. The Commerce Department was not included in these bills, although the President was given the authority to extend the provisions to other departments and agencies.

LACK OF JUSTIFICATION FOR NEED FOR THE ROONEY RIDER

The rider as worded is vague and indefinite. What are the types of offenses such that termination of employment is "necessary or advisable in the interests of the United States"? The broader implications of the rider will be considered later, but for the purposes of the present discussion, it will be assumed that the rider is directed against employees who are either poor security risks or disloyal.

The situation of the loyalty program in the Department of Commerce will be discussed first. It will be shown that it is in a satisfactory condition and need not be supplemented with an act such as the Rooney rider. All new employees entering the Government service are screened for loyalty and thus there is a very small likelihood that any of these will later be found disloyal. Virtually all of the present employees of the Department have been checked for loyalty under the President's Loyalty Order (Executive Order 9835, March 21, 1947). Out of a total of 46,000 employees, only 369 loyalty cases have been found since 1947, a period of 3 years. Of these employees, 273 were acquitted and 71 were separated. Only 25 cases are now pending adjudication (p. 2336, Hearings on the Department of Commerce Appropriations for 1951). This indicates the high degree of loyalty existing in the Department. Since both old and new employees of the Department have been passed on loyalty and since the existing loyalty procedures are adequate to handle the small number of new cases which may arise each year, there is no reason for invoking summary dismissal, such as is contained in the Rooney rider.

We will now consider whether such sweeping powers are necessary to protect the classified information handled in the Department of Commerce. The proportion of employees engaged in classified work in the Department is relatively small. Most of the classified work is done at the National Bureau of Standards, where there are not over 1,000 employees in sensitive positions. If this constitutes about 80 percent to 90 percent of the sensitive positions in the Department of Commerce (statement of Mr. Gladieux, hearings, p. 2339), then there are probably not more than 1,200 employees, or about 2½ percent, doing classified work out of a total employment of 46,000. The number of security cases which have been handled by the Department is also rather small. Out of the 273 cases of acquittal (over a period of 3 years) which were mentioned above only 26 were security cases. It is possible that a small proportion of the 71 separations constituted security cases.

Security matters are adequately protected in the Department. The bulk of the classified work in the Department is done for the military agencies and for the Atomic Energy Commission, and the employees doing this work are cleared by these agencies. Classified material and programs are handled according to the strict regulations prescribed by these agencies. Thus it would appear that adequate security measures already exist in the Department of Commerce.

Since only a small proportion of the employees of the Department of Commerce are engaged in classified work, the application of the Rooney rider as a security measure to the Department as a whole seems meaningless. How can the rider apply to the majority of employees who are not in sensitive positions, unless the definition of what constitutes security is to be greatly broadened? This brings us to the first conclusion of this discussion, namely, that laws which embody procedures and penalties for dealing with poor security risks should not apply to any agency as a whole, but only to employees who are in contact with classified matter.

DANGERS INVOLVED IN THE ROONEY RIDER

1. Abrogation of civil-service procedures: Grave dangers are involved in granting the power of summary dismissal to a predominantly civilian agency. In the first place, such a law abrogates the civil-service procedures which have served to protect Government workers from arbitrary action. The Rooney rider specifically sets aside the civil-service safeguards of the employee which are embodied in section 6 of the act of August 24, 1912, when it states, "Notwithstanding the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555), or the provisions of any other law." The protection of civil service was well recognized in the appropriation hearings:

"Mr. GLADIEUX (p. 2344). There are a number of kinds of cases where we find ourselves seriously handicapped in coping with them on a dismissal basis, because under civil-service regulations we must file specific charges, hold hearings, and otherwise follow a standard procedure. * * * (p. 2359). To discharge them we would have to file civil-service charges on them, and we have no basis for doing it. That is why I say that what we are doing is admittedly quite tenuous, * * * I admit it is pretty tough on some of these people; * * * (p. 2345). Assuming they (pending cases) are cleared, then the whole file comes back to the Department, and we make a subsequent determination as to whether they should be classified as security risks. That is where I say we are probably on shaky grounds, because once a person is cleared, some people would argue that he is cleared and no further action should be taken. We do not accept that. Even where the Loyalty Review Board has said this man is all right we have said, 'We will make our own determination as to whether he is a security risk.' * * * I am never sure that we can sustain our position if it is seriously challenged before the Commission or before the courts, because we have no legal basis for doing what we are doing in designating these people as security risks, in taking away their promotion rights, and transferring them from desirable jobs to less desirable jobs where they do not handle security information. We have been sharply criticized for what we have done."

It is apparent from these quotations that the Government employee derives some protection from existing civil-service procedures. The granting of the power of summary dismissal to the Secretary would remove this safeguard of the employees.

2. Broadening of basis of dismissal of employees: Considerable danger resides in the interpretation of the vague phrase of the Rooney rider, "in the interests of the United States." In the previous discussion we have interpreted this to mean the maintenance of adequate security measures, but this is not definitely stated. May it not be in the interests of the United States to summarily dismiss employees for other reasons? The temper of the Appropriations Committee is indicated by the following quotations which show that Mr. Rooney would root out all the homosexuals from the Department of Commerce. The Scientists Committee on Loyalty Problems takes no position in this matter. It is simply cited as illustrative of the broadening of the meaning of the rider. Quoting from page 2338 to page 2341:

"Mr. ROONEY (to Mr. Gladieux). What is the policy of the Department of Commerce with regard to homosexuals? Has anybody ever sent out a directive addressed to the heads of the various bureaus, all the way down the line, calling for the names of any people suspected of being homosexuals? Have any (employees) been dismissed in the past 3 years, let us say, because it was discovered that they were homosexuals? Not one? In the whole Department? That is incredible, in an organization of 46,000 people. Do you think that a directive such as I have suggested should be issued immediately to the classified areas, at least? Are you not in control of your organization to the extent where you can get the word around that you wanted turned up any people who were so inclined? Now, when the Department of State can come in here and point out that they have separated so many people for this reason, and so many for the other reason—and one of the reasons is homosexuality—and you are not able to point to the separation of one out of 46,000, it seems that something may be wrong."

These quotations show that the interests of the United States may be variously interpreted. Furthermore, when certain employees become the target of congressional displeasure, may it not be interpreted as in the interests of the United States to dismiss these employees?

A further danger exists in the power of summary dismissal that it may be used at lower administrative levels to eliminate employees because of some personal bias or prejudice of the supervisor against them.

It may be argued that the power of summary dismissal has been little used by the agencies which have previously possessed it. However, this is more of an argument for its elimination from the law that its retention, since if it is little used, it must be unnecessary. While the law exists, however, the danger still exists for the employee. He is sitting on a powder keg, and even though the fuse has never been lit, he is still uneasy.

3. Lack of safeguards for the employee: The rider does not provide the employee with any safeguards. It is ironic that in the military agencies, where security is of most importance, employees should have been given some protection, such as hearings, whereas no recourse is provided in the rider intended for a civilian agency. Public law 808, which carries the security provisions for the military agencies, provides for hearings and for appeals of employees who are suspected of being poor security risks. The Tydings and Murray bills previously referred to also provide for similar safeguards and for restitution of back salary for employees who are cleared. Certainly similar provisions should be included for the Department of Commerce. The present attitude of some persons is that it would be worth sacrificing 10 people to get one who is guilty. This "would be burning down the house of the American way of life in order to get at the rats in it." We have already seen that only 71 dismissals were made in the Department out of 369 suspected cases. Under the Rooney rider, the 369 could have been summarily dismissed without any recourse of the employee whatever.

The reason for providing the employee with safeguards is not based merely on the concept of fairness to the employee, but because it is good administration. The employee has no vested interest right in his job; however, it is in the interest of the United States to have good personnel management. The Department of Commerce has among its employees a considerable number of scientists. Nothing can destroy the morale of scientists, lower their efficiency, and deter the superior worker from entering the service more than an unfavorable atmosphere created by the use of arbitrary powers.

In conclusion, we wish to stress again the grave dangers to an efficient Government service inherent in the granting of the power of summary dismissal, particularly to a civilian agency. If security measures beyond existing ones are required, they should be introduced as separate legislation and incorporate suitable safeguards for the employees.

APPENDIX

SECURITY AND LOYALTY

The differences between security and loyalty cases are not easy to define. Quoting from a report by the Scientists' Committee on Loyalty Problems (published) in Science, March 3, 1950, volume III, pages 220–225:

"CRITERIA FOR CLEARANCE

"Determination of the actual criteria to be applied in determing eligibility for security clearance is apparently extremely difficult. Very recently the Atomic Energy Commission, the Air Force, and the Industrial Employment Review Board have formulated such criteria. The formulation

was so difficult that at one point the AEC despaired of ever spelling it out in specific terms. However, the committee believes that similar codifications should be made by all agencies concerned.

"The AEC and Air Force recognize two types of security risk. For example:

"'Category (A) includes those classes of derogatory information which establish a presumption of security risk * * *,' that is, disloyalty in the sense of the President's loyalty clearance order, felonious conduct, insanity, violation or disregard of security regulations, etc. In these cases, refusal of clearance is mandatory (subject to appeal in Washington).

"Category (B) includes those classes of derogatory information where the extent of activities, the attitudes or convictions of the individual must be weighed * * * or (those of) his spouse." In these cases, clearance can be granted or denied, or referred to Washington. Much has been written elsewhere on these types of guilt. The committee, however, has confined itself to opposing any unwarranted increase in the area where these criteria must be applied."

With regard to category A: felonious conduct, insanity, and disregard of security regulations are objective acts or conditions which can be readily determined. It would be good personnel management to eliminate such employees regardless what type of position they held, and their cases should be capable of being disposed of by ordinary personnel procedures.

The main type of security case which seems to be in the majority and which causes most concern is that in which the determinations are based on subjective or circumstantial evidence, such as attitudes or beliefs. That is to say, a security case is similar to a loyalty case except that the evidence necessary to bolster the suspicions is lacking. This is brought out in the appropriation hearing where an effort was made to spell out exactly what was a security risk. Apparently each case must rest on its own merits. This example is quoted from the hearings (p. 2361) as illustrating the tenuous nature of the charges.

"Mr. GLADIEUX. I think this is another typical kind of a case. Here is a person who, while in high school, wrote a letter to a schoolmate advocating communism. Since then, on other occasions he seems to have evidenced an interest in communism, but there is no evidence of Communist Party membership and he disclaims any sympathy for communism.

"Mr. STEFAN. Are those the kind of cases that you have there, of this man who is considered a security risk because once when he was a youngster in high school he evidenced an interest in communism? I can't comprehend reason for that.

"Mr. GLADIEUX. Well, I am trying to give you the typical ones (cases). We put a security block on that person, but these I am giving can be repeated many times.

"Mr. STEFAN. That is unreasonable, unfair, and unjust. You are not giving us typical poor security risk cases, are you?

"Mr. GLADIEUX. These are all security risk cases."

Mr. McCARRAN. Mr. President, let me ask a question: What is the amendment, please?

The PRESIDING OFFICER. The amendment will be read again.

The CHIEF CLERK. On page 476, it is proposed to strike out section 1113, beginning in line 5, through line 20.

Mr. McCARRAN. Mr. President, this provision has done more toward eliminating subversives from the State Department than has any other provision which has been placed in any bill in recent years. It is the one thing which has accomplished a result toward the protection of the Government from those who would bore from within, in the State Department. The State Department has been under fire here for months now. The only way by which the State Department was able to rid itself of a number of borers from within was by and through this section of the bill, which has been in existence for years. To eliminate this section at this time, when the State Department has been under fire, and when by dint of this provision the State Department has been able to clear itself of some of those who were in it, would be a blow to the advancement we have made toward security in this country. To eliminate this language, Mr. President, would be a backward step in respect to our national defense and our national security.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Under the unanimous-consent agreement, is each Senator limited to 5 minutes on a motion to strike out?

The PRESIDING OFFICER. That is correct.

Mr. FERGUSON. Mr. President——

Mr. ANDERSON. Mr. President, may I be heard?

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. ANDERSON. I simply wish to submit that if the distinguished Senator from Oregon makes a motion to strike, I do not believe he will be limited to 5 minutes.

In that connection, I should like to call the attention of the Chair to the fact that the unanimous-consent agreement, as it is printed in the CONGRESSIONAL RECORD, applies to motions; but there was nothing in the request of the distinguished majority leader which applies to motions.

The distinguished minority leader suggested that motions be included; but if Senators will refer to page 11584 of the CONGRESSIONAL RECORD for yesterday, in the second column on that page, they will see the following:

The VICE PRESIDENT. Does the Senator modify his request to that extent? Let the Chair understand whether the request is that each Senator has the right to speak 5 minutes on each amendment, or whether there shall be a limitation of 10 minutes on each amendment, to be equally divided.

Mr. LUCAS. Each Senator is to have 5 minutes on each amendment.

The VICE PRESIDENT. Each Senator will have 5 minutes on each amendment. Is there objection?

Mr. ELLENDER. All amendments must be germane.

Mr. AIKEN. I should like to inquire, if the appropriation bill is passed tomorrow night, whether the Senator from Illinois contemplates a Friday session?

Mr. LUCAS. A Friday session is contemplated for the purpose of calling the calendar.

Mr. ELLENDER. All amendments must be germane.

The VICE PRESIDENT. Does the Senator include in his request the elimination of amendments that are not germane?

Mr. LUCAS. Yes.

The VICE PRESIDENT. Is there objection to the request? The Chair hears none, and it is so ordered.

However, Mr. President, nowhere did the Senator from Illinois include in his request a provision that motions which might be made would be subject to the 5-minute limitation.

I raise this question at this time because a motion by the distinguished Senator from West Virginia has been entered, and I would hate to have debate on it limited to 5 minutes by each Senator.

I invite the attention of the Presiding Officer to the CONGRESSIONAL RECORD at the point to which I have referred. If the Chair will examine the RECORD at that point, he will find that nowhere did the distinguished Senator from Illinois, who submitted the unanimous-consent request, ask that it apply to anything other than amendments; he did not request that it apply to motions.

I hope there will not be a ruling that the agreement limits the debate on motions.

The PRESIDING OFFICER. The Chair will have to be governed by the Journal, and the Journal shows that motions are included.

Mr. ANDERSON. That is shown in what was subsequently inserted into the Journal; but the language used in the debate at that point is plain, and it is obvious that no request was made that motions be included.

I hope there cannot be modifications at a later date in connection with such matters. Some of our distinguished Members from the Southern States are quite interested in opposing attempts to limit debate. I hope we shall not be foreclosed at this point simply because something was included in the Journal, although not agreed to on the floor of the Senate.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. WHERRY. Has the Senator concluded his remarks?

Mr. ANDERSON. The Senator from California asked me whether I would yield. I yield to the Senator from California.

Mr. KNOWLAND. I should like to ask the distinguished Senator from New Mexico whether under his theory a mere motion to reconsider could be made on any amendment that had been adopted, and that then there would be no restriction whatever on debate. In that case it would entirely invalidate the understanding arrived at by the Senate. It would be possible to go on for 4 days to discuss a motion to reconsider. I submit to the able Senator from New Mexico that that was neither the intent nor the understanding reached on the floor of the Senate.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. I should like to ask the Chair whether the junior Senator from

Oregon has any of his 5 minutes left, in which to answer the Senator from Nevada?

Mr. WHERRY. I ask unanimous consent that the Senator from Oregon be permitted 5 minutes——

Mr. MORSE. I want 2 minutes. That is all I want.

Mr. WHERRY. I ask that the Senator may have whatever time he requires to answer this statement.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 2 minutes.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. The inquiry is whether the first item of the proceedings of the Senate today was that of dispensing with the reading of the Journal and the approval of the Journal?

The PRESIDING OFFICER. The reading of the Journal was dispensed with, but it was approved.

Mr. HOLLAND. Was the Journal approved?

The PRESIDING OFFICER. It was, on the motion of the Senator from Washington.

Mr. HOLLAND. Under that situation, is any Senator now permitted to challenge the recitations of the Journal?

The PRESIDING OFFICER. The Journal cannot be challenged. The Senate will be governed by the Journal.

Mr. WHERRY subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD, following the remarks of the distinguished Senator from New Mexico [Mr. ANDERSON], a part of the colloquy appearing on page 11583 of the CONGRESSIONAL RECORD, which very clearly includes the request of the minority leader that the usual provisions be inserted in the unanimous-consent request, namely, that any motion or amendment then pending or which might be offered would be included in the agreement, giving 5 minutes to each Senator, and so forth. I think it was generally understood by every Senator.

I am a little disappointed in my good friend that he would raise the point, now that it has been thoroughly discussed and is in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Mr. WHERRY. Mr. President, if the majority leader will agree, I am sure it would be satisfactory to all the Members on this side of the aisle to carry out the proposal of the distinguished chairman of the Appropriations Committee. In fact, I should not be averse, in order to have a unanimous-consent amendment tonight, to meet at 11:00 tomorrow morning and make these two amendments the pending business, and, at 2 o'clock, start voting on all pending amendments and motions, with 5 minutes for each Senator on each amendment or motion.

Mr. MAGNUSON. After 2 o'clock?

Mr. WHERRY. Yes. I make that suggestion to the distinguished majority leader.

* * * * *

The VICE PRESIDENT. Does the request include motions and points of order?

Mr. LUCAS. Yes.

Mr. WHERRY. Mr. President, I hope it does not happen again. If there is any doubt about it, it certainly should be written in blue pencil from now on. I hope the distinguished Senator from New Mexico will accept that, and from now on not question the unanimous-consent agreements.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. ANDERSON. I tried to point out that I had seen the statement of the Senator from Nebraska. He brought it up twice, and I am sure there is ample authority for it. I find that the Vice President said, "Is that accepted?" and there was no answer to that question. I hope we shall be more careful in the future.

Mr. WHERRY. We shall be more careful in the future; and that is the reason why I thought the junior Senator from Oregon [Mr. MORSE] should have ample time on his amendment.

Mr. MORSE. Mr. President, I want to assure the Senator from Nevada that there is no one in this body who wants to make more certain that subversives will be eliminated from Government than does the junior Senator from Oregon. Under the Tydings bill we are trying, however, to work out a procedure that will protect something which is pretty precious and fundamental in America. That is, that after a man has been dismissed from any of these so-called security-risk departments his case can be reviewed by an appeal officer. I want him to stay dismissed as far as the department that dismissed him is concerned. In other words, I do not want Louis Johnson in Defense, or McGrath in the Department of Justice, or anyone else at the head of any other department to be required to take back a man in whom he does not have confidence during the period of this great crisis with which we are confronted. But, Mr. President, mistakes in judgment can be made. People can and do dismiss loyal and fine employees because they have a grudge against them. Damage can be done and too frequently is done to innocent people. There is one principle in America that we must preserve: It is the principle that the exercise of discretion in determining the guilt of people shall be subject to review.

Let us not get to the point in this land of ours where people can be ruined for life by the exercise of judgment on the part of someone over them as to their guilt, when in fact a review of that decision would show them to be innocent.

The right of review from decisions as to one's guilt is basic to our American conception of fair play and fair trial. It is essential to just treatment. I cannot support the continuation of a procedure under which the Secretary of State can condemn a man as being subversive, if in fact the record will not support the judgment of the Secretary of State. I want his record cleared if he in fact is innocent. I do not want him sent back to the State Department if the Secretary of State does not have confidence in him. I think we should resolve doubts in favor of the public interest in these matters, and I do not think such a man should have a right to go back to the State Department and work. But I do think the judgment of the Secretary of State should be reviewed. That is basic to American justice as I know it, and that is all I am pleading for. I think that a check upon the decision of mere men in our Government as to the loyalty of employees of Government should be subject to review. The purpose of having section 1113 stricken out of this bill is so we can consider this subject in one bill applicable to all the departments. We should discuss the issue in a separate bill and fight it out here on the floor of the Senate in full debate as to the substance of the matter. We should not try to ram this section through here on the basis of House language that would be subject to a point of order if it were Senate language.

That is my position, and I shall stand on it no matter what misinterpretations are made as to the purposes of the junior Senator from Oregon in regard to this matter. The right to review the decisions of men in this country as to the guilt of people is pretty precious to all of us under the spirit and intent of the Bill of Rights.

Mr. FERGUSON. Mr. President, I rise to oppose this amendment to strike out the so-called McCarran rider. I happened to be a member of the Appropriations Committee when the Senator from Nevada and other members of the committee had Mr. Byrnes, the then Secretary of State, before them, when this question was discussed initially and when this amendment was first placed in an appropriations bill. I am sure that if the Senate could have heard the former Justice of the Supreme Court they would understand that he, too, wants to protect all the rights of the citizens of the United States. But he also recognized and he spoke for something that was vital. He stated the fundamental proposition that employment by the United States Government is a privilege, and not an absolute right.

Mr. Byrnes further recognized that if the head of a department such as the State Department or the Commerce Department were to protect the security of the United States in such a vital spot, vital to the people of America, it would be necessary to give the Secretary of such department the right to discharge without trial. Without such authority it would be impossible for those department heads to operate their departments efficiently and for the safety and security of the United States.

It was an established fact that without such authority it would have been impossible for the Secretary of State to have discharged Mr. Carl Marzani. That individual had had a trial before the Civil Service Commission, but as it developed he could not be discharged except by virtue of the McCarran rider. I hope the Senate will not undo the splendid work which was done by the senior Senator from Nevada when, in

response to the representations of Secretary Byrnes, he had this amendment included in the bill by the Appropriations Committee.

The Senate has affirmed it on various occasions, and the House likewise has seen fit to do so. In placing this provision in the bill the House showed its understanding of the Remington case. The House knew that William Remington was placed back in the Department of Commerce when there were the most serious questions against his loyalty. He has since been removed in the face of an indictment for perjury because he had stated he was not a Communist, but if the Secretary of Commerce had not had the authority for dismissal contained in this provision he would today be working in the Department of Commerce.

Mr. DONNELL and Mr. MUNDT addressed the Chair.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Senator from Missouri is recognized.

Mr. DONNELL. Mr. President, I rise to oppose the amendment offered by the Senator from Oregon, and I do so on this basis. I am not quarreling with him at all as to the right of a man to have a trial and to have a review. But as I see it there is nothing in the language in this bill which would at all preclude the further enactment of such a bill as was referred to by the Senator as the Tydings bill. I understood the distinguished Senator from Oregon to say in substance that he has no objection to a provision which would not require the head of a department to reinstate an employee. In other words, he is perfectly agreeable to this right of the Secretary of State, as I understand, or of the Secretary of Commerce, and if in the judgment of those respective officials an employee should be discharged, the Senator is perfectly agreeable that those officials should not be required to reinstate him. After all, as I see it, that is all that this particular provision in section 1113 does. It simply provides:

> Notwithstanding the provisions of section 6 of the act of August 24, 1912 * * * or the provisions of any other law, the Secretary of Commerce—
>
> Like the Secretary of State—
>
> may, in his absolute discretion * * * terminate the employment of any officer or employee * * * whenever he shall deem such termination necessary or advisable in the best interests of the United States.

Mr. President, that simply means that the heads of those departments, the Secretary of State or the Secretary of Commerce, may discharge a man when he deems it to the best interest of the United States to do so. There is nothing in this provision, so far as I see, that would preclude Congress in the slightest, even inferentially, from passing an act which gives a man a right of review as to the merits of a case.

Mr. MORSE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Oregon?

Mr. DONNELL. I yield.

Mr. MORSE. There is no doubt that we could subsequently pass legislation, and I hope we shall, if my amendment is not adopted. I hope we shall anyway. But the Senator, I respectfully submit, is in error if he thinks that with the passage of the bill with this language in it the employee then has any right of appeal. I think he will find, because we have gone into it pretty carefully in the Armed Services Committee, that that is the end of it, and he cannot get his record cleared. All I want is to give him an opportunity to have someone review the record to determine whether he was in fact subversive.

Mr. DONNELL. Mr. President, have I any further time?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. DONNELL. Mr. President, I do not at all wish to state that this section of the appropriation bill gives, in itself, the right of review. I am very heartily in favor of the general principle expressed by the Senator from Oregon in believing that there should be some legislation passed which entitles a man to the right of review. But as I see it, this provision is very wholesome and is demanded by the best interests of our country, entitling the head of the State Department, the Secretary of State, and the head of the Department of Commerce, the Secretary of Commerce, to discharge an employee if he deems it proper so to do. I do not think the discharge in itself in any sense convicts a man of any wrong doing. It is simply the exercise of the discretion of the official, in thinking that in the best interests of the Government the man should be no longer in the Department. Such a provision has been on the statute books of the United States for a number of years, and I do not think it would in any sense amount to a deprivation of the right of review, even though it does not affirmatively confirm that right. So, Mr. President, I oppose the amendment of my distinguished and good friend, the Senator from Oregon.

Mr. MUNDT. Mr. President, I should like to associate myself with the viewpoint expressed by the Senator from Michigan [Mr. FERGUSON] and the Senator from Missouri [Mr. DONNELL] in opposing the amendment offered by the Senator from Oregon [Mr. MORSE].

In the first place, Mr. President, the McCarran rider has been extremely useful to the country and to the Congress of the United States. Considerably more than 200 State Department employees have been separated from the public payroll because of the existence of the McCarran rider. I use the figures supplied by Mr. John Peurifoy, a young man who is Assistant Secretary of State in charge of security, a young man who is generally admired and respected by the Members of Congress, and who in a letter over his own signature made that information available to the Congress of the United States. Certainly, Mr. President, until we provide some other way to assure security in the State Department and in other departments of the Government, we should not sabotage the only tool we have.

I join the Senator from Oregon [Mr. MORSE] in the hope that there will be a Tydings bill to tighten up security. I hope such a bill will be approved by the committee and that it will be reported. I hope it will not be bottled up and pigeonholed by the Democratic policy committee. I think it would be a wonderful thing if the Mundt-Ferguson bill dealing with Communists generally could be added to it on the floor of the Senate. We have been trying for many weeks to get a vote on a measure—S. 2311—to protect the security of this country against Communists while we are fighting them in Korea. So we should not rely on the remote hope that the Tydings bill will be approved by the Democratic policy committee and reported so that we can vote on it; we are learning the hard way, namely, that in this body we must legislate the matter of communism as we can, when we can, and how we can. One way in which we can do it is to defeat the amendment offered by the Senator from Oregon, fine as is its purpose and thus retain at least such legislation as we have to help safeguard our security.

Mr. LUCAS. Mr. President, I should like to make an inquiry. There are a number of amendments on the desk which have not been acted upon. I presume there will be some amendments which will probably not be presented. I am wondering if I might make a preliminary survey to ascertain what Senators have amendments which they desire to offer. I do so for the purpose of ascertaining eventually whether we should remain in session and vote on all the amendments to the bill, or take a recess.

Mr. JOHNSON of Colorado. Mr. President, I have an amendment which I think will not take more than 2 minutes to discuss.

Mr. MURRAY. Mr. President, I have two amendments which will take a very few minutes.

Mr. TAFT. Mr. President, I have two amendments which are not printed, and which I do not think will take very long.

Mr. LUCAS. Mr. President, under those circumstances, I think we should move along, and perhaps we can finish in an hour. I hope so.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

The amendment was rejected.

Mr. MAGNUSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The Clerk will state the amendment offered by the Senator from Washington.

The CHIEF CLERK. On page 478 it is proposed to add a new section, as follows:

> SEC. 1116. No part of the appropriations under this act shall be used to pay transportation of any employee of the United States Government on a foreign-flag ship or aircraft, if and when such transportation is available by ship or air by American-flag transportation.

Mr. MAGNUSON. Mr. President, the only purpose of the amendment is to require that employees of the Government, when they travel, shall give a little preference to American-flag ships and aircraft. I think it is only fair to the American taxpayer who subsidizes

our aircraft and the merchant marine. Some Government employees, in traveling to Europe, choose the Isle de France, the Queen Elizabeth, or the Queen Mary. We find that 95 out of 100 such employees travel on foreign vessels, both coming and going. The least they can do is to travel on ships flying our own flag. If an Englishman were to travel to the United States and use an American ship instead of an English ship he would be recalled before he arrived. It is not always possible to use American-flag ships, but I think the time has come when we should serve notice on our Government employees in this respect.

Mr. McKELLAR. Mr. President, I raise a point of order against the amendment offered by the Senator from Washington.

The PRESIDING OFFICER. The Chair is ready to rule. The point of order is sustained.

Mr. KILGORE. Mr. President, I call up my motion to reconsider the vote by which the so-called Spanish-aid amendment was adopted. I move the immediate consideration of the motion.

Mr. McKELLAR. Mr. President, is that the Spanish-aid amendment which was agreed to?

Mr. KILGORE. That is correct.

Mr. McKELLAR. I object.

Mr. KILGORE. I move the immediate consideration of the motion.

The PRESIDING OFFICER. The question is on the motion of the Senator from West Virginia [Mr. KILGORE] to proceed to the consideration of the motion entered by him to reconsider the vote by which the so-called Spanish aid amendment was agreed to.

Mr. McCARRAN. Mr. President, I move that the motion of the Senator from West Virginia be laid on the table.

Mr. KILGORE. Mr. President, I have not yielded. I have the floor.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

Mr. LUCAS. Will the Senator withhold his motion to lay on the table?

Mr. KILGORE. I have not yielded.

The PRESIDING OFFICER. The Chair understood the Senator had made his motion. The Chair then recognized the Senator from Nevada.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

Mr. KILGORE. I have not discussed the amendment.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. Is not the Senator from West Virginia entitled to the floor? A day or two ago the Senator from Missouri [Mr. DONNELL] made a motion to reconsider, and another Senator moved to lay the motion of the Senator from Missouri on the table. The Senator from Missouri insisted on having the floor, and the Vice President recognized the Senator from Missouri [Mr. DONNELL] as a matter of right. The Senator from West Virginia has made a motion to reconsider, and I believe he likewise has a right to the floor.

The PRESIDING OFFICER. The Chair understands the Vice President recognized the Senator from Missouri [Mr. DONNELL] as a matter of courtesy.

Mr. ANDERSON. May I ask that the same courtesy be extended to the Senator from West Virginia?

The PRESIDING OFFICER. The Chair would have been glad to extend the same courtesy to the Senator from West Virginia [Mr. KILGORE], but the Chair did not see the Senator on his feet, and recognized the Senator from Nevada [Mr. McCARRAN], who has now made a motion to lay on the table the motion of the Senator from West Virginia. The motion is not debatable.

Mr. ANDERSON and several other Senators requested the yeas and nays.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. May we have the question stated by the Chair?

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada [Mr. McCARRAN] to lay on the table the motion of the Senator from West Virginia [Mr. KILGORE] to proceed to the consideration of the motion entered by him to reconsider the vote by which the so-called Spanish aid amendment was agreed to.

Mr. ANDERSON and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Rhode Island [Mr. GREEN], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

I announce further that if present and voting, the Senator from Kentucky [Mr. WITHERS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. CAIN] and the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

The Senator from Vermont [Mr. FLANDERS] and the Senator from Nevada [Mr. MALONE] are detained on official business.

The result was announced—yeas 65, nays 15, as follows:

YEAS—65

Aiken	Connally	Ferguson
Brewster	Cordon	Fulbright
Bricker	Darby	George
Bridges	Donnell	Gillette
Butler	Dworshak	Gurney
Capehart	Eastland	Hayden
Chapman	Ecton	Hendrickson
Chavez	Ellender	Hickenlooper
Hoey	McClellan	Saltonstall
Holland	McFarland	Schoeppel
Ives	McKellar	Smith, Maine
Johnson, Colo.	McMahon	Smith, N. J.
Johnson, Tex.	Magnuson	Sparkman
Kem	Martin	Stennis
Kerr	Maybank	Taft
Knowland	Millikin	Thye
Langer	Mundt	Tydings
Leahy	Myers	Watkins
Lodge	O'Conor	Wherry
Lucas	O'Mahoney	Wiley
McCarran	Pepper	Young
McCarthy	Robertson	

NAYS—15

Anderson	Hill	Morse
Byrd	Humphrey	Murray
Douglas	Johnston, S. C.	Neely
Frear	Kilgore	Russell
Graham	Lehman	Williams

NOT VOTING—16

Benton	Jenner	Thomas, Utah
Cain	Kefauver	Tobey
Downey	Long	Vandenberg
Flanders	Malone	Withers
Green	Taylor	
Hunt	Thomas, Okla.	

So Mr. McCARRAN's motion to lay Mr. KILGORE's motion on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KILGORE. Mr. President, in the drafting of chapter II of the bill I believe an error was made. In that part which provided an appropriation for the Committee on Interstate and Foreign Commerce to carry on an audit and investigation of air mail rates, in our air mail carrier service, these words were used, "for making a survey of certificated interstate and overseas air carrier operations." I myself understood that the word "overseas" covered the operation of all our planes flying abroad, overseas. I have interviewed numerous members of the committee, and other Senators, and all were of the same opinion. But it seems that the Civil Aeronautics Act divided our planes into three classes, instead of two. There were our interstate planes. Overseas planes were defined as those which flew overseas to our island possessions. The other category was those which flew to other countries, which were classified as "foreign." Therefore the situation arises, if the provision remains as it is, that if a plane flies, for instance, to Japan by way of Hawaii, carrying mail, the audit could be made only as far as Hawaii, and no figures could be gotten beyond Hawaii into Japan. For planes flying to Europe there would be no figures, but figures only as to those flying to our island possessions.

The PRESIDING OFFICER. If the Senator from West Virginia will suspend for a moment, the Chair will call his attention to the fact that no amendment is pending before the Senate, and that under the unanimous consent agreement an amendment must be pending, and that the address of the Senator, and of each Senator upon the amendment, would be confined to 5 minutes.

Mr. KILGORE. Mr. President, I was laying the foundation to make a motion. I expect to make a motion. I was giving the reason for it, because it could not be understood otherwise.

The PRESIDING OFFICER. The Chair feels that he should, then, advise the Senator from West Virginia that in that situation the Chair would charge up

the Senator's preliminary remarks to the 5 minutes limitation.

Mr. KILGORE. May I ask the Presiding Officer if he is charging his own remarks up to my time, too?

The PRESIDING OFFICER. No, the Chair will not do that.

Mr. KILGORE. I expect to make no remarks after I make my motion.

I think it would be a mistake to start this investigation. Since this matter came to my attention too late to make a motion to reconsider the vote within 2 days, it is therefore necessary for me to make a motion to suspend the rule in order to make a motion to reconsider and to insert an amendment, adding the words "and foreign" after the word "overseas," in order that a complete investigation may be made. Otherwise the investigators will be stopped at our island possessions.

The PRESIDING OFFICER. Does the Senator make his motion?

Mr. KILGORE. I make the motion now to suspend the rule.

The PRESIDING OFFICER. The Chair is advised that that motion will have to lie over a day.

Mr. JOHNSON of Colorado. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Colorado. I am completely in accord with the remarks the Senator from West Virginia has made. An error was made, and my inquiry is, Can unanimous consent be given to insert the two words which the Senator has suggested?

The PRESIDING OFFICER. By unanimous consent the motion can be made. Does the Senator ask unanimous consent?

Mr. KILGORE. I am asking unanimous consent.

Mr. TAFT. What is the amendment to be offered?

Mr. KILGORE. To strike out the words "and overseas"——

Mr. TAFT. On what page?

Mr. KILGORE. On page 6, lines 14 and 15, to strike out the words "and overseas" and insert a comma and the words "overseas, and foreign", which would then make it read, "a survey of certificated interstate, overseas, and foreign air carrier operations," and so forth. It would include all our planes.

The PRESIDING OFFICER. Is there objection?

Mr. McCARRAN. Mr. President, when the committee passed on this matter it was the intention of the committee to cover all investigations of mail transportation. Therefore, so far as the chairman of the subcommittee would have authority, I would be willing to accept the amendment. I think it is proper, and I think the Senate should give unanimous consent.

The PRESIDING OFFICER. Is there objection to taking up the amendment at this time?

Mr. McKELLAR. We will take the amendment to conference.

The PRESIDING OFFICER. The Chair hears no objection, and the question is on agreeing to the amendment of the Senator from West Virginia [Mr. KILGORE.]

The amendment was agreed to.

Mr. MURRAY. Mr. President, I send to the desk an amendment which I wish to propose on behalf of myself and a group of Senators, and I ask that it be stated, and that the names of the proponents of the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be stated.

The amendment proposed by Mr. MURRAY, for himself, Mr. GEORGE, Mr. THOMAS of Utah, Mr. McCARRAN, Mr. LEHMAN, Mr. STENNIS, Mr. NEELY, Mr. GRAHAM, Mr. THOMAS of Oklahoma, Mr. KERR, Mr. HUMPHREY, Mr. JOHNSTON of South Carolina, Mr. HILL, and Mr. PEPPER, was, on page 141, line 7, to strike out the figure "$19,977,760" and to insert in lieu thereof "$23,435,000."

Mr. MURRAY obtained the floor.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MURRAY. I yield to the Senator from New Mexico.

Mr. CHAVEZ. The amendment has reference to chapter V, having to do with the Federal Security appropriation, has it not?

Mr. MURRAY. That is correct; it has reference to vocational training.

Mr. CHAVEZ. I have consulted many members of the subcommittee, including the chairman of the full committee, who also is a member of the subcommittee, and we feel that this amendment has so much merit that we can take it to conference, and we will accept the amendment.

Mr. LUCAS. Mr. President, other Senators are here besides the Senator from New Mexico.

Mr. CHAVEZ. Oh, yes; I always know the Senator from Illinois is here.

Mr. LUCAS. The Senator from New Mexico is taking an amendment to conference without any Senator discussing it.

Mr. KNOWLAND. Mr. President, will the Senator from Montana yield to me?

Mr. MURRAY. I yield to the Senator from California.

Mr. KNOWLAND. I should like to say to the Senator from Montana that I am the ranking minority member on the subcommittee, and I have not been consulted about this amendment. I personally do not approve of this method of amending an appropriation bill on the floor of the Senate, and making a very substantial increase, particularly, when the minority has not been consulted, as in this case, so far as I know.

Mr. LUCAS. I hope the Senator from California will maintain that position.

Mr. MURRAY. This is not a substantial increase. It merely increases the amount that is provided for vocational training by $3,457,240, bringing it up to the budget estimate. It is a very important provision because it is essential at this time in the war-production program which is about to be inaugurated. A similar program performed a great service in the last war. Without it we would have great difficulty in finding trained employees for the different war production programs that will be put into operation.

Mr. KNOWLAND. Mr. President, will the Senator yield further?

Mr. MURRAY. Yes.

Mr. KNOWLAND. I will say to the able Senator that while in a bill which carries some $40,000,000,000, more or less, the difference between $19,977,760 and $23,435,000 may not seem very much, it is still some $4,000,000.

Mr. MURRAY. No; it is not.

Mr. KNOWLAND. And I do not think it should be treated lightly on the floor of the Senate.

Mr. MURRAY. It actually is $3,457,240, as I stated a moment ago, but it is an essential program without which we would find ourselves in a difficult position in the war production program which is about to be inaugurated. It seems to me the Senate should realize that this program performed a very valuable service at the commencement of the First World War. The program was fathered by the senior Senator from Georgia [Mr. GEORGE]. He was the sponsor of the original George-Barden Act, which set up this training program. While in operation it performed a very valuable service to the country. Without it now we would find ourselves in a very difficult position.

Mr. KNOWLAND. Mr. President, will the Senator yield further?

Mr. MURRAY. Yes; I yield.

Mr. KNOWLAND. I think no one of us is unmindful of the importance of this type of work, and certainly my own State of California is enthusiastically for it. But if this does tie into the war effort, as I believe it does, and since we have supplemental bills which will come before the Congress, I submit to the able Senator from Montana it is an orderly procedure to go to the Bureau of the Budget, secure a budget recommendation on the situation, and come in on a supplemental bill with the provision, rather than upping the present bill by some $3,400,000.

Mr. GEORGE. Mr. President, I may say that the proposed increase brings the total up only to the recommendation of the Bureau of the Budget.

Mr. LUCAS. We have been trying to cut that.

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. STENNIS. Mr. President, the amendment is something which can and will reach into every rural high school in America which has the benefit of this program. It not only ties into any war program, but it also ties into the present rural youth-training program. This is the vocational-training program. This is what is called the Smith-Hughes program. It is known in another form as "Future Farmers of America" and "Future Homemakers of America." Its outstanding record of more than a quarter of a century has contributed greatly to the economic life of every rural community in the Nation which has the benefit of this splendid work.

I emphasize the tremendous advantage of this work in the rural areas of

the South, for our Negro boys and girls. The response from the Negro boys and girls has been remarkable. It is very interesting to see the program which has been outlined for them now.

The amount involved is relatively small, when applied to a program which is carried on throughout 48 States. It already has the approval of the Bureau of the Budget. The proposed increase will bring the amount up to the sum the Bureau of the Budget has already approved.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. AIKEN. I should like to ask for what purpose this additional fund would be used to perform that would not be performed without it? Is it to be used for more teachers, more facilities, for opening more schools, or for what is it to be used.

Mr. STENNIS. It is to be used for furnishing more teachers. The fund can be used, as I understand, for facilities, but when so used is used only in a small way. The purpose is to provide more teachers, to extend this vocational training program into more high schools.

Mr. AIKEN. Does it apply to the agricultural program only?

Mr. STENNIS. No. It includes mechanical training and other training that goes with vocational training. Such training is included.

Mr. AIKEN. Would this increase make it possible for more high schools to carry on courses in vocational training?

Mr. STENNIS. Absolutely. That is one of the main purposes of the increase in the fund. The plan is a definite one. It has been worked out over the years. It is not something which has been brought up recently. The increase will merely supply more funds to carry out the program.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. KNOWLAND. The program is a good program. No one denies that. But I think the Senate would be interested to know that in 1942 the appropriation of $13,500,000——

Mr. STENNIS. Mr. President, with all deference to the Senator, I will say that I yielded for a question. I ask the Senator if he will speak in his own time, please.

Mr. KNOWLAND. I merely wanted to say that there has been a gradual increase in the amount over a period of years.

Mr. STENNIS. Yes. That gradual increase is consistent with a planned program, which will now be seriously interfered with unless this small additional amount is given.

I want to make one further point with reference to this program. From personal observation I know it is a tremendous factor in training the young while they are on the land to have an interest in the land, to learn that they have a future on the land, and that they may safely cast their future on the land. This program, along with the 4–H Club work, is one of the most powerful factors in building up the rural communities, in building a young citizenship which is willing to cast its future with the land.

I have no statistics, Mr. President, but I know that the State of Iowa needs 10,000 incoming farmers each year to replace those leaving the farms for one reason or another. At the present time only 6,800 boys are enrolled in vocational agricultural courses, with approximately 1,500 graduating each year. The same is true with respect to the situation of many States. The program really does tie the youth in with the land. I hope the Senate will adopt the amendment.

Mr. MURRAY. Mr. President, I should like to inquire if it does not also apply to industry which will be engaged in war production. That to my mind is the important feature of it.

Mr. STENNIS. The fund does apply to industry as well.

Mr. MURRAY. Already these industries are on a 24-hour basis.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. LUCAS. Mr. President, it is amazing to me how Senators can move from one side to the other, depending on how a matter under consideration affects their section of the country, their State, or their cities. We have under consideration an increase of $4,000,000. Earlier this afternoon we discussed for a considerable period of time a proposed decrease of $1,500,000,000. I am against the amendment. I hope it will be voted down, in view of what has happened here this afternoon. We are trying to economize. This is no time to add $4,000,000 to the bill, regardless of what the program is.

What I really rose to speak about is the Spanish amendment. I shall speak on that subject for 3 or 4 minutes. Much has been said about what happened on the floor on Tuesday last with respect to the adoption of an amendment for aid to Spain. Mr. President, I am a realist. I undertake to say that I knew exactly what I was doing when that compromise was made. I undertake to say that I knew that the Senator from Nevada had the votes to put the Spanish amendment through the Senate of the United States, thereby taking $100,000,000 from the ECA fund. There cannot be any question about that. Senators who have been so excited about the Spanish situation would have wound up in the same position they are now in. The only exception is that we would have been $100,000,000 short in the ECA fund.

The Senator from Illinois has been more interested in trying to keep the ECA fund intact, trying to do something, as I see it, not to cripple the Marshall plan or the European recovery program.

There is no doubt that if a point of order had been made against the Spanish amendment it would have been sustained, and an appeal from that point of order would have been overruled. There were enough votes on the floor of the Senate to overrule the decision of the Chair, and it would have been done. I think the fact of the matter is there were enough votes even to sustain the Senator from Nevada if he had made a motion to suspend the rule, which requires a two-thirds majority. With that realization, with the full knowledge that we were going to take $100,000,000 out of the ECA fund, I had no hesitancy whatsoever in making the proposition I did through the Democratic policy committee. I think it was a "good deal," and I care not how any other Senator or anyone else may feel about it. The State Department would have had the Spanish amendment with $100,000,000 less for ECA funds if we had not followed the procedure we adopted. Of course, it was a compromise; and the Senator from Nevada was willing to go with us in that direction, in regard to that matter. Every member of the Democratic policy committee agreed that we did not have the votes to defeat the proposal. When we do not have the votes, Senators can talk all they will, but if they are worse off than they were before, it does very little good to complain.

Yesterday I did not have an opportunity to explain my position, so I am explaining it now.

Senators who contend that they were cut off and did not have an opportunity to discuss that question should stop and realize that on Tuesday for approximately three-quarters of an hour the Senate was virtually in a state of recess, because there was no Senator present to discuss either side of the Spanish amendment question. Senators could have discussed it in that period of three-quarters of an hour; that time was available. However, no Senator spoke on that question at that time.

Mr. President, I wish to make my position clear. I do not hesitate to admit when I am licked. I repeat that I am a realist. I honestly believe that we worked out an arrangement which was better than the arrangement would have been if we had gone ahead and ultimately had permitted the point of order against the amendment of the Senator from Nevada to prevail in the Senate, because we saw what happened on the last vote on this question, when there were votes in opposition by 15 Senators. That is an indication of what would have happened.

I rose for the purpose of telling the Senate and the country what we have accomplished in that connection. That move by us saved the ECA $100,000,000. I do not care what the officials of the ECA or what those in any of the departments say about the matter, for the fact is that by that move the Senate saved the ECA $100,000,000. If we had not made that move, but if we had followed the other procedure, the ECA would have been in the same position that it is in now, but it also would have had $100,000,000 less than it now has available.

That is all I care to say, Mr. President.

Mr. CHAVEZ. Mr. President, let me say that I appreciate what has been said by the Senator from Illinois, and I can understand his feeling in the matter, in view of his tremendous responsibilities as leader of the majority and also as head member of the Democratic policy committee.

Mr. President, personally I can see no reason whatsoever why the United States Senate should apologize to the State Department or to the ECA for any action the Senate has taken. I still have the greatest respect for the integrity and sincerity of purpose of this body. In view of the fact that the Secretary of State was wrong about Mr. Hiss, it is obvious that the Secretary of State makes mistakes. I say he is mistaken now in thinking that 65 Senators made the wrong decision in regard to the Spanish matter.

I think the Senate even has the right to be wrong, although I do not think the Senate was wrong; I think we took the correct action.

I believe that the procedure we adopted will help ECA in Europe, if we mean what we say aboutt ECA and if our philosophy regarding ECA is what we brag about. In that case, there is no reason to feel that the Senate was not justified in voting day before yesterday as it did and in taking the position it took then and in taking the position it took today. I think the action taken was moral and sincere.

Mr. President, I say bluntly that the only reason why heretofore we have not taken action of this kind is, not because we did not want to help ECA, but because we were a little timid about communistic influences in Europe. Of course, we may say that such things do not help any. However, in the case of France it is true that although internationally the French Parliament may agree with us, nevertheless when it comes to enacting legislation in the French Parliament, all the members of that Parliament vote, including the 180 members of the Communistic Party. Would they have any influence in regard to whether or not that government would invite Spain to participate, no matter how worthy that proposition might be?

Similarly, would the Communists whom the Senator from Mississippi and I and the Senator from Arkansas [Mr. MCCLELLAN] and the Senator from Minnesota [Mr. THYE] heard in the Italian Parliament, have any influence in regard to that matter?

The best thing the United States Senate has done for ECA has been to take the action referred to, because now we shall be united. I say this notwithstanding that possibly I am the one Member of the Senate who does not agree with everything the head man in Spain is doing. I do not agree with all he is doing, but that is not the question. There are many things about which I do not agree; and there are many things about which those on the other side of the water do not agree, so far as concerns what is going on in this country. However, does that fact justify our taking a position inconsistent with the philosophy of a law we have enacted?

Mr. President, I think we did a favor to ECA and to the State Department and to the Nation.

Mr. GEORGE. Mr. President, I rise simply to make a very brief statement. I regret very much that this very meritorious amendment has become mixed up in a controversy which is somewhat foreign to it. However, the controversy itself is worthy of note.

Having voted for the amendment offered by the distinguished Senator from Nevada, I myself think that it is the one piece of realism which I have seen in the Senate for a long time, in connection with our dealing with international affairs. Certainly if we mean to do anything for western Europe, but more particularly if we mean to do anything under the North Atlantic Pact for the defense of western Europe, Spain is an indispensable factor in that problem.

Not only is that true, Mr. President, but if we are not realistic enough to know that there should be built at once—in fact, it should have been built many months ago—a strong ground army in western Germany and in Japan, we have not enough realism left in the Senate or in the Congress to be able to run the world; and we might as well understand that now, I think.

Tragic as this war is—and it is tragic beyond discription—it still will serve us and the other free people of the world well, in the future, if it has the effect of returning America to a sense of realism. The one thing most sadly lacking in this Nation, in dealing with international affairs, is a definite sense of reality.

Mr. President, as to the pending amendment, let me say that I have been identified with agricultural and vocational education ever since I first came to the Senate, 28 years ago. I have done my best for that cause.

The authorized appropriation for agricultural training and vocational training, which embraces the mechanical arts, as well as other subjects, is almost $30,000,000; it is $29,000,000 and a fractional amount which I do not now remember.

The appropriation has never reached the full amount of the authorization, first, because there were in the Government at an earlier time persons who wanted to run the educational institutions of this country, regardless of congressional judgment and congressional decision; second, the Second World War made teachers and instructors in vocational training and education in agriculture and the mechanical arts, and so forth, extremely scarce. Therefore, we were always compelled to accept a smaller appropriation than the full amount of the authorization.

Mr. President, the budget now has authorized the amount specified in this amendment. I have already voted to apply a 10-percent reduction to this appropriation, along with others. Under that 10-percent reduction provision the total and the increased amount requested in this appropriation, if the amendment is adopted by the Senate, of course will be subject to the 10-percent reduction.

Those interested in vocational education tell me—and they have repeatedly told me for a year—that they are prepared to go forward with their program, that they already have available instructors, and could use even the full amount authorized for this particular purpose. But this amendment does not offer to do that. It offers merely to bring the appropriation up to the amount recommended by the budget. The total of it, as I have already said, will be subject to the 10 percent reduction provided in the Byrd-Bridges amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GEORGE. Let me add, Mr. President, if I may, that in World War II, because of this program, nearly 11,000,000 people who had had some training under one branch of it or other, found themselves in the service of the country.

Mr. McKELLAR and Mr. LEHMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. McKELLAR. Mr. President, I am very anxious to have a vote. Really, I am not going to make a speech. I am not in favor of this amendment, and I hope it will be voted down. But I ask my fellow Senators to let us vote on it. I now resume my seat.

Mr. LEHMAN. Mr. President, I certainly do not wish to keep the Senate here any longer than necessary. Since the question of the Spanish amendment has again been raised, I cannot allow some of the things which have been said in the last few moments to go unchallenged.

I do not question the right of the distinguished majority leader and the right of the distinguished chairman of the Finance Committee to have such views on this subject as may seem proper to them. But I want to say again, as I have said heretofore, and I want to repeat it with all the force at my command, that I believe the Senate of the United States made a serious mistake in taking the action which it took on Tuesday in connection with the McCarran amendment.

The Senator from Georgia referred to the importance of being realistic. I fully agree with the distinguished Senator. But I say that we are not realistic when we break our ties, or threaten to break our ties, with tried and true allies, men with whom we fought, men who in concert with us have made great sacrifices. We are a part of the United Nations. We depend on the United Nations. I still believe that the United Nations is our greatest hope, and I have said so time and time again. I think the developments of the last few days have proved that. Yet we, by unilateral action, are virtually throwing away and repudiating action which has been taken by the United Nations in connection with Spain.

Furthermore, we are saying to our allies and friends who are in the ECA program abroad, "You have got to play along with Spain, even though you have time and time again publicly stated that you did not want to have any relationship with her." We are saying to our people that we disregard what has been done in our own defense by these democratic nations, and we are saying to the world that we are willing to support Fascist nations, nations which have disregarded and repudiated all their obligations to humanity. We are playing into the hands of Russia and the satellite states, giving them propaganda, ma-

chinery and weapons, which I fear will be of great help to them and do great harm to us.

Mr. President, I tell you we cannot win this war, whether it be cold or hot, on the battlefields of Korea, alone. The field of battle is far wider than Korea. It is a battle for men's minds. It is a battle for men's faith in us and in democracy. I tell you, Mr. President, and I say it sadly, that I think we have risked losing the faith and the confidence of many of the freedom-loving countries of the world. So I say again that I believe the Senate of the United States has made a serious blunder.

Mr. CHAVEZ. Mr. President, will the Senator yield to me for a question?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from New Mexico?

Mr. LEHMAN. I yield.

Mr. CHAVEZ. I think I can follow the philosophy of the Senator from New York correctly, and I largely agree with him. The only thing I am concerned about is that we should be consistent, that we should help those who help us, and that we should not help those who are not trying to further our purposes and ideas. I should like to ask the Senator how many American boys lost their lives on account of Spain? Will the Senator say that we lost one American boy on account of Spain?

Mr. LEHMAN. I have not the slightest idea as to how many men we have lost on account of Spain.

Mr. CHAVEZ. Very well. That great nation, which helped us so much——

Mr. LEHMAN. Which great nation?

Mr. CHAVEZ. I mean a nation that is now a participant of ECA. How many American boys did we lose in north Africa how many did we lose in Sicily, how many did we lose in Anzio, on account of Italy?

Mr. LEHMAN. We lost a great many.

Mr. CHAVEZ. But we are helping Italy.

Mr. LEHMAN. I am not defending Italy, but Italy is today a part of the defense line which this country has set up. If the Senator does not believe in the defense line that has been set up through ECA, why did he vote for an appropriation for ECA?

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. MAYBANK. Mr. President, I want to add a word to what the Senator from Georgia and other distinguished Senators have said. I am only sorry I could not have voted to take the $100,000,000, if necessary, from ECA, rather than to have to borrow the money from the Export-Import Bank. For years and years we have been trying to help the Spanish people—not the Spanish coal company. As chairman of the committee, I wrote Mr. Gaston of the Export-Import Bank a letter yesterday, about the Spanish matter, and I have been in conference with many of the Senators regarding it. The sooner we follow up our action, the better off we will be.

Mr. ANDERSON. Mr. President, the Senator from New York [Mr. LEHMAN] concluded his speech. When will the debate on amendments be finished so that debate will be unlimited?

The PRESIDING OFFICER. Not until after the bill is passed.

Mr. ANDERSON. May I invite the Presiding Officer's attention to the fact that there was no agreement to limit debate on the bill. The limitation applied only to amendments. When will the opportunity for unlimited debate arise? There was no quorum-call prior to the submission of the unanimous-consent agreement, and there was no final agreement. Am I correct?

The PRESIDING OFFICER. The Senator is correct. The limitation of 5 minutes for each Senator applies only to amendments and not to the final passage of the bill.

The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY], for himself and other Senators. [Putting the question.] The "noes" seem to have it.

Mr. WHERRY. I ask for a division.

On a division, the amendment was agreed to.

Mr. McKELLAR. Mr. President, is it in order to ask for the yeas and nays?

The PRESIDING OFFICER. The Chair has already announced the result.

Mr. McKELLAR. Mr. President, I move that the Senate reconsider the vote by which the amendment offered by the Senator from Montana [Mr. MURRAY] was agreed to.

The PRESIDING OFFICER. The question is on the motion of the Senator from Tennessee to reconsider the vote by which the amendment was adopted.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The motion is not debatable.

Mr. GEORGE. Mr. President, I suggest the absence of a quorum.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senate will state it.

Mr. FULBRIGHT. Did the Senator make his motion in time?

The PRESIDING OFFICER. There was not a record vote.

Mr. FULBRIGHT. Does the Chair know how the mover of the motion voted?

The PRESIDING OFFICER. It makes no difference. That question does not apply, as the Chair understands, except upon a record vote.

Mr. MAYBANK. Mr. President, did I correctly understand that the Senator from Georgia suggested the absence of a quorum?

The PRESIDING OFFICER. Yes.

Mr. MAYBANK. Does not that take precedence?

Mr. GEORGE. Mr. President, I suggest the absence of a quorum. I am perfectly willing to go on record on this vote.

Mr. LUCAS. Mr. President, a point of order.

Mr. GEORGE. Mr. President, I insist on a roll call.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Millikin
Anderson	Holland	Morse
Bricker	Humphrey	Mundt
Bridges	Ives	Murray
Butler	Johnson, Colo.	Myers
Capehart	Johnson, Tex.	Neely
Chapman	Johnston, S. C.	O'Conor
Chavez	Kem	O'Mahoney
Cordon	Kerr	Pepper
Darby	Kilgore	Robertson
Donnell	Knowland	Russell
Douglas	Langer	Saltonstall
Dworshak	Leahy	Schoeppel
Eastland	Lehman	Smith, Maine
Ecton	Lodge	Smith, N. J.
Ellender	Lucas	Sparkman
Ferguson	McCarran	Stennis
Frear	McCarthy	Taft
Fulbright	McClellan	Thye
George	McFarland	Tydings
Graham	McKellar	Watkins
Gurney	McMahon	Wherry
Hayden	Magnuson	Wiley
Hendrickson	Malone	Williams
Hickenlooper	Martin	Young
Hill	Maybank	

The PRESIDING OFFICER. A quorum is present.

The question is on the motion of the Senator from Minnesota to lay on the table the motion of the Senator from Tennessee to reconsider the vote by which the amendment of the Senator from Montana and other Senators was adopted.

Mr. AIKEN and other Senators asked for the yeas and nays.

The yeas and nays were ordered, the legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the affirmative when his name was called.

Mr. AIKEN. Mr. President, may we have the question stated?

The PRESIDING OFFICER. The question is on the motion of the Senator from Minnesota [Mr. HUMPHREY] to lay on the table the motion to reconsider made by the Senator from Tennessee [Mr. McKELLAR].

Mr. AIKEN. Mr. President, I wish to change my vote to "nay."

The legislative clerk resumed the call of the roll.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Do I understand correctly that the amendment which was agreed to was the amendment with reference to vocational, agricultural, and mechanical training?

The PRESIDING OFFICER. That is correct.

Mr. STENNIS. Then a motion was made by the Senator from Tennessee [Mr. McKELLAR] to reconsider the vote by which the amendment was agreed to?

The PRESIDING OFFICER. That is correct.

Mr. STENNIS. Then the Senator from Minnesota [Mr. HUMPHREY] made a motion to lay on the table the motion of the Senator from Tennessee to reconsider?

The PRESIDING OFFICER. That is correct.

Mr. STENNIS. Is that the parliamentary situation?

The PRESIDING OFFICER. That is correct. The motion is not debatable,

and the yea-and-nay vote is now in progress.

The legislative clerk resumed the call of the roll.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. In view of the fact that many Senators have entered the Chamber since the beginning of the vote, the Senator from Mississippi asks that the Chair state the parliamentary situation.

The PRESIDING OFFICER. The Chair has stated it on three different occasions.

Mr. LUCAS. Mr. President, I ask for the regular order.

Mr. STENNIS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Is it correct to say that if a Senator wishes to vote in favor of the amendment——

The PRESIDING OFFICER. The roll call is in progress. The Senator's inquiry is out of order.

The legislative clerk resumed the call of the roll.

Mr. MORSE (when his name was called). Mr. President, the Senator from Oregon is in doubt as to the parliamentary situation at the present time. Will the Chair state it so that the Senator from Oregon may vote in accordance with the explanation of the Chair?

Mr. LUCAS. Regular order.

The PRESIDING OFFICER. The Chair has stated the question on three separate occasions for the information of the Senate. On a similar request of another Senator the Chair has already ruled that the Chair feels he should not restate the question.

Mr. MORSE. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Under the rules of the Senate does not a Member of the Senate have the right, prior to his answering on a roll-call vote, to make inquiry as to what the vote is being taken on? I have been called off the floor several times during this discussion and I am in doubt as to the exact wording of the issue we are voting upon.

The PRESIDING OFFICER. The Senator has a right to make such inquiry.

Mr. MORSE. That is what the Senator from Oregon has sought to do.

The PRESIDING OFFICER. The Senator from Oregon is confusing two rights. One is his own right to make inquiry, and the other is the right of the Presiding Officer to exercise some discretion in the matter of making reply. The Chair has already replied three times to the same question. He declines to reply further.

Mr. MORSE. I merely sought to find out what my rights were. I think the Chair is making a great mistake when he refuses to advise any Senator upon inquiry made in good faith what the issue before the Senate is.

The legislative clerk resumed the call of the roll.

Mr. THOMAS of Oklahoma. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order. Senators will resume their seats. The clerk will resume the calling of the roll.

Mr. AIKEN. Mr. President, I misunderstood the question. I wish to change my vote to "yea."

The legislative clerk resumed and concluded the call of the roll.

Mr. FULBRIGHT. Mr. President, I should like to ask unanimous consent to inform the Senator from Oregon what the vote is being taken on.

Mr. LUCAS. Mr. President, I demand the regular order.

Mr. MORSE. A point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Mr. President, I raise the point of order that the point of order raised by the Senator from Oregon cannot be raised while the result is being tabulated.

The PRESIDING OFFICER. The point of order raised by the Senator from Illinois is sustained. The point of order raised by the Senator from Oregon cannot be considered at this time.

Mr. MORSE. Mr. President, I claim my rights under rule XII, and ask to be heard.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MORSE. Mr. President, I call the attention of the Chair to rule XII, which reads as follows:

> When the yeas and nays are ordered, the names of Senators shall be called alphabetically; and each Senator shall, without debate, declare his assent or dissent to the question, unless excused by the Senate.

Mr. McKELLAR. Mr. President, I make the point of order that until the result of the roll call is announced by the Chair, debate is not in order.

Mr. MORSE. I make the point that I must make this point as to my rights before the result is announced, according to the provisions of rule XII.

The PRESIDING OFFICER. The point of the Senator from Tennessee is not well taken. The rule itself requires that any further discussion, when a Senator has declined to vote, shall precede the announcement of the result of the roll call. The Senator from Oregon will proceed.

Mr. MORSE. Mr. President, I continue to read the rule where I stopped reading:

> And no Senator shall be permitted to vote after the decision shall have been announced by the Presiding Officer, but may for sufficient reasons, with unanimous consent, change or withdraw his vote. * * *
>
> When a Senator declines to vote on call of his name, he shall be required to assign his reasons therefor, and having assigned them, the Presiding Officer shall submit the question to the Senate: "Shall the Senator, for the reasons assigned by him, be excused from voting?" which shall be decided without debate; and these proceedings shall be had after the roll call and before the result is announced; and any further proceedings in reference thereto shall be after such announcement.

Mr. President, I wish to say that I regret very much that I did not understand the Chair's ruling as to what we were voting on. The noise and confusion in the Senate at the time left several of us in doubt as to the Chair's ruling. I was not alone. The Senator from Vermont has already announced that he was confused. Several other Senators have told me they are in doubt. It is a complex parliamentary situation and should be explained by the Chair. When my name was called, I rose and asked, as I think I had a right to ask, for a statement by the Chair of the issue before the Senate. I thought I understood it but I wanted to make absolutely sure. If the Chair would tell me now, so that I would know for a certainty whether I was voting for or against the amendment if I vote for the pending motion I would then be prepared to vote. But I submit, Mr. President, that under rule XII a Senator, acting in good faith, ought to be allowed to have the parliamentary situation explained to him by the Chair before he is called upon to vote. That is the only request I have made of the Chair. I think I am entitled to a statement as to what the parliamentary situation here in the Senate is. I have declined so far to vote only because of my doubt as to the form of the motion. I think that if I desire to vote ultimately for the amendment, I should vote "yea" on this motion. I want to vote ultimately for the amendment, but I want the Chair to tell me whether or not in casting a "yea" vote on this motion I am casting a vote which will amount to supporting the amendment. I am not clear as to the wording of the motion that this vote is on.

The PRESIDING OFFICER. The Chair would decline to answer the question of the Senator. The Senator has declined to vote for the reasons stated to the Senate. Under the rule, the Chair is required to submit to the Senate the question: "Shall the Senator, for the reasons assigned by him, be excused from voting?" That question is required to be decided without debate. Those who favor accepting the excuse of the Senator from Oregon for not voting will indicate it by saying "aye."

Mr. McCARRAN and other Senators asked for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER (putting the question). The "noes" appear to have it. The "noes" have it.

Mr. DOUGLAS. I ask for a division.

Mr. WHERRY. Mr. President, what is the question before the Senate at this time?

The PRESIDING OFFICER. The roll call has been terminated, and the result will now be announced.

Mr. MORSE. A parliamentary inquiry, on the ruling of the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Do I understand correctly that the vote of the majority of my colleagues in the Senate is that my reasons for declining to vote have been rejected?

The PRESIDING OFFICER. The Chair so understands. The Chair has announced that a majority of Senators voted in the negative on the question

required by the rule to be submitted to the Senate.

Mr. MORSE. I now ask for the right to vote. A colleague has just explained the parliamentary situation to me which I did not hear the Chair explain.

The PRESIDING OFFICER. The Senator has no right to vote at this time unless the Senate will, by unanimous consent, give him a right which he has forfeited.

Mr. MORSE. I appeal from that decision of the Chair. Rule XII requires that I vote and the Chair cannot deny that right to me.

The PRESIDING OFFICER. The Chair understands that, the result not having been announced, the Senator's name can again be called, if he by this time has sufficient information upon which to cast his vote.

Mr. MORSE. On the basis of the hurried explanation I have just had from a colleague I am going to guess that a yea vote is for the amendment. However, I think I should have had an official ruling from the Chair.

The PRESIDING OFFICER. The Senator's name will be called.

The name of Mr. MORSE was again called, and he voted in the affirmative.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from Virginia [Mr. BYRD], The Senator from Texas [Mr. CONNALLY], the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from New Hampshire [Mr. TOBEY] would vote "nay."

The Senator from Maine [Mr. BREWSTER] and the Senator from Vermont [Mr. FLANDERS] are detained on official business.

The result was announced—yeas 38, nays 39, as follows:

YEAS—38

Aiken	Johnson, Tex.	Mundt
Butler	Johnston, S. C.	Murray
Chapman	Kerr	Myers
Darby	Kilgore	Neely
Eastland	Langer	Pepper
Fulbright	Leahy	Russell
George	Lehman	Sparkman
Graham	McClellan	Stennis
Gurney	McFarland	Thye
Hill	Magnuson	Watkins
Hoey	Maybank	Wiley
Humphrey	Millikin	Young
Johnson, Colo.	Morse	

NAYS—39

Anderson	Capehart	Donnell
Bricker	Chavez	Douglas
Bridges	Cordon	Dworshak
Ecton	Knowland	O'Mahoney
Ellender	Lodge	Robertson
Ferguson	Lucas	Saltonstall
Frear	McCarran	Schoeppel
Hayden	McCarthy	Smith, Maine
Hendrickson	McKellar	Smith, N. J.
Hickenlooper	McMahon	Taft
Holland	Malone	Tydings
Ives	Martin	Wherry
Kem	O'Conor	Williams

NOT VOTING—19

Benton	Gillette	Thomas, Okla.
Brewster	Green	Thomas, Utah
Byrd	Hunt	Tobey
Cain	Jenner	Vandenberg
Connally	Kefauver	Withers
Downey	Long	
Flanders	Taylor	

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question now is upon the motion of the Senator from Tennessee [Mr. MCKELLAR] to reconsider the vote by which the Senate agreed to the amendment offered by the Senator from Montana [Mr. MURRAY] and other Senators.

Mr. STENNIS. Mr. President, I understood the Chair to say that the motion before the Senate at this time is the motion of the Senator from Tennessee to reconsider the vote by which the amendment offered by the Senator from Montana and other Senators was agreed to.

The PRESIDING OFFICER. The Chair understands that to be correct, and is advised by the Parliamentarian that the 5-minute rule applies.

Mr. STENNIS. The question is debatable, is it?

The PRESIDING OFFICER. It is debatable.

Mr. STENNIS. Mr. President, this amendment pertains to vocational, agricultural, and mechanical training. The popular name of the organization it would affect is "Future Farmers of America" and "Future Homemakers of America." This program has been in progress for more than 25 years, and its accomplishments, particularly with reference to rural youth, have been phenomenal.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will please be in order.

Mr. STENNIS. I expect to be brief, but there are some Senators now in the Chamber who were not here when the matter was discussed before.

The amendment raises the appropriation only $3,457,240, which brings the appropriation up to the budget level. We have already adopted the amendment on a division vote, and we have adopted this afternoon an amendment which will subject the appropriation carried in this amendment, along with the other funds for this purpose, presumably, to a 10-percent cut.

Members of the Senate, I am speaking only partly from personal knowledge, but I can assure the Senate that this is a very finely handled and very effective program. What it has done for the economic development of the rural youth of our country has been outstanding. It and 4–H Club work, represent one of the main factors in the last quarter of a century in improving economic life in the rural areas. There can be no question about that. I have seen young boys and girls who have received this training, who are content to continue living on the same land on which they have heretofore lived, or in the same community. It represents a bulwark of strength for rural communities.

One of the great trends in America is the trend away from the rural areas to the cities. I think we all realize that to be an unhealthy trend. I find that in the Southern States where this work is carried on in the Negro schools advancement and development are remarkable. The program trains the boys and girls in the mechanical arts. It trains them in homemaking. It trains them in tilling the soil. It is outstanding training.

Mr. President, I say that if the amendment is not adopted it will be necessary to curtail a very sound, progressive program which has been moving along under the George-Barden Act for several years. In view of the military program ahead of us, the mechanical training given under this program is almost indispensable. It is popular now to say that this or that ties in with the war effort. But the mechanical side of the training does tie in particularly with war training.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. DONNELL. Will the Senator please explain the connection of the program with the Future Farmers of America?

Mr. STENNIS. This is the agricultural side of the training program of the Future Farmers of America. There is also training in the mechanical arts. I am not so familiar with that as I am with the agricultural training. But it is very definitely a part of their training. Most of the money, as I understand, will be used for employing additional teachers in additional schools which do not now have the benefit of this training.

I have before me a statement from the director of this work in Mississippi. He says a total of 42 schools in Mississippi are applying for this training. The State puts up half the money. The other half comes from the funds in question. Of the 42 schools 16 are for whites and 26 schools are for colored children. Those schools are now applying for this work in my home State. Many of the schools throughout the United States are applying for the work. The program has been slowly but gradually extended from one school to another, and progressively it has covered the Nation. A portion of the relatively small appropriation asked for by this amendment is used for this purpose.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield.

Mr. LANGER. What States are affected by the program?

Mr. STENNIS. It can apply to all States. I assume it does. I think it applies to all States. I have listed here Georgia, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, West Virginia, Colorado, Florida, Kentucky, Ohio, Oklahoma, South Carolina, Washington. My time is running out,

but I see from the document I have before me that these expanded programs are listed for these States. I am sure the program applies to the Senator's State, to entire areas of the South, and throughout New England, as I understand.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to call attention to the fact that the amendment as drawn carries out the Budget recommendation of $23,435,000, which is an increase of $3,458,240 over the amount reported by the committee. We must bear in mind, however, that when we make the 10-percent reduction provided by the amendment adopted today the increase will be only $1,113,740.

As I have looked into the way the program has operated in a great many of the States I am thoroughly convinced that the amount proposed under the amendment will be money well spent. It will be found that the program has resulted in increasing the earning ability of those who have taken this vocational training by probably twice as much as they were able to earn in the past. Many of those whose earning capacity has increased, and will be increased by taking the training, are colored people in the South who have not been able to take advantage of vocational education in the past. Thus the amendment will help in building up our American economy. I believe the amount of $1,113,740, which is the increase over the amount reported by the committee, after deducting 10 percent, will be repaid in the greater earning capacity of those who take the training.

I am thoroughly convinced that the amendment should be adopted, in order to give boys and girls throughout the Nation an opportunity to take advantage of this particular program. The program does not apply only to the South or to South Carolina. It applies to most of the agricultural States. It is of great benefit in the States where the training is being provided.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HILL. Is it not true that these vocational training facilities are the facilities that we use today for the vocational training of our GI's under our GI educational program?

Mr. JOHNSTON of South Carolina. GI's will be found taking the training in every county in my State. I think that will be found to be true in most of the States of the Union at the present time.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. BRIDGES. The Senator from South Carolina made the statement that already a 10-percent cut is provided for this program. I should like the Senator to know that the money provided for this vocational training is a grant, and is therefore exempted from the 10-percent cut.

Mr. JOHNSTON of South Carolina. I did not know that.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KNOWLAND. As the ranking minority member of the subcommittee, I should like to say that I would be willing to recommend to the minority side of the aisle—and I have discussed it with the chairman of the subcommittee—that we take the sum of $21,000,000 to conference, which is an increase over the amount of the bill of $1,022,240, in the interest of moving on with the bill, in which our national defense and everything else is tied up. It would seem to me that that would be a reasonable compromise of the situation, and one which will facilitate the final passage of the bill.

Mr. JOHNSTON of South Carolina. I will answer the Senator from California by saying that I believe every dollar that is asked for under the amendment is necessary in order to carry on a proper program throughout the United States.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. GEORGE. I merely wish to ask a question. Is it agreed that this amount would not be subject to a further reduction of 10 percent under the Byrd-Bridges amendment?

Mr. BRIDGES. Yes; grants made to States such as those for vocational aid are not subject to the 10 percent cut.

Mr. McKELLAR. I read from the bill:

(k) Amounts provided for payments to States or political subdivisions thereof.

Mr. President, I believe I am as much in favor of the program under discussion as is any other Senator, but I am opposed to adopting an amendment which comes before us at the last moment. It was not presented to the committee. The committee has been in session since the 25th of January. No Senator came before us with this amendment. Not a word was said about it.

Mr. JOHNSTON of South Carolina. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee is infringing upon the limited time of the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. My time is about up. In order to conserve time, I ask to have printed in the RECORD at this point a statement bearing on the subject.

There being no objection, the statement of Mr. JOHNSTON of South Carolina was ordered to be printed in the RECORD, as follows:

It is with a view toward the education of young Americans that I cosponsor an amendment to increase the appropriation for vocational education.

The Vocational Education Act of 1946 has proven itself a fine program and has been of great benefit to the Nation. The vocational education program in the State of South Carolina has been of great importance in the furthering of educational advantages and it is of prime importance to the welfare of this Nation that my children and your children have access to the very best educational standards and well trained teachers.

The money spent on this program has never been regretted for it has already returned every penny in the form of a better educated America.

This amendment increases the appropriation for this program approximately $3,500,000 and I cannot think of a better way to spend this money than to improve the educational facilities in our schools. The last analysis of this program showed that the great majority of these funds goes for teachers salaries, and in my State like most other States, the teachers are grossly underpaid for their valuable services.

If it were not for this program, agriculture programs in rural schools would hardly be possible and nothing is more important to a rural school than its agriculture program. This money is used to pay the teachers and in the past there was no money available.

Also, many veterans are attending public schools and are taking advantages of this program.

I urge the Members of this body to increase this appropriation to be sent into the public and especially rural schools of America. The teachers are there and are presently receiving very poor salaries and it is up to the people of this Nation to see that the teachers of our schools are paid a decent salary. Many of them are already leaving the teaching field for better jobs and if they continue to leave, what is to become of our schools?

We can keep these good teachers by paying them a livable salary and they will receive a better salary under the vocational educational program.

It is our duty to enact this legislation with the proposed amendment which will provide better educational opportunities for the American school children, and especially those children living in the rural school districts.

Mr. JOHNSTON of South Carolina. Mr. President, I beg and plead with Senators that they vote for the amendment. We need the money provided by it. We need it badly in order to continue the teaching in connection with vocational training. It is necessary to retain the teachers. We cannot do so unless we pay them, and we canont pay them in many instances, unless we receive the additional amount provided for by the amendment.

Mr. McKELLAR. Mr. President, I wish to ask the Senator from California what figure he used a moment ago? Was it $21,000,000?

Mr. KNOWLAND. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield. By the way, I am perfectly agreeable to the Senator's proposal. I will say, however, that I believe the committee was treated badly because Senators favoring the proposal did not appear before the committee. There is no reason why they could not have appeared before the committee.

Mr. KNOWLAND. For the reasons I have stated, that is, in order to expedite passage of this large bill which contains many items of importance to the country, I am willing to recommend that we take the sum of $21,000,000 to conference.

Mr. McKELLAR. Having done that, I hope we can stop talking now, and can vote on this bill. This is the fifth week

the bill has been before the Senate, and I certainly hope we can vote on the bill now.

The PRESIDING OFFICER. Does the Senator from Montana modify his amendment?

Mr. MURRAY. No, Mr. President. I think the amount proposed to be appropriated by the amendment is absolutely necessary if this program is to be carried out. The program applies not only to farm boys but also to the training of men in the industries where, in the war effort, it will be necessary to have additional trained men.

Mr. McKELLAR. The appropriation for fiscal year 1950 was exactly the same as the amount recommended by the committee for fiscal year 1951.

Mr. MURRAY. Mr. President, is it in order for me to speak at this time?

The PRESIDING OFFICER. The Chair addressed an inquiry to the Senator from Montana, and he has replied to it.

If the Senator from Montana wishes to speak now, he is entitled to proceed for 5 minutes.

Mr. MURRAY. I should like to be recognized for 5 minutes.

The PRESIDING OFFICER. The Senator from Montana is recognized for 5 minutes.

Mr. MURRAY. Mr. President, as I have said, this amendment applies not only to the training of farm boys, but also to the training of men who are engaged in the trades and the industries.

Just before the Second World War began, this program was of tremendous service to the United States. Without it, we could not have had available sufficient trained workers for the war industries of the United States.

So it seems to me that it would be a great mistake to reduce this amount, which is the amount allowed by the Budget, and no more; and of course this amount is subject to a 10-percent reduction, under the provisions of the Byrd-Bridges amendment.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. JOHNSTON of South Carolina. It is not true that, in this connection, men are also being trained for radio and radar work, for the making of repairs to tractors and automobiles, as carpenters, and in other trades? In short, is not the program providing the trained, skilled workers we need so badly in the United States at this particular time?

Mr. MURRAY. That is correct; and already some of the industries in the United States have gone on a 24-hour production basis, and have requested assistance from vocational schools, in connection with the training of workers who are needed in those industries.

It seems to me that the Senate would be acting very unwisely at this time, when we are just preparing to engage in a program of rearmament, to reduce the amount of this appropriation and to make it insufficient for the carrying out of an effective program.

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. MURRAY. I yield for a question.

Mr. HILL. Is it not true that there are approximately 24,000 public secondary schools throughout the 48 States, but that today this program is being carried on in only approximately 8,000 of those schools—in other words, in only one-third of them?

Mr. MURRAY. Yes. That is absolutely true.

Mr. HILL. What the Senator from Montana seeks by the amendment is to make it possible to extend this program into some of the other schools, which so much need the program. Is not that correct?

Mr. MURRAY. That is correct.

Mr. HILL. Does not the Senator from Montana recall that the dispatches coming back to us from Korea have emphasized the fact that so many of our men over there have not had sufficient schooling, have not had the very training which today we are seeking to provide by means of the Senator's amendment?

Mr. MURRAY. The Senator has stated the situation absolutely correctly.

Mr. President, it has been stated that we did not appear before the committee in connection with this matter. However, the amendment was proposed by me because we began to receive telegrams from all over the country urging the necessity of this program.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. KNOWLAND. Mr. President, I desire to offer an amendment to the amendment proposed by the Senator from Montana. My amendment to his amendment would strike out the figure "$23,435,000," appearing in line 2 of the amendment, and would substitute in lieu thereof the figure "$21,000,000."

The PRESIDING OFFICER. The Chair advises the Senator from California that the pending question is the motion to reconsider. Therefore, it is not now in order to propose such an amendment, other than by unanimous consent.

Mr. KNOWLAND. I ask unanimous consent for that purpose.

Mr. MURRAY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KERR. Mr. President, I hope the Senate will reject the motion to reconsider. I do not believe the Federal Government spends any money for which it receives a larger return, and I believe that it spends little money for which it receives as much return, as it receives for the money it spends for assistance and encouragement to vocational and agricultural training.

Let me remind the Senate that this program pertains not only to the Future Farmers of America, but also to the 4-H Club boys and girls of the Nation.

I also remind the Senate that millions of our young people and others who need the benefit of this program are now participating in it.

In Oklahoma there are approximately 75,000 young people engaged in this program at all times; and I believe that in every other State of the Union proportionate numbers of young people are engaged in the program.

For 4 years I was a member of the board of pardon and parole of the State of Oklahoma, and for 4 years I was Governor of Oklahoma. During that period of 8 years, there was never an application for clemency coming to me in either capacity from a man or a woman in a penal institution who, when he or she was young, had had the advantage of this training.

I believe that this program costs the Federal Government less than $10 a year for each young person who participates in it.

The amount here requested will permit the program to be offered to more and more of the young people of the Nation.

There never was a time when such a program was needed more, both in regard to training the youth of the country, giving them an opportunity for better economic advantages and to advance themselves, and giving them an opportunity to produce the food, feed, and fiber needed by the United States. Certainly it would be penny-wise and pound-foolish for us to reconsider the action by which we already have agreed to the amendment increasing the amount for these valid programs.

I cannot imagine that Senators now would vote to reconsider the action whereby we already have approved the amendment which will make reasonably adequate provision for expanding this amazingly wonderful, beneficial, educational program for American youth.

Mr. HUMPHREY. Mr. President, I wish to associate myself with the very pointed and direct remarks of the distinguished Senator from Oklahoma and of the other Senators who have expressed themselves in behalf of the amendment offered by the Senator from Montana.

I am very familiar with the vocational-education program, for at one time it was my privilege to direct a program of some substantial size in this field in the State of Minnesota.

My friend, the Senator from Mississippi [Mr. STENNIS], spoke eloquently and to the point when he addressed himself to the agricultural aspects of this program; and I should like to say that not only do we enjoy the benefits of agricultural education, as outlined in the George-Barden Act, to which the amendment applies, but we also have, as a result, a splendid program of vocational training, dealing with the mechanical and industrial arts. Certainly this program has paid terrific dividends.

One other point that needs to be emphasized is that the States are working on a system of matching funds with the Federal funds, and year after year States have increased the amount of their funds in proportion to the amount of the Federal grant. In other words, the States have been doing their job—plus. In the coming fiscal year the States are prepared to move ahead on a broader program of vocational education and are asking of the Federal Government to hold the appropriation to a moderate

degree, not to the full amount. A matching of funds has already been established as a basis of operations on the part of State legislatures. In other words, many State legislatures look forward to the Congress appropriating funds that will match the estimates of the Bureau of the Budget. Now if we should go below that, we would literally be letting down the States that have projected programs throughout their respective local school districts and areas.

As has been said, this program has value in terms of youth, in terms of occupation, in terms of rehabilitation. It surely has value in terms of economic productivity. There can be no doubt that the value of vocational education can be measured in dollars. It is productive in the dollar sense, but, more than that, as the Senator from Montana has pointed out, it is needed in the defense effort. Only recently General Hershey, of the Selective Service, said that the need of the Army now is for artisans, craftsmen, skilled mechanics, and semiskilled mechanics. One cannot even die for his country unless he knows something about vocational education. They want him to be equipped mentally and occupationally to be a semiskilled or skilled person; and this program will do more to equip the American armies and to equip American industry and to equip American agriculture to perform their jobs than possibly any other single educational program that can be mentioned.

Therefore, Mr. President, I think it is inconceivable that for the sake of $3,000,000 we should turn back a major defense project—which is exactly what this amounts to. If we are to produce shells, if we are to produce munitions and tanks, we had better have skilled craftsmen to do it. At least the young men who are going to use these munitions and tanks have to be trained in terms of their mechanical abilities, as has been asserted by the heads of the Selective Service at the present time.

So I appeal to the Senate, since there can be no doubt as to what the issue is, and since no one can be in doubt as to what the program before us is, that we sustain the vote that was taken on a division, reject the motion to reconsider and go ahead and act on this amendment, not only as part of an educational program, but as a fundamental, basic part of the American national defense, at home and abroad.

Mr. FERGUSON obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I am glad to yield to the Senator from California.

Mr. KNOWLAND. I should like to call the Senate's attention to the fact that in 1947 the amount allotted under this provision was $14,200,000. If the motion of the Senator from Tennessee carries, and the matter is reconsidered, I have already announced that I shall offer an amendment increasing the amount to $21,000,000. If the amendment is adopted, it will mean that there will be a 50-percent increase in this work in the period since 1947.

Furthermore, this is a matter of matching funds. There is nothing in the way that will prevent the States, who recognize the importance of this work, from increasing their contributions toward it; and I submit that most of the States of the Union are far more solvent than the Federal Government is today.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Tennessee?

Mr. FERGUSON. I am glad to yield.

Mr. McKELLAR. I ask unanimous consent that the budget estimate be made the amendment, that it be adopted and that it go to conference, and that those who are interested in it come before the conferees. First, we shall have to agree to the motion. But it is very late. I am very tired, and I know all Senators are very tired. I therefore suggest as a sort of compromise arrangement that we let the full amount of the budget estimate go to the conference committee, where it must go, anyway.

Mr. FERGUSON. Mr. President, reserving the right to object, I think it is well that we know just what the House had in mind in relation to this particular amendment. This is a grant-in-aid. There is no question that under the Bridges-Byrd amendment it is exempt, and therefore the 10 percent does not apply. I read from the House report:

> Grants-in-aid: The committee has disallowed the budget increase of $3,457,240 sought to be added to the $19,842,760 available in 1950 for vocational education grants under the George-Barden Act. A fundamental purpose of these grants is not only to provide direct assistance to the States and communities but also to stimulate State and local expenditures for these purposes. State and local expenditures have been increasing progressively in the last few years without any corresponding increase on the Federal side. In 1948, $2.96 of State and local funds were expended for each Federal dollar for this purpose, and in 1949 that ratio jumped to $3.52 for each Federal dollar. In terms of totals, approximately $93,000,000 was expended from State and local sources in 1949 as against $77,500,000 in 1948 and $62,160,000 in 1947. These statistics demonstrate that the Federal grants are serving admirably the stimulating purpose which they were set up to do.

Mr. President, I think we should have that in mind. We should have in mind that this was a matter rather of stimulating the States into action on this program. They have gone into the program. We have been supplying the money. The States are better off today than the Federal Government is, and when the 10 percent does not apply, the offer of $21,000,000 would be certainly a sufficient sum under the circumstances.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. FERGUSON. I am glad to yield.

Mr. STENNIS. Does the Senator not know that the programs under this provision are projected and mapped out, in view of the very funds that we appropriate? Will the Senator let me read him a quotation from the Department with reference to this?

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. FULBRIGHT. Mr. President, reserving the right to object to the unanimous-consent request of the Senator from Tennessee, that the Budget figure be taken to conference, is it not true that if the Senator will withdraw his motion to reconsider, it will achieve that purpose, and that we can then go forward?

Mr. McKELLAR. With the understanding that the unanimous-consent request would be agreed to, I should be willing to do that.

Mr. FULBRIGHT. No; I say if the Senator withdraws his motion, would it not achieve that purpose?

Mr. McKELLAR. I will withdraw my motion, if I may. I ask unanimous consent that I may withdraw it, because there are Senators present at this time who have stood very steadily by this bill.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. McKELLAR. It is very important that this bill become a law. I very earnestly ask Senators on both sides to let the bill pass and not to carry it over further.

The PRESIDING OFFICER. Is unanimous consent given to the request of the Senator from Tennessee that he be allowed to withdraw his motion?

Mr. BRIDGES. Mr. President, I am sorry, but I shall have to object.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. Is unanimous consent necessary for the withdrawal of a motion?

The PRESIDING OFFICER. The present occupant of the chair is advised that such is the case. Leave of the Senate is required.

Mr. FULBRIGHT. Is the consent of the Senate required to withdraw one's own motion?

The PRESIDING OFFICER. It is necessary, in order to withdraw a motion to reconsider. The Chair reads to the Senate rule XXI:

> 2. Any motion or resolution may be withdrawn or modified by the mover at any time before a decision, amendment, or ordering of the yeas and nays, except a motion to reconsider, which shall not be withdrawn without leave.

The question is on the motion of the Senator from Tennessee to reconsider the vote by which the amendment of the Senator from Montana and other Senators was adopted.

Mr. FULBRIGHT. Mr. President, I do not wish to speak at length. I merely wish first to ask the Senate not to reconsider this amendment, and to associate myself with the remarks that have been made by the distinguished Senator from Mississippi, the distinguished Senator from Oklahoma, and other Senators. The experience of my own State has been identical to that which has been

described. The hour is too late for me to reiterate the statements which have already been made.

There is just one other thought I should like to suggest to Senators who are opposing this particular amendment, in addition to those that I believe have already been made. That is the great importance of this program to the education of the colored people of the country. I have previously observed that there are some persons who are very much interested in their improvement in certain other ways, such as industrial employment, but they overlook sometimes the great importance of education to the colored people. I think some of the opponents of this amendment ought to consider it from that angle. It is probably the most important single program we can find for the improvement of the lot of the colored youth as well as of the white youth. I know that is true in my State, and I think it is true in all Southern States.

I hope Senators will make an exception in the case of this amendment and will adopt it.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote by which the Senate adopted the amendment offered by the Senator from Montana [Mr. MURRAY] and other Senators.

Mr. McCARRAN. Mr. President, I wonder if the Senator from Arkansas would be willing, in keeping with his fine statement, to incorporate in his motion the FEPC bill.

Mr. FULBRIGHT. No; I would say to the Senator that I would not. I think that is a completely erroneous approach to the whole problem. I am unable to understand how those persons who seem to be so interested in forcing a system of employment on the Nation have no interest whatever in trying to raise the level of education and the standards of health of the colored people.

Mr. McCARRAN. Is not the opportunity for employment equal to the opportunity for education?

Mr. FULBRIGHT. This program involves none of the elements involved in the program of FEPC. There are distasteful and wholly unworkable elements in that program.

Mr. McCARRAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. Would it be possible at this time to incorporate the FEPC bill?

The PRESIDING OFFICER. The Chair understands that the unanimous-consent agreement requires that no amendment which is not germane shall be in order. Therefore the Senator's proposed amendment would not be in order at this time.

Mr. McCARRAN. I realize that the Senator who is now presiding would, of course, be inclined to rule in that way.

The PRESIDING OFFICER. The Chair is sorry to have to say to the Senator from Nevada that the Senator who is now presiding tries to pass upon questions on the basis of the rules, and he is advised by the Parliamentarian as he has stated and as he has ruled.

Mr. McCARRAN. Mr. President, I now move that the FEPC bill be incorporated in the motion.

The PRESIDING OFFICER. The motion of the Senator is out of order.

Mr. LUCAS. Mr. President, I thought we could finish this bill tonight, and I so stated to the distinguished minority leader about 2 hours ago. I thought we could then take a recess until Monday. My distinguished colleague, the chairman of the Appropriations Committee, seems very tired, and I think, in deference to the Senator from Tennessee——

Mr. McKELLAR. Mr. President, I am not so tired as I am lame; especially so, after all the attacks which have been made upon the bill.

Mr. LUCAS. Out of consideration for the distinguished Senator who has been extremely faithful in staying almost daily at his post for the past 4 weeks in connection with this bill, and since it is now almost 9 o'clock, I should like to ask the Senate to take a recess until tomorrow.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. BRIDGES. Many Senators took the Senator from Illinois at his word, that we would finish the bill tonight. Many Senators canceled engagements in order to remain here with the understanding that the bill would be finished in the next hour.

Mr. LUCAS. It is now 9 o'clock, and we have been here since 11 a. m. I make my suggestion only out of deference to the Senator from Tennessee, who is really very tired. I think we should do that for the distinguished Senator, who has been in the Senate longer than has any other living man. He has been a faithful soldier here. We may be here for two more hours. I think if we should take a recess until tomorrow, to meet at 12 o'clock, we can finish the bill in a couple of hours.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, I want to thank the distinguished majority leader for yielding. I contacted the members of the minority and they agreed to remain here tonight to finish this bill. I was sure that it would be possible, by remaining here tonight, to recess until Monday. I went around and contacted practically all the Members on this side of the aisle, and they agreed to remain. Out of respect for the distinguished Senator from Tennessee I want to cooperate. But I believe we could go right on and vote and get through with the bill within an hour. I actually think so, and I should like to do that if the majority leader will permit it. But I am not going to hold out against the wishes of the chairman of the Appropriations Committee or the wishes of the majority members of that committee if they would like to take a recess until tomorrow.

I think we might agree to limit debate to 5 minutes on each amendment. If we cannot do it tonight, I think we should try to limit ourselves tomorrow. If we can do it tonight, I should be glad if the majority leader would agree to a limitation of 5 minutes on each amendment—not for each Senator—and vote the amendments up or down and vote the bill up or down and finish it tonight. I think we can do that. I appeal to the majority leader to try it, and then if it cannot be done, we can recess until tomorrow.

Mr. KERR. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KERR. Will the Senator withhold his request until the Senate votes on the pending motion?

Mr. LUCAS. Yes.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ANDERSON. I should like to suggest that 5 minutes, a long time ago, would have sufficed, but the distinguished Senator from West Virginia was cut off and could not speak and other Senators could not speak. I do not think that 5 minutes on each amendment is sufficient. We have been waiting for the period to arrive when we shall have unlimited debate. I want only 3 or 4 minutes.

Mr. LUCAS. I think I understand the Senator.

Mr. WHERRY. Mr. President, if the Senator will yield further, I want to cooperate in every way. I have a great deal of respect and consideration for the distinguished Senator fom Tennessee, but I should like to have the Senator modify the unanimous-consent agreement under which we are operating to limit debate to 5 minutes on each amendment. If that cannot be done, I think the only thing to do is to take a recess.

Mr. LUCAS. Mr. President, I understood from what the Senator from New Mexico said a moment ago that probably there would be an objection made to that course. If we can vote on the motion now, I shall make that kind of a request.

Mr. MURRAY and other Senators asked for the yeas and nays.

The yeas and nays were ordered.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Will the Chair please state what we are about to vote on, so that every Senator will know?

The PRESIDING OFFICER. The Senator from Tennessee has moved that the Senate reconsider the vote by which it adopted the amendment offered by the Senator from Montana [Mr. MURRAY] for himself and other Senators. The question now is on agreeing to that motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

The Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. CONNALLY],

the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Wyoming [Mr. HUNT], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

I announce further that, if present and voting, the Senator from Virginia [Mr. ROBERTSON] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from New Hampshire [Mr. TOBEY] would vote "yea."

The Senator from Maine [Mr. BREWSTER] and the Senator from Vermont [Mr. FLANDERS] are detained on official business.

The result was announced—yeas 24, nays 53, as follows:

YEAS—24

Bricker	Frear	Martin
Bridges	Hickenlooper	O'Mahoney
Capehart	Kem	Saltonstall
Cordon	Knowland	Smith, Maine
Douglas	Lodge	Smith, N. J.
Ecton	Lucas	Taft
Ellender	McKellar	Wherry
Ferguson	McMahon	Williams

NAYS—53

Aiken	Humphrey	Morse
Anderson	Ives	Mundt
Butler	Johnson, Colo.	Murray
Chapman	Johnson, Tex.	Myers
Chavez	Johnston, S. C.	Neely
Darby	Kerr	O'Conor
Donnell	Kilgore	Pepper
Dworshak	Langer	Russell
Eastland	Leahy	Schoeppel
Fulbright	Lehman	Sparkman
George	McCarran	Stennis
Graham	McCarthy	Thomas, Okla.
Gurney	McClellan	Thye
Hayden	McFarland	Tydings
Hendrickson	Magnuson	Watkins
Hill	Malone	Wiley
Hoey	Maybank	Young
Holland	Millikin	

NOT VOTING—19

Benton	Gillette	Taylor
Brewster	Green	Thomas, Utah
Byrd	Hunt	Tobey
Cain	Jenner	Vandenberg
Connally	Kefauver	Withers
Downey	Long	
Flanders	Robertson	

So Mr. MCKELLAR's motion to reconsider was rejected.

Mr. LUCAS. Mr. President, I shall make one further request. If the request is not granted I shall make a motion to recess. It seems to me that we have debated the principal amendments and the bill itself a sufficient length of time to be able to enter into a unanimous-consent agreement which would limit debate on any amendment to 5 minutes, as well as on the bill itself.

Mr. President, I ask unanimous consent to modify the present unanimous-consent agreement by providing that all amendments which have not been heretofore disposed of shall be debated only for 5 minutes on each side, that is, 5 minutes for the proponents and 5 minutes for the opponents, to include also the bill itself, and that the other usual orders which are entered into, such as germaneness of amendments, motions, and so forth, shall be included in the agreement.

The PRESIDING OFFICER. Is it intended to include motions?

Mr. LUCAS. Yes; motions.

The PRESIDING OFFICER. Does the Senator intend the agreement to be operative after convening tomorrow?

Mr. LUCAS. No; from now on. I mean from this moment on. I believe we should try to finish consideration of the measure this evening. If we can enter into the kind of unanimous-consent agreement which has been suggested I believe we can finish consideration of the measure this evening within perhaps an hour.

Mr. WHERRY. Less than that.

Mr. LUCAS. Perhaps less than that. If it is not possible to enter into such a unanimous-consent agreement, I propose to make a motion to recess.

Mr. MORSE. Mr. President, reserving the right to object, I think we should dispose of the bill tonight. I think we can dispose of the bill in a very short period of time. I think we can dispose of it without any unanimous-consent agreement which prohibits any Member of the Senate for a reasonable length of time to express his point of view on any one amendment he may wish to discuss. I realize that after we have had a hard day such as this and tension has developed within the Senate, there is a great tendency of course to put the pressure on for a quick vote, and overlook sometimes the right of individual Members of the Senate who in good faith may wish to present an argument for or against an amendment, and I believe we must constantly be on guard in protecting the rights of individual Members of this body to have adequate time for debate on an amendment. I submit, if a Member of this body wishes to present an amendment and discuss it or oppose an amendment, that 5 minutes simply is not adequate time within which to discuss it. We may as well have no debate at all. Therefore, again risking misunderstanding as to his motives, the junior Senator from Oregon shall stand guard on what he thinks is a very important right in the Senate, namely, the right to reasonable debate on the floor of the Senate, and he objects.

The PRESIDING OFFICER. Objection is heard.

Mr. TAFT. I offer an amendment.

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Ohio?

Mr. TAFT. I thought I had the floor.

Mr. LUCAS. I should like to ask the Senator from Ohio——

Mr. TAFT. I have two rather noncontroversial amendments.

Mr. LUCAS. Does the Senator think they are noncontroversial?

Mr. TAFT. I hope they are. [Laughter.]

Mr. LUCAS. I have not seen any amendments which are very noncontroversial, and I think perhaps we ought to take a recess. But if the Senator desires to try out one of these noncontroversial amendments, I am willing.

Mr. TAFT. There will be no trouble about one of them, anyway. I send an amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. Does the Senator from Illinois yield the floor?

Mr. LUCAS. I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio proposes an amendment, which will be stated.

The CHIEF CLERK. On page 338, line 4, it is proposed to strike out the colon and insert in lieu thereof a period, and, beginning with the word *"Provided"* in line 4, to strike out down to and including line 22, on page 341, as follows:

That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended for tuition, fees, or other charges, or for subsistence allowance, for any course elected or commenced by a veteran on or subsequent to July 1, 1948, and which is determined by the Administrator to be avocational or recreational in character. For the purposes of this proviso, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood: *Provided further,* That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended subsequent to the effective date of this chapter for subsistence allowance or for tuition, fees, or other charges in any of the following situations:

(1) For any veteran for a course in an institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to August 24, 1949;

(2) For any course of education or training for which the educational or training institution involved has no customary cost of tuition, until a fair and reasonable rate of payment for tuition, fees, or other charges for such course has been determined. In any case in which one or more contracts providing a rate or rates of tuition have been executed for two successive years, the rate established by the most recent contract shall be considered to be the customary cost of tuition notwithstanding the definition of "customary cost of tuition" as hereinafter set forth. If the Administrator finds that any institution has no customary cost of tuition, he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition, fees, and other charges for the courses offered by such institution. Any educational or training institution which is dissatisfied with a determination of a rate of payment for tuition, fees, or other charges under the foregoing provisions of this paragraph shall be entitled, upon application therefor, to a review of such determination (including the determination with respect to whether there is a customary cost of tuition) by a board to be known as the Veterans' Tuition Appeals Board, consisting of three members, appointed by the Administrator for such purpose. Such board shall be subject, in respect to appointment, hearings, appeals, and all other actions and qualifications, to the provisions of sections 5 to 11, inclusive.

of the Administrative Procedure Act, approved June 11, 1946, as amended. The decision of such board with respect to all matters shall constitute the final administrative determination. In no event shall the board fix a rate of payment in excess of the maximum amount allowable under the Servicemen's Readjustment Act, as amended. The term "customary cost of tuition" as employed herein and in paragraph 5, part VIII, Veterans Regulation No. 1 (a), as amended, is regarded as that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a "customary cost of tuition" for the course or courses in question in the following circumstances:

(a) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended; and

(b) One of the following conditions prevails:

1. The institution has been established subsequent to June 22, 1944.

2. The institution, although established prior to June 22, 1944, has not been in continuous operation since that date.

3. The institution, although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

4. The course (or a course of substantially the same length and character) was not provided for nonveteran students by the institution prior to June 22, 1944, although the institution itself was established before June 22, 1944: *Provided further*, That nothing in the foregoing proviso shall be construed to affect adversely any legal rights which have accrued prior to the date of enactment of this chapter, or to affect payments to educational or training institutions under contracts in effect on such date.

Mr. TAFT. Mr. President, this amendment at least saves some money by striking out four pages of printing in the bill.

Last year we dealt with the problem of vocational schools by amending an appropriation bill in a purely legislative way. I did not think that was the proper way to legislate. That amendment was carried over into this year's bill, but since that time the whole subject has been dealt with by legislation in a bill approved by the President on July 13 this year. So that it seems to me obvious that this language should now be eliminated from the appropriation bill. The wording is a little different from that of the legislation enacted, and we will only create confusion if we leave this language in the bill.

Mr. O'MAHONEY. Mr. President, the Senator from Ohio is quite correct in his statement. The language he proposes to strike out was written into the independent offices appropriation bill last year while that measure was being considered on the floor of the Senate. It deals with the fees and regulations of veterans' training and education.

Since the provision was written into the independent offices bill last year the Senate has considered an amendment of the entire act, and my understanding therefore is that the effect of the amendment of the Senator from Ohio is merely to strike out the language of last year's appropriation bill, which in effect was legislation, and therefore brings into operation a law which has just been enacted at this session. That being the case, I certainly hope that there will be no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

The amendment was agreed to.

Mr. TAFT. Mr. President, I send another amendment to the desk and ask to have it reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 367, after line 14, it is proposed to insert the following new paragraph:

Flood control, Roseville, Ohio: For the construction of local flood protection works at Roseville, Ohio, heretofore authorized by law (Public Law 761, 75th Cong., as amended and supplemented), $540,000.

Mr. TAFT. Mr. President, on June 30 I wrote the following letter to the distinguished chairman of the Committee on Appropriations:

MY DEAR SENATOR MCKELLAR: On June 16–17 of this year a disastrous flood inundated the town of Roseville, Ohio, inflicting extensive damage, as evidenced by the attached photographs.

I have the photographs here, which show the entire town under water, the town being damaged to the extent of several million dollars, altogether. The letter continues:

A flood defense project has been authorized at Roseville, since the Flood Control Act of 1938 (Public Law 761, 75th Cong.), but only preliminary planning has been embarked on.

I therefore request since the Army Civil Functions Subcommittee has already completed hearings and marked up that section of the 1951 general appropriation bill that the attached amendment to the bill be considered by the full committee before final action is taken on the bill.

The full committee felt that they should not take any new action which had not been considered by the subcommittee, and it was suggested that I submit the amendment on the floor of the Senate.

The damage was about three or four times the entire cost of the project, if the project had been started and completed. I think there is no question that if the matter had come before the committee, the amendment would have been included in the bill. It is in the nature of an emergency provision, and I think it is reasonable, and I ask the Senator from Tennessee if he will not take the amendment to conference.

Mr. McKELLAR. Mr. President, the Senator from Ohio spoke to me about the matter before. I have looked into it, and I am sure the situation in Roseville is bad, and should be dealt with at once. So far as I am personally concerned, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

The amendment was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I call up an amendment on page 472, line 4, which I hope will not be controversial. It is important, however.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 472, line 4, after the word "apply", it is proposed to insert the words "to appropriations for the transportation of mail or."

Mr. JOHNSON of Colorado. Mr. President, the purpose of the amendment is to make it possible for the mail to be carried, and for whatever contracts are necessary to have the mail carried to be entered into. No one can tell what the mail situation is going to be. No one knows.

Mr. ANDERSON. Mr. President, did the Senator say the amendment comes on page 472, line 4?

Mr. JOHNSON of Colorado. Yes.

Mr. ANDERSON. The language there reads, "The provisions of this section shall not apply to any corporation" and so forth. Will the Senator please tell where his amendment goes in?

Mr. JOHNSON of Colorado. It follows after the word "apply", to insert the words "to appropriations for the transportation of mail or."

As I have said, no one can tell how much mail there will be. No one can tell in advance, no one can prophesy, what it will amount to. The acting chairman of the CAB has written me and insisted and urged that this amendment be agreed to. I ask the chairman of the committee if it can be taken to conference.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Tennessee.

Mr. McKELLAR. Was the amendment submitted to the committee?

Mr. JOHNSON of Colorado. It was not submitted to the committee. It is a matter which came up after the bill reached the floor of the Senate. The necessity for the amendment was not noticed until the bill came out on the floor.

Mr. MAYBANK. Mr. President, I may say to the distinguished chairman of the Committee on Appropriations that the subcommittee did not receive the information which the Senator from Colorado now presents, because the bill had been written up, and we were dealing with an over-all appropriation bill, rather than separate bills, which has been the customary way of making appropriations heretofore. I told the Senator from Colorado that if the amendment did not meet with opposition from the chairman of the committee, I would carry the amendment to conference, as the subcommittee chairman.

Mr. SALTONSTALL. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I should like to have the amendment taken to conference because it might save a great deal of trouble. I am glad to yield.

Mr. SALTONSTALL. Does this amendment mean that all appropriations for carrying the mails would be exempted from the antideficiency provision?

Mr. JOHNSON of Colorado. I presume that is what it would mean. That would be the effect of the amendment, I suppose.

Mr. SALTONSTALL. That would mean that all the Post Office Department would be eliminated from the antideficiency provision.

Mr. JOHNSON of Colorado. Oh, no; it does not mean that at all. It applies only to the transportation of mail. It is limited to the transportation of mail.

Mr. McKELLAR. Mr. President, what is the cost of the transportation of the mail?

Mr. MAYBANK. Four hundred million dollars.

Mr. McKELLAR. I do not think this amendment should be agreed to.

Mr. FERGUSON. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Michigan.

Mr. FERGUSON. Would the amendment cover delivery of mail?

Mr. JOHNSON of Colorado. It covers transportation of mail, contracts for the carriage of mail.

Mr. FERGUSON. It would not apply to the mail deliveries from door to door, would it?

Mr. JOHNSON of Colorado. No; it has nothing to do with that. It applies to the transportation of mail.

Mr. LANGER. Mr. President, do I understand that railroad transportation, air-mail transportation, ocean transportation is included?

Mr. McKELLAR. Yes; ocean, air, and all kinds of transportation of mail.

Mr. JOHNSON of Colorado. Mr. President, the only reason it cannot be separated in this amendment so as to make it apply only to air mail is because the present bill lumps the transportation of mail in one item for which I think $400,000,000 is provided. The amendment is meant to apply only to contracts for carrying air mail.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. MAYBANK. I wish to make a statement. The $400,000,000 is divided principally into railroad and messenger service, $227,000,000; amounts due, $29,000,000; foreign air mail service, $60,000,000; domestic air mail service, $68,000,000. I wish the Senator from North Dakota to know, because he is the ranking minority member of the Post Office and Civil Service Committee, that there are going to be deficiencies. The matter might be carried to conference and worked out there.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUNT, from the Committee on the District of Columbia:

S. 3979. A bill to fix the responsibilities of the Disbursing Officer and of the Auditor of the District of Columbia, and for other purposes; without amendment (Rept. No. 2238).

By Mr. JOHNSTON of South Carolina, from the Committee on the District of Columbia:

S. 883. A bill to require the taking and destruction of dangerous weapons in certain cases, and for other purposes; without amendment (Rept. No. 2241).

By Mr. McFARLAND, from the Committee on Interior and Insular Affairs:

S. 1140. A bill to authorize credits to certain public agencies of the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico; with amendments (Rept. No. 2240).

By Mr. EASTLAND, from the Committee on the Judiciary:

H. R. 10. A bill to facilitate the deportation of aliens from the United States, to provide for the supervision and detention pending eventual deportation of aliens whose deportation cannot be readily effectuated because of reasons beyond the control of the United States, and for other purposes; with an amendment (Rept. No. 2239).

By Mr. MAGNUSON, from the Committee on the Judiciary:

H. R. 9074. A bill to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to nonprofit contests wherein prizes are awarded for the specie, size, weight, or quality of fish caught by the contestant; without amendment (Rept. No. 2242).

By Mr. CHAPMAN, from the Committee on Armed Services:

S. 3889. A bill to increase permanently the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States; with amendments (Rept. No. 2243).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 3, 1950, he presented to the President of the United States the following enrolled bills:

S. 4. An act authorizing the advanced training in aeronautics of technical personnel of the Civil Aeronautics Administration;

S. 2655. An act for the relief of Mrs. Evelyn M. Hryniak;

S. 3380. An act to amend the act of August 9, 1939, to redefine the term "contraband article" with respect to narcotic drugs, and for other purposes; and

S. 3520. An act to strengthen the common defense by providing for continuation and expansion of Western Hemisphere production of abacá by the United States.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah:

S. 4008. A bill for the relief of Paura Fumie Suzuki and her minor son, Raymond Takashi Swenson; to the Committee on the Judiciary.

(Mr. THOMAS of Utah also introduced Senate bill 4009, to authorize the Secretary of Labor to promote the development and adoption of plans and programs for the improvement of the skills of the Nation's work force, and for other purposes, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. ANDERSON:

S. 4010. A bill conferring jurisdiction upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon the claim of Al Parker, of El Paso, Tex., arising out of the damage sustained by him as a result of the operation and use by the United States Army of certain lands in Dona Ana County, N. Mex., as an antiaircraft artillery practice firing range; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 4011. A bill for the relief of Capt. Merton Jesse Clark; to the Committee on the Judiciary.

By Mr. DWORSHAK:

S. 4012. A bill for the relief of Walter R. Cupp, Captain, United States Army, E. O. retired; to the Committee on the Judiciary.

By Mr. LANGER:

S. 4013. A bill for the relief of Emiko Mori; and

S. 4014. A bill conferring authority on the United States Court of Appeals for the District of Columbia to regulate admission to the bar of the District of Columbia; to the Committee on the Judiciary.

IMPROVEMENT OF SKILLS OF NATION'S WORK FORCE

Mr. THOMAS of Utah. Mr. President, I introduce for appropriate reference a bill to authorize the Secretary of Labor to promote the development and adoption of plans and programs for the improvement of the skills of the Nation's work force, and for other purposes, and I ask unanimous consent that a statement prepared by me explaining the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the statement presented by the Senator from Utah will be printed in the RECORD.

The bill (S. 4009) to authorize the Secretary of Labor to promote the development and adoption of plans and programs for the improvement of the skills of the Nation's work force, and for other purposes, introduced by Mr. THOMAS of Utah, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement presented by Mr. THOMAS of Utah is as follows:

STATEMENT BY SENATOR THOMAS OF UTAH

Mr. President, as we all know, this Nation is embarked on a program to build up its economic and military strength to the point where it can effectively cooperate with the United Nations in its efforts to perform its clear responsibilities under the Charter of the United Nations to maintain international peace and security and to resist aggression which threatens that international peace and security. One of the most important aspects of this responsibility must be the development of a program for the effective mobilization of the manpower of this Nation. The executive branch of the Government is devoting much time and thought to the development of this effort and to the working out of sound procedures to carry it out.

In such a program, it is not only important that we see to it that industries

which are called upon to make a contribution to the defense effort have the necessary labor to do the job; it is also necessary that each worker be enabled to do the job in the most efficient and skilled manner possible.

In 1937 the Congress authorized the Secretary of Labor "to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices, and to cooperate with the States in the promotion of such standards." Under this law (Public, No. 308 of the 75th Cong.), which is commonly known as the Apprenticeship Act, the Department of Labor has, in cooperation with the States and with industry and labor, developed effective programs for the training of apprentices in those trades and skills where the apprenticeship method has commonly been recognized.

The 1937 legislation did not, however, authorize the Secretary of Labor to develop a similar program with respect to nonapprenticeable occupations. The program was confined to apprenticeable trades and skills.

The lack of a similar program for the nonapprenticeable occupations has long needed to be remedied. Whether in normal or in emergency times we need to be constantly developing the skills and techniques of those who work in industry. We need to develop such skills and techniques in order to assure maximum production of the goods and services we all need. But equally important we need to develop them in order to enable the worker himself to develop those capacities which enable him constantly to improve his economic status and security.

Such a program would be provided for in a bill which I am introducing today. This bill has been developed by the Department of Labor in consultation with the Office of Education and other Government agencies. It represents the best thinking of these agencies as to the manner in which such a program as I have described could be formulated and carried out. I have been advised that the bill is in accordance with the program of the President.

Under the bill, the Secretary of Labor would be authorized and directed "(a) with the advice and assistance of labor and management, to promote the development and adoption of plans and programs for improving the skills and techniques of those employed within industry," and to collect and disseminate information and advice on such plans and programs and on the procedures and methods used in industry for improving such skills and techniques. The Bureau of Apprenticeship in the Department of Labor has had valuable and practicable experience in the field of training on the job upon which the Secretary of Labor can draw in carrying out these functions. The Secretary of Labor would also be authorized to conduct such studies as he deems essential in order to ascertain the conditions under which the work force can function most effectively and to develop programs for the full utilization of the work force. It is specifically provided in the bill that existing activities and authority of public educational authorities under applicable Federal and State vocational education acts are not impaired or superseded by the provisions of the bill, and that the bill does not authorize the Secretary of Labor to engage in such activities.

As I see it, the activities authorized by the bill would have a twofold effect—they would bring about an increase of skills in thousands of plants where this is needed for normal production operations, and they would cause to be formulated methods and procedures which can be invaluable in this critical period.

I feel strongly, Mr. President, that, notwithstanding the fact that it is late in the session, in view of the existing situation, this legislation should be enacted at this session of the Congress. Its provisions have been carefully considered by the interested Government agencies and have their approval. There is no reason why, if we are concerned to legislate for the welfare of the Nation, we cannot speedily enact this bill.

INVESTIGATION OF DISPOSITION OF MONEYS PAID FOR ADMISSION TO THE BAR OF UNITED STATES DISTRICT COURT FOR DISTRICT OF COLUMBIA

Mr. LANGER submitted the following resolution (S. Res. 323), which was referred to the Committee on the Judiciary:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full study and investigation into the alleged practice of the Committee on Admissions and Grievances of the United States District Court for the District of Columbia of appropriating to its own use moneys paid for admission to the bar of the United States District Court for the District of Columbia. The committee shall report the results of such study and investigation to the Senate at the earliest practicable date, together with its recommendations for such legislation or other action as it deems necessary.

GENERAL APPROPRIATIONS—AMENDMENT

Mr. PEPPER submitted an amendment intended to be proposed by him to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF FEDERAL-AID ROAD ACT—AMENDMENTS

Mr. SALTONSTALL (for himself and Mr. LODGE) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, which were ordered to lie on the table and to be printed.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. HOLLAND in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Interstate and Foreign Commerce.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. TYDINGS, from the Committee on Armed Services:

Robert J. Smith, of Texas, to be Vice Chairman of the National Security Resources Board;

Elizabeth Ann Askegaard, and sundry other officers for promotion in the United States Air Force;

Lt. Gen. Edwin William Rawlings, and sundry other officers for appointment in the United States Air Force;

Paul A. Campbell, and sundry other persons for appointment in the United States Air Force;

Brig. Gen. James Frederick Phillips, and sundry other officers for temporary appointment in the Air Force of the United States;

Brig. Gen. Frederick Read Anderson, and sundry other officers for appointment in the Air National Guard of the United States of the Air Force of the United States;

Col. Walter Gelvin Bain, and sundry other officers for appointment in the United States Air Force Reserve; and

David I. Carter, and sundry other midshipmen (Naval Reserve Officers Training Corps) and sundry civilian college graduates for permanent appointment as second lieutenants in the Marine Corps.

TOTALITARIAN IDEOLOGIES AND THE AMERICAN WAY OF LIFE—EXCERPT FROM ADDRESS BY SENATOR TOBEY

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an excerpt from an address delivered by Senator TOBEY to the American Association of University Women on March 21, 1949, which appears in the Appendix.]

ADDRESS BY SENATOR SPARKMAN BEFORE THE AMERICAN LEGION, DEPARTMENT OF THE DISTRICT OF COLUMBIA

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an address delivered by him before the Thirty-second Annual Convention of the American Legion, Department of the District of Columbia, on July 20, 1950, which appears in the Appendix.]

AN INVITATION TO WONDERFUL WISCONSIN

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him inviting the people of the Nation to visit Wisconsin, which appears in the Appendix.]

TAXES: PROBLEMS OF SMALL BUSINESS—ADDRESS BY HON. J. CALEB BOGGS

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an address entitled "Taxes: Problem of Small Business," delivered by Hon. J. CALEB BOGGS, of Delaware, before the annual convention of the National Candy Wholesalers Association, New York, N. Y., June 1, 1950, which appears in the Appendix.]

THE WAY TO FIGHT A WAR AND PRESERVE FREEDOM—STATEMENT BY DEWITT EMERY

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a statement written by DeWitt Emery, president, National Small Business Men's Association, in the July 1950 issue of Pulling Together, which appears in the Appendix.]

INVESTIGATION OF ARMED SERVICES—ARTICLE BY DORIS FLEESON

[Mr. KERR asked and obtained leave to have printed in the RECORD an article by Doris Fleeson with reference to an investigation of the armed services by a subcommittee of the Committee on Armed Services, published in the Washington Star, August 3, 1950, which appears in the Appendix.]

THE EYES OF ASIA ARE UPON UNITED STATES ENVOY IN MANILA—ARTICLE FROM CHICAGO TRIBUNE

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "The Eyes of Asia Are Upon United States Envoy in Manila," written by David Boguslav, and published in the Chicago Tribune of July 9, 1950, which appears in the Appendix.]

ALLOCATION OF STEEL DURING THE EMERGENCY—ARTICLE FROM UNITED STATES NEWS AND WORLD REPORT

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an article entitled "Dividing Up Steel in Emergency," in the nature of an interview with Admiral Ben Moreell (retired), published in the August 4, 1950, issue of United States News and World Report, which appears in the Appendix.]

RECESS

Mr. LUCAS. Mr. President, it is now apparent that we are going to have considerable controversy over the amendment of the Senator from Colorado, that probably a quorum call and a yea-and-nay vote may be sought. Out of deference to my good friend from Tennessee, the chairman of the Appropriations Committee——

Mr. McKELLAR. Oh, let the Senator put it on his own account.

Mr. LUCAS. Very well, on my own account; and because a number of other amendments will be submitted which will be controversial, I think the Senate ought to recess until 12 o'clock tomorrow. I so move.

The motion was agreed to; and (at 9 o'clock and 22 minutes p. m.), the Senate took a recess until tomorrow, Friday, August 4, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 3 (legislative day of July 20), 1950:

IN THE COAST GUARD

The following-named persons to be chief boatswains in the United States Coast Guard:

Claude E. Simmons	Marvin T. Duncan
William Miller	David S. Williams
Charles R. King	Frank Fitch

The following-named persons to be chief radio electricians in the United States Coast Guard:

Edward J. Ellwood	Alexander Cseh III
Joel Ober	Ross J. Hensley

The following-named persons to be chief machinists in the United States Coast Guard:

Harry W. Childs	Farrell E. Harvey
Henry C. Hedges	Duffy E. Rawls

The following-named person to be a chief carpenter in the United States Coast Guard:

Joseph B. Blanchard

The following-named persons to be chief pay clerks in the United States Coast Guard:

Theodore M. Krotky
Anthony M. Spiri

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 3, 1950

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, our Father, who art worthy of more than our highest praise, our deepest love, and our purest devotion, may the hours of this day be radiant in the realization of Thy presence, Thy peace, and Thy power.

May it be the goal of all our aspirations and desires to be one with Thee in spirit and to serve our generation according to Thy holy will.

Grant that in our prayers we may remember more frequently and fervently those who are now on the fields of battle giving themselves so bravely and sacrificially for those treasures of life which we are privileged to enjoy.

May we have the courage to believe that out of the strife and struggles in which the peace-loving nations are engaged there will emerge that which is curative and creative in the building of a better world.

Wilt Thou hasten the coming of that day when all the members of the human family shall be united in the bonds of brotherhood and yield themselves to the kind and kingly sovereignty of the Prince of Peace.

To Thy name we shall give all the glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2863. An act to provide for the expansion and disposition of certain national cemeteries.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the House to bills of the Senate of the following titles:

S. 2160. An act to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes; and

S. 2591. An act to amend the Public Health Service Act to support research and training in arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy and blindness, and other diseases, and for other purposes.

CALL OF THE HOUSE

Mr. MANSFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MANSFIELD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 221]

Abbitt	Burke	Dondero
Allen, La.	Burton	Eaton
Andresen, August H.	Carroll	Evins
Arends	Chelf	Frazier
Boykin	Christopher	Gillette
Breen	Cooper	Gore
Brehm	Davies, N. Y.	Granger
Bulwinkle	Davis, Tenn.	Hare
Burdick	Dingell	Hedrick
Hinshaw	Dolliver	Heller
Irving	Norton	Sheppard
Jennings	O'Brien, Mich.	Sims
Johnson	Perkins	Smathers
Karst	Pfeifer, Joseph L.	Smith, Kans.
Kee	Phillips, Tenn.	Smith, Ohio
Keefe	Powell	Stockman
Kelley, Pa.	Priest	Sutton
McMillen, Ill.	Quinn	Thomas
Macy	Riehlman	Thornberry
Miller, Nebr.	Rivers	Whitaker
Morrison	Roosevelt	White, Idaho
Moulder	Sabath	Willis
Murray, Tenn.	Sadowski	Wilson, Tex.
Murray, Wis.	Sanborn	Winstead
Nixon	Scott, Hardie	Woodhouse

The SPEAKER. On this roll call 346 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

DEFENSE PRODUCTION ACT OF 1950

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H. R. 9176, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL], and a substitute offered by the gentleman from Kentucky [Mr. SPENCE].

Are there any further amendments at this time?

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, as the Chairman has stated, the parliamentary situation as I understand is that the gentleman from Pennsylvania [Mr. KUNKEL] has submitted an amendment to the committee bill; the gentleman from Kentucky [Mr. SPENCE] has submitted a substitute. The parliamentary inquiry is along this line: How many amendments may be pending to either the Kunkel amendment or the Spence substitute?

The CHAIRMAN. Only one amendment to either the Kunkel amendment or the Spence substitute may be pending at one time, and that amendment must be disposed of before another amendment may be offered. The number of amendments is limited in that way.

Mr. WOLCOTT. If an amendment be offered to the Spence substitute would

an amendment to that amendment be in order?

The CHAIRMAN. It would not.

Mr. WOLCOTT. Is the same thing true of amendments to the Kunkel amendment?

The CHAIRMAN. Exactly.

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. If one wishes to offer an amendment to the Spence substitute must one wait until the Kunkel amendment is voted up or down?

The CHAIRMAN. No; the amendment can be offered at any time the Member is recognized by the Chair.

Mr. ROGERS of Florida. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROGERS of Florida. Suppose an amendment be offered to the original committee bill that was reported; does that take precedence over an amendment to the substitute?

The CHAIRMAN. Only one section of the original bill has been read, and only that part is subject to amendment at this time.

Mr. WOLCOTT. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Do we understand that an amendment is in order to any section of the Kunkel amendment or to any section of the substitute?

The CHAIRMAN. That is true.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the Spence substitute: Page 16, line 7, strike out "June 15, 1950," and insert "April 15, 1950,".

Mr. JAVITS. Mr. Chairman, it is my intention if this amendment is approved to offer an exactly similar amendment to the Kunkel substitute which also defines as the base period for a ceiling price on agricultural commodities, which is what my amendment refers to, the period from June 10 to June 24, 1950.

My amendment seeks to change that provision of the Spence substitute which sets the June 15, 1950, price received by producers, as that on which a ceiling price for agricultural commodities is to be determined. There is a standard in the Spence substitute which my amendment does not disturb and which says that the ceiling price shall be "the parity price for such commodity," then it goes on and says "or the average price received by the producers on June 15, 1950, if that is higher." I am making that date April 15, 1950, by my amendment.

This is the reason for it: We discussed the question on yesterday and it appeared very clear that whereas in other items of industrial equipment and of consumer goods there may have been serious rises in prices beginning with the Korean episode on June 25, 1950, in the case of agricultural commodities a sensational rise had begun on April 1, 1950.

I would like to give the House some figures as follows:

Commodity and unit [1]	Effective parity price, June 15, 1950 [1]	Average price received by farmers		Percentage of parity price, June 15, 1950 [1]
		Apr. 15, 1950 [1]	June 15, 1950 [1]	
Soybeans, per bushel	2.55	2.48	2.80	110
Lemons, per box [2]	3.14	1.53	3.79	121
Beef cattle, per hundredweight	17.30	21.80	23.70	137
Veal calves, per hundredweight	19.40	24.60	25.90	134
Lambs, per hundredweight	19.10	23.80	24.80	130
Wool, per pound	51.3	50.4	56.2	110

[1] Source: Agriculture Prices, issued by Bureau of Agricultural Economics, U. S. Department of Agriculture, June 30, 1950.
[2] Equivalent on-tree returns for all methods of sale.

Yesterday when we discussed this question it was made very clear that all of us who represented the agricultural districts and all of us who represented city districts would try to be fair about this situation, we would not try to tax the respective people whom we represent unduly. It appears now that on June 15, 1950, which is the date set up in the Spence substitute, the market price was in certain agricultural commodities very considerably higher than the parity price. That was the case primarily in meat.

These figures extracted from those I have given above are very interesting. On beef cattle the market price was 137 percent of the parity price on June 15; on veal calves 134 percent; on lambs 130 percent and on wool 110 percent. In other words, in these principal items of meat the market price was one-third higher than the parity price.

What is the parity price? The parity price is the relationship between the cost of what the farmer buys and what the farmer gets for what he sells. Not only that but the parity price by the last Agricultural Adjustment Act was adjusted so that it is now far more modern. It is what is called modern parity and takes in the years from 1939 to 1949, hence it takes into consideration the much higher prices which obtained during World War II; so that if you give the farmer 100 percent of parity you will not be unfair to him, you would be compensating him fully for all his increased costs.

I point out that parity price is very different from the support price, which is what is maintained under the Agricultural Adjustment Act and which may range between 60 and 90 percent of the parity price. Under the Spence substitute there is parity price, not 60 to 90 percent, but the full parity price or the market price on June 15, 1950, whichever is higher.

In view of these sensational rises in a few commodities, but very key commodities because meat constitutes about 25 percent of the average moderate families' budget, I submit, in view of the sensational rise from April 1 to June 15, through the Korean episode, of these particular food prices, if there is to be a roll-back the fair date to choose for these commodities is April 15. The reason I do not use April 1 is because the Bureau of Agricultural Economics gets out a record of Agricultural Prices on the fifteenth of the month. I have it before me. April 15 is the date upon which they have found and definitely ascertained what the market prices are, and I have chosen that date.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Pennsylvania.

Mr. RICH. What percentage of increase would take place from the date the gentleman suggests to the date that is now in the bill?

Mr. JAVITS. It runs from about 20 to 25 percent.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Between April 15 and June 15 the increase was about two-thirds of the total increase over parity.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman has given us parity prices for meat products. Should not the gentleman also give us parity prices for corn, wheat, and all the rest of the products for the same date?

Mr. JAVITS. May I point out to my colleague that in those commodities I have not included in my figures, the parity prices were higher than the market prices, hence they are not germane to this discussion as the bill even after my amendment will still retain the parity-price standard as to those commodities. My amendment leaves in the bill the ceiling of parity prices, so where the parity price is higher than the market price, there is no complaint.

Mr. GROSS. Does not the gentleman think it fair to apply that to meat products?

Mr. JAVITS. In effect my amendment does that, because the market price was higher as to meat, than the parity price. I made that clear in my statement to the House.

Mr. CAVALCANTE. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Pennsylvania.

Mr. CAVALCANTE. Does the gentleman's amendment also roll back wages?

Mr. JAVITS. That is determined in another part of the bill at the period between May 24 and June 24, 1950. In view of the fact that there is no comparable situation in wages or in other prices during the period between April 15 and May 24, I have confined my amendment to the particular items which moderate-income people buy and in which there was a sensational rise in that period.

Mr. CAVALCANTE. Can the gentleman give us a specific answer as to whether or not his amendment does roll back wages?

Mr. JAVITS. I have just given the gentleman that language. My amendment deals only with agricultural products, for the reasons stated, because that is the case in which the shoe hurts.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. Under what theory does the gentleman believe he should pick out a certain commodity and go back and roll it back to April, except convenience? This is a war measure, and ought to treat everybody alike.

Mr. JAVITS. I have already made that clear and I would like to point out that my colleague the gentleman from Georgia [Mr. PACE] yesterday said that this provision ought to be reviewed. I hope the House will review it now.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from New York would have the effect of depressing the prices of agricultural commodities. We have attempted to enact a bill that will provide for a stable economy, and that there be a just relationship between the price of commodities and the wages of labor. The gentleman from New York selects April 15 as the date to fix the comparable prices of agricultural commodities. That would have the effect of lowering the prices of those commodities and of dislocating their relationship to the other prices and the wages of labor. It seems to me it would be inadvisable to pass legislation of that kind. I do not have the statistics; I do not know just what effect it would have; no consideration has been given to it in committee, and it is of far-reaching import. And, I want to say another thing. I come from the city, but if we do not give the farmer a price that will persuade him to stay on the farm and produce, the prices of commodities that he produces will necessarily rise. It is essential the farmer shall obtain a fair price for his product. I hope the amendment will be defeated.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman from Georgia [Mr. PACE] said yesterday when we discussed that very question about fairness to the farmer, which is very important, and I know that my colleague here is going to enlighten us on that score, and I welcome him, and I emphasize that: All we want to be is fair. We want to be very fair about this. The gentleman from Georgia [Mr. PACE] said, "I agree with the gentleman that there was a rise there"—I am quoting his words in respect to farm products—"but it was from the processor and wholesaler on down through the retailer to the consumer." He said the farmer has sold his crops, so the farmer is not interested now. We are dealing with speculators, and that is exactly what this amendment is designed to do.

Mr. SPENCE. I think it goes very much further than that. I think we do not know just what effect it would have, but I know that it will have the effect of reducing prices.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Kansas.

Mr. HOPE. I should like to comment on the statement made by the gentleman from New York to the effect that farmers had sold their crops and would not be affected by this roll-back. He says that his amendment would apply specifically to meat animals. Meat animals are sold every day in the year, so farmers have not disposed of their meat animals. They sold them on the 16th of April, they sold them on the 30th of April, they are selling them today, and they will sell them tomorrow. So what the gentleman just said has no point whatever.

Mr. SPENCE. I think it is obvious that we have not had sufficient consideration of the amendment. I hope it will be voted down.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if there has been one thing that has come out of the Korean situation it is justification for the bold and courageous stand taken by Admiral Louis E. Denfeld when he testified last year as to this country's lack of preparedness. It is now clear that he is the Billy Mitchell of this period because he sacrificed his career to warn America that it was in danger.

Had his advice been heeded, we would have had from the very outset of this Korean crisis an effective striking force of carrier-based planes and Marines to throw into Korea.

To correct the badly shattered confidence of our people, I believe that the Armed Services Committee of the House of Representatives should request General Eisenhower, Admiral Denfeld, General Spaatz, Admiral Halsey, and some others to give us the benefit of any suggestions they may care to make.

God save the Commonwealth of Massachusetts. No one could contribute more than Admiral Louis E. Denfeld. America needs men of his character, courage, and ability.

Mr. PACE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope I will be pardoned for saying, as we begin our deliberations on these amendments, that I hope everybody will make an effort to try to treat all groups as nearly as possible alike.

I regret that the legislative situation is such that I cannot offer the amendment which I gave notice yesterday I would offer on this question.

The gentleman seeks to go back to April 15 as the determining price, the market price on commodities, in fixing the ceiling prices when they should be above the parity price. I said yesterday that I intend to ask the House to strike the one date fixed in the Spence amendment on agricultural commodities, June 15, and write in exactly the same provision as is provided here for the wage earner.

It says here that the wage earner's ceiling shall not be less than the highest wage in the period from May 24 to June 24. That is all right with me. That includes the miners' increase after April 15. Many of these new automobile contracts were made after April 15. They will all be protected by the May 24 to June 24 provision.

I ask the gentleman from New York to reconsider his statement that there were no substantial increases in wages after April 15, because there were, and I think the farmers of the Nation, as I understand them and know them, do not intend to ask you to roll back those wage increases which were received up until the time of the Korean conflict. All the farmers of the Nation are asking is that you give them exactly equal treatment, that the highest price during the same 30-day period, from May 24 to June 24, be considered one of the minimums for their prices.

If the gentleman is concerned about the prices of meat, and I know he is concerned about that, then perhaps we may have to deal with that problem separately. I do not at the moment however see the need for that, but certainly when the gentleman offers an amendment which treats with the whole agricultural structure across the board predicated only upon the prices of one or two commodities, I doubt the soundness of such an approach.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. JAVITS. There are two reasons for my amendment. First, it is the fact that parity remains in the bill.

Mr. PACE. Yes, indeed.

Mr. JAVITS. Hence practically every commodity is protected except that those that have had these inordinate rises. Secondly, and very important, wages are not in the same position as farm prices. Wages do not have parity prices, and the Government has not spent $4,000,000,000 to protect them. However, I am not mad about that. And I am not arguing against it. At this point I only point out that it is right to treat the agricultural situation on its own because it does occupy a unique position in respect to the price situation.

Mr. PACE. I have great respect for the gentleman, but I regret I cannot agree with him. I see no more reason why we should roll back farm prices as long as they are reasonable than it would be to roll back wages. If we are going to start this morning with a general roll-back plan and are going to use the Korean conflict as the justification for this legislation, and this bill would not be here otherwise, then let us fix that date.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. BROWN of Georgia. The speaker has fully demonstrated the fallacy of

undertaking to write a bill on the floor of the House of this nature, without any hearings whatever.

The House is trying to write a bill to control every commodity in the United States where the interrelationship of all commodities is so complicated and complex. If we have to have a control bill, let us have a meeting right away. The chairman has said that he will call a meeting next week for the purpose of having hearings on a control bill. Let us hold a committee meeting so that we can put all these bills together and so that the committee can hear witnesses on these problems.

The fallacy of going about this on the floor of the House is revealed when the gentleman from New York who knows nothing on earth about agriculture gets up and tries to write a bill here for agriculture. You could put all the acreage you ever heard of in New York City in a quarter-acre lot, and yet we have a situation here which permits the gentleman from New York to get up and try to write a bill here for agriculture in this country.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. PACE] has expired.

Mr. PACE. Mr. Chairman, I ask unanimous consent to proceed for an additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PACE. I simply want to add this in conclusion: As far as my part in this is concerned, I intend the best I know how to treat those who work in the plants and in the factories and those who work in the sun in the fields exactly alike. They are both entitled to our most sympathetic consideration. I beg you to not start this morning creating rank discrimination between the two groups. The wage earner gets his wages from the factory, and the farmer gets his wages from the commodities he produces and sells in the market place.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if the Congress of the United States wants to bankrupt a good many thousand cattle feeders, then just accept this amendment. Farmers throughout the Midwest who bought feeders and put them into their feed lots paid an extremely high price during the last few months, yes, up to 28 cents a pound for those cattle. The initial investment in some cases is as much as $250 for each head of cattle. Now it is proposed by the gentleman from New York that we take away from these men who are feeding cattle at least 20 percent of their initial investment through a roll-back to April 15. This will mean that hundreds of thousands of farmers will lose money they cannot afford to lose. Worst of all, it will destroy confidence in the future of the cattle- and hog-feeding business. Surely the Congress will not accept an amendment of this kind, which is confiscatory and entirely alien to what we stand for here in America. Some of these feeders have thousands invested in cattle, and a move of this sort would ruin many of them financially.

I know the gentleman from New York [Mr. JAVITS] wants to be fair, but I question his knowledge of this particular subject.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. In just a moment. If you want to put the entire beef and pork supply into the black market, just accept such an amendment as this. Certainly our memory is not so short that we cannot go back to 1942, when our Government said to the farmers, "You can get only 72 cents for your butterfat." "You can get 55 cents from the creamery, and you are entitled to a subsidy of 17 cents, and that is all you can get, even though the market value of butterfat uncontrolled would have approached $1 a pound." What happened? Four neighbors of mine did away with their dairy herds as did thousands of other dairy farmers. Production in our Nation was at a minimum, and as soon as the OPA went off butter skyrocketed to over $1 a pound, temporarily. The only answer to the sufficiency of meat or butter for the people in the gentleman's district in New York is production. If you start to monkey with our entire economic structure, you will create havoc all through the Nation. Let us not discourage production of any food, because it is only through profit incentive will farmers endure the drudgery of feeding the rest of the Nation.

Keep this in mind also: If meat goes into the black-market channels, where will you get the insulin for the diabetics of the Nation? Where are you going to get all of these new drugs that we hear so much about today? The cattle that are slaughtered out in the woods for the black market do not produce the essentials of these miracle drugs which offer so much to those afflicted by certain ailments.

So I plead with the House to turn down this amendment most emphatically.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. JENSEN. I appreciate what the gentleman has said. The Members of this House know that the able, conscientious gentleman from Minnesota understands more about actual farming problems confronting our farmers, than any other Member in this House. He is a real dirt farmer himself and always keeps his feet on the ground, as we say out West. The gentleman knows that while the farmer is the greatest producer of raw materials, he is also our greatest consumer of goods. The farmer consumes one and one-half times more, per capita, than do the rest of the people of America, due to the fact that the farmer is by far the best customer of durable manufactured goods, such as farm machinery, lumber, fencing, and clothing.

Mr. H. CARL ANDERSEN. I appreciate very much the remarks of the gentleman from Iowa. Agriculture is the best customer of the manufacturers in the United States and provides a tremendous number of jobs throughout the Nation in the handling of what we raise for the consumer. I cannot see the attitude of some of these gentlemen from the industrial East who will not recognize the fact that unless you give to agriculture a little profit, industry itself will never prosper, nor will the working people of the United States receive decent wages.

Mr. JENSEN. Is it not also a fact that between April 15 and June 15, because of the rise in farm products, a number of the people in Mr. JAVITS' district and all over America were able to go back to work because of the buying power of the American farmer. Government records prove that every dollar of farm income generates over $4 in wages for the American worker.

Mr. H. CARL ANDERSEN. The gentleman is absolutely correct. I cannot see the attitude of some of these gentlemen from the industrial East who will not recognize the fact that unless you give to agriculture a little profit, industry itself will never prosper, nor will the working people of the United States receive decent wages.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. JAVITS. The purchase price on June 15 was $17.30 per hundredweight for cattle. The price I want to set on April 15 was $4 more, or $21.80.

Mr. H. CARL ANDERSEN. Just a minute. I do not yield further. The gentleman talks about parity price. The gentleman does not realize that the farmer has taken a jolt that no other line of industry has taken since 1947. Today I am selling barley off my farm for which I may obtain $1.35. The same grade barley in 1947 returned me $2.50, or in other words it is 40 percent less today. The same thing applies to rye. I am lucky if I get $3.75 for flax, whereas I got $7 in 1947. Eggs are only about 60 percent of parity, but let us take a glance at what we must buy. Just today my farm foreman telephoned me about the purchase of a new wagon. I said, "How much is it?" He said, "$350, equipped with tires." I said, "If we must have it, we have to pay the price." But 3 years ago I could have bought that same wagon for $225. Farm machinery generally because of increases in freight cost and labor costs have all advanced materially since 1945.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. H. CARL ANDERSEN. The raise has come about, may I say to the gentleman from New York [Mr. JAVITS], because the union people throughout the Nation have received certain boosts all along the line, in wages, yes, on the railroads and in the factories, and this has resulted in increasing the price of everything the farmer has to buy. I hope that the gentleman from New York will

revise his line of thinking and will be willing to afford to farmers the same opportunities he strives so hard to secure for the working people of his district. They are all Americans and are entitled to equally fair treatment.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Kansas, who is as conversant with our farming problems as anyone in Government.

Mr. HOPE. Is not the proposal of the gentleman from New York in selecting a special date upon which to roll back farm prices eminently unfair unless he also selects the same date for rolling back the prices of the things the farmer buys?

Mr. H. CARL ANDERSEN. That would be the fair thing to do. All of us want to do the right thing by the various segments of this great country of ours. We on the farms must have an adequate income, otherwise we cannot provide the food for the people of New York and the industrial East. Everything farmers buy today costs far more than in 1939. We all know that.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I am glad to yield to the gentleman from Iowa who these 12 years in Congress has fought consistently for agriculture. No man in Congress has done more than has the gentleman from Iowa [Mr. JENSEN] in awakening the people to the great need for soil conservation in America.

Mr. JENSEN. Is it not a fact that approximately 80 percent of the initial cost of every manufactured article on an average is paid out for wages, so it is an idle gesture and of no use whatever to attempt to control prices without also controlling wages?

Mr. H. CARL ANDERSEN. Eighty-two percent is the correct figure, I believe. When I buy that wagon for $350, labor, somewhere along the line receives about $270 in manufacturing wheels, tires, lumber, steel box, and freight, coal, and what have you.

Mr. JAVITS. Mr. Chairman, will the gentleman yield for a question?

Mr. H. CARL ANDERSEN. I yield to my good friend from New York, whose only fault is his ardent desire for too cheap food for his constituents.

Mr. JAVITS. May I ask the gentleman whether he does not feel it is right that we in the city should at long last begin to argue about these very things we are discussing here as to whether we are right or not?

Mr. H. CARL ANDERSEN. I cannot feel too sorry for your consumers, because it is a known fact that in the last few years they have been paying a smaller percentage of their income for food than they paid in former years prior to World War II.

Mr. JAVITS. The consumer certainly does not think so.

Mr. H. CARL ANDERSEN. Mr. Chairman, let us defeat this amendment, as it will result in a food scarcity created just as the butter scarcity was brought into being in 1942. To secure ample food at reasonable prices, we must have production and that production cannot be secured by discouraging the producer by an unfair roll-back. Let us be reasonable.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, here we see the trouble we get into when we start trying to discuss the roll-back proposition as of a certain date, using one date for one thing and another date for another.

I regret that I have to oppose the amendment offered by the gentleman from New York. I feel that the amendment offered by the gentleman from Georgia is the only workable way that we can handle this thing. I am going to admit right now that it gives the farmer certain advantages; I think we have got to admit that, but here is the part that has me stopped: Even with the freeze of wages and agricultural prices as of a certain date, and other dates for other commodities, the less roll-back period there is involved the better chance you have of making this stabilization measure work.

Let me say further that even after we pass this, unless the stand-by provisions are immediately initiated you are going to have inequities continue to arise, you are going to continue to have maladjustments in its operation because of the inflationary pressure and because of the fact that people are going to think of that age-old law, self-preservation, to take care of No. 1; they are going to withhold from the market; they are going to indulge in panic buying, they are going to hoard inventories and all that sort of thing. So for the moment I say that the amendment to be offered by the gentleman from Georgia must be accepted notwithstanding the fact that it gives to the agricultural people a certain advantage. You have got to recognize that inequities are going to become part of the law regardless of what period you take, and the latest period you take is the best period, and the period for wages and agricultural prices must be identical; in other words, it must bear with the same weight on labor as it does on agricultural commodities. Let us put this bill into effect as fairly as possible by preserving the status quo as of the freeze period just as quickly as possible. Let us not go back any further than we have to go back, because as we go back we enlarge the likelihood of additional inequities.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. BUCHANAN. The gentleman is referring to the amendment to be offered by the gentleman from Georgia [Mr. PACE]; is that not correct?

Mr. HOLIFIELD. Yes; and it is my understanding that it will use exactly the same period for agricultural production as is used for wages; and I rise in support of that, although I do not have a single farmer in my district. I recognize the equity of the amendment from the standpoint of practical administration.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Indiana.

Mr. JACOBS. I would like to bring to the attention of the Members something else we will be getting into here if we start using different dates for different industries. It was called to my attention this morning that earlier this year there have been a number of wage contracts go into effect that provided for pensions. There have been some price adjustments to take care of those pensions. I understand there have not been any to speak of in the last 30 days. But if we start rolling back on one thing and do not roll back on the other, what we are doing here is engaging in a logrolling operation.

Mr. HOLIFIELD. That is right.

Mr. JACOBS. We should take just one day and make it apply to everything. For that reason I am for the amendment that the gentleman from Georgia is going to offer. If we do not do it that way we are going to get into a logrolling contest here and we are going to get nowhere.

Mr. HOLIFIELD. I want to point out to the House that in the last 65 or 70 days scrap steel has gone up 44 percent, zinc has gone up 47 percent, and copper has gone up 22 percent. That is inequitable and is going to make our program cost at least 10 percent more than if it had been frozen as of that day. But it is a fait accompli, it is something we have to contend with.

I want to say something about the roll-back proposition. Any small merchant if he ends up his year's business with 5, 6, or 7 percent net after all costs of operation, he is doing the ordinary thing. Anyone who knows anything about business knows that is true. There are some who will make less and there are some who will make more, but the small man, if he ends up with 5 or 6 percent net profit on his gross sales, then he is conducting an average operation. If you start rolling back prices 10 or 15 percent you will kill small business in this country and it should not be done.

It may be necessary to roll back prices to the period provided for in the bill. If this freeze and roll-back comes soon we will be able to do a fairly successful job of stabilization.

If the price freeze and roll-back of prices are long delayed we will be faced with serious problems of hardship of those who are caught with high-priced inventories. Some consideration should be given to these hardship cases in this legislation.

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this amendment and this discussion illustrate as nothing else could the practical impossibility of selective price control. This discussion and debate makes clear why, if we are

going to do this job, we need to take the date at which trial and error have accomplished as much as possible a balanced economy.

When we got into the price-control problem in World War II we were further along in the war. We had some adjustments that had taken place. The roll-back was a difficult thing. But here we have the opportunity now to have a freeze applied before we have gotten very far away from the date at which a freeze can be applied and where we can accept and judge the prices which everyday experience had established.

The point which the gentleman from California has made is to be kept in mind in this connection, and that is that we should take the most recent experience period that we can. If we start going back on one thing, someone can find a case which was not explained to him and could suggest that date.

In connection with the remarks of the gentleman from New York [Mr. JAVITS] about meat, he also mentioned wool as being something that was selling above parity. That illustrates that we did not have an effective price for wool at a certain period. Our sheep population went down to the lowest point it had since 1870. When a market competition came back wool prices advanced. Today wool is selling above parity. Why? Because of the national economics of the situation which tried to correct the shortage we had of wool and sheep in this country.

And today we are facing the tragic situation that Russia has bought practically all of the wool in the wool market. So I think the only sound, sensible thing we can do is to make the freeze as of the last normal date or period we had and accept that as the best that trial and error and experience can establish. If we try to go selectively on one item, whether by dates as in this case or by item, somebody else will think of something else, and the first thing we know the whole thing will be out of kilter. So I hope the amendment will be voted down.

Mr. AUCHINCLOSS. Mr. Chairman, almost 100 years ago a great President of the United States described the Civil War, on a great battlefield of that war, by saying it was a contest to determine whether a country "conceived in liberty" could long endure. Events subsequent to that occasion have proved that such a country can endure and it can prosper and expand with an ever-growing population of contented and happy people. In spite of depressions and ghastly wars, our country has maintained its liberties and has grown more and more in the respect of the world. But the United States of America cannot expect to endure and to enjoy peace and prosperity unless its citizens are determined to save and preserve those liberties and those freedoms, and that way of life which has brought contentment and happiness to them. We must be ready to fight with our life's blood for these things and we must be ready to make every sacrifice and adjustment in our daily lives in order to unify and secure that effort.

Our country is now faced with the gravest menace which has ever confronted it. The governments of nations all around us have been either overthrown or weakened by the encroachment of the ideology of communism, which is loud in its promises of freedom, but which in practice places the heavy yoke of slavery on the necks of all the people it dominates. Communism has no conscience as we know conscience; its word cannot be relied on, and its object is to conquer and subjugate all peoples everywhere under its power. Secure in our own liberties and depending on our natural strength, it is evident that the leaders of our country have failed to recognize the true meaning and aims of this alien ideology and their eyes have been closed to the constant threat to overthrow our form of life which in insidious ways is boring from without and within to overthrow our Government. The hour is late and in view of that fact we must prepare for the future and not spend too much time in considering the past; but there are some things which we must remember if we are going to be successful in overthrowing this menace which encircles us, and if we are going to preserve and develop to an even greater degree the form of republican government which our people have enjoyed for so many years. We cannot compromise with communism. We cannot trust the word of their representatives and we must prepare to fight with the sword and bayonet and every weapon at our command, so that this wicked thing may be wiped out and peace may be once more restored to the world.

When the northern Koreans, propelled by the aid and incitement of the Communists, marched into Southern Korea, I, with millions of Americans, heartily approved of the action taken by the President of the United States, through the United Nations, to offer armed resistance for the protection of the newly founded Republic of Korea. No matter if we had been caught napping, no matter if we had been advised that this new republic could take care of itself, no matter if we had fallen down in extending the aid which had been voted to these people by the Congress, no matter if we had been entirely wrong during the past years in our attitude toward Nationalist China, here was an overt act, ill-concealed, to ignite the flames of war in the world, and if our Republic had failed to take the leadership with the other nations dedicated to peace, we would never have been able to erase the ignominy and contempt in our failure to live up to our sacred obligations. We had no choice and the President acted properly.

It has turned out, however, to be a shocking way for us to discover how unprepared we are to face the realities which have been going on in the world for these many years. The Congress has appropriated billions of dollars of taxpayers' money in the belief that our Armed Forces were being modernized and made adequate for our security and defense, and, lo and behold, we find that that is not the case. This revelation comes as a terrible shock, not only to the representatives of the people, not only to the people of this country themselves, but also to the people of the nations everywhere who were depending on the leadership of the United States of America and were confident that it would be forthcoming.

Let us hope it is not too late for us to make up for lost time and produce the trained men and the munitions of war which will enable us to conquer; but I say now, Mr. Chairman, that those who have proved themselves so incompetent during these past years in the handling of our foreign affairs and our national defenses should be relieved of their duties and their places taken by people of greater competence. It is only in that way that the confidence of people everywhere can be restored and that through our efforts victory may be more readily achieved. I believe that the Congress is ready to support and the people will approve any appropriations necessary for the defense of our land, but we must insist that the expenditure of the vast sums of money necessary are entrusted to those who have not already proved their incompetence.

While our boys are fighting bravely and suffering and dying on the battle line, with inadequate training and short on supplies and the munitions of war, the people at home in this country must be prepared to back up our gallant troops with every effort possible and every sacrifice which may be demanded. No one dislikes the disruption of our economy by Government meddling and the control of our daily life more than I do, but we are in a very serious emergency and if we are to save ourselves from utter destruction we are forced to change our way of life for a period of time. I favor giving the President of the United States authority to take whatever steps may be necessary to protect our economy in the support of the defense of our land, and I feel sure that the people of America will support such a program. Unfortunately, there are some among us who are selfish and greedy and absolutely thoughtless of others, who would wreck our economy by the useless buying of commodities and by hoarding them. These people make it necessary to institute governmental controls for the protection of the rest of us. I have the greatest contempt for people who do things like this, and I would like to see the merchants and the storekeepers who have to deal with such people make public the names of those who carry on such practices. If this is done, I am sure there would be an end to such outrageous conduct.

This is no time for halfway measures; this is no time for compromising with the evil menace which confronts us. Government itself must do its share and make its contribution, and the first thing that should be done is the elimination of all Government expenditures which are not necessary for our defense effort. We must make Government efficient, and except where our defense is involved expenditures should be reduced

to the very minimum possible. I venture to suggest that the President of the United States could set a good example, in the retrenchment of Government spending, by putting his yacht in moth balls and by cutting out all other possible privileges which he enjoys. By such an example other Government agencies would be inspired to cut down on unnecessary things and concentrate their efforts and their substance on winning a peace, which we all desire. The United States cannot fulfill its destiny nor can the United States long endure in the light of the present situation unless our economy is strong and unless, as a united people, we are determined to win the victory.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

Mr. PACE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE to the Spence substitute: Page 16, line 7, strike out the words "the average price received by producers on June 15, 1950" and insert "the price received by producers during the period from May 24, 1950, to June 24."

Mr. PACE. Mr. Chairman, just a word. I anticipate and certainly hope that this amendment will be acceptable to the committee.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kentucky.

Mr. SPENCE. I will say that I have no objection to the amendment. I have conferred with the members of the committee, and they have no objection. I cannot accept it on behalf of the committee, but so far as I am concerned, I have no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PACE].

The amendment was agreed to.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN to the Spence substitute: Add a new section 409 to read as follows:

"Nothing in this title shall be construed to authorize the regulation of (1) rates charged by any common carrier or other public utility, or (2) rates charged by any person engaged in the business of selling or underwriting insurance, or (3) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio or television broadcasting station, a motion-picture or other theater enterprise, or outdoor-advertising facilities, or (4) rates charged for any professional services, or (5) materials furnished for publication by any press association or feature service, or (6) books, magazines, motion pictures, periodicals and newspapers, other than as waste or scrap."

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Kentucky.

Mr. SPENCE. That is practically the same provision that was in the old Price Control Act.

Mr. BUCHANAN. Public Law 421 of the Seventy-seventh Congress, with the two parts I have added, "or (5) materials furnished for publication by any press association or feature service, or (6) books, magazines, motion pictures, periodicals, and newspapers, other than as waste or scrap."

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Pennsylvania, who helped collaborate and worked with me on this particular amendment in the discussion of yesterday.

I wish to compliment the gentleman for introducing this amendment and to join with my friend in sponsoring this provision.

Mr. FULTON. This amendment goes a little further than section 214 of the Kunkel bill, but is basically that provision, is it not?

Mr. BUCHANAN. That is true.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. The amendment, with the exception of the two additions which the gentleman mentioned, is exactly the same as the previous law during World War II and practically the same as the amendment which the gentleman from Ohio, myself, prepared and have at the desk at this time. I might say that this matter has been discussed with the leadership on both sides, and I understand there is no objection to it. It simply protects the sources of information of the American people so that under no stretch of circumstances can anyone interfere with the furnishing of information to the American people.

Mr. BUCHANAN. That is why I added television, which was not in Public Law 421 of the Seventy-seventh Congress.

Mr. BROWN of Ohio. That is correct. I join with the gentleman in support of the amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Illinois.

Mr. YATES. With respect to that portion of the amendment which deals with public-utility rates, I recall that during the last war the question arose as to the regulation of rates of local utilities. The original Price Control Act did not permit the intervention of anybody from the Office of Price Administration. Does not the gentleman think that somebody from the Federal service should be given the power to intervene in local rate-regulation proceedings on behalf of the Federal Government, to point out, at least, what impact such increases would have upon the cost of living?

Mr. BUCHANAN. I agree with the gentleman from Illinois. He has raised a very good point there.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. O'TOOLE. I have no objection to the amendment but I think it is much broader than originally intended. The way it is worded now it would include everything except the Pittsburgh ball club.

Mr. BUCHANAN. It includes the Pittsburgh ball club as well—but not the Brooklyn Dodgers—of course that is a pun.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. I should like to know why you include motion pictures and the others.

Mr. BUCHANAN. They are sources of information, materials furnished for publication. This includes books, magazines, periodicals and motion pictures. They are a source of information.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I believe it should be pointed out that this exemption does not extend to newsprint. Newsprint will be under control, but the sources of information are not under control, if this amendment is adopted in the Spence bill.

Mr. BROWN of Ohio. The whole intent and purpose of this is simply to protect the right of the American people to obtain information without any control over it.

Mr. BUCHANAN. Services and materials, that is all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mrs. BOLTON of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. BOLTON of Ohio to the Spence substitute: On page 3, line 4, insert a new section as follows:

"SEC. 3. (a) The purpose of this section is to impose temporary ceilings immediately on all prices and wages, so as to prevent runaway inflation in the period immediately following the enactment of this act, while measures are being perfected under the other provisions of this act to control inflation over a longer period.

"(b) The maximum price for which an article may be sold or which may be received for the performance of services, and the maximum wage which may be paid for labor, shall be the highest price received by the seller for the same or substantially the same article, or received by the person performing the services or the same or substantially the same services, or paid by the employer for the same or substantially the same labor, on May 24, 1950, and if no such article was sold or services or labor were performed on or before this date, then the maximum price shall be the sale price of the most nearly equivalent article, services or labor: *Provided*, That whenever the President shall issue any regulation or order establishing any ceiling authorized by title IV of this act, such regulation or order shall immediately become effective irrespective of this section.

"(c) The President shall prescribe such rules and regulations as he considers necessary to carry out the purpose of subsection (b). Whoever willfully violates this section or any such regulation shall be fined not more than $10,000 or imprisoned not more than 1 year, or both."

Mrs. BOLTON of Ohio. Mr. Chairman, I need not remind you how often, in the wake of Pearl Harbor, we regretted that an immediate freezing across all boards had not been applied. We have already seen quick increased prices in the situation in which we find ourselves today.

The purpose of my amendment is simply to get immediate action to stop the spiraling of all costs. It provides that on the day this act is passed everything stays as it was on May 24 last, until the President, under title IV of the act, shall place controls on or shall do what we give him the power to do. We are all getting frantic letters from our constituents protesting against the high prices of an increasing number of commodities. They are very worried and very troubled. All this amendment does is to stop the spiraling and the confusion in order to give the President adequate time to make such revisions as he sees fit.

Mr. Chairman, it is a very simple measure which I earnestly hope will have the affirmative action of this committee.

Mr. PATMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON of Ohio. I yield.

Mr. PATMAN. I believe the gentlewoman's amendment provides that prices will be set as of the effective date of the act?

Mrs. BOLTON of Ohio. Yes.

Mr. PATMAN. Is the gentlewoman not apprehensive that that constitutes an invitation to people to raise their prices now?

Mrs. BOLTON of Ohio. That is just what they are doing.

Mr. PATMAN. That is what they are doing, the gentlewoman is correct.

Mrs. BOLTON of Ohio. I would be happy if the gentleman cares to amend my amendment to put a roll-back date on, but it seems to me that that is so complicated and that is why I did not do that.

Mr. PATMAN. We have just agreed on the date—May 24 to June 24 for both wages and commodities, but to set the date as the effective date of the act would obviously induce them to raise their prices.

Mrs. BOLTON of Ohio. I shall be very happy to accept that amendment.

Mr. PATMAN. That is in the bill now.

Mr. JENSEN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON of Ohio. I yield.

Mr. JENSEN. I am in perfect agreement with the gentlewoman on her amendment. Our neighbors to the north during the early days of World War II did exactly what the gentlewoman is trying to do in her amendment; and because of that, Canada came through the war in a very fine manner. They froze wages and they froze prices and everything at a given date. After the war they not only reduced their tax rate, as I understand, three times, but have also made a substantial payment on their national debt.

Mrs. BOLTON of Ohio. I thank the gentleman for his contribution.

Mr. JENSEN. Certainly there is an example which we can follow and follow with safety.

Mrs. BOLTON of Ohio. It is certainly a good precedent.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Ohio [Mrs. BOLTON].

The question was taken; and on a division (demanded by Mrs. BOLTON of Ohio) there were—ayes 42, noes 58.

So the amendment was rejected.

Mr. FLOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLOOD to the Spence substitute: Page 13, line 4, after the period in line 3, strike out the language from line 4 to line 8, inclusive.

Page 15, line 14, after the period in line 13, strike out the language from line 14 to line 24, inclusive.

Mr. FLOOD. Mr. Chairman, there has been intelligent discussion of this entire measure today, with one exception. At no time have I heard the word "profit" injected into the debate. The purpose of my amendment is to remove from this control measure the control of wages until there is some action taken by this Congress on a reasonable and intelligent control, within the discretion of this House, of profits. It is entirely possible for this argument to continue without economic justice and I see no analogy, Mr. Chairman, in the debate between prices and wages and profits and wages. There is a school of thought, for which I speak now, which believes the analogy is between profits and wages and not prices and wages, even including the cost-of-living parallel.

May I point out to you, Mr. Chairman, that you can engage in black-marketing in prices, but there is no black-marketing insofar as wages is concerned, in the mind of labor or in the mind of management. A freeze of wages is always effective and has been, but a freeze of prices is never effective and never has been.

I am aware of the parliamentary situation with reference to the matters before the Ways and Means Committee. May I direct attention to the fact that only yesterday an amendment was offered by a distinguished member of the Committee on Ways and Means to include in a measure before that committee control of profits, and that was defeated by the Committee on Ways and Means within the last 24 hours.

I am aware of what is going on in the other body. I know a tax measure when I see one. However, there is not in the other body, and there is not here, any formula or present formulas which have to do with the program for control of profits, reasonable or unreasonable, 100 percent or 95 percent, as during the last war, or any semblance thereof. I respectfully submit, Mr. Chairman, that until such time as profits are debated and controlled to whatever degree this House determines, there should not be in this act, stand-by or mandatory, a control of wages. However, if this committee would see fit at this time to have a stand-by on wage control spelled out not to take effect until such time as control action was taken upon profits, I am sure this committee would thereby indicate its customary high degree of legislative action.

Mr. MASON. Mr. Chairman, will the gentleman yield for a correction only?

Mr. FLOOD. I yield.

Mr. MASON. There was no motion made in the Ways and Means Committee to include excess profits in the renegotiation bill that we were considering, and no motion of that kind was voted down. I just wanted to make that entirely clear.

Mr. FLOOD. Is it not true, however, as a matter of fact, that the question of excess profits tax was before the Ways and Means Committee in the negotiation of contracts, and negative action was taken with reference to some consideration of excess profits legislation?

Mr. MASON. No; the motion was that we should consider excess profits in connection with renegotiation, and the motion was tabled.

Mr. FLOOD. The answer to my question is, "Yes." Action was taken and tabled.

Mr. MASON. To make it a part of the renegotiation bill which it has not considered.

Mr. FLOOD. And the Ways and Means Committee acted in a way which was contrary to control of profits, p-e-r-i-o-d.

Mr. MASON. Oh, no. Oh, no.

Mr. FLOOD. Then they did not act at all.

Mr. MASON. Oh, no. The Ways and Means Committee can and undoubtedly will consider an excess profits bill in proper time.

Mr. FLOOD. If we live long enough. And until that action to control profits is taken then there should be no control of the workingman's profits—wages.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Pennsylvania proposes to strike out stand-by powers to control wages unless we also consider a bill that will curb profits.

The President in his message said that he wanted adequate legislation in regard to profits. But the condition the gentleman imposes upon this committee would make it impossible for us to consider matters that are within our jurisdiction. We have no jurisdiction over tax matters, and if we had incorporated anything of the kind in the bill it would have been subject to a point of order. If we do not consider these essential matters in the bill until this committee considers the tax matter, it means that we are stymied and that we cannot even consider the things that are within our jurisdiction.

There is no freeze on wages in this substitute. The President has the power to regulate them when he thinks it advisable. If we can expedite the passage of the tax bill, all well and good, but certainly I oppose the amendment offered

by the gentleman from Pennsylvania and ask that it be voted down.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word and take this time of the committee in order to support the amendment offered by the distinguished gentleman from Pennsylvania [Mr. FLOOD].

Various groups of organized labor are in accord with the necessity and the idea of wage controls at this time. They do not take second place to any other segment of our society when the critical situation that confronts us now is being considered. They will accept stand-by controls on wages, but they are asking the question, and I am asking the question at this time, Mr. Chairman, what this body proposes to do about controls on profits. I am interested, Mr. Chairman, in a clipping from one of the local papers which is the result of a survey by the Associated Press. It appeared in this morning's Washington Post. It states:

Corporation profits are running at a record rate, with the second quarter total 43 percent higher than a year ago.

This upward surge developed without the stimulus of war which did not boost prices, sales, and earnings until the start of the second half of the year.

A compilation made yesterday by the Associated Press of the earnings of 450 corporations in all fields of business showed these totals:

In 1950, second quarter, $1,625,040,257; 1949 second quarter, $1,132,763,017; increase 43 percent.

In 1950, first half, $2,865,306,259; 1949 first half, $2,319,616,453; increase: 24 percent.

The percentage of gain over a year ago reflects the quickie recession during the first half of 1949 which, of course, makes today's earnings look even bigger by comparison.

But the absolute dollar totals during the second quarter this year are running at an annual rate that would top any other full year.

The point I make is that it is perfectly all right to expect every segment of our society to accept controls in this critical period. All organized labor is asking is that it be treated as every other segment of our society is being treated. We are making this protest in the form of the amendment to let the country know that there is one segment of our society that is not being controlled, and that is profits, and we propose to insist on profits being controlled.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. Would it not be very easy for us in 5 or 6 months to write an excess-profits bill that could be made retroactive to the 1st of June? If we do not put a limit on wages at this time it would be very difficult in 6 months to roll back wages, would it not?

Mr. BAILEY. With all due respect to the august members of the Committee on Ways and Means, the war may be over before we get action down there, if action is delayed as much on this matter as it has been up to now. It is perfectly all right if it is going to be done, but we want to know when it is going to be done.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Pennsylvania.

Mr. O'NEILL. I want to voice my opinion in support of the amendment offered by the gentleman from Pennsylvania [Mr. FLOOD]. I hope all Members of the House will do likewise.

Mr. BAILEY. May I plead with the Members of this House that they give serious consideration to controlling every segment of our economy in this all-out effort to win world peace, and, certainly, to win the Korean war.

Mr. JACKSON of California. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, as the gentleman from Michigan [Mr. POTTER] so ably put the proposition yesterday, this is everyone's war. It is a war in which every segment of our population and every American citizen, is going to have to play its and his part. This is equally true whether the individual be a wage earner or an industrialist.

There is no question, in my opinion, as to the degree of sacrifice that is going to be required of every citizen if this situation worsens. Certainly we should have controls upon excess profits and upon excessive incomes. In the statement made the other day by 15 Members on the Republican side we set forth very clearly our thinking on this subject. In this connection we stated that the preparation for total mobilization requires that Congress immediately draft and enact tax legislation to provide against excessive profits and excessive incomes.

Referring to the matter that is at hand today in the amendment offered by the gentleman from Pennsylvania, for whom I have deep regard, I feel it is not germane in this legislation to take up matters that are concerned with the authority and the jurisdiction of another committee in this instance the Committee on Ways and Means. Certainly that committee should move at the earliest possible moment to take such steps as may be required to insure against excess profits in business and in industry because, again, this is a war that belongs to everyone. Every citizen in this country must bear his and her just share of the burden. But for today the men who are dying today in Korea and who may die in increasing numbers tomorrow and the day after tomorrow have the right to know that the Congress of the United States is moving ahead today to see that steps are taken to keep that important segment of our economy which has to do with the wage structure from running out of bounds as it did on several occasions during World War I.

It is my intention to oppose elimination of this section from the bill at this time and it is also my intention to support adequate legislation which will put ceilings on profits and on incomes at such time as it is brought to the floor of the House for consideration.

The CHAIRMAN. The time of the gentleman from California has expired.

Mrs. DOUGLAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, perhaps the gentleman from Pennsylvania was not on the floor of the House yesterday during the debate, because at that time I spoke of the urgent necessity of passing an excess-profits tax. I also said it was preposterous to discuss for one moment the control of wages without the same time discussing the control of excess profits. We should introduce an excess corporate profits tax immediately. Corporate profits are soaring already. We must take profiteering out of war and we should do so at once. This is a time when each member of the Nation must function as a member of the team. Each must make his best and utmost contribution. Young men who can man tanks and guns and planes and ships are anxious to do their part. They must accept personal conscription, must accept the total restrictions of military service and still give all they have—their lives if need be. Those of us who remain at home because we can work and produce and invest, must do just those things. We must accept less vital restrictions than the soldiers. We must accept the conscription of our excess profits and earnings, we must accept the restrictions of civilian mobilization—and all the while we must produce and work, and produce and work, unstintingly.

Mr. FLOOD. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I simply wanted to say to the distinguished gentlewoman from California that I was referring to the debate of today. As a matter of fact, I was inspired to introduce my amendment by the remarks of the gentlewoman yesterday, which I read in the RECORD, on the subject of excess profits, with which I concur.

Mrs. DOUGLAS. I thank the gentleman from Pennsylvania. May I say to the gentleman from Pennsylvania that I am not going to vote for his amendment, not because I feel any less strongly about the necessity of proper economic mobilization than the distinguished gentleman from Pennsylvania, but because these are stand-by controls that we are giving to the President. These are only part of a complete economic and fiscal program. It is up to Congress to do the rest of the job. We should not take the stand-by controls out of this bill. But we should pass an excess-profits tax.

I think it would be folly if this Congress finished with what we consider emergency legislation to meet the present conditions in the world and not bring to the floor of this House a bill that would adjust taxes to meet the present situation.

At the point of maybe boring the Members of the House, may I again read some figures that indicate what the profits have been. But, first, let me refute one of the statements made earlier to the effect that increases in prices have resulted almost wholly from increases in wages. This is just not so. There have been some spectacular rises in prices especially in meats and other food items. And in certain basic materials such as steel, zinc, and copper.

Wage rates per hour on the other hand have risen negligibly. The average

weekly earnings of labor, which is their hourly rate multiplied by the number of hours they work per week, has risen about 2½ percent since June 15, 1950. The main point to note, however, is that this rise has come about because workers have worked more hours per week on the average since that time. As I have said before, wage rates have not increased. These are the most accurate data available. These statements were confirmed just this morning by Mr. Ewan Clague, Commissioner of the Bureau of Labor Statistics, in his testimony before the Senate Banking and Currency Committee.

Now let us just look at profits for a moment.

At the peak of World War II profits of all corporations in the United States after taxes totaled about $10,000,000,000 a year. In the first quarter of 1950, according to Government figures, the annual rate of corporation profits was over $19,000,000,000. Financial statements for the second quarter of 1950 are showing every indication that the annual rate of profits in the second quarter of 1950 will be at least $22,000,000,000 or $23,000,000,000. For the second half of the year, unless taxes are drastically increased, corporate profits after taxes will be at least $25,000,000,000 on an annual rate. This means that after taxes all of the corporations in the United States will be earning at least two and one-half times what they earned at the peak of World War II.

I have before me the profits of three corporations which will show specifically how profits are rising continuously right now. The General Motors Corp. reported a net profit after taxes in 1949 of $656,000,000. This was a profit of about 33 percent on net worth. Today, in 1950 the annual rate of profit for the General Motors Corp. has risen to an estimated $850,000,000 after taxes. This is a profit of about 45 percent on net worth. In less than 1 year this one corporation has increased its profits by $194,000,000. The profit rate has increased from 33 to 45 percent.

Another example is the General Electric Corp. For the first 6 months of 1949 GE made $46,000,000 in profits, after taxes. For the first 6 months of 1950 the General Electric Corp. has made $77,000,000 after taxes. This is an increase of 66 percent.

Another example, the Republic Steel Corp. earned a profit of $25,500,000 during the first 6 months of 1949. In the first 6 months of 1950 Republic Steel has upped its profits to $37,700,000, after taxes. This is an increase of 48 percent.

These examples show tremendous profits but they are pre-Korean figures. They do not reflect yet the new defense program.

It is my belief, and these figures prove the point, that an excess-profits tax ought to be passed immediately, and it ought to become effective as of January 1, 1950, or at the very latest, July 1, 1950. We should strive to cut the aggregate corporate profits after taxes back to a maximum of around 50 to 75 percent above the peak of World War II. Surely, this would not be asking too much.

Such a tax program will take away the inducements for speculative buying and for profiteering. An excess-profits tax is much preferable to increasing the tax rate on all corporations. It is much more fair and will yield much more revenue than a boost in the corporate tax rate from 38 percent to 45 percent. Such an excess-profits tax if based on current earnings, could yield eight to ten billion dollars. Of course, there will be many problems to be solved in establishing the criteria for an excess-profits tax, but it was done before and it can be done again and without too long a period of debate and study.

Several billion dollars of added taxes should be derived from raising individual income tax rates. In 1948 the Republican Congress passed an ill-conceived and ill-timed tax cut aggregating about $4,000,000,000. I do not think that most Americans suffered from an undue tax burden in the immediate postwar years. In view of our present critical situation and the sacrifices of the boys in uniform, it is not asking too much of the American people to impose the same amount of taxes which were paid before the 1948 cut.

The President has already made proposals to the Congress that the total tax take for the present fiscal year be increased by approximately $5,000,000,000. He advised that heavier taxes would be requested later. In my judgment, his recommendations are sound but they do not go far enough now. We must not lag behind in our tax measures as compared with our preparedness and defense expenditures. Increases which have already been requested for defense purposes will necessitate a sizably enlarged tax take and there is no point in delaying because this will not only mean a growing deficit but will fail to stem the tides of inflation which are so serious already.

The President's interim tax measure was undoubtedly motivated in part by the fact that Congress normally requires many months to formulate a new tax bill. Well, these are not normal times. We cannot afford the luxury of either a halfway measure or of "legislation as usual."

Mr. MULTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let us look at this amendment for what it is and what it does to this bill. It would eliminate all wage controls from the present bill. I assume if you will do it to the Spence bill you will do it to the Kunkel amendment. You will then get no controls of any kind.

Let us not fool ourselves about this. Anyone who sat in at the hearings before the Rules Committee or anyone who has listened to the debate in the last few days on the floor of this House, must know that the temper of the House is that if you do not have wage controls you are going to get no price controls. They will have to go hand in hand.

Of course, we want to curb profiteering and we want to curb excess profits. There is an amendment at the desk now which I understand will be offered by the distinguished gentleman from Ohio [Mr. HUBER], to impose excess war profits taxes. Our committee is not the committee to consider it. Our committee cannot tell you when you will consider it. You should not ask us to encroach upon the jurisdiction of the Committee on Ways and Means. They will consider it, and I am sure they will give it to us in ample time.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentlewoman from California.

Mrs. DOUGLAS. I am sure the gentleman did not think I made any suggestion that an excess-profits tax should come from the Committee on Banking and Currency. However, I think it is proper for the Members of this House to express themselves to other committees and make more than a suggestion, to lay down what they feel is a minimum of what we should do at this time. I think today is the time to talk about excess-profits taxes.

Mr. MULTER. I quite agree with the gentlewoman. I intended no criticism of anything she said. Neither am I criticizing the thought that prompted the gentleman from Pennsylvania in offering his amendment. I am talking against the amendment to the Spence bill which seeks to eliminate wage controls because this bill does not contain a profits tax provision. The amendment should not prevail. You cannot get any controls if you are going to take wage controls out of this bill. There is ample provision in this measure as offered in the Spence substitute to control profits to a reasonable extent. In section 401 we express the intent in so many words. That is title IV. Price and wage stabilization is intended to eliminate and prevent profiteering, manipulation, and speculation, and to protect the consumer, the wage earner, and the investor from undue impairment of their living conditions.

One of the major differences between the Kunkel amendment and the Spence substitute is that the Kunkel amendment seeks to control only wholesale prices while the Spence substitute seeks to control all prices up and down the line. I hardly need call to your attention the fact that during the OPA days business devised the scheme of vertical set-ups, so when you controlled the wholesale price or the manufacturer's price, he set up a retail outlet so as to evade the OPA provisions. Here in the Spence substitute you have an over-all control provision on prices, which will limit profits at least to some extent until we get the excess-profits tax to take away unconscionable profits.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I am sure the distinguished gentleman from New York is not suggesting that the declaration of intention in the Spence substitute can in any way impose any control on profits.

Mr. MULTER. No, but the intent is followed up very clearly in section 402 with its implementation. It provides for the establishment of a ceiling or ceilings on the prices of every commodity and service, and then in the next section you get the control of wages.

Mr. FLOOD. Mr. Chairman, will the gentleman yield for a question?

Mr. MULTER. I yield.

Mr. FLOOD. Does the gentleman identify profits and prices in the same economic category?

Mr. MULTER. I do not know how you can eliminate profits from control when you control prices because you necessarily are controlling profits to a very great extent when you control the price at which an article may be sold.

Mr. FLOOD. May I submit that is not responsive to my question. I want to know if you consider profits and prices in the same category vis-à-vis wages.

Mr. MULTER. I certainly do. One need not be an economist to know that you control profits when you control prices. A primary result of price control is the limitation of profits.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, those who are familiar with the history of the Communist terror in France in 1793 and 1794 can find ample precedents for some of the control proposals now before the House.

The record of the Communist terror shows that on April 4, 1794, the convention proclaimed a general requisition of all who could serve the state, whether with hand or brain, and threatened to haul before the revolutionary tribunal those who should try to evade this duty.

What was the difficulty that arose? It was how to apply laws which were impossible to execute. The moment the decree was promulgated the shops were emptied, for everyone hurried to buy at an artificially low price what had cost two or three times as much the day before; and when the stocks were exhausted no one was willing to renew them.

In a single day there was no sugar, oil, or candles in Paris. In the provinces the country people rushed to the towns to exchange their notes for clothes, boots, pieces of stuff, or groceries, which the law forced the tradesmen to sell at a ruinous price, and then hurried back to hoard their corn in hiding places which none could discover.

In fact, everyone wanted the maximum prices fixed for his neighbor and liberty for himself.

The law was not only tyrannous but a measure of expropriation. Those who controvened it were threatened with the severest penalties: A year's rigorous imprisonment for bakers who ceased to work, 10 years in irons for millers who bargained over the sale of grain or flour, 10 years in irons for farmers who sent in false returns, and death for those who tried to obstruct the requisitioning.

Did labor escape the rigors of control under the Communist terror in France? A member of the convention addressed some workmen who had revolted against the maximum wage in these words:

Brothers and friends, I learn with sorrow that there are individuals among you who are obstinately bent on obtaining an increase of wages which would be a charge on the republic. What, citizens? Can it be that the detestable spirit of greed which the national justice has destroyed in the case of the forestallers has insinuated itself into the pure soil of the revolutionists? * * * You ask that the law shall be rigorously enforced in respect of what you buy, yet you refuse to obey it in respect of everything you sell to others.

What about the attitude of the farmers of France under the rigid controls imposed upon them? The farmers, whenever they were in a position to evade search they understated the yield of their crops and only sold them clandestinely, at the price that suited them. When they could not safely do this they let the crops rot on the ground on the pretext that they had not enough labor to gather them. In other places, since the maximum price for wheat had been imposed before that of oats, they consented to sell the oats, but fed their horses on the wheat. When the retail price of meat was fixed, they refused to supply the butchers. When the price of cattle on the hoof was fixed, they let their beasts perish.

The records show that the immediate effect of the promulgation of maximum prices was to aggravate the crisis in the supply of food. Under the price fixing of the Communist terror the farmers stopped threshing; the bakers ceased to bake; the innkeepers refused to undertake work in the country where it was needed.

A decree of the convention proclaimed as traitors to the country, subject to the death penalty, all those who should excite misgivings as to the food supplies, attempt to corrupt public opinion, or work for a change of government. Later, another decree banished all those living without working who should be convicted of complaining of the existing system of government.

Then there came a law of the suspects.

Under this law those were deemed enemies of the people and marked for the scaffold who should seek to defame or dissolve the revolutionary government—

That is to say, the royalists and moderates—

those who should seek to hamper the supply of provisions—

In other words, the farmers and tradesmen who were restive under the system of expropriation, and the workmen who were restive under that of the maximum wage—

those who should persecute or calumniate patriots—

That is to say all the past, present, and future enemies of the Jacobins and their creatures—

those who should disseminate false news—

That is, all the chattering women—

those who should spread false reports—

That is, all gossips—

those who should seek to mislead public opinion or inspire discouragement—

That is, everyone who was discontented—

Those accused of any of these crimes were haled before the Revolutionary Tribunal either by the convention, or one of the other committees of the government, or the representatives on mission, or public prosecutor.

The preliminary investigation was done away with. If the Tribunal considered itself to be in possession of sufficient moral proofs, witnesses were not to be called.

Mr. Chairman, I suppose that under the hysteria in this grave hour, a Representative in the United States Congress will be charged with disloyalty if he dares to question the wisdom of giving to President Truman all the powers that he demands over the property and liberty of our citizens.

A careful review of the promises of the President now in effect should be had before granting all of the drastic power now demanded in the bills and amendments now being considered.

I insert some of the powers now possessed relating to the economies of the United States.

Some of the specific powers conferred on the President to meet the "economic emergency" crisis of 1933 are as follows:

To decree a national banking holiday and to forbid the export of gold (Trading With the Enemy Act, 1917). Still in effect.

To validate the President's proclamation of a national banking holiday and reenact in amended form the 1917 Trading With the Enemy Act, on which the proclamation was based (Emergency Banking Act, March 9, 1933, amended December 18, 1941). Still in effect.

To permit the Secretary of Agriculture to enter into agreements with producers providing for reduction in acreage or production of basic agricultural commodities and to make benefit cash payments. The President was authorized to terminate the "emergency" relating to it (Agricultural Adjustment Act, May 12, 1933; invalidated, 1936). Principles embodied in revised 1938 Agricultural Adjustment Act and in Soil Conservation and Domestic Allotment Act, 1936, both of which are in effect.

To regulate grazing on 142,000,000 acres of the public domain (Grazing Act of June 28, 1934, amended 1936). Still in effect.

To conclude trade agreements with other countries without reference to Congress. This authority includes the right to raise or lower existing duties by 50 percent. (Reciprocal Tariff Act, June 12, 1934, extended June 1945, 1949, 1950). In effect but authority expires June 12, 1951.

To pay farmers an annual limit of $500,000,000 for shifting land from intensive cultivation to forward soil-building and erosion control. Act reestablishes and maintains ratio between purchasing power of farm income and nonfarm income that prevailed in the 5-year period, August 1909–July 1914 (Soil Conservation and Domestic Allotment Act, March 1, 1936, extended January 1, 1949, substitute for invalidated 1933 AAA). Still in effect.

To set up a permanent REA to extend loans for the electrification of rural areas not now receiving central-station power and light service (Rural Electrification Act, May 20, 1936, amended 1939 and October 28, 1949). Still in effect.

To increase capital of Commodity Credit Corporation from $3,000,000 to $100,000,000 to buy, sell, hold, lend upon, and otherwise deal in agricultural commodities. Also, to fix limits of future trading, and to curb excessive speculation (Commodity Exchange Act of June 15, 1936). Still in effect.

To regulate commerce in basic agricultural commodities, to continue cash benefits for farmers who cooperate in soil-conservation practices, to set up a system of market controls for use in years of surplus production and enforce control features by penalty taxes for sales above quotas (Agricultural

Adjustment Act, 1938, embodying principles of invalidated AAA of 1933 and Soil Conservation Act of 1936). Still in effect.

To increase wages to minimum of 75 cents an hour. Secretary of Labor is given unprecedented "rule making" authority in determining and in administering minimum wave levels (Fair Labor Standards Act, 1938, amended 1949). Still in effect.

To exercise flexible powers in dealing with problems that surround ownership or control of alien property (Trading With the Enemy Act, 1917, amended July 3, 1948). Still in effect.

Among the "emergency" powers made available to the President for war preparation were the following:

The increased lending authority of the Export-Import Bank and the removal of the $20,000,000 limit restriction to any one country (act of March 1940). Export-Import Bank is now a permanent agency.

The regulation of investment trusts and advisers, requiring them to register with the Securities and Exchange Commission. Investment companies had to disclose their investment policies and submit other specified data (Investment Advisers Act of August 22, 1940). Still in effect.

The continuation of Maritime Commission's authority to sell, charter, and operate vessels (Public Law 12, 81st Cong., approved February 26, 1949). Still in effect.

The drafting of the National Guard and the calling up of Reserve components and retired personnel of the Army for periods of training (Selective Training and Service Act, 1940, extended 1950). Draft now extended to July 1, 1951 (Public Law 599, 81st Cong., approved June 30, 1950). Still in effect.

The following are some of the more important war powers made available to the President since 1940:

The power to increase and train the personnel of the Armed Forces (Selective Training and Service Act of 1940, amended 1941, 1942, 1943, 1944, and 1950). Still in effect.

The power to prohibit or curtail the exportation of any articles, technical data, materials, and supplies (Exportation Restrictions Act of July 2, 1940). Still in effect but terminates June 30, 1951.

The power to acquire and retain stocks of strategic and critical materials to supply the industrial, military, and naval needs of the country (Strategic War Materials Act of June 7, 1939, amended July 23, 1946.) Still in effect.

The power to purchase or requisition any foreign merchant vessel which is lying idle in waters within the jurisdiction of the United States (Ships Seizure Act of June 6, 1941; extended June 16, 1942). Still in effect.

The power to coordinate executive bureaus in the Government (First War Powers Act of Dec. 18, 1941). Still in effect.

The power to exempt war contracts from certain restrictions (First War Powers Act of Dec. 18, 1941). Still in effect.

The power to investigate, regulate, or prohibit transactions in foreign exchange and to regulate the import and export of gold and silver (Trading With the Enemy Act of 1917; also, First War Powers Act, 1941). Still in effect.

The power to facilitate and regulate the orderly disposal of surplus property (Surplus Property Act of Oct. 3, 1944, amended 1949). Still in effect, but expires July 1, 1952.

The power to continue Federal rent control until December 31, 1950, with local option provision for communities to vote to continue controls for another 6 months (Public Law 574, 81st Cong., approved June 23, 1950). In effect until December 31, 1950.

The power to continue authority of Federal Reserve System to purchase up to $5,000,000,000 worth of obligations from United States Treasury under the so-called open-market program for 2 years dating from June 30, 1950 (Public Law 589, 81st Cong., approved June 30, 1950). In effect.

The power to spend additional $2,000,000,000 for Government support of farm prices (Public Law 579, 81st Cong., approved June 30, 1950). In effect.

The power to extend authority to control the importation of fats and oils and rice products to June 30, 1951 (Public Law 590, 81st Cong., approved June 30, 1950). In effect.

Power to establish priorities and allocations was conferred on the President by the act of June 28, 1940 (ch. 440, 54 Stat. 676), amended August 7, 1946. This statute is still in effect so that the President has some priority and allocation controls without the Defense Production Act.

(Mr. REED of New York asked and was given permisison to extend his remarks and include a statement of the controls which the President now has.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FLOOD].

The amendment was rejected.

Mr. McKINNON. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. McKINNON to the Spence substitute: On page 11, line 12, strike out the word "stand-by";

On page 12, after line 19, insert:

"SEC. 401. (a) Whenever the consumers, price index of the Bureau of Labor Statistics increases by 5 percent or more over the index for June 15, 1950, the President shall establish ceilings under section 402 (a) (1) (relating to prices and other charges) and, at the same time, ceilings under section 402 (a) (2) (relating to wages and other compensation), with respect to all materials, services, and types of employment which he finds materially affect the cost of living."

Mr. McKINNON. Mr. Chairman, I would like to point out several advantages in this amendment over what we have in the proposed legislation. This is pretty much in line with the suggestion that was made in the Senate, known as the Fulbright suggestion, yesterday, and was incorporated in newspaper stories today.

There are several advantages to this proposal over what we have now.

First, we have a definite and positive commitment to do something, if prices get out of line, or, shall we say, further out of line.

Second, we have the psychological pressure to keep prices down, for no one wants controls if he can possibly avoid controls. This legislation lends that psychological advantage toward keeping price increases and the cost of living down below the 5 percent factor.

It also encourages business, industrial organizations and associations to get together and voluntarily work out a program for absorbing some of these price increases, or doing other things that will keep that cost-of-living factor down below the 5-percent mark, because business and industry do not want price controls either. This encourages their efforts toward keeping prices from rising.

The 5-percent figure is about all the increase that working groups and groups on a fixed income can afford to absorb without going to the Government and demanding some sort of positive price- and wage-control program.

Another factor is the fact that it saves further deflation of our dollar. Every time we have a 10-percent increase in the cost of living it makes our dollar at the present value worth about 6 cents less than it is at the present time.

This sort of proposition would have the effect of stabilizing and holding the value of the dollar at the present level. Further, it would save the painful and almost impossible adjustments that would have to come if we go into a rollback at a later date. I think that is a very important factor in recognizing our problem at the present time. Now, it has been said that this was in conflict to a certain degree with the President's thought on the matter, but I do not think it is too great a degree at all. I think it is time that we in this House took it upon ourselves to say what should be done; I think it is our responsibility to take some action along that line rather than delegating our responsibility to anyone else. I think it is up to us to realize that now is the time to get in here and write some law that will keep these prices down, and that it is better for us to do it before they get out of hand rather than to do a little bit here and a little bit there and wind up finding that we have drifted into our old habit of being too late with too little. That is why I offer this amendment and recommend it to you.

Mr. FURCOLO. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. FURCOLO. I am going to go along with the gentleman. Is it not true that Canada, which probably has had as much experience in this line as any country, perfected a system which worked about as well as any system tried in any country?

Mr. McKINNON. That is the fact.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. MONRONEY. I was especially interested in the gentleman's statement that industry and business be given an opportunity to impose voluntary controls to keep prices from going above the 5-percent figure. The leaders of both business and industry must realize that unless prices are held within reasonable limits and stabilized that controls are inevitable; and perhaps by having the cooperation of the leaders of industry, manufacturing, and retailing, the united pressure of these business leaders might be brought to bear to prevent prices breaking the 5 percent base to which the gentleman refers.

Mr. McKINNON. I might add that I want to disturb business as little as possible, but we must do something effective to hold down the price level.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. LANHAM. I think the gentleman is entirely correct when he says that it is our obligation and not that of someone else. I believe the people are going to hold us Members of Congress

responsible if we do not do something and do it now to roll prices back. I shall support the amendment.

Mr. McKINNON. I thank the gentleman.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. HAYS of Arkansas. I wish to ask the gentleman about the provision for compensating those who suffer hardships. Will he explain that? I am impressed with the merit of his amendment.

Mr. McKINNON. I may say to the gentleman from Arkansas that I intend to offer another amendment later which I think covers what the gentleman has in mind. I do not know whether it will meet the approval of the committee or not, but I shall explain it fully at a later time.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I move to strike out the last word because I wish to finish my interrogation of the gentleman from California. If his pending amendment is related to the amendment for relief of hardship cases resulting from price freezing I would be interested in having a brief description of it.

Mr. McKINNON. I do not want to mix the two amendments because they do not go together as well as ham and eggs; it is another idea, and I propose to offer it at a later time after this amendment is acted upon.

Mr. HAYS of Arkansas. Then it is the gentleman's purpose in his pending amendment for freezing prices and wages that it should be determined by a scientific formula, the BLS index. It is therefore mandatory?

Mr. McKINNON. Yes; and I have adopted June 15 as the closest time at which a BLS index was released prior to the Korean outbreak.

Mr. HAYS of Arkansas. June 15?

Mr. McKINNON. June 15. That is an approximation of this base period from May to June. The Department of Labor does not have the figures for the 30-day period from May 24 to June 24. It does have the figure as of June 15. To pin it down to a mathematical exactness, I have selected that date so that there can be no argument, no hypothesis, no matter of feeling but matter of fact.

Mr. HAYS of Arkansas. It follows pretty much the formula of the Fulbright amendment considered by the other body?

Mr. McKINNON. From my understanding, it does.

Mr. HAYS of Arkansas. The Bureau of Labor Statistics is regarded by statisticians and economists as the most reliable and scientific method we have for determining price relationships.

Mr. McKINNON. If the membership can suggest any better source or any more exact information, I am willing to have it amended in that regard, but I do not think there is anything so dependable as this yardstick, a yardstick, incidentally, which we have depended upon for many years.

Mr. HAYS of Arkansas. I made some study of it in connection with the flexible minimum wage amendment and I was impressed by the fact that the Bureau of Labor Statistics is universally respected. It is entirely nonpolitical, nonpartisan, and scientific in its approach. I think the gentleman has offered a splendid solution to that particular problem and I intend to support his amendment.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. Is this the same amendment that Governor Bowles offered in a letter to Senator MAYBANK?

Mr. McKINNON. I do not know. I have not seen Senator MAYBANK'S mail and I do not know of Governor Bowles' suggestion.

Mr. BUCHANAN. I believe it is the amendment offered by him. I question whether or not it is administratively workable because of the fact that the Bureau of Labor Statistics considers various factors. The price of foodstuffs does fluctuate and those prices would have to go up considerably in order to increase the BLS 5 points because of the weight on the rent and utility side holding it down.

Mr. McKINNON. I may say to the gentleman that it may not be the perfect answer, but to me it is an awful lot better than that which we have in the bill, which does not provide for any controls; it merely talks about stand-by controls, which is not helpful to the man who buys the groceries and finds them going up. This is a move for stabilizing prices and giving the man with a fixed income some protection.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from California.

Mr. HOLIFIELD. It is my understanding that, in this amendment if approved by the committee, we will be in effect making it mandatory that price controls be put on our economy at the point where the rise is equivalent to 5 percent of the cost of living, as indicated by the Bureau of Labor Statistics?

Mr. McKINNON. That is right. The Bureau of Labor Statistics puts out a monthly report on the 15th of each month.

Mr. HOLIFIELD. Is it not true that the Congress is taking upon itself the responsibility of placing price controls on the American people, and not leaving it to the President's discretion?

Mr. McKINNON. That is what the amendment provides, and I think it is in due keeping with the responsibilities of the House and the Senate also.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like to have the attention of the gentleman from California [Mr. McKINNON], who has offered the amendment that is now under debate. May I ask the gentleman who offered the amendment, what effect would the amendment have on the language which is in some of these bills that gives the President authority to confer with the heads of great labor organizations, and then take action with respect to control on wages, salaries, professional fees, and so forth?

Mr. McKINNON. I do not understand exactly to what the gentleman from Michigan refers but I would say this to the gentleman, if we have a 5 percent maximum increase in the cost of living, and at that point controls go into effect, I think it would be a very great encouragement to maintain steady and continued wage contracts rather than increasing them and getting our economy out of balance in that direction.

Mr. CRAWFORD. In other words, the gentleman feels that the prices at the manufacturing level, the wholesale level, and the retail level would tend to be damped down with each group knowing that if they did go above 5 percent, that these powers would be invoked.

Mr. McKINNON. That is correct.

Mr. CRAWFORD. And that the same psychological influence would upset those who might have a tendency to demand higher wages and use collective-bargaining agreements to increase wages; is that the idea?

Mr. McKINNON. That is correct. I know quite a lot of laboring people on the local level, and they are not concerned, as far as I know, in getting the grab for themselves, but they do want to be sure that their pay check buys a living, and if we can stabilize prices so that living costs do not go up, they will be happy to maintain the status quo; at least the labor people I know feel that way very strongly, and that is to the Nation's interest as well as to the individual's interest.

Mr. CRAWFORD. Personally I do not believe that there is any legislative body on earth that can legislate price ceilings and price levels and wage levels that will be reasonably acceptable to a majority of the people. But, having in mind that a bill is going to be approved carrying such provisions—and I certainly have not made up my mind to support such provisions—I do not know why the whole situation should not be tied to a cost of living or price index. So, I think the gentleman can be congratulated for offering the amendment.

Mr. McKINNON. I would like to point out, if I may, one further fact, and I think this is very important. When we start putting in price levels and controls, they have to go hand in glove with wage controls, for two reasons: First of all, it follows naturally that they go together, because one influences the other. Second, because I do not think any of us want continued controls in a free economy if we can get rid of them by having business and labor tied together in the same basket we are going to have both of those great forces working to get rid of controls at the earliest possible moment, whereas if we have them separated we might find one group wanting controls continued and the other group wanting controls ended, and then we have a po-

litical situation. I think this is our maximum guaranty that we can get rid of controls at the earliest possible moment.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. FORD. I would like to ask the gentleman from California, under his amendment, if by chance the cost of living index goes down below 105, of the June 15 level, do controls automatically go off?

Mr. McKINNON. Does the gentleman mean at a future time?

Mr. FORD. Yes; whenever that might be, and if it does, under the gentleman's amendment do controls go off immediately?

Mr. McKINNON. That would be my thinking, although it might be necessary for the time being to keep a standby organization in hand in case prices go up again.

Mr. CRAWFORD. May I ask the gentleman this question? In the light of section 2 of this bill, which is a very broad policy and ties our whole economy in the United Nations concept, on what basis could the President fail to issue a reduction if your price index declines? I am not referring to section 2, which lays down the broad policy and ties the economy of the country to the objectives of the United Nations charter.

Mr. McKINNON. I think the gentleman is far more qualified to answer that question himself than I. He has been here longer than I, and I think he reads the law much more clearly. I think the gentleman knows his own answer.

Mr. NICHOLSON. Mr. Chairman, I move to strike out the last word.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield to the gentleman from Ohio.

Mr. McSWEENEY. I should like to ask a question of the gentleman or the gentleman from California. In response to the suggestion of the gentleman from Michigan [Mr. FORD], if prices go below 5 percent, there might be extenuating circumstances when they might not rise to 5 percent. What would be operative then?

Mr. NICHOLSON. I think they are wasting their time when they are thinking about 5 percent or any other percent. I think the people of this country are capable of running their own business. If butter gets up to $1.50 a pound, we do not eat butter.

I hope I have answered the question of the gentleman from Ohio, but I do not think it is a very satisfactory answer. The gentleman knows as much about it as I do.

I do know one thing, Mr. Chairman—that we are probably wasting our time here because the President now has all the authority we are giving him or forcing on him to take care of the situation as it is today, but we are still in a state of war. The Supreme Court has said we are. In a rent-control case within the last year they said that until the President declares this war emergency over these things are constitutional. So the last war emergency is not over. The President has the right to do whatever he pleases because this is a national emergency and the war is not over.

Yesterday the majority leader, the gentleman from Massachusetts, said that no one was confused about this; that everybody on their side of the aisle knew what they were doing. Perhaps they do. I know for sure that I do not know what I am doing, and I have been trying to legislate up in my own State and here for the last 25 years.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield to the gentleman from New York.

Mr. MULTER. Simply as a matter of information, may I advise the gentleman that the President even under the war-powers legislation does not have the right to invoke price control or wage control.

Mr. NICHOLSON. Under the authority that was given the President in the last War Powers Act he has the right to do anything he pleases, and the gentleman ought to know it.

We were told here last Monday by the chairman of the Committee on Banking and Currency, of which I have been a member for the last 3 years, that the President wanted what we brought in here in a bill from the Committee on Banking and Currency. There was one vote against it. I was against it because it took away a constitutional privilege that the people of this country are supposed to have. I have sworn to uphold the Constitution, and I am not going to vote for any bill that is unconstitutional or any part of a bill that I think is unconstitutional.

So we were told that that is what the President wanted. The next day the President wanted two or three more things. If we keep on with this we will have cotton acreages and peanut acreages and rent control and a hundred and one other things in this bill, and the longer we keep on with this here, the worse we will get.

Now then, there is only one thing that we are interested in here, in my opinion, and that is to see that the people who have to do the suffering, the families that are affected by the draft and whose boys are taken out of their homes and sent to the front, and the families where the poor old mother goes down to the grocery store and stands in line all day with a bunch of ration tickets—as I say, the thing we are interested in here, or at least should be interested in is to see that those people are taken care of. I wonder if you have forgotten what happened only 4 or 5 years ago. I wonder if you Members of Congress have forgotten what a sigh of relief everybody in this country gave out when we got rid of these ration tickets and everything else—in other words when we stopped, to that extent at least, the Government running your home. It is bad enough for the Government to step out of line and go beyond the Constitution without it coming in and telling you how to live and how to raise your family and everything else. There is no more sense in rationing today than there would be if there was not any cloud of war a hundred years away. We have plenty of productivity in this country, and everybody knows it.

There is no sense in it. What you are trying to do is to build up an hysteria in this country. The sooner we quit trying to do that and trying to fool the people back home, the better off we will be. Certainly prices have gone up, but they have gone up due to the avarice and greed of mankind, and prices always will go up and you cannot stop it. You can put in a black-market bill here if you want to, but you will have a black market and a gray market, and you will have people all over these United States lying and stealing and evading the law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. McKINNON].

The amendment was agreed to.

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER to the Spence substitute: On page 46, after line 18, add a new subsection, subsection (d) as follows:

"The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this act. The Attorney General shall submit to the Congress and the President within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable."

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. MULTER. As I understand it, and I am advised to say this, the gentleman has discussed his proposed amendment with the members of our committee on this side of the aisle, and, I think, also has another one similar in effect; and that it is agreeable to us. I understand he has also discussed it with the gentleman from Texas [Mr. PATMAN], chairman of the Small Business Committee, who has also agreed to it. This is the same amendment that the gentleman discussed yesterday and told us the Department of Justice had approved of it, as well as the Federal Trade Commission.

Mr. CELLER. That is correct. This is an amendment which was submitted to the Attorney General and he has approved. It is in haec verba, with similar provisions contained in the War Mobilization Act of 1944. It simply provides that the Attorney General shall make a survey of general conditions with a view to considering factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue

concentration of economic power in the course of the administration of the act.

I have spoken to the gentleman from Kentucky [Mr. SPENCE], the distinguished chairman of your committee, and were he here I am sure he would voice what you have just indicated, namely, approval of this amendment.

Mr. MULTER. He has authorized me to make the statement I have made on his behalf.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was agreed to.

Mr. CELLER. Mr. Chairman, I offer another amendment of similar import.

The Clerk read as follows:

Amendment offered by Mr. CELLER to the Spence substitute: On page 45, line 23, after the word "act", insert "pursuant to this act".

On page 46, line 6, after the word "General", insert the words "and the Chairman of the Federal Trade Commission".

On page 46, line 13, after the word "General", insert the words "and the Chairman of the Federal Trade Commission".

On page 46, line 14, strike out the period, add a comma, and the following: "and that if any objection is made by the Attorney General or by the Chairman of the Federal Trade Commission within that period, the President, or such person as he may designate, shall approve or disapprove the request."

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. MULTER. This amendment also was discussed by the gentleman yesterday and placed in the RECORD. I am authorized to make the same statement with reference to this amendment on behalf of the members of the committee on this side of the aisle that I made with reference to the other amendment, that it is acceptable to us.

Mr. CELLER. Mr. Chairman, there is an error in the amendment. The words "pursuant to this act" should follow the words "omission to act."

The CHAIRMAN. Is there objection to the qualification of the amendment?

There was no objection.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. KUNKEL. I wish to state that we have no objection to this amendment, on this side. It follows the law that was on the books previously, and that is the policy that I have tried to follow in my own substitute, to make it conform to previous war legislation, which the gentleman's amendment does.

Mr. CELLER. Supplementing what I said yesterday about exemptions from operations of the antitrust laws granted during the last war it would appear from the Justice Department files that 175 to 200 exemptions were granted during the war period through to 1945.

Twenty-seven cases of an antitrust nature were postponed till the war was over. Of these two were actually on trial at the time of postponement. One affecting the General Electric Co., the other affecting the American Optical Co.

Generally the Justice Department adopted a policy of disapproving applications for exemptions and insisted upon going to trial where fraud was alleged.

I herewith append telegrams approving these amendments:

WASHINGTON, D. C., *August 3, 1950.*

Hon. EMANUEL CELLER,
Chairman, Judiciary Committee,
House of Representatives:

The National Association of Retail Druggists representing 34,000 independent retail pharmacists practicing their profession in every State of the Union and the District of Columbia endorses your amendment to the Defense Act of 1950 as it relates to section 508 (a) and (b). It is imperative that small business must not be deprived of the protection of the antitrust laws.

JOHN W. DARGAVEL,
Executive Secretary,
National Association of Retail Druggists.

WASHINGTON, D. C., *August 3, 1950.*

Representative EMANUEL CELLER,
House Office Building:

We strongly support your proposed amendment to section 508, defense production bill. Such amendment essential to preserve antitrust legislation and free economy.

COOPERATIVE LEAGUE,
WALLACE J. CAMPBELL.

SEATTLE, WASH., *August 3, 1950.*

Hon. EMANUEL CELLER,
Chairman, Judiciary Committee,
House of Representatives:

National Congress of Petroleum Retailers heartily endorses your amendment, section 508, Defense Act 1950.

RANKIN PECK,
President, National Congress of
Petroleum Retailers, Inc.

WASHINGTON, D. C., *August 3, 1950.*

Hon. EMANUEL CELLER,
Chairman, Judiciary Committee,
House Office Building:

I have reviewed the proposed amendment to section 508 (a) and (b) of the Defense Production Act and I wish to say that the National Federation of Independent Business consisting of a membership of over 100,000 independent business and professional men will vigorously support your proposed amendment to the bill for the purpose of protecting our antitrust laws.

Without this amendment it would leave the door wide open to possible nullification of the antitrust laws. In the time of national emergency it is more important than ever before that independent business receive protection under our antitrust laws.

We must not in fighting for freedom abroad take steps which would result in the loss of freedom at home.

GEORGE J. BURGER,
Vice President, National Federation
of Independent Business, Inc.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was agreed to.

Mrs. ST. GEORGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ST. GEORGE to the amendment offered by Mr. SPENCE: On page 48, line 20, of the Spence admendment, add the following new section:

"SEC. —. (a) There is hereby established a Joint Economic Security Committee, to be composed of four Members of the Senate (two from each major political party) to be appointed by the President of the Senate and four Members of the House of Representatives (two from each major political party) to be appointed by the Speaker of the House.

"(b) The joint committee is authorized and directed to make a continuing study and investigation of, and advise and consult with the President with respect to, the administration of this act. The members of the joint committee who are Members of the Senate shall from time to time report to the Senate, and the members of the joint committee who are Members of the House of Representatives shall from time to time report to the House, with respect to the manner in which the President is using the powers and authority granted to him under this act. Such reports shall contain such recommendations as the joint committee deems advisable.

"(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

"(d) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such places and times, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with a subpena or to testify when summoned under authority of this subsection.

"(e) The joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Compensation Act of 1949 for comparable duties. The committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government."

Mr. PATMAN. Mr. Chairman, I make a point of order against the amendment, but will reserve it to permit the gentlewoman from New York to make a statement if she so desires.

Mrs. ST. GEORGE. I thank the gentleman from Texas.

Mr. KUNKEL. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. KUNKEL. I should like to know at what portion of the bill the amendment is to be inserted.

Mrs. ST. GEORGE. It is to be added to the end of the bill as a new section.

Mr. KUNKEL. Does not the gentlewoman feel that it would be preferable to add it prior to the termination clause?

Mrs. ST. GEORGE. Yes; I agree with the gentleman. If the gentleman would prefer to see it inserted there I certainly would agree with the gentleman's opinion.

Mr. KUNKEL. At page 48, line 20.

Mrs. ST. GEORGE. Mr. Chairman, I ask unanimous consent that my amendment be inserted at page 48, line 20, after the word "thereby".

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Chairman, this amendment is not an original thought with me; it was inspired by the testimony of Albert S. Goss, the master of the National Grange. I think Mr. Goss brought out an extremely important thing; and even if this amendment does not carry, I want to speak to that specific point.

Mr. Goss in his testimony stated that the Congress of the United States were the representatives of the people and were closer to the people than anyone else. I think this is a fact that has been lost sight of; and we, the Members of Congress, are losing sight of that fact. For the last 20 years or more this Nation of ours has been engaged in wars or has been close to war. War and freedom cannot live together; they cannot mix, and as a result we Members of Congress have abdicated many of our powers. This amendment merely seeks to put the Congress back a little bit into the high councils of government.

This commission would meet with the President. They would not influence his final decision, because I realize that that would not be their province; but at least they would know what is happening, and I submit to the Members of this House that many of us have not known what was happening for a long time and that there have been a great many changes of opinion made very suddenly, such as the strategic value of Korea and Formosa. It seems to me, therefore, that we owe a responsibility to the people who sent us here, that we cannot in a moment of hysteria pass this legislation which gives all power to the executive branch of the Government and then perhaps turn around and blame the Executive for the mistakes that are made. We have a responsibility to our people; we must assume that responsibility. It has been well said today that this war is everybody's war; it is also the war of Members of Congress. Congress, however, must shoulder its responsibility; we must play our part; we must not abdicate. For that reason I have introduced this amendment, and I hope that it will carry. It is a mild amendment; it is perhaps far too mild, but I do believe that it will again establish the equality of the legislative branch of the Government that has been lost on every hand. It will not reestablish it entirely, but it will again put us on the way to reestablishing it, if such thing is possible.

Mr. KEATING. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. KEATING. I wish to say to the gentlewoman from New York that I expect to support her amendment. I feel as she does, that it has been altogether too much our tendency to delegate our authority to the executive branch. I also share with her the feeling that this amendment is mild. At least we should do what the gentlewoman has suggested. I have prepared an amendment along similar lines. I think it is the very minimum of what we should do. The people are looking to us to have some hand in the way this law, if passed, is administered.

Mrs. ST. GEORGE. I thank the gentleman from New York.

Mr. LODGE. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. LODGE. I congratulate the gentlewoman from New York on an excellent and thoughtful statement. She has a very forward looking point of view.

Mr. LUCAS. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from Texas.

Mr. LUCAS. I have had an opportunity to read the testimony of Mr. Goss, master of the National Grange, and I though his idea was a good one. I have prepared such an amendment myself. I will be glad to support the amendment offered by the gentlewoman from New York.

Mr. COLE of New York. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from New York.

Mr. COLE of New York. I recall that in the early days of rationing and price control during the last war one of the major criticisms and complaints was that there was no forum where the people could register their complaints and point out the defects in the administration of that law, so much so that subsequently the House did create a special committee for that very purpose. It occurs to me that the proposal of the gentlewoman from New York would in advance of the criticism provide this necessary forum.

Mrs. ST. GEORGE. I thank the gentleman.

Mr. PATMAN. Mr. Chairman, I insist on my point of order. This is an attempt to set up in this bill a joint committee. I do not believe the amendment is germane or that it is in order.

The CHAIRMAN. Does the gentlewoman from New York desire to be heard?

Mrs. ST. GEORGE. Mr. Chairman, I am inclined to think that the gentleman's point may be well taken. Of course, it is more or less of a legal quibble. The amendment, in my opinion, has a very definite place in this bill. What the gentleman from New York [Mr. COLE] said brought that out abundantly, namely, that in the last war, when I was not a Member of Congress, it was found necessary to create this kind of a commission in order to take care of this very matter. For this reason it would seem to me wiser, in view of the fact that we know such an amendment or such a bill may be necessary, to incorporate it at this time in the present bill.

Mr. FULTON. Mr. Chairman, I would like to support the gentlewoman from New York in her position and point out a previous time where the House did create such a joint committee. It was known as the "watchdog committee" on European aid funds. I was a member of that committee. It was not subject to a point of order in the European aid or Marshall funds bill.

Mr. PATMAN. Mr. Chairman, I do not believe the amendment is germane to this bill.

Second. We already have a joint committee, the Joint Committee on the Economic Report, charged with the duty of doing practically everything that this amendment would cause a joint committee to do.

Third. This same proposal came up in connection with the first OPA bill in 1941 and in 1942 and instead of adopting this proposal we finally agreed to have advisory committees. That was inserted in the bill. There was provision for advisory committees to take the place of this.

Mr. Chairman, I insist on the point of order.

The CHAIRMAN. The Chair is prepared to rule.

The amendment offered by the gentlewoman from New York undertakes to set up a joint committee of the two Houses of Congress, which is a subject that is not within the jurisdiction of the Committee on Banking and Currency.

The Chair holds that the amendment is not germane, and, therefore, sustains the point of order.

Mr. SPENCE. Mr. Chairman, I wonder if we can agree on a time to close debate on the Spence substitute.

Mr. PATMAN. If this amendment is defeated, the Kunkel amendment will be subject to amendment? In other words, the gentleman is asking for a vote on the Spence amendment?

Mr. SPENCE. On the Spence substitute; yes.

Mr. BARDEN. Does the gentleman mean to cut off debate now and accept the Spence substitute?

Mr. SPENCE. No; I am asking for a time at which debate shall be cut off. I suggest that debate be cut off at 3 o'clock. I do not mean to cut off the amendment. If the Spence substitute should be defeated, the Kunkel amendment will then be subject to amendment.

Mr. BARDEN. The gentleman has more faith in his bill than many of us who do not think we can make a good bill out of it by 3 o'clock.

Mr. SPENCE. I have a great deal of faith in the House.

Mr. BARDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARDEN: On page 30, line 3, of the Spence substitute, strike out all of title V.

Mr. BARDEN. Mr. Chairman, on yesterday I attempted to find the origin of title V. I did not have much luck. So then I set about to try to find out just what it did. My results were rather disturbing, because title V, in my way of thinking, has no relation to title IV of the bill. Title V is in there with the

grant of absolute power that could be used to simply abrogate and circumvent existing labor legislation. Now, I do not find any demand or any request for this. I do not find that labor has been consulted or that the labor organizations even knew that this section was being proposed. I, as chairman of the Labor Committee, have certainly not been informed by any Government department that any legislation of this type was necessary.

So, Mr. Chairman, it appears to me that it would be definitely unwise for us at this time to write a page of legislation that, if it were thrown into this House on its own merits as a separate bill, would be the most controversial issue you could present on this floor. So, Mr. Chairman, I have offered an amendment that title V be stricken from the bill. There has been no justification for it. There has been no need shown for it, and so far as I can see there can be but one use to which it might be put, and that is to circumvent and go around, so to speak, existing legislation. We have our Conciliation Service. The Conciliation Service has done a good job, and that is admitted by all. Now, why should we circumvent that department? Why should we attempt to take the Conciliation Service and transfer it over to the Secretary of Labor or to the Social Security Administration or anyone else you want to put it in. I think on a major issue of this kind this House should thoroughly understand the proposition and there should be a great need shown before such drastic action is taken.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from New York.

Mr. O'TOOLE. Does the gentleman feel that title V is unique in that respect? Is not the whole Spence substitute really an effort to get around existing law or existing constitutional rights because of an emergency?

Mr. BARDEN. Well, I will say to the gentleman I am afraid there is a little too much of that in the bill.

Mr. O'TOOLE. That is the primary purpose of the whole bill; it is not only title V.

Mr. BARDEN. Let us approach it through the front door, and if an emergency exists, let us declare that an emergency exists and legislate on that basis. We should not only let the American people know what we are doing but why we are doing it.

Mr. O'TOOLE. But you are not going in the front door; you are going in the window.

Mr. BARDEN. It has not been shown that any such emergency exists. There is no mention of that in the legislation.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Had a bill been introduced carrying the provision which the gentleman seeks to strike out, that legislation would have been referred to the gentleman's committee, would it not?

Mr. BARDEN. I presume it would. I have had counsel for the committee study this. I have discussed it with a few members of the committee, but no action has been taken by my committee on the subject.

Mr. COOLEY. The gentleman means he has studied it since he was advised of its presence in the bill?

Mr. BARDEN. I certainly have. On yesterday afternoon I tried to find where it came from, who requested it, who wrote it, and what was its purpose.

Mr. COOLEY. As chairman of the House Committee on Education and Labor, has the gentleman been accorded any opportunity to appear before the Committee on Banking and Currency to discuss this?

Mr. BARDEN. I am not fussing about that, because I am well aware of the problems the chairman of the Committee on Banking and Currency has when he is dealing with a matter of this kind.

Mr. COOLEY. The answer is that the gentleman has not been accorded that privilege, of course.

Mr. BARDEN. But it is very rare that any matter of the importance of this would come up and be dealt with in the manner that it is dealt with in this bill without either labor or somebody knowing about it, and it is as much a surprise to labor as it is to anyone else.

Mr. ALLEN of Illinois. Mr. Chairman, I move to strike out the last three words, and ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALLEN of Illinois. Mr. Chairman, when H. R. 9176 was presented to the House of Representatives for consideration, my mind was an open one. For 3 days I have listened to debate. During the entire time there has been considerable confusion, disordered explanations, and a confused collection of ideas. No one has given the least reason why this drastic action is necessary. I am convinced that the entire proposition was ill-conceived, ill-planned and ill-timed.

Who wrote the original bill? Who is the master mind behind this scheme to regiment the American people—to saddle the American people with another OPA, snoopers, bureaucrats, and black markets? Surely not anyone who has given credence to the productive and the inventive capacities of Americans who have made this the greatest nation since the beginning of time—the greatest in terms of human comfort, human freedom and liberty, human safety, and the highest standard of living—who, next to the boys who fought, did more than anyone else to win World War II.

Should this Congress surrender every responsibility, and permit these do-gooders to regiment and control the daily lives of 150,000,000 of our people, while on the other hand young American men are scattered throughout the world to stop just that sort of thing? I say not.

I ask you why representatives of agriculture, of business, of labor were not brought before the Committee on Banking and Currency for their expressions? Because, of course, they would have made too good a case against this unwarranted action.

America has become great because of freedom of action and freedom of opportunity. The difference between America's productive greatness and other nations of the world is the degree of regimentation and interference.

The only reason that has been given why we need this stringent action, is because our defense department needs supplies and materials. Will anyone deny that when the defense department makes its requirements known, that our industrial plants will not go all out to meet those requirements? Will anyone deny that the best way and the surest way to meet those requirements is to let them alone—free from controls and interference? Performance in the past should answer that question. They have the capacity, the know-how, the experience, and the will to meet the requirements on schedule.

I believe controls unnecessary because I fervently believe that our mines, our mills, our farms, our factories can produce more efficiently if they are not hampered by boards, bureaus, and unnecessary regulations. I say this with the sincere belief that it is the best way to assist in getting us out of the present precarious position. If I thought otherwise, I would be for controls, regimentation, boards, and commissions.

I think passage of this bill would be a backward step. Its accomplishments would be exactly opposite to what we desire. A regimented United States plays into the hands of our enemies and accelerates the trend toward the system they advocate and which we are fighting.

If the Congress of the United States is not in agreement with this position and they do decide to risk the placing of controls upon our productive capacities, I urge that these controls be limited to priorities, allocations, requisitions, and plant construction—only for those specific things needed by the military, the Atomic Energy Commission, or arming our allies.

Concern over inflation is growing in some quarters. The only reason for this concern at the present time is due to a consumer hysteria. There is no shortage of supply—industry and distribution have met all demands up to this time. There is no reason why—left unhampered—industry and distribution should not meet any demands presently proposed by the Department of Defense, and take this domestic production and distribution in stride.

If the Congress of the United States believes that laws should be prepared for inflation control, I would recommend that the laws be written now for future enactment only when necessary, and that these laws establish at this time the base period for prices and wages, so that when it is found necessary to put the law into effect, both wages and prices will be rolled back to the preestablished date. I further recommend that the determination of the effective date be made only

by Congress and that Congress jealously reserve that right.

During our period of rearmament for defense, I strongly urge—and reiterate this position—that Congress drastically cut and eliminate all unnecessary spending; and that city, State, and county, and other local government bodies, along with national bureaus and agencies, refrain from construction of public works, public meeting halls and buildings, and all of those things that will use materials, supplies, and manpower and contribute to an inflation—except those that are essential to the public health and safety.

Every Member of Congress is gravely concerned over present world conditions. Never in history have the people of the world been so confused. Never in the history of the Congress of the United States has it been so important that minds remain free from politics and hysteria as at the present time.

Mr. O'TOOLE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the previous speaker, the gentleman from Illinois, in the beginning of his remarks said he did not know where the agitation for price control came from. He intimated that perhaps there were some secret pressure groups behind this legislation. The American people are neither without reflection, nor memories. They remember during the last conflict the immense fortunes that were made by black marketeers at the public's expense and to the public's detriment. They have observed that this same lack of patriotism exists at the present time. They have seen the prices of necessary commodities go sky high during the few days of this so-called Korean crisis.

If the gentleman from Illinois will but study his mail he will see that the demand for this legislation comes from the grass roots and from the city streets and he will see that the agitation is a spontaneous one. The American people are not content to wait any longer. They have had the opportunity to observe the selfishness of those who would take advantage of the country's plight. The American people are determined that there shall be legal restraints upon those who care not for the common good. They know that legislation must be enacted giving the President broad powers to control the situation. They know that the ordinary parliamentary procedure would be entirely too slow and would not be effective.

The gentleman constantly used the word regimentation. Let me remind him of this. For the last quarter of a century the words regimenting and regimentation of the American people have been thrown around in this Chamber quite casually, yet for 22 of the last 24 years the American people have placed their destiny in the hands of those who you say are regimenting them. The people know that while the Democratic Party may have made mistakes it has constantly tried to do that which would be for the common good. The people have faith in us and they have faith in this legislation. They know that they asked for it and since they did we should not be politicians today. We should give to the President broad, sweeping powers with full penalties that will make it possible for him to protect our people from black marketing, hoarding, and price raising.

The CHAIRMAN. The time of the gentleman from New York [Mr. O'TOOLE] has expired.

Mr. McCONNELL. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise at this time to support the amendment offered by the gentleman from North Carolina [Mr. BARDEN], chairman of the Committee on Education and Labor, which would strike out title V of the new Spence bill.

OBJECTIONS TO TITLE V

There seems to be no need whatsoever for the inclusion in this bill of title V, entitled "Settlement of Labor Disputes." The main purpose of this bill is to halt inflation and hoarding and the misuse of scarce materials in the interest of national defense. There are provisions in the bill to provide for wage stabilization.

Once wage stabilization goes into effect the issues which might arise in labor disputes are so limited that it is not necessary to have a new board created which would merely duplicate the work of the Mediation and Conciliation Service established by title II of the Labor-Management Relations Act of 1947.

Section 201 (a) of that act already states that the national policy is to promote industrial peace "by the settlement of issues between employers and employees through the processes of conference and collective bargaining between employers and the representatives of their employees."

Section 201 (c) of that act also provides that certain controversies can be minimized by making use of governmental facilities for mediation. In other words, the statement of policy embodied in section 501 of this bill and the first sentence of section 502 are already embodied in a permanent statute. The second sentence of section 502 which authorizes the President to take such action as he deems appropriate for the settlement of labor disputes, including the designation of boards and commissions, is dangerously broad. It would not only give the President authority to create unnecessary and duplicating agencies of mediation but also seems to imply that if he saw fit he could create a system of compulsory arbitration and even resort to such sanctions as conscripting labor, as he once sought to do in the famous railway labor strike of 1946. Surely, if any such stringent measures need to be taken they should be carefully considered by the standing Committee on Education and Labor of this House and reported to it for consideration in a bill specifically defining the circumstances under which such authority may be used.

It cannot be said today that the President is powerless to prevent stoppages which endanger the national defense. Sections 206 to 210 of the Labor-Management Relations Act authorizes the President whenever the national safety is endangered to apply for injunctive relief in the courts.

The authority given to the President is so broad here in the new Spence bill that it is not even clear that he must exercise his authority within the framework of the Labor-Management Relations Act.

In my opinion, title V should be stricken from the bill.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. FULTON. As the ranking Republican on the Committee on Education and Labor, I ask the gentleman, and also I ask the chairman of the Committee on Banking and Currency, the gentleman from Kentucky [Mr. SPENCE], to tell us in their capacities what effect this title V has on the Taft-Hartley law? Does it reenact it, keep it entirely in effect, or does it repeal it and cut it out, or does it amend it?

Mr. McCONNELL. I think it decidedly casts a shadow of doubt as to the processes set forth in the Labor-Management Relations Act of 1947, known as the Taft-Hartley Act.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I am glad to yield to the gentleman from Texas.

Mr. PATMAN. Has the gentleman read the last sentence of title V?

Mr. McCONNELL. Yes; I have read the last sentence.

Mr. PATMAN. I cannot understand how the gentleman can make that statement in view of the language in that last sentence. That language states:

Any such action shall be consistent with the provisions——

Mr. McCONNELL. What is meant by "being consistent"? Will the gentleman tell us? He offered the bill. I am not sure what it means.

Mr. PATMAN. It certainly is not to be inconsistent.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. McCONNELL. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. PATMAN. Will the gentleman yield that I may finish my quotation?

Mr. McCONNELL. I yield.

Mr. PATMAN. The language reads:

Any such action shall be consistent with the provisions of the Fair Labor Standards Act of 1938, as amended, and other Federal labor standards statutes and with other applicable laws.

Mr. McCONNELL. Why is title 5 put in this particular bill?

Mr. PATMAN. To make sure that laws like Taft-Hartley are not interfered with.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. HOFFMAN of Michigan. Under the language quoted by the gentleman from Texas, the only person who would know whether or not the Taft-Hartley Act was going to be applicable would be the person administering it. There is no way that we would know.

Mr. PATMAN. The Constitution would take care of that.

Mr. HOFFMAN of Michigan. He could use it or not use it just as he wanted.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. FULTON. May I then ask the gentleman what is the necessity of the provision that states that the President is authorized after consultation with labor and management to establish: One, such principles; two, procedures, and to take such action as he deems appropriate for the settlement of labor disputes?

Mr. PATMAN. It all ties into section 501. I hope the gentleman reads 501 carefully.

Mr. FULTON. Yes; but if he has not the right to change any existing law at all, why do you give him further powers on principles, procedure, and action?

Mr. PATMAN. Excepting the powers set out here, price and wage stabilization.

Mr. Chairman, I move to strike out the last word.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. Mr. Chairman, the situation has been created here in the Committee whereby it would appear to me that the Committee would be acting wisely were it to accept the counsel of the gentleman from New York, a member of the Committee on Banking and Currency, that the Committee turn down the Spence substitute, that it likewise turn down the Kunkel substitute; that it return to the Spence amendment, strike out the exchange and real-estate provisions, pass the law, then let all other questions involved go back to the Committee on Banking and Currency for the quick treatment of that great committee.

Mr. PATMAN. Mr. Chairman, I do not know of anything that is more provoking in wartime or during an emergency than strikes. The gentleman from Michigan yesterday explained how provoking it was to his outfit over in Europe when they read about strikes here in the United States, when they were fighting in World War II.

The object of title V is to prevent strikes in wartime and during an emergency. Why should we oppose that? Why should we not be in favor of stopping strikes? I am not in favor of strikes during wartime. I would like to have some fair, equitable way to stop them. That is the reason for title V in this bill.

Let us read it:

SETTLEMENT OF LABOR DISPUTES

SEC. 501. It is the intent of Congress, in order to provide for effective price and wage stabilization pursuant to title IV of this act and to maintain uninterrupted production, that there be effective procedures for the settlement of labor disputes affecting national defense.

I am sure every Member of this House agrees with that. You do not want production interfered with. You want uninterrupted production.

Here is the rest of it:

SEC. 502. The national policy shall be to place primary reliance upon the parties to any labor dispute to make every effort through negotiation and collective bargaining and the full use of mediation and conciliation facilities to effect a settlement in the national interest. The President is authorized, after consultation with labor and management, to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes affecting national defense, including the designation of such persons, boards, or commissions as he may deem appropriate to carry out the provisions of this title.

In other words, they must affect national defense, they must affect production. The object of this is to have uninterrupted production and not have strikes during an emergency.

SEC. 503. In any action which may be taken pursuant to authority provided for in this title, due regard shall be given to terms and conditions of employment established by prevailing collective bargaining practice which will be fair to labor and management alike, and will be consistent with stabilization policies established under this act.

I cannot understand why there should be any objection to this title. I know that the gentleman from North Carolina knows all about labor laws, and I say that because I really mean it. I know hardly anything about labor laws, but, reading this language as a layman, I cannot understand why anyone will oppose it. We do not want our production interrupted. We want uninterrupted production. We do not want strikes involving national defense. We want some way to iron out the difficulties. This is the way provided to stop strikes in an emergency in order to have uninterrupted production.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. BARDEN. I appreciate the gentleman's generosity and his compliment, but right at this time I believe I would rather have his support. Referring to the first part of this section that the gentleman read, there is not a thing in the world new about that. That is the law of the land today.

Mr. PATMAN. It is new in this bill because we are setting up price and wage stabilization. We want to coordinate it. During the last war we did not have coordination.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, during the last war, the War Labor Board did not coordinate their efforts with price and wage stabilization, consequently without reference to prices or wages they would be increased. This will require coordination.

Mr. BARDEN. Is that not why this Congress set up the Conciliation Service? Is that not why this Congress passed other legislation? The same regulations were in effect then.

But here is the part that the House will not like, and I cannot understand why the gentleman defends it:

The President is authorized, after consultation with labor and management, to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes.

Does that include compulsory arbitration?

Mr. PATMAN. No.

Mr. BARDEN. What does it include?

Mr. PATMAN. It is all tied in to production for national defense, every bit of it. I do not care what is done under it, but as long as we have uninterrupted production in time of war, I am in favor of it.

Mr. BARDEN. Mr. Chairman, will the gentleman yield further?

Mr. PATMAN. Sure.

Mr. BARDEN. The gentleman would not even attempt to defend this yesterday afternoon and did not know where it came from. Now, does he know where it came from?

Mr. PATMAN. I did not say I did not know where it came from.

Mr. BARDEN. Where did it come from?

Mr. PATMAN. I do not know, but it is a good provision, and I am for it; it is a fine thing. I am for all-out production.

Mr. BARDEN. The gentleman is for everything in it.

Mr. PATMAN. I am for uninterrupted production. I want to put something in this bill that will give us uninterrupted production for national defense, and I think this is one of the best provisions in the bill.

Mr. BARDEN. I understand the gentleman is against sin; but this is not the way to stop it.

Mr. PATMAN. And I hope it remains in the bill. If you have a separate agency, there is no coordination in trying to have price and wage stabilization. This is tying it in with these war boards.

Mr. BARDEN. Anything that is as important and as wide-reaching as the gentleman says this is, labor should have been given some consideration in it, and there has not been a single one of them approached.

Mr. PATMAN. I think it is a good provision according to its own language. I hope it stays in.

Mr. BIEMILLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the gentleman from Texas was quite correct in his presentation of the case against the Barden amendment. It is going to be necessary, if we get into a critical na-

tional defense situation, to have coordination of the various sections of this bill.

What this section does, in effect, is give the President authority to set up a body comparable to the War Labor Board of World War II. That board rendered yeoman service to the people of this country. It did keep strikes at an irreducible minimum, and that is exactly what we want to have accomplished, if it is necessary, by using this section. I do not understand on what basis the gentleman from North Carolina has suddenly become worried about the interests of the labor movement under this section. I have discussed this section with labor leaders during the last 24 hours and I have not found a single one who is opposed to this section. They spoke from their background of experience during the war. They know that it is necessary to have an agency other than the National Labor Relations Board or the Mediation Service to accomplish the settlement of disputes during wartime. The normal machinery does not work in war situations—that point we must understand. Neither the Taft-Hartley Act nor the Conciliation and Mediation Service make available the kind of facilities which get labor and management to sit down across the conference table and work out the problems which will have been created if we put price control and wage stabilization into effect.

That is the problem. You need a different kind of machinery than you have today. The National Labor Relations Board is concerned with dealing with grievances of unions against employers, or employers against unions. It is not concerned with trying to coordinate the settlement of labor disputes with wage stabilization or price-control policy. The Mediation Service can only use its functions in trying to get parties together who are apart. It has nothing to do with price control or wage stabilization. And it cannot enter any dispute unless it is invited in by one of the parties to the controversy.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. Then, as I understand it, the purpose of this title is to go beyond the Taft-Hartley Act and to not only provide for the appointment of extra boards but also to enable extreme actions to settle strikes never intended when the Taft-Hartley Act was set up; is that correct?

Mr. BIEMILLER. My understanding of the section is, I repeat, to create, if necessary, an agency comparable to the War Labor Board, on which, as you all will recall, there were direct representatives of labor, management, and the public.

Mr. McCONNELL. But this act goes beyond that, beyond the right to set up additional boards and commissions. It says "to take such action as he deems appropriate." What would the gentleman visualize under that phrase?

Mr. BIEMILLER. The creation of an agency comparable to the War Labor Board, on the basis of our previous practical experience, composed of representatives of labor and management and the public, to work out a policy similar to that utilized during World War II—a policy which was accepted by labor and management.

The National War Labor Board and regional boards that were created were able in many instances to settle disputes that the Taft-Hartley law could not settle and that the Conciliation and Mediation Service could not settle. They did get people together. The prestige of the labor and management representatives who sat on that War Labor Board was primarily responsible for settling dispute after dispute.

I am talking now about something with which I had first-hand experience. I was in the War Production Board Labor Division and worked closely with the War Labor Board all through the war. I saw that as a result of this voluntary bringing together of labor and management and getting them to sit down and work out their policies on a sound, patriotic basis we did keep strikes at the lowest possible level during the war.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that this amendment is necessary, because we discovered in World War II that there was no coordination between the War Labor Board and a stabilization agency such as OPA? We realize that was a mistake during World War II, and this is to correct that mistake.

Mr. BIEMILLER. That is substantially correct. There were grave difficulties that developed during World War II because of the lack of coordination. As the gentleman from Texas says, this bill is an attempt to put the whole problem together and bring price control, wage stabilization, and settlement of labor disputes into close coordination.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. Does it not seem only fair that if we are going to extremes beyond that provided under present statutes—extremes that we cannot even anticipate for certain at the moment that such a matter ought to be more thoroughly considered, and for that purpose should be referred to the proper standing committee of the House. That committee can speedily report a well-thought-out bill so that we can know definitely to what limits the President can go in extreme action against labor and management.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BIEMILLER. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Far be it from me to pass upon the prerogatives of standing committees of this House, I am convinced, partly on the basis of my own experience as special assistant to labor Vice Chairman of the War Production Board that we must have coordination between these proposed groups, that the whole matter should be handled in one bill, setting up various kinds of control techniques. You cannot separate continuous production and the need to keep labor disputes at a minimum from a wage stabilization and a price-control policy. If you do not, for example, roll prices back, you are not going to get wage stabilization without terrific uproar. Labor is patriotic and will cooperate, but American workers expect fair treatment and a voice in handling this question. All these questions are interrelated. You cannot talk about wage control without talking about price controls, and a stiff excess-profits tax. If we are to put ceilings on our economy, the ceilings must be the same height for everybody. And the War Labor Board is a necessary agency in maintaining the ceilings.

Mr. McCONNELL. Why do we not just set up a board, then, if that is the purpose of this section, rather than going to the extreme we go to here?

Mr. BIEMILLER. Because in the first place we do not know whether a board is going to be needed. I pray, as you do, that it will not be. Second, if a board is going to be set up and you are going to get the proper response from both management and labor, it should be set up as the War Labor Board was and as this bill provides, after consultation with labor and management representatives. We do not want the Government simply imposing on labor and management a ready-made scheme of things. We want to get the enthusiastic cooperation of both sides of the bargaining table, as we did have during World War II in almost every instance. That is all this does, is set up that machinery. Americans are free people and will respond to any emergency much better if they are consulted and given responsibility.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from North Carolina.

Mr. BARDEN. I believe this bill provides for the cooperation and the use of the various agencies of the Government in carrying it out. Is that not true?

Mr. BIEMILLER. Correct.

Mr. BARDEN. You have title 4, which deals with price and wage stabilization.

Mr. BIEMILLER. Correct.

Mr. BARDEN. We have on the statute books our Mediation Service. The only excuse in the world for that Service is to do the very thing the gentleman is saying is necessary, to get labor and management together, to mediate and arbitrate.

Mr. BIEMILLER. I must differ with my esteemed friend from North Carolina. Having been organizer for the Wisconsin State Federation of Labor at one time,

I know something about the activities of the Conciliation Service. The Conciliation and Mediation Service deals only with a given controversy. This would be a board to deal, if necessary, with general policy and to prevent strikes in the national defense industries only. The Conciliation and Mediation Service is concerned with restaurant disputes, laundry disputes, and every other kind of small, technical dispute you might get.

Mr. BARDEN. If it is not restricted to a given situation, it means it can arouse disturbance and turmoil everywhere.

Mr. BIEMILLER. Not at all. My second point is this, that in the Conciliation and Mediation Service you do not have representatives of labor and management. That is what I think you need during a national defense situation, which is not normal. It is a critical problem. You cannot afford to have the luxury of disputes leading to strikes. That is what the War Labor Board prevented during the war.

Mr. BARDEN. The gentleman knows the Conciliation Service could not operate without labor and management cooperating with it. They are bound to have that cooperation.

Mr. BIEMILLER. But I am talking about sitting down together on the board and having a chance to work out policy problems day by day together as we did during World War II. We should not scrap the valuable lesson we learned—that real cooperation can be obtained and strikes and lockouts kept at a minimum if we consult with labor and management and give them responsibility for helping to maintain industrial peace.

Mr. Chairman, I hope the Barden amendment will be defeated.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this amendment. I think the amendment should be adopted for the obvious reason that we are here dealing with certain production price-control and wage-control legislation. I do not think this is the time, without careful consideration certainly, to be undertaking to write new legislation dealing with labor-management relations.

The gentleman from Texas [Mr. PATMAN] disclaimed knowledge of the labor laws. He is, however, an able member of the Committee on Banking and Currency. But to my mind he kind of let the cat out of the bag in his explanation of what this section means. Of course, if he is correct in his explanation, then for the gentleman from Wisconsin [Mr. BIEMILLER] to be arguing so vigorously against the amendment certainly strikes me as a little strange.

The gentleman from Texas contends that this section is designed to bring about what? Uninterrupted production. Let us not get into a philosophical argument here as to whether or not in times of crisis like these we want to have strikes. Of course we do not. We do hope to have uninterrupted production—but in a free economy. If you absolutely assure by law uninterrupted production you can do nothing other than outlaw strikes.

I have heard a lot of talk here in recent years about slave-labor legislation. Never at any time has the Congress of the United States in peace or war undertaken to outlaw all strikes.

Mr. BIEMILLER. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BIEMILLER. May I point out there is nothing that outlaws strikes. May I remind the gentleman that only 2 nights ago one of the outstanding labor leaders in America, George Meaney, secretary of the American Federation of Labor, said in the event of the continuance of the critical situation labor is quite ready to make a no-strike pledge. That, incidentally, was one of the principles set up by the War Labor Board.

Mr. HALLECK. But Mr. George Meaney will not say to you or to me, sir, that he is willing for the Congress of the United States to enact any legislation outlawing strikes. I do not know whether the gentleman from Texas [Mr. PATMAN] knows what he is talking about when he undertakes to explain this section, but I have been listening to some of the debate here and I am frank to confess I have not found anyone, either on or off the committee, who seems to know very much about what some of this language means. Let me just say to the gentleman from Wisconsin that I have not had any labor leader suggesting to me what their appraisal of this is. The gentleman says that he has had. But I can read the English language, and it says here:

> The President is authorized after consultation with labor and management—

Yes—consultation—but that does not mean you have to follow anybody's dictates—

> to establish such principles and procedures and to take such action * * * as he deems appropriate for the settlement of labor disputes affecting the national defense.

Now then, national defense is as broad as the economy of the country when you are in war. No one can deny that. So the President is authorized under this language, if he saw fit, to invoke the power of injunction or take any action which he deems appropriate for the settlement of labor disputes. That means, in the words of the gentleman from Texas [Mr. PATMAN] to require uninterrupted production. Why, to my mind, that would permit compulsory arbitration, which is anathema to organized labor. It would provide for the unlimited use of the injunctive power to settle labor disputes, and that again is anathema to organized labor.

Yes. I think it would legalize, by congressional action, in this particular language herein contained, the very thing that President Truman sought to do when he asked the Congress to grant him authority to draft the striking railroad workers into the Army.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. PATMAN. How can the gentleman make that argument when the language is so very plain? The intent is to have uninterrupted production for national defense.

Mr. HALLECK. I am making my argument out of the words that came from the mouth of the gentleman from Texas.

Mr. PATMAN. Read the language.

Mr. HALLECK. Yes. I have been reading the language. The gentleman from Wisconsin [Mr. BIEMILLER] said that the whole purpose is to set up a war labor board. If you read the language, that is a kind of incidental thing to the granting of the power to the President to take whatever action he wants, because it says, "including the designation of such persons, boards, or commissions."

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HALLECK] has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HALLECK. I do not know how the President would use this authority. I know it is there. I know the power is there, and, as far as I am concerned, I do not believe this is the time to be writing this sort of legislation.

Prerogatives of committees? I recognize that many times we push that pretty far, and perhaps it is not so important; but, on the other hand, if you are dealing with a matter of such vital concern, not only to management and to men, but to the whole country and the national interest, at least there ought to be opportunity for testimony and evidence as to just what this section means. You did not have any explanation of that by the people who might be affected by it, in labor or industry, before the Committee on Banking and Currency, prior to bringing this proposal here. None at all. There is no emergency involved in this. So, certainly, this amendment should be supported and that title stricken out, and if something like this is required to be done we will get at it in due course and in the right way.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, earlier in the day a great many of us went along with the gentleman from Georgia [Mr. PACE] on an amendment which we thought was more than fair to the agricultural part of our Nation. Now, here is an amendment striking out a title, to which I ask your indulgence in considering for just a few moments.

The following section has not been read; or at least, in the light of the argument just made by the gentleman from Indiana [Mr. HALLECK], it has not been considered. I would like the House to consider the following language, in the same section, 503, at the bottom of page 30:

> In any action which may be taken pursuant to authority provided for in this title, due regard shall be given to terms and con-

ditions of employment established by prevailing collective-bargaining practice which will be fair to labor and management alike, and will be consistent with stabilization policies established under this act. Any such action shall be consistent with the provisions of the Fair Labor Standards Act of 1938, as amended, and other Federal labor standards statutes and with other applicable laws.

Now, I ask the membership to consider that. Any action taken by the President has to be consistent with laws now on the books. It has to be for the purpose of continuing uninterrupted defense production. It is in the field of defense production. It is specialized. Is there anything unreasonable in this?

I come from a laboring district. I do not know whether labor wants this or not, and I do not care, but I think if it is good to take the boys over there to fight and die in Korea, it is also good to use every means possible, consistent with law, to maintain uninterrupted production in our defense plants. In the agricultural section we gave the President authority to make adjustments of the incentive production of certain types of agricultural products, in fact, all agricultural products, because we struck out the words "fresh fruits" and put in the words "agricultural products." We have given him some arbitrary authority there. Is he going to abuse it? He is going to exercise it in terms consistent with increased production, to make such financial adjustment to the farmer as necessary.

All we are trying to do here is to prevent emergencies in war industries, any industry that affects the national defense. I can remember the President brought in a law here, the amended Railroad Act, and I can remember that most of the Members of this House voted for it. That bill drafted railroad labor. It was far more drastic than title V of this bill.

This title is to set up a War Labor Board. The War Labor Board did not have authority to draft labor, and there is no labor law in the books under which he could draft labor and force them to work involuntarily, and yet have it consistent with the Federal statutes on labor, the Taft-Hartley and other acts. But we know that the Taft-Hartley Act cannot stop a strike, that after the final 90 days of labor freeze or strike freeze they are right back where they started, and can go right ahead and strike if they want to.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. JACOBS. Again I wish to call the attention of the House to the fact that in section 502 the President is authorized after a consultation with labor and management—after consultation—then he is authorized to establish such principles and procedures, and to take such action as he deems appropriate. If that does not mean that the President can institute compulsory arbitration then I just do not understand the English language at all.

Mr. HOLIFIELD. I think if the gentleman will apply section 503 which states that his action shall be consistent with the principles of the Fair Labor Standards Act and other Federal labor standards statutes, he will realize that there is no law that provides for compulsory arbitration.

Mr. JACOBS. If the gentleman will permit, the difficulty that the House is in here today is that it shies away from facing the cold hard facts of the situation. The cold hard fact is that we are at war.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JACOBS. Mr. Chairman, I ask unanimous consent that the gentleman from California may be allowed to proceed for one additional minute in order that I may finish my statement.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JACOBS. A time may come when we have to have compulsory arbitration, because when people cannot get along and cannot do business, and business is vital to production, then we may have to have compulsory arbitration.

Mr. HOLIFIELD. I thank the gentleman. I hope he will just allow me to use the last 10 seconds of my minute. Those of us who are trying to deal with this problem of inflation must consider very seriously the provisions of this act and the limitations that are imposed therein.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. If I have any time remaining I shall be glad to yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman has referred to section 503. I find these words in the last sentence: "other Federal labor standards statutes." I do not recall seeing the word "standards" used before.

Mr. HOLIFIELD. I call the gentleman's attention to the Walsh-Healey Act, for instance, and the Bacon-Davis Act.

Mr. HALLECK. Would that phrase include the Labor-Managament Relations Act as "standards" legislation? I do not think so.

Mr. WERDEL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, much has been said about the words in the last sentence to the effect that any such action the President may take shall be consistent with the provisions of the Fair Labor Standards Act and other Federal labor standards statutes and with other applicable laws. If we are considering the expressed limitation on the President's powers that they be consistent with existing laws, including the Labor-Management Relations Act, I call to your attention that the congressional intent in that regard has been discussed for years. Existing law defines what the powers of Government are that are consistent with the Labor-Management Relations Act. Any other governmental interference of any kind in labor-management relations is inconsistent with existing law.

So, what we have here, Mr. Chairman, is an expression of the same power that was given to Schickelgruber, that was given to everyone else who rode into office on a propaganda campaign supported by labor leaders and fundamentally against the interests of the individual working man. That is what we have here. We are delegating the power here for the first time in the United States which can say to labor leaders, even through their controlled press if you please, that they are acting contrary to the interests of the working man and do with those leaders what he will. That is the power that this bill is giving and it is giving it in wartime. It says that working men are not fit to be free.

The expression has been made here that normal machinery will not work. That expression was made by a man who admitted that he has been a labor organizer. I point out to you that in the immediate past, during the last war, through machinery set up for action through the President, perhaps the greatest organization campaign in the labor field was put on that was ever put on in any nation in the world. That organizing is almost complete, so far as the heavy industry is concerned, Mr. Chairman.

Now, we see the political pay-off. In the immediate past this administration has aided political labor bosses in bargaining across the auto industry, the steel industry, the coal industry, the electrical industry, the clothing industry, bargaining, if you please, not against the employer but across the whole industry and against the consumers of the country, 90 percent of whom are workingmen, the retired, aged, and the farmers.

We have reached the point, if this is the President's proposal, when he says he created something he cannot handle without more power. That is what this language means. It means this Congress for years now has shirked its responsibility as the representatives of free people, that responsibility being now to define equitable and moral rights that exist in a changing economy. That is our problem or organized labor is through by the admission of the President speaking through this language in title V.

Mr. Chairman, I am sure that the American public has been much impressed by the remarks already made by distinguished gentlemen from both sides of the aisle on the general subject now before the House. For a while, I was fearful that jockeying for political position would cause our statesmen, who should state the truth in this hour, to delay their actions. I believe this attitude is the only possible explanation of the conflicting statements of our President made during the past few days when he presumably was fully advised of our current condition in defending individual freedom against Russian totalitarianism.

In the immediate future, the great free press of America will carry the story reminding the American people that practically every man in every seat in

this great legislature believes the hour is near, and may be upon us, when we must make our greatest effort to continue our system of government. The American people must realize that we are a nation of 150,000,000, working 8 hours a day, 5 days per week. There are other free countries who will, to be sure, join us in our effort. However, we are separated by oceans, and they are weak. We are opposed by a nation of 190,000,000 people who are forced to work 12 hours a day, 7 days a week. Whereas we have been spending about one-seventh of the total production of our people on a budger for military defense, the total production of our opponent constitutes the budget of a totalitarian government directed to the destruction of our form of government and the Christian principles on which it is founded. Even before the last war, our opponent was a totalitarian government, using force and secret police and intrigue to bind together, through fear more than 175 distinct nationalities, speaking more than 119 different languages. There are least 70 languages used in the schools of Soviet Russia and throughout the country, and I am advised that they print their school books in at least five different alphabets.

During the past 10 years, our real opponent, through subversive activities, together with false and malicious materialistic propoganda, has infiltrated the governments of its small neighbors and through threat of military force from itself, has caused minorities to take over the governments of those neighbors. In keeping with the 100-year-old plan of attack against free Christian countries, our opponent has at all times sought to force free governments, including ours, to make expenditures which would bankrupt free governments and provide the fertile soil for their philosophy. Our opponent uses these new satellites to create world disturbances in order to force our Government to make larger expenditures as a bulwark against its autocratic aggression and intrigue.

Under these circumstances, Mr. Chairman, I cannot help but wonder what action would be taken by our opponent if this Congress now extends our national deficit for this fiscal year to where it exceeds $15,000,000,000. My concern as to our opponent's future action is further aggravated by the fact that we are now considering the delegation of totalitarian powers upon our Executive. Should we commit our Government to additional war expenditures and assume that deficit and delegate totalitarian powers, who is to say that the most effective action of Russia against us would not be the immediate settlement of the Korean dispute and the aggravation of another such incident some place on the other side of the world?

Mr. Chairman, the remarks of Jacob A. Malik, as representative of Russia and Council President of the Security Council of the United Nations for the month of August, day before yesterday is only further evidence of our critical position. By fabrication, he wove from untruths and half truths, a deceptive pattern of demagogic propaganda against all free countries and in particular against the United States.

Mr. Chairman, we are presently fighting Russia. She has been fighting us since the day of birth of her present Government. It is incumbent upon our statesmen to tell the American people that. It will then be clear to the American people that the day-by-day expenditures of our Government for defense are for our defense against Russia and not against her satellites. Our people will then demand that our statesmen be forced to give them a statement of policy on far eastern and world affairs which will be definite and positive. A breach of such policy will cause the issues to be drawn between ourselves and our allies and our joint real opponent—materialistic, communistic Russia. Those issues must be drawn and settled at an early date, or our opponent's plan to have us destroy ourselves may be realized. Certainly, so long as the free nations of the world are forced to expend their effort and resources against satellites of our opponent, which satellites do not want to fight but are brought into war through bribery, falsehoods, and fear, can only weaken us. So long as we continue to take our opponent's bait on this subject, we are being foolish, and to me, such actions by our Government are good and convincing evidence that there are those in our State Department who have not thought these subjects through. They will lead us, 150,000,000 strong, working part time, against 190,000,000, working full time, plus 700,000,000 people in satellite countries, to be used as cannon fodder. They ask us to expend our efforts on the outside of the circle, transporting our men and materials to every point in the world, and fight a successful campaign. When our statesmen and Government do these things, they impliedly admit their own confusion and, of course, confuse the American people.

Within this session of Congress, our statemen have told the Congress that Korea was outside the perimeter of defense of this country. They have said that our troops should be withdrawn—they have said that Korea was not of strategic importance to this country in our effort ahead. Our top military men, including the Joint Chiefs of Staff, said last year that our position in Korea in the face of a Red China was untenable in an effort against communism. Our Chief of Staff, during the last war, Mr. Marshall, while Secretary of State 2 years ago, told a Senate committee that our military position in Korea was untenable.

Mr. Chairman, our opponent has been developing herself, planning her attack, producing and enmassing military material, training her armies ever since we disbanded our armies and put our materials in mothballs at the end of the last war. The hour is late. Regardless of what we decide in regard to the pending bill, we must have a policy expressed by our President and our State Department. It must be a definite policy for ourselves and other free countries. When that policy is in existence, the American people will accept the delegation of totalitarian powers to our Executive, with the firm belief that their freedom will be recovered when the crisis is over.

Mr. Chairman, Washington, with or without the delegation of the powers proposed in the pending legislation, cannot win the war even against Korea. If we are to win, we must have the confidence of the American people from the East, North, South, and West. There must be an end to special privilege logrolling as occurred on the cotton bill passed by this House last Monday. We are outnumbered in this fight and we cannot win the war by farming marginal land. There will never be a confidence in this administration so long as it caters to pressure groups for its political existence. The tolerance of this administration for lawlessness and uncontrolled violence by certain labor bosses will not give us the national confidence necessary to win in an all-out effort against our opponent. Industry-wide strikes and patterned bargaining across industry is no longer a strike against employers, but even the most poorly informed realizes that it is a strike against consumers, 90 percent of which are either workingmen, farmers, or retired aged.

It is firm conviction that if the American people are to make the effort that will be necessary, two things must be done at the earliest possible date: First, they must be frankly told that the effort must be made, that they must pull in their belts, work long hours and expect an end to the political bribery program that has been used to maintain politicians in power through pressure-group activities: Second, they must be told by some person whom they respect as a statesman that if men are to remain free, their rights as individual must be defined by laws enforcible in courts in their local communities, and that the continual growth of Government by Executive decrees will destroy their liberties and give them the totalitarian government which they are now asked to supply sons, husbands, and money to fight. They must be told that either the party in power or the opposition Republican Party will at the next election define the difference between coveting your neighbor's goods as an individual and doing it collectively in groups called unions or political parties; that a definition will be made on domestic issues which reasonably defines the difference between stealing your neighbor's goods and doing it with economic force through collective action. Our people must be told that freedom, as we know it, is a matter of Government by laws and not one of political bribery through Executive decrees. Yes, it must be admitted to them that the attitude of this Government toward a welfare state has placed it in such a position that neither domestically nor in foreign policy can it draw the issues with Russia for freemen because the policy that keeps this administration in power is on the same road

as that of our opponents, Russia, which will at all times out-promise us both at home and abroad.

In closing, Mr. Chairman, I want to say that I am well aware that there are many of our young men in serious condition in Korea and more on their way. I hope that the bill which has been brought out of committee without hearings is one that I will find myself able to support in the interest of those boys. However, the bill offered by the majority party, which will undoubtedly pass, must supply a method to regain to Congress and the people the powers delegated to the President if I am to support it. I would prefer that regular annual action by the Congress to reestablish the delegated powers were required by the bill instead of a delegation of powers for the duration of an emergency that a power-hungry Executive, whoever he might be, can continue and keep in existence.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the Spence substitute and all amendments thereto close at 4 o'clock, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. COOLEY. I object, Mr. Chairman.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the Spence substitute and all amendments thereto close at 4:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. FULTON. I object, Mr. Chairman.

Mr. SPENCE. Mr. Chairman, I move that all debate on the Spence substitute and all amendments thereto close at 4 o'clock.

The CHAIRMAN. The question is on the motion.

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 66, noes 126.

So the motion was rejected.

Mr. SHELLEY. Mr. Chairman, I move to strike out the last word.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the Barden amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SHELLEY. Mr. Chairman, there has been a great deal of discussion about the Barden amendment to H. R. 9314, the effect of which would be to strike out title 5 of the bill, now under consideration as a substitute for the Defense Production Act. I am certainly far from being an authority on labor legislation. I have had no part in the writing of any national labor legislation, but I have played a very small part in some labor relations. On hearing the question which was raised yesterday by the very able chairman of the Committee on Education and Labor, I wondered, too, just where the section which is known as title 5 came from. There was also a question in my mind regarding the origin of some of the provisions of title 4, particularly in setting up the dates therein, because I recognized a difference in approach from that which was made in the Executive orders which set up the War Labor Board and established the freeze on wages and salaries, with provisions for adjustment of inequities, in early 1942.

With those questions in mind I made inquiry of President William F. Green, of the American Federation of Labor, and of Mr. Phil Murray, president of the CIO, as well as representatives of the railroad brotherhoods. While I could not reach Mr. Murray personally, I talked to his staff and those who were authorized to speak for him.

President Green made a statement to me, and authorized me to repeat it on the floor. I may say that the representatives of the CIO expressed practically the same thoughts. President Green's statement was that, while the American Federation of Labor basically and traditionally resents and has resisted legislation which would suspend collective bargaining, in World War II they agreed, in the interests of national defense and the national welfare, to the setting up of a War Labor Board. That in the light of what they consider today to be a world-wide situation which threatens to permanently destroy their very right to exist as labor movements—their very right to continue to bargain collectively—and which is certainly a very imminent and dire threat to that democracy in which we pride ourselves, they subscribe wholeheartedly to the enactment of provisions for wage stabilization, price controls, and excess-profits taxes. They had been consulted about the general principles included in this bill, and are in support of the Spence substitute.

I then inquired about some of the provisions of title 5. Labor's answer to the objection to the broad powers to negotiate settlement of labor disputes in national-defense industries, which this bill gives the President, is in somewhat startling contrast to the statements made on the floor of the House yesterday and today by some of the new found champions of labor and its rights. Labor, as President Green stated, is basically opposed to legislation curtailing the right to bargain collectively. But men who have spent their lives in the labor movement fighting to protect that right are willing to accept now, as apparently certain other groups in our economic society are not, the fact that we are now engaged in a fight to preserve the priceless democratic way of life. They are willing to place above group interests the paramount interest of the greater good. Labor's leaders recognize the fact that under these powers delegated to the President situations may develop which will not work to labor's benefit. But they are willing to take the gamble, with full recognition of what they may have to sacrifice, in view of the greater loss we will all sustain if our economy is not geared and prepared for any situation and any emergency which may arise.

So that the gentlemen and gentlewomen of the House may understand with what authority I make the statements I have made, and will make, during the course of these remarks, and because I have largely refrained from taking the floor since my advent here, I will give you just a little personal history, and I ask that you excuse my indulgence in it.

For some 14 years I was president of the San Francisco Labor Council. I served 8 years in the California State Senate, where I was the Democratic floor leader, and where I served with many other Members of this House from California. I think I acquired some small reputation as a reasonable person in adjusting labor disputes. At the present time I am still serving, or still nominally hold the office of president of the California State Federation of Labor, which I will continue to hold until the election in a month or two. I will not run for reelection to that office.

I have sat in any number of negotiations and have appeared before various boards, before the Conciliation Service, and before the National Labor Relations Board when it functioned under the provisions of the Wagner Act and since it has functioned under the provisions of the Taft-Hartley law. In the light of these experiences I want to point out to the Members the deficiencies of present legislation insofar as emergency settlements of labor-management disputes are concerned.

The statute setting up the Federal Mediation and Conciliation Service not only does not permit, but specifically prohibits, that Service from injecting itself into any threatened or current labor dispute unless it is requested to come in by one of the parties to the dispute. I have personally seen many situations develop where both parties were reluctant to ask the Conciliation Service to come in, simply because they might lose face, lose their personal standing, or injure their bargaining position. Because of the fact that a Government agency which has done the very fine job the Conciliation Service has done through the years was prohibited from moving in, avertable strikes may have been encouraged and very serious results brought about thereby.

Under the Taft-Hartley law, as under the Wagner Act, there is no provision whereby the National Labor Relations Board, or its general counsel, can step in and mediate or conciliate a dispute. The Taft-Hartley law provides for the certification of unions for the purpose of collective bargaining. It sets up certain rules for negotiating of contracts and agreements. It authorizes the Board to make determinations that unfair labor practices exist and gives the Board the power to obtain injunctions against a strike on the basis of an unfair labor practice. It gives the Board the power to seek an injunction against a strike

which seriously threatens or endangers the national welfare. But the Taft-Hartley law, in spite of the beliefs of some of those who voted for its enactment, is not all-embracing. It cannot force a negotiated settlement of a labor-management dispute. Many industries have been declared not to be subject to the provisions of the law and not under the jurisdiction of the Board. Many of these industries are of vital importance to the defense effort.

One of these industries is the hotel and restaurant industry. Let me cite a personal experience in that regard which had some bearing on the defense of the Nation in a previous period of national emergency. A widespread strike occurred in the San Francisco hotels in the late summer of 1941. At the time of the bombing of Pearl Harbor on December 7, 1941, the strike was still on. The parties to the dispute were not meeting to negotiate a settlement, and a meeting could not be arranged. In that emergency situation I flew back here to Washington. I had a meeting with the late President, Franklin D. Roosevelt. I had conferences with the people on the War Labor Board. As a result of those meetings and conferences the powers of the Board were broadened by executive action to give it jurisdiction over the dispute and strike in the hotels. To realize the necessity for such action you must recognize that San Francisco was the major port of embarkation and supply base for the entire Pacific area. Any strike which closed down all the major hotels and hotel dining rooms had, if not a direct, certainly an important indirect bearing on the national defense program in the Pacific theater. After the President's action the strikers returned to work and a settlement was arrived at through hearings before the War Labor Board.

But under then existing law, and under present law, there was, and is not today, any machinery for adjudication of such a situation. I say to those gentlemen who keep mentioning the Conciliation Service and the National Labor Relations Board that something further is needed. In 1940 and 1941 the Congress passed no specific legislation creating a War Labor Board. Broad Executive powers were granted to the President by virtue of which he subsequently issued an Executive order setting up the Board. The War Labor Board was not the subject of congressional action until the passage of the Smith-Connally Act of 1943 which broadened its powers. Such a Board will be needed again. We should provide the President with the power to create it when the emergency situation demands it.

Gentlemen and gentlewomen, labor relations at the collective-bargaining-table level are not cold and predictable things. They are highly charged emotionally on both sides of the table. Under those conditions actions may be taken which, if not controlled by less personally involved authority in time of emergency, might lead to disastrous consequences. The able gentleman from Texas [Mr. PATMAN] said earlier today that he did not like strikes in defense plants. With my background I do not like strikes at any time, and I think that the time to obviate and eliminate strikes in time of emergency, as well as at any time, is in discussion before the strike takes place. This bill will provide the machinery now lacking to insure that such discussion takes place. Labor may be gambling by accepting such a provision, but it is a gamble which we must take. The other side of the collective-bargaining table should realize that more is at stake than the immediate issues of a dispute and take the gamble too.

We have heard it stated during the course of debate both yesterday and today that it was suspected that title 5 was inserted in the Spence bill as a device designed to subvert the intent of the Taft-Hartley law and to take our labor relations out from under its jurisdiction. The language of title 5 is clear on this point. May I quote section 503 of the bill in referring to the President's action under the powers granted him? "Any such action shall be consistent with the provisions of the Fair Labor Standards Act of 1938, as amended, and other Federal labor-standards statutes and applicable laws." There is no question but that the Taft-Hartley law is one of these applicable laws. The point has been raised that the term "consistent with" is not explicit enough. Gentlemen and gentlewomen, in my book an action is either consistent with or it is inconsistent. The difference is as the difference between black and white. The terms are futually contradictory and mutually exclusive. Let us accept the fact that this bill was written only with the interests of the country in this emergency situation at heart, and with no nefarious intent to do through it things which perhaps should have been done long ago, but which Congress to date has not seen fit to do.

We are all familiar with the oft-quoted expression that "Eternal vigilance is the price of liberty." Let us not be deluded into thinking that it is the only price. We must pay also in terms of sacrifice. For some it is the personal sacrifice of life. To measure up to their sacrifice the least we, as individuals or groups, can do is give up, temporarily at least, some of our rights and privileges so that in the long run we may preserve those greater rights and privileges which go to make up the term "liberty."

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, there seems to be great contrariety of opinion as to what is the purpose of this provision. I feel it is to establish boards and commissions to be set up by the President, which boards and commissions would consider the questions involved, and then the President, after they considered the questions and made their findings would take appropriate action. I think the appropriate action referred to is the action which would be recommended by the boards and commissions. It is in the nature of a War Labor Board.

The setting of prices is a simple matter. But there is a human equation in the settling of labor disputes. A man who works with his hands and has nothing to sell but his labor has certainly a deep interest in the proper settlement of labor disputes. The relationship of management and labor is important, because when labor is working together with management it means more production. There is a rolling-mill and a steel plant in my own district. Whenever that mill was about to close down because it could not get pig iron to make its steel, I never saw the managers of the mill but it was the men who came here and asked me to see the Reconstruction Finance Corporation and see if they could not get some pig iron because they wanted the mill to continue.

That is the spirit which is necessary if we are going to have the real American spirit in production. I do not think the President is going to outlaw strikes under this provision. I do not think that was intended at all. And if that should be, then it does not conform to the fundamental purposes for which this section has been placed in the bill. It is, under the circumstances, a reasonable section. We are not at war, or at least we are not in a world war at the present time. But we have plenty of trouble on our hands. I think labor must give, as all of us must give, to see success come to our arms.

We have heard things in the last few days that we have not heard in a century. We have heard that our Armed Forces are moving back before the enemy. I have heard it said that we are at the last ditch and that we must stand there. I am not in favor of standing there. If it is necessary to move out, then we had better move out, because we do not want to see our boys killed uselessly on that front.

Mr. Chairman, what we are doing now is trying to establish a relationship between capital and labor which means more production and better relationships and more patriotic spirit. I think this will subserve that purpose. I cannot see any objection to it. There has been a great deal of talk about the invasion of jurisdiction of committees. This is no time for jealousy. We did not want this jurisdiction. You know the Committee on Banking and Currency does not have to advertise for business. We have more than we need. We did not want this jurisdiction. We did not go after it, but under the parliamentary law the predominant subject is what determines jurisdiction, and the jurisdiction was given to us by the Speaker, advised by the wise parliamentarian who always has good reasons for his judgments.

So it came to us and we had to take it in its entirety. If you attempted to divide the thing and give fragmentary jurisdiction to the several committees, you would never have any bills properly considered or adequate for their purpose. So we had to take the bill. The paternity of the bill does not make any difference. It is the merit of the bill which we submit to you.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. BARDEN].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 150, noes 75.

Mr. SPENCE. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SPENCE and Mr. BARDEN.

The Committee again divided; and the tellers reported that there were—ayes 166, noes 83.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, there are some perfecting and correcting committee amendments on the desk which I think might be taken up at this time. I am sure there is no objection to them.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I assume that during the afternoon there will be some limitation of debate upon the amendments which are not considered as perfecting amendments, and it would seem to me to be the best practice to reserve the perfecting amendments that apparently are going to be noncontroversial until we have exhausted debate on the controversial features of the bill.

The CHAIRMAN. The time of offering the committee amendments is within control of the gentleman from Kentucky.

Mr. SPENCE. I understand it will take only a minute or two to consider them, and I thought it might be pleasant to get into something that was not controversial for a little while.

Mr. WOLCOTT. It might not develop into a pleasant situation.

Mr. SPENCE. Mr. Chairman, I ask that the amendments be read.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

Mr. CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, is the gentleman offering them en bloc?

Mr. SPENCE. Yes; I offer them en bloc. They are to correct language in the bill.

The CHAIRMAN. The Clerk will report the amendments.

Amendments offered by Mr. SPENCE of Kentucky. Page 15, line 21, strike "1942" and insert: "1947."

Page 28, strike the sentence beginning on line 17 and ending on line 2, page 29.

Page 29, line 4, strike out "and no such suspension shall confer" and insert in lieu thereof "regulation, order or requirement."

Page 31, line 22, insert at the beginning of such line the following: "hereto and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this subtitle or to prevent evasion thereof. In prescribing and suspending such regulations, including changes from time to time to take account of changing conditions, the President shall consider among factors."

Page 36, line 5, strike out "402" and insert: "602."

The CHAIRMAN. The question is on the amendments offered by the gentleman from Kentucky.

The amendments were agreed to.

Mr. O'HARA of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Illinois: On page 39, after line 14, insert the following new title:

"TITLE VII—RENT CONTROL

"SEC. 501. Section 4 (c) of the Housing and Rent Act of 1947, as amended, is amended by striking out 'June 30, 1951' and inserting in lieu thereof, 'June 30, 1952, or at such earlier time as the Congress by concurrent resolution or the President by proclamation may designate'.

"SEC. 502. Section 202 (c) of the Housing and Rent Act of 1947, as amended, is amended by inserting immediately following the words 'except that it does not include' the words 'the following housing accommodations unless and until maximum rents are established or reestablished for such housing accommodations in accordance with section 204 (1) (3) of this title—'

"SEC. 503. Section 202 (d) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'The term "defense-rental area" means any part of an area designated under the provisions of the Emergency Price Control Act of 1942, as amended.'

"SEC. 504. Section 204 of the Housing and Rent Act of 1947, as amended, is amended by striking out subsection (j) thereof.

"SEC. 505. Section 204 (a) of the Housing and Rent Act of 1947, as amended, is amended by striking out 'June 30, 1951' and inserting in lieu thereof 'June 30, 1952, or at such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.'

"SEC. 506. Section 204 (f) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'The provisions of this title shall cease to be in effect at the close of June 30, 1952, or upon the date of a proclamation by the President, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier; except that as to rights or liabilities incurred prior to such termination date, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any such right or liability.'

"SEC. 507. Section 204 (h) of the Housing and Rent Act of 1947, as amended, is amended by inserting immediately preceding the first word thereof the following: 'Except as hereinafter provided in section 204 (i) of this title.'

"SEC. 508. Section 204 (i) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'(1) Whenever a local advisory board in any defense-rental area in which maximum rents were never regulated under the Emergency Price Control Act of 1942, as amended, after having determined, with respect to the area over which it has jurisdiction or any portion thereof, either that (A) a scarcity of rental housing has developed as a result of national defense activity, or (B) employment or other conditions have changed to such an extent as to make the supply of rental housing inadequate to meet the demand, or (C) rents have increased or are about to increase unreasonably, recommends that such action is necessary or appropriate in order to effectuate the purposes of this title, or to promote national defense, the Housing Expediter, if such recommendation is appropriately substantiated, shall by regulation or order establish such maximum rent or maximum rents for any housing accommodations in such area or portion thereof as in his judgment will be fair and equitable.

"'(2) Whenever a local advisory board in any defense-rental area in which housing accommodations were or hereafter are decontrolled under the Emergency Price Control Act of 1942, as amended, or under this title, after having determined with respect to the area over which it has jurisdiction, or any portion thereof, either that (A) a scarcity of rental housing has developed as a result of national-defense activity, or (B) employment or other conditions have changed to such an extent as to make the supply of rental housing inadequate to meet the demand, or (C) rents have increased or are about to increase unreasonably, recommends that such action is necessary or appropriate in order to effectuate the purposes of this title, or to promote national defense, the Housing Expediter, if such recommendation is appropriately substantiated, shall by regulation or order reestablish maximum rents for any or all such housing accommodations in such area or portion thereof.

"'(3) The Housing Expediter, upon recommendation of a local advisory board, or upon his own initiative, whenever in his judgment such action is necessary or proper in order to effectuate the purposes of this title or to promote national defense, may by regulation or order establish or reestablish maximum rents for any or all housing accommodations in any defense-rental area.

"'(4) In the case of housing accommodations for which a maximum rent is reestablished pursuant to paragraph (2) or (3) of this subsection, the maximum rent shall be the maximum rent last in effect for such housing accommodations under Federal rent control, plus or minus applicable adjustments; or, if no maximum rent was ever in effect for such housing accommodations, the maximum rent shall be the rent generally prevailing for comparable controlled housing accommodations within such area, plus or minus applicable adjustments.

"'(5) In establishing any maximum rent for any housing accommodations pursuant to paragraph (1) or (3) of this subsection, in any defense-rental area or portion thereof in which maximum rents were never regulated under the Emergency Price Control Act of 1942, as amended, the Housing Expediter shall give due consideration to the rents prevailing in such housing accommodations or comparable housing accommodations on such date as he deems appropriate, not earlier than March 30, 1949, and he shall make adjustment for such relevant factors as he shall determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area.'

"SEC. 509. Section 206 (c) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"'Any person who willfully violates any provision of this act, or any regulation or order issued thereunder, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed under this act, shall, upon conviction thereof, be subject to a fine of not more than $5,000 or to imprisonment for not more than 1 year, or to both such fine and imprisonment. Whenever the Housing Expediter has reason to believe that any person is liable for punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought. The district courts shall have jurisdiction of criminal proceedings for violation of this act, or any regulation or

order issued thereunder, and concurrently with State and Territorial courts, of all other proceedings under section 205 and subsection (b) of this section. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, or may be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Housing Expediter or the United States Government in any proceeding under this act.'

"SEC. 510. All amendments to the Housing and Rent Act of 1947, as provided for in this title, shall become effective on July 1, 1951: *Provided*, That at any time prior to July 1, 1951, the President shall have the authority to make any or all of such amendments effective whenever he shall find it necessary or appropriate to carry out the purposes of this act."

Renumber title V to read title VI and renumber sections 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, and 513 to read sections 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, and 613, respectively.

Amend the title to read as follows: "A bill to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, provide for price and wage stabilization, provide for the settlement of labor disputes, strengthen controls over credit, regulate speculation on commodity exchanges, strengthen rent controls, and by these measures facilitate the production of goods and services necessary for the national security."

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment that it is not germane to the subject matter of the bill.

Mr. O'HARA of Illinois. Will the gentleman reserve his point of order until after discussion?

Mr. WOLCOTT. I assume the Chair will recognize the gentleman on his point of order.

The CHAIRMAN. The gentleman makes a point of order or reserves a point of order?

Mr. WOLCOTT. Mr. Chairman, I make a point of order.

The CHAIRMAN. Does the gentleman from Illinois [Mr. O'HARA] desire to be heard on the point of order?

Mr. O'HARA of Illinois. Mr. Chairman, this is a bill of controls. Certainly nothing could be more germane to such a bill than control over the prices that people can charge for housing. I may say that the amendment I have offered strikes at the very heart and soul of control.

I respectfully suggest, Mr. Chairman, that my amendment is germane.

The CHAIRMAN. The Chair has considered the amendment rather briefly. It seems to relate to a subject that is nowhere touched on in this present bill now before the Committee.

The Chair is constrained to rule, however desirable the legislation might be, that the amendment is not germane to the pending substitute; therefore sustains the point of order.

Mr. O'HARA of Illinois. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Chairman, the rent-control amendments I have offered as a new title VII are designed to provide stand-by authority to invoke full-scale rent control during the life of the Defense Production Act. The present rent-control law terminates on the last day of this year unless extended to June 30, 1951, by affirmative action of local governing bodies. The termination date of the controls established in the Spence amendment is June 30 of 1952. I think it must be perfectly plain to everyone that we must have stand-by authority to extend rent control over the gap between the two dates, provided there should prove to be the necessity for such extension. I emphasize that this is not in any sense an extension of rent control past the date set in existing law. It is merely a stand-by authority, a very necessary stand-by authority to be exercised only when the conditions of an emergency the depth and duration of which we do not know render the extension and the strengthening of rent control immediately demanded for national security.

I feel deeply and sincerely that to pass this measure without provision for continuing rent control, if necessary, would be to occasion all of us future embarrassment and regret. We are girding for a gigantic struggle. It may require our fullest strength and exact from all of us the utmost in sacrifice. Certainly I hope that it will not reach such proportions. But to rest the security of our country and the happiness of our people on a rose-bed of hope would be an avoidance of our responsibility as the lawmakers of the Republic.

Let us be perfectly frank in admitting to ourselves that this bill as it now stands will affect the building of new homes. Its purpose is to channel material and men into production for defense. Until the emergency is over airships and the materials of war will have priority over homes. The people at home understand that perfectly well. You do not have to be a doctor of economics to know war and the conditions of girding for what might prove to be the most devastating war of all the centuries, must inevitably increase and not diminish the shortage in housing. It is reasonably to be expected that under the provisions of this bill and the demands of a fight for national survival—not that we wish it to be so, not that it will come to pass until the actual necessity is here—that material and labor now going into the construction of new homes will be diverted to the building of urgently necessary war material.

I submit, therefore, that to pass this bill without provision for stand-by authority in the matter of continuing rent control, to be exercised when and only when necessary, would be a crushing blow to millions of men and women in the family circles of America who are looking to us to protect them, as well as large business interests, as best we can, from any suffering which foresight could prevent in the conditions of a great emergency certain at the best to demand from all of us a maximum of sacrifice.

Under the amendments offered by me the Housing and Rent Act of 1947, as amended, would be extended to June 30, 1952, or such earlier time as the President or the Congress might determine. The present rent legislation would be strengthened by the following amendments. These amendments would become effective on July 1, 1951, unless sooner invoked by the President.

First. The Housing Expediter is given authority to recontrol any areas, portions of areas or types of accommodations heretofore decontrolled where such recontrol is necessary in the interest of national defense. Where housing accommodations are recontrolled the maximum rents are the last rents under Federal rent control plus or minus applicable adjustments.

Second. The Housing Expediter is given authority in the interest of national defense to establish Federal rent control in any defense-rental area or portion thereof in which Federal rent control has never theretofore been established. Where such rents are established the Expediter is required to give due consideration to the rents for comparable accommodations on such date as he deems appropriate not earlier than March 30, 1949.

Third. Provisions of the present act providing for decontrol by local governing bodies or by States is eliminated.

Fourth. Provisions of the present act providing for the substitution of State controls for Federal controls is eliminated.

Fifth. Eliminates the necessity of municipalities to take affirmative action to continue Federal rent control after December 30, 1950.

Sixth. Provision is made for criminal penalties for any person who willfully violates the Federal law.

Seventh. Extends veterans' preference in sale and rental of new construction until June 30, 1952.

Mr. Chairman, I earnestly urge upon the committee the adoption of the amendments I have presented. As a member of the committee, the only member representing the great metropolis of Chicago, I am sure I speak with especial accuracy the sentiment of the men and women of the urban centers.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: Page 37 line 1, of the Spence substitute, strike out subtitle B, section 611, in its entirety.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, I appreciate the fact that the hour is late, and I am somewhat reluctant to ask for

this additional time, but I do so because of the importance of the matter which you are now requested to consider.

This matter has been before my committee for more than a year. I introduced a bill on May 16, 1949, at the request of the Secretary of Agriculture, one provision of which gave the Secretary of Agriculture the right to control margins on the commodity exchange. After this matter had been brought to my attention by the Secretary of Agriculture, and after this bill had been introduced by me on the 16th of May, 1949, I appointed a subcommittee and that subcommittee has conducted hearings in New York, Chicago, Kansas City, New Orleans, and other places. The matter is now currently being considered by our committee. Because of its highly controversial character no action has been taken by our committee, but the particular phase of the bill which I introduced, which is carried forward in the bill now under consideration, is not only controversial but it is objectionable.

At a meeting of our committee this morning in an effort to ascertain the views of the House Committee on Agriculture, I took an informal poll of that committee, and I know that a majority of the Members of that committee are unalterably opposed to the provision which I am seeking to strike out of this bill.

To give you an idea about the delicate operation with which we are attempting to deal, I think that I may frankly say that the members of our committee know more about this particular subject than other Members of Congress, because we have made an extensive study of it. Even in May 1949, when we were far removed from the Korean incident, the Secretary of Agriculture asked for this power over the commodity exchanges of this Nation. He did that, you will recall, after certain fluctuations and gyrations on the commodity exchanges caused chills to run up and down our spines, and we thought any day we were heading into trouble. But, actually, the situation straightened itself out and all our fears subsided. The market leveled off and continued to operate in a normal fashion. It was at that time that the Secretary issued a statement to the effect that he intended to investigate market fluctuations.

We have investigated this matter; we have made a study of it; and after having given it careful consideration I know that the House Committee on Agriculture would not look with favor upon this particular provision. They have brought this up under the pretext that it is justified by reason of an emergency which is existing. They are asking for it now as a temporary power for about 2 years. If in the name of this emergency this power is conferred on the Secretary of Agriculture, I venture the assertion that it will never be taken away from him. This is a power which the Secretary of Agriculture has never had. Not even in World War II did Congress ever consider for 1 minute conferring upon the Secretary the power here granted.

I am not complaining about jurisdiction. I am not saying that all of the friends of the producers of agricultural commodities are members of the House Committee on Agriculture. I know the distinguished and able chairman of this committee [Mr. SPENCE] is just as good a friend of the farmers of his district and State and of this Nation as I am. But I do say that neither the gentleman from Kentucky [Mr. SPENCE] nor the members of his committee know what they are doing when they bring this bill before this House and ask us to confer upon the Secretary this unheard of power to regulate the commodity exchanges of this Nation.

The power here is unlimited and unrestricted to regulate as the Secretary deems proper the commodity exchanges of America, upon which businessmen operate, and of necessity operate, and on which the farmers of this Nation must trade. The power to regulate means the power to close up and to destroy a facility which we know is valuable in this economy of ours.

Certainly all of you will understand that it is not possible within the limited time of 10 minutes to discuss this subject thoroughly, which is just as broad as the whole territory of this great Nation, but I want to call your attention to a few statements in the letter of the Secretary of Agriculture with reference to this matter.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BROWN of Georgia. I am very much interested in what the gentleman is stating. I offered an amendment to the original bill which would make it not apply to bona fide hedging transactions. I thought that would cure the defect. But I did not know enough about it. I found out afterward that I should have offered an amendment to strike the whole section, because there you are going to tie up all commodities because you have to have some speculation in order to hedge. I found that out. I certainly hope the gentleman's amendment will be adopted.

Mr. COOLEY. I am delighted to have the gentleman support the amendment. I know the gentleman is interested in it.

To show you in what slipshod fashion this bill was put together, this provision put into the original bill which the Committee on Banking and Currency considered did not even attempt to protect bona fide hedging which, after all, is used as insurance by the processors of agricultural commodities to protect their own inventories, so that they may operate with some stability.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. There is language written into the committee bill as reported from the committee that protects the legitimate hedger.

Mr. COOLEY. I may be in error, but as the bill was introduced it was not in there. It was at our suggestion that the chairman of the committee and the members of the committee accepted it, and now bona fide hedging is protected. But how can you have bona fide hedging unless you have accompanying it a certain amount of bona fide speculation?

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. PACE. I wonder if the gentleman wants to mention the fact that the Senate Committee on Banking and Currency, after a full hearing on this section, knocked it out by a vote of 10 to 1.

Mr. COOLEY. I think it is generally known that the Senate committee did not look with favor upon this very important provision which the committee has placed in here

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. What are you going to do about this speculation, then? Prices have gone up tremendously in the last 30 days. What is the gentleman's committee going to do to meet this situation in the emergency?

Mr. COOLEY. If I had the time to discuss this situation, I could discuss it, I think, to the gentleman's complete satisfaction. I have the record here which absolutely proves beyond any shadow of doubt that this Korean situation has not been responsible for the fluctuations on the commodity exchanges.

I do not have time to read the records, but the fluctuation on the cotton market followed the cotton report which indicated a very short crop for 1950. Here is the record, and I am sure you appreciate the fact that I do not have the time to read it. But there was less volume in trading in the market after the Korean situation than before the Korean situation, and less speculation on the cotton exchange subsequent to the Korean affair than there was prior to it. The gentleman knows very well, representing, as I do, a farming section and being interested in the welfare of agriculture, that I do not want to see wild and reckless speculation on our commodity exchanges.

But this is a self-regulated institution. I am surprise to see that some Members of Congress do not even know what we are talking about when we talk about margins.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McCORMACK. On the New Orleans Cotton Exchange there is a reduction of 4.9 percent, but on the New York Cotton Exchange there was an increase of 9.3 percent. On wheat there is 78.6 percent increase. On soybeans 28.4 percent. On corn 40.1 percent. On lard 98.2 percent. On eggs 128 percent.

Mr. COOLEY. The figures the gentleman is quoting are not prices but are the increase in trading which the Department of Agriculture reports has occurred on some of the commodity markets. I want to make it clear that they are not figures showing the increase in speculation. No one knows how much

of this trading is speculation, but I am willing to admit that a considerable part of this trading does represent speculative transactions. Even so, if these figures prove anything at all, they prove the very opposite of the gentleman's contention—that there is a direct relationship between increased trading or speculation and an increase in prices. If the gentleman will examine the figures, put out by the Secretary of Agriculture in his report, he will notice that there is no relationship whatever between the increase in the volume of trading and the increase in price. The largest increase in volume of trading of the eight commodities listed by the Secretary is in eggs, an increase of 128 percent, but eggs increased in price only 5.4 percent, next to the smallest increase of any of the eight commodities listed by the Secretary. There was an increase of 78.6 percent in the volume of trading in wheat, but wheat increased only 6.6 percent in price. At the other end of the scale, there was an increase of only 9.3 percent in the volume of trading in cotton during this period, but the price of cotton increased 19.1 percent during this period.

At this point I will insert in the RECORD a table prepared from data submitted by the Commodity Exchange Authority of the Department of Agriculture, showing the increase in the volume of trading and the increase in price for eight commodities during the period prior to and immediately after the Korean incident. An examination of these figures indicates clearly that there is no relationship whatsoever between a high volume of trading and an increase in price. Where there has been a relatively small volume of trading the increase in price tends to be even larger than where there are many traders and much activity in the market.

	Volume of trade increase for June 26 to July 22 period over May 29 to June 24 period	Price increase as of July 28 compared to June 24 price
	Percent	*Percent*
Eggs	128.0	5.4
Lard	98.2	41.0
Wheat	78.6	6.6
Wool tops	44.1	15.8
Corn	40.1	5.0
Soybeans	28.4	25.7
Cottonseed oil	11.5	31.6
Cotton	9.3	19.1

There is only one commodity on which week to week figures of the amount of speculative trade as compared with the total volume of trade are available. That commodity is cotton, and I have here the complete record of trading on the New York Cotton Exchange for the past 2 years. It shows that in the week ending June 2, 1950, 3 weeks before Korea, the percentage of speculative trade on the New York Cotton Exchange was 20.2 percent. For the week ending June 23, 1950, 2 days before the Korean incident began, the volume of speculative trade on that exchange was 19.3 percent. In the week ending June 30, 1950, the week during which the Korean incident began, and in which its repercussions were felt in the United States, the volume of speculative trade on the New York Cotton Exchange dropped to 18.6 percent, and it has been in a steady decline since that time. In the most recent week for which figures are available, the week ending July 28, 1950, the volume of speculative trade on that exchange was down to 17.4 percent.

I think this indicates clearly that there is no relationship whatsoever between the volume of speculation, the increase in the price of cotton, and the emergency situation. This is further shown by looking at the data for the first month of 1949. For the first 4 weeks of 1949 the volume of speculative trading on the New York Cotton Exchange was 19.9 percent, 19.4 percent, 20.0 percent, and 19.5 percent. These figures demonstrate conclusively that there has been no excessive speculation in cotton. In fact they show that there has been less speculation than that which might be considered normal.

Reference has been made by a number of gentlemen to the price of various commodities. I have here data provided by the Bureau of Agricultural Economics, Department of Agriculture, which indicate that there have been no alarming price increases whatsoever in two of our most basic commodities, wheat and cotton, and the price fluctuations which have taken place have occurred not as a result of this emergency situation or of speculation, but as the result of the natural play of the laws of supply and demand, as indicated by the Department of Agriculture Crop Reports.

I submit tables showing wheat and cotton prices for the past 2 months. Referring to the wheat table, it will be noted that the cash price today, August 3, 1950, is 222.8 and the records of the Department of Agriculture indicate that this is almost exactly the cash price of wheat in January of this year, at which time it averaged 222.3 for the month.

Prices No. 2 hard winter wheat, Kansas City, Mo.

Week ending—	
June 3, 1950	225.1
June 10, 1950	219.9
June 17, 1950	215.2
June 24, 1950	213.1
July 1, 1950	216.6
July 8, 1950	219.5
July 15, 1950	219.0
July 22, 1950	226.5
Daily:	
July 17	221.6
July 18	221.7
July 19	223.8
July 20	225.5
July 21	231.0
July 22	230.5
July 24	225.0
July 25	229.0
July 26	228.2
July 27	225.0
July 28	221.5
July 29	219.8
July 31	218.5
Aug. 1	219.8
Aug. 2	222.0
Aug. 3	222.8

Cotton prices: Average 10 spot markets for 1⅛ Middling

Week ending—	*Cents*
June 3, 1950	33.70
June 10, 1950	33.82
June 17, 1950	33.84
June 24, 1950	33.73
July 1, 1950	33.82
July 8, 1950	34.23
July 15, 1950	36.72
July 22, 1950	37.93
July 29, 1950	38.70
Daily prices;	*Cents*
July 17, 1950	37.73
July 18, 1950	37.38
July 19, 1950	37.70
July 20, 1950	38.02
July 21, 1950	37.83
July 22 (Saturday).	
July 23 (Sunday).	
July 24, 1950	38.11
July 25, 1950	38.34
July 26, 1950	38.96
July 27, 1950	39.02
July 28, 1950	39.05
July 29 (Saturday).	
July 30 (Sunday).	
July 31, 1950	38.64
Aug. 1, 1950	38.22
Aug. 2, 1950	37.72
Aug. 3, 1950	37.49

Further reference to the week by week and day by day price of wheat shows that there was an increase of only 3½ cents in the price of wheat in the week immediately following the Korean incident. However, in the week following the release of the July 1, 1950, crop report of the Department of Agriculture, the week ending July 22, 1950, there was an increase of 7½ cents in the cash price of wheat. On July 21, 1950, the cash price of wheat reached 231 cents a bushel, but since that time it has dropped a little more than 8 cents a bushel.

The table of cotton prices shows that the price of cotton was relatively stable, ranging from 33 to 34 cents per pound, until the Department of Agriculture issued its report on the 1950 cotton acreage. That report showed that there were approximately 2,000,000 acres less cotton planted than had been anticipated under the acreage allotment. The result of that report, as indicated by the foregoing table, was an immediate increase in the price of cotton of almost 3 cents per pound. The price of cotton continued upward to 39 cents per pound on July 28, the date used by the Secretary in making most of his price comparsons. Since that date, however, the price of cotton has declined to 37.49 cents per pound, or about the same price that cotton was following the release of the acreage report.

Even with all of that price, wheat went down instead of going up, which proves that speculation which the gentleman is talking about does not influence the price level.

When you reduce the volume of speculation by the lifting of margins, you drive out of the market the little operator and you play into the hands of the big operator. When you reduce the volume of the little traders on the commodity exchanges, one single transaction may be of such magnitude that it might cause gyrations which otherwise would not occur.

Mr. McCORMACK. I would like to ask my friend to look into that because my record shows that wheat on June 23 and 24 was $2.16¾ per bushel, and on July 28 it was $2.31⅛ per bushel. That certainly is not going down.

Mr. COOLEY. The gentleman from Massachusetts is smart enough to know that if I employed my time in discussing these figures I have here, I would not be able to get across my arguments in opposition to this section.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. MANSFIELD. Mr. Chairman, reserving the right to object, many of us have been on our feet all afternoon, and we would like to know if we are going to have a chance to offer our amendments which we think are just as important as those being presented now, and which also, I might add, are on the Clerk's desk. We did not just come into the Chamber, either.

Mr. Chairman, I withdraw my reservation of objection.

Mr. COOLEY. May I say to the gentleman that I did not just come in, either. I have been sitting here all day awaiting this opportunity.

Mr. FULTON. Mr. Chairman, reserving the right to object, will the gentleman permit questioning by Members from the floor at least for 1 minute of his time?

Mr. COOLEY. I have permitted questions for more than 1 minute on my time.

I yield to the gentleman now if he has a question.

Mr. FULTON. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, if you start out to say that we want to do away with excessive speculation, the question then comes up, What is excessive speculation? Who can determine what is excessive speculation? There is not an expert in America who can say that this is or this is not excessive speculation. It is difficult enough to tell even what speculation is in the first place. There is just one other point that I want to make. The Secretary of Agriculture himself, who is asking for these great powers and authority, recognizes the fact that you must have speculation. I only need to refer to his letter in which he uses this expression:

> The volume of speculation is definitely far beyond that needed for the purpose of facilitating actual marketing.

There you have a clear inference that we do need speculation because he says so and anyone who is familiar with the operations of the markets knows that that is true.

Then the Secretary says this:

> The most directly effective means of curbing war-scare speculation—

And we have none of that now—

> short of closing the market is to increase the amount of margins which speculators must deposit.

There, Mr. Chairman, is a subtle threat in this communication that it might become necessary to close the commodity exchanges.

In the second paragraph of his letter he says:

> The purpose of this section 411 is to prevent excessive speculation in the commodity futures market during the current emergency.

Now I do not want to question his sincerity or the sincerity of his purpose and far be it from me to do that, but he requested this power long before we had an emergency. Why should he come and emphasize the emergency aspects now? But for the fact that he did ask for it in 1949, when we were at peace, or at least we thought we were at peace with the world—I would not even mention the fact that he is now putting such emphasis on the emergency.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. FULTON. Is not this whole provision predicated on the fact that the President must first determine the nature and extent of speculative trading on boards of trade and that it causes or threatens to cause unwarranted changes or unreasonable fluctuations? It does not operate unless he determines that first.

Mr. COOLEY. He delegates that authority to Secretary Brannan, and then Mr. Brannan delegates that authority to Mr. Mell, and Mr. Mell puts in an order which may interfere with the business operations of the ordinary American citizen. If he wanted this as a peacetime power—and he wants it now as a wartime power, once you give it to him you might as well abandon the commodity exchanges, which I believe operate usually in the interests of all the people of this country.

I ask that the amendment be adopted.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot arrive at some arrangement to conclude debate on this amendment.

I ask unanimous consent that all debate on the Cooley amendment, and all amendments thereto, close at 4 o'clock, the last 5 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. HOPE. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the Cooley amendment, and all amendments thereto, conclude at 4 o'clock, the last 5 minutes to be reserved to the committee.

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 117, noes 41.

So the motion was agreed to.

The CHAIRMAN. Twenty-seven Members desire to be heard on this amendment in 24 minutes. The Chair will recognize the gentleman from Kansas [Mr. HOPE] for seven-eighths of 1 minute.

Mr. MARTIN of Massachusetts. Mr. Chairman, in view of the fact that the distinguished ranking minority member of the Committee on Agriculture has only seven-eighths of 1 minute, I yield my time to him.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. POLK].

(Mr. McCORMACK and Mr. HUBER asked and were given permission to yield the time allotted to them to Mr. POLK.)

Mr. POLK. Mr. Chairman, I arise in opposition to the amendment to strike the sections relating to commodity speculation from the bill. One of the purposes of H. R. 9314 is to control prices of commodities, and when this subject came up a few days ago, I asked Mr. J. M. Mehl, Administrator of the Commodity Exchange Authority, to supply me with information concerning the effect of commodity speculation on prices since the beginning of the Korean War.

Mr. Mehl's report states:

CURRENT SPECULATION IN COMMODITY FUTURES

INCREASE IN VOLUME

Since the outbreak of hostilities in Korea there have been substantial increases in speculation in most of the more important commodities in which there is futures trading. The volume of trading in a number of representative commodities increased during the 4 weeks after June 25 as compared with the 4 weeks prior to June 25 (table 1). The percentage change in trading on principal markets ranged from an increase of 128 percent in eggs to a decrease of 4.9 percent in cotton on the New Orleans Cotton Exchange. Cotton trading on the larger New York exchange showed an increase of 9.3 percent and a combination of the figures for the two exchanges gives an increase of 5.2 percent.

The figures relating to soybeans are particularly striking. Despite the fact that trading in this commodity had for some months been of an almost frenzied character, and at an extremely high level, it increased still further, to the extent of 28 percent, in the 4 weeks after the Reds attacked in Korea. It is significant to compare the 4-week volume of futures trading of 367,179,000 bushels with the total 1949 United States production of 222,000,000 bushels.

With increases in volume of 128 percent in eggs, 98.2 percent in lard, 78.6 percent in wheat and 44.1 percent in wool tops, the impact of war-scare speculation in commodities is apparent.

INCREASED VOLUME ACCOMPANIED BY PRICE ADVANCES

In the 5 weeks between June 25 and July 28 the commodity futures markets have not only shown general increases in speculation, but have also reflected substantial price advances. A comparison of the closing prices of the most active future of certain

of the more important commodities as of the last trading day before June 25 with the prices of the same futures as of July 28 is set forth in table 2.

For the 8 commodities shown the price advances during the 5 weeks ranged from 5 percent on corn to 41 percent on lard.

The war-sensitive character of the fats and oils, and the products from which they are derived, is reflected in the price advances of 41 percent on lard, 31.6 percent on cottonseed oil, and 25.7 percent on soybeans. In the textile field there were price advances of 19.1 percent in cotton and 15.8 percent in wool tops.

LOW MARGIN DEPOSITS REQUIRED FOR SPECULATION IN COMMODITY FUTURES

Unlike the security markets, in which the amount of margin or down payment required of speculators is fixed by the Federal Reserve Board, such requirements for commodities are established by the various exchanges on which the trading is done. Currently, in the more important commodities, the amount of margin required by exchange rules runs from 8 to 16 percent of the value, as against 50 percent on stocks. The requirements in effect, as of July 28, 1950, on the principal commodities and the comparison of the percentage requirements of July 28 with those of July 21 are set out below:

Commodity	Market	Contract	Price per contract	Margin per contract	Margin as percent of price	
					July 28	July 21
Wheat	Chicago	5,000 bushels	$11,356	$1,250	11.0	6.4
Corn	do	5,000 bushels	7,618	600	7.9	7.8
Soybeans	do	5,000 bushels	13,200	1,500	11.4	7.9
Cottonseed oil	New York	60,000 pounds	11,730	1,200	10.2	7.4
Lard	Chicago	40,000 pounds	6,220	800	12.9	7.1
Eggs	do	14,400 dozen	5,803	500	8.6	8.9
Wool tops	New York	5,000 pounds	11,525	1,000	8.7	8.9
Cotton	do	100 bales	19,415	3,000	15.5	10.7
Do	New Orleans	do	19,325	3,000	15.5	8.0
Cocoa [1]	New York	30,000 pounds	10,695	900	8.4	8.6
Coffee (S) [1]	do	32,500 pounds	17,290	2,000	11.6	12.1
Sugar (No. 6) [1]	do	112,000 pounds	6,339	400	6.3	7.1
Hides [1]	do	40,000 pounds	10,640	2,000	18.8	7.7
Rubber [1]	do	22,400 pounds	9,923	2,500	25.2	11.5
Onions [1]	Chicago	600 bags	1,038	300	28.9	29.2

[1] Commodities not included under the Commodity Exchange Act.

It will be noted that in the case of some of the commodities the percentage requirements on July 28 are higher than those shown for July 21. After the introduction on July 19 of the Defense Production Act of 1950, S. 3936 and H. R. 9176, a number of the commodity exchanges raised their margin rates. The changes and the effective dates thereof were as follows:

Commodity	Market	Margin requirement per contract		Date change became effective
		July 21, 1950	July 28, 1950	
Wheat	Chicago Board of Trade	$750	$1,250	July 28
Soybeans	do	1,000	1,500	Do.
Cottonseed oil	New York Produce Exchange	800	1,200	July 26
Lard	Chicago Board of Trade	400	800	July 28
Cotton	New York Cotton Exchange	2,000	3,000	July 27
Do	New Orleans Cotton Exchange	1,500	3,000	Do.
Hides	Commodity Exchange, Inc.	800	2,000	July 28
Rubber	do	900	2,500	Do.

In general, speculative margins established by the exchanges are applied only to "outside" traders. For example, members of the Chicago Board of Trade who execute their own transactions on the trading floor are not required by the rules to deposit speculative margins. Similarly members who clear their own speculative transactions through the clearinghouse of the exchange need deposit only the much lower clearing-house margin. A large proportion of the total speculative trading is done by exchange members who are not subject to the speculative margin requirements.

A speculator who purchased just before the Korean episode and deposited the minimum margin could have "cashed in" 5 weeks later on July 28 with an approximate 450 percent profit on lard, 300 percent on cottonseed oil, 300 percent on soybeans, 150 percent on cotton or wool tops, and a comparatively modest 100 percent on the relatively sluggish wheat futures.

FUTURES TRADING PREDOMINANTLY SPECULATIVE

The Commodity Exchange Authority has from time to time examined representative samples of the trading in futures on various markets to determine the proportion of such trading which is speculative as compared to that which is hedging.

Speculative trades are those not directly related to the marketing or processing of the actual commodity. The persons making such trades buy or sell in the hope of profiting by a rise or fall in prices. Examination of the records of the brokerage firms shows that by far the larger number of speculators are persons having no connection with or apparent knowledge of the commodities in which they trade. Professional men, small-business men, clerks, teachers, nurses, retired persons, and the like, typify the average commodity speculator.

Hedging trades are those made by merchandisers and processors as a means of protecting themselves against losses in the handling of the actual commodities. For example, a cotton merchant with a large stock of cotton in his warehouse will sell cotton futures in an amount equal to his inventory. Such a merchant is then "long" in actual cotton and "shorts" in futures. If in such a situation the price of both actual cotton and cotton futures declines, the loss which the merchant suffers on his inventory will be partially or completely offset by a profit on his "short" futures position.

The most recent information obtained by the Commodity Exchange Authority shows that by far the greater part of the trading taking place in some of the important commodity futures is speculative. The results of an analysis of the trading on July 21, 1950, in December wheat and November soybeans on the Chicago Board of Trade are as follows:

Commodity	Volume traded	Percentage			
		Speculative		Hedging	
		Purchases	Sales	Purchases	Sales
	Bushels				
Wheat	9,191,000	86.6	81.0	13.4	19.0
Soybeans	7,463,000	96.5	90.7	3.5	9.3

Earlier studies on this subject indicated that wheat futures trading on the Chicago Board of Trade on September 18, 19, and 20, 1947, was 80 percent to 90 percent speculative and that cotton futures trading on the New Orleans Cotton Exchange during the period of May 17–22, 1948, was approximately 95 percent speculative. Preliminary information from an analysis of the trading of July 26, 1950, in December cotton on the New York Cotton Exchange indicates that a larger proportion of this trading represents hedging than is the case in wheat and soybeans.

The proportion of speculation versus hedging discussed above is based primarily upon classification of the accounts by the brokerage firms through which the trading is done. More detailed investigation usually shows instances where accounts classified as those of hedgers contain speculative transactions. Thus it is likely that a greater proportion of the trading is actually speculative than is indicated by these figures.

TABLE 1.—*Volume of futures trading in the principal agricultural commodities during the 4-week period May 29 to June 24, 1950, compared with that during the 4-week period June 26 to July 22, 1950*

Commodity	Market	Volume		Percentage of increase (+) or decrease (−)
		May 29 to June 24	June 26 to July 22	
Wheat	Chicago Board of Trade	200,047,000 bushels	357,290,000 bushels	+78.6
Soybeans	do	285,947,000 bushels	367,179,000 bushels	+28.4
Corn	do	118,088,000 bushels	165,430,000 bushels	+40.1
Lard	do	185,600,000 pounds	367,800,000 pounds	+98.2
Cotton	New York Cotton Exchange	4,000,200 bales	4,371,500 bales	+9.3
Do	New Orleans Cotton Exchange	1,626,200 bales	1,546,100 bales	−4.9
Eggs	Chicago Mercantile Exchange	3,697 carlots [1]	8,431 carlots [1]	+128.0
Cottonseed oil	New York Produce Exchange	517,680,000 pounds	577,080,000 pounds	+11.5
Wool tops	Wool Associates of the New York Cotton Exchange	4,230,000 pounds	6,095,000 pounds	+44.1

[1] 14,400 dozen per car.

TABLE 2.—*Futures prices of principal agricultural commodities on last trading day before attack on Korea compared with prices on July 28, 1950*

Commodity	Future	Market	Prices		Percentage of increase
			June 23 or June 24, 1950	July 28, 1950	
Wheat	December	Chicago Board of Trade	$2.16¾ per bushel [1]	$2.31⅛ per bushel	6.6
Soybeans	November	do	$2.10 per bushel [1]	$2.64 per bushel	25.7
Corn	September	do	$1.45⅛ per bushel [1]	$1.52¾ per bushel	5.0
Lard	September	do	$0.1105 per pound [2]	$0.15575 per pound	41.0
Cotton	December (1950)	New York Cotton Exchange	$0.3265 per pound [2]	$0.3888 per pound	19.1
Cottonseed oil	October	New York Produce Exchange	$0.1421 per pound [2]	$0.1870 per pound	31.6
Eggs	September	Chicago Mercantile Exchange	$0.3790 per dozen [2]	$0.3995 per dozen	5.4
Wool tops	October	Wool Associates of New York Cotton Exchange	$1.9900 per pound [2]	$2.305 per pound	15.8

[1] Closing price of June 24, 1950.
[2] Closing price of June 23, 1950.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

(Mr. JAVITS asked and was given permission to yield the time allotted him to Mr. FULTON.)

Mr. FULTON. Mr. Chairman, I am rising to speak for the consumers of the country. The average consumer wants every necessity controlled if one is controlled. I have not yet seen the reason why Congress, under present conditions, should not control speculation that is unwarranted or unreasonable upon the commodity exchanges when Congress is controlling all these other commodities, even to the value of services.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. We control speculation on the stock exchanges with reference to margins. Your commodity exchanges set their own margin rates.

Mr. FULTON. I agree thoroughly with the gentleman, that if these controls go into effect there should be no essential commodity, either labor or article, that is left out. It should be all-embracing, so that we get adequate controls.

It should be pointed out that section (5) (A) specifically states that—

Whenever the President determines that the nature or extent of speculative trading on board of trade causes or threatens to cause sudden or unreasonable fluctuations or unwarranted changes in the price of any commodity, he may prescribe rules and regulations.

Therefore, under this provision anyone who wants real control and wants to keep out unwarranted speculation should vote to defeat this amendment, because this bill states that the President acts and shall act only when there is unreasonable speculation.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. JAVITS. May I point out that this morning the very same group which is now fighting for this amendment, which should be defeated, was fighting to have the most favorable possible ceiling on their prices. I do not see how you can possibly square that with the American consumer.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. It is very clear from the letter of the Secretary of Agriculture to the chairman of the Committee on Banking and Currency when we amended the bill in the committee to provide for legitimate hedging that the language of the proposed paragraph section (5) (A) which would be added by section 611 of the bill indicates that the intent is to authorize the regulation of margin requirements on speculative trading only.

Mr. FULTON. That is entirely correct.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

(By unanimous consent, Mr. DOLLINGER was given permission to yield to Mr. MULTER the time allotted to him.)

Mr. MULTER. Mr. Chairman, you do not have to be a farmer to try to understand this problem. Nor do you have to be an economist to understand it. It is a very simple one. All we are trying to do here is to control speculative operations on the commodity exchanges and that only by controlling margins. The stock exchanges did not go to pot and close up because the Federal Reserve Board has the right to limit margins. They have the right to say that there shall be no margin transactions on the stock exchange. For a long time during World War II we had no margin transactions. Then they allowed you to buy on 25-percent margin. Now they allow you to buy on 50-percent margin. They can go back to no margin and it will not affect the stock exchanges at all except to keep the gamblers out. That is what we are trying to do here, to keep the gamblers out of the commodity market.

There is no reason why I or anybody else in this country, who is not a legitimate trader, should be able to go to any

exchange and buy futures in commodities, or to buy foodstuffs or staples, and for $500 buy $5,800 worth of eggs, or for $1,000 buy $11,000 worth of wool tops, or for $3,000 buy $20,000 worth of cotton, or for $400 buy $6,300 worth of sugar, or for $2,000 buy $18,000 worth of coffee. When the time for delivery arrives he completes his purchase if the price has gone up. If it has gone down, he runs out on his contract. It is that kind of gambling we seek to stop by title VI. That is the only thing we are trying to control by this provision.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, this section of the bill gave many of us members of the Committee on Banking and Currency a great deal of concern. It was because of that and because of the fact that it appeared that this country wanted some kind of price and rationing control that I introduced a bill, 9280, to include all the features of the committee bill plus wage and price controls. However in my bill I struck from my bill this section involving the Commodity exchange. This provision involving the Commodity Exchange was stricken from the bill introduced by the gentleman from Pennsylvania [Mr. KUNKEL].

I am of the opinion that very few of us are in a position to understand the operations of the commodity exchanges. Likewise, in view of the fact that we are dealing with such a delicate subject, one in which very few minutes are involved in transactions, to control the commodity exchanges would bring disastrous results to the producers, the proper marketing facilities, as well as the manufacturing facilities of the country.

Mr. Chairman, I hope the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

(By unanimous consent the time allotted to Mr. MCKINNON and Mr. O'HARA of Illinois was granted to Mr. BUCHANAN.)

Mr. BUCHANAN. Mr. Chairman, the bill originally reported from the Committee on Banking and Currency is an effort to place controls on credit, real estate, and commodity exchanges, upon the producer and distributor phase rather than upon the consumer phase. If you take off the controls which will stop the rise in prices of farm products to the unprecedented extent to which they have gone up in this period of 4 weeks prior to the outbreak of the Korean incident, and in the 6 weeks since the Korean incident, you will very easily show how these things get out of hand. Soybeans are a good illustration. Soybeans, represents the best example of the effect of undesirable speculation.

This speculation has resulted in such erratic price movements that actual soybeans have been selling recently in Chicago at 6 to 8 cents below the futures price. Nothing could more clearly demonstrate the artificial character of the futures quotations. Soybean processors have complained bitterly to the Department in recent weeks that the market was not only useless for hedging but that the character of the speculation taking place was causing such erratic price gyrations that legitimate merchandisers and processors were suffering heavy losses.

The most directly effective means of curbing war-scare speculation, short of closing the markets, is to increase the amount of margin which speculators must deposit. Present minimum margin requirements on commodities are wholly in the hands of the exchanges and the rates are uniformly low. It is possible to speculate in all of the more important commodities with down payments averaging from 6 to 13 percent. It is obvious that such rates attract speculators away from the securities markets where 50 percent margin is required.

The stabilizing effect of adequate margin deposits has been tested for more than 15 years in the security markets and this beneficial effect would undoubtedly apply equally to commodity speculation. There need be no fear that some reduction in commodity speculation would handicap merchandisers and processors in their use of the market for price-protection purposes. The volume of speculation is definitely far beyond that needed for the purpose of facilitating actual marketing. Detailed analyses of trading on the more important futures markets have shown that approximately 95 percent of the trading on one of the cotton markets was speculative and that 80 to 90 percent of the trading in wheat, corn, and soybeans was speculative.

Therefore, your whole analysis here so far as trading in the more important commodities is concerned, shows that about 90 percent of the trading was speculative. The whole history here of what happened in the 6 weeks' period since, and the 4 weeks' period prior to the Korean incident has been one in which the speculator has been stepping into the commodity exchanges of this Nation and if you permit this to continue it will only mean higher prices to the consumer and higher prices to the housewife.

Legitimate hedging is provided for in the committee amendment—but speculative sales and speculative purchases are and should be controlled. To permit this condition to continue will mean nothing but the wildest kind of speculation.

Mr. HAYS of Ohio. Mr. Chairman, no one can possibly stand here and argue that excessive speculation will help either the farmer or the consumer. If there is anything the farmer hates worse than bad weather, it is the commodity speculator, who grows fat on the ill-gotten gains he accumulated by juggling prices of farm commodities, to the detriment of the farmer.

The gentleman from North Carolina [Mr. COOLEY] stated that soybeans have increased 25 percent in the last month, cotton 20 percent and lard 41 percent, to name only three commodities. I would just be interested in knowing how much of this increase is reflected in the prices paid to farmers. I am positive that a very small percentage of it gets down to them, but the consumer has to pay the bill, and then wonders why the farmers are getting such exorbitant prices. The point of it all is that it is not the farmer but the speculator who is grabbing the big proportion of the consumer's dollar.

I am a producer of milk at my farm, and I know that every other milk producer cannot understand why the farmer is paid approximately 7 cents a quart for his milk and it retails at 21 cents. I do not, of course, say that speculation is the reason for the spread in the price of milk, because fortunately that is a commodity on which futures cannot be bought and sold.

However, on the prices of some of the products which are traded on the stock market, the speculators rather than the farmers are the ones who are making most of the money. Since this House is against curbing commodity speculation, I do not think it would be remiss to bring up at this time the question of how the boys who are dying in the mud of Korea might feel when they read in the Army newspapers that this Congress has gone on record as protecting the gamblers in the commodity exchange markets.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

(By unanimous consent, the time granted to Mr. POAGE was granted to Mr. PACE.)

(By unanimous consent, the time allotted to Mr. HARVEY was granted to Mr. PACE.)

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I am supporting the amendment of the gentleman from North Carolina, and I want to make my position crystal clear. I am not interested in the gamblers on the stock exchanges. I am only interested in every possible way which is honorable in seeing that the producers of agricultural commodities receive a fair price. The House Committee on Banking and Currency did not have an opportunity to have hearings on this provision in the bill. The Senate committee had hearings and voted 10 to 1 to send it to the Senate Committee on Agriculture for consideration. Our chairman has promised that the House committee would do that.

Now, this is intended to be a war measure. It is supposed to be a measure which will increase production to an extent necessary to win the war. That includes textiles; it includes soybeans; it includes wheat and other agricultural commodities and the products thereof.

I do not believe, speaking for the thing that I know most about, that the textile mills can buy cotton in quantities from the producers and process it, unless they have the opportunity of the insurance of hedging. I do not believe that the language in the House bill, which simply says it shall not interfere with legitimate hedging, is possible of administration, if, on the other hand, you destroy all speculative buying. I am not interested in the speculator. I am interested in the man

who grows the commodity. But I know if you destroy the processor or make it impossible for him to operate, the farmer will soon lose his market, and I know that a mill cannot buy large quantities of farm commodities unless he can hedge against fluctuations in the market while he is processing and selling the products. They cannot hedge unless there is someone in the market ready and able to buy or sell.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Kentucky [Mr. SPENCE] to close debate.

Mr. SPENCE. Mr. Chairman, this amendment was only drafted to control speculative operations in the market. Legitimate hedging was expressly excluded. We do know there are two characters of investors on the Commodity Exchange. One of them is the legitimate manufacturer or processor, the miller who wants to obtain commodities necessary in his business. There is another class of men who gamble just as much as if they put their money on the roulette wheel or on one of the fast horses that my State produces. It is those people that we want to curb. I admit I am no great authority on it, but the speculation feature dislocates and disorganizes the legitimate operations of the market. Those are the people we intend to curb.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. BOGGS of Louisiana. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Chairman and members of the Committee, the idea that by controlling margins on commodity exchanges price advances can be controlled has no foundation in fact. I, of course, support the Cooley amendment and hope that it will be adopted. The matter has been fully debated and I will not burden the Committee further.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 132, noes 85.

Mr. BUCHANAN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. COOLEY and Mr. BUCHANAN.

The Committee again divided; and the tellers reported that there were—ayes 146, noes 77.

So the amendment was agreed to.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida to the Spence substitute: On page 3, after line 21, insert the following new section:

"SEC. 103. It is hereby made unlawful for any person willfully to hoard any necessaries. The term 'necessaries' as used in this section means foods; feeds; wearing apparel; automobile tires; containers primarily designed or intended for containing foods, feeds, or fertilizers; fuel, including fuel oil and natural gas; fertilizer and fertilizer ingredients; tools, utensils, implements, machinery, and equipment required for the actual production of the above-named articles and materials; and any other articles and materials the equitable distribution of which the President shall find, and shall by proclamation declare, to be essential to carry out the purposes of this act. Necessaries shall be deemed to be hoarded within the meaning of this section when either (a) held, contracted for, or arranged for by any person in a quantity in excess of his reasonable requirements for use or consumption by himself and dependents for a reasonable time; (b) held, contracted for, or arranged for by any manufacturer, wholesaler, retailer, or other dealer in a quantity in excess of the reasonable requirements of his business for use or sale by him for a reasonable time or reasonably required to furnish necessaries produced in surplus quantities seasonably throughout the period of scant or no production, or (c) withheld whether by possession or under any contract or arrangement from the market by any person for the purpose of unreasonably increasing or diminishing the price: *Provided*, That this section shall not apply to futures trading transactions on any commodity exchange or board of trade or to any person with respect to farm products produced or raised upon land owned, leased, or cultivated by him."

Mr. ROGERS of Florida. Mr. Chairman, the verbiage of my amendment was taken from the Lever Act that was passed on August 10, 1917, to take care of the situation in the First World War. The language contained in this amendment has been passed upon by the United States District Court of Colorado and the United States District Court of California, and it was held to be valid and enforceable.

Mr. Chairman, the question of hoarding is the most important element in controlling prices. The Secretary of Agriculture, Mr. Brannan, has made the public statement that we have plenty of food. We have plenty of eggs, we have plenty of butter, we have plenty of everything to feed the American people. The reason these commodities have risen so in price is because of the fact we have hoarders. Hoarding is the forerunner to a rise in prices. With our over-all food supply, there will be no shortage with hoarding checked or outlawed.

I want to say to the Members here, I think that if there is any solution to the control problem and preventing the President from going further and putting on us an OPA, this amendment right here is it. The definition is fully complete. Under the verbiage as given here a man was convicted in California and, as I said in the beginning, the same thing was determined and tested from a legal and constitutional standpoint in Colorado.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Florida.

Mr. KEATING. The gentleman has referred to legislation of this character accompanying World War I. Was there similar legislation at the time of World War II?

Mr. ROGERS of Florida. I do not recall about World War II, I will say to the gentleman from New York, but this was included in the Lever Act of 1917, and it worked. Now, this cannot hurt the bill. Nobody can justify hoarding. I think we are all against hoarding like all of us are against controls, and I cannot see that there could be any objection to this amendment. I hope that the membership of this House will adopt it, and if you do, you will not see the President invoking further controls on prices and on wages and rationing.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from California.

Mr. PHILLIPS of California. There is no penalty clause under the gentleman's amendment. They come under the penalty clause in the general bill.

Mr. ROGERS of Florida. That is right, of not more than $10,000 and not more than 1 year, if they violate these provisions. This is so definite that it can be enforced.

I might say further that yesterday afternoon the Senate committee went along the same line. They put in verbiage not identical with mine, but somewhat similar. The courts have already interpreted this; they held it constitutional and legal, and I am following the verbiage in the Lever Act.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. What is the definition of "hoarding?"

Mr. ROGERS of Florida. The definition of "hoarding", which they held to be constitutional is:

Necessaries shall be deemed to be hoarded within the meaning of this act when either (a) held, contracted for, or arranged for by any person in a quantity in excess of his reasonable requirements for use or consumption by himself and dependents for a reasonable time; (b) held, contracted for, or arranged for by any manufacturer, wholesaler, retailer, or other dealer in a quantity in excess of the reasonable requirements of his business for use or sale by him for a reasonable time, or reasonably required to furnish necessaries produced in surplus quantities seasonally throughout the period of scant or no production; or (c) withheld, whether by possession or under any contract or arrangement, from the market by any person for the purpose of unreasonably increasing or diminishing the price.

Now, that is the definition of hoarding, and all hoarding can come within that definition.

Mr. NICHOLSON. Mr. Chairman, if the gentleman will yield further, in my district we have a lot of wild fruit and it takes considerable sugar to put up these preserves to feed your neighbors in the winter.

Mr. ROGERS of Florida. Well, I think that this amendment will not interfere with your situation.

Mr. Chairman, I hope the House will adopt this amendment and make "hoarding" a criminal offense. Let us provide a law where Uncle Sam can punish the hoarders; while the boys take care of Uncle Sam on the battlefront in Korea.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. EDWIN ARTHUR HALL. I object, Mr. Chairman.

Mr. SPENCE. Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, the committee has not had an opportunity to go over the language of the amendment offered by the gentleman from Florida. I believe the effect of the amendment would be so significant and extensive that any explanation that could be made in the time permitted us here would not allow time to pass proper judgment on it. For that reason, I ask that the amendment be rejected. While everybody is opposed to hoarding, there may be some catch-alls in the amendment offered by the gentleman from Florida that would cripple the operation of other provisions in this measure.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. MULTER. As I understand it, the amendment now offered contains an exception, so that the hoarding of foodstuffs or farm products is all right. If we are going to prevent hoarding that is one of the things we should stop, but that is expressly excepted by this amendment.

Mr. BUCHANAN. If we are going to prevent hoarding it has to be across the board.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. ROGERS of Florida. I think this amendment helps the bill. It helps to get control. Unless we have control over hoarding all the prices will go to pieces. This does not interfere with the bill at all.

Mr. MULTER. Why should the gentleman except farm products?

Mr. ROGERS of Florida. That is farm products grown on the individual farm. This is the identical verbiage that was in the Lever Act that this Congress passed in 1917.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. We have just had the spectacle of the provisions of the substitute aimed at controlling unreasonable speculation on commodity markets—not reasonable, but unreasonable—being stricken out, and now they want this in the bill. Of course, the farmer is excluded. I think it is very patent to the American people what is happening.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The proposal is utterly fantastic. Suppose manufacturer A has 3,000 units on his floor that cost him $4 per unit to manufacture and the ceiling price is $3. He refuses to sell because his selling price is lower than his cost price. Are you going to charge him with hoarding because he has the 3,000 units on hand and will not sell below cost of production.

I went all through that under the Lever Act and beat the case in the court. They were trying to force me to sell units that cost me $18 a hundred at $14 a hundred. Of course, you cannot do it.

Mr. BUCHANAN. Mr. Chairman, I agree with the gentleman from Michigan that the amendment should be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

Mr. MANSFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MANSFIELD to the Spence substitute: On page 48, line 21, insert a new section to read as follows:

"SEC. 713. All corporations engaged in the manufacture of war materials or any other service connected with the war effort and/or the Defense Production Act of 1950 shall be taxed at the rate of 100 percent of all profits above normal peacetime profits."

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment, on the ground that it is a revenue-raising provision, and therefore is not within the purview, or within the limitation of the bill, and is not germane to the subject matter thereof.

The CHAIRMAN. Does the gentleman from Montana wish to be heard on the point of order?

Mr. MANSFIELD. Yes, Mr. Chairman.

Mr. Chairman, I wonder how legislation of this kind can ever be brought to the attention of the Membership of the House for consideration and debate. When a tax bill is brought to the floor of the House it comes in under a closed rule, so that amendments such as this one on excess wartime profits cannot be offered. I offered this identical amendment to the Selective Service Act of 1948 and it was ruled out of order as not being germane. I felt perhaps the same thing would happen today, but I wanted to make the effort because I think we have to tax ourselves as we go along to pay the cost of what we are undertaking in this time of crisis. We are going to have to spend $60,000,000,000 at least in this fiscal year of 1951. We will have an income of perhaps $45,000,000,000, and like my friend the gentleman from Pennsylvania [Mr. RICH] I want to ask you, "Where are you going to get the money?"—if not through taxes on us as individuals and if not through excess profits taxes on corporations which can well afford to pay because this amendment would apply only to excess profits which are above normal peacetime profits.

Mr. Chairman, high prices, hoarding, and inflation must be stopped. These are dangerous to our security and the results are felt hardest by the people least able to pay.

We should act with courage on the measure before us. As I have indicated in previous talks on the present emergency, this is no time for either business or politics as usual.

Let us at least try to match the sacrifices being made by our men in Korea. Let us recognize that, even though we cannot consider an excess profits tax today, due to the ruling of the Chairman, we must face up to it soon because we must pay as we go.

I am indeed sorry that my amendment has been ruled out of order and, therefore, cannot be considered at this time.

The CHAIRMAN. The Chair is ready to rule.

The amendment offered by the gentleman from Montana [Mr. MANSFIELD] is very clearly a revenue-raising provision and clearly outside the jurisdiction of the Committee on Banking and Currency and within the exclusive jurisdiction of the Committee on Ways and Means. Therefore the Chair sustains the point of order.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT to the Spence substitute: On page 32, line 3, strike out all of subsection (b) on page 32, and all of (3) on page 35, and all of (2) on page 34, and substitute for the latter the following:

"(2) Real-estate credit means credit secured either wholly or partly by real property, the improvement of which, either by the construction of a dwelling unit or units or the substantial improvement or repair of such unit or units, is started after the effective date of this act."

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 15 minutes, with the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, attention has been called to the fact that the provisions of the amendment which we are considering here are in the nature of a new bill, and that the provisions of it are so broad as to authorize the control of every dollar of credit privately created by any person or by any bank.

I have said that I did not think the President should be given such broad powers over the control of the very lifeblood of the American economy which is credit. I made the statement at that time, and I should like to reiterate that if we give the President, or anyone else, for that matter, including the Federal Reserve Board, the absolute control over every dollar of credit which goes into our production effort, that having built this economy of ours on credit under the capitalistic system of government, then it gives to the person or persons who control credit absolute control over our economy.

I should like to reiterate that if this provision remains in this or any other bill which might be passed by this Con-

gress, the other provisions in the bill are absolutely unnecessary, they pale into insignificance, they are relatively inconsequential, because anything which might be done under any other provision of the bill might be done under these very broad credit-control provisions.

What I have done in this amendment is to cut out the provisions in subdivision (b) on page 32, which authorize the control of all credit other than real estate credit and consumer credit. That leaves in the bill the control of real estate credit and consumer credit. I strike out the definition of "credit," because we will have, under the amendment, a definition of real estate credit, and we have in the bill, and will have, in the amendment a definition of consumer credit. In short, in this amendment there is eliminated authority to control credit which is not classified as consumer credit or real estate credit.

During the Second World War no one was given authority to control real estate credit. It was not considered necessary, because through allocations and priorities, through the fact that it was impossible to set ceilings on presently existing real estate, no one could suggest language which would do the job which it was wanted to have done.

Now, this is credit inflation, and control over the building of dwelling units from now on is all that should be required to fit real estate credit controls into consumer-credit controls; so I have offered in this amendment to strike out the definition of "real-estate credit" as it is contained in the Spence proposal, and substitute in lieu thereof the following, on page 34:

Real-estate credit means credit secured, either wholly or partly, by real property, the improvement of which, either by the construction of a dwelling unit or units, or the substantial improvement or repair of such unit or units, is started after the effective date of this act.

What it does is to confine the control of credit to new construction, and the substantial remodeling of existing property or the repair of existing properties.

Mr. BROWN of Georgia. I shall support the gentleman's amendment.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has expired.

The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, in speaking on this bill previously, I had commented on title 5, which has since been stricken by amendment. I had an amendment to place in title 5, which would have limited the President's powers under title 5 to facilitating voluntary agreement by collective bargaining. That amendment would have been put in at page 30, line 16, and is specifically as follows: Insert on line 16, after the word "appropriate", the following:

To facilitate voluntary agreement by collective bargaining.

The trouble with title 5 as it stood originally was that the President and whoever succeeded the present President, could put in restrictive injunctions, could induct people into the Army and could move much beyond just collective bargaining. Unrestrained power in any person's hands in the name of emergency, is not consistent with our democratic system of controls and balances.

In addition to that I have an amendment which reads as follows:

Amendment offered by Mr. FULTON: At the end of section 301 (a) of title III, add two new paragraphs:

"To encourage enterprise capital investment in our free-enterprise system for productive facilities essential for both peace and war and alleviate any need for Government construction of plants by permitting more liberal amortization of cost, productive facilities in any basic industry essential to national security which the President of the United States of America henceforth officially declares to have capacity less than needed for security reasons shall be allowed a special amortization allowance of 5 years in lieu of allowance for depreciation, exhaustion, wear, tear, and obsolescence.

"This provision shall be applicable only with respect to taxable years beginning after December 31, 1950, and shall apply only to those facilities begun subsequent to a Presidential declaration that a specific shortage exists, regardless of completion date of construction or possible subsequent revocation of such Presidential declaration."

This is a provision for accelerating amortization of depreciation of new defense establishments. Because of the ruling on the amendment offered by the gentleman from Montana I believe that this amendment at this point might be subject to a point of order, because it refers to the Internal Revenue Code. I am speaking on the amendment as the issue should be brought up. You have two ways of expanding defense plants: Either through the Government by subsidy or guaranty, or through this amendment by private enterprise without Government subsidy or guaranty. This amendment revives the procedure used in World War II, by allowing people who build new defense plants to take depreciation by a special amortization allowance of 5 years instead of the regular allowance. This method accelerates the amortization time and permits these people who are operating plants to expand and see that they will be able to depreciate these plants during the time of this defense program.

Admiral Ben Moreell of the Jones & Laughlin Steel Corp. has written me upon this subject of accelerated depreciation allowance saying:

This is an extremely important matter which merits careful attention. I am convinced that we can finance most of the facilities needed for war production in this manner. There are some highly specialized facilities that would be of little use in peacetime, or whose use would be deferred for a long time, and in those cases it may be necessary for the Government to put up the money.

Another advantage of privately financed facilities is that you can get them built quicker and cheaper than if we have to go through a lot of Government red tape.

Admiral Moreell said further:

It is essential that producers formulate at once definite plans for new equipment and plant facilities. This can be done very effectively and expeditiously if producers are assured that provision for accelerated amortization for new defense facilities, similar to provision made during the recent war—

Which I might say parenthetically was section 124 of the Internal Revenue Code—

is included in the proposed defense production act now under consideration. I strongly recommend this action as an essential for maximum production in minimum time. Such equipment and facilities would be privately financed.

Mr. HERTER. Mr. Chairman, will the gentleman yield to permit me to read a paragraph?

Mr. FULTON. I yield.

Mr. HERTER. In connection with the amendment offered by the gentleman from Michigan, the Members of the House ought to be interested in this statement of financial policy which has just been issued by the Federal Reserve Board to the committee of which both the gentleman and I are members, the Committee on the Economic Report. After discussing various types of credit, consumer credit, credit on real estate, and the stock market, the Federal Reserve Board says this:

Selective controls are not suitable to most other types of credit, such as loans to business and farmers to provide working capital or carry inventories because specific rules as to repayment are not generally applicable. Expansion of these credits, as well as of those subject to selective regulation, can be restrained to an important degree through the voluntary cooperation of banks and other lenders, through bank supervisory policy applied cooperatively by the State and Federal authorities, and through the use of general credit instruments which limit the supply of reserves available to banks.

In other words, legislation to try to take care of general credit as provided for in this bill should be eliminated since it does not serve any useful purpose.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the 5 minutes to which the committee is entitled may be used by the gentleman from Oklahoma [Mr. MONRONEY].

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MONRONEY. Mr. Chairman, I think we are going to make Congress look a little silly if when we enact wage and credit controls on labor, price and credit controls on the farmers, and on every manufacturer, jobber and retailer and other business, and then give special exemption to another segment of the economy. Why should Congress put one segment to one side and say that this group is untouchable for any controls of inflation?

In past years trying to hold down inflation through rent control, from the Republican side of the aisle during every rent control bill we were told how people were selling their existing housing and how we were losing the supply of rental housing.

Of course, we were losing that because there was no control over the credit for these old houses. The prices went up and up and your supply of rental houses disappeared. Easy credit helped this inflation. That caused a great deal of

difficulty for the people who had to rent quarters in which to live.

The gentleman's amendment here will still allow this cycle of upward prices on old housing through easy and uncontrolled credit terms. There is no idea of putting ceilings on the prices. Surely there is some logic and common sense in putting some kind of credit controls on the real-estate transactions of these existing houses. If it is sensible to put them on new houses, or veterans' houses, if you please, then is it not just as good common sense to put it on the existing houses instead of leaving that segment absolutely untounched?

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from North Carolina.

Mr. DEANE. Right in connection with what the gentleman is stating, the morning press tells us that the Federal Reserve as of yesterday indicated that for the week ending July 26 real-estate loans were up $18,000,000 in 1 week, business loans were up $120,000,000 for the 1 week; business loans for the week a boost of $1,500,000,000 over the week ending July 27, 1949.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. I may say in response to the gentleman from Massachusetts, who is a member of the Joint Economic Committee, and likewise I am a member of that committee, that I have in my hand copy of the report issued by the Federal Reserve. I believe he has misinterpreted this report wherein it says on page 5:

> The most important immediate task of credit policy is to curtail private credit for nonessential purposes.

Might I add that you have seen here in operation the real-estate bloc today, your farm bloc, and your antilabor bloc which are operating to cut the real heart out of this bill. If we are going to have a control bill we better keep these provisions in it or we will have no control bill at all.

Mr. MONRONEY. I would like to add to what the gentleman said that in my own home town the real estate board of Washington, through its great lobby organization, sent men out at their expense to talk to the home builders in Oklahoma City to try to get them to join in this move to exempt all real-estate credit from any control at all. May I say for the good judgment of the builders of Oklahoma City that they refused to go along and pledged their support to inflation controls.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from California.

Mr. HOLIFIELD. Is it not true that the Wolcott amendment will set up a special-privileged class of present property owners who will be able to enjoy to the fullest extent the inflationary prices on real estate in a limited market?

Mr. MONRONEY. The gentleman is correct. A worker who might need an automobile to drive 50 miles to a defense job is under credit control, but the real-estate man would not be under any credit control.

Mr. HOLIFIELD. I was interested in the much-repeated statement of the gentleman from Michigan in wanting to refuse to give the President some control over the economic lifeblood of the Nation, but I think we should remember that we have given the President control over the lifeblood of American boys.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I want to ask the gentleman a question which of course he will answer in the negative, whether any controls were exercised over real estate of any nature whatsoever during the Second World War?

Mr. MONRONEY. The gentleman is correct. We used allocations.

Mr. WOLCOTT. So that the gentleman from California may know my position, in view of his statement, may I say to him that the blood of those boys over there is just as precious to me as it is to him. I have seen blood flow on the battlefield and I do not want to see it again. I want to give the President every authority he had during the Second World War but no more.

Mr. MONRONEY. That does not answer the question as to whether these controls are needed or not. Surely we made some mistakes in the last war. We should correct the mistakes now that we have a chance to see what they were.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 96, noes 101.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WOLCOTT and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 121, noes 123.

So the amendment was rejected.

Mrs. DOUGLAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mrs. DOUGLAS to the substitute amendment offered by Mr. SPENCE: On page 13, line 2, after "service", insert "or for the use of any housing accommodations", and on page 13, line 3, strike out "not."

Mr. WOLCOTT. Mr. Chairman, I reserve a point of order against the amendment.

Mr. SPENCE. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mrs. DOUGLAS. Mr. Chairman, I have introduced this amendment so that the President would have the power to reinstate rent controls where they have been discontinued, and where as a consequence rents have risen very drastically and where this rise in rents affected the war production effort surely such power is a legitimate part of the Defense Production Act.

For example in Los Angeles, where there will be much aircraft production, the city council the other day voted to remove rent controls. They will not be removed for some weeks because that council action has to come back to Washington and the Office of the Housing Expeditor to see that the city council followed the requirements of the Rent Control Act. This is a case where rent controls may have to be reimposed.

If the President should find that rents had risen in Los Angeles, as there is every indication they will, and that this in turn jeopardized the production of planes in that area and placed a very heavy handicap not only on production but also upon wage earners then the President ought to have the power to act.

I do not think, Mr. Chairman, that I need to discuss the amendment further. The need for it is so obvious.

Mr. Chairman, this is not business as usual. It is not a business as usual, when young men who have been separated from their wives and children for the last 2 or 3 years, on the night they were supposed to be discharged from the Army and go back to their families, were told that their discharges were canceled and that their enlistments were continued for another 2 years. And what about their familes and the rents they may have to pay?

Mr. Chairman, as I said, this is not business as usual. Of course it is not agreeable to have rent controls or price controls or any of these other controls. But it is a lot less agreeable to be sent overseas. It is a lot less agreeable to be pulled away from your family.

Mr. Chairman, I think this amendment is an absolutely necessary part of this bill.

Mr. SPENCE. There is nothing mandatory in the amendment?

Mrs. DOUGLAS. No. It is merely permissive—as the other controls in the bill.

Mr. SPENCE. It is merely permissive?

Mrs. DOUGLAS. Yes; it is not mandatory. If the President finds that rents do not increase, he will not exercise this power. It simply gives him the power to control this vital part of the economy if it adversely affects our capacity to carry out the job ahead.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. WOLCOTT. Mr. Chairman, I withdraw the point of order.

Mr. SPENCE. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California.

The question was taken; and on a division (demanded by Mrs. DOUGLAS), there were—ayes 58, noes 118.

So the amendment was rejected.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York to the substitute amendment offered by Mr. SPENCE: On page 16, line 16, strike out the word "above" and insert in lieu thereof the words "in this subsection."

On page 17, line 6, add the following additional sentence: "Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher; *Provided, however,* That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas."

The CHAIRMAN. The gentleman from New York is recognized in support of his amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. Let me proceed for just a moment, until the purpose of the amendment is explained.

I shall try to explain the amendment as quickly and as simply as possible. It is designed to maintain the balance between milk producers operating in areas where marketing agreements exist and those in areas where marketing agreements do not exist. Of the 500,000 fluid-milk producers in this country only a very small fraction are covered by marketing agreements. You will notice that the pending bill exempts completely from the provisions of price control farm producers who are covered by marketing agreements. It so happens that substantially all of the farm products covered by marketing agreements is fluid milk. That means that essentially those farmers who happen to be located in areas covered by marketing agreements are exempt completely, whereas the fluid milk producers in other areas are covered under price control.

Although the amendment is rather technical in its expressions, in substance it simply does this, it maintains the ratio which existed between the milk producers in nonmarketing areas with the average price for production throughout the country during the base period of May to June of this year. If it is adopted, the producer in nonmarketing areas will have the same ratio with respect to the average price throughout the country as existed between the nonmarketing area and the average throughout the country in May to June of 1950. The purpose of the amendment, as I say, is to maintain the established balance between the nonmarketing milk-producing areas and the marketing producing areas.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. DAVIS of Wisconsin. I believe this amendment the gentleman has offered will take care of situations that exist, for instance, in Milwaukee, Wis., where there is pending a petition for a milk order, but there is none there at present.

Mr. COLE of New York. I think it would take care of those areas.

Mr. DAVIS of Wisconsin. And would alleviate that condition such as has existed because of the rather sharp drop in prices in those areas which have not had Federal milk orders in effect.

Mr. COLE of New York. The situation generally that existed during this base period with respect to the average price throughout the country, and the price in that particular area, that ratio will be maintained during the life of the act.

Mr. DAVIS of Wisconsin. I believe the gentleman's amendment is completely proper; I shall support it.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. NICHOLSON. Would this have any effect on the milk price in the State of Massachusetts where we have our own milk control board? In other words, would the Federal Government step in and supersede our board and their requirements?

Mr. COLE of New York. No; in no sense would this supersede the State milk control authority in respect to marketing.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. JAVITS. Is it fair to say there is a great price differential between the milk producers the gentleman is talking about and the general marketing price covered by agreement? I understand there is.

Mr. COLE of New York. I do not know that there is. But whatever was the situation during the base period, the ratio is used as the standard for determining the selling price during the life of the bill.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. PACE. As I understand, under the gentleman's amendment you would still have the protection of the parity price and it would be the higher of the two.

Mr. COLE of New York. It would be the highest of three: The base, the parity price, or the price as of the base period adjusted for season and location, and so forth circumstances, and this other ceiling which is the established ratio that existed during the base period.

Mr. PACE. Among the areas.

Mr. COLE of New York. Among the areas during this base period; and it is designed to preserve the equality that existed during the base period between nonmarketing-agreement areas and the average throughout the country.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. COOLEY. I just wondered at what point of the bill the gentleman's amendment is offered.

Mr. COLE of New York. It follows immediately after section 402 on page 17 of the bill.

Mr. COOLEY. Why is not milk as a commodity taken care of under the amendment offered by the gentleman from Georgia [Mr. PACE], which struck out the words "fresh fruits and vegetables" and inserted in lieu thereof "any agricultural commodity"?

Mr. COLE of New York. The last sentence of section 402 exempts marketing agreements. The principal commodity affected by marketing agreements, and, therefore exempt, is fluid milk. It is to protect the fluid-milk producer who is not exempt because of not being in a marketing agreement that this amendment is offered in order to preserve the established ratio between the two types of producer.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the Spence amendment and all amendments thereto conclude at 5:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, may I inquire how many amendments are at the desk?

The CHAIRMAN. There are 15.

Messrs. BYRNES of Wisconsin and AUGUST H. ANDRESEN objected.

Mr. SPENCE. Mr. Chairman, I move that all debate on the Spence amendment and all amendments thereto conclude at 5:30.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky [Mr. SPENCE].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 158, noes 28.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'TOOLE to the Spence substitute: On page 12, line 23, after the word "price", insert "profit."

Mr. O'TOOLE. Mr. Chairman, the amendment that I have offered is a simple one. The measure before the House provides for the placing of ceilings on prices, rents, and so forth at the discretion of the President in this time of crisis. My amendment adds the simple word "profit" to the terms already enumerated in the bill.

There may be some argument that the word "profit" is not germane and that it belongs in a tax bill, but I will take issue with any such expressed thought. Profit and loss are a natural consequence of business, and if there are to be ceilings or limitations placed upon business the profit factor must be recognized. Unless ceilings are placed upon profits at this time you will soon place exorbitant sums of money in the hands of a limited number of people who in turn because of their wealth will be able to purchase at extremely high prices limited goods. This will naturally bring about an inflationary situation.

It has been argued earlier today that such a situation could be cured by an excess-profits tax bill. In fact, some of the Members said that the Ways and Means Committee would soon consider such legislation. However, I would not care to wait for such action as I do not know when it will take place. I might borrow the words from the old Irish song, Kathleen Mavourneen, "it may be for years and it may be forever." If the Ways and Means Committee does not act immediately it would mean that the accrued exorbitant profits would soon be in the pockets of these racketeers and would speedily bring about a great shortage of necessary goods. I understand that this legislation is stand-by legislation. Why not adopt my amendment so that some check would be in existence on those who might endeavor to operate illegally?

If we are to have domestic tranquillity. If we are to keep the men in the armed forces assured that everything is being done at home to retain the status quo, it is highly essential that profits be limited by a legal ceiling.

Gentlemen, I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. O'TOOLE].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio to the Spence substitute: On page 48, line 23, after the word "of", strike out "June 30, 1952" and insert in lieu thereof "March 31, 1951."

(Mr. GAMBLE and Mr. AUGUST H. ANDRESEN asked and were given permission to yield the time allotted them to Mr. BROWN of Ohio.)

Mr. BROWN of Ohio. Mr. Chairman, this amendment is very simple. It would limit the life of this bill, if enacted into law, to March 31, 1951, so that we may determine in the months ahead as to just how grave the emergency is. This will give to the Congress an opportunity to review the entire situation on the economic home front and on the international fronts of the world determine our future needs, and correct any errors or mistakes which we may have made in enacting this legislation. Therefore I hope that the amendment will be adopted.

This is the same proviso as to time limitation as is contained in the Kunkel amendment. If this amendment is adopted we will have about 7 months in which to determine how this legislation works, if it is enacted, and to correct the errors which undoubtedly have been made as a result of the haste with which this legislation is being considered.

Mr. KUNKEL. Also to see what develops in the international picture in the meantime.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. BROWN].

The question was taken; and on a division (demanded by Mr. BROWN of Ohio) there were—ayes 129, noes 107.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BROWN of Ohio and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 142, noes 118.

So the amendment was agreed to.

The CHAIRMAN. All time for debate has expired.

There are several amendments on the Clerk's desk. The amendments may be offered but cannot be debated.

Mr. PACE. Mr. Chairman, I ask unanimous consent that the author of each amendment may have 1 minute in which to explain his amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. BUCHANAN. Reserving the right to object, Mr. Chairman, may I inquire how many amendments there are on the desk?

The CHAIRMAN. There are 13 amendments remaining.

Mr. BUCHANAN. How about the committee's opportunity to reply?

Mr. PACE. Mr. Chairman, I amend my request to make it one-half minute on each side.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PACE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE to the Spence substitute: On page 16, line 17, after the word "any", strike out the words "fresh fruit or any fresh vegetable,".

Line 24, after the word "such", strike out in lines 24 and 25 the words "fresh fruit or fresh vegetables", and insert in each instance the words "agricultural commodities."

Mr. PACE. Mr. Chairman, I explained this amendment yesterday. The bill now provides that in case of unusual hazards, short crops, or unusual increases in the cost of production the President can adjust the ceiling price temporarily to take care of that situation to protect the producers against loss. I simply strike out "fresh fruit and vegetables" and insert in lieu thereof "agricultural commodities." I am sure the House will want to extend this authority to other commodities as well as to fresh fruits and vegetables. I do not anticipate any objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PACE].

The amendment was agreed to.

Mr. REES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES to the Spence substitute: on page 47, line 5, before the period insert a colon and the following: "*Provided*, That not more than 10 positions shall be placed in grade 18, 25 positions placed in grade 17, and 100 positions placed in grade 16."

Mr. REES. Mr. Chairman, the amendment I have offered puts a limit on the number of employees that may be hired at the higher salaries ranging from $11,200 up to $14,000 per year. The bill as presently written authorizes the President to employ as many persons as he deems advisable at the higher salaries. Those who get the new jobs created under this bill may be paid as much as $14,000 without limitation as to the number of such jobs.

Now, I want to call your attention to the unfairness of this section of the bill. Only a year ago, at the request of the President, Congress enacted legislation providing for a limited number of positions at the higher salaries. In grade 16 there are 300 positions that pay as high as $11,200; then grade 17 there are 75 jobs from $12,000 to $13,000; and 25 positions at $14,000. They are in addition to a number of Presidential appointments. The Bureau of the Budget and others in administration said these ceilings were satisfactory. They apply to all departments in Government.

My amendment would limit the number for the new agencies created under this bill. My amendment provides for not more than 100 additional jobs at $11,200; and not more than 25 new jobs at $12,000 to $13,000; and not more than 10 new jobs at $14,000. Of course they can hire any number they choose for salaries as high as $10,300. If you do not approve my amendment, you will have a situation where there is no limit as to the number that may be employed in the agencies created under this legislation. The thing is unfair. It is inequitable. It is extravagant and not in the interest of good government. If you do not adopt my amendment, there will be plenty of applicants for these newly created jobs by people who are not as well qualified as experienced people already employed in Government. Too many of these new jobs will be filled by political pressure. Furthermore, Mr. Chairman, let it not be said that it is necessary to pay so many people higher salaries in order to secure their services in time of emergency. There are plenty of people in industry, and in labor, and in business who will be glad to serve in places of responsibility, and who will

place salary secondary to service when our country is in trouble.

It is regrettable that the committee in charge of this bill has been fit to limit the consideration of this amendment, and other important amendments, to only a few minutes time. Why not work a little later, or further consider the bill tomorrow, so all proposed amendments may be fairly considered.

Mr. Chairman, the amendment I have offered affects only a segment of this proposed legislation. The bill before us today is described as the Defense Production Act of 1950. The situation with respect to our country at this hour is most critical. This, and other emergency legislation, that we will be called upon to consider must be considered in the light of what can be done, or what action may be taken to save our country and bring this war, and it is war, to a successful conclusion. Let this be an all-out effort on the part of everyone. Let no one group take advantage of this perilous situation, but all work together and sacrifice if need be, in support of those boys who are called upon to pay the supreme sacrifice, if required to do so, to save America.

Mr. SPENCE. Mr. Chairman, I ask that this amendment be defeated. We are delegating powers to the President of the United States, the most important powers that could be delegated to him, to fight a condition in which we are all interested, and yet we tell him he cannot have sufficient personnel to carry out the purposes of the act.

I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken, and on a division (demanded by Mr. KEATING and Mr. REES) there were—ayes 103, noes 129.

So the amendment was rejected.

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING to the substitute amendment offered by Mr. SPENCE: On page 48, lines 21 to 24, strike out all of section 713 and insert in lieu thereof the following:

"SEC. 713. This act and all authority conferred hereunder shall terminate at the close of March 31, 1951, and all or any authority conferred hereunder shall terminate at such earlier time as Congress by concurrent resolution or the President by proclamation may designate."

Mr. KEATING. Mr. Chairman, the necessity for this amendment is lessened by the adoption of the Brown amendment.

The sole purpose of the amendment is to provide that any of the titles hereunder, not simply all of the act, may be terminated at an earlier date either by concurrent resolution of the Congress or by action of the President. The way it is worded now action must be taken at one time on the entire measure. Under this amendment either the Congress or the President could terminate the operations of the provisions of any part of the bill before the expiration date, if either the legislative or executive arm considered such action desirable.

Mr. SPENCE. Mr. Chairman, if we are limiting the operation of this act to March 31, 1951, it will not be sufficient time for the President to set up proper organization to administer the act; and now this amendment provides that it may be terminated at an earlier date. I certainly think no provision of that kind should be in this act, because of the earlier date which has heretofore by amendment been provided, and I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. DURHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DURHAM to the Spence substitute: On page 8, line 14, strike out subsection (b).

Mr. DURHAM. Mr. Chairman, yesterday I explained what this language did, in my opinion. Since 1932 this Congress and former Congresses have carried forward into each piece of legislation the so-called buy-American provision.

In my opinion, this nullifies the so-called buy-American provision. I direct attention of you people especially from the mining States who should bear in mind what this means to you, because if we take out that provision and do away with the buy-American provision, you are going to suffer more than your mines are suffering at the present time. As a matter of fact, many of your mines are closed. This amendment does not take away one iota of authority, nor does it restrict the executive branch of the Government in any way of the purchase of any material desired, domestic or foreign, at any time. There exists presently full authority and we have been consistently advised there is.

Mr. SPENCE. Mr. Chairman, this is a far-reaching amendment. We have never had a chance to consider it. There has been insufficient informative discussion and I ask that it be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. DURHAM].

The question was taken; and on a division (demanded by Mr. DURHAM) there were—ayes 138, noes 90.

So the amendment was agreed to.

Mr. MORTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORTON to the Spence substitute: Page 12, line 20, after the word "President", insert: "or the Congress by concurrent resolution shall determine."

Page 12, line 22, strike out the word "may" and insert the word "shall."

Mr. MORTON. Mr. Chairman, the section would read as follows, if my amendment were adopted:

Whenever the President or the Congress by concurrent resolution shall determine it necessary or appropriate to carry out the purposes of this title he shall issue regulations and orders.

And activate section 402.

If the President finds it necessary he shall do it or the Congress by concurrent resolution, if we determine it by concurrent resolution, can require it.

I feel that in this way we hold our responsibility, our constitutional responsibility, and that we do not completely pass the buck to the President. If he does not take action we can.

Mr. PATMAN. Mr. Chairman, this is an effort to execute the law that we pass. Unquestionably it is not in accordance with the Constitution of the United States which says that we shall have three branches of Government. We legislate. The Executive executes.

I think the amendment should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. MORTON].

The question was taken; and on a division (demanded by Mr. MORTON) there were—ayes 99, noes 146.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUBER to the Spence substitute——

Mr. HUBER (interrupting the reading of the amendment). Mr. Chairman, I ask that further reading of the amendment be dispensed with. Mr. Chairman, this is a very simple decision for the Congress to make.

Mr. GAMBLE. Mr. Chairman, what does the amendment refer to?

The CHAIRMAN. The gentleman asked to dispense with the further reading.

Mr. HUBER. That interruption has taken more time than the 30 seconds allotted to me to discuss my amendment.

Here we have, Mr. Chairman, the spectacle of the Congress of the United States allowing 15 minutes for 15 amendments and allotting each Member of Congress 30 seconds to discuss the amendment which they have introduced. Yes, Mr. Chairman, we are in a great hurry. Some of the Members have other engagements, and after all, the Korean war will still be on after this Chamber has been darkened and we have adjourned for the day. Is it not possible to bring the Members of this House to a realization that it is later than we think? The world is on fire—touched off by the Korean situation. Yet, may I bring to your attention the fact that even though we were not engaged in this decisive struggle, prices have been soaring monthly and it would have been necessary to take definite action to recapture, by taxation, a part of the huge profits now being earned by American corporations regardless of the present emergency.

Mr. Chairman, it appears as though this Congress is bent on regulating everybody and everything excepting the sacred cows of special privilege who have their pleaders in our midst. What courage we have when we declare piously

that the President must have the power to limit the incomes of those who work for a living, yet, one by one, this afternoon we have been exempting other groups and in effect saying those who work in stores, factories, or other lines of endeavor must have their incomes frozen to prevent inflation, yet, every attempt to bring about an equality of sacrifice has been voted down by this House. My amendment only seeks to reimpose the excess profits legislation that was in effect during World War II and, incidentally, which should never have been repealed.

There are some who will say that action should not be taken on this matter until the Committee on Ways and Means of the House of Representatives has had an opportunity to hold hearings and present legislation for this purpose. While I agree that whenever possible appropriate committees of the Congress should hold hearings on pending legislation, I call to your attention that the decision to send American boys into Korea was made despite the fact that hearings were not held by the Armed Services Committee of the House of Representatives. On yesterday we learned through the public press that those in charge of the armed services had seen fit to land additional Marine reinforcements in Korea. My question to you Members of the Congress is, "Are dollars or men more sacred?" Shall we continue to do business as usual, or shall we immediately conscript dollars as we are conscripting men? In due time the great Committee on Ways and Means will eventually get around to considering legislation dealing with excess profits. Possibly next month or next year. Why wait? Why not in one fell swoop adopt my amendment which would reimpose the excess profits tax existing during World War II? This can be done in 5 seconds and I am confident will be done unless parliamentary shenanigans are engaged in by those who would say, "Let's carry on as usual and let the devil take the hindermost."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HUBER].

The question was taken; and on a division (demanded by Mr. HUBER) there were—ayes 107, noes 104.

Mr. MONRONEY. Mr. Chairman, I demand tellers.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent that the amendment be reported before we have the vote by tellers.

Mr. MARTIN of Massachusetts. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Massachusetts. Are we going to vote on an amendment that was never reported in the Committee of the Whole?

The CHAIRMAN. That is what it looks like.

Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HUBER to the Spence substitute: Page 39, after line 14, insert the following new section:

"SEC. 612. Reapplication of excess-profits tax: (a) Section 122 (a) of the Revenue Act of 1945 is hereby amended to read as follows:

"'(a) In general: The provisions of subchapter E of chapter 2 shall not apply to any taxable year beginning after December 31, 1945, and ending prior to January 1, 1951. The provisions of part III of such subchapter shall not apply to any taxable year beginning after December 31, 1945.'

"(b) The following sections of the Internal Revenue Code are restored to read as such sections read immediately prior to the enactment of the Revenue Act of 1945, to be effective as so restored, with respect to taxable years ending after December 31, 1950, as if section 122 (g) of the Revenue Act of 1945 had not been enacted:

"(1) Section 26 (e) (relating to the credit for income subject to the excess-profits tax);

"(2) Section 13 (a) (2) (defining 'normal tax net income');

"(3) Section 15 (a) (defining 'corporation surtax net income');

"(4) Section 26 (b) (relating to the credit for dividends received);

"(5) Section 102 (d) (1) (defining terms for the purpose of the tax imposed by section 102);

"(6) Section 131 (b) (prescribing certain limitations on the foreign tax credit);

"(7) Section 204 (a) (2) (relating to foreign mutual insurance companies other than life or marine).

"(c) (1) Section 710 (a) of the Internal Revenue Code is amended by adding at the end thereof the following new paragraph:

"'(9) Taxable years beginning in 1950 and ending in 1951: In the case of a taxable year beginning in 1950 and ending in 1951, the tax shall be an amount equal to that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1, 1951, were applicable to such taxable year, which the number of days in such taxable year after December 31, 1950, bears to the total number of days in such taxable year.'

"(2) Section 108 of the Internal Revenue Code is amended by adding at the end thereof the following new subsection:

"'(f) Taxable years of corporations beginning in 1950 and ending in 1951: In the case of a corporation required to file a return under section 729 (b) (2), relating to the excess-profits tax, for a taxable year beginning in 1950 and ending in 1951, the tax imposed by sections 13, 14, and 15 shall be an amount equal to the sum of—

"'(1) that portion of a tax, computed as if the law applicable to taxable years beginning on January 1, 1950, were applicable to such taxable year, which the number of days in such taxable year prior to January 1, 1951, bears to the total number of days in such taxable year, plus

"'(2) that portion of a tax, computed as if the law applicable to taxable years beginning on January 1, 1951, were applicable to such taxable year, which the number of days in such taxable year after December 31, 1950, bears to the total number of days in such taxable year.'

"(d) Effecive date: The amendments made by this section shall be applicable with respect to taxable years ending after December 31, 1950."

Mr. WOLCOTT (interrupting the reading of the amendment). Mr. Chairman, the reading of the amendment has gone far enough, I think, so that I would like to make a point of order against it. I make a point of order against the consideration of the amendment, Mr. Chairman, because under the rules of the House as they apply to the Committee of the Whole, the amendment was not reported and unanimous consent was not given to dispense with the reading of the amendment.

The CHAIRMAN. The Chair will state that the gentleman from Ohio [Mr. HUBER] was recognized to offer an amendment. He rose and asked unanimous consent that the further reading of his amendment be dispensed with, after the Clerk had read the first portion of it. There was no objection, and the Chair so announced. The point of order, though good, comes too late.

The Clerk proceeded with the reading of the amendment.

Mr. NICHOLSON (interrupting the reading of the amendment). Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Massachusetts rise?

Mr. NICHOLSON. Mr. Chairman, I would like to ask what this last provision which the Clerk has read means.

The CHAIRMAN. The Chair cannot answer that question.

Mr. WOLCOTT. Mr. Chairman, a point of order. I believe the reading of the amendment has gone far enough so that we may determine it is an amendment which raises revenue and therefore is not germane to the bill.

I submit, Mr. Chairman, that under the rules a point of order may be made at any time before a final vote is taken on the adoption of such an amendment.

The CHAIRMAN. The Chair has already ruled on the point of order and adheres to the former ruling.

The Clerk will continue to read the amendment.

The Clerk concluded the reading of the amendment.

Mr. WERDEL. Mr. Chairman, in order that the Members of the House may know the effective date of this act and whether or not it is retroactive, I ask unanimous consent that an additional 10 minutes be allowed for debate.

The CHAIRMAN. Is there objection?

Mr. EBERHARTER. Mr. Chairman, I object.

Mr. WERDEL. I would like to ask the author of the bill if he does not believe the Members of the House ought to know what they are voting on.

The regular order was demanded.

The CHAIRMAN. The regular order is the request of the gentleman from Oklahoma [Mr. MONRONEY] for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HUBER and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 112, noes 153.

So the amendment was rejected.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD to the Spence substitute: On page 2, strike out lines 2 to 21, inclusive, and down to the period in line 22; in line 25, strike out the words "and other;".

On page 3, line 1, strike out the words "and foreign policy."

Mr. CRAWFORD. Mr. Chairman, all of the debate on this bill shows that the bills are geared to the national economy. The declaration of policy in this Spence amendment ties our economy solidly to

the Charter of the United Nations, giving that organization the power to say what our economy shall be. This amendment is for the purpose of striking that part from the bill. Without this amendment I will never vote for the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, it seems to me that this is an inopportune time to amend an amendment such as this, which strikes out the statement that it is the policy of the United States to support collective action within the United Nations to secure the peace of the world. Whether you like it or not, we are in a war; we are pledged to support the United Nations, and I do not think this is the proper time to change our policy in this bill as is proposed by the gentleman from Michigan.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

Mr. NICHOLSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLSON. I rise to ask about this last matter that was brought up. I understand that due to the confusion and everything the presiding officer could not hear me. Now I should like to know what this amendment is.

The CHAIRMAN. The amendment has been rejected.

Mr. ENGLE of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGLE of California to the Spence substitute: Page 8, line 4, after the word "materials", add the following: "including the exploration, development and mining of critical and strategic minerals and metals."

Mr. ENGLE of California. Mr. Chairman, the purpose of my amendment is to clarify the language of the bill and make it plain that the loan provisions of this bill permit loans to mining enterprises producing critical and strategic minerals and metals. A discussion with the committee members indicated that is their intention and I hope, therefore, they will not oppose the amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ENGLE of California. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think the amendment offered by the gentleman from California strengthens the provisions of this particular part of the substitute and I hope it will be agreed to.

Mr. HAYS of Arkansas. Mr. Chairman, I am advised by Mr. Symington's office that there is no objection to this amendment. The gentleman from Massachusetts is correct. I hope it will be adopted.

Mr. Chairman, it would be very unfortunate if our vote on the Huber amendment a few moments ago were construed as disapproval of an excess profits tax. We were not voting on that. We were voting in the interest of orderly procedure. In due course I hope to see an excess profits tax provision adopted and I am confident that many others voting against the Huber amendment share this view.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ENGLE].

The amendment was agreed to.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN to the Spence substitute: At the end of the bill, on page 48, add a new section as follows: *"Provided,* That no person may be employed under this act who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided,* That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further,* That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further,* That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

Mr. JENSEN. Mr. Chairman, this amendment speaks for itself. A like amendment was adopted by this House which I offered in the first session of the Eighty-first Congress to the housing bill and it was adopted by an overwhelming majority.

It was also adopted by the Senate after being amended to a slight degree, and it is now the law of the land in the housing bill. This provision certainly should be made a part of this bill, especially under the present conditions in which we find ourselves involved today, both here and abroad, in order to keep the Communists out of Government employ to the greatest degree possible, and to guard against Government employees participating in strikes. I would have little respect for any Member of Congress, who would oppose this very necessary and proper safeguard of our liberties while our boys are fighting and dying on foreign battlefields this very minute.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The amendment was agreed to.

The CHAIRMAN. All amendments have been considered and all time has expired. The question is on the Spence substitute for the Kunkel amendment.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 139, nays 127.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WOLCOTT and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 159, nays 128.

So the substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL], as amended.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. BIEMILLER] is recognized for 30 minutes.

WE NEED PERMANENT DISABILITY INSURANCE—WE DO NOT NEED THE KNOWLAND AMENDMENT

Mr. BIEMILLER. Mr. Speaker, this Congress now has a double responsibility.

It must move with dispatch to meet the enormous demands of our role of leadership in the free world. It must furnish the men, arms, and money for our defense and that of free peoples everywhere.

The second congressional responsibility is to the citizens of this country—to maintain the standards of justice—legal and social—which have helped to bring this country to its position of leadership, which have made it worth defending at any price.

It is an appeal to our recognition of that second responsibility that I make today.

Though many important social measures have failed of enactment in the Eighty-first Congress, we are nearing a

great achievement, a broad and far-reaching improvement in the structure of our social-security system. This measure was and is of great importance to millions of Americans. Its enactment into law in proper form would realize one of the great hopes of the people who elected the Democratic Eighty-first Congress in preference to the Republican Eightieth.

Unfortunately the Senate-House conference agreement has failed to produce a bill in proper form. There are several faults, some of them minor, but at least two of such importance that I believe passage of the entire social-security measure should be delayed briefly while they are corrected.

I speak of the omission of the House-approved disability provisions and the addition of the so-called Knowland amendment.

I do not believe I have to argue with this House about the wisdom of its own actions on disability. We passed H. R. 6000 by a vote of 333 to 14 with the disability clause one of its major improvements and achievements. We had provided a complete system of safeguards for this much-needed program. We had already met those arguments which later seemed so persuasive to the conservative Members of the other body.

There are more than 2,000,000 people in this country who are permanently disabled, whose inability to earn a living is even more marked than that of people who have passed the age of 65. They play a tragic role in our society, people who have worked as long as they were able but who through no fault of their own are now destitute. Many of them are in the position of watching people over 65, but in much better health, receive benefits denied them.

We in the House recognized that while State workmen's compensation laws provide some protection when a disability is incurred at work, only about 5 percent of all the Nation's disability cases are of work-connected origin.

We recognized that not only are disability benefits denied by the present social security law, but that workers disabled before they reach 65 receive lower benefits when they reach that age because they have not been able to work in the meantime and pay their premiums.

No social-insurance program which does not meet the needs of 95 percent of the Nation's disabled truly fulfills its obligations. The House, in near unanimity, recognized that fact when it put the disability provisions in the social security bill.

What were the excuses presented to the other body in support of eliminating these very important sections of H. R. 6000? Who presented them?

The chief argument was that private insurance could do the job. The hundreds of thousands of disability cases now on local relief roles are in themselves testimony to the falseness of that contention. Private-insurance plans are so expensive as to be almost prohibitive for lower- and middle-income groups. Even more important, such private insurance is not available to many of those in the middle or older age groups who need it most.

What was the secondary argument? One so offensive to the concepts of individual dignity and responsibility in America that I wonder it should have been advanced, namely, that security for these people would bring about malingering.

I do not think I have to defend the American working man and woman to the Members of this House. I will only refer you to the experience of those who administered disability insurance under the Railroad Retirement Act. Malingering was almost unknown.

Who thought up these meretricious arguments and presented them to the other body? Two of the groups which have always fought social progress in America, the private insurance companies who fought the original social security bill savagely, and the American Medical Association.

The AMA alone spent $369,526 in lobbying activities in the first quarter of this year, pouring a large part of these funds into their open fight against disability protection under the social security bill. The AMA has long since stopped dealing with merits of individual proposals for better health in this country. It simply declares guerrilla warfare on all such bills, calling them back door approaches to socialized medicine.

I doubt if 333 Members of this House would vote for a bill which would lead to socialized medicine. I know I would not.

There is no reason, no excuse, no valid argument for the other body's action in eliminating the disability sections of the proposed law. The House should not accept their ill-advised action in this matter. The House and its Committee on Ways and Means have carefully considered the matter and are entitled to have their viewpoints reflected in the conference report.

The Knowland amendment is another case in point. There is very little public knowledge of this dangerous proposal for change in our Federal-State unemployment structure. No public hearing has ever been held on its deceptive and potentially dangerous provisions. This House has never had an adequate opportunity to consider the amendment on what appear to be its considerable demerits. The Knowland amendment is a rider of the worst kind, technically in order, but actually in violation of both the spirit and intent of the legislation to which it has been attached. The social security bill originated in this House. It was understood, agreed on, that H. R. 6000 should broaden coverage and improve benefits under our social security system. The Knowland amendment violates that understanding. It only deals with the unemployment compensation system—entirely outside the scope of both the studies and recommendations which produced H. R. 6000, but it narrows coverage instead of broadening it.

Just exactly what is the Knowland amendment? What is its real object? And where did it come from? The answers to those three questions are the best reasons why this amendment should be stricken from the social security bill. It is not only the product of questionable legislative processes, it is itself bad legislation.

The Knowland amendment strikes directly at the key enforcement provision of Federal standards for State unemployment compensation systems. That provision now gives the Secretary of Labor authority to intervene whenever a State violates minimum Federal labor standards in the administration of its own law. The Knowland amendment would remove that authority except when such violation comes through amendment of the State law by the State legislature. Most violations of Federal minimum standards come through administrative decisions, not changes in State laws, as the sponsors of this amendment well know.

What would happen under the Knowland amendment if State administrators should make a ruling contrary to Federal law? Probably nothing. In the first place, the amendment forbids any action by the Secretary of Labor until the administrative decision has been tested in the highest court of the State. That time-consuming process might well be endless. It would be too costly a fight for many individuals and unions to even contemplate.

There is still another joker. A close reading of the amendment reveals that unless the State agency handling unemployment compensation has failed to conform to the ruling of the highest State court, the Secretary of Labor still could not intervene.

Plainly and bluntly, the State agencies and courts could together rewrite the meaning of every State unemployment compensation law in the country and not be accountable to anyone, even the Federal Government, which has the only safeguards for labor in its law. The desired uniformity of laws throughout the country would disappear. Instead, we will have created an administrative jungle, a legal chaos.

What are the protections for labor written into Federal law that could fall by the wayside with the adoption of the Knowland amendment?

A State cannot now deny benefits to a worker when he refuses to accept new work if the position offered is due to a strike, lock-out, or other labor dispute. Take away the Federal protection and you could create a strike-breaking weapon of vicious potentialities.

A State cannot now deny benefits if the wages, hours, or other conditions of work offered are substandard in the community. Take away the Federal protection and you have a dangerous wage-cutting device.

A State cannot now deny benefits to a worker who refuses work because he would be forced to join a company union or resign or refrain from joining a bona fide union. Take away that protection and you have the potential of a union-busting weapon of unparalleled persuasiveness.

If you would know how the Knowland amendment will be used, let us examine its source. The revelation is complete. The amendment was cooked up by the Pacific Maritime Association and West Coast shipowners because the Secretary of Labor kept them from getting away with a variation on the theme I just described. It happened in 1948.

The water-front employers of Washington and California had secured rulings from their State appeal boards which cut off all members of striking unions from unemployment benefits whether involved in the strike or not. Sounds incredible, doesn't it? I'd like to think so, but that's exactly what happened. Men who had been unemployed long before the strike began were suddenly denied benefits when the strike began. The ruling was also carried out in a carpenters' strike in Spokane. Nobody needs to see what a strike-breaking, union-busting tactic the water-front employers had turned up.

The argument used to secure the ruling was as incredible as the ruling. The men would have been on strike if they had been working when the strike was called, and they would not have been entitled to benefits. Guilt by association pales in the light of such reasoning.

Well, the matter was properly called to the attention of the Secretary of Labor and the men got justice. After the Secretary had stepped in and said the administrative ruling was against Federal regulations, the ruling was reversed. What would have happened if the Knowland amendment had been in effect? Nothing.

I think the best evidence in support of that conclusion is the sponsorship of the Knowland amendment by the same people who tried to pull the fast one.

There is, however, one new villain in the act, a well paid, fast talking lobbyist, named Stanley Rector, who bills himself as legislative director for Unemployment Benefit Advisers, Inc., and admits to a $20,000 a year salary, plus expenses. He is new to this particular plot, but he is by no means a new hand in the anti-social security lobbying business. He has headed the Unemployment Benefit Advisers for some time. This employer-financed organization had its origin in Wisconsin. Its principal function is telling employers how to keep unemployment benefits to a minimum.

It seems peculiar to me, and I am sure it must to you, that a Congress busy broadening and improving our social-security structure, should accept the amendment of this veteran pleader for anti-social-security legislation.

If we are to do anything about the Federal-State unemployment compensation structure in this Congress, we ought to improve it, not weaken it. The only real program in that field before us that has a proper background of study is President Truman's proposal for an increase and standardization of maximum weekly benefits at $30 a week plus dependents' allowances for at least 26 weeks. It would also curb some of the harsh disqualification provisions now in effect.

The Knowland amendment, however, would invalidate most of the proposed improvements before they could be made, simply because of its emasculation of enforcement powers.

This is no time to drive an economic wedge between labor and management in this country. Progressive management is not supporting the Knowland amendment, only the most conservative and reactionary. And both the leaders and rank and file of labor are properly angry and embittered at the attempt to deprive them by indirection of one of America's greatest social gains, a properly functioning unemployment compensation system. Many of us had reason to be grateful to that system last year when it saved whole areas of this country from the bitterness of unrelieved poverty in the midst of Nation-wide prosperity. Most of us will be grateful again in the future if we keep our unemployment compensation system strong enough to meet any emergency.

Let us maintain our original purpose of a broadened and improved social-security measure. Let us preserve the content and spirit of the legislation which we set out to enact. Let us strike the intruder, the Knowland amendment, from the bill, let us reinstate the disability provisions, and pass a measure which will bring nothing but credit to the Congress which made it the law of the land.

COMMEMORATIVE EXERCISES AT GRAVE OF GENERAL GORGAS

Mr. BOYKIN. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes, and to revise and extend my remarks and include therein the proceedings of the commemorative exercises at the grave of General Gorgas, July 4, 1950.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BOYKIN. Mr. Speaker, the exercises held at the grave of Maj. Gen. William Crawford Gorgas in the Arlington National Cemetery on the afternoon of our recent Independence Day, in commemoration of the thirtieth anniversary of the date of his death, were in every respect outstanding and noteworthy. Former Congressman Maurice H. Thatcher of Kentucky, also formerly a member of the Isthmian Canal Commission and Governor of the Canal Zone, and now a member of the Gorgas Hall of Fame Committee, presided, and paid his own tribute to the memory of General Gorgas with whom he served on the Isthmian Canal Commission during the construction days of the Canal. General Gorgas, in Cuba and in Panama, immortalized himself in connection with his work in the eradication of yellow fever and malaria. Other speakers were the Panamanian Ambassador, Senor don Rodolfo F. Herbruger; United States Senator Forrest C. Donnell, of Missouri; Congressman Frank W. Boykin, of Alabama; Brig. Gen. Francis K. Newcomer, Governor of the Panama Canal; and Dr. Esther Neira de Calvo, of Panama, executive secretary of the Inter-American Commission of Women, each of whom paid individual tribute to the memory of the great sanitarian.

On the beautiful hill slope of the American Nation's Valhalla, the grave of General Gorgas is marked by a simple flat stone, appropriated inscribed, and beneath it lie his own remains and those of his beloved wife, whose death occurred after his own. A fine and representative audience was in attendance, and the chimes of the new carillon in the cemetery provided a unique and lovely musical backdrop for the occasion.

Recently, it may be added, there has been a marked revival of interest in the life and work of General Gorgas, and there is now being made in the United States a strong and concerted effort to have him included in the Hall of Fame in New York City as one of the immortals of that great collection of distinguished personalities.

The proceedings obtaining on this occasion were substantially as now set forth; and under leave accorded I am including them herewith:

PROCEEDINGS OF THE COMMEMORATIVE EXERCISES AT THE GRAVE OF GENERAL GORGAS, JULY 4, 1950

At 4 o'clock, the time set for the observance, Chairman Thatcher called on Rev. Dr. Frederick Harris Brown, Chaplain of the United States Senate, who delivered the invocation as follows:

God of our fathers, to whose kingdom of justice and love the future belongs, it is Thy might which hath made and preserved us a nation. In Thee we trust as we come to stand amid these memorial stones on this immortal date which has engraved itself forever on the fast hurrying years, and whose scarlet threads are woven into the grateful memory of every true patriot of the Republic.

This day we lift our joyful praise for the American dream, the dream of a land where the people rule, of a state which is the instrument of the common good, of a union which finds room for the richness of diversity. In this solemn hour of the supreme test of America's faith, when determined foes deny and defy the very conceptions and aspirations which to us, nurtured in liberty, make life precious and sacred, may this Nation under God have a new birth of freedom.

We thank Thee that in our ears is the sound of the liberty bell ringing once more around the world, sounding out the message of freedom, equality, brotherhood, and justice. Assembled here on this sacramental ground, we give Thee thanks for an intrepid and dauntless soldier in the fight against one of humanity's dread scourges. On this anniversary day of his Nation's birth and of his death, we remember that from his young manhood he gave his all with selfless intensity to the supreme task of slaying the plague that had dug the graves of untold thousands.

Today we bow in reverent memory as we salute the career of a Good Samaritan which makes us all debtors. For we think gratefully of one who snatched multitudes from the clutches of this yellow monster and who opened rich tropical lands hitherto blighted by this curse, as the happy habitations of those who otherwise would have been smitten by this lurking foe. We hail him as one whose spirit was akin to that of the great

physician, and who found the key to open the gates of paradise regained.

We come now, standing by his resting place, with flooding memories of the diseases whose sting he plucked, of the foes of health and happiness he felled, of the link between the mighty oceans he protected, of the armies of mercy and help he commanded. And so this day we give Thee thanks for this true knight of humanity who, wearing always the white flower of a blameless life, rode forth across the healing years, bringing oil of joy for sadness, beauty for ashes, and gardens for graves.

In his spirit of sacrifice and self-denial, following in his train, may we bear our full part in these crucial days that try men's souls; that the generations to come shall call us blessed because our record, even when rampant evil compels us to unsheathe a clean sword, shall write our names among today's peacemakers and life-bringers: We ask it in the dear Redeemer's name. Amen.

The CHAIRMAN. Distinguished guests and friends: We have met this afternoon in these sacred precincts to pay homage in the form of tributes of affection and esteem to one of the greatest benefactors of the human race, Gen. William Crawford Gorgas, whose work in Cuba, Panama, Central and South America, and Africa did so much to relieve human distress, destroy plague, and benefit humanity. By surviving friends it has been deemed fitting and appropriate for this commemoration to be made.

At the outset I may say that an invitation was extended to Senator LISTER HILL, of Alabama to be with us today and to deliver an address; but a previous engagement in his home State made it impossible for him to comply. We deeply regret his absence. For years he has been a member of the board of directors of the Gorgas Memorial Institute of Tropical and Preventive Medicine, of which I am also a director and officer. We have a letter from the Senator which I will ask Capt. Miles P. Du Val, United States Navy (retired), to read.

Captain DU VAL (reading):

UNITED STATES SENATE,
Washington, D. C., June 24, 1950.

Hon. MAURICE H. THATCHER,
Washington, D. C.

MY DEAR MR. THATCHER: I am just in receipt of your letter of the 22d, and I want to thank you for it.

I deeply appreciate the invitation to be with you for the memorial service at the grave of General Gorgas on July 4. It so happens, however, that I have an engagement to be in Alabama at the State convention of the Alabama Department of the American Legion on that day. I deeply regret that I cannot be with you.

As you know, I have been privileged to serve with you as a member of the board of trustees of the Gorgas Memorial Laboratory, and have continued my study of the life and work of General Gorgas.

This study has again and again confirmed to me the greatness of General Gorgas and of the continuing importance of his services and contributions to humanity. Wherever on this earth people dwell, he is their benefactor. His great work has saved countless lives and alleviated untold human suffering.

I have often said that France has her Louis Pasteur, England has her Joseph Lister, and America has her William Crawford Gorgas.

With all good wishes, I am,

Very sincerely,

LISTER HILL.

The CHAIRMAN. Thank you, Captain Du Val; and we are very grateful to Senator HILL for his message.

The history of General Gorgas' life is known to all informed people everywhere. Born at Mobile, Ala., in 1854 of distinguished parentage, he was a graduate of the University of the South in 1875 and of the Bellevue Hospital Medical College in New York in 1879. He then entered the Medical Department of the United States Army as first lieutenant in 1880, became a captain in 1885, and a major in 1898. In 1880, following his entry into the Medical Service of the Army, he was sent to Fort Brown, where there was an outbreak of yellow fever, and there attended a young lady stricken with this dread disease, Miss Marie Cook Doughty, of Cincinnati, Ohio, who was visiting at Fort Brown, her aunt, the wife of Col. William J. Lister, commanding officer of the fort. When her death seemed imminent a grave was prepared to receive her body and Dr. Gorgas had agreed to read the burial ceremony at the interment. However, she survived, and in the meantime Dr. Gorgas also suffered an attack of yellow fever, and both of them recovered about the same time. The acquaintance thus begun under these dramatic circumstances ripened finally into their marriage in 1885. Following the nature of the disease, both of them became immune to yellow fever, and this fact played a very important part in the subsequent and most notable work of Dr. Gorgas in the field of tropical health and sanitation. He was with the American Forces in Santiago de Cuba in 1898, and served as Chief Sanitary Officer of Habana during the American occupation of Cuba in 1898–1902. There he met and knew Dr. Carlos J. Finlay, the famed Cuban physician, and Maj. Walter Reed and his associates of the United States Medical Corps, all of whom were destined to become forever known to sanitary science because of the theory enunciated by Dr. Finlay, and proven by Dr. Walter Reed and his associates, of the transmission of yellow fever through the mediumship of the female stegomyia mosquito. It had already been established by the distinguished British sanitarian, Sir Ronald Ross, that malaria is transmitted by the anopheles mosquito. The task thus presented to Gorgas in Habana was the eradication of these two dangerous insects so that infection and transmission of these scourges could be made. With a skill and genius unsurpassed in the annals of sanitary science he brought about such eradication, with the result that in less than 8 months yellow fever was banished from the island of Cuba and ceased altogether to be indigenous; and at the same time malaria was reduced to a minimum.

Because of his splendid work in Cuba he was, by special act of Congress in 1903, made a colonel of the United States Army Medical Corps; and when, in 1904, the United States took over the work of constructing the Panama Canal he was sent to the Isthmus and there served as Chief Sanitary Officer until 1907, when he was named a member of the Isthmian Canal Commission having charge of such construction. The Isthmus of Panama, because of its geographical situation, was a unique portion of the Western Hemisphere. The building of the Panama Railroad across the Isthmus, 1849–55, and its operation since that time; the gold rush into California in 1849 and the years that followed; and the advantages of Isthmian transportation in world commerce brought great numbers of people from the Temperate Zone to the Isthmus—particularly from the United States—with the result that yellow fever and malaria, both indigenous to the Isthmus, took heaviest toll from all those who came to this region to remain there or to pass on to California and other parts of the world. People native to Panama were substantially immune from yellow fever, but not from malaria, and the latter proved a great curse to Panama, as elsewhere in the world. Then there were the tragic years of the French effort to build the Panama Canal.

The Panamanian problem was more difficult than that presented in Cuba, and administrative difficulties and the intense tropical conditions obtaining on the Isthmus made the task of Gorgas a most difficult one; but he eventually triumphed, and in 1905 yellow fever was permanently eradicated from the Isthmus and malaria reduced to levels there hitherto unknown. The death rate fell from the highest to the lowest point, and what was considered the plague spot of the world became, under his skilled and beneficent hand, one of the most healthful regions anywhere to be found. His achievements in Panama constituted the most dramatic of his career; and historians generally agree that the great Isthmian waterway could not have been constructed except for the work which he did there.

During his Isthmian tenure he visited South America in relation to sanitary matters, and was responsible for the permanent eradication of yellow fever in Guayaquil, Ecuador. In 1916 he also visited other Latin-American countries and rendered sanitary counsel and advice, particularly in Peru. Before, in 1913, he went to the mining regions of South Africa to study and make recommendations concerning a plague of pneumonia which obtained among the miners.

In 1914 he was appointed Surgeon General of the United States Army; and in 1915 he was, by act of Congress, made a major general of the United States Army. As Surgeon General he served with his customary ability and rendered the Nation a great service in helping prepare our soldiers for entry and service in World War I. He served as Surgeon General until his retirement, on account of age, in 1918. In 1920, as a representative of the International Health Board of the Rockefeller Foundation, he started to South Africa to investigate yellow-fever conditions on the west coast of the Dark Continent; but, en route, in London, England, he was stricken with a cerebral affliction in the month of May and died in the Millbank Hospital overlooking the River Thames on July 4, 1920. Shortly before his death he was visited by King George of England and decorated by him with the distinguished Order of St. Michael and St. George. In historic St. Paul's Cathedral in London, immediately following his death, a notable funeral service was accorded, after which his remains were brought to the United States and interred at this spot in Arlington. Later, upon the death of Mrs. Gorgas, her remains were placed beside his own; and here they rest through the years. During his last illness Mrs. Gorgas was with him; as was also Col. Joseph F. Siler, present here this afternoon.

And here I might recall to your minds the fact that two of the outstanding architects of our Nation's foundations, John Adams and Thomas Jefferson (and serving together with Benjamin Franklin on the subcommittee to draft the Declaration of Independence), died on July 4, 1826; and one of the most famous eulogies ever heard was that delivered by Daniel Webster in joint tribute to them shortly after their death.

General Gorgas—as all who knew him can so well testify—possessed, in the greatest measure, the qualities of kindness, simplicity, generosity, firmness, courage, dependability, humanitarianism, experience, and an overall spirit of Christian character. It was a great privilege for me to be associated with him on the Isthmian Canal Commission during several years of the construction period of the Canal; and my official position was such that I was able to aid and cooperate with him in a measurable degree in connection with his indispensable health and sanitary work. Our relations, both official and personal, were of the most intimate and pleasing character; and I have ever treasured that association as one of the most gratifying and valuable experiences of my life.

No one can overpraise the work of this great man, though it is difficult always to speak the words of aptness. So long as there is a civilization in the world, that long will his name shine with resplendence, and honor

and reverence will be paid him as one of the greatest humanitarians in the world's history.

Also, I would speak a word of appreciation of the splendid character of his greatly beloved life companion, Mrs. Gorgas. Through all the years of their association her qualities were such as to serve him and his work in the most helpful fashion. She was like him in many respects. Her poise, courage, and sympathy aided him throughout his career in the most effective manner possible. Such a woman, as a helpmate, rendered in her own way, and in indirect fashion, a notable contribution to sanitary progress. Their immunization to yellow fever enabled him to meet, combat, and conquer it in its lairs; and thus the providential thread seems to have run through all his life.

In recent years there has been a marked revival of interest in the life and work of General Gorgas; so much so in the United States that recently there has been inaugurated a formal effort to have him included as one of the immortals in the Hall of Fame in New York City. Throughout the Nation, and from oher lands, have come commendations of his great achievements and the urging of his selection for this honor. During his lifetime he was the recipient of more than 75 distinguished orders, degrees, and medals from colleges, institutions, and governments of our own and other lands; and those of us who are familiar with his life and deeds have felt that this additional honor, though posthumous in character, should be accorded. However, I may say that already he is enshrined in a hall of fame that exists in the hearts and minds of the human race.

Wars may come, and wars may go, but the name of Gorgas shall live forever.

It now becomes my pleasure to introduce the Ambassador of Panama, Señor don Rodolfo F. Herbruger. Although he has been in Washington but a comparatively short time, he has been able to establish himself as one of the most popular among the diplomatic corps in our midst. Coming from the scene of the greatest labors of General Gorgas, he will, I know, tell us much that will be well worth hearing.

ADDRESS OF AMBASSADOR HERBRUGER

Ambassador HERBRUGER. Governor Thatcher, distinguished guests, and friends, with veneration we are gathered here today to commemorate the memory of a great American, Dr. William Crawford Gorgas, on the thirtieth anniversary of his death.

He came of American blue blood, the son of Gen. Josiah Gorgas, who served as Chief of Ordnance of the Southern Confederacy during the Civil War, and later he became president of the University of the South, at Sewanee, Tenn. His mother, Amelia Gorgas, was the daughter of Governor Gayle of Alabama.

He was graduated from the University of the South with a bachelor of arts in 1875. Four years later, he received a doctor of medicine degree from Bellevue Hospital Medical College, in New York; and in 1880 Dr. Gorgas joined the Army Medical Corps as first lieutenant. He was retired in 1918 with the rank of major general and became the permanent director of the yellow-fever work of the International Health Board of the Rockefeller Foundation.

During his lifetime, Dr. Gorgas was one of the most honored and beloved citizens of the world; the Spanish said of him, "He is one of us because his name derives from the Castillians"; when he died in London in 1920, the English said, "They will take him to his native land, but in truth he belongs to all of us; like Lincoln, he is a man of the ages"; Americans said, "We knight him, honor him, love him; in esteem, we strip all titles and call him simply Gorgas."

I am sure that before this distinguished audience it is not necessary to describe in detail the scientific achievements of Dr. Gorgas. All of you are familiar with his life-long work, for his memorable struggle to exterminate the mosquito, which averted horrible pestilences in many parts of the world, is today part of modern history.

When a great enterprise has been successfully carried out, it is usually hard to select the person who contributed most toward its achievement. It is amazing to realize, however, that all the historians agree that it was a doctor, Dr. William Crawford Gorgas, who individually contributed most toward the construction of one of the greatest engineering works of modern times, the Panama Canal, which, in turn, so directly contributed to the expansion of the economic and military might of the United States of America.

Because of his remarkable work in disease control, Dr. Gorgas was honored by a dozen sovereign States; and it was only natural that the country of his birth and the Republic of Panama, where he performed his outstanding achievement, took steps to immortalize his name.

Philanthropic enterprise created the Gorgas Memorial Institute of Tropical and Preventive Medicine; and the Congress of the United States enacted the legislation, of which you, Governor Thatcher, was the author, providing for the establishment and maintenance, under the supervision of the Institute, on the Isthmus of Panama, of the Gorgas Memorial Laboratory, devoted to research into the cause and prevention of tropical disease, and bearing the name of the distinguished sanitarian in whose honor these services are held.

On August 25, 1928, Dr. Franklin Martin, on behalf of the Board of Directors of the Gorgas Institute, accepted from President Rodolfo Chiari of Panama, the donation of a new building and grounds originally designed for the Government's School of Medicine, as the home of the Gorgas Memorial Laboratory, a very valuable property located in the Exposition Grounds of Panama City. My Government has always generously cooperated in the work of the Laboratory, now one of the outstanding research institutions of the tropical world.

Between the years 1904 and 1907 the methods devised by Dr. Gorgas to prevent and exterminate diseases were so effective that yellow fever was eliminated in the provinces of Panama and Colon, and malaria was also brought under control.

A man is truly great when he is honored and respected by many nations wanting to share in his fame. Former President Porras of Panama once said of Gorgas: "As in the case of Aesculapius, when it was necessary to enlist the services of an oracle to determine which of the cities of ancient Greece was his birthplace, and as in the case of Columbus, who had been declared an Italian, a Spaniard, and a Jew, the birthplace of Gorgas is disputed—both Alabama and Georgia claiming the honor. Gorgas does not belong exclusively to the United States; Cuba and Serbia, Bulgaria and Ecuador, Panama and South Africa claim part of him for having lived and worked among them."

Dr. Gorgas made possible the construction of the Panama Canal, where the French had failed. The fact that the French bore him no malice is probably one of the greatest tributes ever paid to this man. Therefore, in closing, I can but repeat the statement of Ambassador Jusserand, emissary of France, made during a memorial service, on January 16, 1921, near this very spot where the memory of Dr. Gorgas is forever enshrined:

"I consider it a high pleasure," said Ambassador Jusserand, "to bring the homage of France to a great memory: France, whose contribution to medical science goes back to the Middle Ages.

"Our admiration for Gorgas was profound, and I bring here the expression of it.

"Where so many Frenchmen died in their efforts to dig the Panama Canal, Americans lived in health and security after Gorgas had established his wise regulations.

"When his public task was finished, his life task was not, for his duties were dictated by a power within himself. He told me so when I saw him in that city of Panama, which he had caused to be a beautiful, radiant capital of the new-born republic.

"He died in full activity and, when he closed his eyes upon the world, he could think, my day is passed, but to the most of my ability it has been well filled."

For this great American, for this benefactor of mankind, who was loved by the citizens of all countries where he lived and worked; for this man who really belongs in the hall of fame, let us pray in silence that his soul may rest in peace.

The CHAIRMAN. Thank you very much, Ambassador Herbruger, for your splendid talk; and we are very grateful that you and your esteemed señora are with us today. I can bear witness to the generous aid and cooperation of your country in and about the construction of the Canal, and later its action in providing the building and grounds for the Gorgas Memorial Laboratory deserves the general gratitude.

While more than one region may claim General Gorgas as a native son, undoubtedly the great State of Alabama gave him to the world.

Another distinguished speaker will now address us. In the Senate of the United States he has won wide respect and esteem because of his courage and ability, and we are especially honored to have him here this afternoon to add some words of tribute and appreciation. Ladies and gentlemen, I have the pleasure of introducing the senior Senator from Missouri, Hon. FORREST C. DONNELL.

ADDRESS OF SENATOR FORREST C. DONNELL

Senator DONNELL. Mr. Chairman, distinguished guests, and ladies and gentlemen, on this anniversary of the death of Maj. Gen. William Crawford Gorgas it is fitting that, at this hallowed spot, there be paid to his memory sincere tributes of deep respect and appreciative gratitude. To his nation and the world he rendered invaluable service which required of him the closest application to duty, the highest degree of skill, and a courageous determination which could not be halted by any obstacle.

In 1901 the Walter Reed Board, which had been investigating in Habana, Cuba, the cause of yellow fever, made its findings. Among them was that this disease is conveyed from person to person only by the bite of the female of a certain species of mosquito. As chief sanitary officer of Habana, William Crawford Gorgas, acting on the basis of this finding of the Walter Reed Board, entered on the task of eradicating yellow fever from that city. In less than 8 months, he succeeded, by prompt and vigorous action, in removing from that Cuban municipality this disease which we are told had there existed continuously for over 150 years.

At the Isthmus of Panama the French had, over an earlier period of years, attempted to join the Atlantic and Pacific Oceans by canal. Yellow fever was among the most powerful opponents of the French in this great enterprise. The Secretary to the Isthmian Canal Commission, during the subsequent period of American construction of the Canal, considered lack of foresight to be the first great cause of French failure, and disease to be the second. One writer tells us that the twin scourges of the Isthmus—yellow fever and malaria—were principally responsible for defeat of the French in their efforts there. The Committee, of the United States House of Representatives,

on Foreign Affairs in a report made on February 17, 1928 declared that yellow fever had defeated the French attempt to build the canal.

In 1904 the United States purchased the uncompleted waterway for the Panama Canal. In that year Dr. Gorgas was appointed the chief sanitary officer of the Panama Canal Zone. Despite all obstacles Dr. Gorgas persevered at the Zone and was supported, in his perseverance, by President Theodore Roosevelt. Yellow fever in the Canal Zone was overcome by the work of Dr. Gorgas. After the autumn of 1905 effective attack was made on a species of mosquitoes by which malaria is transmitted. The work of Dr. Gorgas and his chief sanitary inspector against malaria resulted in a notable decrease in number of persons afflicted by it.

Dr. Gorgas stated: "By the fall of 1907, about all of our sanitary work had been completed. Our fight against disease in Panama had been won, and from that time on our attention was given to holding what had been accomplished."

Theodore Roosevelt wrote, of the work of General Gorgas at Panama, that it was "a feat without which no further work on the Isthmus could have been attempted."

During the participation of the United States in World War I, Dr. Gorgas served, until his retirement on October 4, 1918, as Surgeon General of the United States Army. His service in that capacity was comprehensive and vast. Dr. Franklin Martin wrote, "The result of his efforts in reorganizing the Medical Corps of the Army is almost unbelievable."

General Gorgas had hoped to aid the International Health Board in its undertaking to eradicate yellow fever from the world, and the fact that it was London where he was at the time of his death was due to his having undertaken the heading of a commission to investigate the yellow-fever situation in West Africa.

There exists today the Gorgas Memorial Laboratory in the Republic of Panama. The Congress of the United States has authorized, for the maintenance and operation of the Laboratory, a permanent annual appropriation. In a report of the Committee on Foreign Affairs of the United States House of Representatives made on June 16, 1948, it is stated:

"The Gorgas Memorial Laboratory is a center for research into the causes and prevention of tropical diseases. It is sponsored by the Gorgas Memorial Institute of Tropical and Preventive Medicine. Both the laboratory and the institute are dedicated to furthering the cause of public health, primarily in tropical areas, in the name of the famous American sanitary engineer, Gen. William Crawford Gorgas. * * *

"It is important that the work started during the war with the assistance of other agencies be carried on, and the laboratory be allowed to expand its program as required to fight the spread of tropical diseases. It is perhaps unnecessary to point out that the battle against tropical disease is a never-ending one and that every gain made in that battle repays the cost of the effort. It should be stressed that the benefits derived from the operation of the Gorgas Memorial Laboratory have not been confined to the immediate area, since the experience and techniques developed in this enterprise were of measureless assistance to the United States in protecting the health of the personnel of its Armed Forces in tropical areas around the globe during World War II."

Through this memorial laboratory is evidenced the recognition by our Nation of, and its gratitude for, the powerful and effective labors of General Gorgas in the battle against disease.

Today to this great man we pay our tribute of grateful appreciation. Thirty years have elapsed since his departure. Nevertheless, through his deeds for his Nation and for mankind he lives.

In him is exemplified the assurance of the philosopher that "What we have done for others and the world remains and is immortal."

The CHAIRMAN. Our most earnest thanks and appreciation go to you, Senator DONNELL, for your fine contribution to this program. I can testify as to your splendid work touching the hearings on and enactment of the bill in the Eightieth Congress for increasing the annual appropriation for the work of the Gorgas Memorial Laboratory in Panama City—an institution which, in addition to carrying the name of General Gorgas, has done, and is doing, noteworthy work as regards the cause and prevention of tropical disease. We are also grateful for the presence of Mrs. Donnell.

As I have already stated, General Gorgas was born at Mobile, in the great State of Alabama. His parents were distinguished in their own right. We are fortunate in having with us to speak to us on this occasion the Member of Congress from the Mobile district—one of the most popular and effective Members in the House of Representatives. He can tell us something of the Gorgas home in Mobile and of the Alabama contacts of General Gorgas and his parents. I am very happy to present Congressman FRANK W. BOYKIN.

ADDRESS OF CONGRESSMAN FRANK W. BOYKIN

Mr. BOYKIN. Mr. Chairman, distinguished guests and friends, we are gathered here today in memory of one whose life's work marked him as one of the world's most estimable gentlemen, scientists, soldiers, and patriots that America has ever known. So long as civilization endures the name of Gen. William Crawford Gorgas will be enshrined in the minds and hearts of men in all countries and in every clime.

Son of our beloved Southland, General Gorgas was born on October 3, 1854, in the little village Toulminville, which has long since been incorporated into the great city of Mobile, Ala.

Gen. William Gorgas was the distinguished son of a distinguished father, soldier, and educator, Gen. Josiah Gorgas, who served as chief of ordnance of the Southern Confederacy and later became president of the University of the South at Sewanee, Tenn.

Equally marked was his gracious mother, Amelia Gayle, daughter of Governor Gayle; and I want you all to know that both the Gayles and the Gorgases are good people and the finest of southern stock.

My friends, of late I have frequently pondered on the course that America is taking, as well as on the conditions of life, as they are evolving in these United States. I have sometimes wondered whether or not we of this day and age appreciate the enormity of sacrifice that was made by our forebears in order to build here in these United States a great nation that has come into being in the last 150 years.

Sometimes I think that too many of us are prone to believe that the things of life were always as we know them to be today; that too many of us take things for granted; that far too few of us are conscious that our forebears had to fight for everything they obtained in life, even their rights to the barest necessities, where civilization is now crowned with the greatest improvements and developments, moral, educational, technical, and scientific, that the world has ever known.

Today we turn a tap in the sink and pure, potable water that you can drink flows freely from out of the faucet, yet how few of us realize the tremendous cost, engineering skill, and capital investment necessary to make even tap water available to our use.

How many of our children, or even the adults who walk among us, realize that this water is subject to chemical inspections and tests almost every hour of the day and night to insure its suitability and safety for use by our people.

How many of us switch on an electric light with no thought, however, of the tremendous scientific skill wrought into the construction of boilers, engines, turbines, and generators that create the magic power, or of the high tension transmission lines, the transformers, switches, gears, and other equipment needful and necessary to harness, transmit, convert, and subject electric power to the control of a mere child, either to light his way through darkness or to power the television that affords him both amusement and education in his home.

How many realize that the coal reserves that make electric power possible in the world today were hidden away in the bowels of the earth millions of years ago, there to be transformed into carboniferous substances now mined by men who bring it to the surface of the earth, burn it in boilers and thus make possible the utilization of power that nature locked up millions of years ago for the heat and other comforts of mortals in a modern world.

In like manner did General Gorgas, the native son of Alabama, transform, among other areas of the earth—the Isthmus of Panama—from one of the most pestilent to one of the healthiest spots on the face of the globe. I speak of those conditions because there was none who appreciated the wonders of nature more than did General Gorgas.

There was no greater worker in the vineyards of life than the very man in whose memory we are gathered here in Arlington to commemorate on this, the thirtieth anniversary of his passing.

It is most appropriate that he rest here in Arlington whose mantle of soil is so like that of his own native State of Alabama, for in truth General Gorgas no longer belongs to his native State, but rather to this Nation.

As one of life's greatest workers, he healed the ills of men by making sweet the foul places that he found on earth, and now as they speak of Lincoln, so they could well say of Gen. William Gorgas—he, too, belongs to the ages.

To speak of General Gorgas is almost like talking about the infinite. General Gorgas was a genius whose life and achievements, as they will be recorded in history, are comparable with those of Lister and Edison. Each of these men with a mind untrammeled and open, wrought miracles from the commonplace materials which were at hand; the real significance of which were scarcely recognized by either his contemporaries or his predecessors.

It can well be said that in Gorgas were the same outstanding qualities which are the embodiment of the mind and character of every genius, he visualized a conspicuous object that demanded attainment, and with an open and untrammeled mind which could disregard tradition, he utilized the materials at hand and conceived a simple formula which enabled him to accomplish his task. With his clear vision and this formula, he proceeded to execute his plans and then followed the stupendous task of achievement. This required the exercise of patience, tolerance, and untiring perseverance such as would circumvent unwise opposition; and, finally, unconquerable industry.

Gorgas possessed not only attributes of a genius, but the admirable traits of character that made him a normal man in the midst of conventional surroundings.

General Gorgas was princely with the simplicity of a child. He loved his fellow man to the extent that he saw good in all. By his tolerant sympathy he drew to him thousands who claimed him as a friend. With almost unerring judgment he selected able contemporaries to serve him as aides. The pride of proprietorship in his charge, if he possessed it at all, was obscured by his desire to accomplish a useful thing, and he utilized

every legitimate factor that would bring success to his enterprise.

He commanded his great army of aides in his civil work, as well as in his war work, not by autocratic methods, but by power of persuasion and the example of his own industry. In his official life, in his social life, and in his family life, he was a true friend of mankind, a courteous gentleman * * * and always a cavalier.

When the ancestors of General Gorgas arrived on these shores they brought with them little other than their brain, their brawn, and their Bibles.

With their hands and their axes they wrought fertile farms out of virgin forests and blazed the trails that not alone afforded to the present generation the created comforts of life, but a progression of scientific and technical developments that have made us the most progressive, healthiest, happiest, and longest-lived people existing on the earth.

General Gorgas loved his country equally as he loved humanity. I think of a no more fitting tribute, appropriate to this the thirtieth anniversary of his passing, than to present to his family and his friends the emblem of the Nation that he served so long and loved so well.

Mr. Chairman, distinguished guests, and friends, I want you to accept this flag, the emblem of liberty and of freedom, which at this morning's sunrise on this glorious fourth day of July was flown to the breeze over the dome of the Nation's Capitol on the thirtieth anniversary of his passage to that bourne from whence no traveler has ever returned. I trust this flag of his country and of mine to your care, knowing as I do that it will be deposited to his memory in any one of the dozen shrines that have been erected in his honor.

It was because of men like William Crawford Gorgas that today the glories of mankind triumph wherever Old Glory floats.

It was because of men like him that Americans do now, and will forever, reap the real fruition of life beneath the beloved flag that I now hand over to your care.

The CHAIRMAN. Many, many thanks, Congressman BOYKIN, for your most interesting and inspiring address. You have been in a position to present facts concerning the distinguished man we seek to honor today and his family, and we are deeply grateful to you; and we are very glad, indeed, that you have brought with you Mrs. Boykin.

In making up this program it was thought wise to have speakers who could present varying facets touching the life and work of General Gorgas. It is, therefore, especially appropriate that one of these should be the distinguished engineer-soldier who is now the Governor of the Panama Canal. He has rendered fine service on the Isthmus, first as Engineer of Maintenance of the Canal, and now as Governor. In a supervisory way he is carrying on the great health and sanitary work laid down by General Gorgas in the construction period of the Canal. I now present Gen. Francis K. Newcomer, Governor of the Panama Canal.

ADDRESS OF GOV. FRANCIS K. NEWCOMER

Governor NEWCOMER. Mr. Chairman and friends, it is an unexpected, and at the same time gratifying, privilege for me to be able to participate in this ceremony on the occasion of the thirtieth anniversary of the death in London of Gen. William Crawford Gorgas. I say it is unexpected because, until a few days ago, I had no reason to suppose that I would be away from my duties in the Canal Zone at this time. Hence my gratification at being asked by Governor Thatcher to be present today. I am authorized to express for the Secretary of the Army his regret that he is unable to be present on this occasion.

I think that I am on sound ground in saying that we who live in the Canal Zone have reason to be grateful to General Gorgas to an even greater extent than those who know of his work by reputation or by reading of the early days of the Panama Canal. He made it possible for us to be there today without undue hazard to health.

It is unnecessary for me to recall his achievements in eradicating yellow fever and malaria in the Canal Zone and the terminal cities of Panama and Colón. The important fact so far as we today are concerned is that he instituted methods of control that have been our standard in the intervening 40 years. Details have, of course, improved as the medical profession has progressed, particularly in the field of development of powerful and inexpensive insecticides; but the fundamentals are the same. These include the screening of all living quarters, the positive drainage of areas in which stagnant water might be trapped, and the free use of chemicals that discourage the growth of larvae in their natural habitat. If my memory serves me correctly, there has not been a single new case of malaria in the sanitated areas of the Canal Zone this calendar year, an all-time record of which the medical authorities are very proud.

The record with respect to yellow fever in areas adjacent to the Canal Zone is not so good. A little over a year ago several suspicious deaths occurred in a hospital in Panama. Upon investigation they were diagnosed as being due to yellow fever. Again due to the earlier work of General Gorgas, our health authorities knew the cause and the measures necessary to be undertaken. A sympathetic Congress promptly gave us an emergency appropriation of $600,000. With those funds a successful campaign has been waged. Between five and six hundred thousand residents of the Canal Zone and the Republic have been inoculated, and a drive has been completed that we believe has eliminated the guilty mosquito from the cities and other principal communities. I am happy to say that there have been no deaths among those who presented themselves for inoculation.

It has been our practice for a number of years to hold on Memorial Day a simple ceremony at the plaque erected to Dr. Gorgas at the main entrance to Gorgas Hospital in Ancon. I would like to quote from a tribute paid to him last year by an old-timer who was present at that ceremony and who knew him well: "The impression that Dr. Gorgas made at first sight was that of a very superior person. There was about him an air of culture and dignity. He had the grave expression and the dignified bearing of a scholar; say a professor of languages. He looked as if he would be more at home with a history of Ancient Greece than with the problem of the breeding places of mosquitoes, or the extermination of rats, or the disposal of garbage; that his concern would be more with the speculations of philosophy than with the prevention of typhoid fever and dysentery. In his personal contacts no matter with whom, his grave expression became one of geniality and friendliness. It was, in fact, an invitation to friendliness, yet I never knew anyone to take advantage of him because of it. His dignity was part of him so that it was never necessary for him to fall back on rank or position to command respect. He enjoyed the respect of all, yet though he was "one who walked with kings," he preferred to be to one and all just Dr. Gorgas. He was kind, gentle, courteous, hospitable.

"I am proud to be able to salute the memory of a friend, a great man, a veteran of two wars, an unassuming gentleman."

I am proud also to salute today the memory of a man whose work was so vital, not only to the completion of the Panama Canal, but to the progress and development of all tropical countries. The results of his work in the Canal Zone are evident on every hand: no yellow fever, a minimum of malaria, healthy children and adults, and, above all, as we go about our daily tasks a feeling of security from those dangers that menaced the health of the workers in the earlier days and caused so much suffering and so many deaths. We owe Dr. Gorgas a debt of gratitude that our easier life of today and our remoteness from the hardships of the first decade of this century tend to obscure. I am glad to acknowledge and reaffirm that debt here this afternoon.

The CHAIRMAN. Your presence here today, Governor Newcomer, and your fine tribute are greatly appreciated, and we thank you very much. We are happy, indeed, that you were able to stay over for these exercises and to be with us. You have done very important work in connection with the operation and protection of the Panama Canal, and we earnestly hope that the war clouds that so dangerously lower just now may be speedily lifted and your guardianship duties relieved accordingly. However, so long as there are dictators and totalitarian governments in the world, there will be, sooner or later, wars and the recurrence of wars.

Our first guest speaker was the Ambassador of Panama. As a concluding address we shall now hear from another citizen of Panama—one who, too, knew General Gorgas in her earlier years, and who is one of the outstanding women of Latin America. An educator of distinction, the first woman ever elected to a national legislative body in Latin America—a member of the Congress or National Assembly of Panama—and more recently named, and now serving, as executive secretary of the Inter-American Commission of Women associated with the Pan American Union and the Organization of American States, she is peculiarly fitted to speak words of appreciation and tribute on this occasion. I may add that during the days of my Isthmian service I knew her father, a distinguished and most honorable public servant and citizen of Panama whom I held in the highest affection and esteem. Dr. Esther Neira de Calvo will now speak to us.

ADDRESS BY DR. ESTHER NEIRA DE CALVO

Dr. CALVO. Governor Thatcher, distinguished audience, I have come to the tomb of the illustrious scholar, Wiliam Crawford Gorgas, on this day that commemorates, not only his death, but also the independence of his country, when millions of American citizens honor their great men, to pay tribute to his august memory with my Panamanian heart filled with gratitude for this apostle of science, this renowned doctor, whose profound love for humanity, whose spirit of sacrifice, and undaunted faith as an unselfish scholar, made possible the accomplishment of that gigantic work which made the Isthmus of Panama, the center of the universe, the capital of the world of which Bolivar had dreamed. That marvelous exploit, a dream of six centuries, which the genius of the American race made into a reality, with its prodigious technique, its great economic power, and the infinite goodness of General Gorgas.

The route that would unite two oceans, the Atlantic and the Pacific, in the center of the American Continent, which was traced so many times in their imagination by audacious Spaniards in the age of discovery and conquest; by Portuguese, Flemish, Scotch, English, Panamanian, and French engineers; the route vainly sought during the fifteenth and sixteenth, the seventeenth and eighteenth centuries, and finally located in the Isthmus of Panama in the second part of the nineteenth century, was for this illustrious doctor and fearless American soldier, whose memory we are venerating in this cemetery of heroes, a fertile field for the liberation of a region of the American world in which fame and glory were to crown him with laurels. For he eradicated a ferocious enemy in the life of that man who amid forests and swamps, invincible rocks, on the

banks of rivers and in the cities, in the inclemency of a deadly climate filled with the germs of yellow fever and malaria, in the fight against a rebellious nature, opened the way through titantic and tireless struggle of 11 years, for the building of the longed-for interoceanic highway, the heroic undertaking of the Panama Canal.

The French genius, which came to the Isthmus in the person of Ferdinand Lesseps and his collaborators, was unable to prevent death from taking its toll among the workers who began the tremendous work in 1880. Death filled the forests and swamps with corpses; in the excavations, thousands of graves were dug by the French sappers who, conquered at last, by the ferocious enemy, abandoned the struggle against nature which had become a symbol of desolation and death. The stegomyia and anopheles mosquitoes, transmitting agents of yellow fever and malaria, won the battle, and a terrified humanity saw the powerlessness of man before an implacable enemy which continued to populate the Isthmus of Panama by billions of units; so in 1889 the Inter-Oceanic Canal Co. was dissolved, after 9 years of work in the first step of the glorious venture which brought life to Bolivar's ideal of making America one free and whole body; the vision which became a reality when the prodigious ditch, 50 miles long, across the Isthmus of Panama, was officially opened to the traffic of the world on August 14, 1914.

The Panama Canal is a feat of both engineering and hygiene; without the careful sanitary work which General Gorgas directed, the American engineers who accomplished the building of the Canal could not have lived in the death-dealing regions of the Isthmus. It was his genius that organized the defense crusades, and it was his genius that made victory possible.

This renowned benefactor of humanity arrived in the Isthmus in March 1904 when the French had not yet left the Canal Zone. The fame that he had acquired in Cuba for his work in the complete eradication of yellow fever was sufficient merit for his Government to honor him with the appointment as Chief Sanitary Officer in the Panama Canal Zone. Invested with the authority the position gave him, he began his undying and portentous task on the Isthmian soil, fighting against difficulties created by his own countrymen who lacked faith in his scientific accomplishments, and against the relentlessness of the enemy, the unappeasable sower of death. But nothing detained this brilliant man from bringing credit and honor to North American medical science and sanitation. His marvelous organization, his method of destruction of the enemy, the unbreakable strength of his will, and his noble heart placed at the service of those lives who were to open a breach in the inmost recesses of the Isthmus, were bulwarks of defense in the powerful war that his genius waged against the instruments of death, in that great work of his life which proclaimed him Redeemer of the Tropics.

It was his triumph to make the Isthmus of Panama habitable; he cleared its air, he purified its waters, he provided a happy abode for the man in the country and in the city, and to the traveler who came to its shores; and converted it, through the magic of his wisdom, into one of the most healthful places in the world.

This unconditional friend of humanity received the unanimous recognition of the Members of the United States Congress in 1915, by a vote of thanks; and world history wrote his name in the annals of fame, as that of one of the great benefactors of man, who not only saved the workers of the Panama Canal from death, but also bequeathed to the centuries to come, his wise lesson which teaches the method by which peoples may be freed from the scourge of the stegomyia; for cleaning up swamp and forest; for living in the deadly climates of the Tropics; for saving from death the millions of human beings who, with the force of their wills and the strength of their muscles, are constructing the great works of human progress.

The United States, Cuba, and Panama, countries of South America and Europe, and South Africa claim him as their favorite son; and his name is found inscribed beside the greatest scholars the world has had, from the earliest days of mankind until now when his work shines with inextinguishable brilliancy.

As long as there is a Panamanian living, the memory of General Gorgas will be immortal. As long as the Isthmus of Panama exists, the illustrious name of this famous citizen of the world shall never be erased. He died in London, in 1920, on the Fourth of July, as though his spirit sought in the regions of immortality the spirit of the fathers of this great Nation, the liberator of peoples.

The American flag draped his body as it lay in the Cathedral of St. Paul, beside the monuments of Nelson and Wellington, until he was transferred to this holy ground in which the tombs of American heroes are raised.

The world wept his death.

Now, "the doctor of humanity," the "redeemer of the Tropics," the "protector of the world," this Pasteur and Lister of the United States rests here in the arms of fame, while generations exalt the history of his triumph, his marvelous feat of sanitation which exterminated the tragic work of four centuries in the death-dealing regions of the Isthmus of Panama.

Governor Thatcher, and other members of the Gorgas Hall of Fame Committee: "Let me cover the tomb of General Gorgas with flowers of undying gratitude. I shall never forget this moment in my life in which, through your honored invitation to participate in this tribute, I am setting foot on the ground which covers the mortal remains of him who made the Isthmus of Panama that privileged place which unites the peoples of the universe; of him who has, in the heart of humanity, a monument of fame and glory."

The CHAIRMAN. Dr. Calvo, your moving and eloquent address has touched us all very deeply. You have made an outstanding contribution to these exercises. We thank you, and will always remember your presence here, and your words of tribute to a great man. You spoke of the honor paid General Gorgas in the funeral services held for him in St. Paul's, in London. This reminds me of a dramatic incident which occurred on that occasion, as related by the late Sir Henry S. Wellcome, himself a great philanthropist and a founder of notable institutions of health and sanitation, and the long-time friend of General Gorgas. Sir Henry served as a pallbearer at those services, and he said that a dove flew over the casket, containing the remains of General Gorgas, as it was being conveyed into the cathedral, and dropped a beautiful white feather which fell and rested on the casket.

I know that Mrs. Aileen Gorgas Wrightson, daughter of General Gorgas, and her husband, Col. William D. Wrightson, who are present today, are deeply grateful to you and the other speakers on this program for what has been spoken; and I am sure that they greatly appreciate the lovely flag which you, Congressman BOYKIN, have presented here, and which will be turned over to Mrs. Wrightson. I know that she would like to speak a word of thanks, and I will ask her to do so.

Mrs. WRIGHTSON. I am indeed deeply grateful for the beautiful services held here today in honor of the memory of my father, and for what has been said of him and my mother; and I am especially grateful to you, Governor Thatcher, for what you have done in arranging for this occasion.

The CHAIRMAN. The beautiful wreath—the larger one that stands at the foot of the grave of General and Mrs. Gorgas—was presented by Ambassador Herbruger; and the other lovely wreath there was presented by the Panama Canal Society of Washington and the auxiliary. They constitute the very beautiful evidences of love and esteem.

For the ample tent furnished for this occasion, and the chairs, as well as for the chiming of the bells of the new carillon in the amphitheater of the cemetery, during, and for, these exercises, we are indebted to Col. R. J. Williamson, superintendent of the Arlington National Cemetery; and we desire to assure him of our very great thanks and appreciation. On this afternoon, on this beautiful site, we have thus been sheltered, in comfort, from the sun, and would have been protected from predicted rains which have not fallen. The chimes, coming as they did from a gentle distance, have provided a most pleasing and appropriate musical setting for this ceremonial. To Mr. Roger S. Erdman and Capt. Miles P. DuVal, of the Panama Society of Washington, and to Mrs. Robert M. Roudabush, president of the auxiliary of the society, and to her associates, I desire to express most earnest thanks and appreciation for their help and cooperation in connection with this commemoration. I wish to thank all of you for your presence here on this eventful occasion. Many of you knew General and Mrs. Gorgas in the old days during the construction of the Canal, and recall with pride and affection your Isthmian life during that period.

It may not be inappropriate for me here to relate an incident illustrative of the character of General Gorgas. When the death of his mother occurred in Alabama, he was on the Isthmus. The news came to him promptly, and I went to his office, which was in the same building as my own—the headquarters of sanitation and civil administrations being in the same structure—to tender the assurances of my sympathy. I sat with him for a considerable time, during which he spoke of his mother in the most tender and reverential manner, and recited to me many instances of her life, and spoke of the qualities which earned for her the love and esteem of all who knew her. Throughout, his face was illumined with a smile of pure radiance; and whatever may have been the pain in his heart it was concealed by the outward aspect. I shall never forgot what thus transpired. Such a mother! Such a son!

In conclusion, with your permission, I shall read some lines written by me some time ago in tribute to General Gorgas, after which Dr. Harris—to whom we are also most grateful—will deliver the benediction.

GORGAS

"God's own Samaritan, intrepid, true;
With Christly sympathy and love for all,
And wisely skilled, he wrote health's page anew,
And lifted from the earth its foulest pall.
Where pestilence and plague took direst toll,
His magic touch brought life and strength and joy;
In Isthmian realms, where rival oceans roll,
His blessed arts for good he did employ.
And lo! the link that joins the waters twain
(The way to Ind, through all the ages hid!)
Grew into form, and stretched from main to main,
By reason of the deathless work he did:
And more than this—the wondrous deeds he wrought,
The texts became whereby the world is taught."

(Benediction by Dr. Harris.)

EXTENSION OF REMARKS

Mr. COUDERT asked and was given permission to extend his remarks and include a newspaper article.

Mr. LANE asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. JACKSON of Washington (at the request of Mr. BIEMILLER) was given permission to extend his remarks and include a speech by Assistant Secretary of the Interior William E. Warne.

Mr. DINGELL (at the request of Mr. RABAUT) was given permission to extend his remarks and include a bulletin issued by the Committee for the Nation's Health.

Mr. RIBICOFF asked and was given permission to extend his remarks and include an article.

Mr. HART asked and was given permission to extend his remarks and include some quotations.

Mr. WILSON of Oklahoma asked and was given permission to extend his remarks and include extraneous matter.

Mr. BROOKS asked and was given permission to extend his remarks and include extraneous matter in two instances.

Mr. POLK asked and was given permission to revise and extend the remarks he made this afternoon and include tables and statistics from the Department of Agriculture.

Mr. PATTERSON asked and was given permission to extend his remarks and include a newspaper article.

Mr. PHILLIPS of California asked and was given permission to extend his remarks and include an editorial and comment upon the announcement of the calling out of the National Guard as a political announcement rather than a military announcement.

Mr. CRAWFORD asked and was given permission to extend his remarks and include a statement by Mr. Moore.

Mr. VAN ZANDT asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. CHIPERFIELD (at the request of Mr. SMITH of Wisconsin) was given permission to extend his remarks and include an editorial.

Mr. JAVITS asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include extraneous matter.

Mr. LEFEVRE and Mr. LATHAM asked and were given permission to extend their remarks.

Mr. McGREGOR asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. WIGGLESWORTH asked and was given permission to extend his remarks and include an article.

Mr. GWINN asked and was given permission to extend his remarks and include an article.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HELLER (at the request of Mr. MULTER), for Thursday, August 3, 1950, on account of official business.

To Mr. PERKINS, for Thursday, August 3, on account of official business.

ADJOURNMENT

Mr. MANSFIELD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 32 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, August 4, 1950, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

1619. Under clause 2 of rule XXIV, a letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies, was taken from the Speaker's table and referred to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. S. 3906. An act to amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes; without amendment (Rept. No. 2782). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 7524. A bill to authorize the establishment of a wildlife management area in the Florida Keys, Fla., and for other purposes; without amendment (Rept. No. 2783). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RIEHLMAN:

H. R. 9318. A bill to grant income-tax exemptions with respect to compensation received for active service in the Armed Forces, for the period of time such personnel is on duty in zones of war; to the Committee on Ways and Means.

By Mr. ROGERS of Florida:

H. R. 9319. A bill to prohibit the hoarding of foods, feeds, wearing apparel, certain containers, fertilizer and fertilizer ingredients, and other necessaries; to the Committee on Banking and Currency.

By Mr. CROSSER:

H. R. 9320. A bill to amend the Civil Aeronautics Act of 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HART:

H. R. 9321. A bill to revise, consolidate, and codify the navigation laws relating to admeasurement, documentation, entry, clearance, coastwise trade, foreign trade, and United States fisheries, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H. R. 9322. A bill to clarify and consolidate the authority to require the establishment and maintenance of aids to navigation on private structures in or over navigable waters of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. RAINS:

H. R. 9323. A bill to extend the provisions of the Servicemen's Readjustment Act of 1944, as amended, and Public Law 16, Seventy-eighth Congress, as amended, to persons in active service in units of the Armed Forces employed in the Korean theater, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BRAMBLETT:

H. R. 9324. A bill to provide for the construction of a military and strategic mineral access highway in the State of California; to the Committee on Public Works.

By Mr. HOFFMAN of Michigan:

H. R. 9325. A bill to stabilize prices, prevent inflation, and control production; to the Committee on Banking and Currency.

By Mr. WEICHEL:

H. R. 9326. A bill to amend the Social Security Act of 1935, as amended, to provide an equitable allowance for married couples at the time the husband reaches the retirement age of 65; to the Committee on Ways and Means.

By Mr. SAYLOR:

H. R. 9327. A bill to provide for an adequate number of doctors and dentists for the United States Armed Forces; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FURCOLO:

H. R. 9328. A bill for the relief of Ettore Penna; to the Committee on the Judiciary.

By Mr. HESELTON:

H. R. 9329. A bill for the relief of John E. Franklin and Martha Franklin; to the Committee on the Judiciary.

By Mr. HOLMES:

H. R. 9330. A bill for the relief of Mrs. Valerie Arlt and Hermann Arlt; to the Committee on the Judiciary.

By Mr. MITCHELL:

H. R. 9331. A bill for the relief of Kiku Hemmi; to the Committee on the Judiciary.

H. R. 9332. A bill for the relief of Mrs. Sumako Egashira; to the Committee on the Judiciary.

By Mr. RIBICOFF:

H. R. 9333. A bill for the relief of Emmanuel Loukas; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 9334. A bill for the relief of Mrs. Else Samstag Yurchak; to the Committee on the Judiciary.

SENATE

FRIDAY, AUGUST 4, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Albert Joseph McCartney, D. D., LL. D., emeritus minister, National Presbyterian Church, Washington, D. C., offered the following prayer:

O God of earth and sea and sky, the burden of our prayer this day is for those young men yonder in Korea who are standing in jeopardy of their lives for our sakes and we believe for the sake of world freedom and peace. May the deliberations of this body have them constantly in mind.

Eternal Father, strong to save,
Whose arm doth bind the restless wave,
* * * * *
O hear us when we pray to Thee
For those in peril on the sea.
O God, at whose expressed command
The wind and waves obedient stand,
Guard Thou our sons where'er they fight * * *
Be Thou their strength, hold in Thine hand
All those in peril on the land.
Thou God of sea and land and sky,
Guard those who in Thy heavens fly;
* * * * *
Our hope and strength, hear this our prayer
For those in peril in the air.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 3, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 3, 1950, the President had approved and signed the following acts and joint resolution:

S. 2240. An act to authorize certain personnel and former personnel of the United States Coast Guard and the United States Public Health Service to accept gifts tendered by foreign governments;

S. 2243. An act for the relief of Tevfik Kamil Kutay;

S. 2314. An act to provide for holding a term of the United States District Court for the District of Oregon at Eugene;

S. 2357. An act to amend the act of May 26, 1936, authorizing the withholding of compensation due Government personnel;

S. 2442. An act for the relief of Yone T. Park;

S. 2774. An act to amend section 2113 of title 18 of the United States Code in order to include certain savings and loan associations within its provisions;

S. 3012. An act for the relief of Mrs. Osa J. Petty;

S. 3377. An act to amend the Civil Aeronautics Act of 1938, as amended;

S. 3652. An act to facilitate the settlement of the accounts of certain deceased civilian officers and employees of the Government; and

S. J. Res. 147. Joint resolution giving the consent of Congress to an agreement between the State of Missouri and the State of Kansas establishing a boundary between said States.

LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. HICKENLOOPER was excused from attendance on the session of the Senate today.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. McFARLAND, and by unanimous consent, the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

On request of Mr. LEHMAN, and by unanimous consent, a subcommittee of the Committee on Labor and Public Welfare was authorized to hold a hearing this afternoon during the session of the Senate.

CALL OF THE ROLL

Mr. McFARLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Millikin
Anderson	Hoey	Morse
Bricker	Holland	Mundt
Bridges	Humphrey	Murray
Butler	Hunt	Neely
Byrd	Ives	O'Conor
Capehart	Johnson, Colo.	O'Mahoney
Chapman	Johnson, Tex.	Pepper
Chavez	Johnston, S. C.	Robertson
Connally	Kem	Russell
Cordon	Kerr	Saltonstall
Darby	Kilgore	Schoeppel
Douglas	Knowland	Smith, Maine
Dworshak	Langer	Smith, N. J.
Eastland	Leahy	Sparkman
Ecton	Lehman	Stennis
Ellender	Lodge	Taft
Ferguson	Lucas	Thomas, Okla.
Flanders	McCarran	Thomas, Utah
Frear	McCarthy	Thye
Fulbright	McClellan	Tydings
George	McFarland	Watkins
Gillette	McKellar	Wherry
Graham	McMahon	Wiley
Green	Magnuson	Williams
Gurney	Malone	Young
Hayden	Martin	
Hendrickson	Maybank	

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Missouri [Mr. DONNELL] is detained by reason of attendance at a meeting of the Committee on Labor and Public Welfare.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The PRESIDENT pro tempore. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, present petitions and memorials and reports of committees, and that routine matters may be submitted for the RECORD without debate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 814. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Emma Spotted Eagle Tinnell and Andrew Spotted Eagle, heirs of John M. Paul, to certain lands; with amendments (Rept. No. 2244); and

S. 2948. A bill authorizing the Secretary of the Interior to issue a patent in fee to Clara Whitesell to certain lands; with amendments (Rept. No. 2245).

By Mr. McFARLAND, from the Committee on Interior and Insular Affairs:

H. R. 6114. A bill to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma, and for other purposes; with an amendment (Rept. No. 2246).

By Mr. FREAR, from the Committee on Banking and Currency:

H. R. 8597. A bill to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers; without amendment (Rept. No. 2247).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

S. 1978. A bill to reclassify postmasters, assistant postmasters, and other positions in the postal field service; with amendments (Rept. No. 2248).

By Mr. PEPPER, from the Committee on Labor and Public Welfare:

H. R. 5965. A bill to provide for the construction of certain Veterans' Administration hospitals, and for other purposes; with an amendment. (Rept. No. 2249).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

S. 4015. A bill to provide for naming the lake formed by water of the Caney River impounded by Hulah Dam; to the Committee on Public Works.

By Mr. TYDINGS:

S. 4016. A bill to authorize the acceptance of donations of land to supplement present parkway lands along the line of the Chesapeake and Ohio Canal between Great Falls and Cumberland, Md.; to the Committee on Interior and Insular Affairs.

By Mr. LEHMAN:

S. 4017. A bill for the relief of Dr. Jacob Griffel; and

S. 4018. A bill for the relief of Jerzy Zbigniew Wesolowski; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 4019. A bill to provide for the voluntary enlistment of Japanese nationals in the Armed Forces of the United States for service outside the United States and its Territories, and for other purposes; to the Committee on Armed Services.

By Mr. EASTLAND:

S. 4020. A bill to impose the death penalty on persons gathering defense information for communication to a foreign government with intent to do injury to the United States; to the Committee on the Judiciary.

(Mr. McCARRAN introduced Senate bill 4021, to revise, consolidate, and codify the navigation laws relating to admeasurement, documentation, entry, clearance, coastwise trade, foreign trade, and United States fisheries, and for other purposes, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. PEPPER:

S. 4022. A bill to extend the provisions of the Servicemen's Readjustment Act of 1944, as amended, and Public Law 16, Seventy-eighth Congress, as amended, to persons in the active military or naval service of the United States subsequent to June 25, 1950,

and prior to termination of operations in the Korean theater; to the Committee on Labor and Public Welfare.

By Mr. MAGNUSON:

S. J. Res. 196. Joint resolution authorizing the Commissioner of Public Roads to designate a highway system to be known as the Lewis and Clark National Tourway; to the Committee on Public Works.

NAVIGATION CODE

Mr. McCARRAN. Mr. President, under date of July 28, the Treasury Department transmitted to the President of the Senate a draft of a proposed bill to revise, consolidate, and codify the navigation laws relating to admeasurement, documentation, entry, clearance, coastwise trade, foreign trade, and United States fisheries, and for other purposes.

This revision of these laws would be known as the Shipping Code.

The draft transmitted by the Treasury Department was referred to the Committee on the Judiciary, and it is my pleasure now to introduce the bill for appropriate reference. It is hardly to be anticipated, of course, that action can be taken on the bill during the present session; but its introduction at this time will lay the foundation for evaluation of the amount of work which will be involved to prepare it for committee consideration, the extent of hearings which probably will be necessary, and other similar factors.

Mr. President, I ask unanimous consent that the bill be received and appropriately referred, and that there may be printed in the RECORD at this point as a part of my remarks the letter of transmittal from the Treasury Department.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the letter will be printed in the RECORD.

The bill (S. 4021) to revise, consolidate, and codify the navigation laws relating to admeasurement, documentation, entry, clearance, coastwise trade, foreign trade, and United States fisheries, and for other purposes, introduced by Mr. McCARRAN, was read twice by its title, and referred to the Committee on the Judiciary.

The letter is as follows:

JULY 28, 1950.

THE PRESIDENT OF THE SENATE.

MY DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill to revise, consolidate, and codify the navigation laws relating to admeasurement, documentation, entry, clearance, coastwise trade, foreign trade, and United States fisheries, and for other purposes.

Although there has long been a need for a general revision, modernization, and codification of the navigation statutes into absolute law, no such general revision has ever been made. Instead, it has been the practice to add to or amend existing laws to meet particular requirements as they have arisen, with the result that the navigation laws are now a maze of obsolete, obsolescent, redundant, or ambiguous statutes, largely ill-suited to present shipping conditions.

The proposed bill is designed to provide for a long-needed general revision of the navigation laws administered by the Bureau of Customs of this Department, and their modernization and codification in an orderly and logical sequence.

An analysis of the various provisions of the proposed bill, section by section, is set forth in the attached memorandum.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Very truly yours,

JOHN S. GRAHAM,
Acting Secretary of the Treasury.

PRINTING OF PROCEEDINGS AT UNVEILING OF STATUE OF BRIGHAM YOUNG

Mr. HAYDEN submitted the following concurrent resolution (S. Con. Res. 100), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed, with illustrations, and bound in such form and style as may be directed by the Joint Committee on Printing, 6,000 copies of the proceedings held in connection with the unveiling of the statue of Brigham Young in the rotunda of the Capitol Building, Washington, D. C., on June 1, 1950, together with such other matter as may be relevant thereto, of which 2,000 copies shall be for the use of the Senate, 2,000 copies for the use of the House of Representatives, and 2,000 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Utah.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

DISMANTLING OF GERMAN INDUSTRIAL PLANTS

Mr. EASTLAND (for himself and Mr. BRIDGES) submitted the following resolution (S. Res. 324), which was ordered to lie over under the rule:

Whereas the outbreak of war in Korea has completely changed the international situation and has confronted the anti-Soviet world with the prospects of a series of new acts of naked aggression; and

Whereas the American people are now asked to make new sacrifices to strengthen the economic, social, political, and military defenses of the anti-Soviet world; and

Whereas such defenses cannot adequately be prepared unless the anti-Soviet world contributes its own full share to this undertaking; and

Whereas the revival of the East German Wehrmacht, constitutes the gravest danger to Western Germany; and

Whereas our policies of weakening both the peacetime economic strength and even the military potential necessary to self-defense, of Western Germany, are continuing to play directly into the hands of Russia; and

Whereas, economically, Western Germany is burdened with tremendous shortages of peacetime goods together with over two million unemployed; and

Whereas, financially, Western Germany is still staggering under an annual one billion deficit in her balance of payments, the cost of which is borne by the American taxpayer; and

Whereas, to remedy this dangerous situation, France has offered Germany full partnership in the Schuman plan in order to encourage the full use of the integrated productive capacity of these two nations; and

Whereas 10,000,000 refugees have now been turned over to German and Austrian authorities as additional staggering burdens on their economies by IRO on July 1, 1950; and

Whereas both General Bradley and Mr. Paul Hoffman together with Senator CONNALLY have now recognized the need to permit Western Germany not only to defend themselves but to make their maximum contribution to the strengthening of the North Atlantic Pact, and Ambassador Charles M. Spofford has been sent as special American envoy by the American Government to implement such a policy; and

Whereas the State Department reveals that there is still a total of approximately two hundred and six German industrial plants which have either been totally dismantled or which yet remain to be dismantled, all of which are to be shipped out of western Germany as reparations: Therefore be it

Resolved, That it is the sense of the United States Senate that a complete moratorium be declared on the further destruction, dismantling, or shipment of these plants out of western Germany until a congressional committee of both Houses of Congress have ascertained whether it is possible—

First, for this remaining industrial plant equipment to be converted to meet the tremendous peacetime needs of western Germany such as housing, and so forth.

Second, whether a maximum contribution to the over-all European defense effort cannot better be obtained by empowering the Bonn Government which on June 8, 1950, received authority from the Allied High Commission to negotiate and to conclude international treaties, to renegotiate its reparation settlements with recipient countries.

Third, whether an immediate lifting of the ban on steel production and the full utilization of the existing steel capacity under allied supervision and control would not facilitate a flow of steel both to the western European allies and to the United States which the anti-Soviet world now so desperately needs.

AMENDMENT OF TITLE 18, UNITED STATES CODE—AMENDMENT

Mr. EASTLAND submitted an amendment intended to be proposed by him to the bill (S. 3987) to amend title 18, United States Code, which was ordered to lie on the table and to be printed.

DEVELOPMENT AND PROTECTION OF ATLANTIC COAST FISH RESOURCES—AMENDMENT

Mr. BREWSTER submitted an amendment intended to be proposed by him to the bill (H. R. 7209) authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic Coast fish species for the purpose of developing and protecting fish resources, which was referred to the Committee on Interstate and Foreign Commerce and ordered to be printed.

NEGOTIATION OF CERTAIN SETTLEMENT CONTRACTS WITH SIOUX INDIANS—AMENDMENT

Mr. HUMPHREY. Mr. President, I submit for appropriate reference an amendment intended to be proposed by me to the bill (H. R. 5372) authorizing negotiation of separate settlement contracts with the Sioux Indians for Indian lands and rights required for the Oahe Dam and Reservoir, Missouri River development, and I ask unanimous consent that a statement explaining the amendment, prepared by me, be printed in the RECORD.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table, and, without objection, the statement presented by the Senator from Minnesota will be printed in the RECORD. The Chair hears no objection.

The statement presented by Mr. HUMPHREY is as follows:

STATEMENT BY SENATOR HUMPHREY

Mr. President, the proposed amendments to H. R. 5372 which I submit are relatively

simple amendments, designed to clarify what appears to be the intent of the bill before us, what I am certain is the intent of the senior Senator from South Dakota and the Junior Senator from Arizona, and certainly was the intent of the bill as it passed the House.

These amendments are perfectly consistent with the principle we established when, last year, we passed the Fort Berthold bill, House Joint Resolution 33, now Public Law 437, Eighty-first Congress. They are therefore consistent with the recommendations of the Interior Department, which urged that the Congress follow the precedent set in the taking of the lands and rights of the Fort Berthold Indians for the Garrison Dam and reservoir.

The building of the Oahe Dam will drive a large number of Indians from their homes. Much of their best grazing, farming, and timber land will be taken from them. The reservoir will probably flood their best wildlife and recreational areas. The injury to them, therefore, will be great and very difficult to compensate for in a monetary way. It is an injury not only to the individuals involved, but to the community involved.

We in the Congress should make every effort to be as fair and equitable with the Indians in our settlement with them as possible. We should give them every possible assistance in reestablishing themselves on a self-sustaining basis. The House bill, in my judgment, does so in a fully satisfactory way.

This amendment is not designed to restore the House bill version on the floor, but it is designed to affirm our responsibilities and to reassert the equities.

HAPPENINGS IN WASHINGTON—ADDRESS BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a radio address entitled "Happenings in Washington," being program No. 3, delivered by him on July 31, 1950, which appears in the Appendix.]

THE REDS REACH FOR YOUR WALLET—ARTICLE FROM THE AMERICAN LEGION MAGAZINE

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an article entitled "The Reds Reach for Your Wallet," published in the American Legion magazine of August 1950, which appears in the Appendix.]

DANGER OF COMMUNIST ACTIVITIES IN THE UNITED STATES—EDITORIAL FROM THE WASHINGTON POST

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an editorial entitled "Clear and Present Danger," published in the Washington Post of August 4, 1950, which appears in the Appendix.]

NECESSITY FOR SUBVERSIVE CONTROL LEGISLATION—EDITORIAL FROM THE CLEVELAND PLAIN DEALER

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an editorial entitled "Politics or Survival?" published in the Cleveland Plain Dealer of July 27, 1950, which appears in the Appendix.]

THE DAMON RUNYON CANCER MEMORIAL FUND—TELEGRAM FROM WALTER WINCHELL

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD a telegram from Walter Winchell regarding the Damon Runyon Cancer Memorial Fund, which appears in the Appendix.]

NEED FOR A MERCHANT MARINE—EDITORIAL FROM THE JOURNAL OF COMMERCE

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an editorial entitled "The Shipping Outlook," written by Edward P. Tastrom, and published in the New York Journal of Commerce, which appears in the Appendix.]

LIFE AND IMMORTALITY—POEM BY JAMES PATRICK McGOVERN

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a poem entitled "Life and Immortality," by James Patrick McGovern, of Washington, D. C., which appears in the Appendix.]

THE DAIRY INDUSTRY IN WISCONSIN

[Mr. WILEY asked and obtained leave to have printed in the RECORD several articles relative to the dairy industry in Wisconsin, published in the Pure Milk Products Press, which appear in the Appendix.]

NATIONAL DEFENSE AND KOREA—STATEMENT BY SENATOR HUMPHREY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a statement by him on the war in Korea, American foreign policy, national defense, economic controls, and taxation, which appears in the Appendix.]

AUCTION SALE IN INDIANA—STATEMENT BY GERALD W. LANDIS

[Mr. MUNDT asked and obtained leave to have printed in the RECORD a statement by Hon. Gerald W. Landis, announcing a public sale in Indiana, which appears in the Appendix.]

DECLARATION OF POLICY BY THE ITALIAN-AMERICAN LABOR COUNCIL ON THE PRESENT WORLD CRISIS

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a declaration of policy on the present world crisis made by the Italian-American Labor Council, which appears in the Appendix.]

AMENDMENTS TO FEDERAL-AID HIGHWAY ACT OF 1950, AND LETTERS OF APPROVAL

Mr. STENNIS. Mr. President, the Committee on Public Works is offering two very valuable amendments to the Federal-Aid Highway Act of 1950, which I think will advance the cause of secondary highways in the various States. I have a copy of a letter from the American Farm Bureau Federation and also a copy of a letter from the National Milk Producers Federation approving the amendments.

I commend these amendments to the favorable consideration of each Member of the Senate and ask that the amendments, together with the copies of the letters herein mentioned, be made a part of the RECORD.

There being no objection, the amendments and letters were ordered to be printed in the RECORD, as follows:

(b) $200,000,000 for projects as set forth in paragraph (b) of section 3 of the Federal-Aid Highway Act of 1944 (58 Stat. 838). Said funds shall be expended only on local rural roads, or county roads, or roads of the county-road class, with types of construction that can be maintained at reasonable cost to provide reasonable all-year service, and the projects for construction shall be selected by the State highway departments and by the appropriate local officials with respect to their areas in cooperation with each other: *Provided*, That if the State highway department of any State with the concurrence of the Commissioner of Public Roads shall find on a factual basis and so certify that in said State it will be impracticable to expend said funds, or a specified percentage thereof, that have been allotted to said State, on said class or classes of roads, then such percentage of said funds allotted to that State as may be so certified may be expended on other secondary roads or secondary highways, including State highways, in said State.

SEC. 2. Any State desiring to avail itself of the benefits of the funds apportioned for expenditure on the Federal-aid secondary highway system shall establish in its State highway department within 6 months after the close of the next regular session of its legislature, a secondary road unit and such department shall be suitably organized to discharge to the satisfaction of the Secretary of Commerce, the duties herein required: *Provided*, That any State highway department may arrange with any county or group of counties having competent highway engineering personnel, suitably organized and equipped to the satisfaction of the State highway department, to supervise construction and maintenance on a county-unit or group-unit basis for the construction and maintenance of secondary road projects: *Provided further*, That the term "county" as used in this section shall be construed to include corresponding units of government under any other name in States which do not have county organizations, and likewise in those States in which the county government does not have jurisdiction over highways it may be construed to mean any local governmental unit vested with jurisdiction over local highways.

NATIONAL MILK PRODUCERS FEDERATION,
Washington, D. C., July 20, 1950.

Hon. JOHN C. STENNIS,
Senate Office Building.

DEAR SENATOR STENNIS: For many years the National Milk Producers Federation has been deeply concerned over the slow progress in the improvement of roads in the rural areas of our Nation. Although commendable work has been done in the construction of primary and some secondary roads very little assistance has been given to the construction of local rural roads—the roads over which the farmer must travel to get to the principal roads.

You will recall that we presented testimony early last year to the Subcommittee on Roads of the Senate Committee on Public Works concerning the bills S. 244 and S. 1471. At that time we indicated the importance of good all-weather rural roads to the American farmer in the production and distribution of agricultural commodities, pointing out that in the case of dairy farmers the characteristics of milk make it imperative that there must be no delay in the movement from the farm to assembly points or processing plants. In our testimony we emphasized the need for legislation providing for decentralized authority in the determination of standards and specifications of local rural roads. It was our opinion that the proposed legislation as contained in S. 244 and S. 1471 offered a solution to the problem.

We were hopeful that on the basis of the persuasive evidence presented by numerous witnesses last year the Senate Committee on Public Works, in considering the bill H. R. 7941, would incorporate substantially the provisions of the former bills. We regret that the committee did not do so in reporting the bill H. R. 7941. However, we are of the opinion that the provision of section 1 (b) of H. R. 7941 is an acceptable compromise and will make it possible to get off the dead center which has plagued the people in our rural areas in the development of an all-weather, year-around system of local rural roads.

We hope that enactment of the proposed legislation will result in real cooperation by the Commissioner of Public Roads, the various State highway departments, and appropriate local officials in the selection and construction of good local rural roads, with

standards and specifications adapted to the need for which the roads are used.

The provision of section 1 (b) is a step in the right direction and we are in support of the proposed legislation and earnestly urge its adoption. At a later date, should the proposed legislation prove inadequate in developing a county system of improved roads which will really serve the rural areas we will again urge the enactment of legislation along the lines of our recommendations made early last year.

The dairy farmer members of the National Milk Producers Federation are appreciative of the sincere efforts made by you and others in endeavoring to secure the enactment of legislation which will give the farmers of our Nation the type of roads they want and to which they are entitled.

Sincerely yours,

CHARLES W. HOLMAN,
Secretary.

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., July 19, 1950.

Hon. JOHN C. STENNIS,
United States Senate,
Washington, D. C.

DEAR SENATOR STENNIS: The action of the Senate Public Works Committee in providing for use of secondary highway funds on local rural roads of the county road class is regarded as a desirable step in the long campaign of farmers and rural communities for adequate rural roads.

The membership of the American Farm Bureau Federation firmly believes that State and local governing bodies should have sole responsibility for determining methods of allocation within each State, as well as standards and specifications for rural-road construction.

While the bill does not go as far as we would like it to go in the direction of giving more responsibility to State and local units of government, we regard it as a substantial step in that direction.

Sincerely,

HUGH F. HALL,
Assistant Legislative Director,
Washington Office.

FIFTY YEARS BEFORE YOUR EYES—STATEMENT BY SENATOR MARTIN

Mr. MARTIN. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared regarding a motion picture feature called Fifty Years Before Your Eyes.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR EDWARD MARTIN

FIFTY YEARS BEFORE YOUR EYES

It has been a source of considerable gratification to observe the splendid manner in which the motion picture industry has exerted its powerful influence to stimulate appreciation of our Nation's history and the sacred principles of our Republic.

I therefore desire to call to the attention of my colleagues a most unusual and significant film which stands out as a brilliant example of visual education in Americanism.

I refer specifically to a 70-minute motion picture feature called "50 Years Before Your Eyes," which presents to the American people a dramatic and stirring account of the rise of this great country in the past half century.

I feel that Warner Bros. have made an important and lasting contribution to the history of our times in recording so faithfully and so magnificently the great events in America, from 1900 to this year, 1950.

As we approach the second half of this century, a picture like 50 Years Before Your Eyes offers a graphic reminder of the magnificent strides we have made to leadership among the nations of the world.

It records the greatness of American achievement in industry, in art, in science, in education, and in spiritual progress.

In its historical preface the film dramatizes the 300-year old traditions of America's past and brings us to the turn of the century and into the greatness that has been ours as free men and women in a free Nation.

But the most powerful thing about 50 Years Before Your Eyes is the import it has for the next half century. It is a reminder of the greatness we have achieved and a prediction of the greatness that will be ours in the next 50 years.

Now that the Warner Bros. have preserved for posterity the great events of history in this half century, let us hope that there will be even greater events for them to record in the next half century into which we are entering.

The lesson taught by this important film should be a constant reminder of the blessings we have enjoyed as Americans.

It should strengthen our determination to preserve our precious liberties against every attempt to weaken or destroy freedom of the individual as the foundation of the American way of life.

CANCELLATION OF CERTAIN ROYALTY-FREE LICENSES—CONFERENCE REPORT

Mr. WILEY. Mr. President, I submit a conference report on the bill (S. 2128) to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder, and I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2128) to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 3.

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 2, and agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows: In lieu of the amended title proposed by the House amendment, amend the title so as to read: "An act to provide for the cancellation of certain licenses granted to the Government by private holders of patents and rights thereunder."

And the House agree to the same.

ALEXANDER WILEY,
HERBERT R. O'CONOR,
JAMES O. EASTLAND,
Managers on the Part of the Senate.

J. R. BRYSON,
E. E. WILLIS,
J. C. BOGGS,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

REIMBURSEMENT OF CERTAIN AGENCIES OF TREASURY DEPARTMENT FOR SERVICES PERFORMED FOR OTHER GOVERNMENT AGENCIES

The PRESIDING OFFICER (Mr. STENNIS in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2018) to authorize advancements to and the reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes, which were, on page 1, line 5, to strike out "Disbursement," and insert "Disbursement or"; on page 1, lines 6 and 7, to strike out ", or the Bureau of Engraving and Printing"; on page 1, line 9, to strike out "Division, Office, or Bureau" and insert "Division or Office"; on page 2, lines 2 and 3, to strike out "Division, Office, or Bureau" and insert "Division or Office"; on page 2, line 7, to strike out all after "(a)" down to and including "Treasury", in line 11; on page 2, lines 12 and 13, to strike out "Division, Office, or Bureau" and insert "Division or Office"; on page 2, line 14, to strike out "section" and insert "act"; on page 2, to strike out all of line 16 and down to and including "(B)" in line 17; on page 2, line 20, to strike out "(C)"; on page 3, line 1, after "accounts", to insert "and"; and on page 3, line 2, to strike out all after "accounts" down to and including "repealed" in line 14.

Mr. McCLELLAN. Mr. President, I move that the Senate concur in the amendments of the House to Senate bill 2018.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. SALTONSTALL. Will the Senator from Arkansas give a brief explanation of these amendments?

Mr. McCLELLAN. The bill authorizes advancements to and reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes. The amendments are clerical in nature and do not go to the heart of the bill.

Mr. SALTONSTALL. They have been approved, of course, by the Senator?

Mr. McCLELLAN. Yes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado on page 472, in line 4.

Mr. JOHNSON of Colorado. Mr. President, last night when I called up this amendment, I used the 5 minutes which were allotted to me. I now ask unanimous consent that I may proceed for an additional 5 minutes to discuss

the amendment. Probably I shall not need that much time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado for an additional 5 minutes?

Mr. LANGER. Mr. President, reserving the right to object, will the Senator please repeat the request? I did not hear it clearly.

Mr. JOHNSON of Colorado. I am requesting unanimous consent that I may proceed for an additional 5 minutes to discuss the amendment. Last night I used all the time which then was allotted to me.

Mr. LANGER. I have no objection.

The PRESIDING OFFICER. Without objection, the Senator from Colorado is recognized for 5 minutes.

Mr. JOHNSON of Colorado. Mr. President, I wish to make it very clear to the Senate that I have no personal interest whatsoever in this amendment. The Civil Aeronautics Board tells me that it is very necessary that the amendment be taken to conference and considered carefully; and that is all I am requesting.

Mr. President, I now ask unanimous consent to have printed at this point in the RECORD a justification of the amendment, in the form of a statement by myself and a letter and other papers from Mr. Oswald Ryan, who is Acting Chairman of the Civil Aeronautics Board.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Is there objection?

There being no objection, the statement, letter, and papers were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF COLORADO

Mr. President, my amendment, if adopted by the Senate, will except the appropriation for transportation of mails in the sum of $400,000,000 from the antideficiency provision—section 1111—which requires that appropriations and expenditures be apportioned on a quarterly or monthly basis so as to prevent the creating of a deficiency. In prior years deficiencies have been made by the Congress where justification showed the increased costs for movement of mail were attributed to higher rates granted by the CAB or there existed an increase in volume of mail, over which the Postmaster General has no control, and which the Bureau of the Budget sanctioned in approving apportionments of funds made available in the regular appropriation act.

For 1951 this privilege is not granted; instead, the Postmaster General is required to apportion funds provided in chapter IV so that no deficiency whatever will be created.

CIVIL AERONAUTICS BOARD,
Washington, July 26, 1950.

The Honorable KENNETH MCKELLAR,
Chairman, Committee on Appropriations, United States Senate, Washington, D. C.

MY DEAR SENATOR MCKELLAR: We are writing in order to give our wholehearted support to an amendment, printed on July 14, 1950, which is intended to be proposed by the Honorable EDWIN C. JOHNSON (Colorado) to the omnibus appropriation bill (H. R. 7786). This amendment will modify section 1111 of that bill, which, if enacted without such amendment, may have a drastic, and it is believed unintended, effect on the Board's powers to fix rates of compensation for the transportation of mail by air carriers under the Civil Aeronautics Act.

The Board is in full accord with the basic principles of the Antideficiency Act, and insofar as the appropriations for its own use are concerned has no objection to the section. However, for the reasons set forth in the attached memorandum, we believe that section 1111 of the appropriation bill as it now stands may impose an unintended restriction on the statutory provisions respecting air-mail compensation contained in the Civil Aeronautics Act. In our opinion, not only would the Board be handicapped in carrying out its mail-rate duties under the Civil Aeronautics Act, but our air carriers—particularly those flying international routes—might also be deprived by this section of substantial revenues, and their continued operations thereby jeopardized. The attached memorandum explains these difficulties in more detail.

Sincerely,

OSWALD RYAN,
Acting Chairman.

CIVIL AERONAUTICS BOARD MEMORANDUM,
JULY 21, 1950

SUBJECT: SECTION 1111 OF THE GENERAL APPROPRIATION BILL AS IT MAY AFFECT THE MAIL-RATE POWERS OF THE CIVIL AERONAUTICS BOARD

Section 1111 of the general appropriation bill (H. R. 7786) revises section 3679 of the Revised Statutes (antideficiency law) to read, in part, as follows:

"SEC. 3679. (a) No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein; nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law."

It appears that the revised section—and particularly the new language regarding the creation or authorization of an obligation under any appropriation in excess of the amount available therein—would probably be construed to limit the powers of the Board under the Civil Aeronautics Act to fix rates of compensation for the transportation of air mail. Under section 406 of the Civil Aeronautics Act (49 U. S. C. 486), the Board is empowered and directed to fix and determine the fair and reasonable rates of compensation for the transportation of mail by aircraft. It is further provided that "the rates so fixed and determined shall be paid by the Postmaster General from appropriations for the transportation of mail by aircraft." Under section 405 (g) of the Civil Aeronautics Act (49 U. S. C. 485), the Postmaster General is required to tender mail to the holder of a certificate authorizing the transportation of mail by aircraft to the extent required by the postal service.

In fixing and determining mail rates under section 406 of the Civil Aeronautics Act, the Board regularly does so with respect to two distinct situations in each mail-rate proceeding. The first involves the fixing of a rate to be paid the air carrier for the transportation of mail for the period between the date on which the petition for an increase in mail rates was filed and the date of the Board's mail-rate order. In that situation the service has already been rendered, and it remains only for the Board to fix the final rate. If, as is frequently the case, the final rate is higher than the rate under which the carrier has been paid, upon the issuance of the order fixing such rate the carrier immediately becomes entitled to payment in accordance with such rate and the Postmaster General is directed to pay the amount of the appropriation for the transportation of air mail. This action by the Board, therefore, may well be deemed either to create or authorize an obligation under the appropriation for the transportation of mail by air within the meaning of the terms as used in the antideficiency law. The Board would, therefore, be prevented from fixing the rate required by the standards of the Civil Aeronautics Act if there were any prospect that as a result thereof the appropriation would be exceeded.

While there has not been an opportunity to explore the matter fully, it seems likely that the Interstate Commerce Commission, in fixing rates for the carriage of mail by the railroads, might be confronted with the same problem. The matter is made all the more complicated by the fact that under the appropriation bill a single sum is provided for all transportation of mail.

The second situation for which the Board fixes mail rates concerns the period in the future beginning with the issuance of the mail-rate order. The rate for such a period may be fixed on either a plane-mile basis or a ton-mile basis. In the case of rates fixed on a plane-mile basis, the amount of compensation bears no direct relationship to the amount of mail transported. In the case of the ton-mile rate, the amount of compensation will vary in accordance with a formula set forth in the order and does bear a direct relationship to the amount of mail transported. It is conceivable that the Postmaster General might, in the case of air carriers on a ton-mile rate, so adjust the amount of mail thereafter tendered to them that he could prevent the total rate of compensation payable to all carriers from surpassing a rate which, on a fiscal-year basis, would exceed the amount of the appropriation. With respect to air carriers on a plane-mile basis, this would be almost impossible for him to do. In either event, he would be ignoring the mandate of section 405 (g) of the Civil Aeronautics Act which requires him to tender mail to the holder of certificates to the extent required by the Postal Service, and he would be defaulting in his obligation to the public to carry mail by air in cases where the public has paid for that service.

Accordingly, it is evident that the Board and probably the Postmaster General will not be able to carry out their duties under the Civil Aeronautics Act in regard to the fixing of rates, and the tendering of mail without the possibility of violating the antideficiency act as amended by section 1111 of the appropriation bill. We understand that the bill makes suitable exceptions for other situations where obligations, directed by law to be incurred, cannot be predicted accurately. Examples of such other situations are the payment of fees for Government witnesses in court proceedings and the judgments of the Court of Claims. In order to avoid the limitation upon the statutory powers and duties of the Board and the Postmaster General which might well flow from this section, and to be certain that there is no ambiguity with regard to the intention of Congress, it is recommended that there be inserted after the word "apply" where it appears in line 4 on page 472 of the bill the phrase: "to appropriations for the transportation of mail or."

ADDENDUM

Despite the opinion contained in the foregoing memorandum relative to the effect of the amendment to the antideficiency law on the Board's mail rate making powers, it has been asserted in some quarters that the amendment would not change in substance the existing law. This unfortunately is believed fallacious. In order fully to understand the question involved, it is necessary to consider the relevant portions of the existing law and the proposed amendment thereto together. These are as follows:

Existing law

"No executive department or other Government establishment of the United States shall expend, in any one fiscal year, any sum in excess of appropriations made by Congress for that fiscal year, or involve the Government in any contract or other obligation for the future payment of money in excess of such appropriations unless such contract or obligation is authorized by law."

Amendment

"No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein; nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law."

It will be noted that each of the foregoing provisions is divisible into two separate parts. In the case of the existing law, the first clause prohibits actual expenditures in excess of appropriations; the second clause prohibits involving the Government in a contract or other obligation in excess of such appropriation. To the latter clause there is an exception if the contract or obligation is authorized by law.

Under the present law the Board does not experience any difficulty in complying with the present Antideficiency Act since it does not expend the appropriations for the carriage of the mail and since although it "involves the Government in" mail pay obligations, it comes within the exception of the second clause.

The argument advanced by those who say the amendment will not seriously affect the Board is based on the assertion that the amendment parallels the existing law, contains a similar exception where the contract or obligation is authorized by law, and therefore exempts the Board from this prohibition. The difficulty with this argument will be seen on an examination of the proposed amendment. It will be noted that both parts of the existing law have been combined in the first clause of the amendment, and that the second clause of the amendment relates not to incurring obligations in excess of appropriations but "in advance of appropriations"; as in the case of the existing law the exception contained in the proposed amendment applies only to the second clause.

Thus the effect of the proposed amendment as it affects the Board is to eliminate the exemption "unless such contract or obligation is authorized by law" from the existing law.

One of the four appropriations for the Post Office Department is "transportation of mails," which carries an appropriation of $400,000,000 for the fiscal year 1951. Said appropriation is shown on page 124 of the bill. This appropriation carries funds for domestic air-mail service, foreign air-mail service, foreign mail transportation, star-route service, powerboat service, and Detroit River service.

Under present procedure the Postmaster General is required to apportion, with the approval of the Bureau of the Budget, funds provided by this and other appropriations and, under section 1111, the so-called antideficiency provision, the Postmaster General is required to make such apportionment so as to prevent a deficiency (see p. 468, subsec. (c)). The only exceptions to the apportionment provision are found in subsection (e) (1) (p. 472, line 8). One of these exceptions relates to emergencies involving "the protection of property," and, in this instance, the question would arise as to whether the movement of mail and the payment of costs in connection therewith would constitute an emergency and would enable the Postmaster General, with the approval of the Director of the Bureau of the Budget, to create a deficiency attributable to increased volume of mail or increases in rates to be paid carriers, or the result of new additional mail service to be instituted. By law, the Post Office Department is required to move the mail.

Subsection (h) (p. 474, line 23) and subsection (i) (p. 475, line 3) prohibts the creating of an obligation or the making of an expenditure in excess of the amount apportioned or permitted by regulation and provides a penalty for the violation thereof by any officer or employee of the United States.

If it is construed that the Postmaster General, with the approval of the Bureau of the Budget, cannot create a deficiency on account of an emergency involving "the protection of property" (mails), then the alternative plan would be to amend subsection by adopting the Johnson amendment. Page 472, line 4, insert after the word "apply" the words "to appropriations for the transportation of mail or."

Mr. CORDON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. CORDON. As ranking minority member of the Subcommittee on Treasury and Post Office Appropriations, of the Appropriations Committee, and as one who has given at least some slight study to the Antideficiency Act which is proposed to be amended by this amendment, I would say to my colleagues who now are on the floor of the Senate that I hope the amendment will be adopted and will be taken to conference.

I say in all frankness to the Senator from Colorado that I think the air transportation lines are unduly alarmed. I am gravely doubtful whether adoption of the amendment is necessary. However, if it is necessary, we should be in a position to handle it in conference; and unless it is adopted and placed in the bill at this time, there will be no opportunty to correct any error with respect to this subject when the bill is in the hands of the conferees, whereas if the amendment is in the bill when it goes to conference, there will then be an opportunity to study the matter and, if necessary, to make any correction which may be justified, and thus to do substantial justice to the Post Office Department itself in connection with the handling of the mail, as well as to do justice to those with whom the Post Office Department must make contracts in that connection.

Therefore, I hope the amendment will be adopted.

Mr. JOHNSON of Colorado. I thank the Senator from Oregon, because he has stated my position exactly.

Let me say that I do not know whether the demand for the adoption of this amendment is a false alarm or whether adoption of the amendment is extremely important to the transportation of mail. However, the Civil Aeronautics Board, which has been given the tremendous responsibility of contracting for the transportation of mail by the air lines, says this matter is important. Therefore, I ask that the amendment be adopted and taken to conference, where it may be considered by the conferees; and if they do not want the amendment to remain in the bill, they can remove it.

On the other hand, if the conferees decide that the amendment should be included in the bill, perhaps they will see fit to change the language of the amendment or the part of the bill to which it will apply, or otherwise will see fit to modify the application of the amendment in some way, so that the difficulty, if there be one, may be corrected.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. SCHOEPPEL. I should like to ask the Senator whether I correctly understand the situation. It is my understanding that the amendment is directed primarily to the transportation of mail by the airlines.

Mr. JOHNSON of Colorado. No; I am sorry that I cannot agree with the Senator as to that. The amendment is meant to apply to the transportation of mail by airlines, but it cannot be confined to that, because the appropriation item in respect to the transportation of mail is written as only one item, applying to all forms of transportation. So the amendment would apply to all forms of transportation, including the transportation of mail by airline, because of that technical situation.

Mr. SCHOEPPEL. Let me ask the Senator another question, then, if he will yield further.

Mr. JOHNSON of Colorado. I yield.

Mr. SCHOEPPEL. I understand that the Senator from Colorado hopes to get around that phase of the matter, if the amendment is adopted, by taking it to conference and, primarily, eliminating some of the difficulties which have developed in respect to the transportation of mail by airline. Is that correct?

Mr. JOHNSON of Colorado. That is correct.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LANGER. I wonder whether the distinguished Senator from Colorado knows that time and time again the Committee on Post Office and Civil Service has requested the Post Office Department to justify these subsidies. Two years ago the distinguished junior Senator from Maryland [Mr. O'CONOR] submitted a resolution calling on the Post Office Department to justify the subsidies, and providing for a hearing on the rates for the transportation of mail by steamship and railroad. The hearing was held. A little later my resolution calling for an investigation of the rates for the transportation of mail by railroad came up, and a hearing was held on that resolution.

The Post Office Department's representatives said they had experts who would come before the Committee on Post Office and Civil Service and would produce the figures and would help us make a thorough study of these rates.

In my opinion, the rates paid for the transportation of mail have been scandalous, especially those paid for the transportation of mail by railroad. As a matter of fact, the rates for the transportation of mail by steamship and by airplane have not been much better, so far as that is concerned.

As I understand this amendment, there will be virtually no limit; practically all restrictions will be removed, and the Post Office Department will be allowed an almost unlimited amount of money for this purpose. Mr. President, as a member of the Committee on Post Office and Civil Service, I certainly wish to register my objection to the amendment.

Mr. JOHNSON of Colorado. Mr. President, if I felt as the Senator from North Dakota does—namely, that the amendment would do the things he thinks it will do—I would be everlastingly opposed to the amendment. However, I do not think it will have that effect at all.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. JOHNSTON of South Carolina. Let me say that I do not think this amendment will have the effect the Senator from North Dakota has stated; that is not the way I interpret the amendment.

I think adoption of the amendment at this time is necessary in order to provide some leeway in connection with this matter; and I do not think the amendment will cost an appreciable dollar, so far as funds are concerned. I believe that is the opinion of the Senator from Colorado, too; is it not?

Mr. JOHNSON of Colorado. That is my opinion, except I realize that if it becomes necessary to extend the carriage of mail, by virtue of an increase in the volume of mail, of course the cost will be greater. However, such greater cost will not develop because of the adoption of this amendment, but because there will then be a bigger job to be done.

Mr. CORDON and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield, and if so, to whom?

Mr. JOHNSON of Colorado. I yield first to the Senator from Oregon.

Mr. CORDON. Mr. President, I ask the Senator from Colorado whether it is not a fact that there are certain imponderables in connection with the obligation of the Post Office Department to handle the mails, certain factors which are wholly without the control of the Department, and which make impracticable apportionment under the Antideficiency Act, notably, the amount of mail to be carried? It can be estimated. If the estimate is high, we have some money left; if it is low, we must make up the diference.

The PRESIDING OFFICER. The Chair must advise the Senator from Colorado that his time has expired.

Mr. CORDON. Mr. President, I shall present the matter in my own right. I am still making inquiry of the Senator from Colorado. In connection with the handling of the mails, there are unknown factors wholly without the control of the handling agency, the Post Office Department. The volume of mail varies. It must be handled, whether it be less than the amount estimated or much greater. The cost, of course, varies with the volume.

Then, in connection with air mail, the costs are wholly without the control of the Post Office Department. The National Aeronautics Act provides that, once there has been a designation of an air carrier as a carrier of air mail, there shall then be paid to such carrier on account of its carriage of mail such amount as may be necessary to guarantee to the carrier that its operational accounts will be balanced and that there will be a reasonable profit based on efficient service. The question of determining the amount to be paid by the Post Office Department is not one which the Department has any control of. It is a determination made by the Civil Aeronautics Board—a system which is altogether wrong and should not exist, but which can be corrected only by substantive legislation.

Because of those unknown factors I can see some reason or basis for fear on the part of mail carriers and of the Post Office Department itself as to the results of an apportionment of appropriated funds over the 12 months period for which they are appropriated. The law would require the appropriation to be made on a basis that will not permit of a deficiency. In other words, the operation must be handled for the amount of the appropriation for the full period of 1 year. Perhaps the Department can handle it for that amount of money, perhaps it cannot; and yet the mail must go through.

There are other provisions in the law which I believe may be adequate for varying the apportioning basis. However, in my opinion, we ought to have another look at the entire problem with respect to this particular facet, and for that reason I think it would be wise to put the amendment in at this time and let the conference committee have another look at it.

Mr. HUMPHREY and Mr. LUCAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. HUMPHREY. Mr. President, in reference to the amendment offered by the Senator from Colorado, it obviously pertains to the program or the legal formalities which the Post Office Department must go through in order to pay for the cost of transporting the mails. The chairman of the Post Office and Civil Service Committee, who will shortly give further observations on this amendment, knows that the Post Office Department has little or nothing to say about what it is going to pay for the transportation of the mail. As the Senator from Oregon [Mr. CORDON] pointed out, so far as air mail is concerned, that is a matter for the Civil Aeronautics Board. So far as mail transported by railroad is concerned, that naturally is determined by the Interstate Commerce Commission.

The junior Senator from Minnesota had many discussions with representatives of the Post Office Department about a year ago, when the railroads were requesting of the Interstate Commerce Commission a substantial rate increase for the transportation of the mail. The ICC gave a temporary rate increase. The Post Office Department wanted to protest that rate increase. The Post Office Department, however, was denied under existing law, first the right of judicial review, which no other department of the Government is denied, of an ICC ruling; second, the Post Office Department could not receive any information from the carriers, because it apparently had no legal authority to receive information from the carriers as to the cost involved in transporting the mail as a part of the general shipment of traffic on railroad lines. Finally, after much negotiation, the Post Office Department, by the threat of committee action, was able to get from the railroads information to enable it to track down the cost of handling the mail.

I point this out only because yesterday the junior Senator from Illinois and the junior Senator from Minnesota offered an amendment to this bill, which was declared out of order because it was legislation on an appropriation bill. That would have gotten at the root of the trouble that is being discussed here. The root of the difficulty of the expense of transporting mail by railroad—speaking now only of railroad transportation of mail—is the round-trip permission which was authorized by a public law in 1916. Under this round-trip provision, the Post Office Department not only pays to send the mail out in full cars, but pays identically the same rate to transport the empty cars back. It is the only agency or the only industry in the world that pays for that kind of transportation.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not also true that in Canada the opposite rule applies, that Canada pays only for the actual transportation of mail and does not have to pay for the shipment back of empty cars without mail?

Mr. HUMPHREY. The Senator from Illinois is absolutely correct, and it was estimated by the General Accounting Office that there is at least a minimum of $30,000,000 a year overpayment in the form of subsidy because of this round-trip provision.

The Senator from North Dakota is very well experienced in the field of railroad transportation of mail. I have been in the Senate now for about a year and a half. Regarding rail transportation of mail, I should like to say to the Senator from Colorado that his amendment meets a situation which exists because of a public law, and that the only way we are going to be able to change this situation is to change the public law. On the calendar there is a bill reported by the committee, Senate bill 1596, which refers to a possible liability upon the Government of the United States—the taxpayers—of $2,000,000,000, according to the estimates of the General Accounting Office, within the next 20 years.

Mr. CORDON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. HUMPHREY. I must conclude my statement, because the time is limited, and each one of us has time in his own right. I see no particular objection, I may say, to the amendment offered by the Senator from Colorado. I see objection, however, to the failure of the Congress to remedy the basic public law, which we ought to remedy if we are going to be able to economize at all in the Post Office Department. It is a Department which is running a deficit of from $550,000,000 to $600,000,000 a year, and we have not even so much as moved a finger for the purpose of altering the public law to meet that deficit.

I submit, Mr. President, that these subsidies should not be charged to the Post Office Department. They should be charged somewhere else, and we ought to recognize that these subsidies exist, not only in the case of maritime shipping, but also in the case of the railroads themselves.

Mr. LUCAS and Mr. JOHNSTON of South Carolina addressed the chair.

The PRESIDING OFFICER. The Senator from Illinois.

ANNOUNCEMENT AS TO LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, I desire to make a brief statement with respect to the program which will be followed when the Senate eventually makes disposition of the amendments and bill which are now pending before the Senate since July 11. I am satisfied that the Members of the Senate will be very happy when we finally conclude the appropriation bill. Certainly I hope we can complete it this afternoon. In fact, we shall remain in session until that is accomplished.

After action on the appropriation bill, it is the intention of the majority to move a recess until Tuesday next. When the Senate convenes on Tuesday, we shall then proceed to call the calendar from the beginning. That will probably be the last time the calendar will be called from the beginning. So that if any Senators have bills which have been objected to heretofore, and if they feel that there is merit to them, they had better consult the real objectors, on the Republican side, between now and then, to ascertain whether they can persuade those Senators of the merit of their respective bills.

Anyway, Mr. President, that is the program we are now considering. By that time the House of Representatives will no doubt have finished with the defense production bill; and I am satisfied that the Committee on Banking and Currency of the Senate will also, by Monday of next week, have a bill to bring before the Senate. It is then the intention of the majority to proceed to the consideration of the defense production bill, following the call of the calendar.

I have made one slight error as to the defense production bill following the call of the calendar. As Senators know, I stated on Wednesday that we would proceed to the consideration of the nominations on the Executive Calendar which have been reported adversely. After the call of the Consent Calendar, we shall move an executive session to consider the four nominations which have heretofore been objected to and which have been reported adversely by the respective committees handling those nominations. If we can conclude on Tuesday the call of the calendar in time to take up the Executive Calendar, we shall do that; if not, we shall take it up on Wednesday.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from South Carolina.

Mr. MAYBANK. Did I correctly understand the Senator from Illinois to say that he expects to take up the war production bill on Wednesday?

Mr. LUCAS. Following the disposition of the Consent Calendar and the disposition of the Executive Calendar with respect to the four nominations which are on that calendar and which have been reported adversely.

Mr. MAYBANK. Does the Senator think it would not be possible to take up the war production bill on Tuesday?

Mr. LUCAS. No; because we are going to recess until Tuesday, when we finish our work today. The call of the calendar will take most of Tuesday afternoon. If the call of the calendar should not consume the entire afternoon, we shall then proceed to the consideration of executive business, which includes four very important nominations which we must dispose of one way or the other.

Mr. MAYBANK. I should like to know what the parliamentary situation will be with regard to filing the report on the war production bill.

Mr. LUCAS. I hope the Senator will file the report as soon as he can. We shall take up the bill as rapidly as may be possible, because the President is very anxious to get the bill to his desk at the earliest possible time.

Mr. MAYBANK. Mr. President, I ask unanimous consent to file the bill and the report, as chairman of the Banking and Currency Committee, during the recess of the Senate.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, I think the Senator from Illinois has made a very clean-cut statement. The Senate has been alerted to the fact that the Legislative Calendar will be called, and, after that, the Executive Calendar. I should like to ask one question. Is it not the opinion of the majority leader that after that is done he can safely say there will be no debate on the control bill until at least Wednesday?

Mr. LUCAS. I think the Senator is absolutely correct about that, and Senators can govern themselves accordingly.

Mr. MUNDT. Mr. President, reserving the right to object, I came into the Chamber at the time when the Senator from Illinois was discussing the Legislative Calendar. I wondered whether he had made any mention of bringing up Senate bill 2311.

Mr. LUCAS. Does the Senator from South Dakota think that Senate bill 2311 is more important than the call of the calendar and more important than the war-production bill?

Mr. MUNDT. The answer to that question, in the mind of the junior Senator from South Dakota, is emphatically "Yes."

Mr. LUCAS. The Senator would take up a bill which he knows is highly controversial before he would take up the defense-production bill which is being requested so earnestly by the President of the United States in these serious times.

Mr. MUNDT. It seems to me that the bill to which I have referred is as directly connected with the war effort as any other bill could possibly be.

Mr. LUCAS. That is not the question. The Senator tells the Senate and the country that he is more interested in the Mundt-Ferguson bill than he is in the war-production bill at this particular time. The Democratic policy committee has made its determination, and we believe that the call of the calendar on Tuesday is absolutely indispensable. We believe it should be called from the very beginning. We also believe that the war-production bill certainly is the next thing which must come before the Senate. That will be the program.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. LUCAS. Mr. President, I ask unanimous consent that I may have five more minutes to discuss the program.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Illinois?

Mr. MUNDT. Mr. President, further reserving the right to object——

The PRESIDING OFFICER. The unanimous-consent request of the Senator from Illinois is that he allowed 5 minutes extra time to address the Senate. Is there objection? The Chair hears none. The Senator from Illinois is recognized.

Mr. LUCAS. Mr. President, I should like to have the unanimous-consent request restated by the Senator from South Carolina. I should like to know whether some Senator will object to his request.

Mr. MAYBANK. Mr. President, all I asked was that as chairman of the Banking and Currency Committee I might have the right to file the report on the war-production bill during the recess of the Senate.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. MUNDT. Mr. President, reserving the right to object, I should like to ask the distinguished majority leader, in view of the fact that he believes the calendar should be called, whether, after that, we shall have an opportunity to consider the Mundt-Ferguson bill.

Mr. LUCAS. If the Senator will answer my question.

Mr. MUNDT. What was the Senator's question?

Mr. LUCAS. Whether he desires to tell the country again that he believes his bill is more important than the war production bill. I think he has stated that he thinks it is, but I should like to

hear him restate it. I have told the Senator from time to time that we have considered his bill and shall continue to consider it. I do not underestimate the importance of the Senator's bill, but the Senator for the past 2 or 3 weeks has been on his feet trying to needle this side of the aisle because he thinks he can get a political advantage as a result of it. The Senator knows the Mundt-Ferguson bill was on the calendar from March 21 last, and not until approximately 3 weeks ago did the Senator raise his voice in the Senate with reference to taking it up. He believed that it was good politics to try to embarrass the Members on this side of the aisle with these constant reminders. It is done at a time when we have so much important legislation dealing with the war effort to consider. We are not going to pass up the bill; we are going to consider it in the Democratic policy committee, but the Senator from South Dakota knows, and all other Senators know, that we take first things first in the Senate, and certainly the war effort is the first thing we should consider.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. JOHNSTON of South Carolina. Does the majority leader mean that we will start from the beginning of the calendar and go all the way through?

Mr. LUCAS. The Senator is correct.

Mr. JOHNSTON of South Carolina. I have one further question, if the Senator will yield.

Mr. LUCAS. I yield.

Mr. JOHNSTON of South Carolina. The Senator made the remark that probably this would be the last call of the calendar.

Mr. LUCAS. That is very possible, because the Senate is hoping to leave here some time during the month of August so that Senators can return home. Some of us have some political campaigns to conduct. The Senator from South Carolina is already in, and I congratulate him on the great victory he won in South Carolina. I think the people of South Carolina did the right thing. I am glad to say that openly on the floor of the Senate. Many of us face elections a little later. Of course, my good friend from South Carolina can stay here and work without any political trouble.

Mr. JOHNSTON of South Carolina. I should like the Senator from Illinois to know that I hope everything will go all right in Illinois, too.

Mr. LUCAS. I am very grateful to my good friend from South Carolina for his expression.

Mr. BYRD. I understand that the distinguished majority leader intends to take up the Executive Calendar following the call of the Legislative Calendar.

Mr. LUCAS. That is correct.

Mr. BYRD. I understand that the Senate will consider the nominations which have been adversely reported.

Mr. LUCAS. That is correct.

Mr. BYRD. I think that is fine, except that, if we should reach the Executive Calendar very late in the evening, I hope the Senator from Illinois will put it off until the following day.

Mr. LUCAS. I shall try to accommodate Senators in that respect.

Mr. BYRD. I think as many Members as possible should be here when the nominations are considered.

Mr. LUCAS. Let me reply in this way: If the call of the calendar takes all afternoon, we shall recess or adjourn until the next day. I do not intend to hold the Senate in executive session late in the evening.

Mr. BYRD. But the Executive Calendar will be called following the call of the Legislative Calendar?

Mr. LUCAS. Precisely so.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from South Carolina [Mr. MAYBANK]?

Mr. MUNDT. Mr. President, reserving the right to object, I should like to say further in answer to the question propounded to me by the majority leader as to whether I considered S. 2311 more important than the defense production bill that the junior Senator from South Dakota considers Communist-control legislation as a part of the defense program. He considers it as being on a parity with the defense program, and he feels that it would be helpful to the Senate and to the country if the majority leader could tell us when the Democratic Policy Committee expects to schedule that proposed legislation for consideration by the Senate.

I am a comparatively new Member of the Senate. Apparently the Democratic policy committee arranges these matters in secret and intends to keep them secret. Perhaps it should be done that way. However, I believe it would be helpful if we could have some assurance, first, whether we shall be afforded an opportunity to vote on the so-called Mundt-Ferguson bill; and second, if so, when we may have that opportunity.

Mr. LUCAS. Let me say to my good friend from South Dakota that I am only one member of the Democratic policy committee.

Mr. MUNDT. But a very potent member of the committee.

Mr. LUCAS. I hope I am as potent as the Senator thinks I am.

Mr. MUNDT. There is no question about it. I have been bumping against that potency for some time.

Mr. LUCAS. Mr. President, the Senator from South Dakota said that he has not been here very long. I merely wish to say that the Senator has been about as busy as any Member of the Senate, and as busy as any Member I have known during the past 12 years since he has been here. I congratulate him on his industry and indefatigability. He is always vigilant in everything.

Mr. President, I cannot tell the Senator when we shall take up the bill, if ever. The Democratic policy committee will make the decision some time in the near future. As I said a moment ago, we take first things first. We take first the things that we believe are important to the country. It is the majority who is handling the legislative situation. I am only one humble member of the Democratic policy committee. Obviously we shall notify the Senator in due course.

Mr. MUNDT. Can the Senator tell us positively that we shall have an opportunity to vote on the bill?

Mr. LUCAS. I repeat what I said a moment ago, that I am only one humble member of the Democratic policy committee. I am frequently voted down.

The PRESIDING OFFICER. The time of the Senator from South Dakota and the time of the Senator from Illinois have expired.

Mr. KNOWLAND. Mr. President, reserving the right to object——

The PRESIDING OFFICER. There is some doubt in the mind of the Chair whether any Senator has a right to speak on "reserving the right to object" propositions when the Senate is operating on a 5-minute limitation of debate. The Chair recognizes the Senator from California.

Mr. KNOWLAND. Mr. President, reserving the right to object, and I do not intend to object to the unanimous-consent request, let me say apropos the statement made by the Senator from South Dakota [Mr. MUNDT], I did not think the time had come when all the prerogatives of the Senate of the United States, in which 48 States of the Union are represented, had been surrendered either to the Democratic policy committee or the Republican policy committee, depending on who controls the Senate of the United States, because by virtue of the make-up of the Democratic policy committee many States of the Union are not represented at all on it. I hope the time will never come when the Senate of the United States as a legislative body surrenders all of its prerogatives in the handling of legislation and the determination of what the Senate should do in the interest of the country to any partisan group, of my party or otherwise.

Mr. CHAVEZ. Mr. President, with reference to the statement made by the Senator from California, I agree completely with him, and I assure him that so far as this side of the aisle is concerned Democratic Senators will never be controlled entirely by the Democratic policy committee.

The PRESIDING OFFICER The question is on the unanimous-consent request of the Senator from South Carolina [Mr. MAYBANK] that the Committee on Banking and Currency be permitted to file during the recess of the Senate a bill and the report thereon. Is there objection? The Chair hears none, and it is so ordered.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON].

Mr. JOHNSTON of South Carolina. Mr. President, I do not have very much to add, except that speaking on behalf

of my committee I emphasize the fact that a great many of the agencies that handle transportation, such as railroads, airlines, and shipping companies, have set the rates and the Post Office has nothing to do with it. Therefore because of the provisions of the existing law it is absolutely necessary to enact a provision along the line of the proposed amendment. It is for that reason only that I support the amendment. In the future we should formulate and pass a general law to cover the situation, and such a bill should be handled by the Committee on Post Office and Civil Service.

Mr. LANGER. Mr. President, I wish to address myself to the amendment offered by the senior Senator from Colorado [Mr. JOHNSON]. I invite the attention of the Senate to the fact that the La Follette-Monroney Reorganization Act provides as follows:

> Committee on Civil Service, to consist of 13 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:
>
> * * * * * *
>
> 3. The postal service generally, including the railway-mail service, and measures relating to ocean mail and pneumatic-tube service, but excluding post roads.

Mr. President, we have had a lobby here ever since I have been a Member of the Senate. We have had a lobby for the railroads, getting more and more money for them at the expense of the taxpayers. We have had a lobby for the ocean transportation lines. We have had a lobby for the airlines. Of course, we have a deficit in the Post Office Department of $550,000,000. Each year that deficit goes higher.

What do we find, Mr. President? We find that when legislation is introduced in relation to postal affairs, it does not come before the Committee on Post Office and Civil Service. The Postmaster General does not come before our committee. Usually we find that the Committee on Interstate and Foreign Commerce, headed by the Senator from Colorado [Mr. JOHNSON], takes up mail matters, and the price the Government is to pay. That committee has hearings on such legislation. It usurps the prerogatives of the Committee on Post Office and Civil Service.

Senators are asked to vote that one committee can ignore another committee, hold hearings on matters over which they have no jurisdiction, and entirely ignore bills such as the one introduced by the junior Senator from Maryland dealing with the ocean mail service, and the one introduced by the senior Senator from North Dakota dealing with the matter of the railway mail service.

As I have said, we have had this matter up for nearly 2 years. We had it up 4 years ago, we had it up 6 years ago, and just so long as the Postmaster General can ignore the Committee on Post Office and Civil Service, so long as lobbyists can go to another committee and usurp the functions of the Committee on Post Office and Civil Service, just that long we will not get the legislation which was prayed for by the Senator from Illinois [Mr. DOUGLAS] and the Senator from Minnesota [Mr. HUMPHREY] yesterday. So long as the committee which has jurisdiction can be ignored, of course the persons affected are not going to be interested in legislation that would curb the amount of profits which are being taken by the ocean liners, the railways, and the airlines.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Tennessee.

Mr. McKELLAR. The Senator says these persons go before other committees. I understand the pending amendment will involve quite a large sum, somewhere in the neighborhood of $400,000,000. There are other estimates, however, which are smaller, I have heard.

No Postmaster General or Assistant Postmaster General has been before the Committee on Appropriations, which has immediate jurisdiction of the matter involved in the amendment, to tell us about the amendment. I think we ought to have the facts before any amendment is agreed to.

Mr. LANGER. I thank the distinguished Senator from Tennessee. I fully agree with him. We ought to have the facts, instead of having the big deficits annually recurring.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON].

Mr. LANGER. I ask for the yeas and nays on the amendment, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Martin
Anderson	Hendrickson	Maybank
Bricker	Hill	Millikin
Bridges	Hoey	Mundt
Butler	Holland	Murray
Byrd	Humphrey	Neely
Capehart	Hunt	O'Conor
Chapman	Ives	O'Mahoney
Connally	Johnson, Colo.	Pepper
Cordon	Johnston, S. C.	Robertson
Darby	Kem	Russell
Donnell	Kerr	Saltonstall
Douglas	Kilgore	Schoeppel
Dworshak	Knowland	Smith, Maine
Eastland	Langer	Smith, N. J.
Ecton	Leahy	Sparkman
Ellender	Lehman	Stennis
Ferguson	Lodge	Taft
Frear	McCarran	Thomas, Utah
Fulbright	McCarthy	Thye
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McKellar	Wiley
Green	McMahon	Williams
Gurney	Magnuson	Young

The PRESIDING OFFICER. A quorum is present.

The question is on the amendment offered by the Senator from Colorado [Mr. JOHNSON] on page 472, line 4, on which question the Senator from North Dakota [Mr. LANGER] has asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. MORSE (when his name was called). Mr. President, the junior Senator from Oregon just came from a committee meeting to the floor of the Senate. Will the Chair please advise him officially as to the parliamentary situation?

The PRESIDING OFFICER. The Chair thinks the precedent has been pretty well set with respect to such a request. The Chair is personally inclined to let every Senator know on what issue he is voting. By unanimous consent, the Chair will state to the Senator from Oregon that the question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON].

The name of Mr. MORSE was again called, and he voted in the affirmative.

The legislative clerk resumed and concluded the call of the roll.

Mr. McFARLAND. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. JOHNSON], the Senator from Illinois [Mr. LUCAS], and the Senator from Oklahoma [Mr. THOMAS] are unavoidably detained on official business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

I announce further that the Senator from Maryland [Mr. TYDINGS], who is detained on official business at one of the Government departments, would vote "nay" if present.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from New Hampshire [Mr. TOBEY] would vote "yea."

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Vermont [Mr. FLANDERS], and the Senator from Nevada [Mr. MALONE] are detained on official business. If present and voting, the Senator from Nevada [Mr. MALONE] would vote "yea."

The result was announced—yeas 59, nays 17, as follows:

YEAS—59

Aiken	Gillette	McFarland
Anderson	Graham	Magnuson
Bricker	Gurney	Maybank
Bridges	Hayden	Millikin
Butler	Hoey	Morse
Byrd	Holland	Mundt
Capehart	Humphrey	Murray
Chapman	Hunt	Neely
Connally	Johnson, Colo.	O'Mahoney
Cordon	Johnston, S. C.	Pepper
Darby	Kerr	Robertson
Donnell	Kilgore	Saltonstall
Dworshak	Knowland	Schoeppel
Eastland	Leahy	Smith, N. J.
Ecton	Lodge	Sparkman
Ellender	McCarran	Stennis
Ferguson	McCarthy	Taft
Frear	McClellan	Thomas, Utah

Thye	Wiley	Young
Watkins	Williams	

NAYS—17

Douglas	Ives	Martin
Fulbright	Kem	O'Conor
George	Langer	Russell
Green	Lehman	Smith, Maine
Hendrickson	McKellar	Wherry
Hill	McMahon	

NOT VOTING—20

Benton	Jenner	Taylor
Brewster	Johnson, Tex.	Thomas, Okla.
Cain	Kefauver	Tobey
Chavez	Long	Tydings
Downey	Lucas	Vandenberg
Flanders	Malone	Withers
Hickenlooper	Myers	

So the amendment of Mr. JOHNSON of Colorado was agreed to.

Mr. BRIDGES. Mr. President——

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. BRIDGES. I call up my amendment to the bill on page 448.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 448, in line 14, after the colon, it is proposed to insert the following: *"Provided further,* That no part of the funds herein appropriated shall be used to provide assistance to any nation which is engaged, subsequent to the date of enactment of this act, in removing, destroying, restricting, or limiting the operations of, the peacetime industrial potential of western Germany."

The PRESIDING OFFICER. The amendment is proposed to a committee amendment which has been agreed to.

Is there objection to the offering of the amendment? The Chair hears none.

Mr. BRIDGES. Mr. President, the theory of the amendment is very simple, as the Senate can observe from the reading of the amendment.

First let me say that with our purposes and aims now being centered upon rearming our allies to the greatest extent possible, so that they may be of assistance not only in the general cause of peace, but also in respect to defending themselves, that being a major project at this time in the interest of our own country, and also in order that they may become more self-sustaining, and thus, from an economic point of view, remove some of the load from the backs of the American taxpayers, this amendment would have the effect of preventing the further dismantling or destruction of German industrial plants.

Second, I think it is very unfortunate that during the past 3 or 4 years there has been in effect a widespread dismantling project in Germany. It has made the people of Germany less capable of producing their own equipment and supplies and less capable of supporting themselves. Considerable amounts of the equipment and supplies taken from those factories have gone to Russia and the satellite countries behind the iron curtain, thus adding to their war potential against us.

Third, the removal of such factories or the removal of equipment and material from the factories has resulted in placing a further burden on the backs of the American taxpayers. Today we are putting into Germany, alone—where we are supplying not only the American zone, but also the British and the French zones—hundreds and hundreds of millions of dollars in order to make up the deficit or the difference between what the German people can produce and the amount of production necessary for their support. I think the dismantling policy—dating back to the old Morgenthau plan—is one of the most stupid policies which this country has ever entered into.

UNITED STATES TAXPAYERS PAYING REPARATIONS COLLECTED FROM GERMANY BY RUSSIA, ENGLAND, FRANCE, AND OTHER COUNTRIES

Mr. MALONE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the distinguished Senator from Nevada.

Mr. MALONE. I should like to ask the distinguished Senator from New Hampshire whether the sleight-of-hand method of destroying and dismantling German industry and removing German plants to other countries, whether to our Allies or to Russia—and some of the plants have been taken to Russia, as well as to England, France, and other European countries, and now we are supporting the German people, as we have done since the end of the war—I want to inquire if such a procedure does not amount, in effect, to having the taxpayers of the United States of America actually pay the war reparations collected by the nations.

Mr. BRIDGES. It certainly does amount to that.

Mr. President, I have asked the distinguished chairman of the Appropriations Committee if he will take the amendment to conference.

Mr. ANDERSON. Mr. President, I make the point of order against the amendment that it proposes legislation to an appropriation bill.

Mr. WHERRY. Mr. President, will the Senator withhold the point of order for a moment, in order that I may associate myself with the distinguished Senator from New Hampshire?

Mr. ANDERSON. I am very happy to do so.

Mr. WHERRY. Mr. President, let me say that I think that this amendment is a very important one. I hope the Senator from New Mexico will not raise the point of order, because I believe the Senate should have something to say about the policy of dismantling in western Germany.

On the Appropriations Committee we are taking evidence, and that evidence calls for appropriations to rehabilitate the very type of production which today is being retarded by the dismantling process now going on in Germany. That cannot be denied.

I did not know this amendment was coming up this morning. I have on my desk reports from Mr. McCloy regarding certain plants in which we have been interested. He himself has been most eager to help save some of them. More of them could be saved. I agree, and I think the distinguished Senator from New Mexico will agree, that most of the job has been completed. It is not as though we were beginning a new one. In that respect it might possibly be felt that the amendment is unnecessary. A few weeks ago I presented a report of the plants which still remain, but which, under the agreement, are to be dismantled. Not only are plants dismantled, but in many instances they are destroyed. The Salzgitter plant was saved and many of its facilities have now been turned over for civilian production in a town of about 15,000, where there were many employees who otherwise would have been thrown out of work. We are trying to prevent the expansion of communism. The moment the facilities of the plants in western Germany are destroyed and the people thrown out of work, I ask, where can seeds of communism be planted where they will be likely to grow more quickly than in such a situation?

All we seek to do is to prevent the further dismantling and destruction of plants. I want to say to the distinguished Senator from New Mexico that some time ago I asked for a review. I am sure the Senator will remember the resolution which was offered, calling for another review, in order that we might work out with the British and the French an arrangement agreeable to the German people as to the reduction of plants.

I appeal to the Members of the Senate, in the very short time we now have, to give consideration to this amendment. Actually I think that wherever there can be preserved a facility which is now so desperately needed, it is foolish to destroy it, and require additional appropriations to accomplish our objective. I know the Senator from New Mexico has been very gracious to me in withholding his point of order. I, of course, cannot anticipate what the ruling will be.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. WHERRY. I am glad to yield.

Mr. DOUGLAS. Is it not true that the policy of demolishing German industry originated in the period when the event that we most feared was the revival of German Nazism?

Mr. WHERRY. That is correct.

Mr. DOUGLAS. And is it not true that that danger certainly is not the most immediate danger at the moment; that the immediate danger is the rise of Soviet strength, and that there is a necessity therefore of making the Ruhr strong?

Mr. WHERRY. I thank the Senator for that observation. The conditions certainly have changed since the dismantling began, because at that time of course the purpose was to provide a limitation on German production, and bring about a complete agreement among the powers as to what the industrial production of Germany should be. At that time, viewed in that light, no doubt the considerations given appealed to those who made the decision. But, as the distinguished Senator from Illinois has said, conditions have now changed completely. I am one of those who have been advocating for many months that the place

to stop communism is on the border of Germany. I think the people there are the ones who, with the placing of our equipment and our money, will do as good a job as can be done by any western European country, to stop an invader in event a hostile force should come across that 700-mile border.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. WHERRY. Yes, as soon as I complete this one statement. For that reason, not only in a military way am I in favor of equipping the German people with adequate arms for defense, whatever the limitation may be, according to the recommendations of the military authorities, but certainly the industrial capacity must go along with that if we are to get what we need in order to stop the expansion of communism. I am now glad to yield to the Senator from Illinois.

Mr. DOUGLAS. Is there not some reason to suspect that some of the British authorities, in selecting German plants which were to be dismantled, selected plants which were in competition with British industry? And is there not more reason to suspect that the occupation authorities in the British zone have used this power in order to reduce competition with their own manufacturing plants?

Mr. WHERRY. Mr. President, in answer to the question of the distinguished Senator from Illinois, I can say affirmatively that that is true. In a speech which I made on the Senate floor recently I cited several German plants which were in competition with the British, and the results are as the distinguished Senator from Illinois has indicated.

Mr. EASTLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Mississippi?

Mr. WHERRY. Just a moment, please. I am not saying that is the reason—I am not sure what the reason is—for the point of order made by the distinguished Senator from New Mexico. I am not in any way imputing an improper motive to him in making it. He is within his rights, of course, in making a point of order. But the point I make once again—and it was raised very ably here by the junior Senator from Illinois—is that if we are to provide the wherewithal to permit the German people to defend themselves militarily—which we are going to do, and which the Joint Chiefs of Staff recommend—it seems to me we are certainly foolish to permit the destruction of a plant, whose destruction was authorized when we did not have the situation which now confronts us. I say we are certainly foolish under present conditions to permit such dismantling and destruction to continue, while at the same time we ask military funds with which to build facilities which will accomplish the same purpose. That is exactly what is being done.

Mr. EASTLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Mississippi for a question?

Mr. WHERRY. I am glad to yield.

Mr. EASTLAND. In furtherance of what the Senator from Illinois said, does the Senator from Nebraska know that a high official of the British occupation in Germany told a group of prominent Americans that it was not Soviet communism that was feared but a revival of the German industry?

Mr. WHERRY. Yes, I know that.

Mr. EASTLAND. And that today, with the critical shortage of steel which exists in the world, they were again dismantling one steel plant which produces 250,000 tons of steel a year from low grade ore, which is directly competitive with the steel industry in Great Britain?

Mr. WHERRY. That is absolutely correct, and that is in the statement I made.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. WHERRY. I thank the distinguished Senator from New Mexico. I appreciate very much his having given me the opportunity to make some remarks before pressing his point of order.

Mr. LANGER. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I do not know that I have the floor.

The PRESIDING OFFICER. Does the Senator from New Mexico desire to make a brief statement in connection with his point of order? If so, the Chair would be pleased to hear it.

Mr. ANDERSON. I wish to be heard, but before doing so, I shall appreciate an opportunity of yielding briefly to the Senator from North Dakota.

Mr. LANGER. I should like to ask whether the distinguished Senator from New Mexico knows, in connection with the subject of the dismantling of plants in Germany, that soap factories and fertilizer plants have been dismantled, and that only a short time ago the Government of the United States paid more than $3,000,000 to a concern in New York to ship fertilizer to Germany, and that, as a matter of fact, the shipment arrived a month late, and the fertilizer was no good when it got there, because the season was over?

Mr. ANDERSON. Mr. President, I may say I should like to associate myself with a great deal of what the distinguished minority leader has said. As a matter of fact, in 1947, in cooperation and in conjunction with the present Assistant to the President, I may say, the distinguished W. Averell Harriman, who was then Secretary of Commerce, I visited Germany. We examined together the dismantling of German plants, and I filed with the President of the United States, in July 1947, a report in which I said it was time to stop the dismantling of certain sections of German industry, and pointed out that in one operation alone it was costing us $13,000,000 to dismantle a plant which, when shipped to Russia, would be worth only $1,000,000. In that memorandum I stated that "General Rust" was going to win the war, that these things were going to stand on platforms and be destroyed by rust, and not be useful to the economy. So that, so far as I am concerned, my record on this question, I hope, is clear, and, as I have indicated, I agree with a great deal and with nearly all of what the distinguished minority leader has said.

I point out only that this amendment would prevent any ECA funds being given to any nation which participates in any way in the dismantling program. There are certain small, isolated plants which might still be dismantled and whose dismantling we are obligated to permit by treaties which we have entered into. I think the amendment is too drastic. I believe that the purpose of the Senator from New Hampshire is perfectly good. In my opinion the Senate should continue to express itself vigorously against this dismantling program, but I think this proposal might be destructive of the whole ECA program. It is because of that fear that I raise the point of order.

I should like to say to my very distinguished friend from Nebraska, the minority leader, whose observations I think have been extremely sound, that I would join him any time in demanding that we review and resurvey the ECA spending program, and if any of the sort of thing which has been mentioned here is going on, I should like to join with him in trying to stop it. But I do not like a proposal under the language of which some clerk would have to examine the situation and decide whether any nation receiving aid from ECA is participating in any way in any dismantling program, because there are dismantling programs going on.

The PRESIDING OFFICER. Does the Senator from New Mexico wish to be heard on the question of whether this is a limitation or whether it is legislation, and would the Senator like to give the Chair the benefit of his ideas as to what the test is?

Mr. ANDERSON. I should like to say that I do not believe it is a limitation. It would require the Administrator of ECA to decide if any nation was now participating in any program of removing or restricting or limiting the operations of peacetime industrial plants in western Germany. We know that the steel potential of Germany has been limited, and therefore America perhaps could not give aid to England or to France or to any of the other nations. I think it is imposing an administrative responsibility upon the head of ECA, and, therefore, I believe that this provision attached to an appropriation bill is objectionable.

Mr. BRIDGES. Mr. President, to my mind it is purely a restriction. It is clearly drafted in the line of restriction and it is a restriction. If we follow it down through we find that the whole purpose is restriction. So far as the decision of which the Senator from New Mexico speaks, it is very simple; it applies to one country only, Germany. The United States, Great Britain, and France are the only three nations outside the Russian zone, which are parties to it. The United States is paying all

the bills, so it should not be too hard for us to determine. But, from the purely technical standpoint, in my judgment, it is a restriction.

The PRESIDING OFFICER. The Chair understands the rule to be that if additional duties are imposed on an agency, that would be legislation.

Mr. BRIDGES. That may be one of the corollary elements in determining whether legislation is restrictive or not, but I do not think that is the only test.

The PRESIDING OFFICER. Does the Senator have in mind other tests?

Mr. BRIDGES. An amendment which directs someone to do something is wholly different from restricting the spending of funds. It is the reverse. It is a restriction on the spending of funds, rather than a direction to do something. In other words, it is a negative approach.

Mr. LODGE. Mr. President, I wish to discuss the amendment briefly in order to indicate my general viewpoint toward Germany at this time.

Mr. McKELLAR. Mr. President——

Mr. ANDERSON. Mr. President, if the Senator from Massachusetts is to be recognized, I think he should be recognized to discuss the point of order.

Mr. LODGE. Mr. President, I do not yield, and I think it is extraordinary that I should be interrupted in this way.

The PRESIDING OFFICER. The Chair asked for debate on the point of order alone.

Mr. LODGE. I should like to ask the Chair whether there is anything in the Senate rules which restricts me in anything I may have to say in the next 5 minutes.

The PRESIDING OFFICER. The Chair has discretionary authority as to whether he will hear any Senator on a point of order. Literally, under the rules, a point of order is not debatable, but the Chair wants enlightenment from any Senator who may be interested, on one side or the other, as to whether the amendment is legislation. If the Senator from Massachusetts can help the Chair in that respect——

Mr. LODGE. The Senator from Massachusetts thought he was exercising the normal right which any Senator has to discuss an amendment, and I consider it unusual, if not actually discourteous, to be interrupted twice in the beginning of a 5-minute speech, and to be called to order.

The PRESIDING OFFICER. The Chair did not intend to be discourteous to the Senator from Massachusetts, but the Chair has a responsibility with reference to the rules.

Mr. WHERRY. Mr. President, I ask unanimous consent that the distinguished Senator from Massachusetts may be allowed 5 minutes in which to speak on the amendment or the point of order. It might throw light on how the Chair should rule.

Mr. ANDERSON. Mr. President, we were discussing the point of order.

The PRESIDING OFFICER. Unanimous consent is requested that the Senator from Massachusetts may take 5 minutes to discuss the point of order or the amendment, as he may see fit. Is there objection? The Chair hears none, and the Senator from Massachusetts is recognized.

Mr. LODGE. Mr. President, I should first like to indicate what my judgment is on the question of Germany in the light of recent events in Korea. On Monday last, July 31, I stated that there should be a reorientation of policy concerning Germany and Japan. I said:

> It is no exaggeration to say that the fate of these nations is a life-and-death matter for the United States, for, if the Soviets captured Germany and Japan they would possess such a huge industrial potential that they might think they could destroy the United States.

Then I went on to say:

> We are deeply grateful to the nations which have realized that this fight is their fight and which have sent troops to Korea. We must also recognize that it is unfair to us and to these free nations to carry the whole load of combat alone. The former neutrals—and even the former enemies—of World War II must help in this struggle for survival of human freedom. It is only fair that they bear part of the burden since their own existence is also in danger.

I think it is important that when we adopt this policy toward Germany we do so on a multilateral basis, working in concert with the free nations, that we do not take a step all by ourselves, as if we were the only pebble on the beach, and as if we were crudely using the dollars we have in order to force an arrangement down the throats of other nations, whether they like it or not. I think if we do that, we are acting tactlessly. It is not only important to do the thing that is right, but it is important to do it with tact. If we spend billions of dollars and do it without tact, the money is thrown away completely.

I believe it is possible to have a policy toward Germany and to have a policy toward Spain which would be very much in the interest of France. I should be much opposed to alienating France, because I think France is the keystone of European defense. But I think it must be done in a way that is well thought out, in a way that is intelligent.

Coming to the point of order, the amendment is much more, in my opinion, than a limitation. It seeks to reverse the whole method of doing international business which has been developed since the war, which is epitomized in the United Nations and which is symbolized by the OEEC and the mutuality which runs all through ECA. It is drafted in such a broad way that it applies to any nation—and I emphasize the word "any." The words "peacetime potential" can cover everything that the mind of man can imagine. It is not limited to the dismantling of munitions plants or to the thing which I think it is desired to reach. In my judgment, it would be unfortunate if the amendment were adopted. I also think it is far more than a limitation.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. LODGE. I yield.

Mr. DOUGLAS. Is it not true that we had the same question before us last year and that we were then told we should merely make a recommendation, and is it not true that that was done, that, presumably, the recommendations were conveyed to the British Government, and in spite of that, the British Government went ahead and further dismantled plants? In view of that situation, does the Senator think that for the second year we should content ourselves merely with an advisory attitude when it is desirable to take a more definite stand?

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired. The senior Senator from Tennessee is recognized.

Mr. McKELLAR. Mr. President, I thank the Chair very much for finally recognizing me. It is an unusual compliment he has finally paid to me.

The PRESIDING OFFICER. The Senator from Massachusetts was speaking by a special order of the Senate.

Mr. McKELLAR. That is entirely satisfactory to me.

I want to say, Mr. President, that I hope the point of order made against the amendment will be sustained. The authors of the amendment did not come before the Appropriations Committee to submit facts upon which this amendment was based. No evidence was given. We are voting in the dark.

I am very much in favor of the terms of the amendment. I shall go even further than that. Ever since I was a boy, not much older than any one of our pages, whenever I was able to take a trip to Europe I always visited Germany. They are the finest kind of people. I do not believe there is a better people—well, I shall stop right there. I do not believe that any people are more able, stronger, or more vigorous, hopeful, helpful, and enterprising than the German people. Offhand I would say that they are the best people I have ever seen in Europe. I do not mind saying that I think they are better than the British, and I am a grandson of a Britisher.

However, this bill is not the place for the amendment. The Senator from Arizona has done well to make a point of order against it. I want to say perfectly frankly that if I had thought the point of order would be sustained I would have made it myself. We are under direction in the Committee on Appropriations to make points of order against amendments which we believe to be subject to them. I simply got tired of making points of order which were not sustained. They had been sustained heretofore, but for some reason the Chair does not sustain my points of order on the bill. I hope the Chair will not entertain that prejudice against the point of order of the Senator from Arizona. I think it ought to be sustained.

Not a line of proof has been offered on the amendment.

I do not believe legislation should be passed in that way. It is a very dangerous thing to do. The Committee on Appropriations undertakes to go into facts, as my friends on both sides of the aisle know. The committee makes its report based on the facts. The Committee on Appropriations has not made any such finding in this matter. It has not had any facts placed before it on which to make any findings. If a bill contain-

ing the same provision were introduced I may say to my good friend from New Hampshire that I would be for it. If he will introduce an independent bill I shall go the limit in helping him. I hope he will add another section to it. I should like to say that I want to see west Germany helped. I think it ought to be helped. However, it ought not to be helped by way of legislation on an appropriation bill.

My secretary tells me that this is the fifth consecutive week—more than a month—that we have been considering the appropriation bill. I do not wish to make a speech, Mr. President. I pray, Members of the Senate, in the interest of good government, and with the knowledge that we are now acting on an appropriation bill, for heaven's sake and for America's sake let us vote on the bill today. It has been before us from day to day and from week to week. It is an important bill. It is the most important bill that could possibly be before us. Every department of the Government is interested in it. Every Senator is interested in it. His State is interested in it. For heaven's sake let us pass the bill and get it over with. I suppose it is not time yet, but when it gets to be around 5 or 6 o'clock I am sure someone will suggest that the bill go over, and no doubt it will go over again. I hope it will be passed today. I pray that it may be passed. I offer a prayer to each and every one of the 95 Senators: For heaven's sake let us vote on the bill and get through with it.

The PRESIDING OFFICER. The Chair is ready to rule on the point of order of the Senator from New Mexico.

Mr. BRIDGES. Mr. President, may I ask unanimous consent to have 1 minute to read a dispatch which has come over the wire?

The PRESIDING OFFICER. Is there objection to the Senator having an additional minute? The Chair hears none, and the Senator from New Hampshire is recognized for 1 minute.

Mr. BRIDGES. This dispatch came over the wires within the last few seconds.

FRANKFURT, GERMANY.—A German steel mill is missing and believed to have been sent to Communist Hungary despite an Allied ban on such shipments, western authorities said today.

The authorities said they suspected the mill is only one of a growing list of items that have disappeared behind the iron curtain since the Germans were given enforcement of export controls last May 10.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Chair is ready to rule on the point of order. The only test that has been supplied in the determination of the matter is what was stated to the Chair by the Parliamentarian, namely, the general rule is that if any additional duties are imposed on an agency of government in carrying out the provision of an amendment, it is legislation. Therefore the question is whether or not any additional duties would be imposed on an agency of government. Stated differently, the rule has been expressed this way: "It is the rule that anything carrying an affirmative, substantive change in existing law that limits the functions or jurisdictions of an executive officer so drastically as to constitute a change of policy, or that imposes upon a governmental agency new duties not imposed upon it by law, is beyond the definition of a limitation, and is therefore not in order"—meaning that it is legislation.

It seems to the Chair that the four words in the amendment "removing, destroying, restricting, or limiting," particularly the last two words, would necessarily impose additional duties on an executive officer to determine in some manner whether or not certain nations were doing things that restricted or limited the peacetime industrial potential of western Germany. It impresses the Chair that especially the last two words could impose additional duties on the agency, and most probably would. Therefore the Chair, independent of the merits of the amendment—and this is strictly on a point of order—concludes that it is legislation.

The Chair is flattered by the fact that after the Chair had reached his conclusion, the Parliamentarian cited a precedent which had been set on October 18, 1949, at which time the same amendment had been offered. The Chair sustained the point of order. An appeal was taken from the Chair, and the Senate upheld the decision of the Chair.

The Chair holds this is legislation on an appropriation bill and, therefore, sustains the point of order made by the Senator from New Mexico.

Mr. BRIDGES. Mr. President, I appeal from the ruling of the Chair and suggest the absence of a quorum.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. WHERRY. A parliamentary inquiry, before the roll is called.

The PRESIDING OFFICER. The Senator from New Hampshire has suggested the absence of a quorum. Does he withhold it?

Mr. BRIDGES. I withhold the suggestion for a parliamentary inquiry.

Mr. WHERRY. Is the appeal debatable?

The PRESIDING OFFICER. The appeal is debatable. The absence of a quorum has been suggested, and the clerk will, therefore, call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Gillette	Lucas
Anderson	Graham	McCarran
Bricker	Green	McCarthy
Bridges	Gurney	McClellan
Butler	Hayden	McFarland
Byrd	Hendrickson	McKellar
Capehart	Hill	McMahon
Chapman	Hoey	Magnuson
Chavez	Holland	Malone
Connally	Humphrey	Martin
Cordon	Hunt	Maybank
Darby	Ives	Millikin
Donnell	Johnson, Colo.	Morse
Douglas	Johnson, Tex.	Mundt
Dworshak	Johnston, S. C.	Murray
Eastland	Kem	Neely
Ecton	Kerr	O'Conor
Ellender	Kilgore	O'Mahoney
Ferguson	Knowland	Pepper
Flanders	Langer	Robertson
Frear	Leahy	Russell
Fulbright	Lehman	Saltonstall
George	Lodge	Schoeppel
Smith, Maine	Thomas, Okla.	Wherry
Smith, N. J.	Thomas, Utah	Wiley
Sparkman	Thye	Williams
Stennis	Tydings	Young
Taft	Watkins	

The PRESIDING OFFICER. A quorum is present. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. BRIDGES. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. O'MAHONEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Before the vote is taken, will the Chair state the issue as it is now presented?

The PRESIDING OFFICER. An amendment was offered by the Senator from New Hampshire [Mr. BRIDGES], and a point of order was made thereon that it was legislation on an appropriation bill, the point being made by the Senator from New Mexico [Mr. ANDERSON]. After hearing argument, the Chair sustained the point of order and ruled that the amendment was legislation on an appropriation bill, from which decision an appeal was taken.

The question now is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. WHERRY. Mr. President, I shall not delay the Senate more than a minute or two. I wish to make the RECORD straight relative to some observations made by my distinguished friend from New Mexico to the effect that it was not proper to raise the issue in connection with an appropriation bill, but that it should be done in a legislative committee.

Mr. President, the question we are now considering has been raised for the past 3 years. I am not sure that the present occupant of the Chair joined with us, but 43 Senators joined with the junior Senator from Nebraska in 1948 in signing a letter, in the form of a petition, addressed to the Secretary of State, in which we referred him to a resolution, Senate Resolution 187, which contained a number of whereases setting forth why a review of plant dismantling should be had. The resolution was referred to a legislative committee. When the resolution was offered, we asked unanimous consent for its immediate consideration because we were then nearing the end of the session. The distinguished chairman of the Foreign Relations Committee objected, and the resolution was referred to committee, and not one thing was ever done about it.

When the junior Senator from Nebraska returned in the first session of the Eighty-first Congress, one of the first things I did was to submit another resolution. At that time I did not ask to have names of cosponsors placed on the resolution because I felt it was unnecessary to do that. I submitted it simply in my own right. The resolution again contained a number of whereases and provided for an immediate review of plant dismantling. That resolution is on the calendar today. A date for considering the resolution has never been set.

Mr. President, I ask unanimous consent to have Senate Resolution 187, together with the letter to the Secretary of State and the list of signers, printed in the RECORD at this point as a part of my remarks.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

Senate Resolution 187

Whereas there is abundant evidence that the dismantling of manufacturing establishments in western Germany has exceeded prudent requirements for the prevention of rearmament of Germany; and

Whereas the economic and spiritual recovery of western Germany under a republican form of government is necessary in the interest of the industrial and agricultural recovery of all Europe; and

Whereas handicapping western Germany by the excessive dismantling of its industries and depriving it of the tools and establishments necessary for productivity is reflected in an additional tax burden upon the people of the United States for the support of German people deprived of their means of livelihood: Therefore be it

Resolved, That it is the sense of the Senate that the President should cause to be convened at the earliest convenient time, preferably before the beginning of the second session of the Eighty-first Congress, a conference among representatives of the United States of America, the United Kingdom, and France to review in the light of the declarations in this resolution the entire policy of dismantling German industrial establishments; and it is the further sense of the Senate that, pending completion of such conference and the official announcement of its findings, the President should request the Governments of the United Kingdom and France to join the United States of America in declaring a moratorium upon further dismantling, destruction, or removal of industrial establishments in the zones of Germany presently occupied by the United States of America, the United Kingdom, and France.

WASHINGTON, D. C., *September 15, 1949.*

The Honorable DEAN ACHESON,
Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: We, the undersigned Senators of the United States, beg to call to your attention the fact that on August 5 of this year we approved by unanimous vote an amendment to the 1949 ECA appropriations bill, which would make available to the ECA Administrator a certain sum of money for carrying out a new review of the German plant dismantlings.

We think that in all good faith the British Government should have ceased its program of dismantling German industry until the matter could have been reexamined, as requested by the Congress of the United States. Instead, we understand that there has been an increase in the dismantlings in the British occupation zone of Germany, as well as an increasing amount of scrapping of valuable equipment.

The solution of the dismantling question is vital to our future commitments regarding the European recovery program. We respectfully urge you to use your good offices to induce the British Government to order an immediate cessation in their occupation zone of all dismantlings of German plants, including the so-called forbidden industries, until the question can be satisfactorily reexamined, and a report of the findings made available to this Government, including Congress.

Respectfully yours.

The signers of this petition number approximately 44, and include the Senator from New Hampshire [Mr. BRIDGES], the Senator from Missouri [Mr. KEM], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Minnesota [Mr. THYE], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from South Carolina [Mr. MAYBANK], the Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. YOUNG], the Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. JOHNSTON], the late Senator from Idaho [Mr. MILLER], the junior Senator from Nebraska [Mr. WHERRY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. CAPEHART], the Senator from Louisiana [Mr. ELLENDER], the Senator from Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. JENNER], the Senator from North Dakota [Mr. LANGER], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Oregon [Mr. CORDON], the Senator from Georgia [Mr. RUSSELL], the Senator from Connecticut [Mr. MCMAHON], the Senator from Washington [Mr. CAIN], the Senator from Louisiana [Mr. LONG], the Senator from Ohio [Mr. TAFT], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Oklahoma [Mr. THOMAS], the Senator from Wisconsin [Mr. WILEY], the Senator from South Dakota [Mr. MUNDT], the Senator from Michigan [Mr. FERGUSON], the Senator from Tennessee [Mr. MCKELLAR], the Senator from New Hampshire [Mr. TOBEY], the Senator from Maine [Mrs. SMITH], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Illinois [Mr. DOUGLAS], the Senator from Nevada [Mr. MALONE], the Senator from Utah [Mr. WATKINS], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from South Dakota [Mr. GURNEY], the Senator from Delaware [Mr. FREAR], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Kentucky [Mr. WITHERS].

Mr. WHERRY. Mr. President, I agree with the Senator from New Mexico that it would be well to have such a provision placed in a legislative act. But apparently the only time any consideration is given to the subject of plant dismantling is when an appropriation bill is before the Senate, when those of us who are interested in the subject have an opportunity to seek to prevent appropriations to destroy plants which we are later going to ask the taxpayers of the United States to rebuild in western Germany. That is exactly what will have to be done. While we are asking for a review to be made, the dismantling continues and a plant is taken out of competition with Great Britain, and another plant is taken out of competition with France. I spoke of the Salzgitter plant.

By the way, I should like to tell the distinguished chairman of the Appropriations Committee, for whom I have the highest respect, that this question has been brought before the full committee.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LODGE. Can the Senator from Nebraska give me an instance of a plant which has been taken out of Germany because it is in competition with France?

Mr. WHERRY. If the Senator wishes to have us get into a long discussion, I can call for the records. Many plants have been taken out of Germany because they were in competition with plants in other countries. One was a chemical plant. I cannot give the name now, but will send for the name.

Mr. LODGE. Was that plant taken out because it was in competition with France?

Mr. WHERRY. It was in competition with Great Britain. I will get the name of that plant. Recently Great Britain refused to consider a request to cease dismantling a steel plant at Salzgitter. Great Britain was the country which refused to do anything about it. They sent their men to dismantle the plant and the German people in that little town protested. A request was made by the State Department that the British withhold dismantling. First the British said it was a munitions plant, and that it was one of those which had to be dismantled because of the agreement which, as Senators well know, we entered into with Great Britain and France. But the fact is that only a part of that plant made munitions of war. The British wanted that plant for many purposes of civilian production. It was then that Mr. McCloy was brought back to the United States. I do not mean that he was brought back only because of this particular dismantling, but he was asked to return to the United States, and among other subjects he discussed the dismantling of the plant. While he was here the Subcommittee on Appropriations asked him to come before the full committee, and there he gave considerable testimony about all the plant dismantling which was taking place in Germany. The committee heard Mr. McCloy, and his testimony appears in the record of the hearings before the committee. Mr. McCloy said exactly what the Senator from Massachusetts has said, with which I agree, that we are bound by certain treaties and agreements.

Mr. President, I say the proper way to act is by adopting a resolution such as one of those to which I have referred. It seems, however, we cannot secure any action on such a resolution.

Mr. McCloy said he would review the situation of dismantling of plants when he returned to Germany and that he would let us know what should be done. Mr. McCloy stopped the dismantling of the plant I referred to which could be used for civilian production. In doing so I think he performed a great service.

Of course many plants in Germany have been destroyed or dismantled. That is something which is now past history. As I said earlier in my remarks, the horse is out of the barn. The Germans are down to their last few plants. Inasmuch as it seems we can secure no action in a legislative committee, the only sensible thing to do, it seems to me, is to adopt an amendment dealing with the subject, in connection with an appropriation bill.

The junior Senator from Nebraska is not going to vote to appropriate money to help countries rehabilitate themselves, in the light of new conditions, when we now have a war on our hands, if other countries are going to continue to remove plants from Germany for their selfish gain, or if they are going to destroy completely plants which we will have to rebuild if we provide a defense for Germany militarily or industrially. I believe the distinguished Senator from Massachusetts will agree that, under

proper limitations, it is necessary to provide such defense.

The PRESIDING OFFICER. The Chair will advise the Senator from Nebraska that his time has expired.

Mr. WHERRY subsequently said: Mr. President, I do not seek recognition in order to speak again. I have already spoken on the appeal. But I should like to ask unanimous consent to insert in the RECORD, following my remarks, the name of the plant Bergische Stahlwerke, in Remsheid, Germany. It is a machine-tool plant in the British zone of occupation. It is not a plant which has been designated as a munitions plant. It is 97 years old, and it is now being destroyed in Germany.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. I also ask for the insertion of the memorandum relating to prohibitions and restrictions on the coal chemical industry in Germany.

The PRESIDING OFFICER. Without objection, the memorandum will be inserted in the RECORD as requested.

The memorandum is as follows:

PROHIBITIONS AND RESTRICTIONS OF THE COAL CHEMICAL INDUSTRY

I. GENERAL REMARKS

The provisions of the Washington agreement of April 1949 have most seriously affected two important processes of the German coal chemistry—the high pressure hydrogenation and the Fischer-Tropsch synthesis.

By neither of these two processes has any war material been produced. The plants that have used these processes do not represent a war potential in the actual sense of the word. Hydrocarbons in general and particularly liquid fuels are indispensable to a modern national economy with a normal standard of living. Prohibitions and restrictions in this field, therefore, cannot but have an extremely adverse effect on economic development.

Though, in the following, we request that greater liberties be granted in the carrying out of high-pressure hydrogenation and of the Fischer-Tropsch process, we are fully aware that due account must be taken on the allied side of the demand for military security. In recognition of this fact, the German plants will not undertake anything that might constitute a violation of the disarmament provisions or of the orders of the Military Security Office.

II. HYDROGENATION

Under the Washington agreement, the direct or indirect production of petrol, oil, and lubricants from coal or brown coal by the Bergius hydrogenation process is forbidden. It was determined that of the four hydrogenation plants now existing in western Germany three were to be destroyed or to be removed from Germany.

Only the Wesseling plant was exempted from these provisions and given a permit to process oil residues by hydrogenation.

Pursuant to the Petersberg agreement of November 1949, dismantling of the three hydrogenation plants was stopped. One of them, the Gelsenberg Benzin A. G., that was in operation already from March to August 1949, received an authorization in February 1950 to process crude oil by distillation and hydrogenation.

Now that the fundamental objections of the Allies in respect to hydrogenation plants have evidently beeen removed, the German side would like to submit the following requests:

1. It should be left to the German Federal Government to determine to what extent the hydrogenation plants should be employed in the processing of mineral oil.

2. The processing of products of the carbonization by high and low temperature of coal and brown coal (tar and tar oils) in the hydrogenation plants is still prohibited. A lifting of these prohibitions would place the German hydrogenation works in a position to process some 200,000 tons of these products into petrol and Diesel oil every year, thus effecting an annual saving of at least $5,000,000 in foreign exchange.

These wishes are principally backed by the fact that hydrogenation involves a process that has been developed in Germany herself and that the resumption of work at the hydrogenation plants would provide employment for some 3,000 to 5,000 workers.

In recognition of the importance of the hydrogenation process, several experimental plants have been erected in recent years in the United States of America (e. g., the plant of the Bureau of Mines in Louisiana and Missouri), in which coal is processed into petrol and Diesel oil.

III. FISCHER-TROPSCH SYNTHESIS

Under the Washington agreement of April 1949, the direct or indirect production of petrol, oil, and lubricants from coal or brown coal by the Fischer-Tropsch process is prohibited.

Pursuant to the Petersberg agreement of November 1949, all six Fischer-Tropsch plants in western Germany were removed from the dismantling list. The fundamental prohibition of the Fischer-Tropsch process, however, was not lifted and in consequence, the two Fischer-Tropsch plants in operation—Krupp and Victor—were forced to close down on December 31, 1949.

In German opinion, it is not the meaning of the Petersberg agreement that the plants saved from dismantling should remain idle and be allowed to rust. Accordingly, three Fischer-Tropsch works submitted proposals for a switch-over of production which are at present awaiting examination by an inter-Allied and German committee of experts.

Without prejudice to the result of this examination and to any subsequent decision of the Military Security Board it must again be emphasized that the Fischer-Tropsch process has no war potential.

We trust, therefore, that the fundamental prohibition of the Fischer-Tropsch process will be reexamined at the earliest possible date, so that the German economy may be freed of any restrictions in respect of this branch of manufacture.

Mr. MALONE. Mr. President, I want to say that this matter has been debated many times in the last 3 years. It has been conclusively shown that the United States taxpayers have been forced into a position of paying the reparations to the European nations which are being exacted from Germany by our former allies the European nations, including Russia. Various plants are continually being dismantled and transferred not only to England and France, but to Russia. The United States taxpayers are the ones who are supporting Germany, and paying the reparations exacted by our erstwhile allies from a beaten foe.

Mr. President, other amendments of a similar nature to the one before us have been offered and debated and voted upon, without any question being raised concerning them. I cite as an example, the amendment providing that no money should be given to nations who had trade treaties with Russia and with the iron-curtain countries under which they were furnishing goods to those countries which would arm them for the third world war, or give them assistance in consolidating their gains in eastern Germany or in China. That amendment was debated at some length and voted on without any question being raised against it.

The Senator from Nevada offered a joint resolution on January 24 which would do the same thing. That joint resolution has been buried in a democratically controlled committee ever since. As the Senator from Nebraska has said the only way we can get action, or even debate such an amendment is to bring it up in connection with some measure which is under consideration on the floor.

Mr. President, the Morgenthau plan has continually been carried on in Germany. Operations under that plan have not slacked up appreciably, in spite of all the debates that have been had about it on the Senate floor for 3 years.

The junior Senator from Nevada visited Germany in 1947, in November and December. He visited the Ruhr. He went into steel mills and into chemical plants in Germany in the Ruhr and in Frankfort. He visited steel mills and coal mines in the Ruhr. I do not now have time to repeat what has already been said on the Senate floor in that connection. But I want to say to the junior Senator from Massachusetts that many plants can be named, and have been named on the Senate floor of the chemical plants in Germany in which, at the instigation of the British, a change over was made from coal to oil-burning furnaces.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LODGE. My question was directed to whether an industry was taken out of Germany because of competition with France. I have the impression that that has not been done.

Mr. MALONE. These plants were changed from coal burning to oil burning. The British furnished the oil, since there was no oil in Germany. It cost much more to manufacture the chemicals by using oil-burning furnaces, after they were installed, because of the distance that the oil must be transported, while coal was available under their feet in Germany. There was no other source of oil than from the British source, so the industry became controlled by the British, and became an additional market for oil.

Mr. President, I could continue along this line, as I have on the Senate floor, at length, but no one seems very much excited about a plan to wreck German industry and make them permanent star boarders of ours.

The fact remains that Germany can produce only 40 or 45 percent of her food needs. Never in her history could Germany supply all her food needs. Germany must manufacture something to sell in order to buy the necessary food; otherwise we must support her. The only chance there ever is to debate any such a subject as this is on the Senate floor in connection with a current bill. That has been done before in exactly

the same manner as the present occupant of the Chair has now ruled is out of order.

All resolutions or bills proceeding in the regular manner remain buried in the Democratically controlled committees.

Mr. BRIDGES. Mr. President, I ask unanimous consent to withdraw my appeal from the ruling of the Chair, and ask permission to make a motion to suspend the rule, so the question may be voted on immediately under suspension of the rule.

The PRESIDING OFFICER. The Senator from New Hampshire requests unanimous consent that he may withdraw his appeal from the decision of the Chair, and also that he be permitted to offer, for immediate consideration, a motion that the rule be suspended.

Is there objection?

Mr. HAYDEN. Mr. President, reserving the right to object, let me say that if I knew just what was meant by the text of the Senator's amendment, I might not object. However, until I understand the amendment better, I do not know whether it is worth while for us to go through the procedures proposed, because it seems to me that the amendment is very vague and indefinite.

For instance, the amendment contains the words "the peacetime industrial potential of western Germany." I do not know just what that means.

Mr. BRIDGES. It means the industrial capacity of the plants which were in western Germany. We are talking, in effect, about western Germany and the three zones there, occupied, respectively, by the United States, Great Britain, and France. The amendment refers to the peacetime potential of those zones, which is a certain amount.

Of course, we started with the Morgenthau plan, so-called, and then we had subsequent variations of it, whereby certain of those plants were used for reparations to friendly countries and also to Russia and the satellite countries.

Mr. HAYDEN. I understand that; but all those dealings are with certain definite plants or manufacturing establishments. However, the expression "peacetime industrial potential" is so vague and indefinite that I do not understand what it means.

Mr. BRIDGES. Of course, we now have set up in Germany what we believe is a schedule of peacetime potential, a schedule of what is necessary for Germany.

Mr. HAYDEN. If the Senator from New Hampshire would say that the items included in a certain schedule are to be affected, that would be different. However, the term "potential" means almost anything; it means something which could happen at some time.

Mr. ANDERSON. Mr. President, I call for the regular order. Has the Senator from New Hampshire submitted a motion? If he has, I am going to object when the opportunity is afforded. I call for the regular order, because I think we might as well proceed in that way.

The PRESIDING OFFICER. The regular order is requested.

The unanimous-consent request now pending is that the Senator from New Hampshire be permitted to withdraw his appeal from the decision of the Chair, and also be permitted to file a motion for suspension of the rule, so that the amendment may be immediately considered.

Is there objection?

Mr. ANDERSON. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BRIDGES. Very well, Mr. President, let us proceed with the appeal.

The PRESIDING OFFICER. The question is, Shall the ruling of the Chair stand as the decision of the Senate?

On this question the yeas and nays have been ordered.

Mr. YOUNG. Mr. President, I do not believe any Member of the Senate today doubts the seriousness of the situation in Korea. All of us pray in our hearts that we will win, but none of us is sure that we will not be driven from that peninsula. The events leading up to that situation I think are attributable to bad leadership and stupidity and certainly to bad management. The Communists in all of Asia used the industrial plants they took over to manufacture war equipment for their armies of aggression. They have trained in the newest techniques of warfare the Communists in that wide area; and now our forces are battling those Communists.

Mr. President, the policy we are following today in Germany is somewhat similar to the policy we have followed in Korea. Certainly the day may come when we may be facing an attack in Germany or some other area on the perimeter of Russia.

So it seems to me it is time that we quit this foolish business, and face the realities of the situation. We should be using the German industrial plants for the manufacture of the things Europe needs for her recovery. If we need bridges in Korea—and we shall be rebuilding those bridges soon, as our forces march back in Korea—we should be manufacturing them in Japan today. We may need the plants in Germany for similar purposes.

In my opinion, we could just as well be manufacturing some of the war equipment in Germany and in western Europe, whereas now we are endeavoring to manufacture that equipment in the United States, and thus are taxing our own economy unnecessarily.

It seems to me stupid to continue our present policy of dismantling of those plants, and thus further handicap the entire recovery of Europe.

Mr. AIKEN. Mr. President, I should like to ask a question of any Member of the Senate who can answer it. Would the adoption of the amendment offered by the Senator from New Hampshire have the effect of violating any agreement which the United States has with any of our World War II allies? I ask that question of any Senator who can answer it, for I think the point is important.

Mr. SMITH of New Jersey. Mr. President, it is my understanding that there are some agreements between the United States and other countries with regard to dismantling. So there would have to be some negotiations, or else whoever administered the amendment would be put in a difficult position, and perhaps would find himself acting in the face of an agreement which we may have with England or with France.

I wish to make it clear that for 3 years I have been in favor of stopping the dismantling; but I do not think we can attain that objective by the means here proposed.

In the first place, I think the Chair is correct in ruling that the amendment constitutes legislation on an appropriation bill.

Furthermore, I do not think we can call upon the ECA to act as a policeman in connection with this policy. The matter should have been handled in a different way, we should call upon our allies to change the policy.

Mr. AIKEN. Does the Senator from New Jersey think the amendment would violate an agreement with England or with France?

Mr. SMITH of New Jersey. No, I do not think this particular amendment would do so; but I think it would put the person who was charged with administration of the amendment in a position of holding off assistance under the ECA Act, for example, to countries with whom we are in agreement in regard to how the dismantling should be done.

However, I understand that practically all the dismantling by England and France, in particular, and possibly by Belgium, is near completion—although I am receiving letters from persons who have been shocked, as I was when I was there, by the continuation of the dismantling, when there is need to restore production in Germany.

Mr. AIKEN. Does the Senator from New Jersey think there is any likelihood of attaining this objective in the near future, by any other means?

Mr. SMITH of New Jersey. Does the Senator mean by any means other than this amendment?

Mr. AIKEN. Yes. Does the Senator from New Jersey think England and France will agree to stop the dismantling immediately?

Mr. SMITH of New Jersey. I cannot answer that question, for I do not know.

Mr. AIKEN. I should like to find out whether any Member of the Senate does know. I should like to ascertain the situation in that respect.

Mr. DONNELL. Mr. President, it seems to me that there is a tendency, which perhaps is very natural in connection with a matter of this kind, to go into the merits of the proposal, rather than to deal with the point at issue.

This is simply an appeal from a ruling of the Chair on a point of order; and the question presented to us, as I see it, is not at all whether there is merit in the view of the Senator from New Hampshire in regard to the facts of the case, but the sole question is whether the Presiding Officer of the Senate was correct in his decision and in his state-

ment of the rule covering this particular amendment.

It would appear to me that the point of order was correctly decided by the Presiding Officer. In making that statement, I am not expressing myself in regard to the merits of the proposal—in other words, in regard to the question of whether there should or should not be a cessation of the delivery of ECA funds to nations which are engaged in the destruction of the industrial potential of Germany. I have a great deal of sympathy with the position set forth by the Senator from New Hampshire, the Senator from Nebraska, and other Senators, and I can well realize the merits of that position.

However, what is the fact as to whether the ruling of the Chair on the question presented to him was correct? The Chair was presented with a question of whether this amendment is legislation or whether it is a limitation upon the use of funds proposed to be appropriated.

Mr. President, what is the amendment? It is clearly one which restricts by a certain provision the recipients of participation under the ECA. Entirely independent of the reason which was assigned by the Chair, I take the view that the Chair's ruling was correct. The provision in the Economic Cooperation Act of 1948, in section 111 (a), is that—

The Administrator may, from time to time, furnish assistance to any participating country—

Mr. President, what is a participating country? My time limitation is such that I cannot read it, but I ask at this point to have set forth in the RECORD section 103 (a) of the Economic Cooperation Act, also sections 102 (a) and 102 (b) of the Economic Cooperation Act, plus the opening paragraph of Public Law 47 of the Eighty-first Congress, and also section 102, in its entirety, of title I of Public Law 535 of the Eighty-first Congress.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

FINDINGS AND DECLARATION OF POLICY

SEC. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

PURPOSES OF TITLE

(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title, by—

(1) promoting industrial and agricultural production in the participating countries;

(2) furthering the restoration or maintenance of the soundness of European currencies. budgets, and finances; and

(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

PARTICIPATING COUNTRIES

SEC. 103. (a) As used in this title, the term "participating country" means—

(1) any country together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

(2) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

Be it enacted, etc., That the fourth and fifth sentences of section 102 (a) of the Economic Cooperation Act of 1948 are hereby amended to read as follows: "Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourge these countries through their joint organization to exert sustained common efforts to achieve speedily that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to encourage the unification of Europe, and to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States."

FINDINGS AND DELCARATION OF POLICY

SEC. 102. (a) Section 102 (a) of the Economic Cooperation Act of 1948, is amended by striking out in the fourth sentence thereof "trade barriers" and inserting in lieu thereof "barriers to trade or to the free movement of persons"; and by inserting in the fifth sentence thereof the word "further" before the word "unification".

(b) Section 102 (b) (1) of such act is amended by inserting a comma and the phrase "increased productivity, maximum employment, and freedom from restrictive business practices" after the word "production."

Mr. DONNELL. Mr. President, the law itself says that the Administrator may furnish assistance to any participating country. The definition of "participating country" as set forth in the law is not, as I see it, the definition which is set forth in the amendment which has been proposed by the Senator from New Hampshire. Therefore, Mr. President, it seems to me that clearly this amendment undertakes to change the law. If it is a change in law, it is legislation, it is not a mere limitation upon the use of funds.

Therefore, Mr. President, without at all going into the merits of the matter—that is, the merits of whether there should be destruction or dismantling of property, whether countries which are participating in it should or should not be deprived of the use of ECA funds—I submit that, upon the legal proposition which has been decided by the Chair, and which is the only proposition before the Senate at this time, the Chair was right and that the appeal should not be sustained.

Mr. McFARLAND. Mr. President, I wish to compliment the distinguished Senator from Missouri upon the position he has taken in this matter. The rules of the Senate have been adopted for the purpose of securing orderly procedure, and for the reason that it has been found necessary to have rules. I am in sympathy with the objectives of the Senator from New Hampshire, sought by this amendment, but I do not think the matter should be handled in this fashion. If we are to overrule the Chair and thereby disregard the rules of the Senate we may as well throw them out the window—and we know just about how we would get along without rules. So I thank the distinguished Senator from Missouri for the remarks he has made. I think they are timely. I hope that the decision of the Chair will be sustained.

Mr. DOUGLAS. Mr. President, will the Senator from Arizona yield?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Illinois?

Mr. McFARLAND. I yield.

Mr. DOUGLAS. Paraphrasing the Holy Scriptures, would the Senator from Arizona say that the Senate was made for rules, or that rules were made for the Senate?

Mr. McFARLAND. The Senator may answer that question for himself.

Mr. MAYBANK. Mr. President, I should like to address a question to the distinguished Senator from New Hampshire. Last evening we approved an amendment proposed by about 30 Senators which carried a 10-percent over-all cut with certain exceptions. A question has arisen in my mind today in regard to the effect of this amendment on the Coast Guard. Not only am I concerned about the appropriations for the Coast Guard, as a part of our national defense, but I am certain the House subcommittee on Treasury and Post Office is likewise concerned about it. I believe it was the intention of the Senator from New Hampshire that the Coast Guard appropriations would not be included in the amendment. I should like to have the RECORD show the position of the Senator from New Hampshire in regard to the appropriations for the Coast Guard, in connection with the 10-percent cut.

Mr. BRIDGES. Mr. President, I am getting a copy of the amendment.

Mr. MAYBANK. It was exempted in the original amendment, if I remember correctly.

Mr. BRIDGES. By page 4 of the amendment, the Coast Guard, in time of war, is considered to be a part of or may be transfered to the Defense Department.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. MAYBANK. It is not a question concerning a time of war.

Mr. BRIDGES. I point out that, on page 4, starting in line 10, listing the exemptions, it says: "or the investigation, apprehension, prosecution, or detention of persons suspected or convicted of crimes against the criminal laws of the United States."

In respect to the Coast Guard, there may be some question such as the Senator raises about the interpretation, but in normal times, that is the function, or at least a part of the function, of the Coast Guard, is it not?

Mr. MAYBANK. The Senator is correct. I wanted the RECORD to be clear, before the bill goes to conference, so that there may be no doubt in the minds of Senators, who perhaps might agree with the Senator from New Hampshire and myself, that certainly at this time this amendment should not affect the Coast Guard.

Mr. BRIDGES. In answer to the Senator, I may say that if the emergency becomes greater, the Coast Guard will be put automatically on the same basis as the Navy, as was the case in previous wars. That would automatically follow as to all branches of the national defense. But in peacetime certainly a part of the Coast Guard would be exempted. The only part of it not included in the exemption might be the rescue service, as to which we could probably work out an agreement in conference—could we not? The intention was to exempt that part of the Coast Guard from the amendment.

Mr. MAYBANK. Of course, as the distinguished Senator says, we are not at war. The question as it relates to the Coast Guard, is under the House Subcommittee on Treasury and Post Office. If the Senator believes it is appropriate language and will be helpful in the conference, I believe we can work it out. I should like to have some expression from the Senate, because there is considerable confusion, I may say, at the present time.

Mr. FERGUSON. Mr. President, will the Senator from New Hampshire yield?

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. MAYBANK. I merely make this suggestion in order that there may be no misunderstanding about the effect of the bill (H. R. 7786) so far as the Coast Guard is concerned.

The PRESIDING OFFICER. At this time, a motion by the Senator from South Carolina substantially along the line indicated, could only be handled by unanimous consent.

Mr. MAYBANK. I ask unanimous consent.

Mr. FERGUSON. Mr. President, if I may, I should like to ask a question and get an answer. The inquiry is: Did the Thomas-Taber amendment except the Coast Guard? I am concerned with that answer, because if it did not, there is a grave question as to whether we can take care of the matter in a conference.

Mr. MAYBANK. That is what I hoped could be done.

Mr. BRIDGES. I may point out that under the basic law—and this is one of the principal things under consideration here—the Coast Guard is considered at all times to be a basic part of the national defense system of the country. That was written into the unification bill in 1948, I think. We have proceeded on the assumption that the Coast Guard is exempted from this cut.

Mr. FERGUSON. Is it not also true——

Mr. McFARLAND. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senator from South Carolina asks unanimous consent that the Coast Guard be exempted from the operation of the so-called Bridges-Byrd amendment. Is there objection to the request?

Mr. BRIDGES. Reserving the right to object, based on the basic military law of the country, plus the sections which I quoted in order to clarify the situation so that there would be no mistake, so far as I am concerned, I would have no objection.

The PRESIDING OFFICER. The Chair hears no objection, and the unanimous-consent request is agreed to.

Mr. McCARTHY obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. McCARTHY. I shall not yield if it comes out of my time.

Mr. WHERRY. Mr. President, was the unanimous-consent request of the Senator from South Carolina agreed to?

The PRESIDING OFFICER. It was.

Mr. McCARTHY. Mr. President, in view of the short time I have in which to speak, I assume that the interruption will not come out of my 5 minutes.

The PRESIDING OFFICER. That will be understood.

STATE DEPARTMENT EMPLOYEE LOYALTY INVESTIGATION

Mr. McCARTHY. Mr. President, I should like to say to the Senator from Tennessee [Mr. McKELLAR] that I very much dislike taking even 5 minutes from the discussion of the appropriation bill in order to say what I wish to say at this time. However, next week I hope to present considerable documentary evidence on the question of disloyalty in the State Department. I think that before that evidence is submitted this matter should be brought to the attention of the Senate.

I have before me, Mr. President, the CONGRESSIONAL RECORD of June 20, on which date the Senator from Maryland [Mr. TYDINGS] addressed the Senate. I might say that I sent word to the Senator from Maryland to be here, advising him that I was going to discuss a matter which concerned him personally. I am sorry he did not see fit to come.

Let me say, first, that during the course of the investigation there has been considerable dispute as to whether, in Wheeling, W. Va., I said there were 57 or 205 Communists in the State Department. Normally, it might not be considered too important as to which figure was used. However, those figures have been made of great importance by the chairman of the subcommittee and by the majority members of the subcommittee.

I have said that I sent the President a telegram calling attention to the fact that I had a list of 57 Communists. I have also called attention to the fact that there was a spy ring extending deep into the State Department, and that a complete investigation of Amerasia would furnish part of the key to that ring. I also have quoted from a letter from former Secretary Byrnes, dated July 26, 1946, in which he pointed out that 284 individuals in the State Department at that time were bad security risks, and that 79 of them were discharged, leaving 205. I have stated that all of this information was known to Secretary Acheson for the reason that complete FBI reports on all of these individuals are available to him.

Following the day on which I made the speech in Wheeling, W. Va., I sent a telegram to the President in which I asked him to get the names of the additional 205 persons whom former Secretary Byrnes had named. So the figure 205 has been used in connection with the letter of the former Secretary of State, and the figure 57 has been used in con-

nection with the names I personally had, which names were given to the Tydings-McMahon committee as well as additional names in which the evidence was not strong enough to list them as part of the 57, but nevertheless unfit for sensitive Government jobs. This made a total of 81 on July 20. The Senator from Maryland told the Senate that the junior Senator from Wisconsin had said in West Virginia that he had the names of 205 Communists and then went on to say, and I quote:

Mr. President, I wonder if I can get unanimous consent to play a radio recording of the Senator's own voice. I am not asking Senators to take my word, but to hear the Senator's own voice. He says he has not made this statement.

In other words, the statement of 205.

Later on, on the same page, the Senator said:

They have gone from 205, in Wheeling, down to 57.

The Senator from Maryland complained about the lack of newspaper coverage his talk would get—well, this statement of Senator TYDINGS got coverage. The press apparently understood the Senator from Maryland. I have before me a copy of the Washington edition of the Daily Worker, the Washington Post, from which I quote:

All the apparatus was in place. TYDINGS was about to let the Senators hear the Wisconsin Republican's own voice charging there were 205 card-carrying Communists in the State Department. MCCARTHY had made the claim in a broadcast over Station WWVA at Wheeling, W. Va. last February.

I have before me a copy of the Milwaukee Journal of July 6, 1950, in which it is said:

TYDINGS said he had a phonograph recording of the West Virginia speech to prove MCCARTHY lied, but was not permitted to play it on the Senate floor.

Mr. President, it is very important, I think, to determine whether the Senator from Wisconsin or the Senator from Maryland lied. That one of them lied is obvious. Either the Senator from Wisconsin was lying when he said that he used the figure 57, or the Senator from Maryland was lying when he said, "I have here a recording of MCCARTHY's voice which will prove he was lying."

While this question may not in itself be very important, I think it is important to have a decision on the matter, once and for all, so that the Senate and the country can better evaluate the report of the majority members of the subcommittee, and other statements made by the Senator from Maryland [Mr. TYDINGS].

I do not know how the Senate can force the Senator from Maryland to play that recording; I do not know how it can call his bluff. This is one time when the press can perform a service to the country and to the Senate. Members of the press can go to the office of the Senator from Maryland and say, "MILLARD, let us hear that recording. Let us hear the voice of MCCARTHY using the figure 205." Let the press say to the Senator from Maryland, "Show us where MCCARTHY used the figure 205, 206, or 207 in any place except in connection with the letter of former Secretary of State Byrnes."

I have stated on the floor of the Senate a number of times that I have only used the figure 205 in connection with Secretary Byrnes' letter. That figure was in the wire to the President the day after I spoke at Wheeling. I said, "I do not have the names of those 205. I do know the names of 57."

As I have said, whether it is 205 or 57 may not be important in itself, but it becomes important when the Senator from Maryland says MCCARTHY has perpetrated a fraud on the Senate in saying he used the figure 57 when he actually used the figure 205. It is now important to know whether the Senator from Maryland may not have been practicing a fraud when he stated he had a recording of my speech which would prove that the Senator from Wisconsin had lied.

The PRESIDING OFFICER. The Chair reminds the Senator that he has spoken more than 5 minutes.

Mr. MCCARTHY. Mr. President, I ask the Senate to force the Senator from Maryland to play the recording so that we may know whether the Senator from Maryland or the Senator from Wisconsin deliberately lied. It is a very simple matter to find who spoke falsely.

It is a rather a serious matter to tell the Senate and the country that you have a recording to prove another Senator lied and then lack the honesty to play the recording.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6454) to authorize the appointment of two additional district judges for the northern district of Illinois.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 99) relating to the reenrollment of the bill (S. 1654) for the relief of Kyra Kite Riddle.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2160. An act to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes;

S. 2591. An act to amend the Public Health Service Act to support research and training in matters relating to arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, leprosy, and other diseases; and

S. 2863. An act to provide for the expansion and disposition of certain national cemeteries.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. BRIDGES. Mr. President, I ask unanimous consent to withdraw my request for the yeas and nays and to submit the question to a voice vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the request of the Senator from New Hampshire is withdrawn.

The question is, Shall the ruling of the Chair stand as the judgment of the Senate. [Putting the question.] The "ayes" seems to have it; the "ayes" have it, and the ruling of the Chair is sustained.

Mr. DOUGLAS. Mr. President, I send an amendment to the desk and ask that it be stated.

The LEGISLATIVE CLERK. On page 325, line 17, to strike out "$63,000,000" and insert in lieu thereof "$12,500,000."

Mr. DOUGLAS. Mr. President, I should like to ask the Members of the Senate to turn to pages 325 and 326 of the appropriation bill. It will be recalled that last week I sought to decrease the authorization on page 326 from $64,875,000 to a much smaller figure. I did this because, as the Members of the Senate will see, the House originally provided for an appropriation of $63,000,000 for new ship construction, and the Senate Committee on Appropriations added an additional $64,875,000 in extended authority making a total of nearly $128,000,000. I pointed out that this global sum of $128,000,000 was more than $40,000,000 in excess of the amount which the Administrator, Mr. Koehler, stated it was possible for the Maritime Administration to obligate during the coming year. I also pointed out that the effect of the two provisions taken together would be to give the Maritime body a blank check for approximately $50,000,000 more than they had present commitments or could possibly have commitments for during the current year.

I was then told by eminent Senators that I should have presented my amendment, not to the authorization of nearly $65,000,000, which the Senate committee had made, but instead to the $63,000,000, which the House had provided. It was implied at least by some Senators that the point which I had made was correct, but that I had located the pea under the wrong shell. I was told that what I should do was to put the pea under the shell on page 325. It was partially as a result of that point, which was made by the distinguished senior Senator from Wyoming, that by a close vote the Senate rejected my attempt to cut nearly $50,000,000 from the authorization on page 326.

Therefore I now come to the shell on page 325. I hope it will not be said now that the pea should be located on page 326. I hope we are not in a legislative shell game, in which the patron of the game, no matter where he turns, is told that the pea should be located on some other page. I hope we can now locate the pea on page 325.

I should like to point out, Mr. President, that the original provision for $63,000,000 was inserted, according to the

signed statement of Mr. Koehler, in the belief that the Maritime Administration would provide new luxury ships as substitutes for the old ships in the good-neighbor fleet, operated by the Moore-McCormick Line, and that it had developed they could not provide the ships nor sign the contracts within the coming year. Therefore the original reason for the appropriation of $63,000,000 has disappeared.

Mr. President, additional claims for construction are now being put in to take the place of the "good-neighbor fleet." However, if they are analyzed, they seem to consist of four items, namely, the Pacific Coast Steamship Co., for trailer ships, amounting to $22,000,000; the Arnold Bernstein Line, for converting troop ships into merchant ships, $9,500,000; construction of Navy prototype ships, $10,000,000; the design of prototype ships, $2,500,000. That makes a total of $12,500,000 for these last two items. If we take all four items together they amount to $44,000,000, and not $63,000,000. If we analyze the four programs which the Administrator says are the only ones which can possibly be constructed, work started on, or contracts let for during the coming year, we find that the Pacific Coast trailer ship proposal of $22,000,000 has already been included in the $64,875,000 item on page 326. We should not have the same pea under both shells. If it is on page 326, under the allowance for $64,875,000, it should not also be included in the $63,000,000 appropriation. Therefore $44,000,000 is reduced by $22,000,000.

The PRESIDING OFFICER. The Chair advises the Senator from Illinois that his time has expired.

Mr. DOUGLAS. I ask unanimous consent that I may be permitted to continue for an additional 2 minutes.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois that he be permitted to speak for an additional 2 minutes? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. I should like to finish on my own time. After I have concluded my remarks, if the Senate will grant me additional time, I shall be glad to reply to the questions of the Senator from Michigan.

I submit that the Arnold Bernstein Line item is strictly contrary to our interests, because it represents a conversion of troop ships into merchant ships. We do not want to decrease our troop-carrying capacity in order to increase merchant-ship capacity. The proposal was made prior to the Korean difficulty. It may have been perfectly proper then; certainly it is not proper now. I submit that the project is not needed in the coming year. It would weaken rather than strengthen our national defense. Therefore, we have left only $12,500,000 of construction which is really needed or possible. That is the reason why I have moved that the $63,000,000 be written down to $12,500,000, or a saving of $50,500,000.

Mr. President, it seems to me that for these reasons the amendment should be adopted.

Mr. MAGNUSON. Mr. President, unfortunately I was not present and I did not hear all that the Senator from Illinois said with reference to this maritime matter. I think perhaps I can clear up a little of the misunderstanding which may be involved in this subject. First, with reference to the Arnold Bernstein proposal, with which I am quite familiar, there has been for a long time a lack of passenger space to Europe. I refer to passenger space which would carry not only DP's from Europe, but ECA supplies and military supplies, for example, for the Marshall plan and the rehabilitation of Europe.

Two troop ships are involved. I believe they are the *General Meigs*——

Mr. DOUGLAS. The *General Weigel* and the *General Pope*.

Mr. MAGNUSON. The *General Weigel* and the *General Pope*. They are on the Pacific coast, where they are slowly deteriorating. These ships are in need of repair. I tried to get some ship-repair money appropriated yesterday, but I did not succeed. Therefore the Arnold Bernstein Co. conceived the idea of taking the ships and converting them. The conversion would be only in the nature of putting in partitions so that cabins could be provided. They would still be available as troop-carrying ships. Under no circumstances would they be converted so they could not be used to carry troops. They would be even better as troop-carrying ships than in their present condition, and they would be better troop-carrying ships than those used in World War II, because they would be similar to the troop ships I have been on, which are the cafeteria style of ship, and I believe they would be able to carry even more troops after they were converted in the way I indicated.

I do not know what the controversy is about with respect to the money involved, but I am certain that the new Maritime Board, which will be appointed by the President this week, the Chairman having been appointed, after the Maritime Commission had been abolished, would surely have first on their agenda any proposal which might take away from us troop-carrying ships. I hope that the Senator from Illinois will let the Committee on Appropriations amount go to conference. In the meantime I can almost assure the Senator from Illinois that a decision will be made on these matters that involve the question of troop-carrying ships.

The Navy, which now has consolidated all military transport, and the Maritime Board have been working in close conjunction. As a matter of fact, the temporary Chairman, Mr. Taylor, is the Assistant Secretary of the Navy in charge of what we call Navy transport. I am sure, first, that the proper agency is looking into this matter; and second, although I do not know what the amount is, there has been a kind of novel proposal before the Board which has stirred the interest and the attention of many people in the shipping business, namely, the proposal to build a kind of truck-carrying ship.

Mr. DOUGLAS. Mr. President, that item is already included in the estimates which furnish the basis for the $64,875,000 contract authorization on page 326. My objection is that we should not count it twice, on page 326 and also on page 325. It is very hard to nail these peas down. They dance around. That pea was located on page 326. Do not let it also show up on page 325.

Mr. MAGNUSON. Mr. President, may I have three more minutes on this matter?

The PRESIDING OFFICER. Is there objection to the Senator having three more minutes? The Chair hears none.

Mr. MAGNUSON. As a matter of fact, I do not know where the peas are, but I am sure there is no objection—and I do know a little about this maritime question—to the two peas being abolished altogether in this case. It is a novel scheme to do something which has no place in wartime.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Vermont.

Mr. AIKEN. Am I correct in my understanding of the remarks of the Senator from Illinois [Mr. DOUGLAS] that the construction of the two luxury liners proposed to be constructed for the Moore-MacCormack Lines will not be undertaken this year?

Mr. MAGNUSON. That I do not know, but there are six liners under construction in the United States at the present time. The designs and purposes of those liners have been gone over by the Department of Defense, with the idea of making them easy to use in time of war. As a matter of fact, some of the funds for that construction have been furnished by the Department of Defense, so that these ships can be so equipped as to be easily converted in time of war. The lack of passenger ships has been notorious in the last few years.

Mr. AIKEN. Construction has not been started on those two ships, has it?

Mr. MAGNUSON. I do not think it has. I believe the Senator is correct. But the construction has started in the case of two American President Line ships. If Senators will listen, I think I can give some information on this matter. Construction has started on the two President Line ships. The ships of the American Export Line—the *Constitution* and *Independence*—are well on their way, and will be valuable in time of war or time of peace. The big United States liner is not quite so far along, but it will be valuable also in time of war and peace.

A great deal of money from the Defense Department is involved in this matter, the ships are easily convertible, and I think it is vital that construction should go forward on these passenger ships for use both in time of war and in time of peace. They will be needed in both periods. We are tremendously short of passenger space to be used for troops even in peacetime operations. I

merely desired to inject this information into the consideration of the bill.

For years I have known a man by the name of H. F. Alexander, who wants to have some sort of a maritime truck line between Los Angeles and San Francisco. I think that could be cut out of the bill.

Mr. DOUGLAS. If the item disappears from page 326, there is no reason why it should appear on page 325.

Mr. MAGNUSON. I would just as soon——

The PRESIDING OFFICER. All the Senator's time has expired.

WAR RISK AND MARINE LIABILITY INSURANCE

Mr. MAGNUSON. Mr. President, may I submit a unanimous-consent request while I am on my feet? It will save time. I would just have to take the floor again.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. Calendar No. 1834, Senate bill 2484, is a bill to provide war-risk and certain marine liability insurance. There was objection to the bill on the last call of the calendar. It is a very important bill, which must be passed on by the Congress within the next week in order to make certain there will be insurance on ships now plying the waters of the world. I ask unanimous consent that, along with three other bills which have been agreed upon, this bill be placed at the foot of the calendar, so that the next time the calendar is called there may be discussion of the bill.

The PRESIDING OFFICER. The call of the calendar on Tuesday next will include all bills.

Mr. McFARLAND. Mr. President, I think it is important that the Senate proceed according to the unanimous consent agreement, and that we vote on the amendments as they are reached. If every Senator asks for extra time, we will be here indefinitely tonight. The question now under consideration, that is, appropriating funds adequate for a strong merchant marine, was debated in detail and at length, and now the Senator from Illinois comes forward with another amendment. I hope it will be voted down, and that we can proceed with something which has not been discussed.

The PRESIDING OFFICER. The Chair is enforcing the rule. All a Senator has to do is to object to any unanimous consent request submitted.

Mr. DOUGLAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Ecton	Humphrey
Anderson	Ellender	Hunt
Bricker	Ferguson	Ives
Bridges	Flanders	Johnson, Colo.
Butler	Frear	Johnson, Tex.
Byrd	Fulbright	Johnston, S. C.
Capehart	George	Kem
Chapman	Gillette	Kerr
Chavez	Graham	Kilgore
Connally	Green	Knowland
Cordon	Gurney	Langer
Darby	Hayden	Leahy
Donnell	Hendrickson	Lehman
Douglas	Hill	Lodge
Dworshak	Hoey	Lucas
Eastland	Holland	McCarran
McCarthy	Mundt	Sparkman
McClellan	Murray	Stennis
McFarland	O'Conor	Taft
McKellar	O'Mahoney	Thomas, Utah
McMahon	Pepper	Thye
Magnuson	Robertson	Tydings
Malone	Russell	Watkins
Martin	Saltonstall	Wherry
Maybank	Schoeppel	Wiley
Millikin	Smith, Maine	Williams
Morse	Smith, N. J.	Young

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Illinois, on page 325, line 17, to strike out $63,000,000 and insert in lieu thereof $12,500,000.

Mr. DOUGLAS. I ask for the yeas and nays.

On a show of hands the yeas and nays were not ordered.

Mr. DOUGLAS. Mr. President, I ask that Senators desiring the yeas and nays be permitted to rise and be counted.

The PRESIDING OFFICER. Senators favoring the yeas and nays will please rise. A sufficient number have indicated a desire for the yeas and nays, and the clerk will therefore call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KILGORE (when Mr. NEELY'S name was called). My colleague, the junior Senator from West Virginia [Mr. NEELY], is necessarily absent. If present and voting, he would vote "nay."

The roll call was concluded.

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Virginia [Mr. BYRD] is unavoidably detained.

The Senator from California [Mr. DOWNEY] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from New Hampshire would vote "yea."

I announce further that if present and voting the Senator from Kentucky [Mr. WITHERS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Indiana [Mr. JENNER], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY], who is absent by leave of the Senate, is paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Pennsylvania would vote "nay."

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The result was announced—yeas 31, nays 49, as follows:

YEAS—31

Aiken	Holland	Schoeppel
Bricker	Humphrey	Smith, Maine
Bridges	Hunt	Stennis
Capehart	Ives	Taft
Douglas	Kem	Watkins
Dworshak	Langer	Wherry
Ferguson	Lehman	Wiley
Flanders	Lucas	Williams
Fulbright	McCarthy	Young
Graham	Malone	
Hendrickson	Martin	

NAYS—49

Anderson	Hill	Millikin
Butler	Hoey	Morse
Chapman	Johnson, Colo.	Mundt
Chavez	Johnson, Tex.	Murray
Connally	Johnston, S. C.	O'Conor
Cordon	Kerr	O'Mahoney
Darby	Kilgore	Pepper
Donnell	Knowland	Robertson
Eastland	Leahy	Russell
Ecton	Lodge	Saltonstall
Ellender	McCarran	Smith, N. J.
Frear	McClellan	Sparkman
George	McFarland	Thomas, Utah
Gillette	McKellar	Thye
Green	McMahon	Tydings
Gurney	Magnuson	
Hayden	Maybank	

NOT VOTING—16

Benton	Jenner	Thomas, Okla.
Brewster	Kefauver	Tobey
Byrd	Long	Vandenberg
Cain	Myers	Withers
Downey	Neely	
Hickenlooper	Taylor	

So Mr. DOUGLAS' amendment was rejected.

Mr. McCLELLAN. Mr. President, I call up the amendment which I have at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill, it is proposed to insert the following:

SEC. . Not more than 95 percent of the funds appropriated or reappropriated by this act to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended, shall be available for expenditure or obligation during the fiscal year ending June 30, 1951.

Mr McCLELLAN. Mr. President, yesterday by a vote of 55 to 31, the Senate reduced by 10 percent the expenditures to be made here at home for most of the nonwar purposes. Before that amendment was voted upon an amendment offered by the able Senator from New Jersey to exempt ECA from that cut was approved by a vote of 45 to 40. Mr. President, we are in this position: We have made sacrifices here at home in connection with various vital and important programs, programs which are constructive in character, programs involving projects that are badly needed, and projects which, if and when constructed, would add materially to the economic strength of this Nation.

In the ECA program there are many similar projects, which are of no more importance to the rehabilitation of Europe and particularly of the participating countries than are these projects here at home to the expanding economy and needs of our own domestic program.

Mr. President, we are in the position here now of having made a sacrifice, of having called upon our people to make a

sacrifice, of having called upon the Government, in exacting a sacrifice from it in the normal programs which we would carry out; yet, the vote yesterday indicated we are unwilling to make the same cut in substantially the same program abroad.

The purpose of this amendment is to give the Senate one more chance to say whether it will make any cut whatever in the program abroad. This amendment simply would reduce it 5 percent. Are Senators willing to go along with that, or do we want to let the record stand and the bill be enacted into law in its present inequitable condition, with a 10 percent reduction in our country, with our people making all the sacrifice in the war effort, and not exacting the same sacrifice on the part of others whom we are undertaking to assist?

Mr. President, I cannot feel that I have done my duty in the position I occupy, my duty to my country and to my people and to the taxpayers of this Nation, if I vote to appropriate money abroad in this time of crisis for projects of the same character as those that we are curtailing at home. This will save about $135,000,000. Is that too much to ask? Is that too great a sacrifice to call upon the European countries to make? Is that going to wreck the war program? Is that going to wreck a reconstruction program? No, it will not. But in the course of the days ahead, which may be very dark and trying, not only for this Nation but for all the people of the world, we had better be a bit conservative, notwithstanding how worthy a program might be. Mr. President, we had better begin now—that is the purpose of this amendment, to begin now—to make some cuts where they can be made and where they will do equity and justice to the people of this Nation.

It is in our own self-interest to do this. We owe it to ourselves to do it. We owe it to those people over there who may need weapons more than they are going to need a pig trail down in Siberia or somewhere else before this war is over. We had better begin conserving and concentrating where our power is most needed. I hope the Senate will accept this amendment and will let us make this very small cut in this program abroad.

Mr. RUSSELL. Mr. President, will the Senator from Arkansas yield?

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. LODGE. Mr. President, I dislike to disagree with the able Senator from Arkansas, for whose judgment I have great regard and with whom I am often in accord. But I feel impelled to rise and oppose this amendment. I feel that the distinction which he seeks to draw between the people "over there" and the people "over here" is a false distinction. In my judgment, everything that we spend for ECA we spend for our own good, and, since the outbreak of the war in Korea, we spend it for our own security. The utterly necessary foundation for any kind of military effort is a sound political structure and a sound economic structure, and the maintenance of ECA is absolutely basic toward the building of an armed force in Europe that will have real defensive value.

As I understand, the amount for ECA has already been reduced from a budget estimate of $3,100,000,000 to a figure of $2,450,000,000, which is a total reduction of $650,000,000. I feel it would have a bad moral effect abroad if we were further to reduce this amount. I feel it would weaken and slow up the attempt to build a strong armed force over there, and if there is one thing that is utterly pressing and that deserves the highest priority and the greatest amount of speed we can give to it, it is the building of forces in Europe which are capable of resisting aggression. Such forces, as a practical matter, do not exist today. Therefore, I hope very much that this amendment will be defeated.

Mr. TYDINGS. Mr. President, I want to associate myself with the general thoughts expressed by the Senator from Massachusetts. It may not appear to be so, but this appropriation is a military appropriation. It is the equivalent of offering money to the participating countries to help increase their armament, and in so doing, to help increase the total resistance to Russian aggression, if, as, and when it comes.

No military machine is any stronger than the economic machine which supports it. If this country does not have a dynamic economy it cannot possibly evolve the taxes with which to pay for the huge military establishment which many of us at this critical hour in world affairs think is essential. To take away the productivity of America, to take away her ability to create wealth, to take away her great industrial turn-over, is to take away revenues from the Treasury; and when the revenues are taken away from the Treasury, it is necessary then to cut down each military appropriation.

The situation in Europe is this: Most of the countries of western Europe were occupied for 4½ years by a foreign foe. Their bridges were destroyed, their factories were ruined, the machinery in their plants was taken away, their harbors were full of sunken ships, their railroads were torn up by mines, their freight cars and passenger cars were destroyed, and so forth. Obviously, until they can be rehabilitated and a vital economy restored, these countries cannot produce the tax revenues to support military establishment. If we cut down this appropriation I predict that we shall have to replace it with more arms to Europe and meet ourselves coming back.

I commend the able Senator from Arkansas for his fine effort in trying to reduce nonessential expenditures of our own Government at this time, but I believe in this particular case it is not sound economy.

Mr. President, I think I have 2 minutes remaining.

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. TYDINGS. Furthermore, I desire to reemphasize the fact that, in my judgment, the countries of western Europe, because of the impact of the recent war upon them, cannot perform the military role which we are assuming they are going to perform. They are yet too weak to do it. That is the reason we are helping them. If they are not quickly in a position to do it, and to do it with expedition and thoroughness, we must spend more for the protection of ourselves.

I am supporting the appropriation through self-interest, for the defense of the United States, for the defense of the great reservoir of liberty and industrial might without which we shall stand all alone, surrounded, in a Communist-dominated world.

I hope the amendment to cut the appropriation 5 percent will not prevail.

Mr. JOHNSTON of South Carolina. Mr. President, I want to lend what little aid I can in the form of votes and otherwise to the Senator from Arkansas who offered this amendment.

The amendment cuts only 5 percent. We have already cut the home folks 10 percent. We say to the people of Europe, "We shall not cut you 10 percent, but only 5 percent, although we are cutting the people of America 10 percent."

So far as I am concerned, I want the people of the world to know that I do not believe we can buy their friendship with money. We shall find that out in a very few short years. For that reason, Mr. President, I am not in favor of pouring money over there and running a deficit in America. I think the sooner we tell them that, the better it will be for us in the long run.

That is my position, Mr. President, and I have taken that position all along with regard to ECA. If we had the money without running a further deficit, I would not mind sending it over there, but, so far as I am concerned, I shall continue to vote to cut ECA appropriations until the budget is balanced.

Mr. ROBERTSON obtained the floor.

Mr. FLANDERS. Mr. President, I wonder if the Senator from Virginia would yield to me, because I am overdue at a committee meeting. I ask unanimous consent that the Senator from Virginia may yield to me without losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FLANDERS. Mr. President, I desire to express, in 2 minutes, my reasons for voting against the amendment. We are spending billions of dollars and adding new billions to our expenditures for containing militarily or restraining communism. Our most successful operation up to this time has been the ECA. It has saved France, it has saved Italy, and I am for continuing the most successful operation we have inaugurated in this particular undertaking. It would be the part of folly to cut down on its successful operation while we spend money on operations which have not yet proved their worth.

Mr. ROBERTSON. Mr. President, I have frequently said, and I now repeat, that unless the ECA program contributes to our security through the development in western Europe of allies ready, able, and willing to stand with us against Communist aggression, it has no validity, and the whole program should be ended. It should not be cut 5 percent or 10 percent,

but should be wiped out. We have not cut the security of our own people 10 percent. On the contrary, we are proposing to add ten and one-half billion dollars to our domestic budget, to increase our defense equipment, and to protect our people.

As the Senator from Maryland suggested, the British leaders on yesterday advocated asking Parliament to increase their defense spending over a period of 3 years by the sum of $10,000,000,000. That is a large amount for a small country which has not yet recovered from a terrific war effort.

Mr. President, in this appropriation there are no programs to build pig trails. Paul Hoffman is an able and successful businessman. I think he has been the best Administrator of a large and difficult program I have known in the 18 years in which I have been in the Congress. He believes as much as I do in economy, and I believe in economy as much as does the distinguished Senator from Arkansas. I think I have demonstrated that fact in connection with this bill in the committee. I voted for more cuts in the committee than were adopted by the committee. I have voted for only one addition to the bill since it has been before the Senate, and that was for ECA, to bring the appropriation back to the figure to which 13 out of 17 members had agreed.

Mr. President, if we had enough men, enough arms, and everything else to stand alone in this world where communism now controls the lives and the destinies of more than a billion persons, we could forget about western Europe; we could forget about many things we are now doing abroad. But we do not have those things, and we need allies. Norway, Denmark, and Sweden love their liberty, and they will stand with us. The people of Great Britain love their liberty, and they will stand with us. I hope that all nations under the program will stand with us. As has been pointed out, but for ECA we would have already lost both Italy and France.

So, Mr. President, I hope very much that this essential defense program will not be cut in a way that will cripple its usefulness.

Mr. THYE. Mr. President, much as I should like to join the distinguished Senator from Arkansas, who is sincere in his desires to economize, and much as I should like to join him in the proposed 5 percent reduction in ECA appropriations, I cannot do so. We have cut the home folks, quoting almost verbatim the words of the able Senator from Arkansas, on some recommendations for domestic appropriations, but so far as the military is concerned, we are now considering increasing the appropriation by $14,000,000,000. That is only the beginning, in order to meet the crisis in Korea. In western Europe we want to avoid a crisis comparable to that in Korea. If one should develop, we might have to appropriate several times $14,000,000,000.

Mr. President, I was privileged for a matter of a few days to look at the situations of some of the economies in western Europe. I was greatly impressed with what was being achieved through ECA funds in increasing the morale of the people and putting them in a state of mind to determine to fight communism in government, and to rebuild their economies. When we were in Norway, even though that country was compelled to ration food and even children's hose—they were under rigid rationing—yet they almost prayed in thankfulness to the Americans because, through the ECA, they were able to rebuild their fishing fleet. It was ECA which was bringing the economy of Norway back. I could speak about the agricultural economy of France and Italy. I wish I could paint a word picture showing the groups of farmers improving their agricultural operations through the assistance of agriculturalists in the ECA. I could give the Senate a very beautiful picture if I had the time.

Mr. ROBERTSON. Mr. President, is it not true that the Scandinavian countries are now measurably——

Mr. THYE. I should like to yield to my good friend from Virginia, but I am speaking under a 5-minute limitation, and therefore I cannot yield.

Mr. President, those of us who sat with the ECA officials in Italy were given an explanation of what they were doing in reclamation. Here was a country that was unable to feed its many people. They showed us what they were doing with the reclamation projects which they had under way at that time. We came away feeling that we could probably bring back to the economy of Italy order and a satisfied people instead of confusion and the inroads that communism had made on the very Government of Italy. I realize that I cannot take any more time to speak on this subject of what has been achieved through ECA. However, if we are to appropriate many billions of dollars to meet communism, as we are doing in the Pacific and were we compelled to do in western Europe, what we are doing in the South Pacific, we would have to appropriate much more than we are appropriating for ECA.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

CUT THE ECA BUDGET AND ADD IT TO THE WAR CHEST

Mr. MALONE. Mr. President, I join the senior Senator from Arkansas in his amendment. It is a well-known fact that the 16 Marshall-plan countries are on an average of 120 percent recovered over the 1937–38 index, and that they have not recovered at a greater rate from 1948 to 1950 than they did from 1946 to 1948 when no Marshall plan or ECA was in existence.

It is a well-known fact that the 16 Marshall-plan countries have at least 96 trade treaties with Russia and iron-curtain countries, under which they ship everything that Russia needs to consolidate its gains in eastern Europe and China and to fight world war III with us. They are still doing it. They have never stopped. This money would go the same route.

It is also well known that England and France each have nonaggression pacts with Russia that startlingly resemble the Atlantic Pact. Under the treaties both England and France are bound to help Russia and Russia is bound to help them. They agree not to join any pact that would interfere with such help. Mr. President, they cannot be on both sides.

Mr. President, it is impossible to build a peacetime industry and wartime industry at the same time. What are we doing? Next week we shall take up consideration of laws to put rationing and price controls into effect and stop all building for peacetime projects, and start on a wartime basis. What are we talking about, Mr. President? It is well known that reclamation and other peacetime projects are being constructed in the European area under the ECA while we are stopping many of our own. Are we to build up Europe for peacetime?

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MALONE. I should like to finish the sentence first, and then I shall be happy to yield to the Senator from Arkansas. News dispatches today carried England's challenge that if the United States would furnish England with $10,000,000,000 they would be happy to furnish the countries of Europe with all the arms they needed All they wanted was full financing with a profit.

I am happy to yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, did the Senator read in yesterday's Washington Star an editorial on what France has furnished to help us in the Korean war?

Mr. MALONE. They have furnished us a resolution.

Mr. McCLELLAN. They have furnished in this war effort one sloop. That is how much help we are getting from France. I wonder if the Senator believes that the treaty which France has with Russia may have something to do with their not being more enthusiastic about giving us help in this crisis.

Mr. MALONE. They have a separate formal nonaggression pact with this nation and with Russia. I do not believe it builds up any enthusiasm to help us—they can remain neutral or go with either the United States or Russia when the showdown comes.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MALONE. If I have time at the end of my remarks I shall be very happy to yield to the Senator from Florida. Mr. President, if we could have the entire ECA budget, as the Senator from Nevada has suggested in debate a number of times, added to the war budget, we could really accomplish something. Mr. President, if we could do that, we could really arm ourselves. We are not armed. We should be able to take 500 tanks in airplanes and set them down in Korea in 48 hours. If we had the airplanes and tanks we had in World War II we could do it.

We are not ready. In other words, when the President's Committee on Air Affairs and the Congressional Committee on Air Affairs reported late in 1947 that it would take $17,000,000,000 over a 5-year period to manufacture for this country a 35,000-plane striking force, and that was sufficient to stop an aggressor, what happened to the report? Mr. President, it is still buried.

The junior Senator from Nevada, on the floor of the Senate at that time, asked that the ECA money be devoted to this building program if the Armed Services Committee upon investigation found it to be feasible. What would have happened if we had had a 35,000-plane striking force at this moment, or even half of it? Mr. President, the war in Korea would have been won before it was started. Russia would not have urged the North Koreans to move.

In addition and in closing I simply want to call attention again, as I have on many occasions, that all real authorities in military affairs agree that it is not possible to arm Europe so it can defend itself or so we can defend Europe against Russia in an all-out war under a cost of between fifty and one hundred billion dollars.

Mr. President, anything less will simply fall into the hands of the Russians when they start to move.

Mr. President, that has happened in Korea—it happened in China—and it is about time we determined where we are going.

So we are planting these supplies to be taken over when the Russians start to move. It does not make sense for us to continue to build industrial plants in nations that never have been on either side in wartime. The Low Countries of Sweden and Norway never have been, and there is no evidence that they ever will be. The controlling parties, the labor parties, in France and England have said time and time again that in case of trouble between the United States and Russia they would not take sides and they would not fight for us.

Mr. President, Bevin and Wilson early in 1948 said, "We want to be neutral. We want to be the bridgehead between Soviet Russia and capitalistic America. We want to trade with Russia." The junior Senator from Nevada put a trade treaty into the RECORD at that time—on March 4, 1948. The first item in it was 1,100 locomotives, and it went on from there to include the products necessary to consolidate their gains in eastern Europe and China and to fight world war III with us.

The PRESIDING OFFICER. The Chair advises the Senator from Nevada that his time has expired.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. TAFT was excused from attendance on the session of the Senate for the remainder of today.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Arkansas [Mr. MCCLELLAN].

Mr. FERGUSON. Mr. President, I spoke a few days ago on the proposed 10-percent cut in appropriations and I urged the inclusion of ECA funds in that cut. I want to speak today in behalf of a 5-percent cut in ECA appropriations, since the Senate has voted not to apply the 10-percent cut.

In doing so I wish to bring certain figures to the attention of the Senate which are important as revealing the history of this appropriation. I hope they will clarify the record on the questions of whether this item can be cut without serious damage, and whether it has already been subjected to a percentage cut.

In his budget message the President requested $3,100,000,000 for ECA, which included $2,950,000,000 in new money and an estimated carryover of $150,000,000. The Congress authorized $2,700,000,000 in new money and that authorization was again premised on an expected carryover of $150,000,000, so what Congress apparently expected could be spent as a maximum was a sum of $2,850,000,000. Subsequently, it developed that the carryover was in fact $277,000,000 rather than $150,000,000.

On the basis of the authorization a revised budget estimate was submitted, for $2,657,00,000, or just under the authorized total. It was on this figure that the Senate committee acted. Combined with the actual carry-over of $277,000,000 it totaled $2,934,000,000 or almost $100,000,000 more than Congress must have had in mind for 1951 expenditures when it placed the authorization for new money at $2,700,000,000.

The Senate Appropriations Committee voted to reduce the request for new money from $2,657,000,000 to $2,450,000,000, and then by a vote of 11 to 10 applied a 10-percent reduction to the budget estimate, which resulted in a figure of $2,392,000,000 that was initially reported to the Senate. Immediately thereafter, upon the motion of the Senator from Arizona [Mr. HAYDEN], the budget figure less 10 percent as reported from the committee was increased on the floor by $58,000,000. That restoration took the total back to $2,450,000,000, which had been the last action of the committee prior to its voting a 10-percent cut.

So much for the history of this appropriation item. Mr. President, it is now our foremost responsibility to consider the welfare of this Nation's economy. I submit that the added pressure upon our price structure being generated by $16,640,000,000 in emergency spending requests—$10,500,000,000 for domestic rearmament, plus an additional $4,000,000,000 for foreign arms aid, plus some other increases—is most definitely and most terrifyingly threatening to cause America to abandon her republican principle of operating in a free economy.

Let us call this an expenditure for war for the moment, though it is also a domestic expenditure. By the pressure of expenditures such as this we are being compelled to adopt the very principles of economic regimentation which Russia has had to adopt and which characterize her system.

Think of that, Mr. President. Poland will be told, and Czechoslovakia will be told, that America can function only by adopting controls very similar to those which must be adopted under the Russian system of government. Why is that? It is because our free economic system is threatening to expire under pressure from expenditures such as that under consideration.

We talk about selling democracy abroad. Are we selling our free institutions abroad when we subject them to such pressures that they must be converted to the very system we hope our friends abroad will oppose?

As I said the other day, and I repeat, I know the people of Europe will understand that America must be sound in her economy, as well as that Europe must be sound in her economy, if we all together are going to prepare for war.

Mr. President, I call the attention of the Senate to the letter written by Mr. Foster, the Acting Administrator for ECA, to the Senator from New Jersey [Mr. SMITH], in which it is said that he recognizes much of the expenditure under this appropriation is based on purely peacetime considerations, and that therefore the ECA is going to review them. I ask the Senate whether in that kind of review, if it is a real review, they cannot accept a reduction of only 5 percent as is proposed here at this time.

The Senate went on record yesterday, by a vote of 55 to 31, in favor of reducing certain nondefense domestic expenditures by 10 percent. In view of that determination regarding domestic expenditures, why cannot the expenditures for this particular appropriation be cut at least 5 percent? That is the question facing the Senate today.

Mr. President, we simply must consider the economic condition of America. The foreign nations must consider theirs, and we must work as a team to defeat communism.

The reduction in expenditures we are in a position to make by this amendment has far-reaching importance, not only in principle but in substance. I therefore shall vote for the 5-percent reduction in these funds, as proposed.

Mr. CORDON. Mr. President, I rise in support of the amendment offered by the Senator from Arkansas.

It is not at all difficult to make wild statements. Unless one is compelled to document what he says, he may let his fancy roam where it will. It is very easy to substitute emotion for judgment.

Mr. President, I wish with fact to appeal to reason, to justice, and, at the same time, temper justice with mercy, in considering the ECA cut. I have no quarrel with the principles of ECA, but this country faces a continuing mounting deficit. This country does not have the money with which to pay its current bills. It cannot get the money with which to pay its current bills.

Mr. President, this country has been going into debt year by year to furnish the money with which to retire the debts of some of the ECA countries. Let us get at the facts for the moment. The total of funds up to now furnished ECA countries is, roughly, $10,000,000,000. Of that amount, $6,600,000,000 went to the countries with which to purchase certain goods, materials, and supplies, not for the nation's use but for the purpose of resale to their own citizens. And I do not mean gifts; I mean resales.

When they resold to their citizens, they received their own currency to the full value, including ocean freight—much of which, incidentally, they paid to their own shipowners.

Mr. President, that means that two-thirds of all of the so-called relief with ECA money has gone to purchase goods in this country for private citizens in the ECA countries. That has been a good thing, but the point is that that two-thirds has been resold by those nations to their own citizens for those citizens' own efforts in private industry.

What has happened with the $6,600,000,000 which the countries have received from their own citizens in their own currencies, the so-called counterpart funds? Let us take a look at it. Senators will hear some familiar descriptive words as I go down the list.

First, the United States has said to the particular country, "You may spend so much of the counterpart fund." Then of the $6,600,000,000 there has been approved for withdrawal $4,155,000,000, in their currencies, of course. Now, get this. Of that amount $1,114,000,000 has been used by those countries for the retirement of their national debts. The national debts of the whole of them is but a fraction of the national debt of the United States. While we were furnishing the money to retire their debts, we were adding that amount to our own debt. We have not been too niggardly.

What has happened to the balance? Follow me. The nations are spending this money—and this money they got from their own people, understand that—for agriculture, $319,000,000, for the promotion of agricultural production.

The PRESIDING OFFICER. The Chair advises the Senator that his time has expired.

Mr. ECTON. Mr. President, I desire to join the very able Senator from Arkansas in the amendment he has offered, which should be adopted unanimously by the Senate. I have always supported the ECA since its inception. I recognize the good it has accomplished throughout the various countries affected. I realize that the Marshall plan was undertaken largely, if not primarily, in our own self-interest. But yesterday the Senate voted to cut 10 percent off all the other appropriations in the bill, and we exempted the ECA fund.

We hear much about people and nations trying to save face throughout the world. The ECA fund should be cut this afternoon 5 percent in order that the Senate may save its face. We have cut all the appropriations pertaining to our domestic projects and the departments of Government in our own country. Thousands of people will be thrown out of jobs. I have already received letters and telegrams which say, "You are willing to cut out a lot of things in this country, but you won't cut out anything that goes to the rest of the world."

I think it is imperative that the Senate adopt the amendment offered by the distinguished Senator from Arkansas. After all we are appropriating the people's money. It is not our money. We are the trustees for the people. In fact, the people do not have any money in the Federal Treasury for us to appropriate. All we can do is to mortgage their future and place an indebtedness upon their children and their grandchildren. I think it behooves all of us to recognize that fact and to realize the tremendous indebtedness which is hanging over the United States. I do not believe the ECA program would be materially curtailed by adoption of the amendment.

Mr. President, yesterday I voted to cut the ECA program 10 percent so as to treat all the various appropriations the same. I think the American people expect us to be just as good to them here at home as we are to the people throughout the rest of the world. I expect to vote for the amendment of the Senator from Arkansas.

Mr. FERGUSON. Mr. President, I ask unanimous consent that the Senator from Oregon [Mr. CORDON] may have 5 minutes more to address the Senate.

The PRESIDING OFFICER. The Senator from Michigan has asked unanimous consent that the Senator from Oregon be permitted to speak for 5 minutes more.

Mr. FERGUSON. I may add that I make the request so the Senator from Oregon may complete the figures he was presenting when his time expired, so the RECORD may be complete.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. LUCAS. Reserving the right to object, I wish to say that if we begin the practice of extending time for 5 minutes here and 5 minutes there, I do not know where we will land. Yesterday I tried to secure 10 minutes to place important matter in the RECORD, and my request was objected to. I am not going to object at this time, but I advise the Senate that if any other Senator, whether he be Democrat or Republican, makes a similar request, I shall object. We are trying to complete action on the bill today. I certainly hope we can do so. I am now sorry we did not continue in session last night.

Mr. FERGUSON. Mr. President, I withdraw my request. I understand the Senator from Nebraska [Mr. WHERRY] will put the matter I referred to in the RECORD.

The PRESIDING OFFICER. The Senator from Michigan withdraws his unanimous-consent request.

Mr. WHERRY. Mr. President, the Senator from Oregon [Mr. CORDON] was placing certain figures in the RECORD when his time expired. He was speaking of ECA approvals for withdrawal of European counterpart funds and actual withdrawals, cumulative, through May 31, 1950. The distinguished Senator from Oregon, when referring to promotion of reduction, gave the figure for agriculture of $319,800,000; land reclamation, $94,300,000; forestry, $3,000,000. Other agricultural programs, $222,500,000.

Then he gave a total figure of $365,800,000 for extractive industries, $361,600,000 being for coal mining, and $4,200,000 being for metal mining.

The total figure for manufacturing is $227,600,000. Included are the following subjects: Primary metals; machinery; petroleum and coal products; basic textiles; chemicals, except fertilizer; food products, manufacturing; fertilizer; pulp, paper, and paper products; stone, clay, and glass products; rubber and rubber products; lumber and sawmill products; miscellaneous manufactures. The total being $227,600,000.

Then follow transportation, communication, and utilities, including electric, gas, and power facilities; railroad; merchant and fishing fleet; waterways and harbors; roads; communication facilities; water systems; a total of $1,336,600,000.

Mr. President, I ask that the table, giving the purposes which have been approved for withdrawal, and the sums approved for withdrawal, be printed in the RECORD at this point as a part of my remarks. The purpose, as I stated, is to complete the remarks of the distinguished Senator from Oregon.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

ECA approvals for withdrawal of European counterpart funds and actual withdrawals, cumulative through May 31, 1950

[In millions of dollars]

Total	4,155.9
Monetary and financial stabilization	1,114.0
Debt retirement	1,114.0
Promotion of production	2,407.8
Agriculture	319.8
Land reclamation	94.3
Forestry	3.0
Other agricultural programs	222.5
Extractive industries	365.8
Coal mining	361.6
Metal mining	4.2
Manufacturing	227.6
Primary metals	93.9
Machinery	35.7
Petroleum and coal products	16.7
Basic textiles	14.0
Chemicals, except fertilizers	12.7
Food products	10.8
Fertilizer	9.6
Pulp, paper, and paper products	9.6
Stone, clay, and glass products	6.3
Rubber and rubber products	3.0
Lumber and sawmill products	1.5
Miscellaneous manufactures	13.8
Transportation, communication, utilities	1,336.6
Electric, gas, and power facilities	733.1
Railroads	405.4
Merchant and fishing fleet	108.6
Waterways and harbors	32.9
Roads	32.5
Communication facilities	14.7
Water systems	9.4
Deficiency materials	38.1
Loans to commerce and industry (not elsewhere classified)	7.5
Technical assistance	6.9
Undistributed	105.5

Other purposes	634.1
Construction of public buildings and housing facilities	233.8
Housing	219.2
Public buildings	14.6
Special relief projects	130.9
Care of refugees and miscellaneous social services	110.0
Health and sanitation	12.2
Transportation of relief packages	8.7
Payments to German exporters	150.0
Tourism	8.9
Undistributed	110.5

Mr. WHERRY. Mr. President, I did not intend to speak on the proposed 5-percent cut. I am quite satisfied the Senate knows how I feel about cutting the appropriations, not only for purposes at home, but for purposes abroad. I said yesterday and I say today, I cannot see how in the world any Member of the Senate can refuse to cut appropriations for projects abroad when he is willing to cut appropriations for identical projects at home. I do not think any contrary position is tenable.

The distinguished chairman of the Armed Services Committee made a statement a moment ago to the effect that the appropriations for foreign projects can be justified on a military basis. It seems every time we turn around we find a proposal for appropriation of money which is justified on a military basis.

Mr. President, yesterday I stated that the total appropriations contained in the bill before us, plus the $10,500,000,000 since asked for and the $4,000,000,000 we are about to appropriate, not considering the supplemental appropriations or the deficiency appropriations, will reach a grand total of $51,000,000,000. When we try to cut appropriations for projects in foreign countries we are told "Oh, you cannot touch them." Finally, by cutting projects here at home, mostly in connection with civil functions and the Department of the Interior, we arrived at a total cut of $552,000,000, that sum to be taken from an appropriation of $51,000,000,000. That is the best we could do.

Now we are asked by the Senator from Arkansas to adopt his amendment—and I wish to associate myself with his very able remarks—which represents an attempt to cut 5 percent in the total ECA appropriations carried in the bill. The total appropriations for ECA are $2,450,000,000. The 5-percent cut would mean $122,500,000.

Mr. President, in answer to the distinguished Senator from Maryland that these are military appropriations, I submit the figures and the facts which were presented by the Senator from Oregon.

I want to present only one more fact, because my time is drawing short. I read from a Department of State release dated July 21, 1950, weeks after the Korean war began:

A "more concentrated drive" for the economic development of dependent overseas territories of western European countries is advocated by John E. Orchard, retiring Marshall plan adviser on territorial development.

* * * * *

During the past year, he said, France has received $3,106,000 for road development in the Cameroons, French West Africa and French Equatorial Africa; and for equipment for mining iron ore in French Guinea. It also received assistance for a soil erosion program in Algeria and for a rice cultivation project in Morocco.

Mr. President, I ask unanimous consent that the matter set forth on page 4 of the release be printed at this point in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

ECONOMIC IMPORTANCE OF EUROPE'S OVERSEAS AREAS CITED

ECA

A more concentrated drive for the economic development of dependent overseas territories of western European countries is advocated by John E. Orchard, retiring Marshall plan adviser on territorial development.

Dr. Orchard, who is returning to the faculty of Columbia University, pointed out that the territorial development work, an integral part of the European recovery program, stimulates the flow of commodities from dependent territories to Europe and thus decreases the European need to buy dollar area goods. At the same time, he added, the dependent territories are aided in producing dollar-earning goods to compete in the world market.

Progress of project reviewed

"During the fiscal year 1949–50," he said, "ECA has approved expenditures for specific development projects totaling between seven and eight million dollars from a reserve established for that purpose. These expenditures are a part of the ECA effort to push a program of development in the overseas territories which can make an important contribution to the economic recovery of western Europe and to the improvement of the standard of living of the peoples within the territories."

Progress has been considerable, Dr. Orchard said.

"However," he warned, "the Marshall plan countries, with their many commitments in Europe, are pushing their overseas investment programs about as far as their own restricted financial resources will permit. In the earlier months of the Marshall plan the limiting factor in economic development was dollar exchange for obtaining essential equipment. With industrial recovery in Europe more and more of this equipment is becoming available within the participating countries and the great need now for any expanded program of development is additional financing."

Development fund being increased

During the past year, he said, France has received $3,106,000 for road development in the Cameroons, French West Africa, and French Equatorial Africa, and for equipment for mining iron ore in French Guinea. It also received assistance for a soil-erosion program in Algeria and for a rice cultivation project in Morocco.

British territories in Africa, the West Indies, and southeast Asia have been granted $1,235,000 for road development and for agriculture. The Belgian Congo has received a loan of $1,718,000 for road-building equipment and $60,000 for technical assistance as part of the 10-year development program for that area.

Dr. Orchard pointed out that these dollar costs represented less than 10 percent of the total estimated costs of the projects, the balance being provided from local or European sources.

To expand its program ECA is increasing its special development reserve fund to $45,000,000 for the fiscal year 1950-51.

Mr. AIKEN. Mr. President, according to the news dispatches the President has within the hour requested an additional $1,155,000,000 for arms purposes, about $900,000,000 of it to be spent for naval planes. This addition to the requests already made for military purposes will bring the requests for national defense purposes for this year alone up to an amount in excess of $25,000,000,000. The amount which is under consideration in the amendment of the Senator from Arkansas [Mr. MCCLELLAN] I understand is approximately $135,000,000.

Mr. President, the end of World War II found the countries of western Europe impoverished, discouraged, and their morale at the breaking point. They were ripe for the Communist harvest at that time. The United States had the choice of either helping to restore the economy of the countries of western Europe and thereby bolstering their morale and courage as well, or of letting them fall and having to maintain a completely militarized North America, which we would have had to do had these western European countries not recovered. In my opinion, we made the right choice. We helped the countries of western Europe to recover in their economy. If they have recovered beyond the prewar point, I am glad of that. I doubt if many of them have, however. And we have not had to militarize our own country. If we did have to do this we could lose our liberty here at home almost as completely as if we were invaded by the troops of a foreign nation.

Since we undertook to restore the economy of western Europe and to help the people there back on their feet, where we wanted them to be, we have spent in that undertaking about $10,000,000,000, according to one of the speakers on the floor this afternoon. That $10,000,000,000, Mr. President, would probably pay the expense of the United States in another world war for a period of between 2 and 3 weeks.

I think we have proved conclusively that it is cheaper for us to maintain strong economies in countries of western Europe than it is to have another Korea all over western Europe. The $10,000,000,000 we have spent there has not been money thrown down the drain. It not only has added greatly to our national security, but a large part of it has been returned to us in the form of increased business. I do not know how many billions of the $10,000,000,000 has been spent in America for goods and services, but it is safe to say that a good share of it has, and that the ECA program has been largely responsible for maintaining the American economy itself at such a high level during the recent years. I am satisfied we would have had a far greater recession than we had in 1949 had it not been for the ECA program.

Here we are quibbling over $135,000,000 which we have already planned in connection with working out the program for the recovery of western Europe. Certainly it is worth $135,000,000 for us to have friends at a time like this. I do not wish to imply that we are attempting to buy friendship; of course we are bound to them by much closer ties than the selfish interest of our own national security.

Mr. President, the first two months of the Korean war have resulted in re-

quests for approximately $12,000,000,000 for additional appropriations by the Congress. Therefore, it seems to me that we would be most unwise to jeopardize in any way the program for the recovery of western Europe, which we have planned, by making a reduction of $135,000,000 in the total amount planned for that purpose. I do not say such a reduction cannot be made; if it can be made, I am sure the administrators of ECA will do it. It may be that the war itself will result in a further recovery of the western European economy. If that is the case, I am confident that Mr. Hoffman will see to it that all of the money provided for ECA is not spent, if some of it can be used to better advantage in another way.

So, Mr. President, let us carry out our program for the recovery of western Europe as we have planned it, because by so doing we shall achieve a greater security, as well as an actual saving in expenses, over the long run.

Mr. HUMPHREY. Mr. President, I believe it was the Senator from Oregon who said that during the heat of discussion there are times when one's emotions get the better of one's knowledge of the facts and of the statistical evidence. In the last few moments we have seen such a demonstration, Mr. President, when emotion got the better of the facts.

For example, it has been stated here on the floor of the Senate that in our conflict with the Communist aggressors—and of course the statement was made with particular reference to the situation now existing in Korea—the French Government has contributed only one sloop. However, Mr. President, I think it important to note that the struggle with the Communist forces not only is occurring in Korea, but is worldwide in scope. Today there is military combat in Korea, but there are other places where the struggle against the Communist forces is also being carried on, although not by means of military combat.

Another country which must be considered in that connection is Indochina, to which we have pledged military and technical assistance. In that country the French Republic has 150,000 soldiers, who for more than 3 years have been fighting the Communist guerrillas.

So, Mr. President, I think we must keep in mind that while the French do not have troops in Korea this does not mean that French soldiers are not fighting for freedom. They are fighting for freedom in Indochina.

Further in this connection, Mr. President, let me remind the Senate that in World War I, the people of Belgium gave many more lives than we did; and in World War II the people of Belgium held out against the juggernaut of nazism for more than 18 days in the effort to save western civilization.

Mr. President, now let me make a few observations in regard to the ECA. I wish to concur in the remarks made by several Senators, including the Senator from Massachusetts, the Senator from Vermont, and my colleague, the Senator from Minnesota. We now find that there is a proposal to make a reduction in the funds for ECA, and that attempt is made on the ground that ECA is successful. Mr. President, I have never heard such so-called logic. Here we have a program which everyone, with but few exceptions, admits has performed miracles in the rehabilitation of western Europe; but now we are told that we must cut the funds for that program by 5 percent because we are engaged in a war. Nevertheless, one of the reasons why ECA was established in the first place was that if we ever got into a war, we would have allies who would have the strength to help us in the fight. However, now it is claimed that because the ECA has been doing a good job, inasmuch as now we are engaged in a war, we should reduce the funds available to ECA. Mr. President, such a proposal does not make sense.

Let me point out that those who today are advocating cutting the appropriations for ECA because of the Korean situation, were advocating reduction of ECA funds before we ever talked about Korea. With very few exceptions, the same Senators who are making the present request are the ones who in the past have requested reductions of $500,000,000 or $150,000,000 or $250,000,000 in the funds available to ECA. The present request to reduce the ECA's funds is made despite the evidence, presented to us by the chairman of the Foreign Relations Committee, that the Administrator of ECA has done one of the most remarkable jobs ever performed in administrative affairs in our Government. So the proposal to reduce the ECA's funds is entirely illogical.

Mr. President, let me remind the Senate that the present situation involves not only a war of arms, but also a conflict of economies and politics. There seems to be a belief that the only way to combat the Communists is with airplanes, tanks, and soldiers. Of course, Mr. President, that is the way to combat them on a battlefield; but it is through the ECA, through the Voice of America, through the United Nations, and through the point 4 program that we stop communism before we reach the point of having to fight and, perhaps, die on the battlefield in stopping communism.

Apparently there are too many persons in the United States Senate who believe that the only way to stop communism is by the death and slaughter of thousands and thousands of American boys and American women. I would rather be guilty of overappropriating for ECA, because the ECA program has proven again and again that it is doing this job, and is doing it well.

The junior Senator from Nebraska has talked about the various colonial territories of the European nations and the fact that some of the funds appropriated for ECA are proposed to be used for roads in French Equatorial Africa or in British Honduras. I would remind the Senator from Nebraska that those territories produce commodities which are vital to us, for they produce rubber, uranium, and many other commodities.

The PRESIDING OFFICER. The Senator's time has expired.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. YOUNG was excused from attendance on the sessions of the Senate for the remainder of today and all of next week.

GENERAL APPROPRIATIONS, 1951

The Senate resumed the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

Mr. LANGER. Mr. President, I have been quite interested in the last three or four speeches, particularly those made by the Senator from Vermont [Mr. AIKEN] and the Senator from Minnesota [Mr. HUMPHREY]. They are so typical of what we heard in 1932. O Mr. President, what this Democratic Party was going to do at that time for "the lower third." A new millennium was coming, Mr. President, so we were told and told and told time and time and time again and again and again.

But what have the Democrats done? They have accomplished just as much in that respect as they have accomplished with the so-called Marshall plan—in other words, they have accomplished nothing—as compared with the misery, want, suffering here.

I am proud of the fact that I voted against every single dollar requested for ECA, every time that question has been before us.

Mr. President, to prove my statement that the Democratic Party has accomplished absolutely nothing for "the lower third," I wish to produce the evidence presented by certain Democrats themselves. The Democrats, who now have been in power for 18 years in this Government, have recently organized a so-called Public Affairs Institute, composed of 66 men and women. Who are those 66, Mr. President? Let me read their names: A. F. Whitney, Ohio; Morris L. Cooke, Pennsylvania; Morris L. Ernst, New York; John M. Carmody, Washington, D. C.; Theodore J. Kreps, California; James G. Patton, Colorado; Abe Fortas, Washington, D. C.; Alvin Johnson, New York; John Franklin Carter, Washington, D. C.; Fowler Harper, Connecticut; Morris S. Rosenthal, New York; Hubert Humphrey, Minnesota; Thurman Arnold, Wyoming; Chester Bowles, Connecticut; J. Frank Burke, California; Hugh B. Mitchell, Washington; Bryn J. Hovde, New York; Charles A. Murray, Montana; Harry W. Schacter, Kentucky; Paul S. Taylor, California; Cass Canfield, New York; Jerome I. Udell, New York; Wendell Berge, Washington, D. C.; Joseph Borkin, Washington, D. C.; Robert A. Brady, California; Edmund G. Brown, California; Stuart Chase, Connecticut; Clifford E. Clinton, California; John M. Coffee, Washington; Mabel C. Costigan, Colorado; Paul A. Dodd, California; Clifford J. Durr, Virginia; Thomas I. Emerson, Connecticut; William T. Evjue, Wisconsin; John Anson Ford, California; Morris E. Garnsey, Colorado; Harry Girvetz, California; Shirley E. Greene, Indiana; Alvin H. Hansen, Massachusetts; Charles M.

Hardin, Illinois; Leon Henderson, Washington, D. C.; William S. Hopkins, Washington; Thomas B. Keehn, Washington, D. C.; Elizabeth T. Kent, California; Freda Kirchway, New York; Harold D. Laswell, Connecticut; William M. Leiserson, Maryland; Walter C. Lowdermilk, California; Myres S. McDougal, Connecticut; Maury Maverick, Texas; Robert R. Nathan, Washington, D. C.; John R. Nichols, New Mexico; Culbert Olson, California; George Outland, California; Mrs. Gifford Pinchot, Pennsylvania; Langdon W. Post, California; James Roosevelt, California; Mrs. J. D. Ross, Washington; Eugene V. Rostow, Connecticut; Arthur Schlesinger, Jr., Massachusetts; Harry Slattery, South Carolina; George Soule, New York; Jerry Voorhis, Illinois; Aubrey Williams, Alabama; W. Willard Wirtz, Illinois; W. S. Woytinsky, Washington, D. C.

Mr. President, for 18 years the Democrats have had a President in office. This Public Affairs Institute committee has been organized, and it has hired one of the best experts in America. On January 9, 1950, he wrote me a letter, the first paragraph of which I now read:

MY DEAR SENATOR: The startling revelations of the Joint Committee on the Economic Report on the plight of low-income families shocked us all.

Mr. President, I am talking about the record of the Democratic Party. I now hold in my hand the report made by the man hired by the Public Affairs Institute and its committee of sponsors—all Democrats—Mr. Dewey Anderson, executive director. He says:

It is this underprivileged lower third—

The same third, Mr. President, that Roosevelt was going to save. In 1932 he said on the political platform that he would save them; and again, in 1936, he said he was going to save them—save them all over again; and in 1940 he was going to save them, save them, save them all over again; and in 1944 he was going to save them, save them, save them, save them all over and over and over again. Now his son Jim in California, 18 years later, says he is going to save them. Now, the Senator from Minnesota says he is going to save them out in Minnesota. But here is what their executive director, who is an expert, hired by these 66 Democrats has to say after 18 years of saving this one-third.

It is this underprivileged lower third that deserves the special attention of us. Common humanity calls for the alleviation of their poverty-stricken condition.

Mr. President, I will conclude by saying this: I am going to vote for this 5 percent cut, because I would rather help those poor, poverty-stricken people who are here, after 18 years of Democratic rule, than to vote to help people in a foreign country, many of whom are in better shape than the one-third here. We need hospitals, schools, and roads to schools, medicines, education, pay for teachers, employment for those who are crippled but wish to work, more and better care of our veterans. Yet, while the plea is that we have no money for our own, we shovel the money out to foreigners, where often the rank and file of the people who need it do not get it.

Mr. LUCAS. Mr. President, the last speech by my friend from North Dakota really rather amazes me. Aside from the bipartisan foreign policy which a number of Democrats and Republicans have been following here for a good many years, my friend from North Dakota has been supporting practically all the Democratic humanitarian measures. Usually when we need a vote on a liberal proposition, we can get him to go along with us. It is a somewhat shocking to find the Senator criticizing the Democratic administration the way he does, because, after all, he is perhaps really more of a Democrat than he is a Republican. There was some talk last year in his home State about his running for the Senate on the Democratic ticket, because he thought so much of the liberal ideas of the Democratic Party. So I am a little surprised that my friend should take the Democratic Party to task, especially when his people in North Dakota, are so much better off today—and he must admit it—than they have been at any other time in the history of North Dakota. In fact, all our citizens are prosperous and happy; that applies to farmers, the laboring men, the businessmen, and to everyone. Everyone has plenty in America.

Mr. President, I should like to say a word with respect to what the Senator from Nebraska has been saying about certain overseas projects. The Senator attempts to prejudice the Senate against some $13,000,000 worth of projects which have been devised by the United Kingdom, Belgium, Netherlands, and Portugal, projects to be financed for overseas development, and yet it will be seen from reading the report that all these projects are for roads or other projects dealing with critical and strategic materials which will be useful in case we get into an armed conflict, or materials that when they finally receive them will add to the economy of their own respective countries. There is only $13,000,000 involved in the entire amount that is being appropriated, according to the program, and yet if one were to listen closely to the argument of my friend from Nebraska one would think that practically all the money that is being appropriated for ECA is to go for the construction of a road down in Honduras or palatial highways to be built in different sections of the world upon which the natives may take their morning walk. That is not the idea at all.

I undertake to say that Paul Hoffman is as good a businessman as there is in America. He employs thousands upon thousands of people in his industry. He probably pays as much in taxes as any man in America. He is in the top bracket as far as income taxes are concerned. Everyone admits that he is an unusually strong administrator. He is a Republican. He is not of the faith of those on this side of the aisle.

In whom are we to place our trust and confidence in a matter of this kind, as far as the administration of an act of this kind is concerned? No one charges Paul Hoffman with dishonesty. No one charges him with ineffectiveness, so far as administration is concerned. Last year we had a carry-over of about $250,000,000, which he reported. He probably will save that much again. At least I hope so. But, as the Senator from Minnesota said, let us not be niggardly on this proposition. Let us not take a chance in the particular crisis which confronts us at the present time. This is serious business, Mr. President. You can look into any country in the world today and find communism at work, it matters not where you go. Yet we, here, know that the ECA fund has been responsible for stopping the expansion of communism in Europe. Mr. President, if we did not have an ECA fund, and if, through infiltration, communism were to have France and Italy by the throat at this particular time, together with certain of the other western democracies, Senators would be clamoring to get on the band wagon to support some kind of program that would take communism out of those countries in which our friends live.

Mr. DOUGLAS and Mr. WHERRY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. LUCAS. I cannot yield; I am sorry. Yesterday we settled this question by a vote of 45 to 40, and we should not take another 5 percent off of this particular fund. We provided $100,000,000 for Spain, through the Export-Import Bank, with only 15 votes against it; $100,000,000 was added there, and it was done in that way primarily to keep the ECA funds intact. Senators now desire to take $133,000,000 from those funds, as we near the close of this debate, in order to destroy the effectiveness of ECA. As the Senator from Minnesota said, the same group of Senators who have always been against ECA are the most active in this debate. I undertake to say that if we adopted this amendment, we would be doing seriously wrong, so far as our own security and our own safety are concerned.

Let us give the people of western Europe what they need at this particular time, even though it might be a little bit too much. Let us retain them as our friends and allies, in this, the most dangerous hour in the history of America.

Mr. DOUGLAS. Mr. President, will my colleague yield for a question?

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. SMITH of New Jersey. Mr. President, I shall not take more than a minute. My position on this question is well known. I merely want to state to my colleagues the substance of some of the conversations I have had with Mr. Hoffman at various times, dealing with figures. At the very beginning of the ECA operation, Mr. Hoffman asked a few of

us whether it was wise in submitting estimates to make them excessive, in the belief that they would probably be cut. He said he understood many departments did that. We advised him definitely that that would be the wrong line to take, that his job was one which should be carefully conducted from the beginning, and that the correct figures should be submitted. He was advised further that if any savings could be made, they should be made, and that any money that was left over should be put back and carried over to another year.

From the very beginning, and for three successive years, we have had the experience of having the funds turned back and applied to the next year's appropriation.

This year the situation was such that we realized there might be a call for cuts. I took the matter up with Mr. Hoffman. He said, "Yes, Senator, if it is necessary for us to take a cut on the figures agreed on in the first authorization I am willing to do that, provided others are doing it, and provided there is not to be more than one cut in our fund." We took the figures which were set by the Senate. The authorization was in the sum of $2,700,000,000. In the appropriation bill the figures are 10 percent below that. The question is asked now, "Should we not cut that figure 5 percent more?" Had we not exempted the ECA from the 10-percent cut of yesterday we would have cut the ECA a total of 20 percent. What I have been pleading for is that we take Mr. Hoffman at his word and accept his representations. He is willing to take his 10-percent cut, which he has taken, but not to take a further cut. That was understood when we were working on these figures as the basic figures by which this program could be carried on. I merely wanted to make myself clear on that point.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I shall be happy to yield if I have any time left.

The PRESIDING OFFICER. The Senator has a little time left.

Mr. DOUGLAS. Is it not true that Mr. Hoffman is almost unique amongst administrators, in that if he does not spend all the money appropriated, he turns it back to the Government?

Mr. SMITH of New Jersey. I agree with the Senator, entirely. That is what I have tried to emphasize in the debate, and I am glad that the Senator has brought out the point and emphasized it.

Mr. DOUGLAS. Is it not a fact that in three successive years he has been able to carry out his program on less than the amount appropriated, and has turned the balance back to the Government, and that this year he has turned back approximately $275,000,000 out of the appropriation for last year?

Mr. SMITH of New Jersey. That is correct.

Mr. DOUGLAS. Does it not follow, Mr. Hoffman being the type of man he is, that it is pretty certain that if he does not need to spend all the money we appropriate, it will not be spent?

Mr. SMITH of New Jersey. I agree with the Senator.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. WHERRY. Is he not also unique in that when he turns it back he has to have it reappropriated?

Mr. SMITH of New Jersey. Oh, no. All he asks this year is $2,450,000,000 new money in addition to the carry-over.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that when the reorganization bill was being considered the Senate voted for an amendment cutting off half a billion dollars, and there was a tie vote in the Senate, and half a billion dollars more was appropriated because there was a tie vote?

Mr. SMITH of New Jersey. The cut was $250,000,000 in the Senate version.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN].

Mr. WHERRY and other Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Malone
Anderson	Hendrickson	Martin
Bricker	Hill	Maybank
Bridges	Hoey	Millikin
Butler	Holland	Morse
Byrd	Humphrey	Mundt
Capehart	Hunt	Murray
Chapman	Ives	O'Mahoney
Chavez	Johnson, Colo.	Pepper
Connally	Johnson, Tex.	Robertson
Cordon	Johnston, S. C.	Russell
Darby	Kem	Saltonstall
Donnell	Kerr	Schoeppel
Douglas	Kilgore	Smith, Maine
Dworshak	Knowland	Smith, N. J.
Eastland	Langer	Sparkman
Ecton	Leahy	Stennis
Ellender	Lehman	Thomas, Utah
Ferguson	Lodge	Thye
Flanders	Lucas	Tydings
Frear	McCarran	Watkins
Fulbright	McCarthy	Wherry
George	McClellan	Wiley
Gillette	McFarland	Williams
Graham	McKellar	Young
Green	McMahon	
Gurney	Magnuson	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from California [Mr. DOWNEY], the Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. O'CONOR], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from New Hampshire would vote "yea."

The Senator from West Virginia [Mr. NEELY] is paired on this vote with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from West Virginia would vote "nay," and the Senator from Indiana would vote "yea."

The Senator from Maryland [Mr. O'CONOR] is paired on this vote with the Senator from Ohio [Mr. TAFT]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Ohio would vote "yea."

The Senator from Kentucky [Mr. WITHERS] is paired on this vote with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from Washington would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] who is absent by leave of the Senate, is paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Pennsylvania would vote "nay."

The Senator from Ohio [Mr. TAFT], who is absent by leave of the Senate, is paired with the Senator from Maryland [Mr. O'CONOR]. If present and voting, the Senator from Ohio would vote "yea," and the Senator from Maryland would vote "nay."

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Washington [Mr. CAIN], who is absent by leave of the Senate, is paired with the Senator from Kentucky [Mr. WITHERS]. If present and voting, the Senator from Washington would vote "yea," and the Senator from Kentucky would vote "nay."

The Senator from Indiana [Mr. JENNER], who is absent by leave of the Senate, is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from West Virginia would vote "nay."

The result was announced—yeas 38, nays 41, as follows:

YEAS—38

Bricker	Donnell	Hendrickson
Bridges	Dworshak	Holland
Butler	Eastland	Johnson, Colo.
Byrd	Ecton	Johnston, S. C.
Capehart	Ferguson	Kem
Cordon	Frear	Knowland
Darby	Gillette	Langer

McCarran	Millikin	Watkins
McCarthy	Mundt	Wherry
McClellan	Russell	Wiley
Malone	Saltonstall	Williams
Martin	Schoeppel	Young
Maybank	Stennis	

NAYS—41

Aiken	Hill	McMahon
Anderson	Hoey	Magnuson
Chapman	Humphrey	Morse
Chavez	Hunt	Murray
Connally	Ives	O'Mahoney
Douglas	Johnson, Tex.	Pepper
Ellender	Kerr	Robertson
Flanders	Kilgore	Smith, Maine
Fulbright	Leahy	Smith, N. J.
George	Lehman	Sparkman
Graham	Lodge	Thomas, Utah
Green	Lucas	Thye
Gurney	McFarland	Tydings
Hayden	McKellar	

NOT VOTING—17

Benton	Kefauver	Taylor
Brewster	Long	Thomas, Okla.
Cain	Myers	Tobey
Downey	Neely	Vandenberg
Hickenlooper	O'Conor	Withers
Jenner	Taft	

So Mr. MCCLELLAN's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ECTON. Mr. President, I offer an amendment to the bill, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 260, line 10, it is proposed to strike out "$17,758,000" and insert in lieu thereof "$17,813,403"; and in line 20 to insert the following proviso: *"Provided further,* That the Director of the Bureau of Mines, for the purpose of the project now in progress under this appropriation on chromite deposits near Nye, Mont., is authorized to reacquire for the Government certain land, buildings, and other facilities essential to the conduct of that project and known as Plancor 587, at a price not to exceed $55,403."

Mr. ECTON. Mr. President, this amendment was in the bill a year ago. The Senate approved it but it was taken out in conference. It merely permits the Bureau of Mines to reacquire certain property in Montana for the purpose of guaranteeing a supply of chromium whenever we need it in this country. The Korean situation has made it almost mandatory that we do everything possible to insure a supply of chromite to help in the war effort. The Federal Government spent between $20,000,000 and $25,000,000 during World War II on this project in Montana. If I am informed correctly at least 75 percent of the known chromite deposit in the United States is in Montana. We all know that we must have chromium in order to build tanks, guns, and battleships. Immediately after the war the property was turned over to the War Assets Administration, and it was sold for about 5½ cents on the dollar. The man who purchased the buildings and equipment at the mine paid $44,000. As I understand, he is willing to turn the property back to the Government for the amount he paid for it after the war, plus the taxes he has had to pay and the expenses he has incurred since that time, which means a little more than $11,000 in addition to the cost.

I am asking that the Senate consider the amendment, and at least take the amendment to conference to see if it is not necessary for the Government to reacquire the property and buildings. If the Government is not interested, the buildings will be torn down completely in the near future.

I think we should be reminded that during the war we got all our chromium from Russia. I have been informed that Russia advised this country about 3 months ago that they would not supply any more chromium to the United States.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. ECTON. Not at the moment. I have a news clipping before me of August 1 from a Baltimore newspaper. According to this article a Washington official stated that a 6,700 ton shipment of chromium arrived last week, which was the first of that metal to be received this year from Russia so far as he knew.

The Government records were complete only to May. These records show that the only previous deliveries this year of either magnesium or chromium were 6,500 short tons.

Mr. President, if that is all the chromite we have gotten from Russia since January 1, and if our supply is to be cut off henceforth, I think we should make provision in this appropriation bill so that the Government can reacquire this property at Nye, Mont., in order to have it as an insurance against the possibility of having our supply of chromite, a mineral we simply must have in an all-out war, being cut off entirely.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. ECTON. I yield to the Senator from West Virginia.

Mr. KILGORE. Does the amendment refer to a chromium mine, or what is it?

Mr. ECTON. It is a mine, where chromite is mined. The Government put up buildings and sent equipment in during the war, and spent over $20,000,000 in developing the property.

Mr. KILGORE. That answers a part of my question. It is a mine out of which chromite is gotten for the production of chromium.

Mr. ECTON. That is correct. The Government took out about 100,000 tons in Montana, but after we could get the chromite from Russia, in 1943, it was much more feasible to get it from our wartime ally.

Mr. KILGORE. I think I understand the Senator. As in the case of many such plants, this is a plant which should be operated only in wartime. It is an emergency plant, for use when the Government must have the metal. The present owner is willing to unload it, and it is an anchor to protect us.

Mr. ECTON. The Senator is correct. It is merely a stand-by proposition.

The PRESIDING OFFICER. The time of the Senator from Montana has expired. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. ECTON].

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I have an amendment at the desk which was submitted yesterday in behalf of myself and several other Senators, relating to the mental health activities, cancer, heart, and dental care appropriations.

The PRESIDING OFFICER. The clerk will state the amendment.

The amendment proposed by Mr. MAGNUSON on behalf of himself, Mr. BENTON, Mr. GRAHAM, Mr. GREEN, Mr. HUMPHREY, Mr. IVES, Mr. LANGER, Mr. LEHMAN, Mr. PEPPER, Mr. MURRAY, Mr. NEELY, Mr. THOMAS of Oklahoma, Mr. THOMAS of Utah, Mr. SPARKMAN, Mr. AIKEN, Mr. KERR, Mr. DOWNEY, Mr. KILGORE, Mr. HUNT, Mr. MORSE, Mr. CHAPMAN, Mr. MYERS, Mr. JOHNSTON of South Carolina, Mr. MAYBANK, Mr. MCFARLAND, and Mr. LEAHY was, on page 149, line 24, to strike out "$15,750,000" and insert in lieu thereof "$39,875,000"; and on page 150, line 10, to change the period to a colon and insert the following: *"Provided,* That funds shall be transferred to the appropriations 'National Cancer Institute', 'Mental health activities', 'National Heart Institute', and 'Dental health activities' in the amounts of $8,500,000, $8,000,000, $14,000,000, and $1,500,000, respectively, and amounts so transferred shall be available for the objects specified herein under these heads and for grants for drawing plans, erection of buildings and acquisition of land therefor to provide facilities for research, and, with respect to dental health activities, for plans, specifications, construction, and equipment of a research building and facilities for the National Institute of Dental Research."

Mr. MAGNUSON. Mr. President, the amendment is the same amendment that was discussed yesterday. It relates to an increase in the appropriation for the vital matter of research in cancer, heart disease, mental diseases, and dental care.

The proposed amendment cuts the amounts included in the amendment offered yesterday by 50 percent. We arrive at the cut of 50 percent in the hope that the amendment may be accepted. The projects now under way have been carefully screened by the leading medical men, scientists, and many lay organizations, including the Public Health Service, and they are now in operation or have been screened and are ready for operation. They can all be justified.

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Tennessee.

Mr. MCKELLAR. This is the same amendment offered yesterday, except that the Senator has reduced the amount, is it not?

Mr. MAGNUSON. The Senator is correct.

Mr. MCKELLAR. It has already been voted on, and it was defeated yesterday.

Mr. MAGNUSON. That is correct.

Mr. KNOWLAND. Mr. President——

Mr. MAGNUSON. I still have the floor, and I have only 5 minutes.

Mr. President, I know that yesterday a great number of Senators voted against what all the sponsors of the amendment consider a very worthy amendment, be-

cause they felt this activity may not be in the category of what we call essential spending, against the background of war.

We have appropriated money for matters not nearly half so necessary, and, in the interest of the preservation of the health of our people, I do hope that the amendment may be taken to conference. We have appropriated as much money for research into diseases of cattle as we are asking for research into the three great killers in the United States.

I need not go into any more figures. I hope the amendment may be taken to conference, as I have said. I am sure the American Cancer Society, the American Heart Society, the great medical societies, the presidents of the great universities in which these projects are now under way, can more than justify the expenditure of the money requested, in the interest of the Nation's health.

Mr. KNOWLAND. Mr. President, I rise to oppose an amendment of this kind, and I point out that this matter came before the Committee on Appropriations. Over a period of years we have been increasing, as we could, the funds for this very worth-while work. As a matter of fact, the Senate committee allowed the full amount of the Budget estimates in this field. We increased the amounts over those allowed by the House. It is a field which has a great appeal. I am sure all of us, from our personal experience or from our knowledge of the subject, recognize that much more work needs to be done along this line. But I submit to the able Senator from Washington that the correct way to proceed is for the responsible Government department to go before the Bureau of the Budget, request the funds they desire, and make their justifications.

Mr. President, I have not had a chance to examine the RECORD, but if this amendment is in the same language as that of yesterday, I believe a point of order is good against the amendment because it provides that amounts transferred as requested shall be available for grants for drawing plans, erection of buildings, and so forth, and because there is no substantive law authorizing this activity in connection with health activities or with respect to dental care, I make the point of order that the amendment is not in order.

Mr. MAGNUSON. Mr. President, I wonder if the Senator from California will withhold his point of order until two or three Senators vitally interested may have an opportunity to take their 5 minutes.

Mr. KNOWLAND. I temporarily withhold the point.

Mr. PEPPER. Mr. President, it certainly was not the intention of the sponsors of the amendment to go outside the scope of the authorization. Every one of the appropriations included in this amendment is for a national institute established by the Congress of the United States—the National Cancer Institute, the National Heart Institute, the National Mental Health Institute, and the National Dental Institute. These institutes have broad authority provided by the Congress of the United States to carry on research in their respective fields. It may perhaps be accurate to say that the Mental Health Act does not carry authority for construction. I am not quite sure about that. But I am confident that the Senator from California is in error with respect to the other three institutes.

Mr. President, I hope the Senator will not make the point of order based on that particular technicality. The amount sought by the amendment which was acted on yesterday is only a $79,000,000 increase for the National Cancer Institute, the National Heart Institute, the National Mental Health Institute, and the National Dental Institute. All this money is to be used for research. It is not to be used for raising salaries of employees; nor is it to be expended in the city of Washington by the national institutes and their executive directors. It is to be distributed all over the country and to be employed in the finest schools, colleges, universities, and hospitals of the Nation.

Every project has been approved, not only by the heads of the institutes and the Surgeon General but by the advisory councils consisting in most instances half of laymen and half of skilled personnel, such as doctors who are of outstanding competence in their fields.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MAGNUSON. The record shows all the approved plans we seek to cover. For instance in California alone the University of California Medical School, San Francisco; the University of California, Los Angeles; Los Angeles County Hospital; University of Southern California, and Stanford University all have approved projects but would not get the funds if the amendment is not adopted.

Mr. PEPPER. I am sure the Senator from California has confidence in those outstanding institutions.

Mr. President, the need for this research is a growing need. It will be valuable in peacetime, and even more valuable in war. Think of the saving of human life which has been accomplished by the wartime development of penicillin and many other drugs which received their real stimulus toward success in our wartime economy and effort.

Mr. President, if we are going to have war there is no way to measure what may be the saving in human life resulting from research into the cause and cure of cancer, the cause and cure of heart disease, the cause and cure of mental disorders and of dental disabilities.

Mr. President, in the last month one of the dearest friends of my life passed away from a cardiovascular disease. Outstanding experts stood by that man's side acknowledging that they knew nothing by which they could contribute to the salvation of my dear friend's life. Another dear relative was stricken by cancer and died a short time thereafter.

Surely, when we have billions to spend for other meritorious projects, we would not deny to the outstanding colleges and universities of the United States the meager sum of a few million dollars—not hundreds of millions of dollars, but a few million dollars—in order that they may carry on these great research projects.

Mr. President, we have now made the concession of a 50-percent cut in the request that was made yesterday. It was apparent from the vote that was had in the Senate that a great many Senators conscientiously believed that we should not ask as much as the amendment called for. I think thirty-odd Senators voted for the amendment. But I believe there was manifested a very strong sentiment on the part of the Senators that something might be added to what has already been provided, because numerous applications have come in for research programs since the agency in charge appeared before the Bureau of the Budget. I have a characteristic list of some of them.

The PRESIDING OFFICER. The Chair must advise the Senator from Florida that his time has expired.

Mr. PEPPER. So we hope, Mr. President, we may make a fair compromise by cutting in half the appropriation carried by the original amendment and that that much will be provided for these necessary and worthy projects.

Mr. McKELLAR. Mr. President, will the Presiding Officer rule on the point of order?

The PRESIDING OFFICER. The point of order was withheld temporarily.

Mr. McKELLAR. I wish to join in the point of order made by the Senator from California.

Mr. KNOWLAND. Mr. President, I wish to advise the Senator from Tennessee that I temporarily withheld the point of order.

Mr. McKELLAR. I hope the Chair will sustain the point of order when he comes to rule upon it.

The PRESIDING OFFFICER. While the Senator from Tennessee is on his feet, may the Chair inquire if he has available the basic law which it will be necessary to consult in deciding the point of order—that is, the authorization act?

Mr. McKELLAR. No, I do not have the authorization act before me.

Mr. PEPPER. If I may do so, before the Chair rules on the point of order, I ask that Senators be permitted to be heard upon that question?

The PRESIDING OFFICER. The Chair wants to obtain all the facts.

Mr. KNOWLAND. Mr. President, I have just sent for a copy of the basic law.

Mr. HUNT. Mr. President, I may say to the distinguished Senator from California that in the first session of the Eighty-first Congress authorization was made for $3,000,000 for the building of a dental research institute in connection with the naval hospital at Bethesda, Md.; $100,000 was appropriated for plans and specifications for the building. Those plans and specifications have been completed. I regret to say, however, that the

Director of the Bureau of the Budget did not make the additional $2,000,000 that was authorized available for the building. So I think the distinguished Senator's objection does not hold.

Mr. LEHMAN. Mr. President, I rise in support of the amendment. I believe, as we pointed out yesterday, that in this country several times as many persons die of heart disease, cancer, and mental illness as died in World War II on the battlefields or from wounds. I again wish to point out that in the United States eight and one-half million persons suffer from mental illness; that 40 or 50 percent of all those who consult doctors consult them because of mental disease, and that one-sixth of all the young men and women who presented themselves to the draft boards during World War II were rejected because of psychoneurotic illness.

I think the question involved is not only one of serving our own interests over a long period of years, but is of the greatest importance to us now as a defense measure, because I am certain that if we can devise through research, new means of prevention and cure we will certainly strengthen our defense and our security.

Mr. President, we have no hesitation in voting great amounts for flood control, for reclamation projects, for the construction of buildings. I know that most of these purposes are worth while, but I also know that many of them could be deferred without any great loss to our country. Yet we hesitate to vote a relatively small amount of money which will mean so much to the health and the welfare of our 150,000,000 people, and serve as an added weapon of defense and security in the fight in which we are now engaged, and which, I fear, will become far more all-embracing as the weeks and months pass.

I strongly hope the Senate will vote in favor of the amendment.

Mr. HUMPHREY. Mr. President, I rise to associate myself with the remarks of the Senator from New York, the Senator from Washington, and the Senator from Florida. I am a cosponsor of the amendment. I never felt more proud of anything in my life than to be a cosponsor of an amendment the purpose of which is to relieve suffering and to increase the life expectancy of the American people.

Not long ago the Senator from Washington made a comment which I think should be reiterated; he pointed out that we are spending more on research for the health of pigs and cows than we are spending for research to improve the health of the American people.

As I have listened to the debates in the past few days, I have been reminded many times that we should stick to the facts. In that connection, let me say that in the May 28, 1950, issue of the Washington Sunday Star there is a feature story entitled "Medical Research Costs the United States $28,000,000 a Year." I read from the article:

> The Federal Government spent about $28,000,000 a year for research and development of medical and allied sciences, as compared with $30,000,000 spent by one Federal agency alone for research in animal and plant diseases.

Mr. President, I have not heard any Member of the Senate raise a great deal of fuss about the fact that we are spending $30,000,000 to take care of our fine cattle. I am glad we are taking care of the cattle, and I know that is a worthy purpose. I am glad to see cows contended, if for no other reason than to make Carnation-milk cows happy.

However, it is inconceivable that we have to fight to obtain the appropriation of a small amount of money to provide for research to protect the health of the people of our country. After all, so far as the national defense is concerned, what is more important than to have the American people healthy and able and strong?

Mr. President, the requested appropriation of $14,000,000 for research in the field of mental health is so desperately needed that I submit that no Member of the Congress could return to his home and face his own conscience if he were to vote against this proposal.

When we understand that there are in the United States only 5,000 psychiatrists, most of whom will be taken into the Armed Forces, we must realize that in that event the mental hospitals will return to the condition they were in a few years ago—with only a few elderly doctors, kindly though they may be, but insufficient in number to take care of the large number of mental cases.

Mr. President, there is nothing more humane than to provide for the caring of such cases.

It is hard to believe that in the Congress of our country, so fabulously rich as our country is, when it has a national income or more than $250,000,000,000 a year, there would be an argument over spending a small amount of money for this program, which will affect in a vital way the health of the American people.

After all, Mr. President, more money has been spent in the United States for liquor than for medical care. In fact, I venture the assertion that, if we were to take up a collection at the cocktail parties held in the city of Washington, we could obtain sufficient funds for this purpose, and those who attend such parties would be glad to sponsor this endeavor.

Mr. President, I say that a Nation so great and so strong as ours cannot afford not to support this basic program. Unless we follow through by means of adopting the amendment of the Senator from Washington, we shall lose much of the effectiveness of the research program which is already under way.

For example, in the field of mental health, if we do not follow through with the present program, the State of Oklahoma, which has appropriated vast sums of money for its hospitals and psychiatrists, will lose much of the effectiveness of the program it has developed. In fact, 110 psychiatrists are needed there now.

My State of Minnesota has developed a great program in this field, but Dr. Rosen, of our State, is looking for more psychiatrists. After all, Mr. President, the sick are not cared for by the provision of brick and stone alone.

So I appeal to the humanitarian instincts of all Members of Congress, and I request that they ease up a little and provide the money that is needed for this purpose.

After all, we are not requesting for this purpose $1,000,000,000 or the $100,000,000 which was provided for Spain, or the $2,900,000,000 which has been voted for the ECA; but we are asking for only $32,000,000 for 150,000,000 American people. We are asking for approximately $32,000,000 to take care of the greatest research program the world has ever known. We are asking for it, not on the basis of political considerations but because the American Medical Association, the National Heart Institute, the Psychiatric Association, the Mental Hygiene Association, and the greatest research experts the world has ever known, all are pleading with the Congress to provide a reasonable amount of money which can be used with efficiency and dispatch.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. McKELLAR. Mr. President, I shall not argue the point of order, but again I wish to call attention to the fact that yesterday we passed on this matter.

The Senate may remember that last year we appropriated a very large sum of money for all these purposes. Last year the appropriation for cancer research was $19,000,000, and the appropriation for construction was an additional $6,000,000.

The appropriation last year for mental health research was $8,000,000, and an additional $2,000,000 was appropriated for construction in that connection.

The appropriation last year for research in the field of heart disease was $10,000,000, for general purposes; and $5,000,000 more was appropriated for construction in that connection.

For the purpose of dental research, the appropriation last year was $1,908,000.

In total, the appropriations made last year for these purposes amounted to approximately $40,000,000.

The remarkable point is that those who will spend the money which is appropriated this year for these purposes—and who are the same persons as those who spent the money appropriated in this field last year—now have on hand $780,000 which they are unable to spend. Yet by these amendments, Senators undertake to appropriate for them more money than they now request. Those who operate this program do not have a set-up capable of using such a large sum of money.

Mr. President, a few moments ago the Senator from Florida [Mr. PEPPER] referred to certain cases which he said touched him very deeply and all of us, perhaps, have knowledge of similar cases; so, of course, this is a subject which touches the hearts of every Senator. Cancer is a terrible disease, and so is tuberculosis. All these diseases

should be dealt with, and they are being dealt with. Private institutions are spending many millions of dollars every year in the attempts to eradicate these diseases, and the Congress is spending $40,000,000 a year in connection with these four diseases alone.

However, the present set-up of the organization handling this program is such that those in charge of the work simply cannot spend additional funds.

Therefore, Mr. President, I hope the amendment will be rejected.

If Senators say that a larger establishment should be set up, Senators should realize that that cannot be done under the provisions of this bill, for this is an appropriation bill, and legislation cannot be included in it. If the amendment were offered to a legislative bill for this purpose, I should be glad to join in it.

However, Mr. President, in these circumstances, when a request is made that we appropriate money in addition to the amount of money requested by the agency in charge of the work, it seems to me that the request is entirely improper. So I hope the amendment will be rejected.

Mr. KNOWLAND. Mr. President, for the sake of the record, I should like to have printed at this point in the CONGRESSIONAL RECORD a statement of the facts relative to the appropriations for the fiscal year 1950, the estimates for 1951, the appropriations for this purpose for 1951, as carried in the present appropriation bill as passed by the House of Representatives, and the amount of the appropriation for this purpose as recommended by the Senate committee. I also ask unanimous consent to have printed at this point in the RECORD the figures for the appropriations made under these various items for the fiscal years 1948, 1949, and 1950.

This record will show, Mr. President, that we have made a steady advance in this field; that in most instances the Senate committee has voted to increase the amounts voted by the House of Representatives; and that in all instances the Senate Appropriations Committee has voted to allow for these purposes amounts equaling the full amounts of the budget estimates.

Mr. President, I happen to serve as a Member of the Senate on this side of the aisle; but I do not believe that the administration, represented by the Senators on the other side of the aisle, have been unmindful of the great problems of public health. Certainly we have provided the full amounts of the budget estimates, as recommended by the administration which those gentlemen represent.

So I ask unanimous consent for the insertion in the RECORD of the statistics to which I have referred.

There being no objection, the statistics were ordered to be printed in the RECORD, as follows:

Comparison of appropriations by years

NATIONAL CANCER INSTITUTE

1948	$14,500,000
1949 (plus $8,000,000 contract authority)	14,000,000
1950 (plus $6,000,000 contract authority)	18,900,000

MENTAL HEALTH ACTIVITIES

1948	$4,250,000
1949 (plus $2,300,000 contract authority)	9,028,000
1950 (plus $2,150,000 contract authority)	11,712,000

NATIONAL HEART INSTITUTE

1948	None
1949 (transferred from other accounts)	$2,835,400
1950 (plus $5,350,000 contract authority)	10,725,000

DENTAL HEALTH ACTIVITIES

1948	None
1949 (transferred from other accounts)	$1,733,202
1950	1,780,000

Comparison of 1951 estimate and awards provided in present bill

	Estimate, 1951	Contained in bill	Compared to estimate
National Cancer Institute	$20,086,000	$20,686,000	+$600,000
Mental health activities	9,944,000	10,000,000	+56,000
National Heart Institute	14,150,000	14,750,000	+600,000
Dental health activities	2,140,000	2,140,000	----------

Mr. KNOWLAND. I also wish to point out, Mr. President, that we are not giving driblets in this field. In the first place, the American people have been very generous through their various voluntary organizations. Furthermore, some of the great industrial firms have contributed large sums of money. The State governments are doing much in this field. In the field of public health, for 1950, the Congress appropriated $199,828,000, and the Senate bill this year recommends $270,779,000. I merely want the RECORD to be clear. I renew my point of order that the amendment is not in order, for the reason that it contains substantive legislation.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. The Senator has made a point of order that the amendment contains legislation.

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. Let the Chair state the situation, please. Specifically, do the proponents of the amendment have any authority for an authorization as to a mental- or dental-health program, as included in the bill? If so, the Chair will be glad to hear them.

Mr. MAGNUSON. Mr. President, I wish to address myself to the point of order for just a moment.

The PRESIDING OFFICER. The Chair will recognize, first, any Senator who has any specific authority with reference to the authorization.

Mr. MAGNUSON. Mr. President, I have a right to address myself to the point of order, have I not?

The PRESIDING OFFICER. The Chair has not recognized the Senator from Washington. It is not a debatable matter, except in the discretion of the Chair, as the Chair understands. All the Chair wants is light on the subject.

Mr. MAGNUSON. I was trying to address myself——

The PRESIDING OFFICER. The Senator is not recognized. Does any Senator indicate that he has some authority with reference to the authorization?

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. I am addressing myself to the point of order. I have a right to do that, have I not?

The PRESIDING OFFICER. The point of order is debatable, in the discretion of the Chair. The Chair desires information on the law pertaining to the authorization.

Mr. MAGNUSON. Does the Chair deny me the right from the floor to address myself to the point of order?

The PRESIDING OFFICER. The Chair has stated that what he wants first is a citation of authority for this appropriation. What authority is there for it?

Mr. MAGNUSON. Mr. President, if the Chair will allow me, I shall be glad to contribute what light I may have toward the Chair's dilemma.

The PRESIDING OFFICER. The Chair is desirous of saving time. It seems to the Chair that the provision is either authorized or it is not, and that it could be settled within a very short time.

Mr. PEPPER. Mr. President——

Mr. MAGNUSON. Mr. President, I still ask the right to attempt, in my feeble way, to give the Chair what I hope might be some light on that question.

The PRESIDING OFFICER. Let the Chair speak for a moment, with reference to express authority. The Chair previously asked the Senator from Tennessee whether he had anything on that point, and he did not have.

Mr. KNOWLAND. Mr. President, I may say to the Chair, with respect to the point of order, that I sent to the desk the substantive law relative to this matter.

The PRESIDING OFFICER. That is what the Chair wants. There can be argument on it, after the Chair reads it.

Mr. KNOWLAND. There is no question but that——

Mr. LUCAS. Mr. President, I demand the regular order. The Chair has denied the Senator from Washington the right to present an argument.

The PRESIDING OFFICER. Let the Chair state that he has not denied any Senator the right to be heard.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry. What did the Chair just do?

The PRESIDING OFFICER. The Chair wishes to know what, if any, authority there is in law for this appropriation, and then the Chair will hear argument on it.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. MAGNUSON. Mr. President, I merely wanted to address the Chair on the point of order, to suggest that the bill itself, if the Chair will read it, does not authorize anything. It merely says that the amounts to be expended in the

case of the National Institute of Dental Research shall be expended for certain things. The National Institute for Dental Research has been authorized by law, and the amounts for the National Heart Institute, the National Cancer Institute, and the mental health activities have all been authorized by the Congress, in the provisions relating to the United States Department of Public Health.

This would merely appropriate money for the purpose of continuing those activities. In the case of the dental health activities, the Dental Institute and dental research, it merely specifies how the money shall be spent. I thank the Chair for his very kind indulgence.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MAGNUSON. If I have the floor.

The PRESIDING OFFICER. Will the Senator from Washington give information as to what amount has been authorized for the mental health or the dental health clinic?

Mr. MAGNUSON. One million four hundred thousand dollars, for dental research. I do not have the exact amount, for mental health activities, but it has been authorized on one or two occasions within the general authorization of activities of the United States Public Health Service.

The PRESIDING OFFICER. The Senator from Florida is recognized next.

Mr. PEPPER. Mr. President, in the first place may I call attention to the fact that the amendment of the able Senator from Washington and his associates does not identify the purpose for which the funds are to be expended. The amendment says:

> On page 149, line 24, strike out "$15,750,000" and insert in lieu thereof "$79,750,000."

That was the original amendment. The figure of $79,750,000 had been reduced by half. It does not say "for construction purposes." It is to be appropriated for the purposes that are specified in the appropriation bill, within the terms of the authorization. May we look at page 149? The amendment says, "on page 149, line 24." At the bottom of the page, the next line to the last, appears the figure that is in the bill, $15,750,000, and the provision, continuing in line 24, reads "of which not less than $3,600,000 shall be available exclusively for grants for studies with adrenocorticotropic hormone," and so on. There is nothing in the bill or in the amendment specifying that it has to be used for construction. It is enlarging the fund.

The second amendment proposed by the Senator from Washington and other Senators is:

> On page 150, change the period to a colon and add——

The PRESIDING OFFICER. Let the Chair ask the Senator, while he is on that point, Do not the last three lines of the amendment provide, with respect to dental health activities, "for plans, specifications, construction and equipment of a research building and facilities for the National Institute of Dental Research"? That is the basis of the question that is in the Chair's mind, namely, whether there is any authority for it.

Mr. PEPPER. On page 2, beginning in line 2, the amendment says:

> Respectively, and amounts so transferred shall be available for the objects specified herein under these heads and for grants for drawing plans, erection of buildings and acquisition of land therefor to provide facilities for research.

As I understand, there is no question about heart and cancer research. It is not questioned in those two cases. In respect to the dental health activities, I may call attention to the fact that the last lines of the amendment, with respect to dental health activities, read:

> For plans, specifications, construction, and equipment of a research building and facilities for the National Institute of Dental Research.

In other words, there is evidently to be in Washington, in the completion of the plant that is authorized by the law in Washington. It is not, as in the other cases, to be spread around over the country. Looking at the law itself, section 5 reads as follows:

> There is hereby authorized to be appropriated a sum not to exceed $2,000,000 for the erection and equipment of suitable and adequate buildings and facilities for the use of the National Institute of Dental Research.

There is an express authority, at least to that amount, for providing the facilities of the National Institute of Dental Research in Washington. It is not required, Mr. President, under this amendment, that where authorization does not exist the expenditure has to be made outside Washington and the equipment of the national plant.

So, Mr. President, if we look at the mental health authorization we find there is authorization for the construction of mental health facilities in Washington, under the act. The distinguished jurist who now occupies the chair knows that the burden of proof of showing that the amendment is subject to a point of order is upon the one who makes the point of order.

Mr. KNOWLAND. Mr. President, I renew my point of order. The whole question hinges on this point, namely, the language to which I have previously referred, "and amounts so transferred shall be available for the objects specified herein under these heads and for grants for drawing plans, erection of buildings, and acquisition of land therefor to provide facilities for research, and, with respect to dental health activities," and so forth.

There is no question but that there is authority involved for the erection of the clinic at Bethesda. No one challenges that. There is no question but that there is authority at law for the grants for cancer and heart purposes. The point at issue is that this is substantive legislation insofar as it relates to grants for dental purposes, and is writing into the law something which does not now exist insofar as such grants for dental and mental facilities, as outlined, are indicated

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. PEPPER. With respect to the Dental Health Institute, the Senator does not assert, does he, that the amendment would require the construction of any dental facilities outside the National Institute in Washington?

Mr. KNOWLAND. I say it broadens the authority in the law by the language which provides for grants for drawing plans, erection of buildings, and acquisition of land therefor to provide facilities for research.

Mr. PEPPER. May I make this observation: Is it not a fair construction of the language with respect to the Dental Institute, that it is intended that with respect to that institute only the latter language shall apply? In other words, the first part of the amendment evidently refers to the other three.

The PRESIDING OFFICER. The Chair would like to hear the Senator from California until he has completed his point.

Mr. PEPPER. I beg the Chair's pardon.

Mr. KNOWLAND. The point is, Mr. President, that there is no authority in law, so far as it relates to dental and mental health activities, on this matter of grants for the purposes indicated.

Mr. MAGNUSON. Mr. President, I move to modify the amendment in the following respect: Strike out lines 3, 4, 5, 6, 7, 8, and 9, on page 2, and insert, after the word "respectively", in line 2, "to the extent authorized by law."

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. If the amendment is changed as indicated, would a point of order lie on the basis of transfer from the National Institutes of Health, as the Magnuson amendment proposes? Would not unanimous consent be necessary because these items were adopted too long ago to move reconsideration without unanimous consent?

The PRESIDING OFFICER. The Chair is advised that the general rule is that the question of consistency or inconsistency will not generally invalidate an amendment. That is a matter which the Senate passes on when it casts its vote.

The question is on the adoption of the amendment as modified. The Chair understands that disposes of the point of order, since no point of order has been made to the modified amendment.

Mr. KNOWLAND. I should think that takes care of the point of order, Mr. President.

The PRESIDING OFFICER (putting the question). The "ayes" seem to have it.

Mr. KNOWLAND and other Senators asked for a division.

On a division the amendment, as modified, was rejected.

Mr. MAGNUSON. Mr. President, I ask for the yeas and nays.

Mr. WHERRY. Mr. President, it is too late. The decision has been announced.

Mr. MAGNUSON. If we are going to be so technical——

Mr. WHERRY. Mr. President, we have listened very patiently for over an hour to debate on points of order, which I have been agreeable to listen to because everyone ought to have his day in court. But the Presiding Officer announced the result of the vote, and when it is announced, we should proceed with the bill. It is now 6 o'clock.

Mr. KILGORE. Mr. President, the Presiding Officer did not announce the number of votes.

The PRESIDING OFFICER. It is not customary to announce the number of votes on a division.

Mr. HUMPHREY. Mr. President, I move that the Senate reconsider the vote by which the amendment, as modified, was rejected.

Mr. KNOWLAND. Mr. President, I move that the motion of the Senator from Minnesota be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

Mr. HUMPHREY and other Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. WHERRY. Mr. President, the Senator from Minnesota [Mr. HUMPHREY] voted in the affirmative on the division.

Mr. HUMPHREY. It is not recorded.

The PRESIDING OFFICER. That point would apply only to a recorded vote.

Mr. CORDON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hendrickson	McMahon
Anderson	Hill	Magnuson
Butler	Hoey	Malone
Byrd	Holland	Martin
Capehart	Humphrey	Millikin
Chapman	Hunt	Morse
Chavez	Ives	Mundt
Connally	Johnson, Colo.	Murray
Cordon	Johnston, S. C.	O'Mahoney
Darby	Kem	Pepper
Donnell	Kerr	Robertson
Douglas	Kilgore	Russell
Dworshak	Knowland	Saltonstall
Ecton	Langer	Schoeppel
Ellender	Leahy	Smith, Maine
Ferguson	Lehman	Smith, N. J.
Frear	Lodge	Sparkman
George	Lucas	Stennis
Gillette	McCarran	Thomas, Utah
Graham	McCarthy	Thye
Green	McClellan	Wherry
Gurney	McFarland	Wiley
Hayden	McKellar	Williams

The PRESIDING OFFICER. A quorum is present. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senate will be in order. The Senator will state the parliamentary inquiry.

Mr. MAGNUSON. I should like to ask the Chair to state the question so that Senators will know what it is.

The PRESIDING OFFICER. The question is on the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Minnesota [Mr. HUMPHREY] to reconsider the vote by which the amendment with reference to the heart, cancer, mental, and dental provisions was rejected.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. MAYBANK], the Senator from West Virginia [Mr. NEELY], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Texas [Mr. JOHNSON] is detained on official business.

I announce further that if present and voting, the Senator from Connecticut [Mr. BENTON], the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. LONG], the Senator from South Carolina [Mr. MAYBANK], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. NEELY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Indiana [Mr. JENNER], the Senator from Michigan [Mr. VANDENBERG] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] who is absent by leave of the Senate is paired with the Senator from Ohio [Mr. TAFT] who is also absent by leave of the Senate. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Ohio would vote "nay."

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS] and the Senator from Utah [Mr. WATKINS] are detained on official business.

The result was announced—yeas 37, nays 32, as follows:

YEAS—37

Butler	Donnell	Gillette
Byrd	Douglas	Gurney
Capehart	Dworshak	Hayden
Chavez	Ellender	Hendrickson
Cordon	Ferguson	Hoey
Darby	George	Holland
Johnson, Colo.	Millikin	Smith, Maine
Kem	Mundt	Smith, N. J.
Knowland	O'Mahoney	Stennis
McClellan	Robertson	Thye
McKellar	Russell	Wherry
Malone	Saltonstall	
Martin	Schoeppel	

NAYS—32

Aiken	Ives	McFarland
Anderson	Johnston, S. C.	McMahon
Chapman	Kerr	Magnuson
Connally	Kilgore	Morse
Ecton	Langer	Murray
Frear	Leahy	Pepper
Graham	Lehman	Sparkman
Green	Lodge	Thomas, Utah
Hill	Lucas	Wiley
Humphrey	McCarran	Williams
Hunt	McCarthy	

NOT VOTING—27

Benton	Hickenlooper	Taft
Brewster	Jenner	Taylor
Bricker	Johnson, Tex.	Thomas, Okla.
Bridges	Kefauver	Tobey
Cain	Long	Tydings
Downey	Maybank	Vandenberg
Eastland	Myers	Watkins
Flanders	Neely	Withers
Fulbright	O'Conor	Young

So Mr. KNOWLAND's motion to lay on the table Mr. HUMPHREY's motion to reconsider was agreed to.

Mr. DOUGLAS. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 335, between lines 5 and 6, it is proposed to insert a new paragraph, as follows:

No part of the funds herein appropriated or made available to the United States Maritime Commission shall be used to pay the costs of national defense features under title V of the Merchant Marine Act, 1936, as amended: *Provided*, That the Secretary of the Navy is authorized to pay such costs out of any funds appropriated for the Department of the Navy.

Mr. O'MAHONEY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. O'MAHONEY. I just listened to the reading of the amendment. It transfers the responsibility now vested in the Maritime Commission to the Navy Department. The amendment is clearly legislation in that it changes the authority from one Government agency to another.

Mr. DOUGLAS. Mr. President, I wonder if the very able and eminent Senator from Wyoming would be willing to withhold his point of order until I explain the purpose of the amendment.

Mr. O'MAHONEY. I am glad to do that.

The PRESIDING OFFICER. The Senator withholds his point of order, and the Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President, this amendment would require the cost of the national defense features of ship subsidies to be paid for by the Department of the Navy. I want to make it clear that I do not oppose these subsidies to shipping where they are of material benefit to national security. But I do think that, in the interest of sound accounting practices, the agency which passes on the expenditure of such funds should be the agency which pays the

expense. Furthermore, the defense features of shipbuilding should be considered as part of the over-all national defense program.

Under the present law, the Navy passes on the expenditure of funds which are paid for by the Maritime Administration. That is, it will certify what it regards as the national defense features, and then the Maritime Commission has to pay the bill. Thus the necessity for integrating our naval defense needs is absent. However, it is my feeling that the Navy will look with a much more critical eye at maritime subsidies if the funds come out of their appropriation. So I think the adoption of this amendment, if it does not save a nickel, will at least enable us to better provide for real defense needs.

Mr. President, this morning in the course of the debate it was developed that the Interstate Commerce Commission determines the amount which the Post Office Department will pay to the railroads for carrying the mail by rail, and the bill which the Interstate Commerce Commission presents to the Post Office Department must be borne by the Post Office Department even though the Post Office Department thinks the items are improper. Similarly, the Civil Aeronautics Board fixes for the Post Office Department the amount which shall be paid for the transportation of mail by air and the Post Office Department has no voice in the matter.

Mr. President, in the case of the maritime subsidies it is the Navy which certifies how much of the construction costs can be charged to defense features and borne by the Government, and the Maritime Commission has to follow suit.

In none of these cases do those who call the tune have to pay the piper. They can say what amounts should be paid, and some other agency has to foot the bill. It is easy to overcertify in these cases since it is always a temptation to be generous at someone else's expense.

At the present time, the Navy is given a certain amount of money to carry out its shipbuilding and maintenance program. Then they are also required to pass judgment upon the expenditure of some funds of the Maritime Administration for the defense features of ship subsidies. Defense needs are therefore not truly integrated. Actually, the Navy may in many instances feel that such funds could better be spent on other navy ships. If they did, it would be just too bad since the law prohibits this. However, if this amendment is adopted, the Navy could spend these funds in such a manner as to get maximum security and strength. Of course it may be that the Navy approves of defense features of the ship subsidy program, feeling that this materially benefits national defense. In this case, they would go ahead and provide them, but at least we could be certain that our maritime defense policies were integrated and that we were getting the most security for our money.

The adoption of this amendment would correct some of the flaws in our maritime setup, which were pointed out in the conclusions and observations of the House Executive Expenditures Committee in its inquiry into operations of the Maritime Commission. In this report (H. Rept. No. 1423, 81st Cong.) on page 21 the committee states:

> There is evidence that the Commission disregarded its responsibilities by providing additional subsidy through the process of underclassifying commercial needs so as to promote a determination that certain commercial features were national defense features as contemplated by the act.

If the Navy were to spend its own funds for the defense features of these subsidies, as is contemplated in this amendment, I believe they would have blocked these excessive assignments to defense in order to keep a maximum of naval strength.

That this amendment should be adopted is further borne out in a recommendation included in a special report of the General Accounting Office. This report, which is Appendix I of House Report No. 1423, recommends on page 48:

> That the cost of features incorporated for national defense uses be required to be paid from Navy Department appropriations so that the desirability of adding those features may be considered in the light of over-all naval and military requirements and funds available to meet those requirements.

This was recommendation No. 2 of the Comptroller General's report. Concerning this recommendation, Congressman HARDY, chairman of the subcommittee holding hearings on the operations of the Maritime Commission, stated during these hearings—page 510 of hearings:

> The implication, to me at least, is that if the Navy had the appropriation for this purpose that they might be a little more careful in scrutinizing the defense features that they approved.

Admiral Wheelock, who was testifying at the time raised no violent objection to this recommendation. Not that he enthusiastically supported it since he knew that the various naval experts might take a dim view of these subsidies, they could spend more for destroyers, submarine, or what-have-you—see page 511 of the hearings.

But the point is, of course, that the defense features of shipping subsidies should harmonize with our over-all naval requirements. This is not done as presently set up. The adoption of this amendment would require it.

Mr. President, at a time when we need to get the very most for our defense dollar, I believe we should adopt this amendment. I believe that it would clearly contribute toward that goal.

The PRESIDING OFFICER. The Chair has to advise the Senator that his 5 minutes have already expired.

Mr. O'MAHONEY. Mr. President, I now renew the point of order. The statement the Senator has made only emphasizes the fact that this is legislation on an appropriation bill, forbidden by the rule.

The PRESIDING OFFICER. The Chair has examined the amendment, and in the opinion of the Chair it is clearly legislation on an appropriation bill, and therefore is out of order, and the point of order is sustained.

Are there further amendments to be offered to the bill?

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I send another amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The Chair recognized the senior Senator from Illinois.

Mr. LUCAS. Mr. President, I send to the desk an amendment which is subject to a point of order. It changes basic law. The budget has not approved it, but I should like to have the clerk read it, and then I should like to make a statement.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 5, line 9, after the word "each," it is proposed to strike out "$1,025,789," and to insert "*Provided*, That the basic annual rates of compensation of the following positions shall be: Superintendent of Senate Press Gallery at $4,800 in lieu of $4,320; first assistant superintendent at $4,080 in lieu of assistant superintendent at $3,600; second assistant superintendent at $2,820 in lieu of assistant superintendent at $2,400; third assistant superintendent at $2,820 in lieu of assistant superintendent at $2,400; messenger at $2,220 in lieu of $1,920; superintendent of Senate Periodical Press Gallery at $4,080 in lieu of $3,660; superintendent of Senate Radio Press Gallery at $4,680 in lieu of $4,020; first assistant superintendent at $3,000 in lieu of assistant superintendent at $2,580; second assistant superintendent at $2,880 in lieu of assistant superintendent at $2,580; third assistant superintendent at $2,520 in lieu of assistant superintendent at $2,100, $1,032,030."

Mr. LUCAS. Mr. President, the information I am about to submit comes from those in the press gallery who are vitally interested in the amendment.

Mr. President, I think the Senate should know that twice in the last session of the Congress, the Senate voted unanimously to increase the salaries of employees in the press, periodical, and radio galleries. Twice, the House rejected the Senate amendment in the conference committee.

Since that time, the standing committees of the three galleries have unanimously agreed upon a schedule of equalized compensation which is in the amendment I have offered.

The House, accordingly, acted independently on a resolution raising the salaries of the gallery employees at the other side of the Capitol, through its contingent funds, retroactive to April 1 of this year. The amendment I have offered would bring the salaries of the employees in the Senate galleries exactly in line with the increases already approved by the House.

The three standing committees are unanimously agreed on every increase in the amendment I have offered. The increases asked this year are actually $500 less than were approved by the Senate on two previous occasions, and in some cases the figure is even wider than that. The standing committees are agreed not to seek a higher rate of compensation than that granted by the House.

What I said last year on the floor of the Senate, Mr. President, applies equally today when I submitted an amendment similar to that which was adopted by the Senate last year. What I said on that occasion has double force now, since the House has already acted. The amendment I have offered would equalize and bring in line the salaries on both sides of the Capitol; it would give these men a more reasonable compensation for the valuable services that they perform; and finally it should settle the salary problem of these galleries for some time to come. The standing committees in this schedule of salaries have attempted to balance the payrolls and get the employees properly adjudicated according to their separate tasks and responsibilities.

Mr. President, this information has been submitted to me by members of the Press Gallery. The Senator from Louisiana [Mr. ELLENDER] takes issue, I believe, with some of the statements here made. I am not, of course, a member of the Appropriations Committee, but I do know there is no equality and no equity now existing between the House and the Senate as the result of what has been done in the House, if the statements are true. Certainly at some time or other the Senate gallery employees should be placed upon the same basis as those in the House, in some way, either through the Appropriations Committee or through some other committee. They should be placed on a parity with the employees of the House of Representatives. Our employees should not be paid less for the services they perform in the press and other galleries, than the personnel employed by the House of Representatives.

Mr. President, I undertake to say these men are performing a most valuable service, not only to the country but to the Senators as well. Each and every one of us calls upon them occasionally to do things for us and they call on us. We need the most efficient men we can obtain in our press and other galleries. Certainly they should not be paid less than the House is paying its employees in a similar capacity. I hope the amendment will be taken to conference and there worked out in some way. I hope the Senator from Louisiana will not raise a point of order against the amendment. However, I stated in the beginning that the amendment is subject to a point of order for the reasons I gave.

Mr. ELLENDER. Mr. President, I make the point of order that the amendment is out of order.

The PRESIDING OFFICER. The point of order is sustained.

If there are no further amendments——

Mr. DOUGLAS. No, Mr. President. I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 342, before the colon, in line 16, it is proposed to insert a comma and the following: "but the amount of obligations authorized to be incurred pursuant to such authority is hereby reduced by $237,000,000."

Mr. DOUGLAS. Mr. President, this is an amendment to eliminate the extended authorization to build 16,000 additional Veterans' Administration hospital beds which were cut back by the President. I think the situation needs to be explained. There is no shortage of beds for service-connected disability cases even now. When the present hospitals which are presently under construction or under contract are completed there will be no shortage, even so far as the present waiting lists are concerned for non-service-connected cases. The proposal to build 16,000 beds on top of all this would be, therefore, a waste of money at the present time.

I ask unanimous consent to have printed in the RECORD exchanges of correspondence which I have had with various officials in the Veterans' Administration, and tables, to establish this point.

There being no objection, the correspondence and tables were ordered to be printed in the RECORD, as follows:

JUNE 8, 1950.

Dr. PAUL B. MAGNUSON,
Chief Medical Director,
Department of Medicine and Surgery,
Veterans' Administration,
Washington, D. C.

DEAR DR. MAGNUSON: Many thanks for the material you sent. It will come in handy. I was especially interested in the news story by Martin S. Hayden where he quoted you on certain aspects of the Veterans' Hospital program. However, I would appreciate a letter from you so that I may have some of these quotes directly. I would like to know:

1. The number of veterans presently in veterans' hospitals.

2. The percentage of these veterans who are in these hospitals because of service-connected disabilities as compared to the percentage whose disabilities are non-service connected.

3. The size of the waiting list of the veterans declared eligible for hospitalization who want admittance but have not been admitted. I would also like this figure broken down according to the number of those with service-connected disabilities and non-service-connected disabilities.

Sincerely,

PAUL H. DOUGLAS.

VETERANS' ADMINISTRATION,
Washington, D. C., July 14, 1950.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: At this time the Veterans' Administration is providing hospital care for approximately 35,000 veterans with service-connected disabilities. It is also providing hospital care for approximately 70,000 veterans with non-service-connected disabilities. Thus, the Veterans' Administration is now caring for twice as many non-service-connected cases as service-connected ones. Since service-connected cases receive a thorough priority in admission to veterans' hospital care, any extension in bed capacity of veterans' hospitals can be needed only for the care of non-service-connected cases.

Almost none of the 26,000 veterans who are on hospital waiting lists, is waiting on hospital care for any injury or disability resulting from his military servce. They are there rather for medical care the need for which has not resulted from their military service.

The basic issue of public policy here is then not whether men who have been injured in battle shall be treated by their Government for their injuries to the full extent and in the best manner that the health sciences allow. The issue is rather, whether the Federal Government shall furnish free and unlimited hospital care at the expense of all of the citizens to men who are veterans, and for all of the health hazards to which all citizens, whether veterans or not, are exposed.

As a doctor, I must firmly assert that even if our Congress desires that the answer to this question be "yes"—and to my knowledge the Congress has not so indicated—the limits of our medical resources at this time simply do not permit such a course.

We may have the engineers to build the hospitals. We do not have the doctors and the nurses and the technicians to staff hospitals indiscriminately located. For every patient in a hospital bed we need between one and one and one-half employees. Our specialists and technicians and the other requirements of health care are not distributed with a nice concern for the distribution and concentration of populations. I look forward to a time when there may be a balance of health needs and resources that is more satisfactory to all concerned. We do not bring that day closer by a program of hospital-bed construction that is unrelated to our possible effectiveness in professional staffing.

I should like finally to acknowledge that some of our service-connected cases may have to be hospitalized elsewhere than in their own communities. I hope that we may continue to be able to do so. Such a practice has to be followed not because a community lacks beds, but because we want to bring our patients to the place where the professional talent is available. Such a practice reflects the distribution of medical resources in the private society, and, most important of all, involves a set of considerations applicable to the hospitalization of veterans and non-veterans alike. In other words, whether a man is a veteran or not he may have to seek for hospital care outside of his area and in an area of specialists and professionals if he is to receive adequate care. The indiscriminate geographic location and building of hospital beds of itself leaves this problem unanswered.

I am enclosing for your information, a table showing number of Veterans' Administration patients in hospitals, May 31, 1950, and number on waiting list June 15, 1950.

Very truly yours,

PAUL B. MAGNUSON,
Chief Medical Director.

Veterans' Administration patients in hospitals, May 31, 1950

	VA hospitals		Non-VA hospitals		All hospitals	
	Number	Percent	Number	Percent	Number	Percent
Service-connected	31,641	33.1	3,770	38.9	35,411	33.7
Non-service-connected	63,875	66.9	5,931	61.1	69,806	66.3
Total	95,516	100.0	9,701	100.0	105,217	100.0

Veterans on waiting list for hospital admission, June 15, 1950

	Number	Percent
Service-connected	28	0.11
Non-service-connected	25,284	99.89
Total	25,312	100.00

[From the Washington (D. C.) Star of April 28, 1950]

MEDICAL CHIEF SAYS VA CAN'T USE MORE BEDS

(By Martin S. Hayden)

The angry medical boss of the Veterans' Administration wishes that more Congressmen, chamber of commerce heads, and American Legion commanders knew what a hospital is.

Dr. Paul B. Magnuson says that, if they did, he would not be asked to seek doctors to work in Dublin, Ga., and Battle Creek, Mich., and there would not be talk of giving him 16,000 more veteran beds that he could not operate, if he had them.

In a blunt interview, the one-time Northwestern University surgery head, now VA medical chief, had his say about pouring taxpayers' money down drains under the guise of helping veterans. Specifically, he slapped the election-year alacrity with which the House Monday pushed through Representative RANKIN'S $237,000,000 bill to reinstate the 16,000 beds pruned by President Truman from the VA hospital-construction program.

"I couldn't use 16,000 more beds if they gave them to me tomorrow," Dr. Magnuson protested. "Some folks have the idea that all you do is spend $15,000 to provide one hospital bed and everything is fine. They forget that, after the buildings are open, it takes $12 a day per patient to fill the bed; that would be $192,000 a day, or $70,000,000 in a year for 16,000 beds."

And then, says the doctor, there is the matter of hiring doctors, nurses, and technicians.

"Do they want 16,000 boardinghouse beds, or hospitals?" he asks. "If they want hospitals, it might be well to remember that it takes 1½ people in a hospital to take care of each patient, year in and year out. We have nearly 4,000 of our present beds empty for lack of staff."

That gets the doctor around to Dublin, Battle Creek, and other small communities where, he says, "chambers of commerce and Legion posts raise hell till they get a veterans' hospital."

Dublin, in the home district of Chairman VINSON of the Armed Service Committee, now has its hospital. A modern 1,000-bed unit built by the Navy, 53 miles from Macon, the nearest city, and presented after the war to the VA.

"We authorize use of 500 of the beds," Dr. Magnuson says. "We've never been able to get enough staff to open more than 300. Dublin is a nice place but we just can't find hospital technicians, nurses, and doctors willing to move there. I took the bull by the horns and ordered 15 of our doctors down there and 8 promptly resigned."

In Battle Creek, Dr. Magnuson is criticized for not grabbing up the 1,200 bed $30,000,000 Percy Jones Hospital which the Army is about to close.

"Another nice town," Dr. Magnuson comments. "But look at its census of doctors: No specialists in anesthesia, skin, or plastics; one each in neuropsychiatry, urology, and orthopedic surgery; three each in internal medicine, pathology, and nose-throat-ear; and five each in surgery and X-ray.

"If we asked those doctors for a guaranty of hours to help us, they would be too busy to give us a total of 10 hours a week. That would mean we would have to bring in a whole new staff, and you just can't get them."

At the opposite, and good, extreme Dr. Magnuson points to the situation in San Francisco where the VA has a staff of only 8 full-time doctors in a 430-bed hospital. The bulk of the work is handled by the Stanford and University of California Medical School staffs. He would like more beds in such cities.

"They are less expensive," he says, "and the patients have readily available the finest specialized talent that science can produce."

Dr. Magnuson snorts at some of the things said by impassioned House Members during the Monday debate.

Representative EDITH NOURSE ROGERS, Republican, of Massachusetts, declared: "It is a cruel thing to prevent men who have fought for us and who were injured from receiving hospitalization."

"There is no such veteran," answers Dr. Magnuson. "Any man disabled in the service can have a bed immediately and get the best medical treatment in the world. The only exception is when he insists on going to a specific hospital and refuses to let us send him where there is space available."

There is a 26,000-veteran waiting list for free VA beds, Dr. Magnuson admits, but all are veterans whose illness is in no way traceable to their service.

Under old law the VA may give notification for non-service-connected disability, provided there is "space available." The records show that, ever since Congress passed the law, it has poured out money to make space available, and, of the 99,311 veterans actually hospitalized as of last February 28, two-thirds were for nonservice disabilities.

Another objected-to congressional complaint was this, from Representative DAYTON PHILLIPS, Democrat, of Tennesse:

"Seriously ill veterans are being moved out of hospitals, many of them sent home to die."

"Bunk!" says Dr. Magnuson. "There has never been a sick man put out of a veterans' hospital. Some have died after they went home. But death was started by Adam and has been going on pretty consistently ever since. We can fight it, but we can't stop it."

MAY 4, 1950.

VETERANS' ADMINISTRATION,
Washington, D. C.

GENTLEMEN: I would very much appreciate information on hospitals presently under construction and those for which construction is planned. On these hospitals I would like to know their names, locations, size, and type. I would be grateful if I could have this information as soon as possible.

Sincerely,

PAUL H. DOUGLAS.

VETERANS' ADMINISTRATION,
Washington, D. C., May 12, 1950.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: Reference is made to your letter of May 4, 1950, requesting information on Veterans' Administration hospitals presently under construction and those for which construction is planned.

There is enclosed in duplicate a list of hospitals being constructed as of May 8, 1950, and those which are to be constructed under the current authorized Veterans' Administration hospital construction program.

Very truly yours,

F. H. DRYDEN,
Assistant Administrator for Construction, Supply, and Real Estate.

Veterans' Administration hospitals under construction as of May 8, 1950

	Beds
Albany, N. Y.	[1] 1,005
Altoona, Pa.	[1] 200
Ann Arbor, Mich.	[1] 500
Baltimore, Md.	[2] 300
Beckley, W. Va.	[1] 200
Birmingham, Ala.	[1] 500
Bonham, Tex.	[3] 300, [1] 50
Boston, Mass.	[1] 1,000
Chicago, Ill.	[1] [4] 500
Chicago, Ill.	[1] 500
Cincinnati, Ohio	[1] 500
Clarksburg, W. Va.	[1] 200
Denver, Colo.	[1] 500
Durham, N. C.	[1] 500
East Orange, N. J.	[1] 1,000
Erie, Pa	[1] 200
Grand Island, Nebr.	[1] 200
Indianapolis, Ind.	[1] 494
Iowa City, Iowa	[1] 500
Kansas City, Mo.	[1] 500
Little Rock, Ark.	[1] 500
Louisville, Ky.	[1] 500
Madison, Wis.	[2] 500
Manchester, N. H.	[1] 150
Marlin, Tex.	[1] 200
Miles City, Mont.	[1] 100
New Orleans, La.	[1] 500
Omaha, Nebr.	[1] 500
Peekskill, N. Y.	[5] 1,965
Philadelphia, Pa.	[1] 500
Phoenix, Ariz.	[1] 200
Pittsburgh, Pa.	[5] 1,000
Poplar Bluff, Mo.	[1] 200
Saginaw, Mich.	[1] 200
Salisbury, N. C.	[5] 1,000
Salt Lake City, Utah	[5] 500
Seattle, Wash.	[1] 300
Shreveport, La.	[1] 450
Spokane, Wash.	[1] 200
Syracuse, N. Y.	[1] 500
West Haven, Conn.	[2] 400, [1] 500
Wilkes-Barre, Pa.	[1] 475

[1] General medicine and surgery.
[2] Tuberculosis.
[3] Domiciliary.
[4] Tumor clinic.
[5] Neuropsychiatric.

Veterans' Administration hospitals to be constructed

	Beds
Brockton, Mass.	[1] 1,000
Cleveland, Ohio	[2] 500
Cleveland, Ohio	[1] 1,000
Los Angeles, Calif.	[1] 1,000
New York, N. Y.	[2] 1,250
Oklahoma City, Okla.	[2] 500
Pittsburgh, Pa.	[2] 750
St. Louis, Mo.	[2] 500
San Francisco, Calif.	[1] 1,000
Washington, D. C.	[2] 500

[1] Neuropsychiatric.
[2] General medicine and surgery.

Mr. DOUGLAS. Mr. President, the figures in this correspondence show that of the total of 105,217 veterans who are in VA hospitals or hospitals financed by the VA only 35,000 are service-connected disability cases, and that approximately 70,000 are non-service-connected cases. In other words, two-thirds of all existing VA patients were those with nonservice-connected disabilities, and only one-third were suffering from service-connected disabilities.

But, Mr. President, it is said that there is a big waiting list that the Veterans' Administration cannot take care of. Well, the waiting list on the 15th of June, only 6 weeks ago, was only a little over 25,000 cases. Mr. President, let us note that only a total of 28 cases—I repeat

only 28 cases of those on the waiting list were service-connected. Twenty-five thousand two hundred and eighty-four were non-service-connected. So that on the waiting list only one-tenth of 1 percent of those waiting admission were suffering from service-connected disabilities and 99.9 percent of the cases were non-service-connected.

Mr. President, there are already under construction, or plans drawn to be constructed, a total of approximately 29,000 beds. Only a little less than 21,000 beds are actually under construction. An other 8,000 beds are to be constructed. So that when these 29,000 beds are constructed, if the waiting list does not further increase, all of those on the present waiting list can be absorbed—even including all non-service-connected disabilities.

The proposal which was put through on the floor of the House, and which I am sorry to say was reported favorably by the Senate Committee on Labor and Public Welfare this morning, provides for an additional 16,000 beds on top of all this, which will cost at least $237,000,000. The extended contract authorization in this bill provides the money. These 16,000 beds are not necessary, doctors are not available for them, and building them would be useless.

Mr. President, I know that no one wants to vote against medical care for veterans, whether or not these veterans are suffering from service-connected disabilities or non-service-connected disabilities. I know it is an unpopular political thing to do so. But, as I have shown, these beds are not needed. Furthermore, I believe the United States has got to stop, look, listen, and study the cost of this hospital program, and that there must be a limit somewhere. I submit, Mr. President, that we ought to strike out the authorizations for these additional 16,000 beds and save $237,000,000, particularly since all the hospitals which are now under construction will take care of the present waiting list, which, as I have said, is 99.9 percent non-service-connected.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The time of the Senator from Illinois has expired. The Chair recognizes the Senator from Wyoming.

Mr. O'MAHONEY. I merely desire to say that a request was made to our committee to add $237,000,000 to the bill for this purpose. We did not add it. The $237,000,000 is not in the bill. Therefore, the amendment of the Senator from Illinois, if I understand it correctly, is designed to prevent an appropriation or an authorization which was reported from a legislative committee today. The authorization reported by a committee does not carry any appropriation in this bill. I think the Senator's amendment does not belong here.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. Is it not true that the authority to provide these additional 16,000 beds, which was given in previous acts of the Congress, is extended by the provisions from line 10 to line 16, on page 342?

Mr. O'MAHONEY. That is not my understanding.

Mr. DOUGLAS. I may say I have consulted the Budget Bureau. I have been informed by them that the previous authorization which otherwise would have lapsed is extended by this language.

Mr. O'MAHONEY. No, Mr. President; the Senator from Illinois is mistaken about that, I am sure. The authorization for the construction of hospitals was contained in a legislative enactment made several years ago. After that measure was enacted and after the program for hospital construction had been worked out by the Veterans' Administration, the President of the United States, Mr. Truman, directed the Veterans' Administration to abandon a substantial part of that program. The President ordered the Veterans' Administration to reduce the size of certain hospitals from 100 beds to 500 beds and to abandon certain other hospitals. That order was carried out by the Veterans' Administration.

I am very well aware of the fact that the House of Representatives has passed a new bill which directs the construction of these hospital facilities, but that authorization bill cannot possibly become effective because the reduced program is well on its way to completion.

Mr. DOUGLAS. Mr. President, I should like to call the attention of the Senator from Wyoming——

The PRESIDING OFFICER. The Senator has yielded the floor.

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. CHAVEZ. Mr. President, just in discussing the merits of the amendment proposed by the Senator from Illinois, I wish to say that I have noted how the Senator from Illinois has voted on practically every item in this bill. Just this afternoon, when it came to a question of making a reduction of even 5 percent in the funds proposed to be appropriated for aid to Europe, the Senator from Illinois voted against the amendment proposing such a reduction in the appropriation; he was not in favor of reducing by 1 penny the amount proposed for aid to Europe. However, here, at this late hour, the Senator from Illinois would have the Senate adopt an amendment by which a reduction would be made in the funds to be provided for the care of our veterans who saved Europe.

I think the amendment should be rejected on its merits alone, for it reduces the question to one of Europe versus the veterans of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Illinois. [Putting the question.] The "noes" seem to have it; the "noes" have it, and the amendment is rejected.

The bill is open to further amendment.

If there be no further amendment——

Mr. DOUGLAS. No, Mr. President; I wish to be recognized at this time.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President, I shall not take up too much time for it is not my purpose to delay the Senate in its anxiety to go to more pleasant scenes. However, there are a few amendments which remain, and which I wish to have stated, although I appreciate the desire of the Chair to be expeditious in the handling of the bill.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Can the amendments to be proposed by the Senator from Illinois be stated and voted on en bloc?

Mr. DOUGLAS. I shall be willing to have that done. I have prepared the amendments in groups, according to the chapters of the bill to which they are offered; and for the sake of neatness I think it would be better to have the amendments stated in that way, by chapters.

So I send the first group of amendments to the desk and ask that they be stated and considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc, and they will be stated at this time.

The CHIEF CLERK. The following amendments are proposed:

On page 72, line 8, strike the figure "$6,000,000" and insert "$5,750,000."

On page 81, line 17, strike the figure "$6,200,000" and insert "$5,900,000."

On page 88, line 18, strike the figure "$4,600,000" and insert "$4,000,000."

On page 89, line 2, strike the figure "$22,500,000" and insert "$15,000,000."

Mr. DOUGLAS. Mr. President, these proposals, I hope, will be voted on en bloc. They would effect total reductions of $8,650,000 in the appropriations for the Department of Commerce. In most cases, the amendments would result in having the bill provide for the same appropriations as those made for these purposes last year.

In the case of forest highways, the amendments propose a reduction of $7,500,000 in the appropriation, because of the large amount of funds appropriated for that purpose in the past.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Illinois, which are to be voted on en bloc. [Putting the question.]

The "noes" seem to have it; and the "noes" have it, and the amendments are rejected.

Mr. DOUGLAS. Mr. President, I offer another group of amendments which I send to the desk and ask to have stated and considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc, and will now be stated en bloc.

The CHIEF CLERK. The following amendments are proposed:

On page 128, line 16, strike the figure "$1,382,000" and insert "$1,227,000."

On page 128, line 19, strike the figure "$1,861,000" and insert "$1,800,000."

On page 129, line 14, strike the figure "$714,000" and insert "$700,000."

On page 130, line 2, strike the figure "$281,000" and insert "$250,000."

On page 130, line 8, strike the figure "$2,788,000" and insert "$2,700,000."

On page 134, line 11, strike the figure "$2,000,000" and insert "$1,500,000."

On page 135, line 4, strike the figure "$9,396,400" and insert "$9,000,000."

Mr. DOUGLAS. Mr. President, these are proposals for reductions in the appropriations for administrative expenses for the Department of Labor. In the past I have been charged with proposing reductions for Government departments other than the Department of Labor, and with treating the Department of Labor more gently. However, that is not the case. These reductions would total $1,225,000.

Mr. President, this afternoon, when I told a fellow Senator that I intended to offer these amendments, he said to me, "You are suffering from an extreme case of masochism." I did not at the time know just what that word meant, but I later found out that it meant "one who likes to inflict pain upon himself."

Mr. President, I assure the Senate that this is not true, yet I admit that it is not at all pleasant for me to offer these amendments, in the face of a tired and somewhat hostile Senate; but the pruning knife should be used on the appropriations items for all the departments—on those for which one may have a sentimental affection, as well as on the others.

I do not think these amendments, if adopted, would cripple the Department of Labor in the slightest. In fact, the Department could still go ahead with its program if it saved an additional $1,225,000.

I suppose these amendments will find favor with many Senators who voted down amendments pertaining to flood control and navigation appropriations. These amendments will give some Senators a chance to crack down on the Department of Labor. I hope Senators will not indulge in their sadistic desires in that connection.

The PRESIDING OFFICER. The question is on agreeing to the amendments proposed by the Senator from Illinois. [Putting the question.]

Mr. DOUGLAS. Mr. President, I am glad that my amendments received two or three votes.

The PRESIDING OFFICER. Let the Chair state the result. The "noes" seem to have it; the "noes" have it, and the amendments are rejected.

Mr. DOUGLAS. Mr. President, I call up, finally, by amendment lettered "B," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 366, before the period in line 16, it is proposed to insert a colon and the following: "*Provided further,* That none of the funds appropriated herein shall be used for construction of the Pine Flat Reservoir or the Isabella Reservoir, Calif., unless (1), within 6 months following the date of enactment of this act, the Secretary of the Army shall have received reports with respect to the division of costs of such projects among flood control, irrigation, and other water uses from the Bureau of Reclamation and local organizations and, within 9 months following the date of enactment of this act, the Secretary of the Army, with the concurrence of the Secretary of the Interior, shall have made a determination as to the allocation of such costs, and (2) repayment contracts, complying with the provisions of the reclamation laws and covering the portion of such costs allocated to irrigation and assigned for repayment by the owners of such lands, shall have been entered into by the Secretary of the Interior with irrigation, reclamation, or water districts or associations embracing at least 75 percent of the lands within the respective projects."

Mr. DOUGLAS. Mr. President——

Mr. KNOWLAND—Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. Mr. President, I wonder whether my good friend, the Senator from California, will withhold the point of order for 5 minutes, until I can explain the purpose of the amendment. I hope the Senator will not try to drop the guillotine upon my hapless head too quickly.

Mr. KNOWLAND. Mr. President, I wish to be courteous to the Senator, and of course I wish him to have an opportunity to express his purpose. I wonder whether he will file his statement for the RECORD.

However, I shall withhold the point of order.

Mr. DOUGLAS. Mr. President, I thank the Senator very much.

Let me say first that the first part of my amendment is in line with a proposal made by the senior Senator from Arizona last year in reference to the Isabella Reservoir alone. It was approved by the Senate then, but rejected in conference.

The PRESIDING OFFICER. Does the Senator from California withhold the point of order?

Mr. KNOWLAND. I withhold the point of order temporarily, Mr. President, but I wish it understood that I do not desire to lose my right to the floor.

Mr. DOUGLAS. Mr. President, I thank the Senator from California.

Let me say that the amendment relates to the appropriation of funds for the continuing of construction of the Pine Flat Reservoir and of the Isabella Reservoir, in California, the total estimated costs for which are about $65,000,000; $13,250,000 is the amount of the appropriations now carried in this bill for these projects, but this amendment does not propose to reduce this figure. It merely imposes certain conditions on the expenditure of the funds.

Mr. President, this amendment is designed to meet a situation in which there is great danger that the allotment provisions, the acreage limitations, and the antispeculation features of the reclamation laws will be nullified. The amendment would condition the expenditure of further funds, under the appropriation for these two projects, upon a new allocation of the cost assigned to irrigation, and upon the making of repayment contracts in compliance with Federal reclamation laws, by owners of 75 percent of the lands within the project.

Now, Mr. President, the Nation has been providing hundreds of millions of dollars and will eventually spend billions of dollars in the future for irrigation projects, on condition that at least three terms be met: First, that the costs specifically chargeable to irrigation, that is to say, the principal costs, may be repaid to the Government by those who benefit from it. The interest is forgiven. Second, that there shall be compliance with antispeculation features of the law, so that no one will get speculative profits on the sale of excess lands out of the money invested by the community in the project. Third, that the expenditures by the public are designed to promote the family-sized farm, with a 160-acreage limitation, which in effect is a 320-acreage limitation, because both man and wife are given 160 acres.

Now, the application of the reclamation law to the Kings and Kern River project, to which these two dams relate, has been denied by the water users' representatives, who have said that the reclamation law does not apply, although in my judgment it was clearly intended by Congress as the record of the debate on the bill in 1944 will show.

No repayment agreements have been made by the water users' association in Kings and Kern River Valleys, despite extended communications and negotiations.

No agreements having been signed to make repayment or to impose the 160-acre limitation, the construction of these dams and reservoirs, even without the completion of the irrigation ditches, will enable the landowners to secure a large part of the irrigation benefits through the seepage of underground water. And as pointed out in the letters of the President and of Commissioner Straus, which I inserted in the RECORD last Tuesday, it will then be difficult if not impossible for the Government to enforce the repayment provisions of the law.

The current estimated cost of these two projects is $65,000,000. For Pine Flat alone, on the Kings River, it is $51,121,000, which makes the original offer of $10,000,000 which these people made for repayment, and the figure of $14,250,000, which the Bureau recommended in 1946, quite unreal today. It is now said that irrigation will enjoy 60 percent of the benefits of the Pine Flat Reservoir. When the original estimate of the cost was $19,700,000, and in 1946 when its estimated cost was $36,500,000, then the original repayment figures of from $10,000,000 to $14,000,000 were all right, but now the cost of Pine Flat has gone up to $51,000,000. The irrigation benefits are estimated at 60 percent, but the landowners are refusing to meet the added cost.

On the Isabella project on the Kern River no offers of repayment of any amount have been made.

If we do not deal with this issue now, we shall find that all through the Central Valley in California we shall be constructing reservoirs and irrigation ditches without the water users signing up and agreeing to obey the law, and then, once the ditches have been built, once the reservoirs are there, the landowners will get the benefits and the Nation will hold the bag. The water users in other parts of the valley who have already signed up repayment contracts in compliance with the law can then justly claim discrimination, and our reclamation policies will be seriously endangered.

Mr. KNOWLAND. Mr. President, before renewing my point of order I desire to read to the Senate and to place in the RECORD a brief telegram addressed to me under date of August 3. It is from Carmel, Calif., is signed by Gilbert H. Jertberg, and reads as follows:

CARMEL, CALIF., *August 3, 1950.*

WILLIAM F. KNOWLAND,
United States Senator,
Senate Office Building,
Washington, D. C.:

Proposed rider to appropriation bill is a strong arm, arbitrary proposal obviously inspired by Bureau of Reclamation to get results it cannot get by propaganda and negotiations. It is contrary to Pine Flat project unanimously passed by Congress. It would be utterly unjust to Kings River water users, who are honestly and sincerely attempting to preserve their rights, maintain local administration in the public interest, and at the same time pay a fair price for irrigation benefits of Pine Flat. Rider would not permit sufficient time for negotiaion of fair contract and would thereby stop work and cause blame to be placed on local water users to the delight of the propaganda mill of the Bureau. Local water users at their own expense, without Federal aid, have built up great irrigation system through democratic processes and have demonstrated their capacity to administer these resources in the public interest. The 35,000 farm families in this area should not be clubbed into a contract, but should be permitted to deal with their Government in a fair and independent manner. In my opinion, the rider should be vigorously opposed and thoroughly defeated in the interest of fair play and democratic processes.

GILBERT H. JERTBERG.

My point of order is that the amendment offered by the Senator from Illinois is out of order, both by reason of the fact that it is legislation on the appropriation bill, and also that it provides for certain contingencies.

The PRESIDING OFFICER. The Chair has read the amendment. It is obvious that the point of order is well taken, and it is sustained. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I wonder whether the Senator from California would withdraw his point of order, and the Chair would reverse his ruling, if I now modify my amendment so as to eliminate the first proviso of the amendment. It would then read:

Provided further, That none of the funds appropriated herein shall be used for construction of the Pine Flat Reservoir or the Isabella Reservoir, California, unless—

I now omit the first proviso—

unless repayment contracts, complying with the provisions of the reclamation laws and covering the portion of such costs allocated to irrigation and assigned for repayment by the owners of such lands, shall have been entered into by the Secretary of the Interior with irrigation, reclamation, or water districts or associations embracing at least 75 percent of the lands within the respective projects.

Mr. President, this is not legislation. In its present form it is a restriction that we shall not go on with the construction unless there is an assurance that the people who benefit from the construction will agree to abide by the existing laws under which these appropriations are to be made.

This suggestion was first made in the Senate hearings, not by the Bureau of Reclamation, but by Mr. M. C. Hermann, Quartermaster Adjutant of the Veterans of Foreign Wars, Department of California. It was earlier proposed by the President. It will merely limit the expenditure to require compliance with reclamation law and should be added to the bill as a restriction on the appropriation. It is not affirmative legislation.

Mr. KNOWLAND. Mr. President, I renew my point of order on that, because it provides for a contingency. I still think it is out of order.

The PRESIDING OFFICER. The point of order is well taken, and it is sustained. The bill is open for further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 7786) was read the third time.

Mr. KEM. Mr. President, I shall support the pending bill, but with certain very definite reservations.

In my judgment, the bill is wholly unrealistic. It contains too many chunks of fat—fat which the United States may sorely need during the critical period ahead. And I am not talking about "pork."

The appropriations provided for are based on the situation as it existed prior to June 27, when the President ordered our Armed Forces into war. The bill does not take into consideration events which have occurred since that time. Recent developments have completely changed the picture.

As pointed out by the Senator from Massachusetts [Mr. SALTONSTALL] 2 days ago, the President has submitted supplemental requests for appropriations totaling approximately $16,640,000,000. This total includes $10,500,000,000 for the Department of Defense, $4,000,000,000 for additional military aid to Europe, $260,000,000 for atomic energy, $600,000,000 for stockpiling, $89,000,000 for the Voice of America, $46,000,000 for the Post Office Department deficit, and $950,000,000 for additional planes for the Navy.

Before June 27, we had the word of Secretary of Defense Johnson that our national defense were "sufficient unto the moment." We know now that our national defenses are not sufficient unto the moment. Yet, the appropriations proposed in the pending bill for nondefense spending are based on the thinking previous to June 27.

I joined economy-minded Senators in supporting the Bridges-Byrd amendment which, as finally approved, provided for an over-all reduction of 10 percent of funds for most nondefense items. This amendment was desirable. I congratulate those responsible for a worthwhile accomplishment—but the reduction provided for is wholly insufficient to meet the realities of the situation.

I cannot justify the exemption of ECA from the operation of this amendment. I cannot justify saying to the American people, "You must draw in your belts; you must do without those new roads, those new public buildings, and many other badly needed projects here at home," and at the same time saying to the governments of the Marshall plan countries, "Go right ahead with your electric power projects, your new public buildings, your new roads, in your colonies, everywhere—the United States will finance them all. Uncle Sam will pay the bills."

It is tragic for this country to continue to give away to Britain and other Marshall-plan countries huge quantities of vital materials of war, such as iron, steel, aluminum, and copper, only to have those same countries sell the same items to Russia and her satellites. Yet the Senate rejected an amendment offered by the Senator from Nebraska [Mr. WHERRY] which would have corrected this situation. In doing so it refused to lift a finger against the action of Great Britain, for example, in selling twice as much electrical machinery to Russia during May 1950 as she sold during April 1950.

Mr. President, for a number of years the administration has pursued a policy of managed inflation. The idea has been to keep the fires of inflation burning—just slowly burning. The vast spending programs provided for in the pending bill would have continued this managed-inflation policy. The Korean war threatens to turn managed inflation into rampant inflation, with all its dreadful consequences.

Some of us have opposed managed inflation. All of us agree that an immediate effort should be made to curb rampant inflation. Few of us seem willing to do what is necessary to attack the problem at its roots. Where there is no will, there is no way.

The pending bill represents politics as usual. Every vote-buying program has been retained. There has been no retreat from the prewar political program, with its liberal infusions of socialism. Mr. President, must disaster overcome us before the Congress will put our finances on a war basis?

Nevertheless, the business of Government must go on. Above all, adequate funds must be provided for our national defense and to win the Korean war. A portion of the appropriations provided for in the pending bill are for strengthening our Armed Forces. I have voted for all defense appropriations in the past. I desire to vote for defense appropriations now. To do so we must swallow some bitter pills. They are made no less bitter on account of an obvious effort to give some of them a palatable political coating. But we have no alternative. Accordingly, I shall

vote for the pending bill, but with misgivings and a premonition of evil.

The PRESIDING OFFICER. The question is on the final passage of the bill.

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the RECORD at this point a copy of the so-called Byrd-Bridges amendment, together with a memorandum from Frederick J. Lawton, Director of the Bureau of the Budget, with accompanying tables.

There being no objection, the amendment, memorandums, and tables were ordered to be printed in the RECORD, as follows:

Amendment proposed by Mr. BYRD (for himself, Mr. BRIDGES, Mr. WHERRY, Mr. MCCLELLAN, Mr. CORDON, Mr. KNOWLAND, Mr. SALTONSTALL, Mr. ROBERTSON, Mr. FERGUSON, Mr. HOEY, Mr. GURNEY, Mr. HOLLAND, Mr. CAPEHART, Mr. ECTON, Mr. WILLIAMS, Mr. IVES, Mr. HENDRICKSON, Mr. MILLIKIN, Mr. MUNDT, Mr. SCHOEPPEL, Mr. THYE, Mr. BUTLER, Mr. HICKENLOOPER, Mr. DWORSHAK, Mr. MCCARTHY, Mr. JENNER, Mr. TAFT, Mr. SMITH of New Jersey, Mr. DARBY, Mr. KEM, Mr. MALONE, Mr. BREWSTER, Mr. WATKINS, Mr. MARTIN, and Mr. BRICKER) (H. R. 7786): In lieu of the matter proposed to be stricken by the committee amendment on pages 476 and 477, beginning in line 21 (sec. 1114), insert the following:

"SEC. 1114. Except as hereinafter provided, each appropriation, reappropriation, and contract authorization or reauthorization, made by this act for the fiscal year ending June 30, 1951, to any department or agency in the executive branch of the Government (including funds of Government corporations authorized by this act for administrative expenses), is hereby reduced by 10 percent.

"SEC. 1115. In order to provide for the most effective use of appropriations and contract authorizations reduced by section 1114, the head of each department and agency in the executive branch of the Government is hereby authorized to make adjustments and transfers between such appropriations, and between such contract authorizations, within his department or agency; but no such appropriation or contract authorization shall be increased under the authority of this section to an amount in excess of that provided in other chapters of this act.

"SEC. 1116. The reductions provided for in section 1114 shall not apply to the following:

"(a) Title II of chapter IV; chapter X; so much of title I of chapter X–B as is contained in the paragraph headed 'Mutual Defense Assistance'; and the amount appropriated to the General Services Administration for carrying out the provisions of the Strategic and Critical Materials Stock Piling Act of July 23, 1946;

"(b) Appropriations in title I of chapter VIII for the Executive Office of the President under the headings 'Compensation of the President', 'The White House Office', 'Emergency Fund for the President', and 'Executive Mansion and Grounds';

"(c) Appropriations and contract authorizations for the atomic energy program;

"(d) Trust funds;

"(e) Funds of Government corporations excluding those made available in this act (1) for administrative expenses and (2) by appropriation from the general fund of the Treasury;

"(f) Amounts (other than under the Veterans' Administration) for furnishing medical and hospital services and domiciliary care, excluding (1) administrative expenses not directly connected with the operation of a specific hospital, dispensary, or clinic, and (2) expenses for employee health service programs;

"(g) Amounts provided in this act for payment of obligations incurred under prior appropriations or authorizations, and obligated balances of reappropriations;

"(h) Appropriations of, or measured by, receipts;

"(i) Amounts appropriated by this act for the operation of law enforcement agencies, including the Federal Bureau of Investigation, Bureau of Customs, Immigration and Naturalization Services, and the Secret Service; or for the payment of compensation and expenses of agents and auditors of the Bureau of Internal Revenue, and such other officers and employees of other agencies whose duties primarily pertain to intelligence operations (including funds transferred pursuant to section 6 (a) of the act of June 20, 1949; 63 Stat. 211) or to the investigation, apprehension, prosecution, or detention of persons suspected or convicted of offenses against the criminal laws of the United States;

"(j) Amounts provided for any program of the Veterans' Administration, excluding (1) administrative expenses not directly connected with the operation of a specific hospital, dispensary, clinic, or facility, and (2) expenses for employee health service programs;

"(k) Amounts provided for payments to States or political subdivisions thereof;

"(l) Amounts provided to make payment of or contributions toward pensions, retirement and disability annuities and benefits, employees' death or injury benefits, or other items of a similar nature; and

"(m) Appropriations for refunds, awards, and indemnities."

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., July 17, 1950.

Memorandum for Senator HARRY F. BYRD:

In accordance with your request, we have analyzed the proposed amendment as it appeared in the CONGRESSIONAL RECORD of July 14. This analysis is not a 100 percent refined job because a number of items involved relate to parts of appropriations, which parts only are affected by the amendment. It is, however, substantially accurate as we interpret the amendment.

Some items which may be exempted under more than one head have, in the attached table, been eliminated in the first amendment which affects them. An example of this is stockpiling, which in its entirety is eliminated under section 1003 (a), although part of the appropriation fund is for the liquidation of prior contract authorizations and would be covered by section 1003 (g). We have treated loan authorizations to noncorporate activities in the same manner as appropriations and contract authorizations, assuming that this was the intent of the amendment.

FREDERICK J. LAWTON,
Director.

Analysis of Bridges-Byrd amendment adjusted to take into account changes made in foreign aid chapter by action from the floor

AMOUNTS CONTAINED IN H. R. 7786 AS REPORTED BY THE SENATE APPROPRIATIONS COMMITTEE, ADJUSTED TO INCLUDE INCREASES IN THE FOREIGN AID CHAPTER RESULTING FROM FLOOR ACTION

[000,000 omitted]

Appropriations	$32,581
Contract authorizations	2,183
Reappropriations	333
Loan authorizations (Rural Electrification Administration and Farmers Home Administration, ECA through Export-Import Bank)	800
Administrative expense limitations on Government corporations	81
Trust accounts carried in bill	63
Appropriations of or measured by receipts specifically authorized in bill	62
Total authorizations contained in H. R. 7786	86,103

AMOUNTS OF AUTHORIZATIONS EXEMPT FROM THIS PROVISION, ADJUSTED TO TAKE INTO ACCOUNT THE SMITH AND M'CARRAN-O'MAHONEY AMENDMENTS

Sec. 1001, agencies outside the executive branch of the Government: Legislative, the judiciary, and contribution to the District of Columbia	−$115
Sec. 1003, title II of chapter IV, chapter X; and so much of title I of chapter X-B as is contained in the paragraph under the head "Mutual defense assistance" and the amount appropriated to GSA for carrying out the provisions of the Strategic and Critical Materials Stockpiling Act of July 23, 1946:	
(a) Title II, chapter IV	527
Chapter X	14,681
So much of title I of chapter X-B as is contained in the paragraph under the head "Mutual defense assistance"	1,678
Amount appropriated to General Services Administration for carrying out the provisions of the Strategic and Critical Materials Stockpiling Act of July 23, 1946	730
	−17,616
(b) Appropriations in title I of chapter VII for the Executive Office of the President under the headings "Compensation of the President," "The White House Office," "Emergency fund for the President," and "Executive Mansion and grounds"	−2
(c) Apropriations and contract authorizations for the atomic-energy program	−948
(d) Trust funds	−63
(e) Funds of Government corporations excluding those made available in this act (1) for administrative expenses, and (2) by appropriation from the general fund of the Treasury	--------
(f) Amounts (other than under the Veterans' Administration) for furnishing medical and hospital services and domiciliary care, excluding (1) administrative expenses not directly connected with the operation of a specific hospital, dispensary, or clinic, and (2) expenses for employee health-service programs	−48
(g) Amounts provided in this act for payment of obligations incurred under prior appropriations or authorizations, and obligated balances of reappropriations	−931
(h) Appropriations of, or measured by, receipts	−62
(i) Amounts appropriated by this act for the operation of law enforcement agencies, including the Federal Bureau of Investigation, Bureau of Customs, Immigration and Naturalization Services, and Secret Service; or for the payment of compensation and expenses of agents and and auditors of the Bureau of Internal Revenue, and such other officers and em-	

Sec. 1003, title II of chapter IV, chapter X, etc.—Continued	
ployees of other agencies whose duties primarily pertain to intelligence operations (including funds transferred pursuant to sec. 6 (a) of the act of June 20, 1949; 63 Stat. 211), or to the investigation, apprehension, prosecution, or detention of persons suspected or convicted of offenses against the criminal laws of the United States	—$247
(j) Amounts provided for any program of the Veterans' Administration, excluding (1) administrative expenses not directly connected with the operation of a specific hospital dispensary, clinic, or facility, and (2) expenses for employee health service programs	—5,266
(k) Amounts provided for payments to States or political subdivisions thereof	—1,827
(l) Amounts provided to make payment of or contributions toward pensions, retirement and disability annuities and benefits, employees' death or injury benefits, or other items of similar nature	—781
(m) Appropriations for refunds, awards, and indemnities	—73
Floor amendments to foreign aid chapter	—2,839
Amount of authorizations in the bill subject to 10 percent reduction	5,300

Schedule of amounts included in H. R. 7786 as reported by the Senate Appropriations Committee (exempt under sec. 1003 (f))

Indian Service	$10,800,000
Panama Canal	2,300,000
Penal institutions	1,000,000
Freedmen's Hospital	2,500,000
St. Elizabeths Hospital (direct)	2,000,000
Public Health Service	29,300,000
Air Force (not identifiable)	
	47,900,000

Excludes Veterans' Administration; health programs; administrative expenses not identifiable with a particular hospital, dispensary, or clinic.

Schedule of amounts included in H. R. 7786 as reported by the Senate Appropriations Committee (exempt under sec. 1003 (g))

CHAPTER III

State Department: Salaries and expenses, Philippine Rehabilitation	$10,000,000
Justice Department: Federal prison system; buildings and equipment, penal institutions	540,000
Commerce Department:	
CAA:	
Establishment of air-navigation facilities	22,000,000
Federal-aid airport program	34,000,000
Construction of public airports, Territory of Alaska	3,200,000
Air navigation development	2,885,000
Bureau of Public Roads:	
Elimination of grade crossings	4,600,000
Federal-aid postwar construction program	385,000,000
Forest highways	22,500,000

CHAPTER V

Federal Security Agency: Howard University, construction of buildings	$1,662,000
Public Health Service:	
Grants for hospital construction	100,000,000
Operating expenses, National Cancer Institute	5,000,000
Mental health activities	$2,375,000
Operating expenses, National Heart Institute	5,350,000
Construction of research facilities	11,100,000
St. Elizabeths Hospital:	
Construction and equipment	100,000
Construction and equipment of 2 treatment buildings	1,500,000

CHAPTER VII

Interior Department:	
Office of Secretary, construction, Southwestern Power Administration	5,000,000
Bonneville Power Administration; Construction, Bonneville power transmission system	17,000,000
Bureau of Land Management, construction	200,000
Bureau of Indian Affairs, health, education, and welfare service (permanent indefinite)	1,000,000
Bureau of Indian Affairs, construction	3,737,500
Bureau of Reclamation, construction and rehabilitation	4,595,700
Bureau of Mines, construction	550,000
National Park Service, construction and land acquisition	7,935,000
Fish and Wildlife Service, construction	50,000
Territories and island possessions, construction of roads, Alaska	8,000,000
Territories and island possessions, Alaska Railroad, special fund (permanent indefinite special account)	17,000,000

CHAPTER VIII

Independent offices (excluding AEC):	
American Battle Monuments Commission, construction of memorials and cemeteries	5,000,000
National Advisory Committee for Aeronautics, construction and equipment	15,000,000
U. S. Maritime Commission, ship construction	30,000,000
VA, hospital and domiciliary facilities	160,000,000
General Services Administration:	
Acquisition and construction of Federal office building, Nashville, Tenn	1,200,000
Federal Courts Building, District of Columbia	6,000,000
GAO Building, Washington, D. C	15,358,194
Renovation and modernization, Executive Mansion	3,400,000
Alaska public works	4,000,000
Advance planning of non-Federal public works	14,100,000
Total cash to liquidate contract authorization	930,938,394

Schedule of amounts included in H. R. 7786 as reported by the Senate Appropriations Committee

(Exempt under sec. 1003 (i))

Department of Justice:	
Federal Bureau of Investigation	$57,400,000
Immigration and Naturalization Service	31,400,000
District attorney	6,447,000
Treasury Department:	
Bureau of Customs	36,806,360
Secret Service	3,368,000
Internal Revenue	100,000,000
Bureau of Narcotics	1,908,000
Sec. 6 (a) of act of June 20, 1949 (63 Stat. 211)	9,500,000
Total	246,829,360

(Exempt under sec. 1003 (k))

	Millions
Federal Security Agency:	
Payments to States, Vocational Rehabilitation Act, as amended	$20.6
Grants to States for public assistance	1,200.0
Grants to States for maternal and child welfare	22.0
Control of venereal diseases	11.9
Control of tuberculosis	6.3
Assistance to States, general	14.2
Promotion of vocational education	20.0
Grants for hospital construction	150.0
Other	10.0
Department of Agriculture:	
National school lunch program	83.5
Payments to States, Hawaii, Alaska, and Puerto Rico	27.1
Payment to States, experimental stations	12.0
Housing and Home Finance Agency: Slum clearance and urban development program (annual contributions)	9.3
Department of Commerce:	
War and emergency damage, Territory of Hawaii	3.0
Federal-aid airport program	36.7
Department of Labor: Grants to States for unemployment compensation and employment service administration	178.5
Other agencies	22.0
Total	1,827.0

(Exempt under sec. 1003 (l))

Civil Service Commission:	
Panama Canal construction annuity fund	$2,803,177
Civil Service retirement and disability fund	305,000,000
Treasury Department: Retired pay, Coast Guard	15,575,000
Railroad Retirement Board: Railroad retirement appropriated fund	457,832,724
Total	781,210,901

(Exempt under sec. 1003 (m))

Philippine War Damage Commission	$40,200,000
Federal Security Agency: Bureau of Employees Compensation appropriation	25,000,000
General Service Administration: Refunds under Renegotiation Act	7,400,000
Total	72,600,000

Schedule of amounts included in the foreign-aid chapter of H. R. 7786 which were exempt by amendments offered from the floor

Economic cooperation	$2,726,761,473
International children's welfare work	12,500,000
Spanish loan	100,000,000

Reductions in amounts carried in general appropriation bill, 1951, as reported by Senate committee under Bridges-Byrd amendment

Agency	Appropriations	Contract authorizations	Loan authorizations	Administrative expenses	Grand total
District of Columbia—Federal contribution					
Legislative establishment					
State Department	$18,465,307	$700,000		$76,750	$19,242,057
Justice Department	1,491,000	70,000		71,500	1,632,500
Commerce Department	22,399,800	2,401,600			24,801,400
Judiciary					
Treasury Department	39,486,800				39,486,800
Post Office Department					
Labor Department	3,007,310				3,007,310
Federal Security Agency	10,051,625	428,800			10,480,425
Related labor agencies	1,297,420				1,297,420
Agriculture Department	64,567,366		$70,035,000	2,048,400	136,650,766
Interior:					
Reclamation	32,056,400	300,000			32,356,400
Other	23,243,188	3,483,000		12,148	26,738,336
Independent offices:					
Executive Office of the President	371,200				371,200
General Services Administration	[1] 14,224,228	3,486,700			[1] 17,710,928
Housing and Home Finance Agency	1,640,000			2,563,900	4,203,900
National Advisory Committee for Aeronautics	4,472,563	1,250,000			5,722,563
U. S. Maritime Commission	[1] 11,616,779	6,300,000			[1] 17,916,779
Veterans' Administration	[1] 38,755,600				[1] 38,755,600
Other	21,133,950	150,000		456,800	21,740,750
Army, Civil:					
Corps of Engineers	73,154,600				73,154,600
Other	3,137,862			82,000	3,219,862
National Security Council					
National Security Resources Board					
Department of Defense:					
Office of the Secretary of Defense					
Army					
Navy					
Air Force					
Economic cooperation					
Assistance to Korea	9,000,000				9,000,000
International Children's Welfare Work					
International development (point 4)	2,690,000				2,690,000
Mutual defense assistance					
Government and relief in occupied areas	28,800,000				28,800,000
Government in occupied Germany	2,700,000				2,700,000
Aid to Palestine refugees	2,745,000				2,745,000
Reconstruction Finance Corporation				2,670,000	2,670,000
Export-Import Bank of Washington				96,500	96,500
Total	430,507,998	18,570,100	70,035,000	8,077,998	527,191,096
Total amount to which cuts apply	4,305,079,980	185,701,000	700,350,000	80,779,980	5,271,910,960

Agency	Total subject to 10-percent amendment cut	Total exempt from 10-percent amendment cut	Total carried in H. R. 7786 (including reappropriations)	Total available under 10-percent amendment cut
District of Columbia—Federal contribution		$12,000,000	$12,000,000	$12,000,000
Legislative establishment		79,305,795	79,305,795	79,305,795
State Department	$192,420,570	19,829,998	212,250,568	193,008,511
Justice Department	16,325,000	127,042,000	143,367,000	141,734,500
Commerce Department	248,014,000	508,885,000	756,899,000	732,097,600
Judiciary		23,478,665	23,478,665	23,478,665
Treasury Department	394,868,000	157,937,360	552,805,360	513,318,560
Post Office Department		526,500,000	526,500,000	526,500,000
Labor Department	30,073,100	178,500,000	208,573,100	205,565,790
Federal Security Agency	104,804,250	1,643,488,760	1,748,293,010	1,737,812,585
Related labor agencies	12,974,200	457,832,724	470,806,924	469,509,504
Agriculture Department	1,366,507,660	134,662,914	1,501,170,574	1,364,519,808
Interior:				
Reclamation	323,564,000	3,540,000	327,104,000	294,747,600
Other	267,383,360	60,348,670	327,732,030	300,993,694
Independent offices:				
Executive Office of the President	3,712,000	3,001,553	6,713,553	6,342,353
General Services Administration	177,109,280	782,043,199	959,152,479	941,441,551
Housing and Home Finance Agency	42,039,000	9,250,000	51,289,000	47,085,100
National Advisory Committee for Aeronautics	57,225,630	15,000,000	72,225,630	66,503,067
U. S. Maritime Commission	179,167,790	39,999,997	219,167,787	201,251,008
Veterans' Administration	387,556,000	5,774,979,400	5,813,735,000	5,774,979,400
Other	217,407,500	1,300,743,185	1,518,350,685	1,496,609,935
Army, Civil:				
Corps of Engineers	731,546,000		731,546,000	658,391,400
Other	32,198,620		32,198,620	28,978,758
National Security Council		160,000	160,000	160,000
National Security Resources Board		3,500,000	3,500,000	3,500,000
Department of Defense:				
Office of the Secretary of Defense		358,300,000	358,300,000	358,300,000
Army		4,088,377,521	4,088,377,521	4,088,377,521
Navy		4,678,754,300	4,678,754,300	4,678,754,300
Air Force		5,551,275,000	5,551,275,000	5,551,275,000
Economic cooperation		[1] 2,726,761,473	2,726,761,473	2,726,761,473
Assistance to Korea	90,000,000		90,000,000	81,000,000
International Children's Welfare Work		[1] 12,500,000	12,500,000	12,500,000
International development (point 4)	26,900,000		26,900,000	24,210,000
Mutual defense assistance		1,678,023,729	1,678,023,729	1,678,023,729
Government and relief in occupied areas	288,000,000		288,000,000	259,200,000
Government in occupied Germany	27,000,000		27,000,000	24,300,000
Aid to Palestine refugees	27,450,000		27,450,000	24,705,000
Reconstruction Finance Corporation	26,700,000		26,700,000	24,030,000
Export-Import Bank of Washington	965,000	[2] 100,000,000	100,965,000	100,868,500
Total	5,271,910,960	30,707,420,843	35,979,331,803	35,452,140,707
Total amount to which cuts apply				

[1] Exempt under the Smith amendment.
[2] Exempt under McCarran-O'Mahoney amendment.

Mr. WHERRY. Mr. President, in order to save time, I ask unanimous consent that a statement which I wanted to make as a speech on the floor, relative to the meat inspection amendment, be placed in the RECORD at this point as a statement.

There being no objection, Mr. WHERRY's statement was ordered to be printed in the RECORD, as follows:

The Bridges-Byrd amendment reducing appropriations for nondefense items in the general appropriations bill by 10 percent is so written that the Secretary of Agriculture has authority to maintain the full personnel strength of the Meat Inspection Service.

The budget message presented by the President in January requested an appropriation of $12,959,000 for fiscal year 1951. The House and Senate each voted an appropriation of $12,800,000, $159,000 below the budget estimate, but $223,000 above the appropriation for 1950.

The appropriation of $12,800,000 is the top amount which the Secretary is authorized to spend in fiscal 1951. He may spend less if he so desires. In the fiscal year 1949, for instance, the Meat Inspection Service spent $292,234 less than the $12,555,000 appropriated.

The average number of employees of the Meat Inspection Service was 3,299 in 1949 and is estimated at 3,267 in 1950. If the full budget estimate had been voted by the Senate, 3,220 employees would have been employed in fiscal 1951, according to the budget estimate.

The effect of the Bridges-Byrd amendment is to reduce every appropriation title subject to the reduction formula by 10 percent. Technically, the Meat Inspection Service will reflect this 10 percent reduction. The necessity for this technical reduction of appropriations arises from the requirement that appropriation figures be clear in the final bill for purposes of Federal budgeting and accounting.

The second section of the Bridges-Byrd amendment, however, authorizes transfers between departmental appropriations up to the amounts appropriated elsewhere in the bill. If the Secretary of Agriculture considers meat inspection to be of such importance, he may transfer from less important appropriations sufficient funds to provide $12,800,000 for the Meat Inspection Service in fiscal 1951.

The funds appropriated for the Meat Inspection Service represent approximately 1½ percent of the total amount appropriated for the Department of Agriculture. A transfer of slightly more than one-tenth of 1 percent of funds appropriated to the Secretary can keep the meat inspection at the level provided by the appropriation agreed upon in the House and Senate elsewhere in the bill.

While the appropriations bill was on the Senate floor, legislative history was written and appears on page 11703 of the RECORD. Senator RUSSELL, of Georgia, chairman of the Subcommittee on Agriculture of the Senate Appropriations Committee, declared: "We have provided a 10 percent cut in the Department, and left it up to the Secretary of Agriculture to make the cut. The Secretary of Agriculture knows the relative values of the various offices. If he cuts meat inspectors unduly, we can deal with it in the same deficiency bill in which we deal with other items for which it will be necessary for us to make deficiency appropriations."

In this connection, and so that there may be no mistake as to congressional intent, I submit the record of proceedings on this floor yesterday on my amendment to assure maintenance of the Meat Inspection Service at full program, because of its vital importance to the public health and the production of dressed meat supplies adequate to meet our civilian and military requirements:

"Mr. WHERRY. Mr. President, I send to the desk an amendment and ask that it be read and immediately considered.

"The PRESIDING OFFICER. The clerk will state the amendment.

"The CHIEF CLERK. On page 180, before the period in line 9, it is proposed to insert a colon and the following: '*Provided*, That nothing contained in this act shall be construed to reduce or authorize any reduction in this appropriation or in the number of meat inspectors authorized to be paid from this appropriation.'

"Mr. WHERRY. Mr. President, the amendment is probably very trivial to be considered along with a $52,000,000,000 appropriation bill. I think it involves 256 meat inspectors and provides that they shall not be laid off, as a measure of protecting the health of the country.

"Mr. HOLLAND. Mr. President, was it the intention of the Senator to cut the reduction applicable to the Department of Agriculture, or simply provide that this part of the activities of the Department of Agriculture should not be affected in the adjustment of the cut by the Secretary of Agriculture between various divisions, bureaus, and offices in the Department of Agriculture?

"Mr. WHERRY. The latter part of the Senator's statement is what I intended. The Bridges amendment permits the Secretary to transfer employees to different departments. My amendment would permit the retention of these inspectors without a cut, notwithstanding the Bridges amendment.

"Mr. HOLLAND. And it would not reduce the amount of the reduction accomplished under the Bridges amendment?

"Mr. WHERRY. Oh, no.

"Mr. HOLLAND. I thank the Senator.

"Mr. RUSSELL. Mr. President, there is no question about the importance of meat inspection, but there are other items in the agricultural chapter of the appropriation bill which are just as important. Some Senator remarked to me a few minutes ago that no sooner would this amendment be agreed to than Senators would be marching down the aisle with amendments on other items.

"Mr. CHAVEZ. Mr. President, I think the Forest Service employees are just as important as meat inspectors, and if this amendment shall be agreed to, it is my purpose to suggest an amendment providing that the Forest Service employees be exempted.

"Mr. RUSSELL. Mr. President, I do not think we should approach this matter in this way. We have provided a 10-percent cut in the Department, and left it up to the Secretary of Agriculture to make the cut. The Secretary of Agriculture knows the relative values of the various offices. If he cuts meat inspectors unduly, we can deal with it in the same deficiency bill in which we deal with other items for which it will be necessary for us to make deficiency appropriations.

"Mr. MAYBANK. Mr. President, will the Senator yield?

"Mr. RUSSELL. I yield to the Senator from South Carolina.

"Mr. MAYBANK. I merely wish to say that I voted to reduce appropriations for the Marshall plan. That is now not included in the reduction which has been made. Other departments were cut, including the Department of Agriculture, which will have to take most of the cut. I voted against that cut. I thoroughly agree with the Senator from Georgia that we should not start exempting sections of the Agriculture Department appropriations. I voted against cutting the appropriations for the agencies of the Government, but voted to cut the appropriations for the foreign activities.

"Mr. RUSSELL. Mr. President, it would be necessary to offer a number of amendments to other items to exempt them, and if we start on such a practice, Senators will have been able to go on record as voting for a 10-percent cut, and then proceed to vote for amendments which will eliminate any possibility of reducing the appropriation $1. After we have just voted for a 10-percent cut, we should not start to make exemptions. If that is kept up and similar action is taken on all items all of us would like to exempt, we will have made a great play of publicity in cutting appropriations, and then forestalling the cuts by amendments.

"Mr. CORDON. Mr. President, will the Senator yield?

"Mr. RUSSELL. I yield to the Senator from Oregon.

"Mr. CORDON. Is it not a fact that under the provisions of the amendment just agreed to the authority rests with the head of the department to make any transfers which may be needed, or advisable, or desirable, to increase the efficiency and protect the essential services of his department?

"Mr. RUSSELL. The Senator is correct.

"Mr. CORDON. And we do not need any such provision as that now proposed, do we?

"Mr. RUSSELL. No.

"Mr. WHERRY. Mr. President, will the Senator yield?

"Mr. RUSSELL. I yield to the Senator from Nebraska.

"Mr. WHERRY. Mr. President, now that I have that statement from the Senator from Georgia [Mr. RUSSELL] and from the Senator from Oregon [Mr. CORDON], and before any Senator proposes to modify the amendment or take exception to it, I should like also to ask the ranking minority member of the Committee on Appropriations, the Senator from New Hampshire [Mr. BRIDGES], if he agrees with the statement made by the Senator from Georgia and the Senator from Oregon that the Secretary has power to transtransfer these funds.

"Mr. BRIDGES. Yes."

Mr. LUCAS. Mr. President, when the Congress convenes next year I think it will seriously consider the repeal of the rule which provides that an appropriation bill may be considered in one package. I am convinced, as the result of the experience we have had this year, that the work we are now going through has saved no money, so far as decreases in appropriations are concerned. I am convinced that we have consumed more time than was necessary in handling this appropriation bill collectively than would have been consumed had we considered the bill in separate categories. I have talked with many Senators and have found none who disagreed with this particular thought.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. With reference to the Senator's last observation, I should like to state that the Senator from Illinois did not talk to me about the matter, and I do not want the RECORD to show that it is the general opinion of Senators. I may be alone, but as a member of the Appropriations Committee, while I agree that the one-package bill can be improved in many ways, I think it gives a broad picture, and I deeply appreciate the so-called one-package appropriation

bill. I hope that a future Congress will not repeal it, but will perfect it.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. FERGUSON. Mr. President, I was not consulted by the majority leader, and I want to express my views as being directly opposite to those entertained by him. I feel that both in the Appropriations Committee and on the floor of the Senate, and particularly through the adoption of the amendment proposed by the distinguished Senator from New Hampshire [Mr. BRIDGES] and the distinguished Senator from Virginia [Mr. BYRD], of which I had the honor to be a sponsor, money has been saved. I feel that that amendment alone has saved a large amount of money. Therefore, I would say that I am wholeheartedly in favor of the omnibus appropriation bill.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the clerks at the desk be authorized to change sections numbers and any references to sections or chapters to conform to the action taken by the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McKELLAR. Mr. President, I desire to make another statement. I did not know that anything was to be said about procedure of having a unified, omnibus appropriation bill. I want to say that I think the old plan of division into a number of bills is infinitely better. It is better for the Government, better for the taxpayers, better for those who are in charge of the bill, and better for all of us than having one bill. I hope Senators will not make up their minds too quickly on the subject. It is a terrible task to handle a one-package appropriation bill. I speak from experience, because I am the first one in the Senate who has had charge of a bill of this kind. So far as I know it is the most terrible experience I have had in my whole life. I hope very much that the Senate and the House will agree to go back to the old plan.

Mr. SALTONSTALL. I most respectfully urge that we give very careful consideration before we change to the old plan from the present unified, overall appropriation bill. I do not say that the present system is the best system, but I believe it is a step in the right direction. It can be improved with experience. As one member of the Committee on Appropriations I sat on six subcommittees, and I feel that I know more about the present appropriation bill than I ever knew about any other bill that has come before the Senate. I think the table printed at page 3 of the report is itself worth more to the Senate, in giving a clear picture of the financial state of the Government, than any other statement I have seen in the brief time I have been a Member of the Senate.

I sincerely hope the majority leader will think very carefully and prepare thoughtfully any bill on the subject which he may have in mind to the next session of Congress.

Mr. KNOWLAND. Mr. President, I wish to speak for not more than 2 minutes. I join in the expressions that have been made by my colleagues on this side of the aisle that it would be a great mistake to return to the old system. I have no doubt that a number of improvements could be made in the presentation of this type of bill, perhaps in cutting down the number of subcommittees on which members of the Committee on Appropriations must serve. However, I think that for the first time in the history of the Government, or at least in a great many years, we have had one place where Congress and the American people could focus on what the Federal Government is costing them. I think that is worth while. I believe that when we throw the white spotlight of publicity on what the cost of Government is, we take a great and constructive step forward in bringing this vast Federal structure under some control.

Mr. CORDON. As another humble worker in the vineyard of appropriations, I wish to join my colleagues on this side of the aisle, and I hope a number of my colleagues on the other side of the aisle, who perhaps do not wish to voice their opinion at this time, in urging that we do not abandon the one-package appropriation procedure. I realize that we are faced with another hurdle, which lies ahead of us. It is one which none of us knows exactly how we shall surmount. I am sure, however, that under the leadership of our distinguished chairman we shall surmount it and come out ultimately with a purged and better over-all appropriation measure than the United States has seen in many years. We have some problems to work out, but they can be met, and we can come out ultimately with a far more constructive, sound, and logical procedure than we have known in the past.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H. R. 7786) was passed.

TRIBUTES TO SENATOR McKELLAR

Mr. CHAVEZ. Mr. President, I do not intend to submit an amendment, but I ask unanimous consent that I may speak for 3 minutes on a subject germane to the bill.

The PRESIDING OFFICER. Without objection, the Senator from New Mexico is recognized for 3 minutes.

Mr. CHAVEZ. Mr. President, the State of Tennessee, throughout the history of the Nation, has contributed great men to public life and to everyday life. Of course, we all know of Andrew Jackson, John Sevier, and Andrew Johnson. We all know of James K. Polk, who obtained more land for this country than any other President of the United States. We all know of the activities of Sam Houston in Tennessee, of Gen. Nathan B. Forrest, of Edward Ward Carmack, of Bob Taylor, of Cordell Hull, and of the late Speaker, Joe Byrns.

I may say to the Senate that, knowing the history of the country—and I pride myself in that—I have never seen a more devoted public servant—barring natural mistakes, probably; yes—but not a more patriotic American, devoting his time to the cause of his Nation, than the President pro tempore of this body, the chairman of the Committee on Appropriations. I thought it only proper that I should pay my respects to the chairman of the committee, the Senator from Tennessee [Mr. McKELLAR]. [Applause, Senators rising.]

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Chair feels sure that the Senator from New Mexico has expressed full well the sentiments of all the Members of the Senate, as evidenced by their applause and also by the expressions on their faces.

Mr. BRIDGES. Mr. President, if I may have 30 seconds, I may say that, as ranking minority member of the Appropriations Committee, I have worked for many years with the distinguished chairman of this committee. On behalf of the minority Members of the Senate, I wish to say that we concur in the words of praise spoken by the distinguished Senator from New Mexico. [Applause.]

NEED FOR EXCESS-PROFITS TAX

Mr. McFARLAND obtained the floor.

Mr. O'MAHONEY. Mr. President, will the Senator from Arizona yield?

Mr. McFARLAND. I yield.

Mr. O'MAHONEY. This morning it was my privilege to appear before the Committee on Finance to urge the adoption of an excess-profits-tax amendment which I presented earlier in the week. I ask unanimous consent to have printed in the body of the RECORD a summary of my remarks before the committee.

There being no objection, Mr. O'MAHONEY's statement was ordered to be printed in the RECORD, as follows:

SEND THE PROFIT DOLLAR TO WAR UNDER AN EXCESS-PROFITS TAX NOW

Unless we are willing to use the profits of the profit system to defend that system in the present all-out ideological conflict with communism, we had better prepare to confront disaster.

Corporate profits are running at an all-time high and are rapidly increasing. Inflationary pressures which were apparent early in the second quarter of this year have been greatly increased by the Korean crisis, and will be further accelerated as soon as the new defense appropriation bills are enacted.

It is not too much to say that by the passage of a bill appropriating $10,000,000,000 for immediate military expenditure and $4,000,000,000 for arming western Europe, as requested by the President, we shall be opening the flood gates of inflation unless we take immediate steps to control this deluge of dollars by new taxes which will prevent private purchasing power from competing with newly created Government purchasing power for the purchase of a short supply of goods and services.

INFLATION BEGAN BEFORE KOREA

The economic facts are plain for all to read. Before Korea consumer credit and bank loans were running at new highs. Government credit, extended by authority of Congress for domestic programs, and Government expenditures in excess of Government receipts, were so increasing the supply of dollars that prices were rising even before the Korean attack began.

Consumer credit outstanding in June 1950 had reached the all-time high of $19,600,000,000. This was almost $1,000,000,000 more than in 1949, and thirteen billions in excess of 1945. Total bank loans and investments

in June 1950 amounted to $122,400,000,000, as compared with $120,200,000,000 for 1949, $116,300,000,000 for 1947, and $105,500,000,000 for 1944.

Commodity prices which in 1948 and 1949 were falling from the all-time high of late 1947 and early 1948 began to turn upward early in 1950. In June 1950, the wholesale price index was 157.3 (on the 1926 base), as compared with 155 for 1949, but on July 4 the weekly index had climbed to 159, and 3 weeks later to 163.7. All classes of commodities, industrial and agricultural, have, according to the BLS, been rising more steeply since the outbreak of the war.

On July 21 the BLS reported that the consumer price index which had been relatively stable for 15 months prior to May 20, had begun to rise even before the North Korean attack. By June 15 it had risen nearly 2 percent, to 170.2 on the 1935–39 index. Then came the Korean attack. What has been happening since is evidenced by the fact that new highs were established in July for most commodities, and that, despite some minor declines in a few commodities during the month, the average prices for 28 commodities on spot markets had increased 3.8 percent over the week ended July 25. This meant an increase of 13.6 percent above the prices only a month before.

Thus there can be no disputing the fact that a new and dangerous inflationary trend had appeared before the Korean attack and that it has moved progressively upward since the attack although Government expenditures under the new appropriation bills have not yet begun.

Surely this is warning enough to those of us who will be responsible for the fiscal policies of this Nation that we cannot afford to temporize with this dangerous situation. We must authorize the Government expenditures, but these expenditures can result only in disaster unless at the same time we are willing to curtail civilian spending through a realistic tax program.

It will not be sufficient to rely upon the curtailment of nonessential Government expenditures because even with drastic cuts all along the line on that front the inflationary forces will not be held in check unless we also cut civilian spending.

The military expenditures will have a cumulative effect. Government cash will be laid out for the purchase of military supplies at rising prices. This will generate higher incomes and higher profits and the inflationary snowball will continue to roll.

There can be no doubt that we are in our present dilemma because in the preparation for World War II we did not adopt a sufficiently drastic tax program. We did not have a pay-as-you-go policy then; we were content to pay 45 percent of the current cost out of taxes and to issue IOU's for 55 percent.

There have been other continuing costs flowing directly from the war which the government has had to bear, such as veterans' pensions and benefits, and notably interest upon the national debt. Surely it requires no argument to prove that we should permit nothing to weaken our determination to follow a pay-as-you-go policy now. We cannot think of piling a Korean war debt on top of the unpaid war debt of World War II, and delude ourselves into the belief that we are protecting the profit system.

PAY AS YOU GO OR FACE DISASTER

Unless we are willing, by a rigid tax program now, not only to strike at war profiteering and speculative activity, but to pay as we go, we must be prepared to come face to face with disaster for what we so proudly call the American way of life. The annual interest upon the national debt which now amounts to $5,500,000,000, and which is more than half of all the expenditures of the Federal Government for all purposes in 1939, cannot be increased by new interest obligations upon a new war debt without endangering not only profits, but the system that produces profits.

Fortunately the profit picture as it now presents itself is sufficient to guarantee the success of a pay-as-you-go system. Corporate profits have reached levels never dreamed possible before the war. In 1940, before we actually became involved, they amounted to $9,300,000,000. They jumped to a new high of twenty-five and one-tenth billions in 1943 and receded slightly to twenty-four and three-tenths billions in 1944. But corporate profits after taxes in each war year except 1945 were larger than corporate profits before taxes in 1940. They ranged from nine and four-tenths billions in 1941 to ten and eight-tenths billions in 1944 after the tax bill of World War II had been paid.

Obviously, corporate profits throughout World War II could have made a much larger contribution to the current cost of the war than they were called upon to do. Ever since the speedy reconversion of 1945–46, corporate profits in the new fully employed economy have been running at far higher levels than during the war. For 1947, profits before taxes amounted to thirty and five-tenths billions; they rose to thirty-three and nine-tenths billions in 1948; fell off to twenty-seven and six-tenths billions in 1949; jumped again in the first quarter of 1950 to twenty-nine and two-tenths billions. The universal testimony from the most conservative centers of finance in New York tells us that in the second quarter of this year they are going higher still.

CORPORATE PROFITS REACH NEW HIGH

The National City Bank of New York in its Monthly Letter issued on August 2, told its customers that two out of every three corporations had increased their earnings in the first half of 1950 as compared with 1949. The National City Bank surveyed the net income of 500 corporations throughout the American economy and reported that after the deduction of Federal income taxes, at the present 38 percent rate, the net income totaled approximately $2,563,000,000. This, the National City Bank tells us, is an increase of 27 percent over the first quarter of 1949, making an increase of 20 percent for the first 6 months of 1950 over the first 6 months of 1949.

The Wall Street Journal, in its issue of August 1, after an analysis of 321 early corporate reports, published a list showing that the net earnings of these 321 firms for the second quarter were 46.5 percent above the high profits for the same period in 1949.

Similar reports come from every source and on Wednesday last, August 2, the Associated Press issued a compilation of the earnings of 450 corporations which showed that in the second quarter of 1950 corporate earnings were up 43 percent above 1949 and when computed for the first half of the year showed earnings 24 percent above the first half of 1949.

To me there is only one conclusion to be drawn from these figures—while we are drafting young men for the purposes of the war we must not fail to draft these extraordinary dollar profits of the corporate economy.

Let's take these profits now. To take them next year will be too late, because every dollar of these billions of profits which do not go to war now will be adding to the inflationary pressures and thereby hinder the war effort.

O'MAHONEY EXCESS PROFITS TAX

The schedule of excess profits tax rates contained in the amendment now before the committee will impose no hardship upon any corporation. It provides first of all for a specific exemption of $25,000 and therefore will not fall heavily upon small business. It continues the application of section 712 of the old excess profits tax law under which certain other exemptions are allowed for all corporations, in order that no unjust burden may be imposed. It also continues the application of section 722 under which special consideration may be given for special conditions existing in individual cases. It was therefore carefully designed to apply only to profits in the very high brackets.

The base which has been selected is 75 percent of the average rate of corporate profits for the 3 years 1947 through 1949. That average is $30,700,000,000. Accordingly the excess-profits tax does not apply to 75 percent of the average profits earned during three base years. It is only upon the top 25 percent of the profits earned above that average that this amendment will begin to be effective. The date schedule is as follows: 65 percent of net income above 75 percent of the base and not above 90 percent; 75 percent of net income above 90 percent of the base and not above 100 percent; 90 percent of net income above 100 percent of the base and not above 125 percent; 100 percent of net income above 125 percent of the base.

It will be observed that 75 percent of the profits of 1947–1949 is only slightly lower than the peak of profits during World War II. We know now that taxes were too low during World War II. Their impact upon the corporations of the United States did not, for example, prevent those corporations from making dividend payments of $4,700,000,000 in 1944 and retaining for corporate purposes an additional 6.1 billions—that is to say, a total of 10.8 billions. In 1944, at the height of the war, there was retained for dividend payments and undistributed profits a sum which exceeds the annual rate of corporate profits before taxes for the entire period from 1929 to 1940.

This makes it obvious that the tax rate here proposed can easily be carried by the corporate economy. Indeed an argument might well be made that the base for the assessment of an excess-profits tax might well be lower than that fixed in this amendment, or that the rate might be higher.

The excess-profits rate in the law which was suspended at the end of 1945 carried an excess-profits tax rate of 95 percent, subject to the limitation that all normal surtax and excess-profits taxes should not exceed 80 percent of the net income.

I have the computations to show that if a 95 percent rate subject to this same limitation were imposed on a normal and surtax rate of 45 percent, as proposed in the President's bill, the total tax on a given case would run only slightly less than the tax levied by this amendment. Assume, for example, the case of a company which had an average net income of $1,000,000 for the years 1947, 1948, and 1949, and during the period subject to the tax rate provided in this amendment had earnings 40 percent higher than during the base period, or $1,400,000. Such a company would pay a total tax of $871,250 under this amendment as compared with $850,000 under the 95 percent rate of the old law. In such an instance, under this amendment, the corporation would have profits after taxes amounting to $528,750. Under the 95 percent tax the corporation would have a larger balance of net earnings left, namely, $550,000.

These computations indicate that under this amendment American corporations will be in substantially the same position as they were during World War II when the record clearly shows the burden upon them was not at all unbearable. This amendment will only have the effect of making certain that the profiteer and the speculator will be working for Uncle Sam and that unusually high profit dollars will go to war to support the

soldiers on the fighting front and to protect the system of private property on the home front.

Mr. O'MAHONEY. Mr. President, I also ask that there be printed in the body of the RECORD at this point in my remarks an editorial from Life magazine entitled "Five Fecund Years" published in the July 31 issue of Life magazine, and reprinted in the Wall Street Journal on July 27, 1950. The editorial gives some emphatic evidence of the prosperity of this country and its capacity to adopt a pay-as-you-go plan in the great and expensive defense program upon which we are now embarked.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FIVE FECUND YEARS—THE RECORD OF 1945–50 SHOULD GIVE COURAGE FOR DAYS AHEAD

Always before, between its wars, the United States has had long years of peace. This time, between VJ-day and Korea, there stretched but a scant 5 years. Hardly long enough, one would suppose, to catch one's breath, yet it was the most bountiful 5-year period in United States history. Even if the little Korean war becomes a big war, the productive record of the past 5 years should give the United States courage to see the new logistical job through.

Summing it up in the future, the historian may visualize the interval between 1945 and 1950 as part of a new age of confidence.

True enough, the American people were torn by doubts throughout the late forties. But the doubts had to do with questions of cosmic fate and/or the Kremlin, not with themselves as Americans.

World War II may have settled little or nothing about the division of the world between democracy and dictatorship, freedom and slavery, but it did restore the average American's confidence in the capabilities of his own hand and brain.

In 1945 the faint hearts who remembered there were still 9,000,000 unemployed in 1939 were predicting 7,000,000 unemployed by 1946. But nothing like that happened.

Carried forward by the momentum engendered by World War II, the United States economy just refused to stop booming. It was not a bubble boom like the Dutch tulip craze or the United States stock market rise of 1929; it was a solid production boom that went on and on and on. Stock market valuations took 5 years to catch up with it; reality always seemed to outdistance the speculator's imagination.

The figures for the 5-year interval were fantastic by any previous standards. Take housing. Between VJ-day and D-Korea day the United States people built some 4,000,000 new homes for themselves. Sparked by easy credit, whole Levittowns and thousands of sprawly ranch houses went up in what had once been open country.

The Nation, which had spent half a century going from rural to urban patterns of life, went suburban practically overnight. People took to living on the sun along a 3,333,000-mile highway system on which $1,700,000,000 were spent in 1949 for new construction alone.

In Herbert Hoover's era ownership of two cars stamped a family as rich. Between 1945 and 1950 the two-car family was becoming a commonplace. Some 19,500,000 new cars and trucks were registered between 1946 and 1950—and the market saturation point was not yet in sight.

To keep cars on the roads new oil wells gushed in the Southwest sagebrush and on the tidal flats of the Gulf. Texas wildcatters became millionaires, building fabulous hotels and making the Houston skyline look like a replica of Manhattan.

The boom was fed by a steel capacity which went from 80,000,000 to 100,000,000 tons a year in a decade, with 6,000,000 more tons promised by the end of 1952. It was serviced by hundreds of new Diesel engines which rocketed back and forth over the rebuilt tracks of the world's biggest and best railway system. It was fueled by gas and oil pumped through the thousands of miles of new pipelines that laced Texas to the Midwest and New York.

By June 1950 the Federal Reserve production index stood at 197—or virtually double that of 1935-39. The productive capacity included whole new industries.

The new television industry came with a rush; gluing people to their living room chairs and transforming the nature of home life. The chemical industry was producing everything from soapless soap to suits woven entirely of man-made fibers. People paid $89,000,000,000 for clothes and jewelry between 1945 and 1949. They began to think of air-conditioning and sound-proofing as necessities, not luxuries.

The productive revolution moved to the farms at the fastest rate in history. In 1945 there were 1,700 mechanical cotton pickers and strippers in the United States; in 1950 the figure had jumped to 13,400. Corn and wheat filled the bins to overflowing.

The United States ate its fill, helped keep some other nations from starving and had an incredible surplus of food left over for storage against disaster.

The material accomplishments of the 5-year period could be spun out as endlessly as the nylon that went into everything from stockings to tennis-racket strings.

But the really encouraging thing about 1945–50 lay in other directions. Science, through its development of the new wonder drugs (among them chloromycetin, aureomycin), made human life far less hazardous than before.

Between 1945 and 1950 upward of 1,400,000 American took college degrees: in 1950 twice as many were graduated from college as in any prewar year. More encouraging still, there was a widespread discussion of the aims of education.

President Eisenhower, of Columbia, called upon his faculty to educate exceptional physicists, exceptional chemists—but above all, exceptional Americans.

In labor relations the wild atmosphere of the thirties gave way in 1945–50 to the relative equilibrium of the new steel-pension system and the GM 5-year contract.

In race relations, despite the failure of Congress to pass a FEPC bill with teeth in it, encouraging strides were made. As one index of improved race relations Negroes were playing major league baseball, big-time tennis, and captaining Ivy League football.

No one can devise a micrometer caliper to measure such things as artistic progress, musical progress, the content of simple fun or the intensity of religious faith. Nobody can put a dollar value on sympathy, friendship, and love.

Figures, however, can be suggestive, and it may prove something to know that United States church membership leaped from 55,807,366 in 1936 to 81,777,874 in 1949. And in world affairs, which involve spiritual values as well as power politics, the United States had definitely grown up since 1940. In 1950 the United States people were ready to accept a world role, whether they were to do it well or badly.

By all the tokens, measurable and immeasurable, the United States people have a right to be proud of the 1945–50 interlude. They can approach the dangerous days of the present with full confidence in their capacity to see any difficult job through to the end.

SOUTHERN FIREPROOFING CO. OF CINCINNATI, OHIO—CONFERENCE REPORT

Mr. KILGORE. Mr. President, I submit a conference report on the bill (H. R. 627) for the relief of Southern Fireproofing Co., of Cincinnati, Ohio, and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 627) for the relief of Southern Fireproofing Company, of Cincinnati, Ohio, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

H. M. KILGORE,
WARREN MAGNUSON
FORREST C. DONNELL,
Managers on the Part of the Senate.

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
KENNETH B. KEATING,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. KILGORE. Mr. President, the House has receded from its disagreement to the amendment of the Senate. Therefore, I move that the Senate agree to the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MOBILIZATION OF THE ECONOMY OF THE UNITED STATES

Mr. HUMPHREY. Mr. President, the people of the United States have again demonstrated their maturity and wholesome willingness to face up to their responsibilities in a crisis. They have carried their responsibilities as citizens of a democracy by living up to the maxim that in a democracy it is the people who lead.

We are today witnessing the people of the United States telling their Government that they want their economy geared to the necessities of total democratic defense. They are telling their Government that as responsible citizens of a democracy they are willing to sacrifice in the interests of that democracy; but they insist that there be equality of sacrifice and that none profit from the crisis.

Recently we have all been stimulated by the suggestions made by two great Americans of how we might best gear our economy to our new needs. Mr. Bernard Baruch has become a symbol of America's willingness and readiness to meet the demands upon us courageously and with imagination. His voice echoes the determination of the American people.

A second great American, younger in years, but farsighted and wise and forth-

right from experience, has also spoken. He has pointed to the path we must follow if we are to achieve the desire of the American people for equality of sacrifice in total democratic defense. I commend the statement of Chester Bowles to the attention of the Senate, because in my opinion he has demonstrated his capacity for leadership as Administrator of the OPA and as Governor of the great State of Connecticut, which has earned for him the respect and admiration of the American people.

Mr. President, I ask unanimous consent that Governor Bowles' statement to the Senate Banking and Currency Committee, in a letter dated July 29, be incorporated in the body of the RECORD at the conclusion of my remarks.

One thing is unmistakably clear; we must prevent price increases and an inflationary cycle from enveloping our economy. To do this action is needed:

First. The President must be given the authority to impose price controls immediately on basic commodities at the wholesale and producer levels. These prices must be rolled back to their level between June 15 and June 25.

Second. The President must be given the authority to impose priorities, production controls, and the allocation of resources in accordance with our objective to maintain full production.

Third. The President must be given the authority to impose consumer price controls to a level between June 15 and June 25.

Fourth. The President must be given the authority to impose wage controls necessary to maintain the consumer price level.

Fifth. The President must be given authority to impose rationing of those consumer commodities in which shortages may take place. It may be that such rationing will not be necessary at all, but we should be prepared lest inequities take place at the expense of the American consumer.

Sixth. The President must be given the authority to allocate manpower when necessary.

Seventh. The Congress must act to strengthen our existing rent control laws, extend them and allow for recontrol whenever housing shortages exist.

Eighth. The Congress must immediately enact a program of tax increases on individuals and corporations. Basic to such a program must be an immediate enactment of an excess profits tax to be effective as of June 25.

There is no room for profiteering in a democracy while American soldiers sacrifice themselves on the battlefield and their families sacrifice on the domestic front.

In conclusion, Mr. President, I ask unanimous consent to have printed in the body of the RECORD, following Governor Bowles' statement, a statement recently issued by Americans for Democratic Action, an organization of which I am proud to be national vice chairman. The program in detail is challenging and merits the serious consideration of the Congress.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

LETTER FROM HON. CHESTER BOWLES, GOVERNOR OF CONNECTICUT

STATE OF CONNECTICUT,
EXECUTIVE CHAMBERS,
Hartford.

The Honorable BURNET R. MAYBANK,
Chairman, Committee on Banking and Currency, Washington, D. C.

DEAR SENATOR: I understand that the Banking and Currency Committee is considering on Monday afternoon legislation dealing with prices and allocations. I am taking the liberty of writing to you in advance of this meeting.

I am deeply concerned, as I know you must be, by the rapid increase in prices since the fighting began in Korea. In my own State of Connecticut, as in other parts of the country, housewives and businessmen are already feeling the pinch of rising costs of food and many other basic commodities.

I know of no valid reason for these drastic price increases. But I do know that this situation demands action—immediate, bold, and nonpolitical.

The upward price trend is clearly a warning signal to all who remember the early days of World War II and our even more recent experience when price controls were prematurely abandoned in 1946. Unless that trend is reversed, and quickly, we will soon find ourselves faced with the familiar inflationary pattern with prices and wages chasing each other upward in an ever-rising spiral.

If we fail to stop this vicious pattern, the great bulk of our people will face a savage cut in their living standards, our defense bill and other Government costs will be needlessly multiplied, production efficiency will drop, and there may develop deep resentment on the part of millions of our people at a time when, above all others, we must work and pull together.

Many sincere people who are keenly aware of the explosiveness of the present situation believe that there is only one answer. They propose that we place our entire economy under complete control at once with manpower controls, rationing, and a direct freeze of wages and prices.

These people may be correct in their conviction that prices cannot be kept down in the face of the present inflationary pressure, without applying broad controls. Certainly if the present mobilization program is expanded there will be no other alternative.

But the establishment of a regimented economy should be accepted only as a last resort. Because I know so intimately the many inevitable hardships, red tape, and inequities that are involved, I believe that we should not adopt this sweeping solution until we have made a vigorous and genuine effort to keep our economy in balance largely through organized voluntary action.

If the voluntary approach is to have a reasonable chance of success, however, we must devise strong incentives for every individual, business, and labor group to roll back prices which have already risen and to refrain from future increases.

The program I have in mind calls for immediate but limited actions in specific areas of our economy where the price problem is particularly acute.

Following these immediate emergency actions it then places the issue of all-out controls squarely up to the American people by providing the incentives and the machinery for the most determined possible voluntary price-control effort.

If voluntary actions fail, the program which I shall propose will not leave us unprotected and scrambling to catch up. On the contrary, we will be fully equipped to protect our people from rising prices by more drastic means. If this ultimate step should become necessary, we will at least have the satisfaction of knowing that we have not needlessly assumed the burden of all-out controls.

Briefly, I recommend that the Congress enact into law the following four-point program:

POINT I. SELECTIVE CONTROL OF NONCONSUMER PRICES

Immediate authority for the President to roll back to June 15 levels the wholesale or producer prices of basic commodities like steel, feed grains, lead, copper, zinc, and building materials. The President would be authorized to take these steps at once.

This particular authority would not include any immediate control over the prices consumers pay in the store. It would provide a limited economic weapon which can be used where needed in support of voluntary efforts to keep prices down.

POINT II. PRIORITIES AND ALLOCATION

The President should be given, in line with his request, full authority to allocate scarce materials in industrial production and to impose direct production controls whenever necessary for the mobilization effort or for the national welfare. In such industries as steel, metal-working and building, such allocations are already essential to full production.

In the construction industry, first priority must obviously go to the expansion of plants to produce more goods for the Armed Forces and for consumer use. Close behind, however, must come our pressing needs for more houses and for expanded schools and institutional facilities.

Where building materials are scarce, nonessential construction must give way to these high priority building needs. We cannot permit the defense emergency to be used as an excuse for turning our backs on these urgent requirements.

In addition, authority should be granted to the Commodity Credit Corporation to release gradually supplies of food held in storage, where necessary to maintain a level of food prices which will be equitable to farmers and consumers alike.

POINT III. A VOLUNTARY PRICE-CONTROL ORGANIZATION

The Congress should authorize immediately, in one of the existing Federal agencies or elsewhere in the Government, an organization, adequately staffed, to mobilize, direct, and coordinate our voluntary efforts to bring general prices in line at all levels—producer, wholesale, and retail.

This organization should be headed by leaders in business and labor who, I am sure, could be quickly recruited on an emergency volunteer basis. They must be men in whom business men and workers as well as the public have complete trust and confidence.

In the business field, for instance, I am confident that we could get the full cooperation of the 700 OPA price advisory boards set up during the war. These boards cover every industry in the country. Their members are fully awake to the necessity of keeping our economy on an even keel. They would be of inestimable value in any voluntary price control effort.

Conferences should be held at once with the leaders of those industries in which prices have risen since the outbreak of the Korean fighting or in which price rises threaten in the future. This voluntary program should have the support of full subpena and investigating power so that the complete facts

about cases of profiteering can be dug out and presented to the public.

POINT IV. THE TEETH BEHIND VOLUNTARY PRICE CONTROL

We cannot, however, depend on a voluntary program standing alone. Even the most determined voluntary effort to control prices cannot succeed without the clearest and most pressing incentive to every businessman, worker, and housewife.

I recommend, therefore, that the Congress enact immediately a new kind of stand-by price-control law which will provide the teeth which are essential to the success of our voluntary program. In addition, it will provide us with the machinery to move swiftly to roll back prices by law if the voluntary effect should fail.

This stand-by price-control law should provide that if at any time after 60 days following the passage of the act, the consumer price level as reported by the Bureau of Labor Statistics rises—say 5 percent above the level of June 15, 1950, a complete program of economic controls would automatically go into effect. This program would include:

1. A return of all prices including consumer prices to the level of June 15, 1950. Adjustments above that level should be strictly limited to special cases.

2. Whatever wage controls may be necessary to maintain these prices.

3. Authority to ration consumer commodities in short supply. In my opinion, based on several years of wartime experience, consumer rationing is definitely not needed now. I doubt that it will become necessary in the future unless our military requirements approach those of World War II.

4. Authority to allocate manpower. Again this is only a last-ditch possibility.

5. An excess-profits tax, retroactive to July 1, 1950, with rates high enough to eliminate all profiteering.

The program outlined above, in my judgment provides our best hope of avoiding complete price and wage controls in the present situation. Although it contains some essential immediate controls, it is basically a voluntary system with "teeth."

It presents a clear opportunity to private business and organized labor to avoid the imposition of direct price and wage controls and the adoption of stiff taxes on excessive profits.

When Government, under this program, asks an industry not to raise prices, it will be more than a pious prayer. When Government asks labor to keep its wage demands compatible with the existing price structure, it will not be an idle gesture.

This program draws a clear line beyond which we will not permit rising prices to pass. We will be equipped with a complete arsenal of tested economic weapons to protect our people from unreasonable price increases.

Unless it becomes necessary to increase the present strain on our economy still further by additional mobilization, there is a reasonable chance that this voluntary effort will succeed.

If for any reason it fails and all-out controls become necessary, the terms upon which such controls and taxes will go into effect will be definite and understandable to every man and woman in America.

As Governor of Connecticut I have had the opportunity to see at first hand the intolerable hardship which higher prices have already inflicted upon our families. I have talked to housewives, retailers, businessmen, and many others. They are united in looking to the Congress for bold leadership in providing effective answers to the present situation.

I earnestly hope that such action will be forthcoming.

Sincerely,

CHESTER BOWLES,
Governor.

MOBILIZATION PROGRAM OF AMERICANS FOR DEMOCRATIC ACTION

The President has called for a step-up in industrial and military mobilization. The members of ADA, like all other patriotic Americans, applaud this step, but it is important for us to look beyond the end of fighting in Korea to the future. We must be ready to meet local aggression quickly and effectively; we must also be ready to move if need be into a state of total mobilization with speed and without friction.

The higher level of military and industrial mobilization that we so clearly need cannot be bought cheaply. We cannot buy it by reducing or stopping shipments of arms under the military-aid program. That would weaken our allies. We cannot do it by calling an end to our economic-assistance program. While in Europe our aid program has been successful, it is still needed there and in many other places and will be for a long time to come. We must concentrate now on adequately developing the potentialities of the underdeveloped areas of the world. The peoples of those areas seek relief from the misery in which they have lived for so many centuries. We can help them to help themselves. Our technical assistance program, now going forward in cooperation with UN, must be expanded and pushed. But technical assistance alone, though it is indispensable, is not enough. Direct aid wisely guided must be provided.

In 1939, when we first started to mobilize for the war against Germany and Japan, we had 9,000,000 unemployed. Until almost the end of the war we presented the astonishing spectacle of a nation increasing its military output and building up its military manpower, while also increasing the standard of living of the great masses of people. Today in July 1950, our unemployment is low. Almost all our factories are going full-blast. Our mines are at work; our farms are producing at record or near-record levels. We must face the fact honestly that the resources we devote to strengthening ourselves and our friends will be paid for in goods that will not be available to civilians in the United States. The burden need not be intolerable, but it will be intolerable if it is not equitably shared. Our Government must take whatever steps are needed to make sure that the burden of sacrifice is fairly distributed.

This is no time for the Government to indulge in pork-barrel expenditures; neither is it time for the Government to be half-hearted about undertaking the great development projects for our human and natural resources that will strengthen us now and for the long pull. In 1939 and 1940 there were those who cried that President Roosevelt was using the threat of war as an excuse for developing the "socialistic TVA." The TVA dams that were built then were the dams that made the power for the development of the atomic bomb. They were the dams that made the power for the production of aluminum that went into our bombers and fighters.

We cannot think of this as a brief emergency. We must be willing now to plan for a long period of effort and sacrifice.

The ADA believes that the American people will accept whatever controls are necessary to keep our economy in balance and to build up the strength of the free forces of the world. In the following statement we propose a program which represents a beginning and not an end of mobilization.

I. Expansion of production facilities for strategic materials:

Even though our productive capacities are at a very high level they must be increased in several strategic areas, such as steel, light metals, power, and housing.

Steel: For several years both private and Government experts have urged the steel industry to increase its productive capacity to keep pace with an expanding economy. Limited expansion has taken place since 1945, and the industry has decided to increase capacity by the end of 1952 to the extent of five million to six million tons over the present 100,000,000-ton annual output. This is a step in the right direction, but it is still at least 10,000,000 tons below the projected civilian needs for 1952. Since military needs must be added on top of this, such expansion plans are dangerously low.

The shortage is complicated further by the lack of ore transportation on the Great Lakes and the dwindling of the Lake Superior reserves. A comprehensive program is needed for the building of ore boats, the development of new sources of supply as well as the expansion of producing capacity. Testimony this spring demonstrated how essential is construction of the St. Lawrence seaway if our ore supplies are to be assured in time of emergency. There should be no further delay in launching this project.

Production can be increased both by technological improvements and by building new factories. ADA urges that the Government immediately undertake to develop new processes and build new plants. The new plants should be operated under lease arrangements similar to those of the Defense Plant Corporation in World War II.

Light metals: Light metals which are so vitally needed in defense production are already in short supply. Increased production of these metals should be encouraged by Government plant construction and lease arrangements. Specifically, in respect to copper, there is a major problem of securing adequate imports, which involves improving labor relations in the Chilean mines and elimination of tariff barriers. With respect to aluminum production, an increase in electric power is urgently necessary.

Power: The end of the war found the electric power industry woefully lacking in plants for expansion. Even now, 5 years later, there remain areas of the country where there is no extra margin of supply or the margin is narrow. Private and cooperative utilities should be encouraged and assisted in accelerating their current programs to expand capacity. The Federal Government should accelerate its own power project construction in line with sound resource development particularly in the Pacific Northwest where serious deficits already threaten. The power phase of the St. Lawrence dual-purpose project would provide a tremendous block of power. Both this project—essential for iron ore as well as power—and the redevelopment of Niagara power should be authorized without further delay.

Housing, rent control, and community facilities: There must be effective controls placed on housing and the entire construction industry. The President has already issued certain emergency restrictions. Unfortunately, there is a grave danger that unless these are substantially modified, our limited resources for housing construction will be used primarily for those who can afford luxury housing rather than for those in the low- and middle-income group whose need is the greatest.

The low-rent public housing program, which has been planned to provide an annual average of 135,000 units over 6 years, has been cut back to 30,000 units for the next 6 months. This action strikes at the only

source of housing available to low-income families.

This trend should be immediately reversed. The aim of a restricted housing program should be to build for those who need it most, first for the vitally needed low-rent public housing program and secondly for the cooperative housing program for middle-income families which should be passed by the Congress. This program is needed particularly because it will provide a yardstick to help reduce construction costs.

For cutting down the construction boom, primary emphasis cannot be placed on credit controls, for these merely ration construction according to ability to pay.

We must make certain that no critical materials needed for the defense program are utilized for nonessential construction. Certain types of nonresidential construction can well be eliminated entirely. Emphasis in any program of control must be placed upon priority and allocation powers together with sufficient authority to prohibit certain types of construction. A maximum dollar limitation might well be placed on each unit of housing construction, provided price ceilings are placed on building supplies.

In certain defense areas a critical housing shortage is likely to develop. In addition, we must not neglect as we did last time the construction of adequate community facilities. In any defense-housing program factory-built mobile housing will play an important part. Production of this type of housing should be encouraged.

It is most unfortunate that the rent control program has been so severely curtailed. With curtailed housing construction, the present housing shortage will be intensified and rent controls will certainly be needed wherever they now exist and probably in many other communities as well. The present Congress should continue the present law beyond December 31, 1950, and permit recontrol of rents in any decontrolled community where housing shortages have become more acute.

II. Allocation and priority distribution of strategic materials:

Materials for our full defense and necessary civilian needs must be allotted in strict government programs so as to insure equitable distribution. The gray market in steel must be wiped out. Gray and black markets in other areas of basic materials must be avoided.

III. Taxes: Government revenues must necessarily be increased. The estimated national income over the next few years should be high enough for the projected level of military and civilian expenditures to be met through a sound tax program. The new tax burden must be distributed in accordance with the principle of ability to pay.

Congress should immediately restore the excess profits, gift, estate, corporate and individual income taxes that were either repealed or reduced by the Seventy-ninth and Eightieth Congresses. There should be immediate enactment of excess-profits taxes to cover war profits already in the making. Equality of sacrifice means retroactive application of such taxation to cover at least the period of actual involvement in military operation in Korea. Congress should promptly begin studies looking toward improvement of tax laws and a determination of the Nation's revenue raising potential. Together, these steps should provide immediate and long-range solutions to the revenue problem.

IV. Direct consumer controls: We believe that the Congress should enact legislation giving the President stand-by authority to impose, whenever and wherever necessary, rationing and price controls. Such authority should include powers to roll back prices to June 25. Public policy should be directed toward achieving an ever-increasing level of real wages. It must be recognized, however, that when prices have been rolled back and placed under firm controls the area for negotiation of wage increases through collective bargaining will be limited to employers' ability to pay within the fixed price ceilings. Wage increases which exceed employers' ability to pay should not be used as a basis for adjusting price ceilings excepting situations where wage and price increases are found necessary to raise substandard wages to prevailing wage levels. We urge further that the President use these controls if the price and wage structure of the country appears to be in jeopardy by uncontrolled or ill-controlled inflation. We urge the immediate enactment of this stand-by legislation so that both retailers and consumers will realize that adequate protection is available if needed, and also to remove this highly controversial question of controls from the political areana of the 1950 elections.

V. Credit controls: An inflation based on borrowed money must not be allowed. The Federal Reserve Board should increase the reserve requirements of member banks, and thus limit the amount of funds available to be loaned. Present reserve requirements are considerably below the present statutory maximum.

Congress should authorize the President to require higher down payments and shorter credit periods for the purchase of goods in competition with defense production. Insofar as possible credit controls should not be used to undermine the living standards of our lowest income families.

VI. Administration of program: Administration and enforcement of the mobilization controls should be lodged in agencies or Government corporations created for that purpose. Delegation of these responsibilities to the various executive departments may appear to offer a convenient short cut for getting these programs under way, but good administration, not administrative convenience, should receive first consideration. Government departments are geared to their existing responsibilities, most of which will be as necessary during this mobilization period as in normal times and should be continued. New agencies can proceed directly to create administrative structure and staff specifically for the responsibilities assigned to them. No time will be wasted in fitting these new functions to continuing peacetime operations. The administration of new controls under the mobilization program in the permanent agencies creates the danger of setting a pattern of permanent controls. Separate control agencies outside the permanent agencies will minimize this danger.

Administration of supply and allocation powers should not be in the same agency exercising authority over price controls. This would lead to subordination of price consideration to procurement needs and would tend to serve inflationary ends. Insofar as the departments are equipped to render assistance to the defense agencies, they can be called upon to contribute.

Over-all coordination of industrial mobilization, military program, and normal Government operations is of highest importance. It should be, and already is, assigned to a special agency at the top administrative level. The National Security Resources Board is charged with this responsibility by Congress. Such coordination will be more successfully achieved if mobilization programs have not been merged, intermixed, and confused with existing Government programs within the old-line departments. The eagerness of Cabinet officers to enlarge their authority by acquiring mobilization functions for their departments is understandable, but it should not determine the issue.

The NSRB and other mobilization agencies should be required to create policy boards on which labor, agriculture, industry, and general public and consumer interests are represented.

VII. Civilian programs: Regardless of the ultimate extent of our own military needs and overseas aid, we cannot afford to lay aside our basic responsibility to conserve and develop the human and the natural resources of this Nation. The educational, health, and housing needs of the American people must not be forgotten. Programs to conserve our forests and develop our river valleys along multipurpose lines must not be discarded.

The strength and greatness of America depend upon the people and the land. We must not shortsightedly undermine these great national resources even while we fight for the freedom of the world.

National Chairman Francis Biddle, United States Attorney During World War II; Vice Chairmen: Hubert H. Humphrey, Senator from Minnesota; Franklin D. Roosevelt, Jr., New York City Congressman; Walter P. Reuther, President, CIO Auto Workers; Hugo Ernst, President, AFL Hotel and Restaurant Workers; Murray D. Lincoln, Ohio Farm Leader; Reinhold Niebuhr, Protestant Theologian; Arthur M. Schlesinger, Jr., Harvard History Professor; George C. Edwards, Jr., Detroit Attorney; Chairman, Executive Committee; Joseph L. Rauh, Jr., Washington Attorney; Secretary, National Board: David Ginsburg, Washington Attorney.

PROFITEERING BY THE WASHINGTON BASEBALL CLUB

Mr. LANGER. Mr. President, all of us have been horrified, since the Korean outbreak, with prices going up and up and up, particularly of milk and butter, soybeans, and other food commodities.

Then, Mr. President, we come to such a simple thing as even the sports of this country. To my mind it illustrates better than anything else the deep greed of those who want to fill their pockets at the expense of the consumer, when a man like Clark Griffith—old Clark Griffith who, at 80, has only a few years left upon this earth—Clark Griffith, millionaire—Clark Griffith, the baseball player who rose from nothing, protected by the laws of the United States, to be one of the rich men in baseball—sees a chance to make some money, too, by profiteering. He says to himself, "Why, if they double and triple the price of sugar and milk and cream and bread and other necessities of life as they did in World War II—if within a few days after the North Koreans march into South Korea four or five thousand miles away they can raise the price of cigarettes, butter and eggs, and meat—surely it would be all right to charge double admissions at my baseball park?"

So we see in this morning's paper the announcement that, for the first time in the history of the Washington Baseball Club, instead of having doubleheaders when the Washington ball club is playing New York and Detroit, the team will play one game in the afternoon and one game in the evening, so that the young boys who are going to attend the games, the young folks who may go there to spend an evening, will

not get the pleasure of seeing the Washington team play one of the leaders like Detroit or New York in a doubleheader; but Clark Griffith has to make some money.

It cannot be because they have not room enough for the crowd to see a doubleheader, because I believe that from the opening day they have not had a day or night when a doubleheader was played that they turned away anyone. So we find this millionaire making himself a companion with the rest of the unprincipled profiteering horde, getting down in the gutter, saying: "I am going to get mine while the getting is good. I control the majority of the stock on this ball club. I am going to make it just as profitable during the few short years I have left on this earth as I want. Of course, I am going to Uncle Sam and ask him not to draft my players. I am going to ask for everything that I could possibly get from the Congress so that I can keep my baseball team intact, so that my reserves will not be drafted, so that I can keep my lights burning at night, even though it uses power and electricity that should not be used. But if others can do it—if Branch Rickey can get away with it in Brooklyn—I can get away with it in Washington."

What a disgrace to American sports in time of war Clark Griffith has proved to be, what a contemptible, pitiful, horrible, disgusting spectacle he is. Profits, profits, profits.

I turn to another part of this morning's newspaper to find on the financial page the following:

Some comfort, on the other hand, was derived from the fact that the House Ways and Means Committee turned down a proposal for an excess-profits tax. The action, however, was not final. Current advices from Washington indicate that an excess-profits tax is almost inevitable but that it will not be effective before the first of 1951.

So my colleagues can see that those in authority will allow the profits to mount and mount and mount, will protect the profiteer, the hoarder, the gambler, but they will take the last boy in a place of business, the last son of a farmer working from early in the morning to late at night to produce crops.

There it is in a nutshell. Human life means little to those in authority but profiteering and excessive war profits are sacred. They must not be touched until at least 1951. They are hoping and praying that by that time the war will be over, and that public demand will not insist that they do in 1951 what should have been done by those in authority in the month of July 1950.

EXECUTIVE SESSION

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. STENNIS in the chair) laid before the Senate messages from the President of the United States submitting the nomination of Clarence J. McCormick, of Indiana, to be a member of the Board of Directors of the Commodity Credit Corporation, vice Albert J. Loveland, resigned, which was referred to the Committee on Agriculture and Forestry.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Executive Q, Eighty-first Congress, second session, a convention with Panama with respect to the Colon corridor and certain other corridors through the Canal Zone, signed at Panama on May 24, 1950; without reservation (Ex. Rept. No. 12); and

Executive I, Eighty-first Congress, second session, a claims convention between the United States of America and the Republic of Panama, signed at Panama on January 26, 1950; without reservation (Ex. Rept. No. 13).

By Mr. THOMAS of Utah, from the Committee on Labor and Public Welfare:

Norman S. Radin, and sundry other candidates for appointment and promotion in the Regular Corps of the Public Health Service.

NOMINATION OF OLIVER S. POWELL—EXECUTIVE REPORT OF A COMMITTEE

Mr. MAYBANK. Mr. President, from the Committee on Banking and Currency, I report favorably the nomination of Oliver S. Powell, of Minnesota, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1938, vice Lawrence Clayton, deceased, which has been unanimously approved by that committee. I make the report at this time in order that the nomination may be on the Calendar Tuesday next.

The PRESIDING OFFICER. The nomination will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will proceed to state the nominations newly reported on the Executive Calendar.

NATIONAL SECURITY RESOURCES BOARD

The Chief Clerk read the nomination of Robert J. Smith to be Vice Chairman of the National Security Resources Board.

Mr. CONNALLY. Mr. President, I ask that the nomination of Robert J. Smith, of Texas, to be Vice Chairman of the National Security Resources Board, be confirmed. It is very important that this be done immediately.

The PRESIDING OFFICER. The question is, will the Senate advise and consent to the nomination?

The nomination was confirmed.

AIR FORCE OF THE UNITED STATES

The Chief Clerk proceeded to read sundry nominations in the Air Force of the United States.

Mr. McFARLAND. Mr. President, I ask that the Air Force nominations be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none and the nominations are confirmed en bloc.

UNITED STATES AIR FORCE RESERVE

The Chief Clerk proceeded to read sundry nominations in the United States Air Force Reserve.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

AIR NATIONAL GUARD OF THE UNITED STATES OF THE AIR FORCE OF THE UNITED STATES

The Chief Clerk proceeded to read sundry nominations in the Air National Guard of the United States of the Air Force of the United States.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Marine Corps.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS TO TUESDAY

Mr. McFARLAND. Mr. President, as in legislative session, I move that the Senate stand in recess until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 7 o'clock and 18 minutes p. m.) the Senate took a recess until Tuesday, August 8, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate August 4 (legislative day of July 20), 1950:

COMMODITY CREDIT CORPORATION

Clarence J. McCormick, of Indiana, to be a member of the Board of Directors of the Commodity Credit Corporation, vice Albert J. Loveland, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 4 (legislative day of July 20), 1950:

NATIONAL SECURITY RESOURCES BOARD

Robert J. Smith, of Texas, to be Vice Chairman of the National Security Resources Board.

AIR FORCE OF THE UNITED STATES

TEMPORARY APPOINTMENTS IN THE AIR FORCE OF THE UNITED STATES UNDER THE PROVISIONS OF SECTION 515, OFFICER PERSONNEL ACT OF 1947

To be major generals

Brig. Gen. James Frederick Phillips, 78A.
Brig. Gen. James Wrathall Spry, 82A.
Brig. Gen. William Lloyd Richardson, 86A.
Brig. Gen. Roscoe Charles Wilson, 360A.
Brig. Gen. Harry Anton Johnson, 157A.
Brig. Gen. Willard Roland Wolfinbarger, 817A.
Brig. Gen. Joseph Francis Carroll, AO948277.

To be brigadier generals

Col. Oscar Frederick Carlson, 303A.
Col. Manuel Jose Asensio, 324A.
Col. Homer Leroy Sanders, 411A.
Col. Lewis R. Parker, 438A.
Col. Harlan Clyde Parks, 472A.
Col. Paul Ernest Ruestow, 548A.
Col. David Hodge Baker, 557A.
Col. Daniel Francis Callahan, 579A.
Col. Robert Haynes Terrill, 628A.

Col. William Oscar Senter, 648A.
Col. Wilfred F. Hall, 19026A.
Col. August Francis Gearhard, AO207251.

PROMOTIONS IN THE UNITED STATES AIR FORCE UNDER THE PROVISIONS OF SECTION 107 OF THE ARMY-NAVY NURSES ACT OF 1947, AS AMENDED BY PUBLIC LAW 514, EIGHTY-FIRST CONGRESS. THOSE OFFICERS WHOSE NAMES ARE PRECEDED BY THE SYMBOL (×) ARE SUBJECT TO PHYSICAL EXAMINATION REQUIRED BY LAW

To be captains, Air Force nurses

×Askegaard, Elizabeth Ann, AN1436.
Bernard, Erin Langford, AN768.
Deegan, Florence Irene, AN769.
Deege, Eloise Ruth, AN1119.
Lott, Inez T., AN1686.
×McCally, Mary Jane, AN770.
×McLaughlin, Margaret, F., AN766.
Murphy, Anne Martha, AN1594.
Nigro, Elaine M., AN1121.
Roche, Florence T., AN1120.
Staudt, Veleska Barbara, AN1599.

APPOINTMENTS IN THE UNITED STATES AIR FORCE TO THE GRADES INDICATED, UNDER THE PROVISIONS OF TITLE V OF THE OFFICER PERSONNEL ACT OF 1947, WITH DATES OF RANK TO BE ESTABLISHED UNDER THE PROVISIONS OF THE AFORE-MENTIONED TITLE

To be major generals

Lt. Gen. Edwin William Rawlings, 95A.
Maj. Gen. Leon William Johnson, 88A.
Maj. Gen. Samuel Egbert Anderson, 92A.
Maj. Gen. Truman Hempel Landon, 93A.

To be brigadier generals

Brig. Gen. Edmund Clarence Langmead, 207A.
Brig. Gen. Raymond Coleman Maude, 269A.
Brig. Gen. Willard Roland Wolfinbarger, 317A.
Maj. Gen. Frank Alton Armstrong, Jr., 427A.
Brig. Gen. Emery Scott Wetzel, 464A.
Maj. Gen. Edward Wharton Anderson, 514A.
Maj. Gen. Robert Whitney Burns, 527A.

APPOINTMENTS IN THE UNITED STATES AIR FORCE, IN THE GRADES INDICATED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE UNDER THE PROVISIONS OF SECTION 506, PUBLIC LAW 381, EIGHTIETH CONGRESS (OFFICER PERSONNEL ACT OF 1947), AND TITLE II, PUBLIC LAW 365, EIGHTIETH CONGRESS (ARMY-NAVY-PUBLIC HEALTH SERVICE MEDICAL OFFICER PROCUREMENT ACT OF 1947)

To be lieutenant colonel (Medical)

Paul A. Campbell, AO256795.

To be majors (Medical)

John E. Alexander, O489762.
William T. Kelley, AO432037.
Ralph M. Lechausse, AO374203.
Joseph L. Mann, AO464256.
Frank M. Townsend, AO378111.

To be captains (Medical)

Verne H. Alder, AO366552.
Stanley H. Bear, AO1726938.
William S. Davis, AO1757131.
Walter H. Goggans, AO1736789.
Richard K. Miller, AO1764827.
Oakley K. Park, O346607.
Edward P. Smith, Jr., AO1726879.
George S. Tootle, AO1736203.
Joseph B. Wildhaber, AO1767505.

To be captains (Dental).

Robert H. Jakob, AO516752.
Howard H. Morgan, AO1746837.
Charles C. Morris, AO1745055.
Robert L. Reilly, Jr., AO937383.

To be first lieutenants (Medical).

Roger C. Arnold, AO975903.
Glenn D. Baird, AO975364.
David H. Beyer, 488008, United States Naval Reserve.
James G. Borman, AO958449.
Harry C. Green, Jr., AO421575.
Louis E. Harrington, AO975755.
Nestor M. Hensler, O975712.
Peter D. Hogan, AO962921.
Frederick R. Hook, Jr., AO975700.
Jack B. Jay, AO976691.
William Krivit.
John T. Logue.
Jack M. McKay.
Charles C. Sorensen, AO341478.

To be first lieutenant (Dental)

Hiram M. Jackson, AO1906234.

To be first lieutenants (Chaplain)

John D. Barringer, AO498619.
Vernon Bordelon, AO963531.
Arthur E. K. Brenner, AO531519.
Michael J. Finneran, AO965452.
Charles M. Glaize, AO519453.
Raymond T. Mattheson, AO548733.
Earl W. Minor, AO932134.
Edward B. Mulligan, AO966884.
Ivan L. Paulk, AO500965.
Grover E. Stillwagon, AO478834.
Charles W. Wakefield, AO526233.

The following-named distinguished aviation cadets for appointment in the United States Air Force in the grade indicated with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

Sabin L. Anderson.
Ray E. Badertscher, AO2074625.
Thomas R. Bean.
Garold R. Beck.
Warren R. Carter, Jr.
James W. Chilton.
Charles B. Christison.
Harry V. De Hosse.
Harry Falls, Jr.
Orgle D. Godwin.
George H. Helbing.
Arthur L. Keyes.
Claude C. Mitson.
Paul G. Mulhern.
James L. Mulligan.
Earl G. Peck.
Walter H. Schmitz.
Robert W. Smith.
Richard W. Whincup.
George S. White.
Robert F. Wilke.
Elvin O. Wyatt.

Subject to physical qualification and subject to designation as distinguished military graduates, the following-named distinguished military students of the senior division, Reserve Officers' Training Corps, for appointment in the United States Air Force in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

Francis J. Cunnion	Joseph H. Piper, Jr.
Charles A. James	Raymond Smith

UNITED STATES AIR FORCE RESERVE

The following-named officers for appointment in the United States Air Force Reserve under the provisions of section 37, the National Defense Act, as amended. These officers are subject to physical examination as required by law:

To be brigadier generals

Col. Walter Gelvin Bain, AO290604.
Col. Merian Coldwell Cooper, AO163054.
Col. Bruce Johnson, AO504391.
Col. Douglas Keeney, AO114138.
Col. Charles Maylon, AO109296.
Col. Charles Freemen Nielsen, AO924980.
Col. Howard Archibald Rusk, AO166910.
Col. Peter Constant Sandretto, AO908471.
Col. Albert McIver Woody, AO178850.

AIR NATIONAL GUARD OF THE UNITED STATES OF THE AIR FORCE OF THE UNITED STATES

APPOINTMENTS IN THE AIR NATIONAL GUARD OF THE UNITED STATES OF THE AIR FORCE OF THE UNITED STATES UNDER THE PROVISIONS OF SECTION 38 OF THE NATIONAL DEFENSE ACT AS AMENDED

To be brigadier generals

Brig. Gen. Frederick Read Anderson, AO235349.
Brig. Gen. George Robert Dodson, AO369264.
Brig. Gen. John Munnerlyn Donalson, AO176345.
Brig. Gen. Stanford Willis Gregory, AO331838.
Brig. Gen. Lyle Emerson Halstead, AO276747.
Brig. Gen. Ray Simeon Miller, AO163634.
Brig. Gen. Joe Clair Moffitt, AO419945.
Brig. Gen. Earl Thornton Ricks, AO395254.

IN THE MARINE CORPS

The following-named midshipmen (Naval Reserve Officers' Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps:

To be second lieutenants

David I. Carter	George T. Sargent, Jr.
Leo J. Fitzpatrick, Jr.	Cornelius F. Savage, Jr.
Heman J. Redfield III	
Bruce L. Rehn	

The following-named civilian college graduates for permanent appointment to the grade of second lieutenant in the Marine Corps:

To be second lieutenants

Frank F. Alagia	Don L. Keller
Alvin R. Bourgeois	Norman B. McCrary
George E. Bowker, Jr.	Anthony G. Morrison, Jr.
Clement C. Buckley, Jr.	Anthony C. Naeger
John R. Cowan	Claude L. Reynolds
John K. Davis	William R. Riddell, Jr.
Rex D. Ellison	Bryan M. Rust
Eugene D. Foxworth, Jr.	James T. Shafter
	Warren A. Stark
William J. Galyon	Holcombe H. Thomas
Lawrence A. Hall	William V. H. White
Winans D. Holliday	Allan Wilson
Elmer Jenner	Henry E. Wold
Ralph C. Joynes	James W. Wood

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 4, 1950

The House met at 10 o'clock a. m.

The SPEAKER. The Chaplain will offer prayer.

Mr. RICH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. We will have the prayer first, because that is not considered business.

Prayer will be offered by the Chaplain.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the Supreme Ruler of the Universe and its guiding intelligence, we are again entering the sacred retreat of prayer, beseeching Thee to make our minds and hearts the shrines of Thy grace and the sanctuaries of Thy presence.

Grant that during these days, with their many difficult problems and heavy responsibilities, we may discern Thy will more clearly and be sensitive and responsive to the God-inspired impulses and follow earnestly the leading of Thy spirit

which transcends the wisdom of all our own feeble plans and desires.

We pray that we may declare with undaunted faith and courage that the great moral and spiritual principles of righteousness and justice for which we are contending in the council of nations and on the fields of battle are not mere dreams and delusions but that they are written in the very constitution of that life which Thou hast ordained for all mankind.

May special revelations of insight and vision be given to our President, our Speaker, and all who share in the responsibilities of government as they seek to translate the lofty ideals of democracy into practical economic, political, and social realities and strive to make them regnant in the life of our Republic and the whole world. Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, August 3, 1950, was read and approved.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN and Mr. MANSFIELD made the point of order that a quorum was not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 222]

Abbitt	Gwinn	O'Konski
Allen, La.	Hare	Perkins
Anderson, Calif.	Hébert	Phillips, Tenn.
Bonner	Heller	Poulson
Bulwinkle	Hinshaw	Powell
Burke	Irving	Priest
Carnahan	Jennings	Quinn
Chatham	Johnson	Rivers
Christopher	Keefe	Sabath
Cooper	Kelley, Pa.	Sadowski
Cotton	Larcade	Sanborn
Davies, N. Y.	McMillen, Ill.	Sasscer
Davis, Tenn.	Magee	Smith, Kans.
Dawson	Miller, Nebr.	Smith, Ohio
Dingell	Mitchell	Stigler
Dolliver	Morrison	Sutton
Eaton	Moulder	Velde
Evins	Murray, Tenn.	Wheeler
Frazier	Murray, Wis.	White, Idaho
Gillette	Norrell	Willis
Gore	Norton	Wilson, Tex.
Gregory	O'Brien, Mich.	Winstead

The SPEAKER. On this roll call 355 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 99. Concurrent resolution relative to the reenrollment of the bill (S. 1654) for the relief of Kyra Kite Riddle.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 51-3.

DEFENSE PRODUCTION ACT OF 1950

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9176) with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL], as amended by the substitute offered by the gentleman from Kentucky [Mr. SPENCE].

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Do I understand correctly that if this amendment which shall be presented to the Committee of the Whole for action as indicated by the Chair is defeated, that the original bill as reported by the committee is then open for amendment?

The CHAIRMAN. The committee substitute as reported, which is being treated as an original bill under the rule.

Mr. HALLECK. If the amendment is adopted, do I properly understand that then the only motion to recommit would be a straight motion?

The CHAIRMAN. The Committee of the Whole does not pass on a motion to recommit. The Speaker will pass on that when the occasion arises.

Mr. HALLECK. Mr. Chairman, might I address this further inquiry: If this pending amendment is defeated and no substitute as such in the nature of an amendment being a complete substitute is adopted, then the motion to recommit might be the so-called Kunkel substitute offered as such a motion?

The CHAIRMAN. If all substitutes to the original bill are voted down.

Mr. HALLECK. Then that motion to recommit would be in order?

The CHAIRMAN. The present occupant of the chair so understands, but that is a matter that the Speaker will have to determine when the occasion arises.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Further following the inquiry of the distinguished gentleman from Indiana, if the Kunkel substitute, as amended by the Spence substitute, is adopted, then the Kunkel substitute, and the committee substitute as amended by the Kunkel substitute, as amended by the Spence substitute, is adopted, we go back into the House?

The CHAIRMAN. Yes.

Mr. McCORMACK. If the Kunkel substitute, as amended by the Spence substitute, is defeated, then we will have a direct vote on the committee bill?

The CHAIRMAN. The Chair does not want to become involved in what may happen after the Committee rises.

Mr. McCORMACK. The gentleman from Massachusetts recognizes that fact, but the Chair had already become involved as a result of the inquiry made by the gentleman from Indiana [Mr. HALLECK], so the gentleman from Massachusetts thought a little further involvement of an enlightened nature would not too unnecessarily involve the Chair, or involve him too extensively. Would the Chair care to answer my parliamentary inquiry in view of the fact that there is a partial involvement already?

The CHAIRMAN. That is not the function of the present occupant of the chair, as the gentleman from Massachusetts knows. There can be a separate vote on any or all amendments that may be adopted in the Committee of the Whole to the committee substitute amendment.

Mr. McCORMACK. I shall refrain from any further inquiry. I think the Chair has given a sufficient answer.

Mr. MICHENER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. The distinguished majority leader has completely clarified the situation and there is no confusion at all now. Everybody understands exactly what we have been doing for the last 3 days and what some people hope we may do now.

May I ask the Chair if this is not the boiled-down situation: The gentleman from Kentucky [Mr. SPENCE] introduced the bill reported by the committee. The committee bill came to the House for consideration. When the reading of the first section had been completed the gentleman from Pennsylvania [Mr. KUNKEL] offered an amendment in the nature of a substitute. Shortly thereafter the gentleman from Kentucky, who already had one bill pending, offered another bill as a substitute for what the gentleman from Pennsylvania [Mr. KUNKEL] had offered. The House in Committee of the Whole, spent some time in perfecting, or perhaps I should say in completing the Spence substitute.

Now, if the Spence substitute prevails on a vote, we will really have the Spence substitute under the Kunkel name; that is, it will be the Spence substitute and not the substitute introduced by Mr. KUNKEL.

Mr. McCORMACK. Mr. Chairman, a point of order. Is that a parliamentary inquiry or a speech? If the gentleman

wants to tell the Republicans not to vote for it, all right.

Mr. MICHENER. I do not know what the Republicans are going to do.

Mr. McCORMACK. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The inquiry of the gentleman from Michigan, if the Chair may state, seems somewhat involved; almost as much involved as the previous parliamentary inquiries. If the gentleman will make it brief, the Chair will do his best to answer the inquiry.

Mr. MICHENER. This involved situation is what is disturbing all of us. Actually there is nothing before the House at the moment except the Kunkel amendment as amended by the Spence substitute; a yes vote kills the Kunkel substitute; a no vote is for the Kunkel substitute as against the Spence substitute.

Mr. FULTON. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. If the Spence substitute for the Kunkel amendment is voted down, will the bill then still be open for further amendment? Most of us are not satisfied.

The CHAIRMAN. If the Kunkel amendment as amended by the Spence substitute is voted down, the committee bill would then be subject to amendment.

The question is on the Kunkel amendment as amended by the Spence substitute.

Mr. McCORMACK. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee divided; and the tellers reported that there were—ayes 161, noes 172.

So the Kunkel amendment, as amended, was rejected.

The CHAIRMAN. The question now recurs on the original committee amendment, which the Clerk will continue to read.

Mr. BROWN of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Ohio. Mr. Chairman, the parliamentary inquiry is whether under the rule adopted by the House the amendment to the original bill reported by the Committee on Rules from the Committee on Banking and Currency is to be considered as an original bill.

The CHAIRMAN. It is to be considered as an original bill, in accordance with the provisions of the rule.

Mr. BROWN of Ohio. Then, Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with, and that the amendment be considered as read, and be open for amendment at any point.

Mr. SPENCE. Mr. Chairman, I ask that the bill be read section by section.

The CHAIRMAN. The gentleman from Kentucky [Mr. SPENCE] objects. The Clerk will continue to read.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Mr. Chairman, what part of the bill has been read?

The CHAIRMAN. Only the first section has been read.

Mr. COOLEY. Mr. Chairman, do I understand that amendments will have to be offered to each section as it is read?

The CHAIRMAN. Under the present situation it is to be read section by section.

Mr. COOLEY. And amendments are to be offered in order?

The CHAIRMAN. Amendments may be offered to any section as the original committee amendment is being read under the general rules of the House.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Is it not true that any further substitutes that are to be offered to the bill would have to be offered at this point?

The CHAIRMAN. The gentleman is correct.

Mr. SPENCE. Mr. Chairman, I renew my request that the bill be read section by section.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DECLARATION OF POLICY

SEC. 2. It is the policy of the United States to oppose acts of aggression and to promote peace by insuring respect for world law and the peaceful settlement of differences among nations. To that end this Government is pledged to support collective action through the United Nations and through regional arrangements for mutual defense in conformity with the Charter of the United Nations. The United States is determined to develop and maintain whatever military and economic strength is found to be necessary to carry out this purpose. Under present circumstances, this task requires diversion of certain materials and facilities from civilian use to military and related purposes. It requires expansion of productive facilities beyond the levels needed to meet the civilian demand. In order that this diversion and expansion may proceed at once, and that the national economy may be maintained with the maximum effectiveness and the least hardship, normal civilian production and purchases must be curtailed and redirected.

It is the objective of this act to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military and other programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use.

Mr. REED of New York. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I feel that the membership of the House should have certain information which comes from an outstanding and very distinguished expert on agriculture. What is more, he has had experience with roll-backs and controls during World War II. Instead of commenting in detail on the problem which presents itself relating to the effect of regimenting our people across the board with roll-backs to the outbreak of the Korean affair, I shall insert at this point what this distinguished gentleman sets forth with great clarity:

It seems to me that this country's great strength in war or peace is the productive capacity and enterprise of its people. This capacity in peacetime is based on free action of the people and free markets.

There is no question, however, but what a total war economy will be a regimented economy. I think all of us recognize this. The job in regimenting, however, is to permit as much free action, in both markets and people, as possible. Thus is preserved the very strength which has made this country great. We certainly don't want to deliberately adopt the weaknesses of the dictators in wartime.

I was very disturbed by Baruch's recommendation to Congress that this country be regimented right across the board, with roll-backs to the outbreak of the Korean affair. Having gone through the experiences of World War II, I recollect that the agricultural industry's greatest difficulty was the freezing into the economy of unbalances.

To give an illustration, soybean meal is the most important protein supply for the livestock industry. When the war broke out, it was in good supply and the price was low, about $29 per ton, Decatur. Actually, the low price then in effect had more than discounted the oversupply. This was lower in price than corn. Such a distressed price would have lasted only a few weeks in any case. It couldn't possibly be produced at that level. What happened? Shortly the country was short of protein. Black markets developed. It was used, and used wastefully, in the areas of production. It was a bone of contention and trouble through the entire war, and wound up, as I recollect, with a price ceiling of somewhere around $75 or $80—still too low. It was one of the chief headaches of the administration and the agricultural industry.

Corn was frozen as I recollect, at about 81 cents per bushel. Soon the same thing happened to this as happened to soybean meal. Eventually corn would not move out of the area of production at prices set by the administration. This finally resulted in so serious an emergency that top-level administrators were fired.

Many other feed materials were caught in the same squeeze.

Why, with all of this recent experience to guide us, should we make the same mistakes again? It is true now that some agricultural products, such as corn and wheat, are at much more realistic levels to go into a war than they were before, but not all of them.

Another example to look at. At the time that war broke out in Korea, which is the date that Baruch mentioned as determining the roll-back, eggs were 35 to 38 cents on the farm in this area. These were top-grade eggs. Some of the poorer grades were as low as 15 cents per dozen. What do you think would happen under Mr. Baruch's formula to the poultrymen, and to the production of eggs in this country, if prices were rolled back to that point? We both know that the poultry industry would either go out of business or a gigantic free market, called the black market, would develop.

If we are going to have ceilings on commodities, it seems to me that there must be some formula which could be used to determine ceilings so that commodities would be somewhere near in balance with each other, as time goes on. I should think parity on agricultural commodities, modified to meet war conditions, would be the most sensible approach, as against taking a date sometime

back and assuming that everything was in proper relation, when only a casual examination will disclose glaring exceptions in major commodities and items.

Mr. MASON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Chairman, the situation in China and Korea today is the direct result of the actions of Secretary Acheson and his State Department advisers. It is the natural consequence of stubbornly following a mistaken policy in the Far East. Our present debacle in Asia could and should have been anticipated. It was not anticipated because our State Department experts—Acheson, Lattimore, Jessup—deliberately closed their eyes to facts presented to them more than 2 years ago. They refused to listen to the advice given them by such outstanding authorities on Asia as Generals MacArthur, Chennault, and Wedemeyer, men who had long first-hand experience in connection with the Asiatic situation; Dr. Wellington Koo, Chinese Ambassador to the United States, an outstanding Chinese statesman; William C. Bullit, a former American Ambassador to Russia, and Governor Thomas Dewey, two American statesmen; and Constantine Brown, an international news commentator of outstanding ability. These men, and many more that might be named, all with first-hand knowledge of the situation developing in Asia, issued warnings that, if heeded, would have prevented the mess we have in Asia today.

Mr. Chairman, the foregoing serious indictment is substantiated by evidence secured through careful painstaking research work done for me by a member of my office staff during the summer of 1948. Truly "coming events cast their shadows before them." But when our leaders refuse to take heed of those shadows, the people must suffer the consequences.

Mr. Chairman, the following quotations taken from the previously mentioned piece of research, entitled "China-An International Problem," prove in my opinion that our State Department was either asleep at the switch or stone blind insofar as the present debacle in Asia is concerned:

In an editorial entitled "China: Blunder and Bluster" which appeared in the April 5, 1948 issue of Life magazine, we find these words:

> America's policy in China was, in effect, pro-Communist. Last year Dewey and TAFT and other Republican leaders demanded a fundamental revision of this absurdity. As a sop to them the Truman-Marshall State Department went to work halfheartedly on a China program. But at the same time that it put forward the policy, it seemed eager to sabotage—and Chiang Kai-Shek along with it. When he presented the program to Congress, Secretary Marshall drew the usual hopeless picture of conditions in China (corruption, etc.) and concluded that it is impossible to develop a practical, effective long-term, over-all program for economic recovery. The $570 million he asked for was merely to help retard the present rapid rate of economic deterioration and thus provide a breathing space. Call it conscience money, a holding attack, Operation Rathole: it is not a bet on the Chiang government nor a commitment to support it. * * * But the presentation of the China aid bill to Congress served one useful purpose. It brought to the fore a few expert witnesses on China who had, for one reason or another, kept silent or been kept under wraps.

Mr. Chairman, I offer the following statements from outstanding authorities on the Far East as evidence that our State Department officials have for years been asleep at the switch.

Gen. Douglas MacArthur, in a written statement presented to a congressional committee considering legislation in March 1948 to give aid to China, said:

> The Chinese problem is part of a global situation which should be considered in its entirety in the orientation of American policy. * * * The international aspect of of Chinese problem, unfortunately, has become somewhat beclouded by demands for internal reform. Desirable as such reform may be, its importance is but secondary to the issue of civil strife now engulfing the land. * * * Underlying all issues in China is now the military problem. Until it is resolved little progress can be expected toward internal rehabilitation, regardless of the extent of outside aid.

Maj. Gen. Claire L. Chennault, in testifying before the same congressional committee March 1948, said:

> If we fail to give Chiang military support, it will be the greatest failure of American foreign policy in all our history. * * * In my opinion, China is the key to world peace—or to victory if a third world war is precipitated.

In an article by General Chennault entitled "We Must Help China Now," which appeared in the April 1948 issue of Reader's Digest, we find this advice offered:

> The time fuze of world war III is burning now in Manchuria. * * * Our obligation to help China now is clear. Morally, it is something which we, in realistic appreciation of the danger to our world, must do. Time is short and the need is great.

General Wedemeyer, testifying before the same congressional committee, said:

> Two years ago I would have accepted this economic aid to China. Today it is too late. * * * We should give military aid. * * * The Chinese leaders are, I believe, honestly trying to achieve what we have in mind.

The December 1947 issue of Reader's Digest carried the article, China—a Report to the American People, by William C. Bullitt, and I quote from that article:

> If President Truman were to ask General MacArthur to add to his present duties and powers the title of personal representative of the President with the rank of ambassador, and to organize with the Generalissimo a joint plan to prevent subjugation of China by the Soviet Union, the whole far eastern horizon would brighten with hope. * * * If China falls into the hands of Stalin, all Asia, including Japan, sooner or later, will fall into his hands. The manpower and resources of Asia will be mobilized against us. The independence of the United States will not live a generation longer than the independence of China.

Gov. Thomas Dewey, a close friend and associate of John Foster Dulles, in a speech on November 24, 1947, to the Columbia University Law School, New York, said:

> The program of Communist world conquest of the remaining free nations is furthest advanced in China, the largest nation of all. The cold war which has become a warm war in Europe, is a very hot and successful war in China. The inescapable fact is that unless we change our national policy immediately, there is good reason to believe that the 450,000,000 people of China will fall wholly into Communist hands * * * as we take action to save the 275,000,000 people of Europe. If China falls, we may reasonably assume that all Asia is gone, and western Europe and the Americas will stand alone—very much alone in a hostile world.

Constantine Brown, one of America's best known columnists and an authority in the field of international affairs, said in an article in the July 11, 1948, issue of the Washington Evening Star:

> There has never been in our history a more glaring example of short-sightedness than that which our Government has displayed in regard to China since 1946. * * * While the Russians pour war materials and technical staff advisers to the Chinese Communists, our Government spokesmen say we should not waste money and substance on China because her government is corrupt. * * * We are unwittingly helping Mr. Stalin's ambition to create world domination by a powerful Russian-led Asiatic bloc by the persistence of our wartime policy that we must avoid offending our Russian ally.

Dr. V. K. Wellington Koo, the Chinese Ambassador to the United States, in an address delivered on June 7, 1948, at Oxford, Ohio, stated:

> The attention of the democratic forces is now centered in Europe, paying little heed to the serious situation in the Far East. The recent developments in the conflict between communism and democracy in China and Korea are full of omnious consequences. Important elements from both the countries of northern Korea and Outer Mongolia have clandestinely joined the Chinese Communist army and been participating in its fight against non-Communist China. It is evident that the leaders of world communism have, in fact, placed their most important stakes in this Asiatic struggle, although outwardly they give every appearance of concentrating their attention on Europe.

Mr. Chairman, these statements made more than 2 years ago by outstanding authorities on Asia and its problems, and many other statements that might be cited, are evidence of the fact that for several years past it has been a clear case of "the blind leading the blind" in our State Department. And who is responsible for the situation in the State Department? Why, the man who appoints the State Department heads; the man who has the final say-so in all foreign policy matters; the man who has full and complete responsibility for any and all mistakes because he has full and complete authority. One cannot have full responsibility without full authority, and by the same token one cannot have full authority and shirk full responsibility.

In the final analysis, therefore, Mr. Chairman, the President, Harry Truman, is responsible for the present debacle in Asia; he is the one who has been making the final decisions to write off Manchuria, China, Korea, Formosa, as not

vital or necessary to our defense line in Asia; and then overnight, without a moment's notice, he ordered General MacArthur to send troops to defend South Korea.

This sudden reversal on the part of the President, to my mind is a confession that he has been wrong in his attitude toward Asia; that he has been following bad advisers on matters concerning Asia; that he now sees his mistakes and recognizes the fact that they were serious, costly mistakes; and that now he has decided to rectify those mistakes no matter what the cost.

As a logical result of this sudden conversion, of his right-about-face in Asia, he should now cut loose from the men who have led him astray, and select new advisers on Asiatic problems, men who have had long first-hand experience with the problems of the Far East.

Mr. Chairman, the American people expect the President to make a change in the State Department very soon, and they hope and pray that change, when made, will be a wise one.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have a few remarks to make which have no direct relationship to this bill, but do have relationship to one of the distinguished Members of this House, and I am confident all the Members of the House will join with me in what I say without regard to how individual Members may feel on this particular bill or any part thereof. I believe I express the sentiment of the membership of the House individually and collectively when I state that we have a profound feeling of respect and admiration for our distinguished friend from Kentucky [Mr. SPENCE]. He is truly one of the noblest men you and I ever could meet, a great legislator and public official, a man honorable and trustworthy in every way. I refer to him today because with his primary coming up tomorrow in Kentucky he is staying here performing his duties to the people not only of his district and State but of the entire country. I believe that the people of his district should know the high regard that we have for him and that they are justified in feeling proud of this distinguished gentleman who has so ably represented them for so many years, and that we in the House appreciate the sacrifices he is willing to make for his country.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am glad to yield to the Speaker.

Mr. RAYBURN. I wish to join in and echo everything said by our distinguished majority leader and to express our deep appreciation to the gentleman from Kentucky that although on tomorrow his primary is coming up he stays here to attend to his duties as a Member of the House and as a representative of his people. I have served with many men and women in the House of Representatives, more than 2,500, in my career. I have never served with a nobler, a better, or a more patriotic Representative than the gentleman from Kentucky [Mr. SPENCE].

Mr. RICH. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, controls again. Congress is being stampeded into controls, which if enacted into law will place us in the position whereby it will give the President such great power I am fearful you will never get the power away from him.

If we are to freeze prices of merchandise, manufacturers' profits, farmers' income, wages, and freeze everything as of July 1 for the duration of the Truman-Korean war, possibly I would be in favor of it in order to keep this country from going wild on making it a land of scarcity for those who have not the wherewithal or finances to take care of themselves but make our economy a haven for black markets, and people who want to profiteer at the expense of the general public.

Today our country faces its greatest danger in its history, from abroad and at home. The extent to which this Truman war in Korea has taken and might take us nobody knows. We in this country today, and especially we in Congress, do not know what the policy of this administration is, and we cannot find out. The power was given to the President and he has not surrendered any of it, and this New Deal Congress is not taking any of it away from him. Was it not the responsibility of the Congress to determine whether we should send troops into Korea, or any other country? That is a function of Congress, and that power should always remain in the Congress. It was so intended by the framers of our Constitution. But from day to day the administration asks the Congress for more and more power, and the majority of the Congress, composed of the Democrats within the administration, grants that power to the President. I say you are in a mess today, and in a terrible mess. I am an American, and I want to support the American Government and the American people in the American way, but I do not believe in making a dictator of the President of the United States, and I believe the President we now have would love that power.

This legislation today calls for granting the President the power to do all this regulating. He can put the screws on anywhere he sees fit, and allow those to go unregulated whom he thinks it would be to his advantage not to be covered. It does not pay to underestimate the tenacity or the cleverness of the collectivists. Whether they are Communists or Socialists, they all alike seize upon every opening to accelerate the drift toward statism, and I think this bill is just such a piece of cleverness. I think the Members of Congress are being taken for a joy ride by those departments of Government now influenced to such a great extent by the Socialists, and the entrance of our President with our military forces into the Korean war gives them a golden opportunity to advance their program. I for one do not want to be led by their cleverness any longer, nor do I want the people I represent to be drawn into such a position that later on they might say, "Well, BOB RICH, you are easy. You are just gullible. You voted for the things this administration requested under the guise that it is good for the country." I cannot see it that way. I think it is bad for the country to pass legislation telling Mr. President we give you the power and you can put the screws on the people anywhere you want to, at any time you command. That does not sound good to me; the fact of the matter is it sounds terrible to think that this Congress, men who are supposed to be intelligent, men who are supposed to have the degree of business acumen to do the things that make our country a better place in which to live, things that would take care of all the people during such an emergency as now confronts us, should now pass legislation such as this. God give us men, great men, men who will try to do the thing that is best for the people of the United States in order that we might assist to the extent of our ability other nations to carry out the golden rule as directed by divine law, "Do unto others as ye would that men should do unto you."

This business of building up a great military machine in all the nations of the world is as wrong as anything can possibly be. It only leads into war and more war, and every Member of Congress should know that. Have you forgotten that we gave Russia $12,500,000,000; China $2,500,000,000. Are you satisfied that Russia and the Communists of China now have all this war equipment? We are only building up war machines in other nations, to be used, and when they are used will they be used for good or will they follow the example set in those countries where we have already helped build up a war machine and will the moneys be used as that given to aid Russia and China? It helps the other fellow, not America.

If that is not lesson enough for us, God give you strength and help. I think you need it. I do not propose to vote for one dollar to arm these European countries. I believe it is wrong. Nor do I propose to vote to regulate everything in this country when and if the President of the United States sees fit to place those regulations on our people. He has proven to me beyond all doubt he is too much of a politician. That seems to come first with him, before he is interested in doing the thing that is best for the country. I dislike to make that statement, but I have every reason to make it because I think I am speaking the truth.

Freeze economy by direct act of Congress only for the duration of the Korean war. But for goodness sake do not give the power to the President to freeze when he wants, as he wants, so long as he wants. It is un-American, and for that reason I cannot support this legislation.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 28, strike out section 2 and insert the following:

"DECLARATION OF POLICY AND PURPOSES OF ACT

"SEC. 2. It is hereby declared that it is in the interest of the national defense and security and the purposes of title II are (a) to preserve the value of the national currency against the consequences of price and credit inflation; (b) to stabilize prices, wages,

and salaries and to prevent speculative, unwarranted, and abnormal increases therein; (c) to prevent economic disturbances, labor disputes, burdens upon interstate and foreign commerce, interference with the effective use of the Nation's resources for defense, and impairment of national unity and morale, which would result from unwarranted increases in prices, wages, salaries, and the cost of living; (d) to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; (e) to prevent prospects of increases in prices, wages, and salaries from encouraging the accumulation and hoarding of materials needed for national defense, and from impending long-term commitments for production; (f) to assure that defense appropriations are not dissipated by excessive prices, wages, and salaries; (g) to obtain the maximum necessary production without undue profits to low-cost producers; (h) to protect persons with relatively fixed incomes, investors, and persons dependent on life insurance, annuities, and pensions, from undue impairment of their standard of living; (i) to prevent a post-emergency collapse of values, and the reappearance of price and cost disparities for farmers and other primary producers; and (j) to provide procedures for administration and review which will fairly protect the interests of those subject to this act, without endangering the dominant public interest in the accomplishment of the foregoing purposes.

"It is further declared that it is necessary for the national defense and security, and to accomplish the objectives of this act that if the price and supply controls are invoked by the President, the wage controls authorized hereunder shall simultaneously be put into effect. It is further declared to be the policy of this act that all of the controls provided hereunder for the control of costs, including prices, wages, rationing, allocations, and limitations, shall, insofar as practicable, be put into effect at the same time so that, for a period at least, there will be a general ceiling over the economy and a period of general stabilization during which it will be possible to determine with reasonable accuracy in what areas the continuation of controls is necessary and in what areas controls may safely be released.

"To enable the Government to provide for the national defense and to carry out our foreign commitments made in conformity with the Charter of the United Nations and other foreign commitments, certain materials and facilities must be diverted from civilian use to military purposes and productive facilities must be expanded beyond the levels needed to meet the civilian demand. In order that this diversion and expansion may proceed at once, and that the national economy may be maintained with the maximum effectiveness and the least hardship, normal civilian production and purchases must be curtailed and redirected. It is the objective of titles III, IV, and V to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by such titles in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use."

Mr. CRAWFORD. Mr. Chairman, section 2, Declaration of Policy, which appears in H. R. 9176, reaches out and picks up the United Nations Organization and the Charter of that organization and places it in a bill here which has to do with our internal economy strictly, and lays that down as a declaration of policy. In my opinion, section 2, which I propose to strike out, is in effect a reenactment by this House of the Charter of the United Nations. I do not believe it has any place in this bill whatsoever.

Mr. Chairman, we are dealing here strictly with the internal economy of the United States with respect to production, sales, wages, prices, and so on down the line, as has been covered in the discussion here in the last few days. As I stated on the floor yesterday, I have not yet been able to comprehend why this distinguished committee would place such a section in a bill of this nature.

Now, going to the declaration of policy which appears in H. R. 9308, the so-called Kunkel bill, there is a declaration of policy which is clear-cut and deals specifically with the subject matter of the bill, in other words, our internal economy. I believe every Member of this House knows exactly what I mean. I do not care to take any additional time discussing the proposition.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan.

Mr. Chairman, this identical amendment was not agreed to by the committee when proposed to the substitute yesterday. It would mean a repudiation of the President's message, it would mean a repudiation of the United Nations, it would mean that we oppose collective action in order to suppress a world war.

It seems to me it is unfortunate to introduce this character of amendment at the present time when we are fighting to preserve the liberties that we have enjoyed and when our soldiers have their backs to the wall.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that the declaration of policy in the committee bill is for the purpose of outlining the objects and purposes of that particular bill, and in the Kunkel amendment it is proposed to have a much broader bill and includes a lot of sections that are not in the committee bill at all?

Mr. SPENCE. That is true.

Mr. PATMAN. Therefore it does not apply to many sections of the committee bill.

Mr. SPENCE. If it does apply, it would be a dangerous thing to adopt at this time.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. The declaration of policy in the original committee bill has a dual purpose. It ties in the strengthening of our domestic economy with the role we are to play here in the international crisis as the result of the Korean incident. I believe that the whole purport of this emergency legislation, to protect the domestic economy, now would be lost in its entirety if the declaration of policy is stricken from the committee bill, and I ask that it be rejected as it was yesterday.

Mr. SPENCE. I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD].

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 91, noes 131.

So the amendment was rejected.

The Clerk read as follows:

Page 29, line 11:

"TITLE I—PRIORITIES AND ALLOCATIONS

"SEC. 101. The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or order by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense: *Provided*, That this authority shall not be used to ration at the retail level consumer goods for household or personal use.

"SEC. 102. Any person who willfully performs any act prohibited, or willfully fails to perform any act required, by the provisions of this title or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both."

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: On page 30, line 5, add a new title, "To stabilize prices, prevent inflation, and control production," and add the following:

"SEC. 1. (a) Experience has shown that inequality in the distribution of the burden of preparing for national defense creates discord and lessens the effectiveness of the Army, and the Navy and the industrial structure upon which both depend for effective operation.

"(b) Experience has demonstrated that in time of war there is opportunity for unjust enrichment of a few at the expense of many and that by taking advantage of that situation the few enrich themselves creating disunity which tends to minimize defense efforts.

"SEC. 2. Within 10 days after this act becomes law it shall be the duty of the Secretaries of National Defense, Army, Navy, Air Force, Treasury, Commerce, and Labor, or of the persons duly designated by each, to meet and, based upon the last 6 months of 1944 and the 6 months beginning with January 1, 1950, or upon any two similar periods in any other 2 years as such persons select, determine and publish within 30 days of such

meeting a schedule of prices which shall represent the fair average prices of all materials and services which may be determined to be basic commonly used materials and services and which shall include materials and products raised upon the farms and services rendered upon farms and in industries and elsewhere.

"SEC. 3. It shall be unlawful for any person (and the term 'person' shall include individuals, partnerships, corporations, associations, and organizations) knowingly, more than 70 days after the publication of such fair basic prices, to ask or receive a greater sum for materials or services or a combination of the two than the price fixed in such schedule.

"SEC. 4. It shall be the duty of law-enforcing and prosecuting officers of the Federal, State, county, and municipal government of the respective States to act as enforcement agents of the provisions of the act and to apprehend and prosecute willful violations thereof, and they are hereby charged with that duty.

"Such enforcement shall be instituted and carried on by such officers upon their own initiative and for failure to enforce provisions of this act such officer shall be liable to any and all penalties imposed by Federal State, or municipal law for neglect of like duty under Federal, State, or municipal law.

"Any individual shall have the right to make complaint under oath to any enforcement officer above designated whenever he believes a violation of this act has occurred. It shall be the duty of such enforcement officer above designated to investigate and if there be, in his judgment, just cause, to prosecute the person so charged with a violation of the act.

"SEC. 5. Any person violating any of the provisions of this act shall, upon conviction, be subject for each offense to a fine of not more than $1,000 or imprisonment of not more than 1 year, or both.

"SEC. 6. In addition to the penalty herein provided, every person violating this act and who has knowingly received a greater sum for services or materials, or a combination of the two, than that fixed in the manner hereinbefore provided, shall forfeit a like sum to the United States to be recovered for the Government by action instituted by any of the officers hereinbefore designated."

Mr. SPENCE. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. HOFFMAN of Michigan. I yield.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Chairman, I object.

AMENDMENT TO STABILIZE PRICES AND WAGES, PREVENT INFLATION

Mr. HOFFMAN of Michigan. Mr. Chairman, in the amendment which I have offered, there are two errors. On page 2, in line 8, the figure "1944", should have been "1949", and, in lines 9 and 10, the words "or upon any two similar periods in any other 2 years as such persons select", are surplusage and should be stricken.

Wednesday, August 2, our colleague from Michigan [Mr. POTTER] of whom the Michigan delegation is all so proud and who, during his time here, has rendered distinguished service to his district, called for all-out mobilization.

Our colleague, from personal experience, knows about war, what it means and what it calls for in the way of personal sacrifice, for he left both of his legs on a battlefield in France in World War II.

He told us a little—just a very little—about the feelings of those who in that war were giving so much, while here at home, men living with their families, with all the comforts of home, receiving many times the enlisted man's pay, refused to work unless their wage demands were met.

That some labor organizations, a few led by known Communists, sabotaged production which was necessary if our colleague, the gentleman from Michigan [Mr. POTTER], and those serving with him in that war were to be equipped is a matter of record. In spite of the solemn pledges of some labor leaders, there were, during the war, many strikes which slowed down the war effort, which may in some places have caused loss of life.

When our colleague called for complete mobilization, he was speaking from the mind, as well as from the heart. The ovation he received at the close of his remarks, well deserved as it was, indicated that the House was in accord with his thinking.

Stabilization of prices and of wages is an essential part of any worth-while mobilization effort.

Price-fixing, rationing, the power of allocation of materials granted to the administration during the last war, did not solve the problems then confronting us. They did result in the creation of several new boards and agencies, two of which, the War Labor Board and the War Manpower Commission, usurped the powers of Congress, gave out rules and regulations which to all intents and purposes had the force of regulation.

Under the powers then granted the executive department, a horde of snoopers, investigators, and enforcement officers was appointed.

The result was confusion, dissatisfaction, the unnecessary expenditure of millions of dollars.

The remedy which we need and which would be effective is a simple one. It calls for the services of but one board, the members of which are already in office, already under pay by the Federal Government.

The bill can be enforced without the employment of a single additional Federal employee other than the employees of the one board which will establish fair prices, fair compensation for services rendered.

This bill calls upon the Secretaries of National Defense, Army, Navy, Air Force, Treasury, Commerce, and Labor, or persons designated by them—and it well might be amended to limit the members of the board to the Secretaries of Commerce and Labor or the individuals designated by them—to meet and, based upon the last 6 months of 1949 and the first 6 months of 1950, establish a schedule of fair average prices for all things, materials, and services determined to be basic commonly used things, materials, or services, including those things produced upon the farms, in industry, or elsewhere.

That schedule would give to every individual the price which he should pay, which he should charge, for anything he purchased or sold, for any service he rendered or bought. The prices so fixed would be a matter of public record. They would be carried in the press.

Do I hear you ask, if there are to be no additional Federal employees, who is to enforce the law?

Section 5 provides that it shall be the duty of the law-enforcing and prosecuting officials of the Federal, State, county, and municipal governments of the States, to act as enforcement agencies—just as those officials now act for the enforcement of Federal and State laws, municipal ordinances.

The section also provides that any individual who has been gypped by a profiteer can make complaint and obtain a warrant from any Federal, State, or local officer.

The individual charged with the offense would be tried either in a Federal or in a local court before a jury of his neighbors. Practically all complaints would be made, all cases prosecuted and tried in the local courts.

There can be no argument about the effectiveness of such a measure. Any housewife, any individual, would not hesitate for one moment to aid in the prosecution of a black-market operator, a profiteer.

Individuals found guilty, and all charged would have the privilege of a jury trial, would be subject to fine and imprisonment, or both.

There is no question but that such a measure would end profiteering, black-markets; that it would be effective.

Unlike practically all emergency legislation, the amendment does not call for several thousand or several hundred thousand additional Federal employees. It guarantees a fair and an impartial trial to everyone. It would prevent the imposition, at the whim of some bureaucrat, of penalties which were unjust.

If the Congress wants legislation which will stabilize prices and wages, prevent runaway inflation, exorbitant profits; give an equal distribution of services and things which are for sale, this amendment, if adopted, will do the job.

Perhaps it is too simple, too economical, for the administration to accept.

It is offered in good faith as a common-sense solution of a problem which to date has had no solution.

Now, Mr. Chairman, I am sorry that I did not know the plans of the Republican leadership. I introduced a similar bill a long time ago on another occasion, on November 14, 1940, but it got nowhere. When I was about to offer it just now as an amendment, I was told by our ranking minority member on the Committee on Banking and Currency, the gentleman from Michigan [Mr. WOLCOTT], my esteemed colleague, that I was just gumming up the works. Well, maybe I am; I did not so intend. The amendment is simple; it would be effective. It could be enforced without any large number of additional Federal employees.

But I am never consulted by the political leadership on strategy. I am not asked for my opinion on anything. Representing the Fourth Congressional District of the State of Michigan, all I can

do is to come here and try in my feeble way and try to do something about things that need fixing. If I do not succeed, I hope the folks back home will say, "Well, you made a try, old man—we will send you back for two more years and maybe the other fellows will get tired of following an administration which so far has failed to give us anything other than debt, higher taxes, and war.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment—or bill—which has been offered by the gentleman from Michigan [Mr. HOFFMAN] is very indefinite and vague, except in one particular. It demands that the Secretary of National Defense, the Secretary of the Army and the Navy and the Air Force quit everything that they are doing in Korea and elsewhere and come right back here and within 30 days do something which is impossible for anybody on earth to do within 30 days' time.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. HOFFMAN of Michigan. For a correction.

Mr. PATMAN. I yield.

Mr. HOFFMAN of Michigan. It does say the Secretary or any person designated by them. It does not mean that those Secretaries quit their jobs, any more than that the President quit his job.

Mr. PATMAN. That is not nearly as vague and indefinite as some of the other things in the bill. It provides that they shall meet, and, based upon the last 6 months of 1944 and the 6 months beginning January 1, 1950, or upon any two similar periods in any other 2 years. The bill is not definite as to the time. Take 6 months of 1944 and 6 months of 1950, and if they do not like that they can take any other time in any other 2 years. I do not see how you can write language any more indefinite or confusing than that. It does not define what the offense must be in the criminal code in order to convict a person. You must set out in an indictment what the person is charged with or what he is supposed to be guilty of. This bill does not set out any offense at all. No prosecuting attorney could possibly write a complaint or an indictment charging any individual with violating this act except the Secretary of National Defense, the Army, the Navy, and the Air Force. It is very plain that they must quit fighting this war and come back here——

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HAYS of Ohio. You could take the years 1901 and 1902, could you not?

Mr. PATMAN. Certainly. It says "upon any other two similar periods in any other 2 years." You could go back to 1876, if you wanted to, or any 2 years that they wanted to select. Of course, that is loose enough to where you could take any period within the century. It does not make any difference at all. But the point is, this requires a fine of $1,000 and imprisonment of not more than 1 year. Would it not be ridiculous for the Congress to pass a law saying to the people who are fighting this war, the generals and the Secretaries of the Army, the Navy, the Air Force, and the War Department: "If you do not come back here and stop everything else for 30 days and take over our entire economy and fix the prices of everything, we are going to put you in jail for a year."

That is exactly what it says. I ask any Member of this House who has been a prosecuting attorney to look at this bill and see if it would be possible to draw an indictment or a complaint against any person that would stand up in any court in the land. Certainly, the House would make itself very ridiculous to pass such a loosely drawn and confusing bill, and one which would immediately demand that the war be stopped for the people who are running the war to come back here and take over our economy.

The amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The question is on agreeing to the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: Page 30, after line 5, insert the following new section:

"SEC. 103. It is hereby made unlawful for any person willfully to hoard any necessaries. The term 'necessaries' as used in this section means foods; feeds; wearing apparel; automobile tires; containers primarily designed or intended for containing foods, feeds, or fertilizers; fuel, including fuel oil and natural gas; fertilizer and fertilizer ingredients; tools, utensils, implements, machinery, and equipment required for the actual production of the above-named articles and materials; and any other articles and materials the equitable distribution of which the President shall find, and shall by proclamation declare, to be essential to carry out the purposes of this act. Necessaries shall be deemed to be hoarded within the meaning of this section when either (a) held, contracted for, or arranged for by any person in a quantity in excess of his reasonable requirements for use or consumption by himself and dependents for a reasonable time; (b) held, contracted for, or arranged for by any manufacturer, wholesaler, retailer, or other dealer in a quantity in excess of the reasonable requirements of his business for use or sale by him for a reasonable time or reasonably required to furnish necessaries produced in surplus quantities seasonably throughout the period of scant or no production, or (c) withheld whether by possession or under any contract or arrangement from the market by any person for the purpose of unreasonably increasing or diminishing the price: *Provided*, That this section shall not apply to futures trading transactions on any commodity exchange or board of trade."

Mr. BUCHANAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BUCHANAN. I make the point of order against the amendment that it is not germane to title I of the bill.

The CHAIRMAN. In view of the broad scope of this bill, it is the opinion of the Chair that the amendment is properly in order at this place.

The point of order is overruled.

Mr. ROGERS of Florida. Mr. Chairman, I am serious in proposing this amendment. I do not see why a person who has the welfare of the country at heart should be against the principle it contains. There is just one thing contained in this amendment, and that is that it makes it unlawful to hoard necessaries. There is no law against hoarding now. Is there a true American who believes in trying to hold down prices who would hoard necessaries? "Necessaries" is defined in the amendment that I am proposing.

The cause of increase in prices today is hoarding. If you control hoarding you control prices. Why have we had such a rise in commodity prices at the present time in spite of the fact that we have an ample supply everywhere? The answer is hoarding. When a man goes out, accumulates and hoards property and necessaries they are taken away from those who ought to have them; it makes it possible for prices to continue to rise. If you will give me a law—and that it what we are asking for here, for there is no law against hoarding at the present time—if you will give me a law to control hoarding then we will not have to call on the President to give us another OPA.

In 1917, to be exact, on August 10, 1917, just previous to World War I, the Congress passed the Lever Act. This amendment that I am offering was included in the Lever Act at that time. The Supreme Court of the United States held the Lever Act to be valid. In the case of *U. S.* v. *Swedlow* (264 F. Rep. 1016), the district court of Colorado held section 6 of said Lever Act valid and constitutional. Also in the case of *Merritt* v. *U. S.* (Circuit Court of Appeals, Ninth Circuit, reported in 264 F. Rep., p. 870), upheld a definition of hoarding of necessaries and held the conviction of Merritt justified by a lower court.

My amendment is designed to protect the ordinary common man to assure that he shall find the necessaries of life when he needs them, as well as to prevent a continual spiral rise in the price of necessaries.

Let me say to the membership of the House that the identical principle I am discussing here is included in the Senate bill. There is a little difference in wording, but the principle is in the Senate bill as it has been reported out. I can see no objection to the amendment. We in the House are trying to do something constructive for the Nation in time of peril and emergency. I do not see how any patriotic man can say we should not have a law against hoarding the necessaries of life in times of emergency.

Mr. CROOK. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. CROOK. I am diametrically opposed to the principle of hoarding, but I want to ask the gentleman if he can define "hoarding" and who is going to pass upon the question of hoarding?

Mr. ROGERS of Florida. Yes; it has been defined. That is what I have been trying to explain here. My amendment follows the language used in defining "hoarding."

Mr. CROOK. What is hoarding?

Mr. ROGERS of Florida. If the gentleman will read my amendment he will see that hoarding is well defined.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. COOLEY. I will ask the gentleman if his amendment does not define hoarding?

Mr. ROGERS of Florida. It absolutely defines hoarding.

Mr. COOLEY. And the definition contained in the gentleman's amendment has been approved by the court?

Mr. ROGERS of Florida. This has been approved by the court and a man was convicted for hoarding 500 pounds of sugar.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. Let me first answer the question of Mr. Crook about the definition of "hoarding." Hoarding was defined by the Circuit Court of Appeals of the Ninth Circuit in the case of *Merritt* v. *United States* (264 F. Rep. 871):

Prohibiting the hoarding of necessaries and providing that necessaries shall be deemed hoarded when held, contracted for, or arranged for by any person in a quantity in excess of his reasonable requirements for use or consumption by himself and dependents for a reasonable time, is not void for indefiniteness and uncertainty as to the meaning of the word "hoarded."

Also, hoarding is defined in the case of *United States* v. *Swedlow* (264 F. Rep. 1018):

To hoard means "to collect and lay up; to amass and deposit in secret; to store secretly; as, to hoard grain or provisions; to hoard silver and gold." (Webster's Unabridged Dictionary.)

Hoarding as used in this amendment amounts to secret storing away, accumulating and collecting and laying up of necessaries not then needed and taking them out of the channels of trade and commerce; or, contracted for, or arranged for by any persons in a quantity in excess of his reasonable requirements for use or consumption by himself and dependents for a reasonable time.

Mr. COX. The courts have defined it?

Mr. ROGERS of Florida. Yes, the courts have defined it.

Mr. COX. I agree with the gentleman, there ought to be a law against hoarding, but does not the gentleman think it would be well to withhold consideration of that matter and give the committee time to study and to report a comprehensive bill, that for the moment we adhere to the provisions of the pending bill?

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. COX. I agree that there ought to be a law to prevent hoarding, but in view of all the circumstances that have developed here in the consideration of this matter during the past several days, does not the gentleman think it would be well to give that subject further consideration by the committee when it comes to a reexamination of the whole question with a view to reporting a comprehensive bill?

Mr. ROGERS of Florida. I will answer the gentleman by saying that now is the time for action. We are in an emergency. People are hoarding. They are even putting out signs saying "We do not hoard."

Mr. COX. In view of the fact there has been no committee examination of the question——

Mr. ROGERS of Florida. We do not need any examination. Any man with common sense knows what hoarding is. We have no law against it. Why should we neglect putting it in here when the Senate has put it in their reported bill?

Mr. COX. May I complete my statement? That for the time being it would be well to adhere to the Spence amendment, striking possibly the exchange commodity provision and the provision dealing with real estate?

Mr. ROGERS of Florida. This does not interfere at all with the other provisions of the bill.

Mr. COX. We are dealing with very, very important questions that ought to have committee consideration.

Mr. ROGERS of Florida. The gentleman will realize that this entire bill, or some of it, has not had any consideration. It does not take any long-involved consideration to define "hoarding." Here is what the Senate has in its bill. Let me read it. It is practically what I have in my amendment. Here is what the Senate reports:

SEC. 102. No person shall accumulate (1) materials in excess of the reasonable and normal demands of business or home consumption, or (2) materials in short supply for the purpose of resale at prices in excess of prevailing market prices which have been designated by the President as scarce materials or materials the supply of which would be threatened by such accumulation. The President shall order published in the Federal Register, and in such other manner as he may deem appropriate, every designation of materials the accumulation of which is unlawful and any withdrawal of such designation.

SEC. 103. Any person who willfully performs any act prohibited, or willfully fails to perform any act required, by the provisions of this title or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

The same penalty applies in my amendment, a fine of $10,000 or 1 year or both. There is no difference. The identical principle is involved here.

My main objective by this amendment is to outlaw hoarding which is a basic cause of increase in prices. The quickest way we can act is too slow. We need this law and I hope no patriotic American will try to raise technical objections but will vote for something that will protect the American people at this time when prices are going sky high. Hoarding is being indulged in. You can get at it by this amendment and it will work. It will possibly prevent the President putting in another OPA. None of us favors an OPA if we can get around it but unless we have an antihoarding law certainly we may expect an OPA.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Colorado.

Mr. CARROLL. The gentleman should be commended for offering this amendment. The standards indicated in the amendment are sufficient, perhaps, but should it not come back of wage and price stabilization rather than in back of priorities and allocations where the gentleman has offered his amendment?

Mr. ROGERS of Florida. I will say to the gentleman it will do the job, and you can put it any place in the bill. This is to have something done, and it can be done right here, as well as in any other section of the bill.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentlewoman from California.

Mrs. DOUGLAS. I rise to commend the gentleman for his amendment, and I think it ought to be adopted by the committee. It will permit immediate measures to be taken against unnecessary accumulation of inventories and individual hoarding. If there are technicalities in the amendment that have to be worked out, they can be worked out in conference.

Now is the time to pass anti-hoarding and anti-inventory accumulation legislation. The gentleman is quite right in saying that hoarding and inventory buying beyond what is reasonably needed is forcing up prices at this time. It is not scarcity that is forcing up prices, but hoarding, and I think this amendment ought to be passed. I do not care whether the amendment belongs in this section or any other section; that is quite beside the point. It is so completely contrary to the interest and the well-being of the country for individuals or business enterprises to hoard supplies as to make such practices practically a crime against the community.

Mr. ROGERS of Florida. I thank the gentlewoman from California. This is one time we agree.

Mr. Chairman, I hope the committee will accept this amendment. It will strengthen the present bill and will in no way detract from any other provisions of the bill. A law against hoarding will have a salutary effect psychologically and will prove invaluable in the prevention in the rise in price of necessities.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, with the last 5 minutes to be reserved to the committee.

Mr. TACKETT. I object, Mr. Chairman.

Mr. SPENCE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes, with the last 5 minutes to be reserved to the committee.

Mr. KEATING. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KEATING. The reservation of time by the committee is out of order.

The CHAIRMAN. The point of order is sustained.

Mr. SPENCE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, the amendment offered by the gentleman from Florida, with one exception, is the same amendment that was offered yesterday and defeated. While all good intentions and purposes are met here by an amendment to prevent hoarding, nevertheless we are not in a period of scarcity as far as foodstuffs are concerned; we are in a period of surpluses. This would be an open invitation to start hoarding. I wonder what would happen here under section (a) to a housewife who goes out and starts to hoard sugar or shortening or any other commodity, and just where would we get this large army of snoopers to go about the country pouring into people's cellars and into their back yards and into their barns and everywhere else? I believe the Committee ought to have ample time to fairly consider an amendment with this broad, sweeping connotation. The intent and purpose is good and it sounds fine, but there are a lot of things involved. If I correctly heard the amendment proposed, the gentleman strikes out in the proviso that part which states that it shall not apply to future trading transactions. It applies only to personal hoarding, but still permits as far as commodity exchanges are concerned, to continue to do the very thing that is a major factor in speculation.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. MULTER. In other words, the exception in the amendment is that a gambler on the exchanges is exempted from any prosecution. He can do as he pleases.

Mr. BUCHANAN. Exactly, and the housewife is the victim.

Let us give this due consideration. You are getting into something now that just cannot be settled in a few minutes on the floor. I think our actions here in the last 3 days indicate that. I ask that this amendment be rejected on that basis.

Mr. COOLEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, yesterday when this amendment was offered by the gentleman from Florida [Mr. ROGERS] the committee objected to it because it had not had an opportunity to consider the amendment. The amendment was printed in the CONGRESSIONAL RECORD, and now the committee has had an opportunity to consider it.

Further objection was made to it for the reason that in the last proviso it exempted farmers. Now the gentleman from Florida has modified the amendment so as to leave out that objectionable feature, but still it does not meet with the approval of the members of the committee. Actually, if you are in good faith doing what you say you are trying to do, you are trying to prevent the very thing that the gentleman from Florida is trying to outlaw.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. The proviso is still there, while the term "farm products" is stricken.

Mr. COOLEY. "Farm products" is stricken out.

Mr. BUCHANAN. But the proviso is still there.

Mr. COOLEY. Yes, and the gentleman knows that there is no hoarding on the commodity exchanges. It is only future trading. There is no hoarding there.

I think this amendment is not only germane but important. You are going to have a chance in a few minutes to say whether or not you are willing to outlaw hoarding. You cannot be technical about it because the gentleman from Florida [Mr. ROGERS] has done some research on it. In the House yesterday he gave opinions of district courts and I think one of the Supreme Court sustaining convictions under a statute of similar character.

As to the question of defining hoarding, hoarding is defined in this amendment. "Necessaries" is also defined in the amendment. The purpose of it and the intent of it is perfectly clear.

I agree with the gentlewoman from California that this amendment probably should be written into the preamble. It should be the very first thing Congress should outlaw. Now you have a precedent for outlawing it. If you vote against this amendment, it is tantamount to saying that you are unwilling to do in truth the thing which you profess to do, and that is to prevent hoarding, which might result in inflation and in hardships to many poor people who are unable financially to go out and acquire these things.

Another thing, a gentleman on the committee said we should not do this now because we have ample supplies. Is the gentleman in effect saying to the House that we are not now faced with hoarding, hoarding on every hand? Are you going to wait until the house is on fire, until we are facing a desperate situation, before you are willing to outlaw this great offense against the people of this country?

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. STEED. Is it not true that if it were not for hoarding and profiteering most of the need for this legislation would disappear?

Mr. COOLEY. I agree. If you can stop hoarding you do not need this legislation, because then we can have an even and reasonable distribution of the things we have in this country.

Hoarding brings about the necessity for control programs. If you are going to put on price ceilings and you are going to prosecute people for violating those price ceilings, why not prosecute the man who fills his basement with automobile tires and tubes and fills his pantry with all of the things he needs—all of the necessaries of life.

This amendment not only defines what constitutes necessaries, but gives the President the right to add to the list of necessaries as time goes on and as things become in short supply. The President can say such-and-such a thing is a necessity and add it to the list. When he does, if a man hoards it he is in violation of the law and can be prosecuted.

Just think of the psychological effect of this amendment. I do not think you will have any prosecutions because I think by and large the American people want to be law-abiding. If the housewife or the head of the household knows that they are violating the sanctity of Federal law which carries with it imprisonment or punishment by fine, they are going to hesitate before they violate that law.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BUCHANAN. Is it not a fact that this is an open invitation to hoarding?

Mr. COOLEY. No, no—people do not need any invitation to hoard. Korea was an invitation to hoard. The gentleman knows that since the Korean affair that hoarding has been on the upgrade.

Mr. BUCHANAN. We have a situation today where there are surpluses and this is an open invitation to hoard those surpluses and reduce the surpluses to a scarcity.

Mr. COOLEY. No; people are not hoarding surpluses; they are hoarding things that are scarce.

I just cannot see any logical or reasonable objection to the amendment offered by the gentleman from Florida [Mr. ROGERS]. I think the amendment should be adopted.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JAVITS. Will the gentleman address himself to the question whether this is not a prohibition amendment in view of the definition which says, and I quote, "in excess of his reasonable requirements"? Is not that a separate law case in the matter of every housewife and every family? I ask that very sincerely. I am very worried about the prohibition aspect of it.

Mr. COOLEY. Sure; the prohibition is against the accumulation of an excessive supply.

Mr. JAVITS. I mean that it is tantamount to the liquor law prohibition in the way of the indefiniteness of the prohibition and the number of prosecutions which may be involved.

Mr. COOLEY. No; there is nothing here that prohibits the acquisition of necessaries. The prohibition is against the accumulation of excessive supplies. The amendment defines hoarding and defines necessaries and lays down in the law a formula. When a prima facie case is made out then the person accused

may come forward with an explanation of how he came by such supplies.

When I first discussed this amendment with my colleague the gentleman from Florida [Mr. ROGERS], I was frankly somewhat apprehensive about the uncertainties of the terms "hoarding," "necessaries," "excessive supplies," and so forth, but when he cited the law from which the language of his amendment was taken, and when he cited decisions of courts in which convictions had been sustained, then I was convinced that the amendment was in all respects proper. "Hoarding" is defined, the word "necessaries" is defined, and the crime is properly described. Pertinent questions of fact—issues of fact—must, of course, be decided by juries under proper instructions by judges. If the people of America know that hoarding is criminal, that very knowledge will be a deterrent, and I submit that this is a good and proper amendment and should be adopted and accepted without objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 112, noes 46.

So the amendment was agreed to.

Mr. KUNKEL. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KUNKEL: On page 30, line 5, insert a new title designated as title II:

"TITLE II—PRICE AND WAGE CEILINGS

"PROHIBITED ACTS

"SEC. 201. (a) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to sell or deliver, or to buy or accept delivery of, any article at a price in excess of the ceiling applicable to such sale.

"(b) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to receive or pay, or to enter into any contract, agreement, or other obligation under which he is entitled or required, or under which he purports to be entitled or required, to receive or pay, for the performance of any services a price in excess of the ceiling applicable to such services.

"(c) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to pay for any labor a wage in excess of the ceiling applicable in respect of such labor.

"(d) It is the purpose of this act to provide for ceilings on articles sold, services performed, and wages paid, and no ceiling shall be imposed on any one of these that does not at the same time impose ceilings on both the other two.

"CEILINGS APPLICABLE TO SALES OF ARTICLES

"SEC. 202. (a) Except as provided in subsection (b) and section 205, the ceiling applicable to the sale of an article by any person shall be—

"(1) in case the sale is at wholesale and the article is the same article as an article sold at wholesale by such person during the base period, the highest price at which it was so sold by such person during the base period;

"(2) in case the sale is at wholesale and the article is not the same article as an article sold at wholesale by such person during the base period, but is similar to an article so sold by such person during the base period, the highest price at which such similar article was so sold by such person during the base period;

"(3) in case the sale is at wholesale and the article is not the same article as, nor an article similar to, an article sold at wholesale by such person during the base period, the highest price at which the same article was regularly so sold by any other person during the base period, or if the same article was not regularly so sold by any other person during the base period, the highest price at which a similar article was regularly so sold by any other person during the base period;

"(4) in the case of any article to the sale of which paragraph (1), (2), or (3) is applicable, such ceiling as the Administrator may prescribe pursuant to section 206. Any such ceiling so prescribed shall be in lieu of the ceiling applicable under such paragraph; and

"(5) in the case of a new article, and in the case of any article to the sale of which paragraph (1), (2), (3), or (4) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 206.

"(b) The ceiling applicable to the sale at wholesale of an agricultural commodity shall in no case be less than the parity price therefor, as determined and published by the Secretary of Agriculture in accordance with other provisions of law.

"CEILINGS APPLICABLE TO SERVICES

"SEC. 203. Except as provided in section 205, the ceiling applicable to services performed by any person shall be—

"(1) in case such services are the same services as services performed by such person during the base period, the highest price for which such services were so performed by such person during the base period;

"(2) in case such services are not the same services as services performed by such person during the base period (or in case such person did not perform any services during the base period), the highest price for which the same services were regularly performed by any other person within the same county or parish, or within the same State if there be no such other person within the same county or parish, during the base period;

"(3) in the case of any services to which paragraph (1) or (2) is applicable, such ceiling as the Administrator may prescribe pursuant to section 206. The ceiling so prescribed shall be in lieu of the ceiling applicable to such services under such paragraph; and

"(4) in the case of new services and in the case of services to which paragraph (1), (2), or (3) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 206.

"CEILINGS APPLICABLE TO WAGES AND SALARIES

"SEC. 204. (a) Except as provided in subsection (b) and section 205, the ceiling applicable in respect of labor performed by an individual shall be—

"(1) in case such labor is the same labor as labor performed, whether or not by him, for his employer during the base period, the highest wage paid by his employer during the base period, at the place of employment where such individual is employed, for the same labor to an employee with the same seniority rights and length of service;

"(2) in case the same labor was not performed either by him or any other employee, for his employer during the base period, at the place of employment where such individual is employed, the highest wage paid for the same labor by any other employer within the same county or parish, or within the same State, if there be no such other employer within the same county or parish, during the base period to an employee with the same seniority rights and length of service;

"(3) in the case of any labor in respect of which paragraph (1) or (2) is applicable, such ceiling as the Administrator may prescribe pursuant to section 206. Any such ceiling so prescribed shall be in lieu of the ceiling applicable in respect of such labor under such paragraph; and

"(4) in case such labor is new labor, and in the case of labor to which paragraph (1), (2), or (3) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 206.

"(b) The ceiling applicable in respect of any labor shall in no case be less than the minimum compensation prescribed therefor in or pursuant to any law of the United States, or of any State or political subdivision thereof, or of any Territory, District, or possession of the United States.

"EXEMPTIONS

"SEC. 205. The Administrator may by regulation or order exempt from the provisions of sections 202, 203, and 204 articles, services, and labor, with respect to which he makes a finding of fact that—

"(1) such exemption is necessary in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended; or

"(2) it is unnecessary that ceilings be applicable to such articles, services, or labor in order to preserve the Nation's price structure and to prevent a rise in the cost of living.

"POWERS OF ADMINISTRATOR WITH RESPECT TO CEILINGS

"SEC. 206. (a) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this title, he shall by regulation or order establish such ceiling or ceilings as in his judgment will be generally fair and equitable to buyers and sellers of the article or articles in question, or to the person or persons performing the services in question and the person or persons for whom they are performed, or to the employees and employer or employers in question, as the case may be, and will effectuate the purposes of this title. So far as practicable, in establishing a ceiling for any specified articles, services, or labor the Administrator shall ascertain and give due consideration to the prices prevailing for such article or services, or the wages prevailing for such labor, as the case may be, during the base period, and shall make adjustments for such relevant factors as he may determine to be of general applicability in respect of such article, services, or wages, including the following: Speculative fluctuations, general increases or decreases in costs of transportation, general increase or decrease in cost of maintenance and operation, general increases or decreases in costs of living, and general increases or decreases in profits earned by sellers of the article, persons performing such services, and employers for whom such labor is performed, during and subsequent to the year ending June 25, 1950. Every regulation or order establishing any ceiling under this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order.

"(b) Any ceiling or ceilings may be established under this section in such form and manner, may contain such classifications and differentiations, and may provide for the continuation of models, the standardization of

the production of essential items and such other provisions and adjustments, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this title. Any such ceiling may be established in terms of price, wages, margins, commissions, fees, charges, allowances, or other terms. Except as provided in section 202 (b) (relating to agricultural commodities) the Administrator may establish a ceiling or ceilings under this section with respect to articles and services below the general market price for the article or articles or services in effect at the time of establishment of such ceiling or ceilings.

"(c) The Administrator shall exercise his powers under subsections (a) and (b) with respect to agricultural commodities, and with respect to articles derived in whole or in substantial part from agricultural commodities, in such manner as to support prices to farmers for such agricultural commodities at such levels as may be necessary to enable farmers to receive therefor the highest price received in the base period or the parity price for such commodities, whichever is higher. Whenever a ceiling has been established under this title with respect to any agricultural products, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural product. Nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act. Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreemetn, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher; *Provided, however*, That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.

"POWERS OF ADMINISTRATOR WITH RESPECT TO MARKET PRACTICES

"SEC. 207. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this title, he may, by regulation, or order, regulate or prohibit, with respect to any article, speculative or manipulative practices, selling, marketing, or inventory practices (including practices relating to changes in form or quality, hoarding, or other practices), which in his judgment, are equivalent to or are likely to result in price increases inconsistent with the purposes of this title.

"PROCEDURE

"SEC. 208. (a) Regulations or orders establishing any ceiling or ceilings may be issued after such inquiry as the Administrator deems necessary or proper. Within a period of 60 days after the issuance of any such regulation or order any person subject to the provisions thereof may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to such regulation or order and affidavits or other written evidence in support of such objections. At any time after the expiration of such 60 days any person subject to the provisions of such regulation or order may file such a protest based solely on grounds arising after the expiration of such 60 days. Within a reasonable time after the filing of any protest under this subsection, but in no event more than 30 days after such filing or 90 days after the issuance of the regulation or order in respect of which the protest is filed, whichever occurs later, the Administrator shall either grant or deny such protest in whole, or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith.

"(b) In any proceedings under this title, the Administrator may take official notice of economic and other facts, including facts found by him as a result of action taken under section 210, and may limit such proceedings to the filing of affidavits or other written evidence, or the filing of briefs.

"REVIEW

"SEC. 209. (a) Any protestant who is aggrieved by the denial or partial denial of his protest, may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals, praying that the regulation or order protested be set aside in whole or in part. A copy of such complaint shall forthwith be served on the Administrator who shall certify and file with such court a transcript of the proceedings in connection with the protest which shall include a statement of the materials of which the Administrator has taken official notice. Upon the filing of such transcript the court shall have exclusive jurisdiction to affirm or set aside such regulation or order, in whole or in part, or to remand the proceeding, except that the regulation or order may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to any regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably have been offered to the Administrator, and the court determines that such evidence is material, the court shall order the evidence to be presented to the Administrator. The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof, and any modification made in the regulation or order as a result thereof, except that on request by the Administrator, any such additional evidence may be presented directly to the court.

"(b) No such regulation or order shall be set aside in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court setting aside in whole or in part any such regulation or order shall be postponed until the expiration of 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (c) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

"(c) Within 30 days after entry of a judgment, interlocutory or final, by the Emergency Court of Appeals a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 1254 of title 28 of the United States Code. The Supreme Court shall expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any ceiling under this title, and the provisions of this title authorizing any regulation or order establishing any ceiling. Except as provided in this section, no court, Federal, State, or Territorial, shall have power to consider such validity, or to stay, restrain, enjoin, or set aside, in whole or in part, any such provision of this title, or any provision of this title, or any provision of any such regulation or order.

"OBTAINING INFORMATION

"SEC. 210. (a) The Administrator may make such studies and investigations, and obtain or require the furnishing of such information under oath or affirmation or otherwise, as he deems necessary or proper to assist him in prescribing any regulation or order under this title, and in the administration and enforcement of this title, and regulations and orders thereunder. For such purposes the Administrator may administer oaths and affirmations, may require by subpena or otherwise the attendance and testimony of witnesses and the production of documents at any designated place, may require persons to permit the inspection and copying of documents, and the inspection of inventories, and may, by regulation or order, require the making and keeping of records and other documents and the making of reports. No person shall be excused from complying with any requirement under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (49 U. S. C., sec. 46), shall apply with respect to any individual who specifically claims such privilege.

"(b) The Administrator shall not publish or disclose any information obtained under this title that he deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless he determines that the withholding thereof is contrary to the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended.

"(c) The production of a person's documents at any place other than his place of business shall not be required under this section in any case in which, prior to the return date specified in the subpena issued with respect thereto, such person either has furnished the Administrator with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Administrator as to the information contained in such documents.

"REGULATIONS AND ORDERS

"SEC. 211. The Administrator may, from time to time, issue such regulations and orders as he may deem necessary or proper in order to carry out the purposes and pro-

visions of this title, and to prevent the circumvention or evasion thereof. Any regulation or order issued under this title may be amended or rescinded by the Administrator whenever in his opinion such action is necessary or proper in order to carry out the provisions of this title or to prevent the circumvention or evasion thereof.

"ENFORCEMENT

"SEC. 212. (a) Whenever in the judgment of the Administrator any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of this title, or any regulation, order, or requirement thereunder, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with this title or such regulation, order, or requirement, and upon a proper showing a permanent or temporary injunction, restraining order, or other order shall be granted without bond. In cases of actual controversy, a like application may be made by any interested person, and upon a proper showing a like order or decree shall be granted.

"(b) Any person who willfully violates any provision of this title or any regulation, order, or requirement thereunder, and any person who willfully falsifies in any material respect a document or report required to be kept or filed thereunder, shall, upon conviction thereof, be fined not more than $5,000, or imprisoned for not more than 1 year, or both. Whenever the Administrator has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(c) The district courts shall have jurisdiction of violations of this title and of regulations, orders, or requirements thereunder, and concurrently with State and Territorial courts, of all civil proceedings to enforce any liability or duty created by, or to enjoin any violation of, this title or any regulation, order, or requirement thereunder. Such civil proceedings and any criminal proceedings may be brought in any district in which any act or transaction constituting the violation occurred. Any such civil proceedings may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. No costs shall be assessed against the United States Government in any proceeding under this title.

"(d) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this title or any regulation, order, or requirement thereunder, notwithstanding that subsequently such provision, regulation, order, or requirement may be modified, rescinded, or determined to be invalid. The Administrator may intervene in any suit or action wherein a party relies for ground of relief or defense upon this title or any regulation, order, or requirement thereunder.

"SEC. 213. The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices, except where such action is affirmatively found by the Administrator to be necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this title.

"SEC. 214. Nothing in this title shall be construed to authorize the regulation of (1) rates charged by any common carrier or other public utility except where such action is affirmatively found necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this title, or (2) rates charged by any person engaged in the business of selling or underwriting insurance, or (3) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting station, or (4) rates charged for any professional services.

"SEC. 215. If any person selling a commodity violates a regulation or order prescribing a ceiling or ceilings, the person who buys such commodity for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by court, plus whichever of the following sums is greater: (1) Such amount not more than the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine. For the purposes of this section the word "overcharge" shall mean the amount by which the consideration exceeds the applicable ceiling. If any person selling a commodity violates a regulation or order prescribing a ceiling or ceilings, and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the President may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the President the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the President, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. The President may not institute any action under this subsection on behalf of the United States—

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the President or any official authorized to act for him;

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"DEFINITIONS

"SEC. 216. For the purposes of this title and title II—

"(a) 'Person' means an individual, partnership, association, corporation, business trust, or any organized group of persons, or any receiver, trustee, or other legal representative of any of the foregoing, and includes the United States, any State or political subdivision thereof, or any Territory, District, or possession of the United States.

"(b) 'Article' means any article, product, material, or commodity.

"(c) 'Services' means any service, operation, or function performed otherwise than as an employee by a person (other than a State or political subdivision thereof) for any other person for compensation.

"(d) 'Labor' means any function performed by an individual as an employee of a person other than a State or political subdivision thereof.

"(e) An article shall be deemed the 'same' article as another article if it is identical in every respect with such other article.

"(f) An article shall be deemed 'similar' to another article if it is not the same article but is an article of the same kind and of the same or substantially the same quality as such other article.

"(g) An article shall be deemed a 'new' article if neither the same article nor a similar article was sold at wholesale during the base period.

"(h) Services shall be deemed the 'same' services as other services if they consist of the same or substantially the same operations or functions as such other services.

"(i) Services shall be deemed 'new' services if the same services were not performed during the base period.

"(j) Labor shall be deemed the 'same' labor as other labor if it consists of the same or substantially the same functions and duties of the same or substantially the same functions and duties as such other labor.

"(k) Labor shall be deemed 'new' labor if the same labor was not performed during the base period.

"(l) 'Sale' means any disposition, exchange, lease, or other transfer, or any contract to do any of the foregoing, and 'sell', 'selling', 'seller', 'buy', and 'buyer', shall be construed accordingly.

"(m) 'Sale at wholesale' of an article means (1) any sale of such article for resale by the buyer, or (2) in the case of a sale by the manufacturer, producer, or importer of such article for consumption or use by the buyer, such sale by the manufacturer, producer, or importer; except that wherever specific reference is made to a 'sale at wholesale of an agricultural commodity,' such sale shall be deemed to refer only to a sale of such commodity by the farmer who produced such commodity.

"(n) 'Price' means the consideration received or receivable in connection with the sale of an article or for the performance of services.

"(o) 'Wage' means the rate of consideration received or receivable for the performance of labor, whether in the form of wages, salary, or any other form.

"(p) 'Ceiling' means the maximum price for which an article may be sold or which may be received for the performance of services, or the maximum wage which may be paid for labor.

"(q) 'Agricultural commodity' includes only an agricultural commodity in the form in which it is customarily marketed by farmers.

"(r) 'Base period' means the period May 24, 1950, to June 24, 1950, both inclusive.

"(s) 'Comparable' means substantially the same real, utility, and neighborhood value.

"(t) 'Administrator' means the Administrator of the Office of Inflation Control created by section 4.

"ADMINISTRATOR OF OFFICE OF INFLATION CONTROL

"SEC. 217. (a) The President is hereby authorized to create in the Executive Office of the President an Office of Inflation Control, which shall be under the direction of an Administrator, to be known as the Administrator of the Office of Inflation Control (in this act referred to as the 'Administrator'). The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and receive compensation at the rate of $17,500 a year.

"(b) The Administrator may establish and utilize such advisory, regional, local, industry, or other groups or agencies, and utilize such voluntary and uncompensated service, as may from time to time be needed. The Administrator shall give due consideration

to the recommendations of such groups, committees, or other agencies appointed under this section, and he shall utilize, insofar as practicable, local agencies to the end that compliance with the act may be effectuated.

"(c) The Administrator may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions and duties under this title and title II, and shall fix their compensation in accordance with the Classification Act of 1949, as amended. Attorneys appointed under this section may appear for and represent the Administrator in any case in any court. In the appointment, selection, classification, and promotion of officers and employees of the Office of Inflation Control, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

"(d) The principal office of the Administrator shall be in the District of Columbia, but he or his duly authorized representative may exercise any or all of his powers in any place.

"(e) The Administrator shall submit to Congress a quarterly report covering his activities for the preceding quarter and including such information and data and recommendations with respect to matters covered by this title and title II as he may find advisable.

"(f) The Administrator, with the approval of the President, may delegate any power or authority conferred upon him by this act to any officer or agency of the Federal Government and may authorize such redelegations by that officer or agency as he may deem appropriate."

Mr. HALLECK (interrupting the reading of the amendment). Mr. Chairman, in view of the fact that this amendment includes, with a few changes, which the gentleman from Pennsylvania can quickly explain, the price and wage control and rationing features of the so-called Kunkel substitute, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. O'SULLIVAN. Mr. Chairman, I object.

Mr. SPENCE (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. KUNKEL. Mr. Chairman, this proposes to add to the present Spence bill that part of the so-called Kunkel bill which creates price and wage ceilings and authorizes rationing at the retail level. This is all contained in 9308, copies of which are available.

Mr. PATMAN. I have a copy of 9308. Title 2 of this particular bill is the one that has been read so far.

Mr. KUNKEL. It is 9308, starting at the bottom of page 4, with the definitions. The definitions are included as a separate section of it. Then it takes in that part of the bill in regard to price and wage ceilings, beginning on page 9 of the bill 9308.

Mr. PATMAN. Mr. Chairman, will the gentleman yield further?

Mr. KUNKEL. I refuse to yield.

Mr. PATMAN. I am trying to find out what it is.

Mr KUNKEL. Well, I have only a few minutes. The gentleman can get a copy of the bill and find out. In the meantime let me try to explain these other changes.

It accepts the dates outlined in the Spence substitute as amended by the gentleman from Georgia [Mr. PACE] and changes the base-period date from May 23 to June 25. On page 10, at line 7, is added another clarifying provision, to make it mandatory on the President, or whoever administers the act, to impose ceilings on articles sold, services performed, and wages paid, all at one time. The three must be established all in one package. No ceiling shall be imposed on any one of the three that does not at the same time impose ceilings on the other two. That makes it very clear that one group cannot be picked out to the exclusion of the other.

Also, there has been added a provision taken from the Spence substitute which was read for amendment yesterday. This addition would permit a civilian to sue in a civil court to recover damages for overcharges. It is the same provision that was in the Spence substitute yesterday. But the licensing provision in that same substitute is not included.

The amendment offered by the gentleman from New York [Mr. COLE] concerning milk is also included and added to H. R. 9308.

Inasmuch as all this has already been debated and has been available for study, and inasmuch as the amendments which have been included in it in addition to the original language are all amendments to which the House has given its approval during the debate of the last few days, I feel that this will perfect the present measure under consideration very much.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. YATES. The gentleman's amendment would establish price and wage ceilings within a certain period, would it not? It would freeze them to the prices and wages received during a certain period, would it not?

Mr. KUNKEL. It would place those into effect as soon as the President created the Office of Inflation Control. Under the provisions of my bill they can then be adjusted in the light of future developments. I do not think you can have a permanent freeze lasting for all time to come at the same level; some room must be left for adjustment in the light of new and changing conditions and experience. From time to time conditions are going to change and there are going to be pressures upward which will have to be recognized at some future time.

Mr. YATES. How would the gentleman's amendment apply to those contracts between labor unions and management which provide for progressive increases in wages over a period of years? Would not the gentleman's amendment freeze the provisions of the agreement to the wages paid during the base period?

Mr. KUNKEL. I do not think it would. That, of course, is a special case.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. WOLCOTT. The language of the gentleman's amendment states "as far as practical." It would not, of course, be found practical for the administration to change an existing labor-management contract.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may proceed for five additional minutes.

Mr. PATMAN. Mr. Chairman, reserving the right to object, I would like the gentleman to tell me where he commences in this bill 9308 and where he ends.

Mr. FULTON. Mr. Chairman, I ask for the regular order, I ask for a ruling on the request.

Mr. PATMAN. Mr. Chairman, I reserved the right to object.

The CHAIRMAN. The regular order has been called for. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I will yield as soon as I yield to the gentleman from Pennsylvania [Mr. FULTON], who wants to ask a question.

Mr. FULTON. Section 214 of the original Kunkel amendment provided an exemption to newspapers, books, magazines, and radio. As the gentleman recalls, the gentleman from Pennsylvania [Mr. BUCHANAN] and I sponsored an amendment of the same nature to the Spence bill, taking the gentleman's provision and broadening it. Does the gentleman's present amendment contain the Buchanan-Fulton amendment on newspapers, and so forth, or is it the gentleman's old amendment?

Mr. KUNKEL. It is the old amendment, but I would be perfectly willing to accept and support any amendment along the line the gentleman has indicated. That was supported by himself and the gentleman from Pennsylvania [Mr. BUCHANAN] yesterday, and I supported it then.

I now yield to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. I wish to know where the gentleman's amendment commences. I have page 9 before me.

Mr. KUNKEL. Yes; that is where it commences as read by the Clerk.

Mr. PATMAN. How far does it go?

Mr. COLE of Kansas. If the gentleman will yield, it is a new section entirely.

Mr. KUNKEL. It is a new title and it goes over to page 26 where title III starts. A new section is added which includes the part of the bill which begins on page 4, line 23, and runs over to page 9, line 13.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from New York.

Mr. JAVITS. Will the gentleman point out first where in his amendment and read the text of it this question of adjustment insofar as practical is set forth which the gentleman gave in answer to a question?

Mr. KUNKEL. Line 18 on page 15.

Mr. JAVITS. I have read the section and all it does is to say he shall give due consideration.

Mr. KUNKEL. I do not yield any further. As stated during general debate, this is modeled after the original Gore bill which was debated in this House back in 1941 and 1942 when we first considered price control. It has had a good deal of thought put into it over the years and I believe it will be the most efficient way that we can attack the problem of trying to get a stabilization period during which the President can have the power to act toward stabilizing prices and wages before they get completely out of line. We must do this before they become so dislocated that it will be impossible to install any kind of wage or price freeze except through the process of imposing selective price control. If we do not do this right now, if we let it go a month or 2 months, even if this bill is passed and the President lets it go for 2 or 3 months, we will have lost the one time in which we can take effective action or when the President can take effective action.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from Illinois.

Mr. YATES. I am at a loss to understand the gentleman's reply to my previous question and the explanation given by the gentleman from Michigan [Mr. WOLCOTT]. I found no such provision in the law. I should like to direct the gentleman's attention to page 10, line 4, in which it is mandatorily stated that it shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to pay for any labor a wage in excess of the ceiling applicable with respect to such labor.

It seems to me the terms are inflexible and that the Administrator could not under any circumstances alter that ceiling. If that is not the case I wish the gentleman would point out in his amendment where there is a provision which permits deviation from that conclusion.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the gentleman from Illinois has pointed out a very glaring weakness to this amendment. Whereas in the intent of the bill offered by the gentleman from Pennsylvania, notwithstanding the new provisions, as was pointed out, this bill still provides for a mandatory general freeze. Regardless of what the intent says that it does not, nevertheless the provisions are very clear as to that particular thing.

I have here a list of some 25 bugs that appear in this provision of the bill, but time does not permit us to go into them. I feel that we should take these up step by step.

This freeze, of course, does not apply to retail sales, although the Administrator's power to set ceilings is not limited to wholesale ceilings. While starting with wholesale prices may be a practical approach, the bill should not be so drawn that a retail freeze is impossible at the same time. This depends on the effective date which is discussed later in the bill.

The effective date of the general freeze is immediately upon enactment. This bill does not allow any time to set retail ceilings or to set up administrative machinery for enforcement, hearing protests, making adjustments, and so forth. The date at which the freeze goes into effect should be left to the President.

The base period is inflexibly set as June 10 to June 25. Now, 2 weeks is not long enough. Many articles would not be priced during that period. The shortest period should be at least a month.

In case of roll-backs, either to the last 2 weeks before the Korean attack or to the months preceding the attack, are not possible, the President should be able to set later base periods.

Ceilings are set in advance for new products or services as the highest price charged during the base period for comparable products or services in a specified area. This is manifestly unworkable, particularly after the act has been in force for a while. Ceilings of comparable products might have been raised from the base period, substitute materials with different costs might be used, and so forth. Instead, a general power of regulation, with the criterion that due consideration be given to prices prevailing for comparable products, should be given to the President.

Regional price differences are completely ignored in the ceiling for products not sold by the seller during the base period. This ceiling is the highest charged anywhere in the United States for a comparable product.

For services and labor not previously performed, the area for comparison is the same county or parish, or, if nothing similar exists in the county, the same State.

County areas are often too small for proper comparisons.

Political boundaries, either county or State, often do not coincide with marketing or other economic boundaries.

Many economic areas, such as metropolitan districts, labor markets, and milksheds, are already customary and well defined.

The President should be allowed to issue regulations classifying areas.

Public-utility and transportation charges are exempted from control. Since these charges are already controlled by public utility commissions, and so forth, such an exemption would probably be made by regulation for reasons of administrative convenience. However, control should not be forbidden because such charges are an important item of costs. Actions by various Federal, State, or local commissions which were inconsistent with general stabilization could force up price ceilings. Therefore, the President should be given power to intervene in public utility proceedings.

Several miscellaneous exemptions are made, such as for insurance, newspapers, and professional services. It is probable that such charges might later be exempted under the general authority to make exemptions where ceilings are not needed to preserve the price structure.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am quite sure from my observations of the last few days as these debates have progressed that there are many Members of this body who believe that some start should be made in the direction of controls such as contained in this amendment. Obviously, there are differences of opinion as to how those controls should be imposed, when they should be imposed, and what their effect should be. Whatever those differences may be, I think it ought to be crystal clear that in these proposals that are here being offered by the gentleman from Pennsylvania, the House of Representatives has a really decent, fair opportunity to deal with the subject.

As the debate opened, the gentleman from Kentucky, the very estimable chairman of the committee, indicated that the substitute which he offered dealing with these various subjects was offered because of what he said was the insistence of the minority, the Republicans in the House, that something be done about the problem. Whether that was the principal reason or not I do not know. At any event, in order to prove our good faith in trying to bring something before the House in an orderly way that could be acted upon, these proposals were drafted and presented in the committee. As objections have been raised, or defects pointed out, or something needed here or there, those suggestions have been weighed and analyzed and have been incorporated in many particulars.

The amendment as now offered contains certain of the amendments that were adopted yesterday after debate in committee of the whole. I think certainly it should appear that it is a good faith effort to try to provide the stand-by controls that, as I say, so many seem to think should be invoked.

Earlier, as the committee met today, I made a parliamentary inquiry as to what the motion to recommit might be. I have since learned that, in view of the fact that this whole bill is a substitute or an amendment, and even though the resolution making the consideration in order provides that it shall be considered as an original bill, no motion to recommit except a straight motion will be in order.

I may say at this point that I think that, being in the minority, I am not going to be for many more rules like that, because the motion to recommit should be preserved to the minority. In this particular instance we might offer the motion to recommit containing this amendment and then obtain a record

vote that would give us an opportunity to register ourselves for our people and the country on this very important matter.

However, if this amendment is defeated the motion to recommit will be offered. I would dare to express the hope that no point of order would be addressed against it, in view of the very peculiar circumstances which confront us. However, being realistic, I must understand that that point of order might be raised. So in contemplation of that, this is the time and the chance to stand up and be counted. If you think that this stand-by authority should be granted to the President, this is a good, fair proposal to act upon.

We all recognize, not only in respect to this amendment and this proposal but generally in matters of this sort, that when action is taken first in the House of Representatives it is only the beginning of the legislative process. Whatever measure we pass must go to the other body. There it will be acted upon.

If there are differences between the two measures as passed, and there almost always are, then the matter goes to conference and the conferees work out the details. Finally we get an opportunity to pass upon the conference report.

Mr. CARROLL. Mr. Chairman, I move to strike out the last word.

Mr. CARROLL. Mr. Chairman, it seems to me we ought to stop this wrangling and come to grips with the real issue. This is not a difficult problem. In the past 2 or 3 days there has been entirely too much political maneuvering on a question which is of vital importance to the American people.

Let us reflect for a moment on the legislative issues under consideration. The President has requested in the interest of national defense that the Congress pass legislation authorizing the establishment of priorities, allocations, and the requisitioning of those commodities which are essential to our national security. At the same time, the President has requested that the Congress take certain steps to control inflation. Without attempting to enumerate all of these steps, we know that they involve increased taxation, control of consumer credit, and so forth. The feeling is general that the President's requests were too modest in the light of inflationary forces which might reach runaway proportions. Some of us are of the opinion, therefore, that the President should be granted stand-by authority to regulate price and wage stabilization. In order to delegate the President this stand-by authority, we must necessarily establish certain standards and specifications to conform to constitutional requirements. At the same time, we must not unduly restrict the action and authority of the President by setting up such rigid standards that will prevent the President from assuming and carrying out the full responsibility which we have imposed upon him.

In my opinion, the Kunkel amendment now under consideration is too inflexible for it does not permit the executive branch of Government that degree of flexibility which is necessary to formulate a sound, equitable price-and-wage-stabilization program. The gentleman from Pennsylvania [Mr. BUCHANAN], in his excellent speech in opposition to the Kunkel amendment, has presented an argument so technical in nature that few of us have been able to grasp its meaning. Therefore, I should like to ask the gentleman from Pennsylvania [Mr. BUCHANAN], if it was not true, during the early days of OPA in the last war, that many regulations were set up which, although equitable to the Atlantic seaboard, imposed great inequities on other geographic areas in the Middle West, the South, and the West, and that in reality these regulations had no application to the regional economic problems of these areas.

Would the gentleman say that these inequities might again arise as a result of the inflexibility of the provisions contained in the Kunkel amendment?

Mr. BUCHANAN. Yes. It does the same thing. That is a mistake that we should profit by. In other words, we live in a Nation where we have economic geographical areas which have to be treated accordingly.

Mr. CARROLL. That is exactly the OPA experience during the last war. What happened? In the West and in the South and other areas of the country we fought to limit the power of Washington regulations and to delegate certain powers to the regions so that OPA economists could apply the regulation with some degree of intelligence and equity.

Mr. PICKETT. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. PICKETT. If I understand the proposal of the gentleman from Pennsylvania [Mr. KUNKEL], it is to establish a base period on the basis of which these prices and services would be frozen. Is that not correct?

Mr. CARROLL. As I understand it, although the gentleman from Texas may not agree with me, it goes deeper than that. The base period is something that can be determined. We are talking about something different now. We are talking about different geographical economies.

Mr. PICKETT. The gentleman from Pennsylvania purports to set up a certain base period for the freezing and rolling back operation. I understand that to be true. Then it would apply all over the country for the same purpose. The answer would be that whatever the situation were in Colorado on the given date, and whatever the situation might have been on the Atlantic seaboard on the same date would be in keeping with the economic condition in that particular part of the country and it would not be all mixed up, varying from one part of the country to the other.

Mr. CARROLL. I think the gentleman from Texas misconceives what we are talking about. The gentleman from Pennsylvania earlier mentioned base period. He said the President should not be limited to that short period of time. He may want to go back beyond the period set up by the Kunkel amendment. When you give the President stand-by power you do not have to set up specific base periods. He has his own experts. He has his own boards. The Congress has the right of review, too. We are talking about an entirely different situation. We are talking about setting up inequitable regulations which may be applicable only to the Atlantic seaboard but which may be superimposed on our economy in the West, the Middle West, and in the South.

Those regulations may not be suited to our regional problems.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. HOLIFIELD. As I understand it, the Kunkel amendment makes it mandatory, when the President makes his determination, that prices, wages, and rationing be imposed simultaneously.

Now, even before he makes his determination upon the enactment of the act. If we do so, let me point out that from an administrative standpoint, rationing boards have not been set up in the United States; rationing books have not been printed. What this actually means is a delay in imposing rationing because of the difficulty in administration of the act, as provided for in the Kunkel amendment. It might take 90 days or it might take 4 months before the boards are set up and the books printed for distribution all over the United States.

Mr. CARROLL. I think the gentleman makes a good point. But many of us feel that the administration did not go far enough when it asked for certain limited controls. What are we asking the administration to do? We are delegating our legislative authority, setting up certain standards, and saying to the President and his advisers, "The responsibility rests upon you to go forward if the need arises." As we put that responsibility on them, all we are asking now is that there be some flexibility so that we do not tie their hands too much.

Mr. ENGLE of California. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. ENGLE of California. Do we have any assurance that the committee is going to offer any bill that will permit us to vote for stand-by price and wage controls? I have not heard anything that indicates that this committee is going to give us a chance to do that. As far as I am concerned, unless they do, I am going to support the Kunkel amendment.

Mr. CARROLL. I now ask the gentleman from North Carolina [Mr. DEANE], or some member of the committee, are we going to have an opportunity to pass upon price and wage stabilization, to give the President stand-by controls? We are entitled to know that.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. DEANE. At the proper time I propose to offer an amendment to the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL] that would provide what the gentleman is asking about.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. CARROLL] has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CARROLL. Does the amendment you propose to offer provide flexible controls and stand-by authority to be given the President for price and wage stabilization?

Mr. DEANE. It does.

Mr. CARROLL. More flexible than the Kunkel amendment? That is what the Members want to know.

Mr. DEANE. That is true; wages tied with prices.

Mr. CARROLL. And it is entirely free from any freezing action or tying of the President's hands?

Mr. DEANE. It is.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. KEATING. I take it the gentleman favors granting the President more than he asked for; namely, at least stand-by price- and wage-control authority.

Mr. CARROLL. There is no question about that.

Mr. KEATING. Is it not the sensible thing for the Members who feel that way, as I do, to vote for the Kunkel amendment, with possibly some modifications, but to vote? Now is our chance. Will we get any chance hereafter?

Mr. CARROLL. I respect the gentleman's opinion and his sincere desire to give the President stand-by controls. We believe that the present controls, as contained in this amendment, are so inflexible that it ties his hands. Therefore, most of us who are also sincere in trying to give the President regular stand-by authority, with the proper legislative delegation setting up certain specifications and standards, putting the responsibility on the executive branch of Government, want to support the Deane amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. YATES. The gentleman's explanation has been exactly correct. I believe the desire of this House is to pass at least stand-by price and wage ceilings and I, too, would favor such action. but the Kunkel amendment is worse than no controls at all. It has so many generalities and so many gadgets in it that the very purpose of the House will be thwarted if the Kunkel amendment is accepted. For instance, on page 9 a distinction is attempted to be drawn between subsections (b) and (c), a distinction which has not been explained. Contracts between labor and management like the Ford contract, providing for progressive wage increases are abolished by the terms of subsection (c). We want an act which will prevent strikes, not provoke them.

We want controls which are workable; not controls which will straitjacket our economy and our people.

When the gentleman was on the floor, I asked him whether the inflexibility of the provision of subsection (c) could in any way be alleviated by the Administrator, and my attention was directed to page 15. Page 15 in no way, in my opinion, gives the Administrator the flexibility necessary to change the mandate of subsection (c) on page 10, because it reads as follows:

> He shall by regulation or order establish such ceiling or ceilings in his judgment which will generally be fair.

What does the word "generally" mean? It is a loose term which cannot stand against the stringent provision of subsection (c).

Mr. CARROLL. The gentleman from Illinois [Mr. YATES] is absolutely correct. And he is to be commended for the time, study and contribution he has repeatedly made during consideration of this important legislation.

Mr. KUNKEL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KUNKEL. Has the reading of title I been completed at this point?

The CHAIRMAN. The reading of title I; yes.

Mr. MULTER. Mr. Chairman, I move to strike out the last word.

Mr. KUNKEL. Mr. Chairman, will the gentleman from New York yield for a consent request?

Mr. MULTER. I yield.

Mr. KUNKEL. My attention has just been called to the fact that the prohibition against rationing at the retail level in title I of the bill is still included. I do not believe any of the membership want to have that prohibtion included. I therefore ask unanimous consent to offer an amendment striking it out.

Mr. MULTER. I shall object to it at this time, but if the gentleman would formulate his amendment I may withdraw my objection.

Mr. BUCHANAN. Mr. Chairman, I object.

Mr. MULTER. Mr. Chairman, I think we really should be moved to tears when we see the confusion of the Members on the minority side over this amendment now before us. Ever since the amendment was offered I have been trying to find out what it is. We were referred to H. R. 9380 which the gentleman from Pennsylvania introduced on August 2. I have in front of me the amendment as it was offered at the desk, and I think the Clerk should very sincerely thank the gentleman from Pennsylvania for getting permission to have him excused from reading it. Many of us have gone to the desk, and it is utterly impossible to find out what is in this amendment from the manner in which it has been submitted. The gentleman from Pennsylvania, the author of the amendment, himself told us a moment ago that there is at least one thing in the amendment that even he does not want included.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. YATES. As a matter of fact, the question that I asked the gentleman from Pennsylvania with respect to whether or not there could be any flexibility in the administration was answered a few moments ago by the gentleman from Michigan [Mr. WOLCOTT], saying that flexibility was given. The gentleman from Michigan [Mr. WOLCOTT] came to me later and stated that he was not sure that his answer to me was correct because of the various amendments that have been offered.

Mr. MULTER. I am sure the Members can spend the rest of the day examining this document and trying to find out what is in it and what is not in it, but when you get to the end of the day you will be just as confused as I am at this moment.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. FLOOD. Before the gentleman from New York, who now has the floor, went to the desk I went there trying to read this hodge-podge. There are three or four writings in it, different handwritings, and slips of paper, and torn sheets; and three clerks and the gentleman from New York were unable to get any clear idea as to what is in it.

Mr. MULTER. I am sure that at the end of the day after all the debate has closed we still will not know what is in it. But one thing is certain, and that is that as this amendment stands now at least that much of the language which is in H. R. 9308 that has been read is an absolute and complete freeze as of now. It reads:

> It shall be unlawful regardless of any contract or other obligation for any person knowingly to sell or deliver, or to buy, or to accept delivery of any article at a price in excess of the ceiling applicable to such sale.

If the housewife goes out and buys an item over the ceiling price and her husband accepts delivery, they both can be sent to jail or be made to pay a $5,000 fine or both; or if a man pays a 1-cent an hour increase over the wage that he should have been paying as of now he can be sent to jail and fined $5,000.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. BROWN of Georgia. I thought the vote on the amendment this morning settled one question, to wit, that we were going back to the original bill reported out and amend it but not try to amend it by adding price control at this time; that we should have hearings on price control, which the gentleman from Kentucky promised us; and I expect to vote for it, but not in this bill. The inflation control part of it should be in another bill. Witnesses should be called immediately and the committee should consider it. We do not want to mix all of these things up. We should have a committee meeting at once, at which time we will take up the inflation controls. I hope we will go back to that thought. If we are going to roam all over again, go through all the amendments, some of which we have rejected and some of which we have adopted, there would be even more confusion. Let us get back to business and pass the original bill and take up price and wage controls later.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. KEATING. Does not the gentleman think this Congress today should pass some stand-by price-and-wage-stabilization measure and incorporate it in this bill?

Mr. MULTER. I thought we had perfected such a bill yesterday. The vote this morning here rejected that bill, which had stand-by control of wages and prices in a flexible form which you might be able to work out in conference with the other body and eliminate those parts which might be objectionable.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MULTER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. If we had passed that, then there might have been some hope of working out something in conference, giving the President stand-by controls that would not tie his hands. This kind of a thing does not accomplish that purpose.

Mr. KEATING. We still have the opportunity to change this in conference, do we not?

Mr. MULTER. Of course, you have the opportunity of changing it in conference. What I am objecting to is that we do not have the opportunity now to perfect this before it goes to conference. That is the objection I raise.

Mr. KEATING. We should pass today some price-and-wage-stabilization measure giving this authority to the President which he said he does not want?

Mr. MULTER. The gentleman says on a stand-by basis?

Mr. KEATING. On some stand-by basis.

Mr. MULTER. It should be flexible?

Mr. KEATING. I am not wedded to any particular provision of the bill. What I am saying to the gentleman is that we should pass some measure, some price-and-wage-stabilization measure, giving to the President this stand-by authority and should support some bill to that effect as an amendment to the bill that was brought in here and which we are now considering.

Mr. MULTER. Is the gentleman prepared to say whether or not the President shall enforce these stand-by provisions when the time arrives through a separate agency or through existing agencies? Which does the gentleman want the President to do?

Mr. KEATING. I say all of those details are matters that can be worked out in conference. Those of us who sincerely feel that the President should have this authority, which he stated he does not want, should vote for some stand-by wage-and-price-stabilization measure. That is what our people want. Does not the gentleman agree with me?

Mr. MULTER. This amendment is inflexible and bad in many respects. The procedures are set up for a brand-new agency with a man at the head of it at a salary of $17,500 with all the personnel he may need. The only choice given to the President is as to the time when he will set up the agency, and whether he sets up the agency or not the bill now inflexibly fixes a ceiling on wages and prices.

Mr. KEATING. Then I suggest to the gentleman he offer a perfecting amendment to change those details.

Mr. MULTER. If the gentleman will prevail on the gentleman from Pennsylvania to withdraw his amendment, the gentleman from North Carolina [Mr. DEANE] will offer a stand-by flexible-provision amendment.

Mr. KEATING. That is, the gentleman wants a price-and-wage-stabilization bill giving the President this authority, the gentleman and Members on his side want to give him that authority, but he wants to introduce an amendment to that effect?

Mr. MULTER. I would suggest that the gentleman from Pennsylvania withdraw his amendment and work out with the gentleman from North Carolina [Mr. DEANE] a proper stand-by measure, which is a stand-by measure and flexible and not mandatory and inflexible.

Mr. KEATING. It is later than you think. I have heard a lot of statements from the gentleman's side this should not be handled on a political basis, it should be handled from the point of view of the welfare of the country, and I agree with that. Here we have an amendment. Let us offer any perfecting amendments to it that the gentleman pleases or that other Members wish, then let us vote for it.

Mr. MULTER. We did that all day yesterday, and then your colleagues rejected the perfected bill. Now you ask that we repeat the process.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Pennsylvania..

Mr. FLOOD. Is it not true that within the last hour this House had a chance to vote on stand-by controls, including my distinguished friend from New York? I do not know how he voted, but I saw most of the Members on that side of the aisle vote against stand-by controls as of today.

Mr. MULTER. I observed the same thing.

Mr. KEATING. I favor stand-by legislation for price and wage controls. The fear I have in my mind is that either we or the Congress are not acting fast enough here.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. JAVITS. May we ask the gentleman from North Carolina [Mr. DEANE] whether he intends now—he has the power to get recognition—to offer his substitute for the Kunkel amendment? Does he intend to do it now so that both alternatives will be before the House? I thoroughly agree with the gentleman from New York [Mr. KEATING] that that is the least, in fairness, that ought to be done.

Mr. DEANE. I propose to do so, I will say to the gentleman from New York.

Mr. JAVITS. I thank the gentleman.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. This clearly demonstrates the inability of this whole House to act as a committee. Why, in heaven's name, does not the Committee on Banking and Currency ask the committee to rise and bring this thing back in such shape that some of us fair-minded ones can support?

Mr. MULTER. We brought you a bill which the committee approved by a 20 to 1 vote covering what the President requested. Let us go to work on a price and wage control bill in committee that we can work out as a bipartisan measure and bring that in to you next week.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman understands, as do we all, that when the matter of price control and wage control was before the Committee on Banking and Currency, the majority members, the Democratic members of that committee, elected not to deal with that subject. The only time you moved to deal with it at all was when yesterday you trotted out the Spence substitute.

Mr. MULTER. The answer to that is, sir, that the Kunkel amendment was submitted in the committee for the first time in an executive session; it was introduced the night before, and we did not even have an opportunity to read it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for one additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to continue for two additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I listened to the observation of my friend from Indiana from which one would draw the inference that if he were a member of the Committee on Banking and Currency, that he would vote for the Kunkel amendment. I am wondering if my inference is correct that the gentleman would vote for the Kunkel mandatory bill that was offered in the Committee on Banking and Currency.

Mr. HALLECK. The Kunkel bill as offered in the committee may have been mandatory at that time, I do not know.

Mr. McCORMACK. That is the point. Would the gentleman have voted for it?

Mr. HALLECK. But the measure that is now before us has been revised in numerous particulars about which the gentleman from Massachusetts undoubtedly knows, and it is that measure with which we are dealing.

Mr. McCORMACK. Would the gentleman have voted for the mandatory bill in committee?

Mr. HALLECK. Personally I am for standby controls as against immediate mandatory controls. Does that answer the gentleman's question?

Mr. McCORMACK. I agree with my friend.

Mr. HALLECK. Certainly.

Mr. McCORMACK. Then the gentleman ought to be against this Kunkel bill because it is mandatory.

Mr. HALLECK. It is not.

Mr. McCORMACK. Oh yes; it is mandatory.

Mr. HALLECK. The gentleman made that statement before. The Kunkel bill says that the President is authorized. That is not a directive; that is permissive, not mandatory in anybody's language.

Mr. McCORMACK. I will say to my friend from Indiana, who is usually correct, I suggest he read this Kunkel amendment again and I am sure he will find that that is not correct; that it is mandatory in certain respects.

Mr. HALLECK. It is not mandatory except in certain situations like base periods, certain ceilings being imposed, but the invoking of the measure as a whole is left to the discretion of the President. It has been so interpreted by every newspaper reporter who has read it, everyone who understands it. I know what is in it and I am just sorry that the gentleman from Massachusetts does not.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for one additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I have asked for this additional time to ask the gentleman from New York [Mr. MULTER] who is a member of the Committee on Banking and Currency, if the real reason why we find ourselves in the present situation and in this great confusion today is not the fact that his committee rushed this legislation through without due consideration, hearing only three government witnesses, shutting off witnesses from business and industry that might have contributed to the hearings some bits of information that would have been of help in amending this bill, and that the language was so hastily drafted that even the chairman of the committee himself brought in a new bill rather than support the bill that the committee recommended. So the responsibility rests entirely with the gentleman's committee, which failed somehow or other to bring in legislation that did take care of the situation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. If the gentleman will yield, of course the observations of my good friend from Ohio [Mr. BROWN] and my good friend from Indiana [Mr. HALLECK] show that our Republican leadership do not know where they are at. First they wanted something stronger, then they wanted something weaker, and now they want to send it back to the committee. As a matter of fact, they are just taking a position opposite to anything that is proposed by the Democratic majority of the committee. They just do not know where they are at. Am I right?

Mr. MULTER. The gentleman is absolutely correct. The fact of the matter is that there was ample and due consideration of the bill as reported out by our committee. Twenty of twenty-one members who were there in executive sesion agreed that it was a good bill, that it should be brought out. We were giving to the President by that bill the powers he asked for and needs now and should have now. When the temper of the country reached the Members of the Congress on both sides indicating that they wanted the President to have standby control so that he could invoke price controls when he was ready for them and the country needed them, we wanted him to have that power. Everybody agrees now we still want him to have that power. The trouble is that while some of the gentlemen on that side of the aisle are for talking about giving him the power, they do not want to put it in language which will give it to him.

Mr. BROWN of Ohio. Did the gentleman from New York get the impression from the remarks of the gentleman from Massachusetts, the majority leader, that he was insinuating that those of us on this side of the aisle are as confused now as he has appeared to be through this entire debate?

Mr. MULTER. No. He meant and he said that he clearly understands the situation, political, and otherwise, then and now. The confusion is still on my left.

Mr. McCORMACK. I might say that the big business interests that ordinarily support the Republican Party understand the situation.

Mr. MULTER. I also concur in that statement of our distinguished majority leader.

Mr. PATMAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the bill that was submitted to the House was carefully considered by the committee. It involves speculative trading, credit controls, restoration of the old regulation W, and matters of that kind, which the President asked for. Then after that was considered, the committee decided to submit it to try to get the House to pass it as an emergency measure, with the understanding that the committee will take up later, immediately hereafter, price-and-wage controls and related subjects.

I sincerely hope the House will adopt the bill as the committee reported it. It means a lot in preventing inflation. It is something we need now. We need it quickly. I hope we can leave off these other amendments and just put through the original bill. I think that is the only chance we have to get a bill today or within a reasonable time.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. RANKIN. As a matter of fact, inflation of prices is caused by inflation of the currency. There is nothing in this bill at all to check the inflation of the currency, is there?

Mr. PATMAN. Yes; on commercial loans.

Mr. RANKIN. I am talking about this new currency. Prices in a free economy are governed by two things—the volume of the Nation's currency multiplied by the velocity of its circulation. There is not a word in this bill which would check the issuance of Federal Reserve notes which are being inflated now at the rate of more than $60,000,000 a month. You are not striking at the root of the trouble at all.

Mr. PATMAN. The gentleman is mistaken about that because there is a lot in this bill that will stop the issuance of Federal Reserve bank currency.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CASE of South Dakota. As long as you have deficit financing you are bound to have an inflation of the currency.

Mr. PATMAN. Yes; you have inflation and that is the reason I voted against the tax reduction bill because I wanted to balance the budget.

The Kunkel amendment is an overall freeze. The Kunkel amendment is a definite and immediate freezing of prices and wages. I heard what the distinguished gentleman from Indiana said a while ago, that it required the President to activate—I do not know that he used that exact word but that it required the President to do something to put the law into effect.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BUCHANAN. But with one exception—it does not include retail prices.

Mr. PATMAN. I have not noticed the latest version. I know the original version did not have retail prices. The bill has been changed a number of times. The present amendment submitted by the gentleman from Pennsylvania contains parts of three bills and several amendments which were proposed here on the floor of the House yesterday, some adopted and some defeated. We do not

know where we are with this present amendment. But we do know it is an absolute freeze. I want to read to the gentleman from Indiana title II, section 201:

SEC. 201. (a) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to sell or deliver, or to buy or accept delivery of, any article at a price in excess of the ceiling applicable to such sale.

(b) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to receive or pay, or to enter into any contract, agreement, or other obligation under which he is entitled or required, or under which he purports to be entitled or required, to receive or pay, for the peformance of any services a price in excess of the ceiling applicable to such services.

Then it defines the ceilings applicable to sales of articles and services.

That is the law. That is the law if this is enacted. The only place where the President must do anything or can do anything under this proposed amendment is under section 4, which is on page 7, in which the President is given the authority.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. HOFFMAN of Michigan. Mr. Chairman, reserving the right to object, does the gentleman know whether there is going to be any attempt to cut off debate?

Mr. PATMAN. I think there has not been any attempt so far. I think eventually there should be.

Mr. HOFFMAN of Michigan. I know you are a great prophet, maybe you could tell us.

Mr. PATMAN. I am no prophet. I am willing to accept the prophecies of the gentleman from Michigan.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, the only place where the President comes into action is not to make this unlawful—not to freeze wages—not to freeze prices—because the law itself will freeze them—but the President is authorized to create in the Executive Office of the President an office of inflation control. He is authorized under this act to set up the agency to administer these provisions which are made unlawful under this act.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HALLECK. Of course the gentleman will agree with me, I am sure, because he is always fair, that if this proposal should be adopted and should become the law, there still would be required affirmative action by the President to make the provisions of the act effective.

Mr. PATMAN. I do not agree. Respectfully I disagree with the gentleman. I want to tell him the reason why because I have some good reasons. Turn to page 9 of this bill, the Kunkel amendment, and the bill itself makes it unlawful. What? Wages and prices and everything except retail prices. This is an immediate freeze. If the President did not carry that out, he would be violating his oath of office. He would carry it out. How? Since there is an immediate freeze, they would turn back to this other part of the Kunkel bill and create this office of inflation control. He would have to do it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HALLECK. As a matter of fact, on page 14, section 206, the language is:

Whenever in the judgment of the Administrator, such action is necessary or proper in order to effect the purposes of this title, he shall, by regulation or order, establish such ceiling.

In other words, I am sure the gentleman——

Mr. PATMAN. You are reading from what?

Mr. HALLECK. It is the language included in the amendment. Now, the gentleman should understand there are two terms that have been used that are important in this consideration. One of them is "stand-by" and the other is "flexible." This is stand-by, and, by and large, the other proposals that have been offered are stand-by. Apparently the gentleman is arguing for complete flexibility, which I call a blank-check authorization to the President, with no criteria created by the Congress at all. This proposal does set standards. It does undertake to provide the manner in which controls shall be applied, if they are voted by the Congress. Personally, I subscribe to that approach rather than the blank-check approach.

Mr. PATMAN. In closing I insist that this is a definite and immediate freeze of all prices and all wages.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection?

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Chairman, the gentleman has had three extensions. Can you finish in this minute, if not interrupted?

Mr. PATMAN. Well, I hate to make any commitments.

There was no objection.

Mr. PATMAN. In the case of the General Motors contract, the wage earners have an increase in pay when the cost of living increases. This would freeze it where they could not possibly get that increase. There are hundreds of those contracts in this country. We would not know what we are doing under this Kunkel proposal. The Kunkel proposal the day before yesterday is not the one we had yesterday, and the Kunkel proposal today is different from either one of them. So we would not know what we were doing. So let us vote it down.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. DEANE. Mr. Chairman, I offer a substitute to the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL].

The Clerk read as follows:

Amendment offered by Mr. DEANE as a substitute for the amendment offered by Mr. KUNKEL: Insert the following:

"That this act, divided into titles, may be cited as the 'Defense Production Act of 1950.'

"TABLE OF CONTENTS

"Title I. Priorities and allocations.
"Title II. Authority to requisition.
"Title III. Expansion of productive capacity and supply.
"Title IV. Control of credit.
"Title V. Prices and wages.
"Title VI. General provisions.

"DECLARATION OF POLICY

"SEC. 2. It is the policy of the United States to oppose acts of aggression and to promote peace by insuring respect for world law and the peaceful settlement of differences among nations. To that end this Government is pledged to support collective action through the United Nations and through regional arrangements for mutual defense in conformity with the Charter of the United Nations. The United States is determined to develop and maintain whatever military and economic strength is found to be necessary to carry out this purpose. Under present circumstances, this task requires diversion of certain materials and facilities from civilian use to military and related purposes. It requires expansion of productive facilities beyond the levels needed to meet the civilian demands. In order that this diversion and expansion may proceed at once, and that the national economy may be maintained with the maximum effectiveness and the least hardship, normal civilian production, and purchases must be curtailed and redirected.

"It is the purpose of title V to prevent speculative, unwarranted, and abnormal increases in prices resulting from abnormal market conditions or scarcities caused by the efforts of the United States in support of collective action to oppose aggression and promote peace.

"It is the objective of this act to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military and other programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use.

"TITLE I—PRIORITIES AND ALLOCATIONS

"SEC. 101. The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.

"SEC. 102. Any person who willfully performs any act prohibited, or willfully fails to perform any act required, by the provisions of this title or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than $10,000 or imprisoned for more than 1 year, or both.

"TITLE II—AUTHORITY TO REQUISITION

"SEC. 201. Whenever the President determines (1) that the use of any equipment, supplies, or component parts thereof, or ma-

terials or facilities necessary for the manufacture, servicing, or operation of such equipment, supplies, or component parts, is needed for the national defense, (2) that such need is immediate and impending and such as will not admit of delay or resort to any other source of supply, and (3) that he has been unable to acquire such property or the use thereof, as the case may be, on fair and reasonable terms, he is authorized to requisition such property or the use thereof for the defense of the United States upon the payment of just compensation for such property or the use thereof to be determined as hereinafter provided. The President shall determine the amount of the compensation to be paid for any property or the use thereof requisitioned pursuant to this title but each such determination shall be made as of the time it is requisitioned in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the President as just compensation is unwilling to accept the same as full and complete compensation for such property or the use thereof, he shall promptly be paid 75 percent of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims or, where the amount involved does not exceed $10,000, in any district court of the United States within 3 years after the date of the President's award, an additional amount which, when added to the amount so paid to him, shall be just compensation. Whenever the need for the national defense of any property requisiticned under this title shall terminate, the President may dispose of such property on such terms and conditions as he shall deem appropriate, but to the extent feasible and practicable he shall give the former owner of any property so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the President, or (2) if it is to be disposed of (otherwise than at a public sale of which he is given reasonable notice) at less than such value, at the highest price any other person is willing to pay therefor: *Provided,* That this opportunity to reacquire need not be given in the case of fungibles or items having a fair value of less than $1,000.

"TITLE III—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

"SEC. 301. (a) In order to expedite production and deliveries under Government contracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement as he may designate (hereinafter referred to as 'guaranteeing agencies'), without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance, or in connection with or in contemplation of the termination, of any contract or other operation deemed by the guaranteeing agency to be related to efforts or undertakings on the part of the United States or an agency thereof which are designed to meet the necessities of the national defense.

"(b) Any Federal agency or any Federal Reserve bank, when designated by the President, is hereby authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guarantee and in otherwise carrying out the purposes of this section. All such funds as may be necessary to enable any such fiscal agent to carry out any guaranty made by it on behalf of any guaranteeing agency shall be supplied and disbursed by or under authority from such guaranteeing agency. No such fiscal agent shall have any responsibility or accountability except as agent in taking any action pursuant to or under authority of the provisions of this section. Each such fiscal agent shall be reimbursed by each guaranteeing agency for all expenses and losses incurred by such fiscal agent in acting as agent on behalf of such guaranteeing agency, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

"(c) All actions and operations of such fiscal agents, under authority of or pursuant to this section shall be subject to the supervision of the President and to such regulations, as he may prescribe; and the President is authorized to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guarantee and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guarantees.

"(d) Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purpose of meeting the necessities of the national defense.

"SEC. 302. To assist in carrying out the objectives of this act, the President may make provision for loans (including participations in, or guarantees of, loans) to private business enterprises for the expansion of capacity, the development of technological processes, or the production of essential materials. Such loans may be made without regard to the limitations of existing law and on such terms and conditions as the President deems necessary, except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms.

"SEC. 303. (a) To assist in carrying out the objectives of this act, the President may make provision for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or for resale.

"(b) Purchases and commitments to purchase and sales under subsection (a) may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods, as the President deems necessary, except that purchases or commitments to purchase involving higher than currently prevailing market prices or anticipated loss on resale shall not be made unless it is determined that supply of the materials could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability to the United States of overseas supplies.

"(c) The procurement power granted to the President by this section shall include the power to transport and store, and have processed and refined any materials procured under this section.

"SEC. 304. (a) For the purposes of sections 302 and 303, the President is hereby authorized to utilize the Reconstruction Finance Corporation and such other departments, agencies, officials, or corporations of the Government as he may deem appropriate, or to create new corporations.

"(b) Any corporation created under this section—

"(1) shall have the power to sue and be sued; to acquire, hold, and dispose of property; to use its revenues; to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for subject to laws specifically applicable to Government corporations; and to exercise such other powers as may be necessary or appropriate to carry out the purposes of such corporation;

"(2) shall have its powers set out in a charter, which shall be published in the Federal Register, and all amendments to which shall be similarly published;

"(3) shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to act of Congress; and

"(4) shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of said act.

"(c) Any corporation established or utilized pursuant to this section is authorized to borrow from the Treasury of the United States, for any of the purposes of the corporation, such sums of money as may be necessary to carry out its functions under this title: *Provided,* That the total amount borrowed under the provisions of this section by all such corporations shall not exceed an aggregate of $2,000,000,000 outstanding at any one time. For the purpose of borrowing as authorized by this paragraph, any corporation established pursuant to this section may issue to the Secretary of the Treasury its notes, debentures, bonds, or other obligations to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations. Such obligations may mature subsequent to the period of succession of the corporation. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations of the corporation. The Secretary of the Treasury is authorized and directed to purchase any obligations of any such corporation to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the obligations of any corporation hereunder.

"TITLE IV—CONTROL OF CREDIT

"SUBTITLE A—CONSUMER AND REAL ESTATE CREDIT

"SEC. 401. (a) To assist in carrying out the purposes of this act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of consumer and real estate credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding

other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements thereto, and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this subtitle or to prevent evasions thereof.

"In prescribing and suspending such regulations, including changes from time to time to take account of changing conditions, the President shall consider among other factors, (1) the level and trend of consumer and real estate credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for real property and improvements thereon and for other goods and services, and (3) the need in the national economy for the maintenance of sound credit conditions.

"(b) No person shall extend or maintain any credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, under oath or otherwise, as the President may by regulation require as necessary or appropriate in order to effectuate the purposes of this subtitle; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

"(c) Any person who willfully violates any provision of this subtitle or any regulation or order thereunder, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than 1 year, or both.

"(d) To assist in carrying out the purposes of this subtitle, the President by regulation may require transactions or persons or classes thereof subject to this subtitle to be registered or licensed; and, after notice and opportunity for hearing, the President by order may suspend any such registration or license for violation of this subtitle or any regulation prescribed by the President pursuant to this subtitle. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such order of the President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that act. In carrying out this subtitle, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

"(e) Any restrictions for real estate credit for home construction shall not restrict loans made by private lenders to any percentage of value or maturity less than the maximum authorized for any loans authorized to be made, insured, or guaranteed by the Government or any Government-owned agency or instrumentality, nor shall any restriction otherwise discriminate in favor of Government loans or Government insured or guaranteed loans against private loans for home construction.

"(f) For the purposes of this subtitle, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms and, in addition, may define technical, trade, and accounting terms, insofar as any such definitions are not inconsistent with the provisions of this subtitle:

"(1) 'Consumer credit' means credit which the obligor undertakes to pay in two or more payments, or any other credit: *Provided*, That it shall not include (i) any credit to finance or refinance the construction or purchase of an entire residential or nonresidential building, (ii) any credit extended to a business enterprise solely to finance the purchase of goods for resale, or (iii) any other credit extended to a business or agricultural enterprise for any business or agricultural purpose unless the credit is secured by or is for the purpose of purchasing or carrying any durable or semidurable goods which are used or usable for personal, family, or household purposes, or any accessory, insurance, or service connected with any such goods or any interest therein.

"(2) 'Real estate credit' means credit secured, either wholly or partly, by real property; credit for the purpose of purchasing or carrying real property or constucting buildings or otherwise improving real property; and credit involving a right to acquire or use real property. As used in this paragraph the term 'real property' includes leasehold and other interests therein.

"(3) 'Credit' means any loan, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment, leasing, or other use of property under which the bailee, lessee, or user has the option of becoming the owner thereof, obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof, or has the right to have all or part of the payments required by such contract applied to the purchase price of such property or similar property; any option, demand, lien, pledge, or similar claim against, or for the delivery of property or money; and purchase, discount, or other acquisition of, or any credit under the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

"(4) 'Person,' in addition to the definition given it by section 602 (a) of this act, includes the United States, any State or subdivision thereof, and any agency or instrumentality of one or more such authorities, except that the criminal penalties of this subtitle shall not be applicable to the United States, any State, or other governmental agency or instrumentality.

"SEC. 402. To assist in carrying out the objectives of this act, the President may, at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers, the President shall give consideration to the preservation of such relative credit preferences as are accorded to veterans of World War II under existing law.

"TITLE V—PRICES AND WAGES

"NOTICE OF INTENDED PRICE INCREASES

"SEC. 501. The President may by regulation or order require sellers of any commodity which significantly affects the cost of living, the costs of industrial or agricultural production or of construction, or the costs of national defense or foreign aid to give up to 60 days' notice to the President prior to the effective date of any intended price increase with respect to any such commodity. After the issuance of any such regulation or order, no price increase shall become effective for the specified commodity without the giving of notice required by the regulation or order and until the expiration of the period required to be specified in the notice. The President may require any seller who has filed such a notice to appear at a public hearing with respect to the justification for such price increase. At the expiration of the period required to be specified in the notice, the price increase may become effective, unless prior thereto a maximum price for such commodity is established pursuant to this title. If a maximum price is not so established prior to the expiration of the period required to be specified in the notice, that fact shall not preclude the establishment at a later date of a maximum price for such commodity in accordance with this title.

"CONDITIONS FOR ESTABLISHING MAXIMUM PRICES

"SEC. 502. The authority granted by this title to establish maximum prices for a commodity shall not be exercised unless it is determined by the President that—

"(1) the price or prices of such commodity have risen or threatened to rise at any time after June 1950 to such an extent as to effect significantly the cost of living, the costs of industrial or agricultural production, or of construction, or the costs of national defense or foreign aid;

"(2) other measures available under this act would not promptly and effectively deal with the rise or threatened rise in prices in a manner consistent with the purposes of this act;

"(3) the proposed action will help to carry out the objectives of this act as stated in section 2.

"DECONTROL

"SEC. 503. Whenever any authority is exercised under this title, the President shall periodically review the conditions of its exercise for the purpose of assuring the removal of such control at the earliest practicable date and, to the extent that he determines that the continued exercise of such authority is no longer necessary to effectuate the purposes of this act, he shall immediately rescind such controls.

"STANDARDS FOR ESTABLISHING AND ADJUSTING MAXIMUM PRICES

"SEC. 504. (a) Whenever in the judgment of the President the conditions set forth in section 502 for the establishment of maximum prices for a commodity have been satisfied, the President may by regulation or order establish such maximum prices for the commodity as, in his judgment, will be generally fair and equitable and will aid in effectuating the purposes of this act. In establishing any such maximum price, the President (1) shall, so far as practicable, ascertain and give due consideration to the prices generally prevailing between May 24, 1950, and June 24, 1950 (or if, in the case of any commodity, the prevailing prices in that period are not generally representa-

tive because of abnormal or seasonal market conditions, or other cause, then to the prices prevailing during the nearest period in which, in the judgment of the President, the prices for such commodity are generally representative for such commodity) and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability; and (2) may consider, among other factors which he deems relevant, speculative fluctuations, unusual price relationships, and the level of costs of production, distribution and transportation: *Provided*, That no such regulation or order shall contain any provisions requiring the determination of costs otherwise than in accordance with established accounting methods.

"(b) Before issuing any regulation or order under the foregoing provisions of this section, the President shall, so far as practicable and appropriate, advise and consult with persons who, in his judgment, are representative of the industry which will be subject to such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the President shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as in his judgment may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The President shall from time to time advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein, and shall consider any recommendations that the committee may submit.

"(c) After the issuance of any regulation or order establishing a maximum price under subsection (a), the President may on his own initiative or at the request of the industry advisory committee, establish under subsection (b), review and, when he deems necessary, revise the maximum price or prices established by such regulation or order. In making such review the President shall consider, among other factors which he deems relevant, changes in the costs of production, distribution, and transportation since the establishment of the maximum price, and the level of profits earned by sellers of the commodity or commodities.

"(e) Every general regulation issued under the foregoing provisions of this section establishing a maximum price or prices for commodity shall be accompanied by a statement of the considerations involved in the issuance of such regulation. This requirement shall not aply to modifications of any such previous regulation where the President determined that justification for such modification is adequately covered by previously published statements of consideration.

"(e) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this act, he may, without regard to the foregoing provisions of this section, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities during such period subsequent to June 1, 1950, as the President shall specify; but any such temporary regulation or order shall be effective for not more than 90 days, and may be replaced by a regulation or order issued under the foregoing provisions of this section.

"(f) The President shall make an adjustment for hardship to a seller caused by a maximum price established under this section, if in the judgment of the President such adjustment is necessary to prevent gross inequities and can be made without impairing compliance with the provisions of this title and the effectiveness of the regulation.

"(g) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this title, he may, by regulation or order, regulate or prohibit manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, which in his judgment are equivalent to, or are likely to result in, price increases inconsistent with the purposes of this title.

"AGRICULTURAL COMMODITIES

"SEC. 505. (a) No maximum price shall be established or maintained for any agricultural commodity below a price which will reflect to producers of such commodity the parity price, as determined by the Secretary of Agriculture, or, in case a comparable price has been determined for such commodity under subsection (b), such comparable price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials); and no maximum price shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the parity price or comparable price, as so determined.

"(b) For purposes of this title, in the case of any agricultural commodity other than the basic crops—corn, wheat, cotton, rice, tobacco, and peanuts—the Secretary shall determine and publish a comparable price whenever he finds, after investigation and public hearing, that the production and consumption of such commodity has so changed in extent or character since the parity base period as to result in a price, out of line with parity prices for basic commodities: *Provided*, That comparable prices heretofore determined by the Secretary may be used for the purposes of this title.

"(c) Whenever a maximum price has been established, under this title or otherwise, with respect to any fresh fruit or any fresh vegetable, the President from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in cost of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity.

"(d) Nothing contained in this title shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provisions thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act.

"SEC. 506. (a) Whenever a maximum price is established under this title with respect to any commodity ceilings with respect to the salaries, wages, or other compensation of individuals engaged in producing the commodity shall be established at the same time.

"(b) The provisions of this title shall apply with respect to ceilings established under this section in the same manner and to the same extent as such provisions apply with respect to maximum prices established under section 504.

"ADMINISTRATION AND ENFORCEMENT

"SEC. 507. (a) The protest procedure set forth in section 203 of the Emergency Price Control Act of 1942, as amended, shall be applicable to this title, except that protests may be filed only within a period of 60 days after the issuance of the protested regulation or order, or, if such protest is based solely on grounds arising after the issuance of such regulation or order, within a period of 60 days after such grounds arise.

"(b) The Emergency Court of Appeals created by section 204 (c) of the Emergency Price Control Act of 1942, as amended, is hereby continued in existence for the purposes of review of proceedings under section 507 (a) of this act, and for those purposes the provisions of section 204 of the Emergency Price Control Act of 1942, as amended, shall be applicable.

"(c) The enforcement provisions of section 205 of the Emergency Price Control Act of 1942, as amended, with the exceptions of subsections (b), (f), and (g) thereof, shall be applicable to this title.

"(d) (1) It shall be unlawful, regardless of any contract, agreement, lease, or other obligation heretofore or hereafter entered into, for any person to sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity, or otherwise to do or omit to do any act in violation of any regulation or order under this title, or to offer, solicit, attempt, or agree to do any of the foregoing.

"(2) It shall be unlawful for any officer or employee of the United States or for any adviser or consultant to the President (or to any department or agency to which functions under this title may be delegated) to disclose, otherwise than in the course of official duty, any information obtained under this title or to use any such information for personal benefit.

"(3) Nothing in this title shall be construed to require any person to sell any commodity.

"(e) The President from time to time, but not less frequently than once every 90 days, shall transmit to the Congress a report of operations under this title. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate, or the Clerk of the House of Representatives, as the case may be.

"(f) The provisions of the Emergency Price Control Act of 1942, as amended, which are incorporated by reference in section 507 (a), (b), and (c), shall be applied to this title with such changes in designation of provisions as may be appropriate. Reference in these incorporated provisions to the Administrator shall be deemed to refer to the President (or to any department or agency to which functions under this title may be delegated). Reference in those incorporated provisions to a regulation or order issued under section 2 of the Emergency Price Control Act of 1942, as amended, shall be deemed to refer to a regulation or order issued under section 504 of this act. Reference in those incorporated provisions to the violation of section 4 of the Emergency Price Control Act of 1942, as amended, shall be deemed to refer to the violation of section 407 (d) of this act.

"DEFINITIONS

"SEC. 508. As used in this title—

"(a) The term 'sale' includes sales, dispositions, exchanges, leases, and other transfers, and contracts and offers to do any of the foregoing. The term 'sell', 'selling', 'seller', 'buy', and 'buyer' shall be construed accordingly.

"(b) The term 'price' means the consideration demanded or received in connection with the sale of a commodity.

"(c) The term 'commodity' means commodities, articles, products, and materials (except materials furnished for publication by any press association or feature service, books, magazines, motion pictures, periodicals, and newspapers, other than as waste or

scrap), and it also includes services rendered otherwise than as an employee in connection with the processing, distribution, storage, installation, repair, or negotiation of purchases or sales of a commodity, or in connection with the operation of any service establishment for the servicing of a commodity: *Provided,* That nothing in this title shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees, except as provided in section 506, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting station, a motion picture or other theater enterprise, or outdoor-advertising facilities, or (5) rates charged for any professional services.

"(d) The term 'maximum price', as applied to prices of commodities, means the maximum lawful price for such commodities. Maximum prices may be formulated in terms of prices, margins, commissions, fees, and other charges and allowances.

"TITLE VI—GENERAL PROVISIONS

"SEC. 601. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this act.

"(b) In order to carry out this policy—

"(i) the President shall provide small-business enterprises with full information concerning the provisions of this act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this act;

"(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations or orders, or amendments thereto, issued under authority of this act, and in their formation consideration shall be given to providing fair representation for small, medium, and large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

"(iii) in administering this act, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this act; and

"(iv) in administering this act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

"SEC. 602. As used in this act—

"(a) The word "person" shall include individuals, firms, corporations, associations, partnerships, and any organized groups of persons whether or not incorporated.

"(b) The word "materials" shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

"SEC. 603. The President may delegate any power or authority conferred upon him by this act to any officer or agency of the Government and may authorize such redelegations by that officer or agency as the President may deem appropriate. Any officer or agency may employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, without regard to section 14 of the Federal Employees' Pay Act of 1946 (60 Stat. 219), as the President deems necessary to carry out the provisions of this act.

"SEC. 604. The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this act. Any regulation or order under this act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper in order to effectuate the purposes of this act.

"SEC. 605. (a) The President shall be entitled, while this act is in effect and for a period of 2 years thereafter, by regulation, subpena, or otherwise, to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, and take the sworn testimony of, any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of this act and the regulations or orders issued thereunder. The President shall issue regulations insuring that the authority of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority.

"(b) No person shall be excused from complying with any requirement under this section or from attending and testifying or from producing books, papers, documents, and other evidence in obedience to a subpena before any grand jury or in any court or administrative proceeding based upon or growing out of any alleged violation of this act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture in any court, for or on account of any transaction, matter, or thing concerning which he is so compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such natural person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying: *Provided,* That the immunity granted herein from prosecution and punishment and from any penalty or forfeiture shall not be construed to vest in any individual any right to priorities assistance, to the allocation of materials, or to any other benefit which is within the power of the President to grant under any provision of this act.

"(c) The production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpena, or other document issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(d) Information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the President determines that the withholding thereof is contrary to the interest of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

"SEC. 606. The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this title or title I, II, III, or IV or any rule, regulation, order, or subpena thereunder, and of all civil actions under such titles to enforce any liability or duty created by, or to enjoin any violation of, such titles or any rule, regulation, order, or subpena thereunder. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; the subpena for witnesses who are required to attend a court in any district in such case may run into any other district. The termination of the authority granted in any title or section of this act, or of any rule, regulation, or order issued thereunder, shall not operate to defeat any suit, action, or prosecution, whether theretofore or thereafter commenced, with respect to any right, liability, or offense incurred or committed prior to the termination date of such title or of such rule, regulation, or order. No costs shall be assessed against the United States in any proceeding under this act.

"SEC. 607. No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from his compliance with a role, regulation, or order issued pursuant to title I of this act, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under title I of this act or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

"SEC. 608. (a) No act or omission to act which occurs while this act is in effect, if requested by the President and found by him to be in the public interest as contributing to the national defense, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

"(b) The authority granted in subsection (a) shall not be delegated except to a single official of the Government and then only upon the condition that such official consult with the Attorney General not less than 10 days before making any request or finding thereunder.

"(c) Upon withdrawal of any request or finding made hereunder the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

"SEC. 609. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof.

"SEC. 610. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place positions and employ persons in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that act.

"(b) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regu-

lations as he may issue, to employ persons of outstanding experience and ability without compensation; and he is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code or section 190 of the Revised Statutes (5 U. S. C., sec. 99). Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

"SEC. 611. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this act by the President and such agencies as he may designate or create. Funds made available for the purposes of this act may be allocated or transferred for any of the purposes of this act, with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out this act. Funds so allocated or transferred shall remain available for such period as may be specified in the acts making such funds available.

"SEC. 612. Any person who willfully violates any provision of section 507 (d) of this act and any person who makes any statement or entry, false in any material respect, in any document or report required to be kept or filed under this act, shall, upon conviction thereof, be subject to a fine of not more than $10,000 or to imprisonment for not more than one year, or both. Whenever the President has reason to believe that any person is liable to punishment under this section, he shall refer the matter to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"SEC. 613. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"SEC. 614. This act and all authority conferred hereunder shall terminate June 30, 1952, or at such earlier time as the Congress by concurrent resolution or the President by proclamation may designate."

Mr. FULTON (interrupting the reading of the amendment). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. Is the amendment being read any different from the original Deane bill, H. R. 9280? If so, I ask unanimous consent that further reading of the amendment be dispensed with and that the gentleman from North Carolina explain the difference to us.

Mr. PACE. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the Kunkel amendment and all amendments thereto conclude at 2:30.

The CHAIRMAN. The request is not in order at this time; the reading of the amendment has not been completed.

The Clerk continued the reading of the amendment.

Mr. SPENCE (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with, with the exception of the section relating to wages.

Mr. PACE. Mr. Chairman, reserving the right to object, the section on wages is entirely new. I am willing to consent to dispense with the reading of the bill as printed, except as to the paragraph on wages.

Mr. SPENCE. I included that in my request.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk concluded the reading of the amendment.

Mr. DEANE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DEANE. Mr. Chairman, I trust you will bear patiently with me as I try, if I can, to describe this particular amendment I am offering to the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL]. May I say that I appreciate very much the faithful and tireless efforts the gentleman from Pennsylvania has made in presenting his amendment. I joined with him in committee in voting for consideration of an amendment to the committee bill that would provide price and wage controls, not because I thought it was perfect but I felt our committee should have an opportunity to go into rather exhaustive and full hearings on such an amendment.

I believe that the amendment I am offering is more or less a middle-ground procedure as compared with the very broad bill that was offered as a committee print yesterday morning and defeated this morning and the Kunkel amendment now pending.

My amendment is the only one that provides for any public hearings to determine whether a commodity should have a maximum price.

If you have before you the bill H. R. 9280 I hope you will follow me as I attempt to describe the provisions of my amendment.

As I attempted to study the provisions of the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL], I am inclined to share with my colleagues the feeling it is mandatory and likewise the amendment offered by the gentleman from Pennsylvania, as I understand it, sets up another OPA. My amendment will not do that. It is discretionary with the President to designate an existing agency, or he may set up an Office of Price Administration or any other agency that will take charge of this particular legislation.

Section 501 reads:

The President may by regulation or order require sellers of any commodity which significantly affects the cost of living, the costs of industrial or agricultural production or of construction, or the costs of national defense or foreign aid to give up to 60 days' notice to the President prior to the effective date of any intended price increase with respect to any such commodity.

After that hearing and in connection with the hearing the prices that are established will be the prices generally prevailing between May 24, 1950, and June 24, 1950.

There is no rationing in my amendment because, frankly, at this time I do not believe rationing is warranted. However, if this particular amendment of mine is adopted, I certainly would accept an amendment for rationing if that is the will of the House.

Before proceeding, let me direct attention to section 503. My amendment is the only one that expressly sets forth that decontrol shall be considered.

The President shall periodically review the conditions of its exercise for the purpose of assuring the removal of such control at the earliest practicable date.

The period for my bill shall terminate on June 30, 1952. The House on yesterday limited it to a period in March, I believe, of next year. Frankly, it seems to me if we limit it to only a period of 7 months, we might just as well have no legislation at all because it will take 2 or 3 months within which to set up any kind of a price- or wage-control procedure.

I would like to emphasize the fact that the amendment that I am offering is not in any case mandatory. After the hearings and maximum prices are established, wages are invoked. I direct your attention to section 506. I read:

Whenever a maximum price is established under this title with respect to any commodity, ceilings with respect to the salaries, wages, or other compensation of individuals engaged in producing the commodity, shall be established at the same time. The provisions of this act shall apply with respect to ceilings established under this section in the same manner and to the same extent as such provisions apply with respect to maximum prices established under section 504.

Thus prices and wages are tied together.

I point out also if labor and management have agreed through agreements that wages shall be determined by agreements previously entered into, then such wage adjustments are protected.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Might I ask the gentleman whether title 4 of his original bill, control of credit and commodity speculation, subtitle (a), consumer and retail credit, or subsection (b), which is the commodity speculation provision, are each left out?

Mr. DEANE. If I may, I will state to the gentleman that my amendment to the amendment offered by the gentleman from Pennsylvania is limited to title 5. It has nothing to do whatsoever with the commodity exchanges. That provision in the bill comes under another title.

Mr. FULTON. In the present status of the parliamentary situation, title 4 is not in then either the Kunkel amendment or the gentleman's amendment.

Mr. DEANE. It is not in mine. I cannot answer for the gentleman from Pennsylvania. But I think the gentleman is stating the facts correctly.

Mr. FULTON. May I ask one further question? On the control of newspapers, books, and periodicals, does the gentleman in his amendment have any provision like the one the gentleman from Pennsylvania [Mr. BUCHANAN] and I

sponsored yesterday, and which was adopted, containing the broad exemption for those items?

Mr. DEANE. I will say to the gentleman that that is not included in my particular amendment because I did not have the time to put it into the amendment in an orderly way. I shall be very glad, of course, to accept it if my amendment is adopted.

Mr. FULTON. I thank the gentleman.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from New York.

Mr. KEATING. The gentleman has contended that the Kunkel amendment makes immediate price control and wage control mandatory. While I differ somewhat with the gentleman's analysis of the Kunkel bill, I am very much concerned with the delay which seems to be envisioned in the gentleman's bill in sections 501 and 502 about setting up price and wage controls. We are confronted with a pretty serious situation here.

Mr. DEANE. I agree perfectly with the gentleman, but I was advising with my colleague, the gentleman from North Carolina [Mr. CHATHAM], a moment ago, involving certain commodities, which even this particular 60 days' notice might not be sufficient time within which to set up the correct price.

Mr. KEATING. Do I understand from the gentleman's bill that no price or wage control could be set up at all within the next 60-day period?

Mr. DEANE. That is true, but when they are set up the prices that are determined would be those particular prices prevailing during the period from May 24 to June 24, 1950.

Mr. KEATING. In other words, we would be confronted with a situation some 60 or more days hence where a freeze would be instituted extending back to the base period here. Is that correct?

Mr. DEANE. That is correct.

Mr. KEATING. Does not the gentleman feel that if we are going to freeze the sooner we do it the better, and that as envisioned in the Kunkel amendment to do it now or in the very near future would be preferable from the point of view of the economic stability of this country to delaying that action more than 60 days hence?

Mr. DEANE. That is a matter that concerns me likewise. At the same time, as we deal with this particular measure it seems to me it is going to be completely impossible to set something immediately in motion when you think of the great mass of our economy and the commodities involved.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Colorado.

Mr. CARROLL. I think the gentleman's way of handling this is the American way. You have 3,000,000 business and about 8,000,000 commodities. It needs consideration. As the gentleman from Oklahoma [Mr. MONRONEY] said the other day, in our desire to move expeditiously we must not work great hardship on a large number of business people.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. MORTON. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the Kunkel amendment and all amendments thereto conclude at 2 o'clock. This will not preclude the offering of amendments, it merely would conclude debate at that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. KUNKEL. Reserving the right to object, Mr. Chairman, a few minutes ago the chairman suggested that all debate close at 2:30. I wonder why he has shortened the time a half an hour, when there are so many gentlemen on their feet who want to speak.

Mr. SPENCE. Mr. Chairman, I move that all debate on the Kunkel amendment and all amendments thereto conclude at 2 o'clock.

Mr. FULTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. How many amendments are at the desk?

The CHAIRMAN. There are two amendments to the Kunkel amendment.

The question is on the motion.

The motion was agreed to.

Mr. MORTON. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. MORTON. According to the new language which the Clerk read and which you just reread, do I understand this to be the situation? If a commodity is frozen in price and the ceiling is placed on the price, then the wages of those who are producing that commodity are subject to restraint?

Mr. DEANE. That is right.

Mr. MORTON. Obviously that will not work. If we put steel under a ceiling, the men in the steel mills get their wages frozen. But they are not buying steel, they are buying groceries. I do not see how we can possibly do that.

Mr. DEANE. It is reasonable to assume that when the President exerts his authority with respect to one commodity which affects another commodity, both commodities would be under control.

Mr. MORTON. I cannot see how the price of steel would have very much to do with the price of a loaf of bread. But if you put steel, which is in very short supply, under a ceiling, then we would freeze the wages in that great steel industry and the price of bread goes up 3 cents a loaf. Certainly we cannot pass that kind of legislation.

Mr. DEANE. I would remind the gentleman that under the provisions for hearings as outlined in the bill I am satisfied that in the setting up of industry groups to determine what would be the maximum price that a fair adjudication would result.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. KUNKEL. I believe the observation made by the gentleman from Kentucky brought it out very clearly that this strictly contemplates selective price controls on various individual commodities from time to time and on other commodities at other times under the jurisdiction and discretion of the President or his administrator.

There is no thought of any general freeze or any general stabilization of the price level in order to protect our existing economy.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. HOPE. With reference to section 505 relating to agricultural commodities the provisions as I read them say that no maximum price shall be established below a price that will reflect the parity price or a comparable price. However, there is nothing in this provision which deals with the price of commodities which are above parity prices at the present time. Other bills that we have considered have provided an alternative, that the price should not be below the price during the base period.

Does the gentleman's bill have any similar provision so far as agricultural commodities are concerned?

Mr. DEANE. The observation made by the gentleman from Kansas is certainly very timely. This particular provision was drafted with the hope that it would be broad enough to take care of prices that may be higher than parity prices. If the gentleman has in mind an amendment which would strengthen and make more equitable provision in this section, I would be certainly pleased to accept it.

Mr. HOPE. Then the gentleman would have no objection to an amendment which would provide an alternative on prices during the base period.

Mr. DEANE. I certainly would be very glad to consider it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. COOLEY. Does the gentleman's bill contain the original section 411 as contained in the bill which was reported by the committee?

Mr. DEANE. No; it does not.

Mr. PATMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. Mr. Chairman, would it be in order to ask the chairman to permit a vote on the Deane amendment first, so that if anyone wants to speak just on the Deane amendment, either in opposition or in favor of it, they may do so, and that then we may vote on it?

Mr. COLE of Kansas. Mr. Chairman, reserving the right to object, there may be other amendments to the Deane amendment, and therefore I object.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, in three-quarters of a minute there is not very much that one can say. I want to make this point. We have two problems before us: First, necessary priorities and second, general controls. We are wrestling with two very difficult problems when one would be enough—at a time. I think we should seriously consider passing the President's original request—the original Spence bill, and thereafter if the Committee on Banking and Currency would go to work on Monday and carry on and produce an intelligent and carefully deliberated rationing and price control stand-by bill, which I believe is needed, we would probably end up by getting better results, and getting more effective inflationary controls and also do it to the greater satisfaction of more people. As it stands now I think the Kunkel amendment is the more satisfactory of the attempts to deal with controls.

Mr. JAVITS. Mr. Chairman, I yield my time to the gentleman from Pennsylvania [Mr. FULTON].

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, on June 25 we took about 2 or 3 hours to lift all restrictions on the drafting of manpower. We have given the President authority to call up an unlimited number of men who can be sent to any part of the world. We have taken 4 days on this bill, because we have been fearful of taking away some of the rights of our civilians at home. I am for the immediate imposition of controls on prices and wages and anything else necessary to prevent further inflation and to bring about a return to normal and the return of our boys back home.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. JACOBS].

Mr. COOLEY. Mr. Chairman, may I yield my 45 seconds to the gentleman from Indiana?

The CHAIRMAN. Without objection, the gentleman will be recognized.

There was no objection.

Mr. JACOBS. Mr. Chairman, in three-quarters of a minute allowed to me, I want to speak on behalf of those who do not fully understand either one of these proposals. I think I am speaking for the majority. But I do want to say that I believe the people would like to have prices and wages frozen as of that period in June immediately before the Korean outbreak. Of that I am thoroughly convinced.

I am also convinced that neither of the substitute proposals before us has been thoroughly worked out, and I do not believe that they can be on the floor. Although I want to support the immediate freeze of wages and prices as of that period, I want to know whether or not either of these amendments are so designed as to fairly do that. If so, I will vote for it, hoping it will be worked out in conference. I do not care which side of the aisle it comes from. The boys in Korea are not divided by a center aisle. Neither are the folks out in the country. If someone will explain which substitute, if either, does this, then I will vote for that proposal. If not, then it certainly should go back to the committee. I do not think it has been made clear up to this time.

I hope someone will clarify this point.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I am very happy to follow the gentleman from Indiana and just add this one word. All of the debate up to this point has convinced me that the Kunkel amendment is stronger and more immediate than the Deane amendment. In fact, the objection made to the proposal of the gentleman from Pennsylvania is that it fixes a definite price and wage freeze and goes into effect at once rather than providing, as does the Deane amendment, that nothing be done for at least 60 days and then only after a hearing. In the face of the emergent situation which we face, I think that suggestion is altogether too slow and cumbersome.

I believe, as does the gentleman from Indiana, that the people of this country expect us to pass a price, wage, and profit-control measure, and to do it now, and to make it just as strong as we can, because they are very much upset about the devastating and galloping inflation and they want to join with the boys in Korea in backing this war effort right up to the hilt.

I shall support the Kunkel amendment but if it fails I shall support any other reasonable proposal, by whomever introduced, which seeks to grant authority for a temporary control over prices, wages, and profits.

In this connection, I would like to quote an excerpt from a letter I received today from a constituent. It is typical of many I have had. My correspondent writes:

> Now with the situation taking on a critical nature, is the time for action by every person and organization in this country. There should be no exception. The solution is obvious, and I shall be very such disappointed with the representatives of the people if something is not done. That something should be: price control, allocation of essential materials, wage control, higher individual income taxes, and a tax on business which would take practically all of the profits out of war. The last item should not be startling to anyone. If we are to command young men to fight and give up their lives in a stuggle for peace, then we should also command a similar effort from every person and organization. I cannot understand why there should be any question of sacrifice when lives are being offered for a cause which we believe is right. If a program is adopted which will ask something of everyone, then there should be no cause for complaint.

To this, I say "amen." The sentiments here expressed are the reason why I have favored legislation requiring all to share in the sacrifices which naked aggression has forced upon us.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

(Mr. GROSS and Mr. BATES of Massachusetts asked and were given permission to yield the time allotted to them to Mr. FULTON.)

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: Add a new section to read as follows:

"Nothing in this title shall be construed to authorize the regulation of (1) rates charged by any common carrier or other public utility, or (2) rates charged by any person engaged in the business of selling or underwriting insurance, or (3) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio or television broadcasting station, a motion-picture or other theater enterprise, or outdoor advertising facilities, or (4) rates charged for any professional services, or (5) materials furnished for publication by any press association or feature service, or (6) books, magazines, motion pictures, periodicals and newspapers, other than as waste or scrap."

Mr. GREEN. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Pennsylvania [Mr. FLOOD].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. JAVITS. I just want to agree with my colleague the gentleman from Indiana [Mr. JACOBS] and my colleague the gentleman from New York [Mr. KEATING], that the people want a rationing and price control statute enacted today, and I hope the House does it by these amendments.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. KUNKEL. Is the gentleman offering this to my amendment?

The CHAIRMAN. Will the gentleman from Pennsylvania state to which amendment he is offering his amendment?

Mr. FULTON. May I ask the gentleman from North Carolina [Mr. DEANE] if his amendment was not to title V?

Mr. DEANE. That is right.

Mr. FULTON. Beginning with section 501. So that, therefore, his amendment is an amendment to the Kunkel amendment and it is not really to section 214.

The CHAIRMAN. Will the gentleman state to which amendment he is offering his amendment?

Mr. FULTON. On that basis I offer this amendment as an amendment to section 214 of the Kunkel amendment.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield further?

Mr. FULTON. I yield.

Mr. KUNKEL. I might say that this is in keeping with language which I had already included in my bill, although it

is a little broader. I will however be very glad to accept it as far as I personally am concerned.

Mr. FULTON. May I ask the gentleman from North Carolina [Mr. DEANE], if he accepts this language?

Mr. DEANE. I accept it.

Mr. FULTON. I may say that this amendment is to permit an exemption for newspapers, books, periodicals, and informational media in the country, but does not refer to newsprint. It also exempts professional services, materials furnished for publication by any press association or feature service, and books, magazines, motion pictures, periodicals, and newspapers other than as waste and scrap.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. YATES. Will the gentleman inform us why insurance companies are exempted? I wonder why the need for exempting them.

Mr. FULTON. Under subsection (2), rates and charges of any person engaged in the business of selling or underwriting insurance.

Mr. YATES. Why is that exempted?

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I am glad to yield to the gentleman from Pennsylvania.

Mr. KUNKEL. I may say to the gentleman that the basis on which insurance rates are exempted is that they are generally regulated by State regulatory bodies. The same is true of public utilities, which is another exemption.

Mr. FULTON. And the same is true for common carriers. They have their regulation, I may say to the gentleman from Illinois. This amendment is sponsored on a bipartisan basis by the gentleman from Pennsylvania and myself, and was offered and adopted by the House on yesterday.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE to the Deane amendment: On page 26, line 15, of the Deane amendment, strike out the period and insert "or the highest price received during the base period as provided in section 504."

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. DEANE. Mr. Chairman, I appreciate the views of the gentleman from kansas and I am sure I can accept and do accept his amendment.

Mr. HOPE. Mr. Chairman, this amendment, may I say to the committee, merely makes the Deane amendment in line with the provisions of the Kunkel bill and the Spence substitute which we considered on yesterday with respect to maximum prices on agricultural commodities. The language is a little different, but the effect is just the same.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE] to the amendment offered by the gentleman from North Carolina [Mr. DEANE].

The amendment to the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORTON to the Deane substitute: Strike out section 506 of the Deane substitute.

Mr. MORTON. Mr. Chairman, section 506 is new language which the gentleman from North Carolina read to us and provides that wage and price ceilings have to go in together. The effect of it is merely to freeze wages in those industries where the commodity prices are frozen. There is no relationship between living costs and the cost of the products of heavy industry; that is, no immediate relationship. The only way I see at this late hour to correct it is to strike the section in the hope that the administrator when he puts in any particular price controls will put in at the same time adequate wage controls.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. MORTON. I yield to the gentleman from North Carolina.

Mr. DEANE. The effect of the gentleman's amendment would eliminate the provision freezing wages when prices are frozen, is that not true?

Mr. MORTON. I certainly do not want to do that, but it seems to me you have a situation now that is almost hopeless. We have to leave it up to the administrator.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. MORTON].

The question was taken; and on a division (demanded by Mr. DEANE) there were—ayes 29, noes 55.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SHELLEY].

(Mr. YATES asked and was given permission to yield the time allotted to him to Mr. SHELLEY).

Mr. SHELLEY. Mr. Chairman, I regret that the amendment proposed by the gentleman from Kentucky [Mr. MORTON] did not pass because I had hoped to speak prior to the amendment being offered to point out the same circumstances which his amendment was addressed to. Even under the emergency legislation that existed during World War II, I do not think we enacted or proposed any such severe and drastic regulations and control of wages as are proposed in the Deane amendment as now written. We at least then had the Little Steel formula which was worked out in the Little Steel negotiations and was tied to the general cost-of-living increase. But here you take men engaged in the furniture industry, or those making Frigidaires or stoves, their wages are frozen to the wage that existed at the time the price freeze went into effect in their industry. They do not eat stoves, as the gentleman said; they do not eat refrigerators, they do not eat beds, and they do not eat linoleum. There is no reference to the general cost of living. Although I like some of the other provisions of price control and wage control in the gentleman's amendment, I do not see that he ties this basic freeze to his provisions later for adjusting inequities or eliminating substandards. He leaves that altogether separate and apart.

The CHAIRMAN. The Chair recognizes the gentleman from Missiouri [Mr. BOLLING].

Mr. BOLLING. Mr. Chairman, I ask unanimous consent to yield the time allotted to me to the gentleman from Pennsylvania [Mr. BUCHANAN].

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Chairman, I ask for recognition in order to reemphasize that to me it seems to be the better part of wisdom that all these amendments be turned down; that we return to the Spence substitute, adopt it, and then let all these questions go back to the Committee on Banking and Currency for the immediate study which we are confident the committee will give it. This House is at sea; it does not know where it is, and it would be folly, in my judgment, for us to depart from the Spence substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Illinois to the Kunkel amendment: After section 214 add the following section:

"SEC. 215. Whenever prices and articles and commodities and salaries and wages are frozen under this title, rents shall be frozen on the same basis."

Mr. COLE of Kansas. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of Kansas. Mr. Chairman, I make the point of order that this amendment is not germane to the bill or to the amendment.

The CHAIRMAN. The Chair will state that this is not the same amendment that was offered yesterday. There are other features and other language in the situation we are now dealing with that, in the opinion of the Chair, make this amendment germane to the legislation now under consideration. Therefore, the point of order is overruled.

Mr. O'HARA of Illinois. Mr. Chairman, I think it is plain to the Members on both sides of the aisle that if and when there is a freeze of prices and wages there must be a freeze in rents. It should not be necessary for me to argue

that. If my distinguished colleagues are not already cognizant of the grim fact that people in order to exist do have to have roofs as well as food and clothing, and that rents are a real factor in the cost of living, then nothing that I can say in seven-eighths of a minute will change their thinking. So, Mr. Chairman, having left the issue to the common sense and the conscience of the Members, I yield back any of the seven-eighths of a minute that may be left.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. O'HARA] to the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL].

The question was taken; and on a division (demanded by Mr. O'HARA of Illinois) there were—ayes 37, noes 70.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BARRETT].

(Mr. BARRETT of Pennsylvania asked and was given permission to yield the time allotted to him to Mr. FLOOD.)

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, it was my purpose in getting this time to speak in favor of the amendment to be offered by the gentleman from California [Mr. MCKINNON]. In view of the situation which has arisen, and debate has been limited, we will not have an opportunity to properly discuss the amendment as a substitute for the Kunkel amendment. One-half minute to speak on a subject as important as this is so inadequate that I shall defer any further comment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I have abstained from debate on this bill. But I want to say this, and I want to go on record, and I want the RECORD to show that I am absolutely contemptuous of freezing milk at 21 cents a quart to the poor consumer and freezing the price of milk to the farmer who is now getting between 5 and 6 cents a quart up my way, so that he cannot get any more; I predict that if this goes through, 1,000,000 cows are going to dry up in New York. Then they will be sold for beef. When this happens, the Armed Forces of the United States are not going to have sufficient food. Millions of people in New York and all the other big cities are going to go without proper nutrition which they need and ought to have.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I am opposed to both pending amendments because, in my judgment, the McKinnon provision, which will be offered shortly, more adequately meets the problem. It is my opinion that without delay we should freeze wages, prices, and services. If we will act at once and freeze the prices paid for wages and services at the date of June 25, or a short period prior to that date, we will fix such schedule at such levels as had been built up through the law of supply and demand. Every day and every hour that we wait to act in this case means increases in the inventories that will have been built up in the forces of inflation we will have to try to contain. It increases the amounts that we will have to pay out of the Federal Treasury to get a start. Every day and every hour that we delay we increase the dangers of real inflation, which in the long run will destroy the very foundations of our economy. If we act now, in view of our supplies, it is my belief that rationing will not be necessary.

I know there are those of our leaders who say it is not yet necessary to act. I know there are people on this floor who hope and believe that we do not have to take this drastic action now. Many of those leaders are the ones who felt that after the war was over with Germany and Japan that everything would be all right. When it appeared that everything was not right with Russia they believed that through the Marshall plan and economic assistance we could restrain communism. They are the ones who believed along with the Secretary of the Armed Services that they could cut back and fail to spend much of the money which this Congress appropriated for military preparedness, and that we would be safe enough from Russia. I am sure, Mr. Chairman, they believed we would have little trouble in Korea; that all of these people believed that they were right, but they were wrong. I am sure that those who believe that now is not the time to act to prevent inflation believe they are right, but I believe they are wrong, Mr. Chairman. As hard as it is to freeze wages, services, and prices, I think we must act and act now. Goodness knows if all can do as well as they were doing before June 25, they should feel thankful indeed.

Others that would say this is just an action in Korea and that business should go on as usual, that England policed the world for generations and that business went on as usual at home, I would like to point out that England had a professional army. Their soldiers were in the service because of choice. We have reached into American homes and drafted young men who are today facing the enemy in Korea, and I am not opposed to business going on as it was so far as possible, but I do say that profits, wages, services, and prices too should be held at least to the level that existed before Korea, and that we should freeze them at that level so that no one at home will make profit out of this tragic war to which we send our young men.

Inflation would ruin all on fixed income. It would deplete the value of insurance, all to the profit of a few wartime profiteers, be they businessmen or labor leaders.

I believe the American people by and large are for such action, now, but unfortunately among our number we have some who would take advantage of the tragedies of war to make money, and it is those that make it necessary for us to hold business down to the level that existed prior to June 25. If they but knew, with inflation, our paper money would mean little. Mr. Chairman, I hope that the pending amendments will be defeated and that the McKinnon amendment will be approved. It is not perfect but it is the nearest approach that we have before us at this time to take the profit out of war and to put the American people and the American Republic solidly behind the troops abroad. With an excess-profits tax, we will cover the major home fronts. Mr. Chairman, it is time we faced realities just as those of our leaders who made mistakes in believing that everything would be all right; we must make the right choice now; we must make the hard choice. We cannot make a mistake here by delaying and hoping.

A comparison of the production of steel and other commodities in Russia with that of our own shows that the United States far exceeds Russia in the quantity of production and in its capacity to produce. Russia has only a small percentage of the potential that we have in this country. But, Mr. Chairman, in Russia all that production can and I am afraid will be directed toward the support of any war in which they engage; in fact it is being used in getting ready, before there is any war. Yet there is a serious question in my mind as to how far this country will go in diverting its production to the support of our armed services. I hate to say that. Certainly the attitude expressed here on this floor and in the press in the last few days would indicate that many of our leaders hesitate to take decisive action on inflation and price supports just as they have hesitated to take those actions which might have prevented us from being in the terrible situation we are in today. I for one am ready to act now. I believe the American people are ready for us to act and I hope that this committee will adopt the McKinnon bill, which is the best provision before us to hold down inflation and to prevent enormous profits from the tragedies of war. We have a war, true it is in a small area now, but we too, must be ready for any eventuality. Most Americans are solidly behind our men at the front. Let us see to it that all Americans are behind them.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLOOD to the amendment offered by Mr. KUNKEL:

On page 10, line 4 of the Kunkel amendment, strike out all of lines 4 to 7, inclusive.

On page 12, line 21 and line 22 of the Kunkel amendment, strike out all of section 204.

Mr. FLOOD. Mr. Chairman, this is where I came in yesterday with reference to price and wage controls. Again nobody has evinced any interest in the control of profits. You are all very excited and you should be about price controls, but the exorbitant and fantastic profits that you have been inserting in the Appendix of the RECORD, taken from newspapers, nobody seems to be concerned about. You all seem to be quite

satisfied and very smug that sooner or later the Committee on Ways and Means or the other body or somebody is going to pass a taxation law which is going to control excessive war profits. I doubt very much if we take a recess in a couple of weeks and then go on a 3-day recess schedule after that that you are going to see any excess-profits legislation come out of this session. But you had better pass a tax on excess profits and quickly.

It does not look very much like it now. My amendment is to strike from these controls, wage controls, until such time as there is legislation adopted by the House, on excess war profits. I refuse to identify prices and wages as analogous. To me profits and wages are entirely analogous. That is the purpose of this amendment. This is the amendment I introduced yesterday to the Spence substitute for the Kunkel amendment. It was defeated. Later, if and when this amendment or the Kunkel amendment is defeated, at the proper time I will introduce language which at least will give expression to the intent of the House on profit taxes in this emergency.

I realize we cannot write a tax bill in this Committee. The amendment providing a profits tax in this bill would not be germane, but certainly if I introduce an amendment to the existing Spence bill, if these present amendments are defeated, there could be no reason why this Committee and this House could not read into this bill an expression of congressional intent that there be legislation controlling excess war profits. Washington is crawling with people all looking for war contracts. This Congress absolutely must prevent profiteering and stop anyone from making any profit out of war. Good heavens cannot you read the papers—men are dying as we sit here; fighting and dying in Korea and still we have no law to tax the profit out of the activities of those who would try to turn their blood to gold.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FLOOD] to the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL].

The question was taken; and on a division (demanded by Mr. FLOOD) there were—ayes 43, noes 98.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, I offer an amendment to the Deane substitute.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN to the Deane substitute: Add a new section to read as follows:

"Nothing in this title shall be construed to authorize the regulation of (1) rates charged by any common carrier or other public utility; or (2) rates charged by any person engaged in the business of selling or underwriting insurance; or (3) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio or television broadcasting station, a motion-picture or other theater enterprise, or outdoor advertising facilities; or (4) rates charged for any professional services; or (5) materials furnished for publication by any press association or feature service; or (6) books, magazines, motion pictures, periodicals and newspapers, other than as waste or scrap."

Mr. BUCHANAN. Mr. Chairman, this is the same amendment that was adopted yesterday, offered by the gentleman from Pennsylvania [Mr. FULTON] to the Kunkel amendment. I am offering it to the Deane amendment.

Mr. DEANE. Mr. Chairman, I accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. BUCHANAN] to the substitute offered by the gentleman from North Carolina [Mr. DEANE].

The amendment to the substitute was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, the amendment I have offered clearly provides for ceilings at the retail level. That is covered in subsection (5) on page 11, under the general methods and practice outlined in section 206. I do not have time to discuss it, but I would like to have everyone read section 206 and determine for themselves that it really does give sufficient flexibility for the adjustment and revision of the various ceilings, wages, prices, and services which the Administrator may have placed.

The CHAIRMAN. The gentleman from Kentucky [Mr. SPENCE] is recognized.

Mr. PATMAN. Mr. Chairman, I yield my time to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, the Committee on Banking and Currency carefully considered the amendment which they have reported. We have a well-considered report. The Members of the House had ample opportunity to know and understand the import of that bill. I hope that all ill-considered amendments, which we have had no opportunity to investigate, will be voted down, and that the original bill will be voted up, and then the Banking and Currency Committee can go on and consider these other involved and complicated questions and bring back to the House a bill and a report that will give the Members of the House an opportunity to know what they are voting on.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. BROWN of Georgia. The gentleman is making a request along the very line I have advocated all along.

Mr. SPENCE. That only adds to my confidence in the wisdom of the request, that my good friend the gentleman from Georgia agrees to it. I hope that it will be done.

These are just as complicated and involved questions as taxation which we bring in here under closed rules. We did not ask for a closed rule on this bill because we knew we could not obtain it, but I think we have as much confusion on this bill as we would in trying to write a tax measure on the floor of the House.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I am in hearty accord with all that our distinguished Chairman has just said. I merely want to add one word. If we must have any stand-by controls as part of this bill then I say to you by all means the best things that has been offered to us to this minute is the Deane substitute for the Kunkel bill. There is nothing mandatory about it; it is a stand-by power; it is flexible and will give the President some opportunity to put into effect what he deems is necessary when he thinks it appropriate. If you are not going to let the Committee on Banking and Currency bring in a bill, then adopt the Deane bill.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired.

The question is on the substitute offered by the gentleman from North Carolina [Mr. DEANE] for the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL].

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 114, noes 127.

Mr. DEANE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DEANE and Mr. KUNKEL.

The Committee again divided; and the tellers reported that there were—ayes 140, noes 151.

So the substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. HARRISON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARRISON. If the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL] is defeated, will it be in order to offer an amendment on ceilings and rationing at a later point in the bill?

The CHAIRMAN. Further germane amendments will be in order to the committee bill.

Mr. HARRISON. I thank the Chair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KUNKEL. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KUNKEL and Mr. PATMAN.

The Committee divided; and the tellers reported that there were—ayes 130, noes 165.

So the amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 29, line 15, after the word "appropriate",

strike out the words "to promote the national defense" and insert in lieu thereof the following: "in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended."

Mr. WOLCOTT. Mr. Chairman, it will be noted that this amendment strikes out the language in line 15 on page 29, which reads "to promote the national defense," and in substance substitutes the language of the Selective Service Act of 1948, section 18 of which has to do with the utilization of industry.

One of the principal objections to the powers granted in this bill was that it was too broad, and that the President can activate any of the powers in the bill by the mere finding that it is necessary to promote national defense. That language appears fourteen or fifteen different places in the bill, and if the amendment is adopted, it is my purpose to offer identical language in each instance where the language "to promote national defense," or similar language, appears in the bill. It is to restrict the operation of the act and the use of the powers to take plants and facilities, to allocate materials, to exercise priorities, to grant credits and make loans, to do everything which he does under the act, not in the name of national defense alone, but in the interest of the national security and for the prompt delivery of the articles and materials, procurement of which has been authorized by the Congress, exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949.

What it would do would be to restrict the use of those powers to that field in which the President may operate in section 18 of the Selective Service Act, and we would then be certain that no mistake of judgment could be made; that no strictly civilian enterprise could be closed up or utilized under the mistaken idea that it was in the national defense.

It will be recalled that in the War Powers Act of 1942 there were limiting provisions which limited the taking of properties for the uses which I have mentioned. Of course, we did not have the Atomic Energy Commission then, so I have brought that language up to date.

In the section which we know as 5 (d) of the Reconstruction Finance Corporation Act wherein we authorized the creation of subsidiary corporations we were very careful to provide that those corporations could act only in this field, that they could buy and operate plants only so far as those plants were to be used in the manufacture of war materials. We authorized them to acquire excess stocks of strategic and critical materials for the manufacture of war goods.

This amendment, Mr. Chairman, merely restricts the powers in this act by similar limitations to those contained in the War Powers Act and the RFC Act which we passed for our protection during the last war.

Let me reiterate that it is my purpose, and I think it should be the purpose of all, to give the President all of the powers he had during World War II but, however, no more.

Mr. MULTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think if the proponent of this amendment were to be frank about this he would say just adopt this amendment and forget about title I. Let me point out to you some of the things this restriction would do, things that occur to me from a very casual reading of the amendment without trying to dig out all of its implications.

Every city and State in the Nation today is devising civilian defense against attack from foreign sources by the atomic and hydrogen bombs. You would be restricted by this amendment from allocating any materials or requisitioning any materials that may be needed by any of those political subdivisions of Government. You would be restricted from permitting the National Government itself to attempt to do anything along that line. You would restrict the Government from taking over necessary plants and facilities that may not be strictly military. You might just as well not pass this bill if you are going to limit it in accordance with the language that is now sought to be inserted.

The bill as it now reads says that the President is authorized to require performance under contracts or orders which he deems necessary or appropriate to promote the national defense, and can order them to take priority over performance of anything else. This amendment that is now offered strictly limits the allocations and requisitions, limits them exclusively for the use of the Armed Forces, for the use of the Atomic Energy Commission, or for use in connection with the Mutual Defense Assistance Act. In other words, instead of letting us go ahead and set up our civilian defense establishment, unless it is connected with the military, it cannot be done.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. BUCHANAN. The gentleman from Michigan referred to the Second War Powers Act as covering the same language. I believe that is in error in that it was in the peacetime Selective Service Act but not the World War II War Powers Act.

Mr. MULTER. I am glad the gentleman mentioned that. Any powers that are now vested in the President by existing law are strictly and solely war powers. Until there is a declaration of war, no matter what the existing conditions may be called, we must go along now and perfect these peacetime powers.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. BROWN of Georgia. We are now back on the committee bill.

Mr. MULTER. Yes.

Mr. BROWN of Georgia. I agree with the gentleman that if you are going to adopt this amendment you might just as well kill the whole bill.

Mr. MULTER. I thank the gentleman for that contribution.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky.

There was no objection.

Mr. McCORMACK. Mr. Chairman, I want to make a few observations in reference to the pending amendment which are in no way to be construed as impugning the motives of my good friend from Michigan [Mr. WOLCOTT].

Mr. Chairman, I call attention to the fact that this bill is here not because of what our country does or has done or because of what any one of us has done. There is nothing we want but peace in the world. We have no imperialistic designs or policies. We do not seek 1 inch of territory that any other government has.

This bill is here as the result of the actions of a small group abroad, 12 to 14 men in the Kremlin, who control hundreds of millions of people and determine their policies.

I have repeatedly said on the floor of this House and outside of the House, and I now repeat, that there is only one thing the Communists fear and that is greater power in others than they possess. I am very fearful that if the amendment offered by the gentleman from Michigan is adopted, confining it exclusively to the use of the armed services of the United States, for use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, it will be a sharp limitation upon the development of our power, because we have great power in America for good. We are developing it not only for our own national interests but in the hope that that power will be utilized effectively to bring about future permanent peace. I repeat again, the only thing the Communists and those in control of the Kremlin respect is what they fear and that is greater power than they possess.

I am fearful that unintentionally the amendment offered by the gentleman from Michigan, if adopted, will reduce and minimize the ability of our country to develop to its fullest extent that power which will bring about the respect that we all hope on the part of those who are challenging our way of life. I therefore trust the Wolcott amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The amendment was rejected.

Mr. McKINNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McKINNON: Page 30, after line 5, insert a new title as follows:

"TITLE _ —PRICE AND WAGE STABILIZATION

"SECTION 1. It is the purpose of this title to promote the national defense, to prevent inflation and preserve the value of the national currency, to assure that defense appropriations are not dissipated by excessive costs and prices; to stabilize the cost of living for workers and other consumers and the costs of production for farmers and businessmen; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities; to protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from undue impairment of their living standards; to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale; to protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings; and to prevent a future collapse of values. All agencies of the Government dealing with the subject matter of this title, within the limits of their authority and jurisdiction, shall cooperate in carrying out these purposes. It is the intent of Congress that the controls provided in this title shall be put into effect simultaneously.

"SEC. 2. Whenever the consumer's price index of the Bureau of Labor Statistics increases by 5 percent or more over the index for June 15, 1950, the President shall establish ceilings on prices (sec. 4), services (sec. 5), and wages (sec. 6), all at the same time, and in accordance with the base period: *Provided, however,* That the President may establish ceilings under this title earlier if he deems it in the public interest to do so.

"TITLE _ — PRICE AND WAGE CEILINGS

"PROHIBITED ACTS

"SEC. 3. (a) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to sell or deliver, or to buy or accept delivery of any article at a price in excess of the ceiling applicable to such sale.

"(b) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to receive or pay, or to enter into any contract, agreement, or other obligation under which he is entitled or required, or under which he purports to be entitled or required, to receive or pay, for the performance of any services a price in excess of the ceiling applicable to such services.

"(c) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to pay for any labor wage in excess of the ceiling applicable in respect of such labor.

"CEILINGS APPLICABLE TO SALES OF ARTICLES

"SEC. 4. (a) Except as provided in subsection (b) the ceiling applicable to the sale of an article by any person shall be—

"(1) in case the article is the same article as an article sold at wholesale by such person during the base period, the highest price at which it was so sold by such person during the base period;

"(2) in case article is not the same article as an article sold by such person during the base period, but is similar to an article so sold by such person during the base period, the highest price at which such similar article was so sold by such person during the base period;

"(3) in case the article is not the same article as, nor an article similar to, an article sold by such person during the base period, the highest price at which the same article was regularly so sold by any other person during the base period, or if the same article was not regularly so sold by any other person during the base period, the highest price at which a similar article was regularly so sold by any other person during the base period;

"(b) No ceiling shall be established or maintained for any agricultural commodity below the higher of the two following prices: (i) the parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or (ii) the highest price received by producers during the period of May 24 to June 24, 1950, as determined by the Secretary of Agriculture and (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials); and no ceiling shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the higher price therefor specified above. Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity. Nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act.

"(c) Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher; *Provided, however,* That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.

"CEILINGS APPLICABLE TO SERVICES

"SEC. 5. The ceiling applicable to services performed by any person shall be—

"(1) in case such services are the same services as services performed by such person during the base period, the highest price for which such services were so performed by such person during the base period; and

"(2) in case such services are not the same services as services performed by such person during the base period (or in case such person did not perform any services during the base period), the highest price for which the same services were regularly performed by any other person within the same county or parish, or within the same State if there be no such other person within the same county or parish, during the base period.

"CEILINGS APPLICABLE TO WAGES AND SALARIES

"SEC. 6. (a) Except as provided in subsection (b), the ceiling applicable in respect of labor performed by an individual shall be—

"(1) in case such labor is the same labor as labor performed, whether or not by him, for his employer during the base period, the highest wage paid by his employer during the base period, at the place of employment where such individual is employed, for the same labor to an employee with the same seniority rights and length of service;

"(2) in case the same labor was not performed either by him or any other employee, for his employer during the base period, at the place of employment where such individual is employed, the highest wage paid for the same labor by any other employer within the same county or parish, or within the same State, if there be no such other employer within the same county or parish, during the base period to an employee with the same seniority rights and length of service.

"(b) The ceiling applicable in respect of any labor shall in no case be less than the minimum compensation prescribed therefor in or pursuant to any law of the United States, or of any State or political subdivision thereof, or of any Territory, District, or possession of the United States.

"SEC. 7. Notwithstanding the provisions of sections 4, 5, 6, the President is authorized to establish such ceilings as he may find necessary to accomplish the purposes of this act with respect to (a) new products or services to which there were no similar or comparable products or services during the base period, or (b) commodities, services, or wages directly incident to the production of the actual implements of war.

"SEC. 8. Regulations or orders under this title may be established to provide for such requirements, classifications, and differentiations, and such provisions, including provisions relating to types of employment, and quality, speculation, hoarding, standardization, manipulation, simplification, and production by a manufacturer of a required percentage of the less expensive items of his line, and definitions as in the judgment of the President are necessary to effectuate the purposes of this title, or to prevent circumvention or evasion, or facilitate enforcement, of this title or any regulation, order, or requirement thereunder. Section 504 of this act shall not apply to this title.

"SEC. 9. Whenever a ceiling is established under section 4 (a) at a level lower than the level prevailing at the time it is established the President shall pay equity reimbursements out of funds that are authorized to be hereafter appropriated for that purpose to any person who proves to the President's satisfaction that he will suffer extreme hardship as a result of the retroactive effect of the ceiling, due to normal inventory purchases made after June 24, 1950, and before the effective date of the ceiling.

"SEC. 10. In carrying out the provisions of this title the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

"SEC. 11. Nothing in this title shall be construed to require any person to sell any material or service, or to perform services.

"SEC. 12. The emergency court of appeals created by section 204 (c) of the Emergency Price Control Act of 1942, as amended, is hereby continued in existence for the pur-

poses of this title, and the powers heretofore granted by law to the emergency court of appeals are hereby continued for purposes of exercise of the jurisdiction granted by this title. Within 30 days after entry of a judgment or order, interlocutory or final, by the emergency court of appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and hereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The emergency court of appeals, and the Supreme Court upon review of judgments and orders of the emergency court of appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under this title and of any provision of any such regulation or order.

"SEC. 13. (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provisions of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(b) Any person who willfully violates any provision of section 3 of this title shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than $10,000, or to imprisonment for not more than 1 year, or both. Whenever the President has reason to believe that any person is liable to punishment under this subsection he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"SEC. 14. Nothing in this title shall be construed to authorize the regulation of (1) rates charged by any common carrier or other public utility, or (2) rates charged by any person engaged in the business of selling or underwriting insurance, or (3) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio or television broadcasting station, a motion-picture or other theater enterprise, or outdoor advertising facilities, or (4) rates charged for any professional services, or (5) materials furnished for publication by any press association or feature service, or (6) books, magazines, motion pictures, periodicals and newspapers, other than as waste or scrap.

"DEFINITIONS

"SEC. 15. For the purposes of this title—

"(a) 'Person' means an individual, partnership, association, corporation, business trust, or any organized group of persons, or any receiver, trustee, or other legal representative of any of the foregoing, and includes the United States, any State or political subdivision thereof, or any Territory, district, or possession of the United States.

"(b) 'Article' means any article, product, material or commodity.

"(c) 'Service' means any service, operation, or function performed otherwise than as an employee by a person (other than a State or political subdivision thereof) for any other person for compensation.

"(d) 'Labor' means any function performed by an individual as an employee of a person other than a State or political subdivision thereof.

"(e) An article shall be deemed the 'same' article as another article if it is identical in every respect with such other article.

"(f) An article shall be deemed 'similar' to another article if it is not the same article but is an article of the same kind and of the same or substantially the same quality as such other article.

"(g) An article shall be deemed a 'new' article if neither the same article nor a similar article was sold during the base period.

"(h) Services shall be deemed the 'same' services as other services if they consist of the same or substantially the same operations or functions as such other services.

"(i) Labor shall be deemed the 'same' labor as other labor if it consists of the same or substantially the same functions and duties as such other labor.

"(j) Labor shall be deemed 'new' labor if the same labor was not performed during the base period.

"(k) 'Sale' means any disposition, exchange, lease, or other transfer, or any contract to do any of the foregoing, and 'sell,' 'selling,' 'seller,' 'buy,' and 'buyer,' shall be construed accordingly.

"(l) 'Price' means the consideration received or receivable in connection with the sale of an article or for the performance of services.

"(m) 'Wage' means the rate of consideration received or receivable for the performance of labor, whether in the form of wages, salary, or any other form.

"(n) 'Ceiling' means the maximum price for which an article may be sold or which may be received for the performance of services, or the maximum wage which may be paid for labor.

"(o) 'Agriculture commodity' includes only an agricultual commodity in the form in which it is customarily marketed by farmers.

"(p) 'Base period' means the period May 24, 1950, to June 24, 1950, both inclusive.

"(q) 'Comparable' means substantially the same real, utility, and neighborhood value.

"SEC. 16. This title shall expire March 31, 1951."

Mr. SPENCE (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. COLE of Kansas. Mr. Chairman, reserving the right to object, may I inquire of the author of the bill if the amendment submitted to the Clerk is exactly as printed in the amendment submitted to us?

Mr. McKINNON. There have been a few changes which I will touch on in the course of my 5 minutes.

Mr. COLE of Kansas. Mr. Chairman, I know that the gentleman from California would not submit an amendment which we did not have an opportunity to examine and understand. Last night we had a little misunderstanding about permitting an amendment to be voted upon without its being read; therefore I am constrained to object.

Mr. McKINNON. If I may say to the gentleman, I will touch completely on whatever has been altered in the copy the gentleman has, and much quicker than having it read.

Mr. COLE of Kansas. I must insist on my objection, Mr. Chairman.

The Clerk proceeded with the reading of the amendment.

Mr. NICHOLSON (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 3 o'clock.

Mr. HARDY. I object, Mr. Chairman.

Mr. McKINNON. Mr. Chairman, I apologize for taking the valuable time of the Members of this body at this late hour. I realize we have discussed comparable things this afternoon, and I will make this as brief and to the point as I possibly can.

Mr. Chairman, I think this matter of price stabilization and wage stabilization is too important for us to skip off this afternoon; that the country at large demands some action by the Congress, and I think we should live up to our responsibility.

In this particular amendment that has just been read there are three changes so far as the amendment is concerned that are not on the copies the Members have. One is a provision in section 2. The additional provision says and, I quote: *"Provided, however,* That the President may establish ceilings under this title earlier if he deems it in the public interest to do so." The first paragraph of section 2 puts the mandatory control upon the President if the cost of living rises by 5 percent, as established by the Bureau of Labor Statistics, and the President must then roll back prices to May 24 to June 24 base. However, a 5-percent rise is a very large rise, and it is not likely to happen in the foreseeable future, unless people become afraid and do more hoarding than they have in the past. So, we are not tying the President's hands by saying he must wait and operate on this particular provision. We are giving the President the power to move in by selective controls, with his hands free, and regulate such parts of the economy that he may deem necessary to keep price stabilization and wage stabilization at a lower level than the 5-percent rise in our first paragraph.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Is it not true that the President yesterday severly criticized this provision and said it would be an invitation to increased prices?

Mr. McKINNON. That is true, but there is room for difference of opinion. I do not agree. Further, the addition of this second paragraph to section 2 will have a compensating effect, for the simple reason that he can step in any time prices start to move up and by selective controls start to operate, if necessary. But it is our direction to him that if he does not take action prior to the time that prices go up by 5 percent he shall then do so. I think the people of our country want him to do so; in fact, I believe he would, anyway, but this is one of our directives to him in the form of legislation.

Mr. TAURIELLO. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from New York.

Mr. TAURIELLO. How did the gentleman arrive at the date of June 15?

Mr. McKINNON. I will be glad to explain that to my friend. The Bureau of Labor Statistics issues a bulletin once a month, in the middle of the month, dated June 15, July 15, August 15, and so on. We want to take a base period from May 24 to June 24. June 15 therefore is the middle point and is the only time in which the Bureau of Labor Statistics issues a report in that respect.

Mr. TAURIELLO. Is it not a fact that prices have been skyrocketing since February, March, April, and May, and that these prices should be rolled back probably to one of the months I mentioned to protect the consumer?

Mr. McKINNON. I would love to do that but, from a practical, workable program, I do not believe it can be done.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from Illinois.

Mr. YATES. I should like to refer the gentleman's attention to subsection (b) on the second page, where the gentleman says:

> It shall be unlawful regardless of any contract, agreement, or other obligation, for any person knowingly to pay for any labor a wage in excess of the ceiling applicable in respect of such labor.

For instance, the Ford contract recently entered into was hailed by both labor and management as being one which would do much to stabilize labor-management relations. As I understand that contract, it provides for progressive increases for the laborers. The gentleman's section here will preclude the effective operation of that contract, will it not?

Mr. McKINNON. I do not believe any one man can write a complete bill. If such a condition is prohibited in my bill, I would be glad to take the suggestion of the gentleman if he cares to offer it in the form of an amendment at a later time.

Mr. YATES. I was just asking the gentleman's opinion as to whether or not under that section the operation of a contract such as the Ford contract would be practical.

Mr. McKINNON. I would not read it that way, because it says here, "It shall be unlawful to enter into any contract." The contract is already entered into, it is part of the base, and allows the provision of a gradual step-up.

Mr. YATES. Perhaps we are looking at different sections.

Mr. McKINNON. The gentleman is referring to section 3, paragraph (b)?

Mr. YATES. The copy I have is not numbered. I guess it is section 3, paragraph (c), where the gentleman says:

> It shall be unlawful regardless of any contract, agreement, or other obligation, for any person knowingly to pay for any labor a wage in excess of the ceiling applicable in respect of such labor.

Therefore, the Ford Co. could not exceed the amounts it was paying during the base period.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. McKINNON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from New York.

Mr. KEATING. I shall support the gentleman's amendment, although I am not entirely in accord with the exact language of section 2 at the bottom of the first page. Am I not correct that this will be our last clear chance in this committee to vote for a bill for price and wage stabilization and some kind of control governing that section of our economy?

Mr. McKINNON. I should think so, but that is only my opinion.

I should like to point out further for the benefit of the gentleman from Kansas that on page 3 we have adopted toward the middle and the bottom of the page the change in the definition of fresh fruit or any fresh vegetable or agricultural commodity in keeping with the rule of the House yesterday on this amendment. We have also added the clause that has been voted on I think twice today and once yesterday, that pertains to the matter of professional services and the exclusion of newspapers, radio stations, picture shows, and so forth.

Aside from that I do not believe there are any changes in the bill other than you have in the printed copy.

Mr. Chairman, I would like to go a little further and explain the bill. This bill does not tie the President's hands. We give him flexible controls as well as selective controls. He has a way to operate if he wishes to move in and do something prior to the time that living costs go up by 5 percent. If he does not do that, then we insist upon rigid ceilings for what we deem the best interest of our country and its people.

The bill provides a psychological assist toward keeping prices down. More than that, it is going to assist us in holding the line now instead of waiting 2 or 3 or 4 or 5 months and then coming in and trying to roll back prices. Then it will be an impossible situation.

I think the time has come to give the President flexible controls if he wants to exercise them. If not, and the need grows critical, the Congress directs him to take positive action.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. MULTER. I must say I differ with the gentleman when he says that this amendment is flexible. The amendment being offered according to section 2 of the bill as read provides in so many words that when the price index goes up 5 percent the President must establish a ceiling on prices and services and wages, all at the same time. That is an invitation to everybody in the country to boost their prices 5 percent. At least you know that you are going to get 5 percent more than you are getting now. Then the President must act under this bill. I think it very unwise.

Mr. McKINNON. I disagree most heartily with the gentleman from New York.

I would like to point out that the biggest single thing we have in this economy of ours is the voluntary psychological incentives and the willingness among business and labor to conduct their own economy. This gives our people a chance to run their own show knowing full well that if they do not take care of that responsibility then the Government will move in. But as long as they restrain themselves the Government will not step in.

However, if prices start going up, the bill provides for that condition. Under the second paragraph of section 2 we give the President powers to impose selective controls and to move in immediately and put a freeze on prices and wages, even to reestablishing them as of pre-Korean levels.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. JUDD. The second paragraph of section 2 is likely to have exactly the opposite effect from that predicted by the gentleman from New York because the freeze will be as of the base period, which is June 15. If they know that if and when they go up 5 percent they are going to be frozen back to June, that will be an incentive not to increase prices 5 percent, or more, because they do not want to be frozen.

Mr. McKINNON. The gentleman is right because we do have a penalty provision and they are not only stopped where they are, but they go backward.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. BUCHANAN. Let me put the question to the gentleman this way. Suppose the price index drops in the succeeding month, does it mean that he has to remove those controls?

Mr. McKINNON. There is nothing in the bill that would require that. That would be optional with the President.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. FLOOD. The gentleman will agree that if there is a price rise and this is mandatory or automatic at the date you set, there will have to be an automatic wage rise to meet the price rise. You will not object to an automatic wage rise, will you?

Mr. McKINNON. I would object to anything which would discriminate one group against the other.

Mr. FLOOD. Will the gentleman yield further?

Mr. McKINNON. I am glad to.

Mr. FLOOD. The gentleman will not object to any wage rise to meet a price rise, will he?

Mr. McKINNON. I would not.

Mr. FLOOD. Then you are producing a situation under your mandatory provisions, and I say they are mandatory and automatic, at a certain date, when you will be inviting a price and wage rise higher than 5 percent.

Mr. McKINNON. I do not agree with the gentleman. We have taken care of such problems as the gentleman outlines in section 9 by freezing prices as of the base period, and where it creates an inequity we buy out that inequity by providing authority for the Government to make an equity payment where the maladjustment exists, rather than duplicating the mistakes of the old OPA and passing the maladjustments on down the line. Such procedure only compounds the maladjustments and creates the conditions to which the gentleman refers. I believe we have anticipated that condition.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was adopted yesterday when I was out of the Chamber. I think nobody paid much attention to it and no argument was made against it. We are granting, whatever you may call them, war powers to the President. The President is the head of a separate and coordinate branch of the Government, elected by the people, with the same responsibilities to them as the Congress.

I think we have a right to believe that he is going to endeavor to control inflation, and to use every means in his power to do it in a way that conforms to the interests of the people. Why tie his hands, and why impose mandatory controls, when conditions arise, without giving him any discretion as to what he shall do or what is for the best interests of the people?

This provides for a mandatory freeze of prices and wages when certain things take place. The confusion that has resulted in the Chamber in the argument on this amendment shows that there is great doubt as to what effect it might have. I do not think anybody knows just what this amendment will do. I hope that you will not tie the hands of the President in granting these powers. I do not say that we ought not make reasonable limitations and conditions when we grant the powers, but I hope you will not tie his hands so that he cannot use his best judgment and so that he cannot get the best information obtainable as to how the law should be operated, and what would be the most effective to accomplish the results that are desired. I think we should do that without any fear that the powers will be misused. In some of this debate we seem to be considering this matter as though the President were asking for these powers for the purpose of misusing them. The President has said what he thinks this amendment will do. I think he had reason to believe that. I do not know what effect it will have, and I do not think you know what effect it will have, and therefore I hope you will vote it down.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. LANHAM. I know I am going to vote for it, not because the President asked for it or is going to misuse it, but because the people back home are demanding it, and I think if we leave here without doing something of this sort, all of us will be blamed, and rightly so. It is our job to set this machinery in motion. I have followed the administration as far as I could do so conscientiously, but I think now the responsibility is upon us and not upon the President. This is the last chance we are going to have to vote for control.

Mr. SPENCE. I disagree with the gentleman. I think you are taking away consideration of the judgment of the President as to how these things shall be put into operation. This is a mandate to the President, and it seems to me the powers granted to him should be granted in such manner that he can use his discretion.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. BOGGS of Louisiana. I dislike to disagree with the gentleman. I had the pleasure of serving on his committee for 4 years. In the Seventy-seventh Congress we had this identical problem before us. If anything will prove that the program the gentleman is recommending would not work, it was proved at that time.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not recall that in the 7 years I have been a member of the Committee on Banking and Currency I have differed with my chairman on a major issue and I do not enjoy that situation today; neither do I enjoy being on the opposite side of this issue from the President. However, I believe the gentleman from California and those who helped him perfect this amendment have met some of the objections of the President and some of the objections voiced by Members of the House in debate. All of us appreciate the work that the gentleman from Pennsylvania [Mr. KUNKEL], and the gentleman from North Carolina [Mr. DEANE] have done. I appreciate their service in dramatizing the importance of this issue. I believed with the gentleman from Georgia [Mr. BROWN] that we could perhaps take this issue back to the Committee on Banking and Currency and because of its technical character and importance do a better service but, Mr. Chairman, I have abandoned hope of that. I believe we have come to the place where we must either accept the McKinnon amendment in spite of the fact that it may have some imperfections, or have no legislation at all. Because of that I have reached the conclusion that we ought to adopt this amendment.

The lowest common denominator is that the Congress obviously would like to do something to express its conviction that ceilings may be in order to stop inflation. There is every reason for that conviction. We also want to do no injustices to particular groups within the economy.

We must also keep in mind the fact that we will never tie up in one package all the measures that are necessary to keep inflation from overtaking us. I am convinced that an excess-profits tax is a factor. Further, I am not sure but that the Labor Committee has work to do. I had doubts with reference to title V, the Spence substitute. Rigid controls will damage wage-price relationships unless labor participates in some of these decisions. The Committee on Agriculture also has work to do. I think we owe it to our people to tell them that the time may come when some commodities will have to suffer a price lowering in order to maintain a stable economy which makes any price of value. All of these things enter into the calculation.

Let me take a few moments to point out what the McKinnon amendment does and to acknowledge also that it has its weakness. Naturally we want to interfere as little as possible with the discretion of the Executive. This amendment has a scientific basis, for it relies on the index of the Bureau of Labor Statistics and goes into effect when the index has risen five points unless the President shall have acted previously.

The weakness is that changes are being made in the BLS standards themselves. That point has been made, but the conference committee will take note of that and the conferees can adapt the language to the clear purposes of the amendment.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. KEATING. I want to commend the gentleman from Arkansas for his approach to this problem. We do not care whose name is attached to such an amendment. We in this Congress should, and the people expect us to, pass some bill relating to price and wage control.

Mr. HAYS of Arkansas. I thank the gentleman.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. PATMAN. If prices and wages are frozen under the terms of this bill there is no mechanism set up to adjust prices or wages, the way I read this bill; they would just be frozen immediately.

Mr. HAYS of Arkansas. I have said that the amendment is not perfect, but at least have adopted a scientific approach; we have given the President the best method we can possibly provide the cost of living index. But under the amendment offered by the gentleman from California the President can act before the index has risen five points if he wishes. It is flexible to that extent and I think the gentleman will find that it does provide for adjustment.

Mr. PATMAN. Is that not a fatal defect, the fact you cannot adjust wages and prices? There is no mechanism provided to adjust them. It would be purely an inflationary proposition.

Mr. NICHOLSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am very glad that the gentleman from California has offered this amendment. There is not a member of the Committee on Banking and Currency that is more conscientious than the gentleman from California and I want to support what he has done.

Mr. Chairman, the American Legion, a group of men and women who showed the world in 1917 what we could do whether we were prepared or not prepared, in every one of their conventions has said that when we start drafting men to give up their lives for our country, we should draft labor, industry, and everybody else, and freeze them as of that time.

It seems to me, and I think the gentleman from Arkansas might agree with me, that this bill ought to be sent back to the Committee on Banking and Currency and give everybody in this country, if they want it, an opportunity to give their views to us. When we introduce a bill, we would represent the considered opinion of the people in America. I think that is what all of us are trying to do here. I know I am.

I have seen amendments adopted here that appear laughable to me. For instance, we adopted an amendment offered by the gentleman from Florida [Mr. ROGERS] who is one of the outstanding Members, but he does not know that our people up in Massachusetts and up in Maine fill up their cellars to take care of their needs and the needs of their neighbors during the winter months.

We are passing amendments, we are loading the bill up with something we cannot expect to do without being more or less hypocrites. So I want to go along wholeheartedly with the amendment offered by the gentleman from California. In my opinion, it does not go far enough; that is, do what the American Legion suggested, freeze prices, freeze labor, draft men, and draft everybody else to carry what we have to do in this country. If we would do that, then we would be 100 percent better off.

WE SHOULD PROTECT THE COUNTRY BY STABILIZING THE CURRENCY

Mr. RANKIN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, it is my intention to vote to recommit this bill to the committee for further hearings and study. I have never seen an attempt to solve a great problem approached in the wrong way more consistently than this one has been today.

It reminds me of a certain emperor in a small oriental country who was once presented a library by the English minister, a library of English classical books. The emperor had his carpenters go out and make him some beautiful mahogany shelves to put them in. But lo and behold when he went to put the books in, he found the shelves were too short. So he just had his carpenters take the books out and saw the ends of them off.

Now, this bill does not touch side or bottom of the real thing that has got to be done in order to prevent dangerous inflation or to control inflation, whichever you want to call it. Prices in a free economy—and I am quoting every outstanding economist I have ever heard speak on the subject—are governed by two things: The volume of the Nation's currency multiplied by the velocity of its circulation.

In 1928, and I have the record before me, on June 30, we had $4,796,621,260 in circulation; roughly speaking, you might say, $4,796,000,000. Cotton was 20 cents a pound and wheat was in proportion. What have we got today? Not $4,796,000,000 but $27,156,000,000 in circulation.

You remind me of a fellow trying to hold the lid that is too small down on a pot of boiling water, with the water spouting up around him. You are not even reaching the gist, the heart of this proposition.

The amount of money in circulation is increasing at the rate of more than $60,000,000 a month.

You are going to have to put a check on the Federal Reserve banks issuing Federal Reserve notes, and stabilize the currency within a given bracket, or else we are going into wild inflation. It cannot be regulated by fixing prices, or regimenting the people. There is also the danger of drastic deflation which might be even more disastrous.

I am for sending the bill back and letting the committee study it and work out a measure that will stabilize the currency and not try to go to the top and appoint a bunch of bureaucrats to try to regulate prices, and everything else except the volume of the currency while the expansion or deflation of the currency runs wild.

That would be like the drunken man trying to lift himself over the fence by his boot straps.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. I agree with the gentleman in what he has said. But I want to call the attention of the gentleman to the fact that the Republican members of the Committee on Banking and Currency insisted time after time, and vigorously protested about the fact that we were not permitted to hear any other testimony than three Government witnesses. In my judgment if we had 3 days of hearings on this bill, in addition to what we have had, this confusion would never have occurred.

Mr. RANKIN. This is not a partisan matter with me, I will say to the gentleman from Kansas. The welfare of my country comes above party affiliation. You are dealing here with one of the most serious problems that has come, or will ever come before the Congress of the United States, and the debate shows clearly that you have not gone into it thoroughly enough to understand it sufficiently to present a bill that would regulate the volume of the currency, and thereby curb inflation or prevent drastic deflation that might produce a panic.

But you leave it wide open and come in here with a bill that would attempt to regulate prices, regiment the people, and to prosecute them for hoarding without even touching the real source of the trouble.

I hope that the bill is recommitted, and that the committee will give it further study, hold hearings on it, and bring in a measure that will stabilize the currency and protect the American people from the evils of inflation, and also from the dangers of drastic deflation, which might wreck the economy of the entire Nation.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. STANLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STANLEY to the McKinnon amendment: On page 3, line 16 of the McKinnon amendment, after the word "differentials" strike out the semicolon and insert: "or (3) if for the year 1950 a producer normally does not market a commodity during the period May 24 to June 24, 1950, the highest price received by producers during the first 30-day period following May 24, 1950, in which such commodity is normally marketed."

Mr. STANLEY. Mr. Chairman, I offer this amendment for safeguard or protection to the producers of agricultural commodities.

As the amendment is offered, it is based on one of two factors, the parity price for a commodity as set for the year 1950 or the highest price received by producers during the period May 24 to June 24, 1950.

I offer this amendment because some of the commodities produced by the agricultural producers have already been marketed. There would be then no pattern for the commodities to be marketed after May 24 to June 24.

This amendment provides that for the year 1950 a 30-day period may be established which will set the price of a particular commodity offered during that time that has not already had an opportunity to be offered or has not been processed for marketing by the dates provided in this amendment.

Mr. Chairman, I hope this amendment will be adopted. I understand there is no objection raised to it by the patron of the amendment already offered. I have conferred with him, and he has offered no objection to it.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. STANLEY. I yield.

Mr. ABBITT. I understand further that the amendment is only to apply for the year 1950.

Mr. STANLEY. It is only to apply for the year 1950, to even up prices, those that may be received after June 24 with those received by the growers who marketed prior to that time.

Mr. ABBITT. I heartily concur in the gentleman's amendment and hope it will be the pleasure of this Committee to adopt it.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. STANLEY. I yield to the gentleman from Kansas.

Mr. HOPE. Does the gentleman have in mind any particular commodity in offering this amendment?

Mr. STANLEY. There are many commodities to which it would apply. It would apply, of course, to any commodity that was ready for market and had been marketed prior to the period May 24 to

June 24. There will be similar commodities on the market later that would not have the same opportunity of price protection that those sold prior to that time had.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. STANLEY. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not a fact that tobacco is sold at different times in different belts? At the present time the tobacco auctions have opened only in Florida and South Carolina. They have not opened in the Middle Belt, the Eastern Belt, or the Old Belt, or in the Burley Belt. Therefore, there would be no way to determine the prices unless the gentleman's amendment is agreed to.

Mr. STANLEY. The gentleman is correct. I would say further that tobacco is one of the commodities that has acreage control and marketing quota.

Mr. COOLEY. Unless the gentleman's amendment is adopted, the Administrator would have no alternative in fixing the price level.

Mr. STANLEY. The gentleman is correct.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. STANLEY. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I wonder if the gentleman's amendment pertains also to manufacturing industries, or does it pertain only to agricultural products?

Mr. STANLEY. It pertains to agricultural commodities only. It deals with the section in which agricultural commodities are dealt with here.

Mr. EBERHARTER. If agriculture is to be given relief because of this base period not fitting in with the agricultural marketing season, why should not business interests be given the same adjustment?

Mr. STANLEY. As far as I am concerned, I would have no objection to such an amendment.

Mr. EBERHARTER. If an industry is in a depressed period and is actually losing money during the period named in the McKinnon amendment, and the index goes up and that company is obviously being hurt because its prices are frozen as of a time when it is selling at a loss, there is no method in the McKinnon amendment whereby an adjustment can be made.

Mr. STANLEY. I would not agree altogether with the gentleman.

FATAL DEFECTS IN M'KINNON AMENDMENT

Mr. PATMAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, in the McKinnon amendment I think there is a fatal defect. No. 1, I think it is bad because it will be an "inflation escalator" which will force prices up immediately. Second, there is no mechanism set up in the bill to adjust prices or wages after they are frozen. So it occurs to me those are fatal defects right there. If you are going to freeze wages and prices, there should be some way to adjust hardship cases and provide equity where equity is not being received.

Section 9 of the bill provides a way of compensating people who have losses by reason of lower prices. Although personally I favor the Brannan plan because I think it is a fine plan, there are many Members of the House who are opposed to it. They claim it is too expensive. I think the expenses in connection with the Brannan plan would be very small compared to the expenses involved in section 9 of this bill.

Section 9 of the bill says that whenever a ceiling has been established—that is, this quick freeze or this flash freeze deal, where they just freeze them right now with no adjustments, where that is done and it is frozen at a lower level than the level prevailing at the time it is established, the President shall pay equity reimbursements. Do you know what equity reimbursements mean? You know and I know. That means subsidies. The equity reimbursements are to be paid out of the funds that are authorized to be hereafter appropriated for that purpose to any person who proves to the President that he will suffer extreme hardship as a result of the retroactive effect of the ceiling due to normal inventory purchases made after June 24, 1950, and before the effective date of the ceiling.

So there you have a subsidy provided. How much will that subsidy cost? We do not know. Why should the Government pay that subsidy out of the Treasury when, if the consumers pay it, it will be anti-inflationary. We must do something to stop inflation. That is one of the principal purposes of the bill. If you pay it out of the Treasury, it is inflation and if the consumers pay it, it is anti-inflationary. There is a big difference there. That is another fatal defect.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. ABERNETHY. Did we not pay those subsidies under the old OPA law to certain producers of food?

Mr. PATMAN. I do not recall any such provision in the old OPA law. They were bound to have been exceptional cases, and not the general rule.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TABER. I think the gentleman from Texas has described section 9 correctly. I think it is an absolute menace to our entire economy and that it cannot work out successfully or satisfactorily. There were some subsidies under the OPA, but they were special items which were paid by the Department of Agriculture. This amendment has not been properly considered, and I hope it is voted down.

Mr. PATMAN. I thank the gentleman from New York.

Let me give you some applications of it. Let us suppose there is a bale of cotton involved and the price is rolled back to 30 cents a pound or $150 a bale. The person is compelled to sell it to the textile mill for $150, but he runs to the Treasury and he collects the going price, $50 a bale more or 40 cents a pound. The Treasury pays that. If the consumer paid that, it would be anti-inflationary. If the Treasury pays it, it would be inflationary.

Mr. HAYS of Arkansas. It is not at all different from what the gentleman from Texas and I both supported in the OPA days, consumer subsidies. It was done to spare the people a larger blow in the form of higher prices.

Mr. PATMAN. This is a general subsidy.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the gentleman have two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. JAVITS. I point out the consumers' price index of June 15, 1950, was 170.2. The 5 percent plus that is 178.7. We know there have been sensational price rises since June 15, 1950. Can the proponent of the amendment tell us whether or not if this amendment is immediately operative, to wit, today, with the 5 percent rise that has already taken place, therefore we might be passing an ex post facto amendment?

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. PACE. The gentleman's illustration with regard to the farmer with a bale of cotton is not quite accurate, when section 9 appears to be confined only to inventory purchases.

Mr. PATMAN. It does not confine it to "inventory."

Mr. PACE. Yes. It says "due to normal inventory purchases made after June 24."

Mr. PATMAN. Well, I do not know how far that would be. I do know that it authorizes an appropriation of any amount of money to take care of these losses. I do not know whether it will be two billion or ten billion or twenty billion or half a billion, but this provision authorizes the appropriation of money to take care of the difference. I do not know how much that difference will be.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KEATING. Has the gentleman prepared an amendment to strike out section 9 of the McKinnon amendment?

Mr. PATMAN. No. I do not want to improve it, because I think it is bad fundamentally.

Mr. KEATING. So the gentleman is aganist the whole idea?

Mr. PATMAN. I am against the whole idea.

Mr. KEATING. Of price and wage controls?

Mr. PATMAN. No; not against price and wage controls, but I am against the approach contained in this amendment. That is what I am against.

Mr. KEATING. I would think the gentleman would offer an amendment to improve this section.

Mr. PATMAN. I am not trying to improve anything that I am against.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. JUDD. I do not see how you can figure this runs into billions when it applies only to extreme hardships, due to normal inventories acquired after June 24, 1950.

Mr. PATMAN. Whenever the Government will make up the difference between the established price and the going price it will run into billions.

Mr. JUDD. But it is limited to a very small amount of commodities.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. McKINNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the section that the gentleman from Texas has been talking about needs a little explaining. We all know that the reason the OPA was such an awful headache during the last war was because whenever an adjustment was made at one end of the supply line that adjustment was only compounded in its troubles as it went on down the line to the final consumer, and the consumer finally paid the bill. But he was an individual. A lot of these hardships fall on him individually. It is to the welfare of both society and the Government that a good rigid policy of price controls be effective; a price control proposition that can hold the line. The gentleman from Georgia [Mr. PACE] asked a few days ago what would happen to a textile mill that honestly went out and bought some cotton for his inventory. Between the time he bought that cotton and the time the roll-back order came, reestablishing prices on the peace level, it is fair to penalize him to that extent, or should you give him an adjustment? That adjustment goes on down the line. It throws out of line the wholesaler, the retailer, and wages. It compounds our difficulty no end. Since it is to be of advantage to society as a whole to hold this line, it should be the Government's business to move in quickly and adjust these inequities right at the source, rather than to pass them down the line. The cost will not be excessive compared to the value because it will only apply to the period between the time the price roll-back takes effect and the peace period. It will be an adjustment period of 2 or 3 months, perhaps, but after that period is out of the way we have established a sound and lasting foundation, instead of the constant maladjustments that characterized the life of OPA and caused terrific expenses to business, labor, and the consumer. Before a retailer, wholesaler, or manufacturer can establish his claim, he must prove an extreme hardship—one that threatens to put him out of business.

I am positive that this provision will save us a great deal more money than not to have it. An adjustment is going to cost money. We either pass it along the line until it finally ends up with the consumer paying compounded costs, or we step in as the Government for the best interest of the Nation and take care of a smaller cost there and then, once and for all.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. JAVITS. Does the gentleman know what the consumer's price index was on July 15, 1950?

Mr. McKINNON. I have an idea what it was. I might say to the gentleman from New York that I think a 5-percent increase in waiting too long. I do not believe we should wait that long, but we do provide a directive from the Congress to the President that we want action before prices get completely out of line.

Mr. JAVITS. The Bureau of Labor Statistics price index on June 15 was 170.2. Five percent plus that would be 178.2. There have been many rises since June 15. I ask the gentleman whether or not his amendment would be effective today.

Mr. McKINNON. It would not because the Bureau of Labor Statistics does not very closely approach that today. Furthermore, we give the President power to step in himself if he wishes to before the 5-percent increase occurs.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. CELLER. The amendment offered by the gentleman primarily sets up a factor, namely the Bureau of Labor Statistics vital living statistics. Would not the gentleman think that there were many, many other factors just as important that go into the making of a price? For example, the moral factor, the psychological factor, the factors of supply, bottleneck supplies like coal, steel, aluminum, manganese? And if one of those bottleneck commodities rise insofar as its impact on other commodities is concerned all commodities rise. Would the gentleman say that his criteria are sufficient to do justice to what the President might do with reference to stopping inflation?

Mr. McKINNON. I think the authority contained in the amendment is ample, for we give the President the power to take a hand right now, if he concludes it advisable to do so as the result of all information available to him.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. CRAWFORD. Does not section 9 that is here presented apply to any and every kind of inventory that might be on the shelves of any dealer in the United States?

Mr. McKINNON. I think you can stretch it that far, but I might add that in a lot of these cases there will not be sufficient dollar hardship to justify coming to Washington and demanding a rebate; in most cases they will absorb the loss for their cases will not be extreme.

Mr. CRAWFORD. They do not have to come to Washington to make a claim. Immediately there would be set up in every trade association of the United States a service department and you would begin to pile up claims to the extent of four, five, or six hundred thousand.

Mr. GWINN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I agree with the gentleman from Texas not only that section 9 is fundamentally bad, but section 2, page 1, is fundamentally bad. It provides that if prices rise 5 percent or more then the President may fix prices and wages back to a base period. Can you imagine labor including provisions in contracts for a 5-percent increase consenting that the President roll back their wages to a base period of June 15, 1950?

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. GWINN. I yield.

Mr. PACE. If everybody else should roll back their prices what objection would labor have to rolling back its wages to a comparable date except a handful who had a favorable contract?

Mr. GWINN. As a matter of practical politics, does the gentleman believe the President is going to roll back wages once established?

Mr. Chairman, the thing that disturbs me about all this debate is that our memories are so short that we forget that we won the First World War in a free economy. We then produced and invented and outproduced the rest of the world. We got well under way in the Second World War in production, which was amazing to the world, before price controls came on. We won the election in 1946 because the people wanted in a kind of whirlwind protest to eliminate the whole concept of price control because it reduced the production of beef, butter, and the essentials of life.

We forget that only the free countries, with the all-out dedication of the individual productive and creative power, are the only economies that win wars in modern times. Many of the war economies lose their wars. Why should we fight a war if we are going to imitate Stalin and fix our prices and manage costs so that the individual cannot pay the price of his production? If we are going to join the rest of the world and establish a managed economy as our concept in modern times, let us join Stalin instead of fighting him.

If we want to look at the managed economy, let us look at what the price of corn is today. We have corn at $1.42 a bushel and we have beef and pork at a price that the people cannot pay. So the farmer cannot pay his costs. He kills off his beef animals and his dairy animals and quits raising young stock.

Today the clamor from the people is coming to us for control of prices. To the extent they are clamoring, which is greatly overemphasized, they are angry because we have got controls now that make it impossible for us to produce beef and butter and milk and sell it to the people at market and pay $1.42 for corn.

Let us get rid of this control concept and get back to the committee bill and not try to write impossible legislation on this floor. Let us vote for the things that the committee originally had in its bill.

Mr. BUCHANAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the statement has been made here earlier by the chairman of the Committee on Banking and Currency

that the proposed amendment offered by the gentleman from California [Mr. McKINNON] and amended in the form of an amendment offered by the gentleman from Virginia, came as an original proposal from the Governor from Connecticut, Chester Bowles, former OPA Administrator.

I have in my possession a letter from Mr. Bowles which was written to every Member of Congress, and especially to Senator MAYBANK, in which he points out this language which is identical in this proposed McKinnon amendment:

This stand-by price-control law should provide that if at any time after 60 days following the passage of the act, the consumer price level as reported by the Bureau of Labor Statistics rises—say 5 percent above the level of June 15, 1950, a complete program of economic controls would automatically go into effect. This program would include:

1. A return of all prices including consumer prices to the level of June 15, 1950. Adjustments above that level should be strictly limited to special cases.

2. Whatever wage controls may be necessary to maintain these prices.

3. Authority to ration consumer commodities in short supply. In my opinion, based on several years of wartime experience, consumer rationing is definitely not needed now. I doubt that it will become necessary in the future unless our military requirements approach those of World War II.

4. Authority to allocate manpower. Again this is only a last ditch possibility.

5. An excess profits tax, retroactive to July 1, 1950, with rates high enough to eliminate all profiteering.

Commenting further, I should like to point out that it has been proposed that price-wage control authority not be used until the consumers' price index has risen a given percentage above the June 1950 level. This proposal is undesirable for the following four reasons:

First. It would be undesirable to tie control authority to any price index which measures the average rise in prices.

Such a formula ignores the fact that an average rise in prices is generally composed of very large price increases for some commodities and of much smaller increases or none at all for a large number of commodities. To prevent a broad general rise in prices, it would be necessary to take action with respect to the prices of those commodities which have advanced very sharply or are threatening to do so. The index formula would tie the hands of the President in those areas where he should be taking prompt action before the index reached the permissive level.

Second. It would be very difficult to decide what percentage of price increase should be allowed before action could be taken.

If the percentage were set at a high level, it would tie the hands of the President in the areas where prompt action is needed. It would then encourage sellers to raise their prices as fast as they could and eliminate any restraint on holding prices which now exists. If it were set at a low level, it would have little meaning.

Moreover, prompt action is made difficult by the fact that the index of consumers' prices is only available about 5 weeks after the day on which the retail prices are collected. Consequently, even though the index had reached the level at which action could be taken, this fact would not be known for a month or more after the event.

Third. Such a formula would create enormous administrative and practical problems if it required mandatory action whenever the price index reached a certain level.

If, for example, it required a given type of roll-back to levels in a specified base period, the ease of doing this would depend on how far back that base period was. It is more important to prevent any excessive price increases than to try to roll them back after they take place.

If a mandatory roll-back to a pre-Korea base is required, should, for example, wage increases which reflect increases in productivity, and which do not affect the cost of production, also be rolled back?

If no mandatory roll-back is required but prices are frozen at the levels they have attained when the index reaches the specified level, it penalizes those who did not raise prices very much while conferring enormous benefits on those who did.

Fourth. This proposal ignores wholesale prices, which generally precede a rise in retail prices.

By the time retail prices have risen a certain amount, wholesale prices will have risen far more. To take action only when the consumers' price index has risen a certain amount will mean that wholesale prices have already risen far more, thus creating a very difficult problem of maintaining a fair relationship between wholesale and retail prices. It is very important to insure that wholesale prices are kept from rising excessively to prevent pressure on retail prices.

All of the above objections underline the need for a flexible approach to the problem of price and wage control. Any attempt to strait-jacket the economy into a rigid formula will cause great difficulties and inequities. Price and wage controls must take into account the proper relationships between prices and wages at different levels of production and distribution. A great deal can be accomplished by selective price control when action is necessary. Any attempt to prevent such selective action until prices have risen by a specified amount and then to require mandatory across-the-board action could create more harm than good.

We are in a situation similar to attempting to write a tariff bill, an appropriation bill, a revenue bill, an income tax bill or a social security bill when you are trying to write a price and wage stabilization bill here on the floor of the House. I most earnestly request that the Committee on Banking and Currency be given an opportunity at the earliest possible time to consider a matter of this character.

I think the full committee should have an opportunity to consider legislation of such a wide sweeping character.

Two recent editorials, one in the Washington Post of August 3 and the other in the New York Times of August 4, point up this situation.

They follow:

[From the Washington Post of August 3, 1950]

STAND-BY CONTROLS

As a precautionary measure it may be desirable to give the President powers to impose consumer rationing and price and wage controls. This the President has now recognized. But he insists—rightly—that it be left to his discretion to decide when to invoke such powers and where to apply them. If this country should become involved in a full-scale war requiring all-out mobilization of its resources, a comprehensive control system like that advocated by Mr. Baruch would undoubtedly be essential. However, the partial mobilization in prospect does not call for immediate resort to such extreme measures.

We greatly fear that the public has been led to believe that an immediate freezing of prices—and possibly wages—would put a stop to hoarding and price gouging. This would not be the case. Suppose that prices were to be frozen at present levels or at the levels prevailing immediately before the Korean outbreak. The result would be widespread demoralization and eventual paralysis of some industries. Manufacturers, wholesalers, and retailers could keep going until their inventories were exhausted. But when they had to replace them at higher prices, some concerns would be forced to sell at a loss or go out of business.

Remember what happened when the OPA ordered a general price freeze in March 1942? It was overwhelmed by a flood of petitions for price adjustments from concerns squeezed between the ceiling prices of replacements supplies and other costs. Although a huge price organization had been built up by that time, and an industrial allocation and priority system had been in operation for many months, that price freeze resulted in gross inequities and delayed for a long time the introduction of an improved system of dollars and cents pricing.

At present there is no price control agency prepared to tackle the job of maintaining retail price ceilings, and the American people, who have never taken kindly to economic regimentation, would have good cause to turn against an administration that prematurely attempted to enforce such controls. Moreover, price roll-backs are practically impossible to effect, and even if prices were rolled back to a fixed date, the prices of some commodities would still be too low or too high with reference to the general price level.

Wage stabilization presents even more knotty problems—political as well as economic. Unless organized labor agreed to support the proposal, strikes would follow and production would be retarded. Effective control over food prices at retail levels is also impracticable without radical modification of agricultural price-support laws. All these changes would, we believe, be accepted by industrial wage earners and farmers, if the necessity arose, but the experiencees of World War II are proof that a section of the public resents and resists direct consumer control measures even under conditions of extreme danger. OPA's struggle with meat rationing is a case in point. Retail meat prices were controlled, to be sure, but meat disappeared and consumers unwilling to pay exorbitant black-market prices had to be content with meats of very inferior quality, or no meat at all.

What we need at the moment is time—time to assess the effectiveness of the President's restricted control program; time to discover how great a strain the armaments program is going to put on the economy; and time for the administration to build up an organization that will provide a basis

for a more comprehensive control program, if it eventually becomes necessary to invoke the stand-by control powers that Congress is now considering.

[From the New York Times of August 4, 1950]

HYSTERIA ON CAPITOL HILL

The House voted tentatively yesterday to go far beyond providing the President with stand-by controls over prices and wages in case of serious rearmament inflation. It passed by a voice vote an amendment to the pending Defense Production Act which would invoke such controls automatically when and if the Government's cost-of-living index reached a level 5 percent higher than that prevailing on June 15.

The fact that the House could approve such a proposal even tentatively reflects a lack of understanding of the problem before it and of the possible consequences of its action that are gravely disturbing. Only a few short weeks ago this same Congress was making plans for a sweeping reduction in excise taxes, although the Federal Government was then running in the red at a rate of more than $5,000,000,000 a year. This newspaper and many others warned more than once in recent months that the time was at hand to consider a reversal of the inflationary fiscal and monetary policies then being pursued; but until the Korean invasion such warnings fell for the most part on deaf ears.

Then the administration, acting with commendable intelligence and speed, moved toward disinflation with the Defense Production Act and a request for an increase of $5,000,000,000 in taxes. And now Congress, suddenly aroused from a deep slumber by the flurry of scare buying which has followed the outbreak of Korean hostilities, has given way to hysteria. Before a single one of the anti-inflation weapons proposed by the administration has even been tested, it is demanding that the country be plunged into the kind of regimented economy that would require a police state to enforce it.

"To propose a complete freeze of the domestic economy at this time," declared Leon H. Keyserling, chairman of the President's Council of Economic Advisers, "would be fantastic. For the next year," he added, "you'd do nothing else but throw out 90 percent of what you froze. The first mobilization task," declared the President's chief economic adviser, "is to figure out what your top problems are, and then clear them up. Those top problems are mandatory allocations of scarce materials, credit controls and higher taxes."

Whatever may be said for an all-out freeze of the economy when war, as in 1942–45, was the almost exclusive business of the United States, and when the Government was running an average deficit of more than $54,000,000,000 a year, it is plain economic quackery to suggest that the same prescription is indicated when only 10 percent of the Nation's product is marked for defense, and when the administration has made it clear that it means to finance the defense effort on a pay-as-you-go basis.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, had come to no resolution thereon.

AN ABSURDITY

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, to ban all war, establish world peace, the United Nations was created. Fifty-nine nations signed, Communist Russia being one of them. The agreement was that all, standing against a single aggressor or group of aggressors which might war against any member of the organization, would suppress such aggressor. Unfortunately, there was no adequate method of preventing a member nation either instigating or starting a war; hence world war III is here.

After Germany and Japan surrendered, by agreement, in the southern half of Korea, the Republic of Korea was established. Control of the northern half Russia assumed.

United Nations and its adherents and some internationalists in this country evidently assumed that dollars, ideas, and propaganda could successfully resist armed might. Acting under that theory and to aid the underprivileged carry the "four freedoms" into South Korea, we poured around a billion dollars into South Korea—to increase agricultural and industrial production—but spent no money on armament.

United Nations permitted—and in fact we as a member encouraged—the Communists, directed by Russia, to drive the Nationalist Chinese Army out of Manchuria and, finally, without opposition from us or United Nations, they took over China, forcing Chiang Kai-shek and the remnants of the Nationalist Army to flee to Formosa. Then the North Koreans, undoubtedly inspired by Russia, invaded the Republic of South Korea.

At the request of the Security Council of the United Nations, passed on to President Truman by the United Nations itself, he ordered our Armed Forces to join the South Koreans in opposing the invasion of their country.

In that effort, our Armed Forces have lost many men. Overwhelming numbers and superior armament, including tanks and artillery, to resist which they had no adequate equipment, have driven them to the southeastern tip of Korea, where a few days ago they were ordered by their commanding officer to stand or die. Many of them, who have not the faintest knowledge as to why they are there, no interest whatever in United Nations or any other country but their own, will die.

While they are dying in their effort to repel the Communist hordes, directed by Russian officers, armed with Russian implements of war, Jacob Malik, the Soviet Union's delegate to United Nations—notwithstanding Russia's withdrawal months ago of its former representative—at Lake Success, in New York, here in America walks back into the United Nations organization and, believe it or not, assumes the presidency of the Security Council.

His first act is to demand that the representative of Nationalist China, which has been and which still is fighting the Communists in China, be ousted and that the representative of Red China be admitted in his place and stead. Such action would increase the voting strength of the Reds.

Now, I ask you, is there anything more absurd than to call for the expenditure of billions of dollars, an army of three or four million young Americans, to fight Communists in Korea, while, at the same time, we take orders from an organization presided over by a representative of Communist Russia, which, according to persuasive evidence, is directing the efforts of the North Korean armies who are slaughtering yours sons, brothers, and husbands in Korea?

If our men must fight the Communists in Korea or elsewhere, it is an absurdity and, in my judgment, a betrayal of our men, to permit Jacob Malik or any other Red to sit as president of the Security Council or even as a member of United Nations. There, he and those who vote with him are in a position to obtain and pass on information which undoubtedly would aid those fighting our men in Korea or elsewhere.

PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time to inquire of the majority leader as to the program for next week.

Mr. McCORMACK. On Monday there will be the call of the Consent Calendar. Following that will be H. R. 8396, Disasters Aid to States, and H. R. 9129, Federal Property and Administrative Services Act of 1949.

On Tuesday we shall continue the consideration of the Defense Production Act of 1950 under the 5-minute rule. There are primaries on that day, and, in accordance with our practice in regard to roll calls on days when primaries are being held, if there is to be a roll call on final passage on Tuesday it will be postponed until Wednesday. However, I hope every Member will be here Tuesday, because the consideration under the 5-minute rule is very important. Of course, the consideration of that bill will continue until the bill is disposed of.

If either one of the bills I have put on the program for Monday is not disposed of, that will follow the disposition of the pending bill. Thereafter, the freight forwarders bill will be in order. I cannot make a definite commitment as to the day it will be brought up, because it is impossible to state a particular day, but it will not be before Wednesday in any event, and probably will be Thursday. However, on Thursday the social

security conference report will be called up, and then contempt citation resolutions.

Mr. HALLECK. From what committee are those contempt citations?

Mr. McCORMACK. From the Committee on Un-American Activities.

There also are the judgeship bills to be taken up, but they are subject to legislation which might have priority.

The best information I have on the emergency appropriation bill is that it will not be ready next week. Of course, if it should be reported it would be a matter of paramount importance. I doubt very much if it will come out, but if it does we will have to take action on it as quickly as possible. I say again, however, that the best information I can get is that it will not be ready until the week after next.

Mr. HALLECK. I have been asked whether or not any of the judgeship bills will be called up on Monday. As I understand, they are not to be considered on Monday?

Mr. McCORMACK. No. In the light of the changed program, no judgeship bills will be called up on Monday.

Any further program will be announced later. I know of none at the present time, but that is the ordinary reservation. Of course, conference reports may be called up at any time.

There will be no call of the Private Calendar on Tuesday, because we disposed of the private bills last week and I understand none are ready to be called now. They will be called on the next regular call of the Private Calendar.

Mr. HALLECK. There will be no suspensions on Monday?

Mr. McCORMACK. No.

Mr. HALLECK. I understand the gentleman expects to ask that the House adjourn over from today until Monday?

Mr. McCORMACK. That is the intention.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio.

Mr. JENKINS. The understanding is that the final vote on the bill we have had under consideration this afternoon will not come until Wednesday?

Mr. McCORMACK. The vote on final passage, but I want to emphasize, although I am sure it is unnecessary, the importance of Members being here Tuesday while the bill is being read for amendment under the 5-minute rule.

Mr. HALLECK. I join the majority leader in the suggestion to the Members that we be here Tuesday, because while we will be in Committee of the Whole there will undoubtedly be many matters of great importance that should be acted upon in the Committee.

Mr. McCORMACK. The gentleman is absolutely correct.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER GRANTED

Mr. SHELLEY asked and was given permission to address the House for 30 minutes on Monday next, following the legislative program and any special orders heretofore entered.

PERSONAL ANNOUNCEMENT

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker I ask that the RECORD show that during roll call No. 220, which shows me as not voting, I was engaged in the performance of official congressional work at another place in the District.

ADDITIONAL UNITED STATES DISTRICT JUDGES FOR THE NORTHERN DISTRICT OF ILLINOIS

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6454) to authorize the appointment of two additional district judges for the northern district of Illinois, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That the President shall appoint, by and with the advice and consent of the Senate, two additional district judges for the northern district of Illinois. Accordingly, title 28, United States Code, section 133, is amended to read as follows with respect to said district:

" 'Districts

Illinois	Judges
* * * * *	
Northern	8
* * * * *' "	

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

KYRA KITE RIDDLE

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 99.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States is requested to return to the Senate the enrolled bill (S. 1654) for the relief of Kyra Kite Riddle. If and when said bill is returned by the President, the action of the Presiding Officers of the two Houses in signing said bill shall be deemed rescinded; and the Secretary of the Senate is authorized and directed, in the reenrollment of said bill, to make the following correction: In line 5 of the Senate engrossed bill strike out "$1,764.43" and insert "$1,560.80."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

SOUTHERN FIREPROOFING CO.

Mr. BYRNE of New York submitted a conference report and statement on the bill (H. R. 627) for the relief of Southern Fireproofing Co., of Cincinnati, Ohio.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next will be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the Delegate from Alaska [Mr. BARTLETT] is recognized for 30 minutes.

(Mr. BARTLETT asked and was given permission to revise and extend his remarks and include pertinent material on the subject matter of his discussion.)

THE ALASKA STATEHOOD BILL AND MINORITY RIGHTS

Mr. BARTLETT. Mr. Speaker, I have asked for this time because I consider it imperative that the record be set straight with reference to one aspect of the Alaska statehood bill.

Members of the other body are receiving many letters and many personal calls in which the claim is made that the statehood bill in the form it was favorably reported by the Senate Interior and Insular Affairs Committee is so unfair to the native people of Alaska—that is, the Indians, Eskimos, and Aleuts—that the bill should be defeated and if it is not defeated it should be vetoed by the President.

What has inspired this campaign? Why are Members of the other body being asked to vote against the statehood bill because of the incorporation of one provision which would prevent establishment of reservations pending final action on statehood? Is the provision damaging to native rights or is there much ado about very little? Believing that a mountain is being made out of a molehill and that unless the facts are related those of good will who are rightfully anxious to protect minorities will be led astray, I want to go into the matter here at some length.

In its bulletin for July 1950, the National Civil Liberties Clearing House says that the National Congress of American Indians has taken a position that statehood for Alaska should not be bought at the expense of native land rights. There can be no quarrel with that. Statehood for Alaska should not be bought at the expense of any group of American citizens. No one has proposed that any such purchase price be paid. I submit that a good many organizations are now protesting that about

which they know very little and which, obviously, they have studied not at all.

The language which has created all this disturbance is to be found on page 15 of H. R. 331 as reported by the Senate Committee on Interior and Insular Affairs on June 29, 1950. That language, constituting paragraph (1) of section 5 reads:

> Pending action by the people of Alaska and the Congress as provided in this act, no reservations for use and occupancy of the natives of Alaska shall be designated in the Territory by authority of any law of the United States, and no action of Congress applicable to Indians not now applying to the Territory of Alaska shall be made applicable to the Territory except by specific authorization of the Congress.

Wherein does that language constitute a denial of native rights? It merely says that no reservation shall be established until final action shall be taken on the statehood bill. If that bill were to become law during this session of Congress it is reasonable to assume that the maximum time which might elapse before final action was had would be 2 years. The minimum time could be considerably less. Does that constitute a permanent impairment of any kind of right? Those who so allege simply do not know what they are talking about.

In this connection there is another factor which ought to be controlling. When Secretary of the Interior Chapman testified before the Senate Committee on Interior and Insular Affairs early last winter he stated categorically that no orders the effect of which would be to establish more reservations in Alaska would be signed by him pending a complete study of the whole problem. Surely no such study could be undertaken and completed in a shorter time than would be required for action on the statehood bill. So, it seems clear to me, this whole question is rather academic.

Let me say here that so far as I know no Alaskan urged the incorporation in the statehod bill of the language quoted above. We Alaska statehood advocates made no representation on that score. It was the judgment of the Senate committee that it should be included. So far as I am concerned personally I do not believe it will damage the native people in the slightest; nor would I object for a moment to its deletion.

My personal conviction is that these organizations devoted to the protection of minority rights have been badly fooled. They have been fooled by a few individuals seeking personal profit who are now opposing statehood because they fear it would interfere with their highly personal plans.

I assert that a very few people in Washington are opposing statehood because they believe its attainment might shatter the dreams they are entertaining of having reservations created wholesale throughout Alaska. They will use to bring about their purpose every organization and every individual they can delude. They know that the Alaska natives have been in the forefront of those advocating statehood but they hope the natives can be swung around to a contrary position if only action on statehood can now be delayed. And they may be swung around. I am willing to admit that. White people in the same situation could likewise be swayed. Lavish promises will be given us to what will be accomplished for them if they will only follow the advice of a handful of men. These men, it seems, are willing to promise anything. The end result will be disillusionment and disappointment and heartache. But the suffering which surely will follow if these advisers are followed down the bitter trail will be experienced not by those who make these tinsel promises—they do not live in Alaska and never will live there—but by all of us Alaskans, white as well as native.

At one time during consideration of the statehood bill a committee print was issued which failed to mention at all the matter of asserted native land claims. There were some who said that in itself this would not be harmful to the native cause because if a right exists it does so whether or not mention is made of it in a piece of legislation not dealing specifically with that matter. However that may be, a subsequent committee print contained a disclaimer paragraph which was certainly all that any advocate of the native position could have desired. It is to be found on pages 4 and 5 of the committee print above referred to and has this language:

> That said State and its people do agree and declare that they forever disclaim all right and title to any lands or other property not granted or confirmed to the State or its political subdivisions by or under the authority of this act, the right or title to which is held by the United States or is subject to disposition by the United States, and to any lands or other property (including fishing rights), the right or title to which may be held by any Indians, Eskimos or Aleuts (hereinafter called natives) or is held by the United States in trust for said natives; that all such lands or other property, belonging to the United States or which may belong to said natives, shall be and remain under the absolute jurisdiction and control of the United States until disposed of under its authority, except to such extent as the Congress has prescribed or may hereafter prescribe, and except when held by individual natives in fee without restrictions on alienation; and that no taxes shall be imposed by said State upon any lands or other property now owned or hereafter acquired by the United States or which, as hereinabove set forth, may belong to said natives, except to such extent as the Congress has prescribed or may hereafter prescribe, and except when held by individual natives in fee without restrictions on alienation.

For my part I must say that I was glad to see that disclaimer inserted. Its purpose is to leave the situation in status quo. That is the correct procedure. The statehood bill is no place in which to seek solution of this vexing problem of Indian land claims. It is a terrifically complex matter. For years efforts have been made to decide it but those efforts have been unsuccessful. So we could not even hope to bring about settlement in the statehood bill. In any event, that would not be a proper instrument for determination of this other and extraneous problem.

The last 10 States admitted to the Union have had disclaimers in language substantially similar to that which will be found in the bill before the other body. So precedent is all on the side of including mention of the subject in the Alaska statehood bill, and it is mentioned in the proper manner—that is to say by putting the whole issue aside and leaving future determination to Congress.

If there had been no such paragraph in the statehood bill then I could have well understood the anxiety of those organizations which are particularly concerned with minority rights. They would have had a duty then to urge inclusion of appropriate language. But I submit that they are way off base in trying to convince any Member of the Congress that the language which they so vehemently object to is of any particular consequence.

Those who have a sincere interest in seeing to it that full protection is accorded the native people of Alaska ought to have a similar interest in seeing to it that they have their facts in hand before putting words down on paper. For example, Mr. John Rainer, of the National Congress of American Indians, is quoted in the Civil Liberties Bulletin for July 1950 as saying that the act of May 1, 1936, which extended the Wheeler-Howard Act to Alaska, was intended to confirm Indian title to land by setting up reservations. That statement is more than misleading. It is absolutely and positively incorrect. In 1936 the proposition of Indian ownership of land through aboriginal use and occupancy or through possession was not at issue. It was not until 1944 that the proposition was first widely advanced that there was an imperative need to settle this proposition by setting aside reservations.

There are some of us—indeed many of us—who are not persuaded by the contention that justice will be served and wrongs which may have been committed will be righted if only reservations can be set up here and there through Alaska. We do not believe anyone will be helped if natives are segregated in Alaska. I do not argue that reservations would necessarily mean physical segregation, but I do and emphatically imply that the end result will be division of the races in contrast to the commingling which has been proceeding so happily and with such good results.

We are told over and over again that reservation Indians in the States are among the unhappiest of mankind, that they are poorly educated, that health conditions are bad, and shortages of food are often acute. It has been said that as much as any one thing all these unfortunate conditions are present because we as a Nation were not willing to face up to the realities and to bring to an end a system which was never intended to last, and which was established only as a temporary expediency. Now the very same people who tell us that reservations

in the United States have failed dismally are trying to convince us that reservations are the only answer for Alaska.

I grieve that these people, most of whom are so well intentioned, have not gone to the trouble of learning the facts. If they had done so they would, if they followed logic, be willing, I am confident, to join with me in saying that there should be no reservations in the Territory. The alternative is simple, and has the added virtue of being right. What we should do is to discover through proper inquiry what lands, if any, belong to the natives and then give them those lands, either individually or as communities, or if they prefer, give them money in lieu of lands. They are thoroughly competent to administer their lands for themselves and to have title to those lands. There is no reason whatsoever why they should be guided forever by the distant hand of the Federal Government, and that is just what would happen under reservation status. I should like to qualify this in one particular; it might be that some of the Eskimo people, less far advanced in civilization than the Indians of southeastern Alaska, should have the Government act as guardian over their land for a specific period of say 25 or 50 or even 75 years. But no longer. To place these people under continuing and direct Government supervision would be to turn back the clock of history. It is unthinkable that we should do this.

The position outlined above was substantially that taken by the Alaska Native Brotherhood and the Alaska Native Sisterhood until a few brief years ago. Now they have expressed themselves as being in favor of reservations but I am convinced they have done so only because promises were made to them which never can be translated into reality.

In a press release dated July 25, 1950, the National Congress of American Indians quoted Mr. Rainer as saying that the statehood bill should be defeated if the Secretary of the Interior cannot establish reservations until final action has been taken on statehood because Asia and the world will be watching the attitude of the Congress toward this attempt to grab the property of a dependent aboriginal minority." And Mr. Rainer further asserted that if this were done a powerful propaganda weapon would be placed in the hands of Communist Russia. This reasoning is hard to follow. All that has been proposed is that no reservations shall be created for the time being; this is academic in any event because Secretary Chapman has declared he is not going to sign any reservation orders now. What property would be grabbed? No determination has been made as to property rights with the possible exception of Hydaburg, where a full-scale inquiry was made in 1944. No one knows what property may or may not be owned by the natives anywhere else in Alaska. Over and over again the proponents of this wholesale reservation policy have claimed—in wholesale distortion of the truth—that practically every square foot of Alaska soil belongs to the natives. The natives themselves make no such contention and in their hearts those who are now trying to delude the public know there is no substance to that contention. In continuing to harp on the Treaty of Cession and on subsequent congressional acts they constantly reiterate that an attempt is being made to alter a fixed position of the Federal Government if anyone speaks out against reservations. That is one of the difficulties which confronts us today. The Federal Government has not acted. We have often been asked why this cannot be settled by the Indian Claims Commission. The answer was given by Hon. Warner W. Gardner, former Assistant Secretary of the Interior, when in testifying before the House Public Lands Committee on June 13, 1947, he said:

> Even that situation is a little confused, because no one can say at this time whether a given tract of land has been taken from the natives, or whether the deed has been lost by them. If they still own that land, and they still have valid rights to that land, they have not a claim to prosecute before the Indian Claims Commission, or before the Court of Claims. The major difficulty is that nobody can say whether they have the land now, or whether they have lost it. * * *
>
> The Indian Claims Commission is designed to take care of the property taken before August 24, 1946. To the extent that the natives' lands have been taken, or have been lost prior to last August, they have a claim which can be presented to the Indian Claims Commission, and also presented to the Court of Claims under a special jurisdictional act passed 12 years ago, and still in effect.
>
> To the extent that their property has not been taken prior to last August, the Indian Claims Commission provides no remedy.

A fact of the greatest importance is that land title cannot pass to the native people if reservations are established. There is much misapprehension regarding this. Even so well-informed a man as Mr. Oliver La Farge, president of the Association on American Indian Affairs, Inc., fell into this error when he wrote Senator JOSEPH C. O'MAHONEY, chairman of the Senate Committee on Interior and Insular Affairs, on July 25, and stated:

> The present status of these rights is that it is possible under the Alaska Reorganization Act of May 1, 1936, for natives to obtain clear title to their lands by negotiation.

That statement runs directly counter to the conclusions of the Supreme Court of the United States. In May of 1949, in ruling on the so-called Karluk case, the Supreme Court stated that the Secretary of the Interior cannot dispose of Federal lands through any authority conferred upon him by section 2 of the act of May 1, 1936, which was the act extending the Wheeler-Howard Act to Alaska. That act, said the Court, "gives no power to the Secretary to dispose finally of Federal lands"; so title would not pass to the Indians or other people of native blood if reservations are made. Since over 99 percent of Alaska right now is in Federal ownership, title would remain where it is today—with the Federal Government.

As recently as July 24, 1950, former Secretary of the Interior Harold L. Ickes, writing in the New Republic, urged President Truman to veto the Alaska statehood bill if it is passed with the provision stopping any reservation action until the statehood processes are completed. Secretary Ickes calls this provision a "cowardly attack upon the property rights of the natives." Those rights, as stated above, have never been decided. Even when he was Secretary of the Interior, Mr. Ickes did not permit the Bureau of Indian Affairs to pass unilaterally upon that. Had it done so, it might be that Alaska would be one vast reservation today, because then there were some within the Bureau of Indian Affairs who believed in creating big reservations all over the Territory. It is significant to note that Mr. Ickes made only one trip to Alaska during all the years he was Secretary of the Interior, and his Commissioner of Indian Affairs never went there once, although we are now told that for many years no area has been more important from the standpoint of a minority race. Immediately after Mr. Ickes had been in Alaska he was unable in a press interview to recall the name of the capital of the Territory. His New Republic article did not indicate that he has added to his store of information. He notes that—

> The first reservation set up under the Roosevelt policy has worked successfully, despite the efforts of former Secretary Krug and certain members of his staff to raid it for the pulp interests.

What reservation does Mr. Ickes mean? If he believed that the land problem could be settled through the reservation process, he was singularly deficient in implementing that belief. The record shows that he did nothing at all as to reservations from May 1, 1936, until December 10, 1941. Over 5 years passed before the Department of the Interior under Mr. Ickes took advantage of the act which is now hailed as the cure-all. Of course, those of us who have studied this know the real reason why the act of May 1, 1936, was not employed was because it was never intended for any such purpose. The record shows the first reservation proclamation issued by Mr. Ickes was on December 10, 1941. According to the record, this must be the "first" reservation referred to by Mr. Ickes.

An examination leaves some room for doubt as to whether this reservation has played any notable part in solution of land or other problems. Under it only 968 acres were set aside for the benefit of 334 Eskimos at Unalakleet. That was no more or less than a townsite reservation of the type contemplated by the author of the Wheeler-Howard Act extension. The people of Unalakleet got along fairly well before the reservation and they are going all right now. It is strange, indeed, for Mr. Ickes to assert that former Secretary Krug attempted to raid this reservation for the pulp interests. Unalakleet is located on Norton Sound. If there is one thing above all other things that area does not possess it is timber. There are no trees. There is not even one single tree. The only wood which is found at Unalakleet is driftwood washed

up on the beach. The pulp interests which Mr. Ickes seems to believe are so nefarious would scarcely be pleased if they were given all the land on all the Arctic plains where a tree would stand out as the eighth wonder of the world.

As has been noted above, Mr. Ickes allowed more than 5 years to go by before he moved to set up the Unalakleet Reservation. Almost another 2 years were to pass before the next departmental proclamation was issued. From May 30, 1943, until the time he left office as Secretary of the Interior Mr. Ickes issued six additional reservation proclamations. Two of these were rejected by the native voters. So in the 13 years he served as Secretary of the Interior Mr. Ickes saw to it that 1,537,600 acres of land were set aside for the benefit of 1,181 natives. Of this total acreage, 1,408,000 acres were in the Venetie Reservation for the benefit of what the Bureau of Indian Affairs claimed to be 400 people but which the Census Bureau showed to be somewhat less than 100 people. Every last one of these reservations was in the Arctic. Not a single one of them was in southeastern Alaska where the valuable pulp resources are and where a mighty effort is now being made to set up big reservations. If Mr. Ickes thought the reservation policy was the correct one, it seems odd that he did not do something about it while he was Secretary of the Interior.

Mr. Ickes alleged that Governor Gruening and I have made "reckless and misleading statements about the harmful effect upon the natives' property and political status of setting up reservations." What are those so-called false and misleading statements? Governor Gruening and I have stated emphatically time after time that we do not believe there should be reservations in Alaska; that we believe that if the Indians have land rights they should obtain the land for themselves, not as wards of the Government; we have never suggested the political status of the Indian would be changed if they accept reservations; they are American citizens now with all the rights and privileges of American citizens and certainly those rights would not be diminished if they were to be on reservations. In his article Mr. Ickes complains that as Secretary of the Interior, Julius A. Krug supported efforts to despoil the native Alaskans in a wholesale way. But Mr. Ickes does give former Secretary Krug grudging credit for signing before resigning "five orders that had been lying on his desk for many months, setting up reservations which the Indians might accept or reject at specially-called free elections." According to my way of thinking "Cap" Krug did a magnificent job in his administration of Alaska affairs until his last day in office. Then he did sign three—not five—reservation orders after having previously and consistently announcing publicly and privately that he was altogether against Alaska reservations. Why he did sign those orders remains a mystery to me to this day.

One of them was at Barrow, one at Shungnak, and one at Hydaburg. The natives at Barrow and Shungnak rejected the reservation proposals and the Indians at Hydaburg voted affirmatively. Although Mr. Ickes called these "free elections" he alleges that the reservations at Barrow and Shungnak—

failed, thanks to Governor Gruening and Delegate BARTLETT, aided and abetted by certain Assistant Secretaries of Interior and employees in the Indian Office, including the Superintendent for Alaska. Here is a scandalous example of trampling upon minority rights, which will not be lost upon those who never miss a chance to point out our derelict behavior toward racial minorities.

I must say that at this point in reading the article I became rather bewildered. Are we to understand that the election at Hydaburg was free because the reservation proposal carried there but that the elections at Barrow and Shungnak were not free because the people at those places rejected them? Apparently Mr. Ickes would have preferred that those of us who oppose reservations should have kept quiet. I did not. I am proud to say that I was as active as I could be although it was impossible for me to leave Washington. It has been rumored that some reservation advocates, whose trips were perhaps paid out of the Public Treasury, were present at each of these places in person advocating the reservation proposals be adopted. I was obliged to confine my efforts to letter writing and to radio broadcasts. Whether Governor Gruening took any part in the very lively campaigning that went on, I do not know of my personal knowledge. If he participated word of that participation did not reach me.

Julius A. "Cap" Krug is accused by Mr. Ickes of playing "footsie" with the pulp interests. There are no pulp interests in Alaska.

Neither Governor Gruening nor I have attempted at any time to convey to anyone the impression we favor reservations. We are against reservations but I defy anyone to demonstrate where we have failed in one single instance as guardians of the real rights of these native people of Alaska. I submit that one can—and should—oppose reservations while at the same time remaining a true friend of Alaska's Indians, Aleuts, and Eskimos. The position that Governor Gruening and I now take is a consistent one. It is the same one which until quite recently was the official position of those natives who are organized in the Alaska Native Brotherhood and the Alaska Native Sisterhood. We have not changed but some of them have and chiefly, as I have said, because there were held out to them promises which never can be fulfilled.

On February 2, 1950, Gov. Ernest Gruening of Alaska and I appeared before the Senate Interior and Insular Affairs Committee to make our views on this subject known to the members of the committee. I think it is pertinent here to quote from the testimony given by Governor Gruening. Since Governor Gruening's statement was lengthy it cannot be submitted here in its entirety but I should like to call to your attention certain things he had to say:

Before I came to Alaska as Governor no native had ever been appointed on any board, and as they represent a substantial portion of the population, I resolved that they should be represented whenever and wherever I could find well-qualified members of their race. Since that time I have appointed them to the Alaska Housing Authority, to the Veterans' Administration board, to the board of public welfare, to the fisheries commission, and on various draft boards. I propose to continue to do that.

Now, I mention that because I think it is important for me to qualify myself as one who has a very deep feeling and sympathy for the natives. They have been until very recently the truly permanent population of Alaska. They are the people who have always lived there, and always will live there. If you could apply an artificial term of measurement which you might call man-months of residence, they would have a larger population perhaps even than the whites, because they are 12-months-out-of-the-year residents, and anything you do to improve their economy, their well-being, and their capabilities is helpful to Alaska as a whole.

Broadly speaking, until very recently the white man has been one who has come to Alaska, spent some years, made some money, and gone "outside" with it. I don't mean that is wholly true, but that has been the general tendency. That is why after 82 years under the American flag, we have only added to our population, the white population, some 80,000 or 90,000, while in the same period of time the population of the United States has increased by 125,000,000. That is changing now, but the fact still remains that the native forms the great base of our population, and therefore is extremely important politically, socially, economically, and I want to do everything I can to help him build himself up in those three fields.

Now, to come to reservations, I first learned of this policy about 1944, although the policy had apparently been in effect a little while before. And it was rather puzzling to us, and so I wrote a memorandum on the subject to Secretary Ickes.

The CHAIRMAN. What was the policy of which you heard?

Governor GRUENING. I heard that large areas were being set aside without any hearings for a very small number of natives, that these natives were in effect being made reservation Indians, and it seemed to me that that policy had not been the subject of sufficient study and discussion, that the people of Alaska knew very little about it, and that it should be examined.

The reason I go back to this is that I want to point out that as far back as December 20, 1944, and somewhat earlier, I began questioning this policy. This is not a recent discovery of mine. If you don't object, because I think it is pertinent, I would like to read the essential portions of this memorandum and then, if you want the whole memorandum for the record, I will be happy to leave it. This is dated December 11, 1944, and is a memorandum for the Secretary of the Interior:

"MEMORANDUM FROM GOVERNOR GRUENING TO SECRETARY ICKES (DECEMBER 20, 1944)

"After several weeks of study and conferences on the subject of the natives of Alaska in connection with correspondence during the past year, I feel it is my duty to set down as my reasoned view that the policies to which the Office of Indian Affairs and certain members of the Solicitor's staff are seeking to commit the Department of the Interior will prove primarily disastrous to the natives of Alaska, and will seriously jeopardize not merely the present economy of Alaska and Alaskans, but any pending program, such as the President's, for postwar development of Alaska by veterans of this war.

"The history of the legislation under which native reservations on a gigantic scale are now being projected for Alaska shows clearly that the Department's policy as stated by you to Congress, was quite otherwise.

That assurance is found in your letter of March 14, 1936, to Chairman Will Rogers, of the House Committee on Indian Affairs (a letter, incidentally, surnamed by not fewer than 16 departmental officials, including Collier, Zimmerman, and F. S. Cohen). This divergence between your publicly declared policy and the policy that is now being developed by the Department is further emphasized—and contemporaneously—by your recent statement of policy in your letter of August 2 to Chairman Schuyler Otis Bland of the House Committee on Merchant Marine and Fisheries.

"Before going into detail on these two points I desire to review recent efforts on the part of Department of the Interior officials and various Alaska authorities to secure a clarification of Federal policy toward the natives of Alaska. On February 18, last, Acting Secretary Fortas, referring specifically to the Juvenile Code and the Mothers' Allowance Acts, wrote me: 'It is my belief that every possible effort should be made to break down discriminatory practices against natives in the Territory.' I replied at length on March 4, presenting in detail the various and intricate issues in conflict, and requesting clarification; on the same date and pursuing the same objective, the Territorial board of public welfare wrote a long letter to the Secretary of the Interior asking for his views and policies so that, if he concurred, steps could be taken promptly and in anticipation of the next Territorial legislative session to eliminate the discriminations long established and sanctioned by Federal practice and likewise written into subsequent Territorial law.

"Careful consideration and a complete reply to this letter was promised by Commissioner Collier in a memorandum to Under Secretary Fortas on April 1, but no reply has been made.

"Meanwhile, the Department indicated its desire to get further specific recommendations on policy along these lines from a newly constituted informal commission on health, welfare, and education set up in Alaska under my chairmanship and composed of the heads of the following Federal agencies in Alaska: Office of Indian Affairs, Public Health Service, Children's Bureau, Community War Services, Federal Security Agency; and the following Territorial agencies: department of public health, department of public welfare, and the board of education. The recommendations forwarded to you from this commission on April 29 were specific, and unanimous that all welfare activities affecting both white and native children be placed under the Territorial department of public welfare and that steps be taken promptly to test the constitutionality of the Territorial statutes which provide care under the Territorial board of public welfare for white mothers and white children only. The Department's views on these proposals were again specifically asked. Prompt action was of course important since it meant the preparing of an entirely different budget for the Territorial legislature and securing the assent of the various Federal agencies—Social Security, Children's Bureau, Public Health Service—which contribute to the Territorial budget. In acknowledging receipt of this letter on May 12, 1944, Director Thoron said: "This matter will be elaborated upon in greater detail in a letter to be prepared by the Indian Office for the Secretary's signature in reply to your letter." I have been informed that the text of this letter is still a matter of discussion in the Office of Indian Affairs.

"Then in midsummer came the hearings in regard to aboriginal rights and the first general awareness in Alaska of the existence of the policy of setting aside large native reservations. With this it became clear that no decision on general native policy could be made by you until after the hearings; it was obviously not possible for the Governor to go to the legislature with a new program that would involve greatly increased expenditures for social welfare of the natives. Up to that time we had considered that the prospects of such a program would be good. In view of the universal apprehension about reservations for natives in Alaska and the uncertainty as to what would be done, it was clear that it would be useless to present such a program.

"The paradox between a Federal policy which sequesters natives by means of so-called exclusive rights and yet desires the natives to share equally in the Territorial community and in all benefits provided for the white population has been sufficiently covered in my letter to Acting Secretary Fortas of March 4, copy attached. It is a form of inverted Jim Crowism, and, like Jim Crowism, this policy is as tragic for the natives as it is for the whites.

"The natives, by and large—as I shall indicate later on in this memorandum—have been making progress in their stated ambitions to become equal citizens of the Territory—politically, economically, socially. Much remains to be done to secure a full measure of justice for them. No fair-minded individual will argue against an orderly extinguishment of aboriginal rights which the Indians still retain, although I consider that of less importance for the long-range welfare of these citizens than the assurance to them of full political, economic, and social equality and opportunity in a land of expanding vistas. But what this program does is to get the natives back a full generation or more in the striving for their essential aims—as they themselves proclaim them. It sets citizen against citizen, in a state of alarm which the natives are the last to desire. Both the word and the meaning of "reservation" are violently repugnant to all Alaska.

"Although it may come as a surprise to members of the Office of Indian Affairs that the issue of reservations is now raised by a strongly aroused public sentiment in Alaska and by me, since the authorization for such policy has been in effect for 8 years, the fact is that only recently, with the setting aside of enormous reservations, has the public become aware of the existence of such policy. And as I shall endeavor to show, it is in effect—quantitatively—a new policy, a policy which has created a state of mind completely antagonistic to orderly progress and to amicable relationship between the races in Alaska. Previous to this time friction between whites and natives had been diminishing and there was every prospect and hope that its disappearance could be foreseen at a not-too-distant date. We had achieved the unprecedented triumph of electing two worthy natives to the legislature.

"The particular reservations that attracted so much attention were the ones at Karluk (of which an absentee canning company is the chief beneficiary to the detriment of both native and white fishermen) and at Venetie where 1,408,000 acres were set aside for what are stated to be 400 individuals, a total of 3,520 acres per person, although my information is that the actual number of natives is considerably less—about a hundred. This, however, is not an extraordinarily large figure as Alaska Indian reservations are projected. In the case of the Tetlin Reservation not fewer than 10,254 acres per native have been set aside. Coupled with this was general knowledge that in not a few instances the natives do not desire these reservations and are pressured by Office of Indian Affairs officials to make them vote favorably, a tactic which savors strongly of Hitlerism. My own personal experience confirms this. In several cases, where the natives, despite coercion, have rejected the Office of Indian Affairs proposal for a reservation, plans were immediately laid to convert them and to hold another election, this process presumably to be repeated until the Indians yield.

"In view of these various factors and the terrific damage that is being done in Alaska, I wrote you on August 12, stating that, while I had not yet reached a final conclusion, it seemed to me that the full consequence of the reservation program for Alaska had not been adequately appraised by the Office of Indian Affairs, that its policy there appeared to me to be 'horses ridden in opposite directions' and urging you, before approving further withdrawals for native reservations, to set up a representative committee within the Interior Department to make a report to you. I am certain that the economic benefits which the advocates of the reservation claim for it can be secured much better in other ways without the disastrous consequences of the reservation program.

"Earlier in this memorandum I stated my view that the policy which is now being carried out is not the policy that you originally sanctioned or are now sanctioning, nor the one which Congress believed it was approving when it passed the necessary legislation in 1936. In the Department's report dated March 14, 1936, to Will Rogers, chairman of the House Committee on Indian Affairs, on H. R. 9866, a bill to extend certain provisions of the act approved June 12, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong.; 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes, and signed by you as Secretary of the Interior, appears the following:

" 'Section 17 in authorizing chartered corporations uses language based upon the status of Indians in continental United States. The first sentence of the section reads: "The Secretary of the Interior may, upon petition by at least one-third of the adult Indians, issue a charter of incorporation to such tribe." Indian tribes do not exist in Alaska in the same sense as in continental United States. Section 19 of the Indian Reorganization Act defines the word "tribe" as referring to "any Indian tribe, organized band, pueblo, or the Indians residing on one reservation." With a few exceptions, the lands occupied by natives of Alaska have not been designated as reservations. In order, therefore, to define an Alaskan tribe it is necessary to identify it with the land it occupies and in terms of the language of the act, "Reservation." In addition, if native communities of Alaska are to set up systems of local government, it will be necessary to stipulate the geographic limits of their jurisdiction. Reservations set up by the Secretary of the Interior will accomplish this.'

"This paragraph shows conclusively in my judgment that the permissive establishment of reservations in Alaska was adopted merely as a device in order to permit the natives of Alaska to secure chartered corporations and the other benefits of the Wheeler-Howard bill. The above-quoted letter of transmission makes clear that it was never intended that these reservations should be more than town-site reservations—reservations including the land actually dwelt on by the Indians. To stretch this into a program setting off thousands of acres per single individual seems to me a fantastic distortion and perversion of the originally declared purposes of the act.

"It is true that the next paragraph in your letter to Chairman Rogers cites 'An even more important reason for the designation of reservations'—fulfillment of an implicit obligation in two acts of Congress. The first act, that of May 17, 1844, provides 'that the Indians or other persons in said district shall not be disturbed in the possession of any lands actually in their use or

occupation or now claimed by them * * *' The second, that of March 3, 1891, is referred to in your report as containing similar language and that language is: 'That none of the provisions of * * * this act shall be so construed as to warrant the sale of any lands belonging to the United States which shall contain coal or the precious metals, or any town site, or which shall be occupied by the United States for public purposes, or which shall be reserved for such purposes, or to which the natives of Alaska have prior rights by virtue of actual occupation.'

"Taken in conjunction with the earlier discussion, it seems clear that, at the time passage of this act was sought, not only was the 'reservation' as it was to be applied to Alaska to be a mere device to enable the 'natives' to secure the loans and other economic benefits of the Wheeler-Howard Act but that the extent of such reservation was to be limited approximately to the town site of the native village. Against such town site reservation there could be no possible objection; indeed, it is desirable. But where hundreds of thousands of acres are 'reserved,' often for handfuls of 'natives,' the application of the act becomes something entirely different. By no stretch of the imagination can such vast areas be deemed those of former 'actual occupation.'

"That these original purposes are now largely perverted is further confirmed by your letter of August 2, 1944, to Chairman Schuyler Otis Bland of the House Committee on Merchant Marine and Fisheries, in which you stated:

" 'By the act of May 1, 1936 (49 Stat. 1250), the Congress vested in this Department the power and responsibility of establishing reservations for the natives of Alaska. This power has been very sparingly used, and indeed has not been used at all in southeastern Alaska. The authority to establish reservations affords only a partial solution of the problems that we face in this area. I am convinced that in fairness to non-Indian fishing interests some measures should be adopted which would permit us to compensate the natives of Alaska for those lands and fishing areas to which their possessory claims have not been extinguished, but which, from the standpoint of a sound economy, should be open to public development instead of being reserved for exclusive native use. Such a measure would put our public-domain policy in Alaska on a par with our traditional policy in the States. I am hopeful that the forthcoming hearings will provide the sound factual basis for a statesmanlike legislative solution of this problem, and I know that I can count on your steadfast cooperation toward that goal.'

"I think it fair to assume from your statement: 'This power has been very sparingly used' that it is implicit that it will continue to be sparingly used. Yet there are now pending in the Department, in addition to the seven reservations established under the act of May 1, 1936, 12 proposals for further reservations totaling 2,462,000 acres. Moreover, Commissioner Collier informs me that the program contemplates not fewer than 100 such reservations and that some of the present reservations will be further enlarged.

"Perhaps it has not been brought to your attention that the 'natives' of Alaska are among the most vigorous in opposing this program. The Alaska Native Brotherhood, the one official body qualified to speak for the Indians, only a few weeks ago went on record by resolution as opposed without qualification to the pending reservation project. They realize fully what it means for their future.

"It is true that the canning and fishing interests are also opposed to the program, largely for selfish reasons. But the brunt of the opposition comes from the large body of public-spirited men and women, "natives" and whites, clergymen, labor groups, et cetera, who consider this policy both disastrous and ill-advised. The opposition includes many who are as solicitous about the welfare of the "natives" as anyone in the Office of Indian Affairs.

"Noteworthy among these is President Bunnell of the University of Alaska, whose record on behalf of the "natives" is outstanding. And, finally, Delegate Anthony J. Dimond, who sponsored the enabling legislation in 1936 at the request of the Department, has stated in recent days that he had no idea that anything more than town-site reservations were ever projected; had he known that the authority would be used as it is and as it is proposed to continue, he would not only have refused to sponsor the bill, he would have vigorously opposed it.

"It is obvious to me that this program will preclude the development of Alaska as a home for the thousands of veterans who have already expressed their interest in coming to Alaska when their war services come to an end. It is not only a question of preempting vast land areas which might be left available for settlement; it is also a question of interrupting an orderly and sound development of the Territory by inciting racial animosity and by strictures setting aside widespread areas of "no trespassing by whites"—an atmosphere little suited for the cradling of a project in pioneering, and for the realization of a dream which has been born in the hearts of thousands of our fighting men overseas, a dream the Department has helped to conceive.

"I do not question the sincerity and highmindedness of those who are trying to promote this program. They believe that it will help the "natives." But their zeal to achieve ends had led them to sanction practices which in themselves are highly reprehensible, such as forcing the "natives" to accept reservations willy-nilly, a zeal which has prevented them from giving you a correct interpretation of conditions in Alaska.

"Therefore, I desire to repeat my request that the policy of establishing reservations in Alaska be suspended until it can be thoroughly investigated by a group of individuals without bias or preconception, to whom I hope you will assign this important responsibility."

Senator CORDON. Mr. Chairman, I suggest that the letters to which reference was made in the memorandum just read and which were attached be made a part of the record for the benefit of the committee in further consideration of this matter.

The CHAIRMAN. It will be so ordered.

(The letters referred to are as follows:)

MARCH 4, 1944.

Hon. ABE FORTAS,
Under Secretary of the Interior,
Washington, D. C.

MY DEAR MR. UNDER SECRETARY: I have your letter of February 18 in which you urge that the constitutionality of the Juvenile Code Act, passed by the sixteenth session of the Territorial Legislature in 1943, and the Mother's Allowance Act, passed in 1929, be tested. You state your "belief that every possible effort should be made to break down discriminating practices against natives in the Territory." With this belief I am in hearty and unqualified accord. The method you suggest is provided by section 666 of the Compiled Laws of Alaska. Under this section the Attorney General is empowered to test in the courts the constitutionality of these acts provided that in addition to the Governor's consent, which I shall be most happy to give, he obtains also the consent of either the Territorial auditor or the Territorial treasurer.

Before initiating this fundamental step, however, I desire to call your attention to the fact that, while racial prejudice on the part of the whites against the natives unfortunately exists in Alaska and should be combated vigorously on every possible occasion, the discriminations referred to in your letter of February 18 do not have their origin in local racial prejudice. They stem from the practice inaugurated by Congress of dealing separately with Indians, Aleuts, and Eskimos, which policy has obviously had the full approval from year to year of the Department of the Interior.

When legislative power was granted to the Territory in 1912 the legislature, in making separate provisions for the whites, merely recognized and continued the existing practice without much regard for equality of allotment for similar purposes. Thus it was inevitable that one or the other government, Federal or Territorial, should fall behind in providing for its group; neither knew how far the other would go in extending existing legislation. On the one hand, the Federal Government granted a variety of exemptions, immunities, privileges, free hospital, medical and dental services, and various forms of financial and other assistance to natives. Extension and enlargement of some of these privileges is in process. On the other hand, the Territory made provisions, limited to whites, for mothers' pensions and for dependent and delinquent children. The result today is that the benefits are not evenly balanced. But just how extensive the lack of balance, and where it exists, is difficult to determine.

The population of the Territory according to the last census is about 72,000, of whom approximately 30,000 are natives (Indians, Aleuts, and Eskimos) and 42,000 whites. The total annual appropriation for the whites in the Territory as established by the legislature in 1943 for the next 2 years is $2,167,930. For the fiscal year 1944 the appropriation of the Federal Government for the Alaska Indian Service was $2,026,278. These appropriations are therefore practically equal, except that the appropriation for whites is for four-sevenths of the population and for "natives" is for three-sevenths.

In the Territory some of the whites feel that they are discriminated against by the Federal Government because they are denied the exemptions, immunities, and privileges granted the natives. On the other hand, some of the natives complain that they are discriminated against by the Territory by the existence of separate school systems, welfare machinery, etc. These complaints—both from whites and natives—cannot be eliminated so long as the present practice of dealing separately with the natives is continued, unless some understanding is reached between the two governments as to what responsibilities each will assume.

Under these circumstances, careful consideration should be given, it seems to me, to the question whether, if the courts confirmed the unconstitutionality of the statutes involved, the entire Office of Indian Affairs, as far as Alaska is concerned, would not thereby be rendered illegal and liable to abolition.

It seems to me clear that for many years to come it is highly desirable and indeed essential to the welfare of the natives to maintain in Alaska an agency such as the Office of Indian Affairs. At the same time it is clearly desirable to increase the sense of responsibility of the territorial authorities toward the native population, to diminish and abolish if possible the sense of discrimination and indeed the discriminations themselves. These two desirable objectives, however, are in conflict at many points.

The question therefore seems to me to resolve itself into one of major policy in which a careful weighing of the relative advantages and disadvantages to each group of the present situation be undertaken. The territorial legislature would, I feel certain, be reluctant to take over the responsibility of the care of the natives—assuming that this should be desired by the Department of the Interior and by the natives themselves, once they understood all that was involved—unless concomitantly with the undertaking of these new obligations by the Territory the various exemptions, immunities, and special privileges which the natives enjoy were terminated, and the natives placed on a parity with the whites so far as taxation and other burdens of the Government are concerned. The financial aspects would naturally weigh heavily in the legislature's decision, since they would involve doubling the territorial budget and levying from the Territory a sum that has hitherto been supplied by the Federal Government.

If the constitutionality of the present setup in the Territory is to be tested it would seem to me that the Department of the Interior should play an important part in the proceedings and should perhaps itself initiate, or guide the initiation of whatever legal action is to be taken. I should deem it unwise, without further and fuller consideration by the Department, to have the matter given wholly into the hands of the Attorney General of the Territory. Without questioning his motives it should be noted that he has recently rendered these highly tendentiously worded opinions on the eve of a political campaign in which he is a candidate for elective office. In this election the "native vote" is not an unimportant factor.

I would, therefore, desire to have the Department's considered views before taking the matter up specifically with the Attorney General and with one or both of the other two officials whose assent to such action is necessary.

Sincerely yours,

ERNEST GRUENING,
Governor of Alaska.

JUNEAU, ALASKA, *March 4, 1944.*

Hon. HAROLD L. ICKES,
Secretary of the Interior,
Washington, D. C.

DEAR MR. SECRETARY: The Alaska Board of Public Welfare, meeting at Juneau, Alaska, during the month of February 1944, has reviewed the problem of social welfare in Alaska, especially with regard to the question of welfare among the native peoples. The board's reasoned views concerning this subject prompt the writing of this letter. The outstanding conclusion is that it is absolutely necessary that there be a clear definition of the policies and objectives of the Office of Indian Affairs wherein welfare is concerned, in order that the benefits of social welfare may be extended to all Alaskans, regardless of race or color.

Because of Territorial statutes establishing responsibility of welfare to the exclusion of native people, an agreement and definition of policies was entered into between the Office of Indian Affairs and the Alaska Department of Public Welfare. This agreement, signed by William B. Kirk, director of the department of public welfare, and Claude M. Hirst, General Superintendent of the Office of Indian Affairs in Alaska, was approved on February 10, 1939, by William Zimmerman, Jr., Assistant Commissioner of Indian Affairs, and on March 4, 1939, by Oscar L. Chapman, Assistant Secretary of the Interior.

The agreement attempts to define jurisdiction concerning welfare among the white and native residents of Alaska. Welfare has, since the approval of the agreement, been administered on the basis established by it. But after 5 years to a day from the signing of the agreement, the board of public welfare has come to the conclusion that nearly half of the population of Alaska, namely, the native peoples, including the Indian, Aleut, and Eskimo races, are without benefit of adequate social services because of the following reasons:

1. The Office of Indian Affairs, under the signed agreement, assumes the responsibility for welfare among the native peoples. Such responsibility has not been and is not adequately carried into effect.

2. The Office of Indian Affairs has no professional social workers on its staff. It has a social welfare division headed by a supervisor of social services who is not a professionally qualified person for that responsibility.

3. The Office of Indian Affairs attempts to administer welfare on the basis of need, but asserts that it has not sufficient funds to meet the needs of the native people.

4. As revealed during the last 5 years, the Office of Indian Affairs policy has been to attempt to avoid the financial responsibility for caring for native people whenever a technicality could be utilized for such purposes.

5. The difficulty of determining whether a case comes under its jurisdiction or that of the department of public welfare operates to the disadvantage of the native people, and in numerous cases services have been denied without adequate steps being taken to determine such responsibility or jurisdiction.

6. The authority of the Office of Indian Affairs to operate for the welfare of native people appears to have wholly variable limits and definitions, depending largely on the mood or whim of its officials. On the one hand, responsibility is asserted for all matters pertaining to natives, and, on the other hand, relief is denied for such arbitrary reasons as the fact that the native children attend white schools. Paradoxically the Office of Indian Affairs has advanced the view that native children have the right to attend white schools. On various occasions the Office of Indian Affairs has denied assistance to the child of a native mother unless the native mother went to work for the Office of Indian Affairs, leaving the child without a mother's care. Numerous incidents serve to illustrate an entire lack of social planning and the immediate need of social welfare personnel to plan for the welfare of children and adults, and to execute that planning.

7. Adequate social planning and social welfare work to better the conditions among the native people are conditional upon health and sanitation, as well as education. There is no professional sanitarian on the staff of the Office of Indian Affairs. Its medical program, as revealed in the last 5 years, though operating hospitals and services with field nursing staffs which are inadequate quantitatively though good in quality, appears to be administered with little regard for the home conditions of sanitation and health. That program pays little or no heed to preventative aspects which are all the more necessary in view of the insufficiency of hospitalization facilities.

8. With regard to child welfare, the Office of Indian Affairs after 5 years is still completely unprepared to handle the problem. It is well aware of the fact that a staff of professional social workers operates in Alaska under direction of the Alaska Department of Public Welfare. It is likewise aware that such department has a Federal-Territorial child-welfare services program which is administered without regard to race. Yet it has consistently avoided the use of such staffs in conditions involving the welfare of native children and in many cases has refused the proffered aid of such staff when native children's problems came to the attention of the department of public welfare. A recent conference held at Ketchikan, Alaska, a stenographic record of which was taken, bears out the contradictory attitudes of the Office of Indian Affairs and demonstrates that it lacks a well-defined policy with respect to juveniles and has no staff to plan adequately for the welfare of children.

9. It is impossible to determine what policy the Office of Indian Affairs attempts to follow with regard to dependent, neglected, or delinquent children. In this connection its actions present a serious problem, as evidenced by the procedure followed at the time of the enactment of chapter 8, Session Laws of Alaska, 1943, which act is commonly known as the Juvenile Code. This Juvenile Code bill, designed to provide for the protection of neglected and delinquent children in Alaska, had been sought for many years. It had the support of every enlightened civic group in the Territory. It had failed of passage in previous years largely because of the confusion and misunderstanding that existed in regard to the division of authority and responsibility concerning whites and native children. In the 1941 legislative session when this bill came up, the Superintendent of the Office of Indian Affairs, Mr. Hirst, was in the States, and it was not possible to secure an authoritative statement of the Office of Indian Affairs' position from his subordinates. The bill failed of passage.

In the subsequent 2 years the need for such legislation became more and more imperative and it seemed clear that the 1943 legislature would enact it. The Superintendent of the Office of Indian Affairs was again in the States throughout the entire session of the legislature. His subordinates, left in charge, had no suggestions to make on the bill until it had passed through the House of Representatives and was up for consideration in the Senate. Its members then consulted with one of the Senators, and as a result various amendments were introduced which provided that native children found to be neglected or delinquent should be referred to the Office of Indian Affairs, whereas the white children should be referred to the Territorial Board of Public Welfare.

These amendments and the bill in its final form had the full approval of the officials of the Office of Indian Affairs in Alaska. In view of the 3-day limitation imposed by law required for signing or vetoing the bill, it was not possible to refer it to the Office of Indian Affairs in Washington. In considering the bill, the Governor requested an opinion of the attorney general of Alaska as to its constitutionality. The attorney general declared the law unconstitutional in a written opinion. Thereafter, the Governor allowed the bill to become law without his signature, stating in a message to the legislature that, "despite its asserted unconstitutionality," the act represented a distinct advance, vesting in the Territory for the first time, jurisdiction over all children, with power "to resort to judicial process to take children from drunken, vicious, or otherwise unfit parents, relatives, or guardians"; that it made "humane provision for dealing with children who commit offenses, as delinquents, properly considering them as more sinned against than sinning, as victims of their environment and circumstances and not as criminals." He concluded his message by stating that the enactment of the bill into law after years of unsuccessful effort was therefore "cause for solid satisfaction."

It should be pointed out that the attorney general's opinion based the allegation of unconstitutionality of the act upon the fact that native children were referred to the Office of Indian Affairs which had insisted on these provisions—provisions which also had

been established by the agreement formerly referred to, approved by the Interior Department March 4, 1939.

In the 10 months since the act has been in effect, officers of the Alaska Office of Indian Affairs have on numerous occasions asserted that the act was unconstitutional and should be tested in the court in order that all children, regardless of race, would become the responsibility of the Territory. It is this lack of established policy or lack of clarification of the purposes and objectives of the Office of Indian Affairs which conflicts with the proper administration of social services in Alaska. Commitments made under the act, of native children, have received little attention, and in numerous cases no planning for the benefit of the child has taken place. In other instances following commitment, officials of the Office of Indian Affairs have returned the child to the same condition which prompted delinquency and thereafter conducted no supervision over the child.

Wartime conditions in Alaska have accentuated the need for a coordinated program of health and welfare designed to provide services to all persons in need, regardless of race. In support of such conclusion, health authorities have proposed a coordinated health program with health services to be made available without regard to race. Inasmuch as welfare and health go hand in hand, it appears that serious efforts should be made at this time to attempt coordination of various public and private health and welfare agencies in the interests of efficient administration and service to the people. The board of public welfare is therefore anxious to secure from the Department of the Interior a firm declaration of policy and a definition of the duties, functions, and responsibilities of the Office of Indian Affairs with respect to welfare among the native people of Alaska.

For your information the following statements concerning the department of public welfare are presented:

1. The department of public welfare has a social-welfare division. It is staffed by a supervisor of child-welfare services, and at present five child-welfare services workers, located in the following areas: Juneau-Douglas, Ketchikan, Anchorage, Fairbanks, and itinerant service available in southeastern Alaska for the areas of Skagway, Haines, Sitka, Hoonah, Tenakee, Peterburg, Wrangell, Craig, Klawock, Hydaburg, and Metlakatla.

2. The department administers the following programs under agreement with the Federal Social Security Board: Old-age assistance and child-welfare services. These programs make no distiniction as to race. It also administers the following programs under Territorial statutes which do distinguish between races; general relief, mothers' allowances, and juvenile-code commitments.

3. In addition to the professional staff, the department has eight part-time agents in the Territory, and utilizes the services of United States commissioners, postmasters, school teachers of the Office of Indian Affairs, and others, in maintaining contact with the social needs of the residents of Alaska.

4. Funds appropriated by the Alaska Legislature to be administered by the department are restricted in their use by the statutes. With respect to the general relief, mothers' allowances, and juvenile commitments, Territorial funds cannot be expended for the benefit of native peoples except as defined by law and the agreement with the Office of Indian Affairs.

5. Programs administered by the department of public welfare because of the war, under agreement with the Social Security Board, include the following: aid to dependents of enemy aliens affected by restrictive action of the Federal Government; civilian war assistance; service programs in connection with the needs of individuals who are dependents or persons in the Armed Forces, and various service activities in connection with interstate agreements concerning social welfare. These activities are without regard to race and are services on behalf of persons in need thereof, as distinguished from purely financial assistance.

6. The department of public welfare is not at present staffed with sufficient professional workers to serve the needs of the entire Territory. Its present plans call for the addition of an itinerant child-welfare service worker to cover the Prince William Sound area in southwestern Alaska, including the communities of Cordova, Valdez, Seward, Seldovia, Kodiak, and adjacent villages.

7. The professional staff of the department is available and utilized by the commissioner of health in Alaska and his agency, in connection with the administration of the crippled-children's services and services for maternal and child-health programs under title V of the Federal Social Security Act.

8. The department of public welfare is dependent for more than two-thirds of its administrative funds on the Legislature of Alaska. Approximately $25,000 annually is received for administrative purposes under title I and title V of the Federal Social Security Act. The only grant funds received from the Federal Government are those made available under title I of the Federal Social Security Act. Approximately $250,000 annually is made available under this program. Approximately $7,500 annually is received to be disbursed for assistance to dependents of enemy aliens affected by restrictive action of the Federal Government. The United States district judges in each of the four judicial divisions of the Territory disburse approximately $25,000 annually from the Alaska fund as authorized by section 155 of the Compiled Laws of Alaska, 1933. Funds appropriated by the Alaska Legislature for assistance to persons in need, other than natives, total approximately $500,000 annually.

9. The department of public welfare is organized and functions in the following manner: The board of public welfare, established by legislative act in 1937, consists of one member from each of the four judicial divisions and the Governor of the Territory. Its authority consists of promulgating regulations and establishing policies within the legislative framework. It employs and delegates administrative control and authority to a director, who, in turn, is charged with the administration of the welfare laws and the department's regulations.

Staff is employed in accordance with provisions of the Alaska merit rule, a joint personnel plan participated in also by the Alaska unemployment compensation commission and the commissioner of health and his agency. Within the department are the various divisions of social service, accounts, and business management. Funds made available to the department are disbursed upon vouchers approved by responsible bonded officials of the agency. Payment of such vouchers is made upon warrants drawn by the auditor of Alaska and approved and countersigned by the treasurer of Alaska. All funds are on deposit with the treasurer of Alaska.

The question of constitutionality of Territorial statutes which restrict the expenditure of appropriations by the legislature to residents of Alaska, except natives, otherwise eligible for assistance through the Department of the Interior, has to the knowledge of the board never been tested by competent courts. The situation then resolves itself into a question of divided authority and jurisdiction—the difficulties and inequalities of which are and have been for many years troublesome and without precedent under any interpretation of good government.

Alaska has arrived at the time in its development when these inequalities should be removed and a competent centralized agency made responsible for the social-welfare needs of the people of Alaska, without regard to race. Certainly Alaska is in no position to assume the dignity and important responsibilities of government as a State unless it can first realize and understand that all of its people should be eligible for and entitled to the benefits of government. This is not possible under the present legislative structure.

The Federal Government has reserved to itself and assumed since the purchase of Alaska in 1867 responsibility for the organization of government, protection over its industries, supervision over its natural resources, and care of its aboriginal races. The agency of the Federal Government which has provided the means for carrying such responsibility into effect with regard to providing for the welfare of the aboriginal races is the Office of Indian Affairs. Although in the execution of its programs health, welfare, and education have presumably been available to the native people, it is apparent that their standard of living has not been raised comparatively with that of the whites in the corresponding period. Their education has not extended, unfortunately, into the important domain of healthful living.

Seven years have elapsed since the establishment of an Alaskan Department of Public Welfare, and during those years the divided jurisdiction and responsibility for social welfare in the Territory has merely created greater difficulties in carrying into effect policies of welfare on behalf of the native peoples of Alaska. Whereas people of the white race in Alaska have the benefits of a fair standard of health, welfare, and education, and their standards of living have been raised, the native people have been without the social protection of a competent and progressive-minded agency or government. The agency charged with the administration of such subject has failed to keep pace with the Territorial government agencies, and it is the conclusion of this Board that definite steps should be taken immediately to promote the welfare of the native peoples of Alaska by making available to them services which they have received in only the most limited degree.

If the Federal Government desires to continue its assumed responsibility for the welfare of the native peoples of Alaska, the board of public welfare would appreciate being advised authoritatively and specifically as to the policies, functions, and authority of the Office of Indian Affairs in Alaska. If possible, legislative action should be taken to centralize the responsibility for the social-welfare needs of the peoples of Alaska, regardless of race. Should such legislative action result, what part will the Federal Government play in assisting the Territory in the financing of programs promoting the welfare of the people of Alaska? Will funds now made available to the Office of Indian Affairs for relief purposes amongst the native people be made available to the Territorial government to assist it in ministering to the needs of the native peoples?

We are not unaware of the complexity of dealing with a population three-sevenths of which is a group of three races other than white. Race discrimination as exists by congressional enactment and Territorial statute is an anachronism reflecting upon the democratic form of government which today is fighting for its life in nearly every country on the globe. To make available the benefits of government to all the residents of Alaska, either such legislative barriers must be removed or there must be a clearer definition and functioning of Federal and Territorial responsibilities. It is for these reasons, stated at such length and in such detail, that the subject is brought to your

attention. Your policies and views upon the matter will be greatly appreciated by this board, together with any suggestions or recommendations which may tend toward a solution of the problems here presented.

Very truly yours,

———— ————,

Governor of Alaska and Chairman of Board of Public Welfare, for the Board.

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AUGUST 12, 1944.

Hon. HAROLD L. ICKES,
Secretary of the Interior,
Washington, D. C.
(Through the Division of Territories and Island Possessions.)

MY DEAR MR. SECRETARY: Director Thoron, just before his departure for the interior, showed me a copy of a report dated July 10 from Associate Solicitor Felix S. Cohen to Commisioner Collier on the subject of aboriginal claims in Alaska, and reporting on his recent trip. No copy of the report was sent to me, and I have never seen a draft of it, although the report asserts: "In substantially its present form the statement has been viewed and informally endorsed by Governor Gruening."

While Associate Solicitor Cohen was in Alaska, we had several conferences, but I know of no statement of general policy which I endorsed. I do desire to state however, my strong belief that the whole policy relatting to the natives in Alaska, particularly in the matter of the proposed reservations, has been insufficiently thought through and is, I fear, likely to do far more harm than good to the very people it is designed to benefit—the natives themselves.

There is no question whatever in my mind—and I imported this view to Mr. Cohen—that the native is in a very real and practical sense the true Alaskan, not merely because he has been here from time immemorial (which is more important sentimentally than practically) but, far more significant, because he always will be here, representing, generically, not only the one great group of certainly permanent Alaskans but the one group of 12-months-out-of-the-year residents. It follows obviously that every move to build up the natives' economy is highly desirable and that not only they but Alaska as a whole will be directly benefited by any policy which does so.

Related to this general line of thought is that Alaska has suffered and is suffering from absentee ownership and that any effort to alter this trend is sound policy for the development of Alaska. The transfer, for instance, of much of the present fish-trap ownership, now largely vested in absentee canning concerns, to more widely distributed, smaller, local ownership—to the ownership of Alaska communities, Alaskan groups, Alaskan cooperatives and Alaskan individuals—is a most worth-while objective. Since nearly half of the population of Alaska are natives, it follows that they would and should, under such a policy, receive corresponding benefits, a particularly desirable goal since the native is, as had been pointed out, the antithesis of the absentee.

But whether this economic aid will be secured by the establishment of reservations, whether their establishment in Alaska will not carry with it greater disadvantages, is the question which I am convinced has not been seriously and sufficiently thought through by anyone who is familiar with the special conditions existing in the Territory. The case of Metlakatla—established over half a century ago when Alaska was a primitive wilderness—does not in my judgment, as Mr. Cohen thinks, point necessarily to a similar solution for other communities. Nor does it follow that Indian policy and practice which work well in the States will do so in Alaska. That is one thing which the Office of Indian Affairs in Washington apparently does not fully appreciate. I know that in the 10 years in which I have been associated with Alaska it has not given the matter any considerable thought or study. Insofar as the Office of Indian Affairs has been concerned during this entire administration, Alaska has been the forgotten province. (In 12 years Commissioner Collier has never visited Alaska, and Assistant Commissioner Zimmerman made one flying visit in 1938 in consequence of your discovery of widespread drunkenness in one of the native villages.) Our policies concerning the Alaska aborigine, insofar as they are ascertainable, appear to me to be horses ridden in opposite directions.

We are trying to eliminate discrimination and prejudice against the "native" in Alaska. We are making substantial and gratifying headway. We must continue to press hard along these lines against all forms of discrimination and prejudice.

The establishment of reservations in a territory where (save Metlakatla and a few other negligible exceptions) there have been none will, among other numerous consequences, set us far back in the matter of discrimination. If large areas for two generations open to all without regard for race are suddenly made the exclusive perquisite of one race, retaliation in some form or other, compensatory legislation and other unfortunate consequences which will accentuate race prejudice and cleavage are, in my view, certain to follow. It will be difficult to maintain that, if white fishermen are excluded from certain areas where they have fished all their lives, they will not demand a similar exclusion of "natives" from all remaining areas—areas in which many other "natives" have always fished, trapped, and hunted. Race feeling will be accentuated. It will affect unfavorably the many "natives" who for a variety of reasons will not be included in the supposed benefits resulting from the establishment of reservations. In the attempt to save these natives from reprisals we may be obliged to set up the hitherto (in Alaska) unknown categories of "reservation Indians" and "free Indians." I doubt whether most of the "natives" will be happy about such developments. In many ways it will be a backward step.

It might be well for you to examine the practical consequences of the recent establishment of the Karluk Reservation. The chief beneficiary to date seems to be a large absentee salmon-packing concern.

I do not desire to give the impression that I have dogmatically reached a conclusion. I have not. But of this I am certain: No one in the Department of the Interior or anywhere else has as yet sufficient knowledge of the consequences of the policies which seem to be in the process of formulation in Alaska to justify their crystallization into action without a great deal more investigation. At present any steps taken would, in my view, be ill-considered, premature, half-baked and, I fear, in many unforeseen aspects, disastrous. I therefore propose that you appoint an intradepartmental committee to study all the facts and consequences of the proposed reservation system and await its finding before proceeding.

I would suggest that this committee consist of a representative from the Office of Indian Affairs, a representative of the Fish and Wildlife Service, a representative of the Division of Territories, and two others whose views are not predetermined and who may be deemed free from bias. If you decide to include anyone outside of the Department of the Interior, I would suggest a representative of the United States Forest Service. The matter is of great importance, sufficiently so to warrant the appointment of one of the Under or Assistant Secretaries as chairman of the committee.)

The committee, should you decide to accept this suggestion, should come to Alaska, hold hearings, familiarize itself by study on the ground, and having by contact with living realities ascertained all the facts, make a thorough written report to you.

Sincerely yours,

ERNEST GRUENING,
Governor of Alaska.

* * * * *

Senator CORDON. The fact that, as I understand it, the elections in two of them have been set and the time of the elections is within the next 2 weeks——

The CHAIRMAN. I think Saturday and Monday. Is that not true, Mr. Warne?

Mr. WARNE. It is either——

Governor GRUENING. I think it is the 4th and the 8th.

Mr. WARNE. It is the 4th and the 8th. There were three elections originally during that period. One of them was on the 6th and one on the 8th. Another was on the 4th. It was the one scheduled for the 6th of February that has been postponed to the 24th day of April, the one at Hydaburg.

Senator CORDON. To continue my statement: In view of the fact that an affirmative vote at those elections would, as I understand it, effectuate the orders, it may be that this committee can do something, if it feels so inclined, either in consultation with the Secretary to postpone the matter until it can be gone into thoroughly, or by resolution or otherwise attempt to check it until we can go into the over-all question. I would accordingly ask you, Governor, to address yourself to the question of these three particular withdrawals, having reference to the wisdom of the withdrawals, whether the action if consummated would be detrimental in your opinion to any of the public interests in Alaska, the natives themselves or the over-all development of Alaska, and so forth. I think the committee should have that information so we can know what, if anything, to do.

Governor GRUENING. Mr. Chairman, I think what I have said makes it very clear, but if it isn't clear, I will state that I think any further reservations of the character that are contemplated would be not only disastrous primarily to the natives, but to all people in Alaska.

Senator CORDON. May I interrupt? You say any further reservations. Do you mean by that any reservations in addition to these three or inclusive of these three with reference to which order was made on the 30th of December?

Governor GRUENING. I should go back of that and say that reservations already made are most unfortunate, with the exception of the Annette Island Reservation, which is an entirely different category. It was made in 1887, when Alaska was a wilderness, and has no relation to this recent policy under discussion here.

Senator CORDON. Would you explain to the committee the location of these reservations, identifying them, and if you have the information, the acreage and what in your opinion would be the compelling reasons other than the general views which you set out in opposition to the consummation of these three orders?

Governor GRUENING. These figures are approximate. I understand that the Barrow Reservation is to be about 750 square miles. I understand that is at the northern tip of Alaska. The Shungnak Reservation in the Valley of Kobuk, I think, is something in excess of 2,000 square miles.

Senator CORDON. My information from the Interior Department with reference to that withdrawal is that it is 2,300 square miles. Is that correct, Mr. Warne?

Mr. WARNE. That is right.

Governor GRUENING. And the Hydaburg Reservation as now contemplated is approximately 100,000 acres.

I want to answer your question more specifically as to why I feel these reservations are definitely objectionable. We had a meeting in the Department of the Interior about a year and a half ago to discuss these three reservations. It was held in the Secretary's conference room. Secretary Krug was there, Secretaries Chapman, Warne, and all the officials of the Office of Indian Affairs. They proposed at that time to set off this large area in the northern part—the Barrow Reservation.

The reason alleged was that the natives' trapping and hunting was being impaired by the menace of an occasional high-powered group of white trappers flying in there and skimming off the cream and, therefore, the Office of Indian Affairs proposed to make there a reservation.

Delegate BARTLETT and I argued that the same result and a better result without the disadvantages of a reservation could be achieved by the very simple device of having the Fish and Wildlife Service establish a residence qualification in this area for hunting and trapping. It could very easily be done. In order to safeguard the situation absolutely, they could fix a 1-year or a 2-year or a 3-year residence qualification.

My reason for proposing that was, first of all, that it got rid of the reservation idea, which we objected to—the idea of legislating by race and not for people, regardless of their race, and that, second, it would protect the possibility one or two white trappers who might happen to be residents in that region. We saw no reason why if there happened to be a white man living up in that region—there are very few, but there are some—who wanted to trap and hunt, why he should become the legal victim of an act of this kind, a victim of legalized discrimination.

But the Office of Indian Affairs rejected that emphatically. They insisted they wanted to legislate by color and race. It had to be for Eskimos. It couldn't be for people who depended on hunting and trapping.

Now, there was a hearing held up in Barrow and the Department of the Interior sent up a counsel from the Division of Territories, Mr. Irwin Silverman, who is well known to most of you, and he reported on the hearing. I have his report here. This is what he reported.

About 15 native leaders testified. When they understood the limitations of the area proposed to be set aside, there was not a single witness in favor of the reservation. Nevertheless they must have it whether they want it or not. The Office of Indian Affairs wants it so.

Now, how do I know they must have it whether they want it or not? I will tell you.

There was a reservation proposed around a place called White Mountain on the Seward Peninsula, and the natives rejected it. They rejected it in a vote. So the Office of Indian Affairs decided there must be another election. The school teacher who was in charge of the process of having them accept it came to me and said, "Would you be kind enough to authorize Major Marston to come up and persuade the Eskimos that they must vote for this reservation at the next election?"

Major Marston was one of the two Army officers assigned to me to help organize the Territorial Guard, and his territory was the western part including all of the Eskimo country. He was very devoted to the Eskimos, and they were fond of him, and his voice and his advice would carry great weight with them.

I said to this teacher, "First of all, that would be highly improper. He is an Army officer. He would have no right to do this kind of thing. But why should I try to persuade these natives to do something they don't want to do?"

He said, "My instructions are to get this reservation adopted. Those are my orders."

Now, I submit that under that policy you have a kind of Hitlerism or whatever you want to call it, but it is not the free functioning of the democratic process. I am informed that Don Foster, superintendent of the Alaskan Native Service in Alaska has just arrived in Shungnak. He was here in Washington 10 days ago, returned to Alaska, and immediately went up to Shungnak. It doesn't require a great deal of imagination on my part to guess what he went up there for. He went up there to indoctrinate the natives that it was for their good and they had better accept this.

Now, I may be doing him an injustice, but if I am, it will be easy enough to find out, but I do know that this policy of making them take reservations has been the policy in the past, and I think it is very objectionable.

Now, let us consider what these reservations do from the standpoint of the natives. The issue is somewhat confused with the matter of aboriginal rights. The belief exists, following precedent in the United States, that the native peoples, Indians and Eskimos, are entitled to certain lands from which presumably they were dispossessed. The history in the United States is that the Indians were dispossessed of their lands and gradually pushed westward and gradually put on reservations.

There is no parallel in the history of Alaska. The natives are living in precisely the same villages they have always lived in. As far as I know, no native has been pushed off of anything.

I can see no particular reason, therefore, why the parallel of the United States exists. But supposing it does. I think it is of great importance that the facts be promptly determined, and if it is determined by a proper judicial procedure, that they are entitled to lands, then they should own the land and they should have it in fee simple. The reservation proposals don't allow them to own anything even if it proved to be theirs.

We proposed at this same hearing when the Barrow reservation came up, that this change be made, and the Office of Indian Affairs officials objected vigorously; the natives mustn't own this land, we must control it. In other words, keep them on a reservation. Keep them as wards forever.

In Hydaburg they will be even worse off than that because they would be under two bureaus. Part of the Hydaburg proposal was that this forest area of 100,000 acres would be managed by the Forest Service, and either above that or under it would be the Office of Indian Affairs. So the natives, far from having what freedom they have now, would be dominated by two Federal bureaus.

Senator CORDON. How many natives would be affected in Hydaburg area?

Governor GRUENING. I should say perhaps 500. Is that correct?

Mr. WARNE. I think there would be a few more than that, but about that.

Governor GRUENING. I am not positive, maybe six or seven hundred.

Senator CORDON. What is the nature of the tract of a hundred thousand acres proposed to be reserved?

Governor GRUENING. It is all forest land. It is typical of the forests in southeastern Alaska, principally hemlock and spruce, and some cedar.

Senator CORDON. What would be achieved by the creation of the reservation from the standpoint of values accruing to the natives?

Governor GRUENING. Well, they would be entitled to the proceeds, to the profits of any commercial activity in that area. In other words, if the Forest Service managed to get a pulp and paper industry going in southeastern Alaska, the natives would be entitled to the stumpage from the sale of that timber. They would have an income from that source, but they would not be allowed, except by permission of the Forest Service, to set up their own sawmills, to exploit this land as they saw fit. They would have to take orders from the Forest Service and from the Indian Office.

Now, I contend that these natives are fully capable of taking care of themselves. The argument was advanced against granting them ownership that the experience in the United States had been that when Indians were given title to lands, they were promptly defrauded of them by unscrupulous white men, and pretty soon they spent their money and lost their land. Now, that undoubtedly may have been the case in the past. The Indians who were given this land, they were supposed to become agriculturalists without sufficient training and experience and pretty soon they couldn't use the land so naturally they sold it.

The situation is hardly parallel in Alaska, when you have members of the legislature, men successful in various activities as leaders of the native races. I think it is extremely unlikely that they would be unscrupulously deprived of their lands. I think they are fully capable of taking care of their own interests.

Now I would like to see this aboriginal claims issue settled. It has been hanging over Alaska like a cloud, and no one knows what the future is going to be. No one knows who owns what, and I think it should be settled as speedily as possible. I would like to see the Congress set up satisfactory and adequate machinery for settling it; and if it is found that these claims exist, then the natives should either own the land outright or receive monetary compensation, whichever they prefer; but I cannot see any justification for this reservation status. It is a completely reactionary policy. It goes back not to something which ever existed in Alaska but to some theoretical condition which may have warranted such a policy in the United States.

Now, it is a fact that these policies were initiated in Alaska by officials who never were there. It is another example of absentee government. John Collier never visited Alaska in the 12 years he was Commissioner of Indian Affairs. Felix Cohen, who is the chief intellectual author of this reservation idea, came to Alaska in the early forties, but long after the policy had been initiated. They were deciding in Washington bureaus what they thought was best for the people of Alaska, but they never consulted the people of Alaska.

Senator CORDON. The setting aside, then, of a reservation—and I refer to the Hydaburg Reservation—would, in effect, be an executive determination of the right of this particular number of natives to the values inherent in the natural resources of the area in question?

Governor GRUENING. That is right; that is as I understand it.

Senator CORDON. Leaving still the over-all question to be determined. What have you to say with reference to the Shungnak and Kobuk area of 2,300 square miles, Governor?

Governor GRUENING. That is a region with some game; it is a hunting and fishing region, with extensive mineral resources, but under the terms of this reservation order the natives are denied the use of these minerals, which would be their chief value.

If under the aboriginal-rights program this is their land, it seems they are entitled to the subsoil as well as to the surface. I can't see that this program does justice to the natives, if it is a sound program, and it certainly

doesn't do justice to anyone else. The great fallacy to me in this program is that I think the time has long since passed when we should legislate by race. I think the time has come when we should legislate for people and for people only.

If there are people in a certain region who are trappers and hunters and they need a type of legal protection that hunters and trappers should have, then it should be that type of legislation for them as hunters and trappers and not for them as Eskimos or whites.

If it is a mining community, that should be the type of legislation—to protect mines—but not because of the color of their skin.

As a further complication which arises when you set off a reservation like this for the Barrow natives, what do you do about the natives of nearby Point Hope and Wainwright? What happens to them? Are we going to divide up Alaska into a lot of tight little empires, where only the people of one village are allowed to fish and hunt?

Senator CORDON. It is a pertinent question and one that needs an answer.

Senator LEHMAN. I was going to ask whether there are any legal prohibitions or legal discriminations with regard to employment now in existence in Alaska.

Governor GRUENING. No, sir; none whatever.

Senator LEHMAN. What occurs to me—and I hesitate to express myself because I am such a junior member of this committee—is what the theory is in preventing these people from making their living and helping them make their living wherever they may reside instead of taking the position that they have to be on reservations? I suppose that is a very naive question.

Senator CAIN. It is a very important one.

Senator CORDON. It is implicit in the whole problem, Senator, if I may interrupt.

The CHAIRMAN. I might make this comment on your introductory statement when you asked the question. You need hesitate not at all in asking any questions here, Senator LEHMAN, because I assure you this committee, like every other committee of Congress, can do with all the common sense it can get, and I know you will bring some in your questions.

Now, Governor Gruening, may I ask you what, according to your information and study, were the aboriginal methods of asserting ownership to land? Did they have any system of land title?

Governor GRUENING. Not that I know of. You are speaking of Alaska?

The CHAIRMAN. Yes.

Governor GRUENING. Not that I know of. They simply lived there.

The CHAIRMAN. Were they not nomads or fishers or how did they live?

Governor GRUENING. They were practically all fishermen, practically all the natives of Alaska derive their livelihood from the sea, except those in the interior who live by hunting and trapping as well.

The CHAIRMAN. Did they live in villages?

Governor GRUENING. They did and still live in villages.

The CHAIRMAN. How did they establish those villages?

Governor GRUENING. They were there when the white man came and continue to be there.

The CHAIRMAN. How did they determine the ownership of the exact amount of land that they occupied?

Governor GRUENING. I don't think they determined it. The population was sparse, they were few and far between, there was occasional warfare between groups, but they pretty much occupied——

The CHAIRMAN. What sort of homes do they have in these villages?

Governor GRUENING. Wooden houses.

The CHAIRMAN. What was the ownership of the wooden houses? Was it communal ownership or family ownership?

Governor GRUENING. It was usually family ownership.

The CHAIRMAN. Is that generally known and understood?

Governor GRUENING. I don't know how generally it is known.

The CHAIRMAN. How did title pass? When the occupant of one of these homes died, what became of the home?

Governor GRUENING. I think there was some habit by which it descended either on the maternal side or on the paternal side, I forget which.

The CHAIRMAN. No records were kept?

Governor GRUENING. Not that I know of. I want to say you raise another question which is of great pertinence, and that is the question of so-called restricted deeds in some of our communities.

We have in towns like Kodiak very substantial sections which have so-called restricted deeds to real estate because they are owned by persons of part native blood or who formerly had some native blood, who pay no taxes to the municipality, although the people who live there enjoy all the benefits, the children go to school, but they pay no taxes.

That is a situation not particularly desirable.

The CHAIRMAN. Since the Territorial government was established and the Territorial legislature began to pass laws for the government of the Territory, have any statutes, any Territorial statutes been enacted governing the transfer of title in these Indian villages?

Governor GRUENING. The Territory has no authority to legislate. That would be in violation of existing Federal laws, which we cannot touch.

The CHAIRMAN. So you have made no attempt to deal with this problem yourself?

Governor GRUENING. We have made attempts.

The CHAIRMAN. What kind?

Governor GRUENING. By discussing the matter with the Office of Indian Affairs, but the legislation would have to come from the Congress. We could not do anything about it.

The CHAIRMAN. Was the authority to establish reservations in Alaska established solely in the act of 1936 to which you referred?

Governor GRUENING. No; there were some reservations before that, but they were not particularly important or conspicuous. The first reservation was at Metlakatla, on Annette Island, established by act of Congress for natives who were not native Alaskans, but Canadians, who had wandered over under the leadership of Father Duncan. He was a missionary who had left England and came to Canada and then emigrated on into Alaska. He petitioned Congress to establish a reservation for his flock, and Congress granted that. That was back in 1887.

Senator BUTLER. They have been very progressive.

Governor GRUENING. They have a large source of income. Father Duncan himself raised money and left them a lot. They have a cannery, they have fish traps, they pay no taxes, and they have their own power plant. They do not pay the usual taxes. The question of taxation is also at issue on all these reservations.

If, according to the program Mr. Collier had outlined, some 100 or 150 communities would be entitled to reservations, judging by the scale of these reservations, all this vast area of land would be taken out of the possibility of being taxed.

The Territorial legislature in the last session enacted a comprehensive but very moderate tax program, including a 1 percent property tax, and we think it proper that people who own property and utilize it should pay those taxes. If all this is withdrawn and becomes Federal reservation, of course the people living on it will pay no taxes.

The CHAIRMAN. Let me read section 2 of the act of May 1, 1936, to which I think you made some reference. At least it is the act under the authority of which the three proclamations of Secretary Krug were issued. It reads:

"ACT OF MAY 1, 1936 (SEC. 2)

"SEC. 2. That the Secretary of the Interior is hereby authorized to designate as an Indian reservation any area of land which has been reserved for the use and occupancy of Indians or Eskimos by section 8 of the act of May 17, 1884 (23 Stat. 26), or by section 14 or section 15 of the act of March 3, 1891 (26 Stat. 1101), or which has been heretofore reserved under any Executive order and placed under the jurisdiction of the Department of the Interior, or any bureau thereof, together with additional public lands adjacent thereto within the Territory of Alaska, or any other public lands which are actually occupied by Indians or Eskimos within said Territory.

"*Provided*, That the designation by the Secretary of the Interior of any such area of land as a reservation shall be effective only upon its approval by the vote by secret ballot of a majority of the Indian or Eskimo residents thereof who vote at the special election duly called by the Secretary of the Interior upon 30 days' notice.

"*Provided, however*, That in each instance the total vote cast shall not be less than 30 percent of those entitled to vote.

"*Provided further*, That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States whether for homestead, mineral, right-of-way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator, or entryman to the full use and enjoyment of the lands so occupied."

Is that the statute to which you refer?

Governor GRUENING. Yes.

The CHAIRMAN. Do you know of any other?

Governor GRUENING. There are some other statutes but not particularly pertinent to this question.

The CHAIRMAN. I mean with respect to creation of reservations.

Governor GRUENING. I don't know of any other that is particularly pertinent.

The CHAIRMAN. According to the report which was filed by Senator BUTLER with the Senate on May 21, 1948, there had been established at that time six reservations as follows: Akutan, population 68, 72,320 acres; Karluk, population 185, 35,200 acres; Wales, population 194, 21,120 acres; Unalakleet, population 292 Eskimos, 30 whites, 960 acres; Venetie, population 202, 1,408,000 acres; Diomede Island, population 158, 3,000 acres; making a total of 1,540,600 acres.

The Hydaburg Reservation, I understand, is to be about 296,000 acres, the Barrow Reservation has 512,000 acres, and I have no information about the third, which is Shungnak Reservation.

Governor GRUENING. That is about 2,300 square miles.

The CHAIRMAN. Then there was a table in this same report which listed several other possible reserves totaling 5,290,060 acres. Do you know anything about those?

Governor GRUENING. No. There is a list of them here somewhere in my files.

The CHAIRMAN. What policy do you recommend for handling the Indian problem in Alaska?

* * * * *

Governor GRUENING. I feel strongly that something should be done for the economy of the villages in Alaska, and on September

18, 1947, I addressed a letter to Secretary Krug, a four-page letter, in which I made my proposal.

I will read it if you like. This was shortly after Congress had passed House Joint Resolution 205, which reserved all the proceeds of the timber in southeastern Alaska in escrow until such time as this matter was settled. I wrote Secretary Krug shortly thereafter:

"ABORIGINAL RIGHTS"

(Letter from Governor Gruening to Secretary Krug, September 18, 1947)

"The issue of aboriginal rights will, I think all concerned are agreed, have to be settled at the earliest possible moment. The Territory had a narrow escape when House Joint Resolution 205 barely squeaked through 15 minutes before the close of the last session of Congress. That should serve as a categorical warning that the underlying question which so nearly defeated this desirable measure must be disposed of. Until it is, a doubt will cloud every potential investment and every venture in development in southeastern Alaska. Moreover, the total proceeds from the timber sales are to be held in escrow in the Federal Treasury until settlement is achieved, and obviously this money should not be held idle any longer than necessary.

"If recourse is had to the customary legal process, it is almost inevitable that the determination will drag on for years. A tremendous amount of evidence will have to be adduced; all sorts of witnesses will have to be interviewed. Even with the best intentions in the world, it looks as if the final solution would be delayed almost interminably.

"I would like to suggest a cutting of the Gordian knot in a way that seems to me beneficial for all concerned: First and foremost, to the Indians of southeastern Alaska; second, to the economy of Alaska and to those residents, actual and prospective, who wish to develop it; third, to the good name and repute of the Federal Government; and fourth, to national policy.

"My proposal is that the question be approached somewhat as follows:

"The natives of southeastern Alaska may or may not have valid possessory claims. It is conceivable that the courts might award them large holdings of lands. It is conceivable that the courts might decide adversely. But this much is certain—that the natives have been led to believe that they have rights, and a good deal of recent history would support their belief to that effect. Moreover, if the courts should decide favorably, the question of how awards should be made and be beneficial is still enormously complex. If the Indians are entitled to land, the mere possession of those lands is in itself not necessarily a bonanza. Giving them title to these lands might effectively block the prospective pulp and paper development, which itself is so useful for the economy of the Indians, and thus deprive them of the potential revenue from timber sales, should they prove entitled to some of it, and, in any event, deprive them of the year-round employment which the pulp industry will bring. If it is to be a cash settlement—and it is the lawyers who are most interested in this—it would be enormously complex to decide who is to share and in what degree. Administratively, this would become almost a superhuman task and would be fraught with no end of contention, conflict, disappointment, and bitterness. Moreover, it is doubtful whether a bill providing for cash settlement would ever be enacted.

"In anticipation of the solution which I propose, there is this important and essential factor: Money is available. It is available as a result of the passage of House Joint Resolution 205. The money from the timber-sales receipts will accumulate in the Treasury of the United States. We do not therefore have to deal with the complication of having first to determine what claims or rights the Indians have and then, should such claims be established, go to Congress for an appropriation. That would entail, even in the event of favorable court decisions, further prolonged delays. The need for speedy and decisive action is imperative.

"My proposal would be that a substantial part of the timber-sales receipts be set aside and used for the rehabilitation of the native communities of southeastern Alaska. They are all in dire need.

"First. With the exception of Hoonah, which was rehoused (although not wholly) under the Lanham Act after the partial destruction of the community by fire in the summer of 1944, every one of the native villages desperately needs housing.

"Second. Virtually every native community needs much-improved utilities. The water, light, and power situation in most of them is totally inadequate. Their streets are unpaved and become quagmires at certain times.

"Third. No less than the Alaskan white communities, the Alaskan native communities totally lack recreational facilities. Alaska's children have never gotten a fair deal. Most of the native communities have neither a gymnasium nor a playground.

"Fourth. Virtually every native community needs hospital facilities. Even though we concentrate on a few larger hospitals, some arrangement for a suitable local institution with a nurse in attendance would go far toward raising the level of health and be most effective both in combating tuberculosis and other diseases.

"Fifth. Most of these communities need a stretch of road which it has been clamoring for for years but has been unable to secure.

"Sixth. Most native communities need improved water-front facilities, such as deepened waterways, small-boat harbors, docks, and airplane-landing facilities.

"Seventh. Certain definite assistance in the way of economic tools is urgently required. If each of these communities where there is a cannery nearby could purchase that cannery as in Metlakatla and Hydaburg—and learn to operate it—the economy of the village would be greatly aided, and the people's self-reliance established.

"Eighth. Smaller industries, processing plants for other sea products, woodworking shops, et cetera, should have serious consideration.

"There may be other needs which I have overlooked.

"My proposal, therefore, would be that perhaps 50 percent or more of the timber-sales revenue be utilized for these purposes until some sum such as twenty-five or thirty million dollars had been expended. There might be individual variations in some of the villages. Klukwan, for instance, has some special needs of its own which I would be glad to outline.

"The arguments in favor of this solution of the problem would be:

"(1) It would avoid the tedious, costly, and wholly unprophesiable juridical process during the course of which all development in southeastern Alaska might be seriously handicapped.

"(2) It would be a fine example of weighing the possible rights of the Indians which may or may not prove valid with the undeniable desirability of rehabilitating their economy, furnishing them with healthful surroundings and the other concomitants of proper living, assisting them in securing the tools by which they can permanently help themselves, and disposing, as far as it is possible, of the eternal recurring problems of an economy that is deficient in every way, and that, from the standpoint of citizenship, is socially deplorable.

"This arrangement should be in settlement of all aboriginal claims in southeastern Alaska whether applicable to timber or any other resources. It should dispose of the question forever, and be considered a final liquidation.

"I do not know how far such a proposal would get, but I have a feeling that, if those concerned could unite behind it, it would have a fair chance of passing the next Congress. I believe that the majority of the Senators and Representatives who have been to Alaska this summer would be sympathetic and that their support would go a long way toward insuring the adoption of such legislation.

"The usual monkey wrenches would be thrown by those with selfish interests to serve. There would be the attorneys and a few others eager to lay their hands immediately on some cash. There would be the persons who are prejudiced against the Alaska native and would like to see him maintained in his state of abject poverty and servitude, and in an inferior economic and social status. There are those who would object on the ground that it has not been proved that the natives were entitled to anything. There would be the theorists who would like to atrophy the natives' potentialities for self-development by making them mere royalty recipients, without effort or service on their part.

"However, I feel that the alternatives to the proposed program are so objectionable that they can be discarded, and that by uniting on such a direct and specific plan it can be put across.

"Meanwhile, it would not be difficult to make a quick resurvey of the native communities in southeastern Alaska to estimate their approximate needs, and to arrive at a general total of cost. This information could easily be secured before Congress reconvenes.

"The Indian communities in southeastern Alaska are Klukwan, Haines in part, Yakutat, Juneau in part, Douglas in part, Hoonah, Sitka in part, Angoon, Petersburg in a small part, Kake, Wrangell in part, Klawock, Hydaburg, Ketchikan in part, including Saxman. In the communities such as Sitka, Juneau, Wrangell, and Ketchikan, where the 'in part' indicates that a fraction of the community is 'native,' the problem might vary slightly, but no real difficulty should be found in arriving at a satisfactory solution.

"I will appreciate getting your reaction to this proposal."

Mr. Speaker, all of this constitutes a record that should be read by those who are now acting as the spokesmen for a few lawyers and who have not made independent investigations for themselves. To sum up, let me say:

First. No Alaskan advocating statehood urged that the language to which objection is now made be incorporated in the statehood bill.

Second. So far as we are concerned we have no objection whatsoever to its deletion. At the same time, we must insist that its retention would not bring about any evil consequences.

Third. There should be prompt settlement of the Alaska land question. It cannot be accomplished in the statehood bill. That settlement must be fair to the natives but at the same time it must be fair to their white neighbors living in Alaska.

Fourth. A reservation policy found wanting in the States should not be urged now for Alaska especially by those groups who have been so critical of what has gone on in the States.

The Alaska natives are mature politically—witness the fact that six members of their race are members of the Alaska Legislature—and their adjustment to the white man's civilization has proceeded wonderfully well. If they go on reservations there is bound to be a deterioration in this regard.

Those who urge votes against the Alaska statehood bill because of reservations are really arguing against statehood. They want Alaska to be substantially one reservation; in that reservation there could be little progress, little room for happiness, no room for development, and the only ones who would be satisfied would be the hired attorneys.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HELLER (at the request of Mr. IRVING) for Friday, August 4, on account of official business.

To Mr. HINSHAW, indefinitely, on account of illness.

EXTENSION OF REMARKS

Mr. COLE of New York asked and was given permission to extend his remarks and include an editorial.

Mr. WOLVERTON asked and was given permission to extend his remarks.

Mr. DONDERO asked and was given permission to extend his remarks and include statistics.

Mr. HESELTON asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. HORAN asked and was given permission to extend his remarks and include a letter.

Mr. RANKIN asked and was given permission to extend his remarks and include a table of benefits for World War II veterans and peacetime veterans.

Mr. RIEHLMAN and Mr. GRANT asked and were given permission to extend their remarks.

Mr. HUBER asked and was given permission to revise and extend his remarks.

Mr. HART asked and was given permission to extend his remarks and include a letter.

Mr. BUCHANAN asked and was given permission to revise and extend his remarks made in Committee of the Whole and include an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in two instances, and include extraneous matter.

Mr. SCRIVNER asked and was given permission to extend his remarks and include a newspaper article.

Mr. KEOGH (at the request of Mr. MANSFIELD) was given permission to extend his remarks in two instances and include certain material.

Mr. BECKWORTH asked and was given permission to extend his remarks in two instances and include editorials.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2160. An act to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes;

S. 2591. An act to amend the Public Health Service Act to support research and training in matters relating to arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, leprosy, and other diseases; and

S. 2863. An act to provide for the expansion and disposition of certain national cemeteries.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On August 3, 1950:

H. R. 1293. An act for the relief of Franco-Italian Packing Co.;

H. R. 5074. An act to promote the national defense by authorizing specifically certain functions of the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, and for other purposes;

H. R. 6533. An act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes;

H. R. 7695. An act to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force; and

H. R. 8909. An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes.

On August 4, 1950:

H. R. 6758. An act for the relief of Ruby Thaw and Hla Sein.

ADJOURNMENT

Mr. RABAUT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 57 minutes p. m.), under its previous order, the House adjourned until Monday, August 7, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1620. A communication from the President of the United States, transmitting revised estimates of appropriation involving an increase of $985,000,000 and supplemental estimates in the amount of $170,930,000, totaling $1,155,930,000, for the Department of Defense for the fiscal year 1951 (H. Doc. No. 677); to the Committee on Appropriations and ordered to be printed.

1621. A letter from the Secretary of the Interior, transmitting a report on the Canadian River project in Texas, prepared under authority of the Federal reclamation laws (H. Doc. No. 678); to the Committee on Public Lands and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 459. An act for the relief of Cornelis Ruhtenberg, also known as Cornelis Ruhtenberg Helmsing; without amendment (Rept. No. 2784). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 918. An act for the relief of Clara Sogor; without amendment (Rept. No. 2785). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1420. An act for the relief of Antonio Garcia Jiminez; without amendment (Rept. No. 2786). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1568. An act for the relief of Anna Rajmann; without amendment (Rept. No. 2787). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1866. An act for the relief of Mrs. Clayre Louise Forsyth; without amendment (Rept. No. 2788). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2173. An act for the relief of Giuseppe Moschetti and his wife, Dina Bartoli Moschetti; without amendment (Rept. No. 2789). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2257. An act for the relief of Hyman Winterman; without amendment (Rept. No. 2790). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2401. An act for the relief of Elizabeth Martha Haug; without amendment (Rept. No. 2791). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2617. An act for the relief of Ermalinda Mary Pizzuto; without amendment (Rept. No. 2792). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2780. An act for the relief of Jaime Riel; without amendment (Rept. No. 2793). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2897. An act for the relief of Hyman D. Langer and Alta Jourard Langer; without amendment (Rept. No. 2794). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2954. An act for the relief of Agnes Biro and Anna Biro; without amendment (Rept. No. 2795). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3005. An act for the relief of Olga Haddad; without amendment (Rept. No. 2796). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3238. An act for the relief of Dr. Frederick Daniel McDade; without amendment (Rept. No. 2797). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3289. An act for the relief of Hisako Okamoto; without amendment (Rept. No. 2798). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3325. An act for the relief of Isolde Bezner; without amendment (Rept. No. 2799). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8385. A bill for the relief Fukuko Endo; without amendment (Rept. No. 2800). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8761. A bill for the relief of Susan E. Scott; without amendment (Rept. No. 2801). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 8802. A bill for the relief of Lum Ying; with amendment (Rept. No. 2802).

Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 9056. A bill for the relief of Hideko Kasahara and family; with amendment (Rept. No. 2803). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 9077. A bill for the relief of Kimie Kurio; without amendment (Rept. No. 2804). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 9082. A bill for the relief of Mrs. Chang-Sei Kim and David Kim; with amendment (Rept. No. 2805). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 9084. A bill for the relief of Hifumi Kato and her minor son, Kazuyuki Kato; without amendment (Rept. No. 2806). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee of conference. H. R. 627. A bill for the relief of Southern Fireproofing Co., of Cincinnati, Ohio; without amendment (Rept. No. 2807). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TAURIELLO:

H. R. 9335. A bill to tax excessive profits, to provide revenue, and to reduce the incentive for profiteering; to the Committee on Ways and Means.

H. R. 9336. A bill to extend the benefits of Public Law 346, Seventy-eighth Congress, as amended, to the members of the armed services as of June 27, 1950, and subsequent thereto; to the Committee on Veterans' Affairs.

By Mr. BENNETT of Florida:

H. R. 9337. A bill to provide for the detention and prosecution of Communists and former Communists, and for other purposes; to the Committee on the Judiciary.

By Mr. STAGGERS:

H. R. 9338. A bill to provide family allowances for the dependents of enlisted members of the Armed Forces of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. MORRIS:

H. R. 9339. A bill to authorize the Secretary of the Interior to compromise, adjust, or cancel certain debts of individual Indians and Indian tribal organizations, and for other purposes; to the Committee on Public Lands.

By Mr. BOLTON of Maryland:

H. R. 9340. A bill to grant succession to the War Damage Corporation; to the Committee on Banking and Currency.

By Mr. FORD:

H. R. 9341. A bill to authorize certain work projects as an aid in rehabilitating inmates of Federal and State penal and correctional institutions, to improve the resources of federally owned conservation lands and to provide increased benefits from these properties, and for other purposes; to the Committee on Education and Labor.

By Mr. HERLONG:

H. R. 9342. A bill to facilitate civil-service appointment of persons who lost opportunity therefor because of service in the Armed Forces after June 30, 1950, and to provide certain benefits upon appointment; to the Committee on Post Office and Civil Service.

By Mr. HOFFMAN of Michigan:

H. R. 9343. A bill to stabilize prices, prevent inflation, and control production; to the Committee on Banking and Currency.

By Mr. HUBER:

H. R. 9344. A bill to impose an excess-profits tax; to the Committee on Ways and Means.

By Mr. YOUNG:

H. R. 9345. A bill to restore additional income-tax allowances for military and naval personnel; to the Committee on Ways and Means.

By Mr. TRIMBLE:

H. Res. 746. Resolution providing for an increase in the salary of certain employees of the House of Representatives; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts:

H. R. 9346. A bill for the relief of Rev. Joseph L. Capote; to the Committee on the Judiciary.

By Mr. BOGGS of Louisiana:

H. R. 9347. A bill for the relief of Leoncia Escoto Tancungco; to the Committee on the Judiciary.

By Mr. BREEN:

H. R. 9348. A bill for the relief of Donald I, Hamrock, Robert N. Lensch, Russell E. Ryan, and Helen P. Stewart; to the Committee on the Judiciary.

By Mr. GORE:

H. R. 9349. A bill for the relief of Tennessee Fresh Frozen Foods, Inc.; to the Committee on the Judiciary.

By Mr. HERTER:

H. R. 9350. A bill for the relief of Ihor Sevcenko; to the Committee on the Judiciary.

By Mr. McGRATH:

H. R. 9351. A bill for the relief of Eugenio Ambrosio; to the Committee on the Judiciary.

By Mr. NOLAND:

H. R. 9352. A bill for the relief of Walter H. Berry; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 9353. A bill for the relief of Antonio Porco; to the Committee on the Judiciary.

By Mr. RHODES:

H. R. 9354. A bill for the relief of Yae Hara; to the Committee on the Judiciary.

H. R. 9355. A bill for the relief of Antonio Bruno; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2308. By the SPEAKER: Petition of R. W. Kemler, president, Jaycees, United States Junior Chamber of Commerce, Tulsa, Okla., endorsing in principle the three steps which Mr. Baruch has suggested relating to a stand-by mobilization plan; to the Committee on Banking and Currency.

2309. Also, petition of Kassandreas Kallinikos, President of Greece, urging the reunion of the island of Cyprus with her motherland; to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 7, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who alone canst fulfill and satisfy our deepest longing and our highest hopes, may this be a day of quest and of conquest.

May we earnestly seek to bring our faltering and groping spirits into harmony with Thy spirit in order that we may learn the secret of victorious and joyous living.

Grant that we may interpret all the dispensation of Thy divine providence and all Thy dealings with us as the messengers of Thy wisdom and grace.

When we stand at the crossroads not knowing which way to go, may we hear and heed Thy voice saying unto us, "This is the way; he that followeth Me shall not walk in darkness."

We pray that nothing may undermine our faith in the invincible and conquering power of truth and righteousness. May all the evil forces, which are seeking to impede the progress of the kingdom of peace, be forever banished from the earth.

Hear us in the name of the Captain of our salvation. Amen.

The Journal of the proceedings of Friday, August 4, 1950, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7786. An act making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2018. An act to authorize advancements to and the reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2128) entitled "An act to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 627) entitled "An act for the relief of Southern Fireproofing Co., of Cincinnati, Ohio."

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 10 minutes on Wednesday and Thursday next, following the legislative program and any special orders heretofore entered.

THE MARINE CORPS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, the events of the past month have brought home to all of us the need for an efficient,

effective, and large enough Marine Corps. As to its efficiency and effectiveness there can be no doubt, but as to its permanent strength there is a question.

Under the omnibus appropriation bill as it passed the House some months ago, the Marine Corps would have been reduced by 5,000 men under its strength of the last fiscal year. The battalion landing teams under the budget as submitted were to be reduced from 8 to 6 and the Marine air squadrons from 23 to 12. The Appropriations Committee, however, allowed the Marine Corps to reallocate the funds allowed it so that 8 and possibly 9 battalion landing teams and 16 air squadrons could be maintained. This did not call for any raise in the budget submitted for the Marine Corps, but was made possible only through additional economies by the corps and a cutting to the bone of all other duties to insure maximum effectiveness of combat units. It was brought out that $1,500,000 additional would bring Marine air squadron strength to 18, but when I tried to get these additional funds they were not allowed, even though trained men were available for their addition.

Mr. Speaker, in view of recent events I am once again renewing my request that the Marine Corps be allotted a permanent floor of 300,000 men and that the Commandant of the corps be given a permanent position on the Joint Chiefs of Staff. The attempts which have been made to whittle the corps down to a guard outfit through appropriations must be stopped once and for all and on the basis of a 300,000 floor but 4 marine divisions should be maintained for duty all the time. Furthermore, these divisions need not, in their entirety, be stationed in the United States, but should serve overseas as well as in the occupied countries.

Mr. Speaker, I submit if these recommendations are enacted, then the Key West agreement can really be put into effect. Under the Key West agreement, the Marine Corps is responsible for providing "fleet naval forces of combined arms, together with supporting air components, for service with the fleet in the seizure or defense of advanced naval bases and for the conduct of such land operations as may be essential to the prosecution of a naval campaign."

I reiterate that the times call for a strengthening of the permanent position of the corps, and I call on the Committees on Appropriations and Armed Services to see that this is done.

ADDITIONAL TAX EXEMPTION FOR MEMBERS OF THE ARMED FORCES

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, I am introducing today legislation to restore to the members of the Armed Forces their exemption up to an additional $1,500 on income-tax payments.

I will tell you what made me think of this. I read in the newspaper yesterday where a combat lieutenant and two men in his outfit returning after 3 days behind the enemy lines in Korea, all badly wounded, after the most harrowing experiences, came back to the hospital and there the sergeant had a letter waiting for him saying that he owed the Government $1.48 on last year's income tax.

I propose to restore the exemption which this Congress granted during the last war.

DIFFICULTY OF VETERANS PROCURING HOMES

Mr. CROOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CROOK. Mr. Speaker, I profoundly regret it is necessary to call the attention of the House to the fact that veterans who fought around the world to protect our priceless heritage in the last world war and who upon their return attempted to buy or build their own homes on a pay-as-you-go basis, find it utterly impossible now to obtain 2-inch soil pipe to make their homes sanitary. Notwithstanding that, drive through the environs of Washington, D. C., and you will find acres and acres of apartment houses being constructed. I wonder how they get their soil pipe?

I found the same situation with regard to cement before I came to this Congress; you could not buy a sack of cement in South Bend, Ind., to repair a sidewalk or a foundation wall; yet I found apartment house after apartment house being built by big special interests and covering many acres. Where did they get their cement? This is something for us to think about, I assure you. There must be speculation and monopolization in essential building materials.

SPECIAL ORDER GRANTED

Mr. POULSON asked and was given permission to address the House for 10 minutes on tomorrow following the legislative program and any special orders heretofore entered.

HISTORICAL FRIEZE IN ROTUNDA OF CAPITOL

Mr. ALBERT submitted a conference report and statement on the joint resolution (H. J. Res. 21) to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. WOODRUFF addressed the House. His remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. MURDOCK asked and was given permission to address the House for 15 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

AMENDMENTS TO NATIONAL SERVICE LIFE INSURANCE ACT

The Clerk called the bill (H. R. 8235) to amend further the National Service Life Insurance Act of 1940, as amended.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, I hope the gentleman will withdraw his request that the bill be passed over without prejudice.

This bill has been on the calendar since May 10. It has been passed over on four different occasions, and objected to once. There has been adequate opportunity for all parties who are interested in this legislation to study this matter and determine the merits of the bill.

Recently it was implied that the veterans' organizations no longer are interested in this legislation. I have in my hand four letters which I shall include in my remarks. They are from the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and the American Veterans of World War II. They all vigorously support this legislation. They are the only veterans' organizations of World War I and World War II that are recognized by Congress.

This bill was given the most careful consideration by a subcommittee of seven members. Full hearings were held, and the full committee carefully considered the proposition.

Generally it seeks to correct certain administrative practices and to give certain service-connected veterans more leeway in maintaining their insurance.

For that reason, Mr. Speaker, if the gentleman insists upon his request that this bill be passed over without prejudice, I am going to have to object. I hope the gentleman will not insist on his request.

Mr. FORD. May I say to the gentleman from Mississippi that I do intend to insist on the bill being passed over without prejudice. In the first place, I have discussed the proposal with several members of the subcommittee that went into the matter on behalf of the gentleman's committee. I have been informed by these committee members that it covers a number of very complicated points. It is possible that if the bill were brought to the floor under a rule I would favor it, but I am of the firm conviction it is

complicated enough so that it should be brought to the floor of the House for full debate and explanation. Only for that reason am I asking that the bill be passed over without prejudice. It should not be considered on the Consent Calendar.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD the letter from the Veterans' Administration to the chairman of the Committee on Veterans' Affairs, dated May 5, 1950.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The letter referred to follows:

VETERANS' ADMINISTRATION,
Washington, D. C., May 5, 1950.

Hon. JOHN E. RANKIN,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D. C.

DEAR MR. RANKIN: This is in reply to your request for a report on H. R. 8235, Eighty-first Congress, a bill to amend further the National Service Life Insurance Act of 1940, as amended.

The purpose of the bill is to liberalize certain provisions of the National Service Life Insurance Act of 1940, as amended, which will be stated in the discussion of the section of the bill in which each liberalization is proposed.

Section 1 of the bill would amend section 602 (c) (2) of the National Service Life Insurance Act of 1940, as amended, effective as of August 1, 1946, to authorize waiver of health requirements in applications for insurance or reinstatement of life or disability insurance made prior to July 1, 1951, by persons who had active service between October 8, 1940, and September 2, 1945, with respect to any disability less than total in degree which is compensable or which would be compensable if 10 percent or more in degree, whether such disability is directly or presumptively deemed to have been incurred in active service. Under existing law, health requirements could have been waived until January 1, 1950, with respect to a disability less than total in degree only if such disability directly resulted from the performance of active military or naval service. It is assumed that the date "1950" in line 6, page 1, of the bill, is intended to be "January 1, 1950."

Persons who are permitted to apply for or reinstate insurance under the provisions of section 602 (c) (2) are not good insurance risks and such insurance does not participate in any dividend distribution. The premiums paid by such persons are merely token premiums and bear no relationship to the risk incurred or to the benefits afforded. The benefits, therefore, are the result of a gratuity extended by the Government rather than insurance secured by the payment of a calculated premium. Such gratuities will benefit most those who are financially able to carry the maximum amount of such insurance. Those financially unable to carry any will receive no benefit whatever. The Veterans' Administration has no data upon which to estimate the cost of this section, if enacted.

Section 2 of the bill would amend section 602 (d) (3) (A) of the National Service Life Insurance Act of 1940, as amended, effective as of December 20, 1941, by striking out the words "1 year after the date of enactment of this amendatory act" and inserting in lieu thereof the date "July 1, 1951".

Section 602 (d) (3) (A) provides a maximum of $5,000 gratuitous insurance to persons not having in force at least that amount of other insurance issued by the Government who became totally disabled in active service on or after October 8, 1940, and prior to April 20, 1942, as the result of injury or disease incurred in line of duty which disability continued without interruption for 6 months or until death intervening prior to the end of such 6-month period. Such insurance was continued in force without payment of premiums until 6 months after the insured ceased to be totally disabled or until 1 year after enactment of Public Law 452, Seventy-eighth Congress, approved September 30, 1944, whichever was the earlier date. To continue insurance protection after that date it was required that within such period the insured apply for continuance of insurance and tender the premiums thereafter becoming due or submit evidence satisfactory to the Administrator of Veterans' Affairs of entitlement to waiver of premiums under section 602 (n) of the act.

The effect of section 2 of the bill would be to change the delimiting date of such gratuitous insurance from October 1, 1945, to July 1, 1951. This would mean that a person could come in any time before July 1, 1951, and claim total disability commencing prior to April 20, 1942, and would, therefore, make it necessary for the Veterans' Administration to make investigations in cases where the evidence has become stale. It is believed that this would place an undue administrative burden upon the Government. Clearly this extension is incompatible with the original idea of avoiding stale claims. The Veterans' Administration has no data upon which to estimate the cost of this section, if enacted.

Section 3 of the bill would amend section 602 (d) (3) (B) of the National Service Life Insurance Act of 1940, as amended, effective as of December 20, 1941, to extend the maximum $5,000 gratuitous insurance granted to those in active military or naval service who on or after December 7, 1941, and prior to April 20, 1942, were captured, besieged, or isolated by forces of an enemy and who became totally disabled prior to the expiration of 6 months after termination of being captured, besieged, or isolated, until the termination of such total disability or July 1, 1951, whichever is the earlier date. Such insurance ceased and terminated unless the insured made application within 6 months after termination of such capture, siege, or isolation for continuance of such insurance and submitted evidence satisfactory to the Administrator of entitlement to waiver under section 602 (n) of the act or tendered the premiums thereafter becoming due.

In the first part of February 1945 when the first large number of prisoners of war were being released in the Far East, the Veterans' Administration addressed a letter to the War and Navy Departments advising them of the provisions and limitations of section 602 (d) (3) (B) and setting forth detailed information as to how such veterans could continue their insurance protection without physical examination. This information was furnished so that persons entitled to gratuitous insurance would be fully informed as to their rights and privileges. If a veteran was totally disabled at the time of his release or became so within the following 6 months, he could continue his insurance by making written application and submitting evidence satisfactory to the Administrator of Veterans' Affairs of his entitlement to waiver of premiums under section 602 (n). Moreover, section 602 (d) (5) of the act provides that if a veteran who had been issued gratuitous insurance died without filing application within the time limit, the widow, widower, child, or dependent parent could make application for the benefits of such insurance within 7 years after the death of the insured. It is also provided that those mentally or legally incompetent at the time the right to make application for such benefits would normally expire may make such application at any time within 1 year after the removal of such disability. The comments on section 2 concerning stale claims are equally applicable here. The Veterans' Administration has no data upon which to estimate the cost of this section of the bill, if enacted.

Section 4 of the bill would amend section 602 (j) of the National Service Life Insurance Act of 1940, as amended, to provide that the commuted value of any insurance which matured prior to August 1, 1946, remaining unpaid after the death of the last person within the permitted class of beneficiaries should be paid to the estate of the insured except where such payment would result in escheat. Section 602 (j) presently provides that no installments of such insurance shall be paid to the heirs or legal representatives as such of the insured or of any beneficiary, and in the event that no person within the permitted class survives to receive such insurance, no payments are made unless the reserve of the policy together with dividends accumulated thereon, less any indebtedness thereunder, exceeds the aggregate amount paid to the beneficiary, in which case the excess is payable to the estate of the insured unless there would be an escheat.

In the overwhelming majority of cases in which national service life insurance matured prior to August 1, 1946, the death of the insured was traceable to the extra hazards of military or naval service and the liability for payment of such policy is borne by the United States under the provisions of section 607 of the act. For that reason the Congress deemed it appropriate to limit entitlement to benefits under such policies to certain classes of beneficiaries to whom the serviceman was deemed to be obligated because of affinity or dependency. The amendment proposed by the bill would require payment of insurance benefits in such cases to individuals whom the insured was under no moral or legal obligation to support. Data are not available upon which to estimate the cost of this section, if enacted.

Section 5 of the bill would amend section 602 (m) (2) of the National Service Life Insurance Act of 1940, as amended, effective as of October 8, 1940, to provide that in any case in which the insured provided for payment of premiums on his insurance by authorizing in writing the deduction of premiums from his service pay, [or where such premiums were paid by the Government,] such insurance shall be deemed not to have lapsed [or not to have been forfeited because of desertion under section 612] of the act so long as the insured remained in active service prior to August 1, 1946, notwithstanding the fact that deduction of premiums [or payment by the Government of such premiums] was discontinued because (A) the insured was discharged to accept a commission; or (B) the insured was absent without leave, if restored to active duty; or (C) the insured was sentenced by court martial, if (1) he was restored to active duty, or (2) he was required to engage in combat [or (3) he became totally disabled while engaged in combat, and continued so to be] or (4) he was killed in combat. Premiums due on insurance continued in force because of total disability would be automatically waived so long as total disability continued. Premiums due on insurance kept in force under this section of the bill would be deducted from the proceeds of the insurance and credited to the national service life insurance appropriation and payment of benefits under such insurance would be made directly from such appropriation. The above matter in brackets indicates wherein changes are proposed in the existing law on this subject.

Section 602 (m) (2) was added to the basic law by Public Law 589, August 1, 1946, and was advocated by the various veterans' organizations. The situation it was intended to cure resulted from the practice of the service departments of discontinuing allotments under their regulations when an individual went into a nonpay status, usually due to being absent without leave. In other instances the service departments required the

termination of allotments when an individual changed from an enlisted to a commissioned status. It was strongly represented in such cases that the individual's allotment was discontinued without his knowledge in many instances, or that he was not properly apprised of the need of making a new allotment to continue his insurance in force. The measure was offered for the purpose of rectifying what was considered hasty action in terminating allotments administratively. It had no relation to those for whom no allotment was established and who were receiving insurance protection at the cost of the Government.

Aviation cadets and students were given insurance protection at Government expense because they were participating in regular and frequent aerial flights. Those individuals who were absent without leave or were sentenced by court martial for an offense were, of course, not participating in aerial flights and were not entitled to insurance protection at Government expense. If such persons were restored to active duty as aviation cadets and students and continued their flight training, their insurance protection would be renewed at the cost of the Government during the period they remained in such status. If the individuals did not return to flight-training duty but were restored to some other type of active duty, they were eligible to reinstate or apply for insurance the same as any other serviceman. There were a number of persons who served honorably and who, though eligible, did not apply for insurance. A number of them died in the service, some in combat with the enemy, and it is not felt that the aviation students and cadets who forfeited their rights to insurance and failed to reapply for this protection upon being restored to active duty merit any greater consideration than persons in the aforementioned group.

The Veterans' Administration has no data upon which to estimate the cost of this section, if enacted.

Section 6 of the bill proposes to amend section 602 (n) of the National Service Life Insurance Act of 1940, as amended, effective as of October 8, 1940, (1) to provide that upon application made within 1 year after the date of enactment of the bill, the Administrator shall grant waiver of any premium becoming due on or after October 8, 1940, and prior to the date of enactment of the bill, provided the present requirements in the law are met; (2) to provide that any premiums paid for months during which waiver is effective shall be applied to payment of premiums subsequently becoming due on such insurance unless the insured requests a refund thereof; (3) to provide that if the insured ceases to be totally disabled, waiver of premiums shall cease as of the date of notice sent by the Veterans' Administration to the insured by registered mail; (4) to provide that in the event of the death of the insured without filing application for waiver of premiums, the beneficiary may file such application within 1 year after the death of the insured or the date of enactment of the bill, whichever is the later, and that an application filed by the beneficiary shall have the same effect as if filed by the insured; and (5) to provide that in any case in which premiums are not otherwise waived solely because the insured died prior to the continuance of total disability for 6 months and proof of such facts satisfactory to the Administrator of Veterans' Affairs is filed by the beneficiary in the Veterans' Administration within 1 year after the date of enactment of the bill or 1 year after the insured's death, whichever is the later, the premiums which were due for such period of total disability shall be waived, provided that if the beneficiary be insane or a minor, proof of such facts may be filed within 1 year after the removal of such legal disability.

The last-mentioned change is now incorporated in section 602 (r) of the National Service Life Insurance Act of 1940, as amended, except that the unpaid premiums are placed as a lien against the proceeds of the insurance rather than waived as proposed by the bill, and except for the extension of time within which a beneficiary may file proof of total disability and death of the insured.

The chief effect of an extension of the period of time for filing application by the insured or the beneficiary is to require the Veterans' Administration to handle stale claims. Under existing law the Administrator is authorized to grant waiver of premiums during total disability without restriction as to the commencement date in any case in which it is shown that claim was not timely filed through no fault of the insured.

The proposal to apply premiums paid during waiver to payment of future premiums, unless the insured requests a refund, does not contain any limitation of time for exercising of the option by the insured. This would allow the insured to defer making an election until such time as it would be to his advantage to do so. The insured would have an opportunity of requiring application of the money as premium payments if such payment would mature his policy or of requiring refund of such money if it would not mature his insurance. It can be readily seen that this places in the hands of the individual an opportunity of imposing additional liabilities upon the fund which would have to be borne in some cases by the other policyholders. The provision would therefore adversely affect the interests of such other policyholders.

Under existing law waiver of premiums is granted because an insured has been determined to be totally disabled within the meaning of the law and the regulations, and when it is found that total disability no longer exists the insured is not entitled to waiver of premiums. It is the practice of the Veterans' Administration to send a registered letter to the insured notifying him of the finding that waiver of premiums has been terminated as of a certain date and of the necessity of resuming premium payments. Every consideration is extended to the insured so that his insurance will not lapse prior to the expiration of the grace period following the due date of the next premium or prior to the expiration of 31 days after notice to the insured, whichever is the later date. If failure to make premium payments within the time prescribed is due to circumstances beyond the control of the insured, the Administrator may grant an additional period, not to exceed 31 days, in which to make such payment. It would seem that present procedure is adequate and the change proposed by this section is not needed.

A basic requirement for waiver of premiums under the existing law is 6 months or more continuous total disability. The provision of section 602 (r) as it now stands is not a provision for waiver of premiums but a special proviso for continuing insurance in force in case of death prior to 6 months' total disability by establishing a lien for unpaid premiums. To allow waiver of premiums where total disability did not continue for the prescribed 6 months' period would be contrary to the basic requirements mentioned above respecting the duration of the disability. Also, the waiving of premiums during total disability would place an additional burden on the national service life insurance fund in those cases where the total disability is not traceable to the extra hazards of military or naval service, and would be prejudicial to the interest of the other policyholders in the national service life insurance fund.

The Veterans' Administration does not have sufficient information upon which to estimate the cost of this section, if enacted, but it is apparent that the cost would be large and would have to be borne, in part, at least, by the national service life insurance fund.

Section 7 of the bill would repeal section 602 (r) of the National Service Life Insurance Act of 1940, as amended, because the present provisions of section 602 (r) would be incorporated in modified form in section 602 (n) as proposed in section 6 of the bill, as hereinbefore stated.

Section 8 of the bill would amend section 602 (v) (1) of the National Service Life Insurance Act of 1940, as amended, effective as of August 1, 1946, so as to authorize waiver of health, requirements in applications for disability-income coverage until July 1, 1951, for partial disability for which compensation is payable, or would be payable if 10 percent or more in degree pursuant to laws administered by the Veterans' Administration. Premiums paid on disability coverage granted under the provisions of this section would be credited to the national service life insurance appropriation and disability payments would be made directly from such appropriation. Under existing law, health requirements may not be waived in applications for disability coverage after January 1, 1950, and such waiver could have been granted only for disability actually resulting from or aggravated by active military or naval service. The comments made in the statement as to section 1 of the bill are equally applicable to the proposals contained in this section.

Section 9 of the bill would amend section 602 (s) of the National Service Life Insurance Act of 1940, as amended, effective as of October 8, 1940, to provide that in any case in which the Administrator of Veterans' Affairs finds that the failure to pay premiums on insurance or to effect deductions thereof as provided in section 602 (m) could in any way be attributed to the inadequacy of the service department's procedure, the insurance on which such premiums are payable shall be deemed to be in force in the same manner as if such deductions had been made so long as the insured remains in active service; and that in any case in which the Veterans' Administration was authorized in writing by the insured to deduct premiums on insurance currently in force from compensation, pension, or retirement pay payable under laws administered by the Veterans' Administration, such insurance shall be deemed to be in force whether such deduction is made or not so long as such authorization is continued and the compensation, pension, or retirement pay is sufficient to cover the premiums due thereon. It is provided that premiums due on such insurance shall be deducted from the proceeds thereof unless otherwise adjusted.

The remedial legislation presently incorporated into the law by subsection (s) was directed at the procedure as to premium payments by means of the pay-deduction system of the service departments in effect prior to July 1, 1942. The allotment system which came into effect at that time corrected former deficiencies and appears to be operating without undue difficulty, for which reason there is believed to be no justification for removal of the original delimiting date, July 1, 1942.

The language of this proposed amendment is exceedingly broad and general in its scope. It would provide insurance protection for anyone in the active service subsequent to October 8, 1940, who could show that the failure to effect deductions could in any way be attributed to the inadequacy of the service department's procedure regardless of the time that had elapsed subsequent to the attempt to establish an insurance allotment. It would also establish insurance protection for those veterans out of service who could establish a continuous total disability commencing while in service regardless of the time that elapsed between the attempted establishment of an allotment and the total

disability. Thus, the proposed amendment would afford insurance protection to certain persons regardless of whether such persons were aware that no premiums were being deducted and regardless of whether the insurance protection was desired or not.

Furthermore, persons in the active service who could establish insurance under this proposed amendment would have their insurance continued in force without the payment of premiums during enlistments subsequent to the one in which failure to effect deduction of premiums could be attributed to the inadequacies of the service department's procedure.

Veterans' Administration regulations provide that insurance, premiums on which are authorized to be paid from benefit payments, shall not lapse so long as the authorization, which must be given while the insurance is in force, is in effect and the benefit payment is equal to or exceeds the amount of the monthly premium. The insurance in such case will not be treated as lapsed although the deduction was not in fact made. Such regulations have been in effect on national service life insurance for many years and there would appear to be little, if any, reason to include such a proviso in section 602 (s).

Since the proposed amendment is silent as to whether the national service life insurance fund or appropriation will bear the burden of claims for death and total disability that arise thereunder, it appears that the fund would be liable for all claims that were not traceable to the extra hazards of military or naval service. The proviso in this section that premiums due on this insurance shall be deducted from the proceeds of the insurance unless otherwise adjusted means little, if any, protection is afforded the national service life insurance fund in effecting recovery of the payment of premiums. The only premiums that the fund would receive would be in death cases. No premiums would be deducted for the insurance protection afforded those persons who survived. The fund would also be liable for all total disability claims not traceable to the extra hazards of military or naval service without receiving any premiums to pay for such coverage. Thus, persons who became totally disabled under this section whose disability was not traceable to the extra hazard of military or naval service would receive gratuitous insurance protection at the expense of the other policyholders. This would be an illegal use of the trust fund and a violation of the Government's fiduciary relationship to the other policyholders who have a proprietary interest in the fund.

Since there is no way of determining the number of claims that may arise under this section, an estimate of the cost cannot be made.

Section 10 of the bill provides that the provisions of the bill shall be subject to the provisions of the first proviso under the caption "Transfer of appropriations" contained in title II of the First Supplemental Surplus Appropriation Rescission Act, 1946 (Public Law 301, 79th Cong., February 18, 1946). The first proviso of title II of Public Law 301, as amended, provides:

"That service in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the Armed Forces of the United States pursuant to the military order of the President of the United States dated July 26, 1941, shall not be deemed to be or to have been service in the military or naval forces of the United States or any component thereof for the purposes of any law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the military or naval forces of the United States or any component thereof, except benefits under (1) the National Service Life Insurance Act of 1940, as amended, under contracts heretofore entered into, and (2) laws administered by the Veterans' Administration providing for the payment of pensions on account of service-connected disability or death, and (3) the Missing Persons Act, approved March 7, 1942 (56 Stat. 143), as amended."

It appears that this section is designed to establish the same limitation on veterans of the armed forces of the Commonwealth of the Philippines with reference to the benefits proposed by the bill as are imposed on such veterans under the mentioned Rescission Act.

The Veterans' Administration has no data upon which to estimate the cost of the bill, if enacted, but it is apparent that such cost would be very substantial. In addition, the bill, if enacted, would involve very considerable administrative expenses.

The premiums paid on national service life insurance, together with the earnings thereon, constitute a trust fund maintained for the sole benefit of the policyholders of such insurance. As previously indicated, H. R. 8235 proposes certain changes in the law which would adversely affect this fund. Accordingly, it is my belief the enactment of the bill would not serve the best interests of the policyholders for whom the trust fund is maintained.

Advice has been received from the Bureau of the Budget that the enactment of the proposed legislation would not be in accord with the program of the President.

Sincerely yours,

CARL R. GRAY, Jr.,
Administrator.

Mr. RANKIN. There is nothing wrong with this bill. It ought to pass. The subcommittee considered it, and the full committee considered it thoroughly.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Pennsylvania.

Mr. RICH. There seems to be a difference of opinion here. I think it is right that the bill should go to the Committee on Rules, and have a rule granted. That is the proper procedure in getting legislation. It is good and sound. I think the gentleman from Mississippi, being a sound man, wants to see that we get good, sound legislation.

Mr. RANKIN. I am very sound on this proposition.

Mr. RICH. Let the bill be passed over.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to include at this point in the RECORD the letters from the four veterans' organizations to which I referred.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the first letter is from the American Legion, giving a description of the bill and expressing their interest in having it passed:

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMISSION,
Washington, D. C., August 2, 1950.

Hon. JOHN E. RANKIN,
Chairman, Veterans' Affairs Committee,
House of Representatives,
Washington, D. C.

DEAR MR. RANKIN: As you know, the American Legion is very much interested in the passage of H. R. 8235, same being a bill to amend the National Service Life Insurance Act of 1940, as amended.

The purpose of the bill is to correct many inequities and injustices which could not be foreseen until revealed by experience following application of the basic act and earlier amendments. It is the result of exhaustive study by the Committee on Veterans' Affairs following hearings during which witnesses testified for the American Legion, Veterans of Foreign Wars of the United States, Disabled American Veterans, and AMVETS. All of these war veterans' organizations unanimously agreed that there was a need for every amendment included in the bill.

The bill—

Extends from January 1, 1950, to July 1, 1951, the time limit within which good health can be waived in application for insurance or reinstatement of insurance providing health impairment results from a disability which is less than total in degree and service connected for compensation purposes.

Extends from September 30, 1945, to July 1, 1951, the time for applying for continuance of automatic insurance which was granted because a person became totally disabled in line of duty before April 20, 1942, providing total disability has continued ever since.

Permits a person to apply before July 1, 1951, for continuance of automatic insurance granted because he was captured, besieged, or isolated by the enemy before April 20, 1942, providing he became totally disabled within 6 months following release and continues so disabled until enactment of this bill.

Authorizes payment to estate of insured of commuted value of any installments of insurance, matured before August 1, 1946, remaining unpaid at death of last beneficiary.

Where insurance was forfeited because of desertion, provides that the insurance shall remain in force so long as the person remained in active service up to August 1, 1948, if, after sentence of court martial, he was (1) restored to active duty, or (2) required to engage in combat, or (3) became totally disabled while engaged in combat, or (4) killed in combat.

Extends protective measures afforded to those whose premiums were paid by the Government on the same basis as provided for those who authorized premium payment by deduction from active service pay.

Provides that where premiums have been paid when a waiver should have been in effect, they shall be applied to the payment of future premiums unless insured asks refund.

Provides that if a premium waiver granted for service-connected disability is terminated and death resulting from such disability occurs within 1 year after such termination, such waiver shall be deemed to have been continued to date of death.

Authorizes retroactive waiver of premiums for total disability which existed for six or more consecutive months in the period between October 8, 1940, and 1 year after enactment of this measure, instead of only during the August 1, 1941, to August 1, 1947, period.

Provides that when the Veterans' Administration determines an insured is no longer totally disabled, and therefore no longer entitled to premium waiver, the waiver shall cease as of the date notice is sent to insured's last-known address instead of from date of such findings, as provided in present law.

Waives premiums if an insured dies before six consecutive months of total disability, just as is provided in present law, when total disability continues for six or more consecutive months.

Extends from January 1, 1950, to July 1, 1951, the date prior to which health requirement may be waived in an application for disability income insurance, providing the health impairment results from a disability

which is less than total in degree and service-connected for compensation purposes.

Provides that when an insured authorizes the Veterans' Administration in writing to deduct premiums from compensation, pension, or retirement pay sufficient to pay such premiums insurance shal be deemed in force, even though through administrative or clerical error deduction was not made.

Continues the prohibition against issuance of any additional policies after February 18, 1946, to persons who served in the Armed Forces of the Commonwealth of the Philippines under the military order of July 26, 1941, of the President of the United States.

I understand, indirectly, that this bill will again come up for consideration on or about August 7, and would appreciate any assistance you can extend to the end that favorable action may be had thereon.

Thanking you for your assistance and cooperation in this matter, and with kind personal regards, I am,

Sincerely yours,

MILES D. KENNEDY, *Director.*

The Veterans of Foreign Wars are also strongly in favor of the passage of this bill, as the following letter from their representative indicates:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Kansas City, Mo., August 2, 1950.

Hon. JOHN E. RANKIN,
House Office Building,
Washington, D. C.

DEAR MR. RANKIN: It is my understanding that in the very near future you propose to seek recognition on the floor of the House for the purpose of bringing up for consideration the bill H. R. 8235, providing for certain amendments to the National Service Life Insurance Act of 1940, as amended.

This legislation, you will recall, represents the joint sponsorship of the Veterans of Foreign Wars of the United States and the other major veterans organizations, as well as the mature consideration of the Committee on Veterans Affairs. Extensive hearings were held on this legislation and it is highly deserving of sympathetic consideration by the House.

The bill contains several liberalizing amendments to the Insurance Act of 1940, which amendments in turn are based on resolutions unanimously adopted by the fiftieth national encampment of our organization. I hope that before any Member of the House rises to object to the consideration of H. R. 8235 that he will have first apprised himself of the substance of and justification for the amendments as set forth in the committee report.

When you move for the bill's consideration, I hope you will convey to the House the plea of the million and one-quarter overseas veterans of our organization who stand firmly behind this worthy legislation.

Respectfully yours,

OMAR B. KETCHUM, *Director.*

The Disabled American Veterans consider the passage of this bill imperative. I have received the following letter from them:

DISABLED AMERICAN VETERANS,
Washington, D. C., August 3, 1950.

Hon. JOHN E. RANKIN,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D. C.

DEAR CONGRESSMAN RANKIN: We of the Disabled American Veterans are hopeful that the bill H. R. 8235 will be passed by the House of Representatives at an early date so that the Senate may have an opportunity to act upon it before adjournment. This bill amends the National Service Life Insurance Act so as to make it more equitable. During the extensive hearing before the House committee, and at the time the committee reported the measure (May 10, 1950) this bill was very necessary. With the advent of the Korea conflict its passage has become more imperative.

The bill is endorsed and supported by the four major veterans' organizations chartered by acts of Congress, each of which maintains insurance experts to contest Veterans' Administration decisions and rulings to deny national service life insurance payments to beneficiaries. It is this experience on the part of the four major veterans' organizations which led to their endorsement and advocacy of H. R. 8235.

We of the Disabled American Veterans respectfully urge and request that the House of Representatives act expeditiously regarding passage of H. R. 8235.

With best wishes, I am,

Very sincerely yours,

FRANCIS M. SULLIVAN,
National Legislative Director.

Further support for this measure comes from the American Veterans of World War II, as follows:

AMVETS,
Washington, D. C., August 3, 1950.

Hon. JOHN RANKIN,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN RANKIN: This is to inform you that this organization desires to go on record as being heartily in favor of the passage of H. R. 8235, which is a bill to liberalize the National Service Life Insurance Act of 1940.

It is the feeling of this organization that this bill primarily corrects the inequities which presently exist in the basic statutes relative to national service life insurance. It is, further, the opinion of this organization that the major bottlenecks concerning veterans' insurance rights would be overcome if this bill were passed.

We therefore urge that you do everything you can to secure the eventual passage of what we consider to be a most important piece of veterans' legislation.

Due to the Korean situation, this organization has been extremely reluctant to go on record in favor of new benefits for veterans of World War II. However, we feel that the provisions of H. R. 8235 do not bring forth any new legislative proposals. It is merely a bill to correct inequity. Therefore, although we still desire to follow a policy of nonsupport of new benefits for veterans of World War II, we do wish to go on record as supporting this particular bill.

Sincerely yours,

HAROLD RUSSELL,
National Commander.

The SPEAKER. Is there objection to the request of the gentleman from Michigan that the bill be passed over without prejudice?

Mr. RANKIN. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD, Mr. RICH, and Mr. BYRNES of Wisconsin objected.

CUSTODIAL SERVICE OF THE POST OFFICE DEPARTMENT

The Clerk called the bill (H. R. 8711) relating to the compensation and leave benefits of officers and employees in the custodial service of the Post Office Department transferred to the General Services Administration under Reorganization Plan No. 18 of 1950.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PROVIDING TECHNOLOGICAL, SCIENTIFIC, AND ENGINEERING INFORMATION TO AMERICAN BUSINESS AND INDUSTRY

The Clerk called the bill (S. 868) to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PRACTITIONERS BEFORE ADMINISTRATIVE AGENCIES

The Clerk called the bill (H. R. 8201) to protect the public with respect to practitioners before administrative agencies.

The SPEAKER. Is there objection to the present consideration of the bill?

Messrs. HULL, GROSS, WITHROW, and RICH objected.

AMENDING INTERSTATE COMMERCE ACT

The Clerk called the bill (H. R. 5967) to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers.

Mr. CUNNINGHAM. Mr. Speaker, a rule has been granted on this bill, and therefore I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

DISTRICT JUDGE FOR WESTERN DISTRICT OF PENNSYLVANIA

The Clerk called the bill (H. R. 6869) to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

DISTRICT JUDGE FOR THE DISTRICT OF DELAWARE

The Clerk called the bill (H. R. 6836) to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware.

Mr. BYRNES of Wisconsin. Mr. Speaker, a rule has been granted on this bill, and, therefore, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DISTRICT JUDGE FOR EASTERN AND WESTERN DISTRICTS OF MISSOURI

The Clerk called the bill (H. R. 7009) to repeal the proviso against the filling

of the vacancy in the office of the district judge for the eastern and western districts of Missouri.

Mr. BYRNES of Wisconsin. Mr. Speaker, I understand a rule has been granted on this bill, and, therefore, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DISTRICT JUDGE FOR THIRD DIVISION OF DISTRICT COURT OF DISTRICT OF ALASKA

The Clerk called the bill (H. R. 3775) to provide for an additional district judge for the third division of the District Court for the District of Alaska.

Mr. BYRNES of Wisconsin. Mr. Speaker, a rule has been granted on this bill, and, therefore, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DISTRICT JUDGE FOR NORTHERN DISTRICT OF OHIO

The Clerk called the bill (H. R. 7570) to provide for the appointment of one additional district judge for the northern district of Ohio.

Mr. BYRNES of Wisconsin. Mr. Speaker, a rule has also been granted on this bill, and, therefore, I ask unanimous consent that it go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDING CONTRACT SETTLEMENT ACT OF 1944

The Clerk called the bill (H. R. 8883) to amend section 17 of the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING WAR CONTRACTORS RELIEF ACT

The Clerk called the bill (H. R. 9121) to amend the War Contractors' Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, the gentleman from Pennsylvania [Mr. WALTER] has spoken to me and I would like to ask him to advise the House of the information which he conveyed to me.

Mr. WALTER. Mr. Speaker, the Committee on the Judiciary reported unanimously the bill, S. 3906, a bill which passed the other body on the Consent Calendar. If no objection is made to this bill for which consideration is now requested, unanimous consent to substitute the Senate bill will be asked for. The Senate bill does not provide for the payment of interest, and for that reason the objections heretofore made by the President have been met, and there is no objection to the enactment of the Senate bill.

Mr. McCORMACK. It is the gentleman's opinion then that if that is done, the objections contained in the veto message of the President will be met; is that correct?

Mr. WALTER. Considerable effort has been made to meet the objections raised in the veto message. Counsel for the Committee on the Judiciary, as well as the members of the committee who drafted this legislation, aimed it directly at meeting the objections of the veto message.

Mr. McCORMACK. With that statement of the gentleman from Pennsylvania, so far as I am concerned, this bill having been passed over without prejudice at my request 2 weeks ago, and with the understanding that the Senate bill will be substituted, and with the statement by the gentleman from Pennsylvania [Mr. WALTER] that in his opinion it meets the objections of the President, I shall not ask unanimous consent that this bill be passed over without prejudice at this time.

Of course, some other Member may consider the matter differently, but so far as I am concerned, I shall not ask that it be passed over.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BYRNES of Wisconsin. Can the chairman of the committee advise me as to whether or not there is a relationship between this bill and the previous bill which was passed over? They both seem to deal with the same general subject matter.

Mr. WALTER. No. They are not related. H. R. 8883 has to do with the claims of mining people under the Contract Settlement Act This has to do with the claims filed before February 7, 1947, under the Lucas Act, by people who were engaged in war-contract work.

Mr. McCORMACK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that S. 3906 be substituted for the bill H. R. 9121.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act of August 7, 1946 (Public Law No. 657, 79th Cong., ch. 864, 60 Stat. 902), as amended (sec. 37 of the act of June 25, 1948, ch. 646, 62 Stat. 869, 992), is hereby amended by adding the following section thereto:

"SEC. 7. Within the limitations stated in this act and no others—

"(1) for the purposes of this section and except as otherwise provided by paragraph (5) hereof, all departments, agencies, or the heads or duly designated representatives thereof authorized to consider, adjust, and settle claims under this act are hereby directed, on request filed not more than 60 days after the effective date of this section and after affording claimants reasonable opportunity to amend or supplement their claims, to reconsider claims heretofore filed in accordance with the provisions of this act and rejected or disallowed in whole or part;

"(2) notwithstanding anything in section 3 of this act with reference to the necessity of a request for relief filed on or before August 14, 1945, claims otherwise payable under this act shall be allowed to the extent that they include losses with respect to which in a writing submitted to a department or agency concerned on or before August 14, 1945, the claimant (a) requested relief, available under the First War Powers Act, (b) demanded payment thereof, or (c) gave notice of such sustained or impending loss; but nothing in this paragraph shall be taken to limit or exclude other requests for relief otherwise sufficient under section 3 of this act;

"(3) claims otherwise payable under this act as amended shall include those of subcontractors on the same basis as the claims of prime contractors if the request for relief, demand for payment, or notice of sustained or impending loss required by section 3 of this act or defined by paragraph (2) of this section was submitted in writing by such claimants on or before August 14, 1945, to either (a) a department or agency concerned, or (b) the prime contractor or other subcontractor involved;

"(4) claims otherwise allowable under this act as amended shall include reasonable compensation for the services of working partners and proprietors of unincorporated claimants during the period of performance of the contracts os subcontracts involved;

"(5) the jurisdiction of courts over suits now pending under this act is hereby preserved and, notwithstanding paragraph (1) of this section, no plaintiff in such action shall be required either to present his claim again to the department or agency concerned or to begin his action in court anew; but nothing in this act or amendment shall prevent any department or agency, in agreement with the plaintiff claimant, from reconsidering any claim for the purpose of paying it or entering into an agreement for the compromise or settlement of the whole or any part thereof and, to the extent that hereafter such payments are made or such settlements are executed pursuant to any such agreement, court actions shall thereupon be limited accordingly or dismissed as the case may be;

"(6) where necessary to effectuate the purposes of this section the court in any case heretofore filed under this act shall, upon motion filed by the plaintiff not more than 60 days after the effective date of this section, (a) permit the plaintiff to amend his claim or pleadings, (b) vacate any adverse judgment or ruling, or (c) revive the action; but nothing in this paragraph shall be deemed to require any plaintiff to seek any such action where it is unnecessary for the preservation of his rights under this act and section in accordance with the existing practice, procedure, or course of judicial proceedings; and

"(7) as used in this act, as amended, the terms 'contractors,' 'subcontractors,' and 'materialmen' include individuals, partnerships, joint ventures, business associations, and corporations and means with respect to partnerships, joint ventures, or business associations, the partnerships, joint ventures,

or business associations themselves, and not the individual members thereof."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 9121) was laid on the table.

FEDERAL AIRPORT ACT

The Clerk called the bill (S. 2875) to extend for a period of 5 years the time for appropriating and expending funds to carry out the Federal Airport Act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ADDITIONAL ASSISTANT SECRETARIES OF AGRICULTURE

The Clerk called the bill (H. R. 8850) to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Secretary of Agriculture.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. H. CARL ANDERSEN. Reserving the right to object, Mr. Speaker, I certainly want to accord the Secretary of Agriculture the same right as other Cabinet members to have sufficient assistants in line with the duties which it is his responsibility to undertake, but I have been especially opposed to section 2 of this particular bill, which provides for the appointment of an Administrative Assistant Secretary of Agriculture, who shall be under the classified civil service. I understand the gentleman from North Carolina [Mr. COOLEY] is willing to strike that particular section of the bill if I agree to remove my objection.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. COOLEY. Mr. Speaker, I have at the Speaker's desk an amendment which will accomplish the objective the gentleman from Minnesota has in mind and which I understand will remove the objectionable provision from the bill. This bill was reported by our committee for the purpose of providing two additional Assistant Secretaries of Agriculture and in addition thereto an Administrative Assistant Secretary to the Secretary of Agriculture. I understand the gentleman objects to the latter provision. So I have at the Speaker's desk an amendment which will eliminate that feature.

Mr. H. CARL ANDERSEN. Mr. Speaker, in view of the fact that we on the Appropriations Committee will decide finally whether or not we will put up the money for the two assistants, I agree to the gentleman's suggestion that he take out of this bill section 2, and thereupon I personally shall remove my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Reserving the right to object, Mr. Speaker, it seems to me that, even with the amendment to be offered by the gentleman from North Carolina [Mr. COOLEY], there is still an item of controversy. I therefore ask unanimous consent that this bill go over without prejudice, and the matter can then be brought up under such parliamentary situation as will at least allow some time for debate.

Mr. COOLEY. Will the gentleman withhold his request?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. COOLEY. I would like to say that the Secretary of Agriculture is in earnest about the necessity for these additional assistants. If the gentleman will read the letter of the Secretary——

Mr. BYRNES of Wisconsin. Oh, I know the Secretary would like some more help down there, but it just seems to me that since we are asking the people of this country to tighten up their belts, one place where we can tighten up is in employees of the Government.

Mr. COOLEY. The gentleman may be correct, but if the gentleman will refresh his recollection from the Secretary's letter, he will see that the Department of Agriculture has had one burden after another placed upon it. We have not given him any assistance at this level since 1934. We have greatly added to the burdens of his office.

He now has all the Farm Credit Administration, all of the Rural Electrification Administration, the new Rural Telephone Bureau, the Commodity Credit Corporation with its investment of billions of dollars, and many additional responsibilities.

Mr. BYRNES of Wisconsin. Mr. Speaker, if the Secretary has that much work to do, I wonder how he finds time to take his trips throughout the country trying to sell the farmers on the Brannan plan.

Mr. COOLEY. The gentleman is bringing in something controversial. In fact you are bringing politics into the picture.

This bill was considered by the legislative committee of the House. I do not recall that there was any objection from the gentleman's side. The gentleman from Kansas [Mr. HOPE], ranking member of the committee, is here, and I believe that he was impressed with the earnestness of the Secretary in asking for this additional aid.

Just think of the investment that the taxpayers have in the Commodity Credit Corporation alone, to say nothing of the Farm Credit Administration and these other activities. It seems to me that this is help which has been too long delayed. I hope that the gentleman will not object to it, because he knows that, under the present legislative situation, it would be almost impossible for us to go in the regular way and obtain a rule and bring it to the floor of the House for debate.

Mr. BYRNES of Wisconsin. I think the gentleman might try to bring it up under a suspension of the rules or in some way to give the membership a little time for debate. It is a controversial matter.

Mr. Speaker, I insist upon my request that the bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

JURISDICTION OF COURTS OF NEW YORK WITH RESPECT TO CIVIL ACTIONS INVOLVING INDIANS

The Clerk called the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties.

Mr. MORRIS. Mr. Speaker, I ask unanimous consent that this bill be passed over temporarily to the foot of the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

WHITE COUNTY BRIDGE COMMISSION

The Clerk called the joint resolution (H. J. Res. 506) to modify the authority of the White County Bridge Commission created by the act approved April 12, 1941; to authorize said commission and its successors to purchase or construct, and to maintain and operate, bridges across the Wabash River at various locations and to purchase, maintain, and operate ferries; and for other purposes.

Mr. VURSELL. Mr. Speaker, I ask unanimous consent that House Joint Resolution 506 be stricken from the calendar.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, may I ask the gentleman from Illinois why he wants the bill stricken from the calendar? I have no knowledge about the matter.

Mr. VURSELL. I shall be very glad to inform the gentleman.

It is my resolution. It was introduced several weeks ago and considerable confusion has been created. Time is needed for the people to clarify their thinking. It is late in the session. I think it would be well to strike the resolution from the calendar. It is my resolution.

Mr. McCORMACK. My only purpose was to have the RECORD show the reason for this request, which is rather unusual. I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois that the joint resolution be stricken from the calendar?

There was no objection.

REVISION OF TITLE 21, UNITED STATES CODE, FOOD AND DRUGS

The Clerk called the bill (H. R. 9158) to revise, codify, and enact into law, title 21 of the United States Code, entitled "Food and Drugs."

Mr. CUNNINGHAM. Mr. Speaker, on behalf of a Member who is not present today, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMERICAN-MEXICAN TREATY PROJECTS

The Clerk called the bill (H. R. 6304) to provide certain authorizations for the Department of State and the United States section of the International Boundary and Water Commission, United States and Mexico, in carrying out the functions of the Commission and to facilitate compliance with the provisions of the treaty between the United States of America and the United Mexican States signed at Washington on February 3, 1944, relating to the utilization of the waters of the Colorado and Tia Juana Rivers and of the Rio Grande below Fort Quitman, Tex., and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill, S. 3934, to amend the act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act of May 13, 1924 (43 Stat. 118), as amended by the public resolution of March 3, 1927 (44 Stat. 1403), the act of August 19, 1935 (49 Stat. 660), and the act of May 22, 1936 (49 Stat. 1370), is hereby further amended by adding thereto the following sections:

"SEC. 6. The Secretary of State, acting through the United States Commissioner, International Boundary and Water Commission, United States and Mexico, in connection with any project under the jurisdiction of the United States section, International Boundary and Water Commission, United States and Mexico, is authorized, (a) to purchase, or condemn, lands, or interests in lands, for relocation of highways, roadways, railroads, telegraph, telephone, or electric transmission lines, or any other properties whatsoever, the relocation of which, in the judgment of the said Commissioner, is necessitated by the construction or operation and maintenance of any such project, and to perform any or all work involved in said relocations on said lands, or interests in lands, other lands, or interests in lands, owned and held by the United States in connection with the construction or operation and maintenance of any such project, or properties not owned by the United States; (b) to enter into contracts with the owners of said properties whereby they undertake to acquire any, or all, property needed for said relocation, or to perform any, or all work involved in said relocations; and (c) for the purpose of effecting completely said relocations, to convey, or exchange Government properties acquired or improved under clause (a) above, with or without improvements, or other properties owned and held by the United States in connection with the construction or operation and maintenance of said project, or to grant term or perpetual easements therein or thereover. Grants or conveyances hereunder shall be by instruments executed by the Secretary of State without regard to provisions of law governing the patenting of public lands.

"SEC. 7. The United States Commissioner is authorized to construct, equip, and operate and maintain all access roads, highways, railways, power lines, buildings, and facilities necessary in connection with any such project, and in his discretion to provide housing, subsistence, and medical and recreational facilities for the officers, agents, and employees of the United States, and/or for the contractors and their employees engaged in the construction, operation, and maintenance of any such project, and to make equitable charges therefor, or deductions from the salaries and wages due employees, or from progress payments due contractors, upon such terms and conditions as he may determine to be to the best interest of the United States, the sums of money so charged and collected or deducted to be credited to the appropriation for the project current at the time the obligations are incurred.

"SEC. 8. The United States Commissioner, in order to comply with the provisions of articles 12 and 23 of the treaty of February 3, 1944, between the United States and Mexico, relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande below Fort Quitman, Tex., is authorized to acquire, in the name of the United States, by purchase or by proceedings in eminent domain, the physical properties owned by the Imperial Irrigation District of California, located in the vicinity of Andrade, Calif., consisting of the Alamo Canal in the United States, the Rockwood Intake, the Hanlon Heading, the quarry, buildings used in connection with such facilities, and appurtenant lands, and to reconstruct, operate, and maintain such properties in connection with the administration of said treaty.

"SEC. 9. Funds heretofore or hereafter appropriated to the Department of State under the heading 'International Boundary and Water Commission, United States and Mexico' or for the use of the United States section of said Commission shall be available for construction, operation, and maintenance of stream gaging stations, and their equipment and sites therefor; personal services and rent in the District of Columbia and elsewhere; services, including those of attorneys and appraisers, in accordance with the provisions of section 15 of the act of August 2, 1946 (5 U. S. C., sec. 55a), at rates for individuals not in excess of $100 per diem, and the United States Commissioner is hereby authorized, notwithstanding the provisions of any other act, to employ as consultants, by contract or otherwise, without regard to the Classification Act of 1923, as amended, and the civil-service laws and regulations, retired personnel of the Armed Forces of the United States, who shall not be required to revert to an active status, and who shall be entitled to receive, as compensation for such temporary service, the difference between the rates of pay established therefor and their retired pay during the period or periods of such temporary employment; travel expenses, including, in the discretion of the Commissioner, expenses of attendance at meetings of organizations concerned with the activities of the International Boundary and Water Commission which may be necessary for the efficient discharge of the responsibilities of the Commission; hire, with or without personal services, of work animals, and animal-drawn and motor-propelled (including passenger) vehicles and aircraft and equipment; acquisition by donation, purchase, or condemnation, of real and personal property, including expenses of abstracts, certificates of title, and recording fees; purchase of ice and drinking water; inspection of equipment, supplies, and materials by contract or otherwise; drilling and testing of foundations and dam sites, by contract if deemed necessary; payment for official telephone service in the field in case of official telephones installed in private houses when authorized under regulations established by the Commissioner; purchase of firearms and ammunition for guard purposes; and such other objects and purposes as may be permitted by this act and other laws and treaties applicable, in whole or in part, to the United States section: *Provided,* That, when appropriations have been made for the commencement or continuation of construction or operation and maintenance of any project, the United States Commissioner, notwithstanding the provisions of sections 3679, 3732, and 3733 of the Revised Statutes or any other law, may enter into contracts beyond the amount actually appropriated for so much of the work on any such authorized project as the physical and orderly sequence of construction makes necessary, such contracts to be subject to and dependent upon future appropriations by Congress."

Mr. TRIMBLE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRIMBLE: Strike out all after the enacting clause and insert the following:

"That this act may be cited as the 'American-Mexican Treaty Act of 1950.'

"TITLE I—AUTHORIZATIONS FOR CARRYING OUT TREATY PROJECTS

"SEC. 101. That the Secretary of State, acting through the United States Commissioner, International Boundary and Water Commission, United States and Mexico (herein referred to as the 'Commission'), in connection with any project under the jurisdiction of the United States Section, International Boundary and Water Commission, United States and Mexico, is authorized: (a) to purchase, or condemn, lands, or interests in lands, for relocation of highways, roadways, railroads, telegraph, telephone, or electric transmission lines, or any other properties whatsoever, the relocation of which, in the judgment of the said Commissioner, is necessitated by the construction or operation and maintenance of any such project, and to perform any or all work involved in said relocations on said lands, or interests in lands, other lands, or interests in lands, owned and held by the United States in connection with the construction or operation and maintenance of any such project, or properties not owned by the United States; (b) to enter into contracts with the owners of the said properties whereby they undertake to acquire any, or all, property needed for said relocation, or to perform any, or all, work involved in said relocations; and (c) for the purpose of effecting completely said relocations, to convey, or exchange Government properties acquired or improved under clause (a) above, with or without improvements, or other properties owned and held by the United States in connection with the construction or operation and maintenance of said project, or to grant term or perpetual easements therein on thereover. Grants or conveyances hereunder shall be by instruments executed by the Secretary of State without regard to provisions of law governing the patenting of public lands.

"SEC. 102. The United States Commissioner is authorized to construct, equip, and operate and maintain all access roads, highways, railways, power lines, buildings, and facilities necessary in connection with any such project, and in his discretion to provide housing, subsistence, and medical and recreational facilities for the officers, agents, and employees of the United States, and/or for the contractors and their employees engaged in the construction, operation, and maintenance of any such project, and to make equitable charges therefor, or deductions from the salaries and wages due employees, or from progress payments due contractors, upon such terms and conditions as he may determine to be the best interest of the United States, the sums of money so

charged and collected or deducted to be credited to the appropriation for the project current at the time the obligations are incurred.

"SEC. 103. There are hereby authorized to be appropriated to the Department of State for the use of the Commission, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of the treaty of February 3, 1944, and other treaties and conventions between the United States of America and the United Mexican States, under which the United States Section operates, and to discharge the statutory functions and duties of the United States Section. Such sums shall be available for construction, operation and maintenance of stream gaging stations, and their equipment and sites therefor; personal services and rent in the District of Columbia and elsewhere; services, including those of attorneys and appraisers, in accordance with the provisions of section 15 of the act of August 2, 1946 (5 U. S. C., sec. 55a), at rates for individuals not in excess of $100 per diem, and the United States Commissioner is hereby authorized, notwithstanding the provisions of any other act, to employ as consultants by contract or otherwise without regard to the Classification Act of 1923, as amended, and the civil-service laws and regulations, retired personnel of the Armed Forces of the United States, who shall not be required to revert to an active status, and who shall be entitled to receive, as compensation for such temporary service, the difference between the rates of pay established therefor and their retired pay during the period or periods of such temporary employment; travel expense, including, in the discretion of the Commissioner, expenses of attendance at meetings of organizations concerned with the activities of the Commission which may be necessary for the efficient discharge of the responsibilities of the Commission; hire, with or without personal services, of work animals, and animal-drawn and motor-propelled (including passenger) vehicles and aircraft and equipment; acquisition by donation, purchase, or condemnation, of real and personal property, including expenses of abstracts, certificates of title, and recording fees; purchase of ice and drinking water; inspection of equipment, supplies and materials by contract or otherwise; drilling and testing of foundations and dam sites, by contract if deemed necessary; payment for official telephone service in the field in case of official telephones installed in private houses when authorized under regulations established by the Commissioner; purchase of firearms and ammunition for guard purposes; and such other objects and purposes as may be permitted by laws applicable, in whole or in part, to the United States Section: *Provided*, That when appropriations have been made for the commencement or continuation of construction or operation and maintenance of any such project, the United States Commissioner, notwithstanding the provisions of sections 3679, 3732, and 3733 of the Revised Statutes or any other law, may enter into contracts beyond the amcunt actually appropriated for so much of the work on any such authorized project as the physical and orderly sequence of construction makes necessary, such contracts to be subject to and dependent upon future appropriations by Congress.

"SEC. 104. The United States Commissioner, in order to comply with the provisions of articles 12 and 23 of the treaty of February 3, 1944, between the United States and Mexico, relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande below Fort Quitman, Tex., as authorized to acquire, in the name of the United States, by purchase or by proceedings in eminent domain, the physical properties owned by the Imperial Irrigation District of California, located in the vicinity of Andrade, Calif., consisting of the Alamo Canal in the United States, the Rockwood Intake, the Hanlon Heading, the quarry, buildings used in connection with such facilities, and appurtenant lands, and to reconstruct, operate, and maintain such properties in connection with the administration of said treaty.

"SEC. 105. Funds heretofore appropriated to the Department of State under the heading 'International Boundary and Water Commission, United States and Mexico' shall be available for the purposes of this title: *Provided*, That authorizations under this title shall apply only to projects agreed upon by the two Governments in accordance with the treaty of February 3, 1944.

"TITLE II—DOUGLAS-AGUA PRIETA SANITATION PROJECT

"SEC. 201. That the Secretary of State is authorized, subject to the conditions provided in this title, to enter into an agreement with the appropriate official or officials of the United Mexican States for the operation and maintenance by the city of Douglas, Ariz., of the Douglas-Agua Prieta sanitation project, located at Douglas, Ariz., and Agua Prieta, Sonora, Mexico, heretofore constructed by the International Boundary and Water Commission, United States and Mexico, which agreement shall contain such provisions relating to a division between the two Governments of the costs of such operation and maintenance, or of the work involved therein, as may be recommended by said Commission and approved by the Government of Mexico and by the Secretary of State on behalf of the Government of the United States: *Provided*, That no such agreement shall be entered into until the governing body of the city of Douglas, Ariz., has given assurances satisfactory to the Secretary of State that it will operate and maintain said project and contribute an equitable proportion of the cost of such operation and maintenance allocated to the United States, so long as said agreement between the two Governments remains in force.

"SEC. 202. There is authorized to be appropriated to the United States section, International Boundary and Water Commission, United States and Mexico, such sums as may be necessary to defray such costs as may accrue to the United States arising out of any such agreement for the operation and maintenance of such project: *Provided*, That funds heretofore appropriated to the Department of State under the heading "International Boundary and Water Commission, United States and Mexico," shall be available for expenditure for the purposes of this title: *Provided further*, That any moneys received from the United Mexican States under the terms of any such agreement shall be available for expenditure in connection with any appropriations which may be available or which may be made for the purposes of this title: *And provided further*, That moneys received from the city of Douglas, Ariz., pursuant to the provisions of this title shall be available for expenditure in connection with any appropriations which may be available or which may be made available for the purposes of this title.

"TITLE III—CALEXICO MEXICALI SANITATION PROJECT

"SEC. 301. That the Secretary of State is authorized, subject to the conditions provided in this title, to enter into an agreement with the appropriate official or officials of the United Mexican States for the construction by the International Boundary and Water Commission, United States and Mexico, of a sanitation project for the cities of Calexico, Calif., and Mexicali, Lower California, Mexico, which agreement shall contain such provisions relating to a division between the two Governments of the cost of such construction and operation and maintenance, or of the work involved therein, as may be recommended by the said Commission and approved by the Government of Mexico and by the Secretary of State on behalf of the Government of the United States: *Provided*, That no such agreement shall be entered into until the governing body of the city of Calexico, Calif., has given assurances satisfactory to the Secretary of State that it will operate and maintain such project and will contribute an equitable proportion of the cost of such construction, operation, and maintenance as is allocated to the United States so long as said agreement between the two Governments shall remain in force.

"SEC. 302. There is authorized to be appropriated to the United States section, International Boundary and Water Commission, United States and Mexico, such sums as may be necessary to defray such costs as may accrue to the United States arising out of any such agreement for the construction, operation, and maintenance of such project: *Provided*, That funds heretofore appropriated to the Department of State under the heading 'International Boundary and Water Commission, United States and Mexico,' shall be available for expenditure for the purposes of this title: *Provided further*, That any moneys received from the United Mexican States under the terms of any such agreement shall be available for expenditure in connection with any appropriation which may be available or which may be made available for the purposes of this title: *And provided further*, That moneys received from the city of Calexico, Calif., pursuant to the provisions of this title shall be available for expenditure in connection with any appropriations which may be available or which may be made available for the purposes of this title."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title of the bill was amended so as to read: "A bill to facilitate compliance with the treaty between the United States of America and the United Mexican States, signed February 3, 1944."

A motion to reconsider was laid on the table.

By unanimous consent, the bill (H. R. 6304) was laid on the table.

AMENDING TITLE 28 OF THE UNITED STATES CODE

The Clerk called the bill (S. 1838) to amend title 28 of the United States Code relating to fees of United States marshals.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second, third, and fourth paragraphs of section 1921 of title 28, United States Code, are amended to read as follows:

"For serving a writ of possession, partition, execution, or any final process, the same mileage as is allowed for the service of any other writ, and for making the service, seizing or levying on property, advertising and disposing of same by set off or otherwise according to law (except by sale) and receiving and paying over the money, the same fees and poundage as are or shall be allowed for similar services to the sheriffs of the States, respectively, in which the service is rendered;

"For sale of property and for receiving and paying over the money, 2½ percent

on any sum under $500 and 1¼ percent on the excess of any sum over $500;

"In all cases in which property is sold by a public auctioneer or by some party other than the marshal or his deputy, the fee herein authorized to be paid to the marshal shall be reduced by the amount paid to said auctioneer or other party."

SEC. 2. The last paragraph of the said section is amended to read as follows:

"For necessary travel in serving any process in civil or criminal cases, 10 cents a mile, to be computed from the place where the service is returned to the place of service or where more than one person is served to the place of service which is most remote, adding thereto any additional travel necessary to serve the others. When two or more writs of any kind required to be served in behalf of the same party on the same person may be served at the same time, compensation for travel on only one such writ shall be taxable. The clerk shall insert in each subpena the names of as many witnesses in each case as convenience of service will permit."

With the following committee amendment:

Page 1, strike out lines 3 to 11 and lines 1 to 13 on page 2 and insert the following:

"That the last paragraph of section 1921 of title 28, United States Code, is amended to read as follows."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERFORMANCE AND PAYMENT BONDS IN CONNECTION WITH CERTAIN COAST GUARD CONTRACTS

The Clerk called the bill (H. R. 9229) to amend the act of April 29, 1941, to authorize the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the committee several questions in regard to this legislation. May I say at the outset I feel that there should be no discrimination against the Coast Guard. We do not at this time require performance bonds for the Army, Navy, and Air Force. However, what other protection do we have for the performance of such contracts?

Mr. CELLER. We have protection against fraud and chicanery. We have a number of statutes that would protect the Government under those circumstances. This bill originates from a request of the Coast Guard and the Treasury Department. They have made the urgent application that we give the same privileges to the Coast Guard that we do to the Army, Navy, and all the defense procurement divisions. These divisions can, in their discretion, waive performance and payment bonds. The bond is mandatory where the contract involves in excess of $2,000, unless waived. Contractors dealing with the Coast Guard have the right to except procurement procedures like those prevailing in the other branches of our Defense Establishment. During an emergency of this sort it may sometimes be difficult to get procurement bonds, particularly by smaller plants. They cannot get bonds immediately for work that is required in the emergency. Delay may be fatal.

Mr. FORD. I know of several instances in recent months where in the Air Force, for example, no performance bond was required. It happened to be for the procurement of lifesaving equipment—life jackets and life vests—to be used in the Pacific. Upon delivery over 5 percent of the order was found to be defective. No performance bond was required. The Air Force accepted them and probably now have life jackets in the Pacific from this lot which may cause an unnecessary loss of life. There is no practical way of going back against the seller. If the Government had a performance bond for protection the United States could have recovered the money from the bonding company for nonperformance.

Mr. CELLER. Is not the gentleman in error when he says there is no liability against the seller? There is a remedy against the seller. If the seller does not perform, even if payment is made, restitution can be enforced or damages for failure of performance can be assessed.

Mr. FORD. You must admit that when the Government proceeds against the seller it is considerably different from the Government seeking recovery against the bonding company. A right of action against a seller in many instances is worth nothing while a cause of action against a bonding company has substantial value.

Mr. CELLER. There is no difference because the defense if any invoked by the bonding company must be the same defense as invoked by the seller.

We have been told that in some instances contractors have refused to supply the Coast Guard because of the requirement of a performance bond. It has created a great deal of difficulty for the Coast Guard.

Mr. FORD. As stated at the outset I do not intend to object because the Coast Guard should be treated no differently from the other branches of the armed services. However, something must be done to insure performance on Government contracts because the United States cannot afford to have 5 percent of our life vests which go overseas in rotten and worthless condition.

Mr. CELLER. I will be very glad to inquire into that feature that the gentleman referred to. But does not the gentleman think that we should have a bill of this sort passed in the interest of procurement uniformity?

Mr. FORD. As a matter of fact, I would like to get the gentleman's views on the case I am referring to, and I would like to have his committee investigate the situation, because it is an unhealthy and undesirable situation where the Air Force is buying defective life vests to be used on planes in the Pacific Ocean area.

Mr. Speaker, I withdraw my objection.

Mr. McGREGOR. Mr. Speaker, further reserving the right to object, I wonder if the chairman of the committee would tell me whether or not this would cover the situation where a Coast Guard department has issued a contract to construct a building to be used by the Coast Guard, and would that contractor be compelled to put up a performance bond?

Mr. CELLER. If you pass this bill the Coast Guard could, I believe, either require it or not, in its discretion.

Mr. McGREGOR. What would be the case then of a subcontractor handling the electrical equipment, for instance? What protection would he have if the original contractor would go broke? Then what would the subcontractor do?

Mr. CELLER. There is no difference in the case where the Government is the prime beneficiary of the contract or an ordinary individual. The subcontractor must take his chance with the prime contractor.

Mr. McGREGOR. I am wondering if the chairman thinks that that is fair to a small subcontractor when the original contractor is not required to put up a bond. There is no protection at all for subcontractors.

Mr. CELLER. I do not think the Coast Guard would enter into a contract or relationship with a concern that would be as financially weak as that and make a contract with it. If there is such a weak concern, the Coast Guard could demand a performance bond. This bill does not absolutely waive performance bonds. It simply says that the Coast Guard should have discretionary power.

Mr. McGREGOR. I am like the distinguished gentleman from Michigan; I do not think there should be preferential treatment, but I think anyone who enters into a contract should be compelled to put up a performance bond so that the people—subcontractors, and others will be taken care of and protected.

I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of April 29, 1941 (55 Stat. 147; 40 U. S. C. 270e), is hereby amended to read as follows:

"The act of August 24, 1935 (49 Stat. 793), may, in the discretion of the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Treasury, be waived with respect to contracts for the manufacturing, producing, furnishing, construction, alteration, repair, processing, or assembling of vessels, aircraft, munitions, matériel, or supplies of any kind or nature for the Army, Navy, or Coast Guard, regardless of the terms of such contracts as to payment or title."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAN AMERICAN UNION

The Clerk called the bill (H. R. 5902) for the relief of the Pan American Union.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Pan American Union, being the General Secretariat of the Organization of American States, the sum of $54,691.65 in reimbursement of an inherit-

ance tax paid to the District of Columbia, which tax was assessed and collected by reason of a bequest to the Pan American Union under the will of its former Director General, the late Dr. Leo S. Rowe, said bequest to be used by said international organization, of which the United States is a member, for the purpose and objectives of the organization.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IMPLEMENTATION OF THE TUNA CONVENTION

The Clerk called the bill (H. R. 8945) to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City, January 25, 1949, by the United States of America and the United Mexican States, and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, this bill calls for the expenditure of entirely too much money to be considered on the Consent Calendar, and in addition there are no departmental reports. Therefore, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMERICAN-FLAG SHIPPING ON THE GREAT LAKES

The Clerk called the bill (H. R. 8847) to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes.

Mr. TACKETT. Mr. Speaker, I ask unaimous consent that this bill be passed over without prejudice.

Mr. POTTER. Mr. Speaker, reserving the right to object I would like to know the reason for the gentleman's request.

Mr. TACKETT. I think it is too much Goverment subsidy, 90 percent, at least, which is involved in the Great Lakes shipping program.

Mr. POTTER. This bill, of course, costs the Federal Government not 1 cent. It does cost the Government money to keep these ships in repair. It is a well-known fact that ships in operation are much cheaper and much more valuable to the country than ships laid up in drydock. Thirty-three Members of this body have introduced identical bills. This is to allow Great Lakes operators to purchase vessels under the same conditions as now available for salt-water operators, and your salt-water operators receive Government allowance up to 99 percent of the sale price.

Mr. TACKETT. That is right, and this is 90.

Mr. POTTER. That is the maximum.

Mr TACKETT. But two wrongs do not make a right.

Mr. POTTER. This is not a wrong. It is not a subsidy. These ships were built during the war; they are war-built ships. We have to get ships in operation. The Government took 29 vessels from our Great Lakes. We do not have a single package freight ship on the Great Lakes today. This is just one small means of reestablishing that trade.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. POTTER. I yield to the gentleman from Michigan.

Mr. FORD. At the outset the gentleman from Michigan [Mr. POTTER] said that it costs the Government money to maintain and repair these ships while they are in drydock, whereas it will not cost the Federal Government one dime to have these ships sailing on the Great Lakes. If they are maintained in the present status in drydock it will cost the Federal Government on a yearly basis so much to maintain them in usable condition for any future emergency. If they are sold to these companies and put into operation, it will not cost one penny. It will actually save the Government money.

Mr. CROOK. Mr. Speaker, will the gentleman yield?

Mr. POTTER. I yield to the gentleman from Indiana.

Mr. CROOK. We have several people that have a great deal of investment on the Great Lakes. They are asking only for the same privilege that in the past and today is being granted to some foreign countries and to some of the oceangoing companies in this country. There is no subsidy, any more than is granted in the general routine.

Mr. POTTER. What the gentleman has stated is correct. We have given 1,100 of these vessels to foreign countries. I wish the gentleman from Arkansas would withdraw his request.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas that the bill be passed over without prejudice?

Mr. POTTER. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TACKETT. I object, Mr. Speaker.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

The Clerk called the bill (H. R. 9129) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, on July 31 a rule was granted on this bill. Therefore, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

CONVEYANCE OF CERTAIN LAND IN MONROE COUNTY, ARK., TO THE STATE OF ARKANSAS

The Clerk called the bill (H. R. 6298) to provide for the conveyance of certain land in Monroe County, Ark., to the State of Arkansas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to donate and convey to the State of Arkansas all right, title, and interest of the United States in and to certain land in Monroe County, Ark., more particularly described as follows:

(1) In the town site of Indian Bay, formerly known as New Warsaw, Monroe County, Ark., all of lots 25, 26, and 34; and

(2) In Cartwright's addition to the town of Indian Bay, formerly known as New Warsaw, Monroe County, Ark., all of lot 1; north half of lot 4; all of lots 11 and 12; east half of lot 15; all of lots 18, 19, 23, 24, 25, 26, 27, 29, 30, 32, 33, 34, 37, 38, 42, 48, 51, 55, 57, and 76.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLUMBIA BASIN PROJECT

The Clerk called the bill (H. R. 8345) to amend the Columbia Basin Project Act with reference to recordable contracts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Columbia Basin Project Act (act of March 10, 1943, ch. 14, 57 Stat. 14) be amended as follows:

(1) By adding a new paragraph, to be the second paragraph of subsection (c) of section 2, as follows:

"Notwithstanding the limitations of the preceding paragraph but subject to such rules and regulations as may be prescribed therefor by the Secretary, the privilege of executing recordable contracts is hereby extended as follows: (i) To any landowner as to a tract of land to which he, or his predecessor if he holds as an heir or devisee, held legal or equitable title on October 28, 1947; (ii) to any landowner as to a tract of land as to which he has held legal or equitable title for not less than 10 years (including the period of holding by predecessors where title is held as an heir or devisee), or as to which he furnishes proof in writing satisfactory to the Secretary as to the terms of the transaction and consideration paid by him (or by his predecessor where title is held as an heir or devisee) for the tract and as to which there is a finding by the Secretary that the transaction was bona fide and for a consideration not in excess of the full fair market value of the tract, valued as of the date of that transaction without reference to or increment by reason of the project. Any such recordable contract may be executed only on or before December 31, 1951, or on or before a date to be fixed by the Secretary as to each irrigation block in which the lands are situated, such date to be approximately 2 years before the commencement of the development period for that block."

(2) By deleting the last sentence of subdivision (ii) of subsection (e) of section 2.

(3) By amending subsection (a) of section 3 to read as follows:

"Fraudulent misrepresentation as to the true consideration involved in the conveyance of, or contract to convey, any freehold estate in land covered by recordable contract or which is sought to be covered by a recordable contract under subsection 2 (c) hereof, in the affidavits required or which may be required under that subsection shall constitute a misdemeanor punishable by a fine not exceeding $500 or by imprisonment not exceeding 6 months, or by both such fine and imprisonment."

(4) By amending the second sentence of subsection (b) of section 4 to read as follows: "In addition, land sale and exchange contracts shall be on a basis that, in the Secretary's judgment, provides for the return, in a reasonable period of years, of not less than the appraised value of the land and improvements thereon, and provides, in the case of any lands to be included in farm

units, for the application of provisions similar to those of the recordable contracts provided under subsection 2 (c) hereof."

With the following committee amendments:

Page 1, line 7, after the words "Notwithstanding the", insert the word "time."

Page 2, line 1, delete the word "predecessor", and substitute in lieu thereof the following: "ancestors or devisors."

Page 2, line 5, delete the word "predecessors," and substitute in lieu thereof the following: "his ancestors or devisors."

Page 2, line 9, delete the word "predecessor," and substitute in lieu thereof the following: "ancestors or devisors."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMISSION OF CERTAIN ALIENS

The Clerk called the bill (S. 1858) to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended (8 U. S. C., 213 (c)), alien spouses or unmarried minor children of United States citizens serving in, or having an honorable discharge certificate from the armed forces of the United States during World War II shall, if otherwise admissible under the immigration laws, be eligible to enter the United States with nonquota immigration visas issued under the provisions of section 4 (a) of the Immigration Act of 1924, as amended (8 U. S. C. 204 (a)): *Provided*, That in the cases of such alien spouses of United States citizens serving in, or having an honorable discharge certificate from the Armed Forces of the United States during World War II, the marriage shall have occurred before 90 days after enactment of this act.

With the following committee amendment:

Page 2, line 5, strike out "90 days" and insert "6 months."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSPORTATION OF GAMBLING DEVICES IN INTERSTATE AND FOREIGN COMMERCE

The Clerk called the bill (S. 3357) to prohibit transportation of gambling devices in interstate and foreign commerce.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BARING. I object, Mr. Speaker.

CITY OF ALBUQUERQUE

The Clerk called the bill (S. 3584) to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes," is hereby amended by adding thereto the following:

"SEC. 2. The city of Albuquerque is authorized to convey, without restrictions as to use, not to exceed one-half of the acreage patented under this act: *Provided, however*, That all the proceeds derived from such sale or sales shall be used for the construction of a public auditorium, erected either under the sole sponsorship of the city of Albuquerque or, if located upon land owned by the University of New Mexico, as a joint project with that university."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 8678) was laid on the table.

AMENDMENT OF CENTRAL INTELLIGENCE AGENCY ACT OF 1949

The Clerk called the bill (S. 3875) to amend section 9 of the Central Intelligence Agency Act of 1949.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 9 of the Central Intelligence Agency Act of 1949 (act of June 20, 1949, ch. 227, sec. 9, 63 Stat. 212) is hereby amended by deleting the figure "$10,000" and substituting in lieu thereof the figure "$13,100."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That completes the call of the eligible bills on the Consent Calendar.

EXTENSION OF REMARKS

Mr. ASPINALL asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. WHITE of California asked and was given permission to extend his remarks and include a news release.

Mr. HEDRICK asked and was given permission to extend his remarks and include an article written by Soterios Nicholson, which appeared in the June issue of the Atlantis, an article on Macedonia.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD.

Mr. FERNÓS-ISERN asked and was given permission to extend his remarks and include extraneous material.

Mr. POULSON asked and was given permission to extend his remarks and include a statement from the Los Angeles Chamber of Commerce.

Mr. HUGH D. SCOTT, JR. (at the request of Mr. GRAHAM) was given permission to extend his remarks and include an editorial.

Mr. WITHROW asked and was given permission to extend his remarks and include an editorial.

Mr. CLEVENGER asked and was given permission to extend his remarks and include two editorials.

Mr. REED of New York asked and was given permission to extend his remarks in four instances and include extraneous matter.

Mr. HESELTON asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. SCUDDER asked and was given permission to extend his remarks and include two newspaper articles.

Mr. LECOMPTE asked and was given permission to extend his remarks and include an editorial.

Mr. O'KONSKI asked and was given permission to extend his remarks in three instances.

Mr. WADSWORTH asked and was given permission to extend his remarks and include an editorial appearing in the Le Roy Gazette-News entitled "An Open Letter To the President."

Mr. D'EWART asked and was given permission to extend his remarks.

Mr. RICH asked and was given permission to extend his remarks and include an article entitled "Growth of Marketing and Purchasing Cooperatives."

Mr. RAINS asked and was given permission to extend his remarks and include an editorial appearing in the Montgomery Advertiser.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks and include extraneous matter.

Mr. BATTLE asked and was given permission to extend his remarks and include extraneous matter.

Mr. McCORMACK asked and was given permission to extend his remarks and include an editorial.

Mr. HILL asked and was given permission to extend his remarks and include an address.

Mr. MANSFIELD asked and was given permission to extend his remarks and include an article on America's most rugged highway.

Mr. COUDERT (at the request of Mr. MICHENER) was given permission to extend his remarks and include extraneous matter.

CONFERRING JURISDICTION ON STATE OF NEW YORK IN ACTIONS TO WHICH INDIANS ARE PARTIES

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Calendar No. 658 the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. O'SULLIVAN. Mr. Speaker, I object.

APPOINTMENT OF CONFEREES ON GENERAL APPROPRIATION BILL, 1951

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 7786, an act making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair

hears none and appoints the following conferees:

Managers on the part of the House:

Messrs. CANNON, RABAUT, NORRELL, TABER, and

on Chap. I, Messrs. BATES of Kentucky, YATES, FURCOLO, STOCKMAN, and WILSON of Indiana;

on Chap. II, Messrs. MCGRATH, KIRWAN, ANDREWS, CANFIELD, and SCRIVNER;

on Chap. III, Messrs. ROONEY, FLOOD, PRESTON, STEFAN, and CLEVENGER;

on Chap. IV, Messrs. GARY, FERNANDEZ, PASSMAN, CANFIELD, and COUDERT;

on Chap. V, Messrs. FOGARTY, HEDRICK, MCGRATH, SCRIVNER, and ANDERSEN;

on Chap. VI, Messrs. WHITTEN, STIGLER, KRUSE, ANDERSEN, and HORAN;

on Chap. VII, Messrs. KIRWAN, JACKSON of Washington, GORE, JENSEN, and FENTON;

on Chap. VIII, Messrs. THOMAS, GORE, ANDREWS, CASE of South Dakota, and PHILLIPS of California;

on Chap. IX, Messrs. KERR, GORE, HEDRICK, WIGGLESWORTH, and STEFAN;

on Chap. X, Messrs. MAHON, SHEPPARD, SIKES, PLUMLEY, and WIGGLESWORTH;

on Chap. X–A, Messrs. GORE, HEDRICK, PASSMAN, WIGGLESWORTH, and STEFAN;

on Chap. X–B, Messrs. GARY, ROONEY, BATES of Kentucky, WIGGLESWORTH, and STEFAN;

on Chap. XI, Messrs. GORE, HEDRICK, PASSMAN, WIGGLESWORTH, and STEFAN.

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE of South Dakota. Will the chairman take a minute to explain how the conferees will operate under this arrangement?

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, we expect to go to conference tomorrow morning at 10 o'clock. The bill will be taken up by chapters seriatim. As a chapter is reached the entire subcommittee which wrote that particular chapter, and which therefore is more familiar with it than anyone else on the committee, along with the other managers on the part of the House, will take up the chapter with the Senate conferees.

Mr. CASE of South Dakota. This means, then, that the four Members who were first named will sit through the entire conference?

Mr. CANNON. They are the ranking members on the central subcommittee which reported the bill to the House and will sit with the respective subcommittees throughout the conference.

Mr. CASE of South Dakota. And the Members who are assigned to a particular chapter will receive notification as their particular chapter is approached?

Mr. CANNON. When a chapter is taken up, the conferees on the next succeeding chapter will be notified. We hope to proceed with as little delay as possible, subject always to the approval of the managers on the part of the Senate.

AUTHORIZING FEDERAL ASSISTANCE TO STATES AND LOCAL GOVERNMENTS IN MAJOR DISASTERS

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up a resolution (H. Res. 742) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8396) to authorize Federal assistance to States and local governments in major disasters, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. WHITE of California. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. WHITE of California. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file reports on the bills H. R. 9194 and H. R. 9313.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COX. Mr. Speaker, I do not believe there is any objection whatever to the pending rule or to the bill which the rule makes consideration in order.

The bill provides assistance to States and local governments in alleviating suffering from damage resulting from major disasters. It authorizes the President to coordinate all Government agencies in such emergencies. It provides the framework for the Federal Government, under which prompt action will result in meeting the needs of certain areas. It establishes a general Government policy in respect to emergency relief in future disasters, and so on.

Mr. Speaker, I yield to the gentleman from New York [Mr. WADSWORTH], if he has any requests for time.

Mr. WADSWORTH. Mr. Speaker, I have no requests for time on this side.

Mr. HOFFMAN of Michigan. Well, will the gentleman yield?

Mr. COX. I yield.

Mr. HOFFMAN of Michigan. This is a measure for relief of other people where distress happens in peacetime?

Mr. COX. This is for relief in time of peace.

Mr. HOFFMAN of Michigan. In view of the fact that the commanding officer of the marines down at the convention the other day said there was dim hope of peace in our lifetime, and the gentleman from New York [Mr. JAVITS] the other day stated he expected the war to last 10 to 20 years——

Mr. COX. Perhaps there will never be any need for the law.

Mr. HOFFMAN of Michigan. Do you think there is any need for the law now? I do not know anything about it. I am just asking.

Mr. COX. Anyway, the committee handling this matter thought well enough of it to report it by unanimous vote. They appeared before the Rules Committee on an application for a rule, and that committee granted the request without any objection whatever.

Mr. HOFFMAN of Michigan. In view of the fact that the gentleman from Pennsylvania [Mr. RICH] is temporarily out of the Chamber, does this call for the expenditure of Federal funds?

Mr. COX. It calls for an appropriation of $5,000,000.

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, I think the gentleman from Georgia [Mr. Cox] inadvertently used the term "in peacetime." It applies at any time.

Mr. COX. Yes. I accept the gentleman's correction.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. McCORMACK. As I remember, within the past few years there was a terrible disaster out in the Midwest, due to a terrific snowstorm. I remember well the distress that existed then, and there was no money available to meet that situation. The armed services had to utilize money appropriated to them to relieve human suffering. Then there was a tremendous loss of animal life, particularly cattle.

Is my memory correct in that respect? It involved about $17,000,000 or $18,000,000. It was a rather unfortunate situation because there was no law existing at the time. We have not needed it up to then. A disaster might arise at any time.

Mr. COX. Mr. Speaker, the statement of the gentleman from Massachusetts develops the reason for asking for this legislation. It simply establishes a fund to enable the Government to give direct relief to these disaster areas when disasters arise rather than having to come to Congress in each instance.

Mr. WADSWORTH. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, having always, ever since I have been here, advocated that we should first take care of the people in America, naturally I shall not oppose

this bill though I do believe we should be extremely cautious in authorizing appropriations for any purpose. My only thought was that after I heard the statement read that this was a measure to assist in disasters in peacetime, note that "peacetime," I wondered if we were going to postpone all help to our own people as long as we were in world war III. That might be a very long, long time. As stated before, the gentleman addressing the marines at their convention here last week told them the other evening that hope of peace was "dim in our lifetime." If we are to have to wait until who are here today are all dead before anything is done for our local people I think there should be some amendment whereby we can take care of our own folks before war is over.

I noticed also the other day in debate in the other body that we were appropriating now, as of May 1 this year, or authorizing the appropriation of a billion or two dollars for civilian projects like the building of roads, the establishment of industrial plants and such things, oh, many, many things, not only in the so-called mother countries, but in the colonies of Britain, France, Belgium.

I do not know why with the President asking for increased taxes and increased appropriations; last week it was some $34,000,000,000-plus, and there is another $4,000,000,000 at the present pending before this House for strictly foreign war purposes, and I also understand that there is a request coming to the House this week for an additional $16,000,000,000 should not take some thought as to our ability to supply tax dollars. Now, coming back to where I started, I think that the bill should cover disasters not only in wartime but in peacetime, but I hope I have the wrong idea as to the statement of the gentleman from Georgia [Mr. Cox]. I ask the gentleman from Michigan [Mr. DONDERO], if he can clarify my thinking.

Mr. DONDERO. Mr. Speaker, I am afraid that through inadvertence the gentleman from Georgia caused this misunderstanding when he used the phrase "in peacetime"; for, as I understand, this bill applies to any disaster.

Mr. COX. The gentleman from Michigan [Mr. DONDERO] is right in what he says.

Mr. HOFFMAN of Michigan. The gentleman means it covers disasters in peacetime as well as wartime? I have no objection whatever to that or any legislation which will save just a small part of our tax money for our own folks.

Mr. COX. Mr. Speaker, does the gentleman from New York have any further requests for time?

Mr. WADSWORTH. I have no further requests for time, Mr. Speaker.

Mr. COX. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. WHITTINGTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8396) to authorize Federal assistance to States and local governments in major disasters, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8396) providing disaster relief, with Mr. FERNANDEZ in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Mississippi [Mr. WHITTINGTON] is entitled to 30 minutes, and the gentleman from Michigan [Mr. DONDERO] to 30 minutes.

Mr. WHITTINGTON. Mr. Chairman, I yield myself 17 minutes.

Mr. Chairman, the purpose of this bill is to provide Federal aid to States and local governments in major disasters. The bill confers upon Federal agencies special authority to provide prompt assistance to stricken communities in such disasters.

In recent years, Congress has appropriated varying amounts for emergency purposes. Five hundred thousand dollars was provided in the Second Deficiency Act of 1948, primarily to aid flood sufferers along the Columbia River. Five hundred thousand dollars was appropriated on January 28, 1949, to assist snow-bound areas of the country. On February 7, 1949, a supplemental appropriation of $500,000 was made. In the Independent Offices Appropriation Act of 1950, $1,000,000 was appropriated for this emergency fund. This last appropriation has been used largely to bring aid to those areas affected by the floods of the Red River of the North. An additional appropriation of $750,000 was contained in the Deficiency Appropriation Act of 1950 for such emergencies.

These emergency appropriations to the President were made without previous congressional authorization. The aggregate of these appropriations is $3,250,000.

The primary purpose of the pending legislation is to provide a general congressional policy in respect to Federal disaster relief. This bill implements, by authorization, the substance of the provisions in the previous disaster appropriations, with appropriate limitations.

Hearings were conducted by the Committee on Public Works on several bills designed to provide Federal assistance to States and local governments in major disasters. Many witnesses were heard. The hearings have been published and are available. A comprehensive report of the Public Works Committee accompanies the bill. There are reports from the Director of the Budget, the General Services Administrator, the Secretary of the Army, the Secretary of Commerce, the Secretary of Agriculture, the Secretary of the Interior, the Federal Security Administrator, the Chairman of the Civil Service Commission, and the American Red Cross.

The bill provides a workable method whereby Federal resources may be employed to supplement State and local resources in rendering first aid in floods hurricanes, and in other major disasters. It authorizes an emergency fund to be used by the President in such disasters. It is intended to provide for an orderly and continuing means for assistance in alleviating damage, hardship, or suffering in the critical periods following major disasters. It would permit the Government to assist in repairing public facilities destroyed or damaged by major disasters, such as water and sewer facilities. It is designed to supplement whatever aid the State or local governments can render themselves, such as fostering the development of State and local plans and organizations for coping with major disasters. It authorizes the President to coordinate the activities of all Federal agencies in such emergencies. It further provides that the President may exercise the power or authority conferred upon him either directly or through any such Federal agency as he may direct. In the disasters of 1950 he exercised authority through the General Services Administration. Major disasters are defined in the bill. Federal aid will not be extended until the governors of the affected States certify that Government assistance is needed.

The bill provides that emergency appropriations authorized therein are not to be made available for permanent construction. Funds are to be used for repairs and temporary replacements only. The Committee, therefore, eliminated section 6 of the bill. This section provided for grants to local governments for restoring, reconstructing or replacing public facilities damaged or destroyed in a major disaster. Such construction is the responsibility of the States and local governments. The aim of the pending bill is emergency relief to protect lives and property and to alleviate suffering and damage during the disaster period. The committee feels that the permanent restoration of essential State and local public facilities is the responsibility of the local authorities.

THE METHOD

The bill authorizes the President to direct Federal agencies to utilize equipment, personnel, facilities, and other resources in providing assistance to States and local governments for the preservation of life and property and to make repairs and temporary replacements of property damaged or destroyed in major disasters. It provides for the coordination of such activities. It is in the interest of a sound and economical emergency program and policy. While there have been special Federal aids for disaster relief available in the past, there has been no general policy and no coordination of Federal disaster aid. Neither have the Federal agencies involved in providing relief been assured of reimbursement for expenditures they might be directed to make. The bill now before us would accomplish these purposes.

ANALYSIS

There is an analysis of the bill in the report of the Public Works Committee. Its purposes, its methods, and the appropriation authorizations are set forth in detail. Each section is analyzed in the committee's report.

The general purpose of the bill is outlined, and "major disasters" are defined. Section 3 contains the basic authority when directed by the President to Federal agencies to provide aid to States and local communities. Section 4 provides for cooperation with local relief agencies and the American Red Cross. It distinctly states that the American Red Cross will continue to discharge its responsibilities. Section 5 authorizes coordination of the activities of the respective Federal agencies.

Under the terms of the bill as reported, authority is provided for the permanent restoration of Federal facilities damaged or destroyed by major disasters. Such facilities may be repaired if the President determines that such repairs cannot be delayed, and if sufficient funds are not available from the emergency fund for such purpose, authorization for additional appropriation is provided.

Section 7 provides for exemption from civil service laws of personnel required to carry out the provisions of the bill. The Federal Employees Pay Act of 1945 would not be applicable because of the emergency nature of the bill's provisions.

The Committee on Public Works felt, inasmuch as billions are being appropriated for national defense, that, for the present at least, there should be a limitation on the amount of the appropriation. This limitation was placed at $5,000,000. Personally, I thought it should be larger, but the Committee felt that if the aggregate of this amount should be appropriated from time to time the limitation could be increased. The committee further felt that the President might well submit reports to Congress from time to time, at least annually, covering the expenditure of amounts appropriated to him. The committee further felt that inasmuch as the President would utilize existing Federal agencies that no part of the funds authorized to be appropriated should be for administrative purposes.

The Surplus Property Act, dealing with the use of surplus property in a disaster, is repealed by this bill, as Federal property can be made available under section 3 of the bill.

AMENDMENTS

The bill is amended in several respects. One amendment strikes out section 6, as previously explained. An amendment to section 2 requires the Governors of affected States to give assurances of local aid and cooperation. There is an amendment which clarifies section 3 and limits Federal contributions to States and local governments to purposes outlined in subsection (d). Another amendment to section 3 provides that funds made available for reimbursement to the Federal agencies should be credited to the appropriations currently available for services and supplies. I invite special attention to the last amendment to section 3 which provides that the Government shall not be liable for any claim based upon the performance, or the failure to perform, a discretionary function on the part of an agency or employee of the Government.

The bill is further clarified by eliminating references to certain sections of the Revised Statutes inasmuch as all Federal agencies engaged in emergency work are exempted from taking competitive bids.

SUMMARY

The President recommended enactment of general disaster relief legislation in his message transmitting the budget for the fiscal year 1951. The bill has been approved by the various Government agencies that have been participating in emergency relief work except as to the total amount authorized. It provides for an authorized and coordinated program for first aid in major disasters. Such disasters may come when Congress is not in session. A reasonable appropriation should be made and should be readily available no matter when or where a catastrophe occurs. The committee believes that disaster assistance, when requested by the governors of the affected States upon assurances of local cooperation, can best be provided through the program outlined in this bill.

The committee, since reporting the bill, has carefully considered some further clarifying amendments and these amendments will be offered during the consideration of the bill. There will be an amendment to substitute "repairs" for "restore" in section 1; to provide in section 3 that Federal agencies are authorized, when directed by the President to provide assistance; and an amendment will further be offered that Federal agencies may be reimbursed only when expenditures have been incurred as directed by the President. Section 7 of the bill will thus be clarified.

The bill provides that the authority is supplementary to other authorizations such as the appropriations heretofore made to the Bureau of Public Roads for the repair of Federal aid highways. It is supplementary to the appropriations that have been made for emergency repairs of levees and other flood-control works under the supervision of the Chief of Engineers.

The bill as introduced had no limitation upon the amounts that are authorized to be appropriated. As I pointed out, there has been appropriated during the past 2 years to the President's fund $3,250,000. This bill implements in substantially the language of those appropriations the powers conferred upon the President and the Federal agencies. It further qualifies and limits the operations so that there may be a coordination, so that the funds of the Treasury may be protected.

About $2,000,000 of this $3,250,000 that has been appropriated in the past 2 years has been expended. Some of that money is still available.

The bill when introduced did not provide for any limitation. It is permanent law, the first time such an authorization has ever been passed. When we are being called upon to increase our appropriations by the billions for the Korean war and to prepare, the committee felt that there should be a ceiling on this bill. It authorizes merely the appropriations to the President for disaster relief and the transfer of those funds, and it authorizes the Federal agencies to utilize their facilities and equipment and to have them repaired, and to be reimbursed therefore. In all of the circumstances, inasmuch as for the past 2 years only $3,250,000 has been appropriated, with substantially $1,600,000 still unexpended, the committee felt that in the course of the war now there should be a limitation, and they put a limitation of $5,000,000 on it.

The committee further felt that the President of the United States should report to the Congress just how these funds were expended, so that Congres may be advised. We provided for a limitation of $5,000,000. If and when the occasion arises, I am sure that Congress in this enabling legislation, in this legislation to implement a definite, firm, permanent policy of disaster relief, could raise the limitation on that appropriation. However, in the circumstances, the committee felt that for the present at least there should be a limitation. Personally, I repeat that I believe the limitation is too small.

The bill is constructive. No new agencies or bureaus are authorized. Existing agencies will be utilized. No additional equipment or facilities will be purchased. Existing equipment will be utilized. However, there is authority to repair. This authority is essential if the Bureau of Public Roads or the Bureau of Reclamation or the Chief of Engineers used their equipment to clear debris. It should be repaired. Provision is thus made for such repairs.

A reasonable appropriation for a major disaster should be made annually. The bill will provide a policy for the expenditure of the appropriation. No one knows when a disaster like the destruction at Texas City, Tex., will occur. No one knows where a tornado may strike. No one knows when a flood may come.

If funds appropriated for a given year are not allocated they will revert to the Treasury. The bill does not authorize the use of any of the appropriation for administrative expense.

Mr. KUNKEL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. A quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 223]

Abbitt	Clemente	Fulton
Albert	Cole, N. Y.	Furcolo
Allen, La.	Corbett	Gathings, Ark.
Andresen, August H.	Coudert	Gillette
Bailey	Crawford	Golden
Barrett, Wyo.	Davenport	Goodwin
Bates, Ky.	Davies, N. Y.	Gorski
Bolton, Ohio	Davis, Ga.	Gossett
Brehm	Deane	Granahan
Buckley, Ill.	Delaney	Green
Buckley, N. Y.	Dingell	Gregory
Bulwinkle	Dollinger	Gwinn
Burke	Dolliver	Hall, Edwin Arthur
Burton	Donohue	Hall, Leonard W.
Byrne, N. Y.	Doughton	Hand
Canfield	Douglas	Hare
Case, N. J.	Eaton	Harris
Cavalcante	Eberharter	Harrison
Chatham	Engel, Mich	Harvey
Chelf	Fallon	Hays, Ark.
Chiperfield	Fellows	Hays, Ohio
Christopher	Fenton	Heffernan
Chudoff	Fogarty	
	Frazier	

Heller	Martin, Mass.	Sadlak
Herlong	Mason	Sadowski
Herter	Miller, Md.	St. George
Hinshaw	Miller, Nebr.	Sanborn
Jackson, Calif.	Morgan	Scott, Hardie
James	Morrison	Scott,
Javits	Morton	Hugh D., Jr.
Jenison	Murphy	Shelley
Jennings	Murray, Wis.	Simpson, Pa.
Johnson	Nelson	Smathers
Jones, N. C.	Norton	Smith, Kans.
Kean	O'Brien, Mich.	Smith, Ohio
Keefe	O'Neill	Spence
Kelley, Pa.	Patterson	Stanley
Kelly, N. Y.	Perkins	Stigler
Kennedy	Pfeifer,	Stockman
Keogh	Joseph L.	Taylor
King	Pfeiffer,	Towe
Klein	William L.	Underwood
Kruse	Phillips, Tenn.	Vorys
Lane	Poulson	Weichel
Latham	Powell	Werdel
LeFevre	Quinn	Wheeler
Lichtenwalter	Ramsay	Whitaker
Linehan	Regan	White, Idaho
Lodge	Ribicoff	Widnall
Lyle	Rich	Wigglesworth
McCulloch	Richards	Williams
McGrath	Riehlman	Willis
McMillen, Ill.	Rivers	Winstead
Macy	Rogers, Mass.	Wood
Magee	Roosevelt	Woodhouse
Marcantonio	Sabath	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FERNANDEZ, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 8396, and finding itself without a quorum, he had directed the roll to be called, when 261 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. WHITTINGTON. Without any coordinated program under the appropriations made by unanimous consent, in language that was indefinite for the snow-bound program, there was appropriated to the President $1,050,000. But, that is not the whole story. There was appropriated to the agencies of the Government, whose activities we undertake to limit and coordinate in the pending bill, without any such authority or coordination to the Department of the Army $12,575,000; to the Department of the Navy $368,000; to the Department of Agriculture $142,000, and to the Department of the Interior $2,861,000 or, there was appropriated to reimburse these agencies, for damages and repairs to Federal property and for contributions which would have been less if Congress had adopted a policy and a program, such as here proposed, $15,946,000. This program will provide efficiency; it will provide for relief in major disaster and it will result in economy.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Illinois.

Mr. JONAS. I am in a quandary about this one point. I would like to have the distinguished gentleman from Mississippi explain to me the mechanism of this particular bill with reference to how you apply for the fund. We, in Illinois, are frequently the victims of bad disasters from tornadoes and cyclones which leave very devastating effects.

Mr. WHITTINGTON. What is the gentleman's question?

Mr. JONAS. My question is this: When such a disaster takes place in my State, and the State needs funds, to whom does the governor make his application for the funds?

Mr. WHITTINGTON. He makes it to the President and the President decides whether there is a major disaster, and if there is a major disaster he can allocate from the funds appropriated and direct the Federal agencies to do first-aid relief work in major disasters.

Mr. JONAS. This bill does not establish any separate agency or bureau, but the mechanism is worked out through agencies or branches of different agencies that the President consults with.

Mr. WHITTINGTON. I have already so stated. It does not provide for any new agency. It authorizes the President to designate existing agencies to administer the fund.

Mr. JONAS. I thank the gentleman.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman anticipate that the $5,000,000 appropriation provided for here is likely to take the place of all of the various appropriations which the gentleman has enumerated?

Mr. WHITTINGTON. No; but I will say this, that I think it will result in a coordination and a reduction of those appropriations that have been made, in addition to the appropriations heretofore made to the President. This is a permanent fund; it is a permanent program. But disaster may strike tomorrow and there should be funds available to the President if he determines it to be a major disaster. In my judgment, the $5,000,000 is not sufficient, as I have stated.

Mr. KEATING. My fear is that it will simply be on top of the other appropriations, and that is the reason I raised that question. I do have another question, inasmuch as the gentleman's time is limited. The committee apparently consents to offer an amendment on page 2 to provide that the States shall put up what is stated to be a reasonable amount of the funds sought to match those of the Federal Government.

Mr. WHITTINGTON. That is right. The State has to give assurance that the State will cooperate.

Mr. KEATING. Does that mean a reasonable amount as determined by the President?

Mr. WHITTINGTON. No; that is largely for the States to determine.

Mr. KEATING. Would it not be better if we wrote into Federal law some mandatory provision as to what the States should put up?

Mr. WHITTINGTON. I think not. One State might put up a certain percentage and another State might not be able to put up that percentage. When it comes to provide for human suffering, to provide for the protection of human life, we must give some discretion. I will risk the President of the United States and the governors of the States.

Mr. KEATING. I believe that the States ought to primarily handle that themselves.

Mr. WHITTINGTON. And this bill so contemplates, especially for permanent construction.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. DONDERO. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, this bill comes to the floor with a unanimous vote of the committee. This is a bill that can very well be termed a first-aid bill. Very little can be said after what our able and distinguished chairman has already said about the bill, but we are trying to bring a little order out of chaos. When a disaster occurs in the United States, under the present law we appropriate the money without its being previously authorized, or someone rushes in here and introduces a bill in order to provide the money. That takes time, and before that time elapses the question of the need of the people has passed.

This bill authorizes a lump sum of not to exceed $5,000,000 to be used over the years. In the last 2 years we used $3,250,000. If we do not have any great disaster this sum may last 3 or 4 years. Nobody knows.

No new agency is set up under this bill. No State gets any aid, nor does the President act, unless the governor of the State in which the disaster occurs applies for the aid.

We have laws in which a lump sum of money is authorized for disaster relief. In the recent road bill, if a road on the Federal-aid system is washed out the Public Roads Administration is authorized to provide for its repair. Under the rivers and harbors and flood-control law a lump sum is provided to authorize the Army engineers to step immediately in where repair work is needed as the result of damage caused by some disaster.

This simply follows policy in providing a fund which will be available when a State has a disaster within its borders that it cannot meet alone. It does not pay all of the bill, of course, because we know what happened in the snowstorm in the Middle West where some 11,000 farmers and stockmen were snowbound and where millions of dollars of property was destroyed. The Red River of the North had a great flood disaster this year. Millions of dollars were lost there. Of course, the funds made available under this measure will not pay the entire bill, but the measure will bring that relief that is necessary to a stricken people when disaster overtakes them. The Federal Government will assist the State and local governments, the Red Cross, and other agencies in providing relief.

There is another provision in this bill that ought to be understood. No part of this money can be used for administrative purposes. Whatever amount is granted by the President, all of that money is to be used for relief. Agencies of the Government now established will see to it that the fund is administered in accordance with the direction of this legislation.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Texas.

Mr. FISHER. Is the gentleman apprehensive that the creation of a permanent fund of this nature might cause various areas to be tempted to apply for this relief where otherwise they might solve their problems locally?

Mr. DONDERO. I doubt it very much. Only the governor of a State in which an area has been stricken can make application. There will be no action unless the State asks for it.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Mississippi.

Mr. BROOKS. In my area we are visited by tornadoes from time to time. They strike with stunning suddenness, and they call for relief immediately. This bill is a very comprehensive bill. If there is a local Army post nearby, normally the Army post moves to help out in those emergencies. Under the broad terms of this bill, will machinery be set up whereby we will have to work through the States in order to get the local garrisons to act?

Mr. DONDERO. The present procedure is not changed. The agencies now in existence will still continue to function, but this provides a first-aid station for those stricken areas, and if it is in your State that will be done in your State.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DONDERO. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. HAGEN].

Mr. HAGEN. Mr. Chairman, I have been very close to this disaster situation and problem for many months past in view of the very disastrous floods that we have had in Minnesota and North Dakota this year. We have had other serious floods in that area for the last several years. The losses this year to private and other property were estimated at something between two hundred and fifty and three hundred million dollars. This was a national disaster.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. McGREGOR. I compliment the gentleman from Minnesota on the splendid manner in which he presented his case to the committee. As a member of the committee I recall distinctly the witnesses he presented to us. Certainly the people of your district should appreciate the very great interest you have shown in this legislation.

Mr. HAGEN. I thank the gentleman from Ohio.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. DONDERO. I believe the House should understand the gentleman also introduced an identical bill to the one which is now before us for consideration, acting together with our colleague from North Dakota, Mr. Lemke, who has since passed away.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. BURNSIDE. Would this take care of a situation such as occurred as a result of floods in West Virginia where the State lost about $1,500,000 in roads and bridges?

Mr. HAGEN. If the President declared that area a national emergency disaster area, you would come under the provisions and within the purview and functions of this bill.

Mr. BURNSIDE. I thank the gentleman for helping to work out a very splendid bill.

Mr. HAGEN. Mr. Chairman, we have had fine cooperation by the Minnesota and North Dakota delegations in the Congress on this legislation. We are also grateful to the committee members for their fine cooperation for granting us hearings on these bills and also for the time they did provide for the witnesses from Minnesota and North Dakota. In order to help expedite this legislation and because of the possibility of other national disasters, the Federal departments and agencies cooperated in supporting most of the features of this measure.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. CURTIS. I believe this legislation is necessary as well as very worthwhile, and I expect to support it.

Mr. HAGEN. I might say that I introduced a bill similar to the one now before you, H. R. 8396, which was introduced by our late colleague, William Lemke, of North Dakota, who sent his secretary, William Skeels, with me through the flood disaster area in northwestern Minnesota and northeastern North Dakota. As my bill is exactly the same, we might call it the Lemke-Hagen bill. They are identical. I had asked the committee to report out Mr. Lemke's bill in his honor and as a respect to his memory.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. JUDD. I should like to commend my distinguished colleague from Minnesota on behalf of myself and the other Members from Minnesota and North Dakota for the lead that he has taken and the persistence he has demonstrated in bringing this important matter to a favorable vote today. Naturally he was especially interested this year because the most recent and severe flood was in his district. But he has been a pioneer in the field long before this year's disaster.

What we are dealing with here is emergencies that are bound to happen from time to time and without warning. The right thing to do is to make preparations in advance, as this bill does, so that the disasters, wherever they may arise, can be handled promptly in an intelligent and well-thought-out way, rather than wait until the last moment and then try to figure out some sort of improvised relief which is usually too little and too late. I congratulate and thank the gentleman for his leadership on behalf not only of our own State, but of the whole country.

Mr. HAGEN. In disasters of a flood nature on federally-controlled rivers, there is some direct responsibility of the Federal Government. But of course, in cases of heavy snowfalls, explosions, tornadoes, hurricanes, and other disasters, there of course is a need in many cases for the Federal Government to step in and help the local townships, counties, villages, towns, and parishes so that they can rebuild their bridges, roads, so that the farmers can go to town and so that transportation can go forward.

I want to call to your attention the fact that from 1803 up to this time there have been 128 separate and distinct legislative acts of Congress providing, granting, or ratifying relief to various units of government and sufferers from floods, fires, earthquakes, and other national disasters. We have, from time to time passed legislation of this kind for various kinds of disasters.

This bill provides a general pattern of a permanent nature so that we can have the machinery, the equipment, and agencies, and personnel, and the funds later—I hope—to carry out some aid and assistance in cases of national or local disasters.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. H. CARL ANDERSEN. The gentleman from the Ninth District of Minnesota, together with the gentleman from North Dakota [Mr. BURDICK], has worked for several months trying to accomplish something worth while to provide at least partial relief to the area hit by the disaster. I recognize the months he, Mr. HAGEN, has spent in hard work to try to secure worth-while legislation to aid in rehabilitating that part of his area so hard hit by floods. No man in Congress has done as much as he has in trying to bring a solution to this problem. I would like to ask if he does not feel that the committee has been a little too conservative, recognizing as we do that this legislation is designed to help our own people in times of great disasters?

Mr. HAGEN. They are on the overcautious side, apparently. It is conservative. Due to the position taken by the various departments, section 6 was taken out and in its place was substituted a so-called repair emergency aid to townships and other civil units which do not have the money, or which are financially unable to bear the burden of the emergency type of repairs, such as the rebuilding of a road or putting in a bridge or some other type of aid. The measure does not go far enough but it is better than nothing at all. It will help the townships and counties which are not fiancially able to go ahead and rebuild a bridge or a road or put in a culvert, which is essential and necessary to carry on the transportation and life of a community.

Mr. Chairman, I ask permission to insert at this point in the RECORD the 128 separate acts of Congress granting relief to people, civil units, and so forth, in case of emergency disasters.

The CHAIRMAN. Is that a part of the gentleman's statement? Permission will have to be asked in the House, unless it is.

Mr. HAGEN. It is a record of the acts of Congress showing aid given by Congress to States, regional areas, and civil units, and municipalities over a period of 147 years, in the case of fires, floods, hurricanes, and other disasters.

The CHAIRMAN. The gentleman will have to ask that permission in the House.

Permission having been granted, the matter referred to follows:

ACTS OF CONGRESS GRANTING, OR RATIFYING GRANT OF, RELIEF TO SUFFERERS FROM FLOODS, FIRES, EARTHQUAKES, AND SO FORTH

Act of February 19, 1803 (6 Stat. 49, ch. 6): Extension of time for discharging customhouse bonds of sufferers from Portsmouth fire.

Act of March 19, 1804 (6 Stat. 53, ch. 28): Extension of time for discharging customhouse bonds of sufferers from fire at Norfolk.

Act of May 8, 1812 (2 Stat. 730, ch. 79): Appropriation of $50,000 for provisions to be sent to government of Venezuela for earthquake sufferers.

Act of February 17, 1815 (3 Stat. 211, ch. 45): Persons owning lands in New Madrid County, Missouri Territory, injured by earthquakes authorized to exchange such land for other public lands.

Act of January 24, 1827 (6 Stat. 356, ch. 3): Appropriation of $20,000 for relief of fire sufferers at Alexandria, D. C. (now Virginia).

Resolution of February 1, 1836 (5 Stat. 131, No. 1): Rations to be distributed to sufferers from Indian depredations in Florida; no amount specified.

Act of March 19, 1836 (5 Stat. 6, ch. 42): Extension of time for discharging customhouse bonds of sufferers from fire at New York.

Resolution of March 3, 1847 (9 Stat. 207, No. 10): Use of U. S. S. *Macedonian* and *Jamestown* for transporting contributions for relief of famishing poor of Ireland and Scotland.

Act of February 16, 1863 (12 Stat. 652, ch. 37): Relief of persons damaged by Indian depredations in Minnesota; payment from Indian annuities—not exceeding $200,000.

Joint Resolution of July 4, 1864 (13 Stat. 416, No. 76): Appropriation of $2,000 for the relief of sufferers from explosion in cartridge factory at Washington arsenal.

Joint Resolution of March 17, 1866 (14 Stat. 351, No. 14): Appropriation of $2,500 for distribution among sufferers from explosion at Washington arsenal.

Act of July 27, 1866 (14 Stat. 304, ch. 285): Admission, free of duty, of foreign contributions for relief of sufferers from fire at Portland, Maine.

Resolution of July 27, 1866 (14 Stat. 369, No. 92): Suspension of collection of internal-revenue duties from sufferers from fire at Portland, Maine.

Joint resolution of February 22, 1867 (14 Stat. 567, No. 23): Use of public vessel for transportation of food and clothing contributed for relief of people of Southern States.

Joint resolution of March 29, 1867 (15 Stat. 24, No. 17): Charter of vessel by Secretary of the Navy for transportation of provisions to Wilmington, N. C., for distribution among destitute people of the South.

Joint resolution of March 30, 1867 (15 Stat. 28, No. 28): Issue of food supplies through Freedmen's Bureau for relief of persons in Southern and Southwestern States; no amount specified.

Joint resolution of March 30, 1867 (15 Stat. 28, No. 29): Transfer of $50,000 from funds in charge of Freedmen's Bureau to Commissioner of Agriculture for purchase of vegetable and cereal seeds for distribution in Southern States.

Joint resolution of January 31, 1868 (15 Stat. 246, No. 7): Issue of desiccated vegetables through Freedmen's Bureau for relief of destitute persons in the South; no amount specified.

Joint resolution of February 10, 1871 (16 Stat. 596, No. 28): Use of naval vessels for transportation of supplies contributed for relief of destitute persons in France and Germany.

Act of April 5, 1872 (17 Stat. 51, ch. 88): Admission, free of duty, of foreign contributions for relief of sufferers from Chicago fire. Draw-back on import duties on building materials for reconstruction. Suspension of collection of internal-revenue taxes from fire sufferers.

Act of April 23, 1875 (18 Stat. 34, ch. 125): Issue of food and Army clothing to sufferers from overflow of lower Mississippi River; no amount specified.

Act of May 13, 1874 (18 Stat. 45, ch. 170): Appropriation of $190,000 for purchase of food and clothing for relief of sufferers from overflow of Mississippi River.

Act of January 25, 1875 (18 Stat. 303, ch. 25): Appropriation of $30,000 for special distribution of seeds among sufferers from grasshopper ravages.

Act of February 10, 1875 (18 Stat. 314, ch. 40): Appropriation of $150,000 for issue of food and clothing among sufferers from grasshopper ravages.

Joint resolution of February 25, 1880 (21 Stat. 303, No. 16): Use of naval or chartered vessel for transportation of contributions for relief of famishing poor of Ireland; indefinite appropriation.

Act of March 5, 1880 (21 Stat. 66, ch. 33): Admission, free of duty, of foreign contributions for the relief of colored emigrants.

Joint resolution of April 28, 1880 (21 Stat. 594, No. 27): Loan of 500 tents to Governor of Missouri for relief of tornado sufferers.

Joint resolution of May 4, 1880 (21 Stat. 306, No. 30): Issue of 4,000 Army rations for relief of sufferers from cyclone at Macon, Miss.

Joint resolution of February 25, 1882 (22 Stat. 378, No. 6): Appropriation of $100,000 for purchase and distribution of subsistence stores for sufferers from overflow of Mississippi River and tributaries.

Joint resolution of March 10, 1882 (22 Stat. 378, No. 8): Use of Army hospital tents for shelter to sufferers from overflow of Mississippi River; no amount specified.

Joint resolution of March 11, 1882 (22 Stat. 378, No. 9): Use of Government vessels for transportation and distribution of rations and supplies for sufferers from overflow of Mississippi River and tributaries; indefinite appropriation.

Joint resolution of March 21, 1882 (22 Stat. 379, No. 12): Appropriation of $150,000 for furnishing food for sufferers from floods in Mississippi River and tributaries.

Joint resolution of April 1, 1882 (22 Stat. 379, No. 16): Appropriation of $100,000 for purchase and distribution of subsistence stores for sufferers from overflow of Mississippi River and tributaries.

Act of April 11, 1882 (22 Stat. 44, ch. 77): Appropriation of $20,000 for purchase of seeds and distribution among sufferers from overflow of Mississippi River and tributaries.

Joint resolution of February 12, 1884 (23 Stat. 267, No. 9): Appropriation of $300,000 for purchase and distribution of subsistence stores, clothing, etc., for sufferers from overflow of Ohio River and tributaries. Use of Army tents for shelter to sufferers. Use of Government vessels for transportation and distribution of supplies.

Joint resolution of February 15, 1884 (23 Stat. 268, No. 12): Additional appropriation of $200,000 for same objects (Ohio River, etc.).

Act of March 31, 1890 (26 Stat. 33, ch. 58): Appropriation of $25,000 for purchase of 2,500 tents to be loaned to State authorities for use of sufferers from floods in Arkansas, Mississippi, and Louisiana.

Joint resolution of April 25, 1890 (26 Stat. 671, No. 16): Appropriation of $150,000 for purchase and distribution of subsistence stores for sufferers from overflow of Mississippi River and tributaries. Use of Government vessels for transportation and distribution of supplies.

Act of May 14, 1890 (26 Stat. 110, ch. 209): Ordnance, clothing, etc., issued to State of Maine to replace like stores of the militia destroyed by fire January 7, 1890.

Joint resolution of September 1, 1890 (26 Stat. 679, No. 44): Reappropriation of unexpanded balance of appropriation of April 25, 1890, to Territory of Oklahoma for sufferers from drought.

Joint resolution of May 28, 1896 (29 Stat. 475, No. 57): Loan of Army tents to mayors of St. Louis, East St. Louis, etc., for tornado sufferers; no amount specified.

Joint resolution of February 19, 1897 (29 Stat. 701–702) and April 7, 1897 (30 Stat. 219), amended June 1, 1897 (30 Stat. 220, No. 12): Use of naval or chartered vessel for transporting contributions for famishing poor of India; indefinite appropriation.

Joint resolution of April 7, 1897 (30 Stat. 219, No. 9): Appropriation of $200,000 for purchase and distribution of subsistence stores for sufferers from overflow of Mississippi River and tributaries and Red River of the North.

Joint resolution of May 24, 1897 (30 Stat. 220, No. 11): Appropriation of $50,000 for purchasing and furnishing of food, clothing, and medicines for destitute citizens of the United States in Cuba, and for their transportation home.

Joint resolution of June 9, 1897 (30 Stat. 221, No. 14): Reappropriation of $10,000 (remaining under resolution of April 7, 1897) for purchase and distribution of subsistence stores and payment of transportation, for sufferers from overflow of Rio Grande near El Paso.

Act of December 18, 1897 (30 Stat. 226, ch. 2): Appropriation of $200,000 for purchase, transportation, and distribution of subsistence stores, etc., for destitute persons in mining regions of Alaska. Use of Army and purchase of reindeer, etc., authorized.

Act of March 30, 1898 (30 Stat. 346): Payments on account of injuries, etc., suffered in destruction of U. S. S. *Maine;* indefinite appropriation.

Act of May 18, 1898 (30 Stat. 419, ch. 345): Issue of subsistence, medical, and quartermaster's supplies, etc., to destitute inhabitants of Cuba; no amount specified.

Act of March 3, 1899 (30 Stat. 1069): Appropriation of $100,000 for subsistence supplies to be issued to destitute inhabitants of Cuba.

Act of May 13, 1902 (32 Stat. 198, ch. 787): Appropriation of $200,000 for procurement and distribution of provisions, clothing, medicine, etc., for destitute people of French West Indies (eruption of Mount Pelee).

Joint resolutions of April 19, 21, and 24, 1906 (34 Stat. 827, 828, Nos. 16, 17, 19): Appropriation of $2,500,000 for purchase and issue of subsistence, quartermaster's and medical supplies for sufferers from San Francisco earthquake and fire.

Act of January 18, 1907 (34 Stat. 850, ch. 154): Distribution of provisions, clothing, medicines, etc., among sufferers from earthquake and fire in Jamaica; no amount specified.

Joint resolution of April 30, 1908, and May 11, 1908 (35 Stat. 570, No. 17, 572, Nos. 20

21): Use of Army tents, provisions, and supplies for relief of sufferers from cyclone in Southern States; $250,000 appropriated.

Act of May 23, 1908 (35 Stat. 251, ch. 191): Allowance of $600 for expenditures by naval station pay director and $150 by Marine-Hospital Service, for care of sufferers from fire at Chelsea, Mass.; additional authorization of hospital care, up to $3,600.

Act of May 27, 1908 (35 Stat. 387 sec. 7): Officers of Isthmian Canal Commission relieved from liability to account for $11,205.53 used for supplies furnished sufferers from earthquake in Jamaica in 1907.

Act of January 5, 1909 (35 Stat. 584, ch. 7): Appropriation of $800,000 for procurement and distribution of provisions, clothing, medicines, etc., for suffering and destitute people of Italy (Messina earthquake).

Joint resolution of July 1, 1909 (36 Stat. 183, No. 4): Extension to October 1, 1909, of time allowed for treatment of accident, etc., cases in Chelsea Marine Hospital.

Act of May 13, 1910 (36 Stat. 367, ch. 232): Distribution of tents, blankets, etc., among sufferers from earthquake in Costa Rica; no amount specified.

Act of February 18, 1911 (36 Stat. 919, ch. 11a): Appropriation of $50,000 for transportation of supplies donated for famine sufferers in China.

Joint resolution of May 9, 1912 (37 Stat. 633, No. 19): Appropriation of $1,239,179.65 for tents, rations, etc., for sufferers from floods in Mississippi and Ohio Valleys.

Act of August 26, 1912 (37 Stat. 597): Appropriation of $30,000 to reimburse Revenue-Cutter Service for relief of sufferers from volcano near Kodiak, Alaska.

Same (p. 601): Appropriation of $4,500 for mileage of Army officers and contract surgeons in connection with relief of flood sufferers in the Mississippi and Ohio Valleys.

Act of March 4, 1913 (37 Stat. 919): Use of $18,173.69 of funds appropriated May 9, 1912, to reimburse Quartermaster Corps and Medical Corps for relief of flood sufferers in Mississippi, Ohio, and Green River Valleys.

Act of October 22, 1913 (38 Stat. 211): Appropriation of $5,000 to reimburse Life-Saving Service for rescue and relief of flood sufferers in Middle West.

Same (p. 215): Appropriation of $654,448.49 to reimburse certain Army appropriations for relief of sufferers from floods, tornadoes, and fires in Mississippi, and Ohio Valleys, Peach Tree, Ala., and Nebraska.

Same (p. 216): Credit of $42,431.75 to certain Army accounts for expenditures for relief of flood sufferers in Mississippi Valley. Appropriation of $130,940.38 to reimburse naval appropriations for relief of flood sufferers in Ohio and Indiana and on Ohio and Mississippi Rivers and tributaries.

Joint resolution of November 15, 1913 (38 Stat. 240, No. 15): Use of unexpended balance under act of August 26, 1912 (first provisions cited above) for relief of sufferers from storm in northern Bering Sea.

Act of August 1, 1914 (38 Stat. 637): Appropriation of $500 for refund of rentals to lessees on Muskingum River damaged by flood conditions; abatement of rentals and termination of leases.

Same (p. 681, sec. 13): Appropriation of $200,000 for relief of sufferers from fire at Salem, Mass.

Joint resolution of February 15, 1916 (39 Stat. 11, ch. 28): Loan, issue, or use of tents, provisions, and supplies, and Quartermaster's and Medical Departments for relief of sufferers from overflow of Mississippi River and tributaries; no amount specified.

Act of April 11, 1916 (39 Stat. 50, ch. 70): Supply of Army tents, cots, blankets, etc., for sufferers from fire at Paris, Tex.; no amount specified.

Joint resolution of August 3, 1916 (39 Stat. 434, ch. 267): Appropriation of $540,000 for relief of flood sufferers in Southern States, including issue of seeds and Army supplies and supplying employment for destitute persons.

Joint resolution of August 24, 1916 (39 Stat. 534, ch. 404): Last preceding provision to apply to West Virginia also.

Joint resolution of June 8, 1921 (42 Stat. 19, ch. 17): Issue of subsistence and quartermaster supplies to persons suffering from overflow of Arkansas River and tributaries in Colorado; no amount specified.

Act of December 22, 1921 (42 Stat. 351, ch. 15): Expenditure of $20,000,000 from funds of United States Grain Corporation for purchase and distribution of corn, seed, and grain, preserved milk for people of Russia.

Act of January 20, 1922 (42 Stat. 357, ch. 30): Transfer of $4,000,000 worth of surplus medical supplies to American organizations for Russian relief.

Act of May 28, 1924 (43 Stat. 195): Expenditure from naval supply account of issues for relief of earthquake sufferers in Japan; no amount specified.

Act of February 24, 1925 (43 Stat. 963, ch. 297): Credit of $6,017,069.03 in Army accounts for issue of supplies, etc., for earthquake sufferers in Japan.

Joint resolution of March 3, 1925 (43 Stat. 1252, ch. 478): Credit of $8,548.27 in Army accounts for issue of quartermaster stores for relief of sufferers from cyclone at Lagrange and West Point, Ga.

Act of March 4, 1925 (43 Stat. 1285, ch. 547): Credit of $10,575.58 in Army accounts for issue of quartermaster stores, etc., for relief of sufferers from fire at New Bern, N. C.

Act of March 4, 1925 (43 Stat. 1286, ch. 548): Credit of $4,582.33 in Army accounts for issue of quartermaster stores for relief of sufferers from cyclone in northwestern Mississippi.

Act of February 9, 1927 (44 Stat. 1065, ch. 89): Issue of $936.62 quartermaster stores for flood-relief work in Texas.

Act of February 14, 1927 (44 Stat. 1097, ch. 136): Issue of $1,775.80 Army stores for relief of sufferers from fire at Astoria, Oreg.

Act of February 25, 1927 (44 Stat. 1792, ch. 213): Determination of losses to property owners near Hatch and Santa Teresa, N. Mex., by overflow of Rio Grande; and appropriation of $75,000 authorized.

Act of February 28, 1927 (44 Stat. 1251): Loans, etc., up to $253,000 to owners of crops and livestock damaged or destroyed by Florida hurricanes.

Act of January 26, 1928 (45 Stat. 53, ch. 11): Authorized for employment, by Secretary of Agriculture in cooperation with States, of local agents necessary to aid in rehabilitation of farm lands in areas affected by floods of 1927. ($400,000 appropriated for carrying out above, by act of May 16, 1928 (45 Stat. 543); and unexpended balance reappropriated by act of June 13, 1929 (46 Stat. 8, ch. 18).)

Act of May 29, 1928 (45 Stat. 985, ch. 898): State of Ohio relieved from accountability for certain Federal property lost, etc., in connection with relief work incident to tornado at Lorain in June 1924.

Joint resolution of December 21, 1928 (45 Stat. 1067, ch. 46): Authorization of $6,000,000 for rehabilitation of agriculture, $2,000,000 for schoolhouses and $100,000 for purchase of seeds, etc., in Puerto Rico, following hurricane of September 1928.

Joint resolution of February 25, 1929 (45 Stat. 1306, ch. 318): Loans for purchase of seed, fertilizer, etc., in storm and flood-stricken areas of southeastern States; $6,000,000 authorized—appropriated in deficiency act of March 4, 1929 (45 Stat. 1635).

Joint resolution of May 17, 1929 (46 Stat. 3, ch. 5): Loans under resolution of February 25, 1929, above, in respect of storms between that date and May 17.

Joint resolution of January 22, 1930 (46 Stat. 57, ch. 23): Additional appropriations authorized—$1,000,000 for loans to coffee planters, etc., and $2,000,000 for rebuilding of schools in Puerto Rico.

Joint resolution of March 3, 1930 (46 Stat. 78, ch. 68): Loans to farmers in storm- and drought-striken areas of 15 States—for purchase of seed, etc.; extended to include tractor fuel, etc., by resolution of April 24, 1930 (46 Stat. 254); $6,000,000 appropriated under act of March 26, 1930 (46 Stat. 99) for carrying into effect provisions of joint resolution of March 3, 1930.

Act of March 12, 1930 (46 Stat. 84, ch. 77): Appropriations of $1,660,000 to aid State of Alabama in construction of roads, etc., damaged by floods in 1929.

Act of May 27, 1930 (46 Stat. 386, ch. 336): Appropriation of $506,067.50 to aid State of Georgia in construction of roads, etc., damaged by floods in 1929.

Act of June 2, 1930 (46 Stat. 489, ch. 368): Appropriation of $805,561 to aid State of South Carolina in construction of roads, etc., damaged by floods in 1929.

Act of June 28, 1930 (46 Stat. 829, ch. 713): State of Vermont relieved from accountability for certain Federal property lost, etc., in connection with relief work incident to flood of November 1927.

Act of July 3, 1930 (46 Stat. 865): Appropriation of $1,000,000 to be expended by the Puerto Rican Hurricane Relief Commission for repair work, etc.

Act of December 20, 1930 (46 Stat. 1032, ch. 21): Loans for purchase of seed, fertilizer, etc., in drought and storm-stricken areas of the United States; $45,000,000 authorized [This amount was appropriated by joint resolution of January 15, 1931 (46 Stat. 1039, ch. 40); an additional $20,000,000 was appropriated by act of February 14, 1931 (46 Stat. 1160).]

Act of February 23, 1931 (46 Stat. 1276): Appropriation of $2,000,000 for loans to farmers in Southern States of loss of crops due to storm and drought.

Act of February 26, 1931 (46 Stat. 1420, ch. 305). State of Alabama relieved from accountability for certain Federal property lost, etc., in connection with relief work incident to Elba flood of March 1929.

Joint resolution of March 23, 1933 (48 Stat. 20, ch. 5): Loans by Reconstruction Finance Corporation authorized for repair of damage by earthquake in 1933. [Amended by act of May 29, 1933 (48 Stat. 99) to include, in addition to earthquake, damage by fire, tornado, or cyclone in 1933.]

Act of April 13, 1934 (48 Stat. 589, ch. 121): Loans authorized to be made by Reconstruction Finance Corporation to nonprofit corporation for repair of damages caused by earthquake, fire, flood, etc., in 1933 and January and February 1934. [Amended by act of July 26, 1935 (49 Stat. 505, ch. 421) to include damage caused by catastrophes in the "years 1933, 1934, 1935, and 1936"; further amended and superseded by the act of April 17, 1936 (49 Stat. 1232) to repair damages caused by catastrophes occurring in 1935 and 1936.]

Act of July 2, 1935 (48 Stat. 443, ch. 356): Officers and men of Naval and Marine Corps Reserve who searched for victims and wreckage of United States dirigible *Akron*, considered on active duty and entitled to pay for such duty.

Joint resolution of August 27, 1935 (49 Stat. 928, ch. 777): Puerto Rican Hurricane Relief Commission authorized to make adjustments in its loans, either by reduction in rate of interest or in the indebtedness, etc.

Act of April 10, 1936 (49 Stat. 1192, ch. 170): State of Alabama relieved from accountability for certain Federal property lost, etc., while being used for emergency relief work incident to Elba flood of March 1929.

Act of May 15, 1936 (49 Stat. 1278, ch. 403): State of New Jersey relieved from accountability for certain United States property lost, etc., while being used in connection with the *Morro Castle* disaster, September 1934.

Act of June 29, 1936 (49 Stat. 2035, § 500): Benefits of Employees' Compensation Act extended to veterans or other persons attached to Veterans' Camps Nos. 1, 3, and 5, injured, etc., as result of Windlys Island and Matecumbe Keys, Fla., September 1935.

Act of February 11, 1937 (50 Stat. 19, ch. 10): Disaster Loan Corporation created to provide loans necessary because of floods or other catastrophes in 1937. [Amended by joint resolution of May 28, 1937 (50 Stat. 211, ch. 275), to include catastrophes during 1936 and 1937; further amended by act of March 3, 1938 (52 Stat. 84, ch. 40, Public, No. 438), to include the year of 1938; and further amended by act of March 4, 1939 (53 Stat. 510, ch. 4 (d)), by increasing the capital stock of the Disaster Loan Corporation from $20,000,000 to $40,000,000 and extending the applicability of the act to catastrophes during 1938, 1939, and 1940, and further extended by act of June 10, 1941 (55 Stat. 248), to catastrophes occurring between 1936 and 1947.]

Joint resolution of February 24, 1937 (50 Stat. 21, ch. 17): Allocation of funds from Emergency Relief Appropriation Act of 1936 for health and sanitation activities in areas recently stricken by floods.

Act of May 25, 1937 (50 Stat. 204, ch. 255): State of Maine relieved from accountability for certain Federal property loaned for emergency work during fire at Ellsworth, Maine, May 8, 1933, and lost.

Act of March 5, 1938 (52 Stat. 93): Use of War Department appropriations to meet emergencies caused by flood of the Ohio and Mississippi Rivers in 1937 authorized.

Act of June 20, 1938 (52 Stat. 777, ch. 523): State of Georgia relieved from accountability for certain United States property lost, etc., while being used for emergency relief work in connection with tornadoes at Cordela, Washington, and Gainesville in April 1936.

Act of June 23, 1938 (52 Stat. 1033, ch. 604): State of Connecticut relieved from accountability for certain Federal property lost, etc., while being used for emergency relief work incident to the Connecticut floods of March 1936.

Act of March 15, 1939 (53 Stat. 513), as amended by act of May 2, 1939 (53 Stat. 631): Appropriation of $5,000,000 for rehabilitation of forest lands damaged by the hurricane of September 1938 in the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, and New York.

Act of July 12, 1943 (57 Stat. 542): $15,000,000 appropriated for the fiscal year 1944, for assistance to farmers whose property was destroyed or damaged by floods in 1943. [Balance made available until June 30, 1945, by act of May 20, 1944 (58 Stat. 224, ch. 201).]

NOTE.—There are numerous acts in which provision is made for the relief of specific individuals for injuries sustained in calamities similar to those mentioned above. These are mostly reimbursement for property losses or personal injuries, after examination of extent of damage. See, for example, 17 Stat. 646 (postmaster, Chicago fire); 28 Stat. 932 (25 persons, Ford Theater disaster); 29 Stat. 273 (94 persons, Ford Theater disaster); 31 Stat. 1612, ch. 838 (1 person, Ford Theater disaster); 36 Stat. 2022, ch. 234 (1 person, Allegheny River flood); 37 Stat. 1286, ch. 273 (21 parties, Allegheny River flood); 45 Stat. 1849, ch. 589 (1 person, Galveston flood, 1900); 45 Stat. 2014, ch. 940 (9 persons, drainage ditch overflow); 45 Stat. 2047, ch. 144 (persons named in certain House documents, Lake Denmark, N. J., explosion and fire); 45 Stat. 2326, ch. 309 (1 person, accidental burning of orchard); 45 Stat. 2326, ch. 310 (21 claimants, flooding of Chesapeake & Delaware Canal); 46 Stat. 1954, ch. 791 (certain citizens of California flood, 1926); 46 Stat. 1958, ch. 808 (6 persons, erosion of dam on Allegheny River, 1927); 47 Stat. 1669, ch. 220 (1 person, Lawton, Okla., fire, 1917); 47 Stat. 1763, ch. 303 (2 persons, overflow of Rio Grande, 1921); 49 Stat. 2071, ch. 217 (1 person, earthquake and fire at Yokohama, Japan, 1923); 49 Stat. 2320, ch. 570 (1 person earthquake and fire at Kamakura, Japan, 1923).

The following acts, while not providing direct relief to sufferers, make allowances in the payment of taxes, etc., or appropriate sums to reimburse rescuers, or to prevent threatened disasters:

Act of February 12, 1875 (18 Stat. 629, ch. 73): Sum of $5,000 appropriated for payment to Joseph J. Petri of Illinois, in recognition of his heroic and successful efforts in rescuing a train of emigrants from starvation and impending death while snowed in between the Sierra Nevada and Trinity Mountains.

Act of May 23, 1876 (19 Stat. 55, ch. 104): Time for making final proof and payment by pre-emptors extended 2 years upon satisfactory proof that crops on the lands had been destroyed by grasshoppers.

Act of August 15, 1894 (28 Stat. 553, section 28): In computing income, deductions authorized to be made for losses arising from fires, storms, or shipwreck.

Proclamation of August 25, 1906 (34 Stat. 3227): Requisition for generous response to collection by National Red Cross Association for assistance for victims of earthquake at Valparaiso, Chile.

Joint resolution of January 19, 1910 (36 Stat. 873, No. 4): Appropriation of $10,000 for removal of ice gorges in the Ohio River, which are threatening the destruction of life and property.

Act of February 10, 1938 (52 Stat. 33 (d)): Suspension of regulations conditioning payments under Soil Conservation and Domestic Allotment Act upon the utilization of the land whenever there is a shortage of food by reason of drought, flood, or other disaster.

Same (p. 66, sec. 381, as amended by 52 Stat. 204, sec. 12): Cotton price adjustment payments not to be suspended in cases where in 1937 there was a total or partial crop failure due to hail, drought, flood, or boll-weavil infection, or destruction by fire.

(M. H. McClenon, March 6, 1928; W. C. Gilbert, October 30, 1930; Margaret Fennell, May 2, 1947.)

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. FORD. I would like to compliment the gentleman from Minnesota [Mr. HAGEN] and others in spearheading this legislation. I would like also to make a comment or two about the individual bills for the States of Minnesota and North Dakota and other units. For obvious reasons, it is not possible for the committee to approve legislation in each disaster in any particular area. Our committee would be overworked with legislation of that kind. The legislation that is before us today is the kind that will meet all emergencies of a disaster, and gives the President the necessary authority for not only providing the relief but for coordinating the relief. In many ways perhaps it is not unfortunate that we cannot take up individual bills for Minnesota and North Dakota, which the gentleman sought as necessary legislation, but under the circumstances I think we have come out with a very good solution, and I commend the gentleman for his efforts.

Mr. HAGEN. I thank the gentleman.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. STEFAN. I am sure our late colleague from North Dakota, Mr. Lemke, would be very happy to know that we are considering this bill. I, too, want to compliment the gentleman from Minnesota for his untiring efforts to get these emergency flood-control bills tied into one. However, this bill calls for an authorization of $5,000,000. Do you know when any of that money would become available? Is there some action taken, after this authorization is passed, to get some of the appropriation in the bill presently before us?

Mr. HAGEN. I am glad the gentleman brought that matter up, because I am deeply concerned about it. It is my hope that we can get the money in the deficiency bill this session, before the session ends, to carry out the purposes of this bill.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. WHITTINGTON. I think the question is quite important. As I stated at the beginning of this debate, there is a $750,000 appropriation made on June 29, 1950, already made available. That fund is immediately available for Nebraska, as well as West Virginia and other States, because it has not been expended as yet.

Mr. STEFAN. Does the gentleman know, Mr. Speaker, how much remains of that $750,000?

Mr. WHITTINGTON. I understand that none of it has been expended; it is there for relief of emergencies, some of which occurred in the gentleman's State.

Mr. STEFAN. Yes. The gentleman knows of the terrible disaster in the State of Nebraska causing loss of life and much property damage.

Mr. HAGEN. And this bill will provide aid in such situations.

Mr. STEFAN. What am I to tell my constituents as to the $750,000 that is available for disaster relief now?

Mr. HAGEN. The President may declare that area an emergency disaster area and the governor of the State may apply for and get funds, although they may be entirely inadequate. Funds will be available in this bill to meet disaster emergencies. We recently had a disaster in Minnesota in which the full amount of $750,000 itself would be just a drop in the bucket. We received $150,000 from the President's disaster fund.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. DONDERO. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. STEFAN. In case this bill is not passed, the $750,000 will still be available. After this bill passes will the $750,000 be added to the $5,000,000 provided for in this bill?

Mr. HAGEN. It will remain available in a separate fund, as I understand it.

Disaster may strike any part of America. During the 29-year period just passed we have had disasters in every State in the Union, they total 4,096, of a major character.

(Permission having been granted to Mr. HAGEN, the table of disasters in the continental United States by types from July 1, 1920 to June 30, 1949, as recorded by the American Red Cross, follows:)

State	29-year total	Hurricanes	Tornadoes	Other storms	Floods	Fires (including forest fires)	Other	Rank in number of disasters
Alabama	134	1	80	7	16	25	5	14
Alaska	28				4	16	8	42
Arizona	32			3	8	17	4	39–41
Arkansas	142		77	11	31	14	9	12
California	186	1		4	36	110	35	5
Colorado	49		7	5	25	3	9	33
Connecticut	50	2		1	4	36	7	32
Delaware	7	1			1	2	3	50
District of Columbia	10		1		4	1	4	49
Florida	107	15	26	8	12	32	14	18
Georgia	137	3	56	19	21	24	14	13
Idaho	22		1		6	11	4	46
Illinois	268		35	8	45	158	22	2
Indiana	77		20	2	25	14	16	25–26
Iowa	103		25	3	42	20	13	19–20
Kansas	99		39	4	46	6	4	22
Kentucky	145		20	7	55	42	21	11
Louisiana	150	6	79	8	25	24	8	9
Maine	48			1	3	42	2	34–35
Maryland	48	2	7	3	7	20	9	34–35
Massachusetts	123	2	1	5	7	93	15	16
Michigan	52		11	2	8	22	9	31
Minnesota	77		32	11	10	17	7	25–26
Mississippi	159	2	84	16	32	19	6	7
Missouri	146		55	4	50	27	10	10
Montana	32		2	2	16	4	8	39–41
Nebraska	70		21	7	36	2	4	28
Nevada	20				6	9	5	47
New Hampshire	32	1			3	26	2	39–41
New Jersey	129	2	2	2	5	89	29	15
New Mexico	42		1	5	17	11	8	36
New York	190	2	3	10	27	122	26	4
North Carolina	95	4	30	11	9	29	12	23
North Dakota	37		8	4	13	4	8	37
Ohio	151		28	1	45	48	29	8
Oklahoma	167		76	14	45	13	19	6
Oregon	57		1		21	30	5	29
Pennsylvania	212	1	16	3	42	105	45	3
Rhode Island	26	2			1	19	4	43–44
South Carolina	78	5	35	12	9	12	5	24
South Dakota	35		13	4	7	6	5	38
Tennessee	117		41	6	30	25	15	17
Texas	288	9	123	34	74	28	20	1
Utah	26			1	8	7	10	43–44
Vermont	25	1		2	5	15	2	45
Virginia	102	2	14	6	16	36	28	21
Washington	53			1	15	24	13	30
West Virginia	103		4	3	36	40	20	19–20
Wisconsin	72		23	8	21	15	5	27
Wyoming	18		2	1	9	2	4	48
Unadjusted total	4,576	64	1,099	269	1,039	1,516	589	
Adjustment for occurrences in more than 1 State	480	24	150	18	186	13	89	
Net total	4,096	40	949	251	853	1,503	500	

Corresponding data for the entire period are now in process of compilation in the office of Statistical Reference and Information and will be substituted for these tabulations as they become available.

Mr. HEDRICK. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. HEDRICK. I do not quite understand how much the States themselves are to put up.

Mr. HAGEN. That is indefinite, depending on the city, county, township, or State, and what it may be able to do for itself, and also on the character and size of the disaster.

Mr. HEDRICK. Who finally decides on the question of the amount necessary?

Mr. HAGEN. The Governor or other State officials, or any State disaster or emergency board, as I understand it, and with the final approval of the Federal agency concerned and the President.

Mr. WHITTINGTON. I may say that the bill in that particular contains identical language that has been used in all these bills pertaining to emergencies, in the past 2 years.

Mr. HAGEN. As I understand, for instance, if a distressed community had a bridge go out they could get financial assistance to rebuild the bridge at least on a temporary basis if they did not have sufficient money of their own. The same way with roads, bridges, and culverts.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. GRANGER. It seems to me this is a very, very important bill and a forward-looking step in the right direction. It is a case of something being better than nothing, but it is a very important step forward. As the gentleman knows, almost every State in the Union has been afflicted at one time or another with a disaster. As I see this bill you are not necessarily too conservative in making available $5,000,000, because the total amount will depend upon future appropriations.

Mr. HAGEN. The amount is not very large, but it will provide a little assistance and establish the principle and a permanent pattern of emergency aid in cases of disasters.

Mr. Chairman, I ask unanimous consent to insert as part of my statement the preliminary remarks I made before the House Public Works Committee and also the concluding statement I made before the committee for the purpose of supplying additional information on this legislation.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

(The matter referred to follows:)

STATEMENT OF HON. HAROLD C. HAGEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. HAGEN. I want to thank the chairman and the members of this committee for the opportunity to be present this morning and to offer some testimony with reference to this legislation.

I want to further express, Mr. Chairman, the gratitude on the part of the folks in my district and my people to this committee, the chairman, and the able staff, for the very fine reception given to us all along in this recent flood disaster and crisis, the worst in our section's history. In fact, it is a national disaster of major proportions, one of the most serious disasters that has confronted the Nation in all its history. The damages run up into the hundred millions, private and public.

We are here today to plead with your committee for consideration of several bills the final writing of which and the details of which will be in your hands. However, our general appeal is on the basis of getting assistance primarily to the townships, the counties, the villages, and the towns to rebuild their bridges, culverts, streets, highways, and roads because they are not able to bear the financial cost to do so. It is necessary in the public interest to do so.

This area has been visited by floods, very serious floods, periodically but more so in 1948 and to some degree in 1949, and the worst one in 1950. Over the last few years, the counties, and more especially the townships, have depleted their funds and now are financially unable to rebuild their roads, bridges, and culverts because of the preceding floods on top of the one that we had this year.

Now it is going to be difficult, as has been pointed out, to prevent these floods in the future. But there is a program that is needed and will be provided, we hope, eventually for diking and levees in certain areas, several flood-control water reservoir dams which can be constructed in certain sections of the valley area where there is a rapid and quick fall and other flood-control projects.

But then our primary purpose here today is that of getting assistance to rebuild the streets, farm-to-market highways and roads, bridges, and culverts in an area where the farmers cultivate and produce the food production we need. The Red River Valley has some of the most fertile land in the world and the Federal income-tax payments from those areas are the highest per capita of any place in the country when the crops are produced.

The CHAIRMAN. You have some constituents here?

Mr. DONDERO. I would like to inject one question at this point. Is it the purpose of your bill, Mr. HAGEN, to provide a restoration of these bridges and the highways, the damage done in this major flood, believing that the local community, even your State, might not be able to handle it?

Mr. HAGEN. That's right.

The counties and townships are doing a job as far as they are able to do so. Their funds are exhausted. Most of them have

reached the legal limits in bonded indebtedness and yet there are many hundreds of miles and many dozens of bridges still out making it impossible for farmers to get to town with their products and to buy the necessary fuel supplies, and so on.

Most of the townships are completely broke financially and have been for several years because of the repetition of these floods and the subsequent damages to roads, bridges, and so forth. We want to come in and ask for some Federal assistance to rebuild them because it is in the national interest to do so as well as the local interest.

The CHAIRMAN. Thank you very much. We would be glad to have your further statement.

Mr. HAGEN. We have two suggested and desirable general programs. The one is immediate aid for Minnesota and North Dakota, and the broad general program for the whole country where emergencies of any kind, whether bombing or flood, hurricane, or cyclone, may hit or strike a community, perhaps where you gentlemen represent. I have checked the record and find since 1803 there have been several hundred major catastrophes in all of the States of the Union and there are many precedents in the official records where the Federal Government has aided and assisted the local communities from townships on up in many, many ways, not only in roads and bridges and dikes and culverts, but in other ways. So there is ample precedent for this sort of legislation.

The CHAIRMAN. We will be glad to have you hand those precedents to the committee. The committee has got the names of all of the floods that occurred during the past year as well as all of the disasters that have occurred since 1903 that we know about and we know about the Federal legislation that has been passed generally.

Mr. HAGEN. I will not go into detail at this time.

The CHAIRMAN. We will be glad for you to return.

Mr. HAGEN. I will be glad to make a further statement later and file with the committee the additional information. I would also like to file complete statements for several counties and areas in my district which are not here represented today.

I would like to ask permission for the witnesses who are here from my district and others to file a written statement after their oral statement.

The CHAIRMAN. We will be glad for you to present those witnesses and we thank you for this general statement and will be glad for you to extend yours remarks later.

Mr. HAGEN. Since we have so many witnesses, it has been suggested that they hold their testimony to 5 minutes or less and then file a written statement.

The CHAIRMAN. Thank you sir, very much. Is Mr. MARSHALL here from Minnesota?

Mr. MARSHALL, we will be glad to have your general statement and if you have any witnesses, it has been suggested that they hold their testimony to 5 minutes or less and then file a written statement. We are pleased to have them appear and to hear from them.

SUPPLEMENTAL AND CONCLUDING STATEMENT BY REPRESENTATIVE HAROLD C. HAGEN, MEMBER OF CONGRESS FROM THE STATE OF MINNESOTA

Mr. HAGEN. Mr. Chairman and members of the committee, I believe the officials and citizens of the Ninth District and those from other parts of Minnesota and from North Dakota have given you the facts as they are and have shown you conclusively that there is a great need for Federal assistance to the townships, counties, villages, and cities for the necessary program of rehabilitating, construction, and repair of the roads, streets, bridges, culverts, and other public facilities, much of it being of an emergency nature.

The recent flood, the worst in the history of our area, was from the waters of the Red River of the North and its tributaries, a United States War Department, Corps of Engineers, federally controlled river.

In my opinion, there is a definite responsibility of the Federal Government in connection with public flood damages which have amounted to many millions of dollars. The losses to personal and private property also were very heavy.

These witnesses have told you the story of the damages done and the need for the earliest possible rebuilding and construction program. The aid so far given by State and Federal agencies has been inconsequential in view of the millions of dollars of damages.

I am hopeful that the committee and the Congress will act quickly on the legislation before you. The need is great and the cause is just.

These are bills which I personally introduced and on which I seek approval.

H. R. 8435, which would provide for the authorization for an appropriation for the reconstruction and repair of roads, bridges, and other public facilities in the States of Minnesota and North Dakota, which were destroyed or damaged by floods in the spring of 1950, and for building necessary road dikes and levees and dike and levee protection.

H. R. 8461, which would authorize Federal assistance to States and local governments in major disasters, and for other purposes.

Other bills have been introduced by Representative USHER BURDICK and by the late William Lemke, of North Dakota, and the United States Senators from the two States.

In connection with this legislation I had the pleasure of working very closely with the late Representative William Lemke. Since he and I introduced somewhat similar bills, may I suggest that this committee honor his work, efforts and memory by approving his bill, H. R. 8396, instead of my own.

In your consideration, I desire to point out that there are many instances of previous acts of Congress granting, or ratifying grants of relief, aid and assistance, financial and otherwise, to sufferers from floods, fires, earthquakes, and other disasters. Beginning with special legislation first enacted on February 19, 1803, up to and including an act of July 12, 1943, there are over 128 separate legislative acts which provided assistance in one manner or another. In the record you will find the following pertinent legislative acts which provided assistance to States for the construction of roads, bridges, etc.:

Act of March 12, 1930 (46 Stat. 84, ch. 77): Appropriations of $1,660,000 to aid State of Alabama in construction of roads, etc., damaged by floods in 1929.

Act of May 27, 1930 (46 Stat. 386, ch. 336): Appropriations of $506,067.50 to aid State of Georgia in construction of roads, etc., damaged by floods in 1929.

Act of June 2, 1930 (46 Stat. 489, ch. 368): Appropriations of $805,561 to aid State of South Carolina in construction of roads, etc., damaged by floods in 1929.

In line with previous action of Congress, I ask you to approve some legislation which will give assistance to Minnesota, and North Dakota in their tremendous rehabilitation program made necessary by the disastrous floods of this year.

In closing I want to thank the committee for giving the opportunity to the witnesses of Minnesota and North Dakota to present their views in support of this legislation.

The CHAIRMAN. Thank you, Mr. HAGEN.

The committee will be in executive session, and the witnesses will retire.

(Thereupon, at 11:43 a. m., the committee went into executive session.)

Mr. HAGEN. Mr. Chairman, there has been no opposition to the bill, and because disaster may hit any district in America at any time I do not think there will be any opposition from Members on either side of the aisle.

We want to get this bill through so that when there are national disasters in the future we will have funds immediately available. We have had disasters in Minnesota and North Dakota this year, and other places more recently, Nebraska, also Virginia and West Virginia.

This bill will help them out on an emergency basis, if not more or less permanently. It will assist in rebuilding facilities which have been damaged by flood or other disaster.

(Permission having been granted to Mr. HAGEN, a copy of a telegram dated July 10, 1950, showing the flood damages to county and local roads in the Ninth Congressional District of Minnesota is herewith inserted as follows:)

ST. PAUL, MINN., *July 10, 1950.*

Congressman HAROLD C. HAGEN,
New House Office Building,
Washington, D. C.:

Regret circumstances make it impossible for me to be present for hearings tomorrow on H. R. 8435. Flood damages to county and local roads alone in your congressional district including roadways, bridges and culverts, totals some $2,241,335 according to estimates of State disaster committee based on surveys by local disaster committees constituted by representatives of Red Cross, farm organizations, county board chairmen and county engineers. By counties, public road damage claims, not including any damage to State highways, are as follows:

Kittson	$342,500
Roseau	130,000
Lake of Woods	20,000
Marshall	666,473
Beltrami	39,578
Polk	180,350
Red Lake	43,000
Pennington	86,389
Clearwater	62,865
Norman	206,840
Mahnomen	194,000
Clay	117,000
Becker	50,000
Wilkin	48,000
Ottertail	55,000

No private damage claims are included in these figures but estimates may be obtainable from Col. Joe Nelson, F State disaster committee if desired.

M. J. HOFFMANN,
Commissioner of Highways, State of Minnesota.

Mr. DONDERO. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I rise to ask the question, When are both Houses of Congress going to do something to try to stop the Communists in this country?

We passed the Mundt-Nixon bill in this House over a year ago by a vote of 319 to 58 to try to gain some control over their actions and prevent the growth and spread of communism. This bill has been before the Senate since that time, and from remarks made in that body last week when the author of the Mundt-Nixon bill urged that it be put on the calendar in order that it might be acted upon in this session, the leader of that body gave little or no assurance that it would be put on the calendar for consideration.

The administration and its leadership determines the legislation that shall be taken up from week to week. Certainly, the people of the Nation, while spending billions of dollars, with our sons losing

their lives in Korea fighting the Communists abroad, want the Congress to make every possible move against the Communists here in our own country.

The Mundt-Nixon bill should be passed before this Congress adjourns. This bill will doubtless be passed by the Senate if those in charge will bring it up for consideration.

There are 3,361 active Communists in the State of Illinois. No, they are not just red herrings, they are card-carrying Communists. There are over 50,000 in the United States and working with them as fellow travelers and left-wingers are over 400,000 all of whom are a threat to the freedom and stability of this Nation. J. Edgar Hoover has pointed out that the Communists are a great and dangerous threat to the Nation today.

The House Committee on Un-American Activities has done a remarkable job in constantly fighting the efforts of these fanatical Godless people who would destroy our Nation. Every effort should be made by both Houses of the Congress to curb the power and opportunity of this group of people who are trying to overthrow our Government.

Mr. Chairman, unless a united and strong effort is made here on the home front against the Communists we may find ourselves in a position where they will be able in the event of another war to sabotage our industrial plants in cooperation with the enemy abroad doing more damage than many divisions of Communists troops could do if they were landed on our shores. Why wait for another Pearl Harbor which could be brought about through their cooperation?

If our country is weakened to a great degree by another war we will have here a more fertile field for the seeds of communism to be sown with an opportunity for doing our Nation greater damage. They are the source that stirs up much of the unrest among groups of our people. Every American in public life today knows he is liable to attack by these smear mongers who aid and abet every movement that would hasten the overthrow of our Government.

When any people or any government pay heed to a philosophy of government based on the thesis that there is no God, that man has no soul, that the state is supreme and the individual is nothing, that a state is good if it believes in communism and evil if it thwarts communism—such a government will never provide man the privileges and the opportunities he is entitled to under the Stars and Stripes. Yet, the people in the Communist movement in the United States subscribe to this philosophy.

Such a philosophy has and will provide the moral and spiritual ruin of any people and any government. Such a philosophy will wither the hopes and aspiration for the better things of life which has long been our American heritage.

Mr. Chairman, I hope it may never be said that I helped to turn the key in the church doors of my beloved country because of my negligence or failure to oppose these Communists within our gates who will do it unless we prevent it.

May it never be said that I failed to oppose their effort to substitute their hymns of hate, terror, smear attacks, and character assassinations, for the real fundamental values of life which include tolerance, liberty, friendship, peace, love, charity, and justice for all men. Unless stopped, they will stamp out the church, religion, and liberty will die here as it has abroad.

Unless curbed they will destroy all of the things that make life worth while. They will destroy the liberty and freedom of all of the people of this Nation. It is the duty of the Congress to move against them now and without further delay, ruthlessly and relentlessly. They are enemies of this Nation and everything it stands for. They are traitors to our country. If necessary, they should be thrown into concentration camps behind barbed-wire entanglements for the protection of our form of government and the welfare of our people.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, this is not a relief bill for the full damage of any distressed area. Here this afternoon you are making history, because as I understand, this is the first time in the history of this Congress that any emergency appropriation of this nature was ever authorized. At this time there is an authorization of $5,000,000 to go into the President's fund for the relief of the entire Nation whenever any disaster occurs; consequently, this bill is not directed to North Dakota or Minnesota where the Red River flood controlled this spring. It is directed to every State in the Union. There is no danger of this bill not passing.

When we had a disastrous flood in the Red River Valley this spring a great many people said, "Well, why do you not build dams and stop these enormous floods?" When you stop to realize that in that section of the country those people are living in the bottom of an old glacial lake that is 300 miles long with an average width of 75 miles wide, the land is level, the fall of the river I think is a little less than 5 inches per mile, there is area enough there when you have unprecedented snow and rains below any dam you could construct to produce this same condition regardless of dams. Remember that every element of nature has to combine before you can have a flood of this kind.

First of all, in the upper end of this Lake Agassiz the weather was warm, the snow was melting and rain was coming down, and as the river sluggishly flowed north to the Hudson Bay it ran into weather 10 below zero. That froze and consequently it could not get out. There was area enough in that whole basin to bring this about regardless of dams.

This fund is to be handled by the President. It is an emergency fund. It is not payment for damages. When we had this emergency in North Dakota a great many of us went to see the President and told him our situation. We stated that various departments had declared it to be an emergency situation, that the Governor of the State had asked for assistance. From the money he had available we received assistance. We could not complain because he did all he could but there was not money enough in this emergency fund to go very far.

All you are doing this afternoon is putting $5,000,000 additional into the general emergency fund for the President to handle for the entire Nation. You are not settling any of the damage done in the Red River Valley because if you did you would have to appropriate $70,000,000.

Mr. HEDRICK. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from West Virginia.

Mr. HEDRICK. Is this retroactive? Would it help floods that occurred a month ago?

Mr. BURDICK. Well, if the emergency still exists, it will help. What I mean by an emergency is when people lose their homes, when they have not anything to eat, and they lose their clothes and livestock. That is what I call an emergency.

Mr. HEDRICK. About 4 or 5 weeks ago in West Virginia we had a terrific flood which did a million dollars of damage. Of course, that damage has not been corrected. Would this bill take care of that situation?

Mr. BURDICK. I think the only part this bill would ever reach would be in a community where a necessary road has been washed out and the township or the county was unable, because of indebtedness, to build the road. If it made application through their Governor to the President that situation would be taken care of. But it would have to be from an emergency fund. That is all this committee is doing, providing an emergency fund, and, so far as I am concerned, they have done a good job.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. DONDERO. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I may say to the gentleman, also the gentleman from Nebraska [Mr. STEFAN] that $750,000 was appropriated here on June 27, 1950. From information I have, substantially no part of that fund has thus far been used. It would be available in Nebraska and West Virginia.

Mr. STEFAN. It would be retroactive to the damage done in Nebraska a few months ago?

Mr. WHITTINGTON. That appropriation has already been made.

Mr. BURDICK. And this $750,000 that the appropriation provides for will bridge the period over to the expenditure of $5,000,000, so if an emergency situation arises such as we had in North Dakota, it will be taken care of to the extent provided for in the bill.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Utah.

Mr. GRANGER. What is going to happen to the farmer or the people who lost their land and their farms?

Mr. BURDICK. Well, the same thing that happened to us when we lost our crops for 9 years. We fight our way out of it.

Mr. GRANGER. You are not closing the doors to disaster loans by this legislation?

Mr. WHITTINGTON. We have stated repeatedly throughout this debate that this is supplemental legislation.

Mr. BURDICK. That is right. It does not interfere with any other legislation, and it is purely for emergencies.

Mr. GRANGER. That is, for the emergency then and there to repair the damages only; that is, in a public way, such as roads and bridges and the like.

Mr. WHITTINGTON. That is right.

Mr. BURDICK. That is right, and a place to eat and sleep during the emergency. But it does not go to the extent of trying to rebuild your houses or reget your land or anything of that sort. That would not be an emergency under the meaning of this bill, and I do not think they could take care of it in any other way. I want to compliment the committee for doing as well as they have.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I rise to speak on this bill, H. R. 8396, which authorizes $5,000,000 in Federal financial assistance to States and local governments to enable them to repair damage to public installations caused by flood, drought, fire, storms, and other major disasters.

I strongly endorse the purpose of this bill, which is to provide funds to help State and local governments repair disaster damage to roads, bridges, streets, public buildings, and other installations. Experience has shown that local governments are unable to finance these repairs in cases of serious disasters, and the only source of additional funds is the Federal Government.

I am, however, very much disappointed that this bill only authorizes an additional sum of $5,000,000 for this purpose. This amount is wholly inadequate to carry out the purposes of this bill—the $5,000,000 authorized will be a drop in the bucket since the President's disaster fund is now totally exhausted and this year's flood damage has been unusually severe.

My district is in northeast Minnesota, which was severely hit by floods last spring, and which was declared a disaster area by President Truman some time ago. Thus I am in a position to testify as to the inadequacies of this bill, which is supposed to provide funds to cope with all forms of disasters in the 48 States. A few statistics on flood damage in Minnesota alone will show that if the whole amount were allocated to our State it would barely repair the worst of this year's flood damage, and certainly there would be little left for anyone else. I will give you the facts.

According to the adjutant general of the State of Minnesota, Brig. Gen. Joseph E. Nelson, the 1950 flood damage in the 18 northern counties of Minnesota amounted to over $11,000,000, of which $2,747,754 represents damage to public facilities. The flood damage to public installations in the six counties in my district are listed below:

Koochiching County	$25,000
Carlton County	100,000
St. Louis County	218,000
Cook County	50,000
Itasca County	100,000
Lake County	25,000
Total (Minnesota Eighth District)	518,000

Mr. Chairman, this $518,000 represents the extent of damage to public installations from one disaster in one congressional district. And I will say that other areas throughout the country have been just as hard hit as my district.

It is clear that the $5,000,000 authorization in this bill will not carry out the purposes of the bill—if about 12 percent of the total amount is necessary to repair flood damage to public installations in my congressional district and if 55 percent of it is needed right now for public installations in Minnesota—then how can we expect this authorization to meet the needs of the entire country? By the time this $4,000,000 is spread out to all disaster areas, there will be so little available as compared to the need that the effect of this bill will be insignificant.

I maintain that this authorization should be increased to at least $25,000,000, and it is my hope that the House will take such action today. Those counties and city governments that have been hard-hit by flood and other disasters need help desperately, and Federal funds must be forthcoming.

It also occurs to me that, in view of widespread floods this year, the Federal Government should get busy in formulating and passing a broad flood-control program to prevent future floods. Such a program would prevent the recurrence of the floods we had in Minnesota and the upper Midwest this spring. Such a program would save millions of dollars every year, and would represent a sound investment in our country.

Mr. WHITTINGTON. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, while this bill does not affect my district particularly, I am concerned with it, and appreciate the work that has been put in in making a real contribution here for the relief in disasters that happen from time to time in State after State. This is a very simple procedure. I am quite familiar with the process here as well as familiar with what happened in the State of Minnesota this spring, when this flat river, that flows through land as flat as this floor, suddenly found itself bursting at the seams, and then all overnight looked like the Atlantic Ocean. Thousands and thousands of homes were from 6 to 8 feet under water. All transportation was disrupted.

Immediately the Governor was notified of the emergency, he called the State emergency fund committee together and got $750,000, after which he called in the National Guard. The National Guard was a savior, because it brought up into that district 10 or 12 of its "duck" powerboats, which provided a means of transportation.

Finding the situation really serious, the Governor appealed to the President of the United States. There was a small amount of money available which the President made available for the State of Minnesota to use, but it was a drop in the bucket.

That is the process here. It is a fast-working operation. The Governor of West Virginia, the Governor of Nebraska, the Governor of Wisconsin, or the next governor can tomorrow, when faced with disaster, using their own machinery first and then appealing to the President, put this relief into action immediately. That is what I like about this legislation. There is not a lot of red tape. It is a process of negotiation between the Governor of the State and the President of the United States.

Mr. WHITTINGTON. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Chairman, we had quite a disaster recently, which I am sure you gentlemen read about in the papers. Thirty-six people were killed and about 200 homes were washed out, knocked out completely. In our narrow valleys, water pours down in a hurry, taking everything with it. Then it rushes on where the terrain is level in the Ohio Valley, and washes out more homes there. Bridges were knocked out and roads were damaged, to the tune of about $1,250,000 of damage to the State highway system in the State of West Virginia.

Not only have we had just one disaster, but we have had three along the Little Kanawha River within 1 year. One of the locks has been knocked out on the Little Kanawha and extreme damage has been done to the State fish hatchery which is valued at $750,000. Not only has there been damage to the fish hatchery in this area, which I have just mentioned, but serious damage has been done to farming in Roane, Pleasants, Tyler, Jackson, and Wirt Counties. Five or six rows of corn along the whole Little Kanawha Valley area has been washed out. They cannot support themselves in these counties if they continued to lose their fertile valleys through floods.

We are not asking for a permanent solution in the bill under consideration. The lime, phosphate, and cover-crop programs, if they are extended, building up the grass and the forest lands, we can stop this devastation. But when you lose your homes, when they are knocked out completely, when they have been hammered to splinters and carried on down the mountain streams, those people need relief immediately. That is the type of thing we have covered in this measure, where nearly whole families, even, have been killed and only a few of them are left. They need emergency relief. This bill gives some emergency relief to families like that, where only a few have been left.

I ask your support for this necessary legislation, not as a permanent solution,

but only as a measure to help them in their time of need.

Mr. HEDRICK. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from West Virginia.

Mr. HEDRICK. How many millions of dollars of damage was it estimated was caused by this flood?

Mr. BURNSIDE. A million and a quarter to our highway system alone in West Virginia.

Mr. HEDRICK. What was the total damage?

Mr. BURNSIDE. It ran into many, many millions. It has not been fully estimated. That was only one flood. There have been three of these floods this year suffered by our people, as the able gentleman from West Virginia realizes.

I wonder though if we fully realize the amount of damage that can be done by floods such as we recently had in West Virginia. Eyewitnesses can describe it vividly—houses turned on end, scores of homes broken up like kindling wood, people missing, people camped along the highway. Those who were fortunate enough to get out of the flood often found loved ones missing and their personal property gone.

The floods did more than damage personal property. They tore out bridges and large sections of highways. As I have said, one flash flood alone caused an estimated $1,250,000 damage to State roads in West Virginia. And the State road commission does not have enough money to repair the damage. Meanwhile, men have difficulty getting to and from work, farmers cannot transport their produce to market, and school children cannot reach their schools.

Passage of the disaster relief bill, H. R. 8396, while not making nearly enough funds available, would be a tremendous help to the States that are trying to recover from the disastrous results of floods and other unavoidable catastrophes. In my opinion, there is a great need for this legislation.

Mr. WHITTINGTON. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, this is a progressive piece of legislation. It provides the means for taking care of people and damage to facilities when they occur. It is in the interest of economy. I can think of many, many places in the United States where some catastrophe or calamity could happen which might disrupt the local governments to such an extent that they would need outside assistance. That is particularly true in areas where the taxable resources are such, and the valuations of property are such that they are having a difficult time to obtain revenue.

In my particular district we could do much to prevent that sort of thing with a proper flood-control program. And the great Committee on Public Works several years ago saw fit to put into law an act to authorize construction of a project at Aitkin, Minn., on the Mississippi River that would have helped the situation. To date, that has not been completed because of the delay in obtaining an appropriation. This year alone the cost of damage in that area exceeded what the appropriation would have been for the correction of that problem. That is how serious it was in one single, solitary year.

To give you a quick, clear picture of the great damage caused by the spring floods, you may be interested in some of the estimated damages in Aitkin County alone. This area suffered most with a total of 179 square miles under water. The estimated damage to county roads, bridges, and culverts is $207,000. The damage to township roads is estimated at $126,532. Street, powerhouse, water, and sewer damage in Aitkin village was estimated at $56,300. Therefore, damage to public property and utilities alone amount to almost $390,000.

In addition to this there was about $1,500,000 damage to private property including farms, homes, and places of business. These figures indicate the tremendous problem the people of this area face. Certainly their own meager tax resources cannot begin to reconstruct and repair all of the damage done in addition to facing the cost of restoring their personal property. This was one of the worst disasters to hit this county since it was settled and the farmers and townspeople did make heroic efforts to do the best they could.

In another case in my district, the Pine County Board of Commissioners informs me that the heavy floods have caused damage to county, town, and village roads estimated at $79,387. Local funds are entirely insufficient to repair the bridges, culverts, and roads necessary to everyday life in such rural areas.

In Cass County, Minn., the damage and destruction to public property amounts to $75,000. Again, this involves largely county and township roads and bridges. Most of these are farm-to-market roads upon which the farmers must depend for transportation of their products. In Kanabec County, Minn., the damage is estimated at $48,000. The small tax base of these counties makes it impossible to meet such huge disasters on a large scale.

I therefore hope this Congress will see fit to pass legislation giving Federal assistance to the local units of government in these disaster areas. Only if the Federal Government works closely with these local governments can this Federal assistance be utilized with the most efficiency and the most economy. Local people know local problems best and can best cooperate with the Federal Government.

I have visited the disaster areas and have personally witnessed the great hardship suffered by the people whose homes were under water and whose croplands were flooded. I assure you that these people merit our help in a spirit of willing cooperation.

Mr. Chairman, I want to pay my particular respects to the Committee on Public Works. That committee was very courteous and very attentive when we appeared before them and they have a very good conception of our entire problem. I think they deserve much credit and many compliments for bringing out this fine piece of legislation.

Now, we have a vehicle where the President can go in with this disaster money to take care of these disasters when they occur, thereby relieving human suffering, taking care of health problems, feeding of livestock, repairing communications and transportation systems and so forth.

Mr. DONDERO. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, as a member of the committee I am very glad indeed to give my approval to this bill. As you have ascertained, those of you who are not on the committee, this is not a bill to take care of all the disaster relief which may be necessary. It does not supplant any disaster relief which is now available through the States or the Red Cross and other agencies, but it does set up a program and the machinery by legislative enactment by which the Government can step in in an emergency immediately and give some additional relief.

For instance, in my own district a great flood took place in the Columbia River last year and there was over $100,000,000 in damage and 50 people lost their lives. This bill, of course, would not give relief in a case like that, except for some emergency relief whereby the Federal Government could step in, in addition to the agencies now existing, such as State and local agencies, and give some additional relief.

Of course, this bill is only an authorization, and it carries a limitation of $5,000,000. Before any of that will be available it will have to be appropriated. It does not restrict the Federal Government in any of the activities which it heretofore has taken part in, but, as has been very clearly shown on the floor, it sets up the machinery and the method by which the Federal Government, through the President, can step in in a great catastrophe where emergency relief is necessary and give some additional relief besides what the already existing agencies give. As pointed out by the Committee on Public Works, this bill will cover disasters occurring anywhere in the entire country, instead of a particular State or locality.

The purpose of the bill is to provide for an orderly and continuing method of rendering assistance to the States and local governments in alleviating suffering and damage resulting from a major peacetime disaster and in restoring public facilities and in supplementing whatever aid the State or local governments can render themselves. Also, it authorizes the President to coordinate the activities of all Federal agencies in such an emergency. In the past appropriations to the President have been made for relief from floods and snowstorms in particular areas without authorization, and hence this bill is not novel legislation. This bill provides a framework for the Federal Government under which prompt action can be taken in meeting the needs of stricken areas, and it will establish a general Government policy in respect to emergency relief in all future disasters, instead of meeting the problem after it occurs.

Mr. DONDERO. Mr. Chairman, I have no further requests for time.

Mr. WHITTINGTON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That it is the intent of Congress to provide an orderly and continuing means of assistance by the Federal Government to States and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters, to restore essential public facilities in major disasters, and to foster the development of such State and local organizations and plans to cope with major disasters as may be necessary.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Section 1, page 1, line 7, strike out the word "restore" and insert in lieu thereof "repair."

Mr. WHITTINGTON. Mr. Chairman, I have conferred with members of both the majority and minority of the committee, and I believe the amendment is entirely satisfactory to the committee.

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. HAGEN. Does that mean they could restore a bridge as well as repair it? If a county did not have the money to restore a bridge, you would not prevent their repairing it?

Mr. WHITTINGTON. This does not make any change in any respect in the funds to be appropriated under this bill. The term in section 3 is "repair." The amendment makes section 1 agree with the repairs authorized in section 3.

Mr. HAGEN. But a bridge could be repaired and rebuilt on an emergency basis.

Mr. WHITTINGTON. They still would have authority to do in repair just what they have been doing under the President's emergency appropriation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The amendment was agreed to.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I have listened to the debate on this legislation thus far, it has been difficult for me to realize that in the other body at this time legislation is pending reimposing all of the wartime taxes on individuals and corporations; that even with that action there is going to be a teriffic indebtedness and deficit as far as the fiscal operation of this Government is concerned.

As I have listened to the debate, I have found it difficult to realize that an excess-profits tax will be imposed very shortly. I certainly think that is going to be done and should be done. I find it difficult to realize that we are also talking about wage freezes, and we are talking about all kinds of things whereby people must tighten up their belts, not just one notch but several notches. From the tenor of the debate on this bill, I find it difficult to realize that today this country is in a war. I just wonder the extent to which we in the Congress are willing to go in giving the impression that we can still operate on a "business as usual" basis. This legislation certainly is "business as usual." Certainly, the Federal Government has responsibilities in certain areas in case of disaster, when local facilities simply cannot meet the burden that is placed upon them. But is it not satisfactory to handle those operations as we have done it in the past? The Congress can always take necessary action to give whatever aid is in keeping with the situation that exists in the disaster area. It seems to me that we are asking in this legislation to remove the responsibility for taking care of these emergency situations from the local communities, from the States, and moving it here to Washington, moving it at a time when the responsibilities of the Federal Government are so awfully and terrifically great.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. KEATING. I share entirely the views that the gentleman is expressing here.

The objection is made to the suggestion that we meet each situation as it arises, that something may come up where there is not time to meet it. It seems to me that the answer to that, at least one answer to it, is that the President has a large discretionary fund which he can use to meet some sudden disaster. Always the Congress has been ready to step into the great tragedies in the West, in time of great storms and in the terrible explosion disaster in Texas, and in other instances.

Mr. BYRNES of Wisconsin. And we did give aid.

Mr. KEATING. We did. The Congress of the United States has always been ready to help in case of great disaster. But why should we set up an additional kitty for the President to pass out any time he sees fit, here, there, or yonder, without any satisfactory standards aside from doing all these things in specific instances?

Mr. BYRNES of Wisconsin. I appreciate the comments of the gentleman from New York.

It just seems to me that this is no time to make a shift in policy and to establish as a basic policy that the alleviation of trouble in these disaster areas is going to be a basic responsibility of the Federal Government. If there is one overriding responsibility of the Federal Government it is the prosecution of the present war to a successful conclusion, and the responsibility of keeping our economic and military and defense facilities in an impregnable position. You cannot do those things if you are going to continue to add and adopt new responsibilities for the Federal Government that are not directly related to that one basic responsibility.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. MARSHALL. On page 2 of the bill is a provision for the relief of major disaster or other catastrophe in any part of the United States. That could very easily be the vehicle that we might have to take care of damage done by bombs.

Mr. BYRNES of Wisconsin. The bill does not even mention disaster as the result of enemy action.

Mr. MARSHALL. It reads "Any other catastrophe."

Mr. BYRNES of Wisconsin. It seems to me that if the gentleman is worried about enemy action we should take care of it by legislation designed specifically for that purpose. We should also provide by legislation for war risk insurance.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. MARSHALL. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. I would also say to the gentleman from Wisconsin that in the western area where winter before last we had this terrific storm and the livestock suffered much and where there was so much human suffering that funds were taken from the President's disaster fund to take care of that. That supplied temporary relief. The people appreciate the generosity of Congress in helping out. So in view of that experience this legislation is much needed and is timely. The $5,000,000 provided is insignificant, as I think the gentleman from Wisconsin will agree.

Mr. BYRNES of Wisconsin. I do not think that this represents all that is going to be spent. This just establishes the principle, this is just a beginning. It will be like every other new Government program; it will grow, and grow, and grow. Five or ten years from now it will be $25,000,000 instead of five.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. COX. I wish to express personal regret for having spoken a word favorable to the adoption of the pending bill in offering the rule. Upon further reflection I am convinced that the position that the gentleman takes is sound, that this is no time to be coming in with this kind of legislation. The whole thing ought to be thrown out.

Mr. BYRNES of Wisconsin. I appreciate the statement of the gentleman from Georgia. It seems to me this is a matter that could and very well should be put off until we return to something more nearly approaching a normal condition.

Mr. COX. It is simply a standing invitation for people to come in and take Government money.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. KUNKEL. One of the things that worries me about the pending legislation is this: If it is once made permanent,

then you will get away from emergency relief and you will begin adding new functions. The next thing you know we will have a bureau, and that bureau will come up here wanting more and more functions given to it.

Mr. BYRNES of Wisconsin. Mr. Chairman, I repeat: This legislation might be appropriate in normal times. I insist, however, that these are not normal times. This country is at war. We have a great and terrifying responsibility. Our people are being asked to make many sacrifices. This Congress should set an example by refusing to embark on any new programs which enlarge the responsibility of the Federal Government. We should cut back present programs that do not relate to the security of the country. We certainly should not start any new ones. I trust that this House will adopt such a policy and turn down this bill.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do not think many Members of the House will accuse me of being prodigal with the people's money. This last week I was instrumental in saving $200,000 in connection with one bill that appeared on the Consent Calendar. I mention that as an indication of my attitude on spending.

I am wondering, however, what the attitude of some of these gentlemen who oppose this bill at the present time was when the huge $3,300,000,000 appropriation for foreign countries under ECA was before the House? Here we are asking only $5,000,000, 1 part in 660 of that amount, to establish an emergency fund for our own people against disasters affecting our own people.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Ohio.

Mr. McGREGOR. Is it not true that a portion, a large portion, of that ECA fund was given to the European people and the European nations for the very things we are asking for in this Nation?

Mr. H. CARL ANDERSEN. The gentleman is absolutely correct. Furthermore, we in the Congress did not screen nearly as closely those hundreds of millions of dollars that were put up for ECA as we have seen fit to screen this particular measure. I think that the committee has done a fair job. My only criticism is that it has not gone far enough in this very much needed cushion against disasters anywhere in our own Nation.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Michigan.

Mr. DONDERO. I want to recall the fact that there is a $10,000,000 fund in the road bill providing for emergencies in case a flood washes out a road or bridge. There is also $10,000,000 in the rivers and harbors bill to take care of damage.

Mr. H. CARL ANDERSEN. I understand that. I think the committee is to be commended for what they have done in the past. This is supplemental to all those other acts, especially as to human relief.

Mr. DONDERO. Except it applies for immediate first-aid relief to the human being.

Mr. H. CARL ANDERSEN. Mr. Chairman, I want to protest against the attitude of some of my good friends here who in their desire to achieve economy, and God knows I am with them on that, perhaps go a little too far. I plead, Mr. Chairman, let us pass this bill and try to do some good for our own people in a small measure compared to the many billions we have poured out in humanitarian measures abroad.

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Minnesota.

Mr. HAGEN. This bill also covers bombing of cities like New York and Washington. If those cities were bombed a bill of this kind would cover a situation of that nature?

Mr. H. CARL ANDERSEN. Why, certainly; in my opinion it could cover any calamity our people suffer.

Mr. HAGEN. It would cover the preservation of Federal property in any place in the country.

Mr. H. CARL ANDERSEN. Keep in mind the little story I told you previously. A lot of you gentlemen came before our Subcommittee on Appropriations and pleaded for four or five million dollars for reforesting our own forest areas. We had to cut that down to a certain extent, yet for that very same purpose under ECA Italy alone received seven times that amount of the taxpayers' money of America in two short years' time.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. Is it seriously contended that in case of an atomic-bomb explosion or any bomb explosion that the military would not have the full power to step in and take care of the human needs at the time and that it is necessary in order to meet a disaster of that nature to have supplemental stand-by power of $5,000,000 in order for the Army and the Navy and all of those forces of the United States to be ready and able to do all that they can do under such a situation?

Mr. H. CARL ANDERSEN. I certainly do not contend anything of that sort. This $5,000,000 fund, however, is ready for use at any time the President decides it is the proper time to do so, in view of the occurrence of a calamity, large or small.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hesitate to detain the committee. The Committee on Public Works has done its best to promote economy that has been suggested by a good many Members in this debate, and to make that economy effective. I have a list of the emergency measures that have been passed commencing with 1805. We have passed them for communities that were blown away by cyclones; we passed them for Tokyo when there was a great earthquake over there some years ago. I pointed out that we passed and appropriated $3,250,000 in the last 2 years without a definite yardstick or guide, without any coordination of the Federal activities. This committee has put every possible safeguard in the bill. We have limited the total amount of $5,000,000. Instead of coming here now following a catastrophe for an emergency appropriation, without any previous authorization, we have laid down a plan and we have adopted a policy; we have tried to protect the Federal Treasury. We have appropriated that $3,250,000 in the last 2 years because there was not a single objection. If an objection had been made to the legislation it would have been subject to a point of order. We have been doing that now since 1805, according to a list that the gentleman from Minnesota [Mr. HAGEN] has stated he is going to put in the RECORD, a copy of which I have in my files.

Now is it not the part of wisdom, will it not promote efficiency to provide here a program and a policy to come to the aid of stricken areas blown away by tornadoes or earthquakes when the governor certifies that those people are unable to help themselves and that the States are unable to help them completely? For 145 years we have done it by unanimous consent. We have made mistakes. The President has recommended substantive legislation. We referred it to the Bureau of the Budget and to all the Government agencies interested. Without a single exception they report unanimously in favor of the passage of this bill, with one proviso, and that is when we restrict this legislation to $5,000,000, everyone of the agencies, without exception, have objected. Now then, in order to provide for our own people during the war, and to provide for them sensibly, to give them first aid, to protect life, to provide for health, we say to the President of the United States that we will authorize over a period of years with proper limitation a total of $5,000,000, and we say, sir, that it cannot be used unless it is absolutely necessary upon the request of the governors of the States, and that it cannot be used until appropriated by the Congress.

These tornadoes often come when Congress is not in session. There ought to be a reasonable fund for first aid in addition to the aid that is provided by the Red Cross which only the Great Father of us all, the Government of the United States can provide. And, I say to the gentlemen who object to this legislation, what permanent legislation to protect the Treasury of the United States as we give aid and provide first aid do you suggest? Our committee has thought about it not once but day after day. We conducted extensive hearings; we heard all of the departments of Government; we adopted safeguards here to protect the Treasury and to prevent improper appropriations. In the snowbound area the States themselves spent over $12,000,000. The Federal Government appropriated to the Department of the Army over $12,000,000 and to the

Department of the Interior $2,000,000 for repair and restoration, as well as our contribution. Why? Because under the indefinite language of these emergency appropriations there was no yardstick saying that the President of the United States must approve those repairs and must approve the restoration of the property. I say that this legislation is constructive. It will protect what we have been trying to do, to aid human suffering in a reasonable and efficient manner and reduce the appropriations we have been making for such purposes——

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Kansas.

Mr. REES. The gentleman stated that the agencies had one serious objection to this legislation.

Mr. WHITTINGTON. I did. I said that the ceiling we put on of $5,000,000 here was for an indefinite period, an indeterminate time.

Mr. REES. What would the agencies do for a ceiling?

Mr. WHITTINGTON. They would leave it just as the bill was introduced, without any limitation at all.

Mr. REES. Leave it wide open?

Mr. WHITTINGTON. Yes.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. KEATING. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. If the gentleman will yield, it seems to me that the essential difference between the way we have been handling this and the way it is proposed to handle it under the terms of this measure is that heretofore Congress has passed upon the need for the funds, but under this it is left entirely to the Executive to say whether the disaster threatens to be of sufficient severity and magnitude to warrant disaster assistance by the Federal Government.

Mr. WHITTINGTON. That is a fair question. That is a fair sample of the objections to the bill. That is exactly what we have done. I stated in the beginning of my discussion of this bill that we had implemented in this bill and we have included limitations in our provisions not contained in most appropriations, aggregating $3,250,000. Congress did not appropriate money for a township or a State. The Congress appropriated that money to the President just as we would authorize it. The President in turn designated the General Services Administration and the Federal Works Agency to handle that fund.

In those appropriations we said that the Federal agencies are authorized to aid. They did aid. They did not have to have the direction of the President. We have undertaken to protect the Federal Treasury here by an amendment we will offer saying that they will use Federal facilities, they will come to the rescue only when directed by the President. There has never been any limitation of that kind in a single one of the emergency appropriation acts passed, because the chairman of the committee would ask unanimous consent for the consideration of the bill. Not a man or woman in this Congress objected to the relief of the snow-bound people or objected to the relief of the flood sufferers. The limitations on the handling of those funds were not as stringent as the limitations imposed in this bill.

Mr. KEATING. The effect of this is to add $5,000,000 to the President's discretionary fund?

Mr. WHITTINGTON. It is not. It authorizes $5,000,000 to be expended over a period of 5, 10, or 20 years, when we have appropriated $3,250,000 in the past 2 years.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. KUNKEL. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KUNKEL. If the gentleman will yield, did I understand him to say that the present situation has been operated with reasonable satisfaction since 1805?

Mr. WHITTINGTON. I did not say that. I said that we ought to profit by the inefficient provisions of emergency appropriations. I specifically called attention to the last five acts that have been passed in the last 2 years, wherein that money that was appropriated to the President contained a provision in the appropriation that all Federal agencies in that area are authorized to aid. As a result of that, without a prerequisite authority requiring the President to call them into action, we paid bills here for the snow-bound States of $15,000,000. In my judgment, the terms of this bill which provide that those agencies can respond only when requested by the governors and directed by the President, and that they have to come to Congress to obtain sufficient funds to repair the tractors they use or the bulldozers they use, indicate that the agencies and the Treasury will be protected by the terms of this bill.

Mr. KUNKEL. If you do not set up a separate agency or some kind of office or administrator in the Office of the President to administer this act, if he is not to come in one of the different Government agencies, how are you going to operate? It seems to me that is the basic theory of this bill—that it contemplates at least at some time in the future a new Government agency.

Mr. WHITTINGTON. It does not. On the contrary it specifically, as the gentleman from Michigan [Mr. DONDERO] stated, authorizes no additional agency. It provides for the utilization of existing agencies and for the utilization of existing Federal employees. It specifically authorizes the President to designate the Federal agency to handle the administration of this fund and provide for coordination. We further provide that if the funds are not used during the year in which they are appropriated, they shall be returned to the President. There is every protection for the Treasury of the United States, that was suggested, or occurred, to the committee.

Mr. KUNKEL. That is exactly the way you said it was done in the past, back to the year 1805.

Mr. WHITTINGTON. It is not, and I did not so state. I said appropriations, without a policy or previous authorization without appropriate limitations had been made since 1805. In most cases they were donations, as I recall. It will perfect the provisions which have been put in the emergency appropriations for the past 2 years and which are inadequate. This bill will protect the Treasury.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, after conferring with the gentleman from Michigan [Mr. DONDERO], I ask unanimous consent that the remainder of the bill be considered as read and printed in the RECORD at this point, and that amendments may be in order to the various sections, beginning with section 2, consecutively.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

(The remainder of the bill is as follows:)

SEC. 2. As used in this act, the following terms shall be construed as follows unless a contrary intent appears from the context:

(a) "Major disaster" means any flood, drought, fire, hurricane, earthquake, storm, or other catastrophe in any part of the United States which, in the determination of the President, is, or threatens to be, of sufficient severity and magnitude to warrant disaster assistance by the Federal Government to supplement the efforts and available resources of States and local governments in alleviating the damage, hardship, or suffering caused thereby, and respecting which the Governor of any State (or the Board of Commissioners of the District of Columbia) in which such catastrophe may occur or threaten certifies the need for disaster assistance under this act;

(b) "United States" includes the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands;

(c) "State" means any State in the United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands;

(d) "Governor" means the chief executive of any State;

(e) "Local government" means any county, city, village, town, district, or other political subdivision of any State, or the District of Columbia;

(f) "Federal agency" means any department, independent establishment, Government corporation, or other agency of the executive branch of the Federal Government, excepting, however, the American National Red Cross.

SEC. 3. In any major disaster, Federal agencies are hereby authorized to provide assistance (a) by utilizing or lending, with or without compensation therefor, to States and local governments their equipment, supplies, facilities, personnel, and other resources, other than the extension of credit under the authority of any act; (b) by distributing, through the American National

Red Cross or otherwise, medicine, food, and other consumable supplies; (c) by donating to States and local governments equipment and supplies determined under then existing law to be surplus to the needs and responsibilities of the Federal Government; and (d) by performing on public or private lands protective and other work essential for the preservation of life and property, clearing debris and wreckage, making emergency repairs to and temporary replacements of public facilities of local governments damaged or destroyed in such major disaster, and making contributions to States and local governments for the above-stated purposes. The authority conferred by this act, and any funds provided hereunder, shall be supplementary to, and not in substitution for, nor in limitation of, any other authority conferred or funds provided under any other law.

SEC. 4. In providing such assistance hereunder, Federal agencies shall cooperate to the fullest extent possible with each other and with States and local governments, relief agencies, and the American National Red Cross, but nothing contained in this act shall be construed to limit or in any way affect the responsibilities of the American National Red Cross under the act approved January 5, 1905 (33 Stat. 599), as amended.

SEC. 5. (a) In the interest of providing maximum mobilization of Federal assistance under this act, the President is authorized to coordinate in such manner as he may determine the activities of Federal agencies in providing disaster assistance. The President may direct any Federal agency to utilize its available personnel, equipment, supplies, facilities, and other resources, in accordance with the authority herein contained.

(b) The President may, from time to time, prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this act, and he may exercise any power or authority conferred on him by any section of this act either directly or through such agency as he may designate.

SEC. 6. In any major disaster the President is authorized to make grants of funds to local governments for restoring, reconstructing, or replacing their public facilities damaged or destroyed in such major disaster. Such grants shall not exceed 50 percent of the estimated cost, as determined by the President, of the restoration, reconstruction, or replacement of such public facilities without enlargement of service capacity or other betterment, excepting that the grant may exceed 50 percent of such estimated cost in the case of a local government with respect to which the President specifically finds and declares that the damage to public facilities resulting from such major disaster is of such magnitude and extent that the fiscal resources of the local government are insufficient to defray 50 percent of such cost: *Provided, however,* That in determining the fiscal resources of the local government consideration shall be given to (1) the extent and probable duration of any impairment of the taxing base and borrowing authority of the local government as a result of the major disaster, (2) the existing or prospective availability of aid from State and other sources, and (3) the eligibility of the particular local government project for Federal financial assistance under other law. Grants made under this section may be used to enable the recipient thereof to qualify for other Federal financial assistance which is conditioned upon State or local participation in financing the work.

SEC. 7. If facilities owned by the United States are damaged or destroyed in any major disaster and the Federal agency having jurisdiction thereof lacks the authority or an appropriation to repair, reconstruct, or restore such facilities, such Federal agency is hereby authorized to repair, reconstruct, or restore such facilities to the extent necessary to place them in a reasonably usable condition and to use therefor any available funds not otherwise immediately required: *Provided, however,* That the President shall first determine that the repair, reconstruction, or restoration is of such importance and urgency that it cannot reasonably be deferred pending the enactment of specific authorizing legislation or the making of an appropriation therefor. If sufficient funds are not available to such Federal agency for use in repairing, reconstructing, or restoring such facilities as above provided, the President is authorized to transfer to such Federal agency funds made available under this act in such amount as he may determine to be warranted in the circumstances. Such repair, reconstruction, or restoration may be performed without regard to section 3709 of the Revised Statutes. There is hereby authorized to be appropriated to any Federal agency repairing, reconstructing, or restoring facilities under authority of this section such sum or sums as may be necessary to reimburse appropriated funds to the amount expended therefrom.

SEC. 8. In carrying out the purposes of this act any Federal agency is authorized to accept and utilize, with the consent of any State or local government, the services and facilities of such State or local government, or of any agencies, officers, or employees thereof. Any Federal agency, in performing any activities under section 3 of this act, is authorized to employ temporarily additional personnel without regard to the civil-service laws and the Classification Act of 1923, as amended, and to incur obligations on behalf of the United States by contract or otherwise for the acquisition, rental, or hire of equipment, services, materials, and supplies for shipping, drayage, travel, and communication, and for the supervision and administration of such activities. Such obligations, including obligations arising out of the temporary employment of additional personnel, may be incurred by any agency in such amount as may be made available to it by the President out of the funds specified in section 9. The President may, also, out of such funds, reimburse any Federal agency for any of its expenditures under section 3 in connection with a major disaster incurred prior to the President's determination respecting such major disaster, such reimbursement to be in such amounts as the President may deem appropriate. Neither section 3709 of the Revised Statutes (41 U. S. C., sec. 5) nor section 3679 of the Revised Statutes (31 U. S. C., sec 665) shall be applicable to any action taken pursuant to this section The provisions of section 607 of the Federal Employees Pay Act of 1945, as amended, shall not be applicable to additional personnel temporarily employed hereunder.

SEC. 9. There are hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this act, including necessary administrative expenses.

SEC. 10. The act of July 25, 1947 (Public Law 233, 80th Cong.), entitled "An act to make surplus property available for the alleviation of damage caused by flood or other catastrophe" is hereby repealed.

With the following committee amendment:

On page 2, line 14, strike out the semicolon after the word "act" and insert comma and add: "and shall give assurance of expenditure of a reasonable amount of the funds of the Government of such State, local governments therein, or other agencies, for the same or similar purposes with respect to such catastrophe;".

Mr. WHITTINGTON. Mr. Chairman, as I stated, that language occurred for the first time in the emergency acts of the last 2 years and not as the gentleman from Pennsylvania [Mr. KUNKEL] says, beginning with 1805. Funds were simply appropriated or donated to the city, State, or county, with no or inadequate limitations to protect the Federal Treasury. We added the language here that the request would have to be made by the governors of the States. I believe that that is in order and that it will be a limitation, and should be a protection to the Federal Treasury.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. KEATING. So far as the amendment serves to protect the Federal Treasury, I certainly am in entire accord with it. But has the gentleman's committee given consideration to wording it so that the States or communities may put up at least a specified percentage rather than simply a reasonable amount which again, I take it, reverts back to the situation where it is determined by the President in each instance?

Mr. WHITTINGTON. I think I have answered the gentleman's question. He has repeated the same question he previously asked. I showed, by figures that I have in my hand, that the Congress appropriated about $15,000,000 in the snowbound fight for facilities and for repairing equipment used by Government agencies and at the same time I have figures here before me, that the Federal agencies report that the States, counties, and municipalities spent something over $12,000,000 for their own relief. It strikes me that when there has been such an administration of this program whereby it has cost the Federal Government $15,000,000, and local communities $12,000,000 the bill is in order. Under all the circumstances when it is understood that some city may be able to pay or some State which is great and large may be able to pay, and another might not, the provision of the bill is in order. Therefore, I believe under such circumstances, when we consider a total appropriation of $5,000,000 for relief of a major disaster which might strike any of our 150,000,000 people at some point, that this bill is indeed an economy.

Mr. KEATING. In that case, of course, we would not stop at $5,000,000. None of us would stop at $5,000,000; as the gentleman from Wisconsin said, $5,000,000 is just a starter. If a major disaster struck this Nation, such as an atomic explosion or something of that kind, the Congress of the United States would be the first to be on the spot to alleviate any suffering in such a situation as that.

Mr. WHITTINGTON. My judgment is that your argument for economy will be promoted by adopting the method in the bill by which the appropriations may be expended and those provisions under which the Federal agencies may come back to Congress for reimbursement, in the pending bill. Those have not obtained in the emergency appropriations of the past 2 years.

Mr. KEATING. But is there any State or community which could not at least meet some minimum standard, rather than having this entirely general language that we are asked to pass upon, that they put up a reasonable amount?

Mr. WHITTINGTON. I think we can trust the President. We give him

$5,000,000 for this purpose. We gave him $100,000,000 time after time during the war. I believe the bill provides the better way to handle emergency relief. I am not going to undertake to pass on the percentage of cooperation by each State that is going to be required. The provision should be flexible.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. KUNKEL. I think the real answer to the question raised by the gentleman from New York [Mr. KEATING]—and I am very much worried about some aspects of the bill—but it seems to me the definite answer to that is that this is a case of prompt action in a big disaster, and you would not have time to get any authoritative action by a State body.

Mr. WHITTINGTON. Governor Duff of Pennsylvania would not wait. He would not have to call his legislature into session. This bill provides for the Governor of the State and the President of the United States to cooperate.

Mr. KUNKEL. Any action which would require a definite contribution by the State, then, would have to have some kind of action by the State legislature, and by that time enough time would have elapsed so that you could not meet the requirement.

Mr. WHITTINGTON. If you do not want to give them relief, the Government cannot undertake to cooperate and they could not get it, unless the governor gives the assurances provided.

Mr. KUNKEL. I was trying to answer the argument of the gentleman from New York.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that I may proceed for two additional minutes. I am afraid I did not understand the gentleman's last statement. I do not want to be misunderstood.

Mr. KUNKEL. What I said was that in my judgment the real answer to the statement by the gentleman from New York [Mr. KEATING] was that if it were a disaster you would not have time for the State legislature or the State bodies to come in and meet the immediate requirements set down. While I had some reservations about the wisdom of this bill, nevertheless, requirements such as that would defeat his purpose, because the purpose is to deal with an immediate disaster, which requires immediate action by somebody. This would permit the Federal Government to be that "somebody," and the Federal Government would have to step in, whether the State did or not, if the basic assumption of the bill was met.

Mr. WHITTINGTON. I am very grateful to the gentleman for repeating his statement, because I misunderstood him. The committee is in agreement with the intents and provisions for cooperation of the bill as stated by the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. HAGEN. Is it not a fact that witnesses testified before your committee to the effect that there are townships and villages in many cases which were not financially able to replace roads or bridges, so that in many cases a parish or a township or a village could not, either because of the disaster supply the money that might be necesasry if you provide a definite amount for local cooperation?

Mr. WHITTINGTON. The gentleman is correct, and for that reason, among others, the committee adopted this amendment that we are asking the Committee of the Whole to adopt, because whenever we get into an appropriation there will be some units which cannot make any contribution as they think—the bill provides for workable cooperation, so that the United States and the States may do their respective parts.

Mr. KUNKEL. I thought you said that under the road bill there was $15,000,000 appropriated for rebuilding roads, and taking care of that situation, and another $10,000,000 appropriation under the Public Works bill to take care of the two specific circumstances stated.

Mr. WHITTINGTON. What I stated was that there are funds, including aid to Federal-aid highways, including reconstruction of levees, and other flood-control improvements. They do not apply to roads that are not in the Federal-aid highway system. They do not apply to the streets off of the system that are actually destroyed by floods or tornadoes. This first aid would be applicable to those streets, where there is no Federal aid, and where Congress has not otherwise provided for relief.

Mr. KUNKEL. I thank the gentleman.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 3, line 22, strike out the words "the above stated" and insert after the word "purposes" the words "stated in subsection (d)."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 4, line 1, after the word "law.", insert the following: "Any funds received by Federal agencies as reimbursement for services or supplies furnished under the authority of this section shall be deposited to the credit of the appropriation or appropriations currently available for such services or supplies. The Federal Government shall not be liable for any claim based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Government in carrying out the provisions of this section."

Mr. WHITTINGTON. Mr. Chairman, I rise simply to say that this amendment shows the care which has been given to this bill. We undertake by the first part of the amendment read to provide that Federal agencies could be reimbursed for funds paid out; that if it were paid out of the President's emergency fund any repayment would be credited to that fund.

We have further provided that if the agencies of the Government make a mistake in the administration of the Disaster Relief Act that the Government may not be sued. Strange as it may seem, there are many suits pending in the Court of Claims today against the Government because of alleged mistakes made in the administration of other relief acts, suits aggregating millions of dollars because citizens have averred that the agencies and employees of Government made mistakes. We have put a stipulation in here that there shall be no liability on the part of the Government.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, after conferring with other members of the committee I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Page 3, line 6, section 3: After the word "authorized", insert "when directed by the President."

Mr. WHITTINGTON. Mr. Chairman, I think this statement will explain the amendment and the necessity for it: These appropriations that were made in the last 2 years to which I have referred, stated that Federal agencies in these areas were authorized to participate; it was not required that they be directed to participate by the President. To do just what the gentleman from Pensylvania [Mr. KUNKEL], the gentleman from New York [Mr. KEATING], and the gentleman from Wisconsin [Mr. BYRNES] have mentioned, the committee further to limit and protect the Treasury offers this amendment by inserting this language so that it will read:

In any major disaster, Federal agencies are hereby authorized—

And this is the amendment—

when directed by the President.

This is done in order to protect the Treasury and the people of the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment, after conferring with members of the committee.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Section 5 (b), page 5, line 7, after the word "such", insert the word "Federal."

Mr. WHITTINGTON. Mr. Chairman, if I may be pardoned I think I should be permitted to say on behalf of the committee that to be very sure the President could designate only a Federal agency, as defined in the bill, this amendment is offered. It merely inserts the word "Federal" so that the President would not be authorized to designate a State or local agency. I think that is a pretty fair sample of the care that the Committee on Public Works exercised in

safeguarding the public Treasury in reporting this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The amendment was agreed to.

The Clerk read as follows:

Committee amendments: Page 5, line 9, strike out all of section 6.

Page 6, line 12, strike out "7" and insert figure "6."

Page 7, line 4, strike out the entire sentence reading: "Such repair, reconstruction, or restoration may be performed without regard to section 3709 of the Revised Statutes. There" and insert: "If said funds are insufficient for this purpose, there".

Page 7, line 13, strike out "8" and insert "7."

Page 8, line 11, strike out all of line 11 after the words "Neither section 3709" and all of lines 12 to 20, inclusive, and insert the following:

"SEC. 8. There is hereby authorized to be appropriated to the President a sum or sums, not exceeding $5,000,000 in the aggregate, to carry out the purposes of this act. The President shall transmit to the Congress at the beginning of each regular session a full report covering the expenditure of the amounts so appropriated with the amounts of the allocations to each State under this act. The President may from time to time transmit to the Congress supplemental reports in his discretion, all of which reports shall be referred to the Committees on Appropriations and the Committees on Public Works of the Senate and the House of Representatives."

The committee amendments were agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment after conferring with other members of the committee.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 8, line 5, section 7, strike out the figure "9" and insert in lieu thereof the figure "8."

The amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment on behalf of the committee.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Section 7, page 8, lines 8 and 9, strike out "incurred prior to the President's determination respecting such major disaster."

Mr. WHITTINGTON. Mr. Chairman, a major disaster has to be determined to be such by the President of the United States. When he determines a catastrophe to be a major disaster, there has to be an application by the State; then he will make an allocation if he so desires out of the fund appropriated to him.

The language in the bill as introduced and recommended by the agencies of the Government authorized the Federal agencies to go along without being directed by the President to furnish their facilities. As the bill was introduced and recommended to us, it provided:

The President may, also, out of such funds, reimburse any Federal agency for any of its expenditures under section 3 in connection with a major disaster incurred prior to the President's determination respecting such major disaster, such reimbursement to be in such amounts as the President may deem appropriate.

The committee amendment would strike "incurred prior to the President's determination respecting such major disaster."

I am sure you will permit me to say that this amendment is another evidence of the care that the committee gave to this bill. We did not want to leave the Federal agencies free to go out and relieve a disaster, then come to the Congress and ask for an appropriation, unless directed by the President. We state that they could only go in at the direction of the President. We deny them any power to be reimbursed if they go in prior to that time, and such is the purpose of this amendment.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 18, strike out section 9 in its entirety and insert:

"SEC. 8. There is hereby authorized to be appropriated to the President a sum or sums, not exceeding $5,000,000 in the aggregate, to carry out the purposes of this act. The President shall transmit to the Congress at the beginning of each regular session a full report covering the expenditure of the amounts so appropriated with the amounts of the allocations to each State under this act. The President may from time to time transmit to the Congress supplemental reports in his discretion, all of which reports shall be referred to the Committees on Appropriations and the Commitees on Public Works of the Senate and the House of Representatives."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read, as follows:

Committee amendment: Page 9, line 11, strike out "10" and insert "9."

The committee amendment was agreed to.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word, and this is for the purpose of asking a question.

I apologize for not knowing all that should be known about this measure, but I call attention to the provision on page 3, commencing in line 5, which reads:

Federal agencies are hereby authorized to provide assistance * * * (b) by distributing, through the American National Red Cross or otherwise, medicine, food, and other consumable supplies.

May I ask the chairman of the committee as to whether or not there has been upon a previous occasion the insertion into the statutes of the United States of a provision to the effect that the American National Red Cross shall be used as an agency of the Government?

Mr. WHITTINGTON. Mr. Chairman, if the gentleman will yield, that is explained, if I may answer the gentleman, on page 4, at the end of section 4:

Nothing contained in this act shall be construed to limit or in any way affect the responsibilities of the American National Red Cross under the act approved January 5, 1905.

Heretofore disaster relief largely has been administered and provided by the American Red Cross, and such will continue. This is not to replace it. Now, if it develops in any case to protect life, as stated in subsection (b) under section 3 that the President would like to have some agency of the Government to furnish this medicine or supply the medicine, the President of the United States might use some agency——

Mr. WADSWORTH. Some agency of the Government, that is different. This means the American National Red Cross. I understand how the President can use an agency of the Government to distribute supplies, but under this provision he can use the American National Red Cross as an independent organization which has never been subjected to Government control.

Mr. WHITTINGTON. I will say this to the gentleman, that the language "distributing, through the American Red Cross or otherwise, medicine, food, and other consumable supplies," as I understand it as a member of the committee, contemplated that in the event there were supplies, that instead of putting the people of the United States to the expense of distributing, if the American National Red Cross were agreeable, under the statutory authority conferred by Congress when it created the Red Cross, the President might avail himself or his designated Federal agency might avail itself of the service of the American National Red Cross. And, to make assurance doubly sure, the Committee on Public Works referred this bill to General Marshall president of the American National Red Cross, and he reported he had no objection to the bill. My judgment is that he is satisfied with that provision of the bill.

Mr. WADSWORTH. Apparently so, but despite my great confidence in the General's judgment, I would like to warn him and other officials of the American National Red Cross, the more Government has to do with it, the less they will be the masters of their own organization.

Mr. WHITTINGTON. As far as the committee is concerned, and speaking for them, we are in agreement with the gentleman. There is no authority to use the Red Cross except as stated, and such is the judgment of the committee.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FERNANDEZ, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8396) to authorize Federal assistance to States and local governments in major disasters, and for other purposes, pursuant to House Resolution 742, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. KEATING. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KEATING. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KEATING moves to recommit the bill to the Committee on Public Lands with instructions to report the same back forthwith with the following amendment: Page 2, line 6, after "President" insert "and the Congress of the United States".

Mr. WHITTINGTON. Mr. Speaker, I make the point of order against the motion to recommit that it is a violation of the rules of the House for the bill to be recommitted to the Committee on Public Lands. The Committee on Public Works has jurisdiction of this bill.

The SPEAKER. The gentleman may recommit it to any committee, as far as that is concerned, but the Committee on Public Lands does not have jurisdiction over legislation of this character.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to change the word "Lands" to "Works."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. WADSWORTH) there were—ayes 7, noes 72.

Mr. BYRNES of Wisconsin. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 25, nays 232, not voting 173, as follows:

[Roll No. 224]

YEAS—25

Allen, Ill.	Heselton	Rees
Bates, Mass.	Keating	Scrivner
Boggs, Del.	Kilburn	Smith, Va.
Burleson	Mahon	Smith, Wis.
Byrnes, Wis.	Meyer	Taber
Cannon	Nicholson	Wadsworth
Cotton	Phillips, Calif.	Wilson, Ind.
Davis, Wis.	Poage	
Elston	Reed, N. Y.	

NAYS—232

Abernethy	Baring	Bolton, Md.
Addonizio	Battle	Bonner
Albert	Beall	Bosone
Allen, Calif.	Beckworth	Boykin
Andersen, H. Carl	Bennett, Fla.	Bramblett
Anderson, Calif.	Bennett, Mich.	Breen
Andrews	Bentsen	Brooks
Angell	Biemiller	Brown, Ga.
Aspinall	Bishop	Brown, Ohio
Auchincloss	Blackney	Bryson
Barden	Blatnik	Buchanan
Burdick	Bolling	Buckley, Ill.
Burnside	Howell	Patman
Camp	Huber	Peterson
Carlyle	Hull	Philbin
Carnahan	Irving	Pickett
Carroll	Jackson, Wash.	Polk
Case, S. Dak.	Jacobs	Potter
Celler	Jensen	Preston
Chesney	Jonas	Price
Clevenger	Jones, Ala.	Priest
Cole, Kans.	Judd	Rabaut
Combs	Karst	Rains
Cooley	Karsten	Rankin
Cooper	Kearney	Redden
Cox	Kearns	Reed, Ill.
Crook	Kee	Rhodes
Crosser	Kerr	Robeson
Cunningham	Kilday	Rodino
Curtis	King	Rogers, Fla.
Dague	Kirwan	Rooney
Davis, Tenn.	Kunkel	Sasscer
Dawson	Lanham	Saylor
Deane	Larcade	Secrest
DeGraffenried	LeCompte	Shafer
D'Ewart	Lind	Sheppard
Dondero	Lovre	Sikes
Doyle	Lucas	Simpson, Ill.
Elliott	Lynch	Sims
Ellsworth	McCarthy	Staggers
Evins	McConnell	Steed
Feighan	McCormack	Stefan
Fernandez	McDonough	Stigler
Fisher	McGregor	Sullivan
Flood	McGuire	Sutton
Forand	McKinnon	Tackett
Ford	McMillan, S. C.	Talle
Fugate	McSweeney	Tauriello
Garmatz	Mack, Ill.	Teague
Gary	Mack, Wash.	Thomas
Gathings	Madden	Thompson
Gavin	Mansfield	Thornberry
Gilmer	Marsalis	Tollefson
Gordon	Marshall	Trimble
Gore	Martin, Iowa	Van Zandt
Graham	Merrow	Velde
Granger	Michener	Vinson
Grant	Miles	Vursell
Gross	Miller, Calif.	Wagner
Hagen	Mills	Walsh
Halleck	Mitchell	Walter
Harden	Monroney	Welch
Hardy	Morris	Werdel
Hart	Moulder	White, Calif.
Harvey	Multer	Whitten
Havenner	Murdock	Whittington
Hébert	Murray, Tenn.	Wickersham
Hedrick	Nixon	Wier
Hill	Noland	Wilson, Okla.
Hobbs	Norblad	Wilson, Tex.
Hoeven	Norrell	Withrow
Hoffman, Ill.	O'Brien, Ill.	Wolcott
Hoffman, Mich.	O'Hara, Ill.	Wolverton
Holifield	O'Hara, Minn.	Woodruff
Holmes	O'Konski	Yates
Hope	O'Sullivan	Young
Horan	O'Toole	Zablocki
	Passman	

NOT VOTING—173

Abbitt	Denton	Hand
Allen, La.	Dingell	Hare
Andresen, August H.	Dollinger	Harris
Arends	Dolliver	Harrison
Bailey	Donohue	Hays, Ark.
Barrett, Pa.	Doughton	Hays, Ohio
Barrett, Wyo.	Douglas	Heffernan
Bates, Ky.	Durham	Heller
Boggs, La.	Eaton	Herlong
Bolton, Ohio	Eberharter	Herter
Brehm	Engel, Mich.	Hinshaw
Buckley, N. Y.	Engle, Calif.	Jackson, Calif.
Bulwinkle	Fallon	James
Burke	Fellows	Javits
Burton	Fenton	Jenison
Byrne, N. Y.	Fogarty	Jenkins
Canfield	Frazier	Jennings
Case, N. J.	Fulton	Johnson
Cavalcante	Furcolo	Jones, Mo.
Chatham	Gamble	Jones, N. C.
Chelf	Gillette	Kean
Chiperfield	Golden	Keefe
Christopher	Goodwin	Kelley, Pa.
Chudoff	Gorski	Kelly, N. Y.
Clemente	Gossett	Kennedy
Cole, N. Y.	Granahan	Keogh
Colmer	Green	Klein
Corbett	Gregory	Kruse
Coudert	Guill	Lane
Crawford	Gwinn	Latham
Davenport	Hale	LeFevre
Davies, N. Y.	Hall, Edwin Arthur	Lichtenwalter
Davis, Ga.	Hall, Leonard W.	Linehan
Delaney		Lodge
		Lyle
McCulloch	Pfeiffer, William L.	Shelley
McGrath	Phillips, Tenn.	Short
McMillen, Ill.	Plumley	Simpson, Pa.
Macy	Poulson	Smathers
Magee	Powell	Smith, Kans.
Marcantonio	Quinn	Smith, Ohio
Martin, Mass.	Ramsay	Spence
Mason	Regan	Stanley
Miller, Md.	Ribicoff	Stockman
Miller, Nebr.	Rich	Taylor
Morgan	Richards	Towe
Morrison	Riehlman	Underwood
Morton	Rivers	Vorys
Murphy	Rogers, Mass.	Weichel
Murray, Wis.	Roosevelt	Wheeler
Nelson	Sabath	Whitaker
Norton	Sadlak	White, Idaho
O'Brien, Mich.	Sadowski	Widnall
O'Neill	St. George	Wigglesworth
Pace	Sanborn	Williams
Patten	Scott, Hardie	Willis
Patterson	Scott, Hugh D., Jr.	Winstead
Perkins	Scudder	Wood
Pfeifer, Joseph L.		Woodhouse

So the motion to recommit was rejected.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Joseph L. Pfeifer with Mr. Simpson of Pennsylvania.

Mr. Magee with Mr. Taylor.

Mr. Morrison with Mr. LeFevre.

Mr. Keogh with Mr. Macy.

Mr. Murphy with Mr. Towe.

Mr. Roosevelt with Mr. Short.

Mr. Fallon with Mr. Eaton.

Mr. Perkins with Mr. Coudert.

Mr. Klein with Mr. Case of New Jersey.

Mr. Harrison with Mr. Brehm.

Mr. Clemente with Mr. Arends.

Mr. Delaney with Mr. Fulton.

Mr. Heffernan with Mr. Fenton.

Mr. Green with Mr. Gillette.

Mr. Dingell with Mr. Herter.

Mr. McGrath with Mr. Hinshaw.

Mrs. Kelly of New York with Mr. Jackson of California.

Mr. O'Brien of Michigan with Mr. Wigglesworth.

Mr. Powell with Mr. Hardie Scott.

Mr. Buckley of New York with Mrs. Rogers of Massachusetts.

Mr. Heller with Mr. Kean.

Mr. Dollinger with Mr. James.

Mr. Stanley with Mr. Jenkins.

Mr. Whitaker with Mr. Miller of Maryland.

Mr. Williams with Mr. Martin of Massachusetts.

Mr. Winstead with Mr. Latham.

Mr. Fogarty with Mr. Canfield.

Mr. Eberharter with Mr. Corbett.

Mr. Kennedy with Mr. Dolliver.

Mr. Donohue with Mr. Crawford.

Mr. Frazier with Mr. Riehlman.

Mr. Lane with Mr. Sadlak.

Mrs. Norton with Mrs. St. George.

Mr. Ribicoff with Mr. Hand.

Mr. Patten with Mr. Hugh D. Scott, Jr.

Mr. O'Neill with Mr. Miller of Nebraska.

Mr. Gorski with Mr. Cole of New York.

Mr. Hays of Ohio with Mr. Gwinn.

Mr. Hays of Arkansas with Mr. Edwin Arthur Hall.

Mr. Burton with Mr. Morton.

Mr. Abbitt with Mr. Leonard W. Hall.

Mr. Byrne of New York with Mr. Chiperfield.

Mr. Barrett of Pennsylvania with Mr. Smith of Kansas.

Mr. Chudoff with Mr. Patterson.

Mr. Cavalcante with Mr. McCulloch.

Mrs. Woodhouse with Mrs. Bolton of Ohio.

Mr. Boggs of Louisiana with Mr. Lichtenwalter.

Mr. Denton with Mr. Mason.

Mr. Kelley of Pennsylvania with Mr. Fellows.

Mr. Burke with Mr. Gamble.

Mr. Smathers with Mr. Golden.

Mr. Davies of New York with Mr. Johnson.
Mr. Shelley with Mr. Scudder.
Mr. Morgan with Mr. Stockman.
Mr. Linehan with Mr. Poulson.
Mr. Bates of Kentucky with Mr. Nelson.
Mr. Gregory with Mr. Goodwin.
Mr. Colmer with Mr. Hale.
Mr. Jones of Missouri with Mr. Jenison.
Mr. Herlong with Mr. Sanborn.
Mr. Regan with Mr. August H. Andresen.
Mr. Underwood with Mr. Barrett of Wyoming.
Mrs. Douglas with Mr. Engel of Michigan.
Mr. Harris with Mr. Jennings.
Mr. Sadowski with Mr. Vorys.
Mr. Wheeler with Mr. Keefe.
Mr. Engle of California with Mr. McMillen of Illinois.
Mr. Bailey with Mr. Murray of Wisconsin.
Mr. Furcolo with Mr. Rich.
Mr. Davenport with Mr. Weichel.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

AMENDING THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 741 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9129) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, this bill calls for the rounding out and perfecting of the existing authority for the General Services Administration. It is a piece of legislation that has been long demanded in order to have an efficient business administration of our public records, so as to keep a complete and simplified file of all governmental records.

It has the specific recommendation of the Committee on Organization for the Executive Branch of the Government. It also has the recommendation of the Hoover Commission and will cut down the cost so far as Government paper work is concerned. It is astounding when you realize the amount of paper work which is done by our Government. The files and paper work of our Government is enormously complex and costly. In the District of Columbia the Government owns or leases over 30,000,000 square feet of floor space and 5,000,000 square feet of that floor space is taken up with the files. Nine-tenths of the Federal employees are out in the field on assignments and there are over 40,000 offices throughout the country. The paper used by the Government amounts to between 7 and 10 carloads daily. There are over 800,000 typewriters used by the Government.

Mr. Speaker, there is no opposition to this bill. This bill was reported out, as I said, unanimously by the committee and has received the endorsement of the Hoover Commission, the Bureau of the Budget, the Comptroller General, and the General Services Administration.

I believe that the gentleman from Illinois, Chairman DAWSON, and the gentleman from California, Chairman HOLIFIELD of the subcommittee and its sponsor, the gentleman from Missouri [Mr. BOLLING], the gentleman from Michigan [Mr. HOFFMAN], the gentleman from Indiana [Mr. HARVEY], and all the other members of the committee ought to be commended on the excellent work they have done on this legislation. The enactment into law of this bill will save the Government a great deal of money. It is legislation that has been necessary for a long, long time.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as the gentleman from Indiana [Mr. MADDEN] has explained, this resolution, House Resolution 741, makes in order under an open rule the bill H. R. 9129, to amend the Federal Property and Administrative Services Act of 1949, and for other purposes.

As the gentleman so well explained, this simply rounds out the recommendations made by the Hoover Commission so that we may get greater economy and efficiency and obtain better records management through the General Services Administration.

You will perhaps remember that in 1949 we did establish the General Services Administration which has as one of its responsibilities the control of Government records.

This bill is entirely in line with the recommendations of the Hoover Commission. It has the endorsement of various members of the Commission, as well as of the task force which was named by the Commission to make a study of records management. It is one of the few measures to come before this body which will save money instead of requiring the expenditure of more public funds.

I want to impress upon the membership of the House, if I may, that the enactment of this legislation will bring about not only a better system of keeping our public records, but will also bring about greater economy and efficiency in the conduct of our public business.

So it is with a great deal of enthusiasm that I ask for the adoption of this rule. I also hope there will be a unanimous vote in favor of the bill.

Mr. WOLVERTON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. WOLVERTON. I am in full accord with the statement that the gentleman has made with reference to the necessity for this legislation. The importance of this measure was impressed upon me last evening by an article which I read in Reader's Digest which stated that recently a check had been made of what comes in and goes out of the city of Washington by rail, and it developed that the greatest single cargo out of Washington was baled waste paper, and the largest cargo coming in was stationery.

Mr. BROWN of Ohio. The gentleman from New Jersey [Mr. WOLVERTON] is correct in his statement. The gentleman from New Jersey served on a committee, on which I also had the honor to serve, which investigated the use of paper by the Federal Government during the war. Through the efforts of that committee, which I remember was headed by the gentleman from Oklahoma, Mr. Boren, we greatly reduced the use of paper by the Federal Government, but there is undoubtedly still a great deal of paper used by the Federal Government unnecessarily. Certainly a large portion of this paper, although not the greatest portion, does go into the carbon copies of correspondence and records which are filed away. As the gentleman from Indiana [Mr. MADDEN] has well explained, we have millions upon millions of feet of storage space taken up by records which are kept, many of them unnecessarily. This bill provides and requires for the establishment of certain record centers, in which the records of the Government will be consolidated and kept, as well as checked, as accurately as possible, so many of them may be eliminated. We can save millions of dollars a year by proper record management in the Federal Government. This legislation will be a long step toward getting the efficiency and economy we all seek, and that the Hoover Commission recommended, in connection with the keeping of our records of Government business.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. CASE of South Dakota. I note that the bill takes a very great many legislative provisions that have been carried in the general provisions of the independent offices appropriation bill on the administration and care of property,

and apparently it does clarify and make uniform the regulations. I am particularly interested in the inclusion of section 211, which appears on page 12, providing for identification of motor vehicles, required and used for official purposes. I might say that this ought to correct a very grave abuse that has occurred in some agencies in the use of Federal automobiles for nonofficial purposes. I certainly commend the inclusion of section 211.

Mr. BROWN of Ohio. I thank the gentleman from South Dakota very much. I agree with him that is a very important section in this particular piece of legislation.

I would like to remark, if I may, to the gentleman from South Dakota [Mr. CASE], and to the other Members, that it will be much easier in the future to find the Government records we seek, and to get the information the Congress may desire from the records of the Government, because this bill will make one agency responsible for the management of the records, which should be able to find the material and the information within the records, instead of making necessary, as has been true so often in the past, a sort of a needle-in-the-haystack search throughout all the different agencies and Government records, in and out of various storage places, to find some Government record badly needed here.

So I am sure there is no opposition to this bill. I understand that the Committee on Expenditures—and I would like to be corrected if I am wrong—were unanimous in reporting this bill. That is one of the measures that the committee has been able, in a unanimous way, to support. I hope that the House of Representatives does likewise, and that this bill will be passed by the vote of every individual Member present, for it is a long step toward attaining greater economy and efficiency we were seeking when we established the Hoover Commission.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. McCORMACK. May I say in connection with the last observation made by the gentleman that the Committee on Expenditures, of which I happen to be a member, and I am proud to be a member, has approached all questions without regard to political considerations.

Mr. BROWN of Ohio. I think that is correct.

Mr. McCORMACK. It is really an unusual committee. I am proud of all the members on both sides. The very conduct of the committee and the fine spirit, the nonpartisan or bipartisan approach, whichever you term it, is a credit; and, due to a large extent to the able and scholarly and considerate leadership of the gentleman from Illinois [Mr. DAWSON].

Mr. BROWN of Ohio. I thank the gentleman from Massachusetts [Mr. McCORMACK] for his contribution. I am sure we can all agree that the Expenditures Committee and its chairman, the gentleman from Illinois [Mr. DAWSON] are very much interested in obtaining economy and efficiency in government; that the committee has done its work well; and that its chairman has been a splendid influence within that committee for good legislation.

I am simply attempting to point out that this is one bill on which there has been no difference of opinion as to how best to obtain the objective desired; that every member of the Expenditures Committee has found this to be good legislation and of real merit. So I am hoping, Mr. Speaker, this rule will be adopted unanimously, and that the bill will be enacted promptly.

I have no further requests for time.

Mr. MADDEN. Mr. Speaker, I yield such time to the gentleman from Massachusetts as he may desire.

Mr. McCORMACK. Mr. Speaker, on August 2, 1946, the gentleman from Mississippi [Mr. COLMER] made a very fine speech in the House entitled "What About Russia?" It was a very prophetic speech. I think it is very appropriate and timely to insert it in the RECORD now, because 4 years ago he looked ahead and saw a lot of conditions existing in the world today.

I ask unanimous consent that the speech of the gentleman from Mississippi [Mr. COLMER], made on August 2, 1946, be inserted in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. DAWSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9129) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9129) amending the Federal Property and Administrative Services Act of 1949, with Mr. BATTLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Illinois is entitled to 30 minutes and the gentleman from Indiana to 30 minutes.

Mr. DAWSON. Mr. Chairman, I yield myself such time as I may require to make a brief statement.

This bill will meet every objection that a good Congressman could raise. It meets with all the recommendations of the Hoover Commission; it has the endorsement of the Citizens' Commission; the Bureau of the Budget says it is necessary; the General Accounting Office approves it, and I am sure when you will have heard from those who have worked so diligently to perfect it, this House will immediately go on record and do everything in its power to make it a law.

I want to commend first the author of the bill, the gentleman from Missouri [Mr. BOLLING], a member of our committee, for his farsightedness in so quickly seeking to implement the act of 1949 by presenting this bill; I want to thank all the members of my committee of both parties—there was no partisanship in this matter, there was exemplified a desire on the part of every member to support it, as good legislation for the benefit of this country—I want to thank especially the subcommittee that worked so long and carried on such extensive hearings, for the work that they did upon this bill.

I am at this time yielding to the gentleman from California [Mr. HOLIFIELD], chairman of the subcommittee, the balance of my time for such disposition as he wishes to make of it.

Mr. HARVEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as has been stated before so ably by the previous speakers, this bill is not controversial. It is supplemental legislation amendatory to Public Law 152, the general housekeeping law that we passed last year. This bill is sort of a buttress piece of legislation that will make the law we passed last year much more effective and workable. As has been stated, the gentleman from Missouri [Mr. BOLLING] offered the bill and is to be congratulated.

At one point in the reading of the bill I have an amendment that has met with the approval of the entire committee which I will offer and which will be self-explanatory.

Mr. HOLIFIELD. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, this is a noncontroversial bill, so far as I know. We have worked out the details of the bill in line with suggestions from the Hoover Commission, the Citizens Committee for the Hoover Report, the Bureau of the Budget, the General Services Administration, and the General Accounting Office. We think we have a very good bill here, one that will save money instead of causing the Government to spend money.

It is essentially a records-management bill, beginning with section 6; however, in the bill there are also some amendments which the efficient operation of the General Services Administration make it desirable and necessary to offer. Some of the amendments have no direct connection with the records-managment section of the bill, which is the major section of the bill; however, because these are the closing days of Congress we thought it would be wise to include them due to the fact that they are all amendments to the basic Federal Property and Administrative Services Act of 1949, now Public Law 152.

With this bill we will give the General Services Administrator the tools necessary for him to save the Government many millions of dollars. You know, the increase of records has been astounding. We have over 18,500,000 cubic feet of records, and most of these records are in file cases. Each one of these file cases the Hoover Commission estimated cost the Government $29 a year.

Many of those records can be transferred to record-management centers. This bill provides for the setting up of record-management centers on a regional basis. It is estimated we can possibly use some of the white elephant wartime buildings that were built for this purpose. The estimate of the Hoover Commission was that the records that are now in a 4-foot-high filing case could be transferred to record centers and thereby reduce the cost to the Government from $29 to $2.15 on the records cost of each case.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I feel that the gentleman and his committee have rendered a very fine service in bringing this bill before us. I am glad to see it come here with the united backing of the committee. It is obvious that it is good legislation, that it is going to be very helpful legislation. There is one part of the bill I am particularly interested in, and I would like to have the gentleman's comments on it. I refer to the section of the bill which provides a method for the distribution of surplus Government commodities to the hospitals of the country in the same way in which Government surplus commodities may now be distributed to the schools of the country. As my friend knows, the gentleman from Florida [Mr. ROGERS] and I appeared before his subcommittee and supported that section. I wish my friend would touch on it.

Mr. HOLIFIELD. The section that the gentleman from Florida [Mr. SIKES] speaks of its taken almost verbatim from bills which have heretofore been introduced by him and by the gentleman from Florida [Mr. ROGERS]. They sought to restore to the General Services Administration the right to make available surplus property to tax-supported hospitals, health clinics, and different types of health organizations—which are clearly outlined in the bill—giving them the same right to come and ask for such surplus property, as might be available and usable, on the same basis that the educational institutions in our country have been allowed to come and ask for surplus property. This was provided for in the earlier Surplus Property Act. It was inadvertently left out previously, and the wisdom of restoring this section has appealed to all of the members of the committee on both sides. While there is not a great deal of this type of surplus property available at the present time, there may be considerable surplus property generated through the present enlarged expenditures for defense purposes. This bill will grant to some small hospitals and health centers in small towns, and in the large towns for that matter, throughout the Nation, a chance to get some of this material. But, remember that it only becomes surplus after it has been thoroughly screened by the General Services Administrator and offered to every other Government agency. It is excess until it is offered to them, and when no one takes it, it becomes surplus. At that time it can be donated by the General Services Administration on the same basis that material is now donated to the educational institutions of the country.

I want to compliment the gentlemen from Florida [Mr. SIKES and Mr. ROGERS] for introducing their bill far in advance of our records management bill, and also thank them for their assistance in drafting this particular legislation.

Unless there are some questions on this bill, which is a rather technical bill, I do not have much more to say. The provisions are carefully drawn, and as long as there is no controversy, I do not care to take the time of the House in going through a long and tedious explanation of technical provisions. I will be willing to answer any question that is asked. If there are no questions, I will yield back the balance of my time.

Mr. HARVEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I am in full accord with the pending bill and give it my support.

The purpose of the bill is to enable the General Services Administration of the Government to simplify and better systematize Government records. It is in accord with the recommendations of the Hoover Commission on Organization of the Executive Branch of the Government. The proposed legislation is designed to cut down the cost and quantity of Government paper work.

This measure also incorporates certain clarifying and technical amendments relating to other statutory duties of the General Services Administration which are considered necessary for more efficient performance of those duties.

The urgent need for a comprehensive and effective program for records management is made plain by the findings and recommendations of the Commission on Organization and the report of its task force on records management.

Today in the Federal Government the handling of paper work in the conduct of public business is enormous, complex, and costly. The Bureau of the Budget reports that in the District of Columbia alone the Federal Government owns or leases in excess of 30,000,000 square feet of space; about 5,000,000 square feet, or 16⅔ percent of the total, are taken up by files. When it is considered that nine-tenths of the Federal employees are in field assignments, in some 40,000 offices throughout the country, the magnitude of the files problem is readily apparent. In the large cities of our Nation, where many Federal offices are located, the records management problems are almost as acute as those encountered by the Federal Government in the Washington area.

Each day sees large additions of material to the present tremendous accumulation of Government files.

Seven to ten carloads of paper stock arrive daily at the Government Printing Office. In large part, this paper is prepared for the requirements of the various governmental agencies. Federal agencies use an estimated 100,000 different kinds of forms; 80 to 95 percent are specific agency forms; the remaining 5 to 20 percent are standard forms. Clearly this field offers a vast opportunity for standardization.

To add to the output of forms of the Government Printing Office, 800,000 Government typewriters daily produce myriads of letters; the mimeographs, multigraphs, and other machines make millions of copies of Government documents, forms, contracts, and other papers. Clippings from newspapers, magazines, and other periodicals add to the great mass of material which goes into the files.

The Bureau of the Budget cites this striking hypothetical example from one administrative department: That agency has 20,000,000 individual file cases or folders. If one sheet of paper were to be added to each folder, 40,000 reams of paper would be used, or about 80,000 inches—6,600 feet. In other words, more than a mile of file space would be required merely to add one sheet of paper to each folder. This is illustrative of only one administrative department.

A number of agencies besides the administration to which I have referred have individual cases that run into the millions.

The committee of Congress having jurisdiction in the matter has given careful study to the proposed legislation and is unanimous in urging its enactment. The Citizens' Committee for the Hoover Report, experts in records management, and the Bureau of the Budget, the Comptroller General of the United States, and the General Services Administrator are all in full accord as to the need and importance of this measure.

This bill will result in a more orderly and efficient administration of the records of Federal agencies and will facilitate the performance by the administrator of his functions with respect to supply and building management activities. It is also evident that substantial economies will be effected by the enactment of this bill. It deserves the support of the Congress.

Mr. HOLIFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. BOLLING], the author of this bill.

Mr. BOLLING. Mr. Chairman, there seems little point in further elaborating on this subject, since there is no opposition to it. I would like to point out, however, that in addition to the work done by the members of the subcommittee and the contribution made by the gentlemen from Florida [Mr. SIKES and Mr. ROGERS], the gentleman from South Dakota [Mr. CASE] introduced legislation in substantially the same language as section 211 on page 12 which deals with motor vehicle identification. The gentleman from Illinois [Mr. O'HARA] also contributed a section and an idea to the bill in rounding out the activity of the General Services Administration.

I do think it is important to make clear in the RECORD, one additional fact. In addition to providing means for the storage and disposal on the most economical basis possible of the vast volume of Government records which we now have,

this bill will have an impact on the basic and fundamental problem in all of records management, that is, the creation of new records. There is provision herein for a system to be set up which will enable Government agencies to gradually reduce the rather hit-or-miss creation of records which we now have.

We are hopeful that this will lead not only to economy in the storage of the present heavy volume of records but to future economies in that fewer records will be created than there would be without the passage of this legislation.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the parenthetical expression appearing in clause (1) of the final sentence of subsection (a) of section 109 of the Federal Property and Administrative Services Act of 1949 (Public Law 152, Eighty-first Congress) is amended to read as follows:

"(including the purchase from or through the Public Printer, for warehouse issue, of standard forms, blankbook work, standard specifications, and other printed material in common use by Federal agencies not available through the Superintendent of Documents)."

SEC. 2. (a) Clause (2) of the final sentence of subsection (a) of section 109 of the Federal Property and Administrative Services Act of 1949, as hereinbefore amended, is amended to read as follows: "(2) for paying the purchase price, transportation to first storage point of supplies and services, and the cost of personal services employed directly in the repair, rehabilitation, and conversion of personal property."

(b) The third sentence of subsection (b) of section 109 of such act is amended to read as follows: "On and after such date, such prices shall be fixed at levels so as to recover so far as practicable the applicable purchase price, the transportation cost to first storage point, inventory losses, the cost of personal services employed directly in the repair, rehabilitation, and conversion of personal property, and the cost of amortization and repair of equipment utilized for lease or rent to executive agencies."

(c) The amendments made by this section shall be effective on the date, not earlier than July 1, 1950, on which the Administrator of General Services shall determine that appropriated funds adequate to effectuate the purposes of such amendments have been made available.

SEC. 3. (a) The final sentence of subsecteion (b) of section 109 of the Federal Property and Administrative Services Act of 1949 is amended to read as follows: "Where an advance of funds is not made, the General Services Administration shall be reimbursed promptly out of funds of the requisitioning agency in accordance with accounting procedures approved by the Comptroller General: *Provided,* That in any case where payment shall not have been made by the requisitioning agency within 45 days after the date of billing by the Administrator or the date on which an actual liability for supplies or services is incurred by the Administrator, whichever is the later, reimbursement may be obtained by the Administrator by the issuance of transfer and counterwarrants, or other lawful transfer documents, supported by itemized invoices."

(b) Section 109 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new subsection:

"(g) The Administrator of General Services is authorized in his discretion to charge vendors and producers of commodities considered for purchase such fees as he shall determine to be reasonable for testing such commodities for conformance to specifications and standards, and such fees may be deposited in the General Supply Fund and used to defray the expenses of conducting such tests as the Administrator may prescribe."

SEC. 4. Paragraphs (1) and (2) of section 203 (j) of the Federal Property and Administrative Services Act of 1949 are amended to read as follows:

"(1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes or public health purposes, including research, in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph (2) or paragraph (3) of this subsection to be usable and necessary for educational purposes or public health purposes, including research.

"(2) Determination whether such surplus property (except surplus property donated in conformity with paragraph (3) of this subsection) is usable and necessary for educational purposes or public health purposes, including research, shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to tax-supported medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, and universities, and to other nonprofit medical institutions, hospitals, clinics, health centers, schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education or health for distribution to such tax-supported and nonprofit medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State."

SEC. 5. The Federal Property and Administrative Services Act of 1949 is amended by—

(a) redesignating section 210 thereof as section 212, and wherever such section number appears in such act as originally enacted, it is amended to conform to the redesignation prescribed by this subsection;

(b) inserting in the table of contents appearing in the first section of such act, immediately after the line in which "Sec. 209." appears, the following:

"Sec. 210. Operation of buildings and related activities.

"Sec. 211. Motor vehicle identification."

(c) inserting, immediately after section 209 thereof, the following new sections:

"OPERATION OF BUILDINGS AND RELATED ACTIVITIES

"SEC. 210. (a) Whenever and to the extent that the Administrator has been or hereafter may be authorized by any provision of law other than this subsection to maintain, operate, and protect any building, property, or grounds situated in or outside the District of Columbia, including the construction, repair, preservation, demolition, furnishing, and equipment thereof, he is authorized in the discharge of the duties so conferred upon him—

"(1) to purchase, repair, and clean uniforms for civilian employees of the General Services Administration who are required by law or regulation to wear uniform clothing;

"(2) to furnish arms and ammunition for the protection force maintained by the General Services Administration;

"(3) to pay ground rent for buildings owned by the United States or occupied by Federal agencies, and to pay such rent in advance when required by law or when the Administrator shall determine such action to be in the public interest;

"(4) to employ and pay personnel employed in connection with the functions of operation, maintenance, and protection of property at such per diem rates as may be approved by the Administrator, not exceeding rates currently paid by private industry for similar services in the place where such services are performed;

"(5) without regard to the provisions of section 322 of the act of June 30, 1932 (47 Stat. 412), as amended, to pay rental, and to make repairs, alterations, and improvements under the terms of any lease entered into by, or transfer to, the General Service Administration for the housing of any Federal agency which on June 30, 1950, was specifically exempted by law from the requirements of said section;

"(6) to obtain payments, through advances or otherwise, for services, space, quarters, maintenance, repair, or other facilities furnished, on a reimbursable basis, to any other Federal agency, or any mixed-ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, and to credit such payments to the applicable appropriation of the General Services Administration;

"(7) to make changes in, maintain, and repair the pneumatic tube system connecting buildings owned by the United States or occupied by Federal agencies in New York City installed under franchise of the city of New York, approved June 29, 1909, and June 11, 1928, and to make payments of any obligations arising thereunder in accordance with the provisions of the acts approved August 5, 1909 (36 Stat. 120), and May 15, 1928 (45 Stat. 533);

"(8) to repair, alter, and improve rented premises, without regard to the 25 percent limitation of section 322 of the act of June 30, 1932 (47 Stat. 412), as amended, upon a determination by the Administrator that by reason of circumstances set forth in such determination the execution of such work, without reference to such limitation is advantageous to the Government in terms of economy, efficiency, or national security. A copy of every such determination shall be furnished to the General Accounting Office;

"(9) to pay sums in lieu of taxes on real property declared surplus by Government corporations, pursuant to the Surplus Property Act of 1944, where legal title to such property remains in any such Government corporation;

"(10) to furnish utilities and other services where such utilities and other services are not provided from other sources to persons, firms, or corporations occupying or utilizing plants or portions of plants which constitute (A) a part of the National Industrial Reserve pursuant to the National Industrial Reserve Act of 1948, or (B) surplus real property, and to credit the amounts received therefrom to the applicable appropriation of the General Services Administration;

"(11) at the direction of the Secretary of Defense, to use proceeds received from insurance against damage to properties of the National Industrial Reserve for repair or restoration of the damaged properties; and

"(12) to acquire, by purchase, condemnation, or otherwise, real estate and interests therein.

"(b) At the request of any Federal agency or any mixed-ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, the Administrator is hereby authorized to operate, maintain, and protect any building owned by the United States (or, in the case of any wholly owned or mixed-ownership Government corporation, by such corporation) and occupied by the agency or instrumentality making such request.

"(c) At the request of any Federal agency or any mixed-ownership corporation (as defined in the Government Corporation Control Act), the District of Columbia, the Administrator is hereby authorized (1) to acquire land for buildings and projects authorized by the Congress; (2) to make or cause to be made, under contract or otherwise, surveys and test borings and to prepare plans and specifications for such buildings and projects prior to the approval by the Attorney General of the title to the sites thereof; and (3) to contract for, and to supervise, the construction and development and the equipping of such buildings or projects. Any sum available to any such Federal agency or instrumentality for any such building or project may be transferred by such agency to the General Services Administration in advance for such purposes as the Administrator shall determine to be necessary, including the payment of salaries and expenses of personnel engaged in the preparation of plans and specifications or in field supervision, and for general office expenses to be incurred in the rendition of any such service.

"(d) Whenever the Director of the Bureau of the Budget shall determine such action to be in the interest of economy or efficiency, he shall transfer to the Administrator all functions then vested in any other Federal agency with respect to the operation, maintenance, and custody of any office building owned by the United States or any wholly owned Government corporation, or any office building or part thereof occupied by any Federal agency under any lease, except that no transfer shall be made under this subsection—

"(1) of any post-office building unless the Director shall first determine that such building is not used predominantly for post-office purposes, and functions which are transferred hereunder to the Administrator with respect to any post-office building may be delegated by him only to another officer or employee of the General Services Administration or to the Postmaster General;

"(2) of any building located in any foreign country;

"(3) of any building located on the grounds of any fort, camp, post, arsenal, navy yard, naval training station, airfield, proving ground, military supply depot, or school, or of any similar facility of the Department of Defense, unless and to such extent as a permit for its use by another agency or agencies shall have been issued by the Secretary of Defense or his duly authorized representative;

"(4) of any building which the Director of the Bureau of the Budget finds to be a part of a group of buildings which are (A) located in the same vicinity, (B) utilized wholly or predominantly for the special purposes of the agency having custody thereof, and (C) not generally suitable for the use of other agencies;

"(5) of the Treasury Building, the Bureau of Engraving and Printing Building, the buildings occupied by the National Bureau of Standards, and the buildings under the jurisdiction of the regents of the Smithsonian Institution; or

"(6) of the office buildings of the Senate and House of Representatives, the building occupied by the Supreme Court of the United States, the buildings occupied by the Library of Congress and the Columbia Hospital in the District of Columbia, and any other buildings and grounds under the jurisdiction of the Architect of the Capitol.

"MOTOR VEHICLE IDENTIFICATION

"SEC. 211. Under regulations prescribed by the Administrator, every motor vehicle acquired and used for official purposes within the United States, its Territories, or possessions, by any Federal agency or the District of Columbia shall be conspicuously identified by showing thereon either (a) the full name of the department, establishment, corporation, or agency by which it is used and the service in which it is used, or (b) a title descriptive of the service in which it is used if such title readily identifies the department, establishment, corporation, or agency concerned: *Provided*, That the regulations issued pursuant to this section may provide for exemptions from the requirement of this section when conspicuous identification would interfere with the purpose for which a vehicle is acquired and used."

SEC. 6. The Federal Property and Administrative Services Act of 1949 is amended by—

(a) redesignating "title V" of such act as "title VI" thereof, and "title V", wherever it appears therein, is amended to read "title VI";

(b) redisignating sections 501–505, inclusive, of such act, respectively, as sections 601–605, inclusive, thereof, and whenever any such section number appears in such act as originally enacted, it is amended to conform in numbering to the redesignation prescribed by this subsection;

(c) inserting at the proper place in the table of contents to such act the following:

"TITLE V—FEDERAL RECORDS

"Sec. 501. Short title.
"Sec. 502. Custody and control of property.
"Sec. 503. National Historical Publications Commission.
"Sec. 504. Federal Records Council.
"Sec. 505. Records management; the Administrator.
"Sec. 506. Records management; agency heads.
"Sec. 507. Archival administration.
"Sec. 508. Reports.
"Sec. 509. Legal status of reproductions.
"Sec. 510. Limitation on liability.
"Sec. 511. Definitions."

(d) inserting, immediately following title IV thereof, the following new title:

"TITLE V—FEDERAL RECORDS

"SHORT TITLE

"SEC. 501. This title may be cited as the 'Federal Records Act of 1950.'

"CUSTODY AND CONTROL OF PROPERTY

"SEC. 502. The Administrator shall have immediate custody and control of the National Archives Building and its contents, and shall have authority to design, construct, purchase, lease, maintain, operate, protect, and improve buildings used by him for the storage of records of Federal agencies in the District of Columbia and elsewhere.

"NATIONAL HISTORICAL PUBLICATIONS COMMISSION

"SEC. 503. (a) There is hereby created a National Historical Publications Commission consisting of the Archivist (or an alternate designated by him), who shall be chairman; the Librarian of Congress (or an alternate designated by him); one Member of the United States Senate to be appointed, for a term of 4 years, by the President of the Senate; one Member of the House of Representatives to be appointed, for a term of 2 years, by the Speaker to the House of Representatives; one representative of the judicial branch of the Government to be appointed, for a term of 4 years, by the Chief Justice of the United States; one representative of the Department of State to be appointed, for a term of 4 years, by the Secretary of State; one representative of the Department of Defense to be appointed, for a term of 4 years, by the Secretary of Defense; two members of the American Historical Association to be appointed council of the said association, one of whom shall serve an initial term of 2 years and the other an initial term of 3 years, but their successors shall be appointed for terms of 4 years; and two other members outstanding in the fields of the social or physical sciences to be appointed by the President of the United States, one of whom shall serve an initial term of 1 year and the other an initial term of 3 years, but their successors shall be appointed for terms of 4 years. The Commission shall meet annually and on call of the Chairman.

"(b) Any person appointed to fill a vacancy in the membership of the Commission shall be appointed only for the unexpired term of the member whom he shall succeed, and his apopintment shall be made in the same manner in which the appointment of his predecessor was made.

"(c) The Commission is authorized to appoint, without reference to the Classification Act of 1949 (Public Law 429, 81st Cong. approved Oct. 28, 1949), an executive director and such editorial and clerical staff as the Commission may determine to be necessary. Members of the Commission who represent any branch or agency of the Government shall serve as members of the Commission without additional compensation. All members of the Commission shall be reimbursed for transportation expenses incurred in attending meetings of the Commission, and all such members other than those who represent any branch or agency of the Government of the United States shall receive in lieu of subsistence en route to or from or at the place of such service, for each day actually spent in connection with the performance of their duties as members of such Commission, such sum, not to exceed $25, as the Administrator shall prescribe.

"(d) The Commission shall make plans, estimates, and recommendations for such historical works and collections of sources as it deems appropriate for printing or otherwise recording at the public expense. The Commission shall also cooperate with and encourage appropriate Federal, State, and local agencies and nongovernmental institutions, societies, and individuals in collecting and preserving and, when it deems such action to be desirable, in editing and publishing the papers of outstanding citizens of the United States and such other documents as may be important for an understanding and appreciation of the history of the United States. The Chairman of the Commission shall transmit to the Administrator from time to time, and at least once annually, such plans, estimates, and recommendations as have been approved by the Commission.

"FEDERAL RECORDS COUNCIL

"SEC. 504. The Administrator shall establish a Federal Records Council, and shall advise and consult with the Council with a view to obtaining its advice and assistance in carrying out the purposes of this title. The Council shall include representatives of the legislative, judicial, and executive branches of the Government in such number as the Administrator shall determine, but such Council shall include at least four representatives of the legislative branch, at least two representatives of the judicial branch, and at least six representatives of the executive branch. Members of the Council representing the legislative branch shall be designated, in equal number, by the President of the Senate and the Speaker of the House of Representatives, respectively. Members of the Council representing the judicial branch shall be designated by the Chief Justice of the United States. The Administrator is authorized to designate from persons named by the head of any executive agency concerned, not more than one representative from such agency to serve as a member of the Council. Members of the Council shall serve without compensation, but shall be reimbursed for all necessary expenses actually incurred in the performance of their duties as members of the Council. The Council shall elect a chairman from among its own membership, and shall meet at least once annually.

"RECORDS MANAGEMENT; THE ADMINISTRATOR

"SEC. 505. (a) The Administrator shall make provisions for the economical and efficient management of records of Federal agencies (1) by analyzing, developing, promoting, and coordinating standards, procedures, and techniques, designed to improve the management of records, to insure the maintenance and security of records deemed appropriate for preservation, and to facilitate the segregation and disposal of records of temporary value, and (2) by promoting the efficient and economical utilization of space, equipment, and supplies needed for the purpose of creating, maintaining, storing, and servicing records.

"(b) The Administrator shall establish standards for the selective retention of records of continuing value, and assist Federal agencies in applying such standards to records in their custody; and he shall notify the head of any Federal agency of any actual, impending, or threatened unlawful removal, defacing, alteration, or destruction of records in the custody of such agency that shall come to his attention, and assist the head of such agency in initiating action through the Attorney General for the recovery of such records as shall have been unlawfully removed and for such other redress as may be provided by law.

"(c) The Administrator is authorized to inspect or survey personally or by deputy the records of any Federal agency, as well as to make surveys of records management and records-disposal practices in such agencies, and shall be given the full cooperation of officials and employees of agencies in such inspections and surveys: *Provided*, That records, the use of which is restricted by or pursuant to law or for reasons of national security or the public interest, shall be inspected or surveyed in accordance with regulations promulgated by the Administrator, subject to the approval of the head of the custodial agency.

"(d) The Administrator is authorized to establish, maintain, and operate records centers for the storage, processing, and servicing of records for Federal agencies pending their deposit with the National Archives of the United States or their disposition in any other manner authorized by law; and to establish, maintain, and operate centralized microfilming services for Federal agencies.

"(e) Subject to applicable provisions of law, the Administrator shall promulgate regulations governing the transfer of records from the custody of one executive agency to that of another.

"(f) The Administrator may empower any Federal agency, upon the submission of evidence of need therefor, to retain records for a longer period than that specified in disposal schedules approved by Congress, and, in accordance with regulations promulgated by him, may withdraw disposal authorizations covering records listed in disposal schedules approved by Congress.

"RECORDS MANAGEMENT; AGENCY HEADS

"SEC. 506. (a) The head of each Federal agency shall cause to be made and preserved records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency and designed to furnish the information necessary to protect the legal and financial rights of the Government and of persons directly affected by the agency's activities.

"(b) The head of each Federal agency shall establish and maintain an active, continuing program for the economical and efficient management of the records of the agency. Such program shall, among other things, provide for (1) effective controls over the creation, maintenance, and use of records in the conduct of current business; (2) cooperation with the Administrator in applying standards, procedures, and techniques designed to improve the management of records, promote the maintenance and security of records deemed appropriate for preservation, and facilitate the segregation and disposal of records of temporary value; and (3) compliance with the provisions of this title and the regulations issued thereunder.

"(c) Whenever the head of a Federal agency determines that substantial economies or increased operating efficiency can be effected thereby, he shall provide for the storage, processing, and servicing of records that are appropriate therefor in a records center maintained and operated by the Administrator or, when approved by the Administrator, in such a center maintained and operated by the head of such Federal agency.

"(d) Any official of the Government who is authorized to certify to facts on the basis of records in his custody, is hereby authorized to certify to facts on the basis of records that have been transferred by him or his predecessors to the Administrator.

"(e) The head of each Federal agency shall establish such safeguards against the removal or loss of records as he shall determine to be necessary and as may be required by regulations of the Administrator. Such safeguards shall include making it known to all officials and employees of the agency (1) that no records in the custody of the agency are to be alienated or destroyed except in accordance with the provisions of the act approved July 7, 1943 (57 Stat. 380–383), as amended July 6, 1945 (59 Stat. 434), and (2) the penalties provided by law for the unlawful removal or destruction of records.

"(f) The head of each Federal agency shall notify the Administrator of any actual, impending, or threatened unlawful removal, defacing, alteration, or destruction of records in the custody of the agency of which he is the head that shall come to his attention, and with the assistance of the Administrator shall initiate action through the Attorney General for the recovery of records he knows or has reason to believe have been unlawfully removed from his agency, or from any other Federal agency whose records have been transferred to his legal custody.

"(g) Nothing in this title shall be construed as limiting the authority of the Comptroller General of the United States with respect to prescribing accounting systems, forms, and procedures, or lessening the responsibility of collecting and disbursing officers for rendition of their accounts for settlement by the General Accounting Office.

"ARCHIVAL ADMINISTRATION

"SEC. 507. (a) The Administrator, whenever it appears to him to be in the public interest, is hereby authorized—

"(1) to accept for deposit with the National Archives of the United States the records of any Federal agency or of the Congress of the United States that are determined by the Archivist to have sufficient historical value to warrant their continued preservation by the United States Government;

"(2) to direct and effect, with the approval of the head of the originating agency (or if the existence of such agency shall have been terminated, then with the approval of his successor in function, if any), the transfer of records deposited (or approved for deposit) with the National Archives of the United States to public or educational institutions or associations: *Provided*, That the title to such records shall remain vested in the United States unless otherwise authorized by Congress; and

"(3) to direct and effect the transfer of materials from private sources authorized to be received by the Administrator by the provisions of subsection (e) of this section.

"(b) The Administrator shall be responsible for the custody, use, and withdrawal of records transferred to him: *Provided*, That whenever any records the use of which is subject to statutory limitations and restrictions are so transferred, permissive and restrictive statutory provisions with respect to the examination and use of such records applicable to the head of the agency from which the records were transferred or to employees of that agency shall thereafter likewise be applicable to the Administrator, the Archivist, and to the employees of the General Services Administration, respectively: *Provided further*, That whenever the head of any agency shall specify in writing restrictions that appear to him to be necessary or desirable in the public interest, on the use or examination of records being considered for transfer from his custody to the Administrator, the Administrator shall impose such restrictions on the records so transferred, and shall not remove or relax such restrictions without the concurrence in writing of the head of the agency from which the material shall have been transferred (or if the existence of such agency shall have been terminated, then he shall not remove or relax such restrictions without the concurrence of the successor in function, if any, of such agency head): *Provided, however*, That statutory and other restrictions referred to in the provisos of this subsection shall not remain in force or effect after the records have been in existence for 50 years unless the Administrator by order shall determine with respect to specific bodies of records that such restrictions shall remain in force and effect for a longer period: *And provided further*, That restrictions on the use or examination of records deposited with the National Archives of the United States heretofore imposed and now in force and effect under the terms of section 3 of the National Archives Act, approved June 19, 1934, shall continue in force and effect regardless of the expiration of the tenure of office of the official who imposed them but may be removed or relaxed by the Administrator with the concurrence in writing of the head of the agency from which material has been transferred (or if the existence of such agency shall have been terminated, then with the concurrence in writing of his successor in function, if any).

"(c) The Administrator shall make provisions for the preservation, arrangement, repair, and rehabilitation, duplication and reproduction (including microcopy publications), description, and exhibition of records transferred to him as may be needful or appropriate, including the preparation and publication of inventories, indexes, catalogs, and other finding aids or guides facilitating their use; and, when approved by the National Historical Publications Commission, he may also publish such historical works and collections of sources as seem appropriate for printing or otherwise recording at the public expense.

"(d) The Administrator shall make such provisions and maintain such facilities as he deems necessary or desirable for servicing records in his custody that are not exempt from examination by statutory provisions or other restrictions.

"(e) The Administrator may accept for deposit—

"(1) the personal papers and other personal historical documentary materials of the present President of the United States, his successors, heads of executive departments, and such other officials of the Government as the President may designate, offered for deposit under restrictions respecting their use specified in writing by the prospective depositors: *Provided*, That restrictions so specified on such materials, or any portions thereof, accepted by the Administrator for such deposit shall have force and effect during the lifetime of the depositor or for a period not to exceed 25 years, whichever is longer, unless sooner terminated in writing by the depositor or his legal heirs: *And provided further*, That the Archivist determines that the materials accepted for such deposit will have continuing historical or other values;

"(2) motion-picture films, still pictures, and sound recordings from private sources

that are appropriate for preservation by the Government as evidence of its organization, functions, policies, decisions, procedures, and transactions.

Title to materials so deposited under this subsection shall pass to and vest in the United States.

"(f) The Administrator is hereby authorized to make and preserve motion-picture films, still pictures, and sound recordings pertaining to and illustrative of the historical development of the United States Government and its activities, and to make provisions for preparing, editing, titling, scoring, processing, duplicating, reproducing, exhibiting, and releasing for nonprofit educational purposes, motion-picture films, still pictures, and sound recordings in his custody.

"REPORTS

"SEC. 508. (a) The Administrator is hereby authorized, whenever he deems it necessary, to obtain reports from Federal agencies on their activities under the provisions of this title and the act approved July 7, 1943 (57 Stat. 380–383), as amended July 6, 1945 (59 Stat. 434).

"(b) The Administrator shall, whenever he finds that any provisions of this title have been or are being violated, inform in writing the head of the agency concerned of such violations and make recommendations regarding means of correcting them. Unless corrective measures satisfactory to the Administrator are inaugurated within a reasonable time, the Administrator shall submit a written report thereon to the President and the Congress.

"LEGAL STATUS OF REPRODUCTIONS

"SEC. 509. (a) Whenever any records that are required by statute to be retained indefinitely have been reproduced by photographic, microphotographic, or other processes, in accordance with standards established by the Administrator, the indefinite retention of such photographic, microphotographic, or other reproductions will be deemed to constitute compliance with the statutory requirement for the indefinite retention of such original records. Such reproductions, as well as reproductions made in compliance with regulations promulgated to carry out this title, shall have the same legal status as the originals thereof.

"(b) There shall be an official seal for the National Archives of the United States which shall be judicially noticed. When any copy or reproduction, furnished under the terms hereof, is authenticated by such official seal and certified by the Administrator, such copy or reproduction shall be admitted in evidence equally with the original from which it was made.

"(c) The Administrator may charge a fee not in excess of 10 percent above the costs or expenses for making or authenticating copies or reproductions of materials transferred to his custody. All such fees shall be paid into, administered, and expended as a part of the National Archives Trust Fund provided for in section 5 of the act approved July 9, 1941. There shall be no charge for making or authenticating copies or reproductions of such materials for official use by the United States Government: *Provided*, That reimbursement may be accepted to cover the cost of furnishing such copies or reproductions that could not otherwise be furnished.

"LIMITATION ON LIABILITY

"SEC. 510. With respect to letters and other intellectual productions (exclusive of material copyrighted or patented) after they come into the custody or possession of the Administrator, neither the United States nor its agents shall be liable for any infringement of literary property rights or analogous rights arising thereafter out of use of such materials for display, inspection, research, reproduction, or other purposes.

"DEFINITIONS

"SEC. 511. When used in this title—

"(a) The term 'records' shall have the meaning given to such term by section 1 of the act entitled 'An act to provide for the disposal of certain records of the United States Government', approved July 7, 1943 (57 Stat. 380, as amended; 44 U. S. C. 366);

"(b) The term 'records center' means an establishment maintained by the Administrator or by a Federal agency primarily for the storage, servicing, security, and processing of records that must be preserved for varying periods of time and need not be retained in office equipment and space;

"(c) The term 'servicing' means making available for use information in records and other materials in the custody of the Administrator—

"(1) by furnishing such records or other materials, or information from such records or other materials, or copies or reproductions thereof to agencies of the Government for official use and to the public; and

"(2) by making and furnishing authenticated or unauthenticated copies or reproductions of such records and other materials;

"(d) The term 'National Archives of the United States' means those official records that have been determined by the Archivist to have sufficient historical or other value to warrant their continued preservation by the United States Government,' and have been accepted by the Administrator for deposit in his custody;

"(e) The term 'unauthenticated copies' means exact copies or reproductions of records or other materials that are not certified as such under seal and that need not be legally accepted as evidence; and

"(f) The term 'Archivist' means the Archivist of the United States."

SEC. 7. The Federal Property and Administrative Services Act of 1949 is further amended by—

(a) striking out the word "and" preceding "(2)" in subsection (d) of section 3 thereof; substituting a semicolon for the period at the end of said subsection; and adding at the end of such subsection the following: "and (3) records of the Federal Government";

(b) striking out, in section 208 (a) thereof, the expression "and V," and inserting in lieu thereof the expression "V, and VI";

(c) striking out, in section 208 (b) thereof, the expression "and V," and inserting in lieu thereof the expression "V, and VI";

(d) striking out the word "and" at the end of paragraph (30) of section 602 (a); striking out the period at the end of paragraph (31) of section 602 (a) and inserting in lieu thereof a semicolon; and adding at the end of section 602 (a) the following new paragraphs:

"(32) the act entitled 'An act to establish a National Archives of the United States Government, and for other purposes,' approved June 19, 1934 (48 Stat. 1122–1124; as amended; 44 U. S. C. 300, 300a); and

"(33) section 4 of the act of February 3, 1905 (33 Stat. 687, as amended; 5 U. S. C. 77)."

(e) amending subsections 602 (b) and (c) thereof to read as follows:

"(b) There are hereby superseded—

"(1) the provisions of the first, third, and fifth paragraphs of section 1 of Executive Order No. 6166 of June 10, 1933, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms; and

"(2) sections 2 and 4 of the act entitled 'An act to provide for the disposal of certain records of the United States Government,' approved July 7, 1943 (57 Stat. 381, as amended; 44 U. S. C. 367 and 369), to the extent that the provisions thereof are inconsistent with the provisions of title V of this act.

"(c) The authority conferred by this act shall be in addition and paramount to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841)."

(f) amending paragraphs (17), (18), and (19) of section 602 (d) thereof to read as follows:

"(17) the Central Intelligence Agency; or

"(18) the Joint Committee on Printing, under the act entitled 'An act providing for the public printing and binding and the distribution of public documents' approved January 12, 1895 (28 Stat. 601), as amended, or any other act; or

"(19) for such period of time as the President may specify, any other authority of any executive agency which the President determines within 1 year after the effective date of this act should, in the public interest, stand unimpaired by this act."

(g) striking out the period at the end of section 603 (a) thereof and inserting in lieu thereof a comma and the following: "including payment in advance, when authorized by the Administrator, for library memberships in societies whose publications are available to members only, or to members at a price lower than that charged to the general public."

SEC. 8. (a) Subsection 3 (b) of the Federal Property and Administrative Services Act of 1949 is amended to read as follows:

"(b) The term 'Federal agency' means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction)."

(b) Section 201 (b) of the Federal Property and Administrative Services Act of 1949 is amended by striking out the expression "or the Senate, or the House of Representatives,".

(c) Section 602 of the Federal Property and Administrative Services Act of 1949 is amended by redesignating subsection (e) thereof of subsection (f), and inserting, immediately after subsection (d) thereof, the following new subsection:

"(e) No provision of this act as originally enacted or as herein amended shall apply to the Senate or the House of Representatives (including the Architect of the Capitol and any building, activity, or function, under his direction), but any of the services and facilities authorized by this act to be rendered or furnished shall, as far as practicable, be made available to the Senate, the House of Representatives, or the Architect of the Capitol, upon their request, and, if payment would be required for the rendition or furnishing of a similar service or facility to an executive agency, payment therefor shall be made by the recipient thereof, upon presentation of proper vouchers, in advance or by reimbursement (as may be agreed upon by the Administrator and the officer or body making such request). Such payment may be credited to the applicable appropriation of the executive agency receiving such payment."

SEC. 9. The Federal Property and Administrative Services Act of 1949, section 205 (h), is hereby amended by striking out the last word of the sentence "Title" and inserting in lieu thereof the word "Act".

SEC. 10. (a) Whenever any contract made on behalf of the Government by the head of any Federal agency, or by officers authorized by him to do so, includes a provision for liquidated damages for delay, the Comptroller General upon recommendation of such head is authorized and empowered to remit the whole or any part of

such damages as in his discretion may be just and equitable.

(b) Section 306 of the Federal Property and Administrative Services Act of 1949, is hereby repealed, and this section shall be effective as of July 1, 1949.

SEC. 11. All laws or parts of laws in conflict with the amendments made by this act are, to the extent of such conflict, hereby repealed.

Mr. HOLIFIELD (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read, as follows:

Committee amendments: Page 1, line 8, after the word "Printer", insert a comma.

Page 1, line 9, after the word "issue", insert a comma.

Page 7, line 4, strike "transfer" and insert "transferred".

Page 8, line 8, after the word "security" strike the period and insert ": *Provided*, That such determination shall show that the total cost (rentals, repairs, alterations, and improvements) to the Government for the expected life of the lease shall be less than the cost of alternative space which needs no such repairs, alterations, or improvements."

Page 14, line 18, after the word "appointed", insert "by the".

Page 15, line 25, strike "Administrator" and insert "Commissioner".

Page 16, line 7, after the word "societies", insert a comma.

Page 16, line 13, after the word "time", insert a comma.

Page 16, line 25, after the word "branch", insert a comma.

Page 17, line 4, after word "Representatives", strike out the period and insert ", respectively."

Page 26, line 12, the first word "Title", should be extended to the full margin.

Page 30, line 2, strike the apostrophe after the word "Government".

Page 30, line 16, after the word "Government", strike the quotation and semicolon and insert ".";"

Page 31, line 7, after "1124", strike the semicolon and insert a comma.

Page 31, line 8, after "300c-k", strike the semicolon and insert ");".

Page 32, line 11, strike "or".

Page 34, line 12, after the word "Administrative", insert "Services".

Page 35, line 2, after "1949", insert a comma.

Page 35, line 2, after the word "repealed", insert a comma.

The committee amendments were agreed to.

Mr. HARVEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARVEY. Mr. Chairman, if I understand correctly, the second committee amendment, as read by the Clerk, is the same as the amendment I have at the desk which I intended to offer.

The CHAIRMAN. It is the same, with the exception of punctuation marks.

Mr. HARVEY. Then, Mr. Chairman, if the committee amendment is the same as the one I intended to offer, I shall not offer my amendment.

Mr. HOLIFIELD. Mr. Chairman, so that we may be positive the gentleman's amendment is covered, I ask unanimous consent that the amendment he intended to offer may be read by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HARVEY: On page 8, in line 8, after the word "Security," strike out the period and insert the following: *Provided*, That such determination shall show that the total cost (rentals, repairs, alterations, and improvements) to the Government for the expected life of the lease shall be less than the cost of alternative space which needs no such repairs, alterations, or improvements."

Mr. HARVEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, by way of explanation and for the record, it should be explained here that this amends the portion of the act wherein the bill strikes out the previous restrictions concerning the amount of money which may be spent for alterations of leased space. The provision as it exists now in many instances worked extreme hardship on the Government and forced the Government to lease expensive space which they would not have had to do if they had had the benefit of such a provision.

However, we on the subcommittee—and I may say that the subcommittee was unanimous on this amendment—were reluctant to take the ceiling off. This amendment was prepared so that in the future there will not be the complaint made that when we took the ceiling off that no policy was set forth. I think this is a very good procedure, and in taking off the restriction, to begin with, it should have been circumscribed by this amendment so that the policy and intent of the Congress will be followed.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on this particular amendment I want to pay tribute to the gentleman from Indiana [Mr. HARVEY], who brought this matter to our attention. We went into it rather extensively and we had testimony which proved that by lifting of this particular limitation on repairs of buildings, we have been able to effect tremendous savings.

For instance, in the case of the Carson-Pirie-Scott building in Chicago we secured a building by repairing it for 93 cents a square foot instead of $2.61 a square foot. In a Cincinnati building we are paying 53 cents, where corresponding quarters in the same city cost 83 cents. In Los Angeles we are paying 55 cents a square foot for a building where other space nearby is $1.28. And so forth.

There are many justifications for this amendment and the gentleman from Indiana is the one who was responsible for it. I pay tribute to him for his watchfulness in presenting this.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HARVEY. I want to also mention the fact that it was brought out in the course of the investigation we made into this, that many times because we were not able to use cheap space, we were compelled in metropolitan areas particularly to rent very expensive office space. It is also space that is in great demand for offices of private enterprise. We are also doing a double favor in permitting our agencies to use the less expensive and less desirable places in our metropolitan areas.

Mr. HOLIFIELD. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HARVEY] has expired.

Mr. HOLIFIELD. Mr. Chairman, I offer two perfecting amendments.

The Clerk read as follows:

Amendments offered by Mr. HOLIFIELD: Page 7, line 7, strike the word "to" and insert in lieu thereof the word "the."

Page 34, line 5, insert quotation marks at the beginning of subsection (e).

The amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BATTLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 9129, pursuant to House Resolution 741, he reported the same back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3959) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted, etc., That the parenthetical expression appearing in clause (1) of the final sentence of subsection (a) of section 109 of the Federal Property and Administrative Services Act of 1949 (Public Law 152, 81st Cong.) is amended to read as follows: "(including the purchase from or through the Public Printer, for warehouse issue, of standard forms, blankbook work, standard specifications, and other printed material in common use by Federal agencies not available through the Superintendent of Documents)."

SEC. 2. (a) Clause (2) of the final sentence of subsection (a) of section 109 of the Federal Property and Administrative Services Act of 1949, as hereinbefore amended, is amended to read as follows: "(2) for paying the purchase price, transportation to first storage point of supplies and services, and the cost of personal services employed directly in the

repair, rehabilitation, and conversion of personal property."

(b) The third sentence of subsection (b) of section 109 of such act is amended to read as follows: "On and after such date, such prices shall be fixed at levels so as to recover so far as practicable the applicable purchase price, the transportation cost to first storage point, inventory losses, the cost of personal services employed directly in the repair, rehabilitation, and conversion of personal property, and the cost of amortization and repair of equipment utilized for lease or rent to executive agencies."

(c) The amendments made by this section shall be effective on the date, not earlier than July 1, 1950, on which the Administrator of General Services shall determine that appropriated funds adequate to effectuate the purposes of such amendments have been made available.

SEC. 3. (a) The final sentence of subsection (b) of section 109 of the Federal Property and Administrative Services Act of 1949 is amended to read as follows: "Where an advance of funds is not made, the General Services Administration shall be reimbursed promptly out of funds of the requisitioning agency in accordance with accounting procedures approved by the Comptroller General: *Provided*, That in any case where payment shall not have been made by the requisitioning agency within 45 days after the date of billing by the Administrator or the date on which an actual liability for supplies or services is incurred by the Administrator, whichever is the later, reimbursement may be obtained by the Administrator by the issuance of transfer and counterwarrants, or other lawful transfer documents, supported by itemized invoices."

(b) Section 109 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new subsection:

"(g) Whenever any producer or vendor shall tender any article or commodity for sale to the General Services Administration or to any procurement authority acting under the direction and control of the Administrator pursuant to this act, the Administrator is authorized in his discretion, with the consent of such producer or vendor, to cause to be conducted, in such manner as the Administrator shall specify, such tests as he shall prescribe to determine whether such article or commodity conforms to prescribed specifications and standards. When the Administrator determines that the making of such tests will serve predominantly the interest of such producer or vendor, he shall charge such producer or vendor a fee which shall be fixed by the Administrator in such amount as will recover the cost of conducting such tests, including all components of such cost, determined in accordance with accepted accounting principles. When the Administrator determines that the making of such tests will not serve predominantly the interest of such producer or vendor, he shall charge such producer or vendor such fee as he shall determine to be reasonable for the furnishing of such testing service. All such fees collected by the Administrator may be deposited in the General Supply Fund to be used for any purpose authorized by subsection 109 (a) of this act."

SEC. 4. Paragraphs (1) and (2) of section 203 (j) of the Federal Property and Administrative Services Act of 1949 are amended to read as follows:

"(1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes or public health purposes, including research, in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph (2) or paragraph (3) of this subsection to be usable and necessary for educational purposes or public health purposes, including research.

"(2) Determination whether such surplus property (except surplus property donated in conformity with paragraph (3) of this subsection) is usable and necessary for educational purposes or public health purposes, including research, shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to tax-supported medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, and universities, and to other nonprofit medical institutions, hospitals, clinics, health centers, schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education or health for distribution to such tax-supported and nonprofit medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State."

SEC. 5. The Federal Property and Administrative Services Act of 1949 is amended by—

(a) redesignating section 210 thereof as section 212, and wherever such section number appears in such act as originally enacted, it is amended to conform to the redesignation prescribed by this subsection;

(b) inserting in the table of contents appearing in the first section of such act, immediately after the line in which "Sec. 209." appears, the following:

"Sec. 210. Operation of buildings and related activities.

"Sec. 211. Motor vehicle identification."

(c) inserting, immediately after section 209 thereof, the following new sections:

"OPERATION OF BUILDINGS AND RELATED ACTIVITIES

"SEC. 210. (a) Whenever and to the extent that the Administrator has been or hereafter may be authorized by any provision of law other than this subsection to maintain, operate, and protect any building, property, or grounds situated in or outside the District of Columbia, including the construction, repair, preservation, demolition, furnishing, and equipment thereof, he is authorized in the discharge of the duties so conferred upon him—

"(1) to purchase, repair, and clean uniforms for civilian employees of the General Services Administration who are required by law or regulation to wear uniform clothing;

"(2) to furnish arms and ammunition for the protection force maintained by the General Services Administration;

"(3) to pay ground rent for buildings owned by the United States or occupied by Federal agencies, and to pay such rent in advance when required by law or when the Administrator shall determine such action to be in the public interest;

"(4) to employ and pay personnel employed in connection with the functions of operation, maintenance, and protection of property at such per diem rates as may be approved by the Administrator, not exceeding rates currently paid by private industry for similar services in the place where such services are performed;

"(5) without regard to the provisions of section 322 of the act of June 30, 1932 (47 Stat. 412), as amended, to pay rental, and to make repairs, alterations, and improvements under the terms of any lease entered into by or transferred to, the General Services Administrator for the housing of any Federal agency which on June 30, 1950, was specifically exempted by law from the requirements of said section;

"(6) to obtain payments, through advances or otherwise, for services, space, quarters, maintenance, repair, or other facilities furnished, on a reimbursable basis, to any other Federal agency, or any mixed-ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, and to credit such payments to the applicable appropriation of the General Services Administration;

"(7) to make changes in, maintain, and repair the pneumatic tube system connecting buildings owned by the United States or occupied by Federal agencies in New York City installed under franchise of the city of New York, approved June 29, 1909, and June 11, 1928, and to make payments of any obligations arising thereunder in accordance with the provisions of the acts approved August 5, 1909 (36 Stat. 120), and May 15, 1928 (45 Stat. 533);

"(8) to repair, alter, and improve rented premises, without regard to the 25 percent limitation of section 322 of the act of June 30, 1932 (47 Stat. 412), as amended, upon a determination by the Administrator that by reason of circumstances set forth in such determination the execution of such work, without reference to such limitation, is advantageous to the Government in terms of economy, efficiency, or national security. A copy of every such determination so made shall be furnished to the General Accounting Office;

"(9) to pay sums in lieu of taxes on real property declared surplus by Government corporations, pursuant to the Surplus Property Act of 1944, where legal title to such property remains in any such Government corporation;

"(10) to furnish utilities and other services where such utilities and other services are not provided from other sources to persons, firms, or corporations occupying or utilizing plants or portions of plants which constitute (A) a part of the National Industrial Reserve pursuant to the National Industrial Reserve Act of 1948, or (B) surplus real property, and to credit the amounts received therefrom to the applicable appropriation of the General Services Administration;

"(11) at the direction of the Secretary of Defense, to use proceeds received from insurance against damage to properties of the National Industrial Reserve for repair or restoration to the damaged properties; and

"(12) to acquire, by purchase, condemnation, or otherwise, real estate and interests therein.

"(b) At the request of any Federal agency or any mixed-ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, the Administrator is hereby authorized to operate, maintain, and protect any building owned by the United States (or, in the case of any wholly owned or mixed-ownership Government corporation, by such corporation) and occupied by the agency or instrumentality making such request.

"(c) At the request of any Federal agency or any mixed-ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, the Administrator is hereby authorized (1) to acquire land for buildings and projects authorized by the Congress; (2) to make or cause to be made, under contract or otherwise, surveys and test borings and to prepare plans and specifications for such buildings and projects prior to the approval by the Attorney General of the title to the sites thereof; and (3) to contract for, and to supervise, the construction and development and the equipping of such buildings or projects. Any sum available to any such Federal agency or instrumentality for any such building or project may be transferred by such agency to the General Services Administration in advance for such purposes as the Administrator shall determine to be

necessary, including the payment of salaries and expenses of personnel engaged in the preparation of plans and specifications or in field supervision, and for general office expenses to be incurred in the rendition of any such service.

"(d) Whenever the Director of the Bureau of the Budget shall determine such action to be in the interest of economy or efficiency, he shall transfer to the Administrator all functions then vested in any other executive agency with respect to the operation, maintenance, and custody of any office building owned by the United States or any wholly owned Government corporation, or any office building or part thereof occupied by any executive agency under any lease, except that no transfer shall be made under this subsection—

"(1) of any post-office building unless the Director shall first determine that such building is not used predominantly for post-office purposes, and functions which are transferred hereunder to the Administrator with respect to any post-office building may be delegated by him only to another officer or employee of the General Services Administration or to the Postmaster General;

"(2) of any building located in any foreign country;

"(3) of any building located on the grounds of any fort, camp, post, arsenal, navy yard, naval training station, air field, proving ground, military supply depot, or school, or of any similar facility of the Department of Defense, unless and to such extent as a permit for its use by another agency or agencies shall have been issued by the Secretary of Defense or his duly authorized representative;

"(4) of any building which the Director of the Bureau of the Budget finds to be a part of a group of buildings which are (A) located in the same vicinity, (B) utilized wholly or predominantly for the special purposes of the agency having custody thereof, and (C) not generally suitable for the use of other agencies; or

"(5) of the Treasury Building, the Bureau of Engraving and Printing Building, the buildings occupied by the National Bureau of Standards, and the buildings under the jurisdiction of the regents of the Smithsonian Institution.

"(e) Notwithstanding any other provision of law, the Administrator is authorized to assign and reassign space of all executive agencies in Government-owned and leased buildings in and outside the District of Columbia upon a determination by the Administrator that such assignment or reassignment is advantageous to the Government in terms of economy, efficiency, or national security.

"MOTOR VEHICLE IDENTIFICATION

"SEC. 211. Under regulations prescribed by the Administrator, every motor vehicle acquired and used for official purposes within the United States, its Territories, or possessions, by any Federal agency or the District of Columbia shall be conspicuously identified by showing thereon either (a) the full name of the department, establishment, corporation, or agency by which it is used and the service in which it is used, or (b) a title descriptive of the service in which it is used if such title readily identifies the department, establishment, corporation, or agency concerned, and the legend 'For official use only': *Provided*, That the regulations issued pursuant to this section may provide for exemptions from the requirements of this section when conspicuous identification would interfere with the purpose for which a vehicle is acquired and used."

SEC. 6. The Federal Property and Administrative Services Act of 1949 is amended by—

(a) Redesignating "title V" of such act as "title VI" thereof, and "title V", whenever it appears therein, is amended to read "title VI".

(b) Redesignating sections 501–505, inclusive, of such act, respectively, as sections 601–605, inclusive, thereof, and wherever any such section number appears in such act as originally enacted, it is amended to conform in numbering to the redesignation prescribed by this subsection.

(c) Inserting at the proper place in the table of contents to such act the following:

"TITLE V—FEDERAL RECORDS

"Sec. 501. Short title.
"Sec. 502. Custody and control of property.
"Sec. 503. National Historical Publications Commission.
"Sec. 504. Federal Records Council.
"Sec. 505. Records management; the Administrator.
"Sec. 506. Records management agency heads.
"Sec. 507. Archival administration.
"Sec. 508. Reports.
"Sec. 509. Legal status of reproductions.
"Sec. 510. Limitation on liability.
"Sec. 511. Definitions."

(d) Inserting, immediately following title IV thereof, the following new title:

"TITLE V—FEDERAL RECORDS

"SHORT TITLE

"SEC. 501. This title may be cited as the 'Federal Records Act of 1950.'

"CUSTODY AND CONTROL OF PROPERTY

"SEC. 502. The Administrator shall have immediate custody and control of the National Archives Building and its contents, and shall have authority to design, construct, purchase, lease, maintain, operate, protect, and improve buildings used by him for the storage of records of Federal agencies in the District of Columbia and elsewhere.

"NATIONAL HISTORICAL PUBLICATIONS COMMISSION

"SEC. 503. (a) There is hereby created a National Historical Publications Commission consisting of the Archivist (or an alternate designated by him), who shall be Chairman; the Librarian of Congress (or an alternate designated by him); one Member of the United States Senate to be appointed, for a term of 4 years, by the President of the Senate; one Member of the House of Representatives to be appointed, for a term of 2 years, by the Speaker of the House of Representatives; one representative of the judicial branch of the Government to be appointed, for a term of 4 years, by the Chief Justice of the United States; one representative of the Department of State to be appointed, for a term of 4 years, by the Secretary of State; one representative of the Department of Defense to be appointed, for a term of 4 years, by the Secretary of Defense; two members of the American Historical Association to be appointed by the council of the said association, one of whom shall serve an initial term of 2 years and the other an initial term of 3 years, but their successors shall be appointed for terms of 4 years; and two other members outstanding in the fields of the social or physical sciences to be appointed by the President of the United States, one of whom shall serve an initial term of 1 year and the other an initial term of 3 years, but their successors shall be appointed for terms of 4 years. The Commission shall meet annually and on call of the Chairman.

"(b) Any person appointed to fill a vacancy in the membership of the Commission shall be appointed only for the unexpired term of the member whom he shall succeed, and his appointment shall be made in the same manner in which the appointment of his predecessor was made.

"(c) The Commission is authorized to appoint, without reference to the Classification Act of 1949 (Public Law 429, 81st Cong., approved October 28, 1948), an executive director and such an editorial and clerical staff as the Commission may determine to be necessary. Members of the Commission who represent any branch or agency of the Government shall serve as members of the Commission without additional compensation. All members of the Commission shall be reimbursed for transportation expenses incurred in attending meetings of the Commission, and all such members other than those who represent any branch or agency of the Government of the United States shall receive in lieu of subsistence en route to or from or at the place of such service, for each day actually spent in connection with the performance of their duties as members of such Commission, such sum, not to exceed $25, as the Commission shall prescribe.

"(d) The Commission shall make plans, estimates, and recommendations for such historical works and collections of sources as it deems appropriate for printing or otherwise recording at the public expense. The Commission shall also cooperate with and encourage appropriate Federal, State, and local agencies and nongovernmental institutions, societies, and individuals in collecting and preserving and, when it deems such action to be desirable, in editing and publishing the papers of outstanding citizens of the United States and such other documents as may be important for an understanding and appreciation of the history of the United States. The Chairman of the Commission shall transmit to the Administrator from time to time, and at least once annually, such plans, estimates, and recommendations as have been approved by the Commission.

"FEDERAL RECORDS COUNCIL

"SEC. 504. The Administrator shall establish a Federal Records Council, and shall advise and consult with the Council with a view to obtaining its advice and assistance in carrying out the purposes of this title. The Council shall include representatives of the legislative, judicial, and executive branches of the Government in such number as the Administrator shall determine, but such Council shall include at least four representatives of the legislative branch, at least two representatives of the judicial branch, and at least six representatives of the executive branch. Members of the Council representing the legislative branch shall be designated, in equal number, by the President of the Senate and the Speaker of the House of Representatives, respectively. Members of the Council representing the judicial branch shall be designated by the Chief Justice of the United States. The Administrator is authorized to designate from persons named by the head of any executive agency concerned, not more than one representative from such agency to serve as a member of the Council. Members of the Council shall serve without compensation, but shall be reimbursed for all necessary expenses actually incurred in the performance of their duties as members of the Council. The Council shall elect its chairman, and shall meet at least once annually.

"RECORDS MANAGEMENT; THE ADMINISTRATOR

"SEC. 505. (a) The Administrator shall make provisions for the economical and efficient management of records of Federal agencies (1) by analyzing, developing, promoting, and coordinating standards, procedures, and techniques designed to improve the management of records, to insure the maintenance and security of records deemed appropriate for preservation, and to facilitate the segregation and disposal of records of temporary value, and (2) by promoting the efficient and economical utilization of space, equipment, and supplies needed for the purpose of creating, maintaining, storing, and servicing records.

"(b) The Administrator shall establish standards for the selective retention of records of continuing value, and assist Federal

agencies in applying such standards to records in their custody; and he shall notify the head of any Federal agency of any actual, impending, or threatened unlawful removal, defacing, alteration, or destruction of records in the custody of such agency that shall come to his attention, and assist the head of such agency in initiating action through the Attorney General for the recovery of such records as shall have been unlawfully removed and for such other redress as may be provided by law.

"(c) The Administrator is authorized to inspect or survey personally or by deputy the records of any Federal agency, as well as to make surveys of records management and records disposal practices in such agencies, and shall be given the full cooperation of officials and employees of agencies in such inspections and surveys: *Provided*, That records, the use of which is restricted by or pursuant to law or for reasons of national security or the public interest, shall be inspected or surveyed in accordance with regulations promulgated by the Administrator, subject to the approval of the head of the custodial agency.

"(d) The Administrator is authorized to establish, maintain, and operate records centers for the storage, processing, and servicing of records for Federal agencies pending their deposit with the National Archives of the United States or their disposition in any other manner authorized by law; and to establish, maintain, and operate centralized microfilming services for Federal agencies.

"(e) Subject to applicable provisions of law, the Administrator shall promulgate regulations governing the transfer of records from the custody of one executive agency to that of another.

"(f) The Administrator may empower any Federal agency, upon the submission of evidence of need therefor, to retain records for a longer period than that specified in disposal schedules approved by Congress, and, in accordance with regulations promulgated by him, may withdraw disposal authorizations covering records listed in disposal schedules approved by Congress.

"RECORDS MANAGEMENT; AGENCY HEADS

"SEC. 506. (a) The head of each Federal agency shall cause to be made and preserved records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency and designed to furnish the information necessary to protect the legal and financial rights of the Government and of persons directly affected by the agency's activities.

"(b) The head of each Federal agency shall establish and maintain an active, continuing program for the economical and efficient management of the records of the agency. Such program shall, among other things, provide for (1) effective controls over the creation, maintenance, and use of records in the conduct of current business; (2) cooperation with the Administrator in applying standards, procedures, and techniques designed to improve the management of records, promote the maintenance and security of records deemed appropriate for preservation, and facilitate the segregation and disposal of records of temporary value; and (3) compliance with the provisions of this title and the regulations issued thereunder.

"(c) Whenever the head of a Federal agency determines that substantial economies or increased operating efficiency can be effected thereby, he will provide for the storage, processing, and servicing of records that are appropriate therefor in a records center maintained and operated by the Administrator or, when approved by the Administrator, in such a center maintained and operated by the head of such Federal agency.

"(d) Any official of the Government who is authorized to certify to facts on the basis of records in his custody, is hereby authorized to certify to facts on the basis of records that have been transferred by him or his predecessors to the Administrator.

"(e) The head of each Federal agency shall establish such safeguards against the removal or loss of records as he shall determine to be necessary and as may be required by regulations of the Administrator. Such safeguards shall include making it known to all officials and employees of the agency (1) that no records in the custody of the agency are to be alienated or destroyed except in accordance with the provisions of the act approved July 7, 1943 (57 Stat. 380–383), as amended July 6, 1945 (59 Stat. 434), and (2) the penalties provided by law for the unlawful removal or destruction of records.

"(f) The head of each Federal agency shall notify the Administrator of any actual, impending, or threatened unlawful removal, defacing, alteration, or destruction of records in the custody of the agency of which he is the head that shall come to his attention, and with the assistance of the Administrator shall initiate action through the Attorney General for the recovery of records he knows or has reason to believe have been unlawfully removed from his agency, or from any other Federal agency whose records have been transferred to his legal custody.

"(g) Nothing in this title shall be construed as limiting the authority of the Comptroller General of the United States with respect to prescribing accounting systems, forms, and procedures, or lessening the responsibility of collecting and disbursing officers for rendition of their accounts for settlement by the General Accounting Office.

"ARCHIVAL ADMINISTRATION

"SEC. 507. (a) The Administrator, whenever it appears to him to be in the public interest, is hereby authorized—

"(1) to accept for deposit with the National Archives of the United States the records of any Federal agency or of the Congress of the United States that are determined by the Archivist to have sufficient historical or other value to warrant their continued preservation by the United States Government;

"(2) to direct and effect with the approval of the head of the originating agency (or if the existence of such agency shall have been terminated, then with the approval of his successor in function, if any) the transfer of records deposited (or approved for deposit) with the National Archives of the United States to public or educational institutions or associations: *Provided*, That the title to such records shall remain vested in the United States unless otherwise authorized by Congress; and

"(3) to direct and effect the transfer of materials from private sources authorized to be received by the Administrator by the provisions of subsection (e) of this section.

"(b) The Administrator shall be responsible for the custody, use, and withdrawal of records transferred to him: *Provided*, That whenever any records the use of which is subject to statutory limitations and restrictions are so transferred, permissive and restrictive statutory provisions with respect to the examination and use of such records applicable to the head of the agency from which the records were transferred or to employees of that agency shall thereafter likewise be applicable to the Administrator, the Archivist, and to the employees of the General Services Administration, respectively: *Provided further*, That whenever the head of any agency shall specify in writing restrictions that appear to him to be necessary or desirable in the public interest, on the use or examination of records being considered for transfer from his custody to the Administrator, the Administrator shall impose such restrictions on the records so transferred, and shall not remove or relax such restrictions without the concurrence in writing of the head of the agency from which the material shall have been transferred (or if the existence of such agency shall have been terminated, then he shall not remove or release such restrictions without the concurrence of his successor in function, if any, of such agency head): *Provided, however*, That statutory and other restrictions referred to in the provisos of this subsection shall not remain in force or effect after the records have been in existence for 50 years unless the Administrator by order shall determine with respect to specific bodies of records that such restrictions shall remain in force and effect for a longer period: *And provided further*, That restrictions on the use or examination of records deposited with the National Archives of the United States heretofore imposed and now in force and effect under the terms of section 3 of the National Archives Act, approved June 19, 1934, shall continue in force and effect regardless of the expiration of the tenure of office of the official who imposed them but may be removed or relaxed by the Administrator with the concurrence in writing of the head of the agency from which material has been transferred (or if the existence of such agency shall have been terminated, then with the concurrence in writing of his successor in function, if any).

"(c) The Administrator shall make provisions for the preservation, arrangement, repair and rehabilitation, duplication and reproduction (including microcopy publications), description, and exhibition of records transferred to him as may be needful or appropriate, including the preparation and publication of inventories, indexes, catalogs, and other finding aids or guides facilitating their use; and, when approved by the National Historical Publications Commission, he may also publish such historical works and collections of sources as seem appropriate for printing or otherwise recording at the public expense.

"(d) The Administrator shall make such provisions and maintain such facilities as he deems necessary or desirable for servicing records in his custody that are not exempt from examination by statutory provisions or other restrictions.

"(e) The Administrator may accept for deposit—

"(1) the personal papers and other personal historical documentary materials of the present President of the United States, his successors, heads of executive departments, and such other officials of the Government as the President may designate, offered for deposit under restrictions respecting their use specified in writing by the prospective depositors: *Provided*, That restrictions so specified on such materials, or any portions thereof, accepted by the Administrator for such deposit shall have force and effect during the lifetime of the depositor or for a period not to exceed 25 years, whichever is longer unless sooner terminated in writing by the depositor or his legal heirs: *And provided further*, That the Archivist determines that the materials accepted for such deposit will have continuing historical or other values;

"(2) motion-picture films, still pictures, and sound recordings from private sources that are appropriate for preservation by the Government as evidence of its organization, functions, policies, decisions, procedures, and transactions.

Title to materials so deposited under this subsection shall pass to and vest in the United States.

"(f) The Administrator is hereby authorized to make and preserve motion-picture

films, still pictures, and sound recordings pertaining to and illustrative of the historical development of the United States Government and its activities, and to make provisions for preparing, editing, titling, scoring, processing, duplicating, reproducing, exhibiting, and releasing for nonprofit educational purposes, motion-picture films, still pictures, and sound recordings in his custody.

"REPORTS

"SEC. 508. (a) The Administrator is hereby authorized whenever he deems it necessary to obtain reports from Federal agencies on their activities under the provisions of this title and the act approved July 7, 1943 (57 Stat. 380–383), as amended July 6, 1945 (59 Stat. 434).

"(b) The Administrator shall, whenever he finds that any provisions of this title have been or are being violated, inform in writing the head of the agency concerned of such violations and make recommendations regarding means of correcting them. Unless corrective measures satisfactory to the Administrator are inaugurated within a reasonable time, the Administrator shall submit a written report thereon to the President and the Congress.

"LEGAL STATUS OF REPRODUCTIONS

"SEC. 509. (a) Whenever any records that are required by statute to be retained indefinitely have been reproduced by photographic, microphotographic, or other processes, in accordance with standards established by the Administrator, the indefinite retention of such photographic, microphotographic, or other reproductions will be deemed to constitute compliance with the statutory requirement for the indefinite retention of such original records. Such reproductions, as well as reproductions made in compliance with regulations promulgated to carry out this title, shall have the same legal status as the originals thereof.

"(b) There shall be an official seal for the National Archives of the United States which shall be judicially noticed. When any copy or reproduction, furnished under the terms hereof, is authenticated by such official seal and certified by the Administrator, such copy or reproduction shall be admitted in evidence equally with the original from which it was made.

"(c) The Administrator may charge a fee not in excess of 10 percent above the costs or expenses for making or authenticating copies or reproductions of materials transferred to his custody. All such fees shall be paid into, administered, and expended as a part of the National Archives Trust Fund provided for in section 5 of the act approved July 9, 1941. There shall be no charge for making or authenticating copies or reproductions of such materials for official use by the United States Government: *Provided*, That reimbursement may be accepted to cover the cost of furnishing such copies or reproductions that could not otherwise be furnished.

"LIMITATION ON LIABILITIES

"SEC. 510. With respect to letters and other intellectual productions (exclusive of material copyrighted or patented) after they come into the custody or possession of the Administrator, neither the United States nor its agents shall be liable for any infringement of literary property rights or analogous rights arising thereafter out of use of such materials for display, inspection, research, reproduction, or other purposes.

"DEFINITIONS

"SEC. 511. When used in this title—

"(a) The term 'records' shall have the meaning given to such term by section 1 of the act entitled 'An act to provide for the disposal of certain records of the United States Government,' approved July 7, 1943 (57 Stat. 380, as amended; 44 U. S. C. 366);

"(b) The term 'record center' means an establishment maintained by the Administrator or by a Federal agency primarily for the storage, servicing, security, and processing of records that must be preserved for varying periods of time and need not be retained in office equipment and space;

"(c) The term 'servicing' means making available for use information in records and other materials in the custody of the Administrator—

"(1) by furnishing such records or other materials, or information from such records or other materials, or copies or reproductions thereof to agencies of the Government for official use and to the public; and

"(2) by making and furnishing authenticated or unauthenticated copies or reproductions of such records and other materials;

"(d) The term 'National Archives of the United States' means those official records that have been determined by the Archivist to have sufficient historical or other value to warrant their continued preservation by the United States Government, and have been accepted by the Administrator for deposit in his custody;

"(e) The term 'unauthenticated copies' means exact copies or reproductions of records or other materials that are not certified as such under seal and that need not be legally accepted as evidence; and

"(f) The term 'Archivist' means the Archivist of the United States."

SEC. 7. The Federal Property and Administrative Services Act of 1949 is further amended by—

(a) striking out the word "and" preceding "(2)" in subsection (d) of section 3 thereof; substituting a semicolon for the period at the end of said subsection; and adding at the end of such subsection the following: "and (3) records of the Federal Government.";

(b) striking out, in section 208 (a) thereof, the expression "and V" and inserting in lieu thereof the expression "V, and VI";

(c) striking out, in section 208 (b) thereof, the expression "and V" and inserting in lieu thereof the expression "V, and VI";

(d) striking out the word "and" at the end of paragraph (30) of section 602 (a); striking out the period at the end of paragraph (31) of section 602 (a) and inserting in lieu thereof a semicolon; and adding at the end of section 602 (a) the following new paragraphs:

"(32) the act entitled 'An act to establish a National Archives of the United States Government, and for other purposes,' approved June 19, 1934 (48 Stat. 1122–1124, as amended; 44 U. S. C. 300, 300a, 300c–k); and

"(33) section 4 of the act of February 3, 1905 (33 Stat. 687, as amended; 5 U. S. C. 77)."

(e) amending subsections 602 (b) and (c) thereof to read as follows:

"(b) There are hereby superseded—

"(1) the provisions of the first, third, and fifth paragraphs of section 1 of Executive Order No. 6166 of June 10, 1933, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms; and

"(2) sections 2 and 4 of the act entitled 'An act to provide for the disposal of certain records of the United States Government,' approved July 7, 1943 (57 Stat. 381, as amended; 44 U. S. C. 367 and 369), to the extent that the provisions thereof are inconsistent with the provisions of title V of this act.

"(c) The authority conferred by this act shall be in addition and paramount to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841)."

(f) amending paragraphs (17), (18), and (19) of section 602 (d) thereof to read as follows:

"(17) the Central Intelligence Agency;

"(18) the Joint Committee on Printing, under the act entitled 'An act providing for the public printing and binding and the distribution of public documents', approved January 12, 1895 (28 Stat. 601), as amended, or any other act; or

"(19) for such period of time as the President may specify, any other authority of any executive agency which the President determines within 1 year after the effective date of this act should, in the public interest, stand unimpaired by this act."

(g) striking out the period at the end of section 603 (a) thereof and inserting in lieu thereof a common and the following: "including payment in advance, when authorized by the Administrator, for library memberships in societies whose publications are available to members only, or to members at a price lower than that charged to the general public."

SEC. 8. (a) Subsection 3 (b) of the Federal Property and Administrative Services Act of 1949 is amended to read as follows:

"(b) The term 'Federal agency' means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction)."

(b) Section 201 (b) of the Federal Property and Administrative Services Act of 1949 is amended by striking out the expression "or the Senate, or the House of Representatives,".

(c) Section 602 of the Federal Property and Administrative Services Act of 1949 is amended by redesignating subsection (e) thereof as subsection (f), and inserting, immediately after subsection (d) thereof, the following new subsection:

"(e) No provision of this act as originally enacted or as subsequently amended shall apply to the Senate or the House of Representatives (including the Architect of the Capitol and any building, activity, or function under his direction), but any of the services and facilities authorized by this act to be rendered or furnished shall, as far as practicable, be made available to the Senate, the House of Representatives, or the Architect of the Capitol, upon their request. If payment would be required for the rendition or furnishing of a similar service or facility to an executive agency, payment therefor shall be made by the recipient thereof, upon presentation of proper vouchers, in advance or by reimbursement (as may be agreed upon by the Administrator and the officer or body making such request). Such payment may be credited to the applicable appropriation of the executive agency receiving such payment. Notwithstanding the provisions of this subsection, subsection 210 (b) and subsection 210 (c) of this act shall not apply to any building, project or grounds, or to any activity, heretofore placed under the Architect of the Capitol by any provision of law."

SEC. 9. The Federal Property and Administrative Services Act of 1949, section 205 (h), is hereby amended by striking out the last word of the sentence "title" and inserting in lieu thereof the word "Act".

SEC. 10. (a) Whenever any contract made on behalf of the Government by the head of any Federal agency, or by officers authorized by him so to do, includes a provision for liquidated damages for delay, the Comptroller General upon recommendation of such head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

(b) Section 306 of the Federal Property and Administrative Services Act of 1949, is hereby repealed, and this section shall be effective as of July 1, 1949.

SEC. 11. All laws or parts of laws in conflict with the provisions of this act or with any amendment made thereby are, to the extent of such conflict, hereby repealed.

Mr. HOLIFIELD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Strike out all after the enacting clause, and insert in lieu thereof the provisions of the bill H. R. 9129.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent the proceedings whereby the bill H. R. 9129 was passed were vacated, and that bill laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. DAWSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. SHAFER asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. WOLVERTON asked and was given permission to extend his remarks and include an address by Frank Wilbur Main.

Mr. HAGEN asked and was given permission to revise and extend the remarks he made on the disaster-relief bill and include a statement compiled by the American Red Cross of its jurisdiction and work for the last 29 years, also reference to the 128 separate acts of Congress pertaining to aid because of disasters in this country, also a statement from the highway commissioner of Minnesota showing the damage done in the counties in the district of Minnesota represented by Mr. HAGEN.

Mr. JUDD asked and was given permission to extend his remarks in two instances and include in each an editorial.

Mr. WILSON of Oklahoma asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Enid Morning News under date of August 4, entitled "The War Takes On New Meaning in Northwest Oklahoma."

Mr. PLUMLEY (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD and include certain extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SHELLEY (at the request of Mr. HAVENNER) for Monday, August 7, on account of illness.

To Mr. HARRISON (at the request of Mr. SMITH of Virginia) for Monday, August 7, 1950, on account of official business.

To Mr. HUGH D. SCOTT, JR. (at the request of Mr. GRAHAM) for 1 month, on account of Government business.

To Mr. MAGEE, for August 7 through August 15, on account of official business.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6454. An act to authorize the appointment of two additional district judges for the northern district of Illinois.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2018. An act to authorize advancement to and the reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes; and

S. 2128. An act to provide for the cancellation of certain licenses granted to the Government by private holders of patents and rights thereunder.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 29 minutes p. m.) the House adjourned until tomorrow, Tuesday, August 8, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1622. Under clause 2 of rule XXIV, a letter from the executive secretary, National Munitions Control Board, transmitting the semiannual report prepared by the National Munitions Control Board in accordance with the provisions of subsection (h), section 12, of the Neutrality Act of 1939 (Public Res. No. 54, 76th Cong.), was taken from the Speaker's table and referred to the committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALBERT: Committee of conference. House Joint Resolution 21. Joint resolution to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation; without amendment (Rept. No. 2808). Ordered to be printed.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. S. 456. An act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia; with amendment (Rept. No. 2809). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARDEN: Committee on Education and Labor. S. 2317. An act to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes; with amendment (Rept. No. 2810). Referred to the Committee of the Whole House on the State of the Union.

Mr. McGUIRE: Committee on Interstate and Foreign Commerce. H. R. 7789. A bill to amend the Railway Labor Act and to authorize agreements providing for union membership and agreements for deductions from the wages of carriers' employees for certain purposes and under certain conditions; with amendment (Rept. No. 2811). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 9141. A bill to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities; without amendment (Rept. No. 2812). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 9313. A bill to amend the Agriculture Act of 1949; without amendment (Rept. No. 2813). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BRAMBLETT:

H. R. 9356. A bill to authorize the construction of additional facilities at the Naval Postgraduate School, Monterey, Calif.; to the Committee on Armed Services.

By Mr. CURTIS:

H. R. 9357. A bill to provide for refund of the Federal tax paid on gasoline, where the gasoline is destroyed by fire or other casualty while held for resale by a jobber, wholesaler, or retail dealer; to the Committee on Ways and Means.

By Mr. ELLIOTT:

H. R. 9358. A bill to provide for the registration and induction of certain doctors and dentists into the United States Armed Forces; to the Committee on Armed Services.

By Mr. LATHAM:

H. R. 9359. A bill to provide aviation education for certain students in senior high schools; to the Committee on Interstate and Foreign Commerce.

By Mr. POAGE:

H. R. 9360. A bill to authorize the President to accept enlistments of nationals of other countries into the armed services of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. TAYLOR:

H. R. 9361. A bill to amend the Selective Service Act of 1948, as amended, and for other purposes; to the Committee on Armed Services.

By Mr. McMILLAN of South Carolina:

H. R. 9362. A bill to provide for the exchange of certain national park land situated in the District of Columbia for certain lands owned by the New Temple Committee, Inc.; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. O'HARA of Illinois introduced a bill (H. R. 9363) for the relief of Matue Iwasaki Heider, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2310. By Mr. MACK of Washington: Resolution of Seattle Aerie, No. 1, Fraternal Order of Eagles, asking that legislation be enacted to control subversive organizations and activities; to the Committee on Un-American Activities.

2311. By the SPEAKER: Petition of J. E. Brown, manager, Chamber of Commerce of Jacksonville, Jacksonville, Tex., protesting the decision of the United States Supreme Court which disclaims Texas ownership to its tidelands; to the Committee on the Judiciary.

2312. Also, petition of Mrs. Effa Collings, president, Miami Townsend Club, No. 22, Miami, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

2313. Also, petition of Miss Jennie M. Hoyt, secretary, Miami Townsend Club, No. 1, Miami, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

2314. Also, petition of Mrs. L. D. Glenn, secretary, Townsend Clubs of Pinellas County, St. Petersburg, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

2315. Also, petition of Mrs. Albina Bibeau, secretary, Townsend Club No. 13, St. Petersburg, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

SENATE

TUESDAY, AUGUST 8, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Albert Joseph McCartney, D. D., LL. D., emeritus minister, National Presbyterian Church, Washington, D. C., offered the following prayer:

"He that dwelleth in the secret place of the Most High shall abide under the shadow of the Almighty."

As Thy servants address themselves to the pressing and destiny-laden duties of these days, grant to each of them that meed of physical strength, mental vigor, and spiritual apprehension that will render them equal to their tasks. If any amongst them are pressed down with some personal anxiety or private sorrow, encourage them to cast all their cares over upon Thee, for Thou carest for them. Grant them such release of mind and spirit that they may devote all their thoughts and energies to the vast concerns of this day. In Jesus' name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 4, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 3584. An act to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes";

S. 3875. An act to amend section 9 of the Central Intelligence Agency Act of 1949; and

S. 3906. An act to amend the War Contractors' Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1838. An act to amend title 28 of the United States Code relating to fees of United States marshals;

S. 1858. An act to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces; and

S. 3959. An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes.

The message further announced that the House had passed the bill (S. 3934) to amend the act of May 13, 1924 (43 Stat. 118), as amended, relating to the United States-Mexican boundary, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and the following conferees were appointed:

Mr. CANNON, Mr. RABAUT, Mr. NORRELL, Mr. TABER; and

On chapter I, Mr. BATES of Kentucky, Mr. YATES, Mr. FURCOLO, Mr. STOCKMAN, and Mr. WILSON of Indiana;

On chapter II, Mr. MCGRATH, Mr. KIRWAN, Mr. ANDREWS, Mr. CANFIELD, and Mr. SCRIVNER;

On chapter III, Mr. ROONEY, Mr. FLOOD, Mr. PRESTON, Mr. STEFAN, and Mr. CLEVENGER;

On chapter IV, Mr. GARY, Mr. FERNANDEZ, Mr. PASSMAN, Mr. CANFIELD, and Mr. COUDERT;

On chapter V, Mr. FOGARTY, Mr. HEDRICK, Mr. MCGRATH, Mr. SCRIVNER, and Mr. H. CARL ANDERSEN;

On chapter VI, Mr. WHITTEN, Mr. STIGLER, Mr. KRUSE, Mr. H. CARL ANDERSEN, and Mr. HORAN;

On chapter VII, Mr. KIRWAN, Mr. JACKSON of Washington, Mr. GORE, Mr. JENSEN, and Mr. FENTON;

On chapter VIII, Mr. THOMAS, Mr. GORE, Mr. ANDREWS, Mr. CASE of South Dakota, and Mr. PHILLIPS of California;

On chapter IX, Mr. KERR, Mr. GORE, Mr. HEDRICK, Mr. WIGGLESWORTH, and Mr. STEFAN;

On chapter X, Mr. MAHON, Mr. SHEPPARD, Mr. SIKES, Mr. PLUMLEY, and Mr. WIGGLESWORTH;

On chapter X–A, Mr. GORE, Mr. HEDRICK, Mr. PASSMAN, Mr. WIGGLESWORTH, and Mr. STEFAN;

On chapter X–B, Mr. GARY, Mr. ROONEY, Mr. BATES of Kentucky, Mr. WIGGLESWORTH, and Mr. STEFAN; and

On chapter XI, Mr. GORE, Mr. HEDRICK, Mr. PASSMAN, Mr. WIGGLESWORTH, and Mr. STEFAN.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5902. An act for the relief of the Pan American Union;

H. R. 6298. An act to provide for the conveyance of certain land in Monroe County, Ark., to the State of Arkansas;

H. R. 8345. An act to amend the Columbia Basin Project Act with reference to recordable contracts;

H. R. 8396. An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes; and

H. R. 9229. An act to amend the act of April 29, 1941, to authorize the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 2018. An act to authorize advancement to and the reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes;

S. 2128. An act to provide for the cancellation of certain licenses granted to the Government by private holders of patents and rights thereunder; and

H. R. 6454. An act to authorize the appointment of two additional district judges for the northern district of Illinois.

LEAVES OF ABSENCE

On request of Mr. LUCAS, and by unanimous consent, Mr. JOHNSTON of South Carolina was excused from attendance on the sessions of the Senate for an indefinite period because of illness in his family.

On request of Mr. LUCAS, and by unanimous consent, Mr. PEPPER was excused from attendance on the session of the Senate today.

On request of Mr. WHERRY, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate today and tomorrow.

On his own request, and by unanimous consent Mr. FLANDERS was excused from attendance on the sessions of the Senate until Wednesday of next week because of official business.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	George	Langer
Anderson	Gillette	Leahy
Benton	Graham	Lehman
Brewster	Green	Lodge
Bricker	Gurney	Lucas
Butler	Hayden	McCarran
Byrd	Hendrickson	McCarthy
Capehart	Hickenlooper	McClellan
Chavez	Hill	McFarland
Connally	Hoey	McKellar
Cordon	Holland	McMahon
Darby	Hunt	Magnuson
Donnell	Ives	Malone
Douglas	Jenner	Martin
Dworshak	Johnson, Colo.	Maybank
Ecton	Johnson, Tex.	Millikin
Ellender	Kefauver	Morse
Ferguson	Kem	Mundt
Flanders	Kerr	Murray
Frear	Kilgore	Myers
Fulbright	Knowland	Neely

O'Conor	Smith, N. J.	Tydings
O'Mahoney	Sparkman	Watkins
Robertson	Stennis	Wherry
Russell	Taft	Wiley
Saltonstall	Thomas, Okla.	Williams
Schoeppel	Thomas, Utah	
Smith, Maine	Thye	

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Minnesota [Mr. HUMPHREY] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from South Carolina [Mr. JOHNSTON] is absent by leave of the Senate because of illness in his family.

The Senator from Louisiana [Mr. LONG], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair, as is usual, will recognize Senators for routine matters, without speeches or debate.

THE MERIT CO.—VETO MESSAGE
(S. DOC. NO. 199)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Senate, which was read, and ordered to lie on the table, as follows:

UNITED STATES SENATE,
OFFICE OF THE SECRETARY,
August 8, 1950.

To the PRESIDENT OF THE SENATE:

The attached sealed envelope, indicating on its face that it contains a message from the President of the United States, and addressed to the President of the Senate of the United States, was received in the office of the Secretary on August 5, 1950, during the recess of the Senate.

Respectfully,

LESLIE L. BIFFLE,
Secretary of the Senate.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, referred to the Committee on the Judiciary, and ordered to be printed:

To the Senate:

I return herewith, without my approval, S. 1027, "For the relief of the Merit Co."

The bill provides for payment of the sum of $31,612.39 to the Merit Co., Chicago, Ill., in full satisfaction of its claim against the United States for additional compensation for work performed and materials furnished by it under purchase orders placed with it by the Navy Department.

It appears that Order A, dated October 25, 1943, was issued to the company for the manufacture of 600,000 handwheel nuts. In March 1944, the company requested a price increase to 60 cents per unit. This request was based on hardship. A month later, a change order given under authority of the First War Powers Act increased the unit price from 28½ cents to 35 cents, the then prevailing competitive price for the contract item. In addition, the change order canceled the remainder of the order and contained a general release of all parties. The claimant freely signed this release.

Order B, dated May 18, 1944, was for the manufacture of 300,000 handwheel nuts at a unit price of 35 cents. Eight months later this order was terminated for the convenience of the Government, but in accordance with termination rights contained in the contract. By a supplemental settlement agreement of October 11, 1945, the contractor accepted a lump sum settlement of $7,600 to cover claims arising out of the termination. Again, a general release of all parties under Order B was freely executed. However, the agreement specifically excluded a total of $53,195.75 claimed by loss to the company under Orders A and disallowed by the Navy Department as an improper item for settlement under Order B. The amount contained in the instant bill is agreed to as the net loss to the company under Orders A and B.

It is contended by the company that it suffered the loss in question on its first contract and that it was led, by representatives of the Department of the Navy, to believe that this loss would be made up under the second contract. Aside from claimant's own statements, there is no proof that such representations were made or that they were authorized to be made. The record of the hearings upon this bill, held before a Subcommittee of the Senate Judiciary Committee, does not reveal why the committee failed to call as witnesses contracting officers of the Navy, who presumably could have given testimony on this point. In justice to the Government and the claimant, I feel that the record on this point should be clarified.

I feel that this point is important because I am at a loss to understand how, considering the fact that the second contract was entered into for a unit price of 35 cents, the manufacturer could have cleared enough profit at that unit price to make up the losses under the first contract.

It is not disputed that the claimant voluntarily entered into a settlement of the first contract and that in spite of its losses it also voluntarily signed a settlement and general release under the second contract. If I were to approve the bill, I would be doing so without any certainty as to what representations were made by the Government and would, at the same time, be setting aside not one but two settlements, the legality of which is not challenged. If I were to approve this bill, my action would have to be based solely upon the assumption that an equitable claim has been proven beyond reasonable doubt and that the reservation made in the second settlement agreement provides a basis for the enactment of this measure. I cannot believe that such action is justified.

I am also disturbed by the fact that no part of the record in this case contains any showing that the claimant sustained an over-all loss in its contractual relations with the Government during the war. An officer of the company stated at the hearings that profit was made on at least one Army contract, but the detailed information on the amount of such profit was not supplied for the record.

It has been the clear and wise policy of the Government not to reimburse war contractors for loss on a single contract or a series of contracts where it cannot be demonstrated that a net loss was suffered on all of their war contracts. I am reluctant to set aside this general rule in the absence of any conclusive evidence of such net loss in the case of the Merit Company.

Every contract entered into represents a risk voluntarily assumed by the contractor presumably for the purpose of profit. That many such contracts, because of untoward circumstances, result in loss is unfortunate, but to expect that the Government will underwrite any such loss and become, in effect, the insurer of it, is to misconstrue and destroy the respective obligations assumed by the parties to any contract. To afford relief in cases of this type would tend to destroy the advantages of the existing system of competitive bidding which has been traditionally associated with our free enterprise economy. It would eliminate the element of risk that stimulate efficient production and create an unfair discrimination against unsuccessful bidders.

For the foregoing reasons, I feel obliged to withhold my approval from this bill. In taking this action, however, I wish to express the hope that the Congress will reconsider this case. If clear evidence can be obtained that responsible contracting officers of the Government did agree to make whole the net losses of the Merit Co., and if it can be proven that the company did have net losses on all of its war contracts, a different situation would exist. I would then feel that a basis exists for the enactment, on equitable grounds, of a relief measure which would restore such losses to the claimant.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 5, 1950.*

DEFENSE PRODUCTION ACT OF 1950—REPORT OF COMMITTEE FILED DURING RECESS

Under authority of the order of the Senate of August 4, 1950,

Mr. MAYBANK, from the Committee on Banking and Currency, to which was referred the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes,

reported it on August 7, 1950, with amendments, and submitted a report (No. 2250) thereon.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON CONSTRUCTION OF PARKWAY BETWEEN GREAT FALLS AND CUMBERLAND, MD.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a joint reconnaissance survey report made by the Bureau of Public Roads of the Department of Commerce and the National Park Service on the advisability and practicability of constructing a parkway along the route of the Chesapeake and Ohio Canal between Great Falls and Cumberland, Md. (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF NATIONAL MUNITIONS CONTROL BOARD

A letter from the executive secretary, National Munitions Control Board, transmitting, pursuant to law, a confidential report of the Board for the period July 1, 1949, to December 31, 1949 (with an accompanying report); to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of Puerto Rico; to the Committee on Foreign Relations:

"Senate Concurrent Resolution 1

"Concurrent resolution to condemn the Commmunist aggression against southern Korea and express the solidarity of the people of Puerto Rico with the stand taken by the United States of America and the United Nations for the defense of democracy

"Whereas Communist troops have invaded southern Korea, thereby launching a damnable campaign of aggression against the democracy which has been in operation in that part of the world, a fact which constitutes an attempt upon world peace; and

"Whereas such an invasion, besides being unjustified and unprovoked, represents a violation of agreements established for the purpose of providing a stable foundation for, and a firm guaranty of, world peace; and

"Whereas in the face of such aggression of the Communist forces—disturbers of good relationships between peoples and violators of clearly established covenants—the United States, in their vigilance to guarantee the peace, and reiterating their firm will to insure freedom of expression and the free functioning of democracy, have tendered and given to the United Nations the aid of their Armed Forces to check such an invasion and repulse the aggression of communism against the democracy of southern Korea; and

"Whereas all the countries in the vanguard of universal democracy have expressed their solidarity with the decided and courageous manner in which the United Nations and the United States of America have repulsed with armed forces the said aggression against democracy and world peace: Now, therefore, be it

"Resolved by the Senate of Puerto Rico (the House of Representatives of Puerto Rico concurring):

"First. To condemn the aggression of the Communist forces against southern Korea, and the attempt upon democracy and the menace to the peace represented by such an invasion.

"Second. To express the full solidarity of the people of Puerto Rico with the stand taken by the United States of America and the United Nations in defense of democracy, and in avowal of the guaranties for universal peace, reaffirming their faith in the values of democracy and their recognition of the need of establishing world peace in order to insure the tranquility and development without hindrance of civilization and culture.

"Third. That copies of this concurrent resolution be transmitted to His Excellency Harry S. Truman, President of the United States of America; to the Security Council of the United Nations; to the chairmen of the Committees on Armed Forces of the Senate and the House of Representatives of the United States; to the President of the Senate and the Speaker of the House of Pepresentatives of the United States; and to the Resident Commissioner for Puerto Rico in Washington."

A telegram in the nature of a petition from the Congress of Industrial Organizations, Washington, D. C., signed by Philip Murray, president, praying for the enactment of legislation requested by the President, providing for allocations of necessary materials and facilities, financial assistance for expansion of productive capacity and strengthened controls over credit and speculation on commodity exchanges; to the Committee on Banking and Currency.

Resolutions adopted by Miami Townsend Club No. 22, and Miami Townsend Club No. 1, both of Miami, and St. Petersburg Townsend Club No. 13, and senior citizens of Northwest Pinellas County, all in the State of Florida, favoring the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

A resolution adopted by representatives of Monongahela Valley of southwestern Pennsylvania branches of the First Slovak Catholic Union of the United States of America, relating to certain charges against Karol Sidor, chairman of the Slovak Liberation Committee abroad; to the Committee on Foreign Relations.

A resolution adopted by the Jacksonville (Tex.) Chamber of Commerce, protesting against the decision of the United States Supreme Court in the Texas Tidelands case; to the Committee on Interior and Insular Affairs.

A telegram in the nature of a petition signed by Jacob Potofsky, chairman, CIO International Committee, Washington, D. C., praying that the Senate reconsider and reverse its vote granting a loan to Franco Spain; ordered to lie on the table.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 3136. A bill to authorize the Secretary of the Interior to transfer to the town of Mills, Wyo., a sewage system located in such town; with an amendment (Rept. No. 2251);

H. R. 2984. A bill to consolidate the Parker Dam project and the Davis Dam project; without amendment (Rept. No. 2252);

H. R. 5984. A bill to approve Joint Resolution 12 enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases; without amendment (Rept. No. 2253);

H. R. 6221. A bill to authorize the sale of certain public lands in Alaska to the This-Side-of-Heaven Children's Home for use as a children's home; without amendment (Rept. No. 2254);

H. R. 7146. A bill to amend section 3 of the act entitled "An act to provide for the disposal of materials on the public lands of the United States", so as to provide that moneys received from the disposal of material from reserved school section lands in Alaska shall be credited to the Territory; without amendment (Rept. No. 2255);

H. R. 7641. A bill to direct the Secretary of the Interior to convey certain land in the District of Columbia to the New York Avenue Presbyterian Church; without amendment (Rept. No. 2256); and

H. R. 8028. A bill to authorize the Secretary of the Interior to dispose of the remaining Government lots in the town site of St. Marks, Fla.; with an amendment (Rept. No. 2257).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that he presented to the President of the United States the following enrolled bills:

On August 5, 1950:

S. 2160. An act to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes;

S. 2591. An act to amend the Public Health Service Act to support research and training in matters relating to arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, leprosy, and other diseases; and

S. 2663. An act to provide for the expansion and disposition of certain national cemeteries.

On August 8, 1950:

S. 2018. An act to authorize advancements to and the reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes; and

S. 2128. An act to provide for the cancellation of certain licenses granted to the Government by private holders of patents and rights thereunder.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LUCAS:

S. 4023. A bill for the relief of Beadrick Donath, Vera Donath, and Brigetta Graetzer; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 4024. A bill to provide that the United States District Court for the Western District of Washington, Southern Division, shall sit at Tacoma and Vancouver; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado (by request):

S. 4025. A bill to clarify and consolidate the authority to require the establishment and maintenance of aids to navigation on private structures in or over navigable waters of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Texas:

S. 4026. A bill granting the consent of the Congress to the negotiation of a compact relating to the waters of the Sabine River by the States of Texas and Louisiana; to the Committee on Interior and Insular Affairs.

By Mr. TYDINGS:

S. 4027. A bill to amend the Selective Service Act of 1948, as amended, and for other purposes; and

S. 4028. A bill authorizing the Secretary of the Navy to permit Andre Caradec to receive instruction at the United States Naval Academy; to the Committee on Armed Services.

By Mr. LEAHY:

S. J. Res. 197. Joint resolution to provide for the appointment of a joint committee to investigate the business methods, opera-

tions, rates and charges of the postal service, and for other purposes; to the Committee on Post Office and Civil Service.

SUSPENSION OF DUTIES AND IMPORT TAXES ON METAL SCRAP—AMENDMENT

Mr. McMAHON submitted an amendment intended to be proposed by him to the bill (H. R. 5327) to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes, which was ordered to lie on the table and to be printed.

DEFENSE PRODUCTION ACT OF 1950—AMENDMENTS

Mr. MAYBANK. Mr. President, I submit amendments intended to be proposed by me to the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, and I ask unanimous consent that a short statement by me be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, without objection the statement will be printed in the RECORD. The Chair hears no objection.

The statement presented by Mr. MAYBANK is as follows:

STATEMENT BY SENATOR MAYBANK

The amendments submitted by me are for the reason, that in my opinion, the President in establishing and maintaining any ceilings on any agricultural commodities, should take into consideration, and make appropriate allowances, for substantial reductions in merchantable crop yield, unusual increases in cost of production and other factors which result from hazards occurring in connection with the production and marketing of agricultural commodities.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 5902. An act for the relief of the Pan American Union; to the Committee on Foreign Relations.

H. R. 6298. An act to provide for the conveyance of certain land in Monroe County, Ark., to the State of Arkansas; and

H. R. 8345. An act to amend the Columbia Basin Project Act with reference to recordable contracts; to the Committee on Interior and Insular Affairs.

H. R. 8396. An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes; to the Committee on Public Works.

H. R. 9229. An act to amend the act of April 29, 1941, to authorize the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts; to the Committee on the Judiciary.

THE PORTLAND PLAN AGAINST HOARDING—ADDRESS BY SENATOR SMITH OF MAINE

[Mrs. SMITH of Maine asked and obtained leave to have printed in the RECORD an address on the subject of the Portland plan against hoarding, delivered by her at the Portland plan mass meeting, Sunday, August 6, 1950, which appears in the Appendix.]

APPOINTMENTS TO THE COURTS—STATEMENT AND LETTER BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him regarding appointments to the United States courts by President Truman, and a letter written by him to the President, dated August 1, 1950, which appear in the Appendix.]

ADDRESSES BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD the text of three addresses made by him, which appear in the Appendix.]

SENATOR MYERS' WASHINGTON NEWS LETTER

[Mr. MYERS asked and obtained leave to have printed in the RECORD a copy of his Washington News Letter, dated August 3, 1950, which appears in the Appendix.]

SOCIAL INSURANCE—ARTICLE BY RICHARD L. STROUT

[Mr. MYERS asked and obtained leave to have printed in the RECORD an article entitled "A Great Social Revolution," written by Richard L. Strout, and published in the Christian Science Monitor on August 2, 1950, which appears in the Appendix.]

THE STEEL SHORTAGE—ARTICLE BY RICHARD L. STROUT

[Mr. MYERS asked and obtained leave to have printed in the RECORD an article entitled "Oh, for Those Steel Stand-by Plants," written by Richard L. Strout and published in the Christian Science Monitor of July 26, 1950, which appears in the Appendix.]

COLOR TELEVISION

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a copy of a letter written by David Sarnoff, chairman of the board, Radio Corp. of America, to Hon. Wayne Coy, Chairman, Federal Communications Commission; a copy of a letter written by Frank Stanton, president Columbia Broadcasting System, to Mr. Coy; and a copy of a letter by Senator JOHNSON of Colorado to Mr. Coy, which appear in the Appendix.]

TRIBUTE TO ALICE CARTER OLIVER BY MAY M. CRESSWELL

[Mr. STENNIS asked and obtained leave to have printed in the RECORD an article entitled "Alice Oliver Retires," written by May M. Cresswell and published in the Extension Service Review, which appears in the Appendix.]

WEEVILS IN THE STOREHOUSE—EDITORIAL FROM THE FARM JOURNAL

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an editorial entitled "Weevils in the Storehouse," published in the July 1950 issue of the Farm Journal, which appears in the Appendix.]

THE CREEPING SHADOW OF SOCIALISM—ADDRESS BY GEORGE E. STRINGFELLOW

[Mr. SMITH of New Jersey asked and obtained leave to have printed in the RECORD an address entitled "The Creeping Shadow of Socialism," delivered by George E. Stringfellow, of East Orange, N. J., before the Rotary Club of Wichita Falls, Tex., August 3, 1950, which appears in the Appendix.]

STREIT FORECAST KREMLIN'S SHIFT TO ASIA—ARTICLE BY CLARENCE K. STREIT

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD the third of a series of five articles by Clarence Streit, entitled "Korea's Lesson: The Free Must Federate Sooner," published in various newspapers in the United States and Canada, which appears in the Appendix.]

WE CAN'T DO ALL THE FIGHTING—EDITORIAL FROM THE KANSAS CITY STAR

[Mr. SCHOEPPEL asked and obtained leave to have printed in the RECORD an editorial entitled "We Can't Do All the Fighting," published in the Kansas City Star of July 30, 1950, which appears in the Appendix.]

MEDICAL EDUCATION—EDITORIAL FROM THE WASHINGTON POST

[Mr. HILL asked and obtained leave to have printed in the RECORD an editorial, Medical Education, published in the Washington Post on August 8, 1950, which appears in the Appendix.]

UNJUSTIFIED INCREASE IN THE PRICE LEVEL

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD a copy of a letter dated August 3, written by Albert J. Loveland to the Honorable Charles F. Brannan, Secretary of Agriculture, and a copy of a letter dated August 3, written by Mr. Albert J. Loveland to Senator THOMAS of Oklahoma, which appear in the Appendix.]

THE NEW DILEMMA OF EUROPE AND THE UNITED STATES—ARTICLE BY ANNE O'HARE McCORMICK

[Mr. BENTON asked and obtained leave to have printed in the RECORD an article entitled "The New Dilemma of Europe and the United States," written by Anne O'Hare McCormick and published in the New York Times of July 19, 1950, which appears in the Appendix.]

THE PROPAGANDA FRONT—EDITORIAL FROM THE REPORTER

[Mr. BENTON asked and obtained leave to have printed in the RECORD an editorial entitled "The Propaganda Front," published in the August 1, 1950, issue of the Reporter, which appears in the Appendix.]

STATE DEPARTMENT LOYALTY INVESTIGATION—RESOLUTIONS AND NEWS COMMENT

[Mr. McCARTHY asked and obtained leave to have printed in the RECORD a resolution of Williams Bridge Post, No. 1070, Department of New York, American Legion, and newspaper comment regarding the State Department loyalty investigation, which appear in the Appendix.]

CONFIRMATION OF NOMINATIONS IN THE ARMED SERVICES

Mr. HUNT. Mr. President, as in executive session, I report from the Committee on Armed Services sundry nominations in the various components of the Military Establishment and request their immediate confirmation.

The VICE PRESIDENT. The reports will be received. Is there objection to the present consideration of the nominations?

There being no objection, the nominations were considered and confirmed en bloc.

DEATH OF FORMER SENATOR W. E. BROCK

Mr. KEFAUVER. Mr. President, it is with deep regret and a sense of personal loss that I announce to my colleagues the passing of a distinguished former Member of this body, the Honorable William E. Brock, at the age of 78.

In commenting on the passing of former Senator Brock, the Chattanooga Times stated editorially that "a mighty oak has fallen in the forest." This is certainly true.

While president of the Tennessee River Improvement Association, Senator Brock and his associates led a movement to have the Corps of Engineers survey completely the Tennessee Valley. It was on the basis of this survey that the Tennessee Valley Authority was eventually established. There is hardly an important civic position in Chattanooga and Hamilton County which was not filled at one time or another by this "fallen oak in the forest." He established the Brock Candy Co., one of our leading industries in Chattanooga. He was a great lay leader in the Methodist Church, and in 1913 staged one of the greatest of all reunions of Confederate soldiers as general chairman of the event. When the University of Chattanooga began a drive for $350,000, Senator Brock, although in his seventies, was instrumental in raising the entire amount before the general public knew there was to be a campaign.

In 1929 Senator Brock was appointed to the United States Senate. He was reelected for a short term and, in all, he served approximately 3 years. He endeared himself to his colleagues and to those on the Washington scene during his tenure and was a most effective legislator.

But this success story is not a story of ease. Before wealth, prestige, and power, came hardship; for Senator Brock, at the tender age of 14, found himself responsible as the head of a family which sought to eke out a living on a small rocky farm during the reconstruction era following the War Between the States. His father, a gallant officer of the Confederate Army, had died following his military service and seven more years as an invalid.

Senator Brock's first position was as the first salesman, at $30 a month, for the R. J. Reynolds Tobacco Co., at Winston-Salem, N. C. At the end of his first year, he was given a $500 bonus with which he made the down payment on a home for his mother. Upon his retirement from this company, instead of $30 a month, he was earning $30 a day. From this meager beginning, Senator Brock rose to a position of prestige and prominence in which many of my colleagues knew him. I feel that those in the Senate who knew him will want to join me in an expression of deepest sympathy to the family of Senator Brock, and will also join me in an approval of the editorial comment regarding Senator Brock, that truly "a mighty oak has fallen in the forest."

VAN FLEET'S RETURN—EDITORIAL FROM THE WASHINGTON POST

Mr. HOLLAND. Mr. President, I have heretofore advised the Senate of the great pleasure and pride experienced by the people of Florida because of the recent return to his homeland of a Florida soldier with an outstanding record of achievement, Lt. Gen. James A. Van Fleet. He has just returned to the United States after the successful completion of his great work as head of the American Military Mission to Greece. He returns to assume command of the Second Army. In connection with his return and with the new honors that have been conferred upon him, in that he was awarded yesterday by the President a second oak leaf cluster on the Distinguished Service Medal, I ask unanimous consent to have printed in the RECORD as a part of my remarks an editorial entitled "Van Fleet's Return," published in the Washington Post of August 5, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

VAN FLEET'S RETURN

A good soldier and a modest and self-effacing man was honored on Wednesday by the city of New York in the person of Lt. Gen. James A. Van Fleet. Van Fleet was the chief of the American military mission which advised the Greek Army in pacifying Greece. In the process the general remolded the Greek Army into a compact organization which after liquidating the Communist menace became a stabilizing influence in the troubled affairs of the Balkans. He never forgot that the strength of an army lies in the support it gets from the people. It was Van Fleet who, after the war was over, succeeded in persuading the Greek Government to reduce an army swollen for fighting purposes to manageable proportions.

The United States since its emergence into a world power with vast responsibilities as the protector of the peace has produced few men of proconsular caliber. But General Van Fleet is one. The art of this kind of leadership is not easy to define. Leadership is, of course, the main component, but it is a kind of concealed leadership, capable of assuming no credit for achievement. It must be combined with a love of the people which is demonstrated to the people in action. All Greece knows that Van Fleet loves the people of Greece, but few of the people know the nature and scope of his accomplishments.

The Greeks at the top, of course, realize what Van Fleet has contributed for Greece; for instance, the wise and honored Marshal Papagos, the Greek commander in chief. On one occasion Van Fleet was presenting a visitor from this newspaper to the commander in chief. In so doing the general made a felicitous and justifiable reference to the marshal's services is guiding Greece to victory. Marshal Papagos heard him out, then, turning to the visitor, said, "You of course know that to him goes the credit," to the modest general's obvious embarrassment. General Van Fleet never forgot he was a guest in Greece. He lived with his helpful wife in the hotel, simply and even austerely, with an absence of show or importance, even though their lives were in constant danger when the campaign against the guerrillas was at its height.

It is fortunate that for the operation in Greece the United States had three such men as Ambassador Grady, ECA Chief Porter, and General Van Fleet. They made a fine team, working in complete harmony, and the result of their efforts is now to be seen in a rejuvenated Greece. They have all stamped their names on Greece, and the memory that Van Fleet has left with the gallant soldiers of Greece is bright and shining as well as indelible.

PRESIDENT WARNED OF TOTAL DANGER—RECOMMENDATIONS BY FREEDOM HOUSE

Mr. MORSE. Mr. President, I ask to have incorporated in the body of the RECORD as a part of my remarks an article which appeared in the New York Times yesterday on the 6-point recommendations of Freedom House in regard to the mobilization and the control of subversive activities in this country. I particularly should like to call attention to point 6, which deals with subversive activities. The group, headed by former Secretary of War Patterson, recommends the need of some legislation for curbing subversive activities in the United States. It makes a suggestion as to the need of certain modifications of the Mundt-Ferguson bill, but the particular paragraph I wish to stress is the following:

We believe, however, that Congress should enact legislation to outlaw the Communist Party and all of its affiliated agencies and publications. Today, American soldiers are being killed in defense of our Nation and our freedoms from Soviet-provoked military attack. It is, therefore, absurd to permit a "Russian party" on our ballot, a party which owes primary allegiance to an international movement with the avowed purposes of overthrowing our Government by violence, and with whose armed forces we are actually at war in Korea.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENT WARNED OF TOTAL DANGER—FREEDOM HOUSE URGES DRASTIC STEPS, INCLUDING FULL UNITED STATES MOBILIZATION, TO CURB SOVIET

President Truman was urged yesterday by the directors of Freedom House to take a series of drastic steps to combat Soviet aggression.

Robert P. Patterson, former Secretary of War, sent a 6-point program to the President from Freedom House headquarters in the Willkie Memorial Building, 20 West Fortieth Street. As president of the organization's trustees, Mr. Patterson warned that the United States must now prepare for total danger.

Among the steps recommended to the President was the outlawing by Congress of the Communist Party and all its affiliated agencies and publications. The report urged also that Korea, when reunited, be placed under United Nations jurisdiction; that up to 25 percent of American production be used for rearmament of this country and its allies, and that total military and economic mobilization be ordered here, including full controls over wages, prices and profits until the international crisis is ended.

The use of all resources to challenge any further attempts by Soviet Russia to violate the sovereignty of any nation was recommended, together with the strengthening of the United Nations so that it can effectively resist aggression anywhere at any time.

The report was drafted by a committee including Leo Cherne, Mrs. Elinore M. Herrick and Supreme Court Justice Ferdinand Pecora.

Others recommending the program include Cass Canfield, Dr. Harry J. Carman, Norman Cousins, Gladys Dickason, George Fielding Eliot, George Field, the Reverend George B. Ford, Mrs. Henry Gale, Dr. Harry D. Gideonse, Nathaniel L. Goldstein, Harold K. Guinzburg, Helen Hayes, the Right Reverend Henry W. Hobson, Mrs. Kermit Roosevelt, Oren Root, Spyros Skouras, Sumner Welles, Alfred Gwynne Vanderbilt, and Walter White.

TEXT OF THE REPORT

The text of the report follows:

"PREAMBLE

"Freedom House takes pride in the action by the United States which followed the events of June 25. That day clarified the issue of our time.

"A brutal unprovoked attack by the armed forces of world communism made its way from the thirty-eighth parallel in a military aggression against the young republic of South Korea. In that moment every peace-

loving nation within the United Nations was placed on notice that communism has moved from the area of conquest by means of the fifth column to open and violent scorn of its false profession of peaceful aims.

"Mr. President, you spoke with courage and foresight when you proclaimed the determination of the United States to defend the peace with everything at our command.

"We of Freedom House echo the universal praise which this decision evoked. We recognize that a world condition which was short of peace was turned by the Communist lust for power into a state which is now only short of total war.

"What, therefore, is necessary to meet this threat to our civilization?

"We propose:

"In addition to the military and civilian measures which you have urged, it is our judgment that the following steps are essential if we are to succeed in putting a stop to the onward march of Soviet imperialism.

"1. It should be our goal to achieve an early victory against the Russian-assisted North Korean aggressors in order to establish in Korea a political framework which will make a repetition of aggression impossible. Toward this end we recommend that a reunited Korea be placed under the jurisdiction of the United Nations when this aggression is terminated.

"2. All the resources at our command must be prepared to challenge an attempt at further violation of any sovereignty by the forces of Russian imperialism.

"In the days of Fascist aggression there was no clamor among Americans that we examine the political character of those nations attacked by Hitler or Mussolini. Similarly, in the present situation, while the internal character of Yugoslavia, Iran, Indochina, and perhaps others does not meet the demands of many of us, that problem should be secondary in the event of aggression against the sovereignty of any state.

"3. Recent international developments demonstrate the urgency of taking steps to convert the United Nations into a genuinely sovereign body on all questions involving the peace, free from the frustrating power of the veto. The United Nations should be strengthened to make it consistently capable of action as immediate and forceful as in the case of Korea without reliance on the accident of Soviet withdrawal and boycott. In any event, nations within the UN must form an effective association capable of resisting aggression at any time and place.

"4. We must rapidly achieve that degree of military and economic mobilization adequate to completely support an armed force capable of discouraging Soviet imperial aspirations and defeating her aggressive military acts whenever and wherever they are launched."

PRODUCTION FOR ARMAMENT

"In our judgment such a mobilization would require as much as 20 to 25 percent of our full productive capacities for the rearmament of the United States and western nations. The nations allied with us in the crusade for peace and freedom should expand their production for rearmament to the utmost possible degree.

"5. The actions of the Soviet Union force us to revise our economic measures for defense into a readiness for total danger. It is impossible to regulate and mobilize one segment of our economy in such an all-out effort without at the same time controlling every other segment with which it is connected. For the duration of the international crisis full controls over prices, wages, and profits are necessary.

"Much as we wish maximum freedom from the burdensome controls of war, the voluntary controls themselves create the need for compulsory controls. The first allocation of one material makes it inevitable that other materials will move into the zone of scarcity. To establish a priority is to establish a premium upon the price of that commodity.

"It is impossible to reduce pressure for higher wages without reducing pressure for higher prices and profits. We cannot control prices without controlling wages.

"6. While retaining full freedom of inquiry and criticism, we must emasculate the forces of subversion, infiltration, and sabotage within our midst. This objective should be achieved without using the shotgun of unproven charges and the technique of the smear campaign. While we agree with the purposes of the Mundt-Ferguson bill, we hold that certain of its provisions would add to rather than lessen the confusion which would result from the inevitable witch-hunt it would set it in motion.

"We believe, however, that Congress should enact legislation to outlaw the Communist Party and all of its affiliated agencies and publications. Today, American soldiers are being killed in defense of our Nation and our freedoms from Soviet-provoked military attack. It is, therefore, absurd to permit a Russian Party on our ballot, a party which owes primary allegiance to an international movement with the avowed purpose of overthrowing our Government by violence, and with whose armed forces we are actually at war in Korea."

CLEAR AND PRESENT DANGER

"The 'clear and present danger' which confronts our Government has been exposed in all its hideous ruthlessness not only by Communist acts of military aggression, but also by the recent affirmance by our Circuit Court of Appeals of the conviction last year of 11 men who direct the American section of international communism, with headquarters in the Kremlin.

"Furthermore, the danger was brazenly revealed to us by Pravda, the leading official organ of the Soviet Government, when it defined what was involved in the signing of the so-called Stockholm peace pledge. Here it is verbatim: 'I vote against war—this is not merely a matter of words. It means that I shall do my utmost to prevent war. I shall stop the trains; I shall refuse to unload the ships carrying war materials; I shall not supply fuel for the planes; I shall seize the arms of the mercenaries; I shall not allow my son or husband to go to war; I shall deprive the ministers of food, drink, telephone, transport, and coal. Let those who are dragging us into war do the fighting themselves.'

"It is obvious that whatever strategic advantages there still may be in retaining the fiction that the Communist Party is an American political organization, the logic of our position would be strengthened if Congress were to enact a straightforward law which deprived the Communist Party of its legal status. In the framing of such a law every safeguard should be devised to protect individuals and organizations from false accusations.

"We pledge:

"Freedom House will join with all freedom-loving Americans to do its part in the present emergency. First, we will help to enlighten those who have been victimized by the power of the Communist lies. We intend to launch a new television and radio series, The Secret Weapon—(The Truth). We will thus bring back to the American people the dramatic and informative program which Freedom House sponsored during the early days of World War II. Then we debunked the lies of our Nazi, Fascist, and Japanese enemies. Now we will place the searchlight of truth on the fabrications of our Communist enemy.

"Second, in October of this year we will open a freedom exhibit in our Willkie Memorial Building which will dramatize the visual story of America's progress through freedom: The American heritage, our Nation's achievement, and the goal we seek for all men.

"These projects will be undertaken as the Freedom House addition to other home-front efforts calculated to meet the ideological attack by our enemy.

"We are aware that we face not only the urgency of military preparation but also the urgency of a clear program designed to earn for us the friendship and fidelity of the people for whom we are fighting.

"The Soviets and their satellites have a program. Almost with the hour of capture the Soviet promise of land to the peasants is followed by the execution of those deemed unreliable. In a brief time the unhappy beneficiary of Communist liberation learns that the Soviet gives the land but takes the harvest.

"In contrast to Soviet slavery, we must continue to extend economic aid for the rehabilitation of those nations whose standard of living makes them prime targets for subversive attacks. We must build a haven for the new wave of refugees, those haggard people who at the risk of their lives have fled from Soviet-dominated lands.

"We must persuade the peoples of the world that, whatever the shortcomings of our society, greater achievement toward full freedom has been made in the United States in a shorter period of time than in any other society. We should underline this fact by moving further toward the elimination of those remaining barriers which prevent the full enjoyment of equal rights by all of our people.

"We must continue to seek a world in which a greater number live with greater comfort, and with a greater measure of the inherited dignity of the human being. We must seek a world in which the free expression of belief is made secure. And we must seek a world in which law and its enforcement are adequate to protect all people from tyranny and aggression.

"We in Freedom House are dedicated to these goals."

THE DOUGHBOY'S JOB—STATEMENT BY SENATOR MARTIN

Mr. MARTIN. Mr. President, the fighting in Korea has brought to the attention of the American people the various arms of the military service. In April 1929, I prepared an article on the doughboy's job. I believe it to be very appropriate at this time, and I ask unanimous consent that it may be printed at this place in the RECORD, as a statement prepared by me.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE DOUGHBOY'S JOB

[From the National Guardsman, April 1929]

"Doughboy" is the name applied to the infantryman. The endearing term belongs to both officers and men. Many uninformed writers of the World War have carelessly referred to all enlisted men as doughboys. This is an error which should be corrected.

The infantry has always appeared the least spectacular of the various branches of the service. The cavalry has been dashing, the engineers pioneering, and the artillery active.

We do not desire to attempt to prove that war is popular. No soldier would try to do this. In opposition, however, to the idea that it has lost much of its thrill by reason of its terrible dangers, by the elimination of spectacular charges, and by the abandonment of forced marches, attention is drawn to the modern infantry platoon. Preceding the world war a platoon leader had men either of the artillery, cavalry, or infantry. These three arms of the service ranked in the order

just given. The infantry platoon as used in the late war was raised to a much higher plane. It not only had its complement of rifles but its skillfully trained bayonet fighters, rifle grenade men requiring knowledge of artillery, boys of the athletic type handling the hand grenades, soldiers with the skill of machine gunners using the automatics and a complicated system of signals through which these units were coordinated into a smoothly operating machine. In the attack the platoon now covers a wide area—many times greater than that used in earlier wars.

The commander must know something of the war of movement and through the medium of minor tactics must adapt his little unit to the varying terrain which he covers. It has lifted the infantry lieutenant to the highest plane among junior officers. Instead of the old burdened and slow plodding doughboy who pitted courage against courage and met brawn with brawn, we now have a new type who lacks nothing in the old but adds brain against brawn. None but the keenest and most courageous can belong to this branch.

The Allies trained their armies for the so-called war of position. General Pershing soon decided that only an army of maneuver could break through the enemy's line. Both the French and the English had almost forgotten open warfare. The use of the rifle had been lost. The principal weapon of the infantryman is the rifle and the bayonet. Bombing, automatic rifles, machine guns, airplanes, artillery, cavalry, trenches, and wire are all for the purpose of assisting the infantry to move forward. After every aid has been exhausted the infantryman must then tightly grasp his rifle with trusted bayonet fixed and move to the enemy's position. No other method will accomplish the result. He crawls. He moves to the side. He falls back. He cuts wire. He rushes to a shell hole. He lies in water. He buries himself in the ground. He waits. He swears. He prays. He sees his comrades blown to pieces. He hears the groans of the wounded. Yet he holds on. Then he moves forward again. With cold steel he makes the final dash. The objective is reached. The doughboy digs in. The line is consolidated. The counterattack is repulsed. Victory is ours.

We must, therefore, not forget that the front line is given the hardest task and the most dangerous service. The honor roll of freedom abounds with the names of infantrymen. With their blood they pay for every inch of ground gained. Such is the price of victory. As the doughboys occupy that coveted place their dead are found on every field from Concord to the Aisne.

Many of the readers of this journal are familiar at least by name with the fleur-de-lis of France. You are also familiar with the poppy, which so profusely grows in the fields of that beautiful country. Some have said that this scarlet flower is the blood of soldiers on the field of honor. In France there is also another flower, the lily. Legend says that it reserves its bloom to mark the graves of the hero dead. It has been placed in verse as a tribute to the doughboy. No more beautiful reference has ever been made to the infantry than these lines:

"Fleur-de-lis for the garden, purple and white and rose;
Poppies red by the roadside where the marching column goes;
But up on the height where the doughboys fight the Dead Man's Lily blows.
Roses of France, you sorrow for the one dead by your wall;
Poppies red in the wheat fields weep where the hundreds fall;
But up on the steep where the thousand sleep the lily has spent her all."

WHAT IS OUR POLICY?—EDITORIAL FROM THE WASHINGTON NEWS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, an editorial entitled "What Is Our Policy?", published in this afternoon's issue of the Washington News.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT IS OUR POLICY?

The speculation which has attended the visit of W. Averell Harriman, the President's special adviser, to General MacArthur's Tokyo headquarters highlights the need for further clarification of American policy in the Far East.

Mr. Harriman was sent to Tokyo, the United Press reports, after administration officials decided that American political aims in the Far East had been severely damaged by General MacArthur's recent conference with Chiang Kai-shek in Formosa.

These officials presumably were in the State Department, which has been at odds with General MacArthur for several years. As the story goes, Mr. Harriman was instructed to emphasize to the General that the United States' political attitude must be carefully separated from the purely military matter of defending Formosa.

This version of the Harriman mission was discounted by one of General MacArthur's friends in Tokyo, who said that, if President Truman were dissatisfied with General MacArthur, he would tell the General directly and not permit "leaks" to the press to smear the United Nations commander at this critical time.

This long-distance sniping reveals a disgraceful situation. Before Mr. Truman's decisions regarding Korea and Formosa, it was well known that the State and Defense Departments seriously disagreed as to American policy in those areas. But the American people had a right to expect the two departments to join in upholding the American position, once it had been determined. Yet the feuding continues. A commander in the field, fighting to hold a beachhead in Korea, also must defend himself against Washington backstairs gossip.

General MacArthur, as supreme commander of our forces in the Far East, is charged with the defense of Formosa. Nothing could be more essential than that he have an understanding with Chiang Kai-shek, who controls the ground forces there.

The General's inspection of arrangements for defense of the island was "a must." To pretend that this visit somehow damaged our political aims in the Far East is silly. What aims? Presumably, our most pressing aim in Formosa is to prevent the island from falling into the hands of the Communists. That was the purpose of MacArthur's visit. He wanted to look over the ground where he might have to fight.

Our political attitude and the purely military matter of defending Formosa should be one and the same, for Formosa's fate is a political question which may be decided by military force. This hair-splitting double talk suggests that the Amerasia gang may still have backdoor passes into the State Department.

But since the issue has been raised, just what are the State Department's aims in the Far East, and just how do they conflict with the plans General MacArthur is making to carry out President Truman's orders?

CONDITIONS IN ALASKA—ARTICLES BY LEE E. COOPER

Mr. BUTLER. Mr. President, I have here a group of five articles by Mr. Lee E. Cooper, published in the New York Times a few days ago, dealing with conditions in Alaska. These articles are written by Mr. Cooper following a personal inspection of conditions in Alaska. They show clearly how the prosperity, the population growth, and the building boom in Alaska are completely dependent on the activities of the Federal Government.

Mr. President, obviously statehood for Alaska must depend on a permanent, solid growth based on the use of the mines, forests, fisheries, and agricultural resources of the Territory. Without such development of Alaskan resources, there is very little hope that Alaska can make a go of statehood. In one place Mr. Cooper points out:

> The current situation is based on expenditures for construction out of congressional appropriations that have amounted to almost $200,000,000 in the last 2 years. Obviously the outlays will not continue long at anything like that level.

Mr. Cooper continues by pointing out that for the long pull permanent industry is badly needed in the Territory. He emphasizes that virtually no large plants or factories are operating in either Fairbanks or Anchorage, and that gold mining is in the doldrums and is now operating at only about 20 percent of capacity. Rather than granting statehood at this time, we should devote our efforts to building up these taxpaying industries, to opening up the resources there for development. Such development is the only sound basis for ultimate Alaska statehood.

Mr. President, I ask unanimous consent that the articles be printed in the body of the RECORD, immediately following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of June 25, 1950]

NEW ALASKA BOOM ECHOES ERA OF 1898—$250,000,000 IN DEVELOPMENT, MOSTLY BY THE GOVERNMENT, SENDS PRICES SOARING

(By Lee E. Cooper)

FAIRBANKS, ALASKA, June 24.—Alaska, America's western frontier and land of excitement and extremes, is in the midst of a new boom that oldtimers say outdoes the gold-rush era of more than half a century ago.

The crest of defense boom will be attained this year if contractors are able to bring their lagging constructions operations back on schedule, but the effects of delays and strikes are growing.

This interior metropolis and the coastal city of Anchorage are riding the crest of a postwar development program involving an outlay of about $250,000,000 in construction projects.

Almost all this is Government money, and nearly all is going into these two centers to create a defense boom that will pass its peak late this summer. The development work, chiefly in the form of military installations, has brought to this gold-mining district and to Anchorage an amazing artificial stimulus that is reflected in high wages, high prices, and intolerable housing conditions.

THE HOUSING SITUATION

Primitive miners' cabins of the days of 1898, empty and neglected for decades, are renting at $150 a month when available here. Small one-room portable cottages bring nearly as much in groups resembling cheap

trailer camps in the States, served only by community washrooms and toilets.

Rooms in cheap hotels that were half filled a decade ago at 50 cents a night now are bringing $3 and $4 and the occupant may find he must share his space with a stranger. It is impossible to make advance reservations in the few hotels of the better type.

Cottages of two rooms may bring $5,000 without improvements and utility connections, and the buyer will have to dig his own well inside the house, as is customary, to protect the water supply during severe winter weather. Dilapidated gold-rush cabins along First Street are being offered at $9,000.

RENTS AND PRICES

Conditions at Anchorage, which had no backlog of miners' huts, are even worse. Rents there are 10 to 20 percent higher than in Fairbanks, with nothing available, and housing costs also are more inflated. An illustration of the tight situation in that coastal defense center, which is getting the lion's share of the Government projects, is a large house occupied by five families totaling 18 persons, with each family paying $100 a month.

In both centers building mechanics are reaping a harvest of overtime with many receiving weekly checks of $175 or $200 or more, in addition to free board and shelter. The basic daily wage of a waitress is $8.60, of a cook $18, of a skilled chef considerably more. Some restaurants never close. Bartenders, grocery clerks, and liquor-store operators work long hours, including Sundays.

Prices for some foods, particularly fresh fruits and perishables that must come by air, are exorbitant. A plain omelet costs $1.50 or $1.75 and toast dry or buttered is 30 or 35 cents, even in the counter restaurants. Haircuts run as high as $2 and a shave may be as much, although some barbers will charge a little less for the shave.

MILK, CIGARETTES, LIQUOR

Milk from Fairbanks dairy is 40 cents a quart but many customers prefer the airborne product from the States at 54 or 55 cents. A lettuce and tomato salad costs $1.50 or $1.75.

Cigarettes and liquor are exceptions. The popular brands of cigarettes are cheaper than in many places in the States. The price is usually 20 cents. A price war that developed last year after a period of gouging has brought the cost of blended whisky down to $3.50 or $4 a fifth. Scotches and rums generally remain about 50 percent higher than in New York.

The seasonal influx of workers and job seekers and tourists now is at its height and is adding to the problems of communities that have shown sharp increases in population in the last decade. Preliminary census figures indicate that the number of permanent residents in Fairbanks has risen more than 100 percent in the decade, from 5,592 in 1940 to 11,700 now.

LIVING CONDITIONS

The growth of Anchorage has been even more sensational. The population there now is estimated at 11,060, not including several adjoining suburban communities that would bring the district up to nearly 20,000. In 1940 only 3,495 persons were counted within Anchorage. These figures do not include transients or the thousands of men stationed at military bases.

The civilian population of Seward Port near Anchorage has risen from 949 to 2,063, and Kodiak on Kodiak Island shows a gain of 100 percent to 1,635, not counting the population of the naval base there. Outside the defense centers the gains have been less notable. Juneau, the capital, where a 12-story apartment house is under way, now has about 7,500 residents. The Territory population as a whole, according to official word today, has passed the 120,000 mark by an increase of 35,000 or about 50 percent in a decade, largely in the Anchorage and Fairbanks districts.

In Anchorage alone the current construction program is reported to involve more than $125,000,000. Much of this money is going into housing for military personnel as well as for civilian use. One of the major projects now well advanced will provide more than 2,000 family units at Fort Richardson under the Wherry Act, which permits leasing of land at military bases to private interests for rental housing sites.

One congressional appropriation of $48,720,000 is providing there and at neighboring Elmendorf Field 259 family quarters, barracks for 1,400 more men, officers' quarters, hospital service, clubs, warehouses, and power plants. Meanwhile the motors of half a damaged tanker help to supply needed power.

HOUSES AND AIRPORTS

Large civilian housing projects at Anchorage include the so-called Government Hill Apartments for 696 families, now under construction at a cost of $10,000,000, and two 132-unit houses being put up by the Brady-Swalling Construction Co. at a cost of $3,000,000. Municipal housing authorities there also are proceeding with plans for several hundred housing units with Federal aid.

Large and small modern houses are springing up by the hundreds in Anchorage and outlying suburbs. On-site realty offices are getting fancy prices for lots and acreage in the growing subdivisions.

Spenard is an outstanding example of this expansion. It now has 3,000 residents and a shopping center on a tract which was nothing but neglected woodland only 5 years ago. Many of the owners are building their own homes.

Both Anchorage and Fairbanks are getting new airports, and private housing generally, with Federal Housing Administration guaranties, is getting under way here on a broad scale. Little of it will be ready this year to ease the crisis.

Private projects alone here involve more than $10,000,000, and many new apartments and family quarters are being provided at Ladd Air Force base and Eielson Air Force base. These include 1,000 Wherry Act units.

An idea of the magnitude of the continuing development work at Alaskan defense points is to be gained from a study of some of the items contained in the new military works appropriation bill just signed by President Truman.

IT COMES IN MILLIONS

It contains an allotment of $7,873,000 for an Alaskan communications station, and for additional Army and Air Force funds amounting to $48,000,000 in installations at Ladd and Eielson Air Force bases here. The list of projects also includes $36,882,000 more for Fort Richardson, and $1,191,000 for Elmendorf Air Force base, both at Anchorage, Whittier, a coastal town near Anchorage, gets $3,131,000 for expansion. That same area will be the site for Army dock facilities estimated at $10,000,000.

Estimates on current construction do not include vast sums to be spent for highway and railroad extensions and improvements. The Alaska Railroad, owned by the Government, is nearing the end of an improvement program calling for expenditures of $70,000,000 for a heavier roadbed, new sidings, shops, and warehouses.

While jet planes zoom overhead and new job seekers arrive hourly to try to find parking space along crowded Second Street in the heart of the business district here, many residents are turning their thoughts away from the new dispensation and back to the gold strike era, which put Fairbanks on the map.

Nearly all the men are sporting whiskers and sideburns to add a further touch of color to the frontier atmosphere. They are helping the American Legion post to prepare for a rousing 4-day celebration of the days of '98 to start on July 1 with $3,000 in gold nuggets as one lure to bring record-breaking participation.

[From the New York Times of June 26, 1950]

LABOR STOPPAGES HIT ALASKA WORK—DEFENSE AND HOUSING PROJECTS ARE STALLED AT PEAK OF THE BRIEF BUILDING SEASON

(By Lee E. Cooper)

ANCHORAGE, ALASKA, June 25.—Strikes, labor stoppages, and the problem of transient workers are threatening to disrupt the vast defense and housing development program in key centers of Alaska. These difficulties have developed just when the season of intensive construction operations should be at its height.

A strike of carpenters and other labor difficulties already have adversely affected military, municipal, and private building activities estimated to involve $100,000,000 in the Anchorage area alone.

Many Government projects in the Fairbanks district, second only to Anchorage in the tempo of life and work to assure an impregnable Arctic frontier, also have been tied up by work stoppages of carpenters, plumbers, and steamfitters. The valuable time thus lost in one of the few months of open weather cannot be made up. Many lines of business are in danger of permanent losses.

ADVERSE EFFECTS PILE UP

The results of these delays are cumulative and affect projects even in the blueprint stage. They discourage new investments and hold up progressive payments on work as it advances. Some of the builders and subcontractors have borrowed money for equipment and materials on the strength of their Government contracts. They are unable to meet loan obligations until they get payments that are due to them as they reach certain stages in their structural operations. Mechanics, too, have been unable to take advantage of profitable overtime pay checks.

One of the effects of the general situation is noted in the number of job-seekers on the streets, and in the plight of nonresident youths who have come up here from the United States in the hope of finding employment. They knew that the whole Alaskan military expansion program was geared to reach its crest this summer. They still hope that the current problems may be ironed out before their scant funds evaporate.

Boom activity to date this year has been lagging slightly behind last June because of these problems, and in spite of the fact that known congressional appropriations of more than $194,000,000 for territorial defense work are coming to a head. Thus many of these venturesome youths already are stranded, and are living in tents and trailers, or even sleeping in their automobiles, on the outskirts of town.

EVEN EXIT RULES ARE STRICT

They must get jobs or leave soon. They cannot pass through the Canadian sector of the Alaska Highway without showing $300 cash for the car and $100 for each occupant. The Canadian authorities have adopted that rule to avoid having stranded itinerants on their hands.

A member of the Alaska Territorial Employment Service, estimated that there were 7,000 or more jobless workers in the Territory today in spite of the boom, and more were coming in daily. The figure is significant when it is considered that the many waitresses and typists are waiting for a break in the construction employment horizon.

At Anchorage, the jobs that are facing delays include many badly needed housing centers, among them a 14-story apartment house recently announced by the Alaska Housing Authority for construction with Government subsidies, to provide the tallest building in the Territory.

Private projects under way in Fairbanks and affected by the work stoppage of carpenters, plumbers, and electricians include the eight-story McKinley Manor Apartments, taking up an entire block near the heart of of the city.

Foundations are being laid for this $3,000,000 structure which carries a mortgage insured by the Federal Housing Administration and which will include modern store and banking space.

The Bank of Fairbanks is financing it and the Chase National Bank of New York is reported to have supplied interim financing. Work also is being held up on the 270-family Fairview Manor housing on part of the site of Weeks Field near Fairbanks.

Additions to the plant of the University of Alaska and to St. Joseph Hotel, a power installation at Ladd Air Force base, on the next Fairbanks airport, and the airport for neighboring Galena also are affected.

NEW YORK INVESTMENT IS HIT

Upstate New York money is tied up in the Fairview Manor project. A few days ago the Community Savings Bank, of Rochester, completed arrangements to make a mortgage loan of $3,080,000 on this project, with the Buffalo Savings Bank as participating mortgagee. The mortgage will be held in trust by the Institutional Securities Corp., which represents 130 New York savings banks. This is the greatest distance from which substantial capital has come for new housing in Alaska.

Some of the building mechanics have been making $200 or more a week, including overtime.

The carpenters are asking for a new contract increasing their basic hourly wage by 30 cents to $3. They now make $2.77 an hour.

The Plumbers and Steamfitters Union of Fairbanks, also in the American Federation of Labor, want an increase of 50 cents to make their pay $3.50 an hour for 40 hours' work, and double time for all overtime. As a concession they would give up the current provision for free board and shelter and an allowance for travel time.

Some contractors already have signed up and the work stoppage is against all the others.

If the carpenters win an increase, the other trades also automatically will get a pay raise under a general working agreement they signed earlier this year with the Associated General Contractors of Alaska. The carpenters refused to ratify this agreement.

Local carpenters last night rejected an offer of $2.82 an hour by the Associated Contractors and the deadlock continues in its 24th day.

The union announced the rejection vote as 400 to 4.

About 5,500 mechanics here are affected by the shutdowns.

An order from Washington this week directing the men to go back to their jobs as a defense measure pending an agreement is held possible.

Under the new arrangement, a plumber or steamfitter working 60 hours a week, which is not at all unusual at this time of the year when all builders are willing to work their men long hours, would get $280 every 7 days. They have been receiving time and a half for overtime at the lower wage rate.

AIRLIFT DELIVERIES SPEED WORK

The urgency of the work being delayed by these disputes is indicated by the announcement that contracts recently have been signed for an airlift delivery of a vast amount of machinery and materials from the United States rather than await slow shipments by water.

The first of these plane-freight cargoes already has arrived in Fairbanks and Anchorage. As a further aid to contractors to get their buildings enclosed before the Arctic winter halts all outside construction progress, representatives of the Army Engineers Corps recently signed contracts with two Seattle firms for delivery of almost $1,000,000 worth of bulk cement for use in work at Fort Richardson here, and at Eielson Air Force base at Fairbanks.

Even with such wholesale purchases, construction costs are unusually high at the defense bases because of the costs of getting materials to the site. High wages and overtime during the 4 months building season, and the frequent necessity for digging through layers of permanently frozen ground known as permafreeze, the work stoppages and delays are sending these costs even higher.

[From the New York Times of January 27, 1950]

CRISES FACE POLICE IN ALASKAN CITIES—CROWDED CONDITIONS, HOUSING LACK, HIGH PAY STIR TROUBLES AS GAMBLING FLOURISHES

(By Lee E. Cooper)

ANCHORAGE, ALASKA, June 26.—Crowded conditions, high wages, and the rough life in this western outpost and other defense centers of Alaska have created grave problems for city law-enforcement officers and military police despite the fact that darkness never comes to this section of the Territory during the summer months.

Neon signs in the rear of crowded bars show the way to the card or game rooms in the rear or in the basement. In these spots many gambling games flourish in frontier style, including poker and dice.

Petty lawlessness such as this is against Territorial regulations, but the games are winked at by authorities living in this frontier country so long as these are carried on in an orderly and gentlemanly manner.

Perhaps this attitude has been developed also on the theory that men who can pay 50 cents for a glass of beer can risk a few dollars on the turn of a card. In both Fairbanks and Anchorage it is known the municipal authorities collect profitable amusement taxes from these gambling rooms.

Under the law the games are considered legitimate if there is no money on the table. One of the popular card games is panguini, a form of rummy known among Alaskans as pan.

BARS KEEPING LATE HOURS

In the better bars women often are among the customers, and women entertainers are employed by some as singers or accordion players. Their music vies with the sound truck utilized by at least one church to attract youngsters to services on Sunday afternoons.

The bars and liquor stores keep late hours and are open on Sundays. Signs in the windows, however, warn soldiers under 21 that they are not permitted to enter.

Here in Anchorage and at Fairbanks, where millions are being poured into military installations, immorality is one of the chief problems. But women walk the streets circumspectly, knowing that any indiscretion will bring them under arrest quickly. They keep away from the overflowing hotels, too.

Districts of prostitution inside both centers have been officially closed and the women now are scattered throughout the towns or are found in night clubs and resorts outside the city limits. At Fairbanks, which is proud of its recent spotless record with respect to serious crimes, a former supervised district on Fourth Avenue is idle.

TAXI YIELD REPORTED LARGE

Many taxicab operators who were making big money at the standard rate of $1 for any trip within the city limits of Anchorage or Fairbanks, and $1 a mile outside the city in meterless vehicles, have made extra money as "steerers." But the law is catching up with such operations.

Partly because of the rapid development of both legitimate and illegal business just outside the city limits where there is a lack of supervision, some responsible and substantial citizens are said to favor a return to a wide-open status in their municipalities.

A shortage of comfortable housing and a lack of adequate and normal recreational sports and entertainment facilities are a factor in the difficulties. Both civilian and military agencies are attempting to supply the necessary legitimate attractions for the growing population.

REPORTS ON SERIOUS CRIME

Fairbanks police report that they have not had to cope with a spectacular killing since an axe murder developed out of a drunken brawl in 1947. There was a death in a night club outside the city late in 1948 in which a customer was shot through a window, but the case still is a mystery although two men are out on bail in connection with it.

Conditions are more serious in Anchorage, where half a dozen murders have occurred this year. One rape-murder resulted in the recent sentencing of a soldier to death by hanging. In another instance, a taxicab driver was shot and killed.

The authorities say they have a good record in solving most of these serious crimes of passion or drunkenness, but robberies laid to the unsettled job situation still keep them on edge. Some stores here, including jewelry shops, which do a thriving business among the women, keep guards on duty at night as a precautionary measure.

To the credit of both cities it must be noted that most of the older residents are pleasant, law-abiding citizens. It is the new and transient element which the authorities blame for the trouble.

[From the New York Times of June 28, 1950]

CONGRESS STUDIES ALASKA PRICE RISE—COMMITTEE SEEKS TO DISCOVER, IN LIGHT OF DEFENSE, WHY COSTS HAVE ROCKETED

(By Lee E. Cooper)

ANCHORAGE, ALASKA, June 27.—Quiet study of high living costs and inflated prices for building work in Alaska has been started by a joint congressional investigating committee which has just arrived in this Arctic territory.

The findings of this group are expected to have an important bearing on appropriations for defense work, which has been the backbone of the postwar boom in Alaska. The known congressional appropriations for military installations and other defense projects in this western frontier area during the last 2 years have exceeded $194,000,000.

The committee, acting for both the Senate and the House of Representatives, but including no Members of Congress, is reported to be conducting the inquiry with particular emphasis on the reasons construction work here is so much more expensive than in the States.

The delegation doubtless is charged with the task of discovering whether there are unnecessary and extravagant or hidden mark-ups in retail prices beyond the natural increases because of costs of transporting goods and building supplies to this outpost.

The visitors are likely to find many items of interest in the construction field, restaurants, and stores after they have paid $1.50 or more for a lettuce and tomato salad and 25 to 35 cents for dry or buttered toast.

They will also be paying $4 or $5 for a short ride outside city limits in a meterless cab. In making some purchases, such as cigarettes and whisky, they will learn that gouging is largely a thing of the past.

Merchants and contractors have not been blameless in the inflationary trend, which has gone on so long in some lines of business that the old customers now take the high costs as a matter of course.

There have been charges of collusion and complaints that some retailers mark price tags far beyond any extra cost because of long-distance delivery charges, one of the standard excuses.

The story is told of the liquor dealer who determined to reduce his prices to reasonable levels in Fairbanks only to find his quotations matched or beaten in one store on one brand, on another brand in a second competitor's shop, and so on. He brought or threatened action against the others and won his point. Keener competition now has brought fair prices on alcoholic goods both in Fairbanks and here.

A grocery man who tried the same low-price policy found himself forced out, but retaliated by opening a large new store just outside of town, where he enjoys a thriving trade.

Contractors contend high wages and excessive costs of materials and equipment force their bids up. Mechanics say they must have big wages to keep abreast of the cost of food and shelter.

On the first 500-man barracks erected at Ladd Air Force Base in Fairbanks, contractors killed the cost-plus system of Alaskan military work. The Government paid well over $5,000,000 for this simple type of structure. All later base installations have been on a contract basis at a considerable saving. Later barracks buildings of similar size have cost $3,500,000.

[From the New York Times of June 29, 1950]

ALASKA SEEKS KEY TO NORMAL LIFE WHEN DEFENSE SPENDING ERA ENDS—OFFICIALDOM AND BUSINESS ALREADY WORRIED OVER HOW TO CUSHION SLACK—INDUSTRY AND TOURIST TRADE TO BE WOOED

(By Lee E. Cooper)

ANCHORAGE, ALASKA, June 28.—Territorial authorities and Alaska's businessmen are gravely concerned over the economic problems that will arise when the current defense development boom ceases or is sharply curtailed. They already are studying possible ways of cushioning the effects of this inevitable change in conditions when military bases in the area are considered ample for any eventualities.

The prospect of the continued presence of large numbers of military personnel gives, however, some reassurance for the future. These service men are good customers of the stores, theaters and other establishments, particularly in the two most populous cities—Fairbanks and Anchorage.

But that backlog of purchasing power will not be large enough to sustain the economy at anywhere near its present tempo. The current situation is based on expenditures for construction out of congressional appropriations that have amounted to almost $200,000,000 in the last 2 years. Obviously the outlays will not continue long at anything like that level, and the adverse effect of recent strikes which have slowed up the use of this money already has been felt in almost all lines of trade.

PERMANENT INDUSTRY NEEDED

For the long pull permanent industry is badly needed in the Territory. Virtually no large plants or factories are operating in either Fairbanks or Anchorage. Scattered along the coast are the canneries and fishing fleets of the salmon industry. This dual enterprise now accounts for more than half of the territorial revenue. Gold mining centers, once the backbone of Alaska, are in the doldrums and are operating at only about 20 percent of capacity as the result of declines in the price of the precious metal. Three or four large coal mines are in operation, but most Alaskans use oil or dig their solid fuel in outcroppings near their homes.

The principal drawback to industry in the Territory is the shortage of power. Efforts, however, already are being made to overcome this deficiency. Some observers fear that, even with power available, industrial plants will not come here unless added inducements are offered. Businessmen in Juneau are studying a suggestion that tax incentives be offered to bring in new enterprises.

HIGH BUSINESS TAXES A FACTOR

Increases in corporate taxes in recent years and other factors have engendered an unfavorable atmosphere for some lines of business which could take up the slack in employment when defense-building activity ends.

Promotional efforts are afloat to attract pulp mills to the Juneau and Ketchikan districts.

Plans for a new power plant are well advanced in Fairbanks, and there is discussion of a hydroelectric system. This would have a network running side-by-side with steam and sewerage lines to enable these facilities to function without interruption through the bitter winter. Municipal officials in this city have decided to try to proceed on their own with the so-called Eklutna hydroelectric project. They embarked on this course because of delays which, some of them assert, may be the outgrowth of a supposed debate between the Army Corps of Engineers and the United States Bureau of Reclamation over direction of the project.

Improved transportation facilities are being provided to fill an acute need, but the condition of the Territory's roads after the spring thaw is such that heavy outlays of funds must be provided each year for the highways. Air travel still is necessary to most interior points.

TOURIST BUSINESS IMPORTANT

The development of tourist traffic still presents one of the major prospects for additional business.

More civilian airfields are contemplated. In this light, representatives of the Civil Aeronautics Authority are studying plans for the expansion of air transportation facilities near Mount McKinley Park and other resorts and agricultural centers. Hotels, too, must be added to care for pleasure-bent visitors. Accommodations now are available only in fishing camps.

But over and above all these shortcomings stands the urgent necessity for stabilizing wages and labor conditions. Likewise, the high costs of shelter and of living in general must be scaled down. Until these two problems are successfully met, the development of Alaska along any line will be retarded.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3959) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes, which was to strike out all after the enacting clause and insert:

That the parenthetical expression appearing in clause (1) of the final sentence of subsection (a) of section 109 of the Federal Property and Administrative Services Act of 1949 (Public Law 152, 81st Cong.) is amended to read as follows:

"(including the purchase from or through the Public Printer, for warehouse issue, of standard forms, blankbook work, standard specifications, and other printed material in common use by Federal agencies not available through the Superintendent of Documents)."

SEC. 2. (a) Clause (2) of the final sentence of subsection (a) of section 109 of the Federal Property and Administrative Services Act of 1949, as hereinbefore amended, is amended to read as follows: "(2) for paying the purchase price, transportation to first storage point of supplies and services, and the cost of personal services employed directly in the repair, rehabilitation, and conversion of personal property."

(b) The third sentence of subsection (b) of section 109 of such act is amended to read as follows: "On and after such date such prices shall be fixed at levels so as to recover so far as practicable the applicable purchase price, the transportation cost to first storage point, inventory losses, the cost of personal services employed directly in the repair, rehabilitation, and conversion of personal property, and the cost of amortization and repair of equipment utilized for lease or rent to executive agencies."

(c) The amendments made by this section shall be effective on the date, not earlier than July 1, 1950, on which the Administrator of General Services shall determine that appropriated funds adequate to effectuate the purposes of such amendments have been made available.

SEC. 3. (a) The final sentence of subsection (b) of section 109 of the Federal Property and Administrative Services Act of 1949 is amended to read as follows: "Where an advance of funds is not made, the General Services Administration shall be reimbursed promptly out of funds of the requisitioning agency in accordance with accounting procedures approved by the Comptroller General: *Provided*, That in any case where payment shall not have been made by the requisitioning agency within 45 days after the date of billing by the Administrator or the date on which an actual liability for supplies or services is incurred by the Administrator, whichever is the later, reimbursement may be obtained by the Administrator by the issuance of transfer and counterwarrants, or other lawful transfer documents, supported by itemized invoices."

(b) Section 109 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new subsection:

"(g) The Administrator of General Services is authorized in his discretion to charge vendors and producers of commodities considered for purchase such fees as he shall determine to be reasonable for testing such commodities for conformance to specifications and standards, and such fees may be deposited in the General Supply Fund and used to defray the expenses of conducting such tests as the Administrator may prescribe."

SEC. 4. Paragraphs (1) and (2) of section 203 (j) of the Federal Property and Administrative Services Act of 1949 are amended to read as follows:

"(1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes or public-health purposes, including research, in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph (2) or paragraph (3) of this subsection to be usable and necessary for educational purposes or public health purposes, including research.

"(2) Determination whether such surplus property (except surplus property donated in conformity with paragraph (3) of this subsection) is usable and necessary for educational purposes or public health purposes,

including research, shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to tax-supported medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, and universities, and to other nonprofit medical institutions, hospitals, clinics, health centers, schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education or health for distribution to such tax-supported and nonprofit medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State."

SEC. 5. The Federal Property and Administrative Services Act of 1949 is amended by—

(a) redesignating section 210 thereof as section 212, and wherever such section number appears in such act as originally enacted, it is amended to conform to the redesignation prescribed by this subsection;

(b) inserting in the table of contents appearing in the first section of such act, immediately after the line in which "Sec. 209." appears, the following:

"Sec. 210. Operation of buildings and related activities.

"Sec. 211. Motor vehicle identification."

(c) inserting, immediately after section 209 thereof, the following new sections:

"OPERATION OF BUILDINGS AND RELATED ACTIVITIES

"SEC. 210. (a) Whenever and to the extent that the Administrator has been or hereafter may be authorized by any provision of law other than this subsection to maintain, operate, and protect any building, property, or grounds situated in or outside the District of Columbia, including the construction, repair, preservation, demolition, furnishing, and equipment thereof, he is authorized in the discharge of the duties so conferred upon him—

"(1) to purchase, repair, and clean uniforms for civilian employees of the General Services Administration who are required by law or regulation to wear uniform clothing;

"(2) to furnish arms and ammunition for the protection force maintained by the General Services Administration;

"(3) to pay ground rent for buildings owned by the United States or occupied by Federal agencies, and to pay such rent in advance when required by law or when the Administrator shall determine such action to be in the public interest;

"(4) to employ and pay personnel employed in connection with the functions of operation, maintenance, and protection of property at such per diem rates as may be approved by the Administrator, not exceeding rates currently paid by private industry for similar services in the place where such services are performed;

"(5) without regard to the provisions of section 322 of the act of June 30, 1932 (47 Stat. 412), as amended, to pay rental, and to make repairs, alterations, and improvements under the terms of any lease entered into by, or transferred to, the General Services Administration for the housing of any Federal agency which on June 30, 1950, was specifically exempted by law from the requirements of said section;

"(6) to obtain payments, through advances or otherwise, for services, space, quarters, maintenance, repair, or other facilities furnished, on a reimbursable basis, to any other Federal agency, or any mixed-ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, and to credit such payments to the applicable appropriation of the General Services Administration;

"(7) to make changes in, maintain, and repair the pneumatic tube system connecting buildings owned by the United States or occupied by Federal agencies in New York City installed under franchise of the city of New York, approved June 29, 1909, and June 11, 1928, and to make payments of any obligations arising thereunder in accordance with the provisions of the acts approved August 5, 1909 (36 Stat. 120), and May 15, 1928 (45 Stat. 533);

"(8) to repair, alter, and improve rented premises, without regard to the 25 percent limitation of section 322 of the act of June 30, 1932 (47 Stat. 412), as amended, upon a determination by the Administrator that by reason of circumstances set forth in such determination the execution of such work, without reference to such limitation, is advantageous to the Government in terms of economy, efficiency, or national security: *Provided*, That such determination shall show that the total cost (rentals, repairs, alterations, and improvements) to the Government for the expected life of the lease shall be less than the cost of alternative space which needs no such repairs, alterations, or improvements. A copy of every such determination shall be furnished to the General Accounting Office;

"(9) to pay sums in lieu of taxes on real property declared surplus by Government corporations, pursuant to the Surplus Property Act of 1944, where legal title to such property remains in any such Government corporation;

"(10) to furnish utilities and other services where such utilities and other services are not provided from other sources to persons, firms, or corporations occupying or utilizing plants or portions of plants which constitute (A) a part of the National Industrial Reserve pursuant to the National Industrial Reserve Act of 1948, or (B) surplus real property, and to credit the amounts received therefrom to the applicable appropriation of the General Services Administration;

"(11) at the direction of the Secretary of Defense, to use proceeds received from insurance against damage to properties of the National Industrial Reserve for repair or restoration of the damaged properties; and

"(12) to acquire, by purchase, condemnation, or otherwise, real estate and interests therein.

"(b) At the request of any Federal agency or any mixed-ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, the Administrator is hereby authorized to operate, maintain, and protect any building owned by the United States (or, in the case of any wholly owned or mixed-ownership Government corporation, by such corporation) and occupied by the agency or instrumentality making such request.

"(c) At the request of any Federal agency or any mixed-ownership corporation (as defined in the Government Corporation Control Act), the District of Columbia, the Administrator is hereby authorized (1) to acquire land for buildings and projects authorized by the Congress; (2) to make or cause to be made, under contract or otherwise, surveys and test borings and to prepare plans and specifications for such buildings and projects prior to the approval by the Attorney General of the title to the sites thereof; and (3) to contract for, and to supervise, the construction and development and the equipping of such buildings or projects. Any sum available to any such Federal agency or instrumentality for any such building or project may be transferred by such agency to the General Services Administration in advance for such purposes as the Administrator shall determine to be necessary, including the payment of salaries and expenses of personnel engaged in the preparation of plans and specifications or in field supervision, and for general office expenses to be incurred in the rendition of any such service.

"(d) Whenever the Director of the Bureau of the Budget shall determine such action to be in the interest of economy or efficiency, he shall transfer to the Administrator all functions then vested in any other Federal agency with respect to the operation, maintenance, and custody of any office building owned by the United States or any wholly owned Government corporation, or any office building or part thereof occupied by any Federal agency under any lease, except that no transfer shall be made under this subsection—

"(1) of any post-office building unless the Director shall first determine that such building is not used predominantly for post-office purposes, and functions which are transferred hereunder to the Administrator with respect to any post-office building may be delegated by him only to another officer or employee of the General Services Administration or to the Postmaster General:

"(2) of any building located in any foreign country;

"(3) of any building located on the grounds of any fort, camp, post, arsenal, navy yard, naval training station, airfield, proving ground, military supply depot, or school, or of any similar facility of the Department of Defense, unless and to such extent as a permit for its use by another agency or agencies shall have been issued by the Secretary of Defense or his duly authorized representative;

"(4) of any building which the Director of the Bureau of the Budget finds to be a part of a group of buildings which are (A) located in the same vicinity, (B) utilized wholly or predominantly for the special purposes of the agency having custody thereof, and (C) not generally suitable for the use of other agencies;

"(5) of the Treasury Building, the Bureau of Engraving and Printing Building, the buildings occupied by the National Bureau of Standards, and the buildings under the jurisdiction of the regents of the Smithsonian Institution; or

"(6) of the office buildings of the Senate and House of Representatives, the building occupied by the Supreme Court of the United States, the buildings occupied by the Library of Congress and the Columbia Hospital in the District of Columbia, and any other buildings and grounds under the jurisdiction of the Architect of the Capitol.

"MOTOR VEHICLE IDENTIFICATION

"SEC. 211. Under regulations prescribed by the Administrator, every motor vehicle acquired and used for official purposes within the United States, its Territories, or possessions, by any Federal agency or the District of Columbia shall be conspicuously identified by showing thereon either (a) the full name of the department, establishment, corporation, or agency by which it is used and the service in which it is used, or (b) a title descriptive of the service in which it is used if such title readily identifies the department, establishment, corporation, or agency concerned: *Provided*, That the regulations issued pursuant to this section may provide for exemptions from the requirement of this section when conspicuous identification would interfere with the purpose for which a vehicle is acquired and used."

SEC. 6. The Federal Property and Administrative Services Act of 1949 is amended by—

(a) redesignating "title V" of such act as "title VI" thereof, and "title V", wherever it appears therein, is amended to read "title VI";

(b) redesignating sections 501–505, inclusive, of such act, respectively, as sections 601–605, inclusive, thereof, and wherever any

such section number appears in such act as originally enacted, it is amended to conform in numbering to the redesignation prescribed by this subsection;

(c) inserting at the proper place in the table of contents to such act the following:

"TITLE V—FEDERAL RECORDS

"Sec. 501. Short title.
"Sec. 502. Custody and control of property.
"Sec. 503. National Historical Publications Commission.
"Sec. 504. Federal Records Council.
"Sec. 505. Records management; the Administrator.
"Sec. 506. Records management; agency heads.
"Sec. 507. Archival administration.
"Sec. 508. Reports.
"Sec. 509. Legal status of reproductions.
"Sec. 510. Limitation on liability.
"Sec. 511. Definitions."

(d) inserting, immediately following title IV thereof, the following new title:

"TITLE V—FEDERAL RECORDS

"SHORT TITLE

"SEC. 501. This title may be cited as the 'Federal Records Act of 1950'.

"CUSTODY AND CONTROL OF PROPERTY

"SEC. 502. The Administrator shall have immediate custody and control of the National Archives Building and its contents, and shall have authority to design, construct, purchase, lease, maintain, operate, protect, and improve buildings used by him for the storage of records of Federal agencies in the District of Columbia and elsewhere.

"NATIONAL HISTORICAL PUBLICATIONS COMMISSION

"SEC. 503. (a) There is hereby created a National Historical Publications Commission consisting of the Archivist (or an alternate designated by him), who shall be Chairman; the Librarian of Congress (or an alternate designated by him); one Member of the United States Senate to be appointed, for a term of 4 years, by the President of the Senate; one Member of the House of Representatives to be appointed, for a term of 2 years, by the Speaker of the House of Representatives; one representative of the judicial branch of the Government to be appointed, for a term of 4 years, by the Chief Justice of the United States; one representative of the Department of State to be appointed, for a term of 4 years, by the Secretary of State; one representative of the Department of Defense to be appointed, for a term of 4 years, by the Secretary of Defense; two members of the American Historical Association to be appointed by the council of the said association, one of whom shall serve an initial term of 2 years and the other an initial term of 3 years, but their successors shall be appointed for terms of 4 years; and two other members outstanding in the fields of the social or physical sciences to be appointed by the President of the United States, one of whom shall serve an initial term of 1 year and the other an initial term of 3 years, but their successors shall be appointed for terms of 4 years. The Commission shall meet annually and on call of the Chairman.

"(b) Any person appointed to fill a vacancy in the membership of the Commission shall be appointed only for the unexpired term of the member whom he shall succeed, and his appointment shall be made in the same manner in which the appointment of his predecessor was made.

"(c) The Commission is authorized to appoint, without reference to the Classification Act of 1949 (Public Law 429, 81st Cong., approved October 28, 1949), an executive director and such editorial and clerical staff as the Commission may determine to be necessary. Members of the Commission who represent any branch or agency of the Government shall serve as members of the Commission without additional compensation. All members of the Commission shall be reimbursed for transportation expenses incurred in attending meetings of the Commission, and all such members other than those who represent any branch or agency of the Government of the United States shall receive in lieu of subsistence en route to or from or at the place of such service, for each day actually spent in connection with the performance of their duties as members of such Commission, such sum, not to exceed $25, as the Commission shall prescribe.

"(d) The Commission shall make plans, estimates, and recommendations for such historical works and collections of sources as it deems appropriate for printing or otherwise recording at the public expense. The Commission shall also cooperate with and encourage appropriate Federal, State, and local agencies and nongovernmental institutions, societies, and individuals in collecting and preserving and, when it deems such action to be desirable, in editing and publishing the papers of outstanding citizens of the United States and such other documents as may be important for an understanding and appreciation of the history of the United States. The Chairman of the Commission shall transmit to the Administrator from time to time, and at least once annually, such plans, estimates, and recommendations as have been approved by the Commission.

"FEDERAL RECORDS COUNCIL

"SEC. 504. The Administrator shall establish a Federal Records Council, and shall advise and consult with the Council with a view to obtaining its advice and assistance in carrying out the purposes of this title. The Council shall include representatives of the legislative, judicial, and executive branches of the Government and in such number as the Administrator shall determine, but such Council shall include at least four representatives of the legislative branch, at least two representatives of the judicial branch, and at least six representatives of the executive branch. Members of the Council representing the legislative branch shall be designated, in equal number, by the President of the Senate and the Speaker of the House of Representatives, respectively. Members of the Council representing the judicial branch shall be designated by the Chief Justice of the United States. The Administrator is authorized to designate from persons named by the head of any executive agency concerned, not more than one representative from such agency to serve as a member of the Council. Members of the Council shall serve without compensation, but shall be reimbursed for all necessary expenses actually incurred in the performance of their duties as members of the Council. The Council shall elect a chairman from among its own membership, and shall meet at least once annually.

"RECORDS MANAGEMENT; THE ADMINISTRATOR

"SEC. 505. (a) The Administrator shall make provisions for the economical and efficient management of records of Federal agencies (1) by analyzing, developing, promoting, and coordinating standards, procedures, and techniques designed to improve the management of records, to insure the maintenance and security of records deemed appropriate for preservation, and to facilitate the segregation and disposal of records of temporary value, and (2) by promoting the efficient and economical utilization of space, equipment, and supplies needed for the purpose of creating, maintaining, storing, and servicing records.

"(b) The Administrator shall establish standards for the selective retention of records of continuing value, and assist Federal agencies in applying such standards to records in their custody; and he shall notify the head of any Federal agency of any actual, impending, or threatened unlawful removal, defacing, alteration, or destruction of records in the custody of such agency that shall come to his attention, and assist the head of such agency in initiating action through the Attorney General for the recovery of such records as shall have been unlawfully removed and for such other redress as may be provided by law.

"(c) The Administrator is authorized to inspect or survey personally or by deputy the records of any Federal agency, as well as to make surveys of records management and records disposal practices in such agencies, and shall be given the full cooperation of officials and employees of agencies in such inspections and surveys: *Provided*, That records, the use of which is restricted by or pursuant to law or for reasons of national security or the public interest, shall be inspected or surveyed in accordance with regulations promulgated by the Administrator, subject to the approval of the head of the custodial agency.

"(d) The Administrator is authorized to establish, maintain, and operate records centers for the storage, processing, and servicing of records for Federal agencies pending their deposit with the National Archives of the United States or their disposition in any other manner authorized by law; and to establish, maintain, and operate centralized micro-filming services for Federal agencies.

"(e) Subject to applicable provisions of law, the Administrator shall promulgate regulations governing the transfer of records from the custody of one executive agency to that of another.

"(f) The Administrator may empower any Federal agency, upon the submission of evidence of need therefor, to retain records for a longer period than that specified in disposal schedules approved by Congress, and, in accordance with regulations promulgated by him, may withdraw disposal authorizations covering records listed in disposal schedules approved by Congress.

"RECORDS MANAGEMENT; AGENCY HEADS

"SEC. 506. (a) The head of each Federal agency shall cause to be made and preserved records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency and designed to furnish the information necessary to protect the legal and financial rights of the Government and of persons directly affected by the agency's activities.

"(b) The head of each Federal agency shall establish and maintain an active, continuing program for the economical and efficient management of the records of the agency. Such program shall, among other things, provide for (1) effective controls over the creation, maintenance, and use of records in the conduct of current business; (2) cooperation with the Administrator in applying standards, procedures, and techniques designed to improve the management of records, promote the maintenance and security of records deemed appropriate for preservation, and facilitate the segregation and disposal of records of temporary value; and (3) compliance with the provisions of this title and the regulations issued thereunder.

"(c) Whenever the head of a Federal agency determines that substantial economies or increased operating efficiency can be effected thereby, he shall provide for the storage, processing, and servicing of records that are appropriate therefor in a records center maintained and operated by the Administrator or, when approved by the Administrator, in such a center maintained and operated by the head of such Federal agency.

"(d) Any official of the Government who is authorized to certify to facts on the basis of records in his custody, is hereby authorized to

certify to facts on the basis of records that have been transferred by him or his predecessors to the Administrator.

"(e) The head of each Federal agency shall establish such safeguards against the removal or loss of records as he shall determine to be necessary and as may be required by regulations of the Administrator. Such safeguards shall include making it known to all officials and employees of the agency (1) that no records in the custody of the agency are to be alienated or destroyed except in accordance with the provisions of the act approved July 7, 1943 (57 Stat. 380–383), as amended July 6, 1945 (59 Stat. 434), and (2) the penalties provided by law for the unlawful removal or destruction of records.

"(f) The head of each Federal agency shall notify the Administrator of any actual, impending, or threatened unlawful removal, defacing, alteration, or destruction of records in the custody of the agency of which he is the head that shall come to his attention and with the assistance of the Administrator shall initiate action through the Attorney General for the recovery of records he knows or has reason to believe have been unlawfully removed from his agency, or from any other Federal agency whose records have been transferred to his legal custody.

"(g) Nothing in this title shall be construed as limiting the authority of the Comptroller General of the United States with respect to prescribing accounting systems, forms, and procedures, or lessening the responsibility of collecting and disbursing officers for rendition of their accounts for settlement by the General Accounting Office.

"ARCHIVAL ADMINISTRATION

"SEC. 507. (a) The Administrator, whenever it appears to him to be in the public interest, is hereby authorized—

"(1) to accept for deposit with the National Archives of the United States the records of any Federal agency or of the Congress of the United States that are determined by the Archivist to have sufficient historical or other value to warrant their continued preservation by the United States Government;

"(2) to direct and effect, with the approval of the head of the originating agency (or if the existence of such agency shall have been terminated, then with the approval of his successor in function, if any), the transfer of records deposited (or approved for deposit) with the National Archives of the United States to public or educational institutions or associations: *Provided*, That the title to such records shall remain vested in the United States unless otherwise authorized by Congress; and

"(3) to direct and effect the transfer of materials from private sources authorized to be received by the Administrator by the provisions of subsection (e) of this section.

"(b) The Administrator shall be responsible for the custody, use, and withdrawal of records transferred to him: *Provided*, That whenever any records the use of which is subject to statutory limitations and restrictions are so transferred, permissive and restrictive statutory provisions with respect to the examination and use of such records applicable to the head of the agency from which the records were transferred or to employees of that agency shall thereafter likewise be applicable to the Administrator, the Archivist, and to the employees of the General Services Administration, respectively: *Provided further*, That whenever the head of any agency shall specify in writing restrictions that appear to him to be necessary or desirable in the public interest, on the use or examination of records being considered for transfer from his custody to the Administrator, the Administrator shall impose such restrictions on the records so transferred, and shall not remove or relax such restrictions without the concurrence in writing of the head of the agency from which the material shall have been transferred (or if the existence of such agency shall have been terminated, then he shall not remove or relax such restrictions without the concurrence of the successor in function, if any, of such agency head): *Provided, however*, That statutory and other restrictions referred to in the provisos of this subsection shall not remain in force or effect after the records have been in existence for 50 years unless the Administrator by order shall determine with respect to specific bodies of records that such restrictions shall remain in force and effect for a longer period: *And provided further*, That restrictions on the use or examination of records deposited with the National Archives of the United States heretofore imposed and now in force and effect under the terms of section 3 of the National Archives Act, approved June 19, 1934, shall continue in force and effect regardless of the expiration of the tenure of office of the official who imposed them but may be removed or relaxed by the Administrator with the concurrence in writing of the head of the agency from which material has been transferred (or if the existence of such agency shall have been terminated, then with the concurrence in writing of his successor in function, if any).

"(c) The Administrator shall make provisions for the preservation, arrangement, repair and rehabilitation, duplication and reproduction (including microcopy publications), description, and exhibition of records transferred to him as may be needful or appropriate, including the preparation and publication of inventories, indexes, catalogs, and other finding aids or guides facilitating their use; and, when approved by the National Historical Publications Commission, he may also publish such historical works and collections of sources as seem appropriate for printing or otherwise recording at the public expense.

"(d) The Administrator shall make such provisions and maintain such facilities as he deems necessary or desirable for servicing records in his custody that are not exempt from examination by statutory provisions or other restrictions.

"(e) The Administrator may accept for deposit—

"(1) the personal papers and other personal historical documentary materials of the present President of the United States, his successors, heads of executive departments, and such other officials of the Government as the President may designate, offered for deposit under restrictions respecting their use specified in writing by the prospective depositors: *Provided*, That restrictions so specified on such materials, or any portions thereof, accepted by the Administrator for such deposit shall have force and effect during the lifetime of the depositor or for a period not to exceed 25 years, whichever is longer, unless sooner terminated in writing by the depositor or his legal heirs: *And provided further*, That the Archivist determines that the materials accepted for such deposit will have continuing historical or other values;

"(2) motion-picture films, still pictures, and sound recordings from private sources that are appropriate for preservation by the Government as evidence of its organization, functions, policies, decisions, procedures, and transactions.

Title to materials so deposited under this subsection shall pass to and vest in the United States.

"(f) The Administrator is hereby authorized to make and preserve motion-picture films, still pictures, and sound recordings pertaining to and illustrative of the historical development of the United States Government and its activities, and to make provisions for preparing, editing, titling, scoring, processing, duplicating, reproducing, exhibiting, and releasing for nonprofit educational purposes, motion-picture films, still pictures, and sound recordings in his custody.

"REPORTS

"SEC. 508. (a) The Administrator is hereby authorized, whenever he deems it necessary, to obtain reports from Federal agencies on their activities under the provisions of this title and the act approved July 7, 1943 (57 Stat. 380–383), as amended July 6, 1945 (59 Stat. 434).

"(b) The Administrator shall, whenever he finds that any provisions of this title have been or are being violated, inform in writing the head of the agency concerned of such violations and make recommendations regarding means of correcting them. Unless corrective measures satisfactory to the Administrator are inaugurated within a reasonable time, the Administrator shall submit a written report thereon to the President and the Congress.

"LEGAL STATUS OF REPRODUCTIONS

"SEC. 509. (a) Whenever any records that are required by statute to be retained indefinitely have been reproduced by photographic, microphotographic, or other processes, in accordance with standards established by the Administrator, the indefinite retention of such photographic, microphotographic, or other reproductions will be deemed to constitute compliance with the statutory requirement for the indefinite retention of such original records. Such reproductions, as well as reproductions made in compliance with regulations promulgated to carry out this title, shall have the same legal status as the originals thereof.

"(b) There shall be an official seal for the National Archives of the United States, which shall be judicially noticed. When any copy or reproduction, furnished under the terms hereof, is authenticated by such official seal and certified by the Administrator, such copy or reproduction shall be admitted in evidence equally with the original from which it was made.

"(c) The Administrator may charge a fee not in excess of 10 percent above the costs or expenses for making or authenticating copies or reproductions of materials transferred to his custody. All such fees shall be paid into, administered, and expended as a part of the National Archives Trust Fund provided for in section 5 of the act approved July 9, 1941. There shall be no charge for making or authenticating copies or reproductions of such materials for official use by the United States Government: *Provided*, That reimbursement may be accepted to cover the cost of furnishing such copies or reproductions that could not otherwise be furnished.

"LIMITATION ON LIABILITY

"SEC. 510. With respect to letters and other intellectual productions (exclusive of material copyrighted or patented) after they come into the custody or possession of the Administrator, neither the United States nor its agents shall be liable for any infringement of literary property rights or analogous rights arising thereafter out of use of such materials for display, inspection, research, reproduction, or other purposes.

"DEFINITIONS

"SEC. 511. When used in this title—

"(a) The term 'records' shall have the meaning given to such term by section 1 of the act entitled 'An act to provide for the disposal of certain records of the United States Government,' approved July 7, 1943 (57 Stat. 380, as amended; 44 U. S. C. 366).

"(b) The term 'records center' means an establishment maintained by the Administrator or by a Federal agency primarily for the storage, servicing, security, and processing of records that must be preserved for varying periods of time and need not be retained in office equipment and space;

"(c) the term 'servicing' means making available for use information in records and other materials in the custody of the Administrator—

"(1) by furnishing such records or other materials, or information from such records or other materials, or copies or reproductions thereof to agencies of the Government for official use and to the public; and

"(2) by making and furnishing authenticated or unauthenticated copies or reproductions of such records and other materials;

"(d) The term 'National Archives of the United States' means those official records that have been determined by the Archivist to have sufficient historical or other value to warrant their continued preservation by the United States Government, and have been accepted by the Administrator for deposit in his custody;

"(e) The term 'unauthenticated copies' means exact copies or reproductions of records or other materials that are not certified as such under seal and that need not be legally accepted as evidence; and

"(f) The term 'Archivist' means the Archivist of the United States."

SEC. 7. The Federal Property and Administrative Services Act of 1949 is further amended by—

(a) striking out the word "and" preceding "(2)" in subsection (d) of section 3 thereof; substituting a semicolon for the period at the end of said subsection; and adding at the end of such subsection the following: "and (3) records of the Federal Government.";

(b) striking out, in section 208 (a) thereof, the expression "and V," and inserting in lieu thereof the expression "V, and VI";

(c) striking out, in section 208 (b) thereof, the expression "and V" and inserting in lieu thereof the expression "V, and VI";

(d) striking out the word "and" at the end of paragraph (30) of section 602 (a); striking out the period at the end of paragraph (31) of section 602 (a) and inserting in lieu thereof a semicolon; and adding at the end of section 602 (a) the following new paragraphs:

"(32) the act entitled 'An act to establish a National Archives of the United States Government, and for other purposes,' approved June 19, 1934 (48 Stat. 1122–1124, as amended; 44 U. S. C. 300, 300a, 300c–k); and

"(33) section 4 of the act of February 3, 1905 (33 Stat. 687, as amended; 5 U. S. C. 77)."

(e) amending subsections 602 (b) and (c) thereof to read as follows:

"(b) There are hereby superseded—

"(1) the provisions of the first, third, and fifth paragraphs of section 1 of Executive Order No. 6166 of June 10, 1933, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms; and

"(2) sections 2 and 4 of the act entitled 'An act to provide for the disposal of certain records of the United States Government', approved July 7, 1943 (57 Stat. 381, as amended; 44 U. S. C. 367 and 369), to the extent that the provisions thereof are inconsistent with the provisions of title V of this act.

"(c) The authority conferred by this act shall be in addition and paramount to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841)."

(f) amending paragraphs (17), (18), and (19) of section 602 (d) thereof to read as follows:

"(17) the Central Intelligence Agency;

"(18) the Joint Committee on Printing, under the act entitled 'An act providing for the public printing and binding and the distribution of public documents' approved January 12, 1895 (28 Stat. 601), as amended or any other act; or

"(19) for such period of time as the President may specify, any other authority of any executive agency which the President determines within 1 year after the effective date of this act should, in the public interest, stand unimpaired by this act."

(g) striking out the period at the end of section 603 (a) thereof and inserting in lieu thereof a comma and the following: "including payment in advance, when authorized by the Administrator, for library memberships in societies whose publications are available to members only, or to members at a price lower than that charged to the general public."

SEC. 8. (a) Subsection 3 (b) of the Federal Property and Administrative Services Act of 1949 is amended to read as follows:

"(b) The term 'Federal agency' means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction)."

(b) Section 201 (b) of the Federal Property and Administrative Services Act of 1949 is amended by striking out the expression "or the Senate, or the House of Representatives,".

(c) Section 602 of the Federal Property and Administrative Services Act of 1949 is amended by redesigning subsection (e) thereof as subsection (f), and inserting, immediately after subsection (d) thereof, the following new subsection:

"(e) No provision of this act as originally enacted or as herein amended shall apply to the Senate or the House of Representatives (including the Architect of the Capitol and any building, activity, or function under his direction), but any of the services and facilities authorized by this act to be rendered or furnished shall, as far as practicable, be made available to the Senate, the House of Representatives, or the Architect of the Capitol, upon their request, and, if payment would be required for the rendition or furnishing of a similar service or facility to an executive agency, payment therefor shall be made by the recipient thereof, upon presentation of proper vouchers, in advance or by reimbursement (as may be agreed upon by the Administrator and the officer or body making such request). Such payment may be credited to the applicable appropriation of the executive agency receiving such payment."

SEC. 9. The Federal Property and Administrative Services Act of 1949, section 205 (h), is hereby amended by striking out the last word of the sentence "Title" and inserting in lieu thereof the word "Act."

SEC. 10. (a) Whenever any contract made on behalf of the Government by the head of any Federal agency, or by officers authorized by him to do so, includes a provision for liquidated damages for delay, the Comptroller General upon recommendation of such head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

(b) Section 306 of the Federal Property and Administrative Services Act of 1949, is hereby repealed, and this section shall be effective as of July 1, 1949.

SEC. 11. All laws or parts of laws in conflict with the amendments made by this act are, to the extent of such conflict, hereby repealed.

Mr. McCLELLAN. Mr. President, I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. McCLELLAN, Mr. O'CONOR, Mr. HUMPHREY, Mrs. SMITH of Maine, and Mr. SCHOEPPEL conferees on the part of the Senate.

CALL OF THE CALENDAR—FURTHER REPAIRS TO THE SENATE CHAMBER

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the call of the calendar for unobjected-to bills, beginning with the first bill appearing on the calendar.

The VICE PRESIDENT. Is there objection?

Mr. CHAVEZ. Mr. President, reserving the right to object, and I shall not object, I should like, before consent is given to the request made by the Senator from Illinois, to have the opportunity to speak for about 5 minutes. I wish to make a report to the Senate which I believe should be received at this time.

Mr. LUCAS. Mr. President, I yield to the Senator from New Mexico for that purpose.

Mr. CHAVEZ. Mr. President, I should particularly like to call the attention of the leader of the majority and the leader of the minority to the statement I am about to make. It is with reference to a recommendation made by the committee which has charge of reconstructing and improving the Senate Chamber. The committee is composed of myself as chairman, the Senator from Rhode Island [Mr. GREEN], the Senator from Virginia [Mr. BYRD] on the majority side, the Senator from Ohio [Mr. TAFT] and the Senator from Missouri [Mr. KEM], on the minority side.

As the Senate well knows, last summer we moved to the old Senate Chamber, and while the Senate was holding its sessions there the contractor proceeded to work in the upper part of the Senate Chamber, and also in the press gallery. The contractor has a contract under which he was supposed to start on the lower part of the Senate Chamber July 1. The materials are all on the ground. Some of those materials are extremely expensive and require special care; as a result of which, the committee met recently and came to the following conclusions:

EFFECTS OF DEFERMENT OF SENATE CHAMBER WORK

If the Senate Chamber improvements are not carried forward starting August 15, 1950, as presently scheduled, it is estimated that the work, if delayed for even 1 year, would cost at least an additional $150,000—with the probability of increased cost if delayed for more than 1 year.

The additional cost, as estimated in report to the Architect of the Capitol from his Superintendent of Construction, after consultation with the general contractor, would result from—

1. Storage charges for storing principal construction materials and all items of furniture in warehouses off the site. (Cost would be further increased if necessity should

arise for storing these materials on the site for all or part of deferment period, as additional storage structures would have to be erected on the site.)

2. Insurance of materials whether stored on or off the site.

3. Cost of special treatment of millwork and correcting defects likely to develop in stored materials, including any replacements that might become necessary.

All the millwork to be used in the construction is already on hand, and it is expensive.

4. Cost of rehandling stored materials.

5. Losses due to deterioration of lumber stored on site.

6. Cost of maintaining around-the-clock security watches during the year that the work would be deferred; also labor cost for periodical inspections of all stored materials, particularly for checking effects of weather conditions.

7. Special storage protective measures, such as mothproofing for the gallery seats and other items of furniture.

There is some very expensive furniture which will of necessity have to be properly stored.

Mr. LODGE. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Massachusetts?

Mr. CHAVEZ. I yield.

Mr. LODGE. Does that mean that by this proposed and so-called redecorative scheme it is planned to do away with these nice old desks we have in the Senate Chamber?

Mr. CHAVEZ. The seats referred to are in the gallery, in this particular instance.

Mr. LODGE. Mr. President, will the Senator answer my question as to whether the desks in the Senate Chamber are to be removed, and as to whether we are to get modernistic desks and chairs?

Mr. CHAVEZ. That is not my understanding.

Mr. TAFT. Mr. President, if the Senator will yield, I may say to the Senator from Massachusetts that it is my understanding that they are to remain where they are.

Mr. LODGE. I am delighted to hear that.

Mr. CHAVEZ. I continue:

8. Increased costs of cost-plus work, particularly from any wage increases occurring in the interim, and also due to extra labor costs necessary for storing materials and removing same from storage when ready to be used in the construction work.

9. Loss of experienced field personnel familiar with the construction problems peculiar to this particular job.

10. Additional costs from claims expected to be filed by the general contractor and his subcontractors for additional costs incurred through disruption of the approved construction schedule which, under the terms of the contract, requires the general contractor and his subcontractors to provide and hold in readiness the necessary labor and materials for performing the second stage construction work during the period July–December 1950.

The tenth and last item is probably the one which will involve the largest amount of expense.

The Special Committee on Reconstruction of the Senate Roof and Skylights and Remodeling of Senate Chamber adopted a resolution, which I should like to submit to the Senate, in the hope that possibly the majority and minority leadership may take some action promptly, if action is to be taken.

It was my thought that the Senate was entitled to know about these things. The Senate will then be able to judge for itself as to what shall be done. The resolution adopted by the special committee reads as follows:

The special Senate committee appointed under Public Law 155, Seventy-ninth Congress, approved July 17, 1945, in charge of the Senate roof and Chamber project, having carefully considered the effects of further deferment of the Senate Chamber work scheduled to be performed during the period July–December 1950, as reported by the Architect of the Capitol to the committee, has concluded that the interests of the Government will be best served by permitting the contractor to proceed with the Senate Chamber work, starting August 15, 1950: Be it therefore

Resolved, That the special committee recommends to the Senate that the Senate Chamber be vacated and made available to the contractor August 15, 1950, for performance of the Senate Chamber improvements remaining to be effected.

The resolution is signed by every member of the committee. The committee, in view of the progress which has thus far been made on the work, and feeling that the Senate would be out of the Chamber by this time, insisted that the contractors obtain the materials and have them on the ground, in order that the work could proceed. That is the recommendation of the committee.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. CHAVEZ. I yield.

Mr. WHERRY. What is the Senate to do, in event it is still in session on August 15? What is the recommendation of the committee?

Mr. CHAVEZ. I presume there will be but one thing to do. No recommendation is necessary. Last year, when the work on the Senate Chamber began, the Senate moved into the old Senate Chamber.

Mr. WHERRY. And that would be the Senator's recommendation?

Mr. CHAVEZ. That is correct. The Senate can be moved into the old Chamber over the week end and be ready to go to work on Monday. I felt that it was appropriate that this information be given to the leadership, so that the necessary preparations may be made.

Mr. GREEN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Rhode Island?

Mr. CHAVEZ. I yield.

Mr. GREEN. The situation this year would not be exactly the same as it was last. The difference is that the situation would be much better now than it was a year ago. All the press activities a year ago had to be conducted in the corridors because of the work of remodeling that was being done in the Press Galleries and in the press rooms. That is not the case this year.

Mr. WHERRY. I do not understand. Why is it not the case?

Mr. CHAVEZ. Work on the Press Galleries has been completed.

Mr. GREEN. That work has been completed, and the press does its actual manual work there.

Mr. WHERRY. But in the event the Senate moves to the old Chamber, what will the situation be with respect to the use of the Press Galleries?

Mr. CHAVEZ. Representatives of the press will go to the old Senate Chamber to obtain information, but the work will be done in the Press Galleries.

Mr. WHERRY. It will be done in the Press Gallery itself, will it?

Mr. GREEN. Yes.

Mr. WHERRY. I understand.

Mr. LUCAS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Illinois?

Mr. CHAVEZ. I yield.

Mr. LUCAS. If the Senate could conclude its work by say, September 1, or by Labor Day, would that make any difference with respect to the contracts?

Mr. CHAVEZ. It was the thought of the committee that if the Senate planned to leave on September 1, or on Labor Day, it might as well leave 2 weeks earlier, namely, on the 15th of August. I do not think it would interfere very much with the work of the Senate. I understand it is the purpose of the majority leader to take up the control bill next, probably. Possibly we could get through that bill in a short time, but even if it became necessary for us to move to the old Senate Chamber, I still think it would be in the interest of the Government to allow the Senate Chamber work to proceed.

Mr. WHERRY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. CHAVEZ. I yield.

Mr. WHERRY. The junior Senator from Nebraska is a member of the Committee on Rules and Administration. I want to thank the special committee for its recommendation. I am sure I speak for the minority when I say that we feel that the contractor should resume operations on August 15, as recommended, and that, if the Senate is not then ready to adjourn, it should move to the old Chamber and proceed with the work of the Senate.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. CHAVEZ. Pardon me, just a moment. We decided to make this recommendation. Of course, it is a matter for the Senate to decide. However, we felt that, having this information before it, the Senate could readily see that on the whole it would be advisable to do this and to get through with the Senate Chamber work, which otherwise might be delayed for from 1 to 3 years.

Mr. LUCAS. Mr. President, I should like to reply briefly. Tomorrow the Democratic Policy Committee meets, and we will take up the matter. I am sure we will go along with the recommendations

of the special committee, in view of the fact that they have been made unanimously, and in view of the fact that we will have an opportunity to save $150,000 by getting out of the Senate Chamber at the time indicated. Whether we go to the old Chamber or to the caucus room I suppose is a question that will have to be decided by the Senate.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. ROBERTSON. Do I correctly understand that if we do not move to permit the contractors to finish this work, the result will be to cost the Government a considerable sum of money in liquidated damages?

Mr. CHAVEZ. Yes; at least $150,000 in liquidated damages, plus the actual damages which may occur to the material, to replace expensive materials and also to provide buildings in which to store materials which are on the ground.

BENEFITS AND PRIVILEGES FOR DEPENDENTS OF MEMBERS OF NATIONAL GUARD CALLED INTO ACTIVE SERVICE

Mr. HUNT. Mr. President, I ask unanimous consent that I may address the Senate for not more than 3 or 4 minutes in regard to a matter which I consider to be most important.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Reserving the right to object, let me ask whether the matter to which the Senator from Wyoming refers has to do with any legislative matter on today's calendar.

Mr. HUNT. No; the matter I have in mind has to do with a measure which has been introduced but is not yet on the calendar.

Mr. WHERRY. Very well; I have no objection.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Wyoming may proceed.

Mr. HUNT. Mr. President, I hold in my hand a brief telegram from the commander of one of the units of the National Guard of my State. The telegram reads as follows:

Battery A, Three Hundredth Armored Field Artillery Battalion, has been ordered to mobilize for active duty. Would like to assure my men of family allotments while in service. Would appreciate something being done about this.

Mr. President, I also should like to read the recording of a telephone conversation from another commander of the National Guard:

As you know, my troop of the National Guard have been alerted for active duty on August 19. Almost every member of my guard has questioned me with reference to what the Congress has done with reference to dependency payments and the preservation of GI privileges, as well as other actions necessary to bring the benefits to the soldier of this war into line with the benefits and privileges under the laws prevailing in World War II.

As you know, as of this date the commander of the National Guard, as well as the commanders of the various units of the guard, have received no information of any kind from any source whatsoever on these matters.

It is trying and disconcerting to not be able to answer these questions, and, in fact, embarrassing to tell them that I have no information or knowledge with reference to the questions they ask.

I must say that the men of my command are perturbed, and they prepare to leave for active duty their morale is lowered by this situation.

It seems to me that this is a matter to which Congress should give immediate attention, and legislation on these matters should be enacted at the earliest possible date, and I should like to be able to inform my men immediately whether such legislation has been introduced and the status of such legislation at the present time.

Mr. President, I am not in a position to speak for the Senate Armed Services Committee. I do know that such proposed legislation has been introduced. For whatever comfort it may give to the men who are about to be taken from their homes and called into the Military Establishment, I think I can say for the Congress—and certainly I am sure it is the opinion of the Senate Armed Services Committee—that probably something will be done soon.

I thought this should be made a matter of record, so that the boys who are leaving may know that Congress is alerted to the situation and will do something about it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. SALTONSTALL. Let me say to the Senator from Wyoming that I am glad he has called this matter to the attention of the Congress, because I have received many letters and telegrams on the same subject. I know a bill on that subject is pending before the Armed Services Committee, and I know there is a corresponding bill in the House of Representatives. I hope those bills will receive speedy action.

I understand that the bill before the Senate Armed Services Committee is to be taken up very shortly.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. MORSE. Does not the Senator from Wyoming think it appropriate to call attention at this time to the fact that the matter to which he has referred was brought up before the Senate Armed Services Committee the other afternoon, and that the members of the committee were unanimously agreed that the matter should be called to the attention of the Senate, and it was agreed that the Senator from Wyoming and other Members of the Senate would take opportunity to call it to the attention of the Senate, as the Senator from Wyoming has just done, because those who are in the guard certainly are entitled to know at the earliest possible date that all the benefits which accrue to service in the other branches of the Army are going to accrue to those who serve in the National Guard.

Mr. HUNT. I thank the Senator from Oregon.

THE CALENDAR

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois that the Senate proceed to the call of the calendar, for the consideration of bills and other measures to which there is no objection, beginning at the beginning of the calendar? The Chair hears no objection, and the clerk will proceed to state the measures on the calendar, beginning with the first number.

BILLS AND CONCURRENT RESOLUTION PASSED OVER

The bill (S. 130) to provide for the demonstration of public library service in areas without such service or with inadequate library facilities was announced as first in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. I ask that the bill go over.

The VICE PRESIDENT. The Senator from New Jersey objects, and the bill will be passed over.

The bill (S. 206) relating to the immigration status of the lawful wives and children of Chinese treaty merchants was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. RUSSELL. Let the bill go over.

The VICE PRESIDENT. The Senator from Georgia objects, and the bill will be passed over.

The bill (S. 45) for the relief of the owners and operators of certain gold mines which were closed or the operations of which were curtailed by War Production Board Limitation Order L-208 was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. I ask that the bill go over.

The VICE PRESIDENT. The Senator from New Jersey objects, and the bill will be passed over.

The bill (S. 110) to broaden the cooperative extension system as established in the act of May 8, 1914, and acts supplemental thereto, by providing for cooperative extension work between colleges receiving the benefits of this act and the acts of July 2, 1862, and August 30, 1890, and other qualified colleges, universities, and research agencies, and the United States Department of Labor was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. DONNELL. I ask that the bill go over.

The VICE PRESIDENT. The Senator from Missouri objects to the present consideration of the bill, and it will be passed over.

The bill (S. 734) to provide for the appointment and compensation of counsel for impoverished defendants in certain criminal cases in the United States district courts was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. RUSSELL. Let the bill go over.

The VICE PRESIDENT. The Senator from Georgia objects to the present consideration of the bill, and it will be passed over.

The bill (H. R. 2660) to prohibit the parking of vehicles upon any property owned by the United States for postal purposes was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. LANGER. I ask that the bill go over.

The VICE PRESIDENT. The Senator from North Dakota objects to the present consideration of the bill, and it will be passed over.

The concurrent resolution (S. Con. Res. 33) suspending the legislative budget pending further study was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

Mr. LUCAS. I ask that the concurrent resolution be passed over.

The VICE PRESIDENT. The Senator from Illinois asks that the concurrent resolution be passed over, and that will be done.

CARL PIOWATY AND W. J. PIOWATY—BILL PASSED OVER

The bill (S. 478) for the relief of Carl Piowaty and W. J. Piowaty was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, I ask that the bill go over.

The VICE PRESIDENT. The Senator from Kansas asks that the bill be passed over, and that will be done.

Mr. HOLLAND. Mr. President, will the Senator from Kansas withhold his objection to permit me to make a statement regarding the merits of this bill, which I think are very great?

Mr. SCHOEPPEL. I am glad to withhold the objection temporarily.

Mr. HOLLAND. Mr. President, this bill was introduced by my colleague the senior Senator from Florida [Mr. PEPPER], who is unavoidably out of Washington today, but he has asked me to make a presentation regarding this bill.

These two brothers, the Piowatys, during the war in 1943 participated with a group of more than 50 persons in the planting of beans for the war effort under financing from the Regional Agricultural Credit Corporation, which was a branch of the Department of Agriculture. One of the conditions for the advances which were made was that in the event of a failure of the crop due to no fault of the grower the balance payable on the obligations would be canceled.

In this case about 50 of the growers in this group suffered failure of their crops, due, first, to a frost or freeze, and later to a flood. All of the 50 except the two Piowaty brothers were forgiven for the balances due upon their notes.

This matter has frequently been discussed here. Senators will recall that it appeared rather clearly that there was friction between the two Piowaty brothers and the field representative of the Federal agency involved—friction to such a degree that these two particular participants in that program could not be cleared, when question arose as to whether they had practiced good husbandry. All others of the group were forgiven the indebtedness on their notes, but these two men were not.

Suit was instituted, the case went to court, and judgment was obtained against the Piowatys. An appeal was taken to the Supreme Court of Florida, and that court by a 4 to 3 decision upheld the judgment, 4 being in favor of upholding the judgments, and 3 being in favor of reversal.

This matter is one of those very close and very difficult situations in which the group of persons involved in that community apparently feels that these two men have been singled out for different and unsympathetic treatment, treatment different from that accorded to all their fellows, and without proper reason.

To make the matter doubly worse, at this time pressure is being applied on the judgment, and these men are about to be very heavily penalized and about to be deprived, as I am advised, of their property, whatever they have.

I sincerely hope that the Senator from Kansas will see fit to withhold his objection and will allow the bill to be passed, because it seems to me so distinctly in the cause of justice and equity that it should pass.

As I recall, when the bill was called once before, the majority leader stated that in the event the bill could not be passed on the call of the Consent Calendar, he was so firmly of the opinion that passage of the bill was in accordance with real equity, that he would agree to give us time for the independent consideration of the bill.

I hope it will not be necessary to make such a request in these troublesome times, and I hope we can pass the bill during the call of the Consent Calendar.

I would very deeply appreciate it if the Senator from Kansas could feel that, in justice and in good conscience, he can withhold objection.

Mr. SCHOEPPEL. Reserving the right to object, the RECORD indicates that the Department in charge of this type of loan found that these men did not practice good husbandry. The fact remains that the question was passed on by a court of competent jurisdiction, based on the evidence that was offered, and the court made certain findings. For the further reason that in a number of other cases, in other States, the Department has passed on identical types of operation, I regret very much that I cannot personally accede to the desire of my good friend and colleague, and I must object.

The VICE PRESIDENT. The Senator from Kansas objects, and the bill will be passed over.

BILLS PASSED OVER

The bill (S. 1464) to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders was announced as next in order.

Mr. LODGE. I object.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1955) to authorize certain persons to accept decorations tendered to them by the United Kingdom for services rendered the Allied cause during World War II, and for other purposes, was announced as next in order.

Mr. LANGER. I object.

The VICE PRESIDENT. The bill will be passed over.

INTERNAL SECURITY OF THE UNITED STATES

The bill (S. 595) relating to the internal security of the United States was announced as next in order.

Mr. McCARRAN. Mr. President, is there objection to the consideration of this bill?

The VICE PRESIDENT. The Chair hears none as yet.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. McCARRAN. Mr. President, this bill was introduced at the request of the Attorney General and has been drafted to carry out the recommendations of the Inter-Departmental Intelligence Committee, composed of representatives of Military Intelligence and the Federal Bureal of Investigation of the Department of Justice. The recommendations reflect conclusions which were unanimously reached by the Inter-Departmental Intelligence Committee, after a thorough study of the provisions and inadequacies of existing law, beginning in 1945, and are based on the needs and experiences of the investigative agencies during both World War II and peacetime.

The proposed bill is drafted in the form of an amendment to section 793 of title 18, United States Code, with some minor amendments to other subversive statutes, such as the Alien Registration Act. A large part of the bill is taken up with a recitation of existing law. With the exceptions of a few minor changes in words for purposes of clarity, subsections (a), (b), and (c) of section 1 are the restatement of existing law.

Subsections (d) and (e) of section 1, though mainly a restatement of existing law, do affect one notable substantive change. Subsection (d) provides that those who have lawful possession of any information concerning national defense and willfully transmitted to one not entitled to receive it, or lawfully retain it and fail to deliver on demand, are subject to fine and imprisonment. Subsection (e) provides that those who have unauthorized possession of information relating to the national defense and willfully transmit it to one not entitled to receive it, or willfully retain and fail to deliver to one entitled to receive, are subject to fine and imprisonment.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I yield.

Mr. MORSE. To the Senator's knowledge, does the bill in any way conflict with the unification bill recently passed by the Congress?

Mr. McCARRAN. It does not conflict, as I understand.

Mr. LANGER. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. The Chair will state that the House bill 4703, Calendar 1349, is a similar bill. The Chair does not know whether it is identical, but it deals with the same subject.

Mr. McCARRAN. The two bills are not identical.

The VICE PRESIDENT. If they are, the Chair would suggest that the House bill be considered.

Mr. McCARRAN. This bill has been on the calendar for a long time, Mr. President.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. LANGER. Does the Senator know whether this bill in any way, shape, form, or manner authorizes wire tapping?

Mr. McCARRAN. It does not deal with wire tapping. When the bill came from the Department it contained a provision which would have permitted wire tapping. I advised the Senate at the time I introduced it that it should be carefully looked into, because it contained that provision. That provision was eliminated purposely and intentionally, and it is not in this bill.

Mr. LANGER. One further question, if the Senator will yield further. Assuming the bill goes to conference, would the question of wire tapping again arise?

Mr. McCARRAN. If it went to conference and I were a member of the conference, I would oppose anything that permitted wire tapping. That is all I can say on that point.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. JOHNSON of Colorado. Does this bill provide for the punishment of persons who may inadvertently say something that the Justice Department may not like?

Mr. McCARRAN. No; it contains nothing to that effect.

Mr. JOHNSON of Colorado. It has no effect on civil liberties at all?

Mr. McCARRAN. Not in my judgment. If it did, I certainly would not sponsor it.

Mr. LUCAS. Reserving the right to object, are we not considering Senate bill No. 12?

Mr. McCARRAN. We are considering Senate bill 595, Calendar 418.

Mr. LUCAS. Mr. President, I think I should make this statement with respect to the bills relating to the internal security of the United States. The President is sending a message to Congress dealing with this very question. It was my understanding that it probably would be here today. It may come before we finish the call of the calendar. At least, it will be here tomorrow. I should like the bill to go to the foot of the calendar at the moment in order that I may make some further investigation.

The VICE PRESIDENT. Is there objection to the bill going to the foot of the calendar?

Mr. McCARRAN. Before that is done, Mr. President, I wonder if I may send forward two amendments which I propose to offer to the bill.

The VICE PRESIDENT. The amendments offered by the Senator from Nevada will be received, be printed, and lie on the table.

Mr. McCARRAN. They are printed, Mr. President.

The VICE PRESIDENT. The Chair hears no objection to the bill going to the foot of the calendar, and it is so ordered.

BILLS PASSED OVER

The bill (S. 458) to provide for a survey of physically handicapped citizens was announced as next in order.

Mr. HENDRICKSON. Reserving the right to object, Mr. President, this is not the sort of legislation, in my opinion, which should be considered on the Consent Calendar, and I object.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 91) to provide for the better assurance of the protection of persons within the United States from lynching, and for other purposes, was announced as next in order.

Mr. RUSSELL. Mr. President, I object.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 12) to amend the Civil Aeronautics Act of 1938, as amended, was announced as next in order.

Mr. LUCAS. Mr. President, I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

JOINT RESOLUTION INDEFINITELY POSTPONED

The joint resolution (S. J. Res. 108) to reduce expenditures in Government for the fiscal year 1950, consistent with the public interest, was announced as next in order.

Mr. McCLELLAN. Mr. President, I think the joint resolution should be indefinitely postponed. It is no longer applicable.

The VICE PRESIDENT. Without objection, the joint resolution is indefinitely postponed.

INCREASE IN MAXIMUM SUM ALLOWABLE FOR FUNERAL EXPENSES

The bill (H. R. 3368) to amend sections 356 and 365 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, to increase the maximum sum allowable by the court of the assets of a decedent's estate as a preferred charge for his or her funeral expenses from $600 to $1,000 was considered, ordered to a third reading, read the third time, and passed.

INVESTMENT OF INSURANCE COMPANY FUNDS

The bill (S. 1490) to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the International Bank for Reconstruction and Development, was announced as next in order.

Mr. LANGER. I object.

The VICE PRESIDENT. The Senator from North Dakota objects.

Mr. FREAR. Mr. President, I wonder if the Senator from North Dakota will withhold his objection?

Mr. LANGER. I withhold my objection.

Mr. FREAR. Mr. President, the purpose of the bill is to amend the insurance laws in effect in the District of Columbia so as to permit domestic insurance companies to invest in obligations issued or guaranteed as to principal and interest by the International Bank for Reconstruction and Development.

Legislation of a similar nature has been enacted by the following States: California, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Nebraska, New Jersey, New York, Pennsylvania, Virginia, and West Virginia. In most of the other States, bonds of the International Bank are legal investments for insurance companies under general legislation or official ruling, or both.

This bill is purely permissive.

I wonder if the Senator will go along with that?

The VICE PRESIDENT. The Chair hears no objection.

When this bill was considered previously certain amendments were offered to it which were agreed to.

The bill (S. 1490) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 35 (1) of chapter III of the act of June 19, 1934 (48 Stat. 1152), as amended (D. C. Code, title 35, sec. 535 (1)), is amended to read as follows:

"(1) Bonds, notes, or other evidences of indebtedness of the United States, any State, Territory or possession of the United States, the District of Columbia, the Dominion of Canada, any province of the Dominion of Canada, or of any administration, agency, authority, or instrumentality of any of the political units enumerated; or obligations issued or guaranteed as to principal and interest by International Bank of Reconstruction and Development."

SEC. 2. Section 18 (1) of chapter II of the act of October 9, 1940 (54 Stat. 1072; D. C. Code, title 35, sec. 1321 (1)), is amended to read as follows:

"(1) Bonds or other evidences of indebtedness of the United States, or of any State; or of the Dominion of Canada, or of any province thereof; or obligations issued or guaranteed as to principal and interest by International Bank for Reconstruction and Development."

SEC. 3. This act shall take effect immediately.

S. M. PRICE

The bill (S. 843) for the relief of S. M. Price, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to S. M. Price, of Denver, Colo., the sum of $665.60, in full satisfaction of all claims against the United States for services rendered as caretaker of the automobile parking lot located on property of the United States adjoining the new customhouse, Denver, Colo., during the period from March 1 to September 12, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SUBPENA POWER FOR COMMISSIONER OF INTERNAL REVENUE

The bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may we have an explanation of the bill?

Mr. GEORGE. The bill ought to be passed, although heretofore it has gone over because it had added to it by way of amendment a reduction in excise taxes. In view of the fact that the tax bill now before the Finance Committee deals with excise taxes, the Senate will have an opportunity to vote them up or down. There is no objection to the bill, as I understand. It merely gives subpena power to the Commissioner of Internal Revenue to get information in certain instances where it has not been possible for him to get it. If the amendments dealing with the excise taxes are stricken from the bill, I think the bill should pass.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which had been reported from the Committee on Finance, with amendments at the top of page 2, to insert:

SEC. 2. Charitable gifts by a donor of his own products.

(a) Exclusion for income tax purposes.—Section 22 (b) of the Internal Revenue Code, relating to exclusions from gross income, is amended by adding at the end thereof a new paragraph reading as follows:

"(15) The value of any satisfaction derived by a manufacturer or producer from the making of gifts or contributions of articles of his manufacture or production to or for the use of donees described in section 23 (o) or (q) for the purposes herein specified."

(b) Effective date.—

A provision having the effect of the amendment made by subsection (a) shall be deemed to have been included in all revenue acts enacted since the ratification of the sixteenth amendment.

SEC. 3. Reductions in certain excise taxes.

(a) Effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act—

(1) the tax imposed by section 1700 (a) of the Internal Revenue Code (tax on admissions);

(2) the tax imposed by section 3406 (a) (10) of such code (tax on electric light bulbs and tubes);

(3) the tax imposed by section 2400 of such code (tax on jewelry);

(4) the tax imposed by section 2401 of such code (tax on furs);

(5) the tax imposed by section 2402 of such code (tax on toilet preparations);

(6) the tax imposed by section 3465 (a) of such code (taxes on telegraph, telephone, radio, and cable facilities); and

(7) the taxes imposed by section 3469 of such code (taxes on transportation of persons, and on seating or sleeping accommodations in connection with such transportation);

shall be determined without regard to the war tax rates specified in section 1650 of such code.

(b) Effective on and after the first day of the first month which begins more than 20 days after the date of the enactment of this act, section 1651 of the Internal Revenue Code (retailers' excise tax on luggage, purses, handbags, toilet cases, etc.) is hereby repealed.

(c) Effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act, section 3406 (a) (4) of the Internal Revenue Code (manufacturers' excise tax on photographic apparatus) is hereby amended by striking out "25 per centum" and inserting in lieu thereof "10 per centum", and by striking out "15 per centum" and inserting in lieu thereof "10 per centum."

(d) For the purposes of section 1657 of the Internal Revenue Code (relating to floor stocks refunds on electric light bulbs) and of section 1658 of such code (relating to the application of the effective date of rate reduction in the case of telephone, telegraph, etc., services) the term "rate reduction date" means the first day of the first month which begins more than 20 days after the date of enactment of this act.

Mr. GEORGE. Mr. President, the committee amendments relate to the excise taxes, and I move that the amendments be disagreed to.

The VICE PRESIDENT. The question is on the motion of the Senator from Georgia.

The motion was agreed to.

The bill (H. R. 3905) was ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "An Act to empower the Commissioner of Internal Revenue to issue subpenas in connection with industrial alcohol permits, and to relieve a donor from any income tax liability resulting from gifts to charity of his own products."

VALIDITY OF TITLES TO LANDS

The bill (S. 1606) to authorize the Secretary of the Interior to determine the validity of titles to lands acquired in the administration of the reclamation laws was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. McCARRAN. Mr. President, as chairman of the Committee on the Judiciary, I have had some correspondence with the Department of Justice with reference to the bill. In my judgment and in the judgment of the Department of Justice the bill should go to the Committee on the Judiciary. The bill would take from the Department of Justice the right to pass upon local titles in land matters. I shall object to its being passed now.

Mr. WATKINS. Mr. President, will the Senator withhold his objection until I can explain the purpose of the bill?

Mr. McCARRAN. I shall withhold my objection.

Mr. WATKINS. The purpose of the bill is to amend the act of June 17, 1902, in order to allow the Secretary of the Interior to determine the validity of titles to lands acquired in the administration of the reclamation laws. Final determination of the validity of these titles is now being made by the Department of Justice.

The attorneys of the Bureau of Reclamation examined titles for more than 40 years, with each regional counsel having final responsibility. I call that point particularly to the attention of the Senator. For more than 40 years the attorneys of the Bureau of Reclamation have examined the titles. It was the opinion of the Attorney General in 1946, however, that the final determination of the validity of titles by the Secretary of the Interior was an erroneous construction of the statute, and the practice was terminated. Under the present procedure the Bureau's attorneys examine titles and prepare the preliminaries.

The evidence is then presented to the Department of Justice for review and the closing opinions. As the Bureau maintains a staff of attorneys in each region to do other important legal work, it is the view of the Secretary of the Interior that the procedure now in effect is an unnecessary duplication of effort. It is also the opinion of the Secretary that, because of the great variation in State property laws and in locally acceptable practices with regard to titles, final determination of title matters can be handled on a local level more efficiently and expeditiously than in a central office.

Mr. President, this is one of those measures which ought to be passed in the interest of economy. The bill has been on the calendar for more than a year. When it was called up at other times I understood the Senator from Nevada, the chairman of the Committee on the Judiciary [Mr. McCARRAN], was going to make an investigation and would report to the Senate. The bill would save a great deal of cash and considerable amount of effort. It is a bill that ought to be passed without objection.

Mr. McCARRAN. Mr. President, I should like to read the following excerpt from a letter which I received from Mr. Peyton Ford, the assistant to the Attorney General:

President Truman has, on at least three occasions, vetoed bills which contained provisions of substantially the same character as here under consideration. In his veto message returning without approval H. R. 2423, Seventy-ninth Congress, after referring to the provision in the bill that the title to any lands acquired thereunder shall be satisfactory to the Secretary of the Interior, the President said:

"This provision is objectionable and represents a material change in existing law involving an unwarranted deviation from the long-established and manifestly sound practice under which the Attorney General is charged with the duty of examining the validity of titles to lands acquired by the Government. This duty has for more than a century been vested in the Attorney General with respect to the vast majority of acquisitions and I see no reason to change this general practice which has proven so satisfactory through the years.

"An advantage of this long-standing policy has been that the agency of the Government acquiring the land has the independent checking of the title by a disinterested agency. Moreover, there can be no question that the maintenance in the different departments of the Government of staffs of attorneys for the purpose of examining title to land will result in duplication and additional expense, as well as less efficient administration. It is to avoid duplication of this character that the Congress passed and I approved the Reorganization Act of 1945" (CONGRESSIONAL RECORD, vol. 92, pt. 8, p. 10772).

Mr. President, I ask that the entire letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 10, 1949.

Hon. PAT MCCARRAN,
Chairman, Committee on the Judiciary, United States Senate, Washington, D. C.

MY DEAR SENATOR: The Department of Justice desires to comment upon the bill (S. 1006) "To authorize the Secretary of the Interior to determine the validity of titles to lands acquired in the administration of the reclamation laws," which is under examination by your committee.

The bill would amend section 7 of the act of June 17, 1902 (32 Stat. 388; 43 U. S. C. 421) by providing that notwithstanding the provisions of section 355 of the Revised Statutes (40 U. S. C. 255), the validity of the title to any property to be acquired under the above act shall be determined by the Secretary of the Interior. Under the above section 355 of the Revised Statutes the Attorney General is required to pass upon the validity to property so acquired.

The question of the advisability of other departments of the Government passing on title to land acquired by those departments has often been considered by the Department of Justice. As early as 1841 the Congress was confronted with the problem of determining the validity of existing titles to lands of the United States when it was discovered that the title to a tract of land on Staten Island (upon which a fortification had been constructed at Federal expense) was in doubt. As a result thereof a joint resolution (Sept. 11, 1841, 27th Cong.; 5 Stat. 468) was enacted which was entitled "A joint resolution making it the duty of the Attorney General to examine into the titles of the lands or sites for the purpose of erecting thereon armories and other public works and buildings." Section 3 of the resolution provided that "no public money shall be expended upon any site or land hereafter to be purchased by the United States for the purposes aforesaid, until the written opinion of the Attorney General shall be had in favor of the validity of the title and also the consent of the legislature of the State in which the land or site may be or shall be given to said purchaser." This section became section 355, Revised Statutes.

The question was raised a number of years ago whether section 355 of the Revised Statutes extended to acquisitions of land for public works such as were contemplated by the Reclamation Act of June 17, 1902. While there was an informal and unpublished opinion by an Acting Attorney General, under date of March 24, 1904, which threw considerable doubt upon the question, later holdings of the Comptroller General (see 19 Comp. Gen. 739), as well as opinions of the Attorney General, resolved the matter by requiring that land acquisitions under the act be passed upon by the Attorney General. In 39 Opinion Attorney General 73, at page 79, it was stated:

"Congress has from time to time enacted statutes authorizing the acquisition of lands for particular purposes without regard to the provisions of section 355. Such statutes, however, have suspended the operation of section 355 because of existing emergencies. In the absence of emergencies, the Congress has shown extreme reluctance, in the matter of land acquisitions, to dispense with the opinion of the Attorney General upon the validity of the title.

"There are sound reasons why the practice of acquiring lands without the Attorney General's approval of the title should not be extended. The law requires that all titles acquired by the United States be valid ones, and that a dubious title may not be accepted for reasons of expediency" (6 Op. A. G. 732; 8 Op. A. G. 405; 9 Op. A. G. 100).

President Truman has, on at least three occasions, vetoed bills which contained provisions of substantially the same character as here under consideration. In his veto message returning without approval H. R. 2423, Seventy-ninth Congress, after referring to the provision in the bill that the title to any lands acquired thereunder shall be satisfactory to the Secretary of the Interior, the President said:

"This provision is objectionable and represents a material change in existing law involving an unwarranted deviation from the long-established and manifestly sound practice under which the Attorney General is charged with the duty of examining the validity of titles to lands acquired by the Government. This duty has for more than a century been vested in the Attorney General with respect to the vast majority of acquisitions and I see no reason to change this general practice which has proven so satisfactory through the years.

"An advantage of this long-standing policy has been that the agency of the Government acquiring the land has the independent checking of the title by a disinterested agency. Moreover, there can be no question that the maintenance in the different departments of the Government of staffs of attorneys for the purpose of examining title to land will result in duplication and additional expense, as well as less efficient administration. It is to avoid duplication of this character that the Congress passed, and I approved, the Reorganization Act of 1945" (CONGRESSIONAL RECORD, vol. 92, pt. 8, p. 10772).

For the same reason he also vetoed S. 1273, Seventy-ninth Congress (CONGRESSIONAL RECORD, vol. 92, pt. 6, p. 7932), and H. R. 4435, Seventy-ninth Congress (CONGRESSIONAL RECORD, vol. 92, pt. 8, p. 10791).

For the reasons above stated, the Department of Justice is opposed to the enactment of the bill.

Yours sincerely,

PEYTON FORD,
The Assistant to the Attorney General.

Mr. WATKINS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a copy of a letter written by the Secretary of the Interior to the Senator from Wyoming [Mr. O'MAHONEY], chairman of the Committe on Interior and Insular Affairs.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., June 30, 1949.

Hon. JOSEPH C. O'MAHONEY,
Chairman, Committee on Interior and Insular Affairs, United States Senate.

MY DEAR SENATOR O'MAHONEY: You have asked for an expression of our views on S. 1606, a bill to authorize the Secretary of the Interior to determine the validity of titles to lands acquired in the administration of the reclamation laws.

We are heartily in accord with the purpose of S. 1606.

The section of the act of June 17, 1902 (32 Stat. 388), which this bill, if enacted, would amend, authorizes the Secretary of the Interior to acquire, by purchase or condemnation, property and property rights needed for reclamation purposes. Although there is a specific requirement that the Attorney General institute condemnation proceedings at the request of the Secretary, the statute does not deal specifically with responsibility for examination of titles. On March 24, 1904, an Acting Attorney General advised that, under this statute, the Secretary of the Interior had authority to determine the validity of titles to land acquired for reclamation purposes. On the basis of this opinion, the attorneys of the Bureau of Reclamation were entrusted with this duty. Their performance was satisfactory for more than 40 years. On September 26, 1946, however, the Attorney General announced that such procedure could not be continued because of the statutory provision that "No public money shall be expended upon any site or land purchased by the United States for the purposes of erecting thereon any armory, arsenal, fort, fortification, navy yard, customhouse, lighthouse, or other public building of any kind whatever, until the written opinion of the Attorney General shall be had in favor of the validity of the title" (40 U. S. C. 255).

In so doing, he implicitly held—though the point was not mentioned in his opinion—that the further provision of this section of the code that "* * * nothing contained in this section shall be construed to affect in any manner any authority which the Secretary of War, the Chief of Engineers, or the Secretary of the Interior have under the provisions of law in force on October 9, 1940, with respect to the approval by them of title to land or interests in land acquired by the War Department or the Department of the Interior, as the case may be" has no applicability to acquisitions for reclamation purposes.

The portion of section 355 of the Revised Statutes first above quoted was enacted on September 11, 1841, and was, of course, in effect when the Acting Attorney General's unpublished opinion of March 24, 1904, was given. The opinion of September 26, 1946, regards the practice which developed as a result of the earlier opinion as an "erroneous construction" of the statute which could not receive the further acquiescence of the Attorney General.

Pursuant to the Attorney General's opinion of September 26, 1946, as implemented by a letter dated June 17, 1948, from Assistant Attorney General Vanech to the chief counsel of the Bureau of Reclamation, the Department of Justice now requires that all land acquisitions by the Bureau of Reclamation be referred to the Lands Division of the Justice Department for examination of titles and the preparation of title opinions.

Two courses of procedure have been set up. Under one, the regional counsel for the Bureau of Reclamation makes a complete preliminary determination as to validity of title and arrangements for the procurement of curative data, and then, if he determines that the title is free from doubt of consequence, prepares a closing opinion on the basis of which payment is made. At this stage the entire file is referred to the Lands Division of Justice in Washington for review and the preparation of a final opinion by the Department of Justice.

Under the second procedure the Bureau's attorneys obtain the basic title papers and make certain, as a minimum in the case of abstracts, that they are sufficiently complete and current to enable the Department of Justice to make a satisfactory title examination. The case is then referred to the Attorney General for examination and the preparation of a preliminary opinion. When the preliminary title opinion has been prepared it is necessary for Bureau attorneys again to handle procurement of curative papers and, if these cannot be obtained, to propose alternative courses of action to the Department of Justice. When title defects have been removed in a manner that, in the judgment of the Bureau attorney, meets the requirements of Justice's preliminary opinion, payment is made to the vendor and the documents are returned to the Department of Justice for examination and issuance of a final opinion.

Under the first procedure, so far as the determination of title is concerned, any review given after the closing of the transaction by

a regional counsel of the Bureau is a duplication of effort. Under the second procedure, the work that Bureau attorneys must perform is but little different from that which they would do if they actually prepared the preliminary opinions. And because of delays of transmitting papers to Washington the second procedure of necessity results in some delay in the closing of transactions.

The procedures above described are relatively new. They became effective on October 1, 1948. Delays thus far have been those that are naturally to be expected in any drastic change of systems. When the new procedures have become familiar to all Bureau attorneys and land officers we expect that these delays will be reduced and we hope that time between procurement of title data and closing, while somewhat longer than under Bureau procedure, will not be objectionably so. But even with good service, we think that there will be, and inherently so, unnecessary duplication of effort.

The determination of the validity and sufficiency to title to lands or interests in lands is, as every Member of Congress who has practiced law knows, essentially a local matter. This is so because of the great variation in State property laws and in locally acceptable practices in regard to titles. Attorneys who devote a considerable portion of their time to title examinations and related work on a particular project or in a particular area are bound to become experts on these local laws and the locally acceptable methods of correcting title defects. They also acquire a wealth of local factual information and knowledge as to local title practices that no centralized office, remote from the areas where the lands are situated, can hope to acquire. Moreover, efficient handling of title matters requires that the examining attorneys be in constant contact not only with the administrative officers who are responsible for the appraisal and acquisition of land but also with local abstract and title companies, local lawyers, and landowners with whom they must work in clearing title. Our limited experience thus far under the new Justice procedures have shown us that there is a tendency for Justice attorneys in Washington to impose initially requirements that they would not impose were they thoroughly conversant with local statutes and decisions and other pertinent local conditions.

There is, however, a far more fundamental basis for objection to the intervention of the Department of Justice in the Bureau's land-acquisition program. Justice attorneys or any attorney not working closely with the reclamation program simply cannot have the same full understanding of the problems of Bureau land acquisition as the attorneys who are working every day in the reclamation field, particularly in matters involving the Bureau's construction program.

For a better understanding of the problems at hand, it may help to illustrate, by a typical large reclamation project, the relation between the construction program and land acquisition. In connection with the Columbia Basin project in the State of Washington, land-acquisition officers and attorneys for the Bureau of Reclamation have heretofore handled the acquisition of all lands purchased for the site of Grand Coulee Dam and the 150-mile reservoir created thereby, for the equalizing dam and reservoir, and for O'Sullivan Dam and Reservoir. There remain to be acquired, over the next several years, lands and interests in lands for Long Lake Dam and the reservoir to be created thereby, some 4,000 miles of canals and laterals of which probably one-half will be acquired through purchase (the other half being located across lands subject to reserved right-of-way provided by the act of August 30, 1890 (26 Stat. 371, 391)), and many miles of rights-of-way for roads, transmission lines, and other project facilities. The lands to be acquired lie in nine counties.

Similar projects may be found in each of the other six regions of the Bureau. Some of the larger ones are the Central Valley project in California, the Colorado-Big Thompson project in Colorado, and the Missouri River Basin program in the States of Colorado, Kansas, Montana, Nebraska, North Dakota, South Dakota, and Wyoming.

Acquisitions of the lands needed for these works present several problems quite unlike those encountered in the selection and acquisition of the sites for Federal public buildings. The location of the features of an irrigation system is governed by the topography and other characteristics of the areas to be crossed and to be irrigated. A canal system sprawls over a wide expanse and it frequently happens that a given portion of a canal system is put under contract to be built before detailed locations can be determined. The speed of the acquisition program is, therefore, governed by that of the construction program and must be handled so as not to delay that program.

The land-acquisition program presents another unusual aspect. In most situations the acquisitions are of but part of an owner's holdings, and the owner is one with whom this Department will continue to have other contractual relations for many years in connection with the operation of the irrigation system. It is of more than usual importance, therefore, to handle all phases of the original acquisition so that good relations with the landowners will be established and maintained.

In the light of this background as to the nature of the legal work involved and the special problems encountered in the acquisition program, our reasons for believing that it is to the advantage of this Department and the Government as a whole to permit the continuation of our past title examination procedures with respect to the Bureau of Reclamation acquisition program are these:

1. There is need to have, in the agency which has the responsibility for the construction of these complex engineering works, complete administrative control of the title-examining procedure.

This need for administrative control is primarily because of the direct bearing that the closing of land transactions has on construction schedules. By administrative control of its attorneys, the agency which has the responsibility for the maintenance of construction schedules can direct the activities of attorneys to title matters needing preferred attention, and can direct and provide for the essential close-working relationship between attorneys and land-acquisition officers and with the landowners. This control was afforded under the procedure heretofore employed in the Bureau of Reclamation under the sanction of a long-standing interpretation of the Federal reclamation law. It will be at least partially lacking under the procedure now required by the Attorney General.

2. The work can be done more expeditiously and with less expense to the Government under the procedure heretofore employed than that necessary under the procedures prescribed pursuant to the Attorney General's opinion.

This Department learned long ago that the efficient and expeditious handling of title work requires delegation of final title responsibility to attorneys in the field. Such attorneys can handle the work more expeditiously because they, in preparing the preliminary and final opinions, have direct and immediate access to all the acquiring agency's land-acquisition files. This permits the resolution of many questions without the delays attendant on correspondence. Expedition in the closing of land transactions in this fashion results in direct savings in cost and has an indirect bearing on success in negotiating transactions at prices favorable to the United States.

There will, moreover, be no saving to the Government—in fact, there will be added expense—in having the sufficiency of titles passed upon finally by the Department of Justice, for it will be necessary for Bureau attorneys to perform substantially the same functions that they now perform in determining the validity of titles. The Attorney General is authorized, and it is his practice, to call upon the land-acquiring agency to "procure any evidence of title which the Attorney General may deem necessary" and the expenses incurred in complying with his requirements are charged to the acquiring agency. The work of the attorneys of the Department of Justice, in other words, will largely be that of reviewing cases prepared by Bureau attorneys.

The reclamation program requires the maintenance of a staff of attorneys in each region to handle other important legal work without regard to title work. The title load, however, is a variable one, depending on the pace of the construction program. It is possible, therefore, to fit the title load into the other legal workloads of regional legal staffs and thereby maintain a high degree of efficiency in the use of attorneys. This is a point of economy over and above that to be realized from the avoidance of unnecessary legal review.

Since the Congress provides counsel to various agencies of the Government to permit the handling on a day-to-day basis on the legal aspects of the problems of those agencies and has provided such counsel on a regional basis in connection with the Bureau of Reclamation's program, it would seem to be poor economy to fail to take full advantage of the services of those counsel, particularly in matters so essentially local in character as the examination of title to land.

3. Bureau regional counsel and their staff attorneys have demonstrated that they are competent to do the work, and are well organized and trained to do it.

The record of Bureau attorneys in handling title work is not open to question. In the 40 years and more that they have been handling this work there has been no instance, I am advised, of any loss attributable to title defects in lands acquired in the reclamation program. Their record for speed in handling the work, moreover, is excellent.

Bureau attorneys are organized on a regional basis. It has been our policy, as above stated, to give to each regional counsel final responsibility for title matters, thereby avoiding bringing such matters to a central office. Since these regional counsel, of necessity, must be acquainted with local law on land and water rights in connection with other of their responsibilities, they are better able to handle title matters than the staff in a central office. Moreover, it will be apparent to you from the description of the special problems of the Bureau's acquisition program, that the attorneys responsible for title examination in that program, to do the most effective job, must be able to exercise judgment in the application of technical rules of property law. That judgment can only be properly exercised by attorneys who, through daily work with the Bureau's whole program, know the various factors that enter into such a judgment.

It is for these reasons—not because I question the competency of the Department of Justice to handle title work adequately, efficiently, and economically—that I recommend the enactment of S. 1606.

If the bill is subject to amendment, I should like to suggest that it be amended in order to accomplish other purposes which, though not directly related to a determination of the validity of titles, are pertinent to the section of the reclamation law with which S. 1606 deals. Section 7 of the act of June 17, 1902, authorizes the acquisition of rights or property to carry out the provisions of that act and payment for such acquisitions from the reclamation fund. The act

of June 17, 1902, has been amended many times and a number of special statutes have been enacted which alter or increase the authority vested in the Secretary of the Interior in connection with the construction, operation, and maintenance of reclamation projects. Furthermore, some projects are financed with appropriations from the general fund of the Treasury instead of the reclamation fund. In these circumstances, it is desirable that the authority to acquire land and interests in land be explicitly linked with the entire body of reclamation law instead of with the initial act only, and that the language authorizing payment for such acquisitions do not refer to a single fund only. To accomplish both of these purposes as well as the purpose of S. 1606, it is suggested that, following the enacting clause, the following language be substituted for that of S. 1606:

"That section 7 of the act of June 17, 1902 (32 Stat. 388, 389, 43 U. S. C. 421), is hereby amended to read as follows:

" 'SEC. 7. That the Secretary of the Interior is authorized to acquire such rights or property as he determines to be necessary and desirable for the construction or operation and maintenance of projects undertaken pursuant to this act and acts amendatory thereof or supplementary thereto. Such acquisitions shall be at prices and with titles satisfactory to him.' "

Inasmuch as I understand that your committee wishes an immediate report on this bill, I have not ascertained from the Director of the Bureau of the Budget its relation to the program of the President.

Sincerely yours,

J. A. KRUG,
Secretary of the Interior.

Mr. McCARRAN. I object to the bill.

The VICE PRESIDENT. Objection is heard. The bill will go over.

EQUITIES OF PERMANENT CLASSIFIED CIVIL SERVICE EMPLOYEES

The bill (S. 660) to amend the act of June 27, 1944, Public Law 359, and to preserve the equities of permanent classified civil service employees of the United States was announced as next in order.

GENERAL APPROPRIATIONS, 1951

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McKELLAR. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The VICE PRESIDENT. The question is on the motion of the Senator from Tennessee.

The motion was agreed to.

The VICE PRESIDENT. In view of the numerosity of conferees, the Chair suggests that the list of names of the conferees be inserted in the RECORD without being read at this time.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the list of conferees be printed in the RECORD at this point.

There being no objection, the list of conferees appointed on the part of the Senate was ordered to be printed in the RECORD, as follows:

Chapter I—District of Columbia: Mr. HILL, Mr. O'MAHONEY, Mr. MCCLELLAN, Mr. HUNT, Mr. FERGUSON, Mr. WHERRY, and Mr. YOUNG;

Chapter II—Legislative Branch: Mr. ELLENDER, Mr. CHAVEZ, Mr. MCKELLAR, Mr. BRIDGES, and Mr. CORDON;

Chapter III—State, Justice, Commerce, and the Judiciary: Mr. MCCARRAN, Mr. MCKELLAR, Mr. ELLENDER, Mr. GREEN, Mr. SALTONSTALL, Mr. BRIDGES, and Mr. FERGUSON;

Chapter IV—Treasury and Post Office: Mr. MAYBANK, Mr. HAYDEN, Mr. KILGORE, Mr. MCCLELLAN, Mr. JOHNSTON of South Carolina, Mr. CORDON, Mr. BRIDGES, and Mr. SALTONSTALL;

Chapter V—Labor-Federal Security: Mr. CHAVEZ, Mr. MCCARRAN, Mr. RUSSELL, Mr. KNOWLAND, and Mr. GURNEY;

Chapter VI—Agriculture Department: Mr. RUSSELL, Mr. HAYDEN, Mr. O'MAHONEY, Mr. MCCARRAN, Mr. THOMAS of Oklahoma, Mr. YOUNG, Mr. GURNEY, and Mr. FERGUSON;

Chapter VII—Interior Department: Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. O'MAHONEY, Mr. WHERRY, and Mr. GURNEY;

Chapter VIII—Independent Offices: Mr. O'MAHONEY, Mr. RUSSELL, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. FERGUSON, Mr. CORDON, and Mr. SALTONSTALL;

Chapter IX—Civil Functions: Mr. MCKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. THOMAS of Oklahoma, Mr. STENNIS, Mr. GURNEY, Mr. FERGUSON, and Mr. CORDON.

Chapter X—Defense Establishment: Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. RUSSELL, Mr. O'MAHONEY, Mr. TYDINGS, Mr. GURNEY, Mr. BRIDGES, Mr. FERGUSON, and Mr. WHERRY.

Chapter X-A—General Reductions in Appropriations: Mr. MCKELLAR, Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. RUSSELL, Mr. MCCARRAN, Mr. BRIDGES, Mr. GURNEY, Mr. FERGUSON, and Mr. WHERRY;

Chapter X-B—Foreign Aid: Mr. MCKELLAR, Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. RUSSELL, Mr. MCCARRAN, Mr. BRIDGES, Mr. GURNEY, Mr. FERGUSON, and Mr. WHERRY;

Chapter XI—General Provisions: Mr. MCKELLAR, Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. RUSSELL, Mr. MCCARRAN, Mr. BRIDGES, Mr. GURNEY, Mr. FERGUSON, and Mr. WHERRY.

Mr. SALTONSTALL. Mr. President, will the Senator yield, or does he wish to make a statement?

Mr. McKELLAR. I wish to make a statement.

The Committee on Appropriations met this morning and adopted unanimously a resolution with respect to the appointment of conferees. I ask that it be printed in the RECORD as a part of my remarks without my reading it.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

MEETING OF THE SENATE APPROPRIATIONS COMMITTEE ON TUESDAY, AUGUST 8, 1950, TO CONSIDER THE APPOINTMENT OF CONFEREES ON THE GENERAL APPROPRIATION BILL, 1951

Senator RUSSELL made the following motion, which was agreed to unanimously on a voice vote:

"Resolved, That the chairman of the Appropriations Committee recommend to the Vice President the appointment of conferees to deal with each chapter of the general appropriation bill, 1951, on the same basis on which conferees on the part of the Senate were appointed in the calendar year 1949 to deal with the separate bills which are identical with the separate chapters in the general appropriation bill, 1951, that the ratio of those appointed on the part of the Senate to the conference committee as between the two parties be the same as between the two parties in the calendar year 1949 (District of Columbia 4–3; Legislative, 3–2; State, Justice, Commerce, and the Judiciary, 4–3; Treasury and Post Office, 5–3; Labor-Federal Security, 3–2; Agriculture, 5–3; Interior, 3–2; Independent Offices, 4–3; Civil Functions, 5–3; National Defense, 5–4; Foreign Aid, 5–4), that the individual subcommittee chairmen appoint the ranking members on their subcommittees unless any Member desires to be relieved of duty on the conference, in which case the subcommittee chairman is to tender the appointment to the next ranking member of the subcommittee, that the members of the conference on the part of the Senate on each chapter of the bill be authorized to bind the full committee on that chapter but that at the conclusion of the conference all of the conferees sign the conference report, and that with respect to the appointment of Senate conferees on chapters X–A, X–B, and XI, the same policy be followed as was followed on the foreign-aid appropriation bill in the calendar year 1949."

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. SALTONSTALL. Sitting for the moment in the chair of the minority leader, I understand that conferees will be appointed for each chapter of the appropriation bill.

Mr. McKELLAR. Yes.

Mr. SALTONSTALL. In the same manner that conferees were appointed for the separate appropriation bills in 1949?

Mr. McKELLAR. The Senator is not only correct, but I may add that the ratio in which they were appointed in 1949 is exactly the same ratio as today.

Mr. SALTONSTALL. Am I to understand that the conferees on each one of the titles are to reach conclusive agreements subject only to the matters coming finally before the full committee?

Mr. McKELLAR. That is my understanding of the resolution introduced by the Senator from Georgia [Mr. RUSSELL] which deals with the subject.

Mr. SALTONSTALL. Under the rule the agreements are final and can be reopened by the whole committee.

Mr. McKELLAR. Absolutely.

Mr. RUSSELL. Mr. President, I agree completely with what the Senator from Massachusetts has said about the resolution. As I understand, the conferees are to be appointed for each chapter, and when the conferees on each chapter have reached an agreement, that is the final agreement on that chapter, except of course that all conferees are to sign the final conference report, because no conference report could be agreed to unless the majority of the Senate conferees signed it.

Mr. SALTONSTALL. That is my understanding.

Mr. McKELLAR. In order that it may be thoroughly understood by all Senators, I should like to read the resolution:

MEETING OF THE SENATE APPROPRIATIONS COMMITTEE ON TUESDAY, AUGUST 8, 1950, TO CONSIDER THE APPOINTMENT OF CONFEREES ON THE GENERAL APPROPRIATION BILL, 1951

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That seems to me to be perfectly plain, and I hope the Senate will accept the plan. I have read it into the RECORD so that Senators may be familiar with it.

EQUITIES OF PERMANENT CLASSIFIED CIVIL SERVICE EMPLOYEES

Mr. SCHOEPPEL. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SCHOEPPEL. Has Calendar No. 692, Senate bill 660 been called?

The VICE PRESIDENT. That is the last bill called, and the Chair has not put the question as to whether there is objection to its consideration.

Mr. SCHOEPPEL. I desire to object.

The VICE PRESIDENT. The Senator from Kansas objects.

Mr. FREAR. Mr. President, I wonder if the Senator from Kansas will withhold the objection.

Mr. SCHOEPPEL. I shall be glad to.

Mr. FREAR. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FREAR. Is it permissible to offer an amendment from the floor of the Senate on behalf of the Senator from South Carolina [Mr. JOHNSTON]?

The VICE PRESIDENT. Not unless the Senate agrees to consider the bill. If the bill goes over, the Senator may offer the amendment and have it printed and lie on the table.

Mr. FREAR. But not for present consideration?

The VICE PRESIDENT. Not for present consideration, unless the objection to present consideration is withdrawn.

Mr. FREAR. Then I ask the Senator from Kansas to permit the bill to go to the foot of the calendar.

The VICE PRESIDENT. Is there objection to the request of the Senator from Delaware that the bill go to the foot of the calendar?

Mr. SCHOEPPEL. Mr. President, I would have no objection to the bill going to the foot of the calendar, but I must say that when it is called again I shall object.

Mr. FREAR. I ask unanimous consent that the bill go to the foot of the calendar, and I thank the Senator from Kansas.

The VICE PRESIDENT. Without objection, the bill will go to the foot of the calendar.

WELFARE OF COAL MINERS

The bill (S. 1031) amending Public Law 49, Seventy-seventh Congress, providing for the welfare of coal miners, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I object.

The VICE PRESIDENT. The Senator from New Jersey objects.

Mr. NEELY. Mr. President, will the Senator from New Jersey withhold his objection?

Mr. HENDRICKSON. I gladly withhold it.

The VICE PRESIDENT. The Senator from West Virginia is recognized.

Mr. NEELY. Mr. President, the distinguished Senators from Pennsylvania [Mr. MYERS], from Illinois [Mr. DOUGLAS], from Oklahoma [Mr. KERR], from Alabama [Mr. HILL], from North Dakota [Mr. LANGER], and from Indiana [Mr. CAPEHART] joined me as sponsors of this bill. It was favorably and unanimously reported by a subcommittee of the Committee on Labor and Public Welfare. The able Senator from Utah [Mr. THOMAS] and the able Senator from Oregon [Mr. MORSE] were members of the subcommittee. Through an extravagance of generosity the honor of being chairman of the subcommittee was conferred upon me.

The full committee, with not more than one dissenting vote, recommended that the Senate pass the bill—the object of which is to provide additional safety for the coal miners of the United States. The necessity for this additional safety could not be exaggerated. Since the Nation recently began to defend itself against the aggression of the communistic hordes of northern Korea, more men have been accidentally killed or injured in the coal mines of this country than have been killed or injured on the battlefields of the war in which we are now engaged.

It is my hope that the distinguished Republican Senators, Mr. CAPEHART, of Indiana, Mr. LANGER, of North Dakota, and Mr. MORSE, of Oregon, may be able to prevail upon their two Republican colleagues, who during the past year have again and again prevented the consideration of this bill, to withhold their objections today in order that this meritorious measure may be passed by the Senate without further delay.

Mr. THOMAS of Utah. Mr. President, will the Senator from New Jersey withhold his objection for one more moment?

Mr. HENDRICKSON. I gladly withhold my objection.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Senator from Utah is recognized.

Mr. THOMAS of Utah. The general objection to the bill while it was being considered by the committee, as expressed by certain mine superintendents, was that the country was making good progress in providing for safety in the mines, on the State level, and that therefore the bill was unnecessary, that it might cause friction between State administration and Federal administration.

Mr. President, that objection is not any longer valid. In view of the fact that practically all the coal mines of the country are becoming mechanized, that new machinery is being installed, and new methods of mining are being developed, it is perfectly proper and appropriate that the Government should use all possible facilities for the protection of the miners.

If the present emergency becomes more universal, our Nation being dependent upon coal for its primary energy, we all know a great number of men will be sent into the mines.

After having gone through all the hearings I for one protest vigorously against postponement of action and trust the Senate will not stand in the way of providing the best means the Government possibly can adopt of protecting the lives of those men on whom everyone will be dependent.

Mr. MARTIN. Mr. President, I regret exceedingly to disagree with the distinguished Senator from West Virginia [Mr. NEELY] and the distinguished Senator from Utah [Mr. THOMAS]. Pennsylvania has been mining coal for much more than a hundred years. We have provided in our State law for every possible safety device we can think of. The last 1,000,000 tons of coal mined in our State has been mined without a fatality. Whatever Federal inspectors come into our State do so in an advisory capacity. Dual control is confusing. If the bill were enacted I believe it would simply further centralize power in Washington. That is something which I feel is detrimental to the development of our industry and to the safety of our people. I regret exceedingly to oppose the unanimous consent request for consideration of the bill, but it is necessary for me to do so.

Mr. HENDRICKSON. Is it the distinguished Senator's view that proper safeguards can be provided at the local and State levels?

Mr. MARTIN. I will answer the distinguished Senator by saying yes, absolutely. I believe we must decentralize such matters as these. The States are more familiar with local conditions

and local requirements than is the Federal Government. Enactment of the bill into law would, I am afraid, destroy many of the safety devices we have developed in Pennsylvania over more than 100 years of activity.

Mr. CAPEHART. Mr. President, as the coauthor of the bill I had hoped no objection would be raised to it. Considerable coal is mined in Indiana, and I know our miners and the people of Indiana are in favor of the bill. I feel we should take whatever steps are necessary to protect the miners. Coal mine accidents are very serious. It seems to me that Federal inspection, such as we are now talking about, would simply be a plus, an addition to the inspection the States themselves make. I regret exceedingly that there should be objection to the bill. I recognize the position of those who object to it, and I know they are sincere and conscientious in their objection, but I was very hopeful the bill might be passed at the present session of Congress.

Mr. HENDRICKSON. Mr. President, I regret exceedingly that I am in the position here today where I am constrained to object by request. I appreciate very much the remarks made by the distinguished Senator from West Virginia and the remarks made by the distinguished Senator from Utah.

Mr. LUCAS. Mr. President, will the Senator from New Jersey withhold his objection for a moment?

Mr. HENDRICKSON. Yes.

Mr. LUCAS. May I inquire what other Senators have objected to the bill?

Mr. HENDRICKSON. The junior Senator from Ohio [Mr. BRICKER] objects to it. He is temporarily absent at this time.

Mr. LUCAS. Mr. President, I wish to associate myself with the Senator from West Virginia and other Senators who have spoken in favor of the bill. I should like to read into the RECORD at this time what the Secretary of the Interior said to the committee, which is included in the committee report:

> Because of this lack of appropriate investigatory powers, hazardous conditions in many mines have been left uncorrected, and responsibility for many of the disasters that have taken place has never been fixed.

Mr. HENDRICKSON. Mr. President, will the Senator from Illinois read with greater volume?

Mr. LUCAS. I am reading from page 1 of the report No. 695.

> Power to make mandatory inspections of coal mines, both at periodic intervals and upon the occurrence of an accident, is absolutely necessary if the Department is to carry on efficient health and safety work, for the power to obtain information is necessarily basic to all its accident and disease prevention activities. The progressive increase in the inherent hazards of coal mining which growing mechanization of the industry has brought about makes it more imperative now than ever before that Federal protection be reinforced and extended through the granting of adequate inspection powers and enlargement of the reporting and educational duties to which these powers are incident.[1]

Mr. President, that statement by the Secretary of the Interior regarding the safety and security of the miners who go into the bowels of the earth to dig coal is an important one. I distinctly recall what happened after the great mine disaster at Centralia, Ill., only 2 or 3 years ago. A committee was appointed at that time by the United States Senate to make an investigation into that mine disaster. But, after all, we in the Senate of the United States had no power to do what should have been done in the way of proper recommendations from the Federal standpoint in an endeavor to prevent disasters of a similar kind in the future.

It may be true that some States have sufficient safeguards for the protection of miners who go into the earth to dig coal. But a number of States do not provide the proper kind of inspection and examination which a Federal group, it it had the power, could make. The bill is a very important one from the standpoint of protection of the miners from accident and death.

I know that many persons do not like to have power to inspect and examine mines centralized in Washington. But I undertake to say that there are many States which do not have provisions for properly safeguarding the security of the miners. Perhaps they do not have the money to provide safeguards for those who dig coal. It is my earnest hope that the bill may become the law of the land.

Mr. MURRAY. Mr. President, as a member of the Committee on Education and Public Welfare which reported the bill I wish to say I am strongly in favor of it. I also come from a coal mining State. Many very severe accidents have occurred in the coal mines of my State. The government and the people of Montana are very much in favor of the bill. I believe it would be very unwise not to pass the bill now, because almost every day we read in the newspapers stories of serious coal-mine accidents. During the past year or so some very serious coal-mine accidents have occurred in Montana mines. I hope the objection to the bill will be withdrawn.

Mr. HENDRICKSON. Mr. President, I appreciate the contributions which have been made to the discussion of the bill by the distinguished Senator from Illinois. I wish I could withhold objection. Under the circumstances I do not feel I can do so. A question of honor is involved.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

Mr. LANGER. Mr. President, I should like to make a statement.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. LANGER. As one of the cosponsors of the bill, I announce that when the call of the calendar has been completed I shall make a motion to consider the bill. As the majority leader has just stated, the bill is a very important one. I believe it to be one of the most important bills on the calendar. In view of the fact that miners are dying because mine owners have not taken proper precautions for their safety or because proper State laws have not been enacted, I believe it would be a shameful thing not to pass this bill. As I said, I intend to move that the bill be taken up after the calendar has been called.

Mr. MYERS. Mr. President——

The PRESIDING OFFICER. The Senator from Pennsylvania will be recognized as soon as the next bill on the calendar has been announced. There will then be before the Senate a measure, and the Senator can address himself to the subject matter of the previous bill if he so desires.

The bill (S. 1976) for the relief of Mrs. Juan Antonio Rivera, Mrs. Raul Valle Antelo, Mrs. Jorge Diaz Romero, Mrs. Otto Resse, and Mrs. Hugo Soria was announced as next in order.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania.

Mr. MYERS. Mr. President, I wish to address my remarks to the bill which has just been under discussion. As one of the sponsors of the bill, I share the views of those who have already spoken in favor of it. I believe Pennsylvania has mine safety laws which probably are much further advanced than the mine safety laws of many other States, but I still believe that if the bill were to be enacted into law those who work deep down in the mines would be assured of even greater protection than they now enjoy in my State. There have been many fatalities and serious injuries to our coal miners in Pennsylvania in recent years, and I believe these fine Americans are entitled to all the help and assistance we can possibly render to them.

I think we should strengthen our mine safety laws and I believe enactment of this bill would guarantee the miners in Pennsylvania, as well as miners all over this country, much greater protection in their employment than they now have. So I plead with the Senate to pass this bill today. I am not only interested in how this bill will affect my State, but how it will affect miners in other States as well. I know that their mine safety laws are not at all adequate for the protection of life and limb of the miners.

Therefore, Mr. President, I regret exceedingly that the bill must go over. I frankly believe that it is a bill which is in the best interest of all sections of the country. It is a bill which the men who actually do the mining are asking for. It is a bill which they need for their protection and for their safety. I sincerely hope that we may be able to secure action on this proposed legislation before Congress recesses or adjourns.

Mr. HENDRICKSON. Mr. President, I should like the RECORD to show that I shall have no objection whatever to having the bill passed over until the foot of the calendar is reached, and then making the bill the pending business of the Senate, for personally I have no objection whatsoever to the bill.

Mr. MARTIN. Mr. President, I should like to have it understood that I personally object to consideration of this bill; and when the bill comes up for consideration, it may be necessary for me to speak for several hours, because no Member of the Senate has advocated

more safety appliances for industry of all kinds than has the junior Senator from Pennsylvania. I have been in many of the hard-coal mines and I have been down into the soft-coal mines, and I know the things that are needed for the safety of the miners. I do not think the Federal Government can do that job. I think it should be handled back home, where the men who are doing the inspection have the "know-how."

The PRESIDING OFFICER. Is there objection to the present consideration of the Senate bill 1976, for the relief of Mrs. Juan A. Rivera and others?

Mr. SCHOEPPEL. Mr. President, we have now reached Calendar No. 731, Senate bill 1976, have we?

The PRESIDING OFFICER. That is correct.

Mr. SCHOEPPEL. I object to the present consideration of that bill.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The clerk will state the next measure on the calendar.

PROHIBITION OF PICKETING OF COURTS—BILL PASSED OVER

The bill (S. 1681) to prohibit the picketing of courts, was announced as next in order.

Mr. LANGER. I object.

The PRESIDING OFFICER. Objection is heard on the part of the Senator from North Dakota.

Mr. ELLENDER. Mr. President, will the Senator from North Dakota withhold his objection long enough to permit me to make an explanation?

Mr. LANGER. I withhold the objection.

The PRESIDING OFFICER. The Senator from North Dakota witholds objection, and the Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, this bill relates to the picketing of courts. It is not my purpose at this time to indulge in a discussion of the disgraceful conduct of the Communists in picketing our courts. This bill has been on the calendar since July 20, 1949, and I can see no valid objection to its passage on the Consent Calendar. Its immediate enactment will be welcomed by the American public.

Mr. President, I have endeavored on many occasions to obtain the passage of the bill, by trying to meet the objections of the distinguished Senator from North Dakota, the only objector to the passage of the measure.

Last week I made an earnest effort with him; and I was under the impression that he had agreed to withdraw his objection, provided certain amendments were made to the bill. His objection then was that the bill was too broad in that it covered too many officials and that the place of picketing was not sufficiently defined.

The bill as now drafted covers jurors, witnesses, or court officers, as well as judges. I agreed to eliminate the words "on court officer," so as to limit application of the bill to judges, jurors, or witnesses.

The senior Senator from North Dakota also complained about the use of the word "near," in the phrase "near a building housing a court of the United States"; the senior Senator from North Dakota thought the word "near" could be interpreted to mean that if picketing occurred blocks away from the court building, a person could be convicted under the terms of the bill. I disagreed with the Senator's interpretation. However, in an attempt to meet his objection, I suggested that instead of the word "near", we use the word "about", so that the picketing would have to be around the building itself, in order to be prohibited by this measure.

Mr. President, I cannot conceive of any good reasons for the objections of my distinguished friend, the senior Senator from North Dakota.

I have asked our distinguished majority leader to arrange the schedule of the Senate, so that the bill can be called up at some time in the near future. I wish to give notice now that at the first opportunity I shall make an attempt to call up the bill for debate.

Mr. President, I now ask unanimous consent to have inserted at this point in the RECORD, following my remarks, an explanation of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

S. 1681, as reported by the Senate Judiciary Committee, prohibits the picketing of United States courts, such as has occurred on several recent occasions. More specifically, it adds a new section to the United States Code to prevent picketing or parading in or near a court building or a building or residence occupied by a judge, juror, witness, or court officer for the purpose of influencing such persons.

Its enactment will prevent the exercise of undue influence by picketing crowds, sound trucks, and the like on the United States courts, and will permit the persuasion of a court to remain in the courtroom and in the hands of authorized counsel. Presently the power of United States courts to deal with such offenses as picketing and parading is contained in provisions of the United States Code relating to contempt "in their presence or so near thereto as to obstruct justice," and in the code sections making it an offense to corruptly or by threats of force, or by threatening letter or commotion, "influence, obstruct, or impede the due administration of justice." This legislation will serve to clarify and make more definite the authority of the United States courts to punish a person unlawfully picketing or parading in or near either the court, or a building or residence of a judge, juror, witness, or court officer; it will also provide for fine and imprisonment for its violation.

Differing from the bill passed by the House in that it requires the establishment of the intent of interfering with the administration of justice, or the intent of influencing judges and others in the discharge of their duties, S. 1681 also prohibits picketing or parading not only near a court or building occupied by a judge, juror, witness, or court officer, but also in or near his residence. Further, this bill prohibits the use of "sound trucks or similar devices" for the purposes described. In addition, it has increased the penalties for violation from $1,000 fine and 6 months' imprisonment, as passed by the House, to $5,000 and 1 year, respectively. The present language of the bill is preferred by the American Bar Association.

Finally, a provision specifies that nothing in the proposed code section shall interfere with or prevent the exercise of any court's power to punish for contempt.

The practice of picketing courts is of recent origin, and apparently has been employed solely in connection with proceedings involving alleged Communist Party members and sympathizers. During the recent trial of Communist Party leaders before Judge Medina, of the Federal district court in New York City, newspapers reported picketing conducted by large crowds outside the court building; similar occurrences took place at the Federal district court in Los Angeles last winter during contempt proceedings arising out of an investigation of Communist Party activities. Large crowds paraded around and picketed the Federal building, carrying signs, passing out literature, and surging into the building in large numbers, overcrowding the courtroom and corridors to the extent that persons with legitimate business in the court had extreme difficulty in passing. In addition, the residence of the judge was picketed. When the Los Angeles case was argued on appeal in the court of appeals in San Francisco, a sound truck was employed outside the building and created sufficient noise to obfuscate the testimony before the court. It is readily apparent that such activities, if allowed unrestrained indulgence, will not only detract from the dignity of the judicial proceeding but will ultimately result in the derogation of justice.

The passage of this measure will not only prevent interference with the court by picketing crowds but will preserve the unimpeded administration of our judicial system.

ALIEN PROPERTY CLAIMS

The bill (S. 1837) to amend the Trading With the Enemy Act was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, I understand that an amendment to the bill is pending and is at the desk.

The PRESIDING OFFICER. That is correct.

Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 17, after the word "me", to insert "in its discretion, the court may modify or waive the requirements of the foregoing proviso, and the court's ruling in this respect shall be final and shall not be subject to review", and after line 20, to insert:

(1) Any payment, conveyance, transfer, assignment, or deliverance by the Alien Property Custodian or by the Treasurer of the United States made pursuant to this section or section 32 of this act shall discharge the said Custodian or Treasurer from all further responsibility for the money or property so paid, conveyed, transferred, assigned, or delivered, and no suits or actions shall thereafter be instituted or maintained against the said Custodian or Treasurer in relation to any such money or property. This subsection shall not preclude appeals from decisions of lower courts, but no judgments shall be entered requiring the said Custodian or Treasurer to pay, convey, transfer, assign, or deliver the same money or property more than once.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. HENDRICKSON. Mr. President, I understand that a further amendment

is to be offered by the Senator from Nevada.

Mr. McCARRAN. Mr. President, to the committee amendment I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 2, in line 19, after the word "proviso", it is preposed to strike out "and the court's ruling" and to insert in lieu thereof the following: "If it finds that such requirements would result in undue hardship to an appellant desiring to appeal in good faith and not for frivolous or nuisance purposes. The court's findings and ruling."

On page 3, in line 1, after the word "money", it it proposed to strike out "or property."

On page 3, in line 4, after the word "money", it is proposed to strike out "or property."

On page 3, in line 8, after the word "money", it is proposed to strike out "or property."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCARRAN. Mr. President, I now offer and send to the desk an amendment to the bill itself.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 8, after the word "That", it is proposed to insert "when the property in issue is money, as distinguished from stock, lands, or tangible property."

On page 2, in line 8, after the word "money", it is proposed to strike out "or property."

On page 2, in line 8, after the word "file", it is proposed to strike out "with the district court, within 10 days after the judgment."

On page 2, in line 14, after the word "affirmed" and the period, it is proposed to strike out:

The foregoing proviso shall apply to suits now pending and such a bond may be required within 10 days after application made to a district court or a circuit court of appeals, as the case may be.

And insert:

In the case of actions not pending on appeal on or prior to the date of approval of this proviso, such bond shall be filed with the circuit court of appeals within the time permitted for filing appeals; in the case of actions now pending on appeal, such bond shall be filed within 30 days after the date of approval of this proviso.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1837) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection 9 (a) of the act entitled "Trading With the Enemy Act," approved October 6, 1917, as amended (50 U. S. C. Appendix, 1946 edition, section 9 (a)), is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided*, That when the property in issue is money, as distinguished from stock, lands, or tangible property, if the President, or the officer or agency designated by him under section 32 of this act, shall have determined that a person other than said claimant is entitled to the interest, right, or title claimed by said claimant and sued for under this section as hereinbefore provided, or to any part of said interest, right, or title, and if the judgment of the district court is against the claimant, then the Alien Property Custodian or the Treasurer of the United States may pay, convey, transfer, assign, or deliver such money, or such part thereof, to such other person in accordance with this section or in accordance with section 32 of this act unless said claimant shall file a bond with sufficient surety approved by the court conditioned for payment to the Alien Property Custodian or the Treasurer of the United States, as the case may be, for the use of such other person, of damages for delay if an appeal is taken and dismissed, or if the judgment is affirmed. In the case of actions not pending on appeal on or prior to the date of approval of this proviso, such bond shall be filed with the circuit court of appeals within the time permitted for filing appeals; in the case of actions now pending on appeal, such bond shall be filed within 30 days after the date of approval of this proviso. In its discretion, the court may modify or waive the requirements of the foregoing proviso, if it finds that such requirements would result in undue hardship to an appellant desiring to appeal in good faith and not for frivolous or nuisance purposes. The court's findings and ruling in this respect shall be final and shall not be subject to review.

"(1) Any payment, conveyance, transfer, assignment, or deliverance by the Alien Property Custodian or by the Treasurer of the United States made pursuant to this section or section 32 of this act shall discharge the said Custodian or Treasurer from all further responsibility for the money so paid, conveyed, transferred, assigned, or delivered, and no suits or actions shall thereafter be instituted or maintained against the said Custodian or Treasurer in relation to any such money. This subsection shall not preclude appeals from decisions of lower courts, but no judgments shall be entered requiring the said Custodian or Treasurer to pay, convey, transfer, assign, or deliver the same money more than once."

BILLS PASSED OVER

The bill (S. 2294) a bill to amend the Contract Settlement Act of 1944, so as to authorize the payment of fair compensation to persons contracting to deliver strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes, was announced as next in order.

Mr. WILLIAMS. I object, and ask that the bill go over.

The PRESIDING OFFICER. Upon objection by the Senator from Delaware, the bill goes over.

The bill (S. 1741) to extend the unemployment allowance benefits of the Servicemen's Readjustment Act of 1944 for a period of 2 years was announced as next in order.

Mr. SCHOEPPEL. Let the bill go over.

The PRESIDING OFFICER. The Senator from Kansas objects, and the bill goes over.

The bill (H. R. 2886) to provide for the killing of starlings in the District of Columbia was announced as next in order.

Mr. LANGER. I object.

The PRESIDING OFFICER. Objection by the Senator from North Dakota is heard, and the bill goes over.

The bill (S. 48) to amend title 28, United States Code, section 456, so as to increase to $15 per day the limit on subsistence expenses allowed to justices and judges traveling while attending court or transacting official business at places other than their official stations, and to authorize reimbursement for such travel by privately owned automobiles at the rate of 7 cents per mile, was announced as next in order.

Mr. RUSSELL. Let the bill go over.

Mr. DOUGLAS. I object to the present consideration of the bill.

The PRESIDING OFFICER. Upon objection by the Senator from Georgia and the Senator from Illinois, the bill will go over.

The bill (H. R. 2432) restoring to tribal ownership certain lands upon the Colville Indian Reservation, Wash., and for other purposes, was announced as next in order.

Mr. WILLIAMS. I object.

The PRESIDING OFFICER. Objection by the Senator from Delaware is heard, and the bill will go over.

The bill (S. 806) authorizing the erection of a monument to Sacajawea was announced as next in order.

Mr. LANGER. I object.

The PRESIDING OFFICER. Objection by the Senator from North Dakota is heard, and the bill will go over.

CONVEYANCE OF CERTAIN FEDERAL PROPERTY TO TEMPLE METHODIST CHURCH, SAN FRANCISCO—BILL PASSED OVER

The bill (S. 384) to authorize the Commissioner of Public Buildings to convey to the Temple Methodist Church, a nonprofit corporation, of San Francisco, Calif., a portion of the federally owned building known as 100 McAlister St., San Francisco, Calif., and for other purposes, was announced as next in order.

Mr. MORSE. Mr. President, let the bill go over.

The PRESIDING OFFICER. Objection by the junior Senator from Oregon is heard, and the bill goes over.

Mr. MORSE. Mr. President, let me say regarding the bill that whenever I can be satisfied that the Federal Government will receive just compensation for this piece of property, I shall not object. However, I am a strong believer in the separation of church and state; and as I understand the bill, it proposes that Federal property be given to a church. I do not care what church it is, Mr. President; I simply do not see why any property of value to the Federal Government should be given to a church; and I have not been able to satisfy myself

that the church's claim of equity in this matter is one which justifies violation of a principle in support of which I have stood firmly, namely, that when it comes to the disposition of Federal property for private use—and the bill proposes such disposition for private use—if we are going to hold to the principle of separation of church and state, then the Federal Government is going to get 100 percent of the value of the property, so far as the junior Senator from Oregon is concerned.

The PRESIDING OFFICER. Objection has been heard, and the bill has been passed over.

MONUMENT TO SACAJAWEA

Mr. LANGER. Mr. President, relative to the previous bill, Calendar No. 841, Senate bill 806, authorizing the erection of a monument to Sacajawea, I may say that perhaps if the distinguished Senators from Wyoming can convince me that Sacajawea was buried in Wyoming, I shall withdraw any objection to the bill. As a matter of fact, she was not buried there at all.

Mr. HUNT. Mr. President, I did not understand the comments of the distinguished Senator from North Dakota. I wonder whether he will please repeat them.

The PRESIDING OFFICER. Objection was heard to the bill, and the Chair desires to follow the course of getting along with the calendar. Let the clerk state the next order of business on the calendar.

Mr. HUNT. Mr. President, I should merely like to answer the Senator from North Dakota.

The PRESIDING OFFICER. The Chair will recognize the Senator from Wyoming following the announcement of the next order of business on the calendar.

ASSISTANCE TO STATE AGENCIES ADMINISTERING LABOR LAWS

The bill (S. 1439) to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe workplaces and practices in industry, thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower, was announced as next in order.

MONUMENT TO SACAJAWEA

The PRESIDING OFFICER. Does the Senator from Wyoming wish to be recognized?

Mr. HUNT. Mr. President, I wish to discuss briefly calendar order 841, the bill (S. 806) authorizing the erection of a monument to Sacajawea, and to reply to the comment by the distinguished Senator from North Dakota.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. HUNT. Mr. President, I should like to say to the distinguished Senator that we have the affidavit of the minister who officiated at the burial. We have a photostatic copy of a burial permit to Sacajawea, and a photostatic copy of the rationing slip issued by the Indian agent at Fort Washakie, Wyo., for provisions for Sacajawea. At Fort Washakie we have, buried by the side of Sacajawea, her two sons. I can think of no further or more conclusive evidence that the Senator from North Dakota could wish.

Mr. O'MAHONEY. Mr. President, I desire to add a word to what my colleague has said, taking advantage of the 5-minute rule. I think that any Member of the Senate who will take the time to read the report which I filed on behalf of the Committee on Interior and Insular Affairs will have no doubt at all about the validity of our contention that this rather marvelous Indian woman, who led the Lewis and Clark expedition over the mountains is in fact buried on the Shoshone Reservation. She was a Shoshone Indian. I should like to read but one paragraph:

S. 806—

That is, this bill—

provides for the location of the memorial "at or near the place of burial on the Wind River Reservation in Wyoming." The grave of Sacajawea was identified in 1909, by Rev. John Roberts, a missionary of the Protestant Episcopal Church, who lived on the reservation from 1883 until his death on June 22, 1949, at the age of 96. The occasion of the identification was the erection of a cement marker with a bronze tablet donated by Timothy F. Burke, of Cheyenne, Wyo. Dr. Roberts, who was sent to the reservation as a missionary by the presiding bishop of Colorado and Wyoming, reached the reservation in the year 1883 and, according to his testimony presented to this committee, read the burial services of his church at the interment of Sacajawea on April 9, 1884. He was also personally acquainted over a period of several years with Sacajawea's son, Baptiste, who is also buried on the Wind River Reservation. In the simple and moving account of the death and burial which Dr. Roberts wrote in October 1934, it is recited that he talked frequently with Wyt-to-gan, son of Baptiste, and grandson of Sacajawea. The latter told Dr. Roberts that his father had related to him that he had been carried over the mountains when a child by his mother.

I may say, Mr. President, that Dr. Roberts, who gave the affidavit to which my colleague has referred, was personally known both to my colleague and to myself, and we have both frequently talked with him on the Wind River Reservation, the Shoshone Reservation, and there is no doubt in mind of either one of us that he knew whereof he was speaking when he told us—and this bears out the record—that he presided at the burial service.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MURRAY. Mr. President, the State of Montana, it seems to me, should be entitled to preference in doing honor to the name of Sacajawea. She was first brought to the notice of our country at Three Forks, Mont., where she met with the Lewis and Clark expedition. It seems to me that we are all interested in this matter. But, in the event she has been buried in the State of Wyoming, I am willing to withdraw the claims of Montana, in order to permit the monument to be placed there.

Mr. HENDRICKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HENDRICKSON. Which calendar order are we considering?

The PRESIDING OFFICER. The calendar order before the Senate is 854, Senate bill 1439, but any Senator may speak on any subject he desires under the 5-minute rule.

Mr. GURNEY. Mr. President, I wish to state that my good friend from North Dakota has objected under the belief that the Indian lady was buried in South Dakota, my State. South Dakota has already concluded the controversy, I am sure, because she has already erected a monument where the worthy lady was buried, near Mobridge, S. Dak.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. O'MAHONEY. Mr. President, I wonder whether I may ask the Senator from South Dakota a question since his time has not expired.

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Wyoming?

Mr. GURNEY. I yield.

Mr. O'MAHONEY. Do I correctly understand that this is an example of a conclusion reached without evidence, for the erection of a memorial, by persons who had no evidence before them?

Mr. GURNEY. Mr. President, after due diligence and research into the question by the South Dakota State Historical Society, attested to by the head of the State museum, who spends all his time delving into the history of the local area, the society has come to that conclusion, and, after a long number of years, South Dakota has concluded that the young lady was buried near Mobridge, S. Dak.

Mr. DOUGLAS. Mr. President, I have been greatly interested in the rival claims to either the birthplace, the death place, or the place of the activities of Sacajawea, whose efforts, of course, made it possible for the Lewis and Clark expedition to get across the Rocky Mountains. I am reminded of a couplet which described the claims of Grecian cities to the great poet Homer, which I think is appropriate on this occasion:

Seven wealthy towns contend for Homer dead,
Through which the living Homer begged his bread.

Mr. MUNDT. Mr. President, if I may further reply to the interrogatory propounded by the senior Senator from Wyoming, I should merely like to add that the good Republican State of South Dakota, acting on its individual initiative, build its own monument at the proper burial place of Sacajawea, and did not rely on a New Deal subsidy by the Federal Government at the hands of a Democratic administration to do it for us. We spent our own money in the true American way.

ASSISTANCE TO STATE AGENCIES ADMINISTERING LABOR LAWS—BILL PASSED OVER

The PRESIDING OFFICER. The bill S. 1439 was last called. Is there objection to its present consideration?

Mr. HENDRICKSON. I object.

The PRESIDING OFFICER. Objection is heard.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (H. Con. Res. 62) creating a Joint Committee on Lobbying Activities was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. O'MAHONEY. Over.

The PRESIDING OFFICER. Objection by the Senator from Wyoming is heard, and the bill will be passed over.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4788) to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 6104. An act to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes; and

H. R. 7662. An act to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944.

The message further announced that the House insisted upon its amendment to the bill (S. 3666) to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. MONRONEY, Mr. WOLCOTT, Mr. GAMBLE, and Mr. KUNKEL were appointed managers on the part of the House at the conference.

DISPOSITION OF LANDS ON THE CABAZON, AUGUSTINE, AND TORRES-MARTINEZ INDIAN RESERVATIONS, CALIF.

The bill (H. R. 4584) to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. CHAVEZ. Over.

The PRESIDING OFFICER. The Chair hears objection by the Senator from New Mexico.

Mr. KNOWLAND. Mr. President, I wonder whether the Senator will withhold his objection.

The PRESIDING OFFICER. Does the Senator from New Mexico withhold his objection?

Mr. CHAVEZ. I withhold it temporarily.

Mr. KNOWLAND. Will the Senator kindly indicate whether there is a particular section to the bill to which he objects?

Mr. CHAVEZ. The particular objection which I have at the moment is based upon a lack of knowledge of what the bill contains. It would appear that the bill is for the purpose of disposing of certain lands on Indian reservations. I am always worried when an attempt is made to deprive Indians of their reservations.

Mr. KNOWLAND. I wonder whether the Senator would mind if this bill were to go to the foot of the calendar? I think I can supply the information for the Senator which he desires. The bill came from the House, and I am assured that the House gave it very careful consideration. Will the Senator agree to that? If so, I shall be delighted to discuss it with him.

Mr. CHAVEZ. I may say that whenever a bill has been gone into carefully I am then worried more than ever about the poor Indian.

Mr. LANGER. I have two amendments which I shall desire to offer.

Mr. KNOWLAND. I ask unanimous consent that the bill may be placed at the foot of the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. O'MAHONEY. Reserving the right to object, and solely for the purpose of making an additional comment with respect to the bill, I should like to say to the Senator—

Mr. CHAVEZ. Mr. President, I may say that I have no objection to the consideration of the bill, except that I should like to look into it, or to have an explanation of it.

Mr. O'MAHONEY. I should be very happy to give the explanation at this time, if the Senator so desires.

This is a bill which will make it possible for the application of irrigation water from an existing project on Indian lands. It takes nothing from the Indians. On the contrary, it cancels some obligations which now exist against Indian lands for well drilling which took place some 25 years ago.

Mr. CHAVEZ. On the explanation of the Senator from Wyoming, and because I am very sure the committee gave the bill thorough study, I withdraw my request.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4584) to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with an amendment on page 6, line 13, after the word "amount" to strike out "acquired" and to insert at the beginning of line 14 "(not to exceed $5,000) required."

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Kansas [Mr. SCHOEPPEL].

The LEGISLATIVE CLERK. On page 6, after line 22, it is proposed to strike out:

SEC. 8. (a) That any restricted Indian lands, whether individually or tribally owned, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for public, religious, educational, recreational, or business purposes, including, but not limited to, airports, experimental stations, stockyards, warehouses, factories, and grain elevators, and for the production of highly specialized crops which require a substantial investment. All leases so granted shall be for a term of not to exceed 25 years, but leases for public, religious, educational, recreational, or business purposes may include provisions authorizing their renewal for an additional term of not to exceed 25 years.

(b) Restricted lands of deceased Indians may be leased under this section for the benefit of their heirs or devisees, in the circumstances and by the persons described in the Act of July 8, 1940 (54 Stat. 745; 25 U. S. C. 380).

And in lieu thereof to insert:

SEC. 8. (a) That any restricted Indian land, whether individually or tribally owned, may be leased by the Indian owners in accordance with the provisions of section 4 of the Act of June 25, 1910 (36 Stat. 856), and such lands of deceased Indians may be leased for the benefit of their heirs or devisees as provided for by the Act of July 8, 1940 (54 Stat. 745).

Mr. McCARRAN. Mr. President, may I inquire of the Senator from Kansas whether his amendment would embrace any and all reservations? Is that the intendment of the amendment. If it is, I shall object to the consideration of the bill.

Mr. SCHOEPPEL. It is intended to relate to this particular reservation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Kansas.

The LEGISLATIVE CLERK. On page 8, line 4, it is proposed to reletter the subsection from "(d)" to "(c)", and in line 6, after the word "advance" to strike out "unless so provided in the lease."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LANGER. Mr. President, I offer two additional amendments and ask that they be stated.

The PRESIDING OFFICER. The clerk will state the first amendment offered by the Senator from North Dakota.

The LEGISLATIVE CLERK. On page 3, line 6, after the words "of the", it is proposed to strike out "surrounding lands, but none of such wells shall be operated for irrigation purposes so long as the lands on which they are located remain a part of said water district" and insert "lands upon which the wells are located."

Mr. O'MAHONEY. Do I correctly understand that it is the purpose of the Senator to have the sentence read as follows:

All wells located on any of the lands included in the said water district shall, together with the well sites, become the property of the owners of the lands upon which the wells are located.

Is that the Senator's purpose?

Mr. LANGER. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from North Dakota.

The LEGISLATIVE CLERK. On page 7, line 15, it is proposed to reletter the subsection from "(c)" to "(b)", and in line 16, after the word "Act", to insert "whether made under this section or under any other provision of law,".

On page 8, line 7, after "(e)", to strike out "Nothing contained in this section shall be construed to apply to leases for the exploitation of oil, gas, or other minerals, or to repeal or affect any authority to lease restricted Indian lands conferred by or pursuant to any other provision of law."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. LANGER. Mr. President, I ask that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

BILLS PASSED OVER

The bill (H. R. 2166) to amend title 28, United States Code, section 456, so as to increase to $15 per day the limit on subsistence expenses allowed to justices and judges while attending court or transacting official business at places other than their official station, and to authorize reimbursement for such travel by privately owned automobiles at a rate of not exceeding 7 cents per mile was announced as next in order.

Mr. DOUGLAS. I object.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1390) to authorize the conveyance to the State of California of easements for the construction, and maintenance of a toll highway crossing and approaches thereto over and across lands of the United States in the vicinity of San Francisco Bay, Calif., and for other purposes, was announced as next in order.

Mr. HUNT. Mr. President, I object.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1596) to authorize the Postmaster General to enter into special agreements for certain switching service by railway common carriers, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, I object, by request.

Mr. FREAR. Mr. President, I wonder if the Senator would withhold his objection.

The PRESIDING OFFICER. The Senator states that his objection was made by request.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. What happened to Calendar 932, House bill 2166?

The PRESIDING OFFICER. It went over along with a Senate bill.

Mr. WHERRY. What happened to Calendar 935, Senate bill 1390?

The PRESIDING OFFICER. It was passed over, on objection of the Senator from Wyoming [Mr. HUNT].

Mr. FREAR. Mr. President, Senate bill 1596 was introduced by the Senator from South Carolina [Mr. JOHNSTON], at the request of the Postmaster General, who feels that the bill is necessary for the better administration of the Post Office Department.

As originally introduced the bill fell into four general divisions: First, switching services; second, the obtaining of necessary information and evidence from the railroads as to the cost of carrying the mails; third, the repeal of the so-called round-trip provision of the Railway Mail Pay Act of 1916; fourth, judicial view of orders of the Interstate Commerce Commission. Extensive hearings were held and the committee has met a number of times in consultation with the officials of the Federal departments involved. It is felt that the attached bill, as amended, should be reported favorably and the committee by majority vote so recommends. The third section, with regard to the round-trip provision, is deleted from the bill so that this matter may go over to the second session of this Congress for further study after request has been made to the Post Office Department, the Interstate Commerce Commission, the General Services Administration, and the Comptroller General for additional information.

After the postponement of further action on section 3, the controversy was directed to section 2. The committee felt that the original sanction was too severe and deleted the requirement that pay be held up pending the receipt of requested information from the railroads. However, it felt that Congress should go on record as making it the duty of the railroads to furnish relevant and pertinent information, which may be requested within a reasonable time, with the proviso that such be obtained under the Federal Reports Act of 1942, the effect of which would be that the railroads are afforded the protection which Congress placed around the granting of information in the enactment of the Federal Reports Act (5 U. S. C. 139–139 (f)). If, after these procedures are followed, the railroads refuse to furnish the information to the Postmaster General, then under the language of the committee print, section 2, the Postmaster General may apply to the United States District Court, after due notice and hearing, for an order which the court may issue within its discretion directing compliance thereto.

Mr. President, the committee held long hearings on the bill, and I think it is only right and proper that the Post Office Department have some access to what is going on the railroads as to their cost-accounting system. I certainly hope the Senator from Kansas will contact the Senator who has requested that the bill go over.

Mr. SCHOEPPEL. Mr. President, I regret very much that I shall have to continue my objection.

The VICE PRESIDENT. The bill will be passed over.

LANDS IN PYRAMID LAKE RESERVATION, NEV.

The bill (S. 17) to authorize the Secretary of the Interior to issue patents for certain lands to certain settlers in the Pyramid Lake Indian Reservation, Nev., was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. I object.

Mr. McCARRAN. Mr. President, I should like to make a statement with reference to the bill, if the Senator from Delaware would withhold his objection for the moment.

The PRESIDING OFFICER. Does the Senator from Delaware withhold his objection?

Mr. WILLIAMS. Yes.

Mr. McCARRAN. Mr. President, this is the case of a group of white settlers who, beginning in 1862, took up lands along the Truckee River in Nevada, and reclaimed, irrigated, and cultivated those lands. In 1874, the Executive order establishing the Pyramid Lake Indian Reservation included certain of these lands in the boundaries of the reservation. At the time, the Indians were not in possession of these lands, the boundary lines of the proposed reservation had not been clearly established, the Government offered no opposition to the settlers, and their claims were bought and sold much in the manner of privately-owned lands.

In 1909 the Government instituted suits to eject these white settlers, and some judgments were secured, but no writs of ejectment were issued. From time to time bills were introduced in Congress to relieve the situation; and in 1924 an act was passed under which the entrymen were to pay for the land occupied by them at a value fixed by Government appraisers. The five entrymen for whom relief is sought by this bill were unable, due to adverse economic conditions, to meet their payments. However, each of them made a substantial down payment in accordance with the 1924 act.

This bill would provide for a new appraisal of the lands, and would require the settlers to pay the full amount of the difference between the present value of the lands, as so appraised, and the amounts they have already paid. Upon making such payments, they would be given patents in fee for the lands.

Mr. WILLIAMS. I object.

The PRESIDING OFFICER. Objection is heard. The bill goes over.

BILL INDEFINITELY POSTPONED

The bill (H. R. 6070) to amend the National Housing Act, as amended, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HENDRICKSON. Is this bill properly on the calendar?

The PRESIDING OFFICER. It is properly on the calendar until it has been properly taken up. The Chair understands that the provisions of the bill are included in S. 2246, which was passed by the Senate on April 20, 1950.

Mr. HENDRICKSON. Mr. President, I move that the bill be indefinitely postponed.

The PRESIDING OFFICER. The question is on the motion of the Senator from New Jersey [Mr. HENDRICKSON] that the bill (H. R. 6070) be indefinitely postponed.

The motion was agreed to.

PICKETING OF UNITED STATES COURTS—BILL PASSED OVER

The bill (H. R. 5647), to prohibit the picketing of United States courts, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. LANGER. I object.

Mr. McCARRAN. Mr. President, will the Senator withhold his objection?

The PRESIDING OFFICER. A Senate bill dealing with the same subject has already been objected to.

Mr. McCARRAN. Will the Senator from North Dakota withhold his objection so that I may say a word with reference to the bill?

The PRESIDING OFFICER. Does the Senator from North Dakota withhold his objection?

Mr. LANGER. Yes.

Mr. McCARRAN. I do not think there is a more meritorious bill on the calendar than H. R. 5647. The bill would protect the courts from some of the disgraceful utterances and conduct that took place during the trial of the 11 Communists in New York. If the courts of America are not to be maintained in dignity and respect, we have lost a great deal from the things that constitute the foundation of this Government. To picket a court and to add riot and confusion to a court in session in the solemn proceedings of a trial is something that cannot have the sanction of the people of America. I am surprised that the Senator from North Dakota, after the bill had been amended in keeping with his thoughts and ideas, should still pursue his objection.

The PRESIDING OFFICER. Objection is heard. The bill goes over.

STRATEGIC AND CRITICAL ORES, METALS, AND MINERALS—BILL PASSED OVER

The bill (S. 240) to stimulate the exploration, production, and conservation of strategic and critical ores, metals, and minerals, and for the establishment within the Department of the Interior of a Mine Incentive Payments Division, and for other purposes, was announced as next in order.

Mr. WILLIAMS. I object.

Mr. MURRAY. Mr. President, will the Senator withhold his objection for the moment?

The PRESIDING OFFICER. Does the Senator withhold his objection?

Mr. WILLIAMS. Yes.

Mr. MURRAY. Mr. President, there is no bill on the calendar today which is more important than this bill. It is an attempt to provide means of encouraging the development of strategic and critical metals which are essential for the prosecution of the war. We had such a measure in operation prior to the last war, and it worked very effectively. We were able to produce as a result of that kind of program important minerals which were necessary for the prosecution of that war. We have huge deposits of manganese, chrome, tungsten, and other deposits of that type scattered throughout the western mining States. However, it is necessary to have a program of this kind in order to encourage the development of these metals, which can be produced in some other parts of the world at much less cost than in our country. However, in the event of war, when transportation of those metals cannot be safely carried on it is absolutely necessary that we should have a program of this kind. It seems to me that there should be no objection to this bill.

Mr. ROBERTSON. Mr. President, I do not rise to object. I merely wish to call attention to the fact that the Committee on Banking and Currency have incorporated in the war production bill a comprehensive provision covering this subject. When it was called to our attention by the Senator from Wyoming [Mr. O'MAHONEY] that possibly the language we used did not specifically include exploration, we adopted an amendment suggested by him which specifically includes exploration. That bill will be before the Senate on Thursday. I hope that the provisions of the bill will be sufficient to take care of what is covered by the pending bill.

Mr. WILLIAMS. Mr. President, an identical bill was introduced in the Eightieth Congress. It was defeated. This bill was introduced in the early part of last year, and it has been objected to. Today we are told that because of the Korean war this is the only bill that will save the Korean situation. It is another example of trying to pass this kind of subsidy measure under the guise of a wartime measure. I object.

The PRESIDING OFFICER. The bill will be passed over.

AGRICULTURAL EXPERIMENT STATION WORK IN ALASKA

The bill (H. R. 133) to amend section 2 of the act approved June 20, 1936, entitled "An act to extend the benefits of the Adams Act, the Purness Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes," was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, I understand that an amendment is to be offered to the bill. If the amendment is offered, I shall have no further objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. THOMAS of Oklahoma. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 11, it is proposed to strike out the words "each year" and substitute in lieu thereof the following: "for the fiscal year ending June 30, 1952, and each year thereafter."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 139) for the relief of Guilermo Chacartegui was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that this bill go over.

The PRESIDING OFFICER. Objection is made by the Senator from New Jersey, and the bill will be passed over.

The joint resolution (S. J. Res. 58), providing for a rehearing in the matter of the Bellows Falls Hydro-Electric Corp. (project No. 1892), known as the Wilder Dam project, and a review of any order of the Federal Power Commission, was announced as next in order.

Mr. SALTONSTALL. Over.

The PRESIDING OFFICER. Objection is made by the senior Senator from Massachusetts, and the bill will be passed over.

MEDICAL SERVICES TO NON-INDIANS IN INDIAN HOSPITALS—BILL PASSED OVER

The bill (H. R. 4815), to provide for medical services to non-Indians in Indian hospitals, and for other purposes, was announced as next in order.

Mr. LANGER. I object.

Mr. HAYDEN. Mr. President, will the Senator withhold his objection a moment?

Mr. LANGER. Certainly.

Mr. HAYDEN. It is my understanding the senior Senator from Nebraska [Mr. BUTLER] reported a similar bill last year. My own special interest in the bill is that I know of hospitals in my own State where Indians in the local communities would be immensely benefited by the kind of legislation proposed. How would the bill have to be changed to meet the objection of the Senator from North Dakota?

Mr. CHAVEZ. Mr. President——

Mr. HAYDEN. I yield.

Mr. LANGER. Mr. President, the Senator asks why I object. I object to the bill, and I do not have to make any explanation of why I object. I am against it.

I do not mind saying that I do not believe white people should go in and use the beds of Indians in Indian hospitals. There is very little left for the Indians anyway. They have been robbed

of nearly everything, and they should have beds in hospitals when they come to die.

Mr. CHAVEZ. Mr. President, I wish to say to the Senator from North Dakota that I understand and appreciate the deep interest he has in protecting Indians in their rights, and he knows the deep interest I have in the Indians. Like the Senator from North Dakota, I know they have been robbed right and left. But the time has come now when robbing must stop. Not only that, but a little better understanding must exist. If there is a hospital in North Dakota or New Mexico or Arizona wherein 40 beds are provided for the Indians, but the Indians are using only 18, and all of a sudden a Mormon farmer or an old settler of New Mexico becomes sick, and the Indian authorities, including the Indians themselves, have vacancies in the hospitals, I cannot see how we would be hurting the Indians if we permitted white people to use the beds not in use. It is to take care of a situation like that that the bill is proposed.

Let me say to the Senator from North Dakota that I agree with him, it is no one's business to inquire as to why a Senator objects to a bill. I am merely trying to explain to the Senator why the Senator from Arizona and the Senator from New Mexico are interested in the bill.

Mr. BUTLER. Mr. President, being one of the authors of the bill, and being interested in it, I might advise the Senator from North Dakota that it went over on objection originally raised by the junior Senator from Minnesota [Mr. HUMPHREY]. I am perfectly willing to accept the amendment which the junior Senator from Minnesota suggested, which I think would make the bill thoroughly satisfactory.

Mr. LANGER. Mr. President, the bill originally went over on my objection. On a later call of the calendar, in my absence, the junior Senator from Minnesota objected.

Once let the white men into these Indian hospitals, and they will stay in there, and later, when the Indians should be taken in, they will find the beds all occupied by white people. I am opposed to the bill, and I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

Mr. McFARLAND subsequently said: Mr. President, I regret very much that the bill was objected to. Evidently the distinguished Senator from North Dakota overlooks the second section of the bill, which is very beneficial to the Indians, and provides that they may occupy beds in white hospitals.

The time has arrived when we do not want the Indians treated different from the whites. We want them to have the same privileges. This bill specifically provides that the only beds in Indian hospitals which are not being used by Indians may be occupied by white people, with the consent of the Secretary of the Interior. The Indians could not be hurt by this provision. They would get the beds if they needed them. I believe the bill has merit, and I regret very much that it is objected to.

BILL PASSED OVER

The bill (S. 2197) to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666, 61 Stat. 130), to vest in the Export-Import Bank of Washington, the power to guarantee United States investments abroad, was announced as next in order.

Mr. TAFT. Mr. President, this is too important a bill to be discussed under the 5-minute rule, and I object.

The PRESIDING OFFICER. The Senator from Ohio objects, and the bill will be passed over.

MERGER OF NATIONAL BANKING ASSOCIATIONS WITH STATE BANKS—BILL PASSED OVER

The bill (H. R. 1161) to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes, was announced as next in order.

Mr. McCARRAN. Mr. President, I ask that this bill go over.

The PRESIDING OFFICER. Objection is heard on the part of the distinguished Senator from Nevada, and the bill will be passed over.

Mr. MAYBANK subsequently said: May I have the attention of the Senator from Nevada, Mr. President?

Mr. McCARRAN. Certainly.

Mr. MAYBANK. The distinguished Senator from Nevada objected to Senate bill 1161. The minority views which were incorporated in the report have been withdrawn. I have conferred with the distinguished junior Senator from Illinois [Mr. DOUGLAS] about his minority views, and after considerable discussion and study he has withdrawn his objection.

The last time we had a calendar call the distinguished Senator from Pennsylvania was not present. He is very much interested in the bill, and when I say he is interested in it, I mean that the people of Pennsylvania and other States are interested.

I should like to ask the Senator from Nevada one question. Would he object if I asked that the bill be placed at the foot of the calendar?

Mr. McCARRAN. I shall object, even if it goes to the foot of the calendar, until I have had a chance to study it. I am not following the suggestions of the junior Senator from Illinois or any other Senator. I am following my own dictates in this matter.

Mr. MAYBANK. I am not suggesting that the Senator follows the dictates of any other Senator, but I asked the Senator if he would object to the bill going to the foot of the calendar.

Mr. McCARRAN. I do not object to the Senator's having it go to the foot of the calendar, but it will have to be taken up by motion when it is reached.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Virginia, because I know he worked hard on the bill. It is of great interest to the banks throughout the United States. The Senator worked diligently and hard to have the bill reported and it came from the committee with a unanimous report, except for the distinguished junior Senator from Illinois, with whom I talked about it a short time ago, as I have stated.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. MAYBANK. I have yielded to the Senator from Virginia.

Mr. ROBERTSON. I yield to the Senator from Pennsylvania.

Mr. MARTIN. Mr. President, I simply desire to ask a question. As I understood, the bill is for the purpose of continuing the dual banking plan in the United States.

Mr. MAYBANK. The Senator is absolutely correct.

Mr. MARTIN. If there is a desire to have a consolidation, the matter of taxation of capital gains arises, and legislation might ensue which would be very detrimental to the stockholders and the holders of certain assets of either national banks or State banks.

Mr. MAYBANK. The Senator is absolutely correct. The bill merely clarifies that situation, and I feel certain the Senator from Virginia will explain the bill.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired. The Senator from Virginia is recognized.

Mr. ROBERTSON. Mr. President, as chairman of the subcommittee of the Banking and Currency Committee dealing with the Federal Reserve System, I presided over hearings on the bill. There was no opposition expressed to the bill. As I recall, the House has passed the bill twice. All the national banks want the bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. MAYBANK. With the Senator's permission, I wish to say that the House passed the bill twice unanimously. There was not a vote in the House cast against it.

Mr. ROBERTSON. The Senator from South Carolina is correct. The national banks want it because it gives them equal treatment with the State banks. None of the State banks object to it. The main feature of the bill, outside of a little more leeway in the merger program, is the tax feature, to which the distinguished Senator from Illinois has already referred. I cannot imagine why any Senator would want to place a harsh and unnecessary tax penalty upon a national bank when it merges, which is not placed on a State bank when it merges. It seems to me the proposition is so eminently fair and just, and is so widely supported all over the Nation, that objection should not be made to the passage of the bill, which, as the Senator from South Carolina has pointed out, has been passed twice without a dissenting vote in the House, and which has been pending for months and months on the Senate calendar.

The PRESIDING OFFICER. On objection, the bill goes over. The next bill on the calendar will be stated.

BILL PASSED OVER

The bill (S. 250) to authorize the Federal Security Administration to assist the States in the development of community recreation programs for the people of the United States and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate bill 250?

Mr. HENDRICKSON. Mr. President, reserving the right to object, here again we have proposed legislation which is much too important to pass on the mere call of the calendar, and I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

MERGER OF NATIONAL BANKING ASSOCIATIONS WITH STATE BANKS

Mr. WHERRY. Mr. President, I was off the Senate floor when House bill 1161 was reached. I ask unanimous consent to return to House bill 1161. I ask what Senator objected to it.

The PRESIDING OFFICER. The Senator from Nevada objected to consideration of the bill.

Mr. WHERRY. Is there any objection to returning to House bill 1161 for just a moment?

The PRESIDING OFFICER. The Chair will put the question now. Unanimous consent is requested by the Senator from Nebraska that the Senate return to consideration of House bill 1161. Is there objection?

Mr. McCARRAN. Mr. President, reserving the right to object; what is the use of returning to it on the Consent Calendar? I am going to object to consideration of the bill. The Senate can return to it, and I have no objection to that, but I would still make objection to consideration of the bill.

Mr. WHERRY. Mr. President, I did not mean to ask that the Senator state his objection. I feel, however, that the RECORD should show that there is no objection to the consideration of this bill at this time so far as the minority is concerned. Is that not correct?

Mr. HENDRICKSON. There is no objection to the bill on this side of the aisle.

Mr. MAYBANK. Mr. President——

Mr. WHERRY. Just a moment. I want the RECORD to show that so far as the minority is concerned we are perfectly willing to take the bill up for consideration on the Consent Calendar.

The PRESIDING OFFICER. Permit the Chair to ask the clerk to state the next bill in order on the calendar, after which the Chair will recognize any Senator who desires to speak.

The bill (S. 2195) to authorize the Palisades Dam and Reservoir project, to authorize the north side pumping division and related works, to provide for the disposition of reserved space in American Falls Reservoir, and for other purposes, was announced as next in order.

Mr. MAYBANK. Mr. President, I also wish to keep the record straight. The Banking and Currency Committee, with the exception of one member, voted to report the bill. The House of Representatives unanimously passed the bill last year. The bill died on the Senate Calendar. This year the Banking and Currency Committee, after conference with minority members, the Senator from Pennsylvania [Mr. MARTIN] and the Senator from Nebraska [Mr. WHERRY] and other Senators, unanimously reported the bill. The first vote was 12 to 1, and later the vote was unanimous in favor of the bill. I want the RECORD to show that the majority party also wishes its record kept straight with respect to this bill, which would protect the dual banking system in the United States. That is my desire.

Mr. CHAVEZ. Mr. President, I appreciate and understand the state of mind of the chairman of the committee and also of the minority leader. But I also want to keep the record straight. We are now proceeding with the Unanimous Consent Calendar. I do not want to discuss the merits of the bill whatsoever. But, Mr. President, why should explanations now be made as to the position of the minority, of the committee, and of other Senators, when, after all, it is a matter of unanimous consent whether the bill is taken up or not. Why should a Senator who objects to a bill, for reasons of his own, be required to state what they are? Those reasons are his own business. When he objects, he does so under the Senate rule. Therefore, if the Senator from Nevada objects to the present consideration of the bill it is just too bad, irrespective of what the committee thought about the bill. Evidently the committee favored the bill or it would not have reported it. I am not discussing the merits of the bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MAYBANK. I merely want to keep the record straight. The minority wanted to keep its record straight, and so do I, on behalf of the majority.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LANGER. The banking department of the State of North Dakota is very much in favor of the bill. Inasmuch as the minority leader is for it, and 12 of the 13 members of the Banking and Currency Committee are for it, I now serve notice that at the conclusion of the call of the calendar I shall move to take up the bill.

Mr. CHAVEZ. Mr. President, did I understand the Senator from Nevada to request that the bill go to the foot of the calendar?

Mr. WHERRY. No; he did not make that request.

Mr. CHAVEZ. If so, I shall object to such procedure. We are now engaged in the orderly procedure of going through the calendar. If any request is made for a bill to go to the foot of the calendar I shall object.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. HENDRICKSON. I merely want the record to show that the junior Senator from New Jersey is wholeheartedly in favor of this measure. As a matter of fact the banking interests of New Jersey are in favor of it. Since it has been pending on the calendar I have had nothing but favorable comment upon it from the banking interests of my State. I hope that the distinguished senior Senator from Nevada will withdraw his objection.

Mr. WHERRY. Mr. President, neither the junior Senator from Nebraska nor the distinguished Senator from North Dakota have asked that the bill be placed at the foot of the calendar. We are not making any further unanimous consent requests at all. What was done by the junior Senator from Nebraska has been done by Senator after Senator on the floor; that is to request that a Senator who has objected temporarily withhold his objection in order that a statement might be made with reference to the bill. There is nothing unusual about such a request.

In the time allotted to him with respect to the bill now before us, the junior Senator from Nebraska wishes to say that he believes the banking bill to be a good bill. It permits a national bank to go back to the status of a State bank with requiring that bank to liquidate all its assets. In Nebraska we want to have that done.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. WHERRY. I shall be glad to yield later. I am not asking that the distinguished Senator from Nevada give the reasons for his objection. He has a perfect right to object. When the proper time comes we can, if necessary, move to take up the bill on the floor of the Senate, and the Senator from Nevada can argue against the bill if he cares to do so. He is perfectly within his rights to object to the bill now. The Senator from North Dakota has already stated that whenever he gets the opportunity he will move to take up the bill. When the bill was reached on the calendar previously some Member on this side of the aisle was recorded as objecting to the bill. I wish the record to show that today we have no objection to the bill. We want the record to show we would like the bill to be passed. Many Senators have made the same statement.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. McCARRAN. Not only did the Senator from Nevada withhold his objection, but he also raised no objection to going back two numbers on the calendar at the request of the Senator from Nebraska.

Mr. WHERRY. I thank the Senator for that statement.

Mr. McCARRAN. So I do not know why the Senator from Nebraska is making so much fuss about the matter.

Mr. WHERRY. I was really making the fuss about the statement made by the Senator from New Mexico [Mr. CHAVEZ], who seemed to object to the procedure of Senators who wanted to make the record clear with respect to their position concerning the bill. I think I have made the record clear. If I have not done so, it is merely because I cannot use the English language properly. I want the record to show that the

Senator from Nebraska is for the bill. I hope the bill will be passed some day. I think it ought to be passed. I say I have a perfect right to make the record clear, regardless of what may be said to the contrary by my distinguished friend, the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. WHERRY. I yield for a question.

Mr. CHAVEZ. Conceding that the Senator from Nebraska is correct with respect to making the record clear as far as the minority party is concerned——

Mr. WHERRY. I am making it clear on my own behalf as well.

Mr. CHAVEZ. Does not the Senator also concede that although another Senator held views contrary to his, he might hold them in clear conscience?

Mr. WHERRY. Certainly. I am not questioning the reason of the Senator from Nevada in objecting to the bill. I have previously made such a statement.

Mr. MAYBANK. Mr. President——

The PRESIDING OFFICER. The time of the Senator from New Mexico [Mr. CHAVEZ] and the time of the Senator from Nebraska [Mr. WHERRY] has expired. The time of the Senator from South Carolina [Mr. MAYBANK] has been exhausted.

Mr. MAYBANK. Having exhausted my time, Mr. President, I express the hope that my record is clear.

The PRESIDING OFFICER. Objection having been heard to consideration of House bill 1161, the bill will be passed over.

BILL PASSED OVER

The PRESIDING OFFICER. The next bill on the calendar will be stated.

The bill (S. 2195) to authorize the Palisades Dam and Reservoir project, to authorize the north side pumping division and related works, to provide for the disposition of reserved space in American Falls Reservoir, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The clerk will state the next bill on the calendar.

The bill (S. 2006) to amend the Home Owners' Loan Act of 1933 with respect to Federal savings and loan associations, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. IVES. Mr. President, will the Senator withhold his objection until I make a statement in explanation?

Mr. HENDRICKSON. I am glad to do so.

Mr. IVES. Mr. President, the simple purpose of this bill is to require Federal savings and loan associations to conform to the standards set by the States they are designed to serve. It represents the ideal in our system of dual banking, in that a vitally needed financial service is provided by the Federal Government, while at the same time the best of State standards are preserved.

The bill provides that Federal savings and loan associations should be subject to the same initial requirements as are similar State associations. The future establishment of Federal loan branches is restricted to those cases "in conformity with the practice within the State with respect to branches of State building, savings, and loan associations."

Passage of this measure now would be in the interest of an orderly savings and loan service.

I thank the Senator from New Jersey.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. Mr. President, I wish to thank the distinguished senior Senator from New York for his fine clarification of the bill for the RECORD. However, I am still obliged to object, by request.

The PRESIDING OFFICER. Objection is heard, and the bill goes over.

Mr. FREAR. Mr. President, will the Senator yield for a question or withhold the objection for a second?

Mr. HENDRICKSON. I withhold the objection for a second.

Mr. FREAR. I thank the Senator.

I wish to associate myself with the distinguished senior Senator from New York [Mr. IVES] in his remarks on this measure; and also I wish to say that I have conferred with the two distinguished Senators from Massachusetts, and I believe that those two Senators are sufficiently broadminded to find out what is the objection on the part of their constituents to this bill. If we can get those objections stated and presented to us, I am sure the committee will do all within its power to iron out the difficulty, so that the bill may come before the Senate and may be passed.

I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. Mr. President, I should like to say to the Senator from Delaware that if he can induce those distinguished Senators to withdraw their objections, I shall have no objection to consideration of the bill. But until that is done, I am still obliged to object.

The PRESIDING OFFICER. Objection is heard, and the bill is passed over.

DISCHARGE OF FIDUCIARY OBLIGATION TO IRAN—BILL PASSED OVER

The bill (H. R. 5731) to discharge a fiduciary obligation to Iran was announced as next in order.

Mr. O'MAHONEY. Let the bill go over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

Mr. GREEN. Mr. President, I should like to make an explanation of the bill, if the Senator from Wyoming will withhold his objection.

Mr. O'MAHONEY. I am very glad to withhold the objection, so that the Senator can make a futile explanation—for I am sure I shall object to consideration of the bill when he has finished speaking.

Mr. GREEN. I am sorry the Senator thinks that I am to be futile in the matter, but I think the Senate should know what is at stake in this connection.

Mr. President, I am not in charge of this measure; I am not chairman of the Foreign Relations Committee, to which the bill was referred; nor am I chairman of the subcommittee of the Foreign Relations Committee to which the bill was referred by the Foreign Relations Committee itself. However, I think enactment of the bill is important to us, especially in the present world situation; and I am sure that favorable action on the bill should not be objected to, unless some good reason is given—and none has been given whenever the bill has been reached on the calendar prior to this time.

Mr. President, the facts involved in this matter are that over a quarter of a century ago, namely, in 1924—an unfortunate incident occurred in connection with our relations with Iran; the United States vice consul to Iran was shot. As a result, Iran agreed to pay reparations, and subsequently did pay them, in the form, among other things, of a payment of $110,000, which it was agreed should be paid by the Iranian Government to our Government, and should be expended by our Government for the education of Iranian students in the United States.

The Iranian Government paid that amount to us, but we have never fulfilled our part of the agreement.

The matter has been brought up from time to time. At the present time it is most important that there should be no outstanding cause of friction between our Government and the Iranian Government.

There is no reason why the money should not be spent for the purpose for which it was agreed that it would be spent. However, it cannot be spent without action by the Congress. For 25 years the United States has held that money, but has not used it; and we have been unable to get any explanation when objection is made during the call of the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. O'MAHONEY.. I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

AMENDMENT OF INLAND WATERWAYS CORPORATION ACT—BILL PASSED OVER

The bill (S. 211) to amend the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the Transportation Act, and for other purposes," approved June 3, 1924, as amended, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. IVES. Mr. President, when this bill is finally under consideration by the Senate, I may wish to speak at some length on it, or at least for much longer than 5 minutes. Therefore, I now object.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

REVIEW OF POLICY OF DISMANTLING GERMAN INDUSTRIAL ESTABLISHMENTS—RESOLUTION PASSED OVER

The resolution (S. Res. 187) favoring a review of the policy of dismantling German industrial establishments was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. LEHMAN. I object.

The PRESIDING OFFICER. On objection, the resolution will be passed over.

Mr. WHERRY. Mr. President, will the Senator from New York withhold the objection long enough to permit me to find out from a member of the Foreign Relations Committee when it will be possible to have the resolution brought up and considered?

Mr. LEHMAN. I am glad to withhold the objection temporarily.

Mr. WHERRY. Mr. President, the other day when the appropriation bill was under consideration by the Senate I was assured by various members of the Foreign Relations Committee that Senate Resolution 187 would be given early consideration. I had hoped that it would be agreed to during the call of the calendar, if that was at all possible—in short, to have the resolution adopted today.

Of course, I realize that any Senator has a right to object to consideration of any measure during the call of the Consent Calendar; but I was told that the offering of the resolution as an amendment to the appropriations bill, when that bill was before us the other day, was the wrong way to attempt to handle this matter, and I was assured that the way to handle it properly was as a separate legislative matter.

Accordingly consideration and adoption of the resolution during the call of the Consent Calendar is the way to handle this measure legislatively, so far as I know.

The first resolution for this purpose had the signatures of approximately 50 Senators upon it.

All that the resolution calls for is a review of the dismantling program in Germany.

Therefore, I hope the resolution may be agreed to at this time.

In discussing the resolution, the distinguished Senator from New Mexico even called me by my first name. He said, "KENNETH, the way to do this is to amend the act."

That is what I was told by several Members of the Senate. Of course, when the resolution was offered as an amendment to the appropriations bill, it went over on a point of order—and properly so, I suppose.

At any rate, we have had this matter before us for 2 years now. For 2 years we have tried to have the resolution agreed to, and now here it is on the calendar.

It is very difficult to have the resolution considered on the floor of the Senate at any other time, as everyone knows; and it will be impossible to bring it up between now and the time when this session of Congress ends.

In view of the fact that all the resolution calls for is a review of the dismantling program in Germany, I hope the resolution may be agreed to during the present call of the Consent Calendar.

The PRESIDING OFFICER. Objection has been heard to the present consideration of the resolution.

Mr. LEHMAN. Mr. President, I should like to say to the distinguished junior Senator from Nebraska that of course I have no knowledge of any conversations he has had with members of the Foreign Relations Committee. I have no objection whatever to having the resolution brought up on the floor of the Senate for extensive debate, but I do not think a matter of such importance should be taken up during the call of the Consent Calendar.

Therefore, I feel that I should continue my objection to consideration of the resolution at this time.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. Of course.

Mr. WHERRY. Has the Senator from New York studied the resolution very carefully?

Mr. LEHMAN. Yes.

Mr. WHERRY. What is objection to the resolution, let me inquire?

Mr. LEHMAN. I do not intend to engage at this time in an extended debate with the Senator from Nebraska; but I can say that I object to both the declarations and the conclusions of the resolution, and I do not think its adoption is necessary.

I certainly would object to having the President of the United States at this time issue any direction or bring any pressure to bear upon the United Kingdom or upon France to take action under this resolution.

However, as I have said, if the resolution is brought up on the floor of the Senate, I shall be very glad to engage in an extended debate with the Senator from Nebraska.

Mr. WHERRY. Of course the Senator from New York knows that it will be impossible to bring up the resolution for debate at any other time in the present session. I have been here long enough to know that if the resolution is not adopted during the call of the Consent Calendar, it will not be adopted in the Eighty-first Congress.

I should like to ask a question of the Senator from New York, if he will yield further.

Mr. LEHMAN. Certainly.

Mr. WHERRY. Is there any modification of the resolution which the Senator from New York would accept, if I were to offer to amend the resolution—for instance, an amendment so as to have the resolution provide for the review to be made by declaration by the Congress, instead of by declaration by the President?

Mr. LEHMAN. Mr. President, I have already stated to the Senator from Nebraska that I object to both the declarations and the conclusions of the resolution. I do not intend to engage at this time in a debate with the minority leader, and I continue my objection to present consideration of the resolution.

The PRESIDING OFFICER. Objection is heard, and the resolution is passed over.

Let the Chair be permitted to make this observation. There are many pages rather closely printed of bills, including the titles, bills in which there is much interest by various Members of the Senate. A great number of the bills are of rather far-reaching importance. Several of them have been objected to on previous occasions. There are other bills which have not been called heretofore, this being the first time they have appeared on the calendar. If we are to get through this calendar within anything like a reasonable time and by a reasonable hour, I think we are going to have to make better speed. There are other matters on the Executive Calendar to be considered later. Each Senator has a right to speak once, for not exceeding 5 minutes, but if we could condense those speeches as much as possible consistent with the subject matter, it would help greatly. The Clerk will state the next business on the calendar.

BILLS PASSED OVER

The bill (H. R. 4569) authorizing the transfer of Fort Des Moines, Iowa, to the State of Iowa was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The bill (S. 1728) to prohibit discrimination in employment because of race, color, religion, or national origin, was announced as next in order.

Mr. ELLENDER. Over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

PRESTON L. WATSON, ADMINISTRATOR

The Senate proceeded to consider the bill(H. R. 1056) to confer jurisdiction on the Court of Claims to hear and determine the claim of Preston L. Watson as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause, and insert in lieu thereof the following:

That the Court of Claims of the United States be, and hereby is, given jurisdiction to hear, determine on the merits, and to render in accordance therewith, judgment upon the claim of Preston L. Watson, as administrator of the goods, chattels, rights, and credits which were of Robert A. Watson, deceased, against the United States for alleged loss and damages suffered by Robert A. Watson arising out of certain transactions between said Robert A. Watson and the Department of Justice of the United States, involving the purchase and importation of sugar from the Republic of Argentina in June 1920, and the alleged neglect, refusal, and failure of the Department of Justice to provide for the distribution thereof in accordance with the terms of a written agreement between claimant's decedent and said Department.

SEC. 2. Suit upon such claim may be instituted at any time within 6 months after

the date of enactment of this act, notwithstanding the lapse of time, laches, or any statute of limitations. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims over which said court has jurisdiction under section 1491 of title 28 of the United States Code: *Provided*, That this act shall be construed only to waive the immunity from suit of the Government of the United States with respect to the claim of Preston L. Watson, as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased, and not otherwise to effect any substantive rights of the parties.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to confer jurisdiction on the Court of Claims to hear, determine, adjudicate, and render judgment on the claim of Preston L. Watson, as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased."

JOINT RESOLUTION INDEFINITELY POSTPONED

The joint resolution (S. J. Res. 153) for the authorization of a contribution by the United States to the United Nations Relief and Works Agency for Palestine Refugees in the Near East, was announced as next in order.

The PRESIDING OFFICER. The Chair is advised that this matter has been taken care of, it being the same as title IV of another bill.

Mr. HENDRICKSON. The subject matter was included in ECA.

The PRESIDING OFFICER. Does the Senator from New Jersey move that the joint resolution be indefinitely postponed?

Mr. HENDRICKSON. I so move.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILLS PASSED OVER

The bill (H. R. 4453) to establish a Fair Employment Practice Commission and to aid in eliminating discrimination in employment because of race, creed, or color, was announced as next in order.

Mr. HOLLAND. I object.

The PRESIDING OFFICER. Objection is heard by the Senator from Florida. The bill will go over.

The bill (S. 2113) to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers, was announced as next in order.

Mr. DOUGLAS. I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The bill (H. R. 1025) for the relief of Waymon H. Massey, was announced as next in order.

Mr. HENDRICKSON. Over.

The PRESIDING OFFICER. Objection is heard, and the bill will go over.

CONVEYANCE OF CERTAIN MINERAL INTERESTS BY SECRETARY OF AGRICULTURE

The bill (H. R. 4800) to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. On behalf of the senior Senator from Delaware, I object.

Mr. CAPEHART. Mr. President, will the Senator withhold his objection a moment?

The PRESIDING OFFICER. Does the Senator withhold his objection?

Mr. HENDRICKSON. I withhold my objection temporarily.

Mr. CAPEHART. Mr. President, I am very anxious to have this bill passed, because I think it has a great deal of merit. There are literally—I was going to say hundreds; and I think it is correct—but I know there are dozens and dozens of farmers in the United States who have purchased farms from the Government, on which the Government retained the mineral rights.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from New Jersey?

Mr. CAPEHART. I yield.

Mr. HENDRICKSON. In order that we may save time, may I suggest that this bill go to the foot of the calendar until the Senator from Delaware is on the floor?

The PRESIDING OFFICER. Is there objection to the bill going to the foot of the calendar?

Mr. CAPEHART. Mr. President, will the Senator withhold his objection a moment?

Mr. HENDRICKSON. I have withheld my objection.

Mr. CAPEHART. If there is a possibility that continual objection is to be made to this bill, I should like, if possible, to get a vote on it this afternoon.

Mr. LUCAS. I may say to the Senator from Indiana that this is one of the bills which have been discussed by the Democratic Policy Committee. It is an extremely important measure, and it seems to me it ought to be passed on the Senate calendar.

Mr. CAPEHART. I agree with the Senator.

Mr. LUCAS. I know that the Senator from Delaware undoubtedly has certain objections which he desires to address to the Senate. But there is more interest among farmers in this measure than in any other measure which has been before the Senate for some time.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. LUCAS. Mr. President, may I be recognized?

The PRESIDING OFFICER. The Senator from Illinois.

Mr. LUCAS. As I said a moment ago, this is an important measure from the standpoint of the farmers of the country, and the Secretary of Agriculture is very much interested in having the bill passed, in order that justice and equity may be done to the farmers, who should have these mineral rights.

I hope the Senator from Delaware will examine the report, or, if he has already done so, that he will reexamine it with a view to letting the bill pass this afternoon, without calling it up in regular order.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Indiana?

Mr. LUCAS. I yield.

Mr. CAPEHART. Do we correctly understand that the majority leader will call up this bill for a vote, if it is not handled on the consent calendar?

Mr. LUCAS. It is one of the bills that we expect to take up, I may say to the Senator from Indiana.

Mr. CAPEHART. I thank the Senator very much. I am in favor of taking it up.

Mr. LUCAS. We have discussed it in the Democratic conference, and I am sure we can pass it without any trouble. I hope the Senator from Delaware will see fit to withdraw his objection to this bill.

Mr. KERR. Mr. President, reserving the right to object, the Senator from Oklahoma has discussed this bill with the Senator from Delaware, and is of the opinion that if it were passed to the foot of the calendar, it is entirely possible the objections could be waived and the bill permitted to pass. I notice the Senator from Delaware has returned to the floor, and I wonder whether he will state whether that is correct.

The PRESIDING OFFICER. Does the Senator from Delaware wish to be recognized?

Mr. WILLIAMS. Mr. President, I have no objection, if it is desired to carry this bill to the foot of the calendar. However, it is only fair to say that I am almost certain it will not pass today. It has been about 6 weeks since I addressed a letter to the chairman of the Committee on Agriculture and Forestry, of which the majority leader is a member. At that time I set forth certain questions which I wished to have answered before the bill was considered by the Senate. I received a letter from the committee saying that I would be given an opportunity of appearing before the committee. That has been 7 weeks ago. To this date I have not been extended that opportunity. Those questions, so far as the Senator from Delaware is concerned, are going to be answered before this bill is passed with my consent.

The PRESIDING OFFICER. Does the Senator from Indiana withdraw his unanimous-consent request that the bill go to the foot of the calendar? That is the last request before the Senate.

Mr. CAPEHART. No. I should like to make a unanimous-consent agreement that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Is there objection to the request that the bill go to the foot of the calendar?

Mr. CHAVEZ. Mr. President, I am not against the bill. I wish it could be passed now by unanimous consent, after the explanation given of the bill by several Senators. I am not going to object to letting it go to the foot of the calendar. However, the Chair has called attention this afternoon to the slow progress we are making. If, by reason of objections by Senators, for reasons of their own, bills continue to go to the foot of the calendar, we shall never get through this afternoon. I shall not object, now, but I shall object to any other request to place bills at the foot of the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS. I am not objecting to placing the bill at the foot of the calendar. I may say to the majority leader that if he wants this bill passed this afternoon, there is a possibility that that could be done, if he will call the department and ask them to reply to my letters of the last few weeks.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired. Is there objection to this bill going to the foot of the calendar? The Chair hears none, and it is so ordered. The clerk will call the next order of business on the calendar.

TRANSFER TO PIERCE COUNTY, WASH., OF SURPLUS LAND IN FORT LEWIS MILITARY RESERVATION

The bill (H. R. 5101) to provide for the transfer to Pierce County, Wash., of certain surplus land in the Fort Lewis Military Reservation was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Reserving the right to object, I wish to say that I objected to this bill when it was last before the Senate. I objected to it until I could have time to study it. I have since studied it and I find the situation to be that when this property was donated to the Federal Government for Army purposes it was with the express reservation that if the Federal Government ever ceased to use it for Army purposes in connection with the particular camp involved, it would automatically revert to the county. As a lawyer I then questioned the necessity for a bill. I think, Mr. President, that the reversionary clause itself entitles Pierce County to recover the property now that the Army no longer uses it for military purposes. Therefore, I have no objection to the consideration of the bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 5101) to provide for the transfer to Pierce County, Wash., of certain surplus land in the Fort Lewis Military Reservation, which had been reported from the Committee on Armed Services with an amendment on page 2, line 8, after the word "taken", to strike out "by the State of Washington and Pierce County, Washington" and insert "in accordance with local law."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On August 4, 1950:

S. 398. An act for the relief of John Rowland;

S. 648. An act to amend title 18, United States Code, section 705, to protect the badge, medal, emblem, and other insignia of auxiliaries to veterans' organizations, and for other purposes;

S. 1491. An act for the relief of Rudolf Meinhard and Irene Hallinger;

S. 1760. An act to amend section 101 (b) of the Department of Agriculture Organic Act of 1944 (58 Stat. 734; 7 U. S. C. 429);

S. 1942. An act for the relief of Isabel Alba Casas, Concepcion Garcia Perez, Maria del Carmen Fernandez Matesaenz, Maria Santos Zuniga, Felipa Casado del Blanco, Mercedes Rodriguez Villanueva, Selina Milan Gonzalez, Teresa Duque Saenz, Martina Equiza Garces, and Teresa Baztan Elizalde;

S. 2183. An act for the relief of Nicholas J. Chicouras;

S. 2264. An act for the relief of Juliana Sosa de Solis;

S. 2608. An act for the relief of Dr. Kun Ken Hu;

S. 2866. An act for the relief of Egbert G. Gesell;

S. 2934. An act for the relief of Julius Elzas;

S. 3163. An act for the relief of Mrs. Honora Redman;

S. 3253. An act for the relief of Lyon F. Hibberd and the estate of George T. Erb;

S. 3585. An act for the relief of Dodge County, Wis.;

S. 3653. An act to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes;

S. J. Res. 133. Joint resolution authorizing the return to Mexico of the flags, standards, colors, and emblems that were captured by the United States in the Mexican War.

On August 5, 1950:

S. 442. An act to amend the Air Commerce Act of 1926 (44 Stat. 568), as amended, to provide for the application to civil air navigation of laws and regulations related to animal and plant quarantine, and for other purposes;

S. 920. An act for the relief of Ellen Rodriguez Moreno;

S. 1059. An act for the relief of John W. Wagner;

S. 1419. An act for the relief of Wilhemus Johannes Marie Van Der Kooy;

S. 1551. An act for the relief of Jose Augusto Pereira;

S. 1573. An act for the relief of Anastacia Roshani;

S. 1963. An act for the relief of Augusto Segre;

S. 2053. An act for the relief of Vivienne Joy Wilson and minor daughter Mary Ann Vaughn;

S. 2253. An act for the relief of Dr. In Sung Kwak;

S. 2723. An act for the relief of Maria del Carmen Moreno-Elorza, Maria Luisa Asin Luri, Rafaela Garcia Casini, Giovanni Importa, and Teresa Campagnoni;

S. 2990. An act for the relief of Amy Louisa Shier;

S. 2996. An act to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation;

S. 3098. An act to amend section 104 of title 28 of the United States Code so as to create a Greenville division in the northern district of Mississippi, with terms of court to be held at Greenville;

S. 3832. An act to approve a contract negotiated with the Ogden River Water Users' Association, to authorize its execution, and for other purposes; and

S. 3833. An act to approve a contract negotiated with the South Cache Water Users' Association, to authorize its execution, and for other purposes.

On August 8, 1950:

S. 4. An act authorizing the advanced training in aeronautics of technical personnel of the Civil Aeronautics Administration.

INTERNAL SECURITY OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 679)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read by the legislative clerk.

(For President's message, see today's proceedings of the House of Representatives on pp. 12018–12020.)

The PRESIDING OFFICER. The message will be referred to the Committee on the Judiciary.

In trying to get a new start on the call of the calendar, the Chair is going to make a request of all those in the Chamber not to apply to Senators or Members of the House of Representatives, or those regularly employed on the floor of the Senate, but the other gentlemen in the Chamber can help the Senate greatly by finding places to sit down, and waiting until a Senator needs them, in some quiet place, and the Chair will ask them to keep quiet themselves.

Mr. LUCAS. Mr. President, I take this opportunity of commending the Chair for what he has just said about the clerks who are constantly in the rear of the Chamber conversing with one another, or with someone else, on the floor of the Senate. No doubt these gentlemen are necessarily here, to be on hand to advise with Senators. There is always quite a group around waiting to be of some assistance to Senators, which is perfectly proper, but they do create some confusion, and I commend the Chair for what he has said. I hope these gentlemen will remain seated until they are called by Senators.

The PRESIDING OFFICER. The Chair appreciates the Senator's remarks. The Chair knows that the clerks do not intend to disturb the orderly procedure of the Senate, but each bit of conversation added to all the others makes a great deal of confusion. These gentlemen are of great service to Senators. The members of the staffs of the committees render very fine service, and the Chair does not mean to minimize their usefulness one bit.

COMMISSION ON HUMAN RIGHTS

The bill (S. 2595) to provide for the establishment of a Commission on Human Rights in the government of the District of Columbia was announced as next in order.

Mr. MUNDT. Mr. President, are we back on the calendar now?

The PRESIDING OFFICER. The Senate is back on the calendar, and the question is, Is there objection to the consideration of Senate bill 2595?

THE PRESIDENT'S MESSAGE ON INTERNAL SECURITY

Mr. MUNDT. Mr. President, speaking under the 5-minute rule, I desire to comment briefly on the message of the President of the United States which has just been read, with reference to subversive-control legislation. Unfortunately, neither the Members of the Senate nor the members of the press were supplied with copies of the President's message, since it was aparently sent to the Capitol in a hurry, timed to precede the next two bills immediately on the Senate Calendar, which deal with the question of Communist-control legislation.

As one of the authors of the proposed legislation, which has been before the Congress now in one shape or another for some 3 years, and which has been before the Senate for more than 18 months, and which was approved by the Senate Committee on the Judiciary last March, let me say that I welcome this support on the part of President Truman, belated though it comes, for the purposes and the provisons of the Communist-control legislation which is now on the Senate Calendar.

As I have heard the reading of the message, it seems to me that in essence it endorses completely all the major provisions and purposes of Senate bill 2311. Certainly those of us who joined in sponsoring the proposed legislation concur completely with the President that no attack should be made upon the freedoms enjoyed by patriotic and loyal Americans, and we have said repeatedly, and repeat now, that we stand ready to accept any amendment to the bill which can be demonstrated as essential to safeguard the liberties and the traditional freedoms of loyal American citizens.

While the President comes to the support of this type of legislation as a Johnny-Come-Lately, we nevertheless welcome his support, and trust that we now can proceed in this body to consider basic legislation to meet this problem. Perhaps S. 2311 can now be approved today when we reach it on the Unanimous Consent Calendar.

Mr. President, I wish to express my hearty appreciation for the great work done by such organizations as the American Legion, the Veterans of Foreign Wars, the Amvets, the Catholic War Veterans, the National Education Association, the United States Chamber of Commerce, and others, who for the past several months have been communicating with the White House, and have been contacting the Congress, forcing the issue to the front, focusing attention on the need for Communist-control legislation, and insisting that something be done now to meet the challenge of communism, which is rampant in our midst. They deserve to share in the credit for today's message from the President.

Mr. President, I happen to believe that had we passed legislation of this type 3 years ago, when it was first proposed, we might not now be confronting the consequences of the war which we now have in Korea. We might have been able to avert such a culmination and our policy decisions might well have better protected true American interests if we could have screened out of policy positions such men as were represented by the case of Alger Hiss and others in the State Department. We might have been able to do something at the entry gates of the Government rather than at the exit way to keep Communists and their sympathizers out of Government.

I feel that the President should have added to his message today support of that particular provision of the so-called Mundt-Ferguson-Nixon bill—incidentally the only provision which he did not support in his message—by law prohibiting Communists from enjoying the privilege of working for the Federal Government.

The President refers to Executive decrees in that connection. He refers to purposes and policies. But I submit that the situation is serious enough so it should be defined and provided for by law. The United States is still, I hope, a Government by law and not by man-made Executive decrees.

Mr. President, I should like to suggest that as I heard the reading of the message, insofar as it applies to those provisions and purposes defined in the Mundt-Ferguson-Nixon bill, it endorses each major provision specifically. It provides the safeguards we have consistently recommended, and we shall be happy on this floor to accept any amendment implicit in the address of the President of the United States if in his opinion or in the opinion of those sharing that point of view it is essential further to safeguard the traditional freedoms and liberties guaranteed to loyal Americans under the Bill of Rights. But we shall accept no synthetic substitute for effective legislation. As we have said all along, the best way to safeguard the traditional freedoms and liberties of America is to take action to expose and curtail the Communist conspiratorial cells now trying to destroy those traditional freedoms and liberties for all good, loyal, decent Americans.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. FERGUSON. Mr. President, a review of the President's message clearly indicates that the President has come to the conclusion that the Communist Party is not a political party; that it is a conspiracy dominated by a foreign government and by a foreign group who name themselves as a political party, for he comments as it appears on page 4 of his message:

> First, I recommend that the Congress remedy certain defects in the present laws concerning espionage, the registration of foreign agents—

Nothing could be truer than that all Communists, whether they be in the United States of America or in any other country, are agents of a foreign government, which is Soviet Russia.

I read further from the President's message—

> and the security of national defense installations, by clarifying and making more definite certain language in the espionage laws, by providing an extended statute of limitations (in place of the present) 3-year statute.

When we review Senate bill 2311, now on the calendar, we find that it complies with the message of the President. What he is talking about is that freedom must be protected in America, but that subversive activities of foreign agents must be stamped out by authority of law, and not by authority of decree. On the last page of the President's message—and I wholeheartedly endorse this language—he says:

> I am determined that the United States shall be secure. I am equally determined that we shall keep our historic liberties.

Mr. President, when Senate bill 2311 was presented it was carefully scrutinized so that it would comply with every one of the provisions of the Bill of Rights, with the traditional history of America, and with all free American institutions. The American Bar Association was consulted, and we have a concise opinion from it. Its members came to the conclusion that Senate bill 2311 does not violate any of the fundamental historic principles the President refers to, and that the bill is constitutional in its entirety.

The President has in effect endorsed Senate bill 2311, and I hope there will be no objection to it on the call of the calendar. I hope it may be passed.

I note, however, that the President apparently did not understand that a certain bill which came recently from the Committee on the Judiciary, which would have allowed the Attorney General in certain cases to detain aliens in his custody for an indefinite time, had been amended. The Senator from Michigan offered an amendment to the bill in the Judiciary Committee, to provide that the Attorney General of the United States could not detain such persons for an indefinite time. There is now a provision in that bill—and I hope the bill will be passed on the call of the Consent Calendar—which provides that in case a person violates a deportation order, and that violation continues for a 6 months' period, it shall be a crime further to violate the order and remain in the United States. The individual involved would have the right to trial before the courts of justice, and even have a jury trial if he chose. So apparently the bill which came from the Committee on the Judiciary has now been amended to conform with the President's message. I read what the President had to say about that:

> A bill pending before the Congress would permit the Attorney General in certain cases to detain such aliens in his custody for in-

definite periods of time—not pursuant to a conviction for crime but on the basis of an administrative determination. Such action would be repugnant to our traditions, and it should not be authorized.

That is exactly what the Committee on the Judiciary understood, and that is what that committee remedied by accepting an amendment to the bill. It has been most jealous of constitutional rights in its scrutiny of the internal security bills that have been before it, and that includes Senate bill 2311, which was reported by a vote of 12 to 1.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Has unanimous consent been granted for the consideration of Senate bill 2595, Calendar No. 1342?

The PRESIDING OFFICER. It has not.

Mr. McCLELLAN. I object to consideration of the bill.

The PRESIDING OFFICER. Objection is heard.

The next bill on the calendar will be stated.

INTERNAL SECURITY OF THE UNITED STATES

The bill (H. R. 4703) relating to the internal security of the United States, was announced as next in order.

Mr. LUCAS. Mr. President, the features of this bill and also the one following it are more or less woven into the President's message which we just heard read. I want to refute the statement that this message was sent here by the President of the United States and presented just preceding the time we were considering the next two bills on the calendar. That was the implication; in fact it was the direct statement by the Senator from South Dakota [Mr. MUNDT] and, of course, there is absolutely nothing to such a conclusion.

Mr. President, the President of the United States is not one of these Johnny-Come-Latelys upon the question of rooting out subversive elements in the Government. The President of the United States was a captain in World War I, and won his spurs fighting dictatorship. He has demonstrated his patriotism on many, many occasions. There is no man in America who detests communism more than does the President of the United States. At the same time there is no man in America who has a deeper respect for and a greater devotion to the Bill of Rights than has the President of the United States. So, Mr. President, what has been said on the floor of the Senate just does not square with the facts.

The Senator from South Dakota said something about what might have happened if his bill had been passed some 3 years ago. As I understood him, he had something to say about Alger Hiss with respect to the bill the Senator introduced when he was in the House. Whenever certain Senators obtain the floor they almost invariably talk about Alger Hiss whose acts in government 10 years ago led to his recent conviction for perjury. This is done of course for the purpose of trying to prejudice the people against the administration.

Mr. President, this message is an important one. The measures on the calendar are important. The bill which I asked to have go to the foot of the calendar is important. I made the request because I thought that a message of this kind would come some time today from the President of the United States.

In view of that message and in light of the fact that the message has been referred to the Judiciary Committee, I am of the belief that that bill and similar bills should be passed over until the Judiciary Committee can consider the message in connection with the bills which from time to time have been reported to the calender by the Judiciary Committee.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCARRAN. Let me say to the Senator from Illinois that I heard nothing in the message which was new. Everything in the message has been brought to the attention of the Judiciary Committee, not once but many times, and everything in the message has been considered by the Judiciary Committee. The bills on that subject, now on the calendar and ready for consideration by the Senate, were reported to the Senate with those thoughts in mind.

Not only that, but Attorneys General, including the present Attorney General, have recommended the enactment of some of the bills on this subject which are on today's calendar.

So, Mr. President, the request that the Judiciary Committee consider the message and also consider in connection with it various bills on this subject, and that action by the Senate on these bills be deferred pending a further report from the Judiciary Committee, simply will mean delay in the action by the Senate on measures which the Judiciary Committee has thought should be promptly enacted into law.

Mr. LUCAS. Mr. President, regardless of what my good friend the Senator from Nevada has said, I totally disagree with the position which he and some Senators have taken—that the message corroborates everything which has been done with respect to the reporting of all bills relating to the particular subject. In my opinion, the message does nothing of the sort. Therefore, Mr. President, I should like to have the message reviewed by the Judiciary Committee, along with all bills of this character now before us.

I think the President of the United States is entitled to that consideration, in view of the strong and patriotic message he has sent to the Congress.

Senators declare the message is wonderful and virtually all Senators who have spoken expressed approval of the message, and so do I. Therefore, the message should be carefully studied in connection with the measures on this subject which have been reported. When that is done, I am confident that we shall obtain the passage of proposed legislation which will be satisfactory to the Senate and the country.

I am not going to agree to the consideration of such bills during the call of the Consent Calendar at this time. That is especially true in view of the message we have received from the President of the United States. May I say, also, that the importance of these bills demands unlimited debate and not discussion under the 5-minute rule.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCARRAN. Does the Senator from Illinois construe the message of the President to be an endorsement of these bills?

Mr. LUCAS. Mr. President, I am not so sure that I can give the Senator from Nevada a categorical answer to his question, because I have not had an opportunity to compare all the recommendations in the message with all the provisions of all the bills on this subject. I have read the message only hurriedly; and I am not sure that the Senator from Nevada, brilliant as he is, although he is familiar with the various measures referred to, by hurriedly reading the message submitted to us by the President, is able to give it the thorough consideration and study which it deserves and requires.

Mr. McCARRAN. I wish to say to the Senator from Illinois that if the statement is made that the President's message endorses the various bills which have been referred to, I cannot make such a statement.

Mr. LUCAS. I cannot say so either.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LUCAS. Mr. President, I ask unanimous consent that I may proceed for an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Illinois asks unanimous consent that he may proceed for an additional 3 minutes. Is there objection? The Chair hears none, and the Senator from Illinois may proceed.

Mr. LUCAS. Mr. President, let me state that the Senator from Michigan [Mr. FERGUSON] and the Senator from South Dakota [Mr. MUNDT], after listening to the reading of the President's message, commended the President for the type of message he sent to us. I undertake to say that the message is a magnificent one on the question of protecting the internal security of this Nation.

However, I also undertake to say that we shall not lose anything by having the message referred to the Judiciary Committee, where the committee can consider the message carefully in the light of all the measures on this subject which now are on the calendar. When that is done, we shall be able to discuss properly the type of an over-all measure we think it is necessary to have enacted in order to protect the internal security of the United States.

Let me say in conclusion that I yield to no man—including the Senator from South Dakota—in my interest and in my

concern for the welfare of my country insofar as subversive or any other activities are concerned. All my life, or at least all my adult life, I have been fighting the Communists in this country. I was doing that over 20 years ago when I was department commander of the American Legion in the State of Illinois.

I have made speeches all over the country against the Communists; and I made such speeches when few people were concerned about, or even interested in, the philosophy of communism. I shall continue to hold to the course I have always pursued.

However, Mr. President, I am not going to be rushed and I am not going to be "taken for a ride" by certain persons who are seeking to make some political capital out of this situation.

I undertake to say that before we finish we shall get a bill which will be satisfactory to the great majority of the American people, and we shall do so by protecting the Bill of Rights. So far as I am concerned, we are not going to pass with my vote any alien and sedition laws, such as were enacted earlier in the history of the United States, as the President has so forcibly pointed out in his message. I am not working under or attempting to create any hysteria with respect to such measures, Mr. President.

I hope—in fact, I know—that the Judiciary Committee, under the able leadership of the Senator from Nevada, will examine the President's message in the light of the various bills on this subject and will make its report later.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCARRAN. Mr. President, I join with those who have commended the statements contained in the message sent to the Congress by the President of the United States. Everything I heard as the message was read to us is in accordance with my views.

However, Mr. President, a message is not a law; a message is not a statute; a message will do no good unless the subject dealt with by it is handled by the Congress by means of a piece of proposed legislation, enacted pursuant to constitutional requirements and provisions and finally made the law of the land.

Mr. President, we are at war, and we may be more at war tomorrow. It does not look as if the present situation is merely a flash in the pan. Being at war on the outside, it is well for us to take immediate steps to protect our Government and our institutions on the inside. If we do not do so, then, in my judgment, the Congress will have failed in its duty.

Mr. LEHMAN. Mr. President, I fully concur in the remarks made by the distinguished majority leader, the senior Senator from Illinois [Mr. LUCAS]. Certainly the President's message has only just been read to us; and I do not believe that any Member of the Senate has had a chance to digest the contents of this all-important message.

A few minutes ago the distinguished Senator from South Dakota [Mr. MUNDT] and the able Senator from Michigan [Mr. FERGUSON] rose and claimed that the President's message constitutes an endorsement of the Mundt-Ferguson bill. I may be wrong in what I say now, because I am basing these remarks on a hurried reading of the President's message; but as I interpret the message, as it was read to this body, I do not regard the message as constituting an endorsement of the Mundt-Ferguson bill. On the contrary, I regard the President's message as a forthright criticism of much of the Mundt-Ferguson bill, particularly the parts of that bill which purport to control and eradicate communism; for those parts of the bill would actually place in jeopardy the liberties of the people of our country.

So, Mr. President, in my judgment the President's message is almost a complete rejection of the principles of the Mundt-Ferguson bill. Accordingly, for the Senate to take up that bill today, during the call of the Consent Calendar would be, in my opinion an action wholly lacking in statesmanship.

Mr. WHERRY. Mr. President, certainly the President in his message is requesting the Congress to pass measures to protect the internal security of the United States of America. No one can interpret the President's message otherwise.

I believe that the President's message endorses the principles which have been advocated for weeks and months, upon the floor of the Senate by the Senator from South Dakota [Mr. MUNDT] and the Senator from Michigan [Mr. FERGUSON].

In fact, I think the President's message went further than that. There are on the calendar, ready for action by the Senate, three or four bills relating to internal security, bills which I think should have been passed months ago.

Senate bill 595, Calendar No. 418, was placed on the Senate Calendar on May 27; and since that time some measure on that subject should have been passed by the Senate.

Mr. President, I do not undertake to say that the President in his message has endorsed every syllable of any bill; but certainly my view of the President's message, as I heard it read, is that it endorses the principles of the Mundt bill, and endorses the very bill we now have reached on the calendar, namely, House bill 4703, Calendar No. 1349.

I agree with the distinguished Senator from Nevada that although the President's message is one thing, the passage of proposed legislation on the subject is certainly another thing. Although it is an admirable thing for the President to send this message now—although I think the message is belated—yet I believe that it behooves the Senate to get busy and to pass these bills, inasmuch as the President's message calling for the enactment of legislation on these subjects has now come to us.

Mr. President, I have seen similar situations develop in connection with the submission by the President of messages to the Congress and the reference of such messages to the appropriate committees.

However, in the present case, when all is said and done, the Committee on the Judiciary will report substantially the bills on this subject which already have been reported by it and are on the calendar.

Therefore, Mr. President, I say that if Senators think that amendment of such bills is unnecessary, then the bills should be passed as quickly and as speedily as possible; and in making that statement, I include not only the measure reported by the Judiciary Committee, through its chairman, but also the Mundt-Ferguson bill, the enaction of which I think is mandatory.

I should merely like to say for the record that a great deal has been said here about what the Democratic policy committee has or has not done. Personally, I have not referred to what our minority policy committee has done because, after all, the majority is responsible for the program, and we must cooperate with the majority on legislative matters. But I should like to advise the majority leader that the minority policy committee has discussed the Mundt-Ferguson bill and similar bills relating to internal security. We believe in the principle of them and we have endorsed them and asked that they be brought to the floor, if possible, in whatever way we can get them there, and considered, particularly the Mundt-Ferguson bill. I should like to say further for the record with all the power at my command that so far as the program is concerned, it should be constructive when it is passed, if possible.

I think that if the present bill could be considered and passed, and then the Mundt-Ferguson bill could be considered and passed, and then two or three other bills which I think are on the calendar, and which I have been urged by the chairman of the Armed Services Committee to support, we could round out a program legislatively regardless of what committees may have considered the bills. They are in line with what the President suggests. The bills are here. If they contain some objectionable features, we can amend them and strike such features out. But let us pass a complete internal security program that will protect the United States of America internally, just as we pass emergency legislation to protect our interests abroad.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired. The clerk will restate the calendar order which is before the Senate.

The bill (H. R. 4703) relating to the internal security of the United States was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KILGORE. Mr. President, in my opinion, this is entirely too important a bill to be passed on the consent calendar. I therefore object to it.

The PRESIDING OFFICER. Objection is heard.

BILL PASSED OVER

The bill (S. 2311) to protect the United States against certain un-American and subversive activities, and for other purposes, was announced as next in order.

Mr. LEHMAN. I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

CLAIMS OF THE ESTATE OF ARCHANGELO STRANERI

The bill (S. 583) conferring jurisdiction upon the United States District Court for the Eastern District of Pennsylvania to hear, determine, and render judgment upon the claims of the estate of Archangelo Straneri, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. Heretofore, the amendment of the committee was agreed to. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of Pennsylvania to hear, determine, and render judgment upon the claims of the estate of Archangelo Straneri for compensation of the death of the said Archangelo Straneri following injuries sustained when he was struck by a United States Army vehicle at the Army Port Area in Ghent, Belgium, on or about May 29, 1945.

SEC. 2. In the determination of such claims, the United States shall be held liable for damages, and for any acts committed by any of its officers or employees, to the same extent as if the United States were a private person.

SEC. 3. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, and appeals from and payment of any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under the provisions of paragraph "Twentieth" of section 24 of the Judicial Code, as amended: *Provided,* That nothing in this act shall be construed as an inference of liability on the part of the United States.

RONALD CLIVE JACK

The bill (S. 891) for the relief of Ronald Clive Jack was announced as next in order.

UN-AMERICAN AND SUBVERSIVE ACTIVITIES

Mr. MUNDT. Mr. President, I do not propose at this time to argue the merits of the bill (S. 2311) to protect the United States against certain un-American and subversive activities, and for other purposes. It has been objected to by the Senator from New York [Mr. LEHMAN] and the Senator from West Virginia [Mr. KILGORE]. Other ways will have to be found for bringing it before the Senate for action.

I desire to answer, however, in one or two sentences, the question propounded by the majority leader in connection with this legislation. He inquires, "What is the hurry?" In my opinion, the "hurry" is that we are at war in Korea. We are at war with communism in Korea. American boys are dying by the hundreds in Korea, while Communists at home are sabotaging the war effort. We should get busy and should hurry up and do something about communism in America without further inexcusable and unjustifiable delay.

RONALD CLIVE JACK—BILL PASSED OVER

The PRESIDING OFFICER. Is there objection to the present consideration of Senate bill 891?

Mr. KEFAUVER. By request of the junior Senator from Alabama [Mr. SPARKMAN], I ask that the bill go over.

The PRESIDING OFFICER. Objection is heard and the bill will be passed over.

WADE H. NOLAND

The Senate proceeded to consider the bill (H. R. 2854) for the relief of Wade H. Noland, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, to strike out "$145.50" and insert "$228.25."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ADMISSION OF FOREIGN AGRICULTURAL WORKERS

The bill (S. 272) to facilitate the admission of certain foreign workers desiring to perform agricultural work in the United States was announced as next in order.

The PRESIDING OFFICER. Certain amendments to this bill have heretofore been agreed to. Is there objection to the present consideration of the bill?

Mr. NEELY. Mr. President, by request, I am obliged to object.

The PRESIDING OFFICER. Objection is heard, and the bill will go over.

CONCURRENT RESOLUTION PASSED OVER

The resolution (S. Con. Res. 38) to amend section 138 of the Legislative Reorganization Act of 1946, relating to the legislative budget, was announced as next in order.

Mr. LUCAS. Over.

The PRESIDING OFFICER. Objection is heard, and the concurrent resolution will go over.

Mr. WHERRY. Mr. President, I wonder whether the majority leader will withhold his objection a moment.

The PRESIDING OFFICER. Does the Senator from Illinois withhold his objection?

Mr. LUCAS. I withhold it.

Mr. WHERRY. I should merely like to point out that, according to my humble opinion, if this concurrent resolution were adopted, it would provide the personnel necessary to make workable to the satisfaction of everyone the so-called one-package appropriation bill. The question came up recently, while we were considering the appropriation bill, whether one appropriation bill had been satisfactory. I think it has. It has brought what heretofore were a number of appropriation bills into one bill, and it gives a complete picture of the appropriations, under one title, divided up into chapters. It certainly is a means whereby, if a rescission or a cut is to be made, ample opportunity is afforded. I favor the one-package appropriation bill.

I feel that this resolution, which provides that the Congress shall have a legislative staff to aid in making the one bill workable to the *n*th degree would help tremendously. The Senate must now depend on the small personnel in the Appropriations Committee and in the Senate Committees on Finance and Banking and Currency, and possibly the Committee on Expenditures in the Executive Departments for most of their help. Under this resolution, an adequate staff would be available to the Members of the Senate, which would be working the year-round, handling the appropriations and expenditures, so that on a moment's notice, immediately following the passage of the fiscal year appropriations, we would know, by the month, what our income was and what our outgo was, from a legislative point of view, rather than be obliged to assemble the facts through another agency.

It is my earnest hope that before the Eighty-first Congress adjourns favorable consideration will be given to this resolution, because I feel that it will greatly aid the Congress in making very practical the one-package appropriation bill, which I believe ought to be continued and promoted, rather than even thinking of doing away with it and going back to the old system.

The PRESIDING OFFICER. Objection has been made, and the concurrent resolution will be passed over.

ADMISSION OF FOREIGN AGRICULTURAL WORKERS

Mr. MAGNUSON. Mr. President, I desire to make a brief statement in connection with Calendar 1468, Senate bill 272, the bill to facilitate the admission of certain foreign workers desiring to perform agricultural work in the United States. This matter has been before the Congress during many sessions. It is a very vital matter to the people of the southwestern part of the United States. It has been, for many years, a vital matter, because of the type of agricultural work involved, particularly in the sugar beet fields and in certain of the irrigation districts. I refer to the work commonly called stoop-over work. It has often been found desirable to permit the admission of foreign labor for such work because of the difficulty in obtaining American labor, particularly in wartimes or in times of emergency, to produce the crops needed. The result is that Mexican families have come across the border for many years. The same families go to the same farms. They go to the same places, and they do this work.

We see no objection to it. The immigration authorities watch them. There is what is called a white-card system. The Immigration Service knows who these people are. They are old-time workers—good people. They bring their families. It is the only way by which the work can be done. But we always encounter opposition on the part of the State Department, which wants to negotiate a treaty with Mexico. I suppose its objectives are proper and its motives

sincere, in desiring to negotiate such a treaty. But every year it drags along, and pretty soon the season is over, and we have to go through the same rigmarole. I merely want the record to show, Mr. President, that unless the State Department can take action on this matter within the next 2 or 3 weeks, another season will have gone by.

Mr. ANDERSON. Reserving the right to object, I desire to point out, Mr. President, that the bill which has been referred to by the Senator from Washington contains the specific provision that no permits can be granted without the approval of the Administrator of the Federal Security Agency, thereby giving a chance for the labor office to find out where labor is needed and to permit it to come in quickly. We found out during the last war that it was absolutely imperative to have labor from countries other than the United States. We brought labor in from the Bahamas and from Mexico. I am sure those persons contributed to the war effort of the United States and returned to their homes better citizens of their native lands, and, at the same time, helped our land by the contribution which they made.

I subscribe to what the Senator from Washington has said in hoping that the State Department will relax its opposition to the bill. After all, there is an easy way to bring labor across. The use of the white card, properly supervised and with the proper guaranties by the Federal Security Agency that the persons are actually needed and are not being brought in for the purpose of lowering wage scales in the United States, is, I think, a desirable procedure which I hope will in time be adopted by the State Department.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. MAGNUSON. Is it not a fact that in all these cases the foreign labor is not in competition with any American labor whatsoever? It is merely labor of necessity which we cannot find in this country to do the job, and the laborers are not in competition with American workmen in any sense whatever.

Mr. ANDERSON. I think that is absolutely correct.

I believe these foreign laborers have contributed to the welfare of the Republic of Mexico. They go back to the Republic of Mexico with clothing and money; their children are able to go to school, and I think they have a better opportunity than they would have if they had been denied such employment. After all, we found out during the war that we needed food and fiber to prosecute the war. I think we shall be needing more before this war is entirely finished.

Mr. CHAVEZ. Reserving the right to object, I agree with my colleague and with the Senator from Washington as to the necessity of bringing labor across the border into the United States, but I should want to be pretty well satisfied that it is not being brought across with the idea of beating down wages in the United States. It is true that such labor comes to the United States and helps us out, which is proper, because the labor is badly needed, but I know of some so-called outstanding farmers in New Mexico and Arizona who would be tickled pink if they were paid 80 cents a day. I should not want in any way, either from the standpoint of the protection of American labor or from the standpoint of common decency, to use any law for the purpose of beating down labor.

Mr. MAGNUSON. Mr. President, the bill provides ample safeguards. If they were not provided the Senator from New Mexico and I would not support the bill at all.

Mr. CHAVEZ. I am sure the basic idea is correct.

The PRESIDING OFFICER. Objection is heard.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the Speaker had affixed his signature to the following enrolled bills:

S. 1654. An act for the relief of Kyra Kite Riddle;

S. 3584. An act to amend the act of June 9, 1906 (34 Stat. 227), entitled "an act granting land to the city of Albuquerque for public purposes";

S. 3875. An act to amend section 9 of the Central Intelligence Agency Act of 1949; and

S. 3906. An act to amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes.

CONCURRENT RESOLUTION PASSED OVER

The resolution (S. Con. Res. 38) to amend section 138 of the Legislative Reorganization Act of 1946, relating to the legislative budget, was announced as next in order.

Mr. LUCAS. I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

BILL PASSED OVER

The bill (S. 3050) to amend Public Law 359, chapter 287, Seventy-eighth Congress, second session, was announced as next in order.

The PRESIDING OFFICER. There is a House bill on the calendar which is identical with the Senate bill.

Mr. LEHMAN. I object.

The PRESIDING OFFICER. The bill will be passed over.

REQUIREMENT FOR COMMITTEE REPORTS TO INCLUDE ESTIMATES OF PROBABLE COST

The resolution (S. Con. Res. 35) requiring committee reports to include estimates of the probable cost of proposed legislation, was announced as next in order.

Mr. LUCAS. Over.

Mr. FERGUSON. Mr. President, will the majority leader withhold his objection for a moment?

Mr. LUCAS. Yes.

Mr. FERGUSON. Mr. President, I should like to make a brief statement concerning certain amendments which I propose to submit. I wish to submit two amendments to the committee amendment and one amendment to the concurrent resolution. I can say that I have consulted with the distinguished chairman of the Rules Committee, who reported this resolution, and my amendments meet with his approval.

At the outset I should observe that the resolution as reported has already been amended in one respect. The resolution was objected to by the majority leader on a call of the calendar April 17, but prior to its being passed over the Senate had accepted an amendment to the committee amendment on line 2 by inserting the words "on or after" following the word "that."

I send to the desk three other proposed amendments.

The first is an amendment to the committee amendment, striking out the words "authorizing legislation" on page 1, lines 6 and 7. I will submit another amendment substituting for the purpose of those words.

On page 2, lines 13 and 14, I submit an amendment to the committee amendment, to strike out the words "semiannually" and substitute therefor the word "quarterly."

On page 1, line 7, I propose an amendment inserting the words "other than appropriations committees" after the word "committee." The committee had sought to exempt appropriation bills from the scope of the resolution, by limiting its application to bills or resolutions authorizing appropriations. I have checked informally with the Bureau of the Budget, and its representatives tell me they would understand the meaning of those words, but to avoid any possible confusion or misinterpretation I propose that we state specifically that we are exempting bills or resolutions coming from the appropriations committees.

Mr. President, I believe that the purpose of this resolution and its worthiness can be determined at a single glance. I consider it a momentous step on the road to Congress reasserting its responsibility for a sound fiscal policy. No greater problem confronts the Congress and the Nation than the establishment of such a policy. We constantly complain about the great burden of Government expenditures. We are inclined to forget that no expenditures are possible except pursuant to some legislation, which has previously been adopted. In considering legislation we are inclined to lose sight of the fact that invariably and inevitably it adds to future Government expenditure.

The purpose of this resolution is to make it possible for Congress to keep its sights on the fiscal consequences of every piece of legislation, so that it may weigh those fiscal consequences against the merits of the legislation otherwise.

It is also in line with Calendar No. 1499, Senate Concurrent Resolution 38.

I hope the Senator from Illinois will not object to my amendments.

Mr. LUCAS. Will the Senator explain his amendments?

Mr. FERGUSON. The first amendment strikes out the words "authorizing legislation," on page 1, lines 6 and 7. This amendment is related to other language which I would substitute.

On page 2, lines 13 and 14, my amendment provides that there shall be quar-

terly reports instead of semiannual reports.

On page 1, line 7, the amendment would provide that reports are to be made by the Budget Director or the Department other than on appropriation bills. There would be no need of reporting what the Appropriations Committee is reporting——

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FERGUSON. I shall be glad to yield.

Mr. LUCAS. In the event that the committee reported a certain estimate as to the cost of proposed legislation, and later on it was ascertained that it would cost more, then what would be the result?

Mr. FERGUSON. There would be no violation of the law. It is simply a good-faith declaration.

Mr. LUCAS. Mr. President, I think, under the circumstances I shall withdraw my objection.

The PRESIDING OFFICER. The objection is withdrawn. Is there objection to the consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Con. Res. 35) requiring committee reports to include estimates of the probable cost of proposed legislation, which had been reported from the Committee on Rules and Administration, with amendments on page 1, line 2, after the word "That", to insert "January 3, 1951"; in line 6, before the words "All bills", to insert "(g) (1)"; in the same line, after the word "resolutions" insert "authorizing appropriations"; in line 11, after the words "from the" strike out "Bureau of the Budget" and insert "department or other agency of the legislative, executive, or judicial branch of the Government primarily concerned with the expenditure of any funds required to meet"; on page 2, line 6, after "five" strike out "years," and inserts "years"; and after line 6 insert the following:

(2) Estimates received from departments or agencies under this subsection may be submitted by the committees to the Bureau of the Budget for review, and such reviews, when practicable, shall be included within the accompanying documents before said bills and joint resolutions are reported.

(3) The Appropriations Committee of both Houses shall maintain compilations of all such estimates, and semiannually shall print those compilations (together with any comment of the Bureau of the Budget) in the form of anticipated legislative budgets for each of the ensuing five fiscal years for the information of the Congress.

So as to make the concurrent resolution read:

Resolved by the Senate (the House of Representatives concurring), That January 3, 1951, section 133 of the Legislative Reorganization Act of 1946, as amended, is amended by adding at the end thereof the following new subsection:

"(g) (1) All bills and joint resolutions authorizing appropriations reported from committees of the Senate or the House of Representatives shall be accompanied by reports in writing, which shall be printed; and there shall be included in each such report or in an accompanying document an estimate from the department or other agency of the legislative, executive, or judicial branch of the Government primarily concerned with the expenditure of any funds required to meet the probable cost of carrying out the legislation proposed in such bill or resolution over the first 5-year period of its operation or over the period of its operation if such legislation will be effective for less than 5 years.

"(2) Estimates received from departments or agencies under this subsection may be submitted by the committees to the Bureau of the Budget for review, and such reviews, when practicable, shall be included within the accompanying documents before said bills and joint resolutions are reported.

"(3) The Appropriations Committees of both Houses shall maintain compilations of all such estimates, and semiannually shall print those compilations (together with any comment of the Bureau of the Budget) in the form of anticipated legislative budgets for each of the ensuing five fiscal years for the information of the Congress."

The amendments were agreed to.

The PRESIDING OFFICER. The clerk will state the first amendment offered by the Senator from Michigan.

The LEGISLATIVE CLERK. It is proposed, on page 1, line 6, to strike out the words "authorizing legislation"——

The PRESIDING OFFICER. The Chair advises the Senator from Michigan that the words appearing in the bill are "authorizing appropriations." His amendment provides for striking out the words "authorizing legislation."

Mr. FERGUSON. I meant to say "authorizing appropriations."

The PRESIDING OFFICER. Does the Senator modify his amendment accordingly?

Mr. FERGUSON. Yes. The words proposed to be stricken out are "authorizing appropriations."

The PRESIDING OFFICER. The Chair is advised that that is a matter of disagreeing to the committee amendment.

Mr. FERGUSON. That is correct; a question of disagreeing to the committee amendment.

The PRESIDING OFFICER. Without objection, the committee amendment is rejected.

Mr. WHERRY. I wonder if the Senator would explain the amendment.

Mr. FERGUSON. The resolution reads "authorizing appropriations." It was felt that this provision would not necessarily make it apply to all bills other than appropriations, which was the intent of the sponsors and of the committee.

Mr. WHERRY. I understand. I agree with the Senator.

Mr. LANGER. I do not quite follow the distinguished Senator.

Mr. FERGUSON. It could be contended that any legislation the execution of which might cost money nevertheless was not specifically legislation authorizing an appropriation.

Mr. LANGER. Suppose for example a bill in the Committee on the Judiciary simply dealt with a new criminal law. How could the expense be evaluated.

Mr. FERGUSON. The best it can be done, by the department involved or by review of the Budget Bureau.

Mr. LANGER. Suppose the bill were to prohibit the carrying of a jackknife, for example. How would we get at the cost of it. How would we estimate the cost of such a bill if enacted into law.

Mr. FERGUSON. Let us take S. 2311, which is a criminal law bill and would prevent subversive activity. That is the kind of bill on which the Department of Justice could give an estimate as to the cost of administration and of setting up the commission, and so forth. We want to include cost estimates on that kind of bill as well as on those specifically authorizing appropriations in specified amounts.

Mr. LANGER. Would the Senator have any objection to modifying the bill to the extent that an estimate of cost shall be required only where money is actually to be spent?

Mr. FERGUSON. I do not believe that would serve to make clear the purpose of the resolution, although what we want to know is the money that would have to be spent in the operation of any legislation. In the case of the example given, we would want to have before the Committee on the Judiciary an estimate of what it would cost to operate and execute the law, through the exercise of new functions and so on. That is what this resolution would do. The example is different from a bill such as the ECA authorization, which specifically authorizes an amount that may be appropriated for a given purpose.

Mr. LANGER. There is a great deal of merit to the Senator's amendment, and I shall not object to it.

Mr. McCARRAN. Is the question now on agreeing to the resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

Mr. McCARRAN. Is that the amendment which sets aside the action of the committee?

Mr. FERGUSON. That is correct.

Mr. McCARRAN. I do not quite understand.

Mr. FERGUSON. If the distinguished Senator will look at the resolution he will note on the sixth line the words "authorizing appropriations." After consultation with the Bureau of the Budget it was thought that these words could be misunderstood as applying only to bills like the ECA authorization bill or similar bills which authorize appropriations. That was not the intention of the committee reporting the resolution, as indicated by the statement on page 3 of its report, which says this amendment merely "excludes appropriation bills from the resolution." Therefore, it was felt that the words "authorizing appropriations" should be stricken out, because the resolution is intended to apply to all kinds of legislation, other than appropriations, and language inserted which would make that clear by specifically excluding only those measures which are reported by Appropriation Committees.

Mr. GEORGE. May I ask how an estimate could be made of the cost of a tax bill? I do not see the point of the resolution. How would it be possible to estimate what it would cost to administer a tax bill?

Mr. FERGUSON. I believe it could be done. It could be estimated whether a new tax provision changed the condition of certain employees, and so forth.

Mr. GEORGE. If they were to ask for additional employees they could estimate the cost. However, I am at a loss to see how an estimate could be made of the cost of a tax bill or a social-security bill, which contains hundreds of pages. How can an estimate of that kind be made? It would delay legislation by requiring estimates on that kind of costs.

Mr. FERGUSON. When request is made for the original appropriation, an estimate is made of the cost of the first year's operation, for example.

Mr. GEORGE. That is correct, but the Senator's resolution applies to legislation.

Mr. FERGUSON. That is correct, so that we can have a line on costs before passing legislation that ultimately will call for an appropriation.

Mr. GEORGE. I cannot see how it can be estimated.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. McCARRAN. I draw to the attention of the Senate the fact that the amendment now offered by the Senator from Michigan would strike a specific amendment inserted by the committee itself. I draw the Senator's attention to page 1 of the report, which reads:

> Page 1, line 5, after "resolutions", insert "authorizing appropriations."

The Senator now proposes to strike that amendment. On what authority does he do so?

Mr. FERGUSON. In order to insert after the words "reported from committee" the words "other than Committee on Appropriations."

Mr. McCARRAN. That means that the resolution would embrace all legislation.

Mr. FERGUSON. That is correct.

Mr. McCARRAN. I object.

The PRESIDING OFFICER. Objection is heard; the concurrent resolution will go over.

AGRICULTURAL ADJUSTMENT ACT OF 1938

The bill (S. 3049) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, was announced as next in order.

Mr. LUCAS. Mr. President, I am constrained to object to the bill.

Mr. BREWSTER. Mr. President, will the Senator withhold his objection?

Mr. LUCAS. I withhold my objection.

Mr. BREWSTER. I call attention to the history of this proposed legislation, which deals with marketing quotas for potatoes. The bill resulted from the very serious concern expressed by the Senator from Illinois on this subject, leading to the amendment which was adopted to the Cotton Act, under which potatoes would be cut out of the support program after this year unless legislation were enacted providing for marketing quotas for potatoes.

I should like to inquire of the Senator from Illinois whether it is anticipated that before the recess of this session it may be possible to consider this bill in view of the assurances we have previously had.

Mr. LUCAS. Replying to the Senator from Maine, this bill was introduced only on the theory that the subsidies for potatoes, amounting to about $70,000,000 on the 1950 crop, would be eliminated. That was not done. It will be recalled that we debated the question on the floor of the Senate and the proposal was voted down by a margin of five or six votes. So far as I am concerned I do not propose to call up the bill. I do not know what the policy committee will do. I shall be happy to have the Senator from Maine appear before the policy committee if he desires to present his case as to what he thinks they should do about it. I am frank to say that so far as my vote is concerned I do not intend to have the bill taken up.

Mr. BREWSTER. I appreciate the frank statement of the Senator from Illinois, and he is to be commended for his frankness. However, I wish to incorporate in the RECORD at this point, insofar as my time will permit, the statements which the Senator from Illinois made at the time the matter was considered by the Senate, which was when another situation was being presented. At page 1843 of the CONGRESSIONAL RECORD, the Senator stated:

> The time has come when Congress must unequivocally face the problem of potato surpluses and promptly enact a sound and practical price-support program.
>
> * * * * *
>
> These changes in the Agricultural Act which I am recommending will not only bring the 1950 crop under effective supervision but will also enable the Secretary of Agriculture to set up a permanent workable program for future crops.
>
> * * * * *
>
> Any impartial judgment must lead to the conclusion that the laws which were adequate during the war are wholly ineffectual and ill-adapted to the postwar potato industry. This fact is conclusively established by the record.
>
> * * * * *
>
> Our present laws, while adequate during the war, are wholly unsuited today. The reason is clear.
>
> It is this overplanting and excessive marketing that must be corrected. It can be done only if the Secretary is empowered to set marketing quotas and to exact penalties from those who exceed them. Potatoes will then be brought under a workable program such as we now have for the basic commodities like tobacco and cotton.
>
> Mr. President, unless the potato growers are willing to be placed under some kind of program, similar to the tobacco, corn, wheat, and cotton programs, they are not entitled to any support whatever.
>
> * * * * *
>
> Those are things which have been going on, which this bill intends to prevent and, at the same time, give the honest potato grower the benefit of the support program to which he is entitled.

Mr. President, I ask that I may have three additional minutes.

The PRESIDING OFFICER. Unanimous consent is requested by the Senator from Maine that he be allowed three additional minutes to discuss the bill. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield to the Senator from Louisiana.

Mr. ELLENDER. I wish to express the hope that the policy committee will arrange so that the bill may be considered during this session. I recall that when the Senate struck from the present law the provision for the potato price support, there was some kind of understanding on the Senate floor that the Committee on Agriculture and Forestry would immediately hold a hearing on the Lucas bill. The committee has held exhaustive hearings, and we were almost unanimous in reporting the bill which is now on the calendar.

I can see no good reason why that bill should not be enacted during this session. It is a bill somewhat similar to that having to do with the cotton-acreage allotment, and the allotments affecting other commodities. I believe the bill could be easily passed, with very little discussion. I repeat, I hope the Senate will give it consideration.

Mr. BREWSTER. Mr. President, I wish to complete the quotation. The Senator from Illinois continued:

> The bill which I have proposed should be given serious and prompt consideration and acted upon without delay by the Senate. We cannot afford to permit our whole farm program to be discredited by following a policy which is completely ill-adapted to the problems of today.

The junior Senator from New Mexico [Mr. ANDERSON], the former Secretary of Agriculture, then said:

> Mr. President, I congratulate the majority leader on the introduction of his bill and on the action taken this morning in announcing that price supports will be eliminated unless marketing quotas are provided.

He expressed the hope that hearings would be held, and they were held, as has been stated by the Senator from Louisiana.

The final conclusion of the debate is shown on page 2275, where the Senator from Illinois is reported to have said:

> I propose to follow that through immediately with hearings, and to have reported to the Senate a bill which will place the potato growers under such controls, to the end that we shall not have a potato surplus every year.
>
> My thought was, I may say to the Senator, that the only way we can get quick action on that matter is to cut off the support price entirely until we can act on a bill of the kind I have mentioned.

Mr. President, I appreciate the assurance of the Senator from Illinois that we may go before the policy committee and explore this matter. I shall be very happy to appear before the committee, with the Senator from Louisiana and others interested, to assure that this bill shall have consideration, exactly what the Senator from Illinois pledged at the time when the bill was formerly considered.

Mr. LANGER. Mr. President, I wish to associate myself with what the distinguished Senator from Maine has said. We have had considerable trouble in my State with the potato question, and when the hearing is held I hope I may be notified by the distinguished Senator from

Maine, so that I may go before the Democratic Policy Committee.

The PRESIDING OFFICER. The Chair of course understands Senators can debate as they wish, but it has taken 4 hours for the Senate to consider eight pages of the calendar. If Senators are to make arguments on the merits of every bill, even after it is objected to, although the Chair respects the right of Senators to do so, since there are 13½ more pages of the calendar to be called it would take probably 8 hours to complete the calendar, and there would be many bills which could not be called. So that if we are to make reasonable headway, we will have to change our method, although the Senate has a perfect right to follow any method it sees fit to choose.

Mr. LUCAS. Apparently, Mr. President, we are not going to be able to get through with the calendar tonight unless we sit here until 8 or 9 o'clock. Many Senators have spoken to me expressing the hope that we would not do that. So, we will proceed another hour or so, and then take a recess until tomorrow, and go on with the calendar then. I do not desire to keep Senators from talking.

Mr. GEORGE. Regular order.

Mr. LUCAS. I had the floor, did I not, for 5 minutes?

Mr. WHERRY. Mr. President——

Mr. GEORGE. There is nothing before the Senate but the consideration of the calendar, and in my opinion the regular order is the consideration of the calendar.

The PRESIDING OFFICER. The Senator from Georgia is correct. No order of business had been reported. The clerk will call the next order of business on the calendar.

BILLS AND RESOLUTION PASSED OVER

The bill (H. R. 7185) to amend Public Law 359, chapter 287, Seventy-eighth Congress, second session, was announced as next in order.

Mr. LUCAS obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. WHERRY. After the Legislative Calendar has been concluded, even though it may be tomorrow, is it still the intention of the majority leader to proceed with the Executive Calendar, and call that before the Senate takes up any other legislation?

Mr. LUCAS. The Senator is correct.

The PRESIDING OFFICER. Is there objection to the consideration of House bill 7185?

Mr. LEHMAN. I object.

The PRESIDING OFFICER. The Senator from New York objects.

The bill (S. 3560) to rescind the order of the Postmaster General curtailing certain postal services was announced as next in order.

Mr. ELLENDER. I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The resolution (S. Res. 261) favoring rescission of the order of the Postmaster General curtailing certain postal services was announced as next in order.

Mr. WILLIAMS. Over.

The PRESIDING OFFICER. The resolution will be passed over.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The bill (S. 2640) to amend the Civil Service Retirement Act of May 29, 1930, as amended, was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. FREAR. Mr. President, under law existing prior to Public Law 310, a married male employee retiring because of having attained retirement age or for disability could accept a reduced annuity and name his wife to receive a continuing annuity benefit after his death. The reduction in such cases amounted to 10 percent of the life annuity otherwise payable, plus an additional three-fourths of 1 percent of such life annuity for each full year the wife was under 60 at the time of the husband's retirement, but the total reduction could not exceed 25 percent. The surviving widow's benefit amounted to one-half of the full life annuity rate otherwise due the retiring employee.

Under Public Law 310, the retiring employee may, at the time of retirement, elect to receive in lieu of the life annuity a reduced annuity, and an annuity after death, payable to his or her surviving widow or widower, equal to 50 percent of such life annuity. The life annuity of the employee making such election shall be reduced by 5 percent of so much thereof as does not exceed $1,500, plus 10 percent of the balance of such annuity. This shall be further reduced by three-fourths of 1 percent for each full year the designated wife or husband is under the age of 60 at the date of such retirement, but the total reduction shall in no case be more than 25 percent of such life annuity.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. HENDRICKSON. I think I understand the purpose of the bill, but I wonder if the Senator could tell the Senate how much it would cost the Government.

Mr. FREAR. The cost to the Government of this feature of the bill would be about $4,600,000, which is the estimated amount required to pay these increases during the remaining lifetime of the annuitants receiving them. That is not for 1 year, but for the entire period.

Mr. HENDRICKSON. Mr. President, I waive further explanation of the bill, and I thank the Senator from Delaware.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2640) to amend the Civil Service Retirement Act of May 29, 1930, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the amendment approved September 30, 1949 (Public Law 310, 81st Cong.), to section 4 (b) of the Civil Service Retirement Act of May 29, 1930, as amended, shall take effect as of April 1, 1948, but no increase in annuity shall be payable by reason of such amendment for any period prior to the first day of the first month which begins after the date of enactment of this act.

SEC. 2. Any officer or employee who retired after April 1, 1948, and prior to October 1, 1949, under the provisions of section 1, 2, or 6 of the Civil Service Retirement Act of May 29, 1930, as amended, and who did not elect a reduced annuity under section 4 (b) of such act, shall have a right to make such election at any time prior to the expiration of 3 months following date of enactment of this act and to designate a wife or husband to whom the officer or employee was married on the date of his or her retirement to receive an annuity as provided in such section after his or her death. The reduction in the annuity of an officer or employee making the election authorized by this paragraph shall take effect on the first day of the month following the month in which such election is received by the Civil Service Commission.

NEW YORK QUININE & CHEMICAL WORKS, INC.—BILL PASSED OVER

The bill (H. R. 4653) for the relief of the New York Quinine & Chemical Works, Inc., was announced as next in order.

Mr. LANGER. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HENDRICKSON. Mr. President, will the Senator withhold his objection for a moment?

Mr. LANGER. Yes.

Mr. HENDRICKSON. Mr. President, as a Senator from New Jersey it had been my purpose to make an explanation of the bill, but since we are spending considerable time in considering the calendar I shall, for the sake of brevity, ask unanimous consent that a statement on behalf of my colleague and myself may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMITH OF NEW JERSEY AND SENATOR HENDRICKSON ON H. R. 4653, AN ACT FOR THE RELIEF OF THE NEW YORK QUININE & CHEMICAL WORKS, INC.; MERCK & CO., INC.; AND MALLINCKRODT CHEMICAL WORKS

Mr. President, we would like to explain briefly the purpose of H. R. 4653 and the reasons why we believe this bill should receive the support of the Senate.

The companies named in this bill are the three United States manufacturers of narcotic drugs licensed to import crude opium by the Bureau of Narcotics of the Treasury Department. During World War II, the United States Government decided to acquire a large reserve stockpile of crude opium in this country to assure an adequate supply of essential narcotic drugs for the Armed Forces. The Defense Supplies Corporation, recognizing the experience and integrity of Merck & Co., Inc., in this field, requested a vice president of that company to represent the Government and to negotiate purchases with foreign suppliers. The Government's offer of the customary purchase commision was declined by this vice president on behalf of himself and the company he represented. It was also understood that this vice president would represent the three companies in contemplated subsequent dealings with the Government when the three companies would withdraw the crude opium from the stockpile.

Early in 1944, the manufacturers' own supplies of crude opium were exhausted and the Commissioner of Narcotics, over a period of about 2 years, allocated the entire Government reserve stockpile of crude opium

in sufficient quantities to meet the requirements of the manufacturers. Accordingly the three companies purchased a quantity of Turkish crude opium from the DSC under letter agreements providing for a fixed price per pound, plus a commission to the DSC of one-half of 1 percent.

The value of crude opium for narcotic manufacturing purposes is based on its morphine content. It is customary, therefore, in purchasing crude opium from foreign sources, to pay a provisional price based upon the estimated morphine content and subsequently to adjust the price either up or down after the morphine content has been chemically analyzed in this country and agreed to by the foreign supplier.

The price paid by the Government for the crude opium in question was therefore based on an estimated morphine content of 14 percent, and the price charged to the American companies was calculated on the basis of the price paid by the Government for the crude opium plus costs of insurance, ocean freight and handling. The commission of one-half of 1 percent was a negotiated figure designed to cover the Government's general and administrative overhead on the program. It is an uncontroverted fact that at no time was the objective of the stockpiling program understood or intended to be profitmaking for the Government.

After chemical tests in this country it was determined that the Turkish opium had a morphine content of only 13.4254 percent rather than the 14 percent on which the price had been based. As a result, the Government had overpaid the Turks by $139,293.55. Since the price paid to the Government by the three companies was calculated on the basis of the cost to the Government without deducting this refund the burden of the overpayment was passed on to the three companies in the price paid by them to the Government.

The Government was unable to collect from the Turks the refund to which it was entitled because of the morphine deficiency, in spite of the fact that the Turkish Opium Monopoly finally accepted the revised morphine content percentage as correct. Upon the suggestion of the Merck Co., the Government then authorized Merck to obtain the refund by deducting the amount due from balances the company owed the Turks on postwar purchases which were entirely separate transactions. The Merck Co. thus obtained the refund which is now being held by the company on the Government's account, pending the outcome of this bill.

It is this refund of $139,293.55 which H. R. 4653 permits the manufacturers to retain.

The merits of this bill have been thoroughly investigated by subcommittees of both the House and Senate Judiciary Committees. The bill was reported favorably by the full committees of both House and Senate and has been passed by the House.

The only questions that have been raised concerning this bill are based on the technicality that the letter agreements under which the three companies purchased the crude opium from the Government contained a clause providing that the material "will be accepted as it," and that the sale was considered final, and did not contain a specific proviso that the price would be adjusted on the basis of morphine content. All the evidence indicates that these clauses in the letter agreements were inserted to avoid any claim against the Defense Supplies Corporation and consequent loss to it by reason of the physical deterioration of the opium while in storage in this country. The failure to insert a proviso relating the price to morphine content was apparently an oversight which is understandable in the light of wartime conditions and the custom in the trade that such an arrangement is accepted practice in dealing with foreign suppliers who are normally the sole source of crude opium.

It is significant that the Assistant General Counsel of the RFC (the successor to DSC) testified in the House hearings that without any refund from the Turks the Government made a profit of $600,000 on its opium stockpiling program. Therefore, the amount requested in this bill for the companies would, if retained by them, not only require no additional expenditure of Federal funds, but would leave the Government's existing profit in this transaction unaffected. The Assistant General Counsel testified further as follows:

"In other words, under the contract," (i. e. the letter agreements) "legally we cannot make any adjustment with them, but, had we thought of this or had they thought of it, we would have put in the contract a provision that it would have been sold on the basis of the morphine content of the product. This opium is not worth anything except on the basis of the morphine content. * * * We feel they have an equitable claim under all the circumstances."

Mr. President, this is, in our judgment, a very clear case in which considerations of equity completely outweigh strictly legal technicalities which, in themselves, are certainly arguable. For that reason it is desirable and proper to provide legislative relief. We strongly urge that H. R. 4653 be passed by the Senate.

The PRESIDING OFFICER. On objection, the bill will be passed over.

The next bill on the calendar will be stated.

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS POSSESSING SPECIAL SKILLS

The bill (H. R. 4604) to authorize the admission into the United States of certain aliens possessing special skills, namely, Teodor Egle, Karlis Fogelis, Vasily Kils, and Aleksanders Zelmenis, was considered, ordered to a third reading, read the third time, and passed.

CREATION OF COURT OF CLAIMS AS A CONSTITUTIONAL COURT OF UNITED STATES

The Senate proceeded to consider the bill (S. 638) to amend title 28, United States Code, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That section 171 of title 28, United States Code, is amended to read as follows:

"The President shall appoint, by and with the advice and consent of the Senate, a chief judge and four associate judges who shall constitute a court of record established under article III of the Constitution of the United States and known as the United States Court of Claims."

SEC. 2. Section 291 of title 28, United States Code, is amended by changing present subsection (c) to subsection (d), and adding the following as section 291 (c):

"(c) The Chief Justice of the United States may designate and assign temporarily any circuit judge to serve as a judge of the United States Court of Claims, when requested so to do, upon a certificate by the chief judge of such court that it is in need of such assistance."

SEC. 3. Section 292 of title 28, United States Code, is amended by adding the following as section 292 (d):

"(d) The Chief Justice of the United States may designate and assign temporarily any district judge to serve as a judge of the United States Court of Claims, when requested so to do, upon a certificate by the chief judge of such court that it is in need of such assistance."

SEC. 4. Paragraph (a) of section 792, title 28, United States Code, is hereby amended to read as follows:

"(a) The United States Court of Claims may appoint 15 commissioners who shall be subject to removal by the court."

SEC. 5. Section 793 of title 28, United States Code, is repealed.

SEC. 6. Section 795 of title 28, United States Code, is hereby amended to read as follows:

"The United States Court of Claims may appoint a marshal who shall be subject to removal by the court.

"The marshal shall attend the court, preserve order, and perform such other necessary duties as the court directs."

SEC. 7. Section 1491 of title 28, United States Code, is hereby amended to read as follows:

"The United States Court of Claims shall have jurisdiction to render judgment upon any claim against the United States—

"(1) founded upon the Constitution; or

"(2) founded upon any act of Congress; or

"(3) founded upon any regulation of an executive department; or

"(4) founded upon any express or implied contract with the United States; or

"(5) for liquidated or unliquidated damages in cases not sounding in tort.

"The court in such cases may grant any redress against the United States, or its officers and agents, which would be proper in a court of law or equity. To this end the court is authorized to summon as a party defendant, for the purpose of making effective such orders as the court may deem proper, any officer or agent authorized to act for the United States in the premises: *Provided*, That nothing herein shall be construed to give the Court of Claims jurisdiction in suits against, or founded on activities of, the Tennessee Valley Authority, nor to amend or modify the provisions of the Tennessee Valley Authority Act of 1933, as amended, with respect to suits by or against the Authority."

SEC. 8. Section 1493 of title 28, United States Code, is repealed.

SEC. 9. Section 1494 of title 28, United States Code, is hereby amended to read as follows:

"The United States Court of Claims shall have jurisdiction to determine the amount, if any, due to or from the United States by reason of any unsettled account of any officer or agent of, or contractor with, the United States, or a guarantor, surety or personal representative of any such officer, agent or contractor, and to render judgment thereon, where—

"(1) claimant or the person he represents has applied to the proper department of the Government for settlement of the account;

"(2) three years have elapsed from the date of such application without settlement; and

"(3) no suit upon the same has been brought by the United States."

SEC. 10. Section 2508, title 28, United States Code, is hereby amended to read as follows:

"Upon the trial of any suit in the United States Court of Claims in which any set-off, counterclaim, claim for damages, or other demand is set up on the part of the United States against any plaintiff making claim against the United States in said court, the court shall hear and determine such claim or demand both for and against the United States and plaintiff.

"If upon the whole case it finds that the plaintiff is indebted to the United States it shall render judgment to that effect, and such judgment shall be final and reviewable.

"The transcript of such judgment, filed in the clerk's office of any district court, shall be entered upon the records and shall be enforceable as other judgments."

SEC. 11. Section 2510, title 28, United States Code, is repealed.

SEC. 12. Section 2511, title 28, United States Code, is hereby amended to read as follows:

"Notice of suit under section 1494 of this title shall be given to the Attorney General and to the head of the department requested to settle the account in question.

"The judgment of the Court of Claims in such suit, or of the Supreme Court upon review, shall be conclusive upon the parties, and payment of the amount found due shall discharge the obligation.

"The transcript of such judgment, filed in the clerk's office of any district court, shall be entered upon the records, and shall be enforceable as other judgments."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1981) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon certain claims for basic and overtime compensation was announced as next in order.

Mr. SCHOEPPEL. Over.

The PRESIDING OFFICER. Objection is heard.

Mr. MAGNUSON. I wonder if the Senator from Kansas would tell me whether he is objecting by request, or if perhaps some explanation is necessary. The bill is a very simple one.

Mr. SCHOEPPEL. I may say to the distinguished Senator from Washington that I think the bill entails so many important factors that it should not be passed on the Consent Calendar. For that reason, not only personally but on behalf of other Senators who expressed the same concern about it, I make the objection.

Mr. MAGNUSON. I do not quite understand the reason for the objection. The bill involves only a few workers who, by the Government's own action were denied the right to sue. By the bill all we are giving them is the right to come into the Court of Claims within the next year, if they wish, and sue for what may be justly due them. I do not know of any complications or ramifications connected with the bill. It involves a small group of workers on the Alaskan Railroad.

The PRESIDING OFFICER. Does the Senator from Kansas withhold his objection temporarily?

Mr. SCHOEPPEL. Yes; in order that the Senator from Washington may make an explanation.

Mr. MAGNUSON. They were denied the opportunity of coming into court by the Government's own action, because of failure to give records and administrative decisions. All we ask is that they be allowed to come into court. I do not know whether their claims will be justified by the court. These workers think they ought to have the right to come into the Court of Claims because they were previously foreclosed by the Government's own action.

Mr. McCARRAN. Mr. President, will the Senator from Kansas further withhold his objection so I may make a brief explanation?

Mr. SCHOEPPEL. Yes.

Mr. McCARRAN. The purpose of this bill is to waive the 6-year statute of limitations which applies generally to all claims against the United States in the Court of Claims, so that certain employees of the United States may secure court adjudication of their claims for basic and overtime compensation during the war years.

The principal category of employees concerned are employees of the Panama Canal and employees of the Alaskan Railroad.

The Comptroller General and the Attorney General have both registered opposition to enactment of this bill. These objections are discussed in detail in the committee report, as are the reasons of the committee for overruling them.

The Senator from Washington [Mr. MAGNUSON], who is the author of this legislation, was also chairman of a subcommittee which considered it. The subcommittee consisted of the Senator from Washington [Mr. MAGNUSON], the Senator from West Virginia [Mr. KILGORE], the Senator from Maryland [Mr. O'CONOR], the Senator from North Dakota [Mr. LANGER], and the Senator from Missouri [Mr. DONNELL]. The subcommittee reported the bill favorably, and the full committee approved the subcommittee report.

I may say in that regard that when a bill of this type passes the scrutiny of the able Senator from Missouri [Mr. DONNELL] Members of the Senate of the United States can well afford to pause before they object to it.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. I object.

The PRESIDING OFFICER. Objection is heard. The bill will be passed over.

The next bill on the calendar will be stated.

S. A. HEALY CO.

The Senate proceeded to consider the bill (S. 1816) for the reimbursement of the S. A. Healy Co., which had been reported from the Committee on the Judiciary with amendments, on page 1, line 7, after the word "exceed", to strike out "$34,995.62" and insert "$74,482.21"; in the same line, after the word "and", to strike out "$512,808.24" and insert "$89,054.72"; in line 9, after the word "in", to strike out "full"; in the same line, after the word "of", to strike out "all"; in the same line, after the word "claims", to insert "certified by United States Navy audit for allowance", and on page 2, line 1, after the word "States", to strike out "on account of" and insert "for material price increases and", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, from any money in the Treasury not otherwise appropriated, to the S. A. Healy Co., as the contractor under contracts Nos. NOy–12759 and NOy–12806, amounts not to exceed $74,482.21 and $89,054.72 under the respective contracts as reimbursement for, and in settlement of claims certified by United States Navy audit for allowance against the United States for material price increases and increased compensation resulting from action by the Government's Wage Adjustment Board in authorizing increases in the rates of wages payable under the contracts: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

Mr. KNOWLAND. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause, and insert:

That the Secretary of the Treasury is authorized and directed to pay, from any money in the Treasury not otherwise appropriated, to the S. A. Healy Co., as the contractor under contracts Nos. NOy–12759 and NOy–12806, amounts not to exceed $51,485.99 and $40,887.97 under the respective contracts, as reimbursement for, and in settlement of claims against the United States for increased compensation resulting from action by the Government's Wage Adjustment Board in authorizing increases in the rates of wages payable under the contracts: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. KNOWLAND. Mr. President, I wish to make a brief explanation of the amendment in the nature of a substitute. The amendment was drafted after consultation with the policy committee group that had been watching the proposed legislation and which had some objection to the claim covering materials as well as labor. If Senators will look at the committee report, on page 13, at the bottom of the page, they will see that the amount included in the substitute is the precise amount which has been recommended for acceptance by the Navy Department after their audited claim on the wage phase of this problem. That is the amount which has been taken, which greatly cuts down the amount, and does not cover material.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield.

Mr. LANGER. What is the total amount now?

Mr. KNOWLAND. Fifty-one thousand four hundred and eighty-five dollars and ninety-nine cents, and forty thousand eight hundred and eighty-seven dollars and ninety-seven cents, which are for the two contracts Nos. NOy–12759 and NOy–12806.

Mr. LANGER. That is roughly $92,000.

Mr. KNOWLAND. That is correct.

Mr. LANGER. That does not include the free materials?

Mr. KNOWLAND. That does not include the free materials. I will say to

the Senator, if he will look on page 13 of the committee report he will find that the committee had required the Navy Department to make an audit, and the Senator will see that the approved claims, with exceptance of labor, were these precise amounts.

Mr. LANGER. Mr. President, will the Senator yield for a further question?

Mr. KNOWLAND. Yes.

Mr. LANGER. Is it the intention of the one who introduced the bill to ask for an additional amount for the free materials, after the amounts covered by the present bill are obtained?

Mr. KNOWLAND. I cannot say. So far as I learn from the Member of the House who introduced a similar bill in the House, the persons who originally wanted the bill are not happy at having the materials stricken, because they believe in equity they are entitled to them, but they are faced with the practical matter that the bill could not pass if the materials were included; and while they are not pleased at the striking out of the materials, I think they are going to be obliged to accept the amounts provided under the circumstances.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. KNOWLAND. I yield.

Mr. LANGER. It is my understanding that no new bill is going to be introduced to take care of the free materials?

Mr. KNOWLAND. I know of no such bill, I say to the Senator.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HENDRICKSON. Will the able Senator from California tell us the total savings to be effected by the amendment?

The PRESIDING OFFICER. The time of the Senator from California has expired, and the Chair recognizes the Senator from New Jersey.

Mr. LANGER. Mr. President, I ask unanimous consent that the Senator from California be recognized for an additional 5 minutes.

The PRESIDING OFFICER. The Chair has already recognized the Senator from New Jersey.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the Senator from California be recognized further—perhaps for an additional 2 minutes—to answer the question.

The PRESIDING OFFICER. Without objection, it is so ordered; and the Senator from California may proceed.

Mr. KNOWLAND. Mr. President, if the Senator will turn to page 13 of the report, he will see there set forth the details in this connection. I am not a member of the committee; but the committee requested that the Department make an audit of the claims. The original amount requested by the person who was the aggrieved party was considerably in excess of the amounts finally determined by the Department. However, on the basis of the audit, the Navy approved the amount of $51,485.99, on one contract, which is listed as contract NOy–12759, and left for further consideration the amount of $23,452.13, which they did not audit and support at this time.

On the other contract, they approved for acceptance the amount of $40,887.97, and left in abeyance the amount stated in the next column, namely, $15,652.42.

Mr. HENDRICKSON. I thank the Senator from California.

Mr. LANGER. Mr. President, I offer from the floor the following amendment to the amendment of the Senator from California: At the proper place, insert the following: "that the said sum of $92,000"—or whatever is the exact amount—"shall be accepted in full payment of any and all claims that the S. A. Healy Co. may have against the United States Government."

The PRESIDING OFFICER. The Senator from North Dakota [Mr. LANGER] has offered the amendment to the amendment of the Senator from California; is that correct?

Mr. LANGER. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment of the Senator from California.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. KNOWLAND. Of course, Mr. President, the chairman of the Judiciary Committee is here. I question the equity of the amendment the Senator from North Dakota is offering to my amendment, because I think there are in process of adjudication other legitimate claims in connection with the situation.

As I have said, the Navy Department has gone over this matter and has specifically approved the items referred to, for the amounts which have been stated. Of course, the Senator from North Dakota has control of the situation at this time; because by means of a single objection, he can block passage of the bill, and that probably would mean that the bill would not be passed at this session of Congress.

So I hope the Senator from North Dakota will not insist upon his amendment, because I do not think it is equitable.

Mr. McCARRAN. Mr. President, the amendment of the Senator from North Dakota, as I understand it to be worded, is objectionable, because other claims, not growing out of this particular situation, are involved. The claim in the present case has been gone into very carefully, and now is limited to the amounts set forth in the amendment of the Senator from California.

Mr. LANGER. Then, Mr. President, I modify my amendment to the amendment of the Senator from California, so as to make my amendment to it read as follows:

At the end of the amendment of the Senator from California, insert a colon and the following: *"Provided further,* That the said sum of $92,373.96 shall be accepted in full payment of every claim of every kind or character involved in this transaction between the S. A. Healy Company and the United States."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment of the Senator from California.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from California, as amended.

Mr. WHERRY. Mr. President, reserving the right to object, let me ask the sponsors of the bill what other claims the United States Government might be called upon to pay to the company involved in this case, and what is the situation in that regard.

Mr. McCARRAN. Mr. President, I am not a sponsor of the bill; I merely studied the matter from the standpoint of the bill which was introduced.

Mr. WHERRY. I understand that. However, perhaps there are other claims.

Mr. McCARRAN. There may be other claims, because undoubtedly this company was engaged in transactions of various kinds with the United States Government.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield for a question.

Mr. MAGNUSON. So far as I know—and I have been associated with the Senator from California in connection with this matter—there are no other claims under this particular contract. However, the Healy Co. did other war work which may be subject to the amendment of the Senator from North Dakota.

Mr. WHERRY. However, do I correctly understand that there is no other claim to be made in connection with this matter?

Mr. MAGNUSON. That is in accordance with my understanding.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California in the nature of a substitute, as amended by the amendment of the Senator from North Dakota.

The amendment, as amended, was agreed to.

The bill (S. 1816) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, from any money in the Treasury not otherwise appropriated, to the S. A. Healy Co., as the contractor under contracts Nos. NOy–12759 and NOy–12806, amounts not to exceed $51,485.99 and $40,887.97 under the respective contracts, as reimbursement for, and in settlement of claims against the United States for increased compensation resulting from action by the Government's Wage Adjustment Board in authorizing increases in the rates of wages payable under the contracts: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000: *Provided further,* That the said sum of $92,373.96 shall be accepted in full payment of every claim of every kind or character involved in this

transaction between the S. A. Healy Co. and the United States.

MERGER OF NATIONAL BANKING ASSOCIATIONS WITH STATE BANKS

Mr. McCARRAN. Mr. President, I respectfully ask unanimous consent that we may revert to Calendar No. 1115, House bill 1161. I make the request for the reason that at the time when that measure was reached during the call of the calendar, I objected to the bill being considered.

During the course of the various intermissions we have had, I have tried to read the bill. I now have read it, and have read the report; and I think I understand them.

Therefore, I now ask unanimous consent that we may revert to House bill 1161, Calendar 1115, so that I may withdraw the objection, so far as I am concerned.

The PRESIDING OFFICER. The Senator from Nevada asks unanimous consent that the Senate return to Calendar 1115, House bill 1161.

Is there objection? The Chair hears none, and the bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 1161) to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 577) to correct possible inequity in the case of a certain application for letters patent of William R. Blair was announced as next in order.

Mr. SALTONSTALL. Mr. President, I object.

Mr. DONNELL. Mr. President, reserving the right to object, which I shall not do——

The PRESIDING OFFICER. Does the Senator from Massachusetts withhold objection?

Mr. SALTONSTALL. Yes.

Mr. DONNELL. Mr. President, I should like to have the attention of the Senator from Nevada with respect to Calendar No. 1656, Senate bill 1981, which has already been passed over. The Senator from Nevada was very kind, indeed, to refer to me as a member of the subcommittee on that particular subject. As a matter of fact, I do not think I met with the subcommittee on that subject, and therefore I am not entitled to any credit for the work of the subcommittee.

I think the full committee passed upon the matter, and my recollection is that I was present at that time.

Mr. McCARRAN. Then, Mr. President, I wish to say that the very name of the Senator from Missouri was sufficient to merit approval of the bill.

Mr. DONNELL. Mr. President, I appreciate the encomium of the Senator from Nevada.

The PRESIDING OFFICER. Objection has been heard, and the bill is passed over.

The bill (H. R. 5051) for the relief of Mrs. Juan Antonio Rivera, Mrs. Raul Valle Antelo, Mrs. Jorge Diaz Romero, Mrs. Otto Resse, and Mrs. Hugo Soria was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

CONTRACTS WITH INDIANS IN CONNECTION WITH CONSTRUCTION OF OAHE DAM, S. DAK.—BILL PASSED OVER

The bill (H. R. 5372) to authorize the negotiation and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and of Standing Rock Reservation in South Dakota and North Dakota for Indian lands and rights acquired by the United States for the Oahe Dam and Reservoir, Missouri River development, and for other related purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. A committee amendment to this bill has been agreed to at a previous call of the calendar.

Mr. LEHMAN. Mr. President, on behalf of the junior Senator from Minnesota [Mr. HUMPHREY] I call up his amendment, as it has been revised; and I wish to state that I understand that the revised amendment is acceptable.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, in line 3, of the committee amendment, it is proposed to strike out lines 3, 4, and 5 and insert the following:

(2) Costs of relocating and restablishing the tribe and the members of each tribe who reside upon such lands so that their economic, social, religious, and community life can be reestablished and protected; and.

The PRESIDING OFFICER. In order that the revised amendment submitted by the Senator from New York, on behalf of the Senator from Minnesota, may be considered, it will be necessary for the committee amendment, which previously has been agreed to, to be reconsidered.

Is there objection to the reconsideration of the vote by which the committee amendment was previously agreed to? The Chair hears none; and the vote by which the committee amendment was previously agreed to is reconsidered, and the committee amendment is now before the Senate.

The Chair understands that the Senator from New York has now offered, on behalf of the Senator from Minnesota, a revised amendment to the committee amendment.

Mr. ANDERSON. Mr. President, may we have an explanation of the amendment now offered?

Mr. McFARLAND. The bill as passed by the House provided language similar to that contained in the proposed amendment. The Senate version strikes out all after the enacting clause and sets forth new but similar language. The Senate version provides for payment to the Indians for their land, in addition to its market value, and the cost of moving the members of each tribe residing upon such land from the proposed flooded area. The Senator from Minnesota offered an amendment which originally provided the cost of relocating and reestablishing the tribe and the members of each tribe who reside upon such land, so that their economic, social, religious, and community life could be reestablished and protected. The Senate Committee on Interior and Insular Affairs took the position that if they were paid in addition to the value of the lands the cost of moving, it would be sufficient.

The committee definitely took the position that the word "rehabilitation" was too broad, and for that reason did not agree to the House version.

I am personally willing that we take this amendment to conference and see whether we can frame language which will be acceptable. I think it is important that we provide for negotiations with these Indians and that they may receive every dollar that is due them. I believe that either version of the bill will do that, and I think we can work out in conference a bill which will be equitable and just.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Are these the Indians of North Dakota and South Dakota who were involved in the transaction when the Government was going to build the dam, and when the land was to be flooded with water and they were to be taken from the area where they lived and moved to some other area?

Mr. McFARLAND. Yes, that is correct.

The PRESIDING OFFICER. Is there objection?

Mr. LANGER. Mr. President, I received a telegram day before yesterday from the Tribal Council of the Sioux Indians of Standing Rock, saying they objected to this bill. I then took up with them the amendment proposed by the Senator from Minnesota. I asked them whether, in the event the amendment were agreed to, they would withdraw their objection. Up to the present time I have had no reply. Therefore, I am very reluctantly constrained to object to the bill at this time.

The PRESIDING OFFICER. Objection is heard to the consideration of the bill. The bill goes over.

DEVELOPMENT OF IMPROVED TRANSPORT AIRCRAFT—BILL PLACED AT FOOT OF CALENDAR

The bill (S. 3504) to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. McCARRAN. Mr. President, this is a subject in which I am and always have been very much interested. I am inclined to believe that this legislation is unnecessary at the present time. Undoubtedly the Government will be going into this line of business and will be

procuring planes and supervising training. I therefore am constrained to ask that the bill go over.

The PRESIDING OFFICER. Objection is made.

Mr. BREWSTER. Mr. President, will the Senator withhold his objection a moment?

Mr. McCARRAN. I am glad to withhold my objection.

Mr. BREWSTER. I know the lifelong interest of the Senator from Nevada in this subject, and I believe that if he correctly understood the facts, he would recognize the very great desirability of this bill. Unless we are to suspend the development of commercial and transport aircraft entirely, we must have something of this kind, as none of the aircraft companies are prepared to venture the $25,000,000 or $50,000,000 which would be required. This is a compromise bill which has been endorsed by the Government agencies and by all others concerned in the problem, whereby the manufacturer must initially develop the aircraft, but, having done that, the Government will pay the costs of the experimental test which, as the Senator knows, requires from 1 to 2 years.

I was in England last year and saw the *Viscount*, which this past year has started operating between London and the continent, on which the English had expended approximately $300,000,000 in developing turbo-jet and turbo-prop planes for commercial air transport—more or less with our money, I feel—while we have done absolutely nothing. We have some on the drawing boards, but we do not have one plane under construction of the three types which this bill contemplates shall be developed. Unless we are going to suspend everything in this line, it is very vital, more than ever before, that we shall begin now the development of the turbo-prop and the turbo-jet, the jet planes which are going to sweep the air within 5 years, both in trans-Atlantic and transcontinental work.

Mr. McCARRAN. Mr. President, I may say to the Senator that it was my idea when I brought up the matter and objected to it that the Government of the United States itself would be proceeding without this legislation, and that it must of necessity go into this very line of work.

Mr. BREWSTER. They are concentrating entirely on the military plane, as it is not felt by the military, perhaps very properly, that their funds, energies, and resources can be diverted to this line. But they are entirely agreeable. They agree to the significance of this endeavor and that commercial transport planes of these types should be developed without delay, if we are to match the British in commercial transport.

Mr. McCARRAN, Mr. LEHMAN, and Mr. HOLLAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maine yield, and if so to whom?

Mr. BREWSTER. I yield first to the Senator from Nevada.

Mr. McCARRAN. Mr. President, after one further observation, I am going to yield the floor. No one who has been associated with me as has the Senator from Maine can say that I have not given every thought that I could to this very line of work. Not having studied this particular bill, the statement of the Senator from Maine is persuasive to me; so I am inclined to withdraw such objection as I have to it, if it goes along the lines described by the Senator from Maine.

The PRESIDING OFFICER. Does the Senator from Nevada yield the floor?

Mr. McCARRAN. I yield the floor.

Mr. HOLLAND. Mr. President, reserving the right to object, I received a request from my colleague [Mr. PEPPER], who unfortunately is unavoidably absent today, asking me to have this bill placed at the foot of the calendar. He expects to be here tomorrow. It appears that we shall not complete the call of the calendar today. I wonder whether it will be agreeable to the Senator from Maine, the Senator from Nevada, and other Senators if that course is followed.

The PRESIDING OFFICER. Does the Senator make that request?

Mr. HOLLAND. I make that request.

Mr. BREWSTER. Mr. President, if I may reserve the right to object, in order that I may have time for one more word, and if the Senator will yield for a reply to his question——

Mr. HOLLAND. I yield, but I have requested unanimous consent.

The PRESIDING OFFICER. Unanimous consent is requested that this measure be placed at the foot of the calendar. Is there objection?

Mr. LEHMAN. Mr. President, when this bill was originally called on the Consent Calendar I objected to it. Since then I have completely changed my mind and am strongly in favor of the bill at this time. I ask unanimous consent to have inserted in the body of the RECORD at this point in my remarks a statement by me, together with a number of attachments, concerning the pending bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement, together with the attachments, was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR H. H. LEHMAN

Mr. President, when the calendar was called on June 8 I objected to S. 3504 on the basis of representations made to me by some of my constituents. This opposition came from individuals and smaller airline interests, and I felt it warranted my further study of this measure.

After some investigation of the background and the provisions of this aircraft-testing bill, three major questions remained unanswered, as far as I was concerned. On June 26 I communicated these questions to the distinguished senior Senator from Colorado, the chairman of the Interstate and Foreign Commerce Committee, who was one of the bill's sponsors. I asked unanimous consent that my letter to Senator JOHNSON be inserted in the RECORD at this point.

These three questions arose from my apprehensions that (1) S. 3504 would not give sufficient emphasis to cargo planes and feeder aircraft; (2) S. 3504 would not give adequate representation in its advisory machinery to labor unions and others with direct interest in the program; (3) S. 3504 would not give the irregular or nonscheduled carriers an adequate opportunity for participation in the prototype-testing program. Copies of this letter to Senator JOHNSON were sent to Assistant Secretary of Commerce Thomas W. S. Davis and to Mr. Delos W. Rentzel, Administrator of Civil Aeronautics.

On July 6 Secretary Davis replied to my letter in some detail in an attempt to answer these three questions. Mr. President, I ask unanimous consent that this letter from Secretary Davis to me of July 6 be inserted at this point in my remarks.

Following this reply from Secretary Davis there were further discussions and correspondence between myself, Secretary Davis, and Mr. Rentzel. As a result of this further correspondence, I am satisfied that those who will administer the bill, when it is passed, have put themselves clearly on record in a manner which generally removes the basis for my objections to the bill. To make this record as clear as possible, Mr. President, I ask unanimous consent that the following letters be inserted in the RECORD at this point: My reply to Acting Secretary of Commerce Davis of July 7; my letter to the senior Senator from Colorado, Mr. JOHNSON, of the same date; and the final letter from Secretary Davis to me, dated July 11.

I am now happy to support S. 3504, with the understanding that: (1) The irregular carriers will be given full and unprejudiced consideration in the implementation of the provisions of the bill; (2) that the testing of cargo aircraft will be given primary emphasis in the administration of the bill; (3) that labor groups in the aviation field will be invited to serve in an advisory capacity, together with representatives of the aviation manufacturing and transport industries.

Finally, Mr. President, I intend to speak at a later date on the broad subject of the overriding need for the immediate development and production of freight airlift because of its direct bearing on our national defense and military potential.

JUNE 26, 1950.

Hon. EDWIN C. JOHNSON,
United States Senate,
Washington, D. C.

MY DEAR SENATOR JOHNSON: You will recall that I indicated objections to S. 3504 when it came up on the Senate Calendar recently. In fact, you were good enough to take cognizance of my objections in my absence from the Chamber.

My objections at that time, as I told all those who made inquiry, were based entirely on representations made to me by a considerable number of my constituents, including labor-union representatives and representatives of small nonscheduled airlines. At the time I had not had an opportunity to study this legislation and hence had predicated my objection on a desire to review the bill and the report. I have now done so.

The over-all purposes of the bill are good. I heartily endorse the proposal to "promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof."

Some aspects of this bill, however, raise questions in my mind. I would appreciate it very much if you could answer those questions.

I would like to know, for instance, whether it is the intent of the bill to direct the Secretary of Commerce, or other appropriate officials, to utilize the nonscheduled carriers in the development program. It would seem to be unwise and discriminatory to restrict this program to the scheduled transport lines. While the scheduled airlines comprise the backbone of our commercial aviation, the nonscheduled operators constitute, in my judgment, a vital auxiliary. They are vital, not only for purposes of commercial aviation,

but for purposes of national defense. I think that this is obvious. Hence, I believe that a program such as the one undertaken under the terms of S. 3504 should certainly include these nonscheduled carriers.

My second question involves the role of the air freight carriers. Approximately 60 percent of the domestic air-freight carrier business is based in New York, while about 80 percent of the international air freight originates in New York. You may recall that the Finletter report stated that legislation to assist our freight lift program was one of the primary fields for congressional action in advancing aviation in the United States.

S. 3504, of course, does not give the proper emphasis, in my judgment, to cargo planes and their development. Generally I feel that the defense needs of the Nation in terms of cargo planes should receive high-priority consideration, since the Defense Department has estimated that this country has a deficit of over 5,000,000,000 ton-miles a year in freight lift. I know that there is other legislation before your committee which deals more directly with this problem. Yet I am not aware that any of this legislation is scheduled for consideration at this session. I would be very happy to be enlightened on this point. I would also like to know the committee's interpretation of the role of air cargo planes in the program under the terms of S. 3504.

One final point in connection with S. 3504 concerns section 2 (b), providing for consultation "with representatives of the respective segments of the aviation manufacturing industries and of the air transport industry." Representatives of organized labor have indicated to me their feeling that the unions in the aviation industry should certainly be included among the groups consulted. From a reading of the language of section 2 (b), it would seem very possible that this could be done without any change in the bill. However, I would like to know your views as to whether this was the intent of the committee and within the meaning of the language of the bill itself.

If these doubts in my mind could be resolved, I would be most happy to withdraw my objections to this legislation and, instead, give it my full support. I look forward to hearing from you on this matter.

I would like to assure you that I have every desire to facilitate the passage of legislation in which you have shown such a great interest. I do not pretend to have any of the detailed and expert knowledge in this field in which you are such an eminent authority.

With kind personal regards,

Yours very sincerely,

HERBERT H. LEHMAN.

THE SECRETARY OF COMMERCE,
Washington.

The Honorable HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR LEHMAN: I have received your letter of June 26, which was addressed to Mr. Rentzel, concerning S. 3504, the prototype bill. Senator JOHNSON had previously advised me of your questions concerning this proposed legislation, and I stated in a recent letter to him the position of the Department of Commerce thereon. While I presume he will inform you of my views, I am pleased at the opportunity of conveying them direct to you.

Your first inquiry is whether it is the intent of the bill to direct the Secretary of Commerce, or other appropriate officials of this Department, to utilize the nonscheduled carriers in the development program to be undertaken under S. 3504. You indicate that it appears unwise and discriminatory to restrict the program to the scheduled air carriers and point out that the nonscheduled operators constitute a vital auxiliary to the scheduled carriers. In the first place, there are three main types of aircraft which it is proposed to develop under this legislation: Turbine-powered transport aircraft, aircraft especially adapted for the transportation of cargo, and aircraft suitable for feeder-line operations. I anticipate that the irregular air carriers will be interested in the first two categories only, as feeder-line aircraft will generally be of short range and designed to operate into and out of the smaller airports. The testing of aircraft in the first two categories would be conducted in two phases: (1) The testing of turbine-powered aircraft under conditions simulating scheduled air-transport operations, and (2) the testing of such aircraft for type certification and in other ways so as to provide as complete information as is possible on operating problems of the individual aircraft. Inasmuch as turbine-powered aircraft and cargo aircraft are capable of use by the irregular carriers and will in fact be used by them as soon as they become available in sufficient numbers, the representatives of this Department who will administer the program will certainly consult with and give great weight to the views of the irregular operators. Insofar as the actual testing program is concerned, it does not appear at this time that the irregular carriers would be in the best technical position to conduct those tests closely simulating scheduled air-carrier operations. However, should an irregular air carrier be able to qualify when the invitation for bids is issued for such testing, there would be no valid reason for rejecting the bid solely because the bidder is an irregular carrier, and its bid will be carefully considered with all others received. In connection with the general testing program not restricted to simulated scheduled operations, I know of no reason why an irregular air carrier could not qualify equally with any other carrier. I assure you that this Department has no firm conviction to include or to exclude the irregular air carriers under these conditions. It is our intention to secure the best talent possible for all work which will be undertaken under the program. As indicated by the foregoing, there appears to be no legal inhibition in the proposed legislation preventing use of the irregular air carriers in the testing program, and I assure you that they will be given every consideration.

Your second question indicates that in your opinion Senate bill 3504 does not give proper emphasis to the development of cargo planes. I can assure you that one of the most important projects to be undertaken under Senate bill 3504 will be the development of an all-cargo aircraft combining, insofar as possible, the characteristics desirable for military use and commercial air-freight business. The development of cargo aircraft, turbine-powered transport aircraft, and feeder-line aircraft is the primary reason why the draft of legislation embodied in Senate bill 3504 was submitted to the Congress. In consultation with the military the development of cargo aircraft is a definite must and will receive equal treatment with the other types of aircraft mentioned in the program to be conducted under Senate bill 3504, if enacted. In my opinion the language of the legislation as written confirms this statement.

Your third point concerns section 2 (b), which provides for consultation with representatives of the manufacturing industry and of the air-transport industry. There is nothing in this legislation which the Department of Commerce intended should exclude consultation with representatives of organized labor. I feel sure that the representatives of the Department of Commerce, who will be charged with the administration of such a program, would give great weight to the opinions expressed by members of the Air Line Pilots' Association and other qualified labor groups in connection with the modification and testing of any aircraft being developed. Indeed, I shall so instruct them. After all, those who are actively participating in the operation of aircraft are among those best qualified to assist in certain phases of the development of suitable prototype aircraft. It was the intent of the Department of Commerce in drafting the proposed legislation that no segment of the aviation industry which could make a contribution to the program would be overlooked.

If there are any other questions you may have on this bill or other legislation affecting this Department, I shall be pleased to answer them. As I indicated to Senator JOHNSON, representatives of the Department are at all times ready and willing to assist in any way possible.

Sincerely yours,

CHARLES SAWYER,
Secretary of Commerce.

JULY 7, 1950.

The Honorable THOMAS W. S. DAVIS,
Acting Secretary of Commerce,
Department of Commerce,
Washington, D. C.

DEAR SECRETARY DAVIS: I have your letter of July 6 in regard to the objections I have raised to S. 3504. Senator JOHNSON was also good enough to send me a copy of your very similar letter to him. I am very interested in your statements and I appreciate very much your detailed reply.

I am pleased that you intend to consult with and give weight to the views of the nonscheduled airline operators in the implementation of S. 3504. However, you can understand my fear that the irregular carriers may be eliminated from a legal consideration under section 2 (a) (2) of this bill which uses the words "scheduled air transport aircraft." If I am assured that the irregular carriers will have an opportunity to be included under the provisions of the bill, this would, of course, satisfy this particular objection.

My feeling concerning the emphasis on the testing of cargo planes is even stronger in light of the international crisis today than it was when the bill came before the Senate some 3 weeks ago. I will be satisfied, if it is the stated policy of the Commerce Department that cargo aircraft be given primary emphasis. I feel certain that under the present international circumstances, the development of freight aircraft is essential to our national defense and military efforts.

Concerning my apprehensions on the exclusions of organized labor in section 2 (b) of the bill, I am sure that it is not the intent of the Department of Commerce to overlook any segment of the aviation industry. However, I am advised that other bills which are being considered simultaneously with S. 3504 by the Senate Interstate and Foreign Commerce Committee did specifically include representatives of organized labor in an advisory capacity. I agree that organizations such as the Air Line Pilots Association, the International Association of Machinists, and other labor groups in the aviation industry are certainly among those best qualified to assist in this program. Therefore, I would like to be further assured that all labor unions with an interest in this program will be adequately consulted.

I appreciate the desire of the Department of Commerce to speed passage of a bill which will assist the aviation industry in the testing of new aircraft. You may be assured that I share this desire. I would, therefore, be pleased to hear from you further on the above points in order that the legislation may be speeded to enactment.

Yours very sincerely,

HERBERT H. LEHMAN.

JULY 7, 1950.

Hon. EDWIN C. JOHNSON,
Chairman, Senate Interstate and Foreign Commerce Committee, United States Senate, Washington, D. C.

MY DEAR SENATOR JOHNSON: I am enclosing a copy of my reply to Secretary Davis of the Commerce Department in regard to S. 3504. He sent me a reply very similar to the one which he sent you and which you were good enough to forward to me.

My principal wish at this point is to receive further assurances regarding the participation of labor unions in a consultative capacity in this program. At the same time I would like to have further pinned down the assurance that cargo aircraft will be given primary emphasis in the testing program, since today especially the role of cargo aircraft in our national defense may be a determining and compelling one in the great efforts which we are making and may be called upon to make for the defense of our way of life.

I am not entirely satisfied with the assurance given me by Secretary Davis on the place of irregular carriers in this program and I would like to have, if I possibly could, a statement that the irregular carriers will be included in the program in every way in which they can properly be included—the emphasis being on giving them every feasible opportunity rather than on merely allowing them to stand on an equal competitive basis with the scheduled carriers, which they obviously cannot do.

I know that you feel strongly on these points just as I do and, moreover, that you are a veteran of many battles in this good cause. I, therefore, wish to assure you that I am perfectly willing to defer to your judgment in most of these matters, but would like to have the best possible assurances from the administrative officials who will be in charge of effectuating this program.

Very sincerely yours,

HERBERT H. LEHMAN.

THE ASSISTANT SECRETARY OF COMMERCE,
Washington, July 11, 1950.

The Honorable HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR LEHMAN: I have your letter of July 7, 1950, referring to our recent correspondence concerning your questions with regard to S. 3504.

The expression to which you refer in your letter, "scheduled air transport aircraft," is intended to describe in the legislation operating conditions to be simulated in the testing program. It is not necessary that the testing be performed by scheduled air carriers in order to conform to the proposed testing conditions. I want to assure you that there was no intention nor is there any intention now to exclude any classification of legally operated air carriers, including scheduled, irregular, contract, or cargo carriers, from receiving the fullest consideration for participation in the testing program.

It should be pointed out that this bill provides for a testing program only. It contemplates the flight and ground testing of aircraft of advance design which are or may be provided by private aircraft manufacturers. In other words, this is not a construction program. The objectives are to obtain the best design and operating data possible prior to actual service use of these newly developed aircraft by any air carrier of whatever category.

I agree with your feeling concerning the requirement for expediting the development and production of an all-cargo aircraft, taking into consideration the military and commercial air-freight requirements. This Department, in administering the legislation, would give all possible emphasis to the accelerated flight testing of cargo aircraft.

We will include the Air Line Pilot's Association and other labor groups which have a primary interest in this program in an advisory capacity to assist in connection with the formulation of policies relating to the proposed legislation and will request their technical assistance in the modification and testing of the aircraft to be developed.

If you have further questions concerning the Department's position on the above matters, I will be pleased to have the opportunity to discuss them with you at your convenience.

Sincerely yours,

THOMAS W. S. DAVIS.

Mr. BREWSTER. Mr. President, reserving the right to object, and I shall not object to the request of the Senator from Florida, I very much hope that all Members of the Senate interested in this matter—and I know the distinguished chairman of the Committee on Interstate and Foreign Commerce, the Senator from Colorado, will support me—will agree that the war crisis makes this bill more desirable than ever. I am quite agreeable to the request of the Senator from Florida. I hope that we can consider the bill at the conclusion of the calendar.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Florida that the bill be placed at the foot of the calendar? The Chair hears none, and it is so ordered.

BILLS PASSED OVER

The bill (S. 3358) to prohibit transmission of certain gambling information in interstate and foreign commerce by communications facilities was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. SCHOEPPEL. Mr. President, there is objection, by request.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The bill (S. 3314) to authorize the appointment of Joseph F. Carroll and Bernt Balchen as permanent colonels in the Regular Air Force was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. KNOWLAND. Over.

The PRESIDING OFFICER. Objection is heard, and the bill will go over.

The bill (H. R. 2734) to amend the act entitled "An act to supplement existing laws against unlawful restraints and monopoly, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. DONNELL. Mr. President, I object.

The PRESIDING OFFICER. The bill will go over.

EXTENSION OF TIME FOR BRINGING SUITS IN ADMIRALTY—BILL RECOMMITTED

The bill (H. R. 483) to extend the time within which certain suits in admiralty may be brought against the United States was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, I may say that there is an amendment to this measure which I desire to send to the desk for the consideration of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to the consideration of the bill (H. R. 483) to extend the time within which certain suits in admiralty may be brought against the United States.

Mr. SCHOEPPEL. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 7, after the word "commenced", it is proposed to insert a comma and "prior to June 27, 1949."

Mr. SCHOEPPEL. I ask unanimous consent that I may insert in the RECORD at this point in my remarks a brief statement covering my amendment.

There being no objection, Mr. SCHOEPPEL's statement was ordered to be printed in the RECORD, as follows:

The words "prior to June 27, 1949," are inserted in the bill for the purpose of excluding from the benefits of the act those suits which were brought contrary to the law as determined by the Supreme Court in *Cosmopolitan Shipping Co.* v. *McAllister* (337 U. S. 783).

In the form in which the bill passed the House, its advantages would be equally available to persons who brought suit against agents of the Government long after the Supreme Court had removed any doubt as to the correct party to be sued. In such circumstances, it is obvious that the suits were filed primarily in the hope of obtaining a jury trial rather than because of any good faith mistake as to the state of the law.

Subsequent to the Supreme Court's decision on June 27, 1949, in the McAllister case, any previously existing confusion as to the proper party to be sued was entirely ended. For over two years prior to that date, there would seem to have been little excuse for any contrary opinion in view of the Supreme Court's decision of June 23, 1947, in *Caldarola* v. *Eckert* (332 U. S. 155). However, in order to give the benefit of the doubt to any doubtful cases, the cutoff date is fixed as that of the McAllister case rather than the earlier Caldarola case.

Specifying a definite cutoff date is in accordance with the precedent of the 1932 amendment which revived claims under a similar situation arising out of the decision of the Supreme Court in the case of *Johnson* v. *U. S.* (280 U. S. 320).

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas [Mr. SCHOEPPEL].

The amendment was agreed to.

Mr. McCARRAN. Mr. President, since the bill was reported——

The PRESIDING OFFICER. Does the Senator object to the amendment?

Mr. McCARRAN. I do not know that I object to the amendment, but I am going to make a motion.

The PRESIDING OFFICER. Very well. The Senator may proceed.

Mr. McCARRAN. Since the bill was reported, I have received a letter from former Senator Ball, who is now vice president of the Association of American Ship Owners, which states that although

the president of the Association of American Ship Owners had asked for an opportunity to be heard on this bill, no hearings were in fact held.

Under the circumstances, I believe it would be proper to take this bill back to committee, for the purpose of giving the representatives of the Association of American Ship Owners, and any others who may desire to be heard, an opportunity to appear before the committee, or a subcommittee, in connection with this bill.

Accordingly I move that the bill (H. R. 483) be recommitted to the Committee on the Judiciary.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada that House bill 483 be recommitted to the Senate Committee on the Judiciary.

Mr. MAGNUSON. Mr. President, I do not wish to oppose the motion of my distinguished chairman, but I should like to say for the purposes of the RECORD, that in this particular case the American Federation of Ship Operators and all those who operate ships were notified of the introduction of the bill. It has been pending for 2 or 3 years. All the shipping interests know about it. I have no objection to their appearing. I hope that the chairman of the Judiciary Committee will concur with me that if the bill is recommitted we may have immediate hearings so that the matter can be disposed of.

Mr. McCARRAN. Mr. President, I think the Senator from Washington [Mr. MAGNUSON] will be appointed chairman of the subcommittee immediately, so far as I am concerned.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

REMOVAL OF SEXUAL PERVERTS FROM GOVERNMENT EMPLOYMENT

Mr. McCARTHY. Mr. President, I have a letter which I should like to read into the RECORD. Am I correct that we are operating under the 5-minute rule?

The PRESIDING OFFICER. That is correct.

Mr. McCARTHY. It will take less than 5 minutes to read the letter. It is an open letter to the editors of the Saturday Evening Post, and it reads as follows:

UNITED STATES SENATE,
August 8, 1950.

To the Editors of the Saturday Evening Post.

GENTLEMEN: In your July 29 issue I note you carried a story by Joseph and Stewart Alsop, which among other things very vigorously condems Senator WHERRY for attempting to remove sexual perverts from sensitive positions in our Government. The article refers to this as "vulgar" and "nauseating." Upon first reading this I could hardly believe my eyes and again checked to make sure it was the Saturday Evening Post I was reading.

Certainly you are aware of the lesson which history has written with an indelible hand, namely, that once the people of a Nation become complacent about moral degeneracy in its leadership, then that nation has not long to live. For example, the great Roman Empire came to an end when the ruling class became morally perverted and degenerate. I am sure you also realize that a moral pervert in a sensitive governmental position is dangerous to the security of the Nation because of his susceptibility to blackmail. The head of any one of our intelligence departments will tell you without qualification that this is true.

I know some of your editorial staff and frankly can't believe that Senator WHERRY'S attempt to accomplish the long overdue task of removing perverts from our Government would be considered either "vulgar" or "nauseating" to them. I can understand, of course, why it would be considered "vulgar" and "nauseating" by Joe Alsop.

Mr. Alsop refers to those in my office as "furtive-looking characters." Now, I don't mind if the smear is applied to McCARTHY. I expected that. However, it seems almost inconceivable that the Saturday Evening Post would lend itself to a smear of my office staff. As any newsman or anyone else who visits my office can testify, I have one of the finest and most loyal office staffs that you can find anywhere on Capitol Hill. Had it not been for the long hours and outstanding work on the part of my staff, my task of exposing Communists and fellow travelers in Government would have been 10 times more difficult.

Although Alsop attempts to describe my office in detail, he has never been in the office and, incidentally, never will be.

The only member of your staff who has come into my office in connection with this story was a fine normal young man called Ollie Atkins, who merely took some pictures.

It is extremely disturbing to find that because the elected representatives of the people are now attempting to remove sexual perverts and disloyal people from Government, your magazine lends itself to the Lattimore-Compass-New Masses-Daily Worker line that there is being created a dangerous miasma of fear in Washington.

It is also disturbing to find that this article is almost 100 percent in line with the official instructions issued to all Communists and fellow-traveling members of the press and radio by Gus Hall, national secretary of the Communist Party. His instructions were as follows:

"I urge all Communist Party members and all anti-Fascists, to yield second place to none in the fight to rid our country of the Fascist poison of McCarthyism."

I cannot believe that this represents the studied thinking of the editorial staff of the Saturday Evening Post—certainly not of those whom I have met. But at the same time, certainly the Post knew what it was doing when it hired a Joe Alsop to write this article for it.

It is impossible to understand your publishing the sarcastic reference to people in Chicago and points West because they object to perverts and traitors in our Government. While your sarcasm is directed to the people of the great Midwest and West, the heart of America, you much more deeply insult those east of the Mississippi when you intimate that they have no objection to perverts and traitors in Government.

Sincerely yours,

JOE McCARTHY.

BILLS PASSED OVER

The PRESIDING OFFICER. The clerk will report the next bill on the calendar.

The bill (H. R. 2365) for the relief of the city of Chester, Ill., was announced as next in order.

Mr. DONNELL. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2196) to legalize maritime hiring halls was announced as next in order.

Mr. DONNELL. Mr. President, I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

MAXIMUM SUM ALLOWABLE AS A PREFERRED CHARGE FOR FUNERAL EXPENSES

Mr. LANGER. Mr. President, I have been here practically all day, but, unfortunately, while I was answering the telephone, Calendar No. 619, House bill 3368, came up for consideration. I ask unanimous consent that the Senate may return to the consideration of House bill 3368. The title of the bill: To amend sections 356 and 365 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, to increase the maximum sum allowable by the court of the assets of a decedent's estate as a preferred charge for his or her funeral expenses from $600 to $1,000.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. LANGER. I wish to object to the bill.

The PRESIDING OFFICER. The Chair would advise the Senator that the bill has already passed.

Mr. LANGER. I asked unanimous consent to return to it and consent was granted.

The PRESIDING OFFICER. The Senator asked unanimous consent that the Senate return to House bill 3368. As the Chair understands, the Senator moves that the vote by which that bill was passed may be reconsidered; is that correct?

Mr. LANGER. That is my motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Dakota. [Putting the question.] The "noes" seem to have it.

Mr. MORSE. I ask for a division.

The PRESIDING OFFICER. The Senate has returned to the consideration of House bill 3368, which was previously passed by the Senate. The Senator from North Dakota [Mr. LANGER] moves that the Senate reconsider the vote by which the bill was passed.

On a division, the motion was agreed to.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. LANGER. I object.

The PRESIDING OFFICER. The Senator from North Dakota objects. The bill goes over.

MARITIME HIRING HALLS

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. I had to leave the Chamber to answer a long-distance telephone call. May I ask what happened to Calendar No. 1832, Senate bill 3245, relating to maritime hiring halls?

The PRESIDING OFFICER. Objection was heard from the senior Senator from Missouri [Mr. DONNELL]. The bill went over.

BILLS PASSED OVER

The bill (S. 3245) to give effect to the Medical Examination (Seafarers) Convention 1946, adopted at the twenty-eighth—maritime—session of the International Labor Organization held at Seattle, Wash., June 6–29, 1946, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. I object.

Mr. NEELY. Mr. President, on behalf of the American Federation of Labor I also object to the present consideration of the bill.

The PRESIDING OFFICER. Objection is heard. The bill goes over.

WAR RISK AND MARITIME LIABILITY INSURANCE

The Senate proceeded to consider the bill (S. 2484) to authorize the United States Maritime Commission to provide war risk and certain marine and liability insurance which has been reported from the Committee on Interstate and Foreign Commerce, with amendments. On page 7, line 7, after the word "The", to strike out "Commission" and insert "Secretary"; in line 8, after the word "fund", to insert "in the Treasury"; in line 13, after the word "deposited", to insert "in the Treasury"; in line 16, after the word "fund", to insert "through the Division of Disbursement, Treasury Department"; in line 21, after the word "The", to strike out "Commission" and insert "Secretary"; on page 8, line 7, after the word "the", to strike out "Commission" and insert "Secretary"; in line 8, after the word "Act.", to strike out "Such adjustments, compromises, settlements, and payments hereunder shall be final and conclusive, and except upon a showing of fraud of malfeasance, or misrepresentation of a material fact, shall not be reopened, modified, or disregarded by any officer, agent, or employee of the United States."; in line 14, after the word "The", to strike out "Commission" and insert "Secretary"; in line 18, after the word "The", to strike out "Commission" and insert "Secretary"; in line 25, after the word "the", to strike out "Commission" and insert "Secretary"; on page 9, line 1, after the word "the", to strike out "Commission" and insert "Secretary"; in line 3, after the word "The", to strike out "Commission" and insert "Secretary"; in line 10, after the word "the", to strike out "Commission" and insert "Secretary"; in line 15, after the word "The", to strike out "Commission without regard to" and insert "Secretary, in accordance with"; in line 16, after the word "rules", to strike out "or" and insert "and"; in line 20, after the word "The", to strike out "Commission" and insert "Secretary"; on page 10, line 3, after the word "The", to strike out "Commission" and insert "Secretary"; on page 11, line 4, after the word "the", to strike out "Commisssion" and insert "Secretary"; on page 12, line 1, after the word "the", to strike out "Commission" and insert "Secretary", and in line 5, after the word "the", to strike out "Commission" and insert "Secretary", so as to make the bill read:

Be it enacted, etc., That the Merchant Marine Act, 1936, as amended, is amended by adding thereto a new title to read as follows:

"TITLE XII—WAR RISK INSURANCE

"SEC. 1201. As used in this title—

"(a) The term 'American vessels' includes any vessel registered, enrolled, or licensed under the laws of the United States and any undocumented vessel owned or chartered by or made available to the United States or any department or agency thereof and any tug or barge or other watercraft (documented or undocumented) owned by a citizen of the United States used in essential water transportation or in the fishing trade or industry, except watercraft used exclusively in or for sport fishing.

"(b) The term 'transportation in the water-borne commerce of the United States' includes the operation of vessels in the fishing trade or industry, except watercraft used exclusively in or for sport fishing.

"(c) The term 'war risks' includes to such extent as the Secretary may determine all or any part of those losses which are excluded from marine insurance coverage under a 'free of capture and seizure' clause, or analogous clauses.

"(d) The term 'citizen of the United States' includes corporations, partnerships, and associations existing, authorized, or organized under the laws of the United States or any State, district, Territory, or possession thereof.

"(e) The term 'Secretary' shall mean the Secretary of Commerce.

"SEC. 1202. (a) The Secretary, with the approval of the President, and after such consultation with interested agencies of the Government as the President may require, may provide insurance and reinsurance against loss or damage by war risks in the manner and to the extent provided in this title, whenever it appears to the Secretary that such insurance adequate for the needs of the water-borne commerce of the United States cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States.

"(b) Any insurance or reinsurance issued under any of the provisions of this act shall be based, insofar as practicable, upon consideration of the risk involved.

"SEC. 1203. The Secretary may provide the insurance and reinsurance authorized by section 1202 with respect to the following persons, property, or interest:

"(a) American vessels, including vessels under construction, foreign-flag vessels owned by citizens of the United States or engaged in transportation in the water-borne commerce of the United States or in such other transportation by water or such other services as may be deemed by the Secretary to be in the interest of the national defense or the national economy of the United States, when so engaged.

"(b) Cargoes shipped or to be shipped on any such vessels, including shipments by express or registered mail; cargoes owned by citizens or residents of the United States, its Territories, or possessions; cargoes imported to, or exported from, the United States, its Territories or possessions, and cargoes sold or purchased by citizens or residents of the United States, its Territories or possessions, under contracts of sale or purchase by the terms of which the risk of loss by war risks or the obligation to provide insurance against such risks is assumed by or falls upon a citizen or resident of the United States, its Territories or possessions; cargoes shipped between ports in the United States, or between ports in the United States and its Territories and possessions, or between ports in such Territories or possessions.

"(c) The disbursements, including advances to masters and general average disbursements, and freight and passage moneys of such vessels.

"(d) The personal effects of the masters, officers, and crews of such vessels, and of other persons transported on such vessels.

"(e) Masters, officers, members of the crews of such vessels and other persons employed or transported thereon against loss of life, injury, detention by an enemy of the United States following capture.

"(f) Statutory or contractual obligations or other liabilities of such vessels or of the owner or charterer of such vessels of the nature customarily covered by insurance.

"SEC. 1204. Whenever the Secretary shall insure any risk included under subsection (d), (e), or (f) of section 1203, insofar as it concerns liabilities relating to the masters, officers, and crews of such vessels or to other persons transported thereon, the insurance on such risks may include risks other than war risks to the extent that the Secretary determines to be necessary or advisable.

"SEC. 1205. (a) Any department or agency of the United States may, with the approval of the President, procure from the Secretary any of the insurance as provided for in this title, except as provided in sections 1 and 2 of the act of July 8, 1937 (50 Stat. 479).

"(b) The Secretary is authorized with such approval to provide such insurance at the request of the Secretary of Defense, and such other agencies as the President may prescribe, without premium in consideration of the agreement of the Secretary of Defense or such agency to indemnify the Secretary against all losses covered by such insurance, and the Secretary of Defense and such other agencies are authorized to execute such indemnity agreement with the Secretary.

"SEC. 1206. The Secretary is authorized during any time the United States is at war or during any period of emergency declared to exist by the President of the United States, to provide insurance for any person who performs services or provides facilities for or with respect to any American- or foreign-flag vessel, public or private, against legal liabilities that may be incurred by such person in connection with the performance of such services or the providing of such facilities. Such insurance shall not be issued against liability to employees in respect of employers' liability or workmen's compensation. No such insurance shall be provided unless, in the opinion of the Secretary, such insurance is required in the prosecution of the war effort or in connection with national defense and cannot be obtained at reasonable rates or upon reasonable conditions from approved companies authorized to do insurance business in any State of the United States.

"SEC. 1207. (a) To the extent that it is authorized by this title to provide marine, war risk, and liability insurance, the Secretary may reinsure, in whole or in part, any company authorized to do an insurance business in any State of the United States. The Secretary may reinsure with, or cede or retrocede to, any such company any insurance or reinsurance provided by the Secretary in accordance with the provisions of this title.

"(b) Reinsurance shall not be provided by the Secretary at rates less than the rates established by the Secretary on the same or similar risks or the rates charged by the insurance carrier for the insurance so reinsured whichever is the higher, except that the Secretary may make to the insurance carrier such allowances for expenses on account of the cost of services rendered or facilities furnished as it deems reasonably to accord with good business practice, but such allowance to the carrier shall not provide for any payment by the carrier on account of

solicitation for or stimulation of insurance business.

"SEC. 1208. (a) The Secretary may create an insurance fund in the Treasury to enable it to carry out the provisions of this title. Moneys appropriated by Congress to carry out the provisions of this title and all moneys received from premiums, salvage, or other recoveries and all receipts in connection with this title shall be deposited in the Treasury to the credit of such fund. Payments of return premiums, losses, settlements, judgments, and all liabilities incurred by the United States under this title shall be made from such fund through the Division of Disbursement, Treasury Department.

"(b) Such sums as may be necessary to carry out the provisions of this title are authorized to be appropriated to such fund.

"SEC. 1209. (a) The Secretary, in the administration of this title, may issue such policies, rules, and regulations as it deems proper and may adjust and pay losses, compromise and settle claims, whether in favor of or against the United States and pay the amount of any judgment rendered against the United States in any suit, or the amount of any settlement agreed upon, in respect of any claim under insurance authorized by this title, but with respect to any vessel which is insured under the provisions of this act, the amount of the claim adjusted, compromised, settled, adjudged, or paid shall not exceed the amount which the Secretary would determine to be just compensation under the provisions of section 902 of this act.

"(b) The Secretary may prescribe and change forms and policies, and fix, adjust, and change the amounts insured and rates of premium provided for in this title.

"(c) The Secretary, in administering this title, may exercise its powers, perform its duties and functions, and make its expenditures, in accordance with commercial practice in the marine-insurance business. Except as authorized in subsection (d) of this section, no insurance broker or other person acting in a similar intermediary capacity shall be paid any fee or other consideration by the Secretary by virtue of his participation in arranging any insurance wherein the Secretary directly insures any of the risk thereof.

"(d) The Secretary may, and whenever it finds it practical to do so shall, employ companies or groups of companies authorized to do a marine insurance business in any State of the United States, to act as its underwriting and settling agent, and may allow such companies or groups of companies fair and reasonable compensation for servicing insurance written by such companies or groups of companies as underwriting agent for the Secretary. Such compensation may include an allowance for expenses reasonably incurred by such agent, but such allowance shall not include any payment by such agent on account of solicitation for or stimulation of insurance business.

"(e) The Secretary, in accordance with the laws, rules, and regulations relating to the employment of employees of the United States, may appoint and prescribe the duties of such number of experts in marine insurance as it deems necessary under this title.

"(f) The Secretary with the consent of any executive department, independent establishment, or other agency of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this title.

"SEC. 1210. This title shall not affect rights of seamen under existing law.

"SEC. 1211. The Secretary shall include in its annual report to Congress a detailed statement of all activities and of all expenditures and receipts under this title for the period covered by such report.

"SEC. 1212. Upon disagreement as to a loss insured under this title, suit may be maintained against the United States in admiralty in the district in which the claimant or his agent resides, and this remedy shall be exclusive of any other action by reason of the same subject matter against any agent or employee of the United States employed or retained under this title. If the claimant has no residence in the United States, suit may be brought in the district court of the District of Columbia or in such other district court in which the Attorney General of the United States agrees to accept service. Such suits shall be heard and determined under the provisions of an act entitled 'An act authorizing suits against the United States in admiralty, suits for salvage services, and providing for the release of merchant vessels belonging to the United States from arrest and attachment in foreign jurisdiction, and for other purposes', approved March 9, 1920, as amended (known as the Suits in Admiralty Act). All persons having or claiming or who might have an interest in such insurance, may be made parties either initially or upon the motion of either party. In any case where the Secretary acknowledges the indebtedness of the United States on account of such insurance, and there is a dispute as to the persons entitled to receive payment, the United States may bring an action in the nature of a bill of interpleader against such parties, in the District Court for the District of Columbia, or in the district court of the district in which any such person resides. In such actions any party, if not a resident of or found within the district, may be brought in by order of court served in such reasonable manner as the court directs. If the court is satisfied that persons unknown might assert a claim on account of such insurance, it may direct service upon such persons unknown by publication in the Federal Register. Judgment in any such suit shall discharge the United States from further liability to any parties to such action, and to all persons when service by publication upon persons unknown is directed by the court. The period within which suits may be commenced contained in said Suits in Admiralty Act shall, if claim be filed therefor within such period, be suspended from such time of filing until the claim shall have been administratively denied by the Secretary and for sixty days thereafter: *Provided, however,* That such claim shall be deemed to have been administratively denied if not acted upon within six months after the time of filing, unless the Secretary for good cause shown shall have otherwise agreed with the claimant."

Mr. MAGNUSON. Mr. President, I ask that the amendments be considered en bloc. They are all technical in nature, providing simply that the Secretary shall act instead of the Maritime Commission. The amendments are brought about by the reorganization of the Maritime Commission.

The PRESIDING OFFICER. Is there objection to the consideration of the amendments en bloc?

Mr. SCHOEPPEL. Reserving the right to object, may I ask the distinguished Senator if any of the amendments which he is asking to have considered en bloc contains a 5-year limitation?

Mr. MAGNUSON. I should be glad to accept an amendment along that line. I do not know whether an amendment concerning 5 years is included. I am agreeable to having a 5-year limitation in the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the amendments en bloc? The Chair hears none, and the question is on agreeing to the amendments en bloc.

The amendments were agreed to.

Mr. MAGNUSON. Mr. President, I offer an amendment and ask to have it stated.

The LEGISLATIVE CLERK. On page 12, after line 6, to insert the following:

SEC. 1213. The authority of the Secretary to provide insurance and reinsurance under this title shall expire 5 years from the date of enactment of this title.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of Commerce to provide war risk and certain marine and liability insurance."

BILL PASSED OVER

The bill (S. 2786) to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes, was announced as next in order.

Mr. WILLIAMS. Over.

The PRESIDING OFFICER. Objection is heard. The bill will be passed over.

DEVELOPMENT AND MAINTENANCE OF AMERICAN-FLAG SHIPPING ON THE GREAT LAKES

The bill (S. 3109) to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes, was announced as next in order.

Mr. WILLIAMS. Over.

Mr. THYE. Mr. President, will the Senator from Delaware withhold his objection?

Mr. WILLIAMS. I withhold my objection.

Mr. THYE. Again when this bill is reached on the call of the calendar objection is made. Several weeks have passed and the season, so far as shipping on the Great Lakes is concerned, is growing late. If the bill were to be passed at a later time we would merely add to the difficulty of bringing ships to the Great Lakes, and the whole matter would be further complicated. The Great Lakes freeze over in the early winter. The Senator from Delaware might file a written statement on the bill. I am quite confident that if debated on its merits the bill would be passed. If the Senator from Delaware would file his objections in a written statement and permit the bill to be passed we would have an opportunity of getting action before the Great Lakes freeze over this year.

Mr. WILLIAMS. During the last war the Government spent several million dollars to bring ships from the Great Lakes to the coastal areas where they could be used in the war effort. This bill proposes to transfer some of these same type vessels back to the Great Lakes. We are facing another prospective war. If we get the ships up in the Great Lakes they will either be bottled up in the Lakes or we will have to turn around and bring the ships back again.

It is not a matter of my filing a statement. I am opposed to the bill's passage.

Mr. THYE. The Senator has stated the justification for the enactment of this bill into law. Those ships were taken from the Great Lakes. They are the package-freight ships. They were selected for war purposes. The Great Lakes area has consequently been denied the use of these package-freight ships. We are only asking what has already been granted to certain other areas of the United States. We are asking that these ships be made available to us in the Great Lakes area.

The Senator from Delaware made a statement on the last calendar call about the percentage that would be salvaged of the actual cost of these ships. We ask that the Great Lakes area be granted the same privilege that has been granted to other areas of the country. These ships are lying in cold storage and are deteriorating in the various harbors and rivers throughout the land. They might be better put to service on the Great Lakes to serve the users of package freight.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. THYE. I am happy to yield.

Mr. MAGNUSON. The best information we have in the Subcommittee on Merchant Marine is that although these ships were of some value during the last war they are now obsolete for any war purpose. The only use we could find for them was as package-freight ships on the Great Lakes, and they are needed there to keep the commerce alive. No one wants to buy them except the people in the Great Lakes area. I know of no other use for them at all than that contemplated by this bill.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FERGUSON. Mr. President, I join the Senator from Minnesota and the Senator from Washington in their remarks. As I understand, the Maritime Commission and those in authority would not sell these ships to anyone if they were needed for the war effort. We now anticipate that much will be needed for an all-out war, because of the shock that we have received in Korea. We on the Great Lakes could use these ships as package-carrying ships. They have been practically eliminated from the Great Lakes, and it would be a great step forward in the war effort to allow these ships to be taken to the Great Lakes so that they could be used for transporting material from one port on the Great Lakes to another in connection with the war effort.

Cities surrounding the Great Lakes, particularly Detroit, Chicago, and the other cities, have exerted themselves in the war effort. If they could be served by these water carriers it would be in behalf of the war effort rather than against it, and it would help in the shipping of grain from all the ports of the Northwest. Therefore it would be in behalf of the war effort.

I hope the Senator from Delaware, who lives on the Atlantic coast, where these ships now are, will not object to letting the Great Lakes communities receive their share of these obsolete ships.

The PRESIDING OFFICER. Objection is heard.

Mr. WILLIAMS. Do I have any additional time?

The PRESIDING OFFICER. The Senator has 5 minutes on the bill.

Mr. WILLIAMS. Mr. President, I merely desire to point out that what the Senator from Minnesota has said is partially true. It is true that the Government brought these ships out during the last war, and paid for them. But I point out that they paid for them at the rate of 100 percent of their valuation, and the bill now under discussion proposes to sell similar ships back to the same operators for use on the Great Lakes at 3½ percent of the cost to the Government, which is quite different.

Furthermore, the fact that similar sales have been made to the shipping industry on the east coast does not justify enactment of this bill. I have objected to the bill immediately preceding this one because it is proposed under that bill to even further increase the subsidy to the eastern operators. I believe the whole principle of the Government building these ships and then selling them to the ship operators at discounts ranging as high as 96½ percent of their cost is wrong. I shall continue to object.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Minnesota.

Mr. THYE. Would it not be just as well to put them to a useful purpose, rather than to let them go to a salvager at about the same price, or a lesser amount, and have them scrapped?

Mr. WILLIAMS. I do not think they are going to be scrapped. Only last week there was an amendment on the appropriation bill to spend $25,000,000 for reconditioning some of our reserve ships, to put them in condition for war service.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. In a moment. Furthermore, the Senator from Washington [Mr. MAGNUSON] claimed that these ships were obsolete, and of no further use. I am a member of the subcommittee, as is the Senator, and I ask him where there was any testimony from anyone to the effect that these ships were obsolete. I now yield.

Mr. MAGNUSON. In the first place, Mr. President, I think the RECORD should be clear that the ships are obsolete insofar as their value for sale throughout the country is concerned. The only place where they can be used is on the Great Lakes.

It is not quite correct to say that these ships are going to be sold at 3½ percent of what they cost the Government. They are going to be sold at whatever the Maritime Board can get for them consistent with their use. It is better to have that done than to have them remain where they are. The $18,000,000 for ship repairs has nothing to do with these ships at all. That had reference to a different class of ships altogether, quasi-warships, hospital ships, ammunition ships, and the like. These are merely a group of ships which belong peculiarly on the Great Lakes. I do not know of what use they would be anywhere else. Perhaps we will get a scrap value for them, but I think it is worth while to get as much as we can, and revive water commerce on the Great Lakes, that has been brought to an absolute standstill. There is not a ship carrying commerce in and about the ports on the Great Lakes.

Mr. WILLIAMS. I regret but I must disagree with the Senator from Washington. Under the existing law the Maritime Board already can discount the cost of these ships by 65 percent. This bill we are discussing proposes that the Board can write off another 90 percent or sell them as low as 3½ percent of their original cost and I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

BILLS PASSED OVER

The bill (S. 3244) to give effect to the certification of Ships' Cooks Convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946, was announced as next in order.

Mr. SCHOEPPEL. I ask that this bill go over.

Mr. NEELY. Mr. President, at the request of the American Federation of Labor I also ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3246) to give effect to the Food and Catering (Ships' Crews) Convention, 1946, adopted at the twenty-eighth (maritime) session of the International Labor Organization, held at Seattle, Wash., June 6–29, 1946, was announced as next in order.

Mr. HENDRICKSON. I ask that this bill go over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

UTILIZATION BY ARMED SERVICES OF PRIVATE SHIPPING

The bill (S. 3687) to require the armed services to utilize private American shipping services for the overseas transportation of commodities and civilian personnel, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. SCHOEPPEL. I ask that this bill go over.

The PRESIDING OFFICER. The bill goes over on objection of the Senator from Kansas.

Mr. MAGNUSON. Does the Senator object on his own account, or by request?

Mr. SCHOEPPEL. By request.

Mr. SALTONSTALL. Mr, President, I would respectfully say to the Senator from Washington that I would object, as a member of the Committee on Armed Services.

Mr. MAGNUSON. If the Senator will yield for a moment, I can appreciate this is a bill of some magnitude.

The PRESIDING OFFICER. Let the Chair keep the record straight. Let the next order be stated, and the Chair will recognize the Senator from Washington.

ANNUITIES OF MEMBERS OF CONGRESS, ETC.

The bill (S. 3682) to amend the Civil Service Retirement Act of May 29, 1930, as amended, with respect to the time of taking effect of annuities of Members and elected officers of the Senate and House of Representatives was announced as next in order.

Mr. WILLIAMS. I object.

The PRESIDING OFFICER. Objection is made.

UTILIZATION BY ARMED SERVICES OF PRIVATE SHIPPING

Mr. MAGNUSON. Mr. President, with respect to Senate bill 3687, I wish to say to the Senator from Massachusetts, that we expect to offer amendments which will meet the objection the Committee on Armed Services has, and try to bring the bill up on what I hope will be a maritime day so that we will not have these very important maritime bills held up by one or two objections.

BILLS PASSED OVER

The bill (H. R. 7155) to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest landowners, and for other purposes was announced as next in order.

Mr. MARTIN. Over.

The PRESIDING OFFICER. The Senator from Pennsylvania objects, and the bill will be passed over.

The bill (S. 3147) to establish a temporary National Commission on Intergovernmental Relations was announced as next in order.

Mr. SCHOEPPEL. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

UNITED TRANSFORMER CO.

The bill (H. R. 6489) for the relief of United Transformer Co. (formerly United Transformer Corp.) was announced as next in order.

Mr. McCARRAN. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. KEFAUVER. Mr. President——

The PRESIDING OFFICER. Will the Senator from Nevada withhold the objection?

Mr. McCARRAN. I withhold the objection while the Senator from Tennessee discusses the bill.

Mr. KEFAUVER. Mr. President, I wonder if there was something about the merits of the claim that led the Senator to object. It was gone into fully by the committee. This is the second time the bill has been called, and I had hoped it could be disposed of on this call.

The PRESIDING OFFICER. Objection has been heard, and the clerk will state the next order of business.

EWA PLANTATION CO.

The Senate proceeded to consider the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause, and insert the following:

That jurisdiction is hereby conferred upon the United States District Court for the District of Hawaii to hear, determine, and render judgment upon the claim of Ewa Plantation Co., a corporation organized and existing under the laws of the Territory of Hawaii, against the United States for compensation for alleged loss and damage sustained by it, which alleged damages were caused by aircraft, gunfire, flares, and other acts of the Armed Forces of the United States from December 8, 1941, through June 20, 1945, upon lands held under lease by said company, resulting in the damage to and destruction of the crop of sugarcane belonging to said company upon its lands adjacent to Pearl Harbor on the island of Oahu, Territory of Hawaii.

SEC. 2. Notwithstanding any statute of limitations or lapse of time, suit upon such claim may be instituted at any time within 1 year after the date of enactment of this act. In any such suit brought pursuant to this act proceedings shall be had and the liability, if any, of the United States shall be determined in accordance with the provisions of law applicable in the case of tort claims against the United States: *Provided, however,* That the passage of this act shall not be construed as any inference of liability on the part of the United States Government.

Mr. McCARRAN. Mr. President, this is a bill to confer jurisdiction on the United States District Court for the District of Hawaii to hear, determine, and render judgment upon the claim of an Hawaiian corporation for damages allegedly caused by aircraft, gunfire, flares, and other acts of the Armed Forces of the United States. A subcommittee held hearings, which indicated that damage may have been done by the United States Government, for which compensation would be due, but that the extent of such damage, and the amount thereof, should be determined by a court.

In order to be certain that the enactment of this bill would not prejudice the rights of the United States, the committee has inserted a provision that the passage of this act shall not be construed as any inference of liability on the part of the United States Government. To be consistent with this provision, it has been suggested that there should be a further amendment to the bill, in the portion which speaks of "damages caused by aircraft, gunfire, flares, and other acts of the Armed Forces of the United States", so as to make it read "allegedly caused" and so forth. It is not believed this amendment is necessary, but in order to satisfy all doubt, I now send forward the amendment in question, and move its adoption.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The LEGISLATIVE CLERK. On page 3, line 9, after the word "were" it is proposed to insert the word "allegedly."

The amendment to the amendment was agreed to.

Mr. McCARRAN. Mr. President, the Senator from Iowa [Mr. GILLETTE] has expressed the view that this claim should be tried in the Court of Claims rather than in the United States District Court. There is no objection to this except that it would appear the convenience of the parties would be better served by putting the case in the district court. If it goes to the Court of Claims, all pleadings will have to be filed in Washington; and although it is to be presumed that a commissioner would be sent to Hawaii, sending him would cost the Government, in all probability, several thousand dollars, and there would also be additional expense in sending to Hawaii some member of the Attorney General's staff who is assigned to try Court of Claims cases.

However, if necessary, in order to meet the objection of the Senator from Iowa, the grant of jurisdiction to the Court of Claims rather than to the district court can be accomplished by amending the committee amendment on page 3, line 4, striking out the words "District Court for the District of Hawaii' and inserting "Court of Claims". If this amendment is adopted, the title of the bill should also be amended.

I so move.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 2233) was read the third time and passed.

The title was amended so as to read: "Conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Ewa Plantation Co., a Hawaiian corporation."

BILLS PASSED OVER

The bill (S. 3350) to amend the minimum-wage law by extending the application of minimum-wage orders to men, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. Over.

The PRESIDING OFFICER. The bill will be passed over on objection.

The bill (H. R. 4237) to amend the act entitled "An act to regulate the practice

of optometry in the District of Columbia," was announced as next in order.

Mr. HUNT. I object.

The PRESIDING OFFICER. On objection the bill will be passed over.

BUILDING FOR FEDERAL DEPOSIT INSURANCE CORPORATION

The bill (S. 2923) to authorize the Federal Deposit Insurance Corporation to acquire or construct, with its own funds, a building within the District of Columbia suitable for the Corporation, was announced as next in order.

Mr. McCARRAN. Mr. President, may we have an explanation of the bill?

Mr. HOLLAND. Mr. President, the FDIC at present is housed in rented buildings, and at very large expense. The surplus that is accumulated in the hands of FDIC is so great that, as Senators will remember, we have only recently passed a law to increase the coverage of the guarantee, without increasing proportionately the levies made. The FDIC wants a building commensurate with its importance, to enable it to serve satisfactorily, since its present personnel is distributed around in six or eight different places in the District.

This bill, which is reported from the Public Works Committee and also from the Committee on Banking and Currency—from both it comes by unanimous vote—would simply allow the construction at such time as the President may approve—and that, of course, would mean that it could not be started during the present emergency, of a building out of FDIC funds, and to be approved by the Planning and Fine Arts agencies which have jurisdiction in the District of Columbia.

Mr. MORSE. Mr. President, I believe the same reason for not building the Senate Office Building applies to this matter, and I object.

Mr. HENDRICKSON. Mr. President, I wish to associate myself with the remarks of the Senator from Oregon.

The PRESIDING OFFICER. On objection, the bill will be passed over.

The next bill on the calendar will be stated.

BILLS PASSED OVER

The bill (H. R. 3419) to amend the Merchant Ship Sales Act of 1946, was announced as next in order.

Mr. WILLIAMS. Over.

The PRESIDING OFFICER. On objection, the bill will be passed over.

The bill (S. 3257) to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes, was announced as next in order.

Mr. McCLELLAN. I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

REGISTRATION OF ARCHITECTS IN DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 2887) to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare, which had been reported from the Committee on the District of Columbia with amendments on page 6, line 4, after the word "practical", to insert "architectural", and at the end of the bill to insert a new section as follows:

SEC. 8. This act shall take effect 90 days after its enactment.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 2887) was read the third time and passed.

STATEHOOD FOR HAWAII—BILL PASSED OVER

The bill (H. R. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States, was announced as next in order.

Mr. McCARRAN. Over.

The PRESIDING OFFICER. The bill will be passed over.

STATEHOOD FOR ALASKA—BILL PASSED OVER

The bill (H. R. 331) to provide for the admission of Alaska into the Union was announced as next in order.

Mr. McCARRAN. Over.

The PRESIDING OFFICER. Objection is heard.

Mr. LUCAS. Mr. President, will the Senator withhold his objection for a moment?

Mr. McCARRAN. Yes.

Mr. LUCAS. House bill 331, calendar No. 1932, is an act to provide for admission of Alaska into the Union. It is undoubtedly of extraordinary importance, in view of what is going on at the present time throughout the world. The administration is definitely for this bill.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question at that point?

Mr. LUCAS. Yes.

Mr. KNOWLAND. I happen to favor the bill for the admission of Alaska into the Union, as well as the one providing for the admission of Hawaii; but I did not want the implication to remain that the able majority leader was speaking only for the Alaskan bill and not for the Hawaii bill, the one immediately preceding the bill now being discussed.

Mr. LUCAS. I am glad the Senator called my attention to that, because I am for both bills, but I believe the bill providing statehood for Alaska is of superior importance because of the geographic position of Alaska and its importance to us at the present time. I will say to the Senator that I am just as strong for one as I am for the other so far as admission into the Union is concerned.

I want to call attention to what I believe to be the importance of admission of both Alaska and Hawaii into the Union. Sometime ago when it was reported that the Democratic Policy Committee might take up the Alaska or Hawaii statehood bills; we received word immediately from the Senator from Mississippi [Mr. EASTLAND] that if one of these bill was brought up he then would propose to displace it by trying to push the Mundt-Ferguson bill to the front. Then I discovered that if that should happen, possibly some Senator might attach the civil-rights amendment on the Mundt-Ferguson bill. That would be a very difficult parliamentary situation to face.

Mr. President, I hope that will not happen. If the time comes when we have to bring up one of these bills or both of them to admit Hawaii and Alaska to the Union, I should like to see either measure debated in the Senate upon its merits, without an attempt being made in the way of subterfuge of any kind whatsoever, without attempting to displace one of the bills with some other measure.

From the standpoint of our own defense, Alaska is in a strategic and a very critical position. Everyone who has talked to the military about the situation or who knows anything about what is going on in the world at the present time can reach only one conclusion, which is that Alaska is one of the outposts which will be of extreme importance to the defense of all the States of the Union. It seems to me that if we had Senators here on the floor from Alaska representing that State, looking after its interests, telling the Senate and the country what was absolutely vital and necessary for its protection and for its development, it would be of tremendous help in developing the protection of our country.

Furthermore, Mr. President, once Alaska becomes a State the possibilities for development, the possibilities for the opening up of new frontiers in Alaska, from the standpoint of raw materials existing in that great Territory, would be almost beyond the imagination. If properly developed Alaska could maintain millions upon millions of people in the future.

If the time comes and the session lasts long enough and we bring up one or both of the statehood bills—and if we should bring up one it would mean that we would have to bring up both—I certainly hope the bills will be debated on their merits, and that Senators may be allowed to vote without any subterfuge being adopted in an attempt to defeat the bills.

Mr. KNOWLAND. Mr. President, I had not intended at this time to rise because I was under no illusion that the bills would pass on the Unanimous Consent Calendar. I did, however, call the attention of the able majority leader to what might have been an implication that he was favorably disposed toward the Alaska bill and was underemphasizing the Hawaii bill. Mr. President, I place both of them in the same category, and I appeared in support of both bills, when they were pending before the Interior and Insular Affairs Committee.

I merely wish to stress that with the situation prevailing in the Pacific today, it seems to me that the Territory of Hawaii as a State has much to offer in helping the United States to understand the Far East, and in helping the Far East to understand the United States.

It seems to me that this island outpost of ours, which is far more interested in the problems of the Pacific basin, in-

cluding Australia, New Zealand, China, Japan, and that entire area of the world, can make a great contribution in helping to bring about the better understanding which, for the peace of the world and the very security of our Nation, I believe to be essential.

Certainly, without underestimating the importance of Alaska—and I think both measures should be considered—I would say that on the basis of population, on the basis of contributions to the Federal Treasury, and on the basis of the time it has been an organized Territory, certainly the Territory of Hawaii is entitled to be admitted as one of the States of the Union and to be represented both in the Senate and in the House of Representatives in the same way that any other State is represented.

So I very much hope the majority leader may find it possible to bring both these measures—and I wish to underscore the word "both"—before the Senate for action.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

Mr. THYE. Mr. President, referring further to the question of admitting Hawaii and Alaska to the Union, as States, let me say that we now are engaged in a cold war; and I believe that from the psychological standpoint we would gain much in the cold war if and when both the Hawaiian Islands and Alaska are admitted to the Union, as States, because that actior in itself would speak for the United States in a manner so effective that it would offset much of the propaganda of the Communists about the so-called imperialistic attitude of the United States.

CONSTRUCTION AT GRIFFIS AIR FORCE BASE—BILL PASSED OVER

The bill (S. 3727) to authorize certain construction at Griffis Air Force Base, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. On behalf of the senior Senator from New Jersey [Mr. SMITH] and in my own behalf, I strenuously object to the consideration of this bill at this time. I wish to see this bill debated on its merits; but it cannot be debated on its merits now, under the 5-minute rule.

Mr. IVES. Mr. President, will the Senator withhold his objection for a minute?

Mr. HENDRICKSON. Yes.

Mr. IVES. Mr. President, this bill authorizes the Secretary of the Air Force to establish facilities for electronics research at Griffis Air Force Base in Rome, N. Y. Its purpose is to promote the most efficient conduct of this highly critical research task, through coordination of several operations at one military installation.

An identical move has already been approved by the Senate in passing Senate bill 2440, the omnibus military authorization bill. However, this particular item was deleted in conference, as the House conferees felt it should more properly be the subject of separate enabling legislation. The conference report reads:

> The chairmen of the Senate Armed Services Committee and the House Armed Services Committee should introduce, as expeditiously as possible, a separate bill covering this one specific item, and the respective committees should conduct hearings on said bill.

Pursuant to the direction of that report, Senate bill 3727, the bill just announced as next in order on the calendar, was introduced and considered by the Senate Armed Services Committee.

This transfer has been recommended by investigating subcommittees of both Houses of the Congress, as well as by the Air Force. The compelling interests of national defense dictate that these recommendations be carried out as rapidly as is feasible, and I deplore any delay in Senate action upon this measure.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HENDRICKSON. I yield.

Mr. LEHMAN. Mr. President, the measure which has just been reached on the calendar is, in my opinion——

The PRESIDING OFFICER. The Senator from New Jersey can yield only for a question.

Mr. LEHMAN. Mr. President, I ask the Senator to withhold his objection, in order to permit me to make an observation.

Mr. HENDRICKSON. I withhold my objection.

Mr. LEHMAN. I now wish to state, Mr. President, by way of observation——

The PRESIDING OFFICER. In order for the Senator to make an observation, he must be recognized.

The Senator from New York will be recognized at this time, to speak in his own time.

Mr. LEHMAN. I thank the Chair.

Mr. President, let me say that I consider this measure to be of vital importance in connection with the national defense efforts being made today. The bill has been urged and recommended by a former Secretary of the Air Force, Mr. Stuart Symington, and also by the present Secretry, Mr. Thomas Finletter.

A subcommittee of the House of Representatives visited both the Griffis Air Force Base in New York and the Eatons Field, New Jersey site, and made a unanimous report in favor of the move to New York.

A subcommittee of the Senate committee, headed by the Senator from Wyoming [Mr. HUNT], also visited both places, and made a unanimous report in favor of the proposed transfer.

Mr. President, in connection with the consideration of this very important matter, no questions of political advantage or personal interest or local interest should be permitted to play any part.

The senior Senator from New York [Mr. IVES] and I, as far back as 4 months ago, when this matter first came up on the floor of the Senate, stated that we were perfectly willing to abide by any decision which was reached by the Armed Services Committee and by the leaders of the air forces.

I am sure that I can speak for the senior Senator from New York [Mr. IVES], as well as for myself, when I say that we stand by that position. There is no question whatsoever with regard to the attitude taken by our military leaders, by the Department of the Air Force, or by the two investigating committees, or on the part of the Senate Armed Services Committee.

I think it is most unfortunate—in fact, it is quite incomprehensible to me, if I may be perfectly frank about the matter—that there should be this opposition. Not a single argument has been raised against this bill by anyone in authority or with a complete understanding of the situation.

Mr. HENDRICKSON. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. Of course.

Mr. HENDRICKSON. Would it surprise the Senator from New York to know that is why I wish to debate this measure—namely, to raise the questions the Senator from New York now raises, and to have them thoroughly considered by the Senate.

I do not agree at all with the premise upon which the Senator from New York bases his argument.

Mr. LEHMAN. Mr. President, let me say that the Senator from New Jersey attended the subcommittee meeting when this matter was discussed, and at that meeting there was testimony by representatives of the Department of the Air Force and by other military authorities. The Senator from New Jersey had a right to interrogate those witnesses, and he did.

I know the Senator from New Jersey is now within his rights in objecting to consideration of this measure at this time; and of course we must abide by the rules of the Senate.

However, I wish to state now that I am confident that the distinguished chairman of the Armed Services Committee, the distinguished chairman of the subcommittee, and the Secretary of the Air Force will join my colleague the senior Senator from New York [Mr. IVES] and me in asking the distinguished majority leader, the Senator from Illinois [Mr. LUCAS], to have this bill brought before the Senate at the earliest possible moment.

The PRESIDING OFFICER. The Senator's time has expired.

Objection being heard, the bill goes over.

Mr. HENDRICKSON. Mr. President, I merely wish to say that I am entirely in accord with the idea of bringing this bill before the Senate at the earliest possible moment. I have no desire in the world to delay any matter in connection with the national security.

However, there are some serious questions in connection with this bill. There has been quite a change in the world situation since the bill was considered by the committee and since it was reported to the Senate; and it is entirely proper and fitting that those

changes be considered by this body in open debate.

I have a great deal of regard for both the distinguished Senators from New York and their opinions; and I wish to have the entire issue decided on the same basis as that upon which they would have it decided, namely, that of national security.

However, the changes which have occurred in world conditions and in the eastern and far eastern situation I think should be reflected in any matter relating to the making of this change at this time. I wish to debate this measure, and I wish to have more than 5 minutes in which to do so. I am sure the senior Senator from New Jersey [Mr. SMITH] would agree with that statement, because I know his feeling in regard to this bill.

The PRESIDING OFFICER. Objection is heard.

Mr. HUNT. Mr. President, as chairman of the subcommittee which held hearings on this particular bill——

The PRESIDING OFFICER. Does the Senator from New Jersey withhold his objection?

Mr. HENDRICKSON. I gladly withhold it.

Mr. HUNT. As chairman of the subcommittee which held the hearings and made the investigation on the ground in connection with this particular bill, and realizing now the position of the two distinguished Senators from New Jersey, I merely desire to say that I, too, should like it very much if the majority leader could find a place for the consideration of this bill at the earliest possible time, because of its tremendous importance.

Mr. SMITH of New Jersey. I wish to associate myself with what my distinguished colleague [Mr. HENDRICKSON] has said on this matter. We have discussed it, and we both feel that there should be placed before the Senate the full pros and cons of the measure. But I agree fully with the suggestion that the consideration of this measure should be set for an early date. I think it should be disposed of at this session. I shall do all I can to cooperate with the Senators from New York and with the Senator from Wyoming, the chairman of the subcommittee, in having the bill considered.

I believe there are other matters that I shall want to present, which will require longer than 5 minutes, merely to bring out for the record what the issues are. The testimony involved many people and many matters of national security about which I think the Senate should know.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

Mr. McCARRAN. I may say in response to the remarks made by the able Senator from Wyoming and by the Senators from New York that this bill is not the only bill on the calendar of first magnitude. There are some other bills which some of us are exceedingly anxious to have come before the Senate and discussed quite at length, principally the bills which would put a stop to subversivism and the bill which might take care of communism in this country. Those things are of first importance, especially at this time, when our country is in such a dilemma as it is.

BILL PASSED OVER

The bill (H. R. 8083) to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad, was announced as next in order.

Mr. SALTONSTALL. The senior Senator from Ohio [Mr. TAFT] objected to this bill previously, when it was called on the calendar, and I object to it now.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

DISCONTINUANCE OF CALL OF CALENDAR FOR THE DAY

Mr. LUCAS. Mr. President, it is apparent that we cannot finish the call of the calendar today. A number of Senators have talked to me about dispensing with the further call of the calendar for the day and taking a recess until tomorrow, and then starting where we left off and finishing the call of the calendar tomorrow. I think that is the best course that we could pursue.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. Before I make the motion to recess, I yield to the Senator from Missouri.

SCHEDULING OF BASEBALL GAMES IN WASHINGTON

Mr. DONNELL. Mr. President, on August 4, 1950, as appears in the CONGRESSIONAL RECORD at page 11827, the senior Senator from North Dakota [Mr. LANGER] discussed certain action taken by either Mr. Clark Griffith or the Washington Baseball Club. In the course of his remarks, within quotation marks—which I assume are probably intended merely to be rhetorical quotation marks applicable to Mr. Griffith—appears this sentence:

> But if others can do it—if Branch Rickey can "get away with it" in Brooklyn—I can "get away with it" in Washington.

It happens, Mr. President, that Mr. Branch Rickey is a very close personal friend of mine, and has been for many years. He is a man of high moral character and integrity. I sent to Mr. Rickey a copy of the page containing the remarks of the distinguished Senator from North Dakota. I informed Mr. Rickey in substance over the telephone that if he desired to furnish me with any data bearing on himself which he thought it would be well to place in the RECORD, I should be glad to introduce it.

I have today received, without any instructions as to whether it should go into the RECORD or not—and I take that upon my own shoulders—a letter dated August 7, 1950, from Branch Rickey, President of the Brooklyn National League Baseball Club, addressed to me, and a brief or a memorandum of law which he states was presented to Governor Dewey by Walter F. O'Malley, vice president of and counsel for that club. I ask unanimous consent that the letter and memorandum be set forth at this point in the RECORD.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

BROOKLYN NATIONAL LEAGUE
BASEBALL CLUB,
Brooklyn, N. Y., August 7, 1950.

Hon. FORREST C. DONNELL
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR FORREST: Last February an act was introduced in the New York State Assembly relating to the hours during which regularly scheduled major league games might be played. Without debate the bill was passed by the legislature on the final day of the session and referred to Governor Dewey for signature. In due course the Governor vetoed the proposal, saying in part:

"It is not the business of the State to determine by law when baseball games should be played in the absence of any showing that the health, welfare, or safety of the people is involved. This is still a free country."

It is unnecessary, I am sure, for me to comment at any length upon the unconstitutionality of legislation of this nature. For your information, however, I am sending herewith a memorandum of law on the point presented to Governor Dewey by Walter F. O'Malley, vice president of and counsel for our club, which covers the legal aspects quite forcefully, in my opinion.

I am not at all sure that the Brooklyn and Washington situations are analogous. Be that as it may I do feel very strongly that Mr. Griffith has every right to schedule the games as he has.

In this connection I might well direct your attention to the fact that from the early days of the major leagues as now constituted, morning and afternoon games have been played on holidays—and separate admissions charged. Such a schedule is traditional in Boston, for example, and in my day as a player the custom of having morning and afternoon games on holidays was universal. The scheduling of double-headers for which only one admission is charged on holidays came later in cities in which the teams were poorly supported. The custom of playing separate morning and afternoon games on holidays continued in some cities through the years—Brooklyn among them. It is our judgment that by so scheduling these games we accommodate in a park of limited capacity almost twice as many people as we could were we to play the two games as an afternoon double-header. It is common knowledge that on occasion we are unable to accommodate at Ebbets Field everyone wishing to attend single games.

In the past 47 years the Brooklyn club has played 54 games on 27 holidays as morning and afternoon games. On only three other occasions, to my knowledge, has this club scheduled two games in one day and charged separate admissions. In each instance the situation was most unusual and in two of the three the gate receipts were turned over to charity.

In 1947 by direction of the National League president because of an incorrect decision by an umpire and through no fault of either club, it was necessary to replay a game between Brooklyn and St. Louis. It would not have been fair to our patrons to exact another price for a replayed game to the profit of the two clubs. Our schedule included only one remaining date on which this game could properly be rescheduled and we already were scheduled to play St. Louis a night game on that date. That night game already was a sell-out and scheduling a double-header would have accommodated no additional patrons yet in effect the clubs

would have been sharing in the profits of the replayed game were it so scheduled.

I proposed to the St. Louis club that we reschedule the game for the afternoon of that date and give the receipts to charity. St. Louis saw the point and gladly agreed, waiving its share of the receipts. We asked 15 leading citizens of Brooklyn to select the beneficiary and unanimously they chose the Brooklyn War Memorial Fund. The game realized $44,076.79 for the fund.

Last season for different—but entirely sufficient—reasons we found it necessary and advisable to schedule the replay of a tie game with St. Louis on the afternoon of a day on which we already were to play St. Louis a night game. Again we decided to give our share of the receipts to charity—this time to Brooklyn organizations representing the three major faiths. St. Louis agreed to turn over its share to similar philanthropic agencies in its home territory. As a result Catholic, Jewish, and Protestant charities in the two communities received $35,880.12.

On the third occasion, also in 1949, a postponed night game with Cincinnati of necessity had to be rescheduled—because of commitments to a great number of preseason ticket purchasers—as a night game on the date of our final meeting of the season with Cincinnati at Ebbets Field. Rescheduling the game as part of a double-header that afternoon would not have accommodated those fans who had purchased tickets under group plans for a night game and we, therefore, had no alternative but to schedule the games singly as afternoon and night games.

It seems inconceivable to me that anyone should wish to deny baseball the right to schedule such games or to so adjust its schedule in emergency situations. Those of us in this game of professional baseball really wish it to be a sport in our country, but in order to be a sport—clean and wholesome and permanent—it must be financed and many operators and owners have found that professional baseball is a precarious investment. In other words, baseball has to have business attention. It must pay its way. Even very great sportsmen have finally become wearied with continuous losses, and all of us in it try to find and keep the ways and means of breaking even or indeed making a profit.

It would be bad, it seems to me, if theaters were prohibited from having two shows in any one day. It would not be good if the law prohibited us from playing our games at any hour when it seemed best, from the standpoint of available patronage, to have the game scheduled. The convenience of the hour is a great consideration when we consider the accommodation of the public. It does not occur to me that the public health or public safety are in any way involved as a possible reason for telling us that we cannot conduct our business in the forenoon, or at noontime, or at 3 p. m. or at 8 p. m. That sort of proposal carried further and with no better reason could devastate us. I don't believe the law would care to control the outcome of a pennant season in our major league if it became necessary, in order to complete a schedule for two teams to play three games, for example, on the last day of the season if the pennant championship was at stake—one in the morning and a double-header in the afternoon. As a business it should be permitted to operate upon what it believes to be the best business basis, so long as it does not interfere with the rights of other folks, and in no way threatens the safety or health of our people.

It occurs to me that these observations may be of interest to you.

Cordially yours,

BRANCH RICKEY,
President.

MEMORANDUM AS TO CONSTITUTIONALITY OF ASSEMBLY INTRODUCTORY NO. 2831, PRINT 3033, ENTITLED "AN ACT TO AMEND THE PENAL LAW, IN RELATION TO THE HOURS FOR PLAYING PROFESSIONAL, MAJOR LEAGUE, REGULARLY SCHEDULED BASEBALL GAMES"

To the Honorable THOMAS E. DEWEY,
Governor of the State of New York:

The subject bill provides as follows:

"SECTION 1. The penal law is hereby amended by inserting therein a new section, to be section 830, to read as follows:

" 'SEC. 830. Hours for playing professional, major league, regularly scheduled baseball games. No professional, major league baseball club shall hereafter play any regularly scheduled baseball game before 1 o'clock in the afternoon. If two games be regularly scheduled to be played on the same day by and between the same professional major league baseball clubs, the second game shall not be commenced or continued after sundown of that day, even though the ball park where such game is being played be equipped with lights; and such lights, if any, shall not be turned on to permit the commencement, continuance, or completion of such second game. The owner and manager of any baseball club which violates this section shall be guilty of a misdemeanor.'

"SEC. 2. This act shall take effect immediately."

The above bill is an improper exercise of the police power, and unconstitutional both under the New York and Federal Constitutions, because: (1) it has no relation to health, safety, or morals, and (2) it is discriminatory upon its face.

In the early and leading case of *In re Jacobs* (98 N. Y. 98), the New York Court of Appeals recognized the basic principle that the constitutional provision that no person should be deprived of life, liberty, or property without due process of law protected one's right "to pursue any lawful trade or avocation," within the limits of the power of the State to promote the health, safety, or welfare of the public. The court pointed out that, in the final analysis, it was for the courts to determine whether a statute is calculated to accomplish these permissible ends. The court stated (p. 110):—

"If it passes an act ostensibly for the public health, and thereby destroys or takes away the property of a citizen, or interferes with his personal liberty, then it is for the courts to scrutinize the act and see whether it really relates to and is convenient and appropriate to promote the public health. It matters not that the legislature may in the title to the act, or in its body, declare that it is intended for the improvement of the public health. Such a declaration does not conclude the courts, and they must yet determine the facts declared and enforce the supreme laws."

What is there, then, about baseball exhibitions that make them inimical to the public health, safety, or morals, if a baseball game is commenced before 1 p. m., or if on the day of a double header one of the games should commence or be continued after sundown? The bill presupposes that the public welfare does not suffer if a nonregularly scheduled exhibition is commenced before 1 p. m. or if any game is commenced after sundown as long as it is the only one played on that day. It likewise permits two games to be played if they are both played in the afternoon.

The purpose of the bill is not to promote the public health, safety, or morals, but to assure to patrons that if two games are scheduled for the same day they may attend both for a single admission charge.

It is submitted that if this bill should become law, the courts of this State would be obliged to hold it unconstitutional and void.

In *Johnson* v. *Town of Philadelphia* (94 Miss. 34, 47 So. 526 (1908)), the court had to consider an ordinance of the town of Philadelphia which prohibited the operation of poolrooms, billiard parlors, dance halls, and skating rinks between the hours of 6 p. m. and 6 a. m. Plaintiff operated a skating rink and sought a determination that the ordinance was invalid. In upholding his contention, the court stated:

"It is unreasonable to say that a skating rink shall be kept open only between the hours of 6 a. m. and 6 p. m., and such ordinance cannot be upheld. Rights cannot be stealthily taken away under the power to regulate. The power to regulate is given for a wholesome purpose. It is a defensive power of municipalities, and not a weapon of destruction."

The Johnson case was cited with approval in *Cowan* v. *City of Buffalo* (247 App. Div. 591, 288 N. Y. Supp. 239 (1936)), where the court held void an ordinance of the city of Buffalo which made it unlawful to operate outdoor fruit and vegetable stands during specified hours. The opinion of the court collects many cases from other jurisdictions in which regulations of the permissible hours for doing business have been declared unconstitutional. The court stated (247 App. Div. at 596):

"We fail to find any evil resulting to the public from keeping these stands open after 7 o'clock in the evening, and we can conceive of no legitimate benefit which can flow to the public from the enforcement of the ordinance."

The Cowan case was relied upon in *Abrams* v. *City of Buffalo* (276 N. Y. 494 (1937)), a case in which the court of appeals affirmed the judgment of the appellate division declaring unconstitutional an ordinance of the city of Buffalo prohibiting the operation of shoe stores during specified hours.

In *People* v. *Kuc* (272 N. Y. 72 (1936)), the court of appeals held unconstitutional a village ordinance under which the defendant had been convicted of a misdemeanor for offering a newspaper for sale between the hours of 9 p. m. and 7 a. m.

Apparently the latest case on the subject is *People* v. *Leadbitter* (194 Misc. 481, 85 N. Y. S. 2d. 287 (1948), aff'd. 89 N. Y. S. 2d. 924 (1949)). In holding unconstitutional an ordinance of the city of Poughkeepsie limiting the hours of the day in which barber shops could lawfully be opened, the court stated (194 Misc. at 486):

"Any contention that the regulation is a health measure designed to prevent those engaged in barbering from working long hours thereby impairing their efficiency and competence is fanciful indeed. To reason that hours of opening and closing of barber shops have a reasonable relation to the public health and safety is to overlook the practical aspect of the problem. It would seem that the public will be just as healthy and safe whether a shop opens or closes at the hours specified in the regulation, or at some other reasonable time convenient to the trade."

For a collection of authorities substantiating the above, see Annotation, "Validity of Statute or Ordinance Fixing Closing Hours for Certain Kinds of Business," 55 A. L. R. 242.

It is submitted, therefore, that the proposed statute is unconstitutional in that it is an interference with the right to schedule and play baseball games without having any reasonable relation to the promotion of the public health, safety, or morals.

Under the alcoholic beverage-control law, liquor may be sold for off-premises consumption between 8 a. m. and midnight and may be sold for on-premises consumption between 8 a. m. and 3 a. m., except in the city of New York where it may be sold between 8 a. m. and 4 a. m. (Alcoholic Beverage Control Law, sec. 105, subd. 14; sec. 106, subd. 5). It would be the grossest kind of unfair

discrimination to prohibit the playing of professional baseball games during the morning hours and at the same time to permit free traffic in liquor during those same hours.

It is also unconstitutional for the further reason that it is discriminatory. It is concerned only with baseball games, thus singling out this particular sport. But further than that, the bill specifies "professional, major league" baseball clubs, thus exempting nonprofessional, or minor league, professional teams. It also is directed only at "regularly scheduled" baseball games, thus eliminating all other types of baseball exhibitions.

Respectfully submitted.

WALTER F. O'MALLEY,
Attorney, Brooklyn National League Baseball Club, Inc.

Mr. MORSE and Mr. SALTONSTALL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. LUCAS. I yield to the Senator from Oregon.

THE SPANISH LOAN—EDITORIALS

Mr. MORSE. I ask to have printed in the body of the RECORD, as a part of my remarks, four editorials on the Spanish loan, as follows: An editorial entitled "No Loan to Spain" from the Portland Oregonian, dated Friday, August 4, 1950; an editorial from the St. Louis Post-Dispatch entitled "And Now Franco," dated August 3, 1950; an editorial entitled "One Hundred Million Dollars for What?" dated August 5, from the Christian Science Monitor; and an editorial from the New York Times entitled "The Loan to Franco," dated August 3, 1950.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Portland Oregonian of August 4, 1950]

NO LOAN TO SPAIN

The Senate gave way before a combination of ideological, economic, and military pressure in voting for a $100,000,000 loan to Spain. Like Senator WAYNE MORSE of Oregon and Secretary of State Dean Acheson, we like neither the implications nor the methods of this action and recommend serious study of the matter before approval in the House.

There has been no change in the ruthless one-party rule of Francisco Franco's falange over the Spanish people to recommend a change in United States position since diplomatic recognition was withdrawn in 1946, in compliance with a United Nations vote. None of our European allies has favored our assistance to a Fascist dictatorship which, though it is in opposition to communism, is likewise antipathetic to democracy.

To say that some Comumnist-governed members of the United Nations are equally dictatorial is not enough. We cannot do anything about them, at the moment, but this does not justify strengthening another dictatorship—a government so recently on the side of our Fascist and Nazi enemies in war.

The military argument falls flat. The price of bases for a potential war against the Communist world would be extremely high. We would be expected to rebuild the military and economic sinews of bankrupt Spain, at a cost we cannot now afford because of our commitment in Korea and our pledge to arm and strengthen friendly nations.

The loan is not justified, either, on business grounds. The Senate amendment would force the Export-Import Bank to grant the $100,000,000, though that agency repeatedly has rejected such applications. Spain has been unable to repay its $350,000,000 loan from Juan Peron's friendly government in Argentina. Private investors have backed away from Spain because Juan March, frequently called the richest man in Europe, controls all foreign-owned utilities in Spain and Franco is responsive to his economic will.

Overshadowing the practical aspects of the Spanish financial situation is the moral position of the United States. Senator MORSE saw that clearly when he said: "I don't feel that we're going to win this war around the world if we support totalitarianism, be it communistic or fascistic." We have to keep our own nose clean.

[From the St. Louis Post-Dispatch of August 3, 1950]

AND NOW FRANCO

Secretary of State Acheson's opposition to the proposed $100,000,000 loan to the Franco dictatorship in Spain is qualified, but it is welcome however limited. Surely the House will now give more thought to what is involved than did the Senate when it passed the loan bill by the headlong vote of 65 to 15.

Before the Truman Administration directs the Export-Import Bank to send a loan to Spain's Fascist overlord, somebody around the White House should count the terrific cost of such a step. And this cost needs to be reckoned, hardly at all in terms of money, but in the good will of democratic people and peoples aspiring to be free around the world.

Franco was set up by Hitler and Mussolini. The Axis dictators used the little Fascist's war against the Spanish Republic as a proving ground for World War II. They tried out new weapons, new tactics and put armed forces in as though they were taking part in maneuvers. Without the support of the dictators in Berlin and Rome, Franco's armed rebellion would have lasted only a few weeks at the most.

As it turned out, El Caudillo was the only one of the despicable trio who survived popular wrath. By a series of good fortunes, if such they can be called, he has managed to hang on, though the financial basis of his iron-handed rule is and has been shaky for a long time.

A loan to Franco would do the United States a vast amount of harm among distant peoples whose support we should be very eager to have. It would amount to official notice that we will support any dictator, no matter how repressive his regime, if we think it is to our advantage—or if some influential pressure group is able to put that idea across.

Just how many police state characters do we in the United States intend to tie up with? We gave our backing to such a small-scale dictator in South Korea's Syngman Rhee. Now we are having to explain that the United States went to the defense of peace in the Orient and not to uphold Rhee and his reactionary, strong-arm methods.

After backing Chiang Kai-shek much too long without obtaining a change in his dictatorial and corrupt rule, the Truman administration finally decided it had poured money down Chiang's rat-hole long enough. Now because of the possible relation of Formosa to our military operations in Korea, General MacArthur is talking about all-out defense of Formosa. That could involve the United States in a war with Mao's Chinese Government which has driven Chiang off the continent of Asia. Naturally Chiang would like nothing better than to unload his lost war on us.

Indochina and Greece also come to mind and the list could be extended. In too many places we are seeming to back the unpopular dictators or puppets against whom communism has been able to present itself as a people's movement.

Why do we need to lend more color to this by sending $100,000,000 to Franco to bolster up his sagging economy? If this is a military move, let the Joint Chiefs of Staff say so and let the case, if there is one, be presented for it on that basis. If it is merely the economic shot in the arm which Senator MCCARRAN, of Nevada, and other Franco apologists have been trying to arrange, then let that be no less clear.

And if the loan is proposed as a military measure Washington should reflect on its inevitable effect on all of western Europe above the Pyrenees Mountains. Is it our wish to serve notice that France, western Germany, and the Low Countries, all are written off in advance?

Franco is against democracy just as much as Stalin is. All he wants of us is our money. We should have as little as possible to do with him and his denial of the human rights

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[From the Christian Science Monitor of August 5, 1950]

ONE HUNDRED MILLION DOLLARS FOR WHAT?

This newspaper, as is well known, has advocated liberal economic and military aid for European nations in the Atlantic Pact. We believe it is sound economics and sound defense.

We do not see any soundness, economic, military, political, or moral, in the proposal which has just won the acquiescence of the United States Senate to add $100,000,000 to the current Marshall plan appropriation in order to lend that amount to the Franco dictatorship in Spain.

If the present Spanish Government could show a solid economic basis for loans, it could have obtained them already from the Export-Import Bank. If it plans for the use of the money would stand the scrutiny of its neighbor nations—who have to specify their uses for Marshall plan money—Administrator Paul Hoffman, would not have to be directed to make the loan.

We believe the free world can remain free without spending millions to bail out a former pal of Hitler and Mussolini.

[From the New York Times of August 3, 1950]

THE LOAN TO FRANCO

On February 9, 1946, the General Assembly of the United Nations adopted a resolution endorsing the view expressed at Potsdam and San Francisco that Franco Spain was ineligible for membership in the UN and calling upon members to act in accordance with the letter and spirit of the resolution in their future relations with Spain. We submit that the Senate vote putting Spain into the European recovery program through a $100,000,000 loan goes contrary to the spirit of this resolution. It is a Government loan that would be made without consulting other members of the United Nations. It has been denounced promptly by Secretary Acheson, and President Truman previously was on record as opposing such loans to Franco.

The importance of the proposed credit is precisely in its governmental character. There was no objection when a private American bank made a loan to Spain, nor would there be if the Export-Import Bank did so. As a matter of fact, the bank last year found Spain a poor credit risk. The Senate is going against the almost universal condemnation of the Franco regime throughout the democratic world. The reasons given are primarily that Franco Spain is anti-Communist and that it has great strategic value from a military viewpoint.

Spain always arouses strong emotions, but it should be possible to consider the issue calmly. If our military leaders say Spain is necessary to a proper defense structure, one must accept their judgment. However, it should be obvious that we do not need to bribe Franco to become an ally. He has no choice in a possible war—not even of neu-

trality—for this time, instead of having a friendly Hitler he would have Stalin to contend with.

So far as his anti-communism is concerned, it is vital for Americans to keep in mind that the enemy in our century is totalitarianism, whether it take the form of communism or fascism. We fought the Second World War with communism as an ally, only to find at the end that the threat to world democracy was greater than ever. It would be extraordinarily shortsighted if now we fought communism with fascism as an ally.

It should be recognized that this measure may kill the last hope of overthrowing Franco and installing a democratic, non-Communist regime. It is hard to believe that the American people want to see Franco saved by American help. There is still time to defeat the measure and we sincerely hope that it will be defeated.

Mr. MORSE. Mr. President, during the course of the debate on the Spanish loan there were arguments made by some of us concerning Spain's conduct during World War II, and particularly Franco's close association with both Hitler and Mussolini, which as a matter of historical record can be denied, and which, on the facts, cannot be denied. Therefore, Mr. President, in further support of the argument that the junior Senator from Oregon made during the course of that debate, that Franco's conduct during World War II was inimical to the safety of American boys, I want to put a few letters in the RECORD from some of our veterans of World War II. I do not have consent of those veterans to use their names, and therefore I am going to ask that these letters, or excerpts from them, as I shall instruct the Official Reporter, be inserted at this point in my remarks, with the names of the senders omitted. The first is a letter from Molalla, Oreg., dated August 2; the next is a letter from Eugene, Oreg., dated August 2; the third is a letter dated August 2; and the fourth is a letter dated August 1.

Mr. President, this is probably the last I shall say on this subject, unless for good cause I feel constrained to say something about it in the future. But I should like to say that as the days have passed, I am more certain of how right I was when, on the floor of the Senate, a few days ago, I raised my voice in opposition to the Spanish loan. I repeat today, it is a colossal mistake so far as the foreign policy of our Government is concerned. I sincerely hope that in some way, some how, that mistake will be rectified and the loan will not be made.

There being no objection, the letters and portion of a letter were ordered to be printed in the RECORD, as follows:

MOLALLA, OREG., *August 2, 1950.*

Hon. WAYNE L. MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: I wish to commend you for your stand on the nonallocation of ECA funds for Franco Spain. This fact came to my attention today in a news broadcast. I am sure all veterans feel that their buddies would not be in foreign soil as victims of the help that Franco gave the Axis in World War II.

When we are giving so much financial assistance to foreign nations it is a wise policy of the Congress to give only those nations the necessary amounts in due regard to their friendliness in the past to the United States.

Note the attitude of Russia, we sent considerable help during the past war, now we are taking the brunt of Russia's effrontery. If we were not endowed with so much lip service and power politics, we would have more moral stability as a nation of the world.

Very truly yours.

EUGENE, OREG., *August 2, 1950.*

Senator WAYNE L. MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: It occurs to me that the proposed one hundred million to be paid to Spain is blackmail payment. It should be obvious, by now, that buying an ally is as impossible as satisfying a blackmailer.

Spain is simply a pocket of resistance that SHAEF failed to order mopped up in the bustle after VE-day. To buy the only remaining "thug of Europe" is ridiculous.

After all, we set a rather terrifying precedent in Europe when we instigated the War Crimes Trials; shall we now gaily reward petty Fascists because they were too tired from their domestic dirty work to fight for the Nazis?

We might take a look at the Romans who hired barbarians as professional soldiers on their northern frontiers. The hired soldiers accepted the Roman swords and—sacked Rome with them.

I don't object to the money; if money was the answer, fine. If they were not worth a division when the division was there, then we can certainly keep them out of our hair by leaving them alone, economically. They'll be trouble enough as they are, these second-rate Nazis, let us not give them the wherewithal to hamstring us.

Sincerely.

BEAVERTON, OREG., *August 2, 1950.*

The Honorable WAYNE L. MORSE,
United States Senate,
Washington, D. C.

DEAR SIR: According to the newspaper reports, you opposed the Senate action in voting a loan to Spain. I should like to tell you that it is both pleasing and encouraging that you so spoke out.

I am a Reserve Airborne Infantry officer and am rather expecting to have my university career interrupted soon. While I approve of our present action in Korea, I do feel that this Nation has lately been so absorbed in being against communism that it has almost forgotten to be for anything.

If we are to seek alliances let us seek them with nations whose citizens will be willing to fight for their governments. Mr. Stanley Earl, who was in Korea at the time of the outbreak, makes as much sense as anyone I've heard when he states that the Korean Republic did not have the allegiance of its people and was therefore in no position to be a military asset. I doubt that Spain would be a lighter millstone.

Should there be opportunity for further debate on the matter of a loan to Spain, you might see the State Department publication No. 2483, European series 8, March 1946. It contains excerpts from German documents regarding the relations between Germany and Spain during the last war; these documents make it difficult to envisage Spain as any sort of dependable ally.

Also, in the book Complacent Dictator, by Viscount Templewood, British Ambassador to Spain during the last war, the following paragraph is found on page 114:

"Serrano Suner (Spanish Foreign Minister) was as wrong about the results of Pearl Harbor as the Japanese Minister. He also seemed to think that it was a decisive victory for the Axis. In any case, he ordered the staff of his ministry to leave cards of congratulation on the Japanese Legation on the day following the outrage."

Again, I should like to express my appreciation for your stand on this matter.

Sincerely.

I strongly support your stand in opposition to the proposed loan of $100,000,000 of the American taxpayers' money to that monster, Franco.

It happens, Senator, that I went overseas long before Pearl Harbor (one of the first Americans in the Canadian Army), and was on the Iberian Peninsula and all around the western Mediterranean while Nazi planes and submarines used bases in Franco's Spain. Anybody that causes the death of thousands of American lads is no friend of ours.

PROTECTION OF GOVERNMENT AGAINST COMMUNISTS AND SUBVERSIVE GROUPS

Mr. MORSE. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD a letter which I have received from Russell G. Kurtz, of the Pacific Northwest Kiwanis district, along with the letter dated July 25, which he wrote to all the club presidents of the Pacific Northwest Kiwanis district, and along with the resolution which is being sent to those clubs in regard to the need for some congressional action concerning the investigation of subversive activities in this country.

I want to say as I present this resolution and this correspondence that I mean it today, just as I have said for a long time past, that there is need for legislation on this subject. As I said earlier this afternoon, I think we ought to proceed along the lines of the recommendations made by the Freedom House Committee, headed by the great Bob Patterson, as published in the New York Times of yesterday.

There being no objection, the letter, together with the accompanying letter and resolution, was ordered to be printed in the RECORD, as follows:

PACIFIC NORTHWEST KIWANIS DISTRICT,
Coos Bay, Oreg., July 29, 1950.

Mr. WAYNE MORSE,
United States Senate Office Building,
Washington, D. C.

DEAR MR. MORSE: Enclosed is a copy of a resolution adopted by the Kiwanis Club of Coos Bay, Oreg., along with copy of a letter being mailed to every Kiwanis Club in the Pacific Northwest District.

Your support in this investigation is earnestly requested, and I am confident that your influence and active participation can help to obtain definite results.

Incidentally, the Coos Bay Kiwanians are presenting a companion resolution at the district convention next month, soliciting the support of Kiwanis International as a body in urging a congressional investigation which will obtain results.

Thanking you in advance for the support and consideration which I am confident you will give, I remain

Sincerely yours,

RUSSELL G. KURTZ.

COOS BAY KIWANIS CLUB,
Coos Bay, Oreg., July 25, 1950.

To All Club Presidents, Pacific Northwest Kiwanis District.

FELLOW KIWANIANS: The fourth object of Kiwanis pertains to aggressive citizenship. Here is something pertaining to that object worthy of your attention.

Recently the press referred to a congressional investigation known as the Amerasia

case—but made no clear mention of action or results obtained. Espionage, theft of military and national military secrets, betrayal of our country, traitorism, and not being punished therefor, all seem to be the order of the day.

The Kiwanis Club of Coos Bay believes that such indifference and lack of action is contrary to the democratic principles of our Nation, that they endanger our national safety, and if ignored, will eventually destroy our national unity and deprive us of our individual freedom.

By unanimous vote of the membership, the Kiwanis Club of Coos Bay has adopted the attached resolution, which is today being mailed to all Members of Congress from the State of Oregon. The club has also voted that a copy of this resolution be mailed to every club in the Pacific Northwest Kiwanis district (Canadian clubs excepted) requesting each club to take immediate action and forward to its Senators and Representatives a similar resolution, making such changes as may be necessary to fit State and community location, and such other changes as you may desire to incorporate.

Will you join the Coos Bay Club in this effort, forwarding a resolution expressing your ideas regarding those who have betrayed us and jeopardized our individual safety, our democratic form of Government, and our national defense?

The combined efforts of all Kiwanis clubs in this district, and any other service clubs which you may interest, will have a very definite effect upon the Members of Congress from the Pacific Northwest, and upon Congress as a whole. May we again ask for the cooperation of your club?

Sincerely yours,

AMERICANISM COMMITTEE MEMBERS.
CHESTER ISAACSON,
HARRY BULTMAN.
RUSSELL G. KURTZ.

Whereas congressional committee investigations reveal that during the years of World War II and since there have been innumerable cases of espionage and theft of highly confidential and secret governmental documents pertaining to the military, atomic, and national safety plans of our United States; and

Whereas the Federal Bureau of Investigation has developed and presented to our Government, for prosecution, innumerable cases of such espionage, and theft of highly confidential and secret governmental documents; and

Whereas responsible agencies of our Government have seen fit to take action in only a few of these cases so prepared and presented, enacting only minor punishments, in most cases allowing the acts to be completely ignored; in many cases allowing the statutes of limitations to elapse, thereby making legal punishment impossible; and

Whereas the information given to the people of our land by the press is indicative that responsible Government agencies are still pursuing this same inactive course and policy; and

Whereas responsible Government agencies are pursuing this same inactive course of action in the infamous Amerasia case; and

Whereas such indifference and lack of proper legal action is contrary to the principles of our democratic form of government; and

Whereas another world threat to the freedom, liberty, and national security of our United States now exists: Now, be it hereby

Resolved, That we, the members of the Kiwanis Club of Coos Bay, Oreg., a member club of Kiwanis International, all patriotic American citizens, believing in the principles of our democratic form of government, unanimously demand a full and open investigation of, and a vigorous, impartial, and immediate prosecution by the Government of the United States, of all persons in any way connected with the theft of Government documents in the Amerasia case; all persons in position of official responsibility who have shown neglect in the prosecution of the Amerasia case; all persons who have either influenced or obstructed justice while the security of our United States remains in jeopardy as a result of their activities in the Amerasia case; and be it hereby

Resolved, That copies of this resolution be mailed each Senator and Representative in Congress from the State of Oregon, requesting their approval and support in Congress of this resolution, and their active participation in the Congress to the end that Amerasia and other similar cases be vigorously and thoroughly prosecuted, immediately, without any further delay.

Approved unanimously by the officers, board of directors, and members of the Coos Bay Kiwanis Club this 19th day of July 1950.

GEORGE E. MILBOURNE,
President, Coos Bay Kiwanis Club.
ROLAND F. GREIF,
Secretary, Coos Bay Kiwanis Club.

Mr. MORSE. I think what we need to do, Mr. President, particularly in view of the message which was sent to us this afternoon by the President of the United States on this subject matter, is to take the Mundt-Ferguson bill, the recommendations of the Freedom House group, and the suggestions made by the President of the United States and proceed to come to grips quickly with what I think is a very serious problem in this Nation, namely, the need for appropriate legislation with respect to this problem. I think if we approach it in that way, from a nonpartisan standpoint—and I emphasize the word "nonpartisan," and if anyone is in doubt as to what it means, I will say, "nonpolitical"; let us not play politics with the safety of our country—we could, I am satisfied, go forward in the days immediately ahead with proper modifications and pass some sort of legislation which will accomplish the desired purpose, which we are all anxious to do, and keep it within the spirit, the intent, and the framework of the very fine message which the President of the United States sent to the Congress this afternoon.

While I am on my feet, Mr. President, as I may not be present the early part of tomorrow afternoon when the bill comes before the Senate, because I have an appointment downtown, I want to say that when the bill comes before us, to which I objected a few days ago, in regard to security risks, it will be found it does not provide for a direct appeal from a decision of one of the heads of our departments, such as the Department of Justice, the Department of Commerce, the Secretary of Defense, or the Secretary of State. I think an appeal ought to be granted from their findings, not with the idea of putting one of those security risks back to work in the department, but, if he is innocent, clearing his record for the future. I do not want him to go back to work. If any secretary does not have confidence in him, he should not be permitted to go back to work, because, as the Senator from Michigan [Mr. FERGUSON] said, expressing the view which I have always held, no one has a right to work for the Government; there is no right to the job. But I think that the Government must be very careful about protecting innocent people from being wronged as the result of a judgment exercised because of grudge or personal dislike, with no evidence whatsoever on which to base the judgment.

But I have had my day in court, Mr. President. I had it a few days ago when the appropriation bill was being considered. The same provision was in the appropriation bill, and I argued then that some direct appeal ought to be given from a decision on a security risk, and that appeal should go to the Civil Service Commission, in my judgment, because if such an appeal is not provided, we to all intents and purposes repeal the Civil Service Act. That was what we did, in my judgment, when we passed the appropriation bill, at least in regard to this particular subject. But we did it. I persented my argument and was defeated on the argument.

I am not going to use the unanimous-consent-agreement method to accomplish some end that I cannot accomplish in full and fair debate on the floor of the Senate. Having lost the argument, I want to say that I now withdraw my objection to the armed services bill which does not provide for that direct appeal. It does not change the fact about our making a mistake, Mr. President. It is still a serious mistake, and time will prove, I think, that it was a mistake. But time will heal a great many things. We are going to relax after we get through with this crisis. During a period of crisis such as this the Congress, as also public opinion itself, does many things which it later regrets. I think this is one of the things about which there will be regrets.

I shall not renew my objection to the bill tomorrow. I hope that when we sit down to work out a security-risk bill to check subversive elements in this country and, at the same time, safeguard our precious Bill of Rights, we will reconsider what we did a few days ago with reference to the appropriation bill and see to it that there is some check upon persons who abuse discretion, as they can abuse discretion under the bill which the Armed Services Committee has reported.

I have had my say, I have had my day in court on the subject, and I have not changed my mind on the merits, but I withdraw my objection.

LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, are we still operating under the 5-minute rule?

The PRESIDING OFFICER. Technically, we are now not considering the calendar.

The Chair recognizes the Senator from Illinois to make any announcement he wishes to make.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. Mr. President, I rise simply to ask the majority leader if the plans are the same as he stated

them 3 days ago, namely, to complete the Legislative Calendar tomorrow, and then to consider the Executive Calendar in connection with certain nominations?

Mr. LUCAS. The Senator is correct.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. I should like to ask the majority leader if, when the call of the Legislative Calendar is concluded and we have concluded consideration of the Executive Calendar, it is still his intention to take up the control bill on Thursday.

Mr. LUCAS. The Senator is correct.

Mr. President, I yield the floor.

ADMINISTRATION TARIFF POLICY VERSUS WORKERS AND INVESTORS—ACTION BY SENATE FINANCE COMMITTEE

Mr. MALONE. Mr. President, the powerful Senate Finance Committee this morning tabled House Joint Resolution No. 502 providing for the further suspension of the duty on copper to and including June 30, 1951—meaning that the committee refused to extend the temporary free-trade provision on the strategic copper metal.

The tariff, I understand, has not been collected since June 30 of this year, the date of expiration of the temporary suspension of the duty or tariff on copper ore and metal, but has been brought in under bond. Of course, the import fee will now be collected.

ACTION A GOOD OMEN

This action by the Senate Finance Committee is a good omen, a good sign that the free-trade, misnamed, reciprocal trade program has just about run its course.

By its action the Senate Finance Committee has given great encouragement to the workers and investors of this Nation.

STATE DEPARTMENT REDUCED IMPORT FEE

The State Department has, in the interim, reduced the import fee on copper from 4 cents per pound to 2 cents per pound through the exercise of the power granted the executive branch of the Government by the Congress through the 1934 Trade Agreements Act, so that the import fee does not now equal the difference between the wage standards of living in this country and those in competitive nations, but it is a change in principle which the workers and investors will appreciate and will lend encouragement to venture capital investors.

IMPORT FEE ENCOURAGES NATIONS TO RAISE LIVING STANDARDS

The import-fee principle encourages foreign competitive nations to raise their wage and living standards. Since they do not profit from the cheaper labor, the import fee makes up the difference, while free trade encourages them to hold down wages in their own country. The one-economic-world objective of the State Department is the direct antithesis of the basic truth that a strong nation, both in the economic and military fields is necessary to establish whatever peace is possible in a troubled world.

POLICY OF LOSING STRATEGIC AREAS COMBINED WITH FREE TRADE WEAKENS NATION

Mr. President, the combination policy of the State Department of deliberately losing strategic areas throughout the world, such as Manchuria, China, North Korea, and Berlin to Russian Communist control, and the free-trade program of this country through putting the low-wage standard of foreign labor in direct competition with American workers and investors is weakening the offensive and defensive strength of this Nation.

REVIEW OF STATEMENT BEFORE SENATE FINANCE COMMITTEE

Mr. President, I ask unanimous consent to insert in the RECORD a condensed statement of the testimony of the junior Senator from Nevada before the Senate Finance Committee on July 27 with reference to the copper tariff.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SUMMARY—STATEMENT ON COPPER

SUMMARY OF TESTIMONY BEFORE UNITED STATES SENATE FINANCE COMMITTEE, WASHINGTON, D. C., JULY 27, 1950

The complete text of the statement of GEORGE W. MALONE on the proposed extension of the free trade on copper can be secured through a letter or card to his Washington office.

Copper is a symbol—the principle applies equally to all other American products threatened by the low-living standard and sweatshop foreign labor.

The all-out attack on the workers and investors in the copper business, led by the State Department, is a natural result of the transfer by the Congress of its constitutional responsibility to regulate foreign trade to the executive branch of the Government through the 1934 Trade Agreements Act as extended.

1. The tariff or import fee principle establishing a market in this country for both foreign and domestically produced products on a basis of fair and reasonable competition is a national security measure—through providing a going concern business structure in this Nation on our wage-living standard.

2. Free trade violates the long-established principle of providing a floor under wages and investments; through discouring the investment of venture capital. It destroys the floor under wages and investments.

3. Copper is only a symbol in the free trade fight—practically all of this Nation's products are affected under similar conditions of lowering the tariff or import fee below the differential of cost here and abroad—mostly due to differences in the wage-living standard—these products include hundreds of items ranging from textiles and minerals to clothespins.

4. The tariff or import fee applies to practically all products—but is especially applicable to the strategic and critical minerals and materials of which copper is but one item—since it encourages venture capital through establishing a floor under the unit price on the American cost level—it is a national security measure.

5. There is no question of a high or a low tariff under the flexible import fee principle—it simply represents the differential of the cost of production—and assures the investor that he cannot be destroyed through foreign low wage and sweat-shop competition—at the end of any period of higher prices due to any emergency.

6. The tariff or import fee assures both the foreign and domestic producers a market on a basis of "fair and reasonable" competition—and the domestic producer knows that he cannot be destroyed while paying the standard American wages.

7. Our national security demands an adequate stockpile and a going concern mining industry. The same is true of any other American-made product.

8. Seventy to ninety percent of our shipping from South Africa and South America was lost through submarine attack of strategic minerals and materials early in the World War II—a going concern mining industry stepped up through increased unit prices saved us at that time.

9. To encourage venture capital in the mining business—as in other industries—there must be a tariff or import fee representing a floor under the wages and investments—otherwise at the end of any emergency all are in direct competition with the low-living standard and sweat-shop labor in Europe, Africa, and Asia.

10. The cost of copper production in Chile is approximately 10 to 12 cents per pound—while the wage differential between that nation and the United States in copper production is the difference between approximately $2.40 (Chilean wages) and $11.17 (American wages) per day.

11. A mine cannot be opened up like building a warehouse—it must be a continuous prospecting and exploration operation—with venture capital continuously available—just as in coal or petroleum.

12. Chile as a nation utilizes import fees and tariffs for trade regulation, also manipulation of currency values through exchange controls for trade advantage while the removal of the import tax on copper closed practically all of the independent copper mines in this Nation, with the exception of the Michigan Mines where wages were lowered and investments sacrificed.

14. The Chile copper mines—the only major foreign source at this time—are located on the west coast of that country. A Russian snorkel submarine could destroy both of the current operating properties within 48 hours.

15. A continual tampering with the tariff or import-fee system—destroys the confidence necessary for the investment of venture capital—and through the authority of Congress (the 1934 Trade Agreements Act) the State Department has continually threatened the stability of such investments. Congress is responsible.

20. Approximately 70 percent of the mines in this Nation have been closed since 1940. To have big mines we must first have small mines—to have small mines we must have prospects—to have either, venture capital must be available.

22. The Federal Government does not pay the tariff or import fee, and if it did pay it, it would go from one pocket into the other—simply a bookkeeping procedure. When the tariff is paid by a manufacturer, for example, and the product sold to the Government, the Government receives the tariff, when the raw material is imported, and then is charged the additional amount in the manufactured goods when delivered—no money is lost or gained. Tariff, therefore, is no hindrance to war production.

23. The brass fabricators—brass containing from 70 percent to 90 percent copper—have a tariff or import fee on their manufactured product up to 65 percent ad valorem—they could not exist without it, and pay American wages—yet they demand free trade on copper, their chief raw material. It is time to agree on principle in the protection of American workers and investors—and quit sharpshooting.

24. Petroleum producers and manufacturers of other products, including petroleum and furs have demanded a quota on

import, in lieu of a flexible tariff or import fee principle—a quota is a crude control system at best, since the economic relationship between countries is continually changing. A flexible import fee system based on the fair and reasonable competition principle is a more stable floor under wages and investments and more encouragement to venture capital and is completely fair to foreign producers.

25. Chile has four basic exchange rates for the dollar. The copper companies buy the pesos from the government for their payroll at 19.37 to the dollar—they pay up to 225 pesos per day to the workers who in turn get an exchange value of 60 to 98 pesos to the dollar—making their actual wage $2.40 to $3.75 per day—as against $11.17 per day here. The Chilean Government could improve the workers' wages by the simple expedient of reducing their take.

26. The three major American copper producers control approximately 75 percent to 80 percent of the brass fabricated products production in this country. Two of these same companies which own the Chilean mines are leading the fight for free trade on this product so important to our national security, using the brass fabricators as a front.

27. The purpose of a tariff or import fee is to establish a floor under wages and investments on the American wage-living standard.

My flexible-import-fee bill, S. 1965, is now in the Senate Finance Committee; it provides for turning the long-experienced Tariff Commission into a foreign-trade authority, giving the authority the same latitude in adjusting the tariffs or import fees on a basis of fair and reasonable competition, as Congress long ago gave the Interstate Commerce Commission the responsibility of fixing freight rates for the carriers on a basis of reasonable return on the investment.

As the foreign nations raised their wage standard of living then under the flexible import-fee system, the tariffs and import fees would be lowered in accordance with such rise, and when such wage-living standards approximated our own, the common objective of free trade would be the almost immediate and automatic result.

28. There never was a consistent free trader; they want a tariff on what they sell and free trade on what they buy; the brass fabricators are only an example.

29. The pressure through foreign nations' representatives for free trade through lowering the tariffs and import fees on products they want to sell in this country in competition with our own workers and investors has become a vicious practice, aided and abetted by our own State Department. It is high time that the Congress took cognizance of this fact.

30. The extension of the free-trade provision on copper is simply a trial run.

Other industries and products that will be and have been affected in a similar situation, include textiles, crockery, glassware, lumber and wood products, petroleum, precision instruments, watches, wool, hides, agricultural products, steel and steel-fabricated products, mining products generally—such as tungsten, mercury, manganese, lead, zinc, aluminum, and in fact, practically all American production except automobiles and the heavy machinery production which the foreign countries are not yet fully equipped to produce. Both tariffs and quotas apply to certain types of cotton.

All of these products are protected by a tariff or import fee—and in no case are needed imports kept out through such protection; such imports are simply brought in on our level of wages and investments. Further hearings are scheduled at Torquay, England, in September with the avowed purpose of further lowering the tariffs and import fees on American products.

Venture capital is being further frightened out of the investment field in these industries through the continuous threat, and bills are being introduced at this time to provide Government funds to replace the venture investment capital, which we formerly took for granted would be adequate for the growth of business.

MALONE SCORES BILL TO KILL COPPER FEE

Mr. MALONE. Mr. President, I ask unanimous consent to insert in the RECORD as a part of my remarks an article which appeared in the Denver Post of August 1, 1950, entitled "Malone Scores Bill to Kill Copper Fee."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MALONE SCORES BILL TO KILL COPPER FEE

WASHINGTON, August 1.—United States Senator GEORGE W. MALONE, Republican, of Nevada, charged Tuesday that the extension of the free trade on copper is "part of a conspiracy to weaken the economic structure of the country."

The Nevada Senator made his charge before the Senate Finance Committee, which is studying a bill to resuspend the import tax on copper.

"Those Red sympathizers in our midst who are plotting against the American system are happy to see 70 percent of our mines closed in time of war," MALONE said. "This means a weakening of our productive structure. The tariff or import fee is a national defense measure, applying to practically all products, but especially to the strategic and critical minerals and materials, of which copper is an important part. An import fee has the effect of encouraging venture capital by establishing a floor under wages and investments.

TARIFF CUT CLOSED MINES

"When the 4-cent tariff on copper was reduced, every independent copper mine in the United States was closed with the exception of one in the State of Michigan which had to lower wages and write off investments to meet competition."

PRESSURE HOLDS ON COPPER BILL

Mr. MALONE. Mr. President, I ask unanimous consent to insert in the RECORD as a part of my remarks an article from the Washington Times-Herald of August 7, 1950, entitled "Pressure Holds on Copper Bill."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESSURE HOLDS ON COPPER BILL

The White House and State Department are exerting tremendous pressure on the Senate Finance Committee to bring out a bill to suspend the import tax on copper.

Copper itself is not important to the administration, but the bill is a symbol of the free-trade program for which Democratic executive planners have been striving for almost two decades.

The Senate Finance Committee votes tomorrow on the bill which already has been pushed through the House by administration steamroll tactics. Five Republican members of the 13-man committee are solidly against the administration measure. They are Senators MILLIKIN, Republican, of Colorado; TAFT, Republican, of Ohio; BUTLER, Republican, of Nebraska; BREWSTER, Republican, of Maine; and MARTIN, Republican, of Pennsylvania.

The GOP Senators hope to win at least two Democrats to oppose the bill on the ground that free trade will wreck American industry and lower American standard of living by flooding the Nation with products of cheaper foreign labor.

Spearhead in the fight against the copper bill has been Senator MALONE (Republican), of Nevada, who told the committee that the bill is merely a "part of a conspiracy to weaken the economic structure of the country."

The copper bill would permit importation of Chilean copper, which is produced largely in mines owned by two of the three leading American companies—Anaconda Copper Mining Corp. and Kennecott Copper Corp. The third large copper-producing company, Phelps Dodge Corp., has no interests in Chilean mines.

MALONE told the committee that the differential between cost of copper production in Chile and in the United States is relatively unimportant—10 or 12 cents—while the wage differential "is the difference between approximately $2.40 and $11.17 a day."

Hundreds of items, as well as copper, have a similar difference in wages abroad and at home, MALONE said. Lowering the tariff or import fee on these items will discourage venture of investment capital in the United States and injure the American workingman through the competition of cheap labor, he declared both the investor and the workers should be protected against foreign low-wage competition, MALONE said.

VITAL ORE MINES REOPENING URGED

Mr. MALONE. Mr. President, I ask unanimous consent to insert in the RECORD at this point an article by William P. Flythe, entitled "Vital Ore Mines Reopening Urged," published in the New York Journal-American of August 7, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VITAL ORE MINES REOPENING URGED

(By William P. Flythe)

WASHINGTON, August 7.—Charging the Nation faces disaster through forced closing of copper, tungsten, and other vital mines, Senator MALONE, Republican of Nevada, will demand an about face on administration tariff policy, he declared today.

"We have placed ourselves in the position of depending upon imports to replace American production when we know Russian submarines can shut off the imports," MALONE declared.

"There is not an independent copper mine in operation in the United States today.

"Copper is a vital war material.

"The tungsten mines are closed.

"Tungsten just happens to be something without which you can't make a pound of steel."

The Senator said this had been brought about through the administration policy of lowering import duties or removing them altogether.

As a result, he declared, American mines can't operate at a profit; have closed, and workers have gone into other industries or may soon be taken into the armed services.

"Then we will be faced with the fact that our war production machinery has been dealt a knock-out blow and it could spell disaster," he said.

"You simply can't open a mine, as you start a factory.

"It takes a long, long time, often years to get in production and the State Department has destroyed the incentive."

CITES COPPER MENACE

MALONE pointed out that the United States depends upon getting an adequate supply of copper from Chile, but facts show the supply to be uncertain. He said:

"The mines are within easy striking distance of the Chilean coast. A Russian sub could easily shell them out of existence.

"Experience in the last war also showed us that even if the raw material is in transit aboard ships as much as 90 percent may be sent to the bottom by enemy action.

"Copper, tungsten, mercury, lead, zinc, aluminum, molybdenum, and vanadium all

are vitally necessary, yet the State Department is on the way to put the American production out of business by fixing the import duties so low it is impossible to compete with foreign costs.

"Of course, if real war starts, price will be no consideration and every effort will be made to reopen the American mines and revive the processing industries, but it will either be too late, or vital years and months will be lost."

MALONE said that much of the harm to American industry already has been done, but even further tariff cuts will be made at an English conference next month unless the Senate prevents it.

GUEST COLUMNIST OF RUKEYSER, INTERNATIONAL NEWS SERVICE COMMENTATOR

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point in my remarks a guest column written by the junior Senator from Nevada for Merryle Rukeyser, the economic analyst for the International News Service, appearing in the New York American on August 7, 1950.

Mr. CONNALLY. Reserving the right to object, is the Senator asking that these papers be inserted in the Appendix of the RECORD?

Mr. MALONE. I am asking that they be made a part of my remarks. I can read them if the Senator wishes me to do so.

Mr. CONNALLY. I do not think they should be put into the body of the RECORD.

Mr. MALONE. Then I should like to read the material.

Mr. CONNALLY. Purely in the interest of saving time I suppose I shall have to withdraw my objection, but putting these matters into the body of the RECORD has no relation whatever to what the Senator is referring to. They ought to be put into the Appendix.

Mr. MALONE. I beg to differ with the distinguished Senator from Texas. They are not only pertinent to the subject matter but they are in fact the remarks and statements of the junior Senator from Nevada. They outline exactly what I did say. I would very much like to say again the statements contained in the material on the floor of the Senate, but in the interest of saving time, I ask that they be printed at this point in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUKEYSER'S GUEST: SENATOR MALONE ON FALLACIES OF FREE TRADE

(Senator GEORGE W. MALONE (Republican, Nevada), who has specialized in the foreign trade problems of American industry, with special reference to mining in the Western States, today acts as guest columnist for Merryle Rukeyser, who is on vacation. Tomorrow, Gov. Earl Warren, of California, will discuss the readiness of California to meet the challenge of national mobilization for the emergency.)

(By GEORGE W. MALONE, United States Senator from Nevada)

Now that we are in the Korean trouble, we must win it. But the fact that we wholeheartedly unite to back up our boys on the front does not require that we excuse the blundering methods which made this awkward situation possible and which will inevitably lead to greater embarrassment.

No one should have been surprised at the Reds' advance in Korea. We invited it. At the Yalta conference, an ailing President, counseled by Alger Hiss, gave Manchuria to the Reds, and thereby lost China and opened the door to Korea, which adjoins Manchuria.

An example of our stupid foreign policy has to do with our permitting the ECA countries, supported with our money, to arm Russia and her satellites. Ninety-six trade treaties have been made between the 16 ECA countries and the nations behind the iron curtain since the close of World War II. Right now, while we are fighting communism in Korea, we are helping the Communists in Europe to arm for world war III.

Iron-curtain countries are getting such items as metal-working tools, steel, ball bearings, electric machinery and apparatus, heavy road machinery, assembled motor vehicles, and a long list of other vital items, all available to Korea. Our American boys on the Korean front are seeing ECA nations' trademarks on some of the war materials of the North Korea army. Thus the blunder of pre-World War II is being reenacted.

Another example of our stupid foreign policy has to do with our State Department's encouraging of foreign imports on a basis which could only remove the floor from under American wages and investments and make us dependent upon foreign nations for the vital minerals and materials needed to meet such emergencies.

American industries producing glassware, hats, gloves, textiles, paper products, minerals, precision instruments, watches, lumber and wood products, tool steel and other items, have already been seriously hit by the competition of foreign low-living-standard products.

The State Department's theory that the more foreign goods sold in this country the more American dollars there will be in the hands of foreigners with which to buy American goods by-passes one basic question:

Inasmuch as the importation of low-wage and slave labor products in competition with those of high-living-standard American workers will force more and more American workers out of jobs, how can unemployed Americans buy the foreign products regardless of how cheap they are? When you hear the expression "closing the dollar gap," you can add, "and closing the American factory door."

No amount of management ingenuity can compete against labor rates in England which are one-third as much as ours; in Italy, about one-fifth; in Japan, about one-twentieth.

There is no practical difference in importing products of cheap labor and in importing the cheap labor itself.

Ignoring the damage already created, the State Department has asked representatives of other nations to meet in September in Torquay, England, for even further reductions in import fees on at least 2,400 products manufactured in America.

There never was a consistent free trader. He wants free trade on things he must buy and high import fees on things he must sell.

Mr. MALONE. Mr. President, the junior Senator from Nevada will say at this point that he considers Mr. M. S. Rukeyser the outstanding economic commentator in the world today—the most consistent on the fundamental principles.

MALONE BLASTS ADMINISTRATION

Mr. President, I ask unanimous consent to have inserted in the body of the RECORD at this point an article published in the Nevada State Labor on May 18, 1950 entitled "Malone Blasts Administration."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MALONE BLASTS ADMINISTRATION

Senator MALONE charges that total destruction of the American competitive economic system is the deliberate aim of the present administration.

"From an objective examination of what has been done and what is threatened to be done," Senator MALONE said, "the conclusion is inescapable that there is a deliberately designed plot to overthrow the economic system which made this country great."

Senator MALONE listed the following: Make the people dependent upon a gigantic central government, subsidize all classes, buy off opposition, harass businessmen, curtail domestic production, encourage slave-labor imports, make private investment and all production unprofitable, and bring on socialism step by step through discouraging the investment of venture capital.

Continuing, Senator MALONE said: "The administration has been able to accomplish much of its socialistic aims by 3 methods: (a) Taxation so designed that if an American worker or investor has a profit on invested venture capital it belongs to 'Uncle' and if he has a loss it belongs to him; (b) A foreign 'free trade' policy so designed as to curtail domestic production and eventually pauperize American workers and investors, which is being done through the provisions of the 1934 Trade Agreements Act, as extended; and (c) Government regulations, through the Securities and Exchange Commission, so designed as to eliminate the investment of venture capital, which made this country the greatest Nation in the world, all of our progress and all of our advancement having come from venture capital.

"The American capitalistic competitive system provided more and better products of all kinds, for more people, than any other system in the world. The American capitalistic competitive system provided shorter hours and higher wages than any other system in the world. The American capitalistic competitive system provided better employment opportunities and a higher standard of living than any other system in the world.

"There are those who would tear down our economic system, and they have been making headway. All of those who have been helping in this destruction are not conspirators in the plot. Some are under insidious foreign influence. Some are quite unaware of what they are doing, excusing their aid to the socialists by saying that there is an 'emergency.' This 17-year-old 'emergency' seems to be here to stay and spread unless the Congress wakes up and puts an end to these constant attacks on the American economy.

"Let us not forget that our economic system is as much a part of America as is our countryside, our traditions and our form of Government and those who attack this system attack America. Our competitive economic system, with available venture capital, is the hope of new generations to come. When the American economic system is gone, the death of the American form of Government cannot be far behind. That this is known by the socialistic plotters against things American is clearly indicated by the pattern being followed."

MALONE WANTS RESIGNATION OF DEAN ACHESON

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point an article entitled "Malone Wants Resignation of Dean Acheson," published in the Union,

of July 31, 1950. The Union is the oldest labor newspaper in the United States, according to its masthead, and is published in Indianapolis, Ind.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MALONE WANTS RESIGNATION OF DEAN ACHESON

WASHINGTON, D. C.—United States Senator GEORGE W. MALONE, July 19, demanded the resignation of Secretary of State Dean Acheson for "his stupid bungling in foreign policy which has brought this country to its present plight, and for a complete reorganization of the Department."

Continuing, Senator MALONE said: "We have been led into the Korean war which will cost us the wealth of lives and material. Having committed ourselves and finding ourselves in this thing, we will all make every necessary sacrifice to win. This wholehearted uniting of our efforts to win does not, however, take one iota from the stigma of stupidity on the part of our officials who made it possible for us to get into this predicament.

"The many unpleasant chapters of American diplomacy in the Far East, of which Korea is the latest but probably not the last, are a direct sequel to amateurish bungling which, in retrospect, actually seems to have been designed to make the Communist dominant in Asia. I am reliably informed that a group in our State Department believed that communism would be 'good for Asia.'

"We would probably never have faced what President Truman calls this 'threat to the peace of the world' had it not been for the gross blundering by the administration in the field of foreign policy. At Yalta with the advice of Dean Acheson's friend, one Alger Hiss, since labeled a Red traitor, our ailing President 'bribed' Stalin to intervene in the far eastern war. This was quite unnecessary for, as Mr. Hiss no doubt well knew, Japan was then on its last legs and had already made several unofficial overtures for peace. Thus the way was paved for a Communist base in North Korea.

"Mr. Acheson's recent statement that the United States would not use its veto power in the United Nations to block recognition of the Communist regime in China was a weak-kneed position to take again the advancing aggressor, and was virtually an invitation to the Reds to go further.

"Either the State Department should have clearly abandoned southern Korea or should have done the things necessary to make it clear that an attack on Southern Korea would be opposed by us. It did neither. Why? Partly because our foreign policy is both casual and improvised, and partly because the State Department is unwilling to tell the American people just what it has committed them to.

"It is imperative that a stop be put to the State Department's deficit diplomacy. The administration has allowed our commitments to increase while our power to meet them has been allowed to decline.

"Obviously General MacArthur did not prepare for a Korean campaign because our State Department had never informed him that it had made commitments which might require such a campaign.

"Our State Department never once consulted either of the two persons best qualified to advise us on our far-eastern policy: General MacArthur and Admiral Badger.

"Now the American people must pay the penalty in bloodshed and loss of life and in damaged prestige throughout the world because of incompetence as well as lack of foresight on the part of our State Department.

"We went into this shooting war to wage a political fight against the Russians. Today it looks like the shrewd Russians may simply ignore the challenge, neither backing down nor openly fighting. As in Greece and in the Berlin airlift, we may be left to expend our energy while the Russians rest and continue their preparations, with, of course, the help of the Marshall plan nations which are shipping to Russia, her satellite countries in Europe and Communist China, materials needed to wage war. Through 96 trade treaties between Marshall plan countries and iron curtain countries, we are even today arming Russia to wage world war III.

"Perhaps in Korea the Russians were trying to see how far they could go. If our foreign policy is not more clearly designed, these tests will continue. It ought to be determined what this country can do and what it is willing to do, and those things should be told to the world in clear terms. What areas are important to our ultimate safety? What areas are we to defend? Let the administration name them so that everyone will know.

"What is to be our policy regarding the continuation of arming Russia through the Marshall plan countries? What is to be our policy in regard to one of those nations, England, furnishing petroleum and other war materials to Communist China, some of which has found its way to Korea? What is the Korean war intended to accomplish? What do we do after we have pushed the North Koreans back across the 38th parallel? Do we intend to garrison all of Korea for the indefinite future? Is the sending of troops to Korea to be regarded as a precedent. If so, of what? Despite our low opinion of the State Department, we find it hard to believe they got into this thing without an idea of what they mean to make of it. They at least owe the soldiers, their wives and parents and the taxpayers an explanation that so far has not been forthcoming.

"The stupid handling of the Korean threat is but another instance proving the unfitness of Mr. Acheson for his high position. His administration has been wholly unsatisfactory."

THE FLOOR UNDER WAGES AND INVESTMENTS

Mr. MALONE. Mr. President, the great interest of the working men and investors of this Nation in the floor under wages and investments which is represented by a tariff or import fee on any American-produced product emphasizes the importance of encouraging the investment of venture capital.

STATE DEPARTMENT MEANS TO COMPLETE JOB OF DESTROYING AMERICAN INDUSTRY UNDER COVER OF WAR

The State Department, however, in the face of the fact that the tariff or import fee is a national security measure, that the foreign copper deposits could be destroyed in a few hours by a single snorkel submarine, that the records show that 70 to 90 percent of foreign shipping bringing in strategic minerals and materials from south Africa and South America during World War II were destroyed, means to complete the job of destroying American industry along with the economic system of this Nation under cover of war, at Torquay, England, in September of this year.

FURTHER ATTEMPT TO EXTEND FREE TRADE ON COPPER TO DEFEAT TODAY'S ACTION BY SENATE FINANCE COMMITTEE

It is rumored that it is intended to amend H. R. 5327, a bill to import copper scrap largely from American World War II, in the Finance Committee. An amendment, so the rumor goes, to extend free trade on the copper ore and metal that would simply reinstate the free-trade policy on copper which has destroyed every independent copper mine in the United States of America, except some small deposits notably in Michigan where it was necessary to reduce wages and to write off part of the investment to keep them operating and keep the water pumped out of the mines.

Such an amendment to H. R. 5327 would defeat the tabling of House Joint Resolution No. 502 by the Senate Finance Committee if it were to be accepted on the floor of the Senate.

KYRA KITE RIDDLE—MESSAGE FROM THE PRESIDENT RETURNING S. 1654

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, ordered to lie on the table:

To the Senate:

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith Senate bill 1654, entitled "An act for the relief of Kyra Kite Riddle."

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 8, 1950.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer [Mr. STENNIS] laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. McFARLAND. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 4 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 9, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 8 (legislative day of July 20), 1950:

TAX COURT OF THE UNITED STATES

Norman O. Tietjens, of Ohio, to be a judge of the Tax Court of the United States for a term of 12 years from June 2, 1950, vice John A. Tyson.

IN THE NAVY

Capt. Richard W. Ruble, United States Navy, for temporary appointment to the grade of rear admiral.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 8 (legislative day of July 20), 1950:

UNITED STATES AIR FORCE

The nominations of Gordon James Andrews et al. for promotion in the United States Air Force, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947 and section 306 of the Women's Armed Services Integration Act of 1948, which were confirmed today, were received by the Senate on July 27, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the

name of Gordon James Andrews, which appears on page 11215, and ending with the name of Mildred Adell McCally, which appears on page 11216.

IN THE NAVY

The nominations of Francis X. McInerney et al. for appointment in the Navy, which were confirmed today, were received by the Senate on August 1, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Francis X. McInerney, which appears on page 11492, and ending with the name of John H. Gentry, which appears on page 11494.

The following-named midshipmen (aviation) to be ensigns in the Navy, from the 2d day of June 1950:

Milton A. Anderson	Charles R. Long
John B. Ashby	William A. McCarthy, Jr.
Robert F. Aumack	John R. Macy
Charles L. Axell	Foster R. Mahood
Frank E. Bacheller	Albert B. Marsh
Richard F. Ballew, Jr.	George A. Martin
Donald A. Becker	Lewis K. Mattingly, Jr.
Brian P. Bertrand	Paul J. Melee
Robert S. Bick	William F. Moore
Robert W. Blakeslee	Robert J. Netro
Gilbert A. Boggs	Monte B. Nichol
Thomas J. Brewer	Charles J. O'Brien, Jr.
William J. Brummitt	Gary H. Palmer
Leslie P. Burghoff, Jr.	John R. Palmquist
James S. Campbell	Richard C. Pickering
George B. Cobb, Jr.	Henry D. Pierson
Edwin L. Colling	Robert A. Quaney
Robert D. Colvin	William A. Richard
David C. Conrad	Glen H. Rickelton
Thomas J. Conway	Ralph E. Risdal
Alvin R. Cowan	Caryl B. Ritchey
Richard K. Culbertson	Earl J. Rivard
Oliver E. Deehan	Edward J. Rosatti
Richard E. Dick	Richard C. Rowe
Francis M. Dobbertien	Arthur R. Roy, Jr.
Frederick S. Dunning, Jr.	Maurice W. Rumble
Daniel W. Ebling	James H. Ryan
Eugene D. Ellena	Hugo V. Scarsheim
Windom L. Estes	Edward H. Schleif
Martin A. Fallandy	Lawrence A. Schoelen
Donald F. Flanigan	Hughie D. Sheffield
Leo T. Freitas	Walter G. Sherman
James K. Gaddy	Gilbert F. Sievert
Myron M. George, Jr.	Derald Z. Skalla
Larold W. Gire	Kenneth R. Slaten
Herschel L. Gott	William C. Sproull, Jr.
Thomas J. Griffith	Albert E. Staniukinas
Richard D. Haynes	Eric H. Steentofte
Lyman B. Hitch	Gordon E. Strickland, Jr.
Ralph L. Huth	Kenneth L. Study
Wayne R. Irwin	Karl DeW. Sudekum
John F. Jackson, Jr.	Raymond J. Svigel
Ronald L. Johns	LeRoy Z. Taylor
Richard "D" Johnson	Elmer A. Thomas
Donald J. Keeler	Walter R. Thomas
Raymond G. Kelly	John A. Thomson
Thomas A. Kislan	Roger H. Todd
Frederick N. Kivette, Jr.	William E. Todd
Richard J. Krall	Harold Trolle
Stanley D. Kramer	Thomas A. Turley
James L. Krefting	Alfred F. VanLeuven
John P. Kushnerick	Hale W. Wagner
William L. LaClair, Jr.	Merle R. Walker
Samuel B. Lancaster, Jr.	Grady A. Weeks
William V. Lassen	Edward T. Wilbur
Gregory E. Lawrence, Jr.	Thomas A. Willi
John V. Lawrence	Gabriel H. Wilson
John D. Lemmon	Robert H. Wilson
Harold D. Libby	Joseph J. Wodjenski
Charles T. Lindemann, Jr.	Raymond S. Wood, Jr.
	Allen C. Wooddell
	Eugene G. Zipp

The following-named officer for temporary and permanent appointment as indicated:

Frank D. Virgilio for temporary appointment as commander, Medical Corps.

Frank D. Virgilio for permanent appointment as lieutenant commander, Medical Corps.

Jack E. Yount (civilian college graduate) to be an ensign in the Medical Service Corps of the Navy.

The following-named to be ensigns in the Nurse Corps of the Navy:

Lillian M. Bach	Nancy J. Durham
Irene I. Damasco	Doris T. Fuller
Thelma P. Dial	Alice S. Lane
Dolores T. Dobransky	Frances E. MacDonald

Margaret E. Hopf, woman (civilian college graduate) to be an ensign in the Navy.

Mary D. McDermott, woman (civilian college graduate) to be an ensign in the Navy.

Anne T. Zella, woman (civilian college graduate) to be an ensign in the Navy, subject to qualification therefor as provided by law.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of major general:

William T. Clement	Merwin H. Silverthorn
John T. Walker	Ray A. Robinson

The following-named officer of the Marine Corps for permanent appointment to the grade of brigadier general:

William J. Whaling

The following-named officers of the Marine Corps for permanent appointment to the grade of major:

George E. Wasson	Jefferson D. Smith, Jr.
Percy F. Avant, Jr.	Frank C. Caldwell
David R. Moak	John A. Conway
Alfred G. Carlson	

The following-named officers of the Marine Corps for permanent appointment to the grade of major, subject to qualification therefor as provided by law:

John K. Hogan
Thomas A. Durham, Jr.
John I. Loy

The following-named officers of the Marine Corps for permanent appointment to the grade of captain:

Robert W. Hohl	David G. Swinford
Richard J. Schriver	William J. Longfellow
Robert B. Clay	Richard A. Bauer
John W. Walker	Norman G. Ewers
John E. Shields	Roger A. Morris
Roscoe R. St. John	Harold O. Jones

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 8, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou Eternal Spirit, we are again seeking Thee in the fellowship of prayer, for we know that for courage and consolation, for hope and endurance we need the wisdom and strength of the Lord God Almighty.

May this Chamber now be a veritable mount of vision. Here may we receive insight and inspiration for the duties and demands of this new day. Reveal unto us the reality and adequacy of Thy grace for all our needs.

Grant that we may eagerly covet the companionship of Thy presence and the assurance of Thy guidance as we daily give ourselves to the great adventure of building a social order that will be more wonderful and blessed than our fondest hopes.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

SPECIAL ORDERS GRANTED

Mr. VELDE asked and was given permission to address the House for 40 minutes on Wednesday next, following the legislative program and any special orders heretofore entered.

Mr. LYNCH asked and was given permission to address the House for 30 minutes on Wednesday next, following the legislative program and any special orders heretofore entered.

COMMUNISM AT HOME

Mr. VELDE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VELDE. Mr. Speaker, while we are sending thousands of American boys to Korea to fight and die to prevent Communist aggression, we are still maintaining the administration "red herring" policy at home, allowing Communist espionage agents here at home to run free and loose, high, wide, and handsome.

President Truman has said that our FBI, our Army, Navy, and Air Force intelligence, and other intelligence agencies, are "watching" the enemy Communists here at home. With that I agree. Our intelligence forces have been "watching" the enemy Communists here at home and doing absolutely nothing about what they see. We "watched" American citizens Steve Nelson and Dr. Joseph W. Weinberg conspire with Soviet Consuls Peter Ivanov and Vassili Zubilin, steal and carry to Russia atomic secrets from the University of California Radiation Laboratories. We "watched" while Harry Gold conspired with Klaus Fuchs and others while they stole and carried off vital secrets of the atomic bomb from the Los Alamos project. We "watched" while the War Production Board "O. K.'d" orders for the shipment of 3,000 pounds of uranium to Moscow. Yes, our intelligence forces have become quite apt at "watching" and getting the goods on the foreign enemies within our land, and then the administration says, "Lay off boys, you have just been watching 'red herrings.'"

When are we going to wake up to the fact that the enemy within is more dangerous to the lives of our American soldiers and citizens than the enemy without? When will Congress and President Truman act and do something constructive to protect our people and our Government instead of sitting on the sidelines, "watching" and aiding the transfer of our war secrets and the lifeblood of our economy to Moscow?

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee

on Banking and Currency may have permission to sit during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

MAINTENANCE OF A DOMESTIC TIN-SMELTING INDUSTRY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 3666) to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry, with a House amendment thereto, insist on the House amendment and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, MONRONEY, WOLCOTT, GAMBLE, and KUNKEL.

INTEREST PAID ON TAXPAYERS' OVERPAYMENTS OF INCOME TAX

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, I am surprised to learn that a committee of the other body of this Congress eliminated a House provision of H. R. 8920 which reduced the interest paid on taxpayers' overpayments from 6 percent to 3 percent. The provision to reduce this interest would have yielded about $45,000,000 a year in additional revenue.

This is a dangerously short-sighted action at a time when we need to make most effective use of our financial resources to promote and protect our national defense and security. This may seem a minor item, but during the last year the interest paid by the Federal Government on overpayments alone reached $56,000,000 and estimates this year reach over $85,000,000. Only last year we were asked to vote deficiency funds to meet these payments.

Income-tax refunds amount to over $2,000,000,000. It is hard for me to believe that the big taxpayers overlooked such a sum. It seems more likely that the attractive interest rate might have contributed somewhat to these overpayments.

Now, when Government bonds yield only 2 or 3 percent, it is unjust that the dollars of millions of small taxpayers should be used to guarantee a 6-percent return for the big taxpayer who can afford to overpay at that rate of interest.

There is no question that overpayments must be refunded, but this does not justify a rate of interest that makes overpayment profitable at the expense of other taxpayers. By outlawing or reducing the interest, the amount of overpayment will certainly drop and eliminate a great deal of useless work done by the Bureau of Internal Revenue, resulting in a double saving to those of us who cannot afford to overpay simply to collect the interest.

I submit that the House should stand by its original provision at the very least.

PERMISSION TO ADDRESS THE HOUSE

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. VURSELL addressed the House. His remarks appear in the Appendix.]

OWEN LATTIMORE

Mr. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Speaker, this morning in the Washington Post there was an interesting news story from Peterborough, N. H., which says: "Owen Lattimore urges UN seat for Red China." It seems to me that this is the same line of action that Joe Stalin and Mr. Malik are advocating in the United Nations at the present time. There is an old adage that birds of a feather seem to flock together. Of course, it is not unusual to find Lattimore, Malik, and Stalin thinking alike on matters pertaining to the Far East. Now, I do not know whether Mr. Malik has found a fellow traveler in the Peterborough bard, or whether Mr. Lattimore has himself found a fellow traveler in the U. S. S. R. representative in the UN. It is obvious that they do seem to follow the identical line hand in hand.

RADIO WASHINGTON

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, at various times it has been repeatedly stated that we should have more authentic instrumentalities to send the news of what this country is doing to Russia, for instance, and her satellite countries. It is true that we have the Voice of America, which is not very far-reaching, and I do think it is not considered abroad as an authentic voice. We should have a radio Washington, and when radio Washington speaks that voice should represent the United States Government, and Russia will know what we mean and what we are doing, instead of having these very unsatisfactory broadcasts going abroad from New York. Washington is the major Capital in the world that does not have its authorized radio.

Mr. Speaker, I introduced a resolution some months ago which will provide for a commission of Members of both parties to study broadcasts going abroad. We should have one going abroad with information from this country and we should have information what other countries are thinking and saying about us—what they are doing. No wishful thinking or false information should be sent out by either side about the facts. Mr. Speaker, radio Washington would be enormously valuable. National news could and should be sent out at once. Here in Washington the ability to get out the news in time would be a great asset to the United States; and the news could be gotten out accurately and without errors immediately instead of having to relay it to New York as is done at the present time. Often by the time New York puts out the broadcasts, people are unaware of the exact circumstances in our Nation's Capital that caused the news—people of the world are hungry for information from the United States. They should be given only authoritative information. I have received very favorable comment for what I have done already along this line.

INTERNATIONAI JOY RIDERS

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, the United States belongs to about 120 international organizations of various kinds. Once we join, we have one vote out of many. While we pay by far the greater share of the expense—a third or more—Congress loses all control over the activities and spending.

Two of those groups which we have joined are the World Bank and the International Monetary Fund.

The World Bank has a president at $30,000 per year—plus $10,000 expenses—12 executive directors at $17,000, and 12 alternate directors at $11,500 each.

The International Monetary Fund has a managing director at $30,000, fourteen $17,000 directors, and fourteen $11,500 alternates.

All of these salaries and expenses are United States income-tax-free to the recipients.

The offices of these two international groups are here. Here is where the annual meetings of the governors should be held.

This year a gigantic joy ride will be taken by the directors and their staffs, to hold a 10-day meeting in Paris, September 6 to 16. They will travel on the *Ile de France*, the *America*, and the *Queens Elizabeth* and *Mary*. Nothing cheap, either, you can bet on that.

Expenses? Sure. The governors—one each from the participating countries—and their alternates get $50 per day; members of the executive board, $20; and staff members, $15. That should relieve the French dollar shortage to a considerable extent.

Total cost, somewhere around $400,000—maybe more. And Congress can do

nothing to stop it. Maybe some day we will learn.

SUBVERSIVE ACTIVITIES

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, J. Edgar Hoover, a great American and Chief of the FBI, in the current issue of a leading periodical this week states that every Communist in this country is a potential saboteur. It seems to me, Mr. Speaker, we ought to take care of these saboteurs by confining them to a particular area where they can be watched, so they will not constitute a threat to our internal security. Then, after we have done that, Mr. Speaker, it seems to me we ought also to put the Daily Worker out of business for the time being, at least for the duration of the war, and any other magazines of a subversive nature.

CHINESE COMMUNISTS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, my colleague from Michigan [Mr. FORD] just called attention to a statement in a local paper on which permit me to comment.

TAKES ITS CUE

From the Washington Post, which so often has given or received a cue from Acheson, Lattimore, Hiss, et al., of this morning, under date of August 7, comes the following:

Owen Lattimore said tonight a Communist China delegation should be seated in the United Nations.

This should be the first step taken by the United States in making Asiatic countries "our willing associates," the far-eastern affairs expert said.

Lattimore urged the United States follow the suggestion of Prime Minister Nehru of India that Communist China be admitted to the UN in an effort to bring about a peaceful solution of the Korean war.

He added, however, that we should follow Nehru's proposal "as a concession to our friend and not an appeasement for Soviet Russia."

He said it is imperative that "the spread of communism be checked in Asia" but added:

"We must remember we can't hold the line against communism without Asiatic allies."

It has been charged that we are in the Korean war, because the administration is following a policy formulated in part by Hiss, Lattimore, and Acheson.

Three members of a Senate committee assured us that Lattimore was not even pink. That does not "hook up" with the above statement by Lattimore.

If the Korean war was instigated by Russia, as apparently it was; if the North Korean forces are being directed by Russian military experts, supplied with tanks by Russia, and its armed forces augmented by the Communist Government set up in China by Russia, is there any doubt as to what the verdict of our men who are fighting in Korea would be on the issue of whether a representative of the top command, whose armies they are fighting, should be admitted to the Security Council or to the United Nations?

The Post quotes Lattimore as saying that it is imperative that "the spread of communism be checked in Asia."

Hiss, Lattimore, and Acheson were, in part at least, responsible for the spread of communism in Manchuria and in China. Was it Acheson's or Lattimore's thought that communism would be checked in Asia by the arming of the Chinese Communists? By advising them that our armed forces would get out of Korea? Or did not they anticipate that President Truman, after our armed forces had left and after the Chinese Communists and the North Korean Communists invaded South Korea, would order our men to fight?

According to the Post, Lattimore now says that the representative of Communist China, which is the tool of Russia, should be seated in United Nations, thus making Asiatic countries "our willing associates."

Did he not realize that the fighting men of these Asiatic countries are now killing our men in Korea?

While day and night our men are attempting to turn back the tide of communism in Korea, Owen Lattimore brazenly, publicly asserts that we should make the representatives of Communist China and of Russia our associates.

Lattimore would not last long in Korea advocating that program.

How much longer will President Truman call for the drafting of American men and still retain Acheson and Lattimore as his advisers?

I ask the gentleman from Mississippi [Mr. RANKIN] to explain the situation.

ARMING FOREIGN COUNTRIES

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, it does me a lot of good to listen to speeches where Members of the House want to do away with a lot of the organizations we have in Government which are costing millions and millions of dollars and putting thousands and thousands of people on the payroll. It can be done and should be done. It has to be done and the quicker we do it the better. I am very much interested now in one thing which is coming up here very shortly and that is more money for arming foreign countries. I want to tell the Members of the House, if you are going to bring in a bill asking for money to arm foreign countries along with a bill to arm ourselves, I am against it. I am not going to vote for any money to arm any foreign countries and it does not make any difference who they are or where they are. The only country I want to arm is the United States of America. I want to arm ourselves and I want to do away with the arming of these other nations which will only get us into trouble. You spent twelve and one-half billions arming Russia—do you like it? You spent two and one-half billions arming China, do you like it?

You spent millions, yes billions, arming Greece, Turkey, Great Britain, France, Italy and others. I am sure you will rue the day that you started this silly idea in the name of peace. The policy is wrong. The principle for peace is wrong.

If you want peace do it in peaceful way—not in the way of war. To prepare for war will mean war and more war. This administration, the State Department, the Foreign Affairs Committee all want to change their attitude. Stop preparing for war if you want peace.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks, and include a statement from a recent publication including the answers by Mr. J. Edgar Hoover to questions on communism.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

THE CONGRESS SHOULD STAND GUARD AGAINST RUN-AWAY PRICES

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, the temper of the people which is way ahead of its leaders in this situation on price controls is what is going to make this House, undoubtedly, provide stand-by rationing and price controls tomorrow. The Congress will not, however, be doing a complete job unless we do also two other things.

One, we have no voluntary conservation agency in this country to help the great majority of our people who patriotically do not want to hoard and want to buy only at prices and in quantities in accordance with what is good national policy. We should have a food conservation agency in the Government to guide and advise consumers and to coordinate the activities at self-discipline of processors, producers, and distributors.

Second, when we go home, as we are likely to, at least on recess, sometime in the next few weeks, we should leave a "watchdog committee" of this House to watch the price, hoardings, and supply situations; knowing that a congressional investigating committee is one of the best deterrents where there may be a small

minority of unconscionable people who try to scalp others on the price issue or to hoard, and thereby to jeopardize the whole national interest in the process.

The situation of stand-by controls on prices, and so forth, given to the President has some analogy to the appropriation of enough money for a 70-group air force by Congress and the President then holding up the money. The House had better have a committee on the job to see that the stand-by controls are actually used as needed.

PRICE AND WAGE CONTROLS

Mr. NICHOLSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. NICHOLSON. Mr. Speaker, I am convinced that the people of this country want price controls and wage controls. If we put on price and wage controls, we will not have any more trouble. If people have invested their money hoping that the market will go up 10 or 15 percent, I do not have any sympathy with them. The people who have to fight and die for this country come first in my thought, and not the fellows who are trying to get rich on the misery of others.

I would like to say to the gentleman from New York that it is not the patriotic citizens that do these things.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

EDUCATIONAL AGENCY FOR SURPLUS PROPERTY WITHIN THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6104) to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes, together with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, after line 10, insert:

"SEC. 3. The authority of the Agency and of the Advisory Board shall terminate upon direction of the Commissioners of the District of Columbia and in any event no later than the repeal of sections 203 (j) and 203 (k) of the Federal Property and Administrative Services Act of 1949. Upon such termination, the assets of the Agency shall be disposed of as the Commissioners may direct."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, the minority members of the committee are in favor of this action?

Mr. McMILLAN of South Carolina. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

REGULATING BOXING CONTESTS IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7662) to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," together with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944 (58 Stat. 823), is amended by changing the second sentence of section 1 to read as follows: 'No person shall be eligible for appointment to membership on the Commission unless such person at the time of appointment is, and for at least 3 years prior thereto has been, a resident of the District of Columbia: *Provided*, That one member may, at the time of appointment, be a resident of the metropolitan area of the city of Washington, comprised within the areas of Maryland and Virginia adjacent to the District of Columbia.'

"SEC. 2. Said act is further amended by adding at the end thereof the following new section:

" 'SEC. 18. Notwithstanding the limitation of any other law or regulation to the contrary, any person heretofore or hereafter appointed as a member of the Commission may receive the compensation authorized by this act to be paid to such member, as well as any retired pay, retirement compensation, or annuity to which such member may be entitled on account of previous service rendered to the United States or District of Columbia governments.' "

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MUTUAL-AID PLAN FOR FIRE PROTECTION IN THE DISTRICT OF COLUMBIA AND ADJACENT COMMUNITIES

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4788) to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes, together with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 9, after "Virginia," insert "with the city of Falls Church, Va.,".

Page 2, line 20, after "Virginia", insert ", and the city of Falls Church, Va."

Page 3, line 1, after "act," insert "service performed by any officer or member of the Fire Department of the District of Columbia at any other city, area, municipality, or other location where they shall have been directed to respond for the purpose of saving lives, extinguishing fires, or preserving property on orders of the Commissioners of the District of Columbia or of the Chief Engineer of said Fire Department or his acting designate."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. ANDERSON of California asked and was given permission to extend his remarks in two separate instances—in one to include an editorial and in the other a letter.

Mr. POULSON asked and was given permission to extend his own remarks in the RECORD.

Mr. WOODRUFF asked and was given permission to extend his remarks and include an article by David Lawrence.

Mr. LYNCH asked and was given permission to extend his remarks and include a letter.

Mr. DAVIES of New York asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. TAURIELLO asked and was given permission to extend his remarks and include a resolution adopted by the Buffalo Common Council.

Mr. WHITAKER asked and was given permission to extend his remarks and include a statement with reference to his colleague [Mr. CHELF].

Mr. MULTER asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. GROSS asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. D'EWART asked and was given permission to extend his remarks in two instances and include editorials and other extraneous matter.

Mr. REED of New York asked and was given permission to extend his remarks in three instances and include in each extraneous matter.

Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks and include extraneous matter.

Mr. O'KONSKI asked and was given permission to extend his remarks.

Mr. MANSFIELD asked and was given permission to extend his remarks and include some articles.

FREIGHT FORWARDERS

Mr. COLMER. Mr. Speaker, I call up House Resolution 715 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5967) to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their rela-

tionship with motor common carriers. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Illinois [Mr. ALLEN], and pending that I yield myself at this time 2 minutes.

Mr. Speaker, this is an open rule making in order the consideration of H. R. 5967, the freight forwarders' bill. It provides for 2 hours' general debate. The bill is rather technical in nature, dealing with freight forwarders, and the chairman of the committee handling the bill will explain it at the proper time.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. RANKIN. I did not understand the reading of the resolution on account of the confusion in the Chamber. It does not exclude amendments, does it?

Mr. COLMER. It is an open rule.

Mr. RANKIN. Any amendment that is germane may be offered?

Mr. COLMER. Yes.

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time on this side.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. PRIEST. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5967) to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5967) to clarify the status of freight forwarders, with Mr. MCSWEENEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, 1 hour of general debate will be under the control of the gentleman from Texas [Mr. BECKWORTH] and 1 hour under the control of the gentleman from New Jersey [Mr. WOLVERTON].

Mr. PRIEST. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill has been considered by the Subcommittee on Transportation of the Committee on Interstate and Foreign Commerce. It has been further considered by the entire committee, and the bill has been reported favorably.

Mr. Chairman, I should like to yield the remainder of my time to the gentleman from Texas [Mr. BECKWORTH], chairman of the subcommittee handling the bill.

Mr. BECKWORTH. Mr. Chairman, in the first place, it is fair to say that this legislation has not been without controversy; there has been considerable division of opinion for a long time in regard to this freight-forwarders issue. The House Committee on Interstate and Foreign Commerce has given a great deal of attention to the bill that we bring before you, H. R. 5967, which was introduced by our chairman, the gentleman from Ohio [Mr. CROSSER], by request.

At the time the Freight Forwarders Act was amended in 1946, it was believed that we had pretty well corrected that which needed to be corrected in order for freight forwarders to continue to perform the functions they have traditionally performed in their relationship with motor carriers.

I desire to read a brief statement from the report of the committee as of that time, as follows:

> The essential fact in the situation is that, due to the conditions under which forwarders utilize the services of motor carriers, and due to the character of the services performed by these two types of regulated transportation agencies in the case of movements of traffic in which both participate, there is justification for the establishment of a basis of compensation under which the common carrier by motor vehicle may receive less than would be the case where the common carrier by motor vehicle is performing service for the shipping public generally (H. Rept. 1516, 79th Cong., p. 6).

That appeared in a House report in the Seventy-ninth Congress. The essence of what it says, as I have just read, is that freight forwarders might be permitted to use the services of motor carriers at a lesser rate than the published rate on certain kinds of motor-carrier traffic.

The freight forwarder performs an unusual type of service to the shipping public in that he concentrates at a given point a shipment of goods. Perhaps it is from many small shippers; in many instances it it. He then engages a motor carrier in the instance we are talking about in this bill, for it has nothing to do with rail carriers, to carry the goods to the break-bulk point or point or distribution location.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BECKWORTH. Mr. Chairman, I yield myself 26 additional minutes.

Mr. Chairman, because of the work that the freight forwarder has done in concentrating the shipment, because he assumes the obligations and responsibilities as a common carrier, it is felt that his service warrants a lesser rate than the published rate paid by shippers generally.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Indiana.

Mr. HALLECK. Is it not true that that arrangement of agreed charges for the line haul where the forwarders use motor carriers is now in existence and has been for some 30 years?

Mr. BECKWORTH. That is true.

Mr. HALLECK. In view of that circumstance, if the line haul is less than 450 miles, the legislation here proposed just maintains the status quo, is that not correct?

Mr. BECKWORTH. That is exactly the purpose the committee had in mind in writing this bill, to permit continuance of the present type of operations of the freight forwarders.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Pennsylvania.

Mr. GREEN. In view of the colloquy that has just taken place between the gentleman from Texas and the gentleman from Indiana, perhaps the gentleman can explain to me why if this just continues the status quo this legislation is needed at all?

Mr. BECKWORTH. The reason why it is needed at this time is a decision of the Interstate Commerce Commission, which, after studying this matter, issued an order under the law, as amended in 1946, which if it goes into effect this very August would have the effect of curtailing some of the services which the freight forwarders now give. That seems to be the opinion of the committee that reported this bill unanimously. Certainly I do not recall that any member of our committee opposed the bill as reported. It was the opinion of at least a segment of the Interstate Commerce Commission that the Commission's decision would have this effect on forwarder service. There was disagreement originally in the Commission as to exactly what is needed and what should be done, but the committee in its wisdom, and after much work in conferring with two of the Commissioners, one which took one side and one which took the other side, felt that this legislation was and is necessary.

I would like to go ahead and explain as best I can the provisions of the bill and then I shall undertake to answer any questions that I can answer.

The bill, among other things, would, in effect, say that freight forwarders are common carriers. That is simply stating what is a fact. At common law freight forwarders were regarded as common carriers. They issued bills of lading. They assumed complete responsibility as they contract with the shipper today, and the legislation actually states that they will be regarded as common carriers; not that they are not already common carriers. They are, in the opinion of the committee, and in the opinion of many others.

We have amendments in the bill that seek to make it fair as between the freight forwarders. It was feared, as the legislation was originally written, that it might unduly prefer large forwarders as contrasted with the smaller forwarders. We have language that we feel will prevent that.

Furthermore, we have language in the bill designed to be sure that the contracts or agreements between the forwarders

and between the motor carriers shall be just and fair and equitable. Something has been said about the 450-mile limit and the question has been raised as to why that was put in the legislation. Forwarders ordinarily do not utilize motor carrier services for distances greater than 450 miles; in other words, that is about the maximum amount of service in mileage that motor carriers render for freight forwarders. It was for that reason that we did place in the legislation the 450-mile limitation. We did not want to permit contracts covering greater distances because they would be a departure from what has been the practice up to this time.

There were some who felt that this legislation would permit action contrary to the national transportation policy. Of course, the transportation policy in effect says that each segment of our transportation service—such as railroads, such as trucking, water, and freight forwarding—shall perform that service which it can in effect best perform. In order to be sure that this legislation does not in any sense weaken the policy, we have specifically written into the bill a provision that the transportation policy cannot in any sense be violated. I think it is important to keep in mind that the Interstate Commerce Commission will definitely have authority with reference to the matters covered by this bill. Freight forwarders are already regulated by the Interstate Commerce Commission under part IV of the Interstate Commerce Act. That should be well understood by every Member of the committee present. The legislation that we bring here states this:

(b) Contracts entered into or continued pursuant to subsection (a) of this section shall be filed with the Commission in accordance with such reasonable rules and regulations as the Commission shall prescribe. Whenever, after hearing, upon complaint or upon its own initiative, the Commission is of opinion that any such contract, or its terms, conditions, or compensation is or will be inconsistent with the provisions and standards set forth in subsection (a) of this section, the Commission shall by order prescribe the terms, conditions, and compensation of such contract which are consistent therewith.

In other words, under the present law, the Commission has full power to look into the rates which are charged by freight forwarders to shippers, and under this bill the Commission will have full authority to look into the compensation agreed upon by freight forwarders and water carriers under contracts. Of course, as contracts and the compensation provided therein are inquired into, any practice which is in violation of the law that has been laid down and approved by the Congress would be subject to modification by the Commission, just as, I might say, the joint rates and divisions between one trucker and another trucker can be looked into and corrected.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Michigan.

Mr. FORD. I was following the gentleman's quotation of the changes made in section 409 (b). I was reading from page 13. I followed the gentleman on down to the portion in parentheses. Then what the gentleman read seemed to be different from what I read on page 13.

Mr. BECKWORTH. Page 13 of what?

Mr. FORD. The committee report.

Mr. BECKWORTH. I do not have the report before me. I am reading from the bill. What part is different, as the gentleman understands it?

Mr. FORD. Starting with subparagraph (b) on page 13, section 409, the gentleman was reading as follows, and I am now quoting:

Whenever, after hearing upon complaint or upon its own initiative, the Commission is of the opinion that any such contract (either as to terms and conditions or compensation) is or will be unjust—

Then there was some difference from what the gentleman read.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Tennessee.

Mr. PRIEST. I believe the gentleman will find that the language he is reading is the language of the bill as introduced and not as reported.

Mr. BECKWORTH. I am reading from the bill H. R. 5967, Report No. 2489. I have not had a chance to study it further. If there is any difference I will be glad to try to find out about it, but I am reading from the most recent bill we have. Does the gentleman have the bill H. R. 5967 before him?

Mr. FORD. I was not following the bill, I was following the report of the committee.

Mr. BECKWORTH. Have I misread the bill? That is what I understand is the latest work of the committee.

Mr. FORD. I would assume the gentleman did not misread the bill, but I was confused by the fact that it was different in the report from what it was as the gentleman read it.

Mr. BECKWORTH. I have read from the most recent copy of the bill, the one showing the committee amendments.

Mr. FORD. May I ask the gentleman this question: It seems to me that the bill as reported, particularly that section, provides a certain measure of protection, but at the same time I am wondering if you are not letting the animal get out of the fence and then trying to corner him after the damage has been done?

What we all are trying to build is a stable, effective national transportation system, and if the freight forwarders under this legislation, or under existing conditions are able to bludgeon certain small trucking concerns into giving certain preferences to the over-all detriment of our trucking system, then you are not building up or helping to build up a strong national defense program. I am afraid this kind of legislation authorizing these contracts is a step in that direction.

Mr. BECKWORTH. I would say that that fear has been expressed before and by a good many people. However, there is a great difference of opinion among the the truckers themselves. True enough, the American Trucking Association by telegram which they sent here oppose the bill. They have indicated that. Now, on the other hand, we have had communications from some truckers and we had testimony from some which indicate they are much in favor of this legislation. It is only natural that those truckers who are doing business with forwarders naturally feel well disposed toward the forwarders. Perhaps those truckers who are not doing business with forwarders and not getting any of their business do feel that this might not be in their interest. But it was the opinion of the committee that the forwarder performs a very worth-while function, and incidentally there was convincing testimony to the effect that forwarders do not take advantage of these truckers. It is a matter of bargaining between them, and the truckers who have these arrangements are well satisfied.

I remember for example, I forget the man's name from Chicago, who indicated that he was interested in about 85 truck lines and his testimony was to the effect that they are not coerced in any sense by the freight forwarders.

Mr. FORD. I think there is an equal number, if not a larger number, of trucking concerns that do feel there is a weapon of coercion in the hands of freight forwarders in this legislation or even under some of the existing conditions which prevail today.

Mr. BECKWORTH. I might say in this connection that if this legislation passes, the freight forwarder would not be doing in the main more than what he has historically done in the way of business traditionally. He, today, is performing under agreements the very kind of function he would perform if this legislation is passed, as I understand it.

Mr. FORD. Then what is the need of this legislation?

Mr. BECKWORTH. Because of this order which has been issued by the Commission which would in effect curtail the services that freight forwarders have been performing. May I say that the Commission was divided. The first statement I made when I came to the well of the House was with reference to the fact that there has not been unanimity, either in the Commission or in the Congress or in the industry itself. However, the committee that studied this problem the most, and which reported the legislation out, was, as I recall, unanimous, and nobody that I know of opposed the bill as the committee has amended it.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. GREEN. The Committee on Interstate and Foreign Commerce of the Senate reported this bill out by a vote of 7 to 6.

Mr. BECKWORTH. The gentleman is correct, except that the bills are not identical.

Mr. GREEN. There is a minority report filed on it. I am just trying to clear up the idea that this is a simple piece of legislation. It is very complicated and very important. It reminds me of a piece of legislation we had recently to amend the Natural Gas Act, trying to get around a decision of the Interstate Commerce Commission.

Mr. BECKWORTH. Mr. Chairman, I do not say that the legislation is not controversial. The gentleman is exactly correct when he states that the Senate voted out a bill on this subject 7 to 6. However, the bill which was voted out by the Senate is not the bill we now have before us. This bill is considerably changed from that which was voted out of the Senate committee by a vote of 7 to 6. The amendments to which I have referred, or at least three of them, are amendments which have been placed in the bill since the Senate voted the bill out of the Senate committee.

Mr. GREEN. How does the committee arrive at the arbitrary figure of 450 miles?

Mr. BECKWORTH. I said a moment ago that seems to be about the maximum mileage for which the freight forwarders have utilized motor carrier service, and that was the reason we took 450 miles.

Mr. GREEN. Does that arrange it so that over 450 miles there is supervision?

Mr. BECKWORTH. Over 450 miles the motor carrier would have to charge the published tariff rate. He could not charge less.

Mr. GREEN. And under 450 miles?

Mr. BECKWORTH. He could charge less, as is being done today, but only in conformity with the carefully drawn standards written into this bill.

Mr. GREEN. But he could not go before the Commission. If the common carriers have a dispute with the shipper about the rate, the two of them have to go before the Interstate Commerce Commission, but this would bring the freight forwarders in competition with the small truckers. There are only about three freight forwarders that amount to anything. I think that out of a hundred there are only about three big freight forwarders.

Mr. BECKWORTH. There are some large freight forwarders and there are some small ones. I do not know the exact number, but, as I pointed out, the committee wrote in a provision which it feels is a protection for the small forwarders.

Mr. GREEN. Is it not true that these freight forwarders are just brokers, in a fashion? They do not have any equipment?

Mr. BECKWORTH. There are some people who feel the freight forwarder does not have any function and ought to be out of business. That is true. But the Congress has not recognized that. As a matter of fact, every time the Congress has had anything to do with this thing, it has come to the opposite conclusion, that these people perform a worth-while service; that they have an important function in the transportation field. Why? Because they concentrate the goods for the small shippers. Some of the best testimony in regard to this legislation is from some of the smallest shippers. They concentrate these shipments in bulk loads, and then they carry it over the line haul and then distribute it, and, in effect, save the shippers time and money. The shippers feel that in many instances this is a good deal for them. Congress has clearly not regarded forwarders as mere brokers, because they have been regulated by law as common carriers since 1942.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. HALLECK. First of all, as the gentleman knows, I served on the great Committee on Interstate and Foreign Commerce for many years. I served on the subcommittee which wrote the Transportation Act of 1940, and I was a member of the committee when subsequently the freight forwarders were brought under regulation as common carriers. Two things should be pointed out.

The first is that with respect to this suggestion that something bad will flow from the adoption of this act, the fact of the matter is that the forwarders have had this arrangement with agreed rates with the truckers through the years and up to this very day. Probably the best evidence that none of these dire things would come to pass is the fact that they have not come to pass.

Mr. BECKWORTH. That is certainly a fair statement, in my opinion.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. DONDERO. I have four telegrams in my hand. Three of them are against this bill and one is for it. Those that are opposed to it seem to be transit companies. That means the company that takes the goods from the freight forwarder. Is that correct?

Mr. BECKWORTH. I assume that is what you have in mind. We call the ones who make the line haul the long haul from point of concentration to the break bulk point.

Mr. DONDERO. They say that it would jeopardize the economic position of our employees and your constituents. How would it do that?

Mr. BECKWORTH. I do not think it would.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BECKWORTH. Mr. Chairman, I yield myself five additional minutes.

I think the best answer to what you have just asked is what the gentleman from Indiana [Mr. HALLECK] just said. They have been doing these things a long time, and have been performing an important function, which this committee is undertaking to say they have a right to perform.

Mr. DONDERO. You mean give it some semblance of law?

Mr. BECKWORTH. Yes; or authority, we will call it; to authorize that this be done.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. CUNNINGHAM. I wish to thank the gentleman for his explanation. If I understood the gentleman correctly, the gentleman stated that the passage of this bill would make no change for anyone except the freight forwarder.

Does the gentleman mean to say that it would make any change for the trucker who hauls longer distances than 450 miles?

Mr. BECKWORTH. The trucker who hauls longer than 450 miles would not be affected, because he would have to charge the forwarder the published rate for what he hauled on any distance longer than 450 miles.

Mr. CUNNINGHAM. Does he have to do that right now?

Mr. BECKWORTH. No; he does not have to do that right now.

Mr. CUNNINGHAM. Then it would make a difference.

Mr. BECKWORTH. Just a minute; he does not have to do that right now, but most of them do because forwarders very rarely use their services for transportation for more than 450 miles. Many of them deal with freight forwarders now and the very essence of the contract between the freight forwarders and the motor carrier is that the motor carrier gives to the freight forwarder a less rate than the published rate because the freight forwarder has performed services that the motor carrier does not have to perform when he carries that kind of cargo.

Mr. CUNNINGHAM. May I ask the gentleman this further question—I am sorry to take so much of his time—Assume the distance from Chicago to Des Moines is a little under 450 miles; the distance from Chicago to Kansas City, Dallas, or Denver by way of Des Moines is much over 450. Would the passage of this bill give to the trucker who hauls only from Chicago to Des Moines a proportionate advantage over the trucker who would haul from Chicago to Kansas City, which is more than 450 miles?

Mr. BECKWORTH. I see what the gentleman is talking about. The condition that I have described would exist with reference to cargo carried by motor carriers or freight forwarders. They could charge less in regard to the 450-mile distance; that is true.

Mr. CUNNINGHAM. Then that is one difference between the present existing situation and the situation that would exist if this bill passes insofar as the truckers are concerned who haul more than 450 miles.

Mr. BECKWORTH. In law that is true; in practice it is very far from being greatly different.

Mr. CUNNINGHAM. But the exception is there.

Mr. BECKWORTH. In law that is true; in practice it is the custom today, and that is the way the committee feels after literally hours of work on the bill.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. JONAS. I call the gentleman's attention to section 2 of the proposed bill which states that the purpose is to make clear the status of freight forwarders and common carriers. Is the status of freight forwarders in confusion? And if it is, to what extent and how will this bill care for it?

Mr. BECKWORTH. Some would say that the status is in confusion; but as I said, in common law freight forwarders

have been regarded as common carriers; in the function they perform they have certainly operated as common carriers. Certainly to the shipper that is completely true, because they have had to assume the complete obligation of being common carriers; they issue bills of lading; they have a common carrier responsibility, and this legislation simply makes clear that they will be regarded as common carriers, because they are common carriers.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I have taken a great portion of this time. I yield for a brief question.

Mr. NICHOLSON. This bill, as I understand, reiterates what the Congress did when the bill was passed some 10 years ago.

Mr. BECKWORTH. In 1946.

Mr. NICHOLSON. And through some misunderstanding with the Interstate Commerce Commission this legislation is in the status quo that it was when the bill was originally passed 10 years ago.

Mr. BECKWORTH. I think that is substantially correct. Naturally any statute that you change, changes the law somewhat. As far as practice that certainly is my understanding. I will try to answer the gentleman more fully later.

The CHAIRMAN. The gentleman from Texas has consumed 31 minutes.

Mr. WOLVERTON. Mr. Chairman, I yield myself 39 minutes.

Mr. Chairman, the debate on this bill has gone far enough to indicate that it is a subject that is more or less technical and with some complexity. I have prepared my remarks from the standpoint of endeavoring to explain what to some is not clear as to the effect and the reason for the bill. In doing so I have prepared my statement from the standpoint of the chronology of the different provisions of the Transportation Act relating to freight forwarders. I am of the opinion that it will answer many questions that already have arisen and that may naturally arise.

Mr. Chairman, because H. R. 5967, as amended, like the 1946 amendment of section 409 of the Interstate Commerce Act which it supersedes, carves out an exception from the general theory of the regulation embodied in part 4 of the Interstate Commerce Act for freight forwarders as enacted in 1942, I think it appropriate that, as one of those active in the framing of that legislation, I should briefly indicate the principal reasons which have induced your Committee on Interstate and Foreign Commerce to approve the bill in the form reported.

Prior to 1935, when motor carriers were brought under Federal regulations by part II of the Interstate Commerce Act, freight forwarders had entered into agreements with them for motor carrier service. When the motor carrier regulation became effective, the forwarders attempted to perpetuate these contract arrangements on the theory that they were joint rates which might be maintained under part II of the act. The Interstate Commerce Commission and the courts found against this theory and held such joint rates to be unlawful—Acme case (2 M. C. C. 415; 8 M. C. C. 211; 17 M. C. C. 549; 30 Fed. Supp. 968; 309 U. S. 638).

These contract arrangements between forwarders and motor carriers, whereby the latter gave service to forwarders at less than their regularly published tariff rates, were not joint rates in the proper sense of that term. Joint rates in the sense used in the Interstate Commerce Act contemplate an arrangement, voluntary or prescribed, between or among connecting carriers each of which performs a portion of the physical transportation called for by published tariffs as to which each carrier is a principal and stands toward the owner of the shipment in the relation of carrier to shipper. Under such forwarder-motor carrier agreements only the forwarder actually bore a carrier relation to the owner of the goods and the motor carrier was an agent of the forwarder. While under the freight forwarder legislation of 1942 such contract arrangements between forwarders and motor carriers were permitted to continue for a limited period on a temporary basis "as though such joint rates or charges had been established under the provisions of such part II," such arrangements have not been joint rates in the true sense.

In the Freight Forwarder Act of 1942 the Congress not only decided against permanently legalizing the so-called joint rate arrangements between forwarders and motor common carriers which served them under contract, but on the contrary concluded that sound regulation necessitated that forwarders should employ the services of common carriers by rail, motor vehicle, or water only at the published tariff rates of such carriers.

To meet the representation of the forwarders that some relaxation from the regularly published tariff rates should be permitted for assembling and distributing service where forwarder traffic is concentrated or distributed prior or subsequent to carload or truckload movement and which might not involve a full local service, provision was made in section 403 of the 1942 act which permitted railroads, motor carriers, and water carriers to publish such assembling and distributing rates as conditions might justify if open to all forwarders and shippers able to use them.

As the country was then at war, and to minimize disruption to freight forwarder service, provision was also made in section 409 for the temporary continuance of existing joint rates for an 18-month period. This was subsequently extended for additional periods of 18 months and 9 months, a total of 45 months, or until February 1946.

In February 1946 there was enacted at the instance of the freight forwarders an amended section 409, presently in effect, in which Congress receded from its previous position that forwarders should pay only the published tariff rates of the common carriers whose services they utilized, by directing that the Interstate Commerce Commission prescribe terms and conditions under which forwarders might utilize the services and instrumentalities of motor common carriers under agreements. This amendment contains a proviso to the effect that the terms and conditions to be prescribed by the Commission "shall not permit payment to common carriers by motor vehicle of compensation which is lower than would be received under rates or charges established under part II of this act," except to the extent that such lower compensation is found by the Commission to be justified by reason of the conditions and the character of the services.

In pursuance to this mandate the Commisison proceeded to hold extended hearings following which it prescribed terms and conditions governing agreements between freight forwarders and motor common carriers. These were embodied in its report and order of September 14, 1948, in its Docket 29493, 272 I. C. C. 413. Based on a finding that no justification had been shown for a lower basis of compensation, the Commission's decision prescribing terms and conditions provided that compensation to motor common carriers for handling terminal-to-terminal traffic should not be lower than would be received under rates or charges established under part II of the act.

The freight forwarders were dissatisfied with this decision, and apparently with the measure of control over their agreements with motor carriers which the Commission had asserted under its interpretation of the 1946 amendment. They accordingly brought suit to set aside the order, but this was dismissed when it became apparent that amendatory legislation might obtain consideration and that congressional committees considering the same would request Commission postponement of the effective date of such order.

I recount these developments in order to make clear that while in framing the original freight forwarded legislation in 1942 Congress thought best to require that they should pay only the published tariff rates of the common carriers whose services they utilized, the 1946 legislation made an exception in the case of motor carriers and permitted forwarders to purchase their motor carrier service at agreed rates subject to certain limitations and regulations by the Commission.

The present bill as amended responds to the freight forwarders' request for a redefinition of the measure of Commission control over their agreements with motor carriers, whereunder the Commission will exercise its regulatory authority over such agreements after, rather than before, they are made and filed, and which will embody a clearer statement of the extent to which compensation of motor carriers under contract at less than tariff rates may be found justified.

In responding to this request of the forwarders, this bill reflects the conclusion of your committee that, in view of the maintenance of contractual arrangements between freight forwarders and motor carriers for more than a period of 15 years, there is now no certainty that the broad proscription of all such contractual arrangements could be brought

about in line with the theory of the 1942 legislation without some curtailment of forwarder service with resultant disadvantage to the public. On the other hand, the principles on which the 1942 legislation proceeded are still regarded by your committee as essentially sound, and therefore it has been their endeavor in this amendatory legislation to confine, as nearly as may be, the coverage of such contractual arrangements to the area generally representative of present freight forwarder operations under such agreements, while retaining such limitations and regulatory authority as will best insure the avoidance of discriminations among forwarders and of unwholesome conditions in the transportation industry.

While the amendment gives the Commission only a reviewing power, as distinguished from a previewing authority, in respect of such contracts, it is our view that it will be sufficient to enable the Commission to deal with the subject in a practical manner. Thus, in reviewing such contracts it will not be confined to examining them one by one, but under its general investigatory powers may, after hearing, make such administrative findings and orders as may be necessary to insure conformity with the standards set forth in the amended statute.

What I have said relates to the more general considerations which have influenced your committee to recommend legislation along the lines of the amended bill. I now wish briefly to touch upon some of the individual provisions of the bill as amended.

Section 1 of the bill as originally introduced, and as retained in the amendment, proposes to expand the definition of freight forwarders as set forth in subsection (a) (5) of section 402 of the Interstate Commerce Act so as to cover "any person which (otherwise than as a carrier subject to part I, II, or III of this act) holds itself out to the general public as a common carrier to transport or provide transportation of property," and so forth.

The proposal to so designate freight forwarders as common carriers has been questioned in two principal respects.

Certain of the shippers and motor carriers apparently fear that, if so designated as common carriers, freight forwarders will be in a position to establish joint rates with common carriers by rail, motor vehicle, or water, subject to parts I, II, and III of the Interstate Commerce Act, respectively. There is no basis for this concern. Except for the 9-month period within which the existing so-called joint rates with motor carriers may remain in effect, as provided by section 4 of the bill, there will be, upon its enactment, no provisions in the Interstate Commerce Act which will authorize or permit joint rates between freight forwarders subject to part IV and any common carriers subject to parts I, II, or III, respectively.

Concern was also expressed by certain railroads and others that the effect of so designating freight forwarders as common carriers might undermine the doctrine of the Supreme Court's decision in *Chicago, Milwaukee, St. Paul & Pacific Railroad Co. et al* v. *Acme Fast Freight, Inc.* (69 S. Ct. 692), decided April 4, 1949. In that case a freight forwarder, which had evidently paid to one of its patrons a loss or damage claim on a small shipment, sought reimbursement from the railroads which had carried the goods—along with other goods in a consolidated carload—but without complying with the terms of the railroad bill of lading issued to such freight forwarder covering the carload shipment. The forwarder had contended that under section 413 of the Interstate Commerce Act it was permitted to recover against the railroad under the bill of lading which the freight forwarder had issued to its own patron covering the small lot of freight and without regard to the terms of the railroad bill of lading. The Supreme Court held that the railroad bill of lading issued to the freight forwarder governed the latter's right as against the railroad, and that section 413 did not authorize the recovery sought on the theory of subrogation under sections 20 (11) and (12) of the Interstate Commerce Act.

In our view this is not only a sound interpretation of the law as it now stands but represents the rule which should continue to obtain wherever freight forwarders use the services of common carriers by rail, motor vehicle, or water under their bill of lading liability and published tariff rates. To insure that the doctrine of the Acme bill-of-lading case will not be affected in any way by designating forwarders as common carriers as proposed in section 1 of the bill, section 3 has been added to the bill as amended.

The standards to be observed by freight forwarders and motor carriers in the making of contracts, and by the Commission in its review of those contracts, set forth in section 409, as proposed in section 2 of the amended bill, deserve some passing comment.

Insofar as the terms, conditions, and compensation of such contracts are required to be just, reasonable, and equitable, and nonprejudicial as between the parties, the purpose is to make plain that such terms, conditions, and compensation are to be fair as among the parties thereto, considering the character and extent of the services performed by motor common carriers for freight forwarders. While, as generally understood, freight forwarders do not themselves physically perform any portion of the line-haul transportation service, they may perform certain services in the nature of terminal services under their contracts with motor common carriers which are properly to be taken into account in the fixation of compensation for so much of the total transportation service as the motor carrier does perform.

This does not at all mean that the relationship between freight forwarders and motor carriers under such contracts is the same as that between two motor carriers parties to a joint rate. In the latter case each performs a portion of the total physical carriage and both stand in the same relation to the owner of the goods, that is, as common carrier to its shipper. In the case of the contracts proposed to be authorized by the bill as amended, only the forwarder will be in privity of contract with the owner of the goods, and the motor carrier under the contract will be a mere agent of the forwarder for the performance of the particular service contracted for.

Inclusion in the amended bill of the provision—not embraced in the bill as introduced—that the terms, conditions, and compensation of such contracts shall not unduly prefer or prejudice "any other freight forwarder" was for the purpose of making certain that the bill would not be construed as in any way weakening or affecting the application of section 404 (c) of the Interstate Commerce Act. This makes it unlawful for any common carrier subject to part I, II, or III of the Interstate Commerce Act to unduly prefer or prejudice any freight forwarder. One of the criticisms made of the bill as introduced was that in the absence of such specific provision the bill would open the way for the larger forwarders to obtain transportation at lower rates than the same motor carriers would quote the smaller forwarders, and thus foster monopoly in the forwarding industry. Under the bill as amended, the Commission would have full authority to determine whether differences in contractual arrangements which a motor carrier might make with two or more forwarders would be unduly preferential or unduly prejudicial in fact.

The inclusion, among the standards to which authorized contracts must conform, of consistency with the national transportation policy as declared by Congress in 1940 (54 Stat. L. 899) was for the purpose of preventing freight forwarders—which because of the large traffic which they control have great bargaining power—from imposing on the motor carriers they may employ under contract or from bringing about conditions in the transportation industry which would defeat the maintenance in the public interest of sound, wholesome, and efficient transportation service. A primary reason for the objective of Congress in the 1942 legislation of requiring freight forwarders to compensate the carriers on the basis of the published tariff rates was to insure that unwholesome conditions in the transportation industry would not be brought about through the tremendous bargaining power which freight forwarders enjoy.

While freight forwarders are often likened to express companies, which make contracts with common carriers for service, one distinction is of particularly vital character. Long before the advent of the motor carrier, railroads had been held not to be common carriers of express companies. Thus they were free to perform their own express service or to contract with an express company to perform it. In the latter case the contract could be an exclusive one whereunder the express company could be required to carry all the express business which might come to the railroad. Under the form of regulation provided under part IV of the Interstate Commerce Act, common carriers by rail, motor vehicle, or water subject to that act may not refuse common-carrier service to any forwarder tendering its shipment under published tariff rates. The converse of this is that the freight forwarders are completely free at all times

to make use of the service of such common carriers or such combination of different common carriers, as they may elect. Accordingly, the forwarders can at any time take their freight business from one common carrier, which may be greatly dependent upon it, and give it to another.

This power to divert traffic from one common carrier to another would give the forwarders an overwhelming advantage in dealing with the carriers whose services they utilize, in the absence of a provision, as in the 1942 legislation, that forwarders should pay the published tariff rates, or in the absence of provisions, such as those incorporated in the amended bill, which require that the terms, conditions, and compensation of contracts as between freight forwarders and motor common carriers shall be just, reasonable, and equitable and not unduly prejudicial of any of the participants or any other freight forwarder and shall be consistent with the national transportation policy. By subsection (b) of section 409 as proposed to be amended by section 2 of the bill the same standards are made the scope of the Commission's power when such contracts come under its review.

The mileage limitation expressed in the second proviso of section 409 (a) as proposed to be amended by section 2 of the bill deserves comment. This provides that in the case of line-haul transportation between concentration points and break-bulk points in truckload lots where such line-haul transportation is for a total distance of 450 highway miles or more, such contracts shall not permit payment to common carriers by motor vehicle of compensation which is lower than would be received under rates or charges established under part II of the Interstate Commerce Act.

As I have undertaken to explain, the Congress, in devising a scheme of regulation for freight forwarders has had to take into account the fact that while they hold themselves out to the public as common carriers they nevertheless have such special characteristics as necessitate the adoption of such form of regulation as will best enable them to perform their public service while avoiding the creation of conditions under which the other types of carriers regulated by the Interstate Commerce Act would be unable properly to render their corresponding public service.

Enactment of part IV, which brought freight forwarders under regulation in 1942, attests that Congress was then convinced that it was essential that freight forwarders should obtain their necessary rail, motor, and water carrier service at the published tariff rates of those carriers. Without receding from that general policy, the Congress in 1946, in view of the long maintenance of special contractual arrangements between freight forwarders and motor carriers, amended section 409 so as to permit such special agreements subject to certain limitations and a close measure of Commission supervision. As matters have since developed it has seemed appropriate to your committee to recommend some further changes in section 409 in harmony with the purpose of the 1946 amendment but with a view to defining more clearly the scope and character of the permitted agreements.

In reporting the bill as amended your committee has been impressed with the representations that the mileage limitation mentioned will substantially cover the scope of existing contracts and with the understanding that this effort to find a practical accommodation of existing conditions to the general regulatory plan embodied in part IV of the act will not be made the basis for further extensions of contract authority or for creating further exceptions to the general scheme of regulation under which the Interstate Commerce Act has developed.

One of the chief fears expressed by opponents of the bill was that the grant of authority to freight forwarders to make special contract arrangements with motor carriers would inevitably lead to demands for legislation permitting similar contracts between freight forwarders, railroads, and water carriers. That such a result need not follow is attested by Congress' action in adopting the 1946 amendment of section 409 which permitted freight forwarder-motor carrier contracts. Likewise in the opinion of your committee there is no necessary reason why the process should go farther than now permitted, assuming, as we properly may, that the Commission effectively discharges the regulatory functions here committed to it.

Admittedly, the problem is a difficult one, but your committee has endeavored to solve it in a practical manner, having in view of the long maintenance of such contractual arrangements with motor carriers only and in a restricted field.

With respect to section 4 of the amended bill, which permits the maintenance of the existing joint rate arrangements between freight forwarders and motor carriers for a period of 9 months after date of enactment, it should of course be understood that all such joint rate arrangements will cease on or before expiration of that period, either by withdrawal of the tariffs from the Commission's files or by its striking them from its files, without reference to whether superseding contracts under the provisions of the bill have been arranged.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. It is a fact, is it not, that the shipping public will not be affected by this legislation?

Mr. WOLVERTON. The bill as amended and reported to the Congress is designed to disturb as little as possible the relationship that now exists between freight forwarders and shippers to the end that the forwarder service may be continued subject, however, to the limitations that are laid down in the bill in an effort to protect competing carriers and the public interest and preserve the fundamental principles of our present national transportation policy.

Mr. BENNETT of Michigan. I think many people have had the impression that if the freight forwarders were not in business, in other words, if they were put out of business and their field was left open, the shipping public would get lower shipping rates for their freight by truck line. That is not the fact and I think the RECORD ought to be straight. What the freight forwarder gets in sharing joint freight rates is for the service he performs in gathering this freight, the service that he performs to the public. I may say that it is the small shipper, the average small-business man who uses most of the services of the freight forwarder, who is benefited.

Mr. WOLVERTON. As to whether there will be any increase or decrease of rates, in my opinion, would depend upon the type of contract that was entered into. The terms of that contract would be subject to review by the Interstate Commerce Commission. I therefore find it impossible to answer categorically whether there would or would not be any increase in rates. I previously stated the effort has been by the committee in drawing this bill to preserve as far as possible what is generally considered to be a worth-while business, that of the freight forwarders, without harm to the individual shippers or competing carriers, having in mind at all times, however, that the rates and provisions of the contract between the forwarder and the motor carrier are subject to review by the ICC to maintain the standards or regulatory formulas that are necessary in the public interest and the national transportation policy.

Mr. O'SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Nebraska.

Mr. O'SULLIVAN. Does this bill make freight forwarders carriers?

Mr. WOLVERTON. This bill recognizes them as common carriers, as I have set forth in my statement. There has been considerable difficulty on the part of some in deciding the question as to whether forwarders are or are not common carriers. The services that they perform to the shippers are definitely of a common carrier character and have been so recognized, but unless this bill is enacted they are not recognized as common carriers as between themselves and the carriers whose services they utilize.

Mr. O'SULLIVAN. Has the Interstate Commerce Commission held them to be shippers?

Mr. WOLVERTON. Yes, and the Supreme Court has also held, insofar as the relationship of the forwarder to the carrier whose service he utilizes is concerned.

Mr. O'SULLIVAN. In other words, they are in reality shippers because they are agents of shippers?

Mr. WOLVERTON. Yes.

Mr. O'SULLIVAN. They do not have any carrying system at all, do they?

Mr. WOLVERTON. Generally speaking that is true. I want to make plain the answer to the question which has just been asked. The difficulty on the part of some in understanding the true status of forwarders has come about as a result of their inability to draw the distinction that has been written into the law on the subject, namely, they are common carriers so far as their shippers entrusting goods to them are concerned

but they are not common carriers in their relationship to the carriers whose services they utilize.

Mr. O'SULLIVAN. They are, in fact, agents of the shippers who have contractual relations with the carriers. Why should you call them carriers, when they are not?

Mr. WOLVERTON. Well, the reason for that is that they possess so many of the characteristics of common carriers in their relationship with other shippers that it seems as if it would be better to classify them as such, to the extent that we have in this bill, and thereby clarify their status.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from New York.

Mr. JAVITS. Will the gentleman tell us whether this bill is designed to correct a policy which the Interstate Commerce Commission has construed incorrectly as being the policy?

Mr. WOLVERTON. No, I would not agree to the theory that this bill was to correct a wrong decision. The Interstate Commerce Commission by a vote of 7 to 3 or, as some have stated 6 to 3, carried out what I believe was the intent of Congress as expressed in the act of 1946. However it seems that the forwarders were of the opinion that in the application the interpretation given to the act of 1946 by the ICC created an injustice so far as carrying on the business of the freight forwarder was concerned; therefore, while I do not agree that the decision was wrong under the act of 1946, yet, some of the conditions resulting from the decision of the ICC seemed to call for this amendatory legislation, which the Committee on Interstate and Foreign Commerce has approved and reported favorably to the House.

Mr. JAVITS. I thank the gentleman. I think that is a very fine contribution to clearing the air up.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Illinois.

Mr. YATES. Does not the gentleman agree that it would be for the best interest of regulatory procedure, particularly at this time, to require such contracts to have the prior approval of the Interstate Commerce Commission before they become effective rather than taking the chance that at some later date prior to their becoming effective that the Commission would then examine the situation?

Mr. WOLVERTON. No, I am not of the opinion that it is necessary, that the agreements or arrangements entered into should have prior approval before becoming effective. We must be practical in looking at this matter and take into consideration that there may be thousands of this type of arrangement or agreement entered into, and if they were all dumped, so to speak, into the lap of the ICC, at the end of the 9-month period provided for in this legislation, and would not be effective until they had been reviewed one by one, I do not know when the freight forwarders would get the relief that we are seeking to give them under this bill. I think the provisions of the bill as drawn will provide all the protection that is needed.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. WOLVERTON. Mr. Chairman, I yield 6 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, I just wanted to ask the gentleman a question. With reference to the question just raised by the gentleman from Illinois as to the suggested need of prior ratification, of course, it is true that there are thousands and hundreds of thousands of rate agreements made with the rail carriers and long-line shippers that are not ratified, or at least are not acted until long after the agreement is made. The fact is many of them are not reviewed. Unless somebody or the ICC attacks the agreements, they never are reviewed. I might ask the gentleman one other question, if I may. This bill is construed by the small-business man as being an important convenience and asset to him, and I am speaking now of the less-than-carload shipper; is that not true?

Mr. WOLVERTON. That is very true.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. There is one point I am not quite clear on, and that is this. As I understand, the freight forwarder is an agent of the shipper.

Mr. O'HARA of Minnesota. Well, under this bill he is a common carrier, by operation of this bill.

Mr. FOGARTY. But actually he is an agent for the shipper.

Mr. O'HARA of Minnesota. When you examine it, he is not in many instances. He is in some cases an agent of the shipper and in other cases he stands in the position of a carrier.

Mr. BECKWORTH. Is it not a fact that the main thing that makes him a common carrier is that he assumes all common-carrier obligations and responsibilities?

Mr. O'HARA of Minnesota. That is correct. It is true, I will say to the gentleman from Rhode Island, that in the nature of the arrangement he may act as the agent for the shipper.

Mr. FOGARTY. The thing I cannot get clear in my mind is that you admit that the freight forwarder is an agent of the shipper, and you are trying through legislation to say that he is not, although he is.

Mr. O'HARA of Minnesota. Actually, when you get into it, he is a common carrier in his relationship with the individual who is shipping. When he acts in making his negotiations with the other carrier, he stands in the relationship of an agent. So the Supreme Court has said. So why not make him a common carrier and give him the responsibility he should have, let him take the responsibility of the carrier? That is the feeling of the committee with reference to this point.

Mr. KARST. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Missouri.

Mr. KARST. I have received considerable mail pro and con. When you speak about the small-business men, it seems that the small freight forwarders are mostly against this bill. The large ones seem to be for it. I wonder if the gentleman can give me an explanation of why that is..

Mr. O'HARA of Minnesota. I am sorry I cannot answer the gentleman. I thought all the freight forwarders were for the bill.

Mr. KARST. I notice also that the committee report states that each agreement will be considered on its own merits. With 5,000 or 10,000 agreements, it will take considerable time for the ICC to do that. If we have more than that, will it not take an everlasting time to settle this thing, that the ICC seems now to have under its own power?

Mr. O'HARA of Minnesota. That is literally true of the agreements which are made with the railroads and the long-haul truckers. It just has to be handled that way, and that is all. When there is a dispute, it is brought up for hearing before the Commission. That is about the only way it can be handled.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Colorado.

Mr. CARROLL. I was much interested in the remarks of the gentleman about freight forwarders being a carrier and then an agent. Suppose we pass this bill, and we place responsibility, as the gentleman has indicated, upon the freight forwarder as a carrier. Would it place some undue restriction not now apparent on the freight forwarders, or would it give them additional benefits?

Mr. O'HARA of Minnesota. If we make the freight forwarder a carrier—and I would be happy to have some of my colleagues on the committee make a statement on this—and take him away from being an agent of a shipper, we are placing the major protection on the shipper and placing more responsibility on the freight forwarder. That is my viewpoint and that is what I want.

Mr. CARROLL. If we place greater responsibility on the forwarder, you say it would be added protection for the shipper, but I am wondering what effect it would have upon the freight forwarder. Based upon his usual custom of doing business, would it mean greater benefits or greater hardships for him? Would it create business advantages compared with the present system of operation?

Mr. O'HARA of Minnesota. I can see where it might place some greater burden on the freight forwarder.

Mr. CARROLL. That might be to his detriment. Who would benefit as a result of that hardship?

Mr. O'HARA of Minnesota. I would say possibly the shipper, or possibly, on the other hand, the carrier might benefit by it.

Mr. CARROLL. Just one further question along that line. This matter has been litigated through the years in the courts?

Mr. O'HARA of Minnesota. It has been a mess. There has been a very serious situation in the matter of disagreements between the freight forwarders and the carriers. As I understand it, they have all agreed, except a portion of the trucking group. The long-haul trucking group in the main are opposed to this bill.

Mr. CARROLL. What segment of the trucking industry are opposed to this bill, and why?

Mr. O'HARA of Minnesota. I think it is the long-haul truckers who are opposed to it. Frankly it is because it creates competition for them. One of the witnesses, counsel for the truckers, admitted that in the hearings. He was asked the point-blank question: "Do you oppose this because it creates competition?" And he said, "Yes."

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. YATES. Is that not because the long-haul shipper, as a certificated common carrier, has a certain route and the freight forwarder, if he is considered a common carrier, as this bill proposes, can then take the route of any of the certificated carriers and obtain a portion of the return for operating over that particular route over which the particular carrier is supposed to be protected under our theory of a regulated monopoly?

Mr. O'HARA of Minnesota. I think the gentleman's comment assumes this makes a forwarder the actual carrier of freight.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. BECKWORTH. The gentleman indicated that this creates competition for the truckers. Would it not be more accurate to say that it simply continues the competition they now have?

Mr. O'HARA of Minnesota. It probably would be more accurate to say it continues it.

Mr. CLEMENTE. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. CLEMENTE. If this bill is enacted into law, would the right of review by the ICC be obtainable on a contract issued on a 450-mile route where some complaint is made about the contract?

Mr. O'HARA of Minnesota. Yes.

Mr. CLEMENTE. They would have the right of appeal?

Mr. O'HARA of Minnesota. That is right. That is my understanding.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. YATES. With respect to the 450-mile haul, would the bill not give the freight forwarder all the rights of a common carrier for a radius of 450 miles around his place of doing business, so that there would be no need for him to employ a certificated carrier who may have one of the routes within that area?

Mr. O'HARA of Minnesota. No; I do not think that is intended.

Mr. YATES. Is not that the effect?

Mr. O'HARA of Minnesota. No; it is not. It does not intend to give the freight forwarder the right to go out and actually transport and carry the shipment for 450 miles.

Mr. WOLVERTON. Mr. Chairman, I yield myself two additional minutes.

Mr. Chairman, I have taken this additional time, although I realize I have already probably used more than I should have used, but I do so for the reason that I wish to give assurance to some of those who have been asking questions as to the effect of this bill. I am inclined to believe, from the type of telegrams which have been received by Members, that in many instances the telegrams were based undoubtedly on the provisions of the bill as originally introduced. I can say to the gentlemen who have asked questions expressing doubt as to the propriety of the bill that I was strongly opposed to the bill as it was originally introduced, and would not have voted for it in that form. But the objections which I personally had to the bill in its original form, and, which I think were the same objections that prompted some of the questions which have been asked here today, have been remedied to my satisfaction in the bill in its amended form, as it now is before the House. When you ask whether it does any harm to the small forwarder—I answer that question by stating that the original bill might have, and in my opinion would have, done so very easily. But the bill, as the committee has reported it, provides for ICC supervision which will give every such individual an opportunity to file a complaint and be heard, and the bill gives the ICC jurisdiction to pass upon the merits of the complaint and make appropriate orders.

The committee has endeavored to subject the privilege, which is being given to freight forwarders by this bill, to certain procedures that will provide protection to the rights of other interested parties which we think they and the public and competing carriers should have, and, that are necessary to preserve the basic principles of our national transportation policy as it has been fixed by the Congress in the Transportation Act.

Mr. BECKWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I wish to take the position of opposing this legislation at this time for these reasons:

The freight forwarders receive this business and stay in business by using the combination of rail carload rates, plus the special rates that they are able to make with various truckers for distribution, thus defeating the through rates.

I want to use my own State in describing certain shipping points in the State as to the method of distribution. For a specific example, universal carloading develops a lot of less-than-carload movement from New York to Minneapolis, and then distributes it into such points as Bemidji; Fargo, N. Dak.; and Grand Forks, N. Dak, and other communities in the Northwest. They have not been satisfied to be able to move it on the low carload rate and have the difference between that and the less-than-carload rate, which is a tremendous difference, but have also gone out to the motor carriers and paid them probably 60 to 70 percent of what the carriers normally would receive on such shipments going to those points mentioned. It is our contention that he should pay the distribution carrier the full local rate.

The freight forwarder has no investment in equipment. He has no right to the designation as a carrier, as he uses all of the other common carriers, such as the railroad and over-the-road companies, and waterways. So, in effect, the freight forwarder is nothing but a chiseler. If he can afford to pay the railroad companies their full and published rate on the carload traffic, certainly he should be able to pay common carriers the full less-than-carload rate on the distribution.

Because they have been successful in getting some of the motor carriers to give them special load distribution rates, they can as a result, and do, publish lower rates from New York to Bemidji, for instance, than the motor carrier rates from New York to Bemidji direct.

I make this statement and come to my conclusion on the basis of some experience in the company I represented in the work-glove industry, cotton and leather gloves, about 65 percent of which went by truck and the other 35 percent by rail—on our experience with these forwarders. I use the word "chiseler" rather conservatively, because in most cases they came to show us how we could save some money, and perhaps get better service in the distribution to these minor points. It is my experience, in what we call a healthy and regulated transportation system in this country, that this is an attempt of those who have found a place in which they can play a part in this industry on the basis that they can save money for the small shipper.

I, too, have received some telegrams from manufacturers in the city of Minneapolis. I think I have about three small companies, a knitting works, a basket factory, and a small fabricating plant, that apparently desire this legislation. Whether they favor it in its present form or in the form it was originally introduced, I do not know, but, on the other hand, I have a number of telegrams from people in the trucking business who feel that this is an infringement on a regulated industry.

On the basis of the people involved, I am primarily concerned, of course, in the employment of the thousands of people that we have in the transportation industry in the State having fair and equal competition. I claim that this discrimination of these forwarders is not fair and equal competition, on the basis that they are not in the carrier business. They do not have an investment of any kind except an office and perhaps a girl and a telephone.

Mr. KLEIN. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield.

Mr. KLEIN. Is it not a fact, however—you call the forwarders chiselers—is it not a fact that the freight forwarder assumes functions of a common carrier by assuming all liabilities for any loss or

theft of any kind while in transit, and issues bills of lading similar to a common carrier?

Mr. WIER. I may say to the gentleman from New York that that is just the natural course followed. He has to do that, for in order to accept shipments he has to have some responsibility to the Interstate Commerce Commission.

Mr. BECKWORTH. Mr. Chairman, I yield to the gentleman from New York [Mr. KLEIN], a member of the committee, 10 minutes.

Mr. KLEIN. Mr. Chairman, I would not have taken the floor on this bill, because I think it has been adequately explained by both the chairman of the subcommittee, the gentleman from Texas, and the ranking minority member the gentleman from New Jersey [Mr. WOLVERTON]; but I am somewhat disturbed by some of the apparent opposition and I want to speak especially to those in the House who usually vote as I do and who have voted with me in the past.

The gentleman from Pennsylvania [Mr. GREEN] a few minutes ago made a statement to the effect that this is the same type of a situation as we encountered in the natural-gas bill. I was one of those who voted against the natural-gas bill both in the committee and on the floor. I was one of those who helped write the minority opinion. The difference between that bill and this one is the fact that in that case we were divided, both in the committee and on the floor, but with regard to this bill both the subcommittee and the full committee reported it out unanimously; and I ask the Members who listened to the statements in support of this bill to judge as to the correctness of the statement of the gentleman from Pennsylvania [Mr. GREEN], or at least, the implication was very clear, that we were selling out the small-business man in this country.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. Very briefly.

Mr. YATES. The theory which underlays the original passage of the Motor Carrier Act and which underlies all public-utility regulation is that the occupant of a public utility or motor-carrier field shall be protected along the route or in the service that he provides; he is permitted to have a certain return in exchange for which he is protected from outside competitors. Like the gentleman, I am interested in the question whether in a case of this type, where the freight forwarder does business, does he not look around for the best deal he can make with competing carriers for a certain rate, and is he not engaged in seeking the best deal he can from one or the other of the carriers? Is not that the way he makes his living? I wonder whether that ability to bargain with carriers does not undermine the prevailing theory of public-utility regulation. I should like to ask the gentleman, May not an established carrier along that certain route in his anxiety to get business take on a deal which would jeopardize the service which he is providing for the public?

Mr. KLEIN. It may; but I would say this to the gentleman, that the bill gives any aggrieved party the right to go to the Interstate Commerce Commission for a hearing and determination of his complaint.

Mr. BECKWORTH. And in that connection the Commission, on its own motion can proceed to do something about it.

Mr. KLEIN. That is true. Now, just let me make a short statement that I think will clarify the issues.

H. R. 5967 clarifies two provisions of the law regulating freight forwarders:

First. It clarifies the definition of a freight forwarder to make clear the status of forwarders as common carriers.

Second. It clarifies the relationship between forwarders and motor carriers by providing in specific terms for contracts between such forwarders and motor carriers.

The need for the bill is pressing because of an outstanding order of the Interstate Commerce Commission, entered September 24, 1948, and postponed from time to time to August 28, 1950, to permit consideration of corrective legislation.

The Commission's order interprets and applies an amendment to the Forwarder Act passed in 1946. Under that amendment the Commission was directed to prescribe the terms and conditions of agreements under which forwarders might utilize the services of motor carriers.

In construing the 1946 amendment the Commission gave its interpretation of the status of forwarders, holding that they are neither carriers nor shippers but agencies having the similitude of public utilities.

The Commission also held, in effect, that some of the long-standing arrangements between forwarders and motor carriers, known as terminal-to-terminal, could no longer be continued under the law as framed.

There should be no anomaly or confusion regarding the status of freight forwarders. They were always held to be common carriers under the common law, and part IV of the act imposes upon them the same basic duties and limitations which are imposed upon any regulated common carrier. The bill will make clear that they are regulated as common carriers.

The arrangements which would be discontinued under the Commission's order have been in effect for 25 or 30 years.

Let me repeat that. There is no new business or practice going to spring up as a result of the passage of this legislation. We continue in effect what has been going on in the industry for 30 years or more and which the majority of the people who testified before our committee, including members of the Interstate Commerce Commission who issued the order, agreed was a very useful function and should be continued in one way or another.

They result in a very fine service to the shipping public which would not otherwise be available. It is in the public interest to provide for their continuance as the bill does.

Six days of public hearings were held on the bill, affording all interested parties full opportunity to express their views. As a result of the hearings the committee adopted amendments which satisfy most of the objections to the bill.

It was not possible to satisfy all objections and still retain the objective of providing for continuance of forwarder coordinated service. Some motor carriers, through their National or State associations, still oppose the bill. Testimony during the hearings indicated that those motor carriers who actually handle forwarder traffic, and are most directly involved, unanimously support the bill.

I want to call your particular attention to that fact. This is a matter of competition affecting those who do not get any of the forwarder business, and so, of course, they oppose it. If they could get any of this business they would support it. The American Trucking Association appeared in opposition, before the subcommittee. Their representative stated there were many members of the association who favor this bill. As I pointed out, if they do not get any of that particular business they are against it. If they could get some of it they would be for it.

Apparently it is the long-distance carrier, in direct competition with the forwarder, who has been able to dominate the viewpoint of some of the associations and bring about opposition to the bill.

The situation is the same with respect to shippers. Those shippers who use freight forwarders strongly support the bill. These are predominantly small shippers, or those who must ship small lots of freight to numerous destinations throughout the country.

Those are the people who are affected by this. The small shippers are the ones who favor this legislation. I do not want you to be misled by the statement that small business is going to be harmed by this bill. The small shipper in this country will be benefited by the passage of this legislation.

Some opposition was expressed, primarily by large shippers or shipping organizations. In the main these large shippers do not use or need forwarders. They can consolidate their own freight, or move it in such quantities that the services of forwarders are not necessary to them.

One type of shipper who opposes the bill is the unregulated forwarder, known as a shippers' association. These organizations are exempt from forwarder regulation, but they do not want the common carrier forwarder to obtain any advantage which they do not have as shippers in dealing with the motor carriers.

The conclusive answer to the arguments against the bill is that this clarification of the law will not result in the forwarders obtaining a single new right or advantage. The arrangements proposed to be authorized have been in effect for a quarter of a century. No one in all that time has demonstrated that he has been harmed, but the shipping public has definitely been benefited. It is in the public interest that the status of forwarders be clarified and that their coordinated arrangements with motor carriers be continued.

Mr. GUILL. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Texas.

Mr. GUILL. I have a telegram from a group of cattle raisers that they are against this amendment, feeling that the smaller shipper, while he would be benefited, the big shipper would be paying for it in the long run. The gentleman said that those who were not operating under a regular charter were against this.

Mr. KLEIN. Let me take a minute to explain the function of the forwarder. When a small-business man has a parcel or a small bit of freight to ship to some part of the country, it usually would be quite expensive for him to ship by rail or motortruck and have it delivered to point of destination, because the rate would naturally be high. It may be destined for some small town off the regular route. So he gets one of the freight forwarders who handles that type of traffic; let us say, for the sake of argument, that the freight is to go from New York City to some place in Florida, near Miami Beach.

Mr. GUILL. I understand that, sir.

Mr. KLEIN. The gentleman from Colorado indicated he was interested in this.

Mr. CARROLL. I am.

Mr. KLEIN. When the freight forwarder gets much of this traffic to go to the same locality, he picks one central point where he assembles it and sends it down there in one truckload lot or carload lot, with the resultant saving to the small-business man.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Colorado.

Mr. CARROLL. We, in the West, have an interest in this bill, and we want to know a little bit more about the question the gentleman just asked about the cattle industry. Was there any testimony before the gentleman's committee on that?

Mr. KLEIN. By any shippers of cattle?

Mr. CARROLL. Yes.

Mr. KLEIN. No; there was not. We had no testimony of that kind that I can recall. I yield to our Chairman to answer that.

Mr. BECKWORTH. I do not recall any testimony by the cattle association before our committee, although they had the opportunity to come if they wanted to come.

Mr. KARST. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Missouri.

Mr. KARST. I was interested in the gentleman's remark about the small shipper. Under this bill would it not be possible for a shipper like Sears, Roebuck or Montgomery Ward to make a contract with the forwarder away below cost of the shipment, whereby the small shipper could not get into that picture?

Mr. KLEIN. Let me say to the gentleman I think that companies like Sears, Roebuck and Montgomery Ward do not use the freight forwarder, because they are larger shippers. They make their contracts directly with the carrier. They do not need the freight forwarder, and I do not think they come into this picture.

Mr. KARST. The truckers use it.

Mr. KLEIN. I know the truckers do, but we are talking now about large shippers. What the gentleman says may be correct, but I simply want to point out that it is to the advantage of the small shipper.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield to the gentleman from Michigan.

Mr. FORD. In answer to a question by the gentleman from Illinois [Mr. YATES], the gentleman admitted that there may be some hardship created to certain trucking concerns under this legislation, but at the same time the gentleman stated that under section 409 (b), as amended, there was certain protection because they could go to the Interstate Commerce Commission and get a hearing.

Mr. KLEIN. That is correct.

Mr. FORD. Does the gentleman know how long it takes from the time the Interstate Commerce Commission gets a complaint until an order is issued under the general business of the day?

Mr. KLEIN. I do not know, but I would certainly hope that where it is a very pressing matter that the person who makes the complaint would get prompt attention from the Commission.

Mr. FORD. It has been my experience, from what knowledge I have, that it takes anywhere from 9 months and more likely a year, and it is my fear that under those circumstances you could have some very unfortunate results accruing to certain trucking concerns and, in effect, injure our transportation system.

Mr. KLEIN. The only ones, as I say, that might be affected are those who do not do any of this business. They are the only ones who have opposed this legislation, and as to that I think they should be given every consideration, and I am hopeful, if the situation is as the gentleman states in regard to the Commission, that that might be corrected. I think they ought to get prompt attention from the Commission.

Mr. FORD. If there was some requirement that the Commission should handle this expeditiously, that would improve the situation.

Mr. KLEIN. That is a matter of procedure within the Commission itself.

Mr. CARROLL. Mr. Chairman, will the gentleman from Texas yield for a question?

Mr. BECKWORTH. I yield to the gentleman from Colorado.

Mr. CARROLL. I think it would be very important to have the RECORD show what the nature of the opposition to this bill is coming from the cattle people, if the gentleman knows.

Mr. BECKWORTH. The cattle people did not appear before the committee. The committee did not have the benefit of any exhaustive discussion the cattle people might have made—desired to make. I do not know exactly what the cattle people have in mind from the telegrams they have sent here. It is my judgment, based on the developments that have come about in regard to the nature of the forwarder work, that the cattle people could not be greatly affected by this kind of legislation. If many cattle are carried by forwarders, I am not aware of it.

Mr. CARROLL. That is the question I want to put, whether or not that industry does use the freight-forwarding system.

Mr. BECKWORTH. I would guess that very few livestock are carried by freight forwarders. If anybody has any statistics that he can give as to the number, we would like to have them now.

Mr. CARROLL. Would the gentleman say that if they do not use the freight-forwarding system they would not be injured?

Mr. BECKWORTH. In my opinion, not materially would the cattle people be affected. I base that opinion mainly on the fact that I have not received any statistics from them. If anybody has them, I would be very glad if he would give them to the committee at this time. They did not appear, I may say to the gentleman, and they certainly could have appeared.

Mr. KARST. Does the new section 409 (a) limit the parties at interest before the Commission to those participating in these agreements and other freight forwarders, or can other shippers and competing carriers who feel they have been prejudiced appear in any case before the Commission?

Mr. BECKWORTH. I note the language which the gentleman has read, which is on page 3. It does refer to the contracts that will exist as between the participants—forwarder and motor carrier and as between forwarders. In my opinion the language on page 4 in (b) will certainly permit a person to complain to the Commission. Then the Commission, of course, would have the right to pass on the complaint as to its validity and whether or not it comes within the standards which the gentleman has enumerated on page 3. If it meets the standards, if it comes within the purview of the standards, then the Commission could do something about the complaint. But certainly a person would have the right to initiate a complaint or the Commission on its own motion could check into what was taking place.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. What effect would this bill have on a trucker or motor carrier who does not use the freight forwarder services but deals entirely on his own and does not handle any goods that come through the freight forwarders?

Mr. BECKWORTH. In my opinion, based on the statement that we have made and which we believe, this in effect keeps the freight forwarder and the motor carriers he uses in about the same status and position they now are. The type of person to whom the gentleman refers would not be materially affected.

Mr. CUNNINGHAM. I have a telegram from a transportation company that transports nothing but gasoline and lubricating oil in huge tank cars. He objected to the 450-mile provision of this measure. However, after listening to the explanation of the gentleman from Texas a while ago, I am of the opinion that this particular truck transportation company would not in any way be affected whether he travels 450 or 1,000 miles, because he is not doing business with any freight forwarder at all. Am I correct?

Mr. BECKWORTH. That certainly is my opinion, yes.

Mr. GRANGER. That is right, is it not?

Mr. BECKWORTH. That is correct, in my judgment; yes.

Mr. CUNNINGHAM. Then this would not interfere with any shipment being made by a farmer or anyone engaged in agriculture. They would be in exactly the same position after the passage of this bill as they are now?

Mr. BECKWORTH. Under the Motor Carrier Act the vehicles which a person might have on his farm and in which he wishes to transport his own commodities certainly would not be affected. Incidentally, it should be borne in mind that freight forwarders work under a published rate situation just as the railroads do.

Mr. CUNNINGHAM. Yes; I understand that, but the fact remains that if any shipper or any trucker does not do business with a freight forwarder or do a freight-forwarding business, it does not apply?

Mr. BECKWORTH. That is right.

Mr. O'SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. O'SULLIVAN. Is it not a fact that under existing law and the rulings of the Interstate Commerce Commission these freight forwarders cannot do the things which this bill seeks to give them the right to do?

Mr. BECKWORTH. That is true, or rather will be true if the Commission's order becomes effective. This bill is to write into law that which will enable them to do that which they have for a long time traditionally been doing.

Mr. O'SULLIVAN. For five years now they have fought the matter through the courts and started injunctive proceedings in Wilmington, Del. Now they are at the end of their legal rope and they want to have the Congress give them the right to do that which the law and the Interstate Commerce Commission would not permit them to do otherwise.

Mr. BECKWORTH. That which they have not been authorized so far by law to do, but which they have traditionally done.

May I say in that connection that we had before us one of the Commissioners who helped to write the dissenting opinion. We also had before us one of the Commissioners who helped to write the majority opinion on this issue. We met with them two days. We asked each of the Commissioners the same questions, and then had the other Commissioner comment on the answers given. After all this was done the committee came to the conclusion that it is in the interest of a good national transportation policy for freight forwarders to continue to perform about the same functions that they have performed traditionally.

Mr. O'SULLIVAN. Well, traditionally they have not performed it since the Supreme Court decision in 1940, have they?

Mr. BECKWORTH. I think their activities have proceeded all along. As a matter of fact, that which would preclude them from continuing is an order which is to go into effect this month. At the request of the Congress or each of the bodies, I might say, and incidentally most of the requests have come from the other side, the effective date of this order has been postponed from time to time, so therefore the forwarders have not been deprived of the privilege of performing the function which you and I are referring to. They would be, I would say, if this legislation is not passed, because the effective date of the order is soon.

Mr. O'SULLIVAN. Does it sound reasonable to you to call something by virtue of a law that which it is not? Do you think it would be proper to pass a bill saying that that is not a picture of George Washington, but that that is a picture of Joe Stalin, and do you think it is proper for the freight forwarders who are agents of the shippers and are under contract with common carriers to call themselves by legal action common carriers, which they are not?

Mr. BECKWORTH. Of course that is a matter of opinion. The committee has felt that because of the responsibility and obligation which freight forwarders assume to shippers, to wit, that of common carriers, they should be regarded as common carriers. I will say that the gentleman is expressing a point of view that has considerable support behind it as does the viewpoint of the committee have considerable support.

That is what I meant when I originally said that this has been a very much-discussed bill from start to finish. It is the kind of legislation on which there seems to be no way completely to agree.

Mr. O'SULLIVAN. Does it not make Congress a rate-making body by putting in the law the exemption that if it is less than 450 miles the Interstate Commerce Commission has no control over it?

Mr. BECKWORTH. It does not seem to me that it puts Congress in the business of making rates. The rate is made by the forwarder to the shipper, and that is subject, of course, to Interstate Commerce Commission review.

Mr. O'SULLIVAN. But there are no rates on the 450 miles or less hauls, and if this bill passes they can charge whatever they want to; and, if somebody complains, then they can go before the Interstate Commerce Commission and in 4 or 5 years get a decision.

Mr. BECKWORTH. What the gentleman is referring to is the compensation to be paid by the forwarder to the motor carrier, but the rate is made by the forwarder to the shipper, and that is subject to review. The compensation paid by the forwarder to the motor carrier will also be subject to review.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BECKWORTH] has expired.

Mr. WOLVERTON. Does the gentleman from Texas desire any additional time?

Mr. BECKWORTH. I do not care for any additional time, but I would be glad to answer any questions that my colleagues may have.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Chairman, the fact is the individual shipper pays the same rate on a given item of freight, whether he utilizes the services of a freight forwarder or whether he takes his goods to the trucker and sends it direct; is that not the fact?

Mr. BECKWORTH. The rate of the forwarder certainly is subject to control by the Interstate Commerce Commission. Of course, there are thousands of rates. I would not say that they would necessarily be what the trucking rates are.

Mr. BENNETT of Michigan. They would be the published rate?

Mr. BECKWORTH. They would be the published rate of the forwarder; yes.

Mr. BENNETT of Michigan. The published rate of the trucking company for that particular haul?

Mr. BECKWORTH. It would be practically identical, I think.

Mr. BENNETT of Michigan. It has been intimated today that if the freight forwarders are put out of business, somehow or other the shipping public would be benefited. Now, that is not the fact. The shipping public would pay the same rate for the same shipment, whether it was handled through a freight forwarder or whether it was taken to the trucker for direct shipment.

Mr. BECKWORTH. That is, roughly, what the situation is. If a given forwarder did not utilize a given motor carrier, then, of course, some other motor carrier would get that business, as the gentleman has indicated. This is largely a fight for business. That is a part of the picture.

Mr. BENNETT of Michigan. And the relationship which this bill would govern is the one between the freight forwarder and the trucker. Freight rates payable by the public is not involved here.

Mr. BECKWORTH. That is right. That is a part of the issue in the picture.

Mr. BENNETT of Michigan. The purpose of this legislation is to provide reasonable compensation to the freight forwarders for the special services they actually render in collecting and handling the shipment?

Mr. BECKWORTH. That is right. As I said in my first statement, many of those who seem to want this are what you term the "smaller shippers," such as the merchant in a town who buys not 5,000 pairs of shoes but perhaps 500 pairs of shoes.

Mr. CROOK. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. CROOK. What assurance do we have that the rates fixed by the Commission will be equitable? I want to illustrate. In the carrying of the mail on the railroads, the heavier mail goes westward and the lighter mail comes eastward. Many times the cars are empty coming eastbound, but different railroads are assured different rates. Why? I have never been able to understand, and I am just wondering whether the Commission in a set-up of this sort would have a tendency to give differentiation in rates to different companies.

Mr. BECKWORTH. I would say that the Commission will continue to do about what the Commission has done in the past with reference to rates for freight hauls, truckers, and others. This bill does not do anything in that direction.

Mr. O'SULLIVAN. Mr. Chairman, I have made a rather careful study of the bill H. R. 5967, the so-called Freight Forwarders' Act, and have arrived at the conclusion that this bill is not a piece of legislation which I can approve of and is improper in my opinion for the following reasons:

It attempts to change the status of freight forwarders from their true category of shippers to the false category of common carriers. It has been admitted that they are agents of their principals, the shippers, and as such agents they, too, are shippers. They usually have no transporting equipment and have no authority or control of any transportation facilities whatsoever, except what any actual agent of a shipper usually has. Just why it should be sought to brand them by legislation as being that which they are not is hard for a thinking person to understand. They should be called what they are in reality and not what they are not.

The passage of this bill would result in making Congress, in effect, a rate-making body, something which the Congress has steered clear of to date.

This bill would legalize forever, rates declared to be unlawful by the Interstate Commerce Commission ruling, and wipe out the effect of a Supreme Court decision which outlawed the very thing which this legislation attempts to legalize.

This legislation, in keeping with certain other selfish legislation presented to the Congress in the past, is the last ditch stand by the freight forwarders to be permitted by law to do that which the law heretofore did not permit them to do.

This matter has been in the courts for years and every delaying tactic known in the law has been invoked and finally the courts have held against those who were opposed to the amendment to the Freight Forwarders Act of 1946, which delegated to the legislative arm of the Government, the Interstate Commerce Commission, the duty of determining what rates should prevail.

I see no reason why, after a legal last-ditch fight has been made by the freight forwarders, that Congress should now pass legislation overruling the well-established law and give preferential rates to a small group of people.

The following, I believe, will be of interest to legislators who still have an open mind on this matter:

Freight-forwarder legislation has had a 10-year history in Congress. The situation was ably stated by the late Senator Reed in his minority report on S. 797—H. R. 2764—when that legislation came before the Senate in February of 1946. In his report, Senator Reed said:

Boiled down to bare outlines, the situation is:

For many years brokers representing shippers, groups of shippers in cooperation, and various cooperative organizations consolidated less-than-carload traffic into carload quantities and thereby secured, under legal published tariffs, a lower freight rate. The larger of these brokers or individual car consolidators grew into what has come to be known as freight forwarders.

Currently the gross revenues of freight forwarders increased from $180,000,000 to $200,000,000 annually. Three large freight forwarders collect about 70 percent of the total revenue. Freight forwarders, especially the large ones, utilize the services of common carriers by motor vehicles. When motor carriers were under regulations through the Motor Carrier Act of 1935, proceedings before the Interstate Commerce Commission developed the fact that in many instances freight forwarders had established joint rates with motor carriers.

The Commission found (in which it was upheld by the courts, including the Supreme Court) that freight forwarders in their relation to the other carriers were shippers. Obviously, a shipper or shippers may not establish joint rates with a common carrier for hire. Therefore, the Interstate Commerce Commission held such tariffs to be unlawful and ordered them to be stricken from its files. This was in 1938 or 1939. The Supreme Court upheld the position of the Commission in 1940.

In 1942, S. 210 was enacted into law. This was known as the Freight Forwarder Act of 1942. It placed the freight forwarders under regulation and explicitly declined to give them a status as a carrier.

In order to permit a period of time in which the unlawful practices condemned by the Interstate Commerce Commission could be changed into a policy in line with that act, an interim period of 18 months was allowed for the publication of lawful tariffs.

The act was signed on May 16, 1942. The 18 months expired in November 1943. At that time the freight forwarders appeared before both Houses of Congress and asked further extension of time for the publication of lawful tariffs. The period of extension asked for and granted would expire on May 16, 1945. It was claimed that war conditions had interfered with such processes. They stated that publication of such tariffs would require large amounts of work involving skilled men who were not available.

In the 1943 legislative proceedings I filed a minority report in which I stated:

"If the freight forwarders had made an earnest effort to conform to the present statute, and had failed because of lack of time, the situation would be different. They have made no such effort and in all human probability they will not make such an effort. As we approach May 16, 1945, the Congress will probably be confronted with the present situation unless the statute is changed to meet the views of the freight forwarders. They have no intention of undertaking to comply with the present statute."

That is precisely what happened when May 16, 1945, came around. H. R. 3038 came to the Senate floor on May 15, 1945. I again filed a minority report, detailing the history of these proceedings and again said that the freight forwarders had made no effort in good faith to file lawful tariffs to take the place of the unlawful tariffs which had been condemned.

Again an extension of 9 months was allowed. That period expires February 15, 1946. We are now told that unless H. R. 2764 is enacted, confusion will be created because there are no lawful tariffs ready to be filed, in lieu of the unlawful tariffs still on file with the Interstate Commerce Commission.

After struggling for 6 years with the relationships between freight forwarders and motor carriers Public Law 303 was enacted on February 20, 1946, placing settlement of this question in the lap of the Interstate Commerce Commission.

Months of hearings were held, all parties were heard. The Commission decided that on the record shown freight forwarders were entitled to a reduced rate on their shipments from point of origin, in small lots, to point of consolidation with other shipments, or from break bulk point, in small lots, to destination points. The Commission held, however, that the record did not justify reduced rates from the point where shipments were consolidated for handling in truckloads, to the point where they were broken up for distribution to various destinations.

The freight forwarders thereafter sought an injunction in the Federal district court at Wilmington, Del. At the same time they had introduced this new legislation, S. 2113, in the Senate and H. R. 5967 in the House to make permanent by statute these rates which they had not been able to justify before the Commission.

They subsequently withdrew the Wilmington, Del., case without prejudice thereby entitling themselves to go back into court whenever they wished. Meantime the Commission's order has been stayed.

H. R. 5967, as reported out, would legalize by statute their continued seeking of preferential rates from motor carriers. It would take away from the Commission the right of suspension of these rates, with the exception of the proviso that the forwarders must pay tariff rates for distances of 450 miles or more. The only parties at interest in any case before the Commission would be the parties to the agreements themselves or other freight forwarders. Other shippers could not complain if discriminated against nor could competing carriers.

This is a bad bill and should be defeated by a goodly vote because it follows the odious pattern of evading the effect of existing law by enacting legislation to legalize lawless conduct.

Mr. WOLVERTON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. If there are no further requests for time the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That subsection (a) (5) of section 402 of the Interstate Commerce Act, as amended, is amended by adding, following the words "general public" appearing therein, the words "as a common carrier."

SEC. 2. Section 409 of the Interstate Commerce Act, as amended, is amended by striking out all of the present section and inserting in lieu thereof the following:

"SEC. 409. (a) Nothing in this act shall be construed to prevent freight forwarders subject to this part from entering into or operating under contracts with common carriers by motor vehicle subject to part II of this act, governing the utilization by such freight

forwarders of the services and instrumentalities of such motor common carriers and the compensation to be paid therefor. In the case of such contracts it shall be the duty of the parties thereto to establish just and reasonable regulations and practices in connection therewith, and just, reasonable, and equitable charges as between the freight forwarders and common carriers by motor vehicles participating therein which shall not unduly prefer or prejudice any of such participants.

"(b) Contracts entered into pursuant to subsection (a) of this section shall be filed with the Commission in accordance with such reasonable rules and regulations as the Commission shall prescribe. Whenever, after hearing, upon complaint or upon its own initiative, the Commission is of opinion that any such contract (either as to terms and conditions or compensation) is or will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between the parties thereto, the Commission shall by order prescribe the just, reasonable, and equitable terms and conditions or compensation thereof."

SEC. 3. The amendment made by section 2 of this act shall become effective 90 days after the date of enactment hereof.

With the following committee amendment:

Page 1, strike out line 7, all of page 2, down to and including line 5 on page 3, and insert in lieu thereof the following:

"SEC. 2. Section 409 of the Interstate Commerce Act, as amended, is hereby amended to read as follows:

"'UTILIZATION BY FREIGHT FORWARDERS OF SERVICES OF COMMON CARRIERS BY MOTOR VEHICLE

"'SEC. 409. (a) Nothing in this act shall be construed to prevent freight forwarders subject to this part from entering into or continuing to operate under contracts with common carriers by motor vehicle subject to part II of this act, governing the utilization by such freight forwarders of the services and instrumentalities of such common carriers by motor vehicle and the compensation to be paid therefor: *Provided*, That in the case of such contracts it shall be the duty of the parties thereto to establish just, reasonable, and equitable terms, conditions, and compensation which shall not unduly prefer or prejudice any of such participants or any other freight forwarder and shall be consistent with the national transportation policy declared in this act: *And provided further*, That in the case of line-haul transportation between concentration points and break-bulk points in truckload lots where such line-haul transportation is for a total distance of 450 highway-miles or more, such contracts shall not permit payment to common carriers by motor vehicle of compensation which is lower than would be received under rates or charges established under part II of this act.

"'(b) Contracts entered into or continued pursuant to subsection (a) of this section shall be filed with the Commission in accordance with such reasonable rules and regulations as the Commission shall prescribe. Whenever, after hearing, upon complaint or upon its own initiative, the Commission is of opinion that any such contract, or its terms, conditions, or compensation is or will be inconsistent with the provisions and standards set forth in subsection (a) of this section, the Commission shall by order prescribe the terms, conditions, and compensation of such contract which are consistent therewith.'

"SEC. 3. Nothing in this act shall be construed as amending or affecting section 413 of the Interstate Commerce Act.

"SEC. 4. This act shall take effect on the date of its enactment, except that—

"(1) no contract entered into pursuant to section 409 of the Interstate Commerce Act, as amended by section 2 of this act, shall become effective prior to the expiration of 9 months after the date of the enactment of this act; and

"(2) until the expiration of 9 months after the date of the enactment of this act freight forwarders and common carriers by motor vehicle may operate under joint rates or charges in accordance with the provisions of subsection (b) of section 409 of the Interstate Commerce Act as that subsection was in force immediately prior to the date of the enactment of this act."

Mr. RANKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: Page 5, line 9, insert a new section to read as follows:

"SEC. 4. It shall be unlawful for any carrier subject to this act, to charge or receive for the transportation of property from any point of origin to any point of destination compensation which is greater or less than the compensation charged or received by such carrier for the transportation of like kind of property from such point of destination to such point of origin."

Mr. KLEIN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KLEIN. Mr. Chairman, I make the point of order against the amendment that it is not germane; it deals with rates of common carriers and the bill has nothing whatever to do with rates.

The CHAIRMAN. Does the gentleman from Mississippi desire to be heard on the point of order?

Mr. RANKIN. Yes; I do.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. RANKIN. Mr. Chairman, there is a great deal of question in the minds of Members of the House as to what this legislation does mean, whether or not it is an attempt to protect the American people or merely to turn the highways over to the railroads and other common carriers.

If we are going to legislate for the American people, it is time we protected them against the discriminations under which they are now suffering. I want to show you what one of those discriminations is.

A certain individual, whom I know, was doing business with another individual in an area that had the benefit of one-way freight rates that you people west of the Allegheny Mountains and south of the Potomac River are now paying. A consignment of materials was shipped to this individual by mistake. He merely pasted a label over the one that was on it and shipped it back over the same road—over the same road, mind you—and it cost him about twice as much to ship it back as it did the other fellow to ship it to him.

Mr. CROSSER. That is not in this bill.

Mr. RANKIN. Well, it is about time somebody woke up and reported out a bill to correct this evil. The Committee on Interstate and Foreign Commerce seems to have been asleep on this proposition for the last 20 years. It is about time the American people woke up and demanded the protection they are not now getting. I was out in Nebraska one time, to give you an example. I was bragging about the wonderful food they raised in Nebraska. I was out there speaking for Senator Norris when we were fighting to promote the Tennessee Valley Authority, and I did not propose for the power trust to run over and destroy him without going to his assistance. I was bragging on the wonderful corn flakes I had for breakfast, I said, "raised right here on one of these Nebraska farms." The house broke out in a storm of applause. But I told them that on looking at the label I found it had been shipped east, processed and shipped back to them, because they could do that cheaper than the people in Nebraska could ship the processed material east.

Take Iowa, the greatest beef-producing State in the Union. They cannot process their own material and ship it east without paying an ungodly discriminatory freight rate. The same thing applies to every State in this Union west of the Allegheny Mountains, and even to some of them that are east of the Allegheny Mountains.

You take the Middle West, you people from Ohio, Indiana, Illinois, and western Pennsylvania. They charge you about twice as much to ship the same material east, if it is processed, as they do to ship it west to you.

Mr. BRYSON. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from South Carolina.

Mr. BRYSON. They explain that to me by saying it is going downhill.

Mr. HALLECK. Mr. Chairman, I make the point of order that the gentleman is not speaking to the point of order.

Mr. RANKIN. I will try to get around to the gentleman from Indiana.

Mr. HALLECK. I may say to the gentleman from Mississippi that I have been living with that argument a long time.

Mr. RANKIN. Yes; I know; it is time to help us correct this vicious discrimination.

The CHAIRMAN. The Chair is anxious to hear the point of order fully discussed.

Mr. RANKIN. Mr. Chairman, what I am trying to say is that this is a transportation bill. It is a bill that affects transportation and it is brought in here by the committee that has that responsibility. What I am trying to do is to attach an amendment here to protect the American people.

The CHAIRMAN. Does the gentleman's amendment apply to freight forwarders or motor vehicles or what?

Mr. RANKIN. Motor vehicles or railroads or any other common carriers. Anything that is affected by this bill would be included. The people would be protected under this amendment from this violent and unjust discrimination. I submit, Mr. Chairman, that the amendment is in order, should be adopted and should have been adopted and passed years and years ago.

The CHAIRMAN. The Chair is prepared to rule.

Mr. KLEIN. Mr. Chairman, may I point out to the Chairman that this bill

refers to compensation of common carriers. In my opinion, the bill that is before the committee at this time simply governs payments between forwarders and motor carriers under contract and has nothing to do with compensation of any other kind of carrier.

Mr. RANKIN. Let me call attention to the bottom of page 3, where it is stated:

And provided further, That in the case of line-haul transportation between concentration points and break-bulk points in truckload lots where such line-haul transportation is for a total distance of 450 highway miles or more, such contracts shall not permit payment to common carriers—

And so forth. That covers rate making. That is in the bill that we are trying to amend by this amendment.

Mr. HALLECK. Mr. Chairman, I would like to be heard on the point of order. Of course, the gentleman from Mississippi has engaged in a repetition of the argument about alleged freight-rate discriminations that have been raised in Congress ever since I have been here. However, the amendment, as I understand it, as offered by the gentleman from Mississippi, has to do with all freight rates, all transportation rates, as covered under any title of the act. The legislation that is before us is limited specifically to freight forwarders and their utilization of transportation by motor carriers. The part of the bill before us that was read by the gentleman from Mississippi, if he will examine into it and if he had been here to hear the debates on the floor, has to do only with forwarders and their utilization of transportation by motor carrier.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Arkansas.

Mr. TACKETT. Under the terms of this bill, are not the freight forwarders and the handlers declared to be common carriers?

Mr. HALLECK. Well, there are a good many people who thought when the freight forwarders were brought under regulation, that their designation as common carriers was clear and understandable. Now there is in this bill before us a clarification of that view which, as I say, a lot of us who acted on the legislation years ago thought was already there. But that still would not void the effect, in my opinion, of the point of order that has been made.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Mississippi admits that the amendment applies to all common carriers. This bill deals exclusively with motor carriers. The Chair sustains the point of order.

The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCSWEENEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5967) to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers, pursuant to House Resolution 715, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. FORD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FORD. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FORD moves to recommit the bill H. R. 5937 to the Committee on Interstate and Foreign Commerce.

The SPEAKER. The question is on the motion to recommit.

The question was taken, and the Speaker announced that the noes appeared to have it.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 61, noes 66.

Mr. RANKIN. Mr. Speaker, I demand tellers.

Mr. GREEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On August 3, 1950:

H. R. 2588. An act to confirm title in V. LeBlanc and C. Riccard to certain lands in West Baton Rouge Parish, La.;

H. R. 3284. An act to authorize grantees of recreational demonstration project lands to make land exchanges relating to such properties, and for other purposes;

H. R. 4141. An act for the relief of Edwin F. Shockley;

H. R. 5252. An act for the relief of W. M. Tindal;

H. R. 5990. An act to provide for the construction, development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland and its extension into the District of Columbia as a part of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes;

H. R. 6013. An act to amend an act fixing the price of copies of records furnished by the Department of the Interior;

H. R. 6709. An act for the relief of Ed Howard Russell;

H. R. 6969. An act for the relief of Ralph E. Brown;

H. R. 6971. An act to authorize the transfer of funds allocated for expenditure in cooperation with the New Jersey State Highway Department on State Highway Route No. 100 to State Parkway Route No. 4;

H. R. 7016. An act for the relief of Mrs. Margaret O'Donnell and Mrs. Arlene R. Shannon;

H. R. 7046. An act for the relief of C. W. Jacobs;

H. R. 7339. An act to abolish the Holy Cross National Monument, in the State of Colorado, and to provide for the administration of the lands contained therein as a part of the national forest within which such national monument is situated, and for other purposes;

H. R. 7667. An act directing the transfer to the Department of the Interior by the General Services Administration of certain property in Boise Barracks, Boise, Idaho;

H. R. 7675. An act to authorize the addition of certain land to Chickamauga and Chattanooga National Military Park, in the State of Tennessee;

H. R. 7982. An act to abolish the Wheeler National Monument in the State of Colorado, and to provide for the administration of the lands contained therein as a part of the national forest within which such national monument is situated, and for other purposes;

H. R. 8287. An act to authorize the Secretary of the Interior to issue duplicate of William Gerard's script certificate No. 2, subdivision 13, to Lucy P. Crowell;

H. R. 8514. An act to amend the Tariff Act of 1930 to provide for exemption from duty of certain sound recordings imported by the Department of State, and for other purposes;

H. R. 8519. An act for the relief of the estate of Archer C. Gunter;

H. R. 157. An act authorizing the Department of Justice of the United States to recognize and to award to outstanding courageous young Americans a medal for heroism known as the Young American Medal for Bravery, and for other purposes;

H. R. 1626. An act for the relief of Mrs. A. H. Hill;

H. R. 2753. An act to amend section 2 of the act of April 28, 1904 (33 Stat. 527; 43 U. S. C., sec. 213), relating to additional homestead entries;

H. R. 3305. An act for the relief of the estate of Jose Salgade Santos;

H. R. 3906. An act to amend the Federal Aid to Wildlife Restoration Act, as amended;

H. R. 4386. An act to amend section 2 (a) and section 7 of the Foreign Agents Registration Act of 1938, as amended, to make failure of registration a continuing offense, and to continue the obligation of officers, directors, and persons acting as such, to comply with the act despite dissolution of a foreign agent;

H. R. 5799. An act for the relief of the Acme Finance Co.;

H. R. 6270. An act to authorize the sale of certain allotted inherited land on the Winnebago Indian Reservation, Nebr.;

H. R. 6292. An act to provide that payments to States under the Oil Land Leasing Act of 1920 shall be made biannually;

H. R. 6697. An act authorizing the issuance of a patent in fee to Howard H. Moran;

H. R. 6699. An act to authorize the sale of certain allotted inherited land on the Rosebud Indian Reservation, S. Dak.;

H. R. 6703. An act to authorize the sale of certain allotted inherited land on the Rosebud Indian Reservation, S. Dak.;

H. R. 7219. An act to authorize acquisition by the Administrator of General Services of certain land and the improvements thereon in the District of Columbia;

H. R. 7977. An act to authorize the city of Buffalo, Wyo., to make additional uses of certain lands, and for other purposes;

H. R. 8617. An act to amend title 14, United States Code, entitled "Coast Guard"; and

H. R. 9178. An act to suspend restriction on the authorized personnel strength of the Armed Forces, and for other purposes.

On August 4, 1950:

H. R. 2535. An act for the relief of Samuel J. D. Marshall;

H. R. 3316. An act for the relief of the estate of the late Francisco J. Cordova;

H. R. 3535. An act for the relief of William A. Cross;

H. R. 3994. An act for the relief of John D. Lange;

H. R. 4041. An act for the relief of Parish Bros.;

H. R. 4209. An act for the relief of Mrs. Nellie K. Marlowe;

H. R. 4601. An act for the relief of Jeannette Passayanni-Capodistria;

H. R. 5628. An act to direct the Secretary of the Army to convey certain land to the State of Rhode Island;

H. R. 6247. An act authorizing transfer of land and improvements thereon by the Secretary of the Interior to New Mexico State Fair;

H. R. 6644. An act for the relief of Edwin F. Rounds;

H. R. 6994. An act for the relief of Karen R. McAndrews;

H. R. 7392. An act for the relief of Columbus Finley;

H. R. 7428. An act to admit Mrs. Erna Tvedt to the United States for permanent residence;

H. R. 7810. An act for the relief of M. S. Davis;

H. R. 7815. An act for the relief of John Yee Horn;

H. R. 8119. An act for the relief of Midori Ohta (also known as Mary Stephen);

H. R. 8604. An act to provide for the conveyance of the Percy Jones General Hospital Gull Lake Annex, Gull Lake, Mich., to the W. K. Kellogg Foundation, Battle Creek, Mich.; and

H. R. 8958. An act relating to the policing of the buildings and grounds of the Library of Congress.

On August 5, 1950:

H. R. 702. An act for the relief of Mrs. Ethel N. Plunkett;

H. R. 4364. An act for the relief of Mrs. Ruth B. Moore; John Robert Lusk III; John R. Lusk, Sr.; Mrs. Minnie P. Pruitt; and Mrs. Billie John Bickle; and

H. R. 5110. An act for the relief of Janos (John) Treber and Mrs. Katalin (Katherine) Treber.

On August 7, 1950:

H. R. 1854. An act for the relief of Kenneth Everard Hadfield;

H. R. 2462. An act for the relief of Miju Iseri Tsuda;

H. R. 5849. An act for the relief of Samuel M. Kornegay;

H. R. 7072. An act for the relief of Mrs. Young Ja Kim;

H. R. 7074. An act for the relief of Hiroko Fujiwara Matsuoka and Mimiyo Matsuoka;

H. R. 7078. An act for the relief of Mrs. Eiko Yamada Nagatoshi, Edward Takee Nagatoshi, and Frances Yoke Nagatoshi;

H. R. 7079. An act for the relief of Mrs. Gin Shibasaki Okafuji;

H. R. 7204. An act for the relief of Maria Cristina D'Angelo;

H. R. 7314. An act for the relief of Yukio Nishimura Okubo;

H. R. 7414. An act for the relief of Teresa Gentile and Galliano Gentile;

H. R. 7608. An act for the relief of Mitsuko Morita;

H. R. 7629. An act for the relief of Fumiko Arakawa and her child Rie;

H. R. 7705. An act for the relief of Ayako Kurihara;

H. R. 7779. An act for the relief of Mrs. Stamatia Lymberopoulos and Leonidas Stavrou Limperopoulos;

H. R. 7820. An act for the relief of Keiko Uchida Doane and her minor child;

H. R. 7961. An act for the relief of Chiyoko Yane;

H. R. 7970. An act for the relief of Mrs. Regina Anderson and her minor child;

H. R. 8055. An act relating to the collection, payment, and dishonor of demand items, and to the revocation of credit for, and payment of, such items, by banks in the District of Columbia;

H. R. 8067. An act for the relief of Mrs. Yup Boon (Joan) Kim Skanes;

H. R. 8098. An act for the relief of Teruko Ishikawa;

H. R. 8125. An act for the relief of Mrs. Hisae Kawauchi Kelly;

H. R. 8155. An act for the relief of Chiyo Furumura Yoshida;

H. R. 8180. An act for the relief of Parue K. Tsugami;

H. R. 8183. An act for the relief of Asako Tsuchida;

H. R. 8289. An act for the relief of Yee Baiche Yee;

H. R. 8361. An act for the relief of Toshiko Murai;

H. R. 8381. An act for the relief of Mrs. Joseph C. Grant;

H. R. 8382. An act for the relief of Mrs. Misae Hatanaka Doskins;

H. R. 8451. An act for the relief of Yoshie Nozawa;

H. R. 8500. An act for the relief of Hatsuko Torikai;

H. R. 8581. An act for the relief of Yasuko Higuchi Thomson;

H. R. 8583. An act for the relief of Hisako Shimizu;

H. R. 8600. An act for the relief of Yuriko Aoyama; and

H. R. 8722. An act for the relief of Jun Hin Lum.

On August 8, 1950:

H. R. 5526. An act to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes.

DISTRICT JUDGE FOR THE EASTERN AND WESTERN DISTRICTS OF MISSOURI

Mr. BYRNE of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7009) to repeal the proviso against filling the vacancy in the office of district judge for the eastern and western districts of Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7009, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BYRNE of New York. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, the purpose of this bill is to make permanent the roving judgeship presently existing in the eastern and western districts of Missouri, which judgeship now exists under an act which prohibits the filling of the first vacancy occurring in the office of district judge for the eastern and western districts of Missouri.

The provisions of this bill have been recommended by the Judicial Conference of the United States since 1945. In the last session of this Congress the same provision was part of H. R. 4963 the omnibus judgeship bill. However, the particular provision affecting this roving judgeship for the eastern and western districts of Missouri was omitted in conference so that it was not included in Public Law 205.

The need for making this judgeship permanent has not changed since the House passed that provision in 1949.

Following is the memorandum and data submitted by the Administrative Office of the United States Courts which outline the need for this judgeship and the judicial history of the district:

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS,
Washington, D. C., April 14, 1950.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN CELLER: The bill about which you have inquired on April 12 to repeal the proviso against the filling of the vacancy in the office of district judge for the eastern and western districts of Missouri (H. R. 7009), contained in the act approved December 24, 1942 (56 Stat. 1083), would make permanent the office of district judge for the two districts now held by District Judge Richard M. Duncan.

The revised Judicial Code provides for two permanent district judgeships for the eastern district of Missouri, two for the western district, and one for the eastern and western districts. In addition, there is the temporary district judgeship for the two districts which the pending bill would make permanent. The Judicial Conference of the United States has recommended that this change be made at its annual meeting in five successive years, 1945, 1946, 1947, 1948, and 1949. A provision of this nature was incorporated in the omnibus bill for additional judgeships which was recommended by your committee and passed by the House last year (H. R. 4963). But the provision was stricken in the consideration of the bill in the Senate and was not included in the form of the measure settled in conference between the two Houses of the Congress and enacted into law as Public Law 205 of the present Congress, approved August 3, 1949.

The history of the judgeships for the two districts of Missouri and the business of the district courts for the two districts are shown in the enclosed memorandum prepared by Mr. Will Shafroth, Chief of the Division of Procedural Studies and Statistics of this Office, and the accompanying tables. The facts there contained make it plain that all the reasons which existed for creating the judgeship involved in 1942 are present today in greater measure, and that in order to prevent the delay which would otherwise occur in the appointment of a successor to the present judge if a vacancy should occur, and maintain the judicial strength of the two districts without interruption, the provision against the filling of the vacancy in the existing statute should be repealed as the bill provides, and the position made permanent.

The attached tables show separately the business for the eastern and western districts of Missouri inasmuch as the judgeship involved is a judgeship for both. In both districts (table 1 for each) the number of civil cases and private civil cases, which are the types of litigation which make the maximum demands upon the time and energies of the judges, have tended to increase in the last decade, except for years immediately following the war in which there were many cases related to price regulations which, as a class, could be quickly and easily handled as far as the judges were concerned. Moreover, as

is shown in the memorandum of Mr. Shafroth (p. 4), there is an unusual volume of condemnation work in the eastern district. Such suits are likely to require a large amount of time for disposition. The eastern district also has railroad reorganization proceedings still pending which are time-consuming.

The permanent judge for the eastern and western districts of Missouri, Hon. Roy W. Harper, devotes his time almost entirely to the eastern district and Judge Duncan, the incumbent of the judgeship under consideration, to the western district. Hence, the eastern district now has the service of three permanent judges and this is a settled arrangement. The service of Judge Duncan gives to the western district likewise at present a force of three judges. The judgeship should be made permanent because everything tends to indicate that the western district will continue to need three judges. In fact, the State of Missouri as a whole needs six judges, three available for each district. It will have that number permanently if the change provided for in the pending bill is made, and only so.

Inasmuch as under the present assignments of the district judges for the two districts, Judge Harper to the eastern district in St. Louis and Judge Duncan to the western district in Kansas City, it is the western district which particularly needs the assurance of three permanent judges which the pending bill would give. I shall refer particularly in the remainder of this letter to the business of that district.

As appears from the table on page 2 of the memorandum attached, the number of civil cases filed in the western district in 1949 was 843, compared with 574 in 1940. The number filed in the current fiscal year 1950 was 430, which would point to a number well over 850 for the year, inasmuch as ordinarily the filings are somewhat heavier in the second half than in the first half of the year. The number of private civil cases filed in the western district in 1949 was 394, compared with 356 in 1940 and considerably smaller numbers in the intervening years. The number filed in the first half of the current fiscal year, 242, points to a number around 500 for the year. As previously stated, the trend in civil and private civil cases is significant in measuring the workload of judges because they are the type of litigation which by and large make the heaviest proportionate demands upon the judges per case.

As also appears from the memorandum (p. 3), the number of civil cases and the number of private civil cases filed in the western district of Missouri per judge (on a basis of three judges) in 1949 and 1950, have been considerably above the average per judge in the districts in the country generally. In 1949 the average number of civil cases per judge was 281 in the western district and 217 in the country. For the first half of the fiscal year 1950, the numbers were 143 in the western district and 107 for the country. The average number of private civil cases per judge filed in 1949 was 131 in the western district and 110 for the country; in the first half of 1950, 81 in the western district and 54 in the country generally. In both districts (p. 4 of the memorandum), the numbers of civil cases based on diversity of citizenship which were filed per judge, were above the national average, being 76 for the eastern district and 111 for the western district, compared with a national average per judge of 62. This was true of the number of personal injury cases based on automobile accidents, the average number per judge filed in 1949 in the eastern district of Missouri being 37, and in the western district 48, compared with a national average of 19.

Because of the increase in the volume of civil cases filed, the number of such cases pending has been substantially higher in the western district of Missouri in recent years than at any previous time in the last decade. It was 561 at the end of 1949 and 632 at the end of the first half of the current year on December 31, 1949, compared with 450 at the end of 1940 and 273 at the end of 1941, the last complete fiscal year before the war. The number of private civil cases pending was high in the western district at the end of 1940, being 337. But it dropped to 148 in 1941 and thereafter continued to go down to a low of 100 in 1944. Since then it has been steadily rising to 266 at the end of 1949 and 337 at the end of the first half of the current fiscal year (table 1 for the western district).

The court has an excellent record for expedition in determining its cases tried. The time from filing to disposition of cases terminated by trial in the western district of Missouri in the year 1949 (exclusive of land condemnation, habeas corpus, and forfeiture proceedings, which are not typical), was 8.3 months compared with a national average of 10.4 months (table 3 for the western district). But this is no shorter than the norm which is desirable; in fact, 6 months has been frequently referred to as a goal in the Federal courts.

The district courts of both districts of Missouri are functioning excellently with the present number and arrangement of judges. But all the facts tend to show that three judges each for the two districts are necessary and will continue to be. Consequently, I trust that the measure to make permanent the last district judgeship created for the two districts, which has been so many times recommended by the Judicial Conference and has previously been approved more than once by your committee and by the House of Representatives, will this time be enacted into law as provided in the pending bill.

Sincerely yours,

HENRY P. CHANDLER.

There is no question from the testimony which was presented at our subcommittee meeting which considered this legislation and at which the necessity for it was advanced, that this particular judgeship is not only essential and necessary, but absolutely is something that we have to have and would have enacted if it had not been pocketed in the judicial omnibus bill which we passed a year ago.

I sincerely trust that this particular bill will receive favorable consideration today and will be passed.

The CHAIRMAN. The time of the gentleman from New York [Mr. BYRNE] has expired.

Mr. MICHENER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, having just come from a delightful luncheon at which the Judiciary Committee honored our distinguished ranking minority member, the gentleman from Michigan, EARL MICHENER, and our beloved colleague from Alabama, SAM HOBBS, who are retiring from Congress this year, and at which great stress was laid on the fact that the great Committee on the Judiciary was never partisan in its consideration of problems before this body, I should not, under any circumstances, want to be considered to be injecting a partisan note into this debate at this point.

In addition, I can think of no sovereign State where judges are more needed than in the State of Missouri, particularly in Kansas City, where one of the roving judges involved in this legislation now usually sits.

You know, this roving judge idea which we have adopted is quite curious. First, we create temporary roving judges, and then they want to become permanent, stabilized judges. They do not like the idea of roaming, or they may, under certain circumstances as here, want to become permanent roving judges. The purpose of making them permanent rovers here is that they may be indefinitely established, with one of them spending most of his time in one end of the State and the other in the other end of the State.

Mr. BYRNE of New York. Will the gentleman yield?

Mr. KEATING. Yes, I yield to the chairman of my subcommittee.

Mr. BYRNE of New York. I am wondering which of these two judges the gentleman refers to as residing in Kansas City.

Mr. KEATING. One of them resides in Kansas City, or near there as I understand, and the other in St. Louis or near there.

Mr. BYRNE of New York. Judge Duncan's residence is St. Joseph and Judge Harper resides in St. Louis.

Mr. KEATING. I believe Judge Duncan sits primarily in Kansas City and St. Joseph is only about 50 miles away. He is sitting, as I understand it, in that part of the State where the Federal court most frequently convenes.

That brings me to the point that this bill has been spoken of as the Dick Duncan bill. I want to disabuse your minds of the fact that this may have any effect on Dick Duncan. It was before my tenure in this body, but I am informed that for some time ex-Congressman Duncan was a distinguished member of this House on the Democratic side, who frequently found that the principles enunciated by the Republican Party in specific instances appealed to him to a greater degree than those of his own party. Therefore it was almost with unanimity that the Truman bill introduced in the Senate was enacted to provide for this temporary roving judgeship, after former Congressman Duncan suffered defeat in the election in Missouri. Apparently everyone, from what I can learn, was very much in favor of creating a judgeship at that time because of their great affection for now Judge Duncan. There has been some cloakroom gossip to the effect that this bill is going to affect Dick Duncan in some way, and apparently I must, in my opposition to this bill, make it clear, in order to insure its defeat that it does not affect Dick Duncan. Such a question of personalities should not enter into our determination of the merits of this legislation or lack thereof, but I realize I must be realistic.

The purpose of the bill, as appears from the report, is to make permanent the roving judgeships in the eastern and western districts of Missouri. Dick Duncan will in no way be affected in the slightest degree by the passage or failure of passage of this legislation. He is now a judge, appointed as all Federal judges

are, with a life tenure; and to make the temporary judgeships permanent will not in the slightest way affect Dick Duncan, or, in fact, the other Federal judge now serving the eastern and western districts as a roving judge. So I think we should clear the atmosphere in that regard because of the apparent great desire on the part of so many members, and very understandably, not to cast any vote which would in any way injure a former colleague.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. HOFFMAN of Michigan. The gentleman is speaking about roving judges. I assume that he realizes there are judges who it might be said are plaintiffs' judges, and judges who are for the defense. Now, this roving judge business, I noticed that the Government is prosecuting the Du Ponts, who, it has been said by the Lobbying Committee, are large contributors to some Republican organizations and some constitutional organizations. Now, for the purpose of prosecuting the Du Ponts for violation of the antitrust laws, they might want one kind of judge. Then if the Government makes a contract with the Du Ponts for the purpose of manufacturing the hydrogen bomb and those contracts come into question where the Government really needed the bombs and the validity of the contracts has to be upheld, they might want another kind of roving judge. Do you see?

Mr. KEATING. Yes; I believe I understand the gentleman's point.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. MICHENER. But the roving judges referred to here are confined to the State.

Mr. HOFFMAN of Michigan. Oh, yes.

Mr. MICHENER. And they can only go outside of the State to perform their duties if called under another law, the same as any other judge might be called.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield again?

Mr. KEATING. I yield.

Mr. HOFFMAN of Michigan. I am well aware that my distinguished colleague from Michigan is an authority on all things judicial. I only suggest if I may in all humility and call to his attention the fact that there is such a thing as change of venue. You remember when somebody was being tried up in New York they suggested that they be tried up in Vermont. I learned the other day that the judge up in Vermont was in an atmosphere where he might have been more favorable to the defendant than Judge Medina in New York. Remember? They might get a change of venue and so procure the services of one of these roving judges. But if the gentleman says that is not so, I accept his version.

Mr. MICHENER. I quite agree; I agree with the gentleman as to changes, but here is a roving judge.

Mr. HOFFMAN of Michigan. He only roves in the State?

Mr. MICHENER. He has nothing more to do with that kind of situation than any other judge.

Mr. HOFFMAN of Michigan. Just a minute; let us see. I am willing to be advised, informed, and even corrected by the gentleman from Michigan, my colleague, but does not the gentleman admit that a case might be transferred to one of these roving judges who was sitting in his own jurisdiction, in his own bailiwick, on a change of venue?

Mr. MICHENER. Certainly, if he was not——

Mr. HOFFMAN of Michigan. Then we are both right.

Mr. MICHENER. If he was not needed at home he could be sent to some other jurisdiction, but you have to go through a procedure in order to bring that about.

Mr. HOFFMAN of Michigan. What the gentleman means is that the roving judge would have to make application to get outside of his own bailiwick?

Mr. MICHENER. The real purpose of the roving judge was this: Two years ago the Judiciary Committee felt that too many permanent judges were being appointed. The committee was shown that in certain instances there was an unusual burden in a particular State. Instead of creating a permanent judgeship we created a temporary judgeship to handle the situation momentarily. But what always happens—it never fails I do not think—where we create a roving judge, at the next session of the Congress that rover or the people in that State want to make that judgeship permanent. It is just getting the nose of the camel under the tent and getting the judge appointed to roam about the State to try cases wherever he is assigned. But he does not like that. He wants a district of his own. He wants one place to live. He wants to hold court where he lives.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MICHENER. Mr. Chairman, I yield the gentleman five additional minutes. He wants a residence set. Then we make the judgeship permanent. I do not know of any case where they have failed. So I do not see much advantage to a roving judge if he knows we are going to make it permanent in the next Congress.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I want to correct the record. I do not want it understood that I disagree in any way with my colleague from Michigan—not at all.

Mr. KEATING. I am sure we understand entirely both the gentlemen from Michigan and appreciate their contribution to the debate, particularly the contribution of the gentleman from Michigan [Mr. MICHENER] wherein he points out that we should carefully scrutinize each of these matters as they come up. As I said in opposing generally these bills for the creation of additional judgeships, they frequently do have tacked on the end a proviso that the first vacancy occurring in the district shall not be filled, thereby making the judgeship temporary. But what happens?

Shortly thereafter, a bill like this comes in here. We have already created the temporary judgeship. Now it is suggested that we do away with the temporary feature and make it permanent. There is nothing in this record which shows any immediate need for making it permanent.

It seems to me that we should survey the question, not now, but when it becomes necessary. There are two of these judges now living and serving, with no indication or expectation that their services will terminate in the near future. When their services do terminate that is the time to consider in this Congress the question whether the judgeships should be made permanent.

The reason I say that is because it appears clear on page 4 of the report that the number of cases commenced in these courts varies greatly from time to time. If you will examine the column on page 4 and add the cases in the eastern and western districts together, because of the fact that these are rovers, you will find the total number of cases commenced in both districts back in 1940 to be 1,031. They increased over 3 years up to 1,753. Then the fourth year they dropped back again to 1,056 and in 1944 to 1,025. They rose again the next year to 3,045 and the year after dropped to 2,542. Then down again to 1,661 in 1947, 1,155 in 1948, and 1,593 in 1949. They are back now to where there are now 1,593 cases started with two judges, where back 10 years ago there were 1,031 cases started with one judge. It was the year after the 1,031 figure that a new judge was provided. The Congress provided a new judge temporarily when the 1,031 figure rose to 1,266. The number of cases moved up and got to over 3,000. at one time. They took care of those cases all right. They are now back to 1,593. If you divide the 1,593 by two you have seven or eight hundred apiece, which is substantially less than the 1,031 which the one judge was handling 10 years ago.

So, Mr. Chairman, I am not being critical of any of these judges or of any members of the committee who differ with my views, but it seems to me there is no immediate need and that we should survey this question when the occasion arises which might demonstrate the need.

Now, if the committee will refer to page 6 of the report, there is given the median time from the filing of cases to their termination. In discussing some of these other judgeship bills the point was made, and it will be made in future bills, that it is the delay in the judicial process which makes necessary the creation of new judgeships. If that is true, if new judgeships are to be created because the time between starting a case and ending it is much greater than the median across the country, then certainly the opposite should apply. If the average time for disposal of cases in a particular district is substantially less than the country-wide average, that may indicate the district is overjudged.

You will find on page 6 that in the eastern district the median time from the filing of the case to its termination

is 7.6 months, and in the western district it is 8.3 months, whereas across the country the median time in all courts is 10.4 months which seems to me, if it does not prove that one judge is not necessary now, certainly proves at least that the time has not arrived when we need to make these judgeships permanent, and that there still exists the very real possibility that the time may come, even in the sovereign State of Missouri, when we will not need the two judges and can get along perfectly well with one. At least, we should wait until the time is ripe to make that decision and not make it prematurely.

The statistics that are found on page 10 of the report for the eastern district of Missouri and on page 14 for the western district and the statistics which are found on page 9 as to the case load of the judges of the eastern district and on page 13 the case load of the judges of the western district simply bears out exactly the same considerations which I have been advancing about the total cases commenced in the two districts.

The case load per judge in the eastern district was 401 10 years ago and it went up and up and the highest was 661. It is now back to 358. The case load per judge in the eastern district is likewise less today than it was 10 years ago. In the western district 10 years ago it was 416, and that went up as high as 782, but it is now back to 412, again less than it was 10 years ago.

It seems to me that the record as embodied in this report presents a convincing case for us to delay action on this matter at this time. That is the conclusion the other body reached in the bill last year. We had a provision in our omnibus bill relating to this judgeship, but the distinguished other body in its great wisdom and after mature consideration of this problem decided that the conversion of this judgeship from temporary to permanent status should not be accomplished at this time. They refused to do so, and we yielded to them in conference. There has been no change in the situation since that time.

It seems to me, although it may not always be so, certainly in this instance the other body has displayed a better grasp of the problem involved here than we have. This bill should not pass at this time.

Mr. BYRNE of New York. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am going to quote from the testimony in the hearings of our subcommittee when this bill was being considered, so that you will be able to catch the ideas of the Administrative Office of the United States Courts and the reasons why they recommend and suggest that this judgeship be made permanent rather than temporary. This testimony is part of the record we have of the hearings and is by Mr. Chandler. On page 144 of the hearings Mr. Chandler testified as follows:

> I will say simply this, that the House of Representatives in the Eightieth Congress passed a bill to make this judgeship permanent. The bill went to the Senate. The Senate did not act upon it. The provision to make the judgeship permanent was incorporated in the bill which the Judiciary Committee approved, which passed the House, and which ultimately eventuated as Public Law 205 of the present Congress, but in consideration by the Senate the provision for the judgeship in Missouri was omitted.

That is the reason Mr. Chandler gave for the omission of the bill that would have made this judgeship permanent at that time, in the Eightieth Congress. He continues by stating that—

> Judge Reeves is around 70. Judge Duncan is probably between 50 and 60. I should say in his early fifties, and Judge Ridge is the third judge of the western district of Missouri. He is a comparatively young man.
>
> I think the committee should understand this, that the law now provides for two permanent judges for the eastern district of Missouri with headquarters at St. Louis and two with headquarters at Kansas City. Judge Harper makes his headquarters at St. Louis. Then there is a second judge for the two districts and that is the position involved in this bill.
>
> Every reason for providing for this judgeship in 1942 exists today in accentuated measure. The number of civil cases in the western district of Missouri for 1942 was 548. In 1949 it had risen to 843. The number for the first half of 1950 was 430, which would indicate around 860 for the year.
>
> The number of civil cases pending has gone up. The number of private civil cases, which was 356 in 1940, went down for a number of years as private cases tended to go down during the war. Since then it has come up to 394 in 1949 and 242 in the first half of 1950, which is at a rate close to 500 for the year.
>
> The number of civil cases pending in the western district, which was 450 at the end of 1940, was 561 at the end of 1949. The number of private civil cases pending, which was 337 at the end of 1940, was just the same at the end of 1949, but the situation which called for three judges in the western district—six judges for the two districts of the State, when the present judgeship was created, exists today, and while the number of private civil cases pending is not higher now than in 1940, most of the factors indicate an increase in the load of the court.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BYRNE of New York. I yield.

Mr. KEATING. Of course, in citing the figures which the gentleman has cited as to the cases pending, he must bear in mind the unusual feature which is brought out on page 6 of the report regarding the criminal cases wherein it is shown that in the State of Missouri some 75 to 80 percent of the defendants in criminal cases plead guilty. You see, that is an unusual circumstance which seems to be peculiar, apparently, to this jurisdiction.

Mr. BYRNE of New York. That may be true, but nevertheless it does not reduce the case load too much.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. BYRNE of New York. I yield.

Mr. JACOBS. I rise on behalf of Indiana. Back in the twenties, at least when I kept tab of things they plead guilty in the Federal courts as fast as we could get them into the court, and I think the percentage was far greater than 75 percent.

Mr. KEATING. I was simply following the report which is prepared by the committee as to the State of Missouri. I am not familiar with Indiana. But it is brought out that a very unusually large number of defendants in criminal cases happen to plead guilty in the State of Missouri. Whether the same applies to the State of Indiana, I am not sure. But when we had the bill up for consideration to create an additional judgeship for Indiana, I do not remember the gentleman making that point, because that of course would have militated against the legislation in which he was interested.

Mr. JACOBS. Does the gentleman have the figures for the entire country as to the percentage of defendants who plead guilty in criminal cases in the Federal courts?

Mr. KEATING. No; but I judge from the fact that the district court makes a specific point of that—you must understand I had nothing to do with the preparation of this report because it is prepared by a Mr. DENTON of your own State, who made the report—pointing out the unusual situation existing in Missouri where such a large number of defendants plead guilty in their criminal cases.

Mr. JACOBS. Frankly and seriously I am not surprised. I would think the percentage would really be higher.

Mr. KEATING. Does the gentleman mean for the State of Missouri?

Mr. JACOBS. No; I mean in general. I would think that the percentage would be higher than 75 percent of those indicted through the regular processes. That would be my judgment. I do not have the figures, but that would appear to be so.

Mr. BYRNE of New York. Mr. Chairman, I wish to quote now from page 145 of the hearings at the bottom of the page. The gentleman from Massachusetts [Mr. LANE], of our subcommittee, asked this particular question, and this may give you some light on the situation as to the need of a temporary or permanent judgeship and the need for these judges. This is a direct question:

> Mr. LANE. Mr. Chandler, do you think it is good legislation to create these temporary judgeships as brought out this morning? Usually we make them permanent after some period of time. I could readily understand that a temporary judge after his appointment—if he was disposed to do it—could allow these cases to pile up so he would have a large case load, so someone could come back to Congress and say, "Although you appointed a temporary judge, you ought to make him permanent."
>
> Mr. CHANDLER. So far as his position is concerned when we speak of making a judgeship permanent all we mean is if a vacancy occurs it can be filled. The reason Judge Duncan, for instance, who is the incumbent of this position—or rather the reason why the judicial conference are interested in having temporary positions made permanent in districts where everything tends to indicate that the judicial load will continue, is that it is very desirable that the interval of time which follows, if the position is temporary, before a law can be passed repealing the prohibition, or providing again for a judgeship there makes it very desirable, if the work of the court is to be dispatched with expedition, be avoided.

In other words, the appointment of a temporary judge creates a tremendous amount of agitation and competition for appointment to any position that becomes vacant. There is no immediate

carrying on of business in that district because of the loss of the temporary judge and the filling of that position. So, therefore, the judicial conference and the administrative office naturally are very anxious to secure all of these judgeships to be permanent, so that there will be no break in the tide of business in the courts.

The CHAIRMAN. The time of the gentleman from New York [Mr. BYRNE] has expired.

Mr. BYRNE of New York. Mr. Chairman, I will yield myself five additional minutes.

Mr. LANE. I am glad to have that for the record.

Mr. CHANDLER. In answer to your question whether I think a temporary judgeship may be ordinarily advisable, I should say, "No," because with the experience we have with the content of Federal law in relation to State law growing continuously, we find the subject matter of Federal law is increasing. There is very little reason to believe that if an additional judge is needed in any court today he will not be needed 25 or 50 years from now.

I know what the purpose of that limitation is. Congress has in mind that if that limitation is written into the law it will have an opportunity to review the situation and consider whether there is a need at a later time after that vacancy arises. But I have seen Congressmen, if you will permit me to say this, Mr. Chairman, I have seen the result of this action in certain districts which convinced me that ordinarily such a provision is very inadvisable.

I will give you a concrete case.

And then he goes on and talks about the case of Judge Wolsey in the southern district of New York.

He was a very distinguished judge. He served a number of years. The law provided that the next vacancy should not be filled. When Judge Wolsey retired it took years before a law was passed which permitted the filling of that vacancy; and there was the southern district of New York, struggling with a load heavier than it could handle, falling behind, and there was a delay which that provision in the law caused. Only in exceptional cases should it be done.

That is the reason. It is a matter of practical experience that a temporary judgeship should not be created but a permanent judgeship should be. It permits of a tremendous amount of political bickering and delay in the work of the courts until the appointive power of that particular period is passed and some new appointive power comes into office. All of that, of course, is disturbing to the business of the courts, and to the development of justice in our country and in the districts and therefore is logically opposed by those who are in an administrative position.

The CHAIRMAN. The time of the gentleman from New York [Mr. BYRNE] has again expired.

Mr. MICHENER. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. JONAS].

Mr. JONAS. Mr. Chairman, the only reason I rise to speak on this particular issue before the House is, first, due to the fact that the distinguished gentleman from Michigan [Mr. HOFFMAN] a few moments ago made a statement on the floor as to why changes of venue have been taken from time to time, and made particular reference to the du Pont case. It is a matter of common knowledge that the du Pont case has been assigned to the Federal Court of the Northern District and Eastern Division of the State of Illinois. I cannot leave the statement go unchallenged, wherein it was intimated that it might have been done for a specific purpose. It is my considered judgment that if changes of venue are frequently taken, that is simply in pursuance of a prerogative that is conferred upon litigants by law, and if the Government or if the defendants in the du Pont case expect to realize or attain any special or unfair advantage by having that case tried in the Federal Court for the Northern District of the State of Illinois, I am afraid both of them are going to be sorely disappointed.

In my many years of experience in contact with the judges who preside in that district I am frank to say and do so publicly that they have never to my knowledge given any outward indication that they were ready to sacrifice their reputation for integrity and impartiality, or any manifestations whatsoever that both sides in any kind of a lawsuit assigned to them may not receive a fair and impartial trial.

Secondly, I think the matter of answering some of the statements made here by my distinguished friend, the gentleman from New York [Mr. KEATING] should be made by the attorneys who practice actively in the Federal courts of the State of Missouri. After all, it is their problem as to whether or not they need additional judges.

But just a word or two by way of explanation. In the first place, there is a definite and nasty implication attached to the term "roving judge." In the second place, there never should be such an individual in our system of jurisprudence as a roving judge, because if you have a roving judge you are laying the groundwork for creating roving lawyers. Here is how it happens: A roving judge who is assigned here, there, and everywhere, having no fixed status at any given place usually presides in numerous courts in the area over which he has jurisdiction. Lawyers who are compelled to try their cases before a roving judge, after concluding the litigation, usually make up their records. When it comes to passing on the question of the accuracy of the records or the order in which the exhibits were introduced, or any other matter pertaining to the procedure at the trial, it becomes necessary for them to find the roving judge, and soon you have added to the roving judge a series or set of roving lawyers. There is nothing more disconcerting, nothing more annoying or distracting than to have to chase a judge all over a given jurisdiction when your time is limited under the statute as to how your record should be prepared and to get it certified, than to be confronted by the conditions created by a roving judge. So, while I am not taking any particular position as to whether or not you should have the two extra judges in Missouri, I do feel that I should express myself about making any more provisions for roving judges. Either have a permanent judge or have no judge at all in Federal jurisdictions.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield.

Mr. KEATING. While I appreciate the fact that the gentleman is not endeavoring to take a position on the particular need here, and he very properly says that some of the practicing lawyers in Missouri should be heard on the subject, yet does not the gentleman feel that it follows from his position with respect to roving judgeships generally, that we would be well advised not to make permanent a temporary situation which is not in keeping with the gentleman's ideas and, in fact, with mine?

Mr. JONAS. I will answer the gentleman's question, to which there is considerable merit. I want the gentleman to understand that I take this position with reference to adding new judges to any particular district only after you have been convinced that they are necessary because of the condition of the calendar, because there is no more reason for tacking on unnecessary judges than there is to packing a Federal payroll with unnecessary employees. If we are convinced of that, then I think we should disabuse our minds of all partisan or individual and personal feelings and see to it that litigants who have to contend with congested calendars and conditions in court that are harassing and annoying get relief. We are talking continually about law enforcement, obedience to law, respect for law, and fighting communism. I want to say to the distinguished gentleman from New York that there is no greater incentive or inducement for encouraging communism or subscribing to revolution and insurrections than to deny to the people of any given jurisdiction full and impartial justice and a speedy trial to which they are entitled under the Constitution of the United States and the statutes made in pursuance thereof.

Mr. KEATING. I agree with the gentleman. There are two districts here, the eastern district and the western, each of which have certain permanent judges. These two roving judges are roving in eastern and western Missouri. Does not the gentleman feel it would be preferable, rather than to make permanent two roving judges, to provide for an additional stationary judge in the two districts?

Mr. JONAS. I concur in the gentleman's views. I think that is the more practical side of the situation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MICHENER. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman, this bill will furnish no relief to the State of Missouri at this time if it is enacted into law. It does not provide any more judges. It simply provides that the position of a temporary judge shall continue indefinitely. That is all there is to it.

The gentleman from New York [Mr. KEATING] takes the position that there is

no prospect in the course of human events that there will be a vacancy very soon. In view of the number of cases—as shown by the report now before the Federal courts of Missouri, he feels that as long as the conditions are as they are at present, an additional judge is not warranted. That is conceded, at least impliedly, because if they needed additional judges out there they would ask for them. This bill only provides that if and when, some time in the future, maybe next year, it may be 10 years from now, and that is entirely possible considering the ages of the judges—a vacancy does occur there shall be a new judge appointed, whether he is needed or not needed. I therefore concur in the views of my colleague from New York, that we are not providing additional judges here in this bill. We are simply making the present temporary judges permanent.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the proviso contained in the act entitled "An act to provide for the appointment of an additional district judge for the eastern and western districts of Missouri," approved December 24, 1942 (56 Stat. 1083, Public Law 837), that the first vacancy occurring in the office of the district judge for the eastern and western districts of Missouri, is repealed and the incumbent of the judgeship created by said act shall henceforth hold his office under title 28, United States Code, section 133, as amended by this act.

Accordingly, section 133 of title 28, United States Code, "Judiciary and judicial procedure" is amended by striking out the number "1" following the words "Missouri: ---------- eastern and western," and inserting in lieu thereof the number "2."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the judgeship for the eastern and western districts of Missouri provided for by the act entitled "An act to provide for the appointment of an additional district judge for the eastern and western districts of Missouri," approved December 24, 1942 (Public Law 837, 56 Stat. 1083), shall hereafter be a permanent judgeship. Accordingly, in order to incorporate the permanent provisions of the said act into the United States Code, as a continuation of existing law and not as a new enactment, title 28, United States Code, section 133, is amended to read as follows, with respect to the eastern and western districts of Missouri:

"'Districts	Judges
* * * * *	
Missouri	
* * * * *	
eastern and western	2'.

"SEC. 2. The act entitled 'An act to provide for the appointment of an additional district judge for the eastern and western districts of Missouri,' approved December 24, 1942 (50 Stat. 1083), is hereby repealed, but its repeal shall not affect the tenure of office of the incumbent of the judgeship created by such act who shall henceforth hold his position under title 28, United States Code, section 133, as amended by this act."

The committee amendment was agreed to.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Page 3, line 10, add a new section:

"SEC. 3. That sections 1331 and 1332 of title 28, United States Code, are amended to read as follows:

"'SEC. 1331. Federal question; amount in controversy.

"'The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and arises under the Constitution, laws, or treaties of the United States.

"'SEC. 1332. Diversity of citizenship; amount in controversy

"'(a) The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and is between—

"'(1) citizens of different States;

"'(2) citizens of a State, and foreign states or citizens or subjects thereof;

"'(3) citizens of different States and in which foreign states or citizens or subjects thereof are additional parties.

"'(b) The word "States," as used in this section, includes the Territories and the District of Columbia.'"

Mr. CELLER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from Pennsylvania [Mr. WALTER] to the bill to repeal the proviso against the filling of the vacancy in the office of district judge for the eastern and western districts of Missouri is not germane to the main purposes of the bill. The amendment concerns diversity of citizenship as a means of entering into the Federal court for the purpose of litigating. It increases jurisdiction, lifting the present minimum amount from $3,000 to a higher amount, and it certainly has no relation whatever to a judgeship in the State of Missouri. It is general legislation on a specific bill for a specific purpose.

The CHAIRMAN. Does the gentleman from Pennsylvania care to be heard on the point of order?

Mr WALTER. No, Mr. Chairman.

The CHAIRMAN. The Chair is prepared to rule. The Chair rules that the amendment is not germane, and sustains the point of order.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 7009) to repeal the proviso against the filling of the vacancy in the office of district judge for the eastern and western districts of Missouri, pursuant to House Resolution 708, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of this bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INTERNAL SECURITY OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 679)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and referred to the Committee on the Judiciary and ordered to be printed:

To the Congress of the United States:

I am presenting to the Congress certain considerations concerning the steps we need to take to preserve our basic liberties and to protect the internal security of the United States in this period of increasing international difficulty and danger. We face today, as we have always faced in time of international tension, the question of how to keep our freedom secure against internal as well as external attack, without at the same time unduly limiting individual rights and liberties.

Throughout our history as a Nation, our people have always—and properly—been wary of Government action which limited personal liberty. At the time our Constitution was being debated, there was considerable fear that it did not properly safeguard the exercise of individual freedom. As a result, the first 10 amendments to the Constitution—the Bill of Rights—were adopted, in order to make sure that the Federal Government would not infringe upon the free exercise of religion, freedom of speech, freedom of the press, the right of peaceable assembly, and the other basic rights which are essential in a free society. The Bill of Rights was then, and remains today, a stirring embodiment of our democratic ideals—an inspiration to freemen everywhere and to those who would be free.

At the same time, the Bill of Rights was not intended to prevent the Government from maintaining our Nation's integrity against subversion or attack. For example, the right of the people to keep and bear arms, which is guaranteed in the Bill of Rights, obviously gives no license for the building up of an armed revolutionary movement within our borders.

Accordingly, the Government has enacted laws, from time to time, against espionage, sabotage, and other internal threats to our national safety. Each of these laws necessarily places some restrictions on individual liberty, for the protection of the Nation.

It has always been difficult to draw the line between restrictions which are proper because they are necessary for internal security, and restrictions which

are improper because they violate the spirit or the letter of the Constitution. It is clear that on certain occasions, that line has been overstepped.

Soon after our Government began functioning under the Constitution, there was enacted, in 1798, the group of legislative acts known as the alien and sedition laws. These laws were ostensibly designed to prevent activities which would undermine the Nation's safety and independence. But in fact they were broad enough and were used to imprison many leading citizens, including a Member of Congress, who expressed disagreement with the policies of the administration then in office.

The alien and sedition laws were so repugnant to the free spirit of our people that they played an important part in the disappearance of the Federalist Party, which sponsored them, and the objectionable features of these laws were shortly repealed or allowed to expire. That experience taught us a great lesson: that extreme and arbitrary security measures strike at the very heart of our free society, and that we must be eternally vigilant against those who would undermine freedom in the name of security.

Since the time of the alien and sedition laws, there have been recurrent periods—especially in wartime—when the safety of our Nation has been in danger. Each of these occasions has confronted us with a new set of conditions, to which we have had to adjust our internal-security laws and procedures.

At the same time, each of these periods of danger has been seized on by those who, in good faith or bad, would severely limit the freedom of our people in a misguided attempt to gain greater security. As we look back now, we can see that there have been certain times when we have, to some extent, repudiated our own ideals of freedom in an excess of zeal for our safety. Nevertheless, it is a tribute to the strong faith and common sense of our people that we have never for long been misled by the hysterical cries of those who would suppress our constitutional freedoms.

The present period is one of the times in which it has been necessary to adjust our security measures to new circumstances. The particular danger which we have had to meet has been created by the rise of totalitarianism—first, the totalitarianism of the right, and now that of the left.

Today we face most acutely the threat of the Communist movement, international in scope, directed from a central source, and committed to the overthrow of democratic institutions throughout the world.

The major danger from the Communist movement lies in its use of armed force and the threat of aggression through which it is trying to establish its control over free nations. To meet this danger we are working vigorously with other free nations to build a strong and effective common defense.

Communist imperialism also seeks to weaken and overthrow free nations by working within their borders.

Through their own political parties, and by trying to make alliances with non-Communist political groups, the Communists attempt to gain political power. The best defense against this aspect of the Communist threat is a vigorous, functioning democracy which succeeds in meeting the needs of its people. A vigilant people, who exercise their democratic rights to keep their government active in the interests of all, can defeat the efforts of Communists to attain electoral power.

In the United States the Communist Party has never received more than a minute portion of the national vote. The good sense of the American people, and their faith in democracy, have utterly rejected the false political appeal of communism.

As a part of their campaign to weaken free nations from within, the Communists try to infiltrate and gain control of the most vital citizens' organizations, such as unions, associations of veterans, business groups, and charitable, educational, and political societies. In this country these attempts have—with few exceptions—been successfully thwarted by the common sense and hard work of the members of those organizations, who have defeated the Communists through democratic processes, or forced them into isolated groups which are clearly and definitely identified as Communist-controlled.

The success of our labor-union members and leaders in exposing and eliminating Communists who had managed to gain positions of authority in the labor movement is particularly noteworthy. This demonstrates that open and public democratic processes provide the most effective way to prevent Communists from dominating the activities and policies of private groups in our country.

If the Communists confined their activities in this country to the open and public channels of the democratic process we would have little concern about them. But they do not so limit their activities. Instead, to serve the ends of a foreign power, they engage in espionage, sabotage, and other acts subversive of our national safety.

To protect us against activities such as these we must rely primarily upon Government action. We must have effective internal-security measures to prevent acts which threaten our national safety.

These measures must be accurately devised to meet real dangers. They must not be so broad as to restrict our liberty unnecessarily, for that would defeat our own ends. Unwise or excessive security measures can strike at the freedom and dignity of the individual which are the very foundation of our society—and the defense of which is the whole purpose of our security measures.

In considering the laws that are needed to protect our internal security against Communist activities, we should remember that we already have tested legal defenses against treason, espionage, sabotage, and other acts looking toward the overthrow of our Government by force or violence. Strong laws exist on the statute books—a number of them enacted or strengthened in recent years—under which we have proceeded and are proceeding vigorously against such crimes.

The treason laws make it a crime for anyone owing allegiance to the United States to levy war against his country, to give aid and comfort to its enemies, or to conceal knowledge concerning treasonable activities.

The espionage laws make it a crime to gather, give, receive, or transmit documents or similar materials concerning the national defense of the United States with intent or reason to believe that they are to be used against the interest of the United States. Furthermore, these laws make it a crime for anyone who has national defense information to communicate it to any person not entitled to receive it.

The sabotage laws make it a crime for anyone, with intent to interfere with the national defense, to attempt or injure or destroy any material, premises, or utilities which are important to the national defense.

There are other laws which make it a crime for two or more persons to "conspire to overthrow, put down, or to destroy by force the Government of the United States * * * or by force to prevent, hinder, or delay the execution of any law of the United States." There are also laws which make it a crime to advocate or teach the overthrow of the United States Government, or any State or local government, by force or violence, to organize any group for that purpose, or to be a member of such a group, knowing its purpose. In 1948, 11 of the most important leaders of the Communist Party in this country were indicted under these laws. After a long trial, all were convicted, and their conviction was affirmed by an appellate court on August 1, 1950.

In addition to the criminal laws outlined above, there is a set of laws governing immigration, naturalization, and travel between our country and others. These laws permit the Government to exclude or deport any alien from this country who may be dangerous to our internal security, and to forbid or to regulate the travel abroad of United States citizens who may be engaged in subversive activity.

The laws I have been describing apply to private citizens and groups. A special set of laws and procedures applies to Government employees. Here our purpose is to exclude or remove from Government service persons who may be disloyal, even though they have committed no crime, and to keep from positions of importance persons who cannot be trusted to maintain security regulations, even though they may be loyal citizens and satisfactory employees in all other respects.

More than 3 years ago, the executive branch revised and improved its procedures for dealing with questions of employee loyalty and security. These new procedures have proved effective in protecting the Government against disloyal

persons and persons whose employment constitutes a security risk.

The various laws and procedures I have outlined make up a strong set of legal safeguards against acts by individuals and groups which strike at the internal security of the United States.

Over the last few years, we have successfully prosecuted several hundred cases in the courts under existing internal security laws. In this process we have obtained a great deal of experience in the application of these laws. We have discovered a few defects, some of them minor and others of greater importance, in some of the existing statutes. In view of the situation which confronts us, it is important that these defects be remedied. At this time, therefore, I wish to recommend that the Congress enact certain legislation before the close of the present session.

First, I recommend that the Congress remedy certain defects in the present laws concerning espionage, the registration of foreign agents, and the security of national defense installations, by clarifying and making more definite certain language in the espionage laws, by providing an extended statute of limitations (in place of the present 3-year statute) for peacetime espionage, by requiring persons who have received instruction from a foreign government or political party in espionage or subversive tactics to register under the Foreign Agents Registration Act, and by giving broader authority than now exists for the President to establish security regulations concerning the protection of military bases and other national defense installations.

Second, I recommend that the Congress enact legislation permitting the Attorney General to exercise supervision over aliens subject to deportation and to require them, under the sanction of criminal penalties, to report their whereabouts and activities at regular intervals. In a number of cases, aliens under deportation orders cannot be deported because no other country will accept them. A bill pending before the Congress would permit the Attorney General in certain cases to detain such aliens in his custody for indefinite periods of time—not pursuant to a conviction for crime but on the basis of an administrative determination. Such action would be repugnant to our traditions, and it should not be authorized. Present law, however, is inadequate to permit proper supervision of deportable aliens, and should be strengthened as I have indicated.

Under the leadership of the National Security Council, the agencies of the Government which administer our internal security laws are keeping these laws under constant study to determine whether further changes are required to provide adequate protection. If it does appear that further improvements in these laws are needed, I shall recommend them to the Congress.

By building upon the framework now provided by our basic laws against subversive activities, we can provide effective protection against acts which threaten violence to our Government or to our institutions, and we can do this without violating the fundamental principles of our Constitution.

Nevertheless, there are some people who wish us to enact laws which would seriously damage the right of free speech and which could be used not only against subversive groups but against other groups engaged in political or other activities which were not generally popular. Such measures would not only infringe on the Bill of Rights and the basic liberties of our people; they would also undermine the very internal security they seek to protect.

Laws forbidding dissent do not prevent subversive activities; they merely drive them into more secret and more dangerous channels. Police states are not secure; their history is marked by successive purges, and growing concentration camps, as their governments strike out blindly in fear of violent revolt. Once a government is committed to the principle of silencing the voice of opposition, it has only one way to go, and that is down the path of increasingly repressive measures, until it becomes a source of terror to all its citizens and creates a country where everyone lives in fear.

We must, therefore, be on our guard against extremists who urge us to adopt police state measures. Such persons advocate breaking down the guaranties of the Bill of Rights in order to get at the Communists. They forget that if the Bill of Rights were to be broken down, all groups, even the most conservative, would be in danger from the arbitrary power of government.

Legislation is now pending before the Congress which is so broad and vague in its terms as to endanger the freedoms of speech, press, and assembly protected by the first amendment. Some of the proposed measures would, in effect, impose severe penalties for normal political activities on the part of certain groups, including Communists and Communist Party-line followers. This kind of legislation is unnecessary, ineffective, and dangerous.

It is unnecessary because groups such as the Communists cannot accomplish their evil purposes in this country through normal political activity. They will be repudiated by the people as they have always been.

It is ineffective because it does not get at the real dangers from the Communists in this country. These dangers come, not from normal political activity, but from espionage, sabotage, and the building up of an organization dedicated to the destruction of our Government by violent means—against all of which we already have laws.

This kind of proposed legislation is dangerous because, in attempting to proscribe, for groups such as the Communists, certain activities that are perfectly proper for everyone else, such legislation would spread a legal dragnet sufficiently broad to permit the prosecution of people who are entirely innocent or merely misguided. As far as the real conspirators against our institutions are concerned, such legislation would merely have the effect of driving them further underground and making it more difficult to reach them. Furthermore, if such legislation were held unconstitutional, as it well might be, it would make martyrs out of our worst enemies and create public sympathy for them.

Extreme proposals of this type reflect the widespread public concern about communism which most of our people feel today. In some communities, this concern has resulted in the enactment of unnecessary or unconstitutional laws or ordinances designed to suppress subversive activity.

We must not be swept away by a wave of hysteria.

It is natural, perhaps, to think that we can wipe out the dangers which confront us by passing a law. But we cannot get rid of communism just by passing a law. We must, of course, have effective legal defenses, but the principal protection of a free society against subversion is an alert and responsible citizenry dedicated to the advancement of freedom through democratic means.

This is the way to build real security for our country—and every citizen can help. Everyone in public life has a responsibility to conduct himself so as to reinforce and not undermine our internal security and our basic freedoms. Our press and radio have the same responsibility. Private groups of all kinds and citizens in their daily work and in their homes are equally concerned with the question of protecting our liberties and our national security. We must all act soberly and carefully, in keeping with our great traditions. This is important not only to our own country but to the success of the cause of freedom in the world.

Throughout the world, communism is seeking to discredit our system of constitutional liberties. The Communists know that the leadership and good will which our Nation enjoys arise in great measure from the fact that men here have the blessings of liberty. Consequently, the propaganda of communism is devoted to a bitter and unceasing attempt to blacken and distort our national character and our way of life.

This propaganda is a formidable threat to the unity of the free nations in working for peace. The best answer to it is not words, but deeds. We must demonstrate that we are a country in which men can live together and advance together as a free society. This alone can prove the falseness of the Communist attack. It would be tragic in the highest degree if we were to frighten ourselves into destroying those very liberties which are the basis of our moral leadership in the struggle for peace.

I am determined that the United States shall be secure. I am equally determined that we shall keep our historic liberties.

Success in achieving both these objectives is of exceptional importance in the present period of international tension. For by our actions we must maintain the United States as a strong, free people, confident in our liberties, and moving forward with other free peoples to oppose aggression and to build a just peace for all mankind.

HARRY S. TRUMAN.

THE WHITE HOUSE,
August 8, 1950.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate insists upon its amendments to the bill (H. R. 7786) entitled "An act making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints the following conferees on the part of the Senate:

Chapter I, District of Columbia: Messrs. HILL, O'MAHONEY, MCCLELLAN, HUNT, FERGUSON, WHERRY, and YOUNG;

Chapter II, Legislative Branch: Messrs. ELLENDER, CHAVEZ, MCKELLAR, BRIDGES, and CORDON;

Chapter III, State, Justice, Commerce, and the Judiciary: Messrs. MCCARRAN, MCKELLAR, ELLENDER, GREEN, SALTONSTALL, BRIDGES, and FERGUSON;

Chapter IV, Treasury and Post Office: Messrs. MAYBANK, HAYDEN, KILGORE, MCCLELLAN, JOHNSTON of South Carolina, CORDON, BRIDGES, and SALTONSTALL;

Chapter V, Labor-Federal Security: Messrs. CHAVEZ, MCCARRAN, RUSSELL, KNOWLAND, and GURNEY;

Chapter VI, Agriculture Department: Messrs. RUSSELL, HAYDEN, O'MAHONEY, MCCARRAN, THOMAS of Oklahoma, YOUNG, GURNEY, and FERGUSON;

Chapter VII, Interior Department: Messrs. HAYDEN, THOMAS of Oklahoma, O'MAHONEY, WHERRY, and GURNEY;

Chapter VIII, Independent Offices: Messrs. O'MAHONEY, RUSSELL, MCKELLAR, THOMAS of Oklahoma, FERGUSON, CORDON, and SALTONSTALL;

Chapter IX, Civil Functions: Messrs. MCKELLAR, HAYDEN, RUSSELL, THOMAS of Oklahoma, STENNIS, GURNEY, FERGUSON, and CORDON;

Chapter X, Defense Establishment: Messrs. THOMAS of Oklahoma, HAYDEN, RUSSELL, O'MAHONEY, TYDINGS, GURNEY, BRIDGES, FERGUSON and WHERRY;

Chapter X–A, General Reductions in Appropriations: Messrs. MCKELLAR, HAYDEN, THOMAS of Oklahoma, RUSSELL, MCCARRAN, BRIDGES, GURNEY, FERGUSON, and WHERRY;

Chapter X–B, Foreign Aid: Messrs. MCKELLAR, HAYDEN, THOMAS of Oklahoma, RUSSELL, MCCARRAN, BRIDGES, GURNEY, FERGUSON, and WHERRY;

Chapter XI, General Provisions: Messrs. MCKELLAR, HAYDEN, THOMAS of Oklahoma, RUSSELL, MCCARRAN, BRIDGES, GURNEY, FERGUSON, and WHERRY.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3959) entitled "An act to amend the Federal Property and Administrative Services Act of 1949, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCLELLAN, Mr. O'CONOR, Mr. HUMPHREY, Mrs. SMITH of Maine, and Mr. SCHOEPPEL to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. SPENCE] may extend his remarks at this point in the RECORD and include therein the text of certain proposed amendments.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SPENCE. Mr. Speaker, there follows herewith the committee amendment relating to price and wage stabilization adopted by the Committee on Banking and Currency to H. R. 9176:

TITLE II

PRICE AND WAGE STABILIZATION

SEC. 201. It is the intent of Congress to provide authority necessary to achieve the following purposes in order to promote the national defense: to prevent inflation and preserve the value of the national currency; to assure that defense appropriations are not dissipated by excessive costs and prices; to stabilize the cost of living for workers and other consumers and the costs of production for farmers and businessmen; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities; to protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from undue impairment of their living standards; to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale; to assist in maintaining a reasonable balance between purchasing power and the supply of consumer goods and services; to protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings; and to prevent a future collapse of values. It is the intent of Congress that the authority conferred by this title shall be exercised in accordance with the policies set forth in section 2 of this act, and in particular with full consideration and emphasis, so far as practicable, on the maintenance and furtherance of the American system of competitive enterprise, including independent small-business enterprises, the maintenance and furtherance of a sound agricultural industry, the maintenance and furtherance of sound working relations, including collective bargaining, and the maintenance and furtherance of the American way of life. Whenever the authority granted by this title is exercised, all agencies of the Government dealing with the subject matter of this title, within the limits of their authority and jurisdiction, shall cooperate in carrying out these purposes.

SEC. 202. (a) In order to carry out the objectives of this title, the President may encourage and promote voluntary action by business, agriculture, labor, and consumers. In proceeding under this subsection the President may exercise the authority to approve voluntary programs and agreements conferred on him under sections 708 and 712, and may utilize the services of persons and agencies as provided in section 710.

(b) In order to carry out the objectives of this title the President may issue regulations and orders—

(1) establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service which is of importance to the national defense or which significantly affects the cost of living, where an excessive and inflationary rise in the price of such material or service has occurred or threatens to occur; and

(2) stabilizing wages, salaries, and other compensation paid to or received by any person for any type of employment in the industry producing or handling any material or providing any service upon which price ceilings have been established under paragraph (1) of this subsection; and regulations prohibiting increases in such wages, salaries, and other compensation, except when deemed necessary by the President to prevent gross inequity or to effectuate the purposes of this act, shall be issued whenever an increase in such wages, salaries, or other compensation (A) would require increases in price ceilings established under paragraph (1) of this subsection, or (B) would impose an undue burden on a seller operating under a price ceiling established under paragraph (1) of this subsection.

(c) Where the objectives of this title cannot be attained by action under subsections (a) and (b), the President may issue regulations and orders—

(1) establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service; and

(2) stabilizing wages, salaries, and other compensation paid to or received by any person for any type of employment; and regulations prohibiting increases in wages, salaries, and other compensation, except when deemed necessary by the President to prevent gross inequity or to effectuate the purposes of this act, shall be issued whenever an increase in wages, salaries, or other compensation (A) would require increases in price ceilings established under paragraph (1) of this subsection, or (B) would impose an undue burden on a seller operating under a price ceiling established under paragraph (1) of this subsection.

Action under this subsection may be taken either with respect to individual materials and services, or with respect to materials and services generally.

Wages, salaries, and other compensation shall be stabilized generally whenever ceilings on prices, including retail sales prices, have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living.

(d) So far as practicable, in exercising the authority conferred in this section, the President shall ascertain and give due consideration to comparable prices, rentals, commissions, margins, rates, fees, charges, and allowances, and to comparable salaries, wages, or other compensation, which he finds to be representative of those prevailing during the period from May 24, 1950, to June 24, 1950, inclusive, or, in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative. The President shall also give due consideration to the national effort to achieve maximum production in furtherance of the objectives of this act. From time to time the President shall adjust ceilings, and in determining and adjusting ceilings on prices with respect to materials and services, he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material or service, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the material or by persons performing the service, subsequent to June 24, 1950: *Provided*, That no regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. In stabilizing and adjusting wages, salaries, or other compensations, the

President shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such wages, salaries, or other compensation. Any regulation or order under this title shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order.

(e) (1) Regulations and orders issued under this title shall apply regardless of any obligation heretofore or hereafter incurred, except as provided in this subsection.

(2) No wage, salary, or other compensation shall be stabilized at less than that paid during the period from May 24, 1950, to June 24, 1950, inclusive. No action shall be taken under authority of this title with respect to wages, salaries, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the Labor Management Relations Act, 1947, or any other law of the United States, or any State, the District of Columbia, or any Territory or possession of the United States.

(3) No ceiling shall be established or maintained for any agricultural commodity below the higher of the following prices: (i) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (ii) the highest price received by producers during the period from May 24, 1950, to June 24, 1950, as determined by the Secretary of Agriculture and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (iii) if for the year 1950 a producer normally does not market a commodity during the period from May 24, 1950, to June 24, 1950, the highest price received by such producer during the first 30-day period following May 24, 1950, in which such commodity is normally marketed; and no ceilings shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the higher price therefor specified in this subsection: *Provided*, That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchandise crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity. Nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, hertofore or herafter made or issued under the provisions of such act. Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however*, That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.

(f) The authority conferred by this title shall not be exercised with respect to the following:

(i) Rentals for real property;

(ii) Rates of fees charged for professional services;

(iii) Prices or rentals for materials furnished for publication by any press association or feature service, books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap; or rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion-picture or other theater enterprise, or outdoor advertising facilities;

(iv) Rates charged by any person in the business of selling or underwriting insurance;

(v) Rates charged by any common carrier or other public utility;

(vi) Margin requirements on any commodity exchange.

(g) The President, in or by any regulation or order, may provide exemptions for any materials or services, or transactions therein, or types of employment, with respect to which he finds that (1) such exemption is necessary to promote the national defense; or (2) it is unnecessary that ceilings be applicable to such materials or services, or transactions therein, or that compensation for such types of employment be stabilized, in order to effectuate the purposes of this title.

SEC. 203. The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except where such action is affirmatively found by the President to be necessary to prevent circumvention or evasion of any regulation, order, or requirement under this title.

SEC. 204. In carrying out the provisions of this title, the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders isued hereunder.

SEC. 205. (a) It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade to buy or receive, any material or service, or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer, solicit, attempt or agree to do any of the foregoing.

(b) No employer shall pay, and no employee shall receive, any wage, salary, or other compensation in contravention of any regulation or order promulgated by the President under this title. The President shall also prescribe the extent to which any wage, salary, or compensation payment made in contravention of any such regulation or order shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

SEC. 206. Nothing in this title shall be construed to require any person to sell any material or service, or to perform personal services.

SEC. 207. (a) At any time within 6 months after the effective date of any regulation or order under this title, or, in the case of new grounds arising after the effective date of any such regulation or order, within 6 months after such new grounds arise, any person subject to any provision of such regulation or order may, in accordance with regulations to be prescribed by the President, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation or order may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the President. Within a reasonable time after the filing of any protest under this section, but in no event more than 30 days after such filing, the President shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the President denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the President has taken official notice.

(b) In the administration of this title the President may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 705 of title VII of this act.

(c) Any proceedings under this section may be limited by the President to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however*, That upon the request of the protestant, any protest filed in accordance with subsection (a) of this section shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the United States designated by the President in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpenas shall issue to procure the evidence of persons, or the production of documents, or both. The President shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the President. The protestant shall be informed of the recommendations of the board and, in the event that the President rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

(d) Any protest filed under this section shall be granted or denied by the President, or granted in part and the remainder of it denied within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the President in disposing of his protest may petition the Emergency Court of Appeals for relief; and such court shall have jurisdiction by appropriate order to require the President to dispose of such protest within such time as may be fixed by the court. If the President does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

SEC. 208. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file

a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protests as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation or order, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided*, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest of such evidence and shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

(b) No such regulation or order shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside in whole or in part, any such regulation or order shall be postponed until the expiration of 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the power herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation, order, price schedule, or wage, salary, or other compensation schedule issued under this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

(d) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under this title, and of any provision of any such regulation or order. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

SEC. 209. (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 205 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

(b) Any person who willfully violates any provision of section 205 of this title shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than $10,000, or to imprisonment for not more than 1 year, or both. Whenever the President has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings, the person who buys such material or service for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, but in no event shall such amount exceed the amount of the overcharge, or the overcharges, plus $10,000, or (2) an amount not less than $25 nor more than $50 as the court in its discretion may determine: *Provided, however*, That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation or order in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the word "overcharge" shall mean the amount by which the consideration exceeds the applicable ceiling. If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the President may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the President, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the President, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. The President may not institute any action under this subsection on behalf of the United States—

(1) if the violation arose because the person selling the material or service acted upon and in accordance with the written advice and instructions of the President or any official authorized to act for him;

(2) if the violation arose out of the sale of any material or service to any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

SEC. 210. As used in this title—

(a) The word "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided*, That no punishment provided by this act shall apply to the United States, or to any such government, political subdivision, or government agency.

(b) The word "materials" shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

(c) The word "facilities" shall not include farms, churches or other places of worship, or private dwelling houses.

(d) The term "national defense" means the operations and activities of the Armed Forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended.

(e) The words "wages, salaries, and other compensation" shall include all forms of remuneration to employees by their employers for personal services, including, but without limitation, vacation and holiday payments, night shift and other bonuses, incentive payments, year-end bonuses, employer contributions to or payments of insurance or welfare benefits, employer contributions to a pension fund or annuity, payments in kind, and premium overtime payments.

THE PRESIDENT'S MESSAGE ON INTERNAL SECURITY

Mrs. DOUGLAS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, I believe the statement that the President has just sent to us is one of the great State papers.

As the President says, this is one of those periods of international tension when we must look to our security, but always remembering that our strength

is rooted in a system of constitutional liberties.

I agree with the President that—

Throughout the world, communism is seeking to discredit our system of constitutional liberties. The Communists know that the leadership and good will which our Nation enjoys arise in great measure from the fact that men here have the blessings of liberty. Consequently, the propaganda of communism is devoted to a bitter and unceasing attempt to blacken and distort our national character and our way of life.

I agree with the President that—

This propaganda is a formidable threat to the unity of the free nations in working for peace. The best answer to it is not words, but deeds. We must demonstrate that we are a country in which men can live together and advance together as a free society. This alone can prove the falseness of the Communist attack. It would be tragic in the highest degree if we were to frighten ourselves into destroying those very liberties which are the basis of our moral leadership in the struggle for peace.

I agree with the President that—

By building upon the framework now provided by our basic laws against subversive activities, we can provide effective protection against acts which threaten violence to our Government or to our institutions, and we can do this without violating the fundamental principles of our Constitution.

I have always supported every measure which has come to Congress to strengthen our internal security.

I support the recommendations which the President now makes as necessary to tighten certain security laws. But I will continue to oppose, as I have always opposed, those measures which, as the President says, "strike at the very heart of our free society" and which "would undermine freedom in the name of security."

I have always fought totalitarianism in all its forms: communism, fascism and naziism. I have also fought and I join with the President in fighting, against those extremists who now urge us to adopt police-state measures. Those who advocate such measures cannot have the love of liberty which they profess. Otherwise they would not ask us, in the name of freedom, to adopt measures which would end freedom.

Unfortunately—

as the President said,

there are some people who wish us to enact laws which would seriously damage the right of free speech and which could be used not only against subversive groups but against other groups engaged in political or other activities which were not generally popular. Such measures would not only infringe on the Bill of Rights and the basic liberties of our people; they would also undermine the very internal security they seek to protect.

Laws forbidding dissent do not prevent subversive activities; they merely drive them into more secret and more dangerous channels. Police states are not secure; their history is marked by successive purges, and growing concentration camps, as their governments strike out blindly in fear of violent revolt. Once a government is committed to the principle of silencing the voice of opposition, it has only one way to go, and that is down the path of increasingly repressive measures, until it becomes a source of terror to all its citizens and creates a country where everyone lives in fear.

Mr. Speaker, the President has stated those principles again which have been the foundation of our freedom for 150 years. Our Bill of Rights is the source of our great strength in the world today. I wholeheartedly support the statement that has been made here this afternoon in the name of the President of the United States.

BANK CREDIT FOR SMALL BUSINESS

Mr. McGUIRE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. McGUIRE. Mr. Speaker, several bills have been introduced to help small business obtain vital bank credit when they need it. It is my opinion that in some respects these bills are deficient and for this reason I am today introducing my own bill on this important subject.

America is girding herself today for a final showdown with totalitarianism. Everything that will strengthen us in our hour of danger must be undertaken. "Too little and too late" must not be our password. In our rush to mobilize our resources in 1940 and 1941, we forgot about our small-business force. We must not do so again. Contracts were let then almost exclusively with the industrial giants, while our skilled smaller firms grubbed for insignificant wartime tasks. By the time the war ended, big business had grown even larger and small business was in a sad state.

We did have a belated Smaller War Plants Corporation which Congress created in 1942. But those who used its facilities to gain contracts and keep their shops in operation remember how ineffective it was. It came down too late to do the job assigned to it. Once the original flow of contracts was directed to a handful of industrial giants, it became almost impossible later to change the pattern of contract flow.

Our task today becomes more difficult, even though a bill has been introduced in this Congress to establish a Small Defense Plants Corporation. For small business has limped along since the end of World War II as a direct result of those wartime economic blows.

Unless we strengthen small business immediately, we will lose the opportunity to make use of our most dynamic business people at a time when we need them most. In addition, we will endanger the great stabilizing element in our economy. Small-business men and their families are the bulk of the American middle class. And without our middle class, we would be reduced to economic extremes and a land without opportunities.

We must hasten to strengthen our economic structure without delay and help small business to rise to the level where it can be prepared to bargain on equal terms for the defense work which will help us survive. Otherwise our period of peril will be lengthened and we will emerge victorious internationally, yet vanquished at home. Our middle class must grow in size if American principles are to flourish. And our small-business force, which is its central core, must be given a chance to survive and grow.

Above all, we must remember that if our contemplated economic measures to strengthen our Nation in its supreme test result in the virtual disappearance of small business as a factor in our economy we will have lost the fight. We must strengthen small business so that it can play its rightful role during our emergency. For if small business is either unprepared or unable to take on the job that lies ahead, we will have only ourselves to blame.

For these reasons I have today introduced H. R. 9370 to create a Federal Small Business Administration to foster the development and growth of independent small business. The chief function of the Federal Small Business Administration will be to insure bank loans to small business up to 90 percent of the unpaid balance of the loans. Banks, many of which have heretofore shied away from lending money to small businesses, will be protected from loss under my bill. The aggregate principal amount of loans outstanding at any one time will be limited to $500,000,000 until July 1, 1951, when the President may increase this limit to $1,500,000,000.

I do not propose that the Federal Small Business Administrator insure bank loans to small business indiscriminately. There will be standards that banks and small-business men will have to comply with, as banks and builders must under FHA laws. What I am proposing is that bank credit be extended to small-business firms which are operating efficiently and in constant search for improved methods.

When World War II came on the scene a decade ago, President Roosevelt knew from his own experience in World War I that old-line Government agencies were not geared to emergency action. As a result, he placed all functions requiring quick decisions in independent agencies. His thinking was right. I believe it would be a great mistake to put the Federal Small Business Administration in an old-line department, for we are again faced with the necessity of achieving quick results. We need daring, enthusiasm, and fresh blood—all of which would be lacking if we utilized an old-line agency to administer the functions of the Federal Small Business Administration.

For the first time in our history, small business will have an ally in Government in the same sense that builders have one in the Federal Housing Administration. In other sections of my bill, I am proposing industry committees to meet with the Administrator of the Federal Small Business Administration to advise him regarding the unique problems of their industry. I further propose that the Administrator provide technical and mana-

gerial aids to small business to raise productivity and product standards where possible.

I am certain that small business will flourish under the Federal Small Business Administration. I might point to the detractors of FHA who said the Government was pouring money down an endless drain. Would we have been able to finance our housing boom without an FHA? Those prophets were wrong and are today dishonored. I should also like to point out that FHA is one of our leading money makers and requires no congressional appropriation to run its organization.

My bill contains a section common to the other small-business bills, namely, the authorization for the Federal Reserve Board to charter and supervise national investment companies for the purpose of making venture capital available to small-business firms. Each national investment company will be required to have a minimum paid-in capital and surplus of $5,000,000 and its stock will be salable by the Federal Reserve banks on demand to eligible purchasers. These national investment companies are especially needed today since investment firms in the regular stock market are reluctant to make such venture capital available to small-business firms.

Today about 20,000,000 of our 60,000,000 employed persons work for small business. With the establishment of the Federal Small Business Administration and national investment companies, I predict that with a fair allocation of defense contracts many more millions will find jobs with small business.

THE MESSAGE OF THE PRESIDENT OF THE UNITED STATES

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous concent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, I have listened with great interest to the message of the President of the United States that has just been read. Those of us who have listened to it certainly join with him in his desire to protect our internal security against those subversive elements that seek to destroy this country.

I feel, however, that the President's remarks are just 5 years too late. The Republicans in this body have been talking this very doctrine he announces today since the end of World War II, and prior thereto. Thank God he has seen the light at last. Now let us proceed at once to a consideration that is proposed. Mr. Speaker, it is better to be late than never, and the President is awfully late.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, it is interesting that the President has at last bowed to the unquestioned demand of the people for legislation to require the registration of members of the Communist Party. This is something for which the Republican Party has been contending for several years, but which has been violently opposed by administration forces. Apparently the President has finally concluded that the Communist threat in this country is no longer a red herring. His eventual awareness of the problem, though belated, is to be commended.

Communists should be required to register, and the Government should be authorized to place restrictions upon their movements. The Attorney General, for instance, should move at once to revoke the bail of the 11 dangerous Communist leaders convicted in New York. They should not be allowed to roam the country, peddling their insidious poison and sowing the seeds of discord, strife, and confusion.

Increased penalties for sabotage and espionage should immediately be enacted. It is folly of the highest order to draft American young men for combat against communism abroad, and at the same time to permit Communists unlimited license at home.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, with regard to that part of the message of the President which has just been read, which has reference to H. R. 10, please permit me to say that evidently the President was misinformed, or overlooked the committee amendment which was adopted in this House at the same time H. R. 10 was. This was the committee amendment which does exactly what the President's message points out as necessary to give this bill constitutionality. Therefore, since evidently he was misinformed as to, or for some other reason did not know of the content of that committee amendment, of course, it was his privilege to make any such criticism that he wished, although it was an administration bill drawn by his then Attorney General with the assistance of collaborators in the Department of Justice.

H. R. 10 of the Eighty-first Congress is identical with H. R. 6333 of the Eightieth Congress. Both of these bills were administration bills, drawn by the same authors. Each may have been subject to the strictures of the President's message of today. The amended bill that passed the House on July 17, 1950, certainly is not.

Nothing whatsoever in the President's message of today militates in the slightest degree against the constitutionality of H. R. 10 as passed by this House 326 to 15.

That bill covered only Communist, anarchistic, or other criminal aliens, who, after having had available to them the due process of law provided by American justice, have been finally ordered deported, but who have failed to obey that order.

The Congress seeks only to restore the sovereign power of the United States Government to deport such aliens, thousands of whom—either with or without the cooperation of their homelands—are thwarting enforcement of our deportation law, and are here as free as any citizen.

Mr. YATES. Mr. Speaker, I regret very much that I must differ in opinion from my friend the gentleman from Alabama [Mr. HOBBS] in connection with his reaction to the President's message. I have great respect for the legal ability of the gentleman and his opinions on constitutional questions, but I cannot agree with his analysis of the statements of the President.

I believe that the views expressed by the President are essentially sound. The problem of dealing with criminal aliens and subversive aliens is one with which we are all concerned, and there is no question about the fact that our laws with respect to curtailing their movements and supervising their actions must be tightened. They are a constant menace to our democratic way of life, and appropriate legislation should be enacted to safeguard our people and our Nation from them. Certainly they should not be permitted to remain in this country without constant check and supervision merely because the countries from which they came refuse to grant them visas for their return. But that cogent reason, however, does not, in my opinion, justify passage of legislation such as H. R. 10, which would grant dictatorial powers to a member of the executive branch of the Government to deal with these people in complete disregard for the spirit, if not the letter, of our Constitution and the Bill of Rights.

The question of constitutionality of the bill was argued on the floor ably and well by the gentleman from Alabama [Mr. HOBBS] and by the gentleman from New York, the chairman of the Judiciary Committee [Mr. CELLER], who is himself a lawyer of great ability. The gentleman from Alabama contended that H. R. 10 was constitutional; the gentleman from New York maintained that it was not. It is obvious that only the Supreme Court of the United States can determine this question with finality. The fact that there is a possibility of its unconstitutionality, however, serves to emphasize the wisdom of the President in pointing out that if the bill be declared unconstitutional, it would give aid and comfort to our enemies and might very well be worse than no bill at all.

H. R. 10 gives to the Attorney General the right of indefinite internment of criminal and subversive aliens. Within his whim or discretion, without more, lies the liberty of any such alien, without the possibility, under the terms of the bill, of any review by the courts, even

by the writ of habeas corpus. If it were a question of limiting the exercise of the Attorney General's powers in this respect only to such undesirables, perhaps that in itself might not be completely objectionable, although there are many instances in which aliens convicted of crimes have, upon serving their sentences, become rehabilitated and decent members of society. But, and this is important, there is the great possibility of the abuse of that tremendous power granted by H. R. 10, in its exercise against nonsubversive aliens and citizens of the United States. This must be guarded against. In this respect, the historical guardian against such abuse is our judicial branch and its role in the dispensation of justice must be maintained.

While I have the greatest respect for Attorney General McGrath and do not intend to imply that he would be guilty of abuse of the powers granted him under H. R. 10, I must insist that ours is a Government of laws and not of men and that this principle must never be forgotten. To place our trust in the frail judgment of an individual, rather than in a system of laws is an invitation to dictatorship. I would not want the President to have the power of interning any person without adhering to the protection given by the courts against abuse of that power, and I would not want the Attorney General to have that power. The raids by Attorney General Palmer in 1920 when citizens as well as aliens were locked up, show how such powers have been abused and can be abused.

Still fresh in our minds are the wrongs committed during the last war against the Japanese of this country, when thousands of loyal men and women were uprooted and placed in concentration camps by administrative act, because it was believed the Japanese were disloyal to our country, a fact later disproved. While it is true that we must punish the guilty, we must nevertheless be ever vigilant to protect the rights of the innocent and unjustly accused. Moreover, it must be remembered that our present immigration laws give us protection that is needed against imminent danger by giving the power to the Attorney General for temporary detention of undesirable aliens.

However, we do need legislation to guard against criminal and subversive aliens. Here again, the President is right in pointing out that such protection should be afforded through the penalties provided by criminal law, thus giving recognition to the fact that under our system of laws the courts are the branch of our Government which determine whether or not a person should be deprived of his liberty. The importance of this basic concept has been duly acknowledged by the Senate Judiciary Committee. It has approved an amendment to H. R. 10 which makes necessary judicial review of the action of the Attorney General.

It provides for supervision of all aliens and imposes criminal penalties in the event the alien is recalcitrant or has not departed from the United States within 6 months after an order of deportation has been entered against him. This amendment places emphasis where such emphasis should be placed, namely, in designating undesirable aliens as criminals, and making them subject to the penalties of the criminal code. Courts have always had the power to determine whether criminals shall be locked up or released on parole. The Senate committee amendment would permit application of that power to cases of undesirable aliens while at the same time giving the protection of judicial supervision to those who may be improperly accused. I believe it is a good amendment and does much to correct the bill.

SPECIAL ORDER

The SPEAKER. Under previous order of the House the gentleman from Arizona [Mr. MURDOCK] is recognized for 15 minutes.

Mr. MURDOCK. Mr. Speaker, there are many angles to the water controversy between Arizona and California that are very confusing to those colleagues who are not fairly acquainted with the lay of the land and the long history of this matter. It is not my purpose in this brief period to discuss pending legislation of which there are several bills before us.

I want to refer now to a matter which our colleague the gentleman from California [Mr. PHILLIPS] alluded to on the floor of the House on July 31 as shown in the RECORD on pages 11440 and 11441.

The gentleman from California seems to feel very strongly that the Imperial irrigation district in his congressional district has not received fair treatment by the Government in connection with the All-American Canal contract. While I have publicly expressed a generous feeling toward the Imperial irrigation district on this matter, I also feel that it has little to complain of and that which its officials seek or demand would be wrong and against the national interest.

If you refer to his remarks to which I am alluding, you will see his point of view. The gentleman from California [Mr. PHILLIPS] feels that the Imperial irrigation district ought to have been given permission to build a hydroelectric power plant at Pilot Knob, which is on the All-American Canal within a hundred yards or so of the Mexican border. Both the State Department and Department of the Interior seem to be criticized by men from the Imperial Valley.

I take issue with the gentleman from California in regard to that matter. In the beginning, the Imperial Irrigation District people sought to have the Government build them a power plant at Pilot Knob just as the Government built the All-American Canal. Now their attitude is somewhat changed, and they say, as witnesses like M. J. Dowd and others representing the Imperial irrigation district have said, "The Government ought to carry out its contract and permit us to build this power plant, especially now in these days when hydroelectric power is so badly needed." I say in either case, as they demand it, it would be wrong and against the public interest.

They refer to the law and the contract, the law of 1928 known as the Boulder Canyon Project Act, and their contract with the United States Government as of 1932. I have read both of those documents, both the law of 1928, which I have read many times, and the contract. I am very familiar with the contract signed by Secretary Ray Lyman Wilbur and the Imperial irrigation district in 1932, and feel that it was unwise for the Secretary to sign it. I am aware of the fact that the contract provides, as the law also provides, that power drops on the All-American Canal may be used for the generation of hydroelectric power. It happens that a drop of about 60 feet at Pilot Knob near the Mexican border is one of five drops where power may be generated. That gives little semblance of legal authority for the gentleman from California [Mr. PHILLIPS] to say "We ought to have a power plant at Pilot Knob." I say changed circumstances and new treaty obligations all have a bearing on the situation making it the imperative duty of our Government to control and adjust matters involving the first section of the All-American Canal.

These are the pertinent facts. The Imperial diversion dam on the Colorado River about 18 miles up the river from Yuma, Ariz., diverts water into both California and Arizona. It does not divert very much into Arizona, a mere trickle, but the canal that carries the water on the west side of the river, the All-American Canal in California, is a very large canal. It has a capacity of 15,000 second-feet. If you reduce that to acre-feet, which is a common unit of measurement in the West, that means that at the Imperial diversion dam about 11,000,000 acre-feet of water could be diverted annually into California at that point. That is pretty nearly all the water the Colorado River carries below Hoover Dam.

I have looked over the log of the Colorado River for the last 10 years, and I find that about 12,000,000 acre-feet of water—well, it is nearer 13,000,000—have passed Boulder Dam annually during the past 10 years. Mind you, however, Los Angeles has an aqueduct that could take out of the Colorado River above Parker Dam, out of Lake Havasu, 1,200,000 acre-feet of water. Whenever Los Angeles needs that water, I want her to take it as a first priority out of California's quota of firm water.

Nobody in Arizona is contending that Los Angeles is not entitled rightfully to 1,200,000 acre-feet of water out of California's firm allotment under the Boulder Canyon Project Act of 1928. But if the Los Angeles area should ever take 1,200,000 acre-feet from about 13,000,000 acre-feet flowing in the river then you would have the difference passing Parker Dam down to Imperial Dam. When it gets down to Imperial Dam, the All-American Canal is big enough at that point to take 11,000,000 acre-feet of water to the west into California. I am convinced that my friends from California want to do just that.

How much water is California lawfully supposed to take out of the Colorado River? The State Legislature of California by solemn covenant on March 4, 1929, confirming the act of Congress known as the Boulder Canyon Project Act passed in 1928, limited herself not

to exceed 4,400,000 acre-feet of firm water, and that is the very important Self Limitation Act of California. By this act she covenanted with the United States for the benefit of the States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming, to limit her take not to exceed 4,400,000 acre-feet of firm water, plus a small amount of undivided water which we may neglect for the moment. The California Self Limitation Act was said to be an irrevocable covenant.

After Los Angeles could take, which she never has done, not even a small fraction of all of her 1,200,000 acre-feet, there would be still flowing down the river to Imperial Diversion Dam annually about 11,000,000 acre-feet. That canal in California at Imperial Dam is oversized and big enough to divert every drop of it and turn the Colorado River dry below Imperial Dam if our Government permits it. Do they want to do that? They do. They certainly do, and we have proof of it.

What would they do with most of that water? They cannot use it in the Imperial Valley nor any place else in California or in the United States. Already Imperial Valley is receiving all that it needs—more than it needs—and it is in danger of being waterlogged. They want to put that water, which they call surplus water—we do not call it surplus water in our desert land—they want to put that water, as I say, through a power plant right on the Mexican border. And when it drops 60 feet it is in Mexico.

Of course, it is a good idea to create power. Power is needed. It saves fuel and it is a revenue producer, too. But when that water—that lifeblood of the Southwest—drops 60 feet at Pilot Knob it is in Mexico. What can be done with it then? It can be taken to land in Mexico at a profit. Of course we have a treaty with Mexico which requires that 500,000 acre-feet annually be taken through that canal to Mexico. I have no objection to taking that amount as that is a solemn treaty obligation.

Perhaps if I had been writing the water treaty with Mexico I might have changed it somewhat and made the amount less, but anyhow we have to live up to that treaty. I am willing to let 500,000 acre-feet of water go through that canal and produce power for the Imperial irrigation district and then go to Mexico under the treaty. But I am not willing to give up 10 times that amount for that purpose.

But what have they proposed? They have proposed to build a power plant at that point on the All-American Canal at Pilot Knob big enough to take more than 5,500,000 acre-feet of water annually through the plant. In other words, they want to put 10 times the amount of water which the treaty calls for to Mexico through a power plant to generate power and create revenue for the district, and then of course send that water to land in Mexico. Whose water is that? They call it surplus—yes, they call it surplus. But that water is needed in six American States. It is needed up the river. Some it belongs to Arizona, some to Nevada, some to Utah, some to New Mexico, some to Colorado, and some to Wyoming. To set up a situation whereby five or six million acre-feet of Colorado River water would be consigned forever to Mexico, over and above our treaty obligation, would be akin to an international crime. This Government must not permit it to be done. Justice and fair dealing toward the Imperial irrigation district does not require it to be done.

I see the gentleman from California [Mr. PHILLIPS]. That delights me. I want to say to Congressman PHILLIPS that I would join with him in building a power plant at Pilot Knob to produce power with the 500,000 acre-feet of water which lawfully goes by treaty to Mexico. I would even be willing that the Bureau of Reclamation should build a power plant there to use a larger amount for power, so long as it is necessarily unused upstream, but I greatly fear that the moment the Imperial irrigation district is permitted to build, and is authorized by the Secretary of the Interior and the Secretary of State to use the water to develop power at Pilot Knob, they will establish a right to it, and then when we want it we would not get it and thus forever deprive the upper States of it. I object in the first place to letting any agency of Government, outside the State Department, regulate our foreign affairs and carry out treaties. The treaty must not be breached.

The SPEAKER. The time of the gentleman has expired.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. POULSON] is recognized for 10 minutes.

COLORADO RIVER WATER DIVERSION

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. POULSON. I yield.

Mr. PHILLIPS of California. Since the gentleman from Arizona [Mr. MURDOCK], who has been a friend of mine for a long time, and even though we have a controversy between our States, that in no way disturbs our friendship—since he has mentioned my name, I thought perhaps the gentleman from California should bring out that many of the things which the gentleman from Arizona mentioned are still highly controversial points, and, in our opinion at least, have not yet been decided, and that California has been trying to bring the matter to the Supreme Court for a decision on some of these points.

For example, the matter of whether or not the water involved is surplus is one of the basic points of the whole argument. We contend that under the terms of the various acts certain water was declared surplus. Arizona contends that it was not. I do not want to take the gentleman's time, but I thought perhaps he would indicate that many of these matters to which the gentleman from Arizona [Mr. MURDOCK] referred are still controversial points, and our contention is they should be decided before a great deal of money and a great deal of water is committed, when both use and money depend upon the decision which is eventually to be reached in the controversy.

Mr. POULSON. I want to thank my colleague from California for making that statement, because, first of all, I did not have an opportunity to hear the complete statement of the gentleman from Arizona [Mr. MURDOCK]. However, as you all know, every Congressman from California has introduced resolutions to have this controversy settled in the Supreme Court where, we all know, the matter should be settled. But at least the particular line of argument that the gentleman was bringing up is the usual one they are bringing up to get away from the main issue.

I had inserted in today's RECORD a statement calling the attention of the people to the fact that Arizona and the Bureau of Reclamation are attempting to put over one of these infeasible projects, which could not get out of committee during peacetime because of its infeasibility, under the cloak of war necessity. In other words, they are putting sheep's clothing on the wolf, the same old story. They are going to wrap the flag around this project. It is a project that will take 7 to 10 years to complete.

The argument used by my colleague reminds me of when I was a little boy, we used to like to hunt coyotes. Every time you would start where the coyotes were you would always see the mother going off, barking in the distance, attempting to get you to go in that direction. In other words, she would keep coming a little closer, thinking you would follow her, and if you followed her you would also find out that you were going in the opposite direction from where the baby coyotes were. So you are getting off into a lot of controversies which really need to be decided by the Supreme Court.

What you are really trying to put over under the guise of war necessity by wrapping the flag around it is an infeasible, fantastic program that will cost the taxpayers over $2,000,000,000 in interest alone. I was very interested in hearing one of our colleagues tell the Congress how much money we are losing in interest. On this project alone it will be close to $2,000,000,000 in interest that will never be paid back, that has nothing to do with the principal over this period of time. As far as that is concerned, does the administration and does Arizona mean to say that if this project which they are warning they are getting ready for—they have admitted it—and when different members of the press call the Department of the Interior they say: "Well, we are proposing to bring up several projects under war necessity," and those projects are ones which their engineers have said would take from 7 to 10 years to complete. Do they mean to say that this war is going to last from 7 to 10 years? Do they mean to say that we are in war?

There are a lot of serious implications in this project. I just want to say in answer to my very esteemed colleague the gentleman from Arizona [Mr. MURDOCK], that we want to discuss the real issues; and I think that he will have to admit that because the real issues have been brought out concerning this project in the committee, the committee has not

seen fit to report it out to the floor where it would truly expose a most fantastic, unbelievable scheme of subsidizing one State at the expense of the taxpayers of the United States to the sum of $2,000,000,000.

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. POULSON. I yield.

Mr. CARROLL. The gentleman from California does not want to leave the impression in the RECORD, I am sure, that that if there was not a water dispute and Arizona had a feasible reclamation project, I am certain the gentleman from California would support that, would he not?

Mr. POULSON. If it were a feasible project, yes; but the record will show that this is not a feasible project.

Mr. CARROLL. Let us assume that there is no water dispute between Arizona and California; does the gentleman believe that the Arizona program now under consideration is feasible?

Mr. POULSON. Oh, if there is a program that is feasible, that is another story. But I do not believe in wrapping the American flag around a project which is infeasible and urge its adoption on the ground of national defense. The bureaucrats and the departmental men want to keep their jobs, and they are trying to put it over under the guise of war necessity.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. POULSON. I yield.

Mr. RICH. Does the gentleman believe it is a feasible project, a project that this Government should enter into when it wants to put up irrigation projects on lands in any State in the Union where it will cost the Government at the rate of $4,750 an acre, and after the land is irrigated it is worth only $250 an acre?

Mr. POULSON. Certainly not.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. POULSON. I yield.

Mr. PHILLIPS of California. I think the gentleman from Colorado brought a very important point into the discussion. I want to answer that and also to suggest something to the gentleman from Colorado.

The point which I think is important is that whether or not it is feasible is a very real issue. If it were feasible I do not think California would object. We do not care what Arizona does with water to which it is legally entitled. We do say, however, that when a project is proposed which requires a change of the basic idea of reclamation project construction and financing, that is not to be considered lightly where you have to bring in all these extraneous supporting ideas to make it feasible. That requires very careful consideration.

This is what I want my friend from Colorado to think about: The gentleman from Colorado, with most of his colleagues, I take it, has supported the bill that the gentleman from Arizona was talking about, and I wondered if they have looked ahead? I think that the gentleman from Colorado and his colleagues have taken it for granted that if that bill should pass and the project should be developed without the feasibility requirements which we have applied to other reclamation projects, that the water for the upper basin States would be perfectly secure.

I think they may base some of the feeling on the hope that California might file suit against the Central Arizona project and that would hold it up until the upper basin projects have been built. Suppose we do not file a suit? Presuming the Arizona project should somehow be approved, and suppose we say, "All right, let Arizona build it," and all that amount of water is used, which is beyond the estimated water in the river over the next 50 years, where we run by 50-year cycles, I wonder if the gentleman from Colorado and from the other upper basin States realize they are today in the position of supporting a project which if carried out on the basis proposed would in all probability take the water which they expect to use in the upper basin States for projects which they would not then have under construction by the time the Arizona project is under construction? I am not saying that in detriment to the Arizona project. I am saying this is not a matter to be discussed lightly in a 15-minute talk on the floor of the House of Representatives, but is a matter of such high technical detail it not only should be discussed in the committee where it has been refused a vote to bring it to the floor, but it may have to be discussed, perhaps before the Supreme Court, where the legal points can be decided.

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from Colorado.

Mr. CARROLL. Of course, the reason for questioning the gentleman from California was not to discuss these very complicated and involved issues. I am always a little bit irked when I hear people from the West complain about the creation of additional and necessary reclamation projects because of the importance of water to us, because of the importance of conserving our soil, because of the importance of conserving our water. At one time I was a member of the Committee on Public Lands and I observed at that time an effort to change the interest component on some of our great dams of the West.

I did not want the gentleman from California to be in the position, or have the RECORD left in the position, that some of the great projects which we have now and which we are considering for the future are not vital to the Nation. These are not pork barrel. I am sure the gentleman agrees with me on that. We are obligated to pay back all of these appropriations. We pay interest and we pay back the principal. As to the issue of the Central Valley project, that is another matter. But I think it would be a mistake to leave the impression in the RECORD that we in the West are getting any pork-barrel benefit out of these projects.

Mr. POULSON. At this point I want to say that interest only is paid on that portion of the dam which is applicable to power and by the latest ruling of the Solicitor General of the Department of the Interior he has interpreted it so that that interest instead of being paid into the Treasury as interest is paid in as principal payment or subsidy on the irrigation portion of the dam.

The SPEAKER. The time of the gentleman from California has expired.

THE KNOWLAND AMENDMENT AND OUR FIGHT IN KOREA

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YOUNG. Mr. Speaker, it is with a deep sense of concern that I rise to speak on the Knowland amendment to H. R. 6000, the social-security amendments. This rider, which was attached at the last minute in the other House, threatens to cancel out the lift to the morale of the working people of our great country which will be given by this otherwise great, humanitarian measure. It is extraneous to the bill, having to do as it does with unemployment insurance, whereas the rest of the bill is devoted to creating greater security to our people against old age and death. The increases in benefits to the aged, to widows, and to orphaned children will give them the comfort and assurance that they will not go hungry in the midst of rising prices; it will also give assurance to 50,000,000 of our workers that our country will give them security in their old age or security to their families if they meet an untimely death. The extension of old-age and survivors insurance to millions of additional workers, including the self-employed and small-business men will give them new confidence in our democracy. But the Knowland amendment, which our working people feel is a threat to the hard-earned standards that they have won through a long and hard struggle, will leave such bitterness in the hearts of labor that it might greatly weaken the added strength to our democracy that this great humanitarian measure will otherwise give.

What I want to say is that this is no time to arouse such bitterness in the ranks of labor. We are in a mortal struggle to save American and world democracy. To win that struggle, we must have the wholehearted support of all our people. We must not forget the enormous contributions that labor has made to creating the greatest industrial might that this world has ever seen. It is the strength, skill, and efficiency of our workers that has opened up the vast wealth of our native land. It is upon them that we must depend if we are to continue to make the United States the arsenal of democracy. It is their sons as well as ours that are now fighting and dying in Korea. We must not at this time by our actions give laboring men and women any feeling that Congress does not have their best interests at heart, or to create any doubts in their minds at this time that democracy does not work out to protect their rights and working standards.

I do not address those who might vote against the Knowland amendment at all times nor do I speak to those who might vote for the Knowland amendment, come peace or war, and under any and all circumstances. At this fateful hour in our history, I speak to those who will put aside their feelings, no matter how strong, and who are willing to vote for America, for a strong, united America, in a fight for survival against a common foe.

I say to you all, regardless of how you might view the Knowland amendment before Korea, this is no time for splitting the ranks of the American people, this is no time for embittering our loyal and patriotic citizens, for stirring up class conflict and class hatred. Regardless of how you personally might judge the issue at stake in the Knowland amendment, I bespeak you to remember and never forget that the people of labor everywhere, throughout the length and breadth of the land, every organization and every faction of labor genuinely and fervently believes that the Knowland amendment is a vicious attack on the hard-won rights of labor.

My colleagues in every part of this House, on every aisle, from every part of the country, this is no time to force such an amendment down the throats of labor. What can be accomplished by the passage of this amendment? Will it encourage the laboring people to increase production? Will it help out valiant young men who are standing up against those death-dealing bullets at this very moment? Will it unite our country and convince our allies abroad that we are a truly united and democratic people? I ask you, in the most earnest and sincere way I know how, what do you accomplish by passing an amendment such as this at a time of crisis?

Or do you simply not care as to the effect on the laboring people, on the unity of the country, on the effect on our allies abroad? If that be the attitude of any man in this House, and I do not believe it, may I say that such an attitude is as dangerous as Communist aggression in Korea, for it will undermine the foundations of this democratic Republic. We cannot carry on war successfully and at the same time tear down the things we are fighting for. No nation has ever survived doing so and we shall not be an exception.

The laboring people of the land genuinely and fervently believe that the Knowland amendment is a dire threat to their fundamental rights. This threat is buried under technical legal language revising the procedures under which the Secretary of Labor is to determine whether the States are meeting Federal requirements in their unemployment insurance laws. It is particularly addressed to restricting the authority of the Secretary of Labor to determine whether the States are observing the Federal requirement that an unemployed man shall not be forced, on penalty of losing his unemployment benefits, to accept a job where a strike is in progress, or which provides wages, hours, or working conditions substantially below those prevailing in the community, or which would require the worker to quit his union or join a company union. Labor feels that this would permit the use of unemployment insurance as a club to force unemployed persons to give up their hard-earned rights. I personally believe they are right, but even if they are wrong, this is no time to raise doubts and fears in the minds of labor as to its consequences. The conference report on H. R. 6000 states that the Knowland amendment is only a stopgap measure until the appropriate committees during the next session of Congress can ascertain the desirability of appropriate permanent legislation. Why this hasty action, without hearings and mature consideration, when it is tearing labor and management apart at the very time they should be working in closest harmony to give us the armament that we so sorely need? Let us not give the forces of communism another weapon in their attempts to convince labor that Communists are the ones that have the true interests of labor at heart. Let us delete this amendment so that we can present to the workers of America and the world a great measure for social security that will demonstrate that democracies are the hope of the working people.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include an excerpt.

Mr. ROONEY asked and was given permission to extend his remarks in two instances and include in one an editorial from the New York Times, and in the other a letter from the Governor of Puerto Rico.

Mr. BOYKIN (at the request of Mr. BYRNE of New York) was given permission to extend his remarks in the RECORD.

Mr. CELLER asked and was given permission to extend his remarks on two subjects.

Mr. KLEIN asked and was given permission to extend his remarks in four instances and includes extraneous matter.

Mr. MURDOCK asked and was given permission to extend his remarks.

Mr. VAN ZANDT (at the request of Mr. KEATING) was given permission to extend his remarks and include an editorial.

Mr. PLUMLEY (at the request of Mr. KEATING) was given permission to extend his remarks and include an editorial.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1654. An act for the relief of Kyra Kite Riddle;

S. 3584. An act to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes";

S. 3906. An act to amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes; and

S. 3875. An act to amend section 9 of the Central Intelligence Agency Act of 1949.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 6454. An act to authorize the appointment of two additional district judges for the northern district of Illinois.

ADJOURNMENT

Mr. JACOBS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 38 minutes p. m.) the House adjourned until tomorrow, Wednesday, August 9, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1623. Under clause 2 of rule XXIV, a letter from the Secretary of the Navy, transmitting a proposed draft of legislation entitled "A bill to amend the Selective Service Act of 1948, as amended, and for other purposes," was taken from the Speaker's table and referred to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. S. 3659. An act to amend title IV of the District of Columbia Revenue Act of 1937, as amended, so as to provide for the issuance of dealers' identification tags for use on trailers, to provide for the revocation and suspension of dealers' registration and identification tags, to change the fee for dealers' identification tags, to provide for the issuance of special use identification tags, and for other purposes; without amendment (Rept. No. 2830). Referred to the Committee of the Whole House on the State of the Union.

Mr. KENNEDY: Committee on the District of Columbia. H. R. 4281. A bill to amend the license law of the District of Columbia; with amendment (Rept. No. 2831). Referred to the Committee of the Whole House on the State of the Union.

Mr. ABERNETHY: Committee on the District of Columbia. H. R. 7240. A bill to amend sections 12 and 14 of an act entitled "An act to regulate barbers in the District of Columbia, and for other purposes," approved June 7, 1938 (sec. 2–1112–1114, D. C. Code, 1940 ed.); with amendment (Rept. No. 2832). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 9047. A bill to authorize the Commissioners of the District of Columbia to regulate the keeping and running at large of goats; without amendment (Rept. No. 2833). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 8534. A bill to authorize the acceptance of donations of land to supplement present parkway lands along the line of the Chesapeake & Ohio Canal between Great Falls and Cumberland, Md.; with amendment (Rept. No. 2834). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee on the Judiciary. S. 819. An act for the relief of Herman L. Weiner; without amendment (Rept. No. 2814). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 858. An act for the relief of Mrs. Sanford Pruitt; without amendment (Rept. No. 2815). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 1800. An act for the relief of J. Don Alexander; without amendment (Rept. No. 2816). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 2204. An act for the relief of Rudolph Farcher; without amendment (Rept. No. 2817). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 2457. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi; with amendment (Rept. No. 2818). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 2614. An act for the relief of O. O. Haugen; without amendment (Rept. No. 2819). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 3017. An act for the relief of Sgt. James C. Hollon and Bessie L. Hollon; without amendment (Rept. No. 2820). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 3059. An act for the relief of John J. Sebenick; without amendment (Rept. No. 2821). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 3097. An act conferring jurisdiction on the United States District Court for the Southern District of Mississippi to hear, determine, and render judgment upon the claim of O. S. Rees; without amendment (Rept. No. 2822). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 3610. An act for the relief of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department; without amendment (Rept. No. 2823). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 3611. An act for the relief of Dorrance Ulvin, former certifying officer, and for the relief of Guy F. Allen, former chief disbursing officer; without amendment (Rept. No. 2824). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 3613. An act for the relief of certain Chinese stewards of the United States Navy; without amendment (Rept. No. 2825). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 3614. An act for the relief of John B. Underwood, Jr., TMC, United States Navy; without amendment (Rept. No. 2826). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 3709. An act for the relief of certain disbursing officers and former disbursing officers of the naval service, and for other purposes; without amendment (Rept. No. 2827). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 7539. A bill for the relief of Mary Alice Floyd; without amendment (Rept. No. 2828). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 8934. A bill for the relief of the American Barrel Co., Inc.; without amendment (Rept. No. 2829). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEE:

H. R. 9364. A bill to provide for the education of the dependent minor children of the military and civilian personnel of the Federal Government stationed overseas; to the Committee on Foreign Affairs.

By Mr. RABAUT:

H. R. 9365. A bill to extend the provisions of the Servicemen's Readjustment Act of 1944, as amended, and Public Law 16, Seventy-eighth Congress, as amended, to persons in active service in units of the Armed Forces employed in the Korean theater, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. REED of Illinois:

H. R. 9366. A bill to provide for extension of terms of patents where the use, exploitation, or promotion thereof was prevented, impaired, or delayed by causes due to war, national emergency, or other causes; to the Committee on the Judiciary.

By Mr. LOVRE:

H. R. 9367. A bill to guarantee benefits of the Servicemen's Readjustment Act of 1944 to all members of our armed services now on active duty in Korea and to others; to the Committee on Veterans' Affairs.

By Mr. FLOOD:

H. R. 9368. A bill to reinstate the income-tax exemptions allowed prior to 1949 with respect to compensation received for active service in the Armed Forces; to the Committee on Ways and Means.

By Mr. HAGEN:

H. R. 9369. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide increased retirement benefits for certain officers and employees of the Bureau of Customs and the Immigration and Naturalization Service; to the Committee on Post Office and Civil Service.

By Mr. McGUIRE:

H. R. 9370. A bill to create a Federal Small Business Administration, and for other purposes; to the Committee on Banking and Currency.

By Mr. WILSON of Oklahoma:

H. R. 9371. A bill to amend the National Defense Act to achieve relative rank of officers of the United States Army and United States Air Force when in active service; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. DOYLE:

H. R. 9372. A bill for the relief of Earl M. Winslow; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 9373. A bill for the relief of Dr. Felix C. Mapa, his wife and eight children; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 9374. A bill for the relief of Josue Sandoval Paco; to the Committee on the Judiciary.

By Mr. LOVRE:

H. R. 9375. A bill to admit Mrs. Lucie Gatzke Martinson to the United States for permanent residence; to the Committee on the Judiciary.

H. R. 9376. A bill for the relief of Libuse Chalupnik Pavlish; to the Committee on the Judiciary.

By Mr. PRICE:

H. R. 9377. A bill for the relief of Ayako Kuroda; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2316. Mr. PLUMLEY presented resolutions of Central Vermont Pomona Grange, of Northfield, Vt.; Beacon Light Grange, No. 557, of Richmond, Vt.; Green Mountain Grange, No. 347, of West Woodstock, Vt.; and St. Albans City Grange, No. 549, of St. Albans, Vt., protesting any form of compulsory health insurance or any system of political medicine, which were referred to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, AUGUST 9, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of our fathers, bewildered by the wild confusion of this clamorous world, we would wait in quietness that the roiled waters may become clear and our disturbed spirits tranquil pools of peace and prayer. Thou knowest our hearts. Thou seest, in spite of the worst things that we despise, that in our highest hours our deep desire is to be the true servants of Thy will in this troubled time. Faced by the practical problems which crowd our hours and press for solution, we would keep clear in our vision the eternal things amid the tempests of the temporal. In the unending struggle of truth and error, tyranny and liberty, give us the comforting assurance that we are not alone: we do not stand alone, we do not fight alone, but that Thy increasing purpose is bound up with all this human struggle toward the shining goal of man's redemption from ignorance and suffering and chains. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MAGNUSON, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 8, 1950, was dispensed with.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on the District of Columbia was authorized to meet this afternoon during the session of the Senate.

CALL OF THE ROLL

Mr. MAGNUSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Brewster	Byrd
Anderson	Bricker	Capehart
Benton	Butler	Chapman

Chavez	Jenner	Mundt
Connally	Johnson, Colo.	Murray
Cordon	Johnson, Tex.	Myers
Darby	Kefauver	Neely
Donnell	Kem	O'Conor
Douglas	Kerr	O'Mahoney
Dworshak	Kilgore	Pepper
Eastland	Knowland	Robertson
Ecton	Langer	Russell
Ellender	Leahy	Saltonstall
Ferguson	Lehman	Schoeppel
Frear	Lodge	Smith, Maine
Fulbright	Long	Smith, N. J.
George	Lucas	Sparkman
Gillette	McCarran	Stennis
Graham	McCarthy	Taft
Green	McClellan	Thomas, Okla.
Gurney	McFarland	Thomas, Utah
Hayden	McKellar	Thye
Hendrickson	McMahon	Tydings
Hickenlooper	Magnuson	Watkins
Hill	Malone	Wherry
Hoey	Martin	Wiley
Holland	Maybank	Williams
Hunt	Millikin	
Ives	Morse	

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Minnesota [Mr. HUMPHREY] is absent on public business.

The Senator from South Carolina [Mr. JOHNSTON] is absent by leave of the Senate because of illness in his family.

The Senator from Idaho [Mr. TAYLOR] and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from Vermont [Mr. FLANDERS], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

Under the unanimous-consent agreement the call of the calendar for unobjected-to bills is in order.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAGNUSON. I understand that the call of the calendar last evening terminated at page 15 with Calendar No. 1956, House bill 8083, and that we begin today at the bottom of page 15 with Calendar No. 1960, Senate bill 946.

The VICE PRESIDENT. That is correct.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 4788. An act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes;

H. R. 6104. An act to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes; and

H. R. 7662. An act to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944.

ENROLLED BILLS SIGNED

The VICE PRESIDENT announced that on today, August 9, 1950, he signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 1654. An act for the relief of Kyra Kite Riddle;

S. 3584. An act to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes";

S. 3875. An act to amend section 9 of the Central Intelligence Agency Act of 1949; and

S. 3906. An act to amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes.

TRANSACTION OF ROUTINE BUSINESS

Mr. MAGNUSON. Mr. President, I ask unanimous consent that Senators may be permitted to submit routine matters for the RECORD.

The VICE PRESIDENT. Without objection, the Chair, as is usual, will recognize Senators for routine matters, such as the presentation of petitions and memorials, the introduction of bills, and so forth, without speeches or debate.

PETITIONS

Petitions were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A letter in the nature of a petition signed "Employees" of Fort Lee, Va., relating to placing Federal employees of 2 years of consecutive service on the civil-service register, and that the date of employment be previous to January 15, 1950; to the Committee on Post Office and Civil Service.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Armed Services:

"Resolutions memorializing Congress to enact legislation reviving or establishing family allowances to all members of the Armed Forces who have been or will be called to active duty in the present emergency

"Resolved, That the General Court of Massachusetts hereby urges the Congress of the United States to enact legislation reviving or establishing family allowances to all members of the Armed Forces who have been or will be called to active duty in the present emergency: and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, August 1, 1950.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, August 3, 1950.

"IRVING N. HAYDEN,
"Clerk."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Public Works:

"Resolutions memorializing Congress to pass legislation providing for an over-all study of economic development in this area

"Resolved, That the General Court of Massachusetts hereby urges the Congress of the United States to pass Senate bill 3707, providing for a single over-all study of economic development in this area, including the problems of hydroelectric power, pollution of industrial waters, flood control, recreation, navigation, and the development of forests and wildlife; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, August 1, 1950.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, August 3, 1950.

"IRVING N. HAYDEN,
"Clerk."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

H. R. 8417. A bill to amend part II of the Interstate Commerce Act, with respect to the regulation of motor carriers engaged in commerce to and from the Territories and possessions of the United States; without amendment (Rept. No. 2258).

By Mr. GEORGE, from the Committee on Finance:

H. R. 5327. A bill to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes; with amendments (Rept. No. 2259);

H. R. 8992. A bill to eliminate the additional internal-revenue taxes on coconut oil coming from the trust territory of the Pacific Islands, and for other purposes; without amendment (Rept. No. 2260); and

H. J. Res. 497. Joint resolution excluding from gross estate of a nonresident alien works of art on loan to the Trustees of the National Gallery of Art; without amendment (Rept. No. 2261).

By Mr. PEPPER, from the Committee on Labor and Public Welfare:

S. 706. A bill providing equal pay for equal work for women, and for other purposes; with amendments (Rept. No. 2263); together with individual views of Mr. TAFT, Mr. SMITH of New Jersey, and Mr. DONNELL, respectively.

AMENDMENT OF RAILWAY LABOR ACT—REPORT OF A COMMITTEE

Mr. THOMAS of Utah. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 3295) to amend the Railway Labor Act and to authorize agreements providing for union membership and agreements for deductions from the wages of carriers' employees for certain purposes and under certain conditions, and I submit a report (No. 2262) thereon, together with the supplemental views of the Senator from Ohio [Mr. TAFT], the Senator from New Jersey [Mr. SMITH], and the Senator from Missouri [Mr. DONNELL].

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL EXPENDITURES RELATING TO CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit an additional report on civilian employment in the executive branch of the Federal Government for the month of June 1950, and in accordance with the practice of several years' standing, I request that it be printed in the body of the RECORD as a part of my remarks, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

Personnel and pay summary according to monthly personnel reports for June 1950 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures

Department or agency	Civilian personnel in executive branch			Payroll (in thousands of dollars) in executive branch		
	In June numbered—	In May numbered—	Increase (+) or decrease (−)	In May was—	In April was—	Increase (+) or decrease (−)
Total	1,968,940	2,003,700	−34,760	$565,936	$530,285	+$35,651
1. Agencies exclusive of National Military Establishment [1]	1,215,791	1,249,324	−33,533	352,801	345,245	+7,556
2. National Military Establishment	753,149	754,376	−1,227	213,135	185,040	+28,095
Within the National Military Establishment:						
Office of Secretary of Defense	1,750	1,787	−37	750	654	+96
Department of the Army	303,599	304,259	−660	80,837	75,446	+5,391
Department of the Air Force	154,453	155,400	−947	43,706	37,557	+6,149
Department of the Navy	293,347	292,930	+417	87,842	71,383	+16,459

[1] Includes temporary employees (enumerators, supervisors, and clerks) engaged in taking the Seventeenth Decennial Census as follows: May 48,542; June 12,450; a decrease of 36,092.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during June 1950, and comparison with May 1950; and pay for May 1950 and comparison with April 1950*

Department or agency	Pay (in thousands of dollars)				Personnel			
	April	May	Increase	Decrease	May	June	Increase	Decrease
Executive departments (except National Military Establishment):								
Agriculture	$19,525	$22,845	$3,320		81,022	87,236	6,214	
Commerce [1 2]	34,739	22,061		$12,678	97,133	60,772		36,361
Interior	15,543	18,123	2,580		60,428	65,698	5,270	
Justice	8,908	10,149	1,241		26,370	26,552	182	
Labor	1,681	1,974	293		6,016	6,204	188	
Post Office	131,117	130,361		756	506,329	501,304		5,025
State	7,245	8,080	835		24,590	24,725	135	
Treasury	26,457	30,510	4,053		89,998	88,324		1,674
Executive Office of the President:								
White House Office	112	135	23		289	313	24	
Bureau of the Budget	238	272	34		525	520		5
Executive Mansion and Grounds	15	18	3		78	64		14
National Security Council [3]	8	9	1		17	17		
National Security Resources Board	139	175	36		324	352	28	
Council of Economic Advisers	17	20	3		33	36	3	
Commission on Renovation of the Executive Mansion	2	2			5	5		
Postwar agencies:								
Displaced Persons Commission	94	96	2		256	257	1	
Economic Cooperation Administration	2,040	1,596		444	4,656	4,805	149	
Motor Carrier Claims Commission	11	12	1		20	19		1
Office of the Housing Expediter	1,846	1,106		740	2,869	2,808		61
Philippine Alien Property Administration	13	12		1	80	79		1
Philippine War Damage Commission	215	197		18	640	493		147
War Claims Commission	23	27	4		54	100	46	
Independent agencies:								
American Battle Monuments Commission	48	56	8		457	475	18	
Atomic Energy Commission	1,757	2,039	282		4,988	5,023	35	
Civil Aeronautics Board	244	282	38		630	629		1
Civil Service Commission	1,092	1,243	151		3,563	3,539		24
Export-Import Bank of Washington	58	68	10		132	130		2
Federal Communications Commission	475	541	66		1,289	1,286		3
Federal Deposit Insurance Corporation	365	420	55		1,074	1,068		6
Federal Mediation and Conciliation Service	172	198	26		337	336		1
Federal Power Commission	278	296	18		727	735	8	
Federal Security Agency [4]	9,127	10,180	1,053		33,981	33,761		220
Federal Trade Commission	273	308	35		648	642		6
General Accounting Office	2,591	2,993	402		8,242	7,837		405
General Services Administration	5,809	6,251	442		22,087	21,907		180
Government Printing Office	2,203	2,581	378		7,094	7,028		66
Housing and Home Finance Agency	4,250	4,931	681		13,517	13,600	83	
Indian Claims Commission	6	7	1		10	10		
Interstate Commerce Commission	774	906	132		2,133	2,112		21
Maritime Commission [5]	1,836	0		1,836				
National Advisory Committee for Aeronautics	2,229	2,575	346		7,518	7,513		5
National Capital Housing Authority	77	91	14		317	317		
National Capital Park and Planning Commission	3	3			20	20		
National Capital Sesquicentennial Commission	13	17	4		48	125	77	
National Gallery of Art	76	89	13		318	322	4	
National Labor Relations Board	519	613	94		1,530	1,489		41

[1] Includes temporary employees (enumerators, supervisors, and clerks) engaged in taking the Seventeenth Decennial Census as follows: May 48,542; June 12,450; a decrease of 36,092.
[2] Exclusive of 90 seamen and 1,466 seamen trainees on the rolls of the Maritime Administration and their pay.
[3] Exclusive of personnel and pay of the Central Intelligence Agency.
[4] Includes personnel and pay for Howard University and the Columbia Institute for the Deaf.
[5] Transferred to the Department of Commerce under Reorganization Plan No. 21, effective May 24, 1950.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during June 1950, and comparison with May 1950; and pay for May 1950 and comparison with April 1950*—Continued

Department or agency	Pay (in thousands of dollars)				Personnel			
	April	May	Increase	Decrease	May	June	Increase	Decrease
Independent agencies—Continued								
National Mediation Board	$64	$70	$6		123	127	4	
Panama Canal	4,018	4,134	116		20,520	19,854		666
Railroad Retirement Board	656	730	74		2,287	2,276		11
Reconstruction Finance Corporation	1,716	1,962	246		4,642	4,622		20
Securities and Exchange Commission	408	467	59		1,007	998		9
Selective Service System	439	502	63		3,451	3,538	87	
Smithsonian Institution	159	187	28		574	577	3	
Tariff Commission	96	107	11		223	219		4
Tax Court of the United States	54	61	7		124	124		
Tennessee Valley Authority	3,756	4,126	370		13,570	13,923	353	
Veterans' Administration	49,616	55,987	6,371		190,411	188,946		1,465
Total, excluding National Military Establishment	345,245	352,801	24,029	$16,473	1,249,324	1,215,791	12,912	46,445
Net change, excluding National Military Establishment			7,556				33,533	
National Military Establishment:								
Office of the Secretary of Defense [6]	654	750	96		1,787	1,750		37
Department of the Army:								
Inside continental United States	66,120	70,725	4,605		263,128	262,873		255
Outside continental United States	9,326	10,112	786		41,131	40,726		405
Department of the Air Force:								
Inside continental United States	33,428	39,256	5,828		131,414	131,675	261	
Outside continental United States	4,129	4,450	321		23,986	22,778		1,208
Department of the Navy:								
Inside continental United States	66,307	82,203	15,896		267,133	269,565	2,432	
Outside continental United States	5,076	5,639	563		25,797	23,782		2,015
Total, National Military Establishment	185,040	213,135	28,095		754,376	753,149	2,693	3,920
Net change, National Military Establishment			28,095				1,227	
Grand total, including National Military Establishment	530,285	565,936	52,124	16,473	2,003,700	1,968,940	15,605	50,365
Net change, including National Military Establishment			35,651				34,760	

[6] Includes 13 employees assigned to North Atlantic Treaty Organization and 174 employees assigned to Munitions Board, Cataloging Agency.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during June 1950 and comparison with May 1950*

Department or agency	May	June	Increase	Decrease
Executive departments (except National Military Establishment):				
Agriculture	78,264	84,397	6,133	
Commerce [1] [2]	92,652	56,590		36,062
Interior	53,748	58,323	4,575	
Justice	25,895	26,072	177	
Labor	5,912	6,098	186	
Post Office	504,433	499,396		5,037
State	8,752	8,705		47
Treasury	89,237	87,552		1,685
Executive Office of the President:				
White House Office	289	313	24	
Bureau of the Budget	525	520		5
Executive Mansion and Grounds	78	64		14
National Security Council [3]	17	17		
National Security Resources Board	324	352	28	
Council of Economic Advisers	33	36	3	
Commission on Renovation of the Executive Mansion	5	5		
Postwar agencies:				
Displaced Persons Commission	88	90	2	
Economic Cooperation Administration	1,121	1,160	39	
Motor Carrier Claims Commission	20	19		1
Office of the Housing Expediter	2,846	2,785		61
Philippine Alien Property Administration	2	2		
Philippine War Damage Commission	6	6		
War Claims Commission	54	100	46	
Independent agencies:				
American Battle Monuments Commission	17	17		
Atomic Energy Commission	4,984	5,019	35	
Civil Aeronautics Board	616	615		1
Civil Service Commission	3,558	3,534		24
Export-Import Bank of Washington	131	129		2
Federal Communications Commission	1,262	1,259		3
Federal Deposit Insurance Corporation	1,074	1,068		6
Federal Mediation and Conciliation Service	337	336		1
Federal Power Commission	727	735	8	
Federal Security Agency [4]	33,631	33,422		209
Federal Trade Commission	648	642		6
General Accounting Office	8,242	7,837		405
General Services Administration	22,069	21,888		181
Government Printing Office	7,094	7,028		66
Housing and Home Finance Agency	13,448	13,529	81	
Independent agencies—Continued				
Indian Claims Commission	10	10		
Interstate Commerce Commission	2,133	2,112		21
National Advisory Committee for Aeronautics	7,516	7,513		3
National Capital Housing Authority	317	317		
National Capital Park and Planning Commission	20	20		
National Capital Sesquicentennial Commission	48	125	77	
National Gallery of Art	318	322	4	
National Labor Relations Board	1,515	1,474		41
National Mediation Board	123	127	4	
Panama Canal	630	624		6
Railroad Retirement Board	2,287	2,276		11
Reconstruction Finance Corporation	4,628	4,608		20
Securities and Exchange Commission	1,007	998		9
Selective Service System	3,370	3,455	85	
Smithsonian Institution	568	571	3	
Tariff Commission	223	219		4
Tax Court of the United States	124	124		
Tennessee Valley Authority	13,570	13,923	353	
Veterans' Administration	188,859	187,394		1,465
Total, excluding National Military Establishment	1,189,405	1,155,872	11,863	45,396
Net decrease, excluding National Military Establishment			33,533	
National Military Establishment:				
Office of the Secretary of Defense	1,785	1,748		37
Department of the Army	263,128	262,873		255
Department of the Air Force	131,414	131,675	261	
Department of the Navy	267,133	269,565	2,432	
Total, National Military Establishment	663,460	665,861	2,693	292
Net increase, National Military Establishment			2,401	
Grand total, including National Military Establishment	1,852,865	1,821,733	14,556	45,688
Net decrease, including National Military Establishment			31,132	

[1] Includes temporary employees (enumerators, supervisors, and clerks) engaged in taking the Seventeenth Decennial Census as follows: May, 48,077; June, 12,211; a decrease of 35,866.

[2] Exclusive of 90 seamen and 1,466 seamen trainees on the rolls of the Maritime Administration.

[3] Exclusive of personnel of the Central Intelligence Agency.

[4] Includes personnel for Howard University and the Columbia Institute for the Deaf.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during June 1950, and comparison with May 1950*

Department or agency	May	June	Increase	Decrease
Executive departments (except National Military Establishment):				
Agriculture	2,758	2,839	81	
Commerce [1]	4,481	4,182		299
Interior	6,680	7,375	695	
Justice	475	480	5	
Labor	104	106	2	
Post Office	1,896	1,908	12	
State	15,838	16,020	182	
Treasury	761	772	11	
Postwar agencies:				
Displaced Persons Commission	168	167		1
Economic Cooperation Administration	3,535	3,645	110	
Office of the Housing Expediter	23	23		
Philippine Alien Property Administration	78	77		1
Philippine War Damage Commission	634	487		147
Independent agencies:				
American Battle Monuments Commission	440	458	18	
Atomic Energy Commission	4	4		
Civil Aeronautics Board	14	14		
Civil Service Commission	5	5		
Export-Import Bank of Washington	1	1		
Federal Communications Commission	27	27		
Federal Security Agency	350	339		11
General Services Administration	18	19	1	
Housing and Home Finance Agency	69	71	2	
National Advisory Committee for Aeronautics	2	0		2
Independent agencies—Continued				
National Labor Relations Board	15	15		
Panama Canal	19,890	19,230		660
Reconstruction Finance Corporation	14	14		
Selective Service System	81	83	2	
Smithsonian Institution	6	6		
Veterans' Administration	1,552	1,552		
Total, excluding National Military Establishment	59,919	59,919	1,121	1,121
Net change, excluding National Military Establishment			0	
National Military Establishment:				
Office of the Secretary of Defense	2	2		
Department of the Army	41,131	40,726		405
Department of the Air Force	23,986	22,778		1,208
Department of the Navy	25,797	23,782		2,015
Total, National Military Establishment	90,916	87,288		3,628
Net decrease, National Military Establishment			3,628	
Grand total, including National Military Establishment	150,835	147,207	1,121	4,749
Net decrease, including National Military Establishment			3,628	

[1] Includes temporary employees (enumerators, supervisors, and clerks) engaged in taking the Seventeenth Decennial Census as follows: May, 465; June, 239; a decrease of 226.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during June 1950 and comparison with May 1950*

Department or agency	May	June	Increase	Decrease
Executive departments (except National Military Establishment):				
Commerce	1,479	1,524	45	
Interior	6,466	7,263	797	
State	544	533		11
Treasury	8,165	8,181	16	
Independent agencies:				
Atomic Energy Commission	144	140		4
General Services Administration	77	81	4	
Housing and Home Finance Agency	21	19		2
Panama Canal	1,629	1,558		71
Smithsonian Institution	8	16	8	
Tennessee Valley Authority	7,254	7,478	224	
Total, excluding National Military Establishment	25,787	26,793	1,094	88
Net increase, excluding National Military Establishment			1,006	
National Military Establishment:				
Department of the Army:				
Inside continental United States	133,123	133,276	153	
Outside continental United States	23,347	23,059		288
Department of the Air Force:				
Inside continental United States	74,686	74,534		152
Outside continental United States	17,978	16,891		1,087
Department of the Navy:				
Inside continental United States	174,542	175,991	1,449	
Outside continental United States	18,910	17,146		1,764
Total, National Military Establishment	442,586	440,897	1,602	3,291
Net decrease, National Military Establishment			1,689	
Grand total, including National Military Establishment	468,373	467,690	2,696	3,379
Net decrease including National Military Establishment			683	

TABLE V.—*Federal employees assigned to mutual defense assistance program*

Department or agency	Civilian personnel			Payroll (in thousands)		
	In June numbered—	In May numbered—	Increase (+) or decrease (−)	In May was—	In April was—	Increase (+) or decrease (−)
Total	14,752	12,525	+2,227	$4,266	$2,330	+$1,936
State Department	137	124	+13	60	46	+14
Economic Cooperation Administration	7	13	−6	4	7	−3
Office of the Secretary of Defense	36	36		15	15	
Department of the Army	11,037	8,886	+2,151	2,501	1,708	+793
Department of the Air Force	891	883	+8	979	192	+787
Department of the Navy	2,644	2,583	+61	707	362	+345

TABLE VI.—*Federal employees in the executive branch in June 1950, as compared with June 1949*

Department or agencies	June 1949	June 1950	Increase (+) or decrease (−)
Total	2,100,027	1,968,940	−131,087
Post Office Department	[1] 503,132	501,304	−1,828
National Military Establishment	884,728	753,149	−131,579
Veterans' Administration	195,488	188,946	−6,542
Other agencies	516,679	525,541	+8,862

[1] Adjusted to conform with revisions contained in Postmaster General's letter dated Mar. 13, 1950.

STATEMENT BY SENATOR BYRD

Civilian employment in the executive branch of the Federal Government at the end of the fiscal year in June totaled 1,968,940, a reduction of 131,087 under the payroll at the end of the previous fiscal year in June 1949.

The largest reduction over the course of the year was recorded by the National Military Establishment, where civilian employment decreased from 884,728 in June 1949 to 753,149 in June 1950. Net reductions for the year were recorded also by the Post Office Department and the Veterans' Administration. A net increase during the year of 8,862 was reported by other civilian agencies, but this was more than accounted for in the temporary employment required by the Seventeenth Decennial Census.

These figures were revealed today by the compilation on civilian employment in the executive branch published by the Joint Committee on Reduction of Nonessential Federal Expenditures.

June employment was 34,760 less than the payroll in May. Principal decreases were reported for the month by the Military Establishment and the Departments of the Post Office, Treasury, and Commerce where there was a reduction of 36,092 in temporary census employees, and Panama Canal and the Veterans' Administration.

Major increases for the month were reported by the Departments of Agriculture and Interior.

Employment inside continental United States decreased during the month by a net figure of 31,132 and employment outside continental United States decreased by a net figure of 3,628.

Employees assigned to the mutual defense assistance program in June totaled 14,752 an increase for the month of 2,227.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 9, 1950, he presented to the President of the United States the following enrolled bills:

S. 1654. An act for the relief of Kyra Kite Riddle;

S. 3584. An act to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes";

S. 3875. An act to amend section 9 of the Central Intelligence Agency Act of 1949; and

S. 3906. An act to amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes.

BILL AND JOINT RESOLUTION INTRODUCED

A bill and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. GURNEY introduced Senate bill 4029, to amend the Selective Service Act of 1948, as amended, and for other purposes, which was referred to the Committee on Armed Services, and appears under a separate heading.)

By Mr. TAFT:

S. J. Res. 198. Joint resolution to authorize the Administrator of Veterans' Affairs to continue providing automobiles and other conveyances to certain disabled veterans, and to provide funds therefor; to the Committee on Appropriations.

INDUCTION OF DOCTORS AND DENTISTS INTO ARMED FORCES

Mr. GURNEY. Mr. President, I introduce for appropriate reference a bill which deals with the induction of doctors and dentists into the Armed Forces. Presently we are inducting men to serve in the Armed Forces but so far we have not provided for the health of these men. I ask unanimous consent that I may make a brief statement in connection with the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Dakota? The Chair hears none, and the Senator may proceed.

Mr. GURNEY. This bill provides that all doctors under 45 years of age shall register. It limits the number of doctors who may be inducted or serve in the Armed Forces. The bill provides a ratio of 4 doctors and 2 dentists for every 1,000 men inducted into the armed services. It also sets up a priority system with respect to the doctors and dentists who will be called. It would provide for inducting first doctors and dentists who were educated at the Government's expense during World War II and immediately thereafter. The second priority class lists those who served only a short time. In all there are five priorities established under the bill.

Finally, the bill seeks to set up an advisory group on a National, State, and local level, whose duty it would be to screen the doctors and dentists who would come under the provisions of the bill, keeping in mind the civilian needs in each community. The purpose of the screening would be to prevent the induction of all doctors, for example, from one community, and to provide for spreading the induction on an equitable basis. Such a procurement advisory board was established during World War II under Government regulations. My purpose is to have the authority provided by law.

That briefly explains the purpose of the bill.

The bill (S. 4029) to amend the Selective Service Act of 1948, as amended, and for other purposes, introduced by Mr. GURNEY, was read twice by its title, and referred to the Committee on Armed Services.

ADDRESS BY SENATOR MARTIN AT ANNUAL MEETING OF WEST VIRGINIA OIL AND NATURAL GAS ASSOCIATION, WESTON, W. VA.

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by him at the annual meeting of the West Virginia Oil and Natural Gas Association, at Weston, W. Va., Saturday, August 5, 1950, which appears in the Appendix.]

THE VANISHING AMERICAN—ADDRESS BY MALCOLM McDERMOTT

[Mr. BYRD asked and obtained leave to have printed in the RECORD an address on the subject The Vanishing American, delivered by Malcolm McDermott, professor of law at Duke University, before the Virginia State Bar Association, at White Sulphur Springs, W. Va., which appears in the Appendix.]

TURKISH ATTITUDE ON KOREA—STATEMENT BY PREMIER ADNAN MENDERES

[Mr. MUNDT asked and obtained leave to have printed in the RECORD a news release entitled "Premier Menderes Outlines Turkish Attitude on Korea," issued by the Turkish Information Office, which appears in the Appendix.]

ILLINOIS SHOULD KEEP LUCAS—EDITORIAL FROM CHICAGO SUN-TIMES

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial entitled "Illinois Should Keep LUCAS," published in the Chicago Sun-Times of Monday, August 7, 1950, which appears in the Appendix.]

REMEMBER YALTA—EDITORIAL FROM THE WASHINGTON POST

[Mr. ECTON asked and obtained leave to have printed in the RECORD an editorial entitled "Remember Yalta," published in the Washington Post of August 9, 1950, which appears in the Appendix.]

ATLANTIC FEDERAL CONVENTION COULD HALT STALIN—ARTICLE BY CLARENCE K. STREIT

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an article on the subject Atlantic Federal Convention Could Halt Stalin, by Clarence K. Streit, which appears in the Appendix.]

PRIVATE UTILITIES ADMIT FAILURE—ARTICLE FROM TENNESSEE VALLEY PUBLIC POWER ASSOCIATION NEWS

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an article entitled "Private Utilities Admit Failure," published in the Tennessee Valley Public Power Association News for July 1950, which appears in the Appendix.]

A WATER RESOURCES POLICY—STATEMENT BY ALFRED SHACKELFORD

[Mr. McFARLAND asked and obtained leave to have printed in the RECORD a statement regarding a water resources policy, made by Alfred Shackelford, international representative of the International Brotherhood of Electrical Workers, before the President's Water Resources Policy Commission in a hearing at Denver, Colo., in June 1950, which appears in the Appendix.]

THE COMMUNITY SERVICES MENTAL HEALTH PROGRAM—ARTICLE BY JERRY W. CARTER, JR.

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article regarding the community services mental health program, written by Jerry W. Carter, Jr., and published in the April 1950 issue of the Journal of Clinical Psychology, which appears in the Appendix.]

COTTON CROP FOR 1950 36 PERCENT BELOW 1949—ARTICLE BY JOHN W. BALL

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an article entitled "Cotton Crop for 1950 36 Percent Below 1949" by John W. Ball, published in the Washington Post of August 9, 1950, which appears in the Appendix.]

PANIC BUYING AND HOARDING—LETTER FROM PRESIDENT COOGAN OF NATIONAL ASSOCIATION OF HOME BUILDERS

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD a letter written by President Coogan, of the National Association of Home Builders, under date of August 4, 1950, which appears in the Appendix.]

LETTER FROM COUNCIL OF MOTION PICTURE ORGANIZATIONS ON THEATER TAX

Mr. WILEY. Mr. President, I send to the desk a brief statement which I have prepared on the subject of the continuing nuisance taxes and the need for increased Federal revenue because of the Korean war.

I ask unanimous consent that the text of this statement and an attached letter be printed at this point in the body of the RECORD.

There being no objection, Mr. WILEY's statement and the letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

On several occasions during the past 2 years I have appealed on the floor of the Senate for general excise-tax relief for American business and for the hard-pressed American consumer. Away back in January 1949 I introduced the first of two bills designed to wipe out literally hundreds of the wartime rates of these nuisance taxes. Included among those taxes was, of course, the admissions tax on motion-picture entertainment—a levy which has been responsible in considerable part for the decline in motion-picture revenue, a levy which has served to discourage an inexpensive form of wholesome entertainment at the very time the theater industry was suffering severe problems in world-wide distribution and in television competition here at home.

When the Korean war clouds broke on the horizon it became obvious to all of us, of course, that it would not be possible to grant excise-tax relief to the American people. On the contrary, it became entirely clear that heavy tax increases would be necessary.

Naturally we are indeed sorry that circumstances are such that the burdensome rates established during World War II will be continued indefinitely into the future. The present tax structure is wholly lopsided. There are a tremendous number of instances of inequities and discrimination, but there is no alternative now but to add on top of those inequities by additional taxes. Minor corrections may and will be made under the pending bill, H. R. 8920.

PATRIOTIC COOPERATION BY THEATERS

Naturally, the motion-picture industry, like other great industries, is more than willing to carry its share of the burden. It has always cooperated in America's conflicts to the greatest possible extent by perhaps the most varied program of patriotic service on the home and foreign fronts of any American industry.

During World War II more than 16,000 theaters cooperated with the Government's informational-film program. Two hundred and seventy-five million people saw the OWI films. These theaters helped out in war- and Victory-bond sales. They collected blood plasma, scrap metals, paper. They served as meeting places for local war groups. No other industry, according to word from the Treasury Department, did more of an outstanding job for the Government. The Secretaries of War, Navy, and Treasury formally presented a Plaque of War Accomplishment to the industry with an inscription, "Well done." Mr. George J. Schaefer, accepting the plaque, at the time said: "The most we in our industry were able to do is the least we should have done."

That is quite a theme for today, too.

It is worth while recalling these facts—worth while recalling the Hollywood Victory Committee and similar groups which worked so unstintingly for home-front and servicemen morale. I trust that the word "gratitude" will never disappear from Congress' and America's dictionary.

LETTER FROM ABRAM MYERS

I was glad this morning to receive one further evidence of the cinema's patriotic cooperation in the form of a letter from Mr. Abram Myers, chairman of the Council of Motion Pictures Organizations' Committee on Taxation and Legislation. Mr. Myers represents, in turn, the Allied States Association of Motion Picture Exhibitors. He expresses the hope that while it is clear that taxes must remain at their present level for the time being, at some future period when the war clouds have vanished, it may be possible to eliminate the nuisance admission tax. I definitely join with him in that hope.

We are all aware of the fact that the unfortunate tendency is for wartime taxes to be continued indefinitely into the peacetime period. Obviously wars take a long time to liquidate. Of course it is not possible to eliminate taxes immediately at the conclusion of the war, but I do want to serve notice that here is one legislator, among many others, who is determined, at the earliest possible date, the Congress shall overhaul the present discriminatory tax structure, including the admissions tax.

COUNCIL OF MOTION PICTURE ORGANIZATIONS,
COMMITTEE ON TAXATION AND LEGISLATION,
Washington, D. C., July 20, 1950.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR WILEY: The motion-picture-theater owners among your constituents have informed this committee of your interest in relieving them of the burden of the 20-percent Federal tax on theater admissions, which tax is largely responsible for the present depressed state of the theater business.

While the theater owners stand in dire need of the relief which repeal of the admission tax would give them, they recognize that the national defense comes first and that Congress could not do otherwise than defer action on tax legislation pending clarification of the war situation.

We would be remiss if we did not express to you our appreciation of your sympathetic understanding of the problems of our industry. You may be sure that this feeling of gratitude is shared by the theater owners in your State.

We, of course, do not know what the future has in store, but we earnestly hope that when the war clouds have passed over and Congress again turns its attention to taxes, you will have in mind the urgent need of the theaters for the elimination of the admission tax, as set forth in the hearings before the Ways and Means and Finance Committees.

With high regard,
Yours very truly,

ABRAM F. MYERS.

(Committee members: Abram F. Myers, chairman, Allied States Association of Motion Picture Exhibitors; Henderson M. Richey, Loew's Inc., aide to the committee; Art Arthur, Motion Picture Industry Council; Carter Barron, Variety Clubs International; A. Julian Brylawski, Theater Owners of America; Jack Bryson, Motion Picture Association of America; Oscar A. Doob, Metropolitan Motion Picture Theaters Association; Jay Emanuel, Trade Press Publishers; Marvin L. Faris, Society of Independent Motion Picture Producers; Rotus Harvey, Pacific Coast Conference of Independent Theater Owners; Morton Sunshine, Independent Theater Owners Association.)

THE CALENDAR

The VICE PRESIDENT. Under the unanimous-consent agreement, the call of the calendar will now be resumed, and the next bill on the calendar will be—

CREDIT FOR TIME SERVED IN FEDERAL PENAL INSTITUTIONS FOR PURPOSES OF PAROLE

The bill (S. 946) to permit credit, for purposes of parole, for time served in a Federal penal institution under an illegal conviction or sentence in the case of a person who is subsequently legally convicted and sentenced for the same offense was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MARTIN. Mr. President, I do not know whether this is the proper time for the request, but yesterday I objected to the consideration of Order No. 1850, House bill 7155, to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest landowners, and for other purposes. I should like to ask unanimous consent to return to that order so that I may withdraw my objection.

Mr. CHAVEZ subsequently said: A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CHAVEZ. Did the Senator from Pennsylvania ask that as the first order of business the Senate return to Order No. 1850?

The VICE PRESIDENT. The Senator from Pennsylvania asked that the Senate return to that number in order that he might withdraw his objection, but since the clerk has called another bill, the Chair would like to dispose of that. Is there objection to the present consideration of Senate bill 946?

There being no objection, the bill (S. 946) to permit credit, for purposes of parole, for time served in a Federal penal institution under an illegal conviction or sentence in the case of a person who is subsequently legally convicted and sentenced for the same offense was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc. That title 18, United States Code, section 3568, is amended by inserting after the first paragraph thereof the following new paragraph:

"If the conviction or sentence of any such person is subsequently adjudged void and such person is again sentenced for the same offense, such subsequent sentence, or any modification thereof, shall commence to run from the same date as the original sentence; except that such date shall be postponed by a number of days equal to the number of days during which such person was not in actual confinement after such date."

SEC. 2. The amendment made by section 1 shall be applicable to any sentence commencing prior to, on, or after the date of enactment of this act.

PROVISION OF TECHNICAL SERVICES TO PRIVATE FOREST LANDOWNERS

The VICE PRESIDENT. Is there objection to returning to order of business 1850, House bill 7155, referred to by the Senator from Pennsylvania?

There being no objection, the Senate proceeded to consider the bill (H. R. 7155), to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest landowners, and for other purposes, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 2, line 7, after the word "possession.", to insert "The provisions of this act and the plan agreed upon for each State, Territory, or possession shall be carried out in such manner as to encourage the utilization of private agencies and individuals furnishing services of the type described in this section.", and on page 3, line 14, after "June 30", to strike out "1950" and insert "1951".

The amendments were agreed to.

Mr. ELLENDER. Mr. President, I appreciate the action just taken by the distinguished junior Senator from Pennsylvania [Mr. MARTIN].

Last year the Congress passed House bill 2296, the so-called Granger bill, which provided an expanded program for three aspects of Federal-State cooperation in forestry, namely, forest-fire protection, reforestation, and farm-forestry extension work. The pending bill, House bill 7155, deals with a fourth aspect of Federal-State cooperation in forestry, that is, the providing of technical services to private forest landowners and primary processors of forest products.

The pending bill would repeal the Norris-Doxey Cooperative Farm Forestry Act of 1937. That act provided for cooperation through the States in farm forestry research, extension, and forest-management assistance. As I have stated, the Congress has already pro-

vided for the first two of these Norris-Doxey programs through enactment of the so-called Granger bill last year, and the pending bill would take care of the forest-management assistance that has been made available under Norris-Doxey. The principal differences between the forest management assistance program now in effect under Norris-Doxey, and that authorized under the pending bill, are as follows:

First. The Norris-Doxey Act authorizes assistance only to farmers owning woodlots. The pending bill would permit similar assistance to be given to nonfarm forest owners.

Second. The Norris-Doxey Act does not permit assistance to be given to processors of forest products, such as small sawmill owners, whereas such assistance is provided for in the pending bill.

Third. Under the Norris-Doxey Act, direct Federal aid to individual landowners may be given in default of cooperation by the States. House bill 7155, which is now before us, does not authorize direct Federal assistance, except as agreed to in a plan for each individual State.

Mr. President, the Senate Agriculture Committee has recommended an amendment to House bill 7155 as passed by the House, which specifies that the new program will be carried out by the Secretary of Agriculture in such manner as to encourage the utilization of private consulting foresters. While Department of Agriculture officials have assured the committee that this policy has been carried out in the past and is in effect now, there is no comparable language in the Norris-Doxey Act.

The pending bill carries an annual authorization of $2,500,000. Since the Norris-Doxey Act also authorizes an expenditure of $2,500,000 annually, and since the Norris-Doxey Act will be repealed if House bill 7155 becomes law, there will be no increase in the over-all authorization. The Senate Committee on Agriculture and Forestry recommends, however, that the effective date for repeal of the Norris-Doxey Act be postponed to June 30, 1951, for the reason that appropriations for the Federal-State technical assistance program have been budgeted under the authority of the Norris-Doxey Act and the omnibus appropriation bill for the fiscal year 1950–51 has progressed too far to permit a change-over at this late date to the new program provided under House bill 7155. It is contemplated, therefore, that the revised program provided in this bill will not become operative until the fiscal year 1951–52.

Mr. President, this legislation is aimed primarily at helping the thousands of small forest landowners throughout the Nation to maintain sound forestry practices. Throughout the United States there are 4,250,000 farm and other small woodland owners who together own three-fourths of all private commercial forest land. In addition there are 50,000 small processors of primary forest products who need help. These small owners and processors need technical assistance in forest management and in the harvesting, marketing, and processing of primary forest products. Most of these cannot afford to hire foresters on either a long-term or consulting basis. The States and the Federal Government, therefore, must provide some technical forestry assistance for the small landowners and small processors if the bulk of our Nation's forest resource is to be made productive.

H. R. 7155 simply brings together, clarifies, and expands authority for technical services and assistance to private woodland owners and processors. As I have stated it is aimed mainly at the small owners and processors. It should furnish the impetus for placing the Federal-State programs in this field on a basis for rendering a much more effective program.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (H. R. 6606) to provide that the district judge for the eastern, middle, and western districts of Pennsylvania shall become a district judge for the middle district of Pennsylvania alone when the first vacancy occurs in that district was announced as next in order.

Mr. MARTIN. I object.

The VICE PRESIDENT. The Senator from Pennsylvania objects, and the bill will be passed over.

The bill (S. 490) for the relief of Frank Miller was announced as next in order.

Mr. McCARRAN. Mr. President, on what number of the calendar are we now working?

The VICE PRESIDENT. The Senate is about to consider Order of Business No. 2011, Senate bill 490.

Mr. McCARRAN. What became of Order of Business No. 2007?

The VICE PRESIDENT. It went over. The Senator from Pennsylvania [Mr. MARTIN] objected.

Mr. SCHOEPPEL. On what calendar number are we now working?

The VICE PRESIDENT. Order of Business No. 2011, Senate bill 490.

Mr. SCHOEPPEL. Over.

The VICE PRESIDENT. The Senator from Kansas objects, and the bill will be passed over.

The bill (H. R. 6616) to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through voting in a political election or in a plebiscite held in Italy was announced as next in order.

Mr. CHAVEZ. Over.

The VICE PRESIDENT. The Chair will ask Senators to identify themselves when they say "Over" so that he may know who objects.

Mr. CHAVEZ. Over.

The VICE PRESIDENT. The Senator from New Mexico objects, and the bill will be passed over.

MODERNIZATION OF GOVERNMENTAL ACCOUNTING PROCEDURES

The bill (S. 3850) to authorize the President to determine the form of the national budget and of departmental estimates to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, was announced as next in order.

The VICE PRESIDENT. There is an identical House bill on the calendar.

Mr. McCLELLAN. Mr. President, there is a House bill on the calendar which is identical save for certain amendments made by the House. After certain amendments to the bill are considered I should, of course, before final passage like to have the House bill substituted for the Senate bill and passed.

Mr. President, I shall not take time to make any remarks concerning the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3850) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmenal accounting and auditing methods and procedures, and for other purposes.

The bill is as follows:

Be it enacted, etc., That this act may be cited as the "Budget and Accounting Procedures Act of 1950."

TITLE I—BUDGETING AND ACCOUNTING

PART I—BUDGETING

Definition

SEC. 101. Section 2 of the Budget and Accounting Act, 1921 (42 Stat. 20), is amended by adding at the end thereof the following:

"The term 'appropriations' includes, in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations."

PERFORMANCE BUDGET AND REGULATIONS

SEC. 102. (a) Section 201 of such act is amended to read as follows:

"SEC. 201. The President shall transmit to Congress during the first 15 days of each regular session, the budget, which shall set forth his budget message, summary data and text, and supporting detail. The budget shall set forth in such form and detail as the President may determine—

"(a) functions and activities of the Government, constituting a performance budget;

"(b) a segregation of operating, and of capital and investment programs;

"(c) any other desirable classifications of data;

"(d) a reconciliation of the summary data on expenditures with proposed appropriations;

"(e) estimated expenditures and proposed appropriations necessary in his judgment for the support of the Government for the ensuing fiscal year, except that estimated expenditures and proposed appropriations for such year for the legislative branch of the Government and the Supreme Court of the United States shall be transmitted to the President on or before October 15 of each year, and shall be included by him in the budget without revision;

"(f) estimated receipts of the Government during the ensuing fiscal year, under (1) laws existing at the time the budget is transmitted and also (2) under the revenue proposals, if any, contained in the budget;

"(g) actual appropriations, expenditures, and receipts of the Government during the last completed fiscal year;

"(h) estimated expenditures and receipts, and actual or proposed appropriations of the Government during the fiscal year in progress;

"(i) balanced statements of (1) the condition of the Treasury at the end of the last completed fiscal year, (2) the estimated condition of the Treasury at the end of the fiscal year in progress, and (3) the estimated condition of the Treasury at the end of the ensuing fiscal year if the financial proposals contained in the budget are adopted;

"(j) all essential facts regarding the bonded and other indebtedness of the Government; and

"(k) such other financial statements and data as in his opinion are necessary or desirable in order to make known in all practicable detail the financial condition of the Government."

(b) Section 203 of such act is amended to read as follows:

"SEC. 203. (a) The President from time to time may transmit to Congress such proposed supplemental or deficiency appropriations as in his judgment (1) are necessary on account of laws enacted after the transmission of the budget, or (2) are otherwise in the public interest. He shall accompany such proposals with a statement of the reasons therefor, including the reasons for their omission from the budget.

"(b) Whenever such proposed supplemental or deficiency appropriations reach an aggregate which, if they had been contained in the budget, would have required the President to make a recommendation under subsection (a) of section 202, he shall thereupon make such recommendation."

(c) Section 204 of such act is amended to read as follows:

"SEC. 204. Except as otherwise provided in this act, the contents, order, and arrangement of the proposed appropriations and the statements of expenditures and estimated expenditures contained in the budget or transmitted under section 203, and the notes and other data submitted therewith, shall conform to requirements prescribed by the President."

(d) Section 205 of such act is amended to read as follows:

"SEC. 205. Whenever any basic change is made in the form of the budget, the President, in addition to the budget, shall transmit to Congress such explanatory notes and tables as may be necessary to show where the various items embraced in the budget of the prior year are contained in the new budget."

(e) The last sentence of section 207 of such act is amended to read as follows: "The Bureau, under such rules and regulations as the President may prescribe, shall prepare the budget, and any proposed supplemental or deficiency appropriations, and to this end shall have authority to assemble, correlate, revise, reduce, or increase the requests for appropriations of the several departments or establishments."

(f) Section 214 of such act is amended to read as follows:

"SEC. 214. The head of each department and establishment shall prepare or cause to be prepared in each year his requests for regular, supplemental, or deficiency appropriations."

(g) Section 215 of such act is amended to read as follows:

"SEC. 215. The head of each department and establishment shall submit his requests for appropriations to the Bureau on or before a date which the President shall determine. In case of his failure to do so, the President shall cause such requests to be prepared as are necessary to enable him to include such requests with the budget in respect to the work of such department or establishment."

(h) Section 216 of such act is amended to read as follows:

"SEC. 216 Requests for regular, supplemental, or deficiency appropriations which are submitted to the Bureau by the head of any department or establishment shall be prepared and submitted as the President may determine in accordance with the provisions of section 201."

Transitory provisions

SEC. 103. In order to expedite the conversion from present budgeting and accounting methods to the performance type of budget contemplated in the amendments made by this part, the head of such department and establishment in the executive branch of the Government, with the approval of the President, is authorized and directed, until the end of the second full fiscal year following the date of the enactment of this act, to make such transfers and adjustments within his department or establishment between appropriations available for obligation by such department or establishment in such manner as he deems necessary to cause the obligation and administration of funds and the reports of expenditures to reflect the financial requirements of the functions and activities of the department or establishment. Reports of transfers and adjustments made pursuant to the authority of this section shall be made currently to the President and the Congress.

Government statistical activities

SEC. 104. The President, through the Director of the Bureau of the Budget, is authorized and directed to develop programs and to issue regulations and orders for the improved gathering, compiling, analyzing, publishing, and disseminating of statistical information for any purpose by the various agencies in the executive branch of the Government. Such regulations and orders shall be adhered to by such agencies.

Improved administration of executive agencies

SEC. 105. The President, through the Director of the Bureau of the Budget, is authorized and directed to evaluate and develop improved plans for the organization, coordination, and management of the executive branch of the Government with a view to efficient and economical service.

Business-type budgets

SEC. 106. The first two sentences of section 102 of the Government Corporation Control Act of 1945 (59 Stat. 597), are amended to read as follows: "Each wholly owned Government corporation shall cause to be prepared annually a business-type budget which shall be submitted to the Bureau of the Budget, under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented."

PART II—ACCOUNTING AND AUDITING

Short title

SEC. 110. This part may be cited as the "Accounting and Auditing Act of 1950."

Declaration of policy

SEC. 111. It is the policy of the Congress in enacting this part that—

(a) The accounting of the Government provide full disclosure of the results of financial operations, adequate financial information needed in the management of operations and the formulation and execution of the budget, and effective control over income, expenditures, funds, property, and other assets.

(b) Full consideration be given to the needs and responsibilities of both the legislative and executive branches in the establishment of accounting and reporting systems and requirements.

(c) The maintenance of accounting systems and the producing of financial reports with respect to the operations of executive agencies, including central facilities for bringing together and disclosing information on the results of the financial operations of the Government as a whole, be the responsibility of the executive branch.

(d) The auditing for the Government, conducted by the Comptroller General of the United States as an agent of the Congress, be directed at determining the extent to which accounting and related financial reporting fulfill the purposes specified, financial transactions have been consummated in accordance with laws, regulations or other legal requirements, and adequate internal financial control over operations is exercised, and afford an effective basis for the settlement of accounts of accountable officers.

(e) Emphasis be placed on effecting orderly improvements resulting in simplified and more effective accounting, financial reporting, budgeting, and auditing requirements and procedures and on the elimination of those which involve duplication or which do not serve a purpose commensurate with the costs involved.

(f) The Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget conduct a continuous program for the improvement of accounting and financial reporting in the Government.

Accounting and reporting provisions

SEC. 112. (a) The Comptroller General of the United States, after consulting the Secretary of the Treasury and the Director of the Bureau of the Budget concerning their accounting, financial reporting, and budgetary needs, and considering the needs of the other executive agencies, shall prescribe the principles, standards, and related requirements for accounting to be observed by each executive agency, including requirements for suitable integration between the accounting processes of each executive agency and the accounting of the Treasury Department. Requirements prescribed by the Comptroller General shall be designed to permit the executive agencies to carry out their responsibilities under section 113 of this part, while providing a basis for integrated accounting for the Government, full disclosure of the results of the financial operations of each executive agency and the Government as a whole, and financial information and control necessary to enable the Congress and the President to discharge their respective responsibilities. The Comptroller General shall continue to exercise the authority vested in him by section 205 (b) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 389) and, to the extent he deems necessary, the authority vested in him by section 309 of the Budget and Accounting Act, 1921 (42 Stat. 25). Any such exercise of authority shall be consistent with the provisions of this section.

(b) The General Accounting Office shall cooperate with the executive agencies in the development of their accounting systems, including the Treasury Department, in the development and establishment of the system of central accounting and reporting required by section 114 of this part. Such accounting systems shall be approved by the Comptroller General when deemed by him to be adequate and in conformity with the principles, standards, and related requirements prescribed by him.

(c) The General Accounting Office shall from time to time review the accounting systems of the executive agencies. The results of such reviews shall be available to the heads of the executive agencies concerned, to the Secretary of the Treasury, and to the Director of the Bureau of the Budget, and the Comptroller General shall make such reports thereon to the Congress as he deems proper.

SEC. 113. (a) The head of each executive agency shall establish and maintain systems of accounting and internal control designed to provide—

(1) full disclosure of the financial results of the agency's activities;

(2) adequate financial information needed for the agency's management purposes;

(3) effective control over and accountability for all funds, property, and other assets for which the agency is responsible, including appropriate internal audit;

(4) reliable accounting results to serve as the basis for preparation and support of the agency's budget requests, for controlling the execution of its budget, and for providing financial information required by the Bureau of the Budget under section 213 of the Budget and Accounting Act, 1921 (42 Stat. 23);

(5) suitable integration of the accounting of the agency with the accounting of the Treasury Department in connection with the central accounting and reporting responsibilities imposed on the Secretary of the Treasury by section 114 of this part.

(b) The accounting systems of executive agencies shall conform to the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 (a) of this part.

SEC. 114. (a) The Secretary of the Treasury shall prepare such reports for the information of the President, the Congress, and the public as will present the results of the financial operations of the Government: *Provided,* That there shall be included such financial data as the Director of the Bureau of the Budget may require in connection with the preparation of the Budget or for other purposes of the Bureau. Each executive agency shall furnish the Secretary of the Treasury such reports and information relating to its financial condition and operations as the Secretary, by rules and regulations, may require for the effective performance of his responsibilities under this section.

(b) The Secretary of the Treasury is authorized to establish the facilities necessary to produce the financial reports required by subsection (a) of this section. The Secretary is further authorized to reorganize the accounting functions and install, revise, or eliminate accounting procedures and financial reports of the Treasury Department in order to develop effective and coordinated systems of accounting and financial reporting in the several bureaus and offices of the Department with such concentration of accounting and reporting as is necessary to accomplish integration of accounting results for the activities of the Department and provide the operating center for the consolidation of accounting results of other executive agencies with those of the Department. The authority vested in and the duties imposed upon the Department by sections 10, 15, and 22 of the act entitled "An act making appropriations for the legislative, executive, and judicial branches of the Government for the fiscal year ending June 30, 1895, and for other purposes," approved July 31, 1894 (28 Stat. 162, 208–210), may be exercised and performed by the Secretary of the Treasury as a part of his broader authority and duties under this section and in such a manner as to provide a unified system of central accounting and reporting on the most efficient and useful basis.

(c) The system of central accounting and reporting provided for herein shall be consistent with the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 of this part.

SEC. 115. (a) When the Secretary of the Treasury and the Comptroller General determine that existing procedures can be modified in the interest of simplification, improvement, or economy, with sufficient safeguards over the control and accounting for the public funds, they may issue joint regulations providing for the waiving, in whole or in part, of the requirements of existing law that—

(1) warrants be issued and countersigned in connection with the receipt, retention, and disbursement of public moneys and trust funds; and

(2) funds be requisitioned, and advanced to accountable officers under each separate appropriation head or otherwise.

(b) Such regulations may further provide for the payment of vouchers by authorized disbursing officers by means of checks issued against the general account of the Treasurer of the United States: *Provided,* That in such case the regulations shall provide for appropriate action in the event of delinquency by disbursing officers in the rendition of their accounts or for other reasons arising out of the condition of the officers' accounts, including, under necessary circumstances, the suspension or withdrawal of authority to disburse.

SEC. 116. The Comptroller General is authorized to discontinue the maintenance in the General Accounting Office of appropriation, expenditure, limitation, receipt, and personal ledger accounts when in his opinion the accounting systems and internal control of the executive, legislative, and judicial agencies are sufficient to enable him to perform properly the functions to which such accounts relate.

Auditing provisions

SEC. 117. (a) Except as otherwise specifically provided by law, the financial transactions of each executive, legislative, and judicial agency, including but not limited to the accounts of accountable officers, shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. In the determination of auditing procedures to be followed and the extent of examination of vouchers and other documents, the Comptroller General shall give due regard to generally accepted principles of auditing, including consideration of the effectiveness of accounting organizations and systems, internal audit and control, and related administrative practices of the respective agencies.

(b) Whenever the Comptroller General determines that the audit shall be conducted at the place or places where the accounts and other records of an executive agency are normally kept, he may require any executive agency to retain in whole or in part accounts of accountable officers, contracts, vouchers, and other documents, which are required under existing law to be submitted to the General Accounting Office, under such conditions and for such period not exceeding 10 years as he may specify, unless a longer period is agreed upon with the executive agency: *Provided,* That under agreements between the Comptroller General and legislative and judicial agencies the provisions of this sentence may be extended to the accounts and records of such agencies.

General provisions

SEC. 118. As used in this part, the term "executive agency" means any executive department or independent establishment in the executive branch of the Government but (a) except for the purposes of sections 114, 116, and 119 shall not include any Government corporation or agency subject to the Government Corporation Control Act (59 Stat. 597), and (b) except for the purposes of sections 111, 114, and 116 shall not include the Post Office Department.

SEC. 119. The head of each executive agency is authorized to designate the place or places, at the seat of government or elsewhere, at which the administrative examination of fiscal officers' accounts will be performed, and with the concurrence of the Comptroller General to waive the administrative examination in whole or in part: *Provided,* That the same authority is hereby conferred upon the officers responsible for the administrative examination of accounts for legislative and judicial agencies.

TITLE II—APPROPRIATIONS

Transfers between appropriations

SEC. 201. After the end of the second full fiscal year following the date of enactment of this act, with the approval of the President, the head of each department and establishment in the executive branch of the Government is authorized to make transfers and adjustments between appropriations within his department or establishment in order to promote economy and efficiency, but no appropriation shall be increased or decreased thereby during any fiscal year by more than 5 percent. Reports of such transfers and adjustments with the reasons therefor shall be made currently to the President and the Congress and shall be summarized annually in the budget.

Authorizations for appropriations

SEC. 202. No requests for legislation, which, if enacted, would authorize subsequent appropriations for a department or establishment in the executive branch of the Government, shall be transmitted to the Bureau of the Budget, to the President, or to the Congress by such department or establishment, or by any organizational unit thereof, without the prior approval of the head of such department or establishment.

Reductions in appropriations

SEC. 203. To promote economy and to reduce expenditures, the President is authorized to establish and to modify from time to time reserves from appropriations for the executive branch of the Government to the extent that he determines that the purposes intended by the Congress will be accomplished by the expenditure of amounts less than the amounts appropriated.

Adjustment of appropriations for reorganization

SEC. 204. (a) When under authority of law a function or an activity is transferred or assigned from one agency within any department or establishment to another agency in the same department or establishment, the balance of appropriations which are determined by the head of such department or establishment to be available and necessary to finance or discharge the function or activity so transferred or assigned may, with the approval of the President, be transferred to, and be available for use by, the agency to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

(b) When under authority of law a function or activity is transferred or assigned from one department or establishment to another department or establishment, the balance of appropriations which are determined by the President to be available and necessary to finance or discharge the function or activity so transferred or assigned, shall be transferred to and be available for use by the department or established to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be

established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

TITLE III—REPEALS AND SAVING PROVISIONS

Repeals

SEC. 301. The following acts and parts of acts are hereby repealed:

(1) Section 10 of the act of August 1, 1914 (38 Stat. 680; U. S. C., title 31, sec. 582).

(2) So much of section 4 of the act of June 20, 1874 (18 Stat. 109; U. S. C., title 31, sec. 583 (1)), as reads: "; and hereafter the Secretary of the Treasury shall annually submit to Congress detailed estimates of appropriations required for said expenses;".

(3) The last proviso in the first paragraph under the heading "Judgments; United States Courts" of the act of April 27, 1904 (33 Stat. 422; U. S. C., title 31, sec. 583 (2)).

(4) The last sentence of section 5 of the act of August 5, 1882 (22 Stat. 256; U. S. C., title 31, sec. 583 (3)).

(5) So much of the matter appearing under the heading "Mints and Assay Offices" of the act of March 4, 1911 (36 Stat. 1292; U. S. C., title 31, sec. 583 (4)), as reads: ", and the Secretary of the Treasury shall, for the fiscal year 1913, and annually thereafter, submit to Congress, in the regular book of estimates, detailed estimates for the expenses of this Service."

(6) So much of the matter appearing under the heading "Treasury Department" in the act of August 26, 1912 (37 Stat. 596; U. S. C., title 31, sec. 583 (5)), as reads: "*Provided further*, That estimates hereunder shall be submitted in detail for the fiscal year 1914, and annually thereafter."

(7) The last sentence of the paragraph under the heading "Federal Farm Loan Board" of the act of September 8, 1916 (U. S. C., title 31, sec. 583 (7)), appearing on page 803 of volume 39 of the Statutes at Large; and the third and last paragraph under the heading "Federal Farm Loan Bureau" of the act of March 3, 1917 (U. S. C., title 31, sec. 583 (7)), appearing on page 1084 of volume 39 of the Statutes at Large.

(8) The last sentence on page 48 of volume 30 of the Statutes at Large, in the act of June 4, 1897 (U. S. C., title 31, sec. 583 (8)).

(9) The first sentence of section 6 of the act of March 3, 1919 (40 Stat. 1309; U. S. C., title 31, sec. 583 (10)).

(10) The last proviso under the heading "Office of the Chief Signal Officer" of the act of March 2, 1907 (34 Stat. 1159; U. S. C., title 31, sec. 583 (11)).

(11) The sixth full paragraph appearing on page 648 of volume 29 of the Statutes at Large in the act of March 3, 1897 (U. S. C., title 31, sec. 583 (13)).

(12) So much of the matter following the heading "Bureau of Mines" in the act of March 3, 1915 (38 Stat. 858; U. S. C., title 31, sec. 583 (14)) as reads: ", estimates shall be submitted specifically for all personal services required permanently and entirely in the Bureau of Mines at Washington, D. C., and previously paid from lump-sum or general appropriations;".

(13) The proviso at the end of the fourth paragraph on page 312 of volume 37 of the Statutes at Large, in the act of August 17, 1912 (U. S. C., title 31, sec. 583 (15)).

(14) The third paragraph appearing on page 1082 of volume 32 of the Statutes at Large, in the act of March 3, 1903 (U. S. C., title 31, sec. 583 (16)).

(15) So much of section 12 of the act of June 26, 1906 (34 Stat. 480; U. S. C., title 31, sec. 583 (18)), as reads: "and he shall annually submit to Congress estimates to cover the cost of the establishment and maintenance of fish hatcheries in Alaska, the salaries and actual traveling expenses of such officials, and for such other expenditures as may be necessary to carry out the provisions of this act."

(16) The proviso at the end of the first full paragraph on page 456 of volume 32 of the Statutes at Large, in the act of June 28, 1902 (U. S. C., title 31, sec. 583 (20)).

(17) The second full paragraph on page 841 of volume 38 of the Statutes at Large, in the act of March 3, 1915 (U. S. C., title 31, sec. 583 (21)).

(18) The fourth full paragraph on page 2 of volume 38 of the Statutes at Large, in the act of May 1, 1913 (U. S. C., title 31, sec. 583 (22)).

(19) The proviso at the end of the second paragraph under the heading "Bureau of Immigration and Naturalization" of the act of March 4, 1907 (34 Stat. 1329, 1330; U. S. C., title 31, sec. 583 (23)).

(20) The second full paragraph on page 374 of volume 35 of the Statutes at Large, in the act of May 27, 1908 (U. S. C., title 31, sec. 583 (25)).

(21) So much of the last paragraph on page 396 of volume 37 of the Statutes at Large, in the act of August 23, 1912 (U. S. C., title 31, sec. 583 (26)), as reads: "For the fiscal year nineteen hundred and fourteen and annually thereafter estimates in detail shall be submitted for all personal services required in the Indian Office.".

(22) The proviso at the end of the first full paragraph on page 646 of volume 41 of the Statutes at Large, in the act of May 29, 1920 (U. S. C., title 31, sec. 584).

(23) Section 3660 of the Revised Statutes (U. S. C., title 31, sec. 585).

(24) Section 4 of the act of June 22, 1906 (34 Stat. 448; U. S. C., title 31, sec. 586).

(25) Section 4 of the act of March 4, 1909 (35 Stat. 907; U. S. C., title 31, 587).

(26) Section 2 of the act of June 30, 1906 (34 Stat. 762; U. S. C., title 31, sec. 588); and the proviso in the first paragraph on page 1367 of volume 34 of the Statutes at Large, in the act of March 4, 1907 (U. S. C., title 31, sec. 588).

(27) Section 3661, as amended, of the Revised Statutes (U. S. C., title 31, sec. 589).

(28) So much of the first paragraph on page 255 of volume 24 of the Statutes at Large, in the act of August 4, 1886 (U. S. C., title 31, sec. 590), as reads: ": *Provided further*, That all printing and engraving for the Geological Survey, the Coast and Geodetic Survey, the Hydrographic Office of the Navy Department, and the Signal Service shall hereafter be estimated for separately and in detail, and appropriated for separately for each of said bureaus."

(29) Section 3662 of the Revised Statutes (U. S. C., title 31, sec. 591).

(30) Section 3663 of the Revised Statutes, as amended (U. S. C., title 31, sec. 594).

(31) Section 3664 of the Revised Statutes (U. S. C., title 31, sec. 597).

(32) Section 3665 of the Revised Statutes (U. S. C. title 31, sec. 598).

(33) The second paragraph under the heading "Revenue-Cutter Service" in the act of March 2, 1889 (25 Stat. 907; U. S. C., title 31, sec. 600).

(34) So much of the second full paragraph on page 512 of volume 24 of the Statutes at Large, in the act of March 3, 1887 (U. S. C., title 31, sec. 601), as reads: "That the Secretary of the Treasury shall for the fiscal year 1887, and for each fiscal year thereafter in the annual estimates, report to Congress the number of persons employed outside of the District of Columbia, as superintendents, clerks, watchmen and otherwise, and paid from appropriations for the construction of public buildings showing where said persons are employed, in what capacity, the length of time and at what rate of compensation,".

(35) So much of the sixth full paragraph on page 374 of volume 26 of the Statutes at Large, in the act of August 30, 1890 (U. S. C., title 31, sec. 601) as reads: "; and hereafter the Secretary of the Treasury shall annually report to Congress in the book of estimates a statement of the expenditure of the appropriation for 'repairs and preservation of public buildings' which shall show the amount expended on each public building and the number of persons employed and paid salaries from such appropriation."

(36) So much of section 1317 of the Revenue Act of 1921 (42 Stat. 314; U. S. C., title 31, sec. 602) as reads: "; and the Secretary of the Treasury shall submit for the fiscal year 1921, and annually thereafter, an estimate of appropriations to refund and pay back duties or taxes erroneously or illegally assessed or collected under the Internal Revenue laws, and to pay judgments, including interest and costs, rendered for taxes or penalties erroneously or illegally assessed or collected under the internal revenue laws."

(37) The first paragraph on page 133 of volume 22 of the Statutes at Large, in the act of July 1, 1882 (U. S. C., title 31, sec. 603).

(38) The eighth paragraph under the heading "Foreign Intercourse" of the act of May 3, 1905 (33 Stat. 1214; U. S. C., title 31, sec. 603).

(39) The last paragraph on page 48 of volume 30 of the Statutes at Large, in the act of June 4, 1897 (U. S. C., title 31, sec. 604).

(40) The eighth paragraph under the heading "Under the Engineer Department" of the act of February 13, 1913 (37 Stat. 671; U. S. C., title 31, sec. 605).

(41) The sixth paragraph under the heading "Fortifications in Insular Possessions" of the act of March 3, 1905 (33 Stat. 847; U. S. C., title 31, sec. 606).

(42) So much of the first section of the act of August 4, 1886 (24 Stat. 246; U. S. C, title 31, sec 607) as reads: "the estimates for the Army and Navy hospital service shall be submitted as a part of the Military Establishment."

(43) The first full paragraph on page 117 of volume 31 of the Statutes at Large, in the act of April 17, 1900 (U. S. C., title 31, sec. 609).

(44) Section 3668 of the Revised Statutes (U. S. C., title 31, sec. 610).

(45) So much of the first paragraph on page 357 of volume 20 of the Statutes at Large, in the act of March 3, 1879 (U. S. C., title 31, sec. 611), as reads: ": *Provided*, That hereafter, in making his estimates for railway-mail service the Postmaster General shall separate the estimate for postal-car service from the general estimates; and in case any increase or diminution of service by postal cars shall be made by him, the reasons therefor shall be given in his annual report next succeeding such increase or diminution."

(46) So much of the first paragraph under the heading "United States Geological Survey" in the act of March 3, 1887 (24 Stat. 527; U. S. C., title 31, sec. 612), as reads: "; and hereafter the estimates for the Geological Survey shall be itemized."

(47) The first paragraph on page 455 of volume 32 of the Statutes at Large, in the act of June 28, 1902 (U. S. C., title 31, sec. 612).

(48) Section 4 of the act of August 15, 1876 (19 Stat. 200; U. S. C., title 31, sec. 613).

(49) The fourth paragraph of section 26 of the act of June 30, 1913 (38 Stat. 103; U. S. C., title 31, sec. 613).

(50) The eighth full paragraph on page 1421 of volume 36 of the Statutes at Large, in the act of March 4, 1911 (U. S. C., title 31, sec. 614).

(51) The eighth full paragraph on page 1206 of volume 33 of the Statutes at Large, in the act of March 3, 1905 (U. S. C., title 31, sec. 615).

(52) The fourth full paragraph under the heading "Government in the Territories" of the act of July 16, 1914 (38 Stat. 479; U. S. C., title 31, sec. 616).

(53) The first full paragraph on page 492 of volume 39 of the Statutes at Large, in the

act of August 11, 1916 (U. S. C., title 31, sec. 617).

(54) The proviso in the first paragraph under the heading "Rent in the District of Columbia" of the act of March 4, 1915 (38 Stat. 1108; U. S. C., title 31, sec. 617).

(55) The seventh paragraph on page 433 of volume 32 of the Statutes at Large, in the act of June 28, 1902 (U. S. C., title 31, sec. 618).

(56) The ninth full paragraph on page 755 of volume 36 of the Statutes at Large, in the act of June 25, 1910 (U. S. C., title 31, sec. 618).

(57) The fourth full paragraph on page 362 of volume 27 of the Statutes at Large, in the act of August 5, 1892 (U. S. C., title 3, sec. 619).

(58) The first full paragraph on page 764 of volume 36 of the Statutes at Large, in the act of June 25, 1910 (U. S. C., title 31, sec. 620).

(59) Section 6 of the act of August 1, 1914 (38 Stat. 679; U. S. C., title 31, sec 621).

(60) The last full sentence in the first paragraph on page 254 of volume 23 of the Statutes at Large, in the act of July 7, 1884 (U. S. C., title 31, sec. 622).

(61) Section 5 of the act of June 30, 1906 (34 Stat. 763; U. S. C., title 31, sec. 626).

(62) The proviso at the end of the first paragraph on page 579 of volume 37 of the Statutes at Large, in the act of August 24, 1912 (U. S. C., title 31, sec. 626).

(63) Section 7, as amended, of the act of August 26, 1912 (37 Stat. 626; 37 Stat. 790; U. S. C., title 31, sec. 629).

(64) The fourth full paragraph on page 854 of volume 37 of the Statutes at Large, in the act of March 4, 1913 (U. S. C., title 31, sec. 630).

(65) The proviso at the end of the seventh paragraph on page 1030 of volume 31 of the Statutes at Large, in the act of March 3, 1901 (U. S. C., title 31, sec. 633).

(66) The second paragraph under the heading "Contingent, Bureau of Ordnance" of the act of July 12, 1921 (42 Stat. 128; U. S. C., title 31, sec. 636), down through the first proviso therein.

(67) So much of the third paragraph under the heading "Contingent expenses, Navy Department" of the act of June 22, 1906 (34 Stat. 427; U. S. C., title 31, sec. 637), as reads: "and hereafter it shall not be lawful to expend, for any of the offices or bureaus of the Navy Department at Washington, any sum out of appropriations made for the naval establishment for any of the purposes mentioned or authorized in the said foregoing paragraph."

(68) So much of the paragraph under the heading "Increase of the Navy, equipment" of the act of March 3, 1915 (38 Stat. 952; U. S. C., title 31, sec. 648), as reads: "and beginning with July 1, 1915, equipment outfits shall be charged to appropriation 'Increase of the Navy, construction and machinery'."

(69) The two provisos in the paragraph under the heading "Fuel and transportation" of the act of March 3, 1915 (38 Stat. 944; U. S. C., title 31, sec. 649).

(70) The proviso in the tenth paragraph on page 236 of volume 28 of the Statutes at Large, in the act of August 6, 1894 (U. S. C., title 31, sec. 650).

(71) The fourth full paragraph on page 1175 of volume 34 of the Statutes at Large, in the act of March 2, 1907 (U. S. C., title 31, sec. 655).

(72) So much of the first full paragraph on page 1391 of volume 42 of the Statutes at Large, in the act of March 2, 1923 (U. S. C., title 31, sec. 656), as reads: "and the budget estimates for each of such appropriations shall hereafter carry separately the amounts required for such transportation costs."

(73) The proviso in the seventh full paragraph on page 520 of volume 32 of the Statutes at Large, in the act of June 30, 1902 (U. S. C., title 31, sec. 657).

(74) The proviso in lines 2 through 8 on page 710 of volume 36 of the Statutes at Large, in the act of June 25, 1910 (U. S. C., title 31, sec. 664).

(75) Section 3682 of the Revised Statutes (U. S. C., title 31, sec. 674).

(76) Section 3683 of the Revised Statutes (U. S. C., title 31, sec. 675).

(77) The second full paragraph on page 1303 of volume 41 of the Statutes at Large, in the act of March 3, 1921 (U. S. C., title 31, sec. 676).

(78) The proviso in lines 7 through 17 on page 203 of volume 20 of the Statutes at Large, in the act of June 19, 1878 (U. S. C., title 31, sec. 677).

(79) Section 3684 of the Revised Statutes (U. S. C., title 31, sec. 681).

(80) Section 6 of the act of May 30, 1908 (U. S. C., title 31, sec. 683).

(81) So much of the paragraph under the heading "Pay of assistant custodians and janitors" on pages 1153 and 1154 of volume 31 of the Statutes at Large, in the act of March 3, 1901 (U. S. C., title 31, sec. 684), as reads: ", and hereafter no other fund appropriated shall be used for this service."

(82) The second paragraph under the heading "United States Commerce Court" of the act of March 4, 1911 (36 Stat. 1234; U. S. C., title 31, sec. 687).

(83) Section 26 of the act of June 30, 1913 (38 Stat. 103; U. S. C., title 31, sec. 688).

(84) Section 400 of the Second Deficiency Appropriation Act, 1947 (U. S. C., title 31, sec. 694).

(85) Section 607 of the act of June 30, 1945, as amended (59 Stat. 304; U. S. C., title 5, sec. 947).

(86) Section 3 of the act of March 3, 1875, as amended (18 Stat. 370; U. S. C., title 31, sec. 624).

(87) So much of the act of March 26, 1934, as amended (48 Stat. 466; U. S. C., title 5, sec. 118c), as reads: "with the budget estimates."

(88) So much of the paragraph under the heading "Department of State" in the act of August 5, 1909 (36 Stat. 119; U. S. C., title 5, sec. 157), as reads: "and estimates for further appropriations hereunder shall include in detail salaries for all persons to be employed and paid in the Department of State at Washington, D. C."

(89) The last proviso under the head "Working capital fund" in the act of July 12, 1943 (57 Stat. 393; U. S. C., title 5, sec. 558a).

(90) So much of section 17 of the act of May 22, 1920, as amended (41 Stat. 620; U. S. C., title 5, sec 730), as reads: "annually to the Bureau of the Budget."

(91) Section 31 of the act of September 7, 1916, as amended (39 Stat. 749; U. S. C., title 5, sec. 782).

(92) The last sentence of section 35 of the act of September 7, 1916, as amended (39 Stat. 749; U. S. C., title 5, sec. 785).

(93) So much of section 1 of the act of October 1, 1890 (26 Stat. 653; U. S. C., title 10, sec. 214), as reads: "and the Signal Corps of the Army shall remain a part of the Military Establishment under the direction of the Secretary of War, and all estimates for its support shall be included with other estimates for the support of the Military Establishment."

(94) The last proviso of section 4 of the act of March 12, 1926 (44 Stat. 206; U. S. C., title 10, sec. 1597).

(95) So much of section 1 of the act of June 12, 1917, as amended (40 Stat. 153; U. S. C., title 16, sec. 452), as reads: "and the Secretary of the Interior is directed to submit, for the fiscal year 1919 and annually thereafter, estimates of the amounts required for the care, maintenance, and development of the said parks."

(96) So much of section 1 of the act of July 24, 1876, as amended (19 Stat. 99; U. S. C., title 24, sec. 278), as requires estimates for the care and maintenance of the national military cemeteries to be submitted annually by the Director of the National Park Service.

(97) So much of section 1 of the act of January 24, 1923 (42 Stat. 1208; U. S. C., title 31, sec. 12), as reads: "The aggregate of all estimates of appropriations from the reclamation fund' contained in the budget for any fiscal year shall be included in the totals of the budget for that year."

(98) The second paragraph under the heading "Pay, Miscellaneous" of the act of March 3, 1909 (35 Stat. 754; U. S. C., title 31, sec. 609a).

(99) The third paragraph under the heading "Office of the Fourth Assistant Postmaster General" of the Act of June 9, 1896 (29 Stat. 316; U. S. C., title 31, sec. 610a).

(100) The last proviso under the heading "National Home for Disabled Volunteer Soldiers" of the act of October 2, 1888, as amended (25 Stat. 543; U. S. C., title 31, sec. 719).

101) Section 119 of the act of June 3, 1916 (39 Stat. 213; U. S. C., title 32, sec. 25).

(102) So much of the fourth full paragraph on page 558 of volume 39 of the Statutes at Large in the act of August 29, 1916 (U. S. C., title 34, sec. 504), as reads: "and the Secretary of the Navy shall each year, in the annual estimates, report to Congress the number of persons so employed, their duties, and the amount paid to each."

(103) The last proviso in the third paragraph on page 377 of volume 37 of the Statutes at Large in the act of August 23, 1912 (U. S. C., title 39, sec. 769).

(104) Section 27 of the act of January 12, 1895, as amended (28 Stat. 604; U. S. C., title 44, sec. 37).

(105) The eighth full paragraph on page 382 of volume 35 of the Statutes at Large in the act of May 27, 1908 (U. S. C., title 44, sec. 37).

(106) The last paragraph under the heading "Government in the Territories" in the act of June 20, 1874 (18 Stat. 99; U. S. C., title 48, sec. 1456).

Saving provisions

SEC. 302. (a) The omission of any provision of law from the provisions of law repealed under section 301 shall not be construed as limiting the application of section 201 or 216 of the Budget and Accounting Act, 1921, as amended, or the powers of the President thereunder, or as evidencing an intent that such provision was not to be superseded by such sections.

(b) Whenever any law authorizes expenditures for a particular object or purpose to be made from an appropriation item referred to in such law by the specific title theretofore used for that appropriation item in the appropriation act concerned, and thereafter such title is changed or is eliminated from such appropriation act, expenditures for such object or purpose thereafter may be made from any corresponding appropriation item.

(c) Except where authority for performance of a function is specifically repealed in section 301, none of the provisions of such section shall be construed as affecting the jurisdiction or responsibility of any agency or officer of the Government over any function or organizational unit referred to in such section.

(d) Existing laws, policies, procedures, and directives pertaining to functions covered by this act, and not inconsistent herewith or repealed hereby, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this act or under other appropriate authority.

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD a general statement I have prepared, about the history of the bill, and also to place in the RECORD at this point a general analysis of the bill, as well as certain explanatory matter relating to the House amendment.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

HISTORY OF CONGRESSIONAL ACTION ON BUDGET AND ACCOUNTING PROCEDURES ACT OF 1950

A bill, S. 2054, drafted by Hoover Commission to conform to recommendations in its Report on Budgeting and Accounting, was introduced in the Senate June 13, 1949 by Senator McCARTHY, of Wisconsin, and referred to the Senate Committee on Expenditures in the Executive Departments. Companion bills, H. R. 5178 and H. R. 5823, were introduced in the House on June 15 and August 1, 1949.

Hearings were held in the Senate on the bill from February 27 through March 7, 1950, at which time an opportunity was afforded for all witnesses to present their views and suggestions relative to desirable amendments to overcome objections to the original bill. It was the concensus of most witnesses that S. 2054 was unsatisfactory and that extensive amendments would be necessary before the bill would be acceptable to the Administration or to the Congress.

Following the hearings on S. 2054, the staff of the Senate Committee on Expenditures in the Executive Departments in collaboration with representatives of the General Accounting Office, the Bureau of the Budget, and the Department of the Treasury spent several months in perfecting language which was incorporated in Committee Prints dated June 21 and 27, and introduced as a committee bill, S. 3850, on June 29, 1950.

Further committee consideration was given to the revised bill, S. 3850, in executive session on July 10, at which time the bill was ordered reported favorably by unanimous vote of the committee. The report was filed in the Senate on July 12, 1950, as Senate Report No. 2031.

The House Committee on Expenditures in the Executive departments took no action on the original bills until S. 3850 was introduced in the Senate, after which an identical bill (H. R. 9038) was introduced in the House on July 5, 1950, or six days after S. 3850 was filed. Hearings were held on the House bill on July 11, the day following Senate Committee action reporting favorably S. 3850. The House Committee, after deleting three sections of the bill (sections 103, 201, and 203) reported H. R. 9038, on July 13, 1950. The House report, except for the deletion of analyses as to these sections, followed the Senate report in practically identical language. The Committee stated in its report, House Report No. 2556, that "H. R. 9038 and a companion bill, S. 3850, provide the complete framework for bringing the budgeting, accounting, and auditing procedures of the Government up to date."

The Honorable Lindsay C. Warren, Comptroller General of the United States, testified before the House Committee on Expenditures in the Executive Departments that—

"The bill before your committee represents the outcome of months of work on the part of all parties concerned in improving the budgeting, accounting, and auditing procedures of the Government. It provides a solid foundation for bringing and keeping those procedures up to date and, upon enactment, will become, in my opinion, a legislative landmark comparable only to the Budget and Accounting Act of 1921. The bill is identical with a measure, S. 3850, introduced by 11 members of the Senate Expenditures Committee and reported unanimously yesterday. S. 3850 grew out of full hearings by the Senate Committee on Expenditures and able and thorough work by the staff of the Senate committee, and discussions with the staff of this committee. It takes into consideration all viewpoints, and the technical staffs of the General Accounting Office, the Treasury Department, and the Bureau of the Budget were called upon in drafting it."

The Director of the Bureau of the Budget stated that—

"This bill, H. R. 9038 is similar to the Senate bill which was reported yesterday, which was a result of about 6 months of study by the staff of that committee and the staff of the three agencies represented here this morning. It flowed from an original bill introduced by Senator McCARTHY, which was considered earlier this year by the Senate committee.

"They were in the main, as far as the budgeting provisions are concerned, very similar. With respect to the accounting provisions, they were quite different.

"The committee asked for a study to be made of that bill, which was made in cooperation by the three agencies and the staff of the committee. As a result, a bill identical with this bill was considered yesterday and reported unanimously by the Senate committee.

"This bill represents, as the Secretary of the Treasury and the Comptroller General have stated, a real advance in budgeting and accounting legislation."

The amendments approved by the House committee would strike the following three sections from the original bill:

1. Section 103: This section would permit flexibility during a 2-year transitional period in making the budget and accounting changes provided for in the bill. The following is quoted from the Senate report as to its purpose:

"This will permit earlier and more orderly accomplishment of the contemplated reforms than would otherwise be possible in some instances. It permits department heads, with the approval of the President, to make certain transfers between appropriations within, not between, departments during the next two fiscal years, and provides that such transfers shall be reported to the President and the Congress to avoid abuse of the provision. Several departmental authorizations and numerous specific transfers already occur in existing statutes."

2. Section 201: This section would permit the head of each department to transfer, subject to the approval of the President, a maximum of 5 percent of appropriations, and is designed to give such department heads administrative flexibility in promoting economy and efficiency in the operations of the Government. It is designed to decrease the need for supplemental and deficiency appropriations, and to meet deficiencies that arise during a fiscal year period where less funds may be needed in one operation and increased activities are required to implement another program within the same agency. This is in direct compliance with the Hoover Commission recommendations to permit more flexibility in administration.

3. Section 203: This section authorizes the President to establish reserves from appropriations for the executive branch whenever he determines that the objectives of the appropriations made by Congress can be accomplished by the expenditure of an amount smaller than the appropriation. This clarifies the President's authority to secure economy and reduce expenditures, and is intended to be in addition to, and not in substitution for, any authority granted by law authorizing apportionment of appropriations or funds.

This section was added as a substitute for section 1111 of the omnibus appropriation bill, which accomplishes the same purpose but is far more extensive in its coverage. In the opinion of the committee it is a desirable provision, but should section 1111 of the Appropriation Act be approved by Congress this section would not be required and, in such event, the Senate could agree to the House action.

After only a brief hearing and consideration the House committee reported unanimously H. R. 9038 with the amendments indicated above. All testimony by witnesses at the House committee hearing by the Comptroller General, the Secretary of the Treasury, and the Director of the Bureau of the Budget with their technical assistants was devoted to endorsement of the bill as drafted by the Senate Committee on Expenditures in the Executive Departments. There was some discussion of the proposed deletion of these three sections during the questioning of the above witnesses.

The Senate is being asked to accept amendments adopted by the House committee to the Senate bill, after brief consideration as compared to 6 months of concentrated effort on the part of the staff of the Senate Committee on Expenditures in the Executive Departments and representatives of the General Accounting Office, the Bureau of the Budget, and the Department of the Treasury. I do not believe therefore that the Senate is justified in accepting either the amendments adopted in committee or two other so-called perfecting amendments to section 102, incorporated in the bill on the floor of the House. These latter two amendments strike specific recommendations of the Hoover Commission relating to the creation of a performance budget and the segregation of operating and of capital and investment programs in the budget message. The Senate committee took the view that these provisions were desirable and constructive.

In addition to the above amendments, Representative TABER, of New York, appeared before the Committee on Rules of the House in behalf of additional language to be incorporated in section 204, to provide for the continued submission to the Appropriations Committees the so-called green sheets. This section would be amended to read as follows:

"SEC. 204. (a) Except as otherwise provided in this act, the contents, order, and arrangement of the proposed appropriations and the statements of expenditures and estimated expenditures contained in the budget or transmitted under section 203, and the notes and other data submitted therewith, shall conform to requirements prescribed by the President (original H. R. 9038 up to this point, to which the following was added by amendments), and *provided further*, That nothing in this act shall be construed to limit the authority of the committees of Congress to request and receive such information in such form as they may desire in consideration of and action upon budget estimates.

"(b) The budget and statements furnished with any proposed supplemental or deficiency appropriations shall be accompanied by information as to personal services and other objects of expenditure in the same manner and form as in the budget for the fiscal year 1950: *Provided*, That this requirement may be waived or modified, either generally or in specific cases, by joint action of the committees of Congress having jurisdiction over appropriation."

These amendments were submitted and approved on the floor of the House. There is no objection to them, but they are unneces-

sary as Congress already has full powers to procure whatever information it needs in support of appropriation requests.

In urging that the Senate insist on the language incorporated in the original bill, S. 3850, I feel that it is essential that the Congress recognize the fact that this is technical legislation and that all sections of the bill are closely interrelated. Each of the sections of the bill were drafted by budgeting, accounting and auditing experts to coordinate with other provisions within the proposed legislation. To arbitrarily eliminate these sections might well bring about complications which would interfere with the proper administration of other sections related to those that the House proposes to delete.

It is my firm conviction that if we are to have a completely interrelated program in the budgeting, accounting, and auditing fields that the bill should be retained in its entirety as approved by the three agencies vested with the administrative authority contained in the bill. This does not mean, however, that amendments might not be found to be desirable, but I feel that your committee, which has considered the measure carefully and extensively, should be permitted to work out any changes that may be found to be desirable and practical in conference. I therefore urge that the Senate bill be approved in its present form and substituted for the House bill so that a complete and workable act may be perfected.

SPEECH OF SENATOR JOHN L. MCCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS, IN THE UNITED STATES SENATE

The pending bill, S. 3850, is the result of more than 3 years' study on the part of the staff of the Committee on Expenditures in the Executive Departments, and representatives of the General Accounting Office, Treasury Department, and Bureau of the Budget. In drafting the bill, the committee also considered and examined carefully the recommendations of the Hoover Commission in its Report on Budgeting and Accounting. The Comptroller General, the Director of the Bureau of the Budget, and the Secretary of the Treasury appeared before the committee to express their approval of the bill. The Comptroller General, to whom the Congress looks for advice as their own agent in these matters, stated that the pending measure is "the most progressive and important piece of legislation in this field since the enactment of the Budget and Accounting Act of 1921".

The Hoover Commission characterized the Federal budget as "An inadequate document, poorly organized and improperly designed", and pointed out that no constructive action has been taken to improve Federal budgetary practices for almost 30 years. S. 3850 is an effort to correct that situation. It is a long overdue modernization of basic law on Federal budgeting. One of its primary objectives is to provide for the presentation of the budget to the Congress in a more informative and understandable manner.

The first six sections of part I of the bill deal with budgeting, and include the following general provisions:

A. Requires the budget to show a summary reconciliation as to the relationship between congressional appropriations and expenditures, which information is also needed to determine our tax requirements;

B. Requires that the budget be transmitted to the Congress during the first 15 days of each regular session, in lieu of the present requirement that it be presented on the first day, to prevent conflict with the state of the Union message, and to provide for better coordination;

C. Places squarely on the head of each agency the responsibility for budget requests which are processed through the Bureau of the Budget, and for legislative proposals which would authorize appropriations, in conformity with the Hoover Commission recommendations;

D. Permits transfers between appropriations within a department during a 2-year period immediately following the enactment of the bill when the performance budget system is being installed. This section does not permit such transferred funds to be used for purposes other than those for which appropriated;

E. Clarifies and emphasizes the responsibility of the President and the Bureau of the Budget in the coordination of statistical programs and the improvement of Government administration generally.

Part II of title I is a complete Accounting and Auditing Act of 1950. It embodies the principles and objectives of the cooperative program which has been carried on for the past 3 years under the leadership of the three top fiscal officials of the Government—the Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget—for the improvement of Federal accounting. This section has been drafted with a view to obtaining maximum benefits from work going forward under the program, and will help in the attainment of the budgetary improvements provided in other parts of the bill.

Briefly, this part carries out the following programs:

A. Clearly defines the responsibilities and duties of all the agencies and officials involved, with proper restrictions to insure coordination with an over-all program in accounting, financial reporting, budgeting, and auditing.

B. Continues in full force, and in some instances expands, the Comptroller General's authority over accounting, while providing that the agencies themselves assume responsibility for the development of their own detailed systems and procedures.

C. Imposes upon the Secretary of the Treasury the responsibility for central financial reporting, and authorizes him to perform such central accounting functions as are necessary for that purpose.

D. Includes a declaration of policy as to the purposes Government accounting shall serve, making clear the desire of Congress that full consideration be given to the needs of both the legislative and executive branches of the Government in the establishment of accounting systems.

E. In addition to the responsibility to prescribe accounting principles, standards, and related requirements vested in the Comptroller General, he is required to cooperate with the executive agencies, including the Treasury, in the development of their accounting systems, and establishing a system of central accounting and reporting.

F. Authorizes the Secretary of the Treasury and the Comptroller General to issue joint regulations providing for the waiver of requirements for warrants in connection with the expenditure of public funds, when in the interest of better operation and not jeopardizing effective controls; and permits the requisitioning and advance of funds to disbursing officers under such joint regulations.

G. Authority is granted to the Comptroller General to discontinue maintaining in the General Accounting Office certain accounts now being maintained when, in his opinion, the accounting systems and internal control of the agencies are sufficient to enable him to perform the functions of his office to which such accounts relate.

H. The auditing provisions will enable progressive decentralization and reassignment of GAO audits hand-in-hand with improvements of agency accounting, internal control, and related procedures, including the administrative application of statutes governing expenditures.

These accounting and auditing provisions will permit the strengthening of congressional controls over accounting and make more effective the exercise of its power over the purse.

The bill incorporates every proposal of the Hoover Commission in its report on accounting and auditing, with the single exception of the recommendation for the creation of an accountant general under the Secretary of the Treasury. This recommendation goes counter to the long-established policy of the Congress authorizing the Comptroller General, as an agent of the Congress, to prescribe accounting requirements for executive agencies under which proper audit reports may be submitted to the Congress as to the expenditure of Federal funds in accordance with appropriation authorizations.

On this point, the House of Representatives is in complete accord with the action taken by the Senate Committee on Expenditures in the executive departments. No single voice was raised in that body in behalf of taking this authority away from the Comptroller General. Representative CLARENCE BROWN, of Ohio, a former member of the Hoover Commission, in commenting on this proposal, stated that: "This is in line, in general, with that exception, with all the Hoover Commission recommendations. So far as I know, and I do not want to speak out of turn for every other member of the commission, but those members on the Commission with whom I have discussed this matter are in favor of this legislation." That point of view coincides with the action taken by the Committee on Expenditures in reporting S. 3850 to the Senate and, I believe, accords with the views of practically every Member of this body.

Under title II, which relates to appropriations controls, the four general provisions are summarized in brief as follows:

A. Section 201 permits a department head to transfer funds from one appropriation to another, not to exceed a 5-percent maximum, to promote economy and efficiency. The committee believes that this provision would decrease the number of requests made each year for small deficiency or supplemental appropriations by making it possible to absorb limited added costs for necessary increased activities within amounts already appropriated. The limitation provided is sufficient, the committee believes, to prevent any abuse of this section or to bring about any divergence from program authorizations determined by the Congress.

B. Section 202 carries into effect a recommendation of the Hoover Commission with respect to granting authority to department heads to approve requests made by any unit of the agency for proposed legislation which would authorize appropriations.

C. Section 203 would authorize the President to establish reserves against appropriations when he determines that the purposes of the Congress can be accomplished with amounts less than those appropriated. This provision is especially necessary at this time when it is essential that every possible saving be effected in appropriations that are not directly connected with defense.

In this connection, it should be pointed out that section 1111 of the General Appropriation Act, now pending, has a similar import with broader application, and if that latter provision is approved, section 203 of this bill will be unnecessary. The committee believes, however, that the provision should be included in the Senate bill and stricken in conference if the provision in the appropriation bill is approved, since the House has already removed it.

D. Section 204 authorizes transfers of funds in connection with reorganizations within

a department or between two or more departments, but does not permit the use of funds for purposes other than those for which they were appropriated. This section is designed to transfer funds along with functions as they may be shifted by reorganizations, so that such funds may be used to carry out the functions for which they were appropriated by the Congress.

Title III of the bill includes 106 repeal provisions. Most of these were enacted before the Budget and Accounting Act of 1921, and are obsolete as to their operations either under that act or by subsequent legislation. Their repeal at this time is recommended by the committee in order to clarify existing law and to insure uniform treatment of budget estimates by all Federal agencies.

The statutes repealed in this section have been studied carefully by the staff of the committee, the Senate legislative counsel, and the agencies which participated in the development of the program effectuated under this bill, and there is unanimous agreement that these statutes are unnecessary under the procedure provided in the bill, and should be repealed.

In conclusion, I wish to associate myself with the Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget in the view that this legislation provides the Congress with an opportunity to streamline and modernize our budgeting and accounting procedures, and to permit of better evaluation and appraisal of the budgetary programs on which Members of Congress are required to act.

S. 3850—Effect of Taber Amendments

Certain of the provisions of S. 3850 with respect to budgeting are designed to carry out recommendations of the Hoover Commission. These provisions also were carried in the companion bill (H. R. 9038) which was reported to the House. However, on the floor of the House certain amendments were introduced on behalf of the committee, but at the instance of the ranking minority member of the House Committee on Appropriations. The effect of these amendments is described below.

PERFORMANCE BUDGET

Section 102 (a) would amend section 201 of the Budget and Accounting Act by requiring that the budgets set forth "(a) functions and activities of the Government, constituting a performance budget." One of the amendments referred to above struck the words "constituting a performance budget."

The requirement that the budget set forth the functions and activities of the Government, in order to constitute a performance budget, is one of the principal features of the budgeting portion of the bill. This provision gives statutory effect to the initial recommendation of the Hoover Commission's report on budgeting and accounting—a requirement designed to provide a budget that will give more comprehensive information to the President, the Congress, and the general public, and that will help the Congress to look at the Budget and know what the Government is doing, how much it is doing, and what the costs are.

This recommendation of the Hoover Commission has the support of the President, and he has already taken initial steps in his 1951 budget to present appropriation requests on a performance basis. It has been endorsed without exception by 21 departments and agencies in their letters to the Senate Expenditures Committee commenting on the budgeting and accounting recommendations of the Hoover Commission. The Congress has already enacted law which requires that the budget estimates of the Department of Defense be presented on a performance basis. This bill would extend the requirement to all other agencies.

The performance budget is essential to sound congressional action on appropriation requests and will sharpen congressional control of appropriations. It will focus congressional attention on the general character and relative importance of the work to be done and upon the service to be rendered. This does not mean that Congress should not examine carefully how much personal services, supplies, and equipment are needed, but emphasizes that Congress wants to know what work or service is to be accomplished and what that work or service will cost. It will go far toward answering questions that many Members of Congress frequently ask with regard to the costs of specific programs—questions that have not been answered in many prior budgets.

The House amendment would not prevent the submission of a performance budget. That can be done, and was done for the fiscal year 1951, under existing law. The House amendment does however, leave the submission of a performance budget an optional matter with the President. One of the purposes of S. 3850 is to make the performance budget mandatory.

SEGREGATION OF OPERATING AND CAPITAL PROGRAMS

Section 102 (a) of S. 3850 would also amend section 201 of the Budget and Accounting Act to require "(b) a segregation of operating, and of capital and investment programs." Another of the House amendments would strike out this provision, which was one of the significant recommendations of the Hoover Commission for improved budgeting.

Again this is a requirement designed to improve congressional examination of budget requests. As the Hoover Commission has pointed out, these two types of expenditures are essentially different in character. Because of this difference, they often need to be looked at by the Congress in different ways. Budget requests for many capital projects, for example, provide funds for only the initial work needed to get them under way, and succeeding budgets include larger amounts for their completion. Unless these kinds of programs are set forth separately, the Congress may not be fully aware of future cost commitments that it may be encouraging. This is not good business on the part of the Federal Government. This provision, too, is one which extends to the rest of the Government statutory requirements already enacted with regard to the budget of the Department of Defense.

The House amendment would not preclude the segregation of operating and of capital and investment programs in the budget. However, it would leave such a segregation to the option of the President, whereas the intent of S. 3850 is to make such a segregation mandatory.

DETAILED INFORMATION ON PERSONAL SERVICES

Both S. 3850 and H. R. 9038, as passed by the House, in subsection 301 (1) would repeal section 10 of the act of August 1, 1914 (31 U. S. C. 582). That act required submission of certain detailed information on personal services and other objects of expenditure. However, one of the House amendments mentioned above would add to the bill a requirement that the budget be accompanied by similar information with respect to these items in the same manner as in the budget for the fiscal year 1950.

There can be no disagreement on the need for careful scrutiny by the Congress of the number of employees needed to carry on agency programs. The Hoover Commission has indicated, however, that information on personal services and other objects of expenditure is not needed in detail in order to examine appropriation requests. In addition, the Commission has pointed out a fact well known to Members of the Congress, namely, that the budget document has grown larger and larger in size without providing an understandable and workable financial plan for Government expenditures. It has been the great mass of detail presented with the budget estimates, comprised in large part of detailed lists of positions and salaries, that has drawn attention away from the primary purpose of the budget document—which is to show performance in terms of work and services and their costs.

It has been an objective of S. 3850 to stress the primary purposes of the budget as identified by the Hoover Commission, because it was felt that the main attention of the Congress should be directed to the need for services and programs, to program objectives and workload, and to costs of performance. The bill has also envisioned the elimination from the budget document of detailed information not directly associated with the budget's main purpose. The bill does not, however, preclude inclusion in the budget document of summary information on positions, salaries, and other objects of expenditure as presented in the 1951 budget—information which is useful to congressional review and control of the Federal budget.

S. 3850, Section 104—Government Statistical Activities

Section 104 of S. 3850 is very important for the improvement of a basic Government activity—the gathering and publication of statistics. The Hoover Commission appointed a special task force to study the activities of Federal statistical agencies. After consideration of that task-force report, the Commission stated in its own report:

"The statistical research and publications are the very basis of public administration and are essential to study and understanding of economic and social life."

The Commission also pointed out in its report on Government statistical activities that innumerable private and public decisions every day are based upon statistical data.

Because of the importance of accurate statistical data as a basis for informed policy decisions, because of the need for accurate and prompt measurements of employment, production and purchasing power, and because of the deficiencies and defects existing in our present statistical system, the Commission recommended that the authorities of the Division of Statistical Standards in the Bureau of the Budget, subject to the approval of the President, be strengthened to enable it to effect improvements in statistical activities. This recommendation is carried out in section 104 of S. 3850, which provides that the President, through the Director of the Bureau of the Budget, is authorized and directed to develop programs and to issue regulations and orders for the improved gathering, compiling, analyzing, publishing, and disseminating of statistical information for any purpose by the various agencies in the executive branch of the Government.

The statistical services of our Federal Government are necessarily decentralized. Much important statistical information is obtained as a byproduct of the regular operating functions of such agencies as the Social Security Administration, the Interstate Commerce Commission, or the Bureau of Mines. In every case the responsibility for collection and analysis of important facts bearing on our national well-being must be assigned to the agency best equipped to carry on that work most efficiently. For this reason we must have a strong central coordinating unit, familiar with the operations and needs of all agencies and able to supply competent management and direction of the Government's widely dispersed statistical activities. Without such central direction we cannot escape inefficiencies, duplication, and waste. That direction is provided for by section 104

which would place in the Executive Office of the President a responsibility for directing the processing of statistics which is similar to the responsibility it now has for the gathering of statistics under the Federal Reports Act of 1942.

S. 3850, SECTION 105—IMPROVING ADMINISTRATION

Section 105 of the bill would authorize and direct the President, acting through the Director of the Bureau of the Budget, to develop improved plans for the organization, coordination, and management of the executive branch of the Government with a view to efficient and economical service.

This section emphasizes the concern of the Congress with the achievement and maintenance of the most advantageous organization and management of executive branch affairs. Consistent with the recommendations of the Commission on Organization of the Executive Branch, the provisions of section 105 of the bill would reiterate and restate the responsibilities of the Bureau of the Budget with respect to the promotion of efficient organization and administration throughout the executive branch of the Government.

The Congress has consistently recognized the necessity for, and the importance of, proper executive organization. In recent years it has done so through the creation of the Commission on Organization of the Executive Branch of the Government and through the subsequent making of notable reorganizations, both by legislation and by reorganization plan. In the enactment of the Budget and Accounting Act of 1921 the Congress directed that necessary studies should be made for the purpose of securing greater economy and efficiency in the conduct of the public service.

The provisions of section 105 will not derogate from the functions with respect to the organization and management of the executive branch of the Government now vested in the Bureau of the Budget and the President by the provisions of that act.

I think it may properly be said that there is great public concern that governmental affairs be conducted efficiently. This concern undoubtedly comes about in part through the increased understanding afforded citizens by the explorations and reports and recommendations of the Commission on the Organization of the Executive Branch of the Government. However, this concern may spring even more directly from the increased interest on the part of citizens about their Government which is occasioned by the current high level of Federal expenditures.

Proper executive organization is not a static phenomenon. New programs are instituted from time to time; others are dropped; and still others are enlarged or diminished or undergo a shift in emphasis. These developments, among others, necessitate continuous adjustments in the organization of the executive agencies, and such adjustments in turn require a careful and competent prior review of the necessary administrative organization. Thus, valuable as may be an appraisal such as that recently made by the Commission on Organization of the Executive Branch of the Government, the fact remains that the achievement of best Federal organization is a never-ending task.

Section 105 essentially reemphasizes that necessary attention is to be devoted to achieving for the Government—on a continuing basis—organizational arrangements of its executive affairs which will be most conducive to efficient and economical service.

SIMPLIFICATION AND PROCEDURAL CHANGES

This bill provides a foundation for effecting simplifications in the Government's accounting and auditing processes. This will be consistent with continuity in the maintenance of proper control over the expenditure of public funds during the transitional process. In a going concern of the size and complexity of the Federal Government it is of the highest importance that changes in accounting systems and procedures be made on an orderly transitional basis. The existing machinery has to be kept working to handle the day-to-day business under proper control, while the changes are being made.

The process of simplification, modernizing and elimination of duplication and overlapping will, under this bill, be based on (1) establishing sound accounting at the site of operations in each agency, and (2) utilizing the accounting and internal controls thus established in lieu of a multitude of overlapping and duplicating central accounting and control processes requiring the submission of documents and reports by the various agencies to Washington and other central points.

Under this approach to the problem the Comptroller General can make certain that appropriate controls are provided in the agencies and on that basis can discontinue the maintenance of certain control accounts and related processes in his office in Washington. Where proper accounting and related control procedures are established in the agencies in the first instance, and where these are subject to regular audit on the spot, these central controls may serve no useful purpose and cause only additional paper work on the part of both the agency and the General Accounting Office. It is, however, important that they be eliminated only on the basis of determination that, in the light of the kind of accounting procedures established in the agencies, and the provisions made for audit of their accounts, the central controls are not necessary to preserve appropriate congressional control over expenditures. Therefore, the elimination of these central controls is made discretionary with the Comptroller General so that it can be done without jeopardizing the integrity of the control which he now exercises on behalf of the Congress.

Much the same approach needs to be followed in connection with the permissive authorization given to the Secretary of the Treasury and the Comptroller General for modification of procedures presently covered by the statutory requirements for issuance and countersignature of warrants. Where effective accounting and control procedures are established in the agencies, these requirements may be a completely overlapping and duplicating mechanism productive of a great deal of paper work, red tape and delays in the handling of financial transactions. It cannot, however, be swept out on a Government-wide basis overnight. It must be done gradually and to a very considerable extent be correlated with determinations that effective accounting and control procedures are actually established in the agency, that they are properly tied in with the appropriation accounts of the Treasury, and that adequate provision is made for on-the-spot audit in both the agencies and the Treasury.

The bill also authorizes considerable in the way of simplification of internal procedures within each agency. Under the present rigid requirements for administrative examination of fiscal officers' accounts, the head of each agency is required to examine all vouchers in Washington after they have been paid in the field and before they are sent to the General Accounting Office for audit. This is an outmoded requirement which is not at all suited to the present high degree of decentralization of operations in the field. Effective procedures for internal control of decentralized operations can be and have been set up without requiring the sending of all paid vouchers into Washington. In many agencies compliance with this outmoded requirement is a mere formality which is wasteful and ineffective. The bill will provide authorization for the head of the department to determine the place where the administrative examination of paid vouchers can most effectively be done. Moreover, he can under this bill, with the concurrence of the Comptroller General, eliminate the administrative examination of vouchers after payment entirely. In many cases, particularly where there is an effective internal administrative audit prior to payment (as there should be), coupled with appropriate provision for internal supervision and policing of procedures, an administrative examination of vouchers after payment is completely unnecessary and wasteful. The head of the agency, upon review of the situation by the Comptroller General, can under this bill eliminate such procedures entirely under appropriate circumstances.

Taken as a whole the provisions of the bill should provide for a continuing and accelerated process of simplification, modernization, and elimination of overlapping and unnecessary red tape. It would, however, be premature to estimate such savings in dollars and cents. There will unquestionably be significant savings. Of equal importance is the fact that the conduct of the Government's fiscal affairs will be expedited and that there will be prompt information available as to the results of financial operations and the manner in which the Government's funds have been spent. Some of the savings will undoubtedly be offset in some degree by the necessity for developing certain phases of accounting in the Government which have heretofore received inadequate attention. These include provision for reporting accounting results from agencies to the Treasury for the preparation of over-all Government reports, the proper development of property accounting, and development of better information on actual costs of conducting various activities. The General Accounting Office will, to an increasing extent, move its audit to the field and will undoubtedly realize some economies by being able in this way to take advantage of the type of control exercised by the agency. It will be able to do its job to an increasing extent by the use of test checks and sampling to determine the effectiveness of the agency's own controls and administrative observance of statutory requirements without making complete checks of all transactions except in those cases where its tests indicate that to be necessary.

Many simplifications along these lines have already been started under the joint accounting program within the framework of present law. The allocations of responsibility and the authorizations to change procedures contained in this bill will make it possible to round these out to their logical conclusion. This bill thus provides a solid foundation for an orderly process of simplification, modernization and better accounting and auditing.

WHY IS THE AUTHORITY TO CHANGE WARRANT PROCEDURES NEEDED?

This bill, S. 3850, provides a complete framework for bringing the accounting and auditing procedures of the Government up to date. It will enable the Comptroller General, the Secretary of the Treasury, and the heads of agencies, working together, to accomplish major simplifications in fiscal procedures and at the same time establish a more effective control over funds and obligations.

One important phase of the present system which can and will be modernized is the warrant procedure, required by various statutes. Under this procedure, when the Congress makes an appropriation the Treasury Department prepares an appropriation warrant which must be forwarded to the Comptroller General for examination and countersignature. After countersignature by the Comptroller General the warrant is returned

to the Treasury when one copy is then sent to the agency. Upon receipt of the copy of the warrant the agency then prepares a requisition and accountable warrant and forwards it to the Treasury for examination, recording, and submission to the General Accounting Office for countersignature. Upon return of this requisition and accountable warrant to the Treasury by the General Accounting Office, duly countersigned, the funds finally are placed to the credit of a disbursing officer.

A good example of this cumbersome procedure is found in the disbursement of trust-fund collections. Take a situation where an agency of the Government doing business in one of the States, say, Idaho, makes a trust-fund collection which, under the law, it is allowed to spend. Is this agency authorized to proceed and disburse these funds? Oh, no, the warrant procedure prescribed by the Congress many years ago dictates many steps which must be taken before these funds may be used. First, the agency must transmit the collection to a regional disbursing officer for the State who deposits it in the local Federal Reserve bank. The certificate of deposit is forwarded to the Treasury Department in Washington where a "covering warrant" is prepared. This covering warrant is forwarded to the General Accounting Office for examination and countersignature and returned to the Treasury where it is credited to a trust fund receipt account. Then the Treasury prepares an appropriation warrant and sends it to the General Accounting Office for examination and countersignature. After countersignature the warrant is returned to the Treasury, recorded, and a copy furnished the agency. Now can the agency go ahead and spend this money? Not yet. There is still some red tape to go through. The agency must prepare a requisition and accountable warrant and forward it to the Treasury in Washington for examination and forwarding to the General Accounting Office. The General Accounting Office then examines and countersigns the warrant and returns it to the Treasury, where eventually funds are placed to the credit of the Chief Disbursing Officer. But disbursement of the funds still is not authorized. The Chief Disbursing Officer must then transfer these funds back to the Regional Disbursing Officer who made the original deposit. Then and not until then can disbursing of the funds be initiated. This is the procedure which must be followed because Congress, over the years, has written all those gory details into various laws.

Let me cite you another example. This is an actual instance which has been brought to my attention:

The Alaska Railroad Company has the authority to operate, in part, from certain receipts it collects which are appropriated by the Congress for that purpose. On June 20 a representative of the Alaska Railroad Company informed the Treasury Department that the Company was confronted with a serious situation in meeting payment of its current obligations. This was because the balance available on the Treasury's books was then insufficient to pass a requisition for disbursing funds in the necessary amount—this, mind you, in spite of the fact that the Company had deposited on June 7 in Alaska a collection of $1,000,000 for credit to its account. At that time the Alaska Railroad Company was indebted to the General Services Administration for over half a million dollars and that Administration was pressing for payment. In addition, construction work was going on which required substantial current payments to contractors. Finally the Company was concerned about the possibility of not having its cash collections made available promptly for the purpose of meeting its payrolls during the remainder of June. The Treasury Department and the General Accounting Office cooperated fully with the Alaska Railroad Company in getting the million-dollar collection made available as promptly as possible. Moreover, special arrangements were made to insure that all collections deposited by the Alaska Railroad Company for the balance of the month would be handled as promptly as possible under the existing procedure.

There is nothing wrong here with the authority to spend this money or with the efficiency of the Alaska Railroad Company, the depositary system, the Treasury Department, and the General Accounting Office. The fault lies with the archaic and cumbersome procedure which must be followed without any option even though the result may be the impairment of the Government's business.

These are just samples of some of the present requirements that the Comptroller General and the Secretary of the Treasury, under this bill, are given the authority to change, when and if they determine that these present cumbersome procedures can be simplified, and in some cases eliminated, without sacrificing necessary safeguards.

S. 3850, Section 201—Transfers Between Appropriations

Section 201 permits transfers between appropriations of a department, with the approval of the President, up to a limit of 5 percent of the amount of any appropriation.

At the present time, due to unforeseen circumstances, such as a rise in prices on some commodity it needs, an agency may run a little short in one appropriation. It must then come to Congress and ask for a supplemental appropriation. It may be that a supplemental appropriation would not be necessary; if it could do so, the agency might be able to save enough somewhere else (in another appropriation) to meet the higher costs it faces in the first appropriation. If this flexibility up to 5 percent is granted, supplemental appropriations under these circumstances could often be avoided. Agencies could properly be expected to absorb the cost of small overruns by economizing elsewhere and transferring the money to the place where it is needed. (Of course, this will not avoid supplementals due to new legislation or major changes in the Government's program such as the situation in Korea has brought about for the Department of Defense.)

In order to avoid abuses, section 201 provides that the transfers cannot be between departments, they must not increase or decrease an appropriation by more than 5 percent in any 1 year, they must be approved by the President, and they must be reported currently (not a year later) to the Congress. The reasons for the transfers must be set forth in the reports to Congress, and the transfers must be summarized annually in the budget.

With these safeguards, the probability that this provision will substantially decrease the number of supplemental and deficiency appropriations seems sufficient justification for its enactment.

S. 3850, Title III—Repeals

Title III of S. 3850 would specifically repeal 106 provisions of law which are either obsolete or unnecessary under present budgetary practice.

The Budget and Accounting Act contained no specific repeals. Thus, many provisions of law with respect to the submission of estimates which were in force when that act was passed in 1921 are still carried in the United States Code, although they were in fact superseded by that act. With respect to these provisions, title III is an attempt to bring the code into line with existing law as affected by the Budget and Accounting Act.

Eighty-nine of the laws to be repealed are either inconsistent with or superseded by the Budget and Accounting Act or other existing law. For example, the act of August 26, 1912, requires the submission of detailed estimates with respect to the cost of laundering paper money. Subsection 301 (6) of the bill would eliminate this requirement, thus leaving the estimates for such expenses to be handled under the general provisions of the Budget and Accounting Act in the same manner as estimates of proposed appropriations for other expenses of the Government.

Similarly, many statutes are still carried in the code requiring specific information with respect to the precise salaries paid to various classes of employees. The act of June 28, 1902, requiring notes as to the rate of compensation paid to each employee of the Lighthouse Establishment to be included in the budget, is an example of such a provision. Subsection 301 (55) would repeal this requirement, which is obviously unnecessary since salaries of all employees are fixed by general laws, such as the Classification Act of 1949 and other similar statutes covering various groups of employees.

The United States Code still carries various provisions of law requiring detailed estimates for certain objects of expenditure. For example, the act of July 1, 1882, required the Secretary of State to submit annual estimates for the expenses of the diplomatic and consular service, "including all commercial agents and other officers, whether paid by fees or otherwise, specifying the compensation to be allowed or deemed to be advisable in each individual case." A 1905 statute requires the Secretary of State, in submitting estimates for the consular service, to segregate and submit separately the estimates for rent of consular offices. See subsections (37) and (38) of section 301. Such detailed estimates obviously cannot be included in a budget covering expenses of a government of the size of our Government at the present time. The general requirements of the Budget and Accounting Act govern the submission of all estimates and the repeal of these provisions will clarify the law on such points.

Thirteen of the repeal statutes contain specific directions with respect to the use of appropriations which are mentioned by titles in the statutes themselves. For example, the act of March 2, 1907, provides that the appropriations "Ordnance-stores ammunition," "Small-arms target practice," and "Ordnance stores and supplies" shall be available for 2 years to procure the stores authorized under those appropriations. See subsection (71) of section 301. This act is completely meaningless at the present time because the appropriation act no longer carries appropriations under the quoted titles. Furthermore, if specific provisions are necessary with respect to particular appropriations, they should be made in the appropriation acts each year rather than in permanent law.

Several of the provisions which would be repealed require reports to Congress which are of no value at the present time. An act of March 3, 1875, requires that extracts from the annual reports of departments and bureaus with respect to appropriations be included in the budget. Nothing of any value is obtained under this provision since the Budget and Accounting Act provides for inclusion in the budget of all information which is necessary in consideration of the estimates. This provision would be repealed by subsection 301 (86).

As I have already indicated, many of these statutes which are being specifically repealed in title III of this bill have already been repealed by the Budget and Accounting Act or other general laws. The specific repeal of these items will serve to remove them from the United States Code and eliminate the confusion which has obtained in the past because these provisions contain specific requirements which are inconsistent with the

general requirements of the Budget and Accounting Act.

Mr. McCLELLAN. I understand an amendment or two will be offered by the senior Senator from Virginia [Mr. BYRD].

The VICE PRESIDENT. Without objection, the House bill will be taken up for consideration instead of the Senate bill.

Mr. McCLELLAN. I should like to ask that the Senate bill be amended, because I shall later ask to substitute the language of the Senate bill, as it will be amended, for the House bill, so that the amendments may go to conference.

The VICE PRESIDENT. Senate bill 3850 is now under consideration.

Mr. BYRD. Mr. President, I desire to offer an amendment on page 2, line 3, after the word "appropriations" to strike out the period and insert a comma and the words "or any other authority making funds available for obligation or expenditure."

The VICE PRESIDENT. Will the Senator send the amendment to the desk?

Mr. BYRD. I offer the amendment, Mr. President, because the language at the top of page 2 is not all-inclusive as to defining the term "appropriation."

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 3, it is proposed to change the period to a comma and insert "or any other authority making funds available for obligation or expenditure."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Virginia.

Mr. McCLELLAN. Mr. President, the Senator from Virginia has conferred with me about the amendment, and I may say that I think the amendment is very desirable. It is actually a strengthening amendment, and makes certain that the language in this provision of the bill is all-inclusive. That is what we intended, and I think the amendment strengthens the language of the bill. I am very glad to accept the amendment, so far as the committee is concerned.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD].

The amendment was agreed to.

Mr. BYRD. I offer another amendment on page 2, to strike out lines 15 and 16, the language of which is "a segregation of operating, and of capital and investment programs."

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 15, it is proposed to strike out "(b) a segregation of operating, and of capital and investment programs."

The VICE PRESIDENT. The Chair would suggest to the Senator from Arkansas that the action proposed has been taken in connection with the House bill.

Mr. McCLELLAN. The amendment has been adopted in connection with the House bill.

The VICE PRESIDENT. Yes; the same action has been taken in connection with the House bill.

Mr. McCLELLAN. There are amendments in the House bill, however, that the Senator from Arkansas does not want to agree to. Therefore, I feel the bill will have to go to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD].

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I ask that the paragraph be relettered as made necessary by the striking out of paragraph (b).

The VICE PRESIDENT. Without objection, the section numbers will be changed.

Mr. McCLELLAN. Mr. President, I now ask that the Senate proceed to consider House bill 9038, Calendar No. 2174, and that all after the enacting clause be stricken, and that the language of the Senate bill, as amended, be substituted for the language of the House bill.

The VICE PRESIDENT. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes.

Mr. McCLELLAN. I now offer an amendment to strike out all after the enacting clause in the House bill, and to insert in lieu thereof the language of the Senate bill, as amended.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 9038) was read the third time and passed.

The VICE PRESIDENT. Without objection, Senate bill 3850 is indefinitely postponed.

Mr. McCLELLAN. Mr. President, I move that the Senate insist on its amendments, ask a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. McCLELLAN, Mr. HOEY, Mr. O'CONOR, Mr. McCARTHY, and Mr. MUNDT conferees on the part of the Senate.

RESOLUTION AND BILL PASSED OVER

The resolution (S. Res. 291) to investigate the causes of gasoline price increases during the past 5 years and whether supplemental antitrust legislation is needed, was announced as next in order.

Mr. THOMAS of Oklahoma. Over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (H. R. 7722) to provide for the acquisition and preservation as a part of the National Capital Parks system, of the Old Stone House in the District of Columbia, was announced as next in order.

Mr. HOLLAND. Mr. President, I ask that that bill go to the foot of the calendar, to be considered later.

The VICE PRESIDENT. Without objection, the bill will go to the foot of the calendar.

AMENDMENT OF FEDERAL-AID ROAD ACT—CONSTRUCTION OF HIGHWAYS

The bill (H. R. 7941) to amend and supplement the Federal Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, was announced as next in order.

Mr. LODGE. I ask that the bill be passed over.

The VICE PRESIDENT. The bill will be passed over.

Mr. McCLELLAN subsequently said: Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Arkansas will state it.

Mr. McCLELLAN. I should like to inquire in regard to the action taken on Calendar No. 2048, House bill 7941.

The VICE PRESIDENT. The Senator from Massachusetts [Mr. LODGE] objected, and the bill went over.

Mr. McCLELLAN. I should like to inquire of the able majority leader whether the policy committee has yet taken any action with reference to insuring that House bill 7941 will be brought up at this session.

Mr. LUCAS. In reply to the Senator from Arkansas, let me say that it will be considered by the Senate before we adjourn or take a recess.

Mr. LODGE. Mr. President, will the Senator speak a little louder, please? I could not hear what he said.

Mr. LUCAS. In reply to the Senator from Arkansas, I said that this bill will be considered by the Senate before we take a recess or an adjournment.

Mr. McCLELLAN. I thank the Senator.

AMENDMENT OF THE HATCH ACT

The bill (S. 3873) to amend the Hatch Act was announced as next in order.

Mr. HENDRICKSON. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

Mr. TYDINGS. Mr. President, will the Senator withhold his objection?

Mr. HENDRICKSON. Yes.

Mr. TYDINGS. The President vetoed the original bill. Does the Senator know that the present bill has been brought in line with the objections the President made, so that the bill simply permits Federal employees to take part in city and town and local elections?

Mr. HENDRICKSON. Yes, I understand that, but that does not remove the grounds for my objection.

The VICE PRESIDENT. The Senator from New Jersey objects and the bill will be passed over.

FORMER SHAREHOLDERS OF GOSHEN VENEER CO.

The Senate proceeded to consider the bill (S. 410) for the relief of the former shareholders of the Goshen Veneer Co., an Indiana corporation, which had been reported from the Committee on the Judiciary with amendments on page 1, line 5, after the word "of", to strike out "$87,300.37" and insert "$87,283.93"; in line 6, after the word "of", to strike out "$15,405.95" and insert "$15,403.05"; in line 7, after the word "to", to insert "the estate of"; in line 8, after the word "of", to strike out "$143,788.85" and insert "$143,761.78"; in line 9, after the word "of", to strike out "$56,488.48" and insert "$56,477.84"; in line 10, after the word "of", to strike out "$56,488.48" and insert "$56,477.84"; in line 11, after the words "sum of", to strike out "$154,059.48" and insert "$154,030.48"; on page 2, line 1, after the word "shareholders", to strike out the comma and "on May 6, 1942," and insert "and debenture note holders"; and in line 6, after the word "States", to strike out "during the period May 6, 1942, to April 1944"; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles E. Gorham the sum of $87,283.93; to Nellie A. Gorham the sum of $15,403.05; to the estate of Ethel B. Dow the sum of $143,761.78; to Elizabeth Dow Snoke the sum of $56,477.84; to Barbara H. Dow the sum of $56,477.84; and to Dow M. Gorham the sum of $154,030.48, in full settlement of their claims against the United States, as sole shareholders, and debenture note holders of the Goshen Veneer Co., an Indiana corporation having its principal place of business at Goshen, Ind., through (a) their surrender of de facto control of such corporation to representatives of the United States in reliance in good faith upon unfulfilled representations made by representatives of the Air Forces of the United States Army; (b) the furnishing of materials, and the fabrication and manufacture of plywood and other wood parts, by such corporation during such period for the United States and for other Government contractors engaged in the manufacture of fighting, training, and transport airplanes for use by the Army Air Forces in the prosecution of the war; and (c) the eventual loss by such shareholders of their several equities in such corporation by reason of losses sustained by it in the course of its operation during such period: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the former shareholders and debenture-note holders of the Goshen Veneer Co., an Indiana corporation."

CANADIAN RIVER RECLAMATION PROJECT, TEXAS—BILL PASSED OVER

The bill (H. R. 2733) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Canadian River reclamation project, Texas, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, here is a measure——

The VICE PRESIDENT. The Senate will be in order, and conversations will cease, both on the floor of the Senate and in the galleries. The Chair would like to admonish our friends who are in the galleries that in order that the Senate may proceed in order, it is necessary that conversations cease and that there be quiet. A little conversation here or there creates considerable confusion. The Chair cannot state whether the conversation is occurring on the floor of the Senate or in the galleries, and therefore the Chair asks all to cease conversation and be quiet and stationary.

The Senator from Kansas has been recognized.

Mr. SCHOEPPEL. Mr. President, House bill 2733 provides for a Federal expenditure of approximately $85,000,000. It would be the first time, I believe, or about the first time that a reclamation project would be constructed primarily to supply 11 or 12 cities, as I recall the number, with additional water supplies and for incidental related matters. Heretofore the custom has been that the cities——

The VICE PRESIDENT. The Senate will please be in order. The Chair has requested Senators and others to be quiet; and the Senate will suspend its business until there is order and until conversations cease. If Senators are compelled to talk audibly, they will please retire from the Chamber. It seems difficult for anyone to talk in a whisper any more.

The Senator from Kansas may proceed.

Mr. SCHOEPPEL. Mr. President, continuing, let me say that it would seem to me that this measure would establish a rather peculiar precedent, one of far-reaching consequences.

In view of the expenditures which presently we are called upon to make in the war effort, I feel that this measure should be objected to at this time. Therefore, I object.

The VICE PRESIDENT. The Senator from Kansas objects, and the bill goes over.

BILL PASSED OVER

The bill (H. R. 7670) to regulate the height, exterior design, and construction of private and semipublic buildings in the Georgetown area of the National Capital was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. I object.

The VICE PRESIDENT. On objection by the Senator from New Jersey the bill will be passed over.

JOHN II ESTATE, LTD.

The Senate proceeded to consider the bill (H. R. 4989) to provide for the payment of just compensation to John Ii Estate, Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, island of Oahu, T. H., which had been reported from the Committee on the Judiciary with an amendment on page 1, line 4, after the word "pay", to insert "out of any money in the Treasury not otherwise appropriated."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SUMMARY SUSPENSION OF EMPLOYMENT OF CIVILIAN OFFICERS AND EMPLOYEES IN DEPARTMENTS AND AGENCIES

The bill (H. R. 7439) to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object—although I shall not object, because I think this measure constitutes good proposed legislation—I should like to have the bill explained, because I think it is an important measure.

The VICE PRESIDENT. An explanation is requested.

Mr. SALTONSTALL. Mr. President, the chairman of the committee not being present at the moment, I think I can explain the bill very briefly. It permits a department head to dismiss an employee if the department head believes that the employee is not 100 percent loyal in the department. It then gives the employee an opportunity to appeal for a hearing to the loyalty board in the Civil Service Commission. The loyalty board then can recommend the employee for employment in another department, but not for further employment in the department from which he was dismissed.

That is a very brief explanation of the bill.

Yesterday the Senator from Oregon [Mr. MORSE] discussed the bill. It had been passed over at a previous call of the calendar. The Senator from Oregon objected to the bill on the ground that it did not give a right of appeal to the employee and permit him to have a hearing, so that he might have opportunity to be cleared of the objections on the part of the department head. This bill does not go so far as that; but it does gives the employee an opportunity to appeal to the loyalty board; and if the loyalty board finds that the employee is

correct then it will be proper for another department to employ him.

In other words, the bill will facilitate increased efficiency in the Government departments, and will also make sure that employees are loyal to their department heads and to the country.

Mr. HENDRICKSON. Mr. President, I thank the Senator for the explanation of the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7439), which had been reported from the Committee on Armed Services, with amendments, on page 1, line 6, after "Secretary of Commerce", to strike out "Department of Justice" and insert "Attorney General"; on page 3, line 7, after the word "statement", to insert "within 30 days after his suspension"; in line 8, after the words "shall be", to insert "subject to amendment within 30 days thereafter and which shall be"; in line 11, after "(2)", to strike out "a reasonable" and insert "an"; in the same line, after the word "opportunity", to insert "within 30 days thereafter (plus an additional 30 days if the charges are amended)"; on page 4, line 11, after the word "act", to strike out "shall" and insert "may"; in line 13, after the word "authority", to insert "at the written request of either the head of such agency or such employee"; and on page 5, line 6, after the word "security" and the period, to insert "If any departments or agencies are included by the President, he shall so report to the Committees on the Armed Services of the Congress."

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

GUY L. HECKENLIVELY

The bill (H. R. 6963) authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively was considered, ordered to a third reading, read the third time, and passed.

JOSEPHINE STEVENS GOERING

The bill (H. R. 6964) authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering was considered, ordered to a third reading, read the third time, and passed.

CHARLOTTE GEISDORFF KIBBY

The bill (H. R. 7293) authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby was considered, ordered to a third reading, read the third time, and passed.

PATENT TO REBECCA COLLINS ROSS

The bill (H. R. 7294) authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross was considered, ordered to a third reading, read the third time, and passed.

LEASING OF RESTRICTED INDIAN LANDS FOR AIRPORT PURPOSES—BILL PLACED AT FOOT OF CALENDAR

The bill (H. R. 5098) to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, business, and other purposes requiring the grant of long-term leases, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. I object, by request.

Mr. O'MAHONEY. Mr. President, will the Senator withhold his objection for a moment?

Mr. SCHOEPPEL. I shall be glad to do so.

Mr. O'MAHONEY. I am sure that if the absent Senator made objection to this bill it must have been under a misapprehension. I am aware of the identity of the Senator. I should like to have an opportunity to talk to him. I therefore ask unanimous consent that the bill may go to the foot of the calendar.

The VICE PRESIDENT. Without objection, the bill will go to the foot of the calendar.

PATENT TO FRANCIS LEE EDWARDS

The Senate proceeded to consider the bill (H. R. 6958) authorizing the Secretary of the Interior to issue a patent in fee to Francis Lee Edwards, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 2, line 3, after the word "least", to strike out "ninety" and insert "sixty"; in line 9, before the word "days", to strike out "ninety" and insert "sixty"; in line 10, before the word "days", to strike out "ninety" and insert "sixty"; in line 17, after the word "of", to strike out "ninety" and insert "sixty."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

PATENT TO EDGAR S. BIGMAN

The Senate proceeded to consider the bill (H. R. 7017) authorizing the Secretary of the Interior to issue a patent in fee to Edgar S. Bigman, which has been reported from the Committee on Interior and Insular Affairs with amendments, on page 2, line 3, after the word "least", to strike out "ninety" and insert "sixty"; in line 9, before the word "days", to strike out "ninety" and insert "sixty"; in line 10, before the word "days", to strike out "ninety" and insert "sixty"; and in line 18, after the word "of", to strike out "ninety" and insert "sixty".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

INVITATION TO STATES AND FOREIGN COUNTRIES TO PARTICIPATE IN FIRST UNITED STATES INTERNATIONAL TRADE FAIR IN CHICAGO

The joint resolution (H. J. Res. 453) authorizing the President to invite the States of the Union and foreign countries to participate in the first United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950, was considered, ordered to a third reading, read the third time, and passed.

CALIFORNIA WORLD PROGRESS EXPOSITION

The Senate proceeded to consider the joint resolution (H. J. Res. 434) providing for recognition and endorsement of the California World Progress Exposition, which had been reported from the Committee on Foreign Relations with amendments on page 2, line 7, after the words "participation of", to strike out "the" and insert "foreign", and in the same line, after the word "nations", to strike out "of the democratic world".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The preamble was agreed to.

EXPLORATION FOR AND CONSERVATION OF STRATEGIC AND CRITICAL ORES, ETC.—BILL PASSED OVER

The bill (S. 3972) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. WILLIAMS. Over.

Mr. O'MAHONEY. Mr. President, will the Senator withhold his objection for a moment?

Mr. WILLIAMS. I withhold the objection.

Mr. O'MAHONEY. The Committee on Interior and Insular Affairs would have no objection to this bill going over. It is practically identical with the bill passed by the Senate at the last session, and was introduced for legislative purposes.

The VICE PRESIDENT. The Senator from Delaware objects, and the bill will be passed over.

ST. LAWRENCE RIVER BRIDGE, OGDENSBURG, N. Y.

The bill (S. 3862) authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y., was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. IVES. Mr. President, I believe that there is an identical bill, H. R. 8944, which has been passed by the House and is pending in a Senate committee.

The VICE PRESIDENT. There is an identical House bill.

Mr. IVES. I ask unanimous consent that the Committee on Foreign Relations be discharged from the further consideration of the House bill, and that the House bill be substituted for the Senate bill and be now considered.

The VICE PRESIDENT. The Secretary will state the House bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 8944) authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate

a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y.

The VICE PRESIDENT. Without objection, the committee is discharged from the further consideration of House bill 8944. Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 8944) was considered, ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, the Senate bill will be indefinitely postponed.

Mr. IVES. Mr. President, I ask unanimous consent to insert in the RECORD at this point in my remarks a statement I have prepared regarding the bill just passed.

There being no objection, the statement by Mr. IVES was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR IVES

The simple purpose of this bill, introduced by Senator LEHMAN and myself, is to authorize the State of New York to construct a much-needed bridge across the St. Lawrence River near Ogdensburg, N. Y.

Consummation of this proposed project would provide a necessary additional artery of transport at the midpoint of the international section of the river. The choice of this site for construction was by no means a haphazard one; a State commission, appointed by the then Gov. Franklin D. Roosevelt, was at work for over 2 years weighing the advisability of location of the projected span at alternative crossings.

It was decided that the best interests of both the United States and Canada would be served by location of the bridge at or near Ogdensburg.

The site chosen is centrally located with reference to the east-west commercial and passenger traffic on the American side of the border. Furthermore, Ogdensburg is the focal point for the New York State road system bordering the St. Lawrence, and Prescott, on the Dominion side, is similarly located near central Ontario highways.

Construction at Ogdensburg would be designed to relieve the heaviest commercial traffic load in the area, and to make secure the long-range system of financing contemplated by the State. Comparison of customs and traffic revenues on ferry lines operating between nearby United States ports and Canada shows that the Ogdensburg port handled over three times as much traffic as its nearest competitor on the river.

This heavy volume of traffic over the years requires an all-year means of transport. At the present time, for over a 100-mile stretch along the river, there is no bridge available to carry commercial and passenger vehicles. The Thousand Islands Bridge is westerly from Ogdensburg about 52 miles, and the railroad bridge, planked over to form a vehicular bridge, is at Cornwall, Ontario, over 50 miles to the east.

The cost of original construction and maintenance of the projected bridge will be borne completely by the people of the State of New York. The last session of the New York State Legislature passed enabling legislation setting up as a public benefit corportation the Ogdensburg Bridge Authority, which was authorized to construct, maintain, and operate a bridge at this site.

Federal approval is required since the span is an international one linking the United States and the Dominion of Canada. In this regard, it is relevant to note that favorable reports have been received by the Secretary of the Army, acting for the Department of Defense, and the Department of State.

I believe the proposed bridge would best serve the interests of both the United States and Canada and, therefore, urge favorable Senate action on this bill.

Mr. LEHMAN. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD a statement prepared by me in connection with the bill just passed.

There being no objection, Mr. LEHMAN'S statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR LEHMAN

The pending bill authorizes the construction of a bridge at Ogdensburg, N. Y. This bridge would be an important link between the United States and Canada at the center of the International Section of the St. Lawrence River.

This project has been planned for many years, the first commission to investigate the need for such a bridge having been appointed originally by Franklin D. Roosevelt when he was Governor of New York. It will relieve vital commercial traffic as well as expedite passenger traffic between New York State and our good neighbor to the north.

Not only the State of New York, which will finance the construction of the bridge, but our national interest will be benefited by this new link between our two great countries.

BOUNDARIES OF JOSHUA TREE NATIONAL MONUMENT, CALIF.—BILL PLACED AT FOOT OF CALENDAR

The bill (H. R. 7934) to reduce and revise the boundaries of the Joshua Tree National Monument in the State of California, and for other purposes, was anounced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. WILLIAMS. Over.

The VICE PRESIDENT. The Senator from Delaware objects.

Mr. O'MAHONEY. Mr. President, will the Senator withhold his objection momentarily?

Mr. WILLIAMS. I withhold the objection.

Mr. O'MAHONEY. I cannot help but believe that the objection which the Senator has is based upon a misapprehension of this measure. An area in excess of 1,000,000 acres was withdrawn from entry under the land laws of the United States, by Executive order, in 1933. Later, by Presidential order, a monument was created, covering some 838,000 acres. This area includes lands which are presently being operated for mining purposes. It includes lands which are privately owned and which should not be within the monument area. The object of this bill is merely to exclude from the monument area lands which are much more valuable for private ownership and for the development of minerals.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from California?

Mr. O'MAHONEY. I yield.

Mr. KNOWLAND. I should like to join with the Senator from Wyoming in expressing the hope that the Senator from Delaware will at least withdraw his objection and permit a unanimous-consent request that this bill go to the foot of the calendar, so that any explanation which the Senator desires can be made. My information is that this bill is restrictive in character, and it would seem to me that the proposed legislation is both necessary and desirable. The House Members from California believe that the bill in its present shape is highly desirable legislation.

Mr. O'MAHONEY. I might add that this bill will actually reduce the expenses of the Federal Government in maintaining the monument.

Mr. WILLIAMS. Mr. President, I have no objection to this bill going to the foot of the calendar. I recognize the merit of what the Senator from California has suggested, in that this bill is perhaps more restrictive than the manner in which this national monument has been handled heretofore. But my suspicion as to how it has been handled before and my inability to obtain any information as to the conduct of the administration heretofore, constitute my reason for objecting to this bill until I get answers to the questions.

The VICE PRESIDENT. Without objection, the bill will go to the foot of the calendar.

PORTRAIT AND BUST OF THE LATE CHIEF JUSTICE HARLAN F. STONE

The joint resolution (H. J. Res. 501) to authorize the procurement of an oil portrait and a marble bust of the late Chief Justice Harlan F. Stone was considered, ordered to a third reading, read the third time, and passed.

TRANSFER TO STATES OF REPLICAS OF STATE SEALS

The Senate proceeded to consider the bill (H. R. 8112) to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States, which had been reported from the Committee on Rules and Administration with an amendment, on page 2, after line 15, to insert a new section, as follows:

SEC. 3. With respect to any other materials of historical interest, removed or to be removed from the Senate and House Chambers during their renovation and which are not to be reused, the Architect of the Capitol is authorized to dispose of the same in such manner as may be directed and approved by the special Senate and House Roof and Chamber Committees, appointed under Public Law 155, Seventy-ninth Congress, acting separately with regard to their respective Chambers.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

STUDIES OF ATLANTIC COAST FISH SPECIES

The Senate proceeded to consider the bill (H. R. 7209) authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic

coast fish species for the purpose of developing and protecting fish resources.

Mr. BREWSTER. Mr. President, it was understood I would offer an amendment to this bill on behalf of a Senator who otherwise intended to object. The amendment would limit the amount that may be used.

Mr. HENDRICKSON. Mr. President, I should like to ask the Senator what the limit is.

Mr. BREWSTER. Two hundred and fifty thousand dollars.

The VICE PRESIDENT. The Senator from Maine sends to the desk an amendment, which the Clerk will state.

The LEGISLATIVE CLERK. On page 2, line 13, it is proposed to insert the following new section:

SEC. 3. There is authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, such sums, not in excess of $250,000 per annum, as may be necessary to carry out the purposes and objectives of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

AMENDMENT TO ATLANTIC STATES MARINE FISHERIES COMPACT

The bill (H. R. 7887) granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact, was considered, ordered to a third reading, read the third time, and passed.

TOLL ROAD THROUGH WILDLIFE REFUGE IN PRINCESS ANNE COUNTY, VA.

The bill (H. R. 7043) to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va., was considered, ordered to a third reading, read the third time, and passed.

TARIFF-FREE IMPORTATION OF ARTICLES FOR MID-CENTURY INTERNATIONAL EXPOSITION, NEW ORLEANS

The joint resolution (H. J. Res. 489) to permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. ELLENDER. Mr. President, in connection with the joint resolution just passed, I ask unanimous consent to insert in the RECORD at this point a statement prepared by me.

There being no objection, Mr. ELLENDER'S statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ELLENDER

House Joint Resolution 489 is a bill designed "To permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes." As such it will permit foreign exhibitors to show their goods and materials at the New Orleans exposition without having to pay customs charges. When and if the exhibits covered by this bill are withdrawn for consumption or use in the United States, the general tariff laws will, of course, become applicable.

The language of this bill parallels that of Public Law 614, Eightieth Congress, which provided for the duty-free entry of articles exhibited at the International Industrial Exposition, Atlantic City, N. J. It is similar to that of House Joint Resolution 466, adopted during the present session, which permits the same advantages in the case of the first United States International Trade Fair in Chicago.

The Department of State was requested to render an opinion on this bill, and had this to say:

"Senate bill 3685 is in accord with the United States policy of promoting international trade fairs and expositions as a means of expanding foreign trade. Accordingly, this Department favors the adoption of Senate bill 3685. * * *"

Similarly, the Tariff Commission has stated:

"The proposed legislation seems to be in line with the established policy of Congress as regard treatment of imports for use in display at fairs and expositions."

And correspondence with the Treasury Department included the following:

"This Department has encountered no unusual administrative difficulties under Public Law 614, and anticipates that none will arise if the proposed legislation is enacted. This Department would, therefore, have no objection to the enactment of the proposed legislation, Senate bill 3685."

I would like to mention one final point. This bill before us contemplates no expense to the Government.

TARIFF-FREE IMPORTATION OF ARTICLES FOR INTERNATIONAL FOOD EXPOSITION, CHICAGO

The joint resolution (H. J. Res. 496) to permit articles imported from foreign countries for the purpose of exhibition at the International Food Exposition, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF LAND IN KENNEBEC COUNTY, MAINE, TO TOWN OF CHELSEA

The bill (H. R. 8845) to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea, was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. SCHOEPPEL. Reserving the right to object, may we have a brief explanation of this measure?

Mr. BREWSTER. This bill relates to a small tract of 4 acres on the reservation in Kennebec County, Maine, which is to be used for the purpose of erecting a school which will primarily serve the pupils who are in attendance at the facility, there, which is a veterans' facility. The land is of very little value.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF TIME WITHIN WHICH ASSESSMENT OF FEDERAL INCOME TAX MAY BE MADE

The bill (H. R. 9120) to amend section 322 (b) (3) of the Internal Revenue Code was considered, ordered to a third reading, read the third time, and passed.

EDMON BURGHER

The Senate proceeded to consider the bill (S. 2927) for the relief of Edmon Burgher, which had been reported from the Committee on Post Office and Civil Service with an amendment on page 1, line 11, after the numerals "1941.", to strike out "The position and grade to which such promotion shall be made shall not be lower than that attained by the person in service on the effective date of this act who on December 7, 1941, was next below the said Edmon Burgher on his service seniority list.", so as to make the bill read:

Be it enacted, etc., That the Postmaster General shall promote Edmon Burgher, of Clay City, Ky., to a position and grade in the Postal Transportation Service having seniority, status, and pay equivalent to that which, as determined by the Postmaster General, the said Edmon Burgher would have attained had he been restored, upon his return from service in the merchant marine in October 1946, to the position and grade in the railway mail service left by him on or about December 7, 1941.

SEC. 2. The Postmaster General shall further determine, and pay to the said Edmon Burgher from any appropriation available for the payment of salaries, the difference between—

(1) the amount of compensation paid to said Edmon Burgher for the period from October 4, 1946, to the date when the promotion provided for by this act becomes effective; and

(2) the compensation which would have been payable to said Edmon Burgher for such period had he been restored on October 4, 1946, to the position and grade left by him on or about December 7, 1941, and been successively advanced to the position and grade to which promoted as provided by this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ACCUMULATION OF COMPENSATORY TIME OFF FOR SERVICES BY POSTAL EMPLOYEES PERFORMED ON SATURDAYS AND SUNDAYS

The bill (S. 3654) to amend section 3 of the Postal Salary Act of July 6, 1945, was announced as next in order.

Mr. HENDRICKSON. Reserving the right to object, I think this bill should be explained.

Mr. FREAR. Mr. President, without reading a statement I have, I shall give a short description of what the bill actually provides. A postal employee who may have a couple of hours due him would not have time to go home to lunch, but he could accumulate hours until he had sufficient time to make 1 day only, and then he would have to take his time off.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the bill (S. 3654) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945 (59 Stat. 435), as amended, is amended to read as follows:

"SEC. 3. (a) When the needs of the service require employees to perform service on Saturdays, Sundays, or holidays, such employees shall be allowed compensatory time for such service on 1 day within five working days next succeeding the Saturday or Sunday and within 30 days next succeeding the holiday.

"(b) If the service so performed on Saturdays and Sundays is less than 8 hours, such service may, in the discretion of the Postmaster General, be carried forward and combined with similar service performed on other Saturdays and Sundays, and such employees may be allowed compensatory time for such combined service or any part thereof at any time, except that, whenever at least 8 hours of such service has been accumulated, such employees shall be allowed 8 hours compensatory time on 1 day within five working days next succeeding the Saturday or Sunday on which the total accumulated service was at least 8 hours.

"(c) The Postmaster General may, if the exigencies of the service require, authorize the payment of overtime to employees other than supervisory employees whose base salaries, exclusive of longevity salary, are more than $4,170 per annum, for services performed on Saturdays, Sundays, and Christmas Day during the month of December, in lieu of compensatory time.

"(d) Supervisory employees shall be allowed compensatory time for services performed in excess of 8 hours per day, and those whose base salaries, exclusive of longevity salary, are more than $4,170 per annum shall be allowed compensatory time for services performed on Saturdays, Sundays, and on Christmas Day during the month of December, within 180 days from the days such service was performed.

"(e) The provisions of this section shall not apply to employees in the Postal Transportation Service; post-office inspectors; rural carriers; traveling mechanicians; examiners of equipment and supplies; clerks in third-class post office; and employees paid on an hourly basis."

EXCLUSION OF OBSCENE MATTER FROM THE MAIL

The bill (H. R. 8767) to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy or vile articles, matters, things, devices or substances, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF PORTION OF UNITED STATES MILITARY RESERVATION AT FORT SCHUYLER, N. Y., TO STATE OF NEW YORK

The Senate proceeded to consider the bill (H. R. 210) to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes, which had been reported from the Committee on Armed Services with an amendment.

Mr. IVES. Mr. President, I ask unanimous consent to have incorporated in the body of the RECORD a statement which I have prepared on House bill 210, and also a statement prepared by my distinguished colleague, the junior Senator from New York [Mr. LEHMAN] with reference to the same bill.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR IVES

The purpose of this bill is to permit the Secretary of the Army to convey to the State of New York—for use as a maritime school—a portion of the Fort Schuyler Military Reservation. All interested departments have reported favorably on this measure.

The land to be kept by the State totals some 26 acres, on which site the State Maritime Academy has been located since 1934. This land is now held by the State under a 25-year lease with provision for renewal at expiration. Under provisions of this measure, New York State would give up its leasehold rights to 52 acres—extending 38 years in the future—in return for title to 26 acres. The remaining 26 acres would be deeded by the State to the Navy. The Navy—now using this land pursuant to a permit granted by the State—wishes title so that it, too, can make further improvements.

It is significant to note that the only consideration paid by the State of New York for this present 50-year lease is care and maintenance. Inclusion of this clause—demanding no money payment by the State for use of the premises—shows clearly both that the property is surplus to Federal needs, and also the very real contribution to the national defense made by State training of naval reservists on the premises.

The need of the United States for trained merchant marine officers has been highlighted by the events of the past month. To the present total of 15,000 officers trained for duty on merchant ships, the New York State Maritime Academy adds an average graduating class of 100 qualified officers each year. These officers are fully trained for duty on any ship afloat—in either the naval or merchant fleet.

The upkeep expense for this school costs the State of New York about $700,000 annually. Now the State would like to improve existing facilities as well as expand the capacity of the training center by constructing permanent structures such as dormitories and classrooms. These expenditures for permanent improvements cannot be made, however, until the State has title to the lands in question. Provision has been made for return of the land to the Federal Government in the event that the school is no longer located there, or the occurrence of a national emergency.

Thus—in point of fact—the position of the Federal Government would hardly be altered by passage of this bill; while—at the same time—the State of New York could increase its already substantial contribution to the national defense by training more merchant marine officers.

STATEMENT BY SENATOR LEHMAN

AUGUST 8, 1950.

Mr. President, the passage of H. R. 210 by the Senate this afternoon will permit the expansion of physical and teaching facilities at the New York State Maritime Academy. This maritime school has played for many years a vital part in supplying our American merchant marine with qualified officers, in addition to serving our Nation during war in training young naval officers.

I have been impressed by the value of this maritime school since my earliest days in public office in the State of New York. My close connections with the development of the Fort Schuyler school over the past two decades has afforded me the greatest pleasure and pride in the knowledge that this maritime college was making such a fine contribution to our maritime service and our national defense. I urge that this bill be approved and sent to the White House for signature.

The VICE PRESIDENT. The clerk will state the committee amendment.

The amendment was on page 2, line 8, after the word "direction", to insert "together with such easements for highway or other purposes, over that portion of such reservation which is not herein authorized to be conveyed to the State of New York, as may be necessary for the proper use and enjoyment of the portion so conveyed and as may be determined by agreement between the Secretary of the Navy and the appropriate officials of the State of New York."; in line 20, after the word "public", to strike out "or" and insert "and", and in line 23, after the word "education", to strike out "or, in the alternative, if the State of New York shall fail to use and maintain the property so conveyed as a public park".

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF SECTION 120 OF INTERNAL REVENUE CODE

The bill (H. R. 7303) to amend section 120 of the Internal Revenue Code, was announced as next in order.

Mr. WILLIAMS. Mr. President, I should like to ask the chairman of the committee if he is going to insist on the committee amendment which proposes to increase salaries of certain officials.

Mr. GEORGE. Yes.

Mr. WILLIAMS. The reason I raise that question is that there will be before the Senate tomorrow a proposal to freeze salaries, and I think this is a very bad time to increase salaries.

Mr. GEORGE. There are only approximately five or six increases proposed. They are limited strictly to the Treasury Department and the Bureau of Internal Revenue. There is a difficulty existing which we are trying to correct, and which grows out of the fact that there is a maladjustment of salaries in those particular offices.

Let me say to the Senator that the increase proposed in one case is from $15,000 to $16,000 a year. The other increases are slight. The amendment relates to the basic law, but the actual salary raises in all cases are approximately $1,000. There are in the Bureau of Internal Revenue, and the Treasury, combined, only five or six positions which will be affected.

Mr. WILLIAMS. I recognize that, but I still think it is bad policy for us to start increasing salaries when we are at the same time considering freezing salaries.

I ask that the bill go over.

Mr. GEORGE. I am sorry the Senator will not let the bill pass, because it would correct a condition in the Treasury that is most unfortunate. The

Treasury wishes it corrected so that there will be no future difficulty about these particular salaries.

Mr. WILLIAMS. Perhaps the bill can be taken up on the next call of the calendar.

Mr. GEORGE. I do not know to what bill the Senator refers when he speaks of freezing salaries.

Mr. WILLIAMS. I am referring specifically to the general war powers bill under which it is proposed that we roll back all salaries.

Mr. GEORGE. If this bill should be passed and we subsequently pass the bill to which the Senator refers, these salaries would be rolled back just as any other salaries would be.

Mr. WILLIAMS. That is true.

Mr. GEORGE. They would not be protected against any rollback. There is a situation, for instance, in which the assistant is receiving more salary than is the man who is really the chief.

Mr. WILLIAMS. Mr. President, I ask that the bill go over temporarily.

Mr. MARTIN. Mr. President, I wonder if the Senator from Delaware will withhold his objection for a moment.

Mr. WILLIAMS. I withhold it.

Mr. MARTIN. This is a rather important amendment to the Revenue Code, and I was wondering whether we could strike out the provision raising certain salaries and pass the other portions of the bill.

Mr. GEORGE. I would not care, I may say to the distinguished Senator from Pennsylvania, to strike this amendment. It relates directly only to approximately three positions, or possibly five or six. They are the only ones that would be affected. If I may be permitted, Mr. President, I wish to invite the attention of the Senator from Delaware to page 2 of the report at which this statement is made:

SECTION 3

The purpose of section 3 (which was not contained in the House bill) is to restore and continue the policy which the Congress adopted in 1934 in regard to the salaries of the General Counsel for the Treasury Department, the Assistant General Counsel for the Bureau of Internal Revenue, and the other Assistants General Counsel.

There are five or six authorized, but they have never been appointed. Only those salaries are affected; and while the basic law prescribes salaries of $10,000, in all these instances actually those salaries are now up to within $1,000 of where this bill would place them.

I very much hope the Senator from Delaware will withdraw his objection. If the other bill to which the Senator has referred is coming up immediately, I am sure that, if we roll back any salaries, particularly salaries of Federal officials, these salaries would go with them anyway.

Mr. WILLIAMS. It is not necessarily the amount involved in the bill, because there are only three salary increases involved, but there are a few other bills coming up which provide salary increases for other groups, and I do not think it is fair to single out one class and let them go through and then stop other salary increases.

Perhaps the Senator would agree to let the bill go to the foot of the calendar.

Mr. GEORGE. This bill corrects for the taxpayer an error in the existing law.

The VICE PRESIDENT. Without objection, the bill will go to the foot of the calendar.

AMENDMENT OF VETERANS' PREFERENCE ACT OF 1944 WITH RESPECT TO CERTAIN MOTHERS OF VETERANS

The bill (S. 3263) to amend Veterans' Preference Act of 1944 with respect to certain mothers of veterans, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object—and I am going to object—I feel that this bill contains some provisions to which I should like to give further study and consideration without prejudicing the right to have it come up on the next call of the calendar.

Mr. LEHMAN. Mr. President, will the Senator withhold his objection for a moment?

Mr. SCHOEPPEL. I shall be glad to.

Mr. LEHMAN. Mr. President, the Veterans' Preference Act of 1944, as amended, provides for the granting of civil service preference to certain mothers of sons and daughters who lost their lives while serving in the Armed Forces of the United States, during a war or campaign. This preference is granted only to mothers who are widowed by the death of the father or divorced or separated from the father. If the mother remarries, following the death or divorce from the father, she is not entitled to preference unless and until she is again widowed, divorced or legally separated from the husband of her remarriage.

The purpose of these provisions of the law is to provide Government employment preference for the mother, if and when she is for any reason separated from the father of her deceased child and therefore cannot look to him for support.

However, the law, as it is now written, takes no cognizance of a situation in which the mother is married to and residing with the father but still cannot look to him for support. I refer to the situation in which the mother meets every other qualification but is married to and resides with the said father who is totally disabled and unable to work. Thus, instead of the father contributing wholly or in part to the support of the mother, he unwillingly imposes an additional burden upon her in addition to making her ineligible for Federal employment preferences which would otherwise be available to her.

S. 3263 would correct this obvious inequity by extending veterans' preference to the Gold Star mother who is otherwise qualified but who is residing with the physically disabled husband and for that reason is ineligible.

In closing, I would like to say that the Civil Service Commission apparently has no objection to this bill and has so advised. I have made an inquiry of the Civil Service Commission to determine the number of persons who might be affected by this legislation so that such information might be made available. The Civil Service Commission, however, is unable to make an accurate estimate and has therefore been unable to provide the figures. My own opinion is that very few persons will be affected.

Mr. FREAR. I wonder if I may say a word in behalf of the bill.

Mr. SCHOEPPEL. I withhold my objection.

Mr. FREAR. This bill would not cost the Government anything. The action of the committee was unanimous. I wonder if the Senator from Kansas would withhold his objection and permit the bill to go to the foot of the calendar so that I may have an opportunity to talk with him regarding it.

Mr. SCHOEPPEL. I have no objection to having the bill go to the foot of the calendar.

Mr. FREAR. I thank the Senator from Kansas.

The VICE PRESIDENT. Without objection, the bill goes to the foot of the calendar.

AMENDMENT OF HATCH ACT

The bill (H. R. 9023) to amend the Hatch Act was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Reserving the right to object, and I shall not object, a few minutes ago we considered a companion measure to this bill to which I objected. I am now prepared to withdraw my objection and have the House bill passed.

The VICE PRESIDENT. Is there objection to the present consideration of House bill 9023?

Mr. TAFT. Mr. President, reserving the right to object, I was the one who made objection originally. I am willing to withdraw my objection if the Senate conferees will stand by the terms of the bill the Senate will pass. The last time we passed the bill it went to the House where a compromise was effected which was very much worse than the bill the Senate had passed. Therefore, it is important that the Senate conferees stand by the provisions of the bill that we pass. The committee has done a good job. I would not want the bill to go through if the conferees are to make another compromise with the House which would practically eliminate the penalty, as was done before. Is the Senator from Mississippi able to state that the conferees will take a firm stand on the bill if we pass it?

Mr. STENNIS. The chairman of the Committee on Rules and Administration, together with three members of the subcommittee, met and stripped this bill down to the bare essentials. We introduced a new bill. After full discussion of the whole subject matter by the subcommittee, the conclusion was reached that we would recommend it to the Senate and that we would stand on its terms. We agreed that the bill was as far as the Senate could go, and as far as the committee could go, under all the circumstances at the present time. We decided that, although not arbitrarily so, it would

be our firm position throughout. We took the same attitude before. We decided the only thing to do would be to strip the bill down to its bare essentials, as is reflected by the bill. We decided that would be our firm position all the way through. The subcommittee is unanimous on that point. We are joined by the chairman of the Committee on Rules and Administration.

Mr. TAFT. Under those circumstances, I do not object.

Mr. STENNIS. At the proper time I shall ask to substitute the language of the Senate bill for the language in the House bill which is now under consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 9023) to amend the Hatch Act.

Mr. STENNIS. Mr. President, I move that the language of the Senate bill—S. 3873—be substituted for the language of the bill now under consideration.

Mr. LUCAS. Mr. President, it is my understanding that the Senator from Maryland [Mr. TYDINGS] intends to offer an amendment to the measure. I would respectfully suggest that the bill go to the foot of the calendar until we can confer with the Senator from Maryland.

Mr. STENNIS. I do not wish to take any advantage of the Senator from Maryland because of his absence. I wish to state, however, that I shall oppose the amendment when it is offered.

The VICE PRESIDENT. Without objection, the bill goes to the foot of the calendar.

PARTICIPATION OF TURKISH GROUND FORCES IN THE KOREAN WAR

Mr. FULBRIGHT. Mr. President, a few days ago Turkey offered to send 4,500 fully equipped combat troops to serve in the Korean war. I ask unanimous consent to insert at this point in the RECORD as part of my remarks a press release which carries a statement on this subject by Adnan Menderes, Prime Minister of Turkey. It seems to me that the statement bears further evidence of the enlightened progress which is taking place in Turkey, and gives great reassurance to this country insofar as affairs in that part of the world are concerned.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

Adnan Menderes, Turkey's Prime Minister, made the following statement, in connection with Turkey's participation with ground forces, in the Korean war:

"Turkey's decision is not a declaration of war. It is, however, an endeavor to safeguard peace. It is my conviction that decisions, such as Turkey took, by other peace-loving nations are the only kind of measures to block further aggressions and preserve world peace.

"It is my belief that faith in the ideals of the United Nations dictates such collective action. The Second World War, which brought unheard of disaster and tragedy to mankind, was the result of an erroneous conception that peace can be safeguarded by individual effort, and that when disaster visited one nation others could keep out of it as best they could."

Criticizing the attitude of a few Turkish newspapers and a handful of members of the opposition parties, Adnan Menderes went on:

"There is a tendency on the part of some members of the opposition parties to indicate that the undecided and hesitant positions taken by some countries in regard to the United Nations' appeal for ground troops for the Korean war should have constituted an example to emulate for Turkey. In the period between the First and Second World Wars, countries which were supposed to have reached the zenith of political and diplomatic maturity were led by vague hopes to act in the same undecided and reluctant manner. The cost of these mistakes has been great. It will constitute utter foolishness to again hope that by the same evasive methods, it will be possible to avoid similar catastrophic consequences.

"I must emphasize once more that the decision taken by the Turkish Government was arrived at after full consideration of its implications. It was a decision taken knowingly and in full faith. So much so that were we confronted 1,000 times with the same situation we would take the very same decision again.

"The experience of the last two wars and the developments of the last few years have made it absolutely clear that the existence and the national freedom of countries are not necessarily defended within their own geographic boundaries. The era in which we are living is an era of common faith and fate in peace, or in war.

"When the Turkish flag waves side by side with the United States and United Nations flags in Korea, it will combine the most idealistic and realistic conceptions and goals.

"I am very sure that Turkey's decision reflects the true attitude and spirit of the Turkish Nation."

ALLOTMENTS BY MERCHANT SEAMEN TO THEIR EMPLOYERS FOR PURCHASE OF UNITED STATES SAVINGS BONDS

The bill (S. 3960) to amend subsection (b) of section 10 of the act of June 26, 1884, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (b) of section 10 of the act of June 26, 1884, as amended (U. S. C., title 46, sec. 599 (b)), is amended to read as follows:

"(b) It shall be lawful for any seaman to stipulate in his shipping agreement for an allotment of any portion of the wages he may earn (1) to his grandparents, parents, wife, sister, or children; (2) to his employer for the purpose of purchasing for the seaman United States Savings bonds; or (3) for deposits to be made in an account opened by him and maintained in his name either at a savings bank or a United States postal savings depository subject to the governing regulations thereof."

HERNANDO J. ABAYA, HIS WIFE, AND TWO CHILDREN

The bill (S. 294) for the relief of Hernando J. Abaya, his wife, and two children was announced as next in order.

Mr. SCHOEPPEL. Reserving the right to object, may we have an explanation of this bill?

Mr. McCARRAN. Mr. President, this is the case of a man and wife and their two children, ages 14 and 13. They are natives of the Philippine Islands. The father of the family is a newspaper correspondent. He was the author of a book entitled "The Betrayal of the Philippines," in which he clearly attacked those who collaborated with the Japanese. The author of the bill, the Senator from Connecticut [Mr. MCMAHON], has submitted evidence which satisfied the committee that this man has no Fascist or Communist leaning and is worthy of being permitted to remain in the United States for permanent residence.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 294) for the relief of Hernando J. Abaya, his wife, and two children was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Hernando J. Abaya, his wife Lolita, and his two children, Teresita and Hernando, of New Haven, Connecticut (file Nos. A-6435323, A-6502797, A-6502798, A-6503487), shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of their last entry, upon payment by them of the required head taxes and visa fees.

SEC. 2. Upon enactment of this act the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct four numbers from the nonpreference category of the first available immigration quota for nationals of the Republic of the Philippines.

ADELAIDE GIOVANNA SUMMA

The bill (S. 1913) for the relief of Adelaide Giovanna Summa was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Adelaide Giovanna Summa, of Trenton, N. J., shall be held and considered to have been lawfully admitted into the United States for permanent residence as of December 13, 1948, the date of her last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Italy.

DOMINIC ARCELLA

The bill (S. 2487) for the relief of Dominic Arcella was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, at any time within 1 year after the date of enactment of this act, Dominic Arcella, who lost his citizenship by virtue of his participation in an Italian election, may be naturalized as a citizen of the United States by taking the naturalization oath of allegiance before any court having jurisdiction of the naturalization of aliens.

LIBUSE CHALUPNIK PAVLISH

The bill (S. 2506) for the relief of Libuse Chalupnik Pavlish was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, I wonder if the Senator from Nevada would tell the Senate whether the person for whom relief is sought to be granted has any communistic tendencies. The record

seems to indicate that this party had been a Communist at one time.

Mr. McCARRAN. Mr. President, this is the case of a young woman who is the wife of a native-born United States citizen, a resident of South Dakota. She cannot come to the United States to join her husband because, prior to her marriage and while she was employed by the mayor of her home town in Czechoslovakia, she was required to join the Communist Party in order to retain her employment. The committee has been satisfied that this young woman is not a Communist, has no present connections with the Communist Party, and has renounced all such connections; and further, that she never took any active part in the Communist organization, and never did and does not now believe in the communistic system. This bill would let her come to the United States to join her American citizen husband in South Dakota.

Mr. HENDRICKSON. May I ask whether the committee was unanimous in its action?

Mr. McCARRAN. The committee's action was unanimous.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2506) for the relief of Libuse Chalupnik Pavlish was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the laws relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admission at ports of entry of aliens as immigrants for permanent residence in the United States, the provisions of the act of October 16, 1918, as amended, shall not be held to apply to Libuse Chalupnik Pavlish, the wife of Rudolph Pavlish, a citizen of the United States.

STELLA JEAN STATHOPOULOU

The bill (S. 2695) for the relief of Stella Jean Stathopoulou was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Stella Jean Stathopoulou shall be held and considered to have been lawfully admitted into the United States for permanent residence as of December 26, 1947, the date of her last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Greece.

GIUSEPPE MERLINET FORGNONE

The bill (S. 2981) for the relief of Giuseppe Merlinet Forgnone was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Giuseppe Merlinet Forgnone, who was admitted into the United States on February 7, 1949, on a temporary visa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Italy.

HUNT, HILL & BETTS

The bill (S. 3367) for the relief of the law firm of Hunt, Hill & Betts was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to the law firm of Hunt, Hill & Betts, of New York, N. Y., the sum of $1,656.53, in full satisfaction of its claim against the United States for compensation for out-of-pocket expenses incurred in connection with services rendered by such firm in the defense of certain Japanese war criminals.

Mr. HENDRICKSON. Mr. President, this bill was introduced by my colleague the senior Senator from New Jersey [Mr. SMITH]. Its purpose is to give relief to a law firm which defended certain Japanese war criminals by awarding them $1,656.53. This sum represents the firm's out-of-pocket expenses incurred in the preparation of habeas corpus papers.

Two members of the firm, Messrs. Yamaoka and Logan, were under contract with the United States as defense counsel for these Japanese war criminals, and so served until April 1948.

In October 1948 Mr. Yamaoka returned to Japan in a private capacity. Thereafter, other defense counsel which had been retained for some convicted defendants decided to apply for writs of habeas corpus, and Mr. Logan was requested to prepare the necessary papers.

The Comptroller General is opposed to providing relief, on the ground that the Government gave no authority for incurring these expenses. On the contrary, the services were of a voluntary nature, rendered without any expectation of reimbursement.

The committee report amply calls attention to the fact that prosecution of the case by writ of habeas corpus in the Supreme Court certainly is within the realm of their activities as defense attorneys and the committee believes that the expenses incident to doing this is properly chargeable to the Government as part of their contract and should be paid.

The principle involved in this case is obviously highly important, and it would appear that a claim of this nature requires nothing short of affirmative action by the Congress.

I endorse the bill wholeheartedly.

MIRIAM ROSENBLUM

The Senate proceeded to consider the bill (S. 3094) for the relief of Miriam Rosenblum, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the immigration and naturalization laws, Miriam Rosenblum shall be held and considered to be the natural-born alien child of Mr. and Mrs. David Rosenblum, who are citizens of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BOLESLAW H. DROBINSKI AND OTHERS

The Senate proceeded to consider the bill (S. 3107) for the relief of Boleslaw H. Drobinski and others, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 2, after the words "from the", to strike out "nonpreference category of the first available immigration quota for nationals of Poland" and insert "appropriate quotas for the first year that such quotas are available", so as to make the bill read:

Be it enacted, etc., That, in the administration of the immigration laws, Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina, of Los Angeles, Calif., who were admitted into the United States on temporary visas, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their last entry into the United States, upon the payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct three numbers from the appropriate quotas for the first year that such quotas are available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADMISSION OF ALIEN GERHARD ZAHN AND WIFE

The Senate proceeded to consider the bill (S. 3426) to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn and his wife, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause, and insert:

That the Secretary of State and the Attorney General be, and are hereby, authorized and directed jointly to provide for the temporary admission for the period of 1 year from the date of entry of Gerhard Zahn, and his wife, the said Gerhard Zahn being a specialist possessing special and unique skill vitally needed for the operation of an engraving plant by the K. C. S. Co., of Milwaukee, Wis.

SEC. 2. If the Attorney General finds that the said Gerhard Zahn has failed to maintain a satisfactory employment status at any time within the year after the date of his temporary admission, or that said Gerhard Zahn and his wife have failed to depart from the United States at the end of 1 year after the date of their temporary admissions, said Gerhard Zahn and his wife shall be deemed to have violated the conditions of their admission, and shall be subject to deportation as provided in sections 19 and 20 of the Immigration Act of February 5, 1917, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARIA SULIKOWSKA FORBES

The Senate proceeded to consider the bill (S. 3724) for the relief of Maria Sulikowska Forbes, which had been reported

from the Committee on the Judiciary with an amendment, in line 6, after the numerals "1947", to insert "upon payment of the required visa fee and head tax", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Maria Sulikowska Forbes shall be deemed to have been admitted to the United States for permanent residence as of the date of her entry on November 13, 1947, upon payment of the required visa fee and head tax.

SEC. 2. The Secretary of State is authorized and directed to cause one number to be deducted from the appropriate quota for the first year for which such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARGARET D. SCOTT AND LYDIA M. SCOTT

The Senate proceeded to consider the bill (S. 665) for the relief of Margaret D. Scott and Lydia M. Scott, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause, and insert:

That in the administration of the immigration and naturalization laws Margaret D. Scott shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States upon payment of the required head tax and visa fee. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Margaret D. Scott."

NATURALIZATION OF THOMAS N. COLE

The bill (S. 2772) authorizing the naturalization of Thomas N. Cole, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, may we have an explanation of this measure, particularly covering the point that the bill is to authorize the naturalization of Thomas N. Cole to enable him to serve as a director of an American corporation?

Mr. McCARRAN. Mr. President, this is the case of a man 58 years old, a subject of Great Britain, who has been in the United States for 10 years. The purpose of the bill is to permit him to become a citizen by taking the naturalization oath. This man has already filed his declaration of intention to become a citizen. He is of unquestioned character and morals, and is the owner of substantial shipping interests which it appears he cannot properly protect and operate without American citizenship.

The sponsor of the bill, the Senator from Rhode Island [Mr. GREEN], has submitted a statement concerning the equities of the case, which will be found printed in the report of the committee. The bill was reported unanimously by the Committee on the Judiciary.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That for the purposes of the immigration and naturalization laws the declaration of intention filed by Thomas N. Cole on December 20, 1949, shall, upon the enactment of this act, be considered as complying with the provisions of section 332 (a) of the Nationality Act of 1940, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Thomas N. Cole."

MRS. CARL E. AINSWORTH

The Senate proceeded to consider the bill (S. 3157) for the relief of Mrs. Carl E. Ainsworth, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause, and insert:

That the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from the United States persons who are ineligible to citizenship, shall not hereafter apply to Setsuko Takata and Catharina Takata, the fiancée and child of Corp. Carl E. Ainsworth, Jr., a citizen of the United States. If otherwise admissible under the immigration laws, the said Setsuko Takata and Catharina Takata shall be granted the status of nonquota immigrants provided that the administrative authorities find that marriage between the said Setsuko Takata and Corp. Carl E. Ainsworth, Jr., occurred prior to 90 days after the effective date of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Setsuko Takata and Catharina Takata."

COL. W. M. CHUBB

The bill (H. R. 612) for the relief of Col. W. M. Chubb was considered, ordered to a third reading, read the third time, and passed.

KENNETH J. MACKENZIE

The bill (H. R. 1618) for the relief of Kenneth J. MacKenzie was considered, ordered to a third reading, read the third time, and passed.

LESLIE A. FRY

The bill (H. R. 1988) for the relief of Leslie A. Fry was considered, ordered to a third reading, read the third time, and passed.

MRS. MARION M. MARTIN JONES

The bill (H. R. 2350) for the relief of Mrs. Marion M. Martin Jones was announced as next in order.

Mr. SCHOEPPEL. Mr. President, may we have an explanation of this bill?

Mr. McCARRAN. Mr. President, the purpose of the bill is to pay to Mrs. Marion M. Martin Jones the sum of $10,000 for the death of her husband. The deceased was employed as a special consultant with the War Department in a civilian capacity. He had no salary and was paid on a per diem basis at a rate not to exceed $10 per day over a 90-day period. While traveling on Government business he was taking off from the Municipal Airport, Memphis, Tenn., as a passenger in an Army plane when the plane crashed and he was killed. Evidence indicates that there was no negligence on the part of the claimant, but that the engine in the plane which crashed was in such condition as to be unsafe. It further appears that the pilot had never been officially checked out in this type of aircraft and that there was definitely a lack of pilot proficiency. The Secretary of the Army states that had the pilot received proper transition in this type of aircraft, he would have made a better decision than the one demonstrated. This, together with the condition of the engine, indicated to the committee negligence on the part of the Government, and it, therefore, reported the bill favorably.

Mr. SCHOEPPEL. Mr. President, I notice that the governmental department concerned objected. In the face of that objection, does the Senator feel that this $10,000 claim should be allowed, in good conscience?

Mr. McCARRAN. The committee had all those facts before it, and the staff of the committee likewise considered the case, and it was the unanimous decision all around that this claim was just, valid, and equitable.

Mr. SCHOEPPEL. I have no objection.

The PRESIDING OFFICER (Mr. FREAR in the chair). Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

JOHN F. OETTL

The bill (H. R. 2805) for the relief of John F. Oettl was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4036) for the relief of Xylda L. Driver, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that this bill go over.

The PRESIDING OFFICER. The Senator from New Jersey objects and the bill will be passed over.

RELIEF OF GUARDIAN OF ANTHONY ALBANESE

The bill (H. R. 5157) for the relief of the legal guardian of Anthony Albanese, a minor, was considered, ordered to a third reading, read the third time, and passed.

GEORGES JULES LOUIS SAUVAGE

The bill (H. R. 6657) for the relief of Georges Jules Louis Sauvage was considered, ordered to a third reading, read the third time, and passed.

LT. COL. F. A. FERGUSON

The bill (H. R. 6850) for the relief of Lt. Col. F. A. Ferguson was considered, ordered to a third reading, read the third time, and passed.

CHARLES WILSON ROLAND AND MIRTIE L. ROLAND

The bill (H. R. 7253) for the relief of Charles Wilson Roland and Mirtie L. Roland was considered, ordered to a third reading, read the third time, and passed.

LOUISE PETERS LEWIS

The bill (H. R. 7540) for the relief of Louise Peters Lewis was announced as next in order.

Mr. SCHOEPPEL. Mr. President, this bill authorizes the award of $10,000 to the claimant. I believe a similar bill, H. R. 6831, was vetoed by the President last October, and the report of the House Committee on the Judiciary states that it is informed that this bill will meet the objections of the President. I should like to ask the distinguished chairman of the Committee on the Judiciary whether in his judgment, and that of the other members of the committee, this bill goes so far as to meet the objections which a similar bill encountered when the President vetoed it.

Mr. McCARRAN. Mr. President, so far as the Committee on the Judiciary is concerned, we have no knowledge excepting what the House committee stated. We do not know, but we thought that perhaps the bill would meet the objections raised by the President.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

QUARTERS FOR UNITED STATES DISTRICT COURT AT NEWNAN, GA.

The bill (H. R. 7869) to provide for the furnishing of quarters at Newnan, Ga., for the United States District Court for the Northern District of Georgia was considered, ordered to a third reading, read the third time, and passed.

RAIEF NEAHEM ET AL.

The bill (H. R. 8450) for the relief of Raief Neahem, Iffef Neahem, and Ihsen Neahem was considered, ordered to a third reading, read the third time, and passed.

HELEN M. BOOTH

The Senate proceeded to consider the bill (H. R. 4136) for the relief of Helen M. Booth, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 7, after the word "alleged", to strike out "negligence of" and insert "failure of the", and on page 2, line 5, after the word "act", to insert a colon and *"Provided, however,* That the passage of this act shall not in any way be construed as an inference of liability on the part of the United States Government."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (S. 3812) relating to the compensation and leave benefits of officers and employees in the custodial service of the Post Office Department, was announced as next in order.

Mr. SCHOEPPEL. The measure has a number of controversial features in it with reference to administrative difficulties which might be encountered. I seriously doubt whether this is a measure of the type which should be passed on the call of the calendar, without further consideration. I object.

The PRESIDING OFFICER. The Senator from Kansas objects, and the bill will be passed over.

The bill (S. 3108) to provide for payment of an annuity to widows of judges was announced as next in order.

Mr. JOHNSON of Colorado. Mr. President, on behalf of the junior Senator from Georgia [Mr. RUSSELL] I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF SECTION 794 OF TITLE 18, UNITED STATES CODE

The bill (S. 3987), to amend title 18, United States Code, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That title 18, United States Code, section 794, is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of this section, whoever violates any provision of subsection (a), (c), or (d) of this section shall be punished by death or by imprisonment for not more than 30 years."

SEC. 2. This act shall take effect on the date of its enactment and remain in effect during the 2-year period beginning with said enactment date.

POST OFFICE FINANCIAL CONTROL ACT OF 1950

The bill (H. R. 8923), to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

LIGHTHOUSE SERVICE—PROVISION OF BENEFITS FOR WIDOWS

The bill (H. R. 7192), to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended, was announced as next in order.

Mr. HENDRICKSON. I wonder if we may have an explanation of the bill, with particular emphasis on the cost involved.

Mr. BREWSTER. The bill will provide for widows of certain lighthouse keepers. I believe the report shows the expense involved, which will be declining, because the group dealt with is a limited number and will not be increased. It was felt that it was an act of justice to these persons, as the evidence clearly shows that the wives of these lighthouse keepers in former days were obliged to perform services for the Government with their husbands. That was one of the conditions of employment of the husband. They were as much on duty as their husbands were. This seemed a belated act of recognition of their services to their country, which puts them in a class where most other Federal employees now are, where the widows obtain relief.

Mr. HENDRICKSON. Mr. President, what is the total approximate cost of the bill?

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. JOHNSON of Colorado. The Senator will recall that the number of those involved in the bill is diminishing constantly, because the Coast Guard now is taking over that work. These women, as the Senator from Maine has indicated, did have duties to perform as the wives of the attendants of the lighthouses. They have been rather badly treated. The wives of the Coast Guardmen will, of course receive benefits by way of much higher salaries paid their husbands than the lighthouse attendants received.

Mr. BREWSTER. In answer to the question of the Senator from New Jersey, I will say that the initial cost will be approximately $70,000, which will gradually decrease to nothing.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill (H. R. 7192) to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended, was considered, ordered to a third reading, read the third time, and passed.

PATENT TO WILLIAM WATT

The bill (H. R. 6959) authorizing the Secretary of the Interior to issue a patent in fee to William Watt was considered, ordered to a third reading, read the third time, and passed.

PATENT TO JAMES WILBUR WATT

The bill (H. R. 6960) authorizing the Secretary of the Interior to issue a patent in fee to James Wilbur Watt was considered, ordered to a third reading, read the third time, and passed.

PATENT TO MARY E. WHITE WATT

The bill (H. R. 6961) authorizing the Secretary of the Interior to issue a patent in fee to Mary E. White Watt was considered, ordered to a third reading, read the third time, and passed.

SALE OF LAND AT GREAT FALLS, MONT.

The bill (H. R. 8144) to authorize the sale of a small tract of land at Great Falls, Mont., was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER AND PLACED AT THE FOOT OF THE CALENDAR

The bill (H. R. 4065) to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may we have an explanation of this measure

with reference to the relinquishment of mineral reservations?

The PRESIDING OFFICER. Does any Senator desire to make an explanation?

Mr. SCHOEPPEL. Mr. President, in the absence of the distinguished senior Senator from Wyoming, I ask that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will go to the foot of the calendar.

The bill (H. R. 4117) to remove the present restrictions relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the national park system and for other purposes, was announced as next in order.

Mr. HENDRICKSON. In the absence of the distinguished Senator from Wyoming, I ask that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will go to the foot of the calendar.

AMENDMENT OF SECTION 3 OF ORGANIC ACT OF PUERTO RICO

The bill (H. R. 5282) to amend section 3 of the Organic Act of Puerto Rico was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER AND PLACED AT THE FOOT OF THE CALENDAR

The bill (H. R. 7431) for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, by request, I ask that the bill go to the foot of the calendar.

The PRESIDING OFFICER. The bill will go to the foot of the calendar.

SALE OF LAND ON PINE RIDGE INDIAN RESERVATION, S. DAK.

The bill (H. R. 7773) to authorize the sale of certain allotted land on the Pine Ridge Indian Reservation, S. Dak., was considered, ordered to a third reading, read the third time, and passed.

DESIGNATION OF RESERVOIR ABOVE BALD HILL DAM IN NORTH DAKOTA AS LAKE ASHTABULA

The Senate proceeded to consider the joint resolution (S. J. Res. 163) to designate the reservoir above the Bald Hill Dam in North Dakota as Lake Ashtabula, which had been reported from the Committee on Interior and Insular Affairs with an amendment in line 3, before the word "Dam", to strike out "Bald Hill" and insert "Baldhill", so as to make the joint resolution read:

Resolved, etc., That the reservoir located above the Baldhill Dam in North Dakota shall hereafter be known as Lake Ashtabula, and any law, regulation, document, or record of the United States in which such reservoir is designated or referred to shall be held to refer to such reservoir under and by the name of Lake Ashtabula.

Mr. TAFT. Mr. President, is that reservoir named after Ashtabula, Ohio, or is it credited to Ohio, or is it simply named for some person? I wonder.

The PRESIDING OFFICER. The bill can be read for the information of the Senator.

Mr. TAFT. No; I do not desire that it be read.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to designate the reservoir above the Baldhill Dam in North Dakota as Lake Ashtabula."

BUREAU OF PASSPORTS AND VISAS—BILL PASSED OVER

The bill (S. 3069) to establish a Bureau of Passports and Visas to be headed by a Director was announced as next in order.

Mr. MYERS. Mr. President, the junior Senator from Arkansas [Mr. FULBRIGHT] has requested that the bill go over.

Mr. McCARRAN. Mr. President, I desire to make a statement with reference to the bill.

The bill is designed to strengthen the administration of the laws relating to the issuance of visas and passports in the interest of the internal security of the United States. To this end the bill establishes in the Department of State a Bureau of Passports and Visas to be headed by a director with rank and compensation not less than that of an Assistant Secretary of State. The director would be appointed by the President with the advice and consent of the Senate.

Under the present practice the Visa Division is frequently overruled by other Divisions of the State Department in cases in which the Visa Division has disapproved visas on security grounds. Moreover, the Visa Division and the Passport Division do not under the present practice have direct liaison with the intelligence agencies.

The bill provides, among other things, that the director shall have authority to maintain direct and continuous liaison with the directors of the Federal Bureau of Investigation, Central Intelligence Agency, and other internal-security officers of the Government for the purpose of obtaining and exchanging information in enforcing the provisions of the act.

The PRESIDING OFFICER. Does the Senator from Pennsylvania still object?

Mr. MYERS. Yes; I object on behalf of the junior Senator from Arkansas.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED OVER

The bill (S. 752) for the relief of E. J. Albrecht Co. was announced as next in order.

Mr. SCHOEPPEL. Mr. President, by request, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. McCARRAN. May I inquire what the objection of the Senator from Kansas was? Did he ask that the bill go over by request?

Mr. SCHOEPPEL. I ask that the bill be passed over by request.

AMENDMENT OF IMMIGRATION ACT OF OCTOBER 16, 1918

The Senate proceeded to consider the bill (S. 1832) to amend the Immigration Act of October 16, 1918, as amended, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause, and insert:

That the act of October 16, 1918, as amended (40 Stat. 1012, 41 Stat. 1008, 54 Stat. 673; 8 U. S. C. 137), be, and the same is hereby, amended to read as follows:

"That (a) any alien who is a member of any one of the following classes shall be excluded from admission into the United States:

"(1) Aliens who seek to enter the United States whether solely, principally, or incidentally, to engage in activities which would be prejudicial to the public interest, or would endanger the welfare or safety of the United States;

"(2) Aliens who, at any time, shall be or shall have been members of any of the following classes:

"(A) Aliens who are anarchists;

"(B) Aliens who advocate or teach, or who are members of or affiliated with any organization that advocates or teaches, opposiiton to all organized government;

"(C) Aliens who are members of or affiliated with (i) the Communist Party of the United States, (ii) any other totalitarian party of the United States, (iii) the Communist Political Association, (iv) the Communist or other totalitarian party of any State of the United States, of any foreign state, or of any political or geographical subdivision of any foreign state; (v) any section, subsidiary, branch, affiliate, or subdivision of any such association or party; or (vi) the direct predecessors or successors of any such association or party, regardless of what name such group or organization may have used, may now bear, or may hereafter adopt;

"(D) Aliens not within any of the other provisions of this paragraph who advocate the economic, international, and governmental doctrines of world communism or the economic and governmental doctrines of any other form of totalitarianism, or who are members of or affiliated with any organization that advocates the economic, international, and governmental doctrines of world communism, or the economic and governmental doctrines of any other form of totalitarianism, either through its own utterances or through any written or printed publications issued or published by or with the permission or consent of or under the authority of such organization or paid for by the funds of such organization;

"(E) Aliens not within any of the other provisions of this paragraph, who are members of any foreign or domestic organization which the Attorney General pursuant to the authority of subsection (b) of this section has designated as Communist, totalitarian, Fascist, subversive to the national security or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Constitution of the United States or as seeking to alter the form of government of the United States by force or violence, or other unconstitutional means, unless such aliens establish that they did not know or have reason to believe at the time they became members of such an organization (and did not thereafter and prior to the publication of the name of such organization as provided in subsection (b) of this section

acquire such knowledge or belief) that such organization was Communist, totalitarian, Fascist, subversive to the national security, had adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Constitution of the United States, or sought to alter the form of government of the United States by force or violence, or other unconstitutional means;

"(F) Aliens who advocate or teach or who are members of or affiliated with any organization that advocates or teaches (i) the overthrow by force or violence or other unconstitutional means of the Government of the United States or of all forms of laws; or (ii) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government, because of his or their official character; or (iii) the unlawful damage, injury, or destruction of property; or (iv) sabotage;

"(G) Aliens who write or publish, or cause to be written or published, or who knowingly circulate, distribute, print, or display, or knowingly cause to be circulated, distributed, printed, published, or displayed, or who knowingly have in their possession for the purpose of circulation, publication, or display, any written or printed matter, advocating or teaching opposition to all organized government, or advocating (i) the overthrow by force or violence or other unconstitutional means of the Government of the United States or of all forms of law; or (ii) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government; or (iii) the unlawful damage, injury, or destruction of property; or (iv) sabotage; or (v) the economic, international, and governmental doctrines of world communism or the economic and governmental doctrines of any other form of totalitarianism.

"(H) Aliens who are members of or affiliated with any organization that writes, circulates, distributes, prints, publishes, or displays, or causes to be written, circulated, distributed, printed, published, or displayed, or that has in its possession for the purpose of circulation, distribution, publication, issue, or display, any written or printed matter of the character described in subparagraph (G).

"(3) Aliens with respect to whom there is reason to believe that such aliens would, after entry, be likely to (A) engage in activities which would be prohibited by the laws of the United States relating to espionage, sabotage, public disorder, or in other activity subversive to the national security; (B) engage in any activity a purpose of which is the opposition to, or the control or overthrow of, the Government of the United States by force, violence, or other unconstitutional means; or (C) organize, join, or participate in the activities of any foreign or domestic organization, association, group, movement, society, political party, or combination of persons which is designated by the Attorney General pursuant to subsection (b) of this section as Communist, totalitarian, Fascist, subversive to the national security, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Constitution of the United States, or seeking to alter the form of government of the United States, by force or violence, or other unconstitutional means.

"(b) The Attorney General shall publish in the Federal Register, at least once in every calendar year, a list containing the name of every organization, association, group, movement, political party, or combination of persons which, after appropriate investigation and on the basis of evidence or information satisfactory to him, he deems to be Communist, Fascist, totalitarian, subversive to the national security, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Constitution of the United States, or as seeking to alter the form of government of the United States by force or violence, or other unconstitutional means. He shall from time to time, by publication in the Federal Register, add to or delete from such list such organizations as he deems to be of such character, or to be no longer of such character, as the case may be.

"(c) For the purpose of paragraph (2) of subsection (a)—

"(1) the term 'advocates' includes advises, recommends, and believes in;

"(2) the term 'organization' includes an association, society, movement, political party, group, and combination of persons;

"(3) the term 'world communism' means a revolutionary movement, the purpose of which is to establish eventually a Communist totalitarian dictatorship in any or all the countries of the world through the medium of an internationally coordinated Communist political movement;

"(4) the giving, loaning, or promising of support or of money or anything of value to be used for advocating any doctrine shall constitute the advocating of such doctrine; but nothing in this paragraph shall be construed as an exclusive definition of advocating;

"(5) the giving, loaning, or promising of support or of money or any other thing of value for any purpose to any organization shall be conclusively presumed to constitute affiliation therewith; but nothing in this paragraph shall be construed as an exclusive definition of affiliation;

"(6) advocating the economic, international, and governmental doctrines of world communism means advocating the establishment of a totalitarian Communist dictatorship in any or all of the countries of the world through the medium of an internationally coordinated Communist political movement;

"(7) the terms 'totalitarian dictatorship' and 'totalitarianism' mean and refer to systems of government not representative in fact, characterized by (A) the existence of a single political party, organized on a dictatorial basis, with so close an identity between such party and its policies and the governmental policies of the country in which it exists, that the party and the government constitute an indistinguishable unit, and (B) the forcible suppression of all opposition to such party;

"(8) advocating the economic and governmental doctrines of any other form of totalitarianism means advocating the establishment of totalitarianism as defined in paragraph (7) of this subsection; and includes, but is not limited to, advocating the economic and governmental doctrines of fascism and nazism;

"(9) the term 'doctrine' as used in this act includes but is not limited to policies, practices, purposes, aims, or procedures.

"(d) The provisions of subsection (a) (2) herein shall not be applicable to any alien who is seeking to enter the United States temporarily as a nonimmigrant under section 3 (1) or 3 (7) of the Immigration Act of 1924, as amended (43 Stat. 153; 8 U. S. C. 201).

"SEC. 2. No visa or other documentation shall be issued to any alien who seeks to enter the United States either as an immigrant or as a nonimmigrant if the consular officer knows or has reason to believe that such alien is inadmissible to the United States under section 1 of this act. The case of an alien within any of the categories enumerated in section 1 shall not be defined as an emergency case within the meaning of section 30 of the Alien Registration Act of 1940 (54 Stat. 673; 8 U. S. C. 451).

"SEC. 3. (a) Any alien who was at the time of entering the United States, or has been at any time thereafter, a member of any one of the classes of aliens enumerated in section 1 of this act, shall upon the warrant of the Attorney General, be taken into custody and deported in the manner provided in the Immigration Act of February 5, 1917. The provisions of this section shall be applicable to the classes of aliens mentioned in this act, irrespective of the time of their entry into the United States.

"(b) The Attorney General shall, in like manner as provided in subsection (a) of this section, take into custody and deport from the United States any alien who at any time, whether before or after the effective date of this act, has engaged, or has had a purpose to engage, in any of the activities described in paragraph (1) or (3) of section 1 (a), unless the Attorney General is satisfied, in the case of any alien within category (C) of paragraph (3) of section 1 (a) that such alien did not know or have reason to believe at the time such alien organized, joined, or participated in the activities of the organization (and did not thereafter and prior to the publication of the name of such organization as provided in section 1 (b) acquire such knowledge or belief) that such organization was Communist, totalitarian, Fascist, subversive to the national security, or had adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Constitution of the United States, or sought to alter the form of government of the United States by unconstitutional means.

"SEC. 4. Notwithstanding the provisions of sections 16 and 17 of the Immigration Act of February 5, 1917, as amended (39 Stat. 885–887; 8 U. S. C. 152, 153), which relate to boards of special inquiry and to appeal from the decisions of such boards, any alien who may appear to the examining immigration officer at the port of arrival to be excludable under section 1 shall be temporarily excluded, and no further inquiry by a board of special inquiry shall be conducted until after the case is reported to the Attorney General and such an inquiry is directed by the Attorney General. If the Attorney General is satisfied that the alien is excludable under section 1 on the basis of information of a confidential nature, the disclosure of which would be prejudicial to the public interest, safety, or security, he may deny any further inquiry by a board of special inquiry and order such alien to be excluded and deported.

"SEC. 5. (a) The provisions of the seventh proviso to section 3 of the Immigration Act of February 5, 1917, as amended (39 Stat. 875; 8 U. S. C. 136), relating to the admission of aliens to the United States, shall have no application to cases falling within the purview of section 1 of this act.

"(b) The provisions of the ninth proviso to section 3 of the Immigration Act of February 5, 1917, as amended (39 Stat. 875; 8 U. S. C. 136), relating to the temporary admission of aliens to the United States, shall have no application to cases falling within the purview of section 1 (a) (1) and 1 (a) (3) of this act. The Attorney General shall make a detailed report to Congress in any case where the authority granted in the ninth proviso above is exercised on behalf of any alien excludable under section 1 (a) (2).

"(c) Notwithstanding the provisions of the tenth proviso to section 3 of the Immigration Act of February 5, 1917, as amended (39 Stat. 875; 8 U. S. C. 136), or any other law—

"(1) the provisions of section 1 (a) (1) and 1 (a) (3) shall be applicable to any alien within the purview of section 3 (1) of the act of 1924, as amended (43 Stat. 153; 8 U. S. C. 201), except ambassadors, public

ministers, and career diplomatic and consular officers who have been accredited by a foreign government recognized de jure by the United States and who are accepted by the President or the Secretary of State, and the members of the immediate families of such aliens, who shall be subject to exclusion only under the provisions of section 1 (a) (1) pursuant to such rules and regulations as the President may deem to be necessary; and

"(2) the provisions of section 1 (a) (1) shall be applicable to any alien within the purview of section 3 (7) of the act of 1924, as amended (43 Stat. 153; 8 U. S. C. 201); the provisions of section 1 (a) (3) shall be applicable to any such alien except a designated principal resident representative of a foreign government, member of an international organization entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (59 Stat. 669), accredited resident members of the staff of such representative, and members of his immediate family.

"(d) The proviso to section 15 of the Immigration Act of 1924, as amended (43 Stat. 153; 8 U. S. C. 201), relating to the departure of any alien who has failed to maintain status under section 3 (1) or 3 (7) of said act shall not be applicable in the case of any alien who would be subject to exclusion under the provisions of section 1 of this act if he were applying for admission.

"SEC. 6. Notwithstanding the provisions of any other law—

"(1) determinations of fact by the Attorney General under any provision of this act or any other law relating to the exclusion or expulsion of aliens shall be final; and

"(2) determinations of law by the Attorney General in any case within the provisions of this act or any other law relating to the exclusion or expulsion of aliens shall not be reviewable by any court except through the writ of habeas corpus.

"SEC. 7. The citizens or subject of any country, which country upon request declines or unduly delays acceptance of the return of any alien who was admitted to the United States upon the basis of documents issued by such country and representing such alien to be a national, citizen, subject, or resident thereof or entitled to return thereto shall be denied all rights, privileges, or benefits under the immigration laws until such time as such country accepts such alien.

"SEC. 8. No person shall be naturalized against whom there is outstanding a final finding of deportability, and no petition for naturalization shall be finally heard by a naturalization court if there is pending against the petitioner a deportation proceeding pursuant to a warrant of arrest issued under the provisions of this act.

"SEC. 9. The Attorney General shall prescribe rules and regulations for the enforcement of the provisions of this act; but all such rules and regulations, insofar as they relate to the administration of this act by consular officers, shall be prescribed by the Secretary of State on the recommendation of the Attorney General.

"SEC. 10. (a) Any person who knowingly aids or assists any alien excludable under section 1 to enter the United States, or who connives or conspires with any person or persons to allow, procure, or permit any such alien to enter the United States, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 5 years, or both.

"(b) Any alien who shall, after he has been excluded and deported or arrested and deported in pursuance of the provisions of this act, thereafter return to or enter the United States, or attempt to return to or to enter the United States shall be deemed guilty of a felony, and upon conviction thereof shall be punished by imprisonment for a term of not more than 5 years; and shall, upon the termination of such imprisonment, be taken into custody, upon the warrant of the Attorney General, and deported in the manner provided in the Immigration Act of February 5, 1917.

"SEC. 11. Any statute or other authority or provision having the force or effect of law, to the extent that it is inconsistent with any of the provisions of this act, is hereby expressly declared to be inapplicable to any alien whose case is within the purview of this act.

"SEC. 12. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remaining provisions of this act, or the application of such provisions to other persons or circumstances, shall not be affected thereby."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MORSE subsequently said: Mr. President, during my absence from the floor, which I could not avoid, I understand that Senate bill 1832, Calendar No. 2232, the McCarran bill to amend the Immigration Act, was passed. I had an amendment which I should have liked to have had considered in connection with the consideration of that bill. Therefore, I wish to have the Senate return to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. McCARRAN. Mr. President, if I may confer with the Senator from Oregon, I may have no objection. May his request go over for a few minutes?

Mr. MORSE. I shall be very glad to let it go over for a few minutes.

Mr. MORSE subsequently said: Mr. President, a few minutes ago I made a few remarks in regard to Senate bill 1832, Calendar No. 2232, saying that I had at the desk an amendment, and that if I had been present at the time when the bill was reached, I would have offered the amendment. However, the bill was passed when I was unavoidably detained from the floor of the Senate.

Since that time, I have had a conversation with the Senator from Nevada [Mr. McCARRAN] in regard to the bill. I am sure he will not object to my saying that I think that in the light of some representations I made to the Senator from Nevada, the bill in its present form can be discussed in conference, without my pressing for adoption of the amendment.

GRAPHIC ARTS CORP. OF OHIO

The bill (H. R. 4832) for the relief of the Graphic Arts Corp. of Ohio was announced as next in order.

Mr. HENDRICKSON. Mr. President, this bill involves quite a large sum of money. I think the Senate is entitled to an explanation of the bill, and I wish to have an explanation made for the RECORD.

Mr. TAFT. Mr. President, I shall be glad to present an explanation.

Mr. McCARRAN. Mr. President, I defer to the Senator from Ohio.

Mr. TAFT. Mr. President, the company involved in this measure was requested by the Army, during the war, to develop a method for the reproduction of engineering drawings, in place of blueprints, which were very hard to obtain in the quantities in which they were required.

Working with the Army, over a long period of time, the company developed such a method. The company lost money on the whole proposition. It is now asking for reimbursement for the losses sustained for work undertaken for the Army for the last year after the war was ended.

The Comptroller General appeared before the House committee. Both the Senate committee and the House committee have given full consideration to the bill. The Comptroller General testified that although he could not make a legal allowance, because of the precedent which might be established, yet he considered the claim to be an equitable one. He based his conclusion upon a long report made by an investigator for his office, who went over the entire case and made a report which is set forth on pages 2 and 3 of the House committee report and is set forth similarly in the Senate committee report.

The work was done for the advantage of the Government. The Army estimated that it saved the Government approximately $2,000,000 in the reproduction of blueprints.

So it seems most unfair to impose upon this company the loss which resulted because of the action it took at the request of the Army, but not on the basis of the signed contracts which the Comptroller General thought necessary.

The PRESIDING OFFICER. Does the Senator withdraw his objection?

Mr. HENDRICKSON. I do; and I thank the Senator from Ohio for the excellent explanation.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 8, after the word "States", to strike out "for compensation for maintenance of the Gadi Process Plant of the said corporation during the period beginning January 1, 1946, and ending June 1, 1946, and for expenditures by the said corporation for materials useless to it."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF STATUTE RELATING TO CERTIFICATES OF TRADE-MARK REGISTRATIONS

The bill (H. R. 8792) to amend the statute relating to certificates of trademark registrations was considered, ordered to a third reading, read the third time, and passed.

FRITZ BUSCHE

The bill (H. R. 602) for the relief of Fritz Busche was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I wish to submit an amendment to the bill.

The PRESIDING OFFICER. Before that is done, the question is whether there is objection to the present consideration of the bill.

Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 11, after the word "orders.", to strike out "Such property is the property of Fritz Busche, a citizen of the United States and veteran of World War II, as a result of gifts made to him by certain relatives of German nationality prior to the declaration of war by the United States against Germany on December 11, 1941."

The amendment was agreed to.

Mr. HENDRICKSON. I now submit my amendment, Mr. President.

The PRESIDING OFFICER. The amendment submitted by the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following:

SEC. 2. Not more than 10 percent in value of the property with respect to which vesting orders are revoked pursuant to this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such revocation, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey [Mr. HENDRICKSON].

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

DOCUMENTATION OF THE CANADIAN-BUILT VESSEL "NORTH WIND"

The bill (H. R. 3605) to provide for the documentation of the Canadian-built vessel *North Wind*, owned by a citizen of the United States, was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF ABANDONED SCHOOL PROPERTIES IN ALASKA TO LOCAL SCHOOL OFFICIALS

The Senate proceeded to consider the bill (H. R. 2121) to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, line 6, after the word "prescribe", to strike out "and shall provide that the lands conveyed shall be used for school or other public purposes only and that if such lands and improvements shall cease to be used for such purposes they shall revert to the United States. The Secretary of the Interior may declare a forfeiture of the grant if at any time he shall determine that the grantee has not used such lands and improvements for school or other public purposes for more than 1 year. Such determination by the Secretary shall be final, and thereupon such lands and improvements shall become a part of the public domain subject to disposal under the public land laws" and insert "and shall provide that the lands and improvements conveyed shall be used for school or other public purposes only and that the school facilities maintained thereon or therein shall be available to all of the native children of the town, city, or other school district concerned on the same terms as to other children of such town."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CLERKS IN AIR MAIL FIELD RAILWAY POST OFFICES—BILL PLACED AT FOOT OF THE CALENDAR

The bill (S. 541) to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation, and for other purposes," approved July 6, 1945, with respect to clerks in air mail field railway post offices, was announced as next in order.

Mr. McCARRAN. Mr. President, may we have an explanation of the bill?

The PRESIDING OFFICER. If the Chair can be relieved from serving as Presiding Officer, the Chair would like to state the explanation, or the Senator from Maryland [Mr. O'CONOR] can state the explanation.

Mr. HUNT. Mr. President, what is the calendar number of the bill?

The PRESIDING OFFICER. It is Calendar No. 2238, Senate bill 541.

Mr. WILLIAMS. Mr. President, I ask that the bill go to the foot of the calendar, in order that there may be an opportunity for an explanation to be made.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

RESPONSIBILITIES OF DISTRICT OF COLUMBIA DISBURSING OFFICER AND DISTRICT OF COLUMBIA AUDITOR

The bill (S. 3979) to fix the responsibilities of the Disbursing Officer and of the Auditor of the District of Columbia, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding any other provision of law, order, or regulation, the Disbursing Officer of the District of Columbia shall (1) disburse moneys only upon, and in strict accordance with, vouchers duly certified by the Auditor of the District of Columbia or by one or more employees in the office of such Auditor duly authorized in writing by such Auditor to certify such vouchers; (2) make such examination of vouchers as may be necessary to ascertain whether they are in proper form and duly certified; and (3) be held accountable accordingly.

SEC. 2. The Auditor of the District of Columbia or any employee in his office duly authorized in writing by such Auditor who certifies a voucher shall (1) be held responsible for the existence and correctness of the facts recorded in the certificate or otherwise stated in the voucher or its supporting papers, including the correctness of computations on such voucher, and for the legality of the proposed payment under the appropriation or fund involved; (2) be required to give bond to the United States and to the District of Columbia, with good and sufficient surety, approved by the Secretary of the Treasury, in such amount as may be determined by the Commissioners of the District of Columbia; and (3) be held responsible for and required to make good to the United States or to the District of Columbia the amount of any illegal, improper, or incorrect payment resulting from any false, erroneous, or misleading certification made by him as well as for any payment prohibited by law or which did not represent a legal obligation under the appropriation or fund involved: *Provided*, That the Comptroller General may, in his discretion, relieve such certifying officer or employee of liability for any payment otherwise proper whenever he finds (1) that the certification was based on official records and that such certifying officer or employee did not know, and by reasonable diligence and inquiry could not have ascertained, the actual facts, or (2) that the obligation was incurred in good faith, that the payment was not contrary to any statutory provision specifically prohibiting payments of the character involved, and that the United States or the District of Columbia has received value for such payment: *Provided further*, That the bond required by this section to be given by the Auditor of the District of Columbia shall be conditioned for the faithful discharge of all of the duties of his office and shall be in lieu of any other bond now required by law.

SEC. 3. Notwithstanding the provisions of this or any other act to the contrary, neither the Disbursing Officer of the District of Columbia nor the Auditor of the District of Columbia or any employee in his office authorized by him to certify vouchers, pursuant to the provisions of this act, shall be held liable for overpayments made for transportation furnished on Government bills of lading or transportation requests when said overpayments are due to the use of improper transportation rates, classifications, or the failure to deduct the proper amount under land-grant laws or equalization and other agreements.

SEC. 4. The liability of any person who certifies any voucher pursuant to the provisions of this act shall be enforced in the same manner and to the same extent as now provided by law with respect to enforcement of the liability of disbursing and other accountable officers; and they shall have the right to apply for and obtain a decision by the Comptroller General on any question of law involved in a payment on any vouchers presented to them for verification.

SEC. 5. This act shall become effective on the first day of the third month following the date of its enactment.

FLOOD PROTECTIVE LEVEE SYSTEMS, LOWER COLORADO RIVER

The bill (S. 1140) to authorize credits to certain public agencies of the United States for costs of construction, and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California and Lower California, Mexico, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Mr. President, reserving the right to object, may we have an explanation of the bill?

Mr. McFARLAND. Mr. President, this bill would relieve the Yuma and Yuma auxiliary reclamation projects of the cost of flood-control works for levees along the Colorado River. The flood-control works involved are similar to those constructed in other parts of the United States under the Flood Control Act and paid for entirely by the Federal Government. The costs of these flood-control works were never contemplated to be repayable by the water users under contracts with the Secretary of the Interior but were to be recovered from other sources. No further money is recoverable from these sources and the Department of the Interior wants to turn the running of these projects over to the water users.

The water users wish to take over the project, and the Secretary of the Interior holds this legislation is necessary before a contract can be made for this purpose.

The bill, if enacted, will provide for this project the same benefits which persons in other parts of the United States have received for other flood-control projects. This is the explanation in regard to the Arizona phase of the proposal.

In California, the Imperial Irrigation District has expended, according to the testimony presented to the committee, approximately $4,500,000—a part of that sum having been expended in Mexico and a part of it having been expended in the United States—for the flood protection of that valley. It was necessary to build some of the levees constructed in the Republic of Mexico.

The committee recommends the adoption of an amendment setting an overall limitation of $3,000,000 upon what might be received from the California side of the project. I understand that the amendment is acceptable to the Senators from California.

Mr. SCHOEPPEL. Mr. President, will the Senator yield for a question?

Mr. McFARLAND. I yield.

Mr. SCHOEPPEL. Does this measure involve new treaty arrangements or different treaty alliances with Mexico?

Mr. McFARLAND. No; it does not. The Arizona part of it would make it possible for the water users to enter into a contract by means of which the irrigation district would be able to take over the project. The California part of it, relating to the Imperial Valley expenditures, would give the Imperial irrigation district a credit of not to exceed $3,000,000 on their payments on the All-American Canal. The upkeep of these levee systems would probably come under the Mexican treaty, and that aspect will have to be worked out; that is, the flood-protection feature, as provided for now under the Mexican treaty. But this bill would have nothing to do with that.

Mr. KNOWLAND. Mr. President, I should like to join with the Senator from Arizona in requesting action on this bill. I believe the bill represents equitable legislation. The California phase of this proposal grew out of the overflowing of the Colorado River some years ago, and in order to protect the works in that area, it was necessary to build certain levees in the Republic of Mexico. This was done with the general understanding that the amount would be reimbursed and credit given to the Imperial irrigation district. Unfortunately, however, during that period of years, around the 1916 period, Mexico was in a state of revolution. We were never able to work out the necessary agreements between this Government and the Republic of Mexico at that time. However, the figures were presented to the committee of certified payments which had been made by the Imperial irrigation district in this regard.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1140) to authorize credits to certain public agencies of the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico, which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 2, after line 8, to strike out:

(b) A credit to and on behalf of Imperial Irrigation District of California to be applied against any annual payments due or to become due and payable from said district to the United States under any repayment contract by and between Imperial Irrigation District and the United States for all construction, operation, and maintenance costs heretofore paid or incurred by said district relating to the construction and operation and maintenance of the flood protective levee system along or adjacent to the Colorado River in Arizona, California, and Lower California, Mexico: *Provided*, That the total sum to be so credited to said district shall be as determined and found by the Secretary of the Interior after consultation with the American Commissioner of the International Boundary and Water Commission, United States and Mexico.

And insert:

(b) A credit to and on behalf of Imperial Irrigation District of California to be applied against the next succeeding annual payments as the same become due and payable from said district to the United States under any repayment contract by and between Imperial Irrigation District and the United States in an amount not greater than 80 percent of such items of construction, operation, and maintenance costs heretofore paid or incurred by said district for flood-protection works, including, among others, levees, railroads, quarries, river-rectification works for flood-control purposes, and appurtenant works and facilities, in, along, or adjacent to the Colorado River in Arizona, California, and Lower California, Mexico, as shall be determined and found to be equitable by the American Commissioner of the International Boundary and Water Commission, United States and Mexico, but in no event shall the total credit exceed $3,000,000.

SEC. 2. Any other costs and charges allocable or assignable to the Yuma project and not repayable under existing contracts, under water-right applications heretofore or hereafter filed, nor otherwise recoverable, all as may be determined from time to time in any instance by the Secretary of the Interior, shall, less applicable credits, be nonreimbursable, and the Secretary, in his discretion, may declare any lands temporary suspended from a paying status at the date of this enactment to be permanently unproductive, and may adjust the balance of individual construction charge accounts accordingly: *Provided*, That such adjustment shall not include any refund or credit for payment theretofore made on account of lands so declared permanently unproductive.

So as to make the bill read:

Be it enacted, etc., That for the purpose of relieving certain public agencies of the United States of costs heretofore incurred or paid relating to the construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico, there is hereby authorized:

(a) The transfer by the Secretary of the Interior from the account for the Yuma and Yuma auxiliary irrigation projects to the accounts for the Colorado River front work and levee system project, of all construction, operation, and maintenance costs, other charges and credits relating to the construction and operation and maintenance of the Colorado River front work and levee system adjacent to the Yuma Federal irrigation project in Arizona and California; and

(b) A credit to and on behalf of Imperial Irrigation District of California to be applied against the next succeeding annual payments as the same become due and payable from said district to the United States under any repayment contract by and between Imperial Irrigation District and the United States in an amount not greater than 80 percent of such items of construction, operation, and maintenance costs heretofore paid or incurred by said district for flood-protection works, including, among others, levees, railroads, quarries, river rectification works for flood-control purposes, and appurtenant works and facilities, in, along, or adjacent to the Colorado River in Arizona, California, and Lower California, Mexico, as shall be determined and found to be equitable by the American Commissioner of the International Boundary and Water Commission, United States and Mexico, but in no event shall the total credit exceed $3,000,000.

SEC. 2. Any other costs and charges allocable or assignable to the Yuma project and not repayable under existing contracts, under water-right applications heretofore or hereafter filed, nor otherwise recoverable, all as may be determined from time to time in any instance by the Secretary of the Interior, shall, less applicable credits, be nonreimbursable, and the Secretary, in his discretion, may declare any lands temporary suspended from a paying status at the date of this enactment to be permanently unproductive, and may adjust the balance of individual construction charge accounts accordingly: *Provided*, That such adjustment shall not include any refund or credit for payment theretofore made on account of lands so declared permanently unproductive.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico."

BILL PASSED OVER

The bill (H. R. 10) to facilitate the deportation of aliens from the United

States, to provide for the supervision and detention pending eventual deportation of aliens whose deportation cannot be readily effectuated because of reasons beyond the control of the United States, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. SALTONSTALL. At the request of the senior Senator from North Dakota, I ask that this bill go over.

The PRESIDING OFFICER. The bill will go over.

THE TAKING AND DESTRUCTION OF DANGEROUS WEAPONS

The bill (S. 883) to require the taking and destruction of dangerous weapons in certain cases, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

LOTTERIES—AMENDMENT OF CHAPTER 61 OF TITLE 18, UNITED STATES CODE

The bill (H. R. 9074) to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to nonprofit contests wherein prizes are awarded for the specie, size, weight, or quality of fish caught by the contestant was considered, ordered to a third reading, read the third time, and passed.

FEDERAL AID TO STATE OR TERRITORIAL HOMES FOR THE SUPPORT OF DISABLED SOLDIERS AND SAILORS

The Senate proceeded to consider the bill (S. 3889) to increase permanently the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That the act to provide aid to State and Territorial homes for the support of disabled soldiers and sailors of the United States, approved August 27, 1888, as amended, is amended by striking out in the first paragraph thereof "June 30, 1951" and inserting in lieu thereof "June 30, 1956."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States."

PATENT TO MRS. EMMA SPOTTED EAGLE TINNELL ET AL.

The Senate proceeded to consider the bill (S. 814) authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Emma Spotted Eagle Tinnell and Andrew Spotted Eagle, heirs of John M. Paul, to certain lands, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause, and insert:

That the Secretary of the Interior is authorized and directed to sell the trust allotment No. 838 to John M. Paul, deceased, described as the southeast quarter northwest quarter and southwest quarter northeast quarter section 22, township 125 north, range 51 west, and lot 4, section 31, township 127 north, range 51 west, fifth principal meridian, conveyance to be made by the issuance of a patent in fee to the purchaser, and to distribute the proceeds of such sale among the heirs of the said John M. Paul in accordance with their respective interests.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Sisseton-Wahpeton Sioux Tribe of Indians of the Sisseton Reservation of South Dakota or a member thereof, unless (1) at least 60 days prior to such sale the superintendent of the Sisseton Agency shall have been served with notice of the terms thereof, and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the Sisseton-Wahpeton Sioux Tribe or any member thereof and a copy thereof served upon the superintendent of the Sisseton Agency.

(b) A certificate of the superintendent of the Sisseton Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the register of deeds of the county in which such lands are situated, shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Sisseton Indian Agency, South Dakota."

PATENT TO CLARA WHITESELL

The Senate proceeded to consider the bill (S. 2948) authorizing the Secretary of the Interior to issue a patent in fee to Clara Whitesell, to certain lands, which had been reported from the Committee on Interior and Insular Affairs with amendments to strike out all after the enacting clause, and insert:

That the Secretary of the Interior is authorized and directed to sell the trust allotment of Clara Whitesell, Standing Rock allottee No. 915, described as the east half of southwest quarter and west half southeast quarter section 36, township 21 north, range 29 east, Black Hills meridian, South Dakota, conveyance to be made by the issuance of a patent in fee to the purchaser, and to distribute the proceeds of such sale to the said Clara Whitesell.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Standing Rock Sioux Tribe of Indians of the Standing Rock Reservation of South Dakota and North Dakota or a member thereof, unless (1) at least 60 days prior to such sale the superintendent of the Standing Rock Agency shall have been served with notice of the terms thereof, and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the Standing Rock Sioux Tribe or any member thereof and a copy thereof served upon the superintendent of the Standing Rock Agency.

(b) A certificate of the superintendent of the Standing Rock Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the register of deeds of the county in which such lands are situated, shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915."

DEPOSITS OF LOCAL PUBLIC FUNDS IN NATIONAL BANKS

The bill (H. R. 8597) to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. McCARRAN. May we have an explanation?

The PRESIDING OFFICER (Mr. FREAR in the chair). The Chair will be glad to give an explanation. The present occupant of the chair submitted the report from the Committee on Banking and Currency. The only thing this bill does is to permit national banks to accept and give security for deposits of funds made (1) by agencies or governmental instrumentalities or one or more States or political subdivisions thereof, and (2) by officers, employees, or agents, in their official capacities, of States and political subdivisions or other Government instrumentalities to the same extent as is authorized in the case of other banking institutions in the State in which the national bank is located.

Mr. McCARRAN. I thank the Chair.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

CHEYENNE-ARAPAHO INDIANS OF OKLAHOMA

The bill (H. R. 6114) to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and also known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. McCARRAN. Mr. President, I think this bill should go over. I am advised that the Department of Justice objects to this bill in its present form, because the bill involves the transfer of property which includes the sewerage disposal plant used by a facility of the Bureau of Prisons. The objections of the Department are fully set forth in a letter to the chairman of the Committee on Interior and Insular Affairs under date of April 7, 1950. I ask unanimous consent that this letter may be printed at this point in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 7, 1950.

Hon. JOSEPH C. O'MAHONEY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: This is in response to the request of Mr. Grorud of the professional staff of your committee for the views of the Department of Justice on the bill (H. R. 6114) to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma, and for other purposes.

The purpose of this measure is clearly indicated by its title, and its six sections are all designed to effectuate that purpose. The land affected by the bill is in part the same land covered by S. 2527, a bill to authorize and direct the Secretary of Agriculture to transfer to the control and jurisdiction of the Attorney General for the use of the Bureau of Prisons in connection with the operation of the El Reno reformatory, approximately 3,968.5 acres in the Fort Reno Military Reservation.

On September 21, 1949, this Department reported to your committee on S. 1788, a predecessor bill to that under consideration. The need and the equities of the Bureau of Prisons were fully discussed in that report of which a copy is attached for your ready reference. The present bill, H. R. 6114, differs somewhat from S. 1788. It provides for the transfer to the Attorney General of approximately 1,568 acres of the land of the reservation. This provision, contained in section 2 of the measure, is, according to the report of the House Committee on Public Lands (H. Rept. 1323), intended as a compromise between the Cheyenne-Arapaho Indians, who claim title to all of the Fort Reno Military Reservation, and the Bureau of Prisons, who originally made a request for approximately 3,500 acres of this land for use in connection with the Federal reformatory at El Reno, Okla.

Because the need is so great, the Department of Justice is impelled to advise your committee that the compromise which would be effected by H. R. 6114 is inadequate from its standpoint and considered inimicable to the best public interest.

Although the Department does not desire to enter into any controversy concerning the legal or equitable right of the Indians to the land considered essential for the operation of the El Reno reformatory, it should be noted by Article II of the Agreement of 1890, ratified by the Act of March 3, 1891 (26 Stat. 1022), the Indians ceded to the United States upon the payment of a lump sum and the making of allotments in severalty all their unallotted lands. The description of the lands ceded includes the Fort Reno Military Reservation.

It is accordingly urged that the committee favorably report S. 2527 and recommend the amendment of H. R. 6114 so as to transfer only the remaining land in trust for the Indians.

However, if the committee finds the above suggestions impracticable, it is earnestly requested that it recommend the amendment of H. R. 6114 so as to provide at least that the reformatory obtain section 1, on which are located the prisoner of war camp, the sewage disposal plant, and rights-of-way the Bureau has for water lines and roads to and from the sewage disposal plant, and a half section of land (the south half of section 2) immediately across Highway 66 from the reformatory, to protect its future safe operation. Also, it is requested that the measure be amended so as to exclude from the land to be transferred in trust for the Indians, the area now occupied by sewage effluent lakes from the sewage disposal plant which abuts the south portion of the southeast one-quarter of section 36.

To accomplish the above-mentioned amendments, it is suggested that the following changes be made:

1. Page 1, line 7: delete "All of sections 1, 2," and insert "The north one-half of section 2 and all of sections."

2. Page 2, line 3: delete "36," and insert "all of section 36 except the southeast one-quarter."

3. Page 2, line 5: delete "Sec. 2. All of sections" and insert "Sec. 2. All of section 1, the south one-half of section 2 and all of sections."

4. Page 2, line 9: after the words "township 12 north," insert "and the southeast one-quarter of section 36, township 13 north."

It should be noted that amendments 3 and 4 obviate the need for section 3 of the bill.

For the convenience of the committee, there is attached a land map which clearly indicates (I) land now occupied by the Bureau of Prisons under permanent legislation, (II) land used by the Bureau of Prisons, (III) additional land proposed to be acquired under S. 2527, and (IV) the effect of the amendments proposed. Also attached for the convenience of the committee are photostatic copies of the permits pursuant to which the Bureau of Prisons presently occupies the land in question.

Yours sincerely,

PEYTON FORD,
The Assistant to the Attorney General.

Mr. MORSE. Mr. President, reserving the right to object, I understand the Senator from Nevada has not yet objected.

Mr. McCARRAN. I do object.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield until the Senator from Arizona may be heard.

The PRESIDING OFFICER. The Chair has recognized the Senator from Oregon.

Mr. MORSE. Mr. President, I am glad to yield to my good friend, the Senator from Arizona [Mr. McFARLAND].

Mr. McFARLAND. I should merely like to call attention to the fact that during the taking of testimony on this bill it was clearly demonstrated that the Department of Justice has all the land it needs for the Federal reformatory, and that it is given the necessary easements in the bill, which has been modified so as to give all the rights that are needed. This land was purchased in 1891 from the Indians for, according to some of the testimony, 14 cents an acre, and according to Secretary of the Interior approximately 50 cents an acre, for the purpose of a fort which they were told was to protect them. Originally it comprised 9,493 acres. In the opinion of the committee 50 cents an acre was not an adequate price for the land. It has been used during all this time by the Government; however, it is no longer needed for the purpose for which it was taken from the Indians. This bill would give the Federal Government title in fee to 1,568 acres now being used by the Department of Justice for the Bureau of Prisons. In the opinion of the committee, the money paid for the 9,493 acres did no more than pay for the land purchased with the money which was paid for the land originally. The Indians need this land, and I hope that the Senator from Nevada will not object to the bill, and that the Senate will give consideration to it. I think it is a worthy bill.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon yielded to the Senator from Arizona. The Senator from Oregon still has the floor.

Mr. MORSE. I merely let the Senator from Arizona take the floor in my place. I do not want his speech counted against my time.

The PRESIDING OFFICER. Does the Senator from Oregon wish to be recognized in his own right?

Mr. MORSE. I do.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MORSE. The comments of the Senator from Arizona on this occasion, as on all occasions, have great weight with the junior Senator from Oregon. Nevertheless, if the Senator from Nevada did not object to this bill, I would object to it at least for the time being, because, 2 years ago, as I recall, I introduced a bill which covered this and other Federal land in this area, and sought to reserve to the Federal Government all mineral rights in the property. Until there can be a very accurate survey of the potentiality of an oil supply under this land and possibly other valuable mineral, I shall continue to object to its consideration on the Consent Calendar, because if this land, or any part of it, is rich in oil, I do not think the Federal Government should give it up without reserving its oil rights.

If the Senator from Arizona is correct, and I am sure he is, that this land was bought from the Indians at only a portion of its real value, then I think some legislation which seeks to compensate the Indians in some way for the bad deal they may have made with the Federal Government should be considered by the Senate; but I am not going to let proposed legislation such as this go through until I am satisfied that we are not dealing with very valuable oil land. If we are, then I think the interests of all the people of the United States in such oil should be protected.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. McFARLAND. Does not the Senator think that 1,568 acres of land is adequate for the Federal Government to receive under this bill for the Fort Reno Military Reservation? Does he think that is sufficient land for the compensation paid the Indians by the Federal Government?

Mr. MORSE. I would say, Mr. President, that if that is a fact, and I do not say it is a fact, although I have received some very interesting letters from persons in the area of this property who are of the opinion that a portion of the property, at least, covers a very rich oil deposit, I would not think that would be just compensation to the American taxpayers for their interest in this property.

Mr. McFARLAND. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. McFARLAND. What difference would it make if there were rich deposits, if the Federal Government got 1,568 acres of land? If there were rich deposits under the other land, there would be rich deposits under the land acquired by the Government, which would make the 50 cents an acre even less adequate consideration for the 1,568 acres. I may say to the distinguished Senator that the testimony did not show there were any rich deposits under these lands. We are trying to do something for the benefit of the Indians. We are trying to rehabilitate them, and I am hopeful that the distinguished Senator will give a careful study to this proposed legislation, and consider the welfare of the Indians, as he always does, and that he will withdraw his objection at a later time.

Mr. MORSE. Believe me, Mr. President, in this case I am going to put the welfare of all the taxpayers of the country first, and if we disclose any showing of fraud practiced upon the Indians by the Federal Government, I do not propose to let them get land that may be worth huge sums of money in oil, simply because they sold their land originally for less than they now think it was worth. I say we have got to protect America's oil reserve.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Senator's time has expired.

Mr. SCHOEPPEL. Mr. President, I wanted to invite the attention of the distinguished Senator from Arizona to the fact that he was a little generous in indicating the amount paid for this land as being 50 cents an acre. The report shows the Indians were paid only 15 cents an acre.

Mr. McFARLAND. Let me further say that——

The PRESIDING OFFICER. The Senator has exhausted his time.

Mr. McFARLAND. Mr. President, I should like to answer the Senator from Kansas, if I may. So far as the question of fraud is concerned, back in 1891 the Indians were not educated, and were unable to protect themselves. I think it is a duty of the Federal Government to correct any inequity that occurred in 1891, in Oklahoma. I know a little bit about the early days in Oklahoma, and I know that 50 cents an acre was not adequate consideration at that time for this land or any other land that had any value at all.

Mr. SCHOEPPEL. I merely wanted to say to the distinguished Senator that while he mentioned 50 cents an acre, as a matter of fact, in the report which is before us it is stated that the Indians received only 15 cents an acre.

Mr. McFARLAND. That is correct. The testimony ranged from 14 cents to 50 cents an acre. I used the highest amount that was testified to, because even at 5C cents the Government is receiving a great deal of land for the price paid.

The PRESIDING OFFICER. Objection has been heard.

Mr. HENDRICKSON. Mr. President, will the able Senator from Nevada withhold his objection while I make a unanimous-consent request?

Mr. McCARRAN. On what subject?

Mr. HENDRICKSON. With respect to the pending bill.

Mr. McCARRAN. I withhold my objection for that purpose.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the distinguished Senator from Nebraska [Mr. BUTLER] may incorporate minority views in the RECORD when they are ready.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nevada objects, and the bill will be passed over.

RECLASSIFICATION OF POSTMASTERS AND OTHER EMPLOYEES IN THE POSTAL FIELD SERVICE

The bill (S. 1978) to reclassify postmasters, assistant postmasters, and other positions in the postal field service was announced as next in order.

Mr. McKELLAR. Mr. President, I ask for an explanation of the bill.

Mr. FREAR. I have a brief statement which I should like to make for the information of the distinguished Senator from Tennessee and other Senators.

This bill was introduced on June 4, 1949. Early in this session hearings were had and the bill has had much consideration by the committee with considerable staff work.

It is felt that the bill, as revised, will meet a long-needed adjustment of the salaries of the postmasters and supervisors who direct the Nation's largest business. As pointed out in the concluding paragraph of the report, the purpose of the bill is to eliminate inequities in the postal salary structure, insofar as the top officers are concerned. This has been impossible through the process of flat increases in the salaries of postal employees without regard to position or responsibility.

To accomplish this desired objective, Public Law 134 of the Seventy-ninth Congress has been amended as set forth in the change-of-existing-law section of the report.

The bill is discussed section by section in the report and there is attached thereto a chart showing the present and the proposed salary of every position affected.

S. 1978, as originally introduced, would have cost $64,200,000 and did not carry, as pointed out in the attached report of the Postmaster General, certain positions which are included in the reported bill.

The cost of the bill, as reported, is estimated at $20,645,000.

In its consideration of the measure, the committee made a careful examination of the salary schedules of the post offices of the country ranging from the largest doing an annual business over $150,000,000 to the smallest of the more than 41,000 post offices.

It is felt that the person having top responsibility and those who carry out the directives of the Post Office Department should be adequately compensated and that at all times those of such supervisory personnel should draw more compensation than those working under them. To do this such a measure as S. 1978 should not be simply classified as a bill to increase compensation to top postal people, but that it is primarily designed to remove existing inequities.

The important positions of postmasters, assistant postmasters, and supervisors call for men of real ability and leadership and their compensation should be in line with comparable positions in and out of the Government.

The action of the committee in ordering this bill reported was unanimous.

Mr. McKELLAR. Mr. President, will the Senator yield for a question?

Mr. FREAR. I yield.

Mr. McKELLAR. Does this bill affect in any way the appointment of first-, second-, and third-class postmasters?

Mr. FREAR. It does not.

Mr. McKELLAR. There is no attempt, is there, to interfere with the present method of appointment by the President and confirmation by the Senate?

Mr. FREAR. No. I might say that I wish there were, but it has to do only with salaries.

Mr. McKELLAR. How much, all told, does it increase the salaries?

Mr. FREAR. The estimated cost is approximately $20,000,000.

Mr. McKELLAR. Is it not true that the Post Office Department is now earning less than it is paying out?

Mr. FREAR. I think, without doubt, the Senator is correct.

Mr. McKELLAR. Can the Senator give us the amount of the deficit of the Department? It seems to me that this is rather an awkward time to be increasing the salaries in a department which is losing as much money as is the Post Office Department. Its deficit is approximately $600,000,000 a year.

Mr. FREAR. The present deficit is in excess of $500,000,000.

Mr. McKELLAR. It seems to me to be rather an awkward time to increase the salaries of postmasters when the Department is losing money.

The PRESIDING OFFICER. The Senator from Delaware has 2 minutes remaining.

Mr. McCARRAN. Mr. President, will the Senator yield for a question?

Mr. FREAR. I yield.

Mr. McCARRAN. Does this bill do anything for the postmasters in central post offices?

Mr. FREAR. I shall answer the Senator by saying that it affects every postmaster in the United States.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. FREAR. I yield.

Mr. LUCAS. Do I correctly understand that there are certain assistant postmasters in the United States who are receiving greater salaries than are the postmasters themselves?

Mr. FREAR. That is correct. That is true, also, of some clerks.

Mr. LUCAS. There are some assistant postmasters and some clerks who are receiving more money than are the postmasters, and this bill seeks to take care of that situation. It is very strange, and Congress is responsible for it, because we passed a law to increase the salaries of assistant postmasters while doing nothing for the postmasters themselves, thereby paying a clerk or an assistant postmaster a higher salary than is received by the postmaster himself, and thus, in a way, making the clerk or assistant postmaster a sort of supervisor over the postmaster, who is supposed to have charge and is responsible for the effectiveness and efficiency of the office.

Mr. FREAR. The Senator from Illinois is correct.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. In view of the fact that the Post Office Department is operating under a $550,000,000 deficit, in view of the further fact that the Postmaster General has advocated that the bill be not passed until such time as Congress authorizes increased postal rates, which is a subject we have been discussing for the past 2 or 3 years but with reference to which we have done nothing, and because it is apparently more popular to introduce a salary bill of this kind than a revenue measure, I move that the bill be stricken from the calendar and recommitted to the Committee on Post Office and Civil Service, with instructions to retain it in committee until such time as the committee can report to the Senate a revenue-producing measure.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware.

Mr. LUCAS. Mr. President, may we have the Senator's motion restated? Some of us on this side of the aisle did not hear the Senator's motion.

The PRESIDING OFFICER. The motion of the Senator from Delaware [Mr. WILLIAMS] is that the bill be recommitted to the Committee on Post Office and Civil Service, and that the committee be instructed to keep the bill in its files until such time as the Post Office Department has more revenue than liabilities.

Mr. WILLIAMS. The Chair did not quite correctly state my motion. I move that the committee retain the bill in committee until such time as the committee can report to the Senate a revenue-producing measure whereby the money will be provided with which to pay these salaries.

The PRESIDING OFFICER. The motion is to recommit the bill with instructions. That is the parliamentary situation. The question is on the motion of the Senator from Delaware.

The motion was rejected.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. I think we should let the bill rest until the committee can report a revenue-producing measure.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

CONSTRUCTION OF VETERANS' ADMINISTRATION HOSPITALS

The bill (H. R. 5965) to provide for the construction of certain Veterans' Administration hospitals, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Over, by request.

Mr. PEPPER. Mr. President, will the Senator allow me to say a word about the bill?

Mr. SCHOEPPEL. Yes.

Mr. PEPPER. Is it possible that the Senator who requested the able Senator from Kansas to make objection to the bill may return to the floor later in the day, so that we could return to the bill and consider it?

Mr. SCHOEPPEL. I do not know whether that can be done. I may say to the able Senator from Florida that it was the Senator from New Jersey [Mr. SMITH] who suggested that I object to the measure. Other Senators objected as well. The Senator from New Jersey is not present.

Mr. PEPPER. Will the Senator withhold his objection so that I may make a brief statement?

Mr. SCHOEPPEL. I am glad to withhold my objection.

Mr. PEPPER. Mr. President, this bill was reported to the Senate by the Committee on Labor and Public Welfare after a favorable vote on it and a committee amendment. It is a House bill. It directs the Executive to proceed with the construction of veterans' hospitals so as to provide the 16,000 additional hospital beds which were eliminated from the construction program by the Executive order of December 28, 1948.

Pursuant to that Executive order the Committee on Labor and Public Welfare appointed a special subcommittee to conduct hearings on the question involved in the curtailment order. I hold in my hand two volumes of hearings which were held by the subcommittee. The subcommittee consisted of the Senator from Oregon [Mr. MORSE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Florida now speaking. I happen to be the chairman of the subcommittee.

In almost every case where hospitals were eliminated in a particular State the Senators from that State appeared and testified with respect to the need in that particular State. For example, I see in the chair today the distinguished Senator from Mississippi [Mr. STENNIS], and I recall that he and his colleagues appeared in behalf of the hospitals that were eliminated in the State of Mississippi. I am sure the able and distinguished senior Senator from Georgia [Mr. GEORGE] appeared with the Georgia delegation. The two Senators from Michigan [Mr. VANDENBERG and Mr. FERGUSON] appeared to testify with respect to the need for the hospitals that were eliminated in the State of Michigan. Other States sent delegations to testify before the subcommittee. I know that in the State of Florida my distinguished colleague [Mr. HOLLAND] appeared, together with all the Florida Members of the House of Representatives. In South Carolina I recall that the Governor appeared with the South Carolina delegation, headed by both South Carolina Senators. In every case the national veterans' organizations were present at the hearings and strongly insisted upon the need for the construction of these veterans' hospitals.

Mr. President, what the Senate committee did was to attach an amendment to the House bill which directed that, with respect to each one of the numerous hospitals which were deleted by the bill, the administration had authority to consider the relocation of the hospitals and the staffs of the hospitals and to take into account the need in a particular area. In other words, we were trying to be fair, and we thought we should give the Executive the discretion we thought he should have in the public interest. We also added an amendment providing that the Executive could take into account the availability of materials and manpower. We did not wish to interfere in any way with what we may call the war front.

Mr. President, we feel that the record unmistakably shows the need for the construction of these hospitals. Last fiscal year and in the present fiscal year contract authority to build the hospitals was given to the Executive, but the House of Representatives and the Committee on Labor and Public Welfare felt that the will of Congress should be expressed, and that not only should we provide the contract authority but that the hospitals should be built.

Mr. President, there are more and more TB cases and more and more psychiatric cases coming into the hospitals. That makes the need much greater than it has ever been before. Every day we hear of war casualties coming from the Korean war front. It can be shown that in many cases veterans, who though they are not service-connected cases, have not been able to get the care they should have had in a veterans' hospital.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senator from Florida may be granted an additional 2 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and the Senator from Florida is recognized for 2 minutes.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KNOWLAND. Is the able Senator from Florida familiar with the fact that not only veterans' organizations but the national agencies and the State of California very definitely feel that the information upon which the Veterans' Administration based its program was inaccurate, and that with the terrific increase in population in California, which shows a 40-percent increase over the last Census figures. A shortage exists today in California in the neuropsychiatric and other veterans' hospital facilities, which is very detrimental to the men to whom the Government owes a considerable obligation.

Mr. PEPPER. I am glad the Senator from California has made that point. He appeared and very vigorously asserted the need for hospital facilities in California. Any fair appraisal of the situation will show that the need does exist in California.

Mr. DOUGLAS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Does the Senator from Florida yield the floor?

Mr. PEPPER. I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DOUGLAS. Mr. President, reserving the right to object, and I intend to object, I think the facts in this case are pretty well stated in the CONGRESSIONAL RECORD at pages 11813, 11814, and 11815. Of the 105,000 veterans in hospitals who are now being cared for by the Veterans' Administration, approximately 70,000 are non-service-connected cases. This means that two-thirds of the existing number of the veterans in hospitals cared for by the Veterans' Administration are suffering from disabilities which were not created in the military service. Thirty-five thousand are service-connected disability cases, or one-third of the total.

Mr. President, I think it is the unanimous sentiment of the American public that we should care adequately for veterans who have been disabled in combat or as a result of combat, and military service and that we should provide a reasonable amount of care for non-service-connected disability cases, but that there are limits to the amount of such care which the community at a given time can afford for these non-service-connected cases.

Furthermore, a study of the facts indicates that on the 15th of June the total waiting list of veterans for hospital admission amounted to only 25,312, and that only 28 of this total were service-connected cases. In other words, 99.9 percent of all those who were waiting for admission were non-service-connected cases, and only one-tenth of 1 percent were service-connected cases.

Furthermore, a study of the facts indicates also that there are now under construction a large number of hospitals, with total capacity of 21,000 beds, with further hospitals to be constructed, for which contracts have been let, with 8,000 additional beds. So that we will shortly provide for 29,000 additional beds, which will take care of the entire present waiting list, which, as I have said, is 99.9 percent non-service-connected. Moreover these 29,000 additional beds will provide for large numbers of tubercular and neuropsychiatric patients.

The proposal of the very able Senator from Florida is to authorize 16,000 beds on top of this, at an average cost of $15,000 a bed or a total added cost of $240,000,000, providing only that the President would have the power to prevent the construction from being undertaken. In view of the past policy of the President, I believe it is pretty certain he would veto this bill, but why do we put ourselves in the position of taking the credit for hospital construction and then compelling the President to take the rap?

I believe that with 29,000 more beds which will shortly be available, we can care for virtually every non-service-connected disability case which now awaits hospitalization. That is certainly very adequate treatment on the part of the American public.

Mr. President, I do not believe that at this period when we face a gigantic deficit and are involved in grave hostilities in Korea we should make promises of further expenditures for these purposes of $240,000,000. Therefore, Mr. President, I object.

The PRESIDING OFFICER. Objection is heard, and the bill goes over.

BILL PASSED OVER

The bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. The Chair understands that this bill is to be passed over, and it is so ordered.

DEFERMENT OF REMAINING BILLS ON CALENDAR BECAUSE OF LACK OF REPORTS

The bill (H. R. 2984) to consolidate the Parker Dam power project and the Davis Dam project, was announced as next in order.

Mr. HENDRICKSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. May the Chair observe that the next seven bills are bills which were reported yesterday? Will not the Senator permit the Chair to seek information as to what the situation is about these bills?

Mr. HENDRICKSON. I withhold the suggestion of the lack of a quorum.

The PRESIDING OFFICER. The bill just announced and the remaining six bills on the calendar were reported yesterday. Are the reports available on Senators' desks on those bills?

Mr. SALTONSTALL. Mr. President, I should like to ask the majority leader whether it would not be wise to stop the call of the calendar now, as there are no reports on the bills on the calendar from this point on.

Mr. HENDRICKSON. I might observe that if we continue from now on, I should feel constrained, because of lack of reports, to object to all additional bills.

The PRESIDING OFFICER. The Chair thought it well to ask whether the Senator would withhold his suggestion of the absence of a quorum. Does the Senator from Illinois have an observation to make about the present situation?

Mr. LUCAS. Certain bills have been sent to the foot of the calendar which could be considered now, starting with Senate bill 595, Calendar No. 418.

The PRESIDING OFFICER. What is the pleasure of the Senate as to the remaining bills on the calendar, on which there are no reports?

Mr. LUCAS. If any Senator is going to object, of course we will simply have to desist calling any further bills. If there are no reports, every bill would be objected to, so there is no point in calling the calendar further.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. The Chair feels constrained to recognize the Senator from New Jersey next, because he withheld his suggestion of the absence of a quorum.

Mr. HENDRICKSON. Mr. President, I do not wish to prejudice the remaining bills on the calendar.

Mr. LUCAS. I have just been informed by one of the clerks that there are reports on all the bills with the exception of two. A moment ago I was informed by a clerk that there were no reports. I do not know who is correct.

Mr. McCARRAN. Mr. President, as I understand, the suggestion of the Senator from New Jersey is that, from and including Calendar No. 2252 down to the end of the calendar, the measures should go over without consideration today.

Mr. HENDRICKSON. Without prejudice. That is quite correct.

The PRESIDING OFFICER. The Senator from New Jersey asks unanimous consent that the bills from order of business 2251 through Order No. 2258 go over.

Mr. PEPPER. Mr. President, is there any reason why order of business 2258, House bill 8028, which is simply an authorization bill, should not be considered?

Mr. HENDRICKSON. Mr. President, I stand by my original statement.

Mr. KNOWLAND. Mr. President, will the Senator permit me to make an observation?

Mr. HENDRICKSON. I yield to the Senator from California.

Mr. KNOWLAND. In my opinion the Senator is entirely sound in his insistence that, without further time for study, these bills should not be passed, but I was wondering whether it would not be better really to stop the call of the calendar at this point, so that the bills will take their places on the calendar and be properly considered, rather than have it look as though they had been objected to.

Mr. HENDRICKSON. That is precisely what I want done.

The PRESIDING OFFICER. The Chair advises Senators that it would be customary to start the next call of the

calendar with Order No. 2251, and go on down. Of course, that matter rests with the Senate.

Mr. PEPPER. Mr. President, may I ask the majority leader whether there is to be another call of the calendar? If not, I wanted to object to passing over Order No. 2258, House bill 8028, which is a simple authorization bill, and for which there is a report in the file. It merely authorizes the Secretary of the Interior to sell certain lots at public auction. It involves property at St. Marks, Fla., which is near the capital of my State, and my home, and the property is likely to be sold at public sale. It is in the public interest to have the bill passed. I wonder if the Senator would allow consideration of that bill, since the report is on file.

Mr. HENDRICKSON. I insist that I shall object to all further bills on the calendar.

Mr. PEPPER. I ask the majority leader, will there be another call of the calendar?

Mr. LUCAS. It is expected that there will be another call.

Mr. PEPPER. Mr. President, I call attention to the fact that Senate bill 3504 was called yesterday during the call of the calendar, and my colleague, at my request, asked that it go to the foot of the calendar, until I could return. I wish to withdraw any objection to that bill.

The PRESIDING OFFICER. It is customary for bills which went to the foot of the calendar to be taken up in order as if they were still on the calendar. The clerk will call the first bill passed to the foot of the calendar.

BILLS PASSED OVER

The bill (S. 595) relating to the internal security of the United States, was announced as first in order.

Mr. HENDRICKSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Maybank
Anderson	Hill	Millikin
Benton	Hoey	Morse
Brewster	Holland	Mundt
Bricker	Hunt	Murray
Butler	Ives	Myers
Byrd	Jenner	Neely
Capehart	Johnson, Colo.	O'Conor
Chapman	Johnson, Tex.	O'Mahoney
Chavez	Kefauver	Pepper
Connally	Kem	Robertson
Cordon	Kerr	Russell
Darby	Kilgore	Saltonstall
Donnell	Knowland	Schoeppel
Douglas	Langer	Smith, Maine
Dworshak	Leahy	Smith, N. J.
Eastland	Lehman	Sparkman
Ecton	Lodge	Stennis
Ellender	Long	Taft
Ferguson	Lucas	Thomas, Okla.
Frear	McCarran	Thomas, Utah
Fulbright	McCarthy	Thye
George	McClellan	Tydings
Gillette	McFarland	Watkins
Graham	McKellar	Wherry
Green	McMahon	Wiley
Gurney	Magnuson	Williams
Hayden	Malone	
Hendrickson	Martin	

The PRESIDING OFFICER. A quorum is present.

The clerk will again state the first bill passed to the foot of the calendar.

INTERNAL SECURITY OF THE UNITED STATES

The bill (S. 595) relating to the internal security of the United States, was announced as the first bill at the foot of the calendar.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. LUCAS. Mr. President, reserving the right to object, I will say that I am in accord with the purpose and object of this measure, but in view of the President's message, which was sent to Congress on yesterday, and in view of the fact that Senators are studying the message as it relates to various bills which have been reported to the calendar dealing with the internal security, I am going to ask that the bill go over.

While I am on my feet, I should like to say that had I been present a few moments ago I would have made the same request with respect to Senate bill 3987, Calendar No. 2217. That bill deals with the internal security of the country, but the bill merely extends the statute of limitations to certain phases of espionage, sabotage, and so forth, and provide for a greater penalty, as I understand. I am for all those purposes. The whole thought was, however, that all such bills might be considered in connection with the President's message, and that perhaps an over-all bill, following through the suggestions made by the President of the United States, might be reported to the Senate.

The PRESIDING OFFICER. Objection is heard.

Mr. McCARRAN. Mr. President, addressing myself to the matter before the Senate, which is Senate bill 595——

The PRESIDING OFFICER. Will the Senator from Illinois withhold his objection until the Senator from Nevada has been heard?

Mr. LUCAS. Yes.

Mr. McCARRAN. I wish to continue remarks I began yesterday.

To sum up, the proposed bill accomplishes generally the following things:

First. It closes two glaring loopholes in section 793, title 18, United States Code, one of the espionage statutes, and in a few minor respects, broadens the coverage of part of that espionage statute.

Second. It makes it a crime to conspire to violate any of the subsections of section 793, title 18, United States Code. This seems logical since the other two espionage statutes contain similar conspiracy provisions.

Third. It increases the present statute of limitations on the three espionage statutes to 10 years, which seems reasonable in view of the emergency today and in view of the difficulty in determining a violation of said statutes because of the subversive character of prospective violators.

Fourth. It requires persons trained in espionage or sabotage by foreign countries to register under the Foreign Agents Registration Act, not so much as to penalize them, but rather to make available to this country their peculiar training in a field where our Government lags far behind Russia.

Fifth. It removes the penalty on failure to register under the Foreign Agents Registration Act from the statute of limitations by providing that such failure to register shall be considered a continuing offense.

Sixth. It penalizes those who violate the safety of rules and regulations of the Secretary of Defense respecting certain defense establishments.

The entire bill, as amended by the committee, has been drafted to serve the needs of the Departments of Justice, the Army, the Air Force, and the Navy in the successful discharge of their responsibility to protect and improve the internal security of the Nation. The swift and more devastating weapons of modern warfare, coupled with treacherous operations of those who would weaken our country internally, preliminary to and in conjunction with external attack, have made it imperative that we strengthen and maintain an alert and effective vigilance.

This bill is a departmental measure, introduced at the specific request of the Executive. I have done all in my power that it is possible to do to expedite consideration of the bill by the Senate. It was reported from the Senate Judiciary Committee many months ago; and on numerous occasions I have attempted, by correspondence and talks with those who object, to release it for a vote by this body. For purposes of clarity of the record, therefore, I offer at this time a portfolio of my correspondence along these lines, and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
June 9, 1949.

Hon. PAT McCARRAN,
United States Senate,
Washington, D. C.

DEAR SENATOR: I have been very much concerned, as I indicated in the committee, about the language of S. 595 and have been rereading it time and again and feel compelled to reach the conclusion that the language is far broader than, I am sure, you yourself would want it to be if you could take the time for a restudy of the bill. Very few people know as well as I do the tremendous burdens that have fallen on you as chairman of the Judiciary Committee, with probably more bills coming before you than in any previous time in the history of the Judiciary Committee; and I appreciate how difficult it is for you to find the time to go over each of these bills as minutely as you would like and particularly to make a restudy of any bill that you had already taken up in committee. However, I do suggest that it might be worth restudying.

As I have gone over this bill it seems to me that at least theoretically the bill, if it became law, "might make practically every newspaper in the United States and all the publishers, editors, and reporters into criminals without their doing any wrongful act." I am sure that no member of the committee would favor such an outcome, but I am afraid that as the bill now reads the theoretical power would be in the Department of Justice to apply this proposed law against every newspaper. I know you would not want to put any such power in the Department. As I now read the bill, it is so broad that I feel the Department would be given the

power, not only theoretical, but actual, to prosecute, if it so desired, practically every newspaper and newspaper man in the country. In addition, I am afraid that almost everybody else in America would be subject to prosecution under some of the detailed provisions of the bill.

I therefore feel it necessary to say that if the bill came up in its present form, I would be compelled to vote and speak against it on the floor of the Senate.

With kindest regards, I am,

Most sincerely yours,

H. M. KILGORE.

JUNE 10, 1949.

Hon. HARLEY M. KILGORE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I have your letter of June 9 with regard to the bill S. 595, now pending on the Senate Calendar.

As you know, this bill was handled by a subcommittee consisting of Senator EASTLAND, Senator MILLER, Senator O'CONOR, Senator FERGUSON, and Senator DONNELL. Public hearings were held on April 5, 6, and 7, and the bill was reported favorably by the subcommittee on May 2. On May 26, the full Committee on the Judiciary ordered the bill reported favorably to the Senate, with an amendment; and the bill was so reported on May 27 by Senator EASTLAND.

In your letter, you suggest that this bill may constitute a threat to freedom of the press. Any suggestion of such a threat naturally concerns me greatly. I shall proceed at once to restudy the bill in the light of your letter. It appears that time is available in which this may be done, in view of the fact that there appears to be no possibility the bill would be called up in the Senate until after completion of debate on the labor bill.

After I have completed my restudy of S. 595 with particular regard to its impact upon freedom of the press, I shall get in touch with you again about this matter.

Thank you for writing to me, and my kindest personal regards to you.

Sincerely,

PAT MCCARRAN,
Chairman.

JULY 15, 1949.

Hon. PAT MCCARRAN,
Chairman, Committee on the Judiciary,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I am enclosing for your information copy of a letter to the Vice President with respect to S. 595.

With kind personal regards,

Sincerely,

TOM C. CLARK,
Attorney General.

JULY 15, 1949.

The VICE PRESIDENT,
United States Senate,
Washington, D. C.

MY DEAR MR. VICE PRESIDENT: The Department of Justice desires to urge the early enactment of the bill (S. 595) "Relating to the internal security of the United States."

Enactment of this legislation is urgently needed. The necessity for immediate action on this matter was forcibly demonstrated during the recent trial of Alger Hiss. Although Henry Julian Wadleigh testified under oath that he had illegally abstracted State Department documents for eventual delivery to a foreign government, existing laws appear to make his prosecution impossible. Such an incident, which is only one of several, clearly illustrates the very pressing need for corrective legislation.

For several years, this Department has been seeking means of strengthening the laws relating to the internal security of the United States. The above bill is the result of considerable study and investigation of this subject. Further delay can only react to the prejudice of the security of this country. Therefore, the immediate enactment of this legislation is recommended.

With kind personal regards,

Sincerely,

TOM C. CLARK,
Attorney General.

JULY 19, 1949.

Hon. HARLEY M. KILGORE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Under date of June 9, you wrote me suggesting that the bill (S. 595) now pending on the Senate Calendar, after having been reported favorably from the Committee on the Judiciary, may constitute a threat to freedom of the press, and expressing also the opinion that the bill was too broad.

As I promised you in my reply of June 10, I have restudied this bill most carefully, and I have sought expert advice from several sources. For your information, I enclose copies of letters which I addressed to the Attorney General, to the Chief of the Federal Law Section of the Legislative Reference Service, Library of Congress, and to Mr. Elisha Hanson. I am also enclosing replies from the Attorney General and Mr. Hanson, and a copy of certain memoranda furnished me by the Federal Law Section of the Legislative Reference Service, Library of Congress, pertinent to this question.

The Attorney General's letter appears to support the bill, in its present form, both strongly and fully.

Mr. Hanson's letter suggests an amendment which seems to have merit, and which seems aimed at answering one of the points which you raised. It will be my purpose to offer the language suggested by Mr. Hanson as a floor amendment to S. 595. I refer to Mr. Hanson's modification of what was section 8 of the bill as I originally introduced it. In the amendment which I intend to offer, this language will be proposed as a new section 5 of the bill.

Mr. Hanson's suggestion with regard to the statute of limitations on failure to file under the Foreign Agents Registration Act does not appear to be well founded. The gravamen of this offense is not an overt act, but a mere failure to act. The offense might under some circumstances be very difficult to discover. I do not like the idea of a legal situation in which a foreign agent, if he can successfully flaunt the law for some named period of time, may thereafter be forever immune to prosecution.

The point made by Mr. Oglebay, of the Federal Law Section, Legislative Reference Service, with regard to the desirability of eliminating subsection (c) of section 4 of the committee bill also strikes me as worth while; and I shall offer an amendment for this purpose.

With the two amendments referred to above, I believe the bill will be wholly acceptable and that it should be enacted.

Thank you for writing me about this matter.

Kindest personal regards.

Sincerely,

PAT MCCARRAN,
Chairman.

JULY 22, 1949.

Hon. TOM CLARK,
Attorney General of the United States,
Department of Justice,
Washington, D. C.

MY DEAR ATTORNEY GENERAL: Thank you very much for your thoughtfulness in sending me a copy of your letter of July 15 to the Vice President, with regard to the bill S. 595, the so-called internal-security bill.

I want to do all I can to help get this bill through the Senate as soon as possible. I am hopeful that my reply to Senator KILGORE's letter (a copy of which I sent you) may help clear the way for action. In this connection, I refer you to the CONGRESSIONAL RECORD of July 20, 1949, volume 95, part 7, page 9747, in which the full text of my correspondence with Senator KILGORE, and related correspondence, including my letter to you and your reply, is set forth.

Kindest personal regards.

Sincerely,

PAT MCCARRAN,
Chairman.

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
July 26, 1949.

Hon. PAT MCCARRAN,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCARRAN: I congratulate you on the advance you have been effecting through your personal efforts at a time when you are carrying so many other labors as chairman, toward opening up the basic issues involved in S. 595. Your efforts in obtaining the assistance of Mr. Elisha Hanson and your adoption of his suggestion for an amendment to exempt the press from the bill seem to me to call for public appreciation.

Similar amendments to exempt businessmen's activities, the activities of labor organizations and individual workmen, and others seem to me to be as necessary as the exempting of the press if there is to be a bill of any kind on the theory that underlies S. 595.

As I study the bill further some doubts occur to me which I owe it to you to mention. It seems to be a departure from the basic Anglo-Saxon theory of the kind of actions which are declared criminal. The Anglo-Saxon law which you administered and helped to administer as judge and lawyer pointed to a wrongful act or damaging act as the heart of a crime; the requirement of the criminal law that the person committing the wrongful or damaging act might not be convicted of crime unless he had a wrongful state of mind, a wrongful intention, or mens rea, as one of the memoranda you were kind enough to send me notes, was added solely for the person's protection; so that the concept which you as judge administered required, before a man could be convicted of a crime, a combination of a wrongful or damaging act, and an evil state of mind. Now, S. 595 turns the whole concept upside down. It makes an innocent act a crime and adds an evil or bad state of mind as a supplemental ingredient. The result is that the only wrong thing for which a man would be convicted would be a bad state of mind.

This is a result directly contrary to our whole theory of the criminal law, it seems to me. We all know that in times of excitement or hysteria it is not difficult to get a jury to believe that a man's state of mind was evil. If no evil act on his part has to be proved, the danger under S. 595 would be that innocent men, who had done only innocent acts, might be sent to prison, or at least might be harassed by the threat or actuality of a criminal prosecution. Such a bill would not be a safeguarding of our democratic political system and our democratic way of life. It would amount to totalitarian doctrine.

I should like to illustrate the thing that is troubling me, by turning to the first paragraph of the bill—subsection (a), on pages 10–11, line 18, of the draft as reported to the Senate and printed as Calendar No. 418. Subsection (a) makes a crime out of a combination of an act that may be wholly innocent, and a state of mind; even the state of mind does not necessarily have to be evil. The forbidden act is committed by a man who, according to the bill, "goes upon, * * * or otherwise obtains information

concerning any * * * building, office, or other place connected with the national defense owned * * * by the United States, or any place in which * * * materials * * * for use in time of war are being made, * * * or stored, under any contract * * * with the United States."

I have taken only a few of the examples appearing in the bill, for purposes of illustrations; there are many others in it.

A workman going into a shop which manufactures shoes or underwear for the armed services commits the sort of act covered by this subsection (a). A businessman going into such a shop commits an act covered by the subsection. A Government clerk entering a public building used for national defense office purposes, and open to the public, commits an act covered by subsection (a).

I do not think it is safe for our people, I think it throws too great an opportunity into the hands of officials to harass citizens, through excessive and misplaced zeal, if we give the officials the power to convict persons doing acts of this nature, by enabling prosecutors to convict by means of proof that the persons performing those acts had at the time some evil state of mind.

The subsection would authorize conviction even if there were no evil state of mind. Thus, a man would be punishable by up to 10 years in prison for doing an innocent act, if he had "reason to believe that the information" was to be "used * * * to the advantage of any foreign nation." We must remember that this is only a kind of state of mind that a jury has to be persuaded he had at the time he went into a building even of the most open and public nature. We must remember that the conviction would really be for a state of mind. And what state of mind? Suppose the jury could be persuaded by a prosecutor to conclude that the defendant should have realized that the information he wanted to get might benefit Great Britain, or Ireland, or France. Then that state of mind would be the evil one.

It would be well to recapitulate what a prosecutor would prove, to get a conviction under subsection (a). First, that the defendant went into a Government building having to do with the national defense, even though it was open to the entire public, or into a factory or storage warehouse in part of which there were such things as shoes or underwear or toothpicks for the Armed Forces; the man might have done this lawfully, he might have had every right to be there; but his act of entering would constitute the act covered by the bill. Second, the prosecutor would ask the jury to infer that somewhere inside this man's mind was the desire or purpose to get information respecting the national defense; it would be enough for the purposes of this bill if the jury inferred that the man had it somewhere in his mind to get some information of the most public nature, and of a nature whose publication would not damage the United States in any way whatsoever. Third, the prosecutor would ask the jury to infer that inside the man's mind somewhere was some fact or other that should have led him to realize, even though he did not in fact realize, that the information which he was inferred to be wanting, might be of some advantage to any foreign country on the face of the globe; it might be innocent information, it might be information that it would be beneficial for our country to have some foreign country get; that would still be the state of mind covered by this bill.

Whatever other and actual wrongful cases might be covered by subsection (a), it would make it possible to convict a man for an innocent act and for a state of mind which the jury would conjecture that he had, and a highly innocent state of mind at that.

It is not up to Congress to pass a bill under which everyday and innocent actions and states of mind are covered. If Congress is going to legislate, it should make sure that its criminal laws do not make innocent or everyday incidents criminal.

The difficulty arises fundamentally out of the attempt to change the whole basis of our criminal law, to introduce a wholly new theory of criminal law, that it is a crime to do an innocent act, provided that a jury can be persuaded by some prosecutor that the man who did that innocent act had some bad or even innocent state of mind inside his head.

There are other parts of the bill which seem to me to cover, in other ways, innocent people. But I think the examples I have given are sufficient to indicate the nature of the doubts that are troubling me.

Of course, if we pass laws under which everyone in the United States can be arrested and convicted, or half the people can be arrested and convicted, we may be able to send to prison everyone whom the detectives suspect of real wrongdoing, without being able to prove, by evidence, the actual wrongdoing. But this would mean the destruction of our democratic way of life. I am afraid that as one studies S. 595 more and more, it becomes clearer that it includes something of this blanket sort. A totalitarian system, with the real incompetence that goes with such a system, would have such a law; in a police state the great advantage the police enjoy is that they do not have to do the arduous work of getting the evidence of a real crime, they do not have to prove in court proceedings a real crime; they can send a man to prison for doing the most innocent things; and they get the judges to infer that the man they are after had an evil state of mind.

I cannot conclude this lengthy letter without expressing my personal appreciation for the arduous and self-sacrificing labors you have been performing as chairman. If the comments I have made can be of any service to you, I shall be greatly pleased. I think you are on a very fruitful line of inquiry in going into this bill further, and that the continuance of this process will be in the highest traditions of the committee, both before and during your chairmanship.

With kindest regards, I am,

Most sincerely yours,

H. M. KILGORE.

AUGUST 2, 1949.

Hon. HARLEY M. KILGORE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: This is in response to your letter of July 26, 1949, concerning S. 595, a bill relating to the internal security of the United States. Needless to say, we are in agreement that no legislation should be supported which would appear in any way contrary to our fundamental concepts of democratic government.

In the light of your recent letter and previous correspondence about S. 595, the bill has again been reviewed by members of the staff of the Judiciary Committee and by me. I have not changed the conclusion which I reported to you in my last letter. I believe the bill as amended is satisfactory from both the practical and constitutional standpoints. Moreover, as you are aware, the bill in its present form has been given extremely careful consideration by both the Senate and House Judiciary Committees, with the same conclusion.

Your letter of July 26, 1949, points out, as a specific example of your misgivings, subsection (a) of the first section. As you are doubtless aware, subsection (a) of the first section of the bill is merely a restatement of the existing law which has been a part of the Espionage Act of 1917 for many years. It was reiterated in this bill for the purpose of clarity to show how subsequent amendments, which the bill would enact, fit in and relate to the entire Espionage Act of 1917.

Since this provision of the bill, concerning which you have expressed apprehension, has been the law for over 30 years, and there appears to have been no record of its abuse or successful attack on grounds of unconstitutionality, it is suggested that your fears with respect to this provision may be dispelled.

A study of the committee report on this bill will, I feel sure, help to clarify any remaining questions you may have with respect to the background, purpose, and practical application of the measure.

Kindest personal regards.

Sincerely,

PAT MCCARRAN,
Chairman.

MAY 20, 1950.

Hon. SCOTT W. LUCAS,
Majority Leader, United States Senate,
Washington, D. C.

MY DEAR SENATOR: One week from today—Saturday, May 27—will be the first anniversary of the day the bill S. 595, the so-called internal security bill, was reported favorably to the Senate from the Committee on the Judiciary.

During the year since the bill was reported, it has slumbered peacefully on the Senate calendar except for occasions when the calendar was called and the bill took the limelight, briefly—long enough to meet objection, usually from the minority side of the aisle.

At the time this bill was introduced, it was my understanding its enactment was desired by the administration. Can you tell me whether the administration still wants the bill passed, and if so, when it may be possible to call it up for consideration in the Senate?

Kindest regards.

Sincerely,

PAT MCCARRAN,
Chairman.

The PRESIDING OFFICER. Objection having been made, the bill will be passed over.

The next bill ordered put at the foot of the calendar will be stated.

BILL PASSED OVER

The bill (S. 660) to amend the act of June 27, 1944, Public Law 359, and to preserve the equities of permanent classified civil-service employees of the United States was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCHOEPPEL. Let the bill go over.

The PRESIDING OFFICER. Objection having been heard, the bill will be passed over.

The next bill ordered to the foot of the calendar will be stated.

DISPOSITION OF LANDS ON THE CABAZON, AUGUSTINE, AND TORRES-MARTINEZ INDIAN RESERVATIONS, CALIF.

The bill (H. R. 4584) to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Mr. President, what is the calendar number of the bill?

The PRESIDING OFFICER. Calendar No. 920.

Is there objection to the present consideration of the bill?

Mr. SALTONSTALL. Mr. President, I have on my calendar a note that consideration of the bill was previously objected to by the Senator from North Dakota [Mr. LANGER]. I understand that he is absent from the Senate Building at the moment, but will be back very soon.

So I ask unanimous consent that the bill may be placed at the foot of the calendar of this call, so that the Senator from North Dakota may have an opportunity to be heard.

Mr. LUCAS. Mr. President, I dislike to make objection to that request, but if we are to start to put at the foot of the calendar bills previously ordered to the foot of the calendar, I wonder how long that process will continue.

Mr. KNOWLAND. Mr. President, will the Senator withhold his objection for a minute, please?

Mr. SALTONSTALL. Certainly.

Mr. KNOWLAND. I do not wish to have any of the rights of the Senator from North Dakota hurt; but the fact is that when this bill was reached during the call of the calendar yesterday, certain amendments were offered by the Senator from Kansas, and they were accepted. Then the Senator from North Dakota offered certain amendments, and they were accepted. The Senator from North Dakota then wanted to have the bill placed at the foot of the calendar.

In my personal conversations with the Senator from North Dakota and with the Senator from Wyoming [Mr. O'MAHONEY], the Senator from North Dakota indicated to me at that time that he would not object to the bill when it was reached at the foot of the calendar.

It seems to me that there is no further objections; and the Senator from North Dakota has preserved all his rights by indicating his intent to object to consideration of the bill only if there were further objection.

Therefore, Mr. President, inasmuch as the bill has been on the calendar since August 15, if there is no further objection, I should like to have the bill acted upon now.

Mr. SALTONSTALL. Mr. President, in view of the statement made by the Senator from Massachusetts, I withdraw objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4584), which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 6, in line 13, after the word "amount", to strike out "acquired" and insert "(not to exceed $5,000) required."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H. R. 4800) to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. I object.

The PRESIDING OFFICER. Objection is heard, and the bill is passed over.

DEVELOPMENT OF IMPROVED TRANSPORT AIRCRAFT

The bill (S. 3504) to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PEPPER. Mr. President, as I said a moment ago, I asked my colleague if he would request that the bill be placed at the foot of the calendar. I appreciate his doing so and I appreciate the Senate's acceding to the request.

I had asked that the bill be carried over until I could make some inquiries about it.

There are a great many persons who are interested in our aviation industry, but who regret that this bill does not go as far as it should. I share that opinion.

The bill authorizes the appropriation of $12,500,000 over a period of 5 years for the operation, testing, and modification of aircraft. I believe that the need for the development of aviation—civil, as well as military—is so great that we should go much further than the bill proposes, and should provide Federal funds for the development, designing, and testing of advanced types of aircraft which will serve to advance the aviation industry in the United States.

I understand that today Great Britain is flying from the British Isles to the Continent planes which in some technological respects are several years ahead of the planes we have or the progress we have made in this field.

Furthermore, some of the independent operators and small operators feel that they are not likely to receive much benefit from this program, and that unless the Government is willing to build planes and give them a chance to use them or to test them, they will never get much benefit under this program.

I share their feeling that the bill should go further than it does.

However, the bill represents some progress; and I desire to commend and aid in, rather than to obstruct, that progress.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McCARRAN. Mr. President, on yesterday I objected to the consideration of this bill. I did not think then, and I do not think now, that the bill goes as far as it should go. The bill may be a step in the right direction, and I think it is, but in my opinion this method of training and this method for the production of aircraft should be enhanced, and more progress should be made.

I am not going to object now to the present consideration of the bill; I am withdrawing my objection. I hope the bill will be enacted, because I think it is a beginning of a program which should be pushed forward with celerity.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3504), which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, to strike out all after the enacting clause, and insert:

That is is hereby declared to be the policy of Congress to promote, in the interest of safety, the national air-transportation system and the national defense, the development of improved transport aircraft, particularly turbine-powered aircraft, aircraft especially adapted to the economical transportation of cargo, and aircraft suitable for feeder-line operation, by providing for temporary Government assistance in the testing and minor experimental modification of such aircraft, and in the operation of available turbine-powered aircraft in simulated transport service to secure data to aid in the development and manufacture of turbine-powered transport aircraft, and to aid in the adaptation of civil airways, civil airports, and air-safety regulations applicable to civil aircraft to the operation of such aircraft.

SEC. 2. (a) The Secretary of Commerce (hereinafter referred to as the Secretary) is authorized to carry out the purposes of this act by—

(1) preparing broad operating and general utility characteristics and specifications for all types of such aircraft which he finds are required in the public interest, and which represent potential advances over existing aircraft;

(2) providing for the operation, by contract or otherwise, of available aircraft with turbine-jet or turbine-prop power units under conditions simulating, to the extent practicable, the conditions under which scheduled air transport aircraft operate;

(3) providing, by contract or otherwise, for the testing of such aircraft which, in his opinion, best meet the operating and utility characteristics and specifications established by him in accordance with this section; and

(4) providing for such minor experimental modifications of such aircraft during the testing period which he believes necessary to carry out the testing program in the interests of safety or economy of operation.

(b) In carrying out his functions under this section, the Secretary shall consult, from time to time, with interested Government agencies, including the Department of Defense, the Civil Aeronautics Board, and the National Advisory Committee for Aeronautics, and with representatives of the respective segments of the aviation manufacturing industries and of the air transport industry.

SEC. 3. (a) The Secretary is authorized, subject to the civil-service laws and the Classification Act of 1949, as amended, but without regard to any provision of law limiting the number of personnel which may be employed by the Civil Aeronautics Administration, to employ and fix the compensation of such personnel as may be deemed necessary to assist the Secretary in carrying out his functions under this act: *Provided*, That to the extent practicable consistent with other duties and assignments, the personnel and facilities of existing Government agencies shall be used to carry out the responsibilities stated in this act.

(b) The Secretary, in carrying out the provisions of section 2 of this act, may enter into contracts or other arrangements, or modifications thereof, with or without legal considerations, performance or other bonds, or competitive bidding, and, in carrying out such contracts, arrangements, or modifications thereof, may make advance, progress,

and other payments without regard to the provisions of section 3648 of the Revised Statutes.

SEC. 4. As used in this act—

(a) The term "aircraft" shall include engines, airframes, propellers, rotors, instruments, accessories, and equipment for such aircraft.

(b) The term "testing" means the operation of an aircraft incident to the procurement of a type certificate for such aircraft, and the operation of an aircraft, whether type certificated or not, in actual or simulated transport service for the purpose of determining the operating and utility characteristics of such aircraft.

(c) The term "minor experimental modifications" means any adjustment or change necessary and incident to carrying out the testing program in the interest of safety or economy of operation but does not include any major factory modification.

SEC. 5. The Secretary shall submit annually to the Congress a report on the progress made in the accomplishment of the purposes of this act, and the amounts of the expenditures made or obligated pursuant thereto, together with such recommendations as to additional legislation relating thereto as he may deem necessary.

SEC. 6. There is hereby authorized to be appropriated to the Department of Commerce not to exceed $12,500,000 to carry out the purposes of this act. When so provided in the appropriation act concerned, such appropriations may remain available until expended.

SEC. 7. This act shall become effective upon enactment, and shall expire 5 years thereafter.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 7722) to provide for the acquisition and preservation as a part of the National Capital Parks System, of the Old Stone House in the District of Columbia was announced as next in order.

INVESTIGATION OF GASOLINE PRICE INCREASES

Mr. PEPPER. Mr. President, the announcement I now make does not pertain to the bill which has just been reached; but I wish to make this statement for the RECORD:

At the last call of the calendar, by request I had objection interposed, through the acting majority leader, at a time when I was not present, to the consideration of Calendar 2044, Senate Resolution 291, a resolution submitted by the Senator from Michigan [Mr. FERGUSON] for himself and the Senator from Wyoming [Mr. O'MAHONEY], calling for an investigation of gasoline prices in the United States. I wish the RECORD to show that I made the objection by request.

I have not interposed such objection at this call of the calendar, and I shall not interpose objection in the future.

BILLS PASSED OVER

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 7722?

Mr. GURNEY. I object.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (H. R. 5098) to authorize the leasing of restricted Indian lands for public, religious, education, recreational, business, and other purposes requiring the grant of long-term leases, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

REQUEST OF RAILROAD BROTHERHOODS FOR GOVERNMENT SEIZURE AND OPERATION OF THE RAILROADS

Mr. MORSE. Mr. President, I have just been advised by Mr. R. O. Hughes, president of the Order of Railway Conductors, and Mr. W. P. Kennedy, president of the Brotherhood of Railroad Trainmen, that they are releasing to the press this afternoon a telegram which was sent to the President of the United States on August 4, 1950. Because of the seriousness of the import of the telegram, I propose to use the 5 minutes available to me at this time to read the telegram. Then, on another order of business, as soon as I can get the floor, I shall take another 5 minutes to discuss my point of view in regard to the telegram. It reads as follows:

The PRESIDENT,
The White House,
Washington, D. C.:

As the presidents of the two railway brotherhoods involving the interests and rights of more than 300,000 railway workers, we respectfully inform you that the dispute between our brotherhoods and the carriers of 17 months' standing is reaching serious crisis. In the national interest and to avert a potential substantial interruption in essential railroad transportation, we respectfully recommend to you that our Government take possession of and operate the railroads in the United States until such time as this dispute is settled in fairness to the rights of our members.

Today we are being victimized by the stubborn refusal of the carriers to make any reasonable concessions and compromises to the Emergency Board Report in this case, which report is definitely unacceptable to the membership of our brotherhoods. The serious international crisis which confronts our country is being used by the carriers as an opportunity for misrepresenting our position in this dispute and for prejudicing the public mind as to our rights under the Railway Labor Act. As you well know, the Congress did not provide that the report of Emergency Board constitutes final and binding decision such as would be the case if the Railway Labor Act provided for compulsory arbitration.

We are satisfied that you recognize the dangers to the legitimate rights of American labor inherent in compulsory arbitration and therefore we do not think that you should permit the carriers to force compulsory arbitration upon us indirectly through the very unfair and unsound Emergency Board Report which has been issued in this case. Under the Railway Labor Act both sides to a dispute have the legal right to refuse to accept the recommendation contained in an Emergency Board Report. We have exercised that right in accordance with the law. Since June 15 when the Emergency Board Report was issued, we have stood ready and willing to negotiate with the carriers a fair and reasonable mediation settlement of our differences over the report, but in the six short meetings we have had with the representatives of the carriers and the National Railway Mediation Board we have found the carriers to be subbornly unwilling to give open-minded consideration to any mediation proposal in respect to any of the issues involved. It is obvious to us the carriers think that because of the international crisis which confronts us they can succeed in forcing us to accept without any compromise whatsover the many unfair and unjust recommendations of the Emergency Board Report. Our brotherhoods are composed of patriotic American citizens and our members are working on every one of the class 1 railroads of the country. They want to do whatever is necessary for the war effort, but they think they have the right to turn to you as their Commander in Chief in time of national emergency to protect them from this hostile attempt of the carriers to deny to them a fair and just settlement of this dispute. They will work for the Government gladly under Government operation of the railroads during this period of crisis until this dispute can be settled on its merits through mediation, but we most earnestly advise you that there is very deep resentment which is becoming more intense each day among our members against the carriers because of the high-handed way the representatives of the carriers have treated them and their national officers since the Emergency Board Report was issued.

As presidents of the two brotherhoods involved, we think you should know that our membership will not accept the recommendations of the Emergency Board in respect to wages, hours, and conditions of employment in the absence of some fair modifications and adjustment of those recommendations. The carriers should not be allowed to take advantage of the international situation in their endeavor to force upon our membership conditions which they very well know they could not possibly get by with in time of peace. Therefore to avoid the growing danger of a very serious disruption of railway transportation, we urge that the necessary steps be taken for governmental operation of the railroads until such time as a thorough investigation of and hearing upon our claims for improved hours, wages, and working conditions can be had. We want you to know we are at your command for a discussion of the merits of this dispute at any time with you or anyone you designate, but we think you should take note of the fact that the Railway Mediation Board has failed to settle this case mainly because of the fact that the carriers have no desire or good faith will to settle it on a fair basis.

Therefore we think our Government should take over the railroads because we are satisfied that it is only such action that will cause the carriers to proceed to mediate settlement with us in good faith.

Respectfully,

R. O. HUGHES,
President, Order of Railway Conductors.

W. P. KENNEDY,
President, Brotherhood of Railroad Trainmen.

I shall discuss the telegram in another speech, later.

Mr. DONNELL. Mr. President, the news which the Senator from Oregon has just given to the Senate is of vital importance. I should like to call the attention of the Senate to the fact that in this communication to the President of the United States this language appears:

Therefore to avoid the growing danger of a very serious disruption of railway transportation, we urge that the necessary steps be taken for a governmental operation of the railroads—

And so forth.

Mr. President, I do not know, other than is implied by the fair meaning of the words, "the growing danger of a very

serious disruption of railway transportation," what is meant by these men, the president of the Order of Railway Conductors and the president of the Brotherhood of Railway Trainmen. I assume, however, that the words have the clear, definite meaning that they are threatening to strike the railroads of the country, despite the present critical conditions with which the Nation is faced.

I may say that this to my mind emphasizes more clearly than any words of mine could emphasize the importance of the enactment of a bill which has not been reported favorably by the Senate Committee on Labor and Public Welfare, namely, Senate bill 3463, a bill which, among other things, provides that—

> Any strike, including any concerted stoppage of work by employees or any concerted slow-down, sit-down, walk-out, or other concerted interruption of operations by employees, or any lock-out by a carrier, arising out of or in connection with any dispute falling within the purview of this act—

That is to say, the Railway Labor Act—

> shall be unlawful.

Mr. President, there are interested in this railway situation not only the employees of the railways and the owners of the railways; there is interested that great body of people called the public. The interests of the public are paramount and predominant.

To my mind, Mr. President, this very serious message which has been read here this afternoon by my distinguished friend emphasizes vigorously and powerfully and clearly the importance of early affirmative action by the Senate in the passage of Senate bill 3463.

LEASING OF RESTRICTED INDIAN LANDS FOR AIRPORT PURPOSES—BILL PASSED OVER

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 5098?

Mr. SCHOEPPEL. Over, by request.

The PRESIDING OFFICER. The bill will go over.

REVISION OF BOUNDARIES OF THE JOSHUA TREE NATIONAL MONUMENT, CALIF.

The bill (H. R. 7934) to reduce and revise the boundaries of the Joshua Tree National Monument in the State of California, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

REQUEST OF RAILROAD BROTHERHOODS FOR GOVERNMENT SEIZURE AND OPERATION OF RAILROADS

Mr. MORSE. Mr. President, reserving the right to object, I wish to discuss this telegram of the presidents of the Railway Brotherhoods to the President of the United States, for 5 minutes.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. If I do not finish in this 5-minute period, I shall take another 5 minutes later.

I agree with the Senator from Missouri, Mr. President, that this telegram represents a very serious situation so far as labor relations within the railroad industry of this country are concerned. I respectfully disagree with my good friend from Missouri as to the steps that ought to be taken in order to solve this problem.

The solution certainly is not the passage of a compulsory arbitration bill, because it would appear that such an undesirable step is exactly what the carriers want. It would appear from this telegram, if this is an accurate statement of the type of mediation in which the carriers have been participating since June 15, that they have been waiting in the hope that some compulsory arbitration legislation in the form of the Donnell bill would be passed.

A recognition on the part of the brotherhoods and on the part of the carriers is needed—I make no distinction between the two of them, so far as their public duty in this crisis is concerned—a recognition of the importance of their sitting down in good-faith mediation conferences to seek a settlement of this dispute. It means some give and take on the part of each side, Mr. President. It means a relaxation of some stiff neck muscles. It means a letting of some reasonableness into the minds of both sides to the dispute. I understand that my good friend, and one of the most able conciliators and mediators in the country, Mr. John Steelman, is devoting practically full time, around the clock, in trying to bring these parties together in a fair settlement of this dispute. He is doing his best to handle fairly and in the public interest what is clearly a very serious crisis in the railway industry.

Mr. President, as one who has had some experience in mediating railroad disputes in this country, I want to say that I think the one thing which is needed more than anything else at this hour is the presence in Washington of the presidents of the railroads. The time has come for their hired men to step into the background. The time has come for the presidents of the railroads, who have the primary obligation to settle this dispute through good-faith mediation, to see to it that this case is settled without any disruption of work in the railway industry. The time has come for them to step in and take the play away from the hired men whom they have placed in charge of the case for months gone by. The time has come for the presidents of the brotherhoods, also, to get around the table in the presence of John Steelman, a great public servant, and work out a fair compromise on the Emergency Board report. I urge such action because we are at war, Mr. President. This is not the first time I have issued a warning on the floor of the Senate in regard to the matter. Some weeks ago I said, and received some criticism for it, that we were at war and had better recognize the importance of mobilizing the economy of this country as well as our military forces.

In war, Mr. President, a crisis such as this must be met, in my judgment, on the basis of good-faith mediation around the mediation table. Therefore, Mr. President, I call upon the presidents of the railroads—who saw fit to come to Washington when the Donnell bill was before the committee and testify in favor of a compulsory arbitration bill for settling labor disputes—to get themselves here now, in the public interest, and sit around the mediation table with John Steelman and recognize that both parties to the dispute need to make some fair and reasonable compromises and concessions on the Emergency Board report. It is perfectly clear that the Emergency Board report is unacceptable to the brotherhoods. It is not for me or for the Senate to pass judgment on the merits of that report. But, as Senators, we have to face the fact that the Emergency Board report did not solve this case, and under the Railway Labor Act the brotherhoods have the legal right to refuse to accept that report. We cannot get away from that premise. Therefore, I say neither side should be allowed to fight this one out on the basis of economic action in time of war, but their patriotic duty is to agree to reasonable modifications of that report at an early hour.

I shall discuss the matter further, Mr. President, later this afternoon.

Mr. DONNELL. Mr. President, the Senator from Oregon has referred to the importance of the recognition of mediation. I say that there is something else that should be recognized, namely, the importance of the interest of the public. We are confronted by a virtual demand, certainly a very strong suggestion, by the men who have signed the telegram to the President of the United States, that the President should take out of the hands of the railroads the management of those properties and put it into the possession of the United States Government.

Have we forgotten the situation in 1946, when a Nation-wide paralyzing effect was brought about by the most disruptive tie-up in the history of American railroads? Have we forgotten that in 1948 the President declared that a strike on our railroads would be a Nation-wide tragedy with world-wide repercussions?

Yet, Mr. President, here come these heads of the great railway brotherhoods and threaten at this particular time a strike on the railroads, because what they refer to can mean nothing else but a strike.

It has been demonstrated in the history of our country, within the past few years, that the mere fact that the Government takes charge or possession of railroads does not prevent what the President points out as disruption and world-wide repercussions. It has been demonstrated that railway labor, by reason of those facts, does not cease or desist from strikes. It was only the strong arm of a court, in the nature of an injunction order, which prevented the strike in 1948 when that situation developed.

I say, Mr. President, that today the thing which is pointed up most vigorously, powerfully, clearly, and unmistakably by this message to the President is the importance of the recognition of the fact that there are interests other

than those of the employees, other than those of the railroads; that the interests involved are those of the public of the United States. There have been strikes such as that which occurred on the Missouri Pacific Railroad, which lasted for 45 days—6 weeks and 3 days, Mr. President. There has been the Wabash Railroad strike. There have been the strikes which the present Presiding Officer [Mr. SPARKMAN] will so well remember. There was a threatened strike which, from a computation in which he courteously assisted me on the floor of the Senate, it appeared was to involve approximately 33,000 miles of railroad.

Mr. President, the interests of the public must be protected, and the interests of the public will be protected by a law such as is provided for in Senate bill 3463.

REVISION OF BOUNDARIES OF THE JOSHUA TREE NATIONAL MONUMENT, CALIF.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill (H. R. 7934) to reduce and revise the boundaries of the Joshua Tree National Monument in the State of California, and for other purposes?

Mr. WILLIAMS. I object.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF SECTION 120 OF THE INTERNAL REVENUE CODE

The bill (H. R. 7303) to amend section 120 of the Internal Revenue Code was announced as next in order.

REQUEST OF RAILROAD BROTHERHOODS FOR GOVERNMENT SEIZURE AND OPERATION OF RAILROADS

Mr. MORSE. Mr. President, reserving the right to object, I should like to take another 5 minutes on the railroad issue, and then I am sure I shall be finished with my discussion.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, I have great respect for the point of view of the Senator from Missouri [Mr. DONNELL]. There is no question about the fact that he thinks the passage of his bill would prevent strikes on American railways. I think he is correct; it would. But I want to invite attention to what else it would do. It would put the Government in control, direction, and dictation of railway labor and railway labor relations in this Nation.

I want to say, Mr. President, that I think it is perfectly obvious that this telegram correctly states the fact as to the carriers' attitude. Apparently their failure to agree to any concessions whatsoever on the Emergency Board's report, which is so unacceptable to the brotherhoods in this case, is clear evidence that they are trying to create a situation which they think will force upon the Senate a consideration of the Donnell compulsory arbitration bill. I think the brotherhoods are quite right in this telegram in pointing out that the international crisis should not be used, or we should not permit the carriers to use this international crisis, indirectly to accomplish what they know they cannot accomplish directly.

Mr. President, they cannot get through a compulsory arbitration bill, because the American public, once they take time to see the implications of compulsory arbitration, do not want to bring the economy of this country under that type of regimentation by the Federal Government.

I respect my friend from Missouri, but our major difference is that I think his bill will help to lead us into a bureaucratic paternalism on the part of the Federal Government that does not augur well for the future of a free-enterprise system. This dispute is a simple matter to settle, and I again appeal to the patriotism of the presidents of the railroads and the presidents of the brotherhoods to get themselves to Washington, into one room with John Steelman, and start mediating in good faith. There is nothing in this case, Mr. President, that cannot be mediated to a fair settlement within a few short hours. If they do not do it, then let the responsibility be shared by the presidents of the railroads as well as by the presidents of the brotherhoods for what may come to pass if this case is not settled short of Government seizure.

Mr. DONNELL. Mr. President, the Senator from Oregon has referred to what he considers the danger of paternalism which he thinks would be involved in Senate bill 3463. We have discussed that matter on the floor of the Senate. Obviously, in the very few minutes allowed to me at this time it will be impossible for me to discuss the subject thoroughly. However, may I inquire if there is any greater paternalism than what is recommended by Messrs. Hughes and Kennedy in their telegram to the President of the United States today? They say:

> In the national interest and to avert a potential substantial interruption in essential railroad transportation, we respectfully recommend to you that our Government take possession of and operate the railroads in the United States until such time as this dispute is settled in fairness to the rights of our members.

Mr. President, is there any greater paternalism that could be involved than is recommended and practically demanded by Messrs. Hughes and Kennedy?

I point out that not once but twice in the telegram they have served notice on the public that a strike is imminent. In the opening paragraph of their telegram they say:

> To avert a potential substantial interruption in essential railroad transportation—

What can the reference be but to a strike?

In the next to the last paragraph they say:

> The growing danger of a very serious disruption of railway transportation.

It is my opinion that these men are not considering the interests of the public but are considering the interests of their brotherhoods solely. I insist that the interests of the public are paramount, and must be protected. My distinguished friend from Oregon [Mr. MORSE] concedes that the bill which I introduced and on which I have presented my argument, would produce the result which I think it would. He said that I said it would stop strikes. He said he thinks I am right, and he thinks it would stop strikes. I submit that the objective of preventing strikes in the railway industry, upon which the public so vitally depends for its welfare, existence, and upon which the national welfare, and perhaps even the preservation of the Nation depend demands the passage of a bill which would place the interests of the public above the interests of either employees or employers.

Mr. President, I insist therefore that the time is ripe for an early and affirmative consideration of Senate bill 3463.

THE JAILING OF HARRY BRIDGES

Mr. EASTLAND. Mr. President, because it may have a bearing on legislation pending on the Senate Consent Calendar, I ask unanimous consent to have inserted in the body of the RECORD a news dispatch of July 31 entitled "Term Harry Bridges Threat to Security, Ask for His Jailing."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TERM HARRY BRIDGES THREAT TO SECURITY, ASK FOR HIS JAILING

SAN FRANCISCO, July 31.—The Government moved today to jail Harry Bridges. The Justice Department said Bridges, president of the CIO longshoremen's and warehousemen's union, is a threat to the national security.

He is at liberty on bond of $25,000 while appealing his conviction on perjury and conspiracy charges.

The conviction stemmed from his sworn statement in his 1945 citizenship hearing that he was not a Communist. He is under sentence of 5 years in Federal prison. An order stripping the Australian-born Bridges of United States citizenship was signed after his conviction.

F. Joseph Donohue, as special prosecutor for the United States Attorney General, filed the motion in Federal court today demanding that bail be revoked and Bridges be placed in the hands of the United States marshal. The motions will be argued Wednesday before Federal Judge George B. Harris.

Harris presided in the long perjury trial at which Bridges was convicted. Donohue was the prosecutor.

Government affidavits mention Bridges' outlook on the Korean fighting. This has troubled some members of his union, too. When a resolution came up in the San Francisco local supporting the United Nations and United States policy in Korea, Bridges spoke against it.

The Justice Department in Washington said today that the motion filed here was made "upon the grounds that since the defendant was at large on bail, he has pursued and will continue to pursue * * * a course of conduct and activities dangerous and detrimental to the public welfare and inimical to the safety and national security of the United States of America."

Mr. EASTLAND. Mr. President, I ask that an article which was published in

the July 30 issue of the Honolulu Advertiser be printed in the RECORD at this point. The article is entitled "Officers of Sugar Local Back Bridges."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OFFICERS OF SUGAR LOCAL BACK BRIDGES

Executive officers of Hawaii's big ILWU sugar local, 142, have gone on record as the first union to come to the defense of Longshore Chief Harry Bridges in the current revolt in the ranks, a union press release revealed yesterday. In a vitriolic mimeographed statement entitled "Statement of Policy on Harry R. Bridges," the union release charged that "employers and employer agents are manufacturing and promoting a phony rank-and-file revolt against the leadership of * * * Bridges."

The statement ignored the action of big Bridges locals on the west coast in flatly rejecting the left-wing leader's stand on the Korean war and also the action of executive officers of Local 10, San Francisco, Bridges' home local, Friday night in demanding he quit the Communist-led Maritime Federation of the World—or else.

Going counter to the rising tide of Bridges' sentiment in the rank and file of his west coast unions, the sugar local's executive officers charged that the revolt "campaign is being carried on openly and notoriously not only by employers' agents and fronts but also by a clever and coordinated publicity program in the commercial press and over the airways."

The statement added that impression that Hawaiian locals are participating in the campaign to oust Bridges is a deliberate lie.

There was no reference in the statement as to the stand taken in Hawaii by rank-and-file members of the union. But it said, "the executive officers pledge themselves and their local membership to support and defend Harry R. Bridges and they reiterate their full confidence in him as the president of the International Longshoremen's and Warehousemen's Union and as a fellow worker.

"There are all too few trade-unionists in the Nation today who possess the stature, honesty, and ability of Harry R. Bridges," the press release declared, "as even clear-thinking employers recognize."

Also released was a copy of a letter written by Bridges July 20 to all locals concerning a resolution of ILWU Local 91, San Francisco walking bosses, which calls on the ILWU chief to resign from the Maritime Federation of the World. The letter claims the resolution contains "many lies and misstatements."

It also advises "our local unions not to adopt resolutions concerning the Korean war situation which pledge unreserved or unconditional support."

It is this latter stand that has brought about the opposition in the ranks to Bridges.

Mr. EASTLAND. Mr. President, according to the article printed in the Honolulu Advertiser on July 30, the executive officers of Hawaiian locals "pledge themselves and their local membership to support and defend Harry R. Bridges, and they reiterate their full confidence in him as the president of the International Longshoremen's and Warehousemen's Union and as a fellow worker."

The article continues:

There are all too few trade-unionists in the Nation today who possess the stature, honesty, and ability of Harry R. Bridges.

Mr. President, this man Bridges absolutely controls the economic and political future of Hawaii today, where there has been a decrease of 98,625 in the Caucasian population in the past 2 years, and where every other racial group increased, with the exception of the Korean, which showed a decrease of exactly 56. The total increase of all other racial groups, except Caucasian, was 25,836 at the same time that the white population dropped 98,625. The total white population as of last July 1 was 81,911, while all other racial groups totaled 385,800. I quote these figures only to show the dangerous risk we run in allowing Harry R. Bridges to remain in America. He is in absolute control of the economic and political life of Hawaii through his control of the ILWU.

Mr. BUTLER. Mr. President, in line with the remarks of the distinguished Senator from Mississippi [Mr. EASTLAND], I should like to have printed in the RECORD at this point in my remarks an editorial entitled "What Kind of a 'Line' Is Bridges Taking?" published in the Honolulu Star-Bulletin of July 31, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT KIND OF A "LINE" IS BRIDGES TAKING?

In San Francisco Harry Bridges has been ordered by his own union to quit his connection with the Maritime Federation of the World.

This is the latest in a series of developments which show that Bridges' continued involvement with this Communist-dominated organization is costing him the support of a lot of long-faithful union members.

The executive board of Bridges' own local union—Longshore Local 10 of the ILWU—has adopted a resolution telling Bridges to quit as president of the Maritime Federation of the World—and implying that if he does not, he may be bounced from power in the ILWU.

The resolution was adopted Friday night.

And several days earlier, another union, the "walking bosses," had demanded that Bridges either quit the Maritime Federation of the World or quit the presidency of the ILWU.

This drastic attitude is, of course, the result of plain indications that the Maritime Federation of the World is Communist-dominated; and will, whenever and wherever possible, sabotage all anti-Communist organizations and movements.

So Harry Bridges is coming to a showdown not only in the courts of the United States but in the court of public opinion of his own union.

It is high time for the rank-and-file members of the ILWU in Hawaii to demand of their own leaders in the islands a more enthusiastic, clean-cut, vigorous and aggressive support of the United States—or else.

To date the pronouncements of the ILWU leaders here, on the position of the United States and the United Nations in the Korean crisis, are both weak and evasive.

Possibly these leaders have been waiting to see what line Bridges would take—and are prepared then to chime in enthusiastically.

But the rank and file, the thousands of ILWU workers in the territory who are loyal to the United States, don't need to wait for Harry Bridges.

They can call on their ILWU leaders here to come out in complete and enthusiastic support of Uncle Sam—or quit their positions and let the rank and file elect new and more positive and cooperative leaders.

The ports of Hawaii had a great record in World War II. The speed and efficiency of longshore operations was rated high—in some respects, the best performance anywhere in the United States.

We want no doubt whatever that if the Korean episode develops into an even greater war, we can rely on the loyal workers of Hawaii to deliver the same aggressive and skilled performance.

That's why it's important that the ILWU's spokesmen be forthright and clear in their statements of position.

Mr. BUTLER. Mr. President, I quote from the editorial:

It is high time for the rank-and-file members of the ILWU in Hawaii to demand of their own leaders in the islands a more enthusiastic, clean-cut, vigorous, and aggressive support of the United States—or else.

It remains an undisputed fact, however, that as of today these leaders in Hawaii still maintain their allegiance to Harry Bridges.

At this point in the RECORD, Mr. President, I wish to insert an Associated Press article, which appeared on the front page of Sunday's Washington Post, reporting the cancellation of the bail for Harry Bridges and his commitment to jail. According to the article, Judge Harris, in part, declared from the bench:

I am satisfied to a moral certainty that Harry Bridges was, and is, a member of the Communist Party.

The jury in the principal case (the perjury trial) came to that inevitable conclusion after months of evidence and argument.

I am also led to believe he is probably one of the most cogent figures in the Communist Party in America today.

As such, he is an agent dedicated to execute the Communist program, nationally and internationally.

As such, his allegiance cannot be to the United States of America. His conduct since the beginning of the Korean crisis, and his remarks at this proceeding, are of such a nature as to justify this court in concluding that his loyalty and allegiance are, and must be, with the Communists.

Mr. President, I ask that the entire article may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RED BRIDGES DENIED STAY, SENT TO JAIL—JUDGE CANCELS BAIL OF LONGSHOREMEN'S LEADER; SATISFIED HE IS A COMMUNIST

SAN FRANCISCO, August 5.—A Federal judge ordered Harry Bridges to jail today as dangerous to the security of this country.

The judge, George B. Harris, then denied motions of Bridges' attorneys for a stay, to permit him his freedom over the week end.

A United States marshal's deputy took the president of the big CIO longshoremen's union to jail.

Judge Harris revoked the $25,000 bond under which Bridges has been free since last April when he was sentenced to 5 years in prison for perjury. A Federal jury decided he swore falsely in his 1945 citizenship hearing by denying he was a Communist.

Since then an order has been signed stripping the Australian-born Bridges of United States citizenship.

The Government charged that his activities since the Korean war broke out have been inimical to the security of the United States.

Bridges' attorneys asked Judge Harris that the longshoremen's chief be permitted to spend this week end with his wife and family and then go into the United States Circuit Court of Appeals Monday.

Judge Harris said "No," and spoke about wives and children of various soldiers fighting in Korea.

Judge Harris declared from the bench:

"I'm satisfied to a moral certainty that Harry Bridges was and is a member of the Communist Party.

"The jury in the principal case (the perjury trial) came to that inevitable conclusion after months of evidence and argument.

"I'm also led to believe he is probably one of the most cogent figures in the Communist Party in America today.

"As such, he is an agent dedicated to execute the Communist program nationally and internationally.

"As such, his allegiance cannot be to the United States of America. His conduct since the beginning of the Korean crisis, and his remarks at this proceeding, are of such a nature as to justify this court concluding that his loyalty and allegiance are and must be with the Communists."

Bridges is under sentence of 5 years in Federal prison.

A crowd assembled at the rear of the Federal Building to catch a look at Bridges as deputies led him to a car for the trip to the county jail. There were shouts of "we're with you. We'll get you out, Harry."

An unidentified man ran up to the car and shouted to Bridges: "You deserved this. You are a traitor."

Bridges flushed and started toward the man, but was restrained by two marshal's deputies. He got into the car and it rolled away.

Mr. BUTLER. Mr. President, the insertions and remarks just made by the Senator from Mississippi [Mr. EASTLAND] should be sufficient, I think, to cause us to be most cautious in any action looking toward increased political power for the loyal supporters of Harry Bridges, in Hawaii or elsewhere.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. BUTLER. I yield.

Mr. MAGNUSON. I believe the Senator is familiar with the fact that Congress last week passed a bill providing for waterfront security in the matter of inspection of ships and ships' crews, and giving authority to the President to use the FBI in order to clean out any subversive elements along any waterfront area. I am happy to say that the President signed the bill yesterday. It will give the Government a method whereby on all waterfront areas in the United States it will be possible to take care of all subversive elements.

Mr. BUTLER. May I ask the Senator from Washington if the provisions of the bill apply to the Hawaiian Islands?

Mr. MAGNUSON. They apply to the Territories also.

Mr. BUTLER. Mr. President, in today's press dispatches it is set forth that practically all employees of the sugar plantations are on strike in protest to the action taken in connection with the Bridges case.

APPROPRIATIONS FOR NATIONAL DEFENSE—THE RED PLOT

Mr. MALONE. On two different occasions since the original request for $10,400,000,000 for the "police action" in Korea by the President of the United States he has raised the ante to the Congress. More money is needed. We were sure it would be.

SHOULD CLEAN UP OUR OWN FRONT YARD

But, Mr. President, the junior Senator from Nevada thinks that we should clean up our own front yard on domestic expenditures which are not needed during such an emergency, until we know where we are going in this so-called police action.

Therefore I ask permission to have printed in the body of the RECORD at this point a release from my office dated August 9, 1950, outlining a proposed procedure in utilizing the available funds before raising taxes. We were able to cut the proposed domestic expenditures by 10 percent after several days' debate. The junior Senator from Nevada proposed a 20-percent cut, and with the discretion given the Executive he can still effect the additional 10-percent savings.

SHOULD HAVE DEFINITE FOREIGN POLICY

We still have no foreign policy. I suggest it is time for the Executive to quit talking in parables and suggest a definite policy, so that the foreign nations know what areas of the earth we intend to defend, and so that our own people may know what they may be called upon to defend.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 9, 1950.—United States Senator GEORGE W. MALONE (Republican, Nevada) today offered to the President and the Congress a 10-point program "for winning this or any other war forced upon us."

Senator MALONE'S 10-point program is:

"1. Reduce our domestic Government spending by 20 percent, saving $3,500,000,000 for the war chest. Senator BYRD, of Virginia, an authority on Government spending, has said that our domestic Government spending could be cut approximately 50 percent. A 20-percent cut would be conservative.

"2. Transfer to the war chest the $500,000,000 now available for peacetime public works, which in wartime are undesirable.

"3. Transfer to the war chest the $1,225,000,000 now available for foreign military assistance, unifying our military efforts and preparing our defenses adequate for any established foreign policy.

"4. Transfer to the war chest the $3,000,000,000 now available for ECA, a peacetime endeavor. Our American people should not be forced to finance 16 European countries while carrying the burden of a war.

"5. Stop the Marshall plan countries which we have been supporting from arming Russia and the iron-curtain countries. Our beneficiaries have been shipping Russia and her satellites everything they need to make war, through 96 trade treaties.

"6. Call on two of our beneficiary nations, England and France, to cancel their separate nonaggression pacts with Russia. They should show this consideration for the country whose taxpayers have been supporting them.

"7. Stop the pressure from our State Department for the recognition of the Communist regime in China. We cannot, with any degree of consistency, fight Communism on the one hand and recognize it on the other.

"8. Remove Dean Acheson and his satellites from the State Department. American boys are paying in bloodshed for incompetence in our State Department. It is important that we remove these men before other serious blunders are made.

"9. Establish a definite foreign policy, naming the nations in Europe, Asia, the south seas, and Africa, if any, whose integrity is important to our ultimate safety, notifying the world that we would fight to defend those areas. This would be a logical broadening of our Monroe Doctrine, which has served well for 125 years.

"10. Build a national-defense organization, spearheaded by an air corps and a submarine fleet that can with dispatch enforce our commitments."

Concluding, Senator MALONE said: "Let us put our own house in order, and properly prepare to win this and any other war forced upon us. The 10 points which I have listed give us a winning program."

THE RED PLOT IN AMERICA

Mr. MALONE. Mr. President, I also ask unanimous consent to introduce in the RECORD at this point an editorial published in the New York Journal-American entitled 'The Red Plot in America."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE RED PLOT IN AMERICA

There is much more to the long-range Communist conspiracy against the security of America, as Senator MALONE of Nevada has said, than espionage and sabotage by foreign agents and by our own traitors.

The gravest sort of danger of course attends the violation of American security by enemy spies or its betrayal by their disloyal associates in this country.

The many indictments and convictions of spies and saboteurs, including some Americans holding responsible and confidential employment in our own Government, attest the reality and extent of this very great danger.

But it is not alone by the theft and betrayal of secret documents and national defense plans that our Communist enemies hope to undermine and destroy America, with the witting and unwitting assistance of collaborating Americans who may profess disbelief in communism but actually and consistently associate themselves with Communist policies and purposes.

Americans who bring Communist purposes closer to achievement in our country, whether they do so on their own initiative or by the direct order of the Kremlin, are guilty parts of the Red Fascist plot against the security and survival of free America.

These Americans, as Senator MALONE asserts, are as dangerous to our country as its avowed enemies, and in fact they are our enemies as much as those who may be more readily recognized.

"On the home front," declares Senator MALONE, "the Red plot has been carried on within the Administration by a constant attack on American industry.

"This attack has come through (A) Government regulations so designed as to eliminate venture capital, which made this country great; (B) taxes so designed as to eliminate initiative; (C) a foreign free trade policy so designed as to curtail domestic production; and (D) reckless spending on the part of the Government so designed as to threaten our whole economic structure."

The whole New Deal concept of excessive and confiscatory taxation, spending and borrowing—pursued relentlessly and ruthlessly throughout the Roosevelt and Truman administrations—has weakened America economically and militarily.

It has thus impaired the prosperity of the American people in time of peace, and it has left the country with insufficient and inefficient national defense establishments at the present critical time when the costly war in Korea threatens momentarily to explode into a world conflict.

Whether or not all this has been done with deliberate intent to destroy America or merely in sheer stupidity is beside the point.

How could it be any more damaging to America for our known and avowed enemies

to be directing the processes of our destruction than for our own nitwits and muddlers and bunglers in Government to be doing the very same thing?

How could the Red plot against America be better served than our own reckless and extravagant politicians have served it through Government spending that impoverishes the country and taxation that depletes the resources of the American people?

Mr. MALONE Mr. President, in relation to this editorial, the junior Senator from Nevada has on several occasions pointed out that it is not a matter of isolated instances when in strategic areas throughout the world over a period of 4 or 5 years since World War II our own State Department has, some think deliberately while others think through mistaken belief, let us—yes, even advocated—that we lose certain strategic countries throughout the world.

WRECKING THE NATIONAL ECONOMY—GIVING AWAY STRATEGIC AREAS

Mr. President, starting with Manchuria and Berlin at Yalta, then North Korea and other important areas—it seemed a deliberate move on the part of our State Department to give control of these areas to Russia.

Whether they were lost through ignorance or design does not help the GI's fighting in Korea or the American fighting men who will be called to put down similar disturbances through police action without knowing where we are headed.

Mr. President, in the opinion of the junior Senator from Nevada, those are not isolated instances. The loss of those strategic areas is directly connected with the deliberate wrecking of our national economic structure through the free-trade program of the administration. Certainly the President would not have sent American boys into Korea unless he believed that there was such a necessity that the integrity of that area is important to our ultimate safety—however he has not yet said that there is such a necessity.

The destruction of the economic system of the United States of America through the free-trade program was inaugurated through the 1934 Trade Agreements Act. In other words, the State Department is always fiddling with the tariff and import-fee structure, established over a period of 75 years, which has encouraged the investment of venture capital over that period of time—always threatening the removal and actually removing and reducing the tariffs and import fees to such a point that they are below the differential in the costs of production here and abroad, which is due largely to the difference in the wage and living standards between this Nation and competitive nations.

REMOVED THE FLOOR UNDER WAGES AND INVESTMENTS

This procedure has effectively removed the floor under wages and investments and put the American workingmen in competition again with the slave labor of the world.

STATE DEPARTMENT ATTACKS INDUSTRIES SEPARATELY

Our own production is weakened by making it impossible to get the venture capital that is necessary for the production in this country of the necessary strategic minerals and materials with which to fight a war or live in peace. Most of these minerals and materials we must transport from the Far East, anywhere from 2,000 to 3,000 to 10,000 miles, materials like rubber, tin, copper, magnesium, chromite, and other materials, or from South America and South Africa, with the record still fresh in our minds of 75 to 90 percent of the shipping being destroyed by submarines just the moment war is declared. The loss of these strategic areas and the destruction of our own economic system are connected in one plan of the economic one-worlders. And I again call attention to this editorial in the New York Journal-American which points out the connection.

It is a dangerous situation and the time has come to review the entire procedure.

The proposed extension of the free trade on copper was a case in point. The powerful Senate Finance Committee wisely tabled the House Joint Resolution No. 502 which provided for such extension.

There is a rumor that an attempt will be made to attach the copper "free trade" rider to one of the Senate Finance Committee bills already on the Senate Consent Calendar—the move should be opposed by representatives of every industry in this Nation since the plan is to single them out one at a time.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a Chicago Tribune dispatch dated August 6 entitled "Copper Tariff Battle on in Senate Group."

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

COPPER TARIFF BATTLE ON IN SENATE GROUP

(By Walter Trohan)

WASHINGTON, August 6.—The White House and State Department are exerting tremendous pressure on the Senate Finance Committee to bring out a bill to suspend the import tax on copper.

Copper itself is not important to the administration, but the bill is a symbol of the free trade program for which Democratic executive planners have been striving for almost two decades.

The Senate Finance Committee votes Tuesday on the bill which has already been pushed through the House by administration steam-roller tactics. Five Republican members of the 13-man committee are solidly against the administration measure. They are Senators MILLIKIN (Republican, Colorado), TAFT (Republican, Ohio), BUTLER (Republican, Nebraska), BREWSTER (Republican, Maine), and MARTIN (Republican, Pennsylvania).

SEEK DEMOCRATIC SUPPORT

The GOP Senators hope to win at least two Democrats to oppose the bill on the ground that free trade will wreck American industry and lower American standard of living by flooding the Nation with products of cheaper foreign labor.

Spearhead in the fight against the copper bill has been Senator MALONE (Republican, Nevada), who told the committee that the bill is merely part of a conspiracy to weaken the economic structure of the country.

The copper bill would permit importation of Chilean copper, which is produced largely in mines owned by two of the three leading American companies—Anaconda Copper Mining Corp. and Kennecott Copper Corp. The third large copper-producing company, Phelps Dodge Corp., has no interests in Chilean mines.

WAGE DIFFERENTIAL GREAT

MALONE told the committee that the differential between cost of copper production in Chile and in the United States is relatively unimportant—10 or 12 cents a pound—while the wage differential is the difference between approximately $2.40 and $11.17 a day.

Hundreds of items, as well as copper, have a similar difference in wages abroad and at home, MALONE said. Lowering the tariff or import fee on these items will discourage venture of investment capital in the United States and injure the American workingman through the competition of cheap labor. Both investors and workers should be protected against foreign low-wage competition, MALONE said.

"The Red sympathizers in our midst are happy to see 70 percent of our mines closed in time of war," MALONE said. "This means a weakening of our productive structure. The tariff, or import fee, is a national defense measure applying to practically all products, but especially to the strategic and critical materials, of which copper is but one."

PUTS FLOOR UNDER WAGES

"An import fee has the effect of encouraging venture capital by establishing a floor under wages and investments. When the 4-cent tariff on copper was reduced, every independent copper mine in the United States was closed with the exception of one in Michigan which had to lower wages and write off investments to meet competition."

MALONE declared that national security demands an adequate stockpile and a going concern mining industry. He asserted that 70 to 90 percent of our strategic material shipping from South Africa and South America was lost through sub attacks in the early days of the last war.

The White House and State Department are interested in pushing the bill not only as part of a free-trade program but because President Truman reportedly promised President Videla, of Chile, to lower the copper tariff during the latter's visit to Washington last spring.

DENOUNCES TRADE PROGRAM

MALONE denounced the administration's free-trade program before the committee saying that if foreign nations would raise their standard of living, import fees would be lowered in accordance with such a rise and that free trade will result when foreign-wage standards approximate those here.

"The pressure through foreign nations for free trade by lowering import fees on products they wish to sell in this country in competition with our own workers and investors, has become a vicious practice," MALONE said. "It is being aided and abetted by our own State Department. It is high time that the Congress take cognizance of this fact."

Mr. MALONE. Mr. President, copper is only an example—other hundreds of other industries are scheduled for action at Torquay, England, in September of this year.

OLD STONE HOUSE IN THE DISTRICT OF COLUMBIA

Mr. HOLLAND. Mr. President, a few minutes ago Calendar No. 2047, House bill 7722, was reached and was objected to. I made no statement at that time, for the reason that I had already spoken in support of this measure at an earlier call of the calendar. Since that time, however, my attention has been called to an editorial which appeared in the Sunday Washington Star of August 6,

and I ask leave at this time to have the editorial printed in the RECORD, as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SO LITTLE TO SAVE SO MUCH

The House has passed by unanimous consent and sent to the Senate, where they are on the calendar, two bills which are peculiarly deserving of enactment in this year of Washington's sesquicentennial. One of them authorizes the acquisition and preservation, as a part of the National Capital Park System, "the Old Stone House" which stands at 3051 M Street in Georgetown. The other defines the boundary lines of Old Georgetown and seeks to preserve the unique charm and places of historic interest in that area by establishing a process under which any changes in architecture or razing of buildings therein would be subject to the scrutiny and expert advice of the Commission of Fine Arts.

As to the first bill, there is a substantial body of informed opinion which gives the "Old Stone House" on M Street, a landmark familiar to thousands of Washingtonians, a place in history that should by all means be preserved. The building is supposed to be the oldest pre-Revolutionary structure in the District. It is an interesting architectural example of the period, with features which are found nowhere else. Standing on what has become a busy business street, it serves as a picturesque link between the past and present. Restored, inside and out, it would form in future years an even more valuable relic than the one we recognize today. About the only opposition from an impressive list of witnesses, representing many organizations, who testified in favor of the legislation, comes from an automobile firm which wishes to buy and raze the building and thus enlarge a parking lot. The cost to the Government would be nominal. As a museum, fees for admittance over the years would in time liquidate the cost. It will be nothing less than outrageous if the Government permits, by failure to act on a bill so widely supported, the demolition and permanent loss of this old building.

The bill to preserve the character of Old Georgetown would inflict no hardship on any property owner—certainly no hardship in comparison with the public interest to be served by its approval. It requires examination by the Fine Arts Commission of plans to alter, reconstruct, or raze any building in the area before permits for such work are issued at the District Building. It confers upon the commission no prohibitory powers, leaving to the District Commissioners the discretion as to whether such permits should be issued after a commission report has been received. The whole purpose of the bill seems to be insurance against hasty, thoughtless, or uninformed action by property owners which would destroy some of the fine assets of one of the oldest parts of Washington. It is conceivable that the Commissioners might withhold a permit upon the advice of the commission. But the property owner, if not persuaded, still would have access to appeal if the property owner felt himself to be the victim of capricious decision.

Washington is changing so rapidly and growing so fast that measures such as the two in question are important if we are to preserve, wherever it is possible, some of the qualities which have lent distinctive charm to the city. The bills have met temporary objection by individual Members of the Senate. But that is often true, when passage depends upon unanimous consent, and it is to be hoped that the few gentlemen who have objected have by now satisfied their doubts and will support measures that are so evidently in the public interest.

Mr. HOLLAND. Mr. President, it seems to me still, as it did when I spoke on the measure several days ago, that it would be a source of great regret if lack of action by the Congress should permit the destruction of this last remaining of the pre-Revolutionary houses now standing in Old Georgetown.

AMENDMENT OF SECTION 120 OF THE INTERNAL REVENUE CODE

The PRESIDING OFFICER. Is there objection to the consideration of Calendar No. 2183, House bill 7303, to amend section 120 of the Internal Revenue Code?

Mr. SCHOEPPEL. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHOEPPEL. Has an objection been lodged against this measure?

The PRESIDING OFFICER. The Chair understands no objection has been made. The bill was carried to the foot of the calendar.

Mr. SCHOEPPEL. Pursuant to instructions left with me, unless the committee amendment shall be disagreed to, I shall have to object to further consideration of the bill.

The PRESIDING OFFICER. The Chair is informed that the distinguished senior Senator from Georgia [Mr. GEORGE], the chairman of the Committee on Finance, stated yesterday, when the bill was first called, that he would be opposed to deleting the committee amendment. Therefore the Chair assumes he would not be in favor of the Senate's disagreeing to the committee amendment. In that situation, does the Senator from Kansas object?

Mr. SCHOEPPEL. Mr. President, in that situation, according to instructions left with me, I regretfully must have to object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

CHEYENNE-ARAPAHO RESERVATION

Mr. BUTLER. Mr. President, some time ago, when I was off the floor, calendar No. 2248, House bill 6114, came up. The calendar committee had been requested to announce that I desired permission to file minority views. I ask permission now that I be granted the right to file minority views in connection with the bill, and therefore it will have to go over.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. SCHOEPPEL. I understand that the leave was granted for the Senator to file minority views.

The PRESIDING OFFICER. Without objection, the request of the Senator from Nebraska is granted.

AMENDMENT OF VETERANS' PREFERENCE ACT WITH RESPECT TO CERTAIN MOTHERS OF VETERANS

The bill (S. 3263) to amend the Veterans' Preference Act of 1944, with respect to certain mothers of veterans, was announced as next in order.

Mr. ELLENDER. Mr. President, may we have an explanation of the bill?

Mr. FREAR. Mr. President, I am very glad to give the Senator a brief reply.

Mr. ELLENDER. Will the Senator tell us how much the bill will cost?

Mr. FREAR. It will not cost anything. It pertains only to preference for widows who were entitled to preference under the Veterans' Preference Act when they were single. If after remarriage the second husband of such a widow becomes disabled, the widow will again be entitled to preference. It will affect very few. It relates only to job retention.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with an amendment, to strike out all after the enacting clause, and insert:

That section 2 of the Veterans' Preference Act of 1944, as amended (5 U. S. C. 851), is amended by striking out clauses 5 and 6 and inserting in lieu thereof the following: "(5) mothers of deceased ex-servicemen or ex-servicewomen who lost their lives, under honorable conditions while on active duty in any branch of the Armed Forces of the United States during any war, or in any campaign or expedition (for which a campaign badge has been authorized), or of service-connected permanently and totally disabled ex-servicemen or ex-servicewomen who were separated from such Armed Forces under honorable conditions if—

(A) the father is totally and permanently disabled, or

(B) the mother was widowed, divorced, or separated from the father and—

(1) has not remarried, or

(2) has remarried but (i) her husband is totally and permanently disabled or (ii) she is divorced or legally separated from her husband or such husband is dead at the time preference is claimed."

SEC. 2. (a) Section 3 of such act, as amended, is amended by striking out "(5) and (6)" and inserting in lieu thereof "and (5)."

(b) Section 10 of such act is amended by striking out "(5) and (6)" and inserting in lieu thereof "and (5)."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. FREAR. Mr. President, I deeply appreciate the consideration the Senator from Kansas gave to Senate bill 3263.

Mr. LEHMAN. Mr. President, I also wish to express my appreciation to the Senator from Kansas.

AMENDMENT OF THE HATCH ACT

The bill (H. R. 9023) to amend the Hatch Act was announced as next in order.

Mr. STENNIS. Mr. President, I ask unanimous consent that Senate bill 3873 be substituted for House bill 9023, which has just been called.

Mr. SALTONSTALL. Mr. President, what is the purpose of the Senator? Are the bills in the same language?

Mr. STENNIS. The Senate bill does not carry the same language found in the House bill, but both are on the calendar. The House bill has passed the House. Now we have the Senate version of the same matter. I wish to substitute the language of the Senate bill for the

House bill, and let it go to conference, if the House asks for a conference. It is merely a matter of speed.

Mr. KNOWLAND. Mr. President, are we now reverting to the bill that was up earlier, when the Senator from Ohio participated in the debate?

Mr. STENNIS. The Senator is correct, and the Senator from Ohio withdrew his objection to the Senate version of the bill.

Mr. KNOWLAND. It was his understanding that the Senate conferees would be inclined to stand firm on the Senate position, was it not?

Mr. STENNIS. That they would stand firm on the Senate bill as now written.

Mr. KNOWLAND. As now written?

Mr. STENNIS. That is correct.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 9023?

There being no objection, the Senate proceeded to consider the bill (H. R. 9023) to amend the Hatch Act.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Mississippi to strike out all after the enacting clause in the House bill, and to substitute therefor the language of Senate bill 3873, as reported by the committee, which will be read.

The legislative clerk read as follows:

That section 9 of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, is amended by striking out subsection (b) and inserting in lieu thereof the following subsections:

"(b) Any person violating the provisions of this section shall be removed immediately from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress for such position or office shall be used to pay the compensation of such person: *Provided, however,* That the United States Civil Service Commission finds by unanimous vote that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission: *Provided further,* That in no case shall the penalty be less than 90 days' suspension without pay: *And provided further,* That in the case of any person who has heretofore been removed from the service under the provisions of this section, the Commission shall upon request of said person reopen and reconsider the record in such case. If it shall find by a unanimous vote that the acts committed were such as to warrant a penalty of less than removal it shall issue an order revoking the restriction against reemployment in the position from which removed, or in any other position for which he may be qualified, but no such revocation shall become effective until at least 90 days have elapsed following the date of the removal of such person from office.

"(c) At the end of each fiscal year the Commission shall report to the President for transmittal to the Congress the names, addresses, and nature of employment of all persons with respect to whom action has been taken by the Commission under the terms of this section, with a statement of the facts upon which action was taken, and the penalty imposed."

SEC. 2. Section 612 of title 18, United States Code, is hereby amended to read as follows:

"§ 612. Publication or distribution of political statements.

"Whoever willfully publishes or distributes or causes to be published or distributed, or for the purpose of publishing or distributing the same, knowingly deposits for mailing or delivery or causes to be deposited for mailing or delivery, or, except in cases of employees of the Post Office Department in the official discharge of their duties, knowingly transports or causes to be transported in interstate commerce any card, pamphlet, circular, poster, dodger, advertisement, writing, or other statement relating to or concerning any person who has publicly declared his intention to seek the office of President or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to Congress, in a primary, general, or special election, or convention of a political party, or has caused or permitted his intention to do so to be publicly declared, which does not contain the names of the persons, associations, committees, or corporations responsible for the publication or distribution of the same, and the names of the officers of each such association, committee, or corporation, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 9023) was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3873 is indefinitely postponed.

Mr. TYDINGS. Mr President, I was called off the Senate floor and have just returned, and will take this opportunity to thank the able Senator from Mississippi for explaining the bill which makes the purpose of the act Nation-wide, and which makes the principles the President insisted be in the bill, rather than confine its operation to Maryland and Virginia, applicable to the measure just passed.

Mr. STENNIS. Mr. President, I am afraid the Senator from Maryland is misinformed. The bill as now written is Nation-wide in its application. He is correct in that respect. But it does not carry the so-called Tydings amendment. The bill is, however, Nation-wide in its application.

Mr. TYDINGS. I understand that, but the point I want to bring out is that the bill deals with local elections on a Nation-wide basis rather than with Maryland and Virginia.

Mr. STENNIS. The Senator from Maryland is entirely correct in his position and statement.

RELINQUISHMENT OF MINERAL RESERVATIONS IN LAND PATENT OF THOMAS STEPHENS

The bill (H. R. 4065) to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens was announced as next in order.

Mr. SCHOEPPEL. Mr. President, reserving the right to object, this is a measure which ought to be explained to the Senate. Will the Senator from Wyoming [Mr. O'MAHONEY] be kind enough to explain it?

Mr. O'MAHONEY. Mr. President, the bill applies to a small tract of land, less than 54 acres in extent, in the State of Louisiana. It was settled upon some 62 years ago. The settler, however, did not apply for a patent at the time he was entitled to receive a patent. When he did apply for a patent, a law of the United States had been passed which provided for mineral reservations. At the time the settlement was made and at the time Stephens could have filed for his patent, there was no authority of law by which the reservation could be made or should be made. So all the bill does is to bring the surface rights and the mineral rights together in the patentee in accordance with the law as it was in existence at the time the patent was eligible to be issued when first granted.

I think it ought to be added in order that the matter will be clear, that there are now certain prospective oil values in that general area, but the Department of the Interior has no objection to surrendering the title.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4065) to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens was considered, ordered to a third reading, read the third time, and passed.

GRANTING OF PRIVILEGES WITHIN KINGS CANYON NATIONAL PARK

The bill (H. R. 4117) to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the National Park System, and for other purposes, was announced as next in order.

Mr. SCHOEPPEL. Mr. President, may we have an explanation of the bill?

Mr. O'MAHONEY. The bill does not change the general law with respect to concessions granted by national parks. The law under which the Kings Canyon National Park was established contained a special provision limiting the period of concessions to 5 years. In national parks as a rule, the period for which a concession may be granted is 20 years. It has been found that the 5-year limitation is an obstruction. It is not at all necessary. The effect of the bill is to put the Kings Canyon National Park on exactly the same basis as all other national parks with respect to the granting of concessions.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4117) to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the National Park System, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF PUBLIC-SCHOOL FACILITIES TO INDIAN CHILDREN, WALKER, MINN.

The bill (H. R. 7431) for expenditure of funds for cooperating with the public school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

CLERKS IN AIR-MAIL FIELD RAILWAY POST OFFICES

The bill (S. 541) to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, with respect to clerks in air-mail field railway post offices, was announced as next in order.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. I notice, and I understand the clerk has noticed, that Calendar No. 2232, Senate bill 1832, had been passed over. Am I correct?

The PRESIDING OFFICER. The Chair is informed that the Senator from Oregon [Mr. MORSE] originally objected to the bill, but later withdrew his objection, and that the bill has been passed.

Is there objection to the present consideration of Senate bill 541?

There being no objection, the Senate proceeded to consider the bill (S. 541) to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation, and for other purposes," approved July 6, 1945, with respect to clerks in air-mail field railway post offices, which has been reported from the Committee on Post Office and Civil Service with an amendment to strike out all after the enacting clause and insert:

That subsection (d) of section 16 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945 (U. S. C., title 39, sec. 866 (d)), is amended by inserting before the period at the end thereof a colon and the following: "*Provided further*, That not to exceed 15 percent of the postal transportation clerks assigned to air-mail fields may be promoted successively to grade 11, such air-mail field clerks to be required to perform transfer duties or other important duties as may be determined by the Postmaster General to warrant promotion to grades 10 and 11."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER. That concludes consideration of the bills that went to the foot of the calendar.

Mr. LUCAS. Mr. President, in accordance with the announcement I made a few days ago, I now ask unanimous consent that the Senate proceed to the consideration of executive business.

The PRESIDING OFFICER. Will the Senator from Illinois withhold his request in order that the Chair may lay before the Senate a veto message from the President of the United States?

Mr. LUCAS. I withhold my request.

CHRISTINA SHALFEIEFF—VETO MESSAGE (S. DOC. NO. 200)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary, and ordered to be printed:

To the Senate of the United States:

I return herewith, without my approval, the enrolled bill (S. 1169) for the relief of Christina Shalfeieff.

The bill would provide that for the purposes of the immigration and naturalization laws, the alien Christina Shalfeieff shall be considered to have been lawfully admitted to the United States for permanent residence as of March 19, 1947, upon payment of the visa fee and head tax. The measure would also provide that the Secretary of State shall instruct the quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The records in this case disclose that Christina Shalfeieff was born in Japan on December 2, 1888, of a Swedish father and a Japanese mother. She arrived in this country at San Francisco, Calif., on March 21, 1947, where she was admitted as a visitor for 1 year. She failed to depart at the expiration of the period and is now illegally in this country. She is a widow, her husband, who was a native and citizen of Russia, and whom she married in 1909, having died in 1943. They had six children, two of whom reside in the United States, one in Germany, and three in Japan. The alien also has three brothers and a sister in Japan. She is presently residing in Reno, Nev., with her married son, who was admitted to this country for permanent residence in May of 1949. In addition, she is being supported by her daughter who is married to a citizen of this country, and who also lives in Reno.

The alien being of one-half Japanese blood is racially ineligible for citizenship and is, therefore, inadmissible to the United States for permanent residence under the provisions of section 13 (c) of the Immigration Act of 1924, as amended (8 U. S. C. 213 (c)). While I favor the elimination of racial restrictions upon immigration, the alien's case is similar to that of many other aliens who desire to enter this country for permanent residence but are unable to do so because of the restrictions imposed under the general immigration laws. Mrs. Shalfeieff's case does not present any impelling reasons for granting an exception to the provisions of the general laws. For that reason, until the existing statutes imposing racial restrictions are changed, there appears to be no justification for granting her a preference over other aliens barred from admission for similar reasons.

Accordingly, I am constrained to withhold approval from the measure.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 8, 1950.*

AMENDMENT OF UNITED STATES CODE RELATING TO FEES OF UNITED STATES MARSHALS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1838) to amend title 28 of the United States Code relating to fees of United States marshals, which was, on page 1, strike out all after line 2, over to and including line 13, on page 2, and insert "That the last paragraph of section 1921 of title 28, United States Code, is amended to read as follows."

Mr. McCARRAN. I have checked the House amendment to this bill and find the following:

The Senate bill accomplished two purposes:

First. To make sales by United States marshals of all property as uniform as is possible.

Second. The bill raised the fees of service in civil or criminal cases to 10 cents a mile from 6 cents a mile. The House amendment strikes out all of the first objective of the Senate bill, and concurs in the second objective.

The House report gives no reason whatsoever for deleting the first section of the Senate bill, although that section was approved by the Department of Justice and the Senate.

Unless the Senate should desire to recede from the effort of uniformity in regard to sales by marshals, it is believed that the Senate should not agree to the amendment. I believe that a conference is in order. Therefore I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. McCARRAN, Mr. EASTLAND, and Mr. WILEY conferees on the part of the Senate.

AMENDMENT OF WAR CLAIMS ACT OF 1948

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3644) to amend the War Claims Act of 1948, as amended which was, to strike out all after the enacting clause and insert:

That section 2 of the War Claims Act of 1948 (Public Law 896, 80th Cong., approved July 3, 1948), as amended, is hereby amended by redesignating subsection "(d)" thereof as subsection "(e)," and by inserting immediately after subsection (c) thereof the following subsection:

"(d) (1) For the purpose of any hearing, examination, or investigation under this Act, the Commission and those employees designated by the Commission shall have the power to issue subpenas requiring persons to appear and testify or to appear and produce documents, or both, at any designated place where such hearing, examination, or investigation is being held. The Commission or any employee so designated shall, upon application of a claimant, issue to such claimant subpenas requiring the attendance and testimony of witnesses or the production of documents, or both, required by such claimant in hearings upon his claim: *Provided*, That the claimant making such application pay the witness fees and mileage of any witness or witnesses subpenaed upon his request. The production of a person's documents at any place other than his place of business shall not be required, however, in any case in which, prior to the return date specified in the subpena with respect thereto, such person either has furnished the issuer of the subpena with a copy of such

documents (certified by such person under oath to be a true and correct copy) or has entered into a stipulation with the issuer of the subpena as to the information contained in such documents.

"(2) The Commission may, in case of a failure or refusal on the part of any person to comply with any such subpena, invoke the aid of any United States district court within the jurisdiction of which the hearing, examination, or investigation is being conducted, or such person resides or transacts business. Such court may issue an order requiring such person to appear at the designated place of hearing, examination, or investigation, there to give or produce testimony or documentary evidence concerning the matter in question. Any failure to obey such order of the court shall be punishable by such court as a contempt thereof. All process in any such case may be served in the judicial district wherein such person resides or transacts business or wherever such person may be found.

"(3) Witnesses subpenaed under this subsection (d) shall be paid the same fees and mileage that are allowed and paid witnesses in United States district courts.

"(4) Any member of the commission, and any employee of the commission authorized by the commission to do so, may administer to, or take from, any person an oath, affirmation, or affidavit when such action is necessary or appropriate in the performance of the functions or activities of the commission."

Mr. McCARRAN. I have checked the House amendment to the bill and find that the House bill is substantially in all respects similar to the Senate bill. I regard the House amendment as purely a perfecting amendment and see no reason why the Senate should call for a conference on this bill. Therefore, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PRINTING OF PROCEEDINGS AT UNVEILING OF STATUE OF BRIGHAM YOUNG

Mr. HAYDEN. Mr. President, I ask unanimous consent that at this time I may make two reports from the Committee on Rules and Administration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Arizona may proceed.

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Concurrent Resolution 100, which was submitted by me on August 4; and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. LUCAS. Mr. President, will the Senator make an explanation?

Mr. HAYDEN. The concurrent resolution calls for printing of the customary proceedings in connection with the unveiling of a statue—in this case the statue of Brigham Young. The proceedings were had, and the statue was unveiled and was accepted. Among other things, the Vice President delivered an address on that occasion.

Mr. LUCAS. Is the address included in the proceedings to be printed?

Mr. HAYDEN. It is.

Mr. LUCAS. Then I do not object.

The PRESIDING OFFICER. Is there objection to the request for the immediate consideration of the resolution?

There being no objection, the resolution (S. Con. Res. 100) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed, with illustrations, and bound in such form and style as may be directed by the Joint Committee on Printing 6,000 copies of the proceedings held in connection with the unveiling of the statue of Brigham Young in the rotunda of the Capitol Building, Washington, D. C., on June 1, 1950, together with such other matter as may be relevant thereto, of which 2,000 copies shall be for the use of the Senate, 2,000 copies for the use of the House of Representatives, and 2,000 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Utah.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 9, 1950, the President had approved and signed the following acts:

S. 1529. An act for the relief of Amy L. Hefington;

S. 2080. An act to authorize the regulation of whaling and to give effect to the International Convention for the Regulation of Whaling signed at Washington under date of December 2, 1946, by the United States of America and certain other governments, and for other purposes;

S. 2991. An act for the relief of the Chicago, Rock Island & Pacific Railroad Co.;

S. 3380. An act to amend the act of August 9, 1939, to redefine the term "contraband article" with respect to narcotic drugs, and for other purposes; and

S. 3859. An act to authorize the President to control the anchorage and movements of foreign-flag vessels in waters of the United States when the national security of the United States is endangered, and for other purposes.

PAYMENT OF COUNSEL FEES IN WEST VIRGINIA SENATORIAL CONTEST

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report an original resolution, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 325) was read as follows:

Resolved, That the Committee on Rules and Administration be authorized to expend from the contingent fund of the Senate $10,000 for the payment of counsel fees incurred in carrying out the duties imposed upon it by subsection (o) (1) (D) of rule XXV of the Standing Rules of the Senate to consider the question whether Mr. HARLEY M. KILGORE was entitled to retain his seat in the Senate to which he was elected for the term beginning January 3, 1947.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LUCAS. Mr. President, I should like to inquire of the distinguished Senator from Arizona whether this is the last $10,000 that is to be spent on the election case of the Senator from West Virginia [Mr. KILGORE].

Mr. HAYDEN. We have not spent any, yet.

Mr. LUCAS. I had understood that a little had been spent.

Mr. HAYDEN. There was, on the preliminary investigation. This is to compensate him and his opponent the customary $5,000 allowed by the Senate.

Mr. LUCAS. Can the Senator from Arizona tell me how much was spent on the investigation of the election case of the Senator from West Virginia?

Mr. HAYDEN. As I remember, in both the Maryland and West Virginia election cases about a quarter of a million dollars was spent.

Mr. LUCAS. Two hundred and fifty thousand dollars to investigate the contested election cases of the Senator from Maryland [Mr. O'CONOR] and the Senator from West Virginia [Mr. KILGORE]?

Mr. WHERRY. Mr. President, reserving the right to object, I do not want to evaluate the personal services of the Senator from West Virginia on a dollars-and-cents basis. Whether they were worth it or not, I am not questioning. But I do feel, as one member of the Committee on Rules and Administration, that an allotment of $5,000 to counsel, and another $5,000 to another counsel, which is being done in this instance, should not establish a precedent to the effect that anyone who wants to investigate someone has only to file a charge and then, under this precedent, feel that he will be reimbursed for the work he does.

Mr. HAYDEN. That was clearly brought out before the committee.

Mr. WHERRY. I know it was, but I thought it ought to be made a part of this RECORD. It might create a feeling on the part of an attorney that all he has to do is to start proceedings and then, because of this payment, his services will be paid for, perhaps on the basis of nuisance value, or something of the kind. I think it should be clearly understood that this settles this case, and I am glad to agree with the majority leader that it should be settled. On the other hand, I feel that it should not be regarded as a precedent for an attorney anywhere to feel in the slightest degree or by the remotest stretch of the imagination that because he files a complaint here about an election, the Senate of the United States will continue to make reimbursement for services, by the adoption of this resolution.

Mr. HAYDEN. As chairman of the Committee on Rules and Administration, I thoroughly agree with all the Senator from Nebraska has said.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. LUCAS. Does the Senator believe, under the circumstances, where this amount of money was spent to investigate the election case of the Senator from West Virginia [Mr. KILGORE] that

the attorney is probably entitled to the amount that has been allotted?

Mr. HAYDEN. It was so found by three very eminent lawyers on our committee, the Senator from Iowa [Mr. GILLETTE], the Senator from Mississippi [Mr. STENNIS], and the Senator from Kansas [Mr. SCHOEPPEL], who looked into the case.

Mr. LUCAS. In view of the kind of investigation that was conducted, I think the attorney is much underpaid.

Mr. WHERRY. Mr. President, will the majority leader yield for a moment?

Mr. LUCAS. I yield.

Mr. WHERRY. I am not questioning the value of the legal services. That is not the point. But I feel that it should be made indelibly clear that, at least so far as the junior Senator from Nebraska is concerned, as a member of the Committee on Rules and Administration, this is not creating a precedent whereby an attorney may feel that by attempting to investigate an election, the Senate is in duty bound immediately and forthwith to make payment for services performed.

Mr. HAYDEN. I publicly join in that statement.

Mr. GREEN. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. The Senator from Illinois has the floor.

Mr. LUCAS. I am sure that so long as the Senator from Nebraska and the Senator from Arizona are in charge of the Committee on Rules and Administration no lawyer is going to get something for nothing before that group, with those two able Senators on the committee.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CHAVEZ. I should like to make a brief statement, with the indulgence of the Senator from Illinois. After all, it was not the Senator from West Virginia [Mr. KILGORE] who brought the proceedings. It was the group on the other side of the aisle, of which the Senator from Nebraska is a member, who brought them. Of necessity, the Senator from West Virginia had to employ a lawyer. There is no reason why the lawyer should not be paid a legitimate fee.

Mr. LUCAS. The Senator is absolutely correct.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 325) was agreed to.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I now renew my request for unanimous consent that the Senate proceed to the consideration of executive business.

Mr. SALTONSTALL. Mr. President, reserving the right to object, let me say that I understand that the majority leader will suggest the absence of a quorum as soon as his request is agreed to.

Mr. LUCAS. That is correct.

Mr. SALTONSTALL. I have no objection.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Is there objection to the unanimous-consent request of the Senator from Illinois that the Senate proceed to the consideration of executive business?

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Martin
Anderson	Hill	Maybank
Brewster	Hoey	Millikin
Bricker	Holland	Morse
Butler	Hunt	Mundt
Byrd	Ives	Murray
Capehart	Jenner	Myers
Chapman	Johnson, Colo.	Neely
Chavez	Johnson, Tex.	O'Conor
Connally	Kefauver	O'Mahoney
Cordon	Kem	Pepper
Darby	Kerr	Robertson
Donnell	Kilgore	Russell
Douglas	Knowland	Saltonstall
Dworshak	Langer	Schoeppel
Eastland	Leahy	Smith, Maine
Ecton	Lehman	Smith, N. J.
Ellender	Lodge	Sparkman
Ferguson	Long	Stennis
Frear	Lucas	Taft
Fulbright	McCarran	Thomas, Okla.
George	McCarthy	Thomas, Utah
Gillette	McClellan	Thye
Graham	McFarland	Tydings
Green	McKellar	Watkins
Gurney	McMahon	Wherry
Hayden	Magnuson	Wiley
Hendrickson	Malone	Williams

The PRESIDING OFFICER. A quorum is present.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable report of nomination was submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

Claud E. Simmons, and sundry other persons for appointment in the United States Coast Guard.

The VICE PRESIDENT. If there are no further reports of committees, the Executive Calendar will be called, and the treaties are first in order.

TREATY OF FRIENDSHIP, COMMERCE, AND ECONOMIC DEVELOPMENT WITH THE ORIENTAL REPUBLIC OF URUGUAY

The Senate, as in Committee of the Whole, proceeded to consider the treaty, (Executive D, 81st Cong., 2d sess.), a Treaty of Friendship, Commerce, and Economic Development between the United States of America and the Oriental Republic of Uruguay, together with a protocol, an additional protocol, and an exchange of notes, relating thereto, signed at Montevideo on November 23, 1949, which was read the second time, as follows:

TREATY OF FRIENDSHIP, COMMERCE AND ECONOMIC DEVELOPMENT BETWEEN THE UNITED STATES OF AMERICA AND THE ORIENTAL REPUBLIC OF URUGUAY

The United States of America and the Oriental Republic of Uruguay, desirious of strengthening the bonds of peace and friendship traditionally existing between them and of encouraging closer cultural, economic, and commercial relations between their peoples, and being cognizant of the contributions which may be made toward these ends by arrangements which facilitate and encourage, on bases mutually advantageous, cultural interchange, industrial and economic development, financial and technical cooperation, the investment of capital, and commercial intercourse, have resolved to conclude a Treaty of Friendship, Commerce and Economic Development, based in general upon the principles of national and of most-favored-nation treatment unconditionally accorded, and for that purpose have appointed as their Plenipotentiaries,

The President of the United States of America:

Christian M. Ravndal, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Oriental Republic of Uruguay and

The President of the Oriental Republic of Uruguay:

His Excellency Dr. Don César Charlone, Minister of Foreign Affairs:

who, having communicated to each other their full powers, found to be in due form, have agreed upon the following Articles:

ARTICLE I

1. Nationals of either High Contracting Party shall be permitted to enter the territories of the other Party and to remain therein: (a) for the purpose of carrying on trade between the territories of the two Parties and for the Purpose of engaging in related commercial activities; and (b) for other purposes, subject to the immigration laws.

2. Nationals of either Party, within the territories of the other Party, shall be permitted: (a) to travel therein freely, and to reside at places of their choice; (b) to enjoy liberty of conscience; (c) to hold both private and public religious services; and (d) to gather and to transmit material for dissemination to the public abroad, and otherwise to communicate with other persons inside and outside such territories by mail, telegraph and other means open to general public use.

3. For the purpose of strengthening the friendly relations and understanding between the two countries by encouraging mutual contacts between their peoples, the best facilities practicable shall be made available for travel by tourists, for the distribution of information for tourists, and with respect to the entry, sojourn and departure of visitors.

4. The provisions of the present Article and of Article XVII shall be subject to the right of either Party to apply measures that are necessary to maintain public order and necessary to protect the public health, morals and safety.

ARTICLE II

1. The nationals of either High Contracting Party within the territories of the other Party shall receive the most constant protection and security, and shall be accorded, in like circumstances and conditions, treatment, protection and security no less favorable than are accorded to the nationals of such other Party for the protection of their persons, rights, and property. This rule shall be applicable also to institutions, juridical persons, and associations.

2. If, within the territories of either Party, a national of the other Party is accused of crime and taken into custody, he shall: (a) receive reasonable and humane treatment; (b) be formally and immediately informed of the accusations against him; (c) be brought to trial promptly, with due regard to the necessary preparation of his defense; and (d) enjoy all means reasonably necessary to his defense, including the services of competent counsel.

ARTICLE III

1. Nationals of either High Contracting Party shall be accorded national treatment

in the application of laws and regulations within the territories of the other Party that establish a pecuniary compensation, or other benefit or service, on account of disease, injury or death arising out of and in the course of employment or due to the nature of employment.

2. In addition to the rights and privileges provided in paragraph 1 of the present Article, nationals of either Party shall, within the territories of the other Party, be accorded national treatment in the application of laws and regulations establishing systems of compulsory insurance, under which benefits are paid without an individual test of financial need: (a) against loss of wages or earnings due to old age, unemployment, sickness or disability, or (b) against loss of financial support due to the death of father, husband or other person on whom such support had depended.

ARTICLE IV

Each High Contracting Party shall at all times accord equitable treatment to the capital of nationals and companies of the other Party. Neither Party shall take unreasonable or discriminatory measures that would impair the legally acquired rights or interests of such nationals and companies in the enterprises which they have established or in the capital, skills, arts or technology which they have supplied. Neither Party shall without appropriate reason deny opportunities and facilities for the investment of capital by nationals and companies of the other Party; nor shall either Party unreasonably impede nationals and companies of the other Party from obtaining on equitable terms the capital, skills, modern techniques and equipment it needs for its economic development.

ARTICLE V

1. Nationals and companies of either High Contracting Party shall be accorded, within the territories of the other Party, national treatment with respect to:

(a) engaging in commercial, manufacturing, processing, financial, construction, publishing, scientific, educational, religious, philanthropic and professional activities;

(b) obtaining and maintaining patents of invention, and rights in trade marks, trade names, trade labels and industrial property of all kinds; and

(c) having access to the courts of justice and to administrative tribunals and agencies, in all degrees of jurisdiction, both in pursuit and in defense of their rights.

2. Nationals and companies of either Party shall further be accorded, within the territories of the other Party, in cases in which national treatment can not be granted, most-favored-nation treatment with respect to:

(a) exploring for and exploiting mineral deposits;

(b) engaging in fields of economic and cultural activity in addition to those enumerated in subparagraph (a) of paragraph 1 of the present Article or in subparagraph (a) of the present paragraph;

(c) organizing, participating in and operating companies of such other Party.

3. Nationals of either Party admitted into the territories of the other Party for limited purposes shall not, however, enjoy rights to engage in gainful occupations in contravention of limitations expressly imposed, according to law, as a condition of their admittance.

4. Nationals and companies of either Party shall be permitted to engage, within the territories of the other Party, technical experts, executive personnel, attorneys, agents and other specialized employees of their choice, regardless of nationality. Technical experts so engaged shall be permitted, among other functions, to make examinations, audits and technical investigations exclusively for, and to render reports to, such nationals and companies in connection with the planning and operation of their enterprises and enterprises in which they have a financial interest within the territories of such other Party, regardless of the extent to which such experts may have qualified for the practice of a profession within such territories.

ARTICLE VI

1. Nationals and companies of either High Contracting Party shall be accorded within the territories of the other Party the right to organize companies for engaging in commercial manufacturing, processing, construction, mining, financial, educational, philanthropic, religious and scientific activities, and to control and manage enterprises which have been lawfully established by them within such territories for the foregoing and other purposes.

2. Companies, controlled by nationals and companies of either Party and constituted under the applicable laws and regulations within the territories of the other Party for engaging in the activities listed in paragraph 1 of the present Article, shall be accorded national treatment therein with respect to such activities.

ARTICLE VII

1. Nationals and companies of the Oriental Republic of Uruguay shall be accorded, within the territories of the United States of America:

(a) national treatment with respect to leasing land, buildings and other real property appropriate to the conduct of commercial, manufacturing, processing, financial, construction, publishing, scientific, educational, religious, philanthropic and professional activities and for residential and mortuary purposes and with respect to occupying and using such property; and

(b) other rights in real property permitted by the applicable laws of the states, territories and possession of the United States of America.

2. Nationals and companies of the United States of America shall be accorded, within the territories of the Oriental Republic of Uruguay, national treatment with respect to acquiring by purchase, or otherwise, and with respect to owning, occupying and using land, buildings and other real property. However, in the case of any such national domiciled in, or any such company constituted under the laws of, any state, territory or possession of the United States of America that accords less than national treatment to nationals and companies of the Oriental Republic of Uruguay in this respect, the Oriental Republic of Uruguay shall not be obligated to accord treatment more favorable in this respect than such state, territory or possession accords to nationals and companies of the Oriental Republic of Uruguay.

3. Nationals and companies of either High Contracting Party shall be permitted freely to dispose of property within the territories of the other Party with respect to the acquisition of which through testate or intestate succession their alienage has prevented them from receiving national treatment, and they shall be permitted a term of at least five years in which to effect such disposition.

4. Nationals and companies of either Party shall be accorded within the territories of the other Party:

(a) most-favored-nation treatment with respect to acquiring, by purchase or otherwise, and with respect to owning and possessing all kinds of personal property, both tangible and intangible; and

(b) national treatment with respect to disposing of property of all kinds.

ARTICLE VIII

1. The dwellings, offices, warehouses, factories and other premises of nationals and companies of either High Contracting Party located within the territories of the other Party shall receive, with respect to entry and other interventions, the full protection of the measures and procedures established by law and of the standards and principles expressed in Article II of the present Treaty. Official searches and examinations of such premises and their contents, when necessary, shall be made with careful regard for the convenience of the occupants and the conduct of business.

2. Property of nationals and companies of either Party shall receive the most constant protection and security within the territories of the other Party. The taking of property legally acquired by the nationals and companies of either Party within the territories of the other Party shall be subject to procedures and conditions no less favorable than those legally applicable in the case of the taking of the property of nationals of such other Party. Any expropriation shall be made in accordance with the applicable laws, which shall at least assure the payment of just compensation in a prompt, adequate and effective manner.

3. Nationals and companies of either Party shall in no case be accorded, within the territories of the other Party, less than national treatment with respect to the matters set forth in the present Article. Moreover, enterprises in which nationals and companies of either Party have a substantial interest shall be accorded, within the territories of the other Party, not less than national treatment in all matters relating to the taking of privately-owned enterprises into public ownership and the placing of such enterprises under public control.

ARTICLE IX

1. Nationals of either High Contracting Party residing within the territories of the other Party, and nationals and companies of either Party engaged in trade or business or in scientific, educational, religious or philanthropic activities within the territories of the other Party, shall not be subject to the payment of taxes, fees or charges imposed upon or applied to income, capital transactions, activities or any other object, or to requirements with respect to the levy and collection thereof, within the territories of such other Party, more burdensome than those borne by nationals and companies of such other Party.

2. With respect to nationals of either Party who are not resident or who are not engaged in trade or business within the territories of the other Party, and with respect to companies of either Party which are not engaged in trade or business within the territories of the other Party, most-favored-nation treatment shall apply.

3. In the case of companies of either Party engaged in business within the territories of the other Party, and in the case of nationals of either Party engaged in business within the territories of the other Party but not resident therein, such other Party shall not impose or apply any internal tax, fee or charge upon any income, capital or other similar basis in excess of that which corresponds to the business carried on or the capital invested in its territories, or grant deductions and exemptions less than those reasonably allocable or apportionable, on a similar basis, to its territories. A like rule shall apply also in the case of companies organized and operated exclusively for scientific, educational, religious or philanthropic purposes.

4. Each Party, however, reserves the right to: (a) extend specific advantages as to taxes, fees and charges to nationals, residents and companies of all foreign countries on the basis of reciprocity; (b) accord to nationals, residents and companies of a third country special advantages by virtue of an agreement with such country for the avoidance of double taxation or the mutual protection of revenue; and (c) accord to its nonresident nationals and to residents of contiguous countries more favorable exemptions of a personal nature than are accorded to other non-resident persons.

ARTICLE X

Commercial travelers representing nationals and companies of either High Contracting Party engaged in business within the territories thereof shall, upon their entry into and departure from the territories of the other Party and during their sojourn therein, be accorded most-favored-nation treatment in respect of customs and other rights and privileges, including, subject to the exceptions in paragraph 4 of Article IX, taxes and charges applicable to them, their samples and the taking of orders.

ARTICLE XI

1. Each High Contracting Party shall accord most-favored-nation treatment to products of the other Party, from whatever place and by whatever type of carrier arriving, and to articles destined for exportation to the territories of such other Party, by whatever route and by whatever type of carrier, in all matters relating to customs duties and other charges, internal taxation, sale, storage, distribution and use, and with respect to all other regulations, requirements and formalities imposed on or in connection with imports and exports.

2. Neither Party shall impose any prohibition or restriction on the importation of any product of the other Party, or on the exportation of any article to the territories of the other Party, that:

(a) if imposed on sanitary or other customary grounds of a non-commercial nature or in the interest of preventing deceptive or unfair practices, arbitrarily discriminates in favor of the importation of the like product of, or the exportation of the like article to, any third country;

(b) if imposed on other grounds, does not apply equally to the importation of the like product of, or the exportation of the like article to, any third country; or

(c) if a quantitative regulation involving allotment to any third country with respect to an article in which such other Party has an important interest, fails to afford to the commerce of such other Party a share proportionate to the amount by quantity or value supplied by or to such other Party during a previous representative period, due consideration being given to any special factors affecting the trade in the article.

3. As used in the present Treaty the term "products of" means "articles of growth, produce or manufacture of". The provisions of the present Article shall not apply to advantages accorded by either Party:

(a) to products of its national fisheries;

(b) to adjacent countries in order to facilitate frontier traffic; or

(c) by virtue of a customs union of which either Party, after consultation with the other Party, may become a member.

ARTICLE XII

1. Each High Contracting Party shall promptly publish laws, regulations and administrative rulings of general application pertaining to rates of duty, taxes or other charges, to the classification of articles for customs purposes, and to requirements or restrictions on imports and exports or the transfer of payments therefor, or affecting their sale, distribution or use; and shall administer such laws, regulations and rulings in a uniform, impartial and reasonable manner. As a general practice, new administrative requirements affecting imports, with the exception of requirements imposed on grounds of sanitation or public safety, shall not go into effect before the expiration of 30 days after publication, or, alternatively, shall not apply to articles en route at time of publication.

2. Each Party shall provide some administrative or judicial procedure under which nationals and companies of the other Party, and importers of products of such other Party, shall be able to obtain prompt review and correction, if necessary, of administrative action relating to customs matters, including the imposition of fines and penalties, confiscations, and rulings on questions of customs classification and valuation by the customs authorities.

3. The Parties shall afford to importers reasonable opportunity to obtain advice from the competent authorities regarding classification, valuation and duties on merchandise.

ARTICLE XIII

1. Products of either High Contracting Party shall be accorded, within the territories of the other Party, national treatment in all matters affecting internal taxation, sale, storage, distribution and use.

2. Articles produced by nationals and companies of either Party, within the territories of the other Party, or by companies of the latter Party controlled by such nationals and companies, shall be accorded therein treatment no less favorable than that accorded to like articles of national origin by whatever person or company produced, in all matters affecting exportation, taxation, sale, distribution, storage and use.

ARTICLE XIV

1. Each High Contracting Party undertakes (a) that enterprises owned or controlled by its Government, and that monopolies or agencies granted exclusive or special privileges within its territories, shall make their purchases and sales involving either imports or exports affecting the commerce of the other Party solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation, and other conditions of purchase or sale; and (b) that the nationals, companies and commerce of such other Party shall be afforded adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases and sales.

2. Each Party shall accord to the nationals, companies and commerce of the other Party fair and equitable treatment, as compared with that accorded to the nationals, companies and commerce of any third country, with respect to: (a) the governmental purchase of supplies, (b) the awarding of concessions and other government contracts, and (c) the sale of any service sold by the Government or any monopoly or agency granted exclusive or special privileges.

3. The two Parties agree that business practices which restrain competition, limit access to markets or foster monopolistic control, and which are engaged in or made effective by one or more private or public commercial enterprises or by combination, agreement or other arrangement among such enterprises may have harmful effects upon commerce between their respective territories. Accordingly, each Party agrees upon the request of the other Party to consult with respect to any such practices and to take such measures as it deems appropriate with a view to eliminating such harmful effects.

ARTICLE XV

1. Financial transaction between the territories of the two High Contracting Parties shall be accorded by each Party treatment no less favorable than that accorded to like transactions between the territories of that Party and the territories of any third country. Without prejudice to the provisions of paragraph 4 of the present Article, each Party, however, reserves the rights and obligations it may have under the Articles of Agreement of the International Monetary Fund.

2. Nationals and companies of either Party shall be accorded by the other Party national treatment with respect to financial transactions between the territories of the two Parties or between the territories of such other Party and of any third country.

3. In general, any control imposed by either Party over financial transactions shall, subject to the reservations set forth in paragraph 1 of the present Article, be so administered as not to influence disadvantageously the competitive position of the commerce or investment of capital of the other Party in comparison with the commerce or the investment of capital of any third country.

4. Nationals and companies of either Party shall be permitted freely to introduce capital funds into the territory of the other Party and, by means of obtaining exchange in the currency of their own country, to withdraw therefrom capital funds and earnings, whether in the form of salaries, interest, dividends, commissions, royalties or otherwise, and funds for the amortization of loans, for transfers of compensation for property referred to in paragraph 2 of Article VIII, and funds for capital transfers. If more than one rate of exchange is in force, such withdrawals shall be at an effective rate of exchange, inclusive of any taxes or surcharges on exchange transfers, that is just and reasonable. However, a Party shall retain the right in periods of exchange stringency to apply exchange restrictions to assure the availability of foreign exchange for payments for goods and services essential to the health and welfare of its people. In the event that either Party applies such restrictions it shall within a period of three months make reasonable and specific provision for the withdrawals referred to, giving consideration to special needs for other transactions, and shall afford the other Party adequate opportunity for consultation at any time regarding such provision and other matter affecting withdrawals. Such provision shall be reviewed in consultation with the other Party at intervals of not more than twelve months.

5. The treatment prescribed in the present Article shall apply to all forms of control of financial transactions, including (a) limitations upon the availability of media necessary to effect such transactions, (b) rates of exchange, and (c) prohibitions, restrictions, delays, taxes, charges and penalties on such transactions; and shall apply whether a transaction takes place directly, or through an intermediary in another country. As used in the present Article, the term "financial transactions" means all international payments and transfers of funds effected through the medium of currencies, securities, bank deposits, dealings in foreign exchange or other financial arrangements, regardless of the purpose of nature of such payments and transfers.

ARTICLE XVI

1. Between the territories of the two High Contracting Parties there shall be freedom of commerce and navigation.

2. Vessels under the flag of either Party, and carrying the papers required by its law in proof of nationality, shall be deemed to be vessels of that Party both on the high seas and within the ports, places and waters of the other Party.

3. Vessels of either Party shall have liberty, on equal terms with vessels of the other Party and on equal terms with vessels of any third country, to come with their cargoes to all ports, places and waters of such other Party open to foreign commerce and navigation. Such vessels and cargoes shall in all respects be accorded national and most-favored-nation treatment within the ports, places and waters of such other Party; but each Party may reserve exclusive rights and privileges to its own vessels with respect to the coasting trade, inland navigation and national fisheries.

4. Vessels of either Party shall be accorded national and most-favored-nation treatment by the other Party with respect to the right to carry all articles that may be carried by vessel to or from the territories of such other Party; and such articles shall be accorded treatment no less favorable than that accorded like articles carried in vessels of

such other Party, with respect to: (a) duties and charges of all kinds, (b) the administration of the customs, and (c) bounties, drawbacks and other privileges of this nature.

5. Vessels of either Party that are in distress shall be permitted to take refuge in the nearest port or haven of the other Party, and shall receive friendly treatment and assistance.

6. The term "vessels", as used herein, means all types of vessels, whether privately owned or operated, or publicly owned or operated; but this term does not, except with reference to paragraph 5 of the present Article, include fishing vessels or vessels of war.

ARTICLE XVII

There shall be freedom of transit through the territories of each High Contracting Party by the routes most convenient for international transit:

(a) for nationals of the other Party, together with their baggage;

(b) for other persons, together with their baggage, en route to or from the territories of such other Party; and

(c) for articles en route to or from the territories of such other Party.

Such persons and articles in transit shall be exempt from transit, customs and other duties, and from unreasonable charges and requirements; and shall be free from unnecessary delays and restrictions. They shall, however, be subject to measures referred to in paragraph 4 of Article I, and to nondiscriminatory regulations necessary to prevent abuse of the transit privilege.

ARTICLE XVIII

1. The present Treaty shall not preclude the application of measures:

(a) regulating the importation or exportation of gold or silver;

(b) relating to fissionable materials, to radio-active by-products of the utilization or processing thereof or to materials that are the source of fissionable materials;

(c) regulating the production of or traffic in arms, ammunition and implements of war, or traffic in other materials carried on directly or indirectly for the purpose of supplying a military establishment;

(d) necessary to fulfill the obligations of a High Contracting Party for the maintenance or restoration of international peace and security, or necessary to protect its essential security interests;

(e) denying to any company in the ownership or direction of which nationals of any third country or countries have directly or indirectly a controlling interest, the advantages of the present Treaty, except with respect to recognition of juridical status and with respect to access to courts.

2. Without prejudice to the obligations of either Party under any other existing or future international agreement, the most-favored-nation provisions of the present Treaty shall not apply: (a) to advantages accorded by the United States of America or its territories and possessions, irrespective of any future change in their political status, to one another, to the Republic of Cuba, to the Republic of the Philippines, to the Trust Territory of the Pacific Islands or to the Panama Canal Zone; and (b) to the advantages accorded by the Oriental Republic of Uruguay exclusively to the Republic of Bolivia or to the Republic of Paraguay, provided such advantages are not extended to a third country.

3. The provisions of the present Treaty relating to the treatment of goods shall not preclude action by either Party which is required or specifically permitted by the General Agreement on Tariffs and Trade or the Havana Charter for an International Trade Organization during such time as such Party is a contracting party to the General Agreement or is a member of the International Trade Organization. Similarly, the most-favored-nation provisions of the present Treaty shall not apply to special advantages accorded by virtue of the aforesaid Agreement or Charter.

4. The present Treaty does not accord any rights to engage in political activities.

5. No enterprise of either Party which is publicly owned or controlled shall, if it engages in commercial, manufacturing, processing, shipping or other business activities within the territories of the other Party, claim or enjoy, either for itself or for its property, immunity therein from taxation, suit, execution of judgment or other liability to which privately owned and controlled enterprises are subject therein.

ARTICLE XIX

1. The term "national treatment" means treatment accorded within the territories of a High Contracting Party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be, of such Party.

2. The term "most-favored-nation treatment" means treatment accorded within the territories of a Party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be, of any third country.

3. As used in the present Treaty, the term "companies" means corporations, partnerships, companies and other associations, whether or not with limited liability and whether or not for pecuniary profit. Companies constituted under the applicable laws and regulations within the territories of either Party shall be deemed companies thereof and shall have the rights which pertain to them as juridical persons recognized within the territories of the other Party. It is understood that the recognition of such rights does not of itself confer rights upon companies to engage regularly in the business activities for which they are organized.

4. National treatment accorded under the provisions of the present Treaty to companies of the Oriental Republic of Uruguay shall in any State, territory or possession of the United States of America, be the treatment accorded therein to companies created or organized in other States, territories and possessions of the United States of America.

ARTICLE XX

Except as may be otherwise provided, the territories to which the present Treaty extends shall comprise all areas of land and water under the sovereignty or authority of either of the High Contracting Parties, other than the Panama Canal Zone, and other than the Trust Territory of the Pacific Islands except to the extent that the President of the United States of America shall by proclamation extend provisions of the Treaty to such Trust Territory.

ARTICLE XXI

1. Either of the High Contracting Parties shall at any time grant to the other Party adequate opportunity for consultation with respect to the matters dealt with in the present treaty.

2. Any dispute between the Parties as to the interpretation or application of the present Treaty, not satisfactorily adjusted by diplomacy or other pacific means, shall be submitted to the International Court of Justice.

ARTICLE XXII

1. The present Treaty shall be ratified, and the ratifications thereof shall be exchanged at Washington as soon as possible.

2. The present Treaty shall enter into force on the day of exchange of ratifications. It shall remain in force for ten years from that day and shall continue in force thereafter until terminated as provided herein.

3. Either High Contracting Party may, by giving one year's written notice to the other Party, terminate the present Treaty at the end of the initial ten-year period or at any time thereafter.

In witness whereof the respective Plenipotentiaries have signed the present Treaty and have affixed hereunto their seals.

Done in duplicate, in the English and Spanish languages, both equally authentic, at Montevideo, this twenty-third day of November, one thousand nine hundred forty-nine.

CHRISTIAN M. RAVNDAL
CÉSAR CHARLONE

PROTOCOL

At the time of signing the Treaty of Friendship, Commerce and Economic Development between the United States of America and the Oriental Republic of Uruguay, the undersigned Plenipotentiaries, duly authorized by their respective Governments, have further agreed on the following provisions, which shall be considered integral parts of the aforesaid Treaty:

1. Rights and privileges with respect to commercial, manufacturing and processing activities accorded, by the provisions of the Treaty, to privately owned and controlled enterprises of either High Contracting Party within the territories of the other Party shall extend to rights and privileges of an economic nature granted to publicly owned or controlled enterprises of such other Party, in situations in which such publicly owned or controlled enterprises operate in fact in competition with privately owned and controlled enterprises. The preceding sentence shall not, however, apply to subsidies granted to publicly owned or controlled enterprises in connection with: (a) manufacturing or processing goods for government use, or supplying goods and services to the government for government use; or (b) supplying, at prices substantially below competitive prices, the needs of particular population groups for essential goods and services not otherwise practically obtainable by such groups.

2. With reference to paragraph 1 of Article I of the Treaty, so long as the United States of America permits the entry into its territories of nationals of the Oriental Republic of Uruguay upon terms substantially as favorable as those applicable upon the date of signature of the Treaty, the Oriental Republic of Uruguay undertakes to permit nationals of the United States of America freely to enter its territories, subject to measures necessary to maintain public order and to protect the public health, morals and safety.

3. The term "mineral", as used in Article V, paragraph 2 (a), refers to petroleum as well as to other mineral substances.

4. The term "financial" as used in Article V and VI shall not extend to banking that involves a trust or fiduciary function, or that involves receiving deposits except as may be incidental to international or foreign business of the banking enterprise.

5. Without prejudice to the obligations of either Party under any other international agreement, the provisions of the present Treaty shall not be construed to restrict the utilization by a Party of accumulated inconvertible currencies.

6. The provisions of Article XIV, paragraph 2 (b) and (c), and of Article XVI, paragraph 4, shall not apply to postal services.

7. The Uruguayan tax system applicable to absentee landholders (established by Law No. 5377 of January 14, 1916) shall not be affected by the provisions of the Treaty.

8. Nothing in the Treaty shall be construed to limit or restrict in any way the advantages accorded by the Convention Facilitating the Work of Traveling Salesmen signed at Washington August 27, 1918.

9. Article XX does not apply to territories under the authority of either Party solely by reason of temporary military occupation.

10. It is understood that for the purposes of paragraph 1 of Article XIV, the availability of means of payment is considered to be a commercial consideration.

In witness whereof the respective Plenipotentiaries have signed this Protocol and have affixed hereunto their seals.

Done in duplicate, in the English and Spanish languages, both equally authentic, at Montevideo, this twenty-third day of November, one thousand nine hundred forty-nine.

CHRISTIAN M. RAVNDAL [SEAL]
CÉSAR CHARLONE [SEAL]

ADDITIONAL PROCOTOL

At the time of signing the Treaty of Friendship, Commerce and Economic Development between the United States of America and the Oriental Republic of Uruguay, the undersigned Plentipotentiaries, duly authorized by their respective Governments have further agreed upon the following provisions, which shall be considered integral parts of the aforesaid Treaty:

1. The provisions of paragraph 2 (b) and 2 (c) of Article XI of the Treaty shall not obligate either High Contracting Party with respect to the application of quantitative restrictions on imports and exports:

(a) that have effect equivalent to exchange restrictions authorized in conformity with section 3 (b) of Article VII of the Articles of Agreement of the International Monetary Fund;

(b) that are necessary to secure the equitable distribution among the several consuming countries of goods in short supply; or

(c) that have effect equivalent to exchange restrictions permitted under section 2 of Article XIV of the Articles of Agreement of the International Monetary Fund.

2. Restrictions applied by either Party pursuant to subparagraph (c), paragraph 1, of the present Protocol shall, conformable with a policy designed to promote the maximum development of non-discriminatory multilateral trade and to expedite the attainment of a balance of payments position which will obviate the necessity of such restrictions, depart no more than necessary from the provisions of paragraph 2 (b) and 2 (c) of Article XI of the Treaty.

In witness whereof the respective Plenipotentiaries have signed this Protocol and have affixed hereunto their seals.

Done in duplicate, in the English and Spanish languages, both equally authentic, at Montevideo, this twenty-third of November one thousand nine hundred and forty-nine.

CHRISTIAN M. RAVNDAL
CÉSAR CHARLONE

EXCHANGE OF NOTES

MONTEVIDEO, *November 23, 1949.*

The Honorable CHRISTIAN M. RAVNDAL,
Ambassador Extraordinary and Plenipotentiary of the United States of America.

MR. AMBASSADOR:

I have the honor to refer to the conversations between representatives of the Government of the Oriental Republic of Uruguay and the Government of the United States of America during the course of the negotiation of the Treaty of Friendship, Commerce, and Economic Development, signed this day, in regard to its provisions relating to the treatment to be accorded by either High Contracting Party to the products of the other with respect to internal taxation.

In the course of these conversations, the Uruguayan representatives referred to the fact that Uruguay now accords national treatment with respect to internal taxation to all products of the United States of America except pharmaceutical specialties, toilet and perfumery products, cigarettes, cigars, fortified wines, vermouth, champagne, matches and playing cards, and to the fact that these specific articles were excepted from the rule of national treatment in the Trade Agreement between the two countries signed at Montevideo, July 21, 1942. The Uruguayan representatives also referred to the willingness of their Government to negotiate the reduction of these internal taxes.

The representatives of the United States of America have referred to Article III (as amended) of the General Agreement on Tariffs and Trade which establishes the rule of national treatment with respect to internal taxes on imported products, and particularly to paragraph 3 of the said Article which provides for the postponement of the application of the rule of national treatment in certain cases.

The conversations to which I have referred have disclosed a mutual understanding which is as follows:

With respect to any existing internal tax which is inconsistent with the provisions of paragraph 1 of Article XIII of the aforementioned Treaty but which is expressly authorized by the Trade Agreement between Uruguay and the United States of America signed at Montevideo July 21, 1942, in which the import duty on the taxed product is bound against increase, the Government of Uruguay shall be free to postpone the application of the provisions of paragraph 1 of Article XIII of said Treaty to such tax until such time as it can obtain release from the obligations of the Trade Agreement in order to permit the increase of such duty to the extent necessary to compensate for the elimination of the protective element of the tax.

Accept, Mr. Ambassador, the renewed assurances of my highest consideration.

CÉSAR CHARLONE.

MONTEVIDEO, *November 23, 1949.*

To His Excellency Doctor CÉSAR CHARLONE,
Minister of Foreign Affairs.

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's kind note of today's date, with reference to the Treaty of Friendship, Commerce and Economic Development, which states as follows:

"Mr. Ambassador: I have the honor to refer to the conversations between representatives of the Government of the Oriental Republic of Uruguay and the Government of the United States of America during the course of the negotiation of the Treaty of Friendship, Commerce and Economic Development, signed this day, in regard to its provisions relating to the treatment to be accorded by either High Contracting Party to the products of the other with respect to internal taxation.

"In the course of these conversations, the Uruguayan representatives referred to the fact that Uruguay now accords national treatment with respect to internal taxation to all products of the United States of America except pharmaceutical specialties, toilet and perfumery products, cigarettes, cigars, fortified wines, vermouth, champagne, matches and playing cards, and to the fact that these specific articles were excepted from the rule of national treatment in the Trade Agreement between the two countries signed at Montevideo, July 21, 1942. The Uruguayan representatives also referred to the willingness of their Government to negotiate the reduction of these internal taxes.

"The representatives of the United States of America have referred to Article III (as amended) of the General Agreement on Tariffs and Trade which establishes the rule of national treatment with respect to internal taxes on imported products, and particularly to paragraph 3 of the said Article which provides for the postponement of the application of the rule of national treatment in certain cases.

"The conversations to which I have referred have disclosed a mutual understanding which is as follows:

"With respect to any existing internal tax which is inconsistent with the provisions of paragraph 1 of Article XIII of the aforementioned Treaty but which is expressly authorized by the Trade Agreement between Uruguay and the United States of America signed at Montevideo, July 21, 1942, in which the import duty on the taxed product is bound against increase, the Government of Uruguay shall be free to postpone the application of the provisions of paragraph 1 of Article XIII of said Treaty to such tax until such time as it can obtain release from the obligations of the Trade Agreement in order to permit the increase of such duty to the extent necessary to compensate for the elimination of the protective element of the tax.

"Accept, Mr. Ambassador, the renewed assurances of my highest consideration.

"The Honorable CHRISTIAN M. RAVNDAL,
Ambassador Extraordinary and Plenipotentiary of the United States of America."

I have the honor to confirm Your Excellency's statement of the agreement reached with reference to this matter.

Accept, Excellency, the renewed assurances of my highest consideration.

CHRISTIAN M. RAVNDAL.

The VICE PRESIDENT. The treaty is open to amendment. If there be no amendment to be proposed, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

Mr. THOMAS of Utah. Mr. President, this treaty was considered once before and was passed over at the request of the Senator from Missouri [Mr. DONNELL]. I think there is no objection to the treaty at this time.

Mr. DONNELL. Mr. President, reserving the right to object, I may call to the attention of the Senator from Utah two questions which arise under the treaty. I should like to have his judgment with respect to them. I refer particularly to the provisions of article 6 of the treaty, paragraph 1 of which reads as follows:

Nationals and companies of either high contracting party shall be accorded within the territories of the other party the right to organize companies for engaging in commercial, manufacturing, processing, construction, mining, financial, educational, philanthropic, religious, and scientific activities, and to control and manage enterprises which have been lawfully established by them within such territories for the foregoing and other purposes.

The question to which I invite the distinguished Senator's attention is this: Obviously, this article is an agreement that nationals of Uruguay "shall be accorded within the territories of the" United States of America "the right to organize companies"—and "companies" is defined to mean corporations, among other things—for the various purposes expressed in article 6.

We have in this country at this time seven States, including New York, among others, which prescribe as one of the

qualifications for incorporators that a certain proportion of them must be either residents of the State or, as I recall, in the case of New York, one incorporator must be a citizen of the United States. I think in the case of the State of Wisconsin all must be residents of the State of Wisconsin. There are five other States with varying provisions of like character.

I ask the distinguished Senator whether he thinks that this obligation guaranteeing to nationals of Uruguay the right to organize corporations within the territory of the United States could be effected and effective as against the provisions of laws of the various States which prescribe the qualifications of residence or citizenship?

Mr. THOMAS of Utah. Certainly not. The laws of the respective States would govern so far as the organization of these companies is concerned. A corporation formed by the citizens of Uruguay, under the laws of the State of New York or Delaware or Utah, would be a Utah, Delaware, or New York corporation. Nothing in the treaty would in anyway interfere with the relations between the Federal Government and the States in their respective rights. I know of only one treaty in which the Federal Government used the glorious Federal system which we have, to the advantage of all the people of the United States, and that is a treaty which is no longer in existence. Under this treaty the corporations would be State corporations, and they must be organized in accordance with State law.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. DONNELL. I do not think I made my point quite clear to the Senator. Suppose, for instance, that five residents of Uruguay should come to the United States and should present themselves in New York State with articles of incorporation, duly prepared in thorough accordance with the laws of New York, except that none of the incorporators is a resident of New York or a citizen of the United States. Does the Senator think that the provision of article 6 of the proposed treaty guaranteeing to nationals of Uruguay the right to organize corporations in the territories of the United States, would be carried into effect if those five residents of Uruguay were denied the right to organize the corporation in New York?

Mr. THOMAS of Utah. No. The State law of New York would prevail, and the corporation would have to be lawfully organized. Therefore, it would have to be organized in accordance with the laws of the State of New York.

Mr. DONNELL. Mr. President, if the Senator will yield further, I confess that I am in doubt as to whether the distinguished Senator is correct in his legal conclusion, but I shall accept it. I have no doubt he has given careful thought to the subject. I may state that two representatives of the State Department have very kindly conferred with me in regard to this subject, and I shall not object on that question.

The other question, if I may have the Senator's attention, is with respect to article XIV which provides:

1. Each high contracting party undertakes (a) that enterprises owned or controlled by its Government, and that monopolies or agencies granted exclusive or special privileges within its territories, shall make their purchases and sales involving either imports or exports affecting the commerce of the other party solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation, and other conditions of purchase or sale.

I should like to ask the Senator this hypothetical question: Suppose some public-service corporation, perhaps a railroad, perhaps an electric-light company, or a power company in one of our great cities, for some reason known only to itself, should prefer in making its purchases in Uruguay not to follow solely commercial considerations, but to extend to someone there the right to sell his merchandise not strictly on commercial considerations. The question I desire to ask the Senator is twofold: First, would that public-service company have the right, under this treaty, to make purchases in Uruguay on bases other than strictly commercial considerations, and, in the second place, would this provision of the treaty make it necessary that the United States Government have some policing bureau to find out whether the provisions of the treaty are or are not being complied with by organizations such as are referred to in this article?

Mr. THOMAS of Utah. If I may answer the last part of the Senator's question first, Mr. President, the United States looks upon this part of the treaty as a protection to its citizens. We have not, with the exception of one or two commodities, anything like a national monopoly, and the whole purpose of this section, as I understand, is to permit nationals of the United States to carry on business in a way which we call the free-enterprise system, with protection against monopolistic controls by governments of other states which control entirely their whole economy. Therefore, they would be in position to take advantage of the private economy of our country.

So far as Uruguay is concerned, that, of course, could be left up to the laws of Uruguay if we were organizing a corporation there, but so far as concerns any of the fears the Senator from Missouri may have about the provisions of the treaty, the things which are to be done in either country by the nationals of either country will be done in accordance with the laws of the respective countries, and not in any other way.

The whole theory of America's treaty making, Mr. President, is as I have stated. Having guided through the Senate the only treaty which has been negotiated with China in her history, on an equality with other countries, I know the idea of the United States is to teach respect for law, so that wherever our citizens go they will be protected by the laws of the land. The whole essence of this treaty is to bring to the attention of the world those theories of ours which are to protect the individual wherever he goes. We want all nations to respect the rights of the individual.

Mr. DONNELL. Mr. President, will the Senator yield for one question, which I think will be the final one?

Mr. THOMAS of Utah. I yield.

Mr. DONNELL. Does the Senator consider that a public-utility company which derives its right to operate from franchises in our country is an agency granted exclusive or special privileges within the meaning of article XIV of this treaty?

Mr. THOMAS of Utah. I think not. It becomes such an agency if it operates under the laws of Uruguay, not under the laws of the United States.

Mr. DONNELL. I thank the Senator for his responses, and I shall not object.

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-third of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive D, Eighty-first Congress, second session, a treaty of friendship, commerce, and economic development, between the United States of America and the Oriental Republic of Uruguay, together with a protocol, an additional protocol, and an exchange of notes, relating thereto, signed at Montevideo on November 23, 1949.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the treaty is ratified

ANNEX TO INTERNATIONAL TELECOMMUNICATION CONVENTION — TELEGRAPH REGULATIONS (PARIS REVISION, 1949) AND FINAL PROTOCOL

The Senate, as in Committee of the Whole, proceeded to consider the Convention (Executive J, 81st Cong., 2d sess.), an annex to International Telecommunication Convention—Telegraph Regulations, and the final protocol to those regulations, signed at Paris on August 5, 1949, which was read the second time.

The VICE PRESIDENT. The document is exceedingly voluminous, and, without objection, the letter of transmittal from the President of the United States, and the report by the Secretary of State, which are explanatory of this instrument, will be printed in the RECORD.

The message and report are as follows:

THE WHITE HOUSE, *April 10, 1950.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the texts, as certified by the French Government, of the telegraph regulations (Paris revision, 1949) annexed to the international telecommunication convention (Atlantic City, 1947), and the final protocol to those regulations, which were signed in the French language at Paris on August 5, 1949, such ratification to be made subject, however, to certain reservations and declarations as set forth and explained in the report which the Secretary of State has addressed to me in regard to this matter.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the telegraph regulations and final protocol, together with the volumes referred to in that report.

In the event that the Senate advises and consents to ratification of the telegraph regulations and final protocol, it is urged that this be done with the understanding that such ratification will be subject to the reservations and declarations as set forth in the report by the Secretary of State.

HARRY S. TRUMAN.

(Enclosures: (1) Report of the Secretary of State; (2) volume (certified) containing French texts of telegraph regulations (Paris revision, 1949), final protocol, and related resolutions and opinions; (3) volume containing the texts in English.)

DEPARTMENT OF STATE,
Washington, April 4, 1950.

THE PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, the texts, as certified by the French Government, of the telegraph regulations (Paris revision, 1949) annexed to the international telecommunication convention (Atlantic City, 1947), and the final protocol to those regulations, which were signed in the French language at Paris on August 5, 1949, such ratification to be made subject, however, to certain reservations and declarations as set forth and explained hereinafter.

The telegraph regulations and final protocol above-mentioned were formulated at the International Telegraph and Telephone Conference in Paris, May–August 1949, in which 68 countries or groups of territories, members of the International Telecommunication Union, participated. The regulations and final protocol were signed by the respective plenipotentiaries of the United States of America and 56 other countries or groups of territories.

The texts of the instruments above-mentioned are contained in a volume, certified by the French Government, which contains also the texts of resolutions and opinions formulated and adopted at the Paris Conference. Those resolutions and opinions do not require action with a view to ratification on the part of the United States and are of a character not normally included with a treaty or other international agreement in the publication of the latter, except perhaps in connection with the publication of the report of the United States delegation to the conference at which the documents were drawn up. A separate volume, enclosed herewith, contains English translations of the texts above-mentioned.

It will be recalled that in the report of the Secretary of State to the President, dated February 12, 1948, regarding the international telecommunication convention signed at Atlantic City in 1947, with other documents related thereto, reference was made (S. Ex. B, 80th Cong., 2d sess.) to the fact that article 13 of that convention stated that the provisions of the convention are completed by four sets of administrative regulations, namely, telegraph regulations, telephone regulations, radio regulations, and additional radio regulations. In paragraph 3 of article 13 it is provided:

"These regulations shall be binding on all members and associate members."

The telegraph and telephone regulations were not drawn up at the Atlantic City Conferences in 1947. This was to be done at a subsequent administrative conference at which interested governments would be represented. Attention was called in the report of the Secretary of State to the fact that the delegation of the United States at Atlantic City reserved the position of this Government with respect to the telegraph, telephone, and additional radio regulations by making a declaration, incorporated in the final protocol to the convention as a condition to the signing of the convention on behalf of the United States, as follows:

"The United States of America formally declares that the United States of America does not, by signature of this Convention on its behalf, accept any obligation in respect of the Telegraph Regulations, the Telephone Regulations, or the Additional Radio Regulations referred to in Article 13 of the Atlantic City Convention."

The reason for that declaration by the delegation of the United States was explained in the report of the Secretary of State as follows:

"* * * The United States is not at present a party to the telegraph or telephone regulations adopted at Cairo in 1938, or previously, nor did the United States delegates sign the additional radio regulations which were adopted by the Atlantic City Radio Conference. Inasmuch as those three sets of regulations relate either to matters of particular concern only to the European region, or to matters with respect to which the United States Government has not undertaken to adopt extensive regulatory measures, it is the policy of this Government not to accept any obligation under any of those regulations, at least for the time being * * *."

In recognition of developments in telegraphy since 1938, the Paris Telegraph and Telephone Conference was convened in 1949, sponsored by the International Telecommunication Union and held under the auspices of the French Government, for the purpose of revising the international telegraph and telephone regulations signed at Cairo in 1938. Since the United States had no intention of becoming a signatory to the telephone regulations, which relate at the present time only to the European area, the interest of the United States through its representation at the Paris Conference was primarily in telegraph matters. Improvements in the international telegraph rate structure and desirable changes in the telegraph operating regulations were decided upon by the Conference. According to the report of the chairman of the delegation of the United States (Mr. Wayne Coy, Chairman of the Federal Communications Commission), the principal decisions taken on telegraph tariff matters involving or of special interest to, the United States were as follows:

(1) Unification of rates for telegrams in any language (i. e., plain or secret, including code), effective July 1, 1950, at 75 percent of the full rates in force on February 1, 1950. This decision is applicable to Government as well as to private telegrams. Unification on a corresponding basis was also decided upon for urgent plain language and code rates.

(2) Elimination of the deferred (LC) class of message.

(3) Establishment of a coefficient for letter telegrams of 50 percent of the new unified rate, and improvement in and clarification as to the kind of service to be given to letter telegrams.

(4) Revision of the regulations with respect to the counting of words in telegrams so as to provide that in any telegram, whether in plain or secret language, each word appearing in a standard dictionary of one of the admitted languages, each word in common use in one of those languages, and certain specified expressions, are to be counted at 15 characters to the word, plus 1 word for each additional 15 characters or fraction thereof in excess.

(5) Establishment of a coefficient for urgent telegrams of double the new unified rate for ordinary telegrams.

(6) Establishment of a minimum charge for 5 words for any telegram, except letter and press telegrams, for which the minima were fixed at 22 and 10 words, respectively.

(7) Agreement upon a new regulation that the rates to be charged for Government ordinary telegrams, whether or not priority is requested, shall be the same as the rates charged for private ordinary telegrams. The effectiveness of this regulation is, however, qualified by a specific recognition of existing special arrangements under which special rates are provided for Government telegrams.

The United States has not heretofore become a party to the telegraph regulations annexed to the international telecommunication convention because of the problems involved in reconciling the provisions of those regulations with the United States system of private ownership and operation of the public communications service, subject to governmental regulation. It has been felt that the international telegraph regulations, if this Government were a party to them, would deprive this Government, and specifically the Federal Communications Commission, of the power to fix rates at a level which is considered fair and just. It was felt that a number of the operating practices provided for in the regulations were either detrimental to the best interests of the United States or below the standard of practices presently followed in this country.

After considering the views of the telegraph industry and users in the United States, it was concluded that this Government should participate in the Paris Conference in the interest of developing regulations to which the United States might become a party. At the close of the Conference, the telegraph regulations as revised were signed by members of the delegation of the United States, but subject to certain reservations and declarations, some of which are incorporated as part IV in the final protocol to the regulations while others are set forth in Appendix No. 3 annexed to and a part of the regulations.

Pursuant to public notice issued by the Federal Communications Commission on December 21, 1949, in cooperation with the Department of State, a public conference was held at the offices of the Commission on January 16, 1950, for the purpose of reviewing the Paris telegraph regulations in order to determine whether any of the reservations or declarations formally made by the delegation at the Paris Conference should be withdrawn and whether any other reservation or declaration should be made. In attendance at the public conference were representatives of the Federal Communications Commission, Department of State, Department of Commerce, Bureau of Federal Supply, certain press users of international telegraph facilities, Aeronautical Radio, Inc., and the following United States communications carriers: The Western Union Telegraph Co., RCA Communications, Inc., Press Wireless, Inc., Globe Wireless, Ltd., All America Cables & Radio, Inc., the Commercial Cable Co., Mackay Radio & Telegraph Co., and American Telephone & Telegraph Co. As a result of the views expressed at that public conference and after careful consideration of the question whether the United States should become a party to the Paris telegraph regulations, subject to appropriate reservations and declarations, the Federal Communications Commission and the Department of State have concluded that it would be worth while for the United States to become a party to these regulations and further that certain of the reservations and declarations made by the delegation of the United States at the time of signing the regulations in Paris should be either deleted or modified and certain new reservations and declarations should be added. It is recommended, therefore, that the Senate be requested to give its advice and consent to the

ratification of the telegraph regulations and the final protocol above-mentioned, subject to reservations and declarations in substance as follows:

"Ratification by the United States of America of the Telegraph Regulations (Paris Revision, 1949) and the Final Protocol thereto is made subject to the following reservations and declarations which shall replace the reservations and declarations appearing in part IV of the said Final Protocol and in Appendix No. 3 to the said Telegraph Regulations:

"1. Signature of the Telegraph Regulations (Paris Revision, 1949) for and in the name of the United States of America constitutes, in accordance with its constitutional processes, signature also on behalf of all Territories of the United States of America.

"2. The United States of America formally declares that the United States of America does not, by signature of the Telegraph Regulations (Paris Revision, 1949) on its behalf, or by ratification thereof, accept any obligation in respect of the following provisions of the said Regulations:

"Article 11, § 2, in so far as that paragraph prohibits the admission of message texts containing groups made up of combinations of figures and letters, figures or letters and signs with a secret meaning, produced by automatic cryptographic processes; Article 26, except § 3; Article 28; Article 29; Article 30; Article 31, § 2 and § 3; Article 34, § 3, in reference to the figure case symbols for signals numbered 22 and 26; Article 43, § 1; Article 48, § 2; Article 50; Article 51; Article 53, § 1; Article 54, § 4 (1); Article 55, § 3; Article 56, § 1 (3); Article 60; Article 75, § 6, § 7, and § 10 (2); Article 82, § 7 (1); Article 83, § 10; Article 85, § 9; Article 87, § 1 i), k), and p); Article 88, § 3; Article 90 (1); Article 94, § 6, and Appendix No. 2; Article 95, so far as it relates to the retention of the originals of telegrams and documents relating thereto for more than 6 months; Article 96, § 1 (2) and § 3 (1); and Article 101, § 5. The reservations as to Article 31, § 2, Article 48, § 2, and Article 56, § 1 (3) are intended to apply only to the provisions contained therein authorizing a fee or specifying the fees to be charged.

"3. The United States of America formally declares that the United States of America does not, by signature of the Telegraph Regulations (Paris Revision, 1949) on its behalf, or by ratification thereof, accept any obligation in respect to the application of any provision of the Regulations to service within the United States with respect to telegrams between the United States, on the one hand, and Canada, Mexico, and Saint-Pierre and Miquelon Islands, on the other hand, and to the rates applicable to such service.

"4. The United States of America formally declares that the United States of America does not accept the authority in Article 81 of the Telegraph Regulations (Paris Revision, 1949) to restrict the reception of radiocommunications, and it expresses the hope that other Administrations will not exercise such authority.

"5. The United States of America formally declares that the United States of America will permit press rates to be accorded press queries, press orders, and press administrative messages sent from the United States of America, and expresses the hope that other Administrations will permit press rates to be accorded press queries, press orders, and press administrative messages.

"6. The United States of America formally declares that the United States of America does not accept any obligation with respect to the application to the aeronautical fixed service of the provisions of the Telegraph Regulations (Paris Revision, 1949) regarding operating procedures and practices."

The reservation as to section 3 of article 11 has been added in the belief that it would be helpful in securing agreements with foreign communications administrations to permit the admission of the message texts described. It is believed that the ability to transmit such mixed groups will become increasingly important.

The last sentence in item No. 2 has been added because some of the provisions in the articles and sections mentioned are not objectionable and there appears to be no reason to make reservations with respect to such provisions.

The reservation with respect to sections 6, 7, and 10 (2) of article 75 has been added in order to indicate United States opposition to the designation of specific ratios to be applied to press telegrams based on the rates for ordinary private telegrams. Notwithstanding the fact that article 79 of the regulations provides that the provisions concerning press telegrams are not obligatory on administrations and recognized private operating agencies which declare their inability to apply them, it is believed that the reservation may have the effect of avoiding increases in press rates to the United States by indicating to other countries this Government's objections to the ratios given in the cited sections.

The Federal Communications Commission has requested that, in transmitting the Paris telegraph regulations to the Senate, it be pointed out that the principal purpose of the reservations and declarations is to give this Government, and particularly the Commission, the freedom of action considered necessary in the best interests of the United States, and that, as to those matters to which reservations and declarations are made, the Commission will retain full authority to act in accordance with the Communications Act of 1934, as amended. It is believed that the reservations and declarations set forth above will protect the interests of this Government so far as tariff and operating matters are concerned.

Pursuant to article 103 of the telegraph regulations, they shall enter into force on July 1, 1950, in respect of those countries and groups of territories which, by that date, have taken final action necessary in order to become parties thereto.

Respectfully submitted,

DEAN ACHESON.

(Enclosures: (1) Volume (certified) containing French texts of telegraph regulations (Paris revision, 1949), final protocol, and related resolutions and opinions; (2) volume containing the texts in English.)

The VICE PRESIDENT. The regulations and protocol are before the Senate and open to amendment. If there be no amendment to be proposed, the regulations and protocol will be reported to the Senate.

The regulations and protocol were reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification with the reservations will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive J, Eighty-first Congress, second session, the telegraph regulations (Paris revision, 1949) annexed to the international telecommunications convention (Atlantic City, 1947), and the final protocol to those regulations, signed at Paris on August 5, 1949, subject to the following reservations and declarations:

1. Signature of the Telegraph Regulations (Paris Revision, 1949) for and in the name of the United States of America constitutes, in accordance with its constitutional processes, signature also on behalf of all Territories of the United States of America.

2. The United States of America formally declares that the United States of America does not, by signature of the Telegraph Regulations (Paris Revision, 1949) on its behalf, or by ratification thereof, accept any obligation in respect of the following provisions of the said Regulations:

Article 11, § 3, in so far as that paragraph prohibits the admission of message texts containing groups made up of combinations of figures and letters, figures or letters and signs with a secret meaning, produced by automatic cryptographic processes; Article 26, except § 3; Article 28; Article 29; Article 30; Article 31, § 2 and § 3; Article 34, § 3, in reference to the figure case symbols for signals numbered 22 and 26; Article 43, § 1; Article 48, § 2; Article 50; Article 51; Article 53, § 1; Article 54, § 4 (1); Article 55, § 3; Article 56, § 1 (3); Article 60; Article 75, § 6, § 7, and § 10 (2); Article 82, § 7 (1); Article 83, § 10; Article 85, § 9; Article 87, § 1 i), k), and p); Article 88, § 3; Article 90 (1); Article 94, § 6, and Appendix No. 2; Article 95, so far as it relates to the retention of the originals of telegrams and documents relating thereto for more than 6 months; Article 96, § 1 (2) and § 3 (1); and Article 101, § 5. The reservations as to Article 31, § 2, Article 48, § 2, and Article 56, § 1 (3) are intended to apply only to the provisions contained therein authorizing a fee or specifying the fees to be charged.

3. The United States of America formally declares that the United States of America does not, by signature of the Telegraph Regulations (Paris Revision, 1949) on its behalf, or by ratification thereof, accept any obligation in respect of the application of any provision of the Regulations to service within the United States with respect to telegrams between the United States, on the one hand, and Canada, Mexico, and Saint-Pierre and Miquelon Islands, on the other hand, and to the rates applicable to such service.

4. The United States of America formally declares that the United States of America does not accept the authority in Article 81 of the Telegraph Regulations (Paris Revision, 1949) to restrict the reception of radiocommunications, and it expresses the hope that other Administrations will not exercise such authority.

5. The United States of America formally declares that the United States of America will permit press rates to be accorded press queries, press orders, and press administrative messages sent from the United States of America, and expresses the hope that other Administrations will permit press rates to be accorded press queries, press orders, and press administrative messages.

6. The United States of America formally declares that the United States of America does not accept any obligation in respect of the application of any provision of the Telegraph Regulations (Paris Revision, 1949) to service over telecommunication channels other than those open to public correspondence.

The VICE PRESIDENT. The question is on agreeing to the reservations to the resolution of ratification.

The reservations were agreed to.

The VICE PRESIDENT. The question is on agreeing to the resolution with the reservations. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification, with the reservations, is agreed to, and the regulations and protocol are ratified.

CONVENTION ON ROAD TRAFFIC DATED SEPTEMBER 19, 1949, AND SIGNED ON BEHALF OF THE UNITED STATES OF AMERICA AND 20 OTHER COUNTRIES

The Senate, as in Committee of the Whole, proceeded to consider the convention, (Executive O, 81st Cong., 2d

sess.), a convention on road traffic, which was open for signature from September 19 until December 31, 1949, and during that period was signed on behalf of the United States of America and 20 other States, with a related protocol, concerning occupied countries or territories, which was open for signature at the same time as the convention, which was read the second time, as follows:

CONVENTION ON ROAD TRAFFIC

The Contracting States, desirous of promoting the development and safety of international road traffic by establishing certain uniform rules,

Have agreed upon the following provisions:

CHAPTER I

General provisions

Article 1

1. While reserving its jurisdiction over the use of its own roads, each Contracting State agrees to the use of its roads for international traffic under the conditions set out in this Convention.

2. No Contracting State shall be required to extend the benefit of the provisions of this Convention to any motor vehicle or trailer, or to any driver having remained within its territory for a continuous period exceeding one year.

Article 2

1. The annexes to this Convention shall be considered as integral parts of the Convention; it being understood, however, that any State may on signature or ratification of, or accession to, the Convention, or at any time thereafter, by declaration exclude annexes 1 and 2 from its application of the Convention.

2. Any Contracting State may at any time give notice to the Secretary-General of the United Nations that it will be bound, as from the date of the said notification, by annexes 1 and 2 as excluded under the terms of paragraph 1 of this article.

Article 3

1. Measures which all the Contracting States or certain of them may have agreed, or shall in the future agree, to put into effect with a view to facilitating international road traffic by simplifying customs, police, health or other requirements will be regarded as being in conformity with the object of this Convention.

2. (*a*) A bond or other form of security guaranteeing payment of any import duties and import taxes which would, in the absence of such security, be chargeable on the importation of any motor vehicle admitted to international traffic may be required by any Contracting State.

(*b*) A Contracting State shall accept for the purposes of this article the guarantee of an organization established in its own territory affiliated to an international association which has issued a valid international customs pass for the motor vehicle (such as a *carnet de passages en douane*).

3. For the fulfilment of the requirements provided for in this Convention the Contracting States will endeavor to keep open during the same hours customs offices and posts next to each other on the same international road.

Article 4

1. For the purpose of this convention the following expressions shall have the meanings hereby assigned to them:

"International traffic" means any traffic which crosses at least one frontier;

"Road" means any way open to the public for the circulation of vehicles;

"Carriageway" means that portion of a road normally used by vehicular traffic;

"Lane" means any one of the parts into which the carriageway is divisible, each sufficient in width for one moving line of vehicles;

"Driver" means any person who drives a vehicle, including cycles, or guides draught, pack or saddle animals or herds or flocks on a road, or who is in actual physical control of the same;

"Motor vehicle" means any self-propelled vehicle normally used for the transport of persons or goods upon a road, other than vehicles running on rails or connected to electric conductors. Any State bound by annex 1 shall exclude from this definition cycles fitted with an auxiliary engine of the type described in that annex;

"Articulated vehicle" means any motor vehicle with a trailer having no front axle and so attached that part of the trailer is superimposed upon the motor vehicle and a substantial part of the weight of the trailer and of its load is borne by the motor vehicle. Such a trailer shall be called a "semi-trailer";

"Trailer" means any vehicle designed to be drawn by a motor vehicle;

"Cycle" means any cycle not self-propelled. Any State bound by annex 1 shall include in this definition cycles fitted with an auxiliary engine of the type described in that annex;

"Laden weight" of a vehicle means the weight of the vehicle and its load when the vehicle is stationary and ready for the road, and shall include the weight of the driver and of any other persons carried for the time being;

"Maximum load" means the weight of the load declared permissible by the competent authority of the country of registration of the vehicle;

"Permissible maximum weight" of a vehicle means the weight of the vehicle and its maximum load when the vehicle is ready for the road.

Article 5

This Convention is not to be taken as authorizing the carriage of persons for hire or reward or the carriage of goods other than the personal baggage of the occupants of the vehicle; it being understood that these matters and all other matters not provided for in this Convention remain within the competence of domestic legislation, subject to the application of other relevant international conventions or agreements.

CHAPTER II

Rules of the road

Article 6

Each Contracting State shall take appropriate measures to ensure the observance of the rules set out in this chapter.

Article 7

Every driver, pedestrian or other road user shall conduct himself in such a way as not to endanger or obstruct traffic; he shall avoid all behaviour that might cause damage to persons, or public or private property.

Article 8

1. Every vehicle or combination of vehicles proceeding as a unit shall have a driver.

2. Draught, pack or saddle animals shall have a driver, and cattle shall be accompanied, except in special areas which shall be marked at the points of entry.

3. Convoys of vehicles and animals shall have the number of drivers prescribed by domestic regulations.

4. Convoys shall, if necessary, be divided into sections of moderate length, and be sufficiently spaced out for the convenience of traffic. This provision does not apply to regions where migration of nomads occurs.

5. Drivers shall at all times be able to control their vehicles or guide their animals. When approaching other road users, they shall take such precautions as may be required for the safety of the latter.

Article 9

1. All vehicular traffic proceeding in the same direction on any road shall keep to the same side of the road, which shall be uniform in each country for all roads. Domestic regulations concerning one-way traffic shall not be affected.

2. As a general rule and whenever the provisions of article 7 so require, every driver shall:

(*a*) On two-lane carriageways intended for two-way traffic, keep his vehicle in the lane appropriate to the direction in which he is travelling;

(*b*) On carriageways with more than two lanes, keep his vehicle in the lane nearest to the edge of the carriageway appropriate to the direction in which he is travelling.

3. Animals shall be kept as near as possible to the edge of the road in accordance with domestic regulations.

Article 10

The driver of a vehicle shall at all times have its speed under control and shall drive in a reasonable and prudent manner. He shall slow down or stop whenever circumstances so require, and particularly when visibility is not good.

Article 11

1. Drivers when meeting or being overtaken shall keep as close as practicable to the edge of the carriageway on the side appropriate to the direction in which they are travelling. In overtaking, a driver shall pass on the left or the right of the overtaken vehicle or animal according to the rule observed in the country concerned. These rules shall not necessarily apply in the case of tramcars, trains on roads, and certain mountain roads.

2. On the approach of any vehicle or accompanied animal, drivers shall:

(*a*) When meeting, leave sufficient space for the vehicle or accompanied animal coming from the opposite direction;

(*b*) When being overtaken, keep as close as practicable to the appropriate edge of the carriageway and not accelerate.

3. Drivers intending to overtake shall make sure that there is sufficient room and sufficient visibility ahead to permit overtaking without danger. After overtaking they shall bring their vehicles back to the right or left hand side according to the rule observed in the country concerned, but only after making sure that this will not inconvenience the vehicle, pedestrian or animal overtaken.

Article 12

1. Every driver approaching a fork, cross-road, road junction or level-crossing shall take special precautions to avoid accidents.

2. Priority of passage may be accorded at intersections on certain roads or sections of road. Such priority shall be marked by signs and every driver approaching such a road or section of road shall be bound to yield the right of way to drivers travelling along it.

3. The provisions of annex 2 regarding the priority of passage at intersections not covered by paragraph 2 of this article shall be applied by the States bound by the said annex.

4. Every driver before starting to turn into a road shall:

(*a*) Make sure that he can do so without danger to other road users;

(*b*) Give adequate notice of his intention to turn;

(*c*) Move over as far as practicable to the edge of the carriageway on the side appropriate to the direction in which he is travelling if he wishes to turn off the road on that side;

(*d*) Move as near as practicable towards the middle of the carriageway if he wishes to leave the road and turn to the other side, except as provided for in paragraph 2 of article 16;

(e) In no case hamper the traffic coming from the opposite direction.

Article 13

1. Stationary vehicles or animals shall be kept off the carriageway if feasible, or, if not, as close as practicable to the edge of the carriageway. Drivers shall not leave vehicles or animals until they have taken all necessary precautions to avoid an accident.

2. Vehicles and animals shall not be left waiting where they are likely to cause danger or obstruction, and in particular at or near a road intersection, a bend or the top of a hill.

Article 14

All necessary precautions shall be taken to ensure that the load of a vehicle shall not be a cause of damage or danger.

Article 15

1. From nightfall and during the night, or when atmospheric conditions render it necessary, every vehicle or combination of vehicles on a road shall show at least one white light in front and at least one red light in the rear.

When a vehicle, other than a cycle or a motor-cycle without sidecar, is provided with only one white light in front, this shall be placed on the side nearest to traffic coming from the opposite direction.

In countries where two white front lights are obligatory, such lights shall be placed one on the right and one on the left of the vehicle.

The red light may be produced either by a device distinct from that which produces the white light or lights in front or by the same device when the vehicle is short enough and so arranged as to permit this.

2. In no case shall a vehicle have a red light or a red reflector directed to the front or a white light or a white reflector directed to the rear. This provision shall not apply to a white or yellow reversing light in cases where the domestic legislation of the country of registration of the vehicle permits such lights.

3. Lights and reflex reflectors shall be such as to ensure that the vehicle is clearly indicated to other road users.

4. Any Contracting State or subdivision thereof may, provided that all measures are taken to guarantee normal conditions of safety, exempt from certain provisions of this article:

(a) Vehicles used for special purposes or under special conditions;

(b) Vehicles of special shape and kind;

(c) Stationary vehicles on adequately lighted roads.

Article 16

1. The provisions of this chapter shall apply to trolley-buses.

2. (a) Cyclists shall use cycle tracks where there is an obligation to do so indicated by an appropriate sign, or where such obligation is imposed by domestic regulations;

(b) Cyclists shall proceed in single file where circumstances so require and, except in special cases provided for in domestic regulations, shall never proceed more than two abreast on the carriageway;

(c) Cyclists shall not be towed by vehicles;

(d) The provisions of paragraph 4 (d) of article 12 shall not apply to cyclists where domestic regulations provide otherwise.

CHAPTER III

Signs and signals

Article 17

1. With a view to ensuring a homogeneous system, the road signs and signals adopted in each Contracting State shall, as far as possible, be the only ones to be placed on the roads of that State. Should it be necessary to introduce any new sign, the shape, colour and type of symbol employed shall conform with the system in use in that State.

2. The number of approved signs shall be limited to such as may be strictly necessary. They shall be placed only at points where they are essential.

3. The danger signs shall be placed at a sufficient distance from the object indicated to give road users adequate warning.

4. The affixing to an approved sign of any notice not related to the purpose of such sign and liable to obscure it or to interfere with its character shall be prohibited.

5. All boards and notices which might be confused with the approved signs or make them more difficult to read shall be prohibited.

CHAPTER IV

Provisions applicable to motor vehicles and trailers in international traffic

Article 18

1. In order to be entitled to the benefits of this Convention, a motor vehicle shall be registered by a Contracting State or subdivision thereof in the manner prescribed by its legislation.

2. A registration certificate containing at least the serial number, known as the registration number, the name or the trade mark of the maker of the vehicle, the maker's identification or serial number, the date of first registration and the full name and permanent place of residence of the applicant for the said certificate shall be issued either by the competent authority or by an association duly empowered to do so.

3. This certificate shall be accepted by all Contracting States as *prima facie* evidence of the information entered thereon.

Article 19

1. Every motor vehicle shall display at least at the back on a special plate or on the vehicle itself, a registration number issued or allotted by the competent authority. In the case of a motor vehicle drawing one or more trailers the single trailer or the last trailer shall display the registration number of the drawing vehicle or its own registered number.

2. The composition of the registration number and the manner in which it is displayed shall be as set out in annex 3.

Article 20

1. Every motor vehicle shall in addition to the registration number display at the back, inscribed on a plate or on the vehicle itself, the distinguishing sign of the place of registration of this vehicle. This sign shall indicate either a State or a territory which constitutes a distinct unit from the point of view of registration. In the case of a motor vehicle drawing one or more trailers this sign shall also be displayed at the back of the single trailer or of the last trailer.

2. The composition of the distinguishing sign and the manner in which it is displayed shall be as set out in annex 4.

Article 21

Every motor vehicle and trailer shall carry the identification marks set out in annex 5.

Article 22

1. Every motor vehicle and trailer shall be in good working order and in such safe mechancial condition as not to endanger the driver, other occupants of the vehicle or any person upon the road, or cause damage to public or private property.

2. In addition, every motor vehicle, or trailer, and its equipment shall conform to the provisions of annex 6 and the driver of every motor vehicle shall observe the rules set out therein.

3. The provisions of this article shall apply to trolley-buses.

Article 23

1. The maximum dimensions and weights of vehicles permitted to travel on the roads of each Contracting State or subdivision thereof shall be matters for domestic legislation. On certain roads designated by States Parties to regional agreements or, in the absence of such agreements, by a Contracting State, the permissible maximum dimensions and weights shall be those set out in annex 7.

2. The provisions of this article shall apply to trolley-buses.

CHAPTER V

Drivers of motor vehicles in international traffic

Article 24

1. Each Contracting State shall allow any driver admitted to its territory who fulfils the conditions which are set out in annex 8 and who holds a valid driving permit issued to him, after he has given proof of his competence, by the competent authority of another Contracting State or subdivision thereof, or by an association duly empowered by such authority, to drive on its roads without further examination motor vehicles of the category or categories defined in annexes 9 and 10 for which the permit has been issued.

2. A Contracting State may however require that any driver admitted to its territory shall carry an international driving permit conforming to the model contained in annex 10, especially in the case of a driver coming from a country where a domestic driving permit is not required or where the domestic permit issued to him does not conform to the model contained in annex 9.

3. The international driving permit shall, after the driver has given proof of his competence, be delivered by the competent authority of a Contracting State or subdivision thereof, or by a duly authorized association, and sealed or stamped by such authority or association. The holder shall be entitled to drive in all Contracting States without further examination motor vehicles coming within the categories for which the permit has been issued.

4. The right to use the domestic as well as the international driving permit may be refused if it is evident that the conditions of issue are no longer fulfilled.

5. A Contracting State or a subdivision thereof may withdraw from the driver the right to use either of the above-mentioned permits only if the driver has committed a driving offence of such a nature as would entail the forfeiture of his driving permit under the legislation and regulations of that Contracting State. In such an event, the Contracting State or subdivision thereof withdrawing the use of the permit may withdraw and retain the permit until the period of the withdrawal of use expires, or until the holder leaves the territory of that Contracting State, whichever is the earlier, and may record such withdrawal of use on the permit and communicate the name and address of the driver to the authority which issued the permit.

6. During a period of five years beginning with the entry into force of this Convention, any driver admitted to international traffic under the provisions of the International Convention relative to Motor Traffic signed at Paris on 24 April 1926, or of the Convention on the Regulation of Inter-American Automotive Traffic opened for signature at Washington on 15 December 1943, and holding the documents required thereunder, shall be considered as fulfilling the requirements of this article.

Article 25

The Contracting States undertake to communicate to each other such information as will enable them to establish the identity of persons holding domestic or international driving permits when they are liable to proceedings for a driving offence. They further undertake to make known the information required to establish the identity of the owner or the person in whose name a foreign

vehicle which has been involved in a serious accident is registered.

CHAPTER VI

Provisions applicable to cycles in international traffic

Article 26

Every cycle shall be equipped with:

(*a*) At least one efficient brake;

(*b*) An audible warning device consisting of a bell, to the exclusion of any other audible warning device, capable of being heard at a reasonable distance;

(*c*) A white or yellow light in front and a red light or a red reflex reflector in the rear from nightfall and during the night or when atmospheric conditions render it necessary.

CHAPTER VII

Final Provisions

Article 27

1. This Convention shall be open, until 31 December 1949, for signature by all States Members of the United Nations and by every State invited to attend the United Nations Conference on Road and Motor Transport held at Geneva in 1949.

2. This Convention shall be ratified and the instruments of ratification deposited with the Secretary-General of the United Nations.

3. From 1 January 1950, this Convention shall be open for accession by those of the States referred to in paragraph 1 of this article which have not signed this Convention and by any other State which the Economic and Social Council may by resolution declare to be eligible. It shall also be open for accession on behalf of any Trust Territory of which the United Nations is the Administering Authority.

4. Accession shall be effected by the deposit of an instrument of accession with the Secretary-General of the United Nations.

Article 28

1. Any State may, at the time of signature, ratification or accession, or at any time thereafter, declare, by notification addressed to the Secretary-General of the United Nations, that the provisions of this Convention will be applicable to all or any of the territories for the international relations of which it is responsible. These provisions shall become applicable in the territories named in the notification thirty days after the date of receipt of such notification by the Secretary-General or, if the Convention has not entered into force at that time, then upon the date of its entry into force.

2. Each Contracting State, when circumstances permit, undertakes to take as soon as possible the necessary steps in order to extend the application of this Convention to the territories for the international relations of which it is responsible, subject, where necessary for constitutional reasons, to the consent of the governments of such territories.

3. Any State which has made a declaration under paragraph 1 of this article applying this Convention to any territory for the international relations of which it is responsible may at any time thereafter declare by notification given to the Secretary-General that the Convention shall cease to apply to any territory named in the notification and the Convention shall, after the expiration of one year from the date of the notification, cease to apply to such territory.

Article 29

This Convention shall enter into force on the thirtieth day after the date of the deposit of the fifth instrument of ratification or accession. This Convention shall enter into force for each State ratifying or acceding after that date on the thirtieth day after the deposit of its instrument of ratification or accession.

The Secretary-General of the United Nations shall notify each of the signatory or acceding States and every other State invited to attend the United Nations Conference on Road and Motor Transport of the date on which this Convention enters into force.

Article 30

This Convention shall terminate and replace, in relations between the Contracting States, the International Convention relative to Motor Traffic and the International Convention relative to Road Traffic signed at Paris on 24 April 1926, and the Convention on the Regulation of Inter-American Automotive Traffic opened for signature at Washington on 15 December 1943.

Article 31

1. Any amendment to this Convention may be proposed by any Contracting State. The text of such proposed amendment shall be communicated to the Secretary-General of the United Nations who shall transmit it to each Contracting State with a request that such State reply within four months stating whether it:

(*a*) Desires that a conference be convented to consider the proposed amendment; or

(*b*) Favours the acceptance of the proposed amendment without a conference; or

(*c*) Favours the rejection of the proposed amendment without a conference.

The proposed amendment shall also be transmitted by the Secretary-General to all States, other than Contracting States, invited to attend the United Nations Conference on Road and Motor Transport.

2. The Secretary-General shall convene a conference of the Contracting States to consider the proposed amendment, if the convening of a conference is requested:

(*a*) By at least one-quarter of the Contracting States in the case of a proposed amendment to any part of the Convention other than the annexes;

(*b*) By at least one-third of the Contracting States in the case of a proposed amendment to an annex other than annexes 1 and 2;

(*c*) In the case of annexes 1 and 2 by at least one-third of the States bound by the annex to which an amendment has been proposed.

The Secretary-General shall invite to the Conference such States, other than Contracting States, invited to attend the United Nations Conference on Road and Motor Transport or whose participation would, in the opinion of the Economic and Social Council, be desirable.

The provisions of this paragraph shall not apply in cases where an amendment to the Convention has been adopted in accordance with paragraph 5 of this article.

3. Any amendment to this Convention which shall be adopted by a two-thirds majority vote of a conference shall be communicated to all Contracting States for acceptance. Ninety days after its acceptance by two-thirds of the Contracting States each amendment to the Convention, except for those to annexes 1 and 2, shall enter into force for all the Contracting States except those which, before it enters into force, make a declaration that they do not adopt the amendment.

For the entry into force of any amendment to annexes 1 and 2 the majority shall be two-thirds of the States bound by the amended annex.

4. The Conference may by a two-thirds majority vote determine at the time of the adoption of an amendment to this Convention, except for those to annexes 1 and 2, that the amendment is of such a nature that any Contracting State which has made a declaration that it does not accept the amendment and which then does not accept the amendment within a period of twelve months after the amendment enters into force shall, upon the expiration of this period, cease to be a party to the Convention.

5. In the event of a two-thirds majority of the Contracting States informing the Secretary-General pursuant to paragraph 1 (*b*) of this article that they favour the acceptance of the amendment without a conference, notification of their decision shall be communicated by the Secretary-General to all the Contracting States. The amendment shall upon the expiration of ninety days from the date of such notification become effective as regards all the Contracting States except those States which notify the Secretary-General that they object to such an amendment within that period.

6. As regards amendments to annexes 1 and 2, and any amendment not within the scope of paragraph 4 of this article, the existing provisions shall remain in force in respect of any Contracting State which has made a declaration or lodged an objection with respect to such an amendment.

7. A Contracting State which has made a declaration in accordance with the provisions of paragraph 3 of this article, or has lodged an objection in accordance with the provisions of paragraph 5 of this article to an amendment, may withdraw such declaration or objection at any time by notification addressed to the Secretary-General. The amendment shall be effective as regards that State upon receipt of such notification by the Secretary-General.

Article 32

This Convention may be denounced by means of one year's notice given to the Secretary-General of the United Nations, who shall notify each signatory or acceding State thereof. After the expiration of this period the Convention shall cease to be in force as regards the Contracting State which denounces it.

Article 33

Any dispute between any two or more Contracting States concerning the interpretation or application of this Convention, which the Parties are unable to settle by negotiation or by another mode of settlement, may be referred by written application from any of the Contracting States concerned to the International Court of Justice for decision.

Article 34

Nothing in this Convention shall be deemed to prevent a Contracting State from taking action compatible with the provisions of the Charter of the United Nations and limited to the exigencies of the situation which it considers necessary for its external or internal security.

Article 35

1. The Secretary-General shall, in addition to the notifications provided for in artice 29, paragraphs 1, 3 and 5 of article 31 and article 32, notify the States referred to in paragraph 1 of article 27 of the following:

(*a*) Declarations by Contracting States that they exclude annex 1, annex 2, or both of them, from the application of the Convention in accordance with paragraph 1 of article 2;

(*b*) Declarations by Contracting States that they shall be bound by annex 1, annex 2, or both of them, in accordance with paragraph 2 of article 2;

(*c*) Signatures, ratifications and accessions in accordance with article 27;

(*d*) Notifications with regard to the territorial application of the Convention in accordance with article 28;

(*e*) Declarations whereby States accept amendments to the Convention in accordance with paragraph 3 of article 31;

(*f*) Objections to amendments to the Convention communicated by States to the Secretary-General in accordance with paragraph 5 of article 31;

(*g*) The date of entry into force of amendments to the Convention in accordance with paragraphs 3 and 5 of article 31:

(*h*) The date on which a State has ceased to be a Party to the Convention, in accordance with paragraph 4 of article 31;

(*i*) Withdrawals of objections to an amendment in accordance with paragraph 7 of article 31;

(*j*) The list of States bound by any amendment to the Convention;

(*k*) Denunciations of the Convention in accordance with article 32;

(*l*) Declarations that the Convention has ceased to apply to a territory in accordance with paragraph 3 of article 28;

(*m*) Notifications with respect to distinctive letters made by States in accordance with the provisions of paragraph 3 of annex 4.

2. The original of this Convention shall be deposited with the Secretary-General who will transmit certified copies thereof to the States referred to in paragraph 1 of article 27.

3. The Secretary-General is authorized to register this Convention upon its entry into force.

IN WITNESS WHEREOF the undersigned representatives, after having communicated their full powers, found to be in good and due form, have signed this Convention.

DONE at Geneva, in a single copy, in the English and French languages, both texts authentic, this nineteenth day of September, one thousand nine hundred and forty-nine.

Afghanistan
Albania
Argentina
Australia
Austria
HERMAN DAHLEN
Belgium
F. BLONDEEL
Bolivia
Brazil
Bulgaria
Burma
Byelorussian Soviet Socialist Republic
Canada
Chile
China
Colombia
Costa Rica
Cuba
Czechoslovakia
Excluding, in accordance with article 2, paragraph 1, of this Convention, annex 2 from the application of the Convention.
V. OUTRATA December 28th, 1949.
Denmark
K. BANG
A. BLOM-ANDERSEN
Subject to a declaration made in accordance with paragraph 1 of article 2 of this Convention, excluding annex 1 from its application of the Convention.
Dominican Republic
T. F. FRANCO
En déclarant exclure, conformément à l'article 2, paragraph 1 de la présente Convention, les annexes 1 et 2 de l'application de la Convention et en renouvelant la réserve concernant le paragraphe 2 de l'article premier de la Convention faite déjà en séance plénière.* T. F. F.
Ecuador
Egypt
A. K. SAFWAT
El Salvador
Ethiopia
Finland
France
LUCIEN HUBERT

Se référant à l'annexe 6, chiffre IV, alinéa b), le Gouvernement français déclare qu'il ne peut admettre qu'une seule remorque derrière un véhicule tracteur et qu'il n'en admettra pas derrière un véhicule articulé.** L. H.

Greece
Guatemala
Haiti
Honduras
Hungary
Iceland
India
N. RAGHAVAN PILLAI
Subject to a declaration made in accordance with paragraph 1 of article 2 of this Convention excluding annexes 1 and 2 from its application of the Convention.
Iran
Iraq
Ireland
Israel
M. KAHANY
M. LUBARSKY
Italy
M. ENRICO MELLINI
Lebanon
(Sous réserve de ratification)
J. MIKAOUI
Liberia
Luxembourg
R. LOGELIN
Mexico
Netherlands
J. J. OYEVAAR
New Zealand
Nicaragua
Norway
AXEL RONNING
Subject to a declaration made in accordance with paragraph 1 of article 2 of this Convention, excluding annex 1 from its application of the Convention. A. R.
Pakistan
Panama
Paraguay
Peru
Philippines
RODOLFO MASLOG
Subject to a declaration made in accordance with paragraph 1 of article 2 of this Convention, excluding annex 1 from its application of the Convention.
Poland
Portugal
Romania
Saudi Arabia
Sweden
GÖSTA HALL
Subject to a declaration made in accordance with paragraph 1 of article 2 of this Convention, excluding annex 1 from its application of the Convention.
Switzerland
HEINRICH ROTHMUND
ROBERT PLUMEZ
PAUL GOTTRET
Syria
Thailand
Transjordan
Turkey
Ukrainian Soviet Socialist Republic
Union of South Africa
H. BRUNE
Subject to a declaration made in accordance with paragraph 1 of article 2 of this Convention, excluding annexes 1 and 2 from its application of the Convention.
Union of Soviet Socialist Republics
United Kingdom of Great Britain and Northern Ireland
C. A. BIRTCHNELL
Subject to the reservation in respect of article 26 contained in paragraph 7 (d) of the Final Act of the Conference on Road and Motor Transport and subject to a declaration made in accordance with paragraph 1 of article 2 of this Convention, excluding annexes 1 and 2 from its application of the Convention.
United States of America
HENRY H. KELLY
HERBERT S. FAIRBANK
Uruguay
Venezuela
Yemen
Yugoslavia
LJUB. KOMNENOVIC

*[Translation by the Secretariat of the United Nations:] Subject to a declaration made by the signatory in accordance with paragraph 1 of article 2 of this Convention excluding annexes 1 and 2 from the application of the Convention, and to renewal of the reservation already made at a plenary meeting with regard to paragraph 2 of article 1 of the Convention.

**[Translation by the Secretariat of the United Nations:] With reference to annex 6, section IV, paragraph (b), the French Government states that it will only permit that one trailer be drawn by a vehicle and that it will not permit an articulated vehicle to draw a trailer.

ANNEX 1

ADDITIONAL PROVISION CONCERNING DEFINITIONS OF MOTOR VEHICLE AND CYCLE

Cycles fitted with an auxiliary internal combustion engine having a maximum cylinder capacity of 50 cm.³ (3.05 cu. in.) shall not be considered as motor vehicles, provided that they retain all the normal characteristics of cycles with respect to their structure.

The VICE PRESIDENT. The Convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive O, Eighty-first Congress, second session, the convention on road traffic, which was open for signature from September 19 until December 31, 1949, and during that period was signed on behalf of the United States of America and 20 other States, with a related protocol, concerning occupied countries or territories, which was open for signature at the same time as the convention.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

TREATY WITH CANADA CONCERNING USES OF THE WATERS OF THE NIAGARA RIVER

The Senate, as in the Committee of the Whole, proceeded to consider the Treaty (Executive N, 81st Cong., 2d sess.), a Treaty with Canada Concerning Uses of the Waters of the Niagara River, signed at Washington on February 27, 1950, which was read the second time, as follows:

TREATY BETWEEN THE UNITED STATES OF AMERICA AND CANADA CONCERNING USES OF THE WATERS OF THE NIAGARA RIVER

The United States of America and Canada, recognizing their primary obligation to preserve and enhance the scenic beauty of the Niagara Falls and River and, consistent with that obligation, their common interest in providing for the most beneficial use of the waters of that River.

Considering that the quantity of water which may be diverted from the Niagara River for power purposes is at present fixed

by article V of the treaty with respect to the boundary waters between the United States of America and Canada, signed at Washington January 11, 1909, between the United States of America and Great Britain, and by notes exchanged between the Government of the United States of America and the Government of Canada in 1940, 1941, and 1948, authorizing for emergency purposes temporary additional diversions,

Recognizing that the supply of low-cost power in northeastern United States and southeastern Canada is now insufficient to meet existing and potential requirements and considering that the water resources of the Niagara River may be more fully and efficiently used than is now permitted by international agreement,

Desiring to avoid a continuing waste of a great natural resource and to make it possible for the United States of America and Canada to develop, for the benefit of their respective peoples, equal shares of the waters of the Niagara River available for power purposes, and,

Realizing that any redevelopment of the Niagara River for power in the United States of America and Canada is not advisable until the total diversion of water which may be made available for power purposes is authorized permanently and any restrictions on the use thereof are agreed upon,

Have resolved to conclude a treaty in furtherance of these ends and for that purpose have appointed as their plenipotentiaries:

The United States of America:

Dean Acheson, Secretary of State of the United States of America, and

Canada:

H. H. Wrong, Ambassador Extraordinary and Plenipotentiary of Canada to the United States of America,

Who, after having communicated to one another their full powers, found in good and due form, have agreed upon the following articles:

ARTICLE I

This Treaty shall terminate the third, fourth, and fifth paragraphs of Article V of the treaty between the United States of America and Great Britain relating to boundary waters and questions arising between the United States of America and Canada dated January 11, 1909, and the provisions embodied in the notes exchanged between the Government of the United States of America and the Government of Canada at Washington on May 20, 1941, October 27, 1941, November 27, 1941, and December 23, 1948, regarding temporary diversions of water of the Niagara River for power purposes.

ARTICLE II

The United States of America and Canada agree to complete in accordance with the objectives envisaged in the final report submitted to the United States of America and Canada on December 11, 1929, by the Special International Niagara Board, the remedial works which are necessary to enhance the beauty of the Falls by distributing the waters so as to produce an unbroken crestline on the Falls. The United States of America and Canada shall request the International Joint Commission to make recommendations as to the nature and design of such remedial works and the allocation of the task of construction as between the United States of America and Canada. Upon approval by the United States of America and Canada of such recommendations the construction shall be undertaken pursuant thereto under the supervision of the International Joint Commission and shall be completed within four years after the date upon which the United States of America and Canada shall have approved the said recommendations. The total cost of the works shall be divided equally between the United States of America and Canada.

ARTICLE III

The amount of water which shall be available for the purposes included in Articles IV and V of this Treaty shall be the total outflow from Lake Erie to the Welland Canal and the Niagara River (including the Black Rock Canal) less the amount of water used and necessary for domestic and sanitary purposes and for the service of canals for the purposes of navigation. Waters which are being diverted into the natural drainage of the Great Lakes System through the existing Long Lac-Ogoki works shall continue to be governed by the notes exchanged between the Government of the United States of America and the Government of Canada at Washington on October 14 and 31 and November 7, 1940, and shall not be included in the waters allocated under the provisions of this Treaty.

ARTICLE IV

In order to reserve sufficient amounts of water in the Niagara River for scenic purposes, no diversions of the water specified in Article III of this Treaty shall be made for power purposes which will reduce the flow over Niagara Falls to less than one hundred thousand cubic feet per second each day between the hours of eight a. m., E. S. T., and ten p. m., E. S. T., during the period of each year beginning April 1 and ending September 15, both dates inclusive, or to less than one hundred thousand cubic feet per second each day between the hours of eight a. m., E. S. T., and eight p. m., E. S. T., during the period of each year beginning September 16 and ending October 31, both dates inclusive, or to less than fifty thousand cubic feet per second at any other time; the minimum rate of fifty thousand cubic feet per second to be increased when additional water is required for flushing ice above the Falls or through the rapids below the Falls. No diversion of the amounts of water, specified in this Article to flow over the Falls, shall be made for power purposes between the Falls and Lake Ontario.

ARTICLE V

All water specified in Article III of this Treaty in excess of water reserved for scenic purposes in Article IV may be diverted for power purposes.

ARTICLE VI

The waters made available for power purposes by the provisions of this Treaty shall be divided equally between the United States of America and Canada.

ARTICLE VII

The United States of America and Canada shall each designate a representative who, acting jointly, shall ascertain and determine the amounts of water available for the purposes of this Treaty, and shall record the same, and shall also record the amounts of water used for power diversions.

ARTICLE VIII

Until such time as there are facilities in the territory of one party to use its full share of the diversions of water for power purposes agreed upon in this Treaty, the other party may use the portion of that share for the use of which facilities are not available.

ARTICLE IX

Neither party shall be responsible for physical injury or damage to persons or property in the territory of the other which may be caused by any act authorized or provided for by this Treaty.

ARTICLE X

This Treaty shall be ratified and the instruments of ratification thereof exchanged at Ottawa. The Treaty shall come into force upon the date of the exchange of ratifications and continue in force for a period of fifty years and thereafter until one year from the day on which either party shall give notice to the other party of its intention of terminating the Treaty.

In witness whereof, the undersigned plenipotentiaries have signed this Treaty.

Done in duplicate at Washington this twenty-seventh day of February, 1950.

For the United States of America:

DEAN ACHESON

For Canada:

H. H. WRONG

The VICE PRESIDENT. The treaty is before the Senate and open to amendment. If there be no amendment to be proposed, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification with the reservation will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive N, Eighty-first Congress, second session, the treaty between the United States of America and Canada concerning the uses of the waters of the Niagara River, signed at Washington, February 27, 1950, with the following reservation:

"The United States on its part expressly reserves the right to provide by act of Congress for redevelopment, for the public use and benefit, of the United States share of the waters of the Niagara River made available by the provisions of the treaty, and no project for redevelopment of the United States share of such waters shall be undertaken until it be specifically authorized by act of Congress."

Mr. IVES. Mr. President, I am greatly pleased that the Committee on Foreign Relations has reported favorably this pending treaty between the United States and Canada.

The simple purpose of the treaty is to enable these two friendly countries to utilize more effectively the waters of the Niagara River. After careful study, permanent allocations are made for navigation, scenic, and electric-power purposes. Dependable high-load factor power will be available to meet present shortages in western New York, northeastern Ohio, and northwestern Pennsylvania. This treaty insures an adequate power supply for the future industrial development of the entire region.

Full consideration has been given to the use of these waters both as a valuable natural resource, with a great potential for use in the public interest, and also as a world-renowned scenic phenomenon which has brought pleasure to untold millions.

The agreement represents a gesture of a friendship toward a neighboring country with whom we share the largest unfortified border in the world. The Dominion of Canada urgently needs the added electric power which this treaty would permit the Canadian people to develop.

Favorable Senate action on this treaty is in the best interests of both the United States and Canada and serves as an inspiring example to the world of how two countries can peacefully solve their common problems.

Mr. LEHMAN. Mr. President, our country and our neighbors to the north in Canada have fostered and maintained amicable relations for 150 years. Many projects have been undertaken in common by the two countries. Mr. President, this treaty represents study and negotiations covering a long period of time. Now these efforts have come to fruition. The confirmation of this treaty would permit developments of the utmost value and importance to both the United States and Canada. This treaty would protect the famed scenic beauties of Niagara Falls. It would have the further great purpose, which is of tremendous importance at this time of world crisis, of permitting the development of vitally needed additional water power. The development of power on the Niagara would make it possible to produce 1,140,000 additional kilowatts. The present production of power on the Niagara is 440,000 kilowatts at its maximum, with a dependable production of about 360,000 kilowatts. It is clear that the development of this additional power would increase our potential power production from the Niagara nearly fourfold. It would permit us not only to relieve the very urgent needs of New York State—and those needs I need not point out are constantly growing and will continue to grow during this period of crisis—but also it would permit us to produce power for transmission to the neighboring States of Pennsylvania and Ohio if those States required and desired that power. Some power might even be made available to the New England States if the present limit of 300 miles of transmission distance should be bridged, and if it were economically desirable and preferable to ship power into that area rather than retain it in New York. A bill I have introduced and now awaiting consideration makes provision for the development of this power and its equitable distribution.

Mr. President, I consider that the benefits which would accrue every day both to this country and to Canada are of paramount importance, and I strongly urge the ratification of the pending treaty.

Mr. WHERRY. Mr. President, may I ask a member of the Committee on Foreign Relations if the treaty entails an appropriation during the fiscal year 1951?

Mr. THOMAS of Utah. I think not. This is a treaty between two countries. There would have to be an implementing law, which may entail appropriations.

Mr. WHERRY. I should like to ask the distinguished Senator one more question. I understand the reservation, and I appreciate it very much. I was wondering whether there is any provision in the treaty for surveys whereby on any of these projects an expenditure on the part of the United States would be entailed.

Mr. THOMAS of Utah. It is my understanding that surveys have already been made. I think it will be seen that the treaty constitutes merely a ratification of what already has been done.

The VICE PRESIDENT. The question is on agreeing to the reservation to the resolution of ratification.

The reservation was agreed to.

The VICE PRESIDENT. The question is on agreeing to the resolution with the reservation. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification, with the reservation, is agreed to, and the treaty is ratified.

CONVENTION WITH PANAMÁ WITH RESPECT TO THE COLÓN CORRIDOR AND CERTAIN OTHER CORRIDORS IN THE CANAL ZONE

The Senate, as in Committee of the Whole, proceeded to consider the Convention (Executive Q, 81st Cong., 2d sess.), a convention with Panama with respect to the Colón Corridor and certain other corridors in the Canal Zone, signed at Panama on May 24, 1950, which was read the second time, as follows:

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF PANAMÁ REGARDING THE COLÓN CORRIDOR AND CERTAIN OTHER CORRIDORS THROUGH THE CANAL ZONE

The United States of America and the Republic of Panamá,

Desirous of giving permanent and due form to the undertakings embodied in the *modus vivendi* regarding a change in the alignment of the Colón Corridor and related matters, effected by exchange of notes between the Ambassador of the United States of America to Panamá and the Minister of the Foreign Relations of Panamá, signed May 26, 1947, have decided to conclude a Convention for that purpose, and to that end have designated as their Plenipotentiaries:

The President of the United States of America:

The Honorable Monnett B. Davis, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panamá; and

The President of the Republic of Panamá:

His Excellency Dr. Carlos N. Brin, Minister of Foreign Relations of the Republic of Panamá;

Who, having communicated their respective full powers to each other, which have been found to be in good and due form, have agreed upon the following:

ARTICLE I

Article V of the Boundary Convention between the United States of America and the Republic of Panamá signed September 2, 1914 is hereby amended insofar as to effect the following change in the boundary between the City of Colón and the Canal Zone:

Beginning at Monument "B", which is a brass plug located on the existing boundary between the City of Colón and the Canal Zone (as established in Article V of the Boundary Convention of 1914) said Monument "B" being in North Latitude 9°21'+1468.75 feet and West Longitude 79°54'+1894.74 feet, as referred to the Panamá-Colón datum of the Canal Zone Triangulation system, and in the center of Bolívar Avenue between 13th and 14th Streets; thence S 15°57'40" E, 117.10 feet along the centerline of Bolívar Avenue to Monument No. A–8, which is a brass plug located at the intersection with the centerline of 14th Street projected westerly, in North Latitude 9°21'+1356.18 feet and West Longitude 79°54'+1862.57 feet; thence N 73°59'35" E, 172.12 feet along the centerline of 14th Street to Monument No. A–7, which is a brass plug located at the intersection with the line of the west curb of Boundary Street projected northerly, in North Latitude 9°21'+1403.64 feet and West Longitude 79°54'+1697.12 feet; thence southerly along the westerly curb of Boundary Street and its prolongation to Monument No. A–4, which is a brass plug located at the intersection of two curves, in North Latitude 9°21'+833.47 feet and West Longitude 79°54'+980.94 feet (this last mentioned course passes through a curve to the left with a radius of 40.8 feet and the interesection of its tangents at point A–6 in North Latitude 9°21'+1306.23 feet and West Longitude 79°54'+1669.37 feet, and a curve to the right with a radius of 1522 feet with the point of intersection of its tangents at point A–5 in North Latitude 9°21'+958.14 feet and West Longitude 79°54'+1105.89 feet); thence through a curve to the left with a radius of 262.2 feet and the intersection of its tangents at point A–3 in North Latitude 9°21'+769.07 feet and West Longitude 79°54'+955.43 feet; a curve to the right with a radius of 320.0 feet and the intersection of its tangents at point A–2 in North Latitude 9°21'+673.38 feet and West Longitude 79°54'+836.40 feet; and a curve to the left with a radius of 2571.5 feet and the interesection of its tangents at point A–1 in North Latitude 9°21'+302.15 feet and West Longitude 79°54'+680.96 feet to Monument No. "A", which is an 8-inch square concrete monument with a 1½ inch round brass plug in the top stamped "R. P." and "C. Z.", in North Latitude 9°21'+45.60 feet at West Longitude 79°54'+487.65 feet; thence N 21°34'50" E, 136.19 feet to Monument "Z" which is a 1½ inch brass plug in North Latitude 9°21'+172.24 feet and West Longitude 79°54'+437.56 feet, located on the southwest corner of the concrete dock projecting into Folks River and on the existing boundary between the City of Colón and the Canal Zone (as established in Article V of the Boundary Convention of 1914 and which is the mean low water line of Folks River).

The boundary described above is shown on Map 1, Exhibit A, which accompanies and forms part of the present Convention.

ARTICLE II

The tracts of land transferred from the City of Colón to the Canal Zone by the boundary change stipulated in Article I of the present Convention are considered to form part of the Canal Zone in the same manner as though they had been included within the grants contained in the Convention of November 18, 1903, between the High Contracting Parties. The Republic of Panamá undertakes that no private titles exist in and to such tracts of land.

The United States of America undertakes that no private titles exist in and to the tracts of land transferred from the Canal Zone to the City of Colón by the boundary change referred to above.

ARTICLE III

Article VIII of the General Treaty of Friendship and Cooperation between the United States of America and the Republic of Panamá, signed March 2, 1936, is hereby amended to read as follows:

In order that the City of Colón may enjoy direct means of land communication under Panamanian jurisdiction with other territory under jurisdiction of the Republic of Panamá, the United States of America hereby transfers to the Republic of Panamá jurisdiction over a corridor, the exact limits of which are described below:

Beginning on the boundary between the City of Colón and the Canal Zone (as amended by Article I of the present Convention) in the vicinity of Folks River, at the intersection of the centerline of the Corridor pavement and the boundary line, which point, referred to the Panamá-Colón datum of the

Canal Zone Triangulation system is in North Latitude 9° 21' plus 72.77 feet and West Longitude 79° 54' plus 476.90 feet; from this point of beginning, the corridor extends southeasterly and northeasterly to the Canal Zone-Republic of Panamá boundary in the vicinity of Cativá. The points of intersection of the tangents and the radii of the curves on the centerline of the corridor, are as follows:

North latitude	West longitude	Radii
9° 21'+77.09 feet	79° 54'+647.44 feet	2546 feet.
9° 20'+2357.50 feet	79° 53'+1709.27 feet	2546 feet.
9° 20'+3587.27 feet	79° 52'+1783.97 feet	1910 feet.
9° 20'+4980.93 feet	79° 52'+407.46 feet	2864 feet.
9° 21'+347.87 feet	79° 51'+4318.91 feet	5729 feet.

The intersection with the Canal Zone-Republic of Panamá boundary line is in North Latitude 9°21'+2701.32 feet and West Longitude 79°50'+5709.94 feet.

The corridor from the City of Colón-Canal Zone boundary to the Randolph Road crossing is one hundred (100) feet in width, fifty (50) feet each side of the centerline. From the Randolph Road crossing to the Canal Zone-Republic of Panamá boundary line near Cativá, the corridor is two hundred (200) feet in width, one hundred (100) feet each side of the centerline. This centerline is fourteen (14) feet south of and parallel to the centerline of the two-lane pavement now existing from the Escondido Bridge to the Canal Zone Boundary. The corridor is interrupted by and does not include any part of Randolph Road or railroad right-of-way. However, at any elevated crossing which may be built by or at the expense of the Republic of Panamá over Randolph Road and the railroad, the corridor will be no wider than is necessary to include the viaduct. The above corridor is shown on Maps 2 and 3, Exhibit B, accompanying the present Convention.

The Government of the United States of America will extinguish any private titles existing or which may exist in and to the land included in the above-described corridor.

The elevated crossing that may be built over Randolph Road and the railroad shall be constructed in substantial conformity with the plans for such construction set forth in Exhibit D accompanying the present Convention.

The corridor road, between Randolph Road and the boundary line between the City of Colón and the Canal Zone, including the storm and sanitary sewerage facilities made necessary by such road, will be constructed, by or at the expense of the Government of Panamá, in substantial conformity with the plans for such construction as set forth in Exhibit E which accompanies the present Convention. The Government of Panamá will at all times maintain in good structural condition the drainage facilities through the fills constructed for the corridor road.

No other construction will take place within the corridor than that relating to the construction of a highway and to the installation of electric power, telephone, and telegraph lines; and the only activities which will be connected with in the said corridor will be those pertaining to the construction, maintenance, and common uses of a highway and of power and communication lines.

The Government of the United States of America shall have the right to construct highways connecting Bolívar Highway and the highway forming the Colón entrance to the corridor.

The United States of America shall enjoy at all times the right of unimpeded transit across the said corridor at any point, and of travel along the corridor and along the Colón entrance to the corridor, subject to such traffic regulations as may be established by the Government of the Republic of Panamá; and the Government of the United States of America shall have the right to such use of the corridor as would be involved in the construction of connecting or intersecting highways or railroads, overhead and underground power, telephone, telegraph and pipe lines, and additional drainage channels, on condition that these structures and their use shall not interfere with the purpose of the corridor as provided hereinabove.

ARTICLE IV

Subject to the terms, where applicable, of Article III of the present Convention, the United States of America transfers to the jurisdiction of the Republic of Panamá certain areas named below wherein the Boyd-Roosevelt Highway passes through the Canal Zone, in order that said sections of the Highway be within the jurisdiction of the Republic of Panamá. These areas are delineated in Exhibit C accompanying the present Convention, as follows: the Gatún River crossing (Map 4); the Quebrada Madronal channel change, approximately one mile north of the Chagres River Bridge (Map 5); the area between the Quebrada Madronal and the Quebrada Moja Polla, including the Chagres River crossing (Map 5); the Chilibre River crossing (Map 6); and the Madden Road crossing (Map 7).

At the crossings of the Gatún River, Chagres River, Chilibre River and Madden Road Corridor, the corridors are no wider than the respective bridges or viaduct and do not include, in the case of the former, any part of the waterways they traverse or, in the case of the latter, any part of Madden Road Corridor.

At the Quebrada Madronal channel change and between the Quebrada Madronal and the Quebrada Moja Polla (except for the Chagres River crossing) the corridor is two hundred (200) feet in width, one hundred (100) feet on each side of the centerline. The centerline of these two corridors is fourteen (14) feet west of and parallel to the centerline of the two-lane pavement now existing.

ARTICLE V

The provisions of the present Convention shall not affect the rights and obligations of either of the two High Contracting Parties under the treaties or other international agreements now in force between the two countries, nor be considered as a limitation, definition, restriction or restrictive interpretation of such rights and obligations, but without prejudice to the full force and effect of any provisions of the present Convention which constitute addition to, modification of or abrogation of, or substitution for the provisions of previous treaties or other international agreements.

ARTICLE VI

The present Convention shall be ratified in accordance with the constitutional methods of the High Contracting Parties and shall enter into force immediately on the exchange of ratifications which shall take place at Panamá.

IN WITNESS WHEREOF, the Plenipotentiaries have signed the present Convention in duplicate, in the English and Spanish languages, both texts being authentic, and have hereunto affixed their seals.

DONE at the City of Panamá the 24th day of May 1950.

FOR THE UNITED STATES OF AMERICA:
[SEAL] MONNETT B. DAVIS
FOR THE REPUBLIC OF PANAMÁ:
[SEAL] CARLOS N. BRIN

The VICE PRESIDENT. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive Q, Eighty-first Congress, second session, a convention between the United States of America and the Republic of Panama regarding the Colon Corridor and certain other corridors through Canal Zone, signed at Panama on May 24, 1950.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

CLAIMS CONVENTION WITH PANAMA, SIGNED JANUARY 26, 1950

The Senate, as in Committee of the Whole, proceeded to consider the convention (Executive I, 81st Cong., 2d sess.) the claims convention between the United States of America and the Republic of Panama, signed at Panama on January 26, 1950, which was read the second time, as follows:

CLAIMS CONVENTION

The United States of America and the Republic of Panamá, animated by the desire to strengthen the bonds of friendship existing between them, and being desirous of adjusting certain pecuniary claims of each country against the other, have resolved to fix by means of a Convention the bases of settlement of such claims with a view to their prompt and just liquidation, and to this end have named as their Plenipotentiaries:

The President of the United States of America:

His Excellency Monnett B. Davis, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panamá;

The President of the Republic of Panamá:

His Excellency Doctor Carlos N. Brin, Minister of Foreign Relations of the Republic of Panamá;

Who, after having communicated to each other their respective full powers, found to be in good and proper form, have agreed on the following articles:

ARTICLE I

The Government of the United States of America and the Government of the Republic of Panamá recognize that it is most desirable for both countries to eliminate from their relations with each other any cause for difference and to dispose of, on an equitable basis and without reference to the legal aspect of the controversies, the following group of claims, which have been outstanding for some considerable time:

(a) The claims of the Republic of Panamá against the United States of America, which were the subject of a recommendation of the Joint Land Commission, United States and Panamá, with respect to damages caused by the fire which occurred in the Malambo section in the year 1906;

(c) The claims of the United States of America against the Republic of Panamá for personal injuries sustained by six soldiers of the United States Army during disturbances which occurred in the city of Panamá in the year 1915; and

(c) The claims of the United States of America against the Republic of Panamá arising as a consequence of the judgment rendered by the Supreme Court of Justice of the Republic of Panamá on October 20, 1931, through which there were declared as the property of the nation certain lands called El Encanto, which several nationals of the

United States of America alleged that they acquired in good faith.

ARTICLE II

It is agreed that the claims mentioned in Article I of this Convention shall be settled as follows:

(a) The Government of the United States of America agrees to pay the Government of the Republic of Panamá the sum of $53,800.00 (fifty-three thousand eight hundred dollars), currency of the United States of America, with respect to property losses sustained by nationals of the Republic of Panamá as a consequence of the fire occurring in the Malambo section in 1906;

(b) The Government of the Republic of Panamá agrees to pay the Government of the United States of America the sum of $3,156.00 (three thousand one hundred fifty-six dollars), currency of the United States of America, with respect to personal injuries sustained by six soldiers of the United States Army in the disturbances occurring in 1915; and

(c) The Government of the Republic of Panamá agrees to pay the Government of the United States of America the sum of $400,000.00 (four hundred thousand dollars), currency of the United States of America, with respect to property losses suffered by several nationals of the United States of America in relation to the lands called El Encanto.

ARTICLE III

The Government of the Republic of Panamá agrees to pay and the Government of the United States of America agrees to accept the amount of $349,356.00 (three hundred forty-nine thousand three hundred fifty-six dollars), currency of the United States of America, as the net balance due the latter, in accordance with the provisions of Article II, as full and final adjustment and as full settlement of the claims mentioned in that Article. This amount will be remitted by the Government of the Republic of Panamá to the Government of the United States of America, in Washington, D. C., in two payments of $174,678.00 (one hundred seventy-four thousand six hundred seventy-eight dollars), currency of the United States of America, each, and the first payment is to be made in a period of six months after the exchange of the ratifications of this Convention, and the second payment one year after the first payment has been effected.

ARTICLE IV

The individual claims referred to in subparagraphs (b) and (c) of Article II of this Convention shall be finally adjudicated by an agency established or designated by the Government of the United States of America. If, upon such adjudication, such agency shall find that the sum of $400,000.00 (four hundred thousand dollars) referred to in subparagraph (c) of Article II is in excess of the total sum of the claims, encompassed by that subparagraph, and which may be determined to be valid, plus the cost of adjudication, if any, not borne by the claimants, the Government of the United States of America shall take the necessary steps to return such excess to the Government of the Republic of Panamá.

ARTICLE V

With reference to the so-called El Encanto claims, the Government of the Republic of Panamá expressly declares that, in agreeing to the settlement of those claims, it has not ignored or disregarded the decision rendered by the Supreme Court of the Republic of Panamá in the litigation relating to the El Encanto lands, which judgment sets forth the legal aspects of the matter. In agreeing to the settlement of those claims, the Government of the Republic of Panamá is prompted by reasons of strictest equity to make good the loss suffered by several nationals of the United States of America who acted in good faith in the acquisition of the lands to which reference is made.

With reference to the so-called Malambo fire claims, the Government of the United States of America declares that its agreement to effect settlement of those claims is prompted by similar considerations of equity and without reference to the question of liability.

ARTICLE VI

Upon the execution of the provisions of the present Convention, the Government of the United States of America and the Government of the Republic of Panama shall consider as reciprocally cancelled, renounced, and satisfied all claims referred to herein. Any other unsettled claims on behalf of nationals of either country against the government of the other country, whether arising under the provisions of agreements between the two countries or under general principles of international law, are not affected by the provisions of this Convention.

ARTICLE VII

For the purpose of assisting the Government of the United States of America in making a proper distribution to the respective nationals of the United States of America of the amount to be paid as provided for herein, the Government of the Republic of Panamá will deliver to the Government of the United States of America any documents in its possession which may have a bearing upon the merits of the individual claims of such nationals.

ARTICLE VIII

This Convention shall be ratified and shall enter into force upon the exchange of ratifications which shall take place at Panamá as soon as possible.

In witness whereof, the respective Plenipotentiaries have signed and affixed their seals to the present Convention.

Done in duplicate, in Spanish and English, at Panamá, this twenty-sixth day of January, 1950.

For the United States of America:
MONNETT B. DAVIS
[SEAL]
For the Republic of Panamá:
CARLOS N. BRIN

The VICE PRESIDENT. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive I, Eighty-first Congress, second session, a Claims Convention between the United States of America and the Republic of Panama, signed at Panama on January 26, 1950.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

That concludes the treaties. The nominations on the Executive Calendar will be stated.

MOTOR CARRIER CLAIMS COMMISSION

The Chief Clerk read the nomination of Frank E. Hook to be a member of the Motor Carrier Claims Commission, which had been reported adversely.

Mr. FERGUSON obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WHERRY. Does the Senator think it desirable that we have a quorum call at this time?

Mr. FERGUSON. I think it would be well to have a quorum call.

The VICE PRESIDENT. Does the Senator from Michigan yield for that purpose?

Mr. FERGUSON. I shall be glad to yield for the purpose of calling a quorum provided I do not lose the floor.

The VICE PRESIDENT. Without objection, the Senator may yield for that purpose.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Martin
Anderson	Hill	Maybank
Brewster	Hoey	Millikin
Bricker	Holland	Morse
Butler	Hunt	Mundt
Byrd	Ives	Murray
Capehart	Jenner	Myers
Chapman	Johnson, Colo.	Neely
Chavez	Johnson, Tex.	O'Conor
Connally	Kefauver	O'Mahoney
Cordon	Kem	Pepper
Darby	Kerr	Robertson
Donnell	Kilgore	Russell
Douglas	Knowland	Saltonstall
Dworshak	Langer	Schoeppel
Eastland	Leahy	Smith, Maine
Ecton	Lehman	Smith, N. J.
Ellender	Lodge	Sparkman
Ferguson	Long	Stennis
Frear	Lucas	Taft
Fulbright	McCarran	Thomas, Okla.
George	McCarthy	Thomas, Utah
Gillette	McClellan	Thye
Graham	McFarland	Tydings
Green	McKellar	Watkins
Gurney	McMahon	Wherry
Hayden	Magnuson	Wiley
Hendrickson	Malone	Williams

The VICE PRESIDENT. A quorum is present.

Mr. FERGUSON. Mr. President, I rise to oppose the nomination of Frank E. Hook, of Michigan, to be a member of the Motor Carrier Claims Commission.

As a representative of the State of Michigan, I believe that under the precedents of the Senate I would be privileged to oppose this nomination on the ground that the nominee is personally obnoxious. I do not choose to record opposition on any such basis.

I prefer to rest my opposition on the record, which shows that his former colleagues in the House of Representatives have judged the nominee so lacking in responsibility that they would not approve him for a staff position with one of the House committees, and this after he had served as a Member of the House, and which shows that the Senate Judiciary Committee has reported the nomination adversely without a dissenting vote.

As I have said, the nominee is a former Member of the House of Representatives. At the beginning of the Eighty-first Congress he was appointed by the chairman of the House Committee on Education and Labor to the position as

counsel for the committee. That is a committee composed of 16 Democrats and 9 Republicans, and the nominee is a Democrat. When the appointment was announced to the committee on January 26, 1949, a vote on confirmation was taken, and the nominee was rejected by a count of 16 to 8. I have no way of knowing the considerations which prompted that decisive rejection by the committee of a former colleague. I can deduce, however, that it was based on personal acquaintance with the nominee, and his record as a Member of the House.

The nominee's service in the House of Representatives was high lighted by the necessity, on two occassions, of his having to make apologies to the House for his actions as a Member of that body.

On February 22, 1945, the nominee was engaged in a verbal exchange on the floor of the House, in the midst of which he interrupted a colleague with a curse. A physical encounter followed. The nominee's words were ruled out of order and ordered stricken from the RECORD, but on the following day, February 23, 1945, he found it necessary to petition the House "to forgive my infraction of its rules," and to "apologize to this body for the unseemly events of yesterday which were inconsistent with the high repute which this House has maintained."

On an earlier occasion, February 6, 1940, the nominee also was forced to extend an apology for having introduced in the RECORD a set of letters which were shown to be forgeries. The forged letters were introduced as a major feature of the nominee's attack on the House Un-American Activities Committee and its chairman. The chairman, by the way, was of the same political party to which Mr. Hook belonged.

The principal significance of the incident was a revelation on the House floor that other Members of the House had been given an opportunity to use the letters but had refused. It was stated on the House floor that one of the House Members who had been given an opportunity to use the spurious documents but had refused had suggested—presumably in the nominee's presence—that the letters "were not only of doubtful authenticity, but, granting their authenticity, they were not legal and it would be unethical to use them."

The nominee nevertheless proceeded to place the documents in the CONGRESSIONAL RECORD, although when they were revealed to be a forgery he was forced to withdraw them with an apology.

As I have said, it can be deduced that such a record of behavior in the House was the basis for the highly unusual action of a House committee in refusing a staff appointment to a former colleague.

Following the nominee's rejection by the House Education and Labor Committee, he was nominated by the President to be a member of the Motor Carrier Claims Commission.

That nomination was not acted upon by the Senate Judiciary Committee in the first session of the Eighty-first Congress.

He was renominated for the second session of the Eighty-first Congress. On June 1, the Senate Judiciary Committee met to consider the nomination. On the question of reporting the nomination favorably not one affirmative vote was recorded in the committee, and accordingly the nomination was reported unfavorably without a dissenting vote.

Successive adverse actions by two committees of the present Congress are the basis of my firm belief that the nominee is lacking in capacity for responsibility in an office of public trust, and of my belief that the confirmation of his nomination should be refused by the Senate.

Mr. President, the senior Senator from Michigan [Mr. VANDENBERG] has notified the clerks of the Senate that he desires to have his vote also cast against the confirmation of the nomination of Mr. Hook, who is a resident of the State of Michigan, as a member of the Motor Carrier Claims Commission.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Frank E. Hook, of Michigan, to be a member of the Motor Carrier Claims Commission? [Putting the question.] In the opinion of the Chair fewer than the required number of Senators having voted in the affirmative, the nomination is rejected.

The next nomination on the Executive Calendar will be stated.

FEDERAL TRADE COMMISSION

The Chief Clerk read the nomination of Martin A. Hutchinson, of Virginia, to be Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1946, which had been reported adversely.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. BYRD. Mr. President, I rise to oppose the confirmation of Mr. Martin Hutchinson, of Virginia, who has been nominated to membership on the Federal Trade Commission.

Senate confirmation of a Presidential nomination should never be regarded as perfunctory. The words, "by and with the advice and consent of the Senate," with respect to nominations requiring Senate confirmation, is one of the most important checks and balances inherent in our three-branch Government. Two actions, each independent of the other, must be taken. First, the President must nominate, and second, the Senate must confirm, thus consummating the appointment.

In discussing the nomination of Judge Roberts, of Virginia, to the Western Federal District Court of Virginia, a most notable address on the subject of Senate confirmation was delivered in the Senate on February 9, 1939, by the scholarly and distinguished Senator from Utah [Mr. THOMAS]. In this address the Senator from Utah, with clarity and great ability, defined the dual and coequal rights of the President and the Senate in appointments subject to senatorial confirmation. In that instance the nomination was rejected by the Senate by a vote of 72 to 9. It is significant that President Truman, then Senator Truman, was one of the 72 Senators who voted against the Roberts nomination.

In his speech the Senator from Utah said, in part:

Mr. President, there are times when real harm may be done to our constitutional scheme by thoughtless personal or loose reactions to a given constitutional practice * * *.

The President of the United States (Mr. Roosevelt), has written a letter to Judge Roberts which (referring to a letter he had received from Senator Glass) contains this paragraph:

"To this I replied on March 13, explaining to the Senator the difference between the appointive power, which is in the President, and the power of confirmation, which is in the Senate. I pointed out to the Senator that time-hallowed courtesy permits Senators and others to make recommendations for nomination, and at the same time that every President has sought information from any other source deemed advisable."

There is much confusion of thought—

Continued the Senator from Utah—

such poor description of constitutional practice, and such a mixture of the official with the unofficial, that these words ought not to be left without comment.

The constitutional point turns on the words "by and with the advice and consent of the Senate." The President says the appointive power is in the President and the power of confirmation is in the Senate.

In appointments that require confirmation by the Senate there can be no appointment without Senate action. Therefore, the appointive power cannot be in the President * * *.

But never has the action of the Senate—

I still quote from the Senator from Utah—

while it becomes perfunctory in executive sessions during confirmations, been assumed to be a perfunctory one; for even when a resignation takes place in the Army the vacancy is never filled without Senate action, the Army promotion is probably as routine a matter as any in our Government. The right of appointment is both senatorial and presidential * * *. A Senator of the United States has as much right to expect respect for his position as a representative of a sovereign States as has a President to expect respect for his. Finally, American democracy rests upon the thin thread of common consent. Our country is great not because the majority or the powerful rule. It is great because the minority is protected and the less influential respected * * *.

A President has a right to talk with whom he wishes, in the way he wishes, and to run his job in a manner in keeping with his own individual interpretation of his job, just as long as he does not mar the constitutional scheme by definitely interfering with a right or a privilege of another in the Government whose rights, if not equal in power, yet are rights equal in dignity in their proper sphere.

The question decided by the action of the Senate on Monday was not decided on a personal basis. It was not a contest between our Executive and the Senators concerned. The Virginia Senators know that if it were such a contest I would be on the side of our President. It was decided not on the basis of an interpretation of senatorial courtesy, whatever that may mean, but on the basis of a constitutional right and a constitutional duty.

How else—

Continued the Senator from Utah—

can the Federal system be preserved if it is not respected in all its aspects? America's only contribution to the theory of political science is our Federal system; making that

Federal system work is America's greatest contribution to the art of government. In the light of history, American democracy is important to the people of the whole world. That it has been able to function for 150 years may be deemed a miracle; that it should continue to function is a necessity. By a proper interpretation of "by and with the advice and consent" we may have a key to its continuance on the basis of free association, exchange of opinion, deliberation, and action only after a meeting of minds at the end of free discussion.

This is the end of the quotation from the Senator from Utah. I have quoted only portions of this brilliant speech, which should be a required textbook in all institutions that teach the fundamental principles of our Government. I have given excerpts of this masterly address, as it defines, better than any other speech made in the Senate in recent years, the respective powers of the Senate and the President in appointments subject to senatorial confirmation. The Senator from Utah has very clearly emphasized that the Presidential action is a nomination and not an appointment; that it becomes an appointment only after confirmation by the Senate.

The Constitution not only requires any such appointment to receive the consent of the Senate, but, in addition, it requires that it be made by and with the advice of the Senate. If the framers of the Constitution had intended that the Senate should merely have the right to confirm or reject any such appointment, then appropriate language could and undoubtedly would have been used to limit the Senate's part to a mere consent. The expressed inclusion of the limiting the qualifying language "by and with the consent of the Senate" shows very clearly that it was intended that before any such appointment should be made, the President should advise with the Senate.

Quite naturally, the Senators from Virginia are in the best position of any Senators to advise on the fitness and qualifications of Mr. Hutchinson or any other Virginian who may be proposed for an important public office.

The duties that are discharged by the Federal Trade Commission have a very vital role in preventing unfair competition in a highly industrialized age. It is one of the most important of all Federal agencies.

Mr. President, I have prepared a complete statement of the duties, powers, and responsibilities of the Federal Trade Commission. I shall not take the time of the Senate to read the statement at this time; but I ask unanimous consent to have it printed at this point in the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Thirty-four years ago when small-business enterprises were finding it difficult, if not impossible, to survive monopolistic and unfair-trade practices, the Congress passed two important bills. One was the Clayton Antitrust Act and the other was a bill creating the Federal Trade Commission.

The Trade Commission Act, which was signed in 1914 by a Virginia President, Woodrow Wilson, introduced into our laws for the first time the statement that "Unfair methods of competition in commerce are hereby declared unlawful," and this became the cornerstone of regulation of competitive practices in interstate commerce under the commerce clause of the Constitution. The Clayton Act, as a companion measure, prohibited the lessening of competition by restraining trade through certain specific practices. Primary authority to enforce its provisions was vested in the Federal Trade Commission with certain concurrent authority being given to the Justice Department.

When the Congress added to the category of unfair-trade practices in 1936 by passing the Robinson-Patman Antidiscrimination Act, it thereby added to the authority and responsibility of the Federal Trade Commission and again in 1938 by enactment of the Wheeler-Lea Act dealing with remedial processes, Congress expanded the Commission's duties.

Other statutes which have added to the Commission's functions are the Webb-Pomerene Export Trade Act of 1918 which gives the Commission certain duties with respect to the formation of export associations, the Wool Products Labeling Act of 1939 which is administered and enforced by the Commission, the Lanham Trade-Mark Act of 1946 under which the Commission has the function of initiating proceedings for the cancellation of registered trademarks which are being used contrary to the public interest, and the Oleomargarine Act of March 16, 1950, which further defines the Commission's duties under the Federal Trade Commission Act with respect to misleading advertising relating to oleomargarine.

Under the Federal Trade Commission Act, as amended by the Wheeler-Lea Act, the Commission is authorized and directed to prevent persons, partnerships, or corporations (other than banks, common carriers, and those subject to the Packers and Stockyards Act) from using unfair methods of competition and unfair or deceptive acts or practices in interstate commerce. In carrying out these powers and duties the Commission conducts investigations, issues complaints, holds hearings, and issues cease and desist orders where violations are found to exist. Any such order, unless appealed to the United States Court of Appeals, becomes final 60 days after its issuance and any person failing to comply therewith is liable to civil penalties in a suit instituted by the Attorney General. In addition to the above enforcement powers, the Commission is authorized, where it has reason to believe that anyone is disseminating or about to disseminate false advertisements of a food, drug, device, or cosmetic, to bring suit for injunction. If any such food, drug, device, or cosmetic is falsely advertised in violation of the act and the use of the commodity may be injurious to health, or there is intent to defraud, the Commission may certify the facts to the Attorney General for criminal prosecution.

The Clayton Act, as amended by the Robinson-Patman Act, authorizes the Commission to prevent certain discriminations in price, services, and facilities, and also certain so-called tying contracts, or contracts whereby, as a condition of sale, the sellers exacts from the purchaser an agreement not to deal in goods of a competitor of the seller, the effect of which may be substantially to lessen competition. The Commission also administers those provisions of the Clayton Act which prohibit certain corporations from acquiring capital stock of others when the effect would be to lessen competition or create a monopoly, as well as those which prohibit a person in certain cases from serving simultaneously on the boards of directors of two or more competing corporations. The procedure followed by the Commission in administering its duties under the Clayton Act is, with some exceptions, identical with the above outlined procedure for enforcement of the Federal Trade Commission Act.

The Commission also administers the Webb-Pomerene Export Trade Act which permits the organization of associations for the purpose of engaging in export trade. Such associations are required to file periodic reports with the Commission, and the Commission is empowered to investigate activities by such associations which it believes are in restraint of trade, and to make recommendations to an association for readjustment of its business whenever it appears that a violation of law exists. If the association fails to comply with the Commission's recommendations, the Commission may refer the matter to the Attorney General for appropriate proceedings.

Another important act administered by the Commission is the Wool Products Labeling Act of 1939 which, as its title indicates, was enacted to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of substitutes and mixtures in spun, woven, knitted, felted, or otherwise manufactured wool products, and for other purposes. Compliance work under this act is conducted throughout the United States by field inspectors of the Commission. The Commission is authorized, through its regular procedure, to issue cease and desist orders prohibiting false and deceptive labeling, failure to label, or removal or mutilation of labels, in violation of the act. It also may seek injunction to prevent the sale and shipment of misbanded wool products, and may initiate proceedings for condemnation of misbranded merchandise.

Under the Lanham Trade-Mark Act of 1946, the Federal Trade Commission is given the duty of initiating proceedings for cancellation of the registration of trade-marks which are deceptive, immoral, or scandalous, or which have been obtained fraudulently or are outherwise unlawful.

In summary the laws we have mentioned, which constitute the source of the Commission's authority and chart its duties, are directed toward the maintenance of free and fair competition and to control of methods which are harmful to industry, to trade and to the public. As the official body set up to deal with these matters, the Commission was designed to be a nonpartisan, independent agency of the Government, quasi judicial in nature, with powers and facilities for administration and investigation and also to determine issues by judicial processes.

From this background it should be obvious that the proper functioning of the Commission is a matter of concern to every citizen of the United States. Its effectiveness is particularly important to the small-business man for whom it is a primary defense against crushing competition. For him it is of more vital importance than the Sherman Anti-Trust Act enacted in 1909.

The Trade Commission Act sets out no specific qualifications for its members other than the statement in section 1, which says:

"That a Commission is hereby created and established, to be known as the Federal Trade Commission (hereinafter referred to as the Commission), which shall be composed of five Commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than three of the Commissioners shall be members of the same political party. The first Commissioners appointed shall continue in office for terms of 3, 4, 5, 6 and 7 years, respectively, from the date of the taking effect of this act, the term of each to be designated by the President, but their successors shall be appointed for terms of 7 years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the Commissioner whom he shall succeed. * * * No Commissioner shall engage in any other business, vocation, or employment. Any Commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the Commission shall not impair the right of the remaining Commissioners

to exercise all the powers of the Commission."

It may be noted, however, that in considering cases brought before it the Supreme Court of the United States has referred to debates in the Congress prior to passage of the Trade Commission Act and has ascribed, rather than prescribed, certain qualifications for Commission members.

For example, in the case of *Federal Trade Commission* v. *Keppel* (291 U. S. 305, 314), the Court referred to a report of the Senate Committee on Interstate Commerce made on June 3, 1914, and said:

"It (the Commission) was created with the avowed purpose of lodging the administrative functions committed to it in 'a body specially competent to deal with them by reason of information, experience and careful study of the business and economic conditions of the industry affected,' and it was organized in such a manner, with respect to the length and expiration of the terms of office of its members, as would 'give them an opportunity to acquire expertness in dealing with these questions concerning industry that comes from experience.' "

Similar references were made in the cases of *F. T. C.* v. *Raladam Co.* (283 U. S. 647,650) and again the case of *F. T. C.* v. *Cement Institute, et. al,* decided in the October 1947 term.

In the Cement case decision (at p. 35) the court said:

"In the Keppel case the Court called attention to the express intention of Congress to create an agency whose membership would at all times be experienced, so that its conclusions would be the result of an expertness coming from experience. We are persuaded that the Commission's long and close examination of the questions it here decided has provided it with precisely the experience that fits it for performance of its statutory duty. The kind of specialized knowledge Congress wanted its agency to have was an expertness that would fit it to stop at the threshold every unfair trade practice—that kind of practice, which if left alone, 'destroys competition and establishes monopoly.' "

The matter of qualifications of members of the Commission was gone into again by the Supreme Court in the case of *Rathbun, as Executor of the Estate of William E. Humphrey, deceased* v. *The United States,* decided in the October 1934 term. This was the case in which Commissioner Humphrey refused to resign at the request of the late President Franklin D. Roosevelt. Thereafter the President summarily removed him from office by Executive order and suit was brought against the Government for the salary for the unexpired portion of his term.

The Court held that the President did not have the power to discharge the commissioner and in reaching this decision Mr. Justice Sutherland discussed the qualifications for the office.

The opinion said:

"The Commission is to be nonpartisan; and it must, from the very nature of its duties, act with entire impartiality. It is charged with the enforcement of no policy except the policy of the law. Its duties are neither political nor executive, but predominantly quasi-judicial and quasi-legislative. Like the Interstate Commerce Commission, its members are called upon to exercise the trained judgment of a body of experts 'appointed by law and informed by experience.' "

After citing cases the Court continued:

"The legislative reports in both Houses of Congress clearly reflect the view that a fixed term was necessary to the effective and fair administration of the law. In the report to the Senate (No. 597, 63d Cong., 2d sess., pp. 10–11) the Senate Committee on Interstate Commerce, in support of the bill which afterward became the act in question, after referring to the provision fixing the term of office at 7 years, so arranged that the membership would not be subject to complete change at any one time, said: 'The work of this Commission will be of a most exacting and difficult character, demanding persons who have experience in the problems to be met—that is, a proper knowledge of both the public requirements and the practical affairs of industry. It is manifestly desirable that the terms of the Commissioners shall be long enough to give them an opportunity to acquire the expertness in dealing with these special questions concerning industry that comes from experience.'

"The report declares that one advantage which the Commission possessed over the Bureau of Corporation (an executive subdivision in the Department of Commerce which was abolished by the act) lay in the fact of its independence, and that it was essential that the Commission should not be open to the suspicion of partisan direction. The report quotes (p. 22) a statement to the committee by Senator Newlands, who reported the bill, that the tribunal should be of high character and 'independent of any department of the Government * * * a board or commission of dignity, permanence, and ability, independent of executive authority, except in its selection, and independent in character.'

"The debates in both Houses demonstrate that the prevailing view was that the Commission was not to be 'subject to anybody in the Government but * * * only to the people of the United States'; free from 'political domination or control' or the 'probability or possibility of such a thing'; to be 'separate and apart from any existing department of the Government—not subject to the orders of the President.'

"More to the same effect appears in the debates, which were long and thorough and contain nothing to the contrary. While the general rule precludes the use of these debates to explain the meaning of the words of the statute, they may be considered as reflecting light upon its general purposes and the evils which it sought to remedy. (*Fed. Trade Comm.* v. *Raladam Co.* (283 U. S. 643, 650).)

"Thus, the language of the act, the legislative reports, and the general purposes of the legislation as reflected by the debates, all combine to demonstrate the congressional intent to create a body of experts who shall gain experience by length of service—a body which shall be independent of executive authority, except in its selection, and free to exercise its judgment without the leave or hindrance of any other official or any department of the Government. To the accomplishment of these purposes, it is clear that Congress was of opinion that length and certainty of tenure would vitally contribute. And to hold that, nevertheless, the members of the Commission continue in office at the mere will of the President, might be to thwart, in large measure, the very ends which Congress sought to realize by definitely fixing the term of office. * * *

"The Federal Trade Commission is an administrative body created by Congress to carry into effect legislative policies embodied in the statute in accordance with the legislative standard therein prescribed, and to perform other specified duties as a legislative or as a judicial aid. Such a body cannot in any proper sense be characterized as an arm or an eye of the Executive. Its duties are performed without executive leave and, in the contemplation of the statute, must be free from executive control. In administering the provisions of the statute in respect of 'unfair methods of competition'—that is to say in filling in and administering the details embodied by that general standard—the Commission acts in part quasi-legislatively and in part quasi-judicially. In making investigations and reports thereon for the information of Congress under section 6, in aid of the legislative power, it acts as a legislative agency. Under section 7, which authorizes the Commission to act as a master in chancery under rules prescribed by the court, it acts as an agency of the judiciary. To the extent that it exercises any executive function—as distinguished from executive power in the constitutional sense—it does so in the discharge and effectuation of its quasi-legislative or quasi-judicial powers, or as an agency of legislative or judicial departments of the Government."

Mr. BYRD. Mr. President, the importance of the Commission is further emphasized by the fact that its decisions are subject to review only by the United States Courts of Appeals and the Supreme Court of the United States, and the appellate courts are bound by the Commission's decisions on questions of fact when they are supported by substantial evidence. In the years that lie ahead, the vast power of the Federal Trade Commission over all mergers of corporations, whether horizontal, perpendicular, or conglomerate, will amount to a virtual veto power, since all the Commission needs to do to sustain its decision is to certify as a matter of fact that the proposed merger would result in a restraint of trade, and thus would violate our antitrust laws.

The importance of the functions of the Federal Trade Commission is recognized by the payment to its members of a $15,000 annual salary, which is equal to, or greater than, nearly all other executive salaries, except those of the Cabinet.

My colleague from Virginia [Mr. ROBERTSON] and I were requested by the Committee on Interstate and Foreign Commerce to give to the committee our recommendations with respect to the appointment of Mr. Hutchinson.

On June 13, in addition to other data, we submitted to the committee the following comment, which constitutes our objection to the appointment of Mr. Hutchinson:

We are reliably informed upon good authority that the proposal to send Mr. Hutchinson's name to the Senate emanated from the Chairman of the Democratic National Committee, Mr. William M. Boyle, Jr.

In our opinion, Mr. Hutchinson's nomination is political and made for a definite and obvious political purpose. This opinion was expressed by nearly every newspaper in Virginia that made comment when the nomination was first announced. But we do not advance that fact as representing our valid objection to this nomination.

Membership on the Federal Trade Commission is a quasi-judicial and quasi-legislative position of high importance to the economic life of the Nation. Mr. Hutchinson has had virtually no experience with the broad over-all problems confronting our economic system. He lacks judicial temperament and exhibits a blind support of public policies merely because such are advocated by certain party leaders.

We have known Mr. Hutchinson for 30 years. We do not believe he possesses the training, experience, or competency to perform the extremely vital functions and tremendous responsibilities devolving upon him should his nomination be confirmed.

Neither of the Virginia Senators was consulted with respect to this nomination. As Senators familiar with the conditions surrounding this appointment, we regard it as our duty to respond as we have to the in-

quiry addressed to the two Virginia Senators by you, Senator JOHNSON of Colorado, as chairman. For the reasons we have advanced, we oppose the nomination of Mr. Martin Hutchinson as a member of the Federal Trade Commission.

Mr. President, the statement from which I have quoted just now, which was made to the committee on June 13, stands today as the position of the Virginia Senators.

The Committee on Interstate and Foreign Commerce considered the nomination, and recommended to the Senate that it be rejected. This, I hope, the Senate will do.

Mr. MAGNUSON. Mr. President, I wish to address the Senate briefly on the nomination of Martin A. Hutchinson, of Richmond, Va., to be a member of the Federal Trade Commission for the unexpired term of Mr. Ewin Lamar Davis, deceased.

At the outset, Mr. President, I wish to have it expressly understood that I have no intention at all of dwelling upon the question of senatorial courtesy involved in the case of nominations, nor do I intend to dwell at any great length upon the legal requirements or procedures in respect to nominations or the procedures in and duties of the Senate in respect to Presidential nominations.

However, because some question has been raised regarding the fitness of Mr. Hutchinson to assume a post in the Federal Trade Commission, I think it is only fair and advisable, insofar as the RECORD is concerned, that the RECORD show clearly what was presented to the committee regarding Mr. Hutchinson's qualifications or lack of qualifications, so that the RECORD insofar as he is concerned will be available for everyone to read. I think it would be unfair for the Senate either to confirm or reject nominations which are in controversy, as the present one is, without making the RECORD clear as respects the hearings held on the nomination before the committee concerned—in the present case, the Committee on Interstate and Foreign Commerce. I would not want it to be assumed that whatever testimony was received regarding the qualifications and fitness of any Presidential nominee to hold the job to which he was nominated should not be made a part of the RECORD.

When the President's nomination of Mr. Hutchinson was received on the 6th day of March 1950, it was referred to the Committee on Interstate and Foreign Commerce. The record reveals that the committee held a hearing on it 3 months later—on June 14, 1950. Thereafter, the committee, by a vote of 5 to 3, recommended that the nominee be not confirmed.

Of course, the Senate is well aware of the importance of the Federal Trade Commission to the economy of the Nation. For many months a vacancy has seriously hampered the work of that Commission. If the Federal Trade Commission is to carry out the laws enacted by the Congress, the Commission must be given the necessary facilities and personnel. An unreasonable delay on the part of the Congress in filling a vacancy on the Commission can only impede and retard the effective discharge of its responsibilities.

Mr. President, the power of the Senate to confirm or reject Presidential nominations is a great and an important one. While due respect and weight must be given to the President's recommendations, we must at the same time independently and with the most dispassionate deliberation arrive at our own judgment as to whether confirmation of the nomination will serve the interest of the people.

Mr. President, I have carefully reviewed the proceedings of the Committee on Interstate and Foreign Commerce concerning the nomination of Martin A. Hutchinson; and I find strong grounds, particularly in respect to his fitness and qualifications, for urging confirmation of the nomination. The record comprises about 25 printed pages. The hearings were held in a single day, and the only witness who appeared before the committee was the nominee himself.

I find, upon reading that record, that the only opposition to the nomination expressed in the committee was contained in a letter filed with the chairman of the committee by my two distinguished colleagues from Virginia. The letter, jointly signed by the Senator from Virginia [Mr. BYRD] and the Senator from Virginia [Mr. ROBERTSON], dated June 13, 1950, with its appendix is about 9 pages long. Virtually the entire letter, which was referred to a few minutes ago by the Senator from Virginia [Mr. BYRD], is taken up with a recitation of the duties, under law, of the Federal Trade Commission; quotations from various opinions of the United States Supreme Court concerning the Federal Trade Commission, its composition and responsibilities; and quotations from a speech by the Senator from Utah [Mr. THOMAS] about the Senate's confirmation power. That speech also was referred to a few minutes ago by the Senator from Virginia [Mr. BYRD]. That recitation of the authority and responsibility of the Federal Trade Commission is, of course, useful to many of us, and is generally well known to lawyers who have practiced before the Federal Trade Commission.

The Senators from Virginia take the position in their letter and in the appendix thereto that "Mr. Hutchinson's nomination is political and made for a definite and obvious political purpose." Yet at once they add, "we do not advance that fact as representing our valid objection to this nomination."

In other words, they make it clear that the nominee should be considered on his merits. This now becomes the responsibility of the entire Senate. If this is a question of so-called senatorial courtesy—which has been applied historically only to appointments within a State, such as Federal judgeships or collectorships—no one has suggested it either in the hearings or in the letter to which reference has been made.

I do, however, commend the Senators from Virginia for excluding political considerations from their objections and placing the issue instead on the question of Mr. Hutchinson's fitness.

From what evidence can the Senate judge the fitness of this nominee? There are, first, two brief paragraphs dealing unfavorably with his qualifications in the course of the lengthy joint letter submitted by the two Senators—a very modest proportion, surely, to devote to the stated ground of opposition. There are some editorial comments in line with the Senators' conclusions from nine Virginia papers and from the News, of Miami; the Alabama Journal, of Montgomery; the Sun, of Springfield, Ohio; the Washington Star; and the Tribune, of South Bend, Ind. There are a number of letters from leading citizens of Virginia—men of very divergent political views—which the nominee submitted to the chairman of the Committee on Interstate and Foreign Commerce. These form a part of the record of Mr. Hutchinson's hearing. There is his biographical sketch; the facts of his public career and his private life; and there is his testimony before the Senate committee.

Mr. President, with the exception of my two colleagues, the Senators from Virginia, and the supporting editorial comment, no other voice was heard against the nomination. On the contrary, the record discloses that the nomination of Mr. Hutchinson was enthusiastically supported by a former Member of the Congress, now the attorney general of the State of Virginia, Hon. J. Lindsay Almond, Jr.; by the Honorable Collins Denny, Jr., a former assistant attorney general of the State of Virginia and a prominent lawyer in Virginia; by Hon. T. Gray Haddon, the Commonwealth's attorney for the city of Richmond, Va., where the nominee has practiced law for 30 years; by Robert T. Barton, Jr., a member of one of the prominent law firms in Richmond, Va.; by R. E. Cabell, a former Commissioner of Internal Revenue and a Republican; by the Honorable Robert Whitehead, a member and outstanding leader of the House of Delegates of Virginia; by the Honorable Lloyd M. Robinette, one of the outstanding leaders of the Virginia Senate; by the Honorable Walter Leake, a lawyer of national reputation and chief counsel of the C. & O. Railroad; by the Honorable Charles E. Stuart, a prominent lawyer from the northern section of Virginia; by E. H. McConnell, a prominent businessman in southwest Virginia; by the Honorable Beecher E. Stallard, former member of the Senate of Virginia and prominent lawyer in Richmond; the Honorable Leon M. Bazile, judge of the fifteenth circuit of Virginia; and the Honorable Alexander H. Sands, an outstanding Virginia lawyer; and many others.

Mr. President, it is interesting to note, in connection with the letters of high praise and recommendation, that some of these prominent Virginians who urged Mr. Hutchinson's confirmation were people who in the past have differed politically with the nominee through his long and distinguished career in the State of Virginia. Let us examine some of these comments, noting as we do so the political backgrounds of the men who make them.

First, there is Hon. J. Lindsay Almond, Jr., attorney general of the Commonwealth of Virginia, former Representative in Congress from the Sixth Congressional District, former judge of the Hustings Court of Roanoke. Judge Almond is considered one of the leading figures in that portion of the Democratic Party in Virginia which its adherents call the organization and its opponents the Byrd machine. Mr. Hutchinson, as everyone knows, is a leader in the other faction, which has generally supported the Roosevelt and Truman Administrations. The two men have clashed frequently and vigorously on the platform and in the press, especially within the last 2 years.

Yet, Judge Almond says of this nominee that "he is a lawyer with high ethical standing and splendid abilities," who "as an individual and as a member of the legal profession * * * has always enjoyed an excellent reputation for personal integrity, sobriety and assiduity." He goes on to note frankly that he and Mr. Hutchinson have differed politically, but says, "I have always held him in high respect for his sincerity, honesty, manifest courage of conviction and devotion to duty. He has been nominated to a high post of trust and responsibility. It is my conviction that he will give his best at all times and will acquit himself most creditably in the faithful discharge of the duties which may be incumbent upon him."

An equally striking tribute comes from Col. Robert T. Barton, Jr., newly elected president of the Virginia State bar and senior partner in one of Richmond's largest law firms, that of Christian, Barton, Barker & Boyd. He states that "business, legal, and other associations" of more than 20 years have given him "an unusual opportunity to judge Mr. Hutchinson and his ability," but notes that they have been opposed in State politics and recalls no instance in the last 10 years when they "supported the same candidate for Governor, Congress, or the Senate." He goes on to say:

> As a result of my contacts with Mr. Hutchinson, I have formed the highest sort of opinion of his honesty, integrity, and ability. He is a man of excellent judgment, a profound student of the law and an able advocate with a keen perception of right and wrong. He is energetic, both mentally and physically, tactful and courageous. He cannot be swayed from a sense of duty by personal considerations.

And he goes on to say that he feels "that Martin A. Hutchinson is eminently qualified for membership on the Federal Trade Commission."

Two of the most eloquent endorsements come from Hon. Lloyd M. Robinette of Lee County and Hon. Robert Whitehead of Nelson County, two gentlemen who have been repeatedly voted the outstanding members, respectively, of Virginia's State Senate and of her house of delegates. Since both are Mr. Hutchinson's political associates, their comment need not be quoted at length, but it should be noted that both are distinguished graduates of the University of Virginia Law School and that both pay tribute to Mr. Hutchinson's educational attainments. Mr. Whitehead notes his lack of formal education but says that "he is in every sense of the word a well-educated man with a splendid knowledge of history, government, economics, and law." Senator Robinette calls him a "man learned in the law" and describes him as "well educated" without any qualifications.

Mr. Douglas Southall Freeman, the great historian and former editor of the Richmond News Leader, is certainly one of the most distinguished living Virginians. Most people regard him as the first citizen of Virginia. He is also a sharp critic of the present administration, and a well-wisher of the Virginia Senators. Yet he has, in his daily radio news commentary, consistently and repeatedly urged the confirmation of Mr. Hutchinson. Mr. Freeman, in a letter to one of our colleagues, the distinguished junior Senator from Illinois, regarding Mr. Hutchinson, writes as follows:

> RICHMOND, VA., *July 3, 1950.*
>
> Hon. PAUL H. DOUGLAS,
> *United States Senator,*
> *Washington, D. C.*
>
> DEAR SENATOR: I hope nothing will prevent the most vigorous action to bring before the Senate the nomination of Mr. Martin A. Hutchinson for membership on the Federal Trade Commission. It would be an intolerable thing were mere factional differences in Virginia politics permitted to keep the President from his free choice in appointments to this important regulative body. Equally would it be contrary to the best traditions of American democracy for the country to be deprived of the services of Mr. Hutchinson. He has been a distinguished lawyer and during the time he was chairman of the State compensation board he administered its affairs with the greatest discretion, justice, and fair play, though he would have had every opportunity to use the office in a partisan spirit. To the best of my knowledge—and in this case it goes back 25 years—Mr. Hutchinson measures up to every requirement, professional and personal, for this important office. The mere fact that he disagrees with some elements of the Democratic Party in his own State cannot, surely, deny him advancement as a Democrat and as a devoted and useful public servant.
>
> Sometimes the price of partisanship is too high for effective representative government. Were the nomination of Mr. Hutchinson to be rejected, another would be added to the unhappy list of good men denied opportunity for reasons that will not stand the light of reason.
>
> Faithfully yours,
> DOUGLAS SOUTHALL FREEMAN.

If the Senators across the aisle have been troubled by doubts as to the nominee's qualification, they should be interested in the next testimonial. Mr. Roy E. Cabell, prominent Richmond lawyer and one of the deans of Virginia's Republican Party, one-time Commissioner of Internal Revenue in the administration of President Taft, has no such hesitation about Martin Hutchinson—and he knows the man. He speaks of Mr. Hutchinson's high-grade law practice, says that "he always conducts himself in accord with the best ethics of the profession," and considers that "Hutchinson, with his legal and personal ability, character and integrity, alert intelligence and energy, possesses the qualities to perform the duties required of a member of the Federal Trade Commission in a manner that will reflect credit, both on the Commission and on himself."

Enough has been quoted to show that admiration for Mr. Hutchinson's qualities is not confined to any political faction in Virginia. But it would be less than fair to omit all of the other striking tributes paid him by leaders of the bar in Virginia.

Mr. President, I ask unanimous consent that a portion of the letter from Walter Leake, general counsel for the Chesapeake Railway, may be incorporated in the RECORD at this point.

There being no objection, the portion of the letter was ordered to be printed in the RECORD, as follows:

> If there could be a better selection for membership on the Federal Trade Commission than the Honorable Martin A. Hutchinson, of Richmond, Va., such a person is unknown to me.
>
> Mr. Hutchinson is a lawyer of large experience and great ability. His character is irreproachable. He is industrious, courteous, patient, frank, and loyal, with a capacity for a comprehensive vision of any problem that may be submitted to him for solution. He is not only a good democrat (with a small d as well as a large D) and a good Virginian, but also a good American. * * * And above all he is a Christian gentleman, sans peur et sans reproche.

Mr. MAGNUSON. Mr. President, another of Richmond's distinguished lawyers, Mr. Alexander H. Sands, submits that he has known Mr. Hutchinson "personally and professionally for over 25 years, during which time I have had ample opportunity to judge his ability and high personal integrity." He characterizes the nominee as "an able lawyer with broad experience in advising about business matters in this community," and adds that "he is looked upon as an exceptionally fine all-around man, and I consider him one of our first citizens."

Mr. Sands' next remarks are of particular interest, they seem to me to reach the core of the problem involved here. He says:

> Since all questions relating to appointments in general have some political significance, to recommend one without stating your political affiliation would hardly seem fair. Personally, I have always supported Senator BYRD when he was running for office both as Governor and Senator. I supported him in the recent contest with Mr. Hutchinson, and my relationship with Senator BYRD has, I believe, always been most cordial.
>
> Personally, I do not believe that either our State or our Nation should be deprived of the fine services which Mr. Hutchinson could give if appointed to this Commission merely because he and Senator BYRD did not see eye to eye on party matters in this State.

There are a number of other endorsements. I will only quote one. It is from Judge Leon S. Bazile, of Virginia's Fifteenth Judicial Circuit, a former assistant attorney general of Virginia. Judge Bazile, as Mr. Hutchinson was careful to tell the Senate committee, once practiced law with the nominee, but he emphatically states that he has always supported the senior Senator. He is reputed one of the most variously learned

men on the Virginia bench and it is therefore of especial interest to find him characterizing Mr. Hutchinson as "an able lawyer and a student of the constitutional and political Government of the United States; and, in my opinion, eminently qualified for the post to which he has been nominated by the President."

In addition to the fine letter from Dr. Douglas Southall Freeman, a number of other strong endorsements have been received from representative Virginians. They include: Mr. J. Brooks Mapp, attorney, of Keller, Va.; Mr. Virgil H. Goode, Commonwealth's attorney in Rocky Mount, Va., a former member of the State assembly; Mr. T. E. Chambers, of Blackstone, Va.; Mr. Louis B. Fine, attorney, of Norfolk, Va.; Mr. Tom Irvin Gill, president of the bar association of Danville, Va.; and Walter H. Scott, attorney, of Roanoke, Va.

Mr. President, my distinguished colleagues from Virginia have concluded, honestly, I believe, in their own minds, that the nominee is not qualified. Balanced against these conclusions, however, are a long list of other distinguished people in Virginia from all walks of life who say the contrary and who back up their opinions by reciting the facts of this man's distinguished career. If I were a judge reviewing this record on appeal, I unquestionably would come to the conclusion that the findings of lack of qualifications were not supported by the record.

Mr. President, I have adverted before to the grave responsibility which the Federal Trade Commission has in administering the laws of the Nation with reference to American business and industry. The Federal Trade Commission has been crippled for a considerable period by the vacancy which has existed on the Commission. I do not mean to suggest that the need for filling the vacancy should in any wise lead this body to give perfunctory or hasty approval to a nominee, but I do urge with the utmost sincerity that we should examine the full record and not cause the Government to lose the services of a man so widely acclaimed as highly qualified by following this adverse committee recommendation when that recommendation does not have the support of the record.

Mr. President, from reading this record I find myself strongly inclined toward this nominee. True it is that the members of the Federal Trade Commission should have the highest type of ability and experience in the field of business: and yet, as I look back upon the distinguished members of the Federal Trade Commission who have made great contributions to the Commission, I find that in almost every instance these men came to the Commission without any specific training in the details of the Federal Trade Commission's work, but brought with them a broad general experience in law and in business. The act itself provides that the members of the Federal Trade Commission shall have a term long enough for them to become skilled in their duties. The act, by inference, recognizes that a member of the Commission, regardless of his experience, will require experience with the Commission's work before he will be fully able to discharge his duties. A majority of the distinguished men who have been members of the Federal Trade Commission have been, like this nominee, lawyers. A great many of the members, like this nominee, have also had the qualification of public service, which in itself is a broadening experience, qualifying a man to properly evaluate and understand public necessity in the fields of business and industry.

Mr. President, I find, from an examination of the record, that the nominee, Martin A. Hutchinson, was born in humble circumstances and reared on a farm in the mountain section of Virginia, where his family had resided for more than 150 years. This man's ancestors fought for our country's independence in the Revolutionary War and in the Spanish-American War. Martin Hutchinson, upon the declaration of World War I, enlisted as a private in the United States Army and had an honorable record as a soldier.

After he returned from World War I he served as a clerk for a State senate committee and then for the secretary of the Commonwealth. The distinguished senior Senator of Virginia, then Governor of Virginia, appointed this young man in 1927 to the post of secretary of the Commonwealth of Virginia, where he served honorably and creditably. While he was occupying the position of secretary of the Commonwealth, he studied law at night and, in December 1927, he was admitted to the Virginia bar and he has practiced law in Virginia and before Federal administrative agencies ever since. His contemporaries tell us that he is one of the distinguished lawyers of the State of Virginia.

Mr. President, the record further discloses that in 1939 the Governor of Virginia appointed Martin A. Hutchinson chairman of the Compensation Commission of Virginia and it was his duty in that office to establish the salaries of such constitutional officers in the State as county treasurers, clerks, commissioners of revenue, sheriffs, and so forth. He also served as secretary to the Democratic State central committee from 1925 to 1939.

Here, then, is a representative of the finest of the American tradition. Here is the life story of a young boy from the mountains of Virginia, who by sheer determination and hard work has received some of the highest honors in the government of the State of Virginia and has carved out for himself a position of eminence in the bar of the State of Virginia.

Mr. President, if these qualifications, which show the humbleness of beginnings and the hard work required to get ahead in life, are to be judged by us as a badge of inadequacy for appointment to membership on the Federal Trade Commission, then at the same moment we must deny the qualifications of Lincoln, of Cleveland, of Andrew Jackson, and all that legion of great Americans whose beginnings were humble.

Mr. President, there is an intimation in the RECORD that Martin A. Hutchinson, the nominee, might not be qualified because he is a partisan. It seems to me that it would be most unfortunate if the taking of sides on political issues should be held to disqualify this nominee or any other nominee who comes before this body. If men of competence and integrity and experience are to be barred because some of us have at one time or another disagreed with their views, then mediocrity and timidity will become the principal qualifications for high appointive office.

Partisanship in the sense of vigorous, citizen participation in political contests is part and parcel of the democratic tradition, and no man will contribute to the greatness of this country without that type of partisanship. True it is that if partisanship is so deep-rooted in the mind as to deprive a man of that impartiality required of high public office, then such a man is not qualified; but, Mr. President, as I read this record I find no support, in fact, of the charge that the nominee, Martin A. Hutchinson, is a partisan to such an extreme degree. In fact, political opponents of his attest to the contrary and declare that he is a person of real ability, excellent judgment, and firm conscience.

That Mr. Hutchinson has been a powerful leader in that faction of the Democratic Party in Virginia opposed to the two Senators is frankly granted, but that fact does not of itself prove him unqualified for office. Surely, the State which at one time could boast a Washington and a Marshall on one side of its political fence, a Jefferson and a Madison on the other, has not become so politically regimented, has not achieved such a standardized uniformity of thought, that it no longer has able men except on one side. While it may not be pleasing to the Senators that a member of their own organization was not selected this time, surely it is no affront to point out that a person whom they have defeated in a State election is also a man of ability and character. I think the point made by one of the supporters of the Virginia Senators on this question is most important. Mr. Sands said:

> Personally, I do not believe that either our State or our Nation should be deprived of the fine services which Mr. Hutchinson could give if appointed to this Commission merely because he and Senator BYRD did not see eye to eye on party matters in this State.

This is a majority appointment to the Federal Trade Commission. The Senate does not have the power and should not desire to compel the President to confer it on one of his opponents within his own party. For balanced consideration of issues, it is desirable that there be representation on the Federal Trade Commission from all regions. Since the South is not now represented on the Commission and in my judgment should be, does this mean that the President, in order to get his appointees confirmed by the Senate, must choose political opponents from that region or pass it over entirely?

That the present nominee, Martin A. Hutchinson, is amply qualified must be obvious to every fair-minded man who examines the record. To reject him

merely because he comes from Virginia would be to extend to new bounds a "senatorial courtesy" which has not even been openly invoked. Political competition, no less than economic competition, is a mainspring of our national life, and no law or custom, I hope, requires a bill of attainder against a man who stands unsucessfully as a candidate for the United States Senate.

Mr. President, on the basis of the record that is before us, I urge that the nomination of Martin A. Hutchinson to be a member of the Federal Trade Commission be confirmed.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Martin A. Hutchinson to be a member of the Federal Trade Commission?

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

Mr. ROBERTSON. Mr. President, will the Senator withhold his suggestion for just 2 minutes?

Mr. DOUGLAS. Certainly.

Mr. ROBERTSON. Mr. President, I realize that there are a number of other nominations to be considered. I merely wish to take this opportunity to associate myself with the views already expressed by my distinguished colleague from Virginia [Mr. BYRD]. I united with him in the letter to which he has referred. Members of the Senate are familiar with the contents of that letter. I wish to repeat that I stand by what we said in that letter.

Reference has been made to the fact that the nominee submitted a number of letters from some very distinguished Virginians. We do not challenge that fact. On page 6 of the hearings I note that Mr. Hutchinson said, "I have some letters testifying to my character," and so forth.

On page 7, he said:

> I want to be perfectly fair. I called several of these friends and asked for letters.

We received a number of letters, but we did not present any to the committee or to the Senate. I wish to emphasize the point to which the senior Senator from Virginia has already invited attention, namely, the wonderful analysis made by the distinguished Senator from Utah [Mr. THOMAS].

The President makes a nomination and we unite in the appointment. If the time ever comes when the Senate is not given the privilege of uniting in appointments, we will have lost a precious right we are supposed to enjoy under the Constitution.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Douglas	Green
Brewster	Dworshak	Gurney
Bricker	Eastland	Hendrickson
Butler	Ecton	Hickenlooper
Byrd	Ellender	Hill
Capehart	Ferguson	Hoey
Chapman	Frear	Holland
Connally	Fulbright	Ives
Cordon	George	Johnson, Colo.
Darby	Gillette	Johnson, Tex.
Donnell	Graham	Kem
Kerr	Magnuson	Saltonstall
Kilgore	Malone	Schoeppel
Knowland	Martin	Smith, Maine
Langer	Maybank	Smith, N. J.
Lehman	Millikin	Sparkman
Lodge	Morse	Stennis
Long	Mundt	Taft
Lucas	Murray	Thomas, Utah
McCarran	Myers	Thye
McCarthy	Neely	Tydings
McClellan	O'Conor	Watkins
McFarland	Pepper	Wherry
McKellar	Robertson	Wiley
McMahon	Russell	Williams

The VICE PRESIDENT. A quorum is present.

The question is, Will the Senate advise and consent to the nomination of Martin A. Hutchinson to be a member of Federal Trade Commission?

Mr. DOUGLAS and Mr. WHERRY requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. McFARLAND (when his name was called). On this vote I have a pair with the junior Senator from Vermont [Mr. FLANDERS]. If he were present and voting, he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

Mr. FREAR (when his name was called). On this vote I have a pair with the junior Senator from Washington [Mr. CAIN]. If he were present and voting, he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Arizona [Mr. HAYDEN], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business.

The Senator from Connecticut [Mr. BENTON] and the Senator from Minnesota [Mr. HUMPHREY] are absent on public business.

The Senator from South Carolina [Mr. JOHNSTON] is absent by leave of the Senate because of illness in his family.

The Senator from Idaho [Mr. TAYLOR] and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Minnesota [Mr. HUMPHREY] is paired on this vote with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Minnesota would vote "yea," and the Senator from New Hampshire would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate and his pair has been previously announced by the Senator from Delaware [Mr. FREAR].

The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Minnesota would vote "yea."

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate and his pair has been previously announced by the Senator from Arizona [Mr. MCFARLAND].

The Senator from Indiana [Mr. JENNER] is detained on official business.

The result was announced—yeas 14, nays 59, as follows:

YEAS—14

Douglas	Lehman	Myers
Graham	Lucas	Neely
Green	McMahon	Pepper
Kilgore	Magnuson	Thomas, Utah
Langer	Murray	

NAYS—59

Aiken	Hendrickson	Millikin
Brewster	Hickenlooper	Morse
Bricker	Hill	Mundt
Butler	Hoey	O'Conor
Byrd	Holland	Robertson
Capehart	Ives	Russell
Chapman	Johnson, Colo.	Saltonstall
Connally	Johnson, Tex.	Schoeppel
Cordon	Kem	Smith, Maine
Darby	Kerr	Smith, N. J.
Donnell	Knowland	Sparkman
Dworshak	Lodge	Stennis
Eastland	Long	Taft
Ecton	McCarran	Thye
Ellender	McCarthy	Tydings
Ferguson	McClellan	Watkins
Fulbright	McKellar	Wherry
George	Malone	Wiley
Gillette	Martin	Williams
Gurney	Maybank	

NOT VOTING—23

Anderson	Hayden	O'Mahoney
Benton	Humphrey	Taylor
Bridges	Hunt	Thomas, Okla.
Cain	Jenner	Tobey
Chavez	Johnston, S. C.	Vandenberg
Downey	Kefauver	Withers
Flanders	Leahy	Young
Frear	McFarland	

So the nomination of Martin A. Hutchinson was rejected.

ADVISORY BOARD FOR THE POST OFFICE DEPARTMENT—MORRIS L. ERNST

The legislative clerk read the nomination of Morris L. Ernst to be a member of the Advisory Board for the Post Office Department.

Mr. LUCAS. Mr. President, this nomination has been on the calendar only a short time. I have conferred with the senior Senator from North Dakota [Mr. LANGER] on two different occasions with respect to Mr. Ernst. He desires that the nomination go over until another calendar call, at least, so I request that that be done.

The VICE PRESIDENT. Without objection, the nomination will be passed over.

UNITED STATES DISTRICT JUDGES

M. NEIL ANDREWS

The legislative clerk read the nomination of M. Neil Andrews to be United States district judge for the northern district of Georgia.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. RUSSELL. Mr. President, I desire to make a very brief statement with respect to this nomination. Both Senators from Georgia appeared before the Committee on the Judiciary in opposi-

tion to the nomination, and requested that it be reported unfavorably. That course was followed.

It is customary, in the case of nominations of this nature within a State, where the Senators of the State are members of the same political party with the President of the United States, for those Senators to be requested to submit recommendations. That custom was followed in this case. The Department of Justice asked the Senators from Georgia to make a recommendation. No notice whatever was given those Senators, at the time they were requested to make the recommendation, that the President of the United States intended to rely upon the recommendation of some person or persons other than the Senators from Georgia.

The Senators from Georgia went through the ordeal of making a selection of one to be recommended. It is unpleasant to tell a number of attorneys, many of whom are qualified, that it would be impossible to recommend them. Among those whom we told we could not recommend was the man who has been nominated by the President.

Mr. President, we submitted the name of an upstanding judge and lawyer whose qualifications for the position were above question. The fact that this action had been taken pursuant to a request from the Department of Justice was publicized in the State.

When Senators of the same political party as the President have been requested to make a recommendation in a matter of this kind, they have a right to believe that if the man they recommend is qualified the recommendation will be followed. Otherwise the constitutional power of the Senate to advise and consent to a nomination means absolutely nothing; it has no significance.

It would have been an entirely different matter if the Senators from Georgia had been told that the President was intending to consult with others and to rely upon the advice of others in the submission of the nomination. That course was not followed. After we had been invited to make the recommendation, and made it, and it had been publicized, the President, over the protests of the Senators from Georgia, submitted the nomination now under consideration.

In these circumstances, Mr. President, the course pursued makes this recommendation personally obnoxious and objectionable to me. I consider the action taken to be in derogation of the rights of individual Senators and of the dignity of the Senate as a coordinate branch of the Government. It is contrary to custom, and in defiance of the constitutional powers of the Senate.

I therefore request that the Senate reject the nomination.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination? [Putting the question.] The "noes" have it, and the nomination is rejected.

The Clerk will state the next nomination on the calendar.

CARROLL O. SWITZER

The Chief Clerk read the nomination of Carroll O. Switzer to be United States district judge for the southern district of Iowa, which had been reported adversely.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. GILLETTE. Mr. President, to oppose a nomination such as that now pending before the Senate is a very unpleasant task. It is particularly distasteful to me because I have never participated in any such proceeding before. It is additionally distasteful because of the fact that the nomination is being considered in a forum where the man whose nomination is before us does not have the opportunity of appearing in his own behalf. Through the courtesy of the chairman of the Committee on the Judiciary, and with my full approval, a special session of the committee was held to give the nominee and his friends a chance to present their viewpoint.

I would not oppose this nomination now, Mr. President, if I did not feel that it was incumbent upon me in my duty as a United States Senator. In all the months this nomination has been pending I have never, directly or indirectly, by act, word, or suggestion, contacted any one of my colleagues asking him to support my position. I am not going to do so now. I shall not ask for a yea-and-nay vote; but I feel that I owe it to the Senate, to the President, to the people of Iowa, to the nominee, and to myself, to state as briefly and specifically as I can my reasons for opposing this nomination.

Mr. President, when the founding fathers wrote into the Constitution of the United States their concepts of a government composed of coordinating and cooperating powers they had in mind the surpassing importance of the judiciary, of the judicial branch of the Government, and it was their desire to keep it as far removed as possible from the vicissitudes, contentions, hostilities, and prejudices of party politics. The members of the legislative and executive branches were to serve by terms so that periodically those in office could be called to account, to give an account of their stewardship to the electorate who had placed them in office. But in the case of the judiciary, having in mind that the judiciary would not only interpret laws which were passed by the Legislature, with the acquiescence, of course, of the executive branch, but would on many occasions pass on them and wipe them out as being in contravention of basic principles, in their wisdom, the founding fathers provided that these offices should be without term, that those holding them should not be called to account before the electorate, and that they should hold their office during good behavior.

They were not content with that, however. Having in mind undoubtedly that there was a possibility, remote, but a possibility, nevertheless, that the judiciary might feel something of obligation to the appointive power, and thus show a bias, the founding fathers made the excellent provision that the appointing should be a dual function, as has been stated by the eminent senior Senator from Virginia [Mr. BYRD] and other Senators, quoting the very able Senator from Utah [Mr. THOMAS], who made as clear a presentation of the matter as has ever been presented in the United States Senate: that the power to appoint was not lodged in the President alone.

The language of the Constitution, as every Senator knows, is that the President shall nominate, and by and with the advice and consent of the Senate, shall appoint the members of the Federal judiciary.

In the instant case, Mr. President, believing as I do that this was a wise provision, and that so far as they could do it, the framers of the Constitution had tried to isolate members of the Federal judiciary from the influences that might be brought to bear on their decisions, of the utmost moment to the lives, the welfare, and the destinies of the people, I for one have been insistent, so far as in my poor power lay, to see that the members of the judiciary were of the highest caliber that it was possible to secure; to see also that partisan consideration should be eliminated, so far as could be done; to eliminate to the *n*th degree manipulation, partisan horse trading, and factors of that type that might jeopardize the high quality and standard and dignity of the judiciary.

Again referring to the instant case, I am not going to weary the Senate in recounting the many matters that are before the Judiciary Committee—I presented them when I appeared before the Judiciary Committee—which convinced me that I should oppose this nomination. There were numerous instances which justified a conclusion that the nomination was the result of partisan dickering. From now on I am speaking the sentiments, as I am authorized to speak, of my distinguished colleague the senior Senator from Iowa [Mr. HICKENLOOPER]. At no time has the Department of Justice or the executive department of their own motivation or initiative asked me to express an opinion relative to the nomination of a judge for the southern district of Iowa. At no time.

I learned of it through a report in the press in Iowa, and I went to the Department of Justice and asked them what their policy was to be. I told them that many members of my party wished to be considered in connection with this nomination. After I had visited them, they told me to present the names of those who desired to be considered. I presented some 23 names, including the name of the nominee, and on my own account I investigated to the utmost of my ability. I went through hundreds and hundreds and hundreds of letters with reference to the selection for this judgeship of one whom I could with good conscience and good heart support.

I presented the names of the suggested nominees, those who asked to be considered, to the bar associations of the 45 counties representing the southern Federal District of the State of Iowa. I asked them to hold bar association meetings and report to me. A majority of them were Republicans, but they were

men who had appeared before this bench. I asked them to vote secretly and present to me their choice from these names in the order of 1, 2, 3. The nominee whose name was sent to the Senate received, out of 135 selections, 1 vote for second place and 1 vote for third place. As a result of the compilation I presented the name of the man who was far and away ahead of the others, who received some 26 firsts, some 22 or 23 seconds, and some 11 or 12 thirds.

Furthermore, the American Bar Association on its own initiative, not at my request, made an investigation of these aspirants, and reported a list of seven to the Department of Justice, and submitted the names to me. None of them included the nominee whose name was sent to the Senate.

The State bar association made an investigation and made similar recommendations, and did not include the name of the nominee whose name came to the Senate.

In spite of this, and in spite of my statement made to the Department of Justice that I would consider the naming of this man as a personal affront and take it as a personal affront, the name was sent to the Senate, and again without advising me that it was to be sent to the Senate, or that it was sent to the Senate. Again I received my first information from the publication of the nomination that had been sent to the United States Senate, in the newspapers of the State of Iowa, and coming to me in that way.

Mr. President, I have been accused of being stubborn in this matter. If it is to be stubborn in the matter of insisting that the Federal judiciary shall have the highest quality man that is available, I am stubborn. If it is to be stubborn to insist that selections for judgeships be made regardless of the exigencies of party machinations, I am stubborn. If it is a matter of insisting on the constitutional obligation that is imposed on the Senate of the United States and on me as a Senator from Iowa, I am not only stubborn, but I am adamant.

Mr. President, it is for these reasons—it serves no useful purpose to go into the details of the various matters which have been so unpleasant and so inexcusable—that I am opposing confirmation of the nomination.

As I have said, the Judiciary Committee has reported unanimously in opposition to confirmation of the nomination.

That is all I care to say.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Carroll O. Switzer, to be United States district judge for the southern district of Iowa? [Putting the question.]

The "noes" seem to have it. [Laughter.]

The "noes" have it, and the nomination is rejected.

The next nomination on the calendar will be stated.

FEDERAL RESERVE SYSTEM

The legislative clerk read the nomination of Oliver S. Powell, of Minnesota, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1938.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

The VICE PRESIDENT. Without objection, the nominations in the Public Health Service are confirmed en bloc.

That concludes the executive calendar.

LEGISLATIVE SESSION

The VICE PRESIDENT. Without objection, the Senate will resume the consideration of legislative business.

MEETING OF SENATE IN OLD SUPREME COURT ROOM

Mr. LUCAS. Mr. President, I submit a resolution and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution (S. Res. 326) was read, as follows:

Resolved, That when the Senate recesses or adjourns on Friday, August 11, 1950, it be until Monday, August 14, 1950, and that on said day, and until otherwise ordered, it meet in the old Supreme Court room in the Capitol.

Resolved, That all rules relating to the Senate Chamber shall be applicable to the old Supreme Court room.

Resolved, That the Secretary communicate these resolutions to the President of the United States and to the House of Representatives.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. WHERRY. Mr. President, there was some confusion in the Chamber when the resolution was read, but I understand that the resolution provides that the Senate shall meet in the old Senate Chamber beginning on August 14, and thereafter.

Mr. LUCAS. That is correct.

Mr. WHERRY. Very well.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

DEFENSE PRODUCTION ACT OF 1950

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of Senate bill 3936.

The VICE PRESIDENT. The bill will be read by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois that the Senate proceed to the consideration of the bill.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3936) which had been reported from the Committee on Banking and Currency with amendments.

Mr. LUCAS. Mr. President, it is too late in the day for us to proceed further with the consideration of the bill. However it is my hope, and I know it is also the hope of the Senator from South Carolina [Mr. MAYBANK], the distinguished chairman of the committee, that we can conclude action on the bill not later than Wednesday of next week.

A number of Senators have interrogated me with respect to the amount of time which will be consumed on consideration of the bill. Obviously I cannot tell. Certainly, however, I hope we do not take as long on this bill as we did on the appropriations bill.

That is all I desire to say at this moment.

Mr. MAYBANK. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. I send to the desk two amendments to the bill, which I ask to have printed and lie on the table.

The amendments submitted by Mr. MAYBANK were ordered to lie on the table and to be printed.

Mr. MAYBANK. Mr. President, will the Senator yield further?

Mr. LUCAS. I yield.

Mr. MAYBANK. I wish to say that I am hopeful, as is the distinguished majority leader, that we may conclude action on this measure next week.

Tomorrow the committee will be ready to proceed with the bill. I hope all Senators will give due consideration to the report on the bill. It was a rather hard job to finish the report by the time the committee finished its consideration of the bill, because there is so much legislative history pertaining to the bill. The report will be on the desks of Senators in the morning, and I hope all Senators will read it and will concur in the findings of the committee, to the end that we may promptly pass this measure, the early enactment of which is so necessary in connection with the present Korean situation and various conditions existing in the United States.

STATEHOOD FOR HAWAII AND ALASKA

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. BUTLER. I had intended to make a statement at this time, but I ask unanimous consent to have it printed at this point in the RECORD, instead.

The VICE PRESIDENT. Is there objection?

There being no objection, Mr. BUTLER'S statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

Yesterday, when the bills relating to statehood for Hawaii and Alaska were reached on the calendar call, the distinguished majority leader, the Senator from Illinois [Mr. LUCAS], and others took occasion to emphasize that in their judgment these bills should be brought up and passed. However, the Senator from Illinois mentioned that

he did not want to have the statehood bills, if they should be brought up, displaced by the Mundt-Ferguson bill or other bills. The Senator said: "I should like to see either measure debated in the Senate upon its merits, without an attempt being made in the way of subterfuge of any kind whatsoever, without attempting to displace one of the bills with some other measure."

I would like to say that I have never made any objection to having these bills brought up at the proper time, provided, of course, that ample opportunity is permitted for full debate on their merits. I certainly do not believe that either bill should be passed without the most thorough discussion possible on the floor of the Senate.

However, let me say further that I simply cannot understand why the Senator from Illinois considers the popular demand that Congress take action on the Mundt-Ferguson bill as a subterfuge. Certainly a great majority of the people of this country considers action on the Mundt-Ferguson bill by this Congress to be extremely important. I suspect that very few members of the Senate agree with the Senator from Illinois that consideration of the statehood bills should be given priority over the Mundt-Ferguson bill. Judging from the tone of the President's message of yesterday, I am inclined to believe that even the leader of the Senator's own party considers that action against the Communist conspiracy within the United States is of the greatest importance.

One other point is worth mentioning. The Senator from Illinois [Mr. LUCAS] and other Senators laid some emphasis on the supposed military advantages of granting statehood to these two Territories at this time. I do not believe he will find that this supposed military advantage is very strongly supported by our military authorities. As I pointed out in my minority views on the Alaska bill, no military authority has at any time held that Alaska statehood is necessary for defense. Rear Admiral Ralph Wood, retired, who as Commandant of the Seventeenth Naval District was responsible for the naval defense of Hawaii during the war, stated flatly, and I quote: "In my opinion, it makes no difference whether Alaska is a State or a Territory as far as national defense is concerned."

Later on he said: "Were Alaska to become a State tomorrow, it would not alter, I am sure, the general over-all consideration of our defense problems.

"Be advised that I am not debating the merits of statehood. I am simply pointing out that the question of the national defense is not germane to the issue."

With respect to Hawaii, it certainly seems strange to talk about statehood being an asset to our national defense, at the very time when some of the union locals controlled by Harry Bridges are calling strikes and slowdowns, and in every other way doing anything they can to hamper the war effort.

I hope that when this question of statehood is brought up for consideration, if it is, that the discussion will not be clouded and confused by talk about any theoretical gain to our national defense. As a practical matter, the national defense is much more likely to be endangered and hampered by hasty action at this time. I hope consideration of these two bills will be confined to the real merits of their cases for statehood.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate now stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 36 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 10, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 9 (legislative day of July 20), 1950:

TERRITORY OF GUAM

Carlton Skinner, of Connecticut, to be Governor of Guam.

RECONSTRUCTION FINANCE CORPORATION

The following-named persons to be members of the Board of Directors of the Reconstruction Finance Corporation for terms of 1 year from July 1, 1950:

Walter Lee Dunham, of Michigan.
C. Edward Rowe, of Massachusetts.

The following-named persons to be members of the Board of Directors of the Reconstruction Finance Corporation for terms of 2 years from July 1, 1950:

Walter E. Cosgriff, of Utah.
W. Elmer Harber, of Oklahoma.

William E. Willett, of Maryland, to be member of the Board of Directors of the Reconstruction Finance Corporation for a term of 3 years from July 1, 1950.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 9 (legislative day of July 20), 1950:

FEDERAL RESERVE SYSTEM

Oliver S. Powell, of Minnesota, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1938.

PUBLIC HEALTH SERVICE

APPOINTMENT AND PROMOTION IN THE REGULAR CORPS

To be senior assistant scientists (equivalent to the Army rank of captain), effective date of acceptance

Norman S. Radin
William R. Carroll

To be senior assistant nurse officers (equivalent to the Army rank of captain), effective date of acceptance

Irma F. Monlux
Apollonia F. Olson
Frances E. Shelley

To be sanitary engineer directors (equivalent to the Army rank of colonel)

Judson L. Robertson, Jr.
Clarence C. Ruchhoft

To be senior sanitary engineer (equivalent to the Army rank of lieutenant colonel)

Glen J. Hopkins

To be dietitian (equivalent to the Army rank of major)

Clara B. Tavis

REJECTIONS

Executive nominations rejected by the Senate August 9 (legislative day of July 20), 1950:

MOTOR CARRIER CLAIMS COMMISSION

Frank E. Hook, of Michigan, to be a member of the Motor Carrier Claims Commission.

FEDERAL TRADE COMMISSION

Martin A. Hutchinson, of Virginia, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1946.

UNITED STATES DISTRICT JUDGES

Hon. M. Neil Andrews to be United States district judge for the northern district of Georgia.

Hon. Carroll O. Switzer to be United States district judge for the southern district of Iowa.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 9, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, whose all-pervading presence is our shield in the stillness of the night and our strength in the struggles of each new day, we would now render unto Thee the tribute of our heartfelt praise for the many assurances of Thy continuing care and goodness.

Grant that we may see more clearly our need of accepting the Master's overtures of counsel and companionship if we would be impervious to all despondent and cynical tempers of mind and heart during these days of darkness and confusion.

May we be loyal partners with all who are seeking to bring peace upon this earth, and may good will and brotherhood prevail everywhere.

Hear us in the name of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 1161. An act to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes; and

H. R. 4604. An act to authorize the admission into the United States of certain aliens possessing special skills, namely, Teodor Egle, Karlis Fogelis, Vasily Kils, and Aleksanders Zelmenis.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 103. An act to amend section 2 of the act approved June 20, 1936, entitled "An act to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes";

H. R. 1056. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of Preston L. Watson as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased;

H. R. 2233. An act for the relief of Ewa Plantation Co., a Hawaiian corporation;

H. R. 2654. An act for the relief of Wade H. Noland;

H. R. 2887. An act to amend the Architects' Registration Act for the District of Columbia in order to safeguard life, health, and property, and to promote the public welfare;

H. R. 3905. An act to amend section 3121 of the Internal Revenue Code; and

H. R. 5101. An act to provide for the transfer to Pierce County, Wash., of certain surplus land in the Fort Lewis Military Reservation.

The message also announced that the Senate had passed bills of the following

titles, in which the concurrence of the House is requested:

S. 538. An act conferring jurisdiction upon the United States District Court for the Eastern District of Pennsylvania to hear, determine, and render judgment upon the claims of the estate of Archangelo Straneri;

S. 638. An act to amend title 28, United States Code;

S. 843. An act for the relief of S. M. Price;

S. 1490. An act to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the International Bank for Reconstruction and Development;

S. 1816. An act for the reimbursement of the S. A. Healy Co.;

S. 1837. An act to amend the Trading With the Enemy Act;

S. 2484. An act to authorize the Secretary of Commerce to provide war risk and certain marine and liability insurance; and

S. 2640. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended.

FREIGHT FORWARDERS

The SPEAKER. The unfinished business is the motion of the gentleman from Michigan [Mr. FORD] to recommit the bill H. R. 5967, the so-called freight forwarders bill.

Without objection, the motion to recommit will be again reported.

There was no objection.

The Clerk read as follows:

Mr. FORD moves that the bill H. R. 5967 be recommitted to the Committee on Interstate and Foreign Commerce.

Mr. FORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FORD. Would the Chair explain the present parliamentary situation?

The SPEAKER. The parliamentary situation is that the vote will be taken on the motion of the gentleman from Michigan to recommit the bill H. R. 5967.

Mr. FORD. Will there be an automatic roll call now as the result of the lack of a quorum yesterday?

The SPEAKER. If the gentleman desires to object to the vote on the ground that a quorum is not present, and a quorum is not present, the roll call will be automatic.

The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. FORD) there were—ayes 36, noes 47.

Mr. GREEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 145, nays 233, not voting 52, as follows:

[Roll No. 225]

YEAS—145

Abbitt	Boggs, Del.	Byrnes, Wis.
Abernethy	Bonner	Canfield
Albert	Boykin	Carlyle
Andrews	Bramblett	Carnahan
Angell	Bryson	Case, S. Dak.
Barrett, Pa.	Burdick	Chelf
Battle	Burleson	Chesney
Bentsen	Burnside	Chudoff
Blackney	Burton	Clemente
Cole, Kans.	Hope	Redden
Combs	Howell	Reed, Ill.
Cotton	Huber	Richards
Crawford	Hull	Robeson
Crook	Jacobs	Sanborn
Davenport	Javits	Sasscer
Davis, Ga.	Jenison	Saylor
Davis, Wis.	Jones, N. C.	Scott, Hardie
Delaney	Karst	Scrivner
D'Ewart	King	Secrest
Dondero	Kirwan	Shafer
Douglas	Lanham	Shelley
Doyle	Lovre	Short
Eberharter	Lucas	Simpson, Ill.
Ellsworth	McGrath	Smathers
Engle, Calif.	McGregor	Smith, Va.
Feighan	McKinnon	Stanley
Fellows	McSweeney	Steed
Fisher	Mack, Ill.	Stefan
Flood	Mack, Wash.	Stigler
Fogarty	Mahon	Stockman
Forand	Marshall	Tackett
Ford	Merrow	Teague
Fulton	Meyer	Thomas
Furcolo	Miller, Calif.	Thornberry
Garmatz	Miller, Nebr.	Towe
Gary	Monroney	Trimble
Granahan	Morgan	Velde
Grant	Morris	Walter
Green	Nelson	Weichel
Guill	Norblad	Whitaker
Hale	Norrell	Whitten
Harden	O'Konski	Wickersham
Hardy	O'Neill	Wier
Harrison	O'Sullivan	Wilson, Okla.
Havenner	Poage	Withrow
Hill	Polk	Woodruff
Hoffman, Ill.	Potter	Young
Hoffman, Mich.	Poulson	
Holmes	Rankin	

NAYS—233

Addonizio	Doughton	Kilday
Allen, Calif.	Durham	Klein
Allen, Ill.	Elliott	Kruse
Allen, La.	Elston	Kunkel
Andersen, H. Carl	Engel, Mich.	Lane
Anderson, Calif.	Evins	Larcade
Andresen, August H.	Fallon	LeCompte
Arends	Fenton	LeFevre
Aspinall	Fernandez	Lind
Auchincloss	Frazier	Linehan
Barden	Gamble	Lodge
Baring	Gavin	Lyle
Bates, Ky.	Gilmer	Lynch
Bates, Mass.	Golden	McCarthy
Beall	Goodwin	McConnell
Beckworth	Gordon	McCormack
Bennett, Fla.	Gore	McCulloch
Bennett, Mich.	Gorski	McDonough
Biemiller	Graham	McGuire
Bishop	Granger	McMillan, S. C.
Blatnik	Gross	Madden
Boggs, La.	Gwinn	Mansfield
Bolling	Hagen	Marcantonio
Bolton, Md.	Hall, Leonard W.	Marsalis
Bolton, Ohio	Halleck	Martin, Iowa
Bosone	Hand	Martin, Mass.
Breen	Harris	Michener
Brooks	Hart	Miller, Md.
Brown, Ga.	Harvey	Mills
Brown, Ohio	Hays, Ark.	Mitchell
Buchanan	Hays, Ohio	Morton
Buckley, Ill.	Hébert	Moulder
Buckley, N. Y.	Hedrick	Multer
Byrne, N. Y.	Heffernan	Murdock
Camp	Heller	Murray, Tenn.
Cannon	Herlong	Nicholson
Carroll	Herter	Nixon
Case, N. J.	Heselton	Noland
Cavalcante	Hobbs	O'Brien, Ill.
Celler	Hoeven	O'Brien, Mich.
Chatham	Holifield	O'Hara, Ill.
Chiperfield	Horan	O'Hara, Minn.
Christopher	Irving	O'Toole
Clevenger	Jackson, Calif.	Pace
Cole, N. Y.	Jackson, Wash.	Passman
Colmer	James	Patman
Cooley	Jenkins	Patten
Cooper	Jensen	Patterson
Corbett	Jonas	Perkins
Coudert	Jones, Ala.	Peterson
Cox	Jones, Mo.	Pfeiffer, William L.
Crosser	Judd	Philbin
Cunningham	Karsten	Phillips, Calif.
Curtis	Kean	Phillips, Tenn.
Dague	Kearney	Pickett
Davies, N. Y.	Kearns	Preston
Dawson	Keating	Price
Deane	Kee	Priest
DeGraffenried	Kelly, N. Y.	Rabaut
Dollinger	Keogh	Rains
Donohue	Kerr	Ramsay
	Kilburn	Reed, N. Y.
Rees	Smith, Wis.	Walsh
Rhodes	Spence	Welch
Ribicoff	Sullivan	Werdel
Rich	Taber	Wheeler
Riehlman	Talle	White, Calif.
Rodino	Tauriello	Whittington
Rogers, Fla.	Taylor	Widnall
Rogers, Mass.	Thompson	Wigglesworth
Rooney	Tollefson	Willis
Roosevelt	Underwood	Wilson, Ind.
Sadlak	Van Zandt	Wilson, Tex.
Scudder	Vinson	Wolcott
Sheppard	Vorys	Wolverton
Sikes	Vursell	Woodhouse
Simpson, Pa.	Wadsworth	Yates
Sims	Wagner	Zablocki

NOT VOTING—52

Bailey	Jennings	Powell
Barrett, Wyo.	Johnson	Quinn
Brehm	Keefe	Regan
Bulwinkle	Kelley, Pa.	Rivers
Burke	Kennedy	Sabath
Davis, Tenn.	Latham	Sadowski
Denton	Lichtenwalter	St. George
Dingell	McMillen, Ill.	Scott, Hugh D., Jr.
Dolliver	Macy	Smith, Kans.
Eaton	Magee	Smith, Ohio
Fugate	Mason	Staggers
Gathings	Miles	Sutton
Gillette	Morrison	White, Idaho
Gossett	Murphy	Williams
Gregory	Murray, Wis.	Winstead
Hall, Edwin Arthur	Norton	Wood
Hare	Pfeifer, Joseph L.	
Hinshaw	Plumley	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Joseph L. Pfeifer with Mr. Latham.

Mr. Denton with Mr. Eaton.

Mr. Kelley of Pennsylvania with Mrs. St. George.

Mr. Kennedy with Mr. Hugh D. Scott, Jr.

Mr. Magee with Mr. Johnson.

Mr. Morrison with Mr. Smith of Kansas.

Mr. Gregory with Mr. Barrett of Wyoming.

Mr. Bailey with Mr. Brehm.

Mr. Burke with Mr. Gillette.

Mr. Hare with Mr. Hinshaw.

Mr. Regan with Mr. Edwin Arthur Hall.

Mr. Williams with Mr. Keefe.

Mr. Winstead with Mr. Dolliver.

Mr. Staggers with Mr. Jennings.

Mr. Fugate with Mr. Smith of Ohio.

Mr. Dingell with Mr. Mason.

Mr. Wood with Mr. Lichtenwalter.

Mr. Murphy with Mr. McMillen of Illinois.

Mr. Sadowski with Mr. Murray of Wisconsin.

Mr. Sutton with Mr. Plumley.

Mr. MCKINNON changed his vote from "nay" to "yea."

Messrs. TAURIELLO, BLATNIK, GOODWIN, HART, ADDONIZIO, GORDON, HEFFERNAN, MORTON, and HAGEN changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

DISTRICT JUDGE FOR THE EASTERN AND WESTERN DISTRICTS OF MISSOURI

The SPEAKER. The unfinished business is the question on the passage of the bill (H. R. 7009) to repeal the proviso against filling the vacancy in the office of district judge for the eastern and western districts of Missouri.

The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 144, noes 98.

Mr. GROSS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 240, nays 133, not voting 57, as follows:

[Roll No. 226]

YEAS—240

Abbitt	Flood	Multer
Abernethy	Fogarty	Murdock
Addonizio	Forand	Murray, Tenn.
Albert	Frazier	Nicholson
Allen, La.	Fugate	Noland
Anderson, Calif.	Furcolo	Norrell
Andrews	Garmatz	Norton
Aspinall	Gary	O'Brien, Ill.
Bailey	Gathings	O'Hara, Ill.
Barden	Gilmer	O'Neill
Baring	Gordon	O'Sullivan
Barrett, Pa.	Gore	O'Toole
Bates, Ky.	Gorski	Pace
Battle	Granahan	Passman
Beckworth	Granger	Patman
Bennett, Fla.	Grant	Patten
Bentsen	Green	Perkins
Biemiller	Hardy	Peterson
Bishop	Harris	Philbin
Blatnik	Hart	Pickett
Boggs, Del.	Havenner	Plumley
Boggs, La.	Hays, Ark.	Polk
Bolling	Hays, Ohio	Preston
Bolton, Md.	Hébert	Price
Bonner	Hedrick	Priest
Bosone	Heffernan	Rabaut
Boykin	Heller	Rains
Breen	Herlong	Ramsay
Brooks	Hobbs	Rankin
Brown, Ga.	Hoffman, Ill.	Redden
Bryson	Holifield	Reed, Ill.
Buchanan	Howell	Rhodes
Buckley, Ill.	Huber	Ribicoff
Buckley, N. Y.	Irving	Richards
Burleson	Jackson, Wash.	Robeson
Burnside	Jacobs	Rodino
Burton	Jonas	Rogers, Fla.
Byrne, N. Y.	Jones, Ala.	Rooney
Camp	Jones, Mo.	Roosevelt
Cannon	Jones, N. C.	Sasscer
Carlyle	Karst	Secrest
Carnahan	Karsten	Shafer
Carroll	Kee	Shelley
Case, N. J.	Kelly, N. Y.	Sheppard
Cavalcante	Keogh	Short
Celler	Kerr	Sikes
Chatham	Kilday	Sims
Chelf	King	Smathers
Chesney	Kirwan	Spence
Christopher	Klein	Staggers
Chudoff	Kruse	Stanley
Clemente	Lane	Stigler
Colmer	Lanham	Sullivan
Combs	Larcade	Tackett
Cooley	Lind	Tauriello
Cooper	Linehan	Teague
Cox	Lucas	Thompson
Crook	Lyle	Thornberry
Crosser	Lynch	Trimble
Davenport	McCarthy	Underwood
Davis, Ga.	McCormack	Velde
Dawson	McGrath	Wagner
Deane	McGuire	Walsh
DeGraffenried	McKinnon	Walter
Delaney	McMillan, S. C.	Welchel
Dollinger	McSweeney	Welch
Donohue	Mack, Ill.	Wheeler
Doughton	Madden	Whitaker
Douglas	Mahon	White, Calif.
Doyle	Mansfield	Whitten
Durham	Marcantonio	Whittington
Eberharter	Marsalis	Wickersham
Elliott	Miller, Calif.	Wier
Engle, Calif.	Mills	Willis
Evins	Mitchell	Wilson, Okla.
Fallon	Monroney	Wilson, Tex.
Feighan	Morgan	Woodhouse
Fellows	Morris	Yates
Fernandez	Morton	Young
Fisher	Moulder	Zablocki

NAYS—133

Allen, Calif.	Arends	Bramblett
Allen, Ill.	Auchincloss	Brown, Ohio
Andersen, H. Carl	Bates, Mass.	Burdick
	Beall	Byrnes, Wis.
Andresen, August H.	Bennett, Mich.	Canfield
	Blackney	Case, S. Dak.
Angell	Bolton, Ohio	Clevenger
Cole, Kans.	Hope	Phillips, Tenn.
Cole, N. Y.	Horan	Poage
Corbett	Hull	Potter
Cotton	Jackson, Calif.	Poulson
Coudert	James	Reed, N. Y.
Crawford	Javits	Rees
Cunningham	Jenison	Rich
Curtis	Jenkins	Riehlman
Dague	Jensen	Rogers, Mass.
Davis, Wis.	Judd	Sadlak
D'Ewart	Kean	Sanborn
Dondero	Kearney	Saylor
Ellsworth	Keating	Scott, Hardie
Elston	Kilburn	Scrivner
Engel, Mich.	Kunkel	Scudder
Fenton	LeCompte	Simpson, Ill.
Ford	LeFevre	Simpson, Pa.
Fulton	Lodge	Smith, Wis.
Gamble	Lovre	Stefan
Gavin	McConnell	Stockman
Golden	McCulloch	Taber
Goodwin	McDonough	Talle
Graham	McGregor	Taylor
Gross	Mack, Wash.	Thomas
Guill	Marshall	Tollefson
Hagen	Martin, Iowa	Towe
Hale	Martin, Mass.	Van Zandt
Hall, Leonard W.	Merrow	Vorys
	Meyer	Vursell
Halleck	Michener	Wadsworth
Hand	Miller, Nebr.	Werdel
Harden	Nelson	Widnall
Harvey	Nixon	Wigglesworth
Herter	Norblad	Wilson, Ind.
Heselton	O'Hara, Minn.	Withrow
Hill	Patterson	Wolcott
Hoeven	Pfeiffer, William L.	Wolverton
Hoffman, Mich.		Woodruff
Holmes	Phillips, Calif.	

NOT VOTING—57

Barrett, Wyo.	Johnson	Quinn
Brehm	Kearns	Regan
Bulwinkle	Keefe	Rivers
Burke	Kelley, Pa.	Sabath
Chiperfield	Kennedy	Sadowski
Davies, N. Y.	Latham	St. George
Davis, Tenn.	Lichtenwalter	Scott, Hugh D., Jr.
Denton	McMillen, Ill.	
Dingell	Macy	Smith, Kans.
Dolliver	Magee	Smith, Ohio
Eaton	Mason	Smith, Va.
Gillette	Miles	Steed
Gossett	Miller, Md.	Sutton
Gregory	Morrison	Vinson
Gwinn	Murphy	White, Idaho
Hall, Edwin Arthur	Murray, Wis.	Williams
	O'Brien, Mich.	Winstead
Hare	O'Konski	Wood
Harrison	Pfeifer, Joseph L.	
Hinshaw		
Jennings	Powell	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Joseph L. Pfeifer for, with Mr. Kearns against.

Mr. Denton for, with Mr. Smith of Ohio against.

Mr. Kennedy for, with Mr. Gillette against.

Mr. Kelley of Pennsylvania for, with Mr. Jennings against.

Mr. Morrison for, with Mrs. St. George against.

Mr. Murphy for, with Mr. Eaton against.

Mr. Magee for, with Mr. Gwinn against.

Mr. Gregory for, with Mr. Lichtenwalter against.

Mr. Burke for, with Mr. Latham against.

Mr. Sadowski for, with Mr. Brehm against.

Mr. Sabath for, with Mr. Macy against.

Mr. Dingell for, with Mr. Hugh D. Scott, Jr., against.

Mr. Powell for, with Mr. Mason against.

Mr. O'Brien of Michigan for, with Mr. McMillen of Illinois against.

Additional general pairs:

Mr. Williams with Mr. Smith of Kansas.

Mr. Winstead with Mr. Johnson.

Mr. Sutton with Mr. Jennings.

Mr. Davies of New York with Mr. Chiperfield.

Mr. Davis of Tennessee with Mr. Keefe.

Mr. Regan with Mr. Barrett of Wyoming.

Mr. Wood with Mr. Hinshaw.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXAMINATION OF INDUSTRIAL PREPAREDNESS TO MEET PRESENT EMERGENCY

Mr. CROSSER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CROSSER. Mr. Speaker, I wish to announce my appointment today of a subcommittee of the House Committee on Interstate and Foreign Commerce, which will conduct a continuous examination of the preparedness of the industries under the committee's jurisdiction to meet the needs of the present emergency.

The Committee on Interstate and Foreign Commerce is keenly aware of its duties and responsibilities, under the Legislative Reorganization Act of 1946, to maintain constant watchfulness and oversight in the area of its legislative jurisdiction. Recognizing such responsibility, we have conducted many hearings and issued a number of reports on the defense phases of transportation, petroleum, and energy resources, and availabilities of materials, especially of steel, to meet the essential requirements of the industries which legislatively come under our jurisdiction.

The creation of this subcommittee specifically to handle the defense aspects of the committee's broad jurisdiction, is only further recognition of the increased gravity and importance of this subject.

The Interstate and Foreign Commerce Committee is deeply mindful of the fact that such industries as rail, water, air, pipeline, and automotive transportation; telegraph, telephone, and radio communication; electric power, petroleum, and natural gas, are the very sinews of the Nation's economy and defense effort.

The committee equally is mindful of the fact—which may not generally be so well appreciated—that these very industries normally consume some one-half of annual steel production, two-thirds to three-fourths of petroleum production, two-fifths of soft-coal output, and up to four-fifths of total rubber consumption, to indicate only a few of the basic materials.

In designating this special subcommittee, I have in mind that it will consider not only the ability of the industries under our jurisdiction to fulfill whatever they may be called upon to furnish, but also the problems which they face in being supplied with the critical materials and manpower necessary for them adequately to perform.

Just as in 1941 and 1942, this committee, through a subcommittee under the chairmanship of Judge William P. Cole, made timely and helpful reports to the President and to the Nation on the rubber and gasoline situation, so today, I assume, one of the first items on our agenda will be thorough consideration of our capacity to meet increased competitive demands occasioned by new

high-octane aviation gasoline, synthetic rubber, and chemical needs.

Another item of immediate concern is the allocation of steel for such fields as freight-car building, petroleum exploration, interstate oil and gasolines. A further item is the state of our medical care, facilities, and research to cope with emergencies, epidemics or bacterial warfare.

Members of the special subcommittee are: Messrs. CROSSER, chairman, BECKWORTH, PRIEST, HARRIS, DWIGHT ROGERS, WOLVERTON, HINSHAW, LEONARD HALL, and JOSEPH O'HARA.

DEFENSE PRODUCTION ACT OF 1950

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning therof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9176, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday last, August 4, 1950, there was pending the amendment offered by the gentleman from Virginia [Mr. STANLEY] to the amendment offered by the gentleman from California [Mr. MCKINNON].

Without objection, the Clerk will report the Stanley amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. STANLEY to the McKinnon amendment: On page 3, line 16, of the McKinnon amendment, after the word "differentials", strike out the semicolon and insert: "or (3) if for the year 1950 a producer normally does not market a commodity during the period May 24 to June 24, 1950, the highest price received by producers during the first 30-day period following May 24, 1950, in which such commodity is normally marketed."

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, I address myself as much to the gentleman from Kentucky as I do to the Chair—to ask whether the so-called Stanley amendment is or is not included in one of the committee amendments, which is to be offered.

Mr. SPENCE. It is included in one of the committee amendments which we intend to offer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. STANLEY] to the McKinnon amendment.

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 68, noes 50.

So the amendment was agreed to.

Mr. MCKINNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time to ask that we immediately consider the amendment which I offered the other day and vote on it now. I would like to say in that connection that our committee spent some 6 hours yesterday in perfecting a wage and price control amendment on a bipartisan approach. It is heartening to see members of both parties working so cooperatively on a law which so vitally affects our entire economy. While the provisions of this committee action do not include all of the provisions I offered the other day and while I have several reservations as to the effectiveness of the committee amendment, the committee amendment is a move in the right direction, and I offer no objection to it.

In view of the urgency of getting this over-all mobilization bill reported out and in operation, I would like to see the membership go ahead and vote on my amendment and, if rejected, proceed to the consideration of the committee amendment, which is to be offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. MCKINNON].

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Will the defeat of the McKinnon amendment defeat the Stanley amendment?

The CHAIRMAN. Yes.

The question is on the amendment offered by the gentleman from California [Mr. MCKINNON].

The amendment was rejected.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 30, after line 5, insert a new title as follows:

"TITLE II

"PRICE AND WAGE STABILIZATION

"SEC. 201. It is the intent of Congress to provide authority necessary to achieve the following purposes in order to promote the national defense: To prevent inflation and preserve the value of the national currency; to assure that defense appropriations are not dissipated by excessive costs and prices; to stabilize the cost of living for workers and other consumers and the costs of production for farmers and businessmen; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities; to protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from undue impairment of their living standards; to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale; to assist in maintaining a reasonable balance between purchasing power and the supply of consumer goods and services; to protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings; and to prevent a future collapse of values. It is the intent of Congress that the authority conferred by this title shall be exercised in accordance with the policies set forth in section 2 of this act, and in particular with full consideration and emphasis, so far as practicable, on the maintenance and furtherance of the American system of competitive enterprise, including independent small-business enterprises, the maintenance and furtherance of a sound agricultural industry, the maintenance and furtherance of sound working relations, including collective bargaining, and the maintenance and furtherance of the American way of life. Whenever the authority granted by this title is exercised, all agencies of the Government dealing with the subject matter of this title, within the limits of their authority and jurisdiction, shall cooperate in carrying out these purposes.

"SEC. 202. (a) In order to carry out the objectives of this title, the President may encourage and promote voluntary action by business, agriculture, labor and consumers. In proceeding under this subsection the President may exercise the authority to approve voluntary programs and agreements conferred on him under sections 708 and 712, and may utilize the services of persons and agencies as provided in section 710.

"(b) In order to carry out the objectives of this title the President may issue regulations and orders—

"(1) establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service which is of importance to the national defense or which significantly affects the cost of living, where an excessive and inflationary rise in the price of such material or service has occurred or threatens to occur; and

"(2) stabilizing wages, salaries, and other compensation paid to or received by any person for any type of employment in the industry producing or handling any material or providing any service upon which price ceilings have been established under paragraph (1) of this subsection; and regulations prohibiting increases in such wages, salaries, and other compensation, except when deemed necessary by the President to prevent gross inequity or to effectuate the purposes of this act, shall be issued whenever an increase in such wages, salaries, or other compensation (A) would require increases in price ceilings established under paragraph (1) of this subsection, or (B) would impose an undue burden on a seller operating under a price ceiling established under paragraph (1) of this subsection.

"(c) Where the objectives of this title cannot be attained by action under subsections (a) and (b), the President may issue regulations and orders—

"(1) establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service; and

"(2) stabilizing wages, salaries, and other compensation paid to or received by any person for any type of employment; and regulations prohibiting increases in wages, salaries, and other compensation, except when deemed necessary by the President to prevent gross inequity or to effectuate the purposes of this act, shall be issued whenever an increase in wages, salaries, or other compensation (A) would require increases in price ceilings established under paragraph (1) of this subsection, or (B) would impose an undue burden on a seller operating under a price ceiling established under paragraph (1) of this subsection.

"Action under this subsection may be taken either with respect to individual materials and services, or with respect to materials and services generally.

"Wages, salaries, and other compensation shall be stabilized generally whenever ceilings on prices, including retail sales prices, have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living.

"(d) So far as practicable, in exercising the authority conferred in this section, the President shall ascertain and give due consideration to comparable prices, rentals, commissions, margins, rates, fees, charges, and allowances, and to comparable salaries, wages, or other compensation, which he finds to be representative of those prevailing during the period from May 24, 1950, to June 24, 1950, inclusive, or, in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative. The President shall also give due consideration to the national effort to achieve maximum production in furtherance of the objectives of this act. From time to time the President shall adjust ceilings, and in determining and adjusting ceilings on prices with respect to materials and services, he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material or service, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the material or by persons performing the service, subsequent to June 24, 1950: *Provided*, That no regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. In stabilizing and adjusting wages, salaries, or other compensation, the President shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such wages, salaries, or other compensation. Any regulation or order under this title shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order.

"(e) (1) Regulations and orders issued under this title shall apply regardless of any obligation heretofore or hereafter incurred, except as provided in this subsection.

"(2) No wage, salary, or other compensation shall be stabilized at less than that paid during the period from May 24, 1950, to June 24, 1950, inclusive. No action shall be taken under authority of this title with respect to wages, salaries, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Acts of 1938, as amended, or the Labor Management Relations Act, 1947, or any other law of the United States, or of any State, the District of Columbia, or any Territory or possession of the United States.

"(3) No ceiling shall be established or maintained for any agricultural commodity below the higher of the following prices: (i) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (ii) the highest price received by producers during the period from May 24, 1950, to June 24, 1950, as determined by the Secretary of Agriculture and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (iii) if for the year 1950 a producer normally does not market a commodity during the period from May 24, 1950, to June 24, 1950, the highest price received by such producer during the first 30-day period following May 24, 1950, in which such commodity is normally marketed; and no ceilings shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the higher price therefor specified in this subsection: *Provided*, That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity. Nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act. Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however*, That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.

"(f) The authority conferred by this title shall not be exercised with respect to the following:

"(i) Rentals for real property;

"(ii) Rates or fees charged for professional services;

"(iii) Prices or rentals for materials furnished for publication by any press association or feature service, books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap; or rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion-picture or other theater enterprise, or outdoor advertising facilities;

"(iv) Rates charged by any person in the business of selling or underwriting insurance;

"(v) Rates charged by any common carrier or other public utility;

"(vi) Margin requirements on any commodity exchange.

"(g) The President, in or by any regulation or order, may provide exemptions for any materials or services, or transactions therein, or types of employment, with respect to which he finds that (1) such exemption is necessary to promote the national defense; or (2) it is unnecessary that ceilings be applicable to such materials or services, or transactions therein, or that compensation for such types of employment be stabilized, in order to effectuate the purposes of this title.

"SEC. 203. The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except where such action is affirmatively found by the President to be necessary to prevent circumvention or evasion of any regulation, order, or requirement under this title.

"SEC. 204. In carrying out the provisions of this title, the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

"SEC. 205. (a) It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade to buy or receive, any material or service, or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer, solicit, attempt or agree to do any of the foregoing.

"(b) No employer shall pay, and no employee shall receive, any wage, salary, or other compensation in contravention of any regulation or order promulgated by the President under this title. The President shall also prescribe the extent to which any wage, salary, or compensation payment made in contravention of any such regulation or order shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"SEC. 206. Nothing in this title shall be construed to require any person to sell any material or service, or to perform personal services.

"SEC. 207. (a) At any time within 6 months after the effective date of any regulation or order under this title, or, in the case of new grounds arising after the effective date of any such regulation or order, within 6 months after such new grounds arise, any person subject to any provision of such regulation or order may, in accordance with regulations to be prescribed by the President, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation or order may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the President. Within a reasonable time after the filing of any protest under this section, but in no event more than 30 days after such filing, the President shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the President denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the President has taken official notice.

"(b) In the administration of this title the President may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 705 of title VII of this act.

"(c) Any proceedings under this section may be limited by the President to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however,*

That upon the request of the protestant, any protest filed in accordance with subsection (a) of this section shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the United States designated by the President in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpenas shall issue to procure the evidence of persons, or the production of documents, or both. The President shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the President. The protestant shall be informed of the recommendations of the board and, in the event that the President rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

"(d) Any protest filed under this section shall be granted or denied by the President, or granted in part and the remainder of it denied within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the President in disposing of his protest may petition the Emergency Court of Appeals for relief; and such court shall have jurisdiction by appropriate order to require the President to dispose of such protest within such time as may be fixed by the court. If the President does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

"SEC. 208. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation or order, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided*, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest of such evidence and shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

"(b) No such regulation or order shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation or order shall be postponed until the expiration of 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

"(c) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation, order, price schedule, or wage, salary, or other compensation schedule issued under this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

"(d) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under this title, and of any provision of any such regulation or order. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"SEC. 209. (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 205 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(b) Any person who willfully violates any provision of section 205 of this title shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than $10,000, or to imprisonment for not more than 1 year, or both. Whenever the President has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(c) If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings, the person who buys such material or service for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, but in no event shall such amount exceed the amount of the overcharge, or the overcharges, plus $10,000, or (2) an amount not less than $25 nor more than $50 as the court in its discretion may determine: *Provided, however*, That such amount shall be the amount of the overcharge, or overcharges, if the defendant proves that the violation of the regulation or order in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the word "overcharge" shall mean the amount by which the consideration exceeds the applicable ceiling. If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the President may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the President, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the President, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. The President may not institute any action under this subsection on behalf of the United States—

"(1) if the violation arose because the person selling the material or service acted upon and in accordance with the written advice and instructions of the President or any official authorized to act for him;

"(2) if the violation arose out of the sale of any material or service to any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"SEC. 210. As used in this title—

"(a) The word 'person' includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided*, That no punishment provided by this act shall apply to the United States, or to any such government, political subdivision, or government agency.

"(b) The word 'materials' shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

"(c) The word 'facilities' shall not include farms, churches or other places of worship, or private dwelling houses.

"(d) The term 'national defense' means the operations and activities of the Armed Forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended.

"(e) The words 'wages, salaries, and other compensation' shall include all forms of remuneration to employees by their employers for personal services, including, but without limitation, vacation and holding payments, night shift and other bonuses, incentive payments, year-end bonuses, employer contributions to or payments of insurance or welfare benefits, employer contributions to a pension fund or annuity, payments in kind, and premium overtime payments."

Mr. SPENCE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is a bipartisan amendment. It is a committee amendment. It was voted out of committee by a vote of 21 to 1, 1 member voting "present." I think it is a happy solution of the problems that have been presented to us.

It provides first for voluntary controls of wages and prices. I think, when we are meeting conditions that now present themselves, that the patriotic spirit of the American people will go a long way to make and carry out voluntary agreement with reference to prices and wages. I think it is the logical way to proceed.

First, let the President see what he can do by voluntary agreements. I think he might accomplish much by that.

If that does not succeed, he can impose selective controls—selective controls on prices and on wages in the industry affected. If a price ceiling is placed on a commodity and threatened wage increases would interfere with the production of the commodity under the ceiling, ceilings may then be put on the wages to tie in prices and wages, in order that production may continue. In the event that both of those methods fail, then the President at his option, can exercise over-all controls.

It seems to me that this program is both logical and effective. We certainly need expedition in the passage of this bill. The greatest purchaser of commodities in the world is our Government. I remember how Secretary Stimson, when he was Secretary of War during the last war, appeared before our committee and urged that we see that prices did not rise and that there was not that vicious spiral of prices and wages chasing one another, which could only bring disaster to our country. It is absolutely essential that this bill go into effect to meet a condition that is steadily growing worse. You do not have to read the Bureau of Labor statistics. In your everyday life you know what is happening. You know that everything is rising in price all the time. You go into a restaurant, and you will find that the prices of meals are increasing. We must meet that condition. It is not only destructive to the welfare of the citizens, but it is destructive to the economy of the Nation.

I think that this bill admirably meets those conditions. I think it will be wisely administered by the President. We must place this discretion somewhere, and we have placed it in the Chief Executive of our Nation, who heads a coordinate branch of the Government and who is responsible to the people, as we are.

I am not going into the details of this intricate amendment. We have adopted much of the language that appeared in the Price Control Act during the last war. We have established an instrumentality that cannot only meet the conditions that exist now but is adapted to meet other conditions as they may arise. Nobody knows what those conditions will be.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield for a question?

Mr. SPENCE. I yield.

Mr. AUGUST H. ANDRESEN. I am in general agreement with the amendment. I wanted to ask the gentleman one question about selective price control and rationing. The thought occurs to me, for instance, in the case of meats, beef, pork, and lamb, that if controls were put on these items but not on poultry and poultry products there would be a reduction in the price or a switch in the type of consumption to those commodities that were not under control. It occurs to me that when you are going to impose a control on one line of foods you should control all others that could be used as substitutes.

Mr. SPENCE. I think the President in his discretion would not use the powers that were granted to him in a way that would give one producer an advantage over another. I do not believe it was intended to do that; I think it was intended in the ordinary production of manufacturers that where prices get out of line it would be possible to selectively control those prices; in other words, it would be not necessary to regiment our whole economy but to apply pressure only where it was most needed, and I think we could trust him not to depress the price of one agricultural commodity or one farm product to the benefit of another. We have got to put this discretion somewhere; these laws do not enforce themselves; there must be human judgment and discretion, and the only way it can be done is the manner in which it is done in this bill. I think it very desirable that the President be allowed to use selective price controls before he attempts to regiment the economy of the Nation. It may be that by the operation of this act we can avoid general price controls.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield further?

Mr. SPENCE. I yield.

Mr. AUGUST H. ANDRESEN. Then it is the gentleman's construction of the language now before us that when there are selective controls the President could use his authority to control articles that might be competitive in a certain field.

Mr. SPENCE. I think so.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CELLER. I notice that there is exempt from control newsprint furnished newspapers. I am curious to know why newsprint is thus decontrolled when we know from the investigation conducted by the Committee on the Judiciary that newsprint per ton is now over a hundred dollars, almost a hundred-percent increase in price in the period of a decade, that there is a black market in newsprint that runs up as high as $250 per ton, making it very difficult for small papers to procure newsprint.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. BUCHANAN. I might answer the gentleman from New York in this respect: On page 10 it is provided that the controls shall not be exercised with respect to prices or rentals for materials furnished for publication. It is limited to that extent and it does not include newsprint.

Mr. CELLER. I am glad to get that explanation.

Mr. SPENCE. Newsprint is not exempted from the controls.

Mr. BUCHANAN. It is included in the controls, yes.

Mr. SPENCE. Mr. Chairman, the destiny of our Nation is not entirely in our own hands; we have got to meet every emergency; we have got to do everything to strengthen our economy and to strengthen the very fabric of our country.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman from Kentucky be allowed to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Mr. Chairman, in line 3, page 7, it is stated:

> No wage, salary, or other compensation shall be stabilized at less than that paid during the period from May 24, 1950, to June 24, 1950.

Should that not read that no wage, salary, or other compensation shall be stabilized at more than that point?

Mr. SPENCE. I think not. This is very fair. You have to have some standard, and this is a very fair standard. I certainly would not want to put a maximum on a salary that could be paid. It seems to me this is the proper way to do that.

Mr. NICHOLSON. If this wording is left in here, then the question of wages would not be frozen along with other costs. They could take not less than that. We would have a ceiling on the thing; then they could not go up.

Mr. SPENCE. I do not think that there should be a rigid statutory ceiling on wages under any circumstances.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Texas.

Mr. PATMAN. The standard there is exactly the same as for agriculture.

Mr. SPENCE. Yes. I want to say that agriculture is well taken care of in this bill. The two Pace amendments are in the bill, the Stanley amendment is in the bill, and the Cole amendment is in the bill.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman from New York [Mr. CELLER] raised the question about the advance in the price of newsprint paper. He said it was 100 percent more than it was a decade ago. I do not have the exact figure for 1940, but I have the figure for 1938.

On January 31, 1938, we had $6,324,000,000 in circulation. On June 30 this year we had $27,156,000,000 in circulation, more than four times as much as we had in circulation in 1938.

Prices in a free economy are regulated by the volume of the Nation's currency and the velocity of its circulation. So that is not an unusual rise if newsprint has not gone up more than the gentleman from New York has indicated. It has not gone up as much as some other commodities.

Mr. SPENCE. That is what we are trying to fight in this bill, the vicious spiral of prices and wages. When the workingman gets a raise in his wages it does him very little good because prices more than keep pace with it. He does not get any additional purchasing power. That is the reason a bill like this will give added strength to the country. It will bring contentment to the people and it is necessary for our national defense. The sooner we pass it in order that these controls may be put into effect, if necessary, the better it will be for all of us. It has already taken too long to put this act on the statute books.

The purchasing power of the dollar has depreciated so that those who work for wages, those who work for salaries, are at a great disadvantage. Those who are living on fixed incomes see their income disappear. The finest thing we can do is to stabilize the economy of our Nation and bring back to a certain extent the purchasing power of our dollars and to see that our Government is not defrauded in the great purchases it will make, because the Government will spend astronomical sums in the prosecution of the war. We can make the money it expends go very much further by the adoption of this amendment.

Mr. Chairman, I ask that this amendment be considered as expeditiously as possible and that it be passed and put upon the statute books in order that the benefits that will accrue from it may come to the people immediately.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment which has been offered by the gentleman from Kentucky as a committee amendment is substantially the language agreed upon by the Senate Committee on Banking and Currency, and in almost all of its respects it is, I believe, somewhat better than that which has been heretofore proposed in the Committee of the Whole. It will give stand-by controls to the President to enter into voluntary agreements, in which case the antitrust laws will not apply; it will give him an opportunity to put price controls and wage control on selectively, and then if he cannot do the job he can, under the provisions of the bill, put price and wage controls on generally. It is on a stand-by basis, and I do not hesitate to say that the President is given all the powers with respect to price and wage controls in the amendment which he needs, and it is to be hoped that he will administer them judiciously, having in mind the stability of our economy, in order that we may get full defense production.

The Committee on Banking and Currency has met the last 2 days in an endeavor to clarify these problems which confronted us during last week. There was a great deal of confusion, almost to the point of chaos, at times. I think that the Committee on Banking and Currency, as far as it has gone, has done a reasonably good job in meeting and solving many of the problems which we discussed here last week; at least, we have narrowed the issues down to a point where we should be able to agree on this bill and pass it this afternoon. I want to assure the leadership that we, on the minority side, will cooperate to the fullest extent to finish this bill this afternoon and bring it to a final vote this afternoon.

The issues, as I see it, from now on—and they are matters which were discussed by the Committee on Banking and Currency which were acted negatively upon and which will be presented to the Committee for consideration this afternoon, in addition to the one which is now pending—are amendments which are more or less fundamental, the first of which is a matter which to me is controlling in importance, and you will pardon me for referring to it again. I hope the subject has not become so hackneyed that we lose sight of the tremendous effect which it will have on our economy and our production effort. There is still in the committee bill a provision for broad credit controls, which would make it possible for the President to control every dollar of private credit, and I mean by private credit all credit which does not emanate from the Government or agencies of the Government or corporations under Government control.

I want to stress that under the language of the bill the President can control all private credit, he can control the loan policy of every bank in the United States, he can control the loan policy of every mutual savings bank or cooperative bank in the United States, and he can control private transactions even to the point of sending you and me to jail for a year or fining us $5,000 if in violation of his regulations you make a private loan of $50 or $100 to me, with no one else concerned. Those are too broad powers for any individual to have under our system of government. There is no particular reason why in the saving of democracy here at home we should destroy the American system of government.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KUNKEL. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WOLCOTT. That to me is basic, because, as I have said, he who controls credit controls the lifeblood of the American economy. If that provision remains in the bill, then it is unnecessary for the President or anyone else in the Executive Establishment to have any other powers contained in this bill. It is not necessary for the President, if he has the broad power to control credit, to have subsidiary powers to control allocations, priorities, prices, rationing, or wages. He can do it all through the manipulation of credit controls as effectively as if we write the language into existing law.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Mississippi.

Mr. RANKIN. I want to know if the committee has taken any steps at all to stabilize the volume of our currency.

Mr. WOLCOTT. No.

Mr. RANKIN. If not, what this is going to do is just drive people into the black market. You will have the little fellow with the Government holding him down, and the international financiers doing as they did during the last war and have been doing for the last few years, getting immensely rich out of our inflated currency, that this bill does not touch. The way to control this situation is to control the volume of currency.

Mr. WOLCOTT. Before the President or anyone else is given authority to control the lifeblood of the American economy we should give consideration to the use of the powers he already has to control the volume and velocity of credit. The powers already exist, for all practical purposes, for the shutting off of bank credit through the exercise of the power which the Federal Reserve has to raise reserve requirements. What should be done and done immediately by the Congress is something that was suggested to lick inflation 2 years ago. We should, before these controls go into effect, increase the gold-reserve requirements behind deposit liabilities and behind the issuance of Federal Reserve notes. We should, if it is necessary, authorize an increase in the reserve requirements of the banks. We should give consideration to the sterilization of a certain amount of Government debt now held by the

banks, so that that could not be monetized and continue as a serious inflationary threat. We should invoke the powers which the Federal Reserve now has to peg or support the price of bonds at par, not above par.

We should and could very readily regulate the flow of consumer credit as well as all other credit by the manipulation of the rediscount rates. If that were done, because all credit, consumer credit, and all other forms of credit, emanate from this source, then all forms of credit would be effectively controlled. Instead of trying to regulate at the top, we should regulate at the bottom, or at the source of the credit. The consumer credit provisions of this act are all right. We have no objection to them. But let me reiterate that you might just as well try to control the volume and velocity of credit through the application of consumer credit controls as to try to prevent the inflation of a child's toy balloon by resting your finger lightly upon it.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DONDERO. Has the gentleman's committee done anything regarding title IV of this bill which deals with real estate credit?

Mr. WOLCOTT. No.

Mr. DONDERO. I have been informed of much opposition to that title.

Mr. WOLCOTT. In that respect an amendment will be offered. The committee this morning would not accept the amendment, but it will be offered on the floor. It is an amendment similar to that which was offered the other day to restrict real-estate credit to new construction. The other body has already done that in their Committee on Banking and Currency.

There are three other very important things which will have to be ironed out here on the floor.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. There are three other very important things which we will have to iron out here which were given consideration this morning in committee and on which we could not agree. The first is a definition of the words "national defense," which appear in the Senate bill, and which is substantially the amendment offered the other day. It seems to me to be very controversial and also it seems to me to be the very meat of the coconut. It restricts the use of the powers contained in this act to the war effort, substantially. That will again be offered on the floor. That is still in controversy. Then there is a provision, too, in the committee bill which authorizes the issuance of licenses to enforce these controls. It gives pretty broad power. It authorizes anyone administering this power, under certain limitations, to put a concern out of business. To be sure, that has been in the law before now, but it should not have been in the law. Further, there is no review of any caprice which an administrator might indulge in or of any arbitrary attitude which he might take toward any particular industry.

So we think the injunction provisions and the penalty provisions and the civil damage provisions of the act ought to be sufficient to enforce the act at this particular time. If they do not succeed, by using those powers, then they can come back to the Congress and ask for licenses. So that we may know that no punitive action is going to be taken, that provision should come out. Although the Committee of the Whole last week overwhelmingly adopted an amendment striking out control over commodity exchanges, that provision still remains in the bill, and we must give consideration to amendments to strike that out of the bill this afternoon.

In summary, Mr. Chairman, these primarily are the controversial subjects: a definition which will narrow this bill down to war production; credit facilities which would give the authority to an individual to regulate to the point of destroying the American economy and the American system of government.

The broad controls which would allow, within certain limitations, an individual to take a man's license away from him and put him out of business. That should come out. The Commodity Exchange provision, which we have already taken out of the bill, should be taken out of this bill.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. PACE. I should like to have the gentleman's view on one feature of the bill. While it provides for ceiling prices on commodities and other materials, it simply provides in the first instance as to wages, for the stabilization of wages. I do not know exactly what that means. Then, it provides that no ceiling shall be placed upon wages unless an increase in wages would require an increase in the ceiling price of a commodity. To what extent would that give control over any earnings of any employer? That is to say, is it the gentleman's view that the Administrator of this act could say, "Well, you are still making a profit. Therefore, it will not be necessary to raise the ceiling price on your product. Therefore, there is no necessity for putting a ceiling price on wages." To what extent, how far could we batter down the earnings of the employer before they would put a ceiling on wages?

Mr. WOLCOTT. That is in respect to the second step which the President might take, wherein he may put on selective price controls. If he does that, he may put on selective wage controls in the industries engaged in the production of the commodity which comes under price control.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has again expired.

Mr. PACE. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOLCOTT. That has given us a great deal of concern. But we do not want to seem to be taking any punitive action against labor.

Mr. PACE. Neither do I.

Mr. WOLCOTT. We all agree on that, I am sure. We all agree that because wages constitute a large part of production costs that somebody should have the power somewhere to stop the spiral. That is what this intends to do. As I understand this second step, the President may or may not tie-in wage controls with price controls. I assume it is for the purpose of preventing a circumstance where there will be dislocations in wage rates, in spiraling and encouraging strikes in that industry, and perhaps prejudice the stability of wages generally. But in the third provision, when the President uses price controls he must use wage controls. In the second instance also he may use wage controls where he finds that gross inequities may result. We cannot administer the law. This act must be flexible. It must be flexible to the point where, within the standards set up by the act, the administrator of the act, whether the President or whoever it may be, must be given latitude in the application of it. Otherwise you will throw your economy into a tailspin. I am in favor of giving the President in this instance broad powers of discretion, limited only by the standards which we have set up in the act, to do the job piecemeal, as he goes along, to stabilize our economy and prevent our economy from getting into the chaotic situation it was during the Second World War.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has again expired.

Mr. DONDERO. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DONDERO. You stated that the bill has been narrowed to control credit production.

Mr. WOLCOTT. No. I intended to say it should be done.

Mr. DONDERO. That is a different thing. If that were so, why is it necessary to control real-estate transactions between individuals, which has nothing to do with credit production?

Mr. WOLCOTT. There might need to be some control of real-estate credit. I wish that all of you would hear me on this, so that there will be no question about my position on it, notwithstanding anything that has gone before. I am in favor of giving the President the authority to control some real-estate credit.

I think it is necessary to do something in this bill; I think it should be confined to new construction the same as credit controls with respect to consumer credit, and all other credits are going to be confined to new transactions, new

production, and new construction. We should not discriminate against real estate; we should not discriminate in favor of real estate; we should put real estate on the same basis as all other production effort, and that is what I seek to do through the amendments which I have offered.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. GROSS. Only a week ago yesterday the chairman of the committee told us that the only authority the President wanted was for allocation, requisition, and credit control. Does the gentleman believe that this bill by any chance will be acceptable to the President?

Mr. WOLCOTT. I do not know. I cannot speak for him, but I may say that from the experience which we have had throughout the years that if the President had been advised by those who had had the experience which the gentleman and I and many of us have had, he would know that he cannot exercise control over production, he cannot acquire materials, he cannot exercise priorities in the distribution of materials without affecting the distribution of other consumer commodities which necessitate rationing, and the moment we have rationing we must have price control. There cannot be allocations and priority controls without rationing, without the wage and price controls. We might as well give it to him all at once.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BONNER. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BONNER. I call the gentleman's attention to page 5, line 6, of the amendment, particularly to the word "compensation." Will that have control over these war contractors who get war contracts?

Mr. WOLCOTT. No; that is consideration; that is not compensation.

Mr. BONNER. Do we have a provision in the bill to curb these enormous salaries the contractors fix for themselves?

Mr. WOLCOTT. That will have to be done through the excess-profits-tax bill, or an increase in personal income taxes, or corporate taxes. We have not sought to interfere with the tax structure in this bill; we do not know much about it; we do not have jurisdiction, to begin with.

Mr. BONNER. I am not talking about taxes; I am talking about the salaries they set up for themselves and for their sons and daughters and others when they get these big contracts. In other words, when price control is put into effect, do not wages, salaries, compensation, and income automatically come under control?

Mr. WOLCOTT. Under that provision; yes.

Mr. BONNER. When this is put into effect.

Mr. WOLCOTT. Yes.

Mr. BONNER. When any price control goes into effect, wages, salaries, income, compensation, no matter from what source, and are affected in accordance with the salary the person was receiving on May 25.

Mr. WOLCOTT. Yes; they take that as a base.

Mr. BONNER. So, then, anybody getting one of these war-production contracts would have to put their salary down to what it was on May 25 of this year.

Mr. WOLCOTT. I do not know; that would depend entirely upon other statutes.

Mr. BONNER. I ask the gentleman the question because I do not know.

Mr. WOLCOTT. That would depend entirely upon any law having to do with contracts and the production of war goods.

Mr. BONNER. That is income and salary. This section will control that, will it not?

Mr. WOLCOTT. This section will authorize the President to control. If he uses priority and allocation controls, he must control salaries, but that would be subject to renegotiation and other statutes.

Mr. BROWN of Georgia. Mr. Chairman, I rise in support of the pending amendment.

Mr. BROWN of Georgia. Mr. Chairman, up to this point I have advocated the passage of the bill recommended by our President, the Commander in Chief of the Armed Forces; by Mr. Symington, Chairman of the National Security Resources Board; by Mr. Evans, a member of the Federal Reserve Board; by the Secretary of Commerce; and by General Bradley. The bill reported by the House committee represents their views—that is, to authorize the President to requisition plants and facilities, to provide allocation of materials needed for the Armed Forces, and to tighten bank credits by curbs on installment buying. All this, they claimed, was needed immediately, and they opposed control of prices and wages at this particular time.

When the bill came to the House, as reported by the committee by a vote of 20 to 1, amendments were offered on both sides of the aisle to have control of commodities and wages immediately. The House undertook to write amendments to carry out this idea, but the longer we debated the control question the more confused the House became and saw the fallacy of trying to write a price- and wage-control bill on the floor. We adjourned last Friday to give the committee an opportunity to go into the control of prices and wages feature, which the committee did. All day Tuesday we discussed the different proposals submitted to the House last week and heard one or two witnesses. We finally voted out an amendment relative to control of prices and wages, something that was not considered at all during the hearings on the original bill reported to the House. We finally agreed to amend the original bill to provide a flexible and fair method in which to apply price and wage controls.

The amendment provides three different methods by which these controls may be applied. In the first place, the President can call in leaders of industry, labor, and agriculture and get them to agree on voluntary controls. I venture the opinion that unless the international situation becomes much worse voluntary controls will be all that are ever utilized.

If these should not be enough, however, the President may apply controls to any material which is of importance to the national defense. The President shall issue regulations prohibiting increases in wages or salaries whenever such an increase would require an increase on any material on which he has established a price ceiling. Clearly, for example, if he set a price ceiling on, say, steel, he would be required to control the wages of those people whose wages contribute to the price of steel.

Finally, as a last resort, and I cannot see this taking place for a long, long time, the President could place price ceilings on other materials. Here again he would be required to match price controls with wage controls. In the committee amendment, it is required that wages and salaries and other compensation shall be stabilized generally whenever ceilings on prices have been established on commodities, materials, and services comprising a substantial part of all sales and materially affecting the cost of living.

I believe the committee amendment on price and wage controls is a fair middle-of-the-road approach to the problem. It provides for three different ways of dealing with the problem at three levels. As I have said before, we shall probably never get beyond stage No. 1.

The remaining titles of H. R. 9176 are substantially what the President has asked for to combat inflation. They are allocation and priority authority, the right to requisition, but only as a last resort, consumer credit control, and the authority to make loans for industrial expansion and production.

Everyone knows how I feel about controls. I am supporting this amendment on account of the three formulas to solve the problem, especially the first one of voluntary controls, and the further reason that my amendment was adopted to limit the law to June 30, 1951, instead of June 30, 1952. I take the position that at that time, if we need controls, we will need greater control than is provided in this amendment, or else we will not need any control at all. We will have sufficient time by then to pass another law if necessary. This amendment is a compromise between those who want all-out control on everything at once, and those who take a milder view of the situation.

Mr. Chairman, I have stuck to the original bill all along because our Commander in Chief wanted it. That is what General Bradley wanted, that is what Mr. Symington and the others wanted. They did not want further controls at this time because they realize the Pres-

ident has the machinery in the Commodity Credit Corporation to control food and clothing.

The Commodity Credit Corporation has an abundant supply of cotton, grain, and foodstuffs of all kinds and can sell these commodities in an orderly way and control the market on all food and on all clothing. Why do I say that? The Commodity Credit Corporation has title to 3,100,000 bales of cotton in the 1948 production and loans on 500,000 bales of 1949 cotton, which loan was due on July 1 last. In other words, they can place on the market at any time that 3,600,000 bales of cotton. The amount of cotton we have on hand now is around 7,500,000 bales, but the amount owned by the CCC, if sold in an orderly way, could prevent any inflation on cotton and, finally, clothing.

The carry-over of wheat is 470,000,000 bushels. The Commodity Credit Corporation has title to 334,000,000 bushels of wheat. The Corporation can sell this wheat in an orderly way and prevent inflation on wheat and bread.

The corn carry-over for the United States as a whole is in excess of 900,000,000 bushels. Of this amount the Commodity Credit Corporation has title to more than 300,000,000 bushels. The Corporation can sell this in an orderly way and prevent inflation on corn.

The Corporation has title to plenty of edible beans, in fact 9,500,000 hundredweight. The Corporation has title to 17,600,000 bushels of flaxseed; 37,700,000 hundredweight of grain sorghum; 12,600,000 bushels of oats; 857,000 hundredweight of dried peas; 88,000,000 pounds of dried eggs—three dozen to a pound.

There is 34 percent more cattle in feed lots this year than last year; the pig crop is one of the biggest in history. So there is plenty of corn to feed the cattle and the pigs, and there is no just reason for beef or pork to advance or be as high as it is if the corn surplus is sold in an orderly way.

The Commodity Credit Corporation has 192,000,000 pounds of butter; 348,000,000 pounds of milk and 97,000,000 pounds of cheese.

It is obvious to everyone why the President and the witnesses supporting the bill which was reported to the House were against control of prices and wages at this time, because the Commodity Credit Corporation can sell these commodities in an orderly way to prevent inflation on all foodstuffs and clothing.

Now I want to take all profit out of war, but our committee does not have the right to write a tax bill. That is for the Ways and Means Committee, and unless something is done on this line, I don't believe a price- and wage-control bill would have very much influence in preventing inflation. As stated before, if and when the people of the country know that we have an abundance of everything to eat and wear and the President cannot control high prices by voluntary controls, then he can and must try out the more rigid methods in controlling same which I subscribe to. So I agreed to go along with the bill under the formulas therein and let the President first try out voluntary controls.

Now the Commodity Credit Corporation can sell any or all of these commodities at a price fixed by law at 90 percent of parity, plus carrying charges and 5 percent, which amounts to about 97½ percent of parity. Who objects to that? No one, as long as they sell the commodities in an orderly way and this is the solution to reduce inflation on all foodstuffs and clothing.

The CHAIRMAN (Mr. McSWEENEY). The time of the gentleman from Georgia has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman just stated that he believes when we have price control we should also have wage control, and I agree with him. Does the gentleman understand that this bill provides for wage controls when we have price controls?

Mr. BROWN of Georgia. This bill does provide for it in this way: The second formula is selective control.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is the objection to the request of the gentleman from Texas?

There was no objection.

Mr. BROWN of Georgia. If the President thinks that when he places a ceiling upon selective commodities, the conditions appear to him that wages will have to be raised, then in that instance it is his duty under this bill to put wages under control.

Mr. POAGE. Will the gentleman explain why the difference in the language, then? The Spence amendment provides on page 4 that the President may issue regulations and orders "establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee," and so forth, but when it comes to wages and salaries, on page 5 the amendment states, "Wages, salaries, and other compensation shall be stabilized generally." In other words, it states that prices shall be placed under ceilings but wages shall be stabilized.

Mr. BROWN of Georgia. That is the third formula. When he undertakes to put it on over all, if he puts it on a majority of the commodities he then has to stabilize wages by placing a ceiling on wages.

Mr. POAGE. Does the gentleman interpret the word "stabilize" to mean the same thing as to impose ceilings?

Mr. BROWN of Georgia. Absolutely. You stabilize by putting ceilings on them.

Mr. POAGE. Is it not a fact that in World War II we did place a ceiling upon prices, and that we stabilized wages at 15 percent above the figure that existed at the time we put the ceiling on prices? That was the Little Steel formula, was it not?

Mr. BROWN of Georgia. The President under authority given him now is not supposed to wait until a 15-percent rise. When a rise is threatened, it is his duty under this amendment to stabilize wages immediately by putting ceilings on wages at that particular time.

If the Commodity Credit Corporation will sell in an orderly way the commodities they have now in surplus they can keep prices from rising to an exorbitant height, and if the Ways and Means Committee sees fit to take unjust profits out of war, we will not have much inflation and this is one of the reasons I feel that this bill will prevent inflation by the exercise of the No. 1 formula, that is voluntary controls, and if it does not I feel justified in voting for the other formulas by which the President can try out selective controls and over-all controls.

I subscribe to the theory of some of the farm organizations that inflation is a condition which develops when the supply of money increases in relation to the supply of goods. Price and ration controls, at best, only suppress the symptoms of inflation. They invite black markets and require administrative personnel needed for production. They do not attack the problem of cheap dollars at its source, and actually decrease the supply of goods thus depriving the country of needed defense and the citizens of goods and services.

Mr. KUNKEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KUNKEL to the Spence amendment: On page 3, line 5, strike out all of subsection (b) down to line 7 on page 4, and in line 8, page 4, strike out "subsections (a) and (b)" and substitute "subsection (a)."

Mr. KUNKEL. Mr. Chairman, our chairman has pointed out that there are three steps in the establishment of complete controls under the provisions of this bill.

If voluntary controls do not work, then we go into a phase of selective controls during which, if a control or ceiling is placed on the price of any commodity or manufactured article, then at the same time a ceiling can be placed on the wages paid to those employed in that particular industry which is manufacturing that commodity.

The third phase is a system of general controls under stand-by authority somewhat in line with that contemplated in the bill which I offered as a substitute several days ago. I am strongly opposed to selective controls and to postponing the day at which all prices and wages are frozen generally at one time. It seems to me if that is not put into effect in the near future then we will have passed the period in our economic pre-war development which would have given us the chance to institute such controls at all effectively. So in order to bring this proposal which we now have before us more in line with my thinking

on the subject, and to offer those who are in accord with me another chance to express their views, I am offering this amendment which in substance cuts out the intermediate step of selective price controls. If this should not be done, I fear we would never manage to get out of this second stage. We would then be plagued with all the difficulties and evils which persisted through World War II and the postwar period.

In addition to everything else, I think this would be radically unfair to labor. A ceiling is only to be placed on wages in a factory which is making a commodity on which a ceiling has already been placed. Of course, the person who is working in that factory and making that commodity spends very little of his wage or his income on the purchase of that particular commodity. He is going to spend his wage or income for food and clothing and all of the other things which go to make up his cost of living. So that you are controlling his income at a time when you are not giving him the benefit of stabilizing his cost of living. Therefore, I think this would not only be radically unfair, but I think it would cause a great deal of discontent throughout the whole working population of the country because certain sections of it would be given unequal treatment as compared to other segments. This whole committee amendment which you are now considering would work out better if this intermediate step were cut out. Please keep in mind that I am not cutting out the period during which the President can attempt to stabilize by using voluntary controls. Personally I do not think the voluntary controls will work, and I am not at all keen about that section of the bill.

But I am not moving to strike it out because I think we can improve this bill, a great bill, by merely adopting this amendment of mine, which strikes out the intermediate steps. Having been defeated in several of my efforts to put the Baruch idea into operation, I am now trying to salvage as much as possible.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. COLE of Kansas. May I say to the gentleman that I support him now on the amendment which he has offered today as I did in committee. I am in accord with the gentleman that selective price controls will not work and that once the Administrator attempts to place controls on a given commodity he thus begins to throw out of gear the economic picture of the country, and when he attempts to determine whether selective wage controls are necessary in order to stabilize the economy he will again find himself in difficulty. Therefore, I believe this second step is unworkable and should not be approved by the Committee.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. KUNKEL] has expired.

Mr. KUNKEL. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KUNKEL. Mr. Chairman, there is one more point I should like to make before I yield further. That is with reference to the point that the gentleman from Michigan made that this whole amendment is substantially in line with that which has been reported favorably by the Committee on Banking and Currency of the other body and which in all probability will be adopted by the other body. If this subsection is stricken out, then the whole question will be thrown into conference. Meantime, until the conferees make final decision, we will have the benefit of the additional and more mature thinking which will occur on this subject. It might well be that when we go into conference we can emerge with a provision which is superior either to my suggestion or to the one embodied in the present bill. But if we do not accept this amendment, then we will probably not have that opportunity.

When the committee was writing this bill, my thought was to make it a different one from the Senate bill all the way through, partly in order to go to conference and then have an opportunity to adapt it there. We would have more time to get away from the confusion which has existed so far on this particular bill. We would have a wider base upon which to work and to adjust.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. COLMER. Some of us have not been able to follow where we would be if we voted for your amendment. Would the gentleman state in a few words, if your amendment were adopted, where would that leave the question of controls of commodities and wages?

Mr. KUNKEL. It would put it right into the third section, which is subsection (c), on page 4, where there would be general, over-all controls at which time it would be necessary to freeze wages generally and commodity prices generally.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. COX. And is that not in keeping with what was the apparent sentiment of this House when the matter was under consideration last week?

Mr. KUNKEL. It was my impression that more Members felt that way, and also that a considerable majority of the Members felt that it was absolutely necessary to have an immediate tie-in between wages and prices and services and commodities. When you put a ceiling on just one particular commodity and one particular wage, then in my judgment that is the most unfair thing you can do to the average working man in this country. It is complete discrimination between workers and business people, depending on their line of activity, at the whim of the President.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. SMITH of Wisconsin. In effect, your amendment eliminates the selective control feature and brings it down to two categories, merely the voluntary and the over-all?

Mr. KUNKEL. Yes; and when it does that, the matter can be reconsidered, in all probability, in conference; whereas, if my amendment is defeated, the bills of the two bodies will be substantially in accord, assuming the other measure is accepted in its present form at the other end of the Capitol. There would be no opportunity whatever for any adjustment in conference in that event.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. HARDY. Mr. Chairman, I ask unanimous consent that the gentleman may have one more minute, that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARDY. The gentleman is speaking of selectivity. Is it not true that even under subsection (c) there would be complete latitude of selectivity, and that ceilings might be imposed on any and all commodities.

Mr. KUNKEL. As I read that, it is not quite the way the gentleman indicates, because when it becomes necessary to impose controls over a substantial part of the economy, then I think it is necessary under subsection (c) to make general controls, and to tie in wages. I am not so sure of the language. No part of this Spence amendment—title II—was written by me. I am only trying to strike out what I think is a particularly bad feature. I do not like this new title II as well as I do the corresponding sections in the proposal which I offered myself, but I do believe subsection (c) goes a long way toward meeting the objections that many Members had.

Mr. HARDY. Can the gentleman point out any language in subsection (c) which would indicate there would be general application or necessarily on more than one commodity?

Mr. KUNKEL. Yes; in lines 6 to 10, on page 5.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. KUNKEL] has again expired.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee very carefully considered this amendment, which is title II, now being considered by the Committee of the Whole. After thorough consideration and after debating a number of amendments, including the approval of two offered by the gentleman from Georgia [Mr. PACE], one by the gentleman from Virginia [Mr. STANLEY], and one by the gentleman from New York [Mr. COLE], we agreed on this amendment by a vote of 21 for it and only 1 against it. There was only one vote in the Committee on Banking and Currency against title II that we are now proposing to be inserted in this bill.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KUNKEL. The gentleman is correct that that was the vote on the over-all amendment. However, when the specific amendment which I offered and which is similar to the one I am now

offering, was before the committee, there were four votes in favor of it.

Mr. PATMAN. Well, the gentleman did not give me time to get to that. There was one vote against this title, and when we were considering this title the gentleman from Pennsylvania offered the same amendment in the committee that he is now offering. After thorough and full debate and discussion the committee voted on the gentleman's amendment. It received 4 votes with 17 against it. So I submit that after the committee has so thoroughly gone into this matter and has voted by such a large majority against it, that the Committee of the Whole should now defeat the proposal of the gentleman from Pennsylvania.

This will eliminate the second step, or the second gear in this three-gear bill which provides: First, voluntary controls. If we knew that we were in a period when it was necessary to have all-out mobilization naturally we could eliminate gear No. 1 and gear No. 2 and go into high gear immediately if rigid controls were necessary; but we are not convinced yet that strict and rigid controls and regimentation are absolutely necessary. Therefore these three gears are set up. No. 1, voluntary controls; No. 2, selective controls which will permit the President to deal with certain items and certain commodities, and along with it wages as well as prices; that is No. 2. No. 3 is strict and rigid controls involving the severest kind of regimentation. We want to avoid No. 3 if we can. If the emergency does not become so great as to justify No. 3 it is our hope that we shall never have to use it. Therefore we should keep voluntary No. 1 in and we should keep No. 2 in because it is possible that by using No. 2 we will never have to resort to the rigid regimentation under No. 3. So let us try No. 2; let us not strike it out. I plead with you not to strike it out in view of the fact that it was so thoroughly considered after thorough debate on two tests, one test 21 to 1 and another test 17 to 4 against this amendment.

So I ask, Mr. Chairman, that this amendment be defeated.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KUNKEL. There is just one point at which I must disagree with the gentleman from Texas and that is on the matter of long and thorough consideration. The Members of the House, I am sure, know how much time the committee had to discuss this whole bill and how much time they must have spent on this amendment.

Mr. PATMAN. I am sorry the gentleman is not staying by our bipartisan agreement. You know, this is a bipartisan bill. He is all by himself on this whole title on the committee. I hope he will not insist on disrupting and revoking our bipartisan agreement to get a good bill.

Mr. KUNKEL. That is just what I am trying to do. There was a bipartisan agreement to get a good bill. I am trying to get a good bill; the other 20 are against me.

Mr. PATMAN. Everybody is out of step but the gentleman from Pennsylvania. Since we did thoroughly consider it yesterday and also this morning I hope the gentleman will not insist on his amendment.

Mr. KUNKEL. When did we consider it this morning, my amendment?

Mr. PATMAN. I will not take issue with the gentleman on that score.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. LYLE. With all the debate that has gone on concerning this subject during the last week, with all the amendments that have been presented and the arguments advanced, it seems absolutely ridiculous to me to overlook the possibility of this phase of control and to say that you must go into rigid regimentation even though the circumstances do not justify it.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we all know that we are faced with a situation that either requires controls or it does not; either we have a serious situation, one in which we ought to try to stop inflation even though it may require each of us to make some sacrifice, or we ought to do nothing about it and retain our liberties. You cannot have controls without some infringement upon the individual liberties of the citizens. We should not adopt controls lightly. If our problem of defense is not serious, if our boys are on a picnic in Korea, then we should not consider controls. But if we are faced with a serious situation, as I think we are, if we are faced with a problem which may determine our very existence as a nation, then we ought to take whatever steps that are necessary to meet that problem. One of the most important of those steps is to prevent run-away inflation. We can neither finance our necessary rearmament or protect our liberties if we allow inflation to destroy our savings and the buying power of our money.

You cannot prevent inflation after it has occurred. You can put out a fire when it has just started, but you cannot prevent the fire after it has burned the house to a pile of embers. We have the opportunity of putting out the fire now before it burns the house down. If we wait to turn the hose on the flames it will soon be too late.

Oh, we can sit around and wait until after the election if a majority of the Members of the House feel they are afraid to meet this issue now. We can wait until after November, but if we do, we need not talk of stopping inflation; our economic house will by that time have been so far consumed that we will have to wait for the ashes to cool. If we wait, the United States Government will pay hundred of billions of dollars more for its defense effort. Our citizens will have the value of their money destroyed and that goes for the most humble worker as well as the most opulent investor. It will destroy the value of bonds, it will destroy the value of life insurance, it will destroy the value of pension payments, and it will destroy wages if you let this inflation proceed. Of course, under such circumstances, wages are going up and they should go up. I want to make it abundantly plain that, in my opinion, if we allow prices to go up we should allow wages to go up. It is my feeling that we should stop increases in both wages and prices and stop them now. The time to stop them is before they have gone up, not after. You cannot roll them back.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. There is one question every Member should keep in mind in voting on this matter and that is if you think we are going to have controls eventually then you ought to vote for this kind of control now. If you do not think we are going to have controls eventually then you should postpone the whole thing.

Mr. POAGE. That is right; but I am afraid the thinking of a great many Members on both sides of the aisle is that they do not want to vote for controls until after the elections in November. Frankly, I want to vote for control when it will do some good, while it will affect inflation, when it is not too late. The question is whether you are interested in stopping inflation or whether you are interested in stopping somebody from voting for somebody else.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Texas.

Mr. PATMAN. Of course, I do not agree with the gentleman that any Member is voting for this amendment and waiting until after elections for control. The gentleman should consider that it will take several months to get enforcement into operation and we need this time. This No. 2 will give us an opportunity to keep down speculation and inflation to some extent while we are setting up the necessary machinery.

Mr. POAGE. Of course, if I agreed with the gentleman that Nos. 1 and 2 had any beneficial effect, I would have to agree with his conclusions. We are told here you should first try voluntary controls. What are we trying today? We have had voluntary control ever since the day the North Koreans crossed the thirty-eighth parallel. There has been just as much voluntary control as there is going to be after the bill is passed, and it has accomplished just exactly as much as voluntary control is going to accomplish. It has let the cost of living go completely out of line. Voluntary controls have not and are not going to do anything more. They are just so much hogwash and the people know it whether the Committee does or not.

Then the gentleman says we should have selective control. For what? Why should we not try to stop the general rise in the cost of living now rather than to say if the price of John Smith's product goes up that we will control it, but if Jim Jones raises prices on his product that will be all right? Are we to say that we will put a ceiling price on brick

and none on cement? Do not we know that brick would go off the market and cement blocks would go up? Every time you push down on one end of the balance the other end is coming up. There are just as many buyers as there are sellers. You cannot talk about everybody buying and everybody selling because every time there is a sale there is both a buyer and a seller. You are not going to stop inflation by pushing some prices down and letting others go uncontrolled. You must control all prices if you are to keep goods on the market at fair prices.

The CHAIRMAN (Mr. SMITH of Virginia). The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. KEATING. It seems to me that it should be pointed out, too, if the gentleman agrees with me, that under the Kunkel amendment, even if adopted, it is still not a mandatory price and wage control bill, because the President still acts under subsection (a) and tries to bring about voluntary action.

Mr. POAGE. I agree with the gentleman that the Kunkel amendment does not go nearly far enough. I agree that the Kunkel amendment is not a solution, but it does eliminate one weak link in the bill. There are other weak links and I would like to eliminate them all, and I would like to go further and strike at the roots of this inflation. Right here, Mr. Chairman, I want to make it plain that I am not one of those who believes that either price or wage controls will cure inflation. These controls can help to mitigate the hardships imposed by inflation. Inflation has got to be stopped by taxation. You have to levy taxes, and I mean taxes; I do not mean five or eight billion dollars; I mean fifteen or twenty billion dollars; I mean enough taxes to pay for all of the expenses of Government. If you have not got nerve enough to vote those taxes, do not go home and talk about how you voted to stop inflation, because you cannot stop the fire of inflation and leave the fuel to build the fire lying around. Somebody will throw that fuel on that fire and rekindle the blaze. No, I voted last week for the excise profits tax which was proposed and I expect to do so again. I want to control profits as well as wages and prices. I think we must control all three. No one should escape.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Alabama.

Mr. ANDREWS. I want to say that I want to concur in what the gentleman has said. I do not think warning will do any good to keep prices down. I would like to tell you about a letter I got from a farmer.

Mr. POAGE. I am sorry, I cannot let the gentleman tell about that because I only have a moment or two left. If the gentleman has a question, I will try to answer it.

I want to call your attention to this fact that neither the Kunkel amendment nor this bill actually tie wages and prices together. The wording of the bill is different in regard to wages and prices; it puts a ceiling on prices and it stabilizes wages. We had stabilization of wages in the last war and they were stabilized at 15 percent above what they were at the time when we froze prices. Now, stabilization of wages at 15 percent above the freeze on the price level does not bring about anything but a black market and the disappearance of goods from the legitimate dealer. If you want to do what the American people want and what I believe this Congress wants, let us meet the problem squarely and actually tie wages and prices together, and let us tie them both as of the day this thing started. Let us not talk about doing something after the election. The Koreans did not wait until after the election, and you cannot wait until after the election either, and have any value left in your pay envelope, your life insurance policy, or your bonds.

Mr. NICHOLSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know that everybody wants to vote on this and you are probably tired of it. But, I would like to ask a question of the chairman of my committee, whom I have a great deal of admiration for. On page 7, section 2, says that no wage, salary, or other compensation shall be stabilized at less than between these two decks. That should read "more." The reason it should read "more" is because whether or not we give this power to the President or not does not make any difference because the President immediately hands it over to somebody else to administer, and they make the rules and regulations; they go along with it. Now, if we are going to pass a law here, let us say that it shall be no more than the price paid between May 24 and June 24. Let us say it, and then we clip the wings of these people who have been trying and will always try to be greedy and avaricious and make money on the miseries of mankind. If we are going to send our men and boys to fight our battles, let us get on the same plane with them. This may be all right.

I have been informed that this is the same thing that was written into the old OPA bill. The OPA failed, and we know that it failed. We of the younger generation and maybe the older generation should get a lesson from it, but we should put "more" in there and put everybody on the same plane.

I was given this information by a gentleman from Arkansas, a prominent member of the Committee on Ways and Means. I do not want to tell you his name because I circulate around here and ask people that know twice as much as I do about what their opinion is. I try to do that. But under this bill you are not going to have any controls at all, because you put "not less than" rather than "not more than."

I do not want to talk about my fishermen, for they are not in this bill at all, but if they were, if you caught a codfish sometime between May 24 and June 24 you could not go less than 4 cents for that codfish, but you could go to 20 cents if you wanted to under this bill. I think everybody that has any common sense knows it.

I do not want to be an off-horse, Mr. Chairman. I want to go along with my committee, but I want my committee to use common sense. I do not want them to write a bill based on the old OPA; that was a miserable failure.

So, Mr. Chairman, I am constrained to vote against this bill and to vote against my committee, because they are not willing to change something for more or less. We Yankees always said, "Well, we will accept that proposition more or less."

Mr. BUCHANAN. Mr. Chairman, I move to strike out the last word, and rise in opposition to the amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. BUCHANAN. I yield to my distinguished chairman.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and all amendments thereto close in 20 minutes.

Mr. O'HARA of Minnesota. I object, Mr. Chairman.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and all amendments thereto close at 3:45.

Mr. AUGUST H. ANDRESEN. I object, Mr. Chairman.

Mr. COOLEY. If the gentleman from Pennsylvania will yield for a parliamentary inquiry, I should like to know how many amendments are at the Clerk's desk.

The CHAIRMAN. Four amendments to the amendment offered by the gentleman from Kentucky this morning are at the Clerk's desk.

Mr. BUCHANAN. Mr. Chairman, I believe we have to take another look at the proceedings of last week and the situation as it is in 1950 to get into true perspective the situation today and what we are trying to do here as a committee and what we have recommended here to the Committee of the Whole.

The situation in 1950, as compared to the prewar year of 1941, is certainly not analogous because at this time our economy is capable of producing $100,000,000,000 more in terms of gross national product than it was 10 years ago. Therefore, from all indications at the present time, 90 percent of the total output of this Nation can be used for civilian purposes, and our needs are for merely 10 percent for defense purposes. We will not attain that point until the end of this year 1950. Whereas in 1940–41 we had to go into an all-out war productive effort when 50 percent of our economy was devoted to the military effort and 50 percent to the production of civilian goods. Now we have devised this method of three progressive steps as being the

most practical step to move from the process of voluntary stand-by authority into selective price controls. The nature of our integrated economy today compared to what it was 10 years ago must be taken into full consideration.

To get this in true perspective we have to alter our thinking in terms of our economy today and not in terms of the situation prior to World War II. I believe we are dwarfing our outlook and confusing our thinking in terms of what the situation was then. In the light of the experience we have had in World War II and in the period following World War II and the experience we have had with controls, I believe that this practical step is most essential and necessary.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. KUNKEL. If you take these three progressive steps then that absolutely insures that we are going to get in the same mess in this war as we got into in World War II. That is the reason I object so strenuously to this method.

Mr. BUCHANAN. The gentleman is taking the most pessimistic view and my viewpoint, of course, is based upon the facts and experience as they are today and have been related to this committee by those who know and are able to reveal to us certain information which we, of course, are not privileged to reveal here to the Committee of the Whole.

Mr. FELLOWS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. FELLOWS. The economy may have changed as the gentleman indicates, but human nature is just the same as it was in 1940, is it not?

Mr. BUCHANAN. But our capabilities in being able to supply the needs and wants of human nature, as I have stated, have greatly increased and we are today able to produce $100,000,000,000 more in the way of goods and services, so far as the needs of the Nation are concerned.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CELLER. I understand the gentleman, as a representative of the committee, intends to rephrase the language on page 10, subdivision 3, with reference to newsprint so that beyond peradventure of a doubt, as that language will be rephrased, newsprint will be under control; is that correct?

Mr. BUCHANAN. It is not the intent to cover newsprint in this exemption. I may say to the gentleman from New York in the original amendment as offered by me, I numbered various sections and it reads now, on page 10, line 5, "prices or rentals for materials furnished for publication by any press association or feature service—comma." And then to separate that particular section I had it numbered. So it is the intention of the committee to offer "Sub (a)" and "Sub (b)" to precede these two points so that there will be no question about the remaining part of that particular No. 3 section. It certainly is not my intention that newsprint be excluded or exempted.

Mr. CELLER. I understand the power of the press, and how that power, undoubtedly, under the original OPA and in this bill was exercised, so that there will be no ceilings on advertising rates by publications, including newspapers; but why is there no control on outdoor advertising? It has nothing to do with the freedom of the press. It has nothing to do with the press. Is the power of outdoor advertising companies so great that they have no control on what they sell?

Mr. BUCHANAN. That is a medium for dissemination of information. Of course, we were trying to include all those agencies engaged in the dissemination of information. That is why it was included in the original amendment.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

Mr. SPENCE. Mr. Chairman, I move that all debate on the committee amendment, and all amendments thereto, close at 4 o'clock.

The question was taken; and on a division (demanded by Mr. O'HARA of Minnesota), there were—ayes 118, noes 30.

So the motion was agreed to.

Mrs. BOLTON of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentlewoman will state it.

Mrs. BOLTON of Ohio. What is the fate of the amendments at the desk? I have an amendment at the desk.

The CHAIRMAN. They will be read and disposed of whether there is a chance for debate on them or not.

Mr. NICHOLSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLSON. I have an amendment at the desk.

The CHAIRMAN. It will be reached in due course.

Mr. NICHOLSON. In the reading of all the names mine was not called. Does that mean I am not entitled to say a word on my amendment?

The CHAIRMAN. We have 46 names on the list with 40 minutes for debate. That will be a little less than 1 minute each.

Mr. COLE of Kansas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of Kansas. In recognizing Members under the limitation of debate will the Chair recognize first those who have amendments?

The CHAIRMAN. The Chair will endeavor to do so insofar as possible.

Mr. NICHOLSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLSON. Will I be permitted to say something on the amendment I intend to offer?

The CHAIRMAN. The gentleman will have about three-quarters of a minute, but if we have these continued interruptions, it will mean that the gentleman's time will be correspondingly cut down.

Mr. KEAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEAN. May I be heard on the Kunkel amendment?

The CHAIRMAN. The gentleman from New Jersey is recognized for three-quarters of a minute.

Mr. KEAN. Mr. Chairman, in 1941, the gentleman from Texas [Mr. PATMAN] was also a strong advocate of selective controls. Six of us then on the Banking and Currency Committee voted for the amendment proposed by the gentleman from Tennessee [Mr. GORE] which would have provided for over-all controls, but we were beaten in committee and in the House we only got 87 votes. Selective controls proved to be a failure, and in October 1942 the President recommended and the Congress passed a bill providing for over-all controls thereafter. Owing to the mistake of those who thought as did the gentleman from Texas in 1941, the people of the United States and the Government during the war years paid billions more for what they needed than they should have.

Selective controls have failed in past history; they will fail now. So I support the Kunkel amendment.

The CHAIRMAN. The gentleman from Minnesota [Mr. JUDD] is recognized.

(By unanimous consent, Mr. FELLOWS and Mr. GUILL yielded their time to the gentleman from Minnesota.)

Mr. JUDD. Mr. Chairman, probably most of the Members of this body will vote on an issue like that presented by the Kunkel amendment in terms of their analysis of the present world situation. In my view it is sufficiently serious that it will take almost a miracle to get us through it without ultimately requiring full controls over our economy. Therefore, if there is to be error, I would rather err on the side of doing too much too soon than on the side of too little too late which has been our procedure too often in the past. If we do the former and it does not prove to have been necessary, then we will have been guilty of nothing but undue caution, we can and will promptly take the controls off and no damage will have been done. But if we do not take action now that events prove necessary, then we will have been derelict in our duty to the point of endangering the very survival of our country as a free republic.

If I have time I would like to make one more point. It has been argued that if we freeze clear across the board which is the way that causes least discrimination and least inequity to all groups and provides the greatest workability, we will get our economy so regimented that

we will never be able to get the controls off.

Mr. Chairman, I submit that the best way to make sure that we can end controls when they are no longer necessary is to freeze everything clear across the board as of a period prior to the Korean invasion. Then everybody will want to end them just as soon as possible; labor will want to end them; merchants will want to end them; farmers will want to end them; everybody will want to end them if everybody is under them. But if under the selective system of step 2, the President freezes only a portion of the economy, many who are not frozen will not want controls taken off those who are frozen because it is to their advantage to have others restricted while being free themselves. Labor will want the controls kept on business, or business will want them kept on labor, and so on. Partial controls will be far harder to get removed than full controls.

Mr. Chairman, the way to be most equitable to everybody in putting on controls, and to produce the most effective stabilization, is to do it clear across the board at the outset and then, as soon as it proves possible or advisable, they can be relaxed or removed step by step.

Let us not once more gamble with the welfare of our country by halfway measures that are unlikely to work. Let us not edge into this difficult problem backward; let us look it straight in the face and do it the fair way right now. The Kunkel amendment does not do all I believe should be done and in the end will have to be done, but it is a long step in the right direction and adoption of it will make clear the views and wishes of this House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL] to the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The question was taken; and on a division (demanded by Mr. KUNKEL) there were—ayes 94, noes 70.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BUCHANAN and Mr. KUNKEL.

The Committee again divided; and the tellers reported that there were—ayes 118, noes 96.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. COLE].

(Mr. GAMBLE, Mr. HOPE, and Mr. SCUDDER asked and were given permission to yield the time allotted to them to Mr. COLE of Kansas.)

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas to the Spence amendment: Page 8, line 14, after the word "processing" insert the following: "*Provided further,* That no ceilings shall be established or maintained on products resulting from the processing of cattle and calves, lambs and sheep, and hogs, the processing of each species being separately considered, which, taken together, do not allow for a reasonable margin of profit to the processing industry as a group on each such species."

Mr. COLE of Kansas. Mr. Chairman, it is fortunate that in the past we have had some experience in connection with the operation of price controls and ceilings. In the original OPA law the processors of livestock, such as beef, calves, lambs, sheep, and hogs, found that price controls were placed on their products in such a manner as to work a hardship. Prices were fixed by determining the processor's profit on his entire operation. For instance, a processor slaughtering lambs and cattle was required to determine under the original law whether or not he had a profit upon his entire operation. If he had a profit on his entire operation but a loss on processing one item, he could not charge a price sufficient to pay the cost of processing the profitless item. This amendment would permit the processor of these livestock items to fix his price upon the cost of processing each individual item or species. For instance, he may then have a price fixed upon the cost of processing lambs, upon the cost of processing cattle, and upon the cost of processing hogs individually and not as a group. In 1945 a food study committee reported on this proposition. This committee was headed by Senator Clinton P. Anderson, and had as its other members, Mr. Pace, Mr. Clements, Mr. Gorski of Illinois, Mr. August H. Andresen, Mr. Herter, and Mr. Holmes of Washington. They had this to say:

Fair and equitable margins should be established in every operation of the production, processing, and distribution of meat with special incentives for feeders of cattle to produce better and heavier beef, due consideration being given to the over-all feed situation.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Is it not a fact that this situation was taken care of in 1945 by the Barkley-Bates amendment, which is the amendment the gentleman is offering?

Mr. COLE of Kansas. Yes. The amendment I am offering was offered by the then Senator BARKLEY and Representative Bates. It permitted the producers of livestock to get a fair price for their commodity. It permitted them to know in advance that they would be able to receive a fair price in the future, and thus brought into production a greater supply of meat.

Mr. MONRONEY. Mr. Chairman, I rise in opposition to the amendment.

(Mr. DEANE and Mr. JACKSON of Washington asked and were given permission to yield the time allotted to them to Mr. MONRONEY.)

Mr. MONRONEY. Mr. Chairman, this amendment has little or nothing to do with the raisers of livestock. It is not an amendment to protect the farmers or the cattle raisers.

It is, in its entirety, an amendment for the packing industry and if passed, will insure greater than normal profits to the larger members of this industry.

Much of the complaint we are receiving is about the high cost of meat in the cost-of-living index. It is not the cattle raisers who are getting this increase, but somewhere along the line after the farmer sells his livestock, the increase is occurring. We can be certain that the consumers of this Nation do not think that the price of meat is too low when they buy it at the stores.

The large number of animals on the farms of America testify to the health of the livestock industry. As long as there is a good demand for meat, these raisers of livestock will not suffer. It is ridiculous to think that they will.

There is another section in this bill that gives ample protection to the meat processors to provide that ceilings will reflect a profit to them on their business operations.

This amendment goes further than that. It seeks, not only to insure an over-all profit on the plants operation, but also will permit price increases on any classification of livestock if the profit on each individual type of meat processing does not show an ample profit.

The entire plant could, under this amendment, be making ample profits on its over-all operation, but would still be given higher prices if it could show that on one single classification of meat processing it was not in an ample profit position.

This amendment was brought into the picture late in the closing days of OPA when there was vast withholding of meat supplies from the livestock markets. It was put in in the other body. I never thought it was a good amendment—I do not think it is a good amendment now.

If you allow the packers to make not just a reasonable profit on their over-all operations, but then raise prices even higher because on one specific commodity they are not showing their usual normal profit on that one specific line, you are setting a precedent that all industry will have a right to ask for as well.

In ordinary business practice, the manufacturer or processor looks to his entire operation to see if it yields a satisfactory profit. Some lines lose, some make a profit, some break about even.

In setting ceilings on prices, if every item out of a thousand in industrial lines, is to be guaranteed an individual and specific profit, as well as the over-all profit position for the entire business, you will never be able to set ceilings that will not be subjected to continual upward change.

Such amendments as this will set a pattern for a continual upward movement and will make inflation control impossible.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, one cannot say a great deal in three-fourths of a minute. However, I am surprised that the gentleman from Oklahoma has argued against the amendment before us. I am sure that

he does not favor black-market operation, but by asking for the defeat of the amendment he will encourage the reestablishment of the black market in meat.

The Cole amendment, before us, is identical with the Barkley-Bates amendment adopted to the OPA Act in 1945. It was also adopted by the House, as it was then recognized that several thousand small slaughterers were being driven out of business because OPA price regulations compelled them to sell their processed meat at a loss. Many went out of business. Others engaged in black-market operations. As you will remember, a situation developed where most consumers could not buy meat in legitimate channels at ceiling prices. The Barkley-Bates amendment was adopted to correct this situation, by requiring the OPA to provide a reasonable margin of profit for slaughterers on each type of livestock. A large percentage of the Nation's slaughterers of meat do not have any side lines, which would permit them to make up their losses on livestock from such other sources.

Mr. Chairman, there are three different groups that urge price control and rationing of meat and other necessities. The first group consists of those who honestly feel that they will be hurt because of inflationary price rises. The second group consists of those officials and individuals who are again anxious to control the business and the economy of the United States. And, the third group consists of the old black-market ring, with headquarters in New York, who sit on the side lines waiting to take over, especially in the meat line. They made hundreds of millions of dollars during the recent war, and they are getting ready to operate again. The Cole amendment is designed to stop black-market operations in meat. Its adoption will permit all slaughterers to operate and supply all kinds of meat at ceiling prices to consumers through legitimate channels.

I urge the adoption of the amendment so that we can get an adequate supply of meat for the consumers through normal, legitimate channels.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. COLE] to the Committee amendment offered by Mr. SPENCE.

The question was taken; and on a division (demanded by Mr. COLE of Kansas) there were—ayes 72, noes 108.

Tellers were demanded by Mr. COLE of Kansas and Mr. AUGUST H. ANDRESEN.

Tellers were ordered, and the Chairman appointed as tellers Mr. COLE of Kansas and Mr. PATMAN.

The Committee again divided; and the tellers reported there were—ayes 86, noes 125.

So the amendment to the amendment was rejected.

Mr. NICHOLSON. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. NICHOLSON to the Spence amendment: On page 7, line 4, strike out the word "less" and insert the word "more."

Mr. NICHOLSON. Mr. Chairman, I made a speech a couple of hours ago on this same subject. I was going to let it drop, but a great many of the Members thought that we ought to take a vote on it. That is, whether or not we should make the provision in this bill more or less. Under the provisions of this bill any department, or anybody whom the President might designate, could make the basic price.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. NICHOLSON] to the Spence committee amendment.

The question was taken; and on a division (demanded by Mr. NICHOLSON) there were—ayes 40, noes 96.

So the amendment to the amendment was rejected.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE, to the Spence amendment: On page 4, line 9, of the committee print No. 2, after the word "orders", strike out the dash and insert the words "at the same time both".

Page 5, line 15, strike out the word "stabilizing" and insert the words "establishing a ceiling or ceilings."

(By unanimous consent Mr. O'HARA of Minnesota, Mr. WHEELER, and Mr. ABERNETHY yielded their time to Mr. POAGE.)

Mr. POAGE. Mr. Chairman, this amendment simply provides that the same language shall prevail as to the establishment of ceilings on prices and as to the establishment of ceilings on wages. It uses the same wording. The pending committee amendment uses different wording. Members of the committee have suggested that it would make no difference which wording was used, whether it were "ceiling" or "stabilizing." I am not prepared to say whether it would make a difference or not, but I do know that the wording is not the same, and I do know that everyone says that it is our intention to provide the same treatment for prices and wages. I know that the same treatment should be provided. For that reason I voted against the last amendment, because I think that you should give to the wage earner the same protection you give to the man who produces agricultural commodities or industrial goods. On the other hand I think that you should not give one class any special privilege whether that class be farmers, wage earners, or industrialists. I think that this is a war in which all of us are interested, in which all of us have a common stake; and I believe all should be given the same treatment. If you adopt this amendment the provision will read that the President may issue regulations and orders at the same time, both establishing ceilings and ceiling prices for retail goods and establishing ceilings and ceiling prices on wages, salaries, and so on.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. ABERNETHY. I have talked to one or two Members of the committee, and they have told me that they intended for each group to be treated equally. This being true I hope the committee will accept the amendment.

Mr. POAGE. Practically everyone who has spoken this afternoon has said they intended for all groups to be treated alike. That is all I ask. My amendment simply makes the wording read the same for all groups.

Mr. COX. Mr. Chairman, I ask for recognition in support of the amendment.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. COX. Mr. Chairman, it ought to be apparent to everyone that this House and the country want a stronger law than that which has been proposed. The committee bill is subject to the criticism of giving a political treatment to a war problem and reflects credit upon no one. It is pussyfooting and soft-pedaling to the *n*th degree. The pending amendment of the gentleman from Texas [Mr. POAGE] should be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. POAGE] to the Spence committee amendment.

The question was taken; and on a division (demanded by Mr. BUCHANAN) there were—ayes 146, noes 71.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. BOLTON of Ohio to the Spence amendment: Page 2, after line 21 of the Spence amendment, insert a new section:

"SEC. 2. (a) The purpose of this section is to impose temporary ceilings immediately on all prices and wages so as to prevent runaway inflation in the period immediately following the enactment of this act while measures are being perfected under the other provisions of this act to control inflation over a longer period.

"(b) The maximum price for which any article may be sold or which may be received for the performance of the services, and the maximum wage which may be paid for labor shall be the highest price received by the seller for the same or substantially the same article, or received by the person performing the services or the same or substantially the same labor, immediately following enactment of this act, and if no such article was sold or services or labor were performed on or before this date, then the maximum price shall be the sale price of the most nearly equivalent article, services, or labor: *Provided,* That whenever the President shall issue any regulation or order establishing any ceiling authorized by title IV of this act such regulation or order shall immediately become effective irrespective of this section.

"(c) The President shall prescribe such rules and regulations as he considers necessary to carry out the purpose of subsection (b). Whoever willfully violates this section or any such regulation shall be fined not more than $10,000 or imprisoned not more than 1 year, or both."

(Messrs. H. CARL ANDERSEN and BROWN of Ohio asked and were given permission

to yield the time allotted to them to Mrs. BOLTON of Ohio.)

Mrs. BOLTON of Ohio. Mr. Chairman, the purpose of my amendment is to freeze where we are now, in order to stop the sudden expansion of wages, of prices, and of everything else, in order to avoid the mistakes we made in the last war period. Such action would do just exactly what might and should have been done by Executive order or by emergency congressional action immediately following the attack upon South Korea. As that was not done, I am suggesting that the committee use the wisdom of hindsight and pass this single amendment as a temporary measure to prevent the spiraling of prices during the period which, according to many who have spoken this afternoon, may be of some duration. It goes without saying that there will be a period during which the machinery involved in this bill will have to be set up. Passage of my amendment will give the people of this country the protection they have every right to expect this Congress to provide. I urge this Committee to pass this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Ohio [Mrs. BOLTON] to the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The question was taken; and on a division (demanded by Mrs. BOLTON of Ohio) there were—ayes 66, noes 94.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentlewoman from California [Mrs. DOUGLAS].

(Mr. DOLLINGER asked and was given permission to yield the time allotted to him to Mrs. DOUGLAS.)

Mrs. DOUGLAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. DOUGLAS: Page 3, line 10 of the committee amendment, after the word "receipt", insert "or the rental."

Page 3, line 11, after the word "material", insert "or property."

Page 3, line 14, after the word "material", insert "or property."

Page 4, line 13, after the word "receipt", insert "or the rental" and after the word "material", insert "or property."

Page 10, strike out all of line 3.

Mr. WOLCOTT. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, I make the point of order that the language which the gentlewoman seeks to offer her amendment to has been stricken from the bill.

The CHAIRMAN. The language on page 3 has been stricken from the bill, and therefore the Chair sustains the point of order against that portion of the amendment. As to the rest of it, the Chair overrules the point of order.

Mrs. DOUGLAS. Mr. Chairman, this amendment which I have offered is an amendment to give to the President the power to stabilize rents along with everything else if and where controls are necessary. Rent is the largest item in the cost-of-living budget of the average family; therefore, if we are sincere about wanting to stabilize living costs and controlling inflation, we certainly must turn our attention to rents. I think the amendment is clear, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California.

The amendment to the amendment was rejected.

The CHAIRMAN. All time has expired. There are pending several amendments and the Chair will recognize Members who desire to offer those amendments, but there will be no debate.

The Chair recognizes the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLOOD: Page 1, line 2, insert a new section as follows:

"EXCESS PROFITS CONTROL

"SEC. 201. It is the intent of Congress that all corporations engaged in the manufacture of war material or other services connected with the war effort and for the Defense Production Act of 1950 shall be taxed at the rate of 100 percent of all profits above normal peacetime profits."

Mr. WOLCOTT (interrupting the reading of the amendment). Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. The Clerk has read sufficient to indicate that this amendment is a revenue measure and not germane to the provisions of this bill.

Mr. FLOOD. Mr. Chairman, I desire to be heard on the point of order.

Mr. Chairman, this is not an amendment to introduce tax legislation into this bill. If my distinguished friend from Michigan had listened until the amendment was read or if he had paid attention even to the part that had been read, he would have heard very clearly, in my best English, that this is a mere declaration of intent. Under the declaration of policy in the original Spence bill there is ample language, sufficiently elastic, to permit at this time, under the committee amendment now introduced, the insertion by amendment of a new section, before price or wage stabilization, calling only for a declaration of intent.

Mr. Chairman, every speaker that I have heard says that he is in favor of controlling excess profits. I think this bill should include a declaration of intention that this House is in favor of legislation controlling excess profits. I believe everybody will agree this is germane, Mr. Chairman, because it is embraced within the language of the declaration of policy of the original Spence bill and of this committee amendment. It is consistent with everybody's expression in favor of profits being controlled. And this House had better declare such an intention without delay. During the past several days in the other body the distinguished chairman of the Finance Committee has let it be known that there will be no legislation this session to tax excess profits, to take the profit out of war. It would be an outrage on the working people of America to control wages but not control profits. If the Members think they are going to get a chance to vote this year for control of profits they are badly mistaken. There will be an appropriation of nearly $20,000,000,000 over and above the regular appropriation for the Armed Forces before the year is out. It will be at the end of the next session of Congress, if at all, that an excess-profits bill may pass, so there will be at least a year or more before there is any excess-profits tax, and billions of dollars of war profits will be made by profiteers. There should be no wage control without profit control—price control is another matter. I am for price control at once; you can black-market with prices but not with wages. Since this is not a tax bill I cannot write in an excess-profits tax, but the least this House can do is pass my amendment, which I submit, Mr. Chairman, is entirely germane, and declare the intent of the House as in favor of control of excess profits at once.

The CHAIRMAN. The Chair is ready to rule.

This amendment is offered to the declaration of policy. The declaration of policy has in it a statement that it is the purpose to control excess profits or profits out of war. The Chair thinks this amendment is in order and, accordingly, overrules the point of order.

Mr. CANFIELD. Mr. Chairman, I ask unanimous consent that the amendment be read in full.

Mr. HOFFMAN of Michigan. I object, Mr. Chairman.

The CHAIRMAN. The question is on the amendment to the amendment.

The question was taken; and on a division (demanded by Mr. FLOOD) there were—ayes 80, noes 121.

Mr. FLOOD. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FLOOD and Mr. SPENCE.

Mr. HALLECK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. The gentleman from Kentucky [Mr. SPENCE] voted for the amendment.

The CHAIRMAN. Is there any member of the committee who is opposed to the amendment? If so, will he kindly take his place as a teller?

Mr. WOLCOTT took his place as a teller.

The Committee again divided; and the tellers reported that there were—ayes 87, noes 148.

So the amendment to the committee amendment was rejected.

Mr. DOLLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLINGER to the committee amendment offered by Mr. SPENCE: On page 10, line 3, strike out all of line 3.

Mr. DOLLINGER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DOLLINGER. Mr. Chairman, is it possible, since the amendment does not

indicate what it is about, to explain that this is the rent control amendment?

The CHAIRMAN. That is not in order. All time for debate has expired.

The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

Mr. WHITE of California. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. WHITE of California to the committee amendment: Page 9, line 18, after the word "milk", add "or poultry", and change the word "is" to "their."

Page 9, line 21, after the word "milk", add "and poultry."

Page 9, line 21, after the word "milk", add "and poultry."

Mr. WHITE of California. Mr. Chairman, my amendment would put the poultry producers on the same basis as the milk producers with respect to increases in the cost of feed and other economic conditions. The poultry producers of the Nation are entitled to price protection the same as other segments of our agricultural industry. I do not see how any Member of this House can deny the fact that the poultry producers of the Nation are justly entitled to this protection.

Mr. Chairman, I earnestly urge a favorable vote on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. WHITE] to the Spence amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the Spence amendment, as amended.

The amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I offer some committee amendments, which are on the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Page 29, line 6, after the word "military", strike out "and other"; and before the period in line 10 insert "within the framework, so far as practicable, of the American system of competitive enterprise."

The amendment to the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Page 29, line 18, after the word "orders", insert "in preference to other contracts or orders."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. SPENCE: Page 29, line 22, strike out the proviso beginning on line 22 to the period on line 24.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. JAVITS. Mr. Chairman, a parliamentary inquiry. At what point in the bill (H. R. 9176) is the Clerk reading?

The CHAIRMAN. Page 30, line 6.

The Clerk read as follows:

TITLE II—AUTHORITY TO REQUISITION

SEC. 201. Whenever the President determines (1) that the use of any equipment, supplies, or component parts thereof, or materials or facilities necessary for the manufacture, servicing, or operation of such equipment, supplies, or component parts, is needed for the national defense, (2) that such need is immediate and impending and such as will not admit of delay or resort to any other source of supply, and (3) that he has been unable to acquire such property or the use thereof, as the case may be, on fair and reasonable terms, he is authorized to requisition such property or the use thereof for the defense of the United States upon the payment of just compensation for such property or the use thereof to be determined as hereinafter provided. The President shall determine the amount of the compensation to be paid for any property or the use thereof requisitioned pursuant to this title but each such determination shall be made as of the time it is requisitioned in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the President as just compensation is unwilling to accept the same as full and complete compensation for such property or the use thereof, he shall promptly be paid 75 percent of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims or, where the amount involved does not exceed $10,000, in any district court of the United States within 3 years after the date of the President's award, an additional amount which, when added to the amount so paid to him, shall be just compensation. Whenever the need for the national defense of any property requisitioned under this title shall terminate, the President may dispose of such property on such terms and conditions as he shall deem appropriate, but to the extent feasible and practicable he shall give the former owner of any property so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the President, or (2) if it is to be disposed of (otherwise than at a public sale of which he is given reasonable notice) at less than such value, at the highest price any other person is willing to pay therefor: *Provided*, That this opportunity to reacquire need not be given in the case of fungibles or items having a fair value of less than $1,000.

TITLE III—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

SEC. 301. (a) In order to expedite production and deliveries under Government contracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement as he may designate (hereinafter referred to as "guaranteeing agencies), without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance, or in connection with or in contemplation of the termination, of any contract or other operation deemed by the guaranteeing agency to be related to efforts or undertakings on the part of the United States or an agency thereof which are designed to meet the necessities of the national defense.

(b) Any Federal agency or any Federal Reserve bank, when designated by the President, is hereby authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guarantee and in otherwise carrying out the purposes of this section. All such funds as may be necessary to enable any such fiscal agent to carry out any guarantee made by it on behalf of any guaranteeing agency shall be supplied and disbursed by or under authority from such guaranteeing agency. No such fiscal agent shall have any responsibility or accountability except as agent in taking any action pursuant to or under authority of the provisions of this section. Each such fiscal agent shall be reimbursed by each guaranteeing agency for all expenses and losses incurred by such fiscal agent in acting as agent on behalf of such guaranteeing agency, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

(c) All actions and operations of such fiscal agents, under authority of or pursuant to this section, shall be subject to the supervision of the President and to such regulations, as he may prescribe; and the President is authorized to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guarantee and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guarantees.

(d) Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purpose of meeting the necessities of the national defense.

SEC. 302. To assist in carrying out the objectives of this act, the President may make provision for loans (including participations in, or guarantees of, loans) to private business enterprises for the expansion of capacity, the development of technological processes, or the production of essential materials. Such loans may be made without regard to the limitations of existing law and on such terms and conditions as the President deems necessary, except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms.

SEC. 303. (a) To assist in carrying out the objectives of this act, the President may make provision for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or for resale.

(b) Purchases and commitments to purchase and sales under subsection (a) may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods, as the President deems necessary, except that purchases or commitments to purchase involving higher than currently prevailing market prices or anticipated loss on resale shall not be made unless it is determined that supply of the materials could not be effectively increased at lower prices or on terms more favorable to the Government, or that such

purchases are necessary to assure the availability to the United States of overseas supplies.

(c) The procurement power granted to the President by this section shall include the power to transport and store, and have processed and refined any materials procured under this section.

SEC. 204. (a) For the purposes of sections 302 and 303, the President is hereby authorized to utilize the Reconstruction Finance Corporation and such other departments, agencies, officials, or corporations of the Government as he may deem appropriate, or to create new corporations.

(b) Any corporation created under this section—

(1) shall have the power to sue and be sued; to acquire, hold, and dispose of property; to use its revenues; to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for subject to laws specifically applicable to Government corporations; and to exercise such other powers as may be necessary or appropriate to carry out the purposes of such corporation;

(2) shall have its powers set out in a charter, which shall be published in the Federal Register, and all amendments to which shall be similarly published;

(3) shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to act of Congress; and

(4) shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of said act.

(c) Any corporation established or utilized pursuant to this section is authorized to borrow from the Treasury of the United States, for any of the purposes of the corporation, such sums of money as may be necessary to carry out its functions under this title: *Provided*, That the total amount borrowed under the provisions of this section by all such corporations shall not exceed an aggregate of $2,000,000,000 outstanding at any one time. For the purpose of borrowing as authorized by this paragraph, any corporation established pursuant to this section may issue to the Secretary of the Treasury its notes, debentures, bonds, or other obligations to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations. Such obligations may mature subsequent to the period of succession of the corporation. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations of the corporation. The Secretary of the Treasury is authorized and directed to purchase any obligations of any such corporation to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the obligations of any corporation hereunder.

TITLE IV—CONTROL OF CREDIT

SUBTITLE A—CONSUMER AND REAL ESTATE CREDIT

SEC. 401. (a) To assist in carrying out the purposes of this act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of consumer and real estate credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements thereto, and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this subtitle or to prevent evasions thereof.

In prescribing and suspending such regulations, including changes from time to time to take account of changing conditions, the President shall consider among other factors, (1) the level and trend of consumer and real estate credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for real property and improvements thereon and for other goods and services, and (3) the need in the national economy for the maintenance of sound credit conditions.

(b) No person shall extend or maintain any credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, under oath or otherwise, as the President may by regulation require as necessary or appropriate in order to effectuate the purposes of this subtitle; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

(c) Any person who willfully violates any provision of this subtitle or any regulation or order thereunder, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than 1 year, or both.

(d) To assist in carrying out the purposes of this subtitle, the President by regulation may require transactions or persons or classes thereof subject to this subtitle to be registered or licensed; and, after notice and opportunity for hearing, the President by order may suspend any such registration or license for violation of this subtitle or any regulation prescribed by the President pursuant to this subtitle. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such order of the President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that act. In carrying out this subtitle, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

(e) Any restrictions for real estate credit for home construction shall not restrict loans made by private lenders to any percentage of value or maturity less than the maximum authorized for any loans authorized to be made, insured, or guaranteed by the Government or any Government-owned agency or instrumentality, nor shall any restriction otherwise discriminate in favor of Government loans or Government insured or guaranteed loans against private loans for home construction.

(f) For the purposes of this subtitle, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms and, in addition, may define technical, trade, and accounting terms, insofar as any such definitions are not inconsistent with the provisions of this subtitle:

(1) "Consumer credit" means credit which the obligor undertakes to pay in two or more payments, or any other credit: *Provided*, That it shall not include (i) any credit to finance or refinance the construction or purchase of an entire residential or nonresidential building, (ii) any credit extended to a business enterprise solely to finance the purchase of goods for resale, or (iii) any other credit extended to a business or agricultural enterprise for any business or agricultural purpose unless the credit is secured by or is for the purpose of purchasing or carrying any durable or semidurable goods which are used or usable for personal, family, or household purposes, or any accessory, insurance, or service connected with any such goods or any interest therein.

(2) "Real estate credit" means credit secured, either wholly or partly, by real property; credit for the purpose of purchasing or carrying real property or constructing buildings or otherwise improving real property; and credit involving a right to acquire or use real property. As used in this paragraph the term "real property" includes leasehold and other interests therein.

(3) "Credit" means any loan, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment, leasing, or other use of property under which the bailee, lessee, or user has the option of becoming the owner thereof, obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof, or has the right to have all or part of the payments required by such contract applied to the purchase price of such property or similar property; any option, demand, lien, pledge or similar claim against, or for the delivery of property or money; any purchase, discount, or other acquisition of, or any credit under the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

(4) "Person," in addition to the definition given it by section 502 (a) of this act, includes the United States, any State or subdivision thereof, and any agency or instrumentality of one or more such authorities, except that the criminal penalties of this subtitle shall not be applicable to the United States, any State, or other governmental agency or instrumentality.

SEC. 402. To assist in carrying out the objectives of this act, the President may, at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amend-

ed, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers, the President shall give consideration to the preservation of such relative credit preferences as are accorded to veterans of World War II under existing law.

SUBTITLE B—COMMODITY SPECULATION

SEC. 411. The Commodity Exchange Act, as amended (42 Stat. 998; 49 Stat. 1491; 52 Stat. 205; 54 Stat. 1059), is further amended by inserting at the end of section 4a the following:

"(5) (A) Whenever the President determines that the nature or extent of speculative trading on boards of trade causes or threatens to cause sudden or unreasonable fluctuations or unwarranted changes in the price of any commodity, he may prescribe rules and regulations governing the margin to be required with respect to the speculative purchase or speculative sale of any such commodity for future delivery, or the maintenance of a speculative position resulting from such purchase or sale, on or subject to the rules of any board of trade, whether or not designated as a contract market under section 5 of this act: *Provided*, That no such rule or regulation shall be applicable to bona fide hedging transactions.

"(B) It shall be unlawful for any person to buy or sell, or accept orders for the purchase or sale of any such commodity for future delivery, subject to the rules of any board of trade, or maintain or carry a position resulting from such purchase or sale, unless margin funds or securities are deposited and maintained in compliance with the rules and regulations promulgated under this paragraph (5). No floor broker shall be deemed to have violated this paragraph (5) with respect to any transaction in connection with which he has acted solely in the capacity of floor broker.

"(C) All money, securities, or property deposited as margin shall be handled by the person receiving such margin in compliance with the requirements of section 4d (2), regardless of whether such person is a futures commission merchant as defined in this act, and, for the purpose of this provision, the term 'contract market,' as used in section 4d (2), shall be deemed to mean board of trade.

"(D) It shall be unlawful for any person to engage in soliciting or accepting orders for the purchase or sale of any commodity for future delivery on any board of trade, whether or not such board of trade is designated as a contract market, unless such person shall keep a record in writing showing the date, the parties to such contracts and their addresses, the commodity covered and its price, the terms of delivery, and the amount and kind of margin deposited. Such record shall be kept for a period of 3 years from the date of the transaction and shall at all times be open to the inspection of any representative of any agency of the United States designated for the purpose by the President.

"(E) For the purposes of this paragraph (5) the term 'commodity' shall mean, in addition to those commodities specifically mentioned in section 2 (a) of this act, any other agricultural or forest product or by-product.

"(F) For the efficient execution of the provisions of this paragraph (5), the provisions of section 21 of the Securities Exchange Act of 1934 (48 Stat. 899), as amended, are made applicable to the jurisdiction, powers, and duties of the President in administering and enforcing the provisions of this paragraph (5) and to any person subject thereto.

"(G) Sections 4a and 4i of this act are extended and made applicable to any commodity as defined in (E) above, and for the purposes of this paragraph (5) the term 'contract market' as used in sections 4a and 4i shall be deemed to mean board of trade."

TITLE V—GENERAL PROVISIONS

SEC. 501. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this act.

(b) In order to carry out this policy—

(i) the President shall provide small-business enterprises with full information concerning the provisions of this act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this act;

(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations or orders, or amendments thereto, issued under authority of this act, and in their formation consideration shall be given to providing fair representation for small, medium, and large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

(iii) in administering this act, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this act; and

(iv) in administering this act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

SEC. 502. As used in this act—

(a) The word "person" shall include individuals, firms, corporations, associations, partnerships, and any organized groups of persons whether or not incorporated.

(b) The word "materials" shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

SEC. 503. The President may delegate any power or authority conferred upon him by this act to any officer or agency of the Government and may authorize such redelegations by that officer or agency as the President may deem appropriate. Any officer or agency may employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, without regard to section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219), as the President deems necessary to carry out the provisions of this act.

SEC. 504. The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this act. Any regulation or order under this act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper in order to effectuate the purposes of this act.

SEC. 505. (a) The President shall be entitled, while this act is in effect and for a period of 2 years thereafter, by regulation, subpena, or otherwise, to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, and take the sworn testimony of, any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of this act and the regulations or orders issued thereunder. The President shall issue regulations insuring that the authority of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority.

(b) No person shall be excused from complying with any requirement under this section or from attending and testifying or from producing books, papers, documents, and other evidence in obedience to a subpena before any grand jury or in any court or administrative proceeding based upon or growing out of any alleged violation of this act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture in any court, for or on account of any transaction, matter, or thing concerning which he is so compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such natural person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying: *Provided*, That the immunity granted herein from prosecution and punishment and from any penalty or forfeiture shall not be construed to vest in any individual any right to priorities assistance, to the allocation of materials, or to any other benefit which is within the power of the President to grant under any provision of this act.

(c) The production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpena, or other document issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(d) Information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the President determines that the withholding thereof is contrary to the interest of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

SEC. 506. The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this act or any rule, regulation, order, or subpena thereunder, and of all civil actions under this act to enforce any liability or duty created by, or to enjoin any violation of, this act or any rule, regulation, order, or subpena thereunder. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; the subpena for witnesses who are required to attend a court in any district in such case may run into any other district. The termination of the authority granted in any title or section of this act, or of any rule, regulation, or order issued thereunder, shall not operate to defeat any suit, action, or prosecution, whether theretofore or thereafter commenced, with respect to any right, liability, or offense incurred or committed prior to the termination date of such title or of such rule, regulation, or order. No costs shall be assessed against the United States in any proceeding under this act.

SEC. 507. No person shall be held liable for damages or penalties for any act or failure

to act resulting directly or indirectly from his compliance with a rule, regulation, or order issued pursuant to title I of this act, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under title I of this act or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

SEC. 508. (a) No act or omission to act which occurs while this act is in effect, if requested by the President and found by him to be in the public interest as contributing to the national defense, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

(b) The authority granted in subsection (a) shall not be delegated except to a single official of the Government and then only upon the condition that such official consult with the Attorney General not less than 10 days before making any request or finding thereunder.

(c) Upon withdrawal of any request or finding made hereunder, the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

SEC. 509. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof.

SEC. 510. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, is authorized to place positions and employ persons in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that act.

(b) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation; and he is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code or section 190 of the Revised Statutes (5 U. S. C., sec. 99). Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

SEC. 511. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this act by the President and such agencies as he may designate or create. Funds made available for the purposes of this act may be allocated or transferred for any of the purposes of this act, with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out this act. Funds so allocated or transferred shall remain available for such period as may be specified in the acts making such funds available.

SEC. 512. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 513. This act and all authority conferred hereunder shall terminate June 30, 1952, or at such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.

Mr. SPENCE (interrupting the reading). Mr. Chairman, I ask unanimous consent that the further reading of the substitute amendment be dispensed with and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. JACKSON of Washington. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, technically the United States is not at war. But when you look at the program of mobilization which we have set out for ourselves and the free world it cannot be denied that, for all practical purposes, we are embarking on a wartime program.

We are about to appropriate in the neighborhood of $15,000,000,000 for the purpose not only of arming ourselves but of arming other free nations as well. Our total defense expenditures for this year alone will exceed the total military cost of World War I.

We enter this period of mobilization with a fairly full economy. There is some slack, but not much. If we carry out our $15,000,000,000 mobilization program, we will use up that slack, and the pressures of inflation will begin to be felt in earnest.

Before, during, and after World War II we made some serious errors. Before and during the war we failed to control prices straight across the board, with the result that there were soft spots in the inflationary balloon, and the places where high prices tended to pop out hurt those people with fixed incomes and added to the already substantial pressures of inflation.

After the war we lifted price controls too soon. I am sure that the memory of 1947 and 1948, with the ever-creeping increases in the cost of living, is still fresh enough in all our minds, so that we realize how false were the arguments of those who claimed that the lifting of price controls would mean increased production and lower prices.

I voted consistently for price controls during the war and I voted against ending OPA when it was liquidated in 1946. I think that events have vindicated my position.

Now we are entering a period of total mobilization—a period that probably will not end next year or the year after. We know that we are in for a long, hard pull. Whether or not we are able to avoid a global war, our defense efforts will be gigantic over a period of years.

For even if we are able to put out the fire that has started in Korea, and even if we are able to prevent the outbreak of other fires in the world, we will still be faced with the greatest issue of our time—that of winning over to our side the masses of the Asian world, not with words alone but with a better standard of living. Just as we are prepared to appropriate billions for military preparedness today, we may be called upon to appropriate large sums to try to bring the masses of poverty-stricken people in the world a better way of life. These masses form a sort of political vacuum in the world, and if the vacuum is not filled by the leadership of free nations, then it will most certainly be filled by the totalitarianism of the modern-day Communists.

There have been too many post mortems on dead bodies since June 25 and not enough constructive thought given to curing the diseases of the world of today and the world of the future—that is, the diseases of poverty, misery, and malcontent, which themselves have caused the spread of that global infection called communism.

Probably the most crucial factor in promoting the political and economic health of the world is a healthy American economy, for this is the fountainhead of the fight for freedom.

It is in a constructive spirit that I propose the following program to keep our economy healthy during the coming period of all-out mobilization:

First. An across-the-board price freeze, with a rollback on prices to the June 25 level—that is, the level at which prices were when the Korean crisis began. This should serve notice to the profiteers that America will stand for no selfishness at a time of crisis. The only excuses for price increases are increases in costs of production—and you cannot tell me that costs have gone up 10 to 13 percent since June 25. It is true that some price increases may have been caused by an initial wave of "scare buying," but that seems to be slacking off now, and prices are still high. That can only mean one thing—someone is raking off the profits, and merely by taking advantage of the immediate situation.

Second. Appropriate steps should be taken to control consumer credit and installment buying, both of which have inflationary tendencies.

Third. The Government should be given flexible authority to curb speculation in the commodity markets. I say "flexible authority" because I believe the Government should employ its great stores of surplus commodities, where practicable, to stabilize the markets.

Fourth. I believe we should impose as soon as possible an effective excess-profits tax as the cornerstone of a tax program which will as nearly as practicable put us on a pay-as-you-go basis. I believe we ought to come closer to "pay as you go" than we did during World War II. It is generally recognized, I believe, that large deficits certainly add to the inflationary pressures by putting a great deal more money into the economy than the Government takes out. In my opinion, there should be little objection to a true "excess" profits tax, because war is not, never has been, and never should be a game of profit. I believe that any soldier in Korea would back me up on that.

Therefore, Mr. Chairman, I hope the House will pass an honest, realistic bill—a bill that recognizes that we are in for a long, hard pull.

Mr. Chairman, we are faced with an all-out job. Halfway measures will not suffice.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the further reading of the committee amendment be dispensed with and that it be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I assume the gentleman means by "committee amendment" the amendment which we are now reading as the original bill?

The CHAIRMAN. The gentleman is correct. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Chairman, there are six committee amendments on the desk.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE as a committee amendment: Page 30, strike out lines 14 and 15 and insert:

"(3) where the President finds that all other means of acquiring or obtaining the use of such property for the defense of the United States upon fair and reasonable terms have been exhausted."

Mr. CELLER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I shall not speak on the pending amendment. I rise to make some observations about the fact that this bill will have no ceilings on what newspapers and publications may charge for advertising. We have the very anomalous situation that as the result of the power of the press everything that a newspaper buys is controlled, but everything that a newspaper sells is uncontrolled. Those boys up in the Press Gallery have their wages frozen but the advertising rate that the newspapers may charge is unlimited. All supplies bought by the press are controlled. Ad rates are limitless in price. Now, it is argued twofoldly, first, that it is in the interest of the freedom of the press; second, that OPA in the last war had such decontrol. I cannot see any freedom of the press involved. Nobody seeks to interfere with what newspapers may say or what they may not say. There is no interference with the editorial policy. There is no interference with any publication or nonpublication of news items. There is no question of freedom of the press involved. I am as much as anyone an advocate of free press. Therefore, as I said before, it is rather anomalous to protect the press in what it purchases and not to protect advertisers in what it buys from the press.

Now, just think for one moment what goes into the advertising linage of a newspaper. Almost everything of the daily diet—everything of daily consumption—there are a thousand and one articles such as breakfast foods, clothing, drugs, medicines, drinks, soap, gasoline, toilet preparations, tires, automobiles. Think of all the ads that the department stores place in newspapers. If the price of those ads can be increased without let or hindrance, that means that you and I who buy those products, which are the subject of those advertisements, must pay more therefor, because all the cost of advertising is saddled upon the consumer. And, to that extent you will stop the inflationary spiral. Apparently with newspapers, magazines, and publications the sky may be the limit. You cannot consider publications in a vacuum, unrelated to other commodities. Increased cost of ads increases the price of almost all commodities.

Now, it has been argued that we did not do it the last time; in the original OPA Act there were no controls on anything that the newspapers did with reference to the sale of their products or their services. Well, if we made a mistake once I do not think we should make a mistake a second time.

Everybody should be leveled down to size in an emergency of this character. We cannot worship newspapers as sacred cows. Newspapers are not sacrosanct. A newspaper is just as much a commodity when it comes to ads as a sack of potatoes or a suit of clothes, as far as price is concerned. There should be no exceptions whatsoever. It is ridiculous not to control advertisements in the newspapers. Let all, including publications, make sacrifices in this mighty war effort. None should be excluded.

You say there shall be no control of ads in newspapers, hence in order to equalize the situation you say there shall also be no control of outdoor advertising facilities. I can tell you that if ever there is a monopoly—and I know something about monopolies in this country—it is outdoor advertising. We roll out the carpets, as it were, for the outdoor advertising agencies. We say, "No; the sky is the limit as far as outdoor advertising is concerned, outdoor billboards."

Then we go a step further and we say that theater tickets shall be exempt from control. I ask you, come to New York and try to see a show called South Pacific, or try to see a show called Kiss Me, Kate, or The Happy Family. You will pay through the nose. The Shubert interests, that have a tremendous clutch upon the theaters in New York, have an absolute monopoly. They have ironclad control of these tickets. They get personally for distribution to their friends every night 50 tickets for South Pacific. Multiply 50 by 8 (eight performances a week) and then multiply by 52 weeks and you get over 20,000 tickets given to the Shuberts—given for nothing. What happens to those tickets? Those tickets go to the speculators of New York. When you Members of Congress try to see that show, you may have to pay as much as $60 per seat—on a Saturday night. You pay that much if you want to go to see it. I had to pay an extravagant amount to see it.

With reference to the show called Kiss Me, Kate, the Shuberts get 40 tickets a night. Multiply that by 8 and 52. Those tickets primarily go to the speculators. There is no ceiling on the prices. Shubert's control 17 out of 29 theaters in New York City. They demand scores of choice seats for each performance. All these seats are routed to the speculators. There will be no ceiling on the price of these seats. It has been estimated that from $4,000,000 to $5,000,000 of such seats stem from South Pacific alone each year. They are to be uncontrolled. Most of that money goes south into the pockets of numerous individuals. They pay no admission tax. They pay no income tax. Yet, you play right into the hands of those malefactors by saying there shall be no ceiling on the price of theater tickets. I would say that some fifteen or twenty million dollars of such seats are involved each year covering the Shubert theaters in New York City and what happens in New York City theaters controlled by Shubert interests occurs in other metropolitan areas like Boston, Chicago, Philadelphia, and so forth. The evil is national and widespread. In conference I hope the conferees of the House will take a second look to the end that newspaper ads will be controlled and theater tickets will be controlled.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have listened with a great deal of interest to the gentleman from New York speak on advertising, theater tickets, newspapers, and so forth. I am sure he is a great expert on all of those human activities. But having spent something like 35 years in the newspaper business, and having gone through two world wars while I was in the newspaper business, I am well aware of a fact that the gentleman has overlooked, that whenever there is a scarcity of goods to sell and whenever rationing is in effect, there is very little advertising in the newspapers or over the radio or by any other means.

As a result of that situation, if you are to have free publications in America, the time comes when they sometimes have to adjust their rates in order to keep paying these men for whom such great tears were shed, the reporters and others who work for the press. The amendment which was offered to this bill by the gentleman from Pennsylvania [Mr. BUCHANAN] was simply offered for the purpose of doing that which was recognized as necessary in World War I and World War II to protect the right of the American people to get information. I would like to remind the Members that there have been those who for a long time have been fighting to control the free dissemination of news in America. Congress in its wisdom wrote this provision into the law during the early days of World War II simply to protect the right of the American people to get information without having those who would like to have a controlled economy foisted on us to break down all dissemination of news and to control it through prices and rationing. No one is compelled to buy advertising or to buy newspapers or magazines or billboard advertisements, if they do not want to do so. Competition in the market place fixes that. That is not a necessity of life and if they do not want to buy it, they do not have to, they can still eat.

Of course I do not know too much about theater tickets, except I know there

is nobody from my little home town out in Ohio who is paying $60 for tickets to South Pacific. Whenever I reach the place that I cannot afford to buy a ticket to South Pacific, I will not go to see it, and I presume that, if the gentleman from New York is able to pay $60 for tickets to South Pacific, perhaps the people who take him for "suckerbait" can use the money better than he can.

But out in my section of the country we are not foolish enough to pay $60 to see any of your New York shows—we just do not do it. I know who is selling those tickets. I get their advertisements right along.

I am not an authority either on monopolies. The gentleman has investigated monopolies—whether he has ever represented any as an attorney, I do not know. But I do know he has investigated them. But there is no monopoly in the newspaper business, and I do not want to do that which has been suggested by some people who have attempted to destroy a free press by these so-called regulations—I do not want to say that there shall only be one newspaper in a city the size of New York. It just might be, I will say to the gentleman from New York, that, if there is only one newspaper in that city, it might disagree with him and it might end his valuable services to his constituents here in the Congress. So let there be a free press and let there be a free competitive market.

The gentleman from New York for a long while has stood up and fought against monopolies. He said he wanted free enterprise and that he wanted free competition in all lines. Well, let there be competition. If people want to pay whatever the New York Times desires to charge for advertising, let them buy that advertising, and if they do not want it, they do not have to buy it.

But let the New York Times and the other publications in this country continue to print and continue to publish. The same thing goes for radio and for television. The House of Representatives has acted on this question time after time, and we may be thankful that the Congress of the United States has indicated that it still wants a free press.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, we have heard a nice academic speech by my friend the gentleman from Ohio [Mr. BROWN], predicated upon the premise that there might be some effort to control a free press, and the free dissemination of news, as he said, but I know of no one who wants to do that.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BROWN of Ohio. I want to say to the gentleman I am certain he is not interested in controlling the press, but that there were those in the Government and out of the Government during World War II who wanted to control the press of this Nation, and you and I and others stood against them. I am glad that you did so, and I hope you will continue to do so.

Mr. McCORMACK. I know of no one. The only thing done during World War II was in connection with newsprint and the allocation of it.

Mr. BROWN of Ohio. Will the gentleman yield further?

Mr. McCORMACK. Yes.

Mr. BROWN of Ohio. About the time that Mr. Henderson and others were talking about having only one store in a city and one newspaper. You know what I mean.

Mr. McCORMACK. Oh, I do not know what the gentleman means. All I know is that the Buchanan amendment has been adopted. It was offered by a Member of the House who is a Democrat. It was supported by other Members. I do know it was offered, because it was an oversight. It was unnecessary in the committee bill as originally reported out, because the committee did not cover controls, but it only became necessary when substitutes developed. That was quickly taken care of.

I might say I thoroughly agree with the gentleman from Ohio [Mr. BROWN] in discussing the freedom of the press, in the academic way that he did, that we need a free press, and that it will never be imperiled except by the press itself. There never will be any danger to a free press in America unless it comes from the press itself, when they do things that they should not do, and the American people become aroused and incensed, and I cannot see that that will happen.

I might also say that we stand valiantly for a free press. All Members of the House, particularly on the Democratic side, stand for a free press, even when we have in mind the fact that 84 percent of the press are against us. So we are firmly for a free press, despite the fact that 84 percent of the press supports the Republican Party. It shows how strongly we are imbued with the fundamentals of our Constitution and our way of life and our Government, when we are so strong for the maintenance of a free press, even when 84 percent of the newspapers of the country are against the Democratic Party.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MILLER of California. And will the gentleman point out also that in order to help pay for the salaries of the people who work for the press, we subsidize it to the tune of about $160,000,000 a year.

Mr. McCORMACK. I am not going to get into that.

May I make this further observation, that while 84 percent of the press is Republican, I know that 84 percent of the employees of those papers are Democrats.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BROWN of Ohio. I think the gentleman will agree that if the United States Government did not have a press and a radio to help disseminate news during wartimes, to help sell liberty bonds and to explain Government controls and why you ought to go along, and this, that, and the other things; and if the Government was required to pay regular advertising rates, there would not be this deficit which the gentleman mentioned existing, and we could reduce our rates and pay the men more money.

Mr. McCORMACK. I am not going to get into deficits. I agree with everything the gentleman has said about a free press. It goes even deeper than what the gentleman says, outside of the deficit. So all of us recognize the importance of a free press, but I recognize the ingenuity of the gentleman from Ohio [Mr. BROWN] in raising a straw man to knock down.

I want the RECORD to show that we are all for a free press and the free dissemination of news, but I wanted to make the further observation, for the benefit of the press, that they should be fair to all persons, and particularly to all political parties and candidates. Most of the 84 percent of the papers which are Republican are fair in their news columns, but some are not. However, I hope they will profit from the experience that 435 Members of the House are firmly in support of the freedom of the press, and that as the coming campaign approaches they will be as fair to the Democratic Members in their news columns as they are to the Republican Members.

I might also say that the Boston papers are fair.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. May I say to the gentleman that I am humbly sorry that I at all disturbed the gentleman.

Mr. McCORMACK. Oh, no disturbance; this is a pleasure for me.

Mr. BROWN of Ohio. I am sorry; I was not intending to stick a needle into the gentleman.

Mr. McCORMACK. The gentleman is not sticking a needle into me; I am afraid I am sticking one into the gentleman from Ohio.

Mr. BROWN of Ohio. I am amazed at the reaction that has been obtained here. Of course, if the gentleman will just take time tomorrow to read the remarks of the gentleman from New York——

Mr. McCORMACK. The gentleman from New York [Mr. CELLER] is firm for the principles of a free press.

Mr. BROWN of Ohio. I am really sorry the gentleman has been disturbed or perturbed by what I have said.

Mr. McCORMACK. Do not put into my mind thoughts that I do not express.

Mr. BROWN of Ohio. I could not put anything into the gentleman's mind.

Mr. McCORMACK. If anyone is disturbed or perturbed it is my friend from Ohio.

Mr. BROWN of Ohio. I am sure the House will know who is disturbed.

Mr. McCORMACK. In this little friendly exchange——

Mr. BROWN of Ohio. I hope the gentleman is going to mark me down as being for a free press.

Mr. McCORMACK. Stronger than the gentleman is; I am not only for a free press, but I am for a fair press.

Mr. NICHOLSON. Mr. Chairman, I move to strike out the last word.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the House dispose of the six committee amendments that are now at the Clerk's desk after the gentleman from Massachusetts has concluded. The committee amendments were reported unanimously by the committee.

Mr. JAVITS. Mr. Chairman, reserving the right to object, what is the intention of the gentleman from Kentucky with respect to other amendments or with respect to time for full debate? Can the gentleman tell us that?

Mr. SPENCE. It does not affect the other amendments. We merely want to dispose of the committee amendments which were unanimously reported.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, do I assume from the gentleman's request that he is going to offer the committee amendments en bloc?

Mr. SPENCE. We will be glad to have them considered en bloc; yes. I so modify my request Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NICHOLSON. Mr. Chairman, if it will expedite things I will relinquish my 5 minutes in order that these amendments may be disposed of.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments:

Page 34, line 16, after the word "materials" and before the period, insert "including the exploration, development, and mining of strategic and critical metals and minerals."

Page 35, strike out lines 1 through 12, inclusive.

Page 40, line 19, strike out beginning with line 19 down through and including line 2, on page 41, and insert:

"(e) Any rules, regulations, or orders for real-estate credit shall not restrict loans made by private lenders to any percentage of value or maturity less than the maximum authorized for any loans of like classifications authorized to be made, insured, or guaranteed by the Government or any Government-owned agency or instrumentality, nor shall any rule, regulation, or order otherwise discriminate in favor of Government loans or Government-insured or guaranteed loans against private loans."

Page 43, line 22, strike out lines 22 through 25, inclusive, and insert: "*Provided*, That in the exercise of these powers, the President shall preserve the relative credit preferences accorded to veterans under existing law."

Page 55, line 4, strike out "June 30, 1952" and insert "June 30, 1951."

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 42, line 5, strike out all of paragraph 3, and on page 39, line 3, after the word "any", insert "consumer or real estate."

Mr. WOLCOTT. Mr. Chairman, this is half of the amendment which was offered the other day and which was discussed at that time. It strikes out the general provisions for credit control only and does not strike out the real-estate credit-control provisions. It is to be assumed that the definition of "credit" which this amendment seeks to strike out on page 42 applies to all other credit than consumer credit and real-estate credit.

As has been argued here, to give anyone the authority to control all credit, including bank loans and private loans, gives that individual such control over our economy as to make all of the other provisions of this bill unnecessary.

I hope that some of you will recall the controversy which raged around what became the Banking Act of 1935 when a first attempt was made to control the credit of the Nation which this Congress repudiated because of the power which could be wielded over the national economy. I hope that many of you will remember the controversy of 1939 when a like attempt was made to control the credit of this Nation in a bill known, I believe, as H. R. 3940 of that Congress, and that the House at that time repudiated that attempt.

Mr. Chairman, to me this is the third attempt which has been made in 15 years to control the lifeblood of the American economy, to control all credit. It is traditional that when anyone seeks to control the lifeblood of the American economy—credit—we repudiate it, that we not give it to those who seek it. During World War II we confined ourselves to the control of consumer credit. The authority to control consumer credit should remain in this bill.

It is not necessary for the controls which they should have to give the power to control all credit, something which has never been utilized because of the dangers attending it. Now, for the preservation of the American system, for the preservation of the free American enterprise system, for the preservation of the American way of life, this amendment should be adopted.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Indiana.

Mr. HALLECK. May I say at this point to all members of the committee, and I think I can speak for Democrats as well as Republicans when I say that the gentleman from Michigan [Mr. WOLCOTT] through the years that we have struggled with these problems of price control, credit control, and other controls, has demonstrated his deep understanding of the whole problem, his complete courage in dealing with it, his lack of partisanship, his integrity, and all of the other things that to my mind should commend his advice on any matter of this sort to the attention of all of us.

I think he has made a splendid case for the adoption of this amendment, and I trust that it will be adopted.

Mr. MULTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not finding fault with what the gentleman from Indiana [Mr. HALLECK] said about the fine qualities of the gentleman from Michigan [Mr. WOLCOTT]. We all admire him. At the same time, that is no reason why this amendment should be adopted. You were told during the course of the day, as you were last week, that if you do not strike out these credit provisions of this bill you are going to interfere with the lifeblood of the economy of the country, and I think you all remember how indignantly the gentleman from Michigan rose to his feet last week when somebody said that the lifeblood of the boys fighting in Korea or anywhere else where they may be called upon to fight is just as dear to us as is the lifeblood of the economy of the country.

The gentleman in the White House, like the gentleman from Michigan, was also baptized by the fire of battle in the front lines. I think he is the same gentleman there with the same human qualities as he was when he sat as chairman of the Senate War Investigating Committee, and the same human being, with the same feelings when he was back home at Independence, Mo. We have entrusted without hesitation to our President, as Commander in Chief, the lifeblood of the members of our country's armed services. We can just as safely and just as unhesitatingly entrust to his care, control over the economy of this country.

That is precisely what you do by this bill when you impose price controls and wage controls. You also give the power to the President to requisition business, big and little, by this bill, with the power to allocate materials. There can be no reason why the banking interests of this country should be exempt from such controls. There is nothing so sacrosanct about credit that puts it beyond the power of this Congress to control it either directly or indirectly through the President or the Federal Reserve Board.

There is nothing new, despite what we have been told, about this proposal to give to the President the authority to control credit. If you will look at the Trading With the Enemy Act you will find that in 1917, and by amendment in 1941, we vested in the President the power to control credit. During World War II he never found it necessary to control more than consumer credit. He did, as you remember, control it to an extent with regulation W during World War II, and that was lifted as soon as it was possible to do so.

The provisions you have in this bill now which the amendment seeks to strike are necessary and essential to the over-all control powers that we are seeking to give the President at the present time. You do not have to take my word for it.

Let me quote to you what the Federal Reserve Board itself says on the subject:

Vigorous measures of restraint on private credit extension constitute the most important instrument immediately available for holding the line against an inflationary price spiral.

And then referring to this very measure we are considering now, this very language which he seeks to eliminate

from this bill, the Federal Reserve Board says:

> The authority requested in the proposed Defense Production Act of 1950 would provide the means for applying further restraints and this authority is necessary.

That is what we were told on August 1, 1950. You might just as well have no controls at all, if you are not going to have credit controls. I urge upon you, as we did last week when we voted down a similar amendment, that you vote down this amendment, lest you gut the entire bill.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Indiana.

Mr. HALLECK. This amendment in this particular form has not been presented before, because it does not include real-estate credit or consumer credit. It goes only to general credit.

Mr. MULTER. This amendment seeks to strike out important credit provisions of this bill. Adoption of the amendment will deny to the President one of the primary things he asked for as necessary immediately.

You will make yourselves ridiculous in the eyes of the country if, after voting to the President stand-by wage and price controls which he says he does not presently need, you now deny him the controls he and the Federal Reserve Board tell you he must have now.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I direct a question to the Committee on Banking and Currency, especially the gentleman from Pennsylvania [Mr. BUCHANAN]? I should like an explanation of subsection (1), "Consumer credit," appearing on page 41. If the gentleman will remember, he and I sponsored the amendment that excluded from control rates charged by any common carrier or public utility, rates charged by any person in the business of selling or underwriting insurance, rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio or television broadcasting station, and so on, and also rates charged for any professional services, as well as other items.

If the gentleman will refer to page 41, beginning with the words "Consumer credit," the way the language reads it would seem to include any kind of credit that might be extended for services, say, by a doctor or by a lawyer. Does not the language, as you have written it on page 41, subsection (1) "Consumer credit," exclude the items we referred to in our jointly sponsored amendment?

Mr. BUCHANAN. I might say that consumer credit as defined by the Federal Reserve Board would reinstitute a set-up similar to Regulation W. They very specifically outline certain items that are covered under consumer credit. In reference to rates that are charged by professional people for services rendered, those would not be covered under consumer credit.

Mr. FULTON. The same applies for any other item, then, that was in our amendment of exclusion?

Mr. BUCHANAN. That is exactly right.

Mr. FULTON. Such excluded items would definitely not be under the consumer credit control outlined on page 41, subsection (1)?

Mr. BUCHANAN. That is correct.

Mr. KUNKEL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I know it is getting late, but there are several things in this I should like to call to your attention.

In the first place, when this was debated before, the main controversy occurred on the changes that were made in the real-estate credit. A lot of people thought that controls should be left over real-estate credit. The way the gentleman from Michigan has offered this amendment, it leaves real-estate credit exactly the way it is in the Spence bill, so that real-estate credit would not be affected at all. If that has been the determining factor in your previous votes, please keep in mind that this time it merely deals with the general credit provisions of the bill.

In the second place, in my judgment, there is nothing that is more important than this particular provision. The reason why we should hesitate to turn over complete authority over credit is that the credit of the country functions better and produces more if it is left in private hands within certain limits. The President has never used the authority he has to limit credit, and neither has the Federal Reserve Board; in fact, the Federal Reserve Board by supporting the price of Government bonds at a price higher than par has produced part of the inflation which we are now experiencing. There are many present methods of cutting down which have been ignored in the past, as the gentleman from Michigan pointed out in the statement he made earlier in the day.

I think this is such a drastic step I agree with the gentleman from Pennsylvania when he says that he doubts if anything would be done under this for some time. Therefore, I think we would do well to adopt this amendment, leaving intact the provisions regarding consumer credit and the provisions regarding real-estate credit, and hold off on this turning over of authority over all credit to the President until we have had time to give it a far better examination. As the gentleman from Michigan has pointed out, the same proposal has been defeated twice in the past.

It is an extremely serious step. I urge, in view of the fact that the main provisions of the bill and the ones that will be used are handed over to the President, even though this amendment is adopted, that you adopt this amendment and reserve action on the general broad credit provision until later. I might say to the gentleman from Pennsylvania [Mr. FULTON] that under that broad definition of credit, in my judgment, the President could certainly control the items to which he referred when he was questioning the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. MORTON. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. MORTON. Unless this amendment is adopted, if the bill remains as is, unamended, do I understand that short-term commercial credit can be controlled?

Mr. KUNKEL. I understand that definition of credit is so broad that you could even control transactions between two individuals. Furthermore, the Government now has complete power to devalue or depreciate the value of money. So it is more important than ever to hold off on the over-all grant of power with respect to credit.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. WOLCOTT. In line with the colloquy that has just taken place, may I refer the committee to the first sentence on line 5, which answers all these questions as to how broad this credit is. It says that credit means any loan, advance, or discount. All the rest of it is in addition to that. Credit means any loan, or any advance, or any discount, and it covers all kinds of credit of whatever nature.

Mr. JAVITS. Mr. Chairman, will the gentleman yield for a question?

Mr. KUNKEL. I yield.

Mr. JAVITS. May I ask the gentleman from Michigan [Mr. WOLCOTT], and I am sympathetic with what the gentleman is trying to do, but why does the gentleman feel that he has to strike out the rest of the paragraph and not just that one line?

Mr. WOLCOTT. Because all the rest of the paragraph must apply to credit other than consumer credit or real-estate credit, or it would not be here. You have the definition of consumer credit, and then you have the definition of real-estate credit, and then we have this definition of credit, which, of course, must be all other credit than consumer credit and real-estate credit.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. KEATING. Under the very drastic controls which we had during World War II, was there a similar effort made to control credit generally as is now being made?

Mr. KUNKEL. The only regulation on that which came to my attention is regulation W, which was only in connection with consumer credit.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. SPENCE. Mr. Chairman, I ask that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, what we are trying to do here is to attack this problem at the top level and to attack the problem of control in general at the credit levels, both general credit as well as real-estate and consumer credit.

There is now in excess supply some $10,000,000,000 in purchasing power and the problem is to drain off from the normal flow of demand for goods this excess purchasing power. It is estimated that if Regulation W were reinstated as we had it in World War II, that that alone would take care of some $3,000,000,000. If credits in general and real-estate credit, which are a very important part of this bill, were to be removed, it would tend to weaken the entire purport of this bill at this time.

In answer to the gentleman from New York, I might say that the Second War Powers Act and the Trading With the Enemy Act of 1917 did give these broad credit-control powers to the President at that time.

If we are to attack this problem without the many manifold controls that are necessary at the consumer levels, and focus our attention upon the higher levels, the producer or the distributor levels, you will be able to hold the economy in check to that degree. One who is familiar with the real-estate expansion, with consumer credit expansion, and with credit expansion in general, knows that those are the factors that tend to bring about this inflationary spiral rise. It is in the hope that we will be able to keep these things in control at the top levels, that we will be able to reduce the need for the obnoxious consumer level controls that are being advocated and will be necessary if we fail at the top level.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. McCORMACK. If I understand the minds of the Members of the House, a very great majority want legislation that will meet the present situation—limited controls and stand-by controls. The American people do. One of the most inflationary influences is credit.

Mr. BUCHANAN. That is correct.

Mr. McCORMACK. If this amendment is adopted, it takes away 50 percent of the power to control inflationary movements at this particular time?

Mr. BUCHANAN. It will take the lid off completely and create an inflationary spiral that will be impossible to keep under control.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. KEATING. I agree entirely with the gentleman from Massachusetts regarding the desires of the people.

My question is this: Apparently such control was imposed during World War I. It was not thought advisable to do so during World War II, when we had a much greater inflationary situation.

Mr. BUCHANAN. Oh, yes. That is contained in the broad powers given the President in the Second War Powers Act.

Mr. MULTER. The act of December 18, 1941. We gave the President the same power that we have in this bill to control credits. He delegated it to the Federal Reserve Board, and the very fact that we had the right to sell to banks was sufficient to hold the credit down.

Mr. KEATING. We who are not experts are told one thing by the gentleman from Pennsylvania and a different thing by the other gentleman.

Mr. MULTER. The gentleman from Pennsylvania has the book in front of him. He can read it.

Mr. BUCHANAN. It is there. It is in the original Trading With the Enemy Act, in the Second World War.

It is necessary to defeat this amendment. Otherwise, you will have no control at all.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

Mr. SHORT. Mr. Chairman, on that I demand tellers.

Tellers were ordered; and the Chairman appointed as tellers Mr. WOLCOTT and Mr. PATMAN.

The Committee divided; and the tellers reported that there were—ayes 151, noes 124.

So the amendment was agreed to.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to return to title II. I have an amendment at the desk which is agreeable to the other side.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: On page 10, line 5, after the word "rentals" insert: "(a)" and on page 10, line 6, after the word "service" insert: "(b)".

Mr. BUCHANAN. Mr. Chairman, this is to clarify a previous amendment that has been approved, but does not exclude newsprint as one of the items. There was some question of interpretation. This is satisfactory to both sides.

Title 2 of H. R. 9176 contains, in sections 207 and 208, elaborate provisions for the review of price or wage stabilization orders. The provisions are apparently intended to apply to both types of orders, although they are appropriate only for price orders.

The appeal or review provisions are derived from those which were used for price orders in World War II. They may be summarized as follows:

Any person objecting to any regulation or order may file a protest with the President. This protest must be filed within 6 months, but if new grounds for the protest arise, as would normally be the case in a wage order, the protest may be filed within 6 months after the new grounds arise. A protesting party is entitled to a hearing before a board of review, if he so requests. The hearing is to be a full-fledged one, with witnesses subpenaed, and so forth. If the protest is ultimately denied the protestant may appeal to the Emergency Court of Appeals. Full-fledged judicial review before that Court is provided. Finally, decisions of the Emergency Court of Appeals are subject to review by the Supreme Court of the United States, on writ of certiorari.

These provisions are wholly inappropriate insofar as the wage stabilization orders are concerned, for the following reasons:

First, the War Labor Board, or whatever other agency is created to settle labor disputes, must have power to make prompt and final settlement of disputes if good labor relations are to be maintained.

Second, if a settlement of a wage labor dispute is not to become finally effective for 2 or 3 years, as would be the case under the review and appeal provisions of H. R. 9176, strife and unrest in the plant will be continued throughout that period.

Third, experience during World War II indicated that industrial unrest could be prevented only if the Government agency had power immediately to effectuate a final settlement.

Fourth, the considerations underlying a wage stabilization order will be of a general economic or sociological character. Judicial review of such orders would not in any event be useful or appropriate. In contrast, price orders frequently rest on a series of complex findings raising legal issues appropriate for judicial review.

Fifth. The decisions of the War Labor Board were not reviewable. The Smith-Connolly Act, which ultimately gave statutory authority for the Board, empowered the Board "to decide the dispute, and provide by order the wages and hours and all other terms and conditions (customarily included in collective-bargaining agreements) governing the relations between the parties, which shall be in effect until further order of the Board." It contained no provision for review of the Board decisions. The World War II experience was, in general, satisfactory, and it should not be departed from in the absence of some clear reason for doing so.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. BUCHANAN]

The amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, had come to no resolution thereon.

AMENDMENT TO FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 3959) to amend the Federal Property and Administrative Services Act of 1949, and for

other purposes, with House amendments thereto, insist on the House amendments and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this agreeable to the Republican members of the committee?

Mr. DAWSON. Yes.

Mr. MARTIN of Massachusetts. Has the gentleman consulted with them?

Mr. DAWSON. Yes, I have.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DAWSON, BOLLING, HOLIFIELD, HARVEY, and LOVRE.

CONFERRING JURISDICTION ON THE COURTS OF THE STATE OF NEW YORK WITH RESPECT TO CIVIL ACTIONS BETWEEN INDIANS OR TO WHICH INDIANS ARE PARTIES

Mr. LYLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 747, Rept. No. 2844), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which the Indians are parties. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SETTLEMENT OF INTERCUSTODIAL CONFLICTS INVOLVING ENEMY PROPERTY

Mr. LYLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 748, Rept. No. 2845), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 516) authorizing the President, or such officer or agency as he may designate, to conclude and give effect to agreements for the settlement of intercustodial conflicts involving enemy property. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on tomorrow at 10 o'clock a. m.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERIODIC CENSUS OF GOVERNMENTS

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7265) to provide for the conduct of a periodic census of governments, with Senate amendments thereto, disagree to the amendments of the Senate, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the bill we have been working on this afternoon be the first order of business tomorrow?

The SPEAKER. Yes.

Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none and appoints the following conferees: Mr. MURRAY of Tennessee, Mr. MILLER of California, and Mr. REES.

RECLAMATION PROJECT ACT OF 1939

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1922) to amend section 10 of the Reclamation Project Act of 1939, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 11, after "project", insert ": *Provided,* That, if a water users' organization is under contract obligation for repayment on account of the project or division involved, easements or rights-of-way for periods in excess of 25 years shall be granted only upon prior written approval of the governing board of such organization."

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FIVE CIVILIZED TRIBES AND OTHER INDIANS OF EASTERN OKLAHOMA

Mr. MORRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9219) to promote the rehabilitation of the Five Civilized Tribes and other Indians of eastern Oklahoma, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. MORRIS. I shall be glad to. This type of bill is usually referred to as a rehabilitation bill. It provides for the setting up of a revolving fund of $10,000,000 for the Five Civilized Tribes and other Indians in the State of Oklahoma. It is not a grant; it is merely a loan, except that 20 percent of it is nonreimbursable; 80 percent is a loan to rehabilitate these Indians and to help them become self-sustaining citizens in their economic life. This follows the pattern that has been set by this House in recent days. We passed two like bills for the State of Montana, introduced by our colleague, the gentleman from Montana [Mr. D'EWART], and two for our late and lamented colleague, the gentleman from North Dakota, Mr. Lemke. This bill follows the pattern.

Mr. MARTIN of Massachusetts. Is it a unanimous report of the committee?

Mr. MORRIS. It is.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

Mr. TABER. Mr. Speaker, further reserving the right to object, how much money is involved?

Mr. MORRIS. There is an involvement of $10,000,000, but, as I say, it is a loan and not a grant, except 20 percent that is nonreimbursable.

Mr. TABER. I think this ought to come up under the regular rules of the House, Mr. Speaker, and I shall be obliged to object.

Mr. MORRIS. Would the gentleman reserve his objection for a moment?

Mr. TABER. Yes.

Mr. MORRIS. I will say this to the gentleman, that time is of the essence here. As I suggested just a moment or two ago, we have passed four bills like this, I will say to the gentleman from New York: Two for the State of Montana of which the gentleman from Montana [Mr. D'EWART] was the author, and two for our late and lamented colleague, the gentleman from North Dakota, Mr. Lemke. This bill follows the pattern that we have set. These are loans for these Indians. The money is badly needed. These people are in dire circumstances; at least, some of them.

Mr. TABER. How many Indians?

Mr. MORRIS. Sixty-four thousand in all. There are 14,200 families altogether, approximately.

Mr. TABER. How many of them are wealthy?

Mr. MORRIS. I will ask the author of the bill, the gentleman from Oklahoma [Mr. STIGLER], to explain that in detail.

Mr. STIGLER. Mr. Speaker, these Indians may be divided into 4 groups. The breakdown is as follows: In group 1 there are 7 percent, who enjoy the highest standard of living. In group 2 there are 44 percent. They are in the middle class. They have comfortable homes. In group 3 there are 27 percent. They have low incomes and very, very bad housing, with difficult living conditions, but they are not on relief. Then in group 4 there are 22 percent, who have

the lowest standard of living and very bad housing. They are all on relief.

Mr. TABER. I think I must object, Mr. Speaker.

Mr. MORRIS. I do not want to be too persistent on it, but I should like our general chairman to make a statement, if it is satisfactory to the gentleman from New York to reserve his objection for just a little while longer. Then I should like to make this final statement.

I realize how interested the gentleman is in economy. I appreciate his position. However, I honestly and sincerely believe that this will be as good an economic move as we could possibly made in this field. This is not a grant; it is a loan. It will keep them from coming back to our Government and asking for grants. It will rehabilitate them. It will give them a chance to furnish a living for themselves, and in the long run it will be a good, economic endeavor, in my judgment.

Mr. TABER. The trouble is, you are spending so everlastingly much money now. The Bureau of Indian Affairs is costing an enormous sum of money and we are not getting any results out of it. All this would be done under the direction of the Bureau of Indian Affairs, and under the direction of Dillon Myer, a notorious character. It just does not make sense to me. I must object.

Mr. NICHOLSON. If the gentleman will withhold his objection for a moment, may I ask him if this proposition is likely to save some money, would it be possible not to put it in the Department of the Interior for that Department to supervise?

Mr. TABER. I assume it goes into the Department of the Interior. That is the only place there is that handles Indian affairs in this country.

Mr. NICHOLSON. Would the gentleman from New York reserve his objection so that the gentleman from Oklahoma might explain?

Mr. TABER. I think the bill ought to come up in the regular way, under the regular rules.

The SPEAKER. The gentleman continues to object.

WADE H. NOLAND

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2854) for the relief of Wade H. Noland, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$145.50" and insert "$228.25."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the situation?

Mr. BYRNE of New York. I cleared this with the gentleman from Michigan [Mr. MICHENER]. There are three bills. The gentleman from Massachusetts, the distinguished minority leader, was sitting near him and I thought at the time that he spoke to him about it..

Mr. MARTIN of Massachusetts. I was not aware of it.

Mr. BYRNE of New York. I cleared it with the gentleman from Michigan and he approved this action on the three bills. I trust that is satisfactory.

Mr. MARTIN of Massachustts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PRESTON L. WATSON

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1056) to confer jurisdiction on the Court of Claims to hear and determine the claim of Preston L. Watson as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BYRNE of New York, LANE, and JENNINGS.

EWA PLANTATION CO.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BYRNE of New York, DENTON, and JENNINGS.

DR. PAUL J. RAVER, BONNEVILLE ADMINISTRATOR, AN EFFICIENT AND DEPENDABLE PUBLIC SERVANT

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Speaker, Dr. Paul J. Raver for many years has been Administrator of the Bonneville Administration and the Administration has its offices in my congressional district in Portland, Oreg. During my service in the Congress I have had occasion to observe the work of Dr. Raver and have found him at all times to be most cooperative and devoted to the heavy responsibilities resting upon him. He has done an outstanding and noteworthy job in developing and administering the great public-power resources of the Pacific Northwest. He enjoys the confidence and esteem of the citizens of the Northwest and he has received many commendations for the outstanding job he is doing.

Based upon my long experience with the Bonneville Administration, in my opinion the recent criticism of Dr. Raver which appeared in the August Reader's Digest was wholly unjustified.

As a part of my remarks I include a resolution recently adopted by the Yamhill County Pomona Grange expressing the commendation of that organization for Dr. Raver's activities in which they say:

Resolved, That we express our commendation of Dr. Raver for his restraint in this attempt at character assassination, and reaffirm our faith and confidence in his proven integrity and the constructive leadership he has given to the great Federal power development of the Columbia River.

The following is the resolution in full:

We, the members of the Yamhill County Pomona Grange, wish to commend the Portland Oregonian for its alertness and aggressiveness in the public interest through exposing the editorial dishonesty and deliberate distortion of facts by the August Reader's Digest in an article entitled "What Does CVA Mean to You?", by Leslie A. Miller.

The article calls Dr. Paul J. Raver, Bonneville Administrator, a socialist, and links him with two other "old-time socialists," Stephen Raushenbush and Dr. Carl D. Thompson. These three, the article says, were "neatly placed in strategic spots for promoting their socialistic dreams."

The Oregonian not only secured an admission from Mr. Miller, the alleged author, that the socialist accusations were not written by him, but also an admission by Alfred S. Dashell, managing editor of the magazine, that the phrase calling Dr. Raver a "socialist" was inserted after Miller's article was accepted.

Furthermore, The Oregonian implied in an editorial July 25, that the Digest article may be a part of a national campaign by private utilities to discredit valley authorities and all public utilities with the label of socialism. Cited by The Oregonian was a booklet issued in January by the Electric Companies Advertising Program, which says, in part, "From the preceding charts it is apparent that to link our fight to the TVA question would run us into a lot of opposition, most of it based on lack of knowledge. But to link our fight to socialism is something else again. The people do not want socialism. We're on favorable ground again."

Therefore, be it resolved, That Yamhill County Pomona Grange go on record as condemning the Reader's Digest for its flagrant violation of the basic freedom of the press through its editorial dishonesty and biased presentation of facts, and for its groundless and wanton attack on the character of Dr. Raver in the August issue, and for the other recent instances in which it has opened its pages to propaganda articles obviously inspired by private utilities, and groups such as the National Manufacturers' Association, and other representatives of privilege.

Furthermore, be it resolved, That we express our commendation of Dr. Raver for his restraint in this attempt at character assassination, and reaffirm our faith and confidence in his proven integrity and the constructive leadership he has given to the great Federal power development of the Columbia River.

Be it resolved, That copies of this resolution be sent to Elmer McClure, Oregon State Grange Master, The Oregonian, and the Oregon Congressional Delegation of Senators WAYNE MORSE and GUY CORDON, and Representatives HOMER D. ANGELL, WALTER NORBLAD, LOWELL STOCKMAN, and HARRIS ELLSWORTH.

GUY SHUMWAY,
Master of the Yamhill County Grange.
HAZEL SCHREIBER,
Secretary of the Yamhill County Grange.

COUNTERACTING RUSSIAN PROPAGANDA

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the gentleman from Maine [Mr. HALE] has asked permission to insert a very strong statement in the Appendix of the RECORD by the able commentator of the Boston Herald, Bill Cunningham, entitled "Vile Red Lies Should Be Answered." The gentleman from Maine [Mr. HALE] has made a vigorous campaign against Red lies and inefficiency in Government.

Mr. Speaker, for a year I have tried to have a Radio Washington, a radio broadcast which would be the official voice of the United States, a voice which could and would answer the vile lies by the Reds, that Bill Cunningham touches upon. Yesterday in the United Nations, Hon. Warren Austin did point the finger at Soviet Russia and at what Soviet Russia has done to the world with the inspired and ruthless attack by the Communists in Korea. I only hope that he will continue to follow it up with a much stronger statement. The United States should make strong statements to counteract the vile lies spread about us. The United Nations should take strong steps against Soviet Russia for its lawless action in the United Nations and its lawless disregard for fair play and decency. It cannot longer hope, with its behavior, to be a part of the United Nations.

The SPEAKER. The time of the gentlewoman from Massachusetts [Mrs. ROGERS] has expired.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. VELDE] is recognized for 40 minutes.

COMMUNISTS IN THE UNITED STATES

Mr. VELDE. Mr. Speaker, apparently President Truman and his administrative leaders have not realized until yesterday the danger in allowing Communists, fellow travelers, and Communist espionage agents to roam our land freely and without restriction. If they had realized this danger they would have acted long before now. It is too late at the present time to repair the vast damage to our internal security that these Russian agents within our land have caused. The administration has, for some reason or other, hid from the American people the real facts concerning the Communist threat from within. Now President Truman finally realizes that we have need for a Communist registration law. I thoroughly agree with him. It has been needed ever since the United States recognized Russia in 1933, and so the question naturally arises: "What can we, as Members of Congress, do in the way of legislation which will prevent the future danger of Stalin's treachery?" The question also arises, "What can President Truman himself do as Commander in Chief of our Armed Forces and as Chief Executive of our land?"

Let us now compare the present crisis to the crisis we were in before and after Pearl Harbor on December 7, 1941. During 1941 there were in this country about 600,000 Italian aliens, 300,000 German aliens, and about 90,000 Japanese aliens. At that time, too, there were several thousand American citizens of Japanese, Italian, and German descent in the United States who were listed by our intelligence forces as being dangerous to our country.

Immediately following Pearl Harbor, President Roosevelt issued two proclamations, which, together with previous proclamations, defined the status of all our enemy aliens within this country. Immediately following Pearl Harbor the FBI and associated intelligence agencies moved quickly. Under the jurisdiction of the Department of Justice, they rounded up all the enemy aliens within our country most quietly and efficiently. The FBI had prepared in advance comprehensive card lists of all those who were potentially dangerous to our security. But there was a further problem involved, because some of the potentially dangerous persons were American citizens, both natural born and naturalized, just as many of the most dangerous Communists within our land today are American citizens. Now, how was this problem handled after Pearl Harbor? The answer was Presidential Executive Order No. 9066 of February 19, 1942, which authorized the Secretary of War and such officials as he might designate to prescribe certain military areas from which potentially dangerous American citizens would be restricted. The FBI and other intelligence agencies had already interned many potentially dangerous citizens, and under this proclamation were able to screen and eventually restrict the actually dangerous citizens to what we remember as being called "relocation areas." Now, from what I have been able to ascertain, President Truman, although realizing the danger of American Communists to our national defense, is not even considering issuing such a proclamation. Apparently, unless Congress acts, and acts soon, the policy of "laying off" American Communists and allowing them to run high, wide, and handsome within our territorial boundaries will continue until Congress has passed a registration law approved by the President.

As I said before, I agree with President Truman that a Communist registration law is needed, but we must realize that legislation of this type requires a good deal of deliberation, and even after both Houses of Congress have passed a law and it is approved by the President, there will be a lapse of many months before it can be made effective. Too much time has elapsed now. We have been in great danger. We are now in immediate danger from Communist aggression from within.

Let there be no mistake about it—the President could, if he would, by the issuance of a Presidential proclamation in this present emergency, restrict American Communists from the war areas whether they are citizens or aliens. The Presidential proclamation would be the most immediate and effective method of handling the problem of screening some 50,000 known American Communists who are listed in the files of the FBI as being potentially dangerous. Everyone knows that our FBI and our military intelligence forces have in the past been extremely efficient and have contributed immensely to our winning of World War II and to making us feel secure from enemy aliens during World War II, as well as from American citizens who were potentially dangerous to our security.

The FBI has a vast store of information on communism. It has accurate records of Communist party memberships, and has I am sure separated most judiciously the potentially dangerous Communists from the Communist ideologists. But this vast store of information and knowledge will most surely go to waste and be of no avail to us unless the President acts shortly by issuing a proclamation similar to President Roosevelt's proclamation of February 19, 1942. I sympathize with President Truman and our Department of Justice in their attempts to fulfill their duty to protect the freedoms and rights of American citizens, but when we come to a state of war, as we most certainly have now done, then we must consider the rights and freedoms of the vast majority of our loyal American citizens in preference to the rights of a comparatively few citizens who are most likely disloyal to the United States and loyal to the enemy.

And in this regard I would like to quote these few sentences from Judge Hand's opinion:

> We know of no country where they would have been allowed any approach to the license here accorded them; and none except Great Britain, where they would had so fair a hearing.
>
> Their only plausible complaint is that freedom of speech, which they would have been the first to destroy, has been denied them. We acknowledge that that freedom is not always easy to protect and there is no sharp line which marks its scope.
>
> We have tried to show that what these men taught and advocated is outside the zone.
>
> Obviously one cannot teach or advocate the use of violence without specifically intending to bring about its use.

But now let us make a brief survey of Communist treachery within our boundaries over the past 17 years which justifies both the issuance of a Presidential proclamation and passage by Congress of a Communist registration act. Our record for protecting our scientific and war secrets which are the very lifeblood of our internal security is most disgraceful—not because the FBI has not been able to gather the facts—not because they do not know what persons

are dangerous—but because during the last 18 years our executive department of Government has refused or failed to use the information produced by our intelligence agencies.

I want to tell you now of some of the real facts about Soviet espionage in the United States. The information I want to give you comes largely from reports of the Un-American Activities Committee, which has been patiently and courageously exposing for the world to see the methods of Communist infiltration and aggression from within. I need not repeat to this intelligent body the many inroads the Communist treachery has made upon our free institutions. You know as I do that they have been successful in taking over great segments of our labor union movement and controlling that movement for the benefit of Russia. They have been able to infiltrate their revolutionary tactics into the minds of some of our leading educators and their students. They have been effective in promoting racial and religious strife. They have wormed their way into the executive department of our Federal Government, and are sticking there like parasites in spite of the tremendous effort of our Congress to dislodge them. It would take days, of course, to review even briefly all of their treacherous activities. I want to review, however, in the time I have remaining the tremendous damage actual Communist espionage agents have done to America. I want to point out to you some of the methods by which Russia was able to attain, practically unhindered, the complete secrets of the atomic bomb from the United States.

The FBI first knew for certain that Soviet agents were in our land on March 29, 1943. The Un-American Committee, on September 28, 1948, after having heard many witnesses who were familiar with the facts, reported as follows:

Late one night in March of 1943, Scientist X, who was a scientist at the University of California, went to the home of Steve Nelson, having earlier in the evening made arrangements with Steve Nelson's wife to meet Nelson there. Nelson was not then at home, but came in about 1:30 in the morning. After Nelson had greeted Scientist X, the latter stated that he had some information that he thought Nelson could use. He read to Nelson a complicated formula, which Nelson copied down. Scientist X gave as his reason for asking Nelson to copy it down that the formula was in the handwriting of some other persons, and that he, Scientist X, had to return the formula to the University of California radiation laboratories in the morning. The radiation laboratories were engaged in vital work in the development of the atomic bomb. Several days later Nelson contacted the Soviet Consulate in San Francisco and arranged to meet Peter Ivanov, the Soviet vice consul, at some place where they could not be observed. Ivanov suggested that he and Nelson meet at the "usual place." As a result of the surveillance that was being kept on Nelson, the meeting between Nelson and Ivanov was found to take place in the middle of an open park on St. Francis Hospital grounds in San Francisco. At this meeting Nelson transferred something to Ivanov. If the matter transferred included the formula that Scientist X had given Nelson several days previous—and the inference is irresistible that it did—it was a formula of importance in the development of the atom bomb. A few days after this meeting between Nelson and Ivanov on the St. Francis Hospital grounds, the third secretary of the Russian Embassy in Washington, a man by the name of Zubilin, came to the Soviet consulate in San Francisco. Shortly after Zubilin's arrival, he made an appointment to meet Steve Nelson in Steve Nelson's home. At this meeting Zubilin paid Steve Nelson 10 bills of unknown denominations. The individual alleged by former intelligence officers and Government intelligence reports to be Scientist X appeared before the committee in secret session and denied that he had ever known Steve Nelson or Steve Nelson's wife, and further denied that he had ever had any meeting with Nelson or anyone else such as described above, or that he had ever given to any unauthorized person any formula or other classified information. This in direct conflict with the testimony of two Federal agents who were assigned to the investigation. When Nelson testified before the committee in September of 1948, he refused to answer all pertinent questions on the ground that his answers would tend to incriminate him. It is significant, in this connection, that when asked if he had been in the Soviet consulate in New York City, he answered "No," but when he was asked if he had ever ridden in an automobile of the Soviet consulate in New York City in the period 1938 to 1948, he refused to answer on the ground that his answer might incriminate him. He also refused to answer on the same ground when asked if he was acquainted with Vassili Zubilin of the Soviet Embassy in the United States.

While I was an FBI agent during the war, I had the dubious pleasure of working on the case I have just mentioned. The FBI with the expense of millions of dollars of the taxpayers' money and under the guidance of a person I know is one of the greatest American citizens, Mr. J. Edgar Hoover, checked all possible leads and all possible clues which developed from the Zubilin-Ivanov-Nelson-Weinberg contacts. We found from following up these clues that a Soviet espionage ring had been operating in this country since 1933 when Russia was first recognized. We found that Soviet Russia had already been successful in stealing scientific secrets from our laboratories and had well-established contacts in our State Department, through which they could operate. We found NKVD, MVD, OGPU agents of whom some were American citizens of foreign lineage, as well as American-born. We found Russian diplomats and diplomats of other iron-curtain countries controlled by Russia who were engaged exclusively in espionage work. The FBI called this espionage case the Comrap Case—Comrap being short for Communist Apparatus. FBI agents and other intelligence forces all over the country, by following these original leads and clues, were able to find Communist agents operating at all of our leading installations of the Manhattan Engineering District. The FBI located and got the goods on a great many couriers who assisted the Russian diplomats in transferring our secrets back to the Kremlin. Beginning in 1943 the FBI and other military intelligence agencies, feeling that this was a conspiracy representing the utmost danger to our future security, sent reports directly to the President of the United States and informed him directly of the activities of this spy ring which these agencies knew about. Our security forces interchanged information with Canada, England, and others of our allies, and in spite of all this vigilance, information concerning the atomic bomb project as well as other scientific war projects continued to flow from American Communists to Soviet Embassies, and thence to Moscow. Our policy at that time, it was said, was one of appeasement of Russia because she was our ally and needed our help. This policy most certainly was formulated in the State Department, then already well-infiltrated with Soviet agents.

Now to further prove to you just how disgraceful our record for protection of our scientific secrets has been, let me first name three of the known espionage agents who have been active on behalf of Soviet Russia in this espionage work, and who have been successful in escaping to foreign lands with what must have been great knowledge of our military defense and war secrets.

First, there is Gerhart Eisler. Investigations and hearings conducted by the Committee on Un-American Activities during 1946 and 1947 exposed Gerhart Eisler as the No. 1 agent in the United States for the Communist International and, as such, the behind-the-scenes boss of the American Communists.

Gerhart Eisler, whose known aliases include Edwards, Brown, Liptzin, Berger, and Eisman, was born on February 20, 1897, in Leipzig, Germany, joined the Austrian Communists in 1918 and the German Communist Party in 1920. He attended the Lenin Institute in Moscow in 1928 and in 1929 was assigned to China where he posed as a journalist but actually served as a Soviet secret police agent. Returning to Germany in 1931, Eisler was elected to the Communist International. In 1932 he taught at the Lenin Institute in Moscow, the school for professional revolutionists.

Gerhart Eisler's first known trip to the United States as a Comintern agent was in 1933; he arrived under his own name, with a legitimate passport, but apparently quickly disappeared into the Communist underground from whence he gave orders to the American Communist Party. He was also known to be in touch with Canadian and Mexican Communist leaders. Former Communists like Joseph Zack Kornfeder have described Mr. Eisler's undisputed sway over American Communists back in 1933 and 1934. Eisler sailed from the United States to Europe—possibly to report to Moscow—in 1935, and again in 1936; on both occasions he traveled under the fraudulent passport of a "Sam Liptzin." Eisler was known to be in Spain in 1937 and to have returned to the United States in 1938. Eisler was in Paris in a camp at Vernet, France, with suspicious German nationals, both Nazi and Communist. In June 1941, Eisler, together with other outstanding Communist leaders in Europe, obtained Mexican visas as anti-Fascist refugees. These immigrants also obtained United States transit visas permitting their travel from the port of entry in New York through the United States into Mexico. However, permission for Eisler to travel through the

United States was denied by the Immigration and Naturalization Service in light of his long-Communist background. Gerhart took an apartment in Queens, N. Y., and posed as an anti-Nazi refugee trying to organize German emigres into anti-Hitler groups. He even served as an air-raid warden during World War II. Following the exposure of Eisler by the Committee on Un-American Activities, the man was arrested and convicted in court of both passport fraud and contempt of Congress; the arrest and conviction of Eisler occurred in 1947 but the slow legal machinery in appeal cases allowed Eisler to remain free on bail for the next 2 years. Finally on May 6, 1949, Eisler left the United States as a stowaway on the Polish liner *Batory*. Chairman PAT MCCARRAN of the Senate Judiciary Committee subsequently announced he had information it was on the orders of Moscow that Eisler was enabled to escape on the Polish ship. For aiding in the Eisler escape, the captain of the *Batory* was awarded the Gold Cross of Merit upon his return to Poland. In May 1949 Gerhart Eisler was elected to the German People's Council, which is supposed to govern Soviet-controlled eastern Germany.

Next, I would like to review the case of Andrei Schevchenko. Andrei Schevchenko is a Russian citizen who was born at Kharkov, Russia, on November 24, 1906. In 1936 and 1937 he was a student at the Aviation Institute at Moscow. His employment background reflects that he was engaged as an engineer in the Peoples Commissariat of Aviation Industry in Moscow. He entered the United States on June 19, 1942, and until September 15, 1945, as an engineer he represented the aviation department of the Soviet Purchasing Commission. During the above period of time, he acted as liaison man between Bell Aircraft Corp., Buffalo, N. Y., and the Soviet Government. On September 15, 1945, the Russian Government transferred the subject individual to the Amtorg Trading Corp., New York City. His date of departure from the United States was on January 2, 1946, and his present whereabouts and occupational assignment are unknown. Through FBI undercover agents Leona Vivian Franey and Joseph John Franey, her husband, and other evidence, the FBI determined that Schevchenko was funneling information concerning jet propulsion and aircraft to Russia through diplomatic channels. Schevchenko left the United States and returned to Soviet Russia in the manner that is best described by the testimony of Mr. Joseph Franey, which I quote:

Do you know why he was not arrested before he left the country?

Mr. FRANEY. The FBI, when they asked us to cancel the trip, said they got orders from Washington that the State Department wanted to hold this up and appease them a little bit, and asked us if we would cooperate. I told them at that time I was getting sick *and tired of* cooperating; that the State Department didn't have to face him, that I was the one who had to face him. The agent said they could see my side of it and wouldn't want to be in the same shoes I was in at that time. But they said after all they got their orders and they had to pass them on to us.

QUESTION. In any event, Mr. Schevchenko escaped the country without ever having been under arrest in this country for violation of the espionage laws?

Mr. FRANEY. That is right. The FBI told us that the New York office wanted to pick him up and the Buffalo office wanted to pick him up, and they told us they couldn't do anything, that their hands were tied, that they just had to go along a bit longer and hold off for a little bit longer. They said they had enough information to pick him up on.

The third of the three examples under this classification I shall cite is and was an alien enemy many of us thought, for some time at least, to be the chief of the Soviet espionage ring in America. Sometime in 1938, an individual who was born either in Sweden or in Russia, according to information which the committee has, who goes under the name of Arthur Alexandrovich Adams, entered the United States from Canada, and in connection therewith furnished a fraudulent Canadian birth certificate. Arthur Adams is virtually a charter-member Communist of the Soviet Union. He participated as a revolutionary in the Russian Revolution of 1905, was imprisoned, and is still suffering from the injuries resulting from the beatings he received at that time. As it appeared in later evidence, all of the persons who were his close contacts in New York during the period 1943–45 testified as to his physical disabilities—they were conveniently ignorant as to the cause of these disabilities.

During the war period Adams was discovered to be actively engaged in espionage activities for the Soviet Government. Those activities included the securing of information with respect to the developments that were being made in the United States in connection with nuclear fission. He was in physical contact with Clarence Hiskey, an atomic scientist assigned to the Manhattan project. He experienced considerable success in securing data that he desired, for when his room and effects were secretly searched in 1944 by Government agents, he was found to have in his possession highly secret information regarding the atomic-bomb plant at Oak Ridge, Tenn., as well as other vital information regarding the development of atomic energy in other countries. The committee has evidence of at least one direct contact that he made with the Soviet consulate in New York. On October 25, 1944, Adams was observed to leave the home of a lawyer in New York and enter an automobile registered in the name of Pavel Mikhailov. Pavel Mikhailov was vice consul in the Soviet consulate in New York at that time. When Adams entered the car he was carrying a large carrying case. Adams was driven directly to the Soviet consulate. Eventually Adams discovered that he was under surveillance, and in February 1945, made a desperate but unsuccessful attempt to leave the United States. Adams began his attempted escape by leaving the apartment of Victoria Stone, a witness. He appeared in Chicago with Eric Bernay, another witness. Adams, from Chicago, proceeded to Portland, Oreg., where he attempted to board a Soviet vessel. He was thwarted by the FBI in this attempt; but, because of governmental policy in existence at that time, the full details of which are unknown to the Un-American Activities Committee because it has not had access to the records, Adams was not arrested. He proceeded immediately back to New York, where he subsequently disappeared and has not been seen or heard of since. According to the committee's best information, he is now in the Soviet Union.

These three named agents are merely three examples of the many who have escaped with information either in documented form or contained within their personal knowledge. There is little, I agree, that can be done to repair the damage that has been done by those who have escaped.

A second classification of dangerous or potentially dangerous enemies to our internal security are those who have been arrested and convicted on various charges involving espionage and who are under the jurisdiction at the present time of our Federal courts. I cite just a few of these individuals, not because they are especially dangerous to us at this time, but to emphasize the laxities which have been permitted by past administrations.

First, I want to mention the case of Alger Hiss. While Alger Hiss was convicted of perjury, we can see in that conviction the treacherous methods used by Soviet espionage agents in our State Department and permitted under the guise of the mistaken Russian appeasement policy. Then there is the case of William Remington. William Remington first came into the news when Elizabeth Bentley, an admitted former Soviet espionage agent, testified in July 1948, that Remington was a Communist who had supplied her with information from the War Production Board during the early 1940's. Bentley at the time was testifying before the Investigations Subcommittee of the Committee on Expenditures in the Executive Departments, with Senator FERGUSON as chairman. Commerce Secretary Sawyer a month earlier—June 1948—had suspended Remington from his post in the Commerce Department because the Civil Service Commission's Fourth Regional Loyalty Board was conducting a loyalty investigation of Remington. In September 1948 the Regional Loyalty Board made a finding that there were reasonable grounds for believing Remington disloyal. In answer to a challenge from Mr. Remington, Miss Bentley on September 12, 1948, repeated her charges against Mr. Remington on a television broadcast, thus making her subject to libel action. Remington accordingly on October 6, 1948, filed a $100,000 libel suit against Miss Bentley, and the National Broadcasting Co., and the program sponsor, General Foods Corp.

On February 10, 1949, the Government's top Loyalty Review Board reversed the decision of the Regional Loyalty Board and cleared Mr. Remington of the charges of disloyalty. He was ordered reinstated in his $10,000-a-year Commerce Department job with back pay. Mr. Remington returned to his

Government job. On February 27, 1950, the insurance company with which NBC and General Foods carried libel insurance, quietly settled the libel suit brought by Mr. Remington. Newspapers alleged that the sum settled for was about $10,000. Miss Bentley subsequently informed the Committee on Un-American Activities that she wanted to fight the libel suit in court and that the insurance company had settled against her will.

In April 1950 the Committee on Un-American Activities requested President Truman's top Loyalty Review Board to reopen its investigation of William Remington on the basis of new evidence that had been obtained against him by the committee. This evidence included the testimony of Kenneth McConnell and Howard Allen Bridgman, who testified in executive session of the Committee on Un-American Activities on April 20 and 29, 1950, respectively. McConnell, admittedly a member of the Communist Party from 1935 to 1939 and a party organizer in Knoxville, Tenn., area, testified that he knew Remington to be a member of the Communist Party in Knoxville, that he had lectured Remington for not conducting himself as befitted a Communist, that he had attended a Communist fraction meeting with Remington in 1937. Bridgman, a member of the Communist Party from 1936 to 1939, stated that Remington was a member of the Knoxville branch of the Communist Party and that he had attended five or six party meetings with him in 1937. Elizabeth Bentley was also called to testify before the Committee on Un-American Activities regarding Remington on May 6, 1950. Mr. Remington himself appeared before the committee on May 4 and 5, 1950, and continued to insist under oath that he had never been a member of the Communist Party. In June 1950 a Federal grand jury in New York indicted William Remington on one count of perjury, based on Remington's denial that he was ever a Communist. A Federal judge is expected on September 18, 1950, to set a date for a trial for Mr. Remington.

Another case I want to mention in this classification is the one involving Harry Renton Bridges, who I am glad to hear was recently placed behind bars without bond after his recent conviction. Harry Renton Bridges was born at Melbourne, Australia, on July 28, 1900. He first entered the United States from that country. At the time of his deportation proceedings and at the present time, he served as president of the Communist-controlled International Longshoremen's and Warehousemen's Union, CIO. In May 1950, the ILWU was the subject of hearings before the National CIO on charges of following the Communist Party line; this action was expected to lead to the expulsion of the ILWU from the CIO but as of August 3, 1950, no announcement of any CIO action on the hearing has been made.

Harry Bridges first entered the United States in 1920. On May 7, 1920, he registered as an alien in the United States Department of Labor. Shortly after his arrival in the country, he went to work as a longshoreman in San Francisco, Calif., at which port he had entered the country. Shortly thereafter he went to New Orleans, La., where on July 13, 1931, he filed his first papers for application for American citizenship. He failed, however, to perfect his citizenship within the 7 years required by law. On August 9, 1938, less than a month after the expiration of his first period of application, he again filed his first citizenship papers. This declaration was made before the clerk in the United States District Court of the Northern District of California. Again Bridges failed to perfect his citizenship within the required 7 years. On May 2, 1946, Bridges filed a Form A–2213, which is entitled "Preliminary Form for Declaration of Intention." It might be stated that on all of these forms, Bridges made the misstatements as to his exact marital status and the number of children he claimed to have had. In a release dated March 1938, the Department of Labor stated briefly that Bridges had first been charged with communism in 1934 and that an investigation was made at that time and a report was filed on February 2, 1935, but that no action was taken until the fall of 1937, when certain persons filed new complaints against Bridges in the Seattle District of the Immigration and Naturalization Service, which was then operating under the Department of Labor. An investigation of these new charges was made during the winter of 1937 and on March 5, 1938, Bridges was served with a warrant and was given a preliminary examination at the Baltimore Office of the Immigration and Naturalization Service. As a result of this hearing, Bridges was held for a hearing on deportation charges. During the summer of 1939, a deportation hearing involving Harry Bridges was held before James M. Landis, who at the time was dean of the Harvard Law School. On December 28, 1938, Dean Landis turned in his verdict in which he said, "The evidence, therefore, establishes that Harry R. Bridges neither is a member of, nor affiliated with, the Communist Party of the United States of America." On February 14, 1941, Harry Bridges was again arrested and held for deportation on a charge that after entering the United States he had been a member of, or affiliated with, an organization, association, society or group that believes in, advocates or teaches the overthrow by force and violence of the Government of the United States. From March 3, 1941, through June 12, 1941, hearings were held in connection with this second deportation charge. A New York Times review of the Bridges case notes that in 1941, Special Immigration Examiner Sears ruled that Harry Bridges was a Communist, but that in 1942, the Board of Immigration Appeals found that he was not. On May 28, 1942, Hon. Francis Biddle, Attorney General of the United States, in a deportation proceeding entitled "Re: Bridges" made a finding that the Communist Party is an organization that advocates the overthrow by force and violence of the Government of the United States. On the same date, an order of deportation was made by the Attorney General against Bridges. On January 30, 1945, the Supreme Court agreed to hear arguments on the Bridges case. On April 2, 1945, the Court reviewed the facts of the Bridges case. On June 19, 1945, the Supreme Court ruled, 5 to 3, that the deportation order issued against Harry Bridges was illegal. Justices Douglas, Black, Reed, Murphy and Rutledge voted for Bridges. Justices Roberts, Frankfurter, and Stone dissented. Justice Jackson did not participate.

On September 19, 1945, Harry Bridges became a naturalized citizen of the United States in San Francisco, Calif. On May 25, 1949, Harry Bridges was indicted by the Federal grand jury in San Francisco, Calif., on charges of conspiracy and perjury in connection with his obtaining citizenship. On April 4, 1950, as a result of these charges, Harry Bridges was convicted in Federal court in San Francisco, Calif. He was sentenced on April 10, 1950, to serve 5 years in prison for perjury committed at his 1945 naturalization hearing, and to serve 2 years in prison for conspiracy to obtain his citizenship by fraud. The sentences were to run concurrently. Harry Bridges was released on $25,000 bail, pending an appeal from his conviction. The Government immediately moved to revoke the citizenship of Harry Bridges, and on June 21, 1950, a Federal judge in San Francisco signed a decree revoking his citizenship. This decree is stayed, however, pending an appeal by Bridges to higher courts. On July 31, 1950, the Government asked the United States district Court in San Francisco to revoke Harry Bridges' bail and put him in jail. The Government based its request on the grounds that Harry Bridges "has pursued and will pursue, a course of conduct and actions dangerous and detrimental to the public welfare and inimical to the safety and national security of the United States of America." The judge set a hearing on the Government's motion for August 2, 1950, and I have already mentioned the outcome of this hearing.

Others who come under the classification of those presently under Federal court jurisdiction are Harry Gold, Alfred Dean Slack, David Greenglass, and Julius Rosenberg, all of whom have been arrested in connection with the activities centering around Soviet Russian attempts to steal atomic secrets from the Los Alamos project.

We now come to the third classification of internal security risks who are still within our boundaries.

One of the most dangerous, clever, and treacherous Soviet agents still at large in the United States and operating freely and openly as a Communist organizer and agent is Steve Nelson. A study of the background and operations of Nelson on behalf of the Soviet Union and the Communist Party will amaze and alarm loyal American citizens.

From his first illegal entry into the United States in 1920, the cloud under which he was naturalized and each time that he applied for and received a passport, always under a false name or through falsification of other information, never has Steve Nelson shown any

intention, desire, or willingness to be a decent, honest, God-fearing citizen of the United States. Every action, every fact shows his disloyalty to the United States and his unswerving and active loyalty to the Soviet Union. He has taken advantage of all the privileges of living in a free country under our Constitution, hiding behind the protection of that Constitution to further a movement that has as its openly avowed purpose the destruction of that same Constitution.

Steve Nelson is not his actual name. He was born Steve Mesarosh on January 1, 1903, at Chaglich, Yugoslavia. He entered the United States on June 12, 1920, under the name of Joseph Fleischinger. His mother and two sisters entered at the same time representing themselves to be the wife and children of Joseph Fleischinger. In testimony before the Un-American Activities Committee on June 9, 1949, Nelson refused to give the names of his mother or sisters and would not admit that he knew the name of a person by the name of Joseph Fleischinger on the grounds of self-incrimination. For photostatic copies of the passports carrying pictures of Nelson and his mother and sisters, I refer you to the printed copy of the committee report for June 9, 1949.

In deportation proceedings in 1922 the immigration inspector recommended the family be allowed to legalize their residence and Steve Nelson was naturalized in Detroit, Mich., in November of 1928. Although it cannot be proved exactly when Nelson became a member of the Communist Party, there is strong evidence pointing to his becoming a member in 1925. If this is true, he perjured himself when he took out his citizenship papers.

Steve Nelson has been a resident of the United States since that date, with the exception of several trips to Russia, Spain, and China.

By 1931 he had become important enough and valuable enough to the Communist cause in the United States that he was chosen as one of the very few to attend the Lenin Institute in Moscow. In the passport that he obtained for this trip he swore that he was born in Rankin, Pa. It has been established by testimony given under oath by men who attended the same school that Nelson attended the school under the name of Louis Evans, and that he resided in Russia from 1931 until 1933. Sworn testimony also proves that he was in Shanghai, China, in 1933, working for the Comintern.

In 1936 the Daily Worker listed Steve Nelson as the section organizer of the Communist Party in Luzerne County, Pa. In 1937 he was a lieutenant colonel in the International Brigade—that is the Communist Brigade, it being a known fact that only Communists were allowed to belong, of the Loyalist Army fighting in the Spanish Civil War. He obtained his passport to fight in the Spanish Civil War under the name of Joseph Fleischinger.

Since 1938, after his return from the war, Steve Nelson has been a national figure in the Communist Party and a leading functionary in the Moscow-controlled underground. In 1939 he was listed by Earl Browder as being a member of the National Committee of the Communist Party of the United States. In 1942, at the national conference of the Communists, he was confirmed as a member of the national committee, and in 1944 the Daily Worker referred to him in that capacity and he is named in the same capacity in the proceedings of the constitutional convention of the Communist Political Association held in May of 1944.

Now I have previously mentioned that Steve Nelson was one of the conspirators in the now famous Comrap case. Let me tell you just how he began his operations as a NKVD agent. Nelson had become so important to the Communist Party that in 1940 he was assigned to the strategic San Francisco Bay area, where he was directed to succeed Paul Crouch in this capacity. Mr. Crouch has testified before the committee, under oath, that he knew Nelson and knew that he had been sent to San Francisco to succeed him. He was, however, given a more important assignment than mere organizer and Communist propagandist in that area. Nelson was of particular value in the San Francisco area because while fighting in Spain as a member of the International Brigade, he befriended the widow of one of his fellow-Communists in the brigade. This widow subsequently married Dr. J. Robert Oppenheimer, who, as you know, was the leading scientist of the entire Manhattan Engineering District. The Kremlin knew of Nelson's having befriended this woman. It knew, too, that Congress had recently appropriated $2,000,000,000 to set up the Manhattan Engineering District. The Kremlin knew, too, that the Manhattan Engineering District had been set up to do research of a scientific nature and to study nuclear fission with the eventual purpose of producing a super war weapon, the atomic bomb. And so Steve Nelson was sent to California ostensibly to become an organizer with the Communist Party there—actually he was sent by the Kremlin to use his influence with the husband of a woman whom he had befriended in Spain, and with that influence to eventually secure some of the knowledge about the atomic bomb project that would naturally be in the mind of Dr. J. Robert Oppenheimer. I am happy to say that Steve Nelson failed utterly in securing any information from this great scientist. In a desperate attempt to do the bidding of the Kremlin, he then organized a Communist Party cell within the University of California radiation laboratories, where a vital part of the atomic research was being done. For the complete testimony and evidence against Steve Nelson, I would like to refer you to the full reports of the Un-American Activities Committee entitled "Report of Soviet Espionage Activities in Connection With the Atomic Bomb, September 28, 1948, and September 29, 1948; and also hearings on Steve Nelson, June 8, 1949.

Another American citizen who is potentially dangerous to our internal security is Dr. Joseph W. Weinberg, heretofore mentioned as Scientist X in the Comrap case. Subsequent hearings before the Un-American Activities Committee regarding Dr. Weinberg reveal that during 1948 he was made a sponsor of an atomic-energy fellowship, sponsoring students who attended the University of Minnesota. It is noted that Dr. Weinberg is presently professor of nuclear physics at the University of Minnesota, although it is believed that his sponsorship of the fellowship has been withdrawn by the Atomic Energy Commission. It is also noted that by unanimous decision of members of the Un-American Activities Committee, prosecution for perjury before the committee was recommended to the United States Attorney General. This recommendation was made in August of 1949, but to date Dr. Weinberg has not been brought before a Federal grand jury for indictment and prosecution.

Other scientists who have been classified as security risks and who now may be presently engaged in subversive activities within the boundaries of the United States are Dr. David Bohm, presently a professor of physics at Princeton University; Dr. Giovanni Rossi Lomanitz, who until last year was a professor of physics at Fisk University; Dr. Max Bernard Friedman, who is presently located in Berkeley, Calif., and who has been a professor of physics at the University of California, and Dr. Irving David Fox, who had held a position as part-time physics teacher at the University of California until late last year, and whose last known whereabouts was Berkeley, Calif.

All the afore-mentioned physicists have been identified by the various witnesses as members of the Communist Party and Communist-front groups in the San Francisco Bay area. It is noted that the individual members of the above-mentioned group have recently been recommended for citation for contempt of Congress by the Un-American Activities Committee for their refusal to answer questions involving their connection with the Russian espionage ring and the American Communist Party.

Another individual who is, in my opinion, dangerous to the security of the United States is Louise Bransten Berman. Mrs. Berman is presently living in New York City and is still extremely interested in Communist Party activities and the Communist Party. During World War II she was active in the San Francisco Bay area in the Communist Party and in the American-Russian Institute, as well as Communist-front groups and numerous other affiliated activities. Mrs. Berman, being a very wealthy woman, makes huge donations to the Communist Party. She is known to have given as much as $40,000 in 1 year for the furtherance of the Communist activities. Communist agents operating on behalf of the Soviet Government in the United States, consider such women as Louise Bransten to be "angels" to their cause. They know that their activities cannot be successful without the availability of huge sums of

money. Louise Bransten's wealth, inherited from her father who operated successfully under our American capitalistic system, is the answer to the Communist Party's needs. She is not the only wealthy supporter of Communist activities in the United States, and of course the persons I have mentioned throughout this speech are only a few of the many dangerous American citizens who are still at large in this country.

It is unbelievable that any government such as ours which seeks to protect the rights of her loyal citizens, should allow the treachery that has been perpetrated by such persons as I have mentioned in this report. It is regrettable too that it takes a world crisis and actual hot war with the Communists to make our Chief Executive aware of the fact that the people I have mentioned are seeking to destroy the very freedoms guaranteed by our Constitution—the very same freedoms under which they hide when caught in their nefarious activities.

SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. LYNCH] is recognized for 30 minutes.

(Mr. LYNCH asked and was given permission to revise and extend his remarks and include certain letters.)

PERMANENT AND TOTAL DISABILITY INSURANCE

Mr. LYNCH. Mr. Speaker, I understand that the conference report on H. R. 6000 has been scheduled tomorrow for action by the House. I did not sign the report. The reason I failed to sign the conference report is because the House conferees have receded from the House provision with respect to total and permanent disability and have accepted the Knowland amendment in the Senate amendment.

It is my hope, if I am recognized by the Chair, to offer a motion to recommit the bill with instructions to the managers on the part of the House to insist on the provisions of section 107 of the House bill that has to do with total and permanent disability insurance and not agree to the provisions of section 405 of the Senate amendment, which is the Knowland amendment.

I am speaking this afternoon with particular reference to total and permanent disability insurance because in the time that will be allotted me when the conference report comes before the House I will not be able to go into detail on the two points in the motion to recommit which I have in mind.

Mr. Speaker, it is my firm conviction that the greatest contribution which the Committee on Ways and Means made to the revision of the social-security laws in H. R. 6000 was the addition of permanent and total disability insurance benefits. This provision was deleted by the Senate Finance Committee, and the deletion was concurred in by the conferees on H. R. 6000.

During the hearings before the Committee on Ways and Means, there was unanimous agreement by all interested groups and persons that some kind of Government protection was necessary against the risk of becoming permanently and totally disabled. The difference of opinion centered only around the best methods of extending this protection.

The old-age and survivors insurance system does not now meet the needs of those who become disabled before they reach the normal age of retirement. There are around 2,000,000 permanently and totally disabled persons in the United States. Permanent disability is more common in the case of older workers, and these workers are the ones who have been in covered employment for a number of years and have made substantial contributions to the social-security system. As the system exists today, these persons are actually penalized since their rights to eventual benefits are in any event reduced and, in some instances, even extinguished under the present system.

It is no answer to say that these workers are taken care of by State workmen's compensation laws, since benefits under these laws are only available where a person becomes disabled on his job. As a result of this, only about 5 percent of all permanent and totally disabled persons receive work-connected benefits under these laws. Persons who suffer from diseases of the heart, cancer, rheumatism, and other chronic ailments, or from disabling accidents or sicknesses off the job, are not protected under these laws.

All major retirement programs, those for Federal, State, and local governmental employees, railroad workers, as well as plans of large private employers, have provisions for premature retirement because of disability. However, these plans protect only a minority of workers.

We often hear the arguments that private insurance is available to persons who want protection from permanent and total disability. As we all know, costs of private insurance are prohibitive for low-income families and for many in the middle-income groups. Since permanent and total disability amounts to premature retirement, these persons can seldom rely on their own savings to meet the emergency. A recent income study reveals that there are 10,000,000 families in the United States who had incomes below $2,000 in 1948. The study shows that disability cases account for a very large part of expenditures for public assistance. At the present time, when the breadwinner of a family becomes permanently and totally disabled, poverty descends on him and his entire family in a very short period of time.

Under the provisions of H. R. 6000, as it passed the House on October 5, 1949, relating to insurance benefits for the permanently and totally disabled workers, they were required to have had 5 years out of the 10 years preceding their disablement, and, in addition, six quarters of coverage out of the 13-quarter period ending with their disablement in covered employment before they would be eligible for benefits, and in addition, there was a 6 months waiting period before these persons could begin drawing disability benefits. There were no benefits providing for the dependents of disabled persons.

The majority of the Committee on Ways and Means felt that these provisions, since they would cost only sixty-five one-hundredths of 1 percent of payroll, could easily fit into the existing social-insurance system. As I have previously stated, the Senate Committee on Finance deleted the provisions for permanent and total disability benefits. The Senate Committee on Finance also greatly liberalized, and rightly so, the requirements for fully insured status. These provisions were agreed to by the conferees. Under these provisions, a worker may become entitled to benefits with as few as six quarters of coverage. It is a shocking contrast, therefore, to think that in many instances there are disabled persons who have contributed several years to the social-security insurance system but who would still not be eligible for benefits when they become permanently and totally disabled. Not only are they not entitled to benefits, but what benefits they may receive on reaching age 65 will be greatly reduced or even extinguished altogether.

There has been great pressure on Congress to lower the social-security retirement age. One of the primary reasons for this is the situation which I have just described. If permanent and total disability insurance were added to the social-security laws, this would, to a large degree, satisfy those persons who now want the retirement age reduced.

We now provide social-security benefits for persons who retire on account of age, and an even stronger case can be made for providing benefits for those persons who, without advance warning, must leave the labor force on account of becoming permanently and totally disabled. This is a far more pathetic case. It has been said that adding insurance benefits for the disabled would create an army of malingerers. To me, this contention has no basis whatsoever. The maximum benefit which a disabled person can receive under the conference agreement would be $80, and under the provisions of the House bill on disability insurance, there would be no benefits for dependents of a disabled worker. I have more faith in the American worker than to believe that he would give up his full wages just to live on these modest benefits, which would require him to forsake many of his responsibilities to his family.

It is my hope that the House will see fit to recommit this bill with instructions to the House conferees to insist that this great contribution may be made to the social-security insurance system.

I desire to read certain letters received from people in desperate need of total and permanent disability:

TILLATOBA, MISS., *November 21, 1949.*

DEAR SIR: I'm looking for information and help. I'm No. [redacted] Gustave F. Schultz, Tillatoba. I had a bad sick spell last June and it left me half paralyzed—my whole left side is dead and I have no sense of feeling of hot or cold. It's just numb all the time—the doctor said it was a brain hemorrhage of some kind and that it might not hurt my right side. I can still use my

arm and leg but I have very little control of them. Now what I want to know is can you help me. I can't work no more. I have tried it two times but I can't hold a job as I have to have help to do things. I really need to keep going to a doctor but I'm broke and can't get work. I'm married and have a 14-year-old girl going to school. My wife can't work as she has to stay here and look after both of us. I'm 54 years old now and this has left me where I can't do anything much to earn a living. Please let me know if you can help me or not; or maybe you know where I could apply for help of this sort.

Thank you.

GUSTAVE F. SCHULTZ.

ST. JAMES, MINN., *December 12, 1949.*

DEAR SIRS: Would like information on social security; is it possible to get social security in a case like mine.

I am 61 years old, have heart trouble, won't be able to work any more, need money badly; have been paying in since 1936 to November 1, 1949.

Would appreciate hearing from you.

My Social Security Administration No. is [redacted]

Thank you.

EDW. W. KRANKE.

KANSAS CITY, MO., *October 30, 1949.*

Subject: Paul Snyder, 235 Ward Parkway, Kansas City, Mo.; Social Security No. [redacted]

SOCIAL SECURITY ADMINISTRATION,
Baltimore, Md.

GENTLEMEN: For the past year I have been confined to bed with a heart ailment and have been advised by my doctor that I am totally disabled. As of January 1, 1949, I had to give up my position, and I am not likely to ever work again.

I was employed for the past 20 years by Colgate-Palmolive-Peet Co., and have paid social security from the time of its inception.

I was 54 years of age on July 29, 1949.

Will you kindly advise if I am entitled to social-security payments at the present time, or, in the event of my death, is my wife entitled to these benefits, and what would be the approximately amount per month.

Thanks very much for your kindness.

PAUL SNYDER.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in two instances, in one to include a newspaper article.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in two instances, in one to include a newspaper article.

Mr. FORAND asked and was given permission to extend his remarks and include an editorial.

Mr. SMITH of Virginia asked and was given permission to extend his remarks and include a letter from Hon. John Q. Rhodes, chairman of the legislative committee of the Interstate Conference of Employment Security Agencies.

Mr. BRYSON asked and was given permission to extend his remarks in two instances and include articles.

Mr. MADDEN asked and was given permission to extend his remarks and include an editorial.

Mr. EVINS asked and was given permission to extend his remarks and include four editorials concerning the veterans' educational training program.

Mrs. KELLY of New York asked and was given permission to extend her remarks in two instances and include extraneous matter.

Mr. DAVENPORT asked and was given permission to extend his remarks and include two editorials from the Pittsburgh Press.

Mr. DONOHUE asked and was given permission to extend his remarks and include an editorial.

Mr. RANKIN asked and was given permission to extend the remarks he made in Committee of the Whole today and include therein circulation statements of United States money for December 31, 1928, and also for June 30, 1950.

Mr. BUCHANAN asked and was given permission to extend his remarks with reference to title II of the bill H. R. 9176 regarding the appeal provisions thereof.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. WHITE] may extend his remarks in regard to the amendment offered by him and that his remarks precede the amendment which he did not have the time to present to the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HALE asked and was given permission to extend his remarks and include some matter from the Boston Sunday Herald.

Mr. McDONOUGH asked and was given permission to extend his remarks.

Mr. HAND asked and was given permission to extend his remarks and include extraneous material.

Mr. GWINN asked and was given permission to extend his remarks on price control.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. SMITH of Kansas (at the request of Mr. REES) for an indefinite period on account of service with the National Guard.

To Mr. KENNEDY (at the request of Mr. HOWELL) for balance of week on account of illness.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 583. An act conferring jurisdiction upon the United States District Court for the Eastern District of Pennsylvania to hear, determine, and render judgment upon the claims of the estate of Archangelo Straneri; to the Committee on the Judiciary.

S. 638. An act to amend title 28, United States Code; to the Committee on the Judiciary.

S. 843. An act for the relief of S. M. Price; to the Committee on the Judiciary.

S. 1490. An act to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the International Bank for Reconstruction and Development; to the Committee on the District of Columbia.

S. 1816. An act for the reimbursement of the S. A. Healy Co.; to the Committee on the Judiciary.

S. 1837. An act to amend the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

S. 2484. An act to authorize the Secretary of Commerce to provide war risk and certain marine and liability insurance; to the Committee on Merchant Marine and Fisheries.

S. 2640. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1161. An act to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes;

H. R. 4604. An act to authorize the admission into the United States of certain aliens possessing special skills, namely, Teodor Egle, Karlis Fogelis, Vasily Kils, and Aleksanders Zelmenis;

H. R. 4788. An act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes;

H. R. 6104. An act to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes; and

H. R. 7662. An act to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4788. An act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes;

H. R. 7662. An act to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia and for other purposes," approved December 20, 1944; and

H. R. 6104. An act to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes.

ADJOURNMENT

Mr. PETERSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 57 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, August 10, 1950, at 10 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. House Joint Resolution 424. Joint resolu-

tion granting consent of Congress to an agreement or compact entered into between the State of Missouri and the State of Illinois for the creation of the Bi-State Metropolitan Development District and the establishment of the Bi-State Development Agency for the comprehensive development of the Metropolitan St. Louis area; with amendment (Rept. No. 2839). Referred to the House Calendar.

Mr. MORRIS: Committee on Public Lands. H. R. 7677. A bill to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School; with amendment (Rept. No. 2840). Referred to the Committee of the Whole House on the State of the Union.

Mr. HART: Committee on Merchant Marine and Fisheries. H. R. 6355. A bill to provide for the conveyance of certain real property to the city of Richmond, Calif.; with amendment (Rept. No. 2841). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEATING: Committee on the Judiciary. H. R. 7854. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon a certain claim of the Board of County Commissioners of Sedgwick County, Kans.; without amendment (Rept. No. 2843). Referred to the Committee of the Whole House on the State of the Union.

Mr. McSWEENEY: Committee on Rules. House Resolution 747. Resolution for consideration of S. 192, an act to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties; without amendment (Rept. No. 2844). Referred to the House Calendar.

Mr. McSWEENEY: Committee on Rules. House Resolution 748. Resolution for consideration of House Joint Resolution 516, joint resolution authorizing the President, or such officer or agency as he may designate, to conclude and give effect to agreements for the settlement of intercustodial conflicts involving enemy property; without amendment (Rept. No. 2845). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 305. An act for the relief of Julio Laffitte; without amendment (Rept. No. 2835). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1506. An act for the relief of Andre Lan; without amendment (Rept. No. 2836). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 97. Concurrent resolution favoring the suspension of deportation of certain aliens; with amendment (Rept. No. 2837). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 9334. A bill for the relief of Mrs. Else Samstag Yurchak; without amendment (Rept. No. 2838). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 8563. A bill for the relief of Alonzo P. Brown; without amendment (Rept. No. 2842). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANFIELD:

H. R. 9378. A bill to amend the Nationality Act of 1940 to provide expeditious naturalization for persons serving in the present hostilities, and for other purposes; to the Committee on the Judiciary.

By Mrs. DOUGLAS:

H. R. 9379. A bill to authorize research and experimentation on health hazards of atmospheric pollution and on methods for preventing atmospheric pollution, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KARST:

H. R. 9380. A bill to provide for the construction of an amphitheater in Jefferson Barracks National Cemetery, Mo.; to the Committee on Public Lands.

By Mr. KEARNS:

H. R. 9381. A bill for the relief of the Greenwood Township school district, Crawford County, Pa.; to the Committee on the Judiciary.

By Mr. LODGE:

H. R. 9382. A bill to provide for the issuance of a special postage stamp in commemoration of the three hundredth anniversary of the establishment of Middletown, Conn.; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Virginia (by request):

H. R. 9383. A bill to amend the Railroad Retirement Act of 1937 to permit certain employed persons to be paid annuities under such act; to the Committee on Interstate and Foreign Commerce.

By Mr. VINSON:

H. R. 9384. A bill to amend the Selective Service Act of 1948, as amended, and for other purposes; to the Committee on Armed Services.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, requesting enactment of legislation reviving or establishing family allowances to all members of the Armed Forces who have been or will be called to active duty in the present emergency; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Massachusetts, requesting passage of legislation providing for an over-all study of economic development in that area; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLTON of Maryland:

H. R. 9385. A bill for the relief of Jozsefne Toth; to the Committee on the Judiciary.

By Mr. CARNAHAN:

H. R. 9386. A bill for the relief of Tomas J. Zafiriadis; to the Committee on the Judiciary.

By Mr. FELLOWS:

H. R. 9387. A bill for the relief of the estate of the late Commander Wendell H. Froling, the estate of Mrs. Anna C. Froling, and the estate of Margaret A. Froling; to the Committee on the Judiciary.

By Mr. HELLER:

H. R. 9388. A bill for the relief of Mariana Guesen Sauma; to the Committee on the Judiciary.

By Mr. HOLMES:

H. R. 9389. A bill for the relief of Dora Jenny Wagner; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 9390. A bill for the relief of Clyde R. Sharp; to the Committee on the Judiciary.

H. R. 9391. A bill for the relief of Col. Maurice C. Myers; to the Committee on the Judiciary.

By Mr. KILBURN:

H. R. 9392. A bill for the relief of Mrs. Mildred Lewis Morgan; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H. R. 9393. A bill for the relief of Joseph Koprak; to the Committee on the Judiciary.

By Mr. PATTEN:

H. R. 9394. A bill for the relief of Josephine Matayoshi; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 9395. A bill for the relief of Emilio Bellini; to the Committee on the Judiciary.

By Mr. SMITH of Virginia (by request):

H. R. 9396. A bill for the relief of Maurice Mumford; to the Committee on the Judiciary.

By Mr. WIDNALL:

H. R. 9397. A bill for the relief of Aleksander Kupiszewski; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2317. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, for Congress to enact legislation reviving or establishing family allowances to all members of the Armed Forces who have been or will be called to active duty in the present emergency; to the Committee on Armed Services.

2318. Also, memorial of the Massachusetts Legislature, for Congress to pass legislation providing for an over-all study of economic development in that area; to the Committee on Public Works.

2319. By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts, memorializing Congress to enact legislation reviving or establishing family allowances to all members of the Armed Forces who have been or will be called to active duty in the present emergency; to the Committee on Armed Services.

2320. Also, resolutions of the General Court of the Commonwealth of Massachusetts, memorializing Congress to pass legislation providing for an over-all study of economic development in that area; to the Committee on Public Works.

2321. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging family allowances for all members of the Armed Forces of the United States; to the Committee on Armed Services.

2322. Also, memorial of the General Court of Massachusetts, urging legislation providing for over-all study of economic development in that area; to the Committee on Public Works.

2323. By the SPEAKER: Petition of Franklin R. Sharp, president, United Brotherhood of Carpenters and Joiners of America, Local No. 311, Joplin, Mo., relative to a resolution and recommendation of powers to be granted the President to successfully carry cut and prosecute the present war; to the Committee on Banking and Currency.

2324. Also, petition of Arthur A. Schuck, chief Scout executive, Boy Scouts of America, New York, N. Y., expressing its appreciation to the Congress for the cooperation and support which have been extended to scouting during the past year and especially for assistance rendered in the development of the great jamboree camp at Valley Forge, Pa.; to the Committee on Education and Labor.

SENATE

THURSDAY, AUGUST 10, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, amid all the clamor of this vast and varied world save us from the supreme tragedy of missing a sense of Thy presence and the sound of Thy voice. We hear the low, sad music of humanity as in disrupted and invaded lands men mingle tears with tasks that seem hopeless and days and nights are filled with terror and horror; but we know that even in the world's woe and misery Thy voice to us is calling. Midst all the busy shuttles of legislation as here is woven the fabric of law and order, shielding the life of our democracy in this day of crisis, may we not be so enmeshed in the immediate mechanics of our task as to lose sight of the total pattern shown in the mount of vision.

Seeing we spend our days as a tale that is told and that we pass this way but once, let us haste to do the best and to speak the best that is in us, lest ever the day has worn to noon we hear the one clear call, before our word is said and our deed is done. We ask it in the name of that One who crowded the briefest hours with the most sublime service. Amen.

THE JOURNAL

On request of Mr. RUSSELL, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 9, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 9, 1950, the President had approved and signed the following acts:

S. 503. An act for the relief of Solly Manasse;

S. 2160. An act to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes; and

S. 2565. An act for the relief of Edward E. Duff.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 1922. An act to amend section 10 of the Reclamation Project Act of 1939; and

H. R. 2854. An act for the relief of Wade H. Noland.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1056) to confer jurisdiction on the Court of Claims to hear and determine the claim of Preston L. Watson as administrator of the goods and chattels, rights, and credits which were of Robert A. Watson, deceased; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. LANE, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. DENTON, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 7265) to provide for the conduct of a periodic census of governments; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY of Tennessee, Mr. MILLER of California, and Mr. REES were appointed managers on the part of the House at the conference.

The message further announced that the House insisted upon its amendment to the bill (S. 3959) to amend the Federal Property and Administrative Services Act of 1949, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAWSON, Mr. BOLLING, Mr. HOLIFIELD, Mr. HARVEY, and Mr. LOVRE were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5967. An act to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers; and

H. R. 7009. An act to repeal the proviso against the filling of the vacancy in the office of district judge for the eastern and western districts of Missouri.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1161. An act to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes; and

H. R. 4604. An act to authorize the admission into the United States of certain aliens possessing special skills, namely, Teodor Egle, Karlis Fogelis, Vasily Kils, and Aleksanders Zelmenis.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate today and tomorrow.

On his own request, and by unanimous consent, Mr. MCCLELLAN was excused from attendance on the sessions of the Senate until Wednesday of next week.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate today.

On request of Mr. THOMAS of Oklahoma, and by unanimous consent, the Committee on Agriculture and Forestry was authorized to meet during the session of the Senate this afternoon, beginning at 2:30 p. m.

CALL OF THE ROLL

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Maybank
Anderson	Hickenlooper	Millikin
Brewster	Hill	Morse
Bricker	Hoey	Mundt
Bridges	Holland	Murray
Butler	Hunt	Neely
Byrd	Ives	O'Conor
Capehart	Jenner	O'Mahoney
Chapman	Johnson, Colo.	Pepper
Chavez	Johnson, Tex.	Robertson
Connally	Kefauver	Russell
Cordon	Kem	Saltonstall
Darby	Kerr	Schoeppel
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Smith, N. J.
Dworshak	Langer	Sparkman
Eastland	Leahy	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Thomas, Okla.
Ferguson	Long	Thomas, Utah
Frear	Lucas	Thye
Fulbright	McCarran	Tydings
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McKellar	Wiley
Green	McMahon	Williams
Gurney	Magnuson	
Hayden	Martin	

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent

The Senator from Connecticut [Mr. BENTON], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from South Carolina [Mr. JOHNSTON] is absent by leave of the Senate because of illness in his family.

The Senator from Idaho [Mr. TAYLOR] and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

Mr. SALTONSTALL. The Senator from Washington [Mr. CAIN], the Senator from Vermont [Mr. FLANDERS], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator for Wisconsin [Mr. MCCARTHY] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

MEETING OF AMERICAN GROUP OF INTERPARLIAMENTARY UNION ON NEXT TUESDAY AT 10:30 A. M.

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. The Chair would like to announce to Members who

are interested that on next Tuesday morning at 10:30 o'clock there will be a meeting of the American group of the Interparliamentary Union in the office between the Senate Chamber and the old Supreme Court room. Senators interested may attend.

TRANSACTION OF ROUTINE BUSINESS

Mr. MAYBANK. Mr. President, I ask unanimous consent that Senators desiring to introduce bills and joint resolutions, and present various matters for the RECORD, and for the Appendix may be permitted to do so at this time.

The VICE PRESIDENT. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GURNEY, from the Committee on Armed Services:

S. 4027. A bill to amend the Selective Service Act of 1948, as amended, and for other purposes; with amendments (Rept. No. 2264).

By Mr. FREAR, from the Committee on Post Office and Civil Service:

H. R. 7824. A bill to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes; with amendments (Rept. No. 2265).

By Mr. LONG, from the Committee on Post Office and Civil Service:

S. J. Res. 194. Joint resolution to provide that the housing developments known as Westview and Southview in the town of Springfield, Vt., shall for the purposes of the seventeenth decennial census be treated as a part of the village of Springfield, Vt.; with amendments (Rept. No. 2266).

By Mr. GEORGE, from the Committee on Finance:

H. R. 7447. A bill to amend the Tariff Act of 1930, as amended, with respect to sound-recording materials for use in connection with moving-picture exhibits and news reels; with amendments (Rept. No. 2267); and

H. R. 8726. A bill to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts; with amendments (Rept. No. 2268).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GREEN:

S. 4030. A bill for the relief of Luigi Pinacoli; and

S. 4031. A bill for the relief of Kitako Nakamura; to the Committee on the Judiciary.

(Mr. LEHMAN introduced Senate bill 4032, to prevent individuals from moving in interstate commerce for the purpose of avoiding their obligations to support their dependents, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. McMAHON:

S. 4033. A bill for the relief of Virginia Tsuneko Kodama; and

S. 4034. A bill for the relief of King L. Wu; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 4035. A bill for the relief of Ralph M. Madden; to the Committee on the Judiciary.

By Mr. NEELY (by request):

S. 4036. A bill to provide for the exchange of certain national park land situated in the District of Columbia for certain lands owned by the New Temple Committee, Inc.; to the Committee on the District of Columbia.

(Mr. McCARRAN introduced Senate bill 4037, to protect the internal security of the United States, and for other purposes, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. JOHNSON of Colorado:

S. 4038. A bill for the relief of Orange Hayward Scott; to the Committee on Finance.

FEDERAL FAMILY SUPPORT ACT

Mr. LEHMAN. Mr. President, I send to the desk for appropriate reference a bill to make family desertion a Federal crime when individuals move across State lines for the purpose of avoiding their family obligations. I ask unanimous consent to insert a statement I have prepared and a summary of the provisions of the bill in the body of the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the statement and summary of the provisions of the bill, presented by the Senator from New York, will be printed in the RECORD. The Chair hears no objection.

The bill (S. 4032) to prevent individuals from moving in interstate commerce for the purpose of avoiding their obligations to support their dependents, introduced by Mr. LEHMAN, was read twice by its title and referred to the Committee on the Judiciary.

The statement and summary presented by Mr. LEHMAN are as follows:

STATEMENT OF SENATOR LEHMAN IN CONNECTION WITH INTRODUCTION OF FEDERAL FAMILY SUPPORT ACT

Responsible sources have estimated that over 1,000,000 women and children are the victims of family desertion in the United States today. This is a terrible commentary on our society. This is a story not only of broken hearts, but also of broken homes and hundreds of thousands of neglected children.

Today I am introducing legislation to give the Federal courts jurisdiction to enforce a State-support order in a State other than that in which the support order was made and also to impose criminal penalties on any person who has crossed a State line to avoid his family obligations. The criminal penalties would be applicable whether or not a State-support order was in effect. This bill provides that a person may register a support order in a State outside the one in which the order was made by filing a certified copy of the support order with all modifications in the Federal district court. The Federal district court is then required to entertain contempt proceedings against a person who fails to comply with the support order within 30 days of notification, much in the same manner that the State court would be expected to do if the person remained within the State. This provision, in my judgment, would afford protection to the great number of dependents who have been deprived of payments through the migration to another State of the person who is under obligation by State court order to support them.

The bill would also penalize a husband or father who with intent to neglect to provide for the maintenance of his wife or family travels or moves in interstate or foreign commerce.

Family desertion is a growing problem in the United States. Many social welfare agencies as well as the Federal Government have undertaken to find means of fortifying the family against the disaster of desertion. This legislation, of course, cannot solve these very basic relationships. But I am hopeful that passage of this legislation will discourage individuals from moving from one State to another to avoid family obligations and responsibilities.

SUMMARY OF PROVISIONS OF FEDERAL FAMILY SUPPORT ACT

GENERAL PURPOSE

Congress declares that every individual has a natural, moral, and social obligation to support members of his immediate family.

The bill provides that (1) orders of State courts directing individuals to meet obligations to their dependents shall be enforceable in Federal courts in areas outside of the State where the court order was made, and (2) that criminal penalties shall be provided for persons who move or travel in interstate or foreign commerce with the intent of abandoning their dependents.

AVOIDANCE OF COMPLIANCE WITH STATE COURT SUPPORT ORDER

Any intended beneficiary of a State-support order may register the order in any district court of the United States, in cases where the head of a family is outside the State in which the support order was issued. A certified copy of the support order with all subsequent modifications must be filed. Such a Federal district court shall entertain contempt proceedings against a person who has failed to comply with a support order within 30 days of notification of the filing of the registration.

ABANDONMENT OF DEPENDENTS

Abandonment is defined to include both an individual who with intent to avoid compliance with a support order moves to another State and an individual who with intent to abandon, desert, or neglect or refuse to provide for the support and maintenance of his or her dependent spouse or child shall travel or move in interstate or foreign commerce.

Failure of an individual to comply with a court support order after he has moved to another State or country is considered prima facie evidence of his intent to avoid compliance with such order, if a certified copy of the order is served upon such an individual. In any criminal action, both husband and wife shall be considered competent witnesses, but neither shall be compelled to give evidence incriminating himself or herself.

The bill provides that the court may issue temporary support orders with the consent of the defendant at any time before trial and may issue such orders at the trial on plea of guilty, or after conviction. The court may alter its order from time to time as circumstances change. If the court, after ordering support of dependent, finds that the terms of its support order have not been complied with, the court may proceed with the trial of the defendant on the original charge, or may sentence that person on the original conviction, or enforce a suspended sentence, as the case may be. If a bond has been required by the court and the defendant forfeits such bond, the court may, at its discretion, pay a part or all of this sum to the dependents concerned.

INTERNAL SECURITY OF THE UNITED STATES

Mr. McCARRAN. Mr. President, I introduce for appropriate reference a bill to protect the internal security of the United States, and ask unanimous consent to make a brief statement in connection with the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred, and without objection, the Senator from Nevada may proceed.

The bill (S. 4037) to protect the internal security of the United States, and for other purposes, introduced by Mr. McCARRAN, was read twice by its title, and referred to the Committee on the Judiciary.

Mr. McCARRAN. Mr. President, at long last those of us who have been striving for legislation which is urgently needed to meet the threat of Communists and other subversives in this country have received a token of encouragement from the administration in the form of a message from the President which was sent to the Congress on the day before yesterday.

As a sponsor of a number of bills which are pending to cope with the various phases of the problem, I am introducing a bill which is a composite of the principal provisions of several bills which deal with each of the many problems relating to our internal security.

I feel that by integrating these principal provisions, with some modification, into one omnibus bill, the Senate, when the bill is scheduled for action, will be in a position to approach the problem of our internal security from a broad perspective and can appraise each of the many phases of the problem in its relationship to the other phases.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. FERGUSON. Does the bill just introduced by the Senator from Nevada purport to cover the principles contained in Senate bill 2311, which is the subversive control bill?

Mr. McCARRAN. It purports to cover phases of that bill. The Senator has reference to the Mundt-Ferguson bill?

Mr. FERGUSON. Yes. Is the bill in compliance with the bill which we have been reading in the press the policy committee on the Democratic side of the aisle has drawn up?

Mr. McCARRAN. No; it is not. It is a bill which was drafted by the chairman of the Committee on the Judiciary of the Senate, and is the outgrowth of a long series of studies made by the senior Senator from Nevada. It does not come from the policy committee. I do not know that it will have the sanction of the policy committee. But, in view of the President's message, I think it is appropriate and timely.

Mr. FERGUSON. Does the bill purport to carry out the President's message? Is it in compliance with the President's message?

Mr. McCARRAN. That is my view, as I read and understand the President's message.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. DONNELL. The Senator referred to having introduced the bill, as I understood, as the chairman of the Committee on the Judiciary.

Mr. McCARRAN. I think I should correct that and say that I introduced it as a Senator.

Mr. DONNELL. Yes. I assume the Senator did not mean to imply that the Committee on the Judiciary passed upon the bill.

Mr. McCARRAN. Lest my statement might be misconstrued, I wish to correct it by saying that I introduced the bill as a Senator of the United States.

Mr. DONNELL. I thank the Senator.

Mr. LUCAS. Mr. President, will the Senator from Nevada yield to me?

Mr. McCARRAN. I yield.

Mr. LUCAS. I wish to make an observation with respect to the bill just introduced by the distinguished chairman of the Committee on the Judiciary, to corroborate what he said a moment ago that this is not a bill which has been passed upon by the Democratic policy committee, although candor compels me to say that the members of the Democratic policy committee and other Senators interested in the over-all picture respecting our internal security, have been working upon a measure with the hope that we could submit it to the Committee on the Judiciary at an early date. I do not know what is in the bill, but from the statement made by the able Senator from Nevada I take it it represents an over-all picture of the different phases of different measure which have heretofore been introduced, and which are pending on the calendar, or which are pending before the Committee on the Judiciary. That has been the idea of the Senator from Illinois for the past 2 or 3 weeks, in order that we might meet this problem head-on, once and for all, in one omnibus bill.

I commend the Senator from Nevada for introducing an omnibus bill of this kind. I certainly reserve the right, of course, to take a good look at it and see what it contains, and all other Senators will have the same privilege, of course. I hope the Committee on the Judiciary will work with speed on it. I know the Senator from Nevada will, or he would not be introducing the bill at the present time.

Mr. McCARRAN. Let me say for the benefit of the Senate, and I address myself particularly to the Senator from Michigan, that Senators will find contained in the bill I have just offered many of the phases of the bill to which the name of the Senator from Michigan is attached as a coauthor known as the Mundt-Ferguson bill. Perhaps one should apologize for in a way plagiarizing. In other words, the Mundt-Ferguson bill, formerly known as the Mundt-Nixon bill, came to the Committee on the Judiciary, was reported by the committee and is now on the calendar of the Senate. It is a bill which I supported, and which I would support if I had the opportunity to vote upon it on the floor of the Senate. But the Presidents' message came to us the other day requesting that we formulate legislation on this subject, and move quickly with it. With that in mind I have taken from the Mundt-Ferguson bill many of the features that enlisted my attention to the bill and enlisted my vote for the bill. So the Senator from Michigan will find many things in my bill that are in his bill. Perhaps one should apologize for having done such a thing, but it was done because of the conditions which confront us and because of the President's message, and because time is running short. I know that the Senator from Michigan is big enough to overlook anything that might seem to appear to be plagiarism.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. FERGUSON. The Senator has stated previously on this floor that he has no pride of authorship in the bill.

Mr. McCARRAN. Yes.

Mr. FERGUSON. That it was his desire and the desire of his committee to have reported from the Committee on the Judiciary the best possible bill dealing with subversive activities, and to get it on the floor and have it passed, in order that it might become the law of the land.

Mr. McCARRAN. That is my view; that is my object; that is my aim.

Mr. FERGUSON. The Senator from Michigan will always join with the Senator from Nevada in that aim.

Mr. McCARRAN. I know that.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. WHERRY. Does the bill contain any new provisions other than have been provided for in the internal-security bills which have already reached the calendar?

Mr. McCARRAN. There are on the calendar some bills reported by the Committee on the Judiciary, and I believe we have incorporated in the bill I have just introduced some of the provisions contained in those bills.

Mr. WHERRY. So, in reality, the purpose of the bill, if I understand it correctly, is to bring into one bill the provisions of the internal-security bills the Committee on the Judiciary has already reported, including the Mundt-Ferguson bill, of which the Senator spoke so eloquently a few moments ago.

Mr. McCARRAN. It includes a bill which was passed by the Senate yesterday, Senate bill 1832, of which I had the honor to be the author.

Mr. WHERRY. I thank the Senator.

Mr. McCARRAN. Mr. President, while I am on my feet, I ask unanimous consent to have inserted at this point in the RECORD a letter under date of August 2, 1950, on the letterhead of the city of Las Vegas, Nev., over the signature of Howard W. Cannon, the city attorney. I wish to say that the letter has to do with commending the senior Senator from Nevada for his activities in opposition to communism.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CITY OF LAS VEGAS,
Las Vegas, Nev., August 2, 1950.

Hon. PAT MCCARRAN,
United States Senator,
Washington, D. C.

DEAR SENATOR MCCARRAN: Please be advised that the Las Vegas City Council, at its regular meeting held on the 24th day of July 1950, went on record as unanimously urging the Nevada congressional delegation to continue, and if possible, increase the fight against communism, and do hereby urge you to vigorously attempt to remove all communistic workers from Government employment.

Kindest personal regards.

Very truly yours,

HOWARD W. CANNON,
City Attorney.

DEFENSE PRODUCTION ACT OF 1950—AMENDMENTS

Mr. FREAR submitted amendments intended to be proposed by him to the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. CAPEHART submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. McCLELLAN (for himself and Mr. STENNIS) submitted an amendment intended to be proposed by them, jointly, to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were each read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 5967. An act to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers; ordered to be placed on the calendar.

H. R. 7009. An act to repeal the proviso against the filling of the vacancy in the office of district judge for the eastern and western districts of Missouri; to the Committee on the Judiciary.

ADDRESS BY SENATOR WILEY AT OAKFIELD VETERANS OF FOREIGN WARS CELEBRATION

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by him at the picnic of the Veterans of Foreign Wars at Oakfield, Wis., on July 30, 1950, and an editorial from the Manitowoc (Wis.) Herald Times, referring to his address, which appear in the Appendix.]

WHY WE FIGHT IN KOREA—EDITORIAL FROM THE AMERICAN BANKER AND THE PERTH AMBOY EVENING NEWS

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an editorial entitled "Why We Fight in Korea," published in the American Banker, and republished in the Perth Amboy (N. J.) Evening News of July 24, 1950, which appears in the Appendix.]

WHAT A LAYMAN CAN DO—STATEMENT BY THE LAYMEN'S MOVEMENT FOR A CHRISTIAN WORLD, INC.

[Mr. IVES asked and obtained leave to have printed in the RECORD a statement entitled "What a Layman Can Do," issued by The Laymen's Movement for a Christian World, Inc., which appears in the Appendix.]

GENERAL WALKER AND OUR AMERICANS IN KOREA—POEM BY WILLARD B. GOLOVIN

[Mr. IVES asked and obtained leave to have printed in the RECORD a poem by Willard B. Golovin, dedicated to General Walker and Our Americans in Korea, which appears in the Appendix.]

THE LOAN TO SPAIN—ANALYSIS BY DR. JOSEPH F. THORNING

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an analysis of a New York Times editorial dealing with the loan to Spain, which appears in the Appendix.]

MY SECOND LIFE—ARTICLE BY STEPHEN L. DEBALTA

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "My Second Life," written by Stephen L. Debalta, and published in the August issue of Life and Health, which appears in the Appendix.]

THE CONSUMER PAYS—THE COPPER TARIFF

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "The Consumer Pays," published in the Washington Post of August 10, 1950, and an editorial entitled "The Copper Tariff," published in the New York Times of August 10, 1950, which appear in the Appendix.]

TRYGVE LIE'S ATTITUDE TOWARD THE UNITED STATES AND RUSSIA—EDITORIAL FROM THE INDIANAPOLIS STAR

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "It's America Versus Russia," published in the Indianapolis Star August 9, 1950, which appears in the Appendix.]

THE GENOCIDE CONVENTION: PLAIN TALK FROM AMERICAN LAWYERS

Mr. McMAHON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement entitled "The Genocide Convention: Plain Talk From American Lawyers," with a preface by President Truman.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE GENOCIDE CONVENTION: PLAIN TALK FROM AMERICAN LAWYERS

PREFACE

"International action is being taken against the crime of genocide—the slaughter of entire human groups, whether committed in time of peace or in time of war. * * * The General Assembly of United Nations has denounced this terrible practice and has affirmed that genocide is a crime under international law. To prevent and punish the crime of genocide in the future, a multilateral convention on the subject was prepared and approved by the General Assembly of United Nations in December 1948 * * *. Over half the ratifications necessary to bring the convention into force have already been deposited. I have asked the Senate of the United States to give its advice and consent to the ratification of that convention. I am hopeful that the Senate will do so before this Congress adjourns."

HARRY S. TRUMAN.

JUNE 27, 1950.

The crime of genocide has shocked the conscience of the world and few dispute the moral and humanitarian case for ratification of the Convention Against Genocide by the United States Senate. Some objections, however, on the basis of certain legalistic arguments have been raised. These objections, according to outstanding American lawyers, have little or no substance when the facts and the law are clearly examined.

Following is the essence of the genocide issue from the point of view of American law.

1. "Group," as used in the Genocide Convention, means all the inhabitants of a country belonging to the same race, religion, or nationality.

Adrian Fisher, legal adviser, Department of State: "It is clear from the legislative history of this convention that there must be, in the first place, a plan directed against a group, and the group means the group in the country. It does not mean the group in a ward or a block. It means the group in a country. And, secondly, that activities of the type mentioned in article II, killing, taking away children, and so forth, must be of a sort to affect a substantial number of the group."

2. Genocide involves the specific intent to destroy the entire group; it does not apply to American race problems.

Robert P. Patterson, former United States Secretary of War: "The suggestion is subtly made that race riots and lynchings may thus come under Federal power. Race riots are asserted by the opposition to be genocide. The example, we may assume, is chosen for political rather than legal reasons."

Oliver Schroeder, Jr., assistant professor of law, Western Reserve University law school: "As a member of the American, Ohio State, Cuyahoga County and Cleveland Bar Associations, I find among my fellow lawyers at the grass roots level a sincere desire for the United States to take the lead in the ratification of this genocide convention. Much talk has been made that race riots, lynchings, birth control, etc., will violate the Genocide Convention. The primary requirement of the convention is the intent to destroy the group. There is no intelligent evidence which supports the theory that lynchings and race riots are carried on with the intent to destroy the Negro group in the United States."

Dean Rusk, Deputy Under Secretary of State: "In terms of practical application within the United States, genocide means the commission of such acts as killing members of a specified group and thus destroying a substantial portion of that group, as part of a plan to destroy the entire group within the territory of the United States. It can thus be readily seen that genocide, as defined in this convention, has never occurred in the United States and is not likely to occur here in the future."

Brendan F. Brown, dean of the law school, the Catholic University of America: "This covenant does not relate to sporadic manifestations of race violence in certain parts of the country; the lynching of colored persons by an irresponsible mob would not be genocide. Lynching is criminal under domestic laws, but as it now occurs in the United States it does not reach the plane of an international-law crime, because the scope of the act is not of such gravity as to warrant the interference of the family of nations. The implications of the act are not of world-wide scope. The act is evil, unjust, and criminal, but it is a matter which adversely affects the interest of only one nation."

3. Genocide involves not only intent to destroy the entire group but actual destruction of a substantial part of the group.

Oscar Cox, former Assistant Solicitor General of the United States: "Criticism has been leveled against the provision in article II of the Convention that the crime may be committed with intent to destroy 'part of the group.' The sound answer to this argument can be found in the statement our representative made before the General Assembly in Paris in December 1948, when he emphasized that 'genocide is a denial of the right to existence of entire human groups.' The obvious construction is that the distinction is between an intent to destroy individuals and intent to destroy human groups."

Dean Rusk: "The legislative history of article II shows that the United Nations

negotiators felt that it should not be necessary that an entire human group be destroyed to constitute the crime of genocide, but rather that genocide meant the partial destruction of such a group with the intent to destroy the entire group concerned. This convention does not aim at the violent expression of prejudice which is directed against individual members of groups."

Preamble to the Genocide Convention: "The contracting parties, recognizing that at all periods of history genocide has inflicted great losses on humanity, hereby agree as hereinafter provided."

Text of understanding recommended by Genocide Subcommittee of Senate Foreign Relations Committee, headed by Senator McMAHON: "The United States Government understands and construes the crime of genocide which it undertakes to punish in accordance with the Convention to mean the commission of any of the acts enumerated in article II of the Convention, with the intent to destroy an entire national, ethnical, racial, or religious group within the territory of the United States, in such a manner as to affect a substantial portion of the group concerned."

4. The words "mental harm" in the Convention mean permanent impairment of mental faculties.

James N. Rosenberg, cochairman, United States Committee for a UN Genocide Convention: "Serious mental harm would have to be inflicted upon members of the group—again, as a group, with intent to destroy the group. The likely illustrations of this method of destruction are the use of stupefying drugs or torture. The Assembly was cognizant of the charges made by China of Japan's use of drugs to break down the Chinese population. The records of the deliberations of the sixth committee and the letter of transmittal of the Convention by the Acting Secretary of State to the President of the United States (Department of State Bulletin, 844, 846, July 4, 1949) make it clear that such was the intention. Such deliberations are germane in any judicial consideration of the meaning of 'serious mental harm.'"

Adrian Fisher: "It is clear from the legislative history of this language that what was meant was not just embarrassment or hurt feelings or even the sense of outrage that comes from such action as racial discrimination or segregation. What was meant was permanent impairment of mental faculty."

Text of understanding recommended by Genocide Subcommittee of Senate Foreign Relations Committee, headed by Senator McMAHON: "The United States Government understands and construes the words 'mental harm' appearing in article II of this Convention to mean permanent physical injury to mental faculties."

5. "Complicity" is familiar to American law as "aiding and abetting".

Adrian Fisher: "While complicity is a word not usually found in the United States criminal codes, it has exactly the same meaning as 'aiding and abetting'; and is a recognized concept of United States criminal law."

Understanding recommended by subcommittee: "The United States Government understands and construes the words 'complicity in genocide' appearing in article III of this convention to mean participation before and after the fact and aiding and abetting in the commission of the crime of genocide."

6. The convention does not conflict with freedom of speech.

Philip B. Perlman, Solicitor General of the United States: "There is an obvious limitation upon the absolute freedom of speech which is both a part of the very statement of the 'clear and present danger' doctrine and its practical application in the past."

Robert P. Patterson: "It was Mr. Justice Holmes who said that it was never comprehended that counseling of murder could not be called criminal because it would be in violation and infringement of the right of free speech. And I remember Abraham Lincoln saying something like this: 'Must I shoot the simple soldier boy who deserts, and not touch the hair on the head of the wily agitator who tells him to desert because that might be free speech?'"

Myres S. McDougal, professor of international law, Yale Law School: "The congressional act which implements the Convention can, if regarded as necessary, make clear what is meant by incitement. Incitement or solicitation to commit crime has traditionally been punishable as crime by both common law and statute in this country. Thus, in *Gitlow* v. *New York*, the famous criminal anarchy case after World War I, Mr. Justice Sanford, speaking for the Court, summarized:

" 'That a State in the exercise of its police power may punish those who abuse this freedom by utterances inimical to the public welfare, tending to corrupt public morals, incite to crime, or disturb the public peace, is not open to question.'

"What is traditional for common crimes can scarcely be oppressive innovation for mass-murder."

Report of Committee on International Law, the Association of the Bar of the City of New York, A. A. Berle, Jr., chairman: "Incitement to commit a crime which it is within the constitutional power to proscribe may be made a crime without violating freedom of speech provided a distinction is made between advocacy and incitement. Since the convention is not self-executing, but requires legislation to make it enforcible as domestic criminal law, Congress in passing enacting legislation would be free to define 'incitement'."

7. The convention holds governments as well as individuals responsible for acts of genocide.

Lev E. Dobriansky, professor, Georgetown University; president, Ukrainian Congress Committee of America: "Article IV, in its obvious reference to State or governmental function, aims at any unambiguous fixation of responsibility for such crime on specific persons. The omnipotent power of the state in the eyes of some, will therefore be unable to serve as a shield of justification for such criminal acts, as article IX specifically provides for responsibility of states for acts of genocide."

Robert P. Patterson: "A primary value of the convention lies in the provision that its violators may include heads of State and public officials as well as private individuals. Today's dictator cannot be unaware that tomorrow he may be overthrown and that his acts of genocide will therefore become punishable crimes in his own country. It has been well said that 'National authorization of the commission of piratical acts could not free them from their internationally illegal aspects' (Charles Cheney Hyde, International Law, 2d Rev. ed. 1945, vol. I, sec. 231). Even though murder and assault are generally comprehended within the crime of genocide, the deterrent effect upon heads of State can flow only from the status of genocide as a crime cognizable in international law. This deterrent effect is as necessary in the field of international law as it is in the field of domestic penal law. The individual responsibility of the head of State to a court of a successor government, even though only in his own state, is a deterrent, the value of which may be incalculable in preservation of world peace."

8. The convention applies to iron curtain countries.

Constantine R. Jurgela, director, Lithuanian American Council: member, bar of New York: "The present Soviet Russian Government is continuing the genocidal policies of the tyrants of the past, except that the methods of genocide were perfected. Pravda, the official mouthpiece of the Communist-Bolshevik Party, frankly admitted in the spring of 1941 that "Peter the Great had made a grave mistake in leaving the inhabitants of the Baltic area in their countries." The present Soviet rulers are correcting this mistake—by attempting to efface the Baltic peoples. The Lithuanians, the bearers of long historical traditions of statehood and national culture, are singled out for destruction. The difference between Hitler's and Stalin's methods of genocide is that the Nazi killed undesirable people outright, while Stalin tortures his victims with slow death and destruction, which is less conspicuous but extremely dangerous.

Lev E. Dobriansky: "It (the convention) will focus the moral condemnation of the world on the business-like Soviet genocidists and indirectly reinforce judicious popular obstruction and opposition to their subversive agencies abroad; it may serve to moderate the rate of Soviet genocidal advances which may be caused to become more secretive and hence more difficult to execute; it will stand as a formidable promise of human liberation and concrete redress; and, finally, our true and candid adherence to its provisions will serve to enunciate the civilized principles for which we stand to fight and to which we aim to attract loyal minds in the Ukraine and elsewhere in the Soviet prison and cemetery of nations."

Adrian Fisher: "The Soviet Union does not want to stand branded in the eyes of the world as a committer of genocide. If we were to ratify this convention, this country and others similarly affected would be in a position to charge before the appropriate organs of the United Nations that these deportations, that these killings, were not in suppression of religion but for the purpose of exterminating a national group whose existence within the territorial boundaries of a particular state was considered by that state to be contrary to its objectives."

9. Ratification does not make convention enforceable under American law until Congress enacts supporting legislation.

Agatha La Londe, member, the National Association of Women Lawyers; member, Bar Association of the District of Columbia: "Congressional approval of the Genocide Convention will not automatically affect any of our domestic laws or our Constitution. Under article V of the convention our domestic laws remain in status quo unless and until Congress enacts further legislation, stating the punishment to be meted out in our domestic courts to one found guilty of any of the offenses enumerated in article II of the convention."

Thomas J. Dodd, member, special committee on peace and law through United Nations, of the American Bar Association; former executive trial counsel at Nuremberg trials: "Article V of the Genocide Convention provides that legislatures of the contracting nations implement the treaty through such legislation as their respective constitutions permit. Thus, the treaty is not self-executing. There are several Supreme Court decisions in point. In *Foster* v. *Nielson and U. S.* v. *Percheman* it is stated that a treaty provision which is made dependent on legislative action does not take effect as a law of the land until such action is had. These cases apply fully to such a treaty as the Genocide Convention.

Edgar Turlington: "I don't share the apprehension that genocide, as defined in the convention, may be subject to prosecution and punishment without legislation by Congress. This apprehension, I think, should have been set at rest by the decisions of our courts in such cases as *Foster* v. *Nielson*,

which is an old Supreme Court case (2 Peters 313); then *In re Metska* (17 Federal cases, No. 9511); then *Turner* v. *American Baptist Missionary Union* (5 McLane U. S. 344); and *United States* v. *Hudson and Goodwin* (11 U. S. 31)."

A. A. Berle, Jr., Professor of Law, Columbia University (formerly United States Ambassador to Brazil): "The Genocide Treaty raises none of the issues suggested by the recent California decision which held that ratification of the United Nations Charter automatically nullified the alien land law of California. The United Nations Charter is, and is expressed to be, self-executing. The Genocide Treaty is not."

Wesley A. Sturges, dean, Yale Law School: "This international crime as defined in the convention is committed only when aimed at destruction of national, ethnical, racial, or religious groups as such. It is punishable only in the country where it occurs. Genocide, one of the most sinister threats to world peace, will be punishable in our own country only if there be an act of Congress to such effect."

10. The convention establishes no international tribunal with jurisdiction over United States citizens; Americans will be tried in American courts.

Brendan F. Brown: "Article VI limits the assumption of obligations to the prevention and punishment of the crime of genocide by trials in Federal courts. It does not commit the United States to the establishment of an international penal tribunal with jurisdiction for the trial of persons accused of the crime of genocide."

Committee on International Law, New York City Bar Association: "The convention in article VI provides that persons charged with the crime 'shall be tried by a competent tribunal of the State in the territory of which the act was committed, or by such international penal tribunal as may have jurisdiction with respect to those contracting parties which shall have accepted its jurisdiction.' Ratification of the convention would not require a United States citizen to be tried in any but a United States court."

11. The convention does not infringe on States rights.

Robert P. Patterson: "By the Constitution, the power to define and punish offenses against the law of nations is specifically given to branches of the Federal Government clearly in line with the general classification that matters of national importance belong at the seat of the Federal Government while matters of local importance belong with the 48 States."

Adrian Fisher: "*United States* v. *Arjona*, decided in 1887, clearly supports a Federal statute implementing this convention, and therefore it is hard to see how the convention would have any effect in granting Congress a power it would not otherwise have, or drastically change the relation between the States and the Federal Government. It also should be pointed out that in *United States* v. *Arjona*, which held that Congress could constitutionally define counterfeiting of foreign bank notes as a crime against the law of nations, it was specifically said that nothing prevents the State from acting. Mr. Chief Justice White, referring to the crime against the law of nations, says as follows:

" 'This, however, does not prevent a State from providing for punishment of the same thing, for here, as in the case of counterfeiting the coin of the United States, the act may be an offense against the authority of a State as well as that of the United States.'

"That was acceptable law then, it is acceptable law now, and nothing can change it."

Philip B. Perlman: "It is argued against the convention as a whole that to impose a new body of treaty law which will become the domestic law of the United States is a change in the structure of the relation of the States and the Federal Government, and that to deprive the States of a field of criminal jurisprudence and place it in the Federal jurisdiction by treaty would be so revolutionary as to be in violation of the Constitution. If there were matters of criminal jurisdiction confided to the States so vital to their existence that a change by the Genocide Convention would destroy our dual system of government, conceivably the problem suggested might be more than hypothesis. The fact is quite the opposite. Congress is already invested by the Constitution with the power to provide the criminal sanctions for offenses against the law of nations, Constitution, article 1, section 8, clause 10. It has had that power since 1789, and the States expressly committed that field of criminal jurisprudence to the Federal Government. It is wholly unwarranted to say that, because another offense has been added to the list of the few now punishable as offenses against the law of nations, the States have been deprived of a field of criminal jurisprudence. This area of the field they never possessed."

12. The convention represents no departure from American tradition; the United States has ratified many such international agreements.

Robert P. Patterson: "The use of the treaty-making power to define new offenses against the law of nations is a matter of history. Thus various multipartite treaties defining new offenses against the law of nations have been made by the President and ratified by the Senate alone. Among these are: The Convention on Slavery, Treaty for the Suppression of the Opium Trade, the Convention on Obscene Publications, the Convention for the Suppression of the White Slave Traffic in Women and Children, Multilateral Treaty for Persons Breaking or Injuring Submarine Cables, Multilateral Treaty Re Slavery adhered to by the United States, March 21, 1929, Slave Trade."

United States Committee for a United Nations Genocide Convention, New York, N. Y.: Cochairman—Samuel McCrea Cavert, general secretary, Federal Council of Churches of Christ; Thomas Mahony, president, Catholic Association for International Peace; James N. Rosenberg, chairman, Human Rights Committee, National Conference of Christians and Jews.

MALIK'S 10 BIG LIES—EDITORIAL FROM THE NEW YORK TIMES

Mr. LEHMAN. Mr. President, this morning's New York Times published an editorial entitled "Malik's 10 Big Lies." This was a significant analysis of the sometimes bewildering tactics the Soviet delegate has been following in the United Nations. I ask unanimous consent of the Senate to insert the editorial in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MALIK'S 10 BIG LIES

In starting out on a career which aimed at world conquest but ended in the flaming ruins of his own capital, Adolf Hitler propounded as a guiding maxim for himself and his followers the principle of the big lie. The bigger the lie, he wrote, the greater its credibility, because the simple-minded masses of the people more easily fall victims to big lies than to little ones.

Adolf Hitler is dead, but the evil he left behind him marches on. It marches on in the ranks of the principal totalitarian system still surviving, that of Soviet Russia, which in the pursuit of similar aims of world conquest is likewise employing the principle of the big lie at home and abroad. The most brazen demonstration of that principle is now being provided for all the world to hear and see at Lake Success, where Jakob A. Malik, the Soviet representative, is misusing his office as President of the Security Council to foist upon the world a total and unabashed perversion of the facts to aid Communist aggression in Korea. His and his government's lies have been exposed many times both within the Security Council and through the notes and the White Book of the American Government. But it is still useful and pertinent to summarize both the Soviet lies and the answers to them, lest the magnitude of the former continue to confuse men's minds.

1. The Soviets assert, and Malik constantly reiterates, that the Korean war was started not by the Soviet puppets in the north, but by the South Korean Government, on the ground that the latter attacked first. This lie, which is unable to mention either a time or a place of the asserted South Korean attack, is contradicted not only by the whole course of the war, which demonstrates that the North Koreans are engaged in a long-planned and well-prepared invasion of a wholly unprepared South Korea, but also by the testimony of the United Nations Commission on Korea. This testimony is that up to the very day of the attack the South Korean Army was organized and deployed solely for defense, that it had neither the arms nor the equipment to undertake an invasion, being merely a constabulary force, and that it was the North Koreans who attacked by land, air, and sea with Soviet tanks, guns, and planes and in some cases from salients already established on South Korean territory.

2. The Soviets assert, and Malik reiterates, that the alleged South Korean attack was organized, prepared, and instigated by the ruling circles of the United States, in particular Defense Secretary Johnson, John Foster Dulles, and General MacArthur. Since there was no South Korean attack, the ruling circles of the United States cannot have instigated it, and were in fact wholly unprepared for hostilities in Korea, as the war shows.

3. The Soviets assert, and Malik reiterates, that the United States is guilty of aggression in Korea because its armed forces have "invaded" another state and Malik in particular cites a definition of aggression adopted by a League of Nations Committee in 1933 to prove his point. The answer is, of course that the American forces are not alone in Korea, but are part of a United Nations force attempting to suppress armed aggression under a mandate from the Security Council supported by all but a few of the United Nations members. In contrast, the Soviets are not only defying the United Nations by continuing to give aid and comfort to an enemy fighting the United Nations, but are themselves guilty of aggression under the very definition Malik cited, since they have supported armed bands invading the territory of another state.

4. The Soviets assert, and Malik reiterates, that the Security Council's enforcement action in Korea is illegal because it was decided upon in the absence of Soviet Russia and Communist China. This lie is refuted not only by the long list of precedents cited in the American White Book and approved by the Soviets themselves, but also by the very fact that Malik has undertaken to preside over a Council session in which Communist China is still absent. Unless the Soviets are willing to convict themselves of an "illegal" course they must acknowledge the legality of any action taken by a Council constituted as at present.

5. The Soviets assert, and Malik reiterates, that the United Nations in general, and the Security Council in particular, are under the dictation of the United States as tools and

vessels of the State Department. The answer to that lie has been given by the independent action of all the states concerned, and most emphatically by Dr. Quevedo of Ecuador, who said that it is the Soviets who mistake the Security Council for one of their Arctic slave gangs.

6. Both the Soviets and Malik constantly harp on the theme of American or Anglo-American "imperialism," which is supposed to be trying to subjugate other nations and to extend the Korean war. This lie is refuted not only by the efforts of the United States and other nations to localize the Korean war but also by the whole record of the United States and the whole Western World which brought freedom and independence to the Philippines, India, Burma, Indonesia, and which are now trying to extend the same privileges to other nations, including Korea. If that be imperialism, then let the Soviets follow it and liberate the countries they now hold in bondage.

7. The Soviets assert, and Malik reiterates, that the war in Korea is a civil war in which neither Korean side can be an aggressor. That contention is refuted by the fact that the Soviets not only refused to acknowledge the only legal Government in Korea constituted under United Nations auspices but also set up their own puppet regime in a North Korean state, which is now waging aggressive war on the South Korean state and Government.

8. The Soviets assert that in bombing military installations and munitions factories used by the North Korean aggressors the American forces are resorting to barbaric methods of warfare because civilians are also killed thereby. The United Nations Commission has testified that the North Koreans were the first to resort to air warfare. The crime is represented by their aggressive war, not by the weapons used to suppress it.

9. The Soviets assert, and Malik reiterates, that the Soviets seek peace while the United States seeks war. But the peace the Soviets seek is the peace of the conqueror, which was also the aim of Hitler, who found the whole world, including Russia, in opposition to that aim. In contrast, the peace the United States aims at is peace in conformity with the principles of the United Nations, which call for the defeat of aggression.

10. Finally, the whole policy of the Soviet delegate at Lake Success is based on fraud and deceit. For while he dons the sheep's clothes of a member of the United Nations dedicated to peace, he is doing everything that an enemy of the United Nations could do to defy its will, its principles, and its aims. And that dual role which Malik plays is the biggest lie of all of them.

TEMPORARY APPOINTMENT OF REFEREES IN BANKRUPTCY

The PRESIDING OFFICER (Mr. KEM in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 3921) for the temporary appointment of referees in bankruptcy, and for other purposes which were to strike out all after the enacting clause and insert:

That subdivision c of section 43 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, is amended to read as follows:

"c. Whenever the office of a referee is vacant or its occupant is temporarily absent or disqualified to act, or whenever the expeditious transaction of the business of the court or courts of bankruptcy may require, the judge, or any one of the judges, may act; or the judge or the chief judge of the district may designate and assign temporarily any referee of the district to act; or the chief judge of the circuit may designate and assign temporarily one or more referees within the circuit to act upon presentation of a certificate of necessity by the judge or chief judge of the district wherein the need arises, or the chief judge of the circuit may order that pending cases be rereferred and future cases referred to one or more referees within the circuit; or the Chief Justice of the United States may designate and assign temporarily a referee from another circuit to act upon presentation of a certificate of necessity by the chief judge of the circuit wherein the need arises. No designation and assignment shall be made without the consent of the chief judge or judicial council of the circuit from which a referee is to be designated and assigned. All designations and assignments of referees shall be filed with the clerks and entered on the minutes of the courts from and to which made. The Chief Justice of the United States or a chief judge of a circuit or a judge or chief judge of a district may make new designations and assignments in accordance with the provisions of this subsection, and may revoke those previously made by him."

And to amend the title so as to read: "An act to provide for the temporary assignment of referees in bankruptcy, and for other purposes."

Mr. McCARRAN. Mr. President, the purpose of the bill is to add a new section to section 43 of the Bankruptcy Act. Section 43 as it now exists consists of three subsections—(a), (b), and (c). This bill, as it passed the Senate, would not change any of those three subsections, but would add a new subsection, to be lettered (d).

As amended and passed by the House of Representatives, the bill would not add a new subsection to the act, but would amend and change subsection (c).

It is my opinion that a conference on this measure is in order.

Therefore, I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GRAHAM, Mr. KEFAUVER, and Mr. DONNELL conferees on the part of the Senate.

MRS. GLADYS J. SENYOHL McCARTHY

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2234) for the relief of Mrs. Gladys J. Senyohl McCarthy, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCARRAN. Mr. President, on July 26, 1950, the Senate passed House bill 2234 with amendments. It is a private claim bill. The Senate amendments substantially reduce the amount of the award.

The House has disagreed to the Senate amendments, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and appointed conferees on the part of the House.

I now move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. EASTLAND, and Mr. WILEY conferees on the part of the Senate.

Mr. WHERRY. Mr. President, I should like to inquire whether the appointment of those conferees has been carefully considered by the Presiding Officer or whether they are the appointees of the chairman of the committee.

The PRESIDING OFFICER. The Chair will state for the information of the Senator from Nebraska that, under the rule, the Chair can appoint any Senators he wishes to appoint; but the Chair has followed the suggestion of the senior Senator from Nevada.

Mr. WHERRY. I thank the Chair.

DEFENSE PRODUCTION ACT OF 1950

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, Senate bill 3936, which the Committee on Banking and Currency has reported with a complete substitute for the original text of the bill. The substitute will be regarded as the text of the bill, for purposes of amendment; and amendments desired to be proposed by the committee, if any, will be given priority consideration.

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. MAYBANK. Mr. President, I wish to state that I am very glad the Chair has explained the parliamentary situation regarding the bill, because there are several amendments which I submitted on yesterday or the day before, about which I had talked to as many of the committee members as I could. Those to whom I talked authorized me to submit the amendments. Unfortunately I was unable to talk to some of the committee members, and I wish to state that no member of the committee is bound by the amendments; but I trust that the Chair will rule that they are committee amendments, even though they were submitted after the committee reported the bill.

Mr. President, Americans are fighting and dying in Korea today. We must give them the backing they need to carry out the job. Prompt and vigorous action by the country is necessary.

On June 25, the Communist forces of northern Korea invaded the Republic of Korea in an act of deliberate, unprovoked aggression. The forces of the United States, in cooperation with the United Nations, moved promptly to the defense of the Republic of Korea, and since then have been waging a gallant battle.

On July 19, the President transmitted to the Congress a message recommending for our consideration legislation to enable him to meet the situation effectively. On July 19, as chairman of the Banking and Currency Committee, I introduced the original Senate bill 3936.

I stated at the time that the bill had been introduced by request, and that hearings would be held.

The following week, on Monday morning the committee commenced public hearings, and all witnesses who requested to be heard were given an opportunity to testify. The witnesses were representative of all groups who desired to be heard; and, in addition, we filed statements for certain witnesses who did not desire to appear in person.

We completed these public hearings, and then your committee met in executive session for more than a week, holding morning and late afternoon meetings. Many amendments and changes were offered by members of your committee, as well as by other Members of the Senate. All were very thoroughly discussed and carefully considered, and many changes were made as a result of the various proposals. This was not surprising, in view of the nature of the problems confronting the country and the nature of the remedies necessary to solve these complex problems.

The committee, after amending and changing the original bill, determined that there also should be added additional titles which would authorize permissive controls which the President could use if the home-front situation became worse. These additional controls and permissive powers were not requested by the administration but the committee believed that in view of the speculation, hoarding, and purchases of national-defense materials by individuals and companies, it would be best to give the President these powers to use unless the situation remedies itself. The authority for additional controls is contained principally in titles IV and V.

Under date of August 1, the President sent a special letter to me, as chairman of the committee. The substance of the letter was a statement of the urgency of immediate action on the original bill. The letter further stated that if it was the desire of the committee to recommend additional legislation, he, of course, would accept the legislation, provided it was flexible enough to permit its exercise only when the situation demanded.

After the committee had considered the letter, and believing the situation to be such that additional legislation should be included in this bill, the committee added provision of authority for additional controls.

It was a privilege for me, as chairman of the committee, to have the support of the entire committee in expediting the handling of the proposed legislation which is now before the Senate. I am appreciative of the cooperation on both sides of the aisle and wish to commend the ranking Republican member present, the Senator from Indiana [Mr. CAPEHART] and the other members for their cooperation with the Democrats in reporting the bill, even though some of the members differed materially on some of the titles. Nevertheless, we worked together to get a bill to the Senate floor; and I feel certain that we shall work together to get the bill passed as quickly as possible in whatever form, of course, the Senate finally decides upon.

Time is of the essence, as the President has stated, and as the American people know. It is unnecessary for me to go into the lengthy testimony given the committee by all the witnesses. The Senate has before it the hearings and the report.

Let me say in connection with the report that the staff of the committee finished the report at 2 o'clock this morning. I understand this is the first report the Senate has ever received in which direct references are made in the body of the report to the corresponding titles and pages of the bill, thus making it easy for Senators to read the report and to study the bill in connection therewith. I wish to express my appreciation to the staff for the work they have done in that connection. Not only did they work until 2 o'clock this morning, but they worked until midnight on Sunday and until 2 or 3 o'clock in the morning almost every night for the last 2 weeks.

The report on the production-control bill will, I believe, be of material assistance in helping Senators and the public to understand many of the complicated provisions of this bill. The committee made numerous suggestions to the staff in connection with preparation of the report, and it contains much legislative history.

Mr. President, I also wish to pay my respects to the legislative counsel who for 3 weeks have worked tirelessly and endlessly on this bill.

In order that Senators may be able to study this very complicated piece of proposed legislation with the maximum of ease, they will find throughout the report for each title under discussion a page reference to the bill.

They will also find on page 8 a short but comprehensive summary of the whole pill.

Our productive capacity is incredibly vast, Mr. President, our total output of goods and services is at the rate of almost $270,000,000,000 a year; our overall capacity to produce has increased by 40 percent since 1940. This huge economic machine was running at top speed in June, and even then demand was outrunning supply.

Now, we must immediately divert at least $16,000,000,000 of this production to military purposes, and we must be in a position to divert even more if the military situation becomes worse. Mr. President, we all hope it will not become worse, but we believe that power should be given to the President to make the diversion if there should be such an eventuality.

There is no question in the mind of any Member of this body that we will give the military whatever is needed, regardless of the sacrifices we must make. Time after time members of the committee, Republicans and Democrats alike, said they would give the military whatever may be needed, regardless of sacrifices we might be required to make. But we must not forget two things:

First, our military strength does not consist solely of our soldiers, sailors, and air-force men, of their guns and ships and planes. Our real strength is in our productive economy and our way of life. These are the things which produce the men in the armed services, and the munitions of war they use, and the vast transportation and supply system which takes the men and the munitions where they are needed. In directing materials to military purposes we must be sure not to defeat our purpose by depriving our factories, utilities, and transportation systems of materials they need in order to produce munitions.

Second, our free economy and our democratic way of life are also necessary to our national defense, as much as our military forces and our productive facilities. In putting ourselves in a position to resist aggression, we must not so weaken our economy and injure our way of life that, even in the midst of military victory, we would lose that which we are seeking to defend.

Keeping these things in mind, your committee considered the various proposals put before it. From the first, it appeared clear that substantial authority over materials and over credit was essential. Your committee, therefore, reviewed these controls carefully and approved them—priority, allocation, and requisitioning authority over materials and facilities; financial assistance to increase the supply of materials and facilities; and authority to control consumer and real-estate construction credit. These are now contained in titles I, II, III, and VI of the bill. Generally these powers are the same as those given to the Government in World War II.

While the control over real-estate construction credit was not vested in the Government during World War II, the complete control over construction exercised then made such controls unnecessary. I refer to the War Production Board and to the OPA regulations regarding critical materials. The provision in the pending bill may reduce the need of immediate and burdensome restrictions on building. In other words, we put that matter under the Federal Reserve Board, hoping that with that restriction it would be unnecessary to return to War Production Board and OPA orders.

The principal change which arose in the course of the committee's review of the bill was the proposal to authorize controls over prices and wages.

Much testimony was presented to your committee about increasing prices, and the danger that wages and prices might start to spiral upward. Many indications were received that severe hardships were being imposed on consumers and industry. There is danger that these hardships may increase as the result of increased military demands. Inflation would result in great harm to our economy. It would also, in our judgment, impair the national defense.

Your committee considered the various proposals made to it for price and wage controls in the light of these points, and, after the most thorough consideration, reached general agreement on the measures reported. I say general agreement. Certain members of the committee had other ideas about some titles or sections.

Under these measures, the first reliance is placed on the voluntary self-restraint and discipline of consumers, industry, and agriculture. Mr. President, I wish to impress upon the Senate the fact that the first thing we did was to suggest the voluntary self-restraint program, which is contained in title I. Patriotic Americans can do much, on an individual basis, to prevent hoarding and unwarranted price increases.

Selective price and wage controls are also authorized. Where prices of individual materials can be controlled, without undue effect upon other materials, less interference with ordinary business practices will result.

General price controls are also authorized, to be used if the President deems this necessary. Price control on retail sales and rationing are authorized, either on a selective or a general basis.

Your committee recognized that prices and wages must be tied together; that price increases must not be allowed to such an extent as to make necessary wage increases; and that wage increases must not be allowed to jeopardize price stabilization.

The bill provides that wages must be stabilized in an industry where prices have been placed under ceilings, if the wage increases would cause increases in the price ceilings or would place an undue burden on the producers.

The bill also provides that wages must be stabilized generally when price controls have been imposed on a substantial part of the economy.

However, because of your committee's desire to interfere as little as possible with the functioning of our economy, the bill does not require the President to freeze any prices or wages at once, or at any specified time. Our economy is so intricate and complex that the Congress cannot draw blueprints and make inflexible plans to cover all future situations.

The powers granted in this bill are great. Their very flexibility, so necessary to accomplish our purposes without harm, raises the possibility of abuse. Your committee considered the possibility of limiting the powers or imposing arbitrary restrictions on the President. Your committee did not adopt this negative view. Instead, reliance was placed upon requirements of consultation with industry and other persons affected by regulations and on the watchdog committee set up in the bill. These positive measures to protect the public interest will be more valuable, in our judgment, than any negative measures we could have provided.

This is a solemn moment in our Nation's history. We must choose the right course. If we sit idly by and do not take vigorous action now, the Nation may be in trouble. If we set up what could lead, if unchecked, to an uncontrolled dictatorship, the Nation, as we know it, may also be in trouble.

We must and we will steer between these two dangers. However hard the task, we must, and with God's help we will, carry on our Nation's heritage of freedom and democracy.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. MAYBANK. I yield.

Mr. WHERRY. I should like to ask the distinguished Senator from South Carolina whether he feels that the all-out controls and powers which are granted are necessary at this time. I ask the question in all sincerity. We have been told by the President that the only thing confronting us is a police action in Korea.

I should like to ask the Senator further, in connection with my first question, whether evidence has been taken which enables him to speak authoritatively as to what the situation is. Is there merely a police action in Korea at the present time, or is it a fact that we have an all-out war confronting the American people? It seems to me that if we get the right approach, there will be no difficulty in passing legislation that may be needed at this time. But I think it will be very difficult for the people of this country to accept the delegation of powers requested in this bill, if all that is involved is an incident in Korea. I should like to have the Senator's views on those matters.

Mr. MAYBANK. The Senator is asking several questions at once.

Mr. WHERRY. They are all related, though the principal question is difficult.

Mr. MAYBANK. It is a difficult question. Since the Senator from Nebraska is, with me, a member of the Appropriations Committee, he has heard General Bradley, Secretary Symington, Admiral Forrest Sherman, and other members of the military. If I thought that only an incident was involved at the present time in Korea, I should not be before the Senate with this bill. But I am fearful something else may happen. I am hoping and praying to God—and I say it with all reverence—that something worse will not happen. But I do not want to see the Committee on Banking and Currency make a mistake by merely presuming that nothing worse will happen. These are permissive controls. The President may only put them into effect after certain consultations, and then, in many instances, only after other means have been exhausted.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

The VICE PRESIDENT. Does the Senator from South Carolina yield further to the Senator from Nebraska?

Mr. MAYBANK. I yield.

Mr. WHERRY. Am I to understand from the chairman of the Committee on Banking and Currency that it is his personal view that the situation is so acute that it is absolutely necessary that these standby controls be authorized by the Congress?

Mr. MAYBANK. The Senator, in using the word "acute," though it is a small word, it has a very comprehensive meaning. I feel that the situation is such that, in its wisdom, the Senate would be wise to entrust these powers to the President of the United States, who is also Commander in Chief of the Armed Forces and who is the only one to whom the powers can be delegated, so that, in event the situation became worse, he might use them.

Mr. WHERRY. Mr. President, will the Senator yield further for a question?

Mr. MAYBANK. I yield.

Mr. WHERRY. I have been unable to read the hearings overnight, but is there any evidence at all in the hearings which indicates that in the opinion of the witnesses the situation is about as the distinguished Senator himself views it?

Mr. MAYBANK. I would not say it is in the hearings, but we did hold executive sessions to hear General Bradley, Mr. Symington, and others. I do not want to be an alarmist. I hope the Korean incident will soon end. It was the judgment of the majority of the committee, after the hearings, that some type of permissive controls should be put into effect. We heard from witnesses representing business, commerce, farms, veterans, and Government. Secretary Sawyer, Mr. Symington, and General Bradley were among those representing Government. The hearings will show that there has been quite a price increase caused by the war scare. Rubber went up 23 cents a pound. The Government has to have raw rubber for use in the construction of tanks and planes. The hearings will show that there has been a sharp rise in the cost of living, since the Korean invasion, which has already had a serious effect on our economy.

Mr. WHERRY. I know what the Senator refers to, and I appreciate the viewpoint of the military on the question. I am asking this question in all sincerity. Would it not be easier to go ahead and pass a control bill, if we had the proper approach? If the Korean difficulty is only an incident, as the distinguished Senator referred to it a moment ago——

Mr. MAYBANK. The last time General Bradley appeared before the Appropriations Committee he used the words "national defense" and "emergency." The members of the committee desired to cooperate as fully as was possible with the United Nations. So there were words used here and there which tied in with the United Nations. The Senator knows the details, and I do not think it is proper to discuss them at any length on the floor.

Mr. WHERRY. I do not want in any way to bring up any points that should not be discussed.

Mr. MAYBANK. I am only trying to get the bill passed. The President wrote a letter with reference to stand-by controls, and after hearing the witnesses the majority of the committee thought this was the wise thing to do.

Mr. WHERRY. Does the Senator feel that if the Korean war is only a police action or an incident, which will level off, it will be necessary to put these controls into effect?

Mr. MAYBANK. Mr. President, I do not want the American mothers and fathers of the boys who are being killed in Korea to feel that we believe this is

merely an incident. We know it is really a war.

Mr. WHERRY. That is the very point I wanted to raise.

Mr. MAYBANK. I do not hesitate to express my opinion. I am speaking only for myself.

Mr. WHERRY. It seems to me that the questions which I have asked are pertinent. It makes all the difference in the world as to the controls which should be granted and those which should not be granted. If the time is here, and if the military asks for necessary appropriations and controls, that is one thing; but if it is anticipated that there will be a leveling off in the Korean situation, it is an entirely different thing.

Mr. MAYBANK. The Senator from Nebraska and I were among the few Members of the Senate who supported the 70-group Air Force. The Senator from New Hampshire [Mr. BRIDGES] and I were among the few who voted to increase the Navy. My view is that if the Korean situation is only temporary, the United States should properly prepare itself for all time so that such an incident shall not again occur. If we had spent in 1946 a few billion dollars, we would not be called upon now to appropriate $16,000,000,000 or perhaps $30,000,000,000 in order to regain our prestige in the world.

Mr. WHERRY. Mr. President, I do not want to belabor the point any further at this time. I wanted to get the reaction of the distinguished chairman of the committee, who has heard all the testimony, as to the absolute need of controls and how far, in his judgment, Congress should go. I feel that the observation made a moment ago was constructive, namely, that the approach to this subject depends entirely upon what confronts the people of the United States of America.

Mr. MAYBANK. In the future.

Mr. WHERRY. In the future. I certainly feel that we are now in a state of confusion. I do not want to be anything but constructive in this matter, but we are told, as the Senator well knows, that we have got to prepare for the amounts which will be requested when the additional appropriation bills finally reach us, and that they will stagger the American people.

Mr. MAYBANK. That is correct.

Mr. WHERRY. On the other hand, we are asked to view this Korean situation as a police action. If that be true, I feel that the American people will not be prepared to go as far as they would otherwise be obliged to go and, no doubt, would go, if the situation were presented to them in the way in which I have presented it in questioning the Senator from South Carolina.

Mr. MAYBANK. In my own humble opinion, as chairman of the committee, I think it was called a police action for certain understandable reasons. I do not think the mothers and fathers of the boys think it is a police action. I have voted for the necessary appropriations and so has the Senator from Nebraska. I am not going to discuss that phase of the question; but I want to call the Senator's attention to the fact that the Senator from New Hampshire [Mr. TOBEY] was present most of the time and did a wonderful job. When he was absent the Senator from Indiana [Mr. CAPEHART] was the one who suggested the watchdog committee. I was the only one who voted against it, because I did not feel that I should be voting to appoint the committee myself. But we have in it a committee which I think will be able to stop any excess in connection with regulations or rules such as many of us would have liked to have done in the OPA days.

I invite the Senator's attention to that committee. I know the Senator from Indiana [Mr. CAPEHART] will speak concerning it.

Mr. WHERRY. Possibly I can bring forcefully to the attention of the Senate one matter which provoked the questions I asked of the Senator this afternoon. One of the amendments which the distinguished Senator has offered as a separate amendment to title B of the bill provides as follows:

(h) No ceilings shall be established or maintained on products resulting from the processing of cattle and calves, lambs and sheep, and hogs, the processing of each species being separately considered, which do not allow for a reasonable margin of profit to the processing industry as a group on each such species.

Mr. MAYBANK. On page 32 of the report it will be seen that the Senator from Virginia [Mr. ROBERTSON] and I brought that up, and we wrote a section which would cover not only the situation referred to in the amendment which the Senator has just read, but other situations. In World War II—I do not remember whether it was in 1941 or 1942—when the distinguished Vice President was a Senator, he and my good friend the Senator from Ohio [Mr. TAFT], with whom I served on the committee, and Representative BATES, offered an amendment in the form of a bill to take care of such situations. It should have been offered as an amendment to the bill which was passed, but it was not, and when it was put into effect it was rather late, because of the gray and black markets on beef, as the Senator from Nebraska remembers. That is why I have offered this amendment as a committee amendment.

Mr. WHERRY. This is the time of year when feeders are buying lambs.

Mr. MAYBANK. To put into feed lots.

Mr. WHERRY. Yes. As always, when we apply controls, there is apprehension as to what the prices are going to be.

Mr. MAYBANK. Let me say to the Senator that we are not imposing controls; we are only providing permissive controls to be used if the situation becomes worse.

Mr. WHERRY. If the situation is such that only controls which are absolutely necessary are to be applied, such as those related to strategic materials, and so forth, that is one thing. If we provide stand-by controls which affect the livestock industry, as is suggested by the amendment—of course of a discretionary nature only—it will affect to a great degree what will go into the feed lot and what will not go into the feed lot in the next 6 months.

Mr. MAYBANK. If the President deems it necessary to use the permissive controls in case conditions should grow worse, section 709, on page 74, would go into effect. It reads:

SEC. 709. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof. Any rule, regulation, or order, or amendment thereto, issued under authority of this act shall be accompanied by a statement that in the formulation thereof there has been consultation with industry representatives, including trade association representatives, and that consideration has been given to their recommendations, or that special circumstances have rendered such consultation impracticable or contrary to the interest of the national defense, but no such rule, regulation, or order shall be invalid by reason of any subsequent finding by judicial or other authority that such a statement is inaccurate.

I think the Senator knows me well enough to know that I believe in free enterprise. We have tried to include in the bill every safeguard we could think of. Some people think we should not do anything, some think the bill goes too far, while others think the bill does not go far enough. We have tried to go down the middle of the road.

Mr. WHERRY. I thank the Senator for his observation. In that respect I think the committee has done the best it could do with the evidence which was presented.

Mr. MAYBANK. I thank the Senator.

Mr. WHERRY. I believe that there are different schools of thought on the subject of how far controls should go. Take, for example, strategic materials, such as steel.

Mr. MAYBANK. We have taken into consideration the remarkable progress which the steel mills have made. We have made available funds for their expansion, and so forth. We are not here to knock anyone down, as the Senator knows.

Mr. WHERRY. The Senator made the point that there are different schools of thought.

Mr. MAYBANK. Some people recommend that we should put the ceilings into effect immediately.

Mr. WHERRY. The different schools of thought arise from the approach one takes to the bill. Before we can take the proper approach the American people and Congress must know what is in the mind of the administration as to the future which confronts the people of the country. If we knew what was in the mind of the administration, there would not be so much difficulty in granting controls which are asked for in this bill or any other bill.

Mr. MAYBANK. I agree with the Senator, but there is no person who can answer the Senator's question. The President cannot answer the question. The Senator knows that no one knows what will happen in the future because of the activities of the Communist satellite and other nations. We simply wish

to be prepared and on guard. I cannot answer the question of the Senator.

Mr. WHERRY. I have had many telegrams from feeders, many of whom are personal friends of mine, and I want to say that an amendment of this kind on stand-by controls would have a definite effect on the price of lambs and also on the number of yearlings that will go into the feed lots. If the situation is so severe that the administration must bring forward a provision of this kind, that is one thing.

Mr. MAYBANK. I want to say to the Senator that I never spoke to the President about stand-by controls. He never asked for them. After hearing witnesses, and receiving hundreds of thousands of telegrams and letters which came to the members of the committee and the committee itself, it was felt by the committee, in its wisdom that it would be proper to grant stand-by controls, because as the Senator knows, the Army, Navy, Marine Corps, and the Coast Guard will come to Congress and ask for billions and billions of dollars.

Mr. WHERRY. I shall not ask any further questions of the Senator at this time. I wish to say, however, that this case illustrates what is in my mind and in the minds of a great many people today relative to what controls should be invoked on a stand-by basis, or otherwise. So far as the junior Senator from Nebraska is concerned, if we knew what was in the mind of the administration—I do not mean the military, but the administration—and what might be put into effect in the nature of controls, it seems to me we could approach the matter with a great deal more assurance. Under those circumstances I believe not only Congress but the American people would be glad to give the controls which are necessary to meet the situation. If we do not know, we are really putting into a strait-jacket discretionary controls, which will be very difficult to take off, as in the case of the amendment to which reference has been made, which would seriously affect the production of meat, a commodity absolutely needed at this time.

Mr. MAYBANK. I should like to call the Senator's attention to the report. The Senator knows that the American people today want something to be done to stop the excessive buying of sugar, meat, lamb, and so forth. I would like to say something on the floor with respect to lumber. I wish I could divulge what was told the committee in executive session. I wish I could tell what has happened to the lumber which the Army and the Navy needed in Alaska. There has been what amounts to a racket in connection with the lumber industry.

Mr. WHERRY. I am not disputing that fact. I am not talking about the merits of controls or the justification for controls. I simply wish we could find out what was in the mind of the administration. If it is not contemplated that controls such as are included in the so-called meat amendment will be used this fall, it would make a terrific difference in the production of livestock. I refer to the livestock that would be placed in the feed lots, which produce the meat which is absolutely needed.

Mr. MAYBANK. I merely wish to tell my good friend from Nebraska that all I know of what is in the mind of the administration will be found at page 20 and 21 of the committee report in a letter which the President wrote to me, and which I now ask to have printed in the RECORD as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR MR. CHAIRMAN: I am writing you in response to your request for my views on the expressed desire of various Members of the Senate to add to the defense production bill (S. 3936) some kind of authority for direct controls over wages, prices, and the distribution of goods to consumers.

It is urgently necessary that the Congress act on the defense production bill without delay. If this measure is enacted promptly, we can do a great deal to ease the economic adjustments which our defense effort will require. At the same time, we can continue on an expedited but careful basis, our planning and preparation for other economic controls, if and when needed.

Of course, there is no objection, in these circumstances, to enactment of additional stand-by control powers which the President could invoke when the need arose. Before my message of July 19, I gave careful thought to the desirability of asking at once for stand-by authority to control prices and wages, and to ration at the consumer level. I refrained from making this proposal to the Congress because it seemed more important to obtain quick action on the powers contained in the defense production bill. To have included a request for stand-by controls might, it seems to me, have dangerously delayed enactment of the immediate program, while the Congress considered these broader authorities. My recommendations of July 19, were designed to meet the problems immediately before us.

The Congress, in its judgment, may now want to make price, wage, and rationing controls available, on a stand-by basis, for use if and when needed. But if the Congress were to take this course, the following conditions appear essential.

First. These additional controls should be supplementary to, and not in lieu of, the basic powers already contained in the defense production bill. The production aids and limited controls for which I have asked, are essential now.

Second. We cannot afford to bog down or delay in enacting what is needed at once, and supplementary provisions should be added only if they do not prolong consideration or delay action in either House.

Third. Any provisions relating to prices and wages should not set up a rigid formula or freeze in advance of experience. If these powers are now made available in advance of widespread need, it is simple common sense that they must be written in a form which allows wide discretion and flexibility as to the method and place and timing of application.

Fourth. For the same reason, any grant of price and wage authority should leave open the question of the method of administration. This should remain flexible, because it cannot be separated from the question of the extent to which price and wage controls actually might have to be applied.

If these reasonable conditions can be met, I should have no objection to the granting of authority beyond that requested in my message of July 19. But if, for any reason, these conditions cannot be met, I urge strongly that the Congress move at once to enact the defense-production bill without including these additional powers.

Very sincerely yours,

HARRY S. TRUMAN.

Mr. MAYBANK. That is the letter which the President wrote to the committee. The committee thought that the President should have some stand-by controls. There has been some talk about recessing, and so forth. I know we will not recess.

Mr. HICKENLOOPER, Mr. TAFT, and Mr. HOLLAND addressed the Chair.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator yield, and if so, to whom?

Mr. MAYBANK. I yield first to the Senator from Iowa.

Mr. HICKENLOOPER. I should like to ask the Senator from South Carolina a question after reading a statement appearing in this morning's Times-Herald under the byline of Mr. Walter Trohan. The statement reads:

A persistent but unconfirmed report has it that Mr. Truman has promised CIO President Murray another round of wage increases before any freeze of wages.

Mr. MAYBANK. I may say that I have met Mr. Murray, but I do not know what he and the President have talked about. I have not seen the President.

Mr. HICKENLOOPER. I am reading the statement which says:

A persistent but unconfirmed report has it that Mr. Truman has promised CIO President Murray another round of wage increases before any freeze of wages.

The question that I should like to ask the distinguished Senator from South Carolina is: If we have another round of wage increases, does not the Senator think that it would contribute to a further increase in the price of consumer goods?

Mr. MAYBANK. Certainly.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. I should like to ask the Senator various questions about the meaning of the bill which he has described. I may say that so far as the general power of control and most of the titles are concerned I agree certainly on the general necessity for such controls.

Mr. MAYBANK. I should like to say that we were very glad to have the suggestions of the Senator from Ohio, and some of his suggestions have been incorporated in the bill. I do not think the Senator has read the full report. Certainly I have not been able to read it, because we did not get through with it until 2 o'clock this morning.

Mr. TAFT. No; I have not tried to do so.

On page 29 of the bill the President is given power, first, to require the setting up of a priority on contracts or orders, or the acceptance of contracts or orders, which he deems necessary or appropriate to promote the national defense. When he goes to a company and says, "You must make a thousand tanks," how is the price to be determined? The company must take the contract. The President imposes the contract on the company. What are the terms on which the contract is imposed?

Mr. MAYBANK. Of course, a contract is agreed to and both the contractor and the Government try to agree on reasonable and fair terms.

Presumably on the company's usual terms and conditions, or comparable terms. Of course, as the Senator knows, there was also renegotiation of contracts in the last war, and I understand from Representative VINSON a renegotiation bill is on its way to the Senate now, which will take care of any excess that might arise.

Mr. TAFT. The only suggestion is, who is going to fix the price? Is the President going to fix the price in the first instance, or who is going to fix it? Is the company to fix the price? What is the intention of the committee as to that power.

Mr. MAYBANK. It is the committee's feeling that it will be done as it was done before, that the company will fix the first price when the contract is made, and that if too great profits are made, as is suggested on page 28 of the report, there will be a readjustment and a fair and reasonable profit will be allowed.

Mr. TAFT. The language is pretty definite. It is, "to require acceptance and performance of such contracts or orders." What contracts? Is it the contracts written by the President? The intent seems to me, at least, to be to give the President the power to fix the price.

Mr. MAYBANK. He had the same power in the last war. I remember the case of the Ford Motor Co., because I happened to be in the office of Assistant Secretary Patterson when the contract was made. Under the Constitution, no one can delegate the power in such matters except the President of the United States. During the last war, Mr. Knox was Secretary of the Navy, and Mr. Stimson, Secretary of War, and, as I remember, the power was delegated to Assistant Secretary Forrestal and Assistant Secretary Patterson. They made the contracts and the company named the price.

Mr. TAFT. I believe I suggested an amendment to the committee which provided that the company should fix the price and that the contract be subject to renegotiation, under the terms of the Renegotiation Act.

Mr. MAYBANK. The Renegotiation Act has not yet been passed, unfortunately. It is on the way.

Mr. TAFT. There is a renegotiation provision in the current appropriation bill.

Mr. MAYBANK. That applies only to certain things, I was told. But this subject is not within the jurisdiction of the Committee on Banking and Currency. Some persons testified before the committee on the subject, and the committee recommended that the new plants which might be built should be amortized rapidly, as in World War II, but we could not put such a provision in the bill, because that is under the jurisdiction of the Committee on Finance, of which the Senator from Ohio is a member. I did write to the Senator from Georgia [Mr. GEORGE] and suggested that the same provision as to new plants be included; namely, that they be amortized over a shorter time following the World War II practice.

Mr. TAFT. One of the broadest powers in the bill is found at the bottom of page 29, in this language:

> To allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.

Mr. MAYBANK. There again power is vested in the President, for the national defense. If it was a matter involving the Army, he would leave it to the Secretary of War, Mr. Pace. If it involved the Navy, he would leave it to the Secretary of the Navy. If it involved the over-all picture, he would leave it to Chairman Symington.

Mr. TAFT. I am not as much interested in how he exercises the power as in what it is we are giving him power to do.

Mr. MAYBANK. We give him power, for instance, as I read the bill, to take rubber when it is necessary and utilize it in the production of tanks, or what not.

Mr. TAFT. We do not give him power to take anything, under this section. It is "to allocate," not "to take." The "take" section is in another title.

Mr. MAYBANK. Power is given to allocate materials which are produced in or come into the United States.

Mr. TAFT. Under this section the President is given power to put into effect a complete rationing system on the American people, I take it, since the committee expressly deleted the provision that there should not be consumer rationing. I take it this section is broad enough to authorize a complete system of rationing of every commodity the President desires to ration. Is that correct?

Mr. MAYBANK. That is correct. The language is an exact copy of the the language of the law during World War II. There is nothing in this section that goes beyond the World War II laws, according to the legislative counsel and the staff. I asked them to look at every law, and wherever we went beyond the World War II law, to call it to my attention.

Further along in the bill, as the Senator perhaps knows, there are exemptions relating to newspapers.

Mr. TAFT. If we were in world war III, I would not even ask the question, but we are not in world war III, and I am trying to ascertain whether in time of peace we are giving the President complete power to ration any commodity he wishes to ration.

Mr. MAYBANK. The President never asked for the power. The purpose of the committee was to grant stand-by power, permissive power, whatever it may be called, in case such power were needed in the future.

Mr. TAFT. In other words, this particular section was broadened in order to fit in with the price and wage control powers given in title IV?

Mr. MAYBANK. The Senator is correct.

Mr. TAFT. It covers not only materials needed for the war, but any material, foodstuff, or anything else, if the President thinks that in some way rationing may be desirable in consideration of the national defense.

Mr. MAYBANK. The Senator is correct. The difference between the Senator and myself is that the Senator speaks of peace. Some people speak of the Korean incident; some people speak of police action. I do not believe that we are exactly in a state of peace now or that there is peace in the world.

Mr. TAFT. Let me ask a question regarding sections 303 and 304, found on pages 35 and 36. Would it not be possible, under those sections, for the Government to go into any business it desired to enter? In other words, under paragraph (a) could not the President purchase any metals, minerals, or other raw materials, which presumably would include foodstuffs of all kinds, "including liquid fuels for Government use or for resale," and then resell them?

Paragraph (c) provides:

> The procurement power granted to the President by this section shall include the power to transport and store, and have processed and refined, any materials procured under this section.

Under section 303 could not the Government go into the steel business or the copper business or any other business into which it desired to enter?

Mr. MAYBANK. It was not the intention of the committee to go as far as the Senator has indicated. I might say that on page 19 of the report the committee goes very fully into the subject.

The report says:

> So far as domestic sources are concerned, it would authorize the direct activation or expansion of operations at individual mines. It would stimulate marginal production and permit such production to reach the market without creating an upward pressure on prices.

We substituted for a sort of subsidy program which had been suggested originally.

Mr. TAFT. Does not the Senator think, however, that under that power the President could put the Government into any manufacturing business he desired to put it into?

Mr. MAYBANK. The Senator is absolutely correct. I stated that this bill carried provision for a great deal of power. I stated that under the Constitution of the United States—and I know the Senator agrees with me—the only person who has the power is the President of the United States. We have written the bill with broad powers on a permissive basis, or whatever sort of basis one may want to call it, hoping and praying that the powers will never have to be used, but providing for them in case a situation should arise in Europe or the Middle East or elsewhere which would make it necessary for them to be used.

Mr. TAFT. Is it not true that under section 304 the President, without any appropriation being made, may go into business by borrowing a part of the $2,000,000,000 which is granted?

Mr. MAYBANK. Yes; that is very plain. The language is:

> Any department, agency, official, or corporation utilized pursuant to this section

is authorized, subject to the approval of the President, to borrow from the Treasury of the United States, such sums of money as may be necessary to carry out its functions under this title—

Not to exceed an aggregate of $2,000,000,000.

And under section 305 the President is authorized to transfer to the Secretary of Commerce the operations of the various programs set forth.

Mr. TAFT. So that taking those things together, the President, without ever coming to Congress, can borrow $2,000,000,000 and go into any business he wants to go into in the way of purchase of material or in the manufacturing field? Is that a correct interpretation of the section?

Mr. MAYBANK. That could be done under a broad interpretation of the language. Of course the powers are sweeping powers, but as I interpret this section the President could only do so insofar as it was connected with the purchasing or development program for national defense. But I do not imagine that the Appropriations Committee or the watchdog committee—I do not know what the membership of that watchdog committee will be next year, but I presume the Senator from New Hampshire [Mr. TOBEY] and the Senator from Indiana [Mr. CAPEHART] and other present members will be members next year—is going to permit any improper use of such powers.

Mr. TAFT. But the chairman of the Committee on Banking and Currency does not maintain that the watchdog committee can stop any operations. How can the committee stop them?

Mr. MAYBANK. Such operation could be stopped in the Senate in no time. They could be stopped in the Appropriations Committee.

Mr. TAFT. But I am pointing out that since this money can be borrowed as a public-debt transaction, it will not become necessary to go to the Appropriations Committee in order to secure money to enter into business. Is not that what section 304 was written to accomplish?

Mr. MAYBANK. If we get down to minute details the Senator from Ohio is correct. The section gives the President broad powers. But I have enough faith in the President, regardless of who he may be, to believe that he will follow the intent of the legislation and the report of the committee. I have great faith in my friends on the other side of the aisle. I believe the intent, as exhibited in the final conference report, will be carried out by the President.

Mr. TAFT. My experience in the First World War was that once a power was granted, Congress never heard of it again; that not only were the powers availed of to set up organizations and departments directly justified, but in many cases departments were set up which were not covered by statute, and which involved a clear usurpation of authority. I certainly do not think it is a reflection on the President to say that when a power of this kind is once granted to the Executive it is likely to be used, no matter what Congress may put into its reports. I was only interested to find out if the Senator from South Carolina agreed that the power was being granted by this section.

Mr. MAYBANK. Yes.

Mr. TAFT. That is what I wanted to know.

Mr. MAYBANK. I should like to know, however, what is in the mind of the Senator from Ohio. Of course, there were some abuses in World War II. The Senator from Ohio and I were members of the Committee on Banking and Currency during that war. Probably there were some abuses in World War I. But there were not any abuses in the way of expenditure of funds to create a socialistic economy. The plants which were built in World War II were turned back to private owners, that is, in most instances the private concerns which had operated them bought them, if they were erected with public moneys. That was true with the exception of rubber production plants of the kind which private owners had not previously had.

Mr. TAFT. What I have in mind, frankly, is that if the Federal Government does want to go into one of these businesses—and there may be some justification for doing so, I think the Government ought to come to Congress and receive express authority to go into such business. Last month Congress passed a bill authorizing the Government to go into the business of growing hemp in Central America. I was doubtful about that action, but we were told that it was the only way to secure the hemp, and thereafter I did not object further to the bill. We have a tremendously large private plant or industrial development in this country. If the Government wants to go into any kind of business, it ought to tell Congress what it is, and ask authority to go into that particular business. We ought not to grant a wide-open power to the Government to go into any business it wants to go into, and give the Government $2,000,000,000 to do it, without further check by Congress.

Mr. MAYBANK. I do not think the Government is going to do anything like that. I believe as much in private enterprise as does the distinguished Senator from Ohio, and he knows it. I believe the Government should aid private industry in such matters as the production of copper, steel, and so forth. But there are some fields into which the Government must enter. For example, the synthetic-rubber field. The other day the Government reopened a synthetic-rubber plant.

Mr. TAFT. My recollection is that the Government has power to do that and does not need additional authority to do so.

Mr. MAYBANK. The Government should also do research work. The senior Senator from Wyoming. [Mr O'MAHONEY], in testifying before the committee, said that the Government should proceed to develop manganese production and the production of other ores. For example, taconite, or low-grade iron ore. We had testimony from the senior Senator from Minnesota [Mr. THYE], who recommended a program for the development of such ore, as well as from the junior Senator from Minnesota [Mr. HUMPHREY]. We have had the testimony of geologists and others who have studied the question of low-grade ores on Lake Superior which can be developed by the Government. I do not know about that personally, for I have never been there, so I must rely upon the testimony of others.

Mr. TAFT. Referring to title IV, price and wage stabilization, may I ask whether that title gives the President the power to impose price control without any general regulation of wages, if he wishes to do so?

Mr. MAYBANK. If the President proceeds to impose general price controls, he must freeze wages.

Mr. TAFT. He must? Is there such a provision?

Mr. MAYBANK. Yes; on page 42.

The PRESIDING OFFICER. Will the Senator from South Carolina please raise his voice, and restate what he has just said?

Mr. MAYBANK. The Senator from Ohio asked me: If the President imposes general over-all price controls, must he freeze wages? On line 9, page 42, is this language:

> Wages, salaries, and other compensation shall be stabilized generally whenever ceilings on prices, including retail sales prices, have been established on materials, services, and property comprising a substantial part—

I cite that language in reply to the question the Senator asked me. Section (b), which gives selective controls above the retail level, as the Senator knows, was eliminated by the House yesterday, but this section (c) also authorizes selective controls at all levels. I continue:

> a substantial part of all sales at retail and materially affecting the cost of living.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAYBANK. I promised the Senator from Florida [Mr. HOLLAND] that I would yield to him next after having yielded to the Senator from Ohio.

Mr. TAFT. Mr. President, I have a few questions more. I should like to finish.

The PRESIDING OFFICER. Does the Senator yield; aid if so, to whom?

Mr. MAYBANK. The Senator from Ohio asked me to yield, and I yielded to him. I told the Senator from Florida I would yield to him next. Thereafter I shall be glad to yield to the Senator from Delaware. I am sorry to have to keep him waiting.

Mr. TAFT. As to the matter of stand-by control——

Mr. MAYBANK. Which is permissive.

Mr. TAFT. How does that differ from the Price Control Act of World War II? That was purely authority to the President to impose such control if he wanted to do so. It did not compel him to do so, if I correctly recollect.

Mr. MAYBANK. If the President believes the situation on the home front has become grave enough by reason of the enormous armament program which is going to take place, the President may impose controls. He does not have to do so any more than he was compelled to do so under the World War II act. Some people think controls ought to be imposed tomorrow morning. Some do not believe they ought to be imposed at all.

Mr. TAFT. Does not the Senator feel that the imposition of price and wage stabilization measures represents a completely fundamental change in our whole economy—from a free economy to a regulated economy?

Mr. MAYBANK. Yes; I do; and I hope the day will never come when the President will have to put such a program into effect, but it may come.

Mr. TAFT. Does not the Senator feel that Congress should decide the question whether this shall be a free economy or a regulated economy country; that the Congress should determine whether the emergency has arisen which would justify such a change?

Mr. MAYBANK. Of course, I agree with the Senator. That is why the bill is before us. That is why I said that I appreciated what had been done by the Senator from Indiana [Mr. CAPEHART] and others before the bill came to the floor. But time is of the essence. I do not know what the Senate will do with the bill. I hope it will be passed.

Mr. TAFT. When the Price Control Act of 1942 was enacted, it was enacted with the purpose of putting into effect controls when the Congress decided it was time to do so. The Congress passed the law. Now it seems to me we are completely abdicating our authority, abdicating our duties, if we leave to the President the question of determining whether we shall turn the United States from a free economy country into, in effect, a dictated economy country.

Mr. MAYBANK. The only way that possibly can be done by the President will be after consultations, but we hope such a thing will not happen. Conditions will have to become much worse before it can happen.

I was with the Senator from Ohio in the District of Columbia committee room in 1942, as I am sure the Senator from Ohio remembers, on the night when we provided for the first OPA. However, that was done after Pearl Harbor, and after we had allies who had been fighting for 3 years.

Our present situation is somewhat different, in my judgment. I may be wrong; I hope I am.

Mr. TAFT. Mr. President, so far as I am concerned, I am unwilling to delegate to any person the right to say that the time now has come when we must abandon a free economy and must temporarily, because of an emergency, put into operation a system of wage and price controls. If such a system is put into effect, Congress should do it. Congress can return later to make that decision, if it thinks the occasion for invoking that system has arisen.

Mr. MAYBANK. Of course we differ on these subjects, Mr. President. I hope such powers will never be used; but if they are used, I hope they are used only after an emergency has developed and after full consultations have been held.

Mr. TAFT. Mr. President, let me ask the Senator from South Carolina a question: What is the value of title V, relating to the settlement of labor disputes? That title was stricken from the House bill; and I cannot see why it adds anything to the powers the President now has under the general mediation laws. I refer to pages 57 and 58.

Today the President has full power to conciliate any dispute. This provision of the bill apparently does not give the President the power to compel men to go back to work or anything of that sort. It seems to me it merely authorizes the President to do things contrary to the general policies established for the settlement of labor disputes.

Mr. MAYBANK. We had in mind the War Labor Board and other things——

Mr. TAFT. Under title IV, the War Labor Board——

Mr. MAYBANK. I ask the Senator to permit me to finish my statement, please. I was going to say that there were some members of the committee who raised the point the Senator from Ohio has raised. We have made a full report on the bill, including a report on that question. It would take me some time to read that portion of the report now, although if the Senator from Ohio wishes me to do so, I shall read it to the Senate.

That matter is dealt with on page 40 of the report, where the statement is made:

> This title is intended to strengthen the national defense effort by giving the President the necessary authority to prevent interruption of production by labor disputes which affect the national defense.

Later in the report appears the following statement:

> This title does not alter existing labor standards and labor-relations statutes; on the contrary, no action can be taken under this title which is inconsistent with the provisions of the Labor-Management Relations Act, 1947—

And so forth.

Mr. TAFT. I cannot see how that title of the bill possibly adds anything to the existing statutes relative to the settlement of labor disputes. Of course, under the provisions of title IV, if the President had the power to fix wages, he would have the power to appoint a board to do what the War Labor Board did.

Mr. MAYBANK. That is correct.

Let me also point out that on page 41 the report reads as follows:

> In an emergency period we can ill afford to permit labor disputes to follow their normal course to eventual settlement. The institution of price and wage stabilization provided for under title IV of this bill would add to the strain upon normal collective bargaining.

Mr. TAFT. I cannot see why title V is not completely superfluous and would encourage the President to repeal some of the existing provisions of law.

Mr. MAYBANK. That title gives the President power to mediate in such way as he may see fit to do.

Mr. TAFT. But the President already has that power.

Mr. MAYBANK. Yes; but this title of the bill would encourage him to use it.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. DOUGLAS. I wonder whether the distinguished Senator from South Carolina will yield to me temporarily, without losing his right to the floor, to permit me to ask a few questions or to make a statement in discussion with the Senator from Ohio?

Mr. MAYBANK. Previously I had promised to yield next to the Senator from Florida [Mr. HOLLAND].

Mr. DOUGLAS. I wish to address an inquiry to the Senator from Ohio, if I am yielded to for that purpose, because I think that by means of a very simple process it is possible to make the Senator from Ohio a convert to the principles of this bill.

Mr. MAYBANK. Then, Mr. President, I yield now to the Senator from Illinois, provided that I may do so without losing my right to the floor. I ask unanimous consent for that purpose.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Senator from South Carolina asks unanimous consent that he may yield to the Senator from Illinois, to permit him to address an inquiry to the Senator from Ohio, without causing the Senator from South Carolina to lose the floor.

Is there objection? The Chair hears none.

Mr. DOUGLAS. Mr. President, not only do I wish to address a question or two to the Senator from Ohio, if he will permit——

Mr. TAFT. Certainly, although I intend to speak on the subject myself tomorrow.

Mr. DOUGLAS. But also I wish to make a brief statement in this connection.

Mr. President, I found myself in considerable sympathy with the Senator from Ohio when he declared that the Congress should not give complete discretionary power to the Executive.

So I wondered whether the Senator from Ohio was a convert to the formula of the Fulbright proposal, which lays down legislative criteria which will guide the President, instead of giving him complete discretion.

As I heard the Senator from Ohio speak, I thought he was fit territory for conversion, so to speak.

Mr. TAFT. Mr. President, I have read the Fulbright proposal, and in a general way I regard it very favorably. The question is whether the index proposals are practical.

I have not gone into that question, and I do not know whether I shall support that measure; but certainly it is a very worthy proposal and is a great improvement over the proposal in the bill now before us.

On the other hand, we could add to this bill a provision that title IV would go into effect only when Congress passed a joint resolution to that effect, or something of that sort.

Mr. MAYBANK. Mr. President, I yield at this time to the Senator from Florida.

Mr. HOLLAND. I thank the Senator from South Carolina for yielding to me; and I congratulate him and the other members of his committee for the fine work they have done in studying the bill and in reporting it in materially changed form.

Mr. MAYBANK. I thank the Senator.

Mr. HOLLAND. I should like to ask the Senator from South Carolina several questions in reference to the control of credits, relative to construction on real estate as they appear in the new bill and as they contrast with the much broader principles which were incorporated in the original bill.

As a predicate for my questions, I should like to ask the Senator if he will be willing to permit me to request unanimous consent to have inserted at this point in the RECORD a copy of subtitle A of Title IV of the original draft of the bill.

Mr. MAYBANK. That will be satisfactory to me.

Mr. HOLLAND. Then I make such request, Mr. President.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

TITLE IV—CONTROL OF CREDIT

SUBTITLE A—CONSUMER AND REAL ESTATE CREDIT

SEC. 401. (a) To assist in carrying out the purposes of this act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of consumer and real estate credit as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form, and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements thereto, and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this subtitle or to prevent evasions thereof.

In prescribing and suspending such regulations, including changes from time to time to take account of changing conditions, the President shall consider, among other factors, (1) the level and trend of consumer and real estate credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for real property and improvements thereon and for other goods and services, and (3) the need in the national economy for the maintenance of sound credit conditions.

(b) No person shall extend or maintain any credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, under oath or otherwise, as the President may by regulation require as necessary or appropriate in order to effectuate the purposes of this subtitle; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

(c) Any person who willfully violates any provision of this subtitle or any regulation or order thereunder, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than 1 year, or both.

(d) To assist in carrying out the purposes of this subtitle, the President by regulation may require transactions or persons or classes thereof subject to this subtitle to be registered or licensed, and, after notice and opportunity for hearing, the President by order may suspend any such registration or license for violation of this subtitle or any regulation prescribed by the President pursuant to this subtitle. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such order of the President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that act. In carrying out this subtitle, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

(e) For the purposes of this subtitle, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms and, in addition, may define technical, trade, and accounting terms, insofar as any such definitions are not inconsistent with the provisions of this subtitle:

(1) "Consumer credit" means credit which the obligor undertakes to pay in two or more payments, or any other credit: *Provided*, That it shall not include (i) any credit to finance or refinance the construction or purchase of an entire residential or nonresidential building, (ii) any credit extended to a business enterprise solely to finance the purchase of goods for resale, or (iii) any other credit extended to a business or agricultural enterprise for any business or agricultural purpose unless the credit is secured by or is for the purpose of purchasing or carrying any durable or semidurable goods which are used or usable for personal, family, or household purposes, or any accessory insurance service connected with any such goods or interest therein.

(2) "Real estate credit" means credit secured, either wholly or partly, by real property (including leasehold and other interests therein); credit for the purpose of purchasing or carrying such property or constructing buildings or otherwise improving such property; and credit involving a right to acquire or use such property.

(3) "Credit" means any loan, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services; either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment, leasing, or other use of property under which the bailee, lessee, or user has the option of becoming the owner thereof, obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof, or has the right to have all or part of the payments required by such contract applied to the purchase price of such property or similar property; any option, demand, lien, pledge, or similar claim against, or for the delivery of property or money; any purchase, discount, or other acquisition of, or any credit under the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

(4) "Person," in addition to the definition given it by section 502 (a) of this act, includes the United States, any State or subdivision thereof, and any agency or instrumentality of one or more such authorities, except that the criminal penalties of this subtitle shall not be applicable to the United States, any State, or other governmental agency or instrumentality.

SEC. 402. To assist in carrying out the objectives of this act, the President may, at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States, or by any wholly owned Government corporation or by any mixed ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers, the President shall give consideration to the preservation of such relative credit preferences as are accorded to veterans of World War II under existing law.

SEC. 403. The first sentence of section 5A of the Federal Home Loan Bank Act, as added by section 1 of the act of June 27, 1950 (Public Law 576, 81st Cong.), is amended to read as follows: "No member of a Federal home loan bank shall make or purchase any loan at any time when its cash and obligations of the United States are not equal to such amount as the Home Loan Bank Board shall by regulations prescribe: *Provide*, That such amount shall not be less than 4 percent or more than 20 percent of the obligation of the member or withdrawable accounts or, in the case of any member insurance company, such other base as the Board may determine to be comparable."; and the last sentence of said section 5A is amended to read as follows: "This section shall be effective upon the enactment of the Defense Production Act of 1950."

Mr. MAYBANK. Mr. President, I merely wish to say that when I introduced the original bill, I made the statement that no doubt changes would be proposed to it.

Mr. HOLLAND. I understand. I understood thoroughly that the Senator from South Carolina was requested to introduce the original bill, and that he introduced it by request, and that he was not in accord with some of the provisions of title IV of the original bill, which I understand have been very radically changed, as the bill has now been reported by the committee.

Mr. MAYBANK. That is correct.

Mr. HOLLAND. I understand that those changes are to be found in the provisions of title VI of the bill as reported by the committee.

Mr. President, I have already asked to have incorporated in the RECORD, and there has been ordered to be placed in the RECORD, as the basis of my questions, all of subtitle A of title IV of the original draft of the bill.

My first question is this: Am I correct in my understanding that the general control of all credits and all dealings in-

volving the use or title to real estate, as provisions for that purpose were incorporated in title IV of the original bill, has been entirely omitted, except as such subjects are in small part continued in title VI of the committee draft of the bill? Is that correct?

Mr. MAYBANK. I would say that so far as I know and so far as I have been able to ascertain, the Senator is correct.

As I recall, we eliminated provision for certain authority which was proposed to be given to the President, and voted to have certain authority transferred to the Federal Reserve Board. We limited the bill so far as it applies to private financing to new construction or to the reconstruction of dwellings, under the Federal Reserve Board's power to control credit.

It is my understanding that reconstruction, for instance, would be a case in which someone had a small house and wished to get around the law by spending a large amount of money in rebuilding it so that it would be the same as a new house.

Mr. HOLLAND. I thank the Senator.

I should like to ask him specifically, now, if it is correct that the only provisions left, under the committee draft of the bill as reported to the Senate, and as now under debate, relative to the control of credits in real estate construction, pertain to two classes of construction, both of them future construction.

Mr. MAYBANK. What future construction is was a question which the committee gave much thought. It finally decided that any construction begun after August 3, meridian time, could be considered as future or new construction.

Mr. HOLLAND. Then am I correct in my understanding that all the controls proposed relative to real estate proposed in the bill we are now considering have to do solely with future construction? Is that correct? That was my first question.

Mr. MAYBANK. Of course, the Senator understands that reconstruction is included, along with new construction. I do not have the President's letters in front of me, but I ask unanimous consent to insert in the RECORD at this point in my remarks the letters which the President wrote to Mr. Foley, Administrator of the Housing and Home Finance Agency, Mr. Gray, Administrator of Veterans' Affairs, and Mr. Hise, Chairman of the RFC, if my memory serves me correctly, in connection with a letter which I received 2 or 3 weeks ago, the President ordered approximately a 30-percent curtailment in public housing immediately and a reduction in loan ratios on FHA insured and VA guaranteed financing.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 18, 1950.

The President today sent the letters which follow to the Honorable Raymond M. Foley, Administrator of the Housing and Home Finance Agency; the Honorable Carl R. Gray, Jr., Administrator of Veterans' Affairs, and the Honorable Harley Hise, Chairman of the Reconstruction Finance Corporation. Copies of these letters were sent to the Honorable Charles F. Brannan, Secretary of Agriculture; the Honorable Thomas B. McCabe, Chairman of the Board of Governors of the Federal Reserve System, and the Honorable Maple T. Harl, Chairman of the Federal Deposit Insurance Corporation.

Following is the text of the letter to Mr. Foley:

"MY DEAR MR. ADMINISTRATOR: The Director of the Bureau of the Budget has transmitted to me your recommendation that the aggregate outstanding amount of mortgages which may be insured under title II of the National Housing Act be increased by all or some part of the remaining $1,250,000,000 authorized by the Congress.

"The Housing Act of 1950 requires that the President make a determination, before authorizing an increase in the statutary limit of the aggregate amount of insured mortgages, that such an increase would be in the public interest, taking into account the general effect of any such increase upon conditions in the building industry and upon the national economy.

"As you know, residential construction in the last several months has risen to very high levels. Continuance of high levels would be entirely desirable, were it not for recent international developments. As suggested in your letter, it is already clear that, as a result of events of the last month, many materials used in residential and other construction will be required in increasing amounts for national defense purposes. It is imperative that these requirements be met fully and without delay. These increased demands will aggravate inflationary tendencies already evident in some of these materials unless positive actions are taken to reduce pressures in residential construction.

"For this reason, I do not believe that it would be in the public interest to authorize the full increase of $1,250,000,000 in the authority to insure new mortgages. Accordingly, pursuant to the authority of section 203 (a) of the National Housing Act, I hereby approve an increase of $650,000,000 in the aggregate outstanding amount of mortgages which may be insured under title II of said act, thereby increasing the insurance authorization under said title to $8,400,000,000.

"For the same reason, I request that the Housing and Home Finance Agency and its constituent agencies take the following administrative actions:

"1. Employ as a ceiling in analyzing property for mortgage insurance purposes the construction costs existing on July 1, 1950.

"2. Reduce on all future applications for mortgage insurance, the maximum principal amounts, or the maximum percentages of appraised value or cost, or both, of mortgages so that required down payments will be substantially increased, especially for higher priced housing, excluding military housing and the Alaska housing program.

"3. Require substantial down payments for modernization and repair loans.

"4. Reduce substantially the availability of Federal Home loan bank credit to member institutions especially for business expansion purposes, and, through supervisory action, encourage the application of stricter credit standards on new mortgage loans by member home financing institutions.

"5. Limit the commencement of construction of public housing to not more than 30,000 dwelling units in the first 6 months of fiscal year 1951, during which time the public housing program should be thoroughly reexamined in terms of the developing international situation.

"6. Suspend for the time being commitments for direct loans for the construction of housing by educational institutions.

"7. Take such further actions as in your judgment are or may become necessary and appropriate (such as restriction of size of projects built for sale) to curtail the use in residential construction of materials essential to national defense.

"Attached for your information is a copy of my letter of today's date to the Administrator of Veterans' Affairs. It is my wish that both agencies accomplish a substantial and parallel curtailment of housing credit, but in such a way that the relative preference presently accorded veterans is preserved. I would appreciate it, therefore, if you will consult with the Veterans' Administrator in working out the details of these programs, and advise my office of any problem which remains unresolved.

"Attached also for your information is a copy of my letter to the Chairman of the Reconstruction Finance Corporation regarding operations of the Federal National Mortgage Association. I would appreciate your cooperating with him in the planning and execution of the actions which I have requested.

"Sincerely yours,

"HARRY S. TRUMAN."

The letter to Mr. Gray follows:

"MY DEAR MR. ADMINISTRATOR: As you know, residential construction in the last several months has risen to very high levels. Continuance of high levels would be entirely desirable, were it not for recent international developments. It is already clear that, as a result of events of the last month, many materials used in residential and other construction will be required in increasing amounts for national defense purposes. It is imperative that these requirements be met fully and without delay. These increased demands will aggravate inflationary tendencies already evident in some of these materials unless positive actions are taken to reduce pressures in residential construction.

"For this reason, I request that the Administrator of Veterans' Affairs take the following administrative actions:

"(1) Require a cash down payment of at least 5 percent for all loans guaranteed, insured, or made by the Veterans' Administration, wherever permissible under existing law.

"(2) Increase such required cash down payments in amounts equal to any increase in appraised value occasioned by recognized increases in construction costs over those existing on July 1, 1950.

"(3) Restrict direct loan authorizations in each calendar quarter of fiscal year 1951 to one-fourth of the total amount authorized for the fiscal year.

"(4) Take such further actions as in your judgment may become necessary and appropriate (such as restriction of size of projects built for sale) to curtail the use in residential construction of materials essential to national defense.

"Attached for your information is a copy of my letter of today's date to the Administrator of the Housing and Home Finance Agency. It is my wish that both agencies accomplish a substantial and parallel curtailment of housing credit, but in such a way that the relative preference presently accorded veterans is preserved. I would appreciate it, therefore, if you will consult with the Administrator of the Housing and Home Finance Agency in working out the details of these programs, and advise my office of any problem which remains unresolved.

"Very sincerely yours,

"HARRY S. TRUMAN."

The text of the letter to Mr. Hise follows:

"DEAR MR. CHAIRMAN: As you know, residential construction in the last several months has risen to very high levels. Continuance of high levels would be entirely desirable, were it not for recent international developments. It is already clear that, as a result of events of the last month, many materials used in residential and other construction will be required in increasing amounts for national defense purposes. It is imperative that these requirements be

met fully and without delay. These increased demands will aggravate inflationary tendencies already evident in some of these materials unless positive actions are taken to reduce pressures in residential construction.

"Enclosed for your information are letters I have addressed to the Administrator of the Housing and Home Finance Agency and the Administrator of Veterans' Affairs, requesting them to take certain steps to restrain the expansion of housing credit.

"As a corollary to the actions which I have asked these agencies to take, I request you to reexamine immediately the regulations of the Federal National Mortgage Association governing both the purchase and sale of insured and guaranteed mortgages. I understand that the current regulations governing the purchase of mortgages have substantially reduced the volume of purchases. This situation should be carefully watched to make sure that further mortgage purchases are held to the irreducible minimum.

"I also understand that sales of mortgages owned by the Federal National Mortgage Association have been stepped up considerably in recent months. I am sure you will agree, however, that in the present situation sales efforts should be further intensified in order to absorb, as much as possible, surplus funds seeking investment in residential mortgages.

"Inasmuch as the Federal National Mortgage Association will soon be transferred to the Housing and Home Finance Agency, I would appreciate your working closely with the Administrator of the Housing and Home Finance Agency in the planning and execution of these actions.

"Very sincerely yours,

"HARRY S. TRUMAN."

Mr. HOLLAND. I quote from the report of the committee a sentence appearing at the top of page 48, as a basis for my next question. The statement quoted from the report reads as follows:

It—

Meaning the committee—

has removed from such provisions all control over credit with respect to existing construction, so that control of conventional credit would be applicable only to future construction of structures or major additions or improvements to structures.

Is that sentence, as quoted, a correct statement of the provisions of the committee bill relative to conventional credit?

Mr. MAYBANK. That is exactly what the committee did. This section was written for the purpose of slowing down and stopping the hoarding of essential national-defense supplies, such as lumber, soil pipe, and other materials.

Mr. HOLLAND. The Senator has stated, and this accords with my understanding, that the provision of the committee bill with reference to conventional credit for the construction of either residential or any other type of construction applies solely to future construction, not to existing construction.

Mr. MAYBANK. The Senator is absolutely correct. I do not want to confuse the record regarding the August 3 date line, because it was unanimously agreed by the committee, Republicans and Democrats alike, that we had to include some date line. As the Senator knows, we have been working on this bill in the committee since July 19. That section, as I remember, probably was written on August 2. If we did not choose a date there would be a mad rush to get construction under way before the deadline, and prices would be forced up even higher.

Mr. HOLLAND. I thank the Senator. May I ask him to state whether my understanding of the term "conventional credit," as used by the committee, is correct? I understand that term to apply to a credit by all agencies whatsoever, except the Federal Government.

Mr. MAYBANK. That is right; to all financing except Government financing and Government-insured financing.

Mr. HOLLAND. Therefore, this provision would relate to all ordinary construction in the future financed by banks or by private lenders, or by builders financed from any other source except if insured or guaranteed by the Government?

Mr. MAYBANK. The Senator is correct. That will be true, under the Federal Reserve regulations.

Mr. HOLLAND. In reference to conventional credit, is my understanding correct that, applying only to future construction financed by conventional credit, the Board of Governors of the Federal Reserve Bank is given power, by regulations issued from time to time, to control the terms upon which such credit shall be given?

Mr. MAYBANK. The Senator is correct. I may say to the Senator that we went further than that. After we wrote this section we placed in the bill a voluntary control program for the Federal Reserve such as that provided for Secretary Sawyer in connection with steel, and so forth. Of course, it does not necessarily have to be voluntary. But it was Mr. McCabe's desire and the desire of the attorneys for the Federal Reserve Board that they should get all the banks together. I think they have done a pretty good job in the past, and I think they will do a good job in the future. If they can work out something voluntarily, we want them to do it. That is provided for. I do not say it will work out, but there is that possibility.

Mr. HOLLAND. The provisions of the new bill, namely, the committee bill, which deals with these new extensions of conventional credit, are section 602 and the related sections; and am I correct in my understanding that section 605 of the committee bill relates solely to nonconventional credit—that is, Government credit?

Mr. MAYBANK. If the Senator will refer to page 50 of the committee report, he will observe that section 605 "would round out the authority of the President to control future real estate loans, insured, or guaranteed by the Federal Government." That is FHA. The Senator probably knows that.

Mr. HOLLAND. Will the Senator object if I quote that sentence in full into the RECORD at this time?

Mr. MAYBANK. No, I should be glad to have the Senator do so, because we desire to have the RECORD absolutely correct. I am glad the Senator brought that up.

Mr. HOLLAND. The sentence shown on page 50 of the report, to which the Senator has referred, reads in full as follows:

SEC. 605. This section would round out the authority of the President to control future real-estate loans made, insured, or guaranteed by the Federal Government, as distinguished from conventional real-estate loans covered by section 602.

Mr. MAYBANK. That is correct.

Mr. HOLLAND. Section 605 then makes reference to future loans under nonconventional credits, which has to do solely with credits extended by agencies of the Federal Government, does it not?

Mr. MAYBANK. That is correct.

Mr. HOLLAND. Under section 605, the President is given authority, after having conferred with the Board of Governors of the Federal Reserve Bank and with the Federal housing officials, by his order, to control future credits financed or insured by Federal governmental agencies. Is that not true?

Mr. MAYBANK. That is correct. The President also asked for coordination and cooperation between the Home Finance Agency and the Federal Reserve Board, so that they can get the over-all picture, instead of operating separately. We hope they will work together as a team, and I have every reason to believe they will.

Mr. HOLLAND. Mr. President, if the Senator will yield further, the Senator from Florida has two additional questions. He hopes he is not trespassing upon the patience of the Senator from South Carolina.

Mr. MAYBANK. Not at all. I am always glad to yield to my friend from Florida.

Mr. HOLLAND. The first question is this: Is the Senator from Florida correct in his understanding that section 403 of the original bill, relating to Federal Home Loan Banks, has been entirely omitted from the committee bill?

Mr. MAYBANK. I may say to the Senator from Florida that, in view of the fact that the Committee on Banking and Currency had but recently legislated with respect to that most efficient agency, we completely eliminated it from the bill. The Senator is correct.

Mr. HOLLAND. I thank the Senator. There is but one more question I wish to address to him, and that has to do with price control and those sections of the new bill which relate to price control, namely, title IV and the sections contained in it.

Mr. MAYBANK. There are plenty of sections.

Mr. HOLLAND. Is the Senator from Florida correct in his understanding that price control, with reference to real estate and all kinds of real estate transactions, is entirely omitted from the committee bill.

Mr. MAYBANK. Under section 402 (f) it is entirely omitted. The only real estate section is title VI, itself, under which controls are placed upon private financing by the Federal Reserve Board, and on public financing, by the President, through the Housing and Home Finance Agency.

Mr. HOLLAND. In both instances only as to future building?

Mr. MAYBANK. That is correct as far as private or conventional financing is concerned. In the case of public financing or insuring, the controls apply to all future loans, whenever the building was built.

Mr. HOLLAND. Mr. President, I greatly appreciate the patience of the Senator from South Carolina. He has answered very fully and meticulously. I want to say that he and his committee are entitled to very great credit for having made these sweeping changes in the text of the original bill as contained in title IV as it was introduced.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WILLIAMS. Mr. President, I should like to refer the chairman of the committee to page 42 of the bill, where it provides:

> Wages, salaries, and other compensation shall be stabilized generally whenever ceilings on prices, including retail sales prices, have been established on materials, services, and property comprising a substantial part of all sales at retail and materially affecting the cost of living.

My question is this: In the event the President decides to put a ceiling on prices as of any given date, will the ceiling on wages and on salaries have to be effective on the same date, or can there be one ceiling applied in June and the other in March, for instance?

Mr. MAYBANK. Presumably, they would be applied on the same date, on the basis of May 24 to June 24, as to what the prices were at that time. If wages had not been increased, for instance, and there should be a round of wage increases before October, the May and June price figures might have to be increased to take care of that situation.

Mr. WILLIAMS. I do not quite follow the Senator. Am I correct in understanding that if prices are rolled back to June 24, we would roll wages back to June 24?

Mr. MAYBANK. Not necessarily to the same date.

Mr. WILLIAMS. If wages had gone up between June and October, would we roll the prices back?

Mr. MAYBANK. No; if we could not roll the wages back we probably could not roll the prices back.

Of course the price of food has gone up; sugar has gone up; rubber has gone up 36 cents a pound; but if there has been no general wage increase I do not see why wages should be rolled back. But if we want to roll back prices and, in the meantime, wages have been raised, the prices would have to be adjusted so that the wage earner would not be injured.

Mr. WILLIAMS. Let us forget about the increased prices which have taken effect since June 24. My understanding is that if the President decides to roll prices back to June 24, wages will be rolled back to the same date.

Mr. MAYBANK. There is no necessary connection.

Mr. WILLIAMS. How can we roll back one without rolling back the other?

Mr. MAYBANK. The President cannot roll them back without consultation and ascertaining what the costs have been. He can select a different date. The date of May 24 to June 24 is only the minimum to which he could go back.

Mr. WILLIAMS. Could he select a date for wages and another date for prices?

Mr. MAYBANK. Of course, that may be the fairest and most equitable way of doing it—both to the employer as well as the employee.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MAYBANK. This is what the bill provides in the case of wages:

> No wage, salary, or other compensation shall be stabilized at less than that paid during the period from May 24, 1950, to June 24, 1950, inclusive. No action shall be taken under authority of this title with respect to wages, salaries, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938—

And so forth. Since wages and salaries are usually changed at relatively infrequent intervals, the level of wages and salaries prevailing in the base period represents contracts entered into, on the average, well before the base period. In effect, therefore, wages and salaries during the base period reflect the market conditions of an earlier period, while the level of prices in the base period generally reflects the market conditions in that period. Under those circumstances it is highly desirable to provide for any possible rollback of wages and salaries while permitting a more flexible situation with regard to prices.

In other words, if the CIO or the A. F. of L. signs a contract with some organization to run a year ahead, if there is no strike, the contract goes ahead. Automobile prices may go up or down, while the wages are still maintained at the same level.

Mr. WILLIAMS. Suppose that by October or November of this year we shall have gone through another round of wage increases, but that after that date prices are frozen on all commodities, and the President selects June 24 as the base date. What would he do with regard to wages, assuming that in the meantime there had been a round of wage increases?

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MAYBANK. In a moment.

The President has permissive power. He could either stabilize them as of that date, or he could roll them back. He could do either.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. CAPEHART. Mr. President, I might be able to help a little bit. Keep in mind that the date of June 24, or any of those dates, are base dates. The President does not have to roll prices back to that point. We are simply providing that they cannot be rolled back to a point lower than the point at which they were on a given date. The President would show very poor judgment if he rolled prices back to June 24 if wages in the meantime had gone up.

Mr. MAYBANK. That is correct.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. MAYBANK. I yield.

Mr. WILLIAMS. I understand the point which the Senator from Indiana has made, but it could be done, under the bill, could it not?

Mr. MAYBANK. Yes; he could freeze them as of the date of the freeze, or he could roll them back.

Mr. WILLIAMS. Does the Senator think it is possible, in all fairness to the different groups, to select any date as a base period other than some date prior to the outbreak in Korea? There is a certain type of merchant or manufacturer who, immediately after the outbreak in Korea, raised prices and began charging all the traffic would bear. There is another group who, through patriotism and respect for their customers, held their prices down. Are we penalizing those who cooperate in trying to resist the inflationary spiral, and paying a premium to the others?

Mr. MAYBANK. I thoroughly agree with the words of the distinguished Senator from Delaware. That is the reason why we selected this date—because of the honest businessmen who did not try to make a lot of money because of the Korean situation.

Mr. WILLIAMS. Regardless of any date we fix, there will be certain commodities whose prices are artificially high.

Mr. MAYBANK. Those prices will be adjusted.

Mr. WILLIAMS. Both wages and prices?

Mr. MAYBANK. Yes.

Mr. WILLIAMS. Any variation would be on a percentage basis, using the pre-Korean date as a base?

Mr. MAYBANK. That is essentially correct.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. THYE. Mr. President, when the Korean conflict began——

Mr. MAYBANK. Mr. President, is the Senator asking me a question?

Mr. THYE. Yes; I shall ask a question, and I shall refer to steel because we shall again use steel to a great extent and probably shall put a greater drain on our resources of iron ore than we had thought before the Korean crisis. Because of that situation I wanted to ask the able Senator from South Carolina whether the bill is broad enough to allow the development of a processing plant.

Mr. MAYBANK. Will the Senator yield for a moment so that I may make a short statement?

Mr. THYE. I shall be happy to do so.

Mr. MAYBANK. The distinguished Senator from Minnesota was called from the Chamber while I was addressing the Senate on that point. I called the attention of the Senate to the bill of the Senator which was before the committee in connection with low-grade ores in the Lake Superior area. I said I believed that the bill would be sufficient to help the mining of such ores under the $2,000,000,000 loan fund provided for in

the bill. I referred to that while the Senator was called to the telephone.

Mr. THYE. I am very happy to have the chairman make the explanation. I left the Chamber to answer a long-distance telephone call from Duluth, and as I was returning to the floor a family, who are visiting the Capitol, called me into the reception room.

Mr. MAYBANK. While the Senator from Minnesota was talking about Minnesota in the reception room, as he should have been, I was talking about Minnesota on the floor.

Mr. THYE. I am very happy to have the Senator make the explanation that the act is broad enough to permit the development of low-grade iron ore in Minnesota. We cannot continue indefinitely draining our high-grade iron ore. If we do so, we shall face a serious situation, because if we exhaust our high-grade ore and become dependent on imports of ore from other nations to supply our needs, we may find that we have put ourselves in a very precarious position.

Mr. MAYBANK. When the Senator from Ohio [Mr. TAFT] was questioning me on the $2,000,000,000 loan fund I called attention to the absolute need and necessity for the exploration for low-grade ores in the Lake Superior region, and the necessity for the exploration for manganese deposits in Wyoming and other Western States. That is the reason the $2,000,000,000 provision was put in the bill. It was put in the bill not for the purpose of building many plants to be competitive to industries which are already doing a good job, but to explore and develop American resources rather than to continually drain American dollars into foreign countries and use foreign resources.

Mr. THYE. I had an amendment prepared to the bill, but in view of what the able chairman has stated relative to the provision in the bill, I believe there is no necessity for offering the amendment. Does the able Senator agree?

Mr. MAYBANK. I do not think it will be necessary, because I do not think we can legislate on any particular item. If we made an exception in one case, we would have to legislate, for example, with respect to manganese, tin, and so forth. It is all in title II. I may say that the Senator will find the letter which he wrote to me included in the hearings.

Mr. THYE. I thank the Senator. I should like to ask one other question. I refer to the subject of rollbacks. I am sure the Senator has in mind and has a complete understanding of the fact that if we were to roll back prices of dairy products, for example, to a date in May or June we would find that dairy products were at an all time yearly low in the spring due to flush high production.

Mr. MAYBANK. I may say to the Senator, who is a member of the Committee on Agriculture and Forestry, that the committee went fully into that with Mr. Trigg. As I remember, on June 15 soybeans, lambs, beef cattle, and wool were at parity. Milk was far below parity.

Mr. THYE. It was far below. Eggs, too, were far below parity. If we rolled back the prices of these commodities, which were below parity, we would do a great injustice to them.

Mr. MAYBANK. That could not be done under the law. Those prices could not be rolled back below parity under the Agricultural Adjustment Act which the Senator from Minnesota helped write.

Mr. THYE. I thank the Senator.

Mr. MAYBANK. I ask the Senator to refer to page 17.

Mr. THYE. Page 17 of the report?

Mr. MAYBANK. Yes. The Senator will note the reference to steel. For example, taconite plants require 2 or 3 years to build and an investment of approximately $20 per ton of annual capacity. That testimony was brought out before the committee by professors and the dean of the University of Minnesota.

Mr. THYE. The university has made long studies on the subject of taconite.

Mr. MAYBANK. They appeared before the committee.

Mr. THYE. I thank the Senator.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. MAYBANK. Yes.

Mr. STENNIS. As the Senator knows, this bill has not been before the Senate for a long time. The report was filed only this morning. I was very much impressed with it, and I shall support generally the bill. I want to ask him about the setting of prices on cotton, and call his particular attention to the fact that between the date of June 24 and the time the cotton is harvested and ginned, there can be an accumulation of very high production costs in the way of repeated applications of poison, depending on weather, weevil infestation, and a number of other elements. Is the Senator prepared to indicate how a situation of that kind could be taken care of?

Mr. MAYBANK. What did the Senator suggest?

Mr. STENNIS. I was calling the Senator's attention to the fact that between the date of June 24 and the time cotton is harvested and ready for market there can be quite an accumulated cost in the gathering of it, particularly with reference to boll-weevil infestation and repeated applications of poison. As the weather varies and the infestation varies, these costs could run up very high. Would those items be taken into consideration?

Mr. MAYBANK. I come from a cotton State and I know a little about cotton. I am familiar with the fact that the cotton crop last year was 16,200,000 bales. I am familiar with the fact that on Tuesday the crop was estimated by the Department of Agriculture, as the Senator knows, at 10,300,000 bales. That represents a loss of 36 percent, mainly because of the boll-weevil infestation, because of the cold spring, and because of acreage reductions. As Mr. Trigg testified before the committee—and I intend to put the testimony into the RECORD before we get through—the Korean situation had nothing to do with the advance in the price of cotton which was caused by the 36-percent reduction in the crop.

I know that the Senator from Mississippi is an able lawyer and was a distinguished jurist. I wrote an amendment, which I intend to offer as a committee amendment, proposing on page 45, at lines 9 and 10, to strike out "fresh fruit or any fresh vegetable" and to insert in lieu thereof "agricultural commodity." The adoption of the amendment would give the Department permission, should any rollback in price come about, to consider:

> Whenever a ceiling has been established under this title with respect to any agricultural commodity or any commodity processed or manufactured in whole or in substanial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchantable crop yields unusual increases in costs of production—

That would cover boll weevil infestation, and so forth. I know the hardship which the people of the Senator's State and my State are enduring because of the tragedies which are brought about by adverse weather conditions.

Mr. STENNIS. I thank the Senator. I am very much pleased that he has a definite plan and will offer the amendment to which he has referred.

Mr. MAYBANK. As a committee amendment.

Mr. STENNIS. I understand it will be a committee amendment.

Mr. MAYBANK. Yes.

Mr. STENNIS. When it has been approved by the committee.

Mr. MAYBANK. Yes. I discussed it with some members of the committee. I know that the Senator from Alabama [Mr. SPARKMAN] is very much in favor of taking care of the situation, and so is the Senator from Louisiana [Mr. LONG].

Mr. STENNIS. I certainly think that would be very salutary, sound, and fair amendment, and I wish to thank the Senator and the committee.

Mr. MAYBANK. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAHAM in the chair). The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Maybank
Anderson	Hickenlooper	Millikin
Brewster	Hill	Morse
Bricker	Hoey	Mundt
Bridges	Holland	Murray
Butler	Hunt	Neely
Byrd	Ives	O'Conor
Capehart	Jenner	O'Mahoney
Chapman	Johnson, Colo.	Pepper
Chavez	Johnson, Tex.	Robertson
Connally	Kefauver	Russell
Cordon	Kem	Saltonstall
Darby	Kerr	Schoeppel
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Smith, N. J.
Dworshak	Langer	Sparkman
Eastland	Leahy	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Thomas, Okla.
Ferguson	Long	Thomas, Utah
Frear	Lucas	Thye
Fulbright	McCarran	Tydings
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McKellar	Wiley
Green	McMahon	Williams
Gurney	Magnuson	
Hayden	Martin	

The PRESIDING OFFICER. A quorum is present.

Mr. SPARKMAN. Mr. President, it is not my desire to take very much time in discussing some of the features of the pending bill at this time, but I wish to use a little time now because I consider this measure to be of great importance and to represent, at least to some extent, a departure from what we have done in the past.

Mr. President, this measure is far-reaching; it gives unusual and great powers to the President. It places within the discretion of the President the question whether the powers referred to in the bill shall be used, when they shall be used, and under what conditions they shall be used.

In order that we may have the entire measure before us, I should like to review very briefly the principal provisions of the bill.

The bill which was originally introduced, and upon which hearings were held before the Banking and Currency Committee, called for the establishment of priorities and allocations in the case of scarce materials or materials in short supply. It also called for a program whereby our productive capacity might be expanded to meet such needs as our mobilization effort might call for.

Roughly speaking, under the expansion program there was requested in the original bill a provision whereby production loans could be made—loans of the same nature and class as the well-known V-loans which were made during World War II.

There was also requested a provision whereby direct loans could be made to private industry, to aid in the building or the expansion of plants, to aid in the production of the supplies and materials which might be required in our defense effort. That requested program parallels one we had during World War II, under which a great deal of good was accomplished.

I may say the same thing in reference to the V-loan program. I do not have the figures before me at the moment; but as I recall, more than $10,000,000,000 was loaned in the form of V-loans during World War II, and 90 percent or more of those loans went to the small businesses of the United States and made it possible for them to participate fully in the wonderful production program this country staged during World War II.

The direct loans for plant expansion constituted another very worth-while program during World War II, and at least a parallel program was requested in the bill which recently came before us.

Another provision would have given to the President the power to establish such Government corporations as it might be necessary to aid in carrying on the program.

The committee approved the V-loan program. The committee approved the program for providing for loans for plant expansion. The committee also approved a provision, which I did not mention in my description a moment ago, in reference to the purchase of such materials and supplies as might be required.

The committee also approved the program for the requisitioning of plant facilities and materials, where that might be necessary in aiding the defense program.

However, the committee did not approve in whole the proposal to permit the President to organize new Government corporations. The committee voted to give the President the right to organize new agencies to have very largely the same powers which the proposed Government corporations would have had.

Frankly, Mr. President, I personally was in favor of giving the President the power to organize new Government corporations because I believe that in carrying on such a program—a program of a high degree of mobilization, if we reach that point—it will be necessary for the President to have that power in order that there may be sufficient flexibility to permit the meeting of the business demands which will be made.

Mr. SCHOEPPEL. Mr. President, will the Senator yield, or does he care to yield at this time?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kansas?

Mr. SPARKMAN. I yield.

Mr. SCHOEPPEL. Mr. President, I am interested in what the junior Senator from Alabama has had to say about the proposal to organize new Government agencies, rather than new Government corporations. Is it the judgment of the junior Senator from Alabama that if new Government agencies rather than new Government corporations were established we probably would have to go through a more extensive and prolonged period in order to get the job done, as compared to what would have been the situation if we permitted the inclusion in this bill of a provision for some pattern or form of a new Government corporate set-up?

Mr. SPARKMAN. Yes, I believe the simpler and more businesslike method of handling the matter would be to provide for the setting up of new Government corporations possessing corporate powers and with the flexibility of corporations.

Of course, the opposition to that proposal was very largely based upon an objection which has been posed from time to time by the Comptroller General of the United States. He has objected to the auditing of the accounts of Government corporations, as opposed to the auditing of accounts of the regular Government agencies.

I believe that had it not been for the feeling on the part of many members of the committee that the auditing of the accounts of Government agencies was better than the auditing of the accounts of Government corporations under the Government Corporation Control Act, the committee would have voted in favor of the provision which had been requested.

Personally, I felt that we should have done it anyway; but a majority of the committee felt otherwise. For that reason, the bill has been reported in the form in which it now comes before the Senate—in short, denying the right to organize new Government corporations.

Mr. SCHOEPPEL. Mr. President, will the Senator yield for a further question?

Mr. SPARKMAN. Certainly.

Mr. SCHOEPPEL. Does the Senator from Alabama feel that it would have been cheaper, from the standpoint of the American taxpayer, to have continued to proceed by means of Government corporate set-ups, rather than by means of new Government agency set-ups?

Mr. SPARKMAN. Yes, personally I feel that is true—in short, that it would have been cheaper, simpler, more efficient, and more effective.

As I said a moment ago, I am convinced that if we reach a reasonably high degree of mobilization—and I think we shall—it will be necessary to change this provision and to give the President the right to establish new Government corporations.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. Is it not true that if Government corporations were established it would be impossible for the Comptroller General, as an agent of the Congress, to audit the books of such organizations, and therefore those corporations would be out from underneath any congressional control, whereas if they were agencies, we would, at least, be able to check up and see how the money was spent? Is that not true?

Mr. SPARKMAN. No; I must say that I do not agree with my friend the able and distinguished Senator from Illinois. As a matter of fact, the committee had before it, at the time when it was considering this proposal, a letter from Mr. Lindsay Warren, Comptroller General of the United States, in which he suggested merely the changing of four words. He said that he felt that change would have brought the corporations proposed to be organized clearly under the Government Corporation Control Act, and would have made it possible for their accounts to be properly audited by the Comptroller General. I felt that we should have adopted the amendment suggested by the Comptroller General and should have given the President the right to organize corporations.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Ohio?

Mr. SPARKMAN. I yield.

Mr. TAFT. Whether it be as a corporation or as an agency, does not the Senator agree that we are giving the President $2,000,000,000 with which to go into any business he desires?

Mr. SPARKMAN. Yes; that is correct. Of course, when the Senator says "any business he desires," I at least would certainly limit it to the objectives of the bill.

Mr. TAFT. But would the President so limit it? It was only 2 years ago that the President told the Congress that he thought he ought to have power to go into the steel business, and he caused to be introduced in the House of Representatives the Spence bill, giving him exactly the authority in peacetime which

is sought in this bill. If he believed he ought to have that power—and the terms of the bill are broad enough to cover almost any commodity—why does the Senator think the President necessarily will feel in any way confined to those things that are needed for the Army?

Mr. SPARKMAN. I do not think the Senator's deductions are at all correct. Under the terms of this bill, I do not think the Government is authorized to go into business generally. The provision to which the Senator has reference does not authorize the President to establish plants, to build Government plants, or to go into Government operation generally. It does provide the $2,000,000,000 for the purpose of making credit available to permit industry to expand plants for defense production, and for the operations of any such new agencies as may be set up. Now, here is what we have in mind——

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I should like to say a word further so as to finish my answer to the Senator's first question. Here is what we had in mind: During World War II authorization was given to establish corporations. I well remember our effort to build up a stockpile of critical and strategic materials prior to World War II. We were getting nowhere under the existing agencies and departments of the Government. True, we were building up the stockpile gradually, but very, very slowly. Finally, authorization was given to the President to set up corporations, and the Reconstruction Finance Corporation went into the program of building up our stockpiles, and we made tremendous headway from that time until we became engaged in the war.

There were set up such corporations as the Defense Supplies Corporation and the Rubber Reserve Corporation, and, as I recall, one with respect to tin. We have some four or five, and perhaps the one which accomplished the most good so far as promoting the war productive capacity of the country was concerned with the Smaller War Plants Corporation.

We tried for a long time to operate through the existing agencies and departments of Government, and we tried in every way we could to develop a program whereby smaller business would have a chance to operate, to share this Government business, and to do its bit for our defense program. We got nowhere. About all they could hope for was to get some of the subcontracts, the crumbs from the table, until the Smaller War Plants Corporation was created. I believe one of the most successful corporations we had in the whole war was the Smaller War Plants Corporation. That is the kind of corporation which was contemplated under this provision, had it remained in the bill as the President requested.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Ohio?

Mr. SPARKMAN. I yield.

Mr. TAFT. I am sorry to say I do not think that is the kind of corporation the President contemplated at all, and I call to the Senator's attention the fact that powers given are "to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or for resale; and (2) for the exploration, development, and mining of critical and strategic minerals and metals." So the President can go "whole hog" into the mining business.

Subparagraph (C) of section 303 provides:

> The procurement power granted to the President by this action shall include the power to transport and store, and have processed and refined, any materials procured under this section.

In other words, it seems to me there is wide-open power to go into any business without any limitation whatever, except that it must be done to assist in carrying out the objectives of this act. That is broad enough so that the President can very easily make a finding and can at any time go into any business he chooses. In my opinion the issue is not whether it is a corporation or an agency—that does not make any difference to me—it is a matter of convenience, and one perhaps is better than the other. The Senator has referred to World War II. But the question is, Shall we in peacetime give the President the power to go into any business he chooses? That appears to me to be the issue that is raised by sections 303 and 304.

It seems to me that if the Government wants to go into business, it ought to tell us what that business is. If there is something which only the Government can do, or which it can do better than others, I am quite willing to give the Government authority to do it. But I object to broad, open power being given to the President to go into any business he chooses, particularly when he has already indicated his belief that if he thinks some industry is not expanding rapidly enough, or is not doing something he thinks it ought to do, then the Government ought to have the right to go into that business.

Mr. SPARKMAN. Mr. President, of course I can say that I differ wholly and completely with the Senator from Ohio in his interpretation of what can be done under this provision. The Senate Banking and Currency Committee worked for a very long time in perfecting this proposed legislation. I believe that anyone who will read the committee report, particularly pages 18 and 19, will see a very clear statement as to what were the purposes we had in mind, the purposes which were stated to us in the testimony before the committee. I repeat that no provision contained in title III or in any other part of this bill gives the Government any sweeping or general authority to go into any business, buy any business, or operate any business. This is a program that is completely parallel with and similar to the program we used so well to make ourselves ready and able to carry on and to do the magnificent job we did all through World War II.

Mr. DOUGLAS and Mr. SCHOEPPEL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield; and if so, to whom?

Mr. SPARKMAN. I yield first to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that in this period, which is certainly not a period of peace, whatever else it may be, we may be in danger of a shortage of rubber and tin, as during World War II, and that there is need therefore to make large purchases of natural rubber and tin, not merely for stockpiling, but for current use?

Mr. SPARKMAN. The Senator from Illinois is absolutely correct. As a matter of fact, we know that we would feel much better if we had a much larger stockpile of natural rubber than we have now. We have continued the operation of some of the synthetic rubber plants ever since the end of World War II, and even within recent weeks have opened several additional synthetic rubber plants. We of course never released control over tin following World War II. I cite that to show that we have actually exercised some of these powers continuously, even since the end of World War II. We know that if the time comes when we must go into an all-out mobilization, we are going to need a great many more of the critical and strategic materials, of which we do not have a sufficient supply today.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. Is it not also true that we are rapidly approaching the bottom of the barrel so far as high-grade iron ore resources are concerned, particularly those on the Mesabi Range, and that it will be necessary for us either to get high-grade iron ore from Labrador or Venezuela and bring it in by boat, or to develop the taconite process, or low-grade ore on the Mesabi Range. If that is used, the process will require capital investment on the range itself, and will need an investment of capital which the big steel companies do not want to make, but which in the national interest should be made, in order that the objective may be realized.

Mr. SPARKMAN. I think the Senator is entirely correct. I remember that in the early days, before we got into World War II, high officials of some of our large producing companies made statements, which apparently were completely conclusive, that we did not need additional plant capacity in their particular line. That was true with reference to steel; it was true with reference to aluminum; it was true with reference to many of the things of which we needed a great expansion before we got very far into the war program. Certainly we may expect that situation to occur again.

Mr. SCHOEPPEL rose.

Mr. SPARKMAN. Mr. President, I shall yield to the Senator from Kansas in just a moment, if he will permit me to finish this statement.

I remember that during World War II we were cut off from South American bauxite deposits by reason of submarine operations in the Gulf of Mexico. There was a time when not a single ship-

load of bauxite could get through from South American ports to our Gulf ports because of submarine activity, and we were thrown back upon our own bauxite resources in this country. We were told at that time that if we continued the then rate of production of aluminum, relying solely upon our own bauxite resources, and did not develop new methods of using low-grade bauxite, our entire supply would be exhausted in 18 months.

Mr. President, in time of war, in time of great national emergency, that is a very narrow margin upon which to operate.

I cite one further example. The week before last I heard a news report telling about the unloading of a shipload of manganese in this country. If there is one commodity which we desperately need, it is manganese. Where did that shipload of manganese come from? It came from Russia. Are we going to be dependent, in case of war, upon Russian manganese or upon manganese from a few countries behind the iron curtain?

Mr. President, I want to say that the time is late; it is later than many of us realize. The situation is more serious than many of us are willing to admit, and this is no time to be playing with half-way measures when it comes to authorizing the President to build up our stockpiles and our plant capacity where it may be needed in order to make us and keep us strong. That is all in the world that title III of this bill seeks to do.

I now yield to the Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, I appreciate the fact that the members of the committee have given a great deal of study to this measure. Turning to the matter about which the senior Senator from Ohio was interrogating the Senator from Alabama, is it the feeling of the members of the committee who worked on this measure and who are now submitting it to the Senate, that the President of the United States, under this bill, would establish new businesses, new enterprises, when there are already in existence businesses which might be able to do the required job?

Mr. SPARKMAN. I may say to the Senator from Kansas that I am glad he has asked that question. The answer, categorically, is "No, not at all." There is nothing in this bill which authorizes the Government of the United States to go into any kind of business except so far as the purchase of strategic and critical materials is concerned. In my opinion it does not give any general authority to the President to build new plants. During World War II the Government did build many war plants for all kinds of purposes, but there is no such general authority contained in this bill. It does authorize the Government to make loans to private enterprises to expand their plants and to do whatever may be necessary to enable them to do their share in making the Nation ready.

Mr. SCHOEPPEL. I will say to the distinguished Senator from Alabama that with that I heartily agree, and I think it is the attitude and the feeling of the members of the committee that so long as there are in this country companies, organizations, corporations, and associations, developed under our great free-enterprise system, which are capable of doing this job and have the capacity to do it, I am sure it must have been the intention of the members of the committee to see that such enterprises, typically American, shall have the right and the opportunity to furnish the material and the supplies which we so badly need now and which we shall need in the future if a greater degree of war activity should be necessary.

Mr. SPARKMAN. I am in complete accord with the statement of the Senator, and I am sure he voices the sentiment of the entire membership of the committee.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WHERRY. Mr. President, I deeply appreciate the observation made by the Senator from Alabama, because if we are to take the background of this proposed legislation as it has been presented it will be helpful in the interpretation of what may or may not be done in the future. But I submit that section 303 goes beyond the limitations of section 302. In fact, on page 19 of the report, dealing with metals, minerals, and raw materials, it is suggested that it is the purpose to overcome these limitations.

I am in complete accord with the purpose of acquiring strategic materials. We have already provided authority for that through legislation, and I certainly would favor expanding that authority, but I ask the Senator, even though his interpretation of section 302 is what he has stated, how can he reconcile that with the second provision, in section 303 (a), which provides as follows:

> To assist in carrying out the objectives of this act, the President may make provision (1) for purchases of or commitments to purchase metals, minerals, and other raw materials—

And so forth. That goes beyond loans, does it not?

Mr. SPARKMAN. That amendment, the Senator may be interested to know, was placed in the bill on the suggestion of the Senator from Wyoming [Mr. O'MAHONEY], and I believe it was also suggested, or something similar to it was suggested, by the senior Senator from Minnesota [Mr. THYE] and the junior Senator from Minnesota [Mr. HUMPHREY], who were particularly interested in taconite. Of course, the Senator knows that during World War II there was a similar program under which we subsidized—I do not know whether the Senator likes that term—mining and the development of our natural resources. It was felt that it was necessary to do that again. We are not exactly in a bad way, but certainly we are not in the best way in the world, with reference to iron ore. There is a great development of it in South America, in Venezuela. It is very fine, high-grade iron ore. It is contemplated that it will be mined and shipped across the Gulf of Mexico to the port of Mobile and on up to Birmingham and to eastern seaboard plants at Philadelphia and Pittsburgh. There is another great deposit in Labrador. But suppose we should encounter the same difficulty which we encountered in the last war, with ships being unable to get across the Gulf of Mexico. We may find ourselves in a very bad way with reference to such material.

I believe the Senator from Nebraska will agree that we should go into some kind of exploration, study, and research with reference to the development of taconite. This provision of the bill is written to authorize such things as that, and that is all.

Mr. WHERRY. If it were limited in that respect I would have no objection, and I think the categorical answer "no" to the question propounded by the Senator from Ohio [Mr. TAFT] would be correct with respect to this section. However, I submit to the distinguished Senator from Alabama that as I read subdivision 2 it would permit the very thing which the Senator from Ohio referred to. I am in total agreement with the objective of the Senator from Alabama regarding any strategic materials. I believe that if the need is shown and the material cannot be produced through the facilities which we have the Government ought to take steps to procure these critical and strategic materials and by purchase, if possible, accumulate them for our needs. However, that is an entirely different thing.

Mr. SPARKMAN. I think the Senator will go further and say that the Government should help even in those cases where the cost of production is high because of the transportation distance or because of the high cost of production, or the low grade of the material.

Mr. WHERRY. That would depend on the basis of need. I think that situation could be brought about as has been presented by the able Senator. However, that does not answer my question.

Mr. SPARKMAN. I suggest that that is exactly what subdivision 2 seeks to do. I cannot speak for the chairman of the committee or any other member of the committee, but, so far as I am concerned, if the Senator from Nebraska feels it needs clarifying language, for instance, to provide that it shall apply to "aid in the exploration" or "aid private enterprise in the exploration," or words to that effect, I would have no objection. Perhaps it might be a little objectionable if we said "aid private enterprise," because I think the Government would probably want to send its own men to make surveys and studies, and do some work and it should have the right to do so.

Mr. WHERRY. I would have no objection to such a provision, and I think clarifying language to carry out the intent of the committee would be helpful. To the extent that the Senator has gone thus far I cannot see how anyone could object to the objectives which he has outlined.

On the other hand, certainly, as I read the language, it is capable of being interpreted to mean that the Government could do the very thing that was suggested, namely, through development

and producing the facilities, enter into competition with private enterprise.

I happen to have had something to do with steel when I was formerly on the Small Business Committee. I know that the situation of which the Senator speaks has come to pass. The steel companies are doing their very best to get procurements to enable them to go into Venezuela and other countries in order to obtain iron ore. Great plans are being made. However, I think this section would give the Government the same right in the case of steel as in the case of other strategic materials. For example, the Government could embark on the operation of steel plants, unless the provision is limited to the metals the Congress may want to specify by appropriate language, which will so clarify the meaning that it will be interpreted exactly as the Senator from Alabama is now advising the Senate.

Mr. SPARKMAN. I can assure the Senator from Nebraska that that is what the Committee on Banking and Currency had generally in mind when it wrote this section.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. WHERRY. I believe that in the report, at page 19, the committee attempts to set forth that fact. The broad language on page 19 indicates to me that we should go further. If necessary, I would want the committee to go further. However, how much further will the committee go? Will the materials which are strategic and the ones which the Government will acquire be mentioned by name, or does the provision open up all fields?

Mr. SPARKMAN. If the Senator will refer again to subdivision 2, he will note that it is limited to critical and strategic minerals and metals. Such metals and minerals represent a well-defined list. I do not think anyone could dispute the fact that we have a well-defined list of critical and strategic minerals and metals.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. SPARKMAN. Yes.

Mr. WHERRY. While it is true that certain materials are listed as critical materials today, it is also true that these same materals may not be critical tomorrow. There are materials, no doubt, which are not being dreamed of as being critical by the standards of World War II, which may become critical very shortly. Subdivision 2, in the next paragraph, states:

> The purchases for resale under this subsection shall not include agricultural commodities except insofar as such commodities may be purchased for resale for industrial uses or stockpiling.

We would get into wool and cotton, which could become very critical before the war was over. It would include subsidies and other things.

Mr. SPARKMAN. We have those materials on hand.

Mr. WHERRY. That is correct.

Mr. SPARKMAN. We have domestic supplies, and they are subject to allocation.

Mr. WHERRY. That proves the point that I am trying to bring to the Senator's attention. I say while it is the intent of the distinguished Senator from Alabama to limit the application to strategic materials where the need for development is shown—and the Senator mentioned two particular minerals which he thought should be developed—in order to carry out the objective, if we interpret the language literally as it is written, it seems to me that it does not narrow the field to what the Senator from Alabama has so eloquently suggested to the Senate.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. SPARKMAN. I yield.

Mr. MURRAY. Mr. President, I think I am somewhat familiar with what was in the mind of the Senator from Wyoming when he suggested the language of subdivision 2. We have in this country a great many deposits of critical and strategic materials, but they are of such low grade that in ordinary times they cannot compete with the foreign production of such materials.

Mr. SPARKMAN. Manganese is an outstanding example.

Mr. MURRAY. We have tremendous deposits of manganese in Montana.

Mr. SPARKMAN. And graphite.

Mr. MURRAY. Ever since I have been in the Senate I have been aiding the manganese industry. During the last war, as well as during the First World War, we produced huge quantities of manganese under a system by which the Government, through price incentives, stimulated its production. I do not think the language can be susceptible to the inference that it is intended for the Government to set up corporations to carry on the development. I think it merely means that we will do what we did in the First World War and in the Second World War, namely, provide methods of inducing the owners of properties of that kind to develop them for purposes of war.

Mr. WHERRY. Mr. President, will the Senator from Alabama yield so that I may ask the Senator from Montana a question?

Mr. SPARKMAN. I shall be glad to do so, with unanimous consent that I do not lose my right to the floor.

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nebraska for that purpose?

Mr. SPARKMAN. I shall be glad to do so provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. I appreciate the legislative history which is being written here. Apparently intent is one thing, and interpretation is another. Let us take section 303 (a). It reads:

> SEC. 303. (a) To assist in carrying out the objectives of this act, the President may make provision (1) for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or for resale—

That would include everything.

Mr. MURRAY. I assume that refers to the purchase from foreign countries of these metals and minerals which we do not produce in this country.

Mr. WHERRY. It does not say so.

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from Nebraska?

Mr. SPARKMAN. Yes.

Mr. WHERRY. That is the point I am trying to make. I can see what the intent is. I am not quarreling too much with the objectives in mind, especially if it is a question of strategic materials. That would be one thing.

I again ask the distinguished Senator from Montana whether subdivision (1) is not capable of being interpreted to mean that the Government can purchase for use or for resale metals and minerals, raw materials and fuel, anything the Government wants to buy. Does it not cover the whole book?

Mr. MURRAY. Yes.

Mr. WHERRY. That is what I thought.

Mr. SPARKMAN. Certainly we should have an understanding when the Senator says it gives the Government the right to purchase anything. First of all, we limit the power "to carrying out the objectives of this act." I think we should remember the legislative history of that provision permitting resale, because it has been included in every stockpiling law we have passed. There are some materials, as the able Senator from Nebraska well knows, which will deteriorate after so long a time so the very first time we passed a stockpiling law we gave the President the right to resell in order to rotate the fund, and keep the stockpiles built up.

Then there is another consideration. Some industry, some particular company, might run short of materials the Government might have on hand. For instance, it is conceivable that some steel manufacturing company might run short of manganese, and we felt it necessary that the Government have the right to sell to such a company when it became necessary. The language we are discussing is the same language we have had in our stockpiling laws from away back before the Second World War.

Mr. WHERRY. Would the Senator say this is the exact language?

Mr. SPARKMAN. No. I am not willing to say it is. I am certain it is very similar, if not identical.

Mr. WHERRY. The resale clause is in the bill, and I agree it should be in, because if materials which are likely to deteriorate can be sold, they should be sold. That still is not the answer to the question I have asked. I have not yet had time to study the bill, it came to my desk just this noon, with the report, and it might be that after studying and reading the report some of my questions might be cleared up. But no emergency has been declared, and I am apprehensive of establishing in time of peace the right of the Government to enter into business, in direct competition with private enterprise, on a wholesale basis, if that is what subdivisions (1) and (2) can be interpreted to mean.

Mr. President, I deeply appreciate the legislative history that is being made.

Apparently subdivision (2) is intended only to apply to strategic materials which are in scarce supply. That is one thing. The distinguished Senator, for his example, referred to very scarce materials, and there is no objection on that score. But when we come to material which is not scarce, which might become a little scarce tomorrow, for instance, fuel oil, which is so important in a war, the answer might be different. Perhaps 6 months ago the supply was short; today it is in long supply. Perhaps the supply will get longer, perhaps it will be shorter. Is the proposal to permit the Government to get into the production and development of fuel oil?

I know the supply of manganese is very short. Probably we would not have the difficulty with manganese. If the language means only what the sponsors of the legislation say it means, that is one thing, but I submit that the language is capable of being interpreted to include, as I said to the Senator from Montana, everything in the book.

Mr. SPARKMAN. Mr. President, I appreciate the Senator's concern about this question. The whole committee, I assure him, was just as greatly concerned, and if the Senator will read the hearings, he will find the questions which were propounded from time to time. If he will read the report he will see that we have tried to give the legislative background in such a way as to make it absolutely clear.

If the Senator from Nebraska will read the statement of policy he will see exactly what I mean. I refer the able Senator to the concluding sentence in the declaration of policy, on page 29 of the bill. This is an amendment which the committee itself added. It reads:

> It is the objective of this act to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use—

And listen to this language, which was added by the committee—

> within the framework, as far as practicable, of the American system of competitive enterprise.

In the particular paragraph of section 303 to which the Senator referred we again say that to carry out the objectives of this act the President shall do these things.

The able Senator has made reference to the fact that the report was placed on our desks just at noon today. The able Senator from Kansas referred to the same fact. We would have much preferred, if it had been possible, to have the report in the hands of every Senator for at least 24 hours before taking up the bill, but it simply was not possible to do that and to do the careful and thorough job which every Senator, when he reads the report, will discover has been done.

By the way, Mr. President, at this point I wish to pay my respects to the staff of our committee, to the legislative counsel, and to others who helped us through the hearings, through the formulation of the bill, and through the preparation of the report. I believe that during the time I have been a Member of the Senate I have never seen a report of a committee drawn with more care in order to make absolutely clear what was intended by the committee, and what was in the minds of the members of the committee with reference to the proposed legislation.

We have tried to set forth the legislative history just as fully as it was possible to do so in the relatively small number of pages used. That is the reason for the delay in Senators' getting the report. I feel confident that when the Senator from Nebraska, the Senator from Kansas, and other Senators have the opportunity to read the report, read the legislative background, and read the references made to the bill itself, each and every one will be satisfied that the intention of the committee was to do nothing more nor less than what the Senator from Nebraska stated he would have liked done.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Nebraska.

Mr. WHERRY. It is very difficult for me to ask my question without making an observation which I should like to make, but I would not want to be called down for violating the rule.

Mr. SPARKMAN. I ask unanimous consent that the able Senator from Nebraska be permitted to make his observation, provided I do not lose my right to the floor.

The PRESIDING OFFICER. If there is no objection, the Senator from Nebraska may proceed.

Mr. WHERRY. I did not mean to indicate, by any stretch of the imagination, that because the report was not on our desks before noon I was complaining.

Mr. SPARKMAN. I understood that, but I desired to give this word of explanation, and to urge Senators, even at this late hour, to read the report before we come to a final vote on the bill.

Mr. WHERRY. I appreciate the fact that the committee has done its level best to conduct all the hearings, hear the witnesses, and get the report out as quickly as possible, and I express my appreciation for the work done by the committee.

Mr. President, I merely made the observation that, in view of the fact that we had had the bill and report only since noon today, some of the questions we are asking, so far as the legislative history is concerned, might be cleared up if we had an opportunity to go into the bill and the report. But merely from a reading of the bill—and that is all we had before us until noon today—I have asked questions, because I feel it is important to do so in making this legislative history, so I may know exactly what was intended by the bill and what the committee had in mind.

The Senator is a member of the Small Business Committee. I hope his experience on that committee in the future will intensify his desire to protect the competitive enterprise system. It is one thing to subsidize and to permit the Government to purchase the materials in question. It is another thing to protect the competitive industry of the country, while everything is done to accomplish what is necessary to be accomplished. The legislative history being made today certainly will clear up many points in connection with the interpretation of the section.

Naturally, as one who believes in the competitive enterprise system, as I know many other Senators do, I think these questions are very proper to be asked at this time. Possibly a reading of the report and also of the hearings will give us knowledge as to the intention of the members of the committee. I feel at this point that, while we have had a very satisfactory explanation by the Senator from Alabama [Mr. SPARKMAN] and by the Senator from Montana [Mr. MURRAY], yet the provisions are quite broad, and it may be helpful if we can at least add some clarifying language, at least to satisfy some of us who are apprehensive about the situation, to show that it is not the intention of the Government to go into business in competition with private enterprise all the way along the line, but merely so that the necessary facilities can be obtained, and that purchases and sales can be made to accomplish the necessary results, but that the intent is that in the acquirement of the strategic materials we shall follow the course that was established in the world war, and confine the Government's activities to the strategic materials necessary to the national defense, to supply the machinery necessary to be supplied in time of war as well as obtaining enough of such materials to take care of civilian requirements.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I shall yield to the Senator from Louisiana in 1 minute.

I may say to the able Senator from Nebraska that I appreciate the concern on his part which prompted his question. I did not intend to indicate by what I said that I was at all restive under his questioning. His questions were wholly proper. I am glad to answer them. They gave me the opportunity to make statements as to the position of the committee. The able chairman of the committee was not on the floor when the colloquy began, but I think he would agree with the statements I made.

I believe that when the report is read and when the bill is studied in the light of the report, all Senators will realize that a most careful job has been done.

By the way, Mr. President, in this connection, I should like to refer to the chairman of the committee who made the opening statement on the bill. He gave us a very clear statement regarding it and answered the questions of many Senators. I want to pay my compliments to the chairman of the committee for the excellent job he did in framing the legislation. It was a difficult piece of legislation to handle in the hearings, in the committee, in the drafting of the bill, and in the preparation of the report. The chairman of the committee, the able Senator from South Carolina, did such a magnificent job—I am

sure every member of the committee will agree—that when the bill finally came up for final report the vote on it was 13 to 0—a unanimous vote in favor of reporting the bill.

I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I wish to congratulate the distinguished junior Senator from Alabama for the fine presentation and explanation he is making of certain sections of the bill.

One question arose in my mind in connection with the section which is now under discussion. I wonder if the Senator from Alabama has given any consideration as to whether section 303, in giving the President the power to make provision for the exploration, development, and mining of critical and strategic minerals and materials, might give the President the right—which I do not believe he presently possesses—to develop or to lease the tidelands, which are so much in controversy at the present time between certain coastal States and the Federal Government?

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I ask unanimous consent, Mr. President, that the able Senator from South Carolina, the chairman of our committee, may be allowed to answer that question, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAYBANK. Mr. President, first I desire to thank the Senator from Alabama for the very kind remarks he made about me. I am certain I do not deserve them. I want to say to my friend the Senator from Louisiana——

Mr. WHERRY. Will the Senator from South Carolina please raise his voice a trifle? It is difficult for us on the other side of the aisle to hear, especially when the Senator turns around to address another Senator who stands farther away from us.

Mr. MAYBANK. I merely wish to say to the Senator from Louisiana, who has raised a question as to tidelands oil, a subject which has been debated on many occasions in the Senate, and which has been voted upon, and with respect to which many southern States have adopted resolutions, and even passed bills, that there was never the slightest thought on the part of the committee that the tidelands oil, which raises a debatable and argumentative question, should be involved in this bill. That was my understanding, and that I believe was the understanding of the administration, which wants to have the pending bill passed as soon as possible.

I assure the Senator from Louisiana that so far as I am concerned—other members of the committee can speak for themselves—I certainly never conceived of the idea that the tidelands oil would be taken over by the Government, especially after so much debate has been had upon the subject in the Senate, and after so many votes have been taken on it, and after the Supreme Court decisions have been rendered with respect to the subject, and after resolutions have been adopted and laws passed by various States.

I merely wanted the RECORD to show that there was no thought of that. I understand how the Senator from Louisiana feels about the subject, because so many ghosts have been raised in connection with the bill that some might be led to believe the Federal Government was going to take over everything. All we want to do by this bill is to control strategic materials and products necessary to the national defense, to the end that we can defend ourselves.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LONG. It is my understanding that there have been opinions by the Attorney General to the effect that the Federal Government does not at this time have the authority to lease or develop the tidelands without authority from Congress. I wanted it understood, if the Senator sees it that way, that it is not the intention of the language in question to confer upon the President or the Government the authority to lease the tidelands or to develop them?

Mr. SPARKMAN. Mr. President, I endorse the statement made by the able chairman of the committee that certainly there was not in the mind of the committee—in fact, I dare say not in the mind of any single member of the committee—any thought of anything in this bill having to do at all with the highly controversial tideland-oil question.

Mr. LONG. I thank the Senator.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WHERRY. In order that a case may be presented to the Senator to which an answer can be given so as to make the record more clear, I wish to present the following: In the event that fuel should become short—and during the last war there was a question of subsidizing stripper wells, and so forth, and so on, as the Senator recalls—would section 303, as expanded, permit the Government to prospect for oil or dig oil wells, and to acquire fuel oil, if the Government felt that it was in the interest of national defense to do so?

Mr. SPARKMAN. My own feeling is that there is nothing in clause (2), the clause to which the Senator has referred, that would permit the handling of anything having to do with oil. It is restricted to minerals, critical and strategic minerals, and metals. I call the Senator's attention to the fact that in clause (1) the President is authorized, under certain conditions, to purchase fuel oil. I want to be certain the Senator did not overlook that.

Mr. WHERRY. I understand that.

Mr. SPARKMAN. But that has to do with purchases. That has nothing to do with development.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. WHERRY. I am talking about facilities, and the use of facilities. Is there anything in any section that would permit the Government to prospect for oil or drill for oil?

Mr. SPARKMAN. Not at all. I repeat there is nothing in any section that would authorize the Federal Government generally to build anything or to develop or operate anything.

Mr. WHERRY. Will the Senator yield for one more question?

Mr. SPARKMAN. Yes.

Mr. WHERRY. Does the Senator feel that clause (1) or clause (2) of section 303, under subsection (a) provide authority for the Government to go into the production of steel in the event of war?

Mr. SPARKMAN. Steel?

Mr. WHERRY. Yes.

Mr. SPARKMAN. Once more I say: Nothing in this bill authorizes the Government generally to go into the production of anything. What the committee had chiefly in mind with respect to the program contemplated under section 302, was the making of loans to a private steel company, for instance, to enable it to expand its plant capacity.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. SPARKMAN. Yes.

Mr. WHERRY. We have been talking about section 303. Let us now return to section 302, which is the loan section. I think I understand the Senator correctly in what he has said. His interpretation is that there is no provision in section 303, subsection (a), clauses (1) and (2) that provides for the building of facilities by the Government in direct competition with private enterprise, to produce oil or to produce steel, and, therefore, we could say, a lot of other material?

Mr. SPARKMAN. The Senator is correct.

Mr. WHERRY. I should like to ask the distinguished Senator a further question. Does section 302 or any other section provide that the Government can loan money to a new corporation and set it up in direct competition with businesses already in operation in the fields I have just mentioned; or in order to get materials to businesses already in operation, if they needed the materials, would the policy be to keep them at such a price that a subsidy would be required?

Mr. SPARKMAN. Let me call attention to the exact language of section 302:

> To expedite production and deliveries under Government contracts for the procurement of materials for the national defense.

So there the three things I have mentioned are tied in, namely, first, "to expedite production and deliveries"; second, "under Government contracts"; and third, "for the procurement of materials for the national defense."

Then we find the following:

> The President may make provision for loans (including participations in, or guarantees of, loans) to private business enterprises for the expansion of capacity, the development of technological processes or the production of essential materials.

It seems to me the language is very clear, Mr. President.

Mr. WHERRY and Mr. FERGUSON addressed the Chair.

The PRESIDING OFFICER (Mr. GRAHAM in the chair). Does the Senator from Alabama yield; and if so, to whom?

Mr. SPARKMAN. I yield first to the Senator from Nebraska, in order to permit him to finish his questions.

Mr. WHERRY. I thank the Senator.

Let me ask this question, please: Does this provision mean the expansion of a particular plant or the expansion of the entire industry in order to provide the material?

Mr. SPARKMAN. I may say that in my opinion—although I do not recall that this point was specifically brought out in the committee—it would not necessarily be limited to existing companies.

Mr. WHERRY. That is the point.

Mr. SPARKMAN. For instance, the Senator from Nebraska will remember that in World War II it was necessary to bring in new producers. For instance, offhand I think of the expansion of the aluminum industry. The Reynolds Co. had never produced aluminum; it had been a fabricator of aluminum products. But under the Defense Act, the Reynolds Co. obtained a loan from the RFC, and built a plant for the conversion of bauxite into ingot aluminum.

Similarly, the Kaiser Co. engaged in steel production; and there were many other similar concerns, which the Senator from Nebraska can recall very quickly, I am sure.

Certainly it seems to me that in instances where a new producer came into the field, and where new production in that field was needed, the President would be empowered, under this section, to make such loans.

Mr. FERGUSON. Mr. President, will the Senator yield to me at this time?

Mr. SPARKMAN. I yield.

Mr. FERGUSON. The distinguished Senator from Alabama indicated that there is nothing whatever in the bill which will permit the United States Government to enter into the production of equipment or the manufacture of goods. Is there anything in this measure which would permit the Government to form corporations similar to the RFC or corporations to which the Government might make such loans, and thus indirectly, through a Government corporation, go into the manufacturing and the production business?

Mr. SPARKMAN. No; I say to the able Senator from Michigan that no such provision is included in the bill. In the bill as originally requested there was a suggested provision to authorize the President to set up Government corporations to do certain things—for instance, to engage in the purchase of strategic and critical materials and to engage in such functions as those which were performed by the Defense Supplies Corporation, the Rubber Reserve Company, the Smaller War Plants Corporation, and similar organizations during the Second World War.

We discussed this matter a little earlier.

The committee struck out the authorization for the creation of Government corporations, and nowhere in the bill is there any provision whereby the Government, either itself or through any agency or corporation, can operate any business.

Mr. FERGUSON. Mr. President, I recall that the distinguished Senator indicated that in the preamble to the bill there is language to the effect that all the powers conferred by the bill itself are to be under the American system of competitive enterprise. Does the Senator believe that is a restriction on the President, so that he must act under it; or is it only preamble language which is advisory?

Mr. SPARKMAN. Of course it is in the declaration of policy, and the Senator from Michigan well knows the effect of a declaration of policy.

Mr. FERGUSON. It is really the preamble, is it not?

Mr. SPARKMAN. I call the Senator's attention to the fact that all the way through the bill are to be found statements of "in keeping with the objectives of this act." The bill constantly refers to that expression. I say that certainly it was the intention of the Banking and Currency Committee that that should be controlling upon every part of this proposed legislation.

Mr. FERGUSON. In effect, it really is a limitation; is it not?

Mr. SPARKMAN. If the Senator from Michigan wishes to speak of it as a limitation, he may do so, of course. I think it is a directive.

In other words, I do not admit for a moment that had we omitted that statement, there would have been any provision of power to do otherwise. It is a further expression of our intention.

Mr. FERGUSON. Does it make any difference whether it is in or is not in the bill, so far as it affects the President's power?

Mr. SPARKMAN. Certainly it is a further expression of our intent. All the way through the bill we refer to the objectives of the act, and we certainly intend that that shall be the spirit in which the act is administered.

Mr. FERGUSON. Then if this matter ever reached a court, the court would take this language as being indicative of the desire of Congress; and in construing the act, the court should take that into consideration and should give it effect. Is that correct?

Mr. SPARKMAN. I certainly think the Senator is correct in making that statement.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. Would not the fears of the Senator from Michigan be somewhat allayed if he would consult section 302, particularly the language the eminent Senator from Alabama has read in lines 5 to 9, namely, that the loans which are to be authorized under section 302 may also be made "so private business enterprises for the expansion of capacity," and so forth. So no Government corporation could be construed to be a private enterprise, and therefore no Government corporation could receive such loans, but only the normal, private enterprises would be eligible to receive them. Is that correct?

Mr. SPARKMAN. Of course, the Senator from Illinois is correct.

Mr. FERGUSON. I thank the Senator; but I wish to make sure whether there is any provision in any other part of the bill which will confer such power.

Mr. SPARKMAN. Mr. President, I did not intend to take so much time in discussing this subject, of course.

At this point let me read something in answer to a discussion with reference to the stockpiling provision, had a few minutes ago, between the able Senator from Nebraska and myself. The language which I shall now read is not identical with the language included in the portion of a bill to which we have been referring, but I wish to read the provision made for the RFC, to permit it to purchase such materials.

After reading it, I shall let the Senator judge which is broader. Personally, I think the language of the provision for the RFC is broader than the language used in the bill now before us for consideration.

I read the following:

> When requested by the Federal Loan Administrator, with the approval of the President, to create or organize a corporation or corporations with power (a) to produce and acquire and carry strategic and critical materials, as defined by the President; (b) to purchase and lease land, to purchase, lease, build, and expand plants, and to purchase and produce equipment, supplies, and machinery for the manufacture of arms, ammunition, and implements of war; (c) to lease such plants to private corporations to engage in such manufacture; and (d), if the President finds it is necessary for a Government agency to engage in such manufacture, to engage in such manufacture itself—

And so forth. So I think the Senator from Nebraska will agree that we certainly have cut down on the broad authorization which was given in the legislation enacted by the Seventy-sixth Congress, authorizing the Reconstruction Finance Corporation to engage in these activities.

Mr. WHERRY. I appreciate the Senator having read that language into the RECORD at this point.

Mr. SPARKMAN. Mr. President, reference has been made here several times to our not being engaged in war. The date of the act from which I just read was June 25, 1940, which was 18 months before we got into World War II.

Mr. WHERRY. If I may make a further observation relative to the language of the pending bill, while the language provides that Government agencies or corporations shall do thus and so, that in reality is authorized under the existing law, is it not?

Mr. SPARKMAN. Does the Senator refer to the RFC?

Mr. WHERRY. Yes.

Mr. SPARKMAN. The RFC was authorized to do anything during World War II. It could set up a corporation. It could go out and build a plant. The Defense Plant Corporation did that. It built plants all over the country.

Mr. WHERRY. That is a broader section than 303, the one we have here, is it not?

Mr. SPARKMAN. It is much broader. None of that can be done under this act.

All the Government can do here is to make loans to private industry with which to expand plant capacity.

Mr. WHERRY. That is section 302, is it not?

Mr. SPARKMAN. It is section 302.

Mr. WHERRY. What about section 303?

Mr. SPARKMAN. Under section 303 the President is given power to buy critical and strategic materials.

Mr. WHERRY. And to develop and supply, and so forth, and so on?

Mr. SPARKMAN. As I say, I should be very glad to interpolate the language, "to aid in the development, exploration," and so forth, with the idea of subsidizing those particular critical and strategic materials.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MILLIKIN. I should like to ask the distinguished Senator a question, and in doing so I feel I should apologize. I heard the Senator discuss what I am going to ask him about, but I was called out of the Chamber several times and I did not get the continuity of it. What does the pending bill provide so far as activating the production of strategic minerals in this country is concerned?

Mr. SPARKMAN. That is the very section we have been talking about. It is found in section 303 (a), in subparagraph 2, and if the Senator will refer to that page, which is page 35, line 18, he will find that the committee included the substance of the amendment which was offered by the able Senator from Wyoming [Mr. O'MAHONEY].

Mr. MILLIKIN. Are there any standards specified for determining which mine, for example, may receive assistance? Is the whole subject delegated to the enforcing authority, under this bill?

Mr. SPARKMAN. The power is given to the President to aid in the supplying and production of critical and strategic materials which may be needed in the defense effort.

Mr. MILLIKIN. Has the committee in its report suggested any standards or any desire or wish of its own?

Mr. SPARKMAN. We did not provide any standards. We assumed, and I believe the report will bear me out, that it would be applied to the high-cost-of-production mine, the marginal mine, particularly, in the field of critical and strategic materials, of which we do not have a plentiful supply. I mentioned, as an example a few moments ago, manganese bauxite, graphite, mica, and chrome, which are some of the particular critical and strategic materials I think would be covered. Another one I mentioned was taconite, which is needed to augment our diminishing iron-ore supply.

Mr. MILLIKIN. How about copper?

Mr. SPARKMAN. If we were in short supply of copper, if there were high-cost-of-production mines, marginal mines that needed to be brought into operation in order to help boost our copper supply, I certainly think the President would be empowered under this bill to do it.

Mr. MILLIKIN. If we are dependent on foreign sources in an important part of our copper supply and if the importation of copper from those foreign sources could be interfered with as those importations from those sources were interfered with in World War II, is it the thought of the committee that the President should take steps to stimulate the domestic production of such minerals?

Mr. SPARKMAN. Yes. I discussed that a few moments ago. I made reference to the fact that during World War II some of our foreign sources of supply were cut off from us. I mentioned particularly bauxite, as to which we were in a state of high dependence. Our bauxite generally came to us from South America. During World War II, submarines invaded the Gulf of Mexico to such an extent that for weeks, and I may say even for months, not a single shipload of bauxite was able to get through. We were confronted with a very serious problem. My own personal feeling is that the President, or someone else—whoever controls our stockpiling of critical and strategic materials—ought to have the power to build up that stockpile any time it may require building up. Personally, in respect to many different materials, I should like to see it build up far beyond what it is today.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. MILLIKIN. It has been the policy of the administration, in connection with various mining-aid bills which have been before us, that Federal aid should be given only to those mines which, with that aid, could compete with foreign mines. Is there anything in the pending bill which lends strength to that theory, or which takes away from that theory, or which changes that theory in any way?

Mr. SPARKMAN. I do not believe there is anything in this bill which applies any limitation upon the President in the use of the power. The sole language is set forth in the provision which I cited to the Senator a moment ago. I may supplement what I said a moment ago about building up our stockpile of critical and strategic materials. We should try to build it up. I mentioned developing the sources in this country for the production of strategic materials and minerals, where such production is advisable.

Mr. MILLIKIN. Will not the Senator say it is very bad policy, in the middle of a situation which might go into world war III, to omit any step which would increase our domestic production of critical and strategic minerals?

Mr. SPARKMAN. I want to see no step omitted that would make us as nearly self-sufficient as we can be. To that end I believe, under the language of this bill, we leave it wide open to the President to use all the powers granted to such degree as he may think necessary.

Mr. MILLIKIN. I may say to the distinguished Senator that that is what causes me some concern, because it has been the policy of the administration not to build up our domestic supplies, particularly those of the smaller mines, but to put dependence on foreign sources. It may be that that policy is changed, since we have gotten into this difficulty. Personally, I should like to see it changed by mandate of law rather than dependence on the policy of an administration which, in my view of it, has been entirely wrong, and which does not fit the condition in which we find ourselves.

As I said awhile ago, I may say again, to the distinguished Senator, the policy has been to help the big mine and the big company, which, with that help, could compete successfully with the foreign country. That does not meet the situation. It is necessary to open up the small mines and the middling mines that are completely closed out at the present time in this country. We, I suggest, must put our sources of strategic mineral materials beyond the reach of the snorkel submarine, if we are planning anything that has sense in it; and I am sorry that there is not some spell-out here in the bill of that kind of policy.

Mr. SPARKMAN. I may say to the able Senator from Colorado that he, of course, remembers that the Senate passed some such bill as the one to which he refers, during the present Congress, as I recall.

Mr. MILLIKIN. That adds to my apprehension, I may say to the distinguished Senators, because, by administration order, that bill was put on the ice in the House of Representatives.

Mr. SPARKMAN. I was just going to complete my statement by saying——

Mr. MILLIKIN. I beg the Senator's pardon.

Mr. SPARKMAN. That is all right. I was going to say not exactly the same thing the Senator has said. I do not know whether it was by administration order, but the bill has not cleared the House, so that in the committee bill we were doing as much as we could hope to get out of both Houses of Congress by placing this broad language in the bill. I am a strong believer in the very policy the Senator has just enunciated. I supported his measure in the Senate. I believe we should do everything possible to develop our own resources and make this Nation as nearly self-sufficient as it can be made.

Mr. MILLIKIN. Mr. President, I thought I was making my plea to a sympathetic Senator, and I am very much interested in the answers he has given. I wish the committee had spelled out with a little more particularity the policies which were to be followed, because I fear that this language will simply put us under the same fruitless policies which have existed for a long time. During three wars in 30 years this country has been subject to the ore supplies and strategic minerals of foreign countries. I wonder how long it will take us to learn. How many wars must we have before we get sense enough into our thick heads to make this country dependent on itself, if that be possible, for having a supply of domestically produced strategic minerals?

Mr. SPARKMAN. I will say to the Senator that it is my understanding that the Banking and Currency Committee of the House offered an amendment to the bill which is being considered there which is substantially the same as our bill, and included in it was the same language with reference to the explora-

tion and development of mines. The House has, within the last few minutes, passed the bill. I assume that provision is still in it.

Mr. MILLIKIN. The same provision which is in the Senate bill?

Mr. SPARKMAN. That is my understanding.

I would personally gladly go all the way with the Senator from Colorado in trying to establish some plan whereby greater impetus can be given to the development of the natural resources of this country toward the objective of making the Nation as nearly self-sufficient as it can be made.

A few moments ago, before the Senator from Colorado came to the floor, I referred to the fact that one of the things we need most is manganese. It is one of the things of which we have the least. How ironic it seems to have read in the newspapers a week or two ago that a shipload of manganese had arrived in this country. From where? From Soviet Russia. Manganese is one of the most essential products in our stockpile, particularly if war should come. Yet we are to a considerable extent dependent upon Russia for our manganese.

Mr. MILLIKIN. It is even more ironical while receiving a boatload of something we need to receive a boatload of Russian furs which we do not need and which are putting out of business our own fur farmers.

Mr. SPARKMAN. Mr. President, I think I am perfectly safe in saying that furs are not included in this bill, I am glad to say.

Mr. President, I did not intend to take so much time. There are a few other points I desire to mention. We have gone pretty well through a discussion of the first three titles. The fourth title has to do with the control of credit. The committee rewrote a great portion of that title. We reinserted in large part, regulation W, giving the Federal Reserve Board the right to control consumer credit in installment buying.

Then the question of real-estate credit came up, and the committee was not willing to go along on giving the President or the Federal Reserve Board or anyone else the right to control real-estate credit, but it decided that the part of real-estate credit which was the most inflationary should be subject to control. That is where new construction is involved. We gave the Federal Reserve Board the right to control real-estate credit on new construction of the conventional type, privately financed. Then we gave to the President exactly the same power with reference to the control of real-estate credit on all Government-aided construction, such as FHA, the VA housing program, the farm housing program, and public housing. This authority over Government financing aids includes controls over all new credit, whether new construction or not.

It was our thought and intention that the program should be administered somewhat parallel to and on the same basis. My own personal view is that we should have gone one step further. I do not argue that we should have given anyone the right to say whether a person could sell his farm or his home at whatever price he wished to charge, but it seems to me that if there are deferred payments involved, installment sales, or purchases, the Federal Reserve Board should have the same control over them as it has over consumer credit under regulation W. However, the majority of the committee felt that that was not necessary because it involved capital assets and did not involve the production of any new assets. For that reason the majority of the committee was unwilling to grant those controls.

I may say that there is no control on the sale or purchase of real estate.

In the bill which came to us originally there was a provision to give the President or the Secretary of Agriculture the right to increase margins for the control of speculative trading on commodity markets. The committee struck out that provision. I think there may be a great deal of misunderstanding as to the reason why the committee struck it out, and for that reason I want to say a word or two with reference to it.

In the opinion of the committee, the only thing sought was to establish a plan of increasing margins, and apparently that increase would be across the board, regardless of whether the buying was purely speculative or whether it was in connection with the legitimate buying and selling of commodities on the commodity market. It was my feeling, and I think it perhaps may have been the feeling of other members of the committee, that by a uniform increase in the required margins it would be the little fellow who would be hurt, whereas the big operators would be allowed to continue.

Let me cite the example of cotton, Mr. President, because that happens to be the thing with which I am most familiar. Today the required margin on cotton is $30 a bale. In my home town of Huntsville, Ala., there are probably 12 or 15 cotton merchants. By and large, they are local persons. There may be some young man who has become a cotton merchant, just as one would enter the grocery business. He operates on a limited amount of capital. Every time he buys a bale of cotton from a farmer, in order to protect himself he must sell a bale of cotton on the board and he must hedge the purchase. Vice versa, every time he sells a bale of cotton he must buy one in order to protect himself on that particular bale of cotton. That means that he must put up $30 of his own money. He is limited in his amount of capital, yet he is the only outlet in that town the farmers have for the sale of their cotton.

I might cite as an example the firm of Anderson, Clayton & Co., the largest cotton dealers in the country. I suppose it would not amount to a great deal to them if the margin should be increased to $50 a bale rather than $30. They could keep right on operating. But I can think of any number of small cotton merchants who actually furnish a market for the farmers in my home town and in other towns who simply could not operate in such a situation. They do not go on the market and simply buy and sell for speculative purposes; they buy and sell for hedging.

Witnesses before the committee stated that there should be better control of this speculative buying and selling on the market. However, the committee felt that, whereas a mere increase in margins might tighten up on speculative buying and selling, the real impact would fall on the little fellow with limited capital who was furnishing the real outlet for the sale of cotton at the level where the farmer is disposing of his cotton. I assume the same condition would prevail with reference to wheat, barley, rye, and some other agricultural products.

The committee felt it was a matter which required careful and considerable study by the Committee on Agriculture and Forestry, which has jurisdiction over the Commodity Exchange Act. While we recognized that there ought to be a tightening of controls we felt it would go into and perhaps involve a rewriting of the Commodity Exchange Act. At one time we thought simply of turning the section over to the Committee on Agriculture and Forestry and asking them to report on it, but it was felt that to do so would delay the whole bill.

Another section provided for the disposal of surplus farm products by the Commodity Credit Corporation. We struck out that section. Apparently there was no urging or support for it, since under section 407 of the Agricultural Adjustment Act of 1949 we felt that adequate authority is given to the Secretary of Agriculture to dispose of the surplus farm products under a plan which is as good and perhaps even more favorable to the Government than what was proposed in the bill. Therefore we eliminated that section.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LUCAS. Does the testimony which was taken before the committee show any evidence of speculation since the Korean outbreak started?

Mr. SPARKMAN. I may say that we had an exhibit sent up by the Secretary of Agriculture after the hearings closed, which showed considerable activity on the various commodity markets, of which a great part was purely speculative. When it comes to deciding the question of what effect it has on prices, and so forth, I must admit I am not a capable judge. As a matter of fact, I may say that a few years ago the Joint Committee on the Economic Report appointed a subcommittee to go into the question, with the idea of doing something like that suggested. The subcommittee studied the matter at great length and submitted a report—I do not know whether it was justified—to the effect that speculative buying and selling was essential in order that hedges would be available, and that the evidence did not demonstrate that speculative buying and selling caused inflationary pressures or fluctuations in the market.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. LUCAS. A few days ago I saw a report to the effect that approximately 2 weeks after the outbreak of fighting in Korea lard had risen 40 percent in price. In 2 weeks time there could not be any justification for that rise. It seems to me that perhaps it was one of the outstanding examples of an increase overnight to an inflationary price. I want to say to the Senator from Alabama that in the event these runaway prices are not stopped, or there is a considerable amount of speculation at the expense of the defense effort, I sincerely hope the Committee on Agriculture and Forestry, of which I am a member, will do something about it. So far as the Senator from Illinois is concerned, I do not understand how any patriotic American—and I say "patriotic" advisedly—at a time when our boys are being called upon to do what they are doing in Korea, for our safety and security, namely, to give their lives if necessary, can make a profit or become a profiteer, or deliberately and with design speculate for the purpose of making money.

So far as I am concerned I want to say that when the time comes that we must have legislation to stop profiteering and speculating at the expense of the defense effort I am willing to go down the line for any type and kind of rigid legislation which is necessary to put a stop to it, even to the extent of including a criminal penalty. Profiteering and hoarding in war, at the expense of someone else, and creating inflationary pressure, when it is absolutely unnecessary and unpatriotic to do so, ought to receive the considered attention of the Congress of the United States, if it is not stopped.

Mr. SPARKMAN. I may say that I agree completely with the statement of the able Senator from Illinois. I was simply bringing out the point that legislation of the kind referred to requires much more careful study than we would be able to give to it and get a bill on the floor of the Senate for early consideration. I shall come back to this point later, but I may say that, as the Senator knows, we included in this bill a price control provision whereby it may very well be possible to control some of the things to which he has referred.

Furthermore, the early part of the bill contains a provision which I should not like to have overlooked. In it we provide criminal penalties for people who hoard, or engage in black markets or excessive profiteering. Just how effective the enforcement of such criminal penalties would be, I do not know. Certainly it was the intention and feeling of the committee that what the able Senator from Illinois has stated is absolutely right. To engage in such practices at a time when we are asking our young men to make the supreme sacrifice, if need be, is not only silly but unpatriotic.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WHERRY. I call attention to amendment B offered by the chairman of the committee, which has to do with the "processing of cattle and calves, lambs and sheep, and hogs, the processing of each species being separately considered," and so forth. I do not know why the amendment was separately offered unless it was because the bill had been written before the amendment was drawn up. If the amendment should be adopted, does the Senator know whether it would be invoked soon?

Mr. SPARKMAN. I have no information on that point. I think I know the reason for the amendment. I again fall back on cotton, which happens to be the commodity with which I am most familiar. It may apply to other commodities. To some commodities it would not apply. The Senator knows that the cotton markets started up just a short time prior to the outbreak of the war. On June 15, cotton was selling at 29 cents a pound. At about the time of the Korean outbreak, or a few days thereafter, the Government estimate on cotton acreage was issued. It was the second lowest in the history of the United States. Of course everyone knew then that we would have a short crop. People started estimating the crop at some ten and a half million or ten and a quarter million bales. It was known that it would be an unusually short cotton crop. As a result within 30 days' time cotton had gone up to 39 cents a pound. That was not the result of the Korean outbreak, but was due to an expected short crop.

Just day before yesterday the cotton estimate was announced. As had been predicted, it was 10,308,000 bales, if I remember correctly, as against 16,000,000 bales produced last year. Ten million three hundred and eight thousand bales is not much more than what we will consume in this country ourselves, and usually we sell three or three and one-half million bales abroad. Cotton is one of the most essential war products. So it can be seen what pressures have pushed the price of cotton up.

The mills buy their cotton, manufacture their gray goods, and make their commitments some 6 months ahead of time. They are selling goods now, and have been for some time, on the basis of the present cost of cotton, around 37 or 37½ cents. I have not seen the market report in the last day or two, but some of the cotton going into goods right now costs the mills more than 39 cents.

Mr. President, I use cotton as an example. The Senator from Nebraska, I think, was primarily concerned with meat. I assume the same reflections would apply to meat.

Digressing just a little, it is my understanding that the price the farmer gets for steers on the hoof has actually gone down since June 15. I am not sure of that, but someone told the committee that.

Mr. WHERRY. Mr. President, I am interested in cotton, just as is the Senator, but now cattle feeders are putting their fall and winter requirements into the feed lots—hogs, lambs, and cattle. Of course, the price to be received is one thing which determines whether or not they buy them, and feed them the corn which adds to their value. What I should like to know is whether there was before the committee any evidence of which the Senator knows which would warrant the invoking of this amendment, which I have no doubt would be agreed to, in the event the bill were passed. Does the Senator know of any such evidence? If there is any, I should like to know about it, and if that evidence revealed that a rollback might be instituted, could he tell us what the date of that rollback might be? There are thousands of feeders who would be intensely interested in what the Senate does with this particular amendment, whether it is written into the bill, and whether or not it is to be invoked.

Mr. SPARKMAN. Mr. President, I am not sure that I follow the Senator from Nebraska. Is he referring to amendment B?

Mr. WHERRY. Yes.

Mr. SPARKMAN. It seems to me the purpose of the amendment is to protect the feeder, the processor.

Mr. WHERRY. That is correct. That is exactly what was done in the last world war. But the processor did not refer back to the feeder the subsidy it was intended the feeder should get. If the proposed levels are established clear across the board, that is one thing, but it would be different if they are established only at the processing level.

During the last world war the subsidy never reached the producer, but I am not discussing that feature. I doubt if it could be handled differently in this bill. What I should like to know is whether the Senator recalls any testimony in the hearings showing that, if this amendment shall be agreed to, the administration or the powers that be would invoke this requirement, so that I might have the information to relay to those interested in the feed lots today. The roll-back would be tremendously important to them.

Mr. SPARKMAN. I call attention to the fact that the bill does not carry any subsidy. There are no subsidy payments authorized in the proposed legislation.

Mr. WHERRY. The bill would not authorize them?

Mr. SPARKMAN. Not at all. It provides for ceilings, but not for subsidies.

Mr. WHERRY. How could the Government regulate the processing tax on the processing level unless there were subsidies, unless there were a date that was satisfactory, when the provisions as to cattle were comparable to those applicable to everything else involved in the economy?

Mr. SPARKMAN. I ask unanimous consent that the chairman of the committee, the Senator from South Carolina, be allowed to answer the question without my losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAYBANK. The amendment we are discussing is one similar to that known as the Barkley-Bates amendment, of 1942, as I told the Senator from Nebraska this morning. The amendment as it sounds merely makes provision so that the processors of cattle, lambs, beef, hogs, or whatever it might be, will be in a reasonable position, insofar as the margin of profit is concerned. That was the amendment which the then Senator Barkley offered in 1942. I went back into the law of 1942 with Mr. Boots, the legislative counsel, this morning.

The provision is found on page 40 of the Price Control Act, as amended, which covers the subject very fully. I should be glad to give it to the Senator from Alabama or the Senator from Nebraska, or I should be glad to read it myself.

Mr. WHERRY. Mr. President, will the Senator from Alabama yield?

Mr. MAYBANK. I yield to the Senator.

Mr. WHERRY. Is there any evidence in the hearings, or any evidence about which the Senator knows, which warrants this amendment, and does the Senator feel that the evidence that was adduced would require the invoking of the amendment this fall if it were enacted?

Mr. MAYBANK. I would not say there was. But we tried to take care of what war powers were given in World War II. We had the staff check the different war powers acts. The Vice President, then Senator from Kentucky, called my attention to the matter, and I met with several persons from the section represented by the Senator from Nebraska who were in the city, who suggested that they should be protected as they were in 1942, as we try to do in the bill as to others. So I offered the amendment, to be brought up in connection with the bill. At the time it is brought up, perhaps it could be amended to answer the Senator's question.

It was rather hazy in my mind as to what we did in 1942 and 1943, and I asked Mr. Boots, the legislative counsel, who has been with us day and night on this bill, to get the old records, and we checked into the matter this morning. That is the reason for the amendment.

Mr. SPARKMAN. Mr. President, let me add one further word. I have the language of the former act before me, and it is almost identical with that of the bill. It covers the same plan we had during World War II, which allowed adjustments from time to time.

I believe I understand the import of the question of the Senator from Nebraska, and I will say, No, there was no evidence before the committee to the effect that it would be necessary to invoke any price ceilings on the particular commodity he mentions, at any particular time. Of course, the committee in mentioning the June 15 date, in effect, or expressing its desire that producers will not allow prices to get much out of line with the prices prevailing on that date.

Bear in mind that all the controls provided for in the bill are wholly permissive, at the President's discretion, and the purpose of the amendment is simply to provide that if and when such controls shall be found necessary for one line of commodities, then this procedure shall be followed.

Mr. MAYBANK. Mr. President, there were no requests to be heard from the so-called processors or cattle raisers. I received some letters asking for hearings if and when the regulations were put into effect, from those who believed the matter might be handled by regulation rather than by law. We assured some of the writers that when the President proceeds to act under the permissive controls, wholesalers, retailers, abattoirs, and the like, would be called in, when the permissive controls were considered. That is why they were not heard.

I remind the Senator from Nebraska that the Senator from Virginia [Mr. ROBERTSON] brought the situation as to cattle and hides, and kindred subjects, to our attention all through the hearings. He was pretty well versed on that matter as a result of contacts with some hide manufacturers and abattoirs in Virginia.

Mr. WHERRY. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. WHERRY. I understood the wording of the statute, and I knew then and know now how it operates. But that is not my question. I have today received telegrams and letters from persons who wish to know whether any of these regulations might be put into effect this fall. If the regulations should go into effect this fall it would have an effect upon the ceiling under which a farmer buys his feeder cattle. We would not want to interfere with that situation if it is not necessary to do so. Was there any evidence adduced in the hearings that the regulations might be put into effect this fall? That is something which may be very important. The answer of the Senator from Alabama is that there is no such evidence now.

Mr. SPARKMAN. Yes, that is the answer, at least so far as I know.

Mr. WHERRY. I deeply appreciate that. While I feel it might be written into the statute as a discretionary power when and if we might need it, perhaps next year, it is certainly desirable to give to those who put lambs and hogs and steers into their feed lots the information that while discretionary power may be granted later, there is no evidence at this time that warrants such a ceiling being placed upon the processors, which in turn would affect the producers.

Mr. SPARKMAN. That is correct.

Mr. LUCAS. Mr. President, I wish to make an announcement. I have just talked to the distinguished majority leader of the House of Representatives, Representative MCCORMACK, and he advises me that the House has just passed the defense production bill, a bill such as that we are considering now. I hope that will furnish a stimulus to the Senate to move as rapidly as possible with the bill which is now pending.

Mr. SPARKMAN. Mr. President, I may say in connection with the statement made by the Senator from Illinois it is also my understanding that the bill as passed by the House is in substantially the same form as the bill the Senate committee reported.

Mr. LUCAS. I believe the Senator from Alabama is correct in that statement.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. ROBERTSON. Mr. President, it is rather unfortunate that a bill so important and so far reaching as Senate bill 3936 should have to be considered when so many Members of the Senate are tied up in conferences and committee hearings.

Tomorrow, as soon as I can obtain recognition, I plan to address the Senate briefly in regard to the bill and, in particular, in regard to some other phases of the over-all program of economic mobilization for national defense; but I shall not undertake to discuss the bill in detail, because it is very fully covered by the report.

I hope all Members of the Senate will take the time and trouble to read the report.

Let me say that if after reading the report, any Member of the Senate still has any doubt in his mind about any of the provisions of the bill, tomorrow I shall be glad to yield to any Senator for questions; and if I am able to throw any light on any other phases of the bill, I shall be very happy to do so.

However, knowing that not many Senators will be present in the Chamber tomorrow, I certainly do not plan to make a long, extended speech of a prepared character. I merely wish to be of service, if I can, to the Senate in connection with having all Senators arrive at an understanding of a very technical and far-reaching bill, inasmuch as I have attended all the hearings and all the executive meetings we had with our technical experts in connection with preparation of the bill.

Mr. SPARKMAN. Mr. President, I wish to conclude in a few minutes. There are several other matters I wish to mention; but already I have taken entirely too much of the time of the Senate.

Mr. DONNELL. Mr. President, will the Senator yield at this point, to permit me to ask a very few questions?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Alabama yield to the Senator from Missouri?

Mr. SPARKMAN. I yield.

Mr. DONNELL. Mr. President, first, I should like to ask a question in reference to a matter which the Senator may have covered in his previous remarks, but I did not hear all of them.

In the report, in reference to the President, we find the following:

> However, he stated that there was no objection to the enactment of additional stand-by authority to control prices and wages and to ration at the consumer level.

I understand, however, that the bill, if it goes into effect, as a matter of law would give the President authority to put into effect the price and wage provisions of the bill, and that there is no condition precedent and there is no specification of a length of time which must elapse before the President would have the legal right to put those powers into effect. Is that correct?

Mr. SPARKMAN. The Senator from Missouri is correct. They are wholly permissive.

Mr. DONNELL. We would leave entirely to the discretion of the President the decision as to when he would put them into effect, if at all; would we?

Mr. SPARKMAN. The Senator from Missouri is correct.

Mr. DONNELL. I do not know exactly the meaning of the term "stand-by," as used in the report; but I judge that there would be justification for an

inference to the effect that the bill sets aside these powers, and says they cannot be exercised until some other event occurs. I am correct in that, am I not?

Mr. SPARKMAN. The Senator from Missouri is correct. I say to him that I have not discussed this portion of the bill; I was just coming to it. However, I shall skip ahead a little and shall say that the provisions I have discussed thus far were included in the original bill which was sent up with administration approval; I refer to the powers the President requested.

The powers the Senator from Missouri is discussing now were not requested by the President, but they grew out of the testimony taken before the committee. On that basis, a good many of us felt that these additional powers should be given on a permissive basis. We had prepared an amendment designed to place those powers into effect. The able chairman of the committee joined with me in offering the amendment in committee. It was adopted substantially in the form in which we offered it. Of course, there were a good many committee amendments, but it was adopted substantially in that form.

In the declaration of policy as originally drawn the word "stand-by" was used. The committee deliberately deleted the word, because we did not want to convey the meaning that there was anything in the bill which required the President to make stand-by controls, and instead of using the word "stand-by" we have tried to get away from it and to use the word "permissive." They are wholly permissive so far as the occasions for them are concerned, so far as the need of them is concerned, and so far as the time of putting them into effect is concerned.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. SPARKMAN. I yield.

Mr. DONNELL. Then am I correct in understanding that if this bill be passed in its present form the President would have the legal power to put into effect forthwith, if he in his judgment thought it desirable, the regulations and orders affecting the price and wage stabilization contained in title IV of the act.

Mr. SPARKMAN. The Senator is correct.

Mr. DONNELL. The second question I want to ask the Senator is this: The distinguished Senator from Michigan [Mr. FERGUSON], whom I do not see upon the floor at the moment, asked certain questions with respect to the American system of competitive enterprise, that being referred to in the bill. I note in the course of the report some reference to the same subject. I desire to ask first, Does the Senator from Alabama consider that there is anything in the bill which is contrary to the American system of competitive enterprise?

Mr. SPARKMAN. Not at all.

Mr. DONNELL. Then why is it necessary in the bill, in line 10, of page 29, to say that it is the intention of the Congress that the President shall use these powers "within the framework"—and now I emphasize, underscoring by my voice the words—"as far as practicable, of the American system of competitive enterprise"; and again, on page 39, at line 11, the words "so far as practicable, on the maintenance and furtherance of the American system of competitive enterprise"?

My question is, as the Senator will observe, that if there is nothing in the bill which is contrary to the American system of competitive enterprise—bearing in mind that this is a defense measure, I take it—why is it necessary to indicate that in some instances, perhaps, the President or some one else may go outside the American system of competitive enterprise in carrying out the powers of the bill?

Mr. SPARKMAN. I may say to the able Senator from Missouri that in answer to a previous question along the same line I stated that, in my opinion, the insertion of those words does not add anything whatever, and that had the words been omitted, the President still would have been required under the terms of the act to stay within the framework of the American competitive free enterprise system. But I may say that the Senator from Virginia [Mr. ROBERTSON] offered that amendment in committee, apparently with the feeling that it was doubly stating the objective toward which we were driving.

Mr. DONNELL. Mr. President, if there is nothing in the bill which is contrary to the American system of competitive enterprise, would the distinguished Senator, whom I am now addressing, have any objection to an amendment which would strike out of line 10, on page 29, the words "as far as practicable", and which would strike out, on page 39, line 11, the words "so far as practicable"?

Mr. SPARKMAN. I may say to the Senator from Missouri that if those words were stricken out, it would then really be writing a limitation into the act; for instance, the allocation of materials, and the control by the President over materials. Many of these controls are not, strictly speaking, in keeping with the competitive enterprise system and would restrict and limit the freedom of choice and decision which manufacturers and distributors exercise freely in normal times. We recognize that. That is why we say "as far as practicable."

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DONNELL. Does not the Senator then contradict himself in his earlier statement, once repeated?

Mr. SPARKMAN. No.

Mr. DONNELL. I understood the Senator to say there is nothing in the bill, in his opinion, which is contrary to the American system of competitive enterprise. Yet he now tells us—and he may be quite correct; I am not arguing the question—that there are certain things in the bill which are contrary to the American system of competitive enterprise. I judge that he would be unwilling to strike out the words "so far as practicable."

Mr. SPARKMAN. Of course, Mr. President, I want to say in all sincerity that I did not think the able Senator from Missouri would quibble or split hairs, because I think we all recognize——

Mr. DONNELL. Mr. President, if the Senator will yield, it is not quibbling. We are discussing a very important subject.

Mr. SPARKMAN. We all recognize the fact that war powers entail certain things which, not for anything in the world, would we have imposed on our economy in peacetime. We recognize that fact. Of course, these are unusual powers, but we still say that, so far as practicable, these powers, unusual as they are, must be exercised within the framework of the competitive enterprise system, and that the Government shall not unduly do anything to compete with private enterprise.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DONNELL. Of course, I thoroughly concur in the statement of the Senator that certain powers may be exercised in time of war, which obviously must limit competitive enterprise. I can see that point. But it would seem to me——

Mr. SPARKMAN. I think the Senator will agree with me that the establishment of priorities and allocations, or price and wage controls, are examples of actions which limit and restrict free enterprise, and are departures from our normal way of doing business.

Mr. DONNELL. But the point I am making, Mr. President, by my questions, is that, although I understood the Senator to answer twice that it contains nothing which is contrary to the American system of competitive enterprise, and I take it now that the Senator takes the view that it is, in some instances, and perhaps necessarily; I am not quarreling with him on that, yet this bill is, in some instances, contrary to that system, and that the provisions of the bill are justified insofar as they are thus contrary, because of the fact that they apply to a war situation. Am I correct in my understanding?

Mr. SPARKMAN. I am not going to quibble with the Senator.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. SPARKMAN. Let me finish.

Mr. DONNELL. May I say, Mr. President, I do not particularly agree—I certainly do not at all agree—with the idea that because a question is asked, it constitutes quibbling? I may add, if the Senator will yield, that we are dealing here with a pretty fundamental subject.

Mr. SPARKMAN. Mr. President, I certainly withdraw the reference to quibbling. I do not want to be arguing with the Senator from Missouri to that effect, and I do not want to be placed in the attitude that we are doing something here that is contrary to the competitive enterprise system, because it is something which is recognized under the Constitution of the United States as being fundamental and as being fundamentally necessary in time of war. I think the Senator will agree with me that in time of war or in times of national emergency, in times of stress and

strain, we can give the President unusual powers. I certainly will go so far as to say, as I stated previously in opening my remarks, that this is a bill which gives very wide and vast powers to the President of the United States, very usual powers. We can give him unusual powers, which certainly we would not think of giving him or anyone else except under the force of absolute necessity. However, I do not like to be placed in the position of saying that that is inconsistent with the private competitive enterprise system. I think it is supplementary to it and essential to the survival of that system. But certainly, if the able Senator is willing to take my statement to the effect that these are powers which go outside our normal operation in peacetime, I shall agree with him.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from South Carolina, if he desires to answer the Senator from Missouri.

Mr. MAYBANK. I merely wanted to suggest to my distinguished friend from Missouri and to the Senator from Alabama that when the Senator from Virginia [Mr. ROBERTSON] was here a few moments ago, suggesting a further amendment, he talked to me about it at the time, and his thought was that when we allocate materials we necessarily interfere with the free enterprise system, and that when we allocated steel, for instance, as a matter of national defense, to the Cadillac Co. for the purpose of being used in the building of tanks, and took it away perhaps from the Ford Motor Co., where it would have been used in the building of automobiles, we were going beyond the ordinary limits of free enterprise, but this can and must be done consistent with the spirit and principles of the free-enterprise system. The Senator from Virginia mentioned that example to me as an illustration.

Mr. SPARKMAN. Yes; that is true.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DONNELL. I think there is no fundamental difference between the Senator from Alabama and me on this proposition.

Mr. SPARKMAN. No; I do not think there is.

Mr. DONNELL. But I think it is quite clear that this bill, because of the war situation, does limit the American system of competitive enterprise in the respect indicated by the Senator.

Mr. SPARKMAN. There is no question in my mind that that statement is correct. I said so in the beginning of my remarks earlier in the afternoon.

Mr. DONNELL. I did not hear that portion of the Senator's statement.

Perhaps the Senator intended to discuss this point later on, and if he did, I shall withdraw the question, but I should like to invite his attention to page 58, lines 4 and following, at which there is a very important statement with respect to the settlement of labor disputes, which provides:

> The President is authorized, after consultation with labor and management, to establish such principles and procedures and—

And I emphasize the following language:

> to take such action as he deems appropriate for the settlement of labor disputes affecting national defense.

I desire to ask the Senator a question. I may say, first, that I have read the further provisions of section 503 and I think I understand their conduct, but the question I ask is a hypothetical one. In the railway situation, with which we are now confronted, the one which was mentioned yesterday, where the heads of two great railroad brotherhoods have recommended to the President the taking over of the operation of the railroads, informing the country, in their message to the President, of the probable—perhaps I should withdraw the word "probable"—the possible interruption of important railway transportation that may result under present conditions, may I ask the Senator, if this bill should be enacted, whether the President, as the Senator construes it, would have the authority (1) to require the acceptance by the employees of the railroads of the findings of the Emergency Board, which have already been made, or (2) would the President have the power, under the terms of this bill, to decide what the wages and working conditions should be and to require the carriers and the employees to accept all such wages and working conditions as the President might specify?

Mr. SPARKMAN. Mr. President, I should like to say, first, to the Senator from Missouri that I do not pose as an expert on labor matters or labor legislation. I very much wish that the able Senator from New York [Mr. IVES] were on the floor at the present time. I am sure he would be willing to discuss the question at length with the able Senator from Missouri. I will say, however, that in these labor dispute provisions we have tried to parallel the procedure followed in World War II. I am sure the able Senator from Missouri, who is a member of the Committee on Labor and Public Welfare, knows a great deal more about this question than I do, but it was our intention to parallel closely the procedure which was followed in World War II disputes. We do not abrogate any labor act. In fact, we make provision in one section that nothing shall be done that would be inconsistent with any applicable labor act. I would answer the Senator by saying that, according to my understanding, the President could not do anything that he cannot now do under existing acts, other than to establish boards and commissions, to outline procedure, and to call labor-management conferences. But whatever is done will have to be in keeping with applicable labor statutes.

While I did not keep up with it as closely as I am sure the Senator from Missouri did, he being a very valuable member of the Commitee on Labor and Public Welfare, my reaction is that we got along very well during World War II with the War Labor Board and the Wage Stabilization Board in the settlement of labor disputes. We did not abrogate existing statutes, but worked in a way to supplement them and to expedite action under them.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. DONNELL. I appreciate the very careful statement of the distinguished Senator from Alabama, and I can well understand from section 503 the fact that it is there provided that any such action shall be consistent with certain enumerated laws and other applicable laws, but I most respectfully submit that the specific question I asked has not been answered. If the Senator prefers that the Senator from New York answer the question, it is agreeable to me.

Mr. SPARKMAN. Mr. President, if the Senator will withhold his question I should prefer that he pose his question to the able Senator from New York [Mr. IVES], who has given a great deal of attention to these questions, or to some other member of the committee who is better prepared to answer the question than I am.

Mr. DONNELL. That is very fair, and I shall be happy to withhold my question.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. SCHOEPPEL. I should like to ask the distinguished Senator from Alabama a question, since he has touched upon the matter of wages with reference to which the Senator from Missouri was interrogating him. I take it that under this bill action could be taken by the President on wage control at his pleasure or whenever he deemed it necessary. Are we clear on that point?

Mr. SPARKMAN. That is correct.

Mr. SCHOEPPEL. In that event, is there any provision in the bill as to holding public hearings where there is involved an employer-employee relationship, and hearing interested parties in cases where price controls and wage controls might turn on a great many factors? Do I correctly understand that persons interested in that phase of the question would not have an opportunity for public hearing? Maybe the Senator can enlighten me further about it. I confess that I have not had time to go thoroughly over the bill or to read thoroughly the report.

Mr. SPARKMAN. I will say to the Senator from Kansas that, first of all, in the wage stabilization section of the bill and also in the price stabilization section, we give the President authority to try to work out voluntary arrangements whereby these things can be done, but we recognize that in some instances, possibly in many instances, that would not be feasible. However, we give the President the right, as the Senator has correctly stated, to put into effect, whenever he sees fit, controls on prices or wages, but we have provided that there shall be established industry committees.

We do not tell the President exactly how he must act, and I do not believe that would be necessary. I do not believe the Senator from Kansas would suggest that the President be directed to

hold public hearings on any wage controls. But certainly it is within the contemplation of the committee that the industry affected would be called in and that every effort would be made to work out differences by friendly agreements, and in the event of failure, the matter could be referred to the board or to the commission, or to whatever organization the President might establish to handle the particular problem. That board or commission would be authorized to reach a determination in whatever way it deemed best.

Mr. SCHOEPPEL. I agree with the distinguished Senator that, obviously, the President could not hold hearings, but within the framework of this proposed legislation——

Mr. SPARKMAN. I refer the Senator specifically to section 404, which reads, as follows:

In carrying out the provisions of this title—

That is the title relating to price control and wage control—

In carrying out the provisions of this title, the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

Mr. SCHOEPPEL. Does the distinguished Senator from Alabama feel that there would be opportunity given by an industry committee or some other committee which has been established to permit hearings, or, at least, to permit interested persons to have their day within a reasonable time, as expeditiously as possible, and to be heard on some phases that might interest them or which might very seriously affect their respective industries?

Mr. SPARKMAN. The Senator is correct. I invite his attention to section 701, on page 65, of the bill. Section 701 is a general provision, covering everything in the bill, not merely one particular title. Subparagraph (ii) provides as follows:

(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations, or orders, or amendments thereto issued under authority of this act, and in their formation there shall be fair representation for independent small, for medium, and for large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry.

We have tried to make certain that it would be absolutely representative. I again refer the able Senator from Kansas to section 709 at page 74. Beginning with the second sentence in line 7 the section reads:

Any rule, regulation, or order, or amendment thereto, issued under authority of this act shall be accompanied by a statement that in the formulation thereof there has been consultation with industry representatives, including trade association representatives, and that consideration has been given to their recommendations, or that special circumstances have rendered such consultation impracticable or contrary to the interest of the national defense—

I believe the Senator will agree with me that the act seals up the requirement that industry be consulted. In other words no finding, rule, or regulation of general applicability can be issued unless certification is made that industry has been consulted. If circumstances are such as to make it impracticable to consult with industry, that fact must be certified in connection with the issuance of any regulation or order.

Mr. SCHOEPPEL. I thank the Senator. I agree that it is a necessary and proper safeguard which we should very diligently watch throughout this entire matter.

Mr. SPARKMAN. Mr. President, let me repeat the statement I made previously. I have never known of a piece of legislation which has received such careful, searching, and diligent effort to write into it proper safeguards, because we recognized the fact that we were granting vast and unusual powers to the President of the United States. It is a carefully worked out piece of legislation. As I stated earlier in the day, the very fact that the bill was reported by the committee unanimously by a vote of 13 to 0 indicates the care and study with which it was prepared.

Mr. SCHOEPPEL. I will say to the distinguished Senator from Alabama that that is correct, and I wish to compliment the members of the committee. I know their task has not been an easy one, and they are to be commended for their work.

Mr. THYE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. THYE. Not having had the benefit of hearing the entire address of the able Senator from Alabama I should like to ask him some questions. Mr. President, as a member of the Committee on Agriculture and Forestry I was excused to continue a hearing this afternoon. That is the reason why I was out of the Chamber. I should like to inquire of the Senator as to what was in the mind of the committee and what was written into the bill relative to commodity exchanges.

Mr. SPARKMAN. I spent a little time explaining that subject early in the afternoon.

Mr. THYE. I am sorry I was not present.

Mr. SPARKMAN. I understand the Senator was necesarily detained in a committee meeting. Let me suggest to the Senator that he read my remarks in the RECORD, because I discussed the subject at great length. However, we struck out section 411, which related to increasing margins for trading on commodity markets. I explained the reason for our action at some length earlier in the afternoon.

Mr. THYE. The reason was that in World War II there had been no exchange restrictions imposed upon the commodity exchanges, as was proposed in section 411, is that correct?

Mr. SPARKMAN. The committee felt that the Committee on Agriculture and Forestry, of which the distinguished Senator from Minnesota is a member, ought to give very careful study looking toward are writing of the Commodity Exchange Act, so as to provide greater prohibitions against purely speculative trade. We realized that it could not be done with merely a few words. I believe it would require a considerable rewriting of the whole act. Largely that was the reason for our not going into it, because we felt that under section 411 we would simply have provided for an increase in margins across the board, which would have hit the small legitimate trader just as hard as it would have hit every speculative trader.

Mr. THYE. Every local elevator must use the commodity exchange in its normal daily functioning.

Mr. SPARKMAN. I used an illustration with which I am more familiar, just as the Senator is more familiar with grain elevators. I used cotton. I referred to the home-town boy who becomes a cotton merchant instead of a grocer, for example. He provides the outlet for the sale of the farmer's cotton. Whenever the boy sells a bale of cotton to a mill he must have some insurance with which to protect himself, because the transaction goes through a system of hedging. Under section 411, which contemplated increases in margins across the board, he would have been hit, and he would have been handicapped in his buying. I believe many times it would have denied to the farmer a real legitimate market, whereas the big trader—and I used Anderson & Clayton as an example, which is a fine company, and with plenty of capital—could have traded without any difficulty whatever, perhaps even with much greater margin requirements.

Mr. THYE. I should like to ask the Senator one other question. It relates to real-estate credit, and the restrictions which might be imposed upon that phase of our economy.

Mr. SPARKMAN. I discussed that subject earlier today. Briefly, no control is placed on the ordinary sale and purchase of real estate. However, in the case of new construction which involves mortgage financing, controls are provided. Two kinds of controls are provided: First, the conventional mortgage type of loan, that is, where a man builds a house and borrows money from his local bank, a neighbor, or someone else, in which case we say the Federal Reserve Board may exercise credit controls. It is somewhat similar to regulation W.

Mr. THYE. It is left entirely to the Federal Reserve Board rather than a new board, which would not have the long-established confidence and reputation of the Federal Reserve Board.

Mr. SPARKMAN. The Senator is correct. We gave the Federal Reserve Board regulation over consumer credit, through regulation W, and we gave it control over real-estate credit in the conventional mortgage-type loan. There is another type of loan to which I wish to refer. Approximately 50 percent of new housing today is built with some kind of Government aid, either FHA, VA, farm housing, or public housing. In such instances we provide that the President shall have power to regulate credit

controls. We contemplate it would parallel and as near as practicable be uniform with controls applying to conventional mortgage loans.

Mr. THYE. Would the President be empowered to establish a board which would deal specifically with that phase?

Mr. SPARKMAN. We did not write such a provision into the bill, but my assumption is that the President would use the agency which is already in existence, namely, the Housing and Home Finance Agency, and that he would say to the Administrator of the Agency, "I want you and the Chairman of the Federal Reserve Board to consult on these matters and come to a conclusion as to what control should be placed on real-estate loans."

Mr. THYE. Would the same provision of the bill which was referred to a few moments ago in the colloquy with the Senator from Kansas, under which there would be hearings with the trade or the interested parties before any rules and regulations were promulgated, relate to controls on real estate?

Mr. SPARKMAN. The last two sections to which I referred, section 701 and section 709, are general provisions and they relate to the whole act, everything in it.

Mr. THYE. In other words, if a board were established by the President to deal with this particular phase of financing, before the board could promulgate any rules which would be imposed upon the contractor, or the builder, or the financier, the interested people would be given an opportunity to discuss the subject, and to file any objection before rules and regulations were imposed. Am I to understand the bill to operate in that manner?

Mr. SPARKMAN. Yes. The Senator continues to use the expression "if the President establishes a new board." I desire to make it clear that we do not anticipate the President's creating a new board with reference to real estate credit controls. I desire to make it clear, and I do not want it misunderstood, that the committee contemplated the conventional type loans administered by the Federal Reserve Board. We wanted them administered by the President, but we understood he would utilize the existing Housing and Home Finance Agency. I do not want anything to appear to indicate that we want any other board established.

Mr. THYE. However, there is a distinction between the two phases of loaning, and for that reason the President might, if he should so desire, set up another board, because it is discretionary with him as to which agency he would use. I am happy to have the explanation that before any rules and regulations would be promulgated and imposed, the person affected would have an opportunity to be heard. I understood the Senator to so indicate, and if that is correct, that answers my question.

Mr. SPARKMAN. I certainly believe the Senator to be correct, that regardless of who issues the regulations or the orders, before doing so he will be required to specify that the particular industry affected has been consulted, or, if not practicable to consult with the industry, that must be stated, and the reasons why given. That is provided for in section 709.

Mr. THYE. That does give us the assurance that there will be no regulations which will come out overnight, so to speak, and be imposed upon an industry or trade, which would be impracticable, a rule or regulation imposed which would be a great hardship upon the individuals who would come under it. I believe that is a safeguard within the bill which should give us assurance that the law will be administered in a manner which will not impose hardship upon anyone in particular.

Mr. SPARKMAN. I agree with the Senator entirely. The bill would require consultation wherever practicable. Of course, there will be some occasions where it would not be appropriate to consult in advance. There may not be time, when speed is vital. Sometimes giving advance notice of a proposed restriction would defeat the purpose of the restriction, or consulting a few people in an industry would give them an unfair advantage over the rest of the industry.

Mr. President, the matter of price control and wage control has been discussed, and I shall not take more time on it. I desire to make it clear that we tie wage controls and price controls together, and if the President ever comes to the point of putting price controls on a substantial part of the American economy, he must invoke wage control.

On the question of rationing, we do not require him to invoke rationing. That is purely permissive.

Section 708 deals with the Antitrust Act. Small business has been greatly concerned about the provision in the bill which exempts certain acts taken at the request of the President from the provisions of the antitrust laws.

Mr. DONNELL. Mr. President——

The PRESIDING OFFICER (Mr. LEHMAN in the chair). Does the Senator from Alabama yield to the Senator from Missouri?

Mr. SPARKMAN. I yield.

Mr. DONNELL. Does the Senator have before him the page and line where it is required that in the event the President shall bring about price control he must also bring about wage control? I have before me page 40, and I wondered if that was the page to which the Senator referred.

Mr. SPARKMAN. On page 42, line 9, it is provided:

> Wages, salaries, and other compensation shall be stabilized generally whenever ceilings on prices, including retail sales prices, have been established on materials, services, and property comprising a substantial part of all sales at retail and materially affecting the cost of living.

Mr. DONNELL. I am sorry to have had to ask the Senator the question, but, as he realizes, it is necessary to listen with the ear and follow with the eye, because we have not yet had an opportunity to read the bill thoroughly.

Mr. SPARKMAN. That is correct, and I appreciate that Senators have not had an opportunity particularly to study the report, because we finished the bill just a couple of nights ago, about midnight, after a 10-hour committee session, and it simply was not humanly possible to get the report finished and printed and on Senators' desks before noon today.

Mr. DONNELL. I express for myself, at any rate, appreciation of the very fine analysis the Senator from Alabama has been giving us. It has been very helpful to me, and I for one am very grateful to him.

Mr. SPARKMAN. I appreciate those words on the part of the able Senator from Missouri.

I wish to say just a word with reference to the proposed exemption from antitrust laws, because there has been a great deal of concern expressed, particularly by small business, regarding this proposal.

We provide in the bill for voluntary agreements and programs. We hope that many of these things can be worked out voluntarily. It is simply impossible for representatives of industry to come together with the Government and discuss these matters, particularly if they have to do with allocating materials, making prices, and many other things. If they do some of these things, they are subject to the antitrust laws. The exemption is for the purpose of permitting those things to be done under careful supervision by the Government and only after consultation with the Attorney General and the Federal Trade Commission. We have tried to safeguard the bill just as much as we could. We added an amendment to the bill providing that the chairman of the Federal Trade Commission shall be called into consultation, and shall be given notice of proposed actions under these provisions, so that every precaution can be taken to prevent any injury to competitors or the public or any lasting infringements on our free competitive economy. By putting the Federal Trade Commission fully into the picture small business can be assured that its interests will be well protected.

We believe that the power is pretty well safeguarded in the provisions we have written into the bill, and we have a feeling that small business need not be afraid that, as a result of the particular provisions we have made, big companies are going to be allowed to run rampant and create monopolies. Certainly it is the intention of the committee—and I am sure this is true of the entire Senate and the Congress—to do everything possible to preserve the free, competitive-enterprise system and the very important part small business plays in that system.

Mr. President, I appreciate the courtesy and attention of Senators to my effort to explain the pending measure. By and large, I believe the committee has done an excellent job, and presented to the Senate a good measure, which should be enacted into law.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 193) to amend

section 14 of the Merchant Ship Sales Act of 1946, as amended, for the purpose of correcting an error in Public Law 591, Eighty-first Congress.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 21) to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation.

The message further announced that the House had severally agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 602. An act for the relief of Fritz Busche; and

H. R. 4136. An act for the relief of Helen M. Booth.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 4989. An act to provide for the payment of just compensation to John Ii Estate, Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, T. H.; and

H. R. 9023. An act to amend the Hatch Act.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 3644. An act to amend the War Claims Act of 1948, as amended;

H. R. 612. An act for the relief of Col. W. M. Chubb;

H. R. 1618. An act for the relief of Kenneth J. MacKenzie;

H. R. 1922. An act to amend section 10 of the Reclamation Project Act of 1939;

H. R. 1988. An act for the relief of Leslie A. Fry;

H. R. 2350. An act for the relief of Mrs. Marion M. Martin Jones;

H. R. 2805. An act for the relief of John F. Oettl;

H. R. 2854. An act for the relief of Wade H. Noland;

H. R. 3605. An act to provide for the documentation of the Canadian-built vessel *North Wind* owned by a citizen of the United States;

H. R. 4065. An act to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens;

H. R. 4117. An act removing the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the national park system, and for other purposes;

H. R. 5157. An act for the relief of the legal guardian of Anthony Albanese, a minor;

H. R. 5282. An act to amend section 3 of the Organic Act of Puerto Rico;

H. R. 6657. An act for the relief of Georges Jules Louis Sauvage;

H. R. 6850. An act for the relief of Lt. Col. F. A. Ferguson;

H. R. 6959. An act authorizing the Secretary of the Interior to issue a patent in fee to William Watt;

H. R. 6960. An act authorizing the Secretary of the Interior to issue a patent in fee to James Wilbur Watt;

H. R. 6961. An act authorizing the Secretary of the Interior to issue a patent in fee to Mary E. White Watt;

H. R. 6963. An act authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively;

H. R. 6964. An act authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering;

H. R. 7043. An act to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.;

H. R. 7192. An act to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended;

H. R. 7253. An act for the relief of Charles Wilson Roland and Mirtie L. Roland;

H. R. 7293. An act authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby;

H. R. 7294. An act authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross;

H. R. 7431. An act for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes;

H. R. 7540. An act for the relief of Louise Peters Lewis;

H. R. 7773. An act to authorize the sale of certain allotted land on the Pine Ridge Indian Reservation, S. Dak.;

H. R. 7869. An act to provide for the furnishing of quarters at Newnan, Ga., for the United States District Court for the Northern District of Georgia;

H. R. 7887. An act granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact;

H. R. 8144. An act to authorize the sale of a small tract of land at Great Falls, Mont.;

H. R. 8450. An act for the relief of Raief Neahem, Iffef Neaham, and Ishen Neahem;

H. R. 8597. An act to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers;

H. R. 8767. An act to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes;

H. R. 8792. An act to amend the statute relating to certificates of trade-mark registrations;

H. R. 8845. An act to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea;

H. R. 8923. An act to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes;

H. R. 8944. An act authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y.;

H. R. 9074. An act to amend chapter 61 (relative to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to nonprofit contests wherein prizes are awarded for the specie, size, weight, or quality of fish caught by the contestant;

H. R. 9120. An act to amend section 322 (b) (3) of the Internal Revenue Code;

H. J. Res. 453. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950;

H. J. Res. 489. Joint Resolution to permit articles imported from foreign countries for the purpose of exhibition at the Midcentury International Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 496. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Food Exposition, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes; and

H. J. Res. 501. Joint resolution to authorize the procurement of an oil portrait and a marble bust of the late Chief Justice Harlan F. Stone.

THE STATE DEPARTMENT AND UNITED STATES POLICIES IN THE FAR EAST

Mr. KNOWLAND obtained the floor.

Mr. WHERRY. Mr. President, does the Senator expect to make an extensive address?

Mr. KNOWLAND. I expect to speak for about half an hour on the State Department and the policies of the Government in the Far East.

Mr. WHERRY. I wonder if the distinguished Senator would yield so that I may suggest the absence of a quorum.

Mr. KNOWLAND. I yield for that purpose.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that the further proceedings under the call be suspended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, the overt aggression by the Soviet-inspired North Korean Communist forces against the Republic of Korea made clear to the people of this Nation and to the free people of the world that the Soviet Union's double talk about peace was and is a mask for war.

Only the naive could have believed that the tiger of international communism had become the dove of peace. At this critical hour in the history of this Republic, the naive should not be directing our foreign policy.

It had not been my intention to review the events of the past year quite so soon. Indications have recently materialized that make an analysis of our policy—past, present, and future—essential at this time.

This crisis is not something that concerns Secretary Acheson and the executive department of the Government alone. The life of our Republic and the freedom of our people are at stake. The Congress has a responsibility it cannot and should not abdicate to anyone.

While the President of the United States has great powers in peacetime under our Constitution, his wartime powers are even greater but they are not unlimited. Nor should they be. Congress should pass legislation to meet the defense needs of the Nation but no powers in excess of those requirements should be granted.

On June 24, 1949, 21 Senators wrote President Truman and called for assurances that the United States would not recognize the Communist regime in China. The letter read as follows:

JUNE 24, 1949.

Hon. HARRY TRUMAN,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: The undersigned Members of the Senate have been greatly concerned by reports that this Government might be contemplating the recognition of the Communist regime in China.

Any such policy would appear to be inconsistent with the position this Government took in Greece and Turkey when the Truman doctrine was enunciated and with the substantial support we have given through the Marshall plan to the nations of western Europe and with the North Atlantic Pact against aggression in western Europe.

Communist control of China means the ultimate negation of the open door trade policy; loss of freedom and independence in a real sense for the people of China and a major victory for international communism with a corresponding threat to the national security of the United States.

We believe that the time has come for the adoption of an affirmative friendly policy toward the constitutional government of China and the forces opposing communism in that country.

We further believe that this Government should make it clear that no recognition of the Communist forces in China is presently contemplated and that we shall make clear that a free, independent and non-Communist China will continue to have the friendship and assistance of the United States of America.

Respectfully yours,

WILLIAM F. KNOWLAND, PAT MCCARRAN, STYLES BRIDGES, WARREN MAGNUSON, OWEN BREWSTER, CLYDE REED, SHERIDAN DOWNEY, KARL MUNDT, HOMER FERGUSON, WAYNE MORSE, MILTON YOUNG, RAYMOND BALDWIN, EDWARD THYE, ROBERT A. TAFT, JOHN BRICKER, SPESSARD HOLLAND, RICHARD B. RUSSELL, EDWARD MARTIN, HUGH BUTLER, GUY CORDON, HARRY CAIN.

The background for this letter is important. In mid-June of last year reliable reports were current that discussions were taking place between the Governments of Great Britain and the United States relative to the recognition of the Communist regime in China.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD as a part of my remarks, in the body of the RECORD, a portion of an article which appeared in the April-May 1950 issue of Labor's Monthly Survey, which is published by the American Federation of Labor, beginning on page 5, under the heading "Soviet plans further aggression from its China base," and ending at the top of page 7.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SOVIET PLANS FURTHER AGGRESSION FROM ITS CHINA BASE

Soviet control in China follows the pattern familiar in Europe. Stalin's puppet Mao carries out his orders, and in return Stalin supplies him with the armed force necessary to keep him in power and to carry forward the Soviet conquests. Soviet planes and equipment are being furnished, Soviet generals direct Red China's armies. From its China base, the Soviet reaches for Indochina, plans a drive into Tibet, infiltrates Thailand, has already conquered the island of Hainan, looks toward a drive on Formosa, the last island stronghold of the legitimate Government of China. By fomenting civil war in Indochina and attacking the Viet Nam Government which is a member of the French Union, Stalin accomplishes a double purpose: He forces the French to drain their military strength away from Europe, and also prepares a further Communist advance into southeast Asia, toward Indonesia, Malaya, Burma, with the goal of outflanking India. And India is the key to this vital southeastern area, rich in so many essential raw materials. This is an area of great danger to United States of America, at the western door to our own country.

It is significant that the International Confederation of Free Trade Unions is sending a delegation to India and the Far East preliminary to setting up a branch office there. Such an office will be a vital rallying point for free-trade unionists who seek to defeat Communist efforts to capture the Indian and other trade-union movements.

In China the ruthless Communist conquest has brought the people to poverty and starvation. It is estimated that about 10,000,000 Chinese will die of starvation this year, and the Soviet has refused to permit the United Nations Food and Agricultural Organization to send food to them. Many of the free trade unionists who sought to better the conditions of Chinese workers have been murdered in cold blood. Liu Sung-shan, veteran trade-union leader revered by all, had been three times Chinese workers' delegate to the International Labor Organization. He thought he could carry on his trade-union activities under the Communist government as he would under any other, and continued to help the Chinese workers. He was beheaded by the Communist authorities.

On the island of Formosa are the headquarters of the anti-Communist underground movements active on the mainland. Formosa is the key to maintenance of legitimate governments in the Philippines, Japan, and the far eastern islands. Anti-Communists everywhere can help by aid to these resistance organizations. Here is the last chance for the United States to take a stand against the spread of Communist aggression across the Pacific to our own shores.

DEATH WARRANT FOR THE UNITED NATIONS?

The United Nations was set up 5 years ago to suppress acts of aggression and bring about settlement of international disputes by peaceful means and in conformity with the principles of justice and international law. All members, including the U. S. S. R., pledged themselves to respect the territorial integrity and political independence of any state and to refrain from the use of force. Stalin now seeks to remove from the United Nations the legitimate Government of China, a charter member, and replace it with the usurping Communist regime, imposed on the people of China by military conquest in violation of the United Nations Charter. He hopes by so doing to secure for himself two of the five veto powers on the Security Council.

As the chairman of the Federation's Free Trade Union Committee points out, for the United Nations to agree to any such maneuver would be tantamount to signing its own death warrant. If, instead of striving to protect weaker states and insisting on law and justice, the United Nations becomes a means of endorsing aggression and recognizing states set up by military conquest, it will follow the League of Nations to the scrap heap.

Mr. KNOWLAND. Mr. President, I also wish to read from the same publication, Labor's Monthly Survey, published by the American Federation of Labor, in its June 1950 issue, the following:

A major move in Soviet strategy is the drive to seat Communist China in the United Nations as a permanent member with veto power on the Security Council. To accomplish this, U. S. S. R. is boycotting UN, using unwarranted and unseemly coercion to force compliance with its will in this world organization. Meanwhile, Communist fellow travelers and propagandists are effectively spreading the idea throughout the world that the United Nations must be saved by ending the Soviet boycott, and that this, of course, can only be done by throwing out the legitimate government of China and replacing it with the Chinese Communists. This is not the first time the Soviet has tried to use the United Nations as a tool to promote its imperialist aims. The charter was intended to stop such aggression.

If Communist China is seated in the UN, the Soviet would gain important strategic advantages. (1) Recognition by the United Nations would give these Chinese agents of Stalin immense prestige in the Far East, and would result in the spread of communism throughout Asia. (2) The Soviet military conquest of China, won by deliberate aggression against one of the big five members of the United Nations, would be recognized and condoned by the United Nations itself; Stalin, through his Chinese puppet, would control two of the five permanent seats on the UN Security Council with veto power. Thus, by using coercion, he would win greatly increased power and prestige in the United Nations.

Mr. President, due to the limitation of time, I shall not read the remainder of the article into the RECORD; but I wish to have the remainder of the article dealing with this subject inserted at this point in the RECORD.

There being no objection, the remainder of the article was ordered to be printed in the RECORD, as follows:

But serious as it would be to hand these gains to the Soviet Union, this is not the worst aspect of the maneuver. This is the vital question: Will the western world yield principle to coercion? The important new task of our times is to base diplomacy between nations on the same moral principles of law and order we require for relations between individuals. For this the western democracies stood in two world wars and fought, bled, and died to win. Unless such principles govern international relations, there can be no lasting peace, for no peace can endure unless it is based on justice. Samuel Gompers made that plain in 1919. The western democracies saw to it that this principle was written into the Charter of the United Nations, and all powers signing the UN Charter, including Soviet Russia, pledged themselves to refrain from aggression and not to endanger international justice.

Soviet Russia, violating its Charter pledge, imposed a Communist government on the people of China by intrigue and armed aggression. This Chinese Communist government has no legal status, no moral right to exist. It was not chosen or ratified by a majority of the Chinese people. The U. S. S. R. now seeks by its boycott to force UN to recognize this usurper government and to repudiate the legitimate government of China.

The United Nations cannot be saved by throwing out the principle of constitutional government and replacing it with reward for aggression and denial of the will of the governed. If it were thus perverted into an

instrument for power politics and Soviet manipulation, the UN would no longer be an agency to prevent aggression, but instead a tool to aid and assist aggression by a powerful aggressor, even against its own members. Such a United Nations would not only not be worth saving, but would be a grave danger to the cause of justice and right in the world. The Soviet Union can, of course, save the United Nations by complying with its Charter and ending the boycott.

Here is a case where votes, not arms or military power, will decide the issue. Here is the place for the free world to use its united strength and take its stand. If in the only world organization, the United Nations, we throw away the basic principle of constitutional government, we would indeed take an irrevocable step toward the most ghastly military struggle of all time. For we would admit that might, not right, is the governing force we recognize in the world. Here is the emergency where the United States of America as leader of the free world should use its influence for maintenance of the United Nations Charter, and if necessary use its veto to deny to any nation the fruits of aggression and to prevent action in defiance of the objectives of the United Nations. The United States of America has grave responsibility for leadership in this issue which involves the sovereignty of all nations.

Mr. KNOWLAND. Mr. President, it seems to me that in this instance, as has been the case in other instances, the American Federation of Labor and the editors of the official publications of the American Federation of Labor have taken a far more realistic view of this issue before the United Nations and the issue of the overwhelming of the Republic of China by the Communist forces than has our State Department to date.

Mr. President, there are strong indications that our State Department did nothing to discourage the British recognition which was finally given to the Chinese Communists on January 6, 1950.

On August 5, 1949, the State Department, by direction of Secretary Acheson, issued the China white paper, which had been compiled under the direction of Mr. Philip Jessup. At that time, the Republic of China held all of the country south of the Yangtze River. The publication of this document, at the time and in the manner that it was done, was the greatest blow to a friendly power ever given by this Nation. Its effect was to sabotage morale of the non-Communist Chinese, both military and civilian, in a way that international communism, with all its cleverness, had not been able to do. It undid in one ill-considered blow what more than 50 years of friendly interest by this Government and the American people had sought to build.

As long as the non-Communist Republic of China held the southern provinces of their country, there was no way for the Communists of southeast Asia to get resupplied in men and munitions from the Chinese Communist forces of Mao Tse-tung. When South China fell to the Communists, all of southeast Asia was placed in jeopardy. How long are the American people expected to tolerate the same fuzzy thinking that was exemplified by allowing Berlin and Vienna to be islands in a Russian area or territory?

Although the State Department was prepared to let the Republic of China go down the drain in August of 1949, the Congress of the United States was not. When the arms implementation bill passed the Senate on September 23 last year, an amount of $75,000,000 was provided for the general area of China. The amount was arrived at by the combined Armed Services and Foreign Relations Committees, based on competent testimony that that sum would be needed in our effort to give effective aid to the Republic of China. Up until the outbreak of hostilities in Korea, not a single penny of this sum had been expended to rearm the forces of the Republic of China on the island of Formosa.

There had been allocations to help other nations in the general area of China. The record is clear that the Congress had provided the authorization of the funds. The responsibility for action or inaction in the supply of arms rests solely with the executive branch of the Government. Up until hostilities broke out in Korea on June 25 of this year, only $200 had been spent out of the approximate $10,000,000 allocated for Korea. The balance was on order or unobligated. For the Republic of China, nothing had been spent or allocated out of the funds provided by the Congress.

For a long time, the Pacific flank of our defenses has been undernourished. In the arms implementation bill of 1949, providing for $1,314,010,000, less than 8 percent of the amount was provided for the Far East. This amount is arrived at by adding approximately $18,000,000 for Korea and the Philippines to the $75,000,000 provided for the general area of China. This amount was placed in the bill over the early and strenuous opposition by the administration, and had this amendment not been placed in the bill by the Congress, the amount of arms implementation aid to the Far East would have been less than 1½ percent of the total—this despite the fact that our responsible commander in the Far East had constantly pointed out over a period of years the dangers inherent in the overwhelming of China by communism and the urgent need for strengthening our defenses in Japan and the Far East.

The Department of State, in its bulletin of June 3, 1945, volume 12, No. 310, had this to say about Formosa:

Strategic factors greatly influence the problem of Formosa. With the exception of Singapore, no location in the Far East occupies such a controlling position. Formosa is separated from the Continent of Asia by 100 miles; from the main island of the Philippines by 200 miles; and from Kyushu, the nearest home island of Japan, by 700 miles. Flying distance from military airports in Formosa is 559 miles to Manila, 410 miles to Canton, 428 miles to Shanghai, 1,290 miles to Tokyo. Formosa, larger than the State of Maryland, stands in a strategic relation to the China coast comparable for the United States to an imaginary island of such size 100 miles off the coast of North Carolina, 400 miles from New York City. Every point on the entire coast of China falls within a radius of 1,100 miles. A radius of 2,000 miles includes Burma, Singapore, Borneo, Guam, and Japan, including Hokkaido.

Formosa has two important ports: Takao and Heelung. The main naval base is located in the Pescadores at Bako, which, in the hands of the Japanese, has been the most important base for Japanese aggression in the southwest Pacific and for preparation of the present war.

Despite this prior recognition by the State Department itself and despite the fact that our responsible military commander in the Far East had made clear that Formosa's falling into unfriendly hands would jeopardize the defense line of Japan-Okinawa-Philippines, which views were concurred in by the Joint Chiefs of Staff, the following amazing and disturbing news story was published on January 3, 1950:

TOKYO.—The United States State Department has notified its attachés that the loss of Formosa, island redoubt of the Chinese Nationalists, to the Communists was to be anticipated.

The Department said the public must be sold on the idea that the island is of no strategic value in order to prevent the loss of prestige at home and abroad.

A document containing the Department's instructions on how to erase the false impressions of those pro-Nationalists interested in a "Save Formosa" drive has been circulated here, it can be disclosed today.

The document was prepared by the State Department's Public Affairs Area Policy Advisory Staff, and was dated December 23. The word was sent to members of the Department and of some other Government offices.

The document said there are "pro-Nationalists" (principally in the United States) who consider Formosa a redoubt in which the Government could survive, and who tend to create an impression that the United States is delinquent if it fails to "Save Formosa."

It said there are groups in the United States "who are inclined to be critical of the United States for failure to act to prevent the loss of the island to the Communists." This is "largely because of a mistaken popular conception of its strategic importance to United States defense in the Pacific," the document added.

"The loss of the island is widely anticipated, and the manner in which civil and military conditions there have deteriorated under the Nationalists adds weight to the expectation," it said.

"The fall of Formosa," it continued, "would threaten a loss of prestige by the United States at home and abroad to the extent that we have become committed in the public mind to hold it."

"The fall," it continued, "also would threaten damage to the morale of other nations, particularly in the Far East which are disturbed by Communist gains and fear its possible further advances."

The document said Formosa, politically, geographically, and strategically, is a part of China and in no way especially distinguished or important.

"Politically and militarily it is a strictly Chinese responsibility," the document said. "It is true that the technical status of the island remains to be determined by the Japanese peace settlement, but the Cairo Agreement and Potsdam Declaration and (Japanese) surrender terms of September 2, 1945, looked to its return to China, and the United States facilitated its take-over by Chinese troops shortly after VJ-day."

"United States public opinion has concerned itself primarily with the question of the island's strategic importance; there has been an insistent demand from a few sources for military action by the United States but it has not assumed significant proportions."

The document said all available material should be used to counter false impressions that the retention of Formosa would save the Chinese Government and that its loss would damage seriously the interests of

either the United States or of other countries opposing communism.

"Without evidencing undue preoccupation with the subject," it continued, "emphasize as appropriate any of the following main points: Formosa is exclusively the responsibility of the Chinese Government. Formosa has no special military significance."

Under the latter point the document mentioned that Formosa is "only approximately 100 miles off the China coast," that other potential objects of Communist aggression are closer to points on the Chinese mainland than Formosa, and that "China has never been a sea power, and the island is of no special strategic advantage to the Chinese Communist armed forces."

"In the areas of insistent demand for United States action, particularly in the United States itself, we should occasionally make clear that seeking United States bases on Formosa, sending troops, supplying arms, dispatching naval units, or taking any similar action would:

"(A) Accomplish no material good for China or its Nationalist regime.

"(B) Involve the United States in a long-term venture producing at best a new area of bristling stalemate and at worst possible involvement in open warfare."

Those receiving the document were cautioned to avoid speculation which would show undue concern with whether the Nationalists can hold the island, references which would indicate strategic significance or that the island is a political entity and statements that Formosa's final status is to be determined by the Japanese peace treaty.

On that same day I wrote to Secretary of State Dean Acheson as follows:

JANUARY 3, 1950.

Hon. DEAN ACHESON,
Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: I understand that under date of December 23 or thereabouts, the State Department issued a memorandum to various military attachés and others, indicating that Formosa could not be held for long and to do everything possible to prepare the public for the loss of the island and to stress the fact it was not needed for the strategic defense of the United States.

As a member of the Senate Armed Services Committee and the Senate Appropriations Committee, I desire to have a copy of this memorandum at the earliest possible date.

With best personal regards, I remain,

Sincerely yours,

WILLIAM F. KNOWLAND.

Receiving no reply, I followed up this letter with a telephone request and a subsequent letter, reading as follows:

JANUARY 7, 1950.

Hon. DEAN ACHESON,
Secretary of State, State Department,
Washington, D. C.

DEAR MR. SECRETARY: I called the State Department this morning to request the names of the committee which had been responsible for drafting the December 23 memorandum advising the State Department personnel that Formosa had no strategic value.

I first attempted to get Mr. Peurifoy in the Personnel Division, but he was out of the city and I talked with Mr. Bryan and made the request of him. He said he had to take it up with higher authority. At about 11:15 this morning, I received a call from Mr. George Kennan who stated both Secretary Acheson and Under Secretary Webb were out of the city. However, he stated that the State Department itself assumed responsibility for any such information sent out and that he felt that he must decline to give me the names of the persons constituting the committee which drafted the document.

I emphasized to him that I felt that as a Member of the Senate of the United States I was entitled to this information and that while there might be some basis for the Department's position to decline to release a document which they themselves had classified, I could see no excuse for not furnishing a Member of Congress the names of such committee.

Sincerely yours,

WILLIAM F. KNOWLAND.

To this second letter, I received 10 days later the following reply from the Secretary of State:

JANUARY 17, 1950.

MY DEAR SENATOR KNOWLAND: I have your letter of January 7 in which you refer to your effort to obtain the names of those responsible for drafting the December 23, 1949 memorandum, and to your conversation with Mr. George F. Kennan who advised you that he felt he could not furnish you with the information.

I fully agree with the position taken by Mr. Kennan that it would be inappropriate to release the names of the officials who participated in the drafting of this paper. I feel that I, as Secretary of State, have responsibility for the work of officials of the Department. Primary responsibility for this particular document, in my opinion, rests with me and secondary responsibility rests with Mr. Howland Sargeant, Acting Assistant Secretary of State in Charge of Public Affairs.

I hope you will agree with the position I have taken in this matter. The responsibility is mine and I fully accept it.

Sincerely yours,

DEAN ACHESON.

It is apparent that the Secretary of State on December 23, 1949, had determined to write off Formosa in the same way that the China white paper had attempted to write off the mainland of China.

It was State Department policy to prepare the American public for the movement of international communism off the Asiatic land mass out into the Pacific Ocean. This despite the fact that the State Department and the President had military advice to the contrary which showed that Formosa in unfriendly hands—there can be no doubt that the control by Communist forces would be unfriendly hands—would be detrimental to the security of this Nation. Yet, this continued to be the stated policy of the President and the State Department until after the overt aggression against Korea on June 24 our time, June 25 Korea time.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Vermont?

Mr. KNOWLAND. I yield.

Mr. AIKEN. I ask the Senator whether the State Department at any time indicated that it would be desirable, if it were militarily possible, to hold Formosa? Was this paper gotten out by the State Department as an alibi or excuse for releasing any hold on Formosa as against force, or did the Department at any time indicate that it was thought desirable to hold the island if it were possible to do so?

Mr. KNOWLAND. I may say that so far as I have any information on the subject—and I have gone into it rather thoroughly—the State Department for a period of time had determined that it would turn its back on the existing government of the Republic of China. That was true ever since the Nationalist Government refused to take Communists into a coalition with that Government. The State Department refused to accept the judgment of the responsible commanders in the Far East that Formosa, in unfriendly hands, would be detrimental to the security of this country. I believe that the memorandum of December 23, 1949, was for the purpose of preparing the American public to accept the passage of Formosa into Communist hands, in the same way that the China White Paper had been for the purpose of undermining the Republic of China and preparing the American public for the loss of that vast and strategic area of the world.

Mr. AIKEN. Then the Senator from California apparently believes that no serious effort was ever made by the State Department to determine whether Formosa could be held; is that correct?

Mr. KNOWLAND. To the contrary, I may say to the able Senator from Vermont, it seems to me that the State Department of the United States deliberately not only lowered an iron curtain between itself and the facts of the island of Formosa, but it also did everything it could to prevent other responsible agencies of the Government from finding out the facts about Formosa.

On several occasions I strongly urged that the Defense Department send a group to Formosa merely to look over the defenses of the island, particularly at the time the Joint Chiefs of Staff went to the Far East in January of this year. I suggested it again on the occasion of the last visit of the representatives of the Joint Chiefs of Staff to the Far East. I state, on my responsibility as a Senator of the United States, that the State Department did everything possible, and successfully did everything possible, to have the representatives of the Joint Chiefs of Staff not go to the island of Formosa to obtain the first-hand information. I can say, on my responsibility as a Senator of the United States, that I know it to be a fact that they did what they could to discourage certain Members of the Senate of the United States from going to the island of Formosa. I think this document of December 23 was for the purpose of writing off Formosa. It completely ignored the best judgment of our responsible military and naval commanders in that area of the world.

Mr. BREWSTER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Maine?

Mr. KNOWLAND. I yield.

Mr. BREWSTER. I know that the Senator from Vermont did not intend in his question to disregard the bulletin of the State Department of June 3, 1945, which very clearly and emphatically stressed the strategic significance of Formosa; so that, at that time, the State Department did consider it a very important spot.

Mr. AIKEN. I think reference was made to that before I entered the Senate Chamber.

Mr. KNOWLAND. Yes.

Mr. BREWSTER. Yes, that was incorporated in the record of the subject.

Mr. KNOWLAND. The text of the President's statement of June 27—and I ask the Senator to listen particularly to this—contains the following language:

> In these circumstances the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area.
>
> Accordingly I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action, I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The Seventh Fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations.

Members of Congress, as well as the public, have been disturbed by the obvious movements that were being made both before and since the Korean invasion to accept the Communist regime of China as a permanent member of the Security Council. This has been one of the Russian demands. In order to force her views upon the other members of the United Nations the Soviet Union walked out of the deliberations of the Security Council and the other United Nations agencies in an attempt to force the Soviet will on other member states. The Soviet Union continued its walk-out in the Security Council until, under the utterly unrealistic alphabetical rotation system the Soviet's turn to preside arrived on August 1 at a critical point in the world's history.

The Soviet Union ordered their delegate back to the Security Council in order to preside so that he could obstruct the action of the law-abiding nations in resisting overt aggression; so that the Soviet Union and international communism would have a propaganda sounding board; in order to attempt once again to force the seating of the Communist regime of China in place of the representative of the Republic of China. In addition, the Soviet Union may be preparing for aggression elsewhere and may want to be in position to veto Security Council action.

Yet with the clear record before us that appeasement is but surrender on the installment plan, the State Department has continued to take a weak attitude—I emphasize the words "weak attitude"—in regard to the question of the representation of China in the United Nations. At this very moment our position is that while our own representative will vote against the unseating of the representative of the Republic of China and the subsequent seating of the Communist representative, we will not make any all-out attempt to influence others to support our position and we will not use our veto.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. BREWSTER. Does the Senator from California think that is a very noble position for a country which is supposed to be the leader of the fight for freedom and for which our boys are now dying in Korea?

Mr. KNOWLAND. I say to the Senator from Maine that I think it is an utterly absurd position. It is comparable to inviting the head of the Capone crime syndicate to head the FBI. It is comparable to inviting an arsonist to head the fire department. It makes absolutely no sense. Some Members of the Senate wanted to have the Security Council adopt some kind of resolution so that no man could assume the presidency of the Council until he had taken an oath to support the United Nations Charter and also to support the action of the Security Council. I personally pointed out to representatives of the State Department that even in the United States of America, after a man has been elected by the people and by the electoral college as President of the United States, we do not permit him to enter upon the discharge of his duties until he has taken an oath to protect and defend the Constitution of the United States. Despite his election, if he does not take that oath of office, he cannot exercise the rights, duties, powers, and obligations of the President of the United States.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. The Senator has indicated that the position we have taken is similar to appointing an arsonist as fire chief. The President of the Council was placed in office while the fire was at its height, so that he could prevent water from being taken to the fire.

Mr. KNOWLAND. He can cut the hose and put gasoline into the fire extinguishers.

Mr. President, on May 2, 1950, 35 Members of the Senate addressed the following letter to the President of the United States:

> MAY 2, 1950.
>
> President HARRY S. TRUMAN,
> *The White House, Washington, D. C.*
>
> DEAR MR. PRESIDENT: We, the undersigned Members of the Senate of the United States, respectfully urge that this Government, in the development of a far-eastern policy, promptly make clear:
>
> 1. We have no present intention of recognizing the Communist regime in China; and
>
> 2. We shall actively oppose the move by representatives of the Soviet Union to unseat the representatives of the Republic of China and to extend membership to the representatives of the Communist regime of that country in the United Nations.
>
> We firmly believe that a prompt clarification of our position in this matter is in the national interest.
>
> Sincerely yours,
>
> PAT MCCARRAN, GUY CORDON, KARL E. MUNDT, JOHN W. BRICKER, RALPH E. FLANDERS, CHAN GURNEY, W. E. JENNER, G. W. MALONE, JAMES B. EASTLAND, HARRY DARBY, HARRY F. BYRD, WILLIAM F. KNOWLAND, STYLES BRIDGES, OWEN BREWSTER, MILTON R. YOUNG, EDWARD THYE, EDWARD MARTIN, ROBERT A. TAFT, KENNETH S. WHERRY, ANDREW SCHOEPPEL, HARRY P. CAIN, ZALES ECTON, FORREST C. DONNELL, HUGH BUTLER, HENRY C. DWORSHAK, EUGENE D. MILLIKIN, LEVERETT SALTONSTALL, IRVING M. IVES, JOHN J. WILLIAMS, HOMER FERGUSON, JAMES P. KEM, ROBERT HENDRICKSON, JOSEPH R. MCCARTHY, HERBERT O'CONOR, CHARLES W. TOBEY.

Mr. President, the able Senator from New Jersey [Mr. SMITH], who has been vitally interested in this question in the Far East and has done a very fine job in the Senate and on the Foreign Relations Committee to bring some of these matters to the attention of the American public and the executive branch of the Government, was absent from the Senate for a while because of illness, and he was not present on the day that letter was circulated. However, he did return the following day and personally wrote a letter endorsing the communication which I have read. So, in fact, the total signatures should be increased by the name of the Senator from New Jersey.

I hope the Senator does not mind my mentioning that fact.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. SMITH of New Jersey. I thank the Senator, because I regretted that I was not here when that letter was signed.

While I am on my feet, I should like to ask the Senator a question. Is it not a fact that the Soviet Union has used the veto as a weapon in advancing its cause and its arguments in the United Nations?

Mr. KNOWLAND. The Senator is correct.

Mr. SMITH of New Jersey. Is it not a fact that the United States has consistently said that any time disarmament was joined in by other nations we would go as far as would any other nation, and is it not a fact that we took the same position in connection with atomic energy?

Mr. KNOWLAND. That is correct.

Mr. SMITH of New Jersey. If that be the case, and the veto power has been used as a weapon, my position is, and I ask the Senator whether he agrees with me, that although we have scrupulously tried to adhere to the rules with regard to the veto as provided in the Charter, and we should not disarm unilaterally, we are willing to disarm if every other nation disarms, but we shall keep that weapon, and we should keep it, until the other nations are willing to recognize that principle.

Mr. KNOWLAND. I fully agree with the able Senator from New Jersey, and I know he has expressed his opinion to representatives of the State Department, as have some of the rest of us. It makes absolutely no sense for the Soviet Union to abuse the veto power and use it time after time in the furtherance of her policies, and for us to say we shall not use it, and therefore give additional tools to the Soviet Union with which to work, at the same time assuring the Soviet Union that we shall not use the same weapon against her. It makes no sense. I cannot understand that policy of the State Department any more than I can understand some of the other policies. I think it is time the American Congress and the American people either get someone in the State Department who can do some realistic thinking, or get another crew in the State Department that will do some realistic thinking.

Mr. SMITH of New Jersey. I thank the Senator. I think that is a very important point in this whole discussion.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Ever since we recognized the Soviet Government, is it not a fact that we have never been able to take the Russians at their word, that they have not been willing to keep their agreements, and therefore in their international relations are they not like a burglar who asks people to take the locks off all their doors and agrees to behave and not commit any more burglaries? Is not that just about the position in which we find ourselves?

Mr. KNOWLAND. The Senator is absolutely correct. The record is clear, from the Yalta agreement on down through many other agreements, that the Soviet Union is not living up to its agreements, that it is only using them insofar as they will advance Soviet interests, and when the Soviet Union felt we were no longer useful to them, then, with callous disregard for the rights of minorities, they usurped the powers and the liberties of the people of Poland, Czechoslovakia, Hungary, Rumania, Korea, and China.

The American people should be furnished with all the facts. They should be told that the real aggressor in the world today is the Soviet Union. The Soviets, whether they work directly or through puppets or satellites, should no longer be allowed to hide behind an iron curtain while they actually themselves are moving their men on the chessboard in order to disturb the peace of the world.

Mr. FERGUSON. Does not the Senator also feel that the time has come when the agreements which we made at Yalta, Teheran, and Potsdam should be nullified, on the ground that under all domestic law on contracts and agreements, and under all international law in relation to international agreements, the Soviet Union has violated the fundamentals of the Yalta, Teheran, and Potsdam agreements, and therefore they have forfeited any compliance by the United States with the agreements?

Mr. KNOWLAND. I agree wholly with the Senator from Michigan. If he will bear with me for a few minutes, I shall touch on the subject a little later in my remarks.

Mr. FERGUSON. I should like to ask the distinguished Senator one further question. Is it not a fact that in the United Nations we have been too timid about actually accusing the Soviet Union of being the head of the snake, which is the aggressor, and that we have been striking only at the tail, which is North Korea? Has not the Soviet Union demonstrated beyond any doubt that they are the head, the principal, and that the North Korean situation is merely the tail or agent of the snake of aggression? Did they not demonstrate that fact beyond any doubt when they came into the United Nations and said, "If you will agree to seat Communist China on the Security Council, we will stop the aggression?" Did they not demonstrate beyond any doubt that they were the aggressors? Why cannot they stop aggression by merely complying with the fundamental principles of the United Nations Charter?

Mr. KNOWLAND. I think the able Senator from Michigan, with his ability to find a point at issue, has put his finger on the point involved. It demonstrates beyond any reasonable doubt that the Soviet Union, and not the North Korean Government, is the actual aggressor in this case. I do not think any realistic person in Washington, or in any other of the world's capitals, is under the misconception that the North Korean puppet troops moved in their aggression against South Korea before they had been given the green light by the men in the Kremlin.

Mr. FERGUSON. I thank the Senator, because I wholeheartedly agree with what he has said.

Mr. BREWSTER. Mr. President, may I ask the Senator to yield?

Mr. KNOWLAND. I yield.

Mr. BREWSTER. Is it not a fact that the Soviet Government has repeatedly exercised the veto power to block the determination of the smaller nations in the United Nations?

Mr. KNOWLAND. That is correct.

Mr. BREWSTER. We have taken the position that we should not use the veto power for that purpose.

Mr. KNOWLAND. That is correct.

Mr. BREWSTER. Does it not follow that in spite of the position which we have taken against the exercise of the veto power in such a way, when we face a situation so critical as the present situation, where the whole design of Communist aggression is obviously to be served by the determination of having Communist China seated in the United Nations, to which we are opposed, we would be perfectly justified in using the veto power certainly against Communist aggression, when the Communists themselves in the Kremlin have repeatedly declared their right to do so?

Mr. KNOWLAND. I will say to the Senator from Maine that I believe he has very clearly stated the situation. Another reason why I think we ought to be critical of the policies followed by the State Department is that the time to have met that issue head-on was when the Soviet Union began to use its veto. At that time we should have said, "Gentlemen, we do not believe the veto is applicable in such a case. However, let us thrash it out. We shall accept the decision. If it is determined that a veto can be used," and when we acquiesce we practically say that we believe it can be used, "we intend to use it in the same way that you are using it. We shall be willing to give it up when you give it up. However, if you intend to use the veto power as a weapon in your arsenal, we do not intend to deprive ourselves from using the same weapon."

That is the point which the Senator from New Jersey made also.

Mr. BREWSTER. It seems to me that the American people ought to understand the point and realize that the failure of our State Department to exercise the same power which the Soviet Union has repeatedly exercised is inviting Communist China into the Security Council at this time.

Mr. KNOWLAND. I will say to the Senator from Maine that one of the reasons I have had a great admiration for Mr. Winston Churchill, the former Prime Minister of Great Britain, is that during the whole period of war that Britain went through he took the British people into his confidence. He told them the hardships of the situation, he told them the truth, and he pointed out the prospects that were in store for them. As a result, being treated as adults, they responded as such. I think one of the great faults of the State Department is that they have not treated the American people as adults. I do not believe they have ever given a full account of the reasons behind the rather unusual and hard-to-explain moves they have made which have permitted the Soviet Union to get on the offensive in the propaganda war to win men's minds. I think it is time we got off the defensive and took the offensive in that regard.

What is needed now more than anything else is a clarification of the issues.

As to China, we should make it clear that we have no intention of recognizing the Communist regime in that country.

It is equally important that we support the representative of the Republic of China in the United Nations. The government of the republic is temporarily on the island of Formosa. The government of the republic is friendly to the United States and is a strong supporter of the Charter of the United Nations, and the action taken by the Security Council against the Communist aggression in Korea. The Republic of China's representative has voted 100 percent for effective United Nations action in Korea, and has consistently opposed the obstructionist tactics of Malik, the Soviet representative. The Republic of China was the first nation outside of the United States to offer ground troops and to date has offered the largest number, some thirty thousand. The fact that we have not accepted the offer does not lessen this substantial support for collective security against aggression.

Under the United Nations Charter seven votes are required to pass a resolution. Had it not been for the vote of the Republic of China on the Security Council the prompt United Nations action which was so vital to success would have been delayed at a time when one day might have been the difference between ultimate victory and defeat.

Is all this to be ignored to give Malik and the Soviet Union another obstructionist on the Security Council? Under the rotation system, will Mao Tse-tung as well as Stalin have a saboteur at the very heart of the world's collective security system? Instead of one arsonist heading the fire department, are we to double the number?

On August 7 at Peterborough, N. H., Owen Lattimore said that a Communist China delegation should be seated in the United Nations. Does this far-eastern expert still advise our State Department? Do we check communism in Asia by surrendering to it?

In contrast to the support given to the UN Korean position by the Republic of China let us examine the record of India. I have a high regard for Nehru and wish the people of that great country well in the multitudinous problems they face. Let us look at the facts.

India, on December 30, 1949, recognized the Communist regime as the government of China. It was the first large power to give Mao Tse-tung such prestige.

There have been a number of crucial votes in the Security Council since the outbreak of hostilities in Korea. These were:

First. June 25, 1950—called for immediate cessation of hostilities, for North Korean forces to immediately withdraw north of the thirty-eighth parallel, and for members of the United Nations to support the world organization and to refrain from giving assistance to the Communist North Korean aggressors. The vote was 9 to 0 with the Soviet Union absent and Yugoslavia abstaining. Those voting for the first resolution were: The United States, Great Britain, France, the Republic of China, India, Egypt, Ecuador, Cuba, and Norway.

Second. June 27, 1950. Resolution called for member states of United Nations to oppose aggression in Korea. The vote was 7 to 1. The Soviet Union was absent. Indian and Egypt abstained. Yugoslavia voted in opposition. The minimum majority needed in order for the resolution to pass on this date was furnished by the United States, Great Britain, France, the Republic of China, Ecuador, Cuba, and Norway.

Third. August 1, 1950, Soviet representative Malik, returned to Security Council as presiding officer under rotation system. He ruled that the representative of the Republic of China did not represent China and could not take part in deliberations. Malik was overruled by a vote of 8 to 3. For Malik's ruling: Soviet Union, India, and Yugoslavia. Against his ruling: The United States, Great Britain, France, the Republic of China, Ecuador, Egypt, Cuba, and Norway.

Fourth. August 3, 1950, Malik resolution to place American resolution against Korean aggression in last place on the agenda. Vote was 7 to 2 against Malik. Egypt and Yugoslavia abstained. For Malik's ruling were the Soviet Union and India. Against his ruling were the United States, Great Britain, France, the Republic of China, Ecuador, Cuba, and Norway.

Fifth. The second vote on this date was to place the complaint of aggression upon the Republic of Korea at the top of the agenda. The vote was 8 to 1. On this vote India and Yugoslavia abstained. The Soviet Union voted "No." Voting in favor of this action were the United States, Great Britain, France, the Republic of China, Ecuador, Cuba, Egypt, and Norway.

Sixth. The third vote was to remove from the agenda the Soviet Union's proposal to discuss the admission of Communist China. The vote was 5 to 5, with Egypt abstaining. Supporting the Malik position were the Soviet Union, India, Yugoslavia, Great Britain, and Norway. Opposing the Soviet position were the United States, France, the Republic of China, Cuba, and Ecuador.

Seventh. The fourth and final vote on this day was on the Soviet propaganda resolution entitled "Peaceful Settlement of the Korean Question." The vote was 7 to 3 against. Yugoslavia abstained. For the Soviet resolution were the Soviet Union, India, and Egypt. Against were the United States, France, the Republic of China, Cuba, Ecuador, Great Britain, and Norway.

Mr. President, the record clearly shows that on seven crucial votes since the Korean invasion India has voted with the free nations on the roll call once, has abstained twice, and has voted with the Soviet Union four times. I submit that this is not a good batting average. To the contrary, the Republic of China has voted with the free nations of the world 100 percent of the time.

International communism will not be stopped in Europe, in the Far East, in the Middle East, or at the gates of India by passive resistance; nor will the appeasement of the Soviet Union in the United Nations at the expense of the Republic of China assure the peace any more than did Munich. As I have said before, appeasement, then as now, is but surrender on the installment plan.

Yet, despite the mounting evidence of the fact that we are dealing with a potential twentieth-century Genghis Khan, there are those who would put off until another day the facing of the realities of the present.

Our Pacific flank is no less vital to our security than is the European flank to ourselves and our North Atlantic allies. They must recognize that what jeopardizes our national security weakens them as well.

It is never profitable to abandon your friends to please your enemies when the record is clear that your enemies have announced that your world and theirs cannot exist on the same planet. It is no more profitable to do it, in my opinion, to please the fence straddlers who by attempting to please both sides generally end up by pleasing neither.

Now is the time for the President of the United States, in my judgment, to make clear to the free people of the world that while the Soviet stockpile of atomic weapons can do considerable damage today, their potential will be catastrophic 2 or 3 years from now.

We should not delay in giving the defenders of Formosa the tools with which to defend themselves, because, as we have pointed out before today, it is the judgment of our responsible commanders that if the island of Formosa falls into unfriendly hands—and Communist hands are unfriendly—it breaks the American defense position from Japan to Okinawa to the Philippines, and throws the defense of the United States back on the Coast States, California, Oregon, and Washington, with perhaps a triangle at Hawaii.

It was the lack of such equipment in the hands of the Republic of Korea which encouraged the aggression by the Communist forces. The mistake of "too little and too late" which we saw in Korea, should not be repeated on the island of Formosa.

We should make it clear that the choice of widening the conflict is in their hands and not in ours. We want no war but we will not shirk from accepting it if that be the choice of the Soviet Union directly or through its satellites in Asia or in Europe.

We are determined to restore the moral leadership we lost at Yalta and, to that end in view of the Soviet violations of their agreements we should forthwith denounce that product of the Crimean Conference of 1945.

Along with the statement previously made by the Senator from Michigan I believe we should also denounce the Tehran and the Potsdam agreements for the same reason. My reason for stressing Yalta is that it seems to me that it was at Yalta that we abandoned our moral leadership of the world. We surrendered to the Soviet Government things which were not ours to surrender. In effect we betrayed a wartime ally, the Republic of China, which had been a long-time friend and ally of the United States. In effect we did much to permit Poland to go behind the iron curtain, and it will perhaps be a long time before they will see freedom again. It seems to me that is the starting point for us to reassert our moral leadership by denouncing the Yalta agreement.

It should be made clear that aggression is not profitable and the forces of the United Nations will clear not only all of the area south of the thirty-eighth parallel of Communist aggressors but that the combined forces of law and order will redeem the pledges of the great powers made at the Cairo Conference and subsequent conferences, and the United Nations that all of Korea will be free and independent. To that end the United Nations forces should occupy Korea clear up to the Manchurian border and will stay there until free and democratic elections can be held in all parts of the Republic of Korea and internal security provided. Any other potential aggressor will be on notice.

Let us stop allowing the agent of the Kremlin to stay in a position where he can sabotage and obstruct the first, and perhaps last, chance the world has had for the law-abiding nations to protect themselves from overt aggression.

When peace has finally been established under a system of international law and order, let us, as Americans, determine to follow the Theodore Roosevelt doctrine of "speak softly and carry a big stick" rather than later concepts of speaking loudly while carrying a feather duster.

This Congress must provide whatever is necessary in the way of economic legislation or military appropriations. But when, to quote the Declaration of Independence, "with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor" to bring this effort to a successful conclusion, let us also determine that never again will we permit our diplomats to lose what our fighting men have won.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Maine.

Mr. BREWSTER. Is there any reason why the Security Council of the

United Nations should not proceed immediately to a realistic exploration and determination of what is behind this aggression, so there can be no misunderstanding, not only in the case of Korea, but in the case of any other aggression that may occur, that we are not dealing with the outer fringes, but that we are dealing with the heart of the problem? I think the Senator stated that no one in any of the capitals of the world was in any doubt as to what was going on; but is it not extremely important that the United Nations should, by a competent committee which can operate without the veto power in investigation, write the record so that there can be no doubt, and let our friends in the world choose up sides?

Mr. KNOWLAND. I will say that the Communists have an expression "Those who are not with us are against us."

Mr. BREWSTER. That is in the Bible, I believe.

Mr. KNOWLAND. Apparently they borrowed it from the Bible. I think the free world pretty soon must come to the understanding that those who are not with us are against us, because we have seen this monstrous thing of communism blot out the liberties of people of eastern Europe, on the continent of China, and in North Korea, and we know from the writings of the Communist leaders themselves that they intend to destroy human freedom wherever it can be found.

In my judgment, one of the great mistakes the chancelleries and the foreign offices of the world made a few short years ago was that they did not pay sufficient attention to what Adolf Hitler had written in Mein Kampf, wherein he pretty well outlined just what he had in the back of his mind. We are again apparently making the same mistake. The Soviet leaders, both Lenin and the present leader, Stalin, have made it abundantly clear that they will change their tactics from time to time as the need arises, but that their ultimate strategy is the same—not to permit the free world to exist on the same planet with their totalitarian empire. I think it is of extreme importance that we develop the machinery in the Security Council so that the aggressor can be properly named, so that the person who is responsible for the destruction of freedom can be pointed out, because obviously, I would say to the Senator from Maine, we are either going to have a system of international law and order or we are not. I do not believe that the real aggressor should be allowed to sit in comfort behind the screen while he moves his puppets from place to place, and takes none of the risks, but assumes all the benefits won by his wrongful moves. I do not think the free world needs to sit still permanently and have these fires break out all over in Asia and in Europe, while the men in the Kremlin are carrying on their dirty work.

Mr. BREWSTER. Mr. President, will the Senator again yield?

Mr. KNOWLAND. I yield.

Mr. BREWSTER. Is there any doubt that General MacArthur, out of the bitter experiences of the past 2 months, could give some very important evidence as to the origin of this aggression and the implementation of it, before any properly constituted tribunal of the United Nations?

Mr. KNOWLAND. I think it could be very well documented.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. I am glad the Senator from California has given us this remarkable address today. He has brought before the Senate the facts. In order that we may properly analyze what is going on we must have the facts. He has truthfully stated that in effect there is a blueprint for communism. The Communists are reading that blueprint. They know from it exactly where they are going. It is an international blueprint. It is a complete blueprint of their whole scheme of things.

Mr. KNOWLAND. They are not only reading it, but they are acting upon it.

Mr. FERGUSON. Yes, they are acting upon it. But we of the free world, are casting aside, are disregarding, that blueprint. We say, as did those who before World War II read Mein Kampf, "Oh, that is foolish. This man is a wild man." They did not think Hitler had in mind ever carrying out what he said he would do. Today the free world casts aside the blueprint of communism. Therefore, because we disregard it, we are suffering from the aggression and the cold war, whereas the Communists are reading the blueprint, and using it as their true bible, and are following out its provisions to the letter.

When will America, when will the free world, wake up and study the Communist blueprint so we may all be aware of what is in store for us, so we may suppress communism and aggression?

Mr. KNOWLAND. I wish to thank the Senator from Michigan.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from South Dakota.

Mr. MUNDT. I simply wanted to commend the Senator from California on his remarkably fine address, carefully documented, which I think should be read by every school child in America, and which will be scrutinized carefully by historians in the future.

I wish to say that when the junior Senator from South Dakota was visiting in Russia for a considerable period of time in 1945 he heard there over and over again from the lips of Communists themselves the statement that in Russia there is an axiom: "The Communists always move in to pick up all the empty chairs." I wonder whether the Senator from California does not agree with me that the recent events in the Orient demonstrate that when the President of the United States and the Secretary of State indicated that we were not going to defend Korea, that we were not going to defend Formosa, that we were going to leave those chairs empty, at once the Communists picked up those empty chairs, and that if we continue that kind of appeasement in the future, the Communists will continue to pick up empty chairs until they shall have realized their dream of world domination?

Mr. KNOWLAND. I will say to the Senator from South Dakota that I think one of the things which perhaps induced the men in the Kremlin to give their satellites in North Korea the go-ahead signal was the speech made by Secretary Acheson before the National Press Club on the twelfth day of January, in which he drew a line which included Japan, Okinawa and the Philippines, but deliberately left outside that defense line the island of Formosa, and, significantly, the Republic of Korea. I think at that point the men in the Kremlin determined that here were some easy pickings, as the Senator has so ably pointed out; that "Here is a place where we can destroy human freedom on the continent of Asia before we start moving out across the Pacific." Moreover, there was the added value that had we done nothing at that point they probably, from a psychological point of view, would have spread the bandwagon psychology all through the Far East, and the peoples there would have said, "We had better make the best bargain with the Communists we can."

Mr. MUNDT. In other words, here are two empty chairs in which the Communists can sit, and they suit their actions to their words by promptly occupying the empty chairs.

Mr. KNOWLAND. I think that is correct.

Mr. JENNER. Mr. President, what interpretation does the Senator put upon Mr. Harriman's report to the Nation yesterday that our policy toward Formosa remained just the same?

Mr. KNOWLAND. I am glad the Senator from Indiana brought that up, because that was one of the disturbing factors I mentioned earlier in my speech. I do not know whether the Senator happened to be present when I began my speech.

Mr. JENNER. I missed that part of the Senator's speech.

Mr. KNOWLAND. When I said that, it had not been my intention to speak on this situation quite this early, but I felt that some quite significant things had happened which warranted the review which I have tried to make today. To me it seems that our attitude toward the Chinese Government in Formosa is utterly absurd at this time. It has been declared by the President of the United States to be not in the interest of this Government and the peace of the world to permit Formosa to be occupied by the Communists, and we have placed the Seventh Fleet in the position of defending Formosa. On the island of Formosa there is a fine group of Chinese, who have been educated in the west, and who believe in human freedom. Practically all such Chinese are now on the island of Formosa. There are approximately 500,000 troops there, and at least half of them are first-rate troops under the leadership of Gen. Sun Leh-jen, a graduate of the Virginia Military Institute.

The able Senator from Indiana, perhaps as much as anyone else, knows from his experience in the Army that

morale is an important factor in respect to an army's being able to give a good account of itself.

On the one hand, we say that our Seventh Fleet will defend that island, but on the other hand, we are unwilling to have anything to do with that government; and by implication, at least, we say we may pull the rug out from under them at almost any time. By taking such a position, I say we are helping to destroy—although I do not think our Government will succeed in doing it—the morale of the people of Formosa. However, despite what we may do, I think they themselves will be able to withstand aggression. However, since we are allied in that effort, certainly we should not do anything to undermine the morale of the troops which will help us defend that island from Communist aggression.

Mr. JENNER. Mr. President, in other words, there is no change in the world today or even in our own Government; the same policies prevail, politically speaking. The only new thing, the only thing which has been added, is that our GI's are dying in Korea.

However, the same treacherous gang in the State Department, who are trying to save face by trying to cover up their bloody tracks of treason, are still in the saddle, riding herd on the American people. Is not that correct?

Mr. KNOWLAND. I will say to the Senator from Indiana that, as one Member of the Senate, I am greatly disturbed by the most recent announcement by Mr. Harriman, to the effect that we have not changed our political viewpoint. Based on the documentation I have placed in the RECORD today, that statement by Mr. Harriman means that as yet our Government has not made up its mind whether it will yield on the question of seating in the United Nations the Chinese Communist regime.

When the American people have faced the realities of the situation; when, as the Senator from Indiana has pointed out, we have American troops dying in Korea, I think it is high time for the State Department to stop its feuding with the Government of the Republic of China, to recognize that they are the greatest group in that area of the world who are interested in the maintenance of free institutions, and to face the realities of the situation.

Mr. WHERRY. Mr. President, I, too, wish to compliment the distinguished Senator from California [Mr. KNOWLAND] for the observations he has made today relative to the lack of policy in connection with our dealings with Asia.

Yesterday I read in the Washington Post an editorial which is most refreshing. The editorial contains a statement of many of the observations which have been made by the Senator from California.

I should like to read portions of the editorial, and then I shall ask unanimous consent that the entire editorial be printed in the RECORD, as a part of my remarks. I have waited until now to get the floor in my own right, because I did not wish to ask to have the editorial inserted in the remarks of the Senator from California.

I read from the editorial:

The curious thing about the rapid warming up of the cold war is that the place of diplomacy in the struggle has grown in significance. There are many blows that can be struck for peace which are available to our diplomacy. We come back to the desirability of denouncing the 1945 compact at Yalta.

That was the burden of the speech made this afternoon by the distinguished Senator from California.

I read further from the editorial:

The document is such a thing of shreds and patches that the principle of respect for international obligations requires of the United States and Britain a denunciation of that instrument and a statement of particulars.

The editorial proceeds to state how many times we have had an opportunity to do that.

Finally the editorial concludes with the following:

It is bootless to lament what happened at Yalta. More constructive is to denounce the pact in behalf of the sacred principle of respect for international engagements. This is an elementary duty. The delay in so doing binds this country to the subversion of the deal as well as to the deal itself, and makes us accessory to both.

Mr. President, I ask unanimous consent that the entire editorial be printed at this point in the RECORD; and I should like to say that it comes from the Washington Post. I will not say anything more about the Washington Post; I simply say that the editorial was published in it.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of August 9, 1950]

REMEMBER YALTA

The curious thing about the rapid warming up of the cold war is that the place of diplomacy in the struggle has grown in significance. There are many blows that can be struck for peace which are available to our diplomacy. We come back to the desirability of denouncing the 1945 compact at Yalta. The document is such a thing of shreds and patches that the principle of respect for international obligations requires of the United States and Britain a denunciation of that instrument and a statement of particulars. Several times the opportunity has been provided; the last was when our new antiaggression policy in the Far East was announced June 26. However, though timing is sometimes all-important, there is no necessity to wait for time and place in exposing a cynical failure to carry out a solemn obligation.

In international law there is ample reason for a denunciation of the Yalta Pact. When a party to a contract fails to carry it out, the other signatory is at perfect liberty to withdraw his own obligation. This is simply the extension of the principle in domestic contracts which makes a contract null and void when it is frustrated. What has happened to the undertakings arrived at at Yalta is now common knowledge. Balkan countries whose independence was pledged at Yalta are virtually incorporated in Soviet territory. Independence has been extinguished, freedom has been denied, and those countries have become vassals of Moscow. In the Far East the Yalta conferees agreed to roll back the map to 1895 in behalf of Russia. In that year, for instance, the Russians stole from the Chinese rail and port concessions in Manchuria, and these were restored to Russia as a bribe to come into the Pacific war, though nothing could have induced the Russians to keep out. These prizes have become the entering wedge for the Russification of Manchuria. Secretary Acheson in his National Press Club speech of January 12 said:

"Armed with these new powers, what is happening in China is that the Soviet Union is detaching the northern provinces of China from China and is attaching them to the Soviet Union. This process is complete in outer Mongolia. It is nearly complete in Manchuria, and I am sure that in inner Mongolia and in Sinkiang, there are very happy reports coming from Soviet agents to Moscow. This is what is going on. It is the detachment of these whole areas, vast areas—populated by Chinese—the detachment of these areas from China and their attachment to the Soviet Union."

It is bootless to lament what happened at Yalta. More constructive is to denounce the pact in behalf of the sacred principle of respect for international engagements. This is an elementary duty. The delay in so doing binds this country to the subversion of the deal as well as to the deal itself, and makes us accessory to both. Denunciation would also bring to the attention of the Chinese people the immorality that the Russians have practiced at their expense. Thus, in addition to putting the record straight, our diplomacy would be doing a service in the struggle with Russia that is going on in Asia. As time goes on Manchuria is bound to become the sharpest point of friction between China and Russia, and anything that can be done to keep the loss of Manchuria before the Chinese people is good diplomacy.

Mr. WHERRY. Mr. President, apropos of the editorial, I simply say that it comes just 5 years too late.

Five years ago some of us were attacking the policies which were being adopted and carried out by the administration at that time under the Yalta agreement. I believe that the Senator from California will agree with me that under that agreement and under subsequent agreements a policy of appeasement of Russia has been blueprinted and has been carried out. From that time until now the Yalta agreement and the agreements or pacts which came later have been blueprinted into a policy which the administration has followed. Those of us who have opposed it have not had an opportunity to change it. That policy has been followed by the administration all along; but in most cases it has been impossible for us to obtain a clear statement of the policy or, in other words, to get a clear copy of the blueprint, so as to be able to oppose it and to work for a change in the policy which has been referred to by the Senator from California.

At that time General MacArthur was being forced by Dean Acheson to a four-power pact in regard to Japan, a pact with the four governments for the ruling of Japan. The attack I made at that time on the Secretary of State failed, for the vote was 65 to 1; and from that time until now the Secretary of State has continued to implement those policies, not only in Asia, but also in carrying out the Morgenthau plan in western Europe. That is the reason why some of us have so often been opposed to the recommendations of the Secretary of State.

Mr. President, at this time I should like to make several comments in regard to the statement which has been made by the Senator from California.

The Senator from California said we should denounce the Yalta agreement. At one time I felt that the word "repudiate" was a good one to use in connection with the Yalta agreement, because at that time not all the agreements had been carried out, and I did not think we should sanction the various things which were written into the Yalta agreement.

The Senator from California has referred to our action by which the Chinese were sold down the river or thrown down the drain, as I believe he said. Mr. President, not only can that statement be made in regard to our dealings with China, but it can be made in regard to our dealings with a number of the other peace-loving countries in the world who completely lost their freedom at Yalta.

Why should we support a policy of that kind, and why should we continue to support the policy of an administration which to a great extent is carrying out those secret agreements? I think the word "denounce" is not sufficiently strong.

I think the Congress should declare the Yalta agreement and any agreement which hinges on it to be null and void because one of the signatory powers, Russia, certainly has broken the agreement. The agreement should also be declared null and void because of its very provisions.

Mr. President, it seems to me that the next thing we should do to change the blueprint of the policy of the appeasers, not only in Europe, but throughout the world, is to have a policy of our own, a policy which will be implemented by leaders in the State Department who have no connections in any way whatsoever with the Yalta agreement or with any similar agreements.

I think the second step is the immediate removal of Mr. Acheson as Secretary of State, and putting in charge of our foreign policy men who are in sympathy with the historic principles of the United States and the principles of peace-loving people everywhere. I believe that that is needed, if we are to have unity in this country and are to proceed with a firm policy against those who are attempting to communize the world.

Mr. President, I thank the Senator from California for his remarks reviewing the situation. I think they are timely. If we are to get any relief from the indecision of the present administration, and if we are going to have unity between the military and the State Department, two steps are necessary—first, that we declare the Yalta agreement null and void, and, second, that the policy that we shall finally adopt—which I hope will be a firm policy against appeasers—will be carried out by a leadership in the State Department that is not only in accord with the military but is desirous of helping the countries of the world to free themselves of the Yalta agreement and the agreements that followed it.

Mr. FERGUSON, Mr. BREWSTER, and Mr. MUNDT addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. FERGUSON. Mr. President, I am indeed sorry today that we do not have more Senators present on the other side of the aisle, because I think we ought to know how they, as the majority, feel about this entire world situation, what they think about what we ought to do in regard to the agreement which has been under discussion. It will be noted that I say "agreement," not "treaty," and I stress that distinction. I have always had grave doubt as to the validity of the agreements, so far as the United States is concerned, that were entered into at Yalta and the other places that have been mentioned today.

Those agreements are at the core of our present international problems, and certainly the people should know exactly where America stands on the great problem which surrounds the aftermath of those agreements.

Mr. President, we speak of war and peace. War is merely the extension of diplomatic relations. It is the use of arms by the diplomats through their respective nations' armies. Peace is merely an extension of diplomatic relations to discussions around the conference table under conditions which bar the use of arms. So as we pass from war to peace, the great problems which gave rise to war or were created by war are brought to our attention in succession.

We passed from war into a twilight zone of peace, which we described as cold war. I think that has been an unfortunate phase, because, while the guns were not firing, we were in effect still at war. We now emerge from this twilight zone of so-called cold war to a place where the diplomats, in loud voices, discuss matters in belligerent tones, not as peaceful nations, and in fact have again started the guns roaring in South Korea. As those guns roar, I think that our boys, before they die in the foxhole or are burned in the tank or the airplane, are being told that they are there in order that communism may be contained throughout the world, and that communism may not, with all its ugly forms, be brought from the north of Korea, out of Moscow, into the area of South Korea, and into all parts of the world.

But as those boys die in order to contain communism throughout the world, and as the President in his recent message brought to the attention of the Senate, he has now come to the conclusion that communism is a world-wide conspiracy to dominate all free nations. He has recognized also that the mere fact communism is moving into South Korea is no sign that it is not moving here in America, through its agents and servants.

Mr. President, I say that while the guns must roar in Korea to stop and contain the Communist agents of Russia, and particularly their agents within North Korea, the domestic laws of America, where we are not going to use guns—must also serve to contain communism and must be sufficient to blot out the agents and servants whom the President of the United States now recognizes are here.

The President talks about the agents and servants that are top espionage and sabotage agents of a foreign nation. Even now, does he realize that his own files, the files of the Federal Bureau of Investigation, show today that in the city of Detroit the Communists have an institution which is educating our youth and our people in the nefarious arts of sabotage and espionage, in order to carry out the very blueprints of communism?

Mr. President, some of us have been seeking for weeks and months to have a law passed in order that we might contain those agents and that we might blot them out as far as America is concerned. The vehicle we proposed was the so-called Mundt-Ferguson-Johnson bill, S. 2311. But no, Mr. President, that bill, it was said, shall not pass.

When, in response to our insistent urging, there were heard rumblings from the other side that it would be well that the Republicans withdraw their names from that bill, the Senator from South Dakota and the Senator from Michigan expressed our complete willingness to do so, because we have no pride of authorship. It is our only desire that we may deal appropriately with the saboteurs and espionage agents who are the Communists here in America.

I say that all Communists are agents of the Soviet Government, and therefore come within the classification made by the President. If he will consult Mr. J. Edgar Hoover, he will learn that that is true.

Mr. BREWSTER and Mr. THYE addressed the Chair.

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Does the Senator from Michigan yield, and if so to whom?

Mr. FERGUSON. I yield to the Senator from Maine.

Mr. BREWSTER. Is it not a matter of profound gratification that the President of the United States, as announced in his recent message, has now discovered that the manifestations in this country are manifestations of something other than a red herring?

Mr. FERGUSON. I believe that that is true, and I think that that is a very good sign. I am glad that the President has come to that conclusion. I want to say on the Senate floor today that I shall march with him shoulder to shoulder in accordance with what he has said in that message, because I believe that communism must be blotted out.

I do not think the President goes far enough, however. I think he feels only that we ought today to stop those top agents who are trained in Moscow. But, Mr. President, the factories that will be destroyed, the youth of America who must die, will suffer the same penalties, the same pains, whether the agent be trained in Moscow, at the Lenin school for sabotage, or in Detroit, or Chicago, or the other cities. If we are to strike by a domestic law at sabotage and the other things that communism would perpetrate, we must strike at all of the potential perpetrators.

Mr. President, there are Communist cells which teach the very acts of which the President has spoken, even in the

homes of American citizens. Yes, even in the apartment houses these cells are teaching Communist tactics. Why should we strike only at those who are top in the Lenin school in Moscow? Why should we not strike with this same law against those who are trained in the homes of America, in the schools of America, and in our great metropolitan cities?

Mr. BREWSTER. Mr. President, will the Senator yield further?

Mr. FERGUSON. I yield.

Mr. BREWSTER. Is there not also an indication in the President's messages of the limitations which he would impose? I think it is no reflection on the President to recognize that he must have a great deal of assistance in preparing his messages; he cannot do it all himself. Some of the same influences which have so long obstructed the attempt to deal with the problem are still affecting the thinking of those who collaborated in the preparation of the message. They seem to be more concerned about some possible infringements on the so-called rights of a Communist than they are about the safety and security of the country which is now so tragically threatened.

Mr. FERGUSON. Mr. President, the American people are recognizing that very fact, and it is significant that they do recognize it.

Human nature being what it is, people acquire vested interests in errors. One of the most difficult things, I think, that a human being has to overcome is a recognition of the fact that he may have acquired a vested interest in his errors. But to be a big man he must be big enough to recognize it, come to the conclusion that he has been wrong, and must say, "I have been wrong, and from this hour I shall rectify my course and take the right course."

Oh, Mr. President, would that our officials now in power would recognize the errors of the past, cast off their vested interest in error, and say to the American people, "Yes; this has been going on, and we are going to march shoulder to shoulder with any man who is against communism. We shall denounce it from this day forth, and we ask the forgiveness of the American people for having allowed Communists to exist in the past in this country without a real war against them."

Mr. President, would that these men might become big enough to say, "Yes, we have recognized that we have had Hisses, Wadleighs, and Coplons, but we want no more of them." I have to say, Mr. President, that there has been a conspicuous absence of voices from the other side of the aisle, speaking out to say, "Yes; we had those people, and we want no more of them."

That is not an all-embracing statement, for while he did not use that language, I know that the Senator from Nevada [Mr. MCCARRAN] has been a crusader along this line. Today he introduced an omnibus bill which includes almost verbatim Senate bill 2311, which was designated the subversive activities control bill of 1950. I want to join with him wholeheartedly in trying to get that bill passed. I have stated that I have no pride of authorship in any word, sentence, or paragraph of S. 2311.

My sole desire is to stop by domestic law those things right here in America that we are spending billions of dollars and the blood of our boys to stop in foreign lands.

Mr. President, in addition to the Senator from Nevada I should mention the names of other Senators from the opposite side of the aisle who at various times have taken the floor to support anti-Communist legislation. There occur to me immediately the names of the senior Senator from South Carolina [Mr. MAYBANK], the junior Senator from South Carolina [Mr. JOHNSTON], the Senator from Mississippi [Mr. EASTLAND], and the junior Senator from Mississippi [Mr. STENNIS], among other Senators.

I would not want it to be understood that they have not been of great aid. That applies to others Senators as well, who, although they may not have made speeches on the floor, have been of great aid in committee on this particular bill, and in connection with other legislation dealing with subversive activities.

Mr. MUNDT. To which I might add that the Senator should certainly include the name of the distinguished junior Senator from Maryland [Mr. O'CONOR], who throughout the country has been advocating the passage of S. 2311.

Mr. MAYBANK. Mr. President, I was very happy to hear the distinguished Senator from Michigan make his remarks because I can remember when some other Senators on this side, such as the Senator from Georgia, indicated much interest in anti-Communist legislation, and the Senator remembers that I myself rose on the floor 2 weeks ago, with the Senator from Mississippi, and spoke on the same subject.

Mr. FERGUSON. I am most happy to pay my respects to those from the other side of the aisle who have raised their voices in support of this very important type of legislation. Especially, I should include the name of the junior Senator from Maryland [Mr. O'CONOR].

Mr. President, for my own part I shall go forth with any Senator, shoulder to shoulder, and try to get legislation of this sort enacted. I will cooperate wholeheartedly with the Senator from Nevada so that we may be able to get this bill out of the Judiciary Committee, get it before the Senate, and have it passed, in order that the people may know that we in the Senate are determined to protect all the people in America from communism.

Mr. THYE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. THYE. Mr. President, the junior Senator from California [Mr. KNOWLAND] is now Presiding Officer, and I was the Presiding Officer while he spoke a while ago. Therefore, I was unable to comment upon his address immediately at the conclusion of it.

I want to say to the junior Senator from California that he made a genuine contribution to the understanding of the American people as to the problems in the South Pacific and in the Asiatic world. The Senator expressed clearly what our problems have been in the past, what has led up to the crisis, and the problems with which we are now confronted. He somewhat charted a course for the world by which, if we follow it, we can in some manner shape a future policy and a future goal for the American people.

I wanted to take this opportunity to commend the Senator from California for his splendid clarification of where we are, how we got there, and what we, the American people, must do from here on, so that in some manner we may get ourselves back on the beam and come to a destination rather than to the chaos and confusion in which we are at the present time. We are in a state of chaos and confusion, Mr. President, so far as the South Pacific and the Asiatic world are concerned.

It is high time that the Members of Congress commence to ask questions, such as, "What is the goal? What is the end? What shall we do when we reach the thirty-eighth parallel? What next?"

I have not found a policy, and we must have one. The hour is late.

I again want to say that I commend the Senator from California for his splendid clarification and for the food for thought he has given to us on the entire question.

Mr. MUNDT. Mr. President, I should like, first of all, to associate myself enthusiastically with the appraisal made by the Senator from Minnesota of the address delivered by the present occupant of the chair, the junior Senator from California. I take the floor primarily, however, to comment on the observations made by my distinguished associate [Senator FERGUSON] in the proposed Communist-control legislation.

The junior Senator from Michigan [Mr. FERGUSON] and I today reaffirm the position which both of us took some time ago on the floor of the Senate when we stated that our interest in Communist-control legislation was so sincere and so determined that we would support it regardless of how it was presented to the Congress.

I was both surprised and gratified by the President's message last Tuesday. I was gratified because he recommended precisely the provisions which are incorporated in the so-called Mundt-Ferguson-Johnston bill, Senate bill 2311, and because he stressed the urgency of getting Communist-control legislation passed before the conclusion of this session of Congress. I was gratified also, because it was his first public announcement recognizing that Communist-control legislation of this nature is vital to the national security of the country.

I was surprised primarily because it had been so long in coming. I was surprised, also, because of his previous public utterances which had indicated that he did not feel that legislation of this type was essential.

The junior Senator from South Dakota has had a long and somewhat bitter experience in discussing Communist-

control measures with the White House. To be precise, it was on the 5th day of August 1948, when, in response to some statements then issued by the House Committee on Un-American Activities, of which I was acting chairman, pointing to the fact that there were spies in this country and even in the Government, the President made his now notorious and rather infamous statement that he dismissed those charges as being simply "a red herring." At the same press conference, when he was asked by one of the press correspondents what statement he had to make "in connection with the earlier statement made by Representative MUNDT that there were spies in the Federal Government," the President was quoted in the New York Herald Tribune on the following morning, August 6, as follows:

The President laughed and said he thought those were simply in Mr. MUNDT's mind.

Mr. President, I have no particular wish today to discuss the past statements of the President concerning the very serious menace of Communists in Government, except to point out that that was the source of my surprise and to indicate why I reacted with both surprise and gratification when on Tuesday the President, at very long last, sent a message supporting the kind of legislation in which the Senator from Michigan and I have been joined for 3 years.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. BREWSTER. Perhaps the amusement which the President expressed, according to the New York Herald Tribune, he would now share with us in suggesting with equal facetiousness, perhaps, that we welcome him to that glad galaxy of "Me too," which has been a club about which we have heard a great deal on this side of the aisle in recent years, and now we have the President heading a distinguished group of those who are in ever-increasing numbers recognizing the work which the Senator from South Dakota and the Senator from Michigan have done under such terrific stress and with so many condemnations of their action, to bring home to the American people the disclosures that resulted and which have finally penetrated the purlieus of the White House and the mind not only of the Senator from South Dakota, but the minds of many Members of the Senate and of the House and more and more millions of American people.

So I think we can pin on him the distinguished badge of those who have joined the "Me Too Club."

Mr. MUNDT. I think the Senator from Maine has made a very pertinent observation, which is borne out by the records in the case. For some reason or other the President has had great difficulty in bringing himself to the realization that in this country, as in other free countries, Communists are conspiring secretly to overthrow our system of government. It was on July 26, 1947, when the junior Senator from South Dakota, then a Member of the House of Representatives, introduced his first Communist control bill. He sought to get the support of the administration for legislation of that type. As long as approximately 2 years later, on February 28, 1949, President Truman, in writing to his friend and former associate, former Democratic Gov. George Earle, of Pennsylvania, said: "People are very much wrought up about the Communist bugaboo, but I am of the opinion the country is perfectly safe as far as communism is concerned."

Certainly what the President felt was a bugaboo on February 28, 1949, has become a very strong and bloody adversary in 1950, and was the instigation of the message which he sent to Congress on Tuesday. Last Tuesday after the Truman message I took the floor of the Senate to commend the message and to state that in my opinion the President's proposals were completely incorporated in the major provisions of the so-called Mundt-Ferguson-Johnston bill. At that time several Senators agreed with that analysis of the proposed legislation. Certainly the Senator from Michigan [Mr. FERGUSON] illustrated by chapter and verse how he did. One or two Senators on the other side said they doubted it was in conformity with it. I recall the junior Senator from New York [Mr. LEHMAN] said that in his opinion it was in fact a criticism of our legislation, rather than an approval. Consequently, Mr. President, I should like to quote briefly from an editorial published in this morning's issue of the New York Herald Tribune, because it seems the editors of that distinguished liberal newspaper disagree entirely with the sentiments and evaluations of the junior Senator from New York.

The editorial discusses various types of legislation before the Senate and the House. I call particular attention to this portion of the editorial:

When the Mundt-Nixon bill (from which the present bill has been derived without essential change) was going through the House, this newspaper supported it as a really intelligent attempt to deal with the novel problem of Communist subversion. All other efforts had floundered on a familiar rock.

That was in 1948. Since then the bill has been revised, improved, scrutinized, analyzed, and approved by various committees and national organizations. The important thing about the editorial is this:

His—

Meaning the President's—

message is actually a stronger argument for the Mundt-Ferguson bill than against it, for it shows that here is still an issue of principle which must be clearly met.

Mr. President, I ask unanimous consent to insert the entire editorial in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COMMUNIST CONSPIRACY

Though the President used no names in his message on anti-Communist legislation, its plain sense was that, while certain additional measures are required, the Mundt-Ferguson bill now before the Senate should be opposed as "unnecessary, ineffective and dangerous."

This is an arguable position, and the President argued it thoughtfully and persuasively. Yet he scarcely came to grips with the real issue. In the spring of 1948, when the Mundt-Nixon bill (from which the present bill has been derived without essential change) was going through the House, this newspaper supported it as a really intelligent attempt to deal with the novel problem of Communist subversion. All other efforts had foundered on a familiar rock. The peculiar menace of Communist conspiracy lay in the skill with which it exploited the democratic guaranties to their own destruction. To maintain the guaranties was to abet the conspiracy; to suppress the conspiracy was (or so it seemed) to destroy the guaranties which alone gave reality to the democratic system. The instant Communist shrieks of "police state," "thought control," "Fascism" and so on which arose at every move toward meeting the attack more or less paralyzed the defense.

The authors of the Mundt-Nixon bill of 1948 courageously faced the dilemma thus created. The only solution seemed to be to define clearly the essence of Communist conspiracy—to conspire in any act which would "substantially contribute to the establishment within the United States of a totalitarian dictatorship under the domination of a foreign government"—to make such conspiracy illegal and to expose and identify all those who in Communist or Communist-front organizations contributed toward it. By drawing such a legal line, the guaranties would remain in full force for all those adhering to the basic democratic concepts but could not be appealed to by those whose plain purpose was to destroy them. This was a brave and honest approach and this newspaper believed it deserved a trial.

Since 1948 much, admittedly, has happened. The unions, acting far more effectively than the legalists, have kicked the Communists out of their organizations. Public opinion has made it virtually impossible for any one suspected of Communist affiliation to hold public appointive office. And the United States court of appeals, in upholding the Smith Act and the conviction under it of the 11 top leaders of the American Communist Party, has gone far in doing already what the Mundt-Ferguson bill would do by statute. The rock which stood in the way of rational measures against Communism had been largely overcome. If the President had recognized this; if he had opposed the Mundt-Ferguson bill as "unnecessary" only, one might have accepted his message. In adding that it would also be "ineffective and dangerous," one fears that he has missed the real point of the controversy, again muddying waters which were beginning to clear. His message is actually a stronger argument for the Mundt-Ferguson bill than against it, for it shows that here is still an issue of principle which must be clearly met.

Mr. MUNDT. Mr. President, I wish to say a word about developments this afternoon, which although somewhat strange, unusual, and unprecedented, meet with my wholehearted approval insofar as the probable end results are concerned.

While the junior Senator from South Dakota was temporarily absent from the Chamber, the distinguished chairman of the Committee on the Judiciary [Mr. MCCARRAN] introduced what purported to be a new Communist control measure.

A study of the measure developed the fact, however, that it is actually an

omnibus bill, which attempts to deal with all subversive problems and Communist situations all over the country.

The first portion of the omnibus bill, and by far the major portion of it, is almost an exact duplicate of the so-called Mundt-Ferguson-Johnston bill. It differs from it in only three respects. First, it deletes the names "Mundt-Ferguson-Johnston" and inserts the name "McCarran."

The second major deviation is the fact that on page 8 of Senate bill 2311—and I call this to the attention of editors, writers, and commentators throughout the country who may not have seen a copy of the new proposed legislation, and therefore may not have had a chance to compare it with Senate bill 2311—after retaining all of section 4 (a) of the Mundt-Ferguson-Johnston bill, 6 lines, lines 14 to 22, of our original bill are deleted, the 6 lines being language which would tend to give better safeguards to people who might be brought under the purview of the proposed legislation.

In that connection, I may say it puts another row of teeth in the crocodile's jaw. Certainly I shall give my support to the distinguished chairman of the Committee on the Judiciary in his efforts to stud the crocodile's jaw against conspiratorial Communists with as many teeth as we can find. Therefore I associate myself with him in strengthening the legislation, although I feel that as it was originally written it was a little more compatible with the over-all policy of S. 2311, which is to give to all people accused every conceivable right to defend themselves in the traditional American manner.

The other major change in the bill, Mr. President, occurs on page 19 of the Mundt-Ferguson-Johnston bill. If reporters in the gallery care to look at the omnibus bill they will see that it is being presented to the Senate on long strips of white paper on which the pages of S. 2311 have been inserted or attached with staples, page by page, as they were cut out of the Mundt-Ferguson-Johnston bill. Virtually no other change in the bill is made but one more that is found on page 19.

On page 19, under the terms of the original Mundt-Ferguson-Johnston bill, it is provided that a person who had his name listed as a subversive, and who had protested that he was improperly listed, would be protected to the extent that the Attorney General would be prohibited from listing his name on the public register for 6 months. The new version changes that provision by reducing the time to 30 days. That represents another row of teeth in the crocodile's jaw. It makes it much more rugged than the Mundt-Ferguson-Johnston bill, because under the new style, New Deal, pony-express mail service furnished today, under which we get only one mail delivery a day, it might not be possible to complete the correspondence in 30 days. I therefore prefer the 6 months' provision.

Mr. President, there are no other important changes in the bill. The press, students of S. 2311, and other Communist-control legislation, will find that the omnibus bill runs along almost verbatim with our bill (S. 2311), changing a word here and knocking out a subhead there throughout its pages, except that where we refer to Communist organizations as "Communist political organizations," the omnibus bill refers to them as "Communist-controlled organizations," which, if anything, tightens it up, but makes no material change.

Perhaps I should add, possibly in a facetious mood, that there is another change which is not as new or important as it is typical. The Senator from Michigan and I suggested that the three members of the Subversive Activities Control Board draw salaries of $12,500 a year. The omnibus bill suggests $15,000. But that is only an old Democratic trick to increase the taxpayers' burden, and I string along with them this time on that modification of our bill.

Mr. President, I wish to say, seriously, that while some sage has said that imitation is the sincerest form of flattery, it seems to me this omnibus bill is carrying flattery and imitation to the *n*th degree.

Regardless of that, I want it clearly understood that what I said and what the Senator from Michigan said on this floor on July 24 still stands. At that time, when the rumor had come that the distinguished majority leader was working with the policy committee to bring out some kind of legislation which would be a substitute for our Communist-control legislation (S. 2311) which so many Americans had been clamoring for, I took the floor, on July 24, as will be found on page 10841 of the RECORD, and said this:

> It is not a Republican bill. But if that is why the majority leader continues to sit on the lid in "operation roadblock"—if that is why the Democratic policy committee refuses to bring up the bill, let me say that I have consulted today with the junior Senator from Michigan, and he and I are perfectly willing to withdraw our names from the bill and to let it appear only in the name of the Senator from South Carolina [Mr. JOHNSTON].
>
> We are willing to go further than that, Mr. President. If the Democratic policy committee does not want to have Republicans introduce legislation any more, and if they are going to oppose it by "operation roadblock" if it is introduced by Republicans, we are willing to delete our names from the bill, and I am willing to give the bill to the acting majority leader today and let him introduce it as his bill de novo with the name of the Democratic policy committee on it.
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> * * * * *
>
> They can introduce this bill. Let the Senator from Illinois [Mr. LUCAS] introduce it, or let the Senator from Maryland [Mr. TYDINGS] introduce it, but let us not continue letting down the American boys fighting and dying in Korea while we play party politics at home.

Incidentally, the Democratic majority leader has frequently been talking about "politics" in connection with this legislation. I will let the country judge whether politics is being played. In this bipartisan move, joined in by two Republicans and the distinguished Democratic Senator from South Carolina [Mr. JOHNSTON], there has been no politics. We have consistently tried to get the bill up for a vote. We have been joined in it by a distinguished group of Democrats on the other side. If there is any politics being played, it is being played by the Democratic policy committee, which of course is a political committee.

I read further from the RECORD:

> This is not a Republican bill, Mr. President. I am perfectly willing to dissociate myself completely from it if the Democratic policy committee will simply advocate the basic concepts and principles involved in the proposed legislation.

They are precisely, Mr. President, the principles and concepts advocated by the President in his message to Congress on Tuesday, precisely the precepts and principles included in the omnibus bill by the Senator from Nevada [Mr. MCCARRAN] when he took our bill, lock, stock, and barrel, with a few changes so minute that it takes a fellow with a seagoing pair of binoculars to discover them.

I am going to support him in the measure, because we said, and we reaffirm now, that we are perfectly willing to let them take our names from the bill. But they cannot do it without someone discovering it. In spite of that move, we are going to support the proposed legislation.

I said further on July 24:

> We are concerned with saving freedom in this era of global conflict.

The Senator from Michigan [Mr. FERGUSON] asked me to yield, I did, and he said:

> I wish to take only time enough to say that I join with the Senator from South Dakota in his remarks about removing my name from the bill. As I advised him, I shall be very glad to remove my name from the bill, but I do want to advocate its passage. I want to work for the passage of the bill. I do not want to sacrifice the principles involved in the bill, but, so far as my name being on the bill is concerned, I join the Senator in withdrawing our names from the bill if that is essential to securing action.

Mr. President, we stand on that. What we said July 24 goes for today, August 10. Anything I can do individually, or with the fine group of organizations which have been associated with me from time to time in more than 4 years of effort on this bill, I shall do, and try to bring support behind the omnibus bill, and get it enacted. If it is the pleasure of the Senate Judiciary Committee to report that bill out, as a duplicate of the Mundt-Ferguson-Johnston bill and it seems that is the best way to get Communist-control legislation passed, I shall certainly vote for it, work for it, talk for it, crusade for it. If it appears, on the other hand, that the Senate Committee on the Judiciary is not going to bring it out, we still have S. 2311 on the calendar, and it can be offered as an amendment to any pending business. It can very logically and appropriately be offered, for example, to the civilian control bill now pending before the Senate. Certainly if we are going to get nothing else except dodges and delays on the Democratic side of the aisle, we had better add it as an extra title to that legis-

lative proposal, on the theory that if it is necessary, as I think it is, to pass legislation requiring rules of good behavior to be established for decent Americans, it is also necessary now, Mr. President, to establish rules of good behavior for the disloyal Americans in our midst. If it is necessary to push decent people around, as we all think it is, so that they will not exercise their acquisitive instincts too greedily, it is certainly necessary also to pass legislation to push around the people of the type who are fighting against us in Korea, and sabotaging the effort at home.

I do not believe there is a Senator in this body so naive—if there is I hope to turn the spotlight of public opinion on him during this debate—who believes that the Communists in America are not doing everything they can to increase the inflationary spiral. I know the Communists have read the axiom of Lenin that "If you can do nothing else, perhaps you can bankrupt freedom in America." They know that by stimulating the inflationary spiral they can weaken us.

We know that every Communist in America is contributing everything he can to the shortage of critical goods, and to having runs on stores, and to encouraging hoarders to buy up sugar, silk, and coffee. Every Communist is doing everything he can to make it necessary to impose controls. We recognize that. Communists thrive on controls.

It is going to be necessary for us to have some of these controls, perhaps, but it is a strange kind of Senatorial mind that will declare "We ought to have laws against farmers, we cannot trust them; we ought to have laws against labor leaders, we cannot trust them; we ought to have laws against businessmen, we cannot trust them; but let us not have a law against the Communists. Let us not impose any restrictions on them. Let us delay that until we get so close to the adjournment we can tell the people back home that we wanted to pass some Communist legislation, and the President wanted it, but we just did not have time."

Mr. President, today's development, when the chairman of the Senate Committee on the Judiciary introduced the omnibus bill, which is two-thirds S. 2311 and one-third an assortment of other security control measures which have been before the Senate, some of which have already been passed by the Senate, if it does nothing else, ought to assure the fact that the Members of the United States Senate are going to have an opportunity to stand up like men and vote on the provisions of S. 2311, either in the omnibus bill brought up by the committee action, which is all right with me, or else as an amendment to some other legislation in the form of S. 2311, with the name of the distinguished Senator from South Carolina [Mr. JOHNSTON] on it, who has worked hard for its passage, and the junior Senator from Michigan [Mr. FERGUSON] on it, who has worked for over 3 years for its passage. They can still leave my name on it or take it off, as they wish, Mr. President. I won the victory, so far as I am concerned, when President Truman on Tuesday turned inside out that red herring he had talked about 2 years ago, when the President of the United States said I was wrong in believing there were Communists on our Federal payrolls. We need legislation to deal with the Communists in America. It is a great victory for the American public. It is a great victory for the forces of freedom. It is a mighty important success in that connection.

Mr. President, let me say furthermore that we are not living in a cold-war era any more. The only part of the cold war that is left is the cold shoulder that the Democratic policy committee has turned for so long to Communist-control legislation on the floor of the United States Senate. That is the only thing cold about it. There is nothing cold about the war so far as the GI's fighting in Korea are concerned. There is just the cold shoulder of a politically minded committee which says, "How can we give the American public Communist-control legislation and keep off it the names of those Republicans? How can we pass Communist-control legislation to secure a few extra votes in the precincts of the big cities?"

There is the politics, Mr. President. Either way they want to work it, it is all right with me. I will be for the legislation. But if we are going to have any plagiarism around here, it is not going to be done in the dark, and it is not going to be done without being noticed.

Mr. President, I approve the action, as a salutary one, taken by the chairman of the Committee on the Judiciary, for whom I have profound respect. I think few men have done more effective work to guard against subversion and communism in this country than has the Senator from Nevada [Mr. MCCARRAN]. I hope his bill will be accepted the administration's bill. He is chairman of a very important committee. I hope that it will be the Lucas bill. I hope that will be the bill of the Democratic policy committee. This I know. I have read the bill offered by the Senator from Nevada word for word this afternoon, and it answers every single provision requested by the President in his message and includes every useful and necessary provision of S. 2311 without change or modification of any kind or in any degree.

The President must have been sincere about that message. I presume the Democratic policy committee expects to carry out the terms of that message of the President. They are in the new McCarran bill. They are in the omnibus bill. They are all in S. 2311. Mr. President, that will be one effective way to do it, even though another fellow's legislation is taken and clipped out with shears and pinned with staples on a piece of paper. That is not so bad. That is the much better way to do it than the theory we are reading about under which the Democratic policy committee is trying to write a bill in secret and without public hearings of any kind.

Mr. President, I have been hanging around here for 12 years now as a country boy from South Dakota trying to learn about the legislative processes. But what is now being done is a new one to me. We hear the Democratic policy committee is going to write a bill. There have been no hearings on it. No chances for witnesses to appear. Nobody can testify for it or against it. The Democratic policy committee, meeting in a star chamber session of secrecy behind a political iron curtain, is going to write a bill. Do you suppose there is any politics in that, Mr. President? The Democratic leaders say there is politics involved in the Mundt-Ferguson-Johnston bill. Well, I am sure the Democratic policy committee, as well as the Republican policy committee, is a political organization. The Democratic policy committee wants to write a bill and say it is something new, something nonpolitical. That procedure is something novel to the Senator from South Dakota, so far as his experience in Washington is concerned.

Mr. President, that is something which I saw done, however, several years ago. I spent several weeks in Russia in 1945. I visited the Kremlin several times. I was taken to what passes for the parliament of Russia. I asked, "How do you pass bills over here? You have a situation different from the one we have, I know." I was told, "Our legislation is written by the presidium." That is a little select body of a few politicians chosen carefully from among the top Communists of the Kremlin. The presidium writes the bills and sends them over to the People's Soviet, the parliament, which then O. K.'s the bills.

Mr. President, if we have to resort to that presidium procedure in America to secure legislation to control Communists, I will still support it. But I think it also ought to be done in the open and not in the dark. If that is really what we are confronted with today—and we will find out tomorrow or the next day—if we are confronted with the fact that the Democratic policy committee now will not take S. 2311, even under a Democratic name; if we find they will not take S. 2311 as it is repeated in the omnibus bill, under the McCarran label, if we find out they will not take this omnibus bill, which contains everything the President wants; if the Democratic policy committee, a committee of politicians, is going to do its work in the darkness of the night, and write legislation, that is indeed presidium procedure. That is using a Russian technique, a Communist technique, to do something about communism in America.

I hope that does not come to pass. I hope the Democratic policy committee will now put up the curtains, open the windows, and let in the air. I hope they will write legislation in the open, where we can have public hearings and public expressions and testimony from those who favor legislation and those who oppose it, and that in that way we can progress in this body. Unless Members of the United States Senate protest now against the political policy committee of the Democratic Party usurping the authority of the Committee on the Judiciary and of other committees, we can just as well close up shop in our legislative committees and do without them.

and operate completely under the presidium procedure that the Communists have found so effective in Russia.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. BREWSTER. We are in the throes of some kind of a war, warmer than it was, and we are seeking in every practical way to unite our efforts. When it comes to the question of passing a bill dealing with control of communism, which may not be acceptable, however, to the Senate because it bears the names of Senators on both sides of the aisle, is not that a curious way to seek that bipartisan cooperation which we have heard so often extolled as a solution of our foreign problem?

Mr. MUNDT. I quite agree. It sort of reminds one of the bipartisan foreign policy approach which, if I understand it, having had something to do with it for 8 years as a member of the House Foreign Affairs Committee, operates on the theory that as you go along through the Congress, decisions are made in the name of a bipartisan group, and then, come campaign time, the President claims credit for everything that is good, and blames the Republicans for everything that is bad, and that makes it "bipartisanship." Probably they do not want bipartisanship in this kind of legislation, because they have deleted the Republican names, and I am not going to quarrel about that. But I am happy that some elements of the press have not been fooled any more than has the Senator from South Dakota and other Senators on both sides of the aisle.

Mr. President, this morning there was published in the Washington Times-Herald an editorial entitled "A Cheap Trick." I ask unanimous consent to have it inserted in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A CHEAP TRICK

Just how much honesty there is in the Truman gang's appeal for unity can be demonstrated by a look at the President's message to Congress of Tuesday last. There was shaped up in the Eightieth Congress by Representative RICHARD NIXON, Republican, of California, and Representative (now Senator) KARL MUNDT, Republican), of North Dakota, a bill to make communism in the United States of America more difficult to practice and to make Communists easier to catch.

THE MUNDT-NIXON BILL

The Mundt-Nixon bill actually passed the House by a vote of 319 to 58, but, more's the pity, got lost in the senatorial shuffle.

When the Eighty-first Congress convened, it was promptly reintroduced with improvements by Senator HOMER FERGUSON, Republican, of Michigan, and after the most impressive endorsements by legal authorities has been reported out by the Judiciary Committee of the Senate.

It is perfectly obvious to the whole Nation that such a law is necessary and that Congress is going to pass one late, but thank God, at last.

Thus, Mr. Truman, on Tuesday rushed some 3,500 slippery-elm words up to Capitol Hill, asking that the Mundt-Nixon-Ferguson bill be passed, but under no circumstances that it be passed as the Mundt-Nixon-Ferguson bill.

IT WILL BE LAW

To do that might give some credit to the gentlemen who drafted it, and they are Republicans.

There is no other way to read or interpret the President's message. For the Mundt-Nixon-Ferguson bill incorporated everything the President asks and has been thoroughly dry-cleaned of flaws. Chairman PAT MCCARRAN of the Judiciary Committee has very honorably and rightly said as much.

The higgling, cheese-paring attempt of Truman to get the Mundt-Nixon-Ferguson result without letting the bill's authors be identified with it, is natural enough and only to be expected from a cum laude Pendergast graduate.

But how does it square with the pretense that we have in the White House a solemn, dignified statesman who has put partisan cheapness in its ignoble place and now asks a whole Nation to follow him to war?

HE'S DOING WHAT COMES NATURALLY

There is less for which to criticize Truman in his pretensions, than in the case of supposed intelligent citizens who fall for him. Truman is just a small-bore politician and will never be anything else. He's doing what comes naturally.

It is a tragedy that he happens to be in office. But that can be cured.

The fatal thing would be to stand idly by and let people hypnotize themselves into accepting his balderdash as something other than what it is.

Mr. MUNDT. I think people will be interested in reading that editorial. The editorial was certainly a prophetic one. It must certainly have been written by a crystal gazer. He should be asked to take a Gallup poll in the next campaign, because he wrote this prophetic editorial which was published in the morning of today, and the prediction is now coming true before our eyes. It was written in advance of that.

Mr. President, I also call attention to a rather significant full page advertisement appearing in today's issue of the New York Times. The heading is "Let us make no mistake about it." I want to quote only one passage. I shall not burden the RECORD by reading the whole advertisement.

Here is one significant paragraph from that full page advertisement:

From now on, let us make no mistake about it: the war is on, the chips are down. Those among us who defend Russia or communism are enemies of freedom and traitors to the United Nations and the United States.

Mr. President, the rest of the advertisement carries out the same thought, so I shall place only that one paragraph in the RECORD at this point.

Mr. President, I call attention to the fact that the advertisement is signed by such persons as Maxwell Anderson, Irving Berlin, Milton Caniff, Madeleine Carroll, Russell Crouse, Dr. Clarence R. Decker, Rube Goldberg, Robert P. Patterson, and William Sloane—persons of some importance, and persons who are well-known Americans.

I should also like to call attention to the fact that it is not so easy to fool the American people. It has been a long time since P. T. Barnum said that the people love to be fooled. Many organizations have understood just as clearly as does the editor of the New York Herald Tribune, whom I quoted earlier in my remarks, the editor of the Washington Times-Herald, and many others to whom I could refer, that the President's message calls for precisely the kind of provisions which are incorporated in Senate bill 2311. Putting a new name or a new number on that bill will not alter that fact.

Mr. President, now that Senate bill 2311 is walking into the Senate Chamber on two sets of legs and from two different directions, we certainly hope it will be passed in one way or another—either by means of debate on the bill on its merits, a procedure which we have been asking the majority leader for weeks and weeks to have followed, or as a new piece of legislation, in the form of the omnibus bill to be reported in the name of the distinguished Senator from Nevada [Mr. MCCARRAN], from the Judiciary Committee.

Mr. President, over the week end the Senator from Michigan [Mr. FERGUSON] and I propose to make an analysis to show how completely Senate bill 2311 conforms, section by section, with the President's request. It will be obvious to any reader that it is exactly duplicated in the new McCarran omnibus security control bill.

At this time I am happy to call attention to a release issued today, containing a statement made by the national commander of the American Legion, George N. Craig. In the statement Commander Craig reaffirms the support of the American Legion for the so-called Mundt-Ferguson Communist-control bill, Senate 2311, and urges the Senate to pass that bill promptly, now that the Senate has received the President's message. Mr. President, I ask unanimous consent to have the text of the release printed at this point in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C.—The new legislation requested of Congress to protect this country from unbridled conspiracies by Communists and their front organizations again emphasizes the long-standing demand by the American Legion for effective control of such subversive activities.

This was the statement of National Commander George N. Craig, of the American Legion, in reiterating support of the Mundt-Ferguson-Johnston Communist control bill, S. 2311. Commander Craig's further statement follows:

"The American Legion has long been alert to the vital necessity of practical legal curbs on the Moscow-directed red fifth column in the United States. It is because of its awareness of this present and ready danger that it has by national convention action endorsed this measure, supported it energetically and testified on behalf of it before Congress. It remains convinced this is a practical and effective bill which will do the job it is intended to do.

"The American Legion points out the incredible fact that under existing laws greater restrictions are placed on the activities of the Democratic and Republican Parties which are the mainstays of our political system than are imposed upon the Communist Party

which is dedicated to the overthrow of that system.

"With a war on our hands in Korea where our troops are engaged in combat against the same kind of communism that has its evil tentacles here in the United States, it is unthinkable that there should be continued delay in bringing S. 2311 to the floor of Congress for favorable action. This is a measure that has been carefully studied by congressional committees, has been favorably reported from Senate Judiciary Committee by 12 to 1 vote and which includes in its provisions the precautionary steps and safeguards recommended in the request for the new legislation.

"The American Legion again urges the Senate and House to take prompt action to end the delay which has been protecting the Communists within our midst. We ask the Senate and House to take action now to approve legislation to expose, identify, and sharply curtail the conspiratorial activities of the members of the American branch of the international Communist cabal and its countless front organizations operating in stealth and secrecy within our land."

Mr. MUNDT. Mr. President, I do not have it at hand at the moment, but today the Veterans of Foreign Wars also issued a statement reaffirming their recognition that Senate bill 2311 provides for enactment of the provisions the President has requested in his message; and in that statement the Veterans of Foreign Wars ask the United States Senate to stop its delay and to pass Senate bill 2311 now. I am very happy to have the continued support of those fine veterans' organizations and of many other organizations who favor the enactment of S. 2311 to establish controls against communism.

Mr. President, the hour is growing late, and I shall not detain the Senate longer. I wish to have it clearly understood, however, by all who can either run or read that regardless of the label under which the measure is brought before the Senate, or regardless of when or how the measure is brought before the Senate, the junior Senator from Michigan [Mr. FERGUSON] and the junior Senator from South Dakota are going to continue to support Senate bill 2311 and its purposes, its provisions, and its policies, regardless of whether they are made a part of a legislative proposal on a different subject; or whether we are actually given a chance to vote on Senate bill 2311 by the highly reluctant Democratic policy committee, which has kept it bottled up like a bad olive for so long; or whether our bill is brought in under an omnibus bill by the Senate Judiciary Committee; or whether acting like the Russian presidium, meeting in an atmosphere of secrecy, and without making reports or releasing information to the public, the Democratic policy committee connives, under a proposal by which its members think they can catch Communists and can catch votes at the same time, to bring in a measure something like Senate bill 2311. If a measure substantially like Senate bill 2311 is brought in under any name we will support it. If they bring in a synthetic substitute which has no more strength than rain water, we will do all we can to have the bill amended on the floor of the Senate in such a way as to give the American people a bill similar to the one which for so long we have tried to have considered and enacted on the floor of the Senate.

Mr. BREWSTER. Mr. President, I trust that the distinguished Senator from South Dakota will bear in mind the old adage that imitation is the sincerist form of flattery. I gather that the position taken on this question by Senators on the other side of the aisle indicates their realization of the worth and merit of the bill of the Senator from South Dakota [Mr. MUNDT] and the Senator from Michigan [Mr. FERGUSON].

In commenting upon what many of us consider the well-considered speech delivered this afternoon by the distinguished Senator from California [Mr. KNOWLAND], which in my opinion well continues the endeavor he has made for many months now to focus the attention of the American people on the significance of the events now occurring in the Orient, I wish to say that I trust that this is another chapter in the enlightenment of the American people, and that the result will be to move our State Department, however reluctantly, in the direction of the measures the enactment of which is vital if the security of the United States of America is to be preserved.

I also wish to commend the Senator from South Dakota and the Senator from Michigan for the very high and patriotic stand they have taken regarding the proposed legislation on communism. I would point out that they have acted in the highest traditions of American statesmanship, and they have emulated the words and the example of one of the greatest of our Presidents, Abraham Lincoln, who said:

I say stand with anybody that stands right. Stand with him while he is right and part with him when he goes wrong.

So, Mr. President, the name under which this move is made is of no importance to the Senator from South Dakota [Mr. MUNDT] or the Senator from Michigan [Mr. FERGUSON], so long as the move that is made is in the right direction.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MUNDT. I wish to express my appreciation of the Senator's very encouraging remarks; and I should like to point out that I am pleased to have this debate occurring while we have as acting majority leader the distinguished senior Senator from South Carolina [Mr. MAYBANK]. I should also like to associate myself with the statements made by the distinguished junior Senator from Michigan [Mr. FERGUSON]. He has been a stalwart battler against communism and in the effort to bring this measure to the floor of the Senate.

Although I shall not retract my statements that the fault for keeping Senate bill 2311 from being acted on by the Senate is that of the Democratic policy committee and of the majority leader. I also wish it to be understood that some of the members of the Democratic policy committee are just as much distressed about the conniving attempts to keep this measure from the floor of the Senate as I am. Some of the members of the Democratic policy committee are much perturbed and distressed by, and have apologized to some of the rest of us for, the political conniving that is going on on the part of the Democratic policy committee, by which an attempt is made not only to deprive the authors of Senate bill 2311 of the authorship of their bill, but also to sidetrack action on that measure or on similar measures reported to the Senate by the members of the Judiciary Committee and its highly esteemed and most estimable chairman, the Senator from Nevada [Mr. MCCARRAN].

I do not want any criticism to flow to those, on or off the Democratic policy committee, who have measured up to the patriotic impulses of the moment and stood up and declared themselves openly as favorable to getting action on this kind of legislation in this session of the Congress. It is merely to those who participate in this conspiracy of silence that I wish my remarks to allude.

Mr. BREWSTER. Mr. President, from my somewhat extended knowledge of the procedures in the Senate, and particularly with the approach to these problems on the part of the senior Senator from Nevada, with whom I have been associated in many matters of legislation, I shall, until evidence to the contrary appears, be entirely convinced that his action today in introducing this omnibus measure is designed to circumvent those who would dilute and water down legislation on this subject. His historic stand in this matter, his uncompromising devotion to the principles that are here concerned, his stalwart stand in the committee and with his associates in the committee, all are such as to persuade me that, if there be anyone on the other side of the aisle who would seek to divert this subject to merely political ends, gazing in the crystal ball at this late day and seeing political portents which they do not like, he, by presenting this measure in the Judiciary Committee, offers full opportunity to circumvent the sinister design.

Mr. MUNDT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from South Dakota?

Mr. BREWSTER. I yield.

Mr. MUNDT. I think the Senator from Maine is exactly correct, and I desire to associate myself with the tribute he has paid to the distinguished chairman of the Senate Judiciary Committee. I, too, feel that he used this unusual and unprecedented maneuver of preparing legislation with the paste pot and the shears, because he felt that that was a device required to circumvent efforts to carry out the so-called presidium procedure which the Democratic policy committee has undertaken. We all recall that, as the Senator from Nevada introduced his bill on the floor this afternoon, he said frankly and openly, "This is plagiarism." He did not try to conceal it. He did it in the

open, in the light of day. He said, in effect, "This is plagiarism. I have taken someone else's bill and put my name on it as part of an omnibus bill, but I think the exigencies here are such, and the maneuvers of the master politicians are such," the latter part being implied rather than spoken by the Senator from Nevada, "that I have to take this unprecedented step, in order to be sure that the boys who are fighting communism in Korea may have something at home which is legitimate and significant in the nature of legislation to stop the treacherous activities of Communists here."

Mr. President, it now seems clear that by one device or another, the Senate soon will have an opportunity to express itself on the salient, carefully considered, widely supported provisions of S. 2311.

THE SPANISH LOAN

Mr. BREWSTER. Mr. President, it is peculiarly appropriate that I should now wish to refer to another matter, which it seems to me has very considerable relevance, as in it the Senator from Maine has long been associated with the Senator from Nevada in the battle to force upon this administration and the State Department a recognition of the supreme importance of normalizing our relations with the Government of Spain, a battle in which we finally saw victory within the past week when this body, by a vote of 65 to 15, finally recognized that the vital interests of this country were so great that we must override the objections of the President and of the Secretary of State, a Secretary of State who would not turn his back on Alger Hiss, but who was quite prepared, on the day after the vote of the Senate, to turn his back upon 65 United States Senators and pronounce them absolutely wrong, only to find, on the motion to reconsider, that the 65 Senators still stood their ground for the interests of this country and for peace and security in this world.

I want to ask that two communications which appeared in the Washington Post this past week dealing with what is headlined by the Washington Post, "Spanish omelet," one a letter by Helen A. Clark, of Washington, the other a letter from R. B. Cocroft, Jr., of Falls Church, Va., be inserted in the RECORD in connection with my remarks, because they so potently and forcefully present the considerations as to why this action should have been taken.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SPANISH OMELET

A daily reader, and great admirer of the Washington Post, I was surprised and disappointed at your August 3 editorial, Spanish Omelet, in which you decried aid to Franco, calling attention to the fallacy of the theory that the enemy of your enemy is your friend.

After all, wasn't that the basis of our alliance with Russia during World War II? Certainly the aftermath of that alliance has shown how disastrously wrong that concept may prove, but anyone who dared back in 1943, to voice such heretical thoughts was denounced in no uncertain terms as a Nazi sympathizer. At their worst, Franco and his cohorts could never be a serious threat to world peace.

Of course, once bitten, twice shy, but it looks as if you would have us go all out to shun a repulsive, but possibly helpful worm (see Carlton J. H. Hayes, Wartime Mission in Spain) after years of nourishing a whole nest of vipers in our national bosom.

HELEN A. CLARK.

WASHINGTON.

The civil war which broke out in Spain in 1936 was the almost inevitable climax of many years of turbulence, violence, and social and political chaos. The war was immediately preceded by the election of a radical, left-wing, popular-front government which was supported by an electoral majority, but a minority of the popular vote—similar to the election of Lincoln in 1860, which precipitated our own Civil War.

Reform was undeniably overdue—as it was in Virginia in 1860, in Russia in 1918, or in Greece and China in 1949. Yet the radical and ruthless nature of these measures and the outspoken hostility of the government toward the large conservative and reactionary elements of the Spanish population produced a reaction which, when it came, split Spain fairly down the center.

If the ensuing struggle was a battle of Fascist against anti-Fascist, it was no less a battle of Communist against anti-Communist. Into that struggle the rival camps of Europe poured men, money, and material to the limit of their capabilities. German and Italian pilots shot down Russian fighters as well as bombers furnished by the Popular Front government of France. Blackshirt legions grappled with French Communist volunteers or with an Abraham Lincoln Brigade now listed by our Government as a subversive organization. Far from being a Fascist coup d'état, this was full-scale civil war in which both factions were supported not only by large segments of the Spanish people, but by alien governments—including that of Soviet Russia—whose selfish interests lay with one side or the other.

Our own national interest, to the extent that it was involved at all, lay wholly with neither faction—nor did the legitimate sympathies of the American people. That the Spanish war was not more objectively reported by our press, that Americans cannot to this day view the question of Spain dispassionately in the light of their own national interest, can only be attributed to the undeniably pro-Soviet climate which pervaded the Western World—or its organs of public expression—during the period of these events. If the tragedy in Spain were repeated today, there is little question where our interests would lie.

No American need join the Nazi Party nor even the Catholic Church in order to feel thankful that communism was successfully, if ruthlessly, conquered in Spain—at no expense to us, for once—and that communism was thereby set back, at least, in France. Beyond that, as an American, he can regard Franco—or Salazar or Peron or Ibn Saud or the Shah of Iran—simply as the alien ruler of an alien state with which we have no basic conflict of interest at this time.

If we attain the day when recent history can be objectively reviewed, the unembellished record will probably show us that Franco, for all his faults, has probably acted in consonance with the national interests of the United States about as consistently as any of those nations of western Europe—whichever they may be—so wistfully mentioned in your editorial as our true friends.

R. B. COCROFT, Jr.

FALLS CHURCH, VA.

Mr. BREWSTER. I want to ask that, following that, an editorial entitled "Aid for Spain," from the Herald Tribune, also appear in the RECORD. I quote simply the concluding sentence:

We should much prefer that American action was taken in unison with our allies. But the need for reconsideration seems to us urgent.

It refers to reconsideration of the policy which is to prevail. The editorial commends the action recently taken by Congress.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AID FOR SPAIN

With the transformation of the cold war into a shooting war in Korea, it was inevitable that repercussions should be felt the world around. No problem, military, diplomatic, or economic, can be the same again. Whether one looks to the immediate fact, to the nearer threats, or to the grim possibility of a total war, perspectives have altered radically.

As one significant measure of this change came the overwhelming vote in the Senate to lend Spain $100,000,000 for economic aid. Only last April the same body voted down a corresponding loan just half as big. Under the unique terms of the proposal, the loan would be arranged through the Export-Import Bank, and would be administered by Paul G. Hoffman, Economic Cooperation Administrator. Spain would thus remain outside the Marshall plan, while sharing in American funds.

The criticism of the loan voiced by Mr. Acheson yesterday plainly must be carefully weighed. Probably the commercial and financial issues raised can be entrusted to Mr. Hoffman, whose authority in these fields should be complete. Since military considerations obviously persuaded the Senate to this reversal of policy, these too demand study. The decision taken by the Senate looks in the right direction, but qualifying conditions may well be in order.

In the wake of the loan it seems inevitable that an Ambassador from the United States will return to Madrid. The present anomalous situation whereby we have complete diplomatic representation in Madrid save for the absence of a top-ranking diplomat, has accomplished nothing except to deny America a maximum of diplomatic influence. The question is scheduled to come before the United Nations before long, and we hope the resolution whereby the western powers denied themselves ambassadorial representation at Madrid will be rescinded. We should much prefer that American action was taken in unison with our allies. But the need for reconsideration seems to us urgent.

Mr. BREWSTER. I ask also that there be inserted in the RECORD at this point in my remarks an editorial from the New York Times, entitled "The Loan to Franco." I read from it one sentence:

However, it should be obvious that we do not need to bribe Franco to become an ally. He has no choice in a possible war—not even of neutrality—for this time, instead of having a friendly Hitler, he would have Stalin to contend with.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LOAN TO FRANCO

On February 9, 1946, the General Assembly of the United Nations adopted a resolution endorsing the view expressed at Potsdam and San Francisco that Franco Spain was ineligible for membership in the UN and calling upon members to act in accordance with the letter and spirit of the resolution

in their future relations with Spain. We submit that the Senate vote putting Spain into the European recovery program through a $100,000,000 loan goes contrary to the spirit of this resolution. It is a Government loan that would be made without consulting other members of the United Nations. It has been denounced promptly by Secretary Acheson, and President Truman previously was on record as opposing such loans to Franco.

The importance of the proposed cerdit is precisely in its governmental character. There was no objection when a private American bank made a loan to Spain, nor would there be if the Export-Import Bank did so. As a matter of fact, the Bank last year found Spain a poor credit risk. The Senate is going against the almost universal condemnation of the Franco regime throughout the democratic world. The reasons given are primarily that Franco Spain is anti-Communist and that it has great strategic value from a military viewpoint.

Spain always arouses strong emotions, but it should be possible to consider the issue calmly. If our military leaders say Spain is necessary to a proper defense structure, one must accept their judgment. However, it should be obvious that we do not need to bribe Franco to become an ally. He has no choice in a possible war—not even of neutrality—for this time, instead of having a friendly Hitler he would have Stalin to contend with.

So far as his anticommunism is concerned, it is vital for Americans to keep in mind that the enemy in our century is totalitarianism, whether it take the form of communism or fascism. We fought the Second World War with communism as an ally, only to find at the end that the threat to world democracy was greater than ever. It would be extraordinarily short-sighted if now we fought communism with fascism as an ally.

It should be recognized that this measure may kill the last hope of overthrowing Franco and installing a democratic, non-Communist regime. It is hard to believe that the American people want to see Franco saved by American help. There is still time to defeat the measure and we sincerely hope that it will be defeated.

Mr. BREWSTER. It seems to me that in that editorial the members of the New York Times editorial staff have done something less than justice to their usual perspicacity and learning in suggesting that we do not need to concern ourselves about Franco, since he will be on our side anyway in the fight with communism. That, it seems to me, is both the most dangerous and the most damning admission they have made. In my judgment, the New York Times was entirely correct when it said that in any war with communism, Franco and the Spanish Government would be our inevitable allies, for the very good and sufficient reason that they were the first to conquer communism within their own country and are the mortal foes of communism. Will not the New York Times logically conclude that any measures designed in some degree to strengthen the Spanish Government today, which has the only army in Europe on whom we may confidently count, are well calculated to serve the interests of our country?

I should like to have the editorial board of the New York Times consider whether they want us to have weak and ineffective and unarmed allies, or whether they would desire, in accordance with what we have understood to be our policy in seeking to strengthen western Europe, to strengthen an ally whom they consider it is absolutely certain we shall have. Apparently, however, the New York Times is not interested in seeing her strengthened in any way. It seems to me that the recent action of the Senate, in the vote of 65 to 15, is a sufficient indication that the Senate, at any rate, has a far more realistic approach to this problem than would be indicated by those who are clinging to the outmoded and unrealistic attitudes of the all too recent past.

I was about to insert also an editorial from the Herald Tribune on the Communist conspiracy, but the Senator from South Dakota has already done that; and also, the article dealing with Yalta. It seems to me that a steady awakening is going on, and those who have labored in the vineyard to awaken the American people to the perils of communism, and who insist on constantly strengthening our association throughout the world with those forces opposed to communism, may be profoundly grateful at the progress which is so evidently being made.

EXECUTIVE SESSION

Mr. MAYBANK. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER [Mr. KNOWLAND] laid before the Senate a message from the President of the United States submitting the nomination of Leo A. Casey, of West Virginia, to be United States marshal for the northern district of West Virginia, vice Robert H. Mollohan, resigned, which was referred to the Committee on the Judiciary.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. LONG (for Mr. JOHNSTON of South Carolina), from the Committee on Post Office and Civil Service:

John M. Redding, of Illinois, to be Assistant Postmaster General, vice Paul Aiken, resigned; and 96 postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

UNITED STATES COAST GUARD

The legislative clerk proceeded to read sundry nominations in the United States Coast Guard.

The PRESIDING OFFICER. Without objection, the nominations in the United States Coast Guard are confirmed en bloc.

That completes the Executive Calendar.

RECESS

Mr. MAYBANK. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 7 o'clock and 49 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 11, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate August 10 (legislative day of July 20), 1950:

UNITED STATES MARSHAL

Leo A. Casey, of West Virginia, to be United States marshal for the northern district of West Virginia, vice Robert H. Mollohan, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 10 (legislative day of July 20), 1950:

UNITED STATES COAST GUARD

To be chief boatswains

Claud E. Simmons	Marvin T. Duncan
William Miller	David S. Williams
Charles R. King	Frank Fitch

To be chief radio electricians

Edward J. Ellwood	Alexander Cseh III
Joel Ober	Ross J. Hensley

To be chief machinists

Harry W. Childs	Farrell E. Harvey
Henry C. Hedges	Duffy E. Rawls

To be a chief carpenter

Joseph B. Blanchard

To be chief pay clerks

Theodore M. Krotky
Anthony M. Spiri

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 10, 1950

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, our Father, who dost hear and help those who seek Thee with humble and honest hearts, we pray that in simplicity and sincerity we may daily yield ourselves to Thy sovereign will.

May all who serve our Nation in the affairs of government bear calm and courageous testimony to their faith in Thy divine wisdom which never errs, and Thy divine strength which never fails.

Grant that we may have a clear vision of those spiritual principles which are the only foundation upon which mankind can build its habitation of friendship, its temple of righteousness and justice, and its palace of an enduring peace.

Hear us in the name of our Lord and Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 612. An act for the relief of Col. W. M. Chubb;

H. R. 1618. An act for the relief of Kenneth J. MacKenzie;

H. R. 1988. An act for the relief of Leslie A. Fry;

H. R. 2350. An act for the relief of Mrs. Marion M. Martin Jones;

H. R. 2805. An act for the relief of John F. Oettl;

H. R. 3605. An act to provide for the documentation of the Canadian-built vessel *North Wind*, owned by a citizen of the United States;

H. R. 4065. An act to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens;

H. R. 4117. An act to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the national park system, and for other purposes;

H. R. 5157. An act for the relief of the legal guardian of Anthony Albanese, a minor;

H. R. 5282. An act to amend section 3 of the Organic Act of Puerto Rico;

H. R. 6657. An act for the relief of Georges Jules Louis Sauvage;

H. R. 6850. An act for the relief of Lt. Col. F. A. Ferguson;

H. R. 6959. An act authorizing the Secretary of the Interior to issue a patent in fee to William Watt;

H. R. 6960. An act authorizing the Secretary of the Interior to issue a patent in fee to James Wilbur Watt;

H. R. 6961. An act authorizing the Secretary of the Interior to issue a patent in fee to Mary E. White Watt;

H. R. 6963. An act authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively;

H. R. 6964. An act authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering;

H. R. 7043. An act to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.;

H. R. 7192. An act to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended;

H. R. 7253. An act for the relief of Charles Wilson Roland and Mirtie L. Roland;

H. R. 7293. An act authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby;

H. R. 7294. An act authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross;

H. R. 7431. An act for expenditure of funds for cooperating with the public school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes;

H. R. 7540. An act for the relief of Louise Peters Lewis;

H. R. 7773. An act to authorize the sale of certain allotted land on the Pine Ridge Indian Reservation, S. Dak.;

H. R. 7869. An act to provide for the furnishing of quarters at Newnan, Ga., for the United States District Court for the Northern District of Georgia;

H. R. 7887. An act granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact;

H. R. 8144. An act to authorize the sale of a small tract of land at Great Falls, Mont.;

H. R. 8450. An act for the relief of Raief Neahem, Iffef Neahem, and Ihsen Neahem;

H. R. 8597. An act to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers;

H. R. 8767. An act to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes;

H. R. 8792. An act to amend the statute relating to certificates of trade-mark registrations;

H. R. 8845. An act to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea;

H. R. 8923. An act to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes;

H. R. 8944. An act authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y.;

H. R. 9074. An act to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to nonprofit contests wherein prizes are awarded for the specie, size, weight, or quality of fish caught by the contestant;

H. R. 9120. An act to amend section 322 (b) (3) of the Internal Revenue Code;

H. J. Res. 453. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950;

H. J. Res. 489. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 496. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Food Exposition, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes; and

H. J. Res. 501. Joint resolution to authorize the procurement of an oil portrait and a marble bust of the late Chief Justice Harlan F. Stone.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 210. An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes;

H. R. 602. An act for the relief of Fritz Busche;

H. R. 2121. An act to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials;

H. R. 4136. An act for the relief of Helen M. Booth;

H. R. 4584. An act to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes;

H. R. 4832. An act for the relief of Graphic Arts Corp. of Ohio;

H. R. 4989. An act to provide for the payment of just compensation to John Ii Estate, Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, island of Oahu, T. H.;

H. R. 6958. An act authorizing the Secretary of the Interior to issue a patent in fee to Francis Lee Edwards;

H. R. 7017. An act authorizing the Secretary of the Interior to issue a patent in fee to Edgar S. Bigman;

H. R. 7155. An act to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest landowners, and for other purposes;

H. R. 7209. An act authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic coast fish species for the purpose of developing and protecting fish resources;

H. R. 7439. An act to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes;

H. R. 8112. An act to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States;

H. R. 9023. An act to amend the Hatch Act; and

H. J. Res. 434. Joint resolution providing for recognition and endorsement of the California World Progress Exposition.

The message also announced that the Senate had passed bills, a joint resolution and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 294. An act for the relief of Hernando J. Abaya, his wife and two children;

S. 410. An act for the relief of the former shareholders and debenture note holders of the Goshen Veneer Co., an Indiana corporation;

S. 541. An act to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, with respect to clerks in air mail field railway post offices;

S. 665. An act for the relief of Margaret D. Scott;

S. 814. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Sisseton Indian Agency, S. Dak.;

S. 883. An act to authorize the taking and destruction of dangerous weapons in certain cases, and for other purposes;

S. 946. An act to permit credit, for purposes of parole, for time served in a Federal penal institution under an illegal conviction or sentence in the case of a person who is subsequently legally convicted and sentenced for the same offense;

S. 1140. An act to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico;

S. 1832—An act to amend the Immigration Act of October 16, 1918, as amended;

S. 1913. An act for the relief of Adelaide Giovanna Summa;

S. 2487. An act for the relief of Dominic Arcella;

S. 2506. An act for the relief of Libuse Chalupnik Pavlish;

S. 2695. An act for the relief of Stella Jean Stathopoulou;

S. 2772. An act for the relief of Thomas N. Cole;

S. 2927. An act for the relief of Edmon Burgher;

S. 2948. An act to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915;

S. 2981. An act for the relief of Giuseppe Merlinet Forgnone;

S. 3094. An act for the relief of Miriam Rosenblum;

S. 3107. An act for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina;

S. 3157. An act for the relief of Setsuko Takata and Catharine Takata;

S. 3263. An act to amend Veterans' Preference Act of 1944 with respect to certain mothers of veterans;

S. 3367. An act for the relief of the law firm of Hunt, Hill & Betts;

S. 3426. An act to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife;

S. 3504. An act to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof;

S. 3654. An act to amend section 3 of the Postal Salary Act of July 6, 1945;

S. 3724. An act for the relief of Maria Sulikowski Forbes;

S. 3889. An act to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States;

S. 3960. An act to amend subsection (b) of section 10 of the act of June 26, 1884, as amended (U. S. C., title 46, sec. 599 (b));

S. 3979. An act to fix the responsibilities of the Disbursing Officer and of the Auditor of the District of Columbia, and for other purposes;

S. 3987. An act to amend title 18, United States Code;

S. J. Res. 163. Joint resolution to designate the reservoir above the Baldhill Dam in North Dakota as Lake Ashtabula; and

S. Con. Res. 100. Concurrent resolution providing for the printing of proceedings at the unveiling of the statue of Brigham Young.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3644. An act to amend the War Claims Act of 1948, as amended.

The message also announced that the Senate had adopted the following resolution:

Senate Resolution 326

Resolved, That when the Senate recesses or adjourns on Friday, August 11, 1950, it be until Monday, August 14, 1950, and that on said day, and until otherwise ordered, it meet in the old Supreme Court room in the Capitol.

Resolved, That all rules relating to the Senate Chamber shall be applicable to the old Supreme Court room.

Resolved, That the Secretary communicate these resolutions to the President of the United States and to the House of Representatives.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9038. An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. HOEY, Mr. O'CONOR, Mr. McCARTHY, and Mr. MUNDT to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1838) entitled "An act to amend title 28 of the United States Code relating to fees of United States marshals," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. EASTLAND, and Mr. WILEY to be the conferees on the part of the Senate.

CALL OF THE HOUSE

Mr. SPENCE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PATMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 227]

Barrett, Wyo.	Hobbs	Quinn
Boykin	Jennings	Regan
Bulwinkle	Johnson	Rivers
Cox	Keefe	Sabath
Dague	Kelley, Pa.	Sadowski
Davies, N. Y.	Kennedy	Scott, Hugh D., Jr.
Dawson	Larcade	Shelley
Denton	Latham	Sheppard
Dingell	McMillen, Ill.	Smith, Kans.
Eaton	Magee	Smith, Ohio
Elliott	Mason	Steed
Engle, Calif.	Miles	Talle
Gillette	Murphy	Wadsworth
Gossett	Murray, Wis.	Whitaker
Hall, Edwin Arthur	Pfeiffer, William L.	White, Idaho
Hare	Phillips, Tenn.	Winstead
Hébert	Poulson	Woodhouse
Hinshaw	Powell	

The SPEAKER. On this roll call 368 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEFENSE PRODUCTION ACT OF 1950

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9176, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before rising on yesterday, the Committee agreed that the further reading of the committee substitute be dispensed with and open to amendment.

Are there any further amendments?

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there seems to be a sentiment on the part of some Members of the House to give the President powers that he does not want and to reduce the powers that he does want to control inflation. If we do not give him sufficient powers to control the conditions that exist now the responsibility will be upon the Congress and not upon the President.

I have no sympathy with the argument that if we give the President these powers he will misuse them. I know the President, and he is pretty much the same man now as he was when he was Harry S. Truman, at Independence, Mo. He is not grasping powers, and does not want them except to be used for his country's good. To say that he would control the lifeblood of the Nation if you let him control the credit ought to have no weight with you.

It has been stated that under the act as originally drafted if John Smith lends his friend, Bill Jones, $100, to be paid in installments, the lender and the borrower would have to make themselves amenable to all the provisions of this act. That is just pure nonsense. There would be orders and regulations that would exclude any transaction of that kind from the operation of the law.

The wise Constitution makers who created the office of President and who, I think, were probably the wisest men that ever sat around the council table—I think the Mighty Ruler of the universe had His hand upon their shoulders—granted powers to the President that were stupendous; unlimited powers. He is the Commander in Chief of the Armies and the Navies of the United States and of the militia when called into action. He can take the admiral off the bridge of the flagship as he goes into battle and say, "I command." He can take the commander in chief out of the field as our forces go into battle and say, "I command." But do you think he would do it? Of course he would not do it, any more than he would misuse the powers we are granting him under this bill.

He has the power of pardon and reprieve given him by the Constitution. He can open the gates of our Federal prisons and let out every man that has been convicted of crime. Is there any parallel in granting that power? Of course not.

He must approve or disapprove every act of Congress. He has the right to veto every act we pass. That is a stupendous power. Does he misuse it? Of course he does not, and no President ever has misused it.

He has a great responsibility. He is a normal man, and I know that responsibility weighs upon him. Then to talk about diminishing these comparatively trivial powers that are provided for in this bill, that amount to nothing as compared with the powers that were given him in the Constitution, is pure nonsense.

The President is not seeking these powers to enslave the people. He is not seeking these powers to destroy the lifeblood of our economy. He is seeking them to meet a condition which exists now and a condition he cannot meet unless you grant him these powers. I ask

when you consider these things, to approach it in that spirit.

He can negotiate all the treaties of the United States, and if they are approved by the Senate, they become the supreme law of the land. Then it is said if we let him control a little credit we are taking a great chance on having the power misused. Please approach the consideration of this bill in that spirit in which the wise makers of the Constitution approach the problem of the creation of the office of President of the United States and the delegation to him in that greatest charter of government ever devised by man.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have very deep respect for the gentleman from Kentucky. I think there is no more able, deep thinking, and fundamentally thinking, man in the House than the gentleman from Kentucky, BRENT SPENCE. He is a philosophical gentleman, fair in all of his undertakings, and, of course, in realizing that the President has all these extremely important powers which are given to him by the Constitution he must recognize that the Congress of the United States is also a part of this governmental integrated machine by which through checks and balances America operates and has become the greatest country under God's canopy. We want to keep it that way.

Now, to take literally the statements of the gentleman from Kentucky we here in the Congress might abdicate our position as one of the three integrated branches of this American system of government with the assurance that the President of the United States, after receiving these powers, would be a benign dictator. The mere presence of the powers in the Executive sometimes is as destructive as the actual use of the powers. That is why we here in the Congress, a branch of the Government set up by those same founding fathers who created the executive branch, have an obligation to the people to preserve the American system of government and be very, very careful about the delegation of powers to the Executive, regardless of the individual who happens to occupy that office.

We should be very careful about the delegation of those powers which are fundamentally and basically delegated by the Constitution to the Congress.

We have a direct obligation to the people, because we are closer to them, as their representatives, than any other branch of the Government. The President is given a great many powers, but he has never, under the Constitution or by delegation from this Congress, had one single power that the Congress could not check on and balance off, either by overriding the Presidential veto, by refusing to confirm his treaties, or going further, even by impeachment. We have always in this Congress reserved the right to check, and check perhaps immediately, upon autocracy, upon any misuse or maltreatment of the powers which we have delegated, or powers which the President has under the Constitution. We should always keep ourselves in that position. If we do not keep ourselves in that position, if we do not keep the fundamental, the basic concept of our republican democracy, the principles of which are established by the Constitution, in which each branch of the Congress retains its position as that of a check or balance against the other. then we destroy American constitutional government. We destroy the American system of government. We destroy the basic principles upon which this country has become the greatest country in the world. That is my obligation, and it should be yours.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has expired.

Mr. MULTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wonder if the Members realize the travesty which we are making of the great lawmaking power of this Congress. The shouts had hardly died down that we were not giving the President enough power when the men and women of this House were called upon to vote upon amendments to the pending bill to strike out of the bill some of the powers he asked for. You will be asked in a few minutes to strike out some of the others.

This is not a question of whether or not we are going to have any checks and balances. This Congress cannot administer any law that it enacts. You must create an agency or vest the power in someone to administer the law that we pass. That is what we are doing and what we are asked to do now, to vest in the President or in those to whom he may delegate the power, control of inflation in this country. You unhesitatingly gave him the power to control the lifeblood of the boys and girls, the youth of this country, who are going to do the fighting for us. Why do you hesitate now to give him the power to control the economy of the country? You are going to give him the right to control prices and wages, but you are not going to let him control the banking institutions and those who want to gamble on the commodity exchanges. You are going to say to the little men and women of this country, "You cannot buy a table or a bed for your home on the installment plan; you cannot go to the corner grocer or butcher and buy your foodstuffs for the table on a charge account, but we are going to let the gamblers continue to reap a harvest on the commodity exchange."

You are going to let the real-estate interests run wild in the lending of money for the roofs over their heads, while denying them the equipment for those same homes. And you talk about checks and balances. You have all the checks and balances you need in this very bill.

By concurrent resolution we can recall those powers overnight. What are you afraid of? The Commander in Chief, whom you have empowered to send those boys wherever they may be needed to defend our shores? He may do that, but you will not let him tell you that you cannot buy the materials that go into the armaments and matériel that those boys will need to carry on the battle.

Oh, what a travesty you are enacting here by what you are doing.

In a few moments you are going to be called upon, I hope, to stand up and be counted and have your names recorded permanently in the records of this Congress so that your children and the children who come after them may know who stood up here and said: "Send them over to fight, but keep from them that which they need to fight.

"Regiment the boys into the armed services. Regiment little lobbyless John Q. Consumer back home. But stay away from the untouchables who can pressure us with their powerful lobbies. Exempt the agricultural exploiters, the commodity exchange manipulators, and the real-estate interests.

"Control the little man and woman in the home and in their daily activities, but let the money lenders, and the money changers, and the gamblers run riot."

The time will soon come for you to be recorded; let your conscience be your guide.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, there is no one of us who would take issue with the particular statements made by the gentleman from Michigan [Mr. WOLCOTT] under ordinary conditions; but we are not faced with ordinary conditions today; we are faced with a condition of danger, and when a condition of danger or imminent danger to our country or our way of life arises—it is much broader than our country, it is an attack, a challenge to a way of life which involves many peoples and countless of millions of people who are dominated by Communist dictators, people who want to be free and who believe in our way of life—we have got to meet it.

My friend from Michigan overlooked one important fact, that the Congress always has control of the purse—to appropriate money, and thereby can always control delegated powers. That is the great power of the Congress of the United States, control of the purse strings.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WOLCOTT. I wish to call the gentleman's attention to the fact that in this bill we delegate the power of appropriation to the President.

Mr. McCORMACK. Will the gentleman state in what way?

Mr. WOLCOTT. Yes, I will.

Mr. McCORMACK. You mean by the creation of corporations?

Mr. WOLCOTT. No; by directing the Treasury to buy the obligations of these agencies and treat it as a debt.

Mr. McCORMACK. That is not the power to appropriate. That has been passed on. We had that in the housing bill and other legislation. I am talking about the power to appropriate, to employ help, to carry on in actual operation any of the delegated powers that

might be given to the President. The Constitution vests in the Congress the power to appropriate, and the provision to which my friend refers has no relationship to that.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. PATMAN. May I invite the attention of the gentleman to the fact that under section 513 the Congress is further enabled by concurrent resolution to repeal any provision of this act?

Mr. McCORMACK. That is correct.

Mr. Chairman, we are faced with a world situation. Even under ordinary circumstances we have to delegate powers; we delegate powers to Federal agencies, the Federal Trade Commission, the Interstate Commerce Commission. All of our agencies particularly of a quasi-judicial nature have powers delegated to them which are both judicial and legislative; and we do that because the Congress cannot legislate with reference to every detail in the operation of a branch organic law, and I refer to the agencies that have regulatory powers. We have to delegate to them both quasi-judicial and quasi-legislative powers.

My friend from Michigan talks about the President's constitutional powers. The powers of the President under ordinary circumstances under the Constitution are limited. It is true that when an emergency is officially declared or war actually occurs tremendous war reserve powers come into operation that the President can utilize, but only after an emergency has been declared, a national emergency, or only after we have actually entered war or war has been declared, officially declared. We are not in that situation now; there has been no official declaration of a national emergency, and there has been no official declaration of war; so the war reserve powers that a President, not President Truman but a President of the United States, from the very day that our constitutional Government was instituted, possesses are not in operation now; therefore we have to go through the method of legislation and delegate powers to the President.

Even when a national emergency is declared, when we are at war, the reserve war powers of the President do not cover every field. So the framers of the Constitution took into consideration all of these things. They had confidence in the man who may be President of the United States, the only man whose constituency is the entire country.

We have a situation here where the great majority of the Members of this body want stronger powers in this emergency. We cannot legislate for every one of them. We have to delegate them somewhere. This bill sets forth proper standards that the President must meet.

Mr. Chairman, it seems to me we have got to face realities. We are doing it within the constitutional framework of our Government. I hope, therefore, that these amendments and the other amendment that was adopted yesterday will be defeated.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the requisite number or words.

Mr. Chairman, on last Friday after several days of rather futile work there were some consultations held and the matter of this pending legislation was put over until yesterday. Since that time there have been talks about bipartisanship. I do not know for sure what is meant by that; but in any event I take it to mean that politics as such might be given up for the moment and that we might proceed to try to write fair legislation to meet the real problems that confront us.

It is apparent from what we have heard from the Democratic side here today that the big drive is on to forestall any limitation that the Congress might see fit to write into legislation dealing with the powers requested by the President. I do not think that is quite the way to approach it. It was known last week that the gentleman from Michigan and many other Members of the House were very insistent that certain amendments be written into this legislation and it appeared then that Members in sufficient number would support the amendments. I do not know why at this hour there should be so much concern unless it is to save face or to say arbitrarily that there can be nothing touched in this legislation. To my mind that is not the proper way for the House to legislate and certainly it should not make much of an appeal to the Members on either side of the aisle.

It is said this country is in a crisis. Of course no one knows for sure how much of a crisis we are in. It is being contended that this is not a real war that we are in, that it is only a police action. But there are many people in the country who think we are rushing headlong into too much regimentation, too much control, and a lot of the people, at high and low places both, are concerned.

Everyone recognizes through the years of history of this great country that the people have evidenced their genius for self-government in being willing to go along in times of crisis and to grant great powers over the lives of the people to a strong centralized Government. That is all right. But is that any reason to say that we must grant more powers than are needed? Throughout our history likewise has the genius of our people for self-government been evidenced in the fact that once the crisis has passed, they have recaptured for themselves the powers that they willingly yielded. It may be all right to say that by a concurrent resolution the Congress can recapture these powers. However, those of us who have served here in recent years are not going to be misled by that argument because we have seen how increasingly difficult it has become month after month and year after year to recapture those powers for the people.

Now, what lesson does that point for us? May I say to my friends on the Democratic side of the aisle as well as on my side, it points clearly to the proposition that as responsible Members of this great branch of the Government we should yield no more powers to the Executive than are necessary to meet our necessities. What is the principal problem before us as it is presented? Why, it is to carry on this war or police action, whatever you want to call it, to a successful conclusion, to muster our resources to bring about that successful conclusion, and at the same time to see to it, if we can, that run-away inflation does not destroy us here at home.

That does not mean, my friends of the committee, and Mr. Chairman, that it is required of us that we regiment the country completely or socialize the country. You know, I have always said that no dictator nation could lick us because the productivity of men enslaved to a state can never equal the productivity of freemen. That has been proved time and again. Now then, I do not say that in these measures we are enslaving the American people but, believe me, unchecked, used without restraint, it could go far in that direction.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Under those circumstances does it not behoove us now, under our responsibility, to grant only the powers that are needed? And, if later on more are needed, then it will be as easy, yes, easier for the Congress to grant those additional powers than to recapture them, once excessive power is granted; or yes, possibly to undo the damage that we might create by going too far.

Much has been said about the boys fighting abroad. Of course, they are fighting abroad. What for? Some of them say they do not know. Well, I think I know. They are fighting for their country; they are fighting for the kind of government we believe in; they are fighting for free people because they want us to remain that way, and I think the force of their arms, supplied by this great country of ours here at home, will be successful. But, is that any reason why we should jeopardize here at home the very thing which they are fighting to preserve?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Might I call the attention of my friend to the fact that the House itself is giving to the President greater power than he actually asked for?

Mr. HALLECK. Now then, let me just say to the gentleman from Massachusetts, when the debate opened on this measure under the rule, I said then that there was no real emergency in respect

to any of the powers asked in the committee bill as reported to justify proceeding without hearings, unless maybe it is on the consumer credit side. Why, less than 5 percent of the steel of this country is going into defense production. Will anyone challenge that? No, you cannot, because it is the truth. There is no actual war effort operation that is being prejudiced in any way by any lack of power in the Government.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is these objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I would like to respond further to what the gentleman asked me and then I shall be glad to yield.

I said also in that opening statement that if there was anything of immediate emergency or consequence that demanded immediate action by the Congress, it was this matter of increasing prices. Now then, that is the reason, if I may remind the majority leader, that the Congress moved to meet that emergency. The chairman of the Committee on Banking and Currency said that the only reason we had the original Spence substitute was because the minority was demanding that something be done about inflationary tendencies.

Beyond that, I still insist that the powers asked for in this committee bill as reported are broader than are necessary or essential or advisable, and it is no argument against our insistence that some of those powers be restricted to bring them in line with the immediate necessities to say that because somebody insisted that something be done on the price control front that we are asking for more power than the President asked for himself.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman has frankly stated his position now, as he did before. The gentleman is of the opinion that there is no necessity for any legislation now. Is that correct?

Mr. HALLECK. I did not say that.

Mr. McCORMACK. I agree that the gentleman did not use that language; that is true. I want to be fair. But is that the deduction to draw?

Mr. HALLECK. No.

Mr. McCORMACK. The gentleman is opposed to the committee substitute?

Mr. HALLECK. If the gentleman will permit me, I can make myself perfectly clear.

Mr. McCORMACK. I am a little bit too fair to try to ask a catch question. I would not do that.

Mr. HALLECK. The gentleman is not asking me a catch question. If there is a catch, I will find it.

Mr. McCORMACK. I would not do that.

Mr. HALLECK. I appreciate that. The gentleman from Massachusetts has always been fair with me and I try to be fair with the gentleman. I propose to vote for this bill, hoping that it will be amended in several particulars. That is a fair answer, is it not?

Mr. McCORMACK. Is the gentleman in favor of all the provisions of the bill?

Mr. HALLECK. I certainly am not. I do not believe I am required under my responsibility to come in here and rubber stamp any proposal that comes from downtown. In my time here I have seen too much of that.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the President asked for powers that would permit him to set up an agency that would grant priorities and allocations, also authority to requisition plants that are needed in the war effort, also for the expansion of productive capacity and supply, in addition to control of credit and commodity speculation. He did not ask for broad powers. Now he is criticized because he has asked for broad powers, which he has not asked for.

It is true that probably a majority of the Members of this House, doubtless a majority, want something done about prices and wages. I am for that myself. We have written that provision into this bill, which is satisfactory to the majority. The President is perfectly willing to accept the responsibility. He has said so publicly. But he has not asked for the broad powers that the gentleman from Indiana and the gentleman from Michigan have stated here on the floor of this House, he has asked only for limited powers.

WORTHLESS MONEY

The gentleman from Indiana [Mr. HALLECK] said that free people work better than those who are slaves to the state. I thoroughly agree with him. At the same time, free people in a free country like our own will not willingly work for worthless money. Unless you do something to stop it, we are going in the direction of worthless money in this country. I do not care what kind of a war we have, people will not willingly work for worthless money.

This is an effort to stabilize our country, to stabilize the dollar, to keep it from becoming less valuable. We want valuable dollars, so men will willingly work for valuable dollars to build our country in time of peace and save it in time of war.

Pretty soon we will have some amendments offered to exempt the big fellows which is wanted by the real-estate lobby. They want to be exempted. They do not want to be included. The amendment will come up and strong pleas will be made for it, and there will be amendments providing exemptions for other special classes and special groups. All these powers are wanted up to a point, but when you begin to step on the toes of certain people in this country they begin to scream and then ask for exemptions from those powers.

Mr. Chairman, this bill is a very reasonable bill. It grants the President the powers that he has asked for, if it is not substantially amended and the main parts of it taken out. It also provides for price and wage controls.

Yesterday a provision was written into the bill which, if carried out to its ultimate conclusion and if the intention of that provision is carried out, is likely to wreck the country. This bill in the Senate provides for a separate agency to administer it. You cannot set up a separate agency in 3 months, and probably in not less than 4 or 5. So, if you force the President to fix price and wage controls immediately, with no mechanism to enforce or administer it or adjust any inequalities or injustices, there will be so much confusion and chaos that the whole thing is liable to break down in 90 days. So I still think this bill is a good bill with these three gears: First, voluntary controls; next, selective controls; and next, all-out controls.

During the time in which the first two phases are in operation, we will be preparing for the third phase, if and when it becomes necessary. But we cannot do it all when we have no mechanism set up to do it. I hope the bill is passed substantially as is, without amendments calculated to destroy it.

Mr. KUNKEL. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise for the purpose of making a few comments on some of the remarks that have been made this morning. The gentleman from New York took the floor and said that during the past few days we have been conducting a travesty here on the floor of the House because we have been giving, or trying to give, the President some powers that he did not want, and were not giving him some of those for which he had asked.

If the Congress is a deliberative body in which reside the ultimate powers of our Government, then, when the question arises as to what powers we should give the President, the Congress is performing its proper function and proper duty when it decides which powers are to be conferred upon the President and what powers are to be denied to him. It is just very probable that the combined judgment of this body is better in that respect than the judgment of the President. It is only human nature for a man facing a serious emergency to desire more power than it is wise or expedient to grant to him.

I have no criticism whatever of the President when he asks for the powers that he has sought. I am sure that the President asks for those powers because he thinks they are required to carry the present operation in Korea through successfully and to meet any other crises which may arise. At the same time, I think we have the duty and obligation to decide these questions ourselves. That is exactly what we have been doing during the past few days. Instead of being a travesty, it is a fine exhibition of the Congress and its Members perform-

ing their proper functions. I think the conclusions that have been reached by this body have strengthened the bill and will strengthen the position of the President of the United States, if and when the bill is finally passed in substantially its present form.

The gentleman from New York referred to the credit provisions of the act and said that they freed real-estate credit. As a matter of fact, the provisions on real estate in this bill at the present speaking are exactly the same as they are in the committee bill because the amendment offered by the gentleman from Michigan on credit only went to the general credit provisions and not to the real-estate provisions at all.

Mr. Chairman, I want to divorce this question completely from one of personalities. I have confidence in the President of the United States. I do not think he is a man who is particularly grasping for power. But, at the same time, the man who now occupies the office of the Presidency of the United States may not be there forever, no matter what your opinion of him. That same power may reside in someone else. Once power is acquired, it is never easy for mortal man to give it up voluntarily.

I say to you of the opposite political faith it may be in the hands of a Republican in 1952. The question is, Are we to transfer the power, and how much power; not to whom is the power to be transferred. It is the duty of the Congress to meet that situation. I think the President has asked for too much power in some respects, but not enough in other directions. I do want to call your attention to the fact that the gentleman from New York [Mr. MULTER] referred to taking property when we are sending the boys overseas. Actually, there has been no amendment offered or adopted so far which changes in any material way the President's request or the committee bill in respect to priorities, allocations, or requisitions. All we are trying to do in the credit provision is to give the President the power which he now needs over credit, but to reserve the ultimate power so that it can be decided upon later, if and when there might be a real need for such action.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. No; not at this time.

I think the President has asked for too much power. I think we should cut him down. I think we should select what phases of power we should grant him. If the bill were passed in its present form, under the present circumstances, we will be giving him more power than a good man would want and more power than a bad man should have. So let us exercise our selective judgment. Let us not just come in here and say, "We are in a tight spot. We would like to get out of it. So, as Members of Congress, we are going to shed our responsibility. We are going to turn this all over to the President, and then, if anything happens, we can say, 'It will be your fault, and not ours.'" Let us stand up and meet our obligation.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. KUNKEL] has expired.

Mr. COOLEY. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On pages 44, 45, and 46, strike out all of section 411.

Mr. COOLEY. Mr. Chairman, I hope that the Members of this House are not confused, but as I have listened to the debate on this bill, I am actually beginning to wonder. Certainly, this is no time for bewilderment. It is a time for clear thinking and forthright action.

Many Members of this House appear to be somewhat confused about our international situation and somewhat uncertain about just what is going on in Korea. Yesterday an able Member of this House made a speech, which he began by saying, "We are not technically at war." This morning several other Members made speeches indicating great uncertainty regarding our situation in Korea. They were apparently timid about calling it war and seemed to prefer to refer to it as some sort of police action. This is no time for uncertainty, and surely this is no time for hypocrisy, and it is no time for us to be deluding ourselves. All of us must know that we are actually and technically at war. Our countrymen are fighting and dying every hour of the day and the night. If we are not technically at war, pray tell me by what right doth the President of this country, the Commander in Chief of our Armed Forces, send the youth of this Nation 7,000 miles from their homes and firesides to fight, to bleed, and to die in a foreign land? Whatever the exact character of the conflict, the fact remains that it is a battle to the death.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. If we are not technically at war, when did we sign a peace treaty with Germany and Japan?

Mr. COOLEY. I was just going to point that out. Certainly, we are technically at war, because the documents of peace have never been drafted or the terms of peace agreed upon. The North Koreans have not invaded the territorial integrity of this country or any of its possessions, but they have violated a trusteeship which we are exercising in that part of the world. We need not deceive ourselves by wishful thinking. We are at war.

Mr. JENSEN. And a shooting war.

Mr. COOLEY. Yes, a shooting war in which men are being maimed and murdered. Yet we sit here and seem to think that we are engaged in a kind of "police action". Certainly my son is not a policeman nor is he a member of a police force. Neither is your son, and sons of other Americans who are now getting ready for the eventualities of a war which is being waged seven or eight thousand miles from home. We liberated Korea from the onslaught of Japan. The partition of Korea is one of the great tragedies of history but south of the thirty-eighth parallel we have a responsibility which we may not honorably shirk. Let us face up to the fact: This is no police action. It is nothing short of war.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. RANKIN. Will the gentleman discuss his amendment? I am very much interested in his amendment.

Mr. COOLEY. Yes, I shall be very glad to discuss the amendment I have offered. I apologize for trespassing upon your patience with observations concerning Korea.

There is nothing in the Korean situation which has prompted the request for the power which this bill seeks to confer upon the President to control margins on commodity exchanges. This power was requested more than a year ago, long before we even dreamed of the conflict in Korea. Out of respect for the Secretary of Agriculture's wishes, I introduced a bill which would have, among other things, granted this power to fix margins. Hearings have been held, investigations and studies have been made, but the bill has not been reported. I am not complaining because the matter has been summarily taken away from the legislative committee to which it was properly referred but I do object to the emergency being used as an excuse for requesting this control over commodity exchanges. I am not talking about jurisdiction; I am discussing the merits and demerits of the proposition involved. Neither the President, nor the Secretary of Agriculture, nor any other official of the Executive Branch of the Government has ever had the authority over the commodity exchanges which this bill seeks to confer. The authority is not needed and should not be granted. There is nothing in recent transactions to warrant this unwarranted demand for power.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HALLECK. Furthermore, in the Committee of the Whole the gentleman's amendment was sustained by a 2-to-1 vote. Can the gentleman explain to me why the Committee on Banking and Currency persisted in putting it back in the bill?

Mr. COOLEY. I regret very much that I cannot explain it. After the Committee of the Whole acted the other day I thought certainly that the Committee on Banking and Currency would accept this amendment and completely eliminate section 411 from the bill.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BROWN of Georgia. I supported the gentleman's amendment when it was first considered, striking out section 411. I introduced an amendment and it was adopted to the effect that the section should not apply to bona fide hedging transactions. I found afterward that it would not do the job. We met the other day. As the gentleman stated we

passed this amendment on the floor the other day by a 2-to-1 vote. In our committee on yesterday we had a tie vote on this amendment, 12 to 12. The other body gave about three times as much consideration to this bill as we have, and they struck out section 411. I do not think it ought to be in this bill. I think the gentleman is correct. It was given consideration both here and in the other body, more consideration in the other body than we have given it, and it was rejected.

I hope the gentleman's amendment will be adopted.

Mr. COOLEY. I thank the gentleman very much.

I should just like to say in concluding that I wish I had time to discuss the merits of this amendment fully. I am not proposing it as a farmer; I am not proposing it merely because I happen to be chairman of the Committee on Agriculture of the House; certainly, I am not proposing it to protect gamblers.

Some gentleman called these people who speculate or trade on these markets gamblers. I am not conscious of the fact that they are gamblers. The mere fact that he says they are gamblers does not make them gamblers. Let me say this: If these commodity exchanges were cesspools of crime, if in these exchanges crime flourishes, if they are vortexes of vice and dens of iniquity, then we ought not to regulate them; we should not try to control them; we should lock them up and outlaw them. But I can prove by the Secretary's own language that they are needed in the orderly marketing of our agricultural commodities.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOLEY. The Secretary's letter clearly indicates that hedging, bona fide hedging, is desirable. He frankly admits that speculation is necessary if you are going to have bona fide hedging. He complains only about excessive speculation. What is exeessive speculation? He does not know any better than you or I. I can prove by the records of the Commodity Exchange Administration that the smallest price increases have occurred on commodities on which there has been the greatest volume of trading.

Notwithstanding the record, the Department of Agriculture is apparently frightened by the volume of trading; yet the record discloses no cause for fear. The volume of trading on eggs was up about 128 percent, but the price of eggs went up only about 5 percent. Even though the price of eggs did advance slightly, eggs have not reached the support-price level and the Commodity Credit Corporation is at this very moment buying eggs by the thousands of dozens. Why? Because the egg price has not reached parity, and yet we are complaining because somebody has said there is speculation in eggs.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOPE. Is it not a fact that the Commodity Credit Corporation, as stated yesterday very ably by the gentleman from Georgia [Mr. BROWN] has vast quantities of almost all of the commodities which are traded on the exchanges? The very fact of that Government ownership will in itself prevent any wild speculation in those commodities either on or off the exchange.

Mr. COOLEY. The gentleman is right. Furthermore, if we have price ceilings on these commodities why do you want to close up the commodity exchanges?

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Tennessee.

Mr. COOPER. Is it not true that the adoption of the gentleman's amendment will serve the purpose of continuing the present orderly procedure with respect to agricultural products?

Mr. COOLEY. The gentleman is correct.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. The purpose of this legislation is to prevent excessive price increases, is it not?

Mr. COOLEY. Yes.

Mr. POAGE. Has not the gentleman as a farmer, as one who has lived in a farm country heard all his life from every farmer in the country the complaint that the futures market kept the price down?

Mr. COOLEY. That is the farmers' complaint.

Mr. POAGE. Has that not been the consistent complaint for 50 years, that the futures market kept the price down? Are we to destroy a thing that has been keeping the price down at the very time that our sole purpose is to keep the prices down?

Mr. COOLEY. No. May I say that the businessmen of this country trade on these markets. They protect their inventories.

Let me sum up by saying that the complaint is made about volume of business. If you life the margins and drive out the numerous thousands upon thousands of little traders on these exchanges, then it is clear to see that the trading will be done by a comparatively few people. Then one large transaction will have such an impact upon the market that you will see wild market fluctuations and gyrations, and futures trading will be monopolized and in the hands of a very few people.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. MULTER. I have the utmost confidence in the gentleman and in those who take the same position that he does with respect to this amendment. I respect the motives that prompted the gentleman to offer the amendment. I would like to have the gentleman explain the provision in the amendment. The provision he is seeking to strike out is aimed only at traders who are gamblers.

Mr. COOLEY. Who are the gamblers? The gentleman continually uses the expression "gamblers."

Mr. MULTER. But will you keep out of speculating on the commodity exchanges those men who have nothing to do with any of the commodities traded in, but simply go in and buy the futures and gamble?

Mr. COOLEY. How can you ever hedge? How can you ever sell unless you have somebody to buy? These people go in and they buy and sell. I can prove to you by the records of the commodity exchanges that these speculations that the gentleman is talking about do not materially or substantially influence the price that the farmers receive or that the ultimate consumers pay.

Mr. MULTER. Explain to us how you can keep those who are not legitimate traders out of the commodity exchanges and stop them from gambling without this provision in the bill?

Mr. COOLEY. The gentleman has these exchanges in his own city. I cannot explain to you in a few minutes what my committee has learned in 12 months, during which time we have sent members to New Orleans, Chicago, New York, and every place else.

You refer to the traders on these exchanges as gamblers. Who are the gamblers, and who are the righteous citizens? If bona fide hedging is to be permitted, and if speculation in some degree is legitimate, then where shall we draw the line between vice and virtue? Who shall select the malefactor and who shall designate the honest man? This is nothing but a grasp for power. Yes, the power of life and death over an American business institution which has been permitted to operate through many long years, both in times of war and in times of peace. If the commodity exchanges should be abolished, if they exercise an evil influence and serve no good purpose, why not kill them outright and banish them from American life? Certainly no one—not even those who request the power to control—would in forthright fashion advocate closing these exchanges. I wish that time would permit me to discuss this proposition more fully, but I must conclude. In concluding, however, I want to emphasize the fact that commodity exchanges are now regulated by Federal law and are cautiously supervised. Those who would do evil must be very cautious or they will be caught and prosecuted.

I urge the adoption of my amendment.

Mr. DAVENPORT. Mr. Chairman, there is a fifth column busily at work in our country. I refer to the greedy war profiteers and price gougers who have

made it mandatory that we impose price controls now.

These unprincipled profiteers who are squeezing profits out of the blood of our brave GI's should be branded as traitors. From my observation the people of this country are far ahead of the Congress. They are demanding strict controls on prices and wages and with these they demand tighter controls on credit and an excess-profits tax.

If steadily rising inflation is not to seriously hinder our defense effort during the present emergency, a system of credit controls must be adopted at once.

This is the only alternative to a system of general price controls on commodities, wages, and rents which would create great discombort among the American people and which would make necessary the lengthy procedure of setting up a vast bureaucracy for the administration of these price controls.

The preferred method of control at this time is the immediate institution of credit controls which can take effect immediately. Credit controls would serve to relieve the inflationary pressure which has come into being during the present national emergency. If steps are not taken to control credit and to channel the flow of scarce materials and manpower away from the production of consumer goods, our national defense effort will be seriously hindered. We cannot permit competition for scarce commodities between producers of consumer goods and producers of goods for our national defense to create inflation and to divert scarce commodities away from the defense effort. The pressure put upon our economy by overexpansion of consumer purchasing power must be relieved. The institution of credit controls would serve to relieve this pressure effectively and immediately.

Consumer credit controls have been shown by the experience of World War II to be useful and desirable when the economy is straining, as it is now, to provide the things required by consumers and by national security operations. When an economy is working at nearly full speed as ours is at the present time, and is required both to shift kinds of production and further to expand, then consumer credit controls have a number of useful results.

First. They restrain price increases of durable and semidurable commodities; the market for such commodities is sensitive to credit terms, and requirements of more cash outlay for down payments and larger current monthly payments, as maturity dates are shortened, restrain bidding up of prices.

Second. The elimination of rapid and large price increases, of the commodities which require the materials that are needed also for national security operations, contributes directly to the prosecution of the security operations.

(a) The operations are made cheaper, consumer credit controls making it possible for the military to outbid civilians more readily. The Nation gains in reduced armament costs, which necessitates less tax and debt increases than would occur if credit were not controlled.

(b) The operations are made more effective because the greatly increased procurement of materials and supplies and finished armament "hardware" is not impeded by reluctance of suppliers to turn away from civilian markets; the civilian markets are limited, rather than offering uncontrolled possibilities of extraordinary profits.

(c) The need for direct controls, such as allocations, priorities, rationing, is lessened, allowing more freedom to the whole population than would be possible if unlimited scare buying and hoarding were to force the Nation to impose such controls now. The savings in administrative manpower, and the savings in time of consumers and businessmen are great and important considerations when the economy is expanding to meet new demands for production.

Third. Consumer credit controls make other controls more workable. Controls such as on other lending, heavier taxes, and so on, which are intended to hold down prices as well as to aid war preparations, will be more effective when consumer demand is restricted by credit controls applied to durable and semidurable goods and to charge accounts on other merchandise.

Fourth. Consumers are protected against incurring indebtedness which would prove extremely burdensome to themselves, and are required to purchase sanely and within their resources.

The justification for controlling consumer credit is to be found in these consequences of such control.

The justification is to be found also in this fact: The credit granting possibilities of sellers and lenders are enormous, as a result of years of prosperity; no restriction on consumers could be expected to come voluntarily from sellers. The restrictions must be placed on purchasers, whose resources are limited, when the resources of lenders are so great that control over bank credit to which they might have recourse would not seriously limit their lending capacity.

Mr. Chairman, I wish to call attention to the fact that the National Retail Dry Goods Association has endorsed credit control. Here I wish to read excerpts from an article appearing in the New York Times August 4, 1940:

RETAILERS ENDORSE CONTROL OF CREDIT—NRDGA GROUP ALSO URGES STUDY OF CAR, OTHER FINANCING COMPARED WITH STORES—ALSO FAVORS ADDED CURBS—ASKS RESTRICTIONS ON PRICES, WAGES, MANPOWER, OUTPUT WHEN NECESSARY

Consumer credit controls were endorsed yesterday by the emergency government controls committee of the National Retail Dry Goods Association.

Lack of progress on a national civilian defense program was also regarded as a matter for serious alarm. Until the Government takes a firm stand, State and local efforts will be ineffectual, it was held.

Predominant among recommendations made by the committee was a request that Government agencies make another survey of outstanding consumer credit to determine percentages now extended by retail stores, compared with automobile financing, personal loans, and other forms of credit.

POSITION ON CONTROLS

The committee further recommended that price, wage, production, and manpower controls be imposed if and when necessary. The NRDGA represents about 7,500 department and specialty stores in the country.

"Under this type of regulation," the committee said, "prices would be absolutely controlled in dollars on all items that were to be kept in line at retail levels. And in instances where the price-control authority permitted increased prices at preretail levels, the individual retailer's mark-up would be consistent."

The retail group felt that present mobilization is not yet large enough to make an appreciable dent on civilian supplies. Credit controls, it was added, should be confined to installment selling, exclusive of items selling below $100, much in the same manner as provided under Regulation W.

Returning to a discussion of prices, it was recommended that they extend to all levels affecting the goods so controlled including raw materials, agricultural commodities, wages, and other costs." It was also emphasized that merchandise in lower-price ranges should be maintained.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, those opposed to this legislation argue that there is no need for authority to curb futures speculation by means of adequate margin requirements because there was no such authority during World War II. The answer to that is perfectly obvious. Price ceilings—rigid controls—which were in effect during the war stopped futures trading in many commodities and so reduced the volume in the others that there was no threat to our economic stability.

In proposing controls in this legislation during the present emergency, it is hoped that we may be able to avoid the far-reaching radical steps, the obnoxious steps of rationing and price ceilings. If traders are willing to accept moderate and reasonable curbs, such as this proposed margin regulation does, and nothing more than that, we may reasonably hope that in order to avoid more rigid restrictions it will not be necessary to move into that area.

I would just like to point out, without the opportunity to have a chart here, what has happened to seven commodities so far as volume of trading is concerned in the 10-year period before the war, the 4-year period during the war, the period of 4 years after the war, and the estimate for 1950 and 1951, based upon the June 1950 trading figures.

The seven commodities I have selected are: wheat, soy beans, cotton, wool tops, eggs, cottonseed oil, and lard.

Mr. RANKIN. Why did the gentleman leave out corn and put wool tops in?

Mr. BUCHANAN. I merely selected these items because of the situation in volume of futures trading in these commodities.

Mr. RANKIN. The gentleman left out corn. Outside of cotton that is the greatest commodity we produce, the most abundant.

Comparison of volume of futures trading in principal commodities before, during, and after World War II, and estimate of volume for the year 1950–51 based on actual volume in July 1950

	Before 10-year average 1932–42 (prewar)	During 4-year average 1942–46 (war)	After 4-year average 1946–50 (postwar)	Estimate for year 1950–51 (current)
Wheat.....million bushels..	8,162.7	2,311.0	4,202.0	6,109.2
Soybeans.....do....	292.7	4.0	1,289.0	4,425.6
Cotton.....thousand bales..	52,993.0	45,018.0	84,228.0	82,296.0
Wool tops.....million pounds..	54.1	37.6	37.9	867.6
Eggs.....car lots..	43,254.0	33,794.0	102,118.0	118,908.0
Cottonseed oil.....million pounds..	1,939.4	13.0	2,301.8	8,350.8
Lard.....do....	1,371.1	6.7	2,018.0	5,680.8

Mr. BUCHANAN. As far as wheat is concerned, in terms of millions of bushels, the average volume of futures trading amounted to about eight thousand million bushels. During the war that dropped to some two thousand million, and in the postwar period to four thousand million bushels, and the current period is running at about six thousand million bushels.

Soybeans is a very illustrative case. Before the war it was down around 292,700,000 bushels; during the war that dropped down to 4,000,000 bushels, and in the postwar period to about 1,289,000,000 bushels, and today about 4,425,600,000 bushels of soybeans.

Now, take eggs. The average carload lots in the period before the war amounted to 43,254 carload lots, during the war to 33,794 carload lots, in the postwar period 102,118 carload lots, and in the present period about 118,903 carload lots.

Now, what do these figures indicate? They indicate there is coming into the commodity market a new group of speculators and not the legitimate traders. But here is an opportunity, as many see it, to speculate in this period on the present margin basis, because the margin requirements average between 8 and 16 percent; in other words, for an average of about $10,000 you can buy $100,000 worth of commodities on the futures trading market. Therefore, you are inviting speculation, and those who have analyzed the futures trading on the commodity exchanges say that 90 percent of the current trading is purely speculative.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. ARENDS. Mr. Chairman, reserving the right to object, I am not going to object to this request for further time, but I am going to object to any further requests for extension of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. As I said, 90 percent of the present trading volume has been regarded and analyzed as speculative. The Wall Street Journal takes the position that any reduction in the number of buyers and sellers will hinder the exchanges in the performance of their useful functions. Actually, in the case of some commodities, these exchanges are not now performing any useful function, as I pointed out in the case of soybeans. So far as hedging is concerned, they offer no legitimate use or value for hedging purposes, and they have made that market useless for hedging purposes.

Many traders and brokers are alarmed at the influx of new speculators into the commodity exchanges. We know what happened during the latter years of twenties, when the securities crash in 1929 was brought on purely by trading in the securities market. We know that that helped to destroy security values during the 1929–33 period. The same thing can happen here as far as speculation in the commodity exchanges is concerned. In order to try to avoid that same kind of a demise, the President has asked for powers here to control margin requirements; that is, to be able to impose certain margin requirements and to raise them as to a particular commodity that seemingly indicates a very extreme speculative position. This is very necessary to block speculation from getting out of hand.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Did the President have that power during World War II?

Mr. BUCHANAN. He did not. It is needed today because the nature of our economy has changed. Ten years ago the situation was different than it is today. The figures that I have outlined, for periods before the war, during the war, and after the war, show one condition, but today we have a very different type of condition in our economy.

Mr. COOLEY. The gentleman's argument is entirely in support of the peacetime exercise of this authority, just as the Secretary himself stated.

Mr. BUCHANAN. The figures I have read to this body indicate that these are normal, average transaction figures today. These are above what the normal prewar, during-the-war, and postwar period figures were. They are far in excess of what they are normally.

It is foolish to talk of voluntary control of speculation. Of course the brokers of this country feel that the more speculation we have the better, because it means increased business for them.

The powers asked for in this bill, credit controls and margin requirements on the commodity exchanges, are the two vital steps whereby we can control the present situation at the top rather than at the lower level. We want to avoid as far as possible rationing and controls at the consumer levels, because the experience we had in World War II shows that these were none too successful. Anyone who would admit that they were even 50 percent successful would be very kind. The same situation will exist again. In order to avoid that, the President is asking for the powers that he deems necessary to control the situation. This body wants to give him powers he did not ask for as far as wage and price controls and rationing are concerned.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Iowa.

Mr. JENSEN. The gentleman says it is necessary to control the commodities he has mentioned.

Mr. BUCHANAN. The margin requirements.

Mr. JENSEN. Yes. Is it not a fact that the test of the gentleman's argument is this, that none of these commodities the gentleman has mentioned has risen in price to any great degree?

Mr. BUCHANAN. The same kind of comparison will indicate that in these particular commodities there has been unwarranted price rises in the wholesale commodity markets. We know that an increase in wholesale commodity prices precedes an increase in the price of commodities on the consumer level. In between, of course, we have this question of profiteering and taking advantage of the consumer. Our purpose is to protect the consumers.

Mr. JENSEN. But prices are still holding at parity, approximately.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the Cooley amendment and all amendments thereto close in 10 minutes.

Mr. RANKIN. Mr. Chairman, I will have to object to that.

Mr. SPENCE. Mr. Chairman, I move that all debate on the Cooley amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

(By unanimous consent, the time allotted to Mr. BROWN of Georgia was granted to Mr. HAYS of Arkansas.)

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

(By unanimous consent, the time allotted to Messrs. SPENCE, PATMAN, and MULTER was given to Mr. MONRONEY.)

Mr. MONRONEY. Mr. Chairman, we are going to make the Congress look a little bit funny if after having regulated every single small business in the country and all labor in the country with over-all price controls, the rigidity of which will probably have all the force and effect of the recent OPA laws, we then exempt the one thing that the country believes is the spark plug of inflation—commodity speculation. I do not think you have to be halfway smart to realize that when war is imminent you are going to find violent fluctuations in

the commodity markets, and that those fluctuations inevitably are going to carry your prices to new high levels.

We are going to be able to have a roll-call vote on this amendment. If you are willing to stand up and be counted that you are for speculation in the foodstuffs of America, which is raising the cost of living to the people of this country, then you have a chance to go on record in favor of this amendment. But if you want to make the controls, if they are necessary to be applied, go clear across the board on the big people as well as on the little people, then vote to strike down this amendment.

I am surprised to see the members of the Committee on Agriculture defending speculation in commodities which is taking the prices up and up to new high levels.

I have talked to the farmers in Oklahoma. They realize that it is not the farmers who make money on this speculation, but the men who go into the market and drive these prices up.

What does this bill do? It does not do what the debate here says it will do. It merely places in the President power to regulate margins when he determines that the nature and extent of speculative trading threatens to cause unreasonable fluctuations or unwarranted changes in the price of any commodity.

Is that too much power to give the President in this emergency?

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

(By unanimous consent, the time allotted to Mr. COLE of Kansas, Mr. BATES of Massachusetts, and Mr. MORTON was granted to Mr. HOPE.)

Mr. HOPE. Mr. Chairman, the gentleman from Oklahoma [Mr. MONRONEY], for whom I have a high regard, has just stated that we would look foolish if we regulated other businesses and took no steps to regulate the commodity exchanges.

Of course, the gentleman from Oklahoma as well as every other Member of this House knows that the commodity exchanges are now strictly regulated by law. In 1922 Congress enacted the Grain Futures Act and in 1936 this act was amended and revised by what is known as the Commodity Exchange Act which is now in effect. Under this act which is administered by the Secretary of Agriculture through the Commodity Exchange Authority there is a very strict and effective supervision of all transactions on the commodity exchange. This act has been well administered. It has done away with abuses which prevailed in the commodity exchanges before its enactment and has made those exchanges what they were intended to be and should be, namely, an agency through which those who are engaged in the marketing and processing of agricultural commodities can effectively insure themselves against price declines and advances. The effect of this has been to stabilize commodity prices, reduce the profit margins of dealers and processors and insure producers a ready market for their products at all times. Anyone who doubts the effectiveness of the exchanges in bringing about a more effective marketing system needs only to compare our marketing methods and practices as they exist today with those which were in existence 50 or 60 years ago.

The Secretary of Agriculture has never had the authority to regulate or fix margins on the commodity exchanges. These margins, of course, are imposed for the purpose of protecting brokers and dealers on the exchange and making sure that those who make contracts of purchase or sale will carry them out. The exchanges themselves frequently regulate and change the margins from time to time based upon what may be necessary in order to fully protect those who operate on the exchanges.

From time to time the Secretary of Agriculture has suggested further amendments to the Commodity Exchange Act and has made an effort to secure authority to limit margins. Something over a year ago the Secretary of Agriculture sent to the House and Senate through official channels a bill to amend the Commodity Exchange Act, one of the provisions of which was the authority to limit margins. This bill was introduced by the gentleman from North Carolina [Mr. COOLEY], chairman of the House Committee on Agriculture. Since its introduction the committee has given this measure considerable study and discussion including visits to the commodity exchanges in New York, Chicago, Kansas City, and New Orleans. The committee at this time has not finished its study of the matter. It is still under consideration however.

The inclusion of section 411 in the Spence bill, H. R. 9176, is not justified on the basis of any need for this authority but simply represents an attempt on the part of the Secretary of Agriculture and the Commodity Exchange Authority to secure under the guise of emergency legislation authority which the Congress has not yet seen fit to give them. I am sure that whenever the Commodity Exchange Authority makes out an effective case showing the need for authority to deal with margins the Committee on Agriculture will report legislation for that purpose.

There is nothing in the situation at this time which would justify granting the authority requested. Those who favor the proposal point out that prices of some commodities which are dealt in on the exchanges have risen during the past few weeks. They point out that in some cases there has been an increase in the volume of trading. This morning the gentleman from Pennsylvania [Mr. BUCHANAN] as I understood him, divided transactions in the exchanges into three different periods: those for a period preceding World War II, those during World War II, and those since that time. He pointed out that there has been a considerable increase in the number and volume of transactions on the exchanges since the World War II period. This is to be expected because agricultural production in this country has increased by more than 35 percent since the beginning of World War II. And in order to handle this increased production, all of which has to go to market at one time or another, it is natural that there should be a substantial increase in the business of the exchanges.

For this reason the arguments advanced by the gentleman from Pennsylvania have no relevance from the standpoint of showing any need for additional powers to the commodity exchange authority at this time.

On August 3 when this matter was under consideration the gentleman from Ohio [Mr. POLK] placed in the RECORD a statement from Mr. J. M. Mehl, Administrator of the Commodity Exchange Authority. This statement was offered as showing the need for authority to limit margins, it being contended that there had been an increase in activity on the exchanges since the Korean war began and that this had resulted in increased prices. It is true that since the Korean war broke out there have been some increases in prices of the commodities which are traded upon in the exchanges. It is true also that there have been much greater increases in the prices of commodities which are not traded upon in the exchanges such as lumber and many of the metals. It is significant also that in many cases the commodities upon which there has been the greatest increase in trading show the smallest price advances since June 24. For instance it is stated in this document that from June 26 to July 22 there was a 78-percent increase in the volume of futures trading in wheat over the preceding 4-week period. It is noteworthy however that during this time the increase in the price of wheat was only 6.6 percent.

During the same period there was an increase of 9.3 percent in the volume of futures trading in cotton on the New York Cotton Exchange and a decrease of 4.9 percent in the amount of trading on the New Orleans Exchange. During the same period however the price of cotton advanced 19.1 percent. In other words there was an increase of 19 percent in the price of cotton during the period which was accompanied by a very small increase in the volume of activity on the exchange, whereas with respect to wheat just the reverse was true.

In both cases the price changes are susceptible of explanation for entirely different reasons than trading on the exchanges. For instance, the increase in the price of cotton was due very largely, if not entirely, to the announcement that the acreage of cotton planted this year was the smallest for many years. The increase in the volume of trading on wheat was due to the fact that it is this period during and following harvest when there is usually the largest amount of trading in cash wheat due to purchases by mills and exporters. That has been particularly true this year. Naturally since all of these purchases must be hedged this results in an increase in the volume of trading.

If time permitted one could deal with all the commodities mentioned in this statement by Mr. Mehl and clearly show that there was little, if any, relationship between the volume of trading and the increase or decrease of market prices.

There are those who say that they recognize the value of the commodity exchanges, but they want to limit transactions to legitimate hedging. That, Mr. Chairman, is something which it is impossible to do without running the risk of seriously affecting the functioning of the exchanges. The reason for this is that legitimate hedgers must depend upon speculators if they are to hedge effectively.

Take the case of wheat. During the present marketing season millers and exporters are buying wheat. They hedge by selling wheat. But the only persons with whom they can contract are the speculators because the number of legitimate hedgers who might be hedging sales at this time of year is very small. If I as a miller buy a million bushels of wheat, then if I am to hedge that purchase by selling a million bushels, there must be a sufficient number of speculators on the market to take up my hedge at once. Otherwise I am not able to effectively insure myself against price declines.

There is no man in this country who is smart enough to know what the effect of increasing margins will be on the commodity exchanges. There is no one who is smart enough to know just what volume of trade should be allowed to insure the effectiveness of the exchanges as an agency to insure prices. I have great respect for the Secretary of Agriculture and for the Administrator of the Commodity Exchange Authority. But I question their ability to exercise the authority which is being asked in this legislation without seriously impairing the functioning of the exchanges.

The exchanges should be regulated so as to prevent manipulation of prices and other abuses which prevailed in the past. They are now being effectively regulated under existing law. I do not say that the law is perfect or that it should not be amended upon further consideration. But I do say that no case has been made out at this time for giving the President, and through him the Secretary of Agriculture and the Administrator of the Commodity Exchange Authority, this great power. Mr. Chairman, I hope the amendment will prevail.

The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, if prices are our worry, and all of you know as well as I do that they are, let us recognize that they can be kept from skyrocketing only by taking some of the powder out of the fuse. The way to do that is to give the President the power to control the margins of the profiteering speculators, who are forcing up prices.

The section under discussion sets up very explicit Presidential powers and I see nothing in them to evoke any false alarms. Let me quote:

> Whenever the President determines that the nature or extent of speculative trading on boards of trade causes or threatens to cause sudden or unreasonable fluctuations or unwarranted changes in the price of any commodity, he may prescribe rules and regulations governing the margin to be required.

It is as simple and as direct as that.

Price inflation has already begun, begun under the impact of a horde of shoestring operators entering a market with the smallest of margins and perverting its purpose from ordinary free exchange of goods to the wildest kind of speculation.

In a check by the Department of Agriculture on July 21, 90 to 95 percent of all trading done on commodity exchanges was speculation. Of all the soybeans traded on that day, 96 percent of purchases were on speculation and 90 percent of the sales on speculation. You can see how little regular exchange of goods was done that day.

And why this flood of speculation? Because you can trade in soybeans on just 6 percent of margin under the present regulations of the Chicago Board of Trade. Penny-ante profiteers who never touched the soybean trade in their lives before are risking their pennies to make dollars in the soybean market—and eventually from the pockets of consumers. Unless we leave intact this commodity-control provision, the public will soon get added evidence of the price boosts forced by these profiteers in the necessities of life.

Now the soybean market is not a great exception, it is simply a notable example of what is taking place in the other commodity markets without the restraining influence of controls. Wheat, as basic a commodity as our economy knows, was also checked on July 21. Its volume of trading was 9,000,000 bushels in 1 day—no one could call that ordinary free exchange of wheat. The Department of Agriculture breakdown revealed that more than 80 percent of both sales and purchases were for purely speculative purposes.

What do some of the well-established traders think of this situation? They think present margins are inadequate. Many of them ignore the minimum margins of 6 to 15 percent on commodities as being unwise and encouraging speculation. They demand—and get—20 to 25 percent margins, to protect themselves and the public. Yes; and ultimately the speculators themselves.

Let us remember this: Today there is no Government regulation of gambling on the commodity exchanges. We are asking to have Government regulation imposed so the President may have that power.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the impassioned statement made by my colleague from Wisconsin [Mr. BIEMILLER] shows that he does not know anything about the commodity market or the merchandising of farm products.

The commodity futures market is a public market regulated by the Commodity Exchange Authority, which is an agency within the Department of Agriculture. This agency, under complete jurisdiction of the Secretary of Agriculture, has full authority to police every transaction and every trade in commodity future contracts. The Secretary also has the authority to examine every account involving future trading in commodities. If excessive speculation takes place, the Secretary, through the CEA can do something about it, if he so desires. The gentleman from Wisconsin, who claims to be well posted on every subject, should find out as to the workings of the Department of Agriculture.

If the Committee follows the advice of the gentleman from Wisconsin [Mr. BIEMILLER] and the gentleman from Oklahoma [Mr. MONRONEY] the control over commodity exchanges will be turned over to the large speculators of the country, and they will dominate, at their pleasure, the prices that farmers will receive for their products. I know something about the magnitude of the operations of the big speculators from the investigation that was conducted by a select committee in the Eightieth Congress. Believe me, the big boys, and the amount of the margins make no difference to them, are out to make money—from either the long or short side. With their large holdings, they drive the market up or down to suit their fancy, and the farmers and the public are left holding the bag. I regret that time will not permit me to go into greater detail on this issue.

At some time in the future, I will fully discuss the legitimate use of the commodity market for insurance or hedging purposes. The Committee on Agriculture of the House has jurisdiction over legislation involving commodity markets. This committee, with its broad marketing experience should pass on the question of margins and speculative trading, instead of disposing of the matter in a few minutes time in the bill before the House. The Cooley amendment should be adopted, and I urge my colleagues to vote for it.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has expired.

The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I merely rise to support the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The exchanges are the one assurance the farmer has that he will be able to get information at all times as to the prices of his crops.

In 1927 I investigated the cotton exchange for the Senate committee. They swore me in as a member to cross-examine the head of a certain big cotton concern whose offense was not specula-

tion. It was manipulation. The amendment offered by the gentleman from North Carolina [Mr. COOLEY] should be adopted for the protection of the American farmer, who produces the materials that are bought and sold on the exchange.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The CHAIRMAN. The gentleman from Georgia [Mr. DAVIS] is recognized for one-half minute.

Mr. DAVIS of Georgia. Mr. Chairman, I think it is a matter of much regret that on account of debate being limited, Members of this House must run through the well of this house in 30 seconds like a cow being run through a dipping vat. In this limited time I can only say that I voted for the amendment offered by the gentleman from North Carolina last week, and I shall vote for it again today.

The CHAIRMAN. The gentleman from Arkansas [Mr. HAYS] is recognized.

Mr. HAYS of Arkansas. Mr. Chairman, I was brought up to fear certain commodity exchange practices, but largely because the effect of the practices was to depress prices. In this instance I am convinced that we are in danger of oversimplifying the problem. It is not an inflation influence requiring treatment in this bill. The Secretary of Agriculture has all the powers he needs to deal with such influences; he has the huge supply of cotton and other commodities in storage that may be sold and he has other powers that may be used.

There is, however, a policing element in the situation; and for the same reason that I voted against the motion to include an excess profits tax which I favor I shall vote for the motion of the gentleman from North Carolina [Mr. COOLEY], in this instance. It does not belong in this bill. We cannot tie all reforms up in one package. If there are immoral, and undesirable practices, gambling if you please, let those matters be considered appropriately in separate bills. Let us not do it by a bungling effort of this type—giving the executive powers that might be the basis for upsetting the most delicate mechanism in our whole economy.

The CHAIRMAN. The time of the gentleman from Arkansas has expired; all time has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 140, noes 103.

So the amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 47, line 24, add a new subsection as follows:

"(c) The term 'national defense' means the operations and activities of the Armed Forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended."

Mr. WOLCOTT. Mr. Chairman, my amendment speaks for itself and would apply the same definition of "national defense" to all of the provisions of the act as is applied to the committee amendment which was adopted yesterday, known as Committee Print No. 2, having to do with prices and wages. Of course, it is the consistent thing to do.

If you have Committee Print No. 2 before you, you will find the language on page 21 which was adopted with that amendment as the definition of "national defense" wherever it appeared in that committee print which, as I say, had to do with the control of prices and wages.

The Senate Banking and Currency Committee when it reported out its bill day before yesterday included this language and the language which was put in the House Banking and Currency Committee Print No. 2 was the language adopted by the Banking and Currency Committee of the Senate.

It would seem to me, just to be consistent, we should define "national defense" wherever it appears in the act as we have defined it in respect to control of prices, salaries, and wages. Yesterday in the Committee on Banking and Currency when the amendment was offered, we were in somewhat of a hurry to get back over here on the floor. It was one of those occasions when everything was being knocked down in the interests of time and not in the interests of good legislation or clarity in respect to intent. If we do not adopt this amendment, it seems to me, Mr. Chairman, that we will have created a situation where the intent of Congress in respect to the term "national defense" wherever it appears other than in the title having to do with wages, salaries, and prices might be given a different interpretation.

Now, it is not the intent of Congress or it should not be the intent of Congress that the term "national defense" would mean anything different in one section of the bill than it does in the other sections of the bill. It seems to me that by defining "national defense" as it applies generally to the bill, we remove any question of doubt; that we want the bill to be confined to the defense effort. And, it surely is in the interest of clear thinking and a clear expression of legislative intent if the amendment is adopted. I call attention again to the fact that it was written into the bill yesterday, which we adopted, and although it might seem redundant to do it again, the amendment which is offered on page 47 of the bill would apply to the whole bill and not only to the title on wages and prices alone.

Mr. Chairman, I hope that the Committee will adopt the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 96, noes 89.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WOLCOTT and Mr. PATMAN.

The Committee again divided, and the tellers reported that there were—ayes 133, noes 139.

So the amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 52, line 12, after the words "omission to act", insert "pursuant to this act."

On line 20, after the word "general", add the words "and the Chairman of the Federal Trade Commission."

On page 53, line 2, after the word "general", add the words "and the Chairman of the Federal Trade Commission."

On line 3, after the word "thereunder", strike out the period and add the following: "and that if any objection is made by the Attorney General or by the Chairman of the Federal Trade Commission within that period, the President or such person as he may designate shall approve or disapprove the request."

On page 53, after line 7, add a new subsection as follows:

"(d) the Attorney General is directed to make or request the Federal Trade Commission to make for him surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this act. The Attorney General shall submit to the Congress and to the President within 90 days after the approval of this act and at such times thereafter as he deems desirable reports setting forth the results of such surveys and including such recommendations as he may deem desirable."

Mr. PATMAN. Mr. Chairman, I am authorized to state for the committee that we accept the amendment. It is an identical amendment to one which was adopted by the Committee previously.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

As I understand it, this is substantially if not identically the amendment which was offered successfully by the gentleman from New York [Mr. CELLER] last week.

Mr. MULTER. It contains the identical language of that amendment, and it is the same amendment which was discussed in committee and which the committee said it would accept. It is identical to the amendment offered by the gentleman from New York [Mr. CELLER] last week which was adopted.

Mr. WOLCOTT. Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The amendment was agreed to.

Mr. HAYS of Arkansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Arkansas: On page 49, line 5, substitute a comma for the period and add the following: "and it is assured that no adequate and authoritative data are available from any Federal or other responsible agency."

Mr. HAYS of Arkansas. Mr. Chairman, the purpose of this amendment is

to make it clear that in conferring authority upon the President to subpena papers or to secure documents and records, he shall not proceed if there is any existing available data in Federal agencies.

I have taken this up with both sides of the aisle, and I believe it will be found acceptable.

Mr. SPENCE. Mr. Chairman, I think I can say that we on this side of the committee have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. HAYS].

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 38, line 2, after the words "real estate", insert the word "construction."

On page 38, line 22, after the words "real estate", insert the word "construction."

On page 39, line 3, after the word "any", insert "consumer or real estate construction."

On page 39, line 5, after the word "any", insert "such"; on line 8, after the word "any", insert "such"; on line 11, after the word "any", insert "such";

On page 41, line 23, strike out all of paragraph (2) and insert in lieu thereof the following:

"(1) 'Real estate construction credit' means any credit, hereafter extended, which (i) is wholly or partly secured by, (ii) is for the purpose of purchasing or carrying, (iii) is for the purpose of financing, or (iv) involves a right to acquire or use, new construction on real property or real property on which there is new construction. As used in this paragraph the term 'new construction' means any structure, or any major addition or major improvement to a structure, which has not been begun before 12 o'clock meridian August 3, 1950. As used in this paragraph the term 'real property' includes leasehold and other interests therein. Notwithstanding the foregoing provisions of this paragraph, the term 'real estate construction credit' shall not include any loan or loans made, insured, or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended."

The CHAIRMAN. The gentleman from Michigan is recognized in support of his amendment.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BROWN of Georgia. It is my understanding the gentleman's amendment restricts this section to new construction.

Mr. WOLCOTT. That is right. It is along the line that we talked the other day. The language on page 39 in subsection (b) of this amendment would confine the sanctions of the bill to consumer or real-estate construction credit. Then, the other amendments on that page are to tie it in with it and confine it to that kind of credit. The principal difference is we substitute the language that the Senate agreed on in committee, for the definition of real-estate credit on page 44 of the House amendment.

This will accomplish this purpose: It will assure control of real-estate credit on new construction. I might say very definitely to those who might subsequently charge that this is the real-estate lobby amendment that the real-estate lobby offered amendments, and this is not one of them. I will say that what we do under this language is to control real-estate credit in the same manner as we control consumer credit. The President at the present time, as head of the executive department, has authority to curtail the flow of real-estate credit for all purposes. As recently as 3 months ago the interest rates on real-estate loans guaranteed by the FHA were reduced from 4½ to 4¼ percent. It seems to me that before we give anyone of the authority to stop FHA insurance and Veterans' Administration home construction insurance altogether, we should at least encourage the use of the powers which are already in those acts to curtail construction under them.

It seems to me that before we give anyone the authority to destroy the programs which have been set up that they use the authority they now have to cut down on credit, to slow down construction if it is necessary in the interest of national defense.

Under the language of the bill as it was reported out, language for which this amendment is a substitute, the President would be given control over all real-estate operations in which a veteran has his loan insured; and I daresay, without fear of successful contradiction, that perhaps 90 percent of the homes which are being built for and purchased by veterans today are built under the veterans' bill-of-rights program, and I do not think it should be disturbed; I do not think it should be disturbed at least to the extent of granting anyone the authority to completely negative that program. Veteran's organizations have undoubtedly contacted you as they have me and have expressed the fear of what might happen to the veterans' home-building program if this is not done.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the real-estate lobby has been working furiously for weeks, and especially the last few days, for this type of amendment. I do not say that it is the amendment, I certainly would not impugn the motives of my good friend from Michigan, but it is this type of amendment that they have been working furiously for, for weeks, and especially the last few days.

This exempts the big man; this is the big man's amendment. Why should we impose controls on everybody and destroy character as collateral in buying a second-hand car or a new car and yet exempt the big fellow, the real-estate lobby? It certainly does not make sense to me. A vote for this amendment is a vote for increased rents; how much, I do not know, 25 percent, perhaps 50 percent, in some cases maybe 100 percent.

When you come to restrict credit only on new construction which will probably be half a million houses during the next year, if you restrict new construction you immediately and automatically increase the price of existing construction, 30,000,000 homes, whenever you increase the price of existing construction you increase the price of rents. This is not new; during the Second World War we first had controls on new automobiles and it did not apply to old automobiles, on the same theory that the gentleman from Michigan is advocating for this amendment, that in new cars there is only new material; in new houses there is only new materials; why make it apply to existing houses and not existing cars? So we exempted the old cars at first and we had the situation where the old cars were bringing several hundred dollars more than the new cars, and we had to change that. This will take the heart out of this bill; it will be in favor of the big man and against the interests of the little man. If we were to adopt this amendment, in order to be consistent we ought to go back and say that it applies only to new cars, does not apply to old cars; that would follow, of course. Cars are bought by little fellows as well as big ones; there is where your character comes in as good collateral. This bill destroys character as collateral in the interest of the war effort and we submit to it. Sometimes it is necessary for a person to own an automobile in order to have a job.

He cannot have a job unless he has a car. If he goes to a dealer, after this bill becomes law and regulation W is reestablished the dealer will say: "You will have to put up 33⅓ percent in cash." The poor man who has character says, "My credit has always been good. I have always paid my debts, I have never defaulted on a debt. I want to buy that car. I need it to get this job."

The dealer would have to say: "No; you cannot do that. Character is no longer good collateral in this country. You have got to put the actual money on the barrel head."

Now, we are requiring that man to do that in this bill, yet we come in here and exempt the big fellows, the big men, the fellows who will profit by this. It just does not make sense, and I hope that the amendment is overwhelmingly defeated.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, may I direct an inquiry to the gentleman from Pennsylvania [Mr. BUCHANAN]. I have a telegram here from the Gloucester Fishing Vessel Owners' Association which states in part:

If there is to be a certain base period we wish to call to your attention the fact that there was a sea-food workers' strike in Gloucester this year during May, June, and part of July, and as a result the ex-vessel price of fish was considerably lower than normal. Very important that the base pe-

riod be set at the price either before or after the strike. Please cooperate to take care of this situation because a May, June, or July base period would be ruinous.

During that period, Mr. Chairman, obviously with the fishing industry tied up by this sea-food strike, much of the fish was wasted and there was a depressed price for that which was sold.

I note in committee print No. 2, page 5, lines 18 to 24, it is stated in reference to the establishment of prices:

or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which they are generally representative.

Under these conditions are there adequate provisions to protect these fishermen and to give them an equitable price?

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. I may say in reply to the gentleman that the language in committee print No. 2, page 5, beginning line 18, so far as the base period is concerned, provides for just such a situation as the gentleman has described in that telegram. The language is as follows:

or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative.

So I believe the part of the section there reading "or other cause" would adequately take care of the situation the gentleman has presented.

Mr. BATES of Massachusetts. I thank the gentleman very much for the clarification.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I am wondering if a strike produces depressed prices or a scarcity. I come from New England also. I am wondering if our consumers and home owners, the wife who went out and bought fish, does pay a lower price than she would have to pay if a strike had been in progress, not a strike but if the disagreement had not been in progress.

Mr. BATES of Massachusetts. May I say to the distinguished majority leader that I am referring to the boat owners. They received an extremely low price. There were few cutters to cut the fish, and much of the fish was rotting on the boats, and as a result they did not get an adequate price. The consumers throughout the country, I have no doubt, probably had to pay high prices.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Chairman, this is another move to make this bill just as lopsided as is possible to make it, make it lopsided in complete and total exemption, as far as the Congress can vote, in favor of those who control the credit facilities and, therefore, have unlimited freedom to expand those credit facilities and create inflation. You have exempted commodity speculation and now you want to exempt real estate from any kind of reasonable credit control which the President, through his agencies, might find necessary to put on to stop run-away real-estate speculation. It is no secret that a real-estate speculative market has a tremendous part in creating inflation.

The gentleman from Michigan has apparently determined that credit controls on new construction are all right. Well, if credit controls on new construction are all right for the man who does not have a home, does it not follow that the man who has a home or the real-estate developer that has 100 homes already built should be under the same kind of credit restrictions?

Can you say that a house that has been standing for 6 months or a year or 2 or 3 years is not in competition with new housing?

You know that the price of old housing will skyrocket. If you can sell that old house on down payments of 5 percent or 10 percent, it is going to skyrocket, if a man has to pay 30 percent or 40 percent down to buy a new house.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. This section does not attempt to control the price you can get.

Mr. MONRONEY. I know.

Mr. BROWN of Georgia. It only controls the down payment.

Mr. MONRONEY. I agree with the gentleman.

Mr. BROWN of Georgia. Does the gentleman think that a man who owned a home for 40 years should have the Government of this country say on what terms he should sell it?

Mr. MONRONEY. That is the point I was trying to make, that we have not and probably will not attempt any ceilings on the price of real estate. But, we do know that uncontrolled credit terms on real estate has a speculative influence that can carry the price of existing housing upward. If you try to hold down the construction of new homes by credit controls, which the gentleman from Michigan agrees to, then what is going to happen to your old homes? Exactly what happens when you try to hold down the terms on new cars and leave used cars uncontrolled on the credit side, because credit has as much to do with selling real estate or cars or appliances as the price itself.

I think we would be making the worst possible mistake to say that a house 1 year old can be sold for as low as 5 percent down, while a brand-new house has got to carry 30 percent or 20 percent down payment. You are going to get a lopsided bill, you are going to encourage skyrocketing of the prices on old housing. You are going to take out of the rental supply the old housing that exists, because if we have to have rent controls, then the price of this old housing will skyrocket, and if it can be sold for nothing down or 5 percent down, you know that the price of such housing is going up.

So it is going to disappear from the rental market, and go into that area of skyrocketing prices.

Nobody will intend to propose a ceiling on real estate prices. But, credit controls to me are just as important on used real estate as they are on new real estate. If credit control is sound to put on the little man needing a car, driving to a defense plant, to put it on his electric refrigerator or anything else, then I certainly do not think it is any violation of sound policy to make it apply to new and used real estate as well.

Mr. GUILL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Texas.

Mr. GUILL. Does the gentleman realize who controls the credit on the sale of a house?

Mr. MONRONEY. Certainly. There is no credit control at the present time.

Mr. GUILL. Yes; there is, sir. I want to explain this, that the lending agency will evaluate that housing; they are going to lend only so much that will assure them a return of the money. That will also control the price of it, sir.

Mr. MONRONEY. The gentleman is wrong, because the minute you have rigid credit controls on new housing you have inflation in the old housing, and then you will have an inflated evaluation. Loans will be based on this inflated value. It happened the last time; it will happen this time.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. If this amendment is adopted, will rents not increase?

Mr. MONRONEY. Indeed, it will increase the demand for rental controls immediately if this amendment is adopted. This amendment will encourage the elimination of the rental housing supply because it would permit unsound credit extension for the sale of any used house.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. DAVIS].

(Mr. REDDEN asked and was given permission to yield the time allotted to him to Mr. DAVIS of Georgia.)

Mr. DAVIS of Georgia. Mr. Chairman, the provision here to which this amendment relates came before this House originally as part of the original committee bill, which provided only for allocations and priorities for the purpose of enabling the President to channel strategic materials into the war effort. We all remember that there was no provision in the original committee bill which dealt with price control or wage control. Price ceilings and wage control came in after the committee bill came to the floor of the House. Now the opponents of this amendment today are arguing on the theory that this real-estate credit is a part of the price-control angle of this bill, which it is not. It did not come in as a part of that feature of the bill at all. It came in as a part of the priorities and allocations bill.

Mr. Chairman, I am in favor of amending the present control provisions of this bill to eliminate the control of real-estate credit except new construction credit. If I should want to sell my house, I want to be able to do so without having to let some carpetbagging bureaucrat set the price. If I should want to buy another house, I want to be able to buy it without letting some carpetbagging bureaucrat set the price.

You give them authority in this bill to control all real-estate credit, and they will use this power to set the price and you will not be able to buy or sell unless you get an O. K. on the price as well as the terms. That is what can be done under this bill, if it is enacted without this amendment.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. BROWN of Georgia. How in the world can they change the terms relating to all the buildings that have been constructed under the FHA law? You cannot afford to do that. And you cannot afford to do another thing. We already have a law setting up how much the down payment shall be under FHA loans. It looks to me as if this bill would disturb all that central field of housing, unless this amendment passes.

Mr. DAVIS of Georgia. The gentleman has correctly stated the situation.

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from North Carolina.

Mr. REDDEN. It has been argued here that it is not necessary to control in the price of real estate the terms under which it is sold. I assume, therefore, that the theory is that the terms might be too liberal and, therefore, permit the little man to buy too many pieces of property. Those who cry out to help the little man would in the same breath curb his ability to buy if they refuse to vote for this amendment, by saying to him, "We are going to require you to pay a given amount. down," which would in most instances be more than he could pay. So I hope that this amendment is adopted.

Mr. DAVIS of Georgia. I thank the gentleman.

I am in favor of amending the credit-control provisions of this bill to eliminate control of real-estate credit except new construction credit.

As I have already said, if I should want to sell my house, I want to be able to do so without having to let some carpetbagging bureaucrat set the price. If I should want to buy another house, I want to be able to buy it without some carpetbagging bureaucrat fixing the price. Under the bill as it stands, without an amendment, this could happen. If we adopt a bill without such an amendment, I believe it will happen.

I therefore favor this amendment.

So far as price and wage control is concerned, the need of the country at the moment is for immediate relief from the price jumps which have occurred since June 25.

Section 2 of this bill does not provide that relief.

There is no need for complicated, bunglesome machinery which cannot be set up in less than 6 months, although some of the sponsors of section 2 of this bill claim that that is the minimum time which is needed to roll back prices that set up price-control machinery.

In my opinion that is bunk, pure and simple.

I had thought that when the Banking and Currency Committee went back into session over the week end, they would bring out a bill which would meet the needs of the day regarding price increases.

The bill which they have brought out, and which is now before us, does not give a particle of relief from the 30 cents a pound increase in the price of pork chops, the 21 cents a pound increase in the price of steak, the 30 cents per pound increase in the price of lamb chops, the 16 cents per pound increase in the price of coffee, the 10 cents per pound increase in the price of lard, the 24 cents per pound increase in price of chickens, and so on down the line.

Instead of giving practical and quick relief from unwarranted price increases, section II of this bill, which is the section dealing with prices, is a bunglesome effort to straddle the fence and does nothing to give relief to those who are being pinched by these unjustifiable price jumps.

This section II is just the beginning of another bureaucrat's paradise. The best provision in it is that which says that it expires on June 30, 1951. By that time I believe it will be obvious to everybody that this section II is just a fence-straddling, political hoax.

I believe that section I of this bill giving authority for allocations and priorities is needed to aid the war effort mobilization. Likewise, section IV, providing for control of credit is needed, with certain amendments, one of them being the real-estate amendment to which I have already referred.

If this monstrosity contained in section II were not attached to these sections which are needed to effect a quick, all-out, mobilization of materials for the war effort, and if it did not carry an automatic expiration date, I would not support the bill, at all.

The legislation on price and wage control which I have supported, and which I believe we should adopt, needs only four simple provisions:

First. A roll-back to June 25.

Second. A mandatory roll-back, with Congress assuming responsibility for it.

Third. Price and wage control tied together, to begin at the same time, and to be removed at the same time.

Fourth. An automatic expiration date on June 30, 1951.

The time has arrived for adoption of these provisions, and they are what we ought to adopt. If they are not needed now, then there is no excuse for a price- and wage-control law at all at this time.

With Congress in session, as we now are, and as we should continue to be, so long as the present war situation exists, there is no reason for us to enact a discretionary, stand-by, price-control law, passing the buck to the President, and requiring him to decide when price controls are necessary.

I say the decision is ours. We ought to make it, and we ought to make it now. It is our responsibility and we ought to accept it.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Mr. Chairman, in view of the fact that the other gentlemen recognized by the Chair were recognized for 2 minutes, should not the gentleman from New York be also recognized for 2 minutes, under the allotment of time?

The CHAIRMAN. The other gentlemen had longer time because time was yielded to them by others.

Mr. McCORMACK. Mr. Chairman, if my recollection is correct, the Chairman originally recognized the other gentlemen for 2 minutes.

The CHAIRMAN. If that is the case, the Chair will be glad to recognize all gentlemen for 2 minutes, under the present limitation of time.

Without objection, it is so ordered.

There was no objection.

(Mr. BUCHANAN, by unanimous consent, yielded his time to Mr. MULTER.)

Mr. MULTER. Mr. Chairman, let us try to understand this real-estate credit provision for what it is. Let us understand, to begin with, that the present general monetary controls exercised by the Federal Reserve System are wholly inadequate to prevent excessive expansion of mortgage credit. Such existing general credit controls affect only the Federal Reserve member banks, and those banks hold less than 20 percent of the mortgage debt of the country. The other 80 percent of the mortgage debt is controlled by private institutions and private lenders. They are not controlled

at all by the Federal Reserve System or by any law now in effect. The provisions of law applying to insured or guaranteed mortgages now being made by the Veterans' Administration and by the FHA apply to only 40 percent of the new building or new construction in the country. The other 60 percent is outside of those regulations. Unless you keep in this bill this real-estate-mortgage credit control, as reported by your committee, the market is going to run wild. In all fairness, you must not apply controls only to new construction and not apply them to existing buildings. Note that I do not say existing mortgages. There is nothing in this bill which is going to change the terms or the interest or the amortization payments of existing mortgages whether they be made by veterans or anybody else. This is to apply to new credit on real estate. There is nothing in this bill which says that you cannot buy a house for a thousand dollars or for $10,000. But it will apply to the amount of credit that you can get on your real-estate purchase or give on your real-estate sale. It will apply to the private lenders and to the insured lenders alike. There will be no discrimination between them.

In that manner you will be able to control the situation and not let it run away with itself.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. BROWN of Georgia. It is my understanding that the other body after a long period of hearings adopted the exact amendment now being proposed by the gentleman from Michigan; is that correct?

Mr. MULTER. Our committee considered this very provision as it is written into our committee print just as fully and deliberately as the other body's committee did. We had the same influences and pressures brought to bear upon us. We decided in our committee that the bill should be reported as we did report it, rather than in the form that the committee of the other body reported it.

Mr. BROWN of Georgia. I am not camplaining about the hearings, but the other body had 10 days of hearings, and we had only 3.

Mr. MULTER. The important point is that the provision as reported in our committee bill is what the President asked for and what the Federal Reserve Board says is necessary now.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, there has been a great deal of confusion this morning about whether or not this amendment has anything to do with the price of houses. This amendment has nothing to do with price control. It has nothing to do with the price of old houses or the price of new houses.

I want to comment on the statement of the gentleman from New York [Mr. MULTER] with respect to the fact that private housing credit is used more extensively than Government housing credit. That this fact, therefore, was an argument against this amendment. This amendment has nothing to do with private credit or public credit. This amendment simply provides there shall be control only on such credit as is extended for the construction of new houses. That is both public and private. It has nothing whatsoever to do with whether or not we shall extend control to private or public credit.

In addition, if this amendment is not adopted, GI's now having loans on houses and new construction may possibly find that they cannot obtain housing except and unless they have 100 percent down payment. They may also be required to limit their payments to 10 years or 5 years under this particular law.

Mr. MORTON. Mr. Chairman, will the gentleman yield.

Mr. COLE of Kansas. I yield.

Mr. MORTON. Is it not true that unless this amendment is adopted, the only person who could buy a house is a person with a substantial bank balance?

Mr. COLE of Kansas. There is no question about it. As a matter of fact, without this amendment the small man will not have an opportunity to buy a house. This protects the home owner. This protects the little fellow. This protects the man who owns his place. This protects you and I when we want to sell our individual homes. It has nothing whatsoever to do with the big operators throughout the country.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The gentleman from Massachusetts [Mr. FURCOLO] is recognized.

Mr. FURCOLO. Mr. Chairman, I did not intend to get recognition on this particular question.

Since I have been recognized, I might say I would like to have recognition on my amendment as soon as I may have it.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER]

Mr. BIEMILLER. Mr. Chairman, a little while ago the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] in commenting on some remarks of mine to the effect that the Government had no direct regulation over commodity exchanges, implied that I did not know what I was talking about.

Now, let us get the record straight. At that time we were discussing the question of margins on commodity exchanges. Everyone knew that was what we were talking about. I now want to repeat that there is no Government control or regulation over margins on commodity exchanges.

I want to further add that there is no Government regulation or control over speculation on commodity exchanges. There is nominal control over manipulation, or just plain cheating on commodity exchanges. I say "nominal" because no government official or agency can issue cease and desist orders in such cases. Even after a formal hearing, any appeal that is taken to the courts allows that manipulation to continue for years, if the parties involved can drag it out in the courts. That is the record.

The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] also saw fit to comment on the speech of the distinguished gentleman from Oklahoma [Mr. MONRONEY], he implied the gentleman was simply repeating a campaign speech on the floor of this House. I do not know whether that is true or not. If it is, however, I should like to observe it was evidently a very successful campaign speech, since twice the gentleman from Oklahoma has won spirited campaigns in Oklahoma in recent weeks; and I would like to suggest to the Members of this House that if that is a campaign speech, so be it. I am for it.

The people who liked what the gentleman from Oklahoma had to say on the subject of speculation in basic commodities are typical of the people who will watch to see what the House does today in this vital matter. It is my judgment that those people do not care for either speculators or profiteers and will have little affection for those who would protect them. I welcome the roll call on this issue which the gentleman from Oklahoma predicts will take place.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The gentleman from Michigan [Mr. WOLCOTT] is recognized.

Mr. WOLCOTT. Mr. Chairman, I simply want to call attention to the fact, as did the gentleman from Kansas [Mr. COLE], that there is no price control in this amendment. It has been argued that rents will go up if this amendment is adopted. Let me call attention to the fact that all we seek to do is to prevent the manipulation of present contracts, under which the purchase of homes is being financed, to prevent anyone from increasing the monthly payment that the GI or anyone has to make in respect to an existing contract for the purchase of a home. Unless this is adopted you might develop a situation where, because of the increase in the amount of the payments under the amortization, and the reduction in the period of amortization on rental properties, you might force, because of the increase in monthly operation cost incident to the increase of the payment, a situation where rents would have to be increased to cover them. That is what we are seeking to avoid. All we are seeking to do is to leave existing contracts alone, and authorize them to control credit incident to future construction.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JENSEN. Is it not a fact that if this amendment is not adopted, thousands of veterans who are this very minute about to build a home under a VA loan will be defeated in possibly ever owning a home?

Mr. WOLCOTT. Yes; and I might say that the program which has already been launched has caused a lot of cutbacks in home construction, and we have been hearing about it.

The CHAIRMAN. The gentleman from Kentucky [Mr. SPENCE] is recognized.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, of course there is no price ceiling on the sale of real estate, but credit largely controls the price of houses. There are practically 30,000,000 old houses in the United States. Place controls on new construction and no controls on old construction and it is obvious that old construction is put in a preferential class and there will be a spiraling of prices on old construction as compared with new, just as there was a spiraling of prices on old cars as compared with new cars. I remember when controls were on on new automobiles and no controls on the price of old cars a dealer would see that any new car he sold had been used a few miles so that he could claim it was an old car and get perhaps one-third more for it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield for a question at that point?

Mr. SPENCE. I yield.

Mr. HOLIFIELD. Is it not true that at the bottom of page 43 yesterday we adopted an amendment which directed the President to preserve all of the credit preferences which the GI's were entitled to under the Veterans' Readjustment Act?

Mr. SPENCE. That is true.

Mr. HOLIFIELD. Therefore the veteran is not concerned in that.

Mr. SPENCE. That is entirely true. Furthermore, it does not affect the existing contracts about which the gentleman talks; they are not affected; it is only as to future contracts. If you adopt this amendment you are going to see a spiraling of prices on old houses that is going to prevent our citizens, including the veterans, from being able to purchase them.

I ask that the amendment be voted down.

The CHAIRMAN. The time of the gentleman from Kentucky has expired; all time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 119, noes 102.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 153, noes 147.

So the amendment was agreed to.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 48, line 2, after the word "Government", insert a comma and add the words "including any new agency or agencies, which are hereby authorized to be created by the President when deemed necessary."

On page 48, line 4, after the period insert "The President is authorized to appoint heads and assistant heads of any such new agencies, and other officials therein of comparable status, and to fix the compensation therefor, without regard to the Classification Act of 1949, as amended, at rates comparable to the compensation paid to heads and assistant heads of independent agencies of the Government. Attorneys appointed under this section may appear for and represent the agency in any case in any court."

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Kentucky.

Mr. SPENCE. This merely inserts something that was left out by inadvertence in the original bill, and the committee, I know, will be glad to accept the amendment.

Mr. JAVITS. Mr. Chairman, I would just like to say one word about this before the vote, because I think it is important that we recognize the principle involved. The principle involved which the committee is accepting, and which I think we must all understand and accept, is that this is an unusual situation which requires special agencies in the shape of a mobilization planning board like the War Production Board during World War II, in order to marshal America's best brains for the mobilization effort we face today and to carry out such powers under this bill as are utilized.

I point out to the House that the National Securities Resources Board, which is now handling the mobilization effort, is essentially an advisory or staff agency, I have no doubt that the Honorable Stuart Symington would certainly be considered one of those eligible to head up a mobilization effort in a special agency. And I would also add that Charles E. Wilson, head of General Electric, should be considered as well and that he might well be drafted to do this job. He was vice chairman of the War Production Board and did a distinguished job there. I call the attention of the House to one key point that America must have at this hour, and that is reflected in General Electric's announcement—and Mr. Wilson is the president of General Electric—that it is ready to double its World War II output.

I say to my colleagues that the way we will win on the peace front is with economic power, and if necessary, with military power, and the best chance we have to avoid a serious war danger, is by that kind of genius from American industry—workers and management alike—and that kind of effort.

Mr. JACOBS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JACOBS. Mr. Chairman, we have adopted several amendments in Committee. There was, of course, no record vote.

Some of these amendments deny banking and speculative and real estate credit controls in this bill which proposes controls on consumer credit, prices, and wages.

Later we will undoubtedly go on record regarding these amendments.

I have nothing but good will for bankers and realtors. They, as do every legitimate business and occupation, render us a valuable service.

I want to be fair with everyone. I do not favor any punitive or unnecessary legislation.

But today practical men recognize the need for economic controls—controls on consumer credit, prices, and wages.

Another control is the control of the bodies of teen-age boys who are sent forth to fight and die for us.

Now the controls left in this bill affect the pressure at the end of the pipeline—consumer credit, prices, and wages.

If nothing is done to relieve the pressure further back, the pipeline is going to break somewhere.

Every informed Member says credit control will relieve that pressure. Likewise, taxes commensurate with Government expenditures will relieve the pressure.

So I believe that credit controls should be applicable all down the line, not just at the end.

The banker deals in liquid assets. Hence inflation will hurt him perhaps more than any other businessman.

The banker and realtor has as big a stake in this horrible business as anyone.

Besides, their sons are on the battle line. I, for one, believe they are as patriotic as anyone. The ones I know are about like other folks—no better and no worse.

Then why do they object to controls that affect them? They say they fear giving the President so much power. I suppose we all have such fears; we fear the power to control consumer credit, prices, and wages. The manufacturer fears priorities and allocations and being told what he must build.

But we face an enemy of whom Richard Wilson, writing in the Indianapolis Times Monday, said:

> Less emphasis is placed upon Russia's ability to produce steel than on its determination to use the maximum amount of that steel for war purposes.

Herein lies the real test: Can we self-impose sacrifices comparable to those a dictator imposes upon the Russian people?

As an American, I instinctively fear many of these controls.

But I hope I can have as much regard for my corner groceryman whose prices are to be controlled, as I have for my ability to borrow money at the bank.

I hope I will have as much regard for daily earnings of those who work for their daily bread.

But, above all, I hope that even my neighbor's son will be more precious in my estimation than my property, my credit or my political fortunes.

If I can agree to entrust the President to command his body, curtail his liberty and send him into the valley of the shadow of death, then why should I

tremble at the power of the same man to control bank credits?

I question no man's motives. Each of us must be the keeper of his own conscience;—we must keep it free from the torturing fear that we have been willfully unjust.

In the discharge of our solemn responsibilities, each of us must decide for ourselves if we are using the same yardstick when we measure a proposed control over the personal lives of our sons and over the business of our bankers.

I repeat, Mr. Chairman, every Member is the keeper of his own conscience.

And I am certain that every Member will be mindful of his position on all other controls, including the draft, as he records his vote on the Wolcott amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 65, noes 13.

So the amendment was agreed to.

Mr. FURCOLO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FURCOLO: Page 53, line 12, strike out section 510, beginning at line 12 on page 53, through line 6 on page 54.

Mr. FURCOLO. Mr. Chairman, section 510 on pages 53 and 54 has to do, of course, with employing new people to carry out certain provisions of this act. I realize of course it is going to be necessary to have people to carry out the provisions of the act. Nevertheless, my amendment seeks to strike out the section. It is the only course open to me to bring this matter out in the open. I also realize that striking out the section is undoubtedly probably not the best way to do it. But it does seem to me that if this body goes on record at this time as indicating a sentiment in accordance with what I am suggesting, as letting the conferees know we believe that once young people are being drafted into our military service for the security of the Nation we also feel that people may be called into governmental service on the same basis, then in conference something can be worked out that will be a little bit more fair and more equitable than this section of the bill.

This section 510 is set up under the theory that it is necessary to offer some inducement in the nature of high pay to have properly qualified people to come in and administer the provisions of this act. On the other hand, the whole act itself is based on the theory that there is an emergency which requires us not only to send men abroad, but also to take this sort of restrictive measure and call upon the abilities and resources of everyone in the Nation to try to do something to help this country. If we do not have to offer any inducement to get people in the Armed Services we should not have to offer any inducement to get people into governmental service when the security of this Nation requires their services during time of war.

To me it seems extremely inconsistent to say on the one hand that we have the power to call men to go abroad to serve at risk of life and limb either at very small pay or at pay greatly less than what they earn in civilian life and yet on the other hand when it comes to carrying out the terms of this act—which is strictly a war measure, and that is the basis on which it is being offered today, we find it necessary to offer high pay as an inducement to get Americans to carry out the provisions of the act here at home, at no risk of life and limb.

If we can draft men, then certainly there should be equal right to draft people into the governmental service to carry out the provisions of wartime measures even if they are to receive lower salaries than what they get in civilian life.

I do not know of any reason why that cannot be done. I am not talking about the dollar-a-year men. I think the experience in the last war showed that probably that is not the best way. But I also know that in time of war we call upon our younger people to go out and fight and bear arms, because they are physically qualified to do that. We know they are willing to make every sacrifice because they are patriotic.

On the other hand, in time of war I do not think you will ever find anyone more patriotic than those above the age at which they can serve in the Armed Forces.

During the last war before I went into the service I served on the draft board for a short time. It was my belief then that no place in the entire country did you find people who expressed greater patriotism and a greater willingness to serve, if only they could serve, than those who were above the age of 35 years. Let us give them that opportunity. There is no reason why they should not have it. If this country needs them, there is no reason at all why we should not be able to call on them to perform duties they are physically and mentally qualified to perform, just as we take our younger people to perform the duties for which they are qualified.

As I mentioned at the beginning, perhaps striking out this section is not the way to do it, but it is the only way I know of to call it to the attention of the Nation and to call it to the attention of the conferees. When this bill goes to conference they can then sit down together and figure out some way whereby if it is necessary to call people into the Government just as we have to call people into the armed services, they can be called without having to say, as this bill does in this section, that we recognize we cannot get patriotic people unless we offer them high salaries. There is no more reason to offer anyone a high salary to come into Government service to carry out the provisions of a wartime measure than there is to offer those same salaries to the men who go into the armed forces.

I certainly hope this body will give some consideration to the suggestion I have made.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. FURCOLO] has expired.

Mr. SPENCE. Mr. Chairman, striking this provision out of the bill would be a great mistake, in my opinion. It simply gives the President authority to call on the services of men who have shown that they have great ability, without having any compensation fixed for them. They could be paid $15 a day for subsistence. In the last war many of those men rendered distinguished service. It may be that occasionally you will find some fellow who has an unpatriotic spirit who would like to come here to enrich himself, but I think there are very few top men in the business world who would do this when their country is in trouble and needs their services. I think in the business world all the men the President would call on have demonstrated their ability and would render patriotic service.

I hope the amendment will be defeated.

Mr. FURCOLO. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. FURCOLO. The committee under this bill does contemplate paying fairly good salaries to the people who are called?

Mr. SPENCE. No, not at all. Some of them will volunteer to come and work without any salary.

Mr. FURCOLO. Is the chairman of the committee willing to express the intent for the committee, that those people shall not be paid if they are called?

Mr. SPENCE. I would not say that none of them will be paid, but I think many of the outstanding men will not ask for anything. They will not expect anything. I think we should leave them in the discretion of the President as to whether he will ask for their assistance.

I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FURCOLO].

The amendment was rejected.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill, and all amendments thereto, close at 1:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. JENSEN. Mr. Chairman, reserving the right to object, will that give Members who have amendments at the desk sufficient time to partially explain their amendments?

The CHAIRMAN. The Chair is unable to state how many Members will offer amendments.

Mr. SPENCE. How many amendments are there on the desk, if I may ask?

The CHAIRMAN. The Chair is informed there are three amendments on the desk.

Mr. KUNKEL. Reserving the right to object, Mr. Chairman, may I make the suggestion to the distinguished chairman that he make that 1:40?

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill, and all amendments thereto, conclude at 1:40 p. m.

Mr. HALLECK. Reserving the right to object, Mr. Chairman, I only do this to suggest that I think one of those amendments will not be offered. The gentleman from Pennsylvania [Mr. KEARNS] and the gentleman from Iowa [Mr. JENSEN] have amendments which they wish to offer.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky, that all debate on the bill, and all amendments thereto, conclude at 1:40 p. m.?

There was no objection.

Mr. KEARNS. Mr. Chairman, I offer an amendment, which is at the desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Amendment offered by Mr. KEARNS: Insert after section 510 (b), page 54, a new subsection as follows:

"(c) Appointments to all offices and positions necessary and appropriate to the carrying out of the provisions of this act, except those positions referred to in subsection (a) of this section, shall be subject to and made in accordance with the provisions of the Classification Act of 1923, as amended."

Mr. KEARNS. Mr. Chairman, I do not think there should be any opposition to this amendment for this reason: It is purely designed to require that all jobs which come into existence under this legislation be merit-system jobs. I am informed by the members of the committee on the majority side that possibly some of these jobs will be filled by just dollar-a-year men. We know, however, that during the former OPA days in various agencies which were set up in the operation of controls we had many, many employees that were not dollar-a-year men. Every Member of this House has many constituents in his district who have successfully passed civil-service examinations and are entitled to some kind of position if it is open through this legislation. Therefore, I merely present this amendment to take care of qualified personnel, people who have met the qualifications of a civil-service examination to qualify them for these jobs if they are in the offing.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, section 510 (a) will do exactly what the gentleman has suggested. Section 510 (b) is the section that will permit the acceptance by the Government of the services of individuals who are especially qualified for those particular positions without any pay whatsoever. Many people cannot come to Washington and give up the places where they are now employed, their pension benefits, salaries, and things like that; they will not do it even in wartime unless there is some provision made for them. This special provision, 510 (b), is here so that persons of outstanding experience and ability may be employed without compensation. They will not even be paid the dollar a year which was paid during World War II; they will be paid only if they request it, a maximum of $15 per day for subsistence. You cannot get them out of civil-service examinations, you cannot get them from the civil-service rolls; it is impossible. You have got to have outstanding people with special qualifications for this particular thing, and I hope this amendment will be defeated. Because there are a lot of fine people on civil-service rolls does not mean they are qualified for these special jobs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. KEARNS) there were—ayes 40, noes 56.

So the amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: Page 55, at the end of the bill, add a new section as follows:

"*Provided*, That no person may be employed under this act who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

Mr. SPENCE (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is their objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. JENSEN. Mr. Chairman, this is the identical amendment to the one I offered last week to the committee bill, and which was adopted by a voice vote of the House.

I am sure every Member of Congress and every loyal American understands the need for a law such as this amendment provides. We are in a shooting war with communism abroad and trying to root Communists out of Government, lest we forget. The amendment speaks for itself, in terms all can understand.

Mr. Chairman, I ask unanimous consent that the amendment, if adopted, be placed after section 512 on page 55.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr Chairman, as a member of the Banking and Currency Committee, I am naturally glad that the committee of which a great American statesman the gentleman from Illinois [Mr. SPENCE] is chairman and on which I have had the honor and the appreciated privilege of serving has rendered a service to the Nation in time of great crisis by clearing away the clouds of confusion which for 3 days of last week settled so deeply about this Chamber that at times it was difficult to distinguish your next seat neighbor.

I am sure that my colleagues will agree with me that it was fortunate for the Congress, and for our country, that on the committee were members of long and rich experience with the problems of inflation, scarcity of commodities and materials, and of the many abnormal conditions which characterize periods of war emergency.

While there were differences of opinion, of course, and clashes of philosophies, the debates in the committee were kept uniformly on a high level and were tempered by the thought in the mind of every member, I am sure, that it was the wish of the House and the necessity of the Nation that from our committee should come the framework of a measure commanding bipartisan support.

I think the attention of the House and of the country should be called to the fact that while our men in the armed services were fighting in Korea there were among the 27 Members of the Congress working on this bill, made necessary by another war emergency, two members of the committee who were not here when similar legislation was under consideration during the period of World War II because they then were among the men in the armed services and were in combat. The gentleman from New Jersey [Mr. ADDONIZIO] spent 37 months overseas with the Sixtieth Infantry of the Ninth Division, participating in eight major campaigns from the invasion of North Africa, up through Sicily, Normandy, northern France, the Battle of the Bulge, central Europe, and Rhineland. He is one of the few living combat officers to wear eight campaign stars. The gentleman from Missouri [Mr. BOLLING] served 4 years overseas in Australia, New Guinea, Philippines, and Japan. I am very sure that when they

were participating in the deliberations of our committee on legislation required by the storm signals of another threatened war they were determined that if another period of war sacrifice must come to us that everything we have in a material sense, dollars and business, and everything must go into this struggle on the same basis of sacrifice to the utmost as is demanded of our men who do the fighting.

I think it fitting also to mention that on the committee which brought this bill to the House with bipartisan support were members who had served in World War I, including the distinguished gentleman from Michigan [Mr. WOLCOTT], the ranking Republican member and the chairman of the committee in the Eightieth Congress, who saw active service in France during the Meuse-Argonne offensive with a machine-gun company of the Twenty-sixth Infantry, First Division.

I do not think this is a perfect bill. I think it has been weakened where it should not have been weakened by amendments that might better have been defeated. Perhaps because the Membership is hoping that things will not actually turn out as rough as now seems the probability, and certain interests have wanted a preference in cushions upon which to rest the status quo, we have not been able to make the Defense Production Act of 1950 all that we would have desired.

But on the whole I feel that the bill is worthy of our support. Not much has been said in the debate about the provision granting the power to requisition. I would say that this is among the strongest features of the bill. The power to requisition is the best, and the most practical, weapon against hoarding, especially hoarding, in a stockpile or wholesale level.

There can be no doubt in any reasoning mind that the war emergency will interfere with home construction. Regardless of credit availability, the construction of homes must suffer a setback for the simple reason that steel and other materials will be going into the products of war. This will certainly not help the housing shortage, and it seems to me short-sighted on our part not to have conferred upon the President the stand-by authority to extend and broaden rent control when and if necessary. Doubtless this will be covered in other legislation, as well as the imperatively demanded matter of an excise tax. This time if war comes dollars can claim, and we are determined shall not receive, any preference over men.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I have been waiting some time to get recognition, so my remarks are rather belated.

At the bottom of page 43 the amendment was changed to protect the GI building program, which I think was very good cooperation on the part of the committee. I do want to call the attention of the committee, not of this committee necessarily but of the Veterans' Affairs Committee possibly and the Committee on the Armed Forces, to the fact that many of these GI boys who have bought homes are being reactivated because they are members of reserve units or possibly members of different National Guard units. Many of them who are being reactivated, who are being called back into the service, are unable to make the payments on their GI homes which they have bought. There are no family allowances to give them extra money. I think that is a job which the proper committee should take care of as soon as possible.

Mr. Chairman, the GI building program should be preserved.

I think such an amendment imperative to the bill under consideration. It relates to the section which will give the President authority to apply the broadest kind of restrictions in the field of residential housing credit..

All of us recognize that the tremendous volume of residential construction is one of the first areas where we can apply the brakes so that the necessary degree of diversion of our economic activity from civilian pursuits to defense production can be achieved. We might even argue that a certain amount of reduction from the present hyperactive stage of building activity would in itself be healthy even without the Korean situation.

The point I wish to make—and I cannot make it too emphatic—is that we must be careful not to just think of construction as one great mass without distinguishing between its component parts. There are all kinds of building activity. Some of it deals with race tracks and some of it with carnivals and amusement parks. Clearly we can forego such types of construction in an emergency situation.

Taking housing itself, we must keep firmly in mind that there are all kinds of houses. There are luxury houses being built in the higher-price brackets for our wealthier citizens. There are houses in the middle-price brackets available to all our citizens. But there is one segment of our housing effort—it seems to me—that should have the highest priority in any program designed to reduce the absolute level of housing construction.

I am talking about the houses which are going to veterans with low-cost financing on liberal terms under the GI bill. When we established the GI loan benefit—and when we recently improved the effectiveness of that benefit in the new housing law—we recognized that veterans should have real preference in Government credit aids to finance their home purchases.

While veterans housing under the GI bill is substantial in volume, the plain fact is that veterans housing nonetheless is a relatively small part of our total housing production.

Let us look at the figures. I have a table—table 1—before me, based upon data from the Veterans' Administration, which shows the total dollar volume of new construction and the dollar volume of private residential construction for the 6 months ending May 1950. The table also shows the estimated construction cost of new homes purchased by veterans with a GI loan each month for the same period. When we relate these two series what do we find? We find that homes bought by veterans with GI loans account, are on the average, only 8.3 percent of the volume of total new construction and only 19.1 percent of the volume of private residential construction.

In other words, in this new legislation we are now considering, we must be extremely careful that we do not lightly give authority which would permit the controlling authorities to tamper with the veterans housing segment of the market. The figures I have quoted demonstrate amply that veterans housing is a narrow segment of the housing picture and a still narrower segment of construction generally. The majority of our housing construction at present involves higher priced homes going largely to nonveterans. That is the broad segment which should be cut first in any control measures adopted as the result of the bill which we are now considering.

The housing going to veterans with GI loans meets the very special need of our former GI's. They are getting their housing under the most favorable financing terms available in the market. They pay only 4 percent interest; they get a gratuity payment and other advantages; and they get their loans even though they were unable to save enough during the war and the postwar period to make the large down payment usually required with conventional and FHA loans.

Moreover, I would like to emphasize that veterans housing under the GI bill is not luxury housing. The great bulk of these homes are modest homes for our low-income and middle-income GI's. I have another table—table 2—before me which shows that for the past year the average purchase prices of new homes going to veterans with GI loans are centered within a range of $8,400 to $9,400.

Surely this type of housing is the very last which should be restricted as our mobilization proceeds. If we run into the holocaust of total war, naturally we will have to cut down on veterans housing, as we will in all other sectors of economic activity except those vital to war and war purposes. But in the program of partial mobilization with which we are now confronted, there is no justification whatsoever for denying low-cost housing with GI loans to our former GI's. If we must cut—and clearly we must cut some part out of the tremendous housing boom—then let us make sure that we restrict and cut down on the higher priced homes which are going to nonveterans—these are the new homes which comprise the bulk of our residential building activity.

I will admit that the framers of the present bill were on the right track in recognizing the priority of GI-financed veteran housing. This is shown by the clause in the bill in section 402 which provides that the President, in exercising controls over housing and mortgage

credit, should give consideration to maintaining the relative preference of veterans in Government-sponsored housing credit aids. But while the framers were tending in the right direction, they did not go far enough. My amendment will remove all doubt on the subject. Instead of merely asking that the President give consideration to veterans financing aids, my amendment will require him to make certain that the GI loan preference of veterans is maintained.

Surely no one can in good conscience oppose my proposed amendment. Our troops in Korea have the highest priority beyond all question. It is for them primarily that we are hereby proposing to give power to cut down various sectors of our civilian economy. All I ask is that when the knife is used, that we divide what's left on a fair and equitable basis. And that means that the new housing going to veterans with financing under the GI bill should be protected with the highest priority we can give to civilian housing production.

At this point I would like to read a telegram from the Veterans of Foreign Wars which urges the strengthening of the priority provision for veterans housing, as proposed in my amendment.

WASHINGTON, D. C., *August 9, 1950.*

Hon. CHET HOLIFIELD,
Member of Congress,
House Office Building:

Veterans of Foreign Wars strongly urge that language in Defense Production Act coming up today relating to credit controls on housing be amended to make present veterans home loan program mandatory rather than optional as in existing language. Veterans housing program represents less than 15 percent of total construction and should be preserved unless Nation becomes involved in all-out war effort.

OMAR B. KETCHUM,
Legislative Director, Veterans of Foreign Wars.

TABLE 1.—*Comparison of dollar volume of new-construction expenditures and estimated construction cost of new homes financed with GI loans*

Period	Volume of new construction expenditures (millions of dollars) [1]		Estimated construction cost of new homes financed with GI loans [2]		
	Total new construction	Private residential construction	Millions of dollars	Percent of total new construction	Percent of private residential
December 1949	1,852	806	119	6.4	14.8
January 1950	1,712	742	153	8.9	20.6
February	1,618	717	176	10.9	24.5
March	1,750	741	169	9.7	22.8
April	1,959	852	160	8.2	18.8
May	2,250	1,010	152	6.8	15.0
Total 6 months ending May 1950	11,141	4,868	929	8.3	19.1

[1] Source: Joint estimates of Department of Commerce and Department of Labor.

[2] Source: Veterans' Administration. Estimate based on purchase price of new homes financed with GI loans closed, with 20 percent deducted to allow for land, overhead, and profit included in the purchase price, to arrive at an estimate comparable with the figures on new construction expenditures.

TABLE 2.—*Average purchase price of new homes purchased with VA-guaranteed first mortgage loans*

Period	Newly completed homes purchased with GI loan	Proposed construction financed with GI loan
1948—January	$8,985	$8,882
February	8,909	8,741
March	8,856	8,973
April	8,802	9,125
May	8,917	9,010
June	9,221	9,236
July	9,394	9,270
August	9,468	9,282
September	9,633	9,367
October	9,676	9,351
November	9,862	9,859
December	9,892	9,910
1949—January	9,896	9,833
February	9,827	9,520
March	9,761	9,323
April	9,666	8,899
May	9,590	8,847
June	9,499	8,580
July	9,363	8,318
August	9,379	8,447
September	9,313	8,457
October	9,277	8,457
November	9,132	8,504
December	9,029	8,562
1950—January	9,072	8,472
February	8,959	8,517
March	9,045	8,491
April	8,929	8,357
May	8,905	8,412

Source: Veterans' Administration. Data only for homes financed with VA first mortgage loans (Section 501).

Mrs. DOUGLAS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Chairman, if curtailment of building construction is necessary it should occur in the luxury type of homes and in such types of construction as race tracks, amusement buildings, and so forth. The GI building program should not be curtailed. It comprises only 8.3 percent of total new construction for the first 6 months of 1950. The committee is to be commended, Mr. Chairman, for making it mandatory that the present GI residential credit preferences be preserved.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, yesterday during the debate the gentleman from Pennsylvania [Mr. BUCHANAN] said that the same broad credit powers had been granted to the President in the Second War Powers Act and in the Trading With the Enemy Act of 1917. I had the legislative counsel check with the Federal Board. The Board could not find the reference in the Second War Powers Act, and the language used in the Trading With the Enemy Act is certainly not in any sense as broad as that contained in that section of the bill which was deleted from it yesterday by committee action.

I might also call attention to the fact that the Trading With the Enemy Act is still in effect. It provides that during the time of war or during any other period of national emergency declared by the President, that the President can reinstitute such powers granted under the act merely by making a declaration of an emergency, or during time of war. So, even if he needs the authority, and even if the situation should arise, why, he can call those powers into being, such as they are. Of course, I do not think the Trading With the Enemy Act is nearly as broad as the grant proposed, but the President is completely protected under any circumstances. I wanted to call that to the attention of the Committee prior to the time there was a vote on the credit amendment, because I believe there will be a roll-call vote later on.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman I take this time to point out that the Trading With the Enemy Act, wherein those powers were granted, as amended by the act of 1941 (55 Stat. 839), takes care of those very provisions. While the gentleman has stated that it is necessary to declare an emergency or state of war existing, I merely made the statement yesterday that in the Trading With the Enemy Act and under this act of 1941, the Second War Powers Act, 55 Stat. 839, that he did have those same broad powers, and we are asking for them in this case.

Mr. KUNKEL. Mr. Chairman, if the gentleman will yield, I point out that the powers are not nearly so broad and secondly, if they are contained in those particular statutes, then they can be called into effect at any time the President declares an emergency.

Mr. BUCHANAN. I might say to the gentleman that the language here is just as broad as the powers that he had at that time and is asking for the same in this particular legislation.

Mr. KUNKEL. Well, I disagree with that, but if they are, then he has them, because this act is still in effect.

Mr. BUCHANAN. He would have to declare an emergency or we would have to be in a state of war.

Mr. KUNKEL. What we are contending is that under Federal provisions you should not have emergency powers in the absence of an emergency.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, if the gentleman from Pennsylvania [Mr. KUNKEL] were right in his contention, I do not think his colleagues on his side of the aisle would have made the vigorous attempt to exclude from this bill the credit and real-estate controls which they have succeeded in striking out of this bill. The fact of the matter is that the President does not have these credit powers now. The Federal Reserve Board has told us he does not have these powers now. He has asked for these powers. The Federal Reserve Board has said in so many words, as of August 1, referring to the provisions of this very bill, that he needs these powers and he should be given these powers at this time. I say it is indefensible to strike these provisions out of this bill.

LET'S PROTECT THE COUNTRY AGAINST RUNAWAY INFLATION OR DISASTROUS DEFLATION

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this will probably be the last time that I will have an oppor-

tunity to speak on this measure, which, in my opinion, is one of the most dangerous pieces of legislation that has been proposed in this Congress. For the simple reason that it attempts to regiment the American people and leave the financial racketeers free, and let the inflation of the currency run wild or deflation wreck the country.

As I pointed out on yesterday, prices in a free economy are governed by two things, the volume of the Nation's currency multiplied by the velocity of its circulation. Every well-informed economist will tell you so.

One gentleman here today said that in 1928 we went into a depression because of the commodity supply. He evidently had not read the record. At that time the volume of currency had dropped from $5,698,214,612 in 1920 to $4,973,168,182 in 1928, which carried prices down with it and wrecked the Hoover administration.

I have before me a statement from the Farm Bureau Federation that has more in it, in one paragraph, than all the spurious debate we have heard in favor of regimenting the American people and leaving the financial racketeers to run wild. That is what this bill does. The American Farm Bureau Federation says:

> Inflation is the condition which develops when the supply of money increases in relation to the supply of goods.

You are not doing a thing in the world to check inflation of the currency, which is now running wild. You are trying to put the bee on the little fellow, and even trying to prevent him from "hoarding" potatoes or corn, but you do not try to stop the financier, the big financial racketeer, from "hoarding" the Nation's currency.

Again the American Farm Bureau Federation wisely says:

> Price and ration controls, at best, only suppress the symptoms of inflation. They invite black markets and require administrative personnel needed for production. They do not attack the problem of cheap dollars at its source, and actually decrease the supply of goods, thus depriving the country of needed defense and the citizens of goods and services.

I have before me a Treasury report of 1928 and also one of 1950, showing the inflation we are in today. Do you know what the volume of currency is now? I have not heard a single member of this committee touch side, edge or bottom of that proposition. As I said, on December 31, 1928 we had $4,793,000,000 in circulation. In 1920 we had $5,698,000,000. That was at the peak of high prices. How much have we now, Mr. Chairman? I will tell you how much. Not $5,698,000,000 as we had in 1920, but $27,156,000,000, or nearly five times as much as we had in 1920 and nearly six times as much as we had in 1928.

It increased from May 31 to June 30 of this year $67,000,000.

Not a thing in this bill even tends to check the expansion of the currency through the Federal Reserve System, or to protect us against disastrous deflation, such as we had in 1928.

But you propose in this bill to regiment the American people, and leave their destiny in the hands of certain financial interests that could wreck this country, with runaway inflation through the Federal Reserve System, or plunge us into disastrous deflation that might paralyze the Nation, bring distress to the American people, and fill our streets with breadlines, as was done in 1928.

For the information of the House I am inserting at this point the Circulation Statement of United States Money—December 31, 1928:

Kind of money	Total amount	Money held in the Treasury					Money outside of the Treasury				Population of continental United States (estimated)
		Total	Amount held in trust against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve banks and agents	All other money	Total	Held by Federal Reserve banks and agents	In circulation		
									Amount	Per capita	
Gold coin and bullion	$4,141,420,889	$3,206,606,813	$1,412,515,819	$156,039,088	$1,448,961,109	$189,090,797	$934,814,076	$539,504,363	$395,309,713	$3.32	
Gold certificates	(1,412,515,819)						1,412,515,819	421,519,960	990,995,859	8.32	
Standard silver dollars	539,961,775	481,960,397	476,181,974			5,778,423	58,001,378	11,526,004	46,475,374	.39	
Silver certificates	(474,888,124)						474,888,124	64,553,914	410,334,210	3.45	
Treasury notes of 1890	(1,293,850)						1,293,850		1,293,850	.01	
Subsidiary silver	304,398,571	2,189,001				2,189,001	302,209,570	10,895,647	291,313,923	2.45	
Minor coin	118,618,677	975,648				975,648	117,643,029	2,029,887	115,613,142	.97	
United States notes	346,681,016	3,953,054				3,953,054	342,727,962	48,529,449	294,198,513	2.47	
Federal Reserve notes	2,277,353,565	1,434,090				1,434,090	2,275,919,475	467,866,876	1,808,052,599	15.18	
Federal Reserve bank notes	3,882,751	57,219				57,219	3,825,532	5,377	3,820,155	.03	
National bank notes	698,782,129	16,067,169				16,067,169	682,714,960	66,954,116	615,760,844	5.17	
Total Dec. 31, 1928	8,431,099,373	3,713,243,391	1,888,697,793	156,039,088	1,448,961,109	219,545,401	6,606,553,775	1,633,385,593	4,973,168,182	41.76	119,076,000
Comparative totals:											
Nov. 30, 1928	8,281,523,377	3,741,985,036	1,869,770,295	156,039,088	1,490,272,210	225,903,443	6,409,308,636	1,419,194,269	4,990,114,367	41.95	118,957,000
Dec. 31, 1927	8,619,444,799	4,011,866,982	2,090,864,120	155,420,721	1,556,510,011	209,072,130	6,698,441,937	1,695,486,256	5,002,955,681	42.52	117,653,000
Oct. 31, 1920	8,479,620,824	2,436,864,530	718,674,378	152,979,026	1,212,360,791	352,850,336	6,761,430,672	1,063,216,060	5,698,214,612	53.01	107,491,000
Mar. 31, 1917	5,396,596,677	2,952,020,313	2,681,691,072	152,979,026		117,350,216	5,126,267,436	953,321,522	4,172,945,914	40.23	103,716,000
June 30, 1914	3,796,456,764	1,845,575,888	1,507,178,879	150,000,000		188,397,009	3,458,059,755		3,458,059,755	34.92	99,027,000
Jan. 1, 1879	1,007,084,483	212,420,402	21,602,640	100,000,000		90,817,762	816,266,721		816,266,721	16.92	48,231,000

You will note at that time we had $1,808,052,599 in Federal Reserve notes. Today we have $22,760,284,970 in Federal Reserve notes.

Remember, these Federal Reserve banks can retire these notes at any time they desire, take up the bonds which they have deposited and which have been accumulating interest all these years, and in that way plunge the Nation toward disastrous deflation.

For the information of the House, I am inserting at this point the Circulation Statement of United States Money—June 30, 1950:

Circulation statement of United States money—June 30, 1950

Kind of money	Total amount	Money held in the Treasury					Money outside of the Treasury			
		Total	Amount held as security against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve banks and agents	All other money	Total	Held by Federal Reserve banks and agents	In circulation [1]	
									Amount	Per capita [2]
Gold	[3]$24,230,720,268	$24,230,720,268	$23,022,851,912	$156,039,431		$1,051,828,925				
Gold certificates	[4](23,022,851,912)	[4](20,166,524,283)			[5]$(20,166,524,283)		$2,856,327,629	$2,815,555,600	$40,772,029	$0.27
Standard silver dollars	492,582,858	319,840,142	302,938,393			16,901,749	172,742,716	2,557,828	170,184,888	1.12

See footnotes at end of table.

Circulation statement of United States money—June 30, 1950—Continued

Kind of money	Total amount	Money held in the Treasury					Money outside of the Treasury			
		Total	Amount held as security against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve banks and agents	All other money	Total	Held by Federal Reserve banks and agents	In circulation [1]	
									Amount	Per capita [2]
Silver bullion	$2,022,834,904	$2,022,834,904	$2,022,834,904							
Silver certificates	[4] (2,324,628,236)						$2,324,628,236	$147,377,190	$2,177,251,046	$14.35
Treasury notes of 1890	[4] (1,145,061)						1,145,061		1,145,061	.01
Subsidiary silver	1,001,573,600	10,414,334				$10,414,334	991,159,266	26,450,342	964,708,924	6.36
Minor coin	378,463,200	7,854,745				7,854,745	370,608,455	9,722,586	360,885,869	2.38
United States notes	346,681,016	2,464,405				2,464,405	344,216,611	23,435,182	320,781,429	2.11
Federal Reserve notes	23,602,679,835	51,835,210				51,835,210	23,550,844,625	790,559,655	22,760,284,970	150.00
Federal Reserve bank notes	277,201,956	77,372				77,372	277,124,584	3,337,080	273,787,504	1.80
National bank notes	87,615,382	367,510				367,510	87,247,872	759,550	86,488,322	.57
Total, June 30, 1950	52,440,353,019	26,646,408,890	25,348,625,209	$156,039,431	[4] $(20,166,524,283)	[5] 1,141,744,250	[7] 30,976,045,055	3,819,755,013	27,156,290,042	178.97
Comparative totals:										
May 31, 1950	52,358,685,718	26,647,628,352	25,338,343,518	156,039,431	20,182,504,699	1,153,245,403	30,866,896,185	3,777,096,631	27,089,799,554	[8] 178.76
June 30, 1949	53,103,980,266	26,861,355,044	25,554,810,696	156,039,431	20,429,709,806	1,150,504,917	31,367,726,112	3,874,816,210	27,492,909,902	184.25
Oct. 31, 1920	8,479,620,824	2,436,864,530	718,674,378	152,979,026	1,212,360,791	352,850,336	6,761,430,672	1,063,216,060	5,698,214,612	53.18
Mar. 31, 1917	5,396,596,677	2,952,020,313	2,681,691,072	152,979,026		117,350,216	5,126,267,436	953,321,522	4,172,945,914	40.49
June 30, 1914	3,797,825,099	1,845,569,804	1,507,178,879	150,000,000		188,390,925	3,459,434,174		3,459,434,174	34.90
Jan. 1, 1879	1,007,084,483	212,420,402	21,602,640	100,000,000		90,817,762	816,266,721		816,266,721	16.76

[1] The money in circulation includes any paper currency held outside the continental limits of the United States.

[2] Based upon estimates of the Bureau of the Census.

[3] Does not include gold other than that held by the Treasury.

[4] These amounts are not included in the total, since the gold or silver held as security against gold and silver certificates and Treasury notes of 1890 is included under gold, standard silver dollars, and silver bullion, respectively.

[5] This total includes credits with the Treasurer of the United States payable in gold certificates in (1) the gold certificate fund-Board of Governors, Federal Reserve System, in the amount of $19,643,875,142, and (2) the redemption fund for Federal Reserve notes in the amount of $522,649,141.

[6] Includes $155,500,000 lawful money deposited as a reserve for postal-savings deposits.

[7] The amount of gold and silver certificates and Treasury notes of 1890 should be deducted from this amount before combining with total money held in the Treasury to arrive at the total amount of money in the United States.

[8] Revised figures.

NOTE.—There is maintained in the Treasury—(i) as a reserve for United States notes and Treasury notes of 1890—$156,039,431 in gold bullion; (ii) as security for Treasury notes of 1890—an equal dollar amount in standard silver dollars (these notes are being canceled and retired on receipt); (iii) as security for outstanding silver certificates—silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates; and (iv) as security for gold certificates—gold bullion of a value at the legal standard equal to the face amount of such gold certificates. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve bank. Federal Reserve notes are secured by the deposit by the Federal Reserve bank concerned, with its Federal Reserve agent, of a like amount of collateral consisting of such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act, or gold certificates, or direct obligations of the United States. Each Federal Reserve bank must maintain reserves in gold certificates of not less than 25 percent against its Federal Reserve notes in actual circulation. Gold certificates deposited with Federal Reserve agents as collateral, and those deposited with the Treasurer of the United States as a redemption fund, are counted as part of the required reserve. "Gold certificates" as herein used includes credits with the Treasurer of the United States payable in gold certificates. Federal Reserve bank notes and national bank notes are in process of retirement.

I hope every Member of Congress, and everyone else who reads this RECORD, will examine these two statements carefully then they will see how we have spiraled into inflation through the Federal Reserve System, which may increase, if the Federal Reserve banks desire it, while the American people are regimented and restricted under the provisions of this bill; or, as I said, these Federal Reserve notes can be retired down to where they were in 1928, or lower, and the country plunged into a disastrous deflation that might mean the end of the Republic.

I am appealing to the Committee on Banking and Currency to take this bill back and rewrite it so as to prevent inflation, by limiting, by law, the amount of money that can be placed in circulation at one time; and at the same time putting a floor under the volume of our currency in order to prevent disastrous deflation such as we had from 1928 to 1933.

That can be done by authorizing and directing the Department of the Treasury to issue United States notes with a gold reserve behind them to hold the volume of the currency up to the minimum prescribed by law—thereby protecting us against disastrous deflation.

During the War Between the States, when the volume of the Nation's currency sank below the danger point, Abraham Lincoln's administration issued $346,681,016 in United States notes with nothing but the credit of the Government behind them, since we did not have the gold to supply the reserve.

That money is still in circulation, as you will see from the circulation statement of June 30, 1950, and also from the circulation statement of December 31, 1928, both of which I have inserted. Of course, there is now a gold reserve behind those notes; but Lincoln did not have the gold to provide that reserve at the time this money was issued.

Instead of regimenting the American people, and permitting the selfish interests to inflate our currency beyond the danger point, or plunge us into a panic by disastrous deflation, I appeal to the Committee on Banking and Currency to take this bill back and rewrite it, so as to protect the American people against these dangers, which, as I said, might imperil the very life of the Nation.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS of Arkansas. Mr. Chairman, the debate should not close without reference to the historic statement in the declaration of policy on the purposes of the United States in resisting aggression. For the first time in history we are acting at the request of an international agency for peace and are supported by other nations in resisting aggression. The United Nations was organized to maintain peace. It represents the conscience of the world in opposition to war and aggression. Whatever we call the operations in Korea, we know that our purpose is to help maintain peace under the principles of world law. A great forward step has been taken in mankind's long struggle for justice and peace. America has been thrust into the role of leadership and our action on this bill will indicate to the world that our resolutions are firm and our moral resources equal to the task.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, exempting from these remarks the chairman of the Committee on Banking and Currency, I want to pay my tribute to this committee. I do not think there has been a harder working, more conscientious, more unselfish committee in the House than the Committee on Banking and Currency. I not only feel that it is a great honor to preside over that committee but it is a great honor and privilege to be associated with it.

May I say also that I think that committee has one of the best clerks I have ever seen in the House. Bill Hallahan is conscientious, industrious, and able. We could not have a more efficient clerk. He is a great asset to that committee. Our two experts, Orman S. Fink and John E. Barriere, are also men upon whom we can rely for accurate and impartial information.

The CHAIRMAN. All time has expired.

The question is on the committee substitute for the original bill, as amended.

The committee substitute was agreed to.

Mr. RANKIN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. RANKIN moves that the Committee do now rise and report the bill back to the House with the recommendation that it be recommitted to the Committee on Banking and Currency for further hearings and study.

Mr. PATMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. Mr. Chairman, I make the point of order that this being a straight motion to recommit, without instructions, it is not permissible under the rule under which we are considering the bill in Committee.

The CHAIRMAN (Mr. SMITH of Virginia). The Chair is ready to rule.

That motion is not in order in Committee of the Whole, and the Chair sustains the point of order.

Mr. RANKIN. Mr. Chairman, it is in order to make a motion that the Committee do now rise and report the bill back to the House with the recommendation that it be recommitted to the Committee on Banking and Currency for further study and hearing.

The CHAIRMAN. In the consideration of this bill the Committee of the Whole is operating under a special rule which lays down the conditions under which the bill is to be considered. The motion of the gentleman from Mississippi is not in order at this time.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, pursuant to House Resolution 740, he reported the bill back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. SPENCE. Mr. Speaker, we ask for separate votes on three amendments: First, on the Wolcott amendment on the definition of credit; second, on the Cooley amendment with reference to the regulation of commodity exchanges; and third, on the Wolcott amendment with reference to real estate.

Mr. KUNKEL. Mr. Speaker, I ask for a separate vote on the Spence amendment, title II, covering rationing and price control.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 30, insert a new title II, as follows:

"TITLE II

"PRICE AND WAGE STABILIZATION

"SEC. 201. It is the intent of Congress to provide authority necessary to achieve the following purposes in order to promote the national defense: to prevent inflation and preserve the value of the national currency; to assure that defense appropriations are not dissipated by excessive costs and prices; to stabilize the cost of living for workers and other consumers and the costs of production for farmers and businessmen; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities; to protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from undue impairment of their living standards; to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale; to assist in maintaining a reasonable balance between purchasing power and the supply of consumer goods and services; to protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings; and to prevent a future collapse of values. It is the intent of Congress that the authority conferred by this title shall be exercised in accordance with the policies set forth in section 2 of this act, and in particular with full consideration and emphasis, so far as practicable, on the maintenance and furtherance of the American system of competitive enterprise, including independent small-business enterprises, the maintenance and furtherance of a sound agricultural industry, the maintenance and furtherance of sound working relations, including collective bargaining, and the maintenance and furtherance of the American way of life. Whenever the authority granted by this title is exercised, all agencies of the Government dealing with the subject matter of this title, within the limits of their authority and jurisdiction, shall cooperate in carrying out these purposes.

"SEC. 202. (a) In order to carry out the objectives of this title, the President may encourage and promote voluntary action by business, agriculture, labor, and consumers. In proceeding under this subsection the President may exercise the authority to approve voluntary programs and agreements conferred on him under sections 708 and 712, and may utilize the services of persons and agencies as provided in section 710.

"(c) Where the objectives of this title cannot be attained by action under subsection (a), the President may issue regulations and orders at the same time both—

"(1) establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service; and

"(2) establishing a ceiling or ceilings, wages, salaries, and other compensation paid to or received by any person for any type of employment; and regulations prohibiting increases in wages, salaries, and other compensation, except when deemed necessary by the President to prevent gross inequity or to effectuate the purposes of this act, shall be issued whenever an increase in wages, salaries, or other compensation (A) would require increases in price ceilings established under paragraph (1) of this subsection, or (B) would impose an undue burden on a seller operating under a price ceiling established under paragraph (1) of this subsection.

"Action under this subsection may be taken either with respect to individual materials and services, or with respect to materials and services generally.

"Wages, salaries, and other compensation shall be stabilized generally whenever ceilings on prices, including retail sales prices, have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living.

"(d) So far as practicable, in exercising the authority conferred in this section, the President shall ascertain and give due consideration to comparable prices, rentals, commissions, margins, rates, fees, charges, and allowances, and to comparable salaries, wages, or other compensation, which he finds to be representative of those prevailing during the period from May 24, 1950, to June 24, 1950, inclusive, or, in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative. The President shall also give due consideration to the national effort to achieve maximum production in furtherance of the objectives of this act. From time to time the President shall adjust ceilings, and in determining and adjusting ceilings on prices with respect to materials and services, he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material or service, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the material or by persons performing the service, subsequent to June 24, 1950: *Provided*, That no regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. In stabilizing and adjusting wages, salaries, or other compensation, the President shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such wages, salaries, or other compensation. Any regulation or order under this title shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order.

"(e) (1) Regulations and orders issued under this title shall apply regardless of any obligation heretofore or hereafter incurred, except as provided in this subsection.

"(2) No wage, salary, or other compensation shall be stabilized at less than that paid during the period from May 24, 1950, to June 24, 1950, inclusive. No action shall be taken under authority of this title with respect to wages, salaries, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the Labor Management Relations Act, 1947, or any other law of the United States, or of any State, the District of Columbia, or any Territory or possession of the United States.

"(3) No ceiling shall be established or maintained for any agricultural commodity below the higher of the following prices: (i) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the

Secretary of Agriculture for grade, location, and seasonal differentials, or (ii) the highest price received by producers during the period from May 24, 1950, to June 24, 1950, as determined by the Secretary of Agriculture and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (iii) if for the year 1950 a producer normally does not market a commodity during the period from May 24, 1950, to June 24, 1950, the highest price received by such producer during the first 30-day period following May 24, 1950, in which such commodity is normally marketed; and no ceilings shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the higher price therefor specified in this subsection: *Provided*, That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity. Nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act. Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however*, That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.

"(f) The authority conferred by this title shall not be exercised with respect to the following:

"(i) Rentals for real property;

"(ii) Rates or fees charged for professional services;

"(iii) Prices or rentals (a) for materials furnished for publication by any press association or feature service, (b) books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap; or rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion-picture or other theater enterprise, or outdoor advertising facilities;

"(iv) Rates charged by any person in the business of selling or underwriting insurance;

"(v) Rates charged by any common carrier or other public utility;

"(vi) Margin requirements on any commodity exchange.

"(g) The President, in or by any regulation or order, may provide exemptions for any materials or services, or transactions therein, or types of employment, with respect to which he finds that (1) such exemption is necessary to promote the national defense; or (2) it is unnecessary that ceilings be applicable to such materials or services, or transactions therein, or that compensation for such types of employment be stabilized, in order to effectuate the purposes of this title.

"SEC. 203. The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except where such action is affirmatively found by the President to be necessary to prevent circumvention or evasion of any regulation, order, or requirement under this title.

"SEC. 204. In carrying out the provisions of this title, the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

"SEC. 205. (a) It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade to buy or receive, any material or service, or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer solicit, attempt, or agree to do any of the foregoing.

"(b) No employer shall pay, and no employee shall receive, any wage, salary, or other compensation in contravention of any regulation or order promulgated by the President under this title. The President shall also prescribe the extent to which any wage, salary, or compensation payment made in contravention of any such regulation or order shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"SEC. 206. Nothing in this title shall be construed to require any person to sell any material or service, or to perform personal services.

"SEC. 207. (a) At any time within 6 months after the effective date of any regulation or order under this title, or, in the case of new grounds arising after the effective date of any such regulation or order, within 6 months after such new grounds arise, any person subject to any provision of such regulation or order, may, in accordance with regulations to be prescribed by the President, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation or order may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the President. Within a reasonable time after the filing of any protest under this section, but in no event more than 30 days after such filing, the President shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the President denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the President has taken official notice.

"(b) In the administration of this title the President may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 705 of title VII of this act.

"(c) Any proceedings under this section may be limited by the President to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however*, That upon the request of the protestant, any protest filed in accordance with subsection (a) of this section shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the United States designated by the President in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpenas shall issue to procure the evidence of persons, or the production of documents, or both. The President shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the President. The protestant shall be informed of the recommendations of the board and, in the event that the President rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

"(d) Any protest filed under this section shall be granted or denied by the President, or granted in part and the remainder of it denied within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the President in disposing of his protest may petition the Emergency Court of Appeals for relief; and such court shall have jurisdiction by appropriate order to require the President to dispose of such protest within such time as may be fixed by the court. If the President does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

"SEC. 208. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation or order, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided*, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest of such evidence and shall be contained in the transcript. If application is made to the court by either

party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

"(b) No such regulation or order shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation or order shall be postponed until the expiration of 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

"(c) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation, order, price schedule, or wage, salary, or other compensation schedule issued under this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

"(d) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under this title, and of any provision of any such regulation or order. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"SEC. 209. (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 205 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(b) Any person who willfully violates any provision of section 205 of this title shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than $10,000, or to imprisonment for not more than 1 year, or both. Whenever the President has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(c) If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings, the person who buys such material or service for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, but in no event shall such amount exceed the amount of the overcharge, or the overcharges, plus $10,000, or (2) an amount not less than $25 nor more than $50 as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge, or overcharges, if the defendant proves that the violation of the regulation or order in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the word "overcharge" shall mean the amount by which the consideration exceeds the applicable ceiling. If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the President may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the President, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the President, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. The President may not institute any action under this subsection on behalf of the United States—

"(1) If the violation arose because the person selling the material or service acted upon and in accordance with the written advice and instructions of the President or any official authorized to act for him;

"(2) if the violation arose out of the sale of any material or service to any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"SEC. 210. As used in this title—

"(a) The word 'person' includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided,* That no punishment provided by this act shall apply to the United States, or to any such government, political subdivision, or government agency.

"(b) The word 'materials' shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

"(c) The word 'facilities' shall not include farms, churches or other places of worship, or private dwelling houses.

"(d) The term 'national defense' means the operations and activities of the Armed Forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended.

"(e) The words 'wages, salaries, and other compensation' shall include all forms of remuneration to employees by their employers for personal services, including, but without limitation, vacation and holding payments, night shift and other bonuses, incentive payments, year-end bonuses, employer contributions to or payments of insurance or welfare benefits, employer contributions to a pension fund or annuity, payments in kind, and premium overtime payments."

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 393, nays 3, not voting 34, as follows:

[Roll No. 228]

YEAS—393

Abbitt	Burke	Doughton
Abernethy	Burleson	Douglas
Addonizio	Burnside	Doyle
Albert	Burton	Durham
Allen, Calif.	Byrne, N. Y.	Eberharter
Allen, Ill.	Byrnes, Wis.	Elliott
Allen, La.	Camp	Ellsworth
Andersen, H. Carl	Canfield	Elston
	Cannon	Engel, Mich.
Anderson, Calif.	Carlyle	Engle, Calif.
Andresen, August H.	Carnahan	Evins
	Carroll	Fallon
Andrews	Case, N. J.	Feighan
Angell	Case, S. Dak.	Fellows
Arends	Cavalcante	Fenton
Aspinall	Celler	Fernandez
Auchincloss	Chatham	Fisher
Bailey	Chelf	Flood
Barden	Chesney	Fogarty
Baring	Chiperfield	Forand
Barrett, Pa.	Christopher	Ford
Bates, Ky.	Chudoff	Frazier
Bates, Mass.	Clemente	Fugate
Battle	Cole, Kans.	Fulton
Beall	Cole, N. Y.	Furcolo
Beckworth	Colmer	Gamble
Bennett, Fla.	Combs	Garmatz
Bennett, Mich.	Cooley	Gary
Bentsen	Cooper	Gathings
Biemiller	Corbett	Gavin
Bishop	Cotton	Gilmer
Blackney	Coudert	Golden
Blatnik	Cox	Goodwin
Boggs, Del.	Crawford	Gordon
Boggs, La.	Crook	Gore
Bolling	Crosser	Gorski
Bolton, Md.	Cunningham	Graham
Bolton, Ohio	Curtis	Granahan
Bonner	Davenport	Granger
Bosone	Davies, N. Y.	Grant
Boykin	Davis, Ga.	Green
Bramblett	Davis, Tenn.	Gregory
Breen	Davis, Wis.	Gross
Brehm	Dawson	Guill
Brooks	Deane	Hagen
Brown, Ga.	DeGraffenried	Hale
Brown, Ohio	Delaney	Hall, Leonard W.
Bryson	D'Ewart	
Buchanan	Dollinger	Halleck
Buckley, Ill.	Dolliver	Hand
Buckley, N. Y.	Dondero	Harden
Burdick	Donohue	Hardy

Harris	McMillan, S. C.	Rodino
Harrison	McSweeney	Rogers, Fla.
Hart	Mack, Ill.	Rogers, Mass.
Harvey	Mack, Wash.	Rooney
Havenner	Macy	Roosevelt
Hays, Ark.	Madden	Sadlak
Hays, Ohio	Mahon	St. George
Hébert	Mansfield	Sanborn
Hedrick	Marsalis	Sasscer
Heffernan	Marshall	Saylor
Heller	Martin, Iowa	Scott, Hardie
Herlong	Martin, Mass.	Scrivner
Herter	Merrow	Scudder
Heselton	Meyer	Secrest
Hill	Michener	Shafer
Hobbs	Miles	Shelley
Hoeven	Miller, Calif.	Sheppard
Hoffman, Ill.	Miller, Md.	Short
Hoffman, Mich.	Miller, Nebr.	Sikes
Holifield	Mills	Simpson, Ill.
Holmes	Mitchell	Simpson, Pa.
Hope	Monroney	Sims
Horan	Morgan	Smathers
Howell	Morris	Smith, Va.
Huber	Morrison	Smith, Wis.
Hull	Morton	Spence
Irving	Moulder	Staggers
Jackson, Calif.	Multer	Stanley
Jackson, Wash.	Murdock	Steed
Jacobs	Murray, Tenn.	Stefan
James	Nelson	Stigler
Javits	Nicholson	Stockman
Jenison	Nixon	Sullivan
Jenkins	Noland	Sutton
Jennings	Norblad	Taber
Jensen	Norrell	Tackett
Jonas	Norton	Tauriello
Jones, Ala.	O'Brien, Ill.	Taylor
Jones, Mo.	O'Brien, Mich.	Teague
Jones, N. C.	O'Hara, Ill.	Thomas
Judd	O'Hara, Minn.	Thompson
Karst	O'Konski	Thornberry
Karsten	O'Neill	Tollefson
Kean	O'Sullivan	Towe
Kearney	O'Toole	Trimble
Kearns	Pace	Underwood
Keating	Passman	Van Zandt
Kee	Patman	Velde
Kelley, Pa.	Patten	Vinson
Kelly, N. Y.	Patterson	Vorys
Keogh	Perkins	Vursell
Ker	Peterson	Wadsworth
Kilburn	Pfeifer,	Wagner
Kilday	Joseph L.	Walsh
King	Philbin	Walter
Kirwan	Phillips, Calif.	Weichel
Klein	Phillips, Tenn.	Welch
Kruse	Pickett	Werdel
Kunkel	Plumley	Wheeler
Lane	Poage	Whitaker
Lanham	Polk	White, Calif.
Larcade	Potter	Whitten
LeCompte	Poulson	Whittington
LeFevre	Powell	Wickersham
Lichtenwalter	Preston	Wier
Lind	Price	Wigglesworth
Linehan	Priest	Willis
Lodge	Rabaut	Wilson, Ind.
Lovre	Rains	Wilson, Okla.
Lucas	Ramsay	Wilson, Tex.
Lyle	Rankin	Withrow
Lynch	Redden	Wolcott
McCarthy	Reed, Ill.	Wolverton
McConnell	Reed, N. Y.	Wood
McCormack	Rees	Woodhouse
McCulloch	Rhodes	Woodruff
McDonough	Ribicoff	Yates
McGrath	Rich	Young
McGregor	Richards	Zablocki
McGuire	Riehlman	
McKinnon	Robeson	

NAYS—3

Clevenger	Gwinn	Marcantonio

NOT VOTING—34

Barrett, Wyo.	Keefe	Sabath
Bulwinkle	Kennedy	Sadowski
Dague	Latham	Scott,
Denton	McMillen, Ill.	Hugh D., Jr.
Dingell	Magee	Smith, Kans.
Eaton	Mason	Smith, Ohio
Gillette	Murphy	Talle
Gossett	Murray, Wis.	White, Idaho
Hall,	Pfeiffer,	Widnall
Edwin Arthur	William L.	Williams
Hare	Quinn	Winstead
Hinshaw	Regan	
Johnson	Rivers	

So the amendment was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Sabath with Mr. Latham.

Mr. Sadowski with Mr. William L. Pfeiffer.

Mr. Murphy with Mr. Eaton.

Mr. Magee with Mr. Hugh D. Scott, Jr.

Mr. Denton with Mr. Edwin Arthur Hall.

Mr. Rivers with Mr. Smith of Ohio.

Mr. Hare with Mr. Talle.

Mr. Dingell with Mr. Mason.

Mr. Williams with Mr. Barrett of Wyoming.

Mr. Winstead with Mr. Smith of Kansas.

Mr. Regan with Mr. McMillen of Illinois.

Mr. Gossett with Mr. Hinshaw.

Mr. Kennedy with Mr. Widnall.

Mr. White of Idaho with Mr. Gillette.

Mr. Bulwinkle with Mr. Murray of Wisconsin.

Mr. NICHOLSON changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment by Mr. WOLCOTT: On page 38, line 2, after the words "real estate", insert the word "construction."

On page 38, line 22, after the words "real estate", insert the word "construction."

On page 39, line 3, after the word "any", insert "consumer or real estate construction."

On page 39, line 5, after the word "any", insert "such"; on line 8, after the word "any", insert "such"; on line 11, after the word "any", insert "such";

On page 41, line 23, strike out all of paragraph (2) and insert in lieu thereof the following:

"(1) 'Real estate construction credit' means any credit, hereafter extended, which (i) is wholly or partly secured by, (ii) is for the purpose of purchasing or carrying, (iii) is for the purpose of financing, or (iv) involves a right to acquire or use, new construction on real property or real property on which there is new construction. As used in this paragraph the term 'new construction' means any structure, or any major addition or major improvement to a structure, which has not been begun before 12 o'clock meridian August 3, 1950. As used in this paragraph the term 'real property' includes leasehold and other interests therein. Notwithstanding the foregoing provisions of this paragraph, the term 'real estate construction credit' shall not include any loan or loans made, insured or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended.

The SPEAKER. The question is on the amendment.

Mr. SPENCE. Mr. Speaker, a vote "no" is against the amendment and a vote "aye" is for the amendment?

The SPEAKER. That is correct.

Mr. SPENCE. There seems to be some doubt about that.

Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 202, nays 188, answered "present" 5, not voting 35, as follows:

[Roll No. 229]

YEAS—202

Abbitt	Andrews	Bishop
Abernethy	Angell	Blackney
Allen, Calif.	Arends	Boggs, Del.
Allen, Ill.	Auchincloss	Bolton, Md.
Andersen,	Barden	Bolton, Ohio
H. Carl	Bates, Mass.	Boykin
Anderson, Calif.	Beall	Bramblett
Andresen,	Bennett, Mich.	Brown, Ga.
August H.	Bentsen	Brown, Ohio
Burleson	Herlong	Pickett
Burton	Herter	Plumley
Byrnes, Wis.	Hill	Poage
Camp	Hoeven	Potter
Carlyle	Hoffman, Ill.	Poulson
Case, S. Dak.	Hoffman, Mich.	Preston
Chatham	Holmes	Rankin
Chiperfield	Hope	Redden
Clevenger	Horan	Reed, Ill.
Cole, Kans.	Jackson, Calif.	Reed, N. Y.
Cole, N. Y.	James	Rees
Colmer	Jenison	Rich
Cooley	Jenkins	Richards
Cotton	Jennings	Riehlman
Coudert	Jensen	Robeson
Cox	Jonas	Rogers, Fla.
Crawford	Jones, N. C.	Rogers, Mass.
Cunningham	Judd	Sadlak
Curtis	Kearney	St. George
Davis, Ga.	Kearns	Sanborn
Davis, Tenn.	Keating	Scott, Hardie
Davis, Wis.	Kerr	Scrivner
D'Ewart	Kilburn	Scudder
Dolliver	Kilday	Secrest
Dondero	Kunkel	Shafer
Doughton	LeCompte	Short
Durham	LeFevre	Simpson, Ill.
Ellsworth	Lichtenwalter	Simpson, Pa.
Elston	Lovre	Smathers
Engel, Mich.	Lucas	Smith, Va.
Fallon	McConnell	Smith, Wis.
Fellows	McCulloch	Stanley
Fenton	McDonough	Stefan
Fernandez	McGregor	Stockman
Fisher	McMillan, S. C.	Taber
Ford	Mack, Wash.	Tackett
Gamble	Macy	Taylor
Gathings	Mahon	Teague
Gavin	Martin, Iowa	Thompson
Golden	Martin, Mass.	Tollefson
Goodwin	Merrow	Towe
Graham	Meyer	Van Zandt
Grant	Michener	Velde
Gross	Miles	Vorys
Guill	Miller, Md.	Vursell
Gwinn	Miller, Nebr.	Wadsworth
Hagen	Morton	Weichel
Hale	Murray, Tenn.	Werdel
Hall,	Nelson	Wheeler
Edwin Arthur	Nicholson	Whitten
Hall,	Nixon	Whittington
Leonard W.	Norblad	Widnall
Halleck	Norrell	Wigglesworth
Hand	O'Hara, Minn.	Wilson, Ind.
Harden	O'Konski	Wilson, Tex.
Harris	Pace	Wolcott
Harvey	Passman	Wolverton
Hays, Ohio	Patten	Wood
Hébert	Patterson	Woodruff
Hedrick	Phillips, Calif.	

NAYS—188

Addonizio	Dawson	Jones, Ala.
Albert	Deane	Jones, Mo.
Allen, La.	DeGraffenried	Karst
Aspinall	Delaney	Karsten
Bailey	Dollinger	Kean
Baring	Donohue	Kee
Barrett, Pa.	Douglas	Kelley, Pa.
Bates, Ky.	Doyle	Kelly, N. Y.
Battle	Eberharter	King
Beckworth	Elliott	Kirwan
Bennett, Fla.	Engle, Calif.	Klein
Biemiller	Evins	Kruse
Blatnik	Feighan	Lane
Boggs, La.	Flood	Lanham
Bolling	Fogarty	Larcade
Bonner	Forand	Lind
Bosone	Frazier	Linehan
Breen	Fugate	Lodge
Brooks	Furcolo	Lyle
Bryson	Garmatz	Lynch
Buchanan	Gary	McCarthy
Buckley, Ill.	Gilmer	McCormack
Burdick	Gordon	McGrath
Burke	Gore	McGuire
Burnside	Gorski	McKinnon
Byrne, N. Y.	Granahan	McSweeney
Canfield	Granger	Mack, Ill.
Cannon	Green	Madden
Carnahan	Gregory	Mansfield
Carroll	Hardy	Marcantonio
Case, N. J.	Harrison	Marsalis
Cavalcante	Hart	Marshall
Celler	Havenner	Miller, Calif.
Chelf	Hays, Ark.	Mills
Chesney	Heller	Mitchell
Christopher	Heselton	Monroney
Chudoff	Hobbs	Morgan
Clemente	Holifield	Morris
Combs	Huber	Morrison
Cooper	Hull	Moulder
Crook	Irving	Multer
Crosser	Jackson, Wash.	Murdock
Davenport	Jacobs	Noland
Davies, N. Y.	Javits	Norton

O'Brien, Ill.	Rhodes	Thornberry
O'Brien, Mich.	Ribicoff	Trimble
O'Hara, Ill.	Rodino	Underwood
O'Neill	Rooney	Vinson
O'Sullivan	Roosevelt	Wagner
O'Toole	Sasscer	Walsh
Patman	Saylor	Walter
Perkins	Shelley	Welch
Peterson	Sheppard	Whitaker
Pfeifer, Joseph L.	Sikes	White, Calif.
	Sims	Wickersham
Philbin	Spence	Wier
Phillips, Tenn.	Staggers	Willis
Polk	Steed	Wilson, Okla.
Powell	Stigler	Withrow
Price	Sullivan	Woodhouse
Rabaut	Sutton	Yates
Rains	Tauriello	Young
Ramsay	Thomas	Zablocki

ANSWERED "PRESENT"—5

Buckley, N. Y.	Fulton	Keogh
Corbett	Heffernan	

NOT VOTING—35

Barrett, Wyo.	Keefe	Rivers
Brehm	Kennedy	Sabath
Bulwinkle	Latham	Sadowski
Dague	McMillen, Ill.	Scott, Hugh D., Jr.
Denton	Magee	
Dingell	Mason	Smith, Kans.
Eaton	Murphy	Smith, Ohio
Gillette	Murray, Wis.	Talle
Gossett	Pfeiffer, William L.	White, Idaho
Hare		Williams
Hinshaw	Priest	Winstead
Howell	Quinn	
Johnson	Regan	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Sabath against.

Mr. Buckley of New York for, with Mr. Dingell against.

Mr. Heffernan for, with Mr. Sadowski against.

Mr. Mason for, with Mr. Fulton against.

Mr. Smith of Ohio for, with Mr. Corbett against.

Additional general pairs:

Mr. Denton with Mr. McMillan of South Carolina.

Mr. Murphy with Mr. Eaton.

Mr. Kennedy with Mr. Barrett of Wyoming.

Mr. Magee with Mr. Smith of Kansas.

Mr. Williams with Mr. Hugh D. Scott, Jr.

Mr. Winstead with Mr. Hinshaw.

Mr. Rivers with Mr. Latham.

Mr. Regan with Mr. Brehm.

Mr. Hare with Mr. Talle.

Mr. Howell with Mr. Johnson.

Mr. Gossett with Mr. William L. Pfeiffer.

Mr. White of Idaho with Mr. Keefe.

Mr. KEOGH. Mr. Speaker, I have a live pair with the gentleman from Illinois, Mr. SABATH. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. BUCKLEY of New York. Mr. Speaker, I have a live pair with the gentleman from Michigan, Mr. DINGELL. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. HEFFERNAN. Mr. Speaker, I have a live pair with the gentleman from Michigan, Mr. SADOWSKI. If he were present, he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. CORBETT. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. SMITH. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. FULTON. Mr. Speaker, I have a live pair with the gentleman from Illinois, Mr. MASON. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. HART changed his vote from "yea" to "nay."

Mr. HERLONG changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 42, line 5, strike out all of paragraph (3) and on page 39, line 3, after the word "any", insert "consumer or real estate."

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 173, nays 224, not voting 33, as follows.

[Roll No. 230]

YEAS—173

Abbitt	Guill	Nixon
Abernethy	Gwinn	Norblad
Allen, Calif.	Hagen	Norrell
Allen, Ill.	Hale	O'Hara, Minn.
Andersen, H. Carl	Hall, Edwin Arthur	O'Konski
		Passman
Anderson, Calif.	Hall, Leonard W.	Patterson
Andresen, August H.		Phillips, Calif.
	Halleck	Pickett
Arends	Hand	Plumley
Auchincloss	Harden	Poage
Barden	Harvey	Potter
Bates, Mass.	Hébert	Poulson
Beall	Herlong	Preston
Bennett, Mich.	Herter	Rankin
Bentsen	Heselton	Reed, Ill.
Bishop	Hill	Reed, N. Y.
Blackney	Hoeven	Rees
Boggs, Del.	Hoffman, Ill.	Rich
Bolton, Ohio	Hoffman, Mich.	Riehlman
Boykin	Holmes	Robeson
Bramblett	Hope	Rogers, Mass.
Brown, Ohio	Horan	Sadlak
Burleson	Jackson, Calif.	St. George
Byrnes, Wis.	James	Sanborn
Camp	Jenison	Scott, Hardie
Carlyle	Jenkins	Scrivner
Case, S. Dak.	Jennings	Scudder
Chiperfield	Jensen	Shafer
Clevenger	Jonas	Short
Cole, Kans.	Judd	Simpson, Ill.
Cole, N. Y.	Kean	Simpson, Pa.
Cooley	Kearney	Smith, Va.
Cotton	Kearns	Smith, Wis.
Coudert	Kilburn	Stanley
Cox	Kilday	Stefan
Crawford	Kunkel	Stockman
Cunningham	LeCompte	Taber
Curtis	LeFevre	Taylor
Davis, Ga.	Lichtenwalter	Teague
Davis, Wis.	Lovre	Tollefson
D'Ewart	Lucas	Towe
Dolliver	McConnell	Van Zandt
Dondero	McCulloch	Velde
Ellsworth	McDonough	Vorys
Elston	McGregor	Vursell
Engel, Mich.	Mack, Wash.	Wadsworth
Fellows	Macy	Weichel
Fenton	Martin, Iowa	Werdel
Fisher	Martin, Mass.	Wheeler
Ford	Merrow	Whittington
Gamble	Meyer	Widnall
Gathings	Michener	Wigglesworth
Gavin	Miller, Md.	Wilson, Ind.
Golden	Miller, Nebr.	Wilson, Tex.
Goodwin	Morton	Wolcott
Graham	Murray, Tenn.	Wolverton
Grant	Nelson	Wood
Gross	Nicholson	Woodruff

NAYS—224

Addonizio	Aspinall	Battle
Albert	Bailey	Beckworth
Allen, La.	Baring	Bennett, Fla.
Andrews	Barrett, Pa.	Biemiller
Angell	Bates, Ky.	Blatnik
Boggs, La.	Granger	Noland
Bolling	Green	Norton
Bolton, Md.	Gregory	O'Brien, Ill.
Bonner	Hardy	O'Brien, Mich.
Bosone	Harris	O'Hara, Ill.
Breen	Harrison	O'Neill
Brooks	Hart	O'Sullivan
Brown, Ga.	Havenner	O'Toole
Bryson	Hays, Ark.	Pace
Buchanan	Hays, Ohio	Patman
Buckley, Ill.	Hedrick	Patten
Buckley, N. Y.	Heffernan	Perkins
Burdick	Heller	Peterson
Burke	Hobbs	Pfeifer, Joseph L.
Burnside	Holifield	
Burton	Howell	Philbin
Byrne, N. Y.	Huber	Phillips, Tenn.
Canfield	Hull	Polk
Cannon	Irving	Powell
Carnahan	Jackson, Wash.	Price
Carroll	Jacobs	Priest
Case, N. J.	Javits	Rabaut
Cavalcante	Jones, Ala.	Rains
Celler	Jones, Mo.	Ramsay
Chatham	Jones, N. C.	Redden
Chelf	Karst	Rhodes
Chesney	Karsten	Ribicoff
Christopher	Keating	Richards
Chudoff	Kee	Rodino
Clemente	Kelley, Pa.	Rogers, Fla.
Colmer	Kelly, N. Y.	Rooney
Combs	Keogh	Roosevelt
Cooper	Kerr	Sasscer
Corbett	King	Saylor
Crook	Kirwan	Secrest
Crosser	Klein	Shelley
Davenport	Kruse	Sheppard
Davies, N. Y.	Lane	Sikes
Davis, Tenn.	Lanham	Sims
Dawson	Larcade	Smathers
Deane	Lind	Spence
DeGraffenried	Linehan	Staggers
Delaney	Lodge	Steed
Dollinger	Lyle	Stigler
Donohue	Lynch	Sullivan
Doughton	McCarthy	Sutton
Douglas	McCormack	Tackett
Doyle	McGrath	Tauriello
Durham	McGuire	Thomas
Eberharter	McKinnon	Thompson
Elliott	McMillan, S. C.	Thornberry
Engle, Calif.	McSweeney	Trimble
Evins	Mack, Ill.	Underwood
Fallon	Madden	Vinson
Feighan	Mahon	Wagner
Fernandez	Mansfield	Walsh
Flood	Marcantonio	Walter
Fogarty	Marsalis	Welch
Forand	Marshall	Whitaker
Frazier	Miles	White, Calif.
Fugate	Miller, Calif.	Whitten
Fulton	Mills	Wickersham
Furcolo	Mitchell	Wier
Garmatz	Monroney	Willis
Gary	Morgan	Wilson, Okla.
Gilmer	Morris	Withrow
Gordon	Morrison	Woodhouse
Gore	Moulder	Yates
Gorski	Multer	Young
Granahan	Murdock	Zablocki

NOT VOTING—33

Barrett, Wyo.	Keefe	Rivers
Brehm	Kennedy	Sabath
Bulwinkle	Latham	Sadowski
Dague	McMillen, Ill.	Scott, Hugh D., Jr.
Denton	Magee	
Dingell	Mason	Smith, Kans.
Eaton	Murphy	Smith, Ohio
Gillette	Murray, Wis.	Talle
Gossett	Pfeiffer, William L.	White, Idaho
Hare		Williams
Hinshaw	Quinn	Winstead
Johnson	Regan	

So the amendment was rejected.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Murphy with Mr. William L. Pfeiffer.

Mr. Magee with Mr. Smith of Ohio.

Mr. Kennedy with Mr. Talle.

Mr. Rivers with Mr. Gillette.

Mr. Regan with Mr. Smith of Kansas.

Mr. Hare with Mr. Eaton.

Mr. Denton with Mr. Brehm.

Mr. Dingell with Mr. Barrett of Wyoming.

Mr. Gossett with Mr. Latham.

Mr. Sabath with Mr. McMillen of Illinois.

Mr. Sadowski with Mr. Mason.
Mr. Williams with Mr. Hugh D. Scott, Jr.
Mr. Winstead with Mr. Johnson.
Mr. White of Idaho with Mr. Keefe.

Messrs. RAINS and BUCKLEY of New York changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On pages 44, 45 and 46, strike out all of section 411.

The SPEAKER. The question is on the amendment.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 198, nays 194, answered "present" 3, not voting 35, as follows:

[Roll No. 231]

YEAS—198

Abbitt	Gavin	Miller, Nebr.
Abernethy	Golden	Morrison
Allen, Calif.	Goodwin	Murray, Tenn.
Allen, Ill.	Gore	Nicholson
Andersen, H. Carl	Graham	Nixon
	Grant	Norrell
Anderson, Calif.	Guill	O'Hara, Minn.
Andresen, August H.	Gwinn	Pace
	Hagen	Passman
Andrews	Hale	Patterson
Arends	Hall, Edwin Arthur	Phillips, Calif.
Auchincloss		Pickett
Barden	Hall, Leonard W.	Plumley
Bates, Mass.		Poage
Battle	Halleck	Poulson
Beall	Harden	Preston
Bishop	Hardy	Rains
Blackney	Harris	Rankin
Boggs, Del.	Harrison	Redden
Boggs, La.	Harvey	Reed, Ill.
Bolton, Md.	Hays, Ark.	Reed, N. Y.
Bolton, Ohio	Hébert	Rees
Bonner	Herlong	Rich
Boykin	Herter	Richards
Bramblett	Hill	Riehlman
Brown, Ga.	Hobbs	Robeson
Brown, Ohio	Hoeven	Rogers, Fla.
Bryson	Hoffman, Mich.	Rogers, Mass.
Burleson	Holmes	Sadlak
Burton	Hope	St. George
Byrnes, Wis.	Horan	Sanborn
Camp	Jackson, Calif.	Saylor
Carlyle	James	Scrivner
Case, S. Dak.	Jenison	Scudder
Chatham	Jenkins	Shafer
Chiperfield	Jennings	Short
Clevenger	Jensen	Simpson, Ill.
Cole, Kans.	Jonas	Simpson, Pa.
Colmer	Jones, Ala.	Sims
Cooley	Jones, Mo.	Smathers
Cooper	Jones, N. C.	Smith, Va.
Cotton	Judd	Smith, Wis.
Cox	Kearney	Stanley
Crawford	Kearns	Stefan
Cunningham	Kerr	Stockman
Curtis	Kilburn	Sutton
Davis, Ga.	Kilday	Taber
Davis, Tenn.	Larcade	Tackett
Davis, Wis.	LeCompte	Taylor
Deane	LeFevre	Teague
DeGraffenried	Lichtenwalter	Van Zandt
D'Ewart	Lovre	Velde
Dolliver	Lucas	Vursell
Dondero	Lyle	Wadsworth
Doughton	McConnell	Welchel
Durham	McCulloch	Werdel
Elliott	McDonough	Wheeler
Ellsworth	McGregor	Whitten
Elston	McMillan, S. C.	Whittington
Engel, Mich.	Mack, Wash.	Wigglesworth
Fellows	Macy	Willis
Fenton	Mahon	Wilson, Ind.
Fisher	Martin, Iowa	Wilson, Tex.
Frazier	Martin, Mass.	Wolcott
Fugate	Merrow	Wood
Gamble	Meyer	Woodruff
Gary	Michener	
Gathings	Miller, Md.	

NAYS—194

Addonizio	Gorski	Norblad
Albert	Granahan	Norton
Allen, La.	Granger	O'Brien, Ill.
Aspinall	Green	O'Brien, Mich.
Bailey	Gregory	O'Hara, Ill.
Baring	Gross	O'Konski
Barrett, Pa.	Hand	O'Neill
Bates, Ky.	Hart	O'Sullivan
Beckworth	Havenner	O'Toole
Bennett, Fla.	Hays, Ohio	Patman
Bennett, Mich.	Hedrick	Patten
Bentsen	Heffernan	Perkins
Biemiller	Heller	Peterson
Blatnik	Heselton	Pfeifer, Joseph L.
Bolling	Holifield	
Bosone	Howell	Philbin
Breen	Huber	Phillips, Tenn.
Brooks	Hull	Polk
Buchanan	Irving	Potter
Buckley, Ill.	Jackson, Wash.	Powell
Buckley, N. Y.	Jacobs	Price
Burdick	Javits	Priest
Burke	Karst	Rabaut
Burnside	Karsten	Ramsay
Byrne, N. Y.	Kean	Rhodes
Canfield	Kee	Ribicoff
Cannon	Kelley, Pa.	Rodino
Carnahan	Kelly, N. Y.	Rooney
Carroll	Keogh	Roosevelt
Case, N. J.	King	Sasscer
Cavalcante	Kirwan	Scott, Hardie
Celler	Klein	Secrest
Chelf	Kruse	Shelley
Chesney	Kunkel	Sheppard
Christopher	Lane	Sikes
Chudoff	Lanham	Spence
Clemente	Lind	Staggers
Combs	Linehan	Steed
Corbett	Lodge	Stigler
Coudert	Lynch	Sullivan
Crook	McCarthy	Tauriello
Crosser	McCormack	Thomas
Davenport	McGrath	Thornberry
Davies, N. Y.	McGuire	Tollefson
Dawson	McKinnon	Towe
Delaney	McSweeney	Trimble
Dollinger	Mack, Ill.	Underwood
Donohue	Madden	Vinson
Douglas	Mansfield	Vorys
Doyle	Marcantonio	Wagner
Eberharter	Marsalis	Walsh
Engle, Calif.	Marshall	Walter
Evins	Miles	Welch
Fallon	Miller, Calif.	Whitaker
Feighan	Mills	White, Calif.
Fernandez	Mitchell	Wickersham
Flood	Monroney	Widnall
Fogarty	Morgan	Wier
Forand	Morris	Wilson, Okla.
Ford	Morton	Withrow
Fulton	Moulder	Wolverton
Furcolo	Multer	Woodhouse
Garmatz	Murdock	Yates
Gilmer	Nelson	Young
Gordon	Noland	Zablocki

ANSWERED "PRESENT"—3

Angell	Keating	Thompson

NOT VOTING—35

Barrett, Wyo.	Johnson	Rivers
Brehm	Keefe	Sabath
Bulwinkle	Kennedy	Sadowski
Cole, N. Y.	Latham	Scott, Hugh D., Jr.
Dague	McMillen, Ill.	
Denton	Magee	Smith, Kans.
Dingell	Mason	Smith, Ohio
Eaton	Murphy	Talle
Gillette	Murray, Wis.	White, Idaho
Gossett	Pfeiffer, William L.	Williams
Hare		Winstead
Hinshaw	Quinn	
Hoffman, Ill.	Regan	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Sabath against.
Mr. Smith of Ohio for, with Mr. Keating against.
Mr. Murray of Wisconsin for, with Mr. Angell against.

Additional general pairs:

Mr. Murphy with Mr. Talle.
Mr. Magee with Mr. Hinshaw.
Mr. Dingell with Mr. Johnson.
Mr. Denton with Mr. Eaton.
Mr. Kennedy with Mr. Gillette.
Mr. Gossett with Mr. Brehm.
Mr. Sadowski with Mr. Cole of New York.
Mr. Regan with Mr. Barrett of Wyoming.
Mr. Hare with Mr. Latham.
Mr. Rivers with Mr. Mason.
Mr. Williams with Mr. McMillen of Illinois.
Mr. Winstead with Mr. William L. Pfeiffer.
Mr. White of Idaho with Mr. Dague.

Mr. CANNON changed his vote from "yea" to "nay."

Mr. MCGREGOR, Mrs. BOLTON of Ohio, and Mr. WEICHEL changed their vote from "nay" to "yea."

Mr. THOMPSON. Mr. Speaker, I have a live pair with the gentleman from Illinois, Mr. SABATH. If he were present, he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. ANGELL. Mr. Speaker, I have a live pair with the gentleman from Wisconson, Mr. MURRAY. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. KEATING. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. SMITH. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee substitute amendment as amended.

The committee substitute amendment as amended was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. NICHOLSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. NICHOLSON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. NICHOLSON moves to recommit the bill to the Committee on Banking and Currency for further study and action.

The SPEAKER. The question is on the motion to recommit.

Mr. NICHOLSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 383, nays 12, answered "present" 1, not voting 34, as follows:

[Roll No. 232]

YEAS—383

Abbitt	Andresen, August H.	Baring
Abernethy		Barrett, Pa.
Addonizio	Andrews	Bates, Ky.
Albert	Angell	Bates, Mass.
Allen, Calif.	Arends	Battle
Allen, La.	Aspinall	Beall
Andersen, H. Carl	Auchincloss	Beckworth
	Bailey	Bennett, Fla.
Anderson, Calif.	Barden	Bennett, Mich.

Bentsen	Golden	Mack, Wash.
Biemiller	Goodwin	Macy
Bishop	Gordon	Madden
Blackney	Gore	Mahon
Blatnik	Gorski	Mansfield
Boggs, Del.	Graham	Marsalis
Boggs, La.	Granahan	Marshall
Bolling	Granger	Martin, Iowa
Bolton, Md.	Grant	Martin, Mass.
Bolton, Ohio	Green	Merrow
Bonner	Gregory	Meyer
Bosone	Gross	Michener
Boykin	Guill	Miles
Bramblett	Hagen	Miller, Calif.
Breen	Hale	Miller, Md.
Brehm	Hall,	Miller, Nebr.
Brooks	Edwin Arthur	Mills
Brown, Ga.	Hall,	Mitchell
Brown, Ohio	Leonard W.	Monroney
Bryson	Halleck	Morgan
Buchanan	Hand	Morris
Buckley, Ill.	Harden	Morrison
Buckley, N. Y.	Hardy	Morton
Burdick	Harris	Moulder
Burke	Harrison	Multer
Burleson	Hart	Murdock
Burnside	Harvey	Murray, Tenn.
Burton	Havenner	Nelson
Byrne, N. Y.	Hays, Ark.	Nixon
Byrnes, Wis.	Hays, Ohio	Noland
Camp	Hébert	Norblad
Canfield	Hedrick	Norrell
Cannon	Heffernan	Norton
Carlyle	Heller	O'Brien, Ill.
Carnahan	Herlong	O'Brien, Mich.
Carroll	Herter	O'Hara, Ill.
Case, N. J.	Heselton	O'Hara, Minn.
Case, S. Dak.	Hill	O'Konski
Cavalcante	Hobbs	O'Neill
Celler	Hoeven	O'Sullivan
Chatham	Hoffman, Ill.	O'Toole
Chelf	Holifield	Pace
Chesney	Holmes	Passman
Chiperfield	Hope	Patman
Christopher	Horan	Patten
Chudoff	Howell	Patterson
Clemente	Huber	Perkins
Cole, Kans.	Hull	Peterson
Colmer	Irving	Pfeifer,
Combs	Jackson, Calif.	Joseph L.
Cooley	Jackson, Wash.	Philbin
Cooper	Jacobs	Phillips, Tenn.
Corbett	James	Pickett
Cotton	Javits	Plumley
Coudert	Jenkins	Poage
Cox	Jennings	Polk
Crook	Jensen	Potter
Crosser	Jonas	Poulson
Cunningham	Jones, Ala.	Powell
Curtis	Jones, Mo.	Preston
Davenport	Jones, N. C.	Price
Davies, N. Y.	Judd	Priest
Davis, Ga.	Karst	Rabaut
Davis, Tenn.	Karsten	Rains
Davis, Wis.	Kean	Ramsay
Dawson	Kearney	Redden
Deane	Kearns	Reed, Ill.
DeGraffenried	Keating	Reed, N. Y.
Delaney	Kee	Rees
D'Ewart	Kelley, Pa.	Rhodes
Dollinger	Kelly, N. Y.	Ribicoff
Dolliver	Keogh	Richards
Dondero	Kerr	Riehlman
Donohue	Kilburn	Robeson
Doughton	Kilday	Rodino
Douglas	King	Rogers, Fla.
Doyle	Kirwan	Rogers, Mass.
Durham	Klein	Rooney
Eberharter	Kruse	Roosevelt
Elliott	Kunkel	Sadlak
Ellsworth	Lane	St. George
Elston	Lanham	Sasscer
Engel, Mich.	Larcade	Saylor
Engle, Calif.	LeCompte	Scott, Hardie
Evins	LeFevre	Scrivner
Fallon	Lichtenwalter	Scudder
Feighan	Lind	Secrest
Fellows	Linehan	Shafer
Fenton	Lodge	Shelley
Fernandez	Lovre	Sheppard
Fisher	Lucas	Short
Flood	Lyle	Sikes
Fogarty	Lynch	Simpson, Pa.
Forand	McCarthy	Sims
Ford	McConnell	Smathers
Frazier	McCormack	Smith, Va.
Fugate	McCulloch	Smith, Wis.
Fulton	McDonough	Spence
Furcolo	McGrath	Staggers
Gamble	McGregor	Stanley
Garmatz	McGuire	Steed
Gary	McKinnon	Stefan
Gathings	McMillan, S. C.	Stigler
Gavin	McSweeney	Stockman
Gilmer	Mack, Ill.	Sullivan
Sutton	Vorys	Wigglesworth
Taber	Vursell	Willis
Tackett	Wadsworth	Wilson, Ind.
Tauriello	Wagner	Wilson, Okla.
Taylor	Walsh	Wilson, Tex.
Teague	Walter	Withrow
Thomas	Weichel	Wolcott
Thompson	Welch	Wolverton
Thornberry	Wheeler	Wood
Tollefson	Whitaker	Woodhouse
Towe	White, Calif.	Woodruff
Trimble	Whitten	Yates
Underwood	Whittington	Young
Van Zandt	Wickersham	Zablocki
Velde	Widnall	
Vinson	Wier	

NAYS—12

Allen, Ill.	Jenison	Rich
Crawford	Marcantonio	Sanborn
Gwinn	Nicholson	Simpson, Ill.
Hoffman, Mich.	Phillips, Calif.	Werdel

ANSWERED "PRESENT"—1

Rankin

NOT VOTING—34

Barrett, Wyo.	Johnson	Regan
Bulwinkle	Keefe	Rivers
Clevenger	Kennedy	Sabath
Cole, N. Y.	Latham	Sadowski
Dague	McMillen, Ill.	Scott,
Denton	Magee	Hugh D., Jr.
Dingell	Mason	Smith, Kans.
Eaton	Murphy	Smith, Ohio
Gillette	Murray, Wis.	Talle
Gossett	Pfeiffer,	White, Idaho
Hare	William L.	Williams
Hinshaw	Quinn	Winstead

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hugh D. Scott, Jr., for, with Mr. Mason against.

Mr. William L. Pfeiffer for, with Mr. Smith of Ohio, against.

Additional general pairs:

Mr. Murphy with Mr. Talle.
Mr. Magee with Mr. Johnson.
Mr. Williams with Mr. Eaton.
Mr. Winstead with Mr. Latham.
Mr. Dingell with Mr. Keefe.
Mr. Denton with Mr. Smith of Kansas.
Mr. Kennedy with Mr. Hinshaw.
Mr. Hare with Mr. Gillette.
Mr. Regan with Mr. Dague.
Mr. Rivers with Mr. Cole of New York.
Mr. Sadowski with Mr. Barrett of Wyoming.
Mr. Sabath with Mr. Murray of Wisconsin.
Mr. Gossett with Mr. McMillen of Illinois.
Mr. White of Idaho with Mr. Clevenger.

Mr. WHEELER changed his vote from "nay" to "yea."

Mr. RANKIN changed his vote from "nay" to "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to have printed the bill H. R. 9176 as it passed the House, and the Clerk be authorized to make corrections in title and section numbers.

The SPEAKER. Is there objection?

There was no objection.

The bill is as follows:

Be it enacted, etc., That this act, divided into titles, may be cited as the "Defense Production Act of 1950."

TABLE OF CONTENTS

Title I. Priorities and allocations.
Title II. Price and wage stabilization.
Title III. Authority to requisition.
Title IV. Expansion of productive capacity and supply.
Title V. Control of credit and commodity speculation.
Title VI. General provisions.

DECLARATION OF POLICY

SEC. 2. It is the policy of the United States to oppose acts of aggression and to promote peace by insuring respect for world law and the peaceful settlement of differences among nations. To that end this Government is pledged to support collective action through the United Nations and through regional arrangements for mutual defense in conformity with the Charter of the United Nations. The United States is determined to develop and maintain whatever military and economic strength is found to be necessary to carry out this purpose. Under present circumstances, this task requires diversion of certain materials and facilities from civilian use to military and related purposes. It requires expansion of productive facilities beyond the levels needed to meet the civilian demand. In order that this diversion and expansion may proceed at once, and that the national economy may be maintained with the maximum effectiveness and the least hardship, normal civilian production and purchases must be curtailed and redirected.

It is the objective of this act to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use within the framework, as far as practicable, of the American system of competitive enterprise.

TITLE I—PRIORITIES AND ALLOCATIONS

SEC. 101. The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.

SEC. 102. Any person who willfully performs any act prohibited, or willfully fails to perform any act required, by the provisions of this title or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

SEC. 103. It is hereby made unlawful for any person wilfully to hoard any necessities. The term "necessaries" as used in this section means foods; feeds; wearing apparel; automobile tires; containers primarily designed or intended for containing foods, feeds, or fertilizers; fuel, including fuel oil and natural gas; fertilizer and fertilizer ingredients; tools, utensils, implements, machinery, and equipment required for the actual production of the above-named articles and materials; and any other articles and materials the equitable distribution of which the President shall find, and shall by proclamation declare, to be essential to carry out the purposes of this act. Necessaries shall be deemed to be hoarded within the meaning of this section when either (a) held, contracted for, or arranged for by any person in a quantity in excess of his reasonable requirements for use or consumption by himself and dependents for a reasonable

time; (b) held, contracted for, or arranged for by any manufacturer, wholesaler, retailer, or other dealer in a quantity in excess of the reasonable requirements of his business for use or sale by him for a reasonable time or reasonably required to furnish necessaries produced in surplus quantities seasonably throughout the periad of scant or no production, or (c) withheld whether by possession or under any contract or arrangement from the market by any person for the purpose of unreasonably increasing or diminishing the price: *Provided,* That this section shall not apply to futures trading transactions on any commodity exchange or board of trade.

TITLE II

PRICE AND WAGE STABILIZATION

SEC. 201. It is the intent of Congress to provide authority necessary to achieve the following purposes in order to promote the national defense: to prevent inflation and preserve the value of the national currency; to assure that defense appropriations are not dissipated by excessive costs and prices; to stabilize the cost of living for workers and other consumers and the costs of production for farmers and businessmen; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions, or scarcities; to protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from undue impairment of their living standards; to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale; to assist in maintaining a reasonable balance between purchasing power and the supply of consumer goods and services; to protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings; and to prevent a future collapse of values. It is the intent of Congress that the authority conferred by this title shall be exercised in accordance with the policies set forth in section 2 of this act, and in particular with full consideration and emphasis, so far as practicable, on the maintenance and furtherance of the American system of competitive enterprise, including independent small-business enterprises, the maintenance and furtherance of a sound agricultural industry, the maintenance and furtherance of sound working relations, including collective bargaining, and the maintenance and furtherance of the American way of life. Whenever the authority granted by this title is exercised, all agencies of the Government dealing with the subject matter of this title, within the limits of their authority and jurisdiction, shall cooperate in carrying out these purposes.

SEC. 202. (a) In order to carry out the objectives of this title, the President may encourage and promote voluntary action by business, agriculture, labor, and consumers. In proceeding under this subsection the President may exercise the authority to approve voluntary programs and agreements conferred on him under sections 708 and 712, and may utilize the services of persons and agencies as provided in section 710.

(b) Where the objectives of this title cannot be attained by action under subsection (a), the President may issue regulations and orders at the same time, both

(1) establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service; and

(2) establishing a ceiling or ceilings on wages, salaries, and other compensation paid to or received by any person for any type of employment; and regulations prohibiting increases in wages, salaries, and other compensation, except when deemed necessary by the President to prevent gross inequity or to effectuate the purposes of this act, shall be issued whenever an increase in wages, salaries, or other compensation (A) would require increases in price ceilings established under paragraph (1) of this subsection, or (B) would impose an undue burden on a seller operating under a price ceiling established under paragraph (1) of this subsection.

Action under this subsection may be taken either with respect to individual materials and services, or with respect to materials and services generally.

Wages, salaries, and other compensation shall be stabilized generally whenever ceilings on prices, including retail sales prices, have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living.

(c) So far as practicable, in exercising the authority conferred in this section, the President shall ascertain and give due consideration to comparable prices, rentals, commissions, margins, rates, fees, charges, and allowances, and to comparable salaries, wages, or other compensation, which he finds to be representative of those prevailing during the period from May 24 to June 24, 1950, inclusive, or, in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative. The President shall also give due consideration to the national effort to achieve maximum production in furtherance of the objectives of this act. From time to time the President shall adjust ceilings, and in determining and adjusting ceilings on prices with respect to materials and services, he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material or service, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the material or by persons performing the service, subsequent to June 24, 1950: *Provided,* That no regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. In stabilizing and adjusting wages, salaries, or other compensation, the President shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such wages, salaries, or other compensation. Any regulation or order under this title shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order.

(d) (1) Regulations and orders issued under this title shall apply regardless of any obligation heretofore or hereafter incurred, except as provided in this subsection.

(2) No wage, salary, or other compensation shall be stabilized at less than that paid during the period from May 24, 1950, to June 24, 1950, inclusive. No action shall be taken under authority of this title with respect to wages, salaries, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the Labor Management Relation Act, 1947, or any other law of the United States, or of any State, the District of Columbia, or any Territory or possession of the United States.

(3) No ceiling shall be established or maintained for any agricultural commodity below the higher of the following prices: (i) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (ii) the highest price received by producers during the period from May 24, 1950, to June 24, 1950, as determined by the Secretary of Agriculture and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (iii) if for the year 1950 a producer normally does not market a commodity during the period from May 24, 1950, to June 24, 1950, the highest price received by such producer during the first 30-day period following May 24, 1950, in which such commodity is normally marketed; and no ceilings shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the higher price therefor specified in this subsection: *Provided,* That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity. Nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act. Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however,* That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milks, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.

(e) The authority conferred by this title shall not be exercised with respect to the following:

(i) Rentals for real property;

(ii) Rates or fees charged for professional services;

(iii) Prices or rentals (a) for materials furnished for publication by any press association or feature service, (b) books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap; or rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion-picture or

other theater enterprise, or outdoor advertising facilities;

(iv) Rates charged by any person in the business of selling or underwriting insurance;

(v) Rates charged by any common carrier or other public utility;

(vi) Margin requirements on any commodity exchange.

(f) The President, in or by any regulation or order, may provide exemptions for any materials or services, or transactions therein, or types of employment, with respect to which he finds that (1) such exemption is necessary to promote the national defense; or (2) it is unnecessary that ceilings be applicable to such materials or services, or transactions therein, or that compensation for such types of employment be stabilized, in order to effectuate the purposes of this title.

SEC. 203. The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except where such action is affirmatively found by the President to be necessary to prevent circumvention or evasion of any regulation, order, or requirement under this title.

SEC. 204. In carrying out the provisions of this title, the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

SEC. 205. (a) It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade to buy or receive, any material or service, or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer, solicit, attempt or agree to do any of the foregoing.

(b) No employer shall pay, and no employee shall receive, any wage, salary, or other compensation in contravention of any regulation or order promulgated by the President under this title. The President shall also prescribe the extent to which any wage, salary, or compensation payment made in contravention of any such regulation or order shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

SEC. 206. Nothing in this title shall be construed to require any person to sell any material or service, or to perform personal services.

SEC. 207. (a) At any time within 6 months after the effective date of any regulation or order under this title, or, in the case of new grounds arising after the effective date of any such regulation or order, within 6 months after such new grounds arise, any person subject to any provision of such regulation or order may, in accordance with regulations to be prescribed by the President, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation or order may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the President. Within a reasonable time after the filing of any protest under this section, but in no event more than 30 days after such filing, the President shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the President denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based; and of any economic data and other facts of which the President has taken official notice.

(b) In the administration of this title the President may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 705 of title VII of this act.

(c) Any proceedings under this section may be limited by the President to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however,* That upon the request of the protestant, any protest filed in accordance with subsection (a) of this section shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the United States designated by the President in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpenas shall issue to procure the evidence of persons, or the production of documents, or both. The President shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the President. The protestant shall be informed of the recommendations of the board and, in the event that the President rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

(d) Any protest filed under this section shall be granted or denied by the President, or granted in part and the remainder of it denied within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the President in disposing of his protest may petition the Emergency Court of Appeals for relief; and such court shall have jurisdiction by appropriate order to require the President to dispose of such protest within such time as may be fixed by the court. If the President does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

SEC. 208. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiciton to set aside such regulation or order, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided,* That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest of such evidence and shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

(b) No such regulation or order shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation or order shall be postponed until the expiration of 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation, order, price schedule, or wage, salary, or other compensation schedule issued under this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

(d) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under this title, and of any provision of any such regulation or order. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

SEC. 209. (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 205 of this title, he may make application to the appropriate court for an order enjoining such acts

or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order, shall be granted without bond.

(b) Any person who willfully violates any provision of section 205 of this title shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than $10,000, or to imprisonment for not more than 1 year or both. Whenever the President has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings, the person who buys such material or service for use or consumption other than in the course of trade or business may, within one year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, but in no event shall such amount exceed the amount of the overcharge, or the overcharges, plus $10,000, or (2) an amount not less than $25 nor more than $50 as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge, or overcharges, if the defendant proves that the violation of the regulation or order in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the word "overcharge" shall mean the amount by which the consideration exceeds the applicable ceiling. If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the President may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the President, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the President, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered. The President may not institute any action under this subsection on behalf of the United States—

(1) if the violation arose because the person selling the material or service acted upon and in accordance with the written advice and instructions of the President or any official authorized to act for him;

(2) if the violation arose out of the sale of any material or service to any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

SEC. 210. As used in this title—

(a) The word "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided,* That no punishment provided by this act shall apply to the United States, or to any such government, political subdivision, or Government agency.

(b) The word "materials" shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

(c) The word "facilities" shall not include farms, churches or other places of worship, or private dwelling houses.

(d) The term "national defense" means the operations and activities of the Armed Forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended.

(e) The words "wages, salaries, and other compensation" shall include all forms of remuneration to employees by their employers for personal services, including, but without limitation, vacation and holding payments, night shift and other bonuses, incentive payments, year-end bonuses, employer contributions to or payments of insurance or welfare benefits, employer contributions to a pension fund or annuity, payments in kind, and premium overtime payments.

TITLE III—AUTHORITY TO REQUISITION

SEC. 301. Whenever the President determines (1) that the use of any equipment, supplies, or component parts therof, or materials or facilities necessary for the manufacture, servicing, or operation of such equipment, supplies, or component parts, is needed for the national defense, (2) that such need is immediate and impending and such as will not admit of delay or resort to any other source of supply, and (3) where the President finds that all other means of acquiring or obtaining the use of such property for the defense of the United States upon fair and reasonable terms have been exhausted, he is authorized to requisition such property or the use thereof for the defence of the United States upon the payment of just compensation for such property or the use thereof to be determined as hereinafter provided. The President shall determine the amount of the compensation to be paid for any property or the use thereof requisitioned pursuant to this title but each such determination shall be made as of the time it is requisitioned in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the President as just compensation is unwilling to accept the same as full and complete compensation for such property or the use thereof, he shall promptly be paid 75 percent of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims or, where the amount involved does not exceed $10,000, in any district court of the United States within 3 years after the date of the President's award, an additional amount which, when added to the amount so paid to him, shall be just compensation. Whenever the need for the national defense of any property requisitioned under this title shall terminate, the President may dispose of such property on such terms and conditions as he shall deem appropriate, but to the extent feasible and practicable he shall give the former owner of any property so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the President, or (2) if it is to be disposed of (otherwise than at a public sale of which he is given reasonable notice) at less than such value, at the highest price any other person is willing to pay therefor: *Provided,* That this opportunity to reacquire need not be given in the case of fungibles or items having a fair value of less than $1,000.

TITLE IV—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

SEC. 401. (a) In order to expedite production and deliveries under Government contracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement as he may designate (hereinafter referred to as "guaranteeing agencies"), without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance, or in connection with or in contemplation of the termination, of any contract or other operation deemed by the guaranteeing agency to be related to efforts or undertakings on the part of the United States or an agency thereof which are designed to meet the necessities of the national defense.

(b) Any Federal agency or any Federal Reserve bank, when designated by the President, is hereby authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guaranty and in otherwise carrying out the purposes of this section. All such funds as may be necessary to enable any such fiscal agent to carry out any guaranty made by it on behalf of any guaranteeing agency shall be supplied and disbursed by or under authority from such guaranteeing agency. No such fiscal agent shall have any responsibility or accountability except as agent in taking any action pursuant to or under authority of the provisions of this section. Each such fiscal agent shall be reimbursed by each guaranteeing agency for all expenses and losses incurred by such fiscal agent in acting as agent on behalf of such guaranteeing agency, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

(c) All actions and operations of such fiscal agents, under authority of or pursuant to this section shall be subject to the supervision of the President and to such regulations, as he may prescribe; and the President is authorized to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guaranty and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guaranties.

(d) Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purpose of meeting the necessities of the national defense.

SEC. 402. To assist in carrying out the objectives of this act, the President may make provision for loans (including participations in, or guaranties of, loans) to private business enterprises for the expansion of capacity, the development of technological proc-

esses, or the production of essential materials including the exploration, development, and mining of strategic and critical metals and minerals. Such loans may be made without regard to the limitations of existing law and on such terms and conditions as the President deems necessary, except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms.

SEC. 403. (a) To assist in carrying out the objectives of this act, the President may make provision for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or for resale.

(b) The procurement power granted to the President by this section shall include the power to transport and store, and have processed and refined any materials procured under this section.

SEC. 404. (a) For the purposes of sections 402 and 403, the President is hereby authorized to utilize the Reconstruction Finance Corporation and such other departments, agencies, officials, or corporations of the Government as he may deem appropriate, or to create new corporations.

(b) Any corporation created under this section—

(1) shall have the power to sue and be sued; to acquire, hold, and dispose of property; to use its revenues; to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for subject to laws specifically applicable to Government corporations; and to exercise such other powers as may be necessary or appropriate to carry out the purposes of such corporation;

(2) shall have it powers set out in a charter, which shall be published in the Federal Register, and all amendments to which shall be similiarly published;

(3) shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to act of Congress; and

(4) shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of said act.

(c) Any corporation established or utilized pursuant to this section is authorized to borrow from the Treasury of the United States, for any of the purposes of the corporation, such sums of money as may be necessary to carry out its functions under this title: *Provided*, That the total amount borrowed under the provisions of this section by all such corporations shall not exceed an aggregate of $2,000,000,000 outstanding at any one time. For the purpose of borrowing as authorized by this paragraph, any corporation established pursuant to this section may issue to the Secretary of the Treasury its notes, debentures, bonds, or other obligations to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations. Such obligations may mature subsequent to the period of succession of the corporation. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations of the corporation. The Secretary of the Treasury is authorized and directed to purchase any obligations of any such corporation to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchase of the obligations of any corporation hereunder.

TITLE V—CONTROL OF CREDIT

SUBTITLE A—CONSUMER AND REAL-ESTATE CREDIT

SEC. 501. (a) To assist in carrying out the purposes of this act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of consumer and real-estate construction credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements thereto, and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this subtitle or to prevent evasions thereof.

In prescribing and suspending such regulations, including changes from time to time to take account of changing conditions, the President shall consider among other factors, (1) the level and trend of consumer and real-estate construction credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for real property and improvements thereon and for other goods and services, and (3) the need in the national economy for the maintenance of sound credit conditions.

(b) No person shall extend or maintain any consumer or real-estate construction credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any such credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any such credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any such credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, under oath or otherwise, as the President may by regulation require as necessary or appropriate in order to effectuate the purposes of this subtitle; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

(c) Any person who willfully violates any provision of this subtitle or any regulation or order thereunder, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than 1 year, or both.

(d) To assist in carrying out the purposes of this subtitle, the President by regulation may require transactions or persons or classes thereof subject to this subtitle to be registered or licensed; and, after notice and opportunity for hearing, the President by order may suspend any such registration or license for violation of this subtitle or any regulation prescribed by the President pursuant to this subtitle. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such order of the President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that act. In carrying out this subtitle, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

(e) Any rules, regulations, or orders for real estate credit shall not restrict loans made by private lenders to any percentage of value or maturity less than the maximum authorized for any loans of like classifications authorized to be made, insured, or guaranteed by the Government or any Government-owned agency or instrumentality, nor shall any rule, regulation, or order otherwise discriminate in favor of Government loans or Government insured or guaranteed loans against private loans.

(f) For the purposes of this subtitle, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms and, in addition, may define technical, trade, and accounting terms, insofar as any such definitions are not inconsistent with the provisions of this subtitle:

(1) "Consumer credit" means credit which the obligor undertakes to pay in two or more payments, or any other credit: *Provided*, That it shall not include (i) any credit to finance or refinance the construction or purchase of an entire residential or nonresidential building, (ii) any credit extended to a business enterprise solely to finance the purchase of goods for resale, or (iii) any other credit extended to a business or agricultural enterprise for any business or agricultural purpose unless the credit is secured by or is for the purpose of purchasing or carrying any durable or semidurable goods which are used or usable for personal, family, or household purposes, or any accessory, insurance, or service connected with any such goods or any interest therein.

(2) "Real estate construction credit" means any credit hereafter extended, which (i) is wholly or partly secured by, (ii) is for the purpose of purchasing or carrying, (iii) is for the purpose of financing, or (iv) involves a right to acquire or use, new construction on real property or real property on which there is new construction. As used in this paragraph the term "new construction" means any structure, or any major addition or major improvement to a structure, which has not been begun before 12 o'clock meridian, August 3, 1950. As used in this paragraph the term "real property" includes leasehold and other interests therein. Notwithstanding the foregoing provisions of this paragraph, the term "real estate construction credit" shall not include any loan or loans made, insured, or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended.

(3) "Credit" means any loan, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment, leasing, or other use of property under which the bailee, lessee, or users has the option of becoming the owner thereof obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof, or has the right to have all or part of the payments required by such contract applied to the purchase price of such property or similar property; any option,

demand, lien, pledge or similar claim against, or for the delivery of property or money; any purchase, discount, or other acquisition of, or any credit under the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

(4) "Person," in addition to the definition given it by section 502 (a) of this act, includes the United States, any State or subdivision thereof, and any agency or instrumentality of one or more such authorities, except that the criminal penalties of this subtitle shall not be applicable to the United States, any State, or other governmental agency or instrumentality.

SEC. 502. To assist in carrying out the objectives of this act, the President may, at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers, the President shall preserve the relative credit preferences accorded to veterans under existing law.

TITLE VI—GENERAL PROVISIONS

SEC. 601. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this act.

(b) In order to carry out this policy—

(i) the President shall provide small-business enterprises with full information concerning the provisions of this act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this act;

(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations or orders, or amendments thereto, issued under authority of this act, and in their formation consideration shall be given to providing fair representation for small, medium, and large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

(iii) in administering this act, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this act; and

(iv) in administering this act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

SEC. 602. As used in this act—

(a) The word "person" shall include individuals, firms, corporations, associations, partnerships, and any organized groups of persons whether or not incorporated.

(b) The word "materials" shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

SEC. 603. The President may delegate any power or authority conferred upon him by this act to any officer or agency of the Government, including any new agency or agencies which are hereby authorized to be created by the President when deemed necessary, and may authorize such redelegations by that officer or agency as the President may deem appropriate. The President is authorized to appoint heads and assistant heads of any such new agencies, and other officials therein of comparable status, and to fix the compensation therefor, without regard to the Classification Act of 1949, as amended, at rates comparable to the compensation paid to the heads and assistant heads of independent agencies of the Government. Attorneys appointed under this section may appear for and represent the agency in any case in any court. Any officer or agency may employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, without regard to section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219), as the President deems necessary to carry out the provisions of this act.

SEC. 604. The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this act. Any regulation or order under this act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper in order to effectuate the purposes of this act.

SEC. 605. (a) The President shall be entitled, while this act is in effect and for a period of 2 years thereafter, by regulation, subpena, or otherwise, to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, and take the sworn testimony of, any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of this act and the regulations or orders issued thereunder. The President shall issue regulations insuring that the authority of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority, and it is assured that no adequate and authoritative data are available from any Federal or other responsible agency.

(b) No person shall be excused from complying with any requirement under this section or from attending and testifying or from producing books, papers, documents, and other evidence in obedience to a subpena before any grand jury or in any court or administrative proceeding based upon or growing out of any alleged violation of this act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture in any court, for or on account of any transaction, matter, or thing concerning which he is so compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such natural person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying: *Provided*, That the immunity granted herein from prosecution and punishment and from any penalty or forfeiture shall not be construed to vest in any individual any right to priorities assistance, to the allocation of materials, or to any other benefit which is within the power of the President to grant under any provision of this act.

(c) The production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpena, or other document issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(d) Information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the President determines that the withholding thereof is contrary to the interest of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

SEC. 606. The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this act or any rule, regulation, order, or subpena thereunder, and of all civil actions under this act to enforce any liability or duty created by, or to enjoin any violation of, this act or any rule, regulation, order, or subpena thereunder. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; the subpena for witnesses who are required to attend a court in any district in such case may run into any other district. The termination of the authority granted in any title or section of this act, or of any rule, regulation, or order issued thereunder, shall not operate to defeat any suit, action, or prosecution, whether heretofore or thereafter commenced, with respect to any right, liability, or offense incurred or committed prior to the termination date of such title or of such rule, regulation, or order. No costs shall be assessed against the United States in any proceeding under this act.

SEC. 607. No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from his compliance with a rule, regulation, or order issued pursuant to title I of this act, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under title I of this act or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

SEC. 608. (a) No act or omission to act pursuant to this act which occurs while this act is in effect, if requested by the President and found by him to be in the public interest as contributing to the national defense, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

(b) The authority granted in subsection (a) shall not be delegated except to a single

official of the Government and then only upon the condition that such official consult with the Attorney General and the Chairman of the Federal Trade Commission not less than 10 days before making any request or finding thereunder and that if any objection is made by the Attorney General or by the Chairman of the Federal Trade Commission within that period, the President or such person as he may designate shall approve or disapprove the request.

(c) Upon withdrawal of any request or finding made hereunder the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

(d) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this act. The Attorney General shall submit to the Congress and the President within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable.

SEC. 609. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof.

SEC. 610. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place positions and employ persons in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that act.

(b) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation; and he is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code or section 190 of the Revised Statutes (5 U. S. C., sec. 99). Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

SEC. 611. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this act by the President and such agencies as he may designate or create. Funds made available for the purpose of this act may be allocated or transferred for any of the purposes of this act, with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out this act. Funds so allocated or transferred shall remain available for such period as may be specified in the acts making such funds available.

SEC. 612. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 613. That no person may be employed under this act who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 614. This act and all authority conferred hereunder shall terminate June 30, 1951, or at such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the bill H. R. 9176.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERSONAL EXPLANATION

Mr. CANNON. Mr. Speaker, I am recorded as not voting on roll call No. 230. I was present in the Chamber, and I ask to be recorded as voting "no."

The SPEAKER. Without objection, the correction will be made.

There was no objection.

PROGRAM FOR WEEK OF AUGUST 14

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to find out from our distinguished majority leader as to the program for next week.

Mr. McCORMACK. Monday: There is a discharge petition which it is in order to call up on Monday but I cannot advise the Members whether it will be called up or not because any one of those who signed the petition can call it up. I am sorry I cannot give any definite information, but I am not going to take any responsibility that I am not reasonably certain I can carry out if I make a promise with reference to it.

Mr. MARTIN of Massachusetts. The assumption is that the bill will be called up.

Mr. McCORMACK. From information that I have received the assumption is that it will be called. I think my friend from Massachusetts will agree with that. Am I correct?

Mr. MARTIN of Massachusetts. That is what I understand.

Mr. McCORMACK. The discharge petition is on a bill before the Committee on the Post Office and Civil Service relating to the curtailment of postal service.

Outside of that it is District Day and there are four district bills on the calendar for that day:

H. R. 9047, to authorize the Commissioners of the District of Columbia to regulate the keeping and running at large of goats.

Mr. MARTIN of Massachusetts. Are there many of those in the District, or are they yet to come?

Mr. McCORMACK. I do not know how many four-legged ones there are.

Mr. MARTIN of Massachusetts. How many two-legged ones?

Mr. McCORMACK. The second bill is H. R. 7240, amending the existing law relating to barbers;

H. R. 4281, an act limiting the number of taxicabs;

S. 3659, relating to dealers' identification tags.

Then there is the bill S. 192 relating to the Indians of New York State in which the gentleman from New York [Mr. REED] is very much interested.

Mr. MARTIN of Massachusetts. I thought we passed that.

Mr. McCORMACK. No; it was called twice on the Consent Calendar. An amendment was offered to it by the gentleman from Oklahoma [Mr. MORRIS] but consent was not given for its consideration.

Then there is House Joint Resolution 516 dealing with German enemy assets.

Tuesday: The Private Calendar will be called on Tuesday. I wish the gentleman would correct his notice so that he will put that down. I overlooked it.

Mr. MARTIN of Massachusetts. I have it on my notice; I thank the gentleman.

Mr. McCORMACK. Then, of course, if any of the bills scheduled for consideration on Monday are not finished they will be continued on Tuesday.

H. R. 8594, facilities for the reserve components of the armed services. A rule is out on that bill.

H. R. 6277, relating to the Russian Railway Service Corps. That is a bill which the gentleman from California [Mr. HAVENNER] introduced and which we could not take up before because of his inability to be here due to family illness.

Wednesday: The social security conference report will be taken up Wednesday and continuing Wednesday, Thursday, and Friday, will be the Federal judgeship bills.

Of course, if the Committee on Rules reports out a rule on any legislation reported out of a standing committee that the leadership feels ought to be brought up it will be considered.

This means that the judgeship bills are sort of fill-in business.

Mr. MARTIN of Massachusetts. Has the gentleman any information about the appropriation conference report?

Mr. McCORMACK. No, I have not.

Mr. MARTIN of Massachusetts. Also I understand there is another appropriation bill yet to come.

Mr. McCORMACK. There is the emergency appropriation bill. The best information I have is from the gentleman from Missouri [Mr. CANNON] and that is the best possible information, that it will be ready week after next.

Mr. MARTIN of Massachusetts. Both of them?

Mr. McCORMACK. The emergency appropriation bill.

Any further program or changes will be announced later. Conference reports, of course, may be brought up at any time.

WITHDRAWAL OF EXTENSION OF REMARKS

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that I may have stricken from the permanent RECORD an extension of remarks I inserted on August 7, 1950, appearing on page A5975 of the daily RECORD, and that the Public Printer be instructed not to make any reprints of the aforesaid extension.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ANNOUNCEMENT

Mr. WIDNALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Speaker, at the time of roll call No. 228 I was detained at the Naval Hospital under doctor's orders. If I had been present at that time I would have voted "yea" on that roll call.

SPECIAL ORDER GRANTED

Mr. LANE asked and was given permission to address the House for 15 minutes today following the legislative program and any special orders heretofore entered.

DR. JOSEPH L. PFEIFER

Mr. CAVALCANTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CAVALCANTE. Mr. Speaker, I take great pleasure at this time in saying a few words of praise for our colleague, Dr. JOSEPH L. PFEIFER.

Since I have been in Congress, I have admired the activities of this man on matters pertaining to the welfare of his constituents particularly those of Italian descent. His recent trips to Europe, his private audiences with His Holiness, Pope Pius XII, and with Prime Minister DeGasperi and Foreign Minister Sforza have done much to help in the reconstruction and the rehabilitation of Italy.

His latest report to the Congress as the result of his most recent trip dealt with the unemployment situation in Italy and means to overcome it. He has been praised by the State Department for the position he has taken on various matters of deep concern to all.

The work of Dr. PFEIFER is well known to all the Members of Congress. Because of his ability as a legislator and his devotion to his duties, I feel greatly honored to be associated with this fine statesman in the House of Representatives and I consider him as one of the best friends of the Americans of Italian extraction.

His son, Thomas E. Pfeifer, and my son, Anthony Cavalcante, Jr., are graduates of the United States Military Academy at West Point. They are now both serving as lieutenants in the armed services of their country.

His record warrants his return to Congress.

PERMISSION TO ADDRESS THE HOUSE

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, failure to provide a dependents allotment program for the armed services is producing a serious morale problem. Men are being sent overseas in ever-increasing numbers, and most of these shipments involve a disruption of home life. Their dependents are in most cases deprived of benefits they enjoyed at military posts and as a result they are confronted with increased costs of living.

Thus far the servicemen and their families are the only ones who have had to give up anything as a result of the Korean conflict. The least we can do is to give these people a decent break and to provide dependents' allotments for them. They are doing our fighting. It is time for us to do some fighting for them.

AMENDMENT TO SECTION 14 OF THE MERCHANT SHIP SALES ACT OF 1946, AS AMENDED

Mr. HART. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 193.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That section 14 of the Merchant Ship Sales Act of 1946, as amended, is amended by striking out the word "or" after the word "contract" where it appears the second time and inserting in lieu thereof the word "of," so that the section as amended will read as follows:

"SEC. 14. No contract of sale shall be made under this act after January 15, 1951, and no contract of charter shall be made under this act after June 30, 1950, except as provided for charter under subsections (e) and (f) of section 5 hereof, as amended."

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HELEN M. BOOTH

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4136) for the relief of Helen M. Booth, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 7, strike out "negligence of" and insert "failure of the."

Page 2, line 4, after "Act", insert ": *Provided, however*, That the passage of this act shall not in any way be construed as an inference of liability on the part of the United States Government."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AMENDING THE HATCH ACT

Mr. HARRISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9023) to amend the Hatch Act, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That section 9 of the act entitled 'An act to prevent pernicious political activities,' approved August 2, 1939, is amended by striking out subsection (b) and inserting in lieu thereof the following subsections:

"'(b) Any person violating the provisions of this section shall be removed immediately from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress for such position or office shall be used to pay the compensation of such person: *Provided, however*, That the United States Civil Service Commission finds by unanimous vote that the violation does not warrant removal, a lesser penalty shall be imposed by direction of the Commission: *Provided further*, That in no case shall the penalty be less than 90 days' suspension without pay: *And provided further*, That in the case of any person who has heretofore been removed from the service under the provisions of this section, the Commission shall upon request of said person reopen and reconsider the record in such case. If it shall find by a unanimous vote that the acts committed were such as to warrant a penalty of less than removal it shall issue an order revoking the restriction against reemployment in the position from which removed, or in any other position for which he may be qualified, but no such revocation shall become effective until at least 90 days have elapsed following the date of the removal of such person from office.

"'(c) At the end of each fiscal year the Commission shall report to the President for transmittal to the Congress the names, addresses, and nature of employment of all persons with respect to whom action has been taken by the Commission under the terms of this section, with a statement of the facts upon which action was taken, and the penalty imposed.'

"SEC. 2. Section 612 of title 18, United States Code, is hereby amended to read as follows:

"'§ 612. Publication or distribution of political statements.

"'Whoever willfully publishes or distributes or causes to be published or distributed, or for the purpose of publishing or distributing the same, knowingly deposits for

mailing or delivery or causes to be deposited for mailing or delivery, or, except in cases of employees of the Post Office Department in the official discharge of their duties, knowingly transports or causes to be transported in interstate commerce any card, pamphlet, circular, poster, dodger, advertisement, writing, or other statement relating to or concerning any person who has publicly declared his intention to seek the office of President, or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to Congress, in a primary, general, or special election, or convention of a political party, or has caused or permitted his intention to do so to be publicly declared, which does not contain the names of the persons, associations, committees, or corporations responsible for the publication or distribution of the same, and the names of the officers of each such association, committee, or corporation, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.' "

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FRITZ BUSCHE

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 602) for the relief of Fritz Busche, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 11, strike out all after "orders." over to and including line 4, on page 2.

Page 2, after line 4, insert:

"SEC. 2. Not more than 10 percent in value of the property with respect to which vesting orders are revoked pursuant to this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such revocation, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

JOHN II ESTATE, LTD.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4989), to provide for the payment of just compensation to John Ii Estate, Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, island of Oahu, T. H., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 4, after "pay", insert "out of any money in the Treasury not otherwise appropriated."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

HISTORICAL FRIEZE IN ROTUNDA OF CAPITOL

Mr. ALBERT. Mr. Speaker, I call up the conference report on the joint resolution—House Joint Resolution 21—to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2808)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 21) to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, and 6, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: ", including the small isolated section added in 1917–1918, to complete the history up to the beginning of the twentieth century, including the portrayal of (1) the Civil War and the Spanish-American War"; and (3) the birth of aviation in the United States. Approximately ten feet of said unfinished portion next to the portrayal of 'Landing of Columbus' shall be used to portray the birth of aviation in the United States. The remainder of said unfinished portion shall be used for the portrayal of the Civil War and the Spanish-American war"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the joint resolution and agree to the same.

CARL ALBERT,
EDWARD A. GARMATZ,
C. W. BISHOP,
Managers on the Part of the House.

THEODORE FRANCIS GREEN,
JOHN C. STENNIS,
H. C. LODGE, Jr.,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 21) to provide for completion of the rotunda frieze, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

All of the Senate amendments were directed toward enlarging the scope of the original resolution, which provided only for the story of aviation. The Senate committee handling the bill deemed it advisable to finish off the uncompleted portion of the frieze, once and for all, and to that end directed itself to the task of selecting the most appropriate subjects. Thus, to the birth of aviation in the United States, the subject specified in the House version, the Senate added (1) the Civil War, and (2) the Spanish-American War. It was the sense of the Senate that this broad plan would have definite advantage over a piecemeal arrangement which would tax the ingenuity of any artist or succession of artists, who might be commissioned to do the work on the frieze.

Amendment No. 1 strikes out the space-limitation factor contained in the original resolution.

Amendments 3 and 4 strikes out the subject limitation contained in the original resolution, and inserts a broad description.

Amendment 5 provides an insertion whereby a single artist might be employed for the work authorized by the resolution.

Amendment 6 is a technical amendment which removes a possessive pronoun whose antecedent was altered by amendment 5.

The title was amended in the Senate to incorporate the new features specified in the resolution.

The managers on the part of the House have no objection to this more comprehensive legislation. It would finally resolve an issue which has had more than its share of discussion in past Congresses since the turn of the century. Previous Congresses have authorized various work on the frieze, but the money was never appropriated.

The one amendment of the Senate, No. 2, which the House managers thought ought to have a clarifying amendment is explained as follows: The original resolution was introduced on behalf of aviation and the Wright brothers. There is no objection to the addition of the two subjects proposed by the Senate, but in order that aviation does get full recognition the House desired to amend the amendment of the Senate which listed the subjects, to the end that aviation's portrayal would be sure of getting approximately 10 feet of the space to be filled.

CARL ALBERT,
EDWARD A. GARMATZ,
C. W. BISHOP,
Managers on the Part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate insists upon its amendment to the bill (H. R. 2234) entitled "An act for the relief of Mrs. Gladys J. Senyohl McCarthy"; disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCARRAN, Mr. EASTLAND, and Mr. WILEY to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3921) entitled "An act to provide for the temporary appointment of referees in bankruptcy, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GRAHAM, Mr. KEFAUVER, and

Mr. DONNELL to be the conferees on the part of the Senate.

PROCEEDINGS AGAINST JULIUS EMSPAK

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report—Report No. 2847.

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING JULIUS EMSPAK

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Julius Emspak, United Electrical, Radio, and Machine Workers of America, 11 East Fifty-first Street, New York, N. Y. The said subpena directed Julius Emspak to be and appear before said Committee on Un-American Activities on November 29, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Julius Emspak is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Alvin W. Stokes. You are hereby commanded to summon Mr. Julius Emspak, to be and appear before the Subcommittee on Un-American Activities of the House of Representatives of the United States, of which the Honorable John S. Wood is chairman, in their chamber in the city of Washington, room 226, Old House Office Building, on Tuesday, November 29, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 1st day of November 1949.

"JOHN S. WOOD,
"Chairman.

"Attest:
"[SEAL] "RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Alvin W. Stokes, who was duly authorized to serve the said subpena. The return of the service by the said Alvin W. Stokes, being endorsed thereon, is set forth in words and figures, as follows:

Served November 16, 1949, 5:10 p. m., at UE offices, 11 East Fifty-first Street, New York City.

ALVIN W. STOKES.

On November 22, 1949, a telegram was sent to Mr. Julius Emspak which is set forth in words and figures, as follows:

WASHINGTON, D. C., *November 22, 1949.*
Mr. JULIUS EMSPAK,
United Electrical, Radio, and Machine Workers of America,
11 East Fifty-first Street,
New York, N. Y.:

Your appearance before the Committee on Un-American Activities is postponed until December 1, 1949, at 10:30 a. m. Subpena served upon you on November 16 continues in force and effect.

JOHN S. WOOD,
Chairman.

On November 28, the following telegram was sent to Mr. Julius Emspak, which is set forth herein in words and figures, as follows:

WASHINGTON, D. C., *November 28, 1949.*
Mr. JULIUS EMSPAK,
United Electrical, Radio, and Machine Workers of America,
11 East Fifty-first Street,
New York, N. Y.:

Your appearance before the Committee on Un-American Activities is postponed until December 5, 1949, at 10:30 a. m. Subpena served upon you on November 16 continues in force and effect.

JOHN S. WOOD,
Chairman.

The said Julius Emspak, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Julius Emspak having appeared as a witness and having been asked questions, namely:

"Mr. Emspak, are you acquainted with Joseph Persily?

"In what capacity is Joseph Persily associated with the UE at this time?

"Is he an organizer in the UE?

"Are you acquainted with Albert Smith?

"Is he employed by the UE?

"Mr. Emspak, has Max Helford ever been connected with UE as a field organizer?

"Do you know them or not?

"Is Max Helford at the present time a field organizer for the UE?

"Was Phil Saba originally from local 155?

"And is he now a field organizer for the UE in district 1?

"Is Hank Rhine presently an international representative of the UE?

"Is Jack Gorelick now affiliated with the UE?

"Is Ernest Moyer a field organizer for UE in the Easton area?

"Do you know James Lustig?

"Is he an international representative of UE?

"Is Morris Kersten an international representative of UE?

"Is Fred Haug an international representative of UE?

"Is Charles Newell an international representative of UE?

"Is Leo Turner a field organizer in district 6?

"Is Hugh Harley a field organizer for UE?

"Is Arthur Garfield an international representative of UE?

"Is Ernest DeMaio presently an international representative of UE?

"Is Henry Fiering a field organizer for the UE?

"Is Herbert Hirschberg an international representative of UE?

"Is K. M. Kirkendahl a field organizer of the UE?

"Is Robert Harrison a field organizer of the UE?

"Is William Santora a field organizer of the UE?

"Is Marcel Scherer an international representative of the UE?

"Is Louis I. Sorti a field organizer of the UE?

"Is Philip V. Gelder an international representative of the UE?

"Is Perez Zagorin a field organizer of the UE?

"Is Carl Brandt connected or associated in any way as an international representative or otherwise with UE?

"Is Al Clough a field organizer?

"Is Kermit Kirkendahl a field organizer?

"Is John Thomas a field organizer?

"Is Fred Keller a field organizer with UE?

"Is John Mitchell a field organizer?

"Is Fred Sheppart a field organizer?

"Is L. B. Slagle a field organizer with UE?

"Is Martin Sramek a field organizer with UE?

"Is Robert B. Logsdon an international representative of UE?

"John Bittman is a field organizer, is he not?

"Is William B. Elconon an international representative?

"Is H. M. Martinson a field organizer?

"Is Irene Berman an international representative?

"Is Allan Bjorklund a field organizer?

"Is Thomas Foley a field organizer?

"Is Robert Kirkwood an international representative?

"Is Lee Lundgren an international representative?

"Is William Mauseth a field organizer?

"Is William Sheehan a field organizer?

"Is Phillip H. Smith an international representative with the UE?

"Do you know John T. Bernard?

"Is he a field organizer for the UE in the Chicago district?

"Is Peter Besch an international representative?

"Is T. Louis Majors an international representative?

"Is Robert McNaughton a field organizer?

"Is John Paradise a field organizer?

"Is Nick Tomasetti a field organizer?

"Mr. Emspak, have you ever been affiliated with the National Federation for Constitutional Liberties?

"Mr. Emspak, have you ever been associated with the Civil Rights Congress?

"Louis Budenz was former editor of the Daily Worker, was he not?

"Are you acquainted with James MacLeish?

"Is he now president of district 4, United Electrical, Radio, and Machine Workers of America?

"Are you acquainted with Salvatore M. Vottis?

"On July 25, 1947, Mr. Emspak, Mr. Vottis, in sworn testimony before this committee, stated that he had attended fraction meetings of the Communist Party along with you and other members of the UE. Do you deny or affirm the statement made by Mr. Vottis?

"Mr. Emspak, Mr. Vottis also testified you attended Communist Party meetings held in his home in Schenectady, N. Y. Do you deny or affirm that statement?

"At this time are you a member of the Communist Party?

"Were you a member of the Communist Party at any time before you signed the affidavit?

"Have you ever paid Communist Party dues?

"Have you ever signed an application to join the Communist Party?

"Have you ever registered as a member of the Communist Party?

"Did you, as a member of the Communist Party attend the trial of Earl Browder at Communist Party headquarters in New York City?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of said Julius Emspak's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Julius Emspak.

The record of the proceedings before the committee on December 5, 1949, during which Julius Emspak refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"The subcommittee of one met, pursuant to call, at 3:30 p. m. in room 226, Old House

Office Building, Hon. MORGAN M. MOULDER, presiding.

"Committee member present: Hon. MORGAN M. MOULDER.

* * * * *

"Mr. MOULDER. The committee will come to order. Let the record show that on November 8, 1949, the Honorable JOHN S. WOOD, chairman of the Committee on Un-American Activities, ordered, authorized, and directed MORGAN M. MOULDER, a member of this committee, as a subcommittee thereof, to hold, conduct, and preside over hearings scheduled for this day.

* * * * *

"Mr. MOULDER. You solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. EMSPAK. I do.

"Mr. TAVENER. Mr. Emspak, are you acquainted with Joseph Persily?

"Mr. EMSPAK. Mr. Chairman, I would like to say something at this point.

"Mr. MOULDER. You mean in response to the question?

"Mr. EMSPAK. I will answer the question; yes, in response to the question and as a statement of position.

"What I say revolves around two points, one organizationally and another as an individual. Organizationally, my job as an officer of this union is to represent the interest of the membership as they determine it at the annual conventions and at other means they have of getting together and expressing themselves. My job is to administer that aspect to the best of my ability, using one very simple measuring stick, and that is: Does a given policy or action contribute to the well-being of the membership, individually and collectively?

"As an individual I would like to say one thing, and that is this: The line of questioning that counsel is developing now is a line that has been used on numerous occasions by this committee and other congressional committees in an attempt to harass the union, its leadership, and its members. It is a line of questioning that goes against my grain as an American. I was born in this country. Everything I am——

"Mr. MOULDER. How long will this statement take, Mr. Emspak?

"Mr. EMSPAK. About two or three more minutes.

"Mr. MOULDER. Proceed.

"Mr. EMSPAK. Everything I am, I owe to the rich heritage and tradition of this country. I do not believe that a committee of this kind, especially in view of the recent record of this committee where it stooped to interfere in the partisan affairs of a local union, or any congressional committee, because of the rich tradition of this country which, if not perverted, will lead to a greater and better country—I don't think a committee like this or any subcommittee has a right to go into any question of my beliefs, my associations, or anything else. I have a couple of kids. They have a stake in this country, too.

"Mr. MOULDER. I want to give you full opportunity to express yourself in answer to the question, but you are making an oration now.

"Mr. EMSPAK. It is not an oration. It happens to be a very profound personal feeling.

"Mr. MOULDER. What is the question?

"Mr. TAVENNER. The question is: Are you acquainted with Joseph Persily?

"Mr. MOULDER. How do you spell that?

"Mr. TAVENNER. P-e-r-s-i-l-y.

"Mr. EMSPAK. Because I have a stake in this country——

"Mr. MOULDER. You are not answering the question. He asked you if you are acquainted with this man.

"Mr. EMSPAK. I will answer it.

"Mr. MOULDER. Are you or not?

"Mr. EMSPAK. I was on the verge of answering it.

"Mr. MOULDER. If you have any explanation to make you will be permitted to do so after you answer the question.

"Mr. EMSPAK. Because of my interest in what is going on these days, because of the activities of this committee——

"Mr. MOULDER. Are you going to answer the question?

"Mr. EMSPAK. Because of the hysteria, I think it is my duty to endeavor to protect the rights guaranteed under the Constitution, primarily the first amendment, supplemented by the fifth. This committee will corrupt those rights.

"Mr. MOULDER. Do you think it corrupts you to answer the question?

"Mr. EMSPAK. I certainly do.

"Mr. MOULDER. Why does it corrupt you?

"Mr. EMSPAK. Your activities are designed to harm the working people of this country. Every action this committee has ever taken has done that. You interfered last summer in the election of a local union at the request of a priest. You know that. You dragged down the prestige of this country.

"Mr. MOULDER. You are not going to take over this committee.

"Mr. EMSPAK. I don't want to.

"Mr. MOULDER. And your statements are preposterous. The purpose of this committee is to expose communism as it exists in this country. What is the question?

"Mr. TAVENNER. Are you acquainted with Joseph Persily?

"Mr. EMSPAK. For the reasons I stated before, I answered it.

"Mr. MOULDER. Then you refuse to answer the question?

"Mr. EMSPAK. No. I answered it.

"Mr. TAVENNER. Are you or are you not acquainted with Joseph Persily?

"Mr. EMSPAK. I answered the question.

"Mr. TAVENNER. Your replies are a refusal to comply with the request to answer it?

"(Witness confers with his counsel.)

"Mr. MOULDER. The record will reveal that you have not answered the question.

"Mr. EMSPAK. I have answered it to the best of my ability under the circumstances.

"Mr. MOULDER. Any further questions?

"Mr. TAVENNER. Yes. In what capacity is Joseph Persily associated with the UE at this time?

"Mr. EMSPAK. It is the same question over again. I will give the same answer.

"Mr. TAVENNER. Is he an organizer in the UE?

"Mr. EMSPAK. Mr. Chairman, it is the same question.

"Mr. TAVENNER. You refuse to answer that?

"Mr. EMSPAK. I answered it.

"Mr. TAVENNER. Are you acquainted with Albert Smith?

"Mr. EMSPAK. The same answer applies to that.

"Mr. TAVENNER. In other words, you are refusing to answer whether you are acquainted with him or not?

"Mr. EMSPAK. I have answered the question as I see the answer.

"Mr. TAVENNER. Is he employed by UE?

"Mr. EMSPAK. Mr. Chairman, I answered the question.

"Mr. MOULDER. Could you tell us who those people are, Mr. Counsel?

"Mr. EMSPAK. Excuse me, please.

"(Witness confers with his counsel.)

"Mr. TAVENNER. Joseph Persily and Albert Smith are the two persons whose names were mentioned.

"Mr. MOULDER. Who is Joseph Persily?

"Mr. TAVENNER. I thought he was connected with the UE, but I am unable to understand from this witness what the connection is, if any.

"Mr. MOULDER. Do our records reveal who he is?

"Mr. TAVENNER. I do not know whether they do or not, Mr. Chairman.

Mr. Emspak, has Max Helford ever been connected with UE as a field organizer?

"Mr. EMSPAK. Mr. Chairman, on these questions, which are all essentially the same, of course, when this hearing was announced according to the press reports, at least, it was announced because this committee presumably was interested in finding out things with reference to individuals in our organization by using whatever means it has at its disposal, and for the purpose of trying to perhaps frame people for possible criminal prosecution.

"I don't see how or why any individual should be subjected to that kind of questioning here if he is going to maintain, you know, his feelings on these questions, and I tried to express the feeling before when you interrupted me. I just don't intend, as I said then, to be a party to any kangaroo court proceedings of this committee or any other congressional committee. I think I have the right to reserve whatever rights I have in that respect to whatever appropriate bodies may be set up to deal with questions that come up.

"Mr. MOULDER. Do you mean to say you have people in your organization who have information that would subject you to criminal prosecution?

"Mr. EMSPAK. No; I don't, Mr. Chairman. As a basic proposition—and it has worked over the years and over the last few months as far as this committee is concerned—a slick job——

"Mr. MOULDER. Do you know them or not?

"Mr. EMSPAK. That does not concern this committee at all.

"Mr. MOULDER. Is it your feeling that to reveal your knowledge of them would subject you to criminal prosecution?

"Mr. EMSPAK. No; I don't think this committee has a right to pry into my associations. That is my own position.

"Mr. TAVENNER. Is Max Helford at the present time a field organizer for the UE?

"Mr. EMSPAK. Mr. Chairman, that is repetition of basically the same question, and the same answer stands.

"Mr. TAVENNER. Was Phil Saba originally from local 155?

"Mr. EMSPAK. I answered that question.

"Mr. TAVENNER. And is he now a field organizer for the UE in district 1?

"Mr. EMSPAK. I answered that question and that is the only answer I will give on any of my associations, for the reasons stated.

"Mr. TAVENNER. Is Hank Rhine presently an international representative of the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Jack Gorelick now affiliated with the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENER. Is Ernest Moyer a field organizer for UE in the Easton area?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Do you know James Lustig?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is he an international representative of UE?

"Mr. EMSPAK. We can go on endlessly like this, I suppose, but the same answer holds.

"Mr. TAVENNER. Is Morris Kersten an international representative of UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Fred Haug an international representative of UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Charles Newell an international representative of UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Leo Turner a field organizer in district 6?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Hugh Harley a field organizer for UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Arthur Garfield an international representative of UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Ernest De Maio presently an international representative of UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Henry Fiering a field organizer for the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Herbert Hirschberg an international representative of UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is K. M. Kirkendahl a field organizer of the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Robert Harrison a field organizer of the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is William Santora a field organizer of the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Marcel Scherer an international representative of the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Louis I. Sorti a field organizer of the UE?

"Mr. EMSPAK. Same answer.

"Mr. MOULDER. Same answer is your refusal to answer for the reasons given?

"Mr. EMSPAK. I gave specific reasons why I felt I should not participate in this kind of questioning, and I stand by that.

"Mr. TAVENNER. Is Philip V. Gelder an international representative of the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Perez Zagorin a field organizer of the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENER. Is Carl Brandt connected or associated in any way as an international representative or otherwise with UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Al Clough a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Kermit Kirkendahl a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is John Thomas a field organizer?

"Mr. EMSPAK. Same answer.

"M. TAVENNER. Is Fred Keller a field organizer with UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is John Mitchell a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Fred Sheppart a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is L. B. Slagle a field organizer with UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Martin Sramek a field organizer with UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Robert B. Logsdon an international representative of UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. John Bittman is a field organizer, is he not?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is William B. Elconon an international representative?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is H. M. Martinson a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Anthony De Maio an international representative of your union?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Irene Berman an international representative?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Allan Bjorklund a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Thomas Foley a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Robert Kirkwood an international representative?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Lee Lundgren an international representative?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is William Mauseth a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is William Sheehan a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Phillip H. Smith an international representative with the UE?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Do you know John T. Bernard?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is he a field organizer for the UE in the Chicago district?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Peter Besch an international representative?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is T. Louis Majors an international representative?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Robert McNaughton a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is John Paradise a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is Nick Tomasetti a field organizer?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Mr. Emspak, have you ever been affiliated with the National Federation for Constitutional Liberties?

"Mr. EMSPAK. I answered that, Mr. Chairman.

"Mr. TAVENNER. I say, have you ever been affiliated with such an organization?

"Mr. EMSPAK. I answered that.

"Mr. MOULDER. You mean you refuse to answer for the reasons previously stated?

"Mr. EMSPAK. I answered it in the terms I did when I said as far as my associations and affiliations are concerned, that is something a committee of this kind should not pry into.

"Mr. TAVENNER. In other words, you do not care to disclose whether you are affiliated with that organization?

"Mr. EMSPAK. I answered that.

* * * * *

"Mr. TAVENNER. Mr. Emspak, have you ever been associated with the Civil Rights Congress?

"Mr. EMSPAK. Again, basically the whole line of questions is the same, so I will say I take the same position I expressed earlier.

"Mr. TAVENNER. Are you familiar with the fact that the Civil Rights Congress has also been cited as a Communist-front organization by the Attorney General?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Are you acquainted with Louis Budenz?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Louis Budenz was former editor of the Daily Worker, was he not?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. You are acquainted with the fact, are you not, that on March 18, 1947, in testimony before a committee of Congress, he identified you as a member of the Communist Party?

"Mr. EMSPAK. Whatever Budenz does, don't ask me to underwrite. Sure, I am acquainted with him.

"Mr. TAVENNER. You know that he did so identify you as a member of the Communist Party. Do you desire to deny it?

"Mr. EMSPAK. I have no desire to express any opinion on my associations to this committee for the reasons I stated.

"Mr. TAVENNER. So you decline to deny or affirm that you were a member of the Communist Party?

"Mr. EMSPAK. I answered the question.

"Mr. TAVENNER. Are you acquainted with James MacLeish?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Is he now president of district 4, United Electrical, Radio, and Machine Workers of America?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. Are you acquainted with Salvatore M. Vottis?

"Mr. EMSPAK. Same answer.

"Mr. TAVENNER. That is all you care to say about that?

"Mr. EMSPAK. Same answer, that is all.

"Mr. TAVENNER. On July 25, 1947, Mr. Emspak, Mr. Vottis, in sworn testimony before this committee, stated that he had attended fraction meetings of the Communist Party along with you and other members of the UE. Do you deny or affirm the statement made by Mr. Vottis?

"Mr. EMSPAK. I won't discuss it at all other than in the terms I have.

"Mr. TAVENNER. Mr. Emspak, Mr. Vottis also testified you attended Communist Party meetings held in his home in Schenectady, N. Y. Do you deny or affirm that statement?

"Mr. EMSPAK. I neither deny nor affirm it, Mr. Chairman.

* * * * *

"Mr. TAVENNER. At this time are you a member of the Communist Party?

"Mr. EMSPAK. I answered that when I said the affidavit speaks for itself.

"Mr. TAVENNER. Is that all the answer you care to give?

"Mr. EMSPAK. I should think that is plenty.

"Mr. TAVENNER. The affidavit spoke as of the date you gave it some months back, but you are not willing to speak now as to what you are?

"Mr. EMSPAK. I understand an affidavit to be an affidavit, a document that is binding when one undertakes to subscribe to it. I further understand that the motives of this committee are to establish a beautiful frame to hang people who try to comply with the law. O. K. The affidavit is binding and that is that.

"Mr. TAVENER. Is that all you have to say?

"Mr. EMSPAK. I think that answers the question fully and completely.

"Mr. TAVENNER. Were you a member of the Communist Party at any time before you signed the affidavit?

"Mr. EMSPAK. That I will answer the same way I did about an hour ago.

"Mr. TAVENNER. Have you ever paid Communist Party dues?

"Mr. EMSPAK. I answered that.

"Mr. TAVENNER. Have you ever signed an application to join the Communist Party?

"Mr. EMSPAK. I answered that.

"Mr. TAVENNER. Have you ever registered as a member of the Communist Party?

"Mr. EMSPAK. I answered that.

"Mr. TAVENNER. Did you, as a member of the Comunist Party attend the trial of Earl Browder at Communist Party headquarters in New York City?

"Mr. EMSPAK. I answered that.

"Mr. MOULDER. You mean you refuse to answer for the same reasons you gave at the beginning?

"Mr. EMSPAK. That is correct. I answered the best way I know how."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Julius Emspak relative to the subject matter which, under Public Law 60, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said com-

mittee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Mr. Emspak, are you acquainted with Joseph Persily?

"In what capacity is Joseph Persily associated with the UE at this time?

"Is he an organizer in the UE?

"Are you acquainted with Albert Smith?

"Is he employed by the UE?

"Mr. Emspak, has Max Helford ever been connected with UE as a field organizer?

"Do you know them or not?

"Is Max Helford at the present time a field organizer for the UE?

"Was Phil Saba originally from local 155?

"And is he now a field organizer for the UE in district 1?

"Is Hank Rhine presently an international representative of the UE?

"Is Jack Gorelick now affiliated with the UE?

"Is Ernest Moyer a field organizer for UE in the Easton area?

"Do you know James Lustig?

"Is he an international representative of UE?

"Is Morris Kersten an international representative of UE?

"Is Fred Haug an international representative of UE?

"Is Charles Newell an international representative of UE?

"Is Leo Turner a field organizer in district 6?

"Is Hugh Harley a field organizer for UE?

"Is Arthur Garfield an international representative of UE?

"Is Ernest De Maio presently an international representative of UE?

"Is Henry Fiering a field organizer for the UE?

"Is Herbert Hirschberg an international representative of UE?

"Is K. M. Kirkendahl a field organizer of the UE?

"Is Robert Harrison a field organizer of the UE?

"Is William Santora a field organizer of the UE?

"Is Marcel Scherer an international representative of the UE?

"Is Louis I. Sorti a field organizer of the UE?

"Is Philip V. Gelder an international representative of the UE?

"Is Perez Zagorin a field organizer of the UE?

"Is Carl Brant connected or associated in any way as an international representative or otherwise with UE?

"Is Al Clough a field organizer?

"Is John Thomas a field organizer?

"Is Kermit Kirkendahl a field organizer?

"Is Fred Keller a field organizer with UE?

"Is John Mitchell a field organizer?

"Is Fred Sheppart a field organizer?

"Is L. B. Slagle a field organizer with UE?

"Is Martin Sramek a field organizer with UE?

"Is Robert B. Logsdon an international representative of UE?

"John Bittman is a field organizer, is he not?

"Is William B. Elconon an international representative?

"Is H. M. Martinson a field organizer?

"Is Irene Berman an international representative?

"Is Allan Bjorklund a field organizer?

"Is Thomas Foley a field organizer?

"Is Robert Kirkwood an international representative?

"Is Lee Lundgren an international representative?

"Is William Mauseth a field organizer?

"Is William Sheehan a field organizer?

"Is Phillip H. Smith an international representative with the UE?

"Do you know John T. Bernard?

"Is he a field organizer for the UE in the Chicago district?

"Is Peter Besch an international representative?

"Is T. Louis Majors an international representative?

"Is Robert McNaughton a field organizer?

"Is John Paradise a field organizer?

"Is Nick Tomasetti a field organizer?

"Mr. Emspak, have you ever been affiliated with the National Federation for Constitutional Liberties?

"Mr. Emspak, have you ever been associated with the Civil Rights Congress?

"Louis Budenz was former editor of the Daily Worker, was he not?

"Are you acquainted with James MacLeish?

"Is he now president of district 4, United Electrical, Radio, and Machine Workers of America?

"As you acquainted with Salvatore M. Vottis?

"On July 25, 1947, Mr. Emspak, Mr. Vottis, in sworn testimony before this committee, stated that he had attended fraction meetings of the Communist Party along with you and other members of the UE. Do you deny or affirm the statement made by Mr. Vottis?

"Mr. Emspak, Mr. Vottis also testified you attended Communist Party meetings held in his home in Schenectady, N. Y. Do you deny or affirm that statement?

"At this time are you a member of the Communist Party?

"Were you a member of the Communist Party at any time before you signed the affidavit?

"Have you ever paid Communist Party dues?

"Have you ever signed an application to join the Communist Party?

"Have you ever registered as a member of the Communist Party?

"Did you, as a member of the Communist Party attend the trial of Earl Browder at Communist Party headquarters in New York City?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, in view of the fact that copies of the report are available to Members and are in the hands of the Doorkeeper, I ask unanimous consent that the further reading of the report be dispensed with.

Mr. MARCANTONIO. Reserving the right to object, Mr. Speaker, that is with the understanding that the report will be printed in full at this point in the RECORD?

Mr. WOOD. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 749) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Julius Emspak to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Columbia, to the end that the said Julius Emspak may be proceeded against in the manner and form provided by law.

Mr. WOOD. Mr. Speaker, under the rules and the parliamentary procedure governing debate on the resolution, I yield 30 minutes to the gentleman from California [Mr. NIXON], ranking minority member of our committee, and 15 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. Speaker, I now yield such time as he may desire to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, the issue here is a very simple one, namely: Has a committee of the Congress the right and authority to issue a subpena requiring and compelling the attendance of a witness at a hearing of a committee, and to require and compel that witness to answer such questions as within the judgment of the committee are pertinent and relevant to the matter under investigation? That is the sole issue. If you find that this man Emspak refused to answer questions asked him by the committee, then it seems to me you can reach but one conclusion, namely, that he is in contempt of a committee and of the Congress.

Mr. Speaker, as to the contempt of this man there can be no question. He did not object to answering questions on the ground that they were incriminating. He did not object to the questions because he felt that under the first and fifth amendments of the Constitution he was protected to the extent that he did not have to answer those questions. He just did not see fit to answer any questions.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. MARCANTONIO. I think the gentleman wants to be fair and inasmuch as the record of the proceedings will be printed in the CONGRESSIONAL RECORD, I think the Members should be told that on page 4 at the bottom of the page the witness did give the reasons for not answering. He said:

> Because of the hysteria, I think it is my duty to endeavor to protect the rights guaranteed under the Constitution—

And he cites what? He cites—

> primarily the first amendment, supplemented by the fifth.

So that he did ascribe for his refusal to answer the fifth amendment which is a prohibition against self-incrimination.

Mr. WALTER. Yes; that is right as to part of the questions. But let me point out to you how contemptuous this witness was of the committee. Mr. MOULDER asked this question first in connection with his knowledge of certain people:

> Mr. MOULDER. Is it your feeling that to reveal your knowledge of them would subject you to criminal prosecution?
>
> Mr. EMSPAK. No; I don't think this committee has a right to pry into my associations. That is my own position.

Mr. TAVENNER. Is Max Helford at the present time a field organizer for the UE?

Mr. EMSPAK. Mr. Chairman, that is repetition of basically the same question, and the same answer stands.

Further, Mr. Tavenner asked this question:

Mr. Emspak, have you ever been affiliated with the National Federation for Constitutional Liberties?

Mr. EMSPAK. I answered that, Mr. Chairman.

Mr. TAVENNER. I say, have you ever been affiliated with such an organization?

Mr. EMSPAK. I answered that.

Mr. MOULDER. You mean you refuse to answer for the reasons previously stated?

Mr. EMSPAK. I answered it in the terms I did when I said as far as my associations and affiliations are concerned, that is something a committee of this kind should not pry into.

Now, I respectfully submit that when the witness took that position he was going straight into the decision of the circuit court, in which the court held that a witness had no right to decide what might be self-incriminating and what might not be self-incriminating; that that was a question of fact; and that when he refused to answer that question, then he was taking a chance with the consequences.

The time has come, Mr. Speaker, when we must stop coddling people who have no respect whatsoever for those things which most of us hold dear. I am just as jealous as anyone within the hearing of my voice, yes, anyone within the District of Columbia or the United States, of the rights of our people, and I am the last person who would do anything to deprive anyone of the legitimate rights that they have; but it certainly seems to me that when we are dealing with people who, if they had any concern whatsoever for America, would be very happy to assist this committee in its efforts to show that the Communist Party is the agent of a foreign government, and instead of finding some frivolous excuse for not answering questions would come forward and say, "I am an American as much as you are. I want to help. This is what I know." But these people who have chosen to impede the work of this committee must be made to understand that our sovereignty must be protected.

The SPEAKER. The gentleman from Pennsylvania has consumed 7 minutes.

Mr. WOOD. Mr. Speaker, I yield to the gentleman from New York [Mr. MARCANTONIO] 15 minutes.

Mr. MARCANTONIO. Mr. Speaker, I realize that in dealing with this question today I am up against a situation whereby the rule of hysteria will be the rule of the day rather than the Constitution. However, I feel it my duty to make certain that some kind of a record is made in defense of the Constitution. I have never believed that there can ever be a situation confronting the American people which warrants the destruction of our Bill of Rights. To do so would be to destroy the very things that you pretend to defend. You cannot honestly talk about democracy and destroy the Bill of Rights of our Constitution. Take away its protection from anyone and you subvert that Constitution. This Bill of Rights was written into the Constitution as a result of the demand of the American people everywhere. State after State, at its constitutional convention, ratifying the Constitution, made request for the 10 amendments which had been omitted. Those 10 amendments were a part of the common law and had been adhered to by people throughout the Thirteen Colonies. In fact, one of the reasons why the Revolutionary War was fought was because, in some manner or other, the British rulers violated that common law. When the Congress met for the first time in 1789 in New York City, with practically very little debate, the popular will to have these amendments adopted was carried out.

There are two of these amendments involved in this proceeding here today. One is the first amendment and the other is the fifth amendment. The first amendment as we know guarantees freedom of speech. We have had similar cases up before the Supreme Court of the United States and the record will show that up to now the Supreme Court has dodged the issue. The issue that I have raised in this House and which lawyers have raised before the Court is that this Congress cannot investigate into fields in which it cannot legislate. Since this Congress cannot legislate in the field prohibited by the first amendment, it certainly cannot investigate in that field.

While the Supreme Court did decide the Dennis case, it did not decide the Dennis case on the question of constitutionality of the Un-American Activities Committee. The question that the Supreme Court passed on there was a collateral question, the question as to whether or not United States employees could serve on a jury. That was the question passed on in the Dennis case. In all the other cases certiorari was refused, and no opinion has been handed down by the Supreme Court on the specific question of whether or not the first amendment is being violated by the Committee on Un-American Activities. Now, for the first time before this House we have a question involving the fifth amendment, and the witness before the committee properly raised that question. I call your attention again to the bottom of page 4 of the report in which the witness specifically said:

Because of the hysteria I think it is my duty to endeavor to protect the rights guaranteed under the Constitution, primarily the first amendment, supplemented by the fifth.

Now, he raised the fifth amendment; there is no question about it; and, later on, in the record of the proceedings you will find there references to it again. I do not think anybody can seriously contend that the witness did not raise the fifth amendment. The question here is whether or not the fifth amendment is applicable, and I should like to address myself to that question.

My good friend, the gentleman from Pennsylvania, in my opinion glossed over that question and treated it very lightly, and I do not blame him because the law is definitely not on his side. While we have no law as to the contention that the first amendment was violated by these proceedings, we do definitely have serious and imposing opinion with respect to the fifth amendment, and it has just come down very recently, as recently as August 5, 1950. I refer you to United States Court of Appeals for the Fifth Circuit in the case of Fred Estes against Frank B. Potter. Estes was called as a witness in a deportation proceeding. He was asked if he knew any of the aliens involved, and he refused to answer and asserted as his reason for refusing the fifth amendment, that any answer that he would give would tend to incriminate him. The judge of the United States district court said as follows, and I am now quoting from the United States circuit court's opinion:

The court below deemed frivolous the appellant's claim of immunity from giving testimony against himself. It said: "If one were asked whether he knew the general reputation of a horse thief, he could not say, 'Won't tell that, because it might incriminate me. I might, myself, be a horse thief.' There is no real logic in that position." Addressing the defendant, the court said: "If and when this court's judgment with reference to answering these questions is upheld, then that will continue to be the order, and you are liable to spend a long time in jail, when you ought to be a free man, and all in the world you have to do to be a free man is simply to answer, 'Do you know these aliens? Are they Communists? Do you know this man here? Is he a horse thief?' Do you see the point? Do you know this man here? Is he a preacher? Is he a lawyer? You can see how simple it is. There is nothing in that. So, I find you in contempt, and sentence you to pay a fine of $100 and to remain in jail for 30 days, unless you purge yourself. The marshal will take charge of him and he will stand committed until that fine is paid and the sentence served."

We cannot agree that the matter is so simple. The answers to these questions in themselves may not have even tended toward the incrimination of appellant, but they may have been links in a chain of circumstantial evidence strong enough to convict him of a number of crimes; or such answers might well provide the means whereby such evidence could be discovered. Appellant's claim of privilege rests upon a reasonable fear of prosecution under 18 U. S. C. 2385, and the general prohibition against conspiracy to commit an offense against the United States, 18 U. S. C. 371. The offenses defined in the foregoing statutes include at least the following:

(1) Knowingly or willfully advocating the overthrow of the Government by force or violence;

(2) Knowingly or willfully abetting such advocacy or such overthrow;

(3) Organizing a society, etc., which teaches, advocates, or encourages the overthrow of Government by force or violence;

(4) Helping or attempting to organize such a society;

(5) Becoming a member of any such society knowing its purposes;

(6) Affiliating with any such society knowing its purpose; and

(7) Conspiracy to do any of the foregoing.

The court points out very correctly that while this was merely a deportation proceeding, answering the question in the affirmative might have subjected the witness to incrimination for violation of any of these other statutes which the court has recited. Here before you

with this resolution you have the same situation on all fours.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Of course, the case the gentleman is citing is not in point at all. That was a deportation case, not a hearing before Congress. If the alien had admitted he had known these people he would have been subject to deportation.

Mr. MARCANTONIO. Not at all. That is not what the court says. It is to the contrary. The court says what? Read the decision. The court properly points out that while the witness—this was a witness, mind you—was not in and of himself subjecting himself to deportation, and while deportation is not a criminal proceeding, therefore the lower court says he should have answered this question. But the higher court says "No," because there are these various statutes which I have just recited and read from the court's decision that this witness might have violated and would have incriminated himself by answering in the affirmative; so, therefore, he would have subjected himself to possible incrimination.

Now, the question resolves itself down to this: Who is to judge whether or not a witness may properly raise the issue of self-incrimination? Shall the judge pass on it? Shall the committee here pass on it?

Let us again read the language of the court, and I maintain the court supports my contention, and that is, if you are going to have somebody else pass on the question of self-incrimination, then that fifth amendment has no effect whatsoever, because whether or not a person is subjecting himself to incrimination is for the person himself to decide, and any criminal proceeding or any investigation must be carried on by evidence other than the testimony of the witness himself.

Here is what the court says:

> The questions propounded to appellant do not disclose the incriminatory nature of the answers sought to be elicited.

The same thing here. "Do you know John Jones?" That is what this witness was asked, and he refused to answer.

The court stated:

> The questions propounded to appellant do not disclose the incriminatory nature of the answers sought to be elicited, but appellant does not have to prove that his answers would incriminate him to be entitled to his privilege.

You cannot get a statement stronger than that.

Continuing, the court stated:

> If that were the nature of the burden, he would be forced to divulge the very facts that the immunity permits him to suppress. A witness need only show that his answers are likely to be dangerous to him. If in the circumstances it is reasonable to infer the possibility of incrimination from the answers that the witness may give, the privilege may be claimed. It is for the court to determine, in the first instance, whether incrimination is reasonably possible from any answer the witness may give; but if such possibility exists, then the witness has the absolute right to assert his privilege, which extends to more than the admission of a crime or any element thereof. The privilege bars compulsory disclosure of any fact that tends to incriminate a witness.

Now, I think that language of the court answers the situation before us completely and is an utter refutation of the contention of the committee. The contention of the committee will be that we passed a statute here in Congress which is supposed to confer immunity on witnesses appearing before congressional committees, but the courts have interpreted what we meant by immunity. We did not pass any statute which protects any witness from any prosecution. The statute which was passed by this Congress merely states that the testimony adduced by a witnesses before a congressional committee may not be used against him in a criminal proceeding, but there is nothing in the statute which guarantees such a witness from being subjected to criminal prosecution. That matter has been before the courts and it has been settled as I have stated it. This statute grants limited immunity, that is, immunity against the use of testimony adduced from a witness at a hearing; but certainly this statute cannot be used as a subterfuge by which you seek to bypass the fifth amendment to the Constitution of the United States.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to ask the gentleman from New York this question: If I were subpenaed here as a witness and they asked me if I was a horse thief and I said, "Yes, I am," could they interrogate me further on that question? And, if they asked me, "Whose horse did you steal," and I said, "I do not want to answer that, because you have to prove it"——

Mr. MARCANTONIO. I think I have heard enough of the question to answer. I do not see what that has to do with the question of self-incrimination.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. When a committee of the Congress is charged with investigating a certain matter, before a witness can be charged with contempt, must not the questions be relevant and pertinent to the issue?

Mr. MARCANTONIO. Yes.

Mr. HOFFMAN of Michigan. Who is to determine that, the witness, or the committee, or the courts?

Mr. MARCANTONIO. In the final analysis, the court would have to determine that. I have raised the issue of materiality or relevancy. I did so when I raised question of the first amendment.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. WOOD. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. MARCANTONIO. Now, Mr. Speaker, I think the law is clear. What is at stake here is the fifth amendment and the first amendment. We must decide here not whether this is a popular thing to do; whether we are keeping attuned to the clamor, the hysteria, the war drums. We have to decide here whether or not we want to preserve our Constitution, whether we want to preserve our Bill of Rights. Of course, there will be a lot of arm waving and saying, "Why should we preserve the Constitution for the protection of those who would destroy us?" That is a dishonest and a hackneyed argument; it cannot be accepted by honest and reasoning men. It sounds full of sound and fury, but it is not reason and it is not an appeal to reason. It is an appeal to hysteria; it is an appeal for hatred, hatred for people. But I tell you, my dear friends, that the day is not far off when we are going to rue these things that we are doing here today and that we have been doing right along for some time.

The day is not far off when Americans will act as they have at other periods when we have had similar situations. Remember the Alien and Sedition Acts. There was a period of 2 or 3 years when Americans were thrown into jail for speeches or writings. Opinions were suppressed, war was demanded against the Republic of France. Men were not called Communists then; they were called Jacobins and Republicans. Men like Jefferson and his followers were subjected to that kind of a deal. The American people rose up against that and defeated the tyranny of those days. They have always thrust through to keep this democracy alive. Are you afraid of one-twentieth of 1 percent of the population of this country? The Communists constitute one-twentieth of 1 percent of the population of these United States. Are you going to meet the ideas of Communists with suppression, with the tearing up of the Constitution and with the working up of hysteria? What are you really afraid of? You fear the people and their will for peace and freedom. I believe that Jefferson, Lincoln, and other Americans would have said to us today "Fight it out in the field of ideas, in the free and open market of competition of ideas" and they would have rejected any spurious attempt to subvert the Bill of Rights of these United States. That is advise that we can follow in the best of our American traditions. Pursuant to permission, I include the following:

MEMORANDUM OF LAW SUBMITTED BY DAVID SCRIBNER, GENERAL COUNSEL, UNITED ELECTRICAL, RADIO, AND MACHINE WORKERS OF AMERICA

THE REQUEST BY THE HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES FOR THE ISSUANCE OF CONTEMPT CITATIONS VIOLATES THE FIFTH AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES

The request by the House Committee on Un-American Activities that private citizens subpenaed as witnesses before that committee be cited in contempt by the Congress of the United States and held for action by the United States Attorney is clearly unconstitutional, in violation of the fifth amendment to the Constitution of the United States.

The fifth amendment to the Constitution of the United States states, in part, "No person shall * * * be compelled in any criminal case to be a witness against himself."

The privilege against self-incrimination guaranteed by the fifth amendment is an essential provision of constitutional liberty. The Supreme Court of the United States has held that—

"The exemption from testimonial compulsion, that is, from disclosure as a witness of evidence against oneself, forced by any form of legal process, is universal in American law, though there may be differences as to its exact scope and limits. At the time of the formation of the Union the principle that no person could be compelled to be a witness against himself had become embodied in the common law and distinguished it from all other systems of jurisprudence. It was generally regarded then, as now, as a privilege of great value, a protection to the innocent, though a shelter to the guilty, and a safeguard against heedless, unfounded, or tyrannical prosecutions." (Mr. Justice Moody for the Court. *Twining* v. *New Jersey* (29 Sup. Ct. 14, at p. 16).

In a famous decision, Mr. Justice Harlan wrote:

"By the fifth amendment, as already stated, it was expressly declared that no one should be compelled, in a criminal case, to be a witness against himself. Those amendments being adopted by the Nation, the people no longer feared that the United States or any Federal agency could exert power that was inconsistent with the fundamental rights recognized in those amendments. It is to be observed that the amendments introduced no principle not already familiar to liberty-loving people. They only put in the form of constitutional sanction, as barriers against oppression, the principles which the people of the Colonies, with entire unanimity, deemed vital to their safety and freedom" (*Twining* v. *New Jersey* (pp. 28–29).)

Mr. Justice Bradley, in a historic decision, in *Boyd* v. *United States* (116 U. S. 616, 631, 633, 29 L. Ed. 746), held,

"* * * Any compulsory discovery by extorting the party's oath, or compelling the production of his private books and papers, to convict him of crime, or to forfeit his property, is contrary to the principles of a free government. It is abhorrent to the instincts of an Englishman; it is abhorrent to the instincts of an American. It may suit the purpose of despotic power, but it cannot abide the pure atmosphere of political liberty and personal freedom."

The individuals against whom contempt citations are sought asserted their constitutional privilege against self-incrimination embodied in the fifth amendment to the Federal Constitution in response to attempts by the committee to question them on certain of their alleged beliefs, affiliations, and associations.

The Supreme Court of the United States and the United States Court of Appeals for the Fifth, Ninth and Tenth Circuits have recently conclusively held that the fifth amendment to the Federal Constitution prohibits citing an individual in contempt for asserting his constitutional privilege in response to questions of this nature.

In the last term of the United States Supreme Court, the Court held in an opinion by Chief Justice Vinson that the present immunity statute, Revised Statutes 859 in no way waives the constitutional privilege and that a witness before a congressional committee may "claim his privilege and remain silent with impunity." The Chief Justice held:

"We need not set out the history of the statute in detail. It should be noted, however, that its function was to provide an immunity in subsequent criminal proceedings to witnesses before congressional committees, in return for which it was thought that witnesses could be compelled to give self-incriminating testimony. That purpose was effectively nullified in 1892 by this Court's decision in *Counselman* v. *Hitchcock* (142 U. S. 547, 12 S. Ct. 195, 35 L. Ed. 1110), holding Revised Statutes, section 860, a statute identical in all material respects with Revised Statutes, section 859, was not a sufficient substitute for the constitutional privilege of refusing to answer self-incriminating questions. Under that decision, a witness who is offered only the partial protection of a statute such as sections 859 and 860—that his testimony may not be used against him in subsequent criminal proceedings—rather than complete immunity from prosecution for any act concerning which he testifies may claim his privilege and remain silent with impunity." (*United States* v. *Bryan* (70 S. Ct. 724, 732).)

The United States courts of appeals have uniformly held in the most recent cases that the fifth amendment prohibits punishment for contempt for those individuals asserting the constitutional privilege in response to questions of the nature asked by the Un-American Activities Committee. The most recent decisions is that of the United States Court of Appeals for the Fifth Circuit, in the case of *Estes* v. *Potter* (Nos. 13,069 and 13,112, decided August 5, 1950. A copy of this decision is attached hereto inasmuch as the printed reports are not yet available. The Court of Appeals for the Fifth Circuit held, in part, in an opinion by Circuit Judge Holmes:

"This case arises out of a statute that authorizes immigration inspectors to conduct examinations with reference to the right of aliens to be and reside in the United States. That statute was being invoked here; and the court below, upon application duly made, ordered appellant to answer certain questions, which he declined to do on the ground that his answers might tend to incriminate him. The questions sought to be elicited from appellant, if he knew, were whether certain aliens were Communists or had been active in the Communist Party. These were pertinent and material questions, because the appellee contends here that membership in such party, or communistic activity, aims toward the overthrow of the United States Government by force and violence, and such activity on the part of any alien is ground for exclusion or deportation.

"The court below deemed frivolous the appellant's claim of immunity from giving testimony against himself.

"* * * We cannot agree that the matter is so simple. The answers to these questions in themselves may not have even tended toward the incrimination of appellant, but they may have been links in a chain of circumstantial evidence strong enough to convict him of a number of crimes; or such answers might well provide the means whereby such evidence could be discovered. Appellant's claim of privilege rests upon a reasonable fear of prosecution under 18 United States Code 2385, and the general prohibition against conspiracy to commit an offense against the United States, 18 United States Code 371. * * *

"If the answers to the questions might tend to show that the appellant was a member of or affiliated with the Communist Party, his fear of criminal prosecution was justified. There is no statute that makes it a crime to be a member of the Communist Party, but the very object of the investigation to which the appellant was subpenaed was to ascertain whether the aliens in question were members of or affiliated with the Communist Party and, therefore, subject to deportation under 8 U. S. C. 137, subdivisions (e) and (g) of which provide for the deportation of any aliens who are members of or affiliated with any organization, association, society, or group, that believes in, advises, advocates, or teaches, the overthrow by force or violence of the Government of the United States. * * *

"If affiliation with the Communist Party is sufficient ground for deportation of an alien for the reasons urged, it is a reasonable ground for a citizen to fear a prosecution for conspiracy. If the appellant denies that he is a Communist, he may be prosecuted for perjury; if he admits it, he may be prosecuted for belonging to a group that encourages the overthrow of governments by force; if he declines to do either, he is 'liable to spend a long time in jail, when (he) ought to be a free man.' This is a perilous position for a citizen, who is presumed to be innocent unless the facts here are sufficient to adjudge him guilty of contempt. * * *

"The judgment appealed from is reversed, and the cause remanded for further proceedings not inconsistent with this opinion."

A similar decision has recently been handed down by the United States Court of Appeals for the Ninth Circuit, *Alexander* v. *United States, etc.* (181 Fed. (2d) 480), decided February 4, 1950. In this case private individuals, witnesses before a Federal grand jury, asserted the constitutional privilege in response to questions concerning their alleged knowledge of Communists or Communist activities. The Court of Appeals for the Ninth Circuit reversed convictions for contempt as violative of the fifth amendment. The witnesses brought before the grand jury by subpena were asked questions relating to their alleged knowledge of Communist Party activities, to their alleged knowledge of certain individuals and to their alleged knowledge of other persons' Communist activities.

The Court of Appeals for the Ninth Circuit in the Alexander case and in a companion case, *Doran* v. *United States* (181 Fed. (2d) 489), reversed the judgments of contempt and dismissed the proceedings, holding that the witnesses were privileged by the fifth amendment to the Federal Constitution to decline to answer these questions.

Only recently, the United States Court of Appeals for the Tenth Circuit, in *Rogers* v. *United States*, and companion cases (179 Fed. (2d) 559, decided January 5, 1950), held to the same effect. A witness before a Federal grand jury was questioned as to her alleged membership in the Communist Party and her alleged connection with the Communist Party. The Court of Appeals for the Tenth Circuit reversed her conviction and dismissed the proceeding, concluding that the appellant "* * * was justified in refusing to answer and the court erred in requiring her to do so."

These recently decided cases of the United States Supreme Court and the United States courts of appeals conclusively demonstrate that the assertion of the constitutional privilege by individual citizens subpenaed before the House Un-American Activities Committee and questioned concerning their alleged Communist beliefs, associations, or connections was perfectly proper. Any attempt by the Congress of the United States to invoke the provisions of Revised Statutes 859 to cite the above-mentioned individuals for contempt would be in plain violation of the fifth amendment and of no legal force or effect.

NATIONAL LAWYERS GUILD,
Washington, D. C., June 5, 1950.

We understand that there will soon come before the House from the Committee on Un-American Activities a request that 39 Hawaiians, mostly members and officers of the International Longshoremen and Warehousemen's Union, be cited for contempt; that this request is based upon their failure to answer questions concerning their alleged affiliation with the Communist Party, or related questions, put to them by a subcommittee of the House Un-American Activities Committee; that the witnesses in question relied upon their constitutional privilege against self-incrimination (the fifth amendment) in refusing to be witnesses against themselves; and that the committee never-

theless ordered the witnesses to answer, claiming that 18 U. S. C. 3486 gave them such immunity from prosecution, as to make the privilege inapplicable.

We assume that no question will be raised concerning the incriminating character of the questions asked in view of the decisions in *Alexander, et al.* v. *U. S.*, case No. 12,081 (U. S. Court of Appeals, Ninth Circuit), decided February 4, 1950, and *Doran, et al.* v. *U. S.* and *Kasinowitz, et al. v. U. S.*, in the same court, Nos. 12,217, 12,221 (rehearing denied April 21, 1950). Indeed, the conviction of the Communist leaders in New York, and the pending indictments for mere membership should settle this question.

We believe it is clear that the Un-American Activities Committee is mistaken in its view as to the effect of 18 U. S. C. 3486. For that reason we urge you to consider the authorities referred to below and to endeavor to secure the defeat of this ill-advised motion to cite the Hawaiians for contempt.

The so-called immunity statute provides:

"No testimony given by a witness before either House, or before any committee of either House, or before any joint committee established by a joint or concurrent resolution of the two Houses of Congress, shall be used as evidence in any criminal proceeding against him in any court except in a prosecution for perjury committed in giving such testimony."

To cancel the privilege on immunity must be commensurate with the danger reasonably apprehended. In the leading case on the subject, *Counselman* v. *Hitchcock* (142 U. S. 547 (1892)), the Supreme Court said:

"In view of the constitutional provision, a statutory enactment, to be valid, must afford absolute immunity against future prosecution for the offense to which the question relates. (Citing cases including *Emery's Case*, 107 Mass. 172, which involved testimony before the legislature). * * * Section 860, moreover, affords no protection against the use of compelled testimony which consists in gaining therefrom a knowledge of the details of a crime, and of sources of information which may supply other means of convicting a witness or party."

It is entirely clear that the statute relied on here (18 U. S. C. 3486) fails to meet the test declared by the Supreme Court. It does not purport to give any immunity from prosecution. It merely provides that the particular evidence shall not be used in a criminal prosecution. The testimony given can be used as a lead to other evidence on the basis of which the witness could be prosecuted. It was precisely such a statute which the Supreme Court declared to be ineffective in the Counselman case.

The Counselman case continues to be good law. Indeed, it was reaffirmed and strengthened by the Supreme Court only very recently. In *U. S.* v. *Bryan*, decided May 8, 1950 (94 L. Ed. Adv. Op. Reports 683) Mr. Chief Justice Vinson, speaking for the Court, recognized the authority of the Counselman case. He said:

"Under that decision (*Counselman* v. *Hitchcock*) a witness who is offered only the partial protection of a statute such as sections 859 (the codified number of which is 18 U. S. C. 3486, the supposed immunity statute relied upon by the Committee on Un-American Activities) and 860—that his testimony may not be used against him in subsequent criminal proceedings—rather than complete immunity from prosecution for any act concerning which he testifies may claim his privilege and remain silent with impunity.

"Section 860 was ultimately repealed, its usefulness undermined by the Counselman decision. It remained on the statute books until 1910 'a shield to the criminal and an obstruction to justice.' But the attention of Congress has not apparently been called to the anomaly presented by the continued existence of Revised Statutes, section 859 which, like section 860, was a constituent part of an immunity 'bargain' declared invalid in the Counselman case" (pp. 690–691; matter in parentheses added).

At one time there was an immunity statute which might have been adequate to compel testimony on such a case as this, but it was revised by Congress in 1862 (37th Cong., 2d sess., Cong. Globe, p. 431) because it feared that many people would escape punishment for their criminal actions by offering to testify before congressional committees in exchange for immunity.

For the foregoing reasons we respectfully urge that the recommendation that these witnesses be cited for contempt should be rejected.

Very truly yours,

ROBERT J. SILBERSTEIN,
Executive Secretary.

[In the United States Court of Appeals for the Fifth Circuit. No. 13069, No. 13112]

FRED ESTES, APPELLANT, VERSUS FRANK B. POTTER, AS UNITED STATES ATTORNEY, ET AL., APPELLEES

APPEALS FROM THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS

(August 5, 1950)

Before Holmes, Waller, and Borah, circuit judges.

Holmes, circuit judge: This appeal is from a judgment that adjudicated the appellant to be in contempt of court, and sentenced him to imprisonment for 30 days and to pay a fine of $100. The proceeding is one of civil contempt, which is not punishable by both fine and imprisonment for the same offense; but that does not preclude the court from imposing a fine as a punitive measure and imprisonment as a remedial measure, or vice versa. Section 401 of the New Criminal Code (18 U. S. C. A. 401); *Penfield Co., etc.*, v. *Security & Exchange Commission* (330 U. S. 585; 91 L. Ed. 1117, 1124).

This case arises out of a statute that authorizes immigration inspectors to conduct examinations with reference to the right of aliens to be and reside in the United States. That statute was being invoked here; and the court below, upon application duly made, ordered appellant to answer certain questions, which he declined to do on the ground that his answers might tend to incriminate him. The questions sought to be elicited from appellant, if he knew, were whether certain aliens were Communists or had been active in the Communist Party. These were pertinent and material questions, because the appellee contends here that membership in such party, or communistic activity, aims toward the overthrow of the United States Government by force and violence, and such activity on the part of any alien is ground for exclusion or deportation.

The court below deemed frivolous the appellant's claim of immunity from giving testimony against himself. It said: "If one were asked whether he knew the general reputation of a horse thief, he could not say, 'won't tell that, because it might incriminate me. I might, myself, be a horse thief.' There is no real logic in that position." Addressing the defendant, the court said: "If and when this court's judgment with reference to answering these questions is upheld, then that will continue to be the order, and you are liable to spend a long time in jail, when you ought to be a free man, and all in the world you have to do to be a free man is simply to answer, 'Do you know these aliens? Are they Communists? Do you know this man here? Is he a horse thief?' Do you see the point? Do you know this man here? Is he a preacher? Is he a lawyer? You can see how simple it is. There is nothing in that. So, I find you in contempt, and sentence you to pay a fine of $100 and to remain in jail for 30 days, unless you purge yourself. The marshal will take charge of him and he will stand committed until that fine is paid and the sentence served."

We cannot agree that the matter is so simple. The answers to these questions in themselves may not have even tended toward the incrimination of appellant, but they may have been links in a chain of circumstantial evidence strong enough to convict him of a number of crimes; or such answers might well provide the means whereby such evidence could be discovered. Appellant's claim of privilege rests upon a reasonable fear of prosecution under 18 U. S. C. 2385, and the general prohibition against conspiracy to commit an offense against the United States, 18 U. S. C. 371. The offenses defined in the foregoing statutes include at least the following:

(1) Knowingly or wilfully advocating the overthrow of the Government by force or violence;

(2) Knowingly or wilfully abetting such advocacy or such overthrow;

(3) Organizing a society, etc., which teaches, advocates, or encourages the overthrow of Government by force or violence;

(4) Helping or attempting to organize such a society;

(5) Becoming a member of any such society knowing its purposes;

(6) Affiliating with any such society knowing its purpose; and

(7) Conspiracy to do any of the foregoing.

If the answers to the questions might tend to show that the appellant was a member of or affiliated with the Communist Party, his fear of criminal prosecution was justified. There is no statute that makes it a crime to be a member of the Communist Party, but the very object of the investigation to which the appellant was subpenaed was to ascertain whether the aliens in question were members of or affiliated with the Communist Party and, therefore, subject to deportation under 8 U. S. C. 137, subdivisions (e) and (g) of which provide for the deportation of any aliens who are members of or affiliated with any organization, association, society, or group, that believes in, advises, advocates, or teaches, the overthrow by force or violence of the Government of the United States. We assume the appellee's position to be that membership in the Communist Party by an alien comes within the ban of section 2385 of the New Criminal Code (18 U. S. C. 2385), and the deportation statute just cited. It is palpably inconsistent, in one breath, to urge that being a Communist is a ground for deportation for belonging to a group that encourages the overthrow of the Government by force; and, in the next breath to argue that it may not incriminate one to be compelled to testify that he is a Communist, knows Communists, or has attended a meeting of Communists. Yet, this seems to be the position of appellee; it would be idle merely to ask the witness if he knew the aliens and, upon his answering "yes," then to stop his examination; and the law never requires the doing of an idle thing. The form of the question, "Do you know this horse thief?" would be objectionable, because it would imply the defendant was a horse thief.

Appellant was asked whether he personally knew the alien; if he knew whether said alien was a member of the Communist Party; if he knew whether the alien contributed funds to the Communist Party; if he knew whether the alien attended meetings of the Communist Party, etc. He could hardly know whether the alien attended meetings without being present there in person, and evidence of appellant attending such meetings would tend to show that he was a Communist. Appellant was not asked concerning things that he might have heard or been told. He was not asked if he knew

the alien's reputation for communistic activities. The distinction is a significant one. He could not know the crucial things that he was asked about without furnishing a link in the chain of evidence that might be needed to convict him under the new Criminal Code (18 U. S. C. 2385, or 18 U. S. C. 371). If affiliation with the Communist Party is sufficient ground for deportation of an alien for the reasons urged, it is a reasonable ground for a citizen to fear a prosecution for conspiracy. If the appellant denies that he is a Communist, he may be prosecuted for perjury; if he admits it, he may be prosecuted for belonging to a group that encourages the overthrow of governments by force; if he declines to do either, he is liable to spend a long time in jail, when (he) ought to be a free man. This is a perilous position for a citizen, who is presumed to be innocent unless the facts here are sufficient to adjudge him guilty of contempt.

The questions propounded to appellant do not disclose the incriminatory nature of the answers sought to be elicited, but appellant does not have to prove that his answers would incriminate him to be entitled to his privilege. If that were the nature of the burden, he would be forced to divulge the very facts that the immunity permits him to suppress. A witness need only show that his answers are likely to be dangerous to him. If in the circumstances it is reasonable to infer the possibility of incrimination from the answers that the witness may give, the privilege may be claimed. It is for the court to determine, in the first instance, whether incrimination is reasonably possible from any answer the witness may give; but if such possibility exists, then the witness has the absolute right to assert his privilege, which extends to more than the admission of a crime or any element thereof. The privilege bars compulsory disclosure of any fact that tends to incriminate a witness. *Counselman* v. *Hitchcock* (142 U. S. 547); *Mason* v. *United States* (244 U. S. 362); *In re Willie* (*United States* v. *Burr*), Red. Case No. 14,692e; *United States* v. *Zwillman* (108 F. (2) 802, 803); *United States* v. *Cuson* (132 F. (2) 260, 262); *United States* v. *Cuson* (132 F. (2) 413, 414). It would be difficult to improve upon the strong and clear language of Marshall, C. J., in *United States* v. *Burr* (Case No. 14,692e, 25 Fed. Cases 38), at page 40:

"When a question is propounded, it belongs to the court to consider and to decide whether any direct answer to it can implicate the witness. If this be decided in the negative, then he may answer it without violating the privilege which is secured to him by law. If a direct answer to it may incriminate himself, then he must be the sole judge what his answer would be. The court cannot participate with him in this judgment, because they cannot decide on the effect of his answer without knowing what it would be; and a disclosure of that fact to the judges would strip him of the privilege which the law allows, and which he claims. It follows necessarily then, from this statement of things, that if the question be of such a description that an answer to it may or may not incriminate the witness, according to the purport of that answer, it must rest with himself, who alone can tell what it would be, to answer the question or not. If, in such a case, he say upon his oath that his answer would incriminate himself, the court can demand no other testimony of the fact. If the declaration be untrue, it is in conscience and in law as much a perjury as if he had declared any other untruth upon his oath; as it is one of those cases in which the rule of law must be abandoned, or the oath of the witness be received.

"* * * Many links frequently compose that chain of testimony which is necessary to convict any individual of a crime. It appears to the court to be the true sense of the rule that no witness is compellable to furnish any one of them against himself. It is certainly not only a possible but a probable case that a witness, by disclosing a single fact, may complete the testimony against himself, and to every effectual purpose accuse himself as entirely as he would by stating every circumstances which would be required for his conviction. That fact of itself might be unavailing, but all other facts without it would be insufficient. While that remains concealed within his own bosom he is safe; but draw it from thence, and he is exposed to a prosecution. The rule which declares that no man is compellable to accuse himself would most obviously be infringed by compelling a witness to disclose a fact of this description.

"What testimony may be possessed, or is attainable, against any individual the court can never know. It would seem then, that the court ought never to compel a witness to give an answer which discloses a fact that would form a necessary and essential part of a crime which is punishable by the laws."

The judgment appealed from is reversed, and the cause remanded for further proceedings not inconsistent with this opinion.

Judge Waller took no part in the final decision of this case.

(Mr. MARCANTONIO asked and was given permission to revise and extend his remarks and include some court opinions and legal memoranda.)

Mr. WOOD. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I am in emphatic disaccord with the gentleman from New York. I yield to no man in my defense of the Bill of Rights. In my humble opinion, the Bill of Rights is a shield and not a sword. The Bill of Rights seeks to protect the liberties and the rights of individuals against tyranny and oppression. The Bill of Rights is not a sword to destroy the rights of individuals. It should never become a sword to set up a communistic state that would trample on foot our rights.

The United States has a sovereign duty and right to extract from witnesses answers to questions that will aid a branch of the United States, this Congress, to legislate. This witness, as I read the testimony, balked that sovereign right of the Nation. The witness was brash, impertinent, and utterly contemptuous of Congress. I cannot allow any witness to offer affront and insult to a congressional committee, as did the witness against whom the contempt citation is brought.

The immunity involved in the Bill of Rights is purely personal. It can be availed of only to protect the witness, personally, asserting the right—*Rogers* v. *U. S.* (179 Fed., 2d 559; C. C. A 10th Cir., 1950). It cannot be used to protect others. This witness did not seek to protect himself, necessarily, he sought to protect others. He cannot refuse to answer on grounds that he might incriminate someone else. It was not an immunity, personal to him—Emspak—that he asserted. Run through the testimony. When he was asked whether he know a number of individuals he said, "Same answer"; "same answer" meaning "I refuse to answer." In that sense the witness was seeking to protect others, not himself.

Further, the immunity may be properly claimed, if evidence given might give rise to other evidence and thus start a chain of incriminating facts to be forged around the witness. I find no such situation in this case. These questions could not start the forging of a link in a chain of evidence around this witness. Here the claim, as at all times, must be reasonable and on a rational basis. It must be remember that the witness cannot decide for himself whether the answer would incriminate him. That question must be determined by the court, eventually, when it considers all the facts and circumstances—considers the climate and setting out of which the claim for immunity arose. Preliminarily I think the witness was contemptuous.

Further immunity must be claimed at the time the testimony is given—Justice Frankfurter dissenting in *U. S.* v. *Monia* (317 U. S. 424, 442 (1943)). While the witness did not specifically claim the immunity in clear and definite language, he nevertheless came within the claim by saying—page 4 of the report:

Because of the hysteria, I think it is my duty to endeavor to protect my rights guaranteed by the Constitution, primarily the first amendment, supplemented by the fifth.

But even if his protest was not exactly a claim of immunity, the Supreme Court has held (*U. S.* v. *Monia* (317 U. S. 424)) however, that where the particular immunity statute did not require a witness to make his claim at the outset, he obtains immunity if he testifies under compulsion. Testimony of Emspak was under compulsion.

I think fairness demands the conclusion in any event that immunity was suitably and timely claimed. The only question is, Was the claim meritorious? I think it was not.

Also there is some indication that the witness may have waived his claim of immunity. When asked—page 6 of the report of the committee—whether revealing knowledge of certain individuals would subject the witness to criminal prosecution, he answered:

No; I don't think this committee has the right to pry into my associations.

Therefore demand for immunity falls by the board.

The previous speaker has quoted a decision entitled "Estes Against Potter," a decision by Circuit Judge Holmes of the United States Court of Appeals for the Fifth Circuit, August 5, 1950. The inquiry of the gentleman from Pennsylvania was to the effect that that decision is limited to the four squares of the facts in that case. What were the facts of that case?

The SPEAKER. The time of the gentleman from New York has expired.

Mr. NIXON. Mr. Speaker, I yield the gentleman 3 minutes.

Mr. CELLER. That was a deportation proceeding, quite different from the in-

stant proceeding, and the attempt was being made to deport this man on the ground that he was a Communist. The previous speaker did not read from the part of the decision which is as follows:

> There is no statute that makes it a crime to be a member of the Communist Party, but the very object of the investigation to which the appellant was subpenaed was to ascertain whether the aliens in question were members of or affiliated with the Communist Party and, therefore, subject to deportation under 8 U. S. C. 137, subdivisions (e) and (g) of which provide for the deportation of any aliens who are members of or affiliated with any organization, association, society, or group that believes in, advises, advocates, or teaches the overthrow by force or violence of the Government of the United States. We assume the appellee's position to be that membership in the Communist Party by an alien comes within the ban of section 2385 of the New Criminal Code (18 U. S. C. 2385) and the deportation statute just cited.

Then the court says if he indicated that he was a member or was affiliated with the Communist Party, he would be subject to deportation. Of course, if he answered the question: Are you a Communist? In those proceedings he would incriminate himself and he would have the absolute right to say, "If I answered such questions, I would incriminate myself; and therefore I invoke the fifth amendment."

I repeat, that case has no relevancy whatsoever to the case at bar, and for this reason I, who have stood in this well, frequently alone, to defend the Bill of Rights, take the position today that this witness is contemptuous.

Only recently I took occasion to inveigh against H. R. 10—the Hobbs bill. You may remember it a few days ago, I was alone in this well, but I fought hard and sincerely. I had in mind what Andrew Jackson said, "One with courage is a majority." When you read the President's message with reference to H. R. 10, you see the President agreed with me and said that that bill was unconstitutional as I indicated. I had drawn the minority report against the bill which came out of my committee. I was not afraid then. I wanted to protect those who could not protect themselves, protect their rights. So I think I am on firm ground this afternoon when I say I am not going to allow, as far as I am able, the Bill of Rights to be used as a sword. I want it ever to be used only as a shield.

Mr. NIXON. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. VELDE].

Mr. VELDE. Mr. Speaker, I have a great deal of respect for the legal ability of the gentleman from New York [Mr. MARCANTONIO], but I cannot agree with him that the Estes case which he discussed is in point at all. In the first place, as the gentleman from Pennsylvania mentioned, that case was before a deportation court. This case involves a congressional committee hearing. I doubt very much whether a congressional committee or the entire Congress has a right to incriminate anyone. Anything that can be said before a committee cannot be used against the witness later in any kind of proceeding except in perjury cases.

So I can see no similarity at all between the cases of Estes and Julius Emspak. Julius Emspak is a high official in the ranks of the United Electrical and Radio Workers. We heard a number of witnesses who testified that Julius Emspak was a Communist Party member and very close to the leadership of the Communist Party. Those witnesses were all reliable, and they spoke of Mr. Emspak in terms of great respect, but they told the truth about it. I think there is no doubt at all but what the majority of our committee and a majority of this Congress, if we could read the testimony that we have concerning the subject of this resolution, would agree that he was a member of the great movement to overthrow our country by force and violence, which originates in Moscow.

I say Julius Emspak is typical of many of the witnesses who refused to answer questions when brought before our committee, and, if I am not mistaken, I believe we have 58 resolutions for contempt. Fifty-eight witnesses, and the pattern is very clear.

I happen to be familiar, from my previous work, with the background of Steve Nelson. I would like to tell you a little about him a little later, but before going to that matter I should like at this time to remind this distinguished body of the most important and valuable work the Un-American Activities Committee has been doing since it was first authorized.

As far as I have been able to ascertain, it has never been publicly approved, either by President Roosevelt or President Truman. Certainly, every branch of the executive department has disapproved of it. It has had some great American citizens as its chairmen and some great Americans as members in times past. Many of the old-timers will recall, much better than I do, this being my freshman term, the turbulent days when the committee was operating as a temporary committee under the chairmanship of Martin Dies. Martin Dies, as we all know, suffered sharp criticism and actual abuse from the Communist press and other left-wing elements of the American press and radio. Over the years, under his leadership and under the leadership of J. Parnell Thomas, and under the chairmanship of our colleague, the gentleman from Mississippi, JOHN RANKIN, and our present distinguished chairman, the gentleman from Georgia [Mr .WOOD], it has grown greatly in respect, not only among the Members of the Congress but citizens throughout the whole country.

It now has, I believe, the support of all Members of Congress on both sides of the aisle, with the exception of a few die-hards. Of course, it has made quite a number of mistakes, as any organization operating for the purpose of exposing subversive influences will naturally, and has suffered counterabuse from those same subversive elements. I need not tell you Members the past history of the Committee on Un-American Activities with reference to their weeding out of the executive departments of Government Communist espionage operatives, which had been operating there and which have been found to be operating in the past in the State Department. I need not repeat that our distinguished colleague, the gentleman from California [Mr. NIXON] and his chairman at that time, during the Eightieth Congress, Mr. J. Parnell Thomas, suffered abuse and ridicule, not only by President Truman but by a great segment of the Communist left-wing American press.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. VELDE. I yield.

Mr. ROONEY. To get to the matter that is now before the House, the pending resolution, I would like to ask the gentleman if it is not the fact that the entire proceeding before the House today on this resolution for which I am going to vote is merely in the nature of a complaint, which will be referred to the Attorney General and to the courts for appropriate action, and that the House today does not determine whether the gentleman mentioned in the pending resolution, Emspak, will go to jail or not. Is that not the fact?

Mr. VELDE. I think you have stated the facts entirely correctly. Of course, the important thing is that we have to find out sooner or later, if it must come from the Supreme Court, whether we can force witnesses to answer questions which will help us in our investigative work. I think it must be decided once and for all.

Mr. ROONEY. May I suggest this to the gentleman from Illinois, that it might be well that he keep in mind that a record is being made for the courts here this afternoon and that it might be well for the gentleman to confine himself to the case of Emspak, or whatever his name is, which is now before the House?

Mr. VELDE. I thank the gentleman for his advice, but I prefer to go ahead and give some of the past history of the Committee on Un-American Activities as a result of which we have been able to weed out some of the Communists and espionage agents of this country, and practically singlehanded at that.

Mr. ROONEY. Mr. Speaker, will the gentleman yield further?

Mr. VELDE. I yield.

Mr. ROONEY. I have tried a great many cases in courts of law in my time and have been a prosecuting attorney. I have seen far too many instances where we got into legal trouble by getting the record so huge and cumbersome with extraneous matters that we lost sight of what we were doing, and I say that to the gentleman knowing of his fine work on the Committee on Un-American Activities.

Mr. VELDE. I thank the gentleman.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. VELDE. I yield.

Mr. O'HARA of Illinois. May I ask the gentleman if it is not a fact that the

reason that a greater number of the membership of this House give support to the Committee on Un-American Activities of the Eighty-first Congress than was accorded the committee of the Eightieth Congress is that the procedure governing the hearings has been entirely reformed and cleansed to conform with the well-established rules of evidence and respect for the rights of witnesses which are part and parcel of the administration of justice in American courts? I trust that the gentleman is not seeking a clean bill of health for all of the practices of past committees which it was certainly the sentiment, if not indeed the mandate of the leadership and of the majority membership, should end with the advent of the Eighty-first Congress.

Mr. VELDE. That may be the gentleman's opinion, but I prefer not to comment further on that. I am sorry I was not fortunate enough to be a Member of the Eightieth Congress.

Mr. O'HARA of Illinois. I have great respect and liking for the gentleman from Illinois, and I know that he is fair; I would not wish any of the past of which he was not a part and for which he is not responsible, to reflect upon him.

Mr. VELDE. I must refuse to yield further, for I have but 10 minutes.

Mr. CARROLL. Mr. Speaker, will the gentleman yield for just one more question?

Mr. VELDE. I am sorry, but I must refuse to yield.

Alger Hiss is now a convicted perjurer. If it had not been for this committee and the courage of its members, he might still be a confidential adviser to the President; he might still be an adviser in the State Department, or still worse, he might be a strong influence in the United Nations.

As a new member of this committee I want to pay a special tribute today to our distinguished chairman, the gentleman from Georgia [Mr. WOOD], who, like a lot of other members of the committee, has leaned over backward in his efforts to be fair to all these witnesses who have appeared, to give them every opportunity to answer these questions and to protect them in their rights. For his courage he has received the sharp criticism of various left-wing elements of the press and radio. In spite of this, under his leadership the committee has operated in harmony and worked during this session in a spirit of cooperation which, I believe, has resulted in very much good in protecting Americans from further Communist infiltration and action.

But I want to get back for a moment to the typical case which I gave.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. VELDE. I yield.

Mr. RANKIN. I do not feel like sitting here and hearing these gentlemen get away with the charge that there is any difference between proceedings in the Eightieth Congress and the Seventy-ninth Congress. It was my amendment to the rules that created the Committee on Un-American Activities as a standing committee of the House.

Mr. VELDE. And the gentleman has my thanks for introducing that resolution.

Mr. RANKIN. There was no difference in the committee between the Seventy-ninth Congress and the Eightieth Congress; the Eightieth Congress followed the exact procedure that had been followed in the Seventy-ninth Congress.

Mr. VELDE. One of the most dangerous, clever, and treacherous Soviet agents still at large in the United States and operating freely and openly as a Communist organizer and agent is Steve Nelson. A study of the background and operations of Nelson on behalf of the Soviet Union and the Communist Party will amaze and alarm loyal American citizens.

From his first illegal entry into the United States in 1920, the cloud under which he was naturalized and each time that he applied for and received a passport, always under a false name or through falsification of other information, never has Steve Nelson shown any intention, desire, or willingness to be a decent, honest, God-fearing citizen of the United States. Every action, every fact shows his disloyalty to the United States and his unswerving and active loyalty to the Soviet Union. He has taken advantage of all the privileges of living in a free country under our Constitution, hiding behind the protection of that Constitution to further a movement that has as its openly avowed purpose the destruction of that same Constitution.

Steve Nelson is not his actual name. He was born Steve Mesarosh on January 1, 1903, at Chaglich, Yugoslavia. He entered the United States on June 12, 1920, under the name of Joseph Fleischinger. His mother and two sisters entered at the same time representing themselves to be the wife and children of Joseph Fleischinger. In testimony before the Un-American Activities Committee on June 9, 1949, Nelson refused to give the names of his mother or sisters and would not admit that he knew the name of a person by the name of Joseph Fleischinger on the grounds on self-incrimination.

In deportation proceedings in 1922 the immigration inspector recommended the family be allowed to legalize their residence and Steve Nelson was naturalized in Detroit, Mich., in November of 1928. Although it cannot be proved exactly when Nelson became a member of the Communist Party, there is strong evidence pointing to his becoming a member in 1925. If this is true he perjured himself when he took out his citizenship papers.

Steve Nelson has been a resident of the United States since that date, with the exception of several trips to Russia, Spain, and China.

By 1931 he had become important enough and valuable enough to the Communist cause in the United States that he was chosen as one of the very few to attend the Lenin Institute in Moscow. In the passport that he obtained for this trip he swore that he was born in Rankin, Pa. It has been established by testimony given under oath by men who attended the same school that Nelson attended the school under the name of Louis Evans, and that he resided in Russia from 1931 until 1933. Sworn testimony also proves that he was in Shanghai, China, in 1933, working for the Comintern.

In 1936 the Daily Worker listed Steve Nelson as the section organizer of the Communist Party in Luzerne County, Pennsylvania. In 1937 he was a lieutenant colonel in the International Brigade, that is the Communist brigade, it being a known fact that only Communists were allowed to belong, of the loyalist army fighting in the Spanish civil war. He obtained his passport to fight in the Spanish civil war under the name of Joseph Fleischinger.

Since 1938, after his return from the war, Steve Nelson has been a national figure in the Communist Party and a leading functionary in the Moscow-controlled underground. In 1939 he was listed by Earl Browder as being a member of the National Committee of the Communist Party of the United States. In 1942 at the National Conference of the Communists, he was confirmed as a member of the National Committee, and in 1944 the Daily Worker referred to him in that capacity and he is named in the same capacity in the proceedings of the Constitutional Convention of the Communist Political Association held in May of 1944.

Now I have previously mentioned that Steve Nelson was one of the conspirators in the now famous Comrap case. Let me tell you just how he began his operations as a NKVD agent. Nelson had become so important to the Communist Party that in 1940 he was assigned to the strategic San Francisco Bay area, where he was directed to succeed Paul Crouch in this capacity. Mr. Crouch has testified before the committee, under oath, that he knew Nelson and knew that he had been sent to San Francisco to succeed him. He was, however, given a more important assignment than mere organizer and Communist propagandist in that area. Nelson was of particular value in the San Francisco area because while fighting in Spain as a member of the International Brigade, he befriended the widow of one of his fellow-Communists in the brigade. This widow subsequently married Dr. J. Robert Oppenheimer, who as you know was the leading scientist of the entire Manhattan Engineering District.

The Kremlin knew of Nelson's having befriended this woman. It knew, too, that Congress had recently appropriated $2,000,000,000 to set up the Manhattan Engineering District. The Kremlin knew, too, that the Manhattan Engineering District had been set up to do research of a scientific nature and to study nuclear fission with the eventual purpose of producing a super war weapon, the atomic bomb. And so Steve Nelson was sent to California ostensibly to become an organizer with the Communist Party there—actually he was sent by the Kremlin to use his influence with the husband of a woman whom he had befriended in Spain, and with that influ-

ence to eventually secure some of the knowledge about the atomic-bomb project that would naturally be in the mind of Dr. J. Robert Oppenheimer. I am happy to say that Steve Nelson failed utterly in securing any information from this great scientist. In a desperate attempt to do the bidding of the Kremlin, he then organized a Communist Party cell within the University of California radiation laboratories, where a vital part of the atomic research was being done. For the complete testimony and evidence against Steve Nelson, I would like to refer you to the full reports of the Un-American Activities Committee entitled "Report of Soviet Espionage Activities in Connection With the Atomic Bomb, September 28, 1948, and September 29, 1949"; and also hearings on Steve Nelson, June 8, 1949.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. WOOD. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. McSWEENEY].

Mr. McSWEENEY. Mr. Speaker, when the leadership of the Democratic Party asked me to become a member of the Un-American Activities Committee I did so with some trepidation realizing that we have an obligation to protect the reputation of every person in the United States and that we could not transgress upon his individual privileges. I have probably leaned over backward in that direction.

I studied law in London, England, after the last war. I admired one thing in the English system, and that is their grand jury system. In other words, they try to have a man who is indicted really guilty of the crime. Today we are operating somewhat as a grand jury. I do not wish to have anyone incriminated and have his future opportunity in America destroyed; but I am one who believes definitely that one-twentieth of 1 percent of the people who are subversive and who are in favor of the disruption of our Government and the final destruction of our country should be eliminated. I believe also that every individual in America is an entity of democracy. I also feel that the power of a government to reach out and destroy that entity of democracy would eventually destroy democracy itself, and I think we should surround each individual with every possible protection that the law can provide.

On the other hand, those of my comrades who have served in the Army with me realize that I have an honorable respect for the man who dons the uniform of his country and fights in that uniform, which is just as much an identifying thing as the flag of his country. I do detest the man who comes within the borders of my country, accepting its responsibility, accepting its hospitality, when we in America allow him to exercise every talent he has and to give him every benefit that those talents may give to him, then at the same time with those opportunities try to destroy the great thing that you and I love so dearly.

I am not referring to the men and women who have come from foreign countries. I refer to those who have been citizens for a long time. There is an old song I cannot sing, but will recite that pretty well gives my attitude:

If you don't like your Uncle Sammy,
Then go back to your home o'er the sea
To the land from which you came, whatever be its name
But do not be ungrateful to me.
If you don't like the Stars and Old Glory,
If you don't like the Red, White, and Blue,
Then don't act like a cur,
Don't bite the hand that's feeding you.

So, Mr. Speaker, I do not want to create hysteria; at the same time I feel that we as Americans have a right to keep these people from destroying us and working a great hardship upon our country.

Today we are asking that these men be called before the bar of justice. We are acting simply as a grand jury, not to besmirch a man, not to deprive him of future employment, but merely to protect what you and I know as the integrity and the sovereignty of our institutions.

Mr. NIXON. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Speaker, in one sense I have a deep regard for the gentleman from New York [Mr. MARCANTONIO]. He and I are probably as far apart as any two legislators could possibly be in basic philosophy. But I must say one thing for the gentleman, and that is that we always know where to find him. We always know how he is going to vote and what his position on any issue is going to be. His consistency in that regard should recommend itself to some people who are notorious for their legislative broken-field running.

I do not agree with the gentleman when he states that we are in a state of feverish hysteria at the present time. If, conceivably, it is hysteria, it is a type of hysteria that might result if a mother found a rattlesnake in her baby's crib or if a sergeant of the guard found a sentry smoking a cigarette inside an ammunition dump.

The gentleman, in effect, scoffs at the idea that these defendants and others would destroy the Bill of Rights. For my part I do not think that there is any question as to their intention to destroy all that we hold dear and sacred.

Communists and fellow travelers would use freedom of speech only to strangle it as they did in Poland; they would use freedom of assemblage only to abolish it entirely as they did in Czechoslovakia; they would use the freedom of the press to wipe it out for all peoples for all time, as they did in Rumania and they would use freedom of religion only to insure that God and faith would have no place in human relationships.

I know that they would use the Bill of Rights to destroy these things. Ever since the Communist Party was founded; ever since the Communist manifesto was written in a Paris attic, there has been but one goal, and that the destruction of every free government on the face of the earth whose concepts and whose basic policies were not in accord with those practiced in the Soviet Union. That one fact should be clear to all of us in the light of what has transpired.

What is a Communist or his fellow traveler? Are they members of a political party? Of course, they are not. They are members of an international conspiracy and they take their orders from Moscow. That fact should be absolutely clear to all Americans today. How many of these defendants would volunteer today for service with the United Nations forces in Korea? Not very many of them, I will guarantee you.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from New York.

Mr. MARCANTONIO. There are some of these defendants who fought with gallantry in the Pacific in the last war.

Mr. JACKSON of California. I am talking about a war today against aggression today. I am not talking about a time when we had as allies some whom we believed to be fighting for a free world. We made several very serious mistakes at that time, mistakes which only blood, sweat, and tears seem to be capable of correcting.

In effect we have two enemies today. We have an enemy in front of us. That enemy can be seen; his stature can be measured. Our Armed Forces will meet him and defeat his aims. But, we also have an enemy in the rear today and it is the duty and the obligation of the Congress of the United States to take care of that situation by legislation speedily enacted.

For my part I believe that the Committee on Un-American Activities has done an extremely good job, and I hope that some of the people who have voted against the Committee on Un-American Activities in the past, who have voted against appropriations for funds for the Committee on Un-American Activities and who have voted against any additional authority being given to that committee, will close ranks and vote for these contempt citations today.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from Mississippi.

Mr. RANKIN. In reply to the gentleman from New York [Mr. MARCANTONIO] when he asked if some of these men did not serve in the last war, I call attention to the fact that Benedict Arnold served with distinction at Saratoga before he turned traitor.

Mr. JACKSON of California. I think the gentleman makes an excellent point.

Mr. WOOD. Mr. Speaker, I yield the remainder of my time to the gentleman from Indiana [Mr. JACOBS].

Mr. NIXON. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana.

(Mr. JACOBS asked and was given permission to revise and extend his remarks and include excerpts.)

Mr. JACOBS. Mr. Speaker, in the 3 minutes that are allotted to me it will not be possible for me to read into the RECORD some legal propositions that I think should be in the RECORD.

I do not believe that I am suffering from any hysteria. I believe that I am as ready to stand up for civil rights as

any Member of this House, and I want to analyze as carefully as I can and as quickly as possible the contentions that have been made here.

First of all it is contended that the witness has a right to refuse to answer these questions which I judge might prove he was a member of the Community Party because that might incriminate him. It is clear to everyone that it is not a crime to be a Communist. If we had enacted a law by which a man could be imprisoned for being a member of the Communist Party, then the witness would have been within his rights to refuse to answer questions tending to prove he was a Communist. Unless we had also enacted a statute which provided absolute immunity for him in the event he was forced to answer. Now that is the law of this country and it has been the common law of the English-speaking countries since the memory of man runneth not to the contrary.

I want to protect the minority whether it be one-twentieth of 1 percent or whether it be a bare minority. But a minority is not entitled to special protection. If I become a witness in court, I can be asked about my associates, I can be asked about my business connections, I can be asked about my background. Now, I want to give these people as much protection as I have; I do not want to give them more.

A government must defend its authority. The right of a government to inquire into what is going on within its borders is a right of sovereignty. The right of its courts to adduce evidence is a right and duty of sovereignty. Any government that does not defend its authority cannot long exist.

If I understand this case the witness had made an affidavit that he was not a Communist. These questions were calculated to prove he was. Had he claimed his personal constitutional privilege to refuse to answer these questions on the ground his answers might incriminate him of the offense of perjury we would have a different legal question; and the witness might have been within his rights. But that was a personal privilege which he had to personally claim. The record discloses he claimed the right to refuse to respond for the protection of others which in law he cannot do.

That a witness may be examined regarding his antecedents, tested on his knowledge and opportunity to know of what he speaks, his motives, and influences and, ofttimes as to his associates, I append to my remarks certain language from corpus juris on witnesses.

(70 Corpus Juris, 811 et seq.)

PAR. 1014. (a) Business or occupation: As bearing on the credibility of the testimony of a witness, inquiry may be made on cross-examination as to his business or occupation, and his acts or habits in connection with the performance of his duty. In a criminal case, however, it is not proper to show that the witness was engaged in a criminal business or associated with it in any way which would tend to prove the commission of other crimes.

PAR. 1019. (g) History and antecedents of witness: As bearing on the credibility of the testimony of the witness, inquiry may be made, on cross-examination, into his age, antecedents, place of residence, history, opinions, use of intoxicants, and the number of times he has been before the court. In a criminal case it is also proper to show the association and surroundings of the witness; and he may be questioned as to conduct on his part which would affect his credibility if such conduct is admitted.

PAR. 1023. (k) Knowledge and experience: It is proper to permit a witness to be cross-examined in order to test his information or knowledge as to the facts concerning which he has testified, and the source, means, limits, and extent of such knowledge.

PAR. 1025. (m) Motive of witness and influences operating on him: As bearing on the credibility of a witness, it is proper on cross-examination to inquire into his motive in testifying as he did and the influences operating on him causing him so to testify.

PAR. 1047. (a) Associates: In the majority of jurisdictions it is not competent to show as bearing on the credibility of a witness, who and what are his associates. In other jurisdictions, however, a witness may be examined as to his associates if they are of his own choice, but not as to the character or reputation of his relatives. In still other jurisdictions it is proper to impeach a witness by examining him as to his associates, but it is discretionary with the trial court to permit the answer to be given.

Mr. NIXON. Mr. Speaker, I yield the remaining time to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, frankly I have found myself in a rather difficult position in the Committee on Un-American Activities, because, to the accompaniment of a great number of statements that members of the committee should be lawyers, I found myself perhaps the only one on the committee now who is not a lawyer. I found that most of the time I was listening to arguments presented by lawyers and persons with a legal background. Perhaps for that reason I have tried to be particularly sensitive to the arguments about civil and constitutional rights. At least I have tried to approach the thing as a layman might, honestly, in the consideration of all of these contempt citations. But here is the point that has decided the matter in my mind when we voted on these citations, and I venture to suggest it here because it may apply to some others.

This committee is charged with determining and exposing subversive activities. If the committee may not inquire into activites which are of a subversive character, how can it discharge its obligations?

In such reading as I have been able to do, I was particularly interested in the recent decision of Judge Hand when the United States circuit court of appeals passed upon the Dennis case. He went back to the various decisions on cases in World War I where similar constitutional questions were involved. In a famous case (*Schenck* v. *United States* (249 U. S. 47)), Justice Holmes expressed a ruling which thereafter has become a sort of legal yardstick to measure constitutional limitations upon free speech. And since then decisions generally have accepted the doctrine that the existence of a "clear and present danger" would warrant legislation.

The gentleman from New York [Mr. MARCANTONIO] said that the Congress cannot investigate where it cannot legislate, but the court of appeals in upholding the convictions under the Smith Act certainly found that there the Congress could legislate. If it could legislate there, certainly we have the right to try to determine whether a clear and present danger exists in our inquiries of these witnesses. For, in the main, our questions relate to the very points on which the 11 persons were convicted under the Smith Act, to wit, activity as Communists in advocating the violent overthrow of the Government or preparation for it.

If the questions that were asked in this instant case, this Emspak case, can be refused on the grounds which Emspak offered, then the committee cannot carry out the functions assigned to it by the Congress. Read the full report of the committee in the RECORD or in the printed reports before you now, and you will have to come to the conclusion that if the committee cannot ask those questions and expect an answer then it cannot perform the functions assigned to it. So we might as well have this issue settled.

Justice Chase concurring in the Dennis case said:

Thus, as properly interpreted by the court below, the Smith Act does not prohibit prophecy that overthrow will occur. Nor does it impinge upon beliefs as to the necessity of the most extreme governmental and political changes, such as, for example, the abolition of the legislative and judicial branches of the Government, or of the liberty of speech or of the press. What the Smith Act does prohibit is the urging of action to accomplish such changes as these by forcible means.

I think, Mr. Speaker, it is also pertinent to point out in this connection that the Supreme Court has upheld the constitutionality of that section of the Labor-Management Act which requires officers of a union to take an oath that they are not Communists to come under the benefits of the act. Indeed, Judge Hand, in upholding the conviction of Dennis and others, said:

The last decision—in some ways the most important of all—is *American Communications Association, C. I. O.* v. *Douds* (339 U. S. 382), in which a majority of the Court held that PP9 (h) of the Labor-Management Act was constitutional in requiring the officers of a union to take an oath that they were not Communists, as a condition to according the union the benefits of the act.

And if the Supreme Court has upheld the right of Congress to legislate in this field and to require an oath of non-Communist affiliation, may not a committee of the Congress ask the same question, and other questions growing out of the answer thereto in order to determine whether a clear and present danger exists?

Justice Chase also carried a footnote to his concurring statement in which he pointed out—

The sufficiency of the evidence to support the conviction is clear. This included, besides the evidence mentioned by Judge Hand,

proof that many of the Communist Party's activities directed by the appellants were conducted secretly and that appellants followed a policy of concentrating party members in basic industries, all for the purpose of achieving their aims of overthrow, as well as evidence tending to show that the party itself was closely allied to and sympathetic with, and perhaps absolutely dominated by, a foreign government, the Soviet Union.

I mention that reference to activities particularly because the gentleman from New York asked us if we were afraid of one-twentieth of 1 percent of the population. I call attention to the fact that, as the Justice here pointed out, it has been the policy of the Communist Party to concentrate party members in strategic activities and in key spots in basic industries.

Emspak was one such person. He was a member of the UE. He signed a non-Communist affidavit or oath in proceedings before the National Labor Relations Board and yet when we sought to inquire into his activities he tried to seek refuge in a fuzzy statement about his rights under a Constitution which Communists plot to overthrow by force when they deem the time is ripe. We have had—as the gentleman from Illinois pointed out—a parade of witnesses before us in recent weeks who have testified that it was the policy of the Communist Party to place key members in the UE where they might be in a position to control or sabotage key industries. Recently it was testimony about the tool industry in Ohio. Earlier it was the testimony of Cvetic on activity of the Communist Party in western Pennsylvania where they sought to get strategic membership in labor unions in big steel for the purpose of being in a position when the time came to accomplish the forcible overthrow of the Government.

It is not fear of ideas expressed by one-twentieth of 1 percent of the population; it is to combat the activity of Communists in advocating and planning the violent overthrow of the Government and sabotage of its productive facilities that your Committee on Un-American Activities has conducted these inquiries.

If the Congress does not want the committee to proceed and ask questions along the line which were asked of Emspak, then the House should abolish the committee. In presenting these citations, we would like to have a clear-cut decision, a verdict of approval from the House of Representatives, that questions like these are proper when we are attempting to determine whether a clear and present danger confronts the United States.

The citations before you today are not all that might have been brought in for your consideration. The committee took special care to review each record. All of the citations which will be placed before you today are cases selected on the basis of what we judged to be clear contempt of Congress by the witnesses before us when asked proper questions. In each report, you will find a careful statement of the proceedings pertinent to the alleged contempt. We have had the assistance of outstanding counsel in the person of Mr. Frank Tavenner. I believe the procedure followed will commend itself to those who examine the reports on that score. The Emspak citation is now before you for a vote.

Mr. WOOD. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays. I think this is an important question and the Members of the Congress ought to go on record on it.

The yeas and nays were ordered.

The question was taken; and there were—yeas 373, nays 1, not voting 56, as follows:

[Roll No. 233]

YEAS—373

Abbitt	Corbett	Havenner
Abernethy	Cotton	Hays, Ark.
Addonizio	Coudert	Hays, Ohio
Albert	Cox	Hébert
Allen, Calif.	Crook	Hedrick
Allen, Ill.	Crosser	Heffernan
Allen, La.	Cunningham	Heller
Andersen, H. Carl	Curtis	Herlong
	Davenport	Herter
Anderson, Calif.	Davies, N. Y.	Heselton
Andresen, August H.	Davis, Ga.	Hill
	Davis, Tenn.	Hobbs
Andrews	Davis, Wis.	Hoeven
Angell	Deane	Hoffman, Mich.
Aspinall	DeGraffenried	Holifield
Auchincloss	Delaney	Holmes
Bailey	D'Ewart	Hope
Barden	Dollinger	Horan
Baring	Dolliver	Howell
Barrett, Pa.	Dondero	Huber
Bates, Ky.	Donohue	Hull
Bates, Mass.	Doughton	Irving
Battle	Douglas	Jackson, Calif.
Beall	Doyle	Jackson, Wash.
Beckworth	Eberharter	Jacobs
Bennett, Fla.	Elliott	Javits
Bennett, Mich.	Ellsworth	Jenison
Bentsen	Elston	Jenkins
Biemiller	Engel, Mich.	Jennings
Bishop	Engle, Calif.	Jensen
Blackney	Evins	Jones, Ala.
Blatnik	Fallon	Jones, Mo.
Boggs, Del.	Feighan	Jones, N. C.
Boggs, La.	Fellows	Judd
Bolling	Fernandez	Karst
Bolton, Md.	Fisher	Karsten
Bolton, Ohio	Flood	Kean
Bonner	Fogarty	Kearney
Bosone	Forand	Kearns
Boykin	Ford	Keating
Bramblett	Frazier	Kee
Breen	Fugate	Kelley, Pa.
Brooks	Fulton	Kelly, N. Y.
Brown, Ga.	Furcolo	Keogh
Brown, Ohio	Gamble	Kerr
Bryson	Garmatz	Kilburn
Buchanan	Gary	Kilday
Buckley, Ill.	Gathings	King
Buckley, N. Y.	Gavin	Kirwan
Burdick	Golden	Klein
Burke	Goodwin	Kruse
Burleson	Gordon	Kunkel
Burnside	Gore	Lane
Burton	Gorski	Lanham
Byrne, N. Y.	Graham	Larcade
Byrnes, Wis.	Granahan	LeCompte
Camp	Granger	LeFevre
Canfield	Grant	Lichtenwalter
Cannon	Green	Lind
Carlyle	Gregory	Linehan
Carnahan	Gross	Lodge
Carroll	Gulli	Lovre
Case, N. J.	Gwinn	Lucas
Case, S. Dak.	Hagen	Lyle
Cavalcante	Hale	Lynch
Celler	Hall, Edwin Arthur	McCarthy
Chelf		McConnell
Chesney	Hall, Leonard W.	McCormack
Chiperfield		McCulloch
Christopher	Halleck	McDonough
Chudoff	Hand	McGrath
Clemente	Harden	McGregor
Cole, Kans.	Hardy	McGuire
Colmer	Harris	McKinnon
Combs	Harrison	McMillan, S. C.
Cooley	Hart	McSweeney
Cooper	Harvey	Mack, Ill.
Mack, Wash.	Phillips, Tenn.	Staggers
Madden	Pickett	Stanley
Mahon	Plumley	Steed
Mansfield	Poage	Stefan
Marsalis	Polk	Stigler
Marshall	Potter	Stockman
Martin, Iowa	Poulson	Sullivan
Martin, Mass.	Powell	Sutton
Merrow	Preston	Taber
Meyer	Price	Tackett
Michener	Priest	Tauriello
Miles	Rabaut	Teague
Miller, Calif.	Rains	Thomas
Miller, Md.	Rankin	Thompson
Miller, Nebr.	Redden	Thornberry
Mills	Reed, Ill.	Tollefson
Mitchell	Reed, N. Y.	Towe
Monroney	Rees	Trimble
Morris	Rhodes	Underwood
Morton	Ribicoff	Van Zandt
Moulder	Rich	Vorys
Multer	Richards	Vursell
Murdock	Riehlman	Wadsworth
Murray, Tenn.	Robeson	Wagner
Nelson	Rodino	Walsh
Nicholson	Rogers, Fla.	Walter
Nixon	Rogers, Mass.	Weichel
Noland	Rooney	Welch
Norblad	Roosevelt	Werdel
Norrell	Sadlak	Wheeler
Norton	St. George	White, Calif.
O'Brien, Ill.	Sanborn	Whitten
O'Brien, Mich.	Sasscer	Whittington
O'Hara, Ill.	Saylor	Wickersham
O'Hara, Minn.	Scott, Hardie	Widnall
O'Konski	Scrivner	Wier
O'Neill	Scudder	Wigglesworth
O'Sullivan	Secrest	Willis
O'Toole	Shafer	Wilson, Ind.
Passman	Shelley	Wilson, Okla.
Patman	Short	Wilson, Tex.
Patten	Sikes	Withrow
Patterson	Simpson, Ill.	Wolcott
Perkins	Simpson, Pa.	Wolverton
Peterson	Sims	Wood
Pfeifer, Joseph L.	Smathers	Woodhouse
	Smith, Va.	Yates
Philbin	Smith, Wis.	Young
Phillips, Calif.	Spence	Zablocki

NAYS—1

Marcantonio

NOT VOTING—56

Arends	Hoffman, Ill.	Regan
Barrett, Wyo.	James	Rivers
Brehm	Johnson	Sabath
Bulwinkle	Jonas	Sadowski
Chatham	Keefe	Scott, Hugh D., Jr.
Clevenger	Kennedy	
Cole, N. Y.	Latham	Sheppard
Crawford	McMillen, Ill.	Smith, Kans.
Dague	Macy	Smith, Ohio
Dawson	Magee	Talle
Denton	Mason	Taylor
Dingell	Morgan	Velde
Durham	Morrison	Vinson
Eaton	Murphy	Whitaker
Fenton	Murray, Wis.	White, Idaho
Gillette	Pace	Williams
Gilmer	Pfeiffer, William L.	Winstead
Gossett		Woodruff
Hare	Quinn	
Hinshaw	Ramsay	

So the resolution was agreed to.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Denton with Mr. William L. Pfeiffer.
Mr. Murphy with Mr. Hugh D. Scott, Jr.
Mr. Dingell with Mr. Eaton.
Mr. Magee with Mr. Gillette.
Mr. Morrison with Mr. Brehm.
Mr. Sabath with Mr. Latham.
Mr. Sadowski with Mr. Arends.
Mr. Rivers with Mr. Smith of Ohio.
Mr. Regan with Mr. Talle.
Mr. Kennedy with Mr. Hinshaw.
Mr. Chatham with Mr. Hoffman of Illinois.
Mr. Hare with Mr. Velde.
Mr. Gilmer with Mr. Mason.
Mr. Gossett with Mr. Macy.
Mr. Morgan with Mr. Barrett of Wyoming.
Mr. Williams with Mr. McMillen of Illinois.
Mr. Winstead with Mr. Cole of New York.
Mr. Whitaker with Mr. Johnson.
Mr. Vinson with Mr. Jonas.
Mr. Sheppard with Mr. Smith of Kansas.
Mr. Dawson with Mr. Keefe.

Mr. Pace with Mr. Clevenger.
Mr. White of Idaho with Mr. Murray of Wisconsin.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VORYS, for one week, on account of illness of daughter.

To Mr. TALLE (at the request of Mr. CUNNINGHAM), for an indefinite period, on account of illness in his family.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include certain extraneous matter including some tables from the Treasury Department.

Mr. McGUIRE asked and was given permission to extend his remarks and include an editorial.

Mr. JOSEPH L. PFEIFER asked and was given permission to extend his remarks and include a translation.

Mr. KING asked and was given permission to extend his remarks and include editorials.

Mr. HOLIFIELD asked and was given permission to extend his remarks and include an editorial.

Mr. DAGUE (at the request of Mr. GRAHAM) was given permission to extend his remarks.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include an article.

Mr. VAN ZANDT asked and was given permission to extend his remarks and include extraneous matters.

Mr. STEFAN asked and was given permission to extend his remarks and include an editorial.

Mr. JENKINS asked and was given permission to extend his remarks and include an article by Mr. Goss.

Mr. WOLVERTON asked and was given permission to extend his remarks and include extraneous matter.

Mr. SMITH of Ohio (at the request of Mr. SHORT) was given permission to extend his remarks and include an editorial.

Mr. COTTON asked and was given permission to extend his remarks and include an editorial.

Mr. BENNETT of Michigan asked and was given permission to extend his remarks and include two letters and a newspaper editorial.

Mr. RICH asked and was given permission to extend his remarks and include an article by Wilford I. King on the subject For What Are You Willing To Pay Taxes?

Mr. HESELTON asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. McDONOUGH asked and was given permission to extend his remarks in two instances.

Mrs. BOLTON of Ohio asked and was given permission to extend her remarks in two instances, in one to include an editorial and in the other a speech that was made by Governor Dewey recently before the Federation of Labor, New York State.

Mr. O'KONSKI asked and was given permission to extend his remarks.

Mr. CORBETT asked and was given permission to extend his remarks and include a survey of the postal service.

Mr. GAVIN asked and was given permission to extend his remarks and include a newspaper article.

Mr. HAYS of Ohio asked and was given permission to extend his remarks and include an editorial and a newspaper article.

Mr. O'HARA of Illinois asked and was given permission to revise and extend his remarks.

Mr. FALLON asked and was given permission to extend his remarks and include an article.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 294. An act for the relief of Hernando J. Abaya, his wife, and two children; to the Committee on the Judiciary.

S. 410. An act for the relief of the former shareholders and debenture note holders of the Goshen Veneer Co., an Indiana corporation; to the Committee on the Judiciary.

S. 541. An act to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, with respect to clerks in air mail field railway post offices; to the Committee on the Post Office and Civil Service.

S. 665. An act for the relief of Margaret D. Scott; to the Committee on the Judiciary.

S. 814. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Sisseton Indian Agency, South Dakota; to the Committee on Public Lands.

S. 883. An act to authorize the taking and destruction of dangerous weapons in certain cases, and for other purposes; to the Committee on the District of Columbia.

S. 946. An act to permit credit, for purposes of parole, for time served in a Federal penal institution under an illegal conviction or sentence in the case of a person who is subsequently legally convicted and sentenced for the same offense; to the Committee on the Judiciary.

S. 1140. An act to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico; to the Committee on Public Lands.

S. 1832. An act to amend the Immigration Act of October 16, 1918, as amended; to the Committee on the Judiciary.

S. 1913. An act for the relief of Adelaide Giovanna Summa; to the Committee on the Judiciary.

S. 2487. An act for the relief of Dominic Arcella; to the Committee on the Judiciary.

S. 2506. An act for the relief of Libuse Chalupnik Pavlish; to the Committee on the Judiciary.

S. 2695. An act for the relief of Stella Jean Stathopoulou; to the Committee on the Judiciary.

S. 2772. An act for the relief of Thomas N. Cole; to the Committee on the Judiciary.

S. 2927. An act for the relief of Edmon Burgher; to the Committee on the Judiciary.

S. 2948. An act to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915; to the Committee on Public Lands.

S. 2981. An act for the relief of Giuseppe Merlinet Forgnone; to the Committee on the Judiciary.

S. 3094. An act for the relief of Miriam Rosenblum; to the Committee on the Judiciary.

S. 3107. An act for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina; to the Committee on the Judiciary.

S. 3157. An act for the relief of Setsuko Takata and Catharina Takata; to the Committee on the Judiciary.

S. 3263. An act to amend Veterans' Preference Act of 1944 with respect to certain mothers of veterans; to the Committee on Post Office and Civil Service.

S. 3367. An act for the relief of the law firm of Hunt, Hill & Betts; to the Committee on the Judiciary.

S. 3426. An act to authorize the admission into the United States of an alien possessing special skill, namely, Gerhard Zahn, and his wife; to the Committee on the Judiciary.

S. 3504. An act to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof; to the Committee on Interstate and Foreign Commerce.

S. 3654. An act to amend section 3 of the Postal Salary Act of July 6, 1945; to the Committee on Post Office and Civil Service.

S. 3724. An act for the relief of Maria Sulikowska Forbes; to the Committee on the Judiciary.

S. 3889. An act to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States; to the Committee on Armed Services.

S. 3960. An act to amend subsection (b) of section 10 of the act of June 26, 1884, as amended (U. S. C., title 46, sec. 599 (b)); to the Committee on Merchant Marine and Fisheries.

S. 3979. An act to fix the responsibilities of the disbursing officer and of the auditor of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 3987. An act to amend title 18, United States Code; to the Committee on the Judiciary.

S. J. Res. 163. Joint resolution to designate the reservoir above the Baldhill Dam in North Dakota as Lake Ashtabula; to the Committee on Public Lands.

S. Con. Res. 100. Concurrent resolution providing for the printing of proceedings at the unveiling of the statue of Brigham Young; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 612. An act for the relief of Col. W. M. Chubb;

H. R. 1618. An act for the relief of Kenneth J. MacKenzie;

H. R. 1922. An act to amend section 10 of the Reclamation Project Act of 1939;

H. R. 1988. An act for the relief of Leslie A. Fry;

H. R. 2350. An act for the relief of Mrs. Marion M. Martin Jones;

H. R. 2805. An act for the relief of John F. Oettl;

H. R. 2854. An act for the relief of Wade H. Noland;

H. R. 3605. An act to provide for the documentation of the Canadian-built vessel *North Wind* owned by a citizen of the United States;

H. R. 4065. An act to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens;

H. R. 4117. An act to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the national-park system, and for other purposes;

H. R. 5187. An act for the relief of the legal guardian of Anthony Albanese, a minor;

H. R. 5282. An act to amend section 3 of the Organic Act of Puerto Rico;

H. R. 6657. An act for the relief of Georges Jules Louis Sauvage;

H. R. 6850. An act for the relief of Lt. Col. F. A. Ferguson;

H. R. 6959. An act authorizing the Secretary of the Interior to issue a patent in fee to William Watt;

H. R. 6960. An act authorizing the Secretary of the Interior to issue a patent in fee to James Wilbur Watt;

H. R. 6961. An act authorizing the Secretary of the Interior to issue a patent in fee to Mary E. White Watt;

H. R. 6963. An act authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively;

H. R. 6964. An act authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering;

H. R. 7043. An act to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.;

H. R. 7192. An act to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended;

H. R. 7253. An act for the relief of Charles Wilson Roland and Mirtie L. Roland;

H. R. 7293. An act authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby;

H. R. 7294. An act authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross;

H. R. 7431. An act for expenditure of funds for cooperating with the public school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes;

H. R. 7540. An act for the relief of Louise Peters Lewis;

H. R. 7773. An act to authorize the sale of certain allotted land on the Pine Ridge Indian Reservation, S. Dak.;

H. R. 7869. An act to provide for the furnishing of quarters at Newnan, Ga., for the United States District Court for the Northern District of Georgia;

H. R. 7887. An act granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact;

H. R. 8144. An act to authorize the sale of a small tract of land at Great Falls, Mont.;

H. R. 8450. An act for the relief of Raief Neahem, Iffef Neahem, and Ihsen Neahem;

H. R. 8597. An act to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers;

H. R. 8767. An act to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes;

H. R. 8792. An act to amend the statute relating to certificates of trade-mark registrations;

H. R. 8845. An act to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea;

H. R. 8923. An act to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes;

H. R. 8944. An act authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y.;

H. R. 9074. An act to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to nonprofit contests wherein prizes are awarded for the species, size, weight, or quality of fish caught by the contestant;

H. R. 9120. An act to amend section 322 (b) (3) of the Internal Revenue Code;

H. J. Res. 453. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950;

H. J. Res. 489. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 496. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Food Exposition, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes; and

H. J. Res. 501. Joint resolution to authorize the procurement of an oil portrait and a marble bust of the late Chief Justice Harlan F. Stone.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3644. An act to amend the War Claims Act of 1948, as amended.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1161. An act to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes; and

H. R. 4604. An act to authorize the admission into the United States of certain aliens possessing special skills, namely, Teodor Egle, Karlis Fogelis, Vasily Kils, and Aleksanders Zelmenis.

PROCEEDINGS AGAINST STEVE NELSON

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2848).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING STEVE NELSON

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Steve Nelson. The said subpena directed Steve Nelson to be and appear before said Committee on Un-American Activities on April 26, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Steve Nelson is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to C. E. Owens: You are hereby commanded to summon Steve Nelson, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Washington, room 226, Old House Office Building, on April 26, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 22d day of March 1949.

"JOHN S. WOOD,
"Chairman.

"Attest:

"[SEAL] "RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by C. E. Owens, investigator of the Committee on Un-American Activities, House of Representatives, who was duly authorized to serve the said subpena. The return of the service by the said C. E. Owens, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Steve Nelson before the Committee on Un-American Activities. Served the within-named individual in the offices of the Communist Party of Weston, Pa., 426 Bakewell Building, Pittsburgh, Pa., March 24, 1949.

"C. E. OWENS,
"Investigator."

On May 2, 1949, a telegram was sent to Mr. Steve Nelson, which is set forth herein in words and figures, as follows:

WASHINGTON, D. C., *May 2, 1949.*

Mr. STEVE NELSON,
Room 426, Bakewell Building,
417 Grant Street, Pittsburgh, Pa.:

You are hereby directed to appear before the House Committee on Un-American Activities on May 25, 1949, 10:30 a. m., instead of May 11, 1949, as previously directed.

JOHN S. WOOD,
Chairman.

On May 23, 1949, a telegram was sent to Mr. Steve Nelson, which is set forth in words and figures, as follows:

WASHINGTON, D. C., *May 23, 1949.*

Mr. STEVE NELSON,
Room 426, Bakewell Building,
417 Grant Street, Pittsburgh, Pa.:

With reference to the subpena served upon you on March 24, 1949, and our telegram of May 2, 1949, calling for your appearance on May 25, 1949, you are advised that your appearance before the Committee on Un-American Activities has been postponed until June 8, 1949, at 10:30 a. m.

JOHN S. WOOD,
Chairman.

The said Steve Nelson, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress. The said Steve Nelson, having appeared as a witness and having been asked questions, namely:

"Did he [Josef Fleischinger] have a son, Josef Fleischinger, Jr., a cousin of yours?

"Do you know a person by the name of Josef Fleischinger, Jr.?

"As a matter of fact, you entered the United States illegally under this passport, did you not?

"Did you enter the United States posing as Josef Fleischinger under this passport?

"I hand you a photostatic copy of a portion of the October 27, 1934, issue of the Daily Worker, in which appears an article, Old Parties Push Fake Job Slogans in Penn Elections, by Steve Nelson. I ask if that was a contribution to the Daily Worker made by you?

"Mr. Nelson, I hand you a photostatic copy of the March 1934 issue of Party Organizer, a publication of the Communist Party, which carries an article entitled 'How the Unemployment Councils Were Built in Lackawanna County,' by Steve Nelson, in which unemployment councils and party units are discussed, and an appeal is made to the unemployed, small-home owners, and single young workers. Will you examine this article and state whether or not you made that contribution to that magazine?

"Were you a candidate for the legislature, as stated under the photograph?

"I hand you another issue of the Daily Worker, bearing date of November 3, 1936, which contains the national list of the Communist Party candidates, and under the heading 'Luzerne County, Seventh Legislative District' appears your name, Steve Nelson. Will you examine that and state whether or not you were a candidate for office at that time?

"Were you section organizer of the Communist Party in that locality at that time?

"And I will ask you, Mr. Witness, to examine Nelson exhibit 9 and state whether or not that was a passport application made by you on the date indicated thereon?

"This application further shows that a passport was issued August 14, 1931. Did you receive the passport?

"Were you in Moscow?

"Did you attend the Lenin Institute?

"Did you leave the United States and go to France, and from France to Germany, and from Germany to Russia?

"Did you receive legal passport to leave this country when you went to Spain to become engaged in the fighting there?

"Mr. Nelson, were you in the State of California in March 1941?

"Were you the county organizer of Alameda County, Calif., in March 1941?

"I will ask if you were in Oakland, Calif. in December 1942?

"Were you on the national committee of the Communist Party, representing the State of California in the year 1944?

"Now, I would like to ask you if, during that period of time, 1941 through 1943, you were acquainted with the Communist Party cell alleged to have been in existence at the radiation laboratory at Berkeley, Calif.?

"Did you know Bernadette Doyle in California?

"Was she your secretary in the organization work of the Communist Party in California?

"And did you meet at her home, or at the place where she lived, with other persons, or any persons advocating Communist beliefs?

"Did you become acquainted in California with Dr. Irving David Fox?

"Did you become acquainted with Dr. Joseph Weinberg?

"Did you meet him at any time from the beginning of 1941 to the end of 1943 at your home?

"Do you know Dr. Giovanni Rossi Lomanitz?

"Did you visit the home of Dr. Weinberg on August 17, 1943, at 2427 Blake Street, Berkeley, Calif.?

"Do you recall, Mr. Nelson, a conference held in New York City at Hotel Lincoln on June 23, 1947, which meeting had to do with the American Slav Congress and the Croatian Fraternal Union?

"Did you, on that occasion, meet Tom Babin?

"Do you know Mr. Paul Crouch?

"Are you a Communist?

"Are you familiar with the policies and program of the Communist Party of the United States?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Steve Nelson's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Steve Nelson.

The record of the proceedings before the committee on June 8, 1949, during which said Steve Nelson refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"A subcommittee of the Committee on Un-American Activities met pursuant to call at 11:25 a. m. in room 226, Old House Office Building, Hon. John McSweeney presiding.

"Committee members present: Representatives John McSweeney (presiding), Burr P. Harrison, Richard M. Nixon, and Francis Case.

"Mr. MCSWEENEY. The chairman has designated me to preside over the subcommittee's hearing this morning.

"Let the record show that this is a subcommittee appointed by the chairman, constituted of Mr. HARRISON, Mr. NIXON, Mr. CASE, and JOHN MCSWEENEY, who has been designated to preside.

"Mr. TAVENNER. I would like to call as the first witness Mr. Steve Nelson.

"Mr. MCSWEENEY. Will you rise and raise your right hand. You solemnly swear to tell the committee the whole truth and nothing but the truth, so help you God?

"Mr. NELSON. I do.

* * * * *

"Mr. TAVENNER. Is Josef Fleischinger your uncle?

"Mr. NELSON. I will take the same stand on that question, Mr. Chairman. I refuse to answer that on the ground it may tend to incriminate me.

"Mr. TAVENNER. Let me ask you this question. In what manner could the acknowledgement that Josef Fleischinger is your uncle tend to incriminate you?

"Mr. BLOCH. I don't know what my rights are here. I know they are severely limited; they have been in the past. I don't know if the committee would like to hear an objection in any legal form. If I am allowed to record the objections, I would like to state for the record that the question itself calls for the divulgence of information that might be incriminatory in character. Therefore, the question is improper and I object to it.

"Mr. TAVENNER. In reply to counsel, I desire to state that if there is any indication from evidence that is presented to this committee that such should be the case, he would be within his rights in claiming immunity.

"Mr. BLOCH. Furnishing you evidence, or a scintilla of evidence, to indicate the basis of the witness' refusal to answer on the ground it might tend to incriminate him would, in and of itself, destroy the privilege, because it might furnish a link, or a clue, or evidence itself, that might reveal information of an incriminatory character.

"Mr. TAVENNER. In the absence of or refusal of the witness to give any evidence to this committee wherein the divulgence of that information might be incriminating, I think he should be compelled to answer the question.

"Mr. BLOCH. I wonder if the committee would give me a moment to discuss with the witness his constitutional rights and clarify in my own mind something?

"Mr. MCSWEENEY. Yes.

"(Witness confers with his counsel.)

"Mr. BLOCH. If the committee pleases, the witness would like to clarify his refusal by a sketchy summary statement which will suggest, at any rate, to the committee his basis for refusing to answer without destroying the privilege.

"Mr. MCSWEENEY. Mr. Nelson, proceed.

"Mr. NELSON. In the first place, I understand the fifth amendment to mean that you have no right to press me to interpret or to give you my reasons for not answering the question. Secondly, this committee knows that I am a Communist, and if I should admit that I know certain people, those people would be subject persecution, and I will not cooperate with the committee on that score.

"Mr. NIXON. Mr. Chairman——

"Mr. NELSON. And of course because it would incriminate me.

"Mr. NIXON. Mr. Chairman, the reasons the witness has given do not bear on the matter of self-incrimination. The fact that it is going to embarass somebody else who happens to be a relative certainly does not bear on the question of self-incrimination. I think the understanding should be reached at the present time that if the witness is using self-incrimination simply to show his contempt for the committee, that the committee should take proper action.

"Mr. BLOCH. The witness did not confine his refusal to the fact it may involve other people in persecutions, as he termed it, but he also assigned the reason that he himself would be incriminated. I think the record bears that out very clearly. He might have many reasons for refusing to answer, but I submit that if one of those reasons involves his right against self-incrimination, he refusal should be upheld.

"Mr. HARRISON. Might I ask what counsel suggests?

"Mr. TAVENNER. I would like the witness to comply with what I conceive the law to be in such matters, that if he has any reasons or can give this committee any information that could lead this committee to believe that his reply would be of an incriminatory nature, then he should not be required to answer the question; otherwise, he should be required to answer. And I want him to have every opportunity to present to this committee some information that would permit this committee to come to some conclusion, because I deem it to be the right and privilege of this committee to determine whether or not the question should be answered.

"Mr. CASE. Mr. Chairman——

"Mr. BLOCH. If the committee pleases——

"Mr. MCSWEENEY. Mr. Case.

"Mr. CASE. Did the witness complete his statement? He started to say for the further reason that it would tend to incriminate himself. Did that complete your statement?

"Mr. NELSON. Yes.

"Mr BLOCH. If I might be heard for 2 seconds on this question, and I think it is a question of law more than anything else, the courts have held repeatedly—and this is within the last few years, and if you care for the citations I can give them to you—that when an avowed Communist is questioned about his associations, affiliations, and activities in connection with his Communist beliefs, he has the absolute right to rely upon the fifth amendment, because the Government—incidentally, particularly this committee—has made claims about the Communist movement, charging them with engaging in activities of a criminial character.

"I don't have to enumerate for you the various statutes under which it has claimed that certain members of the Communist Party have committed crimes against the United States. It is apparent we have a

crime by conspiracy, and when you ask a Communist if he knows somebody or has seen somebody or engaged in any activity with somebody, it might tend to put him in the legal noose, I might say, for prosecution by the United States.

"The admission of a relationship may be very damaging. The witness, within the recesses of his mind, knows what has happened in the past, and I don't believe anybody, under our Constitution, has a right to inquire into those thoughts of his which refresh his recollection as to certain incidents of the past, as to whether he has or has not been engaged in conduct that might be conceived as improper.

"I might say this: I don't want to waive any rights as to the bona fideness of the question or as to the materiality. I don't know what this committee is after from this witness.

"Mr. McSWEENEY. You have a right to consult with your client any time during the questioning, and advise your client.

"Mr. BLOCH. Thank you.

"Mr. HARRISON. What is counsel's recommendation as to proceeding at this time?

"Mr. TAVENNER. I would suggest at this time that if there is no evidence satisfactory to the committee which would indicate anything of an incriminatory character in the answer, that the witness should be required to answer the question.

"Mr. HARRISON. I move the witness be directed to answer the question.

"Mr. NIXON. I second the motion.

"Mr. McSWEENEY. All those in favor of the motion as made and seconded will signify by saying "aye"; those opposed, "no."

"(The motion was unanimously carried.)

"Mr. McSWEENEY. It is the concensus of the committee that you be directed to answer the question.

"Mr. TAVENNER. Will the reporter read the question.

"(The pending question was read by the reporter, as follows:)

"Is Josef Fleischinger your uncle?

"(Witness confers with his counsel.)

"Mr. NELSON. Josef Fleischinger was my uncle. He is dead.

"Mr. TAVENNER. Did he come to the United States?

"Mr. NELSON. Yes.

"Mr. TAVENNER. When did he die?

"Mr. NELSON. In the last year.

"Mr. TAVENNER. Mr. Nelson, did he have a son, Joseph Fleischinger, Jr., a cousin of yours?

"(Witness confers with his counsel.)

"Mr. NELSON. I refuse to answer that on the grounds that it will tend to incriminate me.

"Mr. TAVENNER. Let me repeat the question. I am not certain that it was understood. Is Josef Fleischinger, Jr., a cousin of yours?

"Mr. NELSON. I gave you that answer and I stand on those grounds.

"Mr. HARRISON. You mean you have answered the question?

"Mr. NELSON. Yes. I said I refused to answer it on the grounds it may tend to incriminate me.

"Mr. HARRISON. Is that your full statement?

"Mr. NELSON. That is my full statement.

"Mr. HARRISON. Mr. Chairman, I move that the witness be instructed to answer the question.

"Mr. McSWEENEY. You acknowledged your relation to one person. We are asking your relation to another.

"(Witness confers with his counsel.)

"Mr. NELSON. I understand the implications of what you are driving at, and I take the position that this committee is trying to compel me to testify against myself, and I refuse to do so on the grounds that the Constitution protects me.

"Mr. CASE. Mr. Chairman, is he contending that he would be testifying against himself, or tending to incriminate himself, if he answers a question of fact as to whether a certain person is his cousin?

"Mr. BLOCH. May I answer that?

"Mr. McSWEENEY. You can't testify.

"Mr. BLOCH. I don't want to testify. I want to argue it as a proposition of law, that is all.

"Mr. McSWEENEY. You can consult with your client.

"Mr. CASE. I would like to ask this question of Mr. Nelson: Do you know a person by the name of Josef Fleischinger, Jr.?

"Mr. NELSON. I have answered that question, sir, the way I think it ought to be answered.

"Mr. CASE. You haven't answered that question.

"Mr. NELSON. That is the same question.

"Mr. HARRISON. I understand you refuse to answer the question?

"Mr. NELSON. I refuse to answer it on the grounds it may tend to incriminate me.

"Mr. HARRISON. And that is the full answer you desire to make?

"Mr. NELSON. Yes.

"Mr. BLOCH. I assume that goes to both questions. The questions are interrelated.

"Mr. HARRISON. Mr. Chairman, I move the witness be directed to answer.

"Mr. NIXON. I second the motion.

"Mr. McSWEENEY. All those in favor of the motion as made and seconded will signify by saying 'Ayes'; those opposed, 'No.'

"(The motion was unanimously carried.)

"Mr. McSWEENEY. So ordered. The committee directs you to answer the question.

"(Witness confers with his counsel.)

"Mr. NELSON. Mr. Chairman, I refuse to answer that question upon the further grounds that because of the fact I am a well-known Communist it may tend to cause harm to this person that you are bringing forward here, and I refuse to do that, as well as the fact it is going to do harm to me. This committee is trying to do something it has no right to do.

"Mr. HARRISON. You have no right to assume that.

"Mr. BLOCH. Will you pardon me for 1 second while I confer with the witness?

"Mr. McSWEENEY. Yes.

"(Conference between the witness and his counsel.)

"Mr. NIXON. While counsel is conferring with the witness I want to make a statement for the record again that the witness' contention that the testimony he would give might be harmful to his relatives or to him has no standing before this committee, as the witness and his counsel both well know.

"Mr. NELSON. Mr. Chairman, I have made two points already of the reasons I am refusing to answer. The additional reason is that if I would answer your question whether I had relations with this person it would definitely tend to incriminate me, and therefore I refuse to do so.

* * * * *

"Mr. TAVENNER. I hand you a photostatic copy of a passport. Will you identify that as the passport under which you traveled?

"Mr. NELSON. I would say it looks like the one.

* * * * *

"Mr. TAVENNER. As a matter of fact, you entered the United States illegally under this passport, did you not?

"Mr. NELSON. I refuse to answer that.

"Mr. TAVENNER. On what ground?

"Mr. NELSON. Because it may tend to incriminate me.

"Mr. TAVENNER. The offense, if one existed, is barred by the statute of limitations, this having occurred in 1920; and the fifth amendment does not, in my judgment, afford immunity where you cannot be prosecuted because of the alleged offense being barred by the statute of limitations; so I again ask you to answer the question.

"(Witness confers with his counsel.)

"Mr. NELSON. What is the question again?

"Mr. TAVENNER. Read the question.

"The question referred to was read, as follows:

"As a matter of fact, you entered the United States illegally under this passport, did you not?

"Mr. NELSON. Mr. Chairman, I don't admit that I came into the United States illegally.

"Mr. McSWEENEY. You admit this to be your passport?

"Mr. NELSON. That is right.

"Mr. TAVENNER. There appears on the last page of this passport the following certification:

"'AMERICAN LEGATION,

"'*Belgrade, April 15, 1920.*

"'I hereby certify that Mr. Josef Fleischinger, the holder of this passport, is accompanied by his wife Mary and minor children, Josef, Elsie, and Mary.'

"Did you not enter the United States posing as Josef Fleischinger under this passport?

"(Witness confers with his counsel.)

"Mr. NELSON. I didn't fill that thing out. At the time I was 16 years old or so, and I can't say. Therefore I refuse to answer the question. It might tend to incriminate me if I answered I came in illegally, or perhaps if you put the interpretation on it that I prepared the thing.

"Mr. TAVENNER. You were arrested for deportation, were you not, because of illegal entry?

"Mr. NELSON. That is right.

"Mr. TAVENNER. When was that?

"Mr. NELSON. I can't recall. I think it was in 1921.

"Mr. TAVENNER. Was that about June 22, 1922, you think?

"Mr. NELSON. I can't be sure about that date.

"Mr. TAVENNER. Was a hearing afforded you on October 17, 1922, in Philadelphia, as a result of which you were afforded an opportunity to legalize your residence in this country?

"Mr. NELSON. That is right, but I am not sure about the date.

"Mr. TAVENNER. And is it not also true that on the 14th of November 1922, the Secretary of State waived the passport requirements on behalf of yourself, your mother Mary, and your two sisters?

"Mr. NELSON. I don't know what the technical or legal procedure was, but my understanding was that the case was dropped, and that ended the matter so far as I know.

* * * * *

"Mr. TAVENNER. I hand you a photostatic copy of a portion of the issue of November 10, 1937, of the Daily Worker. The Daily Worker is an official publication of the Communist Party, is it not?

"(Witness confers with his counsel.)

"Mr. NELSON. It is not an official organ of the Communist Party now.

"Mr. TAVENNER. In 1937 it was an official publication of that party, was it not?

"Mr. NELSON. I believe it was then.

"Mr. TAVENNER. I hand you this article, entitled 'Steve Nelson an Exemplary Political Commissar in the International Brigade,' by Joseph North, and ask you to examine it.

"(Witness examines document and confers with his counsel.)

"Mr. NELSON. I didn't have a chance to read it carefully. It appears to be an article from the Daily Worker, but I can't say that all the facts are correct, because the story was cabled from Valencia, Spain. At that time I was in a hospital wounded, and I don't recall reading the story, that is, the article, as it appeared in the Daily Worker, because I wasn't here at the time.

"Mr. TAVENNER. You knew Joseph North in Spain, did you not?

"Mr. NELSON. Yes, I met him. He was a correspondent for the Daily Worker.

"Mr. TAVENNER. This article describes your activity to some extent in the International Brigade?

"Mr. NELSON. Yes, I gather that from glancing at it.

"Mr. TAVENNER. In the course of this article it is stated: 'The working people of the Soviet Union were passing through a bitter period and Steve joined the Friends of Soviet Russia. On the first anniversary of Lenin's death, he joined the C. P. at the memorial meeting in Philadelphia.' Is that correct?

"Mr. NELSON. That is what the story says, but the facts are not so.

"Mr. TAVENNER. Didn't you tell Mr. North that when he prepared this article?

"Mr. NELSON. How do I know what I told him 12 years ago?

"Mr. TAVENNER. Do you or do you not?

"Mr. NELSON. Would you remember details like that 12 years ago?

"Mr. HARRISON. Answer the question.

"Mr. NELSON. I don't know.

"Mr. HARRISON. You do not know whether you did or not?

"Mr. NELSON. That is right.

"Mr. TAVENNER. Is it not a fact that you did join the Communist Party in Philadelphia on the anniversary of Lenin's death?

"Mr. NELSON. That is not true. Let me point out to you, which is what I wanted to say, Mister—I don't know who you are, by the way.

"Mr. TAVENNER. That doesn't make any difference.

"Mr. NELSON. I think I should know. What I wanted to point out was that the Communist Party of the United States was organized later as a Communist Party and not, as far as I recall, was it organized in 1924. It was the Workers Party.

"Mr. TAVENNER. I desire to offer in evidence the publication referred to and have it marked 'Nelson exhibit 2.'

"Mr. HARRISON. It is admitted.

"Mr. TAVENNER. You did join the Communist Party, however, did you not?

"Mr. NELSON. It is a well-known fact I am a member of the Communist Party. I must have joined it.

"Mr. TAVENNER. You must have joined it. All right.

"Mr. HARRISON. I ask the witness to respond directly to the questions propounded 'Yes' or 'No.' I am not undertaking to limit his answers, but I do think it would save time if he answered more directly the questions asked by counsel.

"Mr. TAVENNER. I hand you a photostatic copy of a portion of the October 27, 1934, issue of the Daily Worker, in which appears an article, Old Parties Push Fake Job Slogans in Penn Elections, by Steve Nelson. I ask if that was a contribution to the Daily Worker made by you?

"(Witness examined document and confers with his counsel.)

"Mr. NELSON. Mr. Chairman, I think the line of questions of the committee is pretty clear to me by now. It is clearly an attempt to build up a line of questions which will tend to incriminate me as an active Communist, and incriminate other people, and I reserve the right not to answer that.

"Mr. HARRISON. Does that complete the witness' statement in explanation of his refusal to answer the question?

"(Witness confers with his counsel.)

"Mr. NELSON. Yes; it does.

"Mr. HARRISON. The committee will direct the witness to answer the question.

"(No response.)

"Mr. HARRISON. Let the record show that the witness refused to answer.

"Mr. TAVENNER. I don't know if the witness made reply to your question.

"Mr. HARRISON. The witness made no further reply when directed to answer.

"Mr. BLOCH. If the committee pleases, in asking the committee to reconsider its ruling I would like to point out that membership in the Communist Party, with knowledge of its policies and program, constitutes a criminal offense under the Smith Act of 1940, and the answer to this particular inquiry would tend to show that this witness was a Communist who was active, who wrote for official publications of the Communist Party, and would therefore directly involve him in the imputation that he is active in the Communist Party and knows full well its policies and program. That is an elaboration of the assertion of the witness that he is relying upon his rights under the Constitution, particularly the right of protection against self-incrimination.

"Mr. TAVENNER. I offer this publication in evidence and ask it be marked 'Nelson exhibit 3.'

"Mr. HARRISON. It will be admitted.

"I understand there is no disposition on the part of the committee to change its conclusion that this is a proper question for the witness to answer.

"Mr. BLOCH. I think Representative NIXON is fully familiar with this law, and as one who has specific knowledge of the Smith Act, there is no question or controversy in what I have stated to the committee in support of the witness' insistence that he be afforded his protection under the fifth amendment.

"Mr. NIXON. I might say that the reason I think the chairman was justified in directing that the witness answer the question is that Mr. Nelson has already, in his testimony, stated that he is an open and avowed Communist.

"Mr. BLOCH. Being an open and avowed Communist does not come within the purview of the Smith Act. Being a Communist who is active and who has knowledge of the policies and programs of the Communist Party is, according to the Government's interpretation as indicated by the indictment against the 11 Communist leaders in New York, subject to the penalties of the Smith Act.

"Mr. NIXON. I think the record of Mr. Nelson's statement on that will indicate he went further as to the kind of a Communist he was, but in any event, in view of his membership in the party, and in view of Mr. Nelson's admission that that membership and his activities are well known, I don't see how answering the question would incriminate him.

"Mr. BLOCH. I would like to press the objection and call attention to the history of this committee, with reference to accusations made against the predecessor of this committee, that they were invading constitutional rights. It was said in the press that this committee was going to be scrupulous in protecting the constitutional rights of witnesses, and I therefore suggest to the committee that it be extremely deliberate in its judgments when it is beginning to ask questions which might tread on the constitutional rights of persons who appear before it, under subpena or otherwise.

* * * * *

"Mr. TAVENNER. Mr. Nelson, I hand you a photostatic copy of the March 1934 issue of Party Organizer, a publication of the Communist Party, which carries an article entitled "How the Unemployment Councils Were Built in Lackawanna County," by Steve Nelson, in which unemployment councils and party units are discussed, and an appeal is made to the unemployed, small home owners, and single young workers. Will you examine this article and state whether or not you made that contribution to that magazine?

"(Witness examines document and confers with his counsel.)

"Mr. NELSON. Mr. Chairman, I refuse to answer that question on the grounds that this is interfering with my right under the first amendment of the Constitution and on the grounds of the fifth amendment, along the same line that I explained this morning, that you gentlemen know that the Communist Party is under attack, and things are ascribed to the Communist Party that are false but this committee contends they are correct, and on the grounds of that I cannot answer the question.

"Mr. WOOD. I understand the question asked you is whether you contributed that article, a photostatic copy of which was presented to you, to the magazine. I fail to see how an answer to that question would tend to incriminate you or violate any of your constitutional rights.

"Mr. BLOCH. Mr. Chairman, you were not here this morning, but this question has been argued out as a proposition of law, and in addition to the statements made by the witness I was given the permission, the privilege, to elaborate. I advise the witness to persist in his refusal to answer on the grounds stated.

"Mr. WOOD. I still don't see how an answer to that question would tend to incriminate him.

"Mr. TAVENNER. I desire to introduce the article in evidence and have it marked 'Nelson Exhibit 4.'

* * * * *

"Mr. TAVENNER. I hand you a photostatic copy of the September 17, 1936, issue of the Daily Worker, which carries your picture and refers to your candidacy for the legislature of the State of Pennsylvania from Wilkes-Barre, and to the political value of the circulation of the Sunday Worker, in which you were alleged to have been engaged. Will you examine that and state whether or not that is your photograph?

"(Witness examines document and confers with his counsel.)

"Mr. NELSON. I can't tell whether the photograph is mine or not. It appears to be.

"Mr. TAVENNER. Were you a candidate for the legislature, as stated under the photograph.

"Mr. NELSON. The answer I gave to the other question applies to this one in the same way. If you want me to, I will repeat it.

"Mr. WOOD. You mean you decline to answer whether you were a candidate for the legislature in Pennsylvania in 1936?

"Mr. NELSON. Yes.

"Mr. WOOD. On the ground it would tend to incriminate you?

"Mr. NELSON. Yes; first and fifth amendments.

"(Conference between the witness and his counsel.)

"Mr. NELSON. If it isn't understood, I mean on the ground that it may tend to incriminate me.

"Mr. TAVENNER. I desire to offer the paper in evidence and have it marked 'Nelson Exhibit 5.'

"Mr. WOOD. Without objection, it is admitted.

"Mr. TAVENNER. I hand you another issue of the Daily Worker, bearing date November 3, 1936, which contains the national list of the Communist Party candidates, and under the heading 'Luzerne County, seventh legislative district' appears your name, Steve Nelson. Will you examine that and state whether or not you were a candidate for office at that time?

"Mr. NELSON. I refuse to answer that question on the grounds I have already stated before.

"Mr. CASE. Mr. Chairman, is it going to be an accepted position of this committee that it is going to be incriminating to be a candidate for public office in the United States?

Mr. NELSON. May I comment on that?

Mr. WOOD. In response to the question propounded by a member of the committee,

I will state to the committee that it should not be understood the committee is accepting any such statements or excuses.

"Mr. BLOCH. I would like to respond to the Congressman's inquiry.

"Mr. WOOD. I think I have responded to it.

"Mr. BLOCH. I could add something if you would permit me.

"Mr. TAVENNER. I offer the paper in evidence and ask that it be marked 'Nelson Exhibit 6.'

"Mr. WOOD. Without objection it will be received.

* * * * *

"Mr. TAVENNER. I present to you another issue of the Daily Worker, bearing date February 24, 1936, in which there appears a letter over your name in which it is stated:

" 'Instead of section organizers just working out "plans," they will now have the responsibility of trying to carry out some plans in practice.

" 'My personal response to the challenge is that I will recruit 25 members by the party convention, of which 18 applications have already been sent in, including 13 miners (5 of them employed, 8 of them on WPA), 2 employed textile workers and 1 unemployed; 3 professionals. I will make it my business to fulfill my quota by the convention.'

"The name appears 'Steve Nelson' with the letters 'SO, Luzerne County.'

"Did you write that letter to the Daily Worker?

"Mr. NELSON. I refuse to answer that on the same grounds I gave before.

"Mr. TAVENNER. I call your attention to the letters 'SO' appearing after your name. Does that indicate section organizer?

"(Witness confers with his counsel.)

"Mr. NELSON. I refuse to answer that.

"Mr. TAVENNER. Were you section organizer of the Communist Party in that locality at that time?

"Mr. NELSON. I refuse to answer that.

"Mr. TAVENNER. I offer in evidence that paper and ask that it be marked 'Nelson Exhibit 8.'

"Mr. WOOD. Without objection, it will be admitted.

"Mr. TAVENNER. I hand you now a photostatic copy of a passport application which was obtained by the committee in response to a subpena, and will ask you if you can identify it. It is over the name of Steve Nelson.

"(Witness confers with his counsel.)

"Mr. NELSON. Mr. Chairman, I refuse to answer that question on the same grounds plus the additional reason that this has to do with my political activity, and therefore I refuse to answer that question.

"Mr. WOOD. Exactly what was the question, Mr. Tavenner?

"Mr. TAVENNER. I asked if he could identify it.

"Mr. MOULDER. Could it be marked as an exhibit first so that it might be referred to as an exhibit?

"Mr. TAVENNER. I offer in evidence this photostatic copy of passport application and ask that it be marked 'Nelson Exhibit 9.'

"Mr. WOOD. It will be received.

"Mr. TAVENNER. And I will ask you, Mr. Witness, to examine Nelson exhibit 9 and state whether or not that was a passport application made by you on the date indicated theron?

"Mr. NELSON. Same answer, Mr. Chairman.

"Mr. WOOD. It might be pointed out, I believe, Mr. Nelson, that at the moment the question of whether or not you made that application is the one put to you. There are no political implications in that question. Do you still decline to answer?

"Mr. NELSON. It is my understanding it does bear on my political activity. That is why I refuse to answer.

"Mr. WOOD. Up to this moment there has been no implication of that character put forth in connection with that particular question or this particular exhibit. The simple question asked you now is: Did you yourself make this application, a photostatic copy of which has been submitted to you, marked 'Nelson Exhibit 9'? Do you still desire to answer as you did?

"Mr. NELSON. The same answer.

"Mr. WOOD. And you decline to answer for that reason?

"Mr. NELSON. Yes.

"Mr. BLOCH. May I say that although on the face it may not appear there is a political implication, the witness may have in his mind—and he is the only one who knows—his conduct and activities in connection with the alleged making of this passport application, and it is not for you or for me to say whether or not this witness has that in mind.

"Mr. WOOD. Mr. Attorney, you may advise you client what you are advising the committee if you so desire.

"Mr. BLOCH. I so advised him.

"Mr. NIXON. I understand the witness says there is an implication in connection with the Communist International. Is that correct?

"Mr. BLOCH. Don't answer. That is precisely the advice of——

"Mr. WOOD. Mr. Counsel, you will have to remain seated if you remain in here.

"Mr. BLOCH. I am sorry. I thought I was courteous. I always stand in court.

"Mr. WOOD. I will go further and say you will have to remain quiet if you stay here.

"Mr. BLOCH. Evidently a precedent was set this morning. I was permitted to argue questions of law. If the committee is going to be an Indian giver and take it away, you may so state for the record.

"Mr. WOOD. Let us get this settled now. You have a perfect right to confer with Mr. Nelson, whom I assume you represent?

"Mr. BLOCH. That is correct.

"Mr. WOOD. To the fullest extent you desire; and having done so, it is up to the witness to answer. The committee does not desire any argument.

"Mr. BLOCH. I understand the import of the chairman's ruling. I thought, as one lawyer speaking to other lawyers, I might elucidate the committee on questions of law.

"Mr. CASE. The committee has counsel of its own. I understood counsel was counsel for the witness and not for the committee.

"Mr. BLOCH. I am submitting to the chairman's ruling under protest, because I believe you are depriving the witness of a constitutional right he has to have his counsel argue questions of law in his behalf. That is the American tradition.

"Mr. WOOD. Proceed.

"Mr. TAVENNER. Mr. Nelson, this passport application shows that the person signing it stated: 'I solemnly swear that I was born at Rankin, Pa.' Were you born at Rankin, Pa.?

"(Witness confers with his counsel.)

"Mr. NELSON. I refuse to answer that. I told you where I was born.

"Mr. NIXON. He answered the question.

"Mr. TAVENNER. This application further shows that a passport was issued August 14, 1931. Did you receive the passport?

"Mr. NELSON. I refuse to answer that question on the same grounds.

* * * * *

"Mr. TAVENNER. Mr. Chairman, I think I should read to the witness, to give him an opportunity to either confirm it or explain it or deny it, the testimony of Mr. William O. Nowell, given before the Committee on Un-American Activities on November 30, 1939, or an excerpt from it.

"Mr. WOOD. Proceed.

"Mr. TAVENNER (reading):

" 'Mr. WHITLEY. What is your full name, Mr. Nowell?

" 'Mr. NOWELL. William Odel Nowell.

" 'Mr. WHITLEY. And where were you born?

" 'Mr. NOWELL. In the State of Georgia.

" 'Mr. WHITLEY. When were you born?

" 'Mr. NOWELL. July 11, 1904.

" 'Mr. WHITLEY. What is your present residence, Mr. Nowell?

" 'Mr. NOWELL. Detroit, 1382 Fleming.

" 'Mr. WHITLEY. How long have you lived in Detroit?

" 'Mr. NOWELL. About 16 years.

" 'Mr. WHITLEY. Were you ever a member of the Communist Party?

" 'Mr. NOWELL. I was.

" 'Mr. WHITLEY. When and where did you join the party?

" 'Mr. NOWELL. I joined in Detroit, in 1929, in the summer of 1929.

* * * * *

" 'Mr. VOORHIS. When did you leave the Communist Party?

" 'Mr. NOWELL. I left at the end of 1936.

" 'Mr. VOORHIS. At the end of 1936?

" 'Mr. NOWELL. Yes.

* * * * *

" 'Mr. WHITLEY. What national or local party leaders do you know or have you worked with, Mr. Nowell?

" 'Mr. NOWELL. I have worked with most of the national leaders—that is, those that were leaders since—committee members, and leading Communist functionaries locally and nationally for the period 1929 to 1935 or 1936, and I have a list here. I have a complete list here of people—it is not exhaustive by any means—of people who were in and are still playing a very important part in the leadership of the Communist Party in various sections of the country. I also have a prepared list here of people that I know to be occupying strategic positions in industries and organizations in Detroit and Michigan.

" 'Mr. WHITLEY. Will you read that list if it is not too extensive?'

"Then, proceeding to read various names, he stated:

" 'Mr. NOWELL. * * * Steve Nelson, who went into the International University under the name of Louis Evans, is reported to have served in Spain and toured the country shortly after in the interests of the Communist Party and the Spanish legionnaires, or those people who were sent to Spain to assist the Spanish loyalist cause. He was conspicuous because of his connection with the OGPU in Moscow.

" 'Mr. VOORHIS. Who is that?

" 'Mr. NOWELL. Steve Nelson.

" 'Mr. VOORHIS. You know by your contact with him that he was connected with the OGPU?

" 'Mr. NOWELL. In Moscow. I was present; I was there at the time.'

"Do you desire to make any comment on that testimony that was given before this committee?

"(Witness confers with his counsel.)

"Mr. NELSON. First of all, that testimony you read there is a piece of testimony given to you by a noted labor spy and a rat, and I refuse to dignify that as being anything but a bunch of—I refuse to answer that question.

"Mr. TAVENNER. Let me ask you this: Were you in Moscow?

"Mr. NELSON. I refuse to answer that question.

"Mr. TAVENNER. Did you attend the Lenin Institute?

"Mr. NELSON. I refuse to answer that question.

"Mr. TAVENNER. Did you leave the United States and go to France, and from France to Germany, and from Germany to Russia?

"Mr. NELSON. I refuse to answer that question.

"Mr. BLOCH. Just a second. Mr. Chairman, I would like to interject at this point, I want the record to note, if it does not note explicitly, that the witness is refusing to answer, I assume, on the same grounds he has already urged. Otherwise, I think the witness should be extended the right to say so

specifically. There were four questions and the witness responded I 'refuse to answer.' I would like the record to show he is refusing to answer on the same grounds he has asserted in refusing to answer previous questions. If there is any doubt in the committee's mind, I want him to be accorded the privilege of saying so specifically.

"Mr. TAVENNER. I will accord him the privilege. I was probably at fault in asking the questions too fast.

"What was the ground of your refusal to answer the last four questions?

"Mr. NELSON. On the grounds of the fifth amendment.

"Mr. TAVENNER. Did you not appear before the American consul at Vienna and request a 2-year renewal of your passport, in which you stated you had resided in Russia from September 1931 to May 1933, and had resided in Germany, Switzerland, and Austria from May to July 1943?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. NIXON. Mr. Counsel, have you left the Nowell allegations?

"Mr. TAVENNER. Yes.

"Mr. NIXON. Mr. Nelson, I understood you did not want to dignify Mr. Nowell's testimony on the ground he was a labor spy, and you started to say something else.

"Mr. NELSON. That is as far as I want to go.

"Mr. NIXON. You think Mr. Nowell's allegations, because he was a labor spy, are so false that you do not wish to answer?

"Mr. NELSON. I refuse to answer.

"Mr. NIXON. You do not say Mr. Nowell's statements are not true?

"Mr. NELSON. I think my meaning is clear.

"Mr. NIXON. It is not clear at all.

"Mr. NELSON. I refuse to answer the question.

"Mr. NIXON. In one instance, you say Mr. Nowell is a person who could not be believed, in effect, and in the second instance you refuse to answer whether the charges are true or false. Are they false?

"Mr. NELSON. I refuse to answer that question, but you can't hold me from having an opinion on what a labor spy is and how I am going to treat his testimony.

"Mr. NIXON. But as far as the allegations are concerned, you refuse to answer on the ground of self-incrimination?

"Mr. NELSON. That is right.

"Mr. NIXON. You do not say whether they are true or false?

"Mr. NELSON. I refuse to answer that. You can draw your own conclusions.

* * * * *

"Mr. TAVENNER. Did you receive a legal passport to leave this country when you went to Spain to become engaged in the fighting there?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. You told us this morning that you were wounded in service. Was that in Spain?

"Mr. NELSON. I refuse to answer the question on the same grounds.

"Mr. WOOD. Will you tell us where, if at all?

"Mr. NELSON. I refuse to answer that question.

* * * * *

"Mr. TAVENNER. Mr. Nelson, were you in the State of California in March 1941?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. I hand you an issue of the Daily Worker bearing date March 21, 1941, and call your attention to an article the heading of which is: '1,500 at coast meeting demand "Free Browder".' In the course of the article this paragraph appears:

" 'The outdoor rally was called by the San Francisco Communist Party county committee. Speakers were Louise Todd on Why Browder Was Arrested; Sam Jaye on War and the Attacks on the Trade Unions; Steve Nelson, county chairman of the Communist Party of San Francisco.'

and so on. Will you examine that article and state whether or not it speaks the truth with reference to you?

"Mr NELSON. Same answer; same grounds.

"Mr. TAVENNER. Were you the county organizer of Alameda County, Calif., in March 1941?

"Mr. NELSON. I refuse to answer that on the same grounds, as well as on the ground of the first amendment. This committee has no business interfering where a person is acting politically.

"Mr. TAVENNER. I desire to offer that paper in evidence and have it marked 'Nelson Exhibit 12.'

"Mr. WOOD. It will be admitted.

"Mr. TAVENNER. I will ask if you were in Oakand, Calf., in December 1942?

Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. I hand you a photostatic copy of Daily People's World bearing date December 4, 1942, and call your attention to an article entitled 'Spain Vet Does It Again—Hero in Pacific Fighting—Bottcher Splits Enemy Force in Burma Drive.' I call your particular attention to this paragraph contained in the article:

" 'Bottcher, born in Germany, but a citizen of San Francisco since 1931, served in Spain under Lt. Col. Steve Nelson, another American of the International Brigade, now in Oakland.'

Will you examine that and state whether it states the facts; that is, the portion that I read to you?

"Mr. NELSON. I refuse to answer that on the same grounds.

"Mr. TAVENNER. I offer that paper in evidence and ask it be marked 'Nelson Exhibit 13.'

"Mr. WOOD. It will be received.

"Mr. TAVENNER. Were you on the National Committee of the Communist Party representing the State of California in the year 1944?

"Mr. NELSON. I refuse to answer that on the same grounds.

"Mr. TAVENNER. I hand you an issue of the Daily Worker of May 23, 1944, and call your attention to an article entitled 'Officers of Communist Political Association,' in which it shows that the president is Earl Browder, the vice president William Z. Foster, and so on, and the national committee members, in addition to the above officers, are, among other persons, 'Steve Nelson, California.' Will you examine the paper and state whether or not it states the fact?

"Mr. NELSON. My answer is the same, grounds the same, fifth amendment.

"Mr. TAVENNER. I desire to offer that paper in evidence and have it marked 'Nelson Exhibit 14.'

"Mr. WOOD. Without objection it will be admitted.

"Mr. TAVENNER. I hand you now a photostatic copy of a letter over the signature of 'Earl Browder, general secretary of the Communist Party, U. S. A.,' bearing date November 27, 1939, directed to Rhea Whitley, counsel, Committee on Un-American Activities, Washington, D. C., furnishing a list of the names of the national committee of the Communist Party of the United States and a list of the national committee of the Communist Party elected at the tenth convention, from which there appears, on page 3, William Z. Foster, chairman; Earl Browder, secretary, and under the heading 'Members' among others appears the name 'Steve Nelson.' Is that statement by Mr. Browder correct, or is it false, insofar as it refers to you as a member of the national committee?

"Mr. NELSON. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. I offer the letter in evidence and ask that it be marked 'Nelson Exhibit 15.'

"Mr. WOOD. Without objection it will be admitted.

"Mr. BLOCH. I think you inadvertently designated the date as November 27, 1949. It bears the date November 27, 1939.

"Mr. TAVENNER. I am fairly certain I said 1939. If I was in error, that fact will appear.

"Mr. WOOD. Does the answer remain the same irrespective of what counsel stated the date of the letter to be, 1939 or 1949?

"Mr. NELSON. I answered the question right, as I wanted to.

"Mr. WOOD. Having examined the letter, you now say you decline to answer the question?

"Mr. NELSON. That is right.

"Mr. WOOD. As to its correctness or incorrectness, so far as it applies to you?

"Mr. NELSON. That is right; on the same grounds.

* * * * *

"Mr. TAVENNER. I have presented here evidence, which, if believed, indicates you were active in the organization work of the Communist Party and that you were active as a functionary of the Communist Party in California during the years 1941, 1942, and 1943. Now I would like to ask you if, during that period of time, 1941 through 1943, you were acquainted with the Communist cell alleged to have been in existence at the Radiation Laboratory at Berkeley, Calif.?

"Mr. BLOCH. If the chairman please, I would like to strike the first part of the question as to form. It presupposes a question of fact that has not been proved at all. No such evidence has been adduced. It is of no probative value, it is worthless, and it wouldn't be accepted in any court in this land or any other land. I am willing the witness answer the question provided that preliminary outburst be deleted.

"Mr. WOOD. The witness was asked if he was familiar with an alleged Communist cell existing at Radiation Laboratory at Berkeley during the period 1941 to 1943. What is the witness' answer to that question?

"Mr. NELSON. I refuse to answer that on the same grounds, on grounds of the fifth amendment.

"Mr. TAVENNER. Did you know Bernadette Doyle in California?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Was she your secretary in the organization work of the Communist Party in California?

"Mr. NELSON. I refuse to answer that on the same grounds.

"Mr. TAVENNER. And did you meet at her home, or at the place where she lived, with other persons or any persons advocating Communist beliefs?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Did you become acquainted in California with Dr. Irving David Fox?

"Mr. NELSON. I refuse to answer that question on the same grounds?

"Mr. TAVENNER. Did Dr. Joseph Weinberg visit your home at 3720 Grove Street, Oakland, Calif., on March 29, 1943?

"Mr. NELSON. I refuse to answer that question. Even if I had a memory for dates I couldn't remember that.

"Mr. TAVENNER. Did you meet him at any time from the beginning of 1941 to the end of 1943 at your home?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. You do recall that your home was at 3720 Grove Street, Oakland, Calif., do you not?

"(Witness confers with his counsel.)

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Not on the ground that you do not remember?

"Mr. NELSON. You can make your own deductions.

"Mr. TAVENNER. I have. Do you know Dr. Giovanni Rossi Lomanitz?

"Mr. NELSON. I refuse to answer on the same grounds.

"Mr. BLOCH. Mr. Chairman, this matter has been gone over before, before this committee. The very same question was asked. It is purely repetitious; I suggest it to the committee, for the sake of expediency. The witness gave the same answer at that time.

"Mr. WOOD. We don't know if he will give the same answer at this time.

"Mr. TAVENNER. Did you visit the home of Dr. Weinberg on August 17, 1943, at 2427 Blake Street, Berkeley, Calif.?

"Mr. NELSON. I refuse to answer on the same grounds.

"Mr. TAVENNER. What grounds?

"Mr. NELSON. Fifth amendment and the grounds it might tend to incriminate me.

"Mr. TAVENNER. I thought you were referring again to the fact that you might not recollect the time.

"Do you recall, Mr. Nelson, a conference held in New York City at Hotel Lincoln on June 23, 1947, which meeting had to do with the American Slav Congress and the Croatian Fraternal Union?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Did you on that occasion meet Tom Babin?

"Mr. NELSON. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Did you meet Tony Gerlach?

"Mr. NELSON. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Did you rent a hotel room on that date, June 21—I believe I stated June 23 a few minutes ago, but on June 21—either in your name or with another person, at the Hotel Lincoln?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Do you know Mr. Paul Crouch?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. I think Mr. Nelson, I should read to you an excerpt from the testimony of Paul Crouch given before this committee on May 6, 1949:

" 'Mr. WHEELER. * * * You had left Tennessee at that time?

" 'Mr. CROUCH. Yes. I recall Kenneth May had bought a home in Berkeley, Calif.——.'

"Incidentally, did you know Kenneth May?

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER (continuing to read): 'and it was at a house-warming party for Kenneth May that I met Professor Hiskey. I would set the date, to the best of my memory, as August 1941. I talked with Hiskey in the presence of my wife, Kenneth May, and Steve Nelson, who was also present.'

"Mr. NELSON. I refuse to answer that question on the same grounds.

"Mr. TAVENNER (continuing to read):

" 'Mr. RUSSELL. How well did you know Steve Nelson?

" 'Mr. CROUCH. I knew him many years. I had known him in New York before he went to Spain. I do not recall the exact date, but I believe it was between 1934 and 1936 when I was first introduced to him by Walter Trumbull. I knew him after his return from Spain. I met him at various central committee meetings in New York, and when I went to California I found he was San Francisco County leader of the party.

" 'I was at meetings with him of the district bureau from May 1941 to January 1942. I also knew him through 1942 and 1943 when he was county organizer of Alameda County, having succeeded me in that position, as he frequently visited my home and tried to get me to return to work as a rank-and-file member of the Communist Party.'

"Mr. NELSON. I refuse to answer on the same grounds, and if I may comment on the statement by a person who apparently got a job on a paper down in Florida operating one of these scab varitype machines, you can about guess what I think of a person that would come in that category. I think it is about the lowest thing on earth, a fellow that would go out and scab on union members as he does——

"Mr. WOOD. Just a minute. You are attempting to give an opinion of a man when you decline to say whether you know him or not. Do you know him or not?

"Mr. NELSON. I refuse to answer that question on the same grounds. I have read stuff about the guy in the papers.

"Mr. WOOD. You were asked whether you know him and whether the statements he makes in the abstract of testimony are true or not.

"Mr. NELSON. I said I refused to answer that on the same grounds.

"Mr. NIXON. Just as the witness characterized the testimony of Mr. Nowell, he is following the same line of characterizing testimony of Mr. Crouch. Although he will not say the testimony is false, he proceeds to leave an implication in the record that Mr. Crouch is a liar. I would like to ask the witness to back up his charges.

"Mr. BLOCH. There is no such implication in the record. When the witness avails himself of his rights under the fifth amendment he admits nothing, and as a lawyer, Mr. Nixon, you ought to know that.

"Mr. NIXON. I want to tell counsel that as far as the witness' stand is concerned, it is apparent he is trying to leave an implication concerning Mr. Crouch's testimony, and certainly as to his veracity.

"Mr. BLOCH. I think that is his right as an American citizen. I hold the same opinion——

"Mr. NIXON. Don't interrupt me.

"Mr. BLOCH. I am sorry if I interrupted you.

"Mr. NIXON. Mr. Nelson has the same forum and the same opportunity Mr. Crouch had. If he desires to back up his charges concerning Mr. Crouch, I think the committee would like to have him do so.

"Mr. NELSON. Mr. Chairman, you have my answer.

"Mr. BLOCH. I think the witness is not required to in this forum, but a proper forum.

"Mr. TAVENNER. That is all I desire to ask the witness.

* * * * *

"Mr. MOULDER. Do I understand you admit that you are a member of the Communist Party?

"Mr. NELSON. I refuse to answer that question.

"Mr. HARRISON. He answered it this morning.

"Mr. MOULDER. And said he was?

"Mr. HARRISON. Yes.

"Mr. MOULDER. Are you a Communist?

"Mr. NELSON. I refuse to answer that question. I think you are invading my constitutional right under the first amendment to belong to any party I see fit to join, and I think it is not the business of this committee to question any citizen along that line.

"Mr. MOULDER. Are you familiar with the policies and program of the Communist Party of the United States?

"Mr. NELSON. I refuse to answer that question."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Steve Nelson relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Did he [Josef Fleischinger] have a son, Josef Fleischinger, Jr., a cousin of yours?

"Do you know a person by the name of Josef Fleischinger, Jr?

"As a matter of fact, you entered the United States illegally under this passport, did you not?

"Did you enter the United States posing as Josef Fleischinger under this passport?

"I hand you a photostatic copy of a portion of the October 27, 1934, issue of the Daily Worker, in which appears an article, 'Old Parties Push Fake Job Slogans in Penn Elections,' by Steve Nelson. I ask if that was a contribution to the Daily Worker made by you?

"Mr. Nelson, I hand you a photostatic copy of the March 1934 issue of Party Organizer, a publication of the Communist Party, which carries an article entitled 'How the Unemployment Councils Were Built in Lackawanna County,' by Steve Nelson, in which unemployment councils and party units are discussed, and an appeal is made to the unemployed, small-home owners, and single young workers. Will you examine this article and state whether or not you made that contribution to that magazine?

"Were you a candidate for the legislature, as stated under the photograph?

"In hand you another issue of the Daily Worker, bearing date November 3, 1936, which contains the national list of the Communist Party candidates, and under the heading 'Luzerne County, Seventh Legislative District' appears your name, Steve Nelson. Will you examine that and state whether or not you were a candidate for office at that time?

"Were you section organizer of the Communist Party in that locality at that time?

"And I will ask you, Mr. Witness, to examine Nelson exhibit 9 and state whether or not that was a passport application made by you on the date indicated thereon?

"This application further shows that a passport was issued August 14, 1931. Did you receive the passport?

"Were you in Moscow?

"Did you attend the Lenin Institute?

"Did you leave the United States and go to France, and from France to Germany, and from Germany to Russia?

"Did you receive legal passport to leave this country when you went to Spain to become engaged in the fighting there?

"Mr. Nelson, were you in the State of California in March 1941?

"Were you the county organizer of Alameda County, Calif., in March 1941?

"I will ask if you were in Oakland, Calif., in December 1942?

"Were you on the national committee of the Communist Party, representing the State of California in the year 1944?

"Now, I would like to ask you if, during that period of time, 1941 through 1943, you were acquainted with the Communist Party cell alleged to have been in existence at the Radiation Laboratory at Berkeley, Calif.?

"Did you know Bernadette Doyle in California?

"Was she your secretary in the organization work of the Communist Party in California?

"And did you meet at her home, or at the place where she lived, with other persons, or any persons advocating Communist beliefs?

"Did you become acquainted in California with Dr. Irving David Fox?

"Did you become acquainted with Dr. Joseph Weinberg?

"Did you meet him at any time from the beginning of 1941 to the end of 1943 at your home?

"Do you know Dr. Giovanni Rossi Lomanitz?

"Did you visit the home of Dr. Weinberg on August 17, 1943, at 2427 Blake Street, Berkeley, Calif.?

"Do you recall, Mr. Nelson, a conference held in New York City at Hotel Lincoln on June 23, 1947, which meeting had to do with the American Slav Congress and the Croatian Fraternal Union?

"Did you, on that occasion, meet Tom Babin?

"Do you know Mr. Paul Crouch?

"Are you a Communist?

"Are you familiar with the policies and program of the Communist Party of the United States?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD. (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, is there going to be any opportunity to discuss any of these reports?

Mr. WOOD. It was the hope of the committee that we could get through with them this afternoon without any further discussion.

Mr. MARCANTONIO. Reserving the right to object, Mr. Speaker, this is with the understanding that these reports will be printed in the RECORD?

Mr. WOOD. Exactly.

The SPEAKER. The gentleman included that in his request.

Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 750) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Steve Nelson to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Steve Nelson may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST PHILIP BART

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2849).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING PHILIP BART

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Philip Bart, Daily Worker, 50 East Thirteenth Street, New York, N. Y. The said subpena directed Philip Bart to be and appear before said Committee on Un-American Activities on June 12, 1950, at the hour of 10: 30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Philip Bart is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Alvin Stokes, and/or Stephen Birmingham: You are hereby commanded to summon Mr. Philip Bart to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Washington, room 226, Old House Office Building, on Monday, June 12, 1950, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 29th day of May 1950.

"JOHN S. WOOD,
"Chairman.

"Attest:
"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Stephen F. Birmingham, who was delegated by the chairman of the Committee on Un-American Activities to serve said subpena. The return of the service by the said Stephen F. Birmingham, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Philip Bart, Communist headquarters, 50 East Thirteenth Street, New York City, before the Committee on Un-American Activities, Washington, D. C. Served at 7 a. m., June 7, 1950, at 50 East Thirteenth Street, Communist headquarters.

"STEPHEN F. BIRMINGHAM."

On June 8, 1950, a telegram was sent to Mr. Philip Bart, which is set forth herein in words and figures as follows:

WASHINGTON, D. C., *June 8, 1950.*

Mr. PHILIP BART,
Daily Worker, 50 East Thirteenth Street, New York, N. Y.:

Under authority of subpena served upon you June 7, 1950, your appearance before the Committee on Un-American Activities is hereby postponed from June 12, 1950, until Thursday, June 15, 1950, at 10: 30 a. m., room 226, Old House Office Building, Washington, D. C.

JOHN S. WOOD, *Chairman.*

On June 12, 1950, a telegram was sent to Mr. Philip Bart, which is set forth herein in words and figures as follows:

WASHINGTON, D. C., *June 12, 1950.*

Mr. PHILIP BART,
Daily Worker, 50 East Thirteenth Street, New York, N. Y.:

Your appearance before Committee on Un-American Activities is hereby postponed from June 15, 1950, until June 21, 1950, at 10:30 a. m. Your appearance on June 21 is under authority of subpena served upon you June 7, 1950, which continues in full force and effect.

JOHN S. WOOD, *Chairman.*

The said Philip Bart, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Philip Bart, having appeared as a witness and having been asked questions, namely:

"Were you born under the name of Philip Bart?

"When did you take that name?

"What was your name at the time you came to the United States?

"What was your father's name?

"Under what name did your father become a citizen of the United States?

"What was that name?

"What name did you change your name from?

"Will you briefly summarize for the committee other positions which you have held and from which you have received a salary or gratuity prior to the position you now hold?

"Who were the other officials of the Ohio section of the Communist Party during the period of time you were organizer there?

"You have told us you were a section organizer for the Communist Party in Ohio, and my question now is, Who were the officials who worked with you in that work—that is, officials of the Ohio section of the Communist Party?

"Mr. Bart, in 1934, according to the Party Organizer, a publication issued by the central committee of the Communist Party, you were organizational secretary of district 6 of the Communist Party. That was one of the positions to which you referred, was it not, in which you had been engaged in Communist Party work?

"I hand you the December 1934 issue of Party Organizer, issued by the central committee, Communist Party, United States of America, and I refer you to page 3, where there is an article entitled The Recruiting Campaign in Cleveland District, by Phil Bart, organizational secretary, district No. 6. I will ask you to examine it. Did you make that contribution to that magazine?

"At this time, in 1934, who were the officers of district 6 of the Communist Party?

"Mr. Bart, have you traveled outside the continental limits of the United States since your first arrival here?

"Have you ever been out of the United States?

"Have you ever used the name John William Fox?

"Mr. Bart, I hand you a photostatic copy of an application for passport signed in the name of John William Fox, and I will ask you to look at the photograph appearing on the second page and state to me whether or not that is a photograph of you?

"Did you use that passport, Mr. Bart?

"Do you know William Weiner?

"Do you know Ephriam Schwartzman?

"I hand you a photostatic copy of a letter bearing date February 21, 1939, signed by E. Schwartzman, national secretary, Jewish Peoples Committee, addressed to Mr. Jack Childs, and I will ask if you received that letter?

"Mr. Bart, did you ever live at 148 Second Avenue, New York?

"In 1939 did you live at 854 West One Hundred and Eightieth Street, New York City?

"Mr. Bart, I will now read you a letter addressed to Mr. William Weiner, dated February 23, 1939, signed by 'Jack.' Before reading it, I will ask if you wrote that letter?

"Did you know Bill Browder, the brother of Earl Russell Browder?

"What connection was there between the Communist Party and the control of the resort camp known as Camp Unity and referred to in this letter?

"Mr. Bart, at the time of the writing of this letter of February 23, 1939, did you hold any position in connection with the publication

of the Record, a newspaper published in Chicago, Ill.?

"Did you know William Weiner under the Communist Party name of Blake?

"Did you know him under the name of Blake?

"Did the World Tourists, Inc., ever pay out any transportation funds for you for any purpose?

"Do you know Marcel Scherer?

"You have told us you held various positions in the Communist Party. What were they besides organizer in Ohio, and you mentioned other States, Pennsylvania, Illinois, and I believe one other. What positions have you held besides organizer in those four States?

"Did you engage in the work of recruiting, in the State of Illinois, prospective students to go to Moscow for study at the Lenin Institute?

"Do you know the names of any American citizens or any residents of the United States who attended the Lenin Institute at Moscow?

"Did you ever attend the Lenin Institute?" which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of said Philip Bart's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Philip Bart.

The record of the proceedings before the committee on June 21, 1950, during which Philip Bart refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"A subcommittee of the Committee on Un-American Activities met pursuant to call on June 21, 1950, at 11:10 a. m. in room 226, Old House Office Building, Hon. FRANCIS E. WALTER presiding.

"Committee members present: Representatives FRANCIS E. WALTER, BURR P. HARRISON, FRANCIS CASE, and HAROLD H. VELDE (arriving as indicated).

* * * * *

"Mr. WALTER. The meeting will come to order. For the purpose of this hearing the chairman has designated a subcommittee consisting of Messrs. HARRISON, CASE, VELDE, and WALTER, all being present.

"Mr. HARRISON. Mr. VELDE will be here presently.

"Mr. TAVENNER. Mr. Philip Bart.

"Mr. WALTER. Will you raise your right hand, please. You swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. BART. I do.

* * * * *

"Mr. TAVENNER. Were you born under the name of Philip Bart?

"Mr. BART. I wonder what this question has to do here?

"Mr. UNGER. I think that is a fair point to have made. He stated to you that his name is Philip Bart. I think that should be adequate, Mr. Chairman.

"Mr. BART. It is my legal name. I vote under that name.

"Mr. TAVENNER. When did you take that name?

"Mr. BART. Many years ago.

"Mr. TAVENNER. When?

"Mr. BART. I don't care to discuss it.

"Mr. UNGER. Mr. Chairman, again, I think the purpose of the inquiry here must have something to do with something other than whether Mr. Bart had a different name at birth or any time in his life. He has stated that is his legal name. I think that should be sufficient to identify him for your committee. Beyond that, I don't know what it is for.

"(Representative VELDE enters hearing room.)

"Mr. WALTER. That will be developed, of course. It is an entirely proper question. If you are not going to answer, you just decline to answer and state your reasons for declining.

"Mr. BART. The reason is, Philip Bart is my legal name. I vote by that name and use that name only.

"Mr. HARRISON. Do I understand you refuse to answer the question?

"Mr. BART. I will not answer it because it is not pertinent to the hearing.

"Mr. CASE. Mr. Chairman, I think he stated that he took that name a certain number of years ago. When was it that you took that name?

"Mr. BART. I do not recollect.

"Mr. CASE. When did you come to the United States?

"Mr. BART. I came here as a child. I do not know the date.

"Mr. CASE. How old were you when you came?

(Witness confers with his counsel.)

"Mr. BART. I was 10 or 11 years old.

"Mr. CASE. Ten or 11 years old?

"Mr. BART. Yes.

"Mr. CASE. What was your name at the time you came to the United States?

"Mr. BART. I have already answered this question.

"Mr. WALTER. What was it?

"Mr. UNGER. Mr. Chairman, I think we are spending a good deal of time, with all due respect to the Chair, on a point that has absolutely no bearing on any issue here.

"Mr. WALTER. That is only your opinion.

"Mr. UNGER. I said that was my opinion.

"Mr. CASE. Mr. Chairman, I don't know what the question will lead up to, but it certainly has been customary, when we have been interrogating witnesses who have come to the United States from other countries, to know when they came to the United States, and to know under what name they came, and to know the name shown on the passport. There is nothing improper or out of the way in asking such a question. I think we should have an answer to the question of the name he had when he came to the United States.

"Mr. UNGER. Are you suggesting the inquiry has to do with what this man did when he was 10 years old? You are talking about a 10-year-old boy.

"Mr. WALTER. Just a moment. I think Mr. Tavenner should be able to proceed, and after his questions, Mr. Case, you may ask such questions as you may desire. May I suggest, Mr. Tavenner, that you refresh the witness' recollection by telling him what his name was before he assumed his present name? Proceed.

"Mr. TAVENNER. You are a naturalized American citizen?

"Mr. BART. Yes.

"Mr. TAVENNER. How did you become naturalized?

"Mr. BART. Through process of my father.

"Mr. TAVENNER. What was your father's name?

"Mr. BART. I have already dealt with this question.

Mr. TAVENNER. When was your father naturalized?

"Mr. BART. I do not remember.

"Mr. UNGER. Just a minute.

"(Witness confers with his counsel.)

"Mr. BART. About 30 years ago.

"Mr. TAVENNER. Do you refuse to tell the committee your father's name?

"Mr. UNGER. Mr. Tavenner, he doesn't refuse to tell the committee. He is trying to tell the committee that this line of inquiry is a highly improper one.

"Mr. WALTER. That is not within his province. The committee determines what is proper and what is not proper, and it is not up to you to determine that.

"Mr. UNGER. That is true.

"Mr. CASE. Mr. Chairman, it seems to me the counsel should advise his client and not the committee.

"Mr. UNGER. I am not trying to advise the committee. I tried to respectfully point out why it is an improper question. He is not ashamed of his father's name or his mother's name. What difference can it possibly make what his name was when he came here?

"Mr. WALTER. We are not going to have you arguing with the committee or giving us your legal opinion, which may or may not be worth anything.

"Mr. UNGER. I have no further comment on the question.

"Mr. WALTER. All right.

"Mr. Bart, you claim citizenship by virtue of your father's citizenship; is that right?

"Mr. BART. That is right.

"Mr. WALTER. Under what name did your father become a citizen of the United States?

"Mr. BART. Under his own name.

"Mr. WALTER. What was that name?

"Mr. BART. I have already stated my reply to this question as far as I am concerned.

"Mr. WALTER. How can you claim citizenship by virtue of your father's citizenship if you don't know what name your father used when he became a citizen?

"Mr. UNGER. Mr. Chairman——

"Mr. WALTER. Let the witness answer the question. You may advise your client.

"Mr. BART. I have answered I am a citizen by virtue of that fact, and that this is my legal name by which I vote and am registered and am known.

"Mr. WALTER. When did you legally change your name?

"Mr. BART. Many years ago.

"Mr. WALTER. Where?

"Mr. BART. In the city of New York.

"Mr. WALTER. Did you have your name changed in court?

"Mr. BART. Yes; about 15 years ago.

"Mr. UNGER. His answer is 'About 15 years ago.'

"Mr. WALTER. What name did you change your name from?

"Mr. BART. I have already stated my reply to this question.

"Mr. HARRISON. I understand you refuse to answer the chairman's question?

"Mr. BART. My answer is that I have answered what my name is here, which is the only question pertaining to the inquiry, it seems to me.

"Mr. WALTER. Of course, all of this is a matter of public record?

"Mr. BART. Correct.

"Mr. WALTER. And then I suppose you know that under the law a question innocent on its face can't be arbitrarily ignored. You can't refuse to answer such a question without running the risk of the consequences.

"Mr. UNGER. I think, again, Mr. Chairman, Mr. Bart has indicated very plainly he has not been contumacious in any regard. He states his name has been Phillip Bart for a large number of years.

"Mr. WALTER. Don't argue with the committee. You advise your client as you see fit.

"Mr. CASE. Mr. Chairman, it seems to me the witness should be advised of the possibilities of contempt when he fails to answer a question as simple and as proper as your question as to what his name was before it was changed.

"Mr. WALTER. No. He has counsel. Counsel knows that is the law. Proceed, Mr. Tavenner.

* * * * *

"Mr. TAVENNER. Will you briefly summarize for the committee other positions which you have held and from which you have received a salary or gratuity, prior to the position you now hold?

"(Witness confers with counsel.)

"Mr. BART. It is evident that in these questions a newspaper is involved, and I shall not answer because I feel that this

committee, if it proceeds with this kind of questions, is infringing on the first amendment of the Constitution of our country, freedom of the press, and I shall not be a party to anything of that kind.

"Mr. TAVENNER. That is the ground upon which you refuse to answer the question as to what positions you have held prior to your present position?

"(Witness confers with his counsel.)

"Mr. WALTER. Did you ever hold any positions other than positions with newspapers?

"Mr. BART. I did.

"Mr. WALTER. What were they?

"Mr. BART. I was organizer and head of the Communist Party at different times, in different years.

"Mr. WALTER. Where?

"Mr. BART. In Illinois and Pennsylvania among many.

"Mr. TAVENNER. The Daily Worker of March 28, 1936, shows you to have been a section organizer for the Communist Party in Ohio. That is correct, is it not?

"Mr. BART. Most likely.

"Mr. TAVENNER. Well, you know whether you were a section organizer for the Communist Party in Ohio, do you not?

"Mr. BART. I do not know the exact period of time you mentioned. It is 14 years ago.

"Mr. TAVENNER. Who were the other officials of the Ohio section of the Communist Party during the period of time you were organizer there?

"Mr. BART. I object to this question. I will not answer it, standing on my rights in accordance with article V of the Constitution, and furthermore, I protest because this committee has asked this question of numerous people and has infringed upon their rights as American citizens.

"Mr. TAVENNER. I think, Mr. Bart, I should point out that your testimony relating to other people who were associated with you at that time could not in any way incriminate you under this fifth amendment.

"Mr. UNGER. I should like to correct you, Mr. Tavenner.

"Mr. WALTER. You advise your client.

"Mr. TAVENNER. You have told us you were a section organizer for the Communist Party in Ohio, and my question now is, Who were the officials who worked with you in that work; that is, officials of the Ohio section of the Communist Party?

"Mr. UNGER. Permit me to advise my client that Mr. Tavenner, counsel, is in error in his interpretation of the Constitution so far as the fifth amendment is concerned, and that Mr. Bart, the witness, is entirely correct in his interpretation of the Constitution, and has a right to assert that this committee has no right—no right, let me make it plain——

"Mr. WALTER. Under our procedure the attorney is permitted to advise his client and then the client, the witness, answers the question. You may advise your client.

"Mr. CASE. Mr. Chairman, let us have an understanding in that if counsel is going to be permitted to make a stump speech he gets in the position of testifying rather than the witness.

Mr. UNGER. That is not fair. I don't like to be accused of making a stump speech when I make a legal argument.

"Mr. WALTER. You do not make legal arguments here. When a question is asked your client, you advise your client, and then let him answer the question.

"Mr. UNGER. As he has stated in his previous answer, he is not required to testify against himself.

"Mr. BART. I stand on the advice of my counsel. I am not required to testify against myself, and in accordance with article V of the Constitution I will not answer the question.

"Mr. TAVENNER. I was not asking you to testify against yourself. I was asking you to state the names of other persons associated with you.

"Mr. BART. I consider this an attempt on the part of the committee to use this against myself as well as against others, as it has on many previous occasions.

"Mr. WALTER. And therefore, you refuse to answer?

"Mr. BART. I refuse to answer.

"Mr. TAVENNER. Mr. Bart, in 1934, according to the Party Organizer, a publication issued by the Central Committee of the Communist Party. That was one of the positions to which you referred, was it not, in which you had been engaded in Communist Party work?

"(Witness confers with his counsel.)

"Mr. BART. On the basis of the first amendment to the Constitution, the committee has no right to ask me my political affiliations, and on the basis of the fifth amendment I believe that this question is directed and may tend to be used against me; consequently, I will not reply.

"Mr. TAVENNER. I hand you the December 1934 issue of Party Organizer, issued by the Central Committee, Communist Party, United States of America, and I refer you to page 3, where there is an article entitled 'The Recruiting Campaign in Cleveland District,' by Phil Bart, organizational secretary, district No. 6. I will ask you to examine it. Did you make that contribution to that magazine?

"Mr. BART. I will answer the question similarly to the way that I answered the previous one, on the grounds of the first amendment to the Constitution, which does not allow looking into the political affiliations of individuals, and on the grounds of the fifth amendment, it may tend to be used against me by this committee.

"Mr. TAVENNER. I offer the pamphlet for identification only and ask that it be marked 'Bart Exhibit No. 1.'

"(The pamphlet above referred to, marked 'Bart Exhibit No. 1' for identification only, is filed herewith.)

"Mr. TAVENNER. At this time, in 1934, who were the officers of district 6 of the Communist Party?

"Mr. UNGER. Mr. Chairman, may I ask you this: Apparently a series of questions of the same character is going to be asked by counsel. I do not object to counsel asking the questions, if that is what he wants to do, but it seems the Constitution should be applied to you as well as everybody else. You have no right to make inquiries into things of that kind. Isn't that perfectly reasonable to suggest? Whether you like it or not, you are bound by the Constitution in the same way I am and my client is, and therefore you should live up to it.

"Mr. WALTER. The members of the committee haven't the faintest idea what questions are going to be asked. In fact, none of us knew who was going to be here. It is apparent that the witness does not intend to cooperate with the committee, and therefore I do not see why we should ask any further questions, and therefore the witness is excused.

"Mr. UNGER. I want to say this——

"Mr. HARRISON. Mr. Chairman, I don't care to hear from this gentleman.

"Mr. UNGER. Come, now. I am counsel and I think I should be treated politely. I don't say that to you, that I don't care to hear from you. My Lord.

"Mr. WALTER. We have permitted you to appear on behalf of your client. You have been permitted to advise your client.

"Mr. UNGER. I object to this improper remark on the part of this Congressman. I have just asked the witness one question with reference to one you asked before——

"Mr. BART. Let it go.

"Mr. WALTER. Mr. Tavenner is going to ask a question along a different line entirely.

"Mr. TAVENNER. Mr. Bart, have you traveled outside the continental limits of the United States since your first arrival here?

"Mr. BART. I refuse to answer this question, which, according to article V of the Constitution, may be used by this committee against me and incriminate me.

"Mr. TAVENNER. In what way could information of that character be used to incriminate you?

"Mr. BART. That is up to the committee.

"Mr. TAVENNER. I might say to you that if the point you have in mind is the probable misuse of passports, the statute of limitations long since have run against such an offense.

"Mr. BART. I have not misused passports.

"Mr. TAVENNER. I am just advising you, if that is the point you have in mind.

"Mr. BART. I haven't stated whether I have been out of the United States, either, and so don't accuse me.

"Mr. TAVENNER. Have you ever been out of the United States?

"Mr. BART. I refuse to answer.

"Mr. TAVENNER. Have you ever used the name John William Fox?

"Mr. BART. I will not answer this question, which, in accordance with article V of the Constitution, may be used by this committee to incriminate me.

"Mr. TAVENNER. Mr. Bart, I hand you a photostatic copy of an application for passport signed in the name of John William Fox, and I will ask you to look at the photograph appearing on the second page and state to me whether or not that is a photograph of you?

"Mr. BART (after examining document). I refuse to answer.

"Mr. UNGER. I thought you just said you had nothing to do with passports.

"Mr. TAVENNER. In reply to counsel's question——

"Mr. WALTER. Mr. Tavenner, ask the witness questions.

"Mr. TAVENNER. That passport application is dated in 1932, and the statute of limitations has long since applied against any claim of false use of it. Now will you answer the question?

"Mr. UNGER. If that is what it is, in 1932—and I haven't checked it to see—I would like to know what your concern is about. But in any event, the witness has already answered the question, and I think quite correctly.

"Mr. TAVENNER. Did you use that passport, Mr. Bart?

"Mr. BART. I will not answer this question because in accordance with article V of the Constitution it may be used against me by this committee to incriminate me at some future date.

"Mr. TAVENNER. Mr. Bart, were you ever known within the Communist Party by the name of Jack Childs?

"Mr. BART. I will not answer this question because in accordance with article V of the Constitution it may be used against me by this committee and may tend to incriminate me.

"Mr. TAVENNER. Do you know William Weiner?

"Mr. BART. I refuse to answer this question for the same reason.

"Mr. TAVENNER. Do you know Ephriam Schwartzman?

"Mr. BART. I refuse to answer for the same reason given before.

"Mr. TAVENNER. I hand you a photostatic copy of a letter bearing date February 21, 1939, signed by E. Schwartzman, national secretary, Jewish Peoples Committee, addressed to Mr. Jack Childs, and I will ask if you received that letter?

"Mr. BART (after examining document). I refuse to answer because in accordance with article V of the Constitution this may be used by this committee and tend to incriminate me.

"Mr. WALTER. Mr. Bart, did you ever live at 148 Second Avenue, New York?

"Mr. BART. I refuse to answer the question for the same reason.

"Mr. TAVENNER. In 1939 did you live at 854 West One Hundred and Eightieth Street, New York City?

"Mr. BART. I refuse to answer this question for the reasons I have already given.

"Mr. TAVENNER. Mr. Bart, I will now read you a letter addressed to Mr. William Weiner, dated February 23, 1939, signed by 'Jack.' Before reading it, I will ask if you wrote that letter?

"Mr. BART (after examining document). I refuse to answer this question because, in accordance with article V of the Constitution, this may be utilized by this committee against me, as it has against many others, and tend to incriminate me.

"Mr. TAVENNER. I will read the letter:

" 'DEAR WILL: I am sorry for the delay in sending you the $100. Your letter didn't reach me until this morning, and the office, as you know, was closed yesterday.

" 'Today, Thursday, the situation is such: Max is still managing, and sees no great danger, so to speak. No big requests are made, and we still have a dozen of your checks left. It would help much, though, if Bill Browder would pay his dues and not deduct the daily loan of $2,500 plus the $600 tax money of Camp Unity. We know that you don't agree with this, and perhaps a note to him might persuade him to make some payments to us. Today he said he would let us know on Saturday how much money he would let us have on Tuesday.

" 'The Garden meeting will be held on Monday (by Monday he will owe us about $5,000).

" 'Joe somehow manages to get by, and seldom comes upstairs. He told me that he would be able to steer through until you return, and that the drive is still slow. He is looking forward to the next week end. The last week end was not so bad. He still owes us the $1,500.

" 'The paper company granted another carload to Chicago, and was willing to wait for payment until you returned. Joe made this agreement with them. Chicago has had two big runs, due to the primaries which will be held there soon. Hundreds of thousands of copies of the Record have been printed. I don't think they will bother us very much until you return.

" 'Earl, in a letter to the boys last week, asked that traveling be more systematic and that they coincide with the speakers' bureau schedule. This will help greatly in lessening traveling expenses. The idea is to cut it down.

" 'Will Weinstone was given $50 for fare and several weeks' wages in advance. He said at the time that it would be enough. I am sorry if you were caused any inconvenience because of the additional amounts you have had to give him.

" 'The response of the State budgets is fair. We will be able to give you a report by the time you return. Other details can wait until you come back.

" 'I am sorry to write you such a long letter, but you wanted to get some idea of the situation here. Try, if you can, to stay longer; for, as you know already, the people here know that you are out of town, and they do not come around, and very few phone calls come in for you.

" 'Everybody here is in good health, but it is cold as hell. Yesterday was the coldest day of the year, with all the trimmings—snow, sleet, rain.

" 'Thanks for the regards. Please forward our best to all.'

"It is signed, 'Jack.'

"Mr. BART. Can I glance at that once more?

"Mr. TAVENNER. Yes (handing document to witness).

"Mr. UNGER. Mr. Tavenner is a good reader, but otherwise I don't know what it has to do with him or the committee.

"Mr. CASE. What was the date of the letter?

"Mr. TAVENNER. February 23, 1939.

"Mr. BART. I have already answered this question.

"Mr. TAVENNER. You have no further reply to make?

"Mr. BART. No.

"Mr. TAVENNER. Did you know Bill Browder, the brother of Earl Russell Browder?

"Mr. BART. I will not answer this question for the same reason I have not answered the others.

"Mr. TAVENNER. What connection was there between the Communist Party and the control of the resort camp known as Camp Unity and referred to in this letter?

"Mr. BART. I object to this whole line of questions, which does not concern myself, and I repeat again that this aims to incriminate me, and in accordance with article V of the Constitution I will not be a party with this committee to such actions.

"Mr. CASE. Mr. Chairman, counsel says he see no connection, and the witness is constantly saying there is some connection.

"Mr. UNGER. Are you a lawyer? That isn't what that means, you see. If that is Mr. Case and he is a lawyer, perhaps I ought correct him as to his interpretation of law. So you won't answer. Are you afraid to answer?

"Mr. CASE. No. I am not a lawyer.

"Mr. WALTER. We are permitting you to appear. You don't appear as a matter of right. And I hope you will advise your client and not argue with the committee.

"Mr. UNGER. I think the record should show that the interpretation put on the answer——

"Mr. WALTER. The record shows exactly what took place.

"Mr. UNGER. Very well.

"Mr. TAVENNER. Mr. Bart, at the time of the writing of this letter of February 23, 1939, did you hold any position in connection with the publication of the Record, a newspaper published in Chicago, Ill.?

"Mr. BART. I will not answer this question for the same reason.

"Mr. TAVENNER. Did you know William Weiner under the Communist Party name of Blake?

"Mr. BART. I have already answered previously the question of whether I knew William Weiner.

"Mr. TAVENNER. Did you know him under the name of Blake?

"Mr. BART. I have answered whether I knew Mr. Weiner under one name or under another.

"Mr. TAVENNER. Did the World Tourists, Inc., ever pay out any transportation funds for you for any purpose?

"Mr. BART. I refuse to answer this question in accordance with article V of the Constitution, because the whole aim here is not the asking of questions, but trying to utilize it against me as it has been utilized against many others, as this committee has a record.

"Mr. TAVENNER. Mr. Chairman, it seems apparent that the witness will not cooperate in answering questions. There are others that might be asked, but I see very little point in doing so. Before closing my questions I do want to ask one other question. Do you know Marcel Scherer?

"Mr. BART. I will answer it the same way, that I will not answer the question because in accordance with article V it may be used by this committee to tend to incriminate me, as it has been used against the Communist Party.

"Mr. TAVENNER. You have told us you held various positions in the Communist Party. What were they besides organizer in Ohio, and you mentioned other States, Pennsylvania, Illinois, and I believe one other. What positions have you held besides organizer in those four States?

"Mr. BART. I will not answer this question because it is part of a pattern to incriminate me, and in accordance with article V of the Constitution I stand on my right not to reply.

"Mr. TAVENNER. Did you engage in the work of recruiting, in the State of Illinois, prospective students to go to Moscow for study in the Lenin Institute?

"Mr. UNGER. You got everything in that one, didn't you—Moscow, Lenin Institute, and recruit. This ought to make a headline.

"Mr. BART. I refuse to answer the question because it is a question asked to incriminate me under artivle V.

"Mr. WALTER. Article V of what?

"Mr. BART. Of the Constitution of the United States.

"Mr. TAVENNER. Do you know the names of any American citizens or any residents of the United States who attended the Lenin Institute at Moscow?

"Mr. BART. I will not answer this question because in accordance with article V of the Constitution of the United States this may tend to be utilized to incriminate me and others, of my party, especially.

"Mr. TAVENNER. Did you ever attend Lenin Institute?

"Mr. BART. I refuse to answer for the same reason.

"Mr. TAVENNER. I have no further questions, Mr. Chairman.

"Mr. WALTER. The witness is excused.

"Mr. BART. Mr. Chairman, I want to say that this committee has called me to smear me and everybody here, and has sent people to jail for that. You did not call me because you were interested in any facts.

"Mr. WALTER. If you thought as much of the Constitution, behind which you are hiding, as you say you do, you would be perfectly willing to assist this committee in trying to ascertain what alleged Americans were trained in Russia.

"Mr. BART. I will defend the Constitution, but I will not be a party to trying to send people to jail.

"Mr. WALTER. Very well. You are excused."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Philip Bart relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Were you born under the name of Philip Bart?

"When did you take that name?

"What was your name at the time you came to the United States?

"What was your father's name?

"Under what name did your father become a citizen of the United States?

"What was that name?

"What name did you change your name from?

"Will you briefly summarize for the committee other positions which you have held and from which you have received a salary or gratuity, prior to the position you now hold?

"Who were the other officials of the Ohio section of the Communist Party during the period of time you were organizer there?

"You have told us you were a section organizer for the Communist Party in Ohio, and my question now is, Who were the officials who worked with you in that work, that is, officials of the Ohio section of the Communist Party?

'Mr. Bart, in 1934, according to the Party Organizer, a publication issued by the Central Committee of the Communist Party, you were organizational secretary of district 6 of the Communist Party. That was one of

the positions to which you referred, was it not, in which you had been engaged in Communist Party work?

"I hand you the December 1934 issue of Party Organizer, issued by the Central Committee, Communist Party, United States of America, and I refer you to page 3, where there is an article entitled 'The Recruiting Campaign in Cleveland District,' by Phil Bart, organizational secretary, district No. 6. I will ask you to examine it. Did you make that contribution to that magazine?

"At this time, in 1934, who were the officers of district 6 of the Communist Party?

"Mr. Bart, have you traveled outside the continental limits of the United States since your first arrival here?

"Have you ever been out of the United States?

"Have you ever used the name John William Fox?

"Mr. Bart, I hand you a photostatic copy of an application for passport signed in the name of John William Fox, and I will ask you to look at the photograph appearing on the second page and state to me whether or not that is a photograph of you?

"Did you use that passport, Mr. Bart?

"Do you know William Weiner?

"Do you know Ephriam Schwartzman?

"I hand you a photostatic copy of a letter bearing date February 21, 1939, signed by E. Schwartzman, national secretary, Jewish Peoples Committee, addressed to Mr. Jack Childs, and I will ask if you received that letter?

"Mr. Bart, did you ever live at 148 Second Avenue, New York?

"In 1939 did you live at 854 West One Hundred and Eightieth Street, New York City?

"Mr. Bart, I will now read you a letter addressed to Mr. William Weiner, dated February 23, 1939, signed by "Jack." Before reading it, I will ask if you wrote that letter?

"Did you know Bill Browder, the brother of Earl Russell Browder?

"What connection was there between the Communist Party and the control of the resort camp known as Camp Unity and referred to in this letter?

"Mr. Bart, at the time of the writing of this letter of February 23, 1939, did you hold any position in connection with the publication of the Record, a newspaper published in Chicago, Ill.?

"Did you know William Weiner under the Communist Party name of Blake?

"Did you know him under the name of Blake?

"Did the World Tourists, Inc., ever pay out any transportation funds for you for any purposes?

"Do you know Marcel Scherer?

"You have told us you held various positions in the Communist Party. What were they besides organizer in Ohio, and you mentioned other States, Pennsylvania, Illinois, and I believe one other. What positions have you held besides organizer in those four States?

"Did you engage in the work of recruiting, in the State of Illinois, prospective students to go to Moscow for study at the Lenin Institute?

"Do you know the names of any American citizens or residents of the United States who attended the Lenin Institute at Moscow?

"Did you ever attend Lenin Institute?" which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, does not the gentleman think he is affording an opportunity for some lawyers who are learned in the law, and who may desire to advance some technical objections when these cases come up for prosecution, to further their own interests in the case?

Mr. WOOD. Mr. Speaker, in reply to that, I may say that the report of the committee has been made available to every Member of the House and if the House grants the unanimous-consent request, I do not see that any point can be raised against it.

Mr. HOFFMAN of Michigan. That may be all right, but it is evident that these reports have not been read. It is very evident that they have not been read.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 751) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Philip Bart to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Columbia, to the end that the said Philip Bart may be proceeded against in the manner and form provided by law.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. CASE of South Dakota. Mr. Speaker, I call attention to the fact that the proceeding before us and the report of it now in the RECORD details the questions offered by counsel and by various members of the committee, and in each case shows the refusal to answer or the purported answer of Philip Bart. In short, we have a complete record of the contempt in the RECORD of our proceedings at this point.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. McCORMACK. Mr. Speaker, I also believe the RECORD ought to show that the printed reports are available to all Members of the House, and it is presumed that each Member has read the report. When a unanimous-consent request is made to dispense with further reading of a report and that it be printed in the RECORD, that request is consistent with parliamentary law and legislative procedure, and it is very frequently resorted to, and completely in accordance with our legislative procedure.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. FULTON. I am interested in the legal sufficiency of the action we are taking here and would like to know when the Supreme Court previously overruled the records of this Congress by saying that actually on committee action there was not a quorum present, might not the same Supreme Court overrule the action here today by saying they question whether there is a quorum on these people we are citing?

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. CASE of South Dakota. Mr. Speaker, it is evidenced by the proceedings up to now that a quorum has been present. It was only a few minutes ago that a roll-call vote demonstrated that a quorum was present. Under the procedure followed since then, very little time has been consumed.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present, if he is going to take that attitude.

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] makes the point of order that a quorum is not present. The Chair will count. [After counting.] A quorum is not present.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Friday, August 11, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1624. Under clause 2 of rule XXIV, a letter from the Acting Secretary of Agriculture, transmitting the report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of June 1950, pursuant to Public Law 8, Eightieth Congress, was taken from the Speaker's table and referred to the Committee on Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HART: Committee on Merchant Marine and Fisheries. H. R. 6061. A bill to authorize the United States Maritime Commission to provide war risk and certain marine and liability insurance; with amendment (Rept. No. 2846). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Julius Emspak.
(Rept. No. 2847). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Steve Nelson.
(Rept. No. 2848). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Philip Bart.
(Rept. No. 2849). Ordered to be printed.

Mr. GILMER: Committee on the Judiciary. S. 2868. An act to incorporate the Future Farmers of America, and for other purposes; without amendment (Rept. No. 2852). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. S. 3698. An act to enable the Secretary of Agriculture to furnish, upon a reimbursable

basis, certain inspection services involving overtime work; without amendment (Rept. No. 2853). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 9284. A bill to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; without amendment (Rept. No. 2854). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 2093. A bill authorizing the Secretary of Agriculture to execute a quitclaim deed to property owned by Jacob F. Riedel; without amendment (Rept. No. 2851). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. BOLTON of Ohio:

H. R. 9398. A bill to provide for the appointment of male citizens as nurses in the Army, Navy, and Air Force, and for other purposes; to the Committee on Armed Services.

By Mrs. KELLY of New York:

H. R. 9399. A bill to provide a more effective method of delivering applications for absentee ballots to servicemen and certain other persons; to the Committee on House Administration.

By Mr. PHILLIPS of Tennessee:

H. R. 9400. A bill to provide family allowances for the dependents of enlisted members of the Armed Forces of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. HAGEN:

H. R. 9401. A bill for the relief of Pennington County, Minn.; to the Committee on the Judiciary.

By. Mr. JONAS:

H. R. 9402. A bill to amend the Selective Service Act of 1948 to eliminate the right of certain citizens of foreign countries residing in the United States to be relieved from liability for training and service; to the Committee on Armed Services.

By Mrs. NORTON:

H. J. Res. 518. Joint resolution authorizing the printing and binding of a revised edition of Cannon's Procedure in the House of Representatives and providing that the same shall be subject to copyright by the author; to the Committee on House Administration.

By Mr. CAVALCANTE:

H. J. Res. 519. Joint resolution to permit the National Grange to erect a marker on Federal land in the District of Columbia; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 9403. A bill for the relief of Elizabeth Sabow; to the Committee on the Judiciary.

By Mr. BRAMBLETT:

H. R. 9404. A bill for the relief of Fumiyo Uchida; to the Committee on the Judiciary.

By Mr. CANNON:

H. R. 9405. A bill for the relief of Hitomi Okuhara; to the Committee on the Judiciary.

By Mr. FALLON:

H. R. 9406. A bill for the relief of the Peerless Casualty Co. and of Charles E. Nelson and Irwin I. Main; to the Committee on the Judiciary.

By Mr. REED of Illinois:

H. R. 9407. A bill for the relief of Henry J. Krueger; to the Committee on the Judiciary.

By Mr. STEFAN:

H. R. 9408. A bill to authorize the sale of inherited interests in the Appearing Moon allotment on the Winnebago Indian Reservation in Nebraska; to the Committee on Public Lands.

H. R. 9409. A bill to authorize the sale of inherited interests in the allotment of Samuel Wolf, deceased Santee Sioux allottee; to the Committee on Public Lands.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2325. By Mr. CANFIELD: Resolution of the Riverside Veterans, Inc., Paterson, N. J., pledging themselves to do everything in their power to discourage hoarding and profiteering, to help obtain a speedy victory in Korea, and offering prayers for our leadership in the current crisis; to the Committee on Banking and Currency.

2326. By the SPEAKER: Petition of Frank P. Gilley, D. D. S., secretary, Maine Dental Society, Bangor, Maine, requesting Congress not to enact any legislation containing the principle of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, AUGUST 11, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, we thank Thee for the sweet refreshment of restoring sleep and the beckoning glory of this new day. In a turbulent time we would wait to put our hearts in tune with the infinite. Pausing at this daily altar we would be conscious of those voices that speak of high motives in a world ridden by low motives, of purity in an age blatant with uncleanness, of self-giving amid social systems which in their blindness still crucify their prophets. In such a world, where the lowest is so commonly the loudest, we need at the day's beginning a shrine of reverence to give the highest a chance at our lives. We cannot maintain the fine edge of our spiritual morale in the constant babel of the world's uproar. For our soul's sake, lead us in the paths of righteousness to quiet places of the spirit, to still waters and green pastures, that our jaded and frayed spirits may be restored. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. MAYBANK, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 10, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 10, 1950, the President had approved and signed the following acts:

S. 2016. An act for the relief of Mr. and Mrs. Charles R. Proctor;

S. 2863. An act to provide for the expansion and disposition of certain national cemeteries; and

S. 3520. An act to strengthen the common defense by providing for continuation and expansion of western hemisphere production of abacá by the United States.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 193) to amend section 14 of the Merchant Ship Sales Act of 1946, as amended, for the purpose of correcting an error in Public Law 591, Eighty-first Congress, and it was signed by the Vice President.

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. THYE was excused from attendance on the session of the Senate Monday of next week.

On request of Mr. WHERRY, and by unanimous consent, the leave of absence originally granted to Mr. CAIN to August 15 was extended to August 28.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MAYBANK, and by unanimous consent, the Subcommittee on Labor-Management Relations of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate for the remainder of today.

On request of Mr. DARBY, and by unanimous consent, the Subcommittee on Wire Tapping of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

CALL OF THE ROLL

Mr. MAYBANK. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Byrd	Darby
Anderson	Capehart	Donnell
Brewster	Chapman	Douglas
Bricker	Chavez	Dworshak
Bridges	Connally	Eastland
Butler	Cordon	Ecton

Ellender	Johnson, Tex.	Murray
Ferguson	Johnston, S. C.	O'Mahoney
Frear	Kefauver	Pepper
Fulbright	Kem	Robertson
George	Kerr	Russell
Gillette	Kilgore	Schoeppel
Graham	Knowland	Smith, Maine
Green	Langer	Smith, N. J.
Gurney	Lehman	Sparkman
Hayden	Lodge	Stennis
Hendrickson	Long	Taft
Hickenlooper	McCarran	Thomas, Okla.
Hill	McKellar	Thomas, Utah
Hoey	McMahon	Thye
Holland	Magnuson	Tydings
Hunt	Maybank	Watkins
Ives	Millikin	Wherry
Jenner	Morse	Wiley
Johnson, Colo.	Mundt	Williams

Mr. MAYBANK. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Rhode Island [Mr. LEAHY], the Senator from Illinois [Mr. LUCAS], the Senator from Arizona [Mr. MCFARLAND], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. NEELY], and the Senator from Maryland [Mr. O'CONOR] are absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Arkansas [Mr. MCCLELLAN], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

Mr. WHERRY. The Senator from Washington [Mr. CAIN], the Senator from Vermont [Mr. FLANDERS], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Pennsylvania [Mr. MARTIN], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair, as is usual, will recognize Senators for routine matters, without speeches or debate.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to the establishment of family allowances to all members of the Armed Forces who have been or will be called to active duty in the present emergency; to the Committee on Armed Services.

(See resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on August 9, 1950, p. 12031, CONGRESSIONAL RECORD.)

Resolutions of the General Court of the Commonwealth of Massachusetts, providing for an over-all study of economic development in the area of Massachusetts; to the Committee on Public Works.

(See resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on August 9, 1950, p. 12031, CONGRESSIONAL RECORD.)

Resolutions adopted by the pension clubs and senior citizens of Duval County, Jacksonville, and Townsend Club No. 1, of South Miami, both in the State of Florida, favoring the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

A resolution adopted by the National Council, Boy Scouts of America, New York, N. Y., expressing appreciation to the Congress for its cooperation in the development of the Scout Jamboree Camp at Valley Forge, Pa.; ordered to lie on the table.

CONSTRUCTION OF COUNTY AGRICULTURAL BUILDINGS—RESOLUTION OF ROSS E. FRENCH POST, NO. 2328, VFW, WILLISTON, N. DAK.

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by Ross E. French Post, No. 2328, Veterans of Foreign Wars, Williston, N. Dak., relating to Federal aid in the construction of county agricultural buildings.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF ROSS E. FRENCH POST, NO. 2328, VETERANS OF FOREIGN WARS, WILLISTON, N. DAK.

The Ross E. French Post, No. 2328, VFW, being in regular session, have considered the need of providing satisfactory office space to serve as a county agricultural center in the city of Williston, county of Williams, State of North Dakota. At the present time all the agencies of the Department of Agriculture are housed in different buildings in different sections of the city, which makes it very inconvenient for any farmers having business with two or more of the offices.

Plans are in process for the construction of a courthouse in Williston, county seat of Williams County. It is felt that it would be a distinct advantage if adequate office space could be provided in the courthouse to house all of the agricultural agencies, thereby creating an agricultural center in this area.

Inasmuch as Senate bill 1579, Eighty-first Congress, first session, and House of Representatives bill 402, Eighty-first Congress, first session, have been introduced into the respective Houses of Congress which would authorize the development and administration of a program for the construction of county agricultural buildings and enable the Federal Government to contribute toward the cost of construction, it is felt that this assistance would enable Williams County to provide the necessary office space to establish the agricultural center: Now, therefore, be it

Resolved, by the Ross E. French Post, No. 2328, VFW, That the Congress of the United States be urged to take favorable action on this proposed legislation, and that copies of this resolution be sent to each of the Senators and Representatives from North Dakota.

Resolved at Williston, N. Dak., this 21st day of July 1950.

CLARENCE HALVORSON,
Post Commander.
C. O. HARDING,
Adjutant.

THE EMERGENCY IN KOREA—RESOLUTION OF EXECUTIVE COMMITTEE OF YOUNG DEMOCRATIC CLUBS OF NORTH CAROLINA

Mr. GRAHAM. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the executive committee of the Young Democratic Clubs of North Carolina, relating to the Korean emergency, and so forth.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED JULY 29, 1950, BY THE EXECUTIVE COMMITTEE OF THE YOUNG DEMOCRATIC CLUBS OF NORTH CAROLINA

Whereas our Nation again faces the crisis of armed conflict;

Whereas in the strength and courage of the United States lies the chance of all mankind for preserving individual liberty and dignity;

Whereas the Young Democratic Clubs represent the youth of this Nation who stand ready to bear arms against aggressive nations; and

Whereas in this time of emergency, the President and the Congress need a demonstration of the unstinted loyalty and determination of all our people: Now, therefore, be it

Resolved:

1

That the Young Democratic Clubs of North Carolina go on record as favoring all such emergency measures and sacrifices as will promote the strength and security of this Nation.

2

That we endorse and commend the President for his courageous action in Korea.

3

That we urge the President and the Congress to keep all the people closely and candidly informed of the dangers that face this country and to call unhesitatingly upon the people for such military services, such taxes, and such conscription of manpower and resources as are needed.

4

That we must not repeat the mistakes of "too little and too late." That all doubts as to the extent of mobilization be resolved in favor of overmobilization rather than dangerous undermobilization.

5

That we consider it vital to dispel the false idea abroad that our people put abundance ahead of freedom.

6

That domestic political differences must never stand in the way of a united and determined front toward any enemy.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. HUNT, from the Committee on Armed Services:

S. 3807. A bill to authorize the President to appoint Col. Henry A. Byroade as Director of the Bureau of German Affairs, Department of State, without affecting his military status and perquisites; without amendment (Rept. No. 2269).

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 11, 1950, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 3644. An act to amend the War Claims Act of 1948, as amended; and

S. J. Res. 193. Joint resolution to amend section 14 of the Merchant Ship Sales Act of 1946, as amended, for the purpose of correcting an error in Public Law 591, Eighty-first Congress.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

S. 4039. A bill for the relief of Harold Joe Davis; to the Committee on the Judiciary.

(Mr. ECTON introduced Senate bill 4040, to prohibit the transportation in interstate or foreign commerce of lethal munitions except when movement is arranged for, or on behalf of, the United States of America or an instrumentality thereof, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

TRANSPORTATION OF LETHAL MUNITIONS IN INTERSTATE COMMERCE

Mr. ECTON. Mr. President, I introduce for appropriate reference a bill to prohibit the transportation in interstate or foreign commerce of lethal munitions except when movement is arranged for, or on behalf of, the United States of America or an instrumentality thereof, and I ask unanimous consent that an explanatory statement of the bill by me be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the explanatory statement of the bill presented by the Senator from Montana will be printed in the RECORD. The Chair hears no objection.

The bill (S. 4040) to prohibit the transportation in interstate or foreign commerce of lethal munitions except when movement is arranged for, or on behalf of, the United States of America or an instrumentality thereof, introduced by Mr. ECTON, was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The explanatory statement presented by Mr. ECTON is as follows:

STATEMENT BY SENATOR ECTON

FACTS WHICH SUPPORT THE NEED FOR THE PROPOSED LETHAL MUNITIONS ACT

The primary purpose of this bill is to protect the safety of United States citizens. It is designed to protect innocent citizens against recurrence of another disaster like the recent one at South Amboy, N. J. It is intended to protect citizens against hazards of transportation of the most dangerous type of war munitions, when these munitions are made for private profit without benefit of the rigorous inspection and process control used by the two ordnance services of this country when they manufacture these items for the use of our own Armed Forces.

The bill is designed to take the export of dangerous explosive items out of the control of a subordinate division of the State Department and put it in the hands of the Congress where it belongs. If the Congress desires a friendly foreign nation to have explosive ammunition of the types described in the bill, it can so legislate as in the military aid bills which are now law.

The bill, if enacted into law, would have no important effect on the volume of our foreign exports because no attempt is made to cover in the bill all of the host of commodities and articles that could conceivably be utilized by a foreign nation to make war. Under the bill there is no prohibition against the shipment within the country or abroad of an antiaircraft gun, of a combat vehicle, or even of bulk propellant powders or high explosives.

There is an increasing tendency under interpretations of the so-called tort law to make the Government of the United States financially responsible for disasters which do not result directly from any action of an officer or agency of the Government. There is an increasing tendency to hold the Government responsible if its only part in the disaster was a negative fact of not taking all reasonable steps to protect its citizens against the possibility of occurrence.

Ammunition items, when loaded with modern high explosives, are dangerous not only to the enemy against whom they are used—there is always present an element of danger to the user. There is nothing so shattering to the morale of a battery of artillerymen than a high order bore premature of a high-explosive shell. The Ordnance Corps of the Army and the Bureau of Ordnance of the Navy have put in years of effort and have used millions of dollars of public funds toward the development in design and methods of manufacture to keep our own troops safe. When hurling destruction to the enemy their record has been outstandingly good. Suppose, on the other hand, that such ammunition made by a private company without the rigorous controls imposed by our own Government agencies is shipped to a friendly country. Suppose that in the hands of the troops of this friendly nation there are malfunctions which cost lives. Under such circumstances the reputation of American industries in such friendly country would be seriously affected and the good will toward the American people would be irreparably damaged. The Lethal Munitions Act would protect the safety of United States citizens and safeguard the interests of the United States Government.

DEFENSE PRODUCTION ACT OF 1950—AMENDMENTS

Mr. ROBERTSON submitted an amendment intended to be proposed by him to the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. TAFT submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. CAPEHART submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. JOHNSON of Colorado submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. BYRD (for himself and Mr. FERGUSON) submitted amendments intended to be proposed by them, jointly, to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. BRICKER submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. FULBRIGHT submitted an amendment intended to be proposed by him to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

HOUSE BILL PLACED ON CALENDAR

The bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, was read twice by its title, and ordered to be placed on the calendar.

POLICY TOWARD FORMOSA—EDITORIAL FROM THE DES MOINES REGISTER

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an editorial entitled "Let's Turn Formosa Over to the UN," published in the Des Moines Register for August 9, 1950, which appears in the Appendix.]

CONTRIBUTION TO THE WAR EFFORT BY LARGE CORPORATIONS—ARTICLE BY DAVID LAWRENCE

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an article regarding the contribution of large corporations to the war effort, written by David Lawrence and published in the Evening Star on August 10, 1950, which appears in the Appendix.]

DESERTION AND ABANDONMENT OF WOMEN AND CHILDREN

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a copy of a letter written by Raymond Hilliard, Commissioner of the Department of Welfare, New York City, to Representative FDNA KELLY, which appears in the Appendix.]

OFFER OF ASSISTANCE BY THE PHILIPPINE REPUBLIC IN THE KOREAN CONFLICT

Mr. LEHMAN. Mr. President, the Philippine Congress has enacted a concurrent resolution expressing its full support for the offer of President Quirino of 5,000 fighting men for service in the United Nations forces in Korea. This resolution should stir us all with a sense of gratitude toward this Republic, and its Government. This country, which suffered so deeply in the recent war and fought so heroically at the side of America, once again rallies to our banners.

It should make us proud of those generous impulses which impelled us to grant freedom and independence to the Philippines. I ask unanimous consent of the Senate to spread the text of this resolution in the body of the CONGRESSIONAL RECORD.

I also ask, Mr. President, that a broadcast made by Philippine Ambassador J. M. Elizalde over the Voice of America indicating the spirit and support of the Filipino people for the cause of freedom in Korea be printed in the body of the RECORD.

Without objection, the resolution and text of broadcast were ordered to be printed in the RECORD, as follows:

Concurrent resolution expressing the sense of the Congress of the Philippines to render every possible assistance to the United Nations forces in the Korean conflict

Whereas on June 25, 1950, the armies of North Korea crossed the thirty-eighth parallel and without cause or provocation attacked the Republic of Korea; and

Whereas despite the cease-fire directive of the Security Council of the United Nations issued on the day of the aggression, the North Korea armies pressed the attack on South Korea, thereby causing the Security Council to meet again on June 27, 1950, and approve a resolution calling on all members of the United Nations to furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack; and

Whereas it is the duty of the Republic of the Philippines under article 25 of the United Nations Charter to accept and carry out the decisions of the Security Council a duty which is accentuated by the fact that the Secretary of Foreign Affairs of the Philippines is the present President of the United Nations General Assembly; and

Whereas apart from its obligations under the United Nations Charter, the Republic of the Philippines should rally enthusiastically to the support of the United Nations action in Korea because the fate that awaits the Republic of Korea in this crucial contest may well decide the fate of small and militarily weak nations like the Philippines; and

Whereas, the President of the Philippines, in his special message to Congress, declared that the Philippine Government has pledged its support to the United Nations effort in Korea to the limit of its available resources: NOW, therefore, be it

Resolved by the Senate (the House of Representatives of the Philippines concurring), to express, as it does hereby express, the sense of the Congress of the Philippines that the Republic of the Philippines should render every possible assistance to the United Nations forces in the Korean conflict, including the participation of Filipino troops, and to inform, as it does hereby inform the President of the Philippines of its readiness to adopt such measures as may be necessary and adequate to render such assistance in the shortest possible time.

BROADCAST THROUGH THE VOICE OF AMERICA BY J. M. ELIZALDE, AMBASSADOR OF THE PHILIPPINES TO THE UNITED STATES, REGARDING THE OFFER OF THE PHILIPPINES OF TROOPS TO THE UN FOR POLICE ACTION IN KOREA

The challenge which faces the world today is one which no people can escape. The Filipinos, traditionally, are facing that challenge.

The official action taken by my Government has been widely circulated by the press and has brought cheer to friends of democracy everywhere. Permit me to read one paragraph from an Associated Press dispatch from Manila. It tells the story. It says:

"The Philippine Government today offered to send immediately—permit me to stress that word "immediately"—to Korea, a full-trained, fully equipped regiment of 5,000 combat infantry."

The press story goes on to comment that the offer was made by President Quirino to General MacArthur shortly after the Philippine Congress had approved dispatching the troops at its own expense.

That is the prompt answer of the Filipino people, expressed through its Government, to the challenge of the aggressor.

The Filipino nation and its people have a glorious record of meeting their commitments. They have demonstrated, time and again, their determination to defend democratic institutions.

American and Filipino blood was mixed together in the soil of my country in defense of freedom. No longer bound together by legalistic ties, our two countries are still, and forever will be, linked together by the deeper considerations of friendship.

We had been confronted with the problem of how best to implement that principle; how we most effectively could assist the United States and the United Nations.

It is essential to the welfare of the democratic cause that we maintain at home governmental strength available for the common good. That we are doing.

It is of major importance to the military forces of the United Nations that they be helped with some of the products of our soil and of our industry. That we are modestly doing.

It is important that manpower be provided within the sphere of our strength. That we will continue to do.

In addition to arming and sending forth the combat infantry dispatched by our Government, we have 26,000 Philippine Scouts, most of them battle-trained, who are eager to move in a great volunteer force when called and equipped.

We have paved the way for voluntary enlistment for many units which fought in the last war and now are free to go to the side of the United Nations forces in Korea. Filipino servicemen in the United States Armed Forces are rejecting discharge, reenlisting for active duty. We have had numerous inquiries from students and former guerrillas, seeking information on how they can serve best, and we are giving them every encouragement.

And we have insured by administrative action affecting export of war matériel that none can fall into the hands of the enemies of democracy.

Everything is being done and will be done to reaffirm to the democratic world the truism that the Filipino people will always be found at the side of their true friends.

LETTER FROM SENATOR WILEY ON USE OF GREAT LAKES PORTS FOR FOOD SHIPMENTS

Mr. WILEY. Mr. President, I send to the desk the text of a letter which I have written to the Senate Agriculture Committee urging utilization of Great Lakes ports for overseas shipments, and emphasizing an amendment which I am proposing toward that objective.

I ask unanimous consent that the text of this letter be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
August 7, 1950.

Re proposed amendment to H. R. 8942 to require Great Lakes ports' use in surplus food shipments.

Hon. ELMER THOMAS,
Chairman, Senate Agriculture and Forestry Committee, Washington, D. C.

MY DEAR MR. CHAIRMAN: I am writing to you to propose an amendment to a bill which will be coming over very shortly from the House of Representatives side, H. R. 8942, introduced by Representative GRANGER, of Utah. This bill, which has been endorsed by the Department of Agriculture, would allow the Economic Cooperation Administration to pay the inland freight on powdered milk, eggs, butter, cheese, and other surplus agricultural products which our Government will be giving away in large quantities to foreign relief agencies.

Naturally, I endorse the idea of utilizing these surpluses rather than allowing them to continue to lie dormant in Government warehouses, and I feel that reasonable Government payment of the freight on this donation program is advisable. I do, however, want to suggest an amendment under which it shall be mandatory to require use of the nearest port to the point of storage, where steamer services are available, to the point of destination. I am thinking particularly of the use of Great Lakes' ports for the shipment of these farm items.

My reasons for the amendment are as follows:

1. At the present time foreign relief agencies which receive these food gifts are required to pay inland and ocean freight from the point of storage within this country.

2. Accordingly, I am informed by the distinguished port director in Milwaukee, Mr. Harry C. Brockel, that: "Considerable tonnages of relief commodities have moved via Milwaukee and other lake ports, there being a considerable incentive to save inland freight costs by using the nearest lake port and direct ocean steamers to Europe."

3. However, if H. R. 8942 is enacted without my amendment, ECA will absorb the inland freight, and there will be a tendency to utilize the major ocean ports in preference to lake ports, the reason being that the relief agencies receiving the goods will have no incentive to conserve freight costs.

4. The United States Government, however, does, of course, have an incentive to conserve freight costs because as you and I so well appreciate, these costs will be paid by the poor old suffering taxpayer. I feel it essential, therefore, that, in the shipment of these farm items, the nearest port to the point of storage be utilized wherever steamers are available.

5. This will relieve congestion at the ocean ports as well as relieve congestion on the Nation's overcrowded railroads funneling into New York, Baltimore, New Orleans, etc.

6. The Great Lakes, as I have often pointed out, constitute the greatest inland waterway of the world. Failure to use that greatest inland waterway would seem to be both uneconomical and unfair to the Middle West.

I do want to report, moreover, that the Department of Agriculture and the ECA have thus far unfortunately demonstrated little interest in using Lake ports on the same parity with eastern and Gulf ports.

This is a part of the continuing discrimination against Great Lakes package-freight service, against St. Lawrence seaway legislation, etc. The Middle West does not feel that it can further tolerate such lack of consideration especially in this period of great national emergency.

While these other phases are outside your particular committee's jurisdiction, I know that you will kindly want to be sure to look into this bill from the standpoint of (a) the conservation of Uncle Sam's funds, and (b) expediting the shipment of these surplus foods.

Looking forward to hearing from you and from your committee staff on this matter, and with all good wishes, I am,

Sincerely yours,

ALEXANDER WILEY.

HISTORICAL FRIEZE IN ROTUNDA OF CAPITOL PORTRAYING STORY OF AVIATION—CONFERENCE REPORT

Mr. GREEN. Mr. President, I submit a conference report on House Joint Resolution 21, to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation. It is a unanimous agreement by all members of the conferees on the part of

the Senate and House. I ask unanimous consent for the immediate consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 21) to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, and 6, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: ", including the small isolated section added in 1917–18, to complete the history up to the beginning of the twentieth century, including the portrayal of (1) the Civil War, (2) the Spanish-American War, and (3) the birth of aviation in the United States. Approximately 10 feet of said unfinished portion next to the portrayal of 'Landing of Columbus' shall be used to portray the birth of aviation in the United States. The remainder of said unfinished portion shall be used for the portrayal of the Civil War and the Spanish-American War"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the joint resolution and agree to the same.

THEODORE FRANCIS GREEN,
JOHN C. STENNIS,
H. C. LODGE, Jr.,
Managers on the Part of the Senate.

CARL ALBERT,
EDWARD A. GARMATZ,
C. W. BISHOP,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

PREPARATIONS FOR MOVING TO OLD SENATE CHAMBER

Mr. MAYBANK. Mr. President, if I may have the attention of the distinguished Senator from Nebraska, the minority leader, I call attention to the fact that the Sergeant at Arms of the Senate talked with me this morning about moving the desks and Senators' papers and various things which had to be moved to Senators' offices so that the Senate might move to the old Supreme Court room on Monday. The Sergeant at Arms tells me that it will take Saturday and Sunday to move to Senators' offices the various papers and documents that are in their desks, and also to straighten up the old Supreme Court room so that the Senate may meet there Monday morning. He suggested that if the Senate could recess some time between 3 and 4 o'clock today he could have his force put in 2 or 3 hours this afternoon starting to make the move, so that the Senate could begin Monday to transact its business in its temporary quarters. I am wondering what the minority leader and other Senators on the other side of the aisle think about the suggestion.

Mr. WHERRY. It was stated yesterday that today the Senator from Ohio [Mr. TAFT], the Senator from Virginia [Mr. ROBERTSON], and the Senator from New York [Mr. IVES], would speak on the pending bill. I am not sure there was an official announcement to that effect, but at least the Members of the Senate got that impression.

I suggest to the distinguished Senator from South Carolina that it is perfectly agreeable to the minority for the Senate to recess whenever the distinguished acting majority leader feels the Senate should recess, either at 3 o'clock or 4 o'clock. However, I am wondering if we could not hear the addresses of the three Senators I have named before the recess is taken.

Mr. MAYBANK. I shall be glad to have that done, because I assured the Senator from New York [Mr. IVES] and the Senator from Virginia [Mr. ROBERTSON] last evening that they would have an opportunity to speak today, and yesterday morning, when the bill was first taken up, the Senator from Ohio [Mr. TAFT] announced that he desired to speak today. So, if it is agreeable to the Senator from New York, the Senator from Ohio, and the Senator from Virginia, who are scheduled to speak, that we recess at some time between 3 and 4 o'clock this afternoon, the Sergeant at Arms will be able to direct those who will conduct the operation, to remove to the offices of the various Senators the letters and documents now in their desks in the Senate Chamber, as well as remove the desks themselves.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. I will say that I do not expect to take more than 30 minutes, or 40 minutes at the outside, so far as I am concerned.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. I wish to say that I contemplate speaking 25 or 30 minutes, in the absence of interruptions. Of course, as I indicated yesterday, if questions are asked, I would undertake to answer them.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. IVES. Exclusive of any questions that may be raised at the conclusion of my remarks, I shall not take more than 30 minutes to deliver my prepared address.

Mr. MAYBANK. Excluding questions that may be asked and answers made to them by the speakers, the three Senators will occupy about 2 hours. That will assure that the Sergeant at Arms may begin the operation of removing papers and documents, and so forth, by about 4 o'clock, or it may be possible that he can begin earlier than that.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. McKELLAR. Yesterday in a colloquy in which the Senator from Massachusetts [Mr. LODGE] took part, he asked whether the desks and chairs of Senators were to be retained when the improvements to the Senate Chamber are completed. As I recall, the reply was that the chairs would be retained, but I do not believe I heard any statement made with respect to the desks. Are the desks also to be retained? I agree entirely with what the Senator from Massachusetts said, which was that the desks and chairs should be retained. I hope they will be retained. I want to vote that they be retained in the Senate Chamber, if we have an opportunity to vote on the matter.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. I happen to be a member of the Committee on Rules and Administration. The question just asked about the desks and chairs was asked in that committee by the Senator from Massachusetts. The chairman of the committee, the Senator from Arizona [Mr. HAYDEN] assured the Senator from Massachusetts that the chairs and the desks would be retained "as is" in the Senate Chamber.

Mr. McKELLAR. That is entirely satisfactory to me.

Mr. WHERRY. I am sure that is the answer to the Senator's question.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. LODGE. I am glad the Senator from Tennessee feels as he does about that matter. He knows a great deal about the history of the Senate, and about how much history clusters around these desks. If there is any doubt about these desks or these chairs being disposed of the way the panels were disposed of and the nice door frames were disposed of, I should like to have some Senator rise and say something about it now. If there is any doubt at all on that question we ought to have a vote on the matter.

The VICE PRESIDENT. The Chair recalls the incident in question. The chairman of the Committee on Public Works, the Senator from New Mexico [Mr. CHAVEZ], as the Chair recalls, announced that the desks and chairs would be replaced as they are now, but they would have to be taken out of the Senate Chamber temporarily.

Mr. MAYBANK. That is why I asked that the Senate recess between 3 and 4 o'clock, so that the desks and the chairs could be stored, to be brought back again and replaced in the Senate Chamber when the alterations in the Chamber are completed. Of course, the chairs and desks are not going to be removed from the Chamber permanently. It is necessary, however, that they be removed temporarily so the workmen can work in the Chamber on Monday morning. They will be retained.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. I am a member of the Committee on the Reconstruction of the

Senate Chamber, and I can say that there is not the slightest doubt that the desks are to remain here. There is no question whatever on that subject. I have seen drawings of the reconstructed Chamber showing the desks in the Chamber. There is no need for any Senator to be concerned over the matter. No one has ever proposed any other procedure.

Mr. McKELLAR. Mr. President, I thank the Senator from Ohio for what he has said.

Mr. HUNT. Mr. President, I should like to ask a question of the Senator from Ohio, who is a member of the Committee on the Reconstruction of the Senate Chamber. What, if any, arrangements have been made for loudspeaker systems of some kind in the Senate Chamber? I ask that question advisedly, I think, for throughout every day's work here we often hear, time and time again, a Senator requested to repeat his remarks because he cannot be heard. Very often that has been the situation in the case of the Senator now speaking.

Is any kind of loudspeaker system planned for the new Chamber?

Mr. TAFT. The new floor will be wired so that outlets will be available for, I believe, half a dozen loudspeaker installments in different parts of the Chamber. The committee did not feel that it had any authority whatever to provide for such loudspeakers, but in case the Senate ever decides that it wishes to use them, the Chamber will be wired so that they can be installed.

Mr. HUNT. I think that is very fine.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. MAYBANK. Mr. President, I should like to have the attention of the Senator from Nebraska, the distinguished minority leader. I wish to ask him if he thinks we can work out a unanimous-consent agreement to have the Senate vote next week on Senate bill 3936. I wish to ask him how he feels about that matter, because the House has passed the corresponding bill, doing so overwhelmingly last evening; and time is of the essence, and we should pass this bill promptly.

I appreciate the fact that I have not discussed the suggestion fully with the distinguished minority leader, but I should like to have him state his ideas about the possibility of working out an agreement for the Senate to vote on the bill.

Mr. WHERRY. Mr. President, the minority leader is always willing to cooperate in an attempt to work out a unanimous-consent agreement. It would be my judgment now that the agreement which could be reached would provide for the vote to be taken some time in the latter part of next week.

If the Senator from South Carolina will bring up the matter again on Monday, we shall see then what can be done. In the meantime, my advice to him would be that it probably would be possible to obtain an agreement to vote on the bill in the latter part of next week.

Mr. MAYBANK. Mr. President, let me say to my good friend, the minority leader, that I hope he will consider this matter over the week end, and I hope that on Monday we shall be able to reach a unanimous-consent agreement to have the Senate vote on the bill not later than Wednesday of next week.

Mr. WHERRY. I can assure the Senator from South Carolina that it will be very difficult to work out an agreement to provide for the Senate to vote on either Tuesday or Wednesday of next week, even though I originally had hoped that that would be the arrangement. However, I am glad to say that I hope an agreement can be reached to have the Senate vote on the bill on Thursday or Friday of next week.

Mr. TAFT. Mr. President, the pending bill, Senate bill 3936, proposes to turn over to the President complete and arbitrary dictatorial power over the entire economic life of the United States and, to a large extent, over the lives and activities of its citizens. The bill would authorize the President to install a system completely at variance with the free economy under which this country has been built up and to which I believe it owes its tremendous productive power and the standard of living of its people.

There are many provisions of the bill which I consider to be necessary under present conditions, but certainly there is complete confusion in the minds of the public regarding the different types of controls which now are proposed. I think there is considerable confusion in the mind of every Senator—and necessarily so—as to the many different kinds of controls and the relative justification for different controls. People are much too much inclined, apparently, to say either "We are for controls," or "We are against controls."

I am not protesting against controls in general; but I believe that certain types of controls can change our free economic system into a semisocialist, regimented Nation. Such controls should be granted only on a clear showing of economic emergency, and for the duration of that emergency.

Of course, Mr. President, the Government already has considerable power and control over business and economic life, and it will always have such power. No one is disposed to say that there should not be controls over the economy—controls of the kinds which traditionally have been imposed—and that perhaps there should be some additional controls.

The powers provided for in this bill may be divided roughly into three classes:

First, there are additional powers to control credit, particularly consumer credit and credit for the construction of buildings. These powers certainly present no great departure from normal Government principles. The Government has always controlled credit through its regulation of the banks, but the danger to any nation in peace or in war from excessive control of credit has long been recognized.

I myself have always favored as a peacetime measure the power to control consumer credit, which has assumed very much greater importance in modern days. I believe credit control is one of the most important necessary weapons which any government should have, and I certainly feel that these provisions of the bill should be enacted. Today we face a serious inflationary condition, which has developed almost entirely because of an undue expansion of credit. Even before the Korean war, for a number of reasons which appear very clearly in the latest statistical reports on these various matters, prices had begun to rise.

For instance, consumer credit, including installment credit, has increased, in a period of 12 months, by the sum of $3,500,000,000. In other words, that constitutes a direct creation of purchasing power without necessarily a corresponding production, or the production only follows the increase in purchasing power.

Total mortgage loans in the month of May alone amounted to $1,400,000,000. They had been at an average of $1,100,000,000 for many months.

The loans of commercial banks have increased, in 12 months, from $41,000,000,000 to $45,000,000,000—an increase of $4,000,000,000 in such loans in 1 year's time, with the holdings of Government securities increasing, also, from $63,000,000,000 to $66,000,000,000.

The total deposits in banks have increased from $137,500,000,000 to $143,000,000,000, or an increase of $5,500,000,000, which indicates a general increase in credit, brought about very largely by the policies of the Government iteself. The Federal Reserve Board has rather loosened up on credit since the slight depression of 1949.

In a period of 6 months there has been a net increase of $3,000,000,000 in the case of mortgage debts. So we are moving at the rate of $6,000,000,000 annually in the increase in housing credit.

On top of that, we also have the Government deficit for the last fiscal year of more than $3,000,000,000.

So we had every kind of inflationary force working in this country before the Korean war began.

A reversal of this policy, plus a new tax bill, plus the credit control powers which here are proposed, in my opinion can undo the greater part of the price rise which has occurred. The economic effect of the Korean war, reflected in actual buying for the Government, is negligible. Most of the effect of that war thus far has simply been a psychological effect.

The second class of powers relate to production of materials for the Armed Forces, the stimulation of increased production for that purpose, and direct Government operation. While I am inclined to believe that the Government can get anything it wants to get and with priority, without powers given in

this act, I see no objection to granting these powers more clearly. In fact, I think they should be granted more clearly. The power to demand priority and to require allocation is arbitrary, but is probably necessary when we have such a tremendous civilian demand as we have at the present moment. Loans and the guaranty of loans were useful weapons in the last war to secure prompt production. I question somewhat the necessity of permitting the Government to go into business itself, and I feel that Congress should be asked to authorize each instance in which the Government does propose to go into a manufacturing business. I shall deal further with that in proposing an amendment to that section.

The third type of powers contained in the bill relate to general economic control. These powers are not only those contained in title IV, but they are scattered through the bill because the language providing for Government action is so broad that it can be extended far beyond the control of production for the Armed Forces. Thus the allocation power contained in section 101 is broad enough to permit the Government to close down any business in this country by shutting off materials. It is broad enough, in my opinion, to tell every farmer what he can plant and what he cannot plant. It certainly is broad enough to authorize a complete rationing system for consumers. Under section 303, the Government can go into any business, including mining, manufacture, and commerce. The definition of national defense found on page 67 is so broad that in those sections where the only limit is the use for national defense, the powers granted can be used for general economic control. Title IV gives complete power to fix prices and fix wages at the discretion of the President.

I have no difficulty with the first two classes of powers, and I believe that most of them are essential under present circumstances but I have serious doubt as to the necessity at this time of giving the President arbitrary and dictatorial powers over the entire national economy.

It is said that these powers are standby powers. That term is completely misleading. The first Price Control Act in the World War gave almost the same powers, and at that time they were also discretionary. Many of the powers granted to the President in permanent legislation are discretionary powers to be put into effect only if he chooses to exercise them. No one called them standby. It may be that the President does not intend to use them at once, but as far as Congress is concerned, we are the ones who are authorizing a complete change in the character of the life of this Nation. I do not think we should grant any discretion to make that change to the President, unless we think it is necessary for him to use that discretion, and he himself at this time does not think it is necessary for him to use that discretion. I do not see how we can avoid our constitutional responsibility of deciding, ourselves, whether controls so important as these, which would change the character of our life, are actually necessary at this time or are not necessary. If they are not, I do not think we should authorize the President to use them now, or at any future time without further congressional action.

Mr. President, I do not believe the people realize the nature of the changes in our economy authorized by this bill. If we were engaged in the third world war, I would not hesitate for a moment to grant every power here sought. When we are engaged in protecting the freedom of the entire Nation against foreign aggression it is necessary temporarily to surrender our freedoms at home. I was assistant counsel for the Food Administration in the First World War, and I think its control then was necessary. I helped write the first Price Control Act in 1941, and secure its passage, and, with all its faults, I believe that price control was absolutely necessary at that time. The question is whether any similar emergency exists today. It seems to me that it will take a real economic emergency to justify or balance the dangers and inconveniences and constitutional infringements involved in a control system, particularly in time of peace, when the people do not have the spirit of sacrifice which is produced by an all-out war. I do not intend to say that the Korean war is not a real war, or that it does not carry many of the heartbreaks and tragedies of a large war. But from an economic standpoint, it is not any particular strain on the economy of this country. Most of the materials and equipment needed are already in existence. They have to be, or they never will get to Korea. Those that can be manufactured during the next 6 months are merely a drop in the bucket in the tremendous production in which we are now engaged. Even the increased armament program as presented to us up to this time, which includes Korea and a much larger preparation for defense, is easily within the capacity of this country, on a more or less normal free economic basis. President Truman has proposed additional appropriations of about $16,000,000,000, although it is not clear how fast this will be needed or spent. There should be substantial reductions in domestic expenditures and foreign economic expenditures, so that I would judge that the program presented to Congress involves perhaps ten to twelve billion dollars increase over the $40,000,000,000 a year which we are now spending. In my opinion, this program can be handled by increased taxes and credit control. A balanced budget and the prevention of any continued increase in outstanding credit have long been recognized already as the proper weapons to prevent inflation. I think we can and should pay for the program as we go, and that if we do, price control is not necessary.

In weighing the necessity of controls we should realize that they are far more difficult of administration than they seem to be when we enact the law. It is certainly far more difficult to administer controls successfully than it is to sit here and enact a law such as the one before the Senate. When prices start to go up people assume that all the Government has to do is to step in and say "No." A few orders from Washington and the people think they have complete protection against profiteering. But our experience in this country shows that it is not so simple as that. In the first place, it is almost impossible to start price control and hold it to a few selected fields. If we fix the price of steel, it becomes necessary to fix the price of iron ore and scrap and alloys and all the products of steel, and then all other metals which are in any way involved in steel. If we fix the price of wheat, we have to fix the price of corn and rye and oats and barley. If we fix the price of any raw material, or any manufactured goods, we have to follow it down through the channels of distribution to prevent profiteering along the line, until we fix the retail price. If we fix prices, we soon have to regulate almost every practice in many different industries, because those practices inevitably affect the price. We saw that in the World War.

It is generally agreed now that prices cannot be effectively fixed unless wages and salaries are also controlled. There are nearly a billion transactions a day, including sales and wage payments in the United States, and the moment control begins it has to be gradually extended until the Federal Government is trying to lay down the rules on which every one of those billion transactions a day is to be conducted. That was Mr. Henderson's experience, and it is almost certainly necessary.

When the Government undertakes such a tremendous detailed control it has to take on employees who may well number 500,000 before the whole project is completed. Furthermore, it cannot be done with any hope that you can maintain justice or freedom or equality. Appeals to the court are necessarily denied or severely limited, because, of course, the decrees of the Price Administrator have to be immediately effective if they are to be effective at all. We have seen recently the injustices in the rent-control system, even after every effort to require proper adjustments. During the World War, I had case after case brought to my attention where arbitrary rulings destroyed the livelihood of patriotic citizens.

Furthermore, the problems of a country this size are so infinitely complex that no man knows enough to do the job right. Unquestionably, what we obtain is better than all-out inflation which might be produced by a world war, but it is full of mistakes and unexpected results. The system tends to produce tremendous shortages, because the holding of the price below its economic level increases demand and decreases supply. Under OPA controls, many important products disappeared from the market. At different times there was no butter, no meat, no soap or canned goods, no white shirts or new suits, no leather, and no shoes. Then it becomes necessary to ration with all the red tape and chiseling that such a system produces. I am quite certain that it was the mistakes of the OPA in the World War which resulted in these shortages and finally brought about a spiral of rising prices and wages

which undid most of the good the system had done. And yet I believe any director is going to make the same mistakes because of the vast field of uncertainty and the tremendous pressures which are brought to bear from every group concerned with their selfish interest.

Finally, in the United States, more than in any foreign country, we face the danger of a complete breakdown of controls, and lawlessness, particularly in time of peace. In time of war, a certain morale develops which makes it possible to enforce control. In the World War, Mr. Hoover relied almost entirely on that morale with few enforcement powers. During the Second World War, men who felt they were aggrieved still remembered their boys at the front and accepted without complaint the order which perhaps made them a casualty at home. But after the war, whenever the economic price of any commodity was above the OPA price, the commodity went into the black market to seek the natural level of price. Corn, lumber, and meat sold all over America at black-market prices. At one time there was practically no lumber in the lumber yards, or anywhere, outside of the black market. The American people do not like to be regimented, and they do not like to be ordered around.

I think those who vote for this price control are going to regret bitterly their vote by a year from this time, unless, unfortunately, we are involved in a third world war.

Mr. President, I have indicated that there is a condition under which price control may be necessary and may work better than in ordinary times. Perhaps such a condition may exist short of war. There is some suggestion that the administration has not told the people all of the facts. It has not presented the program which it really is looking forward to for the American people, that perhaps we are going to spend $45,000,000,000 a year on our Armed Forces instead of $25,000,000,000; perhaps we are going to begin a 3-year plan to make this Nation the most powerful military force the world has ever seen in time of peace.

That may be the program which the Nation perhaps should adopt. I do not venture to express an opinion at this time on that question. If there is such a program, then I think we ought to know what it is. If our total Government expenses are going to be $75,000,000,000 instead of $52,000,000,000, I doubt if we can get along without price control.

I doubt very much that we can raise sufficient revenue by taxes to meet such a tremendous expenditure. The thing that forces control is the vast expenditure by the Government over and above the taxes that can be raised. In the World War we were spending, roughly speaking, $100,000,000,000 and we collected $50,000,000,000 in taxes. A deficit of $50,000,000,000 a year forced arbitrary and rigid controls. It may be that an expenditure of $75,000,000,000 a year, if that is what is contemplated, would make such controls necessary. If it is, my objections to this bill might entirely disappear. If there is any such program, however, I believe the American people ought to know it. I can only assume at the moment that the proposed increase already laid before us represents an adequate program to secure the defense of the United States.

Remember that what we do here may last for 10 years. The new level of spending may continue as long as the Russian menace exists. If that is the fact it becomes all the more important that we adjust our economy to that semipermanent condition by levying enough taxes to pay as we go and prevent inflation by proper credit control retaining as much economic freedom as possible, so that our progress may continue. Certainly, the American people would be sick of price controls long before the end of any 10-year period.

Under the circumstances I have set forth, I believe very strongly that Congress should reserve for itself the right to determine whether all-out controls should be put into effect, and I propose to offer an amendment providing that title 4 shall only take effect upon passage of a further joint resolution by the Congress. The position which I have taken, I understand, is almost exactly that of President Truman on this issue, and also the position of his economic advisers. I invite attention to their legislative recommendations on page 14 of the July report to the President. The President is not willing to say that price controls and wage controls are needed at this time. I agree with him, and I think it is wrong for Congress to enact them at a time when they are not necessary.

Mr. President, I should like to read the recommendations of the President's economic advisers. They were passed on by the President to Congress after the Korean war crisis had occurred. The recommendations are as follows:

1. On account of the cost of expanding our military strength, and to help contain inflationary pressures, an interim revenue measure should be enacted immediately to yield substantial additional revenue in the current fiscal year.

That bill is being considered. We have practically finished its consideration in the committee, and it will be before us.

2. As a safeguard against inflationary buying, and to reduce the demand for scarce materials, authority should be granted to regulate consumer credit, to restrain mortgage credit, particularly for housing, and to limit speculation in commodities.

I agree with that recommendation. Those powers are contained in this bill.

3. In view of the mounting shortage of some commodities required for the national defense, authority should be granted for priorities and allocations of these commodities, for the limitation of nonessential uses, for the prevention of inventory hoarding, and for the requisitioning of supplies.

It does not speak of all commodities.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I should like to state the next recommendation; then I shall be glad to yield to the Senator.

4. To expedite the production of certain commodities needed for the military and for adequate stockpiling, and to guard against a dangerous shortage of these materials in the event of any emergency calling for further expansion of our military efforts, a program should be adopted which provides loans and incentives for the expansion of capacity, for technological developments, and for the production of essential supplies.

I now yield to the Senator from Arkansas.

Mr. FULBRIGHT. The Senator spoke about over-all controls. That was a subject which concerned me and two other members of the committee very much. I should like to know whether under the Senator's proposal his concurrent resolution would go only to over-all controls and that in the meantime the President would be given authority to impose selective controls on such articles as rubber, for example, which was used in committee as an illustration of a class of articles which were very important to the defense program.

Mr. TAFT. Rubber got out of line because of the foreign situation. We cannot have an over-all control on the price of rubber any more than we can have it on the price of coffee. My proposal is that title IV should go into effect only on the passage of a further joint resolution by Congress. There are other controls. For instance, the Government's control of the synthetic rubber plants would permit the Government to control the price of rubber at any time it wished to do so.

Mr. FULBRIGHT. Mr. Clague used the example of meat. He used meat as one article which had a great influence on the increase in the consumer price index. Does the Senator contemplate that there should be any authority to control any article at all prior to the adoption of the concurrent resolution?

Mr. TAFT. No; my feeling is that so far as price and wage controls are concerned the President could exercise some authority through allocation control, for example. Let us take meat, for example. If there is any article which was proved after the war to be difficult to control, it was meat. It is almost impossible to do so. We reached the point where only a little meat came through legitimate channels, but there was a great deal of meat in the black market. Meat was being slaughtered in small plants or on the farm. Conditions reached such a point that we could not get enough insulin to take care of people who had diabetes because there was not enough processing of carcasses in the regular channels of meat production. We had 90 percent of the meat in the black market. The Senator no doubt remembers that before the 1946 election the President suddenly removed all controls from meat because he was told that the scandals were such it would be impossible to elect a Democratic Congressman anywhere in the country if he allowed controls on meat to stand until the election. That was said at the time. I do not guarantee that it was the only reason why he removed the controls on meat, but people told him that he should take controls off meat because it was impracticable to control the price of meat. It is most difficult to do so. It is much easier to control the price of wheat, corn, and grain products than it is to under-

take a price control of meat. If a start is made on meat alone, the control will be a complete failure, in my opinion.

Mr. FULBRIGHT. What would be the Senator's opinion with regard to lumber?

Mr. TAFT. Lumber went into the black market, of course. Practically all lumber was in the black market. There was a time after the war when there was no lumber in any lumber yard in the United States. It was trucked directly from the southern mills to the house into which it was put. The price was whatever those who had the lumber desired to charge for it.

I think the Senator has picked out the most difficult articles to control. Let us take, for instance, the shortage of steel. The imposition of consumer-credit control on automobiles would cut tremendously the production of automobiles. If a 50-percent down payment were required on automobiles, I venture to say that the sale of automobiles would be cut by a third. Thereby more than 2,000,000 tons of steel would be saved, which is the additional amount of steel required for the present military program over and above what we had already contemplated would be required. There are many other methods that could be used without going into such detail. I think it is most difficult to try to regulate in detail the price of half a billion sales and purchases which are made every day. It is a tremendously difficult task, and, necessarily, it is an arbitrary one.

Mr. FULBRIGHT. I agree with the Senator that it is difficult. We were seeking some way to avoid it, if we could, or at least delay it until the situation became much more serious.

Mr. TAFT. My impression is that if we were to impose a price control on anything, we could find a separated product—a medical product, or something of that kind—on which a price control could be imposed without its effect spreading. However, if we take any major industry or food product and try to fix the price on it and set up a control system I think we would be required to control all the other related products, and finally the entire economy.

Leon Henderson tried to do it on a selective basis. Finally he said it could not be done. At first I was inclined to take the position that it could be done, but I came to the conclusion at the end that if we are to have regulation we must regulate the whole thing, because otherwise we simply shift the purchase from one product to another product. If we fix the price of meat, meat becomes scarce. Therefore everyone buys chickens. Then the price of chickens increase three times over the original price. So we must regulate the price of chickens. Of course it follows that we must then also regulate the price of eggs. We would go from one thing to another until we found that complete control was required.

Mr. FULBRIGHT. I wonder what the Senator thinks about credit controls on construction, under which the Federal Reserve Board is given authority over conventional bank credit, and the President, as I believe it was stated on the floor yesterday, is given control in the Government field through the Housing Authority.

Mr. TAFT. My impression is—and I have not studied the section carefully—that the bill gives the Federal Reserve Board power over all of it.

Mr. FULBRIGHT. No; it gives the Federal Reserve Board authority over what is called bank credit. It gives the President authority over Government credit. The only way the Federal Reserve Board is brought into the Government picture is by the words "after consultation with the Federal Reserve Board." In committee I move to give the Federal Reserve Board authority over all credit in that field.

Mr. TAFT. I would be inclined to agree with the Senator. I would be inclined to think that the power over bank credit, consumer credit, and housing credit ought to be in the Federal Reserve Board.

Mr. FULBRIGHT. In the private field under existing regulations banks require more than 60 percent under any circumstances. In other fields it is only 50 percent, where there is not much inflation in the field. The real inflation is in the Government credit, is it not?

Mr. TAFT. In housing?

Mr. FULBRIGHT. Yes.

Mr. TAFT. Yes; in direct loans to GI's and in the FHA-guaranteed mortgages. I think those together cover a good deal of the high increase in housing credit.

Mr. FULBRIGHT. Not only that, but the circumstances are much more inflationary where only a 5 percent or 10 percent down payment is required than where 40 percent is required.

Mr. TAFT. The Senator is entirely correct.

Mr. FULBRIGHT. The impression was created that the Federal Reserve Board had a responsibility given it without the power to do anything effective.

Mr. TAFT. Mr. President, I wish to deal specifically for a moment with the power of the Government to go into business, which is covered by section 303. I realize that in some fields the Government itself probably may have to go into business. If the President is unwilling to tell us what those fields are so that we may properly limit the power, then I suggest that we retain the power in the Committee on Appropriations to decide what money shall be granted for projects of that kind.

It is significant that in 1949 the President demanded the power to go into business in time of peace, and indicated his belief that the Government should be able to go into the steel business if some Government economist decided that the industry was not expanding as fast as he thought it ought to expand to meet some demand which he foresaw. The President said at that time:

> 8. To authorize an immediate study of the adequacy of production facilities for materials in critically short supply, such as steel; and if found necessary, to authorize Government loans for the expansion of production facilities to relieve such shortages, and furthermore to authorize the construction of such facilities directly if action by private industry fails to meet our needs.

In accordance with that, the administration had introduced in the House of Representatives the Spence bill, which, in section 203, contained provisions very similar indeed to the provisions in the bill now being considered.

The Spence bill provided:

> SEC. 203. (a) Whenever the President determines that Federal procurement is necessary to help achieve the quantity goals established under section 201 (b) for essential metals, minerals, and other raw materials, including liquid fuels, he may (1) purchase or make commitments to purchase such essential materials abroad either for Government use or for resale in the United States * * *.
>
> * * * * *
>
> (c) The procurement power granted to the President by this section shall include the power to transport, store, process, and refine any materials procured under this section.

At least a suspicion is justified that the President is not solely concerned with the question of production for war purposes. He has himself believed, and probably still believes in what he believed in then, that the Government should have the right to go into business of the kind referred to, independently of any question of war. Certainly I believe, therefore, that we are justified in asking that this power be restricted specifically at least to war purposes.

What I am suggesting is an amendment, if we cannot change the whole power, which at least will require that the money needed for these projects shall be appropriated by Congress. I would not have any great objection to inserting such a provision as that found in a good many bills, the ECA Act, for instance, that pending the actual appropriation the agency may borrow up to, let us say, $100,000,000 from the RFC for some emergency purpose, to be paid back out of the appropriation. But it seems to me that we should strike out on page 36 lines 20 to 25, and on page 37 lines 1 to 20. If that language remains in the bill, we never will see this referred to again. The President will have $2,000,000,000, which will never have to be appropriated, and he can use that $2,000,000,000 to go into any business which he thinks he would like to see the Government go into.

I shall propose to this section an amendment at least providing that appropriation shall be necessary before the power can be used.

Another respect in which the powers of the President are extremely broad is that of allocation. It seems to me this power should be confined to the allocation of materials and facilities required for the war program.

I propose to offer an amendment to provide such a limitation. I offered such an amendment in the committee, and the committee made a slight change, but I do not think it carried out the purpose of my amendment.

Mr. ROBERTSON. Mr. President, will the Senator from Ohio yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Ohio yield to the Senator from Virginia?

Mr. TAFT. I yield.

Mr. ROBERTSON. I should like to give to the distinguished Senator from Ohio my intepretation of the provision. It is to assist industries to go into war-production business, exploration, and what-not.

The Senator referred to section 302 of the original bill. I assume he also refers to section 303 (a), which follows.

Mr. TAFT. I was talking of section 303 (a), (b), and (c).

Mr. ROBERTSON. I wish to call the attention of the distinguished Senator to the fact that the objectives of section 302 and 303 are not the same. Section 302 relates to loans to enable companies to go into production. I offered an amendment to the original provision of the original bill, authorizing loans to carry out the purposes of the bill.

We did not know exactly what all the purposes of the bill as originally proposed would be. So I offered an amendment which was agreed to and incorporated in this section, to provide "procurement of materials for national defense." That is all for which they could go into business with Government loans.

We did not insert that limitation in section 303 (a), because that relates only to Government purchases, not Government business or production, only Government purchases of war materials.

Mr. TAFT. The Government, under section 303 (a), has the power to make purchases of other than raw materials. It does not say anything about war materials. The language of subparagraph (c) is:

> The procurement power granted to the President by this section shall include the power to transport and store, and have processed and refined, any materials procured under this section.

They can go into the steel business or any other business, and with the powers of purchase, resale, and manufacture, they can go into any business they desire to enter, under section 303.

Mr. ROBERTSON. In the first place, we inserted a preamble that the act is to be carried out within the framework of the American system of competitive enterprise. Then, at my suggestion, in two or three different places in the bill we reiterated "private enterprise, private enterprise."

When we undertook to define national defense, we tried to tie that down to what is actually national defense. It was very difficult for us to write into the bill every conceivable thing which would contribute to national defense, but certainly we put enough into the bill and enough into our report clearly to indicate that these powers should not be used for purposes of social reform, or to put the Government into business which would result in the nationalization or socialization of American industry.

Mr. TAFT. Exactly the same situation existed in World War II. Vague language was used, and it was taken advantage of to justify social reforms and to justify instituting various activities that were not intended by the Congress. A mere expression by Congress today is flouted by Government departments. I have seen the same issue arise in connection with the Veterans' Administration. If a statute makes a certain provision, the officials of an agency may say, "We are not disposed to follow Congress." If we desire to limit powers, the language should be perfectly clear and definite.

As I see it, the definition of national defense on page 67 is so broad that under it the President could allocate for national defense any article in the United States that he finds is needed for the national defense. I think it is somewhat too broad.

I do not criticize the work of the committee, and I quite realize the point made by the Senator from Virginia. But as the Government expands and new bureaus are set up, they do not care what the theory of the act is, they look at the words, and if they want to do something and find that the words can be twisted to enable them to do it, they do what they want. There is no way that can be prevented that I know of, except through the power of appropriation.

The school-lunch program was set up without any authority whatever, and it was carried on for a long time by appropriations only. There were quite a number of activities undertaken by the Federal Security Administration which had no relation to the war whatever, so far as I could see. But Government officials went back to the war acts, pointed to the words contained in them, and we had a pretty hard time to restrain them once they relied on the words.

Mr. ROBERTSON. Mr. President, will the Senator yield for one brief comment?

Mr. TAFT. I yield.

Mr. ROBERTSON. Our committee deleted from the bill, by amendments which I offered, powers which went beyond those ever possessed before by any President in any war emergency. But frankly, we did not know how to prepare a defense production bill which would give a good safe administrator the powers necessary for him to do a successful job, and at the same time tie behind his back the hands of some administrator we might not trust. If the Senator knows how to prepare such a bill as that, I shall be glad to consider it. But I desire to say that if some other Senator does not offer it I intend to offer an amendment to the bill whereby the powers granted may be ended upon the adoption of a concurrent resolution by the two Houses, or that any part thereof may be ended by such procedure. If someone, as the Senators fears he may, should take the powers contained in section 302 and section 303 (a) and use them to try to socialize some industry, before we have gone all the way down that road the Congress could take a look-see under the amendment I am proposing, and could wipe out section 302 and section 303 (a) if they were not being used as we intended them to be used, as a defense against an aggressor.

Mr. TAFT. I have seen that done before but as a practical matter it is almost impossible to undo what has been done, after it has been done.

I realize that the Senator from Virginia moved to strike out sections 301, 302, and 303. He made a motion to strike them all out in the committee. I fully sympathized with his action at that time. The Senator was finally convinced that sections 301 and 302 were necessary. I am not suggesting any change in sections 301 and 302. The only amendment I am suggesting to the whole bill, I will say to the Senator, is that we shall not hand the President $2,000,000,000 without any check by the Appropriations Committee on the operation by the Government itself which is authorized under section 303. Now that certainly is a mild provision, and I hope the members of the committee may be glad to accept it.

Mr. ROBERTSON. Mr. President, will the Senator again yield?

Mr. TAFT. I yield.

Mr. ROBERTSON. I must admit the correctness of the statement of the Senator from Ohio, that I did offer an amendment to strike out the original language, because I was afraid, as he now says he is afraid, that it was going to be abused. But then I reached the conclusion that it would unduly tie the hands of the executive branch of the Government in doing what may be required to be done so then I went to work to revise the language the committee agreed upon, and which I thought reasonably safeguarded the interests both of us had in mind. But I do not know, and I do not believe any other person knows how to frame a bill that will rise above its administration.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Indiana.

Mr. CAPEHART. As a member of the Committee on Banking and Currency, and having sat through all the hearings on the bill, I wonder if the Senator will agree with me that generally speaking, outside of titles IV and V, the bill is quite satisfactory, provided that wherever the term "national defense" is used we substitute "for military supplies," or whatever is needed directly by the military, the armed services, in order to win the Korean War? That is what I tried to do in the committee.

Mr. TAFT. I want to praise the work of the committee. I do not criticize the work of the committee for a moment. The definition of "national defense" on pages 66 and 67 is still somewhat broad.

Mr. CAPEHART. It is too broad.

Mr. TAFT. Yes. The language is:

> The term "national defense" means the operations and activities of the Armed Forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense.

That really covers any department. Of course, it is clear that it covers the Department of Agriculture. But I think any other department would easily fall within this language. It is not confined to things they want to buy. It covers anything about which they are concerned. It covers any of their activities, such as the Brannan plan, or anything else under the definition of "national defense." While it is better than the original definition, while I think the committee has greatly improved it, I still think it is somewhat broad.

Mr. CAPEHART. Does not the Senator think the definition should be limited to that which is needed directly by the military in order to win the Korean war and in order to do what they should do and what the Congress gives them authority to do under the appropriations?

Mr. TAFT. Yes. Well, what they should do in order to build up the strength of the armed services of the United States. I agree with the Senator from Indiana entirely.

Mr. CAPEHART. I have prepared and will submit two amendments, one to strike title IV and the other to strike title V. Those are the two titles of the bill, of course, that have to do with rationing, price control on every conceivable thing, and wage control. I feel that those two titles should be eliminated from the bill.

Mr. TAFT. I have also prepared a motion to strike out title V.

Mr. CAPEHART. What does the Senator think about title IV?

Mr. TAFT. I personally would strike out title IV, but I was willing to compromise on the basis that it go into effect, by a joint resolution passed by Congress, so when we came back here we would not have a dispute on all the titles of the bill. We would just have a question, yes or no, on a joint resolution. We could act more rapidly in that way. That is just a concession. I prefer the Senator's own amendment.

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Ohio yield to the Senator from Missouri?

Mr. TAFT. I yield.

Mr. KEM. Some reference has been made to the fact that the bill provides that it is the intention of the Congress that the President shall use the powers conferred within the framework of the American system of competitive enterprise. Referring to the bill, on page 29, I find some weasel words there which seem to me to be of considerable importance in this connection. The bill reads:

> It is the intention of the Congress that the President shall use the powers conferred by this act * * * within the framework, as far as practicable, of the American system of competitive enterprise.

I ask the Senator from Ohio if he does not think that that would give the President the right to do about anything he wanted to do and still contend that he was "within the framework, as far as practicable"?

Mr. ROBERTSON. Mr. President, will the Senator from Ohio yield to me so I may answer the Senator from Missouri?

Mr. TAFT. I yield to the Senator from Virginia.

Mr. ROBERTSON. That was my amendment. Does the distinguished Senator from Missouri think that any part of price fixing or wage fixing or rationing is in keeping with the American system of private enterprise? We might have to go into some of that as we did in the last war. I could not sit in committee and put in a phrase that would nullify what might have to be done. So all I could say was, "as far as practicable." You high administrators of this program, do not use these powers beyond what is necessary to do this job and leave our American private enterprise in existence, because it outproduces any other system in the world." That was as far as I knew how to go.

Mr. TAFT. Answering the Senator, I would say that so far as these declarations of policy are concerned I do not pay too much attention to them, and I do not think most lawyers do, and I do not think many Government departments do. They look at the language of the grant of authority. I do not think this limits or expands the grants of authority contained in the words. It may throw a little light on the subject. Even in its present form the language is a kind of a warning to the President as to what he is expected to do. Whether he will do it or not, however, is in his own discretion.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FERGUSON. It certainly is not a limitation.

Mr. TAFT. No; it certainly is not a limitation. As a rule, these declaration-of-policy statements tend to expand the words of an act rather than to limit them.

Mr. KEM. Mr. President, will the Senator yield again?

Mr. TAFT. I yield.

Mr. KEM. Whenever a declaration of intention is contained it is very much watered down by the language "as far as practicable."

Mr. TAFT. Yes; I think it is.

Mr. President, I have only one other subject to discuss.

I see no reason for Title V of the bill. The existing law provides effective procedures for the settlement of labor disputes affecting national defense. The terms of this title are extremely vague and it is not clear what additional powers the President is seeking in these words. If the President is at any time going to exercise the power of fixing wages, he can set up boards and commissions under the powers granted in title IV. If we wish to give the President some additional power to compel labor and management to abide by his decision or that of some board, we certainly should use much clearer language than appears in section 502. It seems to me that this section should be struck out.

Mr. President, I send to the desk four amendments to be printed and lie on the table. The amendments are in accordance of the general principles on which I have spoken.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The amendments will be received, printed, and lie on the table.

Mr. TAFT. Mr. President, I yield the floor.

Mr. ROBERTSON. Mr. President, the pending defense-production bill confers vast powers upon the President of the United States, but the amendments agreed upon by our Banking and Currency Committee and included in the committee's substitute for Senate bill 3936 bring the current delegation of emergency powers very much in line with those conferred upon the President during World War II. The bill provides over new construction or major additions credit control which was not included in the credit powers of the last war, and it provides for a type of wage stabilization which is different from that of the last war. Wage stabilization is tied to price stabilization by the terms of section 402 (b), which provides for selective controls, as well as by the provisions of section 402 (c), which provides for general controls.

When the OPA bill of the last war was first before the House, I offered an amendment which would have prevented the Wage Stabilization Board from granting a wage increase unless and until the OPA Administrator certified that the proposed increase would not have an inflationary effect. That amendment was defeated and the opponents of the amendment asked the Congress and the American people to rely upon the President to prevent inflationary wage increases.

During that war all labor unions except one lived up to their no-strike-during-the-war agreement, but the wage increases by means of strikes in an essential industry in the midst of war gradually resulted in demands for increases in other industries which, from time to time, were granted. The net result was a pressure upon prices that gradually forced them up.

The present level of wages, fixed principally by collective bargaining, is now at such a high level and the purchasing power of the people is at such a high level that in this new emergency it is not only desirable but absolutely necessary to control wages as well as prices, and to tie the two together in such a way as to prevent future wage increases from exerting an inflationary pressure upon prices.

Under the provisions of the substitute bill, and as interpreted in our report, we feel that it will be mandatory upon those who fix prices to likewise fix wages. We have pointed out on page 32 of the report with respect to section 402 (b) that where we refer to an undue burden upon the seller, we mean a wage increase which would absorb so much of the net profit of the seller of a price-control-led article that a fair and reasonable profit would not be left to him.

Many of the controls carried in the committee substitute bill were recommended to the Congress by the President in 1948, and were embodied in bills presented at that time to the Senate by Senator BARKLEY and to the House by Representative SPENCE. Our Banking and Currency Committee then very definitely and positively refused to report a bill to impose such peacetime controls on our economy.

However, as pointed out in the introductory pages of our report, the situation now confronting us is entirely different. Technically we are not at war, but actually we are; and it is a war the proportions of which no one at the moment can define. Even if the war in Korea should be confined to that area, it might last

for a year if the North Korean Communists are reinforced by the Chinese Communists.

We also know that the North Korean Communists have started an unprovoked war of aggression against South Korea under the advice of the Russian Communists, and with the assistance of materials furnished by them. We know that the Communists in other countries may resort to the same tactics in an effort to commit the Armed Forces of our country to defensive action on a broad front.

To meet that threat to our security and, in fact, to our national existence, it is imperative for us to mobilize our economic as well as our military power. Since, as I have indicated, we do not know the full extent of future military commitments, it is necessary for us to delegate to the President powers sufficiently broad to meet future emergencies or contingencies.

In the delegation of such powers it is just as futile to argue that they could not be abused as it would be to argue that an Army general to whom full power over the lives of his men is granted can never make any mistake in the exercise of that power. However, in economic mobilization, as in war mobilization, it is impossible to frame legislation based upon a distrust of those who will exercise the granted powers. The powers necessary to be granted in order that a successful job may be done must be granted under the assumption that they will be properly and wisely exercised. It has, of course, been the observation of every legislator who has burned the midnight oil in the perfection of needed legislation that no perfection of drafting has ever risen above the level of its administration.

In the preparation of the substitute measure, our committee has inserted numerous safeguarding provisions; but the fact remains that the bill delegates wide powers to the President, and its success will be determined by its administration.

It will be noted that the substitute measure provides for three separate and distinct steps in the program of economic mobilization, namely: Voluntary measures, compulsory measures on a selective basis at other than the retail consumer level, and finally, complete control of wages, prices, and rationing at all levels. Until we have complete war mobilization, we cannot deem it to be necessary or desirable to undertake complete economic mobilization.

We are likewise of the opinion that there are other phases of economic mobilization which are necessary and integral parts of a successful program. I refer particularly to three measures now under consideration: First, the elimination of all domestic spending which is not essential to the defense program; second, a measurable increase in income taxes and the imposition of an excess-profits tax; and third, the enactment of a comprehensive renegotiation act.

During World War II it was my privilege to serve on the subcommittee of the Ways and Means Committee of the House of Representatives which drafted a renegotiation act under which the taxpayers of our Nation were saved over $10,000,000,000 through the recapture of excessive profits on war contracts, and a far greater sum through the repricing of war material, based upon prior contracts which had been renegotiated.

Our experience in World War II taught us that without an effective control on prices and profits, we shall pay entirely too much for war material. We learned that close pricing in a war emergency is an impossibility. Most contracts for munitions are made in haste. In addition, many war contractors are called upon to manufacture items with which they have had no previous experience; and under such circumstances costs and prices cannot be fixed properly until after some experience has been gained. Even with respect to standard items which already are in production, substantial volume increases have a tremendous effect upon costs and profits.

In the present emergency we have been asked to appropriate an aditional $14,000,000,000 to finance the expansion of the armed services. In the very near future we may have to appropriate many additional billions. These enormous increases in Government buying will result in high costs and excessive prices and profits, unless we have adequate protection against these evils. As previously indicated, a part of that protection can be supplied by a comprehensive renegotiation act.

The Renegotiation Act of 1948 is now in effect. The renegotiation of war contracts during World War II proved to be such a satisfactory control against excessive profits that with the advent of the expanded aircraft program in 1948, it was deemed advisable to apply a restricted renegotiation covering to that aircraft procurement. From time to time since 1948 we have amended the Renegotiation Act of 1948, but always on a limited or restricted basis. Generally, it is applicable only in the field of aircraft, and has served to prevent the realization of excessive profits in the procurement of aircraft and aircraft parts. For 1948 the application of the Renegotiation Act of 1948 was limited to procurement under the Supplemental National Defense Appropriation Act of that year.

The 1949 amendments to the Renegotiation Act applied only to aircraft and aircraft parts insofar as contracts for such items obligated 1949 fiscal year funds. The 1950 amendments extended the coverage of the Renegotiation Act of 1948 to all negotiated contracts entered into during the fiscal year 1950. I also sponsored that change in the Renegotiation Act, in the Appropriations Committee.

Thus, the 1948 act does not cover contracts resulting from advertised bids which were entered into during 1950 nor does it cover any contracts for any items other than aircraft and aircraft parts which obligated 1949 funds. Moreover, it does not apply to any contracts for less than $1,000 no matter how many of such contracts any single contractor may have, nor does it cover any contracts entered into by any governmental agencies other than the armed services.

The reasons for the limited coverage of the 1948 Renegotiation Act, as amended and extended from time to time, are no longer present. The 1948 act was confined to the portion of procurement which during the past 3 years was greatly increased over ordinary expectations—principally the aircraft expansion program. The war procurement now contemplated goes far beyond this field. Tremendous increase in buying is anticipated not only in the field of aircraft but in every other type of war material. It is these sudden large increases in procurement that breed excessive profits.

There is pending in the House of Representatives a bill (H. R. 9246) to apply renegotiation to all armed services procurement and the procurement of the General Services Administration. This bill specifically provides that the President may bring into renegotiation from time to time as the occasion may demand the procurement of other agencies of the Government such as the Maritime Commission or the Reconstruction Finance Corporation.

It follows very closely not only the framework but the details of the World War II Renegotiation Act, which proved to be such a satisfactory control of excessive profits.

This bill introduced by the distinguished chairman of the Armed Services Committee of the House has been very carefully and painstakingly prepared. Incidentally, the hearings on it in the House Ways and Means Committee commenced yesterday and will extend through today. Its preparation has continued from time to time over the past 3 years and represents, I am informed, the views and thinking of a number of persons both within and without the Government who had extensive experience with the renegotiation of war contracts during World War II. It is broad in its coverage and should prove to be an effective means of holding down excessive prices and preventing the realization of excessive profits on war procurement in the present emergency. The new bill will cover all contracts presently subject to renegotiation under the 1948 act but, of course, goes far beyond the coverage of the present law. It supersedes the 1948 act in such a way that no amounts paid to war contractors will be subject to renegotiation under both acts. In addition to its coverage, it differs from the 1948 act in several other respects. Many of the exemptions from renegotiation contained in the World War II Renegotiation Act and in the 1948 act are not carried in the proposed bill. I am in accord with this general philosophy. I feel that the wisdom of statutory exemption from renegotiation is doubtful at best. If we are to have wartime renegotiation it ought to apply to every form of war procurement and there is little justification for exempting any group or class from its coverage. The bill gives the Renegotiation Board authority to exempt contracts by general classes or types if it finds this action desirable. If exemptions are to be granted, it would seem to me much better for the Renegotiation Board to make such exemptions in the light of a full knowledge of all the facts and circumstances. Under the

rapidly changing conditions of wartime procurement, it is impossible for the Congress to prejudge these situations, and it is my own view that the Government's interest would be much better protected by giving the Board sufficient scope and freedom of action to meet circumstances as they arise, and it can exercise the discretionary power which the bill gives it in the light of circumstances prevailing at any given time.

There are only two major respects in which the proposed bill seems to me to be inadequate. First, it would become effective for the entire fiscal year of any contractor during which it became law. Thus, if the bill were enacted in August, for example, it would apply to all contractors who keep their accounts on the basis of the calendar year 1950 and to all fiscal years which had not ended prior to August 1. This, of course, would make the bill retroactive in its effect, which, under the circumstances, I feel is not justified. The moneys have not yet been appropriated and therefore cannot have been received or accrued by any contractor.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from South Carolina?

Mr. ROBERTSON. I yield to the distinguished Senator from South Carolina.

Mr. MAYBANK. If I may be permitted to do so, I desire to call to the attention of the Senator from Virginia an amendment which I discussed with the committee, and on which I desire to have the Senator's comments, in the course of his speech. After consultation with the distinguished Senator from Virginia, the Senator from Indiana, and other Senators, during the hearings, I took it upon myself to offer an amendment, which I hope will conform to their ideas. The amendment is on page 43, line 24, after the word "subsection", to insert a semicolon and the following: "but the President shall make appropriate provision to prevent hardships and inequities to sellers who have bona fide contracts in effect on the date of issuance of any such regulation or order for future delivery of materials processed from raw materials, and particularly from agricultural commodities, in which seasonal demands or normal business practices require contracts for future delivery."

Mr. ROBERTSON. Mr. President, I think that is a good amendment, and I certainly hope the Senate will accept it. I have in mind the conversation I recently had with the President of Dan River Cotton Mill, which is one of the largest, if not the largest, cotton mill in the United States. He told me that in order to keep his mill running he was bound to buy cotton in advance for future delivery, that he could not control the price, and so he was committing his company to the purchase of cotton. Then, he said, "What would happen to me if, months later and before that cotton is translated into cloth, they would roll back the price of cloth, irrespective of what the cotton has cost me that went into the cloth?" As I understand, the amendment suggested by the distinguished Senator from South Carolina calls upon those who will do the price fixing and the potential rolling back of prices to take those facts into consideration, and not work any harsh and unfair penalty upon the manufacturer.

Mr. MAYBANK. We want to protect the honorable businessmen and honest business. As the Senator well knows, we do not want any grey markets or black markets, but we do want bona fide operators to be able to contract for the future delivery of goods. The Senator speaks of the Dan River Cotton Mill. He might speak of other mills or of other processing plants. This is August. The cotton mills are now working on cotton goods for next spring. It takes 6 months to finish the product from the raw material to the manufactured product sold by the garment manufacturers.

I thank the Senator.

Mr. ROBERTSON. Mr. President, it seems to me, with respect to this new renegotiation bill now being considered in the House, that it would be much fairer to the American businessman and, at the same time, would afford adequate protection to the Government, if the application of the act could be confined to amounts received or accrued by contractors after the bill becomes law. Of course, as a corollary, the 1948 act should cover the amounts otherwise subject to that act which are received or accrued by contractors prior to the effective date of this act. For ease of administration and accounting simplicity, the effective date of the proposed bill, and the termination of the 1948 act should coincide with the commencement of a month.

There is another respect in which I think this bill should be changed. For its administration it provides a Renegotiation board consisting of six members—one to be appointed by the Secretary of the Army, one by the Secretary of the Navy, one by the Secretary of the Air Forces, and one by the Administrator of the General Services Administration. The other two are to be designated by the President with the view that they would represent all of the other agencies of the Government whose contracts may be made subject to renegotiation by Executive direction.

It is my firm conviction that the Renegotiation Board should be independent of the armed services procurement agencies. This is not to say that the Board should be completely divorced from the armed services. Cooperation between procurement officials and the Board is indispensable to good administration, but at the same time I am convinced that control of the Board by the armed services would be a mistake.

Those initially charged with the responsibility of making contracts for war procurement are by the very nature of their duties primarily interested in getting the best goods possible under the circumstances as quickly as they can be procured. These procurement officials are by the inherent nature of their duties only secondarily interested in the amounts ultimately paid for these war contracts. It is easy to understand how such procurement officials are not always happy to have their pricing policies second-guessed by the renegotiation officials.

The Renegotiation Board will have an extremely difficult and delicate job under any circumstances. It ought not to be subject to the control of the procurement officials. In my opinion complete independence of action by the Renegotiation Board is indispensable toward securing equality of treatment among contractors, fairness in the application of the law and uniformity of result. Without these virtues renegotiation can never succeed.

It would be my own conviction that the bill should repose all renegotiation authority in the chairman of the renegotiation Board with a provision that the other members of the Board should be advisory to the chairman. If this is done the chairman should be appointed by the President with the advice and consent of the Senate and he should be given complete freedom from the procurement agencies.

In essence, renegotiation is a matter of judgment and common sense. Our experience in World War II demonstrates conclusively that if we are to have a satisfactory administration of the Renegotiation Act, we must select a good man, give him ample authority and wide freedom of action and let the chips fall where they will. I am convinced that the American businessman will accept renegotiation in this emergency, as he did in World War II, as a necesary control, so long as he is convinced that the act is being applied uniformly with equality of treatment and with fairness to the businessman and the Government alike.

I am further convinced of the patriotism as well as the courage of the American people and their willingness fully to cooperate in this defense effort if the problems are adequately explained and the type of cooperation needed is clearly indicated.

Mr. President, I yield the floor.

Mr. IVES. Mr. President, before beginning my remarks I desire to have it understood that because of the character of the statements I shall make in my presentation I shall decline to yield until their conclusion. At that time I shall be very glad to yield for any questions which any Senator may desire to ask, and I shall endeavor to answer them, insofar as it may be possible for me to do so.

Mr. President, the American people hate controls. Most of all, they hate governmental controls. Anything of this nature is wholly contrary to our American concept of freedom and our American way of life.

But the American people are also realistic. Perceiving the requirements of war and the demand upon them to accept inconvenience and discomfort, and even sacrifice, if need be, they are undoubtedly willing to accept whatever restrictions and even regimentation may be required of them.

I doubt that it is necessary to convince the American people that they are now beset by a very grave crisis, in which

our future freedom and freedom everywhere is at stake. I feel sure that in an all-out effort to protect and preserve these freedoms the American people are willing to go all the way.

In these remarks I shall not discuss all of the aspects of S. 3936. Neither shall I discuss in detail the provisions of this bill. These matters have been covered already most thoroughly and effectively by others who have spoken, and they are very fully considered in the committee report.

Rather, I shall confine this statement to certain features of this legislation which seem to me to be of especial concern at this particular time.

It seems to me that the attitude of most of us toward the present task of national mobilization on the home front may be characterized by total agreement on the goals we seek. That there is some disagreement over the methods or procedures we would adopt for this purpose is only natural.

That the forces of freedom must be maintained—wherever they struggle or are threatened—is nowhere doubted. To this end, Americans at home are faced with a seemingly anomalous situation.

How to impose controls over our economy which will prevent disastrous inflation without severely regimenting it seems to constitute a serious dilemma. It seems to me, however, that this dilemma actually is more imaginary than real.

There is a large area of agreement with respect to the desirability of many of the basic powers which this bill would grant to the President. The power to divert needed resources from peacetime consumption channels to production of the stuff of war and the authority to set up coordinated over-all credit controls are generally accepted as essential for the job we must do. There are few who dispute the merit of including provisions for stockpiling scarce materials and for insuring by Government guaranty defense expansion loans.

Our defense chiefs have estimated that for the current year $23,000,000,000 will be necessary to produce the goods of war. This means that about 10 percent of our annual product of goods and services is being diverted from the normal consumption stream at a time when the postwar demands for consumer goods remain yet unmet. Furthermore, pent-up demand and the very real possibility that this comparatively small portion of our national product may have to be increased drastically, and at a moment's notice, make the potential inflationary pressure too real to be ignored.

As everyone should recognize, Korea may well be only the first symptom of a whole rash of Soviet-sponsored aggressions, in the form of so-called people's revolts, aimed at dissipating eventually our strength and then forcing us into an all-out war. As we would set our future course, past treacheries and present-day uncertainties make precise predictions regarding even the immediate future presumptuous beyond reason.

It is this very impossibility of accurate prediction that makes failure to prepare for any eventuality a frightful gamble.

This bill should both insure a steady flow of war materials and avoid a disruption of our domestic economy which would play directly into Soviet hands. Through its provisions a wide range of adaptable weapons—designed to cope with whatever degree of mobilization may be necessary—would be made immediately available for Executive use.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. IVES. As he stated in the beginning, the Senator from New York declines to yield until he has completed his remarks. After he has completed his remarks he will be very glad to yield.

Also included, however, are adequate safeguards against the possibility of haphazard or arbitrary or capricious exercise of the powers granted. The authority to be delegated would be as precisely restricted as is possible under existing uncertainties. Moreover, means for the operation of an effective congressional checkrein have been included.

In the first place, where controls over prices and wages are concerned, the dangers of piecemeal application have been largely obviated by linking price controls to wage stabilization and by requiring at the consumer level the blanket exercise of both powers simultaneously. The interdependence of prices and wages could then no longer escape the convenient memory of a susceptible administrator.

Powers are granted to regulate wholesale prices on a selective basis. Recent wholesale price jumps of many vital commodities leave little basis for disputing the necessity for this provision.

For instance, the wholesale price of rubber has risen over 100 percent since pre-Korea; tin has skyrocketed 33 percent; and cottonseed oil has advanced a fourth of its June 23 price. Prices of all these products—needed for both defense and home consumption—illustrate a rise that, without controls, may develop into full-fledged inflation.

But even when control power would be exercised selectively, on the wholesale level, no wage increase could be granted unless it were first shown that such increase would neither bring about an increase in price nor impose an undue burden upon the seller.

At the consumer level—and this is the consumer of whom I speak—controls would be instituted only across the board and could include rationing. Here the maleffects of selective application would be likely to outweigh any evil which over-all controls might bring. The piecemeal exercise of consumer control would exert such unbearable pressure on unregulated products that prices would almost certainly spiral. At the same time wage stabilization would be mandatory, and the power to institute either price control or wage control would be contingent upon the immediate exercise of its counterpart.

I have been impressed with the argument of those who are supporting a so-called trigger or safety-valve formula, by which to impose automatically at the consumer level controls over prices, wages, and rationing. At first glance this proposal seems to contain plausible inducements, but a more careful consideration of it discloses its possible pitfalls.

Any plan by which these controls would become perfunctorily effective when the cost-of-living index of the Bureau of Labor Statistics might rise a certain percentage above a given level seems to me to be of dubious value. To be sure, it might tend to restrain the action of those forces which have been propelling the cost-of-living index upward in recent weeks, but it might just as easily have the effect of accelerating a rise in the cost-of-living index to the point where controls would have to be imposed by law, regardless of other conditions which might exist at the time.

This kind of plan might act something like a Frankenstein—over which no person or group of persons could have any influence if it were to go beserk—until it would have reached the fateful objective which the law might allow. This seems to me the course of irresponsibility, by which the Congress would seek to pass the buck and the Executive would be powerless to act, no matter what the circumstances.

On the other hand, I have been no more impressed with the proposal to place with the Congress the duty finally to put into effect such stand-by controls, or any part of them, as we may authorize at this time. Adoption of such a proposal would impair the effectiveness of such controls as we may now authorize the Executive to impose at once; it would serve as a handicap to efforts to curb inflation; it would place with the Congress vital administrative responsibility which the Congress should never assume in time of war; it could deprive the Executive of the capacity to act in the event of a sudden critical emergency when immediate action would be imperative; it would belittle the gravity of the Korean crisis; it would deny the reality of the great peril which threatens the Nation.

A second safeguard embodied in this bill, and heretofore not included in price control legislation, is a broad provision for the judicial interpretation of administrative regulations by courts in the jurisdiction where the dispute might arise. The purpose of this provision is to alleviate the financial strain of costly litigation when all cases must come before the Emergency Court of Appeals, here in Washington. Under this bill, only suits either to enjoin enforcement or to test constitutionality of an administrative control regulation would be required to come before this specialized court.

In the drafting of the bill, careful consideration was given also to the problem of assuring a steady supply of the tools of war—free from the interruptions of labor disputes.

The great necessity for primary reliance on voluntary cooperation in the conduct of labor-management relations—even in wartime—stems from a very basic constitutional distinction. The right of government to impress a person into military service has always been distinguished from any right to force one person to work for the profit of

another, even though that work may be the production of the materials of war.

The increasing complexity and interdependence of modern society, however, have forced labor, along with all other segments of the economy, to accept regulation in the public interest. The growing dependence of those who do the fighting upon those who make the weapons with which to fight has made this never completely clear distinction between those who serve in the Armed Forces and those who work in the plants—in wartime—even less distinct.

In fact, the courts have upheld the constitutionality of the national emergency provisions of the Labor-Management Relations Act of 1947, which can require that workers stay on the job for at least 80 days when a strike would seriously threaten the national health and safety in peacetime.

By the terms of the pending bill, the Labor-Management Relations Act of 1947 would be controlling in matters affecting the relationship between labor and management, including collective bargaining. It seems to me, however, that this is as far as we should go in legislation of this type.

It should be remembered in this connection that during the period of the present emergency it is expected that the Congress will not adjourn, but, at most, will recess only for very limited periods of time. If, therefore, any serious work stoppage should arise or even be threatened, in spite of the terms of the Labor-Management Relations Act of 1947, the Congress would be readily available to pass such legislation as might be needed to meet the difficulty.

Charges of abdication of congressional responsibility and fears of dictatorial bureaucratic control serve only to obscure the basic issue of national security.

In the formulation of this bill, provision has been made for congressional restraint upon such power as would be delegated.

The Congress has neither the time nor the special competence necessary to administer economic controls. In any case, this is not a proper function of the legislative branch.

For the implementation of authority which must be delegated to the Executive, the bill would require that the head of any new control agency must be confirmed by the Senate. In addition, it is expected that such an appointee would be especially qualified to carry out the details of congressional authorization. This is the person who must advise the President with respect to technical decisions as to how and when controls should be applied to best effectuate those policies which the Congress would have established.

Charges of congressional abdication obscure the fact that responsibility for basic policy decisions—as always—would remain with the Congress, and that a special legislative "checkrein" would be included to insure continuing legislative surveillance. Aside from the standard equipment of congressional control, such as confirmation of agency heads and annual appropriations, this bill contains a special provision for a joint congressional—so-called watchdog committee, to be created for the purpose of aiding the standing committees of the Congress by reviewing continually the plans and programs which would be carried out under the act.

A second unfounded charge—fear of dictatorial governmental regimentation under power granted—has been leveled against the bill; but every feasible limitation has been placed upon the broad powers which it would grant. The bill itself, in fact, is designed in the hope that under it over-all regulation would be unnecessary.

Comprehensive credit control, extending to both Government and private new construction, should relieve inflationary pressures before "across-the-board" regulation would be required. Credit control, coupled with higher taxes to drain off excess purchasing power, might alone do the job.

But if these indirect methods should prove insufficient, then the direct means to stifle inflation before it would get out of hand would be immediately available. Even then, these over-all direct powers would be limited in the first instance to the life of the bill—a period of less than 2 years. After that time authority for their continuation, and, indeed, for the continuation of the act itself, would have to be specifically regranted by the Congress by affirmative action.

An already serious inflationary condition in the country and the realities of daily living make inevitable the conclusion that standby consumer controls should be authorized now. Furthermore, the governmental machinery essential to their application should be established without delay.

Prices of coffee, sugar, and bread—to cite a few—according to a special spot survey of national markets prepared for me by the Bureau of Labor Statistics, yesterday reached all-time record retail peaks. Yesterday morning coffee brought a national average of 82 cents per pound, up 10 percent since June 23; a 10-pound bag of sugar sold for $1, in contrast to its 94 cents pre-Korea price; while bread has risen on an average of over 1 penny a loaf. These are products purchased daily by American housewives. Legislative inaction now would further aggravate the hardship that these prices have brought to every American family.

As I have emphasized time and time again in the past, I am unalterably opposed to unwarranted governmental regulation and control. I was strongly opposed to such controls in 1946. But conditions in 1946 were quite different from those which we now face. In 1946 it was a matter of dropping controls as rapidly and intelligently as possible in order to restore a peacetime economy as quickly as possible. Now it is a matter of as much and as rapid mobilization for our national defense as may be necessary to meet whatever the future may bring.

Controls authorized, or even imposed, now seem a small sacrifice of liberty in terms of what failure properly to mobilize our economy may ultimately bring. Surely there can be no question of choice between acceptance of limited governmental regulation and control, on a temporary basis, by honest-to-goodness Americans, and the possible alternative of permanent and absolute control administered by a Soviet commissar.

In conclusion, Mr. President, I want it definitely understood that I am not wholly satisfied with everything in the bill. I know that I am very likely to be joined in this feeling by every member of the Committee on Banking and Currency. We recognize that there are things about it which might be improved. I am sure I join the other members of the committee in the statement that I stand ready to support any amendment which may be offered, which has real promise of improvement to the bill. But at the same time I want it again understood that I shall not support any amendment which I do not think will improve it. By and large, Mr. President, the bill, it seems to me, is as good a product in spite of the defects it has, as we can agree upon at this time.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. MAYBANK. Some time ago I asked the Senator if he would yield, but the Senator said he preferred to finish his remarks. Some of the questions I had intended to ask the Senator at the time I previously asked him to yield, he has answered by his remarks.

As chairman of the Committee on Banking and Currency, I wish to say that the bill is a better bill than it would have been had it not been for the untiring efforts of the Senator from New York, for his constant attendance at the meetings, and for the knowledge he shared with us. I agree with him that the bill is not a perfect one. No bill of this nature could be perfect.

I was very much impressed when the Senator some time ago used the word "gamble" when he said we had to do something or do nothing. I am thoroughly in accord with the Senator that something should be done lest, as I remember the Senator's remarks, the Communist activities spread beyond Korea. Am I correct?

Mr. IVES. The Senator from New York would like to point out that he feels one of the great divisions of opinion at this time is due to a difference in the acceptance of what might be termed a major premise. There are those who feel that the Korean situation, the Korean crisis, is only an incident; that it is nothing more than a police affair to be resolved by the United Nations. I respect the opinion and the attitude of those who entertain that view, because I think they are honest in it; but I cannot accept it. I believe that the Korean incident is only a part, a very sad part, a tragic part, to be sure, of a world-wide situation to which the American people can no longer afford to be blind.

Mr. MAYBANK. I thank the Senator. That is why the Banking and Currency Committee, after executive hearings, executive sessions with General Bradley and Secretary Symington and others, brought the bill to the floor of the Senate. If the majority of the committee had believed that the Korean situation

was only an incident we would not be before the Senate, in my judgment, at such an early date as this asking for a vote on the bill.

Mr. IVES. If I thought the Korean situation was only an incident I would be fighting the bill as strongly as I could fight.

Mr. MAYBANK. The Senator from New York would not be fighting it any more strongly than would the chairman of the committee.

Mr. IVES. Not any more strongly than the chairman of the committee; I will admit that. I wish to pay my earnest respects to the chairman of the committee, without whose guidance and judgment the bill would not have been brought to the Senate as quickly as it was.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GRAHAM in the chair). Does the Senator from New York yield to the Senator from Illinois?

Mr. IVES. I yield.

Mr. DOUGLAS. First let me congratulate the Senator from New York for his characteristically public-spirited and clear-headed exposition.

Mr. IVES. The Senator from New York is grateful for those remarks, but he is a little suspicious as to what may be coming.

Mr. DOUGLAS. No; I have no guile. I think the Senator from New York has made it perfectly clear that he, like the rest of us, does not want to see individual or collective price controls invoked unless they become absolutely necessary.

Mr. IVES. That is correct.

Mr. DOUGLAS. And that he is in favor of the bill simply because of his fear, and I think it is a well-grounded fear, that we may wake up some morning and find ourselves in a very difficult military situation, and that in such a situation there should be legislation on the books which will permit the Executive to act on the home front in economic matters.

Mr. IVES. Let me answer the distinguished Senator from Illinois in this way. It is not exactly a fear which the Senator from New York entertains. It is a firm belief that unless we do something, unless we are realistic about the crisis with which we are faced, we will wake up some morning to the realities to which the Senator from Illinois alludes.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. IVES. The Senator from New York yields steadily to the Senator from Illinois.

Mr. DOUGLAS. It is not retreat in depth, however.

Mr. IVES. No; that is all right, so long as we keep it spread out.

Mr. DOUGLAS. Does not the Senator from New York feel, important as this legislation undoubtedly is, that even more important is a financial and credit policy under which the Government will pay for the added costs of military preparation out of taxes, rather than being compelled to go to the banks and borrow from them?

Mr. IVES. Mr. President, although the Senator from New York mentioned it, he did not discuss the matter of taxation to any extent in his prepared remarks, because of the fact that that is not directly before us, and is not wholly germane to the bill. But the Senator from New York wants it understood that he probably feels as strongly as does the distinguished Senator from Illinois that, situated as we are at the moment, insofar as it is humanly possible to do so we should carry on the present armament program on a pay-as-you-go basis.

Mr. DOUGLAS. I congratulate the Senator from New York again for this added display of clear headedness, to which we have become accustomed.

Mr. IVES. The Senator from New York again thanks the Senator from Illinois, but he is again suspicious.

Mr. DOUGLAS. I am sorry if my past conduct has given rise to such a suspicion.

Mr. IVES. I am very grateful, anyway, to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that if we do not pay for the current cost of the war by taxation, and are compelled to go to the banks to borrow credit from them, the net result will be that the banks will create credit upon their books against which the Government will draw, and that the ratio of money and credit to goods will increase, with a consequent rise in the price level? If that were to happen, then, even if we had individual and collective price controls, they would be frail protection against the flood of inflation which would be let loose upon us, and would it not be comparable to trying to put up a straw dam in a ravine that was experiencing a flash flood?

Mr. IVES. Let the Senator from New York now in turn extend to the Senator from Illinois a genuine compliment. The Senator from New York recognizes the Senator from Illinois for his great capacity, not alone in legislation and in the grasp of great problems, but particularly in the field of economics, wherein he excels to such an extent that he is recognized today as one of the great economists of the country.

Mr. DOUGLAS. I begin to feel suspicious.

Mr. IVES. Of course, the Senator made such a clear presentation by the question he asked me that I do not need to answer him now. One thing, however, which the Senator from Illinois was very careful to avoid in his build-up to the final conclusion he reached in his question, was that by the process which can occur unless safeguards of a type to which the Senator refers are imposed, the American dollar will shrink to nothing, or less than nothing. That is the important thing about it.

Mr. DOUGLAS. I may say that I felt almost as suspicious of the compliments the Senator from New York has paid to me as he apparently felt about my kind words to him.

Mr. IVES. Mr. President, I suggest that we now abandon all suspicion, and that we talk very frankly.

Mr. DOUGLAS. Certainly.

Is it not imperative, therefore, that while both of us agree that some bill of this nature should be enacted, yet neither the Congress nor the administration nor the public should think that inflation is guarded against by the passage of this measure, because if we do not pay from current taxes the costs of the armament program, but if we have to borrow from the banks, the result will be such a pent-up amount of purchasing power that we shall not be able to block the inflationary gap, and the result will be a tremendous increase in prices?

Mr. IVES. I agree; but I also wish to point out that without the enactment of this bill, even though the approach to which the Senator from Illinois refers is taken, there will be a big loophole in the entire structure, and the structure will be likely to crash.

Mr. DOUGLAS. I agree with the Senator from New York that I regard some such measure as this one as necessary to be enacted, but I think the danger is not guarded against merely by the passage of this bill if we do not pay for current costs out of current income, rather than by creating checkbook money which will merely build up prices.

Mr. IVES. Mr. President, I think there is another aspect to the problem which must be taken into consideration in that respect, namely, that so far as it is humanly possible to do so, the cost of government on the domestic front must be reduced to an absolute minimum. That is just as important as anything we are talking about at this time, and I know that the distinguished Senator from Illinois fully agrees with me in that statement.

Mr. DOUGLAS. I not only agree with the Senator from New York, but I am still bleeding from almost every pore from the kicking around which has been received during recent months as a result of my efforts to achieve economy. I have had to put absorbent cotton on almost every vein.

Mr. IVES. Mr. President, I pay tribute to the Senator from Illinois.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. WHERRY. I wonder whether the Senator from Illinois is bleeding from his pores because of the fact that he voted for the ECA appropriations. In connection with the remarks which have been made about the economy drive, and apropos of the mutual admiration society between the Senators——

Mr. IVES. Mr. President, I would observe in that connection that it is a question of interpretation. I also voted against including the ECA appropriations in the 10 percent reduction proposal.

Mr. WHERRY. I am not questioning a Senator's right to vote for the ECA appropriations; but when Senators talk about what they have done in an effort to achieve economy and in their efforts to vote for economy, and how they are bleeding from their pores because of their efforts in that battle, I wonder whether the Senator is bleeding from his pores as a result of voting for the expenditures proposed to be made for the ECA program.

Mr. IVES. Yes; but I would remind the Senator from Nebraska that there is

such a thing as being penny-wise and pound-foolish.

Mr. WHERRY. Mr. President, will the Senator yield at this point?

Mr. IVES. I yield.

Mr. WHERRY. Then I should like to ask the Senator how much in the way of taxes he would vote to assess on the American people. Let us say that the budget rises to $65,000,000,000 or $75,000,000,000 this year. Would the Senator from New York want to pay for all of that this year?

Mr. IVES. We could not pay for all of it this year, if the budget went up that much.

I should like to ask the Senator from Nebraska whether he has any knowledge that the budget will be that large this year.

Mr. WHERRY. I say to the distinguished Senator from New York—and that is the subject of my next question—that that will depend on whether the present action is a police action or whether it is an all-out war. I should like to ask the distinguished Senator about that.

Mr. IVES. I have answered that already.

Mr. WHERRY. Have we declared war?

Mr. IVES. Mr. President, I should like to point out that years ago a declaration of war ceased to be a necessity.

Mr. WHERRY. Does the Senator mean during the past 16 or 18 years?

Mr. IVES. Since we have had some of the prevalent new ideologies.

Mr. WHERRY. I completely agree.

The point I am trying to make is that without a declaration of a national emergency or without a declaration of war, and with the present administration telling the American people that the Korean action is only an incident, certainly there is a difference between a budget which will meet that requirement and a budget which will do what I think the Senator from New York thinks we should do—and I agree with him.

Mr. IVES. Very well; now the Senator from Nebraska and I are getting somewhere along the same trail.

I have criticized the administration for not being candid enough with the American people. These are times which call for candor—candor from the highest places possible. Insofar as our national security and protection and safety will permit, that candor should be forthcoming.

Mr. WHERRY. I thank the distinguished Senator from New York for that observation. I think we are on exactly the same trail, judging from the observation he made, and I deeply appreciate his statement.

Now I will answer the question the Senator asked me: I myself believe the Korean situation is not an incident. I myself believe that the program that is being requested by the military will require huge appropriations. Because of that fact, I believe that the Senator from New York is on sound ground when he states that the American people should be so advised, and that that situation should be prepared for, in an attempt to stop the inflationary spiral.

Mr. IVES. Mr. President, I did not say that the American people should be advised that the Korean situation is an incident. I clearly indicated in my earlier reply to one of the questions asked by the Senator from Illinois that I have a great deal of respect for those who view this matter as merely an incident, something to be brushed off. I do not criticize those who honestly believe that, but I cannot accept that premise.

Mr. WHERRY. I think the Senator from New York misunderstood me.

Mr. IVES. If I did, I apologize.

Mr. WHERRY. My statement was that the Korean situation is not an incident; and I said that in agreeing with the Senator from New York that this situation may become world-wide, and therefore may require huge appropriations in order that we may prepare for it, I think that because of that fact the American people should be so advised and should be told that they are going to be taxed heavily and that they must tighten their belts, and that there will be an inflationary spiral unless the Congress enacts legislation sufficient to stop that spiral.

Mr. IVES. Mr. President, I myself have been talking along that line, and I can only agree with the Senator from Nebraska. I feel very strongly that the time has come when the American people must realize that the great crisis with which we are faced now may not be over tomorrow or next year or in the next 10 years, but it may require at least a generation to overcome and resolve; the American people must adopt the attitude that we are in for very tough days ahead.

Mr. WHERRY. Mr. President, that observation is in complete accord with what I said a moment ago. I think the question can be answered on that basis, because it seems to me there is a difference between an approach on the theory that the Korean situation is an incident which may level off and an approach on the theory that in the next 3 or 4 years there must be appropriations sufficient to enable us to meet any emergency. It is my opinion that the Congress must appropriate amounts larger than any which have been requested as yet.

Therefore, I think the budget for 1950–51 will far exceed any estimates which have been made thus far.

Mr. IVES. In such case, we may not be able to pay for all of it in 1 year by means of taxation.

Mr. WHERRY. That is the point.

Mr. IVES. But I should like to point out that I believe that an ounce of prevention is worth a pound of cure.

Mr. WHERRY. Mr. President, if the Senator from New York and the Senator from Illinois mean that this situation will require the exaction of taxes to the extent of our ability to pay, in order to go along on that program, then, of course——

Mr. IVES. Mr. President, I think it should be understood in that connection that the Senator from Illinois—and I am very sure I can speak for him in this regard—and certainly the Senator from New York were talking about the proposed expenditures with which we are actually acquainted.

Mr. WHERRY. That is the proposed budget amounting to approximately forty-five or fifty billion dollars.

Mr. IVES. That is correct, and that is what we are talking about.

Mr. WHERRY. Once again let me say that it is a question of the approach we make to the subject matter. If the budget is to be approximately forty-five or fifty billion dollars, that is one thing; but if the budget is to be sixty-five or seventy billion dollars, that is quite another thing.

As I interpret the statement the Senator from New York has made——

Mr. IVES. I said what I meant.

Mr. WHERRY. If the Senator from New York meant what he said a while ago, then he did not definitely state what the budget would be. I asked him what he thought the budget would be.

Mr. IVES. The Senator from Nebraska was not present when I was making my preliminary remarks. I pointed out what I expected, insofar as what is known. I cannot contemplate what cannot be known.

Mr. WHERRY. Mr. President, if the Senator will yield further, I should like to ask another question.

Mr. IVES. I yield.

Mr. WHERRY. I think I understand what the Senator from New York meant when he said that taxes should be increased sufficiently to permit us to proceed on a pay-as-you-go basis. Certainly that will mean taxing the American people to the utmost of their ability to pay.

Mr. IVES. I said we should do so insofar as it is humanly possible. The Senator from Nebraska will note that I said that, if he will examine the record.

Mr. WHERRY. I agree with that statement.

Mr. President, if the Senator will yield, I should like to ask some detailed questions, if I may, concerning the provisions found on page 77 of the bill.

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nebraska?

Mr. IVES. I yield.

Mr. WHERRY. It has to do with voluntary agreements or controls, which are to be approved by the President. Section 712 (a) provides:

> In order to carry out the purposes declared in section 2 of this act, the President is authorized to consult with representatives of industry, business, banking, insurance, and agriculture with a view to encouraging the making, by persons engaged in industry, business, financing, and agriculture, of voluntary agreements approved by the President—

It then sets forth in the subdivisions the ones which the committee apparently feels are good, namely, "(1) providing for allocation of transportation facilities and equipment." Is there any evidence in the record as to the formula by which that would be carried out, if the President were given this authority?

Mr. IVES. The Senator from New York does not have in mind any evidence on that point.

Mr. WHERRY. Does the Senator from New York have any observation he desires to offer on it?

Mr. IVES. The Senator from New York has no observation to offer on it. He would assume that in doing that job the administrator—in this case, the President, or someone named by him—would be responsible for it and would use common sense.

Mr. WHERRY. How about subsection 2, "providing for priority, allocation, and inventory control of scarce materials necessary for the national defense"? Does that mean that only defense articles are to have priority, or does it mean that it applies clear across the board, including civilian allocation?

Mr. IVES. In that particular instance, it is referring to the national defense.

Mr. WHERRY. Does not the Senator feel that that should be made clear?

Mr. IVES. It should never be forgotten that in the matter of national defense, the civilian population is just as much involved as are those in the actual armed services of the country.

Mr. WHERRY. Mr. President, as I read that paragraph it sounds at least as if what the committee intended was to have the voluntary agreements apply only to "providing for priority, allocation, and inventory control of scarce materials necessary for the national defense." Does that mean strategic materials at the source, or does it go clear through the economy, including all production, all distribution, and so forth, as they affect the civilian economy?

Mr. IVES. The Senator from New York would like to answer the question raised by the Senator from Nebraska, which is a very fair one, by referring the Senator from Nebraska to page 66, section 702 (d), where the term "national defense" is defined as follows:

> The term "national defense" means the operations and activities of the Armed Forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended.

The Senator from New York would like to observe that he, himself, does not think it is exactly a perfect definition of "national defense." Any definition which includes the term being defined within the definition itself is not generally construed to be a very perfect definition. But that is what is meant.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. IVES. I yield.

Mr. WHERRY. As I read the definition, certainly subparagraph 2 of section 712 is not all-inclusive, so far as priorities are concerned, with which I think the economy will be confronted almost immediately. Let us take, for example, any of the foods, fuel oil, or steel, but particularly foods, and the distribution thereof. It seems to me that that subparagraph should go further than the definition that has just been read.

Mr. IVES. The Senator from New York would suggest to the able Senator from Nebraska that if he feels that way about it, it might be a good idea for him to prepare an amendment along the line he is indicating. The Senator from New York would have no particular objection to it, if the amendment were of a proper nature, but he would again point out that presumably these matters are to be handled by someone with intelligence.

Mr. WHERRY. From my experience during the past 5 or 6 years, I should say that everything the Congress can write into the act probably will be a good guide to those who are going to administer it, even though they may have had experience.

Mr. IVES. Let me point out one thing in that connection. I think that is a beautiful thought, and there is no question about that. But if the act is cluttered up with all these particular things, we would probably wind up by freezing everything down so tightly that it would be impossible of administration.

Mr. WHERRY. Mr. President, if the Senator will yield for another question, perhaps I may state what I have in mind.

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nebraska?

Mr. IVES. I yield.

Mr. WHERRY. In the distribution of any commodity, as, for example, fuel oil, this particular subsection, as worked out, would be applied on a voluntary basis. In former years it was worked out on a formula which provided that the producers should distribute their products on a quota basis, percentage-wise, to the customers or to the distributors, on a basis of purchases, say, for 2 years in advance. In other words, take a producer of petroleum products, a distributor, and a retailer. It was found in the Small Business Committee, in many of the oil hearings conducted by that committee—and this is but one of the segments of the economy—that when materials became scarce those who produced them attempted to retain control clear through, from the producer to the retail level, and, in fact, to the consumer, and that immediately those who were dependent on that source of supply found that they had no source of supply and must look elsewhere. It is my feeling, if there is to be an attempt to provide priorities and allocations across the board for both the military and the civilian economy, that if it is put into effect, it ought to be put into effect through a program about which we would have something to say. That is the point I am trying to raise.

Mr. IVES. The Senator from New York very likely would support such an amendment, if the Senator from Nebraska has one to offer, assuming it would be workable.

Mr. WHERRY. I am asking the questions in order to find out what was in the mind of the military. If the Banking and Currency Committee means that all we are to do is to regulate strategic materials necessary for the national defense, that is one thing. If it is to go clear across the board, that is another thing.

Mr. IVES. The Senator from New York in this connection would like to point out that, at the beginning of section 712, it is indicated that this is to be done through a voluntary process.

Mr. WHERRY. Certainly.

Mr. IVES. There is nothing mandatory about any of it, in this particular part of the section.

Mr. WHERRY. Mr. President, I am not disagreeing with the statement that this is a discretionary power, to be used in the discretion of the President. But my feeling is that if the President elects to put it into effect and exercises that right, then the provisions of the four subparagraphs of section 712 should be so framed that the Congress would have a say as to how those priorities are to be extended across the board and into all the levels of our economy. I think I gave one illustration which very clearly shows the position in which many dealers would find themselves, in case the conditions were parallel or similar to those in which they found themselves in 1945, 1946, and 1947.

Mr. IVES. The Senator from New York certainly would not be opposed to implementation, if it may be called that, of the bill by that process, assuming that it can be done and still leave the bill workable.

Mr. WHERRY. Voluntary agreements or controls were satisfactorily used with respect to fuel oil, newsprint, steel, and several other basic commodities, which I am satisfied will be in short supply. Lumber is another one.

Mr. IVES. I should like to observe that I see no reason why that process should not be followed voluntarily, under the terms of the bill. However, if the Senator from Nebraska feels it should be written into the bill, and it can be written in properly, very likely I should support it.

Mr. WHERRY. I thank the Senator. I wanted to get the background, because if it runs clear across the board I think amendments should be offered, at least, suggesting a formula.

Mr. IVES. I should like to caution against the danger of writing into a bill too much detail, so that we actually freeze the operation of the act. We must leave a certain amount of latitude to the administrator. Generally speaking, if we have a sound and sensible administrator, the greater the latitude, the better the administration.

Mr. WHERRY. The difficulty under the last control act was that the administrator apparently could not arrive at a formula which was at all satisfactory. Based upon the experience of 3 or 4 years, I am satisfied that the voluntary allocation formula ought to work out very satisfactorily.

Mr. IVES. That is what the bill permits.

Mr. WHERRY. Yes.

There is one more question that I should like to ask the Senator from New York if he will yield further.

Mr. IVES. I yield.

Mr. WHERRY. In the matter of whether this is a national emergency, I should like to ask the distinguished Senator his interpretation of the declaration of policy which is found on page 28 of the bill. Just what does that dec-

laration mean? Why is it necessary to have it in the bill?

Mr. IVES. In the first place, if the distinguished Senator from Nebraska would be willing to grant the courtesy, I should like to ask the Senator if he has any objection to the declaration of policy.

Mr. WHERRY. I am not sure. That is the reason I wanted to find out what the committee had in mind when the declaration was written into the bill.

Mr. IVES. Earlier today the distinguished junior Senator from Virginia [Mr. ROBERTSON] discussed that question to some extent. The idea is to give a background and a basis on which the act is formulated and by which it will be made operative. I cannot see anything particularly against the declaration of policy. I think the declaration of policy, generally speaking, is representative of rather sound sense and probably basic American doctrine.

Mr. WHERRY. There is nothing of particular significance in lines 7 to 13 except that they recite some history of the situation, and we are now reaffirming what we have already done, legally, I suppose, with regard to our obligations to the United Nations and mutual defense. The declaration is used only as a background.

Mr. IVES. It has merely a historical reference. In this connection, I should like to find out why, earlier, some Senator, which one I do not now recall, ridiculed the declaration of policy as being worthless. I am not a lawyer, as the Senator from Nebraska knows, and I am at a great disadvantage in a matter of this kind, but I have had a little legislative experience over the years. I know from that experience that a declaration of policy goes a long way in determining the legislative intent.

Mr. WHERRY. That is correct. That is the reason I asked the question of the distinguished Senator. I should like to get the legislative history. If it is only basic background——

Mr. IVES. I can assure the Senator that this declaration of policy is perfectly innocent. There is no catch in it.

Mr. WHERRY. I did not mean to infer that there was a catch in it. I simply asked to have the Senator make an observation as to what was intended by the declaration of policy, especially lines 7 to 13, inclusive, and the Senator has told me it is only basic background and history, bringing us up to date—to the Korean situation.

Mr. IVES. It seemed rather necessary to put something like this into the declaration of policy, because it is largely on account of our connection with the United Nations that our present status is as it is.

Mr. WHERRY. But there is nothing new in it. It is merely basic background.

Mr. IVES. That is correct.

Mr. WHERRY. I thank the Senator.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. MORSE. I may say to my good friend from New York that I did not have an opportunity to hear his entire address this afternoon, but I shall read it with great interest over the week end.

Mr. IVES. It is good for insomnia.

Mr. MORSE. I am sure it will keep me wide awake. I should like to say to the Senator from New York that I shall rely heavily upon his judgment in connection with this bill. I have not had an opportunity to study the details of the bill to which the Senator from New York addressed himself this afternoon. My questions will be directed primarily to the so-called labor disputes section of the bill and certain appeal procedures which I should like to discuss briefly with the Senator from New York.

Mr. IVES. Will the Senator allow me to interrupt him at that point?

Mr. MORSE. Certainly.

Mr. IVES. I went into that rather extensively, not going into the actual terminology of title V, but with reference to what is contemplated in the bill in the matter of labor relations and labor disputes.

Mr. MORSE. I shall not question the Senator from New York on that particular feature of title V, but, with the permission of the Senator and of the Senate, I should like to preface my questions with a very brief observation on the situation as I see it in respect to the need of economic mobilization in America. I do not ask anyone to agree with me, but for the RECORD I want to make a statement of what I think is the serious danger which confronts America and which calls for economic as well as military mobilization.

I think the situation in the world today is so serious that it is the duty of the administration and of the Congress to notify the American people of the great truth which the Senator from New York mentioned this afternoon when he said, in effect, that we are not going to get out of this emergency this year or next year. There is a possibility, as the Senator from New York stated, that we are confronted with a generation of conflict in the great ideological war taking place for men's minds. In that respect, as one Member of this body, I completely agree with the Senator from New York, and I think he has done the American people a service by emphasizing that they must awaken very quickly to the fact that the chips are now down on the table of international relations in this world as far as the danger of war is concerned. The Korean incident, serious as it is as a war, may be but a forerunner and an indication of what is to come. The American people and their representatives in the Congress and their President in the White House should recognize that now is the time for total mobilization of the economy of the Nation as well as the total mobilization of its manpower.

Mr. IVES. Mr. President, I am delighted at that expression by the Senator from Oregon, which is very much in line with what I have previously expressed.

Mr. MORSE. I am seeking to reinforce the views of the Senator from New York.

Mr. IVES. I am very grateful to the Senator.

Mr. MORSE. I think there is only one thing that the Russian leaders will understand now——

Mr. IVES. Force.

Mr. MORSE. At least a thorough mobilization of our forces, both economic and military. The determination of the American people to meet every aggressive action and to do it with total mobilization of our economy and of our manpower must be made clear to Russia. But there arises the question of how we are going to mobilize this economy of ours. I may say to the Senator from New York that I am sick in the pit of my stomach over the greed I have seen manifested in this country since the beginning of the Korean incident. Selfish forces have tried to step into the picture to get theirs while the getting is good, while, at the same time, our boys are dying in Korea to save our free-enterprise system and everything for which political and economic freedom in America stands. I have no tolerance at all for people who think that, while the blood of American boys is being spent, they can selfishly take excessive profits at the expense of the letting of that blood.

Regardless of what the political consequences to the junior Senator from Oregon may be, I say here and now that I stand for total economic mobilization of this country to meet the Russian threat which confronts the world. Therefore, the questions I wish to ask the Senator from New York go to the issue of whether in this bill, as it is presently drafted, sufficient power is lodged in the President of the United States and in the administrative agencies set up under the bill, with policing and checking by Congress, to see to it that we draft the money of America as well as the boys of America. We must direct the economic forces of the country to the winning of this fight for freedom against Russia. Unless such provision is made, I am satisfied we shall not win the fight. We must not be caught off balance. I am satisfied the first time Russia thinks we are in a position where she can unbalance us and lick us, she will try to do it. That is why I say in the questions I am about to ask the Senator from New York——

Mr. IVES. Does the Senator wish me to answer the first question?

Mr. MORSE. Yes.

Mr. IVES. That was really a $64 question. The Senator from New York thinks the bill possesses all essential powers which the Executive should have at this time. In answer to the question of the Senator from Oregon, the Senator from New York would like to point out a fact to which the Senator from Oregon has inferentially referred, and that is that the bill does provide for a watchdog committee. The watchdog committee would be in constant operation. Therefore it can be easily determined if insufficient power is granted, or if the power which has been granted is being abused, which is equally as important.

Mr. MORSE. I do not think that provision of the bill can be stressed too much, because, having gone through World War II as a member of one of the great control bodies, the War Labor Board, it is my opinion that closer congressional checking by a so-called watchdog committee—if we wish to use that term—would have been very helpful. What we must watch out for is to see

that the check between the legislative and administrative branches is provided in such a way as to be workable. We must watch out for the type of check that I now wish to mention. We must be on the alert to prevent stalling, delaying, or any dilatory procedure that prevents a finality of decision.

I stress the point because I am somewhat worried—and I have not studied it carefully—by one approach that is being made in this bill which would delay a finality of decision. I say that because when we are in a great national emergency and are mobilizing the economy of the country for a war effort, we must have men in a position where they can say, "Boys, this is it. There is not anything more. This is final. This is the final result." The appeal procedure must not be such as to encourage dilatory tactics.

My next question goes to whether or not we are leaving the check in the watchdog committee of the legislative branch so that the committee can step in if an abuse develops, or add power if the administration is not going far enough in mobilizing the economy, or whether we provide an elaborate appeal procedure which would make it possible through legalistic techniques to stall final decisions on these matters, with the result that there would be caused within our economy confusion rather than teamwork.

Mr. IVES. The Senator's remarks embrace several questions. However, in answer to the Senator I should like to point out that of course the possibility exists that the bill may not work as easily as the Senator from Oregon and the Senator from New York would like to have it work. However, the Senator from New York feels the provision, with regard to the contemplated court procedure, is a very salutary one, at least in the first instance. The Senator from New York feels very strongly that the people of the United States, particularly the ones who are likely to be affected or helped by the act, would be more cooperative with this kind of approach than a more strict or stringent approach would permit or occasion them to be.

So far as expedition or speed with which the interpretation, implementation, and administrative part of it can be put into execution is concerned, that rests with the President of the United States, where it should rest.

Mr. MORSE. I agree.

Mr. IVES. He is the Chief Executive and chief administrator of the country. If we cannot trust him now, we shall never have any occasion to trust him again.

Mr. MORSE. We must simply rely on the constitutional provision that in time of war or great emergency the President enjoys powers which he has only in such times.

Mr. IVES. That is correct.

Mr. MORSE. The Supreme Court of the United States has yet completely to define or delimit the war powers of the President of the United States. I happen to think that they are of such proportions that it is impossible to lay down any limits upon them, so long as it is found, as a matter of fact, that the exercise of a particular power is necessary for the successful prosecution of a war. If it is necessary, I think it is contemplated within the meaning of the war powers of the President that he can take such action as is necessary as Commander in Chief to prosecute the war, subject to direct legislative controls or prohibitions by the Congress.

Mr. IVES. The Senator from New York yields to the judgment and ideas of the distinguished Senator from Oregon, who is a very distinguished lawyer.

Mr. MORSE. It was that interpretation of war powers upon which we acted during World War II. We were not reversed by any court; but, of course, that does not mean that at some time there may not be a reversal.

I shall close with one more question, because I make my point with it. I am strong for appeals. I am strong for checks. However, I want to point out that it is necessary to centralize appeals in a very few tribunals. If we provide a broad base for appeals, so that a court in Texas, a court in California, a court in Idaho, or a court in Maine can take jurisdiction over the same subject matter in principle, and by means of legal techniques, using an injunction here and an injunction there, prevent the application of a wage-board decision, for example, the tendency would be to bog down the effectiveness of whatever tribunal were set up in Washington to handle wages or other labor issues. If we are to have what would correspond to the old War Labor Board—and I understand under the bill the Board contemplated would have jurisdiction over both wages and prices—such a Board must be in a position where a quick review may be had of its decisions on a national level, and not on a local level.

Mr. IVES. The Senator from New York would like to interrupt the Senator from Oregon at this point, if he may, in order to point out that no specific Board is contemplated in the bill.

Mr. MORSE. It is not specified.

Mr. IVES. No; it is not specified. Permission is given along the line indicated, but is not specifically provided.

Mr. MORSE. The Senator from New York would not be surprised, would he, if under the language of the bill the President, in the exercise of the discretion which is granted under the bill, would set up such a board?

Mr. IVES. The Senator from New York very much favors such a set-up. The bill is sufficiently sound in connection with existing legislation, in that it ties itself in with existing statutes on labor relations.

Mr. MORSE. I close by mentioning an example of the point I wish to stress. Let us use the example of the War Labor Board during World War II, because I am familiar with the War Labor Board. If we had been subjected as a national board to appeals on a local or regional basis to every district court in the United States, the Board would have been unable to function. Although I think there should be checks upon the decisions of these administrative tribunals, I am very much of the opinion that checks by way of appeal review should be limited to certain specified courts, perhaps to one of the Federal courts set aside as an emergency court. Unless we have an emergency tribunal, such as the War Labor Board, whose decisions apply on a uniform basis across the country, it cannot be effective in its operation. We are dealing again with a matter of procedure which I think is vital to the successful operation of any of these tribunals in regard to the substantive issues that come before them.

Because I am not a member of the committee, I shall rely very heavily upon the analysis of the Senator from New York of the questions I am raising in this connection, and I shall talk to him regarding it off the floor over the week end, because I think it is very important we keep in mind the fact that we are moving and must move into a total economic mobilization. Therefore, we must have a procedure for handling the review of decisions necessarily to be issued under total mobilization which will not permit the procedure itself to defeat the purposes of the mobilization.

Mr. IVES. The Senator from New York thanks the Senator from Oregon and assures him that he will be very glad to confer with him at any time regarding the subject matter.

Mr. President, I yield the floor.

Mr. PEPPER. Mr. President, I wish to commend most highly the able Senator from South Carolina and his distinguished committee for the extraordinarily good work they have done in the presentation of the pending measure to the Senate. There are many of us who believe we are already in the skirmish stage of the fiercest contest in our national existence; that we are engaged with a dastardly and sinister foe in a struggle which will not end and cannot end until those who have attacked us have learned the principles of decency and justice, or until they at long last succumb to the righteous retribution of the aroused civilized world and are stripped of the power to torture the world with war.

The only way we can possibly accomplish the herculean task before us is by mobilizing completely and totally the mighty power of this Nation. It is not a question of whether we are going to do something that is good or great; it is a question of whether we are going to be able to do enough to survive, for this is a battle which will determine the kind of a world which will live.

Mr. President, I commend the committee for the contribution it has made and is making toward eventual victory for the forces of decency and democracy in the world.

Mr. MAYBANK. Mr. President, I feel certain the committee deeply appreciates the thoughts of the distinguished Senator from Florida.

As the Senate knows, the distinguished minority leader and the acting majority leader reached an agreement that we would try to bring this session of the Senate to an end at 3 o'clock so that the Sergeant at Arms could have his assistants move out the desks and belongings of Senators.

The Senator from Arkansas [Mr. FULBRIGHT] has a report he desires to file, and I should be only too glad to yield a few minutes to him, but I can yield only for a short time, because we have an agreement to take a recess because of the necessity of moving from this Chamber, since we are to meet in the old Supreme Court room on Monday. I yield to the Senator from Arkansas.

LUSTRON CORP. TRANSPORTATION CONTRACT—INTERIM REPORT OF BANKING AND CURRENCY COMMITTEE (PT. 2 OF REPT. NO. 1689)

Mr. FULBRIGHT. Mr. President, I will shortly send to the desk the report of the Subcommittee on Reconstruction Finance Corporation of the Committee on Banking and Currency on the Lustron Corp. transportation contract. This study deals in part with the procedure and practices and the quality of performance at the various levels within the Reconstruction Finance Corporation in the administration of a loan after it has been granted.

Mr. President, I do not propose to discuss this study in detail. Copies of the report and the public hearings are available.

On April 19, 1950, the Investigation Division of Reconstruction Finance Corporation presented to our subcommittee a preliminary report of its investigation of payments made to the Commercial Home Equipment Corp. by the Lustron Corp. for the lease of tractors and special trailers used to haul the completed prefabricated Lustron houses from the factory at Columbus, Ohio, to the homesites. This report alleged that Commercial Home Equipment Corp. had made fraudulent overcharges totaling in excess of a half million dollars, which the Lustron Corp. paid. This report was, at the same time, officially transmitted to the Department of Justice.

The subcommittee was interested to learn how events leading to such a serious charge could have occurred if Reconstruction Finance Corporation personnel charged with the duty of supervising and servicing the Lustron loan were efficient and effective.

The subcommittee, using its subpena power, obtained the material facts through staff investigation and private and public hearings.

I wish to call attention to certain procedures adopted by the subcommittee for the dual purpose of reassuring the subcommittee of the accuracy of the facts and of assuring fair treatment to those against whom serious charges had been leveled. These procedures were as follows:

First. The staff interviewed representatives and officials of the Lustron Corp., the Commercial Home Equipment Corp., and the Reconstruction Finance Corporation who were involved, for the purpose of obtaining their respective versions of the transactions.

Second. The officials of Lustron, Commercial, and Reconstruction Finance Corporation, whose conduct was under inquiry, were called before the subcommittee in executive session and were given full opportunity to present the facts in their favor and to explain or contest the facts as presented by other witnesses.

Third. Until these steps had been taken and the subcommittee was satisfied that no injustice would be done by a further public exploration of the matter, the subcommittee maintained strict secrecy over the material it had received.

Fourth. In public hearings those against whom adverse comment had been made were notified of the time and place of the hearings and were invited to be present to hear the testimony of other witnesses. Full opportunity to present relevant evidence was afforded to all persons against whom testimony had been received.

Fifth. After a proposed draft of the report had been prepared and had been approved informally by the members of the subcommittee, copies were furnished on a confidential basis to the persons principally affected on Friday, July 14, 1950. They were invited to check the accuracy of the facts as stated in the proposed report, to call the subcommittee's attention to any errors of fact as well as any inferences, interpretations or conclusions considered to be unsound. Upon request, the subcommittee extended further time for such examination and comment.

Sixth. Comments presented to the subcommittee were carefully reviewed and considered, and modifications of the language of the report were made in the light of such review.

Seventh. Wednesday, July 19, 1950, the Banking and Currency Committee approved filing of the report with the Senate.

I ask unanimous consent that the conclusions and recommendations contained in the report be printed at this point in the RECORD.

Mr. President, I now send to the desk the report on the Lustron Corp. transportation contract.

The PRESIDING OFFICER. The report will be received and printed, and will lie on the table.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the conclusions and recommendations included in the report be printed in the RECORD.

There being no objections, the conclusions and recommendations were ordered to be printed in the RECORD, as follows:

CONCLUSIONS

1. The Reconstruction Finance Corporation was ineffectual in its supervision of the transportation phase of the Lustron operation, which involved a substantial portion of the $37,500,000 of public funds loaned by Reconstruction Finance Corporation to Lustron to promote the manufacture of prefabricated housing.

2. Reconstruction Finance Corporation representatives charged with the duty of protecting the public funds loaned to Lustron exhibited inability to detect irregularities and an indifference to unbusinesslike procedures in dealings connected with the transportation from factory to homesite of the completed panels, parts, and equipment of prefabricated Lustron houses.

3. Lustron officials failed to adopt, with respect to transportation of completed houses, normal businesslike procedures and practices which would have prevented the dissipation of funds derived from and owing to the Government, through the payment of overcharges made by the Commercial Home Equipment Corp.

4. Officials of Lustron and Reconstruction Finance Corporation were aware that a director of Lustron was also a stockholder and director of Commercial Home Equipment Corp. and that this director actively conducted negotiations on behalf of the Commercial Home Equipment Corp. with his associates and subordinates in the Lustron Corp. with respect to the transportation dealings between the two corporations. These Lustron and Reconstruction Finance Corporation officials were remiss in their duties through their tacit approval of such practices and through their failure to subject transactions and arrangements arising from such negotiations to the most rigorous scrutiny.

5. An exception to the inefficiency displayed by officials and employees of the Reconstruction Finance Corporation was the activity of the Investigation Division of the Reconstruction Finance Corporation. This Division, upon receiving authority to look into the transactions between the Lustron Corp. and the Commercial Home Equipment Corp., displayed diligence and effectiveness in its thorough exploration of these transactions and thereby uncovered what are claimed to be excessive and irregular payments of more than $500,000 made to the Commercial Home Equipment Corp.

RECOMMENDATIONS

1. The subcommittee does not undertake to pass upon the legal consequences of the evidence. That task is one for the Department of Justice. The Department of Justice should therefore promptly investigate the circumstances surrounding the transportation arrangement between Commercial Home Equipment Corp. and the Lustron Corp. for the purpose of ascertaining whether there is probable cause to believe that an offense has been committed against the laws of the United States.

2. The Reconstruction Finance Corporation should thoroughly reexamine its procedures and practices for the supervision and servicing of its loans with the objective of providing better protection for the funds derived from and owing to the Government at less cost in man-hours of personnel and other expenses. In such reexamination the Reconstruction Finance Corporation should give consideration to the following:

(a) A clearer definition of the duties and responsibilities of Reconstruction Finance Corporation personnel assigned to the servicing of loans.

(b) A well-defined policy with respect to the extent to which Reconstruction Finance Corporation should control the activities of the management of its borrowers where funds derived from and owing to the Government and their safety and proper use are at stake.

(c) A system for utilizing the information provided to Reconstruction Finance Corporation through the borrower's routine reports of its operations and through routine and special reports of Reconstruction Finance Corporation personnel.

(d) A system for instructing Reconstruction Finance Corporation personnel, charged with the duty of supervising and servicing such loans, regarding sound principles of business which will enable them to recognize and correct irregular practices when they occur.

(e) Special and extraordinary provisions for servicing and supervising loans, such as the loan to Lustron, where the Government risks a far greater amount of money than is risked by the Reconstruction Finance Corporation borrower.

3. The Reconstruction Finance Corporation should consider the advisability of expanding and strengthening its Investigation Division. It should provide adequate funds and authority to make possible the detection and, more important, the prevention of improper practices on the part of Reconstruction Finance Corporation personnel and Reconstruction Finance Corporation borrowers. In this connection the Reconstruction Finance Corporation should consider the advisability of the following:

(a) Providing the Investigation Division with authority to initiate investigations without prior instructions.

(b) Including in each loan agreement provisions for complete and continuous access by Reconstruction Finance Corporation to the books and records of borrowers for purposes of investigation or observation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4832) for the relief of Graphic Arts Corp. of Ohio.

EXECUTIVE SESSION

Mr. MAYBANK. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. GRAHAM in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

PROTOCOL WITH UNION OF SOUTH AFRICA RELATING TO TAXES ON ESTATES—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER. The Chair lays before the Senate Executive T, Eighty-first Congress, second session, a protocol between the United States of America and the Union of South Africa, signed at Pretoria on July 14, 1950, supplementing the convention for the avoidance of double taxation and for establishing rules of reciprocal administrative assistance with respect to taxes on the estates of deceased persons which was signed at Cape Town on April 10, 1947. Without objection, the injunction of secrecy will be removed from the protocol, and the protocol, together with the President's message, will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD. The Chair hears no objection.

The President's message is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the protocol between the United States of America and the Union of South Africa, signed at Pretoria on July 14, 1950, supplementing the convention for the avoidance of double taxation and for establishing rules of reciprocal administrative assistance with respect to taxes on the estates of deceased persons which was signed at Cape Town on April 10, 1947.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the protocol.

The protocol has the approval of the Department of State and the Treasury Department.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 11, 1950.*

(Enclosures: (1) Report of the Secretary of State; (2) protocol supplementing the estate-tax convention with the Union of South Africa.)

PROTOCOL WITH UNION OF SOUTH AFRICA RELATING TO TAXES ON INCOME—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER. The Chair lays before the Senate Executive U, Eighty-first Congress, second session, a protocol between the United States of America and the Union of South Africa, signed at Pretoria on July 14, 1950, supplementing the convention for the avoidance of double taxation and for establishing rules of reciprocal administrative assistance with respect to taxes on income which was signed at Pretoria on December 13, 1946. Without objection, the injunction of secrecy will be removed from the protocol, and the protocol, together with the President's message, will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD. The Chair hears no objection.

The President's message is as follows:

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The protocol has the approval of the Department of State and the Treasury Department.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 11, 1950.*

(Enclosures: (1) Report of the Secretary of State; (2) protocol supplementing the income-tax convention with the Union of South Africa.)

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

POST OFFICE DEPARTMENT

The legislative clerk read the nomination of John M. Redding to be Assistant Postmaster General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. MAYBANK. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

RECESS TO MONDAY

Mr. MAYBANK. Mr. President, I wish to say for the RECORD that this will be the last day the Senate will meet in this Chamber for some time. I now move that the Senate take a recess until 12 o'clock noon Monday, when it will assemble in the old Supreme Court room in the Capitol Building.

The motion was agreed to; and (at 3 o'clock and 16 minutes p. m.) the Senate took a recess until Monday, August 14, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 11 (legislative day of July 20), 1950:

ECONOMIC COMMISSION FOR EUROPE OF THE ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS

Milton Katz, of Massachusetts, the United States special representative in Europe, with the rank of Ambassador Extraordinary and Plenipotentiary, to serve concurrently and without additional compensation as the representative of the United States of America on the Economic Commission for Europe of the Economic and Social Council of the United Nations, vice W. Averell Harriman, resigned.

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service staff officers to be consuls of the United States of America:

Stanley R. Chartrand, of Colorado.
Gilbert E. Clark, of New York.
James M. Macfarland, of New Jersey.
Don B. Reynolds, of South Carolina.

Arthur Menken, of New York, a Foreign Service reserve officer, to be a consul of the United States of America.

The following-named Foreign Service reserve officers to be secretaries in the diplomatic service of the United States of America:

Ben T. Moore, of Maryland.
Nils William Olsson, of Illinois.

ATOMIC ENERGY COMMISSION

Thomas Keith Glennan, of Ohio, to be a member of the Atomic Energy Commission for the term of 5 years, expiring June 30, 1955, vice Lewis L. Strauss, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 11 (legislative day of July 20), 1950:

POST OFFICE DEPARTMENT

John M. Redding to be Assistant Postmaster General.

POSTMASTERS

ARIZONA

John M. Thompson, Parker.

COLORADO

Robert E. L. Stotler, Salida.

CONNECTICUT

William F. Banks, Noank.
Francis A. Burke, Thompsonville.
William J. Farber, Jr., Woodstock.

GEORGIA

Grady F. Medlock, Cave Springs.
Gordon C. Pearman, Chula.
Calvin W. Chester, Wrightsville.

ILLINOIS

Roy W. Adams, Argenta.
Eugene H. Brauer, Belleville.
Elmer A. Allan, Collinsville.
Harold J. McQueen, Hindsboro.
Robert B. Diegel, Hopedale.
Max Edwin Conrad, Hutsonville.
Earl T. Sutter, Lisle.
Melvin O. Hettenhausen, Millstadt.
Lanore E. Johnston, Sherrard.
Paul R. Mongerson, Taylor Ridge.

KANSAS

Will R. West, Manhattan.

LOUISIANA

Harvey T. Best, Jr., Maringouin.

MASSACHUSETTS

Madeline F. McDonagh, Plympton.

MINNESOTA

Stanley W. Ostergaard, Arco.
James D. Fehlhaber, Bird Island.
Francis H. Dumont, Freeport.
Keenan R. Nelson, West Concord.

MISSOURI

Teddy Couch, Bosworth.
James M. Tedlock, Jamesport.
Tillie K. Tyler, Mayview.

NEBRASKA

Margaret M. Peters, Bellwood.
Harry M. Richardson, Broken Bow.
Vlastimil K. Maule, Croften.
Elton L. Pounds, Hastings.
Philip A. Randall, Long Pine.
Grant W. Hazlett, Loomis.
Lawrence J. Gaughen, North Bend.
Douglas F. Hammon, Valentine.

NEW YORK

Henry P. Hallahan, Brasher Falls.
John J. McTiernan, Central Islip.
Joseph W. Clark, Chenango Bridge.
Francis J. Cassidy, Flushing.
William L. Lester, Holtsville.
Frank G. Zarabski, Machias.
Everett H. Pfeiffer, Middle Island.
Amelia M. Trainor, Monsey.
Clarissa Murphy, Mount Sinai.
William J. Glavin, Niagara University.
Henry F. Zimmer, Spencer.
David H. Miller, West Chazy.

NORTH DAKOTA

Omar R. Whitaker, Dunn Center.
Mary C. Lamb, Michigan.
Nellie P. Johnson, Riverdale.
William H. Coutts, Sherwood.

OHIO

John F. Shumway, Avon.
Harold L. Caylor, Bath.
Florin D. Treece, Bloomdale.
Carl E. Schaad, Burbank.
Thomas M. Solt, Jr., Carroll.
Lawrence A. Pheifer, Collins.
Mary C. Debney, Corning.
Eldon L. Martin, Cygnet.
Edmond H. Imber, Delphos.
George M. Hanlon, Jr., Hamersville.
James E. Shee, Massillon.
Harold W. Keiser, North Fairfield.
Roger M. Beal, Oxford.
William M. Widmer, Pioneer.
Franklin E. Smith, Portsmouth.
James R. Schroth, Ripley.

OKLAHOMA

James W. Moorman, El Reno.
Anna B. Swan, Schulter.

OREGON

Willis L. Gholston, Mosier.
Evelyn P. Waldron, Oretech.

PENNSYLVANIA

Albert W. Thomas, Laurel Gardens.
Richard A. Miller, West Elizabeth.

SOUTH DAKOTA

Theodore C. Gutenkauf, Hoven.
Bernard J. Post, Tyndall.

TENNESSEE

Zebulon V. Sherrill, Niota.
Alma W. Primm, Parsons.

WASHINGTON

Charlotte E. Shaver, Lacrosse.
Joseph Krolczyk, Mineral.

WISCONSIN

Richard P. Rousey, Alma Center.
Harvey J. Yingst, Arkansaw.
Cecil H. Pandow, Brodhead.
Clifford F. Abbs, El Dorado.
Gerald A. Syens, Friesland.
Henry A. Rechlicz, Hales Corners.
Helen P. Dehler, La Valle.
Andrew P. Simons, New Franken.
Harold G. Olson, Osceola.
Donald E. Kasparek, Prairie du Chien.
Agnes C. Gutman, St. Cloud.
Bernice M. Matson, Taylor.
Benedict F. Wolf, Two Rivers.
Hazel B. Mason, Wales.
Ray J. Heinzen, Whitelaw.
Anna E. Jacobs, Woodford.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 11, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou by whose kind and gracious providence all our needs are continually supplied, inspire us in this moment of prayer with a greater faith in the unfailing presence and power of the Lord, our God.

We pray that in these days, which are so significant and serious in their urgent demands and tragic necessities, we may give ourselves sincerely and steadfastly to the task of leading struggling humanity out of darkness into the light and liberty of the sons of God.

May we cleave with increasing determination and fond affection to that glorious hope when the social order for which we are praying and laboring shall conform completely to the ideals and principles of the Prince of Peace.

Hear us in His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On August 8, 1950:

H. R. 2196. An act to authorize the elimination of lands from the Flathead Indian irrigation project, Montana;

H. R. 3169. An act granting permanent residence to certain Spanish physicians residing in Puerto Rico;

H. R. 5074. An act to promote the national defense by authorizing specifically certain functions of the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, and for other purposes;

H. R. 5470. An act for the relief of Joseph A. Haddad;

H. R. 7764. An act to authorize the construction of modern naval vessels, and for other purposes;

H. R. 7783. An act for the relief of Mrs. Donald Rafter;

H. R. 7899. An act for the relief of Mrs. Michiko Nogami Cotter and Katsumi Cotter; and

H. R. 8139. An act to authorize the attendance of the United States Navy Band at the annual reunion of the United Confederate Veterans to be held in Biloxi, Miss., September 27 through September 30, 1950.

On August 9, 1950:

H. R. 4628. An act for the relief of John G. Essenberg;

H. R. 5947. An act for the relief of Alfie Batelli;

H. R. 6073. An act to amend section 501 (b) (6) of the Internal Revenue Code;

H. R. 6458. An act for the relief of Maj. Roy E. Bevel;

H. R. 6533. An act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes;

H. R. 7944. An act for the relief of Mr. and Mrs. Albert Chandler;

H. R. 2851. An act for the relief of Carl L. Sexauer;

H. R. 3330. An act for the relief of Therese Hohman;

H. R. 5221. An act for the relief of Mrs. Maria Grazia Riccio DiPietro;

H. R. 6198. An act for the relief of the First National Bank in Richmond, Calif.; and

H. R. 6482. An act for the relief of Antonio Artolozaga Euscola.

On August 10, 1950:

H. R. 1697. An act for the relief of Mildred Smith Butler;

H. R. 3805. An act for the relief of Yuk Onn Won;

H. R. 5003. An act to provide for the exchange between the United States and the State of New York of certain lands and interests in lands at Manhattan Beach, Kings County, N. Y.;

H. R. 5566. An act for the relief of Dr. Agostino DeLisi;

H. R. 6066. An act for the relief of Cheng Sick Yuen;

H. R. 6758. An act for the relief of Ruby Thaw and Hla Sein;

H. R. 7071. An act for the relief of Mrs. Masa Iyoki;

H. R. 7228. An act for the relief of Kazuko Kamada;

H. R. 7564. An act for the relief of Maria Margareta Ries and Konrad Horst Wilhelm Ries;

H. R. 8117. An act for the relief of Yoshiko Emory; and

H. R. 7260. An act to provide for the holding of court and the furnishing of quarters at Rock Island for the United States District Court of the Southern District, Northern Division, of Illinois.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ANNUAL MEETING OF AMERICAN GROUP TO INTERPARLIAMENTARY UNION

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I have been requested to announce that on Tuesday morning at 10:30 in the office

of the Vice President, the office just across the hall from the old Supreme Court room in the Capitol Building, the American Group to the Interparliamentary Union will have its annual meeting.

RESCINDING CURTAILMENT OF POSTAL SERVICE

Mr. DAVENPORT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAVENPORT. Mr. Speaker, it is my understanding that the bill H. R. 8195, to rescind the present postal curtailment program, might be brought up before the Members for a vote next week. From all of my observation and surveys made in my district I have found very few who are in favor of that curtailment. It has proved to be a hardship on the people, on business, and on the mail carriers themselves. I believe this order should be rescinded.

The Congress should immediately act instructing the Postmaster General to rescind the orders of April 17. These orders affect every phase of postal operation: collection, distribution, delivery, and directory service. Now more than ever we need a fast, dependable postal service. The following reasons make such action imperative:

First, it is necessary to give the fastest possible delivery of mail to the soldiers at the front and to their families at home. This is a matter of morale.

Second, in this time of crisis business is required to produce at a high rate of speed. The shipment of tool parts and contracts depends on a dependable postal service. Delays costly in lives as well as money may result from the lack of such service.

Third, the American people are entitled to service at least equal to that given to people in bankrupt countries all over the world. In Europe and Asia people have at least two mail deliveries a day. Messages of life and of love, checks for old people, checks in payment of salaries, and many other communications of vital importance are transmitted through the mail. I might also state that in peace and in war a nation lives upon its lines of communication. To destroy the enemy one always seeks to strike at the enemy's line of communication. It is the jugular vein of a nation. The postal service has gone back under the orders of April 17. It is foolish and absurd economy and the orders should be immediately repealed.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. I yield.

Mr. CANFIELD. And it has a distinct bearing on the war effort.

Mr. DAVENPORT. The gentleman is right.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. I yield.

Mr. FULTON. I wish to compliment the gentleman and agree with him that the order of the Postmaster General curtailing the postal service should be rescinded. H. R. 8195 should be brought on the floor immediately.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. DAVENPORT. I yield.

Mr. McCORMACK. For the information of the membership, is there any Member present who intends to call up this resolution on Monday? I should like to know in order that the membership may be advised.

Mr. FULTON. Yes; I will definitely call up H. R. 8195 on Monday.

Mr. McCORMACK. I just wanted to know so that the membership could govern themselves accordingly.

Mr. WALSH. It is my hope that this bill can come up on Monday. It should have nearly unanimous support of this body.

UNIVERSAL MILITARY TRAINING

Mr. TOWE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. TOWE. Mr. Speaker, during the Eightieth Congress I introduced a bill providing for a program of universal military training. The bill was reported favorably by the Armed Services Committee. No action was taken by the House. At that time that bill had the approval of President Truman and the committee he appointed to study not only that subject but the general subject of providing for the defense of our country.

My measure would provide a great reserve of trained men such as we need so badly today. I have reintroduced that bill today, thinking that if there is some effort made to start the program and to promote it a great deal of time will be saved because complete hearings have already been held on the bill.

PROCEEDINGS AGAINST PHILIP BART

The SPEAKER. The unfinished business is consideration of House Resolution 751. Without objection, the Clerk will again report the resolution.

The Clerk read as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Philip Bart to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Philip Bart may be proceeded against in the manner and form provided by law.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST JAMES J. MATLES

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2855).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING JAMES J. MATLES

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to James J. Matles, United Electrical, Radio, and Machine Workers of America, 11 East Fifty-first Street, New York, N. Y. The said subpena directed James J. Matles to be and appear before said Committee on Un-American Activities on November 29, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said James J. Matles is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America to Alvin W. Stokes:

"You are hereby commanded to summon Mr. James J. Matles to be and appear before the Subcommittee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Washington, room 226, Old House Office Building, on Tuesday, November 29, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 1st day of November 1949.

"JOHN S. WOOD,
"Chairman.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Alvin W. Stokes, who was duly authorized to serve the said subpena. The return of the service by the said Alvin W. Stokes, being endorsed thereon, is set forth in words and figures, as follows:

"Served November 16, 1949, 5:10 p. m., at EU Offices, 11 East Fifty-first Street, New York City. Alvin W. Stokes."

On November 22, 1949, a telegram was sent to Mr. James J. Matles which is set forth in words and figures, as follows:

WASHINGTON, D. C., *November 22, 1949.*

Mr. JAMES J. MATLES,
United Electrical, Radio, and Machine Workers of America, 11 East Fifty-first Street, New York, N. Y.:

Your appearance before the Committee on Un-American Activities is postponed until December 1, 1949, at 10:30 a. m. Subpena served upon you on November 16 continues in force and effect.

JOHN S. WOOD,
Chairman.

On November 28, 1949, the following telegram was sent to Mr. Julius Emspak, which is set forth herein in words and figures, as follows:

WASHINGTON, D. C., *November 28, 1949.*

Mr. JAMES J. MATLES,
United Electrical, Radio, and Machine Workers of America, 11 East Fifty-first Street, New York, N. Y.:

Your appearance before the Committee on Un-American Activities is postponed until

December 5, 1949, at 10:30 a. m. Subpena served upon you on November 16 continues in force and effect.

JOHN S. WOOD,
Chairman.

The said James J. Matles, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said James J. Matles having appeared as a witness, and having been asked questions, namely:

"Are you acquainted with Esther Tice?

"Where is Esther Tice employed?

"Mr. Matles, have you ever been a member of the International Workers Order?

"In 1933 you were an organizer for the Steel and Metal Workers Industrial Union, were you not?

"Was James Lustig also employed as an organizer for the Steel and Metal Workers Industrial Union at the same time you were?

"Mr. Matles, I show you a copy of the Daily Worker dated November 6, 1933, and point out to you that on page 2, under the heading 'Thirty-eight workers' organizations endorse Communist Party program,' your name appears as secretary of the Steel and Metal Workers Industrial Union, along with that of James Lustig, as organizer of the Steel and Metal Workers Industrial Union. This article states:

" 'Only the Communist Party as the party of the working class represents the interests of the entire working population, stands squarely on the principle that the provision of adequate food, clothing, and shelter and the defense of the rights and living standards of the workers are the primary issues in this campaign.'

"I show you that article and ask if you still subscribe to that statement?

"Mr. Zack also testified that upon his initiative you were assigned to be secretary of the New York committee of the Steel and Metal Workers Industrial Union. Is that correct or not?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of said James J. Matles' refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said James J. Matles.

The record of the proceedings before the committee on December 5, 1949, during which James J. Matles refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"The subcommittee of one met, pursuant to call, at 3:30 p. m. in room 226, Old House Office Building, Hon. Morgan M. Moulder presiding.

"Committee member present: Hon. Morgan M. Moulder.

* * * * *

"Mr. MOULDER. The committee will come to order. Let the record show that on November 8, 1949, the Honorable John S. Wood, chairman of the Committee on Un-American Activities, ordered, authorized, and directed Morgan M. Moulder, a member of this committee, as a subcommittee thereof, to hold, conduct, and preside over hearings scheduled for this day.

* * * * *

"Mr. TAVENNER. Mr. Matles, please.

"Mr. MOULDER. Will you hold up your right hand and be sworn. You solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. MATLES. I do.

"Mr. TAVENNER. Are you acquainted with Esther Tice?

"Mr. MATLES. Mr. Chairman, I have listened to Mr. Emspak's testimony, and I am sure you are trying to save time. I do not propose to discuss here my associations or my political affiliations, under the guaranties given to me by the first and fifth amendments to the Constitution, and I am going to try to save as much time for you as I can.

"Mr. TAVENNER. You are rather jumping at conclusions, I think.

"Mr. MATLES. I get it from what you have said that you are trying to save time, so I am helping you along.

"Mr. TAVENNER. I am not asking you about the political affiliations of Esther Tice.

"Mr. MATLES. I don't want to discuss my associations.

"Mr. TAVENNER. No matter what type of business associations they may be in the affairs of the union, you will not discuss them?

"Mr. MATLES. That is right, because I studied the testimony before this committee, and I find you are trying to use witnesses as finger men.

"Mr. TAVENNER. Where is Esther Tice employed?

"Mr. MATLES. I have answered that question.

"(Witness confers with his counsel.)

"Mr. MATLES. Mr. Chairman, may I have 1 minute on this question?

"Mr. TAVENNER. You mean to consult with counsel?

"Mr. MATLES. No. I have consulted with counsel and desire 1 minute to clarify my point of view.

"Mr. MOULDER. Very well.

"Mr. MATLES. The purpose of this hearing was announced by a representative of this committee, and that was to investigate the activities of officers of the union who have complied with the Taft-Hartley law. As we have known this committee for 12 years, the only reason you would assign yourself such police functions would be to frame us up and smear our organization. I feel Mr. Murray and Mr. Carey had something to do with persuading you to hold these hearings.

"Mr. MOULDER. I think you are wrong about that. I don't know either of them. Do you refuse to answer the question?

"Mr. MATLES. I have given the basis for answering the question the way I did.

"Mr. TAVENNER. Which, of course, is no answer at all.

"Mr. MOULDER. You can give any explanation you wish, but don't make a speech.

"Mr. MATLES. Do you really think I made a speech, Mr. Congressman?

"Mr. MOULDER. Proceed.

"Mr. TAVENNER. Mr. Matles, have you ever been a member of the International Workers Order?

"Mr. MATLES. I have answered that question.

"Mr. TAVENNER. When?

"Mr. MATLES. Just before.

"Mr. TAVENNER. What is it? Were you or were you not?

"Mr. MATLES. I will not discuss my affiliations, my associations, or my political beliefs, on the grounds I stated before.

"Mr. TAVENNER. Are you acquainted with the fact that that organization is cited as Communist and subversive by the Attorney General of the United States?

"Mr. MATLES. I am not interested in that.

"Mr. TAVENNER. Are you acquainted with that fact or not? Regardless of whether you are interested, are you acquainted with the fact?

"Mr. MATLES. No; I am not acquainted with it. I read something in the newspapers about organizations being put on a subversive list by the Attorney General. I didn't pay any attention to that.

"Mr. TAVENNER. In 1933 you were an organizer for the Steel and Metal Workers Industrial Union; were you not?

"Mr. MATLES. My answer is the same.

"Mr. MOULDER. You refuse to answer for the reasons stated, that it violates your rights provided under the Constitution?

"Mr. MATLES. That is right.

"Mr. MOULDER. What are those provisions, do you know?

"Mr. MATLES. I mean the first and fifth amendments.

"Mr. MOULDER. In what respect do they justify your refusal to answer the question?

"Mr. MATLES. I am so advised by counsel.

"Mr. SCRIBNER. I will be happy to give the basis for that if you wish, Mr. Congressman.

"Mr. TAVENNER. Was James Lustig also employed as an organizer for the Steel and Metal Workers Industrial Union at the same time you were?

"Mr. MATLES. My answer is the same.

"Mr. TAVENNER. Mr. Matles, I show you a copy of the Daily Worker dated November 6, 1933, and point out to you that on page 2, under the heading 'Thirty-eight Workers' Organization Endorse Communist Party Program,' your name appears as secretary of the Steel and Metal Workers Industrial Union, along with that of James Lustig, as organizer of the Steel and Metal Workers Industrial Union. This article states:

" 'Only the Communist Party as the party of the working class represents the interests of the entire working population, stands squarely on the principle that the provision of adequate food, clothing and shelter and the defense of the rights and living standards of the workers are the primary issues in this campaign.'

"I show you that article and ask if you still subscribe to that statement?

"Mr. MATLES. Mr. Chairman, I have on many occasions discussed this subject before other congressional committees. I do not care to discuss it before this committee.

"Mr. MOULDER. You refuse to answer?

"Mr. MATLES. For the reasons I have previously given. I will not discuss my views, my affiliations, or my associations.

* * * * *

"Mr. TAVENNER. Mr. Zack also testified that upon his initiative you were assigned to be secretary of the New York Committee of the Steel and Metal Workers Industrial Union. Is that correct or not?

"Mr. MATLES. My answer is the same.

"Mr. TAVENNER. Mr. Zack also testified that in 1931 or 1932 you were assigned to represent the district committee of the Communist Party, New York district, to a number of Communist Party fractions such as the Communist Party fraction in the International Typographical Union, Local No. 6; the Communist Party fraction in the food workers' union; and a number of other fractions in the Communist Party within other labor unions. Do you wish to deny or affirm that testimony?

"Mr. MATLES. Show me the purpose of all these questions. Is it to show on the record a smear that Mr. Murray and Mr. Carey can use in the coming elections? Are you cooperating to that extent?

"Mr. MOULDER. You have an opportunity to clear yourself, to refute or deny the allegation.

"Mr. MATLES. I wouldn't attempt to clear myself before this committee. I consider that an insult.

"Mr. MOULDER. If what he says is not true, why don't you deny it?

"Mr. MATLES. I have discussed this question before other committees, and it is tiresome, and I do not care to discuss it before this committee. I heard you say you are a strong labor man. Not when you voted for the Wood bill, and to keep the Taft-Hartley law.

"Mr. MOULDER. I voted for the repeal of the Taft-Hartley law.

"Mr. MATLES. You voted for the Wood bill.

"Mr. MOULDER. You look up the record.

"Mr. MATLES. I have looked it up. Six out of the eight members of this committee have done so.

"Mr. TAVENNER. You have not answered the question.

"Mr. MATLES. I answer it in the same manner I answered the previous question."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said James J. Matles, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Are you acquainted with Esther Tice?

"Where is Esther Tice employed?

"Mr. Matles, have you ever been a member of the International Workers Order?

"In 1933, you were an organizer for the Steel and Metal Workers Industrial Union, were you not?

"Was James Lustig also employed as an organizer for the Steel and Metal Workers Industrial Union at the same time you were?

"Mr. Matles, I show you a copy of the Daily Worker dated November 6, 1933, and point out to you that on page 2, under the heading 'Thirty-eight workers' organizations endorse Communist Party program,' your name appears as secretary of the Steel and Metal Workers Industrial Union, along with that of James Lustig, as organizer of the Steel and Metal Workers Industrial Union. This article states:

" 'Only the Communist Party as the party of the working class represents the interests of the entire working population, stands squarely on the principle that the provision of adequate food, clothing, and shelter, and the defense of the rights and living standards of the workers are the primary issues in this campaign.'

"I show you that article and ask if you still subscribe to that statement?

"Mr. Zack also testified that upon his initiative you were assigned to be secretary of the New York Committee of the Steel and Metal Workers Industrial Union. Is that correct or not?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witnesses in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 752) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of James J. Matles to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Columbia, to the end that the said James J. Matles may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST THOMAS J. FITZPATRICK

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2856).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING THOMAS J. FITZPATRICK

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Thomas J. Fitzpatrick, 915 Ramsey Street or 99 Braddock Avenue, Pittsburgh, Pa. The said subpena directed Thomas J. Fitzpatrick to be and appear before said Committee on Un-American Activities on August 10, 1949, at the hour of 10:20 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Thomas J. Fitzpatrick is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States marshal, Pittsburgh, Pa.: You are hereby commanded to summon Thomas Fitzpatrick, 915 Ramsey Street, or 99 Braddock Avenue, Pittsburgh, Pa., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Washington, on Wednesday, August 10, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 1st day of August 1949.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,

"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon, by O. Judd Mechling, Jr., deputy, who was duly authorized to serve the said subpena. The return of the service by the said O. Judd Mechling, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Thomas Fitzpatrick, 915 Ramsey Street, or 99 Braddock Avenue, Pittsburgh, Pa., before the Committee on Un-American Activities of the House of Representatives of the United States. Served personally at Union Bank Building, room 1414, Pittsburgh, Pa., at 3 p. m., eastern daylight saving time, August 3, 1949. So answers John E. Sloan, United States marshal, by O. Judd Mechling, Jr., deputy."

The said Thomas J. Fitzpatrick, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Thomas J. Fitzpatrick, having appeared as a witness and having been asked questions, namely:

"Mr. Fitzpatrick, are you now or have you ever been a member of the Communist Party?

"Mr. Fitzpatrick, you were present yesterday during the testimony here. You heard it stated under oath that you are a member of the Communist Party. Do you deny that accusation?

"I think out of fairness, I should read this affidavit to you, which I am going to introduce in evidence. It is an affidavit by Clarence D. Copeland, in which he says: 'that he knows Thomas J. Fitzpatrick, chief steward of local No. 601, United Electrical, Radio, and Machine Workers of America; that he has known the said Thomas J. Fitzpatrick for approximately the last 10 years; that sometime during the fall of the year 1943, the said Thomas J. Fitzpatrick gave to and requested that he, the said Clarence D. Copeland, sign an application and join the Communist Party; that he, the said Clarence D. Copeland, refused to sign said application or join the said Communist Party.'

"Did you request that he sign an application, as stated in that affidavit?

"Was it the Communist Political Association, then, that you tried to get him to join?

"Mr. Fitzpatrick, did you ever at any time during the year 1943 furnish an application blank and request Clarence D. Copeland to sign and make application for membership in the Communist Political Association or the Communist Party?

"Were you a candidate for political office in the State of Pennsylvania in 1948?

"Were you endorsed for office by the Daily Worker, the official organ of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Thomas J. Fitzpatrick's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Thomas J. Fitzpatrick. The record of the proceedings before the committee on August 10, 1949, during which the said Thomas J. Fitzpatrick refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"A subcommittee of the Committee on Un-American Activities met, pursuant to call, at 11:20 a. m. in room 226, Old House Office Building, Hon. JOHN S. WOOD (chairman) presiding.

"Committee members present: Representatives JOHN S. WOOD (chairman), BURR P. HARRISON, JOHN MCSWEENEY, MORGAN M. MOULDER, and HAROLD H. VELDE.

"Mr. WOOD. Let the committee be in order. Let the record show that this hearing is being conducted by a subcommittee, designated by the chairman, composed of Mr. MOULDER and Mr. WOOD.

"Mr. TAVENNER. Mr. Fitzpatrick, are you now or have you ever been a member of the Communist Party?

"Mr. FITZPATRICK. Mr. Chairman, in my opening remarks I gave quite a bit of my attitude on this question. I say that this committee has no right to pry into my mind.

"Mr. WOOD. We are not concerned with your opinion of the committee. We have asked you a simple question. Do you want to answer it or not?

"Mr. FITZPATRICK. I am answering it, Mr. Chairman.

"Mr. WOOD. We don't have the time for a long dissertation.

"Mr. FITZPATRICK. I think I have a right to answer it in my own way.

"Mr. WOOD. The question can be answered 'Yes' or 'No,' or you can decline to answer it.

"Mr. FITZPATRICK. Being just a common workingman, I will answer it in my own words. I don't think the committee has the

right to dictate the choice of my words in answering it.

"Mr. WOOD. We are not attempting to do that. You may answer or decline to answer.

"Mr. FITZPATRICK. I will answer the question. The Constitution guarantees the right to me and every other citizen to have beliefs, whether they are popular or unpopular, and to keep them to themselves if they see fit and I have no intention of being a party to weakening or destroying that protection in the Constitution. I feel when I take this position that I am one of the real Americans and not like some of the phonies who appear here.

"Mr. WOOD. Now, will you answer the question?

"Mr. FITZPATRICK. I have answered the question.

"Mr. WOOD. It is not an answer at all.

"Mr. FITZPATRICK. That is my answer.

"Mr. WOOD. Do you mean that is the only answer you are going to give?

"Mr. FITZPATRICK. That is the way it has to be answered, according to my conscience.

"Mr. WOOD. Is that the only answer you will give to the question whether you are now or ever have been a member of the Communist Party?

"Mr. FITZPATRICK. That is the only answer I can conscientiously give you.

"Mr. TAVENNER. Mr. Fitzpatrick, you were present yesterday during the testimony here. You heard it stated under oath that you are a member of the Communist Party. Do you deny that accusation?

"Mr. FITZPATRICK. The answer to my previous question is the answer to this question. I have no intention of permitting this committee to abridge my constitutional rights on political opinions, associations, who I work with, who I meet with, what I read or think, or anything of that kind.

"Mr. TAVENNER. So, in other words, you refuse to answer the question?

"Mr. FITZPATRICK. I don't refuse to answer the question. I have answered the question.

"Mr. TAVENNER. I think, out of fairness, I should read this affidavit to you, which I am going to introduce in evidence. It is an affidavit by Clarence D. Copeland, in which he says— 'that he knows Thomas J. Fitzpatrick, chief steward of local No. 601, United Electrical, Radio and Machine Workers of America; that he has known the said Thomas J. Fitzpatrick for approximately the last 10 years; that sometime during the fall of the year 1943, the said Thomas J. Fitzpatrick gave to and requested that he, the said Clarence D. Copeland, sign an application and join the Communist Party; that he, the said Clarence D. Copeland, refused to sign said application or join the said Communist Party.'

"Did you request that he sign an application, as stated in that affidavit?

"Mr. FITZPATRICK. Mr. Chairman, if you want to ask me questions about my actions of loyalty, question my loyalty, you have a right to do so, and I will answer them. So far as my political opinions, I have stated my position on that. You are asking the same question in a different way. But if my memory is right, there was no such thing as a Communist Party when that affidavit is supposed to have been.

"Mr. TAVENNER. In 1943?

"Mr. FITZPATRICK. I think it was the Communist Political Association then.

"Mr. TAVENNER. Was it the Communist Political Association, then, that you tried to get him to join?

"Mr. FITZPATRICK. I have given you my answer.

"Mr. TAVENNER. In other words, you will not answer whether you did or did not solicit his membership?

"Mr. FITZPATRICK. I will not talk about my association and actions with people who I know, what I did, or anything else. I don't think it reflects on my loyalty or disloyalty or anything else.

"Mr. WOOD. Mr. Fitzpatrick, did you ever at any time during the year 1943 furnish an application blank and request Clarence D. Copeland to sign and make application for membership in the Communist Political Association or the Communist Party?

"Mr. FITZPATRICK. Mr. Chairman, do I have to give you my answer again?

"Mr. WOOD. I just want to know whether you did that one thing.

"Mr. FITZPATRICK. I say if I did or if I did not, regardless of what I did, it is not the affair of this committee to pry into this kind of action.

"Mr. WOOD. And for that reason do you decline to answer the question?

"Mr. FITZPATRICK. I stand on the protection of the Constitution, the first and fifth amendments.

"Mr. WOOD. And for those reasons decline to answer the question further?

"Mr. FITZPATRICK. I have answered the question.

"Mr. WOOD. I say, do you decline to answer it further?

"Mr. FITZPATRICK. I have no further comment on it.

"Mr. TAVENNER. Were you a candidate for a political office in the State of Pennsylvania in 1948?

"Mr. FITZPATRICK. Mr. Chairman, for the reasons that I have reiterated more than once, this committee is going beyond its powers to delve into any of my political activities, thoughts, or anything else.

"Mr. TAVENNER. Were you endorsed for office by the Daily Worker, the official organ of the Communist Party?

"Mr. FITZPATRICK. I don't know who endorsed who or for what. I have no intention of discussing my political actions or activities with this committee, for the reasons that I have stated before.

"Mr. TAVENNER. The Daily Worker of May 25, 1947, page 9, lists you as the signer of a statement sponsored by the Civil Rights Congress opposing attacks on communism. Are you a member of the Civil Rights Congress?

"Mr. FITZPATRICK. I say it is no affair of the committee what organizations I belong to. The previous answer applies.

"Mr. TAVENNER. In other words, Mr. Fitzpatrick, you are just determined that you are not going to give any testimony before this committee regarding Communist activities in union 601?

"Mr. FITZPATRICK. I came here and I stated that if you have any questions about my actions that I have committed, I will answer. So far as my beliefs, my political activities, my associations, affiliations, what I read, those are rights guaranteed to me and every other citizen of this Nation.

"Mr. WOOD. That is about the fourth time you have repeated that, Mr. Fitzpatrick. You can simplify that and save time by saying on the grounds you have previously given you refuse to answer.

"Mr. FITZPATRICK. Mr. Chairman, if you will talk to your counsel and ask him not to ask the same question in six or seven different ways, he wouldn't be getting six or seven identical answers.

"Mr. WOOD. I don't mind getting six or seven identical answers, but I don't like to have six or seven repetitions of grounds for refusing to answer. Do you intend to answer the question or not? If you don't want to answer it you can decline to answer for reasons you have already given.

"Mr. FITZPATRICK. I know time is short, and I don't want to take up your time more than anybody else. Mr Chairman, advise your counsel not to repeat the question.

"Mr. WOOD. The only way we can seek information is to ask for it.

"Mr. FITZPATRICK. The only way I can answer a question is to answer it when it is asked.

"Mr. WOOD. That is your answer?

"Mr. FITZPATRICK. Yes."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Thomas J. Fitzpatrick, relative to the subject matter, which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Mr. Fitzpatrick, are you now or have you ever been a member of the Communist Party?

"Mr. Fitzpatrick, you were present yesterday during the testimony here. You heard it stated under oath that you are a member of the Communist Party. Do you deny that accusation?

"I think, out of fairness, I should read this affidavit to you, which I am going to introduce in evidence. It is an affidavit by Clarence D. Copeland, in which he says—'that he knows Thomas J. Fitzpatrick, chief steward of local No. 601, United Electrical, Radio, and Machine Workers of America; that he has known the said Thomas J. Fitzpatrick for approximately the last 10 years; that some time during the fall of the year 1943, the said Thomas J. Fitzpatrick gave to and requested that he, the said Clarence D. Copeland, sign an application and join the Communist Party; that he, the said Clarence D. Copeland, refused to sign said application or join the said Communist Party.'

"Did you request that he sign an application, as stated in that affidavit?

"Was it the Communist Political Association, then, that you tried to get him to join?

"Mr. Fitzpatrick, did you ever at any time during the year 1943 furnish an application blank and request Clarence D. Copeland to sign and make application for membership in the Communist Political Association or the Communist Party?

"Were you a candidate for political office in the State of Pennsylvania in 1948?

"Were you endorsed for office by the Daily Worker, the official organ of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 753) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Thomas J. Fitzpatrick to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Thomas J. Fitzpatrick may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST THOMAS QUINN

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2857).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING THOMAS QUINN

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Thomas Quinn, East Pittsburgh, Pa. The said subpena directed Thomas Quinn to be and appear before said Committee on Un-American Activities on August 10, 1949, at the hour of 10:30 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Thomas Quinn is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States marshal, Pittsburgh, Pa.: You are hereby commanded to summon Thomas Quinn, 201 Beach Street or 99 Braddock Avenue, East Pittsburgh, Pa., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Washington, on Wednesday, August 10, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and seal of the House of Representatives of the United States, at the city of Washington, this 1st day of August 1949.

"JOHN S. WOOD,
"Chairman.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon, by O. Judd Mechling, Jr., deputy, who was duly authorized to serve the said supena. The return of the service by the said O. Judd Mechling, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Thomas Quinn, 201 Beach Street or 99 Braddock Avenue, East Pittsburgh, Pa., before the Committee on Un-American Activities of the House of Representatives of the United States. Served personally at 1030 North Avenue, Wilkinsburg, Pa., at 10 o'clock p. m., eastern daylight-saving time, August 3, 1949. So answers, John E. Sloan, United States marshal, by O. Judd Mechling, Jr., deputy."

The hearing of other witnesses not having been completed on August 10, 1949, Thomas Quinn was verbally directed to appear before the committee on August 11, 1949.

The said Thomas Quinn, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Thomas Quinn, having appeared as a witness and having been asked questions, namely—

"Are you now or have you ever been a member of the Communist Party?

"You have stated your position. Having enunciated your sentiments and your position, will you now answer the question whether you are now or ever have been a member of the Communist Party, or do you decline to answer?"

which questions were pertinent to the subject under inquiry, refused to answer such questions, and as a result of the said Thomas Quinn's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Thomas Quinn. The record of the proceedings before the committee on August 11, 1950, during which the said Thomas Quinn refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"A subcommittee of the Committee on Un-American Activities met, pursuant to call, at 10:50 a. m. in room 226, Old House Office Building, Hon. JOHN S. WOOD (chairman) presiding.

"Committee members present: Representatives JOHN S. WOOD (chairman), FRANCIS E. WALTER, EURR P. HARRISON, and HAROLD H. VELDE.

"This hearing is being conducted today by a subcommittee composed of Messrs. WALTER, HARRISON, VELDE, and WOOD. Mr. WALTER, Mr. HARRISON, and Mr. WOOD are present.

"(Representative VELDE enters.)

"Mr. WOOD. Will you hold up your right hand, please? You solemnly swear the evidence you give to this subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. QUINN. I do.

* * * * *

"Mr. TAVENNER. Do you hold any position in the East Pittsburgh section of the Communist Party?

"Mr. QUINN. No; I don't.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Mr. QUINN. I would like to make a statement along the lines that Mr. Fitzpatrick made yesterday in regard to a question of that nature. I feel that the political beliefs, opinions, and associations of the American people can be held secret if they so desire.

"Mr. WOOD. And for those reasons do you decline to answer that question?

"Mr. QUINN. I didn't say I was declining to answer the question. Before I do answer the question I should like to say that I support the position taken by Brother Fitzpatrick yesterday.

"Mr. WOOD. Did you hear his statement yesterday?

"Mr. QUINN. Yes; I did.

"Mr. WOOD. Do you support it in its entirety?

"Mr. QUINN. In its entirety.

"Mr. WOOD. Is there anything else you want to add to it?

"Mr. QUINN. No; I don't.

"Mr. WOOD. Will you accept it as the expression of your views, then?

"Mr. QUINN. You may. I may add I feel I have no other choice in this matter, because the defense of the Constitution, I hold sacred. I don't feel I am hiding behind the Constitution, but in this case I am standing before it, defending it, as small as I am.

"Mr. WOOD. Having made that statement and subscribed to the sentiments expressed by the witness yesterday to whom you referred, will you now answer the question whether you are now or have ever been a member of the Communist Party?

"Mr. QUINN. I hold that the Constitution holds sacred the rights of people——

"Mr. WOOD. You have stated your position. Having enunciated your sentiments and your position, will you now answer the question whether you are now or ever have been a member of the Communist Party, or do you decline to answer?

"Mr. QUINN. I decline to discuss with the committee questions of that nature."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Thomas Quinn, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate and the refusal of the witness to answer questions, namely:

"Are you now or have you ever been a member of the Communist Party?

"You have stated your position. Having enunciated your sentiments and your position, will you now answer the question whether you are now or ever have been a member of the Communist Party, or do you decline to answer?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 754) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Thomas Quinn to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Thomas Quinn may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST FRANK PANZINO

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2858).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING FRANK PANZINO

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Frank Panzino, 20–A Crothers Avenue, Turtle Creek, Pa., or 99 Braddock Avenue, Pittsburgh, Pa. The said subpena directed Frank Panzino to be and appear before said Committee on Un-American Activities on August 10, 1949, at the hour of 10:30 a. m., then and

there to testify touching matters of inquiry committed to said committee. The subpena served upon Frank Panzino is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States marshal, Pittsburgh, Pa.: You are hereby commanded to summon Frank Panzino, 20–A Crothers Avenue, Turtle Creek, Pa., or 99 Braddock Avenue, Pittsburgh, Pa., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Washington, on Wednesday, August 10, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 1st day of August 1949.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS, *Clerk,*
"United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by O. Judd Michling, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said O. Judd Michling, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Frank Panzino, 20–A Crothers Avenue, Turtle Creek, Pa., or 99 Braddock Avenue, Pittsburgh, Pa., before the Committee on Un-American Activities of the House of Representatives of the United States. Served the within-named individual personally at 99 Braddock Avenue, East Pittsburgh, Pa., at 12:45 o'clock p. m., eastern daylight saving time, August 3, 1949. So answers,

"JOHN E. SLOAN,
"United States Marshal.
"By O. JUDD MICHLING, JR.,
"Deputy."

The said Frank Panzino, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Frank Panzino, having appeared as a witness, and having been asked questions, namely:

"Have you at any time attended a Communist Party meeting with Tom Fitzpatrick?

"I will ask you the question, myself, and I want a forthright answer or a declination to answer. Have you at any time ever attended a Communist Party meeting with Tom Fitzpatrick?

"Have you attended such a meeting?

"Have you attended Communist Party meetings with Charles Copeland?

"Are you now, or have you ever been, a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Frank Panzino's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Frank Panzino. The record of the proceedings before the committee on August 10, 1949, during which the said Frank Panzino refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"A subcommittee of the Committee on Un-American Activities met, pursuant to call at 11:20 a. m., room 226, Old House Office Building, Hon. John S. Wood, chairman, presiding.

"Committee members present: Representatives JOHN S. WOOD, chairman, BURR P. HARRISON, JOHN MCSWEENEY, MORGAN M. MOULDER, and HAROLD H. VELDE.

"Mr. WOOD. Let the committee be in order. Let the record show that this hearing is being conducted by a subcommittee, designated by the chairman, composed of Mr. MOULDER and Mr. WOOD.

* * * * *

"Mr. WOOD. You solemnly swear the evidence you give this subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. PANZINO. I do.

* * * * *

"Mr. TAVENNER. Have you at any time attended a Communist Party meeting with Tom Fitzpatrick?

"Mr. PANZINO. Mr. Chairman, I again refer to my original remarks.

"Mr. WOOD. That is all right, but don't refer to them too much. Let's just answer the question.

"Mr. PANZINO. The first amendment to the Constitution of the United States, I believe——

"Mr. WOOD. Please concede the committee has some knowledge of the Constitution. I don't like to be lectured about what the Constitution provides. Some members of the committee have some faint knowledge of what the Constitution provides, perhaps as much as the witness. Did you attend a Communist Party meeting with Fitzpatrick? That is the question.

"Mr. PANZINO. Under the first amendment to the Constitution, which guarantees the right to assembly, I believe that answers the question counsel has asked.

"Mr. WOOD. Do I understand you invoke the Constitution as a reason for not answering further?

"Mr. PANZINO. I have answered the question.

"Mr. WOOD. I will ask you the question myself, and I want a forthright answer or a declination to answer. Have you at any time ever attended a Communist Party meeting with Tom Fitzpatrick?

"Mr. PANZINO. Mr. Chairman, I again refer you to the first amendment.

"Mr. WOOD. I don't want to be referred to it.

"Mr. PANZINO. I have answered the question.

"Mr. WOOD. Have you attended such a meeting?

"Mr. PANZINO. I have attended many meetings, at my church——

"Mr. WOOD. We are not asking you about churches.

"Mr. PANZINO. Any meeting I may have attended is my own personal business and my right guaranteed to me under the Constitution of the United States.

"Mr. WOOD. Certainly nobody disputes that, but as a matter of fact, did you attend such a meeting?

"Mr. PANZINO. I have answered the question to the best of my knowledge.

"Mr. WOOD. Let me ask you this: Do you know whether or not you attended such a meeting?

"Mr. PANZINO. Mr. Chairman, evidently you asked the question and you want to answer it.

"Mr. WOOD. I want you to answer it.

"Mr. PANZINO. I have answered it, Mr. Chairman.

"Mr. HARRISON. Is that your complete answer?

"Mr. PANZINO. That is right.

"Mr. TAVENNER. You have spoken of the rights under the Constitution. What do you consider would become of the Constitution if the Communists should gain control in this country?

"Mr. PANZINO. I think again, Mr. Chairman, under the fifth amendment, that is my own personal belief. I think there are enough laws in this country to take care of any subversive activities within the Nation.

"Mr. WOOD. Do you consider communism as a subversive activity?

"Mr. PANZINO. Again I say that what I think is my own business. I will answer that among my friends, my union members, and not——

"Mr. WOOD. To this committee?

"Mr. PANZINO. To somebody, whether it be this committee or any outside organization, that is trying to destroy the constitutional rights of the American workers.

"Mr. TAVENNER. Have you attended Communist Party meetings with Charles Copeland?

"Mr. PANZINO. Mr. Chairman——

"Mr. WOOD. If you desire to give the same answer you have given to other questions, you may do so.

"Mr. PANZINO. I have answered the question.

"Mr. TAVENNER. Are you now, or have you ever been, a member of the Communist Party?

"Mr. PANZINO. Again I say that I have answered the question in my preliminary remarks.

"Mr. WOOD. And that is the only answer that you desire to give?

"Mr. PANZINO. That, I believe, is the correct answer to give. That is defending the Constitution of the United States.

"Mr. WOOD. I asked if that is all the answer you will give?

"Mr. PANZINO. I said I have answered the question."

Because of the foregoing the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Frank Panzino, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Have you at any time attended a Communist Party meeting with Tom Fitzpatrick?

"I will ask you the question myself, and I want a forthright answer or a declination to answer. Have you at any time ever attended a Communist Party meeting with Tom Fitzpatrick?

"Have you attended such a meeting?

"Have you attended Communist Party meetings with Charles Copeland?

"Are you now, or have you ever been, a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness has previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 755) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the

Committee on Un-American Activities of the House of Representatives as to the refusal of Frank Panzino to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Columbia, to the end that the said Frank Panzino may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST RALPH TOKUNAGA

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2859).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING RALPH TOKUNAGA

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, caused to be issued a subpena to Ralph Tokunaga, 808 Paani, Honolulu, T. H. The said subpena directed Ralph Tokunaga to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 11, 1950, in the senate chamber, Iolani Palace, Honolulu, T. H., at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Ralph Tokunaga is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Ralph Tokunaga, 808 Paani, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 11, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Emmanuel Moses, Jr., United States deputy marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Ralph Tokunaga before the Committee on Un-American Activities; served the within-named individual at 11:15 p. m., April 1, 1950, at 808 Paani Street, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal,
"District of Hawaii.
"By EMMANUEL MOSES, Jr.,
"Deputy United States Marshal,
"House of Representatives."

The hearing conducted by the Committee on Un-American Activities on April 11, 1950, not having been completed on that day, was adjourned to reconvene on the following day, April 12, 1950.

The said Ralph Tokunaga, pursuant to said subpena, and in compliance therewith, appeared before the said committeee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress. The said Ralph Tokunaga having appeared as a witness and having been asked questions, namely:

"Were you acquainted with Ernest Arena during the year 1946?

"Did he [Ernest Arena] have a conversation with you in the early part of 1946 regarding membership in the Communist Party?

"Did he [Ernest Arena] ask you to become a member of the Communist Party?

"Did you become a member of the Communist Party?

"Do you know William A. Wheeler, the gentleman sitting to my left, an investigator for this committee?

"Did you meet him in room 680, that is, Mr. Wheeler, of the Alexander Young Hotel, Honolulu, T. H., on the 22d day of November 1949?

"At that time and place mentioned were you asked by Mr. Wheeler if you had ever been a member of the Communist Party, and to which you replied, 'I was once'?

"Were you asked the question: 'Did you join the Communist Party, or when did you join the Communist Party' to which you replied: 'It was sometime in 1946, I believe'?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Ralph Tokunaga's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Ralph Tokunaga. The record of the proceedings before the committee on April 12, 1950, during which the said Ralph Tokunaga refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman; Hon. BURR P. HARRISON, Hon. JOHN MCSWEENEY, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 12, 1950, at 9 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. WALTER. The next witness, Mr. Tavenner."

(After the witness was duly sworn, questions were asked and answered, as follows:)

"TESTIMONY OF RALPH TOKUNAGA, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. Will you state your full name?

"Mr. TOKUNAGA. My name is Ralph Tokunaga.

"Mr. TAVENNER. Are you represented here by counsel?

"Mr. TOKUNAGA. Yes.

"Mr. TAVENNER. Will counsel please identify himself?

"Mr. SYMONDS. Myer C. Symonds. At this time, Mr. Chairman, on behalf of my client, I wish to file with the committee a motion to quash service of the subpena, for the reason stated therein.

* * * * *

"Mr. TAVENNER. You are Mr. Ralph Tokunaga?

"Mr. TOKUNAGA. Yes.

"Mr. TAVENNER. You are appearing here before the committee in response to a subpena that was served upon you, are you not?

"Mr. TOKUNAGA. Yes.

"Mr. TAVENNER. Where do you reside, Mr. Tokunaga?

"Mr. TOKUNAGA. I live at 808 Paani Street.

"Mr. TAVENNER. When and where were you born?

"Mr. TOKUNAGA. I was born January 3, 1914, in Kona, Hawaii.

"Mr. TAVENNER. I believe if you sit back a little further, and speak a little louder, that would be the best combination. Where are you presently employed?

"Mr. TOKUNAGA. I am now working for the Rite-Way Electric Co.

"Mr. TAVENNER. What is the nature of your employment?

"Mr. TOKUNAGA. I am an electrician.

"Mr. TAVENNER. Have you at any time been an officer in the ILWU?

"Mr. TOKUNAGA. Yes; I was.

"Mr. TAVENNER. State what official positions you held, and the dates.

"Mr. TOKUNAGA. So far as I can remember, I was vice president in 1945; president in 1946–47.

"Mr. TAVENNER. Were you acquainted with Ernest Arena during the year 1946?

"Mr. SYMONDS. I advise my client not to answer the question upon the ground that it might tend to incriminate him.

"Mr. WALTER. You, of course, know the consequences of the advice that you have given to your client?

"Mr. SYMONDS. Yes, Mr. Chairman.

"Mr. WALTER. All right. I just don't want you to be misled—so long as you understand fully.

"Mr. SYMONDS. I have explained the situation to my client to the best of my legal ability.

"Mr. WALTER. Will you answer the question?

"Mr. TOKUNAGA. I refuse to answer on the ground that it might tend to incriminate me.

"Mr. WALTER. Before I ask another question, why do you think it would incriminate you to answer the question as to whether you knew a certain individual?

"Mr. TOKUNAGA. My counsel told me.

"Mr. WALTER. Was that the only reason why you refused to answer the question as to whether you knew an individual, because your lawyer told you that to know somebody might incriminate you, is that it?

"Mr. TOKUNAGA. Yes.

"Mr. WALTER. All right.

"Mr. TAVENNER. What position, if any, did Ernest Arena hold in local 150, ILWU, in the year 1946?

"Mr. TOKUNAGA. He was secretary and treasurer.

"Mr. TAVENNER. What position does he now occupy?

"Mr. TOKUNAGA. President.

"Mr. TAVENNER. Did he have a conversation with you in the early part of 1946, regarding membership in the Communist Party?

"Mr. SYMONDS. I advise my client not to answer the question, upon the ground that it might tend to incriminate him.

"Mr. TAVENNER. Will you answer the question?

"Mr. TOKUNAGA. I refuse to answer on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Did he ask you to become a member of the Communist Party?

"Mr. SYMONDS. I advise my client not to answer on the ground that it might tend to incriminate him.

"Mr. TAVENNER. Will you answer the question?

"Mr. TOKUNAGA. I refuse to answer, on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Did you become a member of the Communist Party?

"Mr. SYMONDS. I advise my client not to answer, on the ground that it might tend to incriminate him.

"Mr. TAVENNER. Will you answer the question?

"Mr. TOKUNAGA. I refuse to answer the question, on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Do you know William A. Wheeler, the gentleman sitting to my left, an investigator for this committee?

"Mr. SYMONDS. I advise my client not to answer, upon the ground that it might tend to incriminate him.

Mr. WALTER. Now, may I ask a question? Why do you think it would incriminate you to admit that you knew Mr. Wheeler, one of the investigators of the committee?

"Mr. TOKUNAGA. My attorney told me.

"Mr. WALTER. All right.

"Mr. TAVENNER. Did you meet him in room 680, that is, Mr. Wheeler, of the Alexander Young Hotel, Honolulu, T. H., on the 22d day of November 1949?

"Mr. SYMONDS. I advise my client not to answer, on the ground that it might tend to incriminate him.

"Mr. TOKUNAGA. I refuse to answer, on the ground that it might tend to incriminate me.

"Mr. TAVENNER. At that time and place mentioned, were you asked by Mr. Wheeler if you had ever been a member of the Communist Party, and to which you replied, 'I was once'?

"Mr. SYMONDS. I advise my client not to answer the question, on the ground it might tend to incriminate him.

"Mr. TAVENNER. What is your answer?

"Mr. TOKUNAGA. I refuse to answer, on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Were you asked the question: 'Did you join the Communist Party, or when did you join the Communist Party,' to which you replied: 'It was sometime in 1946, I believe'?

"Mr. SYMONDS. I advise my client not to answer, upon the ground it might tend to incriminate him.

"Mr. TAVENNER. Mr. Chairman, I suggest for the purpose of saving time, that if the witness proposes to make like answers to all these questions, that he merely state the same reply, rather than——

Mr. WALTER. I think it might save time, if the witness would care to answer this question: Do you intend to make the same reply to every question asked you by Mr. Tavenner?

"Mr. SYMONDS. We do not know what all the questions are going to be.

"Mr. WALTER. They certainly could not be any more unimportant, irrelevant and unimportant, than some of the questions already asked.

"Mr. SYMONDS. If there are any questions asked about Mr. Wheeler, I will state I will advise my client to give the same answer.

"Mr. WALTER. Then, Mr. Tavenner, I suggest that you have the witness step aside and proceed in another method.

"Mr. TAVENNER. Yes.

"Mr. WALTER. I am going to ask one question: Are you now, or have you ever been, a member of the Communist Party?

"Mr. SYMONDS. I advise my client not to answer, upon the ground it might tend to incriminate him.

"Mr. WALTER. I would like you to answer this question.

"Mr. TOKUNAGA. I refuse to answer the question, on the ground that it might tend to incriminate me.

"Mr. TAVENNER. I think it would be a waste of time for me to ask the other questions which were propounded to him at the conference.

"Mr. WALTER. Step aside. You are still under subpena and subject to the further call to testify."

* * * * *

(After the witness, Ralph Tokunaga, left the witness stand, Mr. William A. Wheeler took the stand and testified, as follows:)

"Mr. TAVENNER. Will you take the stand, please, Mr. Wheeler?

"TESTIMONY OF WILLIAM A. WHEELER

"Mr. TAVENNER. State your full name.

"Mr. WHEELER. William A. Wheeler.

"Mr. TAVENNER. What official position do you occupy?

"Mr. WHEELER. I am an investigator for the Committee on Un-American Activities.

"Mr. TAVENNER. How long have you been investigator of this committee?

"Mr. WHEELER. Since August 1947.

"Mr. TAVENNER. Prior to your employment as investigator with this committee, what investigative experience did you have?

"Mr. WHEELER. In 1943 I went to work for the United States Secret Service, where I remained until 1947, to accept this position with the committee. However, I served 23 months in the Army as an agent in the CID.

"Mr. TAVENNER. Mr. Wheeler, do you know Mr. Ralph Tokunaga?

"Mr. WHEELER. Yes.

"Mr. TAVENNER. Did you meet with him on November 22, 1949, in room 680, Alexander Young Hotel, Honolulu?

"Mr. WHEELER. Yes.

"Mr. TAVENNER. Did you propound certain questions to him at the time and receive answers from him?

"Mr. WHEELER. Yes.

"Mr. TAVENNER. Were those answers made voluntarily by him?

"Mr. WHEELER. That is correct.

"Mr. TAVENNER. Do you have a record of the questions and the answers that you propounded, and the answers made?

"Mr. WHEELER. I do, sir. The entire interview was made on the Sound-Scriber in the presence of Ralph Tokunaga.

"Mr. TAVENNER. In other words, your questions were recorded on the Sound-Scriber, and likewise his answers were?

"Mr. WHEELER. That is correct.

"Mr. TAVENNER. On a machine of the character that this is that you see?

"Mr. WHEELER. Yes.

"Mr. TAVENNER. Taking down the testimony in this hearing?

"Mr. WHEELER. Yes. Identical to the machine behind the one there used in the hearing.

"Mr. TAVENNER. Have you the disks which recorded the questions and the answers?

"Mr. WHEELER. I do, sir.

"Mr. TAVENNER. Mr. Chairman, I desire to have those recorded disks heard.

"Mr. WALTER. Before you do that, did the witness that preceded you know that this hearing was being recorded?

"Mr. WHEELER. Absolutely, sir. It was done in his presence.

"Mr. WALTER. Did he object to the recording?

"Mr. WHEELER. No, sir.

"Mr. SYMONDS. For the purpose of the record, I would like to object, upon the ground that any records that are being played were not under oath; and second, were not taken under oath on behalf of my client.

"Mr. WALTER. The committee will recess for a minute.

"(Recess.)

"Mr. TAVENNER. Mr. Wheeler, the disks which you are about to play are the recorded statement or statements of questions propounded by you and the replies made to those questions by Ralph Tokunaga; is that correct?

"Mr. WHEELER. That is correct, sir.

"Mr. TAVENNER. And is that Ralph Tokunaga the same person who preceded you on the witness stand?

"Mr. WHEELER. The same individual.

"Mr. TAVENNER. And who refused to testify regarding the statements he had made to you?

"Mr. WHEELER. That is correct.

"Mr. TAVENNER. Proceed."

(Mr. Wheeler then placed disks upon a Sound-Scriber and the following is a transcript of the recordings on said disks:)

"The following statement was taken from Mr. Ralph Tokunaga, November 22, 1949, room 680, Alexander Young Hotel, Honolulu, T. H.:

" 'Mr. WHEELER. Mr. Tokunaga, would you state your full name?

" 'Mr. TOKUNAGA. My name is Ralph Tokunaga.

* * * * *

" 'Mr. WHEELER. Have you ever been a member of the Communist Party?

" 'Mr. TOKUNAGA. I was once.

" 'Mr. WHEELER. You were at one time—now, when did you join the Communist Party?

" 'Mr. TOKUNAGA. It was sometime in 1946, I believe.

" 'Mr. WHEELER. It was sometime in 1946—do you know what time of the year?

" 'Mr. TOKUNAGA. It was the early part of the year.

" 'Mr. WHEELER. The early part of the year—the first 3 months of 1946?

" 'Mr. TOKUNAGA. I believe it was around then.

" 'Mr. WHEELER. Who asked you to join the Communist Party?

" 'Mr. TOKUNAGA. Ernest Arena.

" 'Mr. WHEELER. Ernest Arena—who is Ernest Arena ?

" 'Mr. TOKUNAGA. He was our secretary-treasurer, sort of business agent.

" 'Mr. WHEELER. He was business agent of local 150, ILWU?

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. What is his present occupation?

" 'Mr. TOKUNAGA. He is president of local 150.

" 'Mr. WHEELER. He is now president of local 150. Did Mr. Arena issue to you a Communist Party card?

" 'Mr. TOKUNAGA. No—a fellow named Ichiro Izuka.

" 'Mr. WHEELER. Ichiro Izuka. To what unit or cell did you originally belong to?

" 'Mr. TOKUNAGA. First it was the Waikiki group.

" 'Mr. WHEELER. The Waikiki group.

" 'Mr. TOKUNAGA. And we were transferred over to the Makiki group.

" 'Mr. WHEELER. You were transferred to the Makiki group.

" 'Mr. TOKUNAGA. Then they formed us into the 150 group.

" 'Mr. WHEELER. And then to the local 150 group. Let's go to the Waikiki group first. At whose home were the meetings of the Waikiki group held?

" 'Mr. TOKUNAGA. They were held at a fellow's name Ralph Vossbrink.

" 'Mr. WHEELER. Ralph Vossbrink—now where did Mr. Vossbrink live?

" 'Mr. TOKUNAGA. I don't know the address.

" 'Mr. WHEELER. In what section of town?

" 'Mr. TOKUNAGA. It was in Waikiki, somewhere in the back of the theater.

" 'Mr. WHEELER. Some place back of the Waikiki Theater. And you could identify the place now?

" 'Mr. TOKUNAGA. I believe so.

" 'Mr. WHEELER. You believe so—how many meetings did you attend at Mr. Vossbrink's home?

" 'Mr. TOKUNAGA. I'd say about three.

" 'Mr. WHEELER. About three meetings at Mr. Vossbrink's home. Who attended the meetings at Mr. Vossbrink's home?

" 'Mr. TOKUNAGA. When I first went there there was Jack Hall.

" 'Mr. WHEELER. Jack Hall.

" 'Mr. TOKUNAGA. Ichiro Izuka, Ralph Vossbrink, Koichi Imori, and a lady named Elizabeth Bristow.

" 'Mr. WHEELER. Elizabeth Bristow.

" 'Mr. TOKUNAGA. And Jeanette Nakama dropped in before the meeting was over.

" 'Mr. WHEELER. Nakama.

" 'Mr. TOKUNAGA. Ernie Arena.

" 'Mr. WHEELER. And Ernest Arena. How many individuals were in this group?

" 'Mr. TOKUNAGA. Well, I don't know. I couldn't say offhand who else besides the ones I named, excepting McElrath.

" 'Mr. WHEELER. Robert McElrath.

" 'Mr. TOKUNAGA. He was at the next meeting. And I remember now, a fellow named Frank Thompson was there.

" 'Mr. WHEELER. Frank Thompson. Were these the ones in attendance at the first meeting, or the ones you remember as being in attendance at the three or four meetings that you attended at the Vossbrinks?

" 'Mr. TOKUNAGA. At the three or four meetings.

" 'Mr. WHEELER. Would you identify Mr. Hall?

" 'Mr. TOKUNAGA. If you showed me a picture of him, I could point him out to you.

" 'Mr. WHEELER. Was he the representative of the ILWU here?

" 'Mr. TOKUNAGA. Regional director.

" 'Mr. WHEELER. Regional director of the ILWU. Now, Ichiro Izaka—who was Mr. Izuka?

" 'Mr. TOKUNAGA. Well, he was collecting the dues. When I first went there I didn't pay any money or wasn't issued anything, but at the second meeting was when I officially began, I guess.

" 'Mr. WHEELER. At the second meeting you were issued a card. Who did you say issued this card to you?

" 'Mr. TOKUNAGA. Ichiro Izuka, he was secretary.

" 'Mr. WHEELER. Is Ichiro Izuka the one who issued the pamphlets?

" 'Mr. TOKUNAGA. I think so.

" 'Mr. WHEELER. He's the same individual. You mentioned Imori—is that Koichi Imori?

" 'Mr. TOKUNAGA. Koichi Imori.

" 'Mr. WHEELER. Who is Mr. Imori? What was his occupation at that time?

" 'Mr. TOKUNAGA. At that time I believe he was a business agent for the machinists union.

" 'Mr. WHEELER. Business agent for the machinists union. Do you know what he does now?

" 'Mr. TOKUNAGA. No, I don't—all I know is that he lives over in Maui.

" 'Mr. WHEELER. He lives on the island of Maui. How about Bristow—Esther Bristow? (Elizabeth.)

" 'Mr. TOKUNAGA. She was there at the first two meetings, I remember. Then she left for the mainland.

" 'Mr. WHEELER. Who is Esther Bristow (Elizabeth)?

" 'Mr. TOKUNAGA. I don't know. From rumors I heard that she was connected with the labor canteen. That's all I know.

" 'Mr. WHEELER. What did she look like?

" 'Mr. TOKUNAGA. A very big woman.

" 'Mr. WHEELER. Is she in the islands at the present time?

" 'Mr. TOKUNAGA. I don't know—I've never seen her since.

" 'Mr. WHEELER. You've never seen her since. Who is Jeanette Nakama?

" 'Mr. TOKUNAGA. Jeanette Nakama at that time, I believe, was an employee of the National Maritime Union here, as secretary to Sam Baringer or whatever his name was.

" 'Mr. WHEELER. Sam who?

" 'Mr. TOKUNAGA. Sam Baringer.

" 'Mr. WHEELER. B-a-r-i-n-g-e-r? Is this Jeanette Nakama, a sister-in-law to Charles Fujimoto?

" 'Mr. TOKUNAGA. I guess so.

" 'Mr. WHEELER. That's the same individual. I think we've identified Ernest Arena. How about Robert McElrath?

" 'Mr. TOKUNAGA. Right now he's in public relations for the ILWU.

" 'Mr. WHEELER. Is he the same McElrath who's on the radio every night?

" 'Mr. TOKUNAGA. That's the same one.

" 'Mr. WHEELER. That's the same one—now, who is Frank Thompson?

" 'Mr. TOKUNAGA. Frank Thompson was an ILWU representative at that time, helping to organize the sugar workers.

" 'Mr. WHEELER. Is he still here?

" 'Mr. TOKUNAGA. I don't think so—I haven't seen him since.

" 'Mr. WHEELER. Did you see Charles Fujimoto at any of these meetings of the Waikiki Club?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. How about Wilfred Oka?

" 'Mr. TOKUNAGA. He showed up about the third meeting.

" 'Mr. WHEELER. How about Donald Uesugi?

" 'Mr. TOKUNAGA. Donald Uesugi showed up at the Makiki group, when we were transferred there.

" 'Mr. WHEELER. You never saw Donald Uesugi at the Waikiki group?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. You're positive.

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. Well, now let's see, you've named 11, or that is, 10; you've named 10 individuals, including yourself, as being members of the Waikiki group. Can you think of anybody else who may have attended these meetings?

" 'Mr. TOKUNAGA. You'll have to give me time to go back in my memory. I didn't pay any attention——

" 'Mr. WHEELER. How about Adele Kensinger?

" 'Mr. TOKUNAGA. Adele Kensinger, I remember, was the haole [white woman from the mainland] lady who showed up at the Makiki group meetings just before we were formed into a group of our own, local 150.

" 'Mr. WHEELER. You don't recall her being at the Waikiki group?

" 'Mr. TOKUNAGA. No.

* * * * *

" 'Mr. WHEELER. Now, you were issued your card by Ichiro Izuka at the second meeting?

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. And that would be in the first two or three months of 1946.

" 'Mr. TOKUNAGA. Around then.

" 'Mr. WHEELER. Who was president of the Waikiki group?

" 'Mr. TOKUNAGA. There was no president of the Waikiki group—they had a chairman of the group.

" 'Mr. WHEELER. Chairman; well who was the chairman of the group?

" 'Mr. TOKUNAGA. Ralph Vossbrink.

" 'Mr. WHEELER. Ralph Vossbrink was chairman. Who was the secretary?

" 'Mr. TOKUNAGA. I believe Ichiro Izuka was.

" 'Mr. WHEELER. Ichiro Izuka; was he the treasurer, too?

" 'Mr. TOKUNAGA. Treasurer, yes; that's the title they gave him.

" 'Mr. WHEELER. Who was the educational director?

" 'Mr. TOKUNAGA. Vossbrink.

" 'Mr. WHEELER. He was also chairman and educational director?

" 'Mr. TOKUNAGA. The educational director was changed over meeting after meeting.

" 'Mr. WHEELER. Meeting after meeting.

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. How about Wallace Ho?

" 'Mr. TOKUNAGA. I remember him very well when we were swung over the Makiki group.

" 'Mr. WHEELER. Well, let's stay with the Waikiki group for just a few more minutes. At the Waikiki group did you buy any literature from anybody?

" 'Mr. TOKUNAGA. I bought some from Ralph Vossbrink.

" 'Mr. WHEELER. You bought literature from Ralph Vossbrink?

" 'Mr. TOKUNAGA. That's right.

" 'Mr. WHEELER. Do you recall what literature you purchased from him?

" 'Mr. TOKUNAGA. No, I don't—so many I can't remember.

" 'Mr. WHEELER. Well, maybe we can refresh your memory on that. I have quite a bit of literature here—see if we can identify some of it. Did you ever subscribe to the Daily Peoples World?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. You never did—that's the Communist paper on the Pacific coast.

" 'Mr. TOKUNAGA. Daily Peoples? PW?

" 'Mr. WHEELER. Yes—Peoples World.

" 'Mr. TOKUNAGA. Yes; I did subscribe to it.

" 'Mr. WHEELER. Who asked you to subscribe to that?

" 'Mr. TOKUNAGA. I don't remember now, but I know we used to get the paper here. They used to give it to us here at the union hall. It was delivered here.

" 'Mr. WHEELER. It was delivered to the union hall and you paid for it there?

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. Now, getting to these books, do you recall receiving a book called Socialism by A. B. Magio?

" 'Mr. TOKUNAGA. I've read that.

" 'Mr. WHEELER. You've read that—did you buy that?

" 'Mr. TOKUNAGA. I did; I believe I did.

" 'Mr. WHEELER. How about the Young Generation by Lenin?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. You don't recall that; do you remember Political Affairs?

" 'Mr. TOKUNAGA. Yes; I did buy that.

" 'Mr. WHEELER. You bought that.

" 'Mr. TOKUNAGA. I don't know if that's the same copy or not, but I know——

" 'Mr. WHEELER. That's a monthly publication.

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. Do you recall the Proletarian Revolution and Renegade Kautsky?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. You don't recall that. How about the Foundations of Leninism by Josef Stalin?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. Our Country Needs a Strong Communist Party by William Z. Foster?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. How about State and Revolution by Lenin? Blue book there—do you recall that?

" 'Mr. TOKUNAGA. I've never seen it—I don't recall reading it or buying it.

" 'Mr. WHEELER. Do you still have the literature that you purchased?

" 'Mr. TOKUNAGA. No; I threw it away.

" 'Mr. WHEELER. How about the Constitution of the U. S. S. R.?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. You don't recall that. The Communist Manifesto by Karl Marx?

" 'Mr. TOKUNAGA. Yes; I purchased that.

" 'Mr. WHEELER. Our Country Needs a Strong Communist Party by William Z. Foster?

" 'Mr. TOKUNAGA. I don't recall that.

" 'Mr. WHEELER. Wage Labor and Capital?

" 'Mr. TOKUNAGA. I did buy that.

" 'Mr. WHEELER. The Constitution of the Communist Party, this small blue book?

" 'Mr. TOKUNAGA. I believe I was given one.

" 'Mr. WHEELER. Were you given the constitution of the Communist Party when you got your Communist Party book?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. No—later?

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. Do you recall buying most of this type of literature from Vossbrink at the Waikiki group?

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. While you were with the Waikiki group, do you remember at any time being assigned to study any particular subject and the following week make a report on it?

" 'Mr. TOKUNAGA. We were all told to read the book called Political Economy.

" 'Mr. WHEELER. Political Economy?

" 'Mr. TOKUNAGA. They got me a copy of it around the second meeting.

" 'Mr. WHEELER. Around the second meeting?

" 'Mr. TOKUNAGA. We were told to read a few chapters and we would have a discussion on it.

" 'Mr. WHEELER. Did you ever discuss it in front of the group yourself—the Waikiki group?

" 'Mr. TOKUNAGA. I wasn't very hep to the whole thing so I just sat and they led the discussions. I listened to everything that was going on.

" 'Mr. WHEELER. Who was the most active in this group?

" 'Mr. TOKUNAGA. How do you mean, active?

" 'Mr. WHEELER. Well, who appeared to be the most interested in the group at the Waikiki cell?

" 'Mr. TOKUNAGA. I would say Vossbrink was.

' "Mr. WHEELER. Ralph Vossbrink. How about Jack Hall—did Jack Hall participate in any discussion?

" 'Mr. TOKUNAGA. He was there when the debate over this political economy was going on.

" 'Mr. WHEELER. He was there—did he participate in it?

" 'Mr. TOKUNAGA. Yes; he participated in it.

" 'Mr. WHEELER. On how many occasions did you see Mr. Hall at this Waikiki group?

" 'Mr. TOKUNAGA. I guess every time I was there.

" 'Mr. WHEELER. Every time you were there he was also.

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. After you were issued your Communist Party card there was no question in your mind that all these individuals were members of the Communist Party, was there?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. In your own mind you were certain that everyone who was there was a member of the Communist Party?

" 'Mr. TOKUNAGA. Everyone was a member of the Communist Party.

" 'Mr. WHEELER. Is there anything else that you can tell us about the Waikiki group that hasn't been discussed?

" 'Mr. TOKUNAGA. No. Outside of always having the point stressed that we should try to recruit some more members.

" 'Mr. WHEELER. I see. Who informed you or stressed the point about recruiting more members?

" 'Mr. TOKUNAGA. The chairman.

" 'Mr. WHEELER. The chairman—that was Mr. Vossbrink. Now you don't recall anyone else attending the Waikiki group?

" 'Mr. TOKUNAGA. I don't remember any more.

" 'Mr. WHEELER. You don't remember any more. Part of the Waikiki group was transferred to another group, isn't that correct?

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. What was the name of the second group?

" 'Mr. TOKUNAGA. Those who were living nearest to Jeannette Nakama's were the Makiki group.

" 'Mr. WHEELER. Makiki group—and the other people were to stay in the Waikiki group?

" 'Mr. TOKUNAGA. I think that was it.

" 'Mr. WHEELER. Who was transferred to the Makiki group?

" 'Mr. TOKUNAGA. Koichi Imori, Oka, and myself.

" 'Mr. WHEELER. Oka and yourself—just the three of you were transferred from the Waikiki group to the Makiki group?

" 'Mr. TOKUNAGA. I think so.

" 'Mr. WHEELER. Do you know if any of these individuals were transferred to any other group than the Maikiki group?

" 'Mr. TOKUNAGA. No; I don't.

" 'Mr. WHEELER. You do not—what was the object of splitting the Waikiki group in half?

" 'Mr. TOKUNAGA. I had my own ideas about it, but I don't know whether that's the truth or not.

" 'Mr. WHEELER. What are your own ideas?

" 'Mr. TOKUNAGA. Well, it was growing too big, so they split it up in bunches.

" 'Mr. WHEELER. I see. How many people would you say were in the Waikiki group when they split it up?

" 'Mr. TOKUNAGA. Around an even dozen.

" 'Mr. WHEELER. We have 13 names here, 12 identified, and the other individual whose first name is Martha, so we've evidently covered.

" 'Mr. TOKUNAGA. That lady was [name unintelligible]. Pauline was at one time owner and I remember seeing her at the old Kaahumanu Street union hall. She was there doing research work for our union—that's how I happened to notice.

" 'Mr. WHEELER. In the Makiki group we have three individuals we have identified, Koichi Imori, Wilfred Oka, and yourself, and, of course, Jeanette Nakama. The meetings were held at Jeanette Nakama's home. Is that correct?

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. Where did Jeanette Nakama live?

" 'Mr. TOKUNAGA. I don't know the house number, but I know it was Kaihee Lane.

" 'Mr. WHEELER. Kaihee Lane?

" 'Mr. TOKUNAGA. I believe it was.

" 'Mr. WHEELER. Jeanette Nakama you've already identified. Who else attended the meetings at the home of Jeanette Nakama?

" 'Mr. TOKUNAGA. Mr. and Mrs. Uesugi, Peggy and Donald, Mr. and Mrs. Paul Kanemaru.

" 'Mr. WHEELER. What is Mrs. Kanemura's name?

" 'Mr. TOKUNAGA. Alice Kanemaru.

" 'Mr. WHEELER. Alice. Of what racial extraction is Alice?

" 'Mr. TOKUNAGA. She's a Korean girl.

" 'Mr. WHEELER. She's a Korean girl—do you recall anybody else?

" 'Mr. TOKUNAGA. Mr. and Mrs. Charles Fujimoto.

" 'Mr. WHEELER. Anybody else?

" 'Mr. TOKUNAGA. Eddie Hong, Ruth Ozaki.

" 'Mr. WHEELER. Who is Edward Hong?

" 'Mr. TOKUNAGA. Edward Hong is secretary-treasurer of local 150.

" 'Mr. WHEELER. At the present time?

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. Who is Ruth Ozaki?

" 'Mr. TOKUNAGA. She's one of the office clerks at the ILWU headquarters. At that time she was a typist-clerk at local 150.

" 'Mr. WHEELER. Do you recall anybody else who attended the Makiki group?

" 'Mr. TOKUNAGA. Mr. and Mrs. Karou Abe.

" 'Mr. WHEELER. Do you recall Mrs. Abe's first name?

" 'Mr. TOKUNAGA. Carol.

" 'Mr. WHEELER. Carol—do you recall anybody else in the Makiki group?

" 'Mr. TOKUNAGA. Adele Kensinger showed up.

" 'Mr. WHEELER. These Abes that you mentioned—what racial extraction is Mr. Abe?

" 'Mr. TOKUNAGA. Mr. Abe is a Japanese boy.

" 'Mr. WHEELER. How old is he?

" 'Mr. TOKUNAGA. Oh, he's about 24 or 25 and his wife is a haole girl from away back east.

" 'Mr. WHEELER. How old is she?

" 'Mr. TOKUNAGA. She was about 20 or 21, I think.

" 'Mr. WHEELER. What did Mr. Abe do?

" 'Mr. TOKUNAGA. I don't know—he was a seaman as far as I knew. He didn't have a job in town.

" 'Mr. WHEELER. Do you know where the Abes live?

" 'Mr. TOKUNAGA. They were living with Jeanette Nakama.

" 'Mr. WHEELER. Do you recall anybody else who attended these meetings of the Makiki group at the home of Jeanette Nakama?

" 'Mr. TOKUNAGA. I met a number of people who were there at some of the parties that they had there with members, I guess, the name of a few other people, but I don't know if they were at one meeting or not.

" 'Mr. WHEELER. How about Richard Kageyama?

" 'Mr. TOKUNAGA. No—I know Masao Mori and Harry Kuhia showed up at a couple of meetings and James Freeman.

" 'Mr. WHEELER. What does Mr. Mori do—Masao Mori?

" 'Mr. TOKUNAGA. He's an electrician at the Hawaiian Brewery.

" 'Mr. WHEELER. How about Harry Kuhia?

" 'Mr. TOKUNAGA. Harry, I don't know. He was supposed to be a business agent for some union; I don't know which.

" 'Mr. WHEELER. You don't know which union.

" 'Mr. TOKUNAGA. No, I don't know which union.

" 'Mr. WHEELER. How about Mr. Freeman?

" 'Mr. TOKUNAGA. Mr. Freeman was an organizer for the Communist Party.

" 'Mr. WHEELER. How did you find that out?

" 'Mr. TOKUNAGA. He was introduced as.

" 'Mr. WHEELER. By whom?

" 'Mr. TOKUNAGA. Charles Fujimoto.

" 'Mr. WHEELER. By Charles Fujimoto—did you meet his wife?

" 'Mr. TOKUNAGA. Later on, at the party.

" 'Mr. WHEELER. Do you recall anybody else who attended the meetings of the Makiki Club?

"Mr. TOKUNAGA. No, I have to stop and think.

" 'Mr. WHEELER. Looks like you had a pretty big group there.

" 'Mr. TOKUNAGA. That's one of the reasons why they broke it up again and transferred it to another group.

* * * * *

" 'Mr. WHEELER. In the Makiki group, who was the chairman?

" 'Mr. TOKUNAGA. The chairmanship swung around from one person to the next.

" 'Mr. WHEELER. Now first, how long were you in the Makiki group?

" 'Mr. TOKUNAGA. I can't say in days, weeks, or months now, I don't remember.

" 'Mr. WHEELER. Well, approximately.

" 'Mr. TOKUNAGA. It must have been about 3 months.

" 'Mr. WHEELER. About 3 months—did you attend all the meetings?

" 'Mr. TOKUNAGA. Most of them I attended unless I had a union meeting of my own.

" 'Mr. WHEELER. On what nights were the meetings held?

" 'Mr. TOKUNAGA. I believe it was Thursday.

" 'Mr. WHEELER. On Thursday night. Did you drive up there yourself—do you have a car?

" 'Mr. TOKUNAGA. No, I don't—I did at that time. I was picked up several times by Koichi Imori.

" 'Mr. WHEELER. By Koichi Imori. What kind of a car did Koichi Imori have?

" 'Mr. TOKUNAGA. He had a Ford '38, I believe, or '37, sedan.

" 'Mr. WHEELER. Sedan. Did anybody else ride with him to these meetings?

" 'Mr. TOKUNAGA. Oka—Wilfred Oka.

" 'Mr. WHEELER. Wilfred Oka. You say the chairmanship passed around at the meetings—who was the chairman?

" 'Mr. TOKUNAGA. In the beginning Charlie was.

" 'Mr. WHEELER. Charlie who?

" 'Mr. TOKUNAGA. Fujimoto. I don't know who came next, but there were several people I know, Jeanette—

" 'Mr. WHEELER. Jeanette Nakama?

" 'Mr. TOKUNAGA. I just can't remember now.

" 'Mr. WHEELER. Who was the secretary-treasurer of the Makiki group?

" 'Mr. TOKUNAGA. It was passed around to—the fellow I remember most is Donald Uesugi.

"'Mr. WHEELER. Donald Uesugi, of the Makiki group. Did he collect dues from you?

"'Mr. TOKUNAGA. Yes, sir.

"'Mr. WHEELER. How much dues did he collect?

"'Mr. TOKUNAGA. $1 a month dues.

"'Mr. WHEELER. $1 a month.

"'Mr. TOKUNAGA. As long as we didn't make over $50 a week we paid $1 a month dues. If we made over $50 we paid $2 a month.

"'Mr. WHEELER. What was your salary then?

"'Mr. TOKUNAGA. Somewhere around $54 a week.

"'Mr. WHEELER. What did Donald Uesugi give you in return for the money?

"'Mr. TOKUNAGA. He gave us small, teeny-weeny, little bitta stamp, which we pasted in our little green book.

"'Mr. WHEELER. In your little green book. That's the book that was issued to you by Ichiro Izuka. Did you keep the same book that Mr. Izuka issued to you when you were transferred over to the Makiki group.

"'Mr. TOKUNAGA. I believe I did.

"'Mr. WHEELER. You believe you did. Do you know who the educational director of this Makiki group was?

"'Mr. TOKUNAGA. Charles Fujimoto.

"'Mr. WHEELER. Charles Fujimoto—do you recall who else may have been the treasurer of your organization?

"'Mr. TOKUNAGA. No, I don't. I can't recall.

"'Mr. WHEELER. Did you ever give any money to Jeanette Nakama?

"'Mr. TOKUNAGA. She might have been dues secretary at one or two meetings, I know I got a lot of literature from her.

"'Mr. WHEELER. You bought a lot of literature from Jeanette Nakama, did you?

"'Mr. TOKUNAGA. Yes.

"'Mr. WHEELER. And that's some of the literature that you've already identified—that type of literature?

"'Mr. TOKUNAGA. That type of literature—something else.

"'Mr. WHEELER. When did the Makiki Club break in two, or form new groups out of that?

"'Mr. TOKUNAGA. It was along sometime around summer.

"'Mr. WHEELER. The summer.

"'Mr. TOKUNAGA. We were told that we had enough members to form our own local group, local union group.

"'Mr. WHEELER. I see. Now, you say you think you went in about the first part of 1946 and remained with the Waikiki group for about four meetings—that would be about a month.

"'Mr. TOKUNAGA. No, more.

"'Mr. WHEELER. Longer than a month because you didn't attend every meeting.

"'Mr. TOKUNAGA. The meetings weren't held every week.

"'Mr. WHEELER. Oh, they weren't held every week?

"'Mr. TOKUNAGA. No.

"'Mr. WHEELER. Every other week?

"'Mr. TOKUNAGA. Every other week.

"'Mr. WHEELER. I see. And then you were with the Waikiki group for about 3 months?

"'Mr. TOKUNAGA. No, it was with the Makiki group that I stayed 3 months.

"'Mr. WHEELER. With the Makiki group. Yes, the Makiki group about 3 months, so that would bring it up to the summer of 1946.

"'Mr. TOKUNAGA. Somewhere in the latter part of the summer.

"'Mr. WHEELER. And then the 150 cell was born from the Makiki group. What individuals left the Makiki group and went into the 150 cell?

"'Mr. TOKUNAGA. Eddie, myself——

"'Mr. WHEELER. Eddie?

"'Mr. TOKUNAGA. Eddie Hong, myself, and Ruth Ozaki.

"'Mr. WHEELER. What other individuals were members of the 150 cell of the Communist Party?

"'Mr. TOKUNAGA. Easter Doyle, Douglas Inouye, a fellow named Marumo.

"'Mr. WHEELER. Is that M-a-r-u-m-o. [Yoshita.]

"'Mr. TOKUNAGA. Marumo.

"'Mr. WHEELER. Do you recall his first name?

"'Mr. TOKUNAGA. No, I don't.

"'Mr. WHEELER. What did he do?

"'Mr. TOKUNAGA. He was a steward at Love's bakery.

"'Mr. WHEELER. He worked for Love's bakery.

"'Mr. TOKUNAGA. He was an agent or steward, or whatever you want to call it.

"'Mr. WHEELER. Who else were members of the 150 Club?

"'Mr. TOKUNAGA. Frank Maehara.

"'Mr. WHEELER. Frank Maehara—that's M-a-e-h-a-r-a, is that the correct spelling?

"'Mr. TOKUNAGA. Yes.

"'Mr. WHEELER. That is correct. And where did he work?

"'Mr. TOKUNAGA. Frank worked at Love's bakery, too.

"'Mr. WHEELER. Frank Maehara worked at Love's bakery also. Douglas Inouye—where did he work?

"'Mr. TOKUNAGA. He was business agent for local 150.

"'Mr. WHEELER. Local 150—and Easter Doyle—where did Easter Doyle work?

"'Mr. TOKUNAGA. Honolulu Gas Co.

"'Mr. WHEELER. Who else were members?

"'Mr. TOKUNAGA. Chibu Tamayose.

"'Mr. WHEELER. You'll have to spell that for me.

"'Mr. TOKUNAGA. T-a-m-a-y-o-s-e.

"'Mr. WHEELER. T-a-m-a-y-o-s-e—now what is his first name?

"'Mr. TOKUNAGA. It's a nickname.

"'Mr. WHEELER. How do you spell that nickname?

"'Mr. TOKUNAGA. C-h-i-b-u.

"'Mr. WHEELER. C-h-i-b-u. Where did he work?

"'Mr. TOKUNAGA. Inter-Island Drydock.

"'Mr. WHEELER. Inter-Island Drydock—the same place that you worked. How many meetings did he attend?

"'Mr. TOKUNAGA. Oh, not very many.

"'Mr. WHEELER. Not very many.

"'Mr. TOKUNAGA. He came along toward the last, at the close of the year, I believe.

"'Mr. WHEELER. The close of 1946.

"'Mr. TOKUNAGA. I believe so.

"'Mr. WHEELER. Who else were members?

"'Mr. TOKUNAGA. That's all I recall right now. How about Ernest Arena?

"'Mr. WHEELER. Ernest Arena.

"'Mr. TOKUNAGA. He was.

"'Mr. WHEELER. How about Jack Hall? Did Jack Hall belong to local 150?

"'Mr. TOKUNAGA. No. He was supposed to have been a member of local 150—a union member. But outside of that we never saw him.

"'Mr. WHEELER. You never saw him.

"'Mr. TOKUNAGA. No.

"'Mr. WHEELER. How long were you a member of this 150 cell?

"'Mr. TOKUNAGA. It must have been about 3 or 4 months, I guess.

"'Mr. WHEELER. Three or four months—and that was when you dropped out of the Communist Party?

"'Mr. TOKUNAGA. I believe it was just about that time.

"'Mr. WHEELER. That would be the end of 1947 or the first part of 1948?

"'Mr. TOKUNAGA. Just about then, I think.

"'Mr. WHEELER. Just about then.

"'Mr. TOKUNAGA. Or 1946 or the beginning of 1947.

"'Mr. WHEELER. Yes, that's right—the beginning of 1947. How about Robert McElrath?

"'Mr. TOKUNAGA. I never saw him at any of these meetings since we left Waikiki group.

"'Mr. WHEELER. You never saw him after the Waikiki group. How about Pete Racela?

"'Mr. TOKUNAGA. Oh, yes, that's right—I couldn't think of that guy's name. Yes. Pete Racela—he was there. I overlooked that guy. He was treasurer—no, he was connected with the railroad union.

"'Mr. WHEELER. He was with the railroad union. How many individuals belonged to 150 group?

"'Mr. TOKUNAGA. All I named.

"'Mr. WHEELER. How many in numbers, would you say?

"'Mr. TOKUNAGA. Roughly? Oh, about seven or eight.

"'Mr. WHEELER. We have 10 people here.

"'Mr. TOKUNAGA. They never were at a meeting at one time.

"'Mr. WHEELER. Now, were you chairman of the 150 group?

"'Mr. TOKUNAGA. I was for a while.

"'Mr. WHEELER. How long were you chairman?

"'Mr. TOKUNAGA. I don't know—about two or three meetings, I think.

"'Mr. WHEELER. Whose place did you take?

"'Mr. TOKUNAGA. They tried to push that job on me after Charley left.

"'Mr. WHEELER. After Charley who?

"'Mr. TOKUNAGA. Charles Fujimoto.

"'Mr. WHEELER. Was Charles Fujimoto also in 150?

"'Mr. TOKUNAGA. No, he came down to Waikiki.

"'Mr. WHEELER. Oh, he came down to attend and he acted as chairman——

"'Mr. TOKUNAGA. Yes.

"'Mr. WHEELER. For the first couple of meetings?

"'Mr. TOKUNAGA. Yes.

"'Mr. WHEELER. And then they gave you the chairmanship?

"'Mr. TOKUNAGA. Yes.

"'Mr. WHEELER. How did you become chairman?

"'Mr. TOKUNAGA. They just had an election against my will and they pushed me into the chair.

"'Mr. WHEELER. Who nominated you for chairman?

"'Mr. TOKUNAGA. I don't remember.

"'Mr. WHEELER. You don't remember—who was the secretary-treasurer?

"'Mr. TOKUNAGA. Ruth Ozaki, I think, started off and then they changed around and Ruth was elected chairman and Easter Doyle was elected secretary-treasurer.

"'Mr. WHEELER. Ruth Ozaki replaced you as chairman?

"'Mr. TOKUNAGA. That's right.

"'Mr. WHEELER. And Easter Doyle was secretary-treasurer. Who collected dues from you?

"'Mr. TOKUNAGA. Easter Doyle.

"'Mr. WHEELER. Easter Doyle did?

"'Mr. TOKUNAGA. Yes.

"'Mr. WHEELER. How much a month?

"'Mr. TOKUNAGA. The same—$1 a month.

"'Mr. WHEELER. Did Ruth Ozaki ever collect dues from you?

"'Mr. TOKUNAGA. Yes; I believe she did once, maybe once.

"'Mr. WHEELER. Maybe once. Who was the educational director of this particular 150 unit?

"'Mr. TOKUNAGA. When Charlie left, Jim Freeman's wife, Pearl, came in, I remember.

"'Mr. WHEELER. What did Pearl Freeman talk about?

"'Mr. TOKUNAGA. About most anything, current events and pamphlets and labor.

"'Mr. WHEELER. Was Marxism discussed?

"'Mr. TOKUNAGA. In a mild manner.

"'Mr. WHEELER. In a mild manner—by Pearl Freeman?

"'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. Did Jim Freeman ever attend these meetings?

" 'Mr. TOKUNAGA. I believe he sat in as an observer maybe once or twice.

" 'Mr. WHEELER. Once or twice. And you knew him to be the organizer for the Communist Party here in Hawaii?

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. Where were these meetings held—the 150 unit?

" 'Mr. TOKUNAGA. They were held at the union hall.

" 'Mr. WHEELER. The union hall—is that pier 11?

" 'Mr. TOKUNAGA. Pier 11. We had several meetings at NMU Hall.

" 'Mr. WHEELER. NMU—is that National Maritime Union?

" 'Mr. TOKUNAGA. National Maritime Union on Kaahumanu Street.

* * * * *

" 'Mr. WHEELER. What nights were these meetings held at NMU Hall and also at the ILWU?

" 'Mr. TOKUNAGA. I don't know. They were held several times at night and several times in the afternoon.

" 'Mr. WHEELER. Several times in the afternoon. Who set the place for the meetings? Did you set the place for the meetings when you were the chairman?

" 'Mr. TOKUNAGA. No. That generally was all decided.

" 'Mr. WHEELER. By whom?

" 'Mr. TOKUNAGA. When we first was formed to the local 150 group we set the time and date. I believe I was chairman at the night meetings.

" 'Mr. WHEELER. Did anyone else come down and discuss the Communist Party with this group other than Pearl Freeman and Charles Fujimoto?

" 'Mr. TOKUNAGA. Wallace Ho came down once.

" 'Mr. WHEELER. Wallace Ho came down once. What did he discuss?

" 'Mr. TOKUNAGA. I can't recall right now.

" 'Mr. WHEELER. Wallace Ho was a member of the Waikiki branch of the Communist Party, is that right?

" 'Mr. TOKUNAGA. I don't know.

" 'Mr. WHEELER. Well, I think you named Mr. Ho.

" 'Mr. TOKUNAGA. Maybe, I—I believe he did sit in on one of the meetings; I don't know whether he was officially one of the group of the Waikiki or not.

" 'Mr. WHEELER. You being chairman of the 150 unit, you'd be quite sure that the individuals you have named were members of the Communist Party?

" 'Mr. TOKUNAGA. Those that were there.

" 'Mr. WHEELER. Those that were there.

" 'Mr. TOKUNAGA. Outside of Frank Maehara—he didn't show up very regularly.

" 'Mr. WHEELER. Frank Maehara didn't come very often?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. Well, did anyone else come down to the 150 unit and talk to the members?

" 'Mr. TOKUNAGA. No, I don't remember anybody else.

" 'Mr. WHEELER. You don't remember anybody else—now, you were the only chairman of this unit for a very short period of time. Do you know any reason why you were relieved of your duties, so to speak? Did you ask to become rank and file again in the organization?

" 'Mr. TOKUNAGA. I put it strongly that I didn't want the responsibility.

" 'Mr. WHEELER. You didn't want the responsibility—who did you tell that to, do you know?

" 'Mr. TOKUNAGA. I believe I told it to the group.

" 'Mr. WHEELER. The group itself.

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. How were these meetings conducted? How did you open the meetings?

" 'Mr. TOKUNAGA. The first thing we did was to sit down, naturally, and rap the gavel on the table for the meeting to come to order and we made out an agenda for the meeting and followed it right down.

" 'Mr. WHEELER. Did you have roll call?

" 'Mr. TOKUNAGA. I believe our dues secretary took care of that.

" 'Mr. WHEELER. Your dues secretary took care of that.

" 'Mr. TOKUNAGA. It was part of the points on the agenda.

" 'Mr. WHEELER. What other points were on the agenda?

" 'Mr. TOKUNAGA. Collection of dues for literature.

" 'Mr. WHEELER. The selling of literature?

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. And who sold the literature in this particular 150 group?

" 'Mr. TOKUNAGA. Ernie Arena.

" 'Mr. WHEELER. Ernest Arena. And what other matters were brought up?

" 'Mr. TOKUNAGA. The recruitment of new members.

" 'Mr. WHEELER. The recruiting of new members.

" 'Mr. TOKUNAGA. And a discussion of current events, political economy or whatever the subject was for discussion.

" 'Mr. WHEELER. Did you ever recruit anybody into the Communist Party?

" 'Mr. TOKUNAGA. I guess I did.

" 'Mr. WHEELER. Who did you ask to join?

" 'Mr. TOKUNAGA. Edward Hong.

" 'Mr. WHEELER. Edward Hong.

" 'Mr. TOKUNAGA. Yes. At the time that I recruited him he was a delegate at one of the plant departments. One of the departments in the plant I worked in and I was shop steward as well as president and I got Eddie interested in this economy, about wages and how capital works and what happens in a negotiation and he saw the light—I never talked much about communism to him, but I discussed Marxism a little bit anyway of what I knew and he told me it was a good thing and he came along and sat in at several meetings at the Makiki group.

" 'Mr. WHEELER. You brought him up to the Makiki group. In other words, it was probably a couple of months after you joined the party that you brought Mr. Hong in.

" 'Mr. TOKUNAGA. Chibu Tamayose.

" 'Mr. WHEELER. That's the individual whose name is spelled T-a-m-a-y-o-s-e?

" 'Mr. TOKUNAGA. Yes.

" 'Mr. WHEELER. You recruited him also?

" 'Mr. TOKUNAGA. Well, I wouldn't say I was the only guy—Eddie Hong did a lot of talking to him to convince him that he should learn more about what's going on so that when we do seek negotiations with the bosses we'll know what we're arguing about, and he came along. He was curious about what was going on, I guess.

* * * * *

" 'Mr. WHEELER. Did you ever attend any so-called fraction meetings of the Communist Party?

" 'Mr. TOKUNAGA. You mean the leaders of each group—no. I shied away from those meetings for I didn't want to be chairman. They asked me to attend one.

" 'Mr. WHEELER. Who asked you?

" 'Mr. TOKUNAGA. I believe it was Charles Fujimoto.

" 'Mr. WHEELER. Charles Fujimoto. Did he say where it was going to be held?

" 'Mr. TOKUNAGA. Yes, he did, but I can't remember now. I didn't go so I can't say where it was.

* * * * *

" 'Mr. WHEELER. You don't remember now—when did you leave the Communist Party?

" 'Mr. TOKUNAGA. I left around the latter part of 1946.

" 'Mr. WHEELER. The latter part of 1946.

" 'Mr. TOKUNAGA. I remember election was held in Honolulu.

" 'Mr. WHEELER. That was for delegate to Congress?

" 'Mr. TOKUNAGA. Delegate for Congress.

" 'Mr. WHEELER. For what reasons did you leave?

" 'Mr. TOKUNAGA. At that time I wasn't very well, and the party was always hollering for more finances. They wanted more money for this and for that.'

"(New record started.)

" 'Mr. WHEELER. O. K., will you continue now?

" 'Mr. TOKUNAGA. Just about that time Ichiro Izuka put out a pamphlet about communism in Hawaii and that thing made such a big splash in the newspapers that I was scared. I didn't know what it was all about and just from what I saw at the meetings and Ichiro Izuka said did not jibe and I started thinking and I told myself that there might be more than what's on the surface. This idea about Communists being the vanguard of the working people sounded all right but the ideas about communism taking over the world and making this a people's world, et cetera, had me scared. I didn't like the idea of any revolutionary overthrow of American Government. I like this Government. It's done all right by me.

" 'Mr. WHEELER. You use the term "revolutionary overthrow" of this Government. Where did you learn that?

" 'Mr. TOKUNAGA. In one of the pamphlets which I read—I believe it was in the Communist Manifesto—it used that phrase.

" 'Mr. WHEELER. Used that phrase—and that's when you began to think about what the Communist Party actually is.

" 'Mr. TOKUNAGA. That's right. They gave us the pamphlets.

" 'Mr. WHEELER. Was your wife a member of the Communist Party?

" 'Mr. TOKUNAGA. No; she doesn't even know I was one.

" 'Mr. WHEELER. She's read it in the pamphlet, hasn't she?

" 'Mr. TOKUNAGA. Well, then, yes—that's when she found out.

" 'Mr. WHEELER. What does she think about it?

" 'Mr. TOKUNAGA. She just damn near pulled her hair out.

" 'Mr. WHEELER. You mentioned a minute ago that when you were in financial difficulty that you had just gotten some money paid back to Ruth Ozaki for the paper. Now what was this money that you owed her?

" 'Mr. TOKUNAGA. It was for the Peoples World flown to Honolulu by airplane and it cost—I think it was about $18 a year. I believe at the time I didn't have any money and they just wanted to increase the subscribers—or something like that, and I put my name down and Ruth advanced the money. She said, "Take your time about paying it back," so I said, "Fine, O. K."—so they put me down as a subscriber.

" 'Mr. WHEELER. And you picked the papers up in ILWU?

" 'Mr. TOKUNAGA. They were given to us whenever we did show up at the ILWU offices.

" 'Mr. WHEELER. Did it have your name on it or just a stack of papers?

" 'Mr. TOKUNAGA. Just a stack of papers.

" 'Mr. WHEELER. Did you formally resign from the Communist Party or did you just stop attending meetings?

" 'Mr. TOKUNAGA. I just told them I wasn't going to attend any more meetings. I didn't sign anything telling them I was resigning or anything like that—I just told them, "Well, I quit. I can't afford to stay in this kind of party and I want to get out."

" 'Mr. WHEELER. To whom did you tell that?

" 'Mr. TOKUNAGA. Well, I told that to Ruth and——

" 'Mr. WHEELER. To Ruth Ozaki?

" 'Mr. TOKUNAGA. Ruth Ozaki, yes, and Ernest Arena.

" 'Mr. WHEELER. Ruth Ozaki was then chairman.

" 'Mr. TOKUNAGA. She was at that time.

" 'Mr. WHEELER. Have you ever been asked to rejoin the Communist Party?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. Haven't they ever contacted you since you left?

" 'Mr. TOKUNAGA. No, they haven't.

" 'Mr. WHEELER. Not for money or anything?

" 'Mr. TOKUNAGA. No.

" 'Mr. WHEELER. They haven't?

" 'Mr. TOKUNAGA. No. At the time when I did tell them I quit they told me they would put me on the inactive list and if I wanted to join up again I could join up.

" 'Mr. WHEELER. In other words, you think you're on the inactive list now?

" 'Mr. TOKUNAGA. I don't know—I don't know how I stand.'

"Mr. TAVENNER. Mr. Chairman, I would like to interrupt the playing of the disk at this point, by reason of the fact that the rest of this record relates to the exploratory matters which are possibly not proper in evidence in a public hearing, but I would like to have Mr. Wheeler to play the very end of the disk which shows the name, and the spelling of the name of the party making the statement.

"Mr. WALTER. Instead of doing that, I think he could read it from the record to save time.

"Mr. TAVENNER. Very well.

"Mr. WALTER. As I was saying the questions and answers which you have before you were questions and answers asked and answered by the man whose voice was just heard on the record?

"Mr. WHEELER. That is correct, Mr. Chairman.

"Mr. WALTER. Proceed.

"Mr. WHEELER. (reading):

" 'Mr. WHEELER. Well, I have no further questions to ask at the present time. However, there may be some more in the future, and in the event there is, would you have any objection to talking to us again?

" 'Mr. TOKUNAGA. Only if I can find time, I will cooperate in giving you any testimony you are looking for.

" 'Mr. WHEELER. Did you ever talk to the FBI?

" 'Mr. TOKUNAGA. Yes, I have. Two fellows were up at my place one night and we talked along the same line.

" 'Mr. WHEELER. How long ago was that?

" 'Mr. TOKUNAGA. About 3 months back, I think.

" 'Mr. WHEELER. About 3 months ago? I wonder if you were—We'll make this the end of the interview. I want you to state your full name, with your middle name, and spell that out. I want your middle name now.

" 'Mr. TOKUNAGA. Ralph M-a-s-a-k-i.

" 'Mr. WHEELER. "M-a-s-a-k-i."

" 'Mr. TOKUNAGA. That's right.

" 'Mr. WHEELER. Ralph Masaki Tokunaga.'

"That is the end of the statement, Mr. Chairman."

"Mr. TAVENNER. And is this the same Ralph Tokunaga who appeared on the witness stand immediately prior to your appearance?

"Mr. WHEELER. That is correct.

"Mr. TAVENNER. When transcribing this testimony, or rather the recording of this testimony took place, was the machine placed close to you and the witness, in plain observation of both of you?

"Mr. WHEELER. The machine was between myself and the witness, Mr. Tokunaga, and I had to stop the witness when I changed the records.

"Mr. TAVENNER. After the completion of the recording, did you play the recording back to the witness?

"Mr. WHEELER. That I am not sure. I played the recording back for many witnesses. It would be very unusual if I had not done that, because I did on most of them. If I did not, I requested if he would like to hear the record played back.

"Mr. TAVENNER. Have you examined the transcript of these recordings, with the recordings from the disks, to ascertain if they are correct?

"Mr. WHEELER. Yes, sir; upon my return from Washington I played back the disk and checked it against the transcript.

"Mr. TAVENNER. Then is the transcript a correct transcript of these recordings?

"Mr. WHEELER. Yes, sir."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Ralph Tokunaga relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate; and the refusal of the witness to answer questions, namely—

"Were you acquainted with Ernest Arena during the year 1946?

"Did he [Ernest Arena] have a conversation with you in the early part of 1946 regarding membership in the Communist Party?

"Did he [Ernest Arena] ask you to become a member of the Communist Party?

"Did you become a member of the Communist Party?

"Do you know William A. Wheeler, the gentleman sitting to my left, an investigator for this committee?

"Did you meet him in room 680, that is, Mr. Wheeler, of the Alexander Young Hotel, Honolulu, T. H., on the 22d day of November 1949?

"At that time and place mentioned were you asked by Mr. Wheeler if you had ever been a member of the Communist Party, and to which you replied, 'I was once'?

"Were you asked the question, 'Did you join the Communist Party, or when did you join the Communist Party?' to which you replied, 'It was some time in 1946, I believe'?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 756) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Ralph Tokunaga to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Ralph Tokunaga may be proceeded against in the manner and form provided by law.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Mr. Speaker, yesterday when one of these proposals to cite a witness for contempt came up, a point of no quorum was made. That was because when the Labor Committee cited—it was not for refusal to testify, but called for the prosecution of Christoffel, who was charged with being a Communist, and who denied before the committee that he was a Communist. He was prosecuted for perjury. The Supreme Court reversed that conviction because it said that the RECORD did not show affirmatively that a majority of the committee was present when Mr. Christoffel testified. My own opinion of that decision would not carry any weight, but I doubt very much whether the Supreme Court will follow that line and hold that the RECORD must show affirmatively that a quorum of the House was present when the attention of the Attorney General was called to the refusal of the witness to testify before the committee. But no one knows what the present Supreme Court may hold, and because of that doubt as to what they might hold in the future, I thought the RECORD of the House should be protected to show affirmatively that a quorum was present when citations are made. The point has been made—the duty to make a record now rests with the majority.

Then there is another question that comes up and that is this: The House Committee on Lobbying is sitting and undoubtedly, if the present procedure is followed—I mean, the present proposed procedure of that committee—as announced by its chairman there will be some citations from that committee because of the refusal of certain witnesses to testify. I have always been an advocate of the theory that the House should have authority to require witnesses to give its committees information which is necessary to enable it to legislate.

The Supreme Court held several years ago, in 1927, *McGrain Dougherty case* (273 U. S. 173), that the House had that authority but, and I think unfortunately, the executive departments have refused time and time again to give House committees information needed to enable it to legislate. Where are we going to draw the line?

The House Committee on Lobbying undoubtedly has authority to inquire into what might be termed improper or illegal lobbying, but if it follows the definition adopted by the chairman of that committee when the hearings were first opened, that is, that any attempt by propaganda to influence legislation in the committee or the House is illegal lobbying if it goes along with that definition the committee will run into that provision of the Constitution which guarantees free speech, a free press, and the right to petition.

Put it in another form: I agree that illegal lobbying should be investigated

and that the House committees have authority to inquire into who contributes to that kind of lobbying, but if the purpose of the lobbying be lawful, if the means used to carry on that lobbying are legal, then what authority has the House or a House committee to inquire into who pays for it?

For example, should I advocate the distribution of the new testament or the new testament and the old testament in the prisons and in the hotels, as does the Gideon Society, there is nothing unlawful about it. If the means that are used to distribute the Bibles are legal, what business has this House or a committee of this House to inquire into who pays for doing it or who furnishes the money to enable me to do it? That is the question I want to raise. That is the question I want the House to have in mind when it is voting for the citation of these various witnesses.

I have no sympathy with them. Apparently they have refused to answer a question as to whether they were members of an organization which advocated an illegal activity, that is, the overthrow of this Government by force. They should be cited when they refuse, although I recall very distinctly that previously many witnesses—not these witnesses, but witnesses taking a similar line—got away with contemptuous conduct and the House did not cite them.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST CHARLES FUJIMOTO

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2860).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING CHARLES FUJIMOTO

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5, of the Eighty-first Congress, caused to be issued a subpena to Charles Fujimoto, 1326 Kaihee, Honolulu, T. H. The said subpena required Charles Fujimoto, as chairman of the Communist Party in Hawaii, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., and to produce all membership records, all records of dues payment, any and all financial records, ledgers, or books, and all correspondence files, on April 13, 1950, in the senate chamber, Iolani Palace, Honolulu, T. H., at 9:30 a. m., and then and there to testify to matters of inquiry committed to the said committee and not to depart without leave of said committee. The subpena served upon Charles Fujimoto is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Charles Fujimoto, 1326 Kaihee, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, and as chairman of the Communist Party in Hawaii, he is to produce all membership records, all records of dues payment, any and all financial records, ledgers or books, and all correspondence files, before the Committee on Un-American Activities, in their chamber in the city of Honolulu, T. H., April 13, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon is set forth in words and figures as follows:

"Subpena for Charles Fujimoto before the Committee on Un-American Activities. Served the within-named individual at 7:50 p. m., March 31, 1950, at 1326 Kaihee Street, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By EMMANUEL MOSES, Jr.,
"Deputy United States Marshal, House of Representatives."

The said Charles Fujimoto, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress. The said Charles Fujimoto having appeared as a witness and having been asked questions, namely:

"Will you tell the committee what positions you have held and what work you have done?

"Will you give the committee a brief review of your employment background or employment record?

"Mr. Fujimoto, I have before me a photostat copy of the Monday, October 25, 1948, issue of the Daily People's World, the heading of which is 'Communists on the Air. Fujimoto tells aims of Hawaiian party. Special to the Daily People's World, Honolulu, October 24.' 'Charles K. Fujimoto, well-known young scientist, began his duties as the newly elected chairman of the Communist Party of Hawaii last week with a press conference which attracted wide attention. The party, he told the nine reporters from the leading dailies, will go on the air Friday, October 29, on Station KHON, Honolulu, in its first broadcast. Fujimoto, who resigned his post as a soil chemist at the university to become the Communist chairman, was quizzed for an hour on the aims and objects of his party in the islands. He said, 'Our immediate program is antiwar and anti-Fascist and working for the needs of the people. We are fighting for continued rent control, lower rates, unemployment compensation, and such problems. We favor statehood. The Communist Party will not endorse candidates in the coming election, but looks forward to running party members for office in the future.' Fujimoto explained he had decided to work publicly for the party because he felt the people should be warned of the critical situation we are in, of the dangers of the third world war, and the dangers of world fascism within the country. The young scientist also talked of his youth, as the son of a plantation worker, his education, and his gradual acceptance of Marxism."

"Will you examine that article and state to the committee whether it constitutes a statement of fact, that is, whether the facts and matter stated herein are true?

"Mr. Fujimoto, I notice that at the start of this article, there is a picture; that is your picture, is it not?

"I have before me Mr. Fujimoto, a photostatic copy of the Thursday, October 21, 1948, edition of the Daily People's World, which has a heading across the top of the page 'Famed scientist takes Hawaiian Communist post. Special to the Daily People's World. Honolulu, T. H., October 20,' which reads as follows: 'Charles K. Fujimoto, 30, an outstanding research chemist, has announced publicly his acceptance of the chairmanship of the Communist Party of Hawaii. His action is the first open declaration of Communist Party activity in the history of the Islands. At the same time, Fujimoto resigned his post with the department of agriculture, chemistry, and soils, of the University of Hawaii. His resignation stressed the right of Communists to be employed at the university or in any other position and emphasized that the action was due to the full-time nature of his new responsibilities. In making public his acceptance of the new post through a letter to Dr. Donald Sherman, head of the department of agricultural chemistry at the university, Fujimoto declared that despite his continuing deep interest in science, he believes "by this action I can make my greatest contribution to the general welfare of the people of Hawaii." Fujimoto's first official act in his new post was to send the following wire to William Z. Foster, chairman of the Communist Party of the United States: "Wish success in your legal fight against outrageous charges. Will do our utmost to mobilize broadest mass support for dismissal of charges." Fujimoto, son of a Japanese sugar plantation worker, was born at Kapaa, on the island of Kauai. He was student-body president at Kauai High School, from which he graduated in 1936. He received a bachelor of science degree from the University of Hawaii, 1943, and master of science degree in 1947. From 1943 until his resignation he worked at the University of Hawaii Agricultural Experiment Station. He has had several articles published in scientific journals on various aspects of soil chemistry in Hawaii. His letter of resignation to Dr. Sherman said further: "The Communist Party of the United States is contributing immeasurably toward the welfare of the American people and the people of the world. It is courageously and consistently fighting against the drive of the monopolists toward fascism and the third world war. Because of this unceasing struggle on behalf of the people, the Communist Party is subjected to constant attack. Because of these considerations," he concluded, "I feel compelled to actively participate in the political struggle of the people to preserve the present peace won at so great a cost." '

"I will ask you to examine that issue of the People's Daily World and state whether or not the statements contained therein are true.

"I notice, Mr. Fujimoto, that a telegram is quoted in this news article in which it is alleged that you sent a telegram to William Z. Foster, chairman of the Communist Party of the United States, wishing success in a local fight against outrageous charges; what outrageous charges did you refer to, if any?

"Will you answer the question as to whether you sent such a wire or telegram to Foster?

"Were you not in that telegram referring to the charges which were finally brought to trial in the prosecution of the 11 Communist conspirators in New York?

"Were the outrageous charges to which you refer, the charges which constituted the indictment in that case and for which those men were convicted?

"Did you become the chairman of the Communist Party as stated in the news articles which I have handed you?

"Did you make the statements attributed to you at a news conference of nine or more news reporters from leading island dailies during the week of October 24 or the week prior thereto, as I read to you from the Monday 25th issue, 1948, of the Daily People's World?

"The Daily People's World which was printed in San Francisco, Calif., announced in November 1947, that the fund drive in Hawaii had succeeded in raising a total of $1,423.35, which was over the assigned quota of $1,000. Did you take part in raising those funds or were you in any way responsible for the handling of the transaction?

"How many persons belong to the Communist Party in the Territory of Hawaii?

"Are you a member of the Hawaiian Civil Liberties Committee?

"Is the Communist Party of the Territory of Hawaii affiliated with the district 13 of the Communist Party, with its headquarters in California?

"Is district 13 a part of the Communist Party of the United States?

"I hand you what purports to be a throw-away sheet entitled at the top 'Communist Party News Letter No. 1, September 15, issued by section 1, Communist Party of Hawaii.' Will you identify that as a throw-away sheet issued by the Communist Party?

"I have here another throw-away sheet which I hand to you entitled 'Your Civil Liberties in Danger,' at the end of which appears 'Club Lincoln, Communist Party, box 3204.' Will you identify that as a throw-away sheet of the Club Lincoln of the Communist Party?

"Is Club Lincoln a club of the Communist Party?

"Mr. Fujimoto, did you receive in 1947, directions from William Schneiderman, of 'Aims and Objectives of the Communist Party of Hawaii,' back in the month of October 1947, in which, among other things, the aims and objectives of the Communist Party of Hawaii were stated to be 'Essential establishment of the third party of Hawaii; development of a following in the Democratic Party in Hawaii that would back Communist causes; the establishment of a political movement in Hawaii on a broader basis composed of all sections of the labor movement and union-labor forces, instead of as previously, when it had been based on the left wing of the labor movement as represented by the ILWU; establishment of a legislative conference or caucus which would act as a pressure group in the event the Democratic Party in Hawaii failed to work for objectives favorable to the Communist Party.'

"Will you state to the committee whether in the 1948 registration of the Communist Party members in Hawaii, the Communist Party headquarters at San Francisco allocated a total of 225 membership books for Hawaii, the numbers of which ran in sequence for 88,551 to 88,775?

"I desire to ask you whether or not in your alleged capacity as chairman of the Communist Party in the Territory of Hawaii, you have subscribed to and influenced others among that group to the view expressed by William Z. Foster, head of the Communist Party in the United States, which, according to his sworn testimony, is as follows: 'No Communist, no matter how many voices he should secure in a national election, could, even if he would, become President of the present Government. When we have a Communist head of the Government of the United States, and that will come just as surely as the sun rises, the Government will not be a capitalist government, but a Soviet government, and behind this government will stand the Red Army to force the dictatorship of the proletariat.' Do you know that William Z. Foster made such a statement?

"Are you now or have you ever been a member of the Communist Party."

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Charles Fujimoto's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Charles Fujimoto. The record of the proceedings before the committee on April 13, 1950, during which the said Charles Fujimoto refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, and Hon. BURR P. HARRISON, Hon. JOHN MCSWEENEY, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 13, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. WALTER. The subcommittee will come to order.

"Mr. Tavenner, call your next witness.

"Mr. TAVENNER. I would like to call Mr. Charles Fujimoto.

"Mr. WALTER. Stand up, raise your right hand, please. Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. FUJIMOTO. I do.

"Mr. WALTER. Sit down.

"TESTIMONY OF CEARLES FUJIMOTO, ACCOMPANIED BY HIS COUNSEL, HARRIET BOUSLOG

"Mr. TAVENNER. You are Mr. Charles Fujimoto?

"Mr. FUJIMOTO. Yes.

"Mr. TAVENNER. What is your present address?

"Mr. FUJIMOTO. 1526 Kaihee Street.

"Mr. TAVENNER. When and where were you born?

"Mr. FUJIMOTO. I was born on the island of Kauai.

"Mr. TAVENNER. Are you represented here by counsel?

"Mr. FUJIMOTO. Yes, I am.

"Mr. TAVENNER. Will counsel——

"Mr. FUJIMOTO. Mrs. Bouslog is my counsel.

"Mr. TAVENNER. Will counsel please state her appearance for the purpose of the record.

"Mrs. BOUSLOG. I would like my name, Harriet Bouslog, to be entered of record as appearing for Charles Fujimoto. And at this time I would like to file with the committee a motion to quash the service of the subpena on Charles Fujimoto and I would like to ask that the ground therein be considered by the committee.

"Mr. WALTER. Let it be made a part of the record.

"Mrs. BOUSLOG. It is the same, Mr. Chairman.

"Mr. TAVENNER. When and where were you born, Mr. Fujimoto?

"Mr. FUJIMOTO. When I was born? On December 25, 1917, and I was born at Kapaa, Kauai, in the Hawaiian Islands.

"Mr. TAVENNER. Will you tell the committee what positions you have held and what work you have done?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. WALTER. What was the question?

"Mr. FUJIMOTO. And on the further ground that this committee is attempting to compel me to disclose what may or may not be my private political opinions and present beliefs, and on the further ground that the procedures of this committee in this hearing is a violation of due process, and finally on the further ground that this committee is illegally constituted.

"Mr. WALTER. Is legally constituted?

"Mr. FUJIMOTO. Yes, sir, illegally.

"Mr. WALTER. Illegally?

"Mr. FUJIMOTO. Yes, sir.

"Mr. WALTER. What was the question?

"Mr. TAVENNER. Read the question, Mr. Reporter.

"(The question was read by the reporter.)

"Mr. TAVENNER. Will you give the committee a brief review of your employment background or employment record?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the other reasons that I have already stated.

"Mr. TAVENNER. Were you employed in any capacity, as a professor or teacher, in a local institution, educational institution?

"Mr. FUJIMOTO. I have been employed by a local educational institution but not in the capacity of teacher or professor.

"Mr. TAVENNER. What was the nature of your employment?

"Mr. FUJIMOTO. I was research chemist.

"Mr. TAVENNER. What was the institution at which you were employed?

"Mr. FUJIMOTO. The Hawaii Agricultural Experiment Station, University of Hawaii.

"Mr. TAVENNER. When did you take up your duties there?

"Mr. FUJIMOTO. I believe it was in the summer of 1943.

"Mr. TAVENNER. How long did you continue to serve that institution?

"Mr. FUJIMOTO. I believe I served that institution for approximately 5 years.

"Mr. TAVENNER. When did you resign, or did you resign?

"Mr. FUJIMOTO. I resigned from the University of Hawaii, or the Agricultural Experiment Station, on October 15, 1948. I think that is the correct date.

"Mr. TAVENNER. Mr. Fujimoto, I have before me a photostatic copy of the Monday, October 25, 1948, issue of the Daily People's World, the heading of which is 'Communists on the Air. Fujimoto tells Aims of Hawaiian Party. Special to the Daily People's World, Honolulu, October 24.' Charles K. Fujimoto, well known young scientist, began his duties as the newly elected chairman of the Communist Party of Hawaii last week with a press conference which attracted wide attention. The party, he told the nine reporters from the leading dailies, will go on the air Friday, October 29, on Station KHON, Honolulu, in its first broadcast. Fujimoto, who resigned his post as a soil chemist at the University to become the Communist chairman, was quizzed for an hour on the aims and objects of his party in the islands. He said, 'Our immediate program is antiwar and anti-Fascist, and working for the needs of the people. We are fighting for continued rent control, lower rates, unemployment compensation, and such problems. We favor statehood. The Communist Party will not endorse candidates in the coming election, but looks forward to running party members for office in the future.' Fujimoto explained he had decided to work publicly for the party because he felt the people should be warned of the critical situation we are in, of the dangers of the third world war, and the dangers of world fascism within the country. The young scientist also talked of his youth, as the son of a plantation worker, his education, and his gradual acceptance of Marxism.

"Will you examine that article and state to the committee whether it constitutes a statement of fact, that is, whether the facts and matter stated therein are true?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the other reasons that I have already stated.

"Mr. WALTER. Mr. Fujimoto, I notice that at the start of this article, there is a picture. That is your picture, is it not?

"Mr. FUJIMOTO. I refuse to answer on the same grounds. [Laughter.]

"Mr. WALTER. This is not as funny as you think it is.

"Mr. TAVENNER. I desire to offer this photostatic copy in evidence and mark it 'Fujimoto No. 1.'

"Mrs. BOUSLOG. We object to the introduction of it.

"Mr. WALTER. Let it be received.

"Mr. TAVENNER. I have before me, Mr. Fujimoto, a photostatic copy of the Thursday, October 21, 1948, edition of the Daily People's World, which has a heading across the top of the page 'Famed scientist takes Hawaiian Communist post. Special to the Daily People's World, Honolulu, T. H., October 20,' which reads as follows: 'Charles K. Fujimoto, 30, an outstanding research chemist, has announced publicly his acceptance of the chairmanship of the Communist Party of Hawaii.' His action is the first open declaration of Communist Party activity in the history of the islands. At the same time Fujimoto resigned his post with the department of agriculture, chemistry, and soils, of the University of Hawaii. His resignation stressed the right of Communists to be employed at the university or in any other position and emphasized that the action was due to the full-time nature of his new responsibilities. In making public his acceptance of the new post through a letter to Dr. Donald Sherman, head of the department of agricultural chemistry at the university, Fujimoto declared that, despite his continuing deep interest in science, he believes 'by this action I can make my greatest contribution to the general welfare of the people of Hawaii.' Fujimoto's first official act in his new post was to send the following wire to William Z. Foster, chairman of the Communist Party of the United States: 'Wish success in your legal fight against outrageous charges. Will do our utmost to mobilize broadest mass support for dismissal of charges.' Fujimoto, son of a Japanese sugar plantation worker, was born at Kapaa, on the island of Kauai. He was student-body president at Kauai High School, from which he graduated in 1936. He received a bachelor of science degree from the University of Hawaii 1943, and master of science degree in 1947. From 1943 until his resignation he worked at the University of Hawaii Agricultural Experiment Station. He has had several articles published in scientific journals on various aspects of soil chemistry in Hawaii. His letter of resignation to Dr. Sherman said further: 'The Communist Party of the United States is contributing immeasurably toward the welfare of the American people and the people of the world. It is courageously and consistently fighting against the drive of the monopolists toward fascism and the third world war. Because of this unceasing struggle on behalf of the people, the Communist Party is subjected to constant attack.' Because of these considerations, he concluded, 'I feel compelled to actively participate in the political struggle of the people to preserve the present peace won at so great a cost.'

"I will ask you to examine that issue of the People's Daily World and state whether or not the statements contained therein are true.

"Mr. FUJIMOTO. Mr. Chairman, I refuse to answer the question for the reasons that I have already given.

"Mr. TAVENNER. I desire to offer the photostatic copy in evidence and ask that it be marked 'Fujimoto, exhibit No. 2.'

"Mr. WALTER. Let it be received.

"Mr. TAVENNER. I notice, Mr. Fujimoto, that a telegram is quoted in this news article, in which it is alleged that you sent a telegram to William Z. Foster, chairman of the Communist Party of the United States, wishing success in his local fight against outrageous charges. What outrageous charges did you refer to, if any?

"Mr. FUJIMOTO. I refuse to answer for the reasons that I have already given.

"Mr. TAVENNER. Will you answer the question as to whether you sent such a wire or telegram to Foster?

"Mr. FUJIMOTO. I refuse to answer the questions for the same reason that I have already given.

"Mr. TAVENNER. Were you not, in that telegram, referring to the charges which were finally brought to trial in the prosecution of the 11 Communist conspirators in New York?

"Mr. FUJIMOTO. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Were the outrageous charges to which you referred the charges which constituted the indictment in that case and for which those men were convicted?

"Mr. FUJIMOTO. I refuse to answer the question for the reasons already stated.

"Mr. TAVENNER. Did you become the chairman of the Communist Party, as stated in the news articles which I have handed you?

"Mr. FUJIMOTO. Is that a question?

"Mr. TAVENNER. Yes.

"Mr. FUJIMOTO. I refuse to answer the question for the same reasons already given.

"Mr. TAVENNER. Were you willing to appear publicly and announce yourself as chairman or secretary, as chairman of the Communist Party of Hawaii, but you are unwilling to answer that question here?

"Mr. FUJIMOTO. I refuse to answer the question for the same reasons.

"Mr. TAVENNER. As chairman of the Communist Party of Hawaii——

"Mrs. BOUSLOG. Mr. Tavenner; perhaps to save the time of the committee, we can stipulate that in respect to affiliations or activities, alleged affiliations or activities in the Communist Party of the Territory of Hawaii, or questions along that line, Mr. Fujimoto's position, I believe, will be the same as it has been as to the line of questions on activities and alleged activities in the Communist Party.

"Mr. TAVENNER. I can, of course, accept your word that his answers will be the same.

"Mr. WALTER. I would like, Mr. Tavenner, at this time to call the witness' attention to something. I don't know whether the people who were at this press conference, the reporters, are available, but I assume that they are, but if you had a press conference at which you stated the things that appear in this article, then under no theory of law, no matter how it is stretched by people who would destroy the law, are you entitled to any immunity.

"Mr. FUJIMOTO. Mr. Chairman, I have been advised as to my legal rights by my attorney.

"Mr. WALTER. You have been advised as to what your attorney believes your legal rights to be. I am afraid that you are going to find that we are not all in agreement as to that.

"Mr. TAVENNER. Did you make the statements attributed to you at a news conference of nine or more news reporters from leading Island dailies during the week of October 24 or the week prior thereto?

"Mr. FUJIMOTO. Mr. Chairman, will you please repeat the question again?

"Mr. TAVENNER. Will you read the question, Mr. Reporter?

"(The question was read by the reporter.)

"Mr. TAVENNER. As I read to you from the Monday, 25th issue, 1948, of the Daily People's World.

"Mr. FUJIMOTO. I refuse to answer the question for the reasons I have already given.

"Mr. TAVENNER. The Daily People's World, which was printed in San Francisco, Calif., announced in November 1947 that the fund drive in Hawaii had succeeded in raising a total of $1,423.35, which was over the assigned quota of $1,000. Did you take part in raising those funds, or were you in any way responsible for the handling of the transaction?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the other reasons that I have already stated.

"Mr. TAVENNER. How many persons belong to the Communist Party in the Territory of Hawaii?

"Mr. FUJIMOTO. I refuse to answer that question on the ground that it might tend to incriminate me, and for all the other reasons that I have already stated.

"Mr. TAVENNER. Are you a member of the Hawaiian Civil Liberties Committee?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the other reasons that I have already stated.

"Mr. TAVENNER. Well, what is your belief, Mr. Fujimoto, and your desire with regard to the Communist Party obtaining control of the Government of the United States?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Is the Communist Party of the Territory of Hawaii affiliated with the district 13 of the Communist Party, with its headquarters in California?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. And is district 13 a part of the Communist Party of the United States?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the other reasons that I have given.

* * * * *

"Mr. TAVENNER. Mr. Fujimoto, do you recognize William Z. Foster as the controlling head of the Communist Party of the United States?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the other reasons that I have already stated.

"Mr. TAVENNER. I hand you what purports to be a throw-away sheet, entitled at the top 'C. P. News Letter No. 1, September 15,' issued by section 1, Communist Party of Hawaii. Will you examine it?

"(Witness looks at the document.)

"Mr. TAVENNER. Will you identify that as a throw-away sheet issued by the Communist Party?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and on the other grounds that I have already stated.

"Mr. TAVENNER. At the end of this throw-away sheet appears the statement: 'For more information write to the Communist Party of Hawaii, P. O. Box 3204, Honolulu, Hawaii.' Do you know in whose name that post-office box is?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the other reasons that I have already originally said.

"Mr. TAVENNER. Did you have anything to do with the procurement of that post-office box?

"Mr. FUJIMOTO. I refuse to answer the question on the ground it might tend to incriminate me.

"Mr. TAVENNER. I notice that this throw-away sheet states: 'Issued by section 1, Communist Party of Hawaii.' How many sections were there in the Communist Party of Hawaii?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the original reasons that I have already stated.

"Mr. TAVENNER. I desire to offer the letter in evidence, and mark it 'Fujimoto Exhibit No. 4.'

"Mr. WALTER. Without objection it will be received.

"Mrs. BOUSLOG. May I ask the record show an objection to the introduction, for the reasons stated in the motion to quash?

"Mr. WALTER. This committee has no objections.

"Mrs. BOUSLOG. Lawyers will disagree with the judge.

"Mr. WALTER. Mark it.

"Mr. TAVENNER. I hand you now another Newsletter, purporting to be issued by section 1, headed: 'The Communist Party of Hawaii, Box 3204, Honolulu,' as No 2, will you examine it and say whether you can identify it as a throw-away sheet of the Communist Party?

"Mr. FUJIMOTO. I refuse to answer the question on the grounds that it might tend to incriminate me, and for the other reasons that I have already stated.

"Mr. TAVENNER. I desire to read this paragraph in the letter to you: 'The assertion that the Communists are the agents of a foreign power is a lie projected with the intent of preventing the American people of understanding the true purposes of the Communist Party, for, on the contrary American Communists have established a long and honorable record of independent, progressive action in the affairs of this country. We have consistently fought for a better life for those who do the work of our Nation.'

"Mr. Fujimoto, did you prepare, or assist in preparing this paragraph, which I have just read, and particularly that part of it denying the Communists are in any way an agent of a foreign power?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the other reasons that I have already stated.

"Mr. TAVENNER. I desire to offer the throw-away sheet in evidence, and have it marked 'Fujimoto Exhibit No. 5.'

"Mr. WALTER. Without objection it will be received.

"Mr. TAVENNER. I have here another throw-away sheet, which I hand to you, entitled, 'Your Civil Liberties in Danger,' at the end of which appears, 'Club Lincoln Communist Party, Box 3204.' Will you examine that?

"(Witness examines document.)

"Mr. TAVENNER. Will you identify that as a throw-away sheet of Club Lincoln of the Communist Party?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the other reasons already stated.

"Mr. TAVENNER. Is Club Lincoln a club of the Communist Party?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the other reasons that I have already stated.

"Mr. TAVENNER. I offer the throw-away sheet in evidence, and ask that it be marked 'Fujimoto Exhibit No. 6.'

"Mr. WALTER. It will be received.

"Mr. TAVENNER. I hand you now an additional throw-away sheet, marked No. 1, bearing date October 6, 1949, signed at the bottom: 'Communist Party of Hawaii, P. O. Box 3204, Honolulu, Hawaii,' and ask you to examine it.

"(Witness examines document.)

"Mr. TAVENNER. Can you identify that as a photostatic copy of the throw-away sheet of the Communist Party?

"Mr. FUJIMOTO. I refuse to answer the question on the ground it might tend to incriminate me, and for all the other reasons I have already given.

"Mr. TAVENNER. I desire to offer the photostatic copy in evidence, and ask that it be marked 'Fujimoto Exhibit No. 7.'

"Mr. WALTER. Without objection it will be received.

"Mr. TAVENNER. I will read the last paragraph——

"Mrs. BOUSLOG. Mr. Chairman, let the same objection, in the record, be noted to the introduction of all these documents, or should I make an objection to the receipt of them——

"Mr. WALTER. I think not. Proceed, Mr. Tavenner.

"Mr. TAVENNER. 'Your address on the post card will bring you pamphlets such as the Twilight of World Capitalism, by William Z. Foster, national chairman of the Communist Party of the United States.'

"I hand you another throw-away sheet, or a photostatic copy of a throw-away sheet, headed at the top: 'Who are the real conspirators? The Communist Party of the U. S. A., or the Un-American Committee, and its bosses, the Wall Street monopolists,' issued by—or at the end 'The Communist Party of Hawaii,' will you examine that photostatic copy and state whether or not you can state if that was issued in fact by the Communist Party of Hawaii?

"Mr. FUJIMOTO. I have examined it.

"Mr. TAVENNER. Will you answer the question?

"Mr. FUJIMOTO. I think you asked me to examine it, and I told you that I had examined it.

"Mr. TAVENNER. I thought I included in my question, the question of whether or not you would identify it as a throw-away sheet of the Communist Party?

"Mr. FUJIMOTO. All right. I will answer your question now. I refuse to answer the question on the ground it might tend to incriminate me.

"Mr. TAVENNER. I desire to offer the throw-away sheet in evidence, and ask that it be marked 'Fujimoto Exhibit No. 8.'

"Mr. WALTER. Without objection, it will be received.

"Mr. TAVENNER. Mr. Fujimoto, did you receive in 1947, directions from William Schneiderman of 'Aims and Objectives of the Communist Party of Hawaii,' back in the month of October 1947, in which, among other things, the aims and objectives of the Communist Party of Hawaii was stated to be:

" 'Essential establishment of the third party of Hawaii; development of a following in the Democratic Party in Hawaii that would back Communist causes;

" 'The establishment of a political movement in Hawaii on a broader basis, composed of all sections of the labor movement, and union-labor forces, instead of as previously, when it had been based on the left wing of the labor movement as represented by the ILWU;

" 'Establishment of a legislative conference or caucus which would act as a pressure group in the event the Democratic Party in Hawaii failed to work for objectives favorable to the Communist Party.'

"Mr. FUJIMOTO. Is that the end of the question?

"Mr. TAVENNER. Yes.

"Mr. FUJIMOTO. I refuse to answer that question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Will you state to the committee whether in the 1948 registration of the Communist Party members in Hawaii the Communist Party headquarters at San Francisco allocated a total of 225 membership books for Hawaii, the numbers of which ran in sequence from 88,551 to 88,775?

"Mr. FUJIMOTO. I refuse to answer that question on the ground that it might tend to incriminate me, and for all the other reasons that I have already stated.

"Mr. TAVENNER. I desire to ask you whether or not in your alleged capacity as chairman of the Communist Party in the Territory of Hawaii you have subscribed to and influenced others among that group to the view expressed by William Z. Foster, head of the Communist Party in the United States, which, according to his sworn testimony is as follows: 'No Communist, no matter how many votes he should secure in a national election, could, even if he would, become President of the present Government. When we have a Communist head of the Government of the United States, and that will come just as surely as the sun rises, the Government will not be a capitalist government, but a Soviet government, and behind this government will stand the Red Army to force the dictatorship of the proletariat.'

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. WALTER. Do you know that William Foster made such a statement?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for all the other reasons that I have already stated.

"Mr. WALTER. Why do you think it would incriminate you to admit that you knew that Mr. Foster made that statement?

"Mr. FUJIMOTO. I have been legally advised by my lawyer here as to my legal rights.

Mr. WALTER. All right. Never mind. Continue.

"Mr. TAVENNER. Mr. Fujimoto, in your alleged capacity as chairman of the Communist Party of Hawaii, did you advocate the views expressed by William Z. Foster, president of the Communist Party in the United States——

"Mr. FUJIMOTO. I refuse to answer on the ground——

"Mr. TAVENNER. Wait just a minute.

"Mr. FUJIMOTO. Oh, sorry.

"Mr. TAVENNER. Regarding his views of religion in communism?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Are you acquainted with the fact that William Z. Foster, president of the Communist Party of the United States, testified to the following effect, under oath, before the Fish committee, in 1935, when he was asked this question:

" 'To be a member of the Communist Party, do you have to be an atheist?' and he said, 'There is no formal requirement to this effect. Many workers join the Communist Party who still have some religious scruples, or religious ideas, but a worker who will join the Communist Party, who understands the elementary principle of the Communist Party, must necessarily be in the process of liquidating his religious beliefs, and if he still has any leanings, when he joins the party, he will soon get rid of them.'

"Mr. FUJIMOTO. No.

"Mr. TAVENNER. Your answer is that you did not know that he had made such a statement, is that it?

"Mr. FUJIMOTO. My answer is, to the question that you propounded, that I am not aware, or if I am aware of such a statement, my answer is 'No; that I was not aware of any such statement he made.'

"Mr. TAVENNER. And if that statement be correct, which I read to you, and if that be the sworn statement of William Z. Foster, would you advocate it?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might incriminate me, and for the other reasons that I have already given.

"Mr. TAVENNER. In other words, you will not say whether or not you would advocate to the members of the Communist Party, assuming that you are its chairman, or any other organization, as far as that is concerned, that a person joining the party would soon get rid of any religious leanings that they may have?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate, and for the first reasons that I have already given.

"Mr. TAVENNER. Then, do I understand you are unwilling to state to this committee

whether in your alleged capacity as a member, or rather as chairman of the Communist Party of Hawaii, you would recommend to the people of these islands that regardless of their religious conviction; whether they be Mohammedan, Confucius, Shinto, Buddhism, or Christianity, that if they became members, in the language of Foster, of the Communist Party, and if they understand the principles of the Communist Party, they must necessarily be in the process of liquidating their religious beliefs, and if they had any religious beliefs when they joined the party they would soon get rid of them?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the further reasons, that I have already stated.

* * * * *

"Mr. TAVENNER. Mr. Fujimoto, I believe possibly you answered this question indirectly, if not directly, but in order that the record may clear, I want to ask you this specific question. Have you or are you now, or have you ever been a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and on the further ground that this committee is attempting to disclose what may or may not be the private political opinions and political associations, and on the further ground that the procedure of this committee in this hearing is a violation of the due process of law, and finally, on the further ground that this committee is illegally constituted.

"Mr. WALTER. You might be interested in knowing, in connection with this latter part of your answer, that at a recent session of Congress, of the entire Membership of Congress, only 12 members voted against this committee.

"Is that all, Mr. Tavenner?

"Mr. TAVENNER. Yes.

"Mr. WALTER. You may be excused.

"(Witness excused.)"

During the course of the testimony of the witness Charles Fujimoto, your committee then and there demanded the production of the membership records, all records of dues payment and any and all official records, registers or books, and all correspondence files which were the subject of the subpena duces tecum; and the said Charles Fujimoto refused to produce the said books, papers, and records, and refused to answer all questions relating thereto.

The following extracts show the relevant questions and answers pertaining to the said books, papers and records:

"Mr. TAVENNER. Mr. Fujimoto, I inform you, and I believe according to the return of Emmanuel Moses, Jr., United States deputy marshal, dated the 31st day of March 1950, a subpena duces tecum was issued requiring you to produce before this committee all the membership records, and all the records of dues payments, and any and all official records, registers or books, and all correspondence files. Have you responded to that subpena? Do you have such records and books?

"Mr. FUJIMOTO. I refuse to answer that question on the ground that it might tend to incriminate me, and for the other grounds that I have already given.

"Mr. TAVENNER. Then you refuse to produce before this committee the membership records? My question was: Do you refuse to produce before this committee the membership records, which were in your custody?

"Mr. FUJIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me, and for the other reasons already stated.

"Mr. TAVENNER. Was that subpena served upon you?

"Mr. FUJIMOTO. Yes.

"Mr. TAVENNER. I desire to offer in evidence the subpena upon which the return is based, and to have it marked 'Fujimoto exhibit No. 3.'

"Mr. WALTER. Without objection, it will be received."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Charles Fujimoto relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Will you tell the committee what positions you have held and what work you have done?

"Will you give the committee a brief review of your employment background or employment record?

"Mr. Fujimoto, I have before me a photostatic copy of the Monday, October 25, 1948, issue of the Daily People's World, the heading of which is 'Communists on the Air. Fijimoto tells aims of Hawaiian Party Special to the Daily People's World. Honolulu, October 24.' Charles K. Fujimoto, well-known young scientist, began his duties as the newly elected chairman of the Communist Party of Hawaii last week with a press conference which attracted wide attention. The party, he told the nine reporters from the leading dailies, will go on the air Friday, October 29, on Station KHON, Honolulu, in its first broadcast. Fujimoto, who resigned his post as a soil chemist at the University to become the Communist chairman, was quizzed for an hour on the aims and objects of his party in the islands. He said, 'Our immediate program is antiwar and anti-Fascist and working for the needs of the people. We are fighting for continued rent control, lower rates, unemployment compensation, and such problems. We favor statehood. The Communist Party will not endorse candidates in the coming election, but looks forward to running party members for office in the future.' Fujimoto explained he had decided to work publicly for the party because he felt the people should be warned of the critical situation we are in, of the dangers of the third world war, and the dangers of world fascism within the country. The young scientist also talked of his youth, as the son of a plantation worker, his education, and his gradual acceptance of Marxism.

"Will you examine that article and state to the committee whether it constitutes a statement of fact, that is, whether the facts and matter stated therein are true?

"Mr. Fujimoto, I notice that at the start of this article, there is a picture; that is your picture, is it not?

"I have before me, Mr. Fujimoto, a photostatic copy of the Thursday, October 21, 1948, edition of the Daily People's World, which has a heading across the top of the page, 'Famed scientist takes Hawaiian Communist post. Special to the Daily People's World. Honolulu, Territory of Hawaii, October 20,' which reads as follows: 'Charles K. Fujimoto, 30, an outstanding research chemist, has announced publicly his acceptance of the chairmanship of the Communist Party of Hawaii. His action is the first open declaration of Communist Party activity in the history of the islands. At the same time, Fujimoto resigned his post with the department of agriculture, chemistry, and soils, of the University of Hawaii. His resignation stressed the right of Communists to be employed at the university or in any other position and emphasized that the action was due to the full-time nature of his new responsibilities. In making public his acceptance of the new post through a letter to Dr. Donald Sherman, head of the department of agricultural chemistry at the university, Fujimoto declared that despite his continuing deep interest in science, he believes 'by this action I can make my greatest contribution to the general welfare of the people of Hawaii.' Fujimoto's first official act in his new post was to send the following wire to William Z. Foster, chairman of the Communist Party of the United States:

" 'Wish success in your legal fight against outrageous charges. Will do our utmost to mobilize broadest mass support for dismissal of charges.' Fujimoto, son of a Japanese sugar-plantation worker, was born at Kapaa, on the island of Kauai. He was student-body president at Kauai High School, from which he graduated in 1936. He received a bachelor of science degree from the University of Hawaii, 1943, and master of science degree in 1947. From 1943 until his resignation he worked at the University of Hawaii Agricultural Experiment Station. He has had several articles published in scientific journals on various aspects of soil chemistry in Hawaii. His letter of resignation to Dr. Sherman said further: 'The Communist Party of the United States is contributing immeasurably toward the welfare of the American people and the people of the world. It is courageously and consistently fighting against the drive of the monopolists toward fascism and the third world war. Because of this unceasing struggle on behalf of the people, the Communist Party is subjected to constant attack.' Because of these considerations, he concluded 'I feel compelled to actively participate in the political struggle of the people to preserve the present peace won at so great a cost.'

"I will ask you to examine that issue of the People's Daily World and state whether or not the statements contained therein are true.

"I notice, Mr. Fujimoto, that a telegram is quoted in this news article in which it is alleged that you sent a telegram to William Z. Foster, chairman of the Communist Party of the United States, wishing success in a local fight against outrageous charges. What outrageous charges did you refer to, if any?

"Will you answer the question as to whether you sent such a wire or telegram to Foster?

"Were you not in that telegram referring to the charges which were finally brought to trial in the prosecution of the 11 Communist conspirators in New York?

"Were the outrageous charges to which you refer, the charges which constituted the indictment in that case and for which those men were convicted?

"Did you become the chairman of the Communist Party as stated in the news articles which I have handed you?

"Did you make the statements attributed to you at a news conference of nine or more news reporters from leading island dailies during the week of October 24 or the week prior thereto, as I read to you from the Monday 25 issue, 1948, of the Daily People's World?

"The Daily People's World which was printed in San Francisco, Calif., announced in November 1947, that the fund drive in Hawaii had succeeded in raising a total of $1,423.35, which was over the assigned quota of $1,000. Did you take part in raising those funds or were you in any way responsible for the handling of the transaction?

"How many persons belong to the Communist Party in the Territory of Hawaii?

"Are you a member of the Hawaiian Civil Liberties Committee?

"Is the Communist Party of the Territory of Hawaii affiliated with the district 13 of the Communist Party, with its headquarters in California?

"Is district 13 a part of the Communist Party of the United States?

"I hand you what purports to be a throwaway sheet entitled at the top 'Communist

Party News Letter No. 1, September 15, Issued by Section 1, Communist Party of Hawaii.' Will you identify that as a throw-away sheet issued by the Communist Party?

"I have here another throw-away sheet, which I hand to you, entitled 'Your Civil Liberties in Danger,' at the end of which appears 'Club Lincoln, Communist Party, Box 3204.' Will you identify that as a throw-away sheet of the Club Lincoln of the Communist Party?

"Is Club Lincoln a club of the Communist Party?

"Mr. Fujimoto, did you receive in 1947, directions from William Schneiderman, of 'Aims and Objectives of the Communist Party of Hawaii,' back in the month of October 1947, in which, among other things, the aims and objectives of the Communist Party of Hawaii were stated to be: 'Essential establishment of the third party of Hawaii; development of a following in the Democratic Party in Hawaii that would back Communist causes; the establishment of a political movement in Hawaii on a broader basis composed of all sections of the labor movement and union labor forces, instead of as previously, when it had been based on the left wing of the labor movement as represented by the ILWU; establishment of a legislative conference or caucus which would act as a pressure group in the event the Democratic Party in Hawaii failed to work for objectives favorable to the Communist Party.'

"Will you state to the committee whether in the 1948 registration of the Communist Party members in Hawaii, the Communist Party headquarters at San Francisco allocated a total of 225 membership books for Hawaii, the numbers of which ran in sequence from 88,551 to 88,775?

"I desire to ask you whether or not in your alleged capacity as chairman of the Communist Party in the Territory of Hawaii, you have subscribed to and influenced others among that group to the view expressed by William Z. Foster, head of the Communist Party in the United States, which, according to his sworn testimony, is as follows: 'No Communist, no matter how many votes he should secure in a national election, could, even if he would, become President of the present Government. When we have a Communist head of the Government of the United States, and that will come just as surely as the sun rises, the Government will not be a capitalist government, but a Soviet government, and behind this government will stand the Red army to force the dictatorship of the proletariat.' Do you know that William Z. Foster made such a statement?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprives this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

And because of the refusal of Charles Fujimoto to produce the books, papers, and records mentioned in the foregoing subpena, the Committee on Un-American Activities has been deprived of the opportunity to inspect the same and of the evidence contained therein which your committee considers relevant to the subject matter, which, under Public Law 601, section 121, section Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate. The willful and deliberate refusal of Charles Fujimoto to produce the said books, papers, and records as called for in the subpena, deprives your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 757) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Charles Fujimoto to answer questions before the said Committee on Un-American Activities, and as to the willful and deliberate refusal of Charles Fujimoto to produce all membership records, all records of dues payment, any and all financial records, ledgers, or books, and all correspondence files of the Communist Party in Hawaii, before the said committee, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Charles Fujimoto may be proceeded against in the manner and form provided by law.

Mr. WOOD. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I rise for the purpose of stating for the RECORD that I voted against all these resolutions yesterday and today, and shall vote against all of the remaining of them today for the reasons I outlined in my speech yesterday, which is found on page 12238 of the CONGRESSIONAL RECORD.

Mr. Speaker, as to the citations against the workers in Hawaii, I submit we should have before us what is really behind these citations.

Labor organization made little progress in the Territory of Hawaii until 1945. This was due in no small part to the suppression of labor's rights as indicated by various Government reports.

A United States Department of Labor report in 1939 said:

There is a tendency on the part of management to assume that unionism is synonymous with dangerous radicalism * * * The result of this attitude is the feeling that labor unionism is a common menace to all Hawaiian enterprises, etc.

Prior to 1900, the workers in Hawaii were indentured serfs. And, despite the prohibition of this practice by the organic act, it in fact continued far into the twentieth century.

After annexation, and with the abolition of contract labor, various attempts were made by the workers to organize themselves and improve their miserable wages and conditions. Bitter and bloody struggles took place between the plantation owners and the workers' organizations.

From 1924 to 1937, no notable or sizable strikes of plantation labor occurred. That the plantation attitude toward labor did not change during this period of "labor peace" is illustrated by a statement made in 1929 by R. A. Cooke, president of the Hawaii Sugar Planters Association:

As has been emphasized again and again, the primary function of our plantations is not to produce sugar but to pay dividends.

The following year he said:

I can see little difference between the importation of foreign laborers and importation of jute bags from India.

The reason for lack of labor organization during this period, according to William Crozier, Territorial House of Representatives, as told a special subcommittee of the legislature, was:

Any workingman who tries to organize and bargain collectively to better the conditions of himself, wife, and children is looked upon as a Communist, a radical, a socialist, and a red. * * * The employers discharge men for joining unions in Hawaii.

In 1937 the Filipino workers of Maui went on strike and the strike was broken by the use of the conspiracy statute. The next year, 1938, in May the seamen and longshoremen of the Inter-Island Navigation Co. struck for 3 months. The strike was broken when 51 strikers were shot and bayoneted on August 1.

After December 7, 1941, martial law put a clamp on all labor activities.

Not until March 1943, was military control relaxed. With this relaxation, labor organization began on the plantations. Apprentice mechanics were earning a base pay of 28 cents an hour, field hand 25 cents, plantation clerks 19 cents, skilled mechanics 82 cents. Nonplantation unskilled labor was earning 82 cents. In 1944, five longshoremen from Honolulu who were attempting to organize plantation workers were picked up by the provost marshal and ordered to return to Honolulu. They were threatened with a change in their draft status.

In 12 months 20,000 mill and field laborers were organized.

Every National Labor Relations Board election for the mill workers was won overwhelmingly. The union, the International Longshoremen's and Warehousemen's Union, received 97 percent of the votes cast. On Maui, in 14 elections the vote was 2,243 for the International Longshoremen's and Warehousemen's Union to 219 against. On Kauai, in 11 elections the vote was 1,709 for the union, 18 against. On Hawaii, in 29 elections, the vote was 3,138 for the union, 161 against. Typical returns were the ones at Lihue Plantation Co. where the vote was 679 for the International Longshoremen's and Warehousemen's Union, 4 against. At Koloa Sugar Co., it was 173 for the International Longshoremen's and Warehousemen's Union, 1 against.

On September 1, 1946, after collective bargaining failed to produce an agreement, and after a vote in which 94 percent of the ballots cast favored a strike, 25,000 sugar workers struck.

The demands of the strikers were:

First. A 65-cent minimum cash wage;

Second. A 40-hour workweek;

Third. A union shop; and

Fourth. A reduction in the cost of perquisites.

The strike lasted 79 days except at Pioneer Mill Co. at Lahaina, Maui, where it continued until the first of the year until the company agreed to arbitrate the discharge of 10 strikers. These men were charged with criminal offenses, but not tried or convicted. The company discharged them for violation of company rules for the alleged offenses involved in the criminal cases.

Except for 12 strikers on Kauai charged with the felony of contempt for violating an ex parte injunction limiting peaceful picketing, criminal charges against strikers were brought only in Maui County.

In Maui County, 125 strikers were charged with the following criminal offenses: 79 were charged with unlawful assembly and riot at Paia, Maui; 22 were charged with riot, unlawful assembly, conspiracy, and assault and battery at Lahaina, Maui; 15 were charged with summary contempt of a restraining order limiting picketing to 3; 4 were charged with assault and battery; 4 were charged with malicious injury; 1 was ordered to show cause why he should not be put under a peace bond.

All cases have been disposed of except the unlawful assembly charge against 75 strikers at Paia involved in this proceeding and the contempt case which is pending before the Ninth Circuit Court of Appeals on appeal from the denial of a writ of prohibition by the supreme court of the Territory.

The unlawful assembly, riot and conspiracy charges against the 22 strikers at Lahaina, Maui, were nolle prossed. The remaining cases were disposed of without trial.

The only corporal injuries involved in the 125 Maui cases were assault and batteries on three white supervisors at Lahaina, Maui, as a result of which 22 strikers were charged.

In the first 3 days of the 5-day pineapple strike in 1947, 214 arrests were made, and 4 antipicketing injunctions issued. The union voted on the fourth day to return to work without achieving its demands.

Seventy-five of the arrests occurred on the Island of Lanai, Maui County. Seventy-three persons, including the individual plaintiffs, were charged on police complaint with unlawful assembly and riot. After the strike was broken, charges against 32 strikers were dropped when the prosecution was unable to adduce evidence of these persons even being present at the time the alleged riot occurred.

On the Island of Oahu, there were 131 arrests. One hundred were nolle prossed after the strike was over, including one complaint charging violation of the antipicketing law repealed in 1945; three were tried in the district court and found not guilty; one was found guilty. One was acquitted after a jury trial. Charges of obstruction of the highway, profanity and disorderly conduct were disposed of on nolo pleas, and small fines were assessed.

Specific charges of police brutality were made by the union, and a public hearing before the police commissioner was demanded but refused.

On Kauai, 12 strikers were charged with obstructing the highway and malicious injury, one with criminal trespass (sitting under a palm tree on company property), and one with assault and battery. All charges except obstructing the highway were nolle prossed and on pleas of nolo contendere, fines were assessed.

It is in this background that we must see the attacks against the ILWU in Hawaii.

The Un-American Activities Committee in asking these 39 people be cited for contempt—including 28 local officials of this union—is continuing the attempts to weaken and destroy this labor organization in Hawaii.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST DWIGHT JAMES FREEMAN

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2861).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING DWIGHT JAMES FREEMAN

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Dwight James Freeman, 30 Dewey Court, Honolulu, T. H. The said subpena directed Dwight James Freeman to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 10, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Dwight James Freeman is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Dwight James Freeman, 30 Dewey Court, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 10, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD,
"Chairman.

"Attest:
"[SEAL] "RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon, by George E. Bruns, deputy, who was duly authorized to serve the said subpena. The return of the service by the said George E. Bruns, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Dwight James Freeman, 30 Dewey Court, Honolulu, T. H., before the Committee on Un-American Activities. Served upon Dwight James Freeman, 30 Dewey Court, 4:30 p. m. April 7, 1950.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By GEORGE E. BRUNS,
"Deputy."

The hearing conducted by the Committee on Un-American Activities on April 10, not having been completed on that day was adjourned from day to day and reconvened on April 14, 1950.

The said Dwight James Freeman, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress. The said Dwight James Freeman, having appeared as a witness and having been asked questions, namely:

After stating for whom he worked on a construction job, the witness was asked the question:

"Did you hold any other position at that time?

"Will you please give the committee a brief outline of your work record or occupation record?

"You gave us your Honolulu address for the past few months, I believe. Where else have you lived in Honolulu other than the address that you gave?

"Mr. Freeman, did you make an application for a domestic money order on November 29, 1948, in the amount of $15, made out to Felice Clark, 942 Market Street, San Francisco, Calif., and also three other money orders, one October 18, 1948, in the amount of $24.05, to the same person at the same address, one of November 18, in the amount of $74.63, to the same person at the same address, and the last dated December 28, 1948, to the same person at the same address?

"Now the payee on these applications, Mr. Freeman, is one Felice Clark; who is Felice Clark?

"The address given of Felice Clark is 942 Market Street, San Francisco, Calif. Do you know what institution or organization has its headquarters at that address?

"You know it to be the headquarters of the Communist Party in San Francisco, do you not?

"1920 Kahakai Street appearing below your signature was the place of your residence on the dates of these applications, was it not?

"I now hand you, Mr. Freeman, photostatic copies of four money orders which have previously been admitted in evidence and designated respectively Q–5, Q–6, Q–7, and Q–8, and I will ask you whether or not you obtained these four money orders in response to your own application and that you mailed those money orders, mailed them to Felice Clark?

"Now, do you know Jack Hall?

"What position does Wilfred Oka hold?

"Do you know him (Wilfred Oka)?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Dwight James Freeman's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Dwight

James Freeman. The record of the proceedings before the committee on April 14, 1950, during which the said Dwight James Freeman refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER (chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, April 14, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Mr. James Freeman.

"Mr. WALTER. Will you raise your right hand? Do you swear that the testimony you are about to give to be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. FREEMAN. I do.

"TESTIMONY OF DWIGHT JAMES FREEMAN, ACCOMPANIED BY HIS COUNSEL, HARRIET BOUSLOG

"Mr. TAVENNER. Are you Mr. Dwight James Freeman?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. FREEMAN. I am.

"Mr. TAVENNER. Will counsel please identify herself for the record?

"Mrs. BOUSLOG. I would like my name, Harriet Bouslog, to be entered of record as counsel for Dwight James Freeman, and at this time I would like to file with the committee a motion to quash the subpena served upon Dwight James Freeman.

"Mr. WALTER. It will be received for the record.

"Mr. HARRISON. The motion is the same as the other.

"Mrs. BOUSLOG. Yes, Mr. Committeeman.

"Mr. TAVENNER. Are you sometimes known or referred to as James Freeman?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. And also as Jim Freeman?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. Where do you presently reside?

"Mr. FREEMAN. 30 Dewey Court, Honolulu, T. H.

"Mr. TAVENNER. How long have you resided there?

"Mr. FREEMAN. Several months. I don't know the exact date we moved there.

"Mr. TAVENNER. How are you employed?

"Mr. FREEMAN. Ask that question again, please.

"Mr. TAVENNER. How are you employed?

"Mr. FREEMAN. I am unemployed at the present time.

"Mr. TAVENNER. How long have you been unemployed?

"Mr. FREEMAN. Since Friday of last week.

"Mr. TAVENNER. What was your position prior to Friday of last week?

"Mr. FREEMAN. I was working on a construction job.

"Mr. TAVENNER. For whom?

"Mr. FREEMAN. C. W. Winstedt, Ltd.

"Mr. TAVENNER. Did you hold any other position at that time?

(Confers with counsel.)

"Mr. FREEMAN. On the advice of counsel, I refuse to answer that question on the ground that it might tend to incriminate me, and for the other reasons stated in the motion to quash this subpena.

"Mr. TAVENNER. What is your educational background, Mr. Freeman?

"Mr. FREEMAN. I went through grade school.

"Mr. TAVENNER. When and where were you born?

"Mr. FREEMAN. Born in Oklahoma, January 2, 1912.

"Mr. TAVENNER. Will you please give the committee a brief outline of your work record or occupation record?

"Mr. FREEMAN. On the advice of counsel, I refuse to answer that on the ground that it might tend to incriminate me, and for the further reasons as stated in the motion.

"Mr. TAVENNER. When did you come to Hawaii?

"Mr. FREEMAN. It was sometime in the first part of 1942.

"* * * * *

"Mr. TAVENNER. Now, you stated you enlisted in August, probably, of 1943, in the Army.

"Mr. FREEMAN. No; in the Navy Seabees.

"Mr. TAVENNER. Well, what was the draft board to which you were subject?

"Mr. FREEMAN. Southern California. I asked for a transfer to one of the draft boards in San Francisco, and then I enlisted in the Navy Seabees.

"Mr. TAVENNER. Was your draft board No. 173, Anaheim, Calif?

"Mr. FREEMAN. It was in Anaheim. I don't recall the number. I could check that.

"Mr. TAVENNER. But, it was in Anaheim, although you don't recall the number of your board?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. I show you an application for voluntary induction, dated July 22, 1943, to local board 173 of Anaheim. Will you state if that is the draft board to which you referred as having made the application to?

"Mr. FREEMAN. So far as I know, that is. I think this may be the letter to the United States Navy.

"Mr. TAVENNER. It appears to be signed by you, Dwight James Freeman. That is correct, isn't it?

"Mr. FREEMAN. That's right.

"Mr. TAVENNER. That is your signature?

"Mr. FREEMAN. It looks like it. I signed such a form.

"Mr. TAVENNER. Well, is there any doubt about it?

"Mr. FREEMAN. I said it looked like my signature. I signed such a form. I am not a handwriting expert.

"Mr. TAVENNER. But, you know your own signature, don't you? You know what you signed?

"Mr. FREEMAN. I stated it looked like my signature. I signed such a form.

"Mr. TAVENNER. Do you believe it is your signature?

"Mr. FREEMAN. I believe so.

"Mr. TAVENNER. Here is a photostatic copy of a letter, addressed to local board 173. If there is any doubt about it, will you examine that letter and state whether or not you wrote it? [Handing document to witness.]

"You have examined the letter?

"Mr. FREEMAN. I have.

"Mr. TAVENNER. Is it your letter?

"Mr. FREEMAN. It looks like it, yes. I think I wrote such a letter, yes.

"Mr. TAVENNER. Well, it is written in longhand, isn't it?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. Signed in longhand?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. Well, did you write the letter?

"Mr. FREEMAN. I said I wrote such a letter.

"Mr. TAVENNER. Well, did you write this letter?

"Mr. FREEMAN. I said I wrote such a letter. That could very well be it. It looks like my signature. I am not denying——

"Mr. TAVENNER. I know, but neither are you admitting it.

"Mr. FREEMAN. All right, then, it is. So far as I know, it is.

"Mr. TAVENNER. It is your letter?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. Signed by you?

Mr. FREEMAN. Yes, I said as much to start with.

"Mr. TAVENNER. No, you did not.

"I hand you now a third letter, dated November 15, 1942, addressed to the local board No. 3, in longhand, and ask you to examine that, and in order that there may be no misunderstanding about it, state whether or not you wrote the letter. Is this your letter, written by you?

"Mr. FREEMAN. Yes.

"Mr. MOULDER. That is a photostatic copy of his letter.

"Mr. TAVENNER. Yes. That is a photostatic copy. I hand you now a registration card from the draft board, and ask you to, or rather a photostatic copy of it—it appears to be signed with your name at the bottom. Will you examine it, please, and state whether or not you signed it?

"(Witness examines document.)

"Mr. TAVENNER. Is that your signature?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. I hand you now a photostatic copy of a typewritten letter, addressed to the Selective Service System, in which you request permission to leave the United States for 12 months in order to accept employment with the Pacific Bridge Co., contractors at Pearl Harbor, T. H., in which your name appears to be signed. Will you examine that photostatic copy and state whether or not that is your signature?

"(Witness examines document.)

"Mr. TAVENNER. Will you answer the question?

"Mr. FREEMAN. State it again.

"Mr. TAVENNER. After having examined the document I handed you, will you state whether or not it was signed by you, Dwight James Freeman?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. I hand you a photostatic copy of a request for transfer for delivery, bearing date July 22, 1943, addressed to your local board, and ask you whether or not your name is signed to it, and whether it is your signature?

"(Witness examines document.)

"Mr. TAVENNER. Is that your signature?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. I hand you now a photostatic copy of your selective-service questionnaire, on which there appears the registrant's affidavit, and ask you whether or not that is your signature to the affidavit.

"(Witness examines the document.)

"Mr. TAVENNER. Have you identified the signature forming part of the registrant's affidavit as your signature?

"Mr. FREEMAN. It appears to be my signature. There is some on that there, I was a little confused about, because the letter 'D' is not the way, the same type of 'D' I make now. Compared with the others, it is not quite the same as the other signatures. I think it is my signature, and I remember giving this information contained on there in some form or other.

"Mr. TAVENNER. You remember filing your selective-service questionnaire?

"Mr. FREEMAN. Yes. The exact details of it I don't recall.

"Mr. TAVENNER. I understand, but you recall signing it, do you not?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. And after having examined the signature, you are satisfied that it is your signature.

"Mr. FREEMAN. I think it is my signature.

"Mr. TAVENNER. What do you mean by 'think'?

"Mr. FREEMAN. I told you, on the first name, it is a little different compared with the other signatures that you have there, it is slightly different. The 'F' is exactly or appears to me to be the same, and I think it is my signature, and I signed such a statement to the selective-service board.

"Mr. TAVENNER. Are you satisfied it is your signature?

"Mr. FREEMAN. Yes, yes.

"Mr. TAVENNER. I hand you now a photostatic copy of a page relating to the naming of the beneficiary in your war-risk insur-

ance, which carries the name, the signature, 'Dwight James Freeman' and ask you to examine your signature on that document and state whether or not you signed that document.

"Mrs. BOUSLOG. Mr. Tavenner, this appears to be the eighth page of an additional document. Do you have the rest of the document present?

"Mr. TAVENNER. I have addressed my question to the witness.

"Mr. FREEMAN. I don't know that I understand the question.

"Mr. WALTER. What is the question?

"Mr. FREEMAN. The rest of the document that this is the eighth page of, is it present?

"Mr. TAVENNER. No, Mr. Chairman. I do not have any paper other than the one I have handed to you relating to that document.

"Mr. WALTER. For what purpose is this question being asked?

"Mr. TAVENNER. For the purpose of identifying his signature.

"Mr. WALTER. I don't see any valid reason why you cannot answer that question.

"Mr. FREEMAN. I was merely wanting to know what is on the rest of the document, that is all. As far as I know, that is my signature.

"Mr. TAVENNER. I hand you another document, which is the oath of allegiance when you were inducted in the Navy, bearing date August 19, 1943, which bears the signature 'Dwight James Freeman' and ask you if you signed the original of that document, and whether that is a copy of your handwriting, your signature.

"(Witness examines document.)

"Mr. TAVENNER. Is that your signature?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. I now hand you a photostatic copy of shipping articles bearing date August 19, 1943, which purports to bear your signature, 'Dwight James Freeman,' and ask you to examine your signature and state whether or not that is a copy of your signature.

"(Mr. Freeman confers with counsel.)

"Mr. TAVENNER. Is that your signature?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. I hand you now a letter bearing date June 21, 1943, addressed to Local Board 173, Anaheim, Calif., purporting to bear your signature, the signature 'D. J. Freeman—D. F.—D. J. Freeman,' relating to an appeal. Will you examine that letter and state whether or not it was written by you and whether or not you signed it?

"Mr. MOULDER. Mr. Chairman, may I suggest to counsel, don't you think it would be better to mark those documents as exhibits before submitting them to the witness, so that the record will properly reflect the documents?

"Mr. TAVENNER. Each of these documents has already been admitted in evidence and bears an exhibit number on the document.

"Mr. MOULDER. I hadn't heard you make any reference to the exhibit.

"Mr. TAVENNER. No, sir. That was done in Washington. I will present them here presently.

"Was that letter written by you, in your own handwriting?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. And signed by you?

"Mr. FREEMAN. Yes. Well, I would like to correct that. It was signed by me. I would not guarantee the answer. I did not examine the whole letter. Whether or not it was my writing or I had somebody else write it.

"Mr. TAVENNER. I will hand it back to you and ask you to examine it.

"(Witness examines letter again.)

"Mr. FREEMAN. I cannot say by looking at it whether it is my handwriting or not, but I will say if it is not, I did dictate this letter.

"Mr. WALTER. Did you write such a letter?

"Mr. FREEMAN. Yes.

"Mr. WALTER. To the best of your recollection, it is that letter, that you wrote, you signed.

"Mr. FREEMAN. Yes, sir.

"Mr. WALTER. All right.

"Mr. TAVENNER. You gave us your Honolulu address for the past few months, I believe. Where else have you lived in Honolulu other than the address that you gave?

"Mr. FREEMAN. At what period are you referring, sir?

"Mr. TAVENNER. Well, from the time you took up your residence in Honolulu.

"Mr. FREEMAN. On advice of counsel I refuse to answer that question on the ground that it might tend to incriminate me, and on the other grounds already stated.

"Mr. TAVENNER. In November 1948, did you live at 1920 Kahakai Street, in Honolulu?

"Mr. FREEMAN. Would you state that address again, sir?

"Mr. TAVENNER. 1920 Kahakai. My pronunciation is not reliable.

"Mr. FREEMAN. Yes, sir.

"Mr. TAVENNER. Mr. Chairman, each of the documents as to which the witness has identified his signature were received in evidence before this committee in testimony which I will presently present to you again to refresh your recollection. I ask that they be marked James Freemen exhibits K–1, K–2—were marked as follows: the application for voluntary induction, of July 22, 1943, as James Freeman, exhibit K–1.

"Mr. WALTER. I don't think you should offer that because that is the one document, as I recall it, in which he expresses some doubt as to his signature.

"Mrs. BOUSLOG. I think there is some misunderstanding. I think there is a misunderstanding.

"Mr. FREEMAN. I don't think that is the document I had doubt on.

"Mr. TAVENNER. Yes. I did not understand that there was any doubt regarding his signature on any of them, Mr. Chairman. That is my recollection.

"Mr. WALTER. Let them be marked and received, and I will examine the testimony and if there is any doubt as to any one of them, as to that particular exhibit, it will be excluded.

"Mr. TAVENNER. I say this first document has been admitted in evidence as James Freeman exhibit K–1. The letter of June 6, 1943, addressed to the local board, as exhibit James Freeman K–2, another letter of local board 173, bearing date November 15, 1942, as exhibit K–3, the registration card as exhibit K–4, the letter to the Selective Service System, requesting permission to leave the United States for 12 months, as Freeman exhibit K–5, the request for delivery of June 22, 1943, James Freeman exhibit K–6, the selective service questionnaire as James Freeman exhibit K–7, the page relating to the beneficiary in an insurance policy as James Freeman exhibit K–8, the oath of allegiance, as K–9, the shipping articles as K–10, and the letter of June 21, 1943, to local 173 as K–11.

"Mr. WALTER. Without objection, they will be received. I might state to counsel, if there is any reason you feel the documents should not be received——

"Mrs. BOUSLOG. I would like to say that, not being aware of any prior testimony before this committee, not being apprised of the purpose for which this line of questioning is offered, or what its purpose or point is, I don't believe that there is any showing of any relevance to the purposes of this committee.

"Mr. WALTER. I think your mind will be set straight with respect to that as we proceed.

"Mr. MOULDER. The first one was K–1, and so on, but the witness hasn't testified as to K–1 except by your remarks when offering them. That is the reason I suggested they be marked before submitting them to the witness and referring to them as exhibit so-and-so.

"Mr. TAVENNER. Each exhibit as presented to him was described and I used the same description in reading into the record the exhibit number, but if the committee desires, I will hand the entire group back to the witness and have him look them over again, if he desires to do so.

"Mr. WALTER. I think they have been sufficiently identified.

"Mr. TAVENNER. Mr. Freeman, did you make an application for a domestic money order on November 29, 1948, in the amount of $15, made out to Felice Clark, 942 Market Street, San Francisco, Calif., and also three other money orders, one October 18, 1948, in the amount of $24.05, to the same person at the same address, one of November 18, 1948, in the amount of $74.63, to the same person at the same address, and the last dated December 28, 1948, to the same person at the same address? I hand you photostatic copies of such money orders or applications for such money orders and ask you to examine them in order to refresh your recollection.

"(Witness examines documents referred to.)

"Mr. FREEMAN. On advice of counsel I refuse to answer the question on the ground that it might tend to incriminate me, and on the other grounds already stated.

"Mr. HARRISON. May I see the other exhibits, K–1, 2, 3, 4, 5, 6, and 7?

"Mr. TAVENNER. Each of the four applications for money orders are marked at the lower right-hand corner as Q–1, Q–2, Q–3, and Q–4, respectively, having been introduced in evidence heretofore as James Freeman exhibits Q–1, Q–2, Q–3, and Q–4.

"Mr. WALTER. Are you offering them in evidence?

"Mr. TAVENNER. Having already offered them, I don't believe it is necessary to offer them in evidence, but I state it is merely for the purpose of identification.

"Now, the payee on these applications, Mr. Freeman, is one Felice Clark. Who is Felice Clark?

"Mr. FREEMAN. I refuse to answer the question on advice of counsel, on the ground that this might tend to incriminate me, and on the other grounds which have already been stated.

"Mr. TAVENNER. The address given of Felice Clark is 942 Market Street, San Francisco, Calif. Do you know what institution or organization has its headquarters at that address?

"Mr. FREEMAN. On advice of counsel I refuse to answer the question on the ground that it might tend to incriminate me and for the other reasons already stated.

"Mr. TAVENNER. You know it to be the headquarters of the Communist Party in San Francisco, do you not?

"Mr. FREEMAN. On advice of counsel I refuse to answer the question on the ground this might tend to incriminate me and for the other reasons already stated.

"Mr. TAVENNER. 1920 Kahakai Street, appearing below your signature, was the place of your residence on the dates of these applications, was it not?

"Mr. FREEMAN. On advice of counsel I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Isn't it a matter of fact that you have already told the committee that that was your address in November 1948?

"Mr. FREEMAN. I think the record will speak for itself.

"Mr. TAVENNER. Were you prompted to make that reply by counsel? I withdraw the question.

"But, if the chairman please, I think the witness is entitled to benefit of counsel but not to be prompted as to the replies that should be made.

"Mr. WALTER. I don't agree entirely. If counsel wants to assume the responsibility

of indicating what the answer ought to be——

"Mrs. BOUSLOG. It seems to me, Mr. Chairman, that as a matter of law that is the correct interpretation. Let the record speak for itself.

"Mr. TAVENNER. I now hand you, Mr. Freeman, photostatic copies of four money orders which have previously been admitted in evidence and designated, respectively, Q–5, Q–6, Q–7, and Q–8, and I will ask you whether or not you obtained these four money orders in response to your own application and that you mailed those money orders, mailed them to Felice Clark?

"Mr. FREEMAN. On advice of counsel, I refuse to answer the question on the grounds this might tend to incriminate me, and for the other reasons already stated.

"Mr. TAVENNER. I will read for the record, first, Q–5, which is payable to Felice Clark, and it is marked 'Paid, December 7, 1948,' and the second, which is Q–6, is payable to Felice Clark, and is marked 'Paid, January 3, 1949,' and the third is Q–8, and is payable to Felice Clark, and it is marked 'Paid, November 24, 1948,' and the last, which is Q–7, is payable to Felice Clark, and marked 'Paid, October 22, 1948.'

"Mr. Freeman, I hand you a photograph which has been introduced in evidence as Kahawinui exhibit No. 1, and I ask you if that is your photograph, a photograph of you? Will you answer the question, please?

"Mr. FREEMAN. State the question, sir.

"Mr. TAVENNER. You have examined the photograph, which I handed you?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. Is it a photograph of you?

"Mr. FREEMAN. Yes.

"Mr. TAVENNER. Now, do you know Jack Hall?

"Mr. FREEMAN. On the advice of counsel I refuse to answer, on the ground that it might tend to incriminate me, and on the further grounds stated.

"Mr. TAVENNER. What position does Wilfred Oka hold?

"Mr. FREEMAN. On the advice of counsel, I refuse to answer, on the grounds it might tend to incriminate me.

"Mr. TAVENNER. Do you know him?

"Mr. FREEMAN. On the advice of counsel, I refuse to answer the question on the grounds it might tend to incriminate me.

"Mr. TAVENNER. Do you know Harriet Bouslog?

"Mr. FREEMAN. Harriet Bouslog is my attorney.

"Mr. TAVENNER. Do you know Mr. Wheeler?

"Mr. FREEMAN. No.

"Mr. TAVENNER. Are you now, or have you ever been, a member of the Communist Party?

"Mr. FREEMAN. On advice of counsel, I refuse to answer, on the ground that it might tend to incriminate me, and on the further grounds already stated in my objection.

"Mr. TAVENNER. For what purpose were you sent to Honolulu?

"Mr. FREEMAN. On advice of counsel, I refuse to answer the question, on the ground it might tend to incriminate me, and for the further reasons already stated.

"Mr. TAVENNER. I have no further questions.

"Mr. HARRISON. Mr. Freemen, you say you were in the United States military service.

"Mr. FREEMAN. I was, sir.

"Mr. HARRISON. For what period of time did you serve?

"Mr. FREEMAN. I served, I remember, the date he stated there, July–August 1943 to December 2, 1945.

"Mr. TAVENNER. And where were you in the service?

"Mr. FREEMAN. That is, at different camps, sir?

"Mr. HARRISON. No. Where did you serve in the military service?

"Mr. FREEMAN. I was in the Navy; the Seabees, in overseas service.

"Mr. HARRISON. Did you receive an honorable discharge?

"Mr. FREEMAN. I received an honorable discharge.

"Mr. WALTER. You served your country well during the shooting stage of the war, Jim, why don't you answer those questions?

"Mr. FREEMAN. I have been advised by counsel of my legal rights.

"Mr. WALTER. All right.

"(Witness excused.)"

(After the witness, Dwight James Freeman, left the witness stand, Mr. William A. Wheeler took the stand and testified as follows:)

"Mr. WALTER. Mr. Wheeler has already been sworn.

"Mr. TAVENNER. Mr. Wheeler, as an investigator of this committee, did you conduct an investigation in the State of California, for the purpose of determining the receipt of Communist Party funds in California?

"Mr. WHEELER. I did, sir.

"Mr. TAVENNER. And also for the purpose of determining whether or not those funds, or any part thereof, were remitted to the headquarters of the Communist Party in the cities of the United States; and the city of New York?

"Mr. WHEELER. That is correct, sir.

"Mr. TAVENNER. Will you state to the committee the results of your investigations, and then what you did?

"Mr. WHEELER. Information in the files of the Committee on Un-American Activities reflects that the Communist Party of Hawaii constitutes a subdivision of district 13, Communist Party, State of California, San Francisco, Calif., and also that district 13 of the Communist Party is affiliated with the Communst Party, U. S. A., with offices in New York City.

"To conclusively prove that the Communist Party of Hawaii is affiliated with district 13, and to show district 13's relationship to the Communist Party, U. S. A., the following facts are set forth:

"In the course of the investigation of subversive activities in the Territory of Hawaii, I examined the bank account of the Communist Party of California, day and night branch, Bank of America, Powell and Market Streets, San Francisco, Calif. An examination was made on Thursday, July 14, on Friday, July 15, and on Monday, July 18, 1949.

"Mr. TAVENNER. In what name does that account appear?

"Mr. WHEELER. The Communist Party of California, 701 Garfield Building, 942 Market Street, San Francisco, Calif.

"Prior to the examination, preliminary investigation disclosed that the Bank of America requires depositors of commercial accounts to include on deposit slips the numerical symbol designating the payor's bank. Information developed that the numerical symbols designating banks in Hawaii are from 59–101 up to and including 59–139. In the examination of the bank account, no such items appeared on the deposit slips.

"The Bank of America also requires the numerical symbol designating the post office station issuing money orders to be included in the deposit slips. Stations in Hawaii are identified by four digits prefixed by the letter 'X.' Post office stations in Hawaii run from X–1000 to X–1198. Only four such money orders were noted during the period of time covered by the examination of the bank account of the Communist Party, State of California, in San Francisco. During the examination, four items of interest were noted, the first appearing on the deposit slip of November 20, 1948. The description of the slip is as follows: 'Commercial account, San Francisco; the date: October 20, 1948, for the credit of the Communist Party of California, 942 Market Street, room 701, San Francisco 2, Calif.' On this deposit slip appears item X–1000 in the amount of $24.05, and the total amount deposited was $169.30. Then a certified copy presented to me by Mr. E. J. Darbey, assistant cashier of the bank, I previously mentioned.

"I would also like to say a subpena was served on the Bank of America, and all this material was received, under the subpena, Mr. Tavenner.

"Mr. TAVENNER. I desire to introduce this deposit slip in evidence, and mark it, 'Wheeler exhibit No. 1.'

"Mr. WALTER. It will be received.

"Mr. WHEELER. I also examined the statement of account of the Communist Party for the month of October 1948, and listed under the heading 'Deposits' appeared the item $169.30, which was deposited on October 20, 1948. Both the date and the amount deposited correspond with the deposit slip. This substantiates the fact that item X–1000 appearing on the deposit slip of October 20, 1948, was deposited in the Communist Party bank account.

"As I previously said, an amount corresponding to the deposit slip is on the ledger sheet of the Communist Party of California, with the address, 701 Garfield Building, 942 Market Street, San Francisco, Calif.

"I present a certified copy of this document.

"Mr. TAVENNER. I offer it in evidence as Wheeler exhibit No. 2.

"Mr. WALTER. It will be received.

"Mr. TAVENNER. Proceed.

"Mr. WHEELER. The second item appeared under deposit slip of November 20, 1948, described as follows: 'For the credit of the Communist Party of California, 942 Market Street, room 701, San Francisco, Calif.' The total amount deposited at this particular time was $788.03, included as an item is the figure, X–1000, in the amount of $74.63. I would like to present this to Mr. Tavenner.

"Mr. TAVENNER. I offer the credit slip in evidence, and ask that it be designated as 'Wheeler exhibit No. 3.'

"Mr. WALTER. It will be received.

"Mr. WHEELER. Also examined was the statement of account of the Communist Party for November 1948. Under 'Deposits' it is noted that the amount is $788.03, and was deposited on November 20, 1948. Said amount and date correspond to deposit slip. This discloses that the item referred to as 'X–1000,' in the amount of $74.63, appearing on the deposit slip of November 20, 1948, was credited to the Communist Party bank account.

"I would like to introduced the statement of account of the Communist Party for that month.

"Mr. TAVENNER. It is offered in evidence as Wheeler exhibit No. 4.

"Mr. WALTER. It will be received.

"Mr. WHEELER. The third item of interest appearing on the deposit slip of December 3, 1948—the deposit slip, is described as follows: 'Commercial, Bank of America, for the credit of the Communist Party of California, 942 Market Street, room 701, San Francisco 2, Calif.' The total amount deposited this day was $1,070.75. Among the items deposited was the figure 'X–1050,' in the amount of $15.

"I would like to introduce this.

"Mr. TAVENNER. It is offered in evidence as Wheeler exhibit No. 5.

"Mr. WALTER. It will be received.

"Mr. WHEELER. Also examined was the statement of account for the Communist Party, for December 1948. Under the heading 'Deposits' $1,070.75 was credited to the Communist Party's account on December 3, 1948. This amount, likewise, corresponds to the deposits that entered as exhibit No. 5.

"Mr. TAVENNER. This is offered in evidence as Wheeler exhibit No. 6.

"Mr. WALTER. It will be received.

"Mr. WHEELER. The fourth and last item appeared on the deposit slip for December

30, 1948. Deposit slip dated December 30, 1948, Communist Party of California, 942 Market Street, room 701, San Francisco 2, Calif. The entire amount of this particular deposit corresponds with the exact amount of the money order, $46.68, the only item deposited.

"Mr. TAVENNER. It is tendered in evidence, and request that it be marked.

"Mr. WALTER. It will be received. The money order referred to is one in the name of whom?

"Mr. WHEELER. They were identifying the money orders that they previously had introduced as exhibits Q–5, Q–6, Q–7, and Q–8.

"Mr. WALTER. Issued by whom?

"Mr. WHEELER. They were purchased by Jim Freeman; payable to Felice Clark, San Francisco, Calif., and deposited to this account at the address of 942 Market Street.

"Mr. WALTER. All right.

"Mr. TAVENNER. Do you know what the address of 942 Market Street, in San Francisco is?

"Mr. WHEELER. Well, it is the headquarters of the Communist Party of the State of California.

"Mr. TAVENNER. I desire to offer the last document, to which you referred in evidence, and request that it be marked 'Wheeler exhibit No. 7.'

"Mr. WALTER. It will be received.

"Mr. WHEELER. The examination of the statement of account discloses that the exact amount, $46.68, referred to as item 'X–1000,' appearing on the deposit slip of December 30, was credited to the account of the Communist Party on December 31, 1948.

"Mr. TAVENNER. I would like to present the ledger sheet of the Communist Party, December 31, 1948. That is offered in evidence and asked to be marked 'Wheeler exhibit No. 8.'

"Mr. WALTER. It will be received.

"Mr. WHEELER. From the examination of the bank records, it is established that the amounts, $24.05, $76.63, $46.68, and $15 were postal money orders purchased from two post offices in Honolulu, and later deposited to the account of the Communist Party, day and night branch, Bank of America, Powell and Market Streets, San Francisco, Calif.

"The above information, as well as the deposit dates, was furnished to the Post Office Department, San Francisco, Calif., and with the foregoing description they were able to describe the subject money orders as follows:

"Money order 728857; date issued, October 18, 1948; date deposited, October 20, 1948; amount, $24,05; date paid, October 22, 1948; station, main post office, Honolulu, X–1000; remitter, Jim Freeman, payee, Felice Clark.

"Money order 737391; date issued, November 18, 1948; date deposited, November 20, 1948; amount, $74,53; date paid, November 24, 1948; station, main post office, Honolulu, X–1000; remitter, Jim Freeman; payee, Felice Clark.

"Money order 594829; date issued, November 18, 1948; date deposited, December 3, 1948; amount, $15; date paid December 7, 1948; station, Bethel station, Hawaii, X–1050; remitter, Jim Freeman; payee, Felice Clark.

"Money order 749760; date issued, December 28, 1948; date deposited, December 31, 1948; amount, $46.68; date paid, January 3, 1949; station, main post office, Honolulu, X–1000; remitter, Jim Freeman; payee, Felice Clark.

"With the complete identification of the subject money orders, the Post Office Department was requested to furnish to the committee photostatic copies of said money orders, and also money order application forms. In response to this request, the Post Office Department forwarded to the committee photostatic copies of the money orders, and they have been introduced into the record, as Q–5, Q–6, Q–7, and Q–8. They also furnished to the committee the money order application form, which has previously been introduced into the record as Q–1, Q–2, Q–3, and Q–4.

"The committee now has in its possession documentary evidence of money being forwarded from Hawaii to the Communist Party, State of California, and deposited in the Communist Party bank account, by an individual named Felice Clark, who was the payee of the subject money orders. The post office money order application forms were executed by one Jim Freeman in Honolulu. Witnesses appearing before this committee have identified Jim Freeman as being active in the Communist Party in the Territory.

"Mr. TAVENNER. Now, Mr. Chairman, at this point I would like to say that in anticipation of the failure of Mr. Freeman, when called on the stand, to admit his signature to the money-order-application forms, and all the receipts here, and all the money orders and the forwarding of them to Felice Clark in California, we have undertaken, in advance, to prove by expert testimony his signature to the application—to the money-order applications. Those money-order applications, as stated, are exhibits: James Freeman, Q–1 to Q–4, inclusive.

"Now, the proven or known signatures of James Freeman were obtained from various governmental sources, but each of which were admitted by James Freeman on the stand, and questioned this morning. However, it is still necessary, as originally contemplated, that we show a number of signatures of James Freeman.

"Now, I would like to read into the record, and think I should read into the record in this proceeding here, the testimony of a handwriting expert on this subject, taken before a subcommittee, which met on February 27, 1950, in the committee hearing room in Washington. [Reading:]

" 'The subcommittee of one met, pursuant to call, at 3:30 p. m., in room 226, Old House Office Building, Washington, D. C., Hon. JOHN S. WOOD (chairman) presiding.

" 'Committee member present: Hon. JOHN S. WOOD (chairman).

" 'Staff members present: Louis J. Russell, senior investigator; William A. Wheeler and Donald T. Apell, investigators; and A. S. Poore, editor.

" 'Mr. WOOD. Let the record show this hearing is proceeding by a subcommittee composed of the chairman only.

" 'Will you raise your right hand and be sworn? You solemnly swear the testimony you give the subcommittee shall be the truth, the whole truth, and nothing but the truth, so help you God?

" 'Mr. GESELL. I do.

" 'TESTIMONY OF HAROLD J. E. GESELL

" 'Mr. TAVENNER. You are Mr. Harold Gesell?

" 'Mr. GESELL. Yes.

" 'Mr. TAVENNER. Will you please state your full name?

" 'Mr. GESELL. Harold J. E. Gesell.

" 'Mr. TAVENNER. Where do you live?

" 'Mr. GESELL. Takoma Park, Md.

" 'Mr. TAVENNER. Where are you presently employed?

" 'Mr. GESELL. Veterans' Administration.

" 'Mr. TAVENNER. What is your title and what are your duties in the United States Veterans' Administration?

" 'Mr. GESELL. My title is Chief of the Identification and Detection Division of the Inspection and Investigation Service. My duties are to direct the laboratory in its various functions, particularly with respect to identification matters, such as handwriting; forgeries of various kinds, tampering of documents; firearm activities; and so forth.

" 'Mr. TAVENNER. What study or preparation have you made with respect to your profession?

" 'Mr. GESELL. My background studies, I am a graduate of the Valparaiso Law School with an LL. B. degree, and a member of two State bars and the United States Supreme Court.

" 'I have also studied the subject under the tutelage of the Federal Bureau of Investigation, and am a graduate of their National Police Academy, back in 1937; and also a graduate of the detector laboratories at Northwestern University, Chicago; and a graduate of the United States Treasury Department Law Enforcement School.

" 'Mr. TAVENNER. How long have you been employed as an examiner of questioned documents in the Veterans' Administration?

" 'Mr. GESELL. About 7 years.

" 'Mr. TAVENNER. Will you please relate the positions you have held prior to your employment with the Veterans' Administration?

" 'Mr. GESELL. For a period of 6 years I was with the attorney general's office of the State of Iowa. I was employed as special agent of the bureau of identification, serving as superintendent for a period of 5 years out of the 6.

" 'I was deputy sheriff at Des Moines, Iowa, 6 years, in charge of the identification division of that office.

" 'I spent 2 years, qualified by United States civil-service examination as examiner of questioned documents, in the employ of the Treasury Department as an examiner of questioned documents there; and then my present position.

" 'Mr. TAVENNER. All together, how long have you been engaged in this type of work, the examination of questioned documents?

" 'Mr. GESELL. I would say, in round figures, 20 years.

" 'Mr. TAVENNER. How much of your time is devoted to this particular type of work?

" 'Mr. GESELL. All of my time.

" 'Mr. TAVENNER. Have you rendered conclusions on questioned document problems in courts of law or before congressional committees on previous occasions?

" 'Mr. GESELL. I have testified before this committee several years ago involving questioned documents and my opinions concerning same. I have qualified and testified in 14 States in the United States before Federal judges, and many State courts.

" 'Mr. TAVENNER. I now show you a document identified as exhibit Q–1, which is a post office money order application, Form No. 6001, No. 594829, in the amount of $15, to be paid to Felice Clark, San Francisco, Calif., sent by Jim Freeman, 1920 Kahakai Street, Honolulu, T. H. I desire to introduce this document in evidence as Dwight James Freeman, exhibit Q–1.

" 'Mr. WOOD. It will be admitted.

" 'Mr. TAVENNER. The next document, identified as exhibit Q–2, is a post office money order application, Form No. 6001, No. 728857, in the amount of $24.05, to be paid to Felice Clark, 942 Market Street, San Francisco, Calif., sent by Jim Freeman, 1920–3 Kahakai Street, Honolulu, T. H. I desire to enter that in evidence as Dwight James Freeman, exhibit Q–2.

" 'Mr. WOOD. It will be admitted.

" 'Mr. TAVENNER. The next document, exhibit Q–3, is a post office money order application, Form No. 6001, No. 737391, in the amount of $74.63, to be paid to Felice Clark, 942 Market Street, San Francisco, Calif., sent by Jim Freeman, 1920–3 Kahakai Street, Honolulu, T. H. I desire to enter this document in evidence as Dwight James Freeman, exhibit Q–3.

" 'Mr. WOOD. It will be admitted.

" 'Mr. TAVENNER. The next document, exhibit Q–4, is a post office money order application, Form No. 6001, No. 749760, in the amount of $46.68, to be paid to Felice Clark, 942 Market Street, San Francisco, Calif., sent by Jim Freeman, 1920 Kahakai Street, Honolulu, T. H. I desire to introduce this document in evidence and ask that it be marked 'Dwight James Freeman, exhibit Q–4.'

" 'Mr. WOOD. It will be admitted.

" 'Mr. TAVENNER. Have you examined the writings appearing on the exhibits received in evidence as Dwight James Freeman, exhibits Q–1 through Q–4?

" 'Mr. GESELL. I have.

" 'Mr. TAVENNER. I now show you exhibits bearing the alleged handwriting of one Dwight James Freeman.

" 'The first exhibit, K–1, is a photostatic copy of an application for voluntary induction, DSS Form 165, dated July 22, 1943.

" 'The next exhibit, K–2, is a letter dated June 6, 1943, addressed to local board No. 173, Anaheim, Calif., bearing the handwriting of one D. J. Freeman.

" 'The next exhibit, K–3, is a letter dated November 15, 1942, directed to local board No. 173, 206 East Center Street, Anaheim, Calif., bearing the handwriting of one D. J. Freeman.

" 'The next exhibit, K–4, is a registration card, DSS Form 1, serial No. 286, order No. 1943, bearing the signature of one D. J. Freeman.

" 'The next exhibit, K–5, is a typewritten document addressed to the Selective Service System of Anaheim, Calif., under the heading of "Pacific Bridge Co., contract NOy–5409, builders, Pearl Harbor Dry Dock No. 4," which bears the signature of one Dwight James Freeman.

" 'The next document, K–6, is DSS Form 154, identified as a request for transfer for delivery, dated July 22, 1943, which bears the signature of Dwight James Freeman. The document also bears the date of July 28, 1943.

" 'The next document, K–7, is a selective service questionnaire, bearing the date of May 1, 1941, and subscribed and sworn to on May 5, 1941, bearing the signature of one Dwight James Freeman.

" 'The next document, K–8, is a certification, subscribed and sworn to on August 19, 1943, bearing the signature of one Dwight James Freeman.

" 'The next document, K–9, is Form BNP 603–B, Navy inductee form, subscribed and sworn to on August 19, 1943, bearing the signature of one Dwight James Freeman.

" 'The next exhibit, K–10, is identified as a document of shipping articles, subscribed and sworn to on August 19, 1943, and contains the signature of one Dwight James Freeman.

" 'The next exhibit, K–11, is a two-page letter written in longhand, dated June 21, 1943, addressed to local board 173, Anaheim, Calif., and bearing the signature of D. J. Freeman.

" 'I desire to mark these various exhibits for identification only, as they will be introduced in evidence at a later time, and ask that they be marked "Dwight James Freeman, Exhibits K–1 to K–11, inclusive," for identification.

" 'Mr. WOOD. They will be so marked.

" 'Mr. TAVENNER. Mr. Gesell, have you examined the writings on the documents identified as Dwight James Freeman, exhibits K–1 through K–11, and have you compared the writings on these exhibits with the writings appearing on Dwight James Freeman, exhibits Q–1 through Q–4?

" 'Mr. GESELL. Yes, I have.

" 'Mr. TAVENNER. From your examination and comparison of these writings, have you formed an opinion as to whether they were executed by the same person?

" 'Mr. GESELL. Yes, I have.

" 'Mr. TAVENNER. What is your opinion?

" 'Mr. GESELL. My study has resulted in the conclusion that Dwight James Freeman, whose purported known writings and signatures appear in Dwight James Freeman exhibits K–1 through K–11, did prepare post office money order applications, Form No. 6001, Nos. 594829, 728857, 737391, and 749760, with the exception of the figures appearing above the printed matter "Application for Domestic Money Order." These four documents were previously described as Dwight James Freeman Exhibits Q–1 through Q–4.

" 'Mr. TAVENNER. Will you tell the Committee on Un-American Activities how you arrived at the conclusion to which you have just testified?

" 'Mr. GESELL. The process employed is a very simple one. The same process is employed as anyone would employ in the identification of your car or an individual walking down the street with whom you have previous acquaintance; for example, by certain scars, marks, characteristics, or dents in your car fenders that particularly set out your car in a group of 500 cars in a parking lot.

" 'In other words, each individual has his own individual handwriting characteristics, practically born with him, so to speak, and they stay with him until he passes from this earth.

" 'First, we study the known handwritings, and carefully study all characteristics, including designs of letters, forms of letters, proportions in connection with other letters, and these are all tabulated on what we call the work sheet. Sometimes it is quite tedious; sometimes it is quite easy.

" 'The questioned documents are examined in like manner and tabulated.

" 'Then the questioned and the known documents are brought together and they are examined very carefully and minutely, and compared one with another to see how the characteristics tie in. When they have the same slope, same letter ratio, and so forth, then we must come to the conclusion, and do come to the conclusion, they are written by the same person.

" 'If we found two signatures written exactly the same size, height, width, and breadth, that would be highly suspicious evidence of a traced forgery. We have a certain range, and if the characteristics stay within that range, it is written by the same person; if not, it is written by someone else. That is principally the theory that no two things are alike, so to speak.

" 'Mr. TAVENNER. I now show you a photostatic copy of postal money order No. 594829, in the amount of $15, the remitter being Jim Freeman and the payee of the subject money order one Felice Clark.

" 'I desire to offer this document in evidence and asked that it be marked "Dwight James Freeman Exhibit Q–5."

" 'Mr. WOOD. It will be admitted.

" 'Mr. TAVENNER. I show you also another document which is a photostatic copy of postal money order No. 749760, in the amount of $46.68, the remitter being Jim Freeman and the payee Felice Clark.

" 'I desire to introduce this document in evidence, and ask that it be marked "Dwight James Freeman Exhibit Q–6."

" 'Mr. WOOD. It will be admitted.

" 'Mr. TAVENNER. The next document is postal money order No. 728857, in the amount of $24.05, the remitter being Jim Freeman and the payee Felice Clark.

" 'I desire to offer this document in evidence, marked "Dwight James Freeman Exhibit Q–7."

" 'Mr. WOOD. It will be admitted.

" 'Mr. TAVENNER. The next document is postal money order No. 737391 in the amount of $74.53, the remitter being Jim Freeman and the payee Felice Clark.

" 'I desire to offer this document in evidence, marked "Dwight James Freeman Exhibit Q–8."

" 'Mr. WOOD. It will be admitted.' [Reading stopped.]

"Mr. WHEELER. On the identification of the money order, the payee was one Felice Clark. The examination of canceled checks given on account of the California Communist Party, photostatic copies of the checks were obtained. The first check, 130, dated San Francisco, Calif., July 11, 1949, from the day and night branch, Bank of America, payable to cash, $200, from the civil rights defense fund of the Communist Party. The person executing the check was Carl R. Lambert. On the reverse side of this check appears the endorsement: 'Felice Clark.'

"I would like to give this to Mr. Counsel. It has already been introduced in the testimony.

"The second check, Communist Party of California, dated June 10, 1949, payable to cash in the amount of $400, signed Carl R. Lambert, drawn on Bank of America, San Francisco, Calif., the day and night branch. The reverse of this check also bears the endorsement of one Felice Clark.

"The third check, the Communist Party of California, number 1767, dated May 27, 1949, payable to cash in the amount of $160.70, drawn on the day and night branch, Bank of America, San Francisco, Calif., bearing the signature Carl R. Lambert. The endorsement appearing on the check, on the back of that check, is one Felice Clark.

"We have handwriting testimony, Mr. Tavenner, in regard to the fact that this Felice Clark, whose signature appears on these checks, is the same person whose endorsement appears on the money order.

"Mr. TAVENNER. And I think, Mr. Chairman, I should read that testimony into the record here, which was taken at the same time as the testimony previously read, so with your permission I will continue reading it.

"Mr. WALTER. Continue.

"Mr. TAVENNER (reading):

" 'Mr. TAVENNER. The next document is a photostatic copy of a check made payable to cash in the amount of $200, dated July 11, 1949, bearing the signature of Carl R. Lambert, drawn from the civil rights fund of the Communist Party in California. The endorsement appearing on the reverse side of the check is that of one Felice Clark.

" 'Mr. WOOD. What bank is the check drawn on?

" 'Mr. WHEELER. Bank of America, day and night branch, San Francisco, Calif.

" 'Mr. TAVENNER. The next document is a photostatic copy of a check made payable to cash in the amount of $400, dated June 10, 1949, bearing the signature of Carl R. Lambert and drawn on the account of the Communist Party of California. On the reverse of the check appears the endorsement of Felice Clark.

" 'Mr. WOOD. Drawn on the same bank?

" 'Mr. TAVENNER. Drawn on the same bank.

" 'I desire to offer this document in evidence, and ask that it be marked "Dwight James Freeman exhibit Q–10."

" 'Mr. WOOD. It will be admitted.

" 'Mr. TAVENNER. The next exhibit is a photostatic copy of a check drawn on the same bank, made payable to cash, in the amount of $160.70, dated May 27, 1949, signed by Carl R. Lambert and drawn from the bank account of the Communist Party of California. On the reverse side of the check appears the endorsement of Felice Clark.

" 'I desire to offer this document in evidence, and ask that it be marked "Dwight James Freeman Exhibit Q–11."

" 'Mr. WOOD. It will be admitted.

" 'Mr. TAVENNER. Mr. Gesell, have you examined the signature of Felice Clark appearing on Dwight James Freeman Exhibits Q–5, Q–6, Q–7, and Q–8 with the endorsement of Felice Clark appearing on the reverse of Dwight James Freeman Exhibits Q–9, Q–10, and Q–11?

" 'Mr. GESELL. Yes, sir.

" 'Mr. GESELL. Two have.

" 'Mr. TAVENNER. And also Dwight James Freeman Exhibits Q–6 and Q–7?

" 'Mr. TAVENNER. From your examination and comparison of these signatures, have you formed an opinion as to whether they were written by the same person?

" 'Mr. GESELL. I have.

" 'Mr. TAVENNER. What is your opinion?

" 'Mr. GESELL. My opinion is they were all written by the same person.

" 'Mr. TAVENNER. You used the same method of arriving at that conclusion as in the former conclusion as to questioned documents Dwight James Freeman Exhibits Q–1 through Q–4; is that correct?

" 'Mr. GESELL. Yes, sir.' [Reading concluded.]

"Mr. WHEELER. Further investigation of the bank account of the Communist Party of California also established documentary evidence to substantiate the affiliation of district 13, Communist Party of California, with the Communist Party, U. S. A. The first document is a check, Communist Party of California, No. 1758, dated June 21, 1949; payable to the Communist Party, U. S. A., in the amount of $1,038.58; with the signature, Carl R. Lambert; drawn, Bank of America, day and night branch, San Francisco, Calif. The endorsement on the back is 'The Communist Party of the U. S. A.,' whose bank account is in the Amalgamated Bank of New York City.

"I would like to introduce this in the record, sir.

"Mr. TAVENNER. I offer the check in evidence, and ask that it be marked 'Wheeler Exhibit No. 9.'

"Mr. WALTER. It will be received.

"Mr. WHEELER. The next: Communist Party of California, No. 1770, dated July 1, 1949, payable to Communist Party, U. S. A., in the amount of $1,522.88; the signature of 'Carl R. Lambert.' Drawn from the day and night branch, Bank of America, San Francisco, Calif., and the endorsement on the back 'Communist Party, U. S. A., deposit to the Amalgamated Bank of New York City.'

"I think that further establishes the link between the Communist Party of Hawaii and the Communist Party in New York City.

"Mr. TAVENNER. I offer it in evidence, and ask that it be marked 'Wheeler exhibit No. 10.'

"Mr. WALTER. It will be received.

"Mr. TAVENNER. That is all.

"Mr. WALTER. The meeting will recess until 2 o'clock.

"(Recess.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Dwight James Freeman, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

After stating for whom he worked on a construction job, the witness was asked the questions—

"Did you hold any other position at that time?

"Will you please give the committee a brief outline of your work record or occupation record?

"You gave us your Honolulu address for the past few months, I believe. Where else have you lived in Honolulu other than the address that you gave?

"Mr. Freeman, did you make an application for a domestic money order on November 29, 1948, in the amount of $15, made out to Felice Clark, 942 Market Street, San Francisco, Calif., and also three other money orders, one October 18, 1948, in the amount of $24.05, to the same person at the same address, one of November 18, in the amount of $74.63 to the same person at the same address, and the last dated December 28, 1948, to the same person at the same address?

"Now, the payee on these applications, Mr. Freeman, is one Felice Clark; who is Felice Clark?

"The address given of Felice Clark is 942 Market Street, San Francisco, Calif. Do you know what institution or organization has its headquarters at that address?

"You know it to be the headquarters of the Communist Party in San Francisco, do you not?

"1920 Kahakai Street, appearing below your signature, was the place of your residence on the dates of these applications, was it not?

"I now hand you, Mr. Freeman, photostatic copies of four money orders which have previously been admitted in evidence and designated, respectively, Q–5, Q–6, Q–7, and Q–8, and I will ask you whether or not you obtained these four money orders in response to your own application and that you mailed those money orders, mailed them to Felice Clark?

"Now, do you know Jack Hall?

"What position does Wilfred Oka hold?

"Do you know him (Wilfred Oka)?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 758) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Dwight James Freeman to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Dwight James Freeman may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST ESTHER BRISTOW

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2862).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING ESTHER BRISTOW

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Esther Bristow, 2357C Palolo Avenue, Honolulu, T. H. The said subpena required Esther Bristow to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., and as Treasurer of the Hawaii Civil Liberties Committee, to produce any and all financial statements, including canceled checks and ledgers of the above organization, in the senate chamber, Iolani Palace, Honolulu, T. H., on April 15, 1950, at 9:30 a. m., and then and there to testify to matters of inquiry committed to the said committee and not to depart without leave of said committee. The subpena served upon Esther Bristow is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Esther Bristow, 2357–C Palolo Avenue, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD, is chairman, and as treasurer of the Hawaii Civil Liberties Committee, she is to produce any and all financial statements including canceled checks and ledgers of the above organization, in their chamber in the city of Honolulu, T. H., on April 15, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and she is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,

"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Esther Bristow before the Committee on Un-American Activities. Served the within-named individual at 2357–C Palolo Avenue, March 31, 1950, at 8:30 p. m.

"OTTO F. HEINE,

"United States Marshal, District of Hawaii.

"EMMANUEL MOSES, Jr.,

"Deputy United States Marshal."

In compliance with the said subpena, Esther Bristow appeared before the said committee and your committee then and there demanded the production of the said financial statements, canceled checks, and ledgers, and the said Esther Bristow refused to produce the said financial statements, canceled checks, and ledgers and refused to answer all questions relating thereto. The said Esther Bristow having appeared as a witness and having been asked questions, namely:

"Mrs. Bristow, a subpena was served upon you directing your appearance here and as treasurer of the Hawaii Civil Liberties Committee to produce any and all financial statements, including canceled checks, and ledgers of the Hawaii Civil Liberties Committee; this subpena was served on you on March 31, 1950, according to the return of the United States marshal for this district; do you have the records with you?

"Instead of asking you a question, I will ask you to produce the records in pursuance to the direction of this subpena?

"Do you mean you refuse to produce the records in accordance with the direction of this subpena?

"You are treasurer of the Hawaii Civil Liberties Committee, are you not?

"Are the records in your custody?

"Is it not a fact that in pursuance to that identification card that the persons, the signatures appearing thereon of Esther M. Bristow and Stephen Murin were the only persons authorized to sign the checks for the Hawaii Civil Liberties Committee as of January 23, 1950; is that correct?

"Will you examine again the card which I handed you, obtained from the commercial department of the American Security Bank, and state whether the signature 'Esther M. Bristow' is your signature?"

which questions were pertinent to the subject under inquiry, refused to aswer such questions; and as a result of the said Esther Bristow's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon said Esther Bristow.

The record of the proceedings before the committee on April 15, 1950, during which the said Esther Bristow refused to produce the said financial statements, canceled checks, and ledgers, and during which the said Esther Bristow refused to answer the aforesaid questions, pertinent to the subject under inquiry, is set forth in fact, as follows:

"(A subcommittee of the Committee on Un-American Activities consisting of Hon. FRANCIS E. WALTER, chairman, Hon. MORGAN M. MOULDER, Hon. BURR P. HARRISON, and Hon. HAROLD H. VELDE met in the Senate chamber, Iolani Palace, on April 15, 1950, at 9:08 a. m., Hon. FRANCIS E. WALTER, presiding.)

"Mr. TAVENNER. The first witness this morning is Esther M. Bristow.

"Mr. WALTER. Will you raise your right hand, please? Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mrs. BRISTOW. I do.

"TESTIMONY OF ESTHER M. BRISTOW ACCOMPANIED BY HER COUNSEL, HARRIET BOUSLOG

"Mr. TAVENNER. You are Mrs. Esther M. Bristow?

"Mrs. BRISTOW. I am.

"Mr. TAVENNER. Mrs. Bristow, there was a subpena served upon you——

"Mrs. BOUSLOG. Mr. Tavenner.

"Mr. TAVENNER. I beg your pardon. Are you represented by counsel?

"Mrs. BRISTOW. Mrs. Bouslog is my counsel.

"Mrs. TAVENNER. Will Mrs. Bouslog identify herself for the record?

"Mrs. BOUSLOG. May my name be entered of record, Harriet Bouslog, as attorney for Mrs. Esther M. Bristow. And at this time I would like to file with the committee a motion to quash the service of the subpena.

"Mr. WALTER. It will be placed in the record.

"Mr. TAVENNER. Mrs. Bristow, a subpena was served on you directing your appearance here and as a treasurer of the Hawaii Civil Liberties Committee to produce any and all financial statements, including canceled checks and ledgers, of the Hawaii Civil Liberties Committee; this subpena was served on you on March 31, 1950, according to the return of the United States marshal for this district; do you have the record with you?

"(Witness confers with counsel.)

"Mrs. BRISTOW. I refuse to answer the question on the grounds it might incriminate me and on the further ground——

"Mr. TAVENNER. Instead of asking you a question, I will ask you to produce the records in pursuance to the direction of this subpena.

"Mrs. BRISTOW. I have already refused to answer the question on the grounds that it might tend to incriminate me.

"Mr. TAVENNER. Do you mean you refuse to produce the records in accordance with the direction of this subpena?

"(Witness confers with counsel.)

"Mrs. BRISTOW. I refuse to answer the question.

"Mr. TAVENNER. Do you refuse to produce the records?

"(Witness confers with counsel.)

"Mrs. BRISTOW. I refuse to produce the records on the grounds that they may tend to incriminate me.

"Mr. TAVENNER. You are treasurer of the Hawaii Civil Liberties Committee are you not?

"(Witness confers with counsel.)

"Mrs. BRISTOW. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Are the records in your custody?

"(Witness confers with counsel.)

"Mrs. BRISTOW. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Speak a little louder. There has been produced, in response to a subpena, from the commercial department of the American Security Bank, a signature card for the year 1950; in fact, it is dated January 23, 1950, or rather it is a photostatic copy of it. Will you examine it, please?

"(Witness examines document.)

"Mr. TAVENNER. Is it not a fact that in pursuance to that identification card that the persons, the signatures appearing thereon of Esther M. Bristow and Stephen Murin were the only persons authorized to sign the checks for the Hawaii Civil Liberties Committee as of January 23, 1950; is that correct?

"(Witness confers with counsel.)

"Mrs. BRISTOW. I refuse to answer the question on the same grounds.

"Mr. WALTER. Mr. Tavenner, I would like to ask the witness a question.

"Why do you think it might incriminate you to answer the question as to whether you are authorized to withdraw funds from that bank account?

"(Witness confers with counsel.)

"Mrs. BRISTOW. My counsel has advised me of my legal rights.

"Mr. WALTER. The only reason why you refuse to answer these questions is because your attorney advises you not to, is that it?

"(Witness confers with counsel.)

"Mrs. BRISTOW. My attorney advises me of my legal rights.

"Mr. WALTER. Did your attorney tell you that any testimony given here is privileged and that it could not be used against you or anybody else in any other proceedings?

"(Witness confers with counsel.)

"Mrs. BRISTOW. My attorney has advised me.

"Mr. WALTER. Keep your voice up; we cannot hear you.

"Mrs. BRISTOW. My attorney advises me and my decision is my own.

"Mr. WALTER. Yes; but did your attorney tell you that any testimony given here could not be used against you and that you could not be prosecuted because of what you said here before this congressional committee?

"(Witness confers with counsel.)

"Mrs. BRISTOW. I believe that is a privileged communication between myself and my attorney.

"Mr. WALTER. That is probably true; I don't know; but I am asking you merely, were you told that you could not be prosecuted because of any testimony you gave here?

"(Witness confers with counsel.)

"Mrs. BRISTOW. I hardly know how to answer the question except as I have already answered it. I have decided that I had the legal right not to answer the question because of incrimination.

"Mr. WALTER. It is very distasteful to me and to the other members of this committee to be compelled to take action that we have taken in adopting resolutions to cite people for contempt. We don't want to make trouble for anybody. And that is the only reason why I am asking you if you know exactly what you are doing when you say that you are afraid you may be incriminated by answering an innocent question.

"Mrs. BRISTOW. Yes. I know exactly what I am doing.

"Mr. WALTER. Yes. All right.

"Mr. TAVENNER. Will you examine again the card which I handed you, obtained from the commercial department of the American Security Bank, and state whether the signature 'Esther M. Bristow' is your signature?

"(Witness confers with counsel.)

"Mrs. BRISTOW. I refuse to answer on the same grounds.

"Mr. TAVENNER. I desire to offer the photostatic copy in evidence and mark it 'Bristow Exhibit No. 1.'

"Mr. WALTER. Without objection, it will be received.

"Mr. TAVENNER. That is all.

"(Witness excused.)"

Because of the refusal of the said Esther Bristow to produce the said financial statements, canceled checks, and ledgers mentioned in the foregoing subpena, the Committee on Un-American Activities has been deprived of the opportunity to inspect the same and of the evidence contained therein which your committee considers relevant to the subject matter, which under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate; and because of the refusal of Esther Bristow to answer the foregoing questions, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to the said Esther Bristow, relative to the subject matter which under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate and the refusal of the witness to answer questions, namely:

"Mrs. Bristow, a subpena was served upon you directing your appearance here and as treasurer of the Hawaii Civil Liberties Committee to produce any and all financial statements, including canceled checks and ledgers, of the Hawaii Civil Liberties Committee. This subpena was served on you on March 31, 1950, according to the return of the United States marshal for this district. Do you have the record with you?

"Instead of asking you a question, I will ask you to produce the records in pursuance to the direction of this subpena.

"Do you mean you refuse to produce the records in accordance with the direction of this subpena?

"You are treasurer of the Hawaii Civil Liberties Committee, are you not?

"Are the records in your custody?

"Is it not a fact that in pursuance to that identification card that the persons, the signatures appearing thereon of Esther M. Bristow and Stephen Murin were the only persons authorized to sign the checks for the Hawaii Civil Liberties Committee as of January 23, 1950; is that correct?

"Will you examine again the card which I handed you, obtained from the commercial department of the American Security Bank, and state whether the signature 'Esther M. Bristow' is your signature?"

which questions were pertinent to the subject under inquiry, and is a violation of the subpena under which the witness had previously appeared. The willful and deliberate refusal of Esther Bristow to produce the said financial statements, canceled checks, and ledgers as called for in the subpena, and her refusal to answer the aforesaid questions, deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 759) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Esther Bristow to answer questions before the said Committee on Un-American Activities, and as to the willful and deliberate refusal of Esther Bristow to produce any and all financial statements of the Hawaii Civil Liberties Committee, including canceled checks, and ledgers of the said organization, before the said committee, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Esther Bristow may be proceeded against in the manner and form provided by law.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. WOOD. Mr. Speaker, I yield to the gentleman from Pennsylvania such time as he may require.

Mr. FULTON. Mr. Speaker, I wish to state for the RECORD that I have voted for all these citations and am voting for every individual one, even though no record vote is taken on each citation.

The committee is to be complimented on its handling of this thankless task. Under the able leadership of the gentleman from Pennsylvania [Mr. WALTER], a subcommittee last April went 6,000 miles to Hawaii and held hearings on Communist control of transport and infiltration. The Walter subcommittee performed an outstanding service to Hawaii and to this country.

The hearings and investigation were conducted in a forthright judicial atmosphere, without hysteria, and reflected high credit on the United States Congress in its committee investigatorial functions.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST RACHEL SAIKI

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2863).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING RACHEL SAIKI

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Rachel Saiki, 2208A Liliha Street, Honolulu, T. H. The said subpena directed Rachel Saiki to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 15, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m. and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Rachel Saiki is set forth in words and figures as follows.

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Rachel Saiki, 2208A Liliha Street, Honolulu, T. H., to be and appear before the Committee on Un-American Activities, of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD, is chairman, in their chamber in the city of Honolulu, T. H., on April 15, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and she is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Rachel Saiki before the Committee on Un-American Activities. Served the within-named individual at 2208A Liliha Street, Honolulu, T. H., at 8:12 a. m., March 31, 1950.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Rachel Saiki, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Rachel Saiki, having appeared as a witness, and having been asked questions, namely:

"Miss Saiki, I have here among the checks contained in Owens exhibit No. 6, a check of March 19, 1948, payable to Rachel Saiki, for $15; this check is drawn on the American Security Bank and signed by Katsuto Nagaue, trust account. The cash book of Mr. Nagaue shows an entry regarding this. This cash book is exhibit Owens No. 4. Will you examine the cash book and state what it says with regard to this check of March 19, 1948, payable to you in the amount of $15?

"I hand you the check referred to, of March 19, 1948, and ask you if that is your endorsement on the back of it?

"The check of March 19 is entered in cash book Exhibit Owens 4 as follows: 'March 19, Rachel Saiki. Robeson shirts.' Will you tell us what this purchase was, entitled "Robeson shirts'?

"There has been testimony here, Miss Saiki, of your attendance at Communist Party meetings. Do you desire to affirm or deny that?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Rachel Saiki's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Rachel Saiki. The record of the proceedings before the committee on April 15, 1950, during which the said Rachel Saiki refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities consisting of Hon. FRANCIS E. WALTER, chairman; Hon. MORGAN M. MOULDER; Hon. BURR P. HARRISON; and Hon. HAROLD H. VELDE met in the Senate chamber, Iolani Palace, Honolulu, T. H., on April 15 at 9:30 a. m., Hon. FRANCIS E. WALTER presiding.)

"Mr. TAVENNER. Rachel Saiki.

"Mr. WALTER. Will you raise your right hand, please?

"Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God.

"Miss SAIKI. Yes, I do.

"TESTIMONY OF RACHEL SAIKI, ACCOMPANIED BY HER COUNSEL, HARRIET BOUSLOG

"Mr. TAVENNER. You are Rachel Saiki?

"Miss SAIKI. Yes.

"Mr. TAVENNER. Are you represented by counsel?

"Miss SAIKI. Yes.

"Mr. TAVENNER. Will counsel please identify herself in the record.

"Mrs. BOUSLOG. I would like my name, Harriet Bouslog, to be entered of record as counsel for Rachel Saiki. And at this time I would like to file with the committee a motion to quash the service of the subpena upon the grounds stated in the motion, and I ask it appear at the opening of this testimony so that these grounds will be indicated as in this case for all the answers that Miss Saiki may or may not give.

"Mr. HARRISON. Is it in the same form as heretofore?

"Mrs. BOUSLOG. Yes, it is.

"Mr. WALTER. It will be placed in the record.

"Mr. TAVENNER. Where do you live?

"Miss SAIKI. 2218 Liliha Street.

"Mr. TAVENNER. Where are you employed?

"Miss SAIKI. I am now employed at the Honolulu Record Publishing Co.

"Mr. TAVENNER. Is it Miss or Mrs. Saiki?

"Miss SAIKI. Miss Saiki.

"Mr. TAVENNER. Miss Saiki, I have here among the checks contained in Owens exhibit No. 6 a check of March 19, 1948, payable to Rachel Saiki, for $15; this check is drawn on the American Security Bank and signed by Katsuto Nagaue, trust account. The cash book of Mr. Nagaue shows an entry regarding this. This cash book is exhibit Owens No. 4. Will you examine the cash book and state what it says with regard to this check of March 19, 1948, payable to you in the amount of $15?

"(Witness confers with counsel.)

"Miss SAIKI. I have been advised by my counsel, and I agree with her, that I refuse to answer the question on the grounds that it might tend to incriminate me.

"Mr. TAVENNER. I hand you the check referred to, of March 19, 1948, and ask you if that is your endorsement on the back of it?

"(Witness confers with counsel.)

"Miss SAIKI. I refuse to answer on the same grounds.

"Mr. WALTER. Why do you think you may be incriminated by your answer?

"(Witness confers with counsel.)

"Miss SAIKI. I have been advised by counsel and have been told concerning my legal rights, and that is the reason I have taken the stand that I have.

"Mr. TAVENNER. The check of March 19 is entered in cash book, exhibit Owens 4, as

follows: 'March 19, Rachel Saiki. Robeson shirts.'

"Will you tell us what this purchase was, entiled 'Robeson shirts'?

"(Witness confers with counsel.)

"Miss SAIKI. My attorney advises me to refuse to answer the question on the same grounds that I have stated.

"Mr. TAVENNER. I have a number of other checks here. Do I understand that if I asked you the questions relating to them you will give the same answers?

"Mrs. BOUSLOG. We will stipulate that in respect to the checks that you have in front of you that the answer would be the same. Is that right?

"Miss SAIKI. That is right.

"Mr. WALTER. Then, as I understand it, as to each of these checks, you refuse to answer the question propounded to you by the attorney?

"Miss SAIKI. That is right.

"Mr. TAVENNER. There has been testimony here, Miss Saiki, of your attendance at Communist Party meetings. Do you desire to affirm or deny that?

"(Witness confers with counsel.)

"Miss SAIKI. My answer will be the same as to the other questions that I have been asked, and on the same grounds.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Miss SAIKI. I have been advised by my counsel, and I agree with her, that I refuse to answer on the same grounds already stated.

"Mr. TAVENNER. I have no further questions, Mr. Chairman."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Rachel Saiki, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, the said commitee was instructed to investigate, and the refusal of the witness to answer questions namely:

"Miss Saiki, I have here among the checks contained in Owens exhibit No. 6 a check of March 19, 1948, payable to Rachel Saiki, for $15; this check is drawn on the American Security Bank and signed by Katsuto Nagaue, trust account. The cash book of Mr. Nagaue shows an entry regarding this. This cash book is exhibit Owens No. 4. Will you examine the cash book and state what it says with regard to this check of March 19, 1948, payable to you in the amount of $15.

"I hand you the check referred to, of March 19, 1948, and ask you if that is your endorsement on the back of it?

"The check of March 19, is entered in cash book exhibit Owens 4 as follows: 'March 19, Rachel Saiki. Robeson shirts.' Will you tell us what this purchase was, entitled 'Robeson shirts'?

"There has been testimony here. Miss Saiki, of your attendance at Communist Party meetings. Do you desire to affirm or deny that?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 760) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Rachel Saiki to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the district of Hawaii, to the end that the said Rachel Saiki may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST JOHN REINECKE

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2864).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING JOHN REINECKE

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to John Reinecke, 1555 Piikoi Street, Honolulu, T. H. The said subpena directed John Reinecke to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon John Reinecke is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon John Reinecke, 1555 Piikoi Street, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD, is chairman, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m. then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February, 1950.

"JOHN S. WOOD,
"Chairman.

"Attest:
"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr. being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for John Reinecke before the Committee on Un-American Activities; served the within-named John Reinecke at 9:15 p. m., March 30, 1950 at 1555 Piikoi Street, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By EMMANUEL MOSES, Jr.,
"United States Marshal."

The said John Reinecke, pursuant to said subpena and in compliance therewith appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-nine Congress and under House Resolution No. 5 of the Eighty-first Congress. The said John Reinecke having appeared as a witness and having been asked questions, namely:

"Dr. Reinecke, I hand you a photostatic copy of a letter written allegedly by one S. Weinman, addressed to you, as 'Dear Comrade Reinecke' and ask you if you will identify it, that letter, as having been received by you?

"How long have you known Mr. Weinman prior to the date May 29, 1935?"

After being handed an envelope containing a letter and certain enclosures, the witness was asked the question:

"That letter [referring to a different letter from the one mentioned in the first question]. To expedite the matter, Dr. Reinecke, I ask you to look at the last page and state whether or not you find your signature there, and, if so, whether or not you signed the letter.

"Did you enclose in that letter a two-page list of articles and books, chiefly on the subject of Soviet Russia, which list composed a reading course which you were then giving or recommending to the addressee of this letter, and which you were also teaching or presenting to your classes in school?

"Did you post this letter?"

After being presented a small booklet entitled "Constitution of the Communist Party of the United States of America" on the back of which appeared the following writing "John E. Reinecke" under which were the words, "P. S. Read it with discrimination." the witness was asked the following question:

"Is that your signature?

"Dr. Reinecke, I show you checks dated during the period February 28 to December 2, 1948, payable to John Reinecke; these checks total $1,150 and are drawn on the HCLC trust account during the above period. Each of the checks appear to be endorsed on the back thereof by a person using the signature 'John E. Reinecke.' Will you examine those checks and state whether or not you received them and whether you endorsed them and whether you obtained the money on them?

"Will you state whether or not you were paid a weekly or monthly compensation by the HCLC from February until December 1948?

"Dr. Reinecke, there has been testimony by quite a number of persons during the investigation and during the hearings conducted here to the effect that you issued Communist Party cards to various persons and collected the dues. Do you have any record of the names of the persons whose dues you collected? Or, first of all, I ask you whether you did so issue Communist Party cards for membership in the Communist Party?

"Do you have a record of a Communist Party list?

"Did you draw any checks—first of all, did you make any deposits of money in any

bank account, whether in your name or in the name of any other person or organization, which were received from Communist Party dues?

"Did you make any remittances of money collected by you, either in cash or by check, money order, or any other means, to the Communist Party headquarters or any other person or organization in California or New York?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said John Reinecke's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said John Reinecke. The record of the proceedings before the committee on April 18, 1950, during which the said John Reinecke refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE met in the senate chamber, Iolani Palace, on April 18, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER presiding.)

"Mr. TAVENNER. Dr. John E. Reinecke.

"Mr. WALTER. Will you raise your right hand, please? Do you swear that the testimony you are about to give be the truth, the whole truth, and nothing but the truth, so help you God?

"Dr. REINECKE. I do.

"Mr. TAVENNER. Sit down.

"TESTIMONY OF JOHN E. REINECKE, ACCOMPANIED BY HIS ATTORNEY, HARRIET BOUSLOG

"Mr. TAVENNER. Will you state your full name, please?

"Dr. REINECKE. John E. Reinecke.

"Mr. TAVENNER. Where do you live?

"Dr. REINECKE. 1555 Piikoi Street, Honolulu.

"Mr. TAVENNER. Are you represented by counsel?

"Dr. REINECKE. I am.

"Mr. TAVENNER. Will counsel please identify herself for the record?

"Mrs. BOUSLOG. I would like the name of Harriet Bouslog to be entered of record for John E. Reinecke. And at this time I would like to file with the committee a motion to quash service of the subpena. It is in the same form as the other motions filed.

"Mr. WALTER. It may be made a part of the record.

"Mr. TAVENNER. I believe you stated your address.

"Dr. REINECKE. I did.

"Mr. TAVENNER. You are also known as Dr. Reinecke; you are a doctor, are you not?

"Dr. REINECKE. I am.

"Mr. TAVENNER. When and where were you born?

"Dr. REINECKE. I was born near Fort Scott, Kans., in 1904.

* * * * *

"Mr. TAVENNER. Dr. Reinecke, I hand you a photostatic copy of a letter written allegedly by one S. Weinman, addressed to you, as 'Dear Comrade Reinecke', and ask you if you will identify it, that letter, as having been received by you?

"(Witness confers with counsel.)

"Dr. REINECKE. I claim the privilege of not testifying on the ground of self-incrimination regarding this letter.

"Mr. WALTER. May I see the letter, please?

"Mr. TAVENNER. Do you refuse to answer the question? In the language in which you framed your reply, I am in some doubt as to just what you meant.

"Dr. REINECKE. I said that I declined to answer the question on the ground of self-incrimination.

"Mr. MOULDER. Did you ask him whether he ever received the original letter?

"Mr. TAVENNER. Yes. I included the identification of the letter as having been received by him.

"Mr. WALTER. Dr. Reinecke, why do you feel that if you receive a letter, it might incriminate you?

"Dr. REINECKE. Well, in these days, it does not take very much to incriminate a person, I gather from the press. Having the wrong sort of phonograph records in one's home might incriminate one.

"Mr. WALTER. What newspapers did you get your information from?

"Dr. REINECKE. The general press.

"Mr. WALTER. Then, as I understand it, you refuse to answer this question because you feel that you would be incriminated in some way by admitting that somebody wrote you a letter? Is that it?

"Dr. REINECKE. Yes; that was the substance of what I said.

"Mr. WALTER. Proceed, Mr. Tavenner.

"Mr. TAVENNER. I desire to offer a photostatic copy of the letter in evidence, and ask it be marked 'Reinecke Exhibit No. 1.'

"Mr. WALTER. Mark the exhibit and let it be received in evidence.

"Mr. TAVENNER. How long have you known Mr. Weinman prior to the date of May 29, 1935?

"(Witness confers with counsel.)

"Dr. REINECKE. I decline to answer the question on the same ground.

"Mr. TAVENNER. I hand you an envelope containing a letter and certain enclosures, and I will ask you to examine it and state whether or not it was mailed by you?

"(Witness confers with counsel and examines document.)

"Mr. TAVENNER. Will you let me look at it just a moment, the last page?

"Dr. REINECKE. You mean that letter?

"Mr. TAVENNER. That letter. To expedite the matter, Dr. Reinecke, I ask you to look at the last page and state whether or not you find your signature there, and if so, whether or not you signed the letter?

"(Witness confers with counsel.)

"Dr. REINECKE. Mr. Tavenner, I decline to answer the question regarding the signature on the ground that it might tend to incriminate me. I have read over the letter and I stand on the contents of that.

"Mr. WALTER. You deny that that is your signature?

"Dr. REINECKE. I did not say that. I said that I decline to answer.

"Mr. TAVENNER. Mr. Chairman, I desire to read the letter and not refer to any names mentioned in it.

"Mr. WALTER. Let me see the letter.

"Mr. TAVENNER. Did you enclose in that letter a 2-page list of articles and books, chiefly on the subject of Soviet Russia, which list composed a reading course which you were then giving or recommending to the addressee of this letter and which you were also teaching or presenting to your classes in school?

"(Witness confers with counsel.)

"Dr. REINECKE. Well, I believe your question can be broken into two parts, can it not?

"Mr. TAVENNER. That is right.

"Dr. REINECKE. I decline to answer both of them on the same grounds.

"Mr. TAVENNER. You decline to answer the question either as one question or as two questions?

"Dr. REINECKE. Correct.

"Mr. TAVENNER. I desire to offer in evidence this two-page list of books and articles and mark it 'Reinecke Exhibit No. 2.'

"Mr. WALTER. Let it be received.

"Mr. TAVENNER. When I handed you the letter, I believe I asked you whether or not you had posted such a letter. I don't know whether you refused to answer that or not.

"Dr. REINECKE. I don't recall your having asked me the question; no.

"Mr. TAVENNER. Well, I ask you now: 'Did you post this letter?'

"Dr. REINECKE. Again I decline to answer on the same grounds.

"Mr. TAVENNER. There appears up at the left-hand corner of the envelope the address 1555 Piikoi Street, Honolulu, T. H. Was that your address on April 5, 1948?

"Dr. REINECKE. Yes, it was.

"Mr. TAVENNER. Now, I hand you a small booklet entitled 'Constitution of the Communist Party of the United States of America.' Will you look at it, please, especially on the back cover? What do you find written on the back?

"Dr. REINECKE. I find here: 'John E. Reinecke' and underneath 'P. S. Read it with discrimination.'

"Mr. TAVENNER. Is that your signature?

"Dr. REINECKE. Again, I decline to answer on the ground it might tend to incriminate me.

"Mr. TAVENNER. I desire to introduce the book in evidence and mark it 'Reinecke Exhibit No. 3.'

"Mr. WALTER. How do you spell your name, Mr. Reinecke?

"Dr. REINECKE. R-e-i-n-e-c-k-e.

"Mr. TAVENNER. Dr. Reinecke, I show you checks dated during the period February 28, to December 2, 1948, payable to John Reinecke; these checks total $1,150 and are drawn on the HCLC trust account during the above period. Each of the checks appear to be endorsed on the back thereof by a person using the signature 'John E. Reinecke.' Will you examine those checks and state whether or not you received them and whether you endorsed them and whether you obtained the money on them?

"(Witness confers with counsel.)

"Dr. REINECKE. I decline to answer the question on the same grounds.

"Mr. TAVENNER. What was the date of your suspension from your position as a teacher? 1947 or 1948—whatever it was.

"Dr. REINECKE. 1947, late in November. I don't recall the exact date of the month.

"Mr. TAVENNER. The hearing which was held in regard to that matter began, I believe, in August 1948? Is that correct?

"Dr. REINECKE. That is correct.

"Mr. TAVENNER. The checks which I hand you begin with February 28, 1948. Will you state whether or not you were paid a weekly or monthly compensation by the HCLC from February 1948 until December 1948?

"Dr. REINECKE. Again, I decline to answer on the same grounds.

"Mr. TAVENNER. I desire to offer these checks—these checks have previously been offered as part of Exhibit Owens No. 6.

"Dr. Reinecke, there has been testimony by quite a number of persons during the investigation and during the hearings conducted here to the effect that you issued Communist Party cards to various persons and collected the dues. Do you have any record of the names of the persons whose dues you collected? Or, first of all, I ask you whether you did so issue Communist Party cards for membership in the Communist Party?

"Dr. REINECKE. Again, that question I decline to answer, on the same grounds.

"Mr. TAVENNER. Do you have a record of a Communist Party list?

"Dr. REINECKE. That question also, I decline to answer also on the same grounds.

"Mr. TAVENNER. You refuse to state whether you have in your custody any such list?

"Dr. REINECKE. I have already given my answer on that question.

"Mr. TAVENNER. It is the same?

"Dr. REINECKE. It is the same.

"Mr. TAVENNER. Did you draw any checks—first of all, did you make any deposits of

money in any bank account, whether in your name or in the name of any other person or organization, which were received from Communist Party dues?

"Dr. REINECKE. I decline to answer that question on the same grounds.

"Mr. TAVENNER. Did you make any remittances of money collected by you, either in cash or by check, money order, or any other means, to the Communist Party headquarters or any other person or organization in California or New York?

"Dr. REINECKE. I decline to answer the question on the same grounds.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Dr. REINECKE. I decline to answer on the same grounds.

"Mr. TAVENNER. I have no further questions, Mr. Chairman."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said John Reinecke relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Dr. Reinecke, I hand you a photostatic copy of a letter written allegedly by one S. Weinman, addressed to you as 'Dear Comrade Reinecke' and ask you if you will identify it, that letter, as having been received by you?

"How long have you known Mr. Weinman prior to the date May 29, 1935?"

After being handed an envelope containing a letter and certain enclosures, the witness was asked the question:

"That letter [referring to a different letter from the one mentioned in the first question]. To expedite the matter, Dr. Reinecke, I ask you to look at the last page and state whether or not you find your signature there, and, if so, whether or not you signed the letter.

"Did you enclose in that letter a two-page list of articles and books, chiefly on the subject of Soviet Russia, which list composed a reading course which you were then giving or recommending to the addressee of this letter, and which you were also teaching or presenting to your classes in school?

"Did you post this letter?"

After being presented a small booklet entitled "Constitution of the Communist Party of the United States of America," on the back of which appeared the following writing "John E. Reinecke," under which the words "P. S.—Read it with discrimination." The witness was asked the following question:

"Is this your signature?

"Dr. Reinecke, I show you checks dated during the period February 28 to December 2, 1948, payable to John Reinecke; these checks total $1,150 and are drawn on the HCLC trust account during the above period. Each of the checks appears to be endorsed on the back thereof by a person using the signature "John E. Reinecke." Will you examine those checks and state whether or not you received them and whether you indorsed them and whether you obtained the money on them?

"Will you state whether or not you were paid a weekly or monthly compensation from the HCLC from February until December 1948?

"Dr. Reinecke, there has been testimony by quite a number of persons during the investigation and during the hearings conducted here to the effect that you issued Communist Party cards to various persons and collected the dues. Do you have any record of the names of the persons whose dues you collected? Or, first of all, I ask you whether you did so issue Communist Party cards for membership in the Communist Party?

"Do you have a record of a Communist Party list?

"Did you draw any checks—first of all, did you make any deposits of money in any bank account, whether in your name or in the name of any other person or organization, which were received from Communist Party dues?

"Did you make any remittances of money collected by you, either in cash or by check, money order, or any other means to the Communist Party headquarters or any other person or organization in California or New York?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 761) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of John Reinecke to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said John Reinecke may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST ERNEST ARENA

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2865).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING ERNEST ARENA

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress caused to be issued a subpena to Ernest Arena, 3911 Keanu Street, Honolulu, T. H. The said subpena directed Ernest Arena to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 14, 1950, in the senate chamber, Iolani Palace, Honolulu, T. H., at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Ernest Arena is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto P. Heine: You are hereby commanded to summon Ernest Arena, 3911 Keanu Street, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 14, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February, 1940.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

This said subpena was duly served as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Ernest Arena before the Committee on Un-American Activities; served the within-named individual at 9:50 a. m., April 1, 1950, at pier 11, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Ernest Arena, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Ernest Arena having appeared as a witness and after having testified that he was president of the ILWU, local 150, was asked the questions:

"Were you a member of the Hawaii Civil Liberties Committee during that time, during that period of time. Or at any time while you were president of the local, were you a member of the Hawaii Civil Liberties Committee?

"Did you engage in any business transaction in behalf of the ILWU, and the Hawaiian Civil Liberties Committee, or either of them in connection with the Reinecke trial?

"Will you tell the committee whether at any time you were president of the ILWU local 150, that you were a member of the Communist Party?

"Are you now or have you ever been a member of the Communist Party at any time other than the period I have just asked you about?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Ernest Arena's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Ernest Arena. The record of the proceedings before the committee on April 14, 1950, during which

the said Ernest Arena refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman; Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 14, 1950, at 9 a. m., Hon. FRANCIS W. WALTER, chairman, presiding.)

"Mr. TAVENNER. Mr. Ernest Arena.

"Mr. WALTER. Mr. Arena, will you raise your right hand, please? Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. ARENA. I do.

"TESTIMONY OF ERNEST ARENA, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. You are Mr. Ernest Arena.

"Mr. ARENA. That is right.

"Mr. TAVENNER. Where do you live?

"Mr. ARENA. 3911 Keanu Street, Honolulu, T. H.

"Mr. TAVENNER. How old are you?

"Mr. ARENA. Thirty-five.

"Mr. TAVENNER. Do you hold any official position in local 150 of the ILWU?

"Mr. SYMONDS. Mr. Tavenner, I would like to enter my name as counsel.

"Mr. TAVENNER. I beg your pardon. That was an oversight. Will you please identify yourself for the record?

"Mr. SYMONDS. Myer C. Symonds, appearing for the witness, Ernest Arena, and at this time I would like to file a motion to quash the service of the subpena. It is in the same form as that previously made a part of the record.

"Mr. WALTER. It may be made a part of the record.

"Mr. SYMONDS. What was the last question?

"Mr. TAVENNER. The question is: Whether or not the witness has at any time been an official or held any official position with local 150 of the ILWU.

Mr. ARENA. I am the president of ILWU, local 150.

"Mr. TAVENNER. How long have you been president?

"Mr. ARENA. I believe it was since 1947.

"Mr. TAVENNER. Prior to 1947, what official position did you have with that local?

"Mr. ARENA. I was the executive secretary and treasurer.

"Mr. TAVENNER. What was the date of the trial of Dr. Reinecke, do you remember?

"Mr. ARENA. No; I don't remember.

"Mr. TAVENNER. How is that?

"Mr. ARENA. I don't remember.

"Mr. TAVENNER. Was it during the year 1948?

"Mr. ARENA. I don't recall.

"Mr. TAVENNER. Well, do you recall what official position you held in the ILWU at the time the Reinecke trial took place?

"Mr. ARENA. I believe it was president of ILWU local 150.

"Mr. TAVENNER. It was while you were president?

"Mr. ARENA. I believe so.

"Mr. TAVENNER. During that period of time did you hold any official position in the HCLC?

"(Witness confers with counsel.)

* * * * *

"Mr. ARENA. No.

"Mr. TAVENNER. Were you a member during that time—during that perod of time? Or at any time while you were president of the local, were you a member of the Hawaii Civil Liberties Committee?

"(Witness confers with counsel.)

"Mr. ARENA. On the advice of my counsel, I refuse to answer the question on the ground that it may tend to incriminate me.

"Mr. TAVENNER. Did you engage in any business transaction in behalf of the ILWU and the HCLC, or either of them, in connection with the Reinecke trial?

"(Witness confers with counsel.)

"Mr. ARENA. I refuse to answer the question for the same reasons.

"Mr. TAVENNER. Will you tell the committee whether at any time you were president of the ILWU, Local 150, that you were a member of the Communist Party?

"Mr. ARENA. On the advice of my counsel I refuse to answer for the same reasons as stated before.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party at any time other than the period which I have just asked you about?

"Mr. ARENA. On the advice of my counsel, I refuse to answer on the same grounds.

"Mr. TAVENNER. I have no further questions, Mr. Chairman.

"Mr. ARENA. Is that all?

"Mr. TAVENNER. I don't know. The chairman will have to decide whether you are dismissed.

"Mr. WALTER. You may be excused for the moment. It may be that after the next testimony you would like to make some statement."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Ernest Arena relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Were you a member (Hawaii Civil Liberties Committee) during that time, during that period of time? Or at any time while you were president of the local, were you a member of the Hawaii Civil Liberties Committee?

"Did you engage in any business transaction in behalf of the ILWU, and the Hawaii Civil Liberties Committee, or either of them, in connection with the Reinecke trial?

"Will you tell the committee whether at any time you were president of the ILWU, Local 150, that you were a member of the Communist Party?

"Are you now or have you ever been a member of the Communist Party at any time other than the period I have just asked you about?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 762) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Ernest Arena to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Hawaii, to the end that the said Ernest Arena may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST KOICHI IMORI

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2866).

The SPEAKER. The Clerk will read the report.

The Clerk read, as follows:

REPORT CITING KOICHI IMORI

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Koichi Imori. The said subpena directed Koichi Imori to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 17, 1950, in the senate chamber, Iolani Palace, Honolulu, T. H., at the hour of 2 p. m. then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Koichi Imori is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Koichi Imori to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 17, 1950, in the senate chamber, Iolani Palace, at the hour of 2 p. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD,
"Chairman.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Thomas R. Clark, chief deputy, who was duly authorized to serve the said subpena. The return of the service by the said Thomas R. Clark, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Koichi Imori before the Committee on Un-American Activities; served the within-named individual at 1:25 p. m., April 6, 1950, in the United States Marshal's Office, Federal Building, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By THOMAS R. CLARK,
"Chief Deputy."

The said Koichi Imori, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and

under House Resolution No. 5 of the Eighty-first Congress. The said Koichi Imori, having appeared as a witness and having been asked questions, namely:

"Mr. Imori, I don't see how I could state the question more plainly than I have. You stated in your letter, 'The charge is, of course, without foundation.' That is, the charge of communism. Now, is that a correct statement—was it without foundation?

"What positions did you hold in the Communist Party of the Territory of Hawaii, from 1945 until the present date, or rather what positions have you held during that period?

"Do you know Harry Kuhia, Jr.?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Koichi Imori's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Koichi Imori. The record of the proceedings before the committee on April 17, 1950, during which the said Koichi Imori refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, Honolulu, T. H., on April 17, 1950, at 9 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Mr. Koichi Imori.

"Mr. WALTER. Will you stand up, please, and raise your right hand? Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. IMORI. I do.

"TESTIMONY OF KOICHI IMORI, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. Will you state your full name, please?

"Mr. IMORI. Koichi Imori.

"Mr. TAVENNER. How are you presently employed, Mr. Imori?

"Mr. IMORI. As international representative of the ILWU.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. IMORI. Yes, sir; I am.

"Mr. TAVENNER. Will counsel please identify himself?

"Mr. SYMONDS. Myer C. Symonds, appearing for Koichi Imori. And at this time I would like to file the same motion to quash the service of subpena as we have filed in these matters.

"Mr. WALTER. It will be received.

"Mr. TAVENNER. You are at the present time the international representative of the ILWU?

"Mr. IMORI. ILWU.

"Mr. TAVENNER. ILWU?

"Mr. IMORI. Yes, sir.

"Mr. TAVENNER. How long have you been so employed?

"Mr. IMORI. For approximately 2½ years.

"Mr. TAVENNER. And now, prior to that time, how were you employed?

"Mr. IMORI. As organizer and business agent for the A. F. of L. Teamsters Union.

"Mr. TAVENNER. Were you put out of that union for the reason that you were charged to be a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. IMORI. The reason that I resigned from the A. F. of L. Teamsters Union as business agent was because I had refused to go along on a proposed raid of ILWU pineapple workers who at that time—that is, the pineapple workers were in negotiations with the employers for a wage increase.

"Mr. TAVENNER. Then, you state to the committee that the severance of your connection with the A. F. of L. was due entirely to a legitimate difference in policy between you and your employer?

"Mr. IMORI. That is correct.

"Mr. TAVENNER. Then how do you explain your letter of May 26, 1947, to the membership of the Teamsters Union of Hawaii, in which you state, 'Mr. Rutledge, in violation of the teamsters' constitution ousted me, the elected business representative of local 904, for alleged Communist activities'?

"(Witness confers with counsel.)

"Mr. IMORI. May I see the letter?

"Mr. TAVENNER. At the beginning of the first sentence in the second paragraph.

"Mr. IMORI. I will explain this. That the cause of my refusal, which was known to Mr. Rutledge, that I was refusing to go along on this program of raiding the ILWU, he had publicly charged that I was engaging in certain Communist activities, and had a secret meeting; that is, I say a secret meeting because it was secret to me; I had no knowledge of a meeting, of what was known as the joint council of teamsters executive board. That meeting was called without my knowledge and certain charges were filed against me. I didn't know and I was not informed of the charges against me by the joint council of teamsters nor did the officers of the local that I was working for, and as far as I knew, as I say in my letter here, this charge of engaging in certain Communist activities was unfounded, and I so state in my letter.

"Mr. TAVENNER. Well, was that a true statement?

"(Witness confers with counsel.)

"Mr. IMORI. I would like to know what you mean by 'a true statement.' What was the——

"Mr. TAVENNER. The statement that you just made and read from that letter. If you will hand me the letter I think I can call what you said. You read from the letter.

"(Witness confers with counsel.)

"Mr. TAVENNER. You read from this letter the first sentence in the second paragraph, which is this, 'The charge is,' meaning the charge of communism, 'of course, without foundation,' in your letter of May 26, 1947. I ask you if that was a correct statement.

"(Witness confers with counsel.)

"Mr. IMORI. Mr. Chairman, I would like to ask you whether your question is, is the charge true or not or whether the reason that I was ousted from the teamsters union was correct? I didn't quite understand your question.

"Mr. TAVENNER. Mr. Imori, I don't see how I could state the question more plainly than I have. You state in your letter, 'The charge is, of course, without foundation.' That is, the charge of communism. Now, is that a correct statement? Was it without foundation?

"(Witness confers with counsel.)

"Mr. IMORI. Mr. Chairman, that was not—that was not the reason that I was ousted.

"Mr. TAVENNER. But I have not asked you that.

"(Witness confers with counsel.)

"Mr. TAVENNER. Please answer my question.

"Mr. IMORI. I refuse to answer the question. [Laughter in the audience.]

"Mr. WALTER. I would like to remind the audience that you are here as guests. I trust that you will be orderly. No demonstrations or indications as to how you might feel about any answers that come from the witness.

"May I see that letter?

"You wrote this letter, did you not, Mr. Imori?

"Mr. IMORI. Yes, sir.

"Mr. WALTER. The letter went to the entire membership of the Teamsters Union of Hawaii? Is that correct?

"Mr. IMORI. I just submitted that letter to the executive board of local 904, the local that employed me as business agent.

"Mr. WALTER. But it was addressed to the membership of the Teamsters Union of Hawaii.

"Mr. IMORI. Yes, sir.

"Mr. WALTER. In the letter you said, 'The charge of course,' of Communist activity, 'is, of course, without foundation.' Now, if you were willing to tell all of the members of the teamsters union that you were not a Communist, why aren't you willing to tell us the same thing?

"(Witness confers with counsel.)

"Mr. IMORI. I have already stated that I refuse to answer that question on the ground that it may tend to incriminate me.

"Mr. WALTER. You were not under oath when you wrote that letter, were you?

"Mr. IMORI. Mr. Chairman——

"Mr. WALTER. I say, you were not under oath when you wrote the letter, of course?

"Mr. IMORI. No, sir.

"Mr. WALTER. But you are now.

"Mr. IMORI. I understand that.

"Mr. WALTER. Is that why you refuse to answer the question?

"(Witness confers with counsel.)

"Mr. IMORI. For the reason that I have already stated.

"Mr. WALTER. All right.

"Mr. TAVENNER. What position did you hold in the Communist Party of the Territory of Hawaii from 1945 until the present date? Or rather, what positions have you held during that period?

"Mr. IMORI. I refuse to answer that question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Do you know Harry Kuhia, Jr.?

"Mr. IMORI. I refuse to answer that question on the same grounds.

"Mr. WALTER. Why do you think you may incriminate yourself by saying that you know him?

"(Witness confers with counsel.)

"Mr. IMORI. Mr. Chairman, I take that position on the advice of my counsel.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Mr. IMORI. I refuse to answer that question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. I have no further questions, Mr. Chairman.

"(Witness excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Koichi Imori relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Mr. Imori, I don't see how I could state the question more plainly than I have. You stated in your letter, 'The charge is, of course, without foundation.' That is, the charge of communism. Now, is that a correct statement—was it without foundation?

"What positions did you hold in the Communist Party of the Territory of Hawaii, from 1945 until the present date, or rather what positions have you held during that period?

"Do you know Harry Kuhia, Jr.?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further

reading of the report be dispensed with, and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 763) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Koichi Imori to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Koichi Imori may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST DENICHI KIMOTO

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2867).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING DENICHI KIMOTO

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Denichi Kimoto, 2162 Makanani Drive, Honolulu, T. H. The said subpena directed Denichi Kimoto to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9 a. m., then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Denichi Kimoto is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Jack Kimoto, 2162 Makanani Drive, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"FRANCIS E. WALTER,
"Chairman of Subcommittee.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by George E. Bruns, deputy, who was duly authorized to serve the said subpena. The return of the service by the said George E. Bruns being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Jack Kimoto, before the Committee on Un-American Activities. Served Jack Kimoto personally at 811 Sheridan Street, 11:10 a. m., Honolulu, T. H., April 17, 1950.

"OTTO F. HEINE,
"United States Marshal,
"By GEORGE E. BRUNS,
"Deputy."

The hearing conducted by the Committee on Un-American Activities on April 10, 1950, not having been completed on that day, was adjourned from day to day and reconvened on April 18, 1950. The witness Denichi Kimoto was not released on the 10th day of April 1950, the date on which he was subpenaed to appear, and was verbally directed to return on April 18, 1950, at which time he appeared as a witness before the committee.

The said Denichi Kimoto, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Denichi Kimoto having appeared as a witness and having been asked questions, namely:

"Mr. Kimoto, I hand you Form 57, 'Application for Federal Employment,' or, rather, a photostatic copy of it; it bears the signature 'Denichi Kimoto,' and I ask you if you filed that application for Federal employment?"

After testifying that he applied for a Federal job, with the Office of War Information, the witness was asked the following question:

"In fact, on the 1st day of November 1944 you took an oath of office and executed it on that day, did you not? Examine it, please.

"The paper I hand you is a photostatic copy of oath of office, affidavit, and declaration of appointee, the signature 'Denichi Kimoto,' 'Subscribed and sworn to before me this 1st day of November, A. D. 1944, at Honolulu, T. H., Elsie M. McNicoll, Administrative Assistant, OPA. Act of June 26, 1943, section 206.' Do I understand that you refuse to admit the execution of this oath of office to the very position that you say you were applying for?

"Let me read your oath of office from this copy of oath of office executed in your name.

" 'I, Denichi Kimoto, do solemnly swear or affirm that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God.'

"Now, what is there about that oath of office that would incriminate you if you admitted that you signed it?

"The same oath of office states: 'I further swear that I do not advocate nor am I a member of any political party or organization that advocates the overthrow of the Government of the United States by force or violence and during such time as I am an employee of the Federal Government, I will not advocate nor become a member of any political party or organization that advocates the overthrow of the Government of the United States by force or violence.' Now, do you still desire to refuse to answer that question, as to whether you signed an affidavit stating those facts?

"According to the record of employment given on Form 57, I find the following: 'Honolulu, T. H., September 1928 to May 1931, newspaper reporter; employer Hawaii Hochi Sha, South Queen Street, Honolulu. Newspaper publisher. Supervisor-Sadasuke Teraski (editor). Reason for leaving—to go to mainland.' Is that a correct statement of your employment at that time?

"If you were employed with the newspaper to which you referred, how were you employed? In other words, what job did you take after finishing your job with the newspaper?

"How were you employed between 1931 and 1938?

"Where did you live during that period?

"Then, is this statement, which I read from exhibit No. 1, which is your Form 57, correct: 'Los Angeles, Calif. June 1931 to April 1938, self-employed, translator English-Japanese, 577 Central Avenue, Los Angeles, Calif.' Is that true or false?

"Do you know Roy Lane?

"Did you ever use the name Roy Lane any place, any time?

"Were you ever a member of the Communist Party at any time or any place?

"Did you go by the name of Roy Lane in the Communist Party, and were you not issued a Communist Party book No. 75649 in 1937?

"Will you look at this photostatic copy of a registration blank, and a receipt for a note book, a party book, membership book, and what appears to be an index card, and state what they mean to you?

"After reading exhibit No. 3 to the witness, constituting a 1938 registration form, the witness was asked the question: Is that a Communist Party registration blank as far as you know?

"After reading a photostatic copy of the card bearing the names Denichi Kimoto and 'Roy' or 'Roy Lane', bearing the street No. 2001 Arapahoe Street' the witness was asked the following question: Did you ever live on Arapahoe Street?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions and as a result of the said Denichi Kimoto's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Denichi Kimoto. The record of the proceedings before the committee on April 10, 1950, during which the said Denichi Kimoto refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee on Un-American Activities consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, Honolulu, T. H., on April 18, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER, presiding.)

"Mr. TAVENNER. Jack Kimoto is the next witness.

"Mr. WALTER. Will you raise your right hand please? Do you swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. KIMOTO. I do.

"TESTIMONY OF DENICHI KIMOTO, ACCOMPANIED BY HIS COUNSEL, HARRIET BOUSLOG

"Mr. TAVENNER. What is your name, please?

"Mr. KIMOTO. Denichi Kimoto.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. KIMOTO. Yes, sir. I am represented by counsel.

"Mrs. BOUSLOG. At this time I would like to file a motion to quash service on Mr. Kimoto. Mr. Kimoto has been told on and off to appear before this committee so many times that the motion reads 'April 10, 1950,

from 9:30,' but I think it will be sufficient for the most recently served subpena.

* * * * *

"Mr. TAVENNER. You are commonly known as Jack?

"Mr. KIMOTO. Yes, I am.

"Mr. TAVENNER. Mr. Kimoto, I hand you Form 57, an application for Federal employment, or rather, a photostatic copy of it; it bears the signature 'Denichi Kimoto'; and I ask you if you filed that application for Federal employment?

"(Witness examines document and confers with counsel.)

"Mr. KIMOTO. Will you repeat the question again, please?

"Mr. TAVENNER. Will you read the question to the witness?

"(The question was read by the reporter.)

"Mr. KIMOTO. I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. WALTER. Did you ever apply for Federal employment?

"(Witness confers with counsel.)

"Mr. KIMOTO. Yes, I have had—I applied for a Federal job.

"Mr. WALTER. Where?

"Mr. KIMOTO. With the Office of War Information.

"Mr. TAVENNER. When?

"Mr. KIMOTO. That was toward the end of 1944, if my memory is correct.

"Mr. TAVENNER. In fact, on the 1st day of November 1944, you took an oath of office and executed it on that day, did you not? Examine it, please.

"(Witness examines document and confers with counsel.)

"Mr. HARRISON. Was this man employed by the OWI?

"Mr. KIMOTO. Will you please repeat the question?

"Mr. TAVENNER. Read the question to the witness.

"(The question was read by the reporter.)

"Mr. KIMOTO. I refuse to answer that question on the ground it might tend to incriminate me.

"Mr. MOULDER. The question is directed to the photostatic copy of the instrument you hold in your hand?

"Mr. TAVENNER. Yes, sir.

"Mr. MOULDER. The record doesn't reveal it.

"Mr. TAVENNER. The paper I hand you is a photostatic copy of oath of office, affidavit and declaration of appointee, the signature 'Denichi Kimoto,' 'subscribed and sworn to before me this 1st day of November, A. D. 1944, at Honolulu, T. H., Elsie M. McNicoll, Administrative Assistant, OPA. Act of June 26, 1943, section 206.'

"Do I understand that you refuse to admit the execution of this oath of office to the very position that you say you were applying for?

"Mr. KIMOTO. I have already refused to answer that question on advice of my counsel.

"Mr. TAVENNER. Let me read your oath of office from this copy of oath of office executed in your name.

" 'I, Denichi Kimoto, do solemnly swear or affirm that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God.'

"Now, what is there about that oath of office that would incriminate you if you admitted that you signed it?

"(Witness confers with counsel.)

"Mr. KIMOTO. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. You stated to the chairman that you had applied for and that you served with the Office of War Information in 1944, and yet you are unwilling before this committee to admit that you took the oath of office and that you swore to defend the Constitution of the United States.

"Mr. KIMOTO. So far as defending the Constitution of the United States, I have been doing that. My record as an employee of the Office of War Information proves that. And I have a statement from the person in charge of that office acknowledging the excellent efficiency of my service.

"Mr. TAVENNER. And where was that service performed?

"Mr. KIMOTO. Performed at the Office of OWI on Kapiolani Boulevard, Honolulu.

"Mr. TAVENNER. Did you serve any place other than in Hawaii?

"Mr. KIMOTO. For the OWI?

"Mr. TAVENNER. Yes.

"Mr. KIMOTO. I have not.

"Mr. TAVENNER. The same oath of office states: 'I further swear that I do not advocate nor am I a member of any political party or organization that advocates the overthrow of the Government of the United States by force or violence and during such time as I am an employee of the Federal Government, I will not advocate nor become a member of any political party or organization that advocates the overthrow of the Government of the United States by force or violence.'

"Now, do you still desire to refuse to answer that question as to whether you signed an affidavit stating those facts?

"Mr. KIMOTO. I have already answered that question, Mr. Chairman.

"Mr. WALTER. Answer it again.

"Mr. KIMOTO. I refuse to answer the question on the same ground as previously stated.

"Mr. TAVENNER. Isn't the reason for your refusal to answer that question the fact that you were a member of the Communist Party at the time you executed that oath?

"(Witness confers with counsel.)

"Mr. KIMOTO. According to the advice of my counsel, I refuse to answer that question on the ground that it might tend to incriminate me, and on the further ground that this committee is attempting to compel me to disclose what may or may not be my private political belief and association, and that the purpose for which this committee was created is unconstitutional.

"Mr. WALTER. With that statement the Supreme Court of the United States is not in accord.

"Mr. TAVENNER. I desire to offer in evidence Form 57, application for Federal employment, and ask it be marked 'Kimoto Exhibit No. 1'; and the oath of office standard form No. 61, as 'Kimoto Exhibit No. 2.'

"Mr. WALTER. Let them be marked and received for the record.

"Mr. TAVENNER. Turning now to Exhibit No. 1—

"Mrs. BOUSLOG. We will stipulate that any questions of and pertaining to the documents, the answer will be the same, and perhaps we can save the time of the committee.

"Mr. TAVENNER. When the question is asked, the witness can answer it.

"Mrs. BOUSLOG. In other words——

"Mr. WALTER. We have plenty of time. Go ahead with your questions.

"Mr. TAVENNER. According to the record of employment given on Form 57, I find the following: 'Honolulu, T. H., September 1928 to May 1931, newspaper reporter; employer, Hawaii Hochi Sha, South Queen Street, Honolulu. Newspaper publisher. Supervisor-Sadasuke Terasaki (editor). Reason for leaving—to go to mainland.' Is that a correct statement of your employment at that time?

"(Witness confers with counsel.)

"Mr. KIMOTO. I refuse to answer that question on the same grounds as previously stated.

"Mr. TAVENNER. How were you employed between September 1928 and May 1931?

"(Witness confers with counsel.)

"Mr. KIMOTO. Will you please repeat the question, please?

"Mr. TAVENNER. How were you employed between September 1928 and 1931?

"Mr. KIMOTO. I was employed by the Hawaii Hochi, a Japanese daily language newspaper.

"Mr. TAVENNER. How are you employed now?

"Mr. KIMOTO. I refuse to answer that question on the same grounds as previously stated.

"Mr. TAVENNER. How long have you been so employed?

"Mrs. BOUSLOG. Mr. Chairman, will the chairman permit such a question?

"Mr. TAVENNER. No; that is a facetious question, and I will withdraw it.

"After you were employed with the newspaper to which you referred, how were you employed? In other words, what job did you take after finishing your job with the newspaper?

"Mr. KIMOTO. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Did you go to the mainland after you completed your employment in May 1931 with the newspaper in Honolulu?

"Mr. KIMOTO. Yes; I did go to the mainland.

"Mr. TAVENNER. When did you return to the Territory of Hawaii?

"Mr. KIMOTO. 1938.

"Mr. TAVENNER. How were you employed between 1931 and 1933?

"(Witness confers with counsel.)

"Mr. KIMOTO. I refuse to answer that question on the same grounds I have previously stated.

"Mr. TAVENNER. Where did you live during that period?

"(Witness confers with counsel.)

"Mr. KIMOTO. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Can you point out to the committee what the basis of your claim is for refusing to answer a question as to where you lived between 1931 and 1938 that might tend to incriminate you? I think under the decided cases there is an obligation in that situation on your part to give the committee some idea as to why and on what you base such a claim.

"(Witness confers with counsel.)

"Mr. KIMOTO. I reply to the question on the basis of the advice of my counsel.

"Mr. TAVENNER. That is no answer of yours; that is an answer of your counsel. Will you state what your reasons are?

"Mr. KIMOTO. I know that these questions are motivated by the ultimate aim of somehow tying up myself with something that might tend to incriminate me. That is the purpose of the hearing, as I understand.

"Mr. TAVENNER. Well, now, your Form 57 has an entry of this character. First let me ask you what type of work did you do while you were on the mainland?

"(Witness confers with counsel.)

"Mr. TAVENNER. Just what general type of work?

"Mr. KIMOTO. The general type of work has been writing and translating.

"Mr. TAVENNER. You translate. In other words, you were translating from English to Japanese or Japanese to English.

"Mr. KIMOTO. That is right.

"Mr. TAVENNER. Then is this statement correct, which I read from exhibit No. 1, which is your Form 57, correct?

" 'Los Angeles, Calif., June 1931 to April 1938, self-employed, translator, English-Japanese, 577 Central Avenue, Los Angeles, Calif.' Is that true or false?

"Mr. KIMOTO. I refuse to answer the question on the same grounds as previously stated.

"Mr. TAVENNER. Do you know Roy Lane?

"Mr. KIMOTO. I refuse to answer that question on the same ground as previously stated.

"Mr. TAVENNER. Did you at any time use the name Roy Lane while you were in the Communist Party?

"(Witness confers with counsel.)

"Mr. KIMOTO. In the first place, that is a question that is based on the assumption that I am a member of the Communist Party, and then asking another question, whether I used the name Roy Lane.

"Mr. TAVENNER. I will be very glad to divide it. Did you ever use the name Roy Lane any place, any time?

"Mr. KIMOTO. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Were you ever a member of the Communist Party at any time or any place?

"Mr. KIMOTO. I refuse to answer that question for the same reasons.

"Mr. TAVENNER. Didn't you go by the name of Roy Lane in the Communist Party and were you not issued Communist Party book No. 75649 in 1937?

"(Witness confers with counsel.)

"Mr. KIMOTO. I refuse to answer that question for the same reasons.

"Mr. TAVENNER. Will you look at this photostatic copy of a registration blank and a receipt for a notebook, a party book, membership book, and what appears to be an index card, and state what they mean to you?

"(Witness examines the documents and confers with counsel.)

"Mr. TAVENNER. Just explain the whole transaction, as you see it there.

"Mr. KIMOTO. I refuse to answer that question on the ground it may tend to incriminate me.

"Mr. TAVENNER. I desire to offer the photostatic copy in evidence and mark it 'Exhibit No. 3.'

"Mr. WALTER. Mark it and let it be received.

"Mr. TAVENNER. I desire to read exhibit No. 3 [reading]:

"'1938. Registration blank. Please write in ink. Section DT.'

"Do you know what 'DT' means? Downtown? Is that correct?

"(Witness confers with counsel.)

"Mr. TAVENNER. 'Unit blank, Branch A-8. Real name, Jack Kimoto: Party name, Roy Lane. Correct address.' There are figures there blurred over with ink as if they were struck out, followed by the figures 156 North Beaudry. 'Year joined: 1931. Book No. 37-75649. 1938, 59367. Nationality, Japanese. Country of birth, Hawaii. Age 31. Present occupation, translator. Employed, Yes. Other mass organizations: Japanese-American Citizens League. What function: Round-table.'

"Is that a Communist Party registration blank, as far as you know?

"Mr. KIMOTO. I refuse to answer on the same grounds.

"Mr. WALTER. What does that 'round-table' mean?

"Mr. KIMOTO. I think—(witness confers with counsel). Not based on that thing Mr. Tavenner is talking about, I guess 'round-table' means something distinguished from table of other shape.

"Mr. TAVENNER. Now, Mr. Kimoto, we are not talking about articles of furniture here; we are talking about organizations. What does 'round-table' mean in your judgment, when used as a function of an organization such as the Japanese-American Citizens League?

"Mr. KIMOTO. Not referring to the particular matter you are talking about, I have noticed that 'round-table,' the term 'round-table' has been used in connection with some organizations having discussions on various issues, forums.

"Mr. TAVENNER. Now, I will read to you another part of exhibit No. 3. At the top there appears No. 59367, under which appears this: 'I have received membership book. Roy Lane, signature. State: California; District: 13; County: L. A.; City: L. A.; Section DT; Unit A-8, Date, December 9, 1937.'

"I desire to read the photostatic copy of the card, at the head of which are the words 'at large. No. 75649. 1931. R: Denichi Kimoto.' I assume that 'R' means real name. 'P,' assuming it means party name, 'Ray or Roy Lane.' 'A,' assuming it means address, '2001 Arapahoe Street.' Did you ever live on Arapahoe Street?

"Mr. KIMOTO. On the advice of counsel, I refuse to answer that question for the same reason.

"Mr. TAVENNER. Followed by the words 'Translator, USA. 1906. Japanese.'

"(Mr. Tavenner handed documents to Chairman WALTER.)

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. KIMOTO. I refuse to answer that question for the same reasons previously stated.

"Mr. TAVENNER. I have no further questions. Oh, just a moment.

"In response to a question by the chairman, you stated you were employed in the Territory of Hawaii by the Office of War Information. How long were you employed at that position?

"Mr. KIMOTO. Approximately 1 year.

"Mr. TAVENNER. Who employed you?

"Mr. KIMOTO. You mean the man in charge of that office at that time?

"Mr. TAVENNER. Yes.

"Mr. KIMOTO. Mr. Bradford Smith.

"Mr. TAVENNER. Were you ever an editor of the Hawaii Star?

Mr. KIMOTO. I refuse to answer that question for the same reason.

"Mr. TAVENNER. You refuse to answer that question?

"Mr. KIMOTO. Yes.

"Mr. TAVENNER. On what ground?

"Mr. KIMOTO. On the grounds I have previously stated, that it might tend to incriminate me.

"Mr. TAVENNER. Will you assign to this committee any evidence that they might consider which would lead them to believe that there is some danger of incriminating you by such a reply to that question?

"Mr. KIMOTO. Well, this is an unusual time. At normal time——

"Mr. TAVENNER. I have no further questions.

"Mr. WALTER. That is all.

"(Witness confers with counsel.)

"Mr. KIMOTO. I would like to add to that question, if you will permit, that I have seen a person discharged from his job before the charge against him was proved. Like in the case of Dr. John Reinecke. He was fired from his teaching position even before he was called before a committee like this.

"Mr. WALTER. Well, I would like to correct your impression. I have been informed that he lost his position because he refused to cooperate or indicated that he intended to refuse to cooperate with a branch of this Government, whose protection so many people seek. So you are misinformed.

"Mr. KIMOTO. Well, those who have the reputation of being a radical have very slim chance of getting a job around here. That is another reason.

"(Witness was excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Denichi Kimoto, relative to the subject matter, which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Mr. Kimoto, I hand you Form 57, 'Application for Federal employment' or rather a photostatic copy of it; it bears the signature 'Denichi Kimoto' and I ask if you filed that application for Federal employment?"

After testifying that he applied for a Federal job with the Office of War Information, the witness was asked the following question:

"In fact, on the 1st day of November 1944 you took an oath of office and executed it on that day, did you not? Examine it, please.

"The paper I hand you is a photostatic copy of oath of office, affidavit and declaration of appointee, the signature 'Denichi Kimoto' 'Subscribed and sworn to before me this 1st day of November A. D. 1944, at Honolulu, T. H., Elsie N. McNicoll, Administrative Assistant, OPA. Act of June 26, 1943, section 206.'" Do I understand that you refuse to admit the execution of this oath of office to the very position that you say you were applying for?

"Let me read your oath of office from this copy of oath of office executed in your name.

"'I, Denichi Kimoto, do solemnly swear or affirm that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God.' Now, what is there about that oath of office that would incriminate you if you admitted that you signed it?

"The same oath of office states: 'I further swear that I do not advocate nor am I a member of any political party or organization that advocates the overthrow of the Government of the United States by force or violence and during such time as I am an employee of the Federal Government, I will not advocate nor become a member of any political party or organization that advocates the overthrow of the Government of the United States by force or violence.' Now, do you still desire to refuse to answer that question, as to whether you signed an affidavit stating those facts?

"According to the record of employment given on Form 57, I find the following: 'Honolulu, T. H., September 1928 to May 1931, newspaper reporter; employer Hawaii Hochi Sha, South Queen Street, Honolulu. Newspaper publisher. Supervisor—Sadasuke Terasaki (editor). Reason for leaving—to go to mainland.' Is that a correct statement of your employment at that time?

"If you were employed with the newspaper to which you referred, how were you employed? In other words, what job did you take after finishing your job with the newspaper?

"How were you employed during 1931 and 1938?

"Where did you live during that period?

"Then is this statement, which I read from exhibit No. 1, which is your Form 57, correct: 'Los Angeles, Calif., June 1931 to April 1938, self-employed, translator English-Japanese, 577 Central Avenue, Los Angeles, Calif.' Is that true or false?

"Do you know Roy Lane?

"Did you ever use the name Roy Lane any place, any time?

"Were you ever a member of the Communist Party at any time or any place?

"Didn't you go by the name of Roy Lane in the Communist Party, and were you not issued a Communist Party book No. 75649 in 1937?

"Will you look at this photostatic copy of a registration blank, and a receipt for a note book, a party book, membership book, and what appears to be an index card, and state what they mean to you?

"After reading exhibit No. 3 to the witness constituting a 1938 registration form, the witness was asked the question: Is that a Communist Party registration blank as far as you know?

"After reading a photostatic copy of the card bearing the names Denichi Kimoto and Roy or Roy Lane, bearing the street No. 2001 Arapahoe Street, the witness was asked

the following question: Did you ever live on Arapahoe Street?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 764) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Denichi Kimoto to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Denichi Kimoto may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST PEARL FREEMAN

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2868).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING PEARL FREEMAN

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5, of the Eighty-first Congress, caused to be issued a subpena to Pearl Freeman, 30 Dewey Court, Honolulu, T. H. The said subpena directed Pearl Freeman to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 14, 1950, in the senate chamber, Iolani Palace, Honolulu, T. H., at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Pearl Freeman is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Pearl Freeman, 30 Dewey Court, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 14, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and she is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD,
"Chairman.

"Attest:
"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the subpena. The return of the service of the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Pearl Freeman before the Committee on Un-American Activities. Served the within-named individual at 5:04 p. m., April 1, 1950, at 30 Dewey Court, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Pearl Freeman, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Pearl Freeman having appeared as a witness and having been asked questions, namely:

"While you were living in Oakland, were you engaged in any business other than that of working for the Navy?

"I will ask you whether or not in September 1945 you made a complaint in Oakland, Calif., regarding the treatment by police of certain persons who were distributing literature?

"Well, according to the Friday, September 21, 1945, issue of the Daily World, in an article entitled, 'Cop Intimidation Spurs Clash in Race Relations,' and the following language appears, 'Mrs. Pearl Freeman made the complaint to Schwanenberg that while she and two others were distributing leaflets advertising a Communist mass meeing, two cops tried to intimidate them.' I hand you the article, and I ask you if that statement there is true?

"Did you assist in the sale or engage in the sale of the Communist publication known as the Daily World?

"Let me hand you the Monday, September 17, 1945, issue of the Daily World, showing an article—a photostatic copy of an article—Sub-Getting Alamedans Are Doing an Outstanding Job. Under the paragraph this is said, 'Nine new readers. Pearl Freeman of West Oakland, Calif., works in the office of the Alameda Communist Party. She obtained nine new readers for a total of $40.50.' State whether or not that expresses the fact, or whether it is true.

"I hand you a photostatic copy of a document entitled, 'Application for Refund of Retirement,' purporting to be signed by Pearl E. Freeman, 100 Ninth Street, Oakland, Calif. Will you examine it and state whether or not it is your signature?

"Now I hand you what purports to be an affidavit canceling prior registration in another county, that is, voting registration, on which there appears at the end 'Subscribed and sworn to before me February 11, 1946, G. E. Wade, county clerk, by Edward A. King, deputy. Signature of affiant: Mrs. Pearl E. Freeman.' Will you examine that photostatic copy and state whether or not that is your signature?

"I hand you now an affidavit which states that it is an affidavit in accordance with section 223, Elections Code, relating to primary elections, that is, a photostatic copy thereof, which purports to have been sworn to on the 27th day of September 1944, before W. W. Sands, deputy registrar of voters, and to have been signed by Mrs. Pearl E. Freeman. Will you examine it and state whether or not that is your signature?

"Did you change your registration from that of a Communist to Democratic, in accordance with this affidavit?

"Now, I hand you a photostatic copy of a canceled registration, bearing date of 28th day of August 1943, signed 'George Miller, deputy registrar of voters' and signed 'Mrs. Pearl E. Freeman, 2572 Washington,' in which the word 'Communist' appears to have been lined through three times and the word 'Democratic' printed above it, and the date September 27, 1944. Will you examine it, please, and state whether or not you did change your voting registration in accordance with that canceled registration?

"Did you know Steve Nelson?

"Was he an organizer for Alameda County while you were there?

"Did you at any time work in the office of the Communist Party in Alameda County?

"Did you know Bernadette Doyle?

"Have you attended Communist Party meetings since you have been in Hawaii?

"Are you now a member of the Communist Party or have you ever been a member?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Pearl Freeman's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Pearl Freeman. The record of the proceedings before the committee on April 14, 1950, during which the said Pearl Freeman refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities consisting of the Honorable FRANCIS E. WALTER, chairman; Hon. BURR P. HARRISON; Hon. MORGAN M. MOULDER; and Hon. HAROLD H. VELDE met in the senate chamber, Iolani Palace, Honolulu, T. H., on April 14, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. The next witness will be Mrs. Pearl Freeman.

"TESTIMONY OF MRS. PEARL FREEMAN, ACCOMPANIED BY HER ATTORNEY, HARRIET BOUSLOG

"Mr. WALTER. Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mrs. FREEMAN. Yes.

"Mr. TAVENNER. You are Mrs. Pearl Freeman?

"Mrs. FREEMAN. I am.

"Mr. TAVENNER. Are you represented here by counsel?

"Mrs. FREEMAN. I have my attorney.

"Mr. TAVENNER. Will the attorney please identify herself for the record?

"Mrs. BOUSLOG. I would like the name of Harriet Bouslog to be shown in the record as attorney for Mrs. Pearl Freeman, and at this time I would like to file with the committee a motion to quash the service of the subpena for Pearl Freeman upon the grounds as stated in the motion.

"Mr. WALTER. Let it be made a part of the record.

"Mr. HARRISON. It is the same as the other.

"Mrs. BOUSLOG. It is the same.

"Mr. TAVENNER. Are you the wife of Dwight James Freeman?

"(Witness confers with counsel.)

"Mrs. FREEMAN. I am.

"Mr. TAVENNER. Thank you. What is your present occupation, Mrs. Freeman?

"Mrs. FREEMAN. Unemployed.

"Mr. TAVENNER. How long have you been unemployed?

"Mrs. FREEMAN. A little over a year.

"Mr. TAVENNER. Prior to that time, how were you employed?

"Mrs. FREEMAN. As a cook.

"Mr. TAVENNER. By whom?

"Mrs. FREEMAN. Mother's Doughnuts, was the name of the place.

"Mr. TAVENNER. How long have you been in Hawaii?

"Mrs. FREEMAN. Since October 1946.

"Mr. TAVENNER. Where did you live prior to that time?

"Mrs. FREEMAN. Oakland, Calif.

"Mr. TAVENNER. Were you employed there?

"(Witness confers with counsel.)

"Mrs. FREEMAN. On advice of my attorney, I refuse to answer on the ground it might tend to incriminate me, for the reasons stated in the motion.

"Mr. TAVENNER. Well, weren't you employed by the United States Navy? Is there anything incriminatory about that, if that be true?

"Mrs. FREEMAN. I was employed by the United States Navy.

"Mr. TAVENNER. Now, when were your services dispensed with by the Navy? When did you leave the Navy?

"Mrs. FREEMAN. In June 1945, as near as I can recall.

"Mr. TAVENNER. Where were you living then?

"Mrs. FREEMAN. Oakland, Calif.

"Mr. TAVENNER. Whereabouts in Oakland?

"Mrs. FREEMAN. 100 Ninth Street.

"Mr. TAVENNER. That was in June 1945. Did you live there from that time on until you came to Japan—to Hawaii?

"Mrs. FREEMAN. That was my residence, yes.

"Mr. TAVENNER. Until you came to Hawaii?

"Mrs. FREEMAN. That's right.

"Mr. TAVENNER. I will ask you whether or not in September 1945, you made a complaint in Oakland, Calif., regarding the treatment by police of certain persons who were distributing literature?

"(Witness confers with counsel.)

"Mrs. FREEMAN. I refuse to answer on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Well, according to the Friday, September 21, 1945, issue of the Daily World, in an article entitled, 'Cop Intimidation Spurs Clash in Race Relations,' and the following language appears, 'Mrs. Pearl Freeman made the complaint to Schwanenberg that while she and two others were distributing leaflets advertising a Communist mass meeting, two cops tried to intimidate them.'

"I hand you the article, and I ask you if that statement is true?

"Mrs. FREEMAN. On the advice of my counsel, I refuse to answer.

"Mr. TAVENNER. Speak louder, please.

"Mrs. FREEMAN. I refuse to answer, on the same ground.

"Mr. TAVENNER. I desire to offer the photostatic copy of that issue into evidence; mark it 'Pearl Freeman exhibit 1.'

"Mr. WALTER. It will be received.

"Mr. TAVENNER. While you were living in Oakland, were you engaged in any business other than that of working for the Navy?

"Mrs. FREEMAN. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. What was your position with the Navy, what were you doing?

"Mrs. FREEMAN. I was a chauffeur.

"Mr. TAVENNER. Did you assist in the sale or engage in the sale of the Communist publication known as the Daily World? Let me hand you this.

"Mrs. FREEMAN. I refuse to answer on the same grounds.

"Mr. TAVENNER. Let me hand you the Monday, September 17, 1945, issue of the Daily World, showing an article—a photostatic copy of an article—Sub-Getting Alamedans Are Doing an Outstanding Job. Under the paragraph this is said, 'Nine new readers. Pearl Freeman of West Oakland, Calif., works in the office of the Alameda Communist Party. She obtained nine new readers for a total of $40.50.'

"State whether or not that expresses the fact, or whether it is true.

"Mrs. FREEMAN. I refuse to answer on the same grounds.

"Mr. TAVENNER. I offer the page in evidence, and ask it be marked as 'Pearl Freeman exhibit 2.'

"Mr. WALTER. Mark it, and it will be received.

"Mr. TAVENNER. Where were you living in California, in 1944? Let me put it this way: How long did you live at Oakland, Calif.?

"Mrs. FREEMAN. As nearly as I can remember it was approximately 1941 until 1946.

"Mr. TAVENNER. To 1946. I hand you a photostatic copy of a document entitled, 'Application for refund on retirement,' purporting to be signed by Pearl E. Freeman, 100 Ninth Street, Oakland, Calif. Will you examine it and state whether or not it is your signature.

"Mrs. FREEMAN. I refuse to answer the question on the advice of my attorney, on the ground it might tend to incriminate me.

"Mr. WALTER. May I see that, please? Mrs. Freeman, why do you feel it might incriminate you to admit that you had signed a form on which you made this application?

"Mrs. FREEMAN. I refused on the advice of my attorney.

"Mr. WALTER. Then the reason why you did not answer the question is because your attorney told you not to, is that it?

"Mrs. FREEMAN. Yes.

"Mr. WALTER. All right.

"So that so far as you were personally concerned, you do not feel that you would be incriminated in answering that question, do you?

"Mrs. FREEMAN. On the advice of my attorney, I refuse to answer on the ground it might tend to incriminate me.

"Mr. WALTER. You refused to answer the question that I asked you for the same reason?

"Mrs. BOUSLOG. Would you restate your question, Mr. Chairman?

"Mr. WALTER. Mr. Tavenner.

"Mr. TAVENNER. The application for refund shows on its face that the title of the last position of the individual making this application is chauffeur. You were a chauffeur at that time, were you not? Didn't you tell is a moment ago that you were a chauffeur in the Navy?

"Mrs. FREEMAN. I was a chauffeur in the Navy, that's right.

"Mr. TAVENNER. So that that adequately describes your position at the time, didn't it?

"Mrs. FREEMAN. At the time I was in the Navy, yes.

"Mr. TAVENNER. And this application shows that the street address of the person who signed this was 100 Ninth Street, Oakland 7, Calif. That was the same address which you gave us a few minutes ago, as the place where you lived.

"Mrs. FREEMAN. I lived at that address, yes.

"Mr. TAVENNER. I desire to mark this document for identification only at this point, and ask that it be given the number of 'Pearl Freeman exhibit 3.'

"Mr. WALTER. It will be so marked.

"Mr. TAVENNER. Now I hand you what purports to be an affidavit canceling prior registration in another county, that is, voting registration, on which there appears at the end, 'Subscribed and sworn to before me February 11, 1946, G. E. Wade, county clerk, by Edward A. King, deputy. Signature of affiant, Mrs. Pearl E. Freeman.' Will you examine that photostatic copy and state whether or not that is your signature?

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. I desire that the document be marked at the moment for identification as 'Q–1.'

"Mr. WALTER. It may be so marked for identification.

"Mr. TAVENNER. And I would like to read it. [Reading:]

" 'State of California, County of Alameda. The undersigned affiant, Mrs. Pearl E. Freeman, being duly sworn, says: I am a native Californian, registered from 2572 Washington Street, San Francisco, County of San Francisco, State of California; I have removed from said county and hereby authorize cancellation of my registration therein.

" 'Subscribed and sworn to before me February 11, 1946, G. E. Wade, county clerk, by Edward A. King, deputy.' And a line for signature upon which appears the name 'Mrs. Pearl E. Freeman.' I hand you now an affidavit which states that it is an affidavit in accordance with section 223, Elections Code, relating to primary elections, that is, a photostatic copy thereof, which purports to have been sworn to on the 27th day of September 1944, before W. W. Sands, deputy registrar of voters, and to have been signed by Mrs. Pearl E. Freeman. Will you examine it and state whether or not that is your signature?

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. I desire to offer at the moment for identification this document and have it marked for identification only.

"Mr. WALTER. Let it be marked for that purpose.

"Mr. TAVENNER. As 'Q–2' and I desire to read it.

"Mr. HARRISON. Will you ask her how she spells her name when she signs it and how it is spelled on the exhibit?

"Mr. TAVENNER. I will be very glad to.

"How do you spell your name?

"Mrs. FREEMAN. Pearl, P-e-a-r-l, E period, F-r-e-e-m-a-n, Freeman.

"Mr. TAVENNER. An examination of this affidavit shows the same spelling. I will read this affidavit [reading]:

" 'Affidavit. In accordance with section 223, Elections Code, relating to primary elections. State of California, city and county of San Francisco. Mrs. Pearl Elizabeth Freeman, address 2572 Washington, being duly sworn, deposes and says: That she is registered on the Great Register of the said city and county of San Francisco as a Communist; that since the date of said registration she has changed her political views and in good faith declares that her affiliation is with the Democratic Party. Mrs. Pearl E. Freeman, signature, 2572 Washington Street.'

"Mr. TAVENNER. Did you change your registration from that of a Communist to Democratic, in accordance with this affidavit?

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Now, I hand you a photostatic copy of a canceled registration, bearing date of 28th day of August 1943, signed 'George Miller, deputy registrar of voters,' and signed 'Mrs. Pearl E. Freeman, 2572 Washington,' in which the word 'Communist' appears to have been lined through three times and the word 'Democratic' printed above it, and the date September 27, 1944. Will you examine it please, and state whether or not you did change your voting registration in accordance with that canceled registration?

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Will you examine it again and state whether or not that is your signature at the bottom of the card.

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. I ask that this document be identified for the present at 'Q–3.'

"Mr. WALTER. It may be marked for that purpose.

"Mr. TAVENNER. How long did you live in Alameda County, Calif.?

"Mrs. FREEMAN. So far as I know, it was from 1941 to 1946.

"Mr. TAVENNER. Did you know Steve Nelson?

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Was he an organizer for Alameda County while you were there?

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. I mean a Communist Party organizer.

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Did you at any time work in the office of the Communist Party in Alameda County?

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Did you know Bernadette Doyle?

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Have you attended Communist Party meetings since you have been in Hawaii?

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Are you now a member of the Communist Party or have you ever been a member?

"Mrs. FREEMAN. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. I have no more questions."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Pearl Freeman relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"While you were living in Oakland, were you engaged in any business other than that of working for the Navy?

"I will ask you whether or not in September 1945 you made a complaint in Oakland, Calif., regarding the treatment by police of certain persons who were distributing literature?

"Well, according to the Friday, September 21, 1945, issue of the Daily World, in an article entitled, 'Cop Intimidation Spurs Clash in Race Relations,' and the following language appears, 'Mrs. Pearl Freeman made the complaint to Schwanenberg that while she and two others were distributing leaflets advertising a Communist mass meeting, two cops tried to intimidate them.' I hand you the article, and I ask you if that statement there is true?

"Did you assist in the sale or engage in the sale of the Communist publication known as the Daily World?

"Let me hand you the Monday, September 17, 1945, issue of the Daily World, showing an article—a photostatic copy of an article—Sub-Getting Alamedans Are Doing an Outstanding Job. Under the paragraph this is said, 'Nine new readers. Pearl Freeman, of West Oakland, Calif., works in the office of the Alameda Communist Party. She obtained nine new readers for a total of $40.50.' State whether or not that expresses the fact, or whether it is true.

"I hand you a photostatic copy of a document entitled 'Application for Refund of Retirement,' purporting to be signed by Pearl E. Freeman, 100 Ninth Street, Oakland, Calif. Will you examine it and state whether or not it is your signature?

"Now, I hand you what purports to be an affidavit canceling prior registration in another county, that is, voting registration on which there appears at the end: 'Subscribed and sworn to before me February 11, 1946, G. E. Wade, county clerk, by Edward A. King, deputy. Signature of affiant: Mrs. Pearl E. Freeman.' Will you examine that photostatic copy and state whether or not that is your signature?

"I hand you now an affidavit which states that it is an affidavit in accordance with section 223, Elections Code, relating to primary elections, that is, a photostatic copy thereof, which purports to have been sworn to on the 27th day of September 1944, before W. W. Sands, deputy registrar of voters, and to have been signed by Mrs. Pearl E. Freeman. Will you examine it and state whether or not that is your signature?

"Did you change your registration from that of a Communist to Democratic, in accordance with this affidavit?

"Now, I hand you a photostatic copy of a canceled registration, bearing date of 28th day of August 1943, signed 'George Miller, deputy registrar of voters,' and signed 'Mrs. Pearl E. Freeman, 2572 Washington,' in which the word 'Communist' appears to have been lined through three times and the word 'Democratic' printed above it, and the date September 27, 1944. Will you examine it, please, and state whether or not you did change your voting registration in accordance with that canceled registration?

"Did you know Steve Nelson?

"Was he an organizer for Alameda County while you were there?

"Did you at any time work in the office of the Communist Party in Alameda County?

"Did you know Bernadette Doyle?

"Have you attended Communist Party meetings since you have been in Hawaii?

"Are you now a member of the Communist Party or have you ever been a member?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and her refusal to answer the aforesaid questions deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 765) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Pearl Freeman to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Pearl Freeman may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST MARSHALL McEUEN

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2869).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING MARSHALL McEUEN

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5, of the Eighty-first Congress, caused to be issued a subpena to Marshall McEuen, care of Honolulu Star-Bulletin, Honolulu, T. H. The said subpena directed Marshall McEuen to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 15, 1950, in the senate chamber, Iolani Palace, Honolulu, T. H., at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Marshall McEuen is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Marshall McEuen, care of Honolulu Star-Bulletin, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 15, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Emmanuel Moses, Jr., deputy, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Marshall McEuen before the Committee on Un-American Activities; served the within-named individual at 11:15 a. m., April 6, 1950, at the Cosmopolitan Hotel, 1415 Punchbowl St., Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By EMMANUEL MOSES, Jr.,
"Deputy."

The said Marshall McEuen, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Marshall McEuen having appeared as a witness and having been asked questions, namely:

"Are you a member of the Hawaii Civil Liberties Committee?

"Did you open the account of the Hawaii Civil Liberties Committee under date of De-

cember 17, 1947, with a deposit of $96.95 or by the delivery of a check for that amount to Mr. Katsuto Nagaue?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Marshall McEuen's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Marshall McEuen. The record of the proceedings before the committee on April 15, 1950, during which the said Marshall McEuen refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of the Honorable FRANCIS E. WALTER, chairman, the Honorable BURR P. HARRISON, the Honorable MORGAN M. MOULDER, and the Honorable HAROLD H. VELDE, met in the Senate Chamber, Iolani Palace, Honolulu, T. H., on April 15, 1950, at 9:30 a. m., the Honorable FRANCIS E. WALTER presiding.)

"Mr. TAVENNER. Mr. Marshall L. McEuen.

"Mr. WALTER. Will you raise your right hand, please?

"Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. MCEUEN. I do.

"TESTIMONY OF MARSHALL L. M'EUEN, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. You are Mr. Marshall L. McEuen?

"Mr. MCEUEN. Yes, sir.

"Mr. TAVENNER. Are you represented here by counsel?

"Mr. MCEUEN. I am. Mr. Symonds is my counsel.

"Mr. TAVENNER. Will Mr. Symonds identify himself for the record?

"Mr. SYMONDS. My name is Myer C. Symonds. I appear for the witness, and I file at this time the same motion with the committee in the same form as heretofore, Mr. Chairman.

"Mr. WALTER. It will be received. Mr. Symonds, do you want these motions right at the very beginning?

"Mr. SYMONDS. I beg your pardon?

"Mr. WALTER. I say, do you want these motions right at the beginning of the statement, the beginning of the testimony?

"Mr. SYMONDS. Yes.

"Mr. WALTER. Make the record clear that the motion was filed before any questions.

"Mr. SYMONDS. Oh yes; thank you very much, Mr. Chairman.

"Mr. TAVENNER. Mr. McEuen, are you a resident of the Territory of Hawaii?

"Mr. MCEUEN. Yes, sir.

"Mr. TAVENNER. How long have you lived in the Territory of Hawaii?

"Mr. MCEUEN. Since 1930, with two interim periods when I was away.

"Mr. TAVENNER. With the exception of two periods——

"Mr. MCEUEN. Interim periods when I was on the mainland.

"Mr. TAVENNER. Would you state the time and duration of the periods when you were on the mainland?

"Mr. MCEUEN. I went to the mainland about the middle of May 1947, and returned the 5th of November 1947, and went to the mainland last year about the 1st of July, and returned the latter part of January.

"Mr. TAVENNER. What is your present occupation?

"Mr. MCEUEN. I am a printer.

"Mr. TAVENNER. How are you employed? Are you self-employed?

"Mr. MCEUEN. No; I am working for the Honolulu Star-Bulletin.

"Mr. TAVENNER. How long have you worked for the Honolulu Star-Bulletin?

"Mr. MCEUEN. This time, since the 23d of January.

"Mr. TAVENNER. Of what year?

"Mr. MCEUEN. This year.

"Mr. TAVENNER. How were you employed prior to that time?

"Mr. MCEUEN. I was, during the period from approximately the latter part of June 1946, until the middle of May 1947, codirector of the Political Action Committee for the ILWU. And from about the 5th of November until May of last year, July of last year, I was director of education for the ILWU.

"Mr. TAVENNER. You say you were codirector of the PAC?

"Mr. MCEUEN. Yes, sir.

"Mr. TAVENNER. And from what period?

"Mr. MCEUEN. I think I went to work for them on the 27th day of June 1946. And I was codirector of political action for the committee for the ILWU until about the 11th or 12th of May 1947.

"Mr. TAVENNER. Do you recall whether Wilfred Oka was the recording secretary of the PAC during October 1946?

"(Witness confers with counsel.)

"Mr. MCEUEN. I don't know. I don't remember.

"Mr. TAVENNER. Well, you know that he was a member of the PAC?

"Mr. MCEUEN. No, sir; I don't remember that.

"Mr. TAVENNER. You do not remember that?

"Mr. MCEUEN. No, sir.

"Mr. TAVENNER. Let me hand you what purports to be a copy of minutes of October 10, of October 11, 1946, and ask you to look at it and see if it refreshes your recollection regarding Mr. Oka's position.

"(Witness examines document.)

"Mr. TAVENNER. It is on the front page?

"(Witness confers with counsel.)

"Mr. MCEUEN. Will you repeat the question?

"Mr. TAVENNER. I asked you if the paper I handed you would refresh your recollection about Mr. Oka's position in the PAC.

"Mr. MCEUEN. Yes, sir.

"Mr. TAVENNER. It does refresh your recollection?

"Mr. MCEUEN. Yes, sir.

"Mr. TAVENNER. Then what is your present recollection?

"Mr. MCEUEN. I was honest in the statement that I didn't know that or remember, at least, that Mr. Oka had been the recording secretary of the PAC, since there has been a good deal of water that went under the bridge in very large volumes since that time.

"Mr. TAVENNER. I didn't question the honesty of the answer.

"Mr. MCEUEN. However, apparently if the minutes are correct, he was recording secretary of the PAC.

"Mr. TAVENNER. From your examination of this paper, do you now recall that he was a member of the PAC and was the recording secretary?

"Mr. MCEUEN. I still don't have any personal recollection of Mr. Oka as recording secretary of the PAC.

"Mr. TAVENNER. Were you a delegate who attended the meeting on October 11, the minutes of which I showed you?

"(Witness examines document and confers with counsel.)

"Mr. MCEUEN. Let me point out, Mr. Tavenner, that to ask me if I attended a meeting on a certain date is an extremely confusing thing, because as a matter of actual fact there were times when I attended three meetings in one day, and to ask me to go back for 3 years and ask a question about attendance is almost an impossible thing from the standpoint of memory.

"Mr. TAVENNER. I am not interested so much in a meeting as I am to determine the names of persons who were members of the PAC and whether you recall you attended a meeting on this particular date or not I am not interested in it, but you were a member from the Oahu district, were you not, of the PAC?

"(Witness confers with counsel.)

"Mr. TAVENNER. My only purpose in giving you the minutes is to help you refresh your recollection.

"Mr. MCEUEN. Dealing with the technical point of organization, Mr. Tavenner, my impression is that, although my name may be listed as a delegate officially I didn't come as a delegate, because my recollection is that the delegates were on the basis of a question of representation, something of that kind, and not being a member of any CIO union, I would not have been officially a delegate. I should have been listed as codirector.

"Mr. TAVENNER. Well, was Jack Kawano one of the delegates from the same district where you were listed as a delegate?

"(Witness confers with his counsel.)

"Mr. MCEUEN. I don't remember.

"Mr. TAVENNER. Let me hand you the minutes and see if this refreshes your recollection.

"(Witness confers with his counsel.)

"Mr. TAVENNER. Does that refresh your recollection?

"(Witness confers with his counsel.)

"Mr. MCEUEN. I am giving you the appearance of dodging the issue. I am not dodging any issue. I don't remember. However, I would have referred to the minutes myself to find out whether I was or was not a delegate. I assume, since he was at most of the meetings, he probably was a delegate.

"Mr. TAVENNER. You recall his attendance as a delegate?

"Mr. MCEUEN. Yes.

"Mr. TAVENNER. Well, I would like to ask you the same question regarding Jack Kimoto.

"(Witness confers with counsel.)

"Mr. MCEUEN. I don't remember of any specific time. There is no remembrance there to any specific time.

"Mr. TAVENNER. Let me hand you the minutes and see if they refresh your recollection.

"(Witness examines document and confers with counsel.)

"Mr. TAVENNER. Can you answer the question now?

"Mr. MCEUEN. Would you restate the question, please?

"Mr. TAVENNER. I handed you the paper and asked you if—for you to examine it to see if it would refresh your recollection as to whether or not Jack Kimoto attended, as a delegate, meetings of the PAC?

"Mr. MCEUEN. I believe that he did. I am not certain.

"Mr. TAVENNER. As a delegate from Oahu, would you say?

"Mr. MCEUEN. Let me answer on the general statement, Mr. Tavenner, as to the situation. I was asked sometime the early part of June 1946, to become a codirector of the PAC. Now, up until that time I had almost no knowledge whatsoever of the performance and organization of the CIO unions of the Territory of Hawaii. I stepped into a job that came pretty close to putting both the other codirector and myself in the hospital because we worked our heads off. Now, very unfortunately, I would have been smart if I had taken a couple of weeks away from the office after the election was over, but I simply took it for granted—these groups. I don't remember who was in any particular group, and I didn't check into the question of delegates, regarding the delegates, or anything of that kind. I didn't know the organization, because there was too much immediate work to be done.

"Mr. WALTER. Did you keep any record yourself?

"Mr. MCEUEN. No, sir. I left that entirely to the clerical staff.

"Mr. WALTER. Did you confer with the clerical staff concerning the preparation of these records?

"Mr. MCEUEN. What was that question?

"Mr. WALTER. Did you confer with the clerical staff in connection with the preparation of these records?

"Mr. MCEUEN. No, I did not.

"Mr. TAVENNER. Now, are you a member of the Hawaii Civil Liberties Committee?

"(Witness confers with counsel.)

"Mr. MCEUEN. On advice of my attorney and with my full concurrence with that advice, I refuse to answer on the ground that it might tend to incriminate me.

"Mr. WALTER. Why do you think it might incriminate you to answer the question?

"(Witness confers with counsel.)

"Mr. MCEUEN. My attorney has so advised me and I have confidence in his judgment.

"Mr. WALTER. And that is your only reason for not answering the question?

"Mr. MCEUEN. No; that is not my only reason.

"Mr. WALTER. What is your other reason?

"Mr. MCEUEN. I feel that the present type of investigation, in view of the fact that the United States Government was set up and has maintained over a good many years what we as a people considered a democratic process functioning through the Federal Bureau of Investigation, functioning through the Federal grand jury system and through the United States Department of Justice, and that that set-up should be proper and adequate to take care of any necessary investigation of conditions which might alarm the Congress. And I feel also that the people who are called in those investigations are protected, surrounded with the protection which the democratic people have found to be necessary.

"Mr. WALTER. What protections?

"Mr. MCEUEN. The right to cross-examine, for instance. That is prohibited here. When a person is brought in before the courts, our ordinary established courts, they are given the opportunity to subpena witnesses, to a jury trial.

"Mr. WALTER. Yes; but this is no trial. We are not prosecuting anybody. This is merely an investigation, and anything that any witness testifies to is privileged and will not be used against you unless, of course, it is perjured testimony.

"Mr. MCEUEN. I am quite well aware, Mr. Walter, of the significance of your statement.

"Mr. WALTER. All right. Go ahead, Mr. Tavenner.

"Mr. TAVENNER. Did you open the account of the Hawaii Civil Liberties Committee on December 17, 1947, with the deposit of $96.95, or by the delivery of a check for that amount to Mr. Katsuto Nagaue?

"(Witness confers with his counsel.)

"Mr. MCEUEN. I refuse to answer on the ground it might tend to incriminate me.

"Mr. WALTER. Why do you think it might incriminate you to admit that you opened a bank account? It has never been a crime to open a bank account.

"Mr. TAVENNER. Are you now, or have you ever been a member of the Communist Party?

"Mr. MCEUEN. The same answer.

"Mr. WALTER. What is that answer?

"Mr. MCEUEN. I refuse to reply on the ground that to do so might tend to incriminate me.

"Mr. TAVENNER. There are no further questions, Mr. Chairman.

"(The witness was excused.)

"Mr. WALTER. The committee will be in recess.

"(A short recess was taken.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Marshall McEuen relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Are you a member of the Hawaii Civil Liberties Committee?

"Did you open the account of the Hawaii Civil Liberties Committee under date of December 17, 1947, with a deposit of $96.95 or by the delivery of a check for that amount to Mr. Katsuto Nagaue?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution—House Resolution 766—and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Marshall McEuen to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Hawaii, to the end that the said Marshall McEuen may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST RUTH OZAKI

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2870).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING RUTH OZAKI

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2) of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Ruth Ozaki, 933 Seventeenth Avenue, Honolulu, T. H. The said subpena directed Ruth Ozaki to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 17, 1950, in the senate chamber, Iolani Palace, at the hour of 2 p. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Ruth Ozaki is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Ruth Ozaki, 933 Seventeenth Avenue, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 17, 1950, in the senate chamber, Iolani Palace, at the hour of 2 p. m. then and there to testify touching matters of inquiry committed to said committee; and she is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February, 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,

"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., is set forth in words and figures as follows:

"Subpena for Ruth Ozaki before the Committee on Un-American Activities. Served the within-named individual at 9:25 p. m. at 933 Seventeenth Avenue, Honolulu, T. H., March 31, 1950.

"OTTO F. HEINE,

"United States Marshal, District of Hawaii.

"EMMANUEL MOSES, Jr.,

"Deputy United States Marshal."

The said Ruth Ozaki, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Ruth Ozaki, having appeared as a witness and having been asked questions, namely:

"Are you now or have ever been a member of the Communist Party?

"Are you a member of the Hawaii Civil Liberties Committee?

"Have you attended Communist Party meetings in Honolulu since 1945?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Ruth Ozaki's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Ruth Ozaki. The record of the proceedings before the committee on April 17, 1950, during which the said Ruth Ozaki refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 17, 1950, at 2 p. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Ruth Ozaki.

"Mr. WALTER. Will you stand up, please, and raise your right hand? Do you swear that the testimony you are about to give will

be the truth, the whole truth, and nothing but the truth, so help you God.

"Miss OZAKI. I do.

"TESTIMONY OF RUTH OZAKI, ACCOMPANIED BY HER COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your full name, please?

"(Witness confers with attorney.)

"Miss OZAKI. Ruth Ozaki.

"Mr. TAVENNER. Are you represented by counsel?

"Miss OZAKI. I am.

"Mr. TAVENNER. Will counsel identify himself for the record, please?

"Mr. SYMONDS. Myer C. Symonds, appearing for the witness, Ruth Ozaki. And I desire to file at this time a motion to quash the service of subpena. It is in the same form as those heretofore filed.

"Mr. WALTER. It will be placed in the record.

"Mr. TAVENNER. Are you a resident of Honolulu?

"Miss OZAKI. I am.

"Mr. TAVENNER. How long have you lived here?

"Miss OZAKI. Twenty-seven years.

"Mr. TAVENNER. Were you born here?

"Miss OZAKI. I was.

"Mr. TAVENNER. Will you tell the committee how you have been employed in recent years?

"Miss OZAKI. I have been employed by the ILWU.

"Mr. TAVENNER. In what capacity?

"Miss OZAKI. As a stenographer-clerk.

"Mr. TAVENNER. As a stenographer?

"Miss OZAKI. Stenographer-clerk.

"Mr. TAVENNER. Are you secretary to any particular individual?

"Miss OZAKI. No.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"(Witness confers with counsel.)

"Miss OZAKI. On advice of the counsel I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Have you attended Communist Party meetings in Honolulu since 1945?

"(Witness confers with counsel.)

"Miss OZAKI. On advice of the counsel, I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Are you a member of the HCLC?

"Miss OZAKI. I refuse to answer.

"Mr. TAVENNER. You make the same answer?

"Miss OZAKI. That is right.

"Mr. TAVENNER. That is, you refuse to answer.

"Miss OZAKI. On the ground it might tend to incriminate me.

"Mr. TAVENNER. I have no further questions, Mr. Chairman.

"(The witness was excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Ruth Ozaki relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Are you now or have you ever been a member of the Communist Party?

"Have you attended Communist Party meetings in Honolulu since 1945?

"Are you a member of the Hawaii Civil Liberties Committee?"

which questions were pertinent to the subject under inquiry is a violation of the subpena under which the witness had previously appeared, and her refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 767) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Ruth Ozaki to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Ruth Ozaki may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST STEPHEN MURIN

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2871).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING STEPHEN MURIN

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress caused to be issued a subpena to Stephen Murin, Apartment D, 438 Kuamoo Street, Honolulu, T. H. The said subpena directed Stephen Murin to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 15, 1950, in the senate chamber, Iolani Palace, Honolulu, T. H., at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Stephen Murin is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Stephen Murin, Apartment D, 438 Kuamoo Street, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 15, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1940.

"JOHN S. WOOD,
"Chairman.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Stephen Murin before the Committee on Un-American Activities; served the within named individual at 5:13 p. m., at Apartment D, 438 Kuamoo Street, Honolulu, T. H., April 1, 1950.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Stephen Murin, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress. The said Stephen Murin having appeared as a witness and having been asked questions, namely:

"Mr. Murin, what official position, if any, do you hold at this time with the Hawaii Civil Liberties Committee?

"While you were living there did you know Steve Nelson, the Communist Party organizer?

"Well, did you learn to know or were you acquainted with Matthew Cvetic in Pittsburgh?

"Bessie Steinberg was educational director of a committee of the Communist Party; wasn't she?

"Did you take part in Communist activities when you lived in Pittsburgh?

"Are you now or have you at any time been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Stephen Murin's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Stephen Murin. The record of the proceedings before the committee on April 15, 1950, during which the said Stephen Murin refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE met in the senate chamber, Iolani Palace, Honolulu, T. H., on April 15, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. I would like to call as my next witness, Mr. Steve Murin.

"TESTIMONY OF STEPHEN MURIN, ACCOMPANIED BY HIS COUNSEL, HARRIET BOUSLOG

"Mr. WALTER. Will you raise your right hand, please?

"Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. MURIN. I do.

"Mr. TAVENNER. You are Mr. Stephen Murin?

"Mr. MURIN. That's right.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. MURIN. I am represented by Attorney Bouslog.

"Mr. TAVENNER. Will the attorney identify herself for the record?

"Mrs. BOUSLOG. May the name of Harriet Bouslog be entered of record as counsel for Stephen Murin? At this time I want to file the usual motion to the committee.

"Mr. TAVENNER. Mr. Murin, what official position, if any, do you hold at this time with the Hawaii Civil Liberties Committee?

"(Witness confers with counsel.)

"Mr. MURIN. I have discussed this entire matter with my counsel and I have been advised and I fully agree that I cannot answer this question and other questions like it on the basis that it would tend to incriminate me, and I also believe that my association of this committee in the past and at the present time may act—act against the liberties not only of myself, but against larger numbers of the people. For this reason, in addition to the fifth amendment, I believe I must refuse to answer that question and possibly others.

"Mr. WALTER. Why do you think you would be in trouble if you admit membership in this organization?

"Mr. MURIN. We are living in a very unusual time.

"Mr. WALTER. Yes.

"Mr. MURIN. I am aware of it. I think you are. I think that one of the most serious things that I have ever been faced with is this opportunity to appear before you. I considered very seriously what I might do and I don't believe that I would be serving the American people and the labor movement or myself in justice, not injustice, but in justice, if I were to answer questions, which because of the peculiar atmosphere of the era we live in could be used against these larger groups of people. I believe that sincerely. Given the opportunity, I would like to enlarge upon that.

"Mr. WALTER. Of course, that dangerous situation that you talk about is the imminence of another dictatorship, isn't it?

* * * * *

"Mr. MURIN. Possibly a few years ago, Mr. Walter, I have have, because I come from your State. I come from the thirty-second Representative District of Pennsylvania. I don't believe that your formulation of the danger is one that I would agree with. The question that we are faced with today is not the imminence of another dictatorship.

"Mr. WALTER. Don't you realize that this committee was set up by the Congress of the United States, and that it is a part of the Government of the United States?

"Mr. MURIN. I realize that.

"Mr. WALTER. It is set up in the democratic manner that we in America know.

"Mr. MURIN. I agree it is according to the official machinery of the United States Government and I believe it was set up for the purposes which, I forget your formulation of it, an official proceeding for which committees have been set up in the past.

"Mr. WALTER. Then why do you think that in view of the fact times—rather recently we got adopted a law that makes the testimony given before this committee privileged. It can't be used against anybody, and those of us who were interested in the activities of this committee in an endeavor to see to it that people would feel free to testify, had this law adopted. Now why do you think, that being the fact, that you might get in difficulty if you refused to answer questions?

"(Witness confers with counsel.)

"Mr. MURIN. I have discussed this matter earlier with my attorney and again now on the advice of counsel I think that I cannot answer that particular question.

"Mr. WALTER. Then your refusal to answer the questions comes from the fact that you have been told by your attorney not to answer it, not because of any feeling that you individually have?

"Mr. MURIN. No, that would not be correct. I have been advised by my counsel of my rights. I have thought the matter over very seriously from the dictates of my own conscience, and I have taken it upon myself with full concurrence with my counsel's advice that I cannot answer that question.

"Mr. WALTER. Proceed, Mr. Tavenner.

"Mr. TAVENNER. Mr. Murin, did I understand you to say that you were from the State of Pennsylvania?

"(Witness confers with counsel.)

"Mr. MURIN. I answer that 'yes.'

"Mr. TAVENER. When were you last in Pennsylvania?

"Mr. MURIN. In 1947.

"Mr. TAVENNER. Have you been in the Territory of Hawaii since that time, since 1947?

"Mr. MURIN. Yes, except—yes.

"Mr. TAVENNER. I understood you to say you were from the Twenty-third District—Thirty-second District of Pennsylvania. Identify more definitely the location of your residence when you lived in Pennsylvania.

"Mr. MURIN. I lived in a small town 4 miles outside of Pittsburgh. It was called McKees Rocks.

"Mr. TAVENNER. McKees Rocks. How long did you live at McKees Rocks, Pa.?

"Mr. MURIN. I lived there from the time I was about 3 years old until I was 24. At that time I enlisted in the Navy and never returned as a resident.

"Mr. TAVENNER. While you were living there did you know a Steve Nelson, the Communist Party organizer?

"(Witness confers with counsel.)

"Mr. MURIN. I have been advised, and I agree, that I cannot answer that question, on the basis that it would tend to incriminate me.

"Mr. TAVENNER. Do you refuse to answer that question on the ground of self-incrimination? Is that what I understand?

"Mr. MURIN. That is right.

"Mr. WALTER. Well, why do you think that merely knowing Steve Nelson would get you into any trouble?

"Mr. MURIN. I think that, Mr. Walter, that if I were to enlarge on all of these questions I would take up much time. I think that the important thing here before us is the activities of myself, and I want to know whether this committee can produce any evidence about any unlawful activity on my part. If the committee can, I will be very glad to discuss that, but matters relating to my own affairs, I feel that their discussion, an enlargement upon them, might tend to incriminate me.

"Mr. TAVENNER. Well, did you learn to know, or were you acquainted with Matthew Cvetic, in Pittsburgh?

"(Witness confers with counsel.)

"Mr. MURIN. Under the advice of counsel, and again with my full concurrence, I must refuse to answer that because it might tend to incriminate me.

"Mr. WALTER. Now, just to refresh your recollection, Mr. Cvetic was a member of the Communist Party for upward of 8 years, very active in the Communist Party. During that period, he was an FBI agent. Now, does that refresh your recollection any?

"Mr. MURIN. I still will say that there is no reason why, to change my mind to answer that question.

"Mr. WALTER. Why do you think it might incriminate you if you admit you know the FBI agent?

"Mr. MURIN. You want me to answer that?

"Mr. TAVENNER. Yes.

"Mr. MURIN. I interpret that as a type of question, I don't think that it is to the point, and I would like to repeat again that I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. WALTER. Well, what is incriminating about knowing an FBI agent?

"Mr. MURIN. I have, Mr. WALTER, nothing more to say on that particular question, because unless you wish to delve deeper into this thing and go into matters which have no relationship to my ability——

"Mr. WALTER. My only interest is to see that a fellow Pennsylvanian doesn't get into trouble.

"Mr. MURIN. I think, Representative WALTER, that in my own mind I have done no wrong. I have lived a pretty honest life, and as long as we discuss my life I think I am on safe ground.

"Mr. WALTER. I am absolutely positive of that. One of the radio commentators described me as being a 'kind, white-haired old gentleman.' I suppose with that goes the knowledge of human nature that the years bring to white-haired old men, and I feel positive that you are a good American.

"Mr. MURIN. Thank you.

"Mr. WALTER. I don't see why, as a good American, you won't try to help us clarify the atmosphere.

"Mr. MURIN. Representative WALTER, it is I would like, there is nothing I would like better than to be recorded in the minutes of this meeting as having done my best for my country. It is because I believe that the actions that I am taking today is in the long run for the good of my country. If it were not for that I wouldn't take this attitude. It would be much easier for me to say, 'Gentlemen, I have never been this; I have never been that.' But if I believed that the interest of the American people, I mean larger numbers of the people would be served by having me swear to that, I would be glad to do it. It would save me; it would save my family; it would save me from the attitudes that we have in the group here today. I don't enjoy being here and facing the prospect of being cited for contempt.

"Mr. WALTER. We don't enjoy being here either to do that.

"Mr. MURIN. I know that, and that is why I say that there are people in America, people like Tom Paine and more recently people like Franklin Roosevelt, people like even Truman, in the 1948 election said that any attempt to encroach upon the right of the people to think for themselves, to associate with whom they please, to say what they will, is not itself American. If I myself were to say to save my own skin, in order to protect myself from the laughter of large numbers of people here, I could go ahead and do it, but I feel that I would be betraying those people who in the long run, who in the historic past had made America what it is. It is not because I want to get you gentlemen angry, because I enjoy the job of sitting here and have the people say, 'That dirty this and that.' It is not because of that. I think in the long run history will bear me out, those of us who are standing up today and having the guts, if you want to call it that, having the guts to say, 'No agent of the Government can tell me that it is wrong for me to associate with John Doe or wrong for you to read that book,' we are serving the American people.

"Mr. WALTER. Let me say this, that this committee, as presently constituted, doesn't think anybody is guilty of anything through association.

"Mr. MURIN. I am glad to hear that.

"Mr. WALTER. Then, will you answer the question?

"Mr. MURIN. I hope, Representative WALTER, that it won't be necessary for me to repeat that I think I am serving my country best by my refusal to answer that question.

"Mr. WALTER. All right.

"Mr. TAVENNER. The question, did I understand, you refused to answer is that whether or not you knew Matthew Cvetic?

"Mr. MURIN. As I recall, that was the question to which I answered that an answer might tend to incriminate me.

"Mr. TAVENNER. Well, did you know Bessie Steinberg?

"(Witness confers with counsel.)

"Mr. MURIN. I did know Bessie Steinberg.

"Mr. TAVENNER. She was your wife?

"Mr. MURIN. She was my wife.

"Mr. TAVENNER. And Bessie Steinberg was educational director of a committee of the Communist Party, wasn't she?

"(Witness confers with counsel.)

"Mr. MURIN. By advice by my counsel that the answer to that question would tend to incriminate me and that information regarding the activities of my former wife is privileged matter.

"Mr. TAVENNER. Well, did you take part in Communist activities when you lived in Pittsburgh?

"Mr. MURIN. I have been advised not to answer the question on the same grounds as previously.

"Mr. TAVENNER. Are you now, or have you at any time been a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. MURIN. I have been advised by my counsel not to answer that question on the grounds that it might tend to incriminate me.

"Mr. TAVENNER. I have no further questions.

"(The witness was excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Stephen Murin relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Mr. Murin, what official position, if any, do you hold at this time with the Hawaii Civil Liberties Committee?

"While you were living there did you know Steve Nelson, the Communist Party organizer?

"Well, did you learn to know or were you acquainted with Matthew Cvetic in Pittsburgh?

"Bessie Steinberg was educational director of a committee of the Communist Party, wasn't she?

"Did you take part in Communist activities when you lived in Pittsburgh?

"Are you now or have you at any time been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 768), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Stephen Murin to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Stephen Murin may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST JACK HALL

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2872).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING JACK HALL

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Jack Hall, 109 Kau Way, Honolulu, T. H. The said subpena directed Jack Hall to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 12, 1950, in the senate chamber, Iolani Palace, Honolulu, T. H., at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Jack Hall is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Jack Hall, 109 Kau Way, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 12, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD,
"Chairman.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Otto F. Heine, United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Otto F. Heine, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Jack Hall before the Committee on Un-American Activities; served the within-named individual at 11:05 a. m., April 1, 1950, at ILWU.

"OTTO F. HEINE,
"United States Marshal."

The hearing conducted by the Committee on Un-American Activities on April 12, 1950, not having been completed on that day, was adjourned to reconvene on the following day, April 13, 1950.

The said Jack Hall, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Jack Hall having appeared as a witness and having been asked a question, namely:

"Mr. Hall, are you now or have you ever been a member of the Communist Party?"

which question was pertinent to the subject under inquiry, refused to answer such question; and as a result of the said Jack Hall's refusal to answer the aforesaid question, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Jack Hall. The record of the proceedings before the committee on April 13, 1950, during which the said Jack Hall refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"The subcommittee of five met, prsuant to call, at 9 a. m., in the senate chamber, Iolani Palace, Hon. Francis E. Walker, chairman, presiding.

"Committee members present: Representatives FRANCIS W. WALTER, BURR P. HARRISON, JOHN MCSWEENEY, MORGAN M. MOULDER, and HAROLD H. VELDE.

"Mr. WALTER. The committee will be in order. Call your first witness, Mr. Tavenner.

"Mr. TAVENNER. Mr. Jack Hall.

"Mr. WALTER. Raise your right hand, Mr. Hall. Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. HALL. I do.

"Mr. WALTER. Sit down.

"TESTIMONY OF JACK HALL, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. You are Mr. Jack Hall.

"Mr. HALL. That is correct.

"Mr. TAVENNER. Are you represented here by counsel?

"Mr. HALL. I am.

"Mr. TAVENNER. Will counsel please identify himself for the record?

"Mr. SYMONDS. Myer C. Symonds. And, at this time, on behalf of Mr. Hall, I wish to file with the committee a motion to quash the subpena, on the grounds as set forth therein.

"Mr. WALTER. It will be received in the record.

"Mr. HARRISON. Is it upon the same grounds that were assigned yesterday?

"Mr. SYMONDS. Yes.

"Mr. TAVENNER. Mr. Hall, when and where were you born?

"Mr. HALL. I was born in Ashland, Wis., February 28, 1914.

"Mr. TAVENNER. How long have you lived in Honolulu?

"Mr. HALL. I established residence in Hawaii in, I believe, August or September 1935.

"Mr. TAVENNER. How are you presently employed?

"Mr. HALL. I am now regional director for the International Longshoremen's and Warehousemen's Union.

"Mr. TAVENNER. Mr. Hall, are you now or have you even been a member of the Communist Party?

"Mr. SYMONDS. I advise my client not to answer the question upon the grounds that it might tend to incriminate him.

"(Conference between Mr. Tavenner and Mr. Symonds.)

"Mr. SYMONDS. Thank you, Mr. Tavenner.

"Mr. TAVENNER. Let me repeat the question.

"Mr. HALL. All right. Go ahead.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Mr. HALL. On the advice of counsel, I refuse to answer the question on the ground it might tend to incriminate me. I want to add, however, that I have filed with the National Labor Relations Board the customary non-Communist affidavit.

"Mr. TAVENNER. Mr. Chairman, the witness declined to answer the question I just asked. I see no point in my asking him any further questions relating to his alleged activity in the Communist Party.

"Mr. WALTER. Mr. Hall, would you like an opportunity to answer some of the charges that have been made against you?

"(Mr. Hall confers with his counsel.)

"Mr. HALL. I have no prepared statement on this matter.

"Mr. WALTER. I did not ask you about a prepared statement. I asked you whether you would like to have an opportunity to make any comment upon the statements testified to during the hearings.

"Mr. HALL. So far as I know, I have not been charged with any crime.

"Mr. WALTER. That is all.

"* * * * * *

"Mr. WALTER. Mr. Counsel, the committee unanimously voted to cite Mr. Hall for contempt of Congress.

"Mr. TAVENNER. Then I shall prepare the proper resolution for you at a convenient time.

"Mr. WALTER. Well, we have already adopted the resolution in the usual form.

"Mr. TAVENNER. I see."

Because of the foregoing, the said Committee on Un-American Activities was deprived of the answer to a pertinent question propounded to said Jack Hall relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the question, namely:

"Mr. Hall, are you now or have you ever been a member of the Communist Party?"

which question was pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid question deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 769) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Jack Hall to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Jack Hall may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST FRANK SILVA

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2873).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING FRANK SILVA

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Frank Silva, Kauai, T. H. The said subpena directed Frank Silva to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 13, 1950, in the senate chamber, Iolani Palace, at the hour of 2 p. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Frank Silva is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Frank Silva, Kauai, to be and appear before the Committee on Un-American Activities, of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 13, 1950, in the Senate chamber, Iolani Palace, at the hour of 2 p. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Edward C. Fountain, deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Edward C. Fountain being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Frank Silva, of Koloa, Kauai, District of Koloa, county of Kauai, T. H., on April 3, 1950, at 8:30 a. m. before the Commitee on Un-American Activities. Served the within-named individual Frank Silva, of Koloa, Kauai, county of Kauai, T. H., on April 3, 1950, at 8:30 a. m.

"OTTO F. HEINE,
"United States Marshal.
"By EDWARD C. FOUNTAIN,
"Deputy United States Marshal."

The said Frank Silva, pursuant to said subpena and in compliance therewith appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Frank Silva, having appeared as a witness and having been asked questions, namely:

"During the course of the testimony, Mr. Silva, Mr. Ichiro Izuka testified before this committee on Thursday, April 11, as follows, at the time when I was asking him to identify before this committee those persons whom he knew to be members of the Communist Party. To my question: 'Frank Silva,' Mr. Izuka's reply was 'Frank Silva, I knew Frank Silva for a long, long, long time in the plantation, and many efforts was made to recruit John Silva in the Communist Party——(Mr. TAVENNER (interpolating). I assume that that means Frank Silva——) but the only one who can contact him was Jack Hall, and Jack Hall did, or was instructed many, many times, to recruit Frank Silva, but I think that no contact was made for a long time officially, but after Frank Silva volunteered for the Army, and after discharge from the Army, I had many, many talks with him in the restaurant, and finally one day, at pier 11, he told me, "Well, Ichi, are you a Communist? Did you join the Communist Party?" and I said "Yes; I joined the party 'way back in 1938." And he told me that he joined the party, and he showed me his card. That is the only incident I know that Frank Silva told me that; he showed me the card. He said, "See, my card, this is my card.'" Question: Approximately when was the date of that conversation?

"Mr. IZUKA. Oh, that was, I believe it was, after the sugar strike, sometime early in 1947.

"And then, on the following day, April 12, Mr. Izuka was brought back to the witness stand and was asked this question by me: 'Mr. Izuka, do you have any explanation or correction to make of any matter that you testified to when you were here yesterday?' The answer of Mr. Izuka: 'Yes; by reading the papers, I found out that I would like to make a correction, on the part when I said that Frank Silva showed me his party card in 1947. I am sure it is all of the members who joined the Communist Party, including Frank Silva, that was during the time before I resigned from the party in 1946, and that actually took part during the same time, instead of 1947.' Question: 'In other words, it was during 1946, instead of 1947?' Mr. IZUKA: 'That is right.'

"Now, Mr. Silva, do you wish to either deny or affirm that statement?

"Mr. Silva, did you attend a California labor school?

"Do you know a person by the name of Daniel Frias?

"Did you ever mail to Daniel Frias, from the Labor School in California, this envelope, in which this photograph which was marked 'Exhibit No. 1,' your exhibit No. 1, was enclosed?

"Mr. Silva, are you now, or have you ever been, a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Frank Silva's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Frank Silva. The record of the proceedings before the committee on Thursday, April 13, 1950, during which the said Frank Silva refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. JOHN MCSWEENEY, Hon. MORGAN M. MOULDER, and Hon HAROLD H. VELDE, met in the Senate chamber, Iolani Palace, on April 13, 1950 at 2 p. m., Hon. FRANCIS E. WALTER, presiding.)

"TESTIMONY OF FRANK SILVA, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. WALTER. Will you stand up, please? Mr. Silva, do you solemnly swear that the testimony that you are about to give in the mat-

ter now before the committee will be the truth, the whole truth and nothing but the truth, so help you God?

"Mr. SILVA. I do.

"Mr. TAVENNER. You are Frank Silva?

"Mr. SILVA. Yes.

"Mr. TAVENNER. Is that your full name?

"Mr. SILVA. No. My name is Frank Gunza Silva.

Mr. TAVENNER. Are you represented by counsel?

"Mr. SILVA. Yes, I am.

"Mr. WALTER. Will counsel please identify himself for the record?

"Mr. SYMONDS. Myer C. Symonds. At this time, Mr. Chairman, I would like to file a motion to quash the service of the subpena, in the same form as the previous motion.

"Mr. TAVENNER. Mr. Silva, you appear here in response to a subpena asking you to come?

"Mr. SILVA. That's right.

"Mr. TAVENNER. During the course of the testimony, Mr. Silva, Mr. Ichiro Izuka testified before this committee on Tuesday, April 11, as follows, at the time when I was asking him to identify before this committee those persons whom he knew to be members of the Communist Party. To my question: 'Frank Silva?' Mr. Izuka's reply was 'Frank Silva, I knew Frank Silva for a long, long, long time in the plantation, and many efforts was made to recruit John Silva in the Communist Party, but the only one who can contact him was Jack Hall, and Jack Hall did, or was instructed many, many times, to recruit Frank Silva, but I think that no contact was made for a long time officially, but after Frank Silva volunteered for the Army, and after discharge from the Army, I had many, many talks with him in the restaurant, and finally one day, at pier 11, he told me 'Well, Ichi, are you a Communist? Did you join the Communist Party?' and I said, 'Yes, I joined the party way back in 1938.' and he told me that he joined the party, and he showed me his card. This is the only incident I know that Frank Silva told me that; he showed me the card. He said, 'See, my card, this is my card.' Question: Approximately when was the date of that conversation?

" 'Mr. IZUKA. Oh, that was, I believe it was, after the sugar strike, sometime early in 1947.'

"And then, on the following day, April 12, Mr. Izuka was brought back to the witness stand and was asked this question by me: 'Mr. Izuka, do you have any explanation or correction to make of any matter that you testified to when you were here yesterday?' The answer of Mr. Izuka: 'Yes, by reading papers, I found out that I would like to make a correction, on the part when I said that Frank Silva showed me his party card in 1947. I am sure it is all of the members who joined the Communist party, including Frank Silva, that was during the time before I resigned from the party in 1946, and that actually took part during the same time, instead of 1947. Question: In other words, it was during 1946, instead of 1947. Mr. Izuka: That is right.'

"Now, Mr. Silva, do you wish to either deny or affirm that statement?

"(Confers with counsel.)

"Mr. SILVA. I refuse to answer that question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Mr. Silva, did you attend a California labor school?

"(Confers with counsel.)

"Mr. SILVA. I refuse to answer that question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. On what ground?

"Mr. SILVA. That it might tend to incriminate me.

"Mr. TAVENNER. I hand you a photograph, and you will notice there the figure 10 above a person at the upper right-hand margin of the photograph. Will you look at that photograph carefully, particularly the person appearing under the figure 10, and state whether or not that is your picture?

"Mr. SILVA. It is the same answer for the same reason.

"Mr. TAVENNER. I desire to offer the photograph in evidence and mark it 'Silva exhibit 1.'

"Mr. WALTER. It will be received and so marked.

"Mr. TAVENNER. On the back of this photograph appears this printed statement, 'Fillmore Photograph Studio, portrait, commercial, 1561 Fillmore Street, San Francisco, 15, Calif,' which I assume indicates the name of the people who took the photograph.

"Have you ever been in California?

"Mr. SILVA. Yes.

"Mr. TAVENNER. Did you ever have your picture taken with a group of persons while you were there?

"(Confers with counsel.)

"Mr. SILVA. I refuse to answer on the ground that it might incriminate me.

"Mr. TAVENNER. Do you know a person by the name of Daniel Frias?

"Mr. SILVA. I refuse to answer that question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. I hand you this envelope, and I ask you if you ever saw it before? I will ask you particularly to look up in the left-hand margin, where the person usually places his address, when he sends a parcel or a letter through the mail, and I will ask you to read the name of the person appearing up in the left-hand margin of the envelope. Will you read it, please?

"Mr. SILVA. 'Frank Silva, CLS, 216 Market Street, San Francisco, Calif.'

"Mr. TAVENNER. Now, after showing you that, does this refresh your recollection relating to Daniel Frias?

"Mr. SILVA. I refuse to answer this question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. What is the name——

"Mr. WALTER. Excuse me, Mr. Tavenner. Mr. Silva, did you live at 216 Market Street, San Francisco, when you were there?

"Mr. SILVA. No.

"Mr. WALTER. Where did you live?

"Mr. SILVA. I cannot recall the address.

"Mr. WALTER. Is this your handwriting?

"Mr. SILVA. I refuse to answer the question on the ground it might tend to incriminate me.

"Mr. TAVENNER. You said that you did not live at 216 Market Street, San Francisco, Calif., but, did you go to a labor school at that place?

"Mr. SILVA. I refuse to answer that question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Did you ever mail to Daniel Frias from the labor school in California, this envelope, in which this photograph which was marked 'Exhibit No. 1,' your exhibit No. 1, was enclosed?

"Mr. SILVA. I refuse to answer for the same reason.

"Mr. TAVENNER. I desire to offer the envelope in evidence, and mark it 'Exhibit Silva No. 2.'

"Mr. WALTER. It will be received.

"Mr. TAVENNER. Mr. Silva, are you now, or have you ever been a member of the Communist Party?

"Mr. SILVA. I refuse to answer on the ground that it might tend to incriminate me.

"Mr. WALTER. You may be excused, Mr. Silva. Under the rule, the committee will recess for executive session, to take whatever action that they may determine."

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Frank Silva, Kauai, Territory of Hawaii. The said subpena directed Frank Silva to be and appear before said Committee on Un-American Activities on April 17, 1950, forthwith and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Frank Silva is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Frank Silva, Kauai, to be and appear before the Committee on Un-American Activities, of the House of Representatives of the United States, of which Hon. John S. Wood, is chairman, in their chamber in the city of Honolulu, T. H., April 17, 1950, in the senate chamber, Iolani Palace, at the hour of forthwith, then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"FRANCIS E. WALTER,
"Chairman of Subcommittee.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by George E. Bruns, deputy, who was duly authorized to serve the said subpena. The return of the service by the said George E. Bruns, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Frank Silva, Kauai, before the Committee on Un-American Activities. Served April 17, 1950, upon Frank Silva personally at the Honolulu Armory, Hotel Saint, Honolulu, T. H.

"OTTO F. HEINE, *United States Marshal,*
"By GEORGE E. BRUNS, *Deputy.*"

The said Frank Silva, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Frank Silva, having appeared as a witness, and having been asked questions, namely:

"This morning the witness by the name of Fedrico Lorenzo testified that he attended a Communist Party meeting at the home of Jack Hall, at which you were present. Were you present at such a meeting, held in 1947?

"I asked you when you were on the stand before if you had attended a labor school in California. My recollection is you refused to answer the question. Did you attend that school at the time under the GI bill of rights and was that school removed from the list at a later date from recognition as a school in which Federal funds could be used for that purpose?

"Mr. Silva, why do you refuse an answer to that question on the ground it would be self-incriminatory if, at the time you attended the school, it was recognized as a proper institution for the training of men who, like yourself, served their country so well?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Frank Silva's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in

accordance with the terms of the subpena served upon the said Frank Silva. The record of the proceedings before the committee on Monday, April 17, 1950, during which the said Frank Silva refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman; Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 17, 1950, Hon. FRANCIS E. WALTER, presiding.)

"Mr. TAVENNER. * * * Mr. Silva, you appeared as a witness here a few days ago. That is correct, isn't it?

"Mr. SILVA. That is correct.

"Mr. TAVENNER. This morning the witness by the name of Federico Lorenzo testified that he attended a Communist Party meeting at the home of Jack Hall, at which you were present. Were you present at such a meeting, held in 1947?

"(Witness confers with counsel.)

"Mr. SILVA. I refuse to answer the question on the ground it may tend to incriminate me.

"Mr. TAVENNER. I asked you when you were on the stand before if you had attended a labor school in California. My recollection is you refused to answer the question. Did you attend that school at the time under the GI bill of rights and was that school removed from the list at a later date from recognition as a school in which Federal funds could be used for that purpose?

"(Witness confers with counsel.)

"Mr. SILVA. I refuse to answer the question for the same reasons.

"Mr. WALTER. Mr. Silva, why do you refuse an answer to that question on the ground it would be self-incriminatory if, at the time you attended the school, it was recognized as a proper institution for the training of men who, like yourself, served their country so well?

"Mr. SILVA. Again, on the advice of my counsel and my own decisions, I feel that I do not want to answer the question.

"Mr. WALTER. As I understand it, during the period when it is alleged that you went to that school, it was an accredited school, many GI's took advantage of the laws of the United States and were educated at this school. How did you ever reach the conclusion, if you were one of those men that took advantage of the Government's generosity, that that would in anywise criticize or incriminate you?

"Mr. SILVA. I refuse to answer that question for the same reasons.

"Mr. WALTER. Mr. Silva, I understand that you have an outstanding war record, and being a veteran of both wars myself, I am disturbed at the position you take. Do you realize that anything you testify to at this hearing is privileged, and by that I mean cannot be used against you in any other proceeding? Do you realize that? Let him answer the question. Do you realize that?

"Mr. SILVA. I do.

"Mr. WALTER. All right.

"Mr. TAVENNER. Mr. Silva, do you realize that as a result of your refusal to answer the questions which I have asked you this morning that you may be subjected to further contempt proceedings by the committee, if it so desires to act? Do you understand that?

"Mr. SILVA. I do.

"Mr. TAVENNER. No further questions.

"(Witness was excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Frank Silva relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"During the course of the testimony, Mr. Silva, Mr. Ichiro Izuka testified before this committee on Thursday, April 11, as follows, at the time when I was asking him to identify before this committee those persons whom he knew to be members of the Communist Party. To my question: 'Frank Silva?' Mr. Izuka's reply was 'Frank Silva, I knew Frank Silva for a long, long, long time in the plantation, and many efforts was made to recruit John Silva in the Communist Party, but the only one who can contact him was Jack Hall, and Jack Hall did, or was instructed many, many times, to recruit Frank Silva, but I think that no contact was made for a long time officially, but after Frank Silva volunteered for the Army, and after discharge from the Army, I had many, many talks with him in the restaurant, and finally one day, at pier 11, he told me, "Well, Ichi, are you a Communist? Did you join the Communist Party?" and I said, "Yes, I joined the party 'way back in 1938." And he told me that he joined the party, and he showed me his card. That is the only incident I know that Frank Silva told me that; he showed me the card. He said, "See, my card, this is my card." Question: Approximately when was the date of that conversation?

" 'Mr. IZUKA. Oh, that was, I believe it was, after the sugar strike, sometime early in 1947.'

"And then, on the following day, April 12, Mr. Izuka was brought back to the witness stand and was asked this question by me: 'Mr. Izuka, do you have any explanation or correction to make of any matter that you testified to when you were here yesterday?' The answer of Mr. Izuka: 'Yes, by reading the papers, I found out that I would like to make a correction, on the part when I said that Frank Silva showed me his party card in 1947. I am sure it is all of the members who joined the Communist Party, including Frank Silva, that was during the time before I resigned from the party in 1946, and that actually took part during the same time, instead of 1947.' Question: In other words, it was during 1946, instead of 1947. 'Mr. Izuka: That is right.'

"Now, Mr. Silva, do you wish to either deny or affirm that statement?

"Mr. Silva, did you attend a California labor school?

"Do you know a person by the name of Daniel Frias?

"Did you ever mail to Daniel Frias, from the labor school in California, this envelope, in which this photograph which was marked 'Exhibit No. 1,' your exhibit No. 1, was enclosed?

"Mr. Silva, are you now, or have you ever been a member of the Communist Party?

"This morning, the witness by the name of Fedrico Lorenzo testified that he attended a Communist Party meeting at the home of Jack Hall, at which you were present. Were you present at such a meeting, held in 1947?

"I asked you when you were on the stand before if you had attended a labor school in California. My recollection is you refused to answer the question. Did you attend that school at the time under the GI bill of rights and was that school removed from the list at a later date from recognition as a school in which Federal funds could be used for that purpose?

"Mr. Silva, why do you refuse an answer to that question on the ground it would be self-incriminatory if, at the time you attended the school, it was recognized as a proper institution for the training of men who, like yourself, served their country so well?"

which questions were pertinent to the subject under inquiry, is a violation of the subpenas under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 770) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Frank Silva to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Hawaii, to the end that the said Frank Silva may be proceeded against in the manner and form provided by law.

PROCEEDINGS AGAINST JACK KAWANO

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2874).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING JACK KAWANO

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Jack Kawano, 3190 Booth Road (Upper Pauua Valley Road), Honolulu, T. H. The said subpena directed Jack Kawano to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 11:30 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Jack Kawano is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Jack Kawano, 3190 Booth Road (Upper Pauua Valley Road), Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 11:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,

"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Jack Kawano, before the Committee on Un-American Activities. Served the within-named individual at 8:20 p. m., March 30, 1950, at 3190 Booth Road, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Jack Kawano, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2) of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress. The said Jack Kawano having appeared as a witness and having been asked questions, namely:

"There has been testimony introduced here, Mr. Kawano, that Communist Party meetings were held in your house, is that true or not?

"Have you ever been a member of the Communist Party?

"When you were working in January 1950, at the employment that you mentioned, were you a member of the Communist Party at that time?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Jack Kawano's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena, served upon the said Jack Kawano. The record of the proceedings before the committee on April 19, 1950, during which the said Jack Kawano refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman; Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and HON. HAROLD H. VELDE, met in the senate chamber Iolani Palace, on April 19, 1950, at 11:30 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. WALTER. Will you raise your right hand, please? Will you swear that the testimony you are about to give will be the truth, the whole truth and nothing but the truth, so help you God?

"Mr. KAWANO. I do.

"TESTIMONY OF JACK H. KAWANO, ACCOMPANIED BY HIS ATTORNEY, MYER C. SYMONDS

"Mr. TAVENNER. What is your name, please, sir?

"Mr. KAWANO. My name is Jack Kawano; Jack H. Kawano.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. KAWANO. I am.

"Mr. TAVENNER. Will counsel proceed to identify himself.

"Mr. SYMONDS. My name is Myer C. Symonds, and I have filed a motion on behalf of this witness to quash the service of the subpena. It is in the same form as all the others.

"Mr. TAVENNER. Will you please state your place of residence?

"Mr. KAWANO. 3190 Booth Road, Paoa Valley.

"Mr. TAVENNER. How long have you lived there?

"Mr. KAWANO. It is hard to remember. I have been there for a very, very long time.

"Mr. TAVENNER. How are you employed?

"Mr. KAWANO. I am not employed at the present time.

"Mr. TAVENNER. What was your last employment?

"Mr. KAWANO. My last employment was that as a stevedore with Castle & Cooke Terminals, Ltd.

"Mr. TAVENNER. And how long were you employed by them?

"Mr. KAWANO. From shortly, very short, just about for a couple of weeks, for the most.

"Mr. TAVENNER. When was that?

"Mr. KAWANO. That was in the month of January.

"Mr. TAVENNER. This year?

"Mr. KAWANO. This year.

"Mr. TAVENNER. Prior to that, what was your employment?

"Mr. KAWANO. Prior to that I was employed as president of the ILWU, local 137, which is the longshore division.

"Mr. TAVENNER. How long were you president?

"Mr. KAWANO. It is hard for me to remember, because I have been president for a very long time.

"Mr. TAVENNER. You were president up until what time?

"Mr. KAWANO. Up until the last day of last year.

"Mr. TAVENNER. Were you president as early as 1945, or 1946?

"Mr. KAWANO. I was, even before that.

"Mr. TAVENNER. Were you president back to 1938 of your local union; whatever the union might have been known by at that time?

"Mr. KAWANO. I think I was.

"Mr. TAVENNER. Now, there has been testimony introduced here, Mr. Kawano, that Communist Party meetings were held in your house. Is that true or not?

"(Witness confers with counsel.)

"Mr. KAWANO. I refuse to answer that question on the grounds that it might tend to incriminate me.

"Mr. TAVENNER. Have you ever been a member of the Communist Party?

"Mr. KAWANO. I am not a Communist.

"Mr. TAVENNER. You are not a Communist now, is that what you mean?

"Mr. KAWANO. I just said I am not a Communist.

"Mr. TAVENNER. Have you ever been a member of the Communist Party?

"Mr. KAWANO. I refuse to answer that question on the grounds that it might tend to incriminate me.

"Mr. TAVENNER. At the time that you were president of your local union, were you a member of the Communist Party?

"Mr. KAWANO. I refuse to answer that on the same grounds.

"Mr. TAVENNER. When you were working, in January 1950, at the employment that you mentioned, were you a member of the Communist Party at that time?

"Mr. KAWANO. I refuse to answer that on the same grounds.

"Mr. TAVENNER. Will you state to the committee, then, what you mean when you say you are not a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. KAWANO. I refuse to answer that on the same grounds.

"Mr. TAVENNER. But you contend you are not a member of the Communist Party at this time?

"(Witness confers with counsel.)

"Mr. KAWANO. I refuse to answer that on the same grounds.

"Mr. TAVENNER. Then let me ask you: I understood you to say a few moments ago—to say; to use this language in your testimony, that 'I am not a Communist.'

"Mr. KAWANO. I said that.

"Mr. TAVENNER. Is that what you said?

"Mr. KAWANO. I said that I am not a Communist.

"Mr. TAVENNER. What do you mean when you say you are not a Communist——

"Mr. KAWANO. Just that.

"Mr. TAVENNER. And at the same time you have no further explanation——

"Mr. KAWANO. No further explanation.

"Mr. TAVENNER. That you want to make?

"Mr. KAWANO. No.

"Mr. TAVENNER. I do not believe I have any other questions, Mr. Chairman.

"Mr. WALTER. You will be excused.

"(Witness excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Jack Kawano relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"There has been testimony introduced here, Mr. Kawano, that Communist Party meetings were held in your house, is that true or not?

"Have you ever been a member of the Communist Party?

"When you were working, in January 1950, at the employment that you mentioned were you a member of the Communist Party at that time?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 771) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Jack Kawano to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Hawaii, to the end that the said Jack Kawano may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST JOHN AKANA

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2875).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING JOHN AKANA

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of

Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to John Akana, 2867 Waahila Street, Honolulu, T. H. The said subpena directed John Akana to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon John Akana is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto Heine: You are hereby commanded to summon John Akana, 2867 Waahila Street, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"FRANCIS E. WALTER,
"Chairman of Subcommittee.

"Attest:
"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by George E. Bruns, deputy, who was duly authorized to serve the said subpena. The return of the service by the said George E. Bruns being endorsed thereon, is set forth in words and figures as follows:

"Subpena for John Akana, before the Committee on Un-American Activities. Served personally upon John Akana, 2867 Waahila Street, Honolulu, T. H., at 4:38 p. m., April 17, 1950.

"OTTO F. HEINE,
"United States Marshal.
"By GEORGE E. BRUNS,
"Deputy."

The said John Akana, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said John Akana having appeared as a witness, and having been asked the question:

"Mr. Akana, are you now or have you ever been a member of the Communist Party?"

which question was pertinent to the subject under inquiry, refused to answer such question; and as a result of the said John Akana's refusal to answer the aforesaid question, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said John Akana. The record of the proceedings before the committee on April 18, 1950, during which the said John Akana refused to answer the aforesaid question pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, Honolulu, T. H., on April 18, 1950, at the hour of 9:00 a. m., the Honorable FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Mr. John Akana.

"Mr. WALTER. Will you raise your right hand, please. Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. AKANA. I do.

"TESTIMONY OF JOHN L. AKANA, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. You are John L. Akana?

"Mr. AKANA. Yes, sir.

"Mr. TAVENNER. Where do you live, Mr. Akana?

"Mr. AKANA. I live up Manoa Housing.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. AKANA. Yes.

"Mr. TAVENNER. Will counsel identify himself?

"Mr. SYMONDS. My name is Myer C. Symonds, and I have filed the same motion as heretofore made on behalf of the other witnesses I represent.

"Mr. TAVENNER. Mr. Akana, are you now, or have you ever been a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. AKANA. On the advice of my attorney, I stand on the ground that it will—it might incriminate me.

"Mr. TAVENNER. And, therefore, you refuse to testify?

"(Witness confers with counsel.)

"Mr. AKANA. Yes, sir.

"Mr. TAVENNER. No further questions.

"(Witness excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said John Akana relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the question, namely:

"Mr. Akana, are you now or have you ever been a member of the Communist Party?"

which question was pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 772) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of John Akana to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Hawaii, to the end that the said John Akana may be proceeded against in the manner and form provided by law.

PROCEEDINGS AGAINST YUKIO ABE

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2876).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING YUKIO ABE

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Yukio Abe, 2007 Tenth Avenue, Honolulu, T. H. The said subpena directed Yukio Abe to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 2 p. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Yukio Abe is set forth in words and figures as follows:

"By the authority of the House of Representatives of the Congress of the United States of America. To United States Marshal Otto F. Heine: You are hereby commanded to summon Yukio Abe, 2007 Tenth Avenue, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 2 p. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:
"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon is set forth in words and figures as follows:

"Subpena for Yukio Abe, before the Committee on Un-American Activities. Served the within-named individual at 2007 Tenth Avenue, Honolulu, T. H., at 2:45 p. m. April 1, 1950.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Yukio Abe, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Yukio Abe having appeared as a witness and having been asked questions, namely:

"There has been evidence introduced at this hearing, Mr. Abe, that you attended

Communist Party meetings at the home of Jack Kimoto. Did you attend any Communist Party meetings at the home of Jack Kimoto since 1945?

"Are you now or have you ever been a member of the Communist Party?

which questions were pertinent to the subject under inquiry, refused to answer such question; and as a result of the said Yukio Abe's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena, served upon the said Yukio Abe. The record of the proceedings before the committee on April 19, 1950, during which the said Yukio Abe refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 19, 1950, at 2 p. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Mr. Yukio Abe.

"Mr. WALTER. Will you raise your right hand, please? Do you swear that the testimony you are about to give will be the truth the whole truth, and nothing but the truth, so help you God?

"Mr. ABE. I do.

"TESTIMONY OF YUKIO ABE, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. Will you state your name, please?

"Mr. ABE. Yukio Abe.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. ABE. Yes, sir.

"Mr. TAVENNER. Will counsel identify himself for the record.

"Mr. SYMONDS. Myer C. Symonds. And I file the same motion to quash service of the subpena as I have heretofore filed.

"Mr. WALTER. It will be received.

"Mr. TAVENNER. Mr. Abe, where do you live?

"Mr. ABE. I live at 2007 Third Avenue.

"Mr. TAVENNER. How old are you?

"Mr. ABE. Thirty-four years old.

"Mr. TAVENNER. You referred to the street address. At what place, what city?

"Mr. ABE. Honolulu.

"Mr. TAVENNER. How are you employed?

"Mr. ABE. In the capacity of labor-union official, secretary-treasurer.

"Mr. TAVENNER. How long have you served in that capacity?

"Mr. ABE. Since 1945, I guess.

"Mr. MOULDER. What was the position, Mr. Tavenner? I did not get it.

"Mr. TAVENNER. Secretary-treasurer. Was that secretary-treasurer of a local union?

"Mr. ABE. Local 136, formerly 137.

"Mr. TAVENNER. There has been evidence introduced at this hearing, Mr. Abe, that you attended Communist Party meetings at the home of Jack Kimoto. Did you attend any Communist Party meetings at the home of Jack Kimoto since 1945?

"(Witness confers with counsel.)

"Mr. ABE. On the advice of my attorney, I refuse to answer the question on the grounds that it will tend to incriminate me.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Mr. ABE. I refuse to answer on the same grounds, for the same reasons.

"Mr. TAVENNER. I have no further questions.

"Mr. WALTER. You are excused."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Yukio Abe relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"There has been evidence introduced at this hearing, Mr. Abe, that you attended Communist Party meetings at the home of Jack Kimoto. Did you attend any Communist Party meetings at the home of Jack Kimoto since 1945?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 773) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Yukio Abe to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Hawaii, to the end that the said Yukio Abe may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST YASUKI ARAKAKI

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2877).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING YASUKI ARAKAKI

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Yasuki Arakaki, Olaa Eight Mile Camp, Olaa, Hawaii. The said subpena directed Yasuki Arakaki to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, Honolulu, T H., at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Yasuki Arakaki is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal, Otto F. Heine: You are hereby commanded to summon Yasuki Arakaka, Olaa Eight Mile Camp, Olaa, Hawaii, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February, 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Henry K. Martin, deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Henry K. Martin, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Yasuki Arakaki before the Committee on Un-American Activities; served the original subpena of which the within is a true copy on Yasuki Arakaki at Olaa, Hawaii, on this 14th day of April, 1950.

"OTTO F. HEINE,
"United States Marshal.
"By HENRY K. MARTIN,
"Deputy."

The said Yasuki Arakaki, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress. The said Yasuki Arakaki having appeared as a witness and having been asked questions, namely:

"Mr. Arakaki, you have been identified as having been present at Communist Party meetings by witnesses who have testified during the course of this hearing. Have you ever attended a Communist Party meeting?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Yasuki Arakaki's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Yasuki Arakaki. The record of the proceedings before the committee on April 18, 1950, during which the said Yasuki Arakaki refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, Honolulu, T. H., on April 18, 1950, at 9:30 a. m., Hon FRANCIS E. WALTER, chairman, presiding.)

"Mr. WALTER. Raise your right hand, please. Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. ARAKAKI. I do.

"TESTIMONY OF YASUKI ARAKAKI, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your name, please?

"Mr. ARAKAKI. Yasuki Arakaki.

"Mr. TAVENNER. Where do you live?

"Mr. ARAKAKI. Olaa, Hawaii.

"Mr. TAVENNER. How old are you?

"Mr. ARAKAKI. I am 33 years old.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. ARAKAKI. Yes.

"Mr. SYMONDS. My name is Myer C. Symonds. I wish to file the same motion as has been filed on behalf of the other witnesses.

"Mr. WALTER. It may be received.

"Mr. TAVENNER. Are you employed?

"Mr. ARAKAKI. I am employed at the Olaa Sugar Co.

"Mr. TAVENNER. How long have you been employed there?

"Mr. ARAKAKI. Fifteen years and five months.

"Mr. TAVENNER. You are appearing here in answer to a subpena served on you.

"Mr. ARAKAKI. Yes, sir.

* * * * *

"Mr. TAVENNER. Mr. Arakaki, you have been identified as having been present at Communist Party meetings by witnesses who have testified during the course of this hearing. Have you ever attended a Communist Party meeting?

"(Witness confers with counsel.)

"Mr. ARAKAKI. Upon the advice of counsel, in discussion here, I refuse to answer that question because it might tend to incriminate me.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Mr. ARAKAKI. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. I have no further questions.

"(Witness excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Yasuki Arakaki relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Mr. Arakaki, you have been identified as having been present at Communist Party meetings by witnesses who have testified during the course of this hearing.

"Have you ever attended a Communist Party meeting?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 774) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Yasuki Arakaki to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Hawaii, to the end that the said Yasuki Arakaki may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST EDWARD HONG

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2878).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING EDWARD HONG

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Edward Hong, 2680 East Manoa Road, Honolulu, T. H. The said subpena directed Edward Hong to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 14, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Edward Hong is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Edward Hong, 2680 East Manoa Road, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., April 14, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Edward Hong, before the Committee on Un-American Activities. Served the within-named individual at 9:45 a. m., April 1, 1950, at pier 11, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.

"EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Edward Hong, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Edward Hong having appeared as a witness and having been asked questions, namely:

"While you were an officer of local 150, did you take part in Communist Party meetings?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Edward Hong's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Edward Hong. The record of the proceedings before the committee on April 14, 1950, during which the said Edward Hong refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 14, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. The next witness is Edward Hong. Will Mr. Hong come forward, please.

"Mr. WALTER. Raise your right hand, please. Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. HONG. Yes.

"TESTIMONY OF EDWARD HONG, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. You are Mr. Edward Hong?

"Mr. HONG. Yes.

"Mr. TAVENNER. I will wait until the photographers have finished.

"Are you represented by counsel?

"Mr. HONG. Yes.

"Mr. TAVENNER. Will you identify yourself again, please.

"Mr. SYMONDS. My name is Myer C. Symonds. I appear for this witness, Edward Hong, and at this time I wish to file the same form of motion to quash service of subpena as heretofore.

"Mr. WALTER. Let it be received in the record at this time.

"Mr. TAVENNER. Mr. Hong, when and where were you born?

"Mr. HONG. On the island of Oahu, March 6, 1911.

"Mr. TAVENNER. Will you give the committee a brief statement of your record of employment?

"Mr. HONG. I was employed at the paper company, I have forgotten the name of it, and the United States district engineer, Inter-Island Drydock, and I am now an officer of ILWU, local 150.

"Mr. TAVENNER. You are now an officer of local 150, did you say?

"Mr. HONG. Yes, sir.

"Mr. TAVENNER. How long have you been an officer of local 150?

"Mr. HONG. Three years.

"Mr. TAVENNER. What office?

"Mr. HONG. Secretary-treasurer.

"Mr. TAVENNER. While you were an officer of local 150, did you take part in Communist Party meetings?

"Mr. HONG. On the advice of my counsel I refuse to answer the question on the grounds that it might tend to incriminate me?

"Mr. WALTER. Is that all?

"Mr. TAVENNER. I will ask one more question.

"Are you now or have you ever been a member of the Communist Party?

"Mr. HONG. The same answer.

"Mr. TAVENNER. What do you mean by 'the same answer'?

"Mr. HONG. I refuse to answer the question on the ground that it might tend to incriminate me."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Edward Hong relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"While you were an officer of local 150, did you take part in Communist Party meetings?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 775) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Edward Hong to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Edward Hong may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST KAMEO ICHIMURA

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2879).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING KAMEO ICHIMURA

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Kameo Ichimura, Lahaina, Maui, T. H. The said subpena directed Kameo Ichimura to appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 10 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Kameo Ichimura is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby, commanded to summon Kameo Ichimura, Lahaina, Maui, to be and appear before the Committe on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States at the city of Washington, this 24th day of February, 1950.

"FRANCIS E. WALTER,
"Chairman of Subcommittee.

"Attest:
"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Russell A. Newton, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Russell A. Newton, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Kameo Ichimura, before the Committee on Un-American Activities. Served on Kameo Ichimura, at Lahaina, Maui, T. H., on April 17, 1950, at 1:57 p. m.

"RUSSELL A. NEWTON, Jr.,
"Deputy United States Marshal."

The said Kameo Ichimura, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Kameo Ichimura having appeared as a witness and having been asked questions, namely:

"Did you attend a meeting at the home of Thomas Yagi at which any of the persons mentioned were present?

"Did you attend a meeting of any kind at the home of Thomas Yagi?

"Have you issued Communist Party cards to any members of your union, your local?

"Have you collected Communist Party dues from any of them?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Kameo Ichimura's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena, served upon the said Kameo Ichimura. The record of the proceedings before the committee on April 19, 1950, during which the said Kameo Ichimura refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 19, 1950, at 10 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Kameo Ichimura.

"Mr. WALTER. Will you raise your right hand, please? Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. ICHIMURA. I do.

"TESTIMONY OF KAMEO ICHIMURA, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your name, please?

"Mr. ICHIMURA. My name is Kameo Ichimura.

"Mr. TAVENNER. Will you state your name again, please?

"Mr. ICHIMURA. Kameo Ichimura.

"Mr. SYMONDS. I represent this witness, and I want to call attention to the fact that on the subpena his name was spelled Uchimura; his real name is Ichimura. I file on behalf of this witness a motion to quash the service of the subpena.

"Mr. TAVENNER. Was a subpena served upon you, Mr. Ichimura?

"Mr. ICHIMURA. Yes.

"Mr. TAVENNER. And in response to that subpena, you have appeared here?

"Mr. ICHIMURA. Yes, sir.

"Mr. TAVENNER. Where do you live?

"Mr. ICHIMURA. Lahaina, Maui.

"Mr. TAVENNER. How old are you?

"Mr. ICHIMURA. I am 40 years old.

"Mr. TAVENNER. Probably you did not speak quite loudly enough. Where do you live?

"Mr. ICHIMURA. Lahaina, Maui.

"Mr. TAVENNER. How are you employed?

"Mr. ICHIMURA. At the present time I am business agent of the ILWU.

"Mr. TAVENNER. How long have you been business agent?

"Mr. ICHIMURA. Approximately 3 years.

"Mr. TAVENNER. Before you were a business agent, what position or positions did you hold with the ILWU?

"Mr. ICHIMURA. I was vice president of the unit at Lahaina and also president of the unit at Lahaina.

"Mr. TAVENNER. How long did you hold those positions?

"Mr. ICHIMURA. You mean the combined?

"Mr. TAVENNER. Yes.

"Mr. ICHIMURA. About 2 years, I think it is.

"Mr. TAVENNER. Mr. Ichimura, I want to call to your attention the testimony of a witness before this committee, a Mr. Fedrico Lorenzo. I asked him this question: 'Now, we were talking about the meetings, Communist meetings, held at the house of Thomas Yagi. Will you tell us who were present at those meetings?

" 'Mr. LORENZO. The persons who were present were Frank Takahashi, Robert Murasaki, Thomas Yagi, Kameo Ichimura, Ben Nakamura, Shiges Takemoto, myself, and Koichi Imori.'

"Did you attend a meeting at the home of Thomas Yagi at which any of the persons mentioned were present?

"(Witness confers with counsel.)

"Mr. ICHIMURA. On the advice of my counsel, I refuse to answer the question on the ground it tends to incriminate me.

"Mr. TAVENNER. Did you attend a meeting of any kind at the home of Thomas Yagi?

"Mr. ICHIMURA. For the reasons stated, I refuse to answer the question.

"Mr. TAVENNER. Have you issued Communist Party cards to any members of your union—your local?

"(Witness confers with counsel.)

"Mr. ICHIMURA. For the same reasons, I refuse to answer the question.

"Mr. TAVENNER. Have you collected Communist Party dues from any of them?

"Mr. ICHIMURA. For the same reason, I refuse to answer.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Mr. ICHIMURA. For the same reason, I refuse to answer the question.

"Mr. TAVENNER. I have no further questions."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Kameo Ichimura relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Did you attend a meeting at the home of Thomas Yagi at which any of the persons mentioned were present?

"Did you attend a meeting of any kind at the home of Thomas Yagi?

"Have you issued Communist Party cards to any members of your union—your local?

"Have you collected Communist Party dues from any of them?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 776) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Kameo Ichimura to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Kameo Ichimura may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST DOUGLAS INOUYE

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2880).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING DOUGLAS INOUYE

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Douglas Inouye, 531 Puuhale Road, Honolulu, T. H. The said subpena directed Douglas Inouye to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9 a. m. and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Douglas Inouye is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Douglas Inouye, 531 Puuhale Road, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"FRANCIS E. WALTER,
"Chairman of Subcommittee.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Douglas Inouye, before the Committee on Un-American Activities; served April 17, 1950, at 12:40 p. m., at 531 Puuhale Road, Honolulu, T. H.

"EMMANUEL MOSES, Jr.
"Deputy United States Marshal."

The said Douglas Inouye, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Douglas Inouye having appeared as a witness and having been asked questions, namely:

"Were you at one time a member of the Communist Party?"

After having testified that he talked to Mr. Wheeler (an investigator for the committee) on the 3d day of November 1949, the witness was asked the following questions:

"Did he ask you that same question, as to whether or not you had been a member of the Communist Party?

"Did you pay membership dues in the Communist Party?

"Do you recall that on the 3d day of November 1949, you talked to Mr. Wheeler and also to Mr. Appell, investigators of the Committee on Un-American Activities?"

After testifying that he acted as business agent in 1947 for local 150, ILWU, the witness was asked the questions:

"Did you attend any Communist Party meetings during that period of time?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Douglas Inouye's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Douglas Inouye. The record of the proceedings before the committee on April 18, 1950, during which the said Douglas Inouye refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, Honolulu, T. H., on the 18th day of April 1950 at the hour of 9 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Mr. Douglas Inouye.

"Mr. WALTER. Will you raise your right hand, please? Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. INOUYE. I do.

"TESTIMONY OF DOUGLAS INOUYE, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. Now, what is your name, please?

"Mr. INOUYE. Douglas Inouye.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. INOUYE. Yes.

"Mr. TAVENNER. Will counsel please identify himself.

"Mr. SYMONDS. I am Myer C. Symonds, and I have filed a motion to quash service of subpena, in the same form as those previously filed.

"Mr. WALTER. It will be received for the record.

"Mr. TAVENNER. When and where were you born?

"Mr. INOUYE. Aiea.

"Mr. TAVENNER. When?

"Mr. INOUYE. January 3, 1910.

"Mr. TAVENNER. Are you presently employed?

"Mr. INOUYE. Well, not exactly employed. I am helping my wife in a small store.

"Mr. TAVENNER. Were you at one time a member of the Communist Party?

(Witness confers with counsel.)

"Mr. INOUYE. I refuse to answer that question, on the ground that it might incriminate me.

"Mr. TAVENNER. Do you recall talking to Mr. Wheeler here on the 3d day of November 1949?

"Mr. INOUYE. I do.

"Mr. TAVENNER. Did he ask you that same question, as to whether or not you had at any time been a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. INOUYE. I refuse to answer that question, on the same grounds.

"Mr. WALTER. Why do you think you would be incriminated if you answer the question and made an answer as to whether or not you had answered the question?

"Mr. INOUYE. I cannot hear you.

"Mr. WALTER. Why do you state that you would be incriminated if you were to admit that he asked you a question?

"(Witness confers with counsel.)

"Mr. INOUYE. Well, that is my privilege, not to answer, as I—my attorney——

"Mr. WALTER. That is your privilege, not to answer anything you don't want to answer?

"Mr. INOUYE. Yes.

"Mr. WALTER. Is that your conception of your constitutional rights?

"Mr. INOUYE. Yes.

"Mr. TAVENNER. If that is his conception, it is certainly an erroneous one, and I would like to make certain that the witness understands that before I question him further.

"Mr. WALTER. I think you had better.

"Mr. TAVENNER. And I believe I should ask him to consult with his attorney before I ask him anything else.

"(Witness confers with counsel.)

"Mr. SYMONDS. For the record, I have advised my client of his constitutional rights, Mr. Chairman.

"Mr. WALTER. I cannot hear you.

"Mr. SYMONDS. For the record, I have advised my client of his constitutional rights.

"Mr. TAVENNER. Did you pay membership dues in the Communist Party?

"(Witness confers with counsel.)

"Mr. INOUYE. I refuse to answer that question, on the ground that it might incriminate me.

"Mr. TAVENNER. Do you recall that on this 3d day of November 1949, you talked to Mr. Wheeler, and also to Mr. Appell, the investigators of the Committee on Un-American Activities?

"(Witness confers with counsel.)

"Mr. INOUYE. I refuse to answer, on the same grounds.

"Mr. TAVENNER. You refuse to answer whether you talked to them or not?

"Mr. INOUYE. Yes.

"Mr. TAVENNER. On what ground do you refuse?

"Mr. INOUYE. That it might incriminate me.

"Mr. WALTER. Do you feel it would incriminate you to answer a question as to whether or not you talked to Mr. Wheeler?

"Mr. INOUYE. I was advised by my counsel.

"Mr. TAVENNER. You state that you refuse to answer on the ground that it would incriminate you. What do you mean by 'incriminate'?

"Mr. SYMONDS. Why, I——

"(Witness confers with counsel.)

"Mr. INOUYE. Well, my attorney told me that it is my privilege.

"Mr. TAVENNER. Your attorney told you it was your privilege. Now, that is what you said to begin with, isn't it; you thought it was your privilege to refuse to answer if you wanted to?

"(Witness confers with counsel.)

"Mr. INOUYE. Because it might incriminate me.

"Mr. TAVENNER. Because it might incriminate you. Well, what do you mean by 'incriminate'?

"(Witness confers with counsel.)

"Mr. INOUYE. Because my attorney advises me that it is my privilege.

"Mr. TAVENNER. That is what you said before, but you have not told us what you mean by 'incriminate.'

"Mr. MOULDER. He is not called upon to give the explanation of his attorney.

"Mr. TAVENNER. We must know what he understands by his answer.

"By 'incriminate,' do you mean that it might tend to constitute some evidence against you for the prosecution of some offense? If that is what you mean by it, you are correct.

"(Witness confers with counsel.)

Mr. "INOUYE. Well, my lawyer informed me it might tend to incriminate me.

"Mr. TAVENNER. Do you hold any position in your local, of the ILWU, since 1945?

"Mr. INOUYE. In 1946.

"Mr. TAVENNER. Since 1946.

"Mr. INOUYE. I was a chairman of local 146, Railroad Transportation Workers, ILWU.

"Mr. TAVENNER. Now, have you held any other positions since that time?

"Mr. INOUYE. Well, in 1947 we consolidated to 150 local; 150, that is the miscellaneous group, and I was acting as business agent.

"Mr. TAVENNER. Did you attend any Communist Party meetings during that period of time?

"Mr. INOUYE. I refuse to answer that question, on the ground that it might incriminate me.

"Mr. TAVENNER. Do you hold an office in the political precinct of which you are a member?

"Mr. INOUYE. What precinct is that? What precinct is that that you are talking about; what club is that?

"Mr. TAVENNER. Well, what is your precinct, your voting precinct?

"Mr. INOUYE. The fifteenth of the fifth.

"Mr. TAVENNER. Well, do you hold any position in it?

"Mr. INOUYE. In the Democratic Club?

"Mr. TAVENNER. In any club?

"Mr. INOUYE. Well, I was just elected as chairman. I don't take office until after the Democratic Convention.

"Mr. TAVENNER. Were you a member, or did you hold an office in that club any time from 1946 on up to this present election?

"Mr. INOUYE. Just before the last election.

"Mr. TAVENNER. Well, when was that?

"Mr. INOUYE. It was in 1947.

"Mr. TAVENNER. 1947. What position did you hold then?

"Mr. INOUYE. As chairman.

"Mr. TAVENNER. Are you now, or have you ever been a member of the Communist Party?

"Mr. INOUYE. I refuse to answer that question, on the same grounds.

"Mr. TAVENNER. I have no further questions, Mr. Chairman.

"(Witness excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Douglas Inouye, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Were you at one time a member of the Communist Party?"

After having testified that he talked to Mr. Wheeler (an investigator for the committee) on the 3d day of November 1949, the witness was asked the following questions:

"Did he ask you that same question, as to whether or not you had been a member of the Communist Party?

"Did you pay membership dues in the Communist Party?

"Do you recall that on the 3d day of November 1949 you talked to Mr. Wheeler and also to Mr. Appell, investigators for the Committee on Un-American Activities?"

After testifying that he acted as business agent in 1947 for local 150, ILWU, the witness was asked the questions:

"Did you attend any Communist Party meetings during that period of time?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 777) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Douglas Inouye to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Douglas Inouye may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST LEVI KEALOHA

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2881).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING LEVI KEALOHA

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Levi Kealoha, 2381 Tantalus Drive, Honolulu, T. H. The said subpena directed Levi Kealoha to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Levi Kealoha is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Levi Kealoha, 2381 Tantalus Drive, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness

my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February, 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Levi Kealoha before the Committee on Un-American Activities. Served within-named individual at 9:52 a. m., April 1, 1950, at pier 11, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii,
"By EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Levi Kealoha, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Levi Kealoha having appeared as a witness and having been asked the question:

"Have you been a member of the Communist Party at any time since 1945?"

which question was pertinent to the subject under inquiry, refused to answer such question, and as a result of the said Levi Kealoha's refusal to answer the aforesaid question, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Levi Kealoha. The record of the proceedings before the committee on April 18, 1950, during which the said Levi Kealoha refused to answer the aforesaid question pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman; Hon. BURR P. HARRISON, Hon. MORGAN MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 19, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"TESTIMONY OF LEVI KEALOHA, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. WALTER. Will you raise your right hand, please? Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. KEALOHA. I do.

"Mr. TAVENNER. You are Levi Kealoha?

"Mr. KEALOHA. My English name, yes, Levi. My Hawaiian name, Lawai.

"Mr. TAVENNER. Do you hold any official position?

"Mr. KEALOHA. When?

"Mr. TAVENNER. In your local union?

"Mr. KEALOHA. When?

"Mr. TAVENNER. Any time since 1945 on. Excuse me, before answering that question: Are you represented by counsel? Do you have an attorney here with you?

"Mr. KEALOHA. Yes.

"Mr. TAVENNER. Will counsel identify himself?

"Mr. SYMONDS. Myer C. Symonds. I filed a similar motion.

"Mr. TAVENNER. Possibly you could tell us first: How are you employed? Where do you work?

"Mr. KEALOHA. Well, my true occupation is a stevedore.

"Mr. TAVENNER. Is what?

"Mr. KEALOHA. A stevedore.

"Mr. TAVENNER. How long have you worked at that occupation?

"Mr. KEALOHA. Well, since 1931—up until I was elected an officer of the union, under the ILWU.

"Mr. TAVENNER. When was that?

"Mr. KEALOHA. In January of 1949.

"Mr. TAVENNER. Did you hold any position with the union before January 1949?

"Mr. KEALOHA. I was acting as the vice president of the Honolulu Longshore Union, as the Oahu division, since 1947.

"Mr. TAVENNER. Did you hold any position with the union before that?

"Mr. KEALOHA. I was a member of the executive board of the division, the Honolulu Longshore; as the committee of the executive board.

"Mr. TAVENNER. Over how long a period of time?

"Mr. KEALOHA. I cannot recall just how far back.

"Mr. TAVENNER. Back as far as 1945?

"Mr. KEALOHA. I presume it was somewhere around 1945.

"Mr. TAVENNER. Have you been a member of the Communist Party at any time since 1945?

"Mr. KEALOHA. Upon the advice of my attorney, I refuse to answer the question, on the ground that it might tend to incriminate me.

"Mr. TAVENNER. I have no further questions.

"(Witness excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Levi Kealoha, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the question, namely:

"Have you been a member of the Communist Party at any time since 1945?"

which question was pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid question deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 778) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Levi Kealoha to answer questions before the said Comittee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Levi Kealoha may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST ADELE KENSINGER

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2882).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING ADELE KENSINGER

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Adele Kensinger, 1658 Piikoi Street, Honolulu, T. H. The said subpena directed Adele Kensinger to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 17, 1950, at the hour of 2 p. m., in the senate chamber, Iolani Palace, and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Adele Kensinger is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Adele Kensinger, 1658 Piikoi Street, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives, of which the Honorable JOHN S. WOOD, is chairman, in their chamber in the city of Honolulu, on April 17, 1950, in the senate chamber, Iolani Palace, at the hour of 2 p. m., then and there to testify touching matters of inquiry committed to said committee; and she is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington this 24th day of February 1950.

"FRANCIS E. WALTER,
"Chairman of Subcommittee.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by George E. Bruns, who was duly authorized to serve the said subpena. The return of the service by the said George E. Bruns, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Adele Kensinger, 1658 Piikoi Street, Honolulu, T. H., before the Committee on Un-American Activities. Served personally upon Adele Kensinger, 1658 Piikoi Street, Honolulu, T. H., at 9:50 a. m. April 17.

"OTTO F. HEINE,
"United States Marshal, Hawaii.
"By GEORGE E. BRUNS."

The said Adele Kensinger, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Adele Kensinger having appeared as a witness, and having been asked questions, namely:

"Do you know Ralph Vossbrink?

"Do you know Charles Fujimoto?

"Did you on the night of April 21, 1948, meet at the home of Ralph Vossbrink, with Ralph Vossbrink and Charles Fujimoto?

"You have been identified by a number of witnesses during the course of these hearings as having attended Communist Party

meetings. Have you attended such meetings?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Adele Kensinger's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Adele Kensinger. The record of the proceedings before the committee on April 18, 1950, during which the said Adele Kensinger refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities consisting of Hon. BURR P. HARRISON, chairman, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 18, 1950, at 2 p. m., Hon. BURR P. HARRISON, chairman, presiding.)

"Mr. TAVENNER. Mrs. Adele Kensinger.

"Mr. HARRISON. Will you stand and hold up your right hand, please? Do you swear that the testimony you are about to give will be the truth, the whole truth and nothing but the truth, so help you God?

"Mrs. KENSINGER. I do.

"TESTIMONY OF ADELE KENSINGER, ACCOMPANIED BY HER COUNSEL, HARRIET BOUSLOG

"Mr. TAVENNER. What is your name?

"Mrs. KENSINGER. Adele Kensinger.

"Mr. TAVENNER. Are you represented here by counsel?

"Mrs. KENSINGER. I am.

"Mr. TAVENNER. Will counsel please identify herself.

"Mrs. BOUSLOG. May my name, Harriet Bouslog, be entered of record as the attorney for Adele Kensinger. And at this time, on behalf of Adele Kensinger, I would like to file a motion to quash the service of subpena.

"Mr. HARRISON. I understand that all of these motions are similar to the ones heretofore filed.

"Mrs. BOUSLOG. That is right. The motion is in the same form and on the same constitutional grounds as the other motions, and I understand from the chairman that they will appeal before any testimony of the witness in all the cases.

"Mr. TAVENNER. Where do you live?

"Mrs. KENSINGER. 1658 Piikoi Street, Honolulu.

"Mr. TAVENNER. How long have you lived there?

"Mrs. KENSINGER. About 10 or 11 years.

"Mr. TAVENNER. How long have you lived in the Territory of Hawaii?

"Mrs. KENSINGER. Almost 30 years.

"Mr. TAVENNER. Have you been employed at any time since you have been living in the Territory of Hawaii?

"Mrs. KENSINGER. I have been employed all the time.

"Mr. TAVENNER. How were you employed?

"Mrs. KENSINGER. For a number of years I was doing stenographic and clerical work in the Territory for different employers; for the past 11 years I have been a housekeeper.

"Mr. TAVENNER. Do you know Ralph Vossbrink?

"(Witness confers with counsel.)

"Mrs. KENSINGER. I refuse to answer that question on the ground it may tend to incriminate me.

"Mr. TAVENNER. Do you know Charles Fujimoto?

"(Witness confers with counsel.)

"Mrs. KENSINGER. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Did you, on the night of April 21, 1948, meet at the home of Ralph Vossbrink with Ralph Vossbrink and Charles Fujimoto?

"(Witness confers with counsel.)

"Mrs. KENSINGER. I refuse to answer that question on the same ground, that it may incriminate me.

"Mr. TAVENNER. You have been identified by a number of witnesses during the course of these hearings as having attended Communish Party meetings. Have you attended such meetings?

"(Witness confers with counsel.)

"Mrs. KENSINGER. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Mrs. KENSINGER. I refuse to answer the question on the ground——

"Mr. TAVENNER. I have no further questions.

"(The witness was excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Adele Kensinger relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Do you know Ralph Vossbrink?

"Do you know Charles Fujimoto?

"Did you on the night of April 21, 1948, meet at the home of Ralph Vossbrink, with Ralph Vossbrink and Charles Fujimoto?

"You have been identified by a number of witnesses during the course of these hearings as having attended Communist Party meetings. Have you attended such meetings?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and her refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 779) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Adele Kensinger to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Adele Kensinger may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST BENJAMIN KAAHAWINUI

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2883).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING BENJAMIN KAAHAWINUI

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law C01, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Benjamin Kaahawinui, 1918 Kealahai Street, Honolulu, T. H. The said subpena directed Benjamin Kaahawinui to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 2 p. m. in the senate chamber, Iolani Palace, and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Benjamin Kaahawinui is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America. To United States Marshal Otto F. Heine: You are hereby commanded to summon Ben Kaahawinui, 1918 Kealahai Street, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 2 p. m. then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Ben Kaahawinui before the Committee on Un-American Activities. Served the within-named individual at 3:15 p. m., March 30, 1950, at pier 11, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By EMMANUEL MOSES, JR.,
"Deputy United States Marshal."

The said Benjamin Kaahawinui, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Benjamin Kaahawinui having appeared as a witness and having been asked questions, namely:

"Will you tell the committee whether a Communist Party meeting was ever held at your home?

"Did you ever approach any individuals and ask them to join the Communist Party?"

(After having testified that he was an officer of his local union for a period of 8 or 9 years, the witness was asked the following questions:)

"Now, during that period of time, were you ever a member of the Communist Party?

"Are you now a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions, and as a result of the said Benjamin Kaahawinui's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena, served upon the said Benjamin Kaahawinui. The record of the proceedings before the committee on April 19, 1950, during which the said Benjamin Kaahawinui refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 19, 1950, at 2 p. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. WALTER. Will you raise your right hand, please? Will you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. KAAHAWINUI. I do.

"TESTIMONY OF BENJAMIN KAAHAWINUI, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your name, please?

"Mr. KAAHAWINUI. Benjamin Kaahawinui.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. KAAHAWINUI. Yes.

"Mr. TAVENNER. Will counsel identify himself?

"Mr. SYMONDS. Myer C. Symonds. On behalf of this witness I filed the same motion to quash service of the subpena, as has been filed on behalf of the other witnesses represented by me.

"Mr. TAVENNER. Where do you live?

"Mr. KAAHAWINUI. 1918 Gulston Street.

"Mr. TAVENNER. Is that in Honolulu?

"Mr. KAAHAWINUI. That's right.

"Mr. TAVENNER. How old are you?

"Mr. KAAHAWINUI. Forty-seven.

"Mr. TAVENNER. How are you employed? That is, what work do you do?

"Mr. KAAHAWINUI. McCabe, Hamilton & Renney Co., longshoreman.

"Mr. TAVENNER. How long have you worked there?

"Mr. KAAHAWINUI. About 9 years.

"Mr. TAVENNER. There has been testimony presented to the committee in which it was said that the Communist Party members met at your home. That is, that Communist Party meetings were held in your home on a number of occasions. Will you tell the committee whether a Communist Party meeting was ever held at your home?

"Mr. KAAHAWINUI. I refuse to answer that question. It might tend to incriminate me.

"Mr. TAVENNER. Well, did you ever approach any individuals and ask them to join the Communist Party?

"Mr. KAAHAWINUI. I refuse to answer that question on the same basis.

"Mr. TAVENNER. What positions have you held in the local unions; the local of your unions?

"Mr. KAAHAWINUI. I used to be a member of the executive board, and ex-business agent.

"Mr. TAVENNER. For how long a period have you held these positions?

"Mr. KAAHAWINUI. Oh, at different times, I think, for about 8 or 9 years.

"Mr. TAVENNER. For 8 or 9 years?

"Mr. KAAHAWINUI. Yes.

"Mr. TAVENNER. Well, were you continuously an officer of your local, in one capacity or another, for a period of 8 or 9 years?

"Mr. KAAHAWINUI. Yes; one or the other.

"Mr. TAVENNER. Now, during that period of time were you ever a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. KAAHAWINUI. I refuse to answer that question, on the grounds that it would tend to incriminate me.

"Mr. TAVENNER. Are you now a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. KAAHAWINUI. I answer on the same ground.

"Mr. TAVENNER. I have no further questions.

"Mr. WALTER. You will be excused.

"(Witness excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deproved of answers to pertinent questions propounded to said Benjamin Kaahawinui, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Will you tell the committee whether a Communist Party meeting was ever held at your home?

"Did you ever approach any individuals and ask them to join the Communist Party?"

(After having testified that he was an officer of his local union for a period of 8 or 9 years, the witness was asked the following questions:)

"Now, during that period of time, were you ever a member of the Communist Party?

"Are you now a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 780) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Benjamin Kaahawinui to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Hawaii, to the end that the said Benjamin Kaahawinui may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST FRANK KALUA

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2884).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING FRANK KALUA

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Frank Kalua, 2027 Colburn Avenue, Honolulu, T. H. The said subpena directed Frank Kalua to be and appear before said Committee on Un-American Activities in the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Frank Kalua is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America. To United States Marshal Otto F. Heine: You are hereby commanded to summon Frank Kalua, 2027 Colburn Avenue, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Frank Kalua before the Committee on Un-American Activities. Served the within-named individual at 421 Waiakamilo Road, Honolulu, T. H., on April 1, 1950.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.

"EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Frank Kalua, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Frank Kalua having appeared as a witness and having been asked questions, namely:

"Do you know Saturnino Cablay?

"Have you attended any Communist Party meetings at which he was present, from 1945 up until the present time?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Frank Kalua's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena, served upon the said Frank Kalua. The record of the proceedings before the

committee on April 19, 1950, during which the said Frank Kalua refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman; Hon. BURR P. HARRISON; Hon. MORGAN M. MOULDER; and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 19, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. WALTER. You swear the testimony that you are about to give will be the truth, the whole truth, and nothing but the truth so help you God?

"Mr. KALUA. I do.

"TESTIMONY OF FRANK KALUA, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your name, please?

"Mr. KALUA. Frank Kalua.

"Mr. TAVENNER. Where do you live, Mr. Kalua?

"Mr. KALUA. Honolulu, 2027 Colburn.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. KALUA. Yes.

"Mr. TAVENNER. Will counsel please identify himself?

"Mr. SYMONDS. My name is Myer C. Symonds, and I want to file on behalf of the witness a motion to quash the service of the subpena, in the same form as those previously filed.

"Mr. TAVENNER. How are you employed?

"Mr. KALUA. Stevedore, McCabe, Hamilton & Remey.

"Mr. TAVENNER. How long have you been employed there?

"Mr. KALUA. About 8 or 9 years.

"Mr. TAVENNER. Have you occupied any position in your local union since 1945?

"Mr. KALUA. Pardon, sir?

"Mr. TAVENNER. Have you held any position in your union since 1945? Any office of any kind?

"Mr. KALUA. Yes; executive board.

"Mr. TAVENNER. Do you know Saturnino Cablay?

"Mr. KALUA. I refuse to answer, on the ground it might tend to incriminate me.

"Mr. TAVENNER. Have you attended any Communist Party meetings at which he was present?

"Mr. KALUA. I refuse——

"Mr. TAVENNER. Just a minute. From 1945 up until the present time?

"Mr. KALUA. The same answer, for the same reason.

"Mr. TAVENNER. Are you now, or have you ever been a member of the Communist Party?

"Mr. KALUA. The same answer.

"Mr. TAVENNER. No further questions.

"(Witness excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Frank Kalua, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Do you know Saturnino Cablay?

"Have you attended any Communist Party meetings at which he was present, from 1945 up until the present time?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 781) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Frank Kalua to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Frank Kalua may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST YOSHITA MARUMO

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I present a privileged report (Rept. No. 2885).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING YOSHITA MARUMO

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Yoshita Marumo, 746 East Liliha Street, Honolulu, T. H. The said subpena directed Yoshita Marumo to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 14, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Yoshita Marumo is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Yoshita Marumo, 746 East Liliha Street, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., April 14, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,

"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Yoshita Marumo, before the Committee on Un-American Activities. Served the within-named individual at 6:02 p. m., March 31, 1950, at 822 Kauai Street, Honolulu, T. H.

"OTTO F. HEINE,

"United States Marshal, District of Hawaii.

"By EMMANUEL MOSES, Jr.,

"Deputy United States Marshal."

The said Yoshita Marumo, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress. The said Yoshita Marumo having appeared as a witness and having been asked questions, namely:

"Do you know Ernest Arena, president of your local 150?

"Will you tell the committee whether you are now or ever have been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Yoshita Marumo's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena, served upon the said Yoshita Marumo. The record of the proceedings before the committee on April 4, 1950, during which the said Yoshita Marumo refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 14, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER presiding.)

"Mr. WALTER. Will you raise your right hand, please? Will you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God.

"Mr. MARUMO. I do.

"TESTIMONY OF YOSHITA MARUMO, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your name?

"Mr. MARUMO. Yoshita Marumo.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. MARUMO. Yes.

"Mr. TAVENNER. Will counsel identify himself, please.

"Mr. SYMONDS. Myer C. Symonds. And at this time I wish to file a motion to quash the service of the subpena, in the same form as on behalf of the previous witnesses represented by me.

"Mr. WALTER. It may be placed in the record.

"Mr. TAVENNER. Mr. Marumo, will you state your age, please?

"Mr. MARUMO. I am 28.

"Mr. TAVENNER. Where were you born?

"Mr. MARUMO. Honolulu.

"Mr. TAVENNER. Tell the committee briefly what jobs you have held.

"Mr. MARUMO. I am employed at——

"Mr. TAVENNER. Will you state that over? I didn't understand.

"Mr. MARUMO. I am employed at Love's Biscuit & Bakery Co.

"Mr. TAVENNER. How long have you been employed there?

"Mr. MARUMO. Five years.

"Mr. TAVENNER. Tell this committee what other positions you have held.

"Mr. MARUMO. I am working foreman now.

"Mr. TAVENNER. How long have you worked for that company?

"Mr. MARUMO. Five years.

"Mr. TAVENNER. Do you hold any position of any kind or office in any party or unit? Let me divide the question. Do you hold an office or position of any kind in a union?

"Mr. MARUMO. No, sir.

"Mr. TAVENNER. How is that?

"Mr. MARUMO. No, sir.

"Mr. TAVENNER. Have you ever held such a position?

"Mr. MARUMO. No, sir.

"Mr. TAVENNER. Are you a representative of any character of your local?

"Mr. MARUMO. I am a steward, shop steward.

"Mr. TAVENNER. You are a shop steward. Well, you do hold a very responsible position with your union, do you not? Isn't that right?

"Mr. MARUMO. Yes.

"Mr. TAVENNER. Did you say 'yes.'

"Mr. MARUMO. Yes.

"Mr. TAVENNER. How long have you been a shop steward?

"Mr. MARUMO. Four years.

"Mr. TAVENNER. Four years. What union is it?

"Mr. MARUMO. ILWU, Local 150.

"Mr. TAVENNER. Local 150?

"Mr. MARUMO. That is right.

"Mr. TAVENNER. Do you know Ernest Arena, president of your local 150?

"Mr. MARUMO. On the advice of my counsel, I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. You are uneasy about being incriminated by mentioning the name of the president of this local?

"Mr. MARUMO. On the advice of my counsel.

"Mr. TAVENNER. Who are the other officers of your—well, I will not ask you that question—now, will you tell the committee whether you are now or ever have been a member of the Communist Party?

"Mr. MARUMO. On the advice of my counsel, I refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. All right.

"(Witness was excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Yoshita Marumo relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Do you know Ernest Arena, president of your local 150?

"Will you tell the committee whether you are now or ever have been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 782) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Yoshita Marumo to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Yoshito Marumo may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST ROBERT MURASAKI

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2886).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING ROBERT MURASAKI

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Robert Murasaki, Puunene, Maui, T. H. The said subpena directed Robert Murasaki to be and appear before said Committee on Un-American Activities of the House of Representatives in the United States, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 10 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Robert Murasaki is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Robert Murasaki, Puunene, Maui, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"FRANCIS E. WALTER, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Russell A. Newton, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Russell A. Newton, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Robert Murasaki, before the Committee on Un-American Activities. Served on Robert Murasaki, at Kahului, Maui, T. H., on April 17, 1950, at 12:40 a. m.

"RUSSELL A. NEWTON, Jr.,
"Deputy United States Marshal."

The said Robert Murasaki, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Robert Murasaki having appeared as a witness and having been asked questions, namely:

After having testified that he held the position of unit chairman of his local union, the witness was asked the following question:

"While you held such office, did you take part in any Communist Party meeting at Thomas Yagi's home or at the home of any other person?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions, and as a result of the said Robert Murasaki's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena, served upon the said Robert Murasaki. The record of the proceedings before the committee on April 19, 1950, during which the said Robert Murasaki refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 19, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER, presiding.)

"Mr. TAVENNER. Robert Murasaki.

"Mr. WALTER. Will you raise your right hand, please? Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. MURASAKI. I do.

"Mr. WALTER. Sit down.

"TESTIMONY OF ROBERT MURASAKI, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your name, please?

"Mr. MURASAKI. Robert Murasaki.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. MURASAKI. Yes; I am.

"Mr. TAVENNER. Will counsel please identify himself?

"Mr. SYMONDS. My name is Myer C. Symonds. And I file a motion to quash the service of the subpena in behalf of this witness.

"Mr. TAVENNER. Where do you live Mr. Murasaki?

"Mr. MURASAKI. Puunene, Maui.

"Mr. TAVENNER. How old are you?

"Mr. MURASAKI. Forty-five.

"Mr. TAVENNER. How are you now employed?

"Mr. MURASAKI. I am employed with the United Sugar Workers.

"Mr. TAVENNER. How long have you been employed there?

"Mr. MURASAKI. A little over a year now.

"Mr. TAVENNER. Prior to that time, how were you employed?

"Mr. MURASAKI. Hawaiian Commercial & Sugar Co., Puunene.

"Mr. TAVENNER. How long were you employed there?

"Mr. MURASAKI. I think about 13 or 14 years.

"Mr. TAVENNER. Have you been an official of a local union at any time since 1945?

"Mr. MURASAKI. Yes.

"Mr. TAVENNER. What position did you hold?

"Mr. MURASAKI. As unit chairman.

"Mr. TAVENNER. During what period of time?

"Mr. MURASAKI. Probably about 1946.

"Mr. TAVENNER. And for how long?

"Mr. MURASAKI. And for a little over a year. Probably a year.

"Mr. TAVENNER. While you held such an office, did you take part in any Communist Party meetings at Thomas Yagi's home or at the home of any other person?

"(Witness confers with counsel.)

"Mr. MURASAKI. On the advice of my counsel, I refuse to answer because it might tend to incriminate me.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Mr. MURASAKI. I refuse to answer the same question, the same answer.

"Mr. TAVENNER. On the same ground?

"Mr. MURASAKI. Yes.

"Mr. TAVENNER. I have no further questions.

"Mr. MOULDER. May I ask a question? Do you recall the ILWU union convention meeting which was held at the YMCA in Honolulu in 1948?

"Mr. TAVENNER. In 1947.

"Mr. MOULDER. In 1947?

"Mr. MURASAKI. I recall it.

"Mr. MOULDER. You recall that meeting?

"Mr. MURASAKI. I recall it.

"Mr. MOULDER. While it was in session, did you attend any meetings of any other character other than that?

"(Witness confers with counsel.)

"Mr. MURASAKI. I refuse to answer on the same grounds, for the same reasons.

"Mr. MOULDER. That is all.

"(Witness was excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Robert Murasaki relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

(After having testified that he held the position of unit chairman of his local union, the witness was asked the following question:)

"While you held such an office, did you take part in any Communist Party meeting at Thomas Yagi's home or at the home of any other person?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 783) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Robert Murasaki to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Robert Murasaki may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST ROBERT McELRATH

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2887).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING ROBERT MCELRATH

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Robert McElrath, 1112B Elm Street, Honolulu, T. H. The said subpena directed Robert McElrath to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 17, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Robert McElrath is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Robert McElrath, 1112B Elm Street, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 17, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,

"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Emmanuel Moses, Jr., who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Robert McElrath, before the Committee on Un-American Activities. Served the within-named individual at 1112-B Elm Street at 8 p. m. on March 30, 1950.

"OTTO F. HEINE,

"United States Marshal, District of Hawaii.

"EMMANUEL MOSES, Jr.,

"Deputy United States Marshal."

The said Robert McElrath, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Robert McElrath having appeared as a witness and having been asked questions, namely:

"Did you go to any Communist school for part of your education?

"While you were Territorial representative (ILWU) did you hold any official position with the Communist Party, such as a member of its executive board, of the Communist Party of Hawaii?

"Were you at any time a member of the executive board of the Communist Party of the Territory of Hawaii?

"Have you ever attended Communist Party meetings in the Territory of Hawaii?

"Have you ever been a member of the Communist Party of the Territory of Hawaii?

"Are you now a member of the Communist Party of the Territory of Hawaii?

"Are you a member of the Hawaii Civil Liberties Committee?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Robert McElrath's refusal to answer the aforesaid questions your committee was prevented from receiving testimony in accordance with the terms of the subpena served upon the said Robert McElrath. The record of the proceedings before the committee on April 17, 1950, during which the said Robert McElrath refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE met in the senate chamber, Iolani Palace, on April 17, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER presiding.)

"Mr. TAVENNER. Mr. Robert McElrath.

"Mr. WALTER. Will you raise your right hand, please. Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. MCELRATH. I do.

"TESTIMONY OF ROBERT M'ELRATH, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your name, please.

"Mr. MCELRATH. Robert McElrath.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. MCELRATH. I am.

"Mr. TAVENNER. Will counsel please identify himself for the record?

"Mr. SYMONDS. Myer C. Symonds, appearing for this witness. And I would like at this time to file, in the same form, the motion to quash and suppress service of the subpena.

"Mr. WALTER. Motion denied. It will be placed in the record.

"Mr. HARRISON. It is in the same form.

"Mr. SYMONDS. Yes, Mr. Harrison.

"Mr. TAVENNER. You appear here in answer to the subpena served on you?

"Mr. MCELRATH. I do.

"Mr. TAVENNER. When and where were you born?

"Mr. MCELRATH. Spokane, Wash., May 27, 1916.

"Mr. TAVENNER. Will you give this committee a brief outline of your educational background?

"Mr. MCELRATH. I went to school in Spokane, Wash., Freewater, Oreg., and possibly other places I don't recall.

"Mr. TAVENNER. Maybe I will ask you. Did you go to any Communist school or part of your education?

"Mr. MCELRATH. I decline to answer the question on the ground it might tend to incriminate me. I do so on advice of counsel.

* * * * * *

"Mr. TAVENNER. How were you employed in the Territory of Hawaii after your arrival here in 1941?

"Mr. MCELRATH. I worked with the Kauai longshoremen, who were on strike at the time I arrived here. I was asked to go over to Kauai.

"Mr. TAVENNER. For whom did you work there?

"Mr. MCELRATH. The ILWU and the United Cannery, Agricultural, Textile, and Allied Workers.

"Mr. TAVENNER. How long did you continue in that employment?

"Mr. MCELRATH. I stayed on Kauai until the longshore strike ended, which I believe was May 1941.

"Mr. TAVENNER. Then what was your employment after that?

"Mr. MCELRATH. I worked on a paper, the Herald was the name of it.

"Mr. TAVENNER. How long did you work for the Herald?

"Mr. MCELRATH. Perhaps 4 months.

"Mr. TAVENNER. Then come right on through and tell us what your employment was. I just want to give the committee a record of your employment background.

"Mr. MCELRATH. And then I took a job on the *Kilauea*. That is a ship owned by the Inter-Island Steam Navigation Co. I stayed on that ship, traveling to the South Pacific islands until, I believe, May or June 1942. I left the *Kilauea* and went to work for the Inter-Island Steam Navigation Co. as a machinist. I believe I worked for Inter-Island until the middle of 1944, when I became a full-time official of the Independent Marine Engineers and Drydock Workers Union.

"Mr. TAVENNER. What date was that, do you think? About what date was that?

"Mr. MCELRATH. I believe it was in the middle of 1944. We organized the union in February 1943. I was the organizer, and I did not infiltrate the union either. I say 1944.

"Mr. TAVENNER. How long were you employed in that capacity?

"Mr. MCELRATH. Until the end of the union; the union voted to affiliate with the ILWU.

"Mr. WALTER. Was that an independent?

"Mr. MCELRATH. It was an independent union; yes. It was organized by the men during the war. Ernest Arena, myself, Bill Perry were the organizers. I had book No. 2 in the union. In 1945, I believe, we voted to go into the ILWU. And then I was hired by the ILWU as territorial representative. No; as editor. I don't recall the title I had.

"Mr. TAVENNER. Then you were a Territorial representative, at one period?

"Mr. MCELRATH. At one period I was.

"Mr. TAVENNER. When was that?

"Mr. MCELRATH. When Frank Thompson left, which, I believe, was immediately after the sugar strike began in 1946, the latter part of 1946.

"Mr. TAVENNER. All right. How long were you employed in that capacity?

"Mr. MCELRATH. Until later on, a year and a half ago, when the position was changed and I was set up as public relations director.

"Mr. TAVENNER. And you still hold that position as public relations director?

"Mr. MCELRATH. I do.

"Mr. TAVENNER. Where do you live, Mr. McElrath?

"Mr. MCELRATH. 1112–B Elm Street.

"Mr. TAVENNER. In Honolulu?

"Mr. MCELRATH. Honolulu.

"Mr. TAVENNER. How long have you lived there?

"Mr. MCELRATH. Nine years.

"Mr. TAVENNER. Now, Mr. McElrath, in 1945, from then on for a considerable period of time you held a very important position with the ILWU, did you not, the title of which you gave us? And what was it?

"Mr. MCELRATH. Territorial representative.

"Mr. TAVENNER. While you were Territorial representative did you hold any official position with the Communist Party such as a member of its executive board, of the Communist Party of the Territory of Hawaii?

"Mr. MCELRATH. I decline to answer the question on the grounds that it may tend to incriminate me.

"Mr. TAVENNER. Do you realize that and understand that by your refusal to answer the question you may subject yourself to contempt proceedings?

"Mr. MCELRATH. I do.

"Mr. TAVENNER. Were you at any time a member of the executive board of the Communist Party of the Territory of Hawaii?

"Mr. MCELRATH. I decline to answer the question on the same grounds.

"Mr. TAVENNER. Have you ever attended Communist Party meetings in the Territory of Hawaii?

"Mr. MCELRATH. I decline to answer that question on the same grounds.

"Mr. TAVENNER. Have you ever been a member of the Communist Party of the Territory of Hawaii?

"Mr. MCELRATH. I decline to answer the question on the same grounds.

"Mr. TAVENNER. Are you now a member of the Communist Party of the Territory of Hawaii?

"Mr. MCELRATH. I decline to answer the question on the same grounds.

"Mr. TAVENNER. Are you a member of the HCLC?

"(Witness confers with counsel.)

"Mr. MCELRATH (after long pause). Has the HCLC been listed on this Attorney General's list as a subversive organization?

"Mr. TAVENNER. Would that make any difference as to whether you were a member or not?

"Mr. MCELRATH. It surely would; absolutely.

"Mr. TAVENNER. Do you mean that would change the fact of whether you were a member?

"Mr. MCELRATH. I beg your pardon; I did not get your last question.

"Mr. TAVENNER. I said, would it change the fact of whether or not you were a member, as to whether it was cited as a Communist-front organization or not?

"Mr. MCELRATH. People are winding up in jail these days for even knowing people.

"Mr. TAVENNER. Will you answer the question.

"Mr. WALTER. In what case did that happen?

"Mr. MCELRATH. Harry Bridges is the best example I can think of.

"Mr. WALTER. I think you had better read the decision in that case.

"Mr. MCELRATH. I decline to answer the question on the grounds it may tend to incriminate me.

"Mr. TAVENNER. What does HCLC stand for?

"Mr. MCELRATH. The newspapers identify it as Hawaii Civil Liberties Committee.

"Mr. TAVENNER. I have no further questions.

"(The witness was excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Robert McElrath relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Did you go to any Communist school for part of your education?

"While you were territorial representative (ILWU) did you hold any official position with the Communist party, such as a member of its executive board, of the Communist Party of the Territory of Hawaii?

"Were you at any time a member of the executive board of the Communist Party of the Territory of Hawaii?

"Have you ever attended Communist Party meeting in the Territory of Hawaii?

"Have you ever been a member of the Communist Party of the Territory of Hawaii?

"Are you now a member of the Communist Party of the Territory of Hawaii?

"Are you a member of the Hawaii Civil Liberties Committee?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 784) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Robert McElrath to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Robert McElrath may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST JULIAN NAPUUNOA

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2888).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING JULIAN NAPUUNOA

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Julian Napuunoa, 2189 Tenth Avenue, Honolulu, T. H. The said subpena directed Julian Napuunoa to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, Honolulu, T. H., at the hour of 9 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Julian Napuunoa is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Julian Napuunoa, 2189 Tenth Avenue, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palance, at the hour of 9 a.m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States at the city of Washington, this 24th day of February 1950.

"FRANCIS E. WALTER, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by George E. Bruno, deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said George E. Bruno being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Julian Napuunoa, before the Committee on Un-American Activities. Served the within-named individual at 3:55 p. m. April 17, 1950, at 2198 Tenth Avenue, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.

"GEORGE E. BRUNO,
"United States Marshal."

The said Julian Napuunoa, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Julian Napuunoa having appeared as a witness and having been asked questions, namely:

"Did you issue a Communist card to Saturnino Cablay?

"Did you issue Communist Party cards to any other persons?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Julian Napuunoa's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Julian Napuunoa. The record of the proceedings before the committee on April 18, 1950, during which the said Julian Napuunoa refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of the Honorable FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, Honolulu, T. H., on April 18, 1950, at 9 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Mr. Julian Napuunoa.

"Mr. WALTER. Will you raise your right hand, please? Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. NAPUUNOA. I do.

"TESTIMONY OF JULIAN NAPUUNOA, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your name, please?

"Mr. NAPUUNOA. My name is Julian Napuunoa.

"Mr. TAVENNER. Where do you live?

"Mr. NAPUUNOA. 2098 Tenth Avenue.

"Mr. TAVENNER. How are you employed?

"Mr. NAPUUNOA. I am employed at McCabe, Hamilton & Renney Co., Ltd.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. NAPUUNOA. Yes; I am.

"Mr. TAVENNER. Will counsel please identify himself?

"Mr. SYMONDS. My name is Myer C. Symonds, and I have filed the same motion with respect to this witness, as I have with respect to the other witnesses.

"Mr. WALTER. All your motions will be placed on file.

"Mr. SYMONDS. Thank you very much.

"Mr. TAVENNER. Do you hold any official position in your local union?

"Mr. NAPUUNOA. I am a member of the executive board of our union.

"Mr. TAVENNER. How long have you been a member?

"Mr. NAPUUNOA. Since 1942, the year of 1942.

"Mr. TAVENNER. During that time have you held any other position in your union?

"Mr. NAPUUNOA. Well, later years, I believe since 1945, I was assistant, well, vice president of our division. You see, in our union we have one local combining all the outside islands, and also divisions in Honolulu here, and I was vice president of our division.

"Mr. WALTER. What does the division consist of?

"Mr. NAPUUNOA. Well, in our union we have one union known as 136 and that includes Hawaii, Maui, Kauai, and Oahu, and we have a division also just of the Honolulu group, just for those who work for McCabe, Hamilton & Renney, and Castle & Cooke. We have formed a division just for the Oahu group, and we are known as 137.

"Mr. TAVENNER. Did you have an opportunity to travel behind what is known as the iron curtain back in 1948?

"Mr. NAPUUNOA. Yes, I did.

"Mr. TAVENNER. Who gave you that opportunity?

"Mr. NAPUUNOA. My union, the ILWU.

"Mr. TAVENNER. Where did you go?

"Mr. NAPUUNOA. Well, in fact, I visited 13 countries of Europe: France, Italy, Yugoslavia, Czechoslovakia, Poland, Russia; all of the Scandinavian countries, and England, and back to the United States.

"Mr. WALTER. Did you retain your passport?

"Mr. NAPUUNOA. Will you repeat that question again?

"Mr. WALTER. Do you still have the passport?

"Mr. NAPUUNOA. Yes, I still have the passport, but I did not bring it here to this meeting.

"Mr. WALTER. Did it contain visas to all these countries you visited?

"Mr. NAPUUNOA. I believe it did.

"Mr. TAVENNER. There has been testimony offered here, which you probably know about. If you don't, I will be specific, in detail; that you issued Communist Party cards to various individuals. Do you know what I am referring to?

"(Witness confers with counsel.)

"Mr. NAPUUNOA. Well, will you put your questions more specific, please?

"Mr. TAVENNER. Yes. Did you issue a Communist card to Saturnino Cablay?

"(Witness confers with counsel.)

"Mr. NAPUUNOA. I refuse to answer that question, for the reason that it might tend to incriminate me.

"Mr. TAVENNER. Did you issue Communist Party cards to any other persons?

"(Witness confers with counsel.)

"Mr. NAPUUNOA. I refuse to answer that question, on the same basis, of incrimination.

"Mr. TAVENNER. Are you now, or have you ever been a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. NAPUUNOA. I refuse to answer that question for the same reason.

"Mr. TAVENNER. Who selected you for the trip which you took abroad?

"Mr. NAPUUNOA. The members of the ILWU, throughout the Territory, and also in the States, the executive board.

"Mr. TAVENNER. Did they know about your Communist Party activities when they made that choice?

"Mr. NAPUUNOA. (Witness confers with counsel.) I refuse to answer that question, for the same reason.

"Mr. TAVENNER. No further questions.

"Mr. WALTER. Is it not a fact that no one but a Communist can get a visa to visit in the Communist countries?

"(Witness confers with counsel.)

"Mr. NAPUUNOA. I don't know.

"Mr. MOULDER. I would like to know what your purpose was; what was the object and purpose of your trip?

"Mr. NAPUUNOA. Well, before the time I made the trip I was made to know by my executive officers of the union that the purpose of the trip was to study various working conditions throughout the various countries of Europe, and come back here in Hawaii and try to improve our working conditions in this Territory.

"Mr. VELDE. Did anyone else from the Territory accompany you on this trip; any members?

"Mr. NAPUUNOA. No, sir; just three from the mainland.

"(Witness excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Julian Napuunoa, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Did you issue a Communist card to Saturnino Cablay?

"Did you issue Communist Party cards to any other persons?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 785) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Julian Napuunoa to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Hawaii, to the end that the said Julian Napuunoa may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST TADASHI OGAWA (ALSO KNOWN AS "CASTNER" OGAWA)

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2889).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING TADASHI OGAWA (ALSO KNOWN AS "CASTNER" OGAWA)

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Tadashi Ogawa (also known as "Castner" Ogawa), House 259, Camp I, Waipahu, T. H. The said subpena directed Tadashi Ogawa (also known as "Castner" Ogawa) to be and appear before the said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 9 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Tadashi Ogawa (also known as "Castner" Ogawa), is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Castner Tadashi Ogawa, House 259, Camp I, Waipahu, Oahu, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 9 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington this 24th day of February 1950.

"FRANCIS E. WALTER, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by George E. Bruns, deputy, who was duly authorized to serve the said subpena. The return of the service by the said George E. Bruns, deputy, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Castner T. Ogawa, before the Committee on Un-American Activities. Served Castner T. Ogawa, Waipahu, Oahu, House No. 5, 4:15 p. m. April 18, 1950.

"OTTO F. HEINE,
"United States Marshal.
"By GEORGE E. BRUNS, *Deputy.*"

The said Tadashi Ogawa (also known as "Castner" Ogawa), pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Tadashi Ogawa (also known as "Castner" Ogawa), having appeared as a witness and having been asked questions namely:

After having testified that he was secretary-treasurer of his local union, the witness was asked the question:

"Now did you attend any Communist Party meeting at the home of Jack Kimoto while you held the position, the official position with your local union?

"Did you attend a meeting of any kind at the home of Jack Kimoto that you can remember?

"Are you now or have you ever been a member of the Communist Party?

"Do you know the address of Jack Kimoto?"

which questions were pertinent to the subject under inquiry, refused to answer such questions, and as a result of the said Tadashi Ogawa's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Tadashi Ogawa (also known as "Castner" Ogawa). The record of the proceedings before the committee on April 19, 1950, during which the said Tadashi Ogawa (also known as "Castner" Ogawa) refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 19, 1950, at 9 a. m., Hon. FRANCIS E. WALTER, presiding.)

"Mr. WALTER. Will you raise your right hand, please? Will you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth so help you God?

"Mr. OGAWA. I do.

"TESTIMONY OF TADASHI OGAWA, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your name, please?

"Mr. OGAWA. Tadashi Ogawa.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. OGAWA. Yes, I am.

"Mr. TAVENNER. Will counsel please identify himself?

"Mr. SYMONDS. I am Myer C. Symonds, and while the subpena in this case was addressed to Castner Tadashi Ogawa, I have filed on behalf of the witness a motion to quash the subpena.

* * * * *

"Mr. TAVENNER. Where do you live?

"Mr. OGAWA. Waipahu.

"Mr. TAVENNER. How old are you?

"Mr. OGAWA. 39 years.

"Mr. TAVENNER. Where do you work?

"Mr. OGAWA. At the present I am working as a business agent for Local 142, United Sugar Workers, Oahu Division.

"Mr. TAVENNER. How long have you worked in that capacity?

"Mr. OGAWA. Since February 1, 1950.

"Mr. TAVENNER. And before that, what position did you hold with the union?

"Mr. OGAWA. Last year I was chairman of the Waipahu unit.

"Mr. TAVENNER. And how long were you chairman?

"Mr. OGAWA. I held the chairmanship for about 3 years, since the union was formed in Hawaii.

"Mr. TAVENNER. Before you held that position, what position did you hold with the union, if any? Did you hold some office in your local union, before you were president of it?

"Mr. OGAWA. Yes. I was secretary-treasurer, I believe, the first year.

"Mr. TAVENNER. And how long were you secretary and treasurer?

"Mr. OGAWA. I cannot remember how long.

"Mr. TAVENNER. Several years?

"Mr. OGAWA. No, I believe in the last 2 years—about a year or something.

"Mr. TAVENNER. Now, did you attend any Communist Party meeting at the home of Jack Kimoto while you held the position, the official position, with your local union?

"Mr. OGAWA. On the advice of my counsel, I refuse to answer the question, on the grounds that it might tend to incriminate me.

"Mr. TAVENNER. Did you attend a meeting of any kind at the home of Jack Kimoto that you can remember?

"Mr. OGAWA. I answer on the same ground.

"Mr. TAVENNER. Are you now, or have you ever been a member of the Communist Party?

"Mr. OGAWA. I refuse to answer on the same ground.

"Mr. TAVENNER. No further questions.

"Mr. WALTER. Do you know the address of Jack Kimoto; where he resides?

"Mr. OGAWA. Are you addressing that to me?

"Mr. WALTER. Yes.

"Mr. OGAWA. I refuse to answer the question on the grounds that it might tend to incriminate me.

"Mr. TAVENNER. I have no further questions.

"(Witness excused)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Tadashi Ogawa (also known as "Castner" Ogawa), relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Now, did you attend any Communist Party meeting at the home of Jack Kimoto

while you held the position, the official position with your local union?

"Did you attend a meeting of any kind at the home of Jack Kimoto that you can remember?

"Are you now or have you ever been a member of the Communist Party?

"Do you know the address of Jack Kimoto?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 786) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Tadashi Ogawa (also known as "Castner" Ogawa) to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Tadashi Ogawa (also known as "Castner" Ogawa) may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST HIDEO OKADA

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2890).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING HIDEO OKADA

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Hideo Okada, Waipahu Plantation. The said subpena directed Hideo Okada to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Hideo Okada is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Hideo Okada, Waipahu Plantation, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"FRANCIS E. WALTER,
"Chairman of Subcommittee.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by George E. Bruns, deputy, who was duly authorized to serve the said subpena. The return of the service by the said George E. Bruns, deputy, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Hideo Okada, before the Committee on Un-American Activities. Served personally upon Hideo Okada, Camp 1, Waipahu, Oahu, April 17, 1950, 3:38 p. m.

"OTTO L. HEINE,
"United States Marshal,
"By GEORGE E. BRUNS,
"Deputy."

The said Hideo Okada, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Hideo Okada, having appeared as a witness and having been asked questions, namely:

"It has been testified here that on the night after a convention meeting of the ILWU at the YMCA hall in Honolulu in 1947, that you attended a Communist Party meeting at the home of Jack Hall. Did you see Frank Takahashi that night?

"Did you take Frank Takahashi and Fedrico Lorenzo in a car part of the way and let them out, and they later appeared at Jack Hall's?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Hideo Okada's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Hideo Okada. The record of the proceedings before the committee on April 18, 1950, during which the said Hideo Okada refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 18, 1950, at 9 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Hideo Okada. Is Mr. Symonds here?

"Mrs. BOUSLOG. I think he just went out into the corridor.

"Mr. WALTER. Will you raise your right hand, please? Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. OKADA. I do.

"Mr. WALTER. Sit down.

"TESTIMONY OF HIDEO OKADA, ACCOMPANIED BY HIS ATTORNEY, MYER C. SYMONDS

"Mr. TAVENNER. What is your full name?

"Mr. OKADA. Hideo Okada.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. OKADA. I am.

"Mr. TAVENNER. Will counsel please identify himself?

"Mr. SYMONDS. Myer C. Symonds. And at this time I want to file a motion to quash the service of the subpena on behalf of the witness. It is in the same form as those previously filed.

"Mr. WALTER. It will be received.

"Mr. TAVENNER. Where do you live, Mr. Okada?

"Mr. OKADA. Waipahu.

"Mr. TAVENNER. How old are you?

"Mr. OKADA. Thirty-nine.

"Mr. TAVENNER. Where were you born?

"Mr. OKADA. Aiea, Oahu.

"Mr. TAVENNER. How are you now employed?

"Mr. OKADA. Employed by Oahu Sugar Co.

"Mr. TAVENNER. How long have you been employed there?

"Mr. OKADA. Since 1933.

"Mr. TAVENNER. Are you also known as Major?

"Mr. OKADA. Yes; I am.

"Mr. TAVENNER. What official position do you hold in your union, if any?

"Mr. OKADA. I am a trustee.

"Mr. TAVENNER. What positions have you held since 1945?

"Mr. OKADA. I was secretary of local 145 also.

"Mr. TAVENNER. During what period?

"Mr. OKADA. 1945. I also was business agent for local 145.

"Mr. TAVENNER. During what time?

"Mr. OKADA. Since we consolidated.

"Mr. TAVENNER. When was that?

"Mr. OKADA. In 1948 or 1949.

"Mr. TAVENNER. Are you an official in your political precinct?

"(Witness confers with counsel.)

"Mr. OKADA. I am precinct chairman.

"Mr. TAVENNER. Of what precinct?

"Mr. OKADA. Ninth of the fifth.

"Mr. TAVENNER. Ninth precinct of the fifth district?

"Mr. OKADA. Yes.

"Mr. TAVENNER. When were you elected to that position?

"Mr. OKADA. In 1948.

"Mr. TAVENNER. It has been testified here that on the night after a convention meeting of the ILWU at the YMCA Hall, in Honolulu, in 1947, that you attended a Communist Party meeting at the home of Jack Hill? Did you?

"(Witness consults with counsel.)

"Mr. OKADA. I refuse to answer that question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Did you see Frank Takahashi that night?

"(Witness confers with counsel.)

"Mr. OKADA. I refuse, also on that ground.

"Mr. TAVENNER. Did you take Frank Takahashi and Fedrico Lorenzo part of the way and let them out, and they later appeared at Jack Hall's?

"(Witness confers with counsel.)

"Mr. OKADA. I refuse on the same basis.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. OKADA. I refuse on the same basis.

"Mr. TAVENNER. No further questions.

"(Witness was excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Hideo Okada relative to the subject matter which, under Public Law

601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"It has been testified here that on the night after a convention meeting of the ILWU at the YMCA hall in Honolulu in 1947, that you attended a Communist Party meeting at the home of Jack Hall. Did you see Frank Takahashi that night?

"Did you take Frank Takahasi and Fedrico Lorenzo in a car part of the way and let them out, and they later appeared at Jack Hall's?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution. (H. Res. 787) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Hideo Okada to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Hideo Okada may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST WILFRED OKA

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2891).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING WILFRED OKA

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Wilfred Oka, 1151A Sixteenth Avenue, Honolulu, T. H. The said subpena directed Widfred Oka to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 13, 1950, in the senate chamber, Iolani Palance, Honolulu, T. H., at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Wilfred Oka is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Wilfred Oka, 1151A Sixteenth Avenue, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 13, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committeed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Emmanuel Moses, Jr., who was duly authorized to served the said subpena. The return of the services by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Wilfred Oka before the Committee on Un-American Activities; served the within-named individual at 2 p. m., April 1, 1950 at 1151–A Sixteenth Avenue, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Wilfred Oka, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Wilfred Oka having appeared as a witness and having been asked questions, namely:

"Well, you know Denichi Kimoto, do you not? In other words, Mr. Oka, you decline to testify as to whether you know a person who is alleged to be in a precinct, a precinct officer in the party of which you were the secretary, that is the position you take?

"Are you acquainted with Ruth Ozaki and Doris Ozaki?

"Do you know Jack Hall?

"Now, do you know Ernest Arena?

"Now, do you know Ralph Vossbrink?

"Do you know Robert Greene?

"Do you know Marshall McEuen personally?"

After answering a question relating to Edward Hong the witness was asked the questions:

"Do you know him?

"Do you know Yukio Abe?

"Mr. Oka, are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Wilfred Oka's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Wilfred Oka. The record of the proceedings before the committee on April 13, 1950, during which the said Wilfred Oka refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(The subcommittee of the Committee on Un-American Activities, consisting of Mr. WALTER, chairman, and Representatives BURR P. HARRISON, JOHN MCSWEENEY, MORGAN M. MOULDER, and HAROLD H. VELDE, met in the senate chamber, Iolani Palace, Honolulu, Territory of Hawaii, on April 13, 1950, at 9 a. m., Mr. WALTER, presiding.)

"TESTIMONY OF WILFRED OKA, ACCOMPANIED BY HIS COUNSEL, HARRIET BOUSLOG

"Mr. TAVENNER. Mr. Wilfred Oka.

"Mr. WALTER. Will you raise your right hand, please? Do you swear that the testimony that you are about to give in the matter now before the committee will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. OKA. I do.

"Mr. TAVENNER. You are Mr. Wilfred Oka?

"Mr. OKA. Yes, sir.

"Mr. TAVENNER. Are you represented here by counsel?

"Mr. OKA. Yes, sir.

"Mr. TAVENNER. Will counsel identify herself for the record.

"Mrs. BOUSLOG. I would like my name, Harriet Bouslog, to be entered as counsel for Wilfred Oka, and at this time I would like to file with the committee a motion to quash the service of subpena upon Mr. Oka, for the reasons stated thereon.

"Mr. WALTER. These are the same grounds?

"Mrs. BOUSLOG. These are, Mr. Committee Members, and I would like, and urge the committee members to consider the grounds stated in the motion.

"Mr. WALTER. It will be received for the purpose of the record.

"Mr. TAVENNER. Where do you reside, Mr. Oka?

"Mr. OKA. 1151–A Sixteenth Avenue.

"Mr. TAVENNER. In Honolulu?

"Mr. OKA. Yes, sir; in Honolulu.

"Mr. TAVENNER. When and where were you born?

"Mr. OKA. I was born in Honolulu, November 11, 1911.

* * * * *

"Mr. TAVENNER. Will you tell the committee what your present occupation is?

"Mr. OKA. Liquor salesman.

"Mr. TAVENNER. I cannot hear you. Will you state it again?

"Mr. OKA. Liquor salesman.

"Mr. TAVENNER. Liquor salesman. Do you hold any official position of any character within the Democratic Party?

"Mr. OKA. I do.

"Mr. TAVENNER. What is that position?

"Mr. OKA. Secretary of the Oahu County Committee, Democratic Party of Hawaii.

"Mr. TAVENNER. When you state you are secretary of the county committee of Oahu County, does that include the entire Island of Oahu, or not?

"Mr. OKA. Yes; it does.

"Mr. TAVENNER. When were you elected, or appointed to that position?

"Mr. OKA. I was elected by the Oahu County Committee, which is composed of approximately 72 persons on the Island of Oahu. They represent people from all racial groups, all classes, all different occupations, and that happened approximately 2 weeks after the convention of the Democratic Party, which occurred in 1948, if I remember right; I think it is approximately in April or May, I am not positive about the date.

"Mr. TAVENNER. As secretary of the county committee, would you tell this committee whether Jack Kawano is president of the twenty-sixth precinct of the fourth district?

"Mr. OKA. He is the president of the twenty-sixth precinct of the fourth district.

"Mr. TAVENNER. When was he elected to that positon?

"Mr. OKA. He was elected to that position in 1948. I think it was in the month of

April, and then, subsequently, he was elected—I cannot remember what happened the last time.

"Mr. TAVENNER. Do you know whether Ben Kaahawinui was elected convention delegate from the nineteenth precinct of the fifth district in 1948, or any other date?

"Mr. OKA. I will not be positive about that. I cannot say positively that he was elected in 1948.

"Mr. TAVENNER. Well, was he a convention delegate?

"Mr. OKA. I cannot say positively whether he was an official delegate or not. He may have been an observer, or a spectator.

"Mr. TAVENNER. What convention are you speaking of?

"Mr. OKA. I am speaking of the 1948 Democratic Party convention that was held at the McKinley High School.

"Mr. TAVENNER. You are unable to state whether the person mentioned held an official position as a delegate in that convention?

"Mr. OKA. May I explain the reason why?

"Mr. TAVENNER. Yes.

"Mr. OKA. Approximately 500 to 600 delegates, and I cannot remember them all.

"Mr. TAVENNER. That's right, but I have only asked you about two so far. May I ask you whether Denichi Kimoto was the treasurer of the nineteenth precinct of district 5 of the Democratic Party?

"Mr. OKA. I am not positive about that.

"Mr. TAVENNER. Well, do you say that you do not know whether he was or not?

"Mr. OKA. Mr. Chairman, there was approximately six or seven officers in each precinct, and there are approximately 72 precincts.

"Mr. TAVENNER. Well, you know Denichi Kimoto, do you not?

"Mrs. BOUSLOG. I advise my client not to answer the question.

"Mr. WALTER. What is your answer?

"Mr. OKA. Mr. Chairman, on the advice of my counsel, I refuse to answer that question, on the ground it might incriminate me.

"Mr. WALTER. Why do you think it might incriminate you to admit knowing the individual named?

"Mr. OKA. I have been advised of my legal rights by my attorney.

"Mr. WALTER. When a question is innocent on its face, then it is incumbent on the witness to show wherein it might incriminate him, to answer it. I think that is almost verbatim what the court held in *United States* v. *Weissman* (CPA 1940). Do you still make the same answer?

"Mr. OKA. Yes; I do.

"Mr. TAVENNER. In other words, Mr. Oka, you decline to testify as to whether you know a person who is alleged to be in a precinct, a precinct officer in the party of which you are the secretary; is that the position you take?

"Mr. OKA. Yes; I refuse to answer the question.

"Mr. TAVENNER. Is Ruth Ozaki the secretary of the second precinct of the fourth district?

"Mr. OKA. In 1948 she may have been, but about 1950 I do not know.

"Mr. TAVENNER. Do you know whether Ruth Ozaki was a convention delegate to the Democratic convention in 1948, from the second precinct of the fourth district?

"Mr. OKA. She may have been, but I am not positive.

"Mr. TAVENNER. Do you know whether Doris Ozaki was likewise a convention delegate?

"Mr. OKA. She could have been.

"Mr. TAVENNER. Are you acquainted with Ruth Ozaki, and Doris Ozaki?

"Mr. OKA. I refuse to answer the question, on the advice of my counsel, because it might incriminate me.

"Mr. TAVENNER. Will you state whether or not Hideo Okada was named president, or elected president of the ninth precinct of the fifth district in 1948, or any other time?

"Mr. OKA. I think he was.

"Mr. TAVENNER. Well, as county committeeman, don't you know whether he was or not?

"Mr. OKA. I think he was president in 1948, but 1950 I don't know.

"Mr. TAVENNER. You don't know?

"Mr. OKA. No.

"Mr. TAVENNER. But you think he was in 1948? In 1948 was there a county committeeman from the ninth precinct of the fifth district by the name of Tadashi Ogawa?

"Mr. OKA. Yes.

"Mr. TAVENNER. Do you know him?

"Mr. OKA. Yes.

"Mr. TAVENNER. Was Ernest Arena the president of precinct No. 6 of district 4 in 1948?

"Mr. OKA. Will you kindly repeat that question, please?

"Mr. TAVENNER. Was Ernest Arena the president of precinct No. 6 in district 4 of the Democratic Party in 1948?

"Mr. OKA. What year are you referring to?

"Mr. TAVENNER. 1948.

"Mr. OKA. 1948. I think he was president up to 1948–49.

"Mr. TAVENNER. Was he also county committeeman from that precinct of the same committee of which you were then and now are the secretary?

"Mr. OKA. I don't remember positively.

"Mr. TAVENNER. You don't remember whether he was the committeeman on your committee?

"Mr. OKA. No.

"Mr. TAVENNER. Was he a convention delegate to the 1948 convention of the Democratic Party from precinct 6 of district 4?

"Mr. OKA. I think he was.

"Mr. TAVENNER. When you say you think he was, do you mean to your best knowledge and belief that he was?

"Mr. OKA. Yes.

"Mr. TAVENNER. Was Jack Hall also a convention delegate from precinct 6 of district 4 to the Democratic convention in 1948?

"Mr. OKA. I think he was.

"Mr. TAVENNER. Then according to your best knowledge and belief he was?

"Mr. OKA. That's right.

"Mr. TAVENNER. Do you know Jack Hall?

"Mr. OKA. I refuse to answer the question on the advice of my counsel on the ground of incrimination.

"Mr. TAVENNER. On what ground?

"Mr. OKA. On the ground that it might incriminate me.

"Mr. WALTER. Why do you think it might incriminate you to answer a question as to whether or not you know Jack Hall?

"Mr. OKA. On the advice of my attorney.

"Mr. WALTER. What do you know about Jack Hall that makes you feel that to admit knowing him might incriminate you?

"Mr. OKA. On the basis that he has been listed in various reports.

"Mr. WALTER. Listed as what?

"Mr. OKA. As a radical.

"Mr. TAVENNER. Now, do you know Ernest Arena?

"Mr. OKA. I refuse to answer the question on the advice of my counsel that it might tend to incriminate me.

"Mr. TAVENNER. Was Ralph Vossbrink a member—a delegate, rather—to the Democratic convention held in 1948, from the eighth precinct of the fourth district?

"Mr. OKA. That I do not know.

"Mr. TAVENNER. Do you know——

"Mr. OKA. Mr. Chairman, I would like to explain that this is a Territorial matter, and I do not know all these little details that go on at the convention; that is a matter for the central committee.

"Mr. WALTER. Well, it is not just a matter of little details. It is just a plain simple question of whether you know these persons were members of the convention.

"Mr. TAVENNER. Now, do you know Ralph Vossbrink?

"Mr. OKA. I refuse to answer the question, on the advice of my attorney that it might tend to incriminate me.

"Mr. TAVENNER. Was Mr. Robert Greene vice president in 1948 or any other time of precinct 10, district 4, of the Democratic Party?

"Mr. OKA. I don't remember positively.

"Mr. TAVENNER. Explain your answer.

"Mr. OKA. There were so many officers I can't remember what particular position they held.

"Mr. TAVENNER. Well, was he an officer of that precinct? You know that, don't you?

"Mr. OKA. I don't remember positively.

"Mr. TAVENNER. Do you know Robert Greene?

"Mr. OKA. Mr. Chairman, I refuse to answer the question on the basis of the advice of my counsel that it might tend to incriminate me.

"Mr. TAVENNER. Was Marshall L. McEuen delegate to the forty-eighth convention of the Democratic Party from the tenth precinct of the fourth district?

"Mr. OKA. I think he was.

"Mr. TAVENNER. That is according to your best knowledge and belief, he was?

"Mr. OKA. That's right.

"Mr. TAVENNER. Do you know Marshall L. McEuen personally?

"Mr. OKA. Mr. Chairman, I refuse to answer the question on the advice of my counsel that it might tend to incriminate me.

"Mr. TAVENNER. Were you in 1948 president of the twelfth precinct of the fourth district?

"Mr. OKA. Yes.

"Mr. TAVENNER. Are you, or do you still hold that position?

"Mr. OKA. No, sir.

"Mr. TAVENNER. How long did you hold that position?

"Mr. OKA. I held it for approximately 2 years.

"Mr. TAVENNER. When were you first elected to that office?

"Mr. OKA. About approximately April of 1948.

"Mr. TAVENNER. Are you, or were you also county committeeman from that same precinct?

"Mr. OKA. Yes.

"Mr. TAVENNER. Are you still county committeeman?

"Mr. OKA. Yes.

"Mr. TAVENNER. And were you also a convention delegate to the convention, the Democratic convention in 1948? From this same precinct?

"Mr. OKA. Yes.

"Mr. TAVENNER. Was Edward Hong secretary of the fourteenth precinct of the fourth district of the Democratic Party in 1948?

"Mr. OKA. I don't remember.

"Mr. TAVENNER. Was he also treasurer of that precinct?

"Mr. OKA. I don't remember.

"Mr. TAVENNER. Do you recall whether he was county committeeman along with you in 1948?

"Mr. OKA. I don't remember.

"Mr. TAVENNER. Was he also a delegate to the convention along with you?

"Mr. OKA. I am not positive about that, sir.

"Mr. TAVENNER. Do you know him?

"Mr. OKA. Mr. Chairman, on the advice of my counsel, I refuse to answer the question, because it might tend to incriminate me.

"Mr. TAVENNER. Was Levi Kealoha vice president of the sixtieth precinct, district No. 4?

"Mr. OKA. Yes.

"Mr. TAVENNER. During what period of time?

"Mr. OKA. I think approximately 2 years.

"Mr. TAVENNER. Beginning when?

"Mr. OKA. Approximately April 1948.

"Mr. TAVENNER. Does he still hold that office?

"Mr. OKA. I am not positive about that, because I don't know the total results of the elections that were held.

"Mr. TAVENNER. When?

"Mr. OKA. It was held sometime last week.

"Mr. TAVENNER. Do you know whether Adele Kensinger was the treasurer of this precinct, the sixteenth precinct of the fourth district?

"Mr. OKA. I don't remember.

"Mr. TAVENNER. Do you know whether Levi Kealoha was a convention delegate to the 1948 convention of the Democratic Party?

"Mr. OKA. I think he was.

"Mr. TAVENNER. And whether or not Adele Kensinger was also a convention delegate?

"Mr. OKA. I don't know.

"Mr. TAVENNER. I asked you a while ago if Jack Kawano was president of the twenty-sixth precinct of district 4, and I would like to ask you whether he was delegate to the Democratic Convention in 1948?

"Mr. OKA. I think he was.

"Mr. TAVENNER. That is, according to your best knowledge and belief, he was?

"Mr. OKA. I said 'Yes.'

"Mr. TAVENNER. You nod your head, that does not reflect in the record. So, if you will answer, please.

"Was Rachel Saiki secretary of precinct 31 of the fourth district?

"Mr. OKA. She may have been some kind of an officer, but I don't remember exactly what particular office.

"Mr. TAVENNER. Was she also county committeewoman from that precinct?

"Mr. OKA. I think she was.

"Mr. TAVENNER. And also a delegate to the '48 convention?

"Mr. OKA. I think she was.

"Mr. TAVENNER. Was Yukio Abe secretary of the thirty-fifth precinct of the fourth district?

"Mr. OKA. I don't know. I don't remember.

"Mr. TAVENNER. Do you know Yukio Abe?

"Mr. OKA. Mr. Chairman, on the advice of my counsel, I refuse to answer the question, on the ground that it might incriminate me.

"Mr. TAVENNER. Was Douglas Inouye president of the fifteenth precinct of the fifth district?

"Mrs. BOUSLOG. Would you hold the question just a minute, please?

"(Counsel confers with the witness.)

"Mr. OKA. In order to help the matter here, I would be glad to go and get the records of the list of officers. I cannot remember every detail.

"Mr. WALTER. So I understand. Well, testify to the best of your recollection. I realize, of course, that it is difficult to remember. But, testify to the best of your recollection, and if we decide that we want you to look up the records, we will advise you.

"Mr. TAVENNER. My last question was this: Was Douglas Inouye president of the fifteenth precinct of the fifth district?

"Mr. OKA. I think he was.

"Mr. TAVENNER. Was he also county committeeman from that precinct?

"Mr. OKA. I think he was.

"Mr. TAVENNER. I asked you earlier in your testimony as to whether Denichi Kimoto was treasurer of the nineteenth precinct of the fifth district. I would like to now ask you whether he was a convention delegate from that precinct to the Democratic convention in 1948?

"Mr. OKA. I am not positive, I don't know.

"Mr. TAVENNER. Was Yoshita Marumo vice president of the twenty-first precinct, fifth district of the Democratic Party?

"Mr. OKA. I don't know, sir.

"Mr. TAVENNER. Do you recall whether he was a convention delegate?

"Mr. OKA. No, I do not.

"Mr. TAVENNER. Do you know whether Fred Kamahoahoa was president of the twenty-second precinct of the fifth district?

"Mr. OKA. What year are you referring to?

"Mr. TAVENNER. I cannot hear you.

"Mr. OKA. What year are you referring to?

"Mr. TAVENNER. 1948.

"Mr. OKA. I think he was.

"Mr. TAVENNER. That is according to your best knowledge and belief?

"Mr. OKA. Yes.

"Mr. TAVENNER. Was he also county committeeman at the same time?

"Mr. OKA. I think he was.

"Mr. TAVENNER. Was he also a delegate to the 1948 convention of the Democratic Party?

"Mr. OKA. I think he was.

"Mr. TAVENNER. Mr. Oka, are you now, or have you ever been, a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. OKA. Mr. Chairman, I refuse to answer the question, on the advice of my attorney, in that it might tend to incriminate me, under the first amendment of the Constitution.

"Mr. WALTER. The first, or the fourth?

"Mr. OKA. I refuse to answer the first question.

"Mr. WALTER. Do you think it will incriminate you to tell me which section of the Constitution would be violated by your answer?

"(Witness confers with counsel.)

"Mr. OKA. Under the first amendment, and also under the fifth, free speech and free thought.

"Mr. WALTER. We cannot hear you.

"Mr. OKA. Under the fifth amendment about free spech and free thought, the fifth amendment of the Constitution of the United States.

"Mr. TAVENNER. We still cannot hear you.

"Mr. WALTER. Well, I think the witness has answered the question."

* * * * *

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Wilfred Oka relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Well, you know Denichi Kimoto, do you not? In other words, Mr. Oka, you decline to testify as to whether you know a person who is alleged to be in a precinct, a precinct officer in the party of which you were the secretary, that is the position you take?

"Are you acquainted with Ruth Ozaki and Doris Ozaki?

"Do you know Jack Hall?

"Now, do you know Ernest Arena?

"Do you know Robert Greene?

"Do you know Marshall McEuen personally?"

After answering a question relating to Edward Hong the witness was asked the question:

"Do you know him?

"Do you know Yukio Abe?

"Mr. Oka, are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid question deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 788) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Wilfred Oka to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Wilfred Oka may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST JEANETTE NAKAMA ROHRBOUGH

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2892).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING JEANETTE NAKAMA ROHRBOUGH

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Jeanette Nakama Rohrbough, 1127B Alohi Way, Honolulu, T. H. The said subpena directed Jeanette Nakama Rohrbough to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 14, 1950, in the senate chamber, Iolani Palace at the hour of 9:30 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Jeanette Nakama Rohrbough is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshall Otto F. Heine: You are hereby commanded to summon Jeanette Nakama Rohrbough, 1127B Alohi Way, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, and as secretary of the Hawaii Civil Liberties Committee, she is to produce all membership records, all records of payment of dues, and all correspondence files of that organization, in their chamber in the city of Honolulu, T. H., on April 14, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and she is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,

"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Jeanette Nakama Rohrbough before the Committee on Un-American Activities. Served the within-named individual at 7:55 p. m., at 1127B Alohi Way, Honolulu, T. H.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Jeanette Nakama Rohrbough, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Jeanette Nakama Rohrbough, having appeared as a witness and having been asked the question, namely:

"Are you now or have you been, have you ever been a member of the Communist Party?"

which question was pertinent to the subject under inquiry, refused to answer such question, and as a result of the said Jeanette Nakama Rohrbough's refusal to answer the aforesaid question, your committee was prevented from receiving testimony and information concerning a matter committed to said committee, in accordance with the terms of the subpena served upon the said Jeanette Nakama Rohrbough. The record of the proceedings before the committee on April 14, 1950, during which the said Jeanette Nakama Rohrbough refused to answer the aforesaid question pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommitee of the Committee on Un-American Activities consisting of Hon. FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE met in the senate chamber, Iolani Palace on April 14, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER, presiding.)

"Mr. TAVENNER. I will call Mrs. Jeanette Nakama Rohrbough.

"TESTIMONY OF JEANETTE NAKAMA ROHRBOUGH, ACCOMPANIED BY HER COUNSEL, MRS. HARRIET BOUSLOG

"Mr. WALTER. Do you swear the testimony that you are about to give will be the truth, the whole truth, and nothing but the truth?

"Mrs. ROHRBOUGH. I do.

"Mr. TAVENNER. You are Mrs. Jeanette Nakama Rohrbough.

"Mrs. ROHRBOUGH. That is right.

"Mr. TAVENNER. Are you represented here by counsel?

"Mrs. ROHRBOUGH. Yes, I am.

"Mr. TAVENNER. Will counsel please identify herself.

"Mrs. BOUSLOG. I wish the name of Harriet Bouslog be entered on the record as counsel for Jeanette Nakama Rohrbough. At this time I would like to file on behalf of Mrs. Rohrbough the same motion as has been filed before.

"Mr. TAVENNER. What was your name before you were married?

"Mrs. ROHRBOUGH. Nakama.

"Mr. TAVENNER. When were you married? When did your name become Mrs. Rohrbough?

"Mrs. ROHRBOUGH. If I remember correctly, in September 1949.

"Mr. TAVENNER. Before the date referred to, in September 1949, were you commonly referred to or known by the name of Jeanette Nakama?

"Mrs. ROHRBOUGH. Well, a lot of people, I guess, know me as Nakama.

"Mr. TAVENNER. Well, is that the customary name under which you were known?

"Mrs. ROHRBOUGH. I have been known by that name for a long time.

"Mr. TAVENNER. The reason I am asking were you married before you were married to Mr. Rohrbough is—I am only asking because I don't want to be mistaken regarding the names.

Mrs. ROHRBOUGH. On the advice of my attorney I shall refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. I feel certain that you and the attorney misunderstood my question. Were you married prior to your marriage to Mr. Rohrbough?

"Mrs. ROHRBOUGH. Yes; I think I can answer that question. Yes, I was Mrs. Jeanette Hyun.

"Mr. TAVENNER. When were you married to Mr. Hyun?

"Mrs. ROHRBOUGH. If I remember correctly, it was in August 1948.

"Mr. TAVENNER. What was the name of your husband? What was Mr. Hyun's name?

"Mrs. ROHRBOUGH. Paul.

"Mr. TAVENNER. Paul Hyun? Are you now or have you been, have you ever been a member of the Communist Party?

"Mrs. ROHRBOUGH. On the advice of my counsel, I shall refuse to answer the question on the ground that it might tend to incriminate me.

"Mr. TAVENNER. No further questions.

"(Witness excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to the said Jeanette Nakama Rohrbough relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the question, namely:

"Are you now or have you been, have you ever been a member of the Communist Party?"

which question was pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and her refusal to answer the aforesaid question deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 789) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Jeanette Nakama Rohrbough to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Jeanette Nakama Rohrbough may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST MITSUO SHIMIZU

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2893).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING MITSUO SHIMIZU

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Mitsuo Shimizu, House 109, Hanamaulu, Kauai. The said subpena directed Mitsuo Shimizu to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Mitsuo Shimizu is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine. You are hereby commanded to summon Mitsuo Shimizu, House 109, Hanamaulu, Kauai, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD, is chairman, in their chamber in the city of Honolulu, T. H., April 18, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m. then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not and make return of this subpena.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:
"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Edward C. Fountain, deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Edward C. Fountain being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Mitsuo Shimizu, of Hanamaulu, district of Lihue, county of Kauai, T. H., on April 1, 1950, at 7:30 a. m., before the Committee on Un-American Activities. Served the within-named individual, Mitsuo Shimizu, of Hanamaulu, district of Lihue, county of Kauai, on April 1, 1950, at 7:30 a. m.

"OTTO F. HEINE,
"United States Marshal.
"By EDWARD C. FOUNTAIN,
"Deputy United States Marshal."

The said Mitsuo Shimizu, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress,

and under House Resolution No. 5 of the Eighty-first Congress. The said Mitsuo Shimizu having appeared as a witness and having been asked question, namely:

"Have you ever been a member of the Communist Party at any time since you were a member of the executive board of your local union?"

which question was pertinent to the subject under inquiry, refused to answer such question, and as a result of the said Mitsuo Shimizu's refusal to answer the aforesaid question your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Mitsuo Shimizu. The record of the proceedings before the committee on April 18, 1950, during which the said Mitsuo Shimizu refused to answer the aforesaid question pertinent to the subject under inquiry, is set forth in fact as follows:

"Mr. TAVENNER. Mitsuo Shimizu.

"Mr. WALTER. Will you raise your right hand? Do you swear the testimony you are about to give will be the truth, the while truth, and nothing but the truth, so help you God?

"Mr. SHIMIZU. I do.

"Mr. WALTER. Sit down.

"TESTIMONY OF MITSUO SHIMIZU, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. Your name is what?

"Mr. SHIMIZU. My name is Mitsuo Shimizu.

"Mr. TAVENNER. Are you accompanied by counsel?

"Mr. SHIMIZU. Yes.

"Mr. SYMONDS. My name is Myer C. Symonds. I have filed the same motion as made on behalf of the other witnesses.

"Mr. WALTER. It may be made a part of the record.

"Mr. TAVENNER. Where do you live?

"Mr. SHIMIZU. I live at Hanamaulu, Kauai.

"Mr. TAVENNER. What is your occupation?

"Mr. SHIMIZU. Carpenter at the Lihue plantation.

"Mr. TAVENNER. How long have you been employed there?

"Mr. SHIMIZU. Oh, about 20 years.

"Mr. TAVENNER. Do you now hold a position with the ILWU?

"Mr. SHIMIZU. Right, as vice chairman of the union, 23, Lihue.

"Mr. TAVENNER. How long have you held that position?

"Mr. SHIMIZU. Oh, for about, I would say 8½ months.

"Mr. TAVENNER. Before that time, did you hold a position with the same union?

"Mr. SHIMIZU. That's right.

"Mr. TAVENNER. What was it?

"Mr. SHIMIZU. As vice chairman for the particular unit in the Lihue plantation.

"Mr. TAVENNER. What was that unit?

"Mr. SHIMIZU. Lihue plantation, on the Lihue plantation.

"Mr. TAVENNER. How long were you vice president of that unit?

"Mr. SHIMIZU. About a year.

"Mr. TAVENNER. Before that, did you hold a position with the same union?

"Mr. SHIMIZU. After that?

"Mr. TAVENNER. Before that.

"Mr. SHIMIZU. Before that?

"Mr. TAVENNER. Yes.

"Mr. SHIMIZU. Well, first I was vice chairman.

"Mr. TAVENNER. Well, when, when were you first made vice chairman?

"Mr. SHIMIZU. In the year 1947.

"Mr. TAVENNER. Now did you hold any position before you were made vice president?

"Mr. SHIMIZU. No, no, I don't recall. Yes, only as member of the executive board.

"Mr. TAVENNER. When were you made a member of the executive board?

"Mr. SHIMIZU. The year of 1946.

"Mr. TAVENNER. Have you ever been a member of the Communist Party at any time since you were a member of the executive board of your local union?

"Mr. SHIMIZU. On advice of my counsel, I refuse to answer that question, on the basis that it may tend to incriminate me.

"Mr. TAVENNER. I have no further questions."

Because of the foregoing the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Mitsuo Shimizu, relative to the subject matter which, under Public Law 611, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the question, namely:

"Have you ever been a member of the Communist Party at any time since you were a member of the executive board of your local union?"

which question was pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid question deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 790) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Mitsuo Shumizu to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the district of Hawaii, to the end that the said Mitsuo Shimizu may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST FRANK TAKAHASHI

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2894).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING FRANK TAKAHASHI

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Frank Takahashi, Puunene, Maui, T. H. The said subpena directed Frank Takahashi to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 10 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Frank Takahashi is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America. To United States Marshal Otto F. Heine. You are hereby commanded to summon Frank Takahashi, Puunene, Maui, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"FRANCIS E. WALTER,
"Chairman of Subcommittee.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Russell A. Newton, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Russell A. Newton, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Frank Takahashi, before the Committee on Un-American Activities. Served on Frank Takahashi at Puuene, Maui, T. H., on April 17, 1950, at 12:25 a. m.

"RUSSELL A. NEWTON, Jr.,
"Deputy United States Marshal."

The said Frank Takahashi, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress. The said Frank Takahashi having appeared as a witness and having been asked questions, namely:

"(After having denied knowledge that Amos Ignacio claimed that the ILWU had been infiltrated by the Communist Party, the witness was asked the following questions:)

"Had it [the ILWU] been infiltrated by the Communist Party?

"After the meeting of the ILWU was over, that is, the one that was held in 1947 at the YMCA hall, when you said you and Fedrico Lorenzo worked together, did you attend a conference in the home of Jack Hall on the same day or night?

"Did you drive any place in an automobile with Major Okada after that meeting?

"Did you say to Fedrico Lorenzo, after the ILWU meeting was over, that you wanted him to go to a Communist Party, or a CP party meeting with you, at the home of Jack Hall, or any other place?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Frank Takahashi's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena, served upon the said Frank Takahashi. The record of the proceedings before the Committee on Un-American Activities on April 19, 1950, during which the said Frank Takahashi refused to answer the aforesaid

questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities consisting of Hon. FRANCIS E. WALTER, chairman; Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE met in the senate chamber, Iolani Palace, on April 19 at 10 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Frank Takahashi.

"Mr. WALTER. Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. TAKAHASHI. I do.

"Mr. WALTER. Sit down.

"TESTIMONY OF FRANK TAKAHASHI, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your name, please?

"Mr. TAKAHASHI. Frank Takahashi.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. TAKAHASHI. Yes.

"Mr. TAVENNER. Will counsel please identify himself?

"Mr. SYMONDS. My name is Myer C. Symonds, and I file on behalf of this witness a motion to quash service of the subpena.

"Mr. TAVENNER. Mr. Takahashi, how old are you?

"Mr. TAKAHASHI. Twenty-nine years old.

"Mr. TAVENNER. Where do you live?

"Mr. TAKAHASHI. Puunene, Maui.

"Mr. TAVENNER. How are you employed, what job do you have?

"Mr. TAKAHASHI. Draftsman.

"Mr. TAVENNER. By whom?

"Mr. TAKAHASHI. H. C. & S. Co.

"Mr. TAVENNER. How long have you worked for that company in that capacity?

"Mr. TAKAHASHI. Oh, say about a little over 2 years, I guess.

"Mr. TAVENNER. And before that, how were you employed?

"Mr. TAKAHASHI. I was employed in the machine shop.

"Mr. TAVENNER. By whom?

"Mr. TAKAHASHI. The same company.

"Mr. TAVENNER. And for how long a period of time?

"Mr. TAKAHASHI. The last 2 years.

"Mr. TAVENNER. Before that, how were you employed?

"Mr. TAKAHASHI. As business agent for the union, for local 144?

"Mr. TAVENNER. How long were you business agent for local 144?

"Mr. TAKAHASHI. A litle over a year, I guess.

"Mr. TAVENNER. Before that, did you hold any position with your local union?

"Mr. TAKAHASHI. Before that, I have been chairman of the union.

"Mr. TAVENNER. How long were you chairman?

"Mr. TAKAHASHI. About 2 or 3 years, I guess.

"Mr. TAVENNER. Did you attend as a delegate, a convention of the ILWU, which met in the YMCA building here in Honolulu, during 1947?

"Mr. TAKAHASHI. Yes.

"Mr. TAVENNER. What was the date of that convention, as near as you can recall?

"Mr. TAKAHASHI. I don't recall. Some place around in 1947, I guess.

"Mr. TAVENNER. Do you remember what month it was held?

"Mr. TAKAHASHI. I don't recall it.

"Mr. TAVENNER. Was Lorenzo—or Fedrico Lorenzo, also a delegate to that same convention with you?

"Mr. TAKAHASHI. Yes; there was a Fedrico Lorenzo, a delegate.

"Mr. TAVENNER. Do you recall at the time whether the Izuka pamphlet had come out?

"Mr. TAKAHASHI. Yes.

"Mr. TAVENNER. It had?

"Mr. TAKAHASHI. Yes.

"Mr. TAVENNER. Do you know Amos Ignacio?

"Mr. TAKAHASHI. Yes.

"Mr. TAVENNER. Did Amos Ignacio claim that the leadership of the ILWU had been infiltrated by the Communist Party?

"Mr. TAKAHASHI. I don't know.

"Mr. TAVENNER. You don't know?

"Mr. TAKAHASHI. No, sir.

"Mr. TAVENNER. Had it been infiltrated by the Communist Party?

"Mr. TAKAHASHI. On the advice of counsel, I refuse to answer, on the ground it might tend to incriminate me.

"Mr. TAVENNER. You think by answering the question as to whether other people who were members, or other people who were in a high-ranking position in the ILWU, were members of the Communist Party would incriminate you?

"Mr. TAKAHASHI. Yes; on the advice of my counsel.

"Mr. TAVENNER. After the meeting of the ILWU was over, that is, the one that was held in 1947 at the YMCA hall, when you said you and Fedrico Lorenzo worked together, did you attend a conference in the home of Jack Hall on the same day or night?

"Mr. TAKAHASHI. I refuse to answer, on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Do you know Major Okada?

"Mr. TAKAHASHI. Yes.

"Mr. TAVENNER. Was Major Okada a delegate to that convention that you attended at the YMCA hall?

"Mr. TAKAHASHI. I guess so.

"Mr. TAVENNER. Did you drive any place in an automobile with Major Okada after that meeting?

"Mr. TAKAHASHI. I refuse to answer, on the same ground.

"Mr. TAVENNER. You refuse to answer.

"Mr. WALTER. Are you afraid that because you were associated with somebody that you might be incriminated by that?

"Mr. TAKAHASHI. On the advice of my lawyer.

"Mr. WALTER. Well, I attended a Communist convention in London several years ago. Do you think that incriminates me?

"(No response.)

"Mr. WALTER. I have no further questions.

"Mr. TAVENNER. Did you state to Fedrico Lorenzo, after the ILWU meeting at the YMCA hall in 1947, in Honolulu——

"Mr. TAKAHASHI. I beg your pardon?

"Mr. TAVENNER. I will state the question over again. Did you say to Fedrico Lorenzo, after the ILWU meeting was over, that you wanted him to go to a Communist Party, or a CP party meeting with you, at the home of Jack Hall, or any other place?

"Mr. TAKAHASHI. I refuse to answer, on the same ground.

"Mr. TAVENNER. Are you now, or have you ever been a member of the Communist Party?

"Mr. TAKAHASHI. I refuse to answer, on the same ground.

"Mr. TAVENNER. I have no further questions.

"Mr. WALTER. Excused.

"(Witness excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Frank Takahashi relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5, of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"(After having denied knowledge that Amos Ignacio claimed that the ILWU had been infiltrated by the Communist Party, the witness was asked the following questions:)

"Had it [the ILWU] been infiltrated by the Communist Party?

"After the meeting of the ILWU was over, that is, the one that was held in 1947 at the YMCA hall, when you said you and Fedrico Lorenzo worked together, did you attend a conference in the home of Jack Hall on the same day or night?

"Did you drive any place in an automobile with Major Okada after that meeting?

"Did you say to Fedrico Lorenzo, after the ILWU meeting was over that you wanted him to go to a Communist Party, or a CP party meeting with you, at the home of Jack Hall, or any other place?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution—House Resolution 791—and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Frank Takahashi to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Frank Takahashi may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST SHIGEO TAKEMOTO

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities I submit a privileged report (Rept. No. 2895).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING SHIGEO TAKEMOTO

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Shigeo Takemoto, Wailuku, Maui, T. H. The said subpena directed Shigeo Takemoto to be and appear before said Committee on Un-American Activities, of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 10 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Shigeo Takemoto is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of

America, to United States Marshal Otto F. Heine. You are hereby commanded to summon Shigeo Takemoto, Wailuku, Maui, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"FRANCIS E. WALTER,
"Chairman of Subcommittee.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Russell A. Newton, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Russell A. Newton, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Shigeo Takemoto, before the Committee on Un-American Activities. Served on Shigeo Takemoto, at Wailuki, Maui, T. H., on April 17, 1950, at 11:47 a. m.

"RUSSELL A. NEWTON, Jr.,
"Deputy United States Marshal."

The said Shigeo Takemoto, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5, of the Eighty-first Congress. The said Shigeo Takemoto having appeared as a witness and having been asked questions, namely:

"There was testimony given before the committee by Fedrico Lorenzo. Do you know Fedrico Lorenzo?

"Do you want to explain the testimony given by Mr. Fedrico Lorenzo relating to your presence at an alleged Communist Party meeting?

"Have you ever attended a Communist Party meeting with Frank Takahashi?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Shigeo Takemoto's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena, served upon the said Shigeo Takemoto. The record of the proceedings before the committee on April 19, 1950, during which the said Shigeo Takemoto refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities, consisting of Hon. FRANCIS E. WALTER, chairman; Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 19, 1950, at 10 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Mr. Shigeo Takemoto.

"Mr. WALTER. Will you stand up, please. Raise your right hand. Do you swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. TAKEMOTO. I do.

"TESTIMONY OF SHIGEO TAKEMOTO, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your full name, please?

"Mr. TAKEMOTO. Shigeo Takemoto.

"Mr. TAVENNER. Where do you live?

"Mr. TAKEMOTO. Wailuku, Maui.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. TAKEMOTO. I am.

"Mr. TAVENNER. Will counsel please identify himself?

"Mr. SYMONDS. My name is Myer C. Symonds. On behalf of this witness, I desire to file a motion to quash the service of the subpena.

"Mr. TAVENNER. Will you please give to the committee a brief résumé of your educational background.

"Mr. TAKEMOTO. I am a graduate of the Ohio State University, with a degree of bachelor of electrical engineering.

"Mr. TAVENNER. Will you tell the committee briefly what record of employment you have had?

"Mr. TAKEMOTO. I have been working for the Wailuku Sugar Co. for the past 17 or 18 years as electrician.

"Mr. TAVENNER. Are you so employed now?

"Mr. TAKEMOTO. I am.

"Mr. TAVENNER. Do you hold any position of any character of a political nature, or an administrative nature in the government?

"Mr. TAKEMOTO. I do.

"Mr. TAVENNER. What is that?

"Mr. TAKEMOTO. I am a member of the Maui Civil Service Commission.

"Mr. TAVENNER. There was testimony given before the committee by Fedrico Lorenzo. Do you know Fedrico Lorenzo?

"Mr. TAKEMOTO. On the advice of my counsel, I refuse to answer, on the ground that it might tend to incriminate me.

"Mr. TAVENNER. Are you now, or have you ever been a member of the Communist Party?

"Mr. TAKEMOTO. For the same reason, I refuse to answer.

"Mr. TAVENNER. Do you want to explain the testimony given by Mr. Fedrico Lorenzo relating to your presence at an alleged Communist Party meeting? Do you not have some statement that you want to make to this committee regarding that?

"Mr. TAKEMOTO. For the same reasons, I refuse to answer.

"Mr. TAVENNER. Do you know Frank Takahashi?

"Mr. TAKEMOTO. I do.

"Mr. TAVENNER. Have you ever attended a Communist Party meeting with Frank Takahashi?

"Mr. TAKEMOTO. For the same reason, I refuse to answer.

"Mr. TAVENNER. I have no further questions.

"Mr. WALTER. Excused."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Shigeo Takemoto, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"There was testimony given before the committee by Fedrico Lorenzo. Do you know Fedrico Lorenzo?

"Do you want to explain the testimony given by Mr. Fedrico Lorenzo relating to your presence at an alleged Communist Party meeting?

"Have you ever attended a Communist Party meeting with Frank Takahashi?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 792) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Shigeo Takemoto to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Shigeo Takemoto may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST RALPH VOSSBRINK

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2896).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING RALPH VOSSBRINK

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5, of the Eighty-first Congress, caused to be issued a subpena to Ralph Vossbrink, 2340 Pacific Heights Road, Honolulu, T. H. The said subpena directed Ralph Vossbrink to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 17, 1950, in the senate chamber, Iolani Palace, Honolulu, T. H., at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Ralph Vossbrink is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Ralph Vossbrink, 2340 Pacific Heights Road, Honolulu, T. H., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 17, 1950, in the senate chamber, Iolani Palace, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to

said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 24th day of February 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Emmanuel Moses, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Emmanuel Moses, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Ralph Vossbrink before the Committee on Un-American Activities; served the within-named individual at 2340 Pacific Heights Road, Honolulu, T. H., April 1, 1950, at 3:40 p. m.

"OTTO F. HEINE,
"United States Marshal, District of Hawaii.
"By EMMANUEL MOSES, Jr.,
"Deputy United States Marshal."

The said Ralph Vossbrink, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress. The said Ralph Vossbrink having appeared as a witness and having been asked questions, namely:

"Did you ever attend a Communist Party meeting at which Alice Hyun was present?

"Have you ever been a member of or attended the Puunui group meetings of the Communist Party?

"Have you ever been or are you now a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Ralph Vossbrink's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Ralph Vossbrink. The record of the proceedings before the committee on April 17, 1950, during which the said Ralph Vossbrink refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"Mr. TAVENNER. Ralph Vossbrink. Ralph Vossbrink.

* * * * *

"(A subcommittee of the Committee on Un-American Activities consisting of Hon. FRANCIS E. WALTER, chairman; Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 17, 1950, at 9:30 a. m., Hon. FRANCIS E. WALTER presiding.)

"Mr. WALTER. Will you raise your right hand? Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. VOSSBRINK. I do.

"Mr. WALTER. Sit down, please.

"TESTIMONY OF RALPH VOSSBRINK, ACCOMPANIED BY HIS COUNSEL, HARRIET BOUSLOG

"Mr. TAVENNER. You are Mr. Ralph Vossbrink?

"Mr. VOSSBRINK. Yes, sir, I am.

"Mr. TAVENNER. Is that your full name?

"Mr. VOSSBRINK. My middle name is Vernon.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. VOSSBRINK. Yes, sir. Mrs. Harriet Bouslog is my counsel.

"Mr. TAVENNER. Will you identify yourself for the record and make the usual motion, please?

"Mrs. BOUSLOG. I want my name, Harriet Bouslog, entered as counsel for Ralph Vossbrink, and I want to file with the committee a motion to quash the service of the subpena on Mr. Vossbrink.

"Mr. WALTER. The motion will be received.

"Mr. HARRISON. It is in the same form, Mrs. Bouslog?

"Mrs. BOUSLOG. It is the same.

"Mr. TAVENNER. Mr. Vossbrink, when and where were you born?

"Mr. VOSSBRINK. I was born in San Francisco in the year 1918.

"Mr. TAVENNER. How long did you live in San Francisco?

"Mr. VOSSBRINK. Up until the year 1945.

* * * * *

"Mr. TAVENNER. After coming to Hawaii in 1945, how have you been employed?

"Mr. VOSSBRINK. I first came here as a patrolman for the National Union of Maritime Cooks and Stewards, then I was national representative for the Culinary and Service Workers Union. I still have that capacity and I am also associated with the United Public Workers, Local 646, as their executive secretary.

"Mr. TAVENNER. During this period of time did you hold any other positions in a union or locals?

"Mr. VOSSBRINK. I have had the title of president of the Oahu CIO Council for the last 3 years.

"Mr. TAVENNER. Where do you reside?

"Mr. VOSSBRINK. 2340 Pacific Heights Road, Honolulu.

"Mr. TAVENNER. How long have you lived there?

"Mr. VOSSBRINK. About 3 years.

"Mr. TAVENNER. Prior to that where did you live?

"Mr. VOSSBRINK. I lived on Kapiolani Boulevard. I don't remember the exact address. And I also lived on Manukai Street.

"Mr. TAVENNER. How long did you live on the first street that you just mentioned?

"Mr. VOSSBRINK. Approximately 9 or 10 months, I would say.

"Mr. TAVENNER. During what year?

"Mr. VOSSBRINK. I think that was 1945.

* * * * *

"Mr. TAVENNER. And prior to that, where did you say you lived?

"Mr. VOSSBRINK. Prior to that—well, that is the only really permanent address that I have. There was a period of a couple of weeks on two different occasions where I boarded at different people's homes.

"Mr. TAVENNER. Well, will you give us that, please?

"Mr. VOSSBRINK. I boarded at 3571 Pahoa Avenue for about 3 weeks and I boarded in an address at——

"Mr. TAVENNER. When was that?

"Mr. VOSSBRINK. In 1945, the early part of 1945, when housing was bad, and I was looking around for a house of my own.

"Mr. TAVENNER. Now, the other two times that you mentioned.

"Mr. VOSSBRINK. The other two times—that is one time. The other time I boarded at a house up in Manoa Valley, but I can't remember the address.

"Mr. TAVENNER. Whose house was it?

"Mr. VOSSBRINK. That was the house of Mrs. Hyun. H-y-u-n.

"Mr. TAVENNER. What was the first name?

"Mr. VOSSBRINK. Alice.

"Mr. TAVENNER. Alice. When was that?

"Mr. VOSSBRINK. That was in around the middle of 1945, possibly May or June.

"Mr. TAVENNER. Did you ever attend a Communist Party meeting at which Alice Hyun was present?

"(Witness confers with counsel.)

"Mr. VOSSBRINK. My attorney has just advised me not to answer that question on the grounds that it might tend to incriminate me.

"Mr. TAVENNER. Have you ever been a member of or attended the Puunui group meetings of the Communist Party?

"(Witness confers with counsel.)

"Mr. VOSSBRINK. I would refuse to answer that question on the same grounds stated previously.

"Mr. TAVENNER. Were you a delegate to the Democratic convention from the eighth precinct of the fourth district in 1948?

"Mr. VOSSBRINK. I don't know if it was exactly the eighth precinct of the fourth district, but I was a delegate to that convention at approximately that time.

"Mr. TAVENNER. Elected at a precinct primary?

"Mr. VOSSBRINK. Yes, sir.

"Mr. TAVENNER. What was the precinct?

"Mr. VOSSBRINK. It may have been the eighth of the fourth.

"Mr. TAVENNER. Have you ever been or are you now a member of the Communist Party?

"(Witness confers with counsel.)

"Mr. VOSSBRINK. I have been advised by counsel to refuse to answer that on the same grounds stated previously.

"Mr. WALTER. You do refuse to answer the question?

"Mr. VOSSBRINK. Yes, sir. On the same grounds stated previously, that it would tend to incriminate me.

"Mr. TAVENNER. The other questions which I asked you and which you failed to answer, do you refuse to answer them?

"Mr. VOSSBRINK. No, sir. My answer still remains as they were given to you.

"Mr. TAVENNER. Well then, let's go back and see. Now, did you ever attend a Communist Party meeting with Alice Hyun?

"(Witness confers with counsel.)

"Mr. VOSSBRINK. Again, my attorney advises me to refuse to answer that question on the grounds it might tend to incriminate me.

"Mr. HARRISON. Do you know Alice Hyun?

"(Witness confers with counsel.)

"Mr. VOSSBRINK. Likewise, to that question I refuse to answer it any further because it may tend to incriminate me. But, for the record, I have stated that I lived at her house as a boarder.

"Mr. WALTER. Then you know her?

"Mr. VOSSBRINK. I think the record will show that.

"Mr. TAVENNER. Do you refuse to answer the question?

"Mr. VOSSBRINK. No, sir.

"Mr. TAVENNER. You stated a moment ago when I asked you if you attended Communist Party meetings at which Alice Hyun was present that your counsel advised you not to answer, but I am asking you, do you refuse to answer the question?

"Mr. VOSSBRINK. I don't refuse to answer that last, but I do believe that such a question would tend to incriminate me and on that basis I refuse to answer it.

"Mr. TAVENNER. Then you do refuse to answer; is that what you mean to tell us?

"Mr. VOSSBRINK. On the grounds that I have previously stated.

"Mr. WALTER. In other words, you are not going to answer the question?

"Mr. VOSSBRINK. I think it is clear.

"Mr. WALTER. Very clear.

"Mr. TAVENNER. Do you understand the consequence of your refusal to answer, that it might result in contempt proceedings by this committee?

"Mr. VOSSBRINK. I have weighed this question very thoroughly in my mind and I

haven't answered these questions like—I believe as an American I take my citizenship very seriously, that I must in order to defend my Americanism, take the position that I am taking before this committee.

"Mr. TAVENNER. No further questions, Mr. Chairman."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Ralph Vossbrink relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely—

"Did you ever attend a Communist Party meeting at which Alice Hyun was present?

"Have you ever been a member of or attended the Puunui group meetings of the Communist Party?

"Have you ever been or are you now a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 793) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Ralph Vossbrink to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Ralph Vossbrink may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST THOMAS YAGI

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2897).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING THOMAS YAGI

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Thomas Yagi, Wailuki, Maui, T. H. The said subpena directed Thomas Yagi to be and appear before said Committee on Un-American Activities of the House of Representatives of the United States, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 10 a. m., and then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Thomas Yagi is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States Marshal Otto F. Heine: You are hereby commanded to summon Thomas Yagi, Maui, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Honolulu, T. H., on April 19, 1950, in the senate chamber, Iolani Palace, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, D. C., this 24th day of February 1950.

"FRANCIS E. WALTER,
"Chairman of Subcommittee.

"Attest:

"[SEAL] RALPH R. ROBERTS, *Clerk,*
"United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Russell A. Newton, Jr., deputy United States marshal, who was duly authorized to serve the said subpena. The return of service by the said Russell A. Newton, Jr., being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Thomas Yagi, before the Committee on Un-American Activities; served on Thomas Yagi at Wailuki, Maui, T. H., on April 17, 1950, at 11:35 a. m.

"RUSSELL A. NEWTON, Jr.,
"Deputy United States Marshal."

The said Thomas Yagi, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress. The said Thomas Yagi, having appeared as a witness and having been asked questions, namely:

After having testified that he was secretary-treasurer of local 142, the witness was asked the following question:

"While you were holding such a position with your local union, did you collect dues from persons for membership in the Communist Party?

"Do you know Dr. Reinecke?

"Do you know Fedrico Lorenzo?

"Did you attend a meeting of any character with Fedrico Lorenzo?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Thomas Yagi's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena, served upon the said Thomas Yagi. The record of the proceedings before the committee on April 19, 1950, during which the said Thomas Yagi refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"(A subcommittee of the Committee on Un-American Activities consisting of FRANCIS E. WALTER, chairman, Hon. BURR P. HARRISON, Hon. MORGAN M. MOULDER, and Hon. HAROLD H. VELDE, met in the senate chamber, Iolani Palace, on April 19, 1950, at 10 a. m., Hon. FRANCIS E. WALTER, chairman, presiding.)

"Mr. TAVENNER. Tom Yagi.

"Mr. WALTER. Do you swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. YAGI. I do.

"TESTIMONY OF THOMAS S. YAGI, ACCOMPANIED BY HIS COUNSEL, MYER C. SYMONDS

"Mr. TAVENNER. What is your name, please?

"Mr. YAGI. Thomas S. Yagi.

"Mr. TAVENNER. Are you represented by counsel?

"Mr. YAGI. Yes, I am.

"Mr. TAVENNER. Will counsel please identify himself?

"Mr. SYMONDS. Myer C. Symonds. I file on behalf of this witness a motion to quash the service of the subpena, in the same form as has been filed for the other witnesses.

"Mr. WALTER. It may be received.

"Mr. TAVENNER. Where do you live?

"Mr. YAGI. Wailuku, Maui.

"Mr. TAVENNER. How long have you lived there?

"Mr. YAGI. For 28 years.

"Mr. TAVENNER. How old are you?

"Mr. YAGI. Twenty-eight.

"Mr. TAVENNER. How are you employed? Where do you work?

"Mr. YAGI. For the ILWU.

"Mr. TAVENNER. In what capacity?

"Mr. YAGI. Division vice president.

"Mr. TAVENNER. How long have you held that position?

"Mr. YAGI. Since 1948.

"Mr. TAVENNER. Before that, did you hold a position with your local union?

"Mr. YAGI. Yes.

"Mr. TAVENNER. What position was it?

"Mr. YAGI. Secretary and treasurer. That was under local 142.

"Mr. TAVENNER. While you were holding such a position with your local union, did you collect dues from persons for membership in the Communist Party?

"Mr. YAGI. On the advice of counsel, I refuse to answer, on the ground it might tend to incriminate me.

"Mr. TAVENNER. Do you know Dr. Reinecke?

"Mr. YAGI. The same answer, for the same reason.

"Mr. TAVENNER. Will you advise the committee why you think it would incriminate you to give them some information upon which they can make a decision, as to whether or not your possible acquaintanceship with Dr. Reinecke would incriminate you?

"Mr. YAGI. On the advice of my counsel, I refuse to answer.

"Mr. TAVENNER. Do you know Fedrico Lorenzo?

"Mr. YAGI. The same answer, for the same reason.

"Mr. TAVENNER. Did you attend a meeting of any character with Fedrico Lorenzo?

"Mr. YAGI. The same answer, for the same reason.

"Mr. TAVENNER. Are you now, or have you ever been a member of the Communist Party?

"Mr. YAGI. The same answer for the same reason.

"Mr. TAVENNER. There are no further questions, Mr. Chairman.

"Mr. WALTER. Excused."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Thomas Yagi relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution No. 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

(After having testified that he was secretary-treasurer of local 142, the witness was asked the following questions:)

"While you were holding such a position with your local union, did you collect dues from persons for membership in the Communist Party?

"Do you know Dr. Reinecke?

"Do you know Fedrico Lorenzo?

"Did you attend a meeting of any character with Fedrico Lorenzo?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 794) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Thomas Yagi to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Hawaii, to the end that the said Thomas Yagi may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST GIOVANNI ROSSI LOMANITZ

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities I submit a privileged report (Rept. No. 2898).

The SPEAKER. The Clerk will read the report.

The Clerk read, as follows:

REPORT CITING GIOVANNI ROSSI LOMANITZ

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Giovanni Rossi Lomanitz, Fisk University, Nashville, Tenn. The said subpena directed Giovanni Rossi Lomanitz to be and appear before said Committee on Un-American Activities on April 18, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Giovanni Rossi Lomanitz is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States marshal, middle district of Tennessee: You are hereby commanded to summon Giovanni Rossi Lomanitz, Fisk University, Nashville, Tenn., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Washington, room 226, Old House Office Building, on April 18, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 28th day of March 1949.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Glenn Nelson, deputy United States marshal for the middle district of Tennessee, who was duly authorized to serve the said subpena. The return of the service by the said Glenn Nelson, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Giovanni Rossi Lomanitz before the Committee on Un-American Activities, United States House of Representatives. Received this subpena at Nashville, Tenn., on March 30, 1949, and executed same by reading the subpena to Giovanni Rossi Lomanitz, at Fisk University, Nashville, Tenn., and left copy of subpena with him, this March 30, 1949.

"REED SHARP,
"United States Marshal for Middle District of Tennessee.
"GLENN NELSON,
"Deputy."

On March 31, 1949, a telegram was sent to Mr. Giovanni Rossi Lomanitz which is set forth herein in words and figures as follows:

"Mr. GIOVANNI ROSSI LOMANITZ,
"Department of Physics, Fisk University, "Nashville, Tenn.:

"You are advised that the date of your appearance before the Committee on Un-American Activities has been changed from April 18, 1949, to April 26, 1949, when you are directed to appear at 10:30 a. m., room 226, Old House Office Building, Washington, D. C. Please acknowledge receipt of this telegram by collect return wire.

"JOHN S. WOOD, *Chairman."*

The said Giovanni Rossi Lomanitz, pursuant to said subpena, and in compliance therewith, appeared before the said committee on April 26, 1949, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, and the testimony of the said Giovanni Rossi Lomanitz, not having been completed on that date, he was directed by the chairman to return on May 11, 1949. On May 2, 1949, a telegram was sent to Giovanni Rossi Lomanitz, which is set forth herein in words and figures, as follows:

"Mr. ROSSI LOMANITZ,
"Department of Physics, Fisk University, "Nashville, Tenn.:

"You are hereby directed to appear before the House Committee on Un-American Activities on May 25, 1949, 10:30 a. m., instead of May 11, 1949, as previously directed.

"JOHN S. WOOD, *Chairman."*

On May 23, 1949, a telegram was sent to Giovanni Rossi Lomanitz, which is set forth herein in words and figures, as follows:

"Prof. ROSSI LOMANITZ,
"Department of Physics, Fisk University, "Nashville, Tenn.:

"Your appearance before the Committee on Un-American Activities on May 25 is herewith postponed to June 8, 1949, at 10:30 a. m.

"JOHN S. WOOD, *Chairman."*

On June 6, 1949, a telegram was sent to Giovanni Rossi Lomanitz, which is set forth herein in words and figures, as follows:

"Mr. ROSSI LOMANITZ,
"Alamo Plaza Tourist Court, "Forty-fourth and South Robinson, "Room 610, "Oklahoma City, Okla.:

"Time of your appearance changed from 8th to 9th at 10:30 a. m. Air transportation leaving Oklahoma City at 3:30 p. m. on June 8 mailed you today.

"LOUIS J. RUSSELL, *Senior Investigator."*

The Committee on Un-American Activities was engaged in the conduct of other hearings on June 9, 1949, and being unable to hear the testimony of Giovanni Rossi Lomanitz on that day, he was verbally directed to appear before the committee on the following day, June 10, 1949.

The said Giovanni Rossi Lomanitz, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Giovanni Rossi Lomanitz, having appeared as a witness and having been asked questions, namely:

"Mr. Lomanitz, are you at present a member of the Communist Party of the United States?

"Mr. Lomanitz, at the time you were inducted into the United States Army, were you a member of the Communist Party?

"While you were employed by the radiation laboratory at the University of California, were you a member of the Communist Party?

"Have you ever belonged to the Communist Party?

"Have you ever been a member of the Communist Political Association?

"Have you ever been a member of the Young Communist League?

"Mr. Lomanitz, were you a member of the Merriman branch of the Communist Party while you were employed at the radiation laboratory at the University of California?

"Did you ever at any time solicit anyone for membership in the Communist Party of the United States?

"Did you ever attend any meetings of the Merriman branch of the Communist Party of the United States?

"Did you ever solicit his [Robert Davis'] membership in the Communist Party of the United States?

"Did you solicit her [Charlotte Davis'] membership in the Communist Party of the United States?

"Was she [Libby Burke] known to you as a member of the Communist Party of the United States?

"Did you ever solicit his [Joseph W. Weinberg's] membership in the Communist Party of the United States?

"Did he [Joseph Weinberg] ever attend any Communist Party meetings at which you were present?

"Was he [Joseph W. Weinberg] a member of the Merriman branch of the Communist Party of the United States?

"Was he [Joseph W. Weinberg] a member of any branch of the Communist Party of the United States?

"Mr. Lomanitz, do you have any knowledge whatsoever pertaining to the membership or nonmembership of Mr. Joseph Weinberg in the Merriman branch of the Communist Party of the United States?

"Was Mr. Weinberg a member of any branch of the Communist Party?

"Did you solicit his [David Joseph Bohm's] membership in the Communist Party of the United States?

"Did you ever attend any Communist Party meetings at which Mr. Bohm was present?

"Did you solicit his [Max Bernard Friedman's] membership in the Communist Party of the United States?

"Did you ever attend any Communist Party meetings at which Mr. Friedman was present?

"Do you know Steve Nelson?

"Did you ever attend any meetings of the Communist Party which were addressed by Steve Nelson?

"Do you know Bernadette Doyle?

"Did you ever visit his [Joseph W. Weinberg's] home when Steve Nelson was present?

"Well, did Steve Nelson ever visit his home to your knowledge?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Giovanni Rossi Lomanitz' refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Giovanni Rossi Lomanitz.

The record of the proceedings before the committee on June 10, 1949, during which the said Giovanni Rossi Lomanitz, after having been duly sworn, refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"A subcommittee of the Committee on Un-American Activities met pursuant to call at 11:05 a. m., in room 226, Old House Office Building, Hon. JOHN S. WOOD (chairman) presiding.

"Committee members present: Representatives JOHN S. WOOD, FRANCIS E. WALTER, JOHN McSWEENEY, and RICHARD M. NIXON.

* * * * *

"Mr. RUSSELL. Mr. Lomanitz, are you at present a member of the Communist Party of the United States?

"Mr. LOMANITZ. Mr. Russell, you asked me that question once before last time. Do you want me to answer the question again or is my previous answer satisfactory?

"Mr. RUSSELL. No. You are required to answer it again. You might want to change your reply.

"Mr. LOMANITZ. I do not choose to change my reply. I will have to decline to answer that question on the same ground as previously.

"Mr. RUSSELL. On the ground that it might tend to incriminate you?

"Mr. LOMANITZ. I believe that is the final ground that Mr. WOOD suggested.

"Mr. RUSSELL. Have you ever——

"Mr. WOOD. No, I did not suggest it. I beg your pardon. I did not suggest it at all.

"Mr. LOMANITZ. Pardon me. Perhaps that was a little out of context. What I was meaning was this: You see, I personally feel very strongly that a person's political beliefs, his conscience are his own particular freedom and are guaranteed by the Constitution. Now, as I remember, when I brought this point out last time you, Mr. WOOD, I believe, were the one who told me that the committee did not consider this valid and who suggested that the only possible reason the committee might consider it valid was on the ground that it might tend to incriminate.

"That is, I mean I'm sorry. It probably sounded out of context the way I put it, and I apologize for that.

"Mr. WALTER. Mr. Lomanitz, in view of the fact that it is not a crime to be a Communist, why do you feel that your constitutional rights would be violated if you answered the question as to whether or not you are a Communist?

"Mr. LOMANITZ. Are you stating it as the opinion of you, Mr. WALTER, as an individual that it is not a crime to be a Communist, or the opinion of the Un-American Activities Committee that it is not a crime to be a Communist, or whose opinion are you stating?

"Mr. WALTER. I am speaking now of the definitions of crimes contained in title 28 of the United States Code.

"Mr. LOMANITZ. And now would you repeat your question?

"Mr. WALTER. In view of the fact that it is not a crime under the definitions of crimes against the United States to be a member of the Communist Party, do you feel that your constitutional rights would be violated if you answered the question as to whether or not you were a member of the Communist Party or are a member of the Communist Party?

"Mr. LOMANITZ. I feel probably that at least two or three of them would. In the first place, the right of freedom of conscience, which I couldn't point to you as to the line where it is protected in the Constitution because it may only be in the spirit of the Constitution. I am not familiar enough with the document from a legal point of view. I believe that would be violated under any conditions.

"Under the conditions, as I pointed out last time, existing today, wherein the Government of the United States is at the present time carrying on a trial in which it is endeavoring to prove that membership in the Communist Party is essentially equivalent to being a crime, and wherein the Attorney General and the Un-American Activities Committee and various other people have issued statements to that effect, although they do not appear in—was it section 28 of the Criminal Code? I also believe that an answer to your question might possibly tend to incriminate me.

"Mr. RUSSELL. Mr. Lomanitz, at the time you were inducted into the United States Army were you a member of the Communist Party?

"Mr. LOMANITZ. Mr. Russell, that question falls into the same category. I will have to decline to answer it for the same reason.

"Mr. RUSSELL. While you were employed by the radiation laboratory at the University of California were you a member of the Communist Party?

"Mr. LOMANITZ. Mr. Russell, I have to decline to answer that question for the same reasons.

"Mr. RUSSELL. Have you ever belonged to the Communist Party?

"Mr. LOMANITZ. Mr. Russell, I will have to decline to answer that question also.

"Mr. RUSSELL. Have you ever been a member of the Communist Political Association?

"Mr. LOMANITZ. Mr. Russell, I have to decline to answer that question on the same grounds.

"Mr. WALTER. Mr. Lomanitz, if your idea was carried to its final and logical conclusion, as I see it, then every statute requiring a person to register his political affiliation, as to whether or not he is a Democrat or Republican, or what not, would be unconstitutional.

"Mr. LOMANITZ. Well, you might have a point there, Mr. WALTER. I don't know whether they are or not, but I think it's a good idea.

"Mr. WALTER. I may have a point.

"Mr. RUSSELL. Have you ever been a member of the Young Communist League?

"Mr. LOMANITZ. I will have to decline to answer that question, Mr. Russell, on the same ground.

"Mr. RUSSELL. The Young Communist League was dissolved, was it not?

"Mr. LOMANITZ. I couldn't say for sure. I believe I have read that it was.

"Mr. RUSSELL. According to Communist publications, it was dissolved, was it not?

"Mr. LOMANITZ. I couldn't say for sure, Mr. Russell.

"Mr. RUSSELL. Was there ever any prosecutive action undertaken against the Young Communist League?

"Mr. LOMANITZ. I'm sure I don't know, sir. I'm sure you could ask someone who knows better than I.

"Mr. RUSSELL. Well, there was none. How would membership in the Young Communist League incriminate you?

"Mr. LOMANITZ. Mr. Russell, I will have to decline to answer that question the same way I declined to answer Mr. WALTER'S question as to how something might tend to incriminate me.

"Mr. RUSSELL. Mr. Lomanitz, were you a member of the Merriman branch of the Communist Party while you were employed at the radiation laboratory at the University of California?

"Mr. LOMANITZ. Excuse me, Mr. Russell, but if I have declined to answer the question as to whether I am or have been a member of the Communist Party, doesn't that take care of these various little contingencies about whether or not I have been at certain times or certain conditions?

"Mr. RUSSELL. The chairman will have to advise you on that.

"Mr. LOMANITZ. Mr. WOOD?

"Mr. WOOD. What is your answer to the question that has just been propounded?

"Mr. LOMANITZ. You want me to answer the question as it stands?

"Mr. WOOD. Yes.

"Mr. LOMANITZ. I will have to decline to answer that question on the ground that it might tend to incriminate me.

"Mr. RUSSELL. Did you ever at any time solicit anyone for membership in the Communist Party of the United States?

"Mr. LOMANITZ. I am going to have to decline to answer that question, Mr. Russell, on the ground it might tend to incriminate me.

"Mr. RUSSELL. Did you ever attend any meetings of the Merriman branch of the Communist Party of the United States?

"Mr. LOMANITZ. I am going to have to decline to answer that question on the ground it might tend to incriminate me.

"Mr. RUSSELL. Do you know Mr. Robert R. Davis?

"Mr. LOMANITZ. I knew a Mr. Robert Davis at the radiation laboratory at California. It's Robert R. Davis, if its the same one; yes.

"Mr. RUSSELL. Did you ever solicit his membership in the Communist Party of the United States?

"Mr. LOMANITZ. I am going to have to decline to answer that question, Mr. Russell, on the ground that it might tend to incriminate me.

"Mr. RUSSELL. Did you know Charlotte Davis?

"Mr. LOMANITZ. Yes; I knew Charlotte Davis.

"Mr. RUSSELL. Did you solicit her membership in the Communist Party of the United States?

"Mr. LOMANITZ. I am going to have to decline to answer that question on the ground it might tend to incriminate me.

"Mr. RUSSELL. Is she known to you as the wife of Mr. Robert R. Davis?

"Mr. LOMANITZ. The Charlotte Davis I was speaking about is.

"Mr. RUSSELL. Do you know Libby Burke?

"Mr. LOMANITZ. Yes.

"Mr. RUSSELL. Did you ever attend a meeting or a party at her home on Shattuck Avenue?

"Mr. LOMANITZ. I cannot remember whether I have ever attended a party at her home on Shattuck Avenue or a meeting at her home on Shattuck Avenue.

"Mr. RUSSELL. Was she known to you as a member of the Communist Party of the United States?

"Mr. LOMANITZ. I decline to answer that question on the same grounds.

"Mr. TAVENNER. Speak a little louder, please.

"Mr. LOMANITZ. I said I decline to answer that question on the same grounds.

"Mr. RUSSELL. Do you know Joseph W. Weinberg?

"Mr. LOMANITZ. I have known Joseph W. Weinberg for a long time.

"Mr. RUSSELL. Did you ever solicit his membership in the Communist Party of the United States?

"Mr. LOMANITZ. I decline to answer that question, Mr. Russell, on the ground that it might tend to incriminate me.

"Mr. RUSSELL. Did you ever ask him to become a member of the Communist Party of the United States?

"Mr. LOMANITZ. Mr. Russell, I decline to answer that question on the ground it might tend to incriminate me.

"Mr. RUSSELL. Did he ever attend any Communist Party meetings at which you were present?

"Mr. LOMANITZ. Mr. Russell, I decline to answer that question on the ground it might tend to incriminate me.

"Mr. RUSSELL. Was he a member of the Merriman branch of the Communist Party of the United States?

"Mr. LOMANITZ. I decline to answer that question on the same grounds.

"Mr. RUSSELL. Was he a member of any branch of the Communist Party of the United States?

"Mr. LOMANITZ. I decline to answer that question on the same grounds.

"Mr. RUSSELL. I would like to refer to your previous testimony on that subject.

"Mr. LOMANITZ. Incidentally, where can I get a copy of that testimony, please, Mr. Russell?

"Mr. RUSSELL. It will be printed, and you can have a copy.

"The last time you appeared before the committee, Mr. Lomanitz, you were asked this question:

" 'Joseph W. Weinberg, was he a member of the Merriman branch of the Communist Party?

" 'Mr. LOMANITZ. Is Joseph Weinberg a member of the Merriman branch?

" 'Question. Was he a member?

" 'Answer. I don't honestly know whether he was a member or not.'

"Why would it incriminate you to give the same answer today in fairness to Mr. Weinberg?

"Mr. LOMANITZ. I am going to have to decline to answer that question on the ground it might tend to incriminate me.

"Mr. RUSSELL. You were asked whether he ever attended any meetings of the Merriman branch of the Communist Party.

" 'Answer. I don't know, Mr. Russell. I would suggest that you ask Mr. Weinberg these questions.

" 'Statement. We will.

" 'Mr. LOMANITZ. All right.'

"Then you state:

" 'I have no knowledge of Mr. Weinberg's membership in the Merriman branch of the Communist Party.'

"Why would it incriminate you to give the same answer to that question in fairness to Mr. Weinberg?

"Mr. LOMANITZ. My previous testimony is absolutely correct as it stands, Mr. Russell. It stands as it stands there now. There is nothing incorrect about it.

"Mr. RUSSELL. Would you like to change your answer today and use the answer which you furnished in your previous testimony?

"Mr. LOMANITZ. It doesn't really matter, Mr. Russell. I'd just as soon leave it as it stands.

"Mr. NIXON. I understand, then, that your testimony now is that you have no knowledge of Mr. Weinberg's membership in the Merriman branch of the Communist Party?

"Mr. LOMANITZ. My testimony of last April or May, or whenever it was, is absolutely correct as it stands, whatever it says, to the best of my knowledge. The question has been repeated to me today, and I have answered it today as you have heard me answer it today.

"Mr. WOOD. I would like to say, incidentally, about all these questions about membership in the Communist Party, that one thing I would like to state down very clear is that under no conditions have I at any time been in any way disloyal to the United States Government, transmitted any restricted information to anyone, foreign or domestic, that should not have it. In my judgment, this is really the important thing. And I want to state that now. And of course I have no way of suggesting how the committee should run its own business, but it seems to me as though I would be very happy to answer any such questions as that that did not come within the province of what I consider to be my constitutional rights. I will be very happy to make the statement once and for all that I have never done anything in any way disloyal; have no knowledge of myself or anyone else transmitting any information or doing anything else in any way disloyal to the United States; that I swore an oath of allegiance when I went in the Army to protect the United States and its Constitution against all enemies, foreign and domestic, and that that still stands.

"Now, it seems to me as an individual that this is really the important thing rather than probing into my particular creeds, political opinions, and so on, which I believe are my own personal affair. However, this I will have to leave up to the judgment of the committee.

"Mr. WALTER. Now, as I understand it, you have declined to answer the question whether or not you knew that Mr. Weinberg was a member of the Communist organization on the ground that it might incriminate you?

"Mr. LOMANITZ. That it might tend to incriminate me.

"Mr. WALTER. Why do you feel that it might tend to incriminate you to state whether or not you knew that a man was a member of any organization whatsoever?

"Mr. LOMANITZ. Mr. WALTER, it seems to me as though I will have to answer this question the same way as I answered another question when you began to ask me just in what particular way a certain answer might tend to incriminate me. I can't answer that question without possibly tending to incriminate myself.

"Mr. WALTER. How could it possibly incriminate you if you knew that Weinberg was a member of any organization?

"Mr. LOMANITZ. Mr. WALTER, I am not a lawyer. I don't know all the fine points involved there. But if I have some doubts, some reservation in my own mind that it might possibly tend to incriminate me, it seems to me that I must answer in the way I have. If there is even some slight doubt. Isn't that correct?

"Mr. WALTER. Then, as I understand it, you answer the question as you do whenever you feel that you don't care to answer categorically the question propounded?

"Mr. LOMANITZ. Whenever there is even the slightest suspicion in my own mind that the answers that I give might possibly tend to incriminate me.

"Mr. RUSSELL. Mr. Lomanitz, do you have any knowledge whatsoever pertaining to the membership or nonmembership of Mr. Joseph Weinberg in the Marriman branch of the Communist Party of United States?

"Mr. LOMANITZ. I decline to answer that question, Mr. Russell, on the ground that it might possibly tend to incriminate me.

"Mr. RUSSELL. Now, the last time you said:

" 'I have no knowledge of Mr. Weinberg's membership in the Merriman branch of the Communist Party.'

"Mr. LOMANITZ. I do not wish to change my previous testimony. My previous testimony is correct to the best of my knowledge. I wish to answer the questions you have asked today in the way I have answered.

"Mr. RUSSELL. Was Mr. Weinberg a member of any branch of the Communist Party?

"Mr. LOMANITZ. I decline to answer that question, Mr. Russell, on the ground that it might possibly tend to incriminate me.

"Mr. RUSSELL. Do you know David Joseph Bohm?

"Mr. LOMANITZ. I know David Joseph Bohm very well.

"Mr. RUSSELL. Did you solicit his membership in the Communist Party of the United States?

"Mr. LOMANITZ. I decline to answer that question, Mr. Russell, on the ground that it might tend to incriminate me.

"Mr. RUSSELL. Did you ever attend any Communist Party meetings at which Mr. Bohm was present?

"Mr. LOMANITZ. I decline to answer that question, Mr. Russell, on the grounds it might tend to incriminate me.

"Mr. RUSSELL. Are you acquainted with an individual named Max Bernard Friedman?

"Mr. LOMANITZ. I am.

"Mr. RUSSELL. Did you solicit his membership in the Community Party of the United States?

"Mr. LOMANITZ. I decline to answer that question on the ground that it might perhaps tend to incriminate me.

"Mr. RUSSELL. Did you ever attend any Communist Party meetings at which Mr. Friedman was present?

"Mr. LOMANITZ. I decline to answer that question on the ground it might tend to incriminate me.

"Mr. RUSSELL. Do you know George Charles Eltenton?

"Mr. LOMANITZ. I am trying to recollect. It seems to me like I remember reading the name in a newspaper.

"Mr. RUSSELL. That is the only knowledge you have of him?

"Mr. LOMANITZ. I couldn't answer that for sure, Mr. Russell.

"Mr. RUSSELL. Do you know Steve Nelson?

"Mr. LOMANITZ. I decline to answer that question on the ground it might tend to incriminate me.

"Mr. RUSSELL. Did you ever attend any meetings of the Communist Party which were addressed by Steve Nelson?

"Mr. LOMANITZ. I decline to answer that question on the ground that it might tend to incriminate me.

"Mr. RUSSELL. Do you know Bernadette Doyle?

Mr. LOMANITZ. I decline to answer on the ground that it might tend to incriminate me.

"Mr. RUSSELL. Did you ever meet Gregory Kheifitz, of the Soviet consulate in San Francisco?

"Mr. LOMANITZ. I decline to answer that question.

"Mr. Russell, I would like to revise my answer on that question. I have never, to the best of my knowledge, met this individual you describe as Soviet consul.

"Mr. RUSSELL. Dr. Lomanitz, did you ever visit the home of Dr. Weinberg at 2426 Blake Street, Berkeley, Calif.?

Mr. LOMANITZ. The address was 2427 Blake Street, and I visited many times.

"Mr. RUSSELL. Did you ever visit his home when Steve Nelson was present?

"Mr. LOMANITZ. I decline to answer that question on the ground that it might tend to incriminate me.

"Mr. RUSSELL. Well, did Steve Nelson ever visit his home, to your knowledge?

"Mr. LOMANITZ. I decline to answer that question on the ground it might tend to incriminate me."

* * * * *

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Giovanni Rossi Lomanitz relative to the subject matter which, under Public Law 601, section 121, subsection Q (2),

of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Mr. Lomanitz, are you at present a member of the Communist Party of the United States?

"Mr. Lomanitz, at the time you were inducted into the United States Army, were you a member of the Communist Party?

"While you were employed by the radiation laboratory at the University of California, were you a member of the Communist Party?

"Have you ever belonged to the Communist Party?

"Have you ever been a member of the Communist Political Association?

"Have you ever been a member of the Young Communist League?

"Mr. Lomanitz, were you a member of the Merriman branch of the Communist Party while you were employed at the radiation laboratory at the University of California?

"Did you ever at any time solicit anyone for membership in the Communist Party of the United States?

"Did you ever attend any meetings of the Merriman branch of the Communist Party of the United States?

"Did you ever solicit his [Robert Davis'] membership in the Communist Party of the United States?

"Did you solicit her [Charlotte Davis'] membership in the Communist Party of the United States?

"Was she [Libby Burke] known to you as a member of the Communist Party of the United States?

"Did you ever solicit his [Joseph W. Weinberg's] membership in the Communist Party of the United States?

"Did he [Joseph W. Weinberg] ever attend any Communist Party meetings at which you were present?

"Was he a member of the Merriman branch of the Communist Party of the United States?

"Was he [Joseph W. Weinberg] a member of any branch of the Communist Party of the United States?

"Mr. Lomanitz, do you have any knowledge whatsoever pertaining to the membership or nonmembership of Mr. Joseph Weinberg in the Merriman branch of the Communist Party of the United States?

"Was Mr. Weinberg a member of any branch of the Communist Party?

"Did you solicit his [David Joseph Bohm's] membership in the Communist Party of the United States?

"Did you ever attend any Communist Party meetings at which Mr. Bohm was present?

"Did you solicit his [Max Bernard Friedman's] membership in the Communist Party of the United States?

"Did you ever attend any Communist Party meetings at which Mr. Friedman was present?

"Do you know Steve Nelson?

"Did you ever attend any meetings of the Communist Party which were addressed by Steve Nelson?

"Do you know Bernadette Doyle?

"Did you ever visit his [Joseph W. Weinberg's] home when Steve Nelson was present?

"Well, did Steve Nelson ever visit his home to your knowledge?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 795) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Giovanni Rossi Lomanitz to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Giovanni Rossi Lomanitz may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST DAVID JOSEPH BOHM

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2899).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING DAVID JOSEPH BOHM

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to David Joseph Bohm, Palmer Physical Laboratory, Princeton, N. J. The said subpena directed David Joseph Bohm to be and appear before said Committee on Un-American Activities on April 22, 1949, at the hour of 4 p. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said David Joseph Bohm is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Hubert J. Harrington, United States marshal, Trenton, N. J.: You are hereby commanded to summon David Bohm, Palmer Physical Laboratory, Princeton, N. J., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of New York on Friday, April 22, 1949, at the hour of 4 p. m. (Mr. Bohm will be advised by telegram on Thursday at the Palmer Physical Laboratory of the place he is supposed to appear) then and there to testify touching matters of inquiry committed to said committee, and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 18th day of April 1949.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Leo A. Mault, deputy, who was duly authorized to serve the said subpena. The return of the service by the said Leo A. Mault being endorsed thereon, is set forth in words and figures as follows:

"Served the within subpena upon David Bohm by delivering to and leaving with him personally, the original thereof, at the Palmer Physical Laboratory, Princeton, in the State of New Jersey, on the 21st day of April 1949, and at the same time showing said person this copy with the seal of the House of Representatives of the United States attached and informing him of its contents.

"HUBERT J. HARRINGTON,
"United States Marshal.
"By LEO A. MAULT, *Deputy.*"

Department of Justice, received April 20, 1949, United States marshal, Newark, N. J.

On April 21, 1949, a telegram was sent to David Bohm which is set forth herein in words and figures, as follows:

"WASHINGTON, D. C.,
"April 21, 1949.

"Mr. DAVID BOHM,
"Palmer Physical Laboratory,
"Princeton University,
"Princeton, N. J.:

"In accordance with the subpena served upon you this date by Leo A. Mault, United States deputy marshal, you are hereby directed to appear at a hearing to be held in Room 226, Old House Office Building, Washington, D. C., at 10:30 a. m. Tuesday, April 26, 1949.

"JOHN S. WOOD,
"Chairman, Committee on Un-American Activities, House of Representatives."

Prior to April 26, 1949, Mr. David Bohm was verbally advised to appear before the Committee on Un-American Activities on May 11, 1949; and on May 2, 1949, a telegram was sent to David Bohm which is set forth herein in words and figures as follows:

"WASHINGTON, D. C.,
"May 2, 1949.

"Mr. DAVID BOHM,
"Palmer Physical Laboratory,
"Princeton University,
"Princeton, N. J.:

"You are hereby directed to appear before the House Committee on Un-American Activities on May 25, 1949, 10:30 a. m., instead of May 11, 1949, as previously directed.

"JOHN S. WOOD,
"Chairman."

The said David Joseph Bohm, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress. The said David Joseph Bohm, having appeared as a witness and having been asked questions, namely:

"Mr. Bohm, have you ever been a member of the Young Communist League?

"Mr. Bohm, are you now or have you ever been a member of the Communist Party?

"While you were employed by the Manhattan Engineering District, were you a member of the Communist Party or the Communist Political Association or the Young Communist League?

"While employed by the Manhattan Engineering District, did you ever attend Communist Party meetings?

"Did you ever attend a Communist Party meeting with Joseph Weinberg?

"Were you acquainted with Steve Nelson?

"Is Mr. Weinberg a known member of the Communist Party?

"I want again to ask the witness whether or not the witness is acquainted with the fact that Joseph Weinberg is a member of the Communist Party.

"Did you ever attend a Communist Party meeting which was addressed by Steve Nelson?

"Was there a Communist cell or a Communist branch set up among the employees in the radiation laboratory of the University of California?

"Did you ever attend a Communist Party meeting addressed by Rudy Lambert?

"Do you know Rudy Lambert?

"Did you ever attend a Communist Party meeting addressed by Marcel Scherer?

"Do you know Marcel Scherer?

"Did you ever attend a Communist Party meeting with Kenneth May?

"Mr. Bohm, are you acquainted with anyone by the name of Sylvia Crouch?

"Do you know anyone known as Mrs. Paul Crouch?

"Did you ever attend a Communist Party meeting with Irving David Fox?

"Did you ever attend a Communist Party meeting with him [Giovanni Rossi Lomanitz]?

"Did Mr. Lomanitz recruit you into the Young Communist League, or into the Communist Party of the United States?

"Did you ever attend a Communist Party meeting with Max Bernard Friedman?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said David Joseph Bohm's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said David Joseph Bohm.

The record of the proceedings before the committee on May 25, 1949, during which the said David Joseph Bohm refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"The Committee on Un-American Activities met pursuant to call at 10:30 a. m. in room 226, Old House Office Building, Hon. JOHN S. WOOD (chairman) presiding.

"Committee members present: Representatives JOHN S. WOOD (chairman), FRANCIS E. WALTER, BURR P. HARRISON, MORGAN M. MOULDER, RICHARD M. NIXON, and HAROLD H. VELDE.

* * * * *

"Mr. WOOD. Mr. Bohm will you raise your right hand and be sworn? You solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. BOHM. I do.

* * * * *

"Mr. RUSSELL. Mr. Bohm, have you ever been a member of the Young Communist League?

"Mr. BOHM. I can't answer that question on the ground it might tend to incriminate and degrade me, and, also, I think it infringes on my rights as guaranteed by the first amendment.

"Mr. WOOD. Would you mind repeating your answer?

"Mr. BOHM. I can't answer that question because it might tend to incriminate and degrade me, and also because it might infringe on my rights as guaranteed by the first amendment.

"Mr. WOOD. What particular rights guaranteed by the first amendment?

"Mr. DURR. He is not a lawyer. I think it would be freedom of assembly and association and freedom of speech.

"Mr. WOOD. I am a little cautious to know how his rights under the first amendment to the Constitution would be infringed by his answer to that question.

"Mr. DURR. Would you want something in the way of a legal brief, or just a short statement from me? I think that an inquiry of this kind, with the consequences that might result to him in the public mind from the standpoint of membership or nonmembership in an organization of that kind, would certainly impair his freedom of association in associating with people.

"Mr. WOOD. I am addressing my remarks now to the witness. Having thus been advised by your counsel, do I understand you decline to answer the question?

"Mr. BOHM. Yes, sir.

"Mr. WOOD. And for the reason stated?

"Mr. BOHM. Yes, sir.

"Mr. RUSSELL. Mr. Bohm, are you now or have you ever been a member of the Communist Party?

"Mr. BOHM. I decline to answer the question for the same reasons as just stated.

"Mr. RUSSELL. While you were employed by the Manhattan Engineering District were you a member of the Communist Party or the Communist Political Association or the Young Communist League?

"Mr. BOHM. I decline to answer that question for the same reasons.

"Mr. RUSSELL. While employed by the Manhattan Engineering District, did you ever attend Communist Party meetings?

"Mr. BOHM. I decline to answer that question for the same reasons as already stated.

"Mr. RUSSELL. While stationed in the Radiation Laboratory at Berkeley, Calif.——

"Mr. BOHM. I decline to answer that question for the same reasons as already stated.

"Mr. RUSSELL (continuing). While stationed in the Radiation Laboratory at Berkeley, Calif., did you become acquainted with Joseph Weinberg?

"Mr. BOHM. Yes.

"Mr. RUSSELL. Did you ever attend a Communist Party meeting with Joseph Weinberg?

"Mr. BOHM. I decline to answer that question for the same reasons stated.

"Mr. RUSSELL. Were you acquainted with Steve Nelson?

"Mr. BOHM. I decline to answer that question for the reasons stated.

"Mr. WOOD. Just a moment, at this point. I would like you, if you will, to explain to the committee in what way you feel that it would be an infringement of your rights under any provision of the Constitution to answer a question as to whether or not you know a certain individual.

"Mr. BOHM (to Mr. Durr). Shall I answer that, or will you answer it? I prefer counsel answer it.

"Mr. WOOD. I would prefer you answer it. I have no objection to your conferring with counsel.

"Mr. BOHM (after conferring with Mr. Durr). Mr. Nelson is already well known as a member of the Communist Party, and to become acquainted with him might be regarded as having close associations with the Communist Party.

"Mr. WOOD. You mean just to be acquainted with him?

"Mr. BOHM. Yes.

"Mr. WOOD. Many persons not affiliated with the Communist Party could be acquainted with Mr. Nelson.

"Mr. DURR. I don't think the witness is qualified to make legal arguments here.

"Mr. WOOD. I don't want arguments. I am asking for reasons; if he has any reasons for not answering a question as to whether or not he knows a certain individual.

"Mr. DURR. He has been asked about membership or nonmembership in the Communist Party, and attendance or nonattendance at Communist meetings. He is now asked about an individual who, according to the press, is an open and avowed member of the Communist Party, and it seems to me you get into the same field of inquiry you get into when you ask about attending Communist meetings and things of that sort.

"Mr. WALTER. Do you take the position that attending a Communist Party meeting reflects on the person who attends the meeting?

"Mr. DURR. I think in the climate that exists today it would reflect on a person. Suspicions would be aroused if a person did attend such meetings. We have at the moment an indictment and a trial of members of the Communist Party on the ground of a conspiracy to teach proscribed doctrines. Any association with that would raise inferences in people's minds about it. What the consequences would be is hard to anticipate. If there are charges that he has been associated with Communists, I think the place for that to be determined would be in a judicial hearing if such charges are made.

"Mr. WOOD. Let the record disclose that a quorum of the committee is present, consisting of Mr. WALTER, Mr. HARRISON, Mr. MOULDER, Mr. NIXON, Mr. VELDE, and the chairman.

"In the light of the statements that have been made by your counsel, I ask you again: Do you know an individual, or have you ever known an individual, known as Steve Nelson?

"Mr. BOHM. I want to answer it in the same way, by saying I agree fully with my counsel; I back up the statement of my counsel. I can't answer the question on the ground it might tend to incriminate or degrade me.

"Mr. WOOD. You don't mean you can't answer it?

"Mr. BOHM. I decline to answer it.

"Mr. WOOD. On the ground it might tend to incriminate and degrade you?

."Mr BOHM. Yes.

"Mr. WOOD. And it is on that ground you decline to answer?

"Mr. BOHM. Yes, sir.

"Mr. NIXON. You have stated you decline to answer whether you know Mr. Nelson on the ground it might tend to incriminate you, and you explain that by saying Mr. Nelson is a known member of the Communist Party. Is that what I understood you to say?

"Mr. BOHM. Yes.

"Mr. NIXON. Is Mr. Weinberg a known member of the Communist Party?

"Mr. BOHM. I can't answer that for the same reason.

"Mr. NIXON. You have stated Mr. Nelson is a known member of the Communist Party. I am asking you whether Mr. Weinberg is a known member of the Communist Party.

"Mr. DURR. I think you have a different question in asking about Mr. Nelson.

"Mr. NIXON. Counsel may confer with the witness if he wishes, but let the witness answer.

"Mr. BOHM (after conferring with Mr. Durr). My answer is that I decline to answer that question on the ground of self-incrimination; on the ground it might tend to incriminate or degrade me.

"Mr. NIXON. That is all.

"Mr. WALTER. I would like to ask at this point the same question I asked the witness on yesterday. Where in the Constitution is there anything that permits a person to decline to answer a question on the ground that the answer might degrade the person?

"Mr. BOHM. I would prefer my counsel answer that.

"Mr. DURR. The Constitution relates to self-incrimination in the legal sense of the term. I think you have another practical problem. Frankly, I can't give you the citation of a court decision dealing with this problem at the moment, but I think in the present atmosphere there are special and economic consequences that are very sincere, and I think they are some that the court would very likely take notice of.

"Mr. WALTER. Certainly the Constitution cannot be amended, because people have ideas about the Communist movement, without the formality of action by the Congress and the States, and it would seem to me, ever since I have heard that excuse or reason, that an attempt is being made to enlarge the Constitution.

"Mr. DURR. It may be that the Constitution will be interpreted a certain way. I can't say how the courts will interpret the Constitution. I haven't a case at hand of that kind. But I think whatever the penalties of a man's testimony might be, whether

prosecution in court or being barred from employment, they are very real penalties.

"Mr. TAVENNER. Mr. Chairman, I have a case at hand from the Supreme Court of the United States if you would like to hear it.

"Mr. WOOD. Let's hear it.

"Mr. TAVENNER. It is *Brown* v. *Walker* (161 U. S. 591) in which the Supreme Court said:

"'* * * as we have already observed, the authorities are numerous and very nearly uniform to the effect that, if the proposed testimony is material to the issue on trial, the fact that the testimony may tend to degrade the witness in public estimation does not exempt him from the duty of disclosure.' And in the course of this same opinion, the Court stated:

"'* * * the fact that the testimony may tend to bring the witness into disrepute though not to incriminate him, does not entitle him to the privilege of silence.'

"Mr. WALTER. That is why I asked the question. It seems to me that by giving that as a reason, the attempt is being made to enlarge the protection given a person by the Constitution of the United States.

"Mr. DURR. We have assigned three grounds for the refusal to testify: One is the self-incrimination; one is the rights under the first amendment; and the third is that the response might tend to degrade, impair a man's reputation, bar him from the normal opportunities of practicing his profession and obtaining employment.

"Another case I would like to refer to is the Lovett-Watson-Dodd case, in which the Supreme Court of the United States said that to proscribe a man, to declare him subversive to his country, was punishment in the very real sense of the term, and was the type of punishment that could be imposed only by the courts after judicial proceedings.

"Mr. WALTER. You are not seriously contending that that is a precedent for the question here?

"Mr. DURR. It has a bearing. I am very seriously contending that; yes, sir.

"Mr. NIXON. As a matter of fact, counsel is well aware of the fact that the Lovett-Watson-Dodd case involved a specific act of Congress which denied those men their employment, and I think you are certainly stretching a dictum as far as I have ever heard of one being stretched in applying to it this case.

"Mr. DURR. There were also involved the findings of the Kerr committee of Congress.

"Mr. NIXON. Yes; but the decision was based squarely upon what the Congress had done in regard to these people, and I am sure counsel is well aware of the difference between findings and dictum.

"Mr. DURR. Perhaps the committee and I will disagree as to what the decision in the Lovett case was. Until the Supreme Court is clearly faced with that particular question, neither of us will know what the ultimate answer is going to be, but I do very sincerely think that the decision of the Court in the Lovett case has a definite bearing upon this question that is being raised right here.

"Mr. WOOD. Aside from the implications by counsel, the simple question at the moment is the question of identification of an individual who is not present, whether or not the person interrogated about is a member of the Communist Party.

"Mr. DURR. There is a prosecution going on right now in New York of the leaders of the Communist Party.

"Mr. WOOD. We are aware of that, but I want again to ask the witness whether or not the witness is acquainted with the fact that Joseph Weinberg is a member of the Communist Party.

"Mr. BOHM. I decline to answer that again on the same grounds of self-incrimination.

"Mr. WOOD. That it would tend to incriminate you?

"Mr. BOHM. It might tend to incriminate or degrade me, and, also, it might infringe on my rights under the first amendment of the Constitution. As my counsel has stated, we are suggesting three grounds for declining to answer this question.

"Mr. RUSSELL. Did you ever attend a Communist Party meeting which was addressed by Steve Nelson?

"Mr. BOHM. I decline to answer that question on the same three grounds that have already been given.

"Mr. RUSSELL. Mr. Bohm, you are familiar with the term 'Communist cell' or 'Communist branch,' are you not?

"Mr. BOHM. Yes; I have certainly seen such terms used in the papers very often.

"Mr. RUSSELL. Was there a Communist cell or a Communist branch set up among the employees in the radiation laboratory of the University of California?

"Mr. BOHM. I decline to answer that question on the same three grounds.

"Mr. RUSSELL. Did you ever attend a Communist Party meeting addressed by Rudy Lambert?

"Mr. BOHM. I decline to answer that question on the same three grounds that have already been given.

"Mr. RUSSELL. Do you know Rudy Lambert?

"Mr. BOHM. I decline to answer on the same three grounds.

"Mr. RUSSELL. Did you ever attend a Communist Party meeting addressed by Marcel Scherer?

"Mr. BOHM. I decline to answer on the same three grounds.

"Mr. RUSSELL. Do you know Marcel Scherer?

"Mr. BOHM. I decline to answer on the same three grounds.

"Mr. RUSSELL. Did you ever attend a Communist Party meeting with Kenneth May?

"Mr. BOHM. I decline to answer on the same three grounds.

"Mr. RUSSELL. Do you know Kenneth May?

"Mr. BOHM. I decline to answer on the same three grounds.

* * * * *

"Mr. RUSSELL. Mr. Bohm, are you acquainted with anyone by the name of Sylvia Crouch?

"Mr. BOHM (after conferring with Mr. Durr). I refuse to answer that again on the same three grounds.

"Mr. RUSSELL. Do you know anyone known as Mrs. Paul Crouch?

"Mr. BOHM. I decline to answer on the same three grounds.

* * * * *

"Mr. RUSSELL. Are you acquainted with Irving David Fox?

"Mr. BOHM. Yes.

"Mr. RUSSELL. Did you ever attend a Communist Party meeting with Irving David Fox?

"Mr. BOHM. I decline to answer that question on the same grounds.

"Mr. RUSSELL. Are you acquainted with Giovanni Rossi Lomanitz?

"Mr. BOHM. Yes.

"Mr. RUSSELL. Did you ever attend a Communist Party meeting with him?

"Mr. BOHM. I decline to answer that question on the same three grounds.

"Mr. RUSSELL. Did Mr. Lomanitz recruit you into the Young Communist League, or into the Communist Party of the United States?

"Mr. BOHM. I decline to answer that question on the same grounds.

"Mr. RUSSELL. Are you acquainted Max Bernard Friedman?

"Mr. BOHM. Yes.

"Mr. RUSSELL. Where is Mr. Friedman presently employed?

"Mr. BOHM. I can't be sure, but he is probably at the University of California.

"Mr. RUSSELL. Do you know his present address?

"Mr. BOHM. I couldn't be sure of it.

"Mr. RUSSELL. Did you ever attend a Communist Party meeting with Max Bernard Friedman?

"Mr. BOHM. I decline to answer that question on the same three grounds."

* * * * *

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said David Joseph Bohm relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Mr. Bohm, have you ever been a member of the Young Communist League?

"Mr. Bohm, are you now or have you ever been a member of the Communist Party?

"While you were employed by the Manhattan Engineering District, were you a member of the Communist Party or the Communist Political Association or the Young Communist League?

"While employed by the Manhattan Engineering District, did you ever attend Communist Party meetings?

"Did you ever attend a Communist Party meeting with Joseph Weinberg?

"Were you acquainted with Steve Nelson?

"Is Mr. Weinberg a known member of the Communist Party?

"I want again to ask the witness whether or not the witness is acquainted with the fact that Joseph Weinberg is a member of the Communist Party.

"Did you ever attend a Communist Party meeting which was addressed by Steve Nelson?

"Was there a Communist cell or a Communist branch set up among the employees in the radiation laboratory of the University of California?

"Did you ever attend a Communist Party meeting addressed by Rudy Lambert?

"Do you know Rudy Lambert?

"Did you ever attend a Communist Party meeting addressed by Marcel Scherer?

"Do you know Marcel Scherer?

"Did you ever attend a Communist Party meeting with Kenneth May?

"Mr. Bohm, are you acquainted with anyone by the name of Sylvia Crouch?

"Do you know anyone known as Mrs. Paul Crouch?

"Did you ever attend a Communist Party meeting with Irving David Fox?

"Did you ever attend a Communist Party meeting with him? [Giovanni Rossi Lomanitz.]

"Did Mr. Lomanitz recruit you into the Young Communist League, or into the Communist Party of the United States?

"Did you ever attend a Communist Party meeting with Max Bernard Friedman?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 796) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of David Joseph Bohm to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said David J. Bohm may be proceeded against in the manner and form provided by law.

Mr. WOOD. Mr. Speaker, I yield such time as he may desire to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, it seems to me there are two things that should be stated for the record in connection with this case, and what I say in connection with this case will apply to a good many of the other cases being considered.

The first thing is with reference to the question of the proceedings of the committee under the principle that a quorum must be present. As a matter of personal knowledge, I know that the committee has acted on the principle that whenever we conducted an inquiry interrogating these people the names of the committee or the subcommittee designated for that particular hearing were made a part of the record and in each case the presence of the members was noted. Further, when we came to take action on the proceedings, we have never acted except where a quorum of that particular subcommittee was present to make its recommendations to the full committee.

Again, when action on the subcommittee's recommendations was taken by the full committee there always was a quorum determined to be present or we did not act and the records of the committee will so show.

I mention this because of the question which was raised by the gentleman from Michigan [Mr. HOFFMAN] earlier during the consideration of these various citations. The record should be clear, and the Members of the House should know (1) that we never acted as a subcommittee without a specific designation of the subcommittee, (2) that a quorum has been present at the proceedings, and also (3) that a quorum has been present when the recommendation was made to the full committee, and then (4) when the main committee made its citation, that a quorum of the full committee was present.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. McCORMACK. That is in accordance with the provisions of the Legislative Reorganization Act in relation to committee action, is it not?

Mr. CASE of South Dakota. Yes; that is true. It is also because the committee wanted to be very careful that our proceedings were correct and that we would not run into the difficulties which were cited by the gentleman from Michigan in connection with other committee proceedings before certain courts.

The second thing that I want to mention concerns the refuge of the first amendment in connection with the consideration of these citations in this case of David Joseph Bohm, in refusing to answer, Bohm cited the protection of the first amendment. And during the consideration of one of the citations considered yesterday, the question was raised of the protection for freedom of speech under the first amendment. The point was made or suggested, at least, by the gentleman from New York, [Mr. MARCANTONIO] that Congress could not investigate where it could not legislate.

For the purposes of the record in this particular case, and in other applicable citations which we are presenting to the House, I want to call to the attention of the membership the decision of the Supreme Court in the October term 1949, American Communications Association, CIO, et al., versus Douds, Regional Director of the National Labor Relations Board, decided May 8, 1950. I call attention to the fact that in that case in the question of constitutionality over the requirement in the National Labor Relations Act under paragraph 9 (h), the portion of the act which requires the filing of an affidavit of non-Communist membership by the officers of the union, that this particular point was involved.

There the Supreme Court of the United States in the opinion delivered by Justice Vinson, held clearly that the Congress could legislate to require the signing and filing of a non-Communist affidavit in order that a union might come under the benefits of the act.

By the very test suggested yesterday that Congress could not investigate where it could not legislate, I suggest that where the Supreme Court has found that the Congress could legislate, certainly it may investigate.

In that connection I want to read these two sentences from the opinion, and then I shall ask permission for an extension of remarks to insert other excerpts in the RECORD.

At one point the Court said:

Section 9 (h) is designed to protect the public, not against what Communists and others identified therein advocate or believe, but against what Congress has concluded they have done and are likely to do again.

That was said by the Court in connection with the contention that section 9 (h) violated the first amendment.

The Court further said:

We hold therefore that the belief identified in section 9 (h) is a belief in the objective of overthrow by force or by any illegal or unconstitutional methods of the Government of the United States as it now exists under the Constitution and laws thereof.

So, the Supreme Court upheld the right of Congress to determine Communist membership before granting the benefits of an act.

And I submit that since the Supreme Court of the United States specifically held that Congress could legislate to require the filing of an affidavit of non-Communist membership, by the same token the Court would say that Congress may inquire and investigate in that field as a basis for legislative action.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST IRVING DAVID FOX

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2900).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING IRVING DAVID FOX

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Irving David Fox, 1203–C Fifth Street, Berkeley, Calif. The said subpena directed Irving David Fox to be and appear before said Committee on Un-American Activities on September 14, 1949, at the hour of 10: 30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Irving David Fox is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to William A. Wheeler: You are hereby commanded to summon Irving David Fox, 1203–C Fifth Street, Berkeley, Calif., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Washington, on September 14, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 1st day of August 1949.

"JOHN S. WOOD,
"Chairman.

"Attest:

"[SEAL] ROBERT R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by William A. Wheeler, investigator, Committee on Un-American Activities, House of Representatives, who was duly authorized to serve the said subpena. The return of the service by the said William A. Wheeler, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Irving David Fox before the Committee on Un-American Activities, 10:30 a. m., September 14, 1949. Served the within-named individual on Friday, August 19, 1949, 12:40 a. m., at 1203–C Fifth Street, Berkeley, Calif.

"WILLIAM A. WHEELER, *Investigator.*"

On September 8, 1949, a telegram was sent to Mr. Irving David Fox, which is set forth herein in words and figures, as follows:

WASHINGTON, D. C.,
September 8, 1949.

Mr. IRVING DAVID FOX,
1203–C Fifth Street, Berkeley, Calif.

Under the authority of the subpena served upon you on August 19, 1949, your date of

appearance before the Committee on Un-American Activities is hereby postponed until Tuesday, September 27, 1949, at 10:30 a. m.

JOHN S. WOOD, *Chairman.*

The said Irving David Fox, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Irving David Fox, having appeared as a witness and having been asked questions, namely:

"Mr. Fox, the committee has received definite information that a Communist cell existed at the radiation laboratory at the University of California, not only during the period it was performing work on the atomic bomb but also before that period. Were you a member of the Communist cell at the radiation laboratory?

"Have you ever been a member of the Young Communist League?

"Have you been a member at any time of the Communist Political Association?

"Have you ever been a member of the Communist Party of the United States?

"Were you ever a member of the organization known as the American Student Union?

"What, Mr. Witness, is the American Student Union?

"Are you acquainted with Bernadette Doyle?

"Do you recall a conversation about a secret branch of the Communist Party which you had with an organizer of the Communist Party?

"Was there a secret branch of the Communist Party in Alameda County, to your knowledge?

"Is he [David Adelson] known to you as a member of the Communist Party?

"Is John Hite Grove known to you as a member of the Communist Party?

"Was he [Joseph Weinberg] known to you as a member of the Communist Party?

"Did he [Joseph Weinberg] attend any Communist Party meetings with you?

"Are you acquainted with Steve Nelson?

"Did you ever attend a meeting in the apartment of Joseph Weinberg in Berkeley, Calif., in August or any other month in 1943 which was attended by Steve Nelson and Bernadette Doyle or either of them?

"Was she [Muriel Weinberg] a member of the Communist Party, to your knowledge?

"Is he [Giovanni Rossi Lomanitz] known to you as a member of the Communist Party?

"Did you ever attend a meeting in the home of Weinberg at which Lomanitz was present?

"Was he [David Bohm] known to you as a member of the Communist Party?

"Did you ever attend a Communist Party meeting with him [Max Bernard Friedman]?

"Is he [Max Bernard Friedman] known to you as a member of the Communist Party?

"Have Steve Nelson and Bernadette Doyle ever been in the home of Dr. Weinberg at the same time you were there?

"Did you know that Steve Nelson was in Alameda County?

"Was he [Marcel Scherer] known to you as a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of said Irving David Fox's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Irving David Fox.

The record of the proceedings before the committee on September 27, 1949, during which Irving David Fox refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"The subcommittee met, pursuant to call, at 10:30 a. m. in room 226, Old House Office Building, Hon. BURR P. HARRISON presiding.

"Committee members present: Representatives BURR P. HARRISON (presiding), MORGAN M. MOULDER (arriving at a point hereinafter indicated), FRANCIS CASE, and HAROLD H. VELDE.

"Mr. HARRISON. Let the record show the hearing this morning is conducted by a subcommittee appointed by the chairman, consisting of Mr. MOULDER, Mr. NIXON, Mr. CASE, Mr. VELDE, and Mr. HARRISON, a quorum of which is present, consisting of Mr. CASE, Mr. VELDE, and Mr. HARRISON.

"Mr. TAVENNER. Mr. Fox.

"Mr. HARRISON. Do you solemnly swear that, in the testimony you are about to give before this subcommittee, you will speak the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. Fox (Irving David). I do.

* * * * *

"Mr. TAVENNER. Mr. Fox, the committee has received definite information that a Communist cell existed at the radiation laboratory at the University of California, not only during the period it was performing work on the atomic bomb but also before that period. Were you a member of the Communist cell at the radiation laboratory?

"Mr. Fox. I refuse to answer that question on the grounds that it might tend to incriminate me.

"Mr. TAVENNER. Have you ever been a member of the Young Communist League?

"Mr. Fox. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Have you been a member at any time of the Communist Political Association?

"Mr. Fox. I refuse to answer that question, too, on those grounds.

"Mr. TAVENNER. Have you ever been a member of the Communist Party of the United States?

"Mr. Fox. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Were you ever a member of the organization known as the American Student Union?

"Mr. Fox. I refuse to answer that question on the same grounds.

"Mr. HARRISON. What, Mr. Witness, is the American Student Union?

"Mr. Fox. May I consult with my attorney?

"Mr. TAVENNER. Yes.

"(The witness conferred with counsel.)

"Mr. Fox. I refuse to answer that question on the same grounds.

* * * * *

"Mr. TAVENNER. Are you acquainted with Bernadette Doyle?

"Mr. Fox. I refuse to answer the question on the previously stated grounds.

"Mr. TAVENNER. Do you recall on one occasion, in a conversation with an organizer of the Communist Party in Alameda County, Calif., that you suggested that the Communist Party organizer discuss the question of cooperation with a secret branch of the Communist Party?

"Mr. Fox. That I suggested?

"Mr. TAVENNER. Yes.

"Mr. Fox. I don't recall anything like that.

"Mr. TAVENNER. Do you recall a conversation about a secret branch of the Communist Party which you had with an organizer of the Communist Party?

"Mr. Fox. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Was there a secret branch of the Communist Party in Alameda County, to your knowledge?

"Mr. Fox. I refuse to answer the question on the same grounds.

* * * * *

"Mr. TAVENNER. Are you acquainted with David Adelson?

"Mr. Fox. I believe so; yes.

"Mr. TAVENNER. Is he known to you as a member of the Communist Party?

"Mr. Fox. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Are you acquainted with John Hite Grove?

"Mr. Fox. Yes.

"Mr. TAVENNER. And his wife, Jean Grove?

"Mr. Fox. No.

"Mr. TAVENNER. Is John Hite Grove known to you as a member of the Communist Party?

"Mr. Fox. I refuse to answer on the same grounds.

"(The witness conferred with counsel.)

* * * * *

"Mr. TAVENNER. Are you acquainted with Joseph Weinberg?

"Mr. Fox. Yes.

"Mr. TAVENNER. Was he likewise employed at the radiation laboratory while you were there?

"Mr. Fox. I don't know what his connection was. I think he was employed by the physics department during all that period.

"Mr. TAVENNER. Was he known to you as a member of the Communist Party?

"Mr. Fox. I refuse to answer the question on the same grounds.

"Mr. TAVENNER. Did he attend any Communist Party meetings with you?

"Mr. Fox. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Are you acquainted with Steve Nelson?

"Mr. Fox. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Did you ever attend a meeting in the apartment of Joseph Weinberg in Berkeley, Calif., in August or any other month in 1943 which was attended by Steve Nelson and Bernadette Doyle, or either of them?

"Mr. Fox. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Did you know Muriel Weinberg, the wife of Joseph Weinberg?

"Mr. Fox. Yes.

"Mr. TAVENNER. Was she a member of the Communist Party, to your knowledge?

"Mr. Fox. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Are you acquainted with Giovanni Rossi Lomanitz?

"Mr. Fox. Yes.

"Mr. TAVENNER. Is he known to you as a member of the Communist Party?

"Mr. Fox. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Did you ever attend a meeting in the home of Weinberg at which Lomanitz was present?

"Mr. Fox. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Are you acquainted with David Bohm?

"Mr. Fox. Yes.

"Mr. TAVENNER. Was he known to you as a member of the Communist Party?

"Mr. Fox. I refuse to answer that question on the same ground.

"Mr. TAVENNER. Was your father a member of the Communist Party?

"Mr. Fox. I wonder if that question has any bearing on the case. I might state that my views are independent, that I come to my own conclusions independently of my father, and if it has no other bearing on the case than to associate me with him because of the fact that I am his son, I would prefer not to answer that.

"Mr. HARRISON. The question is whether or not your father is a member of the Communist Party.

"(The witness conferred with counsel.)

"Mr. FOX. In that case I refuse to answer the question on the same ground.

* * * * *

"Mr. TAVENNER. Are you acquainted with Max Bernard Friedman?

"Mr. FOX. Yes.

"Mr. TAVENNER. Who is now known as Ken Max Manfred?

"Mr. FOX. Yes.

"TAVENNER. You knew the fact he had changed his name in 1945?

"Mr. FOX. I don't know when he changed his name. I learned of it only recently.

"Mr. TAVENNER. Did you ever attend a Communist Party meeting with him?

"Mr. FOX. I refuse to answer the question on the same ground.

"Mr. TAVENNER. Is he known to you as a member of the Communist Party?

"Mr. FOX. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. I have no further questions.

* * * * *

"Mr. VELDE. Have Steve Nelson and Bernadette Doyle ever been in the home of Dr. Weinberg at the same time you were there?

"Mr. FOX. I refuse to answer that question on the same grounds.

* * * * *

"Mr. TAVENNER. You have declined to testify regarding Steve Nelson, so I am going to ask you specifically, did you report to any responsible authority that Steve Nelson was in Alameda County?

"Mr. FOX. I did not.

"Mr. TAVENNER. Did you know that Steve Nelson was in Alameda County?

"Mr. FOX. I refuse to answer that question on the same grounds.

"Mr. TAVENNER. Do you know Marcel Scherer?

* * * * *

"Mr. TAVENNER. Was he known to you as a member of the Communist Party?

"Mr. FOX. I refuse to answer that question on the same grounds."

* * * * *

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Irving David Fox relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Mr. Fox, the committee has received definate information that a Communist cell existed at the radiation laboratory at the University of California, not only during the period it was performing work on the atomic bomb but also before that period. Were you a member of the Communist cell at the radiation laboratory?

"Have you ever been a member of the Young Communist League?

"Have you been a member at any time of the Communist Political Association?

"Have you ever been a member of the Communist Party of the United States?

"Were you ever a member of the organization known as the American Student Union?

"What, Mr. Witness, is the American Student Union?

"Are you acquainted with Bernadette Doyle?

"Do you recall a conversation about a secret branch of the Communist Party which you had with an organizer of the Communist Party?

"Was there a secret branch of the Communist Party in Alameda County, to your knowledge?

"Is he [David Adelson] known to you as a member of the Communist Party?

"Is John Hite Grove known to you as a member of the Communist Party?

"Was he [Joseph Weinberg] known to you as a member of the Communist Party?

"Did he [Joseph Weinberg] attend any Communist Party meetings with you?

"Are you acquainted with Steve Nelson?

"Did you ever attend a meeting in the apartment of Joseph Weinberg in Berkeley, Calif., in August or any other month in 1943 which was attended by Steve Nelson and Bernadette Doyle, or either of them?

"Was she [Muriel Weinberg] a member of the Communist Party, to your knowledge?

"Is he [Giovanni Rossi Lomanitz] known to you as a member of the Communist Party?

"Did you ever attend a meeting in the home of Weinberg at which Lomanitz was present?

"Was he [David Bohm] known to you as a member of the Communist Party?

"Did you ever attend a Communist Party meeting with him [Max Bernard Friedman]?

"Is he [Max Bernard Friedman] known to you as a member of the Communist Party?

"Have Steve Nelson and Bernadette Doyle ever been in the home of Dr. Weinberg at the same time you were there?

"Did you know that Steve Nelson was in Alameda County?

"Was he [Marcel Scherer] known to you as a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 797) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Irving David Fox to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Irving David Fox may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST CLARENCE HISKEY

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2901).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING CLARENCE HISKEY

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Clarence Hiskey, Polytechnic Institute of Brooklyn, 85 Livingston Street, Brooklyn, N. Y. The said subpena directed Clarence Hiskey to be and appear before said Committee on Un-American Activities on May 24, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committe, and not to depart without leave of said committee. The subpena served upon Clarence Hiskey is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to C. E. Owens and/or C. E. McKillips: You are hereby commanded to summon Clarence Hiskey, Polytechnic Institute of Brooklyn, 85 Livingston Street, Brooklyn, N. Y., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Washington, on May 24, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 10th day of May, 1949.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by C. E. Owens, investigator, House of Representatives, who was duly authorized to serve the said subpena. The return of the service by the said C. E. Owens, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Clarence Hiskey before the Committee on Un-American Activities. Served the within-named individual in the office of the Department of Chemistry, Brooklyn Polytechnic Institute, 85 Livingston, Brooklyn, N. Y.

"C. E. OWENS,
"Investigator, House of Representatives."

The said Clarence Hiskey, pursuant to said subpena, and in compliance therewith, appeared before the said committee on May 24, 1949, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Clarence Hiskey having appeared as a witness and having been asked the questions, namely:

"Mr. Hiskey, what employee of the SAM project advised you that John Hitchcock Chapin was in Cleveland, Ohio, at the time you visited him in Cleveland during the latter part of April 1944?

"Mr. Hiskey, while you were employed by the University of Tennessee, did you at any time ever attend any Communist Party meetings?

"Did you ever pay dues to the Communist Party of the United States?

"Did you ever attend a meeting of the central control commission of the Communist Party?

"Did you ever assist any member or members of the Communist Party in the attempted infiltration of the Tennessee Valley Authority?

"Mr. Hiskey, are you now or have you ever been a member of the Communist Party of the United States?

"Mr. Hiskey, do you know Paul Crouch, C-r-o-u-c-h?

"Mr. Hiskey, I ask you if you have ever seen this individual [Paul Crouch]?

"Have you ever attended any Communist Party meetings where this individual [Paul Crouch] was present?

"Have you ever known him [Paul Crouch] as a member of the Communist Party of the United States?

"Who is Kenneth May?

"Mr. Hiskey, while in Knoxville, Tenn., or its vicinity, did you ever pay Communist Party dues to an individual named David Stone Martin?

"Have you ever been a member of the Young Communist League?

"Did you, while you were attached to the atomic energy installations, turn over information to any unauthorized person?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Clarence Hiskey's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Clarence Hiskey.

The record of the proceedings before the committee on May 24, 1949, during which the said Clarence Hiskey, after having been duly sworn, refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"The Committee on Un-American Activities met pursuant to call at 11 a. m. in room 226, Old House Office Building, Hon. JOHN S. WOOD (chairman) presiding.

"Committee members present: Hon. JOHN S. WOOD, chairman; FRANCIS E. WALTER, BURR P. HARRISON, MORGAN M. MOULDER, RICHARD M. NIXON, FRANCIS CASE, and HAROLD H. VELDE.

* * * * *

"Mr. WOOD. Let the committee be in order.

"The record will show that Mr. WALTER, Mr. MOULDER, Mr. NIXON, Mr. CASE, Mr. VELDE, and the chairman are present.

* * * * *

"Mr. WOOD. Mr. Hiskey, do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. HISKEY. I do.

* * * * *

"Mr. WOOD. We will adjourn until 3 o'clock.

"The Committee on Un-American Activities met pursuant to call at 3:40 p. m. in room 226 Old House Office Building, Hon. JOHN S. WOOD, chairman, presiding.

"Committee members present: Hon. JOHN S. WOOD, chairman; FRANCIS E. WALTER, BURR P. HARRISON, MORGAN M. MOULDER, RICHARD M. NIXON, and HAROLD H. VELDE.

* * * * *

"Mr. RUSSELL. At that time you declined to answer pertinent questions on the ground that to answer might tend to incriminate you. In a report issued by the committee on September 28, 1948, it was stated that you had been a chemist engaged in chemical research on the SAM project which had to do with the development of the atomic bomb. It was stated in the report mentioned that you were ordered to active duty in the United States Army for limited military service on April 28, 1944. It was stated that you had in your effects a personal notebook which contained notes on the atomic bomb project in Chicago, Ill.; that on the day you were called to active duty in the Army you met one Arthur Adams in Chicago, who was described in this report as a Soviet agent who had secured information relating to the atomic bomb.

"The report states that you made a trip to Cleveland, Ohio, shortly after you were notified that you were to be inducted into the United States Army to meet with one John Hitchcock Chapin, a chemical engineer employed on the atomic project. It was stated in the report that you urged Chapin to meet with Arthur Adams and furnish him with information as to the progress being made in the development of the atomic bomb.

"It was stated in the report that at the meeting which took place in Cleveland, Ohio, in the hotel room of Chapin, you received a key from Chapin which you later gave to Arthur Adams in order that the key could be returned to Chapin at the time Adams met him, so as to assure Chapin that the person he was meeting was actually Arthur Adams.

"It was stated in this report, Mr. Hiskey, that even the very fact that Mr. Chapin was in Cleveland was a secret within the Manhattan Engineering District project itself.

"Mr. Hiskey, do you wish to confirm or deny the statements which have just been read to you?

"Mr. HISKEY. On advice of counsel, I refuse to answer that question on the ground that it will tend to incriminate me.

"Mr. RUSSELL. Mr. Hiskey, what employee of the SAM project advised you that John Hitchcock Chapin was in Cleveland, Ohio, at the time you visited him in Cleveland during the latter part of April 1944?

"Mr. HISKEY. I refuse to answer that question on the grounds that it will tend——

* * * * *

"Mr. RUSSELL. Mr. Hiskey, while you were employed by the University of Tennessee, did you at any time ever attend any Communist Party meetings?

"Mr. HISKEY. I refuse to answer that question on the grounds that it will tend to incriminate me.

"Mr. RUSSELL. Did you ever pay dues to the Communist Party of the United States?

"Mr. HISKEY. I refuse to answer that question on the grounds that it will tend to incriminate me.

"Mr. RUSSELL. Did you ever attend a meeting of the central control commission of the Communist Party?

"Mr. HISKEY. I refuse to answer that question on the grounds that it will tend to incriminate me.

"Mr. RUSSELL. Did you ever assist any member or members of the Communist Party in the attempted infiltration of the Tennessee Valley Authority?

"Mr. HISKEY. I refuse to answer that question on the grounds that it will tend to incriminate me.

"Mr. RUSSELL. Mr. Hiskey, are you now or have you ever been a member of the Communist Party of the United States?

"Mr. HISKEY. I refuse to answer that question on the grounds that it will tend to incriminate me.

"Mr. RUSSELL. Mr. Hiskey, do you know Paul Crouch, C-r-o-u-c-h?

"Mr. HISKEY. I refuse to answer that question on the grounds that it will tend to incriminate me.

"(The witness conferred with counsel.)

"Mr. RUSSELL. Mr Chairman, will you swear Mr. Paul Crouch as a witness?

"Mr. WOOD. Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth so help you God?

"Mr. CROUCH. I do.

"Mr. RUSSELL. Will you stand, please (addressing Mr. Hiskey)?

"(Mr. Hiskey stood at the witness table.)

"Mr. RUSSELL. Mr. Hiskey, I ask you if you have ever seen this individual?

"Mr. HISKEY. I refuse to answer that question on the grounds that it will tend to degrade or incriminate me.

"Mr. RUSSELL. Have you ever attended any Communist Party meetings where this individual was present?

"Mr. HISKEY. I refuse to answer that question on the grounds that it will tend to degrade or incriminate me.

"Mr. RUSSELL. Have you ever known him as a member of the Communist Party of the United States?

"Mr. HISKEY. I refuse to answer that question—perhaps I will check with counsel.

"(The witness, Mr. Hiskey, conferred with counsel.)

"Mr. WOOD. You may be seated now, Mr. Hiskey, if you desire.

"(Mr. Hiskey reseated himself at the witness table.)

"Mr. RUSSELL. Are you acquainted with David Stone Martin?

"Mr. HISKEY. I'm taking back my remark that I just made. I started to answer your last question, and I want to check with counsel on it.

"Mr. RUSSELL. All right.

"Mr. HISKEY. Would you give me the question again, please?

"Mr. RUSSELL. The last one?

"Mr. COLLOMS. Before the Stone Martin thing.

"Mr. RUSSELL. Have you ever known him as a member of the Communist Party of the United States.

"Mr. HISKEY (after conferring further with counsel). I refuse to answer that question on the grounds that it will tend to degrade or incriminate me.

"Mr. WALTER. Now, at this point, Mr. Chairman, I would like to ask a question.

"Mr. WOOD. Very well, Mr. Walter.

"Mr. WALTER. What section of the Constitution gives anyone a right to claim immunity to answer a question on the grounds it might degrade him?

"Mr. COLLUMS. Are you asking that of counsel or the witness?

"Mr. WALTER. I am asking the witness that question. You declined to answer on the ground it might degrade you. I would like to know what section of the Constitution you are now setting up.

"Mr. HISKEY. Customary usage when invoking the fifth amendment.

"Mr. WALTER. Customary where?

"Mr. HISKEY. Well, I have to ask my counsel to answer that question for you, but I am told by him the customary usage in invoking the fifth amendment is to use the words 'tend to degrade or incriminate me.'

"Mr. WALTER. I have heard that reason given for declining to answer a question on numerous occasions, but I do not know—and I have some knowledge of the Constitution—what section gives anyone the right to refuse to answer a question on the ground that it might be degrading.

"Mr. HISKEY. May I ask counsel to answer?

"Mr. COLLOMS. I will answer that if I may.

"Mr. WALTER. No; I don't care to have you.

"Mr. WOOD. There would be no objection, Mr. Attorney, to your conferring with your client if he desires to answer on your advice.

"(The witness conferred with counsel.)

"Mr. HISKEY. Do you object to my using the word 'degrade'? Is that what you want?

"Mr. WALTER. No; I do not object to your using the word 'degrade' but I do not like to have read into these proceedings excuses for not answering questions that are not bona fide or reasons that the Constitution has not provided for. And nowhere in the Constitution is the expression used that you and other witnesses who have testified before this

committee have given as reasons why they would not answer a question.

"Mr. HISKEY. Well, you recall we had this discussion before, and I dropped the word 'degrade.'

"Mr. WOOD. You desire to drop it now?

"Mr. HISKEY. Well, I have dropped it consistently. I may have inadvertently put it in before.

"Mr. VELDE. Mr. Chairman, I would like to ask one question at this point.

"Mr. WOOD. Mr. VELDE.

"Mr. VELDE. How would your acquaintanceship with Mr. Crouch tend to incriminate you?

"Mr. HISKEY (after conferring with counsel). I refuse to answer that question on the grounds that it may tend to incriminate me.

"Mr. WOOD. I was preparing to ask you how would it tend to incriminate you to answer whether or not you knew Kenneth May, the question that you were asked in executive session. Your answer at that time was that an answer to that question would tend to incriminate you; was it not?

"Mr. HISKEY. That is correct.

"Mr. WOOD. And would that be your answer to it now?

"Mr. HISKEY. Yes, sir.

"Mr. WOOD. Could you explain to the committee in what manner it would tend to incriminate you and what reasons you have for so stating to say whether or not you knew Kenneth May?

"Mr. HISKEY. No; I refuse to answer that question, too, on the grounds it may tend to incriminate me.

"Mr. WALTER. Who is Kenneth May?

"Mr. HISKEY. I refuse to answer that question.

"Mr. WALTER. How could your answering the question incriminate you if you do not even know who the person is that you are being asked about?

"Mr. HISKEY. I refuse to answer that question on the grounds that it may tend to incriminate me.

"(The witness conferred with counsel.)

"Mr. WOOD. Proceed Mr. Counsel.

"Mr. RUSSELL. Mr. Hiskey, while in Knoxville, Tenn., or its vicinity, did you ever pay Communist Party dues to an individual named David Stone Martin?

"Mr. HISKEY. I refuse to answer that question on the grounds that it may tend to incriminate me.

"Mr. RUSSELL. Do you still hold the Reserve commission in the United States Army?

"Mr. HISKEY (after conferring with counsel). I do.

"Mr. RUSSELL. Have you ever been a member of the Young Communist League?

"Mr. HISKEY. I refuse to answer that question on the grounds that it may tend to incriminate me.

* * * * *

"Mr. NIXON. Mr. Hiskey, under the Constitution, as you of course have been advised by counsel, you can refuse to answer questions on the ground that they will tend to incriminate you. The reason that this hearing was moved from executive into open session was that in executive you followed the same line.

"Now, the matters in the committee report which the chief investigator has read to you involve, at least in the minds of the members of the committee, rather serious charges, and I was curious as to whether or not, when you were employed in the atomic installations during the war period, at that time you did execute or sign any kind of loyalty oath to the United States. Do you recall whether you did or not?

"Mr. HISKEY. There was a general personnel form which I filled out.

"Mr. NIXON. Yes.

"Mr. HISKEY. Which is about all that I can recall.

"Mr. NIXON. You do not recall whether that involved the usual statement of loyalty to the Government or not?

"(The witness conferred with counsel.)

"Mr. NIXON. If you do not remember, it is all right. Say that you do not.

"Mr. COLLOMS. I am just going to ask him whether he remembers or not.

"(The witness conferred with counsel.)

"Mr. HISKEY. I don't know specifically whether there was such an oath on there, but I wouldn't have any objection to taking such an oath anytime.

"Mr. NIXON. That is what I meant. Well, here is your oath (looking at a document handed him by a staff member) when you became a second lieutenant in the Chemical Warfare Service. I guess it was in the Army.

"Mr. WOOD. Present it to him, please.

"(Mr. Nixon handed the document to Mr. Hiskey.)

"Mr. NIXON. Do you recall having signed that when you went into the Army?

"Mr. HISKEY. Yes; what's wrong with it?

"Mr. WOOD. Is that your signature that is on it?

"Mr. HISKEY. Oh, sure.

"Mr. WALTER. Mr. Chairman, may I suggest that that be made part of the record?

"Mr. WOOD. I was just going to direct that it be made part of the record.

"Mr. NIXON. This will be placed in the record, but for purposes of asking a question I would like to read from the oath:

" 'I, Clarence Francis Hiskey, having been appointed a second lieutenant in the Officers' Reserve Corps of the Army of the United States, do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office upon which I am about to enter.'

"Now, in the opinion of the members of the committee, having heard the charges which were involved in the committee's report of last year, the charges involved without any question reflected upon the matter of loyalty, because they reflected upon whether or not you were involved in turning over information to a foreign government in an unauthorized manner.

"Now, my first question is: Do you believe that turning over atomic information to, shall we say, Arthur Adams, or any other representative of the Russian Government would be a disloyal act?

"Mr. HISKEY. (After conferring with counsel.) I most certainly do.

"Mr. NIXON. Did you turn over any such information?

"Mr. HISKEY. (After conferring with counsel.) I refuse to answer that question on the grounds——

"Mr. NIXON. Can't you see the implication of your answer, Mr. Hiskey? You have indicated you have signed a loyalty oath to the Government of the United States. You said that you would be perfectly willing to execute one. You have said that it would be a disloyal act to turn over information. I asked you the simple question as to whether you did. A 'No' answer to that question would indicate clearly you were completely loyal to the United States.

"Now, I think that in the interest of the committee's investigations, you could answer 'No' in the event you had not turned over information, and I would like to give you another opportunity. Did you, while you were attached to the atomic energy installations, turn over information to any unauthorized person?

"Mr. HISKEY (after conferring with counsel). I still refuse to answer that question on the grounds that it will tend to incriminate me.

"Mr. NIXON. But you would consider it to be a disloyal act for somebody to turn over such information; would you not?

"Mr. HISKEY. I most certainly would."

* * * * *

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Clarence Hiskey relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Mr. Hiskey, what employee of the SAM project advised you that John Hitchcock Chapin was in Cleveland, Ohio, at the time you visited him in Cleveland during the latter part of April 1944?

"Mr. Hiskey, while you were employed by the University of Tennessee, did you at any time ever attend any Communist Party meetings?

"Did you ever pay dues to the Communist Party of the United States?

"Did you ever attend a meeting of the central control commission of the Communist Party?

"Did you ever assist any member or members of the Communist Party in the attempted infiltration of the Tennessee Valley Authority?

"Mr. Hiskey, are you now or have you ever been a member of the Communist Party of the United States?

"Mr. Hiskey, do you know Paul Crouch, C-r-o-u-c-h?

"Mr. Hiskey, I ask you if you have ever seen this individual? [Paul Crouch].

"Have you ever attended any Communist Party meetings where this individual [Paul Crouch] was present?

"Have you ever known him [Paul Crouch] as a member of the Communist Party of the United States?

"Who is Kenneth May?

"Mr. Hiskey, while in Knoxville, Tenn., or its vicinity, did you ever pay Communist Party dues to an individual named David Stone Martin?

"Have you ever been a member of the Young Communist League?

"Did you, while you were attached to the atomic energy installations, turn over information to any unauthorized person?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 798), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Clarence Hiskey to answer questions before the said Committee on Un-American

Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Clarence Hiskey may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST FRANK HASHMALL

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2902).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING FRANK HASHMALL

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution No. 5 of the Eighty-first Congress, caused to be issued a subpena to Frank Hashmall, 3459 Harvey Avenue, Cincinnati, Ohio. The said subpena directed Frank Hashmall to be and appear before said Committee on Un-American Activities on July 12, 1950, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Frank Hashmall is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States marshal, Cincinnati, Ohio: You are hereby commanded to summon Frank Hashmall, 3459 Harvey Avenue, Cincinnati, Ohio, to be and appear before the Un-American Activities Committee of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Washington, on July 12, 1950, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 30th day of June 1950.

"JOHN S. WOOD,
"Chairman.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by H. K. Claypool, United States marshal, southern district of Ohio, who was duly authorized to serve the said subpena. The return of the service by the said H. K. Claypool, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Frank Hashmall, 3459 Harvey Avenue, Cincinnati, Ohio, before the committee on the 12th day of July 1950 at 10:30 a. m. Served Frank Hashmall, personally, on July 3, 1950, at new and corrected address, 3595 Wilson Avenue, Cincinnati, Ohio, in Hamilton County.

"H. K. CLAYPOOL,
"United States Marshal, Southern District of Ohio.
"By ERNEST V. D'AMICO, *Deputy.*"

The hearing conducted by the committee was not completed on that day and was on July 12, 1950, continued through July 14, 1950, on which day Mr. Hashmall appeared and testified.

The said Frank Hashmall, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Frank Hashmall, having appeared as a witness and having been asked questions, namely:

"Do you know whether Marge McCreary Brown was his [Phill Parr's] secretary?

"Was Esther Tice known to you to be a member of the Communist Party?

"Was Talmage Raley a member of the Communist Party to your knowledge?

"Were you at any time a member of the American Youth for Democracy organization?

"The Daily Worker of April 1, 1948, lists you as executive secretary of the Communist Party of Franklin County, Ohio. Were you executive secretary of the Communist Party of Franklin County, Ohio, on that date?

"Will you tell the committee whether you were acquainted with any of the organizers of the UE in Cincinnati?

"Possibly you misunderstood my question. Are you acquainted with any organizer of the UE in Cincinnati?

"During the period the United States was at war, what was your employment?

"Mr. Hashmall, are you a member of the Ohio Labor Conference for Peace at this time?

"Mr. Hashmall, are you at the present time a member of the Communist Party?

"Have you ever been a member of the Communist Party?

"Did you testify in that trial [the trial of the 11 Communists in New York City] that you were a member of the Communist Party?

"In the light of that testimony I will ask you again if you are a member of the Communist Party?

"In the light of that testimony you have just given I will ask you again if you have ever been a member of the Communist Party?

"Didn't you testify in New York at the trial just referred to as to the aims and objectives of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of Frank Hashmall's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Frank Hashmall.

The record of the proceedings before the committee on July 14, 1950, during which Frank Hashmall refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"A subcommittee of the Committee on Un-American Activities, comprising Representatives JOHN S. WOOD, chairman, FRANCIS E. WALTER, HAROLD H. VELDE, and BERNARD W. KEARNEY, heard the testimony of Frank Hashmall on the 14th day of July 1950.

"Mr. WOOD. You solemnly swear the evidence you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. HASHMALL. I do.

* * * * * *

"Mr. TAVENNER. What position did Mr. Phil Parr have with the Fur and Leather Workers Union in Cincinnati?

"Mr. HASHMALL. I believe he was connected with the Fur and Leather Workers Union. I don't know the exact title that he had.

"Mr. TAVENNER. Do you know whether Marge McCreary Brown was his secretary?

"Mr. HASHMALL. I decline to answer that question on grounds that it might tend to incriminate me.

"Mr. TAVENNER. Will you explain to the committee how the answer to a question as to whether or not Marge McCreary Brown was secretary to Mr. Phil Parr would tend to incriminate you?

"Mr. HASHMALL. Well, sir, to answer that question would tend to incriminate me.

"Mr. TAVENNER. Will you give the committee any information upon which it may base a judgment as to whether or not it would tend to incriminate you to answer such question?

"Mr. HASHMALL. Well, sir, any information that I could give you along that line would fall into the category of information which would tend to incriminate me.

"Mr. TAVENNER. Was Esther Tice known to you to be a member of the Communist Party?

"Mr. HASHMALL. I refuse to answer that question on the grounds that to answer it might tend to incriminate me.

"Mr. TAVENNER. Was Talmadge Raley a member of the Communist Party to your knowledge?

"Mr. HASHMALL. I refuse to answer that question on the grounds that to answer it might tend to incriminate me.

"Mr. TAVENNER. Were you at any time a member of the American Youth for Democracy organization?

"Mr. HASHMALL. I refuse to answer that question on the grounds that to answer it might tend to incriminate me.

"Mr. TAVENNER. The Daily Worker of April 1, 1948, lists you as executive secretary of the Communist Party, Franklin County, Ohio. Were you executive secretary of the Communist Party of Franklin County, Ohio, on that date?

"Mr. HASHMALL. I refuse to answer that question on the grounds that to answer it might tend to incriminate me.

"Mr. TAVENNER. Will you tell the committee whether you were acquainted with any of the organizers of the UE in Cincinnati?

"Mr. HASHMALL. I refuse to answer that question on the grounds that to answer it might tend to incriminate me.

"Mr. TAVENNER. Do you mean by that that the admission of acquaintanceship with any member or any organizer of the UE would tend to incriminate you?

"Mr. HASHMALL. I mean by that that my answer to the question you asked would tend to incriminate me.

"Mr. TAVENNER. Possibly you misunderstood my question. Are you acquainted with any organizer of the UE in Cincinnati?

"Mr. HASHMALL. I feel that to answer that question might tend to incriminate me.

"Mr. TAVENNER. During the period the United States was at war, what was your employment?

"Mr. HASHMALL. Until 1943 I worked in New York City in the garment industry, at various jobs in the garment industry in New York City. After that I refuse to state what my employment was on the grounds that it would tend to incriminate me.

* * * * * *

"Mr. TAVENNER. Mr. Hashmall, are you a member of the Ohio Labor Conference for Peace at this time?

"Mr. HASHMALL. I refuse to answer that question also on the grounds that it might tend to incriminate me.

"Mr. TAVENNER. Will you explain your answer?

"Mr. HASHMALL. Well, sir, my feeling is that to go into an explanation of that answer would also lead to self-incrimination.

"Mr. TAVENNER. Do you mean to say that the Ohio Labor Conference for Peace is such an organization that to admit membership in it might tend to incriminate you?

"Mr. HASHMALL. I don't wish to state what kind of an organization it is. I just wish to

state that to answer that question, in my opinion, would tend to incriminate me.

"Mr. WALTER. What do you base your opinion on?

"Mr. HASHMALL. Well, sir, I am not a lawyer. My feeling is that it would tend to incriminate me; and further, my feeling is that to attempt to give reasons for it would lead to the same thing.

* * * * *

"Mr. WOOD. Mr. Hashmall, are you at the present time a member of the Communist Party?

"Mr. HASHMALL. Well, sir, I decline to answer that question on the grounds that to answer it might tend to incriminate me.

"Mr. WOOD. Have you ever been a member of the Communist Party?

"Mr. HASHMALL. I refuse to answer that question, sir, on the same grounds that it might tend to incriminate me.

"Mr. WOOD. Weren't you a witness in the trial of the 11 Communists in New York City?

"Mr. HASHMALL. That is right, sir.

"Mr. WOOD. Did you testify in that trial?

"Mr. HASHMALL. I did, sir.

"Mr. WOOD. Did you testify in that trial that you were a member of the Communist Party?

"Mr. HASHMALL. I refuse to answer that question, sir, on the grounds that to answer it might tend to incriminate me.

"Mr. WOOD. Was that question asked you in the trial in New York just referred to when you were on the witness stand?

"Mr. HASHMALL. I don't recall being asked that particuluar question.

"Mr. WOOD. Were you asked a question involving your membership in the Communist Party?

"Mr. HASHMALL. Oh, I imagine so, sir.

"Mr. WOOD. Don't you know you were?

"Mr. HASHMALL. I don't remember the specific form of questions that were asked me, but as I recall there probably were questions involving my membership or asking me whether I was or was not a member of the Communist Party.

"Mr. WOOD. Did you decline to answer those questions then?

"Mr. HASHMALL. I did not, sir.

"Mr. WOOD. In the light of that testimony, I will ask you again if you are a member of the Communist Party?

"Mr. HASHMALL. Well, sir, I decline to answer that question on the grounds that to answer it might tend to incriminate me.

"Mr. WOOD. In the light of that testimony you have just given, I will ask you again if you have ever been a member of the Communist Party?

"Mr. HASHMALL. I decline to answer that, sir, on the grounds that to answer it might tend to incriminate me.

"Mr. WALTER. Didn't you testify in New York at the trial just referred to as to the aims and objectives of the Communist Party?

"Mr. HASHMALL. To answer that question, sir, at this time I feel would tend to incriminate me.

"Mr. WALTER. If you answered those questions under oath on the witness stand in New York, why do you feel it would incriminate you to answer the same questions now?

"Mr. HASHMALL. I feel, first of all, that trial was concluded and a judgment reached, temporarily, in relation to that trial, and I feel that these questions in this committee, my answering them might tend to incriminate me.

"Mr. WALTER. The fact of the matter is at that trial you appeared as a witness for the defendants and you testified as to what the Communist Party of the United States stood for, and you testified from your own knowledge because of your membership in the Communist Party. Is that not the fact?

"Mr. HASHMALL. I am sorry. I will have to decline to answer that question on the grounds that it might tend to incriminate me.

"Mr. WALTER. Do you think it might incriminate you in this hearing, which is not a criminal proceeding, to testify to facts you have already testified to under oath in a criminal proceeding?

"Mr. HASHMALL. As I stated before, I am not a lawyer. It is my belief that to answer these questions at this committee meeting might tend to incriminate me.

"Mr. WALTER. Why do you feel it might tend to incriminate you to answer questions asked you at a previous trial which you answered?

"Mr. HASHMALL. I am not a lawyer. That is my belief. And to discuss the whys and wherefores, I feel, would be in the same category of questions and answers which might tend to incriminate me.

"Mr. WALTER. You have refused to answer the question as to what your employment was since 1943. Is that because your employment since 1943 was of such a nature that you might be indicted or might find yourself in trouble because of that employment?"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Frank Hashmall relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate; and the refusal of the witness to answer questions, namely:

"Do you know whether Marge McCreary was his [Phill Parr's] secretary?

"Was Esther Tice known to you to be a member of the Communist Party?

"Was Talmadge Raley a member of the Communist Party to your knowledge?

"Were you at any time a member of the American Youth for Democracy organization?

"The Daily Worker of April 1, 1948, lists you as executive secretary of the Communist Party, Franklin County, Ohio. Were you executive secretary of the Communist Party of Franklin County, Ohio, on that date?

"Will you tell the committee whether you were acquainted with any of the organizers of the UE in Cincinnati?

"Possibly you misunderstood my question. Are you acquainted with any organizer of the UE in Cincinnati?

"During the period the United States was at war, what was your employment?

"Mr. Hashmall, are you at the present time a member of the Communist Party?

"Have you ever been a member of the Communist Party?

"Did you testify in that trial [the trial of the 11 Communists in New York City] that you were a member of the Communist Party?

"In the light of that testimony [the testimony in the trial of the 11 Communists in New York City] I will ask you again if you are a member of the Communist Party?

"In the light of that testimony you have just given, I will ask you again if you have ever been a member of the Communist Party?

"Didn't you testify in New York at the trial just referred to as the aims and objectives of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report.) Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 799), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Frank Hashmall to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Frank Hashmall may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST TALMADGE RALEY

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2903).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING TALMADGE RALEY

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Talmadge Raley, 103 Jackson Street, Lockland, Ohio. The said subpena directed Talmadge Raley to be and appear before said Committee on Un-American Activities on July 12, 1950, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Talmadge Raley is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America. To United States Marshal, Cincinnati, Ohio: You are hereby commanded to summon Talmadge Raley, 103 Jackson, Lockland, Ohio, to be and appear before the Un-American Activities Committee of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chambers in the city of Washington, on July 12, 1950, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 30th day of June 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Ernest V. D'Amico, deputy, who was duly authorized to serve the said subpena. The return of the service by the said Ernest D'Amico, being

endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Talmadge Raley, 103 Jackson Street, Lockland, Ohio, before the committee on the 12th day of July 1950, at 10:30 a. m., served Talmadge Raley, personally, at place of employment, 1930 Vine Street, Cincinnati, Ohio, in Hamilton County on July 5, 1950.

"H. K. CLAYPOOL,
"*United States Marshal,*
Southern District of Ohio.
"By ERNEST V. D'AMICO,
"Deputy."

The hearing conducted by the committee on July 12, 1950, was not completed on that day and was continued through July 14, 1950, on which day Mr. Raley appeared and testified.

The said Talmadge Raley pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Talmadge Raley having appeared as a witness, and having been asked questions, namely:

"Was Esther Tice one of them? [Organizer for the UE.]

"Were you acquainted with Ruth Schechter?

"Do you know John Boggs?

"Do you know Phil Parr, P-a-r-r?

"Do you know Waldo Stager?

"Do you know Cecil Scott?

"Did you hold any position in the Communist Party while you were organizer for the UE?

"Will you tell us whether as an organizer of the UE the Communist Party exercised any influence over the actions of UE officials?

"Do you know of any organizations other than the UE in Cincinnati in which the Communist Party was active, through its members?

"What organizations were you a member of other than the UE?

"Did you ever learn why she [Margaret Gruss] didn't come back?

"Was she [Margaret Gruss], a member of the Communist Party?

"Do you know whether or not she was a member of the Communist Party?

"To become employed as secretary in that office, was it necessary to be a member of the Communist Party?

"Could a stenographer be employed in that office without becoming a member of the Communist Party and having its approval?

"According to the Daily Worker of December 19, 1949, Mr. Raley, you were to be one of the sponsors of the Ohio Labor Conference for Peace. Will you explain to the committee in detail how you became a sponsor of this organization?

"Did you circulate any petitions or do any work of any character in promotion of that organization, the Ohio Labor Conference for Peace?

"Mr. Raley, are you a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Talmadge Raley's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Talmadge Raley.

The record of the proceedings before the committee on July 14, 1950, during which the said Talmadge Raley refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact, as follows:

"A subcommittee of the Committee on Un-American Activities met pursuant to adjournment at 10 a. m., in room 226, Old House Office Building, Hon. JOHN S. WOOD, chairman, presiding. Committee members present: Representatives JOHN S. WOOD, chairman, FRANCIS E. WALTER, JOHN MCSWEENEY (arriving as noted), HAROLD H. VELDE (arriving as noted), and BERNARD W. KEARNEY.

"Mr. WOOD. Hold up your right hand, please. You solemnly swear the evidence you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. RALEY. I do.

* * * * *

"Mr. TAVENNER. You, of course became acquainted with other organizers of the UE in that area, did you not?

"Mr. RALEY. I think it would be natural to conclude that working in that organization I became acquainted with other people of that nature, yes.

"Mr. TAVENNER. Was Esther Tice one of them?

"Mr. RALEY. Well, gentleman, frankly, I am rather proud of my associates, I like to be connected with them, but I feel that to answer that question might be used to incriminate me, and on that basis, under the first and fifth amendments to the Constitution, I feel I must decline.

"Mr. TAVENNER. You refuse to answer whether or not you knew Esther Tice, an organizer for the UE?

"Mr. WOOD. Let's see if he does. He hasn't so far. You say you think you must decline. The question is, Do you decline to answer?

"Mr. RALEY. Yes, on the basis that it might be used at a later date to incriminate me.

"Mr. WOOD. The question is a simple one, whether you are acquainted with this person whose name was given you.

"Mr. RALEY. That is right.

"Mr. WOOD. And your answer to that is that you decline to give an answer?

"Mr. RALEY. That is right, on the grounds I gave.

"Mr. WALTER. What crime do you think you might be guilty of for knowing somebody?

"Mr. RALEY. That I don't know. I do know other people have, in my opinion, been framed and mistreated for answering questions similar to this, and I understand those amendments to the Constitution were originally put in that document for the purpose of protecting citizens, and it is the only recourse I have, to try to protect myself by using them.

"Mr. TAVENNER. Were you acquainted with Ruth Schecter?

"Mr. RALEY. Again, I don't know for what purpose the committee intends to use the answers I would give as to my associates, and I think my right to have associates of my own choice is guaranteed by the amendments to the Constitution I referred to, and on that basis I must refuse to answer.

"Mr. TAVENNER. By that do you mean that you do refuse to answer?

"Mr. RALEY. That is correct.

"Mr. TAVENNER. Do you know a Mr. Frank Hashmall?

"Mr. RALEY. Again I must refuse to answer on the same grounds I have given before.

"Mr. WOOD. You say you must refuse. Do you refuse?

"Mr. RALEY. I do decline to answer, sir.

"Mr. TAVENNER. Do you know John Boggs?

"Mr. RALEY. Again I must give the same answer that was given before. I do give the same answer given before.

"Mr. TAVENNER. Do you know Phil Parr, P-a-r-r?

"Mr. RALEY. Gentlemen, I have no other recourse. I must use that same answer in relation to my associates.

"Mr. VELDE. He was an associate of yours?

"Mr. RALEY. People I know or do not know, I must refuse to answer that question.

"(Hon. JOHN MCSWEENEY left the hearing room.)

"Mr. WALTER. Suppose I told you that as a matter of law to admit that you knew an avowed, active Communist would in no wise incriminate you in any way at all, would your answer still be the same?

"Mr. RALEY. In view of what is now going on in relation to that question I would say "Yes," my answer would still be the same.

"Mr. WOOD. Let the record show Mr. MCSWEENEY has gone out. There is still a quorum present.

"Mr. TAVENNER. Do you know Waldo Stager?

"Mr. RALEY. I refuse to answer that question on the same grounds that I refused to answer the others, that it might tend to incriminate me.

"Mr. TAVENNER. Do you know Cecil Scott?

"Mr. RALEY. To that I can say this, that when it was revealed by the papers of Cincinnati that he was to provide so-called information to this committee——

"Mr. WOOD. The question is, Do you know him?

"Mr. RALEY. I made an investigation, and I have a letter I would like to present to the committee.

"Mr. WOOD. The question is, Are you acquainted with him?

"Mr. RALEY. On that basis I must refuse to answer on the same grounds.

"Mr. WOOD. Do you refuse to answer?

"Mr. RALEY. Yes, on the grounds it might be used to incriminate me at a later date.

"Mr. TAVENNER. Did you hold any position in the Communist Party while you were organizer for the UE?

"Mr. RALEY. I refuse to answer that on the grounds that it might be used to incriminate me.

"Mr. TAVENNER. Will you tell us whether as an organizer of the UE the Communist Party exercised any influence over the actions of UE officials?

"Mr. RALEY. That, I think, is in the same category of the other questions. I also refuse to answer it on the same grounds.

"Mr. TAVENNER. Do you know of any organizations other than the UE in Cincinnati in which the Communist Party was active through its members?

"Mr. RALEY. That again, I think is the same type of question. I have to refuse to answer it on the same grounds.

"Mr. TAVENNER. Do you refuse to answer it?

"Mr. RALEY. I do; yes, sir.

"Mr. TAVENNER. What organizations were you a member of other than the UE?

"Mr. RALEY. Well, sir, I refuse to answer that on the same grounds on which I have refused to answer the others; it might tend to incriminate me.

* * * * *

"Mr. TAVENNER. * * * When did Miss Gruss leave your office?

"Mr. RALEY. That I don't recall.

"Mr. TAVENNER. How long was she there?

"Mr. RALEY. That, again, I can't recall. I don't recall exactly how long she was there. It was not an extended period, I know.

"Mr. TAVENNER. Do you know why she left?

"Mr. RALEY. No. I know the local union gave her a paid vacation from which she never returned. That is all I know.

"Mr. TAVENNER. Who gave her the vacation?

"Mr. RALEY. The local union.

"Mr. TAVENNER. Who would be the officer to notify her?

"Mr. RALEY. Well, that is a normal custom, to give employees paid vacations.

"Mr. TAVENNER. Yes, but somebody has to notify them.

"Mr. RALEY. It is a policy established by the organization, and employees of the organization know that they are entitled to a vacation. I don't know if there is any specific time or any specific individual who says 'As of now you get this in the way of a vacation.'

Whenever an employee wants a vacation, if they can be excused with the minimum disruption of the office they are given that permission.

"Mr. TAVENNER. Yes, but she got permission from someone to leave. Did she get it from you?

"Mr. RALEY. Really I couldn't say.

"Mr. TAVENNER. You don't remember?

"Mr. RALEY. I could tell you how it is usually done. Usually the employee requests a specific time. I discuss it with the officers, and among ourselves we determine whether the office can carry on for that particular period, then some officer carries the word back to the employee.

"Mr. TAVENNER. When Miss Gruss left on her vacation, did she write you a letter or anything to notify you she was not coming back?

"Mr. RALEY. I don't remember of having received one.

"Mr. TAVENNER. Did you ever learn why she didn't come back?

"Mr. RALEY. Gentlemen, I don't know what the purpose of that particular type of question is.

"Mr. WOOD. To elicit the truth. Do you mind giving it to us?

"Mr. RALEY. I fear that may be used for some other purpose. I think I have answered truthfully to the questions asked me. In my own mind I feel that an attempt is being made to use something for the purpose, maybe, at a future date, to incriminate me, and based on that I will refuse to answer the questions on that line.

"Mr. WOOD. The last question asked you was whether or not you ever learned why she did not return to her job.

"Mr. RALEY. As I said, sir; I don't understand the purpose of the questions, and in my own mind I fear the purpose for which my answers might be used.

"Mr. WOOD. The purpose is to elicit the truth.

"Mr. RALEY. And based on the constitutional guaranties, I am going to decline to answer.

"Mr. TAVENNER. Was she a member of the Communist Party?

"Mr. RALEY. That, also, I decline to answer on the same grounds.

"Mr. MOULDER. Do you know whether or not she was a member of the Communist Party?

"Mr. RALEY. That I also decline to answer, on the same grounds.

"Mr. TAVENNER. Did she not send in a letter resigning from the Communist Party, and that is the reason she was not permitted to be employed by the UE any longer?

"Mr. RALEY. That I decline to answer on the same grounds I gave before.

"Mr. TAVENNER. To become employed as secretary in that office was it necessary to be a member of the Communist Party?

"Mr. RALEY. That I also decline to answer on the same grounds.

"Mr. TAVENNER. Could a stenographer be employed in that office without becoming a member of the Communist Party and having its approval?

"Mr. RALEY. Sir, it is the same type of question. I decline to answer on the same grounds.

"Mr. TAVENNER. According to the Daily Worker of December 19, 1949, Mr. Raley, you were to be one of the sponsors of the Ohio Labor Conference for Peace. Will you explain to the committee in detail how you became a sponsor of this organization?

"Mr. RALEY. I decline to discuss that on the same grounds that I have already given.

"Mr. TAVENNER. Did you circulate any petitions or do any work of any character in promotion of that organization, the Ohio Labor Conference for Peace?

"Mr. RALEY. That I also decline to answer on the same grounds.

"Mr. TAVENNER. What is your reason for refusing to answer a question as to whether or not you were connected with a peace movement?

"Mr. RALEY. Well, I don't think it is a crime to be connected with a peace movement, but as I said before, so much is going on, so many organizations have been labeled by the Attorney General of the United States that I can't recall the names of all of them, and I suspect that this line of questioning is for the purpose of future incrimination of myself on some issue, and I decline to answer on those grounds.

"Mr. WALTER. Do I understand you to mean that you are afraid to answer these questions for fear whatever answers you give may be used against you in a criminl proceeding?

"Mr. RALEY. I have no idea what this committee may use my answers for.

"Mr. WALTER. I would like to call your attention to the fact that in 1938 Congress passed a law, subsequently signed by the President, in which anyone testifying before a congressional committee was given immunity in any criminal proceeding for the testimony given before a congressional committee.

"Mr. RALEY. Sir, I also recall that the amendments to the Constitution which I use were originally intended to prevent anyone going through such an inquisition as I am going through now.

"Mr. WALTER. There is no such constitutional provision as you refer to.

"Mr. WOOD. I call your attention further to the fact that up until the present time the Attorney General has not listed the Ohio Labor Conference for Peace as a subversive organization.

"Mr. RALEY. My answer still stands.

"Mr. TAVENNER. Mr. Raley, are you a member of the Communist Party?

"Mr. RALEY. That I decline to answer on the constitutional grounds of the first and fifth amendments to the Constitution.

"Mr. TAVENNER. Have you ever been a member of the Communist Party?

"Mr. RALEY. The same answer applies to that question.

"Mr. TAVENNER. No further questions."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Talmadge Raley relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Was Esther Tice one of them? [Organizer for the UE.]

"Were you acquainted with Ruth Schecter?

"Do you know John Boggs?

"Do you know Phil Parr, P-a-r-r?

"Do you know Waldo Stager?

"Do you know Cecil Scott?

"Did you hold any position in the Communist Party while you were organizer for the UE?

"Will you tell us whether as an organizer of the UE the Communist Party exercised any influence over the actions of UE officials?

"Do you know of any organizations other than the UE in Cincinnati in which the Communist Party was active, through its members?

"What organizations were you a member of other than the UE?

"Did you ever learn why she [Margaret Gruss] didn't come back?

"Was she [Margaret Gruss] a member of the Communist Party?

"Do you know whether or not she was a member of the Communist Party?

"To become employed as secretary in that office, was it necessary to be a member of the Communist Party?

"Could a stenographer be employed in that office without becoming a member of the Communist Party and having its approval?

"According to the Daily Worker of December 19, 1949, Mr. Raley, you were to be one of the sponsors of the Ohio Labor Conference for Peace. Will you explain to the committee in detail how you became a sponsor of this organization?

"Did you circulate any petitions or do any work of any character in promotion of that organization, the Ohio Labor Conference for Peace?

"Mr. Raley, are you a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution—House Resolution 800—and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Talmadge Raley to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Talmadge Raley may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST ESTHER TICE

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2904).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING ESTHER TICE

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Esther Tice, 2410 Kenton Street, Cincinnati, Ohio. The said subpena directed Esther Tice to be and appear before said Committee on Un-American Activities on July 12, 1950, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Esther Tice is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States

of America, to United States marshal, Cincinnati, Ohio: You are hereby commanded to summon Esther Tice, 431 McDowell Street, Cincinnati, Ohio, to be and appear before the Un-American Activities Committee of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chambers in the city of Washington, on July 12, 1950, at the hour of 10:30 a. m. then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 30th day of June 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS, *Clerk,*
"United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by H. K. Claypool, United States marshal, southern district of Ohio, who was duly authorized to serve the said subpena. The return of the service by the said H. K. Claypool, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Esther Tice, 431 McDowell Street, Cincinnati, Ohio (new and corrected address 2410 Kenton Street, third floor, Cincinnati, Ohio) before the committee on the 12th day of July 1950 at 10:30 a. m. Served Esther Tice, personally, on July 5, 1950, at place of employment, Formica Co., 4628 Spring Grove Avenue, Cincinnati, Ohio, in Hamilton County.

"H. K. CLAYPOOL,
"United States Marshal, Southern District of Ohio.
"By ERNEST V. D'AMICO, *Deputy."*

The hearing conducted by the committee on July 12, 1950, was not completed on that day and was continued through July 15, 1950, on which day the witness, Esther Tice, appeared and testified.

The said Esther Tice, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Esther Tice, having appeared as a witness and having been asked questions, namely:

"Do you know whether Maurice Horowitz was a member of the Communist Party?

"Do you know Robert Gunkel?

"Did Robert Gunkel attend meetings of the UE staff while you were field organizer?

"Did you collect Communist Party dues?

"Did Ruth Shechter come to the UE office and attend any meetings held there?

"Did you attend the Workers School in Cincinnati operated by Hy Lumer?

"Are you a member of the Ohio Labor Conference for Peace?

"Have you been engaged in the distribution of peace petitions for signature, which were sponsored by the Ohio Labor Conference for Peace?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of said Esther Tice's refusal to answer the aforesaid questions your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Esther Tice.

The record of the proceedings before the committee on July 15, 1950, during which Esther Tice refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"(A quorum of the full Committee on Un-American Activities met, pursuant to adjournment, at 11:45 a. m., in room 226, Old House Office Building, Hon. JOHN S. WOOD, chairman, presiding.)

"Committee members present: Representatives JOHN S. WOOD, FRANCIS E. WALTER, JOHN MCSWEENEY, HAROLD H. VELDE, and BERNARD W. KEARNEY.

* * * * *

"Mr. WOOD. Will you raise your right hand please. You solemnly swear the evidence you give this committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

"Miss TICE. I do.

"Mr. WOOD. I believe the record should show a quorum of the full committee is present.

* * * * *

"Mr. TAVENNER. Who were other members of the field organizing staff of the UE while you were such an organizer?

"Miss TICE. In what area?

"Mr. TAVENNER. Cincinnati.

"Miss TICE. Waldo Stager was an organizer; Talmadge Raley was at one time an organizer and later business agent of local 766. It is hard to name organizers because at various times other organizers were sent in to assist the regular organizers in the Cincinnati area, but I don't believe they could be classed as regularly assigned field organizers to the Cincinnati area.

"Mr. TAVENNER. If you will name those regularly assigned.

"Miss TICE. I have given those regularly assigned.

"Mr. TAVENNER. Was Boggs one?

"Miss TICE. John Boggs was an organizer for a short period.

"Mr. TAVENNER. Who succeeded him?

"Miss TICE. I believe that Maurice Horowitz succeeded Boggs, but I am not sure.

"Mr. TAVENNER. Was Maurice Horowitz still an organizer when you left UE in May 1949?

"Miss TICE. I am not sure. He was no longer in the Cincinnati area.

"Mr. TAVENNER. He is no longer in the Cincinnati area?

"Miss TICE. He was not at the time I left.

"Mr. TAVENNER. Do you know the purposes for assigning Maurice Horowitz to work in that area?

"Miss TICE. No, I don't.

"Mr. TAVENNER. Do you know who assigned him to the work there?

"Miss TICE. No, I don't.

"Mr. TAVENNER. Who assigned you to your work?

"Miss TICE. Well, I am not too clear about just what is meant by assignment. I applied through an employment form, while on the payroll of my local union, for a job as field organizer for the international union, which was sent to Jim—James Matles—who was director of organization for the international office.

"Mr. TAVENNER. Was it sent direct or through some other person?

"Miss TICE. I can't remember. I believe it was sent direct.

"Mr. TAVENNER. So you received your appointment through James Matles?

"Miss TICE. To the best of my recollection I received a letter in which I was told that as of a certain date I was being assigned field organizer for the UE.

"Mr. TAVENNER. Do you know whether Maurice Horowitz was a member of the Comnist Party?

"Miss TICE. I am sorry, I am going to have to invoke my right under the first and fifth amendments to the Constitution at this time and refuse to answer on the grounds that it might incriminate me.

"Mr. TAVENNER. Do you know Robert Gunkel?

"Miss TICE. Same answer.

"Mr. TAVENNER. Did Robert Gunkel attend meetings of the UE staff while you were field organizer?

"Miss TICE. I have given you the answer. The answer remains the same.

"Mr. TAVENNER. Was Marjorie E. Gruss an employee in the office while you were a field organizer, or a part of that time?

"Miss TICE. Yes, she was a member of Mr. Raley's staff in the office. I don't know what position she held, but I have seen her there in the office.

"Mr. TAVENNER. Did you collect Communist Party dues?

"Miss TICE. I have already given my answer. I refuse to allow myself to be incriminated.

"Mr. TAVENNER. Did Ruth Shechter come to the UE office and attend any meetings held there?

"Miss TICE. The same answer as before.

"Mr. TAVENNER. Did you attend the Workers School in Cincinnati operated by Hy Lumer?

"Miss TICE. Same answer.

"Mr. TAVENNER. That is, that you refuse to answer?

"Miss TICE. I refuse to answer on the grounds that it might incriminate me.

"Mr. TAVENNER. Are you a member of the Ohio Labor Conference for Peace?

"Miss TICE. Same answer.

"Mr. TAVENNER. Have you been engaged in the distribution of peace petitions for signature, which were sponsored by the Ohio Labor Conference for Peace?

"Miss TICE. Same answer.

"Mr. WALTER. By that do I understand you to mean that you refuse to answer on the ground that to answer the question might incriminate you?

"Miss TICE. I do.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Miss TICE. Same answer."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Esther Tice relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Do you know whether Maurice Horowitz was a member of the Communist Party?

"Do you know Robert Gunkel?

"Did Robert Gunkel attend meetings of the UE staff while you were field organizer?

"Did you collect Communist Party dues?

"Did Ruth Schechter come to the UE office and attend any meetings held there?

"Did you attend the Workers School in Cincinnati operated by Hy Lumer?

"Are you a member of the Ohio Labor Conference for Peace?

"Have you been engaged in the distribution of peace petitions for signature, which were sponsored by the Ohio Labor Conference for Peace?

"Are you now or have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and her refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 801), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, that the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Esther Tice to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Esther Tice may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST MARCEL SCHERER

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2905).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING MARCEL SCHERER

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Marcel Scherer.

The said subpena directed Marcel Scherer to be and appear before said Committee on Un-American Activities on June 12, 1950, at the hour of 10: 30 a. m., and then and there to testify touching matters of inquiry committed to said committee.

The subpena served upon Marcel Scherer is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America. To Alvin Stokes: You are hereby commanded to summon Mr. Marcel Scherer to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, in their chamber in the city of Washington, room 226. Old House Office Building, on Monday, June 12, 1950, at the hour of 10: 30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons. Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 29th day of May 1950.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Alvin W. Stokes, who was duly authorized to serve the said subpena. The return of the service by the said Alvin W. Stokes being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Marcel Scherer. Served June 6, 1950, at 799 Broadway, New York City, room 501. Bedding Local 140, United Furniture Workers of America, at 2: 10 p. m.

"ALVIN W. STOKES."

On June 8, 1950, the following telegram was sent to Mr. Marcel Scherer:

WASHINGTON, D. C., *June 8, 1950.*

Mr. MARCEL SCHERER,
799 Broadway, New York, N. Y.:

Under authority of subpena served upon you June 6, 1950, your appearance before Committee on Un-American Activities is hereby postponed from June 12, 1950, until Thursday, June 15, 1950, at 10:30 a. m., room 226, Old House Office Building, Washington, D. C.

JOHN S. WOOD, *Chairman.*

In compliance with a request by counsel that a postponement of the appearance of Marcel Scherer before the committee be granted, the witness was verbally advised through counsel to appear before the committee on the 21st day of June 1950, instead of the 15th day of June, as previously notified.

The said Marcel Scherer, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Marcel Scherer having appeared as a witness, and having been asked the following questions:

"I hand you an application for passport by a person whose name is signed John William Fox, to which there is attached an affidavit of identifying witness, which appears to be your name. Will you examine the application, please, and state whether or not that is your signature?

"After the statement which I made regarding the statute of limitations as applicable to anything fraudulent in regard to the passport application, will you state whether or not that is your signature that appears on that application as identifying witness?

"Do you know John William Fox?

"Do you know Philip Bart?

"Do you know whether or not John William Fox and Philip Bart are one and the same person?

"Do you know whether or not this passport application was used by John William Fox or Philip Bart?

"Mr. Scherer, Benjamin Gitlow, in testifying before the Committee on Un-American Activities on September 11, 1939, stated with respect to you as follows:

" 'Scherer has held all kinds of positions in the Communist Party. He has held various positions as a section organizer and has been assigned by the executive committee to all kinds of party work. He is one of the oldest and most trusted members of the Communist Party.'

"Will you state whether or not any part of that statement is true?

"Are you now or have you ever been a member of the Communist Party?

"Do you know Benjamin Gitlow?

"On October 13, 1939, Maurice Malkin, M-a-l-k-i-n, testified with respect to you as follows:

" 'The leader of that (referring to Federation of Architects, Engineers, Chemists, and Technicians) is Marcel Scherer, a charter member of the Communist Party.'

"Is that a correct statement?

"Do you know Maurice Malkin?

"The Daily Worker of November 3, 1931, lists a Marcel Scherer, S-c-h-e-r-e-r, as a Communist Party candidate for alderman in the thirty-seventh district of Brooklyn, N. Y. Are you the same person as the Marcel Scherer listed in that issue of the Daily Worker?

"Did you hold the position of national secretary of the Friends of the Soviet Union in the year 1932?

"On September 30, 1935, in a statement of ownership, management, circulation, and so forth, required by a New York State statute of May 3, 1933, submitted by Alexander Lev, business manager of Soviet Russia Today, Lev listed as owners of Soviet Russia Today: A. A. Heller, Liston M. Oak, Marcel Scherer, Carl Brodsky, and George Martin, of 824 Broadway, New York City. Do you know A. A. Heller?

"Do you know Liston M. Oak?

"Do you know Carl Brodsky?

"Do you know George Martin?

"Will you explain to the committee how you obtained ownership in Soviet Russia Today?

"Edwin Seaver, S-e-a-v-e-r, is listed as editor of Soviet Russia Today. Do you know him?

"Did you know him to be editor of that publication at that time [1935]?

"Was Alexander Lev the business manager of Soviet Russia Today?

"Do you know Alexander Lev?

"Will you give the committee the names of those you know who were employees of the Radiation Laboratory and united with the FAECT?

"Do you know Joseph W. Weinberg?

"Did you attend any meeting at which Joseph W. Weinberg was present?

"Did you know Max Bernard Friedman, otherwise known as Ken Max Manfred?

"Did you know Irving David Fox?

"Did you ever attend a meeting of any kind with Irving David Fox?

"Did you know Giovanni Rossi Lomanitz?

"Did you know David Joseph Bohm?

"Were you acquainted with Frank Oppenheimer?

"Did you ever attend a meeting of any character with Frank Oppenheimer?

"Did you become acquainted with Frank Oppenheimer's wife, Jacquenette Oppenheimer?

"Did you become acquainted with Paul Crouch?

"Did you know Steve Nelson?

"Mr. Scherer, I hand you a clipping from the Daily Worker of Thursday, January 7, 1937, which announces that rallies sponsored by the Communist Party will be held in cities and towns throughout the United States beginning on January 17, in commemoration of the thirteenth anniversary of the death of Lenin. Listed as the speaker at a Lenin rally in New Haven, Conn., on January 22, 1937, is the name M. Scherer, S-c-h-e-r-e-r. I ask you if you are the M. Scherer listed in this article, and whether or not you spoke at the Lenin memorial meeting held in New Haven, Conn., on January 22, 1937?

"Have you ever spoken at any meeting sponsored by the Communist Party?

"As a member of that local (1227, UE) did you know James Joseph Conroy?

"Were you a member of the Trade-Union Committee of the National Negro Congress?

"Mr. Scherer, there is evidence in the committee's possession indicating that you have made several trips outside the continental limits of the United States. Will you outline to the committee the trips you have made, the countries visited, and the purpose of your visits to those countries?

"Did you attend the Lenin Institute in Moscow?

"Did you accept any position in the Soviet Union for which you received a salary or gratuity?

"Will you give the committee the names of United States citizens or residents whom you met in Russia?

"Let me hand you a passport application signed by Marcel Scherer for travel abroad to England and France, in particular, bearing date May 28, 1934; and I will ask you if you did not travel abroad under this passport and if you did not go to Moscow——

"While traveling under the passport issued in pursuance to this application, did you

meet any citizens or residents of the United States, and if so, please give their names?

"The committee is in possession of information indicating that you were a member of the organization known as the American Peace Mobilization, is that correct?

"The catalog of the Jefferson School of Social Science for the period September to December 1948 shows you to be an instructor and guest lecturer. Is that correct?

"Are you now associated in any manner with the Jefferson School of Social Science?

"I will read you the names of the members of the board of trustees of the Jefferson School of Social Science, and I will ask you, as I read each name, to state whether or not you know the individual. Prof. Lyman R. Bradley, chairman?

"Frederick V. Field, secretary?

"Alexander Trachtenberg, treasurer?

"Robert W. Dunn?

"Dr. William A. Hunton?

"Rubin Saltzman?

"Harry Sacher?

"Prof. Margaret Schlauch?

"Dr. Howard Selsam?

"Prof. Dirk J. Struik?

"Doxey A. Wilkerson?

"Nathan Witt?

"Is she [Ruth Young] a member of the Communist Party?

"The faculty representative is shown as Dr. Philip S. Foner. Do you know him?

"Do you know whether or not any of the signers of that telegram with you are members of the Communist Party?

"Is either of these persons [Charles Fay and Alcott Tyler] a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such questions, and as a result of the said Marcel Scherer's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Marcel Scherer. The record of the proceedings before the committee on June 21, 1950, during which the said Marcel Scherer refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"The subcommittee met, pursuant to adjournment, at 4:10 p. m., in room 226, Old House Office Building, Hon. FRANCIS E. WALTER, presiding.

"Committee members present: Representatives FRANCIS E. WALTER, FRANCIS CASE, HAROLD VELDE, and BERNARD W. KEARNEY.

"Mr. WALTER. The subcommittee will come to order. For the purpose of this hearing, the chairman has designated a subcommittee consisting of Messrs. CASE, VELDE, KEARNEY, and WALTER, all being present.

"Mr. TAVENNER. Mr. Marcel Scherer, please.

"Mr. WALTER. Raise your right hand, please. You swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. SCHERER. I do.

* * * * * *

"Mr. TAVENNER. I hand you an application for passport by a person whose name is signed John William Fox, to which there is attached an affidavit of identifying witness, which appears to be your name. Will you examine the application, please, and state whether or not that is your signature?

"Mr. SCHERER. I must decline to answer that question under my rights under the fifth amendment to the Constitution.

"Mr. TAVENNER. The date of this passport application is in 1932. If there be anything fraudulent in regard to it, the statute of limitations has applied. In the light of that, the fifth amendment would not be applicable as far as that is concerned.

"Mr. BLOCH. Mr. Chairman, please, I know the rule of this committee is not to permit counsel to make objections or speeches, and I have no desire to do so, but I would suggest that counsel for the committee not attempt to act as counsel for the witness. I think it is a little unfair, and, without intendment, it is pressure, the conveyance of thought which may be incorrect; and therefore I must, in the discharge of my duty, enter an objection to the formulation of the question and the suggestions and implications that go with it.

"Mr. WALTER. I don't think counsel is attempting to advise your client. I think he is merely making a statement for the purpose of attempting to prevent your client from getting into any difficulties.

"Mr. BLOCH. I appreciate the interest of the counsel for the committee, but at the same time I think there is a subtle suggestion that unless the witness answer he might be guilty of some offense.

"Mr. WALTER. Proceed, Mr. Tavenner.

"Mr. TAVENNER. After the statement which I made regarding the statute of limitations as applicable to anything fraudulent in regard to the passport application, will you state whether or not that is your signature that appears on that application as identifying witness?

"Mr. SCHERER. I want to repeat what counsel has indicated. I don't think you are in a position to give me impartial or fair advice in regard to my legal rights, and I refuse to answer the question for the same reasons I have already given.

"Mr. CASE. You mean you feel your answer may tend to incriminate you?

"Mr. SCHERER. I have followed the work of this committee, and don't think many of its actions have been in accordance with due process of law.

"Mr. KEARNEY. Mr. Chairman, I don't think we are here to listen to the witness' opinions in regard to this committee.

"Mr. WALTER. Proceed.

"Mr. TAVENNER. Do you know John William Fox?

"Mr. SCHERER. I decline to answer the question for the same reason.

"Mr. TAVENNER. Do you know Philip Bart?

"Mr. SCHERER. I decline to answer the question for the same reason.

"Mr. TAVENNER. Do you know whether or not John William Fox and Philip Bart are one and the same person?

"Mr. SCHERER. I must decline to answer that question for the same reason.

"Mr. TAVENNER. Do you know whether or not this passport application was used by John William Fox or Philip Bart?

"Mr. SCHERER. The same answer stands.

"Mr. TAVENNER. Mr. Scherer, Benjamin Gitlow, in testifying before the Committee on Un-American Activities on September 11, 1939, stated with respect to you, as follows:

"'Scherer has held all kinds of positions in the Communist Party. He has held various positions as a section organizer and has been assigned by the executive committee to all kinds of party work. He is one of the oldest and most trusted members of the Communist Party.'

"Will you state whether or not any part of that statement is true?

"Mr. SCHERER. I must decline to answer that question under my rights under the first amendment to the Constitution as to the privacy of my political beliefs, and under the fifth amendment that my answer may tend to incriminate me.

"Mr. TAVENNER. Are you now or have you ever been a member of the Communist Party?

"Mr. SCHERER. I must decline to answer that for the same reasons I have just stated, my rights under the first and fifth amendments.

"Mr. TAVENNER. Do you know Benjamin Gitlow?

"Mr. SCHERER. I decline to answer that for the same reasons.

"Mr. TAVENNER. On October 13, 1939, Maurice Malkin, M-a-l-k-i-n, testified with respect to you, as follows:

"'The leader of that [referring to Federation of Architects, Engineers, Chemists, and Technicians] is Marcel Scherer, a charter member of the Communist Party.'

"Is that a correct statement?

"Mr. SCHERER. I must decline to answer that question for the same reasons.

"Mr. TAVENNER. Did you hold the position of national secretary of the Friends of the Soviet Union in the year 1932?

"Mr. SCHERER. I must decline to answer that question for the same reasons.

"Mr. TAVENNER. On September 30, 1935, in a statement of ownership, management, circulation, and so forth, required by a New York State statute of May 3, 1933, submitted by Alexander Lev, business manager of Soviet Russia Today, Lev listed as owners of Soviet Russia Today: A. A. Heller, Liston M. Oak, Marcel Scherer, Carl Brodsky, and George Martin, of 824 Broadway, New York City. Do you know A. A. Heller?

"Mr. SCHERER. I must decline to answer that question for the reasons already given.

"Mr. TAVENNER. Do you know Liston M. Oak?

"Mr. SCHERER. Same reply.

"Mr. TAVENNER. Do you know Carl Brodsky?

"Mr. SCHERER. Same reply.

"Mr. TAVENNER. Do you know George Martin?

"Mr. SCHERER. Same reply.

"Mr. TAVENNER. Will you explain to the committee how you obtained ownership in Soviet Russia Today?

"Mr. BLOCH. Well, if the chairman of the committee pleases, under court rules that question is clearly objectionable. It presupposes a state of facts not proven.

"Mr. WALTER. Answer the question, Mr. Scherer.

"Mr. SCHERER. The question I would like to ask is how that question is pertinent to this hearing?

"(Representative CASE leaves hearing room.)

"Mr. WALTER. That is up to Mr. Tavenner. He believes it is.

"Mr. SCHERER. Then I must decline to answer on my constitutional rights under the fifth amendment.

"Mr. TAVENNER. Edwin Seaver, S-e-a-v-e-r, is listed as editor of Soviet Russia Today. Do you know him?

"Mr. SCHERER. I must decline to answer under my rights under the fifth amendment.

"Mr. BLOCH. Are you still referring to that same period of time, Mr. Tavenner?

"Mr. TAVENNER. I think he was listed as editor in 1935, the date of the report from Mr. Lev.

"Mr. BLOCH. I was curious about the time.

"Mr. TAVENNER. Did you know him to be editor of that publication at that time [1935]?

"Mr. SCHERER. I must decline to answer that question for the same reasons.

"Mr. BLOCH. Mr. Chairman, I assume when this witness states that he declines to answer——

"Mr. WALTER. For the reasons he gave in detail——

"Mr. SCHERER. I will repeat it if you wish. I wanted to save time.

"Mr. TAVENNER. If you say for the same reasons, we will understand what you mean.

"Mr. BLOCH. Thank you.

"Mr. TAVENNER. Was Alexander Lev the business manager of Soviet Russia Today?

"Mr. SCHERER. I must decline to answer for the same reasons.

"Mr. TAVENNER. Do you know Alexander Lev?

"Mr. SCHERER. I must decline to answer for the same reasons.

"Mr. KEARNEY. Mr. Chairman, I would like to inquire into the reasons for the refusal to answer the question if so-and-so is business

manager or editor of any magazine. How could the refusal to answer be on the grounds it may tend to incriminate him?

"Mr. WALTER. The witness apparently feels he is acting within his rights under the Constitution.

"Mr. KEARNEY. That is what I wanted to get into the record.

"Mr. TAVENNER. Did you organize a local of the FAECT among the employees of the radiation laboratory at the University of California?

"Mr. SCHERER. I believe some were organized in the Berkeley local. I don't remember the specific local. In fact, there was a chapter for that area.

"Mr. TAVENNER. Which included employees of the radiation laboratory?

"Mr. SCHERER. Probably included some.

"Mr. TAVENNER. Who assisted you in the organizational work in that territory where employees of the radiation laboratory were members?

"Mr. SCHERER. The members who worked in the other plants, Shell Development, Shell Oil, Shell Chemical. I don't believe there were any full-time organizers in that work.

"Mr. TAVENNER. Can you give the names of some who assisted you in that work?

"Mr. SCHERER. Members of committees; that would include David Adelson; Lou Faulkes; John Schurtin.

"Mr. TAVENNER. Will you spell the last names?

"Mr. SCHERER. S-c-h-u-r-t-l-n; F-a-u-l-k-e-s.

"Mr. TAVENNER. During what years did you do that organizational work in the location where the employees of radiation laboratory were members?

"Mr. SCHERER. The organizational work in the State of California, in San Francisco, went on for quite a number of years. There was a small group at radiation laboratory probably in 1942 or 1943. It was a temporary organization; it never consolidated.

"Mr. TAVENNER. Were you there at this time to assist in the organizational work?

"Mr. SCHERER. There were some meetings held while I was there, yes.

"Mr. TAVENNER. That was in 1942 or 1943?

"Mr. SCHERER. That is right.

"Mr. TAVENNER. When did you first go to California in connection with that work?

"Mr. SCHERER. I think in 1939; not in that work, but I went as a delegate to the CIO National Convention and for organizational work we had at that time, which was mainly in Los Angeles and in the Shell Oil Co.

"Mr. TAVENNER. Did you stay there continuously in that work until 1942 and 1943?

"Mr. SCHERER. No. There were short organizational trips.

"Mr. TAVENNER. How long were you there in 1942 or 1943, for how long a period of time, and how many trips do you think you took there during those years?

"Mr. SCHERER. It is hard to say. When I speak of trips I think of 1939 and 1940. There was a period in 1942 and 1943 when I remained in California for several months.

"Mr. TAVENNER. Will you give the committee the names of those you know who were employees of the radiation laboratory and united with the FAECT?

"(Witness confers with counsel.)

"Mr. SCHERER. I must decline to answer that question for the reasons given previously.

"Mr. TAVENNER. Did you know Joseph Weinberg?

"Mr. SCHERER. Same reply. I must decline to answer.

"Mr. BLOCH. On the same grounds?

"Mr. SCHERER. On the same grounds.

"Mr. TAVENNER. Did you attend any meeting at which Joseph Weinberg was present?

"Mr. SCHERER. I must decline to answer for the same reasons.

"Mr. TAVENNER. Did you know Max Bernard Friedman, otherwise known as Ken Max Manfred?

"Mr. SCHERER. Is he from California?

"Mr. TAVENNER. Yes.

"Mr. SCHERER. I must decline for the same reasons.

"Mr. TAVENNER. Did you know Irving David Fox?

"Mr. SCHERER. The same reply to that question.

"Mr. TAVENNER. Did you ever attend a meeting of any kind with Irving David Fox?

"Mr. SCHERER. Same reply.

"Mr. TAVENNER. Did you know Giovanni Rossi Lomanitz?

"Mr. SCHERER. Same answer.

"Mr. TAVENNER. Did you know David Joseph Bohm?

"Mr. SCHERER. Same answer.

"Mr. TAVENNER. Were you acquainted with Frank Oppenheimer?

"Mr. SCHERER. Same answer.

"Mr. TAVENNER. Did you ever attend a meeting of any character with Frank Oppenheimer?

"Mr. SCHERER. Same answer.

"Mr. TAVENNER. Did you become acquainted with Frank Oppenheimer's wife, Jacquenette Oppenheimer?

"Mr. SCHERER. Same answer. You are not referring to Robert Oppenheimer, are you?

"Mr. TAVENNER. No; Frank Oppenheimer. Perhaps the correct pronounciation is Oppenheimer (pronouncing differently).

"Mr. SCHERER. I have given my answer.

"Mr. TAVENNER. Does that change your answer?

"Mr. SCHERER. No.

"Mr. TAVENNER. Did you become acquainted with Paul Crouch?

"Mr. SCHERER. I must decline to answer that question for the same reasons.

"Mr. TAVENNER. There has been testimony before this committee by Paul Crouch that you were a go-between between the Communist Party and certain scientists at the radiation laboratory. Is that statement correct?

"Mr. SCHERER. I must decline to answer that for the same reasons.

"Mr. TAVENNER. Do you know Steve Nelson?

"Mr. SCHERER. Same reply.

"Mr. TAVENNER. Mr. Scherer, I hand you a clipping from the Daily Worker of Thursday, January 7, 1947, which announces that rallies sponsored by the Communist Party will be held in cities and towns throughout the United States beginning on January 17, in commemoration of the thirteenth anniversary of the death of Lenin. Listed as the speaker at a Lenin rally in New Haven, Conn., on January 22, 1937, is the name of M. Sherer, S-h-e-r-e-r. I ask you if you are the M. Sherer listed in this article, and whether or not you spoke at the Lenin memorial meeting held in New Haven, Conn., on January 22, 1937?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Have you ever spoken at any meeting sponsored by the Communist Party?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Mr. Scherer, when did you become affiliated with the United Electrical, Radio, and Machine Workers?

"Mr. SCHERER. I believe in the spring or summer of 1944, or perhaps a little later that year.

"Mr. TAVENNER. Were you at one time associated with local 1227 of the United Electrical, Radio, and Machine Workers in New York City?

"Mr. SCHERER. I was business representative of local 1227.

"Mr. TAVENNER. As a member of that local, did you know James Joseph Conroy?

"Mr. SCHERER. I must decline to answer that question for the same reasons.

"Mr. TAVENNER. Were you a member of the trade-union committee of the National Negro Congress?

"Mr. SCHERER. I want to consult my attorney.

"(Witness confers with his counsel.)

"Mr. SCHERER. I must decline to answer that question for the same reasons.

"Mr. TAVENNER. Mr. Scherer, there is evidence in the committee's possession indicating that you have made several trips outside the continental limits of the United States. Will you outline to the committee the trips you have made, the countries visited, and the purpose of your visits to those countries?

"Mr. SCHERER. I must decline to answer the question for the same reasons.

"Mr. TAVENNER. Did you attend the Lenin Institute in Moscow?

"Mr. SCHERER. Same reply.

"Mr. BLOCH. I would like the record very clear at this point, Mr. Chairman. When we are getting these regular answers, 'Same reply,' I assume the committe understands he not only declines to answer, but declines to answer for the specific reasons heretofore asserted by him under the fifth amendment.

"Mr. WALTER. That is understood.

"Mr. TAVENNER. Did you accept any position in the Soviet Union for which you received a salary or gratuity?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Will you give the committee the names of United States citizens or residents whom you met in Russia?

"Mr. BLOCH. There, again, there is a presupposition that the witness was at a certain place, and there is nothing in the record to indicate that. I am sorry to make these objections, but intuitively, as a lawyer, I feel I should do so.

"Mr. TAVENNER. Will you answer the question, please?

"Mr. SCHERER. I thought the previous answer disposed of that, that there has been no evidence on the record that I have been outside the United States.

"Mr. TAVENNER. Let me hand you a passport application signed by Marcel Sherer for travel abroad to England and France, in particular, bearing date May 28, 1934; and I will ask you if you did not travel abroad under this passport and if you did not go to Moscow——

"Mr. BLOCH. Don't you want to get a reply to that first?

"Mr. TAVENNER. I am asking the questions. (Continuing)——and if you did not go to Moscow when you used that passport?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. While traveling under the passport issued in pursuance to this application, did you meet any citizens or residents of the United States, and if so, please give their names?

Mr. SCHERER. The previous answer, I think, will cover that. If not, I will repeat the answer, the same answer.

"Mr. TAVENNER. Then do you repeat it?

"Mr. SCHERER. Yes.

"Mr. TAVENNER. I understood you to state in the earlier part of your testimony that you were engaged in work of the American Peace Mobilization. Did I understand that?

"Mr. SCHERER. No. I am volunteering my time helping the New York Labor Conference for Peace, which is engaged in organizing peace sentiment and peace activities among the trade-unionists of New York City.

"Mr. TAVENNER. The committee is in possession of information indicating that you were a member of the organization known as the American Peace Mobilization. Is that correct?

"Mr. SCHERER. I must decline to answer that question.

* * * * *

"Mr. TAVENNER. The catalog of the Jefferson School of Social Science for the period September to December 1948 shows you to be an instructor and guest lecturer. Is that correct?

"Mr. SCHERER. I must decline to answer that question for the reasons previously given.

"Mr. TAVENNER. Are you now associated in any manner with the Jefferson School of Social Science?

"Mr. SCHERER. I must give the same answer to that question.

"Mr. TAVENNER. I will read you the names of the members of the board of trustees of the Jefferson School of Social Science, and I will ask you, as I read each name, to state whether or not you know the individual. Prof. Lyman R. Bradley, chairman.

"Mr. SCHERER. I declined to answer the previous question as to whether or not I was associated with the Jefferson School of Social Science, and I must give the same answer to this question.

"Mr. TAVENNER. Frederick V. Field, secretary?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Alexander Trachtenberg, treasurer?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Robert W. Dunn?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Dr. Willam A. Hunton?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Rubin Saltzman?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Harry Sacher?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Prof. Margaret Schlaugh?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Dr. Howard Selsam?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Prof. Dirk J. Struik?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Doxey A. Wilkerson?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Nathan Witt?

"Mr. SCHERER. I decline to answer for the same reasons.

"Mr. TAVENNER. Ruth Young?

"Mr. SCHERER. I know Ruth Young as secretary of district 4 of the United Electrical, Radio, and Machine Workers of America.

"Mr. TAVENNER. Is she a member of the Communist Party?

"Mr. SCHERER. I decline to answer that for the reasons already given.

"Mr. TAVENNER. The faculty representative is shown as Dr. Philip S. Foner. Do you know him?

"Mr. SCHERER. I decline to answer that for the same reasons.

"Mr. TAVENNER. Were you one of the signers of a telegram to Judge Harold Medina protesting the jailing of the 11 leaders of the Communist Party following their conviction for conspiring to teach the advocacy of the overthrow of the United States Government by force and violence?

"Mr. SCHERER. I would like to ask whether this is a pertinent question, whether a person has a right to send a protest or express his opinion to any officer of the United States as they become involved in a discussion here.

"Mr. WALTER. Do you decline to answer the question?

"Mr. BLOCH. It seems very close on infringing on a person's privacy and constitutional rights, in my opinion.

"Mr. TAVENNER. Let me put the question to you in this way: Did not the following persons sign a telegram with you on June 8, 1949:

"Tom Neill, field organizer, UE, district 4, Newark;

"Joe Squires, secretary, fair practices committee, UE, district 4, Newark;

"Tony Rodriguez, field organizer, UE, Newark;

"Ernie Pollock, business agent, local 437, UE, Newark;

"Harry Kelner, field organizer, UE, Newark;

"Sam Verano, field organizer, UE, Newark;

"Ethel Carpenter, field organizer, UE, Newark;

"John Dillon, chief steward and executive board, local 448, UE, Jersey City;

"Koorken Koortbojian, business agent, local 448, UE, Jersey City.

"(Witness confers with his counsel.)

"Mr. SCHERER. Do you have a copy of the telegram there?

"Mr. TAVENNER. It is reported in the June 8, 1949, issue of the Daily Worker. I have a copy of that if you would like to see it to refresh your recollection (handing said issue of the Daily Worker to the witness).

"Mr. SCHERER. I believe I signed a telegram protesting the actions as being in violation of our basic constitutional rights, and I exercised it as my right to express my opinion as a citizen and trade-union representative.

"Mr. TAVENNER. Along with the persons whose names I read to you?

"Mr. SCHERER. I wouldn't be able to tell unless I saw the telegram. I recognize some of the names as union officers, and it would indicate other officers from my union simultaneously or together sent a telegram.

"Mr. TAVENNER. Whose names do you recognize?

"Mr. SCHERER. Tom Neill was a staff member of UE.

"Joe Squires, secretary, fair practices committee, UE, was a staff member.

"Tony Rodriguez, field organizer, UE, Newark;

"Ernie Pollock, business agent, Local 437, UE, Newark;

"Harry Kelner, field organizer, UE, Newark;

"Sam Verano, I believe, is a representative of the district staff;

"Ethel Carpenter, field organizer, UE, Newark;

"I don't believe John Dillon is a staff member. He may be a member of a local union.

"These others I know are staff members and worked for the same organization I was working for, or locals affiliated with district.

"Mr. TAVENNER. Do you know whether or not any of the signers of that telegram with you are members of the Communist Party?

"Mr. SCHERER. I must decline to answer that question for the reasons already given.

* * * * *

"Mr. TAVENNER. Who is chairman of the Brooklyn division of the New York Labor Conference for Peace?

"Mr. SCHERER. There are two chairman in Brooklyn. One is Charles Fay, president of local 475 of the UE. I believe another is Alcott Tyler, representative of the Chemical Workers' Local 121 in New York City.

"Mr. TAVENNER. Is either of these persons a member of the Communist Party?

"Mr. SCHERER. I must decline to answer that question for the reasons already given.

"Mr. VELDE. Mr. Scherer, I am afraid I, as one member of the committee, will have to decline to sign your petition unless you can assure me it is not Communist-dominated. You have refused to answer as to the Communist affiliation of yourself and others associated with you.

"Mr. SCHERER. I am sorry if you decline to sign it. This peace movement asks everybody to sign, and does not ask their religious, political, or other opinions. We have gone to people in the trade-unions and in the working-class neighborhoods and other citizens, and have asked them to sign a peace appeal that will help achieve peace and prevent those who want to throw the world into a catastrophic atomic war from carrying out their plans. I believe it would be wrong to ask the political opinions of people in such a worthy cause.

"Mr. VELDE. I think if you could assure us it is not Communist-dominated, you would get much further ahead with your organization."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Marcel Scherer, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"I hand you an application for passport by a person whose name is signed 'John William Fox,' to which there is attached an affidavit of identifying witness, which appears to be your name. Will you examine the application, please, and state whether or not that is your signature?

"After the statement which I made regarding the statute of limitations as applicable to anything fraudulent in regard to the passport application, will you state whether or not that is your signature that appears on that application as identifying witness?

"Do you know John William Fox?

"Do you know Philip Bart?

"Do you know whether or not John William Fox and Philip Bart are one and the same person?

"Do you know whether or not this passport application was used by John William Fox or Philip Bart?

"Mr. Scherer, Benjamin Gitlow, in testifying before the Committee on Un-American Activities on September 11, 1939, stated with respect to you as follows:

" 'Scherer has held all kinds of positions in the Communist Party. He has held various positions as a section organizer and has been assigned by the executive committee to all kinds of party work. He is one of the oldest and most trusted members of the Communist Party.'

"Will you state whether or not any part of that statement is true?

"Are you now or have you ever been a member of the Communist Party?

"Do you know Benjamin Gitlow?

"On October 13, 1939, Maurice Malkin, M-a-l-k-i-n, testified with respect to you as follows:

" 'The leader of that [referring to Federation of Architects, Engineers, Chemists, and Technicians] is Marcel Scherer, a charter member of the Communist Party.'

"Is that a correct statement?

"Do you know Maurice Malkin?

"The Daily Worker of November 3, 1931, lists a Marcel Scherer, S-c-h-e-r-e-r, as a Communist Party candidate for alderman in the thirty-seventh district of Brooklyn, N. Y. Are you the same person as the Marcel Scherer listed in that issue of the Daily Worker?

"Did you hold the position of national secretary of the Friends of the Soviet Union in the year 1932?

"On September 30, 1935, in a statement of ownership, management, circulation, and so forth, required by a New York State statute of May 3, 1933, submitted by Alexander Lev, business manager of Soviet Russia Today, Lev listed as owners of Soviet Russia Today: A. A. Heller, Listen M. Oak, Marcel Scherer, Carl Brodsky, and George Martin, of 824 Broadway, New York City. Do you know A. A. Heller?

"Do you know Liston M. Oak?

"Do you know Carl Brodsky?

"Do you know George Martin?

"Will you explain to the committee how you obtained ownership in Soviet Russia Today?

"Edwin Seaver, S-e-a-v-e-r, is listed as editor of Soviet Russia Today. Do you know him?

"Did you know him to be editor of that publication at that time [1935]?

"Was Alexander Lev the business manager of Soviet Russia Today?

"Do you know Alexander Lev?

"Will you give the committee the names of those you know who were employees of the Radiation Laboratory and united with the FAECT?

"Do you know Joseph W. Weinberg?

"Did you attend any meeting at which Joseph W. Weinberg was present?

"Did you know Max Bernard Friedman, otherwise known as Ken Max Manfred?

"Did you know Irving David Fox?

"Did you ever attend a meeting of any kind with Irving David Fox?

"Did you know Giovanni Rossi Lomanitz?

"Did you know David Joseph Bohm?

"Were you acquainted with Frank Oppenheimer?

"Did you ever attend a meeting of any character with Frank Oppenheimer?

"Did you become acquainted with Frank Oppenheimer's wife, Jacquenette Oppenheimer?

"Did you become acquainted with Paul Crouch?

"Did you know Steve Nelson?

"Mr. Scherer, I hand you a clipping from the Daily Worker of Thursday, January 7, 1937, which announces that rallies sponsored by the Communist Party will be held in cities and towns throughout the United States beginning on January 17, in commemoration of the thirteenth anniversary of the death of Lenin. Listed as the speaker at a Lenin rally in New Haven, Conn., on January 22, 1937, is the name of M. Scherer, S-c-h-e-r-e-r. I ask you if you are the M. Scherer listed in this article, and whether or not you spoke at the Lenin memorial meeting held in New Haven, Conn., on January 22, 1937?

"Have you ever spoken at any meeting sponsored by the Communist Party?

"As a member of that local (1227, UE) did you know James Joseph Conroy?

"Were you a member of the trade-union committee of the National Negro Congress?

"Mr. Scherer, there is evidence in the committee's possession indicating that you have made several trips outside the continental limits of the United States. Will you outline to the committee the trips you have made, the countries visited, and the purpose of your visits to those countries?

"Did you attend the Lenin Institute in Moscow?

"Did you accept any position in the Soviet Union for which you received a salary or gratuity?

"Will you give the committee the names of United States citizens or residents whom you met in Russia?

"Let me hand you a passport application signed by Marcel Scherer for travel abroad to England and France, in particular, bearing date May 28, 1934; and I will ask you if you did not travel abroad to England and France, in particular, bearing date May 28, 1934; and I will ask you if you did not travel abroad under this passport and if you did not go to Moscow——

"While traveling under the passport issued in pursuance to this application, did you meet any citizens or residents of the United States, and if so, please give their names?

"The committee is in possession of information indicating that you were a member of the organization known as the American Peace Mobilization; is that correct?

"Are you now associated in any manner with the Jefferson School of Social Science?

"I will read you the names of the members of the board of trustees of the Jefferson School of Social Science, and I will ask you, as I read each name, to state whether or not you know the individual. Prof. Lyman R. Bradley, chairman?

"Frederick V. Field, secretary?

"Alexander Trachtenberg, treasurer?

"Robert W. Dunn?

"Dr. William A. Hunton?

"Rubin Saltzman?

"Harry Sacher?

"Prof. Margaret Schlauch?

"Dr. Howard Selsam?

"Prof. Dirk J. Struik?

"Doxey A. Wilkerson?

"Nathan Witt?

"Is she [Ruth Young] a member of the Communist Party?

"The faculty representative is shown as Dr. Philip S. Foner. Do you know him?

"Do you know whether or not any of the signers of that telegram with you are members of the Communist Party?

"Is either of these persons [Charles Fay and Alcott Tyler] a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 802), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Marcel Scherer to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Marcel Scherer may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST MRS. LOUISE BERMAN

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2906).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING MRS. LOUISE BERMAN

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, caused to be issued a subpena to Louise Berman, 50 West Eleventh Street, New York, N. Y. The said subpena directed Louise R. Berman to be and appear before said Committee on Un-American Activities on October 3, 1949, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee. The subpena served upon Louise Berman is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Alvin W. Stokes: You are hereby commanded to summon Louise R. Berman, to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Washington, on October 3, 1949, at the hour of 10 a. m., then and there to testify touching matter of inquiry committed to said committee; and she is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 16th day of September 1949.

"JOHN S. WOOD,
"Chairman.

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by Alvin W. Stokes, investigator of the Committee on Un-American Activities, who was duly authorized to serve the said subpena. The return of the service by the said Alvin W. Stokes, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Louise R. Berman before the committee on the 3d of October 1949. Served the within-named individual, September 21, 1949, at 50 West Eleventh Street, New York City, at 9:25 a. m.

"ALVIN W. STOKES, *Investigator.*"

On September 22, 1949, a telegram was sent to Mrs. Louise R. Berman, which is set forth herein in words and figures, as follows:

"Mrs. LOUISE R. BERMAN,
"50 West Eleventh Street,
"New York, N. Y.:

"Necessary to postpone your appearance before the Committee on Un-American Activities until Tuesday, October 11, 1949, at time designated in subpena served upon you September 21, 1949, which is still in force and effect.

"JOHN S. WOOD, *Chairman."*

On October 4, 1949, a telegram was sent to Mrs. Louise R. Berman, which is set forth herein in words and figures, as follows:

"Mrs. LOUISE R. BERMAN,
"50 West Eleventh Street,
"New York, N. Y.:

"Under the continuing authority of the subpena served upon you on September 21, 1949, you are hereby notified that your appearance before the Committee on Un-American Activities is postponed until October 20, 1949, at 10:30 a. m.

"JOHN S. WOOD, *Chairman."*

And on October 17, 1949, a telegram was sent to Mrs. Louise Berman, which is set forth herein in words and figures, as follows:

"Mrs. LOUISE R. BERMAN,
"50 West Eleventh Street,
"New York City:

"Under continuing authority of the subpena served upon you for appearance before the Committee on Un-American Activities, you are hereby notified that your appearance is postponed from October 20, 1949, to November 7, 1949, at 10:30 a. m.

"JOHN S. WOOD, *Chairman."*

The said Louise R. Berman, pursuant to said subpena and in compliance therewith, appeared before the said committee to give

such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Louise R. Berman, having appeared as a witness and having been asked questions, namely:

"Are you acquainted with Gerhart Eisler?

"Are you acquainted with Charles A. Page, who was formerly an employee of the United States State Department?

"Are you acquainted with Otto Katz, who is also known as Andre Simone?

"Isn't it true that the last two persons I have mentioned, namely, Page and Katz, received some assistance from you in the matter of having Gerhart Eisler released from a concentration camp in Germany prior to the time he last came to the United States?

"Are you acquainted with Hanns Eisler, the brother of Gerhart Eisler?

"Did you, prior to the release of Gerhart Eisler from a concentration camp in Germany, ascertain from his brother, Hanns Eisler, the amount of money which would be needed to purchase Gerhart Eisler's release from the concentration camp?

"Was Otto Katz known to you as a member of the NKVD and one of its leading functionaries in Mexico during the Second World War?

"Did you ever see Otto Katz in the United States?

"Do you know Lemuel Harris, who is a member of the National Committee of the Communist Party, and a member of its so-called National Farm Commission?

"Did you ever visit the home of Lem Harris when Gerhart Eisler was present?

"Were you ever a member of the North Side Professional Club of the Communist Party in San Francisco, Calif.?

"Mrs. Bransten, how much money have you donated to the Communist Party of the United States, or any of its front organizations or other affiliates?

"Did you ever make a loan to the People's Daily World, the official organ of the Communist Party on the west coast, in the amount of $50,000?

"Did you, during the year 1946, donate $50,000 to the Communist Party, over and above the regular sum donated to the party by you?

"How much did you contribute toward the defense of the 11 Communists who were recently convicted in Federal court in New York City?

"Are you acquainted with Joris Ivens, who at one time was associated with your present husband, Lionel Berman, in the operation of an organization known as the Documentary Film Producers?

"Are you acquainted with Stephen Fischer, who was formerly a captain in the United States Army Service Forces?

"Did he, during the month of April 1945, ever discuss with you the fact that 50,000 soldiers would take an Army indoctrination course which had been prepared by him?

"Are you acquainted with Charles Sidney Flato, formerly employed by the War Manpower and Reconversion Surplus Property Board and the Department of Justice?

"Was Charles Flato known to you as a member of the Communist Party?

"Did you ever discuss Communist Party financial affairs with Lem Harris and William Schneiderman in your home in San Francisco, Calif.?

"Do you know Leo Barovy, who in 1945 was Secretary of the Communist Party of the State of California?

"Did you ever discuss with him, along with Lem Harris and William Schneiderman, the possibility of selling certain stocks which you own?

"Are you acquainted with Gregory Kheifetz, who was formerly attached to the Soviet consulate in San Francisco, and who has been identified in numerous reports issued by this committee as a person active in espionage activities on behalf of the Soviet Government?

"Did you ever receive any confidential or restricted information from any source which you subsequently furnished to a representative of the Soviet Government?

"Are you acquainted with Ernest C. Ropes?

"Did you at any time introduce Mr. Ropes to the Russian consul general in San Francisco?

"Did you ever place Mr. Ropes' name on a mailing list of the American Russian Institute?

"Are you acquainted with Marion Bachrach, the sister of John Abt?

"Is he [Harry Bridges] known to you as a member of the Communist Party?

"Are you acquainted with Marion Hart who was formerly employed by the United States State Department?"

"Are you acquainted with Alfred Marshak?

"Did you ever request Alfred Marshak to obtain information for you relating to a new treatment for wounds incurred in combat?

"Are you acquainted with Willard Z. Park, who was formerly Chief of the Research Division, Office of Coordinator on Inter-American Affairs?

"Do you know Max Yergan?

"Mrs. Bransten, I have previously asked you if you were acquainted with Charles Sidney Flato. Do you recall having had a conversation with him regarding the Amerasia or Jaffe case, as it was known?

"Did he ever indicate to you that he knew only minor fines would be assessed against the various defendants in that case, before the fines were actually meted out?

"Are you acquainted with Dmitri Manuilsky, who is the Ukraine Communist leader?

"Isn't it true that he was a guest at your home in San Francisco at a dinner given by you on May 19, 1945, which was attended by Frederick Thompson; Holland Roberts, president of the California Labor School; and Max and Lena Yergan?

"In April of 1945 did you assist in the translation of the opening speech given by Foreign Commissar Molotov at the San Francisco Conference of the United Nations?

"Did you arrange for the distribution of 40,000 copies of this speech through the American Russian Institute?

"Are you acquainted with E. Y. Harburg, also known as "Yip" Harburg?

"Are you acquainted with Haakon Chevalier?

"In February of 1945, did you visit the home of Haakon Chevalier at Stinson Beach, Calif., together with Lem Harris, who has been mentioned as a member of the national committee of the Communist Party, and Larry Fanning, who at that time was associated with the San Francisco Chronicle?

"Did you know Larry Fanning?

"Are you acquainted with Pavel Mikhailov, who in November of 1945 was attached to the consulate of Soviet Russia in New York City?

"Are you acquainted with Arthur Adams?

"Are you acquainted with Alexander Stevens, also known as J. Peters, who was recently deported from the United States and who has, upon numerous occasions, been reported as one of the leading underground Communist international agents in the United States?

"Did you ever contribute any money or funds to him, directly or indirectly, which funds were to be used or disbursed by the Communist Party of the United States?

"Are you acquainted with Henry Fleischer, who was formerly attached to the Office of Strategic Services?

"Is he [Paul Robeson] known to you as a member of the Communist Party?

"Are you acquainted with Leo Huberman, who was formerly associated with the American Maritime Union?

"Are you acquainted with Dr. Bernard Peters?

"Are you acquainted with David Armstrong Hedley?

"Was he [David Armstrong Hedley] known to you as a member of the British Communist Party?

"Are you acquainted with Herbert Biberman?

"Are you acquainted with Joseph Gaer?

"Are you acquainted with Ruth Wilson?

"Are you acquainted with Luke Wilson?

"Are you acquainted with Joseph Barnes?

"Are you acquainted with Ralph Bowman?

"Have you ever known Ralph Bowman under the name 'Al'?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Louise R. Berman's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Louise R. Berman. The record of the proceedings before the committee on November 7, 1949, during which the said Louise R. Berman refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"The subcommittee met, pursuant to call, at 10:30 a. m., in room 226, Old House Office Building, Hon. JOHN S. WOOD (chairman), presiding.

"Committee members present: Representatives JOHN S. WOOD and MORGAN M. MOULDER, the latter appearing as indicated in the testimony.

"Mr. WOOD. Let us have order, please.

"The record will show that a subcommittee consisting of Chairman WOOD is conducting these hearings.

"Mr. WOOD. Mrs. Berman, will you please stand and be sworn?

"You solemnly swear the evidence you give this subcommittee shall be the truth, the whole truth, and nothing but the truth, so help you God?

"Mrs. BERMAN. I do.

* * * * * *

"Mr. RUSSELL. Are you acquainted with Gerhart Eisler?

"Mrs. BERMAN. I am afraid I shall have to refuse to answer that question, Mr. Russell, on the grounds of the fifth amendment to the Constitution.

"Mr. WOOD. You say you are afraid you will have to refuse. Do you refuse to answer on that ground?

"Mrs. BERMAN. Yes. I refuse to answer on the grounds of the fifth amendment to the Constitution.

"Mr. RUSSELL. Are you acquainted with Charles A. Page, who was formerly an employee of the United States State Department?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Otto Katz, who is also known as Andre Simone?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Isn't it true that the last two persons I have mentioned, namely, Page and Katz, received some assistance from you in the matter of having Gerhart Eisler released from a concentration camp in Germany prior to the time he last came to the United States?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. Are you acquainted with Hanns Eisler, the brother of Gerhart Eisler?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. Did you, prior to the release of Gerhart Eisler from a concentration camp in Germany, ascertain from his brother, Hanns Eisler, the amount of money which would be needed to purchase Gerhart

Eisler's release from the concentration camp?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. Was Otto Katz known to you as a member of the NKVD and one of its leading functionaries in Mexico during the Second World War?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Did you ever see Otto Katz in the United States?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Do you know Lemuel Harris, who is a member of the National Committee of the Communist Party, and a member of its so-called National Farm Commission?

"Mrs. BERMAN. I refuse to answer that question, Mr. Russell, on the same grounds.

"Mr. RUSSELL. Did you ever visit the home of Lem Harris when Gerhart Eisler was present?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Were you ever a member of the North Side Professional Club of the Communist Party in San Francisco, Calif.?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Mrs. Bransten[1] how much money have you donated to the Communist Party of the United States, or any of its front organizations or other affiliates?

"Mrs. BERMAN. That is a very shocking question, Mr. Russell, but I refuse to answer on the same grounds.

"Mr. RUSSELL. Did you ever make a loan to the People's Daily World, the official organ of the Communist Party on the west coast, in the amount of $50,000?

"Mrs. BERMAN. I refuse to answer on the same grounds, and I protest this kind of questioning.

"Mr. RUSSELL. Did you, during the year 1946, donate $50,000 to the Communist Party, over and above the regular sum donated to the party by you?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. How much did you contribute toward the defense of the 11 Communists who were recently convicted in Federal court in New York City?

"Mrs. BERMAN. Again I refuse to answer on the grounds of the fifth amendment, the protection afforded by the fifth amendment.

"Mr. RUSSELL. Are you acquainted with Joris Ivens, who at one time was associated with your present husband, Lionel Berman, in the operation of an organization known as the Documentary Film Producers?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Stephen Fischer, who was formerly a captain in the United Stated Army Service Forces?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Did he, during the month of April 1945, ever discuss with you the fact that 50,000 soldiers would take an Army indoctrination course which had been prepared by him?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. Are you acquainted with Charles Sidney Flato, formerly employed by the War Manpower and Reconversion Surplus Property Board and the Department of Justice?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Was Charles Flato known to you as a member of the Communist Party?

"Mrs. BERMAN. The same grounds apply, Mr. Russell.

"Mr. RUSSELL. Did you ever discuss Communist Party financial affairs with Lem Harris and William Schneiderman in your home in San Francisco, Calif.?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Do you know Leo Barovy, who in 1945 was secretary of the Communist Party of the State of California?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. Did you ever discuss with him, along with Lem Harris and William Schneiderman, the possibility of selling certain stocks which you own?

"Mrs. BERMAN. I protest this whole line of questioning, but I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Gregory Kheifets, who was formerly attached to the Soviet consulate in San Francisco and who has been identified in numerous reports issued by this committee as a person active in espionage activities on behalf of the Soviet Government?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Did you ever receive any confidential or restricted information from——

"Mr. FORER. Just a moment.

"(Counsel confers with the witness.)

"Mr. RUSSELL. Did you ever receive any confidential or restricted information from——

"Mr. FORER. Just a moment.

"(Counsel confers with the witness.)

"Mr. RUSSELL. Did you ever receive any confidential or restricted information from any source which you subsequently furnished to a representative of the Soviet Government?

"(Witness confers with counsel.)

"Mrs. BERMAN. I would like to say, Mr. Russell and Mr. Chairman, that I have never engaged in any espionage activities.

"Mr. WOOD. Then what is your answer to the question just asked you?

"Mrs. BERMAN. I refuse to answer that question on the ground of self-incrimination.

"Mr. WOOD. Thank you.

"Mr. RUSSELL. Are you acquainted with Ernest C. Ropes?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Did you at any time introduce Mr. Ropes to the Russian consul general in San Francisco?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. Did you ever place Mr. Ropes' name on a mailing list of the American Russian Institute?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. Are you acquainted with Marion Bachrach, the sister of John Abt?

Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Harry Bridges?

"Mrs. BERMAN. I have met Harry Bridges.

"Mr. RUSSELL. Is he known to you as a member of the Communist Party?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Marion Hart, who was formerly employed by the United States State Department?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. Are you acquainted with Alfred Marshak?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Did you ever request Alfred Marshak to obtain information for you relating to a new treatment for wounds incurred in combat?

"Mrs. BERMAN. I have told you I have never engaged in espionage activities.

"Mr. RUSSELL. That would not necessarily constitute espionage activities.

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Willard Z. Park, who was formerly Chief of the Research Division, Office of Coordinator on Inter-American Affairs?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Did you ever arrange for a conference between Willard Z. Park and Max Yergan who, in 1945, was an official of the Council on African Affairs?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. Do you know Max Yergan?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Mrs. Bransten,[1] I have previously asked you if you were acquainted with Charles Sidney Flato. Do you recall having had a conversation with him regarding the Amerasia or Jaffe case, as it was known?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. Did he ever indicate to you that he knew only minor fines would be assessed against the various defendants in that case, before the fines were actually meted out?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Dmitri Manuilsky, who is the Ukraine Communist leader?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Isn't it true that he was a guest at your home in San Francisco at a dinner given by you on May 19, 1945, which was attended by Frederick Thompson; Holland Roberts, president of the California Labor School; and Max and Lena Yergan?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. In April of 1945 did you assist in the translation of the opening speech given by Foreign Commissar Molotov at the San Francisco Conference of the United Nations?

"Mrs. BERMAN. I neither read nor speak Russian, but I refuse to answer on the same grounds.

"Mr. RUSSELL. You could still assist in the translation without having knowledge of Russian.

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Did you arrange for the distribution of 40,000 copies of this speech through the American Russian Institute?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with E. Y. Harburg, also known as 'Yip' Harburg?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Haakon Chevalier?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"(Mr. MOULDER enters hearing room.)

"Mr. RUSSELL. In February of 1945, did you visit the home of Haakon Chevalier at Stinson Beach, Calif., together with Lem Harris, who has been mentioned as a member of the National Committee of the Communist Party, and Larry Fanning, who at that time was asosciated with the San Francisco Chronicle?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Did you know Larry Fanning?

[1] Name of Mrs. Louise Berman by a former marriage and by which she is still commonly known.

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Pavel Mikhailov, who in November of 1945 was attached to the consulate of Soviet Russia in New York City?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Arthur Adams?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Alexander Stevens, also known as J. Peters, who was recently deported from the United States, and who has, upon numerous occasions, been reported as one of the leading underground Communist International agents in the United States?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Did you ever contribute any money or funds to him, directly or indirectly, which funds were to be used or disbursed by the Communist Party of the United States.

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Henry Fleischer, who was formerly attached to the Office of Strategic Services?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Did you ever furnish him with the names of persons to whom he referred as 'progressive orientals'?

"Mrs. BERMAN. I refuse to answer that question on the same grounds.

"Mr. RUSSELL. Are you acquainted with Paul Robeson?

"Mrs. BERMAN. I have met Paul Robeson.

"Mr. RUSSELL. Is he known to you as a member of the Communist Party?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Leo Huberman, who was formerly associated with the American Maritime Union?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Dr. Bernard Peters?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with David Armstrong Hedley?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Was he known to you as a member of the British Communist Party?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Herbert Biberman?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Joseph Gaer?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Ruth Wilson?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Luke Wilson?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Joseph Barnes?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Are you acquainted with Ralph Bowman?

"Mrs. BERMAN. I refuse to answer on the same grounds.

"Mr. RUSSELL. Have you ever known Ralph Bowman under the name 'Al'?

"Mrs. BERMAN. I refuse to answer on the same grounds."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Mrs. Louise Berman, relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Are you acquainted with Gerhart Eisler?

"Are you acquainted with Charles A. Page, who was formerly an employee of the United States State Department[

"Are you acquainted with Otto Katz, who is also known as Andre Simone?

"Isn't it true that the last two persons I have mentioned, namely, Page and Katz, received some assistance from yon in the matter of having Gerhart Eisler released from a concentration camp in Germany prior to the time he last came to the United States?

"Are you acquainted with Hanns Eisler, the brother of Gerhart Eisler?

"Did you, prior to the release of Gerhart Eisler from a concentration camp in Germany, ascertain from his brother, Hanns Eisler, the amount of money which would be needed to purchase Gerhart Eisler's release from the concentration camp?

"Was Otto Katz known to you as a member of the NKVD and one of its leading functionaries in Mexico during the Second World War?

"Did you ever see Otto Katz in the United States?

"Do you know Lemuel Harris, who is a member of the national committee of the Communist Party, and a member of its so-called national farm commission?

"Did you ever visit the home of Lem Harris when Gerhart Eisler was present?

"Were you ever a member of the North Side Professional Club of the Communist Party in San Francisco, Calif.?

"Mrs. Bransten, how much money have you donated to the Communist Party of the United States, or any of its front organizations or other affiliates?

"Did you ever make a loan to the People's Daily World, the official organ of the Communist Party on the west coast, in the amount of $50,000?

"Did you, during the year 1946, donate $50,000 to the Communist Party, over and above the regular sum donated to the party by you?

"How much did you contribute toward the defense of the 11 Communists who were recently convicted in Federal court in New York City?

"Are you acquainted with Joris Ivens, who at one time was associated with your present husband, Lionel Berman, in the operation of an organization known as the Documentary Film Producers?

"Are you acquainted with Stephen Fischer, who was formerly a captain in the United States Army Service Forces?

"Did he, during the month of April 1945, ever discuss with you the fact that 50,000 soldiers would take an Army indoctrination course which had been prepared by him?

"Are you acquainted with Charles Sidney Flato, formerly employed by the War Manpower and Reconversion Surplus Property Board and the Department of Justice?

"Was Charles Fatto known to you as a member of the Communist Party?

"Did you ever discuss Communist Party financial affairs with Lem Harris and William Schneiderman in your home in San Francisco, Calif.?

"Do you know Leo Barovy, who in 1945 was secretary of the Communist Party of the State of California?

"Did you ever discuss with him, along with Lem Harris and William Schneiderman, the possibility of selling certain stocks which you own?

"Are you acquainted with Gregory Kheifetz, who was formerly attached to the Soviet consulate in San Francisco, and who has been identified in numerous reports issued by this committee as a person active in espionage activities on behalf of the Soviet Government?

"Did you ever receive any confidential or restricted information from any source which you subsequently furnished to a representative of the Soviet Government?

"Are you acquainted with Ernest C. Ropes?

"Did you at any time introduce Mr. Ropes to the Russian consul general in San Francisco?

"Did you ever place Mr. Rope's name on a mailing list of the American Russian Institute?

"Are you acquainted with Marion Bachrach, the sister of John Abt?

"Is he [Harry Bridges] known to you as a member of the Communist Party?

"Are you acquainted with Marion Hart, who was formerly employed by the United States State Department?

"Are you acquainted with Alfred Marshak?

"Did you ever request Alfred Marshak to obtain information for you relating to a new treatment for wounds incurred in combat?

"Are you acquainted with Willard Z. Park, who was formerly Chief of the Research Division, Office of Coordinator on Inter-American Affairs?

"Do you know Max Yergan?

"Mrs. Bransten, I have previously asked you if you were acquainted with Charles Sidney Flato. Do you recall having had a conversation with him regarding the Amerasia or Jaffe case, as it was known?

"Did he ever indicate to you that he knew only minor fines would be assessed against the various defendants in that case, before the fines were actually meted out?

"Are you acquainted with Dmitri Manuilsky, who is the Ukraine Communist leader?

"Isn't it true that he was a guest at your home in San Francisco at a dinner given by you on May 19, 1945, which was attended by Frederick Thompson; Holland Roberts, president of the California Labor School; and Max and Lena Yergan?

"On April of 1945 did you assist in the translation of the opening speech given by Foreign Commissar Molotov at the San Francisco Conference of the United Nations?

"Did you arrange for the distribution of 40,000 copies of this speech through the American Russian Institute?

"Are you acquainted with E. Y. Harburg, also known as 'Yip' Harburg?

"Are you acquainted with Haakon Chevalier?

"In February of 1945, did you visit the home of Haakon Chevalier at Stinson Beach, Calif., together with Lem Harris, who has been mentioned as a member of the National Committee of the Communist Party, and Larry Fanning, who at that time was associated with the San Francisco Chronicle?

"Did you know Larry Fanning?

"Are you acquainted with Pavel Mikhailov, who in November of 1945 was attached to the consulate of Soviet Russia in New York City?

"Are you acquainted with Arthur Adams?

"Are you acquainted with Alexander Stevens, also known as J. Peters, who was recently deported from the United States and who has, upon numerous occasions, been reported as one of the leading underground Communist International agents in the United States?

"Did you ever contribute any money or funds to him, directly or indirectly, which funds were to be used or disbursed by the Communist Party of the United States?

"Are you acquainted with Henry Fleischer, who was formerly attached to the Office of Strategic Services?

"Is he [Paul Robeson] known to you as a member of the Communist Party?

Are you acquainted with Leo Huberman, who was formerly associated with the American Maritime Union?

"Are you acquainted with Dr. Bernard Peters?

"Are you acquainted with David Armstrong Hedley?

"Was he [David Armstrong Hedley] known to you as a member of the British Communist Party?

"Are you acquainted with Herbert Biberman?

"Are you acquainted with Joseph Gaer?

"Are you acquainted with Ruth Wilson?

"Are you acquainted with Luke Wilson?

"Are you acquainted with Joseph Barnes?

"Are you acquainted with Ralph Bowman?

"Have you ever known Ralph Bowman under the name 'Al'?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 803) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Mrs. Louise Berman to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Mrs. Louise Berman may be proceeded against in the manner and form provided by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST PASQUALE LEONARD JAMES BRANCA

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2907).

The SPEAKER. The Clerk will read the report.

The Clerk read as follows:

REPORT CITING PASQUALE LEONARD JAMES BRANCA

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5, of the Eighty-first Congress, caused to be issued a subpena to Pasquale Leonard James Branca, 833 Allison Street NW., Washington, D. C. The said subpena directed Pasquale Leonard James Branca to be and appear before said Committee on Un-American Activities on June 29, 1949, in room 226, Old House Office Building, Washington, D. C., at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Pasquale Leonard James Branca is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to C. E. McKillips: You are hereby commanded to summon Mr. James Branca, 833 Allison Street NW., Washington, D. C., to be and appear before the Committee on Un-American Activities of the House of Representatives of the United States, of which Hon. JOHN S. WOOD is chairman, in their chamber in the city of Washington, room 226, Old House Office Building, on Wednesday, June 29, 1949, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 22d day of June 1949.

"JOHN S. WOOD, *Chairman.*

"Attest:

"[SEAL] RALPH R. ROBERTS,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by C. E. McKillips, investigator, Committee on Un-American Activities, House of Representatives, who was duly authorized to serve the said subpena. The return of the service by the said C. E. McKillips, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Mr. James Branca before the Committee on Un-American Activities. Served June 24, 1949, 7:20 p. m., 833 Allison Street NW., Washington, D. C.

"C. E. MCKILLIPS,
"Investigator, House of Representatives."

The said Pasquale Leonard James Branca, pursuant to said subpena, and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress, and under House Resolution 5 of the Eighty-first Congress. The said Pasquale Leonard James Branca, having appeared as a witness and having been asked questions, namely:

"Do you know Rose Anderson?

"Have you ever permitted the Communist Party to hold meetings in your residence, your home?

"Are you at the present time a member of the Communist Party?

"Are you acquainted with Emanuel Levin, former executive secretary of the Communist Party of the District of Columbia?

"Are you acquainted with any of the following individuals:

"Joe Chuba?

"Gertrude Hurney?

"Thomas Hurney?

"Bella Rodman?"

which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the said Pasquale Leonard James Branca's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Pasquale Leonard James Branca. The record of the proceedings before the committee on June 29, 1949, during which the said Pasquale Leonard James Branca refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"The Committee on Un-American Activities met, pursuant to call, at 10:30 a. m., in room 226, Old House Office Building, Hon. JOHN S. WOOD (chairman) presiding.

"Committee members present: Representatives JOHN S. WOOD, FRANCIS E. WALTER, BURR P. HARRISON, JOHN MCSWEENEY, FRANCIS CASE (arriving when indicated), and HAROLD H. VELDE.

* * * * *

"Mr. WOOD. Let the record show that the members present are Mr. FULLER, Mr. HARRISON, Mr. MCSWEENEY, Mr. VELDE, and Mr. WOOD, constituting a quorum of the committee.

"Mr. Branca, will you raise your right hand and be sworn. You solemnly swear the evidence you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. BRANCA. I do.

* * * * *

"Mr. TAVENNER. Do you know Rose Anderson?

"Mr. BRANCA. Mr. Chairman, I object, and I refuse to answer the question——

"Mr. WOOD. You may refuse to answer——

"Mr. BRANCA. Let me finish my sentence, please.

"Mr. WOOD. I will make a ruling. You may refuse to answer the question if you deem to have a right to refuse, and your counsel may advise you as to the probable results of your refusal to answer. The committee is not interested in objections. Whether or not you decline to answer is a matter you must determine for yourself, with the advice of your counsel.

"Mr. FORER. Mr. Chairman, I take it the witness would like to give the reasons for refusing to answer.

"Mr. WOOD. He hasn't refused yet. He objected.

"Mr. FORER. Does the chairman rule the witness cannot object to a question asked by counsel?

"Mr. WOOD. The committee is not interested in hearing his objections. The committee is interested in knowing if he will answer or if he declines to answer.

"Mr. BRANCA. I refuse to answer the question because my answer may incriminate me, and also I refuse to be used as a stool pigeon by this committee.

"Mr. WOOD. For your information, the committee is not seeking to use anybody as a stool pigeon.

"Mr. TAVENNER. Have you ever discussed the raising of funds for the Communist Party with Rose Anderson or any other person?

"Mr. BRANCA. My answer is the same as the previous answer.

"Mr. TAVENNER. Are you a member of the Thomas Jefferson Club of the Communist Party of the District of Columbia, or were you a member in 1945?

"Mr. BRANCA. My answer is the same.

"Mr. VELDE. Mr. Chairman, if I may interrupt, that was not an answer. It was a refusal to answer. I feel he should not base his answer on some other answer he made.

"Mr. WALTER. By that you mean you decline to answer on the ground the answer might tend to incriminate you; is that it?

"Mr. BRANCA. I decline to answer for the reasons I gave before.

"Mr. WALTER. That the answer might incriminate you?

"Mr. BRANCA. And the other reason also.

"Mr. TAVENNER. Have you ever permitted the Communist Party to hold meetings in your residence, you home?

"Mr. BRANCA. I refuse to answer the question on the grounds I do not intend to become a stool pigeon of this committee, and I may, in my answer, tend to incriminate myself.

"Mr. CASE. Mr. Chairman, let us be clear on which ground the witness is refusing to answer. The first part of his response certainly is not a legitimate reason for refusing to answer a question propounded by the committee. If he wants to let it stand that the answer to the question as to whether or not he permitted Communist Party meetings to

be held in his home might tend to incriminate him, that is a ground on which he may refuse to answer, but any reflection on the committee, or any intimation that any question which this committee might ask is of that character, certainly is not a legal ground for refusing to answer.

"Mr. WOOD. The Chair would not want it intimated that either of the grounds are legitimate for refusing to answer.

"Mr. CASE. Unless it is a confession of incrimination. I take it if it were a prima facie criminal act the witness might confess incrimination or possible incrimination and refuse to answer.

"Mr. WOOD. I know of no statute in force in America today that makes it a crime to permit the holding of Communist Party meetings in our home.

"Mr. HARRISON. Or whether or not he knows somebody.

"Mr. TAVENNER. Are you at the present time a member of the Communist Party?

"Mr. BRANCA. I refuse to answer that question because my answer may tend to incriminate me, and I also refuse to become part of a plan to build a blacklist of people in this city and deprive them of their economic means of support.

"Mr. TAVENNER. Are you acquainted with Emanuel Levin, formerly executive secretary of the Communist Party of the District of Columbia?

"Mr. BRANCA. I refuse to answer that question because my answer may tend to incriminate me.

"Mr. TAVENNER. Are you acquainted with any of the following individuals: Joe Chuba?

"Mr. BRANCA. Same answer.

"Mr. TAVENNER. Gertrude Hurney?

"Mr. BRANCA. Same answer.

"Mr. TAVENNER. Thomas Hurney?

"Mr. BRANCA. You really want a stool pigeon, don't you? I refuse to answer the question on the same basis.

"Mr. TAVENNER. Bella Rodman?

"Mr. BRANCA. Same answer."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Pasquale Leonard James Branca relative to the subject matter which, under Public Law 601, section 121, subsection Q (2), of the Seventy-ninth Congress and under House Resolution 5 of the Eighty-first Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Do you know Rose Anderson?

"Have you ever permitted the Communist Party to hold meetings in your residence, your home?

"Are you at the present time a member of the Communist Party?

"Are you acquainted with Emanuel Levin, former executive secretary of the Communist Party of the District of Columbia?

"Are you acquainted with any of the following individuals: Joe Chuba?

"Gertrude Hurney?

"Thomas Hurney?

"Bella Rodman?"

which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived this committee of necessary and pertinent testimony which places the said witness in contempt of the House of Representatives of the United States.

Mr. WOOD (interrupting the reading of the report). Mr. Speaker, I ask unanimous consent that the further reading of the report be dispensed with, and that it be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 804), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Pasquale Leonard James Branca to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Pasquale Leonard James Branca may be proceeded against in the manner and form provided by law.

Mr. COX. Mr. Speaker, I ask for recognition on this resolution.

Mr. WOOD. Mr. Speaker, I yield to the gentleman such time as he may desire.

Mr. COX. Mr. Speaker, I have asked for recognition in order to make the observation that every bell in America should ring this morning in appreciation of the House Committee on Un-American Activities. This committee has performed nobly. The chairman, my friend and colleague, the gentleman from Georgia [Mr. WOOD] has steered the committee free of bitter controversy and has established a reputation for fairness and deep devotion to duty. The committee has done a fine patriotic job in its endeavor to chase out of the country and out of responsible positions in the Government the Communists who have been trying to deliver the country into the keeping of Russia.

I have been amused, Mr. Speaker, in observing the stampede which public sentiment has created in the ranks of the Reds, of the pinkos, and of the leftists. The record vote that was taken on yesterday on one of these resolutions does not, in my judgment, represent the honest views of many of the Members who voted for the resolution.

I have observed that of all those who heretofore resisted the Committee on Un-American Activities and have resisted the endeavor of the committee to remain in existence to obtain the passage of resolutions citing people who appeared before the committee for contempt, that the gentleman from New York [Mr. MARCANTONIO] is the only one who has stood his ground, like the "boy who stood on the burning deck when all but him have fled." I saw them run yesterday, people who have been the recipients of favors of the group that the Committee on Un-American Activities are now pursuing, who have received their financial assistance, and their political support. I saw them turn and like frightened children run away. The gentleman from New York [Mr. MARCANTONIO], alone, had the courage to stand, and there are those in this body who are further to the left than the gentleman from New York [Mr. MARCANTONIO].

Mr. Speaker, I saw upon the floor this morning a member of this committee, and my remarks are intended to express my appreciation of all the members of the committee, both Democratic and Republican—I saw upon the floor a young Member of this House from the State of California who has distinguished himself as an unrelenting foe of communism and a patriotic American, and to him I wish now to express my appreciation, and for his fine work to give applause.

Mr. Speaker, the Committee on Un-American Activities has justified its existence a million times over, and the work that it is doing should bring comfort to the hearts of the fathers and mothers who are sending their boys to war to uphold and defend the flag that floats above the Speaker's head.

Mr. WOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

PRESIDENT TRUMAN SHOULD CLEAN HOUSE AND FUMIGATE EVERY DEPARTMENT OF THE GOVERNMENT

Mr. RANKIN. Mr. Speaker, I desire to join the gentleman from Georgia [Mr. Cox] in paying tribute to the Committee on Un-American Activities.

I know what it means to take the persecution of the enemies within our gates, because I was on the Committee on Un-American Activities for 4 years. I ran parliamentary inteference for Martin Dies here on the floor all the time he was head of the committee.

In my opinion if Martin Dies had had the support he should have received our boys would not be dying in Korea today, because Hiss, the man who sold us out at Yalta, would have been exposed long before that calamity occurred.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. HOFFMAN of Michigan. The gentleman talked about running interference for Martin Dies. I know you did, and I know what your reward was, you and the gentleman from Louisiana [Mr. HÉBERT]; you were thrown off the committee. That was your reward for fighting the Communists.

Mr. RANKIN. I am not complaining about that. I really have all the work I can do now. But I want it known that I am still here to back this committee; and I think it is about time the administration woke up and cleaned house and fumigated every agency of the Government from the staff of the White House to the Bureau of the Census.

It is not worth anything to go to Hawaii and pick up a few Communists, or drive them underground, if you are going to leave them in key positions on the White House staff, or in the Department of State, the Department of Justice, or any other department, or even circulating around the Supreme Court of the United States.

My country comes first.

Our first duty is to this Republic, its flag, and its people. I say that it is time now for the administration to wake up, clean out these subversives, and put only "Americans on guard," as George Washington said; let us get rid of these com-

munistic aliens, their sympathizers, and fellow travelers, who are trying to undermine and destroy this Government.

Mr. Speaker, Caesar had his Brutus, Washington had his Benedict Arnold, and America today has these enemies within her gates who are working to destroy everything our boys are told they are fighting for on foreign battlefields today.

I call on the President to join in this house cleaning and to quit talking about "red herrings." Let us talk about these Reds and fellow travelers, if you please, who are on the Federal payroll in key positions.

As I said, let us clean house and fumigate every department of this Government and let the American people know that we are not going to have our country undermined and destroyed by these enemies within our gates.

The SPEAKER. The time of the gentleman from Mississippi has expired.

The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WOOD. Mr. Speaker, that is all the committee desires to present at this time.

Mr. McCORMACK. Are there any more to present, just for the information of the House?

Mr. WOOD. No more at the present time. I do not know what action the committee may take later.

JULIUS EMSPAK

The SPEAKER. The Chair desires to announce that pursuant to House Resolution 749, Eighty-first Congress, he did, on today, August 11, 1950, certify to the United States attorney, District of Columbia, the refusal of Julius Emspak to answer questions before the Committee on Un-American Activities.

STEVE NELSON

The SPEAKER. The Chair desires to announce that pursuant to House Resolution 750, Eighty-first Congress, he did, on today, August 11, 1950, certify to the United States attorney, District of Columbia, the refusal of Steve Nelson to answer questions before the Committee on Un-American Activities.

SOUTH PARKERSBURG, W. VA.—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 680)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, House Joint Resolution 461, to provide that South Parkersburg, W. Va., shall for the purpose of the Seventeenth Decennial Census be treated as a part of Parkersburg, W. Va.

This enrolled resolution provides that South Parkersburg, W. Va., which was not officially annexed to the city of Parkersburg until July 28, 1950, shall for purposes of the Seventeenth Decennial Census be treated as part of Parkersburg, W. Va.

The Seventeenth Decennial Census was taken so as to reflect population, dwelling, and agricultural information as of April 1, 1950. The enactment of this resolution into law would single out the city of Parkersburg, W. Va., for treatment different from that accorded approximately 18,000 other municipalities throughout the United States. Such special treatment is obviously contradictory to the spirit and intent of the constitutional and legislative requirements which provide for the Seventeenth Decennial Census.

Under these circumstances, approval of this enactment would be an invitation to all other municipalities which have changed their city boundaries since April 1, 1950, to seek similar special legislative authority in order to apply current annexations retroactively to April 1, 1950, for population purposes. At least 100 other municipalities are known to have completed annexations subsequent to April 1, 1950.

Special treatment of this type for specific municipalities would not only be administratively unfair and unsound, but if applied generally to several cities would add significantly to the cost of the census and materially delay its compilation. In many cases it would be necessary to recanvass all or portions of annexed areas in order to establish accurate figures respecting population totals and dwellings within newly established boundaries.

While I have felt obliged, for the foregoing considerations, to withhold my approval from this measure, I recognize that there will, perhaps, be many occasions when users of population data for cities would like a convenient source of information concerning areas for which official boundaries have been changed. I am therefore requesting the Secretary of Commerce to make available a listing of all municipal annexation cases which have become effective within 1 year following April 1, 1950, and which have been reported to the Bureau of the Census by the appropriate authorities.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 11, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and without objection the bill and message will be referred to the Committee on Post Office and Civil Service and ordered to be printed.

There was no objection.

PITTSBURGH DuBOIS CO.—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 681)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 1095, for the relief of the Pittsburgh DuBois Co.

The bill provides for the payment of $24,987.76 to the Pittsburgh DuBois Co. in full and final settlement and satisfaction of all claims for damages and loss growing out of the War Department contract for the furnishing of 60,000 incendiary bomb packing boxes and release bars.

It appears that under a contract dated April 27, 1943, claimant agreed to manufacture 60,000 of these items at a unit price of $5.11 with delivery, expressly stated in the contract to be an important factor, at the rate of 10,000 units per month beginning May 1, 1943, and to be completed not later than October 31, 1943. The contract contained two provisions on termination. One permitted termination at the convenience of the Government, while the other gave the Government the right to terminate for failure to make timely delivery, provided the delay was not excusable. In the event of termination for inexcusable delay any resulting net loss was to be borne by the contractor.

The claimant failed completely to meet the delivery schedule agreed to in the contract, despite letters written by the contracting officers urging and warning that deliveries must be made on time. They explained that December 20, 1943, was the last day the boxes could be shipped to the loading plant for shipment overseas; and the Government offered to accept the 48,000 units the claimant stated it could ship by that date, to reduce the contract by 12,000 units, and to divert the material for the manufacture of this quantity to another company. The claimant refused to accept this modification which would have eliminated or reduced its loss, and insisted on completing the manufacture of the full 60,000 units which it said could be done by January 21, 1944.

On December 20 the contract was terminated for failure to meet the delivery schedule.

The claimant has made a number of contentions: that the contract had in reality been terminated for the convenience of the Government; that, contrary to the written terms of the contract, it was understood that delivery would be made at the rate of 10,000 units a month, beginning the month after the necessary steel was received, and that this schedule had been met; that if there was delay, it was excusable because of claimant's inability to obtain timely delivery of steel and the necessity for its giving manufacturing priority to more critical items under another war contract. On the basis of these contentions, the claimant demanded that it be reimbursed for its net losses resulting from the termination.

A procedure for settling such disputes was stipulated in the contract. Under this procedure, findings of fact denying the claimant's contentions and finding its claim for damages to be without merit were made by the contracting officer. The claimant appealed these findings to the War Department Board of Contract Appeals, a body designated by the Secretary of War under the terms of the contract to hear and determine such appeals.

This Board, which was peculiarly qualified to hear and determine war-contract disputes, rendered a decision in which each of claimant's contentions were carefully considered and answered. It not only followed and cited the applicable law but, in determining whether there was excusable delay, conscientiously applied general equitable considerations.

It found that the contract terms definitely provided for delivery by November 1, 1943, but that if the delivery were to have been conditioned upon the timely receipt of steel this condition should have been written in the contract which was drawn and signed subsequent to the alleged understanding. It found that the delay was not excusable because the difficulties were all foreseeable.

The claimant had just completed the manufacture of 75,000 bomb boxes and knew the difficulties to be encountered in procuring materials. The Board also pointed out that the other more critical contract for the manufacture of fragmentation bomb parts was a prior contract so that claimant knew full well what its obligations were under that other contract before agreeing to the delivery dates in this contract. Furthermore, the delay was not excused by claimant's insistence that it knew that the timely delivery of the bomb boxes was not important. The contracting officer asserted that the delivery date was important and explained why. Finally, it found that the claimant, who then had the necessary steel on hand, despite considerable urging, refused to expedite its rate of work in order to catch up on its delivery schedule.

There is still open to the claimant the right to have its claim heard and determined by the Court of Claims, and it should avail itself of this remedy if it feels that the decision reached by the Board of Appeals was unjust. I have had this dispute and the Board's decision carefully reviewed, and the reports given me fully bear out my expectation that its consideration was thorough and its decision fair, consistent with an experience derived from hearings and determining hundreds of such disputes.

There are sound practical reasons why claimant's contention that the clear, unambiguous written terms of delivery in the contract were not the actual terms, cannot be accepted: it would lead to a chaotic and difficult situation in the field of contracting; it would be impossible for the Government to organize its defense efforts unless those responsible could take the terms of contracts at face value. In this case, for example, it was necessary to time the production of incendiary bomb boxes with the manufacture of the bombs, the movement of ships, and the planning of military actions.

The claimant's loss has been described as a penalty and punitive damages. In my opinion, the only losses it has suffered are its expenditures in connection with materials and preparations necessary to manufacture the units called for in its contract. Had it expedited its rate of manufacture—as it was urged to do—to meet the delivery date, or had it accepted the Government's offer to reduce its contract to a number it could have delivered by a generously extended delivery time, it would have suffered little or no loss.

For the foregoing reasons, I am unable to give my approval to this bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 11, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and without objection the bill and message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

ALVIN SMITH—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 682)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 1022, conferring jurisdiction upon the United States District Court for the District of Delaware to hear, determine, and render judgment upon the claim of Alvin Smith, of New Castle, Del., arising out of the damage sustained by him as a result of the construction and maintenance of the New Castle United States Army Air Base, New Castle. Del.

The claim arises by reason of the contention of claimant that the New Castle Army Air Base, built in 1942, was so constructed as to change the grade of the land, thereby materially increasing the normal flow of surface water draining into Armstrong Creek. It is claimant's contention that such increased flow carried with it a large amount of sand and gravel which has filled the creek with the result that he has been deprived of the normal flow of fresh water needed in the operation of his fish ponds. He alleges that by reason of this condition he has been extensively damaged.

The bill provides that the jurisdiction conferred upon the United States District Court for the District of Delaware, by subsection (b) of section 1346, title 28, United States Code, be extended to a civil action to be brought within 1 year after the enactment of the act, asserting any claim or claims of Alvin Smith, of New Castle, Del., against the United States for money damages arising out of property damage sustained by him as a result of the construction and maintenance of the New Castle United States Army Air Base, New Castle, Del. The bill further provides that nothing in the act shall constitute a determination of liability on the part of the Government of the United States. Finally, the bill provides that the exception set forth in section 2680 (a), title 28, United States Code, shall not apply to the proceeding, but that all other provisions of law applicable in and to subsection (b) of section 146, title 28, United States Code, and applicable to judgments therein and appeals therefrom shall be equally applicable to such proceeding.

The jurisdiction conferred is that given the district courts under the Federal Tort Claims Act. Section 2680 (a), title 28, United States Code, which this bill proposes to make inapplicable to the suit it authorizes, is an integral part of that act. It provides that the provisions of the Federal Tort Claims Act shall not apply to—

(a) Any claim based upon an act or omission of an employee of the Government exercising due care, in the execution of a statute or regulation, whether or not such statute or regulation be valid, or based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Government, whether or not the discretion involved be abused.

This section was not an innovation first inserted by the Congress which enacted the Tort Claims Act. Instead the section is a codification of previously existing decisions well-nigh fundamental to the doctrine of the separation of powers between the legislative, judicial, and executive branches of the Government. Throughout the history of our jurisprudence, considerations of public policy have moved the courts to refuse to interfere with the actions of officials at all levels of the executive branch who, acting within the scope of their authority, were required to exercise discretion or judgment. By the terms of section 2680 (a) this exception to the Government's tort liability—an exception drawn from historical precedents beginning with the decision of Chief Justice Marshall in *Marbury* v. *Madison*, 1 Cranch 137 (1803)—applies only where the official performing the discretionary function or duty does so in the exercise of due care. It is not known, nor is it necessary to determine, whether the claimant's case presents a situation covered by section 2680 (a) or whether it does not. The preservation of that section intact from any encroachment is patently necessary to permit the carrying out of public projects of a civil and national defense nature without the incurrence of vast and uncontrolled liability for damage to private property through the nonnegligent deprivation of property rights incidentally affected thereby. It was these considerations, in the main, which led me to withhold my approval from S. 146, a somewhat similar jurisdictional bill in the first session of the Eighty-first Congress (S. Doc. 89), which would have denied the Federal Government the right to interpose defenses, including that of discretionary functions, which were specifically reserved to the Government when it surrendered its immunity from suit by the adoption of the Federal Tort Claims Act.

Accordingly, I am constrained to return this bill to the Congress without my signature. However, I do not wish to deny this claimant an opportunity to seek a determination from a judicial tribunal of his claim for losses which he feels were occasioned by the negligent acts of the United States or its servants. Therefore, I would be willing to give my approval to a jurisdictional bill along the lines of the measure recommended by the Department of the Army in its report to the Congress on this legislation, and I recommend that the Congress take immediate action upon a bill which does not contain the objectionable feature which has led me to disapprove H. R. 1022 in its present form.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 11, 1950.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and without objection

the bill and message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

GRAPHIC ARTS CORP. OF OHIO

Mr. FRAZIER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4832) for the relief of the Graphic Arts Corp. of Ohio, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows :

Page 1, line 8, strike out all after "States", over to and including 'it" in line 1 on page 2.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THE RED HERRING STINKS, BUT NOT ENOUGH

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, President Truman asks the people to notify J. Edgar Hoover of any Communists they may discover. For years the people have been asking the President to clean house, but when Communists in his own official family were named President Truman said there were none there; that the suggestion that there were Reds in the executive departments was just a political "red herring" thrown out by the Republicans for political effect.

Then a committee of the Senate, controlled by President Truman's political buddies, gave those who had attempted to expose Communists in the Government a coat of smear; put those whose loyalty had been questioned through a deodorizing, disinfecting, fumigating process; applied a coat of whitewash, gave them a certificate of good character.

But before the whitewash was even dry Owen Lattimore, on the 7th of August, had the effrontery to come out with a public statement that the representative of the Communist Chinese Government should be seated in United Nations and that we should make an effort to induce Asiatic countries, which are controlled by the Communists, to become "our willing associates."

If Lattimore's statement does not brand him as a sympathizer of the Communists, I do not know how that fact could be established.

Certainly, a man who advocates placing a Communist in the organization which asked President Truman to make war on the Communists of North Korea cannot be said to be unsympathetic toward the Communists.

Spain is ready to fight the Communists in Europe. To aid in that purpose, the Senate has put through an appropriation of $100,000,000 but Acheson, who stood back of Hiss until he was convicted and even then said he would not turn his back upon him, opposes that loan or gift; apparently does not want to aid Franco to fight the Communists, and President Truman backs Acheson in that stand.

President Truman tells our men to fight the Communists in Korea. The general in command tells them to stand or die. But, when Franco offers to help fight them on the western front, Acheson and Truman say "No."

And, for good measure, Mr. Truman pooh-poohs and ridicules the efforts of the House Committee on Un-American Activities, of other organizations and individuals, to expose Communists right here in his official family.

Does Mr. Truman want to stamp out communism wherever he finds it? Or does he just want our men to fight and die in the effort to oppose communism in Korea while he or those under his jurisdiction associate with, listen to, them here at home?

I say to you, Mr. Truman, the American people will not continue to have confidence in your administration as long as you send their young men to fight and die abroad while keeping the Lattimores and the Achesons in positions where they participate in the direction of our foreign policy.

Now make up your mind, Mr. Truman, whether you want the confidence and the backing of the American people, or whether you are going to be stubborn and continue to give support to those who are responsible for the present situation, which has given the Communists their present advantage.

QUESTION OF PERSONAL PRIVILEGE

Mr. LANHAM. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the grounds on which he claims the floor on a question of personal privilege.

Mr. LANHAM. It is an editorial which recently appeared in the Washington Times-Herald. I submit it to the Speaker.

The SPEAKER. The gentleman is recognized on his question of personal privilege.

Mr. LANHAM. Mr. Speaker, before I begin to discuss my question of personal privilege, I want to join with my distinguished colleague from Georgia [Mr. COX] and with the gentleman from Mississippi [Mr. RANKIN] in paying tribute to the Committee on Un-American Activities and to its very able and distinguished chairman, Mr. JOHN S. WOOD, of my own State. They have done a remarkable job. It has been my pleasure in the few years I have been here to support this committee in every way. I have voted for every appropriation for which they have asked and have encouraged the committee in every way.

Mr. Speaker, I rise to a point of personal privilege.

Because of an occurence in the House Select Committee on Lobbying, I have been attacked by the Communist press, which I, of course, expected. Such an attack is a compliment, and I welcome it.

I rise, however, because of an attack from the other extreme, that is from the reactionary and yellow Washington Times-Herald, which attack appeared as an editorial in the issue for Saturday, August 5. I suppose I should ignore this attack just as I do the Communist attacks. But I cannot let pass one statement made in this hysterical attack upon me, because I have had the courage to do my duty on the Lobbying Committee in the investigation of the lobbying groups of the extreme right wing of political and economic thinking.

The statement I challenge is as follows:

This is the same LANHAM who lately has been abusing and vilifying American businessmen on the witness stand before the same Lobbying Committee.

This statement is libelous, utterly false, and without any foundation in fact. We have not had a single real businessman as a witness before our committee. We have had Edward Rumely, the convicted executive director of the Committee for Constitutional Government, and Joseph Kamp, now serving a sentence for contempt of the Congress. Neither of these were businessmen, but promoters of their own brand of reaction against any social welfare legislation for the benefit of the underprivileged of America. But even if these men be termed "businessmen"—and Rumely might be so-called because he does draw a large salary and in addition 4 percent of all the funds he collects from those who fall for his brand of reaction, not to say fascism—even if these are the businessmen I am charged with abusing and vilifying, a careful reading of the report of the testimony will show that I at no time abused or vilified either of these gentlemen. As proof of this statement I have had the staff of the committee summarize all of the questions and statements made by me on the hearings at which these men appeared as witnesses. I will now insert into the RECORD every word I said to either of these so-called businessmen. Judge for yourself whether or not I abused or vilified them.

[Excerpts from transcript of hearings held before the House Lobby Investigating Committee on Tuesday, June 6, 1950]

INFLUENCING CONGRESS BY INFLUENCING PUBLIC OPINION

The CHAIRMAN. Today, June 6, 1950, at this appointed time, Merwin K. Hart, Edward A. Rumely, and Joseph P. Kamp have been directed by subpena, issued May 25, 1950, and signed by me as chairman of the House Select Committee on Lobbying Activities by authority of the House of Representatives of the Congress of the United States of America, to appear before this committee and to bring with them certain records. * * *

Mr. LANHAM. Is the gentleman representing the persons subpenaed here? It would appear so.

Mr. BROWN. No; I am not representing the persons subpenaed.

Mr. LANHAM. As attorney?

Mr. BROWN. Neither am I representing any other group. I noticed and read with great interest the story on page 2 of the Washington Post, which seemingly indicates some of the officials of this committee have completely prejudged this case. Because of my

concern and because of my rather sad experiences in previous cases, I am hoping that we can begin this hearing on a sound basis, and know exactly where we are before we have to decide what we should do on any given matter.

Mr. LANHAM. Isn't it true that many of the questions the gentleman has asked will be proven on the hearing?

Mr. BROWN. Of course, it may be; but I hope that the gentleman from Georgia is not taking the position that the minority members of this committee have no legal right to be informed of what goes on, no right to know when subpenas are issued, or what such subpenas call for. I just don't believe majority rule goes quite that far. That isn't quite the American way, as I have understood it.

Mr. LANHAM. During the three-quarters of an hour that the minority has held this committee up you might have informed yourself.

Mr. BROWN. There have been many times when the gentleman from Georgia has not been present at all and the gentleman from Ohio has been present. The gentleman from Ohio may not be as important as the gentleman from Georgia, but it just happens that the gentleman from Ohio has a number of commitments which he attempts to take care of, and will stand on his own record, as far as that is concerned. * * *

TESTIMONY OF JOSEPH P. KAMP

Mr. LANHAM. I have one question.

The CHAIRMAN. Just a minute, please. Mr. LANHAM would like to ask a question.

Mr. LANHAM. You say you are here in response to the subpena. Do you refuse to give to the committee now the information asked for by the committee?

Mr. KAMP. No; I don't refuse.

Mr. LANHAM. Do you have it with you?

Mr. KAMP. No.

Mr. LANHAM. Do you propose to give it to us at any time?

Mr. KAMP. I do propose to give it to you when and if this committee can establish its right.

Mr. LANHAM. The obligation isn't on this committee to establish any right. We are a part of the Government and given the right to investigate lobbying. We have a right to this information. You are here this morning, but refuse to give it to us.

Mr. KAMP. I say to you, that we are not engaged in lobbying; therefore, do not come under your committee's authority; and that we respect the Constitution of the United States, first.

Mr. LANHAM. Do you respect the subpena that has been served upon you?

Mr. KAMP. Yes.

Mr. LANHAM. You mean to comply with it?

Mr. KAMP. First, I respect the subpena. That is why I am here.

Mr. LANHAM. Do you intend to comply with the subpena duces tecum to bring these records with you?

Mr. KAMP. When and if it is established by this committee that it has a legal right to the papers and the records which it requests.

Mr. LANHAM. That is a legal matter that only the courts can decide. Do you have these records with you this morning?

Mr. KAMP. Of course, men of good common sense could always——

Mr. LANHAM. Answer my question. Do you have the records with you this morning?

Mr. KAMP. I have explained that. I explained at the beginning that it was impossible for me to have the records here, because the job called for in the subpena was beyond my ability to do in the period of time I had.

Mr. LANHAM. These records are on your books in your office. Did you bring the books with you?

Mr. KAMP. Oh, no.

TESTIMONY OF EDWARD A. RUMELY

Mr. LANHAM. Do you have the records called for by the subpena in your custody and/or in your office?

Mr. RUMELY. Yes.

Mr. LANHAM. Do you refuse now to comply with the orders of the committee directing you to produce these books and records—do you have them with you?

Mr. RUMELY. I have information on the people who contributed—

Mr. LANHAM. We didn't ask you for information. We asked you for books and records.

Mr. RUMELY. We have transcripts.

Mr. LANHAM. Do you have the books and records with you this morning in court—before the committee?

Mr. RUMELY. I haven't them here. My auditor brought some.

Mr. LANHAM. Do you have them here and are you ready to produce them for the committee?

Mr. RUMELY. No; I do not have the books of account. We have the transcripts of them.

Mr. LANHAM. I asked you whether you had the documents called for in the subpena, here before the committee this morning?

Mr. RUMELY. I have a portion of the documents called for.

Mr. LANHAM. You do not have all of the documents.

Mr. RUMELY. I do not have all of the documents.

Mr. LANHAM. That is all.

[Messrs. BROWN and O'HARA stated that they wanted the witness to make a statement as to what he was willing to furnish as information, and his views as to the committee's rights, etc.]

Mr. LANHAM. I object to his reading any statement until he has produced the records that the committee has asked for. He is in contempt of the committee until he does produce those records, and I object to his reading any statement until he has accounted for the production of those records.

Mr. BROWN. I am really amazed and ashamed that this committee will not permit any citizen to say he is furnishing certain material requested and why he cannot, or feels he should not, furnish other material.

Mr. LANHAM. I do not object to his stating what he is supplying. I want him to state that, but object to his making a long statement.

Mr. BROWN. I think we should be proud of our great democracy, of our great Republic, and of the way this committee has conducted itself this morning.

Mr. LANHAM. He just wants to use the committee as a sounding board.

Mr. BROWN. I am afraid the committee has been used as a sounding board.

The CHAIRMAN. May we have order, please.

Mr. LANHAM. As long as he is in contempt of the committee——

Mr. BROWN. I don't know that he is in contempt.

Mr. LANHAM (continuing). I object to his reading any statement.

Mr. BROWN. I don't know whether he is in contempt of the committee.

(In response to the chairman, and to Mr. BROWN's repeated question, the witness made a short statement of what records he was willing to produce.)

Mr. BROWN. May I ask you this question——

The CHAIRMAN. Just a moment, sir, Mr. LANHAM.

Mr. LANHAM. I have no questions.

Mr. BROWN. Thank you for your courtesy, Mr. Chairman. You have indeed been very gracious.

[Interval of discussion of Mr. Flynn and the nature of certain books.]

Mr. LANHAM. Could we get back to the question at issue?

Mr. BROWN. We have been right on it, dead center.

Mr. LANHAM. You refuse to produce for the committee this morning the names of persons to whom you have sold these publications?

Mr. RUMELY. Yes.

Mr. LANHAM. Does your charter give you the right to publish anything, the charter under which your corporation is organized?

Mr. RUMELY. Oh, yes.

Mr. LANHAM. Do you have the right to publish books?

Mr. RUMELY. Oh, yes. You have our charter.

Mr. LANHAM. When you say you publish books, magazines, things of that sort, just what do you do; do you actually do the printing, or do you simply pay somebody else to publish those books?

Mr. RUMELY. We distribute and pay——

Mr. LANHAM. You distribute and do not publish?

Mr. RUMELY. We do what all publishers do. Very few publishers have printing plants. Ninety percent of the publishers farm out the printing, and we do likewise.

Mr. LANHAM. As a matter of fact, you do nothing but pay for having the books printed and distributed?

Mr. RUMELY. We do exactly what all publishers do.

Mr. LANHAM. I am not asking what all publishers do. I am asking what you do, not what other publishers do. What do you do?

Mr. RUMELY. We select the manuscript; we pay for the typesetting; we work it from galley proof into page proof, and then when we have the page proof ready, we go to one of the rotogravure companies that print, and say, "Print for us 150,000 copies of this book"; we pay for it and put the book into distribution. That is the way all publishers do it.

Mr. LANHAM. How do you distribute these books—by congressional frank?

Mr. RUMELY. No, no. How do we distribute them?

Mr. LANHAM. Yes. Haven't you distributed hundreds of thousands of these books through congressional frank?

Mr. RUMELY. Never.

Mr. LANHAM. None?

Mr. RUMELY. Never * * *.

[The witness offered to turn over certain data, provided he could make a statement first.]

Mr. LANHAM. Mr. Chairman, this committee cannot accept anything, conditionally. If he is ready to produce, all right.

Mr. RUMELY. I am depending on your good grace. [Some documents were passed to the chairman.]

The CHAIRMAN. We will let him make a statement.

Mr. BROWN. Certainly, there is such a thing as a constitutional guaranty.

Mr. LANHAM. Not until he produces the records——

The CHAIRMAN. In other words, these two sheets here are all that you care to furnish at this time in answer to the subpena; is that right?

Mr. RUMELY. Yes; that is right. * * *

Mr. LANHAM. In connection with all this information——

Mr. RUMELY. I can save a lot of trouble for you if you will let me make that statement.

Mr. LANHAM. On the question of producing information about books published, that has relevance to the issue, and we are in no way trying to control thought, or the publication of any book, but we are simply trying to get the facts about how you are attempting to influence lobbying. I want to read——

Mr. RUMELY. I am not——

Mr. LANHAM. Just a minute. I want to read from Mr. Brown's questioning of Mr. Goodman of the CIO, wherein Mr. Brown

asked the question, or made this statement [reading]:

"I notice that these booklets that you put out, you have a price of 25 cents each, and 20 for $5. Do the individual local CIO organizations purchase those, or do members purchase them, and is not the sale of booklets that is outlined here on exhibit B, where you say you get so much from books, and it was expended again; contributions and expenditures?"

Mr. GOODMAN. I am sorry, I don't see the item "Sale of booklets" on exhibit B.

Mr. BROWN. It says, "From books." That is all.

Mr. GOODMAN. That is from the accounting books of the organization.

Mr. BROWN. Oh, I see. I am wondering if you can furnish us, along the line that Mr. O'HARA has suggested, if you could furnish us with the number of these books that have been put out on the housing subject, not only the total different publications, but the amount or number of each issue, of each publication?

Mr. GOODMAN. That one that you have in your hands was published in 1946 by a previous regime, and I would be glad to try to secure the facts. Good Shelter, one of which you have, was published in 1945. The green one, in 1946. That one [indicating] in 1947. I would be glad to get the facts.

Mr. BROWN. You understand what I am driving at. This is all material used to influence the action of the people and the Congress, either to get the people to put pressure on the Congress, or to put pressure directly on the Congress; whether good or bad, that doesn't make any difference.

Mr. RUMELY. I won't give the names of the people who bought books.

Mr. LANHAM. He seems to think you shouldn't be questioned.

Mr. RUMELY. Our books are not of the same kind.

Mr. LANHAM. As he says, it doesn't make any difference whether good or bad, it is a question of the distribution of books. If it is legitimate to ask Goodman of the CIO, it is legitimate to ask you.

Mr. RUMELY. Not the names of the people who bought.

Mr. BROWN. Now that the gentleman has completed a stump speech——

Mr. LANHAM. It is not a stump speech.

* * * * *

Mr. LANHAM. If the doctors bought this book that you say you were publishing, against socialized medicine, they would be lobbying.

Mr. RUMELY. No. May I tell you what the book is? The book is a result of a 6-month study in Europe by one of the greater European economists, to see what happened under compulsory medical care in every country. There isn't one word about socialized medicine in this country. It is a study of what happened in Europe.

Mr. LANHAM. You distributed because you want to discourage that sort of legislation, and a doctor, if he were to distribute it, would be getting it from you for that purpose, would he not?

Mr. RUMELY. We distribute it because we want to preserve private industry. I do it with enthusiasm, because I worked as a medical intern under the Bismarck system, and I know how disruptive that kind of medicine can be.

Mr. LANHAM. I agree with you on socialized medicine. I am not in favor of it. But the point is, if you distribute this book, and if the doctors buy it and distribute it, they are engaged in lobbying, in an attempt to influence legislation.

Mr. RUMELY. They are certainly not. If building informed public opinion is lobbying, then our whole conception of freedom is wrong. There is a copy of that book here. Look at it.

Mr. LANHAM. I don't want to see it now. I am dealing with principles. You are attempting to influence, indirectly, legislation that is now pending before Congress.

Mr. RUMELY. You have no right to go against—go into the field in which public opinion is made; you are out of bounds.

Mr. LANHAM. I understand that the jury held you out of bounds at one time. You say I am out of bounds.

Mr. BROWN. That is very gracious of the committee. We show every respect to witnesses.

Mr. LANHAM. I show all respect to all witnesses who show respect to me.

FURTHER TESTIMONY OF MR. RUMELY, TUESDAY, JUNE 27, 1950

[The chairman stated the attitude of the committee.]

Mr. LANHAM. I approve heartily of the chairman's statement, Mr. Chairman. I don't care to add anything to it. I think it is full and complete and does set forth exactly the attitude of this committee toward all of the organizations which have been investigated during the course of this investigation.

[Following a discussion between Mr. HALLECK and the chairman re the purview of the investigation:]

Mr. LANHAM. In connection with Mr. HALLECK's statement, it occurs to me that if his friend were a registered lobbyist, as the Committee for Constitutional Government is, that he might be subject to investigation; but if he is a bona fide publisher, I think not.

Mr. HALLECK. Judge, I don't think it would make any difference. In other words, the Committee for Constitutional Government, or Mr. Rumely, might register to cover certain activities that would be, clearly, under the Lobbying Act. Now, as we know from our investigations, there are a great many organizations who register and who report certain things they do, but who carry on a tremendous number of activities other than those having to do with lobbying, and so, as to those, they do not report. But, if it can be fairly contended that the influencing of opinion back home is really a form of indirect lobbying which is presently within the purview of the act, then, whether the man has registered or not—of course, if he were registered, why, he would not be subject to any prosecution under the statute—but, if he were not registered, he might be subject to prosecution for not having registered, if it should be determined that that sort of effort to persuade opinion back home is really lobbying within the purview of the statute. Personally, I don't think it is.

Mr. LANHAM. Isn't that one of the purposes of this investigation?

Mr. HALLECK. That is right.

Mr. O'HARA. In view of what is a publisher's business, whether it be in the form of books or pamphlets or newspapers, I don't know where you are going to draw the line and say one has to be registered and the other not. I think we are getting, certainly, into a field here where the freedom of the press and freedom of speech is involved. I don't know just what we are trying to do. It isn't clear to my mind, at least, what we are trying to do here.

Mr. LANHAM. I can't agree with the gentleman. There is no question of freedom of the press at all, involved here. Here is a lobby organization whose primary purpose is that of influencing legislation. Then, incidentally, they turn to trying to influence legislation indirectly by trying to help form public opinion. That, too, is no doubt perfectly legitimate; but it seems to me that if an organization, whose primary purpose is stated to be that of lobbying, incidentally engages in the publication of books to influence public opinion, especially where the record will show, as I believe it will in this case, the accepting of payments, of contributions, of not more than $490, and anything above that being used to purchase books, it seems to me that certainly is subterfuge in the collection of funds for lobbying purposes, and I think that is what the record will show.

Mr. O'HARA. Well, of course, we will see what the record will show.

[Mr. Rumely asked to correct some statements of Mr. Fitzgerald's.]

Mr. RUMELY. First, he says that our book sale is a device to cover up contributions. That is absolutely false. We published books 8 years before this lobbying law was passed.

We have a rule that no contribution of more than $490 is accepted; but, if somebody wants to buy one or two or three thousand books, we permit him to buy the books. But that isn't a concealed contribution.

Mr. LANHAM. Why do you limit it, then, to $490? It looks very suspicious, in connection with the limitation under the Lobbying Act, that you have to report everything over $500?

* * * * *

Mr. LANHAM. Let me ask: When did you adopt the policy of accepting nothing over $490?

Mr. RUMELY. The moment the law went into effect.

Mr. LANHAM. That is all I wanted to know.

Mr. DOYLE. To what law do you refer?

Mr. RUMELY. We didn't write the law; you gentleman wrote the law. You said you must report $500 or more.

Mr. DOYLE. To what law do you refer?

Mr. RUMELY. The Lobbying Act of 1946.

Mr. DOYLE. Then, when that law went into effect, you changed your policy to $490?

Mr. RUMELY. $490; we did. But we were publishing books 8 years before that.

Mr. LANHAM. You don't think that shows you were trying to evade reporting?

Mr. RUMELY. We weren't evading; we did what you Congressmen legislated. * * *

Mr. LANHAM. We will let the record speak for itself.

[Following a discussion between Mr. Fitzgerald and Mr. Rumely re minutes of the Committee for Constitution Government:]

Mr. LANHAM. Is that the minutes of the meetings of the board of directors of your organization?

Mr. FITZGERALD. These minutes——

Mr. LANHAM. The governing body of the organization?

Mr. FITZGERALD. I believe so. The minute are signed by Willford King, chairman.

[Re a letter dated June 16, 1948, from Mr. King to Congressman GWINN.]

Mr. FITZGERALD. In which he reports, among other things [reading]:

"I hope that our campaign will be successful in blocking this nefarious legislation."

The CHAIRMAN. Let's see that particular exhibit.

(The letter above-referred to is as follows.)

* * * * *

Mr. DOYLE. While the chairman is viewing that letter, will counsel experiment and see whether, if by getting a little further away from the loudspeaker, he can be heard more clearly.

Mr. FITZGERALD. Yes.

Mr. LANHAM. That seems to indicate pretty well they are engaged in lobbying [indicating letter].

Mr. RUMELY. We don't deny that.

Mr. LANHAM. I think you said you registered under protest.

Mr. RUMELY. We don't come down to Congress. We went back to the people and told them what would happen if we got a contingent of our population housed by the party in power. Ninety-five percent would vote to keep the "ins" in; the housing would be expensive; it would disrupt our free-enterprise system. What we put out was sound information.

HEARING OF MR. RUMELY RESUMED THURSDAY, JUNE 29, 1950

[Following a discussion by Mr. BROWN of the duties of a publisher:]

Mr. LANHAM. It is true, though, as a publisher, you have to disclose the names of your supporters, that is, your stockholders, your financial backing; you don't have to report your loans but, as I understand it, you do have to file a list, under oath, of the names of officers and stockholders of your corporation?

Mr. BROWN. To get mailing privileges for a newspaper, you have to disclose at least once a year the names of all persons owning over 1 percent of the stock or owning 1 percent of the indebtedness of the corporation.

Mr. LANHAM. That doesn't violate you constitutional rights, does it, Mr. Brown?

Mr. BROWN. No; it doesn't. It doesn't, because the law of the United States provides for that.

Mr. LANHAM. Sometimes the law is unconstitutional.

[Following a discussion of propaganda put out by Rumely's organization concerning alleged violations of the Constitution by the committee:]

Mr. DOYLE. You didn't say it was your opinion. If you had said, in this, "It is our belief that this committee is violating the Bill of Rights," that would be one thing; but, to come out and positively feed to the American public that a duly constituted congressional committee is violating the Bill of Rights, in my judgment, is quite another thing.

Mr. RUMELY. The great majority of all editors agree with that viewpoint. Editor and Publisher says definitely you are violating our rights.

Mr. LANHAM. The court a few days ago said we were not. That ought to end it.

[Following a question concerning an alleged connection of Congressman GWINN with the Committee for Constitutional Government:]

The CHAIRMAN (reading): "Mr. Fitzgerald. I have letters from you regarding America's Future in which you point out the whole scheme.

"This is a letter signed by Sumner Gerard, a trustee of your outfit, who is explaining the radio time contracted for by America's Future and the fact that you have a Congressman on your payroll. Is that not right?"

You want to comment on "a Congressman on your payroll"?

Mr. RUMELY. Yes. What is the date of the letter?

Mr. LANHAM. Mr. Chairman, I don't see the relevancy of that question or bringing any Congressman into it.

The CHAIRMAN. Mr. Rumely wanted to correct the record.

Mr. RUMELY. I just want to make a correction.

Mr. LANHAM. His name was not used yesterday, as I understand it. Sometimes the names get into the record and cause the Congressman probably unnecessary embarrassment when the name is used.

Mr. O'HARA. He said he wanted to explain it.

Mr. LANHAM. I don't see the materiality.

[Following another interval of discussion:]

Mr. DOYLE. * * * Do I understand, Dr. Rumely, then that in the function of your committee you do not undertake to effect the election or reelection of Congressmen?

Mr. RUMELY. We have never opposed or favored any party or any candidate as such.

Mr. DOYLE. I am not talking about party; leave party out of it. I am not directing the question to party. Do I understand your program is not designed to in any degree have the effect of political action on candidates for Congress?

Mr. RUMELY. Our program is not designed to affect, help, or hinder either party or any candidate. It is designed to put out what we believe are the principles of free enterprise and constitutional government. When we project those ideas, sometimes the people draw conclusions from them; but that is their business, not ours.

Mr. LANHAM. Would the gentleman yield?

Mr. DOYLE. Yes.

Mr. LANHAM. Why did you send all of this stuff into Florida and North Carolina at election time?

Mr. RUMELY. Because some of our friends down there got excited, as people do before election, and bought it and distributed it. We didn't do it. They bought it.

[Following the reading of a letter from Mr. Rumely to Senator Moore:]

Mr. LANHAM. Did you get 4 percent——

Mr. RUMELY. That is from me to former Senator Moore, one of our trustees.

Mr. LANHAM. Did you get 4 percent of all those memberships?

Mr. RUMELY. After a certain minimum.

Mr. LANHAM. Eight per cent after awhile, and then——

Mr. RUMELY. I put the figures in yesterday. I get an income of about $10,000, and have to take the balance in——

Mr. LANHAM. Four percent?

Mr. RUMELY. On a percentage basis. If it gets much larger, I shall reduce the percentage, because I don't want to be earning to give away more than half my income to the Government.

[In response to questioning about contributions over $500 in any calendar quarter for distribution of the book Labor Monopolies:]

Mr. RUMELY. I am maintaining that that book is not a direct influence on legislation and, therefore, is privileged as other books that we publish.

Mr. FITZGERALD. You refuse to give access to any records pertaining to the distribution of this book?

Mr. RUMELY. I do.

Mr. LANHAM. What is that book?

The CHAIRMAN. You have engaged in mass distribution, through the Committee for Constitutional Government, have you not?

Mr. RUMELY. I put out 250,000 copies of that.

Mr. FITZGERALD. What is the date of publishing of this book, Labor Monopolies and Freedom—1946, is it not, doctor?

[During questioning about the bank in which the Committee for Constitutional Government maintains accounts:]

Mr. LANHAM. Mr. Rumely, if you would sit around and answer while facing the committee, instead of the audience, I think it would be better.

Mr. RUMELY. Yes.

I will not call these men Fascists, for name calling does little good. At least they represent the extreme right wing in economic thinking, and as Mr. C. E. Wilson, president of General Motors has so well said, are the ones who prime and load the guns for the Socialists and Communists in our midst, when he was criticized by both the extreme right-wing and left-wing for the generous contract he had entered into with his men.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield for a question? I think you made an erroneous statement, although I am not sure.

Mr. LANHAM. I cannot yield to the gentleman.

Not only have I not abused or vilified any businessman; but on the other hand have great admiration for, and appreciation of, the businessmen of America, whether large or small. I think our free enterprise system is the best and soundest in the world. It has its dangers, which arise from the very self-interest that makes it work so succesfully. This self-interest so easily becomes utter selfishness, which leads to monopolistic practices and profiteering. So I believe that restraints must be placed around our system of free enterprise to prevent this perversion of the spark of enlightened self-interest that makes our business system run. Furthermore, I think the Federal Government should go into the field of business, only when free enterprise fails, refuses, or is unable because of the huge funds required to serve the public in any given field.

On the other hand, I am sure that if these extreme reactionaries had their way, and could carry us back beyond the days of William McKinley, they would just as surely bring disaster to our free enterprise system as those who openly favor socialism. Of course, they are not as dangerous as the Communists, for the latter strike at our entire democratic system, and would overthrow our Government by force.

I did not seek a place on the Committee on Lobbying. I promised to serve after our distinguished speaker asked me personally to serve. Since that time I have tried to discharge in a vigorous and fair manner the duty thus placed upon me. The same thing is true of the other members of this committee, which has had a thankless job to perform. And I refer to the gentlemen from both sides of the aisle. We have had our political differences, and our differences of opinion as to methods and procedure. But by and large, our differences have been minor and there has been the best of feeling among us.

Right here I want to pay a tribute to the chairman of this committee. He is calm, he is able, he is handsome. Unlike me, neither his hair nor his temper ever gets ruffled, and there is no way to estimate the prodigious amount of work that this man has done on this committee. I refer, of course, to the distinguished gentleman from Pennsylvania [Mr. BUCHANAN].

It has been charged that the committee was out to get certain groups and certain organizations. Nothing is further from the truth. We have avoided as far as possible discussion of the political and economic theories of those groups being investigated, and have tried to be objective in our investigation. We have approached the problem of lobbying, with a view that lobbying in itself is not an evil, but that it can become such unless the pitiless light of publicity is focused upon it, and the lobbying groups required to disclose their methods of trying to influence legislation and the sources of their funds.

So we have inquired into the techniques of the various groups, and have asked for the names of their financial backers. In conducting our investigations, we have had to select typical groups for study, since we have had neither time nor the funds necessary to probe into the lobbying practices of all the thousands who practice the art.

Fortunately, we have had the cooperation of most of these groups. The only exceptions encountered have been from one or two groups of the extreme right wing, and now from the Communist-front group known as the Civil Rights Congress, headed by that con-

temptible colored Communist Patterson, who traduced the good name of my native State and that of other States in the South.

I call attention to the fact right here that the Civil Rights Congress is the organization whose head, Mr. George Marshall, posted bond for Gerhart Eisler. I am informed that this organization keeps a big fund in a bank in New York to bail out these Communists when they are arrested and charged with an offense.

Possibly I should not have lost my temper. And I regret it if it has cast reflection upon any member of our committee, or in any way hampers its work. Yet I think the provocation justified my impetuosity, and if the good name of the State of Georgia were again attacked, I am afraid I would react in the same manner.

It is easy for those of you who have never lived in the South to indict us for our treatment of the colored race. You have no conception of the problem unless you have lived with it. It is true that the South has not always been as quick to right injustices and wrongs that have existed as it should have been. But there is a new spirit in the South, and a growing tolerance and sense of obligation to the race in our midst that came there, not of its own desire, but as slaves. Slavery fastened itself upon the South's economy like a cancer, and when it was removed as by a surgical operation during the War Between the States, it left the body politic of the South weak and bloody. Only now, after 85 years are we recovering. But the spirit of the New South is vital and alive and cannot be stopped, though it is set back by such groups as the Civil Rights Congress, which is more interested in spreading communism and stirring up strife than it is in human welfare.

I have for the past 40 years worked for the advancement of the Negroes in the South. And right here I want to correct a statement that some of the newspapers made in referring to the incident that occurred before the Lobbying Committee. I have never referred to a Negro as a "nigger"; I simply do not do it, because I have too much respect for the race and for the good people of that race to use that term.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. ALBERT. In that connection I should like to state that I was sitting at the immediate right of the gentleman from Georgia now addressing the House on the occasion he is discussing; and the gentleman from Minnesota [Mr. O'HARA] I believe, was sitting at his immediate left; we were closer to the gentleman than anyone else in the room. I noted particularly the use by the gentleman of the word "Negro." He did not use the word "nigger" or any other disrespectful term in speaking of the Negro race.

I should also like while I am on my feet to state that in my judgment nothing that has ever been said by the gentleman in our committee could by any stretch of the imagination be considered a vilification of any businessman in the United States or any other place.

Mr. LANHAM. I thank the gentleman from Oklahoma for his contribution and his statement.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from California.

Mr. DOYLE. I am a member of the Lobbying Committee. I was present in the committee when this incident occurred. I wish to verify and confirm that which my colleague has just stated. I was immediately present, in the immediate personal presence of the distinguished gentleman from Georgia at the time of this incident. He did not use the term "nigger"; he never has done so in our committee. I wish also to say that the gentleman from Georgia is recognized by every member of our committee as eminently fair, eminently reasonable, always seeking to get the honest-to-God facts no matter what they are without any thought of prosecution, or any thought of persecution, or any thought of trapping anybody. The function of our committee has not been, is not, and will not be to trap or catch anybody; we are doing our job objectively, and certainly the distinguished gentleman from Georgia has rendered a great service on that committee.

On this occasion I wish to say that I noticed half an hour ago the remarks by the distinguished gentleman from Michigan [Mr. HOFFMAN]. At an appropriate time I will undertake to answer some of those remarks or otherwise will get the facts. They are not what I understood the gentleman from Michigan to say this morning. I believe they are not in accordance with his remembrance of what the committee has done or is trying to do.

Mr. LANHAM. I thank the gentleman from California for his statement.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. Gladly.

Mr. McCORMACK. I know nothing about what happened in the committee, because I am not a member of the committee, but I do know the gentleman from Georgia who is addressing the House. The gentleman from Georgia [Mr. LANHAM] is a gentleman not only under the rules of the House but in fact I have never known anyone who has a finer concept of life than my friend. During the Eightieth Congress he served with me on the Committee on Expenditures and I got to know him. I am glad to have the RECORD show not only the strong friendship that I have for him but also the great respect I have for him. I know that the gentleman would never say anything that would cast reflection upon the racial origins of any people in our country or upon religious groups in our country or upon Americans of different races so far as color is concerned. I think the best evidence—and I want the RECORD to show—is that we have a great American of the colored race who is chairman of the Committee on Expenditures in the Executive Departments, the gentleman from Illinois [Mr. DAWSON]. He is not only a scholar and a gentleman but he is also an outstanding American. I stepped aside in order that he might become chairman of the committee. I was ahead of him on the committee; but as we know, it is not the custom in some years for the majority and minority leaders to be members of a committee, particularly for the floor leader of the majority party to be a member of a committee. I remained on that committee, not only to show my pleasure in stepping aside so that he could under the seniority rule automatically become chairman of the committee; also to show what a great pleasure it is for me to serve under him as chairman. The gentleman from Georgia was a member of the Committee on Expenditures in the Executive Departments in the Eightieth Congress when the gentleman from Michigan [Mr. HOFFMAN] was chairman of that committee. He never had the least intention, as a matter of fact it never entered his mind to terminate his services on that committee and he, like myself, has continued his service on that committee under the chairmanship of the distinguished gentleman from Illinois [Mr. DAWSON]. I think that evidence and that action of ours speaks louder than words.

Mr. LANHAM. I appreciate deeply what the gentleman from Massachusetts has said and I want to join in paying tribute to BILL DAWSON, who is a native of the State of Georgia. I have served under BILL and I want to say he is doing a fine, magnificent job. He is a credit to his race. There has never been the slightest reason for embarrassment, there has never been any misunderstanding between us and it has been a privilege for me to serve on the committee with this man who is a great representative of his race.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I cannot yield to the gentleman from Michigan. He has had his say to the House and has said some very unfair things, it seems to me, and I cannot yield to him at this time, although I have a great respect and admiration for the gentleman. As a matter of fact, he was very kind to me when I was a minority member of his committee. He always began the questioning of witnesses with the lowest ranking man on the minority side. I have never seen any other committee chairman do that since I have been in Congress. I am very fond of the gentleman from Michigan but I just cannot yield to him at this time.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield then for a unanimous consent request?

Mr. LANHAM. I yield for that purpose.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that upon the completion of the gentleman's remarks I may proceed for 5 minutes.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LANHAM. Mr. Speaker, I have for the past 40 years worked for the advancement of the Negroes in the South.

When a very young man, as chairman of the board of education of my native city of Rome, I worked unceasingly for better school facilities, and later as a member of the general assembly I worked for appropriations and laws that would assure them better educational opportunities and a better economic condition. Naturally, I have opposed vigorously all of the so-called civil-rights program, for I am sure it is the wrong approach to a real problem.

As prosecuting attorney for my own judicial circuit, it was my duty to prosecute many Negroes along with about an equal number of white persons for various violations of the law. During the 6 years of my term in this office I had every opportunity to observe the treatment of the accused Negroes, and know that in every instance I observed colored men were given every protection of the law afforded white men. In cases where they were financially unable to secure counsel the courts invariably appointed lawyers to defend them without cost. And in cases of more serious crimes experienced and able men were always appointed. I have in mind now a case of a brutal and revolting murder which I prosecuted. A prominent lawyer was appointed to defend the Negro, who was convicted in spite of the vigorous defense. This lawyer, without pay of any kind, carried the case by writ of error to the Supreme Court and got a reversal on the ground of insufficient evidence. Again the Negro was tried, and again this lawyer put up a powerful defense. Again he was convicted, and again an appeal was filed. So vigorously did this lawyer defend his client and so strong was the feeling against him that the lawyer suffered political reverses because of it.

I read a report appearing in the Atlanta newspaper last night that this same case had gone to the Supreme Court for the fourth time and had been affirmed for the fourth time; that this same lawyer had appeared before the Parole and Pardons Board for the third time; that finally he had gotten the Negro's sentence commuted from death to life imprisonment. Now, that young man did that without any remuneration at all except the satisfaction of doing a job that had been given him to do by the Court. I will say this: That so strong was the feeling against him because of it that he suffered political reverses because of the fight he put up for that condemned man.

Only recently, since I have been in Congress, two white men were convicted in my home city for raping a colored girl. It is true that in the past members of lynching mobs have not been identified and punished in too many instances. This is quite a difficult matter to prove, and even the FBI was unable in one famous case to determine who the guilty parties were. No right-thinking man in the South looks upon lynching with anything but abhorrence, and we have made wonderful progress in eliminating this evil.

But in the conduct of our courts I know from long years of experience that the Negro citizen is given every protection. So it was the absolutely false and dastardly charge by this Communist Patterson that the State itself was seeking to lynch Negroes in Georgia and elsewhere in the South that infuriated me.

The Negro race has many admirable qualities, and has made remarkable progress since the days of slavery. The loyalty of former slaves to their former masters and the protection they so often threw around the women of the South during and after the war, is an everlasting credit to the race. And the young men in the armed services who are now fighting and dying for their country, are proof that the younger generation of the colored race is worthy of its loyal ancestors.

Men like this Communist Patterson are a disgrace to the race, and I am sure represent only a small minority of their people. Not only have they disgraced the race, but are really the worst enemies of their people, because their frenzied efforts to stir up strife in the South have set the race back by decades.

If left alone, the right thinking people of the South will see that the Negro gets political and economic justice. Outside attempts to hasten by unwise legislation the social progress and change that is coming about cannot speed, but only retard this social evolution.

Most of the Negroes in the South know that segregation is best for both races, and only a few would want a change. At any rate, no law passed by the Congress could bring about its elimination in the South. I say this not as a threat but as a statement of a fact. The white people of the South will not tolerate it, and the Negroes do not want it.

So my verbal attack on Patterson was not aimed at the Negro race, the members of which respect me and trust me in my district, but was against a renegade of his race, who would force upon the people of the South an intolerable dictatorship.

I suppose I should be happy that I am being attacked by both the extreme right and the Communist left. It must be evidence that I am pretty well and effectively going about the business of representing my people. He who travels the middle of the road is stoned by those on each side.

I believe it is time for every one of us to be filled with righteous indignation at the subversives in our midst and to brand as fake the base charges and foul slanders offered loyal Americans by the filthy scum of Communists which unfortunately infests our land.

(Mr. LANHAM asked and was given permission to revise and extend his remarks and include excerpts of testimony.)

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a conference report on S. 3666.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 5 minutes.

COMMITTEE ON LOBBYING

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman from Georgia [Mr. LANHAM] and I served on the committee together for 4 or 6 years without any word or thought of discord, so far as I know. The gentleman has always had my admiration and respect. He has paid me some very high compliments from the well of the House and elsewhere. That I appreciate and I hope they were true, although they might have been slightly exaggerated. But he seems to have felt today that I had unjustly assailed the Committee on Lobbying. So, too, did the gentleman from California [Mr. DOYLE]. He said he was going to point out some statements I made about the Committee on Lobbying that were inaccurate. This war hysteria must affect some in many ways. I made no inaccurate statement. Here is what I said. I hope the gentleman from California will listen to this, which is what I said today:

> The House Committee on Lobbying is sitting and undoubtedly, if the present procedure is followed—I mean, the present procedure of that committee—there will be some citations from their committee because of the refusal of certain witnesses to testify.

That is every word, and those are the reporter's original minutes, every word I said about the Lobbying Committee today. What is wrong about that? I know they intended to cite somebody. The chairman so announced.

What I had to say on previous occasions about the Committee on Lobbying was that I feared not that the committee was doing wrong but that the committee had fallen under the influence of one of their counsel. In fact, I put the counsel's record as a lawyer in the record. What did he do? He either resigned or the committee fired him, I do not know which. It was a most disreputable record. I was afraid the committee would be led astray, as I have thought other times House committees sometimes—I remember one committee investigating election expenditures fell under the influence of their chief counsel, who was a man named Abt, who is today known as a Communist—would be led into an indefensible position.

All I wanted to ask the gentleman from Georgia [Mr. LANHAM] when I asked him to yield was whether in quoting Mr. Wilson as referring to certain individuals he intended to say that Mr. Wilson mentioned the names of these two men, Rumely and Kamp, or referred to them.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Georgia.

Mr. LANHAM. No, I did not mean that he referred to those men, but he said those of the extreme right.

Mr. HOFFMAN of Michigan. Yes. He did not refer to these men by name or any other way.

Mr. LANHAM. He did not. I did not mean to so imply.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Georgia.

Mr. COX. I agree with the gentleman if he means to infer that the committee did put together a bad staff.

Mr. HOFFMAN of Michigan. That is all I was doing.

Mr. COX. I think the committee started off on the wrong foot.

Mr. HOFFMAN of Michigan. They are getting along better now.

Mr. COX. I regret to have to say that I disagree completely with my colleague the gentleman from Georgia [Mr. LANHAM] in what he has to say about Mr. Rumely and Mr. Kamp. I witnessed the examination to which those gentlemen were subjected, and I thought they were roughly handled.

I regret, however, that any criticism has been made of my colleague. I respect him. I honor him. I know him to be a most excellent gentleman, a kind and good man. I know that he does not occupy the position that it was sought to make believe and that he believes in and supports our system of private enterprise.

Mr. HOFFMAN of Michigan. I thank the gentleman.

I have not criticized the gentleman from Georgia [Mr. LANHAM] at all, not in any instance, and do not expect to. However, the gentleman referred to the conviction of Mr. Rumely. Mr. Rumely was convicted of aiding or in some way being connected with the Germans in the First World War. But what the gentleman from Georgia evidently overlooked, and I put it in the RECORD before, was that President Coolidge on the recommendation of the Attorney General pardoned Mr. Rumely and restored to him his full civil rights. When Mr. Rumely was convicted they also convicted two attorneys, and they were disbarred. Later they made application for reinstatement in the State of New York. Justice Cardozo, who afterward sat on the Supreme Court, said that those men were not guilty, and they were reinstated. Justice Harlan Stone made the same statement about Mr. Rumely. It is no longer fitting to refer to Mr. Rumely as an ex-convict. That statement is libelous if printed, slander if made orally. Let us be fair and just.

EXTENSION OF REMARKS

Mr. CANFIELD asked and was given permission to extend his remarks and include an article on civilian defense by Hanson Baldwin, the military expert of the New York Times.

Mr. COLE of Kansas asked and was given permission to extend his remarks and include three resolutions adopted by Capital Post No. 1 of the American Legion of Topeka.

Mr. FARRINGTON asked and was given permission to extend his remarks and include an article from the Christian Science Monitor.

Mr. FULTON asked and was given permission to extend his remarks and include an article from the Pittsburgh Post Gazette daily magazine of August 8, 1950, entitled "Write Your Congressman" by Charles F. Danver, and two letters in connection with the article, one by Fred E. Obley, chairman of the registration commissioners of Allegheny County, and the other from Mrs. W. F. McNally, of Mount Lebanon, Pittsburgh, Pa.

Mr. PATMAN asked and was given permission to extend his remarks and include certain statements and excerpts.

Mr. GORSKI (at the request of Mr. HUBER) was given permission to extend his remarks and include newspaper articles.

Mr. BARTLETT asked and was given permission to extend his remarks in two separate instances and to include editorials and other matter.

Mr. WALSH asked and was given permission to extend his remarks and include an editorial.

Mr. MANSFIELD asked and was given permission to extend his remarks and include a message from Brig. Gen. Melvin A. Maas, president of MCROA, to his membership.

Mr. JUDD asked and was given permission to extend his remarks in two instances and include extraneous matter in each.

Mr. BYRNES of Wisconsin (at the request of Mr. SMITH of Wisconsin) was given permission to extend his remarks and include extraneous matter.

Mr. LANHAM asked and was given permission to extend his remarks and include a resolution.

SENATE JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to a joint resolution of the Senate of the following title:

S. J. Res. 193. Joint resolution to amend section 14 of the Merchant Ship Sales Act of 1946, as amended, for the purpose of correcting an error in Public Law 591, Eighty-first Congress.

ADJOURNMENT

Mr. HAVENNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 56 minutes p. m.), under its previous order, the House adjourned until Monday, August 14, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1625. Under clause 2 of rule XXIV, a letter from the Director, Division of Territories and Island Possessions, Department of the Interior, transmitting a copy of the Journal of the House of Representatives of the Legislature of the Territory of Hawaii, special session of 1949, pursuant to section 69 of an act of Congress entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, was taken from the Speaker's table and referred to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against James J. Matles (Rept. No. 2855). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Thomas J. Fitzpatrick (Rept. No. 2856). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Thomas Quinn (Rept. No. 2857). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Frank Panzino (Rept. No. 2858). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Ralph Tokunaga (Rept. No. 2859). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Charles Fujimoto (Rept. No. 2860). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Dwight James Freeman (Rept. No. 2861). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Esther Bristow (Rept. No. 2862). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Rachel Saiki (Rept. No. 2863). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against John Reinecke (Rept. No. 2864). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Ernest Arena (Rept. No. 2865). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Koichi Imori (Rept. No. 2866). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Denichi Kimoto (Rept. No. 2867). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Pearl Freeman (Rept. No. 2868). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Marshall McEuen (Rept. No. 2869). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Ruth Ozaki (Rept. No. 2870). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Stephen Murin (Rept. No. 2871). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Jack Hall (Rept. No. 2872). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Frank Silva (Rept. No. 2873). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Jack Kawano (Rept. No. 2874). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against John Akana (Rept. No. 2875). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Yukio Abe (Rept. No. 2876). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Yasuki Arakaki (Rept. No. 2877). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Edward Hong (Rept. No. 2878) Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Kameo Ichimura (Rept. No. 2879). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Douglas Inouye (Rept. No. 2880). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Levi Kealoha (Rept. No. 2881). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Adele Kensinger (Rept. No. 2882). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Benjamin Kaahawinui (Rept. No. 2883). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Frank Kalua (Rept. No. 2884). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Yoshita Marumo (Rept. No. 2885). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Robert Murasaki (Rept. No. 2886). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Robert McElrath (Rept. No. 2887). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Julian Napuunoa (Rept. No. 2888). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Tadashi Ogawa (also known as "Castner" Ogawa) (Rept. No. 2889). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Hideo Okada (Rept. No. 2890). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Wilfred Oka (Rept. No. 2891). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Jeanette Nakama Rohrbough (Rept. No. 2892). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Mitsuo Shimizu (Rept. No. 2893). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Frank Takahashi (Rept. No. 2894). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Shigeo Takemoto (Rept. No. 2895). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Ralph Vossbrink (Rept. No. 2896). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Thomas Yagi (Rept. No. 2897). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Giovanni Rossi Lomanitz (Rept. No. 2898). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against David Joseph Bohm (Rept. No. 2899). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Irving David Fox (Rept. No. 2900). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Clarence Hiskey (Rept. No. 2901). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Frank Hashmall (Rept. No. 2902). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Talmadge Raley (Rept. No. 2903). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Esther Tice (Rept. No. 2904). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Marcel Scherer (Rept. No. 2905). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Mrs. Louise Berman (Rept. No. 2906). Ordered to be printed.

Mr. WOOD: Committee on Un-American Activities. Report on proceedings against Pasquale Leonard James Branca (Rept. No. 2907). Ordered to be printed.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. Eighth intermediate report of the Committee on Expenditures in the Executive Departments (Rept. No. 2908). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. S. 3728. An act to implement Reorganization Plan No. 20 of 1950 by amending title 1 of the United States Code, as regards publication of the United States Statutes at Large, to provide for the publication of treaties and other international agreements between the United States of America and other countries in a separate compilation, to be known as United States Treaties and Other International Agreements, and for other purposes; without amendment (Rept. No. 2909). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. S. 3409. An act to establish a new Grand Teton National Park in the State of Wyoming, and for other purposes; with amendment (Rept. No. 2910). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee of conference. S. 3666. An act to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry; without amendment (Rept. No. 2911). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MOULDER:

H. R. 9410. A bill to allow school teachers to deduct, for income-tax purposes, the expenses of attending summer-school courses at a college or university; to the Committee on Ways and Means.

By Mr. TOWE:

H. R. 9411. A bill to enact the National Security Training Act of 1950; to the Committee on Armed Services.

By Mr. YOUNG:

H. R. 9412. A bill to tax capital gains of nonresident alien individuals and foreign corporations; to the Committee on Ways and Means.

By Mr. ELLIOTT:

H. R. 9413. A bill to provide an allowance for uniforms for certain officers recalled to active service with the Armed Forces of the United States; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYKIN:

H. R. 9414. A bill for the relief of Eugenio Bellini; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 9415. A bill for the relief of Mrs. Masami Hori, Setsuko Hori, and Yoshiko Hori; to the Committee on the Judiciary.

H. R. 9416. A bill for the relief of Mrs. Sumi Tanimitsu; to the Committee on the Judiciary.

H. R. 9417. A bill for the relief of Mitsuko Tanaka; to the Committee on the Judiciary.

H. R. 9418. A bill for the relief of Mrs. Etsuko Kawasaki Murakami and Melvin Toshiaki Murakami; to the Committee on the Judiciary.

H. R. 9419. A bill for the relief of Ayako Sasaguchi and Etsuko Sasaguchi; to the Committee on the Judiciary.

H. R. 9420. A bill for the relief of Hego Fuchino; to the Committee on the Judiciary.

H. R. 9421. A bill for the relief of Shoemon Takano; to the Committee on the Judiciary.

H. R. 9422. A bill for the relief of Hisamitsu Kodani; to the Committee on the Judiciary.

H. R. 9423. A bill to authorize the admission of Flora Fung Wah Miu Wong to the United States; to the Committee on the Judiciary.

H. R. 9424. A bill for the relief of Hideo Ishida; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 9425. A bill for the relief of Sister Natalie (Marie Palagyi) and Sister Alice (Elizabeth Siachta); to the Committee on the Judiciary.

By Mr. WILSON of Texas:

H. R. 9426. A bill for the relief of Hanoh Sarapanovschi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2327. By Mrs. ROGERS of Massachusetts: Memorial of the General Court of Massachusetts, to enact legislation reviving or establishing family allowances to all members of the Armed Forces who have been or will be called to active duty in the present emergency; to the Committee on Armed Services.

2328. Also, memorial of the General Court of Massachusetts, to pass legislation for overall study of economic development in this area; to the Committee on Public Works.

2329. Also, memorial of the General Court of Massachusetts, in favor of a commemorative postage stamp in recognition of the outstanding service to the Nation of Maj. Gen. Henry Knox; to the Committee on Post Office and Civil Service.

2330. By The SPEAKER: Petition of W. D. Johnson, secretary, South Miami Townsend Club, No. 1, South Miami, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

2331. Also, petition of John Whitehead, chairman, Pension Clubs and Senior Citizens of Duval County, Fla., Jacksonville, Fla., requesting that emergency legislative measures be taken in dealing with the vital social-security problem; to the Committee on Ways and Means.

SENATE

MONDAY, AUGUST 14, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met in the former Supreme Court chamber in the Capitol at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Father, Thou who art the light behind life's shadows, the love behind life's sorrows, shine in morning splendor upon these darkened lives of ours. We would face the responsibilities committed to our hands in the sense of the eternal. Our strength in these trying and tragic days is unequal to our tasks. Our insights are not deep enough for the solving of the tangled tragedy of our ailing world. We cannot boast of our own might; our flesh is too fallible, our hearts are too evil, our wills are too wayward. Our weakness and failure cry out for inner sustenance. In these times of stress and strain that tempt to petulance, grant us the grace of patience, remembering always that courtesy is rarer than courage and that a soft answer turneth away wrath.

In all and through all that we say or do, make us the ministers of Thy healing, the channels of Thy grace, that to those who sit in darkness and desolation there may come beauty for ashes, the oil of joy for mourning, the garments of praise for the spirit of heaviness. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 11, 1950, was dispensed with.

LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate today and tomorrow.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the subcommittee of the Committee on the District of Columbia investigating wire tapping was authorized to sit during the session of the Senate today.

On request of Mr. MAYBANK, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

MEETING OF AMERICAN GROUP OF INTERPARLIAMENTARY UNION ON TUESDAY AT 10:30 A. M.

The VICE PRESIDENT. The Chair would remind Senators of his announcement made last week, as president of the American group of the Interparliamentary Union, that a meeting of the group will be held tomorrow at 10:30 in my office, across the hall from this room.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Morse
Anderson	Hickenlooper	Mundt
Benton	Hill	Murray
Brewster	Hoey	Myers
Bricker	Holland	Neely
Butler	Humphrey	O'Connor
Byrd	Hunt	O'Mahoney
Capehart	Ives	Pepper
Chapman	Johnson, Colo.	Robertson
Chavez	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Schoeppel
Cordon	Kefauver	Smith, Maine
Darby	Kem	Smith, N. J.
Donnell	Kerr	Sparkman
Downey	Kilgore	Stennis
Dworshak	Knowland	Taft
Eastland	Langer	Thomas, Okla.
Ecton	Lehman	Thomas, Utah
Ellender	Long	Tydings
Ferguson	Lucas	Watkins
Fulbright	McCarran	Wherry
George	McKellar	Wiley
Gillette	McMahon	Williams
Graham	Magnuson	Withers
Green	Malone	Young
Gurney	Maybank	
Hayden	Millikin	

Mr. MYERS. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Arizona [Mr. MCFARLAND] are absent on public business.

The Senator from Arkansas [Mr. MCCLELLAN] and the Senator from Idaho [Mr. TAYLOR] are absent by leave of the Senate.

Mr. WHERRY. The Senator from Washington [Mr. CAIN], the Senator from Vermont [Mr. FLANDERS], the Senator from Minnesota [Mr. THYE], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. JENNER], the junior Senator from Massachusetts [Mr. LODGE], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Wisconsin [Mr. MCCARTHY], and the senior Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

PRESERVATION OF ORDER IN TEMPORARY SENATE CHAMBER

The VICE PRESIDENT. Inasmuch as the Senate will be meeting for some time in this small Chamber, where the acoustice lend themselves to confusion and noise when anyone participates in conversation, the Chair would like to admonish Senators to be as orderly and quiet as possible. The slightest noise reverberates all over the room, and makes it difficult to transact business, for the clerks and the Chair to hear, or for Senators to hear. Therefore, the Chair hopes that Senators will cooperate with him in keeping order in the Chamber.

Mr. LUCAS. Mr. President, I should like to make a brief announcement. It is my understanding that the lobby in the rear of the Senate Chamber is still open, and Senators may go there to read newspapers, or for rest, if they so desire.

Mr. President, I should also like to suggest that in the close quarters in which we are now meeting again those who are acting as executive assistants or clerks to Senators will not occupy too much of the limited space at our disposal. Obviously Senators must have their executive assistants coming and going, but it seems to me we should not be too much troubled with assistants while the Senate is in session. I hope that we may get along with the least possible interference for as long as we are in these quarters. It is my hope that we may expedite the business of the Senate as fast as possible in order that the Senate may take a recess or an adjournment.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair, as is usual, will recognize Senators for routine matters, without speeches or debate.

REPORT OF DISTRICT OF COLUMBIA PUBLIC UTILITIES COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to law, a report of the Commission for the year ended December 31, 1949, which, with the accompanying report, was referred to the Committee on the District of Columbia.

RESOLUTIONS OF DEPARTMENT OF SOUTH CAROLINA, AMERICAN LEGION

Mr. MAYBANK. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, resolutions adopted by the South Carolina Department of the American Legion, at Charleston, S. C., relating to the Korean emergency.

There being no objection, the resolutions were referred and ordered to be printed in the RECORD, as follows:

To the Committee on Armed Services:

"Whereas the present situation in Korea proves that the weakest part of our defensive armour is lack of training for our organized and unorganized Reserves; therefore be it

"*Resolved*, That the American Legion, Department of South Carolina, in convention assembled in Charleston, S. C., this 18th day of July 1950 go on record as urging the immediate passage by our National Congress of the compulsory universal military training program of the American Legion; and be it further

"*Resolved*, That the Government of the United States and other members of the United Nations and their authorized officials working under a mandate of the United Nations vigorously pursue the present military action in Korea to bring this conflict to as early and as successful a conclusion as possible, using all means within their control."

To the Committee on Finance:

"Whereas the members of the Armed Forces of the United States now participating in the

Korean action are undergoing casulties and battle conditions comparable to those which existed in World War I and II; and

"Whereas the American Legion was the sponsor of the original GI bill of rights and certain other beneficial veterans legislation: Now, therefore, be it

"*Resolved*, That the American Legion in convention assembled this 18th day of July 1950, in Charleston, S. C., favors the extension to the veterans of the Korean action of the benefits of the GI bill of rights and all other veterans legislation."

To the Committee on Foreign Relations:

"Whereas the forces of Communist aggression have engaged forces of the United States and the United Nations in armed combat in Korea; and

"Whereas these same forces are threatening conflict in other parts of the world; and

"Whereas the United States and the United Nations have taken a firm stand to repel any encroachment by the forces of communism on the free peoples of the world and to use such force as is necessary to repel any and all acts of aggression by said forces of communism: Now, therefore, be it

"*Resolved*, by the American Legion, Department of South Carolina, in convention assembled in Charleston, S. C., this 18th day of July 1950 that we approve and endorse the position taken by the United States and the United Nations in taking a firm stand against any and all Communist aggression and encroachment upon the rights, privileges, possessions and territories of the freedom-loving people of the world."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PEPPER, from the Committee on Labor and Public Welfare:

S. 3254. A bill to provide for designation of the United States Veterans' Administration hospital at Buffalo, N. Y., as the Buffalo Veterans' Memorial Hospital; with an amendment (Rept. No. 2271);

S. 3499. A bill to grant persons entitled to vocational rehabilitation under part VII, Veterans Regulations Nos. 1 (a), as amended, a minimum of 4 years' training; with amendments (Rept. No. 2272);

S. 3768. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; with an amendment (Rept. No. 2273);

H. R. 6217. A bill to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration; without amendment (Rept. No. 2274); and

H. R. 8619. A bill to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes; without amendment (Rept. No. 2275).

By Mr. McCARRAN, from the Committee on the Judiciary, without amendment:

S. 2648. A bill for the relief of Carlo Fava (Rept. No. 2276);

S. 3018. A bill for the relief of W. F. Steiner (Rept. No. 2277);

S. 3037. A bill for the relief of Nicholas Yialouris (also known as Nicholas Gialouris or Nicolaos Gialouris or Nick Yialouris (Rept. No. 2278);

S. 3121. A bill for the relief of Mario Juan Blas Besso-Planetto (Rept. No. 2279);

S. 3250. A bill for the relief of Marne Post, No. 28, American Legion, New Martinsville, W. Va. (Rept. No. 2280);

S. 3321. A bill for the relief of Dr. Zena (Zenobia) Symeonides (Rept. No. 2281);

S. 3434. A bill for the relief of Mikiko Anzai (Rept. No. 2282);

S. 3917. A bill for the relief of Basilio Gorgone (Rept. No. 2283);

S. 3965. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co. (Rept. No. 2284);

S. 3966. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co. (Rept. No. 2285);

S. 3967. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust (Rept. No. 2286);

S. 3993. A bill to provide for the appointment of deputy United States marshals without regard to the provisions of the civil-service laws and regulations (Rept. No. 2287);

H. R. 1585. A bill for the relief of Leilah begum Alaoui Mullin (Rept. No. 2288);

H. R. 1611. A bill for the relief of Walter E. Miller (Rept. No. 2289);

H. R. 1616. A bill for the relief of S. L. Ayres & Co, Inc. (Rept. No. 2290);

H. R. 3132. A bill for the relief of Sergio and Mara Lamberti (Rept No. 2291);

H. R. 3304. A bill for the relief of Jose Cotto Santiago (Rept. No. 2292);

H. R. 3921. A bill for the relief of Nicholas C. Hadjipateras, Pipitsa N. Hadjipateras, and Costas N. Hadjipateras (Rept. No. 2294);

H. R. 4014. A bill for the relief of Maria Hoffman (Rept. No. 2295);

H. R. 4142. A bill for the relief of Ralph D. Kinney (Rept. No. 2296);

H. R. 4657. A bill for the relief of J R. Fleming & Co. (Rept. No. 2297);

H. R. 4775. A bill for the relief of Harold L. Corzett, commander, United States Naval Reserve (Rept. No. 2298);

H. R. 4954. A bill for the relief of Jacob F. Hutt and Anderson E. Humphrey (Rept. No. 2299);

H. R. 5250. A bill for the relief of J. L. Smelcer (Rept. No. 2300);

H. R. 5523. A bill for the relief of Fred I. Massengill (Rept. No. 2301);

H. R. 6052. A bill for the relief of John M. Vick (Rept. No. 2302);

H. R. 6223. A bill to record the lawful admission to the United States for permanent residence of James Ermini (Rept. No. 2303);

H. R. 6312. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Joseph Lundborg and others against the United States (Rept. No. 2304);

H. R. 6386. A bill for the relief of Amos Chen, a native of Jamaica, British West Indies (Rept. No. 2305);

H. R. 6417. A bill for the relief of Mrs. Frieda Gray (formerly Frieda Putman) (Rept. No. 2306);

H. R. 6442. A bill for the relief of Mrs. Martha Reid (Rept. No. 2307);

H. R. 6446. A bill for the relief of Mrs. L. M. Cox and Mrs. M. R. Nickle (Rept. No. 2308);

H. R. 6463. A bill for the relief of Mrs. Shikaju Nakashima (Rept. No. 2309);

H. R. 6578. A bill for the relief of Mrs. Gunnborg Janzon Hamilton (Rept. No. 2310);

H. R. 6586. A bill for the relief of Stamatie Amersonis (Rept. No. 2311);

H. R. 6707. A bill for the relief of Sirius Proestopoulos (Rept. No. 2312);

H. R. 7012. A bill for the relief of Anna Ellero and Clara Ellero (Rept. No. 2313);

H. R. 7282. A bill for the relief of Cornelius VerSluis (Rept. No. 2314);

H. R. 7297. A bill for the relief of Ignas Malcius (Rept. No. 2315);

H. R. 7370. A bill for the relief of Kiyoko S. Barr and Harue Barr (Rept. No. 2316);

H. R. 7613. A bill for the relief of Mrs. Miyako Horikoshi Spaulding and Mabel Miya Spaulding (Rept. No. 2317);

H. R. 7814. A bill for the relief of Stella Matutina Kazuko Yamazaki (Rept. No. 2318);

H. R. 7919. A bill for the relief of Mrs. Yukiko Yoshii French and her son (Rept. No. 2319);

H. R. 7921. A bill for the relief of Eva T. Ross (Rept. No. 2320);

H. R. 8009. A bill for the relief of Enrica Gianoli (Rept. No. 2321);

H. R. 8061. A bill for the relief of Mrs. Yuki Sugimoto Murphy and David Murphy (Rept. No. 2322);

H. R. 8069. A bill for the relief of Mrs. Michiko Kohga Brooks (Rept. No. 2323);

H. R. 8073. A bill for the relief of Kimiko Iso and her minor daughter, Midori (Rept. No. 2324);

H. R. 8134. A bill for the relief of Elona Schwietze and her son (Rept. No. 2325);

H. R. 8153. A bill for the relief of Chiyoko Akashi (Rept. No. 2326);

H. R. 8315. A bill for the relief of Joseph F. Gallagher (Rept. No. 2327);

H. R. 8423. A bill for the relief of Yuriko Mizumoto (Rept. No. 2328);

H. R. 8473. A bill for the relief of Kimiko Tomita (Rept. No. 2329);

H. R. 8477. A bill for the relief of Marcel Rene de Romanett (Rept. No. 2330);

H. R. 8558. A bill for the relief of Kimiko Yamaguchi (Rept. No. 2331);

H. R. 8584. A bill for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating (Rept. No. 2332);

H. R. 8684. A bill for the relief of Mrs. Yumiko Kawai Misanin and her daughter, Maria Mari Misanin (Rept. No. 2333);

H. R. 8740. A bill for the relief of Erika Kuhn (Rept. No. 2334);

H. R. 8741. A bill for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin (Rept. No. 2335);

H. R. 8742. A bill for the relief of Mrs. Tokiko Amano Roloson (Rept. No. 2336);

H. R. 8751. A bill for the relief of Mrs. Yoshiko Ogiso Peterson (Rept. No. 2337);

H. R. 8772. A bill for the relief of Ah-Kim Wong (Rept. No. 2338);

H. R. 8794. A bill for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr. (Rept. No. 2339);

H. R. 8795. A bill for the relief of Benjamin Paglinaman (Rept. No. 2340);

H. R. 8824. A bill for the relief of Tokuko Murayama (Rept. No. 2341);

H. R. 8826. A bill for the relief of Yaeko Nakajima (Rept. No. 2342);

H. R. 8918. A bill for the relief of Mary Bynik Baran (Rept. No. 2343);

H. R. 8935. A bill for the relief of Mrs. Jaye Kurusu Maddox (Rept. No. 2344);

H. R. 8956. A bill for the relief of Mrs. Claude Morita and Rodney Morita (Rept. No. 2345); and

H. J. Res. 510. Joint resolution to exempt certain counsel employed by committee from certain Federal laws under Special Committee on Campaign Expenditures, 1950 (Rept. No. 2346).

By Mr. McCARRAN, from the Committee on the Judiciary, with an amendment:

S. 2324. A bill for the relief of Maria Balsam (Rept. No. 2347);

H. R. 1586. A bill for the relief of Harold E. Trautwein (Rept. No. 2348);

H. R. 3919. A bill for the relief of John S. Steber (Rept. No. 2293);

H. R. 6095. A bill for the relief of Universal Corp., James Stewart Corp., and James Stewart & Co., Inc. (Rept. No. 2349);

H. R. 6832. A bill for the relief of Choko Nishida (Rept. No. 2350); and

H. R. 8219. A bill for the relief of Tadeusz Herka (Rept. No. 2351).

By Mr. McCARRAN, from the Committee on the Judiciary, with amendments:

S. 1192. A bill for the relief certain Basque aliens (Rept. No. 2352);

S. 2922. A bill for the relief of Chuko Murator (Rept. No. 2353);

H. R. 1874. A bill for the relief of John W. Mahoney, Charles Sorenson, Charles A. Stewart, and Stanley Thiffault (Rept. No. 2354);

H. R. 4221. A bill for the relief of the legal guardian of Patricia Joyce Dunn, a minor (Rept. No. 2355);

H. R. 4803. A bill for the relief of Bernard F. Elmers (Rept. No. 2356);

H. R. 6804. A bill for the relief of certain Italian aliens (Rept. No. 2357); and

H. R. 7454. A bill for the relief of Robert C. Watters, Mrs. Martha L. Watters, C. E. Nivens, E. O. Nivens, and the estate of J. W. Gillum, deceased (Rept. No. 2358).

PUBLIC EMPLOYMENT OFFICES IN PUERTO RICO AND VIRGIN ISLANDS—REPORT OF A COMMITTEE

Mr. LEHMAN. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, without amendment, the bill (S. 3546) to extend the act of June 6, 1933 (48 Stat. 113), as amended, to Puerto Rico and the Virgin Islands, and for other purposes, and I submit a report (No. 2270) thereon. I ask unanimous consent that my name be added as an additional cosponsor of the bill.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar, and, without objection, the name of the Senator from New York will be added as an additional cosponsor of the bill. The Chair hears no objection.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938—REPORT OF A COMMITTEE

Mr. JOHNSON of Colorado. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably, without amendment, the bill (S. 3995) to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board and the Secretary of Commerce to undertake security measures relative to the regulation and control of air commerce, and for other purposes, and I submit a report (No. 2359) thereon. I ask unanimous consent that the report be printed in the RECORD.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar, and, without objection, the report will be printed in the RECORD. The Chair hears no objection.

The report is as follows:

The Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 3995) to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board and the Secretary of Commerce to undertake security measures relative to the regulation and control of air commerce, and for other purposes, having considered the same, reports favorably thereon with amendment and recommends that the bill do pass.

The amendment is as follows: Strike out all after the enacting clause of S. 3995 and insert in lieu thereof the following:

"Be it enacted, etc., That the Civil Aeronautics Act of 1938, as amended, is amended by the addition of a new title XII, reading as follows:

"'TITLE XII—SECURITY PROVISIONS

"'SECRETARY OF COMMERCE AND CIVIL AERONAUTICS BOARD

"'SEC. 1201. The purpose of this title is to establish security provisions which will encourage and permit the maximum use of civil aircraft consistent with the national security. Whenever the President determines such action to be required in the interest of national security, he may direct the Secretary of Commerce and the Civil Aeronautics Board to exercise the powers, duties, and responsibilities granted in this title to the extent, in the manner, and for such periods of time as the President considers necessary.

"'NATIONAL SECURITY REGULATIONS

"'SEC. 1202. The Board shall consider requirements of national security as well as safety of flight in air commerce, in exercising its powers and carrying out its responsibilities under title VI of this act.

"'SECURITY CONTROL OF AIR TRAFFIC

"'SEC. 1203. The Secretary of Commerce is authorized to establish such zones or areas in the airspace above the United States, its Territories and possessions (including areas of land or water administered by the United States under international agreement) as he may find necessary in the interests of national security; and may, after consultation with the Department of Defense and the Board, by rule, regulation, or order within such zones or areas, prohibit or restrict flights of aircraft which he cannot effectively identify, locate, and control with available facilities: *Provided,* That the Secretary of Commerce shall consult with the Department of State before exercising the authority provided in this section with respect to areas of land or water administered by the United States under international agreement.

"'PENALTIES

"'SEC. 1204. In addition to the penalties otherwise provided for by this act, any person who knowingly or willfully violates any provision of this title, or any rule, regulation, or order issued thereunder shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not exceeding $10,000 or to imprisonment not exceeding 1 year, or to both such fine and imprisonment.

"'TERMINATION OF TITLE

"'SEC. 1205. The provisions of this title shall expire on such date as may be specified by concurrent resolution of the two Houses of Congress.

"'PURPOSE

"'The purpose of the bill is to grant authority to the Secretary of Commerce and the Civil Aeronautics Board for the development and implementation of a plan for the security control of air traffic in time of war or when the national security is endangered. The purpose of the plan authorized under the bill is to promote the maximum flow of civil air traffic by utilizing to the extent possible all existing civil air traffic control facilities while still effectuating necessary security control of such air traffic.

"'JUSTIFICATION

"'It is an essential military requirement for the air defense of the United States that all aircraft in flight should be easily identified so that the military authorities may readily detect the approach and operation of unknown and possibly unfriendly aircraft at the earliest possible moment. This requirement is of particular urgency in certain defense areas where it is necessary that positive identification and control of all aircraft be effected when the national security is endangered, irrespective of a state of war or declaration of a national emergency. It is recognized that these controls should be of such a nature and be so imposed that there is the greatest possible unhampered operation of both military and civil aviation.

"'The regulation and control of civil aircraft flight operations are provided by title VI of the Civil Aeronautics Act of 1938, as amended. The provisions of this title direct the Civil Aeronautics Board and the Administrator of Civil Aeronautics to impose such regulation and control only in the interest of safety of flight in air commerce. The present law does not recognize national security as one of the bases for the exercise of such control.

"'The facilities and personnel of the Civil Aeronautics Administration are well suited to provide the identification, location, and control of aircraft which the national security of the United States requires from the military standpoint. Additional legislative authority is required in order for the Civil Aeronautics Board and the Civil Aeronautics Administration to discharge properly this responsibility.

"'In certain defense areas the volume of air traffic may exceed the available facilities and personnel for ready identification, and legislative authority is required so that the Secretary of Commerce may designate such zones or areas and prohibit or restrict, by rule or regulation, operation of all aircraft within such zones or areas which cannot be effectively identified, located, and controlled with the facilities on hand.

"'GENERAL STATEMENT

"'This legislation has been developed as a result of joint studies by the Department of the Air Force, the Department of Commerce acting through the Civil Aeronautics Administration, and the Civil Aeronautics Board, to meet the lack of legal authority previously mentioned which is considered necessary to the successful discharge by the Civil Aeronautics Administration of its responsibility under existing plans for this portion of the air defense of the United States. It was handled through the Air Coordinating Committee and has the endorsement of the affected agencies of the Government and is in accord with the program of the President.

"'The bill as reported by the committee contains modifications of the original bill (S. 3995) agreed upon after consultations between the Government agencies involved and representatives of many branches of the aviation industry.

"'The bill is designed to permit the development of a means which would accomplish the effective identification, location, and control of all aircraft operating within sensitive defense areas and at the same time assure the maximum continued operation of civil aircraft in these areas consistent with the national security. Positive identification of aircraft can be accomplished in several ways. It can be obtained through airborne automatic electronic identifying equipment, by means of visual in-flight identification achieved through interception of the aircraft, by correlation of flight-plan data with data obtained through ground observer plots, and by correlation of flight-plan data with data obtained through radar. The prohibitive cost of in-flight identification and the inherent limitations of a ground observer net make it mandatory that the major portion of the civil aircraft identification problem be resolved by the correlation of the flight-plan data with radar data. In designated defense zones, identification and control of aircraft may be accomplished in this manner by the Civil Aeronautics Administration through its communications and traffic-control systems. This is in general the same procedure as that employed by the CAA for the purpose of securing the safe, orderly, and expeditious flow of air traffic under adverse weather conditions.

"'To make this procedure effective it is essential that no aircraft be permitted to operate in these designated areas unless certain conditions are complied with. These conditions may include the mandatory filing of flight plans, operation between points in accordance with specified routes, report of positions at fixed times and at certain points, operation only at certain designated altitudes and other similar factors. Under existing law, these conditions can be imposed

only in the interests of safety, which generally exist only under conditions of adverse weather. The responsibilities of the Civil Aeronautics Board are expanded by the provision which requires it to consider national security as well as safety of flight in air commerce in the formulation and promulgation of the Civil Air Regulations, which are issued under the Board's powers pursuant to title VI of the act.

"'The powers conferred by the bill are essentially emergency powers, and will come into force only during those periods when the national security is threatened. Its application, however, is not predicated upon the existence of war or a declaration of a national emergency, due to the fact that present experiences in international affairs indicate the need for the establishment of the identification zones at a time in advance of a condition critical enough to warrant the declaration of a national emergency or war. This does not mean, however, that on the enactment of this legislation there will be an immediate curtailment of flying activities, restrictions on flight operations, or other interference with civil aviation. It is possible that years could go by without there being established any restricted defense zone under this bill.

"'It is obvious that the military requirements affecting the extent of the defense zones within which identification is required and the extent of restrictions placed upon aircraft operating within these zones to assure positive identification, location, and control, will vary from time to time. The President is authorized to control the extent to which, the manner in which, and the periods during which the legal authority may be utilized. These periods may be somewhat prolonged and the President may direct the Secretary of Commerce and the Civil Aeronautics Board to exercise the powers granted under this bill "for the duration."

"'The committee, upon the recommendation of the affected Government agencies, reported the bill without including the provisions of the original bill regarding classifications of civil aircraft and types of civil aircraft operations for the purpose of facilitating the identification, location, and air traffic control of aircraft in flight. This deletion was approved by the committee upon the understanding that all branches of the aviation industry participating in the discussion of this legislation with the Government agencies recognized that some form of classification would have to be employed with respect to the exclusion of excess aircraft from some identification zones in order to carry out the purposes of this act in a fair, just, and nondiscriminatory manner.

"'In order to protect the interests of the civil economy as well as the military, the legislation was amended on the recommendation of the Secretary of Commerce, adding a requirement that the Secretary of Commerce consult the Civil Aeronautics Board and the Department of Defense prior to issuing rules, regulations, or orders prohibiting or restricting flying activities in identification zones with respect to aircraft he cannot effectively identify, locate, and control within such zones with available facilities. The requirement of consultation would not apply to the establishment of identification zones or areas nor to day-to-day administrative decisions, but the requirement would apply to the establishment of broad general rules, regulations, and classifications. These rules would be primarily of a technical nature designed to differentiate between aircraft with respect to the means by which they may be identified, located, or their movements controlled.

"'It was pointed out to the committee that when the number of aircraft desiring to fly into, through, or within such identification areas exceeded the capacity of available facilities, classifications, and restrictions established to keep the numbers within the limits of capacity would be for the most part technical in nature, relating primarily to the aircraft and its equipment. So long as such technical restrictions are adequate to keep the number of aircraft within necessary limits, traffic acceptances of aircraft with similar equipment would be handled on much the same basis as is presently the case with aircraft flying under instrument weather conditions.

"'In the event, however, that restrictions and classifications established on a technical basis would prove inadequate in any zones over extended periods of time, it will be necessary, according to the representative of the Secretary of Commerce, to make some further type of classification of aircraft in order to assure that the essential traffic receives clearance. In such cases the Secretary will accept aircraft on a "first-come, first-served" basis, except for aircraft which hold duly issued priorities from an agency authorized to issue them. This representative further stated to the committee that it was the intent of the Secretary of Commerce to assure fair, just, and nondiscriminatory treatment in excluding excess aircraft from identification zones by requiring that such exclusion be done only by classes and not by individuals. He also emphasized that the classifications to be used would relate solely to the aircraft and would have nothing to do with the problems of priorities of passengers and cargo to be carried by any individual aircraft.'"

EXPLANATION OF THE PROPOSED LEGISLATION

Section 1201 of the bill authorizes the President, whenever he determines such action to be required in the interest of national security, to direct the Secretary of Commerce and the Civil Aeronautics Board to exercise the powers, duties, and responsibilities granted in this bill, under such limitations as the President considers necessary.

Section 1202 enlarges the authority of the Civil Aeronautics Board to include the element of national security as well as safety of flight in air commerce in the exercise of its powers in carrying out its responsibilities under title VI of the Civil Aeronautics Act.

Section 1203 of the bill authorizes the Secretary of Commerce to establish zones or areas in the air space and in consultation with the Department of Defense and the Civil Aeronautics Board, to promulgate rules and regulations governing the flight operations in such areas as will effectively assist him in identifying, locating, and controlling aircraft in such areas in the interest of national security. This authority granted to the Secretary of Commerce includes both civil and military air traffic in any such zone or area.

Section 1204 provides for the imposition of penalties against any person who knowingly or willfully violates any of the provisions of this bill or any rule, regulation, or order issued thereunder.

Section 1205 provides for termination of this title by concurrent resolution of the two Houses of Congress.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

"CIVIL AERONAUTICS ACT OF 1938

* * * * *

"Title XII—Security provisions

"Secretary of Commerce and Civil Aeronautics Board

"SEC. 1201. *The purpose of this title is to establish security provisions which will encourage and permit the maximum use of civil aircraft consistent with the national security. Whenever the President determines such action to be required in the interest of national security, he may direct the Secretary of Commerce and the Civil Aeronautics Board to exercise the powers, duties, and responsibilities granted in this title to the extent, in the manner and for such periods of time as the President considers necessary.*

"National security regulations

"SEC. 1202. *The Board shall consider requirements of national security as well as safety of flight in air commerce, in exercising its powers and carrying out its responsibilities under title VI of this act.*

"Security control of air traffic

"Sec. 1203. The Secretary of Commerce is authorized to establish such zones or areas in the air space above the United States, its Territories and possessions (including areas of land or water administered by the United States under international agreement) as he may find necessary in the interests of national security; and may, after consultation with the Department of Defense and the Board, by rule, regulation, or order within such zones or areas, prohibit or restrict flights of aircraft which he cannot effectively identify, locate, and control with available facilities: Provided, That the Secretary of Commerce shall consult with the Department of State before exercising the authority provided in this section with respect to areas of land or water administered by the United States under international agreement.

"Penalties

"Sec. 1204. In addition to the penalties otherwise provided for by this act, any person who knowingly or willfully violates any provision of this title, or any rule, regulation, or order issued thereunder shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not exceeding $10,000 or to imprisonment not exceeding one year, or to both such fine and imprisonment.

"Termination of title

"Sec. 1205. The provisions of this title shall expire on such date as may be specified by concurrent resolution of the two Houses of Congress."

The Secretary of Commerce, the Civil Aeronautics Board, and the Department of the Air Force have all endorsed the enactment of this bill.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MUNDT:

S. 4041. A bill to admit Mrs. Lucie Gatzke Martinson to the United States for permanent residence; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 4042. A bill for the relief of Yamaguchi Michiko; and

S. 4043. A bill for the relief of Virginia Tsuneko Kodama; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 4044. A bill for the relief of Winifred A. Hunter; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 4045. A bill for the relief of Christina Shalfeieff; to the Committee on the Judiciary.

By Mr. MORSE:

S. 4046. A bill for the relief of Chieko Fujiwara; to the Committee on the Judiciary.

By Mr. GREEN:

S. J. Res. 199. Joint resolution to permit the National Grange to erect a marker on Federal land in the District of Columbia; to the Committee on Interior and Insular Affairs.

DEFENSE PRODUCTION ACT OF 1950—AMENDMENTS

Mr. WILLIAMS (for himself and Mr. SCHOEPPEL) submitted amendments intended to be proposed by them, jointly, to the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. DWORSHAK submitted an amendment intended to be proposed by him to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

WISCONSIN CENTRAL AIRLINES FRANCHISE — STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him regarding the failure of the Civil Aeronautics Board to renew the franchise of the Wisconsin Central Airlines, which appears in the Appendix.]

PROPOSED LEGISLATION DEALING WITH SPYING, SUBVERSION, AND SABOTAGE—EDITORIAL FROM THE LOS ANGELES TIMES

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an editorial entitled "Truman Discovers the Mundt-Nixon Bill," published in a recent issue of the Los Angeles Times, which appears in the Appendix.]

PROTECTION OF GOVERNMENT AGAINST COMMUNIST AND SUBVERSIVE GROUPS—EDITORIAL FROM THE CATHOLIC REVIEW

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an editorial entitled "Facing the Future in a Fog of Doubt," published in the Catholic Review of August 11, 1950, which appears in the Appendix.]

STATEMENT MADE AND RESOLUTIONS ADOPTED AT FIFTEENTH AMERICAN-RUSSIAN FESTIVAL, STRATFORD, CONN.

[Mr. BENTON asked and obtained leave to have printed in the RECORD a statement entitled "Our Contributions to America," and resolutions adopted at the Fifteenth American-Russian Festival, at Stratford, Conn., August 13, 1950, which appear in the Appendix.]

NECESSITY FOR PROPAGANDA CAMPAIGNS

[Mr. BENTON asked and obtained leave to have printed in the RECORD an article by Richard J. H. Johnston from Tokyo and one by Robert Trumbull from New Delhi regarding the situation in Asia, which appear in the Appendix.]

PROGRAM FOR AMERICA—EDITORIAL FROM LIFE MAGAZINE

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an editorial entitled "Program for America," published in the August 14, 1950, issue of Life magazine, which appears in the Appendix.]

REACTIONS IN EUROPE TO EVENTS IN KOREA—REPORT FROM HOWARD K. SMITH

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a report by Howard K. Smith, war correspondent, on reactions in Europe to recent events in Korea, which appears in the Appendix.]

THE COPPER TARIFF

[Mr. MCMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "The Copper Tariff," published in the Washington Star of August 13, 1950, which appears in the Appendix.]

MILITARY CONSIDERATIONS ARE BEHIND LOAN TO SPAIN—ARTICLE BY RANDOLPH LEIGH

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article entitled "Military Considerations Are Behind Loan to Spain," written by Randolph Leigh, and published in the Washington Star of August 13, 1950, which appears in the Appendix.]

ADMIRAL DENFELD—EDITORIAL FROM ST. LOUIS GLOBE-DEMOCRAT

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "I Told You So," relating to Admiral Denfeld's efforts for national defense, published in the St. Louis Globe-Democrat on August 2, 1950, which appears in the Appendix.]

CACKLING CAN'T WIN WARS—ARTICLE FROM THE DENVER POST

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an article entitled "Cackling Can't Win Wars," written by Roscoe Fleming and published in the Denver Post, August 11, 1950, which appears in the Appendix.]

APPOINTMENT OF DARRELL ST. CLAIRE TO BE SPECIAL DEPUTY SERGEANT AT ARMS

Mr. LUCAS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an authorization signed today by Mr. Joseph C. Duke, Sergeant at Arms of the Senate, designating Mr. Darrell St. Claire a special Deputy Sergeant at Arms.

There being no objection, the appointment was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
OFFICE OF THE SERGEANT AT ARMS,
Washington, D. C., August 15, 1950.

In accordance with authority conferred on me by Senate resolution agreed to December 17, 1889 (Senate Journal 47, 51–1, Dec. 17, 1889), I hereby appoint Darrell St. Claire, a special Deputy Sergeant at Arms of the United States Senate for the period from August 15 to October 1, 1950, to perform in my absence any and all duties required of or devolving upon the Sergeant at Arms of the United States Senate by law or by the rules of order of the Senate.

JOSEPH C. DUKE,
Sergeant at Arms, United States Senate.

MONTANA—ARTICLE BY A. B. GUTHRIE, JR.

Mr. MURRAY. Mr. President, my attention has just been called to a very interesting article entitled "Montana," written by A. B. Guthrie, Jr., appearing in the magazine Holiday for September 1950.

The article dwells on the early pioneer life of Montana. It describes the settlements in those early days and tells some tall tales of the rugged miners and hard-riding, heavy-drinking cattlemen of that period. It brings to life again the early days of Butte, the great mining camp of the West made famous by the wars of the copper kings who created history in their desperate fight for control of the richest mineral zone ever discovered. It also tells of the early history of the cattlemen and the famous Alder Gulch mining camp which was the center of activities of the road agents and the vigilantes. It also describes the grandeur of the great mountains, forests, and scenic beauties of our State, with pictures in color showing Montana's magnificent scenery and recreational inducements which attract visitors from all over the world. I recommend it to my colleagues as an excellent piece of travel literature.

The article may not be entirely accurate in its portrayal of the heavy drinking and free spending that goes on in ranch towns, and perhaps it may not be entirely accurate in its inference that New Deal Senators are routed out of the State and sent on to the United States Senate just because they might be inimical to the best interests of the Anaconda Copper Mining Co. and the Montana Power Co. if allowed to hang around the State. But, what is the difference? No one in Montana is going to complain about a few irrelevancies. A writer of an article like that is entitled to a certain amount of poetic license. It is an entertaining tale and a fine piece of publicity. I think it is worth a great amount of money to Montana in attracting tourists; so I am for it, lock, stock, and barrel.

Montana, of course, will always be famous as a tourist's paradise, and, no one would wish to see it lose its character as the Nation's most scenic and colorful State. Yet the people of Montana cannot thrive on scenery, agriculture, copper mining, and cattle raising alone. We must have a balanced economy. We must develop our great potential waterpower resources and attract sufficient industries to our State to provide a balanced economy. We must have some development of our great natural resources if Montana is to play its part as the Treasure State.

As a result of the great program of reclamation, hydroelectric power development, and rural electrification which we have been pursuing in recent years, a new period in Montana's history is beginning to dawn. New industries are seeking location in our State to take advantage of the low-cost electric power new being developed at the Hungry Horse Dam. Several important aluminum and chemical industries have already made arrangements to establish industrial plants which will be powered by our newly developed hydroelectric installations. Already the trend of declining population has been reserved and Montana is beginning to grow.

The Holiday article is significant because it marks the passing of the old life of our State and the beginning of a new and brilliant future. To be sure, we will always cling to our memories of the pioneer days that have gone; but for all the years to come Montana will continue to be a tourist's paradise. But along with our scenic attractions and delightful

recreational facilities, we will have improved business and industrial opportunities, bringing new population, growth, and prosperity to our State.

DEFENSE PRODUCTION ACT OF 1950

The VICE PRESIDENT. The unfinished business before the Senate is consideration of Senate bill 3936, a bill to establish a system of priorities and allocations for materials and facilities, and for other purposes.

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The VICE PRESIDENT. The bill is open to amendment. As the Chair announced last week, the substitute language reported by the committee will be regarded as the text of the bill for purposes of amendment. No amendment is pending. The question is on agreeing to the amendment of the committee. As many as favor it will say "aye."

Mr. WHERRY. Mr. President, is this the price-control bill?

The VICE PRESIDENT. It is the control bill.

Mr. WHERRY. Very well—wages, prices, allocations, priorities, general provisions, and so forth.

The VICE PRESIDENT. It is Senate bill 3936.

Mr. WHERRY. There are about 30 amendments to be offered. I wonder if the managers in charge of the bill are ready to proceed with the committee amendments? There is no objection on my part to that being done.

The VICE PRESIDENT. The Chair understands that the Senator from South Carolina [Mr. MAYBANK] has some amendments to propose as committee amendments.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Of course, the amendments the Senator from South Carolina will offer are amendments to the committee amendment.

The VICE PRESIDENT. That is correct.

Mr. WHERRY. And the intention is to complete action on those first.

The VICE PRESIDENT. That is true.

THE OLD SUPREME COURT CHAMBER

The VICE PRESIDENT. While we are waiting for the Senator from South Carolina it occurs to the Chair that he might, with the consent of the Senate, make reference to the fact that the Senate of the United States moved out of this Chamber into the new Senate Chamber in 1859, 91 years ago. The desks that are in the Senate Chamber were put in it then. The fixtures around the rostrum were put in the Chamber at that time, and have been in use since that time.

The Vice President of the United States at that time was John C. Breckinridge, of Kentucky. He was the Vice President when the Senate moved out of this Chamber into the new Chamber. While I, of course, do not claim in any respect to be his equal, at least I am from Kentucky, and was Vice President when we moved back into this Chamber, and hope to continue to be when we shall move back into the new Chamber after it has been reconstructed.

That has nothing to do with the pending bill, but it is an interesting historical fact.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. BRICKER. Mr. President, I should like to make a few observations on the pending bill before we proceed to consider the amendments.

Mr. MAYBANK. Mr. President will the Senator yield to me?

Mr. BRICKER. Yes.

Mr. MAYBANK. I have three short amendments I wish to offer to the committee amendment. I have spoken to various Senators about the three amendments. They are not amendments of the kind the Senator from Ohio has. I wonder if the Senator from Ohio would object if I should call up my amendments at this time.

Mr. BRICKER. I am not going to speak on the amendments.

Mr. MAYBANK. My purpose was to ask unanimous consent that those three amendments be considered first.

Mr. BRICKER. May they not be considered after I have finished? Is there any reason why they should be considered now?

Mr. MAYBANK. Of course, action on them can wait until the Senator has concluded.

Mr. BRICKER. I shall take only a few minutes; not more than 20 minutes.

The VICE PRESIDENT. The Chair had previously announced that the amendments offered by the chairman of the committee would be regarded as committee amendments.

Mr. BRICKER. As I understand, the amendments in question will be offered by the Senator from South Carolina to the amended bill of the committee.

Mr. MAYBANK. Yes. I have discussed the amendments with some of the members of the committee. I did not have the opportunity to discuss them with the Senator from Ohio last Friday.

Mr. BRICKER. I do not know what they are. My remarks, however, do not go to the amendments, either to my own or to those of the Senator from South Carolina.

Mr. WHERRY. Mr. President, I inquire if the Senator from South Carolina intends to offer at this time the amendment providing for processing of meat?

Mr. MAYBANK. That is the main amendment. I spoke to the Senator from Nebraska about it. Is it agreeable to the Senator from Nebraska that it be offered at this time?

Mr. WHERRY. Yes. So far as I am concerned, I have no objection.

Mr. BRICKER. Mr. President, it seems to me, Mr. President, that as we resume consideration of the bill, which is of vital importance, which is all-encompassing of the economy of the country, providing as it does for control of business and the individual citizen in his daily activities and daily life, we ought to try to get down to the fundamentals and consider the real problems we have before us not only domestically, but world-wide as well.

Russia has a three-pronged method of attack. The first is by a process of infiltration, at which she has been very successful around the world, and even in this country. The second is by the use of armed force of her satellites here, there, and yonder, to gain additional territory and additional influence. In that field she has been very successful. There might be added to that ultimately a direct movement of the Russian arms themselves.

Finally, as we are all very conscious of the fact, the third prong of her offensive is to break the economies of the capitalist nations of the world, and essentially that of the United States.

In the consideration of this bill I think we should never lose sight of the fact that that is one of the important phases of the Russian world-wide movement today, for she has felt that the American economy might break at this time, that there might be a depression, wherein she could further sow the seeds of dissension and perhaps bring about a revolution in this country. That did not happen, and no doubt at the present time those in control of the destinies of that terribly destructive movement are considering what will happen to the economy of the United States. We likewise should give adequate consideration to it, Mr. President.

The committee was very diligent in its consideration of this bill. I feel a sense of deep gratitude for the individual efforts of all the members of the committee, and I wish to pay especial respect to the chairman of the committee, who has been most diligent in this entire program, sitting almost constantly, mornings and afternoons, and at times late into the evenings, in trying to prepare a bill which might be presentable to the Senate and acceptable to the country and constructive in its influence.

Titles I, II, III, VI, and VII of Senate bill 3936 relate to and comprise the economic controls requested by the President in his message of July 19, 1950. The President requested quick action on the powers contained in these titles. The committee promptly held hearings and made many improving amendments to the bill as originally introduced; and committee action on the powers requested by the President was substantially completed by August 2, 1950—now some 2 weeks ago. It is clear that the

controls provided by titles I, II, III, VI, and VII are necessary in the judgment of the committee, in waging the Korean war and in being better prepared for some similar or greater emergency in the future. Moreover, those powers are needed very soon, if not already, it seems to me, if they are to be effective. They could have been enacted into law almost immediately, if titles IV and V, the price-control and wage-control amendments, had not been inserted into the original bill. The controversy around those titles of the bill have been extensive in the committee, and no doubt will be extensive on the floor of the Senate.

The President has not requested price, wage, and consumer rationing controls at all. The fact that the committee has provided these controls on a stand-by basis indicates that, in the committee's judgment, they are not needed now. The President asked that price-wage-rationing controls be deferred if action on such controls would prolong consideration or delay action in either House. Certainly the inclusion of such provisions has prolonged consideration of the bill, and will continue to do so. Because consideration of price and wage controls even yet threatens to delay materially the enactment of legislation which is vital to national defense, titles IV and V should be recommitted for further and adequate consideration by the committee.

Price and wage controls as a part of a major, whole program would hamper the President in putting into effect the presently needed powers granted by this bill. That would be because of the pressures brought from every section of the country and every segment of our society for immediate action on price and wage and rationing controls. If prices of commodities were to go up immediately, there would be tremendous pressure upon the President, as no doubt there would be if this entire bill were enacted, to fix the prices of commodities and then to fix wages. All of it is built on a house of cards, our economic structure is very complex, and our economic system is an integrated one. In my judgment, such selective controls are impossible of administration and destructive to our economy as a whole.

There are other reasons why titles IV and V should not be enacted as a part of S. 3936. Hearings on price- and wage-stabilization policies have not been held. The committee has not had time or evidence sufficient to permit it to evaluate the Nation's experience under World War II price- and wage-control laws, even from the viewpoint of those who administered it. At a result, many of the mistakes, hardships, and injustices experienced during the last war will be repeated or perpetuated merely for lack of adequate consideration.

Unquestionably, much of the demand for immediate price- and wage-control legislation was inspired by the testimony of Mr. Bernard M. Baruch. However titles IV and V of S. 3936 are entirely inconsistent with the so-called Baruch plan in many fundamental ways.

Mr. Baruch urged the adoption of price and wage controls "across-the-board." Section 402 (b) of the bill authorizes the President to try selective price and wage controls before resorting to general controls. Mr. Baruch's thesis, confirmed by the experience in two World Wars, is that any attempt to control a few prices or wages is futile. The American economy is so interdependent and specialized that a piecemeal approach is bound to create inequities faster than they can possibly be corrected by regulations or rules or edicts from the President. As a result, materials and labor would tend to move from the controlled industry to the uncontrolled segment of the economy, thus causing a result exactly contrary to that sought to be attained. Since the controlled industry will undoubtedly be vital to the national defense, selective controls must inevitably expand. The greatest danger in the idea of selective price and wage controls is that the President will be subjected to tremendous pressure to control particular commodities, the price of which people, rightly or wrongly, feel to be excessive. Having initiated a piecemeal system of controls, the President would be powerless to stop general price and wage controls, even if he should feel they were premature.

Another feature of the price- and wage-control titles would be the tremendous number of employees necessary, who might very well—and, in my judgment, might better—be used in a constructive production effort toward the consummation of the program or the rebuilding of our military machine and in respect to winning the affair in Korea. Enactment of the price-control and wage-control titles would entail black markets and shortages here, there, and yonder, with the thousands of employees necessary to deal with them and with the unlimited number of court cases which would ultimately be brought, confusing the entire economy and tying up the business processes of the country generally.

Another fundamental point in the Baruch plan is that controls over prices and wages must be tied together and exercised together within a single agency. S. 3936 does not accomplish this purpose. Although prices and wages must be simultaneously controlled, subject to certain broad and vague exceptions, under sections 402 (b) and (c), the bill permits the President to use one period for the purpose of fixing price ceilings, and an entirely different period for the purpose of stabilizing wages. Under section 402 (d), the President could roll back prices to their June 1949 levels and stabilize wages at the current or some future level. If time had permitted hearings and careful study of title IV, it is unlikely that the committee would have given the President power to destroy the existing price-wage relationships in every American business.

The committee attempted in section 403 to follow Mr. Baruch's suggestion that controls over prices, wages, and rationing at the consumer level be administered through a single independent agency. But that purpose is largely nullified by the language of title V. Section 502 authorizes the President "to take such action as he deems appropriate for the settlement of labor disputes affecting the national defense, including the designation of such persons, boards, or commissions as he may deem appropriate."

The authority to control prices, wages, and distribution of consumer goods at the retail level vests in the President more arbitrary power over the lives of the American people than any other legislation past or present. If it is necessary for the President to have such power, Congress should not evade its responsibility for saying when such powers are necessary. The granting of such power on a stand-by basis requires the inclusion of provisions for a degree of flexibility which greatly increases the threat to individual liberty. For example, the vague language of title V would apparently enable the President to settle a labor dispute by drafting striking workers. The very inclusion of these provisions in the bill in regard to price, wage, and rationing controls is in itself an inducement to the very thing that they are intended to prevent. If there are stand-by controls given, immediately there will be a rush for increased wages and another cycle of increased wages, and there will be an effort on the part of everyone to get his prices up to the highest possible level, so that if they are ultimately fixed, he may hope to get the advantage of that increase. There will be scare buying, as there has been—now unjustified, but then possibly more justified than today.

If there is a strong probability that total war in the near future is inevitable, the Baruch plan for all-out mobilization is sound. However, if the Nation's defense effort for the foreseeable future does not require more than $15,000,000,000, price-wage-rationing controls would not only be unnecessary but would impair our ability to wage total war.

All available evidence seems to point to the conclusion that total economic mobilization is not necessary to handle the cost of the Korean war or any similar emergency. Supplies of agricultural commodities are plentiful. It is absurd to consider rationing at a time when the Government itself is restricting acreage and buying farm products to hold up prices.

There have been some substantial price increases in recent weeks. Most of these increases, however, seem to be due to scare-buying in anticipation of future shortages. It seems most improbable, however, that these shortages will materialize if the President and the Congress adopt anti-inflationary measures. Already the President has cut back the public housing program and the Government's housing loan programs, and that has been constructive, and it will be effective. Extensive powers over consumer credit and private credit for real estate construction are contained in title IV. Congress has taken some steps toward reducing nonessential Federal expenditures and more ought to be taken. Proposals to finance the Korean war on a pay-as-you-go basis are receiving widespread support. If all these anti-inflationary policies are vigorously pursued, the extra $15,000,000,000, $20,000,000,000, or $25,000,000,000 of defense

spending will have a negligible impact on prices.

A possible shortage of steel has been mentioned more often than any other. It is entirely possible, however, that priorities and allocations for steel can be worked out on a voluntary basis, and the Secretary of Commerce so testified befor the committee. At the present time the military program consumes only about 1½ percent of total output. The President's military program will require only 5 percent of the steel supply, about 5,000,000,000 tons annually. The steel required in the expanded military program as of today can be completely satisfied out of additional capacity already planned by the industry. The automobile industry alone consumed 11,000,000 tons of steel last year. It seems possible, therefore, to satisfy the military demand simply by using tight credit controls to curtail the buying of automobiles, refrigerators, and other durable goods.

Aluminum is another material in which shortgages may occur. Military purchases are expected to increase from 2½ to 12 percent of total supply. This increase, however, is much less than the increased production already planned by the industry.

The greatest protection we have against inflation is the tremendous capacity of American industry to produce and the greatest assurance for victory in war is our capacity for production in America. I do not have very serious concern about the ability of American industry to produce the implements of war. My concern today is in regard to manpower, a problem brought forcibly to our attention by the present situation in Korea. I do not want to see our productive capacity hampered or hurt; I do not want to see it unduly regimented, so that it might not be able to respond in full power and force when a crisis of worldwide magnitude might face America. The American people have always depended on a free-enterprise economy for the industrial strength needed in any possible emergency. So far a free economy has made this Nation better prepared for war than the totalitarian governments which have relied on planned or regimented economies. That is our best assurance of strength tomorrow. It would be a tragedy to stifle American industry, labor, and consumers with a maze of controls over prices, wages, and rationing which cannot be administered fairly or efficiently even with the cooperation which prevails during total war. It is much less possible to enforce them in time of peace. To apply such controls prematurely without careful study, or for the purpose of obtaining some political advantage, is a senseless gamble with the security of the Nation at stake.

Mr. AIKEN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Vermont?

Mr. BRICKER. I yield.

Mr. AIKEN. I have been reading the amendments to be offered by the Senator from Ohio, with particular reference to his amendment A, which carries a prohibition against conscripting strikers into the armed services, as I understand, along with one or two other prohibitions. Where does the Senator get the interpretation that the words "and to take such action as he deems appropriate for the settlement of labor disputes" give the President authority to draft strikers into the Army?

Mr. BRICKER. The language of the section is unlimited in giving the President power to do anything in regard to labor disputes. There is some qualifying language in the bill in relation to other laws of the country. If that be true, there is no power needed that the President does not now have on the statute books, unless it involves compulsory arbitration, raising of wages, and so forth, something which I know Congress does not want to do.

Mr. AIKEN. Did the President request this authority?

Mr. BRICKER. He did not. It is in the original bill which was submitted, but there was nothing in the President's request which had anything to do with it at all. I think the chairman of the committee will confirm that statement.

Mr. MAYBANK. That is correct.

Mr. BRICKER. I yield the floor, Mr. President.

Mr. ROBERTSON. Mr. President, under the rules of the Senate, the substitute bill which the Senate Committee on Banking and Currency has reported for the original bill, Senate bill 3936, is now open to any germane amendment.

The VICE PRESIDENT. Whether amendments are germane or not, under the rules of the Senate the bill is open to amendment.

Mr. ROBERTSON. Mr. President, I realize that a broad interpretation of the Senate rules might permit amendments which are not germane. I was trying to throw out a little hint of what I hoped would be the character of amendments to be offered. At some time today some suggestion may be made that we try to fix a time to vote. I think, Mr. President, that instead of doing that, we can expedite the proper consideration of this measure if Senators who have had amendments printed which they wish to call up will proceed today to call their amendments up and let the debate occur on those specific points as we go along, and not fix a time that may be Wednesday, Thursday, or Friday, when we are to take up the bill and all amendments and proceed to vote. That would be an invitation, Mr. President, for Members of this distinguished body to devote their attention to other things until the time comes to vote. Then, when that time comes, it will be found that the membership present has not had an opportunity to be fully informed as to the amendments on which the Senate is to vote, and those who propose amendments do not have an adequate time in which to present them, and thus, of necessity, we shall have to limit the proponents and opponents of amendments to 5 or 10 minutes.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. TAFT. There is this consideration, however, about voting on amendments today or tomorrow. If I offer an amendment and argue it, I shall be lucky if there are 12 Senators present. When a quorum is called, the other Senators do not know anything about the amendment; they have not heard what has been discussed, and they do not know at the moment what they are voting on, and will vote almost completely blindly or without having given the amendment consideration. While I agree with the Senator that it is best not to call up all the amendments and vote on them on one day, I see no objection to presenting amendments. I have presented my amendments and the reasons for them. I should like to have Members have an opportunity to know what goes on in the RECORD. We shall hold a Republican conference tomorrow morning at which we intend to discuss generally different types of amendments.

Mr. ROBERTSON. The distinguished Senator from Ohio has touched on a problem for which there is no present answer, namely, how can we keep the full membership on the floor when an important bill and amendments are being discussed? The only suggestion the Senator from Virginia can offer on that point is that those who discuss the bill be concise in their discussion of it and limit themselves to germane issues, and then possibly more Senators will be willing to take time from other duties, because they might receive some information that may illuminate their understanding.

The Senator from Ohio has mentioned the fact that possibly there will not be more than 12 Members of the Senate on the floor. He is well aware of the fact that when he delivered a very brilliant speech on this subject last Friday there were not 12 Members present to hear him.

Mr. TAFT. That is correct.

Mr. ROBERTSON. And when the the Senator from Virginia followed him, there were still fewer Members present to hear him. When three of us had spoken on Friday, no one else cared to speak, and the Senate recessed at approximately 3 o'clock p. m., although the bill is a matter of vital importance as to which time is of the essence. When debate was opened on Thursday there were only a handful of Senators on the floor. There were only two or three who were ready, able, and willing to speak, and a recess was taken early on that day.

What boots it for us to put off to some future day, this week or next week, the vote on this question, when either Senators are already so well informed about the points involved that they do not want any further information, or else they think there are other duties pressing upon them which are of greater importance? Throughout this session I have observed that when we fixed a day for a vote on an important bill with numerous amendments, nothing of any value was done during the interim. We should like to get away at some reasonable time next month. I am not up for reelection; I do not have to go home to campaign; but there are some things I should like to do. I do not have to discuss them in detail. But I should like to finish up the three important things which are now before us, namely,

the conference report on the tax bill, this bill, and the conference report on the social-security bill. We should then take a recess to permit our colleagues who want to do a little campaigning to go home for that purpose.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. WHERRY. Mr. President, the Senator has answered his own question. It is because of conferences and the work being done by Senate committees that it is difficult to keep Senators on the floor. Inasmuch as the point was raised with reference to a unanimous-consent agreement, I rose to inform the distinguished Senator from South Carolina [Mr. MAYBANK], who was the acting majority leader on Friday, that I would do my level best to canvass the situation and see when and if we might arrive at a unanimous-consent agreement to vote on the bill some day this week. I should like to say for the RECORD that I feel that inasmuch as a conference has been called for tomorrow on the minority side, if the Senator from South Carolina would withhold asking unanimous consent until after the matter has been discussed in that conference, I could give him a very definite answer. I think I should rather wait until that time.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, the minority leader and I discussed the matter at some length on Friday. I talked with him again this morning, and he told me there would be a Republican conference tomorrow, and he believed that after that we might reach some agreement to vote within a reasonable time. I know the Senator from Nebraska feels, as I do, that the matter is urgent.

Mr. WHERRY. I am in complete accord with the Senator from Virginia, that in the absence of a unanimous-consent agreement the Senate should proceed with the consideration of the bill. I understood the Senator would offer his amendments to the committee bill.

Mr. MAYBANK. That is what I intended to do. I intended to call up amendments as to which I do not think there is any very controversial issue involved.

Mr. ROBERTSON. Mr. President, I wish to conclude by saying that I am very glad to hear the chairman of the committee say that he proposes to bring up some committee amendments which perhaps will not be highly controversial, and that we can act on them. If some other Member has an amendment and no Senator wishes to make a long speech on some other question, we can have a quorum call, and when Senators arrive it can be announced that we are going to consider amendment number so-and-so, and then we can vote on it.

In mentioning the things that I wanted to have completed, I perhaps overlooked the conference report on the appropriation bill. I thought I had mentioned the conference report on the appropriation bill, which is, of course, important. If I did not mention it, I mention it now.

Personally I should like to have time before adjournment to act on some appropriate measure to meet the threat of communism in our own country. To me that is a very serious matter. I merely want to know how best to do it. I have not had a full opportunity to study the Mundt-Ferguson bill. Furthermore, I understand that we have had on our calendar for more than a year a bill to increase the powers of the Central Intelligence Agency. I do not know why we cannot act on that bill. We should consider such measures. We need the cooperation of Members of this distinguished body on the pending bill. Otherwise one of two things will happen. Either we shall not have an opportunity to act on measures on which we should take action before we recess prior to the November election, or we shall take hasty action on measures that should be carefully and properly considered.

Mr. MAYBANK. Mr. President, I send to the desk an amendment which I ask to have stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 45, lines 2 and 3, it is proposed to strike out "fresh fruit or any fresh vegetable" and insert in lieu thereof "agricultural commodity"; on page 45, lines 9 and 10, it is proposed to strike out "fresh fruit or fresh vegetables" and insert in lieu thereof "agricultural commodity."

Mr. MAYBANK. Mr. President, the committee is more or less in agreement on the proposed amendment. Its effect would be to substitute the words "agricultural commodity" for "fresh fruit and any fresh vegetable." We thought it wise to make this substitution so as to cover a disastrous condition caused, for example, by climatic conditions with respect to other commodities than only fresh fruits and vegetables.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. I should like to ask the distinguished Senator a question.

Mr. MAYBANK. Certainly.

Mr. TAFT. To what does the section refer? I read:

(3) No ceiling shall be established or maintained for any agricultural commodity below the higher of the two following prices: (1) The parity price for such commodity * * * Whenever a ceiling has been established under this title with respect to any fresh fruit or any fresh vegetable——

Mr. MAYBANK. We propose to strike that out and substitute "agricultural commodity."

Mr. TAFT. My question is, What does it do? I read further from the section:

The President from time to time shall adjust such ceiling in order to make appropriate allowance for substantial reduction in merchantable crop yields——

Mr. MAYBANK. Due to some disaster, for example.

Mr. TAFT. I read further:

unusual increases in costs of production.

Why not "usual"? Why not any increase?

Mr. MAYBANK. Speaking for myself, I may say to the Senator that I would be perfectly willing to eliminate the word "unusual." The intent of the committee was to avoid possible confusion. It was felt that commodities other than fresh fruits and vegetables may meet with disaster next fall. Of course this bill is designed as stand-by legislation. No one can foresee what will happen in the future. Therefore we thought we should make the section apply to all agricultural products instead of merely to fresh fruits and vegetables, such as the orange crop, for example.

Mr. TAFT. Do I understand the amendment proposes a special power or instruction to adjust the ceiling?

Mr. MAYBANK. Yes.

Mr. TAFT. Is there not a general power in the law to adjust the price of any commodity which has been fixed?

Mr. MAYBANK. Yes.

Mr. TAFT. What is the purpose of this particular sentence? It seems to me that it protects not only agricultural products. It speaks of unusual increases in cost of production.

Mr. MAYBANK. The old law did not refer to agricultural products. The provision adopted by the Senate during the last war, if the Senator remembers, was made because of disasters which happened to fruit crops. I do not remember all the fruit crops. We thought it would be well to have the section cover any disaster to any agricultural product, instead of having it apply only to fresh fruits and vegetables. The President has the power to adjust the ceiling with respect to all agricultural products. It would apply, in other words, to corn. If the corn borer were to destroy the corn crop, or if we had a short crop of corn, as we did in 1944 and 1945—I do not remember the exact year—the section would apply to corn as well. We thought the words "agricultural commodity" would be a better term to use than "any fresh fruit or any fresh vegetable."

Mr. TAFT. I am interested in whether the adjustment could be made on any products. This section does not propose an absolute freeze in prices on any industrial commodities?

Mr. MAYBANK. No, sir.

Mr. TAFT. I do not quite understand why the particular provision of adjustment should apply only to agricultural commodities.

Mr. MAYBANK. There was such a provision in the last OPA law. The Senate adopted a similar provision, which advised the Administrator what to do in such cases. It is impossible to foresee what may happen in the future. We hope it will not be necessary to roll back prices, or anything like that; but we thought we would make the section apply to all farm crops by using the term "agricultural commodity." In the event of a disaster, agricultural products, such as wheat, corn, or cotton, for example, would be included in the provision of the bill.

Mr. TAFT. I see no reference to any disaster in the section.

Mr. MAYBANK. I said "disaster." I mean any hardship as a result of large crop loss, for example. There has been a tremendous loss in the peach crop this

year because of the freeze last spring. It could be corn or wheat next year. We thought we would include all agricultural commodities, particularly because the bill is in the nature of stand-by legislation.

Mr. TAFT. I do not understand the necessity, because at page 43 the bill provides:

> In determining and adjusting ceilings on prices with respect to materials, services, and property, he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material, service, or profit, including the following: Speculative fluctuations, general increases or deceases in cost of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the material or property.

I do not see why the adjustments could not be made on fresh fruits and vegetables under that section. I have no objection to the amendment except that——

Mr. MAYBANK. I appreciate the Senator's saying that. We wanted to make certain that we did not make the mistake we made last time, when certain crops were impaired, injured, or whatever term one cares to use.

Mr. TAFT. My recollection is, if I remember the facts, such a provision was not written into the last law.

Mr. MAYBANK. That is correct.

Mr. TAFT. We inserted a general clause, and under the general clause Congress felt adjustments could have been made with respect to fresh fruits and vegetables.

Mr. MAYBANK. Yes, but that was not done.

Mr. TAFT. This amendment would force the Administrator to do something which he could do anyway.

Mr. MAYBANK. That is correct. If I remember correctly, former Senator Stewart introduced an amendment with respect to that matter.

Mr. TAFT. Yes; I believe so. This situation again illustrates the complications we encounter in trying to make special arrangements with respect to fruits and vegetables, because most of these provisions probably would apply to industrial commodities anyway. However, I have no objection to the Senator's amendment.

Mr. MAYBANK. I thank the Senator.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. In other words, what the Senator from South Carolina is attempting to do is to extend the adjustment to all agricultural products, inasmuch as by this special provision such authority would be granted only to fresh fruits and vegetables.

Mr. MAYBANK. It would apply to all agricultural products.

Mr. WHERRY. Certainly.

Mr. MAYBANK. We gave special treatment to fruits and vegetables the last time. We want to be fair in the treatment of cotton, corn, peanuts, and other agricultural products and that is the idea of the Farm Bureau and the Grange.

Mr. WHERRY. At page 43, as was pointed out, provision is made to adjust ceilings generally.

Mr. MAYBANK. That was not always done heretofore, however.

Mr. WHERRY. The fact that fresh fruits and vegetables are covered makes it necessary that it apply as well to all agricultural products.

Mr. MAYBANK. All agricultural products; yes.

Mr. WHERRY. Otherwise, it could be considered as an isolated situation. The amendment makes it apply to all agricultural products. I hope the amendment will be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I send to the desk an amendment which I ask to have stated. It is known as the Barkley-Bates amendment, which the distinguished Vice President offered when he served as a Senator. I discussed it with him at some length and with the distinguished minority leader who is familiar with the matter.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 46, after line 18, it is proposed to insert the following new subsection:

> (h) No ceilings shall be established or maintained on products resulting from the processing of cattle and calves, lambs and sheep, and hogs, the processing of each species being separately considered, which do not allow for a reasonable margin of profit to the processing industry as a group on each such species.

Mr. MAYBANK obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Nebraska.

Mr. WHERRY. I think it was last Thursday, when the bill was first taken up for debate, that the Senator from South Carolina and the junior Senator from Nebraska engaged in a rather extensive colloquy about this amendment.

Mr. MAYBANK. The Senator is correct.

Mr. WHERRY. I am in absolute sympathy with what is being attempted by the so-called Barkley-Bates amendment. I think it is an improvement on the McKellar provision which it amends. But in order to clarify the amendment, because of the difficulties which were experienced even under this amendment, I should like to ask a few questions.

Mr. MAYBANK. I shall be glad to answer.

Mr. WHERRY. Does the Senator from South Carolina define the processing industry as including wholesalers of meat? That is a very reasonable question, because if they are not included, we will run into all kinds of trouble, such as was met by the Small Business Committee in attempting to establish the levels of profit for the processing industry by groups. I believe that in practice we should include wholesalers.

Mr. MAYBANK. I believe wholesalers should be included, the same as processors. In the meat industry the wholesaler is usually a processor.

Mr. WHERRY. If he is included, that is all I am asking. If he is included as a part of the processing industry, the Senator has answered my question.

Mr. AIKEN. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield to the Senator from Vermont.

Mr. AIKEN. Would that apply to the processors of products who do their own wholesaling? How would it apply to a wholesaler who depended on purchases from the processor? Why is this confined to the packing industry only? What about the processors of fruits and vegetables?

Mr. MAYBANK. I shall look at the report.

Mr. WHERRY. I have read the report, and I am quite satisfied that the report is silent on the question asked by the Senator from Vermont. The attempt of the amendment, of course, is to insure a proper level of profit in the processing industry, and I suppose that if a formula were written on page 77 assuring those who handle meat at the different levels that they would get their quotas from prior years, then there would not be any difficulty, and the bill would come more nearly accomplishing the purpose sought, namely, to eliminate black-market operators. If any segment is squeezed out of normal distribution immediately that segment seeks to get a new source of supply, and the purpose of the act might be defeated. In other words, the meat must be distributed through the ordinary channels.

Mr. MAYBANK. Mr. President, we did not have any hearing on this amendment, as the Senator knows, but we went back to the price-control laws and regulations in force in 1946. We did not discuss the matter in the committee, but it was the belief of the legislative counsel, and certainly of the chairman of the committee, that we should follow the definitions found in the price-control law of 1946. I cannot speak for the committee on this matter, because it has not come before the committee, but it would be my judgment, in view of the fact that the committee desired to keep out the black-market operators, that the wholesalers should be included.

Mr. WHERRY. Mr. President, I should like to offer an amendment. I did not have time to consult the chairman of the committee about it.

Mr. MAYBANK. The Senator is much more familiar with the packing industry than I am. Does he recall how this provision was interpreted before?

Mr. WHERRY. In view of our previous experience, I am going to offer an amendment to the amendment, because if I can help clarify the language and make it better, I am sure the Senator from South Carolina would agree. Before I answer his question, I desire to offer an amendment on line 5 of the amendment, after the words "profit to," to add three words, "each segment of," so that the amendment would read, "for

a reasonable margin of profit to each segment of the processing industry as a group," and so forth. I am sure that would result in what the Senator from South Carolina desires to accomplish, and prevent any segment of this industry from being crowded out.

Mr. MAYBANK. That is correct. I shall be glad to take the amendment to conference, as chairman of the committee, but I should like to discuss it with the committee.

Mr. WHERRY. I do not believe there was much discussion of it.

Mr. MAYBANK. As chairman of the committee, I would not hesitate to accept the Senator's amendment to the amendment.

Mr. CAPEHART. Mr. President, at the proper time I shall offer an amendment to the amendment just offered which would be, at the end of the amendment to insert this language:

> But no ceiling shall be established on any commodity or material which does not allow for a reasonable margin of profit to the retailer, wholesaler, or manufacturer.

That takes in everything.

Mr. WHERRY. Mr. President, I am not at this time interested in discussing the amendment of the Senator from Indiana, who has a perfect right to offer the amendment after the pending amendment has been perfected.

Mr. CAPEHART. I beg the Senator's pardon; my amendment would be an amendment to the amendment.

Mr. WHERRY. It would be an amendment to the amendment as amended.

Mr. CAPEHART. It would have to be voted upon before the Senator's amendment was voted on.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Under the parliamentary situation, the amendment of the Senator from Nebraska would first be acted on.

Mr. WHERRY. I believe there will be no objection to it. All my amendment does is to clarify what heretofore we had so much trouble about in the meat industry. Who is a processor? Who is entitled to a profit? I am satisfied that if the wholesaler is protected as a processor that is enough. The distinguished chairman has said that so far as he is concerned he interprets the language to include the wholesaler, but he is not speaking for the entire committee.

What is much more important, in my opinion, is that the words "each segment of" must be included, and I will give the reasons why. An integrated meat packer might lose money on one branch of his operations, but he could make money on all of his operations taken as a whole; that is, the profit would exceed the loss. In such a case there is no basis upon which to compare a profit for those who deal in only one segment of the entire industry. I am satisfied the distinguished Senator from South Carolina knows what I am seeking.

All the amendment does is to clarify the definition of the processing industry by providing that each segment of the processing industry, whether integrated or nonintegrated, is to be protected as a group.

Mr. CAPEHART. Mr. President, I am in favor of the amendment the able Senator from Nebraska is discussing, but I call attention to the fact that the same situation he pictures exists in every line of effort in the United States. The same situation exists with every retailer, every wholesaler, every manufacturer that faces the meat processors or manufacturers. Therefore, I think the amendment should be as fair to one as to the other. I am in favor of what the Senator wants to do, but I want to cover every segment of industry because the same principle applies to all. The retailer of any article might well be losing money on one item and making money on another. A manufacturer might well have a hundred items and be selling 50 at a loss and making a profit on only 50.

Mr. MAYBANK. Mr. President——

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. WHERRY. As I stated a moment ago I am not objecting to the amendment of the Senator from Indiana. That is offered to the amendment, as modified, which modification runs only to the meat industry itself. I am not discussing at this time the merits of that amendment at all. Certainly the Senator can present arguments which are extremely favorable to his amendment, because if we are going to take action with respect to the meat industry certainly similar action ought to be extended to all levels of distribution.

Coming back to the modification I propose, it is a very simple modification. If adopted, it will result in eliminating much dispute such as took place during the years 1945 and 1946. If the price to the retailer compared to the price to the wholesaler or the slaughterer does not allow for a level within which the independent producer can work and in which the integrated plant can operate, we will have trouble similar to the troubles we had in the years 1945 and 1946. If my amendment is added it will provide a clear definition of what the committee means by its amendment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. In view of the confusion resulting from the hearings held by the Small Business Committee and the Banking and Currency Committee in the years 1943, 1944, and 1945, it became necessary for then Senator BARKLEY and Representative Bates to present a clarifying amendment. I, as an individual Senator—not speaking for the committee—thought it would be good to have a similar amendment adopted now. The Senator from Indiana said it should apply to everything. No such provision was made during the last emergency. I hope we shall not again have a similar emergency. But I cannot accept the proposal of the Senator from Indiana.

Mr. WHERRY. The amendment proposed to be offered by the Senator from Indiana is an amendment to the committee amendment, as proposed to be modified by the amendment of the Senator from Nebraska. The amendment offered by the Senator from Nebraska as a modification to the committee amendment, can be acted upon, and then the amendment of the Senator from Indiana can be considered.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CAPEHART. I wish to answer the able Senator from South Carolina. Whether we did or did not in World War II enact such an amendment into law, it is only right and just that we write language into the bill providing that any ceiling price which may be fixed must show a reasonable profit to the person dealing in the product, whether he be a retailer, a wholesaler, a manufacturer, or a processor. I do not understand how anyone can object to that philosophy. It seems to me to be perfectly sound. It seems to me to be the very thing that anyone studying ceiling prices would try to bring about.

Mr. MAYBANK. Of course, the Senator has the right to present the amendment he has suggested when it is in order to do so. It was my hope, however, that the Senator could offer his amendment to some other section of the bill.

Mr. CAPEHART. Can the Senator tell me where I can offer my amendment to some other portion of the bill than that we are now considering? This seems to me to be the logical place to offer my amendment.

Mr. MAYBANK. After the section has been amended, as now proposed, the Senator can offer his amendment.

Mr. CAPEHART. I shall state my reason for offering the amendment. If a situation exists in the meat business necessitating insertion of the meat amendment, a similar situation certainly exists in every other business, for example, in the canning business, or in any sort of manufacturing or retailing or wholesaling.

Mr. MAYBANK. Last year the Senator from Nebraska [Mr. WHERRY] was a member of the Small Business Committee and I was a member of the Committee on Banking and Currency. We have discussed such matters before. I understand from the Senator from Nebraska that the meat business occupies a special position. It is my hope that the amendment can be limited to the meat industry.

Mr. CAPEHART. I want it understood, Mr. President, that I am 100 percent in favor of the amendment to take care of the meat-processing industry, but I am likewise just as much interested in taking care of the canning industry, the retailing of any other line of merchandise, or the wholesaling or manufacturing of any other line of merchandise as I am in favor of taking care of the meat industry. How can anyone successfully contend that if a ceiling is placed on a price, a reasonable profit should not be afforded to the person dealing in the product?

Mr. MAYBANK. What is reasonable in connection with the canning of beef may not be reasonable in connection with the canning of peaches or pears.

Mr. CAPEHART. My proposal is just as workable with respect to canning of

fruits and vegetables as it is with respect to processing of meats. We are talking now about a principle. We are proposing to direct the President that, when fixing ceiling prices, he shall fix them so they will provide a reasonable profit to anyone dealing in any specific merchandise on which the President fixes the ceiling, whether it be automobiles, pork chops, shoes, lead pencils, or any other commodity. How can anyone object to that?

Mr. MAYBANK. Mr. President, at the end of the paragraph is the following language——

The PRESIDING OFFICER. The Senator from Nebraska has the floor. To whom does the Senator yield?

Mr. WHERRY. Inasmuch as the distinguished Senator from Indiana asked the Senator from South Carolina a question, I continue to yield to him to answer. Then I shall yield to the Senator from Virginia [Mr. ROBERTSON].

Mr. MAYBANK. I read from page 43, lines 16 through 21, as follows:

> Any regulation or order under this title shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order.

That is as far as the committee went.

Mr. WHERRY. I now yield to the Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Am I correct in understanding the amendment offered by the distinguished Senator from Nebraska as meaning that the language providing for a reasonable profit for processors of meat shall be extended to wholesalers and retailers?

Mr. WHERRY. It would not be extended to retailers at all. All in the world the Senator from Nebraska is doing is trying to clarify the language in line 5, so the level of profit with respect to processing will be extended to each segment of the meat industry, regardless of what particular stage of processing it may be.

Mr. ROBERTSON. The distinguished Senator from Nebraska realizes that the amendment as offered is similar to that which was finally put into the OPA legislation during the last war?

Mr. WHERRY. I am very familiar with that.

Mr. ROBERTSON. Such an amendment was adopted during the last war. However, the representative of the drafting service tells me that he does not know what the language offered by the Senator from Nebraska would mean; whether it would include a wholesaler or retailer or what segment of the business. When we speak of each segment, we must realize that there are segments all the way from the farm level up, or down, as one may be pleased to call it, to the ultimate consumer.

Mr. WHERRY. If that is what the interpretation is, it is satisfactory to me. I think that is exactly what the interpretation ought to be. I think there ought to be a legitimate amount of profit from the retail level down to the producer. I wish to have the producer included. But I am not arguing about the producer now. In 1945 and 1946 it was very difficult to operate under the law, and it was then that different segments of the industry asked that their percentage of profit be maintained under the law. So at this time I am asking that we define the processing industry to include each segment thereof.

If we do not do so the integrated processor will come in on a showing of what business he does, from killing cattle, sheep and hogs, and processing some of the meat into, let us say, liverwurst, and byproducts such as fertilizer, hides and leather, ask that a profit be accorded to him on the basis of his integrated operation. We cannot compare the profit which goes to the large operator in the industry to that which goes to the little independent processor or slaughterer, who operates in an entirely different category, who might kill only sheep, for example, or who might kill only hogs, for example. There are thousands of small independent slaughterers who slaughter only hogs. I want the profit to extend by groups to the little independent as well as to the integrated business. The amendment clarifies the situation.

Mr. ROBERTSON. I agree with what the Senator now says he is trying to do, but, in my opinion, as the language we are proposing was construed in the last war, it applies strictly to the processing business. The Senator's amendment could very easily be construed to mean that a wholesaler who is a segment in distributing processed meat, and a retailer who is a segment in distributing processed meat, are likewise included. If that is the meaning of the Senator's amendment, it goes beyond what we did during the war, and we meet the objection of the distinguished Senator from Indiana [Mr. CAPEHART] who very properly says, "If you are going to give the wholesaler and the retailer of meat a reasonable profit, why do you not give it to everyone else?" In that event it will be necessary to rewrite the bill.

Mr. WHERRY. Mr. President, the fact is that no hearings at all were held on the amendment.

My second point is that the Special Committee on Small Business—and, Mr President, believe me, the distinguished Senator from Alabama will have plenty of discrimination brought to his attention if we operate under this law as we did the last time——

Mr. ROBERTSON. But will not the Senator——

Mr. WHERRY. Mr. President, I ask the Senator to wait a minute, please; I have the floor. I shall be glad to yield when I conclude this observation.

My point is that it is a question of who is a processor. The distinguished Senator from Virginia said the provision would be interpreted to include retail dealers in meat. However, there is no evidence in the hearings or in respect to the former regulations that that interpretation ever was applied to the Barkley-Bates amendment.

The particular clarification to be made by the amendment which I have proposed would not be made in favor of or in behalf of the retailers at all. There may be some retailers who are processors. If there are, then they would be classified as a segment of the processing industry, as they rightly should be in such case.

This amendment is offered because I do not want prices established on meat and have a ceiling placed upon the producer, and crowd out the other segments of the meat industry. Neither does the Senator from Virginia want that to happen. That is all the amendment does.

The amendment would "allow a reasonable margin of profit—and those words are old ones, so far as this measure or similar measures are concerned—"to each segment of the processing industry."

What is meant by that? Does it mean five or six integrated processors or does it mean the entire processing industry?

I am asking that this portion of the bill be clarified by stating that the profit be based on a comparable percentage as between each segment of the processing industry within that group.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. ROBERTSON. The language of the law during the last war was interpreted not to include the retailers or the wholesalers.

If the Senator from Nebraska will point out where that interpretation was wrong during the last war, we shall be glad to consider it.

Mr. WHERRY. Is the Senator from Virginia sure that in the last war it was not interpreted to include the wholesalers?

Mr. ROBERTSON. If it was not, I have not heard of it. If it is that way now, it is not different from what the Senator says it should be.

Mr. WHERRY. Mr. President, so far as my understanding is concerned, wholesalers were included as processors of meat. I think there can be no dispute about that.

The only difficulty was over the question of whether the small, independent processors or the nonslaughterers, who got their meat from an integrated meat supply, should have their status defined on the basis that they would have to show a profit on one line of processing or slaughtering, as compared with the profit an integrated meat processor might show on his complete line. To do so is impossible, because at times there is a good spread in the prices of pork, and at times there is a good spread in the prices of lamb, and at times there is a spread in the case of cattle prices; but at times there is no spread at all. Thus, it is unfair to make an independent processor show what his profits are on one segment of the processing of meat, when we permit the integrated slaughterer to figure all his profits against all his losses and thus show a profit in connection with the determination of what the price level should be. If we permit such a proposal to go into effect, we shall have smaller operators in the industry going out of business, as we had before. That is the difficulty I am attempting to iron out.

I do not recall that the question as to wholesalers ever came up. Certainly the retailers would not be included, unless they are also processors; and if they are processors, they should be given that

consideration, regardless of whether they are independent packers or integrated packers, because, for example, an integrated packer handles meat from the time it is bought on the hoof until the time when it is sold to the consumer—all the way through. We want the same privilege extended, insofar as the consideration of costs are concerned, to either the independent slaughterers or the independent processors of meat. We want that privilege extended to all branches of the processing industry, and not be completely washed out in regard to one segment of the processing industry because of a retail price which might be set as a producer's price under a maximum ceiling.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. ROBERTSON. I am in thorough accord and sympathy with the objective the Senator from Nebraska has stated, and I remember very well the trouble independent meat processors had under an OPA meat section dominated by a vice president of the Armour Packing Co., a man who had no regard whatever for the independents.

Mr. WHERRY. Yes.

Mr. ROBERTSON. The result was that restrictions were placed on the independents, and at one time the restriction which was imposed caused a drop of 2 or 3 cents in the price of meat cattle of a certain weight, which the authorities would not permit to move through the independents.

However, Mr. President, I hope the Senator from Nebraska will permit the committee to confer with the legislative drafting service in respect to carrying out the purpose the Senator from Nebraska has stated, and to make sure that we do not go further than that.

Mr. WHERRY. Mr. President, I have taken up this matter with the legislative drafting service, and I know exactly what the amendment will do. I understood that the distinguished Senator from Virginia was anxious to have the Senate vote on these amendments. I am perfectly willing to have a vote taken on the amendment.

If we are not ready to vote on the amendments now, I shall be glad simply to discuss the amendment, and then let the vote on it be taken tomorrow or at whatever other time it is agreed, by unanimous consent, that the vote be taken, if a unanimous-consent agreement for that purpose is necessary.

However, I know the meaning of the words which would be inserted by my amendment, and I know there is need for this definition. I also know that no hearings were held on the amendment, except for the hearings we had as a result of having the independent processors, one after another, come to the Special Committee on Small Business and attempt to get relief, without having a clear-cut definition of who are meant to be included as processors in the industry.

If the Senate accepts these three words, as an amendment, all processors, whether integrated or whether not integrated, will be able to figure their profits as a group on all the processing they do, and will not have to compete with processors who are integrated and who use all their operations in determining whether they have made a profit or a loss, in order to know what level of profit may be regarded as reasonable for that particular segment of the industry.

Mr. ROBERTSON. Mr. President, will the Senator yield further?

Mr. WHERRY. I yield.

Mr. ROBERTSON. Is it not reasonable to assume that in a few minutes we can reach agreement on this matter? I have consulted the representative of the legislative drafting service who attended all the hearings on the bill and worked with us in regard to preparation of the bill. He tells me that he does not know how far this proposed language will go. He is the expert who has been advising the committee and has been studying these matters all the way through. So I think he should have an opportunity to study this amendment.

Mr. MAYBANK. Mr. President, will the Senator yield? I wish to propound a unanimous-consent request.

Mr. WHERRY. I am always glad to yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, as the Senator from Virginia has suggested, throughout the long hearings, which have been held both during the mornings and the afternoons, and often in the evenings, we on the committee have been conferring with the legislative counsel and with other experts. Therefore, I ask unanimous consent that the committee be authorized to meet at 5 o'clock this afternoon to consider the amendment, and to withdraw it until then.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, I am not going to withdraw it. The amendment is here, and I am going to proceed to discuss it.

However, I have no objection to giving the Legislative Drafting Service and the experts all the time that is desired. There are other Senators who wish to speak on the amendment, and I shall be glad to yield the floor.

Mr. MAYBANK. Then, Mr. President, I ask unanimous consent that the Banking and Currency Committee may be permitted to sit this afternoon at 5 o'clock.

Mr. WHERRY. There is no objection at all to that request.

The PRESIDING OFFICER. Is there objection? Without objection, consent is granted.

Mr. WILLIAMS. Mr. President, will the Senator yield to me before he yields the floor?

Mr. MAYBANK. Mr. President, will the Senator yield——

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. WHERRY. I have other questions to ask, but I am glad to yield. I do not think it is at all necessary to give unanimous consent to defer this amendment, which merely proposes the addition of three words.

If the Senate wishes to do what is provided in the Barkley-Bates amendment, that will be agreeable to me; but certainly there should be a clarifying definition, namely, that the processing industry includes every segment of that industry. That is all there is to the amendment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. It is proposed that the amendment be further amended by the Senator from Indiana [Mr. CAPEHART] so as to include all commodities.

Mr. WHERRY. The Senator from Indiana has offered an amendment to it, but his amendment is not before the Senate for consideration at this time, and it cannot be taken up until my amendment has been acted on one way or the other.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Nebraska to the amendment of the Senator from South Carolina [Mr. MAYBANK].

Mr. WHERRY. Certainly.

Mr. WILLIAMS. Mr. President——

Mr. WHERRY. I yield to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, if I correctly understand the purpose of the amendment of the Senator from Nebraska, in conjunction with the amendment of the Senator from South Carolina, it is to protect against a situation where the price might be frozen as of a certain date, and that the date might be one on which the price did not reflect a reasonable margin of profit to the processors.

Mr. WHERRY. No; that is not at all the purpose of this amendment. But I agree there is considerable merit in the observation made by the distinguished Senator from Delaware. The fact that the prices may be determined as of a certain date—for example, a day back in June—is something that ought to be given consideration, especially so far as the producer is concerned. But, if the Senator will let me state it again, all that this amendment does is to provide a definition, in order to further clarify the Barkley-Bates amendment, so that the processing industry will include every segment of the industry, regardless of the time as to which prices are fixed.

Mr. WILLIAMS. Mr. President, if the Senator will yield further, the reason I raise the point is that there might be a possibility also that the date selected would reflect to the processors a greater-than-average margin of profit.

Mr. WHERRY. I agree with the Senator that the processing industry as a whole might find that situation confronting it. All this amendment does is to provide that the processing industry shall include all elements of the industry; that is all. It does not have anything to do with freezing as of a certain date or unfreezing as of a certain date. But it certainly is going to be important as to what the price ceilings may be with regard to the producer, whether they go back to June or some date of that kind, or whether the prices of today are taken; and it is going to affect the whole processing industry to some extent, if a satisfactory date is not

found. That is another question entirely apart from the one covered by my proposal.

Mr. WILLIAMS. Mr. President, if the Senator will yield further, does he not think that this bill should be safeguarded against the possibility that a date might be fixed on which the producer was not getting all that was coming to him? That is possible, by the same token that it is possible that he would be getting more.

Mr. WHERRY. I agree with the Senator. Last Thursday, on the Senate floor, I raised the point that this amendment, if adopted, and the possibility that the President might use the discretionary power to set ceilings and wages in regard to meat, was one of the things that were disturbing those who were about to buy land and feeder cattle. This is the time they put them into the feed lots. No one knows that better than the Senator from Kansas. We wanted to get an assurance from the distinguished chairman of the committee as to whether there were any hearings held which developed any evidence that there might be the imposition of a ceiling on meat, prior to next January. The very fact that there is any doubt in the minds of the administration officials that they are going to impose these controls, I tell the distinguished chairman, the Senator from South Carolina, will have a tremendous effect on the number of cattle that will go into the feed lots, the number of sheep that will go into the feed lots, and the number of hogs that will go into the feed lots, until the answer is given that has been requested by the Senator from Delaware. But that is an entirely different situation from the one at hand.

All in the world that the junior Senator from Nebraska is asking by this amendment is to have a definition that the processing industry shall include every segment of the industry; that is all.

It is a very simple amendment, and I think every Member of the Senate should be on his feet immediately in support of it, because it insures a fair margin of profit to those nonintegrated processors who do not have the opportunity of pooling profits on a number of operations; thus making up losses which might occur on one item of production. All we want is, if the Barkley-Bates amendment is adopted, that it be made to include the entire processing industry—and that means every element of it.

Mr. ROBERTSON. Mr. President, will the Senator yield, so that we may understand what the amendment does?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. WHERRY. I am glad to yield.

Mr. ROBERTSON. Does the Senator from Nebraska want to include wholesalers and retailers, either or both?

Mr. WHERRY. I want to include any section of the meat industry that processes. If a wholesaler does not do processing of meat, he is not entitled to be considered as one of the segments.

Mr. ROBERTSON. The Senator's amendment includes him.

Mr. WHERRY. Oh, no.

Mr. ROBERTSON. It includes him, because he is segment, getting the processed article to the consumer.

Mr. TAFT. He is not engaged in the work of the processor.

Mr. WHERRY. No, he does not do the work of the processor. Anyone who would so interpret the amendment certainly would have to stretch his imagination. All the retailer does is to buy his meat from a distributor or from someone who slaughters it, and put it on the counter, and if there are controls on sales, he charges the retail price, and he gets a profit on it. He does not slaughter the animal. He is not a processor in the sense that he integrates his activities from the live hoof clear down to the glue and the fertilizer.

Mr. TAFT and Mr. ROBERTSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. WHERRY. I yield to the Senator from Ohio.

Mr. TAFT. It seems to me the word "processing" is a word which has always meant doing something to something. Never, under any circumstances has it meant buying and selling. "Process" means "manufacture," in some form or other. A retailer who cuts up meat may be a processor, but a wholesaler, I would say, would not be, ordinarily, because he would merely pass the meat on. But that is a question of fact. I do not see that there is any dispute about what it means.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. WHERRY. I am glad to yield to the distinguished Senator from Virginia.

Mr. ROBERTSON. Does the Senator not think the language is so broad as to include those who carve the meat up, and that we have no way of knowing whether retailers and wholesalers are covered in their entirety or not? If the language were so framed that we knew it to be limited to what we conceived to be the processing, and took care of the independent dealers, in whom I am very much interested, I would support it.

Mr. WHERRY. Mr. President, the amendment is as clear as crystal. If a wholesaler or a retailer processes meat, then his levels of profit must be maintained. Anyone certainly can understand that language. If he does not, of course he is not in the processing industry, and that is all there is to it. The amendment is proposed for the purpose of clarification. I am not proposing to broaden the language. All these segments come into the meat-distribution picture anyway. We are not proposing to set up something new. We are not proposing to set up new segments within the industry at all. We are simply defining what is already found in the Barkley-Bates amendment. What is it? It is that a reasonable margin of profit shall be allowed on the various species to the processing industry as a group. That is what the Barkley-Bates amendment does, without the amendment offered by the junior Senator from Nebraska.

What the Senator from Nebraska is attempting to do is, not to permit an OPA man or some other official, in administering the law, through some interpretation to crowd out any segments of the industry by setting price ceilings between the retailer and the producer, which would crowd him out. That is all I am attempting to do. I think they should be protected. So the amendment, I am satisfied, is clear, and I should like to have the committee accept it, if possible. If the committee will not accept it, I should like to have a vote on it.

Mr. TAFT. Mr. President, this discussion illustrates the fact that we do not know what we are doing.

Mr. WHERRY. That is correct.

Mr. TAFT. We do not know what provisions we have made in this bill. This entire provision regarding price control is premature. If those engaged in this particular industry are entitled to a profit, why is not everyone else in the United States entitled to a profit? What is the basis of picking out the meat industry in particular and giving them a special rule of cost plus a reasonable profit? There is no such rule in the bill itself, nor was there in the original price-control act. I may say, going back to the history of that act, that the Price Administrator fought this provision. He fought every provision to guarantee a man cost plus a reasonable profit, or to guarantee to any industry cost plus a reasonable profit. In fact, I remember arguments were made that for years certain products of the steel industry had always been sold at a loss; and to pick out those articles and say that they must have cost plus a reasonable profit meant an increase in price which should never take place and which they did not want to be forced to make. There was something in that contention. It is rather interesting to note that this particular bill says—and this is all it says by way of a general rule as to how prices are to be fixed:

> In determining and adjusting ceilings on prices * * * he shall give due consideration to such relevant factors as he may determine to be of general applicability—

Including various things, such as increases or decreases in cost of production, increases or decreases of profits. It also says:

> Any regulation or order under this title shall be such as in the judgment of the President will be generally fair and equitable.

Those words came from the original Price Control Act.

Mr. WHERRY. That is correct.

Mr. TAFT. But the Price Control Act of 1942 was stronger in this particular than is the pending bill, which was weakened when it was brought here, because the people affected did not want to be bound even as much as they were bound by the act of 1942. That act says that the Administrator shall ascertain and

what I said was that the offhand presentation of the amendment shows that the committee has given no consideration to the basic question of the formula on which all prices will be fixed, because here we are asked to give to the packing industry a formula, under which the processing industry shall have a reasonable margin of profit, in each one of the activities, as to cattle, as to lambs, as to hogs. There is nothing in the bill to the effect that any other industry is to get any reasonable margin of profit on anything. There is no such general formula incorporated in the bill.

Certainly if we are to give consideration to the question of a formula for the packing industry, the committee should have considered the question of a formula for all industry. There are three or four different formulas. There was a long debate, during the consideration of the last OPA extension bill, as to what the formulas should be. I have read some of those which were actually incorporated in the 1946 bill. A formula was provided for taking a man's costs into consideration, simply saying that if the cost increased $10 over what he paid in 1940 he could then get $10 more in his profit. In other words, he could still get the profit he received in 1940. Perhaps that is not the right formula. It certainly seems to me that if we are going into this question at all, the committee should review the whole subject and consider what the formula should be, whether we are to say that every industry is entitled to a profit in its over-all activities, or, following the theory of the OPA in the last war, consider whether producers are entitled to a profit on each product. The OPA objected to that, for instance, in the steel industry, in which many articles had always been made and sold at a loss. The OPA thought the manufacturers should not be given a profit on such a product.

In my remarks to the Senator from Virginia I was not making any criticism of the committee, but a criticism of considering this matter at all unless we give complete consideration to it. The presentation of an amendment providing for a formula in the packing industry shows that we have not given any consideration to what the formula should be in the over-all fixing of profits.

While the Senator from Virginia said he wanted to see the bill made as much like the last act as possible, the fact is that the basic formula, as I read it earlier, is not so strong as in the original act. The bill does not provide that the President must make allowance for increases in cost, as the former price-control act did. We could at least go back to that original formula.

The PRESIDING OFFICER (Mr. HILL in the chair). The question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY] to the amendment of the Senator from South Carolina [Mr. MAYBANK].

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LUCAS. Mr. President, it is my understanding that the senior Senator from Delaware [Mr. WILLIAMS] desires to discuss the amendment 20 minutes, and I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be abandoned.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Delaware is recognized.

THE THREAT OF UNCONTROLLED INFLATION

Mr. WILLIAMS. Mr. President, last Friday the senior Senator from Ohio [Mr. TAFT] made a very clear analysis of the bill from the standpoint of the authorities. This afternoon, as briefly as possible, I wish to discuss the bill not from the standpoint of the authorities, because I am not a lawyer, but rather as one who worked on the price-control legislation in the last war.

I believe that never in the history of our country have we faced a greater crisis than that with which we are confronted this afternoon. I make that statement not because of the outbreak of hostilities in Korea, or because of the reverses we have suffered in that area, because notwithstanding those reverses I have the utmost confidence in our military forces to handle the Korean situation or any other situation which may arise. I think the real crisis with which we are confronted today is not the threat of the communistic armies but rather the threat of uncontrolled inflation within our own borders.

On many occasions in the past our country has been confronted with inflationary threats, and each time we have been successful in coping with the situation. However, what makes the existing threat more serious is that at this time we are approaching this crisis with a $257,000,000,000 debt hanging over us and an annual peacetime budget in excess of $40,000,000,000.

There are many who will argue that the existing inflationary threat is the result of the increased expenditures which will now be required under our military program due to the Korean outbreak. It is true that because of recent international developments our military programs will require the appropriation of many additional billions. But while these additional military expenditures will necessitate a drastic change in our economy, it cannot be said that these new expenditures are the sole reason for the existing inflationary threat. They are only the excuse.

No one has been able to determine just which straw broke the camel's back, nor has any economist been able to determine which expenditure it is that will push a country from financial stability into uncontrolled inflation, or at just what point it will come.

Our country was already operating on a record peacetime annual budget in excess of $40,000,000,000, and during the past few days the administration has asked for additional appropriations approximating $14,000,000,000 for our armed services. As one Member of the Senate, I expect to support the request of our military leaders for whatever amount they think necessary adequately to protect this country. I do not feel that I am in a position at this time to question their needs. However, I want it understood that, while I am supporting these full military appropriations without question, it does not mean that I will not be examining very carefully the manner in which these funds are spent.

As a result of the inflationary threat which the administration is attributing to these increased military expenditures, it is now being proposed that Congress place this country under a strait-jacket of controls such as were not even experienced during World War II. While I agree with the administration that the present situation is of such a serious nature that we have no choice other than to authorize the necessary controls, I do not agree with the administration that inflation is inevitable or that this crisis is entirely as a result of the outbreak in Korea.

This inflationary threat might have been avoided and even now could be substantially diminished if the administration would only place its own house in order. For 18 years our Government has been dedicated to the philosophy of tax, spend, and elect. During this 18-year period, first under the New Deal and then under the so-called Fair Deal, there has been no effort whatever made by the administration officials to live within our income. Their whole philosophy for this period has been one of complying with the request of every pressure group for the sole purpose of perpetuating themselves into power. Through deficit financing and dollar devaluation, the cost of these socialistic programs has been concealed from the American people by borrowing the money and charging it against the future generations.

As a result of this reckless spending policy followed by the administration for the past 18 years, we have witnessed in this country a gradual undermining of the value of the American dollar. Long before the Korean outbreak many leading economists in this country were becoming seriously alarmed at this condition and were issuing repeated warnings both to the Congress and to the President that unless this deficit spending program was abandoned there was a grave danger of inflation in this country. These warnings have been falling on deaf ears.

Last year Congress increased the appropriations of the executive branch of our Government by $5,000,000,000 more than was spent during the preceding year. A major part of this increase was to take care of the increased subsidy programs promised during the 1948 political campaign. As if that were not bad enough there was another 5-percent increase in this year's appropriation. The extra money has been appropriated largely for the purpose of buying the 1950 election. These increased appropriations cannot be attributed to the military expenditures since practically all of the increase authorized both in 1949 and 1950 was to cover the cost of new or enlarged domestic programs.

The senior Senator from Virginia [Mr. BYRD], one of the ablest authorities on

Government finance in this country, supported by a very small minority in the United States Senate, has been fighting a losing battle to reduce these expenditures and achieve a balanced budget. The repeated warnings of the Senator from Virginia and many others that this country was inevitably headed toward national insolvency unless this reckless spending policy was reversed have gone unheeded.

I feel that since these unnecessary expenditures have not been curtailed and in view of the serious threat of inflation with which we are now confronted, we have no alternative other than to consider the almost complete regimentation of the American economy. I say that as one who always has been and always will be opposed to unnecessary Government controls.

However, in reaching this conclusion, I am not willing to attribute the cause for these controls to the outbreak in Korea. It is my firm opinion that with or without the outbreak in Korea this country, as a result of the stupid blunders and the reckless spending policy of the present administration has been for the past several years headed toward an inevitable catastrophe.

The outbreak in Korea only brought this situation to a dramatic climax. Had this not occurred the Administration might have been able to continue its deficit spending program 1, 5, or even 10 more years, but sooner or later some incident was bound to arise which would bring directly home to the American people the fact that our Government was approaching insolvency.

We must not overlook the fact that the devaluation of the American dollar will affect most seriously those who can least afford it. The older people of this country whose income is dependent upon Government bonds, bank accounts, insurance policies, and pensions, are the ones who are most vitally affected. As the purchasing value of the dollar depreciates it is this group of people, whose earning capacity is gone, who are the real sufferers. For the past 18 years this "planned inflation" policy of the administration has been sending our old people to the poor house.

However grave this situation is—and I most certainly do not underestimate its seriousness—I am one who feels that there is a solution to our problem. Regardless of the fact that for 18 years this administration has been deliberately undermining the value of the American dollar, I believe that this trend can be checked and reversed if we as political leaders in this country would only display a small percentage of the courage which is now being displayed by the American boys in Korea.

We in our official capacity in order to cope with this situation are now compelled to endorse a legislative program calling upon the American people to give up many of the luxuries and freedoms to which they have been accustomed.

But before asking the people to make the sacrifices, the Government should place its own house in order. This should be done by taking the following steps immediately:

First. We should, in very plain language tell the American people that the domestic programs from which they are now benefiting are either going to be stopped entirely or drastically curtailed. All subsidies to the American farmers, the American laborers, the American businessmen should be stopped immediately. It is perfectly ridiculous for our Government to spend billions annually for the sole purpose of pushing the prices of certain commodities higher and then at the same time ask Congress to pass a law for the purpose of holding these same prices down.

Second. An immediate overhauling of the machinery of our Government is essential with the thought of eliminating duplications and reducing Government personnel to the fullest extent practical. The outline of a program to achieve this greater efficiency in Government is available through the recommendations of the Hoover Commission. These recommendations up to this time have been ignored insofar as economy is concerned. As of this date the only parts of the Hoover Commission's proposals which have been accepted by the administration in its reorganization plans have been those proposals which tended to give the executive departments additional power and increased salaries. I do not know of a single executive department of this Government that is not costing more money to operate today than it cost before its reorganization.

Third. In view of both the fact that our budget is unbalanced and the fact that there is the threat of a shortage of strategic materials in this country, the Government should immediately postpone work on all Government projects upon which work has not been begun and which are not found to be essential to our national defense program. Those Government projects which are now under construction and upon which work could be stopped without resulting in an unnecessary loss to the Government should likewise be suspended immediately.

There are hundreds of such projects, and as just one example of the type of project upon which I think work should be suspended I shall cite a project in my own State and in my own county, namely, the Indian River project. Work upon this project along with hundreds of other similar projects located in the other 47 States should be postponed for the duration of this emergency. While desirable from many angles, their completion at this time will not contribute one iota toward the defense of this country. By a vote of 49 to 34 last week, Congress refused to take this essential step.

Fourth—and by far not the least in importance—the Government instead of continuously condemning the American people as hoarders should put an immediate stop to its own policy of accumulating and hoarding huge quantities of food products. These products are not needed for our military establishments but are being purchased for the sole purpose of creating an artificial shortage and forcing prices higher.

Instead of accumulating additional inventories at this time the Government should reverse its policy and begin unloading upon the markets their huge inventories now approaching $4,000,000,000. This would serve a dual purpose. It would check the present inflationary trend in food prices and at the same time would achieve a savings of hundreds of millions to the taxpayers. But instead of using these holdings as a key to check the inflationary threat, the Government is actually doing the opposite.

Only last week my attention was called to four specific examples of governmental waste which have been going on even since the outbreak in Korea. On July 30, 1950, the Department of Agriculture was holding in the warehouses the equivalent of 300,000,000 dozen eggs at a cost of 32 cents per dozen; they had 165,000,000 pounds of butter which cost 60 cents per pound; they had 63,000,000 pounds of cheese which cost 31 cents per pound—all of which were being withheld from the market for the purpose of maintaining higher prices for these commodities.

During the past 4 weeks these already burdensome inventories have been further increased. Additional quantities of eggs have been accumulated at a rate of 12,000,000 dozen per week; butter has been accumulated at the rate of over 1,500,000 pounds per day; additional quantities of cheese have been accumulated at the rate of 15,000,000 pounds per month—all of which have been packed away in caves and warehouses along with the other huge inventories of the same products.

Public Law No. 434 specifically authorizes the Secretary of Agriculture to turn over any of these surplus food commodities which are in good condition to the Armed Forces as might be required by them. This provision was incorporated in the law with the thought that since the Armed Forces would need some of these commodities, it would save the taxpayers a substantial amount if they would draw from the surplus holdings. This provision of the law should especially have been complied with during the recent weeks when we have had criticism of the rise in food prices and the expression of concern on the part of the President. However, this provision of the law has been completely ignored, and we find that during the past 4 weeks, during which time the Secretary of Agriculture was accumulating additional inventories, the Armed Forces were filling their requirements by purchasing in the open markets as follows: 4,910,350 dozen eggs at 40 cents per dozen, total cost, $1,950,304; 4,131,022 pounds butter, total cost, $2,508,267; 954,664 pounds cheese, total cost, $331,727.

However, I think the most stupid transaction which has come to my attention is the situation where during the past 30 days the Department of Agriculture has been buying U. S. No. 1 potatoes from the farmers in North Carolina, at an average cost of $1.68 per hundredweight, and then immediately—without even moving those potatoes from the farms, in many instances—reselling them to the same farmers for 1 cent a bag, to be dumped either as fertilizer or in the

hog lots. At the same time the Armed Forces, to meet their requirements, needed 23½ million pounds of potatoes. Instead of having the Department of Agriculture turn over to the Armed Forces some of those U. S. No. 1 potatoes which were being dumped in the hog lots, we find that the Armed Forces were purchasing their potatoes in the open market at a cost of $2.95 per hundredweight.

I shall not take time to enumerate further the absurd and contradictory policies of this administration, but the few items to which I have just called attention represent an unnecessary expenditure, during the past 4 weeks, by the United States Armed Forces of approximately $6,000,000—every dime of which could have been saved to the taxpayers had the administration complied with the clear intent of the law.

If that is a fair sample of what has been going on during the past 12 months, it is little wonder that we find the American troops in Korea without tanks and the other necessary equipment.

If the administration would take these corrective steps, and thereby would place its own house in order, it would remove much of the pressure of the existing inflationary threat, and at the same time would reduce the effect of whatever controls or higher taxes which might be necessary to maintain our economy on an even keel.

However, in view of the financial condition of our Government, and being confronted as we are with the inevitable necessity of appropriating many additional billions of dollars to rebuild our armed strength, I feel that additional controls and higher taxes, as unpleasant as they are, will be necessary to insure a proper allocation of existing supplies and to guard against any wartime profiteering.

In imposing these controls, we must not make the same mistakes which were made in the last war, at which time the Government attempted to control prices without placing similar controls upon wages. As we mobilize the economy of this country under the existing emergency, we must make sure that all of the 150,000,000 Americans are treated on a basis of equality. There must be no exemptions for any special group in the name of political expediency.

Prices cannot be controlled unless, in turn, wages are controlled. It is unfair to control both prices and wages unless, in turn, industrial profits are controlled. Through increased rates of taxation, the wartime profits of both corporations and individuals must be siphoned off to pay for our increased military defense programs.

Undoubtedly, this will work hardships on the different groups affected; however, if each group knows that the others are making an equal contribution, there will be much less objection.

As the Senate considers the Defense Production Act of 1950, it is essential that we make very sure that all loopholes are plugged and that all groups are treated fairly and on a basis of equality.

First. Prices: For instance, if price controls are deemed necessary to curb the rising cost of living, the base price for such price ceilings must be selected as of a specified date in the period immediately preceding the outbreak in Korea. Any variations from that level, other than changes which might be deemed necessary on a specific commodity which might have happened to be selling at either an exceptionally high or exceptionally low level as of that date, should be on a flat percentage basis. To select any date following the outbreak in Korea as a base upon which price ceilings would be imposed would be the equivalent of giving special advantages to every profiteer who jumped the gun by immediately raising his prices as a result of the war. By the same token, we would be placing a penalty on every patriotic citizen who cooperated in holding down his prices. To incorporate in this bill the suggestion that automatic price-controls become effective whenever the price index has risen to a certain level, is worse than no legislation at all. The adoption of such a proposal would be an open invitation to hysterical buying as prices approached that specified level. Again, it would be an open invitation to both merchants and manufacturers to immediately begin raising their prices to safeguard against being caught with a low ceiling on their products.

I reemphasize that we have no alternative, if we are going to impose price and wage controls, other than to select a date prior to the Korean outbreak.

Second. Wages: All of the arguments which I have advanced for selecting as a base for price ceilings some date prior to the outbreak in Korea are equally applicable to the date upon which wages should be frozen. In fairness to both groups, wages and prices must be frozen as of the same date. Any increases from the level on that date should be made strictly on a percentage basis. Selection of a later date would start a stampede among the unions to obtain another round of wage increases prior to the freeze.

Again, when the administration considers freezing the wages of employees in industry, the government as the largest employer has an obligation to set an example. On the same date, when wages in industry are frozen, the salaries of all government employees must likewise be frozen and rolled back to that same date. All automatic promotions or salary increases which normally occur with Government employees, at that time must be suspended for the duration. That was not done during the last war, and we then had the situation in which Government employees who were enforcing the controls over industry were receiving automatic salary increases. The Government officials will be much more sympathetic to the problems of the civilian working man if they are subjected to the same hardships.

Third. Taxes: One of the most unpleasant duties of the Members of Congress is to vote for tax increases. However, in this instance, Congress has no alternative other than to vote for a tax increase sufficient to cover the operating costs of this Government. With a $257,000,000,000 debt, we cannot afford a further debt increase.

To reduce to the minimum the percentage of the necessary tax increase, it is imperative that we take the steps I have outlined today, whereby substantial reductions will be made in nonessential governmental expenditures. After every possible reduction has been made in the cost of running the Government, Congress should then plug all existing loopholes in our present tax structure by repealing the special tax exemptions which now are being enjoyed by cooperative organizations and other types of institutions and foundations. At the same time, to prove our sincerity, we should repeal the special tax-exemption now enjoyed by the President and Vice President of the United States and the Members of Congress. We must make very sure that the tax load is distributed in the most equitable manner possible.

Safeguards: (a) When the power to control both prices and wages and to regulate the law of supply and demand is placed in the hands of bureaus here in Washington, that will mean that in the hands of a small number of men we shall be placing the power to regulate and to influence the price of commodities on the exchanges in this country. Following the last war, a disgraceful situation was disclosed—one in which certain prominent Government officials who had access to confidential information had been making fortunes gambling on the commodity markets. To prevent any repetition of this wartime profiteering on the part of Government officials or the misuse of confidential information, this bill should be amended to prohibit any Government official, including Members of Congress, from either speculating in the commodity markets himself or from passing on to his friends confidential information as to prospective Government decisions which will have influence on these markets.

(b) Following the last war we found numerous instances of questionable nature where Government employees who during the war years were negotiating contracts with certain corporations and after the contracts were signed obtained employment at large salaries with the same corporations. Many of those incidents had the appearance of being "pay-offs." To prevent a recurrence of such instances, the bill now before us should be amended so as to prohibit the employment within a period of at least 2 years of any Government employee by a concern with which, as a Government employee, he was in a position to negotiate or influence wartime contracts.

I doubt if there is a single Member of the United States Senate who is more opposed to unnecessary Government control than I. I was elected to the United States Senate in 1946 largely on the strength of my opposition to unnecessary Government regimentation of the American citizens. During my 4 years in the Senate I have consistently opposed the expansion of the socialistic programs of the Fair Deal administration, and I have done what I could to reduce Government expenditures and the Government's encroachments upon the rights of its citizens. It has always been my contention that the American

citizens would eventually be forced to sacrifice their individual freedoms in return for these subsidy programs.

Through Federal aid and Federal subsidy programs under the guise of welfare and security we in America for the past 18 years have been selling our birthright of freedom for the proverbial mess of pottage. We have completely forgotten the warning of Benjamin Franklin, who said that he who trades freedom for security will lose both.

But today, largely as a result of the reckless spending policy and the blunders of this administration, our country is faced with a grave crisis. I feel that under the existing circumstances we have no alternative now but to mobilize the entire economy of this country on a wartime footing. As we do this, it is inevitable that every American must for the time being be called upon to sacrifice some of the freedoms which we have come to accept as our heritage.

However, in endorsing the need for controls over our economy, along with higher taxes, I want it understood that I am not willing to extend to the President any such blanket endorsement of authority as is being proposed by certain administration supporters. The bill now before us must be amended in such a manner that while it will give the President sufficient authority over the economy of this country both to protect our national security and to cope with this inflationary threat it will, at the same time, include safeguards adequate to protect the rights of the American people. Under this bill as it now stands, the President could authorize the nationalization of our great steel industry, along with the nationalization of such of our other large industries, as he saw fit. The President has already on previous occasions expressed his intention and desire for Government operation of the steel industry. It is essential that we be very careful that we are not stampeded into passing legislation which will destroy the very principles for which we are fighting.

It is with extreme reluctance and great misgivings that I have arrived at a position where I am willing to extend to the administration any additional powers or controls over our citizens because I know that there are in this administration many officials who, while they are now advocating these controls as a wartime measure, yet I recognize them as the same officials who for the past several years have been advocating a planned economy for our country. I question the intentions of these administration officials in their promise to relinquish these additional powers once this emergency is over, and to safeguard against this danger these powers should be extended on a 1-year basis only. Then Congress each year could survey the situation to determine the necessity for their further extension. The American people who are now being called upon to sacrifice many of their individual freedoms for the security of this country should serve notice on all Government officials that regardless of their political affiliations that through the power of the ballot they will hold directly responsible all those officials who condone dishonesty in government or who fail to assist in eliminating all nonessential Government expenditures. Their insistence upon this action will minimize the effect and reduce the period in which any tax increase or controls are necessary. I send to the desk certain amendments to H. R. 3936 which will carry out these recommendations. I ask unanimous consent that the amendments offered for myself and for the Senator from Kansas [Mr. SCHOEPPEL] be printed in the RECORD following my remarks.

The PRESIDING OFFICER. The amendments will lie on the table and be printed; and, without objection, the amendments will be printed in the RECORD at this point.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

On page 76, between lines 8 and 9, insert the following:

"(e) Section 284 of title 18 of the United States Code is amended by adding at the end thereof the following new subsection:

"'(b) Whoever, having been employed in any department or agency of the United States (including the Armed Forces of the United States), within 2 years after negotiating or participating in the negotiation of any contract on behalf of the United States or any department or agency thereof, shall accept employment with any other party to such contract shall be fined not more than $10,000 or imprisoned not more than 1 year, or both.'

"Notwithstanding the provisions of section 716 of this act, this subsection shall continue in effect after June 30, 1952."

On page 82, line 9, after the word "shall" insert a comma and the following: "except as otherwise provided."

On page 76, between lines 8 and 9, insert the following:

"(e) Chapter 15 of title 18 of the United States Code is amended by adding at the end thereof the following new section:

"'§ 292. Whoever, being an officer or employee of the United States or any department or agency thereof (including any Member of the Senate or House of Representatives or of the Armed Forces of the United States), shall speculate directly or indirectly on any commodity exchange, or shall knowingly publish or disclose any information designated by the President as confidential for the purpose of aiding any other person so to speculate, shall be fined not more than $10,000 or imprisoned not more than 1 year, or both. As used in this section, the term "speculate" shall not include a legitimate hedging transaction, or a purchase or sale which is accompanied by actual delivery of the commodity. The President shall designate as confidential any information which would give any person an undue advantage in trading on any commodity exchange. Notwithstanding the provisions of section 716 of this act, this subsection shall continue in effect after June 30, 1952.'"

On page 82, line 9, after the word "shall", insert a comma and the following: "except as otherwise provided."

Mr. BYRD. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Capehart	Downey
Anderson	Chapman	Dworshak
Benton	Chavez	Eastland
Brewster	Connally	Ecton
Bricker	Cordon	Ellender
Butler	Darby	Ferguson
Byrd	Donnell	Fulbright
George	Kilgore	Pepper
Gillette	Knowland	Robertson
Graham	Langer	Russell
Green	Lehman	Schoeppel
Gurney	Long	Smith, Maine
Hayden	Lucas	Smith, N. J.
Hendrickson	McCarran	Sparkman
Hickenlooper	McKellar	Stennis
Hill	McMahon	Taft
Hoey	Magnuson	Thomas, Okla.
Holland	Malone	Thomas, Utah
Humphrey	Maybank	Tydings
Hunt	Millikin	Watkins
Ives	Morse	Wherry
Johnson, Colo.	Mundt	Wiley
Johnson, Tex.	Murray	Williams
Johnston, S. C.	Myers	Withers
Kefauver	Neely	Young
Kem	O'Conor	
Kerr	O'Mahoney	

The PRESIDING OFFICER. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3666) to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 233) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 2121. An act to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials; and

H. R. 8220. An act to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills and joint resolution of the House:

H. R. 4584. An act to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes;

H. R. 6958. An act authorizing the Secretary of the Interior to isue a patent in fee to Francis Lee Edwards;

H. R. 7017. An act authorizing the Secretary of the Interior to issue a patent in fee to Edgar S. Bigman; and

H. J. Res. 434. Joint resolution providing for recognition and endorsement of the California World Progress Exposition.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 602. An act for the relief of Fritz Busche;

H. R. 4136. An act for the relief of Helen M. Booth;

H. R. 4832. An act for the relief of Graphic Arts Corp. of Ohio;

H. R. 4989. An act to provide for the payment of just compensation to John II Estate Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, Territory of Hawaii;

H. R. 9023. An act to amend the Hatch Act; and

H. J. Res. 21. Joint resolution to provide for the utilization of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray (1) the Civil War, (2) the Spanish-American War, and (3) the birth of aviation in the United States.

ADMISSION INTO UNITED STATES OF ALIEN BRIDES AND MINOR CHILDREN OF CITIZEN MEMBERS OF ARMED FORCES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1858) to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces, which was, on page 2, line 5, strike out "ninety days" and insert "six months."

Mr. McCARRAN. Mr. President, this is the bill to let the Asiatic brides of American servicemen enter the United States for permanent residence. The House has amended the bill in one respect only, to permit 6 months after the effective date of the act, rather than 90 days, as was provided in the text which was approved by the Senate, within which the brides of servicemen might come to this country.

The amendment is entirely acceptable to the senior Senator from Nevada, as author of this bill; and I am sure it would be approved by the Committee on the Judiciary. Accordingly, I move that the Senate concur in the House amendment.

The motion was agreed to.

NATURALIZATION OF CERTAIN IMMIGRANTS—CONFERENCE REPORT

Mr. McCARRAN. Mr. President, I submit a conference report on House Joint Resolution 238, to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence.

The PRESIDING OFFICER. The conference report will be read for the information of the Senate.

The report was read.

(For conference report, see pp. 12464–12466 of today's House proceedings.)

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. McCARRAN. The joint resolution (H. J. Res. 238), as it passed the House of Representatives, provided for the elimination from our naturalization laws of the racial barriers to naturalization. The bill was subsequently passed by the Senate with an amendment in the nature of a substitute which limited the operative effect of the bill to persons of the Japanese race. The effect of the Senate version of the bill would be to retain the racial barrier to naturalization against persons of certain other races.

It was the judgment of the conference that we should follow the version of the bill as it initially passed the House of Representatives, namely, to eliminate all racial barriers to naturalization but that in so doing we should incorporate in the bill certain procedural safeguards in order to assure, so far as possible, that disloyal persons would not be admitted to citizenship. Accordingly, the bill, as amended by the conference, provides for a more thorough screening of applicants to citizenship and precludes from citizenship Communists and other subversives.

I ask unanimous consent that a statement of the managers on the part of the Senate at the conference be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE MANAGERS OF THE PART OF THE SENATE

The managers on the part of the Senate at the conference on the disagreeing votes of the two Houses to the amendment of the Senate in the nature of a substitute to the resolution (H. J. Res. 238) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence (joint resolution to remove the racial restrictions on naturalization in the case of certain Japanese persons who entered the United States prior to July 1, 1924) submit the following written statement explaining the effect of the action agreed on.

The resolution as it passed the House of Representatives provided that the right to become a naturalized citizen of the United States shall not be denied or abridged because of race. This resolution also provided that no alien who, under law existing immediately prior to enactment of the resolution, would have been ineligible to immigrate to the United States because of race shall become eligible for immigration to the United States by reason of the adoption of the resolution.

The net effect of the resolution as passed by the House of Representatives would be to remove all racial barriers to naturalization of those persons who are legally in the United States at the time of enactment of the resolution.

The resolution as amended by the Senate extended the provisions of existing section 303 of the Nationality Act of 1940, as amended, to include Japanese persons and persons of Japanese descent who (1) entered the United States (including the Territory of Hawaii) prior to July 1, 1924; (2) have resided continuously in the United States (including the Territory of Hawaii) since such entry, and (3) are not subject to deportation.

The net effect of the resolution as passed by the Senate would be to extend the privilege of naturalization only to those Japanese persons and persons of Japanese descent who have resided in the United States, including the Territory of Hawaii, since July 1, 1924, and who are not subject to deportation, but several Asian racial groups such as the Burmese, Indonesians, Koreans, Maoris, Polynesians, Samoans, and Siamese would, under the Senate amendment, still remain on the list of races barred from United States citizenship.

The resolution as agreed to by the conferees provides that the House version of the resolution be adopted with an amendment, namely, insertion of the phrase "subject to the provisions of this act." This additional language insures that all aliens eligible to petition for naturalization under the provisions of section 303 as amended by House Joint Resolution 238 will be subject to all of the other provisions of the Nationality Act. The insertion of this additional language meets the objections raised when the resolution was before the Senate that the resolution might permit a great many other aliens to be naturalized who were not otherwise eligible under all of the provisions of the nationality laws.

In terms of figures, the resolution as agreed to by the conferees, would make eligible for naturalization about 48,000 persons of the Japanese race residing in the continental United States and about 38,000 such persons residing in the Territory of Hawaii. In addition, the resolution would make eligible for naturalization approximately 700 Koreans residing in the continental United States and about 2,300 Koreans residing in Hawaii, plus less than 150 persons of the other, above-mentioned, Asian races of which about 20 percent reside in the Territory of Hawaii and the rest in the continental United States.

The following table illustrates the numerical extent of the effect of this resolution:

Aliens eligible to citizenship under H. J. Res. 238; Continental United States and Hawaii, 1940

Alien people	Residing in—		Total	Percentage in United States
	United States	Hawaii		
Japanese	47,305	37,353	84,658	55.99
Korean	749	2,390	3,139	20.7
Other Asian	104	41	145	71.7
Total	48,158	39,784	87,942	54.8

Source: Sixteenth United States Census.

In recommending the adoption of the resolution substantially as passed by the House of Representatives, the conferees have fully realized that the highly desirable extension of eligibility to naturalization calls for additional safeguards and that, therefore, section 305 of the Nationality Act of 1940, as amended, should be amended. Accordingly, the conferees recommend the addition of a new section to House Joint Resolution 238, which in amending section 305 prohibits naturalization of any alien who at any time within a period of 10 years immediately preceding the filing of the petition for naturalization is, or has been found to be, within any of the general classes enumerated therein.

The amendments proposed to section 305 are substantially as follows:

(1) Naturalization is specifically prohibited to anyone who within 10 years preceding the naturalization has belonged to the Communist Party of the United States; any other totalitarian party of the United States; the Communist political association; the Communist or other totalitarian party of any State of the United States, of any foreign state, or of any political or geographical subdivision of any foreign state; any section, subsidiary, branch, affiliate, or subdivision of any such association or party; or the direct predecessors or successors of any such association or party, regardless of what name such group or organization may have used, may now bear, or may hereafter adopt.

(2) The Attorney General is required to publish in the Federal Register at least once in every calendar year a list containing the name of every organization which, after appropriate investigation and on the basis of evidence or information satisfactory to him, he deems to be Communist, Fascist, totalitarian, subversive to the national security, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under

the Constitution of the United States, or as seeking to alter the form of government of the United States by force, violence, or other unconstitutional means.

(3) An alien who belongs to any such organization on the date of its proscription shall have 3 months from such date to withdraw from the organization.

(4) A person who is naturalized after enactment of section 305 as thus amended and who within 5 years after such naturalization becomes a member of or affiliated with, any organization which would have precluded his naturalization under subsection (a) of section 305, as amended, shall be presumed to have obtained naturalization by fraud or by illegal procurement.

In view of the fact that sections 303 and 305 both relate to eligibility to naturalization and liberalization of section 303 necessitates the strengthening of 305, the conferees unanimously agreed that the conference report hereby submitted represents a germane modification of subjects in disagreement.

PAT MCCARRAN.
W. E. JENNER.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

WHY WE ARE IN KOREA—TOKYO DISPATCH FROM RICHARD J. H. JOHNSTON

Mr. McCARRAN obtained the floor.

Mr. FERGUSON. Mr. President——

Mr. McCARRAN. The Senator from Michigan [Mr. FERGUSON] desires to attend the meeting of a conference committee, and I shall yield to him, and endeavor to get the floor at the conclusion of his remarks.

Mr. FERGUSON. Mr. President, I am almost certain that many Members of Congress will comment about a dispatch from Tokyo, signed by Richard J. H. Johnston, published in yesterday's New York Times. Mr. Johnston's article, if true, puts the finger on a crucial weakness which not only seriously affects the morale of our Armed Forces in Korea, but also undermines the moral strength of our people at home in the world-wide battle for men's minds.

"The average GI," Mr. Johnson writes, "seems not to know why he is fighting in Korea." He quotes a 19-year-old corporal who says: "I keep asking myself what I am doing here. The funny thing is I can't answer my own question."

The nub of the dispatch is that the American soldiers now fighting and dying in Korea have not been prepared by the Army for the job they were called upon to do.

This is not a flash dispatch by an irresponsible reporter to an isolationist newspaper. Richard Johnston represents the New York Times, which printed the article. He spent 2 weeks with American troops at the front defense lines. He spoke to soldiers on the chow lines, in fox holes, aid stations, ambulances, and hospitals, and aboard trains, planes, and troop ships. And the conclusion he has reached is that the average GI believes that someone has put him into a mess he does not understand.

The GI cannot understand why, if this is a United Nations action, he has only South Koreans with him in the battle line. He cannot understand why he was so hastily thrust from soft garrison duty posts in the Pacific or from peaceful United States into the filth and violence of the Korean battlefields. He appears willing to fight for his country, but says "I'll be damned if I see why I'm fighting to save this hell hole."

Mr. President, if the nub of this article is true—if what I have quoted is really in the mind of the GI, and there are circumstances which give the color of truth to that assumption—then I submit we are truly in dark and dangerous waters.

I know that the administration's decision to defend South Korea was indeed a hasty flip-flop from the Acheson policy which wrote off China, Formosa, Korea, and almost all Asia in the year before the Korean aggression. That policy opened the door and spread the welcome mat for the Communists to move in those areas. I was against that policy of appeasement and surrender.

I agreed with the President, as did most of our people and the free-world nations in the United Nations, when he reversed the Acheson policy and determined to stand against aggression in Korea. He realized, as we all realize, that not only was American security in the Pacific endangered, but that the very life of the United Nations hangs in the Korean balance. But what I want to condemn as bitterly as I know how is the failure of this administration to prepare our people and the boys who are sent to Korea for these undertakings.

At Cairo, Yalta, and Potsdam, we created an Asian vacuum and gave the Communists a springboard from which to jump in and fill it.

In the Truman doctrine on Greece and Turkey we indicated that we would resist Russian aggression anywhere. In the Marshall plan and the North Atlantic Treaty we expressed our desire to resist and to contain communism. Then in the Acheson policy on China, Formosa, and Korea we reversed our former policy of resistance to communism and clearly indicated we were ready to write off all Asia to the Communists. This amounted to a clear notice to our people and our Armed Forces that the United States would take no active part in Korea if anything happened there. And when, 6 months later, aggression flared forth in Korea, we again reversed our policy, abandoned the Acheson line, and once more determined to resist communism—this time by force, even at the risk of world war.

Is there any wonder that our people are confused and that our boys are bewildered about what they are fighting for? How can people be expected to follow the dance of a St. Vitus flea with the itch?

It is difficult to ask our military authorities to prepare our soliders for an off-again-on-again Finnegan act. Are they to contain the Communists in Asia, or are they to write Asia off to the Communists? Does this administration think it can change its signals in the middle of play and still run through to the goal? What goal is it to be?

If there is not enough matériel in Korea, it is because the administration had not made up its mind whether to defend or to surrender Korea. If the boys do not know what they are fighting for there, it is because this administration had no firm place for Korea in our national policy.

How does the administration have the gall to come to Congress for additional millions for a Voice of America to tell foreign people what we are fighting for when our own people and our own soldiers are kept in the dark?

Mr. President, I have been for the Voice of America, but I believe we should tell the American people, so that they may understand what we are fighting for, before we attempt to tell the people of other countries.

That has been the trouble with this administration all along. They have always found the grass greener in other pastures than in our own front yard. Before they have safely secured the standards of living in our own country, they want to raise them all over the world. Before they have matured plans for civilian defense in our own country, they want to build such defenses in Europe and Asia.

Before they tell our own people and our own soldiers what they are fighting for in Korea, they want millions for a Voice of America to tell the world about what we are fighting for. The State Department is critical of Congress for delay in making such increases in appropriations. What they should tell Congress is what the policy is, and how it can be carried out.

What we need is at least a Little Voice of America that can be heard by our people who are about to be regimented, allocated and controlled, and which will tell them why the belt has to be tightened. What we need is a Little Voice of America to tell our soldiers who are being rushed to battle why they are being fed into battle lines. And we need a Voice that makes sense, and is steady and consistent.

What are our objectives in this world policy we have projected? How does far-off Korea fit into such a policy? Why were we not prepared in Korea? If Korea is a United Nations undertaking, as it most certainly is, what is the objective? Why do we not push a more vigorous, positive policy at Lake Success?

Mr. President, in this connection I ask to have inserted at the end of my remarks an article by Mark Sullivan entitled "The Road Block in UN"; published in the New York Herald Tribune of yesterday.

The PRESIDING OFFICER (Mr. WITHERS in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. FERGUSON. Mr. President, in the face of ruthless communism we can no longer afford to play this vast game of world politics by ear. We have got to know what we are doing. We have to be firm in what we seek. We have got to let our people know. Our Army has to let our soldiers know what is expected of them, and why.

If we had been doing that, as we should have been, instead of following greener pastures elsewhere, we would not now be told by responsible correspondents in Korea that GI's are asking themselves why they are there.

EXHIBIT 1

THE ROAD BLOCK IN UN—MARK SULLIVAN OFFERS A REMEDY: A UN THAT EXCLUDES RUSSIANS

(By Mark Sullivan)

The war in Korea, and the wider war in prospect—along with accompanying developments in the United Nations—are at a stage which presents a primary need. The need is to know the objective for which we fight—the objective, that is, other than the military one of victory. In the lack of understanding this ultimate objective, and keeping it in mind, we are likely to experience again the futility and disappointment which was our fate following the First and Second World Wars.

In the present war we have no recognized and consciously self-chosen objective other than the military one, which is defense against aggression by international communism wherever it attacks—a series of repetitions of Korea. In the sense other than military we have no objective that is equivalent to what military men call "over-all strategic concept."

This is not a new phase, it has been our national way. As put by a distinguished military historian, Hanson Baldwin, of "The New York Times": "The United States has fought wars differently from other peoples. We have fought for the immediate victory, not for the ultimate peace * * *. We have had no * * * well defined political objective to chart our military action. We fought to win—period."

Yet, war should have an objective additional to the military one; there should be a purpose for which military victory is sought. This was emphasized by ex-President Hoover, in a speech he made last month at the dedication of a memorial to William Allen White at Emporia, Kans. Mr. Hoover cited the words here quoted from Mr. Baldwin, and for himself added: "The valor of our men won great battles. But we have won no lasting peace. However, from these sacrifices we can deduce some vital truths. I suggest to you a fundamental truism. War is justified only as an instrument for a specific consequence. That consequence for America was lasting peace."

During any war, lasting peace is a hope and ideal, tacit in the minds of practically all, and sometimes expressed in slogans, such as the First World War's "The war to end all wars." During the Second World War the hope was expressed in another slogan, "One world"; the peace was to be not only lasting but universal. Toward the end of the war this ideal was given form; an institution to embody it and operate it was set up—the United Nations.

Presently we recognized that the United Nations would not bring lasting peace; it would not even bring the formal peace settlement with our recent enemies that normally should have followed the ending of the war. The reason was Communist Russia. In conference after conference, within the United Nations and out, Russia prevented peace settlements. We were forced to recognize that Russia did not want peace, indeed that prevention of peace was a conscious purpose it held. It wanted continuation of postwar chaos to the end of promoting communization of the world. Within the United Nations Russia used its membership, not to co-operate for peace but as a means of promoting hate and fear among peoples.

After some 5 years of this there was general recognition that the United Nations, with Russia and its satellites holding membership, could not be an instrument for lasting peace. This general recognition, and a proposed way out, was in a speech ex-President Hoover made last April 27 to the American Newspaper Publishers Association:

"I suggest that the United Nations should be reorganized without the Communist nations in it. If that is impracticable, then a definite new united front should be organized of those peoples who disavow communism. It is a proposal to redeem the concept of the United Nations to the high purpose for which it was created."

Two months after Mr. Hoover spoke, with the outbreak in Korea June 25, the United Nations pulled itself out of futility into vitality. It asked its member nations to join with the United States in opposing the Korean aggression, and practically all except the Communist ones did so. But Russia remains within the United Nations and enlarges the perverse use it makes of its membership. It happens that for August the presiding official of the Security Council is Russian Representative Malik, and he makes use of that position for delay and denunciation. The other members seek some means by which the Russian representative can be checkmated. If they look logic and fact in the face, their problem is now to achieve a United Nations that does not contain Russia.

ANALYSIS OF THE MUNDT-FERGUSON-JOHNSTON BILL IN RELATION TO THE PRESIDENT'S MESSAGE RECOMMENDING CONTROL OVER COMMUNISTS

Mr. FERGUSON. Mr. President, following the President's message to the Congress last week on the subject of internal security legislation, the Senator from South Dakota and the Senator from Michigan expressed our opinion that the President had endorsed the premises and the provisions of S. 2311, the so-called Mundt-Ferguson-Johnston bill.

In support of their expressed opinion, the Senator from South Dakota and the Senator from Michigan have jointly prepared and issued an analysis of S. 2311 in relation to the President's message. I ask unanimous consent that this analysis may be printed in the body of the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF THE MUNDT-FERGUSON COMMUNIST REGISTRATION AND CONTROL BILL (S. 2311) IN RELATION TO THE PRESIDENT'S MESSAGE RECOMMENDING CONTROL OVER COMMUNISTS

The opening paragraphs of the President's message are devoted to a review of this Nation's experience with internal security measures, and the constant struggle to balance the principles of free institutions and individual liberty against the need for internal security regulation. It is an admirable review, but is scarcely unfamiliar to the sponsors of S. 2311, who worked for 2 years to produce a bill achieving the balance which history has always sought.

The remainder of the message may be broken into three parts: Findings with respect to the menace of communism to American institutions; recommendations for new internal security legislation; warnings against extremes in new internal security legislation that would violate principles and traditions of freedom and individual liberty.

I

The President states: "As a part of their campaign to weaken free nations from within, the Communists try to infiltrate and gain control of the most vital citizens' organizations such as unions, associations of veterans, business groups, and charitable, educational, and political societies."

He observes that the common sense and hard work of these organizations have largely thwarted Communist encroachments, but he adds: "If the Communists confined their activities in this country to the open and public channels of the democratic process, we would have little concern about them. But they do not so limit their activities. Instead, to serve the ends of a foreign power, they engage in espionagle, sabotage, and other acts subversive of our national safety."

These are precisely the premises of S. 2311, as revealed particularly in its section 2, Necessity for Legislation.

S. 2311 proceeds from a determination that communism is a world-wide conspiracy (to serve the ends of a foreign power, the President says) under the direction and control of the Communist dictatorship of a foreign country.

S. 2311 recognizes that communism operates by infiltration into other groups (virtually the identical words of the President).

It proposes to register Communists and the front organizations which they have created or have managed to dominate, in order that they may be required to function in the "open and public channels of the democratic process" (using the President's language).

II

The President recites the general provisions of the laws on treason, espionage, sabotage, together with certain features of the immigration laws and the special statutes regarding the registration of foreign agents and the teaching and advocacy of or conspiracy to overthrow the Government by force and violence.

He says that "we have discovered a few defects, some of them minor and others of greater importance, in some of the existing statutes." He does not make clear that the treason, espionage, sabotage and other statutes of which he speaks do not encompass the "other acts subversive of our national security," to which he had referred at the outset and which characterize communism. Nor does he note the difficulties inherent in enforcing such measures as the Smith Act under which the 11 top Communists were prosecuted, although these difficulties make those measures by and large ineffective against the rank and file of Communists.

Considering the defects in existing legislation, however, he recommends (1) clarifying and making more definite certain language in the espionage laws; (2) extending the statute of limitations for espionage; (3) registration as foreign agents of persons who have received instruction in espionage or subversive tactics from a foreign government or political party; (4) broader Presidential authority to impose security regulations at defense installations; and (5) legislation to permit closer supervision of aliens who are under deportation proceedings.

S. 2311 concerns itself specifically with espionage activities by making it a crime for Government employees to communicate classified information, without authorization, to foreign agents or a member of a Communist organization, (persons who have received instruction in espionage or subversive tactics from a foreign government or political party). Conversely, it makes foreign agents and members of Communist organizations liable for receiving or attempting to obtain information which the Government employee is prohibited from communicating.

S. 2311 provides prosecutions for such espionage activities as might be undertaken at any time within 10 years, instead of the present 3-year statute of limitations to which the President made reference.

The central feature of S. 2311 is its provision for the registration of Communists under the theory that by the nature of their activities they are agents of a foreign power. It does not limit registration to those specially trained in sabotage, on the implicit grounds that all Communists are potential saboteurs. Incidentally, the President's suggestion would appear to fall into

a constitutional pitfall that S. 2311 carefully avoids. Any person trained for sabotage by a foreign government or political party might well be considered one within the scope of the Smith Act, or statutes related to it. In such a case the registration suggested by the President would constitute an act of self-incrimination. This was considered a possible weakness in the original version of S. 2311, notwithstanding the argument that only overt and affirmative deeds are incriminating under the Smith Act and its related statutes. In recognition of that possible infirmity, the sponsors of S. 2311 amended it to provide expressly that affiliation with a Communist organization was not a violation of the penal sections of the act, and the fact of registration could not be introduced as evidence of any alleged violation.

S. 2311 does not purport to deal with security regulations for defense installations or supervision of deportable aliens, both of which are problems of a special nature, except insofar as it provides safeguards through requiring the open regulation of all Communists who, of course, are those individuals most likely to sabotage our defense installations. Good legislation on this subject would not include all unrelated features of subversive activities and immigration in an omnibus bill.

III

The President warns against legislation "violating the fundamental freedoms of our Constitution" while seeking to "provide effective protection against acts which threaten violence to our Government or our institutions," and he says "We must * * * be on guard against extremists who urge us to adopt police-state methods." He adds that there is legislation pending before Congress that in his opinion seems to violate the standards he sets up.

He does not specify the "pending" legislation to which he refers. From a study of S. 2311 it is apparent that he could not possibly have had that bill in mind, or if he did have it in mind he was not in any way acquainted with its provisions and has been misled by the lavish denouncements which have come primarily from persons whom the bill would—and is intended—to affect; namely, the Communists.

The President states the effective measures he has in mind "must be accurately devised to meet real dangers."

S. 2311 is the product of 10 years of intensive investigation and reliable findings as to " real dangers," on the part of the House Un-American Activities Committee. The bill has been scrutinized as to its validity and constitutionality by the Senate Judiciary Committee—comprised exclusively of distinguished lawyers—in the Eightieth Congress and the Eighty-first Congress. It bears the unqualified endorsement of the American Bar Association and of eminent legal consultants (see the opinions of Donald Richberg and John Davis incorporated in the report). S. 2311 is therefore "accurately devised".

A careful reading of S. 2311 reveals even to the lay mind that not only are all terms used in the bill, such as "Communist organization," carefully defined in section 3, but clear standards of application are set forth in section 14 (e) and (f). Further, "day in court" is provided not only before the independent Subversive Activities Control Board (sections 13 and 14) but before a constitutional court (sec. 15). These are all standards which the President presumably would have in mind in pleading for a measure that is "accurately devised."

The President says "there are some people who wish us to enact laws which would seriously damage the right of free speech and which could be used not only against subversive groups but against other groups engaged in political or other activities which were generally not popular."

This charge cannot be made against S. 2311. In absolutely no way does it limit freedom of speech or any other constitutional freedom. A Communist who is identified as such can preach his doctrines as long and as loudly as he wishes or can command an audience, and nothing in S. 2311 could prevent him from doing so.

At this point it might be well to set forth just exactly what S. 2311 does.

It requires Communists to be registered, and it requires the registration of organizations (not their members) which are ruled to be Communist fronts. It then makes these acts and these acts alone unlawful:

"(1) To conspire 'to perform any act which would substantially contribute' to the establishment within the United States of a totalitarian dictatorship under foreign control.

"(2) For an employee of the Government to communicate without authorization to another person whom he knows or has reason to believe is an agent of a foreign government or a member of a Communist organization, any information which he knows or has reason to know has been classified by the President or department head as affecting the security of the country. Foreign agents or members of Communist organizations are similarly penalized for receiving or attempting to obtain information which the Government employee is prohibited from transmitting.

"(3) To conceal the fact, when seeking office or employment under the United States, that a person is a member of an organization which has been legally found to be a Communist organization.

"(4) To hold any nonelective office or employment under the United States when such a member.

"(5) To apply for, or to use, a United States passport when such a member.

"(6) To fail to file reports which it is his legal duty to file, if a person is an officer of a Communist organization, or to make false statements or willful omissions in such a report.

"(7) To become or remain a member of a Communist political organization if a person knows that the organization has been legally required to register and has failed to do so.

"(8) To mail Communist publications, or to broadcast, or televise a Communist program, for a Communist organization, without identifying the source or sponsorship."

The only possible issue is whether the registration requirement can be construed as a restriction upon an individual depriving him of his rights to exercise free speech, etc. That is a legal question. It has been resolved in the recent Supreme Court holding with respect to the non-Communist oath in the Taft-Hartley Act. There is was held that the requirement of an oath is not an unreasonable restriction—Jackson making it vividly clear that this is so because of the nature of the Communist Party. Exactly the same legal reasoning applies to the registration requirement in S. 2311.

The President states "laws forbidding dissent do not prevent subversive activities" and no one can question that statement. Likewise, an inspection of the provisions of S. 2311 as given above reveals that nowhere does it purport or intend to forbid dissent.

The President believes that "legislation * * * now pending before Congress * * * is so broad and vague in its terms as to endanger the freedoms of speech, press, and assembly protected by the first amendment." The exactness of the terms and provisions in S. 2311 which qualify it as accurately devised make clear this observation of the President does not apply to S. 2311.

It is clear, therefore, that the President's remarks cannot refer to S. 2311, but to the extreme proposals in legislation pending in a number of House bills such as those outlawing the Communist Party, depriving them of the use of ballot and of the use of the mails, and similar extreme proposals.

He adds "some of the proposed measures would, in effect, impose severe penalties for normal political activities on the part of certain groups, including Communists and Communist Party-line followers."

This cannot apply to S. 2311 because the only activity which is prohibited by that bill is to conspire to perform any act which would substantially contribute to the establishment within the United States of a totalitarian dictatorship under foreign control. No one could contend that is a normal political activity.

It is possible, of course, that a question may be raised as to whether registration of Communists and the requirement that the sponsorship of Communist literature sent through the mails or Communist radio and television broadcasts be identified is a restriction of a nature that inhibits normal political activities.

There is not much room to argue that point, however, in view of the precisely analogous statutes which presently require congressional lobbyists to register (considered a proper restriction of their constitutional right of political petition) and which require that all political literature, advertising, or broadcasts in support or opposition to a candidacy for elected Federal office have their sponsorship identified.

The President says that the kind of "proposed legislation" which is directed against normal political activity is dangerous because, "in attempting to proscribe, for groups such as the Communists, certain activities that are perfectly proper for everyone else (it) * * * would spread a legal dragnet sufficiently broad to permit the prosecution of people who are entirely innocent or merely misguided."

It should be clear from a reading of S. 2311 that it does not proscribe any activities which the President could have had in mind. Proscribe is to outlaw, to condemn, or to prohibit. Registration is not proscription unless it were considered so unreasonable as to prevent a normal activity. As has been noted, the Supreme Court has already resolved that legal question with regard to Communists.

A properly registered Communist under S. 2311 is barred from Government employment and from the use of passports. But these are not rights; they are privileges and are recognized as such when elsewhere in his message the President points with implicit endorsement to the regulations which proscribe loyalty standards for Government employees and the laws which restrict the foreign travel of citizens engaged in subversive activities.

Communists and members of Communist-front organizations are restrained from concealing the facts of their affiliation, by S. 2311, when seeking elective office or Federal employment. But that is scarcely proscription.

At this point it would be well to comment on those provisions of S. 2311 which relate to the identification of Communist-front organizations. Much has been said of possible injustices being done to organizations and their members by reason of a listing as Communist-front. It should be clear that every possible precaution is prescribed in S. 2311, to protect against any erroneous listing of such an organization, and nothing in the bill limits their activities if they are properly registered.

Not enough has been said about the protection afforded the individual and the public by accurate identification of such groups. Not to single her out, but there occurs to mind the case of the woman lawyer who was charged with being a Communist or otherwise disloyal because she had been associated

in one manner or another with 20 organizations that had been cited as subversive. The Tydings committee, in its report, said that the evidence "fails to establish ———— is a Communist or an otherwise disloyal person."

The report goes on to say "It is apparent that she was less than judicious in joining certain organizations" and it adds "it is regrettable so many who profess to be informed about communism fail to understand or, when it serves them, deliberately ignore the true nature of the Communist-front movement." The report concludes that ———— record suggests "a high degree of naïveté and perhaps gullibility."

It should be welcomed by every citizen who is interested in liberal causes but does not wish to be duped that S. 2311 provides a reliable, authoritative catalog of front organizations. If a person wishes to carry his liberalism so far as to consciously and purposefully join a subversive organization there is nothing in S. 2311 which prevents him from doing so or attaches any penalty to his action. But having done so the public will know that he is not merely naive but gullible. And the person who does not wish to extend his interests to such organizations can readily avoid doing so by the devices established under S. 2311.

In short S. 2311 provides, for that shadowland that has troubled every conscientious student of the liberal movement, an accurate and ready means of separating the sheep from the goats.

Returning to the President's reference to a "legal dragnet sufficiently broad to permit the prosecution of people who are entirely innocent are merely misguided," a study of S. 2311 reveals that in every instance where any prohibition is prescribed, the element of knowledge is an absolute prerequisite to incrimination. Special attention is directed to section 10 of the bill, which makes membership in the Communist Party unlawful (1) if the individual knows the organization is required to register by order of the Board, (2) if he knows that 30 days have elapsed since the order went into effect, and (3) if he knows the organization has not registered.

The President states that "as far as the real conspirators against our institutions are concerned, such legislation would merely have the effect of driving them further underground and making it more difficult to reach them."

Since the whole purpose of S. 2311 is to identify Communists and to require them to confine their activities "to the open and public channels of the democratic process" (to use the President's words—it will not drive them underground but expose them and their operations.

The unfortunate truth of the present, however, is that like an iceberg the Communists are operating only partially exposed and primarily submerged. And short of prosecutions for perjury, or the difficult prosecutions under such statutes of the Smith Act, there is no way that their submerged activities can be brought to light.

If the Communists choose to disregard the registration features of S. 2311, they will in fact be underground. But because they will then be in violation of the law, for their failure to comply with the simple requirement of registration, S. 2311 affords an effective tool for our law-enforcement agencies to bring them forth to accountability.

REPUBLICAN STATEMENT ON FOREIGN POLICY

Mr. McMAHON. Mr. President, will the Senator from Nevada yield to me?

Mr. McCARRAN. I yield to the Senator from Connecticut.

Mr. McMAHON. Mr. President, at a time when our forces are hard-pressed in Korea, and when Malik is trying to put over a wholesale fraud on the minds of mankind, I regret to say that some of our Republican colleagues have chosen to issue a crafty political statement on foreign policy, designed to cozen a few votes in November.

These masters of hindsight seek to cut themselves in on the victories of our foreign policy and to divorce themselves from our defeats.

When a policy has worked well, they call it "bipartisan achievement," but if things go badly, they insist the administration must take the blame.

They cannot absolve themselves by clinging to coattails of the Senator from Michigan [Mr. VANDENBERG]. The record shows that one-half of the Republican Party has vigorously opposed his patriotic efforts to secure legislative enactments necessary to the success of the Greek-Turkish, ECA, and Atlantic Pact policies.

The Senator from Nebraska [Mr. WHERRY] is the leader of the Republican Party in the Senate, and he has doggedly fought almost every administration effort intended to keep Europe out of the hands of the Communists.

Complaint is made in the statement issued today that we have not won the minds of men. I venture to say that if the Senator from Nebraska and Representative TABER had their way, there would be no Voice of America at all.

I note also that the statement contains a recognition of the necessity for international control of atomic energy, This is deeply heartening to me. At long last, the most obvious and supreme issue of our time is given its deserved, top-priority position. It would have been still more pleasing if, during the years when the control of atomic energy was discussed and talked about, there had been one single constructive idea advanced by the Senators who signed the statement or by any of their colleagues on the Republican side of the aisle. The truth and fact of the matter is that the American proposals made by our Government constitute a magnificent page in the history of diplomacy. It is the Soviet refusal to accept those proposals which is the basic cause of the present unrest in the world.

A calm and frank recognition of this, rather than an effort to confuse our people over past moves in foreign policy, would, in my opinion, be not only more patriotic, but more statesmanlike.

Mr. CAPEHART. Mr. President, I have just listened to the remarks of the able Senator from Connecticut. I simply want to say that, regardless of who voted against what, or when, and regardless of who said what, and when, the fact remains, and I defy anyone to contradict successfully the statement I am about to make, that this Congress has given the President of the United States and the administration each and every piece of legislation they have asked for in respect to foreign affairs. If those policies have not worked, if they have not achieved the desired result, it is not because the Congress of the United States has not acquiesced in and given to the President of the United States everything he has asked for. Therefore the responsibility for our foreign policy and the responsibility for what has happened or what has failed to happen must lie with the administration, and with no other group and no other individual, regardless of what the able Senator from Nebraska voted against or for or did not vote upon. It makes no difference; the end result is that that which the administration advocated was passed by the Congress. It has been in effect; and if it has failed to achieve the desired result, I see nothing gained by taking up the time of the United States Senate by trying to blame the Senator from Nebraska or any other Senator, or trying to blame the Congress or trying to blame the Senate. The facts remain, and I challenge anyone successfully to contradict the statement that the Congress has given the President of the United States each and every thing he has asked for in respect to foreign affairs.

Mr. WHERRY. Mr. President——

The PRESIDING OFFICER. The Senator from Nevada [Mr. MCCARRAN] has the floor.

Mr. WHERRY. Mr. President, will the Senator yield to me to make a personal observation? I think I am entitled to make a personal observation in view of the statement just made by a member of the Foreign Relations Committee on the majority side. I think I am entitled to make a such a statement in view of the challenge of the Senator from Connecticut. Will the Senator from Nevada yield for that purpose?

Mr. MCCARRAN. I yielded to the Senator from Michigan [Mr. FERGUSON] and I yielded to the Senator from Connecticut [Mr. MCMAHON]. I guess it will do no harm to yield to the Senator from Nebraska.

Mr. WHERRY. I deeply appreciate that statement.

The PRESIDING OFFICER. For what purpose does the Senator from Nebraska ask the Senator from Nevada to yield?

Mr. WHERRY. That I may make an observation.

Mr. MCCARRAN. I think the Senator from Nebraska should have the floor, and I will begin my statement as soon as he has completed his.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, it is rather interesting that the Senator from Connecticut, who is running for reelection, would pass over the names of those who signed the statement on foreign policy, which include the members of the minority on the Foreign Relations Committee, and attack me. It is simply an attempt to do what the Senator has done before, to whitewash the Truman administration for its blunders which have paved the way for the war in South Korea, in line with the whitewash job he, as a member of the Tydings subcommittee of the Foreign Relations Committee, did to the State Department.

Not long ago, Mr. President, I called attention on the floor of the Senate to a man named Geiger, who has not been cleared by either the loyalty board, the State Department, the ECA, or any other board, so far as I can find. Yet the

Senator from Connecticut stood on the floor of the Senate and challenged my statement respecting Geiger, and offered as evidence a letter he received from a man by the name of Foster, who said Geiger had been cleared. When I asked the Senator to state when he was cleared and who cleared him, he said he would refer the question to Mr. Foster. As yet I have not heard a word from the Senator from Connecticut about that matter.

Mr. President, while I am on my feet I should like not only to have that question answered, if we are to talk about Communists within or outside the Government, but I should like to know what committee has cleared Mr. Geiger, and when. I should like to know why the watchdog committee has not filed its report on Mr. Geiger, the man whom the Senator from Connecticut defends.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. WHERRY. I will not yield at this time. Very well, I will yield to the Senator.

Mr. McMAHON. I think it is appropriate that I answer the Senator from Nebraska in view of the fact that he was asking questions which I assume were not rhetorical in nature, but which he wanted answered. Of course, the answer respecting Geiger is this: As the Senator remembers, I read a letter signed by Mr. William Foster, Mr. Paul Hoffman's deputy, Mr. Hoffman being in the hospital, saying that, with full consciousness of the requirement that had been written in the law that everyone who worked for the ECA had to have a full examination by the FBI, that had been done in Geiger's case. That Mr. Paul Hoffman had reviewed the file, and that he, Mr. Foster, was authorized to certify that both Mr. Hoffman and himself knew that Mr. Geiger was a proper person for employment.

I suggested to the Senator that I would call his remarks to the attention of Mr. Foster and would get Mr. Foster's observations and would bring them to the Senator from Nebraska.

I think the Senator from Nebraska will find in his mail a statement that I have done so and that I am awaiting Mr. Foster's replies, which I promise to bring to the Senator's attention as soon as they are received.

So much for the observations in regard to Mr. Geiger.

Mr. WHERRY. Mr. President, I may say that letter was trotted out 2 days after the statement was made, in an attempt to disparage the remarks of the junior Senator from Nebraska about Mr. Geiger.

I wish to say that at that time the distinguished Senator from Connecticut, with all his eloquence, said that he would run down that matter and would report it to me. I waited patiently. Two or three days ago, I believe, I wrote to the Senator from Connecticut and told him that I had been waiting patiently and that I wanted to know about it, because I expect to run down that matter to its final conclusion, and then we shall see who is protecting whom in the State Department and in the ECA.

Since the end of hostilities in the Second World War, the United States has poured more than $35,000,000,000 into the countries of western Europe, but still those countries are far short of preparedness for war. Many billions of dollars have been poured by us into Asia, and some of that money has been appropriated to prepare South Korea for war. We voted $10,200,000 for South Korea, and the junior Senator from Nebraska joined in voting in favor of that appropriation. However, only $200 ever was spent in South Korea. Yet the Senator from Connecticut blames me for the South Korean war.

Mr. President, the American people know that Mr. Acheson's policy in Europe has been a failure. He has "permitted the dust to settle." The State Department's policies in regard to Asia have completely disintegrated, and their policies in regard to western Europe also have hamstrung the peace. The American people have lost faith in Mr. Acheson.

All we have to do is go out on the streets and ask the people there about it, and they will tell us. They have lost confidence in Mr. Acheson, due to his incompetent and the incompetence of the Truman administration.

I do not know how the people in Connecticut feel about the Senator from Connecticut, who is bringing up this matter; but we shall find out some of these days.

Already we know how people in other States of the Union feel about Mr. Acheson and about Mr. Truman.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. WHERRY. Not unless the Senator from Connecticut wishes to ask me a question.

Mr. McMAHON. I wish to say to the Senator that he will find out what the people of Connecticut think——

Mr. WHERRY. Very well; we will find that out.

Mr. McMAHON. And, Mr. President——

Mr. WHERRY. Just a minute; I have the floor. I will yield for a question at any time you want to ask a question of me; but if you want to make a speech, make it in your own time. You brought up this issue today. You are the one who is charging the Senator from Nebraska with the responsibility for these matters. You have asked for it, and I am going to give it to you.

The PRESIDING OFFICER. The Chair would observe——

Mr. McMAHON. Mr. President, will the Senator yield for a question?

Mr. WHERRY. Certainly.

Mr. McMAHON. Did the Senator from Nebraska read the statement which was made today by his colleagues on the Foreign Relations Committee?

Mr. WHERRY. I did, and I also read the statement the Senator from Connecticut made. Why he wanted to bring me into this issue I do not know; but I want the people of Connecticut to know that the Senator from Connecticut is making a political issue out of this war, which is taking the lives of our boys in Korea today. I am not making a political issue out of it, but I am going to tell the truth about Mr. Acheson.

The Senator from Illinois laughs; but I say that if we go to Chicago, Ill., we shall find out how many people there are in favor of Mr. Acheson and his policy. We are going to find out, too, on November 7; yes, sir.

The PRESIDING OFFICER. The Chair would observe that the Senator from Connecticut has spoken in the second person, no doubt inadvertently. The Senator will please observe the rule in that connection.

Mr. WHERRY. I thank the Chair, and I will say the senior Senator from Illinois. I certainly want the RECORD to be absolutely clear in this matter.

Also, I am talking about the senior Senator from Connecticut, the one who raised this issue today, and who attacked the junior Senator from Nebraska and said that I am responsible for the Korean war, and said that I am responsible for other failures, although the State Department and the ECA have used $39,000,000,000 for their program in Europe and in Asia, but their program has absolutely failed to buy the peace. Where is the peace? Who is to blame?

Mr. President, I went to the White House and talked to Mr. Acheson in January. He said then that they were "going to let the dust settle in China." That is exactly what they have done. It would not have made any difference whether we voted to appropriate $10,000,000 or $100,000,000 or billions of dollars. "Wait for the dust to settle" was Mr. Acheson's policy, and that is the policy Mr. Acheson and those in the administration have maintained all this time.

Now, in a political year, when the Senator from Connecticut is running for reelection, he wishes to blame the Senator from Nebraska for starting the Korean war. Mr. President, the people of Connecticut should know the truth about that, and I think they do know it.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I am glad to yield.

Mr. CAPEHART. Does not the Senator from Nebraska know that the people of the United States know that the Democrats have been running this Government for 18 years and have had the Presidency and the administration and control of both Houses of Congress?

Mr. WHERRY. Certainly.

Mr. CAPEHART. Does not the Senator also know that the people of the United States know that those now in control of the Government can either enact legislation or can kill proposed legislation; and does not the Senator from Nebraska realize that the American people know that the present administration is 100 percent responsible for what has happened and will be responsible for what will happen, so long as the present administration continues to run the Government? It seems to me that we insult the intelligence of the American people when we assume that they do not know that, whereas they do know it.

Mr. WHERRY. Mr. President, if the Senator from Indiana will permit me to do so, I would qualify his statement by

in one manner or another with 20 organizations that had been cited as subversive. The Tydings committee, in its report, said that the evidence "fails to establish ———— is a Communist or an otherwise disloyal person."

The report goes on to say "It is apparent that she was less than judicious in joining certain organizations" and it adds "it is regrettable so many who profess to be informed about communism fail to understand or, when it serves them, deliberately ignore the true nature of the Communist-front movement." The report concludes that ———— record suggests "a high degree of naïveté and perhaps gullibility."

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I note also that the statement contains a recognition of the necessity for international control of atomic energy, This is deeply heartening to me. At long last, the most obvious and supreme issue of our time is given its deserved, top-priority position. It would have been still more pleasing if, during the years when the control of atomic energy was discussed and talked about, there had been one single constructive idea advanced by the Senators who signed the statement or by any of their colleagues on the Republican side of the aisle. The truth and fact of the matter is that the American proposals made by our Government constitute a magnificent page in the history of diplomacy. It is the Soviet refusal to accept those proposals which is the basic cause of the present unrest in the world.

A calm and frank recognition of this, rather than an effort to confuse our people over past moves in foreign policy, would, in my opinion, be not only more patriotic, but more statesmanlike.

Mr. CAPEHART. Mr. President, I have just listened to the remarks of the able Senator from Connecticut. I simply want to say that, regardless of who voted against what, or when, and regardless of who said what, and when, the fact remains, and I defy anyone to contradict successfully the statement I am about to make, that this Congress has given the President of the United States and the administration each and every piece of legislation they have asked for in respect to foreign affairs. If those policies have not worked, if they have not achieved the desired result, it is not because the Congress of the United States has not acquiesced in and given to the President of the United States everything he has asked for. Therefore the responsibility for our foreign policy and the responsibility for what has happened or what has failed to happen must lie with the administration, and with no other group and no other individual, regardless of what the able Senator from Nebraska voted against or for or did not vote upon. It makes no difference; the end result is that that which the administration advocated was passed by the Congress. It has been in effect; and if it has failed to achieve the desired result, I see nothing gained by taking up the time of the United States Senate by trying to blame the Senator from Nebraska or any other Senator, or trying to blame the Congress or trying to blame the Senate. The facts remain, and I challenge anyone successfully to contradict the statement that the Congress has given the President of the United States each and every thing he has asked for in respect to foreign affairs.

Mr. WHERRY. Mr. President——

The PRESIDING OFFICER. The Senator from Nevada [Mr. MCCARRAN] has the floor.

Mr. WHERRY. Mr. President, will the Senator yield to me to make a personal observation? I think I am entitled to make a personal observation in view of the statement just made by a member of the Foreign Relations Committee on the majority side. I think I am entitled to make a such a statement in view of the challenge of the Senator from Connecticut. Will the Senator from Nevada yield for that purpose?

Mr. MCCARRAN. I yielded to the Senator from Michigan [Mr. FERGUSON] and I yielded to the Senator from Connecticut [Mr. MCMAHON]. I guess it will do no harm to yield to the Senator from Nebraska.

Mr. WHERRY. I deeply appreciate that statement.

The PRESIDING OFFICER. For what purpose does the Senator from Nebraska ask the Senator from Nevada to yield?

Mr. WHERRY. That I may make an observation.

Mr. MCCARRAN. I think the Senator from Nebraska should have the floor, and I will begin my statement as soon as he has completed his.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, it is rather interesting that the Senator from Connecticut, who is running for reelection, would pass over the names of those who signed the statement on foreign policy, which include the members of the minority on the Foreign Relations Committee, and attack me. It is simply an attempt to do what the Senator has done before, to whitewash the Truman administration for its blunders which have paved the way for the war in South Korea, in line with the whitewash job he, as a member of the Tydings subcommittee of the Foreign Relations Committee, did to the State Department.

Not long ago, Mr. President, I called attention on the floor of the Senate to a man named Geiger, who has not been cleared by either the loyalty board, the State Department, the ECA, or any other board, so far as I can find. Yet the

Senator from Connecticut stood on the floor of the Senate and challenged my statement respecting Geiger, and offered as evidence a letter he received from a man by the name of Foster, who said Geiger had been cleared. When I asked the Senator to state when he was cleared and who cleared him, he said he would refer the question to Mr. Foster. As yet I have not heard a word from the Senator from Connecticut about that matter.

Mr. President, while I am on my feet I should like not only to have that question answered, if we are to talk about Communists within or outside the Government, but I should like to know what committee has cleared Mr. Geiger, and when. I should like to know why the watchdog committee has not filed its report on Mr. Geiger, the man whom the Senator from Connecticut defends.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. WHERRY. I will not yield at this time. Very well, I will yield to the Senator.

Mr. McMAHON. I think it is appropriate that I answer the Senator from Nebraska in view of the fact that he was asking questions which I assume were not rhetorical in nature, but which he wanted answered. Of course, the answer respecting Geiger is this: As the Senator remembers, I read a letter signed by Mr. William Foster, Mr. Paul Hoffman's deputy, Mr. Hoffman being in the hospital, saying that, with full consciousness of the requirement that had been written in the law that everyone who worked for the ECA had to have a full examination by the FBI, that had been done in Geiger's case. That Mr. Paul Hoffman had reviewed the file, and that he, Mr. Foster, was authorized to certify that both Mr. Hoffman and himself knew that Mr. Geiger was a proper person for employment.

I suggested to the Senator that I would call his remarks to the attention of Mr. Foster and would get Mr. Foster's observations and would bring them to the Senator from Nebraska.

I think the Senator from Nebraska will find in his mail a statement that I have done so and that I am awaiting Mr. Foster's replies, which I promise to bring to the Senator's attention as soon as they are received.

So much for the observations in regard to Mr. Geiger.

Mr. WHERRY. Mr. President, I may say that letter was trotted out 2 days after the statement was made, in an attempt to disparage the remarks of the junior Senator from Nebraska about Mr. Geiger.

I wish to say that at that time the distinguished Senator from Connecticut, with all his eloquence, said that he would run down that matter and would report it to me. I waited patiently. Two or three days ago, I believe, I wrote to the Senator from Connecticut and told him that I had been waiting patiently and that I wanted to know about it, because I expect to run down that matter to its final conclusion, and then we shall see who is protecting whom in the State Department and in the ECA.

Since the end of hostilities in the Second World War, the United States has poured more than $35,000,000,000 into the countries of western Europe, but still those countries are far short of preparedness for war. Many billions of dollars have been poured by us into Asia, and some of that money has been appropriated to prepare South Korea for war. We voted $10,200,000 for South Korea, and the junior Senator from Nebraska joined in voting in favor of that appropriation. However, only $200 ever was spent in South Korea. Yet the Senator from Connecticut blames me for the South Korean war.

Mr. President, the American people know that Mr. Acheson's policy in Europe has been a failure. He has "permitted the dust to settle." The State Department's policies in regard to Asia have completely disintegrated, and their policies in regard to western Europe also have hamstrung the peace. The American people have lost faith in Mr. Acheson.

All we have to do is go out on the streets and ask the people there about it, and they will tell us. They have lost confidence in Mr. Acheson, due to his incompetent and the incompetence of the Truman administration.

I do not know how the people in Connecticut feel about the Senator from Connecticut, who is bringing up this matter; but we shall find out some of these days.

Already we know how people in other States of the Union feel about Mr. Acheson and about Mr. Truman.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. WHERRY. Not unless the Senator from Connecticut wishes to ask me a question.

Mr. McMAHON. I wish to say to the Senator that he will find out what the people of Connecticut think——

Mr. WHERRY. Very well; we will find that out.

Mr. McMAHON. And, Mr. President——

Mr. WHERRY. Just a minute; I have the floor. I will yield for a question at any time you want to ask a question of me; but if you want to make a speech, make it in your own time. You brought up this issue today. You are the one who is charging the Senator from Nebraska with the responsibility for these matters. You have asked for it, and I am going to give it to you.

The PRESIDING OFFICER. The Chair would observe——

Mr. McMAHON. Mr. President, will the Senator yield for a question?

Mr. WHERRY. Certainly.

Mr. McMAHON. Did the Senator from Nebraska read the statement which was made today by his colleagues on the Foreign Relations Committee?

Mr. WHERRY. I did, and I also read the statement the Senator from Connecticut made. Why he wanted to bring me into this issue I do not know; but I want the people of Connecticut to know that the Senator from Connecticut is making a political issue out of this war, which is taking the lives of our boys in Korea today. I am not making a political issue out of it, but I am going to tell the truth about Mr. Acheson.

The Senator from Illinois laughs; but I say that if we go to Chicago, Ill., we shall find out how many people there are in favor of Mr. Acheson and his policy. We are going to find out, too, on November 7; yes, sir.

The PRESIDING OFFICER. The Chair would observe that the Senator from Connecticut has spoken in the second person, no doubt inadvertently. The Senator will please observe the rule in that connection.

Mr. WHERRY. I thank the Chair, and I will say the senior Senator from Illinois. I certainly want the RECORD to be absolutely clear in this matter.

Also, I am talking about the senior Senator from Connecticut, the one who raised this issue today, and who attacked the junior Senator from Nebraska and said that I am responsible for the Korean war, and said that I am responsible for other failures, although the State Department and the ECA have used $39,000,000,000 for their program in Europe and in Asia, but their program has absolutely failed to buy the peace. Where is the peace? Who is to blame?

Mr. President, I went to the White House and talked to Mr. Acheson in January. He said then that they were "going to let the dust settle in China." That is exactly what they have done. It would not have made any difference whether we voted to appropriate $10,000,000 or $100,000,000 or billions of dollars. "Wait for the dust to settle" was Mr. Acheson's policy, and that is the policy Mr. Acheson and those in the administration have maintained all this time.

Now, in a political year, when the Senator from Connecticut is running for reelection, he wishes to blame the Senator from Nebraska for starting the Korean war. Mr. President, the people of Connecticut should know the truth about that, and I think they do know it.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I am glad to yield.

Mr. CAPEHART. Does not the Senator from Nebraska know that the people of the United States know that the Democrats have been running this Government for 18 years and have had the Presidency and the administration and control of both Houses of Congress?

Mr. WHERRY. Certainly.

Mr. CAPEHART. Does not the Senator also know that the people of the United States know that those now in control of the Government can either enact legislation or can kill proposed legislation; and does not the Senator from Nebraska realize that the American people know that the present administration is 100 percent responsible for what has happened and will be responsible for what will happen, so long as the present administration continues to run the Government? It seems to me that we insult the intelligence of the American people when we assume that they do not know that, whereas they do know it.

Mr. WHERRY. Mr. President, if the Senator from Indiana will permit me to do so, I would qualify his statement by

saying that the Senator from Connecticut is insulting the intelligence of the American people. He has already made the second point of my speech, so it is unnecessary for me to make it.

Mr. President, I want the country to realize that the way to win the minds of men to the principles for which the United States stands is to get rid of Secretary Acheson and to put in charge of the State Department someone who has not blundered the United States into another war. Let those who oppose what I am saying answer that statement. That is the first step which must be taken if we wish to be constructive in this situation. Instead of blaming the Senator from Nebraska, those who have taken such a position should remove Mr. Acheson and should put in charge of the State Department someone in whom the people of the United States have confidence, someone who will bring unity to the people of the United States, instead of trying to whitewash the blunders of the administration, which is what has been attempted to be done by the senior Senator from Connecticut, who is running for reelection as Senator from Connecticut. The cooperation of the senior Senator from Connecticut along these lines would be constructive, I think. Certainly something constructive should come out of adverse criticism, and perhaps it will.

His cry of "stop, thief" has been heard before from the administration's ranks, and that cry is just as hollow today as it has been before. Instead of trying to whitewash the administration and blame others for its blunders, the Senator from Connecticut should cooperate with the junior Senator from Nebraska and with other Senators in trying to get rid of the alien-minded radicals and the moral perverts in the Truman administration. That is a constructive criticism, and I give it to the Senator in all sincerity. If he will stand on that kind of a platform, the people of Connecticut and the people of the United States will support him, because that is the right way to proceed, instead of just attempting to whitewash here and whitewash there and make unfounded charges against those whom the Senator from Connecticut wants to have regarded as responsible for the situation, in order to cover up for the mistakes and the failures and the blunders of the present administration.

Now, Mr. President, I shall answer any questions the Senator wishes to ask.

Mr. McMAHON. Mr. President, the Senator from Nebraska has made an observation by way of advice to the Senator from Connecticut. The Republican Party has been taking, has it not, the advice of the Senator from Nebraska for the past few years, and that has resulted not only in what the Senator from Connecticut has stated here today, but also has resulted in having the Senator from Nebraska become the leader of the minority.

Mr. WHERRY. Mr. President, I suppose that is a question, for the Senator from Connecticut said he was going to ask one.

The four Members of the Senate who signed the statement which has been referred to, which fastens on Mr. Acheson and his policy in Korea the responsibility for the failure of the administration, are members of the minority, Republican Party, and the Senator from Connecticut knows who they are: the Senator from Wisconsin [Mr. WILEY], the Senator from New Jersey [Mr. SMITH], the Senator from Massachusetts [Mr. LODGE], and the Senator from Iowa [Mr. HICKENLOOPER]. I think they did a splendid job. I think they made an excellent statement. I subscribe to every word they wrote.

Mr. CAPEHART. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. WHERRY. I yield.

Mr. CAPEHART. Is it not a fact that the Democratic Party had sufficient votes both in the Senate and House to have done anything they wanted to do, and that if, in their opinion, it was not sufficient, and if what they did was wrong, they had the votes, did they not, which would have enabled them to change it at any time they cared to do so?

Mr. WHERRY. The Senator from Indiana, of course, has already emphasized that point. It was a part of the remarks I had intended to make, but he has made them so forcefully and so clearly that there can be no mistake about it. Here, for all these years, the majority has been proceeding, while the minority attempted to criticize constructively and to help to have adopted a policy on which money could be properly and usefully spent. As a member of the Committee on Appropriations, I did not agree with the authorizations, but if Senators desire to know the fact, I voted for ECA appropriations, even though I did not go along with the authorizations. Let Senators examine the record. I voted for aid to China and for aid to Korea in 1948. I did not agree at that time with the point 4 program and the ECA program, and I do not agree with them now. I think it is throwing money down a rat hole, money that we need to defend the United States of America. But I voted for the appropriation bill, and I will do it again.

But, Mr. President, I did not rise to defend the Senator from Nebraska. I merely called attention to the fact that the people of America know who has failed them in respect to the billions of dollars which have been poured out and which have failed to bring the peace. I believe the people in the coming November election are going to vote their conviction that they cannot get peace upon the failures of an administration policy such as that of Mr. Acheson.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. CAPEHART. Notwithstanding the fact that the Senator voted against point 4 and that he also may have voted against other measures, and notwithstanding the fact that I might have voted against certain things, and that other Republicans as well as Members on the other side of the aisle voted against them, the fact remains that the opposition got exactly what they wanted, exactly what they asked for, and that they had the votes at any time to do anything they wanted to do; therefore, they must accept 100 percent responsibility for what has happened.

Mr. BENTON. Mr. President, I have been deeply interested in the previous comments by the distinguished Senator from Nebraska. Of course, I too, read the morning papers and was disturbed by the statement which has been referred to by my colleague from Connecticut, because, in this time when our American boys are dying in Korea, I regret that a small group of the Senate's great Foreign Relations Committee has seen fit to jeopardize the bipartisan approach to our foreign policy, which is even more essential to all the people of this country now, in this time of very great crisis, than it has been in the past. This is a time of crisis, I fear, much greater than is yet generally realized by the American people. But since this statement has been published, I should like to pause briefly to ask a few questions. I have nine questions which I should like to pose, if I may, to my colleagues in the Senate. These nine questions grow not only out of my experience in the State Department and my long interest in the field of foreign policy, but out of my service as a member of the United States delegation at eight different international conferences going back to the early forties.

These are all brief questions. They are calm questions. They are not oratorical. They are not written for the galleries or for the press. These nine questions are, it seems to me, the basic questions, however, on the key issues before the Congress in the field of foreign policy in recent years.

First. Has the Republican Party, with the exception of a handful of leaders like the Senator from Michigan [Mr. VANDENBERG] and some of those who signed the statement this morning, really recognized the true nature of the Soviet attack? Has it recognized what are the problems of peace, to which the Senator from Nebraska has just addressed himself?—since peace, of course, cannot be bought and is not a question merely of dollars. And has the Republican Party shown itself prepared to take the steps necessary to counter the Soviet attack so that peace could be insured?

Second. Speaking of "business as usual," a phrase used in the statement this morning, may I now ask who have been the primary advocates in the Congress of cutting military expenditures, and who were the chief supporters of the Knutson "business-as-usual" tax bill?

Third. In what party were found the principal critics of the Truman doctrine, the doctrine which resulted in blocking Communist aggression against Greece and Turkey?

Fourth. Did the Democrats not participate in drafting, and did they not fully support, the Vandenberg resolution, for which the statement of this

morning seemed to claim exclusive Republican credit?

Fifth. What party contained the main advocates favoring the cutting of funds requested by Mr. Paul Hoffman for the Marshall plan?

Sixth. What party doubted the urgency of the military assistance program for strengthening the other free nations against Communist aggression?

Seventh. How did the Republican membership of the Congress vote on the first Korean-aid appropriation request?

Eighth. Where have the main opponents to the point 4 program been found—this great program designed to strengthen the free world?

Ninth. And of course, on this ninth point, I speak with particular feeling, Mr. President. Was it not the Republican Eightieth Congress that tried to kill off the Voice of America, and, instead of strengthening it, reduced its potential power to a whisper, so that it had to be rebuilt after that Congress ended?

It is my hope that before the group which signed this document this morning continues its attack on something as vital to this country as our bipartisan foreign policy, it will examine the record carefully. This is no time for partisan political attacks, and I feel this strongly because I feel that the crisis is so much deeper than we now admit. No man knows from day to day when it may become so much deeper that all of us must join together for the defense of our very lives.

THE ASIATIC PROBLEM

Mr. McCARRAN. Mr. President, this afternoon I would like to make a proposal—a proposal which, if adopted, will be another bend in our turnabout on China policy.

Let me say in the beginning that it is both early and late to outline a program for China. It is too late to prevent those glaring blunders we made there in the past. It is too early to forecast how military developments in Korea and Indochina, and the ferment in the entire Orient, will affect China's chances of recapturing its independence.

Mr. President, although I will refer most frequently to China, I must emphasize that the situation in the Far East cannot be regarded as a China problem, no more than it can be considered a Korean problem, or one involving any single country. We are confronted with an Asiatic problem. I am certain that history's verdict on the question whether our Korean GI's are dying in vain will rest, not on whether we drive the invaders back to that thirty-eighth parallel, but on whether the United States finds a solution to the whole Asiatic problem.

Let me remind you, Mr. President, that this identification of the China crisis with the Korean crisis, and the identification of both with every other crisis in the Far East, is hardly a discovery. There are many in this Chamber who were uneasy as far back as 3 years ago. There have been many men—in and outside the Government—who have been warning the Government, regularly and with all the power of innermost conviction, that our China policy was suicide. There have been many dissenting opinions from that decision made long ago in the State Department, and may I say that my own dissent has been violent, and is spread throughout the RECORD.

As I said a moment ago, in one sense it is too late, in another, too early, to lay down a new detailed policy on what to do in the Far East from now on in.

But it is easy, Mr. President, to come to a decision now as to what we should not do. On that we may be emphatic. The one thing we cannot do is to allow matters to drift even more, and lose our remaining assets in the Far East. We must cast up accounts immediately—sum up our assets in Asia—and set up the policy for using those assets. I grant it is difficult, but the GI's in the Korean mess seem to be having a few difficulties of their own.

I dare say most of us are about ready to admit that this readiness to anticipate disaster has not been the outstanding characteristic of our handling of the Far East in the past.

My point is that we should not focus singly on Korea, Formosa, Indochina, or any of the dozen other trouble spots, and wait for the "dust to settle." I am sure Americans will not soon forget the first scene that emerged from the dust of that policy, determined by our State Department. They will not forget what they see as they watch the dust settle—the Chinese Government reduced to an island called Formosa and, now, the developments occurring in Korea.

I propose, Mr. President, certain decisions quite different from watching the dust settle.

I assume we all agree now, Mr. President, that the United States will regard the problem of China as unsolved so long as China is controlled by a Russian-dominated Communist dictatorship. I assume we agree that the United States will continue to help China break away from this dictatorship.

In view of the immediate military problem in the Far East, and of the enormity of the distance involved, I recognize that we cannot at this moment lay out a program for the liberation of the Chinese people. But in charting our long-range course for Asia, Mr. President, there is one policy on which we can reach a decision today. That is a decision, which I urge upon the Senate—that we avoid at all costs being maneuvered into a position where we look like foreign invaders attempting to subjugate an oriental people.

There is no question that in the Orient there is a new determination to end forever the various forms of inferiority imposed upon them historically by occidentals. The day when a foreign business executive or foreign government official could require his Asiatic clerks to kneel in his presence is—thank heaven—gone forever. The people of Asia will never accept a democracy which retains this element of servility. They will not buy a democracy imposed on them by foreigners on the foreigners' terms. They will resist a liberation which, whatever its motives, has either the appearance or substance of a foreign invasion.

The people of Asia do want our friendship and military help. I am sure that they have a special place in their hearts for the United States. Nevertheless, Mr. President, we must recognize that, at present, to orientals it appears that the only leadership in the attempt to oust the Communists from Asia is that of a foreign army of occidentals. If we do not recognize this reality, our well-meant intent to throw out the Communists will fail.

I should like to emphasize the significance of this point in our Korean operations. When the time comes for us to take the offensive in Korea, when we are ready to fight past our beachhead and drive the invaders back of the thirty-eighth parallel, are we going to have the people of South Korea fighting at our side and welcoming us as liberators? The answer to this one must be thought out carefully in setting our military course in Korea.

From Russia's maneuvers in the Security Council it is plain to see there is danger we cannot hold out much longer against seating Red China in the UN. We cannot, that is, unless we can point to the seat occupied by the Nationalists and say, "There is the delegation that represents the real interests of the Chinese people; that is the Government to which the Chinese people look for liberation."

It is inconceivable that we can successfully block the seating of the Communists if we let the Nationalist Government go out of existence.

I believe that our policy of opposition to Red China is phony unless it incorporates the corollary policy of bolstering the Nationalist Government. We must make that Government, whatever its faults, the rallying point for Chinese opposed to communism, at least during the first phase of China's come-back. We must direct our help to that objective. Otherwise, Russia will succeed once again in convincing many nations, and particularly Asiatic nations, that China's come-back is an American imperialist idea rather than the idea of the Chinese Nation.

Mr. President, the point I am making is that if China is to be liberated, the job must be shared by the people of China, under Chinese leadership. The job cannot be done, with political success, exclusively by an army of occidentals. It cannot even be done by forces from Viet Nam or from Korea.

I am certain the majority of China's millions are not Communists, and that they will never become Communists. I feel confident that the grip of the Communist minority will start slipping when it becomes baffled by the feeding of China, let alone the job of establishing a healthy economy.

I am sure that, if the United States does not wait too long for the dust to settle, the majority of the Chinese people can be rallied to fight to expel the Communists, if they have American help, and the help of the nations in the anti-Communist alliance.

It is my conviction, therefore, Mr. President, that it is mandatory that a rallying point for the non-Communist Chinese should be offered. If the Com-

munists are to be driven out of China there must be a nucleus for a military force that is aggressive, well-led and capable of growth. But such leadership cannot be effective unless it is in close touch with the Chinese people and accepted as basically Chinese in outlook. No regime resulting from purely foreign intervention can withstand the propaganda attacks the Communists will use against it, or even win the allegiance of those Chinese who, while opposed to communism, want to select their own leaders and government.

All of these considerations, Mr. President, seem to make it imperative that General Chiang Kai-shek be enabled to regain his position as the leader of anti-Communist China. It is too early to say who the eventual leader will be who will preside over the eventual liberation of China. Quite probably that leader will emerge from the Chinese underground, possibly from the mainland, possibly from Formosa's ranks. When this leader does come forth, the United States should be ready to get behind him and do everything possible to help the redemption of China. In the meantime, we should support the one leader who is willing and able to get into the fight now.

I am not proposing that we should commit ourselves irrevocably to Chiang Kai-shek as the man to lead that movement permanently—far from it. But, on the other hand, we should not be so blind, or deliberately negligent, as to permit his position to deteriorate to the point where he will be completely discredited and impotent.

At this point, Mr. President, I would like to make very clear that I understand all possible interpretations of my proposal. I am well aware of the political thesis long followed by the gentlemen in the State Department. I understand thoroughly their argument that there were great abuses in China under General Chiang Kai-shek. I fully understand that, given the poverty of China's masses—reform, agrarian reform of some sort, would have been helpful. I am aware of the State Department's wish that there could have been some reforms.

But, Mr. President, I find it hard to be patient with that sublime innocence in the State Department which could confuse the need for agrarian reforms with the people who were trying to put them over. Those murderous political carpetbaggers who, having taken China, will only murder, and not introduce reforms. What sort of innocence is it that will let a burglar break down the door on his say so, that he is merely entering to repair a water faucet? What sort of doctrinaires are these in the State Department who, on seeing China's hunger, decided joyfully that the Chinese Communists could be trusted to come in with bread baskets instead of tanks?

Yes, Mr. President, I am quite familiar with the doctrine of those desk-bound intellectuals who got all mixed up, those gentlemen who would probably describe Al Capone as the product of an unhappy childhood, those gentlemen who saw a boil on China's neck and called in the executioner with his ax, thinking he was a surgeon.

So much for the doctrinaires.

Mr. President, we cannot escape blame for that tragedy. The white paper issued by our State Department is all the evidence necessary to establish that through intent or innocence, by our negative, unrealistic policies, we aided and abetted the defeats—political and military—suffered by the Nationalist Government. Our policy makers did voice occasional gentle reproaches toward the invader's artillery, but they shrieked with horror at the idea that anyone contaminated by contact with the Nationalists was fit to breathe the air of China.

How stupid can a policy be? We were tearing down one leader and his government, and failed utterly in building up another. Does history offer no lesson? There is no such thing as a political vacuum, no matter how much our State Department officials may wish for one. Our policy of aloofness, of superiority, of moral indignation, succeeded only in sabotaging the Nationalist Government, in destroying the faith of many Chinese in their government, but did nothing to substitute another political force. We did nothing to fill the void, encouraged no other leader to rally the anti-Communists. Incredibly, our policy makers agreed that the vacuum should be filled by the Soviet puppets, with the inevitable result that China went behind the iron curtain.

Yes, we waited for the dust to settle, and as it settles we open our eyes to find GI's bogged down in the mud of Korea.

There can be no question that at this hour, the Generalissimo is the most powerful figure in the whole Asiatic resistance movement. Possibly the best proof of this fact is the priority given to him by the Communist radio in China, which, I am told, concentrates a constant and fierce propaganda against him. He is the leader of an army of half a million men on Formosa. He is acknowledged a large following all over the Chinese mainland.

I am quite ready to concede, as I have already indicated, that the Generalissimo may not be the man to start and finish the long campaign to redeem China. There can be no doubt that, under his leadership, the Chinese Nationalist government was driven out of China. I have no reason to deny that many segments of the Chinese National government were weak and corrupt. Mr. President, it is not a perfect world nor can we insist our military allies be cast in the mold of George Washington.

Nevertheless, anyone who examines the record of our Chinese policy, particularly as set forth in the so-called white paper issued by our State Department, incomplete and biased as that document may be, cannot avoid the conclusion that had we been trying deliberately to undermine and discredit Chiang Kai-shek's government, from the days of General Stilwell down to the Korean invasion, we could not have done a better job than was actually done.

I do not charge that our State Department deliberately undermined Chiang Kai-shek. What I do say is that by directing our policy toward fuzzy rather than concrete objectives, by being overwilling to buy the Red offer of agrarian reform made with the left hand, while they held a grenade in the right hand—by swallowing the Communists' own statements of their motives—we produced statesmanship at the level of the psychopathic ward. We failed to act when we should have acted, and we publicly rebuked when we should have remained silent. And, in the end, we wrecked the Chiang Kai-shek government.

Mr. President, had we decided 3 or even 2 years ago that it was against the interests of democratic states to allow the Communists to conquer China—had we used our money and ingenuity to back that objective, I believe we could have done the job without committing American soldiers to battle in China. I am sure that if we had set out deliberately to keep the Communists from taking China, our policy would have been reversed and the military events of this June 25 would not have occurred.

My plea today, Mr. President, is that we bear this unfortunate record in mind as we contemplate our course in the Far Eeast. I have no doubt that it is well within the power of the United States to make Chiang Kai-shek lose his present key position in the anti-Communist movement, and his remaining hold on the Chinese people. I maintain that we do not have to take conscious, deliberate action to cause this to happen. It will happen automatically if we do not give thought to what we are doing—if we do not see to it that our economic help, our military help and policy announcements—are aimed and timed so that the generalissimo is made to appear as an outsider, a meddler or an incompetent.

I urge, Mr. President, that the Chinese people need a leader to rally them against the Communists. As of today there is no one who shows promise of doing that job except Gen. Chiang Kai-shek. Let us not follow a policy that will prevent him from performing this task—if events of the next few months indicates that he is the man to do it.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. MAYBANK. Mr. President, will the Presiding Officer be kind enough to advise the Senator from South Carolina what the question before the Senate is?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY] to the amendment of the Senator from South Carolina [Mr. MAYBANK].

Mr. MAYBANK. Mr. President, I ask unanimous consent that that amendment

be laid aside while I accept an amendment which I feel certain is satisfactory all around, to be offered by the Senator from Idaho [Mr. DWORSHAK].

Mr. WHERRY. Mr. President, I have no objection at all to laying aside the proposed modification of the Maybank amendment, the Barkley-Bates amendment, and taking up another amendment.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Nebraska to the amendment of the Senator from South Carolina is temporarily laid aside.

Mr. DWORSHAK. Mr. President, I ask unanimous consent to present an amendment and have it immediately considered, in view of the fact that the chairman of the Committee on Banking and Currency has agreed to it.

The PRESIDING OFFICER. The Clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to add at the end of the bill a following new section, as follows:

SEC. 717. Nothing in this act shall be construed to authorize the creation of a Columbia Valley Administration or Columbia Valley Authority or any agency for the purpose of developing or administering the waters of the Columbia River or its tributaries.

Mr. LUCAS. Mr. President, just a moment on that amendment. Does the Senator from South Carolina agree to it?

Mr. MAYBANK. Mr. President, it is my understanding, the understanding of the committee, and the understanding of the legislative counsel, that the section to which the Senator from Idaho refers was not intended to authorize the creation of a Columbia Valley Administration, a St. Lawrence Valley Administration, or any other valley administration.

Mr. LUCAS. I presume that is true as to all the valleys, but if we are to make an exception as to one, I presume we would have to as to all.

Mr. MAYBANK. That is why I made the statement that it was not intended to cover any of the valleys being suggested for reclamation, and the like.

Mr. LUCAS. I am going to object to the unanimous consent agreement to let this amendment go through, because I do not see any reason for it at all.

The PRESIDING OFFICER. The amendment may be submitted.

Mr. CAPEHART. Mr. President, having sat through all the hearings, I believe I know something about the bill, and I do not think it was ever the intention of the committee that under the bill the President could set up an authority such as the Columbia Valley Authority, or any other authority like the TVA.

Mr. MAYBANK. It was never intended.

Mr. CAPEHART. It was never intended, and I do not believe the President would do it, under the bill. However, one must admit that, if we stick strictly to the reading of the bill and the language itself, the President could do it: Since it never was the intention of the committee and never was discussed, and I am certain was not the intention of a single member of the committee, that the President should be given the authority to set up a valley authority, we might well accept the amendment. I see no harm in accepting it. It might well be a good thing to accept it. I would say that if we pass the bill without this amendment in it, and I found that the President had set up a valley authority, I certainly would have to say that he did something it was never the intention of the committee to authorize.

Mr. DWORSHAK. Mr. President, what is the status of the amendment?

Mr. MAYBANK. The amendment will be printed and will lie on the table until tomorrow. The Senator from Illinois [Mr. LUCAS] objected to its consideration. I may say to the Senator from Idaho that I feel somewhat as does the Senator from Illinois. I think I stated to the Senator substantially what the Senator from Indiana has said, that it was never our intention to give the President the authority.

Mr. DWORSHAK. Mr. President, as I stated in my conversation with the chairman of the Committee on Banking and Currency, I did not intend that the merit or lack of merit of the proposal should be discussed at this time, but in view of the fact that the chairman of the Senate Committee on Public Works has a bill pending before his committee, and has given assurance that no consideration will be had until after hearings are held in the field, I thought it would serve a good purpose to clarify the atmosphere at this time so that there would be no misunderstanding.

Mr. MAYBANK. I believe the statements which have been made will clarify it. I have been in touch with the Senator from New Mexico [Mr. CHAVEZ]. There are a number of valley authority bills, and it was never the intention of the Committee on Banking and Currency to transgress on the jurisdiction of the Committee on Public Works.

Mr. LUCAS. Mr. President, I assure the Senator from Idaho that so far as I personally know, the President has no intention of doing what the Senator is trying to prevent by his amendment. I believe that if we start denying the President power to do certain things, there will be no end to this kind of amendments, because all manner of implications might be drawn as to what the President might or might not do as a result of the power proposed to be given him. We have some confidence in the President when we grant the power proposed to be given, but I assure the Senator from Idaho that there will be no valley authorities started under this program.

The PRESIDING OFFICER. Does the Senator from Idaho withdraw his amendment temporarily?

Mr. DWORSHAK. Mr. President, I want the amendment to lie on the table for consideration at the proper time.

Mr. AIKEN. Mr. President, I ask the chairman of the Committee on Banking and Currency what machinery the executive branch of the Government has set up for the application of price control.

Mr. MAYBANK. The President did not ask for price control legislation. He asked for the legislation contained in titles V, VI, and VII.

Mr. AIKEN. The Senator from South Carolina does not know of any move having been made by the administration to set up machinery of that kind?

Mr. MAYBANK. No.

Mr. AIKEN. Am I correct in understanding that it would require possibly 3 or 4 months to get such machinery in shape to administer price controls?

Mr. MAYBANK. To the best of my knowledge no members of the committee discussed that subject. But as the Senator knows, provision is made for stand-by controls, so in case the situation should become worse the President could take action.

Mr. AIKEN. For several weeks I felt there should be stand-by legislation available in case the need came upon us suddenly.

Mr. MAYBANK. That is what we tried to provide for.

Mr. AIKEN. But as I have listened to the discussion today I will have to admit that considerable uncertainty has crept into my thinking as to the advisability of forcing legislation upon an unwilling administration. It seems to me there should be some indication on the part of the administration that these controls are likely to be needed in the near future. Because it is quite apparent that legislation could be enacted in less time than the executive branch of the Government could set up machinery to apply such legislation I am still inclined to think that the controls should be ready.

Mr. MAYBANK. We cannot start any machinery, until we pass a bill under which the machinery can be set up. In committee several Senators reserved the right to vote against this section or the other section, but as the bill was finally drafted, and came out of the committee, after much study had been given to it, direction was given to conform more or less to the powers in World War I and in World War II, the WPB, OPA and Office of Economic Stabilization provisions.

Mr. AIKEN. It is contemplated by the provisions of the bill that each of the departments of the Government would enforce price controls on such items as fall generally in the category of each department?

Mr. MAYBANK. No. That is purely for the President to decide. An amendment offered by the Senator from Ohio [Mr. BRICKER] today would throw most of such enforcement upon the Secretary of Commerce. I am going to discuss this with the Senator from Ohio later.

Mr. AIKEN. I do not think the burden should be thrown upon any one secretary.

Mr. MAYBANK. Let me read the language of the bill in that connection in section 703:

Except as otherwise specifically provided, the President may delegate any power or au-

thority conferred upon him by this act to any officer or agency of the Government, including any new agency or agencies (and the President is hereby authorized to create such new agencies, other than corporate agencies, as he deems necessary—

And so forth. Then section 704 provides:

The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this act.

In other words, the President could create a new agency, or he could designate whomever he wanted. The only limitation lies in the matter of Senate confirmation.

Mr. CAPEHART. Mr. President, I might be able to answer the Senator from Vermont. The bill specifically states that if and when the President imposes general price ceilings, rationing and wage controls, he must set up a separate organization to handle all three.

The bill specifically so prescribes.

Mr. AIKEN. Does the bill require him to apply all these controls at the same time? For instance, if he imposes price control is it obligatory that he impose wage controls also?

Mr. CAPEHART. I think it should be explained that there are two parts to the bill. One is the portion which the committee considered for ten days, which is the portion of the bill the President asked for. That covers priorities, rationing, requisitioning and credit controls and the general provisions. Those provisions are to help win the Korean war and to rearm this Nation. Then at the end of the executive sessions of the committee, titles IV and V were injected into the picture, which deal 100 percent with the general freeze of all prices, of wages and rationing. When the President imposes a general control on all prices, all wages, and all rationing, he must set up a separate administration. The administrator of that agency must handle all three of the controls.

Mr. MAYBANK. That is over-all control. The Senator will find language covering that on page 42, lines 9 to 13.

Mr. CAPEHART. That is why I have been advocating the elimination—at least I have been thinking that we would be better off if we were to eliminate titles IV and V, ask the administration to submit a new bill to cover those items, have the committee hold hearings, call in the persons who had to do with price control and rationing and wage controls in World War II, obtain the benefit of their thinking, write a new stand-by control bill, and hand it to the President.

Mr. AIKEN. It seems to me very essential if we enact legislation providing stand-by controls for the President to use, if necessary, that we make pretty sure that it is workable legislation.

Mr. CAPEHART. All that is done in this bill is to give him a blank check.

Mr. AIKEN. I do not know whether we do that exactly.

Mr. CAPEHART. It is in titles IV and V.

Mr. AIKEN. It seems a little difficult to legislate on the floor of the Senate without benefit of the views of any member of the executive department by which an industry may be regulated. We have spent 2 or 3 hours this afternoon discussing one provision intended to protect one phase of one industry. It seems to me that if we approach the whole subject in the manner which the amendment now before us contemplates, and then if we do the same thing for a thousand industries, and perhaps a dozen phases for each industry, we might be a long time writing a bill on the floor.

Mr. MAYBANK. It is my hope that the bill will be passed in substance as it was reported by the committee. I appreciate what the Senator from Vermont has said, that if we go into the individual items, and there are something more than 100,000 of them, we would get nowhere.

Mr. AIKEN. Does the Senator from South Carolina believe that the price-control provisions of the pending bill are sufficiently different from those passed by the House, so that when the bill goes to conference it would be legitimate and proper to write an entirely new provision which might be more workable, or possibly are they so different that they both could be dropped out?

Mr. MAYBANK. The Senator from Vermont has been a conferee on the part of the Senate in connection with many agricultural bills. It is oftentimes possible, in conference, to come out with a better bill than either the House or Senate bill which went to conference.

Of course I do not know how the Senate will finally decide; I do not know the form in which the bill will finally be passed by the Senate. As the matter stands today, the only appreciable difference between the House bill and the Senate bill is that the House has removed from its bill the separate provisions of section 402 (b) for selective controls above the retail level. However, I do not think there is any appreciable difference between the two Houses.

Mr. AIKEN. I still think it highly advisable to provide stand-by controls.

Mr. MAYBANK. I think so, too.

Mr. AIKEN. I would hate to have the bill which was finally passed by the Congress written in such a way that when the time came to apply such stand-by controls, the President would have to call upon Congress to provide them—thus making it appear that Congress had failed to act with intelligence.

Mr. CAPEHART. I think that is what would happen.

Mr. MAYBANK. Mr. President, the committee has considered all the testimony and has had the benefit of the views and the experience of the OPA and of Mr. Symington and his group, and the committee also has had the benefit of the work, both day and night, by the legislative counsel, and so forth. The committee's bill provides all that the committee thinks it necessary to provide.

Mr. AIKEN. I am sure the Senator recalls, as I do, the weeks and months of debate on the floor of the Senate in connection with the preparation of the Price Control Act of 1942.

Mr. MAYBANK. That is correct, and I recall very well the work done in that connection on the floor of the Senate by former Senator Brown.

Mr. President, I should like to say to the Senator from Nebraska that I understood earlier that we would not be able to reach a unanimous-consent agreement today in regard to voting on this measure, because the Republicans are to have a conference in the morning. However, I say to the Senator from Illinois and the Senator from Nebraska that I hope that after that conference is held tomorrow, we shall be able to reach an agreement very soon, because this is a most important measure, on which a great deal of work has been done. The committee has worked on this measure long and hard.

Although there are some differences between Senators in regard to one or two sections of the bill, it is essential that we act on this bill this week. In the committee we often worked until quite late at night, sometimes until considerably after midnight.

So I hope an agreement may be entered into following the Republican policy committee's meeting.

Mr. WHERRY. Mr. President, I wish to say that we will give full cooperation in regard to action on the bill and the final passage of the bill. However, I have counted the amendments, and I understand that there are approximately 29, if not more.

Mr. MAYBANK. I understand that there will be approximately 40 amendments in all.

Mr. WHERRY. Of course, I do not know the number of amendments which finally will be called up, and I do not know how much discussion will be had in regard to each of them.

However, I wish to assure the distinguished acting majority leader that, so far as the minority are concerned, they will have no disposition to do anything other than to cooperate in every possible way in order to reach an early vote on the bill.

Nevertheless, in view of all the amendments which still are ahead of us, it seems a little difficult to arrange now for a time for the final vote on the bill.

Mr. CAPEHART. Then, Mr. President, why do not we get busy tomorrow and begin to vote on the amendments?

Mr. MAYBANK. That is what I hope to have the Senate do, and to remain in session tomorrow night, if necessary.

Mr. CAPEHART. Mr. President, at the minority conference meeting tomorrow I shall recommend, so far as I personally am concerned, that we get on with the business before the Senate.

Mr. MAYBANK. And let us have a night session, if necessary, just as in the committee we often met at night.

Mr. LUCAS. Mr. President, what is the harm of continuing now, for it is only

4:30 p. m. Let us continue now, instead of waiting until tomorrow to act on the amendments.

If Senators will stop talking and will let the Senate begin to take action on the amendments, certainly we can act on some of the amendments this afternoon.

AMENDMENT OF DOMESTIC TIN-SMELTING INDUSTRY—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, I submit a conference report on Senate bill 2666, to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3666) to extend for five years the authority to provide for the maintenance of a domestic tin-smelting industry, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

LYNDON B. JOHNSON,
LESTER C. HUNT,
Managers on the Part of the Senate.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the report?

Mr. WHERRY. I have no objection to the immediate consideration of the report, but I should like to ask a question about it.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSON of Texas. Mr. President, as the bill was passed by the Senate, it would extend for 5 years the authority to operate the tin smelter. When the bill was considered by the House, the House added an amendment. Subsequently a conference was had, and at the conference the Senate conferees prevailed upon the House conferees to delete the amendment made by the House and to accept the bill as passed by the Senate.

So the conference report is in exactly the same form as the bill which was passed by the Senate.

Mr. WHERRY. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

Mr. LUCAS. Mr. President, I wish to know what happened just a moment ago in regard to the conference report.

The PRESIDING OFFICER. There was no objection to approval of the report, and it was agreed to.

Mr. LUCAS. Perhaps I shall wish to object, if I can find out what is going on. A moment ago a conference report was adopted while I was out of the Chamber, although if I had been in the Chamber at the time I certainly would not have agreed to approval of the conference report.

Mr. JOHNSON of Texas. Mr. President, I am sure the Senator is happy that this particular conference report has been agreed to.

Mr. LUCAS. If the Senator from Texas submitted it, I am sure the report is all right. Nevertheless I should like to know about it, for I might wish to move to reconsider.

Mr. JOHNSON of Texas. Mr. President, the RFC has operated a tin smelter. Its authority to do so has expired, and the RFC has requested authority to continue that operation for 5 years. The Senate passed the bill on the call of the unanimous-consent calendar. Subsequently, the House considered the bill, and voted to add an amendment to it; and the measure went to conference.

In the conference the Senate conferees prevailed upon the House conferees to recede from the amendment.

The conference report has been submitted in the form of the bill as it was originally passed by the Senate.

Mr. LUCAS. Then I have no objection to the report.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement explanatory of the conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF TEXAS

Tin is a vitally essential metal to the United States in time of peace and in time of war. No military operation can succeed without tin, and the domestic economy cannot function satisfactorily without tin.

Unfortunately, in terms of tin supply the United States is a have-not Nation. Decades of exploration have failed to uncover tin deposits within the United States adequate for even a few days demand annually. As a result, the United States, which consumes as much tin annually as the rest of the world combined, must rely upon foreign sources for virtually all of our tin supply.

Prior to World War II, we recognized the obvious danger that enemy action might cut off the supply of tin concentrates and even destroy the tin-smelting capacity of Europe, which was then our sole source of refined tin. To correct this situation, the Government built the Longhorn tin smelter, which is our only tin smelter.

The Longhorn smelter is especially equipped to treat Bolivian ores since, in time of global war, access to these ores is less likely to be nullified by enemy action. However, the Longhorn smelter can treat any ores in the world.

We must keep in mind, however, that the bulk of world tin production is in southeast Asia. Already Communist-inspired forces are active there. Our supply of tin from that area is plainly in great danger; this danger is not offset or minimized by the possible availability of Bolivian ores. We must recognize that the situation which caused us to build the Longhorn smelter 10 years ago is now again duplicated in the course of international events. The enemy is new, the threat is old.

To meet this threat, we must do two things:

1. Immediately pass this legislation so that our one and only major tin-smelting operation can be brought to maximum production rapidly without loss through contractng delays of our overseas tin concentrates supply.

2. Move with the greatest speed to secure from the Far East as much tin as possible while there is still time to build our tin stockpile.

We need all the tin we can get at home and abroad. We do not have enough now. Our stockpile is not in good shape. Our output it not nearly what it should be.

Beyond that, there is still another important consideration which makes enactment of this legislation important. The Longhorn tin smelter is a weapon of war—as surely as a gun or tank or ship or plane is a weapon. There is not any justification for letting this fine weapon fall into disuse; there is no justification for hampering its efficiency and effectiveness through unnecessary delay.

Congress has acted wisely in deterring the sale of war plants during the past 4 years. For example, during the past two sessions—the Eightieth and Eighty-first Congresses—both Houses have refused to dispose of our vital rubber plants. Events have proved the wisdom of the congressional position; we are using nearly all the rubber plants we still own—and we may need more.

Less than 90 days ago, committees in both Houses were told that the tin smelter should be closed down—that it was no longer needed. We were told the same thing about our rubber plants. It would be unthinkable for Congress now to heed the counsel of those whose lack of judgment, lack of vision, and lack of information has been indicted already by the course of world events.

Time is running out. Let's not jeopardize our national security longer. Let's pass this badly needed legislation now.

As part of my statement, I wish to include a more detailed memorandum citing the uses of tin, the demand for tin, the supply of tin, and some of the factors which make continuation of our one tin-smelting operation essential now.

MEMORANDUM ON THE IMPORTANCE OF AN ADEQUATE SUPPLY OF TIN TO OUR NATIONAL SECURITY AND THE NEED FOR THE CONTINUED OPERATION OF THE LONGHORN SMELTER

USES OF TIN

Tin is a vitally essential metal in time of peace or war. In wartime it provides the coating of tin on the sheet steel used to can the food used by the armed services; it makes solder for countless billions of electrical connections for radio, radar, transport and power equipment; it makes the babbitt metal for bearings for machine tools, transportation equipment and other purposes; it is a constituent of bronze used in huge tonnages by the Navy and the Army. Even in wartime, with conservation and substitution, there is a substantial civilian requirement for tin for foodstuffs, for maintenance, repair and operation of industrial equipment, for type metal for printing, for retinning the farmers' milk cans and a host of other uses. The United States consumes approximately as much tin each year as is consumed by all the other countries of the world combined.

United States tin consumption

[In long tons]

Use	A		B		C		D	
	4-year prewar average 1937-40	Percent	1941 war preparation year	Percent	4-year war average 1942-45	Percent	4-year postwar average 1946-49	Percent
Tin plate	34,520	42	44,854	33	25,324	30	30,134	37
Terneplate	1,343	2	2,046	2	699	−1	435	−1
Solder	17,238	21	28,225	21	13,639	16	18,465	22
Babbitt	6,006	7	10,599	8	7,617	9	6,210	8
Bronze and brass	7,881	10	23,170	17	29,393	35	19,927	24
Collapsible tubes	3,504	4	4,445	3	694	−1	797	−1
Tinning	2,370	3	4,132	3	2,941	3	2,540	3
Foil	1,864	2	4,292	3	378	−1	265	−1
Chemicals	854	1	970	−1	399	−1	346	−1
Pipe and tubing	878	1	1,325	1	229	−1	345	−1
Tin oxide	1,091	1	1,490	1	33	−1	121	−1
Type metal	1,186	1	1,815	1	1,219	1	1,487	2
Galvanizing	845	1	967	−1	22	−1		
Bar tin	982	1	2,133	2	1,009	1	242	−1
Miscellaneous alloys	394	−1	617	−1	868	1	170	−1
White metal	596	−1	2,561	2	176	−1	36	−1
Miscellaneous	719	−1	1,054	−1	256	−1	977	1
Total	82,372		134,695		84,892		82,466	

WORLD SUPPLIES

Our entire requirements (with the exception of less than 50 tons a year, mostly from Alaska) are derived from distant overseas areas such as Bolivia, Belgian Congo, Indonesia, Thailand, and Malaya. Access to certain of these areas may be cut off by enemy action, and as in World War II, we may be dependent upon part of the Bolivian production (approximately half goes to the United Kingdom) and on the Belgian Congo. These sources are inadequate to supply our needs, hence the necessity for a stockpile of tin.

Principal sources of tin concentrates

[Output in long tons of tin content]

Year	Malaya	Indonesia	Thailand	China	Belgian Congo	Nigeria	Bolivia	Other	Total
1939 (prewar)	47,416	26,759	15,637	12,300	8,147	9,427	27,476	19,663	167,500
1941	79,400	53,372	15,827	6,300	15,748	12,062	42,068	18,676	246,000
1949 (postwar)	54,910	28,965	7,817	4,200	13,539	8,823	34,117	9,258	161,700

World smelter production of pig tin

[In long tons]

Year	Malaya	China	Belgian Congo	Belgium	Netherlands	United Kingdom	United States	All other	Total
1939	80,523	12,300	2,597	3,965	14,430	37,269	0	22,200	173,800
1941	125,000	6,300	11,818			41,298	1,839	31,100	216,000
1949	62,737	4,200	3,890	8,996	19,247	28,384	36,053	5,500	169,000

Production of Longhorn tin smelter, Texas City, Tex.

[In long tons]

1942	15,695
1943	20,727
1944	30,619
1945	40,591
1946	43,468
1947	33,292
1948	36,677
1949	36,053
7 months to July 31, 1950	17,663
Total to date	274,785

The smelters in the Far East treat high-grade alluvial tin concentrates. This is a relatively simple process and high output can be attained with a minimum of equipment. The big British and Dutch smelters process medium-grade complex ores as well as high-grade alluvials. Texas City is equipped to handle all grades of concentrates and possesses in addition to the usual smelting and refining equipment extensive facilities for pretreatment such as roasting and leaching and has even concentrated some of the receipts. It can produce from 45,000 to 90,000 long tons of pig tin a year depending upon the grade and complexity of the material treated. Its facilities are unrivalled for the processing of tin concentrates from all parts of the world.

THE NECESSITY FOR CONTINUING OPERATIONS AT TEXAS CITY

Since the war, rehabilitation has been slow in Malaya and Thailand and almost nonexistent in Burma, French Indochina, and China. Excellent progress has been achieved by the Dutch in Indonesia. In Nigeria, Belgian Congo, and Bolivia there was no war destruction but wartime operations were at such a high rate that development work necessarily fell behind and in the postwar period their production has been less than during the war, even with higher tin prices.

The shortage of tin in the postwar period was acute until 1949 when restrictions over its use in the United States were lifted. Although the supply is increasing it is still inadequate to meet world industrial needs plus the United States stockpiling program.

We again may be faced with the loss of pig tin from Malayan smelters should a major war break out. Bolivian tin concentrate production before the war was shipped to the United Kingdom and the European Continent for smelting. The resultant pig tin was sold abroad as its quality was not suitable for large scale use in the United States. Should European smelters be damaged, it might be necessary to treat all of the Bolivian and other production in the United States.

The Texas City smelter pays its operating costs out of its smelting charges, penalties, and deductions so that its operation is no charge against the taxpayer. The original capital cost or any bookkeeping entries for depreciation are a proper charge against national security.

SHUT-DOWN PROPOSALS AND COSTS

It has been suggested by certain interests that the plant be closed and maintained on a stand-by basis and that we purchase all of our pig tin from foreign sources, except for a minor amount produced from detinning operations and possibly from an experimental smelting unit now in operation. This proposal ignores our national security and would place a totally unnecessary burden on the taxpayer.

This year a waste acid plant was put in operation to reclaim currently used acid and retreat 80 acres of acid in ponds adjacent to the plant. This acid plant will have to operate until all acid is reclaimed, whether or not the smelter operates. This will take some years to accomplish. The RFC estimated that a shutdown of 2 years and then a reopening of the plant would cost the taxpayer $3,280,000 which included operation of the acid plant during the shutdown.

More important than the unnecessary cost would be the dispersion of the technical staff and skilled workers which has taken so long to build up and train. The closing

of the smelter would divert Bolivian, Indonesian, Thailand and other tin concentrates to foreign smelters. These new contractural obligations with foreign smelters might take time or considerable cost to modify. Our smelter stocks of tin concentrates would be exhausted, whereas an operating enterprise of necessity maintains a considerable tonnage which constitutes an additional form of stockpiling. Untreated stocks of concentrates thus diverted to foreign smelters might to lost by enemy action. For these and many other reasons, our national security will best be served by a continuation of tin smelting at Texas City.

When the prospects of peace were brighter the Congress authorized the continuation of the operation for a further period of 2 years. The smelter has been in steady operation for more than 8 years and has produced approximately half a billion dollars' worth of pig tin. Its operations have been handicapped, however, by the short duration of each authorization. Contracts for only short periods could be negotiated for tin concentrates. Trained technical staff and skilled workers were hard to attract due to the limited time of operations under each authorization. Changes in plant or process could not be made on any substantial scale even though they gave every evidence of lowering costs because the costs could not be entirely liquidated in the short period.

Under the present bill, authorizing a permissive operation for a 5-year period better concentrate contracts can be entered into, the labor situation will be more stable, operations can be still further improved and costs reduced in an orderly, well-planned program. The proposed legislation has been under careful consideration for a lengthy period, and has the approval of all directly concerned agencies of government as well as the overwhelming majority of domestic tin consumers.

NATURALIZATION OF CERTAIN IMMIGRANTS—CONFERENCE REPORT

Mr. LUCAS. Mr. President, conference reports are adopted from time to time, although often the reports are entirely different from the bills as they were passed by the Senate. I think it would be rather a good practice, regardless of the nature of the conference report, to have quorum calls had before conference reports are agreed to.

I now enter a motion that the Senate reconsider the vote by which the Senate earlier today agreed to the conference report on House Joint Resolution 238, to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence. I was not present when the conference report was submitted, and I wish to have an opportunity to examine it.

Mr. President, I do not say that I am going to object tomorrow to the conference report, but I should like to have an opportunity to study it, because the report is contrary to the measure I introduced. In the report apparently three or four pages of additional language have been added, making the form of the joint resolution entirely different from what it was when it was passed by the Senate. Therefore, I should like to examine the conference report before it is finally adopted; and I move that the Senate reconsider the vote by which the conference report on House Joint Resolution 238 was agreed to.

The PRESIDING OFFICER. The motion will be entered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Kent, its enrolling clerk, announced that the House insisted upon its amendment to the bill (S. 1838) to amend title 28 of the United States Code relating to fees of United States marshals, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOBBS, Mr. RODINO, and Mr. MCCULLOCH were appointed managers on the part of the House at the conference.

The message also announced that the House insisted upon its amendments to the bill (S. 3921) to provide for the temporary appointment of referees in bankruptcy, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOBBS, Mr. REED of Illinois, and Mr. WILSON of Texas were appointed managers on the part of the House at the conference.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY] to the amendment of the Senator from South Carolina [Mr. MAYBANK].

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from South Carolina as amended.

Mr. CAPEHART. Mr. President, to the amendment of the Senator from South Carolina, as amended, I offer the following amendment:

At the end of the amendment insert the following: "No ceiling shall be established on any commodity or material which does not allow for a reasonable gross margin of profit to those industries or groups affected."

Mr. President, I do not see how anyone can object to my amendment. It provides exactly for the sort of operations which should be conducted, and which I think will be conducted, under the OPA which may come about as a result of enactment of this measure.

My amendment merely provides that no ceiling shall be established on any commodity or material which does not allow for a reasonable gross margin of profit to those affected.

Mr. President, if we adopt the amendment we are not guaranteeing anyone a profit, but we are simply calling for a gross margin of profit to the industries or groups affected.

The amendment does not apply to individual retailers or wholesalers, but it does apply to industries and groups. In other words, the amendment will do for all groups of industries in the United States exactly what will be done for the packing industry by the amendment to which we have just agreed.

I cannot see any objection to my amendment, and I think its adoption is most important.

Senators may remember that in 1946, when the original OPA Act was extended, long hearings were held, considerable debate took place in the Senate, and, finally, we worked out a formula which was based on 1940 profits, plus increases in costs, and so forth and so on.

My amendment will do that, I think, and will result in adjusted and equitable treatment for everyone concerned.

I think we should add this amendment to the amendment of the Senator from South Carolina, as amended, and should take my amendment to conference. If in conference or on the floor of the Senate anyone can show me that my amendment is not fair, just, and equitable, or if anyone can show me that my amendment is unworkable, I shall be perfectly willing to withdraw it.

However, if I were appointed tomorrow to be OPA Director—and I make this statement on the basis of my experience of many years in business—the basis provided by the amendment would be exactly that on which I would set up an OPA; the amendment provides the means by which I would wish to arrive at a ceiling.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MAYBANK. Is the Senator's amendment to my amendment to apply at the retail level?

Mr. CAPEHART. No; it calls for a reasonable gross margin of profit to the industries or groups affected.

Mr. MAYBANK. As the Senator knows, I talked to the legislative counsel about this matter this morning and he has talked to those who perhaps know something about the operations of OPA beginning with 1942. We have considered no such amendment as that of the Senator from Indiana. The amendment we have adopted is the so-called Barkley-Bates amendment. The amendment of the Senator from Indiana would affect hundreds of thousands of items, and could not be worked.

Mr. CAPEHART. Mr. President, if the Senator will yield for a moment, let me show how the amendment would work and how the Administrator would handle it. In setting a price for the manufacturer or processor, he would take into consideration the amount of discount that the dealer or retailer was to receive, indeed, he would be forced under this amendment to do that. He would have to permit the manufacturer or processor to establish a price which would permit a legitimate, reasonable, gross margin of profit to the retailer and likewise to the wholesaler.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Illinois?

Mr. CAPEHART. I yield.

Mr. LUCAS. Does that mean that regardless of who he was or what business he was in, he would get a reasonable profit?

Mr. CAPEHART. No.

Mr. LUCAS. Does the Senator desire to guarantee inefficiency?

Mr. CAPEHART. The Senator from Illinois is missing the point entirely. The amendment provides for a reasonable gross margin of profit. There is nothing in it about net profit. It refers to gross margin of profit. For example, assume that a retailer pays X amount for something, and that he sells it for Y amount: the difference between what he pays for it and what he receives for it is the gross profit. That margin may be enough to show a profit, or it may likewise show a loss.

Mr. LUCAS. Mr. President, if the Senator will yield for an observation, I may say, for whatever it may be worth, that, with all due deference to all members of the committee, I can readily see where we are getting. We adopted an amendment awhile ago which I do not think should have been adopted.

Mr. CAPEHART. I disagree. I think it is a good amendment.

Mr. LUCAS. Very well. Probably the Senate will adopt this amendment. Neither of them was considered by the committee, I understand. There will be other amendments, and the first thing we know, we shall have another bill, and it will have to be debated and recommitted to the Committee on Banking and Currency in order to find out exactly what it means.

Mr. CAPEHART. Let me say that the title we are talking about, under which this amendment comes, is title IV, which the Senate Banking and Currency Committee did not consider. It never considered that title, it never held any hearings on it.

Mr. MAYBANK. Mr. President, I may say that we considered the title time and time again. We had executive hearings. The general hearings covered title IV. For instance, we asked Mr. Sawyer how things would be affected, and Mr. Baruch's testimony certainly was directed to title IV.

Mr. CAPEHART. Mr. Baruch dealt in generalities.

Mr. MAYBANK. We took his generalities and every other generality and put them into specific language.

Mr. CAPEHART. The entire hearings on this subject consisted of generalities, as the Senator will have to admit. I am not complaining about that, but merely stating that I know in my own mind that this is a good amendment, and I think it should be in the bill. It would take only about a second to adopt it. Let me say that I presume I shall be on the conference committee, since I am the second ranking minority member of the Banking and Currency Committee, and if this amendment is taken to conference and, between now and then, someone can show me that it is unworkable or that it is not fair, I shall be the first to want it withdrawn, the first to come to the floor and tell the Senate that I have made a mistake in asking for it.

Mr. MAYBANK. Mr. President, will the Senator yield for another question?

Mr. CAPEHART. I yield.

Mr. MAYBANK. I trust the Senator will not feel that I am presumptuous, and if he does not want to answer, he may decline to do so. I understood the Senator voted against the title in the committee, did he not?

Mr. CAPEHART. Yes.

Mr. MAYBANK. Was it the Senator's intention not to favor it on the floor?

Mr. CAPEHART. I have an amendment lying on the desk to be offered from the floor. I am not certain whether I shall favor it, or not; it will depend on what happens to the bill otherwise.

Mr. MAYBANK. That is the thought—to offer an amendment to the bill, here, and so forth and so on, and then move to strike out title IV of the bill. So what is the use discussing it? Why not get down to title IV and determine whether it is to remain in the bill, and, if it needs perfecting, to perfect it?

Mr. CAPEHART. I am willing to have the group of Senators now present, about half a dozen, vote on the amendment, without suggesting the absence of a quorum, if they want to do that.

Mr. MAYBANK. I cannot assume any such responsibility as that.

Mr. CAPEHART. The Senator is going to have trouble with this bill in the future, unless some such amendment to it is adopted, or unless the Administrator of OPA, if and when it comes, adopts the program we are trying to write into this bill.

Mr. MAYBANK. I am not questioning the merits of the Senator's suggestion. The Senator and I have worked together for a long time on this matter, and in adopting the amendment, inserting title IV, we did only——

Mr. CAPEHART. Why did the Senator accept the amendment regarding meat?

Mr. MAYBANK. Because the amendment, as I have tried all day long to say, was agreed to 4 years ago by Senator BARKLEY and Representative Bates. It was provided under OPA. I read the statements. This has never been studied.

Mr. CAPEHART. May I say to the able Senator from South Carolina that in 1945 or 1946 we wrote a program into the OPA bill, telling the Administrator how to arrive at ceiling prices. It was based upon 1940 profits plus an increase in cost.

Mr. MAYBANK. I understand that.

Mr. CAPEHART. All we are doing here is talking about a very simple amendment which is, I think, fair and just.

Mr. MAYBANK. It would affect 100,000 articles at least, would it not?

Mr. CAPEHART. Yes; but it would affect them as to groups and industries.

Mr. MAYBANK. It would affect every group and every industry in the United States.

Mr. CAPEHART. Of course, OPA itself affected every industry in the United States, and it affected every individual. If the Senator is thinking that the Administrator must set a ceiling on a million items—and there are more than a million in the United States—that is not true. He does it by groups. He does it by industries. We say to him that no ceiling shall be established on any commodity or material which does not allow for a reasonable gross margin of profit. Thousands of industries are affected.

Mr. MAYBANK. I wish the Senator had offered his amendment in committee, so that we might have had some hearings on it.

Mr. CAPEHART. Mr. President, I am becoming a little disgruntled, when the able Senator from South Carolina keeps trying to intimate to the Senate that we held hearings on title IV. We did not.

Mr. MAYBANK. Mr. President, it was certainly my understanding that the witnesses testified on title IV as well as on titles I, II, and III.

Mr. LEHMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from New York?

Mr. CAPEHART. I yield to the able Senator from New York.

Mr. MAYBANK. Mr. President, I should like first to finish my statement. The Senator should read the hearings. The hearings in open session have been printed. He will find references to title IV throughout.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the able Senator from New York.

Mr. LEHMAN. It seems to me that the Senator from Indiana has referred to his amendment as a simple little amendment. It is simple in its language, but I think it would complicate matters to such an extent that the bill would become entirely unworkable. We do not guarantee profits in normal times. The amendment would require that in every industry, in order to permit or to assure a so-called adequate gross profit, there would have to be hearings, there would have to be the most intensive study. It would take weeks, if not months, to do what would be necessary.

Personally I am very sorry indeed that the very able chairman of the committee accepted the amendment relating to meat products. I think it is going to involve a very great complication and will prevent protection of the people on the one thing on which I believe they require protection. But amendment would carry the same principle through the entire gamut of production, and I think would make the bill entirely unworkable.

Mr. CAPEHART. Let me ask the Senator a few questions now that I have the floor.

Mr. LEHMAN. Certainly.

Mr. CAPEHART. Does the Senator believe that the OPA Administrator should in every instance set a price that will enable those dealing in a particular piece of merchandise to make a fair margin of profit?

Mr. LEHMAN. I know from my own experience as a merchant and a manufacturer——

Mr. CAPEHART. It would be very simple to answer my question "yes" or

"no." Does the Senator think that the OPA Administrator, in setting a price, should permit a fair, reasonable, gross margin of profit?

Mr. LEHMAN. I do not think it is possible to assure a reasonable gross profit to every manufacturer and every merchant. I think it is impossible to do that.

Mr. CAPEHART. I do not think the Senator has read my amendment.

Mr. LEHMAN. I listened to it when it was being read.

Mr. CAPEHART. It provides for a reasonable gross margin of profit. That is what we must keep in mind—not a gross profit, but a reasonable gross margin of profit. What does that mean? Let us take the automobile industry. When the Price Administrator sets a price on automobiles, he must give the manufacturer a sufficient price to enable him to give the dealer a reasonable gross margin of profit.

Mr. LEHMAN. And also the retailer.

Mr. CAPEHART. The automobile dealer is a retailer.

Mr. LEHMAN. The Senator's amendment would cover the entire catalog of manufactured articles.

Mr. CAPEHART. What I have indicated is all there is to my amendment. It simply says to the OPA Administrator, "When you set a price for the manufacturer or the processor, you must set it high enough so that it will provide for every retailer and wholesaler in the United States who handles that group of manufactured goods a reasonable gross margin of profit."

Mr. LEHMAN. Mr. President, will the Senator further yield?

Mr. CAPEHART. I yield.

Mr. LEHMAN. In order to do what the Senator proposes it would mean that a study woud have to be made of the costs of every manufacturer.

Mr. CAPEHART. No; it would not require that. How would the price administrator set prices?

Mr. LEHMAN. I think he would set prices in an industry on certain facts based on an average cost and an average selling price.

Mr. CAPEHART. That is exactly what he would do under this amendment; but in doing it he would not dare to set a ceiling which would not allow for a reasonable gross margin of profit.

Mr. LEHMAN. In an industry.

Mr. CAPEHART. For the retailers and wholesalers in the industry.

Mr. LEHMAN. There is certainly a great difference between the costs of different manufacturers in the same industry, and there is a great difference in the costs of operation on the part of retailers.

Mr. CAPEHART. I agree with the able Senator; but that is a problem which the director will face under any formula he may establish. Under the pending bill the President, if he wanted to—I am sure he would not—could set a ceiling price which would absolutely deny anyone in America a margin of profit, let alone a net profit. My amendment provides that no ceiling shall be established on any commodity or material which does not allow for a reasonable gross margin of profit to the industries or groups affected.

That is the least we can do.

Mr. LEHMAN. I think we can fix a price which would cover the average cost of producing an article and the average cost of selling it. But if we are going to try to fix a price which will allow a margin for every producer, when the costs of production inevitably vary very greatly——

Mr. CAPEHART. We do not have that problem at all, under this amendment. Is it not the Senator's understanding that whoever is the administrator of the next OPA, in fixing ceiling prices, will make an effort to permit the price to be such that everyone dealing in a given commodity will make a gross profit?

Mr. LEHMAN. I do not think we can ever guarantee that everyone in an industry will make a profit.

Mr. CAPEHART. I did not say that. I am talking about the gross margin of profit. The able Senator from New York is a businessman, and he knows there is a margin of profit. That margin of profit is the difference between what something costs and what it is sold for. All I am asking is that in setting ceiling prices the President give consideration to making certain that the manufacturer or processor has a reasonable margin of profit, that the retailer has a reasonable margin of profit, and that the wholesaler has a reasonable margin of profit. We are not guaranteeing them a profit; we are not even thinking in terms of guaranteeing them a profit; we are simply saying, "Your first consideration must be that in establishing ceiling prices there be a sufficient margin of profit for the average dealer, wholesaler, or manufacturer in an industry to operate on."

Mr. LEHMAN. Even in normal times there cannot be any uniformity in the margin of profit on articles produced in the same industry by different manufacturers.

Mr. CAPEHART. Will the able Senator from New York tell the Senate how the OPA Administrator is going to establish ceiling prices under the bill as it is written?

Mr. LEHMAN. I think he will have to set an average price for an article, a staple article, let us say, which will give a sufficient margin of profit to the average producer. But he cannot do that in the case of all producers. That cannot be done in normal times, and it certainly cannot be done in abnormal times.

Mr. CAPEHART. The Senator has ably described my amendment. The only difference is that I suggest that we write it into the bill. It is not now in the bill.

Mr. LEHMAN. The Senator's amendment, as I listened to it, provides that there shall be an adequate margin of profit for every manufacturer on every article that is manufactured.

Mr. CAPEHART. It simply provides as follows:

> No ceiling shall be established on any commodity or material which does not allow for a reasonable gross margin of profit to those industries or groups affected.

The Administrator will do exactly what the Senator described a while ago, excepting that the Congress of the United States is directing him to take into consideration a reasonable gross margin of profit.

Under the bill as it is written, the administrator could establish every price in the United States—I am not saying he would do so—on such a basis that no one would make a profit.

Mr. LEHMAN. I maintain that there is no possibility of an administrator fixing a price which will provide a reasonable margin of profit for every man who is producing commodities or manufacturing articles.

Mr. CAPEHART. It is done by industries or groups. That is exactly the way it is now done.

Mr. LEHMAN. I did not interpret the Senator's amendment that way.

Mr. CAPEHART. Let me read it again:

> No ceiling shall be established on any commodity or material which does not allow for a reasonable gross margin of profit to those industries or groups affected.

Mr. LEHMAN. That would cover everyone in the industry.

Mr. CAPEHART. We have to do that if we are going to put price ceilings on everything.

Mr. LEHMAN. We cannot provide a reasonable margin of profit.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to the amendment of the Senator from South Carolina.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment offered by the Senator from South Carolina, as amended.

The amendment as amended was agreed to.

Mr. MAYBANK. Mr. President, the Senator from Ohio [Mr. TAFT] has two amendments which are acceptable. Let me say that we called a meeting of the Committee on Banking and Currency for 5 o'clock this afternoon, at the request of some members of the committee. In view of the fact that is the desire of the majority leader to proceed, I have sent word to the committee to tell those who are there to be kind enough to wait until the Senate takes a recess. Perhaps the Senator from Ohio is at the committee.

In the meantime, Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 44, line 17, it is proposed to strike out "average price received by producers on June 15, 1950" and insert in lieu thereof "price received by producers during the period from May 24 to June 24, 1950, inclusive."

Mr. MAYBANK. The amendment would conform the period of time to the period used by the House.

Mr. TAFT. Mr. President, last week when I spoke on the pending bill I telephoned to Mr. Hoover to obtain his opinion on the question of controls. He had

been the Food Administrator during the First World War, and he was very familiar with controls during the Second World War. Therefore I thought since we had had Mr. Baruch's opinion stated before the committee, and because Mr. Hoover had not been called, we should have his opinion as well. I should like to read the letter which I received from Mr. Hoover.

Mr. MAYBANK. Will the Senator yield?

Mr. TAFT. Yes.

Mr. MAYBANK. I merely wanted to say to the Senator from Ohio——

Mr. TAFT. The letter is very short.

Mr. MAYBANK. I merely wished to say that we were asked to have Mr. Baruch and others appear before the committee. If we had been asked to have Mr. Hoover before the committee, we would have asked him to come before us.

Mr. TAFT. I understand that it was not an intentional omission, and I did not even mean to imply any such thing. The letter reads:

THE WALDORF ASTORIA TOWERS,
New York, N. Y., August 13, 1950.

The Honorable ROBERT A. TAFT,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I have your request for my views on the economic control legislation.

The whole subject needs a common-sense inquiry into each segment of our economy.

We are in the midst of a minor war and in the presence of a preparedness program for a dangerous general war. The Korea problem, with its requirements of two or three hundred thousand men and their arms, can be carried by our economy with scarcely a ripple. It requires but minor controls. Our primary problem is controls necessitated by the preparedness stage.

INFLATION CONTROLS

The first segment of controls is inflation pressures on prices. Certain indirect controls are needed at once: (a) prohibition of hoarding and excessive inventories; (b) drastic limitations on installment credit; (c) increase of excise taxes on nonessentials so as to discourage unnecessary buying; (d) radical decrease in certain areas of Government expenditures.

In the Federal expenditures field, if we exclude the expenditures on armed services, the debt, veterans, and social security, the costs of the other Government branches have increased by over $15,000,000,000 in 12 years. Certainly seven or eight billions of this could be stopped or postponed. Senator BYRD has pointed out that $5,000,000,000 could be saved from the increases in the last 2 years alone. The reorganization commission for reform of further executive agencies could be made to contribute to this.

PROCESSING AND COMMODITY CONTROLS

The second segment of controls in our economy is that of wages, prices, and rationing of commodities and manufacturing capacity should be approached very gingerly. All such controls tend to slacken the national effort. An examination of different parts of our commodity and processing economy will show wide differences in the necessity of controls.

The pressures of preparedness program will require some controls of materials and manufacturing which are a military necessity. Some materials will need to be allocated or priorities given. The manufacture of some gadgets will need be restricted to make way for guns. Prices will need to be determined.

Fortunately in the manufacturing and transportation line, our capacity is immensely greater than at the time of Pearl Harbor. It has increased much faster than the population. Our available supplies of most raw materials of military necessity are also greater. Our steel production alone has increased about 22,000,000 tons per annum. With our host of Second World War ships, we will need much less steel. We have our synthetic rubber production. Scarcity pressure in rubber could be somewhat relieved if we put all our plants into operation. Some of the manufactures and some commodities could be controlled by cooperation with industrial managers and labor. Nevertheless, some authority is needed in these fields.

In the food and clothing segment of the economy, there is much less need of controls. We are overproducing food all along the line, and if necessary, we could still further increase production. The proof of abundance is the constant Government buying of surpluses and dumping some of them abroad at absurd prices. The Government could lower food prices at any moment it wished to. We have little shortage of clothing materials. Preparedness for the larger danger would require putting civilians in uniform, but that would not increase demands for such supplies very much in proportion to our production.

We have plenty of furniture.

We have ample resources available in oil and coal supplies for the preparedness phase.

The hoarders in these lines will sometime come to the end of their hysterical buying spree and with the slump in buying they will find lower prices.

In my view there is no occasion and much danger in all-embracing price-wage-rationing controls at the present time. Aside from their slackening effects, the surrender of freedom is hard to recover even when the controls are proved unnecessary. If experience is of any importance, it points to the fact that bureaucracy loves power and always finds excuses to use any authority given to it. Authority for some controls is required, but those controls should involve only special fractions of our economy.

The Congress should reserve the authority to act later on upon some segments. It can always act on a few days' notice.

Our greatest domestic danger at this time is shock hysteria in the public, which leads the Congress to unnecessary surrenders of freedom.

Yours faithfully,

HERBERT HOOVER.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 43, line 24, after the word "subsection", it is proposed to insert a semicolon and the following: "but the President shall make appropriate provision to prevent hardships and inequities to sellers who have bona fide contracts in effect on the date of issuance of any such regulation or order for future delivery of materials processed from raw materials, and particularly from agricultural commodities, in which seasonal demands or normal business practices require contracts for future delivery."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I have two amendments before me which the junior Senator from Ohio [Mr. BRICKER] said he was very anxious to have considered by the Senate. He may have gone to the committee meeting, and I have sent to see if he is there. I do not know whether it would be proper for me to offer the amendments.

Mr. CAPEHART. Mr. President, I send an amendment to the desk, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 62, it is proposed to strike out line 20 down to and including line 13, on page 63.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana.

Mr. MORSE. Mr. President, may we have an explanation of the amendment?

Mr. CAPEHART. Mr. President, the amendment would delete the paragraph which starts on page 62 at line 20 and runs to line 13 on page 63. The paragraph gives a definition of the word "credit."

The intention of the committee was to control consumer credit exactly as we controlled consumer credit during World War II under what was known as regulation W. That is provided for in the bill. It was the intention of the committee to control real-estate construction credit as affecting new construction and major renovations. I do not understand how the definition of credit got into the bill, because I do not believe the committee ever passed on it.

Mr. MAYBANK. May I ask the Senator a question?

Mr. CAPEHART. I yield.

Mr. MAYBANK. Does the Senator's amendment delete the same section which the House deleted?

Mr. CAPEHART. No.

Mr. MAYBANK. I understood the Senator was offering an amendment to delete a section in the bill.

Mr. CAPEHART. It would delete the paragraph beginning at page 62, line 20, and going over to line 13 on page 63.

Mr. MAYBANK. In substance, is that the same section which was covered by an amendment introduced in the House?

Mr. CAPEHART. I do not know.

Mr. MAYBANK. The amendment would delete a certain portion of the bill. Does the Senator refer to the same portion?

Mr. CAPEHART. I am not certain. What I am trying to eliminate is the definition of credit. If I understand correctly the unusual language, it would give the President of the United States power to control all credit. It reads:

(2) "Credit" means any loan, mortgage, deed of trust, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services, either for present or future delivery.

It never was the intention of the committee to write that into the bill.

Mr. MAYBANK. The Senator is correct, so far as I know.

Mr. CAPEHART. I do not know how it got into the bill.

Mr. MAYBANK. As I remember, this is supposed to be the definition of credit for the purpose of regulating real-estate construction or reconstruction.

Mr. CAPEHART. There is a definition of real-estate construction credit just above that.

Mr. MAYBANK. The Senator is correct, but it was the purpose to provide a definition. I am wondering how we can arrange it so that it will be understood it is to apply to real estate.

Mr. CAPEHART. On page 62, at the top of the page, it says, "Real-estate construction credit," and proceeds to describe what we mean by that. Why is a definition of "credit" put in the bill?

Mr. MAYBANK. It is really tied up with the definition in the first paragraph.

Mr. CAPEHART. Then it would be much better to say so.

Mr. MAYBANK. I think so.

Mr. CAPEHART. If I want to lend the Senator $10, and he is going to pay me back in three payments, under this provision I would have to get permission of the President to lend him the money.

Mr. MAYBANK. The legislative counsel advises me he does not construe it that way. It was only to define credit as it applied to real estate. On page 59 the language is:

> To assist in carrying out the purposes of this act, the Board is authorized from time to time to prescribe regulations with respect to such kind or kinds of real-estate construction credit—

And so forth. On page 62 there appears a definition of real-estate construction credit, and that ought to be sufficient.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Alabama.

Mr. SPARKMAN. I call the attention of the Senator to subparagraph (d) on page 61. That is where the section relating to definitions starts. It says, "For the purposes of this section," the following terms shall have the following meanings. That relates to section 602 only, and the only kind of credit which is provided for, that is to be controlled under section 602, is real-estate construction credit. However, in discussing real-estate construction credit in section 602, subdivisions (a), (b), and (c), the term "credit" is used many times without being connected with the words "real-estate construction." Therefore, it becomes necessary on page 62, in setting out the definition, to give a definition of real-estate construction credit, which is one term by itself, and then to supplement that with a definition of credit. But both definitions relate only to section 602, which pertains only to the kind of real-estate construction credit which the Federal Reserve Board has the right to regulate. It does not in any way relate to section 601, which is the section which controls consumer credit generally.

Mr. CAPEHART. Why is it necessary to have it in the bill at all?

Mr. SPARKMAN. I wish very much that the two definitions could have been combined in some way, but the legislative counsel, on whose shoulders falls the task of drafting these measures so they will be properly defined, felt it was necessary to include both definitions. The Federal Reserve Board likewise asked that both definitions be fully set forth in exactly the way they are set forth.

If the Senator will refer to the controlling words on the bottom of page 61, he will find that they tie the definition very definitely to section 602, in a way no one could dispute.

Mr. CAPEHART. I have only one desire in the matter, and that is to make certain that the credit referred to in this title applies only to real-estate construction. After having made the record which we have made on the floor of the Senate, that it applies only to real-estate construction, I am perfectly willing to withdraw the amendment.

Mr. SPARKMAN. The Senator's assumption is exactly correct. Both the chairman and I have been advised by the legislative counsel to that effect.

Mr. CAPEHART. I withdraw the amendment.

Mr. MAYBANK. I thank the Senator.

Mr. MORSE. Mr. President, it may be very clear to the Senator from Indiana, but the discussion which has just taken place is as clear as mud to the Senator from Oregon.

There has been some discussion about regulation W. What has regulation W to do with section 602?

Mr. CAPEHART. It has not anything to do with it.

Mr. MAYBANK. It has nothing to do with it.

Mr. CAPEHART. Regulation W is described only in section 601.

Mr. MAYBANK. That relates to consumer credit.

Mr. SPARKMAN. Mr. President, I believe I was the one who brought the question of consumer credit into the discussion. I did it in this way, if the Senator from Oregon will remember. I said that the definition of the word "credit," as shown on page 62, related only to credit under section 602, which is the credit that is connected with new construction or reconstruction, real-estate credit.

I further stated that it had no connection with the type of credit which the Federal Reserve Board was authorized to regulate under section 601. I think I referred to it as "regulation W" credit. That is what section 601 relates to.

Mr. MAYBANK. Section 601 relates to consumer credit, under the Federal Reserve Board.

Mr. CAPEHART. I may say to the able Senator from Oregon that we have to refer to Executive Order 8843, of August 9, 1941, which gives the exact terms and the meanings of the so-called regulation W.

Mr. MAYBANK. As I have said, that relates to consumer credit.

Mr. CAPEHART. This is exactly as it was handled during World War II.

Mr. MORSE. We are not changing it?

Mr. CAPEHART. We are not changing it.

Mr. MAYBANK. We are not changing it at all.

Mr. MORSE. If I can get assurance that regulation W——

Mr. MAYBANK. We give the Federal Reserve Board the same powers to control all consumer credit that they had in World War II.

Mr. MORSE. I think that is essential.

Mr. MAYBANK. The other term, "credit," applied to real-estate credit only, because we have to divide the real-estate credit into the Government financed housing program and the privately financed program.

Mr. President, I send to the desk an amendment on behalf of the junior Senator from Ohio [Mr. BRICKER], after conferring with the Senator from Vermont [Mr. AIKEN], who has a similar amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 82, after line 13, it is proposed to insert:

> The Congress may also provide by concurrent resolution that any section of this act and all authority conferred thereunder shall terminate prior to June 30, 1952.

Mr. AIKEN. Mr. President, this amendment provides that in case any one section of the pending bill proves to be unworkable, or if the Congress feels that for any reason the authority granted by this one section should be terminated, the authority granted by the section, or the section itself, can be terminated without having to repeal the entire control legislation by concurrent action.

Mr. MAYBANK. It is really a clarifying amendment.

Mr. AIKEN. It seems to me to be an essential amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK] for the Senator from Ohio [Mr. BRICKER].

The amendment was agreed to.

Mr. WHERRY. Mr. President, will the Senator yield for a question about another part of the bill?

Mr. MAYBANK. I should like to have another amendment acted on first. I send to the desk an amendment which I offer on behalf of the junior Senator from Ohio [Mr. BRICKER].

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On lines 7 and 8 of page 67 it is proposed to strike out the words "without limitation" and insert in lieu thereof the words "not limited to."

The PRESIDING OFFICER. Is that amendment offered by the Senator from South Carolina?

Mr. MAYBANK. That is the second amendment the Senator from Ohio [Mr. BRICKER] asked the chairman of the committee to offer for him.

The PRESIDING OFFICER. Let us get the situation straight. How many amendments has the Senator from Ohio?

Mr. MAYBANK. Two.

The PRESIDING OFFICER. The other amendment offered by the Senator from South Carolina for the Senator from Ohio was agreed to.

Mr. MAYBANK. Yes.

The PRESIDING OFFICER. The amendment just read is the second amendment offered by the Senator from Ohio.

Mr. MAYBANK. Yes. I offer it on behalf of the junior Senator from Ohio.

The PRESIDING OFFICER. Is there objection to the second amendment offered on behalf of the Senator from Ohio?

Mr. WHERRY. Mr. President, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WHERRY. Mr. President, I should like to ask the chairman of the committee a question. The old act dealing with a similar subject provided a penalty for a seller who violated the law.

Mr. MAYBANK. Yes.

Mr. WHERRY. Is there any penalty provision in the bill which applies to a buyer?

Mr. MAYBANK. No; not for buyers for personal use or consumption. We have done away with any penalty for such buyers.

Mr. WHERRY. The way it has been done away with is that the buyer can recover in damages if he is overcharged, and the seller can be penalized, if he violates the law, by a fine of not to exceed $10,000. Is that correct?

Mr. MAYBANK. The fine is not to exceed $10,000 and, of course, a jail sentence is also provided for.

Mr. WHERRY. All cases against violators of the law can be brought in the district court of the United States, can they not?

Mr. MAYBANK. That is my understanding.

Mr. WHERRY. So the district court of Nebraska would be available to try a Nebraska violator?

Mr. MAYBANK. Yes.

Mr. WHERRY. It would not be necessary to bring him to the court in the District of Columbia.

Mr. MAYBANK. The Senator is correct.

Mr. WHERRY. That applies with respect to the violation of any order or any regulation in the whole act? Is that correct?

Mr. MAYBANK. To the best of my knowledge it does so apply.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WILLIAMS. Do I understand correctly that there is no penalty provided in the bill for the buyer of a product who pays more than the ceiling price for the product?

Mr. CAPEHART. The penalty is only against the seller.

Mr. MAYBANK. So far as I know there is no penalty against the consumer.

Mr. WILLIAMS. Does that apply also if the buyer happens to be buying for resale? For instance, if a dealer goes into the country and buys produce from a farmer over the ceiling price, does that mean that the buyer is clear and the farmer is subject to the penalty?

Mr. MAYBANK. He is subject to the penalty if he resells anything at above the ceiling price.

Mr. WILLIAMS. No; I mean there is no penalty against the buyer?

Mr. MAYBANK. The man who buys and resells at a price above the ceiling price is subject to the penalty.

Mr. WILLIAMS. I am speaking about a penalty provision against one who buys at a price over the ceiling price.

Mr. MAYBANK. There is no penalty provision on buying.

Mr. WILLIAMS. Is there no penalty against the city merchant who goes to the farm and pays over the ceiling price for produce? The penalty is entirely against the farmer who sells above the ceiling price. Is that correct?

Mr. MAYBANK. No, there is a penalty against such a transaction.

Mr. WILLIAMS. Where in the bill can I find any penalty against the merchant who buys produce at a price above the ceiling price?

Mr. MAYBANK. At the end of title IV.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. LONG. As a practical matter, if we make the buyer subject to any sort of a penalty, then the buyer cannot prosecute the seller without himself being prosecuted. If the buyer was subject to a penalty in case a sale were made over the ceiling price, and he were subject to penalty, there would be no incentive for him to bring an action against the seller, if he himself, the buyer, were put in jeopardy by so doing.

Mr. MAYBANK. If the Senator from Delaware will be good enough to turn to page 47, section 405, and read that section, he may find that it answers his question.

Mr. WILLIAMS. The point I am raising is this: A rather unpleasant situation arose in my State during the last war. A couple of produce dealers from Newark, N. J., came to Delaware and bought produce from a farmer. The farmer drew 60 days in jail and $1,000 fine, because the transaction involved a price over the ceiling price, whereas the produce merchants were given a negligible $25 fine each. It seems to me that in a situation of that kind equal guilt exists in the buyer and the seller.

Mr. MAYBANK. Let me read section 405:

> It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade to buy or receive, any material, service, or property, or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer, solicit, attempt or agree to do any of the foregoing.

I think that pretty well covers the situation.

Mr. WILLIAMS. Then I understand correctly that the buyer is equally guilty?

Mr. MAYBANK. That is the way I construe that language.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. Does the Senator mean that the section provides that an action can be instituted against the buyer the same as against the seller? I do not understand the language in that way.

Mr. MAYBANK. The language is:

> It shall be unlawful * * * for any person * * * to buy or receive * * * in the regular course of business * * * in violation of this title—

And so forth. I do not imagine that an individual who bought some apples above the ceiling price which he took home to his family where the apples were eaten, or were cooked, would be subject to the penalty. But anyone who bought apples and resold them at a price above the ceiling price would be guilty, as well as the seller, under the section I read. That is the construction placed upon it by the legislative drafting clerk.

Mr. WILLIAMS. I may say that in my opinion he who buys for resale at above the ceiling price should be held to be equally guilty with the man from whom he buys.

Mr. MAYBANK. Yes; he should be, and that is what the section provides.

Mr. WILLIAMS. That is what I wanted to be sure about; that equal guilt is placed on the buyer and on the seller.

Mr. MAYBANK. If an individual who did not know the ceiling price on a product should buy it above the ceiling price, and if he was not in business and did not resell above the ceiling price, he would not be subject to the penalty. But the legislative counsel advises that according to section 405, when a transaction is made at above the ceiling price, both the seller and the buyer for resale are subject to the penalty provision, which is a jail sentence and not to exceed $10,000 fine, or both.

Mr. AIKEN. Mr. President, is there an amendment pending before the Senate at the present time?

The PRESIDING OFFICER. The Senator from South Carolina, as the Chair understands, has an amendment to offer.

Mr. MAYBANK. No, Mr. President. The amendment was agreed to. I offered an amendment on behalf of the junior Senator from Ohio, which was adopted.

Mr. AIKEN. That is my understanding.

I now call the attention of the Senator from South Carolina to page 74, beginning in line 18, as follows:

> SEC. 710. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place positions and employ persons in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that act.

Does the Senator from South Carolina, the chairman of the Banking and Currency Committee, believe that that paragraph would perhaps be strengthened by saying that "the President is authorized to place positions and employ persons temporarily in grades 16, 17, and 18"?

The reason I make that suggestion is that at the termination of World War II there was a great deal of difficulty in tearing down grades and salaries to fit the positions commensurate with peacetime activities. It seems to me if the President is authorized to employ persons in these grades temporarily that, while it might not avoid the same difficulty of job competition and resistance to cutting salaries and grades down to size, it certainly would demonstrate the intent of the Congress.

Mr. MAYBANK. I may say to the Senator from Vermont that I feel as he does about the necessity for economy, and I am not one who believes in employing persons at big salaries for a long time unless they are necessary. The testimony before the committee by Secretary Sawyer and others showed the absolute necessity for obtaining the proper kind of persons to administer the act, if we ever have to use it. I see no objection to inserting the word "temporarily." The committee did not consider that. So far as I am concerned, I see no objection.

Mr. AIKEN. Mr. President, on page 74, line 20, after the word "persons", I offer the amendment to insert the word "temporarily", unless there is some good reason for not doing so. It seems to me that we might as well avoid a great deal of trouble in advance.

Mr. LONG. Mr. President, if the Senator will yield, let me say that it occurs to me that, although the measure now provides a cut-off date of 2 years, nevertheless of course in the event further emergencies developed, it would be possible to extend the period of operation of the act.

In reference to the amendment proposing the insertion of the word "temporarily," I wonder how long the Senator would have the period of application continued. If the need for the program continues over a long period and if throughout that period it is necessary to pay higher salaries in order to obtain the services of persons qualified to operate the program, it seems to me this provision should apply longer than "temporarily."

Mr. AIKEN. I would say that the word "temporarily" would not apply to the cut-off date.

Mr. MAYBANK. Of course, the Congress could cut off this program in 2 weeks' time, if that proved to be desirable.

I am hopeful that provision will be made for continuing the program for 2 years, because, after all, at any time we shall have the power to cut off the program—even within 2 weeks' time. If the emergency in Korea and elsewhere were to terminate suddenly, the Congress could end this provision of law within 2 weeks.

Mr. AIKEN. Mr. President, I do not see how insertion of the word "temporarily" would handicap the operation of the law.

Mr. LONG. What would such an amendment mean?

Mr. AIKEN. It would mean that in our efforts to control the situation which ended following conclusion of World War II, by the employment of persons competent to serve in higher positions, we would not make it possible for such persons to resist having their positions cut back to the peacetime size of those positions, once the emergency terminated.

Of course, during wartime it is necessary to elevate such persons in rank and to make their jobs more attractive generally, in order to make it possible for the Government to obtain the services of persons of the requisite ability. It should not be necessary to do so; the exact size of the salary offered should not make any difference in a person's willingness to serve his country in time of need.

I understand that considerable difficulty was experienced in reducing such jobs to their peacetime size, at the end of the war.

Mr. President, if there were any legitimate objection to this amendment, I am sure the conferees would be informed of it; and in that case I would have no objection to having the provision changed to the way it reads now.

However, it seems to me that my amendment will enable us at least to attempt to avoid some of the difficulties we experienced at the end of World War II.

Mr. MAYBANK. Mr. President, I have no objection to the amendment, unless there is objection by Senators on the other side of the aisle.

Mr. AIKEN. Mr. President, I offer the amendment.

Mr. MAYBANK. May the amendment be stated?

The PRESIDINC OFFICER. If the amendment is in writing, it will be read by the Clerk.

Mr. MAYBANK. I understand that the Senator from Delaware wishes to ask a question of the Senator from Vermont.

The PRESIDING OFFICER. Unless the Chair is mistaken, the Senator from Vermont has the floor.

Mr. MAYBANK. He yielded the floor to me, I believe.

Mr. AIKEN. I do not know, Mr. President.

Mr. MAYBANK. Of course, it makes no difference.

Mr. AIKEN. Mr. President, the amendment calls for inserting, on page 74, in line 20, after the word "persons" the word "temporarily."

The PRESIDING OFFICER. The amendment is not in writing, is it?

Mr. AIKEN. No; I am offering the amendment from the floor. I cannot conceive of any objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont to the committee amendment on page 74, line 20.

Mr. AIKEN. Mr. President, I think it is the shortest amendment which will be offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I yield.

Mr. WILLIAMS. Was any estimate made of the number of persons who will be needed under the classifications rereferred to in section 710?

Mr. MAYBANK. No.

Mr. WILLIAMS. Is there any way by which that can be determined?

Mr. MAYBANK. I do not think so. If titles IV or V are deleted, the situation will be entirely different as regards the number of persons required to be employed to administer the act.

Mr. WILLIAMS. Is the Senator from South Carolina of the opinion that some ceiling should be placed in regard to employment, so as to prohibit the hiring of all the employees under one classification?

Mr. MAYBANK. Oh, yes; I have always been of the opinion that in the case of large agencies, the number of employees should be limited. As chairman of the committee, when the bill is passed by the Senate and goes to conference, I would ask Mr. Symington and Mr. Sawyer to submit an estimate of the number of employees they would expect to have, and I should be glad to submit that information for the CONGRESSIONAL RECORD.

However, that information cannot be obtained now, because we do not know in what form the bill will be passed.

Mr. WILLIAMS. Will the Senator from South Carolina obtain the information in regard to the employment necessary to be had under the various titles of the bill, and insert that information in the RECORD?

Mr. MAYBANK. No; because Mr. Symington and Mr. Sawyer do not know now in what form the bill will be passed. After the bill has been passed and is in conference, it will be in conference for some time, and during that time I shall be able to get the information the Senator requests. I would not wish to ask Mr. Symington and Mr. Sawyer to commit themselves about something which has not yet been determined. However, I assure the Senator that I shall make a point of consulting Mr. Symington and Secretary Sawyer and any others who may be involved, once the bill is in conference; and then I shall report to the Senate the information the Senator from Delaware has requested.

Mr. WILLIAMS. But by that time it will be too late.

Mr. MAYBANK. However, we cannot obtain that data now.

Mr. WILLIAMS. Cannot the Secretary of Commerce give us an estimate now as to the number of employees required for the operations under the various titles of the bill as reported by the committee, assuming that the bill as reported by the committee is passed, and also an estimate of the number of employees required if we strike from the bill, when we pass it, titles II, III, IV, and/or V?

Mr. MAYBANK. We would never know until the President put on the standby controls.

However, I shall be only too glad to join the Senator from Delaware or any other Senator in having as few persons as possible employed and in making the administration of the act as economical as possible, and in cutting the size of the

operations and of the funds available for the operations under the act to the minimum size possible, the smallest size with which the act can be administered.

Certainly I do not believe in having an excessive number of employees placed on the government payroll. After all, I have never been a great admirer of much of the operation of the Civil Service system.

Mr. WILLIAMS. However, the bill as it now stands would provide wide-open authority, insofar as employment is concerned.

Mr. MAYBANK. Of course; but we cannot say now how many persons the President will employ under this measure, when we do not yet have the bill passed or a conference report on the bill.

I would not wish to ask such questions of Mr. Symington or the Secretary of Commerce, because to do so would be entirely futile.

Mr. WILLIAMS. Nevertheless, it seems to me that it is ridiculous for us to consider making certain provisions when we have no estimate of the number of employees who would be required under those provisions.

Mr. MAYBANK. Of course in the committee bill we have provision for separate selective price controls, although the House has not voted to include such provisions in the bill it has passed. Suppose the President were to place selective price or allocation controls on other commodities. If he did, a larger number of employees would be required. We cannot guess about that situation.

Let me say that I do not mind writing a letter in regard to the matter about which the Senator from Delaware inquires, if the Senator wishes me to do that; but I do not see what good it would do.

Of course, the Appropriations Committee must pass on these matters, insofar as the pay of Government employees is concerned. However, when the Congress passes measures calling for additional employees, the Appropriations Committees usually vote to report appropriation bills providing the necessary funds.

Nevertheless, of course, if the Senator wishes me to do so, I shall be glad to write to Secretary Sawyer, as chairman of the committee, and request that information. However, the Secretary of Commerce cannot state how many thousands of employees will be required, if he is unable to tell whether there will be operations in every county of the United States or whether there will be selective operations.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. MORSE. I wish to invite attention to section 706 on page 71, and I should like to refer to the colloquy had a few minutes ago between the Senator from South Carolina and the Senator from Nebraska [Mr. WHERRY]. I wish to be sure that I correctly understand that colloquy.

It is my understanding that the Senator from South Carolina said to the Senator from Nebraska, in effect, that all orders and decisions issued by any tribunal under this measure would be subject to review and appeal before any district court of the United States, anywhere in the United States.

Mr. MAYBANK. I did not understand it that way, Mr. President. They would be restrained or enjoined only in the Emergency Court.

Mr. MORSE. Then I respectfully submit that the Senator from South Carolina and the Senator from Nebraska are miles apart, on the basis of the answer the Senator from South Carolina gave to the Senator from Nebraska.

Mr. MAYBANK. As I recall, the Senator from Nebraska was talking about overcharges by persons who violate the law, insofar as prices are concerned.

Mr. WHERRY. Mr. President, I asked the question, during the course of the colloquy between the Senator from Oregon [Mr. MORSE] and the Senator from New York [Mr. IVES]—I think it was on last Friday—as to which court would have jurisdiction of the regulations and violations. I understod from the distinguished Senator from New York [Mr. IVES] and also from the distinguished Senator from Oregon [Mr. MORSE] that the court which would have jurisdiction would be the court set up under the act. Is that correct? I understand it is the Emergency Court of Appeals.

Mr. MAYBANK. To determine the constitutionality of regulations.

Mr. WHERRY. That is exactly what I understood the Senator to say.

Section 706 states:

> The district courts of the United States and the United States courts of any territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this act or any rule, regulation, order, or subpena thereunder, and of all civil actions under this act to enforce any liability or——

Mr. MAYBANK. Criminal liability.

Mr. WHERRY. Perhaps. Very well. That is a little different from what I thought it was. At any rate the district courts are limited to civil actions——

Mr. MAYBANK. Criminal and civil.

Mr. WHERRY. Civil and criminal actions with respect to liability for violations of the regulations and orders, is that it?

Mr. MAYBANK. That is correct—to enjoin them.

Mr. WHERRY. What about the labor violation? It refers to violations on the part of employer or employee, and to disputes.

Mr. MAYBANK. So far as the labor sections are concerned, we have the national labor relations laws and the so-called Taft-Hartley law. It refers very particularly to it in one section.

Mr. WHERRY. What court would have jurisdiction? Where would the complaint be filed to institute prosecution? I do not want to be too technical, but I raise the point which the Senator from Oregon has raised.

Mr. MORSE. Mr. President, I take the floor for 2 or 3 minutes in my own right, and out of a motivation to be helpful to the committee. I want to make a very few brief remarks tonight on section 706. I shall discuss it at considerable length later on in the week, if we are unable to work out what I think is a very much needed revision of this bill in respect to the review powers.

Mr. MAYBANK. Mr. President, will the Senator yield to me for a statement?

Mr. MORSE. I yield, if I do not lose the floor.

Mr. MAYBANK. I can readily understand, I believe, what I think is in the Senator's mind with reference to certain sections of the bill. Before the Senator came in, I had advised Senators that we were calling a meeting of the committee for 5 o'clock, but we wanted to get through with a few uncontested amendments before we met. The Committee on Banking and Currency was to meet in the Appropriations Committee room, and the committee is meeting now. While I do not want to leave, because I should like to be enlightened by the Senator from Oregon, who knows so much about these matters, yet I should like to be able to go to the meeting, and I will read with interest what the Senator has to say about it. I think the Senator has in mind something we are going to discuss tonight in our executive meeting.

Mr. MORSE. Mr. President, I intend to use not more than 5 minutes in calling attention to something I think the Senate, and particularly the committee, must keep in mind before this bill is finally acted on by the Senate. It is that an economic control bill is not worth the paper it is written on, unless it is workable and capable of accomplishing its objectives. If it has imbedded within it procedures that assure its unworkability, then I think we should eliminate such procedures before the bill is passed. I respectfully submit this bill, in its present form, is so unworkable for accomplishing its purposes in respect to mobilizing the economy and producing a uniformity of action across the country that I most respectfully and sincerely express to the committee the hope that it will reconsider the bill from the standpoint of its procedure.

The Senator from South Carolina may think that section 706 applies only to criminal matters, but if he will reread the section he will see that it is a blanket section. Let me read it:

> The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this act or any rule, regulation, order, or subpena thereunder, and of all civil actions under this act to enforce any liability or duty created by, or to enjoin any violation of, this act or any rule, regulation, order or subpena thereunder—

And so forth. Mr. President, I do not know how a lawyer could set about writing a section in a bill that more clearly gives to the district courts of the United States the power of review over the administration of this act than does section 706. We should keep in mind that the primary purpose of this kind of economic legislation is to help with the successful prosecution of the war. That is the purpose. It calls for action and uniformity of action. Believe me, Mr. President, it will be impossible to obtain action if the orders which are issued under this bill are to be subject to review by all the district courts of the United States. I think we must

assume that these standby powers, if the international situation becomes serious enough, will be implemented and put into effect, and their implementation is going to call for the setting up of an administrative tribunal for pricing boards, for rationing boards, for an allocating board, and for labor boards. Unless I completely misunderstand the purpose of the bill, it is going to call for the setting up by the President of the United States, through such Executive orders as he may decide to issue in conformity with the spirit, intent, and purpose of the bill, of whatever agencies of government may be necessary to take jurisdiction over segments of our economy and to mobilize them for the war effort.

As a lawyer, Mr. President, I know how easy it is for lawyers to argue that in a situation such as that, we ought to grant the district courts of the Nation the power to review, to code, and to enjoin, if necessary, the decisions of these tribunals as they affect businesses, unions, and individuals within the jurisdiction of the court. No Member of the Senate will defend that power of judicial review in peacetime more than will the junior Senator from Oregon. But war is a different thing. When we are at war, Mr. President, the rights and liberties of each one of us must be subject to the common good and to the common emergency. We cannot have the lack of uniformity which is inherently breathed into this section and which is an inevitability if it stands in the law.

I illustrate what I mean by making the assumption that in the face of this international crisis the President decides by Executive order, which I think this bill would authorize him to issue, to establish a war labor board. To do what? To carry out what I assume will come to pass by way of an agreement, namely, an agreement on the part of American industry and labor, as in the last war, that they will not settle their differences by economic action during the emergency or the war, but will settle their differences through a no-strike-no-lockout agreement, with both sides submitting their issues to the War Labor Board for determination. The strength and effectiveness of that Board is going to be in the uniformity of its policies applied across the country without discrimination. Consider some of the problems which confront that Board. Let us take the manpower problem of pirating, for example. One of the great problems which confronted us in World War II was the attempt on the part of certain employers to pirate away from other employers who were doing essential work for the war effort the men they sorely needed in community X and moving them into community Y. There were some instances of pirating in the same labor market. It so happens in time of war that extraordinary powers have to be vested in the tribunals. Believe me, Mr. President, if we gave to a district court the power which I think is inherent in section 706 of the bill, the War Labor Board would very soon become prostrate and ineffective.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MORSE. I should like to finish my point, and then I shall be glad to yield.

It would find its decisions and policies tied up in half a dozen district courts.

I could paint a picture, Mr. President, of what would happen to labor morale in this country, or what would happen in the field of industrial labor. Instead of having no-strike-no-lockout agreements, we would be confronted overnight with strikes across the Nation, because, after all, we have got to have a Board with the power, under Executive order, to apply uniform labor policies during a national emergency.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. SPARKMAN. Mr. President, I may say to the Senator that at this very moment the Senate Banking and Currency Committee is in executive session. I am the only member of that committee left on the floor, and I have been excused from attending the meeting in order to remain here. The committee is meeting for the purpose of perfecting an amendment aimed at the very thing the Senator has so clearly pointed out, namely, the manner in which orders or transactions of the Labor Board, or Labor Disputes Board, or whatever it may be called, might be tied up. Representatives of the interested departments and agencies came to see us today and said they had made a slip in the drafting of the bill. They have proposed an amendment, and the committee is in session at this time considering it.

Mr. MORSE. Mr. President, that being the case, I shall suspend the discussion until I see the amendment. I would add only this point, however, that I hope it is not an amendment that narrows its application only to the tribunal that will handle labor cases, because I think the same principle applies to economic mobilization in fields other than industrial labor cases.

Do not misunderstand me, Mr. President. I am not saying there should not be a review; I am saying that the review must be channelized, in my judgment, through a special court or through special courts which will follow a uniform policy for the period of the emergency. We cannot have one rule in regard to prices in Kentucky, the State from which the Presiding Officer comes, another rule in Oregon, and still another rule in Nebraska, because that kind of lack of uniformity would have a tremendous effect upon the morale of the American people. Of course, it would result in legalistic tactics on the part of selfish interests which are not always, I regret to say, willing to give evidence of their inclination to subordinate their selfish interest for the common good in the most effective prosecution of the war.

Therefore, Mr. President, I want this bill very carefully scrutinized from the standpoint of the enforceability of the decisions and orders to be rendered under it, because if the procedure permits an emasculating or weakening effect of the orders, we may as well not have any bill at all.

Mr. SPARKMAN. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. SPARKMAN. Of course, I appreciate the remarks which the Senator from Oregon has made regarding a careful study of the bill. I admit that we all need to study it in order to know what is in it. It is a bill which is rather complex in its many provisions, but it is a bill to which the committee has given a great deal of attention.

In his study of the procedure of the courts, I wish the Senator from Oregon would include section 408, which commences on page 50 and ends on page 54 of the bill. I particularly invite his attention to that part of subsection (d) which is on page 54, in which we give to the emergency court of appeals and to the United States Supreme Court exclusive jurisdiction over certain things, namely, to test the constitutionality of the act. We felt that by establishing that requirement, we would obtain uniformity.

The other matters referred to under section 706 relate to both criminal and civil actions which may be brought against individuals. The power of injunction, the power to stay, and the power to restrain are given in section 706. The Government may go into the judicial system wherever a violation of the act is about to be committed and get an injunction against the person so as to restrain the doing of an unlawful act.

I do not know whether I misunderstood the Senator from Oregon or the Senator from Nebraska with reference to section 706, but I do not see that there could be any objection to the jurisdiction conferred by it. It does not mean that a person could be dragged from one district into another district and prosecuted, or made answerable to a damage suit. It is laid down according to regular rules of procedure. The court has criminal jurisdiction where the violation occurs. The court has civil jurisdiction where the defendant lives. That is according to the usual, everyday procedure. It relates not to a test of the constitutionality of the act, or regulations or orders that are issued under the act, but to the trial of criminal violations and civil suits for the awarding of triple damages, and to enjoin a violation of the act. I believe we ought to keep in mind very clearly the two distinct sections, namely, section 408 and section 706.

Mr. MORSE. I wish to call the attention of my very good friend from Alabama to the fact that section 408, at page 50 of the bill, to which he has called my particular attention, and especially subsection (d) on page 53, deals, as he points out, only with the procedure for testing the constitutionality of the act.

Mr. SPARKMAN. Or the validity of a regulation or order under the act.

Mr. MORSE. As to its constitutionality.

Mr. SPARKMAN. And the validity of its issuance.

Mr. MORSE. If that be true, section 408 is inconsistent with section 706, and

it is impossible to reconcile it with section 706. A reading of section 706 clearly shows that it is sought there to provide for a test of the constitutionality of the act through an emergency court.

That is one place where I do not believe there is a need for an emergency court in which to test the constitutionality of the act. Constitutionality can be tested in any Federal court, and one can go from there to the Supreme Court. That is one question as to which we need least of all an emergency court. It is the type of problem which would come under section 706 in which uniformity is needed, in which it is necessary to watch out for diversity, and in which it is necessary to avoid an undermining of administrative bodies which have been given a war job to do. We must constantly keep in mind the fact—and this is what so many people do not like to admit—that whenever there exists a cause which justifies this kind of administrative set-up peacetime procedures simply must go by the board for a while, particularly with reference to legal delays and technicalities which may require months to do by before it is possible to get a test of the question whether a labor board, rationing board, allocation board, or pricing board was right in an order such a board issued with respect to Mr. X, Mr. Y, or Mr. Z. Time simply does not permit of the luxury of that kind of procedure in wartime. Section 706 applies to the validity of these decisions.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MORSE. Yes.

Mr. SPARKMAN. That kind of action could not be brought under section 706. It would have to be brought under section 408. Section 706 permits the Government to start, first, criminal prosecutions and, second, civil suits. For what purpose? For the recovery of triple damages and for the purpose of restraining or enjoining a violation of a rule or regulation. The validity or constitutionality of the act, or of any regulation or order cannot be tested under section 706. I do not think the Senator from Oregon would say that if a person who lives in a remote part of his State of Oregon were to violate the act, and the Government wanted an injunction issued against him, the Government ought to go into the district court or an emergency court of appeals sitting in Washington, or a district court sitting in a remote State, and start an action against the man, instead of going into the district court in the State of Oregon in the district in which the man lives. That is all that section 706 provides.

Mr. MORSE. I am very glad to have the assurance of my very good friend from Alabama as to what he thinks section 706 provides. I wish to tell him here and now that in my humble opinion he is dead wrong as to the legal effect of section 706, and that he is dead wrong about a very elementary principle, too, of legal procedure in his assumption that section 706 gives to the government a unilateral right in a district court and denies to a citizen the right to press his claim against the Government. The Senator had better wake up if he thinks that is what the section provides. He will wake up very early in the administration of the act to find he is wrong, because a district court will say the language is clear:

> The district courts of the United States and the United States courts of any territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this act or any rule, regulation, order, or subpena thereunder.

If a labor board had handed down a decision in a union maintenance case, for example, in the State of Oregon, I would not hesitate for a moment to argue befort the district court in Oregon that I wanted the court to hear my case in regard to an injunction which was sought to be issued against my client under such order of the board. I do not think the court would throw me out on any such contention as the Senator from Alabama has advanced, namely, that section 706 applies only to the Government, and not to my client. If that is what the committee had in mind, the language can be changed. However, the language is not in the bill at the present time. I submit that section 408 makes perfectly clear that the committee intended the emergency court to be the channel through which an early testing of the constitutionality of the act could be had. Apparently that is what they had in mind. Therefore there is no point in carrying on the colloquy except to say that I think the sections are as clear as mud. Furthermore, if they are capable of the interpretation I have made of them, they ought to be qualified at an early hour.

Mr. SPARKMAN. Mr. President, will the Senator yield before he yields the floor?

Mr. MORSE. I yield.

Mr. SPARKMAN. I wish the Senator would follow the section very closely with me.

Mr. MORSE. Which section?

Mr. SPARKMAN. Section 706. I am as completely convinced of error on the part of the Senator from Oregon as he seems to be convinced of error on my part. Legislative counsel, who draft bills——

Mr. MORSE. I have known them to be wrong many times.

Mr. SPARKMAN. This was a matter of discussion in committee, and we were assured that our interpretation was correct. I should like to invite the Senator's attention to the fact that this section follows almost word for word the language which was contained in the wartime act. I said a short time ago that jurisdiction was limited to the Government under section 706. I wish to make one exception to that statement. The individual citizen has the right to sue for triple damages, but that is the only right that is given him in the section.

Mr. MORSE. The chairman of the committee told us that provision had been taken out.

Mr. SPARKMAN. Perhaps the Senator did not understand the chairman's full answer, or the chairman did not answer the question fully. It is in the section, but the limitation is $10,000. No one fine shall exceed $10,000.

Mr. MORSE. That was not the answer the Senator from Nebraska received.

Mr. SPARKMAN. Regardless of that, I am sure that if the Senator from South Carolina made the statement referred to, this is what he had reference to, because we inserted a limitation of $10,000 as the amount which could be added to the triple damages.

Mr. MORSE. The Senator from South Carolina, in answer to a question by the Senator from Nebraska, stated that triple damages were out of the bill, and in their place an aggrieved party could initiate an action, a buyer from a seller, to recover the loss that was sustained in the overcharge, with provision of not to exceed a $10,000 fine if he could substantiate his claim.

Mr. SPARKMAN. The statement of the $10,000 limitation is correct, but the damages up to that point may be triple damages.

Mr. WHERRY. I should like to know exactly whether that is the situation.

Mr. SPARKMAN. Mr. President, if the Senator from Oregon will yield, I should like to call the attention of the Senator from Nebraska to page 55, subsection (c), of section 409, which reads:

> If any person selling any material—
>
> And so forth—
>
> in any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based—
>
> Provided it is not more than $10,000.

I am sure the Senator from South Carolina had that in mind when he said it was out. It is in, with the limitation of $10,000. He meant that it was out in excess of that amount.

Going back to section 706, if the Senator from Oregon will follow me, it is provided:

> The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this act or any rule, regulation, order, or subpena thereunder.

It shall have jurisdiction of violations of any one of those things, in criminal cases arising because of the violation by any party of any provision of this act, any rule, any regulation, any order, or any subpena issued thereunder.

Mr. MORSE. Oh, the Senator overlooked the little word "or."

Mr. SPARKMAN. It says "of this act."

Mr. MORSE. "Violations of this act, or."

Mr. SPARKMAN. I said that.

Mr. MORSE. The Senator said it, but he did not give the proper interpretation to it when he said it. The moment we say "violations of this act", we give the district courts jurisdiction over the offenses set out, and it cannot be changed unless we get rid of the word "or", or insert language which makes clear what we are trying to do. I should like to have a debate with the Senator on the power to do it, but let us assume there is the power to do it, that we have the intention of giving to the district courts jurisdiction over violations and

rules and regulations which some tribunal subsequently set up under the act, about which we do not know at the present time, might wish to enforce against a citizen or corporation or partnership within a State for violation of some decision of one of those tribunals, but the bill does not say which.

Mr. SPARKMAN. Mr. President, does not the Senator understand that the force of the word "violations" continues with each one of those coordinate words?

Mr. MORSE. What the Senator from Oregon is saying is that the first use of the word "violations" in the bill vests in the courts jurisdiction over the tribunals as well as over individual defendants who may be brought before the court by tribunals for violations of some rule or regulation of the tribunal.

I respectfully submit that this section is subject to the interpretation of some district court, that when the Congress writes into the act the first part of the section prior to the word "or," it gives to the district courts jurisdiction to pass judgment in review upon the decision of a pricing board, or labor board. I think our dispute is a dispute over terminology. If the language employed does not express the intention, the language can be modified, and if the committee is modifying it downstairs at this time, that is fine.

Mr. SPARKMAN. I desire to make it clear that the conference downstairs relates only to labor features.

Mr. MORSE. Then they are doing only part of the job.

Mr. SPARKMAN. The purpose is specifically to take out orders which may be issued in connection with wage-and-labor disputes.

Mr. MORSE. I see no reason why some special procedure should be set up for labor and not for the other problems.

Mr. SPARKMAN. Mr. President, I think I know, from the discussion we have had here, that we have the same thing in mind. The committee is reinforced by the legislative counsel, by the legislative experts who came to us from the Department of Commerce, and from the National Security Resources Board, and we are reinforced by our own staff members, that the wording here is proper and correct to accomplish the purpose we have in mind. If the Senator from Oregon or the Senator from Nebraska can offer language which will, in their minds, make it clear that what we want done will be done, I see no objection to it.

TEXT OF STATEMENT BY MINORITY MEMBERS OF FOREIGN RELATIONS COMMITTEE ON FOREIGN POLICY IN EUROPE AND ASIA

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD the text of the statement issued by the minority members of the Senate Committee on Foreign Relations.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We, minority Senators of the Foreign Relations Committee, herein expressing our individual views, pledge our full support to the national effort to build strength for victory. We pay tribute to the heroism and sacrifice of our fighting men in Korea. To be worthy of them we must, above all, face the future with faith, realism and courage.

In this spirit and in discharge of our duty under the American two-party system to scrutinize relentlessly the basic facts of America's position in the world, we set forth:

I, an analysis of the events of 1945 which today bear so directly on America's present world position;

II, an analysis of the crucial events which began in 1947; and

III, our recommendations for future action.

I. 1945

The major tragedy of our time was the failure and refusal of American leadership in 1945 to recognize the true aims and methods of the rulers of Soviet Russia. To this failure can be traced the disintegration of our armed forces in 1945, which would not have occurred if the need for retaining adequate forces had been explained to the American people, and the senseless destruction of billions of dollars' worth of military equipment which the United States and its friends so desperately need today.

To this failure also can be traced the blindness of our leadership in ignoring the Communist attempts to capture the minds of men. We missed the opportunity to broadcast to the world our democratic doctrine of the dignity of man as the spiritual rallying-point for all freedom-loving peoples.

By this failure we lost the initiative and the influence for peace which we had won by force of arms and by virtue of our historic pioneering in the evolution of democracy.

To this failure adequately to understand the Soviet mind and purposes the major troubles of the world today are due, notably the following:

1. The disastrous consequences of the Big Three conferences at Yalta and Potsdam in 1945. From these conferences stemmed the weakening of the United Nations; the Communist capture of eastern Europe and of China; and the unfolding disaster in the Far East—all of which were accentuated by subsequent administration policy.

2. The partition of Germany, whereby the western border of the Russian zone was drawn apparently so as to include many of the best military locations in western Germany. Added to this is the arrangement whereby Berlin became an island, completely surrounded by Russian territory, without any adequate assurance of the right of access by land.

3. Our failure vigorously to build strong American armed forces and early to take adequate measures, such as helping to build friendly military forces abroad. These forces could bear, and relieve us of, a part of the weight of combat where Soviet satellites may now threaten the peace of the world and commit American forces without engaging a single Russian soldier.

4. The failure of our leadership, before and during the Yalta Conference, to insist upon such limitation of the veto power (except on questions involving use of force) in the United Nations as would prevent the crass abuse of that power by the Soviet Union. These abuses have weakened the United Nations and will prevent it from regaining its stature until they have been abolished, as demanded by Senate Resolution 239, the Vandenberg resolution, developed in 1948 by the Senate of the Eightieth Congress.

5. The fact that truly effective international inspection and control of atomic energy facilities and use, without which there can be no genuine progress toward world peace, has not been established.

6. The loss of freedom in Europe, by the peoples of Poland, eastern Germany, the Baltic states, Albania, Czechoslovakia, Rumania, Hungary, and Bulgaria; and, in Asia, the loss of Outer Mongolia, North Korea, and China. All of these, victims of a Soviet design only thinly camouflaged by the Yalta and Potsdam agreements, have gone behind the iron curtain. This has increased the Soviet Communist empire from 180,000,000 people in 1939 to some 750,000,000 people at the present time, encompassing about one-third of the world's total area and population.

II. 1947

In contrast with these results, all stemming from the failure in 1945 to understand the Kremlin, came a new view in 1947, insofar as Europe was concerned, which reflected a growing understanding of Soviet intentions.

Strong bipartisan leadership and cooperation had already resulted in 1945 in the writing and ratification of the United Nations Charter. During 1947 and 1948 this bipartisan spirit brought forth the program for Greek and Turkish aid, the Marshall plan, the Rio pact, and, in 1949, the North Atlantic treaty. These have combined to frustrate Communist subversion and to discourage Communist aggression in Europe and in the Americas.

In sharp contrast, however, has been the policy in the Far East, where we were persistently led to believe that Chinese communism was only a great agrarian reform movement. After half a century of cordial relations in the Far East, and especially with China, with all its troubles and difficulties, in about 1945 we were suddenly faced with a change of policy which is difficult to understand unless we evaluate the subtle betrayals of China at the Yalta conference.

This conference sabotaged the assurances given to China at the Cairo conference of 1943, where also the future freedom of Korea was pledged. The Yalta agreement turned over to Stalin the control of Manchuria and Outer Mongolia and the ports of Dairen and Port Arthur. This was part of the price we paid for the unnecessary token participation of Soviet Russia in the war against Japan, one of the consequences of which was the division of Korea at the thirty-eighth parallel.

Our far eastern policy, growing out of these events, consistently temporized with and capitulated to the ruthless demands of the Communists, dominated by Moscow. Under it the Kremlin was, in effect, given a green light to grab whatever it could in China, Korea, and Formosa. This was never a bipartisan policy. It was solely an administration policy.

III. THE FUTURE

These are all facts which must be faced. The American people will not now excuse those responsible for these blunders. The President's decision to sustain, by military action, the stand of the United Nations against aggression in Korea must receive united support. But the liberation of Korea and the mere building of strength to resist aggression are, by themselves, not enough.

We shall not sleep peacefully at night until our Government's policy is based on the full realization that world domination by communism is still the goal of the Kremlin. It will continue to be the goal until the free nations of the world, each contributing its fair share, realistically join together through the United Nations to establish peace in a free world.

We must reassure the world of our constant desire and readiness earnestly to search for and consider any and all proposals for peace based on justice.

The United States must, therefore, regain the initiative and the power for the organization and preservation of lasting peace, which it threw away in 1945. This means that the present intolerable military weakness of the free world must be remedied by us and our friends at top speed. Never again must be allow ourselves to be caught, as we were when Korea was invaded, in a position

where our failure to foresee the possible implications of our basic foreign policy will result in our being inadequately prepared to carry out that policy in time of crisis.

In this crisis there can be no politics as usual or business as usual. This is fundamental.

Once we regain the initiative, we can then redouble our efforts through the United Nations (1) to establish a reliable program of international inspection and control of atomic activities; (2) to halt lawless aggression of the strong over the weak and the slavery which communism inflicts upon its victims; and (3) to pursue every effective means to give greater strength to the United Nations as a powerful force able to prevent aggression in the world, urging that, if lesser means are unavailing in this effort, a special session of the General Assembly be called to amend the United Nations Charter, as proposed in the Vandenberg resolution of 1948.

These things need not mean bloodshed and war. They ought to prevent war. They do mean, however, the powerful unity of the free nations acting in enthusiastic concert.

In place of ineptitude, American strength and integrity must become the major encouragement for purposeful unity among those peoples who, possessing freedom themselves, seek to extend it to others. Then, and only then, will the military victory and the moral leadership which we achieved in 1945—and then lost in that same year—be translated into concrete results for humanity.

Our aims should be thought out now and translated into major long-range American policy consistent with our human and material resources. Without such major aims we cannot expect the maximum effort either from ourselves or from other peoples. Great sacrifices require great objectives. We must not wait until the present crisis is over and then fumble the ball of international peace because we are not prepared for victory. For the attainment of such aims we will hold the administration strictly responsible.

On the basis of honest recognition of past errors, and courageous resolve for the future, we whole-heartedly pledge our unpartisan cooperation to final victory.

ALEXANDER WILEY.
H. ALEXANDER SMITH.
BOURKE B. HICKENLOOPER.
HENRY CABOT LODGE, Jr.

NOTE.—Senator VANDENBERG'S office authorizes the statement that the Senator's illness has prevented his participation in this draft, but that he has seen the text and is in general agreement with the viewpoint here expressed by his colleagues on the committee.

COMMUNIST STRIKES IN HAWAII

Mr. BUTLER. Mr. President, I had a prepared statement which I intended to make on the Communist situation. In view of the lateness of the hour, I ask unanimous consent to have it inserted in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

COMMUNIST STRIKES IN HAWAII

Mr. President, in my minority report on the Hawaii statehood bill, H. R. 49, I pointed out the dangerous position created for the United States by Communist control of the International Longshoremen's and Warehousemen's Union in Hawaii. In that report, I said: "Communist strength in Hawaii is far, far greater than in any part of the continental United States. It is so great that it controls the one large labor union there."

Further on I pointed out: "In contrast to the situation in any of the States, Hawaii has only one large labor union. That one large union controls the working force of all the principal industries of the islands—shipping, warehousing, sugar, and pineapples." * * * "This union is a part of the International Longshoremen's and Warehousemen's Union, and it is completely controlled by Harry Bridges and other known Communists."

Finally my report stated: "It is shocking to imagine the position in which we might be in case of war with Russia. Harry Bridges and the other Communist leaders of the union could be expected to sabotage the war effort to the limit of their ability. We might be visited with a succession of tie-ups of shipping, sabotage, and destruction of vital equipment and machinery, slow-downs, 'quickie' strikes, and every other imaginable tactic which might hamper our military operations."

Mr. President, I regret that I must inform the Senate my predictions have started to come true. Since the beginning of the Korean fighting, there has been a sudden upsurge of labor conflict in Hawaii. Just during the last few days there has been a wave of strikes on almost all of the sugar plantations. At this point I would like to put in three clippings from the Honolulu Star-Bulletin for August 7, 1950.

The first is entitled "Four Thousand Plantation Workers Quit Jobs," which describes the strike of the sugar workers on 10 out of the 13 sugar plantations on the island of Hawaii. Only three of the plantations on the big island, as it is called, continued to operate. The second news item is entitled "Hall Supports Sugar Workers' Protest Action," in which Jack Hall, regional director of the ILWU, made it clear that he fully supported this act of sabotage. The third is entitled "Lawyers Ask Writ To Free Dock Leader," which relates to the legal action taken by Harry Bridges' attorneys to get him out of jail:

"[From the Honolulu Star-Bulletin of August 7, 1950]

"FOUR THOUSAND PLANTATION WORKERS QUIT JOBS—PROTEST JAILING OF BRIDGES

"HILO, HAWAII, August 7.—An estimated 4,000 sugar workers on 10 Big Island plantations refused to work today in protest against the jailing of ILWU President Harry Bridges.

"A sugar industry spokesman said only about 520 employes are on their jobs today at the affected plantations.

"Three plantations—at Kohala, Laupahoehoe and Hakalau—reported normal operations.

"These other developments came quickly this morning in the wake of the week-end jailing of Bridges in San Francisco.

"MESSAGES TO TRUMAN

"1. Three out of four Hawaiian locals of the ILWU sent protest messages to President Truman. They urged that he be released on 'reasonable bail' and given a new trial.

"2. In Honolulu ILWU Regional Director Jack W. Hall supported the walkout of the Big Island sugar workers. 'You can't blame them,' he commented.

"ALL BUT THREE BIG ISLAND PLANTATIONS AFFECTED

"The Big Island's cane fields were practically deserted today.

"The seemingly well-planned work stoppage, which some union officer described as rank and file support of their union chief, occurred simultaneously at all but three of the island's 13 plantations.

"Members of the longshore and miscellaneous locals have not followed suit.

"Operations were reported normal at Kohala Sugar Co., Laupahoehoe Sugar Co., and Hakalau Plantation Co. Most of the workers at Honokaa Sugar Co. are on vacation so curtailed operations were not affected by a turnout of only 15 of the 65 workers supposed to be on their jobs.

"Indications are that the island-wide work stoppage will last for 24 hours.

"OLAA STOPPAGE

"At Olaa Sugar Co., only about 224 of the work force of 1,100 reported to work.

"The ILWU sugar local office there was the central unit for the planning of the protest action.

"Representatives from most of the island's plantation met there last week to map their plan.

"An Olaa unit officer was reached this morning but he refused to give the reason for the island-wide action or disclose if the stoppage would continue tomorrow.

"No demonstration was reported this morning despite rumors last week to the effect the sugar workers would express their protest in that manner.

"COMMENT REFUSED

"George Martin, sugar local division vice president at Hilo headquarters, said he would not comment on the matter 'until I get all the facts.'

"Plantation officials denounced the work stoppages as being inspired and enforced on the membership by a few leftist union officers.

"One spokesman declared the act 'a strike against the government.'

"James S. Beatty, manager of Hutchinson Sugar Plantation Co., Naalehu, branded the stop-work meetings as illegal.

"When the workers failed to show up for the 6 a. m. shift at the Pahala plantation, supervisors pitched in to keep the mill running.

"ILWU members at the two Kau companies held a joint meeting at the Pahala gymnasium to hear union speakers. The crowd was orderly.

"OTHER MASS MEETINGS

"Other mass meetings were reported to be in progress at Hilo Sugar Plantation Co. and at the Olaa union office.

"In addition to Olaa's sprawling plantation in Puna, other companies affected are Paauhau Sugar Co., Hamakua Mill Co., Kaiwiki Sugar Co., Pepeekeo Sugar Co., Onomea Sugar Co., Hilo Sugar Plantation Co., Hawaiian Agricultural Co., and Hutchinson Sugar Plantation Co.

"William Silva, president of the unit at Pahala, said the stop-work meeting would last for 24 hours.

"The work stoppage was confined to the sugar plantations.

"Officials of Hilo Transportation & Terminal Co. reported their clerks and motor pool workers were on the job. As no ships are in port no stevedore crews were on call.

"PROTEST MESSAGES SENT TO PRESIDENT TRUMAN

"The ILWU longshore, sugar, and miscellaneous locals of Hawaii today protested the jailing of ILWU president, Harry Bridges, and urged President Truman to order his release and give him a new trial.

"Copies of almost identical radiograms to the White House were released to the press this morning.

"The messages expressed 'complete confidence in Bridges' loyalty to America.'

"The telegram by the longshore local said:

" 'We are shocked at the illegal jailing of our union's president, Harry R. Bridges.

" 'We protest vigorously against this denial of the traditional American right to bail pending judicial appeal on the phony basis that he represents a security threat.

" 'We urge you to direct his release on reasonable bail and to instruct the Department of Justice to grant him a new trial based on new evidence.

" 'We have complete confidence in Bridges' loyalty to America and to its working people, particularly to we members of the ILWU.'

"The sugar local's telegram is almost identical.

"It is signed by Antonio Rania, president, Constantine Samson, first vice president, and Saburo Fujisaki, secretary-treasurer.

"A third radiogram was sent by local 150, the miscellaneous division. It was signed by Ernest Arena, president, and Edward Hong, secretary."

"HALL SUPPORTS SUGAR WORKERS' PROTEST ACTION

"ILWU Regional Director Jack W. Hall commented today, 'You can't blame the thousands of workers who left their jobs this morning on the Big Island in protest against the jailing of Harry Bridges.

" 'And there will probably be other thousands who similarly protest,' he added in a press statement.

" 'They respect and support him. They know he could have taken the easy way out for himself—at their expense.'

"An identical statement was issued by Takeo Furiuke, president, and Toyomasa Oshiro, secretary-treasurer, of local 152, the ILWU pineapple local.

"Mr. Hall asserted:

" 'If it is a contract violation, as alleged, for the members of our union on the island of Hawaii to have left their jobs temporarily in protest against the illegal jailing of their leader—but I strongly doubt that it is—I still applaud their action.'

"NOT HAPPY ABOUT JAILING

"Hall's statement said ILWU members in Hawaii are not happy about the Bridges jailing which he termed a 'gross violation of the fundamental right to bail guaranteed in the Bill of Rights, except for capital crimes.'

" 'Bridges,' he said, 'is certainly less of a threat to the security of our Nation than the Wall Street and Missouri crowd surrounding President Truman—even if he were guilty of all the terrible and untrue things they say about him.

" 'The ships are being loaded and sailed. War cargoes are moving to the Korean front and no member of the ILWU, including Bridges, is making any effort to impede that movement.

" 'The war situation is being used simply as a phony excuse to carry out the illegal detention of Bridges.'

"LEADERS PRAISED

"Praising 'Bridges and other ILWU leaders,' the statement asserted that ILWU members 'know that not a single agency of government has ever made the employers pay them more money than they were getting—even in their most miserable and depressed days.

" 'And that is so even where agencies like the Department of Agriculture were able to do something about their then rotten conditions.' "

"LAWYERS ASK WRIT TO FREE DOCK LEADER

"SAN FRANCISCO, August 7.—Harry Bridges' attorneys today asked the United States circuit court of appeals here to free the jailed president of the CIO longshoremen's union.

"They filed a writ asking that bail be set. The court agreed to hear arguments at 10 a. m. tomorrow.

"Bridges was jailed Saturday after Federal District Judge George B. Harris revoked his $25,000 bail. He upheld the Government contention that the longshore leader is a threat to national security and should be in custody pending appeal of his perjury conviction.

"Norman Leonard, the attorney who signed the circuit court appeal, said the Government has made no claim that Bridges is not a good bail risk nor that there is no grounds for appeal.

"SAYS RIGHT DENIED

"The writ said that to deny bail 'because in meetings of his own labor union Bridges said things which not only every citizen but every person in our Nation has the constitutional right to say' would violate Bridges' constitutional rights.

"Meanwhile, the attorneys also presented to Federal District Judge Dal M. Lemmon a writ of habeas corpus asking that the Government show cause why Bridges should not go free on bail.

"Judge Lemmon indicated he would consider the writ this afternoon.

"In revoking bail, Judge Harris termed Bridges 'probably one of the most cogent figures in the Communist Party in America today,' adding:

" 'As such, his allegiance cannot be to the United States of America. His conduct since the beginning of the Korean crisis and his remarks during this (court) proceeding are of such a nature as to justify this court in concluding that his loyalty and allegiance are and must be with the Communists.'

"Bridges was on bail pending appeal of his conviction last April on a perjury charge. The jury found that he lied when he declared under oath at his naturalization hearing that he was not a Communist.

"SPENDS QUIET DAY

"Bridges, born in Australia, became a citizen in 1945.

"The longshoremen's leader spent a quiet first day in the county jail. Sheriff's deputies said he adapted himself quickly and cooperatively to prison routine. He asked no special favors.

"Bridges arose, with other prisoners, at 6 a. m. yesterday, after retiring at 9 p. m. Saturday. He washed his own utensils after breakfast. At 11 a. m. he conferred with his attorney, James Martin MacInnis. When visiting hours opened at 1:30 p. m., Bridges had four callers, including his wife, Nancy, and a daughter, Jacqueline.

"He waved reporters away with a thin smile. 'I feel fine,' he said. 'I have nothing more to say.' "

Mr. President, prior to these strikes, an especially damaging strike on the pineapple plantation of Libby, McNeill & Libby was started, and I place a clipping relating to that strike in the RECORD at this point:

"[From the Honolulu Advertiser of August 10, 1950]

"LEGAL ACTION IS SIGNED BY WIRTZ FOR PINE FIRM

"The ILWU was enjoined Wednesday, August 9, 1950, from striking Libby, McNeill & Libby's pineapple plantation on Molokai.

"Circuit Judge Cable A. Wirtz signed a temporary restraining order against the union, and directed that union officials appear in court next Wednesday to show cause why the order should not be made permanent. The ILWU has 20 days in which to file an answer.

"The injunction suit may pave the way for a series of similar suits against the ILWU.

"Libby names as defendants officials in local 151 and local 152 of the Pineapple and Cannery Workers' Union, regional director Jack W. Hall, and territorial representative Robert McElrath of the ILWU; and 761 Molokai plantation employees who went out on strike. The 761 are designated as John Does.

"Papers are to be served today. Violation of the temporary restraining order can make an offender liable for contempt.

"The walkout on Molokai began August 3. As of Wednesday, 320 workers were still out. Bone of contention is a work-measurement system put into practice by Libby. The union claims it was a work 'speed-up.' Libby maintains it is a bonus plan for extra work performance.

"Libby says the walkout violates sections 21 and 22 of a work contract signed with the ILWU on January 25, 1949. These sections, the petitioner claims, set out that there shall be no strikes, work stoppages, slow-downs by the union. A further section calls for arbitration or disagreements.

"Libby asserts that the union members "in utter disregard of their obligations have deliberately engaged in a pattern of harassment and interference with pineapple harvesting and production."

"Libby, furthermore, cites four separate alleged violations of the contract. These alleged breaches occurred on May 8 and 9, July 31 and August 1; August 3 to August 6, and from August 8 and continuing.

"This latest walkout especially hurts, says Libby, because it comes at the peak of the harvest period. The company claims it takes 800 to 900 tons of fruit a day from August 1 to August 15 at the 10,000-acre Molokai fields.

"L. Verne Haas, assistant general manager of the pineapple division, claimed that as of August 8 Libby had lost at least 550 tons of fruit for which it blames the union.

"Libby asks leave to amend the petition later and to insert the amount of damages it feels the firm is entitled to.

"The temporary restraining order blocks the union in the following language:

"1. 'From directly or indirectly calling, engaging, or participating in a strike or other stoppage of work on the Molokai plantation.'

"2. 'From directly or indirectly inducing, encouraging, persuading, directing or compelling employees of Libby to refuse to work or to engage in a strike or other stoppage of work.'

"3. It also enjoins the union from violating the terms of the contract.

"Named as defendants in the suit were the following: the ILWU, pineapple and cannery worker's local, 151, of Molokai, and 152, of Oahu; and these officers: Basilio Flores, president of local 151; George Mitchell, first vice president; Clayton McKinzie, second vice president; Kenji Akiyama, secretary; and Joseph Botelho, treasurer.

"Hall, McElrath, Takeo, Furuike, president of local 152; Oshiro Reginio, secretary-treasurer; and Reginio Colotario, business agent of 152."

Mr. President, the whole problem is neatly summed up, I believe, in an editorial which appeared in the Honolulu Advertiser on August 8, 1950, entitled "Loyalty Cannot Be Divided." This editorial makes it clear that the Communist situation in the union in Hawaii can only be solved by the union members themselves:

"[From the Honolulu Advertiser of August 8, 1950]

"LOYALTY CANNOT BE DIVIDED

"Harry Bridges is in jail today because while he professed loyalty to the United States in which he stands convicted of obtaining citizenship by fraud, his actions were favorable to this country's Communist enemies. Americans and the peoples of the other free countries throughout the world are challenged by communism in the Korean war. They cannot tolerate divided loyalty. Action in the Bridges case shows that in this country, at least, it will not be tolerated.

"Rank and file members of the ILWU in Hawaii, who have been misled by Bridges and his lieutenants in recent years, have evidence now of the manner in which he has misrepresented them. Their fellow unionists on the Pacific coast already have had their eyes opened to the Bridges' leaders misrule and have denounced Bridges himself. Their example is worthy of the grave consideration of the loyal Americans who make up the rank and file of ILWU in the islands.

"Local leaders, who have drawn island workers into a continuing series of strikes here this year in violation of their contracts with management, have attempted to persuade their followers to oppose the United

States Government in the war launched by Communists in Korea. Current sabotage of the Libby pineapple harvest is the severest damage they have inflicted on the American cause thus far, but each of the harassing interruptions in industrial production here has played its part toward that same end.

"The principle of labor organization has been betrayed by all of these breaches of good faith by the ILWU leadership. They have placed the union's membership in an unfair light, casting a reflection upon the workers' patriotism and at the same time making them appear to be men who hold their pledged word lightly.

"This is a condition that the rank and file of ILWU alone can remedy. The community wants to have faith in them, if they will give it the chance to do so. This they can do by disavowing false leaders and showing by their actions that they stand shoulder to shoulder with their fellow residents of Hawaii in unswerving loyalty to the American Government."

RELIEF OF THE ESTATE OF LEE JONES CARDY—VETO MESSAGE (S. DOC. NO. 202)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary, and ordered to be printed:

To the Senate:

I return herewith, without my approval, S. 2297 "For the relief of the estate of Lee Jones Cardy."

This bill provides for the payment of the sum of $5,000 to the estate of Lee Jones Cardy, in full satisfaction of the claims of the estate against the United States for compensation for the death of Mr. Cardy as a result of personal injuries sustained by him in an accident involving a United States Army vehicle. At the time of the collision, the deceased was a chief pharmacist's mate on active duty with the United States Navy. He was a passenger in a civilian automobile which was struck by the Army vehicle operated by an enlisted man on official business who, in violation of traffic regulations, was driving in the wrong lane and seeking an opening through a center island which would permit him to cross back into the proper lane. The evidence in this case shows that the accident and the resulting death of Mr. Cardy were not caused by any fault or negligence on his part or that of the driver of the civilian automobile, but were the results solely of the negligence of the operator of the Army truck.

At the time of his death, Mr. Cardy was 28 years of age and left surviving his widow and a minor son, both of whom were entirely dependent upon him for their support. He was on active duty in the United States Navy, and his pay and allowance amounted to $180 per month. Since his death was considered not to be the result of his own misconduct, the usual six months' death gratuity and burial expenses were paid to his widow, who is also receiving the proceeds of his national service life insurance policy.

Since Mr. Cardy's death occurred in line of duty, his dependents are entitled to and are receiving survivorship benefits conferred by general law. Accordingly, up to the present time, Mr. Cardy's widow has been paid a total of $5,477 in monthly death compensation payments. If she does not remarry, these payments will continue throughout her lifetime. Based upon her normal life expectancy, these benefits will total over $43,000. Moreover, she has been awarded $30 per month for the care of her minor son. Finally, the decedent's dependent mother has also been awarded death compensation benefits in the amount of $60 per month.

A measure similar to this bill was enacted in the Eightieth Congress—S. 252. At that time I felt constrained to withhold my approval of the measure primarily on the grounds that the award of this compensation to the survivors of Lee Jones Cardy, in addition to the monetary benefits that had been or would be paid to them as dependents of a member of the Armed Forces who died in line of duty, would grant to the estate a special benefit denied to estates of other servicemen where the facts were similar.

On May 16, 1949, the United States Supreme Court in the case of *Brooks* v. *United States* (337 U. S. 49) ruled that the estate of a soldier, who under circumstances not directly connected with his service duties was killed through the negligence of an Army enlisted man acting within the scope of his employment, was entitled to bring suit against the United States to recover damages on account of the decedent's death under provisions of the Federal Tort Claims Act. I am advised that this is the first instance in which the Supreme Court has ruled that such liability would lie against the United States Government. In so ruling, however, the Court stated that it saw no indication that Congress meant the United States to pay twice for the same injury. It held, therefore, that the amount of recovery should be reconsidered by the lower court to ascertain whether certain elements of tort damages would be the equivalent of elements taken into account in providing benefit payments under other laws, thereby providing a basis for reduction of the amount of recovery allowed. It is my belief that if additional compensation from the United States is to be granted under the circumstances involved in this bill, the rule of the Brooks case should apply. Accordingly, I recommend that the Congress enact legislation which would provide for this claimant judicial determination in accordance with the provisions of the Federal Tort Claims Act of both the liability in question and the amount of damages which flow therefrom.

The decision of the Supreme Court in the Brooks case, although it differentiates between injury or death directly resulting from duties as a member of the Armed Forces and injury or death of a serviceman otherwise resulting from the negligent act of a Federal employee, presents squarely the question of the exclusiveness of remedies against the United States accorded dependents of servicemen under existing laws. Just as a choice of remedies is required of recipients of benefit payments under the Federal Employees' Compensation Act, so do I believe that there is justification for a similar requirement of an election of remedies when a serviceman's family receives various benefits under the circumstance which led to the enactment of this bill. The Federal Government, in my opinion, is going to all reasonable limits in making provision for full discharge of the responsibility of the United States to the survivors of servicemen killed or injured in line of active duty. Accordingly, I also recommend that the Congress give serious consideration to this issue with a view to determining whether an election of remedies under the various statutes dealing with servicemen's benefits payable in the situation here in question should be prescribed.

For the foregoing reasons I am returning this bill without my signature.

HARRY TRUMAN.

THE WHITE HOUSE, *August 14, 1950.*

Mr. WHERRY. Mr. President, I did not get the name of the claimant. I should like to have it.

The PRESIDING OFFICER. The title of the bill will be stated.

The CHIEF CLERK. Senate bill 2297, for the relief of the estate of Lee Jones Cardy.

The PRESIDING OFFICER. The bill was introduced by the Senator from Colorado [Mr. JOHNSON].

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. WITHERS) laid before the Senate a message from the President of the United States submitting the nomination of Maj. Gen. Frank William Milburn, United States Army, for appointment as a corps commander, with the rank of lieutenant general, and as a lieutenant general in the Army of the United States, which was referred to the Committee on Armed Services.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable executive reports were submitted:

By Mr. KILGORE, from the Committee on the Judiciary:

Leo A. Casey, of West Virginia, to be United States marshal for the northern district of West Virginia, vice Robert H. Mollohan, resigned.

By Mr. McCARRAN, from the Committee on the Judiciary:

Thomas H. Roberts, of Rhode Island, to be United States district judge for the district of Puerto Rico, vice David Chavez, Jr., resigned; and

Harvey L. Carey, of Louisiana, to be United States attorney for the western district of Louisiana, vice Malcolm E. Lafargue, term expired.

By Mr. THOMAS of Utah, from the Committee on Foreign Relations:

Executive K, Eightieth Congress, second session, a treaty of extradition between the United States of America and the Union of South Africa, signed at Washington on December 18, 1947; without amendment or reservation (Ex. Rept. No. 14).

RECESS

Mr. SPARKMAN. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 15, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate August 14 (legislative day of July 20), 1950:

IN THE ARMY

Maj. Gen. Frank William Milburn, O3738, United States Army, for appointment as a corps commander, with the rank of lieutenant general, and as a lieutenant general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 14, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of majesty and mercy, we are coming unto Thee impelled and inspired by the glorious promises that "they who wait upon the Lord shall mount up with wings as eagles, they shall run and not be weary, they shall walk and not faint."

Grant that in these days of crisis and destiny we may have the vision to see that all our plans and purposes, all our decisions and actions must be implemented with those spiritual dynamics and resources which Thou hast ordained and placed at our disposal if we would aspire to build a nobler civilization.

We pray that the minds and hearts of all who share in the responsibilities of government may be strong and vigorous in faith and courage as they seek in unity of spirit to perform the many challenging duties of their high vocation.

Hear us through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, August 11, 1950, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 21) entitled "A joint resolution to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation."

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1858. An act to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on August 12, 1950, the President approved and signed a bill of the House of the following title:

H. R. 2225. An act for the relief of William B. Buol.

CERTIFICATION OF CONTEMPT CITATIONS

The SPEAKER announced that pursuant to sundry resolutions of the House, he did, on Saturday, August 12, 1950, make certifications to the United States attorney, District of Columbia, and the United States attorney, District of Hawaii, as follows:

To the United States attorney, District of Columbia:

House Resolution 751: The refusal of Philip Bart to answer questions before the Committee on Un-American Activities.

House Resolution 752: The refusal of James J. Matles to answer questions before the Committee on Un-American Activities.

House Resolution 753: The refusal of Thomas J. Fitzpatrick to answer questions before the Committee on Un-American Activities.

House Resolution 754: The refusal of Thomas Quinn to answer questions before the Committee on Un-American Activities.

House Resolution 755: The refusal of Frank Panzino to answer questions before the Committee on Un-American Activities.

House Resolution 795: The refusal of Giovanni Rossi Lomanitz to answer questions before the Committee on Un-American Activities.

House Resolution 796: The refusal of David Joseph Bohm to answer questions before the Committee on Un-American Activities.

House Resolution 797: The refusal of Irving David Fox to answer questions before the Committee on Un-American Activities.

House Resolution 798: The refusal of Clarence Hiskey to answer questions before the Committee on Un-American Activities.

House Resolution 799: The refusal of Frank Hashmall to answer questions before the Committee on Un-American Activities.

House Resolution 800: The refusal of Talmadge Raley to answer questions before the Committee on Un-American Activities.

House Resolution 801: The refusal of Esther Tice to answer questions before the Committee on Un-American Activities.

House Resolution 802: the refusal of Marcel Scherer to answer questions before the Committee on Un-American Activities.

House Resolution 803: The refusal of Mrs. Louise Berman to answer questions before the Committee on Un-American Activities.

House Resolution 804: The refusal of Pasquale Leonard James Branca to answer questions before the Committee on Un-American Activities.

To the United States attorney, District of Hawaii:

House Resolution 756: The refusal of Ralph Tokunaga to answer questions before the Committee on Un-American Activities.

House Resolution 758: The refusal of Dwight James Freeman to answer questions before the Committee on Un-American Activities.

House Resolution 760: The refusal of Rachel Saiki to answer questions before the Committee on Un-American Activities.

House Resolution 761: The refusal of John Reinecke to answer questions before the Committee on Un-American Activities.

House Resolution 762: The refusal of Ernest Arena to answer questions before the Committee on Un-American Activities.

House Resolution 763: The refusal of Koichi Imori to answer questions before the Committee on Un-American Activities.

House Resolution 764: The refusal of Denichi Kimoto to answer questions before the Committee on Un-American Activities.

House Resolution 765: The refusal of Pearl Freeman to answer questions before the Committee on Un-American Activities.

House Resolution 766: The refusal of Marshall McEuen to answer questions before the Committee on Un-American Activities.

House Resolution 767: The refusal of Ruth Ozaki to answer questions before the Committee on Un-American Activities.

House Resolution 768: The refusal of Stephen Murin to answer questions before the Committee on Un-American Activities.

House Resolution 770: The refusal of Frank Silva to answer questions before the Committee on Un-American Activities.

House Resolution 771: The refusal of Jack Kawano to answer questions before the Committee on Un-American Activities.

House Resolution 773: The refusal of Yukio Abe to answer questions before the Committee on Un-American Activities.

House Resolution 774: The refusal of Yasuki Arakaki to answer questions before the Committee on Un-American Activities.

House Resolution 775: The refusal of Edward Hong to answer questions before the Committee on Un-American Activities.

House Resolution 776: The refusal of Kameo Ichimura to answer questions before the Committee on Un-American Activities.

House Resolution 777: The refusal of Douglas Inouye to answer questions before the Committee on Un-American Activities.

House Resolution 779: The refusal of Adele Kensinger to answer questions before the Committee on Un-American Activities.

House Resolution 780: The refusal of Ben Kaahawinui to answer questions before the Committee on Un-American Activities.

House Resolution 781: The refusal of Frank Kalua to answer questions before the Committee on Un-American Activities.

House Resolution 782: The refusal of Yoshito Marumo to answer questions before the Committee on Un-American Activities.

House Resolution 783: The refusal of Robert Murasaki to answer questions before the Committee on Un-American Activities.

House Resolution 784: The refusal of Robert McElrath to answer questions before the Committee on Un-American Activities.

House Resolution 785: The refusal of Julian Napuunoa to answer questions before the Committee on Un-American Activities.

House Resolution 786: The refusal of Castner Tadashi Ogawa to answer questions before the Committee on Un-American Activities.

House Resolution 787: The refusal of Hideo Okada to answer questions before the Committee on Un-American Activities.

House Resolution 788: The refusal of Wilfred Oka to answer questions before the Committee on Un-American Activities.

House Resolution 789: The refusal of Jeanette Nakama Rohrbough to answer questions before the Committee on Un-American Activities.

House Resolution 791: The refusal of Frank Takahashi to answer questions before the Committee on Un-American Activities.

House Resolution 792: The refusal of Shigeo Takemoto to answer questions before the Committee on Un-American Activities.

House Resolution 793: The refusal of Ralph Vossbrink to answer questions before the Committee on Un-American Activities.

House Resolution 794: The refusal of Thomas Yagi to answer questions before the Committee on Un-American Activities.

House Resolution 769: The refusal of Jack Hall to answer a question before the Committee on Un-American Activities.

House Resolution 772: The refusal of John Akana to answer a question before the Committee on Un-American Activities.

House Resolution 778: The refusal of Levi Kealoha to answer a question before the Committee on Un-American Activities.

House Resolution 790: The refusal of Mitsuo Shimizu to answer a question before the Committee on Un-American Activities.

House Resolution 757: The refusal of Charles Fujimoto to answer questions before the Committee on Un-American Activities, and the willful and deliberate refusal of Charles Fujimoto to produce all membership records, all records of dues payment, any and all financial records, ledgers or books, and all correspondence files of the Communist Party in Hawaii, before the Committee on Un-American Activities.

House Resolution 759: The refusal of Esther Bristow to answer questions before the Committee on Un-American Activities, and the willful and deliberate refusal of Esther Bristow to produce any and all financial statements of the Hawaii Civil Liberties Committee, including canceled checks, and ledgers of the said organization, before the Committee on Un-American Activities.

MOTION TO ADJOURN

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. CANFIELD) there were—yeas 24, noes 59.

Mr. MURRAY of Tennessee. Mr. Speaker, I object to the vote on the ground that a quorum is not present. Mr. Speaker, I ask for the yeas and nays.

Mr. FULTON. Mr. Speaker——

Mr. RANKIN. Mr. Speaker, the gentleman from Tennessee demanded the yeas and nays.

The SPEAKER. The Chair has a right to ask the gentleman from Pennsylvania for what purpose he rose.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. The gentleman from Tennessee has already objected on that ground.

Evidently a quorum is not present.

Mr. RANKIN. Mr. Speaker, the gentleman from Tennessee changed his request and demanded the yeas and nays because he realized you cannot get a yea-and-nay vote on a motion to adjourn by a point of no quorum. The gentleman from Tennessee has changed his request to a demand for the yeas and nays.

The SPEAKER. If the negative carries you can; if the affirmative carries you cannot, under the rules of the House.

What motion did the gentleman from Tennessee make?

Mr. MURRAY of Tennessee. Mr. Speaker, I asked for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 48, nays 274, not voting 108, as follows:

[Roll No. 234]

YEAS—48

Abbitt	Fisher	McCormack
Abernethy	Fugate	McMillan, S. C.
Andrews	Gary	Murray, Tenn.
Bentsen	Gathings	Passman
Burleson	Gossett	Poage
Burton	Gregory	Preston
Camp	Hardy	Rankin
Cannon	Harrison	Richards
Cooper	Herlong	Robeson
Cox	Hobbs	Sikes
Davis, Ga.	Jones, Mo.	Smith, Va.
Deane	Kilday	Taber
Eberharter	Larcade	Teague
Thomas	Wheeler	Whittington
Thornberry	Whitaker	Wilson, Tex.
Trimble	Whitten	Wood

NAYS—274

Albert	Gavin	Miller, Md.
Allen, Calif.	Gilmer	Miller, Nebr.
Allen, Ill.	Golden	Mills
Allen, La.	Goodwin	Mitchell
Andersen, H. Carl	Gordon	Monroney
Anderson, Calif.	Graham	Morris
Andresen, August H.	Granahan	Morrison
Angell	Granger	Moulder
Arends	Grant	Multer
Aspinall	Green	Murdock
Auchincloss	Gross	Murphy
Bailey	Guill	Nicholson
Baring	Gwinn	Noland
Barrett, Pa.	Hagen	Norblad
Bates, Ky.	Hale	Norrell
Bates, Mass.	Hall, Edwin Arthur	O'Brien, Ill.
Battle	Halleck	O'Brien, Mich.
Beall	Hand	O'Hara, Minn.
Beckworth	Harris	O'Konski
Bennett, Fla.	Hart	O'Neill
Bennett, Mich.	Harvey	O'Sullivan
Biemiller	Havenner	O'Toole
Bishop	Hays, Ohio	Patman
Blatnik	Hedrick	Patterson
Boggs, La.	Heffernan	Perkins
Bolling	Heller	Peterson
Bolton, Md.	Herlong	Pfeifer, Joseph L.
Bolton, Ohio	Hill	Philbin
Bonner	Hoffman, Mich.	Phillips, Calif.
Bosone	Holmes	Plumley
Boykin	Hope	Polk
Bramblett	Horan	Poulson
Breen	Howell	Price
Brooks	Huber	Priest
Brown, Ga.	Hull	Rabaut
Bryson	Irving	Rains
Buckley, Ill.	Jackson, Calif.	Ramsay
Buckley, N. Y.	Jackson, Wash.	Reed, Ill.
Burdick	Jacobs	Reed, N. Y.
Burke	Javits	Rees
Burnside	Jenison	Rhodes
Byrne, N. Y.	Jennings	Ribicoff
Byrnes, Wis.	Jensen	Riehlman
Canfield	Jones, Ala.	Rivers
Carnahan	Jones, N. C.	Rogers, Fla.
Case, N. J.	Judd	Rogers, Mass.
Case, S. Dak.	Karst	Rooney
Celler	Karsten	Sadlak
Chelf	Kean	St. George
Chesney	Kearney	Sanborn
Christopher	Kearns	Sasscer
Clemente	Keating	Saylor
Cole, Kans.	Kee	Scott, Hardie
Colmer	Kelly, N. Y.	Scrivner
Combs	Keogh	Scudder
Corbett	Kerr	Secrest
Cotton	Kilburn	Shafer
Coudert	King	Shelley
Crook	Kirwan	Short
Crosser	Klein	Simpson, Ill.
Cunningham	Kruse	Simpson, Pa.
Curtis	Kunkel	Sims
Dague	Lane	Smith, Wis.
Davenport	LeCompte	Spence
Davis, Tenn.	LeFevre	Staggers
Davis, Wis.	Lichtenwalter	Stigler
Dawson	Lind	Stockman
DeGraffenried	Linehan	Sullivan
Delaney	Lovre	Sutton
Dollinger	Lyle	Tackett
Dolliver	McCarthy	Taylor
Donohue	McConnell	Thompson
Doughton	McCulloch	Tollefson
Douglas	McDonough	Van Zandt
Durham	McGrath	Wagner
Elliott	McGregor	Walter
Ellsworth	McGuire	Weichel
Elston	McKinnon	Welch
Engle, Calif.	McSweeney	White, Calif.
Evins	Mack, Wash.	Widnall
Feighan	Madden	Wier
Fellows	Mahon	Wigglesworth
Fenton	Mansfield	Wilson, Ind.
Fernandez	Marsalis	Wilson, Okla.
Flood	Marshall	Withrow
Fogarty	Martin, Iowa	Wolverton
Forand	Martin, Mass.	Woodhouse
Ford	Merrow	Woodruff
Fulton	Meyer	Yates
Gamble	Michener	Young
Garmatz	Miles	Zablocki
	Miller, Calif.	

NOT VOTING—108

Addonizio	Brehm	Carroll
Barden	Brown, Ohio	Cavalcante
Barrett, Wyo.	Buchanan	Chatham
Blackney	Bulwinkle	Chiperfield
Boggs, Del.	Carlyle	Chudoff
Clevenger	Jonas	Regan
Cole, N. Y.	Keefe	Rich
Cooley	Kelley, Pa.	Rodino
Crawford	Kennedy	Roosevelt
Davies, N. Y.	Lanham	Sabath
Denton	Latham	Sadowski
D'Ewart	Lodge	Scott, Hugh D., Jr.
Dingell	Lucas	Sheppard
Dondero	Lynch	Smathers
Doyle	McMillen, Ill.	Smith, Kans.
Eaton	Mack, Ill.	Smith, Ohio
Engel, Mich.	Macy	Stanley
Fallon	Magee	Steed
Frazier	Marcantonio	Stefan
Furcolo	Mason	Talle
Gillette	Morgan	Tauriello
Gore	Morton	Towe
Gorski	Murray, Wis.	Underwood
Hall, Leonard W.	Nelson	Velde
Harden	Nixon	Vinson
Hare	Norton	Vorys
Hays, Ark.	O'Hara, Ill.	Vursell
Hébert	Pace	Wadsworth
Herter	Patten	Walsh
Hinshaw	Pfeiffer, William L.	Werdel
Hoeven	Phillips, Tenn.	White, Idaho
Hoffman, Ill.	Pickett	Wickersham
Holifield	Potter	Williams
James	Powell	Willis
Jenkins	Quinn	Winstead
Johnson	Redden	Wolcott

So the House refused to adjourn.

The Clerk announced the following pairs:

Mr. Roosevelt with Mr. Towe.
Mr. Morgan with Mr. Lodge.
Mr. O'Hara of Illinois with Mr. Macy.
Mr. Marcantonio with Mr. Cole of New York.
Mr. Powell with Mr. Crawford.
Mr. Dingell with Mr. Eaton.
Mr. Walsh with Mr. Gillette.
Mr. Patten with Mr. Leonard W. Hall.
Mr. Lynch with Mr. Brown of Ohio.
Mr. Kelley of Pennsylvania with Mrs. Harden.
Mr. Buchanan with Mr. Jonas.
Mr. Lanham with Mr. Potter.
Mr. Kennedy with Mr. Mason.
Mr. Addonizio with Mr. Boggs of Delaware.
Mr. Rodino with Mr. Chiperfield.
Mr. Tauriello with Mr. Dondero.
Mr. Williams with Mr. Herter.
Mr. Willis with Mr. James.
Mr. Winstead with Mr. Jenkins.
Mr. Doyle with Mr. Wolcott.
Mr. Fallon with Mr. Barrett of Wyoming.
Mr. Frazier with Mr. Latham.
Mr. Denton with Mr. Talle.
Mr. Sabath with Mr. Stefan.
Mr. Sadowski with Mr. Hoeven.
Mr. Cavalcante with Mr. Hugh D. Scott, Jr.
Mr. Sheppard with Mr. Blackney.
Mr. Smathers with Mr. Brehm.
Mr. Stanley with Mr. Morton.
Mr. Redden with Mr. Nixon.
Mr. Hays of Arkansas with Mr. Rich.
Mr. Hébert with Mr. Hoffman of Illinois.
Mr. Gorski with Mr. Vorys.
Mr. Magee with Mr. William L. Pfeiffer.
Mr. Mack of Illinois with Mr. McMillen of Illinois.
Mr. Chudoff with Mr. Smith of Kansas.
Mr. Davies of New York with Mr. Hinshaw.
Mr. Lucas with Mr. D'Ewart.
Mr. Regan with Mr. Engel of Michigan.
Mr. Pickett with Mr. Nelson.
Mrs. Norton with Mr. Werdel.
Mr. Thompson with Mr. Phillips of Tennessee.
Mr. Underwood with Mr. Murray of Wisconsin.
Mr. Vinson with Mr. Smith of Ohio.
Mr. Chatham with Mr. Keefe.
Mr. Carroll with Mr. Clevenger.
Mr. Cooley with Mr. Wadsworth.

The result of the vote was announced as above recorded.

CURTAILMENT OF POSTAL SERVICE

Mr. MILLER of California. Mr. Speaker, under the rule I call up the

petition to discharge the Committee on Rules from further consideration of House Resolution 667 providing for the consideration of the bill H. R. 8195, a bill to rescind the order of the Postmaster General curtailing postal services.

The SPEAKER. Did the gentleman sign the discharge petition?

Mr. MILLER of California. I did, Mr. Speaker.

The SPEAKER. The gentleman from California will be recognized for 10 minutes.

Mr. COX. Mr. Speaker, on behalf of the Committee on Rules, I claim the time allotted to the opposition.

Mr. MARTIN of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARTIN of Massachusetts. How is the minority going to get any time under this proceeding?

The SPEAKER. Under the precedents of the House the chairman of the committee which is proposed to be discharged is entitled to recognition to control the time in opposition, if he be opposed to the resolution; in this instance the gentleman from Georgia is entitled to recognition if he is opposed.

Mr. MARTIN of Massachusetts. I appreciate the soundness of the ruling, but I just wondered where we were going to come in.

The SPEAKER. If the gentleman wanted to appeal to those who yield time he might get time in that way.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the minority be given 1 hour.

The SPEAKER. Under the rules, the Chair cannot recognize that request.

The Clerk will report the resolution.

The Clerk read the title of the resolution.

The SPEAKER. The gentleman from California is recognized for 10 minutes.

Mr. MILLER of California. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, we are in the process of discharging the Committee on Rules from further consideration of a bill that would rescind the order of the Postmaster General curtailing certain postal services. This bill came from the Committee on the Post Office and Civil Service on June 19 and has been pending before the Committee on Rules since that time. After the lapse of over 30 days, the gentleman from Indiana [Mr. WALSH] filed a petition for discharge, and it is under that petition that we are working. Two hundred and eighteen Members of the House have signed it. They apparently knew what they were doing. Under the rule this matter will come before us tomorrow with adequate time to debate the merits of the bill. All that we are trying to do today is to bring this measure formally before the House.

DEPENDENCY ALLOWANCES NOW

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, Congress should restore dependency allowances at once. Thousands of National Guard men and Reservists are under orders to get their personal affairs in shape and to report for duty by September 1. Family men among them cannot arrange their personal affairs until they know what they can count on in the way of dependency allowances.

During World War II, Mr. Speaker, Congress established the principle that if we were going to draft married men or men with dependents we would set up a dependency allowance for their families so that to that extent, at least, his worries about his family would be lessened.

Today few married men may be drafted, but the very framework of most National Guard and reserve units is composed of GI veterans who were encouraged to establish homes when they returned from World War II. They have been buying houses, radios, refrigerators, automobiles on the installment plan. How will those payments be met and how will their families meet the grocery bills while the husbands and fathers are in camp? They deserve to know.

Mr. Speaker, if Members of Congress personally were under orders to arrange their personal affairs to report for military duty 2 weeks, or 3 weeks, or 4 weeks from today, we would want to know what our families could count on to meet bills while we were away.

Bills have been introduced to reestablish family allowances—H. R. 9262 in the House and S. 3986 in the other body. They were introduced July 27—nearly 3 weeks ago.

The family men are in the Reserve components now being called to duty. There should not be another day's delay. We should consider and pass the House bill at once and let these family men know what to count on.

Other bills important to the national defense have been expedited by the committee in charge, asking unanimous consent for consideration without waiting for customary reports and hearings. It seems to me the circumstances warrant that procedure in this instance. We should establish dependency allowances now.

Mr. MILLER of California. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, may I at this time defer to the gentleman from Georgia [Mr. COX] to use some of his time?

Mr. COX. Mr. Speaker, I do not desire to use any time at present.

Mr. FULTON. I wish to thank the gentleman from California [Mr. MILLER] on his generous action in yielding one-half of the time of the proponents of this legislation to me so that I can vigorously assist him in bringing up this resolution today. Mr. Speaker, House Resolution 667 raises the question whether we will have good mail service in the United States of America or whether the mail service will continue at the snail's pace it has been moving under the Postmaster General's curtailment order of April 17, 1950.

As you all remember, the Postmaster General on behalf of the administration has cut down the mail delivery service from two deliveries a day, and we are now operating on a system that in some places does not even give the people adequate mail service. In most urban areas, this curtailment order of Postmaster General Donaldson has simply doubled the burden of the already overburdened carriers. Delay of mail has been caused to such an extent that there have been cartoons suggesting that people should send their messages by Indian drums instead of by post-office box. Abandoning of the directory service of looking up addresses has greatly affected postal deliveries. Users of mail service of second, third, or fourth class simply find the mail, in many places stacked in bundles, undelivered because of the physical impossibility of delivering it in a reasonable time under this curtailment order. There have been newspaper comments that the United States mail system and its efficiency in service, in spite of the valiant and uncomplaining efforts of loyal employees has reached its lowest point in many years.

The question today is, Shall we bring up and pass House Resolution 667 which will discharge the Rules Committee from further consideration of the bill rescinding the Postmaster General's order of April 17, 1950. Congress is certainly entitled to express its will on this legislation, instead of having the bill bottled by the Rules Committee after forthright action by the legislative committee, the Committee on Post Office and Civil Service, approving the bill and reporting it out.

Because I believe good mail service is good business, I will vote for this resolution.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. JAVITS. Mr. Speaker, I favor the adoption of the resolution to restore two-a-day mail deliveries in city residential areas and other mail services recently cut. In view of the fact that the American people will be called upon to pay a tax burden which may run to $50,000,000,000 a year, if they want, and they have expressed themselves clearly both in my own and many other districts as wanting the kind of mail service they had before, then at the relatively small cost involved—estimates range from twenty-five to seventy million dollars per year—they ought to have it.

Mr. FULTON. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. The Congress was blamed for this action under the guise of economy, this was not true. The Congress is only interested in efficiency in the Postal Department. This order by Mr. Donaldson was another example of the power of appointed people in Government.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Mr. Speaker, when the Postmaster General appeared before the House subcommittee on appro-

priations for the Post Office Department just a few weeks ago, he testified that he hoped to save fifteen to twenty-five millon dollars through this order. I maintained then and I maintain now the order represents false economy, I maintain it hurts business and will impede the war effort. Witness the survey just taken of 500 industrial establishments in the city of New York and the conclusion that they have been hurt by this order. I cannot help but feel it will have a bad effect on the morale of our people in any delay in receipt of GI mail—getting home mail to the GI's or the GI mail to the home folks.

They hope for a saving of fifteen to twenty-five million dollars out of a $2,300,000,000 appropriation. I shall always remember the day in November 1945, when the now Postmaster, then First Assistant Postmaster General, came before our subcommittee on appropriations to ask for a return to the two-delivery system, bogged down to one during the war, first, because the people of the United States were clamoring for it, and, secondly, because the post offices of this country were literally becoming warehouses congested with mail.

Mr. DAVENPORT. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Pennsylvania.

Mr. DAVENPORT. Mr. Speaker, we have a very specific responsibility as Members of the House of Representatives to instruct the Postmaster General to repeal the ill-considered orders that he issued on April 17. These orders have given the United States of America second-rate, inferior postal service at a time when we should have a speedy, efficient service. The Philadelphia Inquirer recently stated:

One of the twin evils besetting the postal service is a deterioration in service which would cause blushes of shame in a nation one-tenth the size of ours.

Continuing, the editorial declared:

Since the cuts in service ordered a few months ago as a means of reducing the postal deficit, complaints have mounted. Not only has residential service been reduced to one delivery a day, but there have been increasing criticisms of the service—or lack of it—in business areas.

Getting rid of the postal deficit is an important matter, and on that ground alone adoption of the Hoover reforms would be more than worth while.

By making it possible for the Post Office to function with the speed and efficiency that are doubly necessary in this emergency is of vital concern, too. It cannot do it, as the citizens' committee points out, with "hand-cranking equipment and methods." It could do the job, if Congress would end the blockade of postal reorganization, and get started on the Hoover reforms.

I do not think that we can properly emphasize the necessity of having fast, rapid, dependable communication. Having witnessed the results of having orders issued by the Postmaster General one is prone to think that the Postmaster General does not realize the importance of the service organization that he heads, and the absolute dependence that the citizens of the United States place upon this great postal service. The postal service has always held a high place in the esteem of the American people. Recently we have been embarrassed by the complaints that have been appearing in the press around the country and by the complaints that have been made by individuals because of the service rendered.

The Lawrence Supply & Equipment Co., located in Tulsa, Okla., under date of July 1, 1950, were compelled to send the following letter, of which I hold a photostat in my hand, to their employees:

To all employees of Lawrence Supply & Equipment Co.

Subject: Delayed payroll.

On June 30, 1950, you requested that we pay your wages earned during the last half of June early in order that you and your families might arrange for recreation over Independence Day.

Your request was reasonable and it was a pleasure to pay early in order that you might celebrate the Fourth of July.

We were unable to comply with your request due to the fact that the mail service has been curtailed and the payroll was not received in this office in time to make out the checks and get them to you. I have ascertained that the payroll was mailed from Cushing in ample time and the delay is due directly to the curtailed postal service.

We regret that you and your families were inconvenienced in celebrating the Fourth of July, and assure you that so far as we are concerned the inconvenience was occasioned by the failure of Congress to insist on the Post Office Department giving adequate mail service.

J. R. LAWRENCE,
Partner.

Things like this never happened before. They should not happen now. We have a responsibility here to restore the Postal Service to the position of respect and confidence that it formerly enjoyed. I hold in my hand a postal card written by one R. Michael and mailed in Cleveland, Ohio. Mr. Michael writes as follows:

I mailed cards July 20 to my customers advising them that I would show the sample line at the William Penn Hotel, Pittsburgh, on July 30–31. A number of customers did not show up and when I called on Pauline's Fashion Shop in Clairton, Pa., Mrs. Frenock told me that she received the card on August 1. On account of this delay in the mail service, I had to call a good many customers long distance, have to travel around to see them, lug around sample cases, and by the time I am through seeing them, a lot of goods will be sold out at an increase in price. Hoping that the regular service will be restored soon, I remain.

These are just a few of the complaints that have been made against the postal service since the orders issued by the Postmaster General.

I have an editorial here from the Cobb County Times published in Marietta, Ga., which reads as follows:

While postal officials are investigating complaints with respect to slow mail service made July 6 and 20 by this newspaper, new evidence indicates that poor service is not confined to Atlanta.

A local citizen has mailed to a Member of the other body a postcard which required 14 days to reach Denver, Colo., from Marietta. This citizen comments, "The Pony Express was giving better service 75 years ago than our mails are giving today."

This Member declares: "I regret the order of the Postmaster General curtailing postal service. * * * I am doing my best to have (him) revoke this order. * * * Legislation to rescind it is now on the Senate calendar. I will support the legislation."

Postal authorities insist the curtailment order has no connection whatsoever with the instances of slow service between Atlanta and Marietta. It is pointed out that the package complained of last week was actually fourth-class matter with special delivery postage. Whatever the classification, we see no reason why a special-delivery item should be 68 hours in transit between two cities only 20 miles apart.

These complaints clearly point out the action that we must take. We must take action here to restore the postal service. It is not a question of appropriation; it is essentially a question of maintaining in these United States of America a sound, dependable communication system. There are hundreds of economies that can be put into effect in the postal service. The Post Office Department has made no effort to modernize. A few years back a post-office clerk in the city of Chicago invented a machine for the distribution of mail. This machine has been examined and investigated by committees from this House, by the Trundle Commission and the Hoover Commission. It has been praised because of the efficiency with which it aids in the distribution of mail. However, despite the fact that the machine was first placed in operation several years ago, there is still only one machine operating. The trucks in use by the Post Office Department are a national disgrace. The difficulties of the Post Office Department are essentially difficulties of organization and management. We appreciate the fact that rates are probably not as high as they should be. We are also aware of the fact that the Postmaster General has it in his power to increase parcel-post rates to the point where parcel post is operated without any loss of revenue. He has failed to take this action, but instead of taking this action he has struck a blow at the very roots of good communication.

Communication is the artery of our country. It is the backbone of education. Through the channels of communication flow the lifeblood of commerce. Civilization is measured by the development and progress of good communication. But even the savage in the jungle realized that good communication was necessary and essential. The savage in the jungle used tom-toms to signal necessary messages. Man from the beginning of time has striven to speed up and improve communication. The Indian used smoke signals to advise of the advance of the foe. Man has always striven for better communication. We have moved forward in this country until the 17th of April, and by action of the Postmaster General our communication advance has been set back many, many years.

We have a serious responsibility here. We must take action. The Buffalo Evening News of June 14, 1950, carried a story wherein Mr. Ernest M. Hill, manager of Ellicott Square, stated that the delivery of mail is slower today than

it was in 1896. Even Broadway Columnist Ed Sullivan commenting in this daily column declared that mail deliveries have been wreaking havoc with mountain and resort reservations.

A feature article in the Chicago Daily News of July 10 carried the striking statement:

Drop it in a box after 7 p. m.; you would do better by ox cart.

It is futile for the Postmaster General to make statements that he has received few complaints. It is equally absurd for postmasters all over the United States to make similar statements. We have been advised by employees of post offices that complaints are constant. The mail service has sunk to the lowest level of public esteem. The Air Transportation publication carried a story under the title "Bottleneck on the Ground."

The Daily Herald-Telephone, of Bloomington, Ind., under date of July 13, declared:

The matter of postal service was aired at considerable length in April when the Indiana newspaper publishers met in Indianapolis. Newspapers near Indianapolis who are sending some of their copies through the capital city post office, said that as much as 4 days elapsed before the subscriber received his newspaper. Quite frequently here in Bloomington it takes 2 days to get a newspaper to or from Bedford.

The tragedy of the curtailment of mail service and what it has done to little people was described in an article written by Sylvia F. Porter and carried in many newspapers. The title of the article is "Delayed Letters" and it reads as follows:

The postcard read "1-day private sale, Monday, June 19. Drastic reductions on all goods in stock, we're clearing our shelves before going on vacation until July 4. Come early! Wonderful bargains!" That card arrived at my home yesterday afternoon, the 20th—almost a full day after the sale ended.

"So this is how the Post Office's economy drive is working out," I mumbled as I studied the ad and the postmark. "Here's one little businessman I'm going to interview."

When I walked into the shop (it's in my neighborhood), the owner was behind the counter, sorting boxes. No one else was in the store. I showed him the card, told him why I'd come.

"I know, I know," he moaned, "you're not the only one who has called me today to say they'd just received their notices. And I mailed them early last week. I've told everyone who has called that I'm extending the sale and to please come in. I've postponed my vacation and I'll stay open in the hope they'll come in."

"How did the sale go?" I asked.

"Fair," he said. "It wasn't much better than an ordinary day. And people around here, like you, always respond to my sales, don't you?" I nodded, he moaned again. "I don't know who got my cards, who didn't. I don't know how many customers I've lost, what the business might have been. Can't you do something? Can't you?"

The Wall Street Journal carried the story of one business firm that lost $50,000 because of the fact that advertisements that they sent out were delayed. The situation relative to an inferior mail service requires prompt and immediate action.

I urge you to vote for the bill ordering the Postmaster General to rescind his orders.

Mr. CANFIELD. I appreciate the gentleman's contribution. May I say in closing that in the hearing on this curtailment I asked the Postmaster General and his aides this question: Is it true that the British who pride themselves so much on their postal system are today maintaining two and more deliveries per day? The answer given was "Yes."

Mr. SADLAK. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Connecticut.

Mr. SADLAK. Mr. Speaker, we have passed through two major wars without having such orders issued. The curtailment of the mail service put into effect by the Postmaster General was not a curtailment of a luxury. It was a curtailment of a vital service, short-sighted, poorly considered, and has cost the American people and American business a great deal more money than the small amount of savings that allegedly have been effected.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. FULTON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks at this point in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORRISON. Mr. Speaker, I introduced H. R. 8195 in the House of Representatives after a great deal of thought. I feel that the order issued by the Postmaster General under date of April 17 that appeared in the Postal Bulletin of April 18 was extremely ill advised. That order seriously curtailed not only the delivery of mail but the distribution and transmission of mail as well. It destroyed the directory service. Time was when if you mailed a letter and the party had moved, the Post Office Department saw that it was delivered to the party no matter where they had moved or when they had moved. Under the orders of the Postmaster General this service has been completely eliminate. An article in the New York Herald-Tribune of July 25, 1950, carried the information that dead letters have doubled since the cut of mail service. The economies made in the directory service are dissipated and spent in the dead-letter office and in returning letters to the senders.

The order is a mistake because it destroys efficient service. The system of multiple deliveries in use in the Post Office Department has been developed over the years as the most efficient way of handling mail. The distribution cases used by letter carriers hold a limited amount of mail. If more mail is placed in the case, efficiency is destroyed and economy with it. The same thing is true when it comes to delivery. If too much mail is placed upon the back of a letter carrier, his efficiency in handling the mail that he must deliver is materially reduced.

The orders issued by the Postmaster General provide that certain classes of mail can be handled only during limited periods. This has resulted in an accumulation of mail in many post offices. The congestion has been expensive. There is only one way to economically deliver mail and that is to do it promptly and expeditiously. The pile-up is described in one of the Atlanta newspapers on the basis of a charge made by the editor of the Cobb County Times in Marietta, Ga. The item reads as follows:

Chess Abernathy, Jr., editor of the Cobb County Times, said Thursday a parcel mailed in Atlanta July 14 was 3 days in transit to Marietta in spite of the fact that its sender paid 96 cents first-class postage plus 45 cents special-delivery fee.

"This is 12 hours longer than the travel time of the parcel we complained about last week," Mr. Abernathy declared.

The editor's original complaint was that a package mailed to him in Atlanta June 18 did not complete the 20-mile trip to Marietta until June 21. Lon Livingston, Atlanta postmaster, issued a public statement that such delays "can't happen here."

The Cobb editor Thursday produced a package wrapper which he said supports his new charge. It bears a July 14, 1:30 p. m., Atlanta postmark and a Marietta postmark of July 17, 2:30 p. m.

Within 10 minutes after it was marked in Marietta, the package arrived at his office by special messenger, Mr. Abernathy said.

He added: "The charge that mail is piling up in the Atlanta post office is not a capricious one. We have had trouble with slow deliveries through Atlanta since 1946. Fourth-class mail usually requires 3 or 4 days to get here. Perhaps our chief mistake has been a failure to register more complaints."

There have been many complaints about costs placed upon the backs of individual businessmen because of this curtailment. Mark Sullivan, writing in the New York Herald Tribune, described the situation well when he stated:

These reductions are felt by every person who receives a letter or posts one, and even more by persons who send or receive packages. The sum of the effects is a slowing down of mail service, affecting literally everybody.

The people, as taxpayers, are to be saved some $30,000,000. The people, as users of the postal service, are to be subjected to inconvenience, including some loss. It may be doubted whether the $30,000,000 saved is equal to the loss in the carrying on of business. The aggregate of delays to letters and packages, affecting every individual and ramifying cumulatively into every line of business, can be seriously large.

An editorial in the Mining Journal, published in Marquette, Mich., refers to the order as "pound foolish" and declared "a slapdash reduction of service is not true economy. The country does not profit when letters that used to take 2 days to reach the recipient take 3 or 4. One might guess that the present slowdown costs businessmen and others many times the possible saving. It becomes supremely ridiculous when we fly mail at one-third the speed of sound and deliver it at the speed of an aging and discouraged turtle."

There have been hundreds and hundreds of statements relative to the curtailment of service and the effect it has upon business. I was much impressed with the letter, a copy of which I have in my hand, that was addressed to the

Postmaster General, which reads as follows:

We, a Government-approved manufacturer of high-frequency electronic equipment and supplies for the various United States Government agencies of military procurement, are greatly inconvenienced by the present delivery service.

Invitations to bid on equipment and supplies from Government procuring agencies arrive at our office in many instances too late in giving us sufficient time to prepare the bid and submit it by the required opening date.

We are in a residential neighborhood, in which is situated many types of small businesses, and under the circumstances, believe we deserve more than one mail delivery per day.

The importance of this letter increases with the development of a grave situation in Korea. The outcome of a war is dependent upon activity on the home front. In early days we had professional soldiers that lived on the land. Today for every soldier we have on the war front we require the work of a great many civilians to maintain that soldier. Production is a major part of war effort. Communication and delivery of materials are a major part of war effort.

I do know that the Post Office Department in some cities where complaints are made give the complainer special service. This is not the proper way to meet this situation. In America all the folks should be entitled to equal opportunity. A citizen by the name of J. B. Fite, living in Dallas, Tex., brought suit in the courts to compel the postmaster at Dallas to give him two deliveries a day. He maintained that it was discrimination in denying him that service. It is interesting to observe that the court upheld his contention.

We have many letters of complaint emphasizing the poor quality of service that is now being given under the curtailment orders of the Postmaster General. One of these letters is written from San Diego, Calif., by one Grover C. Matson who declares:

The mail service in our area right now is the poorest and most lax system of mail I have known in 55 years.

I have numerous letters here that describe how the cost of doing business has increased because of the curtailment. To quote one John J. Golden of Charlotte, N. C., a representative of a mill distributing underwear and hosiery:

At one time, most cities in my territory were overnight by mail from my home, Charlotte, N. C. Today because of the uncertainty of mail service, I find that I must depend on more expensive means of communication, wire, if I want to be certain of delivery.

The multiple-delivery service has been established through experience all over the world. It is the most efficient way of delivering mail. To establish this fact we can quote from the testimony of the present Postmaster General under date of July 7, 1947, when he appeared before the Committee on Appropriations, Eightieth Congress, first session, part I, Post Office Department, page 14:

The big increase in the volume of mail began to hit us with all kinds of complaints from postmasters, and from postal organizations, in March and April, particularly in April. And I think it was more pronounced to us because in those months we were cutting expenditures and reducing the delivery service and the clerical service in not allowing postmasters as much money as they wanted for auxiliary expenditures. Reducing the cost with an increase in the volume of mail just flooded us with complaints not only from postmasters but from the public. We get anywhere from 3,000 to 5,000 letters in the run of a week from the public on curtailed postal service. But we did curtail drastically during May and June of this year in order to come within the amount appropriated.

We went back practically in every city in the country to a one-trip service in residential sections. I never thought in all of my years of experience that the public would complain so much about that, because I felt that the two-trip service in residential sections was more of a service function than just the public seeing the carrier come to the door twice a day. I know that our two-trip service was not based upon what the public needs in the way of having a carrier come to their door, but is based upon a prevention of delay in mail. So much mail arrives in these big cities at an hour in the morning when it cannot be distributed and get out to the stations from which the carriers emanate in time for delivery on the morning trip, and therefore, if we do not deliver it on the afternoon trip, it is delayed until the next morning.

Likewise, if you put carriers on a one-trip basis, we have got to determine whether he can handle his route on a basis of 8 hours within 10. It means that he must leave the office at 8 or 8:30 in the morning and he is continually on duty unless we swing him on his route somewhere, until his 8 hours are up. That means that some people do not get their mail during the morning and some people do not get it until as late as 4 o'clock in the afternoon.

I thought that there would not be so much kick about that until we began to do that during May and June and the people began to write us letters, because unless we can get that mail out in the afternoon delivery, it is delayed until the next morning. We have not been able even to begin to answer the complaints because we do not have enough force to handle that correspondence that has come in to us on account of this one-trip basis.

There you have a direct statement from the present Postmaster General as to what the effect of this curtailment is upon the people who receive the mail. I appeal to the Congress to vote in favor of my bill, H. R. 8195, ordering the Postmaster General to restore the postal service. It is essential to the safety of our country. It is essential to the economic welfare of thousands of our citizens. It is essential to the morale of our fighting forces and their folks at home.

Mr. McDONOUGH. Mr. Speaker, I signed the discharge petition to bring this bill (H. R. 8195) to the House for action and therefore favor the approval of the action now before the House to discharge from the Rules Committee H. R. 8195 and to make it the first order of business tomorrow.

I have been opposed to the Postmaster's order reducing the delivery of mail to one a day ever since he put it into effect.

The reduction in the mail service has been resented by the public generally and now that we are engaged in a war it is necessary that the mail service be restored for the convenience of business so that the war effort will not be impeded.

Why should we be limited to one mail delivery a day when many foreign countries receiving ECA funds have more than one mail delivery per day.

I favor this motion and I shall vote for H. R. 8195 when it comes up tomorrow.

Mrs. WOODHOUSE. Mr. Speaker, this bill, H. R. 8195, to rescind the order of the Postmaster General curtailing certain postal services has a laudable purpose, but would we be quite realistic in passing it without also taking other legislation under consideration?

Before we pass this bill we should take action on several other bills dealing with the Post Office that are still in committee—notably H. R. 2908 separating air mail subsidies from payments for carrying air mail; bills to give the Postmaster General the right to fix fees for special services—money orders, special delivery, and so forth, so as to cover cost; H. R. 5643 with certain modifications perhaps—to modernize the Post Office setup. Very definitely we should take another look at current rates—even as slightly raised by H. R. 2945—on second, third and fourth class mail and also consider changes in our economy forced upon us by the Korean situation.

Underlying the whole situation is the question Congress has never answered. Is the Post Office Department to be treated as a business or as a service?

On April 17, 1950, Postmaster General Jesse Donaldson, brought this question very clearly before the American people. He ordered mail deliveries in residential areas reduced to one a day; hours for window service shortened; fewer mailbox collections; and the abolition of the section which checked directories to assist in the delivery of poorly addressed mail. The Postmaster General at the same time stated that no regular civil-service employee would lose his job as a result of this order, but that it would affect substitutes and temporary workers.

WHY WAS THIS REDUCTION IN MAIL SERVICE ORDERED?

It was an attempt to bring costs more in line with revenue. The House Committee on Appropriations reduced the Post Office Department budget from $2,235,607,000 requested by the President to $2,207,500,000—cut of $28,000,000. Also for the first time the appropriation bill as it passed the House limited the amount which could be drawn from the Treasury to offset any unforeseen deficit to considerably less than the current or anticipated deficit. Moreover, the House Appropriations Committee assumed the Post Office Department would have at least $125,000,000 increased revenue from increased postal rates. While the House did pass a bill increasing rates, the Senate has not as yet acted on it. Since 74 percent of the expenditures of the Post Office Department goes for wages and salaries; 22 percent for transportation and 4 percent for equipment and facilities, it is evident that this reduction in budget necessitates a reduction in force.

SHOULD THE CUT IN THE SERVICE BE RESTORED?

Yes. But only if Congress will act to increase certain postal rates on second-, third-, and fourth-class mail; to separate the airline subsidies from the postal deficit; and to pass legislation which will enable the Postmaster General to make certain changes in the management of the Post Office. The Postmaster General has previously requested authority to make many of the reforms which the so-called Hoover Commission recommended.

The public and Congress must also decide whether or not they wish to subsidize the users of second-, third-, and fourth-class mail.

Certainly one thing is clear. Unless such action is taken the Postmaster General must not be criticized because the Department shows an annual deficit.

THE DEFICIT

The Post Office Department has run a deficit every year from 1923–42, inclusive. In 1943, 1944, and 1945 there was a surplus due to the great volume of first-class mail and due to the fact that overseas mail was carried by the military.

In 1946 the deficit was $129,081,500. In 1949 it had grown to $577,470,926. For 1950 it is estimated at about $555,000,000.

WHY IS THERE A DEFICIT?

Neither Congress nor the public has ever decided whether the Post Office Department should be run as a business or as a tax-supported service. The deficit has long been criticized, but until recently no action has been taken to reduce it.

The Post Office Department is one of the world's largest businesses. It has a total revenue of $1,700,000,000 a year, employs over half a million persons, and in a year transports and delivers more than 40,000,000,000 pieces of mail and handles over 800,000,000 transactions such as money orders, postal savings, and so forth.

As the Citizens Committee for the Hoover Report points out, "a large part of this deficit is due to management factors for which neither the Postmaster General nor his staff can be held accountable within the present law."

Congress sets the postal rates and fixes the salaries of the employees. The Interstate Commerce Commission decides what should be paid to the railroads for transporting the mail. The Civil Aeronautics Board has the same power in regard to air carriers.

Since 1945 Congress has increased salaries of postal employees by $740,000,000 per year. Prior to July 1, 1945, the average salary was $1,950 per year; today, it is $3,500.

The cost of rail and air transportation has gone up $165,000,000 a year.

The Post Office Department performs services for other departments for which it receives little or no compensation. For example, it maintains a country-wide information service on civil service examinations; sells documentary stamps and savings bonds for the United States Treasury, and migrating-bird stamps for Interior.

THE AIR-MAIL SUBSIDY

The Civil Aeronautics Board determines what the Post Office Department shall pay for air-mail transportation not only upon the basis of actual cost of the service plus a fair profit, but also on the basis of what the airlines need to stay in business. There are only estimates as to how much of the $125,000,000 paid the airlines is for mail transportation and how much for subsidy. Estimates as to the subsidy vary from forty to sixty million dollars a year.

The Hoover Commission recommended that the airline subsidy should be handled quite separately from payment for carrying air mail and be paid out of direct appropriations to the Civil Aeronautics Board. H. R. 2908 provides for this action. It should be reported out of the House Committee on Interstate and Foreign Commerce in the near future. I believe this bill should be passed without delay.

RAILROAD RATES

Railroad rates remained the same from July 1928 to 1947, when the ICC granted an interim increase of 25 percent. The railroads are asking for another 65-percent increase. The Postmaster General is fighting this further increase. The hearing is set for September 19, 1950.

The 25-percent increase cost the Post Office $30,000,000 in 1947; $40,000,000 in 1948; and $44,000,000 in 1947. If the full 95 percent, retroactive to 1947, should be granted, the deficit for the next year is estimated at $1,000,000,000 and the annual costs increased $175,000,000 to $200,000,000.

The ICC has interpreted the statutes regulating charges for railway cars—thirty-ninth United States Code, page 535—to mean that the Post Office Department must pay for the maximum space authorized in either direction for the round trip. S. 1596 would eliminate this so-called round-trip provision. Legislation to this end should be passed.

IMPROVEMENTS IN MANAGEMENT

The Citizens Committee for the Hoover Report has claimed savings of $200,000,000 a year could be achieved by better management. This figure is questioned by the Postmaster General and others familiar with the details of the Post Office Department, but some savings can be made.

The Postmaster General has pointed out that there is not a single post office in the United States that has space adequate for the handling of the increasing volume of mail and that no railroad furnishes adequate space in any large city terminal. He also notes that machinery cannot be used as in a factory; no machine can read an address. However, mechanical sorting equipment, according to Mr. Donaldson, has been installed to a far greater degree than in the private express companies. Parcel post window service is being mechanized in some 100 cities with the new postage meter. Efforts are being made to devise workable ramps, conveyor belts, and so forth, and to improve the so-called walk-in trucks. Public 231—Eighty-first Congress—provides for a research and development program in the Post Office Department to study equipment, supplies, methods, and procedures of the postal service.

Reorganization Plan No. 18 of 1950 relieves the Post Office of building management responsibilities not directly related to its work and puts such responsibilities under General Services Administration.

FISCAL PROCEDURES

The Post Office Department operates under 59 separate congressional appropriations ranging from $3,000 to $500,000,000 each. This requires the Postmaster General to make up a separate budget estimate for each of the 58 interrelated functions. Each dollar spent must be charged against a specific appropriation and transfers from one account to another are permitted only within narrow limits. This prevents the Department from operating as a fiscal unit and makes it impossible to get a complete picture of its total operations. There should be a more unified budget.

It is also confusing that the accounts of the Post Office Department are audited by the General Accounting Office at Asheville, N. C. H. R. 8923 which passed the House July 3, 1950, and the Senate last week, transfers this accounting function to the Post Office Department. This bill would also require separate accounts for free services performed for other departments, franked mail, and cost of air services in excess of air-mail revenue so these can be deducted to eliminate the strict and unnecessary separation of minor accounts in each of 42,000 post offices. Site audits will be permitted and also the use of spot checks now used in business. The necessity of shipping truckloads of vouchers to Asheville will be eliminated.

RATES

Postal rates bear little relation to cost. Rates were increased slightly in 1947 to bring in an additional $110,000,000 a year. The Postmaster General has asked for higher rates each year since 1948. H. R. 2945 which passed the House this year increased rates to bring in an additional $131,000,000 a year. No action has as yet been taken on it in the Senate.

A bill was introduced to give the Postmaster General the right to fix fees for special services—money orders, postal notes, special delivery, registered and c. o. d. mail—so as to cover costs. This is in accord with Hoover Commission recommendations. It would make only a small dent in the deficit. No action has been taken on this bill.

The Postal Savings Division is self-supporting. On money orders there is a loss of $15,000,000 to $20,000,000 a year.

There are four classes of mail: first class, letters, postcards, and air mail; second class, newspapers, magazines, and periodicals with bona fide subscription lists; third class, circulars and parcels up to 8 ounces; fourth class, all parcels 8 ounces or more, books and catalogs.

First class letters bring in net revenue. It costs 2.6 percents to print and deliver a penny postcard. Over 90 percent are used for advertising or other business purposes. The House bill raised the postage on them to 2 cents. Even so the deficit here would be $29,000,000 a year.

There is considerable feeling that second class rates should be increased beyond the moderate raise in the current

House bill; notably on the advertising carried in the periodicals. The rates are substantially the same as in 1879 when second-class mail was established. The Eightieth Congress refused to make any increase on second-class mail and there is strong pressure from publishers to retain the low rate. H. R. 2945 made some slight increase, but the deficit would still be some $160,000,000 a year, according to the best estimates.

The Postmaster General has recommended an increase on third class which is in the main advertising. The deficit after the increase of H. R. 2945 would still be about $106,000,000. Bulk mailing is now 1 cent per piece; the new rate would be 1½ cents.

The Postmaster General estimates that costs in excess of revenue for second-, third-, and fourth-class mail are equivalent to a subsidy of $435,000,000 a year—approximately $200,000,000 for second class, $135,000,000 for third class, and $100,000,000 for fourth class.

HOOVER COMMISSION RECOMMENDATIONS

First. The Postmaster General should not be an official of a political party.

(a) Mr. Donaldson, a career man, was appointed by President Truman before the Hoover Commission report was released.

Second. Recommendations for reorganization have been put into effect by the Postmaster General through:

(a) The appointment of a Deputy Postmaster General.

(b) Reassignment of duties to the Assistant Postmaster Generals and heads of divisions.

(c) The creation of an Advisory Board representing various elements of the public.

Third. Improvements in fiscal procedure.

(a) H. R. 8923 has passed the Congress.

Fourth. Airline subsidies paid by direct appropriation to Civil Aeronautics Board.

(a) Legislation now in committee should be passed at this session.

Fifth. Increase in rates:

(a) Bill has passed House and is now in the Senate. There should be a greater increase on second-, third-, and fourth-class mail. And special services should be charged at cost.

Sixth. Eliminate Senate confirmation of Postmasters and political nominations of rural carriers.

(a) S. 2213 would do this. No action has been taken on this bill. While the acceptance of this recommendation would eliminate a burden on Congressmen, from my observance of postmasters in eastern Connecticut—men and women appointed under various administrations—I question if career service appointments could produce more efficient personnel.

Seventh. The Commission recommended consolidation of post offices. It is pointed out that the result would be economy and improved services.

(a) In conformance with this recommendation I have cooperated with the Department in closing four small post offices in the Second Congressional District. In each case the office was closed with no one thrown out of a job and with improved mail delivery service to the patrons and savings in costs.

In brief, the cut in the mail service has brought into the open the questions of mail rates and subsidies and the post office deficits which should be dealt with by the Congress not piecemeal but as a whole so that the public may get the best possible mail service at the lowest possible cost.

Mr. GROSS. Mr. Speaker, attempts will probably be made here this afternoon to say this curtailment order was made necessary by the situation that has developed as a result of the war in Korea.

We will do well to keep in mind that not only was the Postmaster General's order issued without consultation with Congress or the House or Senate Post Office and Civil Service Committees, but it was issued on April 18, 1950, before the President or any of his so-called experts apparently had any knowledge of the blow that was impending.

Thus to stretch the origin of this postal curtailment order into the Korean situation must necessarily take a considerable stretching of the imagination.

An order of the Nation-wide ramifications of this one deserves the attention of all Members of the House. Whether for or against this particular decree of an appointed Federal official, it will do no harm to debate it tomorrow here on the floor.

I certainly intended to support the action that has been taken to bring his proposal out for debate and a vote.

Mr. DONOHUE. Mr. Speaker, I personally introduced a bill, H. R. 8505, similar to the one which we will consider tomorrow, to rescind the Postmaster General's order to curtail residential mail delivery service, because of my intense conviction this order was an unjust imposition upon the average taxpayer and would not result in an improvement of postal efficiency; in fact, I earnestly feel it has promoted inefficiency.

Without question, one of the most essential of all Government services, to the ordinary citizen, as well as the business firms, is the Post Office Department. In my opinion, the average person and family in this country has just as much right to expect and receive prompt delivery of personal mail as any department store, industrial plant, bank, or business.

In studying this subject, I found that during Post Office Committee hearings, back in November of 1945, the year of the Axis surrender, there was a Nation-wide demand for the restoration of the twice daily delivery and that the heads of the Post Office Department all testified that such resumption was necessary to avoid congestion and confusion in the post office and keep the mail properly moving. I have also ascertained that even in Britain, with all their austerity in present day living, the Government, recognizing the prime importance of the postal service to the people, maintains a two-delivery-per-day system.

The order, at best, is certainly a very doubtful economy move. In most districts, the mailmen were already carrying maximum loads and the only way of attempting to eliminate the second delivery, without permitting the mail to pile up in the post office, is to shorten the route or put two men on the job at the same time. This appears to be cutting the service without any material reduction in cost; in fact it has a tendency to increase costs.

I should like to remind you that, with the Korean war and the expanding military mobilization, prompt and efficient residential mail delivery service is vitally necessary for the maintenance of a high morale in the people of this country and is in the best interests of our national welfare.

I earnestly hope this House will act promptly tomorrow to rescind the postal delivery curtailment order and give back to our citizens the full service to which they are rightfully entitled.

Mr. HELLER. Mr. Speaker, I am taking this means of going on record before the Congress and the people of the United States in opposition to the curtailment of postal services instituted by Postmaster General Donaldson on April 17, 1950.

Mr. Donaldson's order has cut residential mail deliveries from two to one a day. Many persons now get their mail in the afternoon instead of in the morning, as in the past. Collections from boxes have been curtailed, deliveries in business districts have been reduced by one delivery on Saturdays, post-office windows are closed at 5:30 p. m., and parcel-post deliveries are limited to one a day.

The issuing of this order by the Postmaster General about-faces the traditional policy of our Government by not recognizing that the Post Office Department was established as a service institution and that it was never intended to be operated on a pay-as-you-go basis. Postal service should not be used as a revenue-producing means. It should be conducted for service only. There is no denying the fact that this great governmental agency has done more to develop our Nation than any other governmental agency. Notwithstanding the known accomplishments of the Post Office Department, the Postmaster General arbitrarily issued this sweeping and drastic order.

It has been stated that most of the employees who have been affected by curtailed employment are veterans. According to some persons, many of them are 10-point disabled veterans. These postal employees, most of whom are low-paid substitute workers, were on the receiving end of the brunt of this directive.

The resulting unemployment is a severe blow to the morale of the postal workers. Mr. Philip Lepper, president of the New York branch of the Association of Letter Carriers, AFL, declared that the order had thrown panic into the hearts of the letter carriers in his organization.

Likewise, David Silverglied, president of the Joint Conference of Affiliated Postal Employees of Greater New York and Vicinity, stated that—

> The American people are entitled to the continuance and maintenance of the best postal service in the world. This order will not only disrupt the postal service as we have always known it, but will destroy all feelings of security on the part of its faithful employees.

The daily mail is the backbone of our communication system. The demand and need for postal service is now greater than ever. It is a Government function that has become essential to the growth and economic well-being of our country. It is unfair to deny our people the service they want and the service to which they have become accustomed. It is unjust to throw faithful employees out of work when they are providing such a service.

The curtailment of postal service has resulted in sizeable money losses to American business. There is a story of one business firm that lost $50,000 because of the fact that advertisements that they sent out were delayed. This situation relative to an inferior mail service requires prompt and immediate action.

The cut proposed by the House of Representatives in postal appropriations amounts to $28,107,000 or a little over 1 percent of the total requested budget. It does not seem reasonable that this small a cut would warrant such a sweeping reduction in employment and in service.

There are other ways to save money than to fire forty-dollar-a-week postal workers, most of whom are veterans. For example, some of the postal subsidies could be reduced or Congress could provide the sum of money requested. In speaking of subsidies, the Postmaster General has called attention to the $200,000,000 subsidy to second-class mail. In addition, the Post Office Department's budget supports a fifty- to sixty-million-dollar air mail subsidy. Last year, third-class mail was subsidized to the extent of $129,000,000 and fourth-class mail was subsidized in the amount of $90,000,000. Our foreign mail costs $74,000,000 more than the revenue generated from this service. We do not have to fire forty-dollar-a-week clerks to save money—there are better ways to do this.

Mr. Speaker, I urge restoration of jobs to the faithful postal employees and the restoration of the excellent services of the Post Office Department to which we have all so properly become accustomed.

Mr. COX. Mr. Speaker, I shall withhold any statement I desire to make.

Mr. MILLER of California. Mr. Speaker, I reserve the balance of my time under the rule to close.

The SPEAKER. Does the gentleman from Georgia desire any time?

Mr. COX. Yes. Has the gentleman concluded his statement? If the gentleman means to take any more time, I think he should take it now. He should not be permitted to split his 10 minutes up.

The SPEAKER. The Chair thinks that the gentleman from California, author of the motion, is entitled to close the debate.

Mr. COX. Mr. Speaker, if the vote taken on the motion to adjourn means that Members voting in the negative purpose to support the resolution vacating the order of the Postmaster General, then the vote reflected a sorry concern for the state of the Nation. I trust, however, Mr. Speaker, that the vote means nothing more than a willingness or a purpose on the part of the membership to meet this question head-on and to make final decision on it.

Mr. Speaker, it is a cruel and a mean fear that brings this discharge petition here for consideration. Think of it! Here when we are in a state of war, this branch of the Congress is found playing politics. The Postmaster General in making this order did not act capriciously. He moved in this instance as a result of pressure brought to bear upon him by this body. Your Committee on Appropriations said on April 17:

> The committee has discussed with the Postmaster General certain proposals for effecting economies, and realizes that probably all of the suggestions made will provoke some complaints from one source or another. Nevertheless, the financial condition of the United States Treasury is such that every step possible must be taken to save money.
>
> The committee believes that sizable savings could be made by a reduction of the number of deliveries per day to many areas, particularly on those routes serving residential areas exclusively. Residential areas receive from one to three deliveries a day; rural patrons receive one delivery a day. The committee urges the Postmaster General to provide for the rearrangement of city delivery service so as to reduce the number of deliveries wherever possible.

Mr. Speaker, the action taken by the Postmaster General was a rational move made by him and in the report that he made in a letter of Saturday last, he makes disclosure that the order saves the Treasury $70,000,000 annually—not $15,000,000 as was stated a while ago; not some indefinite sum as has been stated, but saves the Treasury $70,000,000 annually.

Of the 218 signers on this discharge petition, 110 voted for the Taber-Thomas amendment to the appropriation bill, which ordered a reduction of 10 percent in all nondefense appropriations. Gentlemen taking the floor this morning who voted for that amendment seem to have reversed themselves. This House is here given its first opportunity for making public expression of its views on the question of economy.

Mr. Speaker, of the more than 41,000 post offices, only 4,000 have city delivery. Over 23,000,000 people live in towns that have no delivery whatever. Above 32,000,000 people live on rural routes. The figures that I have given are taken from the communication that Mr. Donaldson sent to the gentleman from Tennessee [Mr. MURRAY] on Saturday last.

The Postmaster General says that during World War II above 70 percent of those in residential areas got only one mail delivery per day due to the shortage of manpower. Now, Mr. Speaker, at a time when we are actually at war, there comes this petition to discharge the Committee on Rules because it could not see its way clear to report this resolution to the House. Mr. Speaker, is it a kind of cold fear creeping through the minds of Members, freezing their understanding, that makes possible the doing of that which is here proposed? Should not responsible people find it possible to subordinate their own political welfare for the good of their country? To me it is unthinkable that we should overthrow the Postmaster General, and I am ashamed of those who are responsible for this petition being brought here, and I trust that Members of this body will find it pleasing to meet this question courageously, and in the light of what they know to give true answer to the question proposed.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. CANFIELD. I just want to remind the gentleman that 109 veterans of our wars signed that petition.

Mr. COX. I do not care how many veterans signed the petition. They were wrong and should here make amends.

Mr. CANFIELD. They knew what they were doing.

Mr. COX. If the Members will read the letter of the Postmaster General in which he makes a dispassionate sort of report, one which is completely convincing, they cannot in my judgment, with any approval of their sense of right, vote to override the order here involved. The order of the Postmaster General should stand.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. EBERHARTER. I agree with the sentiments expressed by the gentleman from Georgia. I agree with the statements that he has made. We are going at this thing backward. What we should do is appropriate enough money to enable the Postmaster General to carry out the laws passed by the Congress.

Mr. COX. I thank the gentleman. He is completely right.

Mr. Speaker, we are meeting this issue under extraordinary circumstances. The minority voted a few minutes ago almost solidly against adjournment. Maybe they were right—maybe they were right. They have been pleading for economy. Of course in that respect I know they were right. But what are they doing now? I trust that when the vote is taken on this issue, their conduct will accord with their words. Maybe this presents a test of their good faith. It is by its fruit that the tree must be judged.

The SPEAKER. Does the gentleman from Georgia desire to yield time?

Mr. COX. No, Mr. Speaker.

Mr. MILLER of California. Mr. Speaker, I am very proud to be one of those who helped bring this matter into the open and to have signed the petition to discharge the Committee on Rules from what I conceive to have been its apparent duty, to grant a rule on this bill. The Legislative Committee acted upon favorably. I am not scared by this great cry for economy which the gentleman preceding me just made. The House of Representatives is responsible for the kind of service that the Post Office gives. We lay down the rule as to the duties and services of the Post Office Department, then we cut the heart out of them with inadequate appropriations.

I would like to see any Member of the House next January justify to the man with the postal bag over his shoulder, walking out in the snow, munching his lunch because he does not have the time

to sit down and eat it the way the people in this country are supposed to eat lunch. Why, Mr. Speaker, there is not an organized craft in this country where the union of that craft would allow its people to be treated the way this order will treat the members of the postal service and the letter carriers in particular.

All we are trying to do is to bring this matter before the House so that on tomorrow, under the rule, the House will have an opportunity to discuss the whys and wherefores and go into it more fully. I ask the Members who have had the courage to sign this discharge petition to stick with their first and sound decision.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the motion of the gentleman from California to discharge the Committee on Rules from the further consideration of House Resolution 667, providing for the consideration of H. R. 8195, a bill to rescind the order of the Postmaster General curtailing certain postal services.

The question was taken; and on a division (demanded by Mr. MURRAY of Tennessee) there were—ayes 159, noes 146.

Mr. MURRAY of Tennessee. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 249, nays 81, answered "present" 3, not voting 97, as follows:

[Roll No. 235]

YEAS—249

Addonizio	Crosser	Hays, Ohio
Albert	Cunningham	Hébert
Allen, Calif.	Curtis	Hedrick
Allen, Ill.	Dague	Heffernan
Allen, La.	Davenport	Heller
Andresen, August H.	Davis, Tenn.	Heselton
	DeGraffenried	Hill
Angell	Delaney	Holmes
Arends	Dollinger	Horan
Aspinall	Dolliver	Howell
Auchincloss	Donohue	Huber
Bailey	Douglas	Hull
Baring	Doyle	Irving
Barrett, Pa.	Elliott	Jackson, Calif.
Bates, Mass.	Ellsworth	Jackson, Wash.
Battle	Elston	Javits
Beall	Engle, Calif.	Jenison
Beckworth	Evins	Jennings
Bennett, Fla.	Fallon	Jensen
Bennett, Mich.	Feighan	Jones, N. C.
Biemiller	Fellows	Judd
Bishop	Fenton	Karst
Blatnik	Flood	Karsten
Boggs, La.	Fogarty	Kean
Bolling	Forand	Kearney
Bolton, Md.	Fulton	Kearns
Bolton, Ohio	Gamble	Keating
Bosone	Garmatz	Kee
Bramblett	Gavin	Kelley, Pa.
Breen	Gilmer	Kelly, N. Y.
Brooks	Golden	Keogh
Brown, Ga.	Goodwin	Kilday
Bryson	Gordon	King
Buchanan	Gorski	Kirwan
Buckley, Ill.	Graham	Klein
Buckley, N. Y.	Granahan	Kruse
Burdick	Granger	Kunkel
Burke	Grant	Lane
Burnside	Green	Larcade
Byrne, N. Y.	Gross	LeCompte
Canfield	Guill	LeFevre
Carnahan	Gwinn	Lichtenwalter
Case, N. J.	Hagen	Lind
Celler	Hall, Edwin Arthur	Linehan
Chesney		Lovre
Christopher	Halleck	McCarthy
Chudoff	Hand	McConnell
Clemente	Harden	McDonough
Cole, Kans.	Hardy	McGrath
Corbett	Harris	McGregor
Cotton	Hart	McGuire
Coudert	Harvey	McKinnon
Crook	Havenner	McSweeney
Mack, Wash.	Peterson	Sheppard
Madden	Pfeifer, Joseph L.	Short
Mansfield		Simpson, Ill.
Marsalis	Philbin	Simpson, Pa.
Martin, Iowa	Phillips, Calif.	Smith, Wis.
Martin, Mass.	Plumley	Spence
Merrow	Poulson	Staggers
Meyer	Price	Steed
Miles	Priest	Sullivan
Miller, Calif.	Rabaut	Tackett
Miller, Md.	Rains	Tauriello
Mitchell	Ramsay	Taylor
Monroney	Reed, Ill.	Tollefson
Morris	Reed, N. Y.	Van Zandt
Morrison	Rhodes	Wagner
Moulder	Ribicoff	Walter
Multer	Riehlman	Weichel
Murdock	Rivers	Welch
Murphy	Rodino	White, Calif.
Nicholson	Rogers, Fla.	Widnall
Norrell	Rogers, Mass.	Wier
Norton	Rooney	Wigglesworth
O'Brien, Ill.	Sadlak	Wilson, Ind.
O'Brien, Mich.	St. George	Wilson, Okla.
O'Hara, Minn.	Sasscer	Withrow
O'Konski	Saylor	Wolverton
O'Neill	Scott, Hardie	Woodhouse
O'Sullivan	Scudder	Woodruff
O'Toole	Secrest	Yates
Patterson	Shafer	Young
Perkins	Shelley	Zablocki

NAYS—81

Abbitt	Fugate	Poage
Abernethy	Gary	Polk
Andersen, H. Carl	Gathings	Preston
	Gossett	Rankin
Anderson, Calif.	Gregory	Rees
Andrews	Hale	Richards
Bates, Ky.	Harrison	Robeson
Bentsen	Hays, Ark.	Scrivner
Bonner	Herlong	Sikes
Burleson	Hobbs	Sims
Burton	Hoffman, Mich.	Smith, Va.
Byrnes, Wis.	Hope	Stigler
Camp	Jacobs	Stockman
Cannon	Jones, Ala.	Sutton
Case, S. Dak.	Jones, Mo.	Taber
Chelf	Kerr	Teague
Colmer	Kilburn	Thomas
Combs	McCulloch	Thompson
Cooper	McMillan, S. C.	Thornberry
Cox	Mahon	Trimble
Davis, Ga.	Marshall	Wheeler
Davis, Wis.	Michener	Whitaker
Deane	Miller, Nebr.	Whitten
Doughton	Mills	Whittington
Durham	Murray, Tenn.	Wilson, Tex.
Eberharter	Norblad	Wood
Fisher	Passman	
Ford	Patman	

ANSWERED "PRESENT"—3

Lyle	McCormack	Noland

NOT VOTING—97

Barden	Hinshaw	Powell
Barrett, Wyo.	Hoeven	Quinn
Blackney	Hoffman, Ill.	Redden
Boggs, Del.	Holifield	Regan
Boykin	James	Rich
Brehm	Jenkins	Roosevelt
Brown, Ohio	Johnson	Sabath
Bulwinkle	Jonas	Sadowski
Carlyle	Keefe	Sanborn
Carroll	Kennedy	Scott, Hugh D., Jr.
Cavalcante	Lanham	
Chatham	Latham	Smathers
Chiperfield	Lodge	Smith, Kans.
Clevenger	Lucas	Smith, Ohio
Cole, N. Y.	Lynch	Stanley
Cooley	McMillen, Ill.	Stefan
Crawford	Mack, Ill.	Talle
Davies, N. Y.	Macy	Towe
Dawson	Magee	Underwood
Denton	Marcantonio	Velde
D'Ewart	Mason	Vinson
Dingell	Morgan	Vorys
Dondero	Morton	Vursell
Eaton	Murray, Wis.	Wadsworth
Engel, Mich.	Nelson	Walsh
Fernandez	Nixon	Werdel
Frazier	O'Hara, Ill.	White, Idaho
Furcolo	Pace	Wickersham
Gillette	Patten	Williams
Gore	Pfeiffer, William L.	Willis
Hall, Leonard W.		Winstead
	Phillips, Tenn.	Wolcott
Hare	Pickett	
Herter	Potter	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Brown of Ohio for, with Mr. McCormack against.

Mr. Lodge for, with Mr. Morton against.

Mr. Walsh for, with Mr. Noland against.

Mr. Lynch for, with Mr. Smith of Ohio against.

Mr. Herter for, with Mr. Rich against.

Until further notice:

Mr. Roosevelt with Mr. Blackney.

Mr. Holifield with Mr. Dondero.

Mr. Pickett with Mr. Leonard W. Hall.

Mr. Marcantonio with Mr. Wolcott.

Mr. Williams with Mr. William L. Pfeiffer.

Mr. Winstead with Mr. Macy.

Mr. Willis with Mr. Latham.

Mr. Mack of Illinois with Mr. Jenkins.

Mr. Magee with Mr. Jonas.

Mr. Wickersham with Mr. Hugh D. Scott, Jr.

Mr. Morgan with Mr. Chiperfield.

Mr. Powell with Mr. Boggs of Delaware.

Mr. Carroll with Mr. Hoeven.

Mr. Davies of New York with Mr. James.

Mr. Dingell with Mr. Stefan.

Mr. Cavalcante with Mr. Potter.

Mr. Denton with Mr. Nixon.

Mr. Frazier with Mr. Cole of New York.

Mr. Kennedy with Mr. Nelson.

Mr. Lanham with Mr. Crawford.

Mr. Sabath with Mr. Eaton.

Mr. Sadowski with Mr. Hinshaw.

Mr. O'Hara of Illinois with Mr. Vorys.

Mr. Redden with Mr. Engel of Michigan.

Mr. Regan with Mr. Gillette.

Mr. Smathers with Mr. Mason.

Mr. Stanley with Mr. Phillips of Tennessee.

Mr. Underwood with Mr. McMillen of Illinois.

Mr. Vinson with Mr. Brehm.

Mr. Lucas with Mr. Barrett of Wyoming.

Mr. Hare with Mr. Clevenger.

Mr. Furcolo with Mr. D'Ewart.

Mr. Carlyle with Mr. Hoffman of Illinois.

Mr. Chatham with Mr. Johnson.

Mr. Cooley with Mr. Werdel.

Mr. Dawson with Mr. Sanborn.

Mr. Fernandez with Mr. Smith of Kansas.

Mr. Gore with Mr. Talle.

Mr. Barden with Mr. Towe.

Mr. Boykin with Mr. Velde.

Mr. White of Idaho with Mr. Wadsworth.

Mr. Pace with Mr. Keefe.

Mr. Bulwinkle with Mr. Murray of Wisconsin.

Mr. McCORMACK. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. BROWN. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. NOLAND. Mr. Speaker, I have a live pair with the gentleman from Indiana, Mr. WALSH. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That upon the day succeeding the adoption of this resolution, a special order be, and is hereby, created by the House of Representatives for the consideration of H. R. 8195. That on said day the Speaker shall recognize the Representative from Indiana, JOHN R. WALSH, to call up H. R. 8195, a bill to rescind the order of the Postmaster General curtailing certain postal services, as a special order of business, and to move that the House resolve itself into the Committee

of the Whole House on the State of the Union for the consideration of said H. R. 8195. After general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the Member of the House requesting the rule for the consideration of said H. R. 8195 and the Member of the House who is opposed to the said H. R. 8195, to be designated by the Speaker, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill, and the amendments thereto, to final passage, without intervening motion, except one motion to recommit. The special order shall be a continuing order until the bill is finally disposed of.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JOHN MICHAEL ANCKER RASMUSSEN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 683)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying bill, referred to the Committee on the Judiciary and ordered to be printed:

To the House of Representatives:

I return herewith, without my approval, the enrolled bill (H. R. 3464) to record the lawful admission for permanent residence of alien John Michael Ancker Rasmussen.

The bill would direct the Attorney General to record the lawful admission for permanent residence of John Michael Ancker Rasmussen as of July 22, 1948, if he is otherwise admissible under the provisions of the immigration laws, upon payment of the required visa fee and head tax. It would also direct the Secretary of State to instruct the quota-control officer to deduct one number from the appropriate immigration quota.

The record discloses that Mr. Rasmussen is a native and citizen of Denmark, having been born in that country on April 25, 1918. Coming from China, where he had resided since 1919, he entered the United States at the port of San Francisco, on July 22, 1948, when he was admitted as a temporary visitor for a period of 6 months. Although his mother and sister were subsequently admitted to this country for permanent residence, Mr. Rasmussen's wife and two minor children, who left China in 1947, now reside in Sweden with relatives. According to last information, Mr. Rasmussen resides in Washington, D. C., where he is employed in a department store.

The alien was granted an extension of his temporary stay until March 21, 1949, and he should be required to depart in accordance with the terms under which he was granted admission to this country. The quota of Denmark, to which he is chargeable, is oversubscribed and an immigration visa in his case is not readily obtainable. In this respect his case is not unlike those of many other aliens who are awaiting an opportunity to come to this country for permanent residence, and the record fails to present considerations justifying the enactment of special legislation granting him a preference over such others. The enactment of this bill would undoubtedly encourage other aliens to attempt to enter the United States as visitors for a temporary period and, thereafter, seek exemption from the requirements of the immigration laws.

Accordingly, I am constrained to withhold my approval from the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 14, 1950.*

MRS. VIRGINIA DALLA ROSA PRATI—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 685)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the bill, referred to the Committee on the Judiciary and ordered to be printed:

To the House of Representatives:

I return herewith, without my approval, the enrolled bill (H. R. 5016) for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati.

The bill would provide that Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati, shall be considered lawfully admitted to the United States for permanent residence as of the date of their last entries, upon payment of the required head taxes and visa fees. The measure also would direct the Secretary of State to instruct the quota-control officer to deduct the required numbers from the appropriate immigration quotas.

The record discloses that Mrs. Dalla Rosa Prati was born in San Francisco, Calif., on December 13, 1906. In 1933 she went to Italy, renounced her United States citizenship, and became a naturalized citizen of Italy, so that she and Mr. Rolando Dalla Rosa Prati, a vice consul of Italy, then stationed in California, could be married in accordance with the Italian regulations in effect at that time. Her minor son, Rolando Dalla Rosa Prati, was born in Bucharest, Rumania, on April 25, 1939, while his father was serving in the Italian consular service in that city. Mrs. Dalla Rosa Prati and her son entered the United States at the port of Miami, Fla., on September 10, 1944, when they were admitted for a period of 1 year. After remaining in this country for a longer time than was authorized under the terms of their admission, they departed from the United States on May 31, 1949, returning to Italy. They subsequently entered the United States at the port of New York on September 5, 1949, when they were admitted under section 3 (1) of the Immigration Act of 1924, as the wife and son of a diplomat. So long as they maintain such status they may remain in this country indefinitely.

Mrs. Dalla Rosa Prati voluntarily surrendered her United States citizenship with knowledge of the consequences of her act. The quotas of Italy and Rumania, to which she and her minor son are chargeable, are oversubscribed and quota immigration visas are not readily obtainable. Their case does not present considerations justifying the enactment of special legislation granting them a preference over the many other aliens in Italy and Rumania who also desire to come to the United States as quota immigrants for permanent residence.

Accordingly I am constrained to withhold my approval from the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 14, 1950.*

DR. FRANCESCO DRAGO—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 684)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the bill, referred to the Committee on the Judiciary and ordered to be printed:

To the House of Representatives:

I return herewith, without my approval, H. R. 4806, for the relief of Dr. Francesco Drago.

The bill would provide that, upon payment of the required head tax and visa fee, Francesco Drago will be considered to have been lawfully admitted to the United States for permanent residence on May 19, 1948. It would also direct the Secretary of State to instruct the quota-control officer to deduct one number from the appropriate immigration quota.

The record discloses that Francesco Drago, a medical doctor, is a native and citizen of Italy, having been born in Palermo, Italy, on December 22, 1920. He entered the United States at the port of Philadelphia on May 20, 1948, when he was admitted as a visitor under section 3 (2) of the Immigration Act of 1924, until July 19, 1948. Dr. Drago has been employed as a voluntary fellow in medicine at the University of Buffalo, Buffalo, N. Y., attached to the staff of the tuberculosis service of the Edward J. Meyer Memorial Hospital. He is not married and is supported by an uncle in this country.

Extensions of Dr. Drago's temporary stay have been permitted pending the outcome of this legislation, upon which final action by the Congress was not taken until after Dr. Drago had become so seriously ill as to require an extended period of hospitalization. While he is still confined to the hospital there is good prospect for his complete recovery.

Under all of the circumstances present in this case, I believe that it would be unfair to the United States and to Dr. Drago as well, if I were to approve this bill. Therefore, while I feel obliged to withhold my approval from this measure, I am requesting the Department of Justice to permit a further extension of Dr. Drago's stay in the United States until such time as the outcome of his illness can be more certainly determined. If restoration to health should be complete, I would have no objection to approval of a measure waiving such

provisions of the immigration laws as might be necessary to permit him to take up permanent residence in the United States.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 14, 1950.*

SPECIAL ORDER GRANTED

Mr. LYNCH (at the request of Mr. MCCORMACK) was given permission to address the House for 30 minutes tomorrow, following the legislative program and any special orders heretofore entered.

CALIFORNIA WORLD PROGRESS EXPOSITION

Mr. KEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H. J. Res. 434) providing for recognition and endorsement of the California World Progress Exposition, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the resolution.

The Clerk read the Senate amendments as follows:

Page 2, line 7, strike out "the" where it appears the first time and insert "foreign."

Page 2, line 7, strike out "of the democratic world."

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, this merely provides for a change in the phraseology, does it not?

Mr. KEE. That is all.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MAINTENANCE OF DOMESTIC TIN-SMELTING INDUSTRY

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 3666) to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2911)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3666) to extend for five years the authority to provide for the maintenance of a domestic tin-smelting industry, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
Managers on the Part of the House.

LYNDON B. JOHNSON,
LESTER C. HUNT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3666) to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate bill and the House amendment both provided for a 5-year extension in the operation by the Reconstruction Finance Corporation of the Government-owned Texas City Tin Smelter. In addition the House amendment included a proviso reciting that the powers, functions, duties, and authority vested in the Reconstruction Finance Corporation by section 2 of Public Law 125, Eightieth Congress, as amended, be exercised with due regard to the public interest in the maintenance of domestic smelting of Western Hemisphere tin ores and concentrates by American private enterprise.

The committee of conference recognizes the public interest in the maintenance and encouragement of domestic smelting of Western Hemisphere tin ores and concentrates by American private enterprise and expects that such powers, functions, duties, and authority will be exercised with due regard to this interest. The committee of conference unanimously agreed however that, at this time, our primary interest is to guarantee an adequate supply of tin to meet the needs of national security for this country, and that the Government should continue to seek necessary supplies of tin ores and concentrates wherever they are available.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
Managers on the Part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. GRANGER asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

DE SOTO NATIONAL MEMORIAL, FLORIDA

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8230) to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida, with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out lines 6, 7, and 8 and insert:

"SEC. 3. There is hereby authorized to be appropriated such sums, not to exceed $50,000, as may be necessary to carry out the provisions of this act."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ABANDONED SCHOOL PROPERTIES IN THE TERRITORY OF ALASKA

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2121) to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, strike out lines 6 to 16 inclusive, and insert "and shall provide that the lands and improvements conveyed shall be used for school or other public purposes only and that the school facilities maintained thereon or therein shall be available to all of the native children of the town, city, or other school district concerned on the same terms as to other children of such town, city, or district. The Secretary of the Interior, if at any time he determines that the grantee of any such lands and improvements has violated or failed to observe the foregoing provisions and that such violation or failure has continued for a period of at least one year, may declare a forfeiture of the grant. Such determination by the Secretary shall be final, and thereupon the lands and improvements covered thereby shall revert to the United States and become a part of the public domain subject to administration and disposal under the public land laws."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SPECIAL ORDERS GRANTED

Mr. LANE asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

Mr. McGREGOR asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

Mr. POULSON asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. JACKSON of Washington asked and was given permission to extend his remarks and include an editorial from the New York Times.

Mrs. DOUGLAS asked and was given permission to extend her remarks and to include extraneous matter.

Mr. KLEIN asked and was given permission to extend his remarks in four separate instances and in each to include extraneous matter.

Mr. MANSFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject of the Hungry Horse Road.

Mr. DOYLE asked and was given permission to extend his remarks in the Appendix of the RECORD in four separate instances and in each to include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in two instances and in each to include extraneous matter.

Mr. BECKWORTH asked and was given permission to extend his remarks in two instances and in each to include extraneous matter.

Mr. WILSON of Oklahoma asked and was given permission to extend his remarks and include an article from the Reserve Officers' magazine.

Mr. JACKSON of California asked and was given permission to extend his remarks and include an editorial.

Mr. FORD asked and was given permission to extend his own remarks in the RECORD.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include an article by Jan Ciechanowski from the Boston Herald of Sunday, August 13.

Mr. REES asked and was given permission to extend his remarks and include a copy of a letter from a constituent.

Mr. HOPE asked and was given permission to extend his remarks in the RECORD.

Mr. LOVRE asked and was given permission to extend his remarks and include a letter.

Mr. SCUDDER asked and was given permission to extend his remarks and include an editorial.

Mr. LECOMPTE asked and was given permission to extend his remarks and include a letter from the Reverend Monsignor Vitus Stoll, of Creston, Iowa, which appeared in the Des Moines Register.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. HESELTON asked and was given permission to extend his remarks in three instances and in each to include extraneous matter.

Mr. REED of New York asked and was given permission to revise and extend the remarks he expects to make on the bill S. 192 and include extraneous matter.

Mr. MILLER of California asked and was given permission to extend his remarks and include a statement.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia day.

REGULATING BARBERS IN THE DISTRICT OF COLUMBIA

Mr. MCMILLAN of South Carolina. Mr. Speaker, I call up the bill (H. R. 7240) to amend sections 12 and 14 of an act entitled "An act to regulate barbers in the District of Columbia, and for other purposes," approved June 7, 1938 (sec. 2–1112–1114, D. C. Code, 1940 edition), and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That sections 12 and 14 of an act entitled "An act to regulate barbers in the District of Columbia, and for other purposes," approved June 7, 1938 (sec. 2–1112–1114, D. C. Code, 1940 edition), is hereby amended to read as follows:

"SEC. 12. The Commissioners are authorized and directed to provide suitable quarters for examinations and equipment to the Board and for the compensation of the members of the Board at the rate of $20 per day for the time actually and necessarily spent in their duties as such members, and for the payment of expenses necessarily incurred by the Board in carrying out the provisions of this act and are also authorized and directed to appoint a clerk and three inspectors at such salary as the Commissioners may authorize to assist the Board in carrying out the provisions of this act; said inspectors shall be qualified barbers, each of whom shall have been engaged in the practice of barbering in the District of Columbia for a period of 5 years immediately prior to their appointment, and shall be appointed after a competitive examination held for said positions by the Board officer of the District of Columbia: *Provided*, That payments under this section shall not exceed the amount received from the fees provided for in this act; and if at the close of each fiscal year any funds unexpended in the excess of the sum of $1,000 shall be paid into the Treasury of the United States to the credit of the District of Columbia: *Provided further*, That no expense incurred under this act shall be a charge against the funds of the United States or the District of Columbia.

"SEC. 14. (a) To fail to list prices of services rendered to the public during the week and Sundays, and such list of prices shall be kept posted in a conspicuous place not more than 5 feet above the floor."

"(b) Any person violating any of the provisions or regulations of this act shall upon conviction be fined not less than $25 or more than $200."

SEC. 2. This act shall take effect 30 days after the date of its enactment.

With the following committee amendment:

Amendment No. 1: Strike all after the enacting clause and insert the following: "That section 12 of the act entitled 'An act to regulate barbers in the District of Columbia, and for other purposes,' approved June 7, 1938 (52 Stat. 622)), be amended to read as follows:

"'SEC. 12. The Commissioners are authorized and directed to provide suitable quarters for the Board. The compensation of each member of the Board, other than the secretary-treasurer, shall be fixed by the Commissioners at not to exceed $20 for each day actually and necessarily spent in their duties as such members: *Provided*, That the total compensation payable to each such member shall not exceed $600 per annum. The Commissioners are also authorized and directed to appoint such clerks, inspectors, and other personnel as they deem to be necessary to assist the Board in carrying out the provisions of this act: *Provided*, That such inspectors shall be qualified barbers, each of whom shall have been engaged in the practice of barbering in the District of Columbia for a period of 5 years immediately prior to their appointment and shall be appointed after a competitive examination held for said positions by the Board. Compensation of such clerks, inspectors, and other personnel including the secretary-treasurer of the Board, shall be fixed by the Commissioners. Payments for expenses of the Board, including those authorized by this section, shall not exceed the amount received from the fees provided for in this act: and if at the close of any fiscal year there be any funds unexpended in excess of the sum of $1,000 such excess shall be paid into the Treasury of the United States to the credit of the District of Columbia: *Provided further*, That no expense incurred under this act shall be a charge against the funds of the United States or the District of Columbia.'

"SEC. 2. Subsection (b) of section 14 of such act is amended by striking therefrom 'not less than $25' and inserting in lieu thereof 'not more than $200.'

"SEC. 3. The Commissioners of the District of Columbia are authorized by regulation to require the owner or the manager of every barber shop in the District of Columbia to post on a sign or signs the prices of services rendered to the public and they may specify in such regulations the sizes of the sign or signs, the lettering thereon, and the location thereof upon which prices are required to be posted. The Commissioners are further authorized to prescribe in such regulations that for each violation thereof there may be imposed a fine not exceeding $200.

"SEC. 4. This act shall take effect on the first day of the second month following enactment."

Mr. MCMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to amend the act to regulate barbers in the District of Columbia.

Under this legislation the compensation of the Board of Barber Examiners of the District of Columbia would be increased from $13.07 to $20 per day.

This legislation would also require that all barber shops in the District of Columbia post prices of every service rendered to the public in a conspicuous place not more than five feet above the floor.

Under existing law any person violating any provisions of this act upon conviction can now be fined not less than $25. This bill would amend the law by prescribing a maximum fine of $200, but retaining a minimum fine of $25. It was felt that the minimum fine should be eliminated and the maximum fine specified and this amendment was written so as to accomplish this proposal.

This legislation has the approval of the Board of Barber Examiners for the District of Columbia and the Commissioners of the District of Columbia.

Because of several errors in the original bill it was felt that a new bill to accomplish the desired aim would be better and the committee for this purpose struck all but the enacting clause from the original bill and inserted new matter.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the act entitled 'An act

to regulate barbers in the District of Columbia, and for other purposes,' approved June 7, 1938, and for other purposes."

A motion to reconsider was laid on the table.

YOUNG MEN'S CHRISTIAN ASSOCIATION

Mr. McMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia I call up the bill (H. R. 8797) to exempt property of the Young Men's Christian Association of the City of Washington—incorporated under the act of Congress of June 28, 1864, Thirteenth Statutes at Large, page 411—from taxation, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, I would like to ask a question or two of the chairman of the Committee on the District of Columbia who introduced this bill, I believe, by request. I believe that the Young Men's Christian Association has been exempted from taxes for a good many years, perhaps since 1864.

Mr. McMILLAN of South Carolina. Yes.

Mr. MILLER of Nebraska. My understanding is that the Commissioners of the District of Columbia have issued an adverse report on this particular legislation dated July 20, 1950. I understand there is now in the building a commercial restaurant. It should not be exempted from taxation. I wonder if the chairman can give us his views on that matter? Is it his intention, if the commercial restaurant does exist in the building of the Young Men's Christian Association, to have that exempt from all taxes?

Mr. McMILLAN of South Carolina. I may say to the gentleman from Nebraska that the purpose of the bill is to exempt only the building from taxation. They have been exempted for 60 years. However, this year the Tax Assessor has levied a tax on the YMCA Building.

Mr. MILLER of Nebraska. Then the chairman of the Committee on the District of Columbia feels if there is a commercial restaurant there it should be taxed?

Mr. McMILLAN of South Carolina. I feel it should be taxed; yes.

Mr. MILLER of Nebraska. And all of that business will be taxed?

Mr. McMILLAN of South Carolina. Yes.

Mr. MILLER of Nebraska. I agree with the gentleman, and I hope when this bill gets to conference, if the condition does exist, that some amendment will be placed in the bill to correct that matter. The building itself, owned by the Young Men's Christian Association, should not be taxed, but I do feel that if there is a commercial restaurant now in that building operated for profit then that restaurant should pay the same taxes that any other restaurant on that street in the District of Columbia pays.

Mr. McMILLAN of South Carolina. I agree with the gentleman and I will work to correct that situation, if it does exist.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of H. R. 8797 is to exempt the property of the Young Men's Christian Association of the City of Washington from taxation, in the District of Columbia.

The Young Men's Christian Association of the City of Washington was chartered by a joint resolution of the Congress of the United States and approved on June 28, 1864, Thirteenth Statutes at Large, page 411—and the Young Men's Christian Association of the District of Columbia was incorporated on June 6, 1892, under the general corporation laws of the District of Columbia. A statute containing substantially the same language as that now proposed in the bill H. R. 8797 but applicable only to the association known as the Young Men's Christian Association of the District of Columbia has been in force and effect in the District since 1894, act of August 6, 1894, Twenty-eighth Statutes at Large, page 999, sections 47–817, District of Columbia Code, 1940 edition.

For approximately 50 years real estate exemption has been erroneously claimed and granted under the provisions of the statute to the association known as the Young Men's Christian Association of the City of Washington. The proposed bill H. R. 8797 is designed to place the Young Men's Christian Association of the City of Washington in the same position with respect to exemption from real estate taxes as that which is enjoyed by the Young Men's Christian Association of the District of Columbia.

The Young Men's Christian Association is essentially a religious, educational, benevolent, and charitable organization not only in its purpose but also in its operations. The principle of exemption from taxation property used for religious, educational, benevolent, and charitable purposes has been fundamental in American government for many, many years.

The Young Men's Christian Association also operates as a nonprofit corporation. It has no stockholders, nor does it pay any dividends to any individual and all of the earnings of the corporation are used exclusively for the legitimate purposes for which the association was chartered by an act of Congress.

The second paragraph of the bill H. R. 8797 makes this legislation retroactive to August 6, 1894, and would confer legal authority in the District of Columbia for exempting properties of the Young Men's Christian Association of the City of Washington from taxes as they have done under erroneous authority since this date.

The Clerk read the bill, as follows:

Be it enacted, etc., That all property belonging to the Young Men's Christian Association of the District of Columbia, incorporated June 6, 1892, under the general corporation laws of the District of Columbia, or to the Young Men's Christian Association of the City of Washington, incorporated by act of Congress, approved June 28, 1864 (13 Stat. L. 411), used and occupied by said associations, shall, so long as the same is so owned and occupied, be exempt from taxation, national and municipal: *Provided*, That where ground of said associations, or either of them, is larger than is reasonably required for them or its use, or is not actually used for the legitimate purposes of said associations, or if said ground or buildings as shall not actually be used for the purposes of said associations or from which they derive a rent or income, such portion of the same, or a sum equal in value to such portion, shall be taxed against such associations.

This amendment shall be effective as of August 6, 1894.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McMILLAN of South Carolina. Mr. Speaker, that concludes the business of the District of Columbia Committee.

CONFERRING CERTAIN JURISDICTION ON THE COURTS OF THE STATE OF NEW YORK

Mr. McSWEENEY. Mr. Speaker, by direction of the Rules Committee, I call up House Resolution 747 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I yield 30 minutes to the gentleman from Indiana [Mr. HALLECK] and at this time I yield myself 3 minutes.

Mr. Speaker, House Resolution 747 makes in order the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties. I believe all of us who have studied the Federal courts realize we should put forth every effort to try to lessen the number of cases that are brought before Federal judges. I am in favor of raising the limit of the amount involved in cases that may come before the Federal courts so as to take them out of the category of being almost what they are, justice of the peace matters.

This particular bill affects only one tribe in New York State. My distinguished colleague, the gentleman from New York [Mr. WADSWORTH], told me that some time ago he had the honor of having the title of chief conferred upon

him. Therefore I think it would be well for the gentleman from New York [Mr. WADSWORTH] to explain this resolution.

Mr. Speaker, those of us who have gone over the hearings and who have studied the Federal court situation realize that it is very unfortunate to have these small cases involving disputes among the tribal groups of Indians of New York brought in before the Department of the Interior or before a Federal judge. In my opinion, the enactment of this bill would be beneficial to the Indians themselves and certainly will be beneficial to the judicial processes of our country.

Mr. Speaker, I reserve the balance of my time.

Mr. HALLECK. Mr. Speaker, I have no requests for time under the rule on this side.

Mr. McSWEENEY. Mr. Speaker, I yield 5 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Speaker, may I say that I am in favor of the pending rule; I am also in favor of the legislation it makes in order.

Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. GRANGER. Mr. Speaker, a few moments ago we considered bills brought in by the District of Columbia Committee. We considered legislation that had to do with barbers, but we passed over a bill that had to do with the regulation of goats in the District of Columbia.

A few days ago the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], in announcing the program for this week was interrupted by the distinguished gentleman from Massachusetts [Mr. MARTIN], and between the two of the gentlemen they made some levity, I thought, of this matter of regulating goats in the District of Columbia, wondering how many there were of both varieties, the four-legged goats and the two-legged goats.

Well, we had an example today that indicated who the goats are. It costs about $80,000 a day to run this Congress. That makes $160,000 a month to run the District of Columbia, and that would mean about $2,000,000 a year for this Congress to deliberate as we deliberated on these bills that were passed on the regulation of barbers and the regulation of goats within the District. Now, the people who are the goats in general are the 150,000,000 people of the country who are paying the taxes for those deliberations, and the super-duper goats are the 900,000 people who live within the District and who are being ruled by a city council whose concern for the District's welfare is, to say the least, secondary. The regulation of goats may seem trivial to the membership of the House, but it is serious to the people concerned. At this time, when the District is celebrating its sesquicentennial, it seems to me it would be a fitting and proper time to give the District home rule. We have legislation pending. I think it is a good home-rule bill and meets most of the objections that have been raised against it, and it seems to me that the time is opportune now for Congress to act and give the District the home rule that it deserves.

I call attention to the Members of the House that there are 204 Members who have signed the petition to remove from the committee and make in order the home-rule bill. I am sorry that the bill introduced by my distinguished colleague, the gentleman from New Jersey [Mr. AUCHINCLOSS], which he introduced and fathered through one of the legislative bodies 2 years ago, was not the one petitioned for instead of the Kefauver bill. I trust a sufficient number will sign the petition and make the legislation in order, which will give the District at least limited home rule.

Mr. AUCHINCLOSS. Mr. Speaker, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from New Jersey.

Mr. AUCHINCLOSS. I want to compliment the gentleman on a fine statement, and I think it is very apropos. I join with him in his request that we get these additional signatures so that this legislation will be brought to the floor for consideration. It is high time it was consummated.

Mr. GRANGER. I thank the gentleman, and I know how hard he has worked on home rule, and with some success, in trying to get it through. We on this side have just about scraped the bottom of the barrel in securing signers. We need about 25 more signatures on the petition to bring the bill before the House. I trust that the Republican leadership and the Democratic leadership will remember that both platforms advocated home rule for the District. Let us find out whether we are really sincere or whether we are playing cops and robbers with the District of Columbia that now has almost a million population, who have all the qualifications and the will for self-government.

Mr. HALLECK. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. POULSON].

Mr. POULSON. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. POULSON. Mr. Speaker, I am glad that my colleague from Utah brought up the subject of goats because, while on the basis of it it looks like the whip notice which was given yesterday we would discuss goats and barbering, and the like, and that that would be a very good reason for home rule. I am one who signed the petition in favor of home rule, but I want to assure you that this subject of goats is a very, very important one. Naturally, it goes clear back to biblical times. It is referred to in the sixteenth chapter of Leviticus, in the King James version of the Bible, and I would like to quote:

> And he (Aaron) shall take the two goats, and present them before the Lord. And Aaron shall cast lots upon the two goats; one lot for the Lord, and the other lot for the scapegoat. And Aaron shall bring the goat upon which the Lord's lot fell, and offer him for a sin offering. But the goat, on which the lot fell to be the scapegoat, shall be presented alive before the Lord, to make an atonement with him, and to let him go for a scapegoat into the wilderness. And Aaron shall lay both his hands upon the head of the live goat, and confess over him all the iniquities of the children of Israel, and all their transgressions in all their sins, putting them upon the head of the goat, and shall send him away by the hand of a fit man into the wilderness.

Now we know that the administration thought they could make Admiral Hillenkoetter of Central Intelligence the scapegoat for their being asleep at the switch in Korea and to cover up their sins. However, the admiral came up with the records and so they had to look elsewhere for a scapegoat. As usual, they tried to make the Republicans the scapegoats for their sins and errors, and this time it was that the Republicans voted against the Korean aid bill. But they forgot that we had a minority report on file which told the story, and I quote:

MINORITY REPORT

> If this is the case (that Soviet troops attached to the North Korean puppet government armies are in positions of command as well as acting as advisers) and there is no reason to doubt the report of the South Korean Government, the Soviet has actually entered the conflict along the frontier. This development may well presage the launching of a full-scale military drive across the thirty-eighth parallel. Unless this Nation is prepared to meet force with comparable force, economic assistance cannot of itself insure the safety or the integrity of South Korea. To the contrary, there is every reason to believe that the lending of economic assistance at this time will only enhance the prize to be taken by force of arms and internal intrigue.
>
> Our forces, with the exception of an advisory mission, have been withdrawn from South Korea at the very instant when logic and common sense both demanded no retreat from the realities of the situation. With our forces on the scene of action, there might have been advanced substantial arguments in favor of economic assistance, but without the presence of an adequate force to protect delivery of, and guarantee practical utilization of, the great volume of material and supplies, it appears folly of the highest order to embark upon the program.

When we get to talking about scapegoats, we know they will have to look for another scapegoat. I will tell you who have been the goats—the people of the country have been the goats. The Democrats have been making them the goat. But here is where they are going to be surprised. They are going to be surprised in November when the goats, as they have called them and have tried to make them, are going to revert to true form and are going to butt the Democrats out of office. Therefore, the bill before us should be amended to regulate the goats throughout the country, rather than those in the District of Columbia.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. POULSON. I yield.

Mr. HALLECK. The gentleman from California has referred to the subject of goats which presumably was to have been a matter of legislative action today. The gentleman from Utah has referred to some levity which occurred here on a preceding day. Possibly I might add to that a little by suggesting that my understanding is in Kansas City the folks who support the Pendergast machine are known as the Goats, and the anti-Pendergast people are known as Rabbits. I do not know whether it was concluded that the legislation pending here today might directly or indirectly have something to do with the chief goat in Washington. About that I do not know for sure, although I rather suspect it does not have much to do with the fact that we did not act upon it today.

Mr. POULSON. I think probably that is the reason why they confined it to the District of Columbia because they were afraid of getting out into Kansas City where the Pendergast machine is running things.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. POULSON. I yield.

Mr. GRANGER. It is clear now that I was not the one who started the goat business because you had a prepared speech on it.

Mr. POULSON. That is right, because I knew that you have been making goats out of the people for a long time, and that they were going to butt you out of office. I know that your leaders have been using the technique of the scapegoat. I did not intend to bring it up, but since you brought it up, I thought it was a wonderful opportunity to show how the Democrats are operating under the scapegoat philosophy and making the people the goats.

Mr. HALLECK. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. McGREGOR].

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to proceed out of order and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, I have carefully studied the conference report on H. R. 6000, the social-security bill, and shall support this legislation even though I feel many changes should have been made. I am not in accord with the existing financial arrangement of our social-security program. However, I recognize that this legislation is possibly a compromise and the best that we can get under the circumstances.

I am glad to note this legislation, H. R. 6000, social-security bill, now exempts State and municipal pension plans as well as the school teachers' retirement system from the Federal social-security program. I have always opposed attempts to include existing pension plans in social-security legislation, and I am glad that this bill includes provisions making these groups exempt from coverage. The provisions of this bill will assure the school teachers of the State of Ohio that their retirement funds remain intact, and teachers cannot, in any way, be denied their rights under their own retirement system.

The same applies to police and firemen and other employees covered under the State and municipal plans.

Mr. McSWEENEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Speaker, I would like to point out to the gentleman from California, my good friend, Mr. POULSON that as long as he is talking about animals that the only progressive members the Republican Party has had in this generation were men who were known as the sons of the wild jackass.

Mr. McSWEENEY. Mr. Speaker, if there are no further requests for time, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. PETERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 192, with Mr. YOUNG in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PETERSON. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I will make this preliminary statement brief because I will be followed by the distinguished author of the bill, the gentleman from New York [Mr. REED], in whom the House has great confidence. The gentleman from New York is thoroughly familiar with this problem which affects his district. It has the support of both parties on the committee and has already been passed by the other body.

Mr. Chairman, when we get into any Indian problem and try to place them under the jurisdiction of State laws, we always run into certain troublesome problems. The committee has worked hard on this bill, and has tried to protect the rights of the Indians. Even though the committee has held extensive hearings, the gentleman from Oklahoma, chairman of the subcommittee, has drafted certain amendments which he will offer in a further attempt to protect the rights of the Indians. I think he has covered the situation pretty well.

Briefly, the bill does this: It provides that the courts of the State of New York shall have jurisdiction in civil actions and proceedings between Indians, or between one or more Indians and any other person or persons, to the same extent as the courts of the State shall have jurisdiction in other civil actions.

But you will note how far we have gone in an effort to protect the treaty rights of the Indians. The bill provides as follows:

Provided, That the governing body of any recognized tribe of Indians in the State of New York shall have the right to declare, by appropriate enactment within one year from the date of this act, those tribal laws and customs which they desire to preserve, which, on certification to the Secretary of the Interior by the governing body of such tribe shall be published in the Federal Register and thereafter shall govern in all civil cases involving reservation Indians when the subject matter of such tribal laws and customs is involved or at issue: *Provided further*, That nothing in this act shall be construed to require any such tribe or the members thereof to obtain fish and game licenses from the State of New York for the exercise of any hunting and fishing rights provided for such Indians under any agreement, treaty, or custom: *Provided further*, That nothing herein contained shall be construed as subjecting the lands within any Indian reservation in the State of New York to taxation for State or local purposes, nor as subjecting any such lands, or any Federal or State annuity in favor of Indians or Indian tribes, to execution on any judgment rendered in the State courts, except in the enforcement of a judgment in a suit by one tribal member against another in the matter of the use or possession of land: *And provided further*, That nothing herein contained shall be construed as authorizing the alienation from any Indian nation, tribe, or band of Indians of any lands within any Indian reservation in the State of New York.

SEC. 2. This act shall take effect 2 years after the date of its passage.

Mr. MILLER of Nebraska. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I am very proud of the fact that I have the honor to represent here in the Congress of the United States the Seneca Nation of Indians who are in my district.

The Federal Government has never owned any of the Indian lands in the State of New York. From the very earliest days way back in times when land was granted to the Duke of York by Charles the Second, the State of New York has legislated for the Indians. The Seneca Nation of Indians of New York are fine people; they have been well cared for by the State of New York. I can say without fear of successful contradiction that no State in the Union has appropriated so much money as the State of New York for Indians within the boundaries of the State. I have before me a table which I inserted in the RECORD when another bill relating to Indians was before the House, but I think you will be interested to know that the State of New York during the period from 1911 to 1950, or during the past 39 years, has spent for Indian welfare a total of $15,369,213.89, or an annual average of $415,384.15. The Federal Government has spent during the same period of 39 years for the New York

State Indians a total of $321,900, or an annual average of $8,700.

The purpose of the State of New York is to educate these fine Indians to the point where they can enjoy the same privileges in every respect and have the same fine graded schools as the white people. Now we want to go a step further and protect their interests further by saying that they may have the opportunity of going into our State courts on civil matters. The educated Indians, who are the majority in the tribe, of course, are anxious to have this privilege of going into the State courts. Under S. 192 they can go into the county courts, they can go into the supreme court, which would be comparable to the circuit court of appeals in most States, and they could take an appeal to the appellate court at Rochester, N. Y., and from the appellate court to the court of appeals, if dissatisfied. The Indians want this right and the State of New York now wishes to give it to them.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. McSWEENEY. Is it not true that the State of New York is willing to accept the added responsibility of paying for this? It will, therefore, be an economy for the Federal Government if we let them.

Mr. REED of New York. It will be a matter of economy, surely. Some things that occur under the present system are very unfortunate. I have had correspondence with the educated Indians, and they are in favor of this bill. There is, of course, an element among the Indians the same as there is amongst the white people, a few elements who are more or less lawless, and who commit crimes of one kind or another, people who should be subjected not only to criminal action but to civil action as provided for in S. 192. The educated people want recourse to honest courts, and that is what this bill provides. Certain amendments have been proposed to which I shall make no objection. On the whole, S. 192 is a sound bill.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. MILLER of Nebraska. I remember at one hearing before the Committee on Public Lands there was not only a group of Senecas but groups of other Indians who were objecting quite firmly to this bill. They said they had certain treaties made at the time of George Washington, in the early colonial days, in the Revolutionary War period and that they did not want to be brought under the laws of the State of New York because they had certain tribal customs, unwritten laws, and other things peculiar to this Indian tribe which they felt the courts of the State of New York would throw overboard should they come under the laws of the State of New York.

I remember that at that time I said to one of them that they had the fullest protection, that they have the privilege of society, that they could work in the factories of New York, yet when a member of their tribe commits a crime outside the reservation they want the privilege of running back on the reservation and coming under the tribal customs. The room was full of Indians who objected rather strenuously to coming under this legislation. Perhaps the gentleman from New York, or the gentleman from Oklahoma [Mr. MORRIS], can throw a little light on this proposition and whether the amendments suggested by the committee will take care of some of their objections.

Mr. REED of New York. I want to say to the gentleman, the distinguished Member of Nebraska, that I have letters that show some of these problems. Here is a letter from an Indian mother who says she is writing to let me know the need for the civil-rights bill to be passed. She writes that last July 22, 1950, there was a peace court held on the Cattaraugus Reservation which ended in bloodshed, that no decision was reached or rendered. Then she goes on to cite the case where the husband of Mrs. ——— was killed and the only child of Mr. ——— was dispossessed and the property given to a third person who was not related at all to Mr. ——— and then Mrs. ——— and her children were left homeless and are now on relief.

Another case was that of a woman who after living 22 years on a piece of property to which she had a life lease was dispossessed. She was hopelessly ill, and, of course, had to be taken care of by the New York State Welfare Organization.

I only mention those things to show the inadequacy of the present system to protect the law-abiding Indians of the State of New York, and we are legislating here for the law-abiding people, the law-abiding Indians. The Seneca Indians are fine people. Take, for instance, the Thomas Indian School. We have appropriated over $5,000,000 to that one school alone. We have appropriated $626,615.16 for district schools throughout the reservation.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. MILLER of Nebraska. I am inclined to agree with the gentleman that this bill ought to be adopted, but does the gentleman think that in adopting this bill it is going to abrogate treaties that have been entered into and followed down through the years, treaties of the United States which have been in existence all these years? Does it change them? Does it change the unwritten law and the tribal customs, and so forth?

Mr. REED of New York. This is the fundamental proposition. Neither the New York State Legislature nor its courts can change treaties because treaties are the supreme law of the land, naturally.

Mr. MILLER of Nebraska. It is claimed that this bill will change those treaties.

Mr. REED of New York. It will not. I did not intend to go into this matter; however, you have a very active lobbyist here who has gone up there and made speeches and inflamed certain groups of the Indians, telling them a lot of things which are absolutely false.

Let me draw a little picture of what has happened. Here you have a bill on which you had hearings before the Interior and Insular Affairs Committee of the Senate. The bill had full hearings. The Indians were there. Most of the chiefs of the State of New York were there. The committee reported this bill (S. 192) unanimously. The bill then went to the floor of the Senate and was passed unanimously. Theoretically at least, 96 Senators agreed to the bill. Twelve members of a committee in the Senate had agreed to it.

The bill came over here and went to the Public Lands Committee, a committee made up of 28 outstanding, able Members of this House. Hearings were held. When it was all over, some amendments were made to the bill and it was unanimously reported to the House.

Do you know what happened? There were some objections made when the bill was put on the Consent Calendar. That, of course, in a sense thwarted the will of the entire Senate, the Senate committee and the Public Lands Committee of the House. Now we have a rule and the rule comes in here with the unanimous support of the members of the Rules Committee. They examined into the provisions of this bill S. 192. We have our objectors on each side of the aisle, the Democratic objectors and the Republican objectors. They have examined the bill and it was approved by all of them. What I am here for under the rule is to explain a bill that carries out the will of the House and the Senate.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from New Jersey.

Mr. CANFIELD. As one who was born in Salamanca, N. Y., in the gentleman's district, I shall be happy to support this bill. However, that is not the main reason. The real reason I support this bill is because I have extraordinary confidence and faith in the gentleman's approach to his assigments here. I consider him one of the outstanding statesmen of our day.

Mr. REED of New York. I thank the gentleman for his remarks. I cannot plead guilty to his complimentary remarks, although it sounds well.

Mr. Chairman, the rules of procedure relating to bills placed on the Consent Calendar of the House of Representatives ought to be changed to protect meritorious legislation from defeat at the hands of one objector. Even a bill passed over without prejudice on a call of the Consent Calendar requires but one objection when next reached. A bill, however, objected to during consideration of the Consent Calendar, but retaining its place by unanimous consent, requires three objectors when again called.

The rule as it now stands plays directly into the hands of those who may have a selfish interest in killing the legislation. There are unscrupulous lobbyists who are not unmindful of the infinite and remunerative possibilities of this

rule. It is a rule that also often proves very expensive to the taxpayers. Once a lobbyist through his influence has a bill, which he has been retained to defeat, stricken from the calendar, the author of the bill must then obtain a rule from the Rules Committee to bring the bill to the floor of the House for consideration, which takes time and involves great expense to the taxpayer. Furthermore, it retards other legislation. Let me illustrate the point. Here is a Senate bill 192. The Committee on Interior and Insular Affairs, a committee composed of 12 distinguished Senators, held a full and fair hearing on the merits of the bill, S. 192.

It was reported unanimously by the Committee on Interior and Insular Affairs to the Senate. The bill, S. 192, was considered in the Senate, composed as it is of 96 Members, and passed unanimously. The bill was then messaged to the House and duly referred to the Committee on Public Lands of the House, a committe composed of 28 members of marked ability, which held exhaustive hearings, after which the bill was reported favorably and unanimously. The able chairman of the Public Lands Committee placed the bill on the Consent Calendar of the House to expedite its passage.

When the Consent Calendar was called and the bill reached, one Member arose and objected. The next time the Consent Calendar was called and the bill reached, there were three objectors, which action struck the bill from the Consent Calendar.

Under the rule, it will be observed, three members were empowered to block legislation which already had received the unanimous approval of a Senate committee of 12 Senators, the unanimous approval of 96 Senators in the Senate, and the unanimous approval of the 28 members of the Public Lands Committee of the House. Thus, 3 Members of the House under the rule were able to thwart the bill, the judgment and the wisdom of 124 Members of the Congress.

This is not all. To bring this Senate bill to the floor of the House for final action, the chairman of the Public Lands Committee had to appear before the Rules Committee, composed of 12 Members of the House, and ask for a rule to bring the Senate bill 192 to the floor, which committee unanimously granted the request for a rule for the consideration by the House of the Senate bill 192.

Such dilatory tactics, such obstruction to honest legislation runs into a total expenditure to the taxpayers of many thousands of dollars.

The rule which suffers and permits such dilatory and expensive tactics should be changed to require at least five objectors to strike a bill from the Consent Calendar instead of three under the present rule.

[From the Salamanca (N. Y.) Republican-Press of August 8, 1950]

ONE MAN PREVENTS VOTE ON INDIAN LEGISLATION

The objection of one man, Representative O'SULLIVAN, Nebraska Democrat, yesterday prevented the House of Representatives from voting on the Ives bill to make Indians residing in New York State subject to the civil jurisdiction of the courts of this State.

Had the House been permitted to vote, the bill undoubtedly would have passed, completing congressional action on legislation to remove a serious handicap under which New York Indians now labor.

That such action could be blocked by the objection of one man coming from a far distant State, provides an example of the weird situations that sometimes result from the American system of government of the people, by the people, for the people.

Here is a bill representing the best thought, after prolonged study, of the Indian Bureau of the United States Department of the Interior and of the Legislature of the State of New York. It has been the subject of extended hearings before a committee of the United States Senate, approved by that committee and passed by the full Senate, with the support of both the New York Senators—IVES, Republican, and LEHMAN, Democrat. It follows, as Senator IVES said in presenting it to the Senate, "in logical sequence from the action of the last Congress in making State criminal laws enforceable against Indians"—a change which has worked out to the satisfaction of the Indians themselves as well as the general public.

"The present uncertainties of existing Indian legal status seriously handicap the Indian in the conduct of his daily affairs," Senator IVES reminded the Senate in explaining the need for such legislation. "A majority of Indians in New York seek employment outside the boundaries of their reservations. In so doing, they are hindered by any employer's all too understandable reluctance to hire anyone against whom he may have no legal recourse. Contracts entered into by Indians are not enforceable in the State courts. Furthermore, tribal customs and laws fail completely to provide a stable foundation on which the fundamental institutions of family and property can be based. Domestic relations show the worst effects of lack of socially desirable standards of conduct. Marriages are terminable by any Indian male at will; no regard is evidenced by tribal custom for the hapless plight of the deserted Indian wife. Problems of inheritance of property, in the absence of any formalized and orderly procedure, often are solved by the traditional 10-day feast distribution. Under this means of disposition, the immediate family of the deceased is frequently left penniless while distant clan brothers receive his property. This bill is a continuation of the process of orderly development of Indian affairs, and it represents a further constructive step in the direction of assumption by the Indian of the full responsibilities of citizenship."

Yet important as this legislation is, and in spite of the fact that it is an essential part of the program of the United States Indian Bureau, the objection of a single individual prevents a vote by the House of Representatives.

Fortunately this is not the whole story, however. The bill was brought up yesterday on what is known as the Consent Calendar—a device for quick enactment of bills to which there is no opposition. To prevent the thwarting of the will of the House by one Member, or a small minority, the rules provide that a bill can be put before the House for a vote through action by the Rules Committee. Representative DANIEL A. REED, of this district will seek such a rule from the committee. In view of the fact that the bill is favored by the Indian Bureau, and therefore is to a certain extent an administration measure, it does not seem probable that the Rules Committee will turn down Mr. REED's request that the House be permitted to vote on the bill.

Expenditures by the State of New York for Indian welfare, fiscal years ending 1911 to 1930

Fiscal years ending June 30—	Indian agents and attorneys	Educational			Social welfare		Highways and bridges		Annual total
		Thomas Indian School	Reservation schools	Agricultural extension work	Medical and nursing	Maintenance of Indian poor	Maintenance and repair	New construction	
1911	$1,095.90	$41,022.37	$12,031.00	----------	$300	$3,877.83	$87,750.00	$68,705.90	$146,077.10
1912	1,095.90	44,674.42	10,046.29	----------	300	2,184.57	59,182.00	----------	186,189.08
1913	1,095.90	55,082.86	15,557.13	----------	300	1,711.07	76,655.00	----------	150,401.96
1914	1,095.90	46,001.47	16,000.00	----------	300	6,854.55	40,000.00	134,394.28	244,646.20
1915	1,095.90	47,896.95	29,000.00	----------	1,200	5,509.31	40,495.66	53,765.34	178,693.16
1916	1,095.90	45,969.28	17,795.74	----------	1,200	5,664.23	40,814.56	72,637.02	185,176.73
1917	1,095.90	66,641.69	18,000.00	----------	1,200	8,862.50	51,388.35	----------	147,188.44
1918	1,095.90	70,318.45	22,900.00	----------	1,200	8,348.39	62,364.53	----------	166,227.27
1919	1,095.90	74,879.06	21,945.00	----------	1,200	7,823.92	82,164.74	----------	189,108.62
1920	1,095.90	107,386.08	23,465.00	----------	1,200	6,192.36	62,341.36	----------	201,680.70
1921	1,095.90	110,514.63	27,625.00	$10,000	6,100	8,028.35	63,626.71	140,028.04	367,018.63
1922	1,095.90	103,030.20	28,625.00	6,000	6,100	6,543.21	66,071.26	468,253.77	685,719.34
1923	1,095.90	95,868.44	40,875.00	6,000	6,300	10,723.82	119,483.95	----------	280,347.11
1924	1,095.90	106,571.16	41,700.00	6,000	6,300	12,461.35	65,340.49	----------	239,468.90
1925	1,095.90	116,059.06	39,500.00	6,000	6,300	15,835.77	104,735.93	----------	289,526.66
1926	1,095.90	122,666.30	42,000.00	6,000	6,300	19,210.94	81,337.39	----------	278,610.53
1927	1,095.90	137,188.00	49,400.00	6,000	6,300	22,239.86	109,825.03	----------	332,048.06
1928	1,095.90	126,863.00	51,400.00	6,000	6,500	27,043.64	71,932.04	322,563.48	613,398.06
1929	1,095.90	130,170.30	58,875.00	6,000	6,500	31,282.70	79,168.97	120,128.50	433,221.37
1930	1,095.90	201,176.00	59,875.00	8,000	6,500	43,000.00	80,000.00	----------	399,646.90
Total	21,918.00	1,849,979.72	626,615.16	66,000	71,000	253,398.37	1,444,677.97	1,380,476.33	5,714,665.55

Expenditures for the State of New York for Indian welfare, fiscal years ending 1931 to 1947

Fiscal years ending June 30—	Thomas Indian School	Educational purposes	Attorneys, agents, etc.	Maintenance of Indian poor [1]	Capital improvements, repairs, etc.	Annual total
1931	$195,220.00	$55,941.47	$6,042.72	$72,705.28	$39,138.94	$369,048.41
1932	172,674.67	65,523.59	35,198.20	94,806.81	8,902.26	377,105.53
1933	178,354.94	74,151.88	13,450.75	112,495.93	17,807.18	396,260.68
1934	141,246.30	77,720.73	27,724.15	92,951.08	10,549.08	350,191.34
1935	151,710.28	78,298.59	21,732.91	100,828.00	2,100.25	354,670.03
1936	146,039.99	82,724.65	19,419.25	113,728.00	64,805.34	426,717.23
1937	153,807.91	80,068.05	28,956.98	107,909.00	69,514.51	440,256.45
1938	170,379.43	86,359.15	15,885.72	91,292.00	65,218.03	429,134.33
1939	198,413.59	88,559.23	20,409.37	90,577.00	40,076.01	438,035.20
1940	170,320.13	88,321.37	29,160.79	139,962.00	61,804.05	489,568.34
1941	169,183.41	98,038.58	23,062.88	112,238.00	25,242.90	427,765.77
1942	177,111.00	103,719.47	24,009.90	105,150.00	6,458.06	416,448.52
1943 [2]	133,787.60	79,239.67	15,356.67	[2] 81,184.00	139.83	309,707.77
1944	174,524.68	74,643.59	21,392.00	90,371.00	79.01	361,010.28
1945	223,666.63	122,282.51	20,434.57	89,344.00		455,727.71
1946	231,186.81	147,372.44	21,087.79	88,314.00	7,449.05	495,410.09
1947	259,387.89	171,196.90	20,804.56	111,104.00	18,897.61	581,390.96
1948	322,367.11	211,481.06	20,482.10	137,642.00	3,419.50	695,391.77
1949	368,697.94	269,222.27	20,262.31	181,694.00	3,635.82	843,512.34
1950	369,623.04	349,961.07	19,850.73	[3] 235,603.00	22,157.75	997,195.59
Total	4,107,703.44	2,404,826.27	424,724.35	2,249,899.10	467,395.18	9,654,548.34

[1] Figures furnished by department of social welfare.
[2] Covers 9 months only due to change in fiscal year.
[3] Received from department of social welfare and includes estimated expenditures for March 1950.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PETERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. O'SULLIVAN. Mr. Chairman, I objected to this bill every time it was sought to be passed. Since my initial objection to it there have been two committee amendments proposed and adopted which removed a great deal of the objections which I have to the proposed legislation. I do not have any apologies to make to anyone for having opposed the measure first, last, and all of the time. I did so because I thought it was very improperly proposed legislation for several very good reasons.

It has been suggested heretofore, and no doubt will be mouthed today that I have been induced to do what I have done for these Indians, because of the solicitation of a lawyer who is a registered lobbyist. That is not true, because whether you know it or not, I have dedicated much of my legal life to the causes of the poor, the helpless, and the oppressed. If, however, a lobbyist had my ear on this matter, then thank God he is working for the unfortunate, oft-mistreated Indians of the Iroquois assembly. If I must be branded as a cat's-paw for a lobbyist, I am so grateful that it is in the cause of the poor, the oppressed, and the helpless, instead of the opposite category. In the practice of law, I was known as the counsel for the indigent, and it seems that I am proceeding in true stride now as a spokesman from a far-away place for helpless Indians. I know that this bill will be passed almost unanimously, but I shall vote against it, nevertheless, because I have always felt that a great poet—Lowell—was right when he said:

He is a slave who dare not be in the right with two or three.

A number of years ago when I was a younger man I was here in Washington to try a case before the then Secretary of Agriculture. With me, at that time, was a very able Omaha lawyer. He insisted that he had to come over to the House of Representatives to watch the progress of a certain bill, which he explained to me would absolutely take his client out of the criminal category by retroactive legislation which proposed to forgive an alleged criminal act which had been committed at a prior time. We sat right up there in the House of Representatives. While he swore under his breath at the mangy Congressman who was to introduce and put over the legislation, he explained to me that his client had exhausted all of his remedies in the courts and now a law had to be passed to forgive that which had been done.

Since I have become a Member of this House of Representatives I have noticed on many occasions legislation like the tidelands bill, the Kerr natural gas bill, the recent amendment to the Transportation Act, and other instances, where litigants had fought their cases through all of the courts and then when they were finally and decisively beaten, instead of doing that which the honest citizen would do—accept the decision of the court and obey the law—they rush pell-mell to the Congress and finally get from the Congress, if they can, that which the law would not permit them to have originally.

This bill arises out of the same situation, as you will find if you will examine into the matter. In Salamanca, N. Y., you find a city that is built entirely upon an Indian reservation. The city pays rental of about $11,000 a year to the Seneca Indians. I have been told that seven large factory sites pay a total rental of $5 a year, and that the average city block in Salamanca, N. Y., pays about 50 cents to $1 per year rental. This has been going on for a long time. As I understand it, there was originally a 50-year agreement, which I do not question, which provided what rentals should be paid.

Prior to 1942, several of the citizens of Salamanca, N. Y., would not pay the agreed rentals. So the Indians tried to enforce payment of same. They would hire a lawyer, but about the time they got the lawyer hired and briefed, somebody for some strange reason would suddenly hire him at a salary and pay him more money and he would quit the case. That went on and on until the Indian department submitted finally to the Department of Justice this matter for action.

A very able lawyer by the name of Aubrey Lawrence, connected with the Justice Department, started a lawsuit to make one Forness pay his lease money. Mr. Lawrence won the case for the Indians in the district court of the United States. He won it also in the circuit court of appeals. Certiorari was applied for to the Supreme Court and that was denied and thus the end of the trail had been reached.

This decision rendered by the circuit court of appeals in the case of *United States* v. *Forness* (125 Fed. 2d 928), decided in 1942, upset the general theory of the New York State lawyers and in substance held clearly that the claims and rights of the Indians were established clearly by treaties, and that a treaty, like the gentleman from New York [Mr. REED] has stated, along with the Constitution, is the supreme law of the land.

Then immediately these bills resembling S. 192, began to come into being. Since the year 1943 in about every session of the Congress bills like this S. 192, or similar bills were introduced but not one of them got by the scrutinizing eye of the Congress.

The sponsors of such bills, it appears to me, are great believers in the old blurb, "If at first you don't succeed, try, try again."

Everything indicates that we are now on the 1-inch line and greed and injustice is going over the goal quite soon for a touchdown, if the people's great safety man, President Truman, does not stop the ignoble ball carrier with a smacking veto, which I hope he does.

The present bill is wrong in principle because, to use an old Republican "snide expression," it is the camel's head in the tent—it is just a starter to the setting of a bad precedent. This python must go through a series of sliming and swallowing before the carcass can be digested.

To improve the proposed legislation if it does pass Congress, I will offer at the appropriate time an amendment authorizing the law to be submitted to the Indians, under proper procedure for a referendum vote of approval or disapproval of the legislation. The gentleman from New York, Congressman REED, and other supporters of the bill should not oppose this because they say the Indians want it. I just want to learn if these men really know what they are talking about.

Today our boys are fighting for the right of self-determination in Korea. Why not self-determination for the Seneca Indians?

The gentleman from New York, Congressman REED, talks earnestly about what fine people these Seneca Indians are—about how intelligent and progressive they are. Well why is it not good American doctrine at home to let them—these fine, intelligent, progressive people—have a vote on this new departure law and learn whether they want it or

not. Gentlemen, I test your true Americanism with my amendment. I want to know whether you really believe in the right of self-determination at home like you say you do abroad.

I shall ask for a roll-call vote and a record will be made as to the consistency of every one of us. The people will know exactly where we stand on these matters.

Mr. MORRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, it is fortunate that we have the opportunity sometimes to present to the Members of the House some of the problems that each and every one of us have with our committees. We have not had nearly enough opportunity to present to the Members of this House some of the problems that come before our committee having to deal with the problems of our brothers, people of American Indian descent. I would like to say to the members of this committee that there are no more loyal citizens of the United States than our first born, our American Indians. They believe heartily in the principles of this Government, and I know of no people as a group who will fight harder to defend the principles of this great Government than the brothers we have of American Indian descent.

We held hearings on this particular bill. The hearings were long. We gave every witness an opportunity to be heard. The chairman of our subcommittee, the gentleman from Oklahoma [Mr. MORRIS], went into the legislative situation very, very thoroughly, and because of going into the legislative situation very thoroughly he has proposed some amendments which will be offered later in the consideration of this bill. I think those amendments which he will offer will do much to do away with some of the criticism that some people have felt of the bill. I want to say as far as we were concerned, there was almost unanimity of feeling on the Subcommittee on Indian Affairs that we ought to remove restrictions that set aside our Indian brothers in a different category than any of the rest of us. We are going through a long, outdated process of treaties, discrimination, and a maze of obsolete laws. In the time of the early foundation of this country as a safety measure to the residents, it was necessary that some of these Indians be set aside and be treated separately. That time has long since passed. The gentleman from Nebraska [Mr. O'SULLIVAN] spoke to you a moment ago and presented his views. The gentleman is a very thoughtful Member of this House and goes into legislation very thoroughly. But, we do have a provision, I think, in this bill, that will safeguard the landed interests of the Seneca Indians.

For a good many years it was very evident that the State of New York had progressed to the extent that they could very easily take over the civil jurisdiction of these Indians. Long since past we have taken away the Indian Bureau; we have no Indian Bureau office, nor do we want to go back to creating an Indian office in the State of New York. We want to go right ahead. The Indians in the State of New York are under the criminal laws of the State of New York. The Secretary of the Interior several years ago—the man who is now Secretary of the Interior, Oscar Chapman, who was then Under Secretary—said it was very urgent as a matter of employment and as matter of right and other things in this community that these Indians be placed under the civil laws of the State of New York, for otherwise it would seriously affect the progress we had made. The Indian Office has classified these Indians. They inform us that there is no group of Indians in the United States who are better able to assimilate into the laws of the white man than are those of the State of New York. This is a compliment to the people of the State of New York. There is no segregation there. However, we in the national Congress have to do our part, if we are going to treat these Indian brothers of ours fairly and remove these restrictions and these discriminations, and so on; we are going to have to remove some of these old troublesome laws that are long outdated and set aside these discriminatory practices. That is what we are attempting to do in this bill and that is what your subcommittee on Indian Affairs is attempting to do in the House. We are putting in long hours. We are trying to do something constructive to put these Indians in a position that we no longer say "Indian" but say "American," just the same as we talk about the rest of us as Americans.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. PETERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, I shall propose in due order and time two amendments to this bill. If these amendments are adopted—and I anticipate that they will be, but of course one never knows, but I believe they will be adopted—it will result, in my judgment, in a good piece of legislation. It will be fair to the people of the great State of New York and fair to the Indians involved. I believe if these two amendments that I shall propose are adopted, that it will practically, if not entirely, dissipate any controversy in the matter.

The first amendment that I shall propose will provide as follows:

That full faith and credit shall be given by such courts to all treaties between the United States and any recognized tribe or tribes of Indians in the State of New York, and in all actions and proceedings with respect to tribal laws and customs between and among reservation Indians full faith and credit shall also be given by such courts to the tribal laws and customs of such tribe or tribes.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. MILLER of Nebraska. In the gentleman's opinion, will there be any conflict between the treaty now in existence between the Indians and the State of New York or the Federal Government and the laws under which they necessarily must exist if this bill becomes law?

Mr. MORRIS. Dr. MILLER, no one in the world can answer that with any degree of absoluteness. But I will say in all probability there will be some conflict.

Mr. MILLER of Nebraska. And if there are some conflicts, in the gentleman's opinion do the customs and unwritten laws and those things under the treaty have first priority over the laws of the State of New York, or are they superseded by the laws of the State of New York?

Mr. MORRIS. The treaty rights will have first priority and will supersede the laws of the State of New York, if this amendment is adopted. I call attention to the fact that that same provision in substance is in the bill now as passed by the Senate. This is just a different approach to the same thing which is in the bill. The bill now says:

Provided, That the governing body of any recognized tribe of Indians in the State of New York shall have the right to declare, by appropriate enactment within 1 year from the date of this act, those tribal laws and customs which they desire to preserve, which, on certification to the Secretary of the Interior, by the governing body of such tribe shall be published in the Federal Register and thereafter shall govern in all civil cases involving reservation Indians, when the subject matter of such tribal laws and customs is involved or at issue.

In other words, the bill now says that if the Indians want to exempt any of their laws and customs and treaty rights from the operation of the law, they may do so by declaring what those laws and customs are within 1 year from the time of the enactment of this act. But the objection was made that their tribal customs are such that it might be absolutely impossible to put them in writing. I can see where that might be a good and valid objection. I do not know—they may have some customs that we are not familiar with, which have been handed down from generation to generation, and which are not even capable or susceptible of being expressed in written English language. This amendment, of course, will do the same thing that the original bill coming from the other body seeks to do, but it will do it in a much better and more satisfactory manner, I believe.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. If I may say so, I think that the provision in the Senate bill is a very good provision—for this reason—that the difficulty with these tribes in the matter of these customs, which are not written but which are enforced, is that when the individual Indian comes up against the proposition and the tribal court says such and such is the custom, there is no way for him to disprove the fact that it is the custom. Yet it may not be the custom at all, but the tribal court or council is the judge of whether it is the custom or not. So the individual Indian is at a disadvantage. We give the Indian the right to vote and we require him to bear arms, but yet as an individual we deny him the right to go to the courts and to have the

rules and laws under which he is governed written so that everybody can know what they are and so that they will not be changed at the last moment when the case comes up for trial. So far as the gentleman's amendment is concerned, I do not see any difficulty about it, except as to how it is going to be applied, because if the customs are not capable of being written, how is the court going to enforce them? I think they should require to have whatever laws may govern the Indians under the tribal laws written so that the State court can recognize those laws and enforce them. That is our difficulty in New Mexico. And, as the gentleman will remember, we had a similar amendment to the Navajo bill which, I am sorry to say, the President vetoed. But that could not be helped. However, the time will come when that will have to be taken care of. We are denying to the individual Indians their civil rights as State citizens to appeal to the State courts in the settlement of their cases.

Mr. MORRIS. May I say to the gentleman from New Mexico that we have spent a long time in committee trying to work out a satisfactory way to handle this matter. I hope the distinguished gentleman will go along with us on this provision, because I do sincerely believe it is the best solution. This solution is also offered by the Department. This is word for word the final version of the matter which was prepared by the Secretary of the Interior for the Bureau of Indian Affairs. We have spent a great deal of time on this particular matter. I hope the gentleman will go along with us on it.

Mr. FERNANDEZ. I will be more than happy to go along, because, even though it is not perfect, certainly it is a step forward, and I am strongly in favor of that.

Mr. MORRIS. I thank the gentleman a great deal.

Mr. Chairman, the other amendment which I propose to offer is this:

Provided further, That nothing herein contained shall be construed as conferring jurisdiction on the courts of the State of New York or making applicable the laws of the State of New York in civil actions involving Indian lands, or claims with respect thereto, which relate to transactions or events transpiring prior to the effective date of this act.

Mr. Chairman, I do not think there will be any objection from any source with regard to this particular amendment. This just assures the Indians of an absolutely fair and impartial determination of any claims they might have had growing out of any relationship they have had with the great State of New York in regard to their lands.

I think there will be no objection to that; they certainly ought to have a right to have those claims properly adjudicated. As it is now, the Indians, as we know, are wards of the Government and, therefore, the statute of limitations does not run against them as it does in the ordinary case. This will preserve their rights so that the statute will not be running against them concerning those claims that might have arisen before the passage of this act.

In addition thereto, of course, they may go into the Federal courts and adjudicate any differences they have had between themselves and the great State of New York relative to their lands, or claims in regard thereto, and I am sure that the State of New York should have and no doubt will have, no objection to such provision.

I expect to offer these two amendments at the proper time. I believe that if these amendments are adopted that we will practically, if not entirely, remove the controversial matters involved in this bill; and I believe that we will then have passed a bill that will be a forward step for the great State of New York and a forward step for these great American citizens up there that we refer to as Indians.

Mr. PETERSON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the courts of the State of New York under the laws of such State shall have jurisdiction in civil actions and proceedings between Indians or between one or more Indians and any other person or persons to the same extent as the courts of the State shall have jurisdiction in other civil actions and proceedings, as now or hereafter defined by the laws of such State: *Provided,* That the governing body of any recognized tribe of Indians in the State of New York shall have the right to declare, by appropriate enactment within 1 year from the date of this act, those tribal laws and customs which they desire to preserve, which, on certification to the Secretary of the Interior by the governing body of such tribe shall be published in the Federal Register and thereafter shall govern in all civil cases involving reservation Indians when the subject matter of such tribal laws and customs is involved or at issue: *Provided further,* That nothing in this act shall be construed to require any such tribe or the members thereof to obtain fish and game licenses from the State of New York for the exercise of any hunting and fishing rights provided for such Indians under any agreement, treaty, or custom: *Provided further,* That nothing herein contained shall be construed as subjecting the lands within any Indian reservation in the State of New York to taxation for State or local purposes, nor as subjecting any such lands, or any Federal or State annuity in favor of Indians or Indian tribes, to execution on any judgment rendered in the State courts, except in the enforcement of a judgment in a suit by one tribal member against another in the matter of the use or possession of land: *And provided further,* That nothing herein contained shall be construed as authorizing the alienation from any Indian nation, tribe, or band of Indians of any lands within any Indian reservation in the State of New York.

SEC. 2. This act shall take effect 2 years after the date of its passage.

Mr. PETERSON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with; that it be printed in the RECORD and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MORRIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRIS: Page 1, line 9, beginning with the word "That" strike out all language extending through the word "issue" on page 2, line 8, and insert in lieu thereof the following: "That full faith and credit shall be given by such courts to all treaties between the United States and any recognized tribe or tribes of Indians in the State of New York, and in all actions and proceedings with respect to tribal laws and customs between and among reservation Indians full faith and credit shall also be given by such courts to the tribal laws and customs of such tribe or tribes."

Mr. PETERSON. Mr. Chairman, deferring to the superior judgment of the gentleman from Oklahoma, I made a study of the amendment and we accept the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. MORRIS. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRIS: Page 3, line 5, before the period, insert a colon and add the following: *"Provided further,* That nothing herein contained shall be construed as conferring jurisdiction on the courts of the State of New York or making applicable the laws of the State of New York in civil actions involving Indian lands or claims with respect thereto which relate to transactions or events transpiring prior to the effective date of this act."

Mr. PETERSON. Mr. Chairman, I have no objection to the amendment.

Mr. FERNANDEZ. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to express my thoughts with respect to this amendment. Naturally, a good many of the problems which will arise between individual Indians will be with respect to lands, property, and with respect to acts which occurred in the past. I do not know how this amendment is going to be enforced; I should like to hear a little more about just how the gentleman from Oklahoma thinks it can be enforced. I am not, however, going to oppose it, because by adopting this bill it goes to the conference committee and perhaps there the language can be so written as to carry forward what is intended by the amendment. Maybe it will be accepted by the Senate. If it is, then that is all right because we have done the one thing that is necessary, and that is to place them under the jurisdiction of the State laws just as we attempted to do in the case of the Navajo Reservation, where they have no tribal laws, where they have no tribal government for effective enforcement of laws, where they have no tribal courts except those which we have forced upon them. If as time rolls along we discover or the courts discover that most of these past transactions are the ones that are causing trouble they can come back to Congress for an amendment. For these reasons I shall not oppose the amendment but will on the other hand support the amendment in the hope that the bill will pass; and I will support the bill as a good forward step.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was agreed to.

Mr. O'SULLIVAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'SULLIVAN: Insert as the last paragraph of section 3 the following:

"*Provided, however,* That this act shall become effective only upon approval of a majority of the New York Indians at an election duly called by the Commissioner of Indian Affairs of the Department of the Interior. Such election shall be held upon 30 days notice at places convenient to the voters and upon such rules as may be prescribed by the Commissioner. Such election shall be held within 120 days following the passage and approval of this act."

Mr. O'SULLIVAN. Mr. Chairman, at this time, when this legislative body is giving every effort to support the cause of free determination of peoples throughout the world as opposed to the forces of aggression, a very considerable thought must be given to any legislation affecting the American Indian. One need not dwell, except in passing, on the blots besmirching the national honor and sense of fair play which have spattered the record of our dealings and double-dealings with the American Indian; solemn peace treaties broken, agreements violated, lands confiscated, depredations tolerated and duty avoided, all strew the path of our national progress toward assimulation of Indians. Most of the acts were done to the accompanying hymns of "Indian-helping," and with blatant propaganda that same was necessary to help the Indian along the road to progress and to greater freedom.

Today we are rushed into consideration of another piece of legislation stated to be vitally necessary to the New York Indians. The effect of this legislation is to turn all of the Indians in New York over to the State of New York. The effect of S. 192 is to delegate the duty of wardship over the New York Indians, all of them, to the State. Notwithstanding the solemn pledge of the United States to protect the Indians in the free enjoyment, of their lands, a clause in the treaties—and notwithstanding the obligation to support their cause through the Federal laws and judicial system, the proposal is now before us to turn over this complete civil jurisdiction, lock, stock, and barrel, to the State of New York, exclusively. Was there ever a more flagrant violation of a treaty, a more craven way of shirking responsibility and breaking faith?

Consider for the moment that some of these Indians live on the same lands which their fathers occupied since the Iroquois Federation was formed in the sixteenth century. Some of them, particularly the Senecas, have been governed by their own constitution for over 100 years. The constitution of the Seneca Indians was recognized by Congress in 1848. This constitution provides for legislative, executive and judicial branches of government independent of other civil jurisdictions. Why must this be destroyed now to give complete authority to New York State? You have heard that it is to be beneficial to the Indians who are enlightened enough to assume equal status with the white citizen of New York. Should not then these same enlightened people be allowed to express their willingness to accept this new status in surrender of their treaty rights? In all fairness our national ideal must be preserved to allow these people to determine freely their acceptance or rejection of this legislation.

Hence I have offered this amendment to the bill S. 192, which will resolve all doubts about the legality of this legislation.

Mr. MORRIS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. Chairman, had it not been for the provision that I discussed only a few minutes ago in the bill itself giving the Indians involved the right to determine whether or not they wanted to come under the law in those instances where their customs, laws and treaty rights should be involved, and now the provision that is in the bill by the adoption of the amendment that I offered that their treaty rights will definitely be observed and protected, and the further amendment that was adopted just a few minutes ago by the committee giving them an absolute guaranty as to a proper and just and equitable adjudication of their claims, had it not been, as I say, for these provisions in the original bill and in the bill as it has now been amended, then the amendment offered by the gentleman would come with great force to me, at least, and I think to all of us. But certainly there would be no point now, as I see it, in going to the expense or using the cumbersome machinery of holding an election there, perhaps causing confusion and misunderstanding. There would be no point to it at all.

We have approached this matter in two different ways in our committee. In one or two instances we have provided for a plebiscite on the part of the Indians, provided for an election to be held, but those were instances where there was just a blanket provision that they be brought under the law. The bill now as it is does not bring them under the law in any instance where their treaty rights could in any way be impaired. It does not bring them under the law or deprive them of any claims that they might have. So, in my judgment, we would be very unwise now in adopting this amendment since the bill is in the condition it is in at this time.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Ohio.

Mr. McSWEENEY. Did any of the representatives of those Indian groups appear before the committee?

Mr. MORRIS. Yes, a number of them.

Mr. McSWEENEY. They are in favor of the bill?

Mr. MORRIS. No. I would say that those who came were not in favor of it. That is why we offered the amendments. They were very much opposed to the bill as it was. I cannot say for absolute certainty, but I do sincerely believe, knowing the matter as I do, having studied it for a long time, that now the Indians will be satisfied. I think almost all of them will be satisfied because of these amendments that have been adopted. I may say to the gentleman they were very much opposed to the bill originally. Now I believe they will not oppose the bill as it stands at the present time.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Florida.

Mr. PETERSON. Their rights will be protected, and, specifically, we are protecting their treaty rights?

Mr. MORRIS. Yes. I believe, Mr. Chairman, we would be unwise in adopting this amendment now, but I admit that had we not taken the course we have taken the amendment might have been justified.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Minnesota.

Mr. MARSHALL. To clear up one point may I say that the amendment which has been offered by the gentleman from Nebraska is very similar to one which was considered by the committee and rejected. It is almost in identically the same words.

Mr. MORRIS. That is correct.

Mr. MARSHALL. We rejected it simply because we believed this provision which we have in the bill itself gives much greater leeway to the Indians at the time as to what they want in their legislation than the provision of accepting or rejecting would. This bill which we have before us gives them plenty of opportunity to pick out those customs which they desire to be recognized by the State of New York.

Mr. MORRIS. I thank the gentleman for a very fine contribution. I will say this: We feel, after having made a study of the matter, that the amendments we have adopted to the bill will be far better for the Indians and will protect their rights much better than the approach that the distinguished gentleman from Nebraska is trying to make would. In other words, there are so many issues involved, there would be so much confusion that probably they would not know exactly how to vote.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MORRIS. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I was going to say that our committee did discuss this amendment and after due consideration they felt it should not be considered on both the minority and majority sides. I am of the opinion that the amendment is not necessary to this bill and it ought to be rejected, and I hope the House will reject it, because the amendment offered by the gentleman who is now in the well of the House, Mr. MORRIS, takes care of the situation that

the gentleman from Nebraska [Mr. O'SULLIVAN] had in mind.

Mr. MORRIS. I thank the gentleman. I think that the amendments are far better as affecting both the great State of New York and the Indians involved; in other words, that it is better for all parties concerned; it is a better approach; it is fairer and less confusing, and certainly I believe, or else I would not be here supporting it, that the Indians' rights are definitely and positively protected. I believe that sincerely.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the time has come to be very realistic about this legislation. This is not the first time I have taken the floor in behalf of legislation for the good of the Indians. I have had the honor of representing these Indians in Congress now for 32 years and never once have I had any criticism of any legislation which has been offered here until a certain lobbyist got hold of this bill and has now, of course, found a gold mine as far as the Indians are concerned.

The State of New York has been just and generous to the Indians. They can attend fine Indian schools, financed by New York State taxpayers. I want to give you just another picture of what the people of the State have done. There is not a person here that has been objecting to this legislation, not one from any State, that can show the generosity that has been shown the Indians by the great Empire State of New York. The Indians have been there since the organization of the State under the colonial system. Just take one school alone. From 1911 to 1930, inclusive, the New York State Legislature has appropriated for the Thomas Indian School $1,849,797.72, and from June 30, 1931, to June 30, 1950, inclusive, the legislature appropriated $4,107,703.44. Other educational purposes, $2,404,826.27, and from 1911 to 1930, $626,615. Agricultural work $66,000 at one time. Maintenance of Indian poor $2,249,899.10. Capital improvement repairs from 1931 to 1950, $469,915. For construction alone $5,714,665. And so on.

The people of New York like the Indians. They are fine people. They are citizens. As I say, I have represented them for 32 years. The purpose of this amendment that has been offered is to simply water this bill down and ruin this legislation, if they can. There are unconscionable people who visit the Indian reservation trying to get the lawless Indians drunk, trying to terrorize some of them, and see if they cannot defeat this program under S. 192, for the good of the law-abiding Senecas. They have not the interest of the Indians at heart. The reputable, the educated Indians want it. They believe in their property rights. They know that they can get their rights in the State courts. So, I urge you gentlemen not to be carried away by this amendment, the purpose of which is to impose restrictions on sound legislation.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from New York.

Mr. KEATING. I think the record should show, at this point, the sincere and conscientious fight that the gentleman from New York has put up for the Indians over a period of years. If the gentleman from New York is opposed to this amendment, that is enough for me, because I know that the gentleman only acts in the real interest of the Indians.

Mr. REED of New York. I thank the gentleman. My forebears were Quakers. The Quakers set up a school way back there in the early 1700's for the Indians. They backed the Indians all throughout the years. Why should I be here trying to do anything injurious to the Indians, whose reservation is right in my district? Why should a person come in here with an amendment and speak for the Indians who lives practically 2,000 miles away from them?

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. It has been the experience of members of the Committee on Public Lands that most of the difficulty comes about by some lobbyist or cheap lawyer who wants to keep on milking the Indians. That has been done in the past and is being done now. It seems to me if this amendment is adopted it would be a paradise for some lawyers of questionable repute to continue to get fees not always in line with good practice.

Mr. REED of New York. That is what the bill S. 192 is for, to stop this racket being perpetrated by irresponsible people.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. I have had the same experience that the gentleman from Nebraska has had. I have had lobbyists call on me that did not know any more about Indians than Japanese. Probably that accounts for the amendment which has been offered.

Mr. FERNANDEZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the fundamental issue at the bottom of this legislation is that stated in a letter read by the gentleman from New York [Mr. REED], which he received from one of the Indians, and that is whether or not the individual Indian citizens of the State of New York shall have decent courts and shall have the right that every other citizen has to appeal to the courts of the State. I think the Congress has been derelict in requiring these Indians to live under a tribal government all these years without giving them the right that every other citizen has to their State courts. I compliment the committee in bringing this bill to the floor. If we adopt this amendment, we once again sidestep that necessary action. I ask you a very simple question: What right has the majority of the Indians in a tribe to tell the minority citizens of that tribe that they shall continue to be denied their right to appeal to the State courts as State citizens in their reservation? And what right have we to empower a majority of the Indians in a reservation to say that the minority shall be denied those civil rights as American citizens? That is the issue here.

If we adopt this amendment, we are simply side-stepping the issue again and again as we have done in the past. I think the Congress has been derelict long enough. We ought to proceed with this bill and then bring other bills in affecting other reservations and do the same job for their minority Indians, many of whom have no protection whatever under their tribal governments.

The amendment should be defeated, and the bill passed.

Mr. PETERSON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I will not take the entire 5 minutes, but I do rise in opposition to the amendment because I think the amendment offered by the gentleman from Oklahoma [Mr. MORRIS] covers the situation. The amendment offered by the gentleman from Nebraska [Mr. O'SULLIVAN] would complicate it. However, I know the gentleman from Nebraska is very conscientious and very sincere in this problem, as he is in all other problems. I do not think his approach to this has been engendered by lobbyists or by any other motive, other than trying to benefit the Indians. Indian problems are troublesome. They arouse our sympathies and I believe this is a sincere effort on his part to help them. I do believe, however, that the amendment offered by the gentleman from Oklahoma [Mr. MORRIS] covers the situation, and the amendment offered by the gentleman from Nebraska [Mr. O'SULLIVAN] should be voted down.

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the Indians who appeared before our committee from the tribes of the State of New York were very intelligent and it would be a credit to any State to have such well-informed citizens so well able to express themselves before a committee of the Congress.

I want to emphasize that at no time in any appearance before the committee were there any lobbying activities or any attorneys taking advantage, apparently, of the situation to bring pressure to bear upon the members of the committee. I want to make that point very clear.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. O'SULLIVAN].

The question was taken; and on a division (demanded by Mr. O'SULLIVAN) there were—ayes 6, noes 49.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. YOUNG, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties, pursuant to House Resolution 747, he reported the bill back to the House with sundry

amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. O'SULLIVAN) there were—ayes 64, noes 1.

Mr. O'SULLIVAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

Mr. ALLEN of Illinois. Mr. Speaker, a parliamentary inquiry. Can a Member vote for a bill and then ask for a roll call and object on the ground that a quorum is not present, as the gentleman from Nebraska just did?

The SPEAKER. The Chair is trying to ascertain whether a quorum is present.

Mr. ALLEN of Illinois. Mr. Speaker, the gentleman voted for the bill. He just rose on a division. And then he voted against it. He voted both ways.

The SPEAKER. That is not a parliamentary inquiry.

The gentleman from Nebraska [Mr. O'SULLIVAN] objects to the vote on the ground that a quorum is not present, and makes the point of order that a quorum is not present. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 295, nays 4, not voting 131, as follows:

[Roll No. 236]

YEAS—295

Abbitt	Bonner	Dague
Abernethy	Bosone	Davenport
Addonizio	Boykin	Davis, Ga.
Albert	Bramblett	Davis, Tenn.
Allen, Calif.	Brown, Ga.	Davis, Wis.
Allen, Ill.	Bryson	Deane
Allen, La.	Buchanan	DeGraffenried
Andersen, H. Carl	Buckley, Ill.	Dollinger
Anderson, Calif.	Buckley, N. Y.	Dolliver
Andresen, August H.	Burdick	Donohue
Andrews	Burke	Doughton
Angell	Burleson	Douglas
Arends	Burnside	Eberharter
Aspinall	Byrne, N. Y.	Elliott
Auchincloss	Byrnes, Wis.	Ellsworth
Bailey	Camp	Elston
Baring	Canfield	Evins
Barrett, Pa.	Carnahan	Fenton
Bates, Ky.	Case, N. J.	Fernandez
Bates, Mass.	Chelf	Fisher
Battle	Chesney	Flood
Beall	Chudoff	Fogarty
Beckworth	Clemente	Forand
Bennett, Fla.	Cole, Kans.	Ford
Bennett, Mich.	Colmer	Fugate
Bentsen	Combs	Fulton
Biemiller	Cooper	Gamble
Bishop	Corbett	Gary
Blatnik	Cotton	Gathings
Boggs, La.	Coudert	Gavin
Bolling	Cox	Gilmer
Bolton, Md.	Crook	Golden
Bolton, Ohio	Crosser	Goodwin
	Cunningham	Gordon
	Curtis	Graham
Granahan	Kunkel	Reed, N. Y.
Granger	Lane	Rees
Grant	Larcade	Rhodes
Green	LeCompte	Ribicoff
Gregory	LeFevre	Richards
Gross	Lind	Riehlman
Guill	Linehan	Rivers
Gwinn	Lovre	Robeson
Hagen	Lyle	Rodino
Hale	Lynch	Rogers, Fla.
Hall, Edwin Arthur	McCarthy	Rogers, Mass.
	McCormack	Rooney
Hall, Leonard W.	McCulloch	Sadlak
	McDonough	St. George
Halleck	McGrath	Sanborn
Hand	McGregor	Sasscer
Hardy	McGuire	Saylor
Harris	McKinnon	Scrivner
Harrison	McMillan, S. C.	Scudder
Hart	McSweeney	Secrest
Harvey	Madden	Shafer
Havenner	Mahon	Short
Hays, Ark.	Mansfield	Sikes
Hays, Ohio	Marsalis	Simpson, Ill.
Hedrick	Marshall	Simpson, Pa.
Heffernan	Martin, Iowa	Sims
Heselton	Martin, Mass.	Smith, Va.
Hill	Merrow	Smith, Wis.
Hobbs	Meyer	Staggers
Hoffman, Mich.	Michener	Steed
Holmes	Miller, Calif.	Stigler
Hope	Miller, Md.	Stockman
Horan	Miller, Nebr.	Sullivan
Howell	Mills	Sutton
Huber	Mitchell	Taber
Hull	Monroney	Tackett
Irving	Morris	Taylor
Jackson, Calif.	Morrison	Thompson
Jackson, Wash.	Moulder	Thornberry
Jacobs	Murdock	Tollefson
Javits	Murray, Tenn.	Trimble
Jenison	Nicholson	Underwood
Jennings	Noland	Van Zandt
Jensen	O'Brien, Ill.	Vursell
Jones, Ala.	O'Brien, Mich.	Wagner
Jones, Mo.	O'Hara, Minn.	Walter
Jones, N. C.	O'Konski	Weichel
Judd	O'Neill	Welch
Karst	O'Toole	Wheeler
Karsten	Passman	White, Calif.
Kean	Patterson	Whittington
Kearney	Perkins	Widnall
Kearns	Peterson	Wier
Keating	Philbin	Wigglesworth
Kee	Phillips, Calif.	Wilson, Ind.
Kelley, Pa.	Plumley	Wilson, Okla.
Kelly, N. Y.	Poage	Withrow
Keogh	Polk	Wolverton
Kerr	Poulson	Wood
Kilburn	Price	Woodhouse
Kilday	Priest	Woodruff
King	Rabaut	Yates
Kirwan	Rains	Young
Klein	Rankin	Zablocki
Kruse	Reed, Ill.	

NAYS—4

Feighan	O'Sullivan	Tauriello
Gorski		

NOT VOTING—131

Barden	Engle, Calif.	Macy
Barrett, Wyo.	Fallon	Magee
Blackney	Fellows	Marcantonio
Boggs, Del.	Frazier	Mason
Breen	Furcolo	Miles
Brehm	Garmatz	Morgan
Brooks	Gillette	Morton
Brown, Ohio	Gore	Multer
Bulwinkle	Gossett	Murphy
Burton	Harden	Murray, Wis.
Cannon	Hare	Nelson
Carlyle	Hébert	Nixon
Carroll	Heller	Norblad
Case, S. Dak.	Herlong	Norrell
Cavalcante	Herter	Norton
Celler	Hinshaw	O'Hara, Ill.
Chatham	Hoeven	Pace
Chiperfield	Hoffman, Ill.	Patman
Christopher	Holifield	Patten
Clevenger	James	Pfeifer, Joseph L.
Cole, N. Y.	Jenkins	
Cooley	Johnson	Pfeiffer, William L.
Crawford	Jonas	
Davies, N. Y.	Keefe	Phillips, Tenn.
Dawson	Kennedy	Pickett
Delaney	Lanham	Potter
Denton	Latham	Powell
D'Ewart	Lichtenwalter	Preston
Dingell	Lodge	Quinn
Dondero	Lucas	Ramsay
Doyle	McConnell	Redden
Durham	McMillen, Ill.	Regan
Eaton	Mack, Ill.	Rich
Engel, Mich.	Mack, Wash.	Roosevelt
Sabath	Stanley	Werdel
Sadowski	Stefan	Whitaker
Scott, Hardie	Talle	White, Idaho
Scott, Hugh D., Jr.	Teague	Whitten
	Thomas	Wickersham
Shelley	Towe	Williams
Sheppard	Velde	Willis
Smathers	Vinson	Wilson, Tex.
Smith, Kans.	Vorys	Winstead
Smith, Ohio	Wadsworth	Wolcott
Spence	Walsh	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Roosevelt with Mr. Macy.
Mr. Heller with Mr. Dondero.
Mr. Holifield with Mr. Herter.
Mr. Joseph L. Pfeifer with Mr. Hinshaw.
Mr. Garmatz with Mr. James.
Mr. Sabath with Mr. Wolcott.
Mr. Sadowski with Mr. Brown of Ohio.
Mr. Kennedy with Mr. Cole of New York.
Mr. Delaney with Mr. Nelson.
Mr. Mack of Illinois with Mr. Chiperfield.
Mr. Denton with Mr. Boggs of Delaware.
Mr. Magee with Mr. Crawford.
Mr. Whitten with Mr. Rich.
Mr. Dingell with Mr. Hardie Scott.
Mr. Morgan with Mr. Hoeven.
Mr. Williams with Mr. Johnson.
Mr. Winstead with Mr. Jonas.
Mr. Smathers with Mr. Norblad.
Mrs. Norton with Mr. Hugh D. Scott, Jr.
Mr. Willis with Mr. William L. Pfeiffer.
Mr. Stanley with Mr. Brehm.
Mr. Wickersham with Mr. Gillette.
Mr. O'Hara of Illinois with Mr. Hoffman of Illinois.
Mr. Morgan with Mr. Jenkins.
Mr. Frazier with Mr. Keefe.
Mr. Regan with Mr. Murray of Wisconsin.
Mr. Patten with Mr. Towe.
Mr. Pickett with Mr. Stefan.
Mr. Powell with Mr. Fellows.
Mr. Marcantonio with Mr. Smith of Ohio.
Mr. Cavalcante with Mr. Morton.
Mr. Carroll with Mr. Blackney.
Mr. Davies of New York with Mr. Eaton.
Mr. Preston with Mr. Engel of Michigan.
Mr. Celler with Mr. Vorys.
Mr. Lanham with Mr. Velde.
Mr. Lucas with Mr. Werdel.
Mr. Walsh with Mr. Potter.
Mr. Whitaker with Mr. D'Ewart.
Mr. Murphy with Mr. Clevenger.
Mr. Multer with Mr. Mason.
Mr. Hébert with Mr. Latham.
Mr. Herlong with Mr. McConnell.
Mr. Gossett with Mr. Lichtenwalter.
Mr. Pace with Mr. Barrett of Wyoming.
Mr. Patman with Mr. Case of South Dakota.
Mr. Teague with Mr. Talle.
Mr. Thomas with Mr. Wadsworth.
Mr. Redden with Mr. Smith of Kansas.
Mr. Breen with Mrs. Harden.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

FRANCIS LEE EDWARDS

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6958) authorizing the Secretary of the Interior to issue a patent in fee to Francis Lee Edwards, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 3, strike out "ninety" and insert "sixty."

Page 2, line 8, strike out "ninety" and insert "sixty."

Page 2, line 9, strike out "ninety" and insert "sixty."

Page 2, line 17, strike out "ninety" and insert "sixty."

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EDGAR S. BIGMAN

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7017) authorizing the Secretary of the Interior to issue a patent in fee to Edgar S. Bigman, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 3, strike out "ninety" and insert "sixty."

Page 2, line 8, strike out "ninety" and insert "sixty."

Page 2, line 9, strike out "ninety" and insert "sixty."

Page 2, line 17, strike out "ninety" and insert "sixty."

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

DISPOSING OF LANDS ON CERTAIN INDIAN RESERVATIONS

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4584) to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 6, strike out all after "the" down to and including "district" in line 8 and insert "lands upon which the wells are located."

Page 6, line 13, strike out "acquired" and insert "(not to exceed $5,000) required."

Page 6, strike out all after line 22 over to and including line 14 on page 7 and insert:

"SEC. 8. (a) That any restricted Indian land, whether individually or tribally owned, may be leased by the Indian owners in accordance with the provisions of section 4 of the act of June 25, 1910 (36 Stat. 856), and such lands of deceased Indians may be leased for the benefit of their heirs or devisees as provided for by the act of July 8, 1940 (54 Stat. 745)."

Page 7, line 15, strike out "(c)" and insert "(b)."

Page 7, line 16, after "act", insert ", whether made under this section or under any other provision of law."

Page 8, line 4, strike out "(d)" and insert "(c)."

Page 8, line 6, strike out "unless so provided in the lease."

Page 8, strike out lines 7 to 11, inclusive.

THE SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENDING NATURALIZATION PRIVILEGES

Mr. WALTER submitted the following conference report and statement on the resolution (H. J. Res. 238) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence:

CONFERENCE REPORT (H. REPT. No. 2914)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 238) to remove the racial restrictions on naturalization in the case of certain Japanese persons who entered the United States prior to July 1, 1924, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 303 of the Nationality Act of 1940, as amended, (60 Stat. 416; 8 U. S. C. Supp. 703), is hereby amended to read as follows:

"'SEC. 303. The right to become a naturalized citizen of the United States, subject to the provisions of this Act, shall not be denied or abridged because of race: *Provided*, That no alien who, under law existing immediately prior to the enactment of this section as here amended would have been ineligible to immigrate to the United States because of race shall become eligible for immigration to the United States by reason of the adoption of this resolution.'

"SEC. 2. Section 305 of the Nationality Act of 1940, as amended (54 Stat. 1141; 8 U. S. C. 705), is hereby amended to read as follows:

"'SEC. 305. (a) No person shall hereafter be naturalized as a citizen of the United States—

"'(1) who advocates or teaches, or who is a member or affiliated with any organization that advocates or teaches, opposition to all organized government; or

"'(2) who is a member or affiliated with (i) the Communist Party of the United States; (ii) any other totalitarian party of the United States; (iii) the Communist political association; (iv) the Communist or other totalitarian party of any State of the United States, of any foreign state, or of any political or geographical subdivision of any foreign state; (v) any section, subsidiary, branch, affiliate, or subdivision of any such association or party; or (vi) the direct predecessors or successors of any such association or party, regardless of what name such group or organization may have used, may now bear, or may hereafter adopt;

"'(3) who, while not within any of the other provisions of this section, advocates the economic, international, and governmental doctrines of world communism or the economic or governmental doctrines of any other form of totalitarianism, or who are members of or affiliated with any organization that advocates the economic, international, and governmental doctrines of world communism, or the economic and governmental doctrines of any other form of totalitarianism, either through its own utterances or through any written or printed publications issued or published by or with the permission or consent of or under authority of such organization or paid for by the funds of such organization; or

"'(4) who advocates or teaches or who is a member of or affiliated with any organization that advocates or teaches (i) the overthrow by force or violence or other unconstitutional means of the Government of the United States or of all forms of law; or (ii) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government because of his or their official character; or (iii) the unlawful damage, injury, or destruction of property; or (iv) sabotage;

"'(5) who writes or publishes or causes to be written or published, or who knowingly circulates, distributes, prints or displays, or knowingly causes to be circulated, distributed, printed, published, or displayed, or who knowingly has in his possession for the purpose of circulation, publication, or display, any written or printed matter, advocating or teaching opposition to all organized government, or advocating (i) the overthrow by force, violence, or other unconstitutional means of the Government of the United States or of all forms of law; or (ii) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government; or (iii) the unlawful damage, injury, or destruction of property; or (iv) sabotage; or (v) the economic, international, and governmental doctrines of world communism or the economic and governmental doctrines of any other form of totalitarianism;

"'(6) who is a member of or affiliated with any organization that writes, circulates, distributes, prints, publishes, or displays, or causes to be written, circulated, distributed, printed, published, or displayed, or that has in its possession for the purpose of circulation, distribution, publication, issue, or display, any written or printed matter of the character described in subparagraph (5).

"'(b) The provisions of this section or of any other section of this Act shall not be construed as declaring that any of the organizations referred to in this section or in any other section of this Act do not advocate the overthrow of the Government of the United States by force, violence, or other unconstitutional means.

"'(c) The provisions of this section shall be applicable to any applicant for naturalization who at any time within a period of ten years immediately preceding the filing of the petition for naturalization is, or has been, found to be within any of the classes enumerated within this section, notwithstanding that at the time petition is filed he may not be included within such classes.

"'(d) For the purpose of this section—

"'(1) the giving, loaning, or promising of money or anything of value to be used for the advocacy or teaching of any doctrine above enumerated shall constitute the advocacy or teaching of such doctrine; and

"'(2) the giving, loaning, or promising of money or anything of value to any organization, association, society, or group of the character above described shall constitute affiliation therewith; but nothing in this paragraph shall be taken as an exclusive definition of advocacy, teaching or affiliation.

"'(e) The Attorney General shall publish in the Federal Register, at least once in every calendar year, a list containing the name of every organization which, after appropriate investigation and on the basis of evidence or information satisfactory to him, he deems to be Communist, Fascist, totalitarian, subversive to the national security, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Con-

stitution of the United States, or as seeking to alter the form of government of the United States by force, violence, or other unconstitutional means. He shall from time to time, by publication in the Federal Register, add to or delete from such list such organizations as he deems to be of such character, or to be no longer of such character, as the case may be.

"'(f) The provisions of subsection (a) of this section shall not apply to any person who shall be a member of any organization described therein at the time such organization is designated as Communist, totalitarian, Fascist, subversive to the national security, as having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Constitution of the United States, or as seeking to alter the form of government of the United States by unconstitutional means, and who shall, within three months from the time of the promulgation of such designation in the Federal Register, pursuant to subsection (e) of this section, renounce, withdraw from, and utterly abandon such membership, and who thereafter ceases entirely to be affiliated with such organization. The provisions of sections 2 of the Act of October 16, 1918, as amended (40 Stat. 1012; 8 U. S. C. 137 (g)), shall not apply to any such person who shall so renounce, withdraw from, and utterly abandon such membership, and who thereafter ceases entirely to be affiliated with such organization: *Provided*, such person establishes to the satisfaction of the Attorney General that he did not know or have reason to believe at the time he became a member of such an organization (and did not thereafter and prior to the publication of the name of such organization as provided in subsection (e) of this section acquire such knowledge or belief) that such organization was Communist, totalitarian, Fascist, subversive to the national security, had adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Constitution of the United States, or sought to alter the form of Government of the United States by unconstitutional means.

"'(g) If a person who shall have been naturalized after the enactment of this section, as here amended, shall, within five years next following such naturalization become a member of or affiliated with any organization, membership in or affiliation with which at the time of naturalization would have precluded such person from naturalization under the provisions of subsection (a), it shall be considered prima facie evidence that such person was not attached to the principles of the Constitution of the United States and was not well disposed to the good order and happiness of the United States at the time of naturalization, and, in the absence of countervailing evidence, it shall be sufficient in the proper proceeding to authorize the revocation and setting aside of the order admitting such person to citizenship and the cancellation of the certificate of naturalization as provided in Section 338 of this Act.'

"In lieu of the amended title proposed by the Senate amendment, amend the title so as to read: 'To amend the Nationality Act of 1940, as amended.'"

And the Senate agree to the same.

FRANCIS E. WALTER,
ED GOSSETT,
LOUIS E. GRAHAM,
Managers on the Part of the House.

PAT MCCARRAN,
W. E. JENNER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses to the amendment of the Senate in the nature of a substitute to the joint resolution (H. J. Res. 238) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence [joint resolution to remove the racial restrictions on naturalization in the case of certain Japanese persons who entered the United States prior to July 1, 1924], submit the following written statement explaining the effect of the action agreed on:

The resolution as it passed the House of Representatives provided that the right to become a naturalized citizen of the United States shall not be denied or abridged because of race. This resolution also provided that no alien who, under law existing immediately prior to enactment of the resolution, would have been ineligible to immigrate to the United States because of race shall become eligible for immigration to the United States by reason of the adoption of the resolution.

The net effect of the resolution as passed by the House of Representatives would be to remove all racial barriers to naturalization of those persons who are legally in the United States at the time of enactment of the resolution.

The resolution as amended by the Senate extended the provisions of existing section 303 of the Nationality Act of 1940, as amended, to include Japanese persons and persons of Japanese descent who (1) entered the United States (including the Territory of Hawaii) prior to July 1, 1924; (2) have resided continuously in the United States (including the Territory of Hawaii) since such entry; and (3) are not subject to deportation.

The net effect of the resolution as passed by the Senate would be to extend the privilege of naturalization only to those Japanese persons and persons of Japanese descent who have resided in the United States, including the Territory of Hawaii, since July 1, 1924, and who are not subject to deportation, but several Asian racial groups such as the Burmese, Indonesians, Koreans, Maoris, Polynesians, Samoans, and Siamese would, under the Senate amendment, still remain on the list of races barred from United States citizenship.

The resolution as agreed to by the conferees provides that the House version of the resolution be adopted with an amendment, namely, insertion of the phrase "subject to the provisions of this Act." This additional language insures that all aliens eligible to petition for naturalization under the provisions of section 303 as amended by House Joint Resolution 238 will be subject to all of the other provisions of the Nationality Act. The insertion of this additional language meets the objections raised when the resolution was before the Senate that the resolution might permit a great many other aliens to be naturalized who were not otherwise eligible under all of the provisions of the nationality laws.

In terms of figures, the resolution as agreed to by the conferees, would make eligible for naturalization about 48,000 persons of the Japanese race residing in the continental United States and about 38,000 such persons residing in the Territory of Hawaii. In addition, the resolution would make eligible for naturalization approximately 700 Koreans residing in the continental United States and about 2,300 Koreans residing in Hawaii, plus less than 150 persons of the other, above-mentioned, Asian races of which about 20 percent reside in the Territory of Hawaii and the rest in the continental United States.

The following table illustrates the numerical extent of the effect of this resolution:

Aliens eligible to citizenship under H. J. Res. 238: Continental United States and Hawaii, 1940

Alien people	Residing in—		Total	Percentage in United States
	United States	Hawaii		
Japanese	47,305	37,353	84,658	55.99
Korean	749	2,390	3,139	20.7
Other Asian	104	41	145	71.7
Total	48,158	39,784	87,942	54.8

Source: Sixteenth United States Census.

In recommending the adoption of the resolution substantially as passed by the House of Representatives, the conferees have fully realized that the highly desirable extension of eligibility to naturalization calls for additional safeguards and that, therefore, section 305 of the Nationality Act of 1940, as amended, should be amended. Accordingly, the conferees recommend the addition of a new section to House Joint Resolution 238, which in amending section 305 prohibits naturalization of any alien who at any time within a period of 10 years immediately preceding the filing of the petition for naturalization is, or has been found to be within any of the general classes enumerated therein.

The amendments proposed to section 305 are substantially as follows:

"(1) Naturalization is specifically prohibited to anyone who within 10 years preceding the naturalization has belonged to the Communist Party of the United States; any other totalitarian party of the United States; the Communist political association; the Communist or other totalitarian party of any State of the United States, of any foreign state, or of any political or geographical subdivision of any foreign state; any section, subsidiary, branch, affiliate, or subdivision of any such association or party; or the direct predecessors or successors of any such association or party, regardless of what name such group or organization may have used, may now bear, or may hereafter adopt.

"(2) The Attorney General is required to publish in the Federal Register at least once in every calendar year a list containing the name of every organization which, after appropriate investigation and on the basis of evidence or information satisfactory to him, he deems to be Communist, Fascist, totalitarian, subversive to the national security, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the Constitution of the United States, or as seeking to alter the form of Government of the United States by force, violence, or other unconstitutional means.

"(3) An alien who belongs to any such organization on the date of its proscription shall have 3 months from such date to withdraw from the organization.

"(4) A person who is naturalized after enactment of section 305 as thus amended and who within 5 years after such naturalization becomes a member of or affiliated with any organization which would have precluded his naturalization under subsection (a) of section 305, as amended, shall be presumed to have obtained naturalization by fraud or by illegal procurement."

In view of the fact that sections 303 and 305 both relate to eligibility to naturalization and liberalization of section 303 necessitates the strengthening of 305, the conferees unanimously agreed that the conference report hereby submitted represents a

germane modification of subjects in disagreement.

FRANCIS E. WALTER,
ED GOSSETT,
LOUIS E. GRAHAM,
Managers on the Part of the House.

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the resolution (H. J. Res. 238) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

Mr. WALTER (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. JUDD. Mr. Speaker, I have been working for 7½ years for this day—the removal of racial discrimination from our naturalization laws. Someone has said that House Joint Resolution 238, the conference report on which we have just adopted, is 25 percent of the Judd bill, H. R. 199, which removed racial discrimination from both our naturalization and our immigration laws. Actually, House Joint Resolution 238 means more than that because the passage of this portion of my bill should make easier the passage of the remainder.

H. R. 199 is the Eighty-first Congress version of legislation I vowed when I came to Congress I would try to get enacted, as a matter both of plain justice and of great benefit to our own country's standing and influence in the Asiatic half of the world. It was passed by the House on March 1, 1949. It went over to the other body and hearings were held by a subcommittee of the Committee on the Judiciary. However, inasmuch as that committee was engaged in a comprehensive revision of our immigration laws, it incorporated the features of my bill in its omnibus bill which was reported out on April 20, 1950, as S. 3455. Because of the legislative jam in the other body, it appears that this bill will not be given consideration during this session of the Congress.

So the chairman of the House Subcommittee on Immigration and Naturalization, the distinguished gentleman from Pennsylvania [Mr. WALTER] took the first section of my bill, H. R. 199 and introduced it as House Joint Resolution 238. It passed the House by unanimous consent, but was considerably modified in the other body. Now the conferees have agreed upon a bill which is substantially that passed by the House, with the addition of provisions to prevent persons who have been members or supporters in the last 10 years of organizations declared by the Attorney General to be subversive in character, from taking advantage of the naturalization privileges provided in the Resolution. Also any person naturalized under this Resolution who becomes a member or supporter of any such subversive organization within the next 5 years may have his naturalization revoked.

Under the joint resolution as just adopted, almost 85,000 Japanese who were admitted to this country for permanent residence prior to the passage of the Exclusion Act on July 1, 1924, can now apply for citizenship papers the same as alien immigrants from any other land. Also 3,139 Koreans will be made eligible and 145 other Asians—mostly Burmese, Indonesians, Samoans, Polynesians, and Siamese.

These persons have all lived in the United States for more than 25 years. They have entered into our society, they pay taxes, they are law-abiding and self-supporting—but they cannot obtain the coveted privilege of becoming naturalized as full-fledged American citizens.

Their sons, native born American citizens, volunteered by the thousands in World War II and fought with unsurpassed bravery, skill, and patriotic devotion. It has been a travesty on justice that their fathers and mothers who brought them up to be such exemplary American citizens have heretofore been ineligible for naturalization solely because of their race. I know the passage of this joint resolution will make glad their hearts and those of their children.

Mr. Speaker, I still hope that before the Congress adjourns there may be some way to get the other half of this job done—the removal of racial discrimination from our immigration laws also. As long as this needless insult, for example, to Koreans, remains on our statute books, we are sending our soldiers into that land to fight with one hand tied behind their backs, or at least without the full moral armament they deserve and which it is our business to provide them. No other act gives so much damaging propaganda material to our Communist enemies, as the remnants of the old exclusion laws. Let us be done with them once and for all by making the immigration quotas for the remaining 12 excluded areas available to persons born in those areas of races indigenous to them. At the very most, only 1,285 more persons of Asian races could be admitted per year. For us it costs almost nothing; to them it is the difference between being treated as less than human beings and as being recognized and officially treated as equal human beings. It is unworthy of our country, and dangerous to our sons, not to do now this act of long-delayed justice.

Mr. YATES. Mr. Speaker, I am very pleased to note the approval with which the House has received this resolution. Personally, I would have preferred to see the provisions of the Judd bill, establishing a quota for the Japanese people, enacted into law, and in this respect, this resolution does not go far enough.

However, it does in measure right the wrong created by the Oriental Exclusion Act of 1924 in predicating our immigration policy toward the peoples of the Far East solely upon the basis of race. This resolution declares that "the right to become a naturalized citizen of the United States, subject to the provisions of this act, shall not be denied or abridged because of race." This is as it should be, for there is no such thing as a master race.

This resolution will at long last give the right to the Issei, the foreign-born Japanese, who came to this country seeking permanent residence prior to 1924, to apply for United States citizenship. It will do away with property restrictions against them; it will give them the opportunity to rise from residence by sufferance to equality of rights under our laws. It is good that they should be permitted to become citizens of our Nation after all these years.

Mr. Speaker, I have had no opportunity to examine carefully the conditions and restrictions outlined in the resolution upon which these people may become citizens. I hope and trust they are not unduly onerous, else another great wrong will have been done.

SETTLEMENT OF CONFLICTS INVOLVING ENEMY PROPERTY

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 748, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 516) authorizing the President, or such officer or agency as he may designate, to conclude and give effect to agreements for the settlement of intercustodial conflicts involving enemy property. That after general debate, which shall be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself 3 minutes.

The SPEAKER. The gentleman from Ohio is recognized.

Mr. McSWEENEY. Mr. Speaker, House Resolution 748 makes in order House Joint Resolution 516, authorizing the President or such other officer to

work out if feasible the intercustodial conflicts involved under present procedure.

I believe if there is one thing America can be proud of it is the fact that even to our enemies we have tried to do justice, even to the enemy aliens we have tried to do justice. This bill which has been introduced by the gentleman from Connecticut [Mr. RIBICOFF], in fact, tries to make some arrangement whereby we can make equitable distributions of these properties which have been in conflict for such a long time. This is rather an intricate bill; and so I, as a member of the Committee on Rules, do not have an opportunity to study such things in an intimate way, am going to ask the members of the legislative committee to present it to you and to give you the different parts that have been in question, and undoubtedly the questions that arose before the Committee on Rules will be answered by the members of the legislative committee.

Mr. Speaker, I reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Massachusetts [Mr. ROGERS].

(Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include an article by Bill Cunningham from Sunday's Boston Herald.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the purpose of the bill is to iron out certain intercustodial problems that arise naturally in our worldwide obligations. It merely authorizes the President to carry out certain agreements with nations that were our friends during World War II. It carries no authorization or appropriation.

I understand the members of the Committee on Foreign Affairs are unanimously for it, as were the members of the Committee on Rules.

Mr. Speaker, I reserve the balance of my time.

Mr. McSWEENEY. Mr. Speaker, I yield 5 minutes to our distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the primary duty of government as we all know is to bring justice to its people, and that has been the first duty and function of our Government since its institution under constitutional form.

In accomplishing that first duty as a legislator in my 22 years of service in this body I felt that I could do so to the maximum extent possible on the domestic front by supporting vigorously and voting for legislation that would not only preserve but strengthen the family life of America. As we all know, the family life of a nation determines the strength or the weakness of a nation, not only my family life but the family life of every person. A strong family life means a strong nation; a weak family life means a weak nation. We all know as experienced legislators and men and women who have taken the journey of life to the point we have now reached and from our studies and experiences a very important factor in determining whether the family life of a nation is strong or weak played by the moral and economic outlook of a family and of the over-all families of the nation; and we also know that wherever there is a broad middle class that a nation is strong, that where the families of a nation are economically satisfied, are in safe economic condition, not too many of the families of the nation economically weak, so to speak, that a strong nation exists. As long as the family life of a nation is strong the nation will continue strong because the basic factor of society and of a nation is the family, that little group constituting the family, the father, the mother, and the children with all of the joys and sorrows that make up the family life and make up the lot of the individual on his journey through life. The individual is a component part of the very basis of society itself, the family. That is why I voted for rural electrification, if you please, because it aided and strengthened the family life in our rural areas; for soil conservation, the family life of our farmers; for flood control, for public power where private power could not or would not develop; for the minimum wage; for all legislation of that kind which directly affects the family life and which preserves and strengthens our family life.

Fifteen years ago today one of the greatest bills of modern times in connection with preserving and strengthening the family life of America was signed by the late Franklin Delano Roosevelt. I refer to the social-security law. I was a member of the original subcommittee of the Committee on Ways and Means that drafted that bill. I was a member of the full committee that reported the bill out. I remember well the historic fight in this body to obtain the passage of the bill.

I remember the determined effort that was made to strike out the insurance feature of the bill, known as the earned annuity provisions.

Mr. Speaker, 15 years have gone by since then. This progressive, magnificent piece of legislation has shown that its effect that the family life of America has been strengthened under legislation recommended to the Congress by the late Franklin Delano Roosevelt and passed by the Congress under his leadership and through Members of Congess like myself and others who believed in it, who believed in preserving and strengthening the family life of America. Fifteen years have gone by and countless millions of Americans and their families have benefited by the passage of this progressive bill.

Today is the fifteenth anniversary of the signing of the Social Security Act by Franklin D. Roosevelt.

Let us see some of the things that have flowed from that bill and evaluate them in terms of the family life of America. In 1934, before the passage of the bill, there were about 280,000 dependent children being assisted in one form or another. These were a very small number receiving benefits under State laws, the benefits also being small in amount. Now, under Federal-State programs, financed jointly by the Federal and State Governments, there are 1,600,000 dependent children being assisted and the average payment is $47 per month. The total payments to dependent children from 1935 to June 1950 were $2,755,000,000.

Evaluate that in terms of families and dependent children economically distressed belonging to families economically distressed. What better example of the exercise within our way of life of the power of government to bring justice to a deserving element of our people and to strengthen the family life of America, thereby strengthening Government itself.

On August 14, 1935, when the social-security law was signed by the immortal Franklin D. Roosevelt, the great humanitarian, only 27 States had laws providing for cash payments to the blind. Any one of us is likely to become blind during our journey through life but, as I stated, only 27 States at that time had laws giving assistance to the blind. There were between 32,000 and 34,000 persons without sight then receiving an average monthly assistance of $20. There are now 77,000 such blind persons receiving assistance under the joint Federal-State program and the average monthly payment is $47. Under this year's amendment an additional 18,000 blind persons will receive benefits, representing those who are now being helped by some States and one Territory without Federal aid. Since 1935 the total payments to the blind under the Social Security Act have been $287,000,000.

According to the best records, in 1934, 235,000 needy persons were receiving assistance from 28 States and 2 Territories, averaging $14 per month per person. There are now 2,900,000 needy aged persons receiving old-age noncontributory assistance under the Federal-State program with an average payment of $44 per month. From August 14, 1935, to June 1950, the total amount received by such persons is $9,985,000,000.

Evaluate that in terms of the American family during that period and what it has meant in preserving and strengthening the family life of those persons and in keeping hope existing in their minds and faith and confidence in our institutions of Government.

Under the earned annuity system, the insurance plan, in reference to which a determined effort was made to strike it in 1935, there are covered about 35,000,000 employees. An additional eight to ten million will be included when the present conference report pending in this body is agreed to. Two million one hundred thousand retired worker and 750,000 mothers and children during the past 15 years have received $3,375,556,469. The average monthly payment to them is now $26; but the pending bill about to be adopted will increase payments as high as 77 percent. The number of covered persons will increase as the years go by and the number receiving earned annuity payments will increase also as the years go by.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. McSWEENEY. Mr. Speaker, I yield the gentleman 10 additional minutes.

Mr. McCORMACK. Mr. Speaker, when the Social Security Act went into effect, only one State, Wisconsin, paid unemployment compensation insurance. Now all States, as well as Alaska, Hawaii, and the District of Columbia have such laws by reason of the passage of the Social Security Act, recommended by the late Franklin D. Roosevelt, and passed by a Democratic Congress. From August 14, 1935 to June 1950, workers in America who have been displaced in employment from time to time, have received in unemployment compensation the sum of $7,949,549,413. Evaluate that in terms of families, in preserving and strengthening the family life of America. The law authorized grants to States also for a broadened policy of child health and welfare care. The total amount of the act in connection with these programs is $189,367,598. Such grants to States for a broadened program of child health and welfare care were authorized by the Congress first in 1921, but shortly afterwards were allowed to lapse. But again, Franklin D. Roosevelt fought for that class; those unfortunate human beings. He revived this system in the Social Security Act which became law in 1935.

The first theory of the Social Security Act was that of a private insurance company. The individual worker, so far as annuities were concerned, was covered and payments were made to him. In 1939 we amended and broadened it using the family as the basis of consideration. I was on the committee that drafted the amendments in 1939 to the 1935 act. We then made the family, the home life, the basis of beneficiary payments, providing payments to the widow, providing payments to the minor children, which were denied in the first act of 1935. But within a period of 4 years we realized that the social considerations and importance of this far-reaching act justified us in changing from the individual as the conduit of consideration so far as benefits are concerned, to the family, thereby strengthening the family life of America. That was the concept in 1939, and it is the concept now.

In a few days there will be 8 to 10 million more employees in America covered by the earned annuities. Fifteen years ago the cry of socialism was hurled at this legislation. The insurance companies said it would destroy the insurance business of America, yet 15 years later the insurance companies have underwritten three times as much insurance covering individuals as they had up to that time. It has strengthened competitive enterprise. In the insurance field it has made the American people insurance-minded, and instead of destroying insurance companies, they have three times the coverage now that they had 15 years ago.

Today is the fifteenth anniversary of the enactment of this law. Fifteen years ago a man who was then living signed it, the immortal Franklin D. Roosevelt. He is now dead. But this is only one of the many imprints that he has left upon the pages of history that will make him stand for all time and for countless generations as one of the great men who have lived in any generation and among any people of the world.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentlewoman from Ohio [Mrs. BOLTON], and I ask unanimous consent that she be permitted to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. BOLTON of Ohio. Mr. Speaker, 15 years of social security; 5 years since VJ-day.

It so happens that I celebrated VJ-day in Moscow. We had been in Paris, my colleagues Tom Gordon, Joe Ryder, Karl Mundt, and I, waiting for the permission of the Soviet to fly our own American plane into Moscow. They kept us waiting 2 weeks, but we waited for we did not propose to go in by Russian plane. We proposed to take the Stars and Stripes into Moscow.

Taking off from Berlin with a Russian navigator we flew very low over the intervening country. Landing at the Moscow airport, we were met by the Intourist group. They delegated an English-speaking young man of 23 to us. We knew that of course he was not only interpreter and guide, but that he would report to the NKVD. We were taken to a small hotel, the larger one being forbidden foreigners. There we were very glad that previously it had housed another official group for whom it had been thoroughly cleaned up. We were made very comfortable—though the water was never hot when we were in our rooms, which the manager always regretted volubly. We were taken here and there: to a farm, a show farm, of course; to workmen's housing units which they showed us with great pride—though we could compare them only to our old-fashioned tenements. I remember one kitchen very well that had a little bit of a trickle of water that was supposed to be hot, with many families living in, oh, such close quarters.

Moscow itself was a most depressing place. People swarming everywhere—and, oh, so poor. We saw very few shoes. Most of the people we saw on the streets had burlap wrapped around their feet and legs up to the knees, and they never seemed to smile.

Of course there were costumes of every kind, for they came from all over the U. S. S. R.: from Outer Mongolia, from the Far East, from beyond the Urals, they came from the south and from the north. Those with whom we were permitted to speak were very eager to speak to us and they were consumed with curiosity over me—a woman from America.

Each morning the Embassy gave us as many copies as we could carry of the little magazine America, which was censored here before it was even printed, and of which there were allowed only 10,000 copies when we were there. But soon after our return we were permitted to send in 50,000 copies. We gave one of those magazines with perhaps a cigarette for tips. Immediately from nowhere there would come swarms of people, gathering around to see the magazine. And how careful they were not to tear it. They wanted to see the pictures of America. I gave one to our chambermaid. I can assure you that no bell was answered that afternoon.

We flew up to Leningrad, that beautiful Venice of the North. There the people were of quite a different type. The women had more oval faces and were altogether more attractive. And people laughed and talked on the street corners. Not so in Moscow under the shadow of the great block of buildings housing the NKVD whose windows were alight at all hours.

In Leningrad we saw a large electric plant. We would not consider it a good factory or a tidy factory. It was not ordered as our factories are nor was the lighting passable according to our standards. There were German prisoners working, with whom I talked. I speak German and, to the anxiety of the manager and young "Serge," rather faster than they could readily understand. They were afraid I might be indiscreet. But when I told them what I had been saying, they were relieved, and the little man clicked his heels and saluted, and said, "Madam, your hand."

You see, one of the Germans was a boy who had been born in Newark. He and and his family went to Germany in 1936 and there he joined the army. I suggested that perhaps he had earned his place as a working prisoner of war and suggested that perhaps it was just as well that he should help to rebuild some of the things he had helped to destroy. This pleased the Russians.

And the little manager clicked his heels.

On the night of the celebration of VJ-day we went into the Red Square with members of our Embassy staff. It was absolutely filled with a curiously quiet mass of humanity. You could not have gotten a flaxseed more into the place. Yet, in spite of that, children would weave their way through our legs, almost throwing us down had we not been held up by the very crowd itself. We stood by an automobile, which gave us a certain protection.

The Red Square is a most impressive place. It is very large. As you go into it from the end opposite an old church building with its onion-shaped towers, you have on the right the great red wall, red granite, with the serrated top we associate with the little German castles we had as toys when we were young. Do you remember them? Against that red wall are planted the most beautiful blue spruce that you can possibly imagine with Lenin's tomb in front of them, also in red with black marble pillars at the top and always a light burning, surrounded by smaller blue spruce. It is from that tomb that Stalin and the hierarchy review the parades of which we have seen photographs.

There was a curious quiet. They were not enthusiastic as they had been on VE-day when they shouted aloud and tossed members of our Embassy staff in

blankets for half hours at a time. No—they seemed to have little interest—to know little about what they were there for. And why should they—for the U. S. S. R. made but a gesture in the token war against Japan.

Then came the fireworks—as magnificent a display as I have seen anywhere. And finally the salute of 48 guns. Yes, it was very impressive there on the Red Square in Moscow. But when I go back over these 5 years and what Moscow was given for her gesture, when I consider the betrayal of China—yes, of Asia—when I think that we gave them Mukden where the heavy tanks are made that are being hurled against our men in Korea my heart is heavy, even as it was 5 years ago on that great square so filled with people who never smiled, celebrating victory in a war they knew little of and shared for such short days.

This, gentlemen, is something that we need to think about—5 years after VJ-day.

Mr. McSWEENEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 516) authorizing the President, or such officer or agency as he may designate, to conclude and give effect to agreements for the settlement of intercustodial conflicts involving enemy property.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 516, with Mr. BUCHANAN in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. KEE. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, House Joint Resolution 516 would authorize the President, or such officer or agency as he may select, to conclude and give effect to agreements to further amicable and expeditious settlement of intercustodial conflicts involving enemy property.

This resolution as originally drafted was introduced by myself as chairman of the Committee on Foreign Affairs early during this session of Congress. It was considered by the full committee. The committee then directed a clean bill to be introduced. That was done by the gentleman from Connecticut [Mr. RIBICOFF]. The chairman then appointed a subcommittee to further consider the measure. The subcommittee was composed of the gentleman from Montana [Mr. MANSFIELD], the gentleman from Connecticut [Mr. RIBICOFF], and the gentleman from New York [Mr. JAVITS]. This subcommittee, after conducting hearings, perfected and reported out the measure before the House today. It had the unanimous approval of the full committee.

Mr. Chairman, I now yield 10 minutes to the gentleman from Connecticut [Mr. RIBICOFF].

Mr. RIBICOFF. Mr. Chairman, this bill arises out of the seizure of German enemy assets during the war. Many conflicts of jurisdiction arose as to which Alien Property Custodian was entitled to consider particular German assets. Some assets seized were claimed to be owned by nonenemy interests. Similar conflicts in World War I resulted in lengthy and burdensome lawsuits; as a matter of fact some of these matters were not settled until 1940, a matter of 22 years after the end of the last war. I think I can best illustrate what this bill tries to do by citing you various examples of the different disputes and conflicts that may arise out of these conflicts between different nations.

Let us say that a certificate of shares of stock of the United States Steel Corporation are located in the Netherlands but belong to a German in Germany. Here you have a possible conflict between the Netherlands Alien Property Custodian, who claims he has the physical certificate in his hands and that therefore the Netherlands should get those 10 shares of stock. Let us say the United States Alien Property Custodian says that the certificate of stock really represents an asset in the United States of America and, therefore, the asset belongs to the United States Alien Property Custodian. Under the Brussels agreement, which is the main agreement from which we work, it is resolved that the stock certificate would go to the United States Alien Property Custodian.

The second category of claims arises out of the following situation: A United States corporation is owned 60 percent by Germans and 40 percent by Americans. This corporation owns a factory in the Netherlands. The factory is seized. It is contended by the Netherlands Government that since 60 percent of this American corporation is owned by the Germans that, therefore, the Netherlands should be entitled to receive the asset that is represented by the factory. The United States Government, on the other hand, contends that we do have 40 percent interest held beneficially by citizens of the United States and certainly we could not let that claim of the citizens of the United States go. Under the Brussels agreement the conflict would be resolved as follows: The delivery of those assets in the Netherlands would be made to the United States Government because it is a United States corporation, but the United States would reimburse the Netherlands Government to the extent of 60 percent of the value of that asset which is located in the Netherlands, because 60 percent of that asset is controlled by Germans.

The third large category of claims arises out of this type of situation: You have a German corporation organized and existing in Germany. Sixty percent of the German corporation, however, is controlled by Americans and 40 percent of the corporation is controlled by Germans. The Netherlands contends that since this is a German corporation all of these assets should go over to the Netherlands. However, again we have a situation where 60 percent of the interest is owned by American citizens and consequently under the Brussels agreement it is stated that 60 percent of the beneficial interest in the German corporation's asset located in the Netherlands would be paid over to the United States Custodian.

This House can easily see that unless we have cooperation between the various governments involved, we are going to have conflict after conflict and lawsuit after lawsuit in order to determine which national is entitled to a share of these assets held in all the nations of the world. In view of the conflicts, the United States Government has entered into negotiation with various countries throughout the world who were our allies in order to resolve the conflict. An example is the Brussels agreement of 1947 which was signed by the United States, Canada, the Netherlands, Denmark, Luxemburg, and Belgium.

The resolution before this committee today is intended to give the President of the United States or his designee the authority to negotiate and carry out international settlement of these various property disputes. Failure on our part to give this authority will only result in excessive suits and prevent the liquidation of alien property in the United States and realization of the net proceeds of these funds into the war claims funds.

This legislation will further make available substantial dollars assets to Marshall plan countries who sorely need these dollars in order to bolster up their economy. Also, Americans and other nonenemies who may have interests in the property involved are seriously delayed in obtaining free use of their assets.

This legislation will further ease the burdens on the Government in administering these properties.

I should like to analyze the bill for you section by section.

Section 1 limits the authority to countries not at war with the United States during World War II. The problems arising out of Italy and Japan will be subject to peace treaties with those nations.

Section 2 of this bill provides that the agreements must be made in accordance with the policy of the United States to eliminate German assets and enemy interests in these properties and see to it that these interests go to the countries involved.

Section 3 involves a knotty problem. One of the problems in all these bills was to define the meaning of the words "enemy national." Article 21 of the Brussels agreement fixes a cut-off date of September 1, 1939; therefore, there are excluded those refugees who were required to leave Germany and Austria subsequent to September 1, 1939.

These people were never enemies of the United States, they were never sympathizers of Germany, but they were

required because of either religious or political beliefs to leave these nations. This paragraph does not make it mandatory, but directs the President of the United States in future negotiations to use every possible effort to accord these people equal treatment to that accorded United States nationals.

Our committee was very careful to put in a saving clause as a condition precedent which would require these individuals to be United States citizens prior to the effective date of any of these agreements in order for them to be protected by such agreement.

Section 4 of this bill provides that reimbursement payments are to be administered as vested property. This is very important. Under the War Claims Act of 1948 the net proceeds of vested German and Japanese property are covered into the Treasury of the United States to the credit of the war claims fund for the payment of awards made by the War Claims Commission on the personal injury claims of American nationals who were internees and prisoners of war of enemy nations. The treatment of reimbursement payments under intercustodial conflicts as vested property will insure that the net proceeds of these payments will be available for war claims purposes. In the same manner it is estimated that because of the passage of this bill there would be made available to be covered into this fund approximately $30,000,000. This fund will be readily and quickly available to the prisoners of war and to the internees who have waited so long to be compensated for their injuries and the damages they have received.

The last comment I have to make about the bill is that no appropriation is required and none is authorized.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. Can the gentleman tell me if the $30,000,000 which he mentioned for the War Claims Commission is going to be sufficient to satisfy these claims? I note in the report it is stated that the views of the War Claims Commission were requested to be furnished to some committee in writing on July 25, 1950. I have since heard from some members of the War Claims Commission that they are a little disturbed and are afraid that their rights under this bill are not safeguarded sufficiently and that the amount set therefor will not be sufficient.

Mr. RIBICOFF. I may say to the gentlewoman from New York that one of the fears of the War Claims Commission is embodied in a proposed amendment by them which will be submitted by the gentleman from Montana [Mr. MANSFIELD] as a committee amendment at the request of the War Claims Commission. This will satisfy any question of conflict as to whether these funds will be actually covered into the War Claims Fund. The $30,000,000 is not sufficient, but keep in mind that the $30,000,000 they will receive is money that they otherwise would not receive.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. RIBICOFF. Mr. Chairman, this is money that they otherwise would not have received. As a result of these negotiations the forfeiture of the residue of the enemy property has only one place to go and that is in the War Claims Fund. The sooner this bill is passed and the agreements are ratified and entered into, then the sooner the property will be liquidated and the proceeds will go into the War Claims Fund. The gentleman from Montana [Mr. MANSFIELD] will offer the amendment to satisfy the War Claims Commission.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Montana.

Mr. MANSFIELD. I would like to commend the gentlewoman from New York for the interest she has shown in this particular matter and to assure her that the committee looks at this particular situation in the same light. May I call the attention of the gentlewoman from New York to the fact that the amendment which will be offered with committee approval, and it has the approval of the War Claims Commission, reads as follows:

Provided, That nothing contained in this act shall hinder, restrict, or limit the payment of claims from the War Claims Fund established by section 13 of the War Claims Act of 1948.

That takes care of everything.

Mrs. ST. GEORGE. I just wanted to be sure these claims would be amply provided for.

Mr. MANSFIELD. They will be.

Mr. JUDD. Mr. Chairman, there are no requests for time on this side. I suppose that is because the subcommittee has done such a good job in preparing this bill and the comprehensive report. It is always interesting to note that if a subcommittee works hard and brings a bill before us in good shape, then it goes through without much trouble or attention, whereas if the subcommittee or committee has not done its work so thoroughly, we have a big fight and lots of publicity. I am not suggesting of course that this is the only reason we have fights; many bills from our committee deal with problems so difficult that they are bound to be controversial.

I want to compliment the chairman of the subcommittee, the gentleman from Connecticut [Mr. RIBICOFF], the gentleman from Montana [Mr. MANSFIELD] on the majority side, and the gentleman from New York [Mr. JAVITS] on the minority side for having handled this complicated, technical subject so well that after some revisions it won the unanimous approval of the full Committee on Foreign Affairs and I am sure will be unanimously approved here, too.

Mr. KEE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Resolved, etc., That the President, or such officer or agency as he may designate, is authorized to conclude and give effect to agreements to further the amicable and expeditious settlement of intercustodial conflicts involving enemy property, subject to the following:

(1) The authority herein granted shall extend only to agreements with governments with which the United States was not at war in World War II.

(2) Such agreements shall be in accordance with the policy of protecting and making available for utilization the American and nonenemy interests in such property and further the elimination of enemy interests in such property and the efficient administration and liquidation of enemy property in the United States.

(3) For the purposes of this resolution, the United States as to any intergovernmental agreements hereafter negotiated shall seek treatment equal to that accorded United States nationals for persons who, although citizens or residents of an enemy country before or during World War II, were deprived of full rights of citizenship or substantially deprived of liberty by laws, decrees, or regulations of such enemy country discriminating against racial, religious, or political groups: *Provided,* That on the effective date of this resolution such persons were (1) permanent residents of the United States and (2) had declared their intention to become citizens of the United States in conformity with the provisions the Nationality Act of 1940, as amended; and that such persons shall have acquired citizenship of the United States prior to the effective date of any intergovernmental agreement hereafter negotiated.

(4) Reimbursement to the United States by other governments pursuant to such agreements shall be administered as vested property.

Mr. MANSFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MANSFIELD: Strike out the period at the end of paragraph 4 and substitute therefor a colon and add thereto the following: "*Provided,* That nothing contained in this act shall hinder, restrict, or limit the payment of claims from the War Claims fund established by section 13 of the War Claims Act of 1948."

Mr. KEE. Mr. Chairman, the amendment is acceptable to the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. MANSFIELD].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BUCHANAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. J. Res. 516) authorizing the President, or such officer or agency as he may designate, to conclude and give effect to agreements for the settlement of intercustodial conflicts involving enemy property, pursuant to House Resolution 748, he reported the joint resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

HUNGRY HORSE HARRY KELLY, OF MONTANA

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in a eulogy of Hungry Horse Harry Kelly, of the State of Montana; and I ask unanimous consent to revise and extend my remarks and include various newspaper articles and editorials.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, it is with a feeling of deep regret and personal loss that I report to the House the passing of my good friend, Harry Kelly, of Kalispell, Mont.

Harry Kelly, better known as Hungry Horse Kelly, contributed tremendously to the building up of the State of Montana. He was specially concerned with the Hungry Horse Dam project now under construction in northwestern Montana. He was the father of this project and he worked unceasingly for it from the 1920's on down. His was indeed a voice in the wilderness, but his perseverence and foresight carried the day.

We, of Montana, are indeed fortunate that we have Hungry Horse today because it is the first step in the development of our State. The people of the United States also owe a debt to Harry Kelly for the part Hungry Horse will play in our national defense set-up.

There is so much one could say about Harry Kelly and the many fine things he has done throughout his entire lifetime, but words fail me on this sad occasion. To Mrs. Kelly, who was such an outstanding helpmate throughout their life together, and to Bill, Harry, Helen, and Margaret Kelly I want to extend the condolences and sympathy of my family and the people of the State of Montana.

We will all miss Harry Kelly, but his monument, the Hungry Horse Dam, will forever attest to his wisdom and will serve as a perpetual marker over the valley he loved and the State he worked so hard, so long, and so faithfully for.

May his soul rest in peace.

Mr. Speaker, under unanimous consent, I am inserting with my remarks news stories and editorials from the Hungry Horse News of August 11, 1949, and the Great Falls (Mont.) Tribune, the Montana Standard, of Butte, Mont., the Butte Daily Post, and the Missoulian, of Missoula, Mont., all under date of August 8, 1950:

[From the Hungry Horse (Mont.) News of August 11, 1950]

A RIGHTFUL TRIBUTE

The 34-mile long lake that will be created by Hungry Horse Dam has not been named.

It's time that the Flathead should give serious thought to what name it wants on its maps, for likely within a year the concrete plug will start holding water back. There's good reason to recommend that it be called Kelly Lake.

Wednesday, Harry J. (Hungry Horse) Kelly was buried. The 80-year-old Kalispell newspaperman 25 years ago championed Hungry Horse Dam at a time that the rest of the valley viewed it as fantastic. He never wavered in supporting the project. An old-time editor, who published his first newspaper in Missoula in 1888, he got the name of Hungry Horse Kelly. He was proud of it.

The Flathead liked the old man, who remained keen and capable until he died. Even before the first blast officially marked the start of dam construction, Hungry Horse Kelly commented that light metal industries would now come to the Flathead. It wasn't a passing thought.

Local groups have already expressed their sentiments that an important feature of the Hungry Horse project carry the name Kelly. He was pleased by the idea.

The Flathead should take action to name the Hungry Horse Reservoir, Kelly Lake.

[From the Great Falls (Mont.) Tribune of August 9, 1950]

"FATHER" OF HUNGRY HORSE DIES

KALISPELL, August 8.—Harry J. Kelly, 80, pioneer Montana newspaperman, died at his home here yesterday.

Kelly, the first to champion the idea of Hungry Horse Dam, gained the nickname, "Hungry Horse Harry," and the title, "Father of Hungry Horse Dam." He first began his crusade of editorials and speeches in 1933 and continued it until 1944, when Congress approved the Bureau of Reclamation plans. He received the pen with which President Franklin Delano Roosevelt signed the bill.

He was born at Prairie du Chien, Wis., October 6, 1869. He attended public schools and Creighton University at Omaha, Nebr. He acquired his early experience in the newspaper business in the offices of the Bee and the Republican-Herald there.

He engaged in newspaper work at Leadville, Colo., southern California, and Seattle, before coming to Montana in 1889. He lived first at Missoula where he was employed by the Missoulian. He worked on the Butte Miner in 1899 and helped publish the first issue of the Anaconda Standard.

On August 2, 1899, he married Mary See, a native of Montana, and they had two daughters, Helen and Margaret, and two sons, William G. and Harry J., Jr.

He returned to Missoula in 1902 and later was associated with the Spokane Review for about 2 years. In 1905 he moved to Hamilton where he bought an interest in the Bitterroot Times, which he published for about 3 years.

He served as sergeant at arms during the sixth session of the Montana Legislature. Returning to Butte, he wes with the Butte Miner, and later went to Lewistown where, with Tom Stout, he organized the Democrat News. He sold his interest to Stout when he was appointed registrar of the United States land office in July 1913. He was reappointed in 1917.

He owned and published the Flathead Monitor, Kalispell weekly newspaper, from 1924 until March 1944, when he sold the plant to Cecil Kavanagh, Shelby. He was named president of the Montana State Press Association in 1937. He was a member of the Elks lodge.

[From the Montana Standard, Butte, Mont., of August 8, 1950]

KALISPELL PUBLISHER WHO FATHERED DAM PROJECT DIES

KALISPELL, August 8.—Harry J. Kelly, the father of Hungry Horse Dam, is dead.

The retired newspaper publisher died Monday at the age of 80.

Kelly became known as "Hungry Horse" Kelly because he was one of the first to advocate the dam being built in the Flathead River South Fork, near Columbia Falls. He began promoting the project through his newspapers in the 1920's.

Kelly came to Montana in 1888. In a half-century he worked on Montana daily papers and owned weekly publications in Fergus County, the Bitterroot Valley and in Kalispell. He ran the Flathead Monitor here until his retirement 6 years ago.

Survivors include the widow; a son, William, who owns radio station KXLO at Lewistown; another son, and two daughters.

[From the Butte (Mont.) Daily Post of August 8, 1950]

PIONEER MONTANA NEWSMAN DIES

KALISPELL, August 8.—Harry J. Kelly, 80, pioneer Montana newspaperman, died at his home here Monday.

Kelly was born at Prairie du Chien, Wis., and attended public schools and Creighton University at Omaha, Nebr. He came to Montana in 1888 and worked at Missoula, Butte, and Anaconda.

In 1898 he married Miss Mary See, a native of the Bitterroot Valley. In 1905, he operated the Bitterroot Times during the capital fight between Helena and Anaconda.

Later that year he went to Lewistown and with Tom Stout started the Fergus County Democrat which was later consolidated with the Lewistown-Democrat News. In 1934, he came to Kalispell and bought the Flathead Monitor which he operated until 1944.

He was a former president of the Montana Press Association. He and Mrs. Kelly observed their fiftieth wedding anniversary 2 years ago.

Kelly was an advocate and booster of the Hungry Horse Dam project to the extent that he was given the nickname "Hungry Horse Dam Kelly."

[From the Missoulian, Missoula, Mont., of August 8, 1950]

HARRY J. KELLY, HUNGRY HORSE BOOSTER, DIES

KALISPELL.—Harry J. Kelly, 80, for 56 years a Montana newspaperman before his retirement in 1944, died at his home, 541 Third Avenue East, Monday afternoon. He had been in failing health for several months.

His last newspaper work was on his Flathead Monitor, which he sold 6 years ago. In its columns for years he boosted the Hungry Horse project until he earned the name "Hungry Horse Kelly." He started boosting the project in 1926.

Mr. Kelly was born at Prairie du Chien, Wis., October 6, 1869, and with his parents moved to Omaha when a small child. He attended public schools at Omaha and later was a student at Creighton University. He learned the printing trade in Omaha and on coming west arrived in Missoula in the fall of 1888.

Later he went to Butte where he worked on the Butte Miner, and later on the Anaconda Standard when it started. He returned to Missoula and in 1905 operated the Bitter Root Times during the Montana capitol fight. He was also in the publishing business at Hamilton at one time.

In 1898 he married Mary See, a native of the Bitterroot Valley.

They moved to Lewistown in 1905 where Mr. Kelly and Tom Stout (now editor of the Billings Gazette) started the Fergus County Democrat. They later consolidated the enterprise with the Daily News as the Lewistown Democrat-News.

In 1912 Mr. Kelly was appointed registrar of the United States land office at Lewistown, a position he held until after World War I.

In 1924 the Kellys came to Kalispell where he purchased the Flathead Monitor plant. Mr. Kelly had been about his home as usual

and during the past week with Mrs. Kelly had celebrated their fifty-second wedding anniversary. Two years ago they celebrated their golden anniversary when their four children were home. All recently have been here on summer trips.

Surviving are the widow, Mary; two daughters, Mrs. Peterson, San Francisco, and Margaret Kelly, Kalispell; William G. Kelly, Lewistown, and Hal J. Kelly of the University of Washington faculty in Seattle. The son, William, former Kalispell postmaster, resigned some months ago.

UNITED STATES MARSHALS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1838) to amend title 28 of the United States Code relating to fees of United States marshals, with a House amendment thereto, insist on the amendment of the House and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. HOBBS, MCCULLOCH, and RODINO.

REFEREES IN BANKRUPTCY

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3921) for the temporary appointment of referees in bankruptcy, and for other purposes, with a House amendment thereto, insist on the amendment of the House, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. HOBBS, REED of Illinois, and WILSON of Texas.

Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

BIGGER PENSIONS BUILD UP HOME DEFENSE

Mr. LANE. Mr. Speaker, we heard a great deal this afternoon about the history of the social security law from our distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK]. I am certain that he, in his remarks, has covered this 15-year period of the working of this legislation down to the present. However, I should like to say just a few words with reference to the bill that is now pending which seeks to amend the present social security law.

H. R. 6000 is an easy number to remember.

Millions of people in the United States are watching it hopefully.

It will bring bigger social-security pensions, and to more old folks, soon, if the Congress approves the bill known as H. R. 6000 without any mongrel amendments.

The controversial Knowland rider to this bill, dealing with certain provisions of State unemployment compensation laws, has no place in a measure dealing with old-age security. It is a nuisance attachment, calculated to get a free ride for itself. It must be divorced from old-age security and considered separately on its own merits or demerits.

We want a clean bill to boost old-age pensions and extend coverage without any delaying tactics.

H. R. 6000, stripped of the Knowland amendment, will accomplish this purpose. It will mark the first significant fleshing out of old-age pension legislation since the original skeleton bill was passed in the 1930's.

It will help us to catch up with the improvements that should have been made during the intervening years by those who ganged up to defeat progress.

Getting down to fundamentals, we find that the strength of our Nation is based on the morale of its cumulative home life.

Too many Americans have worked hard all their lives only to find, through no fault of their own, that they have no retirement security when they are no longer employable. Too many widows have been faced with the double burden of providing personal care for their young children and trying to be breadwinners for them at the same time.

The dread of such insecurity, and the fearful experience with it, gnaw at the faith and confidence of our people. We have many public and private agencies who work hard trying to cope with this problem after the damage has been done.

Even a nation with the abundance we possess cannot survive if millions are not allowed to share, to some extent, in that wealth which is the creation of all.

Insofar as the aged of either sex, and the widowed mothers of minor children, and so forth, are concerned, entitlement to such participation is gradually being recognized as a matter of right rather than charity.

I say that home defense against economic insecurity is imperative from the viewpoint of each individual and the Nation as a whole.

Furthermore, in this world of tightening tension, where the free way of life is in competition with the regimented system of communism, we must demonstrate in every way that ours is better. To prevent hundreds of millions of Asiatics and others from making the wrong choice, it is necessary to show that we are providing economic security for our own people.

The protection of our Nation in the world at large depends upon military strength, economic assistance, and diplomatic know-how.

These are basic, but they alone will not do the job.

There is need for a strong Voice of America to tell the world how the people of the United States live, and to offer encouragement to the povery-stricken masses of this globe. We believe that if they follow the free way, they will better their standard of living.

The Voice of America will not succeed, if Communist propaganda can rebut our claims by revealing the insecurity from which too many Americans suffer.

Plainly, then, we must work with diligence to improve conditions at home, so that we can offer proof positive to the world that the greatest possible opportunity and security can only be found in a free society where men are finding the answers to modern problems without surrendering their identity as human beings.

Social security, broad in scope, and realistic in its benefit payments, is an effective answer to the Communist charge that we ignore the want that exists in a land of plenty.

H. R. 6000 is a great step forward toward genuine security in the United States.

New groups coming under the retirement program for the first time, will include more than 10,000,000 workers. This will bring the total up to 45,000,000.

Benefit payments, or the amount of individual pension checks, will be hiked up by an average of 77½ percent.

Those coming under protection at long last, will be—

Four million five hundred thousand self-employed, with the exception of professional workers, such as doctors, lawyers, and so forth.

Nine hundred thousand farm laborers who make their living by this occupation, who have worked at least three continuous months for one employer.

One million domestic servants employed 24 days and paid $50 by one employer in any calendar quarter.

Casual laborers who are on the same basis as domestic servants.

State and local government employees who do not have their own retirement systems.

Federal civilian employees not covered by the Federal retirement plan.

Employees of certain publicly owned transit systems.

Outside salesmen.

Americans employed abroad by American concerns.

Optional coverage for employees of certain nonprofit organizations.

This new coverage, as enumerated above, will go into effect in January 1951. The new benefit scale will become effective earlier.

World War II veterans will get wage credits of $160 for each month of service, financed from the old-age and survivors insurance trust fund.

The present 1½-percent tax on both employees and employers will remain at that level until 1954. It will then be gradually increased until 1970 when the rate for each will reach 3¼ percent.

Under a new-start provision, more people will be able to qualify for benefits. A 62-year-old worker who was covered for any six quarters becomes fully eligible now upon reaching the age of 65. Previously the requirement was that he must have been employed for half the total working quarters from 1936 to retirement.

The Knowland amendment is in regard to Federal contributions to the administration of State unemployment insurance laws. It would stop the Secretary of Labor from declaring a State law out of conformity with Federal standards prior to final adjudication of the issue in the State courts. It also stipulates that he must give 90 days' notice to a State before withholding the funds after it has been decided by the courts that the State is not conforming to the Federal requirements.

This is a direct attack on the unemployment compensation system itself. It should be stricken from this bill.

President Truman has requested that the Knowland amendment be deleted from the social-security expansion bill.

I join with many others in his stand.

Bigger pensions for more people should not be jeopardized by this amendment, which restricts the unemployment compensation system. It is a subtle form of blackmail which says in effect, "You have got to go along with me and cut down on unemployment compensation or you will not get increased coverage and benefits for the aged."

To this we answer: "The social-security expansion bill will pass, and without any road blocks to bar its way."

I believe that H. R. 6000 should be recommitted to the committee on conference so that the Knowland amendment will be pruned from the bill. Then we can strengthen social security without any further opposition or delay.

Mr. JACOBS. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield to the gentleman from Indiana.

Mr. JACOBS. I think it should be made clear in the RECORD that the Knowland amendment that the gentleman refers to is the amendment of Senator KNOWLAND, of California, and not the amendment of the gentleman from Indiana [Mr. NOLAND].

Mr. LANE. I thank the gentleman for his contribution.

Mr. BLATNIK. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield.

Mr. BLATNIK. I commend the gentleman from Massachusetts on his very vital remarks. I want to point out that this insecurity is like a gnawing cancer, which hangs like a sword by the thread over the homes and families of so many working men and women in America. The Senator Knowland amendment which was injected into the social-security bill is just another one of the many pruning steps—I call it systematic pruning of the benefits of the rights of working men and women.

Mr. LANE. I thank the gentleman from Minnesota for his contribution. I know he is well versed on this subject because he has devoted a great deal of study to the social-security laws.

Mr. JACOBS. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield.

Mr. JACOBS. With regard to the Knowland amendment as I understand it, it is not the amendment which removes the benefits from those who are totally and permanently disabled. Am I correct in that? That is not the Knowland amendment, is it?

Mr. LANE. The gentleman is correct.

Mr. JACOBS. May I ask the gentleman one additional question, if he has any opinion on the subject, if the bill should be recommitted, what does the gentleman think of the chance that the bill will be enacted in this session of the Congress, if any?

Mr. LANE. I am hopeful, I will say to the gentleman from Indiana, that if it is recommitted, the committee of conference will be wise enough to strike out the Knowland amendment and come back to us so that we can pass it this year. I do not feel a motion to recommit will delay the bill in any way. I am hopeful that we will be able to pass it this session.

Mr. JACOBS. What about the provision with reference to permanently totally disabled? I think that is more important than the Knowland amendment.

Mr. LANE. I agree with the gentleman from Indiana. I, too, favor the permanent and total disability provision of the bill which of course has been stricken from the bill by the Senate.

LABOR'S LEGISLATIVE PROGRAM

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, I congratulate the gentleman from Massachusetts [Mr. LANE] for his timely remarks in support of the social security bill (H. R. 6000) and for pointing out that the intent of the Knowland amendment is to undermine the Federal-State unemployment compensation program. This amendment, which was approved by the Senate without committee hearings, is designed to prevent enforcement of minimum unemployment compensation standards, and to allow State governments to withhold unemployment compensation to workers who refuse to accept scab jobs.

The unemployment compensation program is most important to our working population, and this effort to wreck the program reflects the antilabor attitudes of many Members of Congress. Its approval is one more indication that the Eighty-first Congress has not kept faith with the men and women of labor.

I would like to remind the House that labor is one of the most important economic groups in our society. Sixty million workers and their families comprise the largest single segment of our population. Their toil produces the goods that make our Nation strong in peace and war. Labor's work in our mines, factories, and forests and on our railroads, ships, and farms has made America the richest country on earth. For its contributions to the national well-being, American labor deserves the gratitude and respect of every citizen.

You will recall that in 1948 the workers helped to elect President Truman and a Fair Deal Congress pledged to a program of full employment, economic security, and social justice. Labor votes gave the Congress a clear mandate to write this program into law.

The Eighty-first Congress is about to adjourn, and I regret to say that many pledges to labor have not been honored. Letters from workers in my district indicate that they are dissatisfied with the legislative record of this Congress—they are asking why so little labor-endorsed legislation has been enacted and why NAM-sponsored legislation adopted by the Eightieth Congress has not been repealed. This is a moot question, and I, too, wonder why.

For labor's program is not a minority program. The legislative platforms adopted by the various labor organizations reflect the best interests of the American people. I wish to say a few words on some of the programs that have labor's backing.

CONTROL INFLATION

Workers everywhere are alarmed over the inflation that has developed since the outbreak of the Korean war, and they have good reason to be. Prices have increased 10 percent in the last 6 weeks, and are still going up. Unless action is taken without further delay, this inflationary spiral will jeopardize our entire economy, and destroy the wage levels and living standards of our people.

I join with labor in urging legislation to curb speculation and profiteering, roll-back prices and tax excess profits. Such action is necessary to prevent further deterioration of the economic situation. At the same time, I oppose the Republican proposal to let prices go up first and then freeze both wages and prices. This is nothing more than a GOP scheme to shift the entire burden of defense upon the backs of the workers. I refuse to discuss wage controls until the wage-price balance has been restored through a price roll-back to June 1 levels.

REPEAL TAFT-HARTLEY

Labor wants the vicious Taft-Hartley law repealed. AFL President William Green stated recently that Taft-Hartley repeal and the reinstatement of the Wagner Act is essential to national security, and I wholly agree with his sentiments. The Taft-Hartley law is contrary to American ideals and the spirit of our Constitution. It was sponsored by the National Association of Manufacturers and passed by the Eightieth Congress to cripple and eventually destroy worker organizations. Its effect has been to prevent true collective bargaining. The Taft-Hartley law weighs the scales in favor of management by encouraging the use of court injunctions and the Army as standard strike-breaking devices.

Industrial peace and uninterrupted production cannot be obtained by applying Taft-Hartley shackles or by any other type of repressive antilabor legislation. Friendly labor-management relations require action to eliminate conditions that cause labor unrest. Good wages, reasonable hours, and decent working conditions, obtained through the channels of free collective bargaining, guarantee peace and production. In the interest of justice and of good labor relations, the Taft-Hartley law must be wiped from the statute books and the Wagner Act restored in full.

RAISE THE MINIMUM WAGE

Every worker desires good wages to enable him and his family to live a healthy, happy life, and to educate his children. One of the best ways to guarantee good wages and to wipe out sweatshop conditions in industry is passage of a liberal minimum-wage law.

Last year Congress did pass an amended Fair Labor Standards Act—Public Law 393—which raised the minimum wage to 75 cents per hour. This new law is pretty phony, and labor must

not permit it to stand without improvement. It reduced wage-hour coverage from 22,600,000 to 22,000,000 persons. Most of those removed were workers who stood to gain raises under the new 75-cent minimum hourly rate. Now, 95 percent of all workers covered by the act already make more than 75 cents an hour. The other 5 percent were averaging 65 cents. Thus, the net effect of the new law was an average increase of 10 cents an hour for about 750,000 workers. Last year's mighty congressional effort on wage-hour legislation produced one very small mouse.

The wage-hour law requires immediate revision. I maintain the 75-cent minimum should be immediately raised to $1 per hour and coverage extended to every worker. Also, the law's enforcement powers must be strengthened. A floor of a dollar an hour under wages would mean higher living standards, the end of sweatshop competition in business, and increased purchasing power in the hands of the consumers of the products of farm and factory. Our entire society would benefit.

SOCIAL WELFARE AND ECONOMIC SECURITY

All labor organizations are agreed on the need for a broad program of social welfare and economic security for our entire population. Among the several labor-endorsed proposals which have my complete endorsement, are the following:

First. Expansion and liberalization of the Social Security Act to provide adequate old-age pensions to every retired and permanently disabled worker;

Second. Amendment of unemployment compensation laws to provide a minimum of $30 per week for 26 weeks for every worker who becomes unemployed;

Third. Adoption of a Federal health program to provide more doctors, dentists, hospitals, and other facilities, and an insurance system to pay for adequate medical treatment for all citizens;

Fourth. Expansion of public housing construction and the adoption of a cooperative housing law, to provide adequate low-cost housing for all Americans; and a strong rent-control law to keep rental housing within the reach of the average worker's pocketbook; and

Fifth. Adoption of Federal aid-to-education legislation to improve educational standards, raise teachers' salaries, and equalize educational opportunity, plus authorization of additional funds for school building to relieve overcrowding.

These five welfare proposals are sound and deserve the support of every citizen. Their adoption by Congress is necessary to protect Americans from the economic consequences of old age, sickness, accident, and unemployment, and to guarantee decent housing, good jobs, and better education. These goals were first set forth in the late President Roosevelt's Economic Bill of Rights. I regret to say that, with the exception of the Wagner-Ellender housing law and the social security amendments (H. R. 6000), Congress has done very little in the past few years to write this welfare program into law.

LEGISLATION FOR ALL PEOPLE

Labor has an excellent record in the support of legislation beneficial to the entire Nation. Labor supports the Brannan farm plan for agriculture, civil-rights legislation, veterans legislation, inflation control, and a more equitable tax policy based on relief for low-income groups and increased levies upon corporations and individuals best able to pay. This is not a narrow program—it is one which should be supported and enacted in the interest of the vast majority of the American people.

Mr. Speaker, labor has no desire to secure special treatment at the expense of the Nation. Labor has no interests separate and apart from those of the public. The workers are the people. When they urge Congress to meet social and economic needs of the American people, they are only voicing hopes and aspirations of men and women everywhere. Demands of the people for economic security and social justice must be satisfied. Otherwise democracy will either wither and die, and government by and for vested corporate interests will become the American way of life.

As a labor-backed Representative, I have urged acceptance of a broad program of jobs, welfare, and security for our people. Steadfastly I have opposed selfish interests who seek to pervert the ends of democratic government. I have fought for the rights of labor in the Halls of Congress. Always I have opposed those who seek to "lynch labor" with their Taft-Hartley laws. This I will continue to do as long as I remain in Congress.

All that serves labor, serves the Nation. All that harms labor is treason to America. No line can be drawn between the two. If any man tells you he loves America, yet hates labor, he is a liar. If any man tells you he trusts America, yet fears labor, he is a fool. There is no America without labor, and to fleece the one is to rob the other.

Those words are Abraham Lincoln's. They express my sentiments, my sympathies, and my faith in the working people of America, who make this Nation strong and great.

STRIKE AT INGERSOLL-RAND WORKS

Mr. KEARNEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEARNEY. Mr. Speaker, at the Ingersoll-Rand works at Phillipsburg, N. J., a strike is now on, headed by one Marcel Scherer, who for over 20 years has been one of the Communist Party's shrewdest special-assignment trouble-shooters. Marcel Scherer is Moscow-trained. Marcel Scherer has run the magazine Soviet Russia Today. Marcel Scherer was assigned to organize technicians around the atomic radiation laboratories at the University of California at Berkeley and also, some time ago, was before the Un-American Activities Committee of the House of Representatives where his testimony followed the usual party line.

This plant is manufacturing items urgently needed in connection with important Atomic Energy Commission projects to enlarge facilities required by the accelerated production program authorized by Congress. It also manufactures vital air compressors and pumps for battleships and submarines of our Asia-cruising Navy. These words were used in a telegram by the Atomic Energy Commission who wired the local strike leaders who have kept their men out of the crucial plant for over 6 weeks now:

Increased atomic energy production is so vital to the security of our Nation that we have requested Ingersoll-Rand to make every effort to meet the required delivery date in order not to delay completion of an important unit in the program.

The president of the striking local replied:

Will cooperate fully with Ingersoll-Rand and the Government to help meet delivery date on items being manufactured.

But the picket lines never opened. No man was permitted into the plant even though the local union leaders met with company executives and worked out all details, even to the names of the men who would be permitted to go in and finish the required pumps for the Oak Ridge atom bomb base. This was on July 20. The union strikers, whose loyalty to their country need not be doubted, met and decided to vote by secret ballot on whether to permit the specialists into the plant to finish the AEC orders. Secret ballots were actually printed, but they were never used at the next meeting. Instead, as reported in the column of Victor Riesel in the New York Daily News, someone convinced the local officers to call for a voice vote and you know what happened. What happened was that the international representatives sent in from the international headquarters in New York City, virtually all with weird pro-Communist records, had reversed the sentiment at the special interim meeting on the plant lawn and the secret ballots were junked.

Mr. Riesel goes on to state that Ingersoll-Rand Co. went to the unions at its other plants—the truly clean and crusading International Association of Machinists at the Athens, Pa., factory and Philip Murray's new International Union of Electrical Workers, CIO, in the Painted Post, N. J., installation and asked them to open their picket lines so special Army, Navy, and Atomic Energy Commission work could be completed, and it was done almost immediately and the material is moving to military depots.

The difference between the unions is that the one organization is controlled by a handful of party workers who exert power, tremendous control, and pressure over thousands of workers who have no use for the Stalinism which is killing our GI's in Korea.

This man Scherer is also the individual who is now running Moscow's notorious peace petition drive out of New York City, and the same individual who was cited for contempt of Congress for his refusal to answer questions only a few short days ago.

Why were they called out on strike on the afternoon of the North Korean in-

vasion, and why did that strike call come after slowdowns and just before the company was to bring in its written offer of a raise? The answer is obvious.

SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from Ohio [Mr. McGREGOR] is recognized for 10 minutes.

Mr. McGREGOR. Mr. Speaker, we recall in 1916 an administration was elected to power because it promised to keep us out of war; in 1940 the same administration was returned to power, as we all recall, on a promise made "again, again, and again" that American boys would not have to fight and die on foreign soil; and now, today, for the third time we are engaged in a war and Congress has not declared it.

This time, Mr. Speaker, the ridiculous charge has been made by some candidates for Congress and left-wing New Dealers in the Democratic Party that the Republicans are to be blamed for the Korean debacle because we did not vote for aid to Korea early this year. Nothing could be more stupid or unfair. A school child should know that it would have been folly to give economic and meager military aid to Korea without backing it up with full military aid for the Far East, including Formosa.

The records prove that the northern Koreans now have control of practically all of Korea, which means that the $60,000,000 worth of economic aid voted by the Congress, if spent, would now be in the hands of our enemies. This is a concrete example of the folly of this administration relative to our Far East program.

At the time of the debate on this subject of aid for Korea it was testified by military leaders, as well as the heads of our Department of State, that we could not defend Korea should the Communists decide to invade. That there would be a definite threat of the capture of any equipment or industrial plants that might be in the invasion territory. Time and results have shown these statements were true.

I voted against the Korean aid bill because it was proven to me beyond a doubt that it would be inadvisable to send economic aid and a token military aid to build up a rich prize for our enemies unless we were willing to make an all-out effort to defend it.

In my opinion, the positive and negative position of this administration in the Far East aid program has placed us in the position we are now in. I firmly believe we are in war, and I am willing to go along with all good Americans to give every aid and assistance to the winning of this conflict. However, I do feel that those in our State Department responsible for a change in our Far East policy should not continue in control but be replaced by someone having definite knowledge of existing conditions and the importance of the program from an international viewpoint. And, certainly, that those in control of this program should not be friendly with those who associate with Communists.

We cannot fight communism in the Far East and allow it to run rampant in our own country, yes, even in our own Federal departments.

CURTAILMENT OF POSTAL SERVICE

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, earlier in the day the distinguished gentleman from Georgia [Mr. Cox], quoting from a letter received from Postmaster General Donaldson respecting the April 17 curtailment order of mail delivery, said that the Postmaster General had indicated that the savings as a result of that cut would be $70,000,000. I am rather surprised to hear those figures, inasmuch as the Postmaster General in his appearances before House and Senate committees shortly after issuing that order testified that the saving at the best would be $25,000,000, possibly would not run over $15,000,000.

The Postmaster General has $70,000,000 in mind, of course, because when he came down here to appear on his requests for the fiscal year 1951 he was $42,000,000 short. That amount had been cut from his request by the Bureau of the Budget, which held that he had overestimated the volume of mail for the new fiscal year and had run too high on his calculations. It was afterward that the House cut his requests $28,000,000, a cut which was sustained by the Senate; $42,000,000 plus $28,000,000 gives you $70,000,000. So if it be true now that there is a deficiency of $70,000,000 in the Postmaster General's budget for the fiscal year 1951 he is proceeding to apply it entirely to mail deliveries in the United States.

Firms having important war contracts are joining the New York Times and other leading newspapers in pointing out that this is economy in reverse and we must not forget that the GI on the battlefields looks forward so much to mail call. And the loved ones at home do not relish any delay in the receipt of their mail. The British insist on maintaining their high standard of a minimum of two deliveries a day. So should we, particularly at a time when morale means so much to the preservation of what we call our way of life.

Mr. JACOBS. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JACOBS. Mr. Speaker, the President of the United States in his wisdom, and as I understand, for the first time in the history of our country, selected a Postmaster General who had come up through the postal ranks, and who perhaps knows more about the Post Office Department than any man who ever occupied that position. I thoroughly approved of the President's action in that regard, and I consider the operation of the Post Office Department as an administrative job, not a legislative one.

I refused to sign discharge petition 31 and announced that I was opposed to the legislation it favors and that rescinds the Postmaster General's order cutting back to within his budget. I felt that he was within his right and performing his duty when he did so.

I believe in the appointment of experienced men to these jobs; men who understand them. I approved my predecessor's—Hon. Louis Ludlow's—nomination of a postmaster in Indianapolis who was a career man, but whose appointment had not been made or confirmed. I made the statement publicly that I was not going to appoint any man as postmaster who did not know the difference between a mail truck and a sulky plow. Now we have an able man as Postmaster General. We did not appropriate the money with which to operate the Post Office Department. He knows better where the necessary cutback should be than we can ever know. I just want to say this, also: it is going to be interesting to note the votes to rescind the order of the Postmaster General and to compare those with the votes of those who have been talking about economy here on the floor of this House.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana may proceed for one additional minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Does the gentleman from Indiana find fault with the President of the United States or the Bureau of the Budget when in transmitting the 1951 request of the Postmaster General he indicated that they had cut those requests some $42,000,000?

Mr. JACOBS. No; I am not finding fault with having cut the amount, but we came here on the floor of this House with a revision of postal rates and we did not show the courage to lay down the proper rates to make up the amount of money that it takes to run the Post Office Department.

Mr. CANFIELD. I agree with the gentleman.

Mr. JACOBS. The gentleman from Georgia [Mr. Cox] read from the RECORD here this morning where the proper committee called the Postmaster General in and asked him to rearrange the operation down to one delivery per day. He read it from the RECORD and no one disputed it. Now here is the case: We call the Postmaster General up here and we ask him to cut back to one delivery a day and now we are going to pass a bill and tell him that he must increase it to two deliveries a day. How is he going to do that if he does not have the money? As far as I am concerned I am not going to tell the Postmaster General that he must not do something and then tell him he must do it and then not give him the money to do it with.

This Congress will make itself look silly with that "on agin, off agin, gone agin, Finagin" political ping-pong.

If additional funds are needed for proper functioning of the Post Office Department, let us forthrightly appropriate them. But let us quit crawfishing and dogtrotting on the question.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. O'HARA of Illinois (at the request of Mr. GORDON) for Monday through Wednesday, August 14, 15, and 16, on account of official business.

EXTENSION OF REMARKS

Mr. MURDOCK asked and was given permission to extend his remarks.

Mr. HOFFMAN of Michigan (at the request of Mr. MILLER of Nebraska) was given permission to extend his remarks in two instances.

Mr. LEFEVRE (at the request of Mr. POULSON) was given permission to extend his remarks and include an article.

Mr. JENISON asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. WEICHEL (at the request of Mr. CURTIS) was given permission to extend his remarks.

Mr. JAVITS asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. McDONOUGH asked and was given permission to extend his remarks.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 602. An act for the relief of Fritz Busche;

H. R. 4136. An act for the relief of Helen M. Booth;

H. R. 4832. An act for the relief of Graphic Arts Corp. of Ohio;

H. R. 4989. An act to provide for the payment of just compensation to John Ii Estate Ltd., a Hawaiian corporation, for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, T. H.;

H. R. 9023. An act to amend the Hatch Act; and

H. J. Res. 21. Joint resolution to provide for the utilization of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray (1) the Civil War, (2) the Spanish-American War, and (3) the birth of aviation in the United States.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On August 11, 1950:

H. R. 612. An act for the relief of Col. W. M. Chubb;

H. R. 1618. An act for the relief of Kenneth J. MacKenzie;

H. R. 1922. An act to amend section 10 of the Reclamation Project Act of 1939;

H. R. 1988. An act for the relief of Leslie A. Fry;

H. R. 2350. An act for the relief of Mrs. Marion M. Martin Jones;

H. R. 2850. An act for the relief of John F. Oettl;

H. R. 2854. An act for the relief of Wade H. Noland;

H. R. 3605. An act to provide for documentataion of the Canadian-built vessel *North Wind* owned by a citizen of the United States;

H. R. 4065. An act to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens;

H. R. 4117. An act to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the National Park System, and for other purposes;

H. R. 5157. An act for the relief of the legal guardian of Anthony Albanese, a minor;

H. R. 5282. An act to amend section 3 of the Organic Act of Puerto Rico;

H. R. 6657. An act for the relief of Georges Jules Louis Sauvage;

H. R. 6850. An act for the relief of Lt. Col. F. A. Ferguson;

H. R. 6959. An act authorizing the Secretary of the Interior to issue a patent in fee to William Watt;

H. R. 6960. An act authorizing the Secretary of the Interior to issue a patent in fee to James Wilbur Watt;

H. R. 6961. An act authorizing the Secretary of the Interior to issue a patent in fee to Mary E. Watt;

H. R. 6963. An act authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively;

H. R. 6964. An act authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering;

H. R. 7043. An act to provide for the granting of an easement for a public road or public toll road through the wildlife refuge located in Princess Anne County, Va.;

H. R. 7192. An act to provide benefits for the widows of certain persons who were retired or are eligible for retirement under section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended;

H. R. 7253. An act for the relief of Charles Wilson Roland and Mirtie L. Roland;

H. R. 7293. An act authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby;

H. R. 7294. An act authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross;

H. R. 7431. An act for expenditures of funds for cooperating with the public school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes;

H. R. 7540. An act for the relief of Louise Peters Lewis;

H. R. 7773. An act to authorize the sale of certain allotted land on the Pine Ridge Indian Reservation, S. Dak.;

H. R. 7869. An act to provide for the furnishing of quarters at Newnan, Ga., for the United States District Court for the Northern District of Georgia;

H. R. 7887. An act granting the consent and approval of Congress to an amendment to the Atlantic States Marine Fisheries Compact, and repealing the limitation on the life of such compact;

H. R. 8144. An act to authorize the sale of a small tract of land at Great Falls, Mont.;

H. R. 8450. An act for the relief of Raief Neahem, Iffef Neahem, and Ihsen Neahem;

H. R. 8597. An act to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers;

H. R. 8767. An act to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes;

H. R. 8792. An act to amend the statute relating to certificates of trade-mark registrations;

H. R. 8845. An act to provide for the conveyance of a tract of land in Kennebec County, Maine, to the town of Chelsea;

H. R. 8923. An act to provide improved procedures with respect to the financial control of the Post Office Department, and for other purposes;

H. R. 8944. An act authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N. Y.;

H. R. 9074. An act to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to nonprofit contests where prizes are awarded for the specie, size, weight, or quality of fish caught by the contestant;

H. R. 9120. An act to amend section 322 (b) (3) of the Internal Revenue Code;

H. J. Res. 453. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950;

H. J. Res. 489. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International Exposition, Inc., New Orleans, La. to be admitted without payment of tariff and for other purposes;

H. J. Res. 496. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Food Exposition, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes; and

H. J. Res. 501. Joint resolution to authorize the procurement of an oil portrait and a marble bust of the late Chief Justice Harlan F. Stone.

On August 14, 1950:

H. R. 602. An act for the relief of Fritz Busche;

H. R. 4136. An act for the relief of Helen M. Booth;

H. R. 4832. An act for the relief of Graphic Arts Corp. of Ohio;

H. R. 4989. An act to provide for the payment of just compensation to John Ii Estate Ltd., a Hawaii corporation, for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, T. H.; and

H. R. 9023. An act to amend the Hatch Act.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 38 minutes p. m.) the House adjourned until tomorrow, Tuesday, August 15, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1626. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the Thirty-sixth Annual Report of the Board of Governors of the Federal Reserve System, covering operations during the calendar year 1949, pursuant to section 10 of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

1627. A letter from the Chairman, Public Utilities Commission of the District of Columbia, transmitting the Thirty-seventh Annual Report of the Public Utilities Commission of the District of Columbia, for the year ended December 31, 1949, pursuant to paragraph 20 of section 8 of an act making appropriations to provide for the expenses of the District of Columbia for the fiscal year ended June 30, 1914, and for other purposes, approved March 4, 1913; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. S. 2423. An act to amend section 7 of the act of February 27, 1925 (43 Stat. 1008), relating to the Osage Indians of Oklahoma; with amendment (Rept. No. 2913). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee of conference. House Joint Resolution 238. Joint resolution to remove the racial restrictions on naturalization in the case of certain Japanese persons who entered the United States prior to July 1, 1924; without amendment (Rept. No. 2914). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 8797. A bill to exempt property of the Young Men's Christian Association of the city of Washington (incorporated under the act of Congress of June 28, 1864, 13 Stat. L. 411) from taxation; without amendment (Rept. No. 2912). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MANSFIELD:

H. R. 9427. A bill to provide for the installation of improvements and facilities needed for the protection, development, and utilization of Federal resources affected by dam and water reservoir projects constructed by the Federal Government, and for other purposes; to the Committee on Public Lands.

By Mr. BARDEN (by request):

H. R. 9428. A bill to authorize the Secretary of Labor to promote the development and adoption of plans and programs for the improvement of the skills of the Nation's work force, and for other purposes; to the Committee on Education and Labor.

H. R. 9429. A bill to establish a program of financial aid to students in higher education, and for other purposes; to the Committee on Education and Labor.

By Mr. DAWSON:

H. R. 9430. A bill to amend the act entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes," approved August 2, 1946 (60 Stat. 806), to simplify administration in the Government service, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. KLEIN:

H. R. 9431. A bill to provide for the construction and maintenance of the National Franklin D. Roosevelt Memorial Theater; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PLUMLEY:

H. R. 9432. A bill for the relief of Susanna Johanna Clara Jungbauer; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 9433. A bill for the relief of Mrs. Toshiko Harada Davis; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 9434. A bill for the relief of Christina Shalfeieff; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2332. The SPEAKER presented a petition of Jose Cestero Guardiola, secretary, government of Puerto Rico, San Juan, P. R., expressing appreciation for the enactment of legislation authorizing the Puerto Ricans to write and adopt a constitution, as embodied in Public Law 600 of the Eighty-first Congress, which was referred to the Committee on Public Lands.

SENATE

TUESDAY, AUGUST 15, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God who art the living reality behind and beyond all life's fleeting shadows, in these dark days filled with alarms of war and of rumors of wars, as the forces of freedom mass their material might against rampant evil which seeks to enslave the world, may there shine in splendor before our eyes the spiritual objectives for which we fight. Keep us, we beseech Thee, vividly aware that the battle which rages can never be won by force of arms alone.

In this historic Chamber within whose walls in the vanished yesterdays the faith of democracy was proclaimed by eloquent voices, may we this day lift with confidence and gratitude the banners which proclaim our faith in the sovereignty of God and the dignity of man. We humbly pray that we may be commissioned to open the gates of a new life for the multitudes now enduring privation and exploitation, fear, and frustration. By Thy grace bring us at last to a nobler and better tomorrow with freedom and equality and justice for all, where Thine shall be the kingdom and the power and the glory. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 14, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 14, 1950, the President had approved and signed the following acts:

S. 1654. An act for the relief of Kyra Kite Riddle;

S. 2018. An act to authorize advancements to and the reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes; and

S. 2242. An act for the relief of John E. Dwyer.

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. WILLIAMS was excused from attendance on the session of the Senate tomorrow.

Mr. AIKEN. Mr. President, I ask unanimous consent to be absent from the Senate on Wednesday, Thursday, and Friday of this week.

The VICE PRESIDENT. Without objection, leave is granted.

Mr. AIKEN. I do not intend to take advantage of the leave accorded to me if during that time there is to be a vote on the unfinished business.

COMMITTEE MEETING DURING SENATE SESSION

Mr. GEORGE. Mr. President, I ask unanimous consent that the Senate Finance Committee may meet this afternoon. We are making every effort to bring a tax bill before the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Morse
Anderson	Hickenlooper	Mundt
Benton	Hill	Murray
Brewster	Hoey	Myers
Bricker	Holland	Neely
Butler	Humphrey	O'Conor
Byrd	Hunt	O'Mahoney
Capehart	Ives	Pepper
Chapman	Johnson, Colo.	Robertson
Chavez	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Saltonstall
Cordon	Kefauver	Schoeppel
Darby	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Downey	Knowland	Stennis
Dworshak	Langer	Taft
Eastland	Lehman	Thomas, Okla.
Ecton	Lodge	Thomas, Utah
Ellender	Long	Thye
Ferguson	Lucas	Tydings
Frear	McCarran	Watkins
Fulbright	McKellar	Wherry
George	McMahon	Wiley
Gillette	Magnuson	Williams
Graham	Malone	Withers
Green	Martin	Young
Gurney	Maybank	
Hayden	Millikin	

Mr. MYERS. I announce that the Senator from Rhode Island [Mr. LEAHY] and the Senator from Arizona [Mr. MCFARLAND] are absent on public business.

The Senator from Arkansas [Mr. MCCLELLAN] and the Senator from Idaho

[Mr. TAYLOR] are absent by leave of the Senate.

Mr. SALTONSTALL. The Senator from Washington [Mr. CAIN], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], and the Senator from Wisconsin [Mr. MCCARTHY] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 6209. A bill to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes; with an amendment (Rept. No. 2361); and

H. R. 6319. A bill to authorize a $100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; with amendments (Rept. No. 2362).

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

S. 3229. A bill to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School; with an amendment (Rept. No. 2363).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. Res. 321. Resolution opposing the transportation in interstate commerce of certain foreign motion pictures for exhibition in the United States; with an amendment (Rept. No. 2365).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

S. 3957. A bill to amend title 46, United States Code, section 251; with an amendment (Rept. No. 2364).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 15, 1950, he presented to the President of the United States the following enrolled bills:

S. 1858. An act to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces; and

S. 3666. An act to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LODGE:

S. 4047. A bill to authorize the Secretary of Defense to establish and conduct an effective program of research and development to increase the effectiveness of the measures for the protection of the civil population of the United States in the event of military attack, and for other purposes; to the Committee on Armed Services.

By Mr. PEPPER:

S. 4048. A bill for the relief of John G. Brown;

S. 4049. A bill for the relief of Fred Ericson, Jr.; and

S. 4050. A bill for the relief of L. Ferguson; to the Committee on the Judiciary.

(Mr. DOUGLAS (for himself, Mr. THOMAS of Utah, Mr. MURRAY, Mr. PEPPER, Mr. NEELY, Mr. HUMPHREY, Mr. LEHMAN, Mr. AIKEN, and Mr. MORSE) introduced Senate bill 4051, to assure the provision of all necessary services to prepare disabled persons for and establish them in remunerative employment, to make special provision for the blind and other severely disabled persons, and for other purposes, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. KILGORE:

S. 4052. A bill for the relief of Willem Houwink; to the Committee on the Judiciary.

REHABILITATION OF THE HANDICAPPED

Mr. DOUGLAS. Mr. President, on behalf of the Senator from Utah [Mr. THOMAS], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], the Senator from West Virginia [Mr. NEELY], the Senator from Minnesota [Mr. HUMPHREY], the Senator from New York [Mr. LEHMAN], the Senator from Vermont [Mr. AIKEN], the Senator from Oregon [Mr. MORSE], and myself, I introduce for appropriate reference, a bill to assure the provision of all necessary services to prepare disabled persons for and establish them in remunerative employment, to make special provision for the blind and other severely disabled persons, and for other purposes, and I ask that an explanatory statement of the bill I have prepared be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the explanatory statement will be printed in the RECORD. The Chair hears no objection.

The bill (S. 4051) to assure the provision of all necessary services to prepare disabled persons for and establish them in remunerative employment, to make special provision for the blind and other severely disabled persons, and for other purposes, introduced by Mr. DOUGLAS (for himself and other Senators), was read twice by its title and referred to the Committee on Labor and Public Welfare.

The explanatory statement presented by Mr. DOUGLAS is as follows:

STATEMENT BY SENATOR DOUGLAS

The bill which I am introducing today in behalf of myself and Senators THOMAS of Utah, MURRAY, PEPPER, NEELY, HUMPHREY, LEHMAN, AIKEN, and MORSE, is designed to supplement and improve existing legislation for the rehabilitation of the handicapped.

Not only humanitarian considerations, but the urgent need for maximum utilization of the Nation's manpower have dictated that early attention be given to existing rehabilitation programs for the disabled and to future possibilities. With current estimates placing the number of persons suffering disabling injuries and illnesses at 250,000 annually, it is clear that present rehabilitation programs which serve only about a fifth of that number are inadequate.

While the conference report on H. R. 6000 has acknowledged the assistance needs of the disabled by establishing Federal grants-in-aid for a new, fourth category of public assistance to serve the needy persons of that group, it seems no less important to develop the programs which aim to return the handicapped to remunerative employment and self-support.

After extensive hearings on S. 1066, S. 2273, and S. 3465 which proposed various methods of dealing with this problem, this new bill has been drafted by the Labor and Public Welfare subcommittee of which Senator AIKEN, Senator LEHMAN and I were members. It includes a number of the most desirable features from each of the other measures and brings together in one comprehensive bill the authorization for well-rounded rehabilitation services. Since the bill is somewhat lengthy and complex, I have prepared the following summary of its principal provisions for the information of Senators.

GENERAL ADMINISTRATION

This new measure builds upon the foundations of prior legislation, notably the Barden-LaFollette Act of 1943 and the Randolph-Shepard Act of 1936. It carries forward the general plan of Federal grants-in-aid for services rendered through State agencies. It maintains the administration of the Federal aspects of the program in the Federal Security Agency.

Despite certain demonstrated shortcomings in the present program and the sincere appeals of witnesses representing a number of groups for a shift of the administrative responsibility to the Department of Labor, the subcommittee unanimously concluded from all the evidence before it that the most efficient coordination of the wide variety of services involved in rehabilitation, the perfecting of the relationships between the responsible State and Federal agencies, and the most effective operation of all the services in the interest of the handicapped themselves, could best be secured by maintaining and improving the administration of the program for the disabled in the Federal Security Agency. Placement and job counseling functions are at the same time retained in the Bureau of Employment Security in the Department of Labor, with new emphasis on the services that can there be rendered to the disabled.

NEW AND EXPANDED SERVICES

The bill provides for new and expanded services beyond the Barden-LaFollette Act of 1943, as follows:

Title II permits Federal grants-in-aid for the first time for vending stands for the blind under the Randolph-Shepard Act.

Title III authorizes State agencies to develop, and permits Federal grants-in-aid for—

(a) adjustment training services for the blind;

(b) auxiliary service in workshops for severely disabled persons;

(c) assistance to home-bound severely disabled persons in setting up and continuing themselves in remunerative employment; and

(d) establishment and supervision of a business-enterprises program for the severely disabled.

Title IV authorizes grants-in-aid for the establishment of rehabilitation centers and of workshops for the severely disabled (with a limit of $2,500,000 in contract authorizations for the first 2 years).

Title V authorizes grants for research and adjustment centers for the blind and other severely disabled persons.

Title VI authorizes loans from a revolving fund to States for rehabilitation programs ($10,000,000) and from a workshop loan fund

subject to State recommendations to cooperatives of disabled persons ($1,000,000).

Title I amendment permits research grants and grants for research fellowships, and for training, instruction, and traineeships.

FINANCING PROVISIONS

The bill places the financing of the services on a variable grant-in-aid basis. The Federal percentage for new programs will be around 55 percent, with Federal percentages for low per capita income States being greater (but in no case over 75 percent) and for high income States being less (but in no case under 40 percent).

For existing rehabilitation services, the Federal percentages will remain at present levels through fiscal year 1952. Then by a graduated series of adjustments over a period of 10 years, they will be reduced to the same percentages outlined above for new programs. This is in line with the administration's recommendations to secure a bigger contribution of State support, which is today running at only about 30 percent of the total cost of the program.

The Federal share for the rehabilitation centers and workshops parallels that employed in the Hospital Survey and Construction Act.

The bill provides for a "closed-end" type of grant by setting up within congressional appropriations an allotment formula as between the States based on population, State and local funds available, and relative financial ability of the States.

It is contemplated that additional Federal appropriations of $5,500,000 in fiscal 1951 and $6,000,000 in 1952 beyond the $20,000,000 now allocated annually to these services may be called for to finance the expanded program in the first 2 years (excluding consideration of the loan funds). The bill, however, does not contain a specific money authorization.

ADVISORY COMMITTEE

The bill provides for the establishment of a National Advisory Council consisting of the Federal Security Administrator, the Secretaries of Labor and Agriculture the Administrator of Veterans' Affairs, and the Surgeon General, ex officio, and of eight additional members, at least three of whom are themselves disabled. The Council is directed to advise and consult with and give recommendations to the Administrator on all phases of the program.

The bill also requires States which receive Federal grants for rehabilitation to establish State advisory committees including disabled individuals.

The subcommittee has thus sought to make sure that the suggestions and criticisms of responsible officials and interested public members, including the handicapped themselves, will be brought to bear on the operation and improvement of the program.

It is also hoped that the operation of the National Advisory Council and State advisory committees as well as other provisions of the bill will succeed in enlisting and expanding the services of private agencies in meeting the rehabilitation needs of the handicapped.

OTHER ADMINISTRATIVE CHANGES

State rehabilitation commissions, as well as State boards of vocational education, will be authorized in the discretion of the State government to be the State agency responsible for the program.

To give the agency responsible for the program on the Federal level the status of a bureau, the Bureau for the Rehabilitation of the Disabled is established in the Federal Security Agency.

Disabled persons requiring only job counseling and placement services are withdrawn from the classes of persons eligible for services of rehabilitation agencies, and the Federal and State employment services are given more explicit authority to provide job counseling and placement services for the disabled.

The Bureau of Employment Security and its parallel State agencies are also given explicit authority to collect information from employers concerning hiring and training practices, standards, and policies prevailing in industry with respect to employment of the disabled.

A separate division for the employment of disabled persons is established in the United States Civil Service Commission to advance the employment opportunities for such persons in the Federal service.

The bill also includes a general requirement for cooperation in the development of working arrangements between the various agencies concerned with the problems of disabled persons, both at the Federal and State levels.

INDONESIAN INDEPENDENCE DAY

Mr. HUMPHREY. Mr. President, on behalf of the Senator from Rhode Island [Mr. GREEN] and myself, I submit a resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 327) was read, as follows:

Resolved, That the greetings of the Senate of the United States are hereby cordially extended to His Excellency President Sukarno of the Republic of the United States of Indonesia and to the Indonesian people on the occasion of August 17, Indonesian Independence Day; and be it further

Resolved, That the Secretary of the Senate is directed to transmit a copy of this resolution, through the Department of State, to the President of the Republic of the United States of Indonesia.

The VICE PRESIDENT. Is there objection to the request for the immediate consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

Mr. HUMPHREY. I greatly appreciate the courtesy of the Senate in taking prompt action on the resolution.

I ask unanimous consent that a statement I have prepared on the subject be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

I take pleasure in extending to President Sukarno and the people of Indonesia cordial greetings and congratulations upon the occasion of Independence Day for the Republic of Indonesia.

It was just 5 years ago, on another August 17, that the independence of Indonesia was proclaimed in the name of the Indonesian people. Under the inspired leadership of "Bungkarno" and Mohammed Hatta, the Indonesian people struggled valiantly to give this proclamation reality.

The American people have long cherished and encouraged ideals of freedom and independence and are proud and happy to see the development of these aspirations among their friends in Asia. We particularly cherish the opportunity, through the extension of ECA assistance and export-import credit to Indonesia, to be of direct assistance to your growing democracy.

It is with special joy and satisfaction that we in America have observed the emerging of an independent Indonesia. We have watched with anxiety and approval the finally successful efforts on the part of the Indonesian people to resist attempts to pervert the movement for independence and progress into a reactionary Communist movement. We rejoice that Indonesia has demonstrated that true independence can only be achieved in complete freedom from foreign interference and domination.

I am confident that the Indonesian people will successfully meet the pressing problems of the moment, and I applaud their courage as they go forward with the inspiration of "Merdäka."

DEFENSE PRODUCTION ACT OF 1950—AMENDMENTS

Mr. WILLIAMS submitted an amendment intended to be proposed by him to the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. WILLIAMS also submitted an amendment intended to be proposed by him to the amendment intended to be proposed by Mr. BRICKER, lettered "I," to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

Mr. FERGUSON (for himself and Mr. MUNDT) submitted amendments intended to be proposed by them jointly to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. WHERRY submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. SPARKMAN submitted an amendment intended to be proposed by him to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

Mr. MAYBANK submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. TAFT submitted an amendment intended to be proposed by him to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

Mr. MAYBANK. Mr. President, I send to the desk amendments which were approved by unanimous vote of the members of the Committee on Banking and Currency who were present, intended to be proposed to the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes. I ask unanimous consent that the amendments together with a letter from Cyrus S. Ching, Director of the Federal Mediation and Conciliation Service, addressed to me as chairman of the committee,

dated August 15, 1950, and a statement in connection with title IV of the bill, be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, without objection, the amendments, letter, and statement will be printed in the RECORD. The Chair hears no objection.

The amendments are as follows:

On page 48, line 9, after the word "order" insert "relating to price controls."

On page 48, line 11, after the word "order", insert "relating to price controls."

On page 54, line 10, after the word "orders", insert "relating to price controls."

The letter presented by Mr. MAYBANK is as follows:

FEDERAL MEDIATION AND CONCILIATION SERVICE,
Washington, D. C., August 15, 1950.

Hon. BURNET R. MAYBANK,
Chairman, Banking and Currency Committee, United States Senate, Washington, D. C.

DEAR SENATOR MAYBANK: Senate bill S. 3936, title IV, which is now before the Senate, provides for a court review of the decisions of any board which might be set up for the stabilization of wages and the settlement of disputes during the war emergency period. During World War II and the period of preparation preceding it, I was an industry member of the National Defense Mediation Board, of the President's Labor-Management Conference in December 1941, and later an industry member of the National War Labor Board, and I would like to take the liberty of expressing my views of this section of the proposed bill.

The War Labor Board was established by the President following the December 1941 conference in which conference labor voluntarily gave a no-strike pledge for the duration of the emergency, and the representatives of both industry and labor agreed that any unsettled disputes would be submitted to such a board, which was to consist of equal representation of the public, labor, and industry. The situation so created is analogous to two parties agreeing to submit a matter to arbitration and both agreeing to accept the decision of the arbitrator. This places a great responsibility on the representatives of both industry and labor, which I believe they are willing to accept.

If wage determinations and decisions made by such an agency are subject to court review, it would be most difficult to arrive at a final settlement of disputes. The War Labor Board, on several occasions, enunciated principles and policies, within the framework of the wage stabilization policy, which served as patterns and bases for mediation and conciliation of disputes and greatly facilitated the settlement of innumerable disputes which never had to come to the Board for settlement. If the element of uncertainty is in the picture, it is my belief that there would be great reluctance on the part of labor and industry to follow a so-called pattern until a court determination had been made and this could create a situation where the Board, instead of settling disputes, might find that disputes were increased rather than decreased because of its determinations. In other words, this element of uncertainty until the courts had ruled would be disrupting to labor-management relations and would hamper the settlement of related disputes where the same issues were present and might lead to work stoppages which would be detrimental to the war effort. These are my own views and I cannot say what the attitude of labor or industry would be in connection with this type of procedure, but I believe that labor would be reluctant to enter into a no-strike pledge unless it was predicated on the theory that the finding of the Board would constitute a final settlement and would be accepted by both parties to the dispute.

The War Labor Board procedure provided that either party had the right of appeal to the National Board for a review of the decisions of the local boards and either party had the right to request a public hearing on all of the issues covered by the decision. This procedure provides sufficient machinery for a complete public discussion of the entire matter, and it is my feeling that it adequately protects the rights of both parties.

The matter of maintaining good relationships between the parties by the expeditious handling of labor disputes is so important that it cannot be overemphasized. During the last war there were several instances, even without resort to any other procedure, where there were so-called wildcat strikes because of the time elapsing between the presentation of the case and the Board's decision. If other appeals beyond the Board are established, it would act as an incentive for more of this type of activity. The important thing in considering the settlement of labor disputes in an emergency is expeditious handling and final decision.

I want to thank you for the opportunity to present my views to you and your colleagues, and I hope that the experience we gained in the last war may prove to be of some help in planning for any emergency that we may be facing at the present time.

Sincerely yours,

C. S. CHING,
Director, Federal Mediation and Conciliation Service.

The statement presented by Mr. MAYBANK is as follows:

STATEMENT BY SENATOR MAYBANK EXPLAINING TITLE IV

To subject the settlement of wage questions, while stabilization is in effect, to the protracted delays and uncertainties of litigation, might have a catastrophic effect on national defense by reducing production, creating industrial strife, and destroying the useful and voluntary process of collective bargaining. Title IV now allows review by the Emergency Court of Appeals and the Supreme Court of wage regulations and orders upon the petition of either labor or management.

These amendments are designed to take wage stabilization out of the realm of litigation and leave wage questions for final settlement, under the directive issued by the over-all stabilization authority, by a tripartite board or commission upon which labor and management and the public are represented. While it is appropriate to stabilize wages and control prices at the same time, and while the two bear a close relationship, it is not practicable to treat problems in the two fields in exactly the same way procedurally. Substantively the two are, of course, directly related, but procedure for handling price questions involving court review is not appropriate for handling wage questions dealing with problems of human relations.

Under title IV, the regulations and orders and the wage and price schedules must be obeyed from the time they are issued. It is possible under title IV, as now drafted, that a directive or regulation on wages might be upset on some technicality many months after it had been put into operation, and that thousands of employers would have to revise their wage schedules affecting millions of employees. Moreover, if wages were reduced, employers might attempt to collect back from their employees the past overpayments. Such a result would undoubtedly create widespread unrest, seriously reduce morale, and might possibly lead, in spite of a no-strike, no-lockout pledge, to substantial interruptions of production.

The courts are not a proper forum to handle, either generally or specifically, the regulation of wages and labor relations. We have wisely avoided court review in this field in legislation in the past. The Smith-Connally Act specifically provided that War Labor Board orders were final. Neither labor nor management wishes to subject the whole field of industrial relations to litigation, both preferring that a body upon which each has representation have the final authority to settle wage problems. This was amply established by experience during World War II. Title IV now provides for three appeals from the decision of such a body, i. e., to the President, the Emergency Court of Appeals, and the Supreme Court. This vitiates the effectiveness of any board or commission handling industrial relations problems and would destroy the faith of both labor and management in its decisions, and legalizes uncertainty and confusion in the delicate field of industrial relations.

A review of our experiences during World War II points up this problem most effectively; for instance, the United States Conciliation Service between Pearl Harbor and VJ-day handled approximately 75,000 cases. Seventy-five percent of those cases were settled by voluntary methods of mediation and conciliation. Twenty-three percent of those cases were certified to the War Labor Board. These figures do not take into consideration the thousands of cases settled by voluntary collective bargaining during the same period.

No emergency machinery to handle industrial dispute questions can be effective without the full utilization of voluntary collective bargaining and voluntary mediation and conciliation. It is impossible in the processes of free collective bargaining to operate under wage stabilization when the parties at any given time are aware that wage-stabilization directives may ultimately be declared invalid by court decision. It is imperative that our machinery provide final and binding authority at the earliest possible date. During World War II, once a stabilization formula was established, thousands of cases were adjusted by voluntary methods, because labor and management, because of the absence of court review, could work out their problems through collective bargaining in reliance on the finality of such formula. Such a result would be impossible where the rules of the game were subject to change without notice.

These amendments do not disassociate wage stabilization and price control insofar as the over-all direction or the substantive policies for the whole price and wage stabilization program are concerned. They merely recognize what is a practical fact: That court review is not now, as it was not in the last war, a workable feature in a wage-stabilization program.

In addition to the foregoing consideration, there is another very great danger in subjecting wage stabilization to court review. In the hands of elements who are unsympathetic with the action of the United States in the present international situation, the right to petition for protracted review of wage orders and schedules would be a tremendously effective weapon for the sabotage of war production by injecting confusion, unrest, and uncertainty into the minds of workers.

ADDRESS BY SENATOR MARTIN AT AMERICAN LEGION CONVENTION

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by him at the annual convention of the American Legion, Department of Pennsylvania, at Philadelphia, on August 11, 1950, which appears in the Appendix.]

ADDRESS BY EDWIN S. LANIER BEFORE THE KIWANIS CLUB OF DURHAM, N. C.

[Mr. HOEY asked and obtained leave to have printed in the RECORD an address by Ed-

win S. Lanier, mayor of Chapel Hill, N. C., delivered before the Kiwanis Club of Durham, N. C., on August 10, 1950, which appears in the Appendix.]

STATE TIDELANDS—MEMORANDUM BY DISTRICT ATTORNEY L. H. PEREZ IN OPPOSITION TO SENATE JOINT RESOLUTION 195

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD a memorandum by District Attorney L. H. Perez, of Plaquemines Parish, La., presented before the Committee on Interior and Insular Affairs in opposition to Senate Joint Resolution 195 dealing with State tidelands, which appears in the Appendix.]

SECRETARY BRANNAN'S ZEAL—EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

[Mr. TAFT asked and obtained leave to have printed in the RECORD an editorial entitled "Secretary Brannan's Zeal," published in the New York Herald Tribune of August 11, 1950, which appears in the Appendix.]

OHIO SOLDIERS IN THE CAPTURE OF MANILA

[Mr. TAFT asked and obtained leave to have printed in the RECORD a letter under the heading "Those present at Manila," written by Robert Shaplen of Rowayton, Conn., on July 24, 1950, to the New York Herald Tribune, and published in that newspaper on July 27, 1950, which appears in the Appendix.]

THE PRAYERS FOR PEACE MOVEMENT

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an article entitled "Prayers for Peace," written by Herve J. L'Heureux, and published in the May 1950 issue of the Gold Star, and excerpts from an address delivered by Mr. L'Heureux before the United Action Committee for Expellees and the Volksverein of Philadelphia, Pa., which appear in the Appendix.]

STOCKHOLM PEACE PETITION—ARTICLE FROM NEW YORK TIMES

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an article entitled "A Signer Condemns Stockholm Appeal," written by George Dugan, and published in the New York Times of August 15, 1950, which appears in the Appendix.]

THE STOCKHOLM PEACE PETITION

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an editorial entitled "Peace—It Could Be Wonderful," published in the Jewish Veteran, which appears in the Appendix.]

INTERNAL SECURITY LEGISLATION—EDITORIAL FROM ALBUQUERQUE JOURNAL

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an editorial entitled "Security Legislation," published in the Aubuquerque (N. Mex.) Journal on August 9, 1950, which appears in the Appendix.]

WILEY BLASTS WISCONSIN PEOPLE'S PROGRESSIVE PARTY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article from the Wisconsin CIO News entitled "Don't Help the Commies" and an article from the People's Daily World, a Communist publication, entitled "Mosinee Welcomes Scrolls for Peace," which appear in the Appendix.]

AID TO FRANCO SPAIN

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD two editorials relating to Senate action voting aid to Franco Spain, one from the St. Louis Post-Dispatch of August 3, another from the same newspaper of August 4, which appear in the Appendix.]

WILL FARMERS BE THE GOATS OF A WARTIME INFLATION?

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "Will Farmers Be the Goats of a Wartime Inflation?" together with a chart prepared by the Bureau of Agricultural Economics of the United States Department of Agriculture, released in May 1950, which appears in the Appendix.]

THE POOREST POLITICS—EDITORIAL FROM THE OMAHA EVENING WORLD-HERALD

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial relating to Government controls, entitled "The Poorest Politics," published in the Omaha Evening World-Herald of August 9, 1950, which appears in the Appendix.]

COMMUNISM IN HAWAII

Mr. BUTLER. Mr. President, I should like to insert in the body of the RECORD two short letters which appeared in the Honolulu Advertiser on August 12, 1950.

These two letters show clearly that many residents of Hawaii understand very well the danger to Hawaii and to the legitimate labor-union movement there from the Communist control of the ILWU.

First is a letter signed by Tony Todaro, who says he has been a union member for 10 years. He points out that "the recent sugar workers walkout as a protest against the jailing of Harry Bridges is positive proof of the terrific hold a small group of followers of the Stalinist line have on the lives and destinies of thousands of misled workers."

The next is a letter simply signed "Citizen." I may say that the newspaper carries a notation that all letters signed "Citizen" carry the signature of the writer, but it is not published at the request of the writer of the letter. He says he is "mad of this fellow Jack Hall" and suggests that Jack Hall and the other Communist leaders should be shipped to Korea to help in the fighting there. His grammar is not very good, but his heart is obviously in the right place, and he shows that he understands clearly what is being done to his native Hawaii by these Communist leaders.

Mr. President, these letters indicate that many residents of Hawaii are very much aware of the Communist threat. They are in sharp contrast to the smug assurances of those proponents of statehood who tell us that communism is not a danger there.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

"PROTEST" STRIKERS DECEIVED

EDITOR THE ADVERTISER:

The recent sugar workers walkout as a protest against the jailing of Harry Bridges is positive proof of the terrific hold a small group of followers of the Stalinist line have on the lives and destinies of thousands of misled workers.

It makes me wonder just how far the members of the ILWU will go to serve the ends of their leaders. How can thousands of workers be deceived into a protest strike in sympathy for a convicted perjurer who would be the first to sell labor down the river when the revolutionary chips are down?

I refuse to believe that the rank and file are capable of stupid and disloyal acts without the deception of their false leaders. By and large, the sugar workers are too busy with their own personal problems to waste any time discussing the pros and cons of Marxism, Stalinism, or Jack Hallism.

For the rank and file I say: "Forgive them, Father, for they know not what they are doing." Would to God that someone could show them that the "persecution of the leader of their union" is simply the prosecution of a dangerous enemy of their country.

If someone could show them that many of us, including the writer who has held a union card for the past 10 years, are unquestionably in sympathy with their union and their ideals, are simply opposing the political actions of the union leaders which are anti-American.

TONY TODARO.

AUGUST 10.

HE "MAD OF JACK HALL"

EDITOR THE ADVERTISER:

I am mad of this fellow Jack Hall and the quicker Hawaii get this fellow and his Harry Bridges sympathizers off these shores of Hawaii nigh to the Korean war fronts, the better it is for Hawaii.

Today, we are on strikes again on all pineapple and sugar plantations due to the Harry Bridges been sent to jail. I am happy as a citizen of Hawaii and probably the majority of Hawaii and also of the United States of America are happy over the Harry Bridges been sent to jail by the courageous justice of the peace, the Honorable Harris. We take our hats off to the great gentleman.

Jack Hall and his ILWU's throughout Hawaii are boasting they have Hawaii's industries in their hands. Then Jack Hall declared that he did not blame the men for striking against the plantations. Isn't that the saying of Communists in our land? Isn't that cold war in Hawaii? If it is so, don't you think Mr. Editor, something should be done by our local authorities to bring Jack Hall and his sympathizers to the attention of the people of Hawaii?

To my way of thinking, the United States of America Government should take action against these un-American people and load them into two large freighters and shoot them to Korea to assist the Fifth Hawaii Division.

CITIZEN.

AUGUST 9.

THE UNITED STATES AND INDIA

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article which appeared in the New York Times for August 13, written by Mr. Robert Trumbull. It presents in a most serious and intelligent manner the growing problem in understanding between the United States and India. For many months now, ever since I have come to the Senate, I have considered it my duty to bring to the attention of the Senate the contributions made by the Government and the people of India, and my conviction that the best interests of our two Governments and our two peoples are harmoniously interrelated. India remains today the strongest force for democracy in Asia. Its Prime Minister, Mr. Nehru, is today one of the world's leading exponents of liberty and human welfare. We must do everything we can to strengthen the bonds between our two countries, and not allow the forces of Communist totalitarianism to gnaw at that bond.

It is significant, as Members of the Senate will note, that immediately following Mr. Trumbull's article is a Reuters dispatch under the headline "Indians near famine." The people and the Government of India face a serious economic problem and health problem as a result of the starvation which now threatens that nation. It is therefore of the utmost urgency, Mr. President, that the Government of the United States make available to the people of India some of the excess wheat now located in our storage. I urge the Secretary of State and the President immediately, on our own volition, to open negotiations with the Government of India so that at least 60,000,000 bushels of wheat can be made available to the people of India. Here would be a grand gesture of good will and basic humanitarianism; a firm cementing tie between our nations, and one of the most significant steps we could take for the preservation of world peace and democracy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANTI-UNITED STATES FEELING IS ON RISE IN INDIA—NEWS OF KOREAN DESTRUCTION SETS OFF WIDE CRITICISM OF POLICIES IN ASIA

(By Robert Trumbull)

NEW DELHI, INDIA, August 12.—Anti-United States feeling in India never has been so widespread as it is now. With every day of the Korean war bringing more news of bombed cities and flaming villages, the unpopularity of the United States is growing.

This adverse sentiment appears to be based mainly on two factors. The first is abhorrence of the involvement of Asians in what Indians consider essentially a quarrel between the United States and the Soviet Union. The second is the inability of Indians to feel the same urgency in the struggle against the world Communist movement as the United States does.

With Parliament in session, it has been possible to assess public opinion throughout India as reflected in the public and private utterances of legislators from every province. United States Embassy officers also have noted a growing criticism, or at least a questioning, of United States policy among their acquaintances in official circles here.

Premier Pandit Jawaharlal Nehru and other intellectuals disagree with the United States policy in a limited sphere bound by their specialized approach to world problems. On the lower levels, there is simply distrust of the western powers on general principles, coupled with a native inability to understand the United States point of view in the conflict with Russia.

The political thinking of the ordinary Indian seems to be based on looking backward and on a philosophical disregard of immediate consequences. There is a strong tendency to suggest what the United States should have done in regard to Asian problems 4 or 5 years ago, without any proposal as to what it should do now. The fatalistic Indians, who perhaps are more conscious than the Americans of the magnitude of time stretching before man, seem more willing to let history take its course, confident that right will win out in the end.

Many Indians are unworried that communism may win in Korea and Indochina at this stage. They argue that if the United States system is better, it eventually will come to the top; so what does the moment matter? This illustrates one of the divergencies between Eastern and Western thinking that appear irreconcilable.

Descending from this metaphysical plane to everyday considerations, many Indians feel that the United States action in Korea represents foreign domination in Asian lands, which they resent. Several declare passionately that the United States should get out of Japan, Korea, Indochina, Formosa, and wherever else it may be involved in Asia and let the Asians settle their own problems.

In this, there is something of the philosophy that motivated the late Mohandas K. Gandhi, when in 1942 he suggested to the British that it should be no concern of theirs if anarchy and chaos resulted if they quit India at that tense period. Any feeling of responsibility by the major powers toward the less-advanced countries of Asia is resented as being patronizing.

Nothing, except possibly the development of the atomic bomb, has hurt the United States in Indian eyes so much as its alliance with the French in supporting the Bao Dai regime in Indochina. Anything having to do with France in Indochina represents Western colonialism to the Indians. What the alternative to Bao Dai might have been does not worry the Indians as a group; there again they do not share the United States sense of urgency in the Communist crisis.

It is plain to observers here that if East-West relations are to be improved, it is essential that these divergencies in philosophical approach be recognized and taken into account. The existence of inherited and unchangeable suspicion of Western motives in Asia also must be accepted as a fact.

Many Indians refuse to appreciate the harsh facts of the war. This refusal stems from the Indian conviction that war is a confession of failure in foreign policy and merely compounds the error. However, Premier Nehru believes it is right to meet aggression with force. It was on the premise that aggression existed that he has put an Indian army in the field on this subcontinent several times since India became independent in 1947, and that he has backed United Nations action in Korea.

The horror of the consequences of war is universal, but to the Indians there is a special horror when it is Asians who are suffering. Accounts of repeated bombings of Seoul by United States aircraft and reports of villages left in flames as United States troops withdraw arouse indignation here. Consideration of military necessity is overshadowed by the fact that an Asian people is getting it in the neck again.

The Indians argue that killing Koreans and destroying property is not making friends for the United States in Korea, or in India. But they can suggest no alternative that meets with the United States ideas of the urgency of the situation.

One of New Delhi's major newspapers recently commented—it has been printed often in India—that the United States dropped atomic bombs only on the Asian people, the inference being that the United States did not want to use the bomb on Europeans. This illustrates the kind of thinking that the United States is up against when it tries to win goodwill in Asia.

The expensive United States campaign of truth has had a reaction in some Indian circles opposite to that intended. To be the target of a propaganda drive is resented here. The result of this propaganda often has impelled the Indians to go to Russian sources to see what the Soviet replies.

Soviet literature is available at low price, whereas United States books are prohibitively expensive.

INDIANS NEAR FAMINE—GOVERNMENT PROMISES FOOD FOR THREE STATES

BOMBAY, INDIA, August 12.—Conditions of near famine were reported today from three Indian states.

Requests for help reached Bombay from the states of Madras, Bihar, and Bombay. The Indian Government immediately ordered measures to control production and distribution of food in the affected areas.

NEW DELHI, INDIA, August 12.—Food Minister K. M. Munshi introduced in Parliament today a bill for checking soaring prices of food and other essential articles.

Under the bill, a person convicted of hoarding food grains is liable to 7 years' imprisonment and a fine 20 times the value of the food hoarded.

The punishment for a breach of textile control orders is up to 3 years' imprisonment, a fine, and forfeiture of the hoarded goods.

WHY CONTROLS ARE IMPORTANT

Mr. O'CONOR. Mr. President, the Baltimore Sun in an editorial published today makes a valuable contribution to the discussion of the need and timing of controls upon the economy of the United States.

The all-important phases of this challenging problem are handled with such good sense and logic that I feel it would be beneficial to the entire membership of the Congress to have the editorial brought to the attention of the membership.

I therefore ask unanimous consent that this editorial entitled "Why Controls Are Important" be inserted in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHY CONTROLS ARE IMPORTANT

The Congress is about to vote to the President the power to impose severe controls on the economy of the country. Many sincere persons, including some who are experts in this field, question the need of this grant of power. They claim that controls on prices and wages, by enmeshing the economy in bureaucratic red tape, serve to hinder production rather than increase it and so work against the greatest need of the emergency, which is a large outpouring of goods of all descriptions.

There is so much validity in this argument that it is well to examine it carefully. Certainly, if there were any likelihood that without controls we could get what we need for the immediate war situation and for the situation as it may be for the next few years, it would be foolish to put them on. Moreover, if we are frank, we have to admit that once controls are imposed getting rid of them is a difficult business indeed.

As of now, few persons who know the situation think that it is necessary at this moment to regiment the economy to the extent of imposing rigid ceilings on wages and prices. That necessity may come, but it is not here now. Some system of priorities and allocation for basic materials, so that the Government may be certain of getting what it needs for defense, may be sufficient. Controls on credit, either enforced or voluntary, are likewise needed. The exaggerated building boom of the last year or two, which is the result of too easy credit, must be damped off or else we shall have neither materials nor labor for defense production.

With luck, such measures as these should take care of the immediate emergency. If the war in Korea is successfully won in a relatively short time and if with the end of that war we manage, by some miracle, to reach a decent modus vivendi with the Russians, we can forget all about controls.

But, alas, we have no certainty that the Korean campaign can be won quickly. There

is still at least a possibility that we may be forced to abandon even the small beachhead we still cling to. In that tragic event, we should have to consider the terrible possibility of having to stage an amphibious landing at some favorable spot on the Korean coast. It would be wrong to stress that prospect, but it is equally dangerous to pretend it does not exist.

Moreover, the Korean affair has proved how woefully we misunderstood the nature of the campaign the Russians are able to carry on against us. Even if we do drive their North Korean dupes back to the thirty-eighth parallel, we shall have to assume the costly job of keeping them there. Also, and this is highly important, the Russians can stage a similar thrust at any one of half a dozen other places—or all of them. The ominous stories now coming from Indochina make us all too conscious of the possibilities in this regard. The Russians have dupes in many such places and can always persuade others to do their fighting and dying for them.

All this together means that even without an all-out war with Russia, in which a completely regimented economy would, of course, be demanded by everyone, we have a major readjustment to make in our way of thinking and in our way of living. Until that readjustment is completed, we shall be subject to all kinds of stresses and strains, some of which might tear the economy asunder.

The readjustment implies several vital steps. It implies first of all (assuming we are not a simple-minded people) the abandonment of a whole series of well-intentioned but costly public undertakings. Such undertakings, in process at the same time the munitions factories were trying to get under way, would siphon off both materials and manpower. The Government would thus be in competition with itself and the cost of everything involved would go up.

The second vital step in the readjustment process is, of course, higher taxes. With employment at a high level, there would be a tremendous increase in the demand for all kinds of consumer goods. The extra money must be kept down to a reasonable minimum. Taxes are the best device for achieving this necessary objective.

The third readjustment is to accept the necessity of some form of universal military service. This will probably be the most painful step of all. For not only is it an infringement on our long-held concepts of liberty but it does damage to our self-esteem to think that we should be forced to adopt a system which we regarded as typical of the worst aspects of Europe.

All these things together mean that we shall have to be a more serious and more responsible people than we have ever been before. For us as a nation the carefree days are gone.

But the worst aspect of the whole situation, and the one which bears directly on the argument about controls, is that all these adjustments have to be made in a terrific hurry. Some people in Washington seem to think that we have plenty of time, but the reverse is the truth. We have already stripped ourselves even to make the present inadequate effort in Korea. If we must help out the French in Indochina (and there are as good, if not better, reasons for such an undertaking as there were for Korea), we shall have little or nothing with which to supply them. Time is of the essence.

It is the fact that we are so far behind which the opponents of the power to impose controls, and apparently even Mr. Truman, seem to have overlooked. It is the ominous possibility that our present needs may be doubled or tripled overnight which makes it necessary for the President to have power to move without delay.

Unfortunately, it takes time to set up a control organization. Moreover, candor compels the admission that Mr. Truman is not particularly adept in moving swiftly and certainly to a given objective. Any control organization he sets up will creak and waste a lot of motion before it begins to operate effectively.

But this is a handicap of which we cannot rid ourselves. In an emergency we have to work with the personnel at hand. But it remains tremendously important, nevertheless, not to deprive that personnel of the necessary tools. In this instance the stand-by controls are such tools.

SENATE CHAMBER IMPROVEMENTS—SECOND STAGE CONSTRUCTION WORK

Mr. CHAVEZ. Mr. President, so many questions have been asked of late by Senators as to the second stage of the construction work of the Senate Chamber that I have had prepared a statement dealing with the subject. The statement is only four pages long, and will take about 4 minutes for me to read. I ask unanimous consent that I may be permitted to read the statement to the Senate at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. CHAVEZ. Mr. President, this is a report on the Senate Chamber improvements, second-stage construction work. It was prepared because of the fact that many Senators do not know exactly what is going to take place during the construction period, and I thought it proper to give the information to the Senate at this time.

Under the second-stage construction work, to be carried forward during the period August 15, 1950, to December 31, 1950, which will complete the Senate Chamber improvements, the following changes and improvements are to be effected:

CONSTRUCTION CHANGES

The only section of the Senate Chamber floor to be reconstructed is the section under the Vice President's rostrum, which will be reconstructed to accommodate new desks. The remainder of the floor will remain unchanged. The entire floor will be reinforced by additional metal bridging installed beneath the floor to reduce noise and vibration from walking. There will also be installed in the plenum chamber beneath the floor the necessary conduits to permit of the future installation of a public-address system, in the event that the Senate ever decides that it wishes such a system installed and placed in use; also to permit of the future installation of broadcasting facilities, if desired.

The existing lower walls of the Chamber, extending from the floor to the gallery, consisting of cast iron wainscot, cast iron pilasters, and plaster panels, will be removed from the existing brick structural walls and will be replaced by painted wood paneling separated by pilasters of colored marble, with light marble caps and bases. Colored marble will be used for the columns flanking the Vice President's rostrum and for the base and subbase around the Chamber.

The existing cast-iron cornice and gallery parapet will be removed and will be replaced with marble cornice and parapet.

The existing gallery floor construction, consisting of iron and wood construction, will be replaced with steel and concrete construction, arranged in steps as at present, the face of which will be of marble, and the platforms covered with rubber tile.

The seven doors leading from the Chamber to the corridors, cloakrooms, and lobby, will be replaced with new mahogany doors. The three entrance vestibules to the Chamber will be reconstructed to conform to the reconstructed doorways, which will be flanked with marble columns. The outer doors of the south and west vestibules will be replaced with new doors. The outer doors of the east vestibule will be retained. Those are the main doors leading into the Senate Chamber.

Marble sculptured panels will be located over the three doors in the Chamber leading to the corridors. A simple marble sculptural composition, containing a clock, will be installed over the Vice President's rostrum in replacement of the clock now over the rostrum, and a new bronze clock will be installed in the rear of the Chamber over the south entrance, in replacement of the existing clock in that location.

The air-conditioning improvements effected last summer will be completed during the second stage construction period.

FURNITURE AND FURNISHINGS

The existing desks and chairs of Senators are not to be replaced with new desks and chairs. They have been removed from the Chamber and stored and will be returned to the Chamber when the remodeling work is completed next December.

The Vice President's desk will be replaced with a new mahogany desk and the Clerk's desk will be replaced with a new desk faced with marble.

The Vice President's chair, the Clerks' chairs, the reporters' tables and chairs, and the desks and chairs of the secretaries to the majority and the minority are not be replaced with new furniture. As in the case of the Senators' desks and chairs, they have been removed from the Chamber and stored and will be returned to the Chamber when the remodeling work is completed.

The existing benches and chairs in the rear corners of the Chamber will be removed and will be replaced with new benches and chairs.

The Chamber floor will be covered with new carpet, replacing the existing carpet.

The existing desks in the press gallery will be removed and will be replaced with new desks, and the existing press gallery stools are to be replaced with new stools. The existing gallery seats are also being removed and will be replaced with an improved type of noiseless seat. The existing wood rails separating the different sections of the gallery will likewise be removed and be replaced with new bronze rails.

MARBLE ROOM, LOBBY, AND CLOAKROOM

No changes will be made in the marble room, with the exception of the installation of new desk lights. No changes will

be made in the lobby, with the exception of the installation of three additional writing desks and the relocation of four of the existing bookcases from their present locations in the lobby to the entrance to the marble room, and with the exception of the installation of improved desk lighting. All existing furniture and furnishings in the lobby will be reconditioned and continued in use.

The existing telephone booths, lockers, lavatory, and water cooler will be removed from each cloakroom and, in replacement thereof, there will be installed in each cloakroom eight new telephone booths, a message desk for the handling of telephone calls, a coat and hat rack, twelve new metal locker compartments, a lavatory, water cooler, and shelf for glasses. The new telephone booths, message desk, coat and hat rack, locker compartments, lavatory, water cooler and shelf will be installed in the space now occupied by the lockers. Additional furniture will be provided and will be located in the section of the cloakrooms now occupied by the telephone booths.

ARCHITECTURAL TREATMENT

The Capitol at Washington was one of the first buildings undertaken at the new seat of government of this country. It was burned during the first war the Nation fought, and was immediately rebuilt. It typifies the beginning and marks the growth of the Nation. It is in this building that the history of the country has been made.

Like the Nation, the Capitol is a growth, and it probably never will be finished. The selection of a plan for the oriignal building was a matter of great concern to the two laymen who were at the time best qualified to judge of such things—George Washington and Thomas Jefferson.

Washington sought a combination of grandeur, simplicity, and convenience. Jefferson approved the plan of Dr. William Thornton, submitted in competition in 1792, because it was simple, noble, beautiful. Thornton's design was conceived in terms of classic architecture, which appealed to the spirit of the times in which it was built.

The design of the Senate Chamber, now being carried into effect, was studied with motives derived from classic architecture from the same sources of architecture used by Thornton and Latrobe in the early portions of the Capitol, and from other buildings of the early Republic; this design being fitted to modern lighting, air conditioning, and acoustic treatment.

In general, the details of architectural treatment are very much like those of the old Senate Chamber, now known as the Supreme Court room, which is again being used by the Senate during the remodeling operations.

The improvements in the lower and upper parts of the Chamber, when completed, will present a unity of design and will provide a meeting room for the Senate in keeping with the importance of the deliberations of the legislative branch of the Government.

The Senate Chamber improvements now being effected were planned under the direction of the special Senate committee appointed under Public Law 155, Seventy-ninth Congress; the membership of the committee at present being Senator CHAVEZ, chairman, and Senators GREEN, BYRD, TAFT, and KEM. The plans represent long hours of study and deliberation on the part of the Architect of the Capitol, and the architectural, engineering, air conditioning, lighting, and acoustical consultants engaged by him for the project. The plans were reviewed by the Commission of Fine Arts, at the request of the committee, and were given their full endorsement.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 7240. An act to amend the act entitled "An act to regulate barbers in the District of Columbia, and for other purposes," approved June 7, 1938, and for other purposes;

H. R. 8797. An act to exempt property of the Young Men's Christian Association of the city of Washington (incorporated under the act of Congress of June 28, 1864, 13 Stat. L. 411) from taxation; and

H. J. Res. 516. Joint resolution authorizing the President, or such officer or agency as he may designate, to conclude and give effect to agreements for the settlement of intercustodial conflicts involving enemy property.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1858. An act to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces;

S. 3666. An act to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry;

H. R. 2121. An act to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials;

H. R. 4584. An act to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes;

H. R. 7017. An act authorizing the Secretary of the Interior to issue a patent in fee to Edgar S. Bigman;

H. R. 8230. An act to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the DeSoto National Memorial, in the State of Florida; and

H. J. Res. 434. Joint resolution providing for recognition and endorsement of the California World Progress Exposition.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 7240. An act to amend the act entitled "An act to regulate barbers in the District of Columbia, and for other purposes," approved June 7, 1938, and for other purposes;

H. R. 8797. An act to exempt property of the Young Men's Christian Association of the City of Washington (incorporated under the act of Congress of June 28, 1864, 13 Stat. L. 411) from taxation; to the Committee on the District of Columbia; and

H. J. Res. 516. Joint resolution authorizing the President, or such officer or agency as he may designate, to conclude and give effect to agreements for the settlement of intercustodial conflicts involving enemy property; to the Committee on Foreign Relations.

NOMINATION OF LT. GEN. FRANK W. MILBURN

Mr. TYDINGS. Mr. President, as in executive session, I ask unanimous consent to report from the Committee on Armed Services and to request the immediate consideration of the nomination of Maj. Gen. Frank William Milburn for appointment as a corps commander, with the rank of lieutenant general, and as a lieutenant general in the Army of the United States. I have been requested by the Defense Establishment to expedite this matter in every possible way, so that General Milburn may begin an important assignment to which he will immediately be sent upon the confirmation of his nomination.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nomination is before the Senate.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CAPEHART. I should like to join in the request for unanimous consent for the purpose the Senator from Maryland has stated, because I personally know General Milburn. He comes from one of the counties, Dubois County, in my home State of Indiana, and he is a fine gentleman and a fine soldier.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

The VICE PRESIDENT. The President will be immediately notified of the confirmation of the nomination, if there is no objection.

Mr. DONNELL. I object.

The VICE PRESIDENT. The Senator from Missouri objects to the immediate notification of the President of the confirmation.

Mr. LODGE subsequently said: Mr. President, let me say that I was delighted to join in voting for confirmation of the nomination of General Milburn, with whom I served during the war, and who is in every way a splendid officer.

STATEMENT BY MINORITY MEMBERS OF FOREIGN RELATIONS COMMITTEE ON FOREIGN POLICY IN EUROPE AND ASIA

Mr. LODGE. Mr. President, I have sought the floor today in order to make a few comments concerning some of the remarks which were made in the Senate yesterday on the statement by the minority members of the Foreign Relations Committee, which was published in Monday morning's newspapers.

To be perfectly candid, Mr. President, I was somewhat surprised at the tone which some of those comments took. In fact, I could not help wondering whether some of those who made the comments had read the statement through to its end, because if they had, I think they

would have been bound to come to the conclusion that the statement was essentially a constructive one.

Of course it did make a few criticisms of things which had happened in the past, but it did not make them in any spirit of digging up old scandals; it did so solely with a view to learning from the errors of the past, so that we would be more accurately guided in the future.

I felt that the headline should have indicated that the statement was asking for "Victory against aggression" that is one big point in the statement. It seemed to me that another headline for the statement should have been "Regain the initiative which we lost in 1945." I think those two constitute an accurate summary of what was contained in the statement.

Lest anyone think I might be prejudiced with respect to the statement, I should like to read a few words which appeared in an editorial in the New York Times of this morning. I believe that the New York Times is listed as an independent Democratic newspaper, and that its detachment and objectivity in the field of foreign relations command rather universal respect. Later, I shall ask that the entire editorial be printed in the RECORD, but at this point I should like to read a few excerpts from it.

The editorial speaks of the differences of opinion on foreign policy, and then it says:

Indeed, this conflict can even lead to highly constructive results if it produces a dispassionate analysis of our past mistakes, a clearer realization of what must now be done, and a greater degree of agreement on doing it.

In that respect, the statement of the Republican members of the Senate Foreign Relations Committee is not without merit. It urges first of all united support for President Truman's action in Korea. It endorses the Truman doctrine, the Marshall plan, and the North Atlantic Treaty as products of strong bipartisan leadership and calls for an even stronger bipartisan foreign policy based on support of the United Nations and the speedy correction of our military weakness. It is just as strong for arming our allies and promoting the powerful unity of the free nations to halt lawless aggression and Communist slavery.

These are all propositions which are also part of President Truman's program—

I hope Senators will pay particular attention to this statement in the editorial—

and the Democrats in general and Mr. Truman in particular will make a grave mistake and render a disservice to the country if in the interest of politics they reject the support offered or renew their efforts to force the Republicans into a mere "me-too" position. On the contrary, this statement of Republicans primarily concerned with our foreign policy calls for new efforts to establish even closer bipartisan cooperation to hammer out a broad-gaged foreign policy and program which will meet the exigencies of the situation and will also win the acclaim of both a united nation and the whole free world.

This can and should be done irrespective of differences regarding the past which must not despoil the future. Even regarding the past the differences are more artificial than real. For, though the Republicans are able to criticize Yalta and Potsdam and even our far eastern policy with all the wisdom of hindsight, and the Democrats feel compelled to defend indefensible mistakes, the fact remains that the responsibility for what has happened falls to a large extent on both parties and on the Nation as a whole. It is, indeed, true, as the Republican statement says, that the major tragedy of our time is due to the failure of American leadership to recognize in time the true aims and methods of the rulers of Soviet Russia, in consequence of which we made greater concessions in both policy and strategy than were necessary.

Mr. President, that is all I shall read from the editorial; but I now ask unanimous consent that the entire editorial be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KOREA AS AN ELECTION ISSUE

It is now evident that the events in Korea, in consequence of which American troops are fighting for the first time under the United Nations flag to stop Communist aggression, are not only the great international issue of the moment but are also destined to become the main issue in the congressional and State elections this fall. Both Democratic and Republican organizations are already basing their campaigns on it and are issuing rival statements seeking to put responsibility for that war on their opponents. The Democrats attribute the war to the isolationist and "false economy" blocs, led mainly by Republicans. The Republicans, whose point of view is most succinctly expressed in the statement issued by the Republican members of the Senate Foreign Relations Committee, lay it to the whole "tragic policy" pursued by the Democratic administrations for the last 5 years and accuse the latter of having given the Kremlin a green light to grab whatever it could in Europe and in Asia.

This purely political fight, which has already split the formerly unanimous Senate Foreign Relations Committee and threatens to split the country in the midst of war and defense preparations, is more than regrettable. It will scarcely boost morale either at home or among our troops, and if carried to excess it could easily impair the effectiveness of the Nation. But in the absence of all-out war and in view of our democratic institutions, it is difficult to see how such a contest can be avoided. Indeed, this conflict can even lead to highly constructive resuults if it produces a dispassionate analysis of our past mistakes, a clearer realization of what must now be done, and a greater degree of agreement on doing it.

In that respect the statement of the Republican members of the Senate Foreign Relations Committee is not without merit. It urges first of all united support for President Truman's action in Korea. It endorses the Truman doctrine, the Marshall plan, and the North Atlantic Treaty as products of strong bipartisan leadership, and calls for an even stronger bipartisan foreign policy based on support of the United Nations and the speedy correction of our military weakness. It is just as strong for arming our allies and promoting the powerful unity of the free nations to halt lawless aggression and Communist slavery.

These are all propositions which are also part of President Truman's program, and the Democrats in general and Mr. Truman in particular will make a grave mistake and render a disservice to the country if in the interest of politics they reject the support offered or renew their efforts to force the Republicans into a mere "me too" position. On the contrary, this statement of Republicans primarily concerned with our foreign policy calls for new efforts to establish even closer bipartisan cooperation to hammer out a broad-gaged foreign policy and program which will meet the exigencies of the situation and will also win the acclaim of both a united Nation and the whole free world.

This can and should be done irrespective of differences regarding the past which must not despoil the future. Even regarding the past the differences are more artificial than real. For, though the Republicans are able to criticize Yalta and Potsdam, and even our Far Eastern policy with all the wisdom of hindsight, and the Democrats feel compelled to defend indefensible mistakes, the fact remains that the responsibility for what has happened falls to a large extent on both parties and on the Nation as a whole. It is, indeed, true, as the Republican statement says, that the major tragedy of our time is due to the failure of American leadership to recognize in time the true aims and methods of the rulers of Soviet Russia, in consequence of which we made greater concessions in both policy and strategy than were necessary. But these concessions were endorsed at the time not only by the party in power but also, and especially, by our military leaders, and by the Nation as a whole, in the supposed interest of victory and peace. Nor was the United States alone in that attitude. The British Labor Party came to power on the plea that it could get along with Stalin, and one of the first acts of General De Gaulle after French liberation was to rush to Moscow to conclude an alliance with the Soviets.

Moreover, our present difficulties do not stem from Yalta and Potsdam alone, but even more from the Soviet perfidy in violating the pledges given there. And this violation was made possible only by the precipitate demobilization of our military forces compelled by an almost universal popular clamor to "bring the boys home," in which both Democrats and Republicans joined. Even in respect to the Far East, though the Republicans always criticized the administration's policy there, they never indicated willingness to vote the funds necessary to make any other policy feasible. They should not at this time seize on it, or any past mistakes, to weaken our war effort or to undermine both our unity and that of the free world as a whole.

Mr. LODGE. Mr. President, now I should like to read certain excerpts from the statement on foreign policy made by the minority members of the Foreign Relations Committee; and then I should like to put it up to Senators and to the ladies and gentlemen of the press who are here—and I shall ask them candidly—whether these are not essentially constructive recommendations.

I now quote from the statement:

The President's decision to sustain, by military action, the stand of the United Nations against aggression in Korea must receive united support. But the liberation of Korea and the mere building of strength to resist aggression are, by themselves, not enough.

We shall not sleep peacefully at night until our Government's policy is based on the full realization that world domination by communism is still the goal of the Kremlin. It will continue to be the goal until the free nations of the world, each contributing its fair share, realistically join together through the United Nations to establish peace in a free world.

We must reassure the world of our constant desire and readiness earnestly to search for and consider any and all proposals for peace based on justice.

The United States must, therefore, regain the initiative and the power for the organization and preservation of lasting peace, which it threw away in 1945.

There is no mention there of either Democrats or Republicans.

I continue reading the excerpt from the statement by the minority members of the Committee on Foreign Relations:

This means that the present intolerable military weakness of the free world must be remedied by us and our friends at top speed.

Is there anyone here who will disagree with that?

Never again must we allow ourselves to be caught, as we were when Korea was invaded, in a position where our failure to foresee the possible implications of our basic foreign policy will result in our being inadequately prepared to carry out that policy in time of crisis.

In this crisis there can be no politics as usual or business as usual. This is fundamental.

Once we regain the initiative, we can then redouble our efforts through the United Nations (1) to establish a realiable program of international inspection and control of atomic activities; (2) to halt lawless aggression of the strong over the weak and the slavery which communism inflicts upon its victims; and (3) to pursue every effective means to give greater strength to the United Nations as a powerful force able to prevent aggression in the world, urging that, if lesser means are unavailing in this effort, a special session of the General Assembly be called to amend the United Nations Charter, as proposed in the Vandenberg resolution of 1948.

These things need not mean bloodshed and war. They ought to prevent war. They do mean, however, the powerful unity of the free nations acting in enthusiastic concert.

In place of ineptitude, American strength and integrity must become the major encouragement for purposeful unity among those peoples who, possessing freedom themselves, seek to extend it to others. Then, and only then, will the military victory and the moral leadership which we achieved in 1945—and then lost in that same year—be translated into concrete results for humanity.

Then the statement concludes in this way:

Our aims should be thought out now and translated into major long-range American policy consistent with our human and material resources. Without such major aims we cannot expect the maximum effort either from ourselves or from other peoples. Great sacrifices require great objectives. We must not wait until the present crisis is over and then fumble the ball of international peace because we are not prepared for victory. For the attainment of such aims we will hold the administration strictly responsible.

That is a proper thing to do.

On the basis of honest recognition of past errors, and courageous resolve for the future, we wholeheartedly pledge our unpartisan cooperation to final victory.

Mr. President, it seems to me that candor compels the admission that that is a constructive suggestion. It is a helpful statement. It is made in the spirit of promoting the interests of the Nation. There is no Senator who, during the time he has been a Member of the Senate, has been more consistently an advocate of an unpartisan approach to foreign relations than has the junior Senator from Massachusetts; and I feel the record will support that statement. During the first 2 years of my service, in 1947 and 1948, I gloried in the fact that the Committee on Foreign Relations consistently reported legislation by a vote of 13 to 0. There has been also much nonpartisanship in the committee during 1949 and 1950. I think it is utterly pernicious to attempt to play politics with foreign policy at any time, and particularly so when the Nation is in danger. If there is anything I profoundly believe, it is that politics must cease at the water's edge.

But to be bipartisan about foreign policy does not mean one has to become a yes man. It does not mean he gives up his intelligence. It does not mean he throws away his experience and knowledge. It does not mean he sits there and applauds when mistakes are made. On the contrary, it means that errors are recognized. It means, of course, that while a majority Senator should recognize the errors made by the majority, a minority Senator should not point out an error merely because he is in the minority. He should do it because he is an American.

It means that we should make suggestions, and in this statement we make a suggestion, namely, that the President declare the present struggle to be one for our existence, that it is not just a police action; that it is a struggle not only for the survival of the United States, but a struggle for the survival of the whole free world.

The President has not said that. In his message to Congress, which I studied carefully, as we all did, he made two statements insofar as aims were concerned. One was that we must liberate Korea, which is of course true; and that we must build our strength to resist aggression, which is also true. But we suggest that that is not enough. We suggest that when we ask a young man to make a sacrifice, we ought to give him an objective, and I do not think there is anything wrong about making such a suggestion.

We do not believe we need to be tender with the American people. I have the impression that the everyday American citizen is ahead of the Government here in Washington. He realizes how serious the present situation is. Why are we meeting here now to consider a bill on economic controls? If the present struggle were only a police action in Korea, we would not need to consider economic controls.

I ask Senators to imagine to themselves what would happen if every time the Soviets did a violent thing, such as they have done in Korea, we then proceeded to mobilize, and when the affair in Korea ended and they started talking sweetly to us again, we demobilized, then we waited a year, and again went back to making refrigerators and radio sets, then they socked us on the nose again and we mobilized again. Can one think of anything which would be more effectively designed to destroy the economy of this country and head us into the most complete kind of social chaos than that?

When the Soviets won the initiative, they did not win just the military initiative, they won the initiative in all forms of activity, and we cannot rest easy until we regain the initiative, with all that means.

They may not mean war in the normal sense of the term, where many men wearing one uniform are fighting under one flag opposed to a lot of men in another uniform under another flag. The technique they have developed is much more subtle than that. In one place they will start a civil war. They started a civil war in Korea. In another place, as in Berlin, for instance, they might be able to achieve a great deal without using one Russian soldier, simply by using the civil-war method. In another place they will promote an economic depression and cause as much hardship as possible. In another they will, by conspiracy, try to sabotage the government. They use all methods that are available.

If we merely regard the present struggle as a police action in Korea and are simply going to sit back and wait for another sock on the nose, I think we are failing to meet the challenge of the hour. I do not think we are in a situation in which we must inevitably wait 25 years in order to clean up this mess. I think we might be able to clean it up in 3 or 4 years. But we are not going to do that by having politics as usual and business as usual.

Our statement did not mention the word "Democrat"; it did not mention a single individual by name. It went back into the past to pick out a few errors, in order to chart out a course for the future.

I believe the New York Times is correct, that these suggestions ought to be taken in the spirit in which they are intended, and they should be made the basis of constructive action in the future.

Mr. CONNALLY subsequently said: Mr. President, this morning the junior Senator from Massachusetts [Mr. LODGE] made an address with reference to a statement issued on the 14th of August by the minority members of the Committee on Foreign Relations. I ask unanimous consent to insert at this point in my remarks a statement which I made on August 14. I ask that the statement be printed in the RECORD immediately following the address by the Senator from Massachusetts.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PRESS STATEMENT OF SENATOR CONNALLY

The Republican members of the Senate Foreign Relations Committee this morning issued a plain and palpable political statement on foreign policy. It is a document patently intended to influence the coming election.

Foreign policy, up until almost the present time, has been known as a bipartisan or nonpartisan policy. The Republican members of the Foreign Relations Committee, with regard to all major problems, have been consulted and conferred with. Even now they are called into conference.

Former Senator Dulles is a member of the State Department staff and, of course, is consulted regarding all important questions. Senator Dulles was in Korea only a few days before the attack by the North Koreans, and did not report any danger to South Korea at that time.

Of course, as repeatedly stated by the President, the chief objective of the United States is international peace. The best way to get international peace is to have unity at home, instead of quarrelsome and pettifogging attacks on the Administration by Republicans. Of course, the statement drags out the threadbare topics of Yalta and Potsdam. What we are concerned with, however, is the present. We want to solve the problems that now face us. We want to face the problem of winning the war in

Korea. We do not want the world to witness political and partisan quarrels in the United States between the "outs" and the Administration.

Of course, the statement, as most Republican political documents, complains of the "blunders" in which they participated at the time, but now criticize and attack. The statement calls for united support of the United Nations against aggression in Korea. The Republicans can best demonstrate that clarion call by themselves standing united with the Administration against aggression in Korea. The President and the Administration and the Democrats in Congress are for resisting aggression in Korea; they are for world peace; they are for unity at home and in the United Nations.

The roll will be called. Let those who favor an aggressive policy against communism, against aggression in Korea and against political disunity and political agitation stand up and be counted. What will the answer to the roll call be by the group who issued the political statement purely for political purposes, purely as a document of complaint and quarrelsomeness?

ONE-YEAR ENLISTMENTS IN THE ARMED SERVICES

Mr. GURNEY. Mr. President, I have been asked by the Committee on Armed Services to ask for action as quickly as possible on a measure which is necessary in support of the Armed Forces' effort, because of the Korean situation.

For more than a year now the military authorities have not been accepting one year enlistments. In fact, in the last appropriation bill, a year ago, funds were not asked for or provided to take care of the 1-year enlistments.

At the present time, under the laws on the books, a young man 18 years old could present himself for enlistment, and the military forces would find themselves unable to take him in, for they do not have training units left to handle such cases. It was the thought of the committee that that provision in the law put the Armed Forces at a disadvantage, and that it should be immediately repealed. After a thorough study, it was decided that the best way to handle it would not be to break down the present manpower legislation piecemeal but, rather, to suspend the provision for 1-year enlistments until the expiration of the present selective-service law, which is July 9, 1951. Prior to July 9 next year, that law will have to be revamped and extended in accordance with the conditions confronting us at that time.

Therefore, Mr. President, I ask unanimous consent that the Senate temporarily lay aside the unfinished business and proceed to consider Calendar No. 2266, Senate bill 4027. I request its immediate consideration.

The VICE PRESIDENT. The clerk will report the bill by title.

The LEGISLATIVE CLERK. A bill (S. 4027) to amend the Selective Service Act of 1948, as amended, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MAYBANK. Reserving the right to object, I want to say to my good friend the distinguished Senator from South Dakota that, as he knows, I have always supported the armed services, but the bill which we have before us, Senate bill 3936, is as great an aid to the armed services as is any other bill. So far as I have been able to ascertain, no Senator on this side of the aisle intends to speak on Senate bill 3936. I understand that on the other side of the aisle there may be a few Senators who desire to speak on amendments to the bill. Last Friday afternoon every Senator was given an opportunity to speak. I realize, of course, that every Senator has a right to speak on any occasion, but Senate bill 3936 is so necessary for the armed services that I think we should finish it as soon as may be possible. The minority leader may know of some speakers on his side, but there are Senators on this side who have asked to speak. There are some amendments which have to be considered. I think it would be a terrible mistake to lay aside the consideration of Senate bill 3936. I only invite the attention of the Senator from South Dakota to the fact that the bill has been before us since July 19.

Mr. GURNEY. Mr. President, I should like to say to the Senator that this bill was reported unanimously. It is very necessary that it be passed. I do not think there will be any debate whatsoever. I think it can be passed in 30 seconds if the Senator will not object.

Mr. MAYBANK. I appreciate what the Senator says, but there are certain titles of Senate bill 3936 which also were reported unanimously.

The VICE PRESIDENT. The Chair would suggest that if debate on the bill of the Senator from South Dakota is prolonged the Senator from South Carolina can call for the regular order at any time.

Mr. MAYBANK. I want the Senate to realize that titles I, III, VI, and VII were unanimously reported. I shall not hold up any armed services bill, but what I want the Senator from South Dakota to do is to join me in passing the pending bill, which will have more effect on the armed services than will the bill in which he is so much interested.

Mr. GURNEY. Mr. President, if there is debate, I shall withdraw my request, but I do ask for the immediate consideration and quick passage of Senate bill 4027.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 4027) to amend the Selective Service Act of 1948, as amended, and for other purposes, which had been reported from the Committee on Armed Services with amendments, in line 7, after "suspended" to insert "until July 9, 1951," and in line 10 to strike out "repealed" and to insert "suspended until July 9, 1951."

Mr. WHERRY. Mr. President, I do not want to delay the Senate 1 minute, but I should like to have an explanation of what the amendments do to this bill.

Mr. GURNEY. Mr. President, instead of repealing section 2, which allows 1-year enlistments, it suspends that provision until the date on which the Selective Service Act expires, which is July 9, 1951. That will allow Congress to consider the enactment of additional legislation at some time prior to July 9, 1951.

Mr. WHERRY. Why is that needed at this time?

Mr. GURNEY. Because the military forces are not now in position to accept 1-year enlistments for training purposes only where there is no responsibility to serve outside the United States. The men who are coming in now must serve wherever they are needed.

The VICE PRESIDENT. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of subsection (g) of section 4 of the Selective Service Act of 1948 (62 Stat. 604, 608), as amended, authorizing and directing the Secretaries of the Army, the Navy, and the Air Force to accept enlistments for periods of 1 year, are suspended until July 9, 1951.

SEC. 2. Subsection (h) of section 4 of the Selective Service Act of 1948 (62 Stat. 604, 608), as amended, is suspended until July 9, 1951.

STUDY OF FUEL RESERVES

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without additional amendment, Senate Resolution 239, providing for a study of fuel reserves, and I submit a report (No. 2360) thereon. I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. The clerk will read the resolution.

The legislative clerk read the resolution (S. Res. 239), as follows:

Resolved, That the Senate Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is authorized and directed (1) to make a full and complete investigation and study of the available fuel reserves of the United States and the present and probable future rates of consumption thereof; (2) to formulate a national fuel policy to meet the needs of the United States in times of peace and war, such policy to include the use of all fuels and energy resources except atomic energy; (3) to study and recommend methods of encouraging developments to assure the availability of fuels adequate for an expanding economy and the security of the United States; and (4) to report to the Senate at the earliest practicable date, not later than September 15, 1950, the results of its investigation and study together with its recommendations.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 239), submitted by Mr. MYERS on March 15, 1950, and reported from the Committee on Interior and Insular Affairs on July 31, 1950, with amendments.

The first amendment was, on page 2, line 2, to strike out "September 15, 1950" and insert "January 3, 1951."

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment.

The next amendment was, in line 13, page 2, to strike out "$100,000" and to insert "$20,000."

Mr. WHERRY. Mr. President, with reference to that amendment I should like to ask the distinguished chairman of the committee as to the scope of the investigation.

Mr. O'MAHONEY. Mr. President, let me say that three resolutions were submitted to the Senate. One was a joint resolution which, as chairman of the Committee on Interior and Insular Affairs, I introduced at the request of the executive, to establish a special commission to make a study of coal. Another was a resolution offered by the Senator from Minnesota [Mr. HUMPHREY] with numerous colleagues, which also proposed to establish a special joint executive and legislative committee to study the fuel situation. The third was a simple Senate resolution offered by the Senator from Pennsylvania [Mr. MYERS] providing for a study of the entire fuel problem. That resolution called for an appropriation of $100,000 and for a report, as I recall, before the end of September of this year. The committee felt it would be preferable to report the Senate resolution in the belief that more expeditious action could be obtained, because there would not be any necessity of selecting individual members of a commission from among the public. The appropriation was reduced from $100,000 to $20,000 because the committee required a report by the beginning of January, and it was the belief that a small staff could make a survey of the situation in cooperation with the Legislative Reference Service of the Library of Commerce, and do the job more economically than it could otherwise be done.

Mr. WHERRY. Is it the intention simply to compile a study of the investigations which have been made?

Mr. O'MAHONEY. No. Hearings will be held.

Mr. WHERRY. In the field?

Mr. O'MAHONEY. In the field, undoubtedly.

Mr. WHERRY. I thought that was the intention, because $12,000 of the $20,000 appropriation has been set aside for traveling expenses.

Mr. O'MAHONEY. Yes; that amount was set aside.

Mr. WHERRY. Does this duplicate the work of any other committee? There was a study of the impact of the importation of fuel oil on the coal industry. I am not sure whether the committee handling that study has terminated its work.

Mr. O'MAHONEY. The Senator from Nebraska, I think, was a member of that committee.

Mr. WHERRY. Yes. Is that committee defunct?

Mr. O'MAHONEY. Yes. The final report of that committee was filed in January 1947, as I recall.

Mr. WHERRY. I was on the committee in 1948.

Mr. O'MAHONEY. Then it must have been the Small Business Committee.

Mr. WHERRY. The Small Business Committee also went into the matter. Does this in any way overlap the work of any committee which is now operating?

Mr. O'MAHONEY. It does not. The committee of which the Senator from West Virginia is chairman has already filed its report.

Mr. WHERRY. Is the committee through its work, then?

Mr. O'MAHONEY. That is my understanding.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The resolution (S. Res. 239) as amended, was agreed to, as follows:

Resolved, That the Senate Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is authorized and directed (1) to make a full and complete investigation and study of the available fuel reserves of the United States and the present and probable future rates of consumption thereof; (2) to formulate a national fuel policy to meet the needs of the United States in times of peace and war, such policy to include the use of all fuels and energy resources except atomic energy; (3) to study and recommend methods of encouraging developments to assure the availability of fuels adequate for an expanding economy and the security of the United States; and (4) to report to the Senate at the earliest practicable date, not later than January 3, 1951, the results of its investigation and study together with its recommendations.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable, and is authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of any of the departments or agencies of the Government. The expenses of the committee under this resolution, which shall not exceed $20,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

PROTECTION OF INTERNAL SECURITY OF THE UNITED STATES

Mr. MAGNUSON. Mr. President, I ask unanimous consent to submit a resolution.

The VICE PRESIDENT. Without objection, the resolution will be received.

The resolution (S. Res. 328), submitted by Mr. MAGNUSON, was read, as follows:

Whereas the people of the United States have established and maintained a democratic government dedicated to the protection of their inalienable rights as individuals; and

Whereas the people of the United States realize that such a government must be given every protection against any effort, internal or external, to change its form and purpose by force and violence, and are willing to give their Government such protection; and

Whereas an integrated and effective body of law is necessary to provide such protection: Now, therefore, be it

Resolved, That the Senate Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation and study of—

(a) existing statutes, practices, and procedures relating to the internal security of the United States in times of peace, times of war or threatened war, and times when the United States, as a member of the United Nations, is engaged in action taken pursuant to her obligations as a signatory to the charter thereof, or pursuant to obligations inherent in a legally adopted resolution of such United Nations; and

(b) legislation needed to give the best possible protection to the internal security of the United States and the individual rights of the citizens thereof at all such times.

SEC. 2. The committee shall report its findings, together with such recommendations as it may deem advisable, to the Senate at the earliest practicable date, but not later than June 1, 1951.

SEC. 3. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. MAGNUSON. Mr. President, several bills on this subject are pending in Congress, including the Mundt-Nixon bill and several others, which are before the Judiciary Committee, and an investigation has been made by a subcommittee of the Committee on the Judiciary on laws pertaining to disloyalty in times of peace. We find we have several laws pertaining to disloyalty and internal security in time of war, but we have none to cover such subjects in times of peace. Some of the bills deal with the specific problem of internal disloyalty, but none takes into consideration the question of individual rights. The whole field of civil liberties is involved in the subject. I have no objection to any of the pending bills, and I have already voted for some of them. Many of them are desirable. However, I think the whole question should be gone into in a very serious legal sense, because I think it is high time that we reviewed the whole field of civil liberties as it pertains to democracy.

Mr. WHERRY. Is the resolution offered with the idea that a study would be made now and a report made to the next session of the Congress? Is it the intention to introduce a bill now, or is it simply the intention to investigate, along the line of what has already been done, with the idea of introducing a bill before Congress recesses or adjourns?

Mr. MAGNUSON. The resolution has no connection with pending legislation. I have submitted the resolution because of pending legislation. The Committee on the Judiciary could go ahead now with its investigation. It was my thought that we could do what we did originally when we took up the question. At that time we called in some of the distinguished members of the American Bar Association to present their views as to the whole field of civil liberties. I think it is high time that Congress took such a step as the resolution proposes. The Committee on the Judiciary is well qualified to undertake the work. I do not wish to interfere with pending bills which strike at specific problems.

Mr. WHERRY. Dealing with internal security?

Mr. MAGNUSON. Or as in the case of the waterfront security bill which was passed last week.

Mr. WHERRY. Would the resolution in any way cause an investigation of the provisions of the Mundt-Ferguson bill?

Mr. MAGNUSON. Not unless Congress took action to refer it to such a committee.

Mr. WHERRY. Of course, I realize that it would be thoroughly discussed wherever it were referred, but I should

like to know whether it was the intention of the Senator from Washington to correlate all the bills which strike at various problems of internal security, such as the Mundt-Ferguson bill, and to have a bill on the subject considered before Congress adjourns, or is it the intention to make a report to the next Congress?

Mr. MAGNUSON. There is no outline, but I will say that there is no intention to interfere with necessary internal security bills which must be passed now to meet specific problems. It is very desirable to pass whatever legislation is needed now, but we should go into the whole question of internal security and civil liberties from a legal standpoint.

The VICE PRESIDENT. The resolution will be referred to the Committee on the Judiciary.

INVESTIGATION OF CAUSE OF EXISTING CEMENT SHORTAGE

Mr. LANGER. Mr. President, I ask unanimous consent to submit a resolution.

The VICE PRESIDENT. Without objection, the resolution will be received.

The resolution (S. Res. 329) submitted by Mr. LANGER was read, as follows:

Resolved, That the Senate Committee on Agriculture and Forestry or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study and investigation of the existing cement shortage with a view to ascertaining the causes for such shortage. In the conduct of such investigation special attention shall be given to determining (1) whether large amounts of cement are being withheld pending further price increases or by any Government agency, and (2) whether such shortage appears to be the result of unlawful actions on the part of any group or groups.

SEC. 2. The committee shall report its findings, together with its recommendations for such legislation as it may deem advisable, to the Senate at the earliest practicable date but not later than January 15, 1951.

SEC. 3. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable, and is authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of any of the departments or agencies of the Government. The expenses of the committee, under this resolution, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. LANGER. Mr. President, I may say that the shortage of cement is very acute. We are unable to get any cement in the northwestern part of the United States. When I discussed the matter with the Senator from Iowa [Mr. GILLETTE], who is chairman of a subcommittee investigating increases in prices, he said his committee had no authority to go into the subject. Therefore I am submitting the resolution to give the subcommittee authority to investigate cement.

The VICE PRESIDENT. The resolution will be referred to the Committee on Banking and Currency.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Virginia [Mr. ROBERTSON], which will be stated.

The LEGISLATIVE CLERK. On line 1, page 45, after the words "specified above", it is proposed to insert: *"Provided*, That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing."

Mr. WHERRY. Mr. President, may I inquire whether the amendment has been printed?

Mr. ROBERTSON. It has been printed. It was submitted last week. It is amendment lettered "W." The language was copied from the former OPA law, and it is incorporated in the House bill. While it is somewhat in line with the amendment offered by the Senator from South Carolina [Mr. MAYBANK], as amended by the Senator from Nebraska, which was adopted yesterday, it covers processing of all farm products. The provision was contained in the law last year, and it is contained in the House bill this year.

Mr. WHERRY. Is this the amendment regarding which I engaged in colloquy with the distinguished chairman of the committee?

Mr. MAYBANK. It is.

Mr. WHERRY. There is nothing in the amendment pertaining to producers?

Mr. ROBERTSON. It contains only what was in the law.

Mr. WHERRY. I have no objection.

Mr. ROBERTSON. I can argue the amendment if there is any need for me to do so.

Mr. WHERRY. I am in favor of the amendment.

Mr. ROBERTSON. I wish to make a short supplemental statement. After the distinguished Senator from Indiana [Mr. CAPEHART] made his proposal on yesterday I planned to offer an amendment relating to a prohibition against requiring grade labeling, and had a provision relating to it drawn up. However, this morning I find that the Senator from Ohio [Mr. BRICKER] had an amendment dealing with grade labeling, which is in exactly the form in which I had proposed to offer an amendment. He has submitted the amendment at a more appropriate place in the bill than it would have come under my proposed amendment. Therefore, I shall not offer my amendment. I shall support the amendment when offered by the Senator from Ohio.

I closing, I wish to emphasize what the chairman has already stated, namely, that he has no more requests from the Democratic side to speak on the bill, and so far as I know there are no further requests from the Reupblican side to speak on the bill.

Mr. WHERRY. Did the Senator say there were no requests from the Republican side to speak on the bill?

Mr. ROBERTSON. The chairman had no requests from the Democratic side to make a general speech on the bill. So far as I know he has had no requests from any Republican Member to make a general speech on the bill.

Mr. MAYBANK. I should like to have an opportunity to say a word with reference to the subject. No one on the Democratic side had requested any further time to speak on the bill, and no further request had come from the other side of the aisle when the Senate recessed on Friday afternoon at 3 o'clock. At that time we could not get any additional speakers. This morning the distinguished Senator from Nebraska said the Senator from Massachusetts [Mr. LODGE] wanted to speak on it today, but there had not been anyone else who had asked him for time to speak on the bill.

Mr. WHERRY. Mr. President, that is exactly correct, but I do not want the impression to be created that there will not be requests for a chance to make speeches on this side of the aisle, on the bill, or the amendments to it, because I know there will be before the bill is passed.

An amendment is being framed, I think, regarding court procedure, a question which was brought up last night by the distinguished Senator from Oregon [Mr. MORSE]. Possibly that amendment will be so framed that it will be satisfactory, or an explanation will be made.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. We never discussed amendments which are to be proposed. I merely made a general speech on the bill.

Mr. WHERRY. That is correct, and possibly other general speeches are to be made, as they have been made.

Mr. MAYBANK. That is correct.

Mr. WHERRY. But I submit that when all the amendments to the committee amendment which have been offered by the distinguished chairman and other Senators, such as the distinguished Senator from Virginia, have been acted on, and when we start in with the amendments being offered from the floor—already I have counted 29, and many of them are not printed—some speeches may be made.

Mr. ROBERTSON. Mr. President, I wish to repeat what I previously stated. The chairman of the committee has received no requests for opportunity to make general speeches on the bill, and, so far as I know, up to this time, he has received no requests as to general speeches on the Republican side. I did not mean to intimate that there would not be speeches on the Republican side. As a matter of fact, I heard this morning that a movement was under way to put off action on the bill until some time next week.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. WHERRY. That did not come from the Republican side of the aisle. I am speaking for the Republican side now. The Republican side is ready to proceed with the bill, and we are ready to try to enter into a unanimous consent agreement which will be acceptable to the Members of the Senate. The Republicans in Congress wanted to have an explanation of the bill; we have had a fine explanation of it, and the prevailing sentiment has been that we should proceed in as orderly a manner as possible and try to have an early disposition of the bill. I am satisfied that the distinguished junior Senator from Ohio [Mr. BRICKER], who has charge of the bill for the minority, will verify that statement.

Mr. BRICKER. Mr. President, if the Senator will yield, what the Senator from Nebraska has said is accurate.

Mr. MAYBANK. If the Senator will permit me, the Senator from Nebraska told me he would like to finish the consideration of the bill as soon as possible. When do Senators think we can reach an agreement?

The VICE PRESIDENT. The Chair suggests that the Senator from Virginia has the floor.

Mr. ROBERTSON. If my colleagues will permit me to finish the brief statement I am going to make, I shall then yield the floor.

Mr. WHERRY. I do not care for the floor, but the distinguished Senator from Virginia made some observations which I want the RECORD to show, so far as our side of the aisle is concerned, do not represent the feeling on this side. I say that with all kindness to the distinguished Senator. I am satisfied that if the Senator will stay with us, and we quit talking and go to voting, that will be the quickest way to make progress on the bill.

Mr. ROBERTSON. I agree with that. I did not make any charges against the Republican side, or against anyone in particular. I merely said I heard a rumor today that a movement was under way to prevent a vote on the bill this week. I certainly heard the rumor. I am glad to have the assurance of the distinguished minority leader that that did not originate on his side of the aisle.

I wish to emphasize that yesterday, after I had made a little plea that business be expedited, and that speeches be confined to the bill, at least one-third of the time was spent in a discussion of our relations with China, and of course that is important; a discussion of the Mundt-Ferguson bill, and of course that is important; and discussion of some other questions which were of importance. A good deal of time was consumed during which we could have been acting on amendments.

When we met this morning the proceedings were opened with an interesting discussion of the Korean war; and of course that is important.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. WHERRY. The discussion on the Korean war was started by a Senator on the other side of the aisle yesterday.

Mr. ROBERTSON. I could not control it, but I certainly do not commend those who inject any extraneous issues into the consideration of the pending question.

Mr. President, the pending bill is an important measure. As I said on yesterday, time is of the essence. This is a war measure, we need it enacted now, and we should act on it as soon as possible. We are met with delays, first one thing and another. A little while ago there were 18 or 20 Senators present. Then the number dropped down to 14, and now it is down to less than 12, perhaps less than 10. It is difficult to know, with all the amendments pending, when we are going to debate them and finish them.

Mr. President, I have already observed a movement on the part of everyone who is going to be affected by the bill to come forward and push an amendment in our faces, saying, "Take care of me with this amendment." If this matter is strung out for an unnecessary length of time, we are going to have amendments from every source, from every factory that is being affected, with a plea to insert some provision that will take care of them. If we yield to those pleas, we will have to vote on amendments which have not been studied by the committee, on which we have not had expert advice, and if we adopt many of them, we will fulfill the prediction made on the floor of the Senate yesterday that we will get the bill in such shape that the Senate will be forced to recommit it to the committee in order to find out what the bill means.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Nebraska.

Mr. WHERRY. I am not sure what amendment the Senator from Virginia is talking about, but certainly he does not want to foreclose Members of the Senate from offering constructive amendments which they feel will strengthen the bill.

For example, the junior Senator from Nebraska offered an amendment yesterday which I think is very helpful, so far as the meat industry is concerned. I have an amendment which I am going to offer to the bill on page 77. The reason why I have not offered it was because I wanted to talk to the Senator from South Carolina to see if he would not offer it, or join with me in offering it. It is an amendment to provide that if the bill goes into effect with voluntary agreements, after the military has taken its supply the civilian distribution will be made through the normal channels of trade. That is not in the bill.

I state to the distinguished Senator from Virginia that the greatest trouble that arose in connection with the last OPA law was that those who had lost their source of supply because of orders of the OPA had to look elsewhere for it, and when they did, they had a very difficult time obtaining their supplies.

Mr. President, I think the amendment is a good, constructive amendment, and I hope it will meet the approval of the Members of the Senate. I am sure the Senator from Virginia would like to have an amendment like that offered so as to make the bill as good a measure as possible.

Mr. ROBERTSON. So far as I am concerned, as an individual member of the committee, I welcome any amendment calculated to improve the bill, because I frankly admit that the bill is not perfect. We did not have a chance to make it a perfect bill. The committee in the House did not hear any witnesses except Government witnesses, and we were approached with the statements such as this, "Rubber is going up, lumber is going up, sugar is running out in the retail stores. Why don't you do something?" The committee tried to consider the bill, so far as we had a chance to, and after the administration leaders had given us what they considered to be a rather carefully prepared bill, we heard the testimony of Mr. Baruch. The country responded. I do not have to tell my colleagues how the country responded to his plea for over-all controls. Then we were forced into the consideration of that question.

Now we have pending before us amendments to strike out titles IV and V. What boots it to stay here amending title IV if we are to strike it from the bill? I do not see why we cannot have an early vote on either striking title IV from the bill or leaving it in the bill. That title involves a matter of general policy on which I assume Members of the Senate have already made up their minds. They either want the stand-by powers with respect to price, wage and rationing controls at the retail and consumer level, or they do not want them. The House did not want them and did not put them in the bill.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Virginia yield to the Senator from Nebraska?

Mr. ROBERTSON. I yield.

Mr. WHERRY. Of course, what the Senator from Virginia says about an early vote is true. But I am sure he will agree with me that the theory on which the Senate must proceed is for Senators to offer amendments to the committee amendment, which is the bill before the Senate. When the bill is perfected, possibly amendments may be offered to titles IV and V. If we should have an early vote on either title IV or title V without the perfecting amendments having been acted upon, some Senators might not vote for the bill itself. Certainly the Senator from Virginia will agree with me that the orderly procedure is to offer amendments to the committee amendment, which is the Senate bill. The committee amendment is the bill itself, and if there are any perfecting amendments to be offered to titles IV and V, they should be offered now. I do not know that any Senator is going to offer any further amendments than those which have been offered to titles IV and V. I have three or four minor amendments which I think will help clarify the bill. I am satisfied the Senator from Virginia will agree that they are constructive amendments, whether he is for them or not.

Mr. ROBERTSON. Mr. President, disclaiming any intention to level any criticism at any individual, or at any

specific amendment, or at any particular procedure, but merely reiterating my earnest hope that we may proceed to consider the bill and vote on it at as early a moment as possible, I hope we can vote on the amendment I have offered, which was a part of the old law and is a part of the House bill, and which, I understand, the chairman of the Committee on Banking and Currency is willing to accept.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. ROBERTSON].

Mr. MAYBANK. Mr. President, the Senator from Virginia made the statement that I was willing to accept the amendment. I do not feel that I can accept any amendment unless the committee meets again and considers it. The committee held a meeting last evening. At that meeting the committee voted 9 to 0 to accept certain amendments. Several Senators have asked me to accept amendments they wish to offer. I made the statement last night that if we amend the bill by accepting amendments offered by every Senator who has an amendment to offer we will get nowhere. I do not believe we can legislate OPA rules on the Senate floor. I appreciate the amendment the Senator from Virginia has offered. At the meeting of the committee held last evening one of the amendments considered was that offered by the Senator from New York [Mr. IVES]. We discussed the amendment fully, and it was agreed that we should accept it as a committee amendment. I agreed to such action.

I make no criticism of my good friend, the Senator from Virginia, or of the minority leader, but if we accept an amendment here and another amendment there we will be swamped with amendments. We cannot legislate on the Senate floor. None of the amendments were brought before the committee during the 2 or 3 weeks it was in session. I admit that yesterday we adopted an amendment which was the language of the old Barkley-Bates bill passed in 1946. It will go to conference. Of course, the Senator from Virginia has a right to call for a vote on his amendment. But the conference committee will have to consider the various amendments and make a report.

The Committee on Banking and Currency made an extensive report respecting what we thought ought to be done about free enterprise and voluntary controls. The Senator from Nebraska has spoken on that subject. The Senator from Ohio [Mr. BRICKER] has an amendment which would turn over all the controls to the Secretary of Commerce. I think that amendment is wrong. I think it was the sense of the committee that the subject of voluntary controls on steel should be left for decision to the Secretary of Commerce. But I do not think any voluntary controls that might be necessary in connection with commodity exchanges and others should be left to decision by the Secretary of Commerce. Certain types of voluntary controls should be left with Secretary Brannan and others who know more about the matters involved than does the Secretary of Commerce. I am sure that Secretary of Commerce Sawyer knows more about steel and control agreements with respect to steel than anyone else, because he has had to deal with such matters before. The other amendments, however, are so complicated that I hesitate to accept any of them.

I may say to my friend from Virginia that I believe much of the work of writing the bill is to be done in the free conference and in the report the free conference committee will make. We cannot accept amendments dealing with lumber, sheep, and hogs and and a great variety of other commodities. We can legislate only respecting the over-all picture on the floor of the Senate.

Mr. President, I hope I have not offended my friend from Virginia by my statement.

Mr. ROBERTSON. Oh, no; Mr. President, the Senator from South Carolina certainly has not offended me. If I have by anything I said indicated that I felt that way, I withdraw the statement.

As a member of the committee of the Senate having the bill under consideration I have offered an amendment which I believed to be a good amendment, the language of which was in the law during the last war. If any Member of the Senate is opposed to it I have not heard him say so. I ask for a vote on my amendment.

Mr. LANGER. Mr. President, has the Senator from Virginia yielded the floor?

Mr. ROBERTSON. I have yielded the floor, but I hope I can secure a vote on my amendment.

Mr. LANGER. I want the floor in my own right, Mr. President.

Mr. ROBERTSON. I have yielded the floor.

PRICES—HOARDING—SHORTAGE OF BOXCARS

Mr. LANGER. Mr. President, I am somewhat startled to hear my distinguished friend from Virginia say that everything is going up, butter, metals, cement, wire, lumber—that everything is going up, and he wants haste to be made in passing the bill. I ask my distinguished friend, What has the Democratic Party been doing ever since and during World War I? World War I came on, and 72,000 new millionaires were created. Everything went up and up and up in price, and the party in power did nothing permanent about it. Not one single law is upon the statute book dealing permanently with the subject of increase in prices. Where has the responsibility to the people of the United States been ever since 1933? Then under the Democratic administration we got into another great war—World War II. We turned over millions and millions of dollars to the Department of Justice and thousands and thousands of lawyers were put upon the payroll, lawyers who were good at drawing up any kind of legislation the Democratic Party wanted. Where are laws providing against hoarding or the upping of prices to farmers and laborers and other consumers, Mr. President? There are none.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. LANGER. I shall not yield now. I did not interrupt the distinguished Senator, and I do not yield now.

This is the record of the Democratic Party. We come into the Korean situation without one single law upon the statute books against hoarding or the charging of outrageous prices to consumers. As my distinguished friend from Virginia said, everything is going up and up and up. After 17 years of Democratic rule, with two world wars having occurred, no legislation has been passed during all the intervening time. The Senator now comes in and overnight he suddenly wants laws passed that are going to control the situation.

But, Mr. President, not only is food going up in price, but in the Northwest we cannot obtain cement. That is why I submitted a resolution a while ago. I shall present another resolution dealing with an investigation of the shortage of box cars. Some 3 or 4 years ago I submitted Senate Resolution 185, and under the leadership of the late Senator Reed, of Kansas, we had a thorough investigation of the subject of box car shortage. In that investigation we found that millions and millions of bushels of wheat and flax and other grains were piled up throughout the Northwest.

Mr. President, I have received a telegram under date of August 10, 1950, as follows:

FARGO, N. DAK., *August 10, 1950.*

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.:

Harvest beginning in North Dakota. Large percentage elevators still carrying large bushelage 1949 crop. Railroads serving State way short of their car ownership. Almost impossible to get cars for loading. American Association Railroads not allotting enough cars to this area. Unless situation relieved much grain will be on ground.

R. F. GUNKELMAN.

That telegram is signed by R. F. Gunkelman, one of the outstanding elevator men of North Dakota.

Mr. President, I took up this matter with the various authorities. After talking it over with Mr. King and the man in charge of the allocation of railroad cars, I sent the following telegram to Mr. Gunkelman:

AUGUST 11, 1950.

R. F. GUNKELMAN,
Fargo:

Reurtel: Interstate Commerce Commission advises situation critical but North Dakota getting their share. They have assured me we will continue to have a fair percentage of the box cars available. Understand military preference takes up some of these. Let me know if situation doesn't improve. Regards.

LANGER.

This morning I received the following letter:

DEAR SENATOR: Your telegram came in this afternoon. The information that the Interstate Commerce Commission gives sounds good but has absolutely no bearings on this situation.

If North Dakota was getting its fair share of cars our western railroads would have 100 percent of ownership on line. The Great Northern, Northern Pacific, and Soo Line own a considerable number of boxcars that would give our farmers the service that they are entitled to during the harvest period.

Mr. President, I may add that other States—Minnesota, Kansas, South Dakota, and Montana—are in exactly the same situation that North Dakota is in. After I received those messages I made an investigation; but all I got from the Interstate Commerce Commission was one excuse after another. They say the situation is so critical that they do not know of anything they can do about it, and that the elevator companies and farmers will simply have to get along as best they can.

The letter from Mr. Gunkelman continues, as follows:

After the harvest is over with, then the percentage of these cars could move on to the eastern railroads and be used there, but it is absolutely ridiculous and indefensible that the Great Northern, Northern Pacific, and Soo Line be under 70 percent of ownership, and that is the report that we have today, while eastern railroads are way above that ownership. The American Railway Association is today hiding behind the alibi of military needs. We have checked into this situation and taken the total number of cars now being used for military purposes and with these subtracted from what our roads are entitled to it would still give us a 91 or 92 percent of ownership. This is a situation that needs attention as most of our elevators are now practically plugged and with the present car situation the large percentage of North Dakota's crop will have to be on the ground when harvest gets under way.

Neither the Interstate Commerce Commission nor the American Railway Association has a leg to stand on in their contention that we are getting a fair share of the car supply, as this is not true and the Northwest public is getting fed up with the kind of treatment we have received the past few years.

Mr. President, I ask unanimous consent that the letter be printed in full at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FARGO, N. DAK., *August 11, 1950.*

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SENATOR: Your telegram came in this afternoon. The information that the Interstate Commerce Commission gives sounds good but has absolutely no bearing on this situation.

If North Dakota was getting its fair share of cars our western railroads would have 100 percent of ownership on line. The Great Northern, Northern Pacific, and Soo Line own a considerable number of boxcars that would give our farmers the service that they are entitled to during the harvest period. After the harvest is over with, then the percentage of these cars could move on to the eastern railroads and be used there, but it is absolutely ridiculous and indefensible that the Great Northern, Northern Pacific, and Soo Line be under 70 percent of ownership, and that is the report that we have today, while eastern railroads are way above that ownership. The American Railway Association is today hiding behind the abili of military needs. We have checked into this situation and taken the total number of cars now being used for military purposes and with these subtracted from what our roads are entitled to it would still give us a 91 or 92 percent of ownership. This is a situation that needs attention as most of our elevators are now practically plugged and with the present car situation the large percentage of North Dakota's crop will have to be on the ground when harvest gets under way.

Neither the Interstate Commerce Commission nor the American Railway Association has a leg to stand on in their contention that we are getting a fair share of the car supply, as this is not true and the Northwest public is getting fed up with the kind of treatment we have received the past few years.

With best personal regards, I am,

Very sincerely yours,

R. F. GUNKELMAN & SONS,
By R. F. GUNKELMAN.

Mr. LANGER. Mr. President, I hold in my hand a newspaper published at St. Paul, Minn. It is the Farmers Union Herald of August 7. The large headline on the first page is: "Boxcar shortage worst in years."

I am sorry there are not on the floor of the Senate at this time more Senators who only a short time ago were voting to give so much money to foreign countries. I wish to call attention to the fact that we have manufactured thousands upon thousands upon thousands of boxcars and have shipped them to one foreign country after another. The investigation made under my resolution showed that we shipped boxcars by the thousands to those countries.

The article on that subject appearing in this newspaper, the Farmers Union Herald, is typical of articles in many of the other newspapers in that area of the country. I shall submit the entire article for printing in the CONGRESSIONAL RECORD, but at this time I wish to call particular attention to the following portions of it:

While there are more cars than at the start of World War II, more than one-third of them are more than 25 years old. For the 2 years ending in June 1949, American railroads built 38,295 boxcars. In the same period, however, they junked 62,518. That left us with about 20,000 boxcars less than we had 2 years ago. And that is what is going to make the boxcar situation acute for farmers in the Northwest this fall.

Railroads themselves have estimated that it would take 10,000 new cars a month for a long period of time to build up essential facilities.

But they say that they have not got the money. At least two of the Nation's mammoth insurance companies, with millions in their vaults, have offered to build up to 100,000 boxcars and lease them to the railroads.

The insurance companies say that the rentals would give them a better return than their present investments. But so far the railroads have not taken to these proposals.

The net result is a serious lack of sturdy boxcars at a time when the Nation is in sore need of them.

Mr. President, I ask unanimous consent to have the entire article printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BOXCAR SHORTAGE WORST IN YEARS

With movement of the Northwest grain harvest close at hand present indications are that the shortage of railroad boxcars this year will be the worst in many years.

Some country elevators already are reported plugged and many others may be before many weeks have passed. Farmers who want to move redeemed loan grain to clean out their bins for the new crop are going to find it tough going. And country elevators that want to move grain into the terminal markets are going to find boxcars are scarce as hen's teeth.

The American Association of Railroads will have a hard time explaining the shortage in view of the actual facts. There will be the old excuses that boxcars are in the Southwest hauling winter wheat or that they are in the East hauling war supplies. Those were the excuses when the situation was serious in the past. The association only recently stated that "it is anticipated that boxcar requirements for the spring wheat area will be taken care of satisfactorily." But a simple obscure statement like that does not actually produce boxcars.

The plain fact is that there are not enough boxcars to handle the Nation's needs.

While there are more cars than at the start of World War II, more than one-third of them are more than 25 years old. For the 2 years ending in June 1949, American railroads built 39,295 boxcars. In the same period, however, they junked 62,518. That left us with about 20,000 boxcars less than we had 2 years ago. And that is what is going to make the boxcar situation acute for farmers in the Northwest this fall.

Railroads themselves have estimated that it would take 10,000 new cars a month for a long period of time to build up essential facilities.

But they say that they have not got the money. At least two of the Nation's mammoth insurance companies, with millions in their vaults, have offered to build up to 100,000 boxcars and lease then to the railroads.

The insurance companies say that the rentals would give them a better return than their present investments. But so far, the railroads have not taken to these proposals.

The net result is a serious lack of sturdy boxcars at a time when the Nation is in sore need of them.

Mr. LANGER. So, Mr. President, we have another result of incompetency on the part of the Interstate Commerce Commission and another record of incompetency on the part of the Democratic administration. Apparently the farmers of every country in the world are being taken care of, except the farmers of the United States. When we had the investigation under Senate Resolution 185, the Interstate Commerce Commission and the Democratic administration had full notice of what the farmers in the Northwest had to do. I remember that at those hearings the distinguished Senator Capper rose and pleaded for more boxcars. I remember that when that meeting was held under the leadership of the late Senator Clyde Reed, we got the promise of the Interstate Commerce Commission to take care of the boxcar-shortage situation. That meeting was attended by more than 500 persons, including representatives of all the large farm organizations and representatives of one railroad commission after another. At the meeting was Mr. J. Monroe Johnson, who at that time was in charge of transportation in the United States of America, and now is a member of the Interstate Commerce Commission. However, instead of getting the improvement that an administration which had at heart the welfare of the farmers of the Northwest would have brought about, we have had a situation which has deteriorated from that

time until now, until today the situation in respect to boxcars is that we have 20,000 less boxcars than we had during World War II.

Mr. President, as I say, I am submitting the resolution. I do not know how much good it will do. If we cannot get into public offices for which the salaries were raised, a short time ago, men who will do the job, instead of going to parties, how can we expect to obtain results and get the job done?

Where has Mr. Brannan been, Mr. President; where has the Secretary of Agriculture been? Why has not he been on the job, to get the farmers the needed boxcars?

So, Mr. President, I rise today to bring this matter again to the attention of the Senate, as I have done time and time and time again in the past, when I have brought it to the attention of the Members of this body and also to the attention of the various public officials who have charge of moving the crops out of the Northwest.

Mr. President, every time a farmer has to pile up his grain it means that he sustains a loss. After World War II the Commodity Credit Corporation owned thousands of steel bins. What was done with them? The Government sold them; it got rid of them. What is the result? The farmer hauls his grain from the threshing machine and is told, "We cannot store it." He has to sell it, and it is bought as cheaply as it can possibly be purchased. The farmer finds that he cannot store his grain. At least, Mr. President, that was the situation at the time we conducted our investigation, and I do not think there has been any improvement from that time until this. So, Mr. President, instead of the farmer being able to store his grain and hold it for a higher price, he has to take what he can get for it on the very day he hauls it.

Mr. President, certainly this Congress and the Eightieth Congress have been most generous with appropriations for the Department of Agriculture and the Interstate Commerce Commission. The Department of Agriculture, as I remember, acquired several new Assistant Secretaries. Surely a great Department, with millions of dollars available, should have had the interest of the farmers sufficiently at heart so that the farmers could at least store their crops. The Interstate Commerce Commission should have seen to it that there were sufficient railroad cars so that the farmers could move their grain to market.

It is very strange that when the Democrats wanted the farmers' votes the distinguished Vice President of the United States, speaking at Mankato, Minn., told the farmers that the Democrats were their friends. He said, "We are looking out for your interests, and if we are elected we shall continue to look out for your interests."

I repeat what I said a few moments ago to the distinguished junior Senator from Virginia, that the Democrats have been in power since 1933, and not a single law has been passed against hoarding, not a single law has been passed which would keep the prices of food from going up. I say, shame upon that kind of a record, Mr. President.

Every Senator representing an agricultural State receives letters, such as I have received, hundreds upon hundreds of them. They usually come from some city person who says, "The farmers are receiving a big subsidy. The farmer is making a large profit on butter and eggs and on all the things he produces." But they seldom mention what he pays for what he buys.

I remember in my first term in the Senate I saw full-page advertisements in every newspaper in Washington telling how the farmers were profiteering. It was stated that they were getting 90 cents a dozen for their eggs, when, as a matter of fact, they were at that time receiving 30, 35, or 40 cents a dozen, and we produced the record at that time to show that fact.

So when the distinguished junior Senator from Virginia says he wants us to hurry and get this bill passed, and I pick up the newspaper saying that new bills are being introduced, after 17 years, to prevent hoarding, to keep prices from rising, bills calling upon the Antitrust Division of the Department of Justice to look into the situation, I realize that they are 17 years too late. They could have done it all through World War I. Every time there is a Democratic administration it seems that we have a war on our hands. From World War I they should have gained sufficient experience to draw up the kind of legislation needed to curb hoarding.

Not only that, Mr. President, but when World War II was on, we received a message signed by the late President Franklin Delano Roosevelt in which he said, "In this war no new millionaires shall be created." All over the country the people took heart. It was conceded that there were 72,000 new millionaires created in World War I. The leader of the Democratic organization said that no new millionaires would be created in World War II. But, Mr. President, so many new millionaires were created that the country was lousy with them.

We come to the Korean situation and we find that although some Republicans, including myself, have introduced bills time and time again for the purpose of limiting profits, we have been unable to get a single one of those bills out of committee, so far as I know. I want the American people to know that every committee, with the exception of two, is composed of seven Democrats and six Republicans. The administration has had it within its power ever since 1933 to protect the American consumer. I want every American consumer to know that when prices go up and up there is only one outfit to blame, and that is the Democratic Party.

Mr. President, I am more or less of a nonpartisan, as everyone knows. It does not make any particular difference to me who is blamed for any particular situation, but the Democratic Party stood idly by all through World War I, all through World War II, and with millions of dollars available, with thousands of lawyers upon the payroll, it did not have passed one single permanent law to prevent hoarding and the upping of prices. Yet we find the junior Senator from Virginia rising on the floor and pleading at this late hour to get this bill passed this afternoon or tomorrow afternoon. I say it comes with ill grace to have the Senator say here what he said today about the Republicans on this side of the aisle.

So, Mr. President, I ask unanimous consent that, later in the afternoon, I may be permitted to offer my resolution asking for another investigation of the boxcar situation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LANGER. Mr. President, I also ask unanimous consent that there be printed at this point in my remarks an article entitled "Profits at All-Time Peak," which article begins: "The United States industry made the biggest profits ever, in the second quarter of this year, a Wall Street Journal survey revealed August 1."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Farmers Union Herald, St. Paul, Minn., of August 7, 1950]

PROFITS AT ALL-TIME PEAK

United States industry made the biggest profits ever in the second quarter of this year, a Wall Street Journal survey revealed August 1.

The record-smashing profits were rolled up before the latest war boom which, the Wall Street financial daily admitted, will start profits off at an even higher level in the third quarter of 1950.

In a study of 321 major corporations, the Journal reported that their second-quarter net profits of $1,122,000,000 averaged 46.5 percent above those a year earlier and 31.8 percent above their showing in the first quarter. Only 2 groups out of the 21 studied showed declines in profits compared with 1949. They are the coal industry and railway-equipment makers. Both, however, can look forward to an upturn in profits in the next quarter, the newspaper said.

Biggest percentage gain over a year ago in second-quarter profits was shown by 11 mining and metals firms, which increased their profits 498.5 percent.

Prices of copper and zinc, the Journal said, "are now higher than their average levels of the second quarter and also higher than a year ago. Under the stimulation of war demand, the producers bid fair to show further gains in profits."

A breakdown of the study showed the following profit increases:

Seven aircraft firms reported quarterly profits of $8,663,055, a 63.4 percent increase over the first quarter and a 117.2 percent increase over last year.

Twenty-two auto and equipment manufacturers made $345,500,372 in profits, an increase of 50.6 percent over the first quarter and a 57.9 percent increase over last year.

Twenty-two building materials firms reported $56,772,198 profits, a 36.3 percent jump over the first quarter and 79 percent over last year.

Nineteeen chemical firms made $74,528,839 in profits, a 15.9 percent increase over the first quarter and 69.8 percent jump over last year.

Seven distillers showed profits of $28,942,690, an increase of 12.3 and 13.5 percent respectively for the two periods.

Six drug manufacturers made $5,128,058 in profits, an increase of 11.6 and 23.6 percent. Eleven electrical and radio manufacturers

rolled up $66,474,749 in profits, an increase of 12.9 and 60.2 percent.

Six farm equipment producers reported profits of $40,344,152 an increase of 82.8 and 6.9 percent.

Twenty-four iron and steel producers showed $196,857,727 in profits for the 3-month period, an increase of 37 and 57.5 percent.

Eleven textile firms reported profits of $19,089,889, a decline of 7.8 percent from the first quarter and a 75.5 percent increase over the 1949 period.

Twenty-two tool and machinery firms made $12,781,150 in profits, a 60.4 and 20.3 percent increase.

Mr. LANGER. Mr. President, I will have the resolution here later to which I referred. As I understand, I have unanimous consent to offer it without obtaining further permission of the Senate.

The PRESIDING OFFICER. Without objection, it may be offered.

SHORTAGE OF RAILROAD TRANSPORTATION EQUIPMENT

Mr. LANGER subsequently submitted the following resolution (S. Res. 330), which was referred to the Committee on Interstate and Foreign Commerce:

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to (1) the causes of the existing shortage of railroad equipment for transportation purposes, and (2) means of relieving such shortage. The committee shall report to the Senate at the earliest practicable date the results of such study and investigation, together with its recommendaions for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings and to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Eighty-first Congress as it deems advisable.

STATEHOOD FOR HAWAII AND ALASKA

Mr. KNOWLAND. Mr. President, I had not intended to speak on another subject here today, but there have been insertions in the RECORD during the past few days which I think cast some reflection upon the desirability of having the Territory of Hawaii admitted as a State of the Union. In the interest of giving a balanced picture, I think I should make these few remarks today.

The burden of the war against communism in Korea is falling heavily upon the people of Hawaii.

Up to Friday, August 11, the total casualties for Hawaii were 33. This included 1 listed officially as killed in action, 17 missing, and 15 wounded. Of this number 22 were from homes in Honolulu.

The proportion of troops from Hawaii in the Armed Forces in Korea is unusually high. The reasons for this are that units in which Hawaii troops are being extensively used were immediately available for this service, and the special skills represented by the young men of the Territory have proved to be of unusual value.

The Twenty-fourth Division, which was one of the first units in action, is known as the Hawaiian Division. It wears the taro leaf as its insignia in recognition of this. This unit has within its ranks many young men from Hawaii who were in the army of occupation in Japan.

The Fifth Regimental Combat Team was trained and equipped in Hawaii, and is made up in large part of recruits from the Territory. The unit has already distinguished itself in combat.

The Armed Forces have drawn heavily on Hawaii for Americans of Korean ancestry whose knowledge of the language and customs of the Korean people is particularly valuable.

Americans of Japanese ancestry have likewise been exceptionally useful because of their knowledge of the Japanese language. This language is also spoken by many young Koreans.

Casualty lists and the news of the action of Hawaii troops reveal that the men have been drawn from virtually every one of the diverse racial strains of the Territory of Hawaii.

The first casualty was an American of Japanese ancestry, Jack C. Arakawa, a veteran of the Four Hundred and Forty-second Combat Team of World War II. His wife was an Italian war bride.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks, and as part of my remarks, an article from the Honolulu Star-Bulletin of August 11, 1950, giving Hawaii's casualty list in Korea.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAWAII'S CASUALTY LIST IN KOREA—1 IS DEAD, 15 WOUNDED, 17 MISSING

This is a list of the 33 known casualties of the Korean war from the Territory of Hawaii. One dead, 17 missing, and 15 wounded.

It is compiled from several sources and names will be added as received. Since notification is made first to the next of kin of the servicemen involved, it is requested that they notify the Star-Bulletin in order that the list may be as complete as possible.

Please phone or write to the city editor, the Star-Bulletin.

In the following list, the name of the casualty is followed by the address and name of next of kin and type of casualty.

KILLED

Arakawa, Jack C., private first class, 2817–A Loi St.; wife, Mrs. Lia M. Arakawa. Killed in action, July 27, near Tejon.

WOUNDED

Alip, Marcelino, Jr., private, 1640 Kamamalu Avenue; father, Marcelino Alip, Sr.; wounded.

Birch, Peter, private first class, post-office box 265, Naalehu, Hawaii; father, Peter K. Birch; wounded.

Chun, William, Q. C., private, 1140–I Desha Lane; mother, Mrs. Helelani Tablit; wounded.

Dalida, Frankie F., private, post-office box 321, Waipahu, Oahu; mother, Mrs. Juanita Dalida; wounded.

Hamura, Charles Masaru, private first class, post-office box 1642, Lihue Kauai; mother, Mrs. Aiko Hamura; wounded.

Kaneshiro, Kisaku, private first class, 2107 Kilauea Avenue, Hilo, Hawaii; father, Shinsei Kaneshiro; wounded.

Kuwaye, Masaru, corporal, 1744–V Liliha Street; brother, Charles Y. Kuwaye; wounded.

Lishman, George, corporal, 1138 Twenty-first Avenue; aunt, Mrs. Lydia L. Steward; wounded.

Manlopig, Jeremiah, private first class, Honolulu; father, George C. Manlopig; wounded.

Patacsi, Frederico G., private, 1831 Hart Street; mother, Mrs. Pastora Patacsi; wounded in action with Twenty-fourth Division, July 16.

Perry, Antone, private first class, post-office box 165, Kohala, Hawaii; mother, Mrs. Louisa Perez; wounded.

Santiago, Daniel, private first class, 1559 Laumaile Street, Honolulu; father, John Santiago; wounded.

Shaw, John H., private first class, 855 Paahana Street; mother, Mrs. Margaret Shaw, wounded.

Yamasaki, Toshio, private first class, 2440 Tenth Avenue; mother Mrs. Matsuyo Yamasaki; wounded.

Yamaji, Joseph Y., private first class, 2152 Apio Lane; sister, Mrs. Helen Sakamoto; wounded in action July 15.

MISSING

Arakaki, Henry T., corporal, 1376 College Walk; father, Kiyu Arakaki; missing in action since July 12.

Hamaguchi, Rodney N., private first class, 2533 Jasmine Street; brother, Akira Hamaguchi. Missing in action since July 5.

Iaea, Alvin N., private first class, 2031 Colburn Street; mother, Mrs. Helen Iaea. Missing in action since July 8.

Izu, Isamu, private first class, Kealakekua, Hawaii; mother, Mrs. Masa Kishimoto. Missing in action.

Kamoku, Benjamin S., private first class, Hilo, Hawaii, father, Benjamin Kamoku. Missing in action.

Kekoa, Joseph K., private, 1972 Massachusetts Avenue; mother, Mrs. Lucille Smith Lovediro. Missing in action since July 12.

Kim, Chan Jay Jr., recruit; 4081 Koko Drive; father, Chan Jay Kim; missing in action.

Kurosawa, Susumu, private first class, Pulenu Keahua, Maui; father, Sakichi Kurosawa; missing in action.

Ladao, Edward, priate, post-office box 181, Waialua; father, Rufino Ladao; missing in action.

Lee, Charles S. A.; private, Honolulu; father, Lee Tai Choon. Missing in action since July 7.

Matsuda, Kumaji, private first class, 2547 Dole Street; mother, Mrs. Tamayo Matsuda; missing in action.

Minami, Harold I., private first class, 727–B Ilanawai Street; father, Hiroshi Minami. Missing in action since July 16.

Saito, Masaaki, sergeant; friend, Mrs. Soichi Obata, 3162 Kaimuki Avenue; missing in plane crash.

Saito, Tsugio, private first class; Kapunahala Road, Kaneohe, Oahu; mother, Doris Chiyo (Saito) Yokoyama; missing in action.

Tadaki, Tomio, private first class, Kahului, Maui; father, Guno Tadaki. Missing in action since July 5.

Tamaye, Goichi, private, 1043–B Kam IV Road; father, Kamara Tamaye; missing in action.

Watanabe, Richard M., private first class, 2571–A Kuhio Avenue; father, Albert S. Watanabe. Missing in action since July 10.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an article from the Honolulu Advertiser of August 10, 1950, which discusses the fifth regimental combat team landing in Korea and also participating in the attack.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MASTERFUL TEAMWORK—FIFTH REGIMENTAL COMBAT TEAM AND MARINES SMASH AHEAD 5 MILES

(By Robert C. Miller)

WITH THE UNITED STATES MARINES IN KOREA, August 9.—The Marines parlayed know-how

and Hawaii's fifth regimental combat team brawn and brains today in a 5-mile breakthrough along Korea's south coast.

Tank-led marine and army columns, stalled for 2 days by difficult terrain and infiltrating Communists, broke loose and at nightfall were fanning out rapidly down the coast.

The attack was one of the best examples of teamwork yet produced by the Americans in Korea. Every company was protected by pinpoint artillery support and shadowed by a parasol of marine planes.

It was directed from a tree-shaded glen, where a bull-shouldered, young lieutenant colonel sat in a nest of field telephones and radio sets, dictating messages and snapping orders like a combination football quarterback and Hollywood director.

The lives of thousands of men were in his long-fingered hands as he pored over crayon-marked maps and made the decisions that assured a concerted attack. No one envied his responsibilities.

Up front, the brawn department was hammering its way through the North Koreans in hellish August weather that soon crusted every man's uniform with sweat and dust.

North Koreans who slipped through the lines and tried to cut the supply road to Masan were mopped up by marine and army squads early today, and traffic to the front now was normal.

The new marine and army successes were in part in result of the first coordinated assault by air and ground marines so far in the war, which saw Marine Corps planes skimming into action just over the heads of the attacking leathernecks.

Mr. KNOWLAND. Also, Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an article from the Honolulu Advertiser discussing the record of the fifth regimental combat team.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIFTH REGIMENTAL COMBAT TEAM SPEARHEADS OFFENSIVE; ALLIES CLOSING TRAP ON NAKTONG FOE

(By Peter Kalischer)

WITH THE FIFTH REGIMENTAL COMBAT TEAM, KOREA, August 9.—Hawaii's Fifth Regimental Combat Team gained another 3 miles along the southern road from Mason to Chinju tonight in its second consecutive night attack.

The dusty doughboys, who had been stalled for 2 days in wilting heat smashed along the road Tuesday night for six bloody miles, then added three more Wednesday.

The Fifth plunged forward and Corp. Lorrin F. Thurston, 21, and I attempted to catch up with the front lines on a hazardous jeep ride. Our mission: To deliver some hot food to front-line officers; their first in 3 days.

By the time we got to the front, the "I will try, sir," regiment had spearheaded the American drive six rugged miles past the jump-off of their southern drive and was still pushing ahead.

The units from Hawaii had launched one of the few American night attacks and by dawn Wednesday had captured their first objective—a ridge west of Chingdong and north of the Chinju-Masan road.

The combat team's executive officer, his face gray and his hair powdered with Korean dust, wearily pointed to a situation map and said:

"We are pushing and they are backing up. They blew the tracks off two marine tanks this morning with the first mine field we have run into—and I think they were our own captured mines. The boys dug up the rest of them with bayonets."

Just then a husky, broad-shouldered corporal came up, saluted, and announced he would be on his way to a forward position with some warm food for Lt. Col. John L. Throckmorton, Kansas City, Mo. It was Corporal Thurston, son of president and general manager Lorrin P. Thurston, of the Honolulu Advertiser.

I hitched a ride on his jeep, balancing a pot of tepid coffee on one knee.

"Got to get this to the colonel," Thurston explained as we bounced along. We drove west along the road from Chingdong.

A quarter of a mile along we came upon seven naked Korean men and one woman with a dress on, sitting and squatting on the road. The woman sat apart from the others. They were prisoners taken in the morning action and, as is customary, stripped of all clothing.

A harassed-looking lieutenant standing over them called out to us, "Hey, take over here, will you? I don't know what in hell to do with these characters. The one on the ground is supposed to have a broken hip."

"Sorry, sir, got to take this chow to Colonel Throckmorton," replied Corporal Thurston, who is a determined young man.

We drove on as the lieutenant began searching for another GI to stand guard. We passed the tread of one of the mined tanks lying like a shedded snakeskin on the right side of the road. And then another tank askew in a ditch. Nearby a dead Korean soldier lay with his fists clenched and arms upthrust in rigor mortis.

A convoy going east swirled by with headlights on under a burning sun and a cloudless sky. The lights were necessary to cut through the 30-foot wall of choking dust that stirred up.

Half a mile further, we passed a still smoldering Korean village. A blue-glazed china bowl lay miraculously unshattered in the middle of the road.

As we came around the bend, we were waved to a halt by an excited GI in a parked jeep.

"Snipers on the road ahead," he shouted. Thurston pulled his jeep behind a mud wall and we got out.

"Colonel Throckmorton wants to get his chow but we might as well have some of it, too," the unconcerned young corporal said. We opened up a pot full of meat and poured ourselves some coffee. As we ate, we relaxed and talked, despite the nearby snipers.

Thurston said his unit had been in the line for 6 days, long before the main body of the Fifth Regimental Combat Team had been committed. He had spent four of them running ammunition to forward positions.

"These North Koreans fight funny," he said as he sipped his coffee. "They keep coming at you. You can blast them with 50-caliber machine guns but they still come—across the paddies or up the hills. The main idea is to have enough .50-caliber ammunition to finish them off."

Behind us to the north, a few mortar shells began to fall. Pfc Edward Timmerman, Philadelphia, Pa., drove up in a jeep and parked next to Thurston's. Timmerman said a platoon of the fifth was in trouble behind a ridge on the north road and had called for heavy mortar support. I noticed his bandaged left hand.

"A sniper bullet went right through it yesterday," Timmerman explained. "Didn't hurt at all."

Mortar fire—friendly or enemy—began to crump closer to our position. Thurston suggested that we would be safe up the road with Colonel Throckmorton.

"These guys can't hit anything, anyway," he added.

We jumped into the jeep and barrelled the last 500 yards in where a group of officers, including Twenty-fifth Division Commander Maj. Gen. William Kean, were standing on the lee side of a medium tank.

Corporal Thurston presented the now cold chow to Colonel Throckmorton and I gave him the coffee.

"This is the first so-called hot meal I've had in 3 days," Colonel Throckmorton commented.

The colonel said General Kean was jubilant over the progress the Hawaiian units were making. Throckmorton crossed his fingers and added:

"Things are going damn good. I hate to say it because we may be kicked back tomorrow, but we've got the enemy rolling. He is losing his communications and we are pressing him."

As Thurston and I started back along the road, we came upon a column of marines preceded by three tanks.

Some of the leathernecks were riding the tanks, others were slogging in time-honored doughfoot fashion along the side of the road.

It was a long trip just to deliver lunch. But Throckmorton and all the others with him deserve all the favors anyone can do them.

Mr. KNOWLAND. I also ask unanimous consent to have printed in the RECORD at this point in my remarks an article from the Honolulu Star-Bulletin of August 11, 1950, relative to Marines who have been activated in Hawaii to participate in the Korean situation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OAHU MEN LEAVING TODAY, SATURDAY—200 ACTIVATED MARINE RESERVES GOING TO CALIFORNIA FOR DUTY

Hawaii's activated Marine Corps Reservists are heading for the mainland today and Saturday—for the second time in 6 weeks.

Company D, Thirteenth Infantry Battalion, which reported for active duty last Friday, received orders Thursday to leave for the west coast, according to a Pacific Fleet Marine Force spokesman.

About 100 men are to leave today abroad two planes. Another group of about 100 will leave by plane Saturday.

Some members of the company, which had a total strength of about 250, have been assigned to duty here.

GOING TO CALIFORNIA

The group of 200 is presumably going to Camp Pendleton, Calif., for further training. Less than 2 months ago, Company D completed a 2-week training period there.

How long the men will be in training this time was not disclosed, nor was it known here whether the marines will return to Hawaii after their training, either individually or as a unit.

It is expected the company may be split up and assigned to regular Marine Corps units.

Mr. KNOWLAND. Also, Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an editorial which appeared in the Washington Evening Star of August 12, 1950, entitled "We Need These Two States."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE NEED THESE TWO STATES

While there is some doubt whether the Eighty-first Congress will approve statehood for Alaska and Hawaii, there is no doubt whatsoever that such approval would be given if the Senate gets a chance to vote on the two bills now pending.

The House has approved these bills by large majorities. Unlike the situation which prevailed in the Eightieth Congress, when the bills were bottled up in the Committee on Interior and Insular Affairs, both bills have received the approval of that committee this time and are on the Senate Calendar.

Whether they will be taken up depends on Senate leadership, and the decision there will rest on whether taking them up threatens too long a delay enforced by a minority of opponents.

It seems to the Star that everything that can be done should be done to get these bills up in the Senate and to obtain the vote which will eliminate the last barrier to statehood for these Territories, ready, anxious, and able to become full-fledged members of the Union. The opposition to statehood does not stand up against the affirmative evidence gathered in countless investigations, and the distinguished array of opinion lined up in favor of statehood. The opposition is based on fears which are not sustained by demonstrable facts and on considerations that have become outdated with time—such as "noncontiguity" and the lack of means of self-support. As for equality of representation in the Senate, that question was disposed of when our Constitution was adopted.

The consideration that ought to prevail is whether statehood for these Territories would benefit the United States. The committees of Congress which have studied that question and the House of Representatives, supported by the opinions of the President and the Departments of Defense, State, and Interior, all say that it would. There is greater unanimity of opinion now than ever before, more substantial support than ever before, and failure to bring the matter to a vote in the Senate at this session will mean an altogether unreasonable delay in taking the step that should be taken now.

Mr. ANDERSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from New Mexico?

Mr. KNOWLAND. I yield.

Mr. ANDERSON. Does the Senator from California think the Congress has had sufficient opportunity to become acquainted with the Hawaiian statehood proposal?

Mr. KNOWLAND. I certainly think it has had more than ample time to become acquainted with the needs of Hawaiian statehood.

Mr. ANDERSON. The Senator is familiar with the hearings which have many times been held in the Senate, is he not?

Mr. KNOWLAND. I am thoroughly familiar with them, and I think it will be most unfortunate if the Eighty-first Congress adjourns without taking definite action in support of statehood for the Territory of Hawaii.

Mr. ANDERSON. Does the Senator feel that the hearings which the Senate held on both Hawaiian and Alaskan statehood were open and that there was sufficient opportunity given for discussion there?

Mr. KNOWLAND. I attended both hearings. I testified in favor of Hawaiian and Alaskan statehood. I think there was ample time given for those who were interested, either pro or con, to make their views known, and the committee, in its judgment—and I think correctly—reported the bills to the Senate. I certainly believe that the people of the United States, and certainly the people of those two organized Territories, the House having already acted, have a right to expect action by the Senate before this session adjourns.

Mr. ANDERSON. Does the Senator from California believe, knowing the full hearings as he does, that statehood for Hawaii could come at any better time for the benefit of the United States?

Mr. KNOWLAND. I may say to the Senator from New Mexico that Hawaii has a great contribution it can make to the serious situation in the Pacific. I think the Hawaiian people can help us understand the far eastern situation, and, in turn, can help to interpret to the people of the Far East the aspirations and hopes and desires of America for free institutions. I think the admission of Hawaii as one of our States would be one of the greatest contributions we could make to the peace of the world and the understanding between the people of this country and the Far East.

Mr. ANDERSON. Does the Senator from California likewise believe that the admission of Alaska would have a very beneficial effect on the part of the world where that action would be regarded as symbolical?

Mr. KNOWLAND. I thoroughly agree with the Senator from New Mexico. I think it is vital that Alaska become an integral part of the American Union and that we serve notice on the Soviet Union and all other powers that it is a part and parcel of the United States which we will defend in the same way that we will defend any of the 48 States now in the Union. I think the sooner we draw that line of demarcation and make it clear that our original promises of statehood are going to be carried out the better it will be for all concerned.

Mr. ANDERSON. Does the Senator agree with me that if we had never even made a promise, it would be most desirable to admit both Hawaii and Alaska?

Mr. KNOWLAND. I may say to the Senator from New Mexico that the only reason for creating organized Territories is that they may go through an apprenticeship to become States. If we did not intend that both Alaska and Hawaii should become States, they should not have been organized Territories. Certainly I think there has been ample evidence given to justify quick and affirmative action by the Congress of the United States.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Virginia [Mr. ROBERTSON].

Mr. MAYBANK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hendrickson	Morse
Anderson	Hickenlooper	Mundt
Benton	Hill	Murray
Brewster	Hoey	Myers
Bricker	Holland	Neely
Butler	Humphrey	O'Conor
Byrd	Hunt	O'Mahoney
Capehart	Ives	Pepper
Chapman	Johnson, Colo.	Robertson
Chavez	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Saltonstall
Cordon	Kefauver	Schoeppel
Darby	Kem	Smith, Maine
Donnell	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Downey	Knowland	Stennis
Dworshak	Langer	Taft
Eastland	Lehman	Thomas, Okla.
Ecton	Lodge	Thomas, Utah
Ellender	Long	Thye
Ferguson	Lucas	Tydings
Frear	McCarran	Watkins
Fulbright	McKellar	Wherry
George	McMahon	Wiley
Gillette	Magnuson	Williams
Graham	Malone	Withers
Green	Martin	Young
Gurney	Maybank	
Hayden	Millikin	

The PRESIDING OFFICER (Mr. ANDERSON in the chair). A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. President, for the information of Senators who were not present when the amendment was presented, I wish to repeat what I said, that it is a provision which was in the OPA law during the last war, inserted at that time to accompany a provision that farm prices could not be rolled back below a given level. It is intended primarily to protect farmers who grow vegetables to be canned, and to provide a market for a product which cannot be preserved, which has a short growing season, which must go to the canner when it gets ripe. If some OPA administrator should fix a price on the processor which for the industry—and for that purpose the word "generally" is used—would not yield the particular industry a fair and equitable profit, the processor would not buy the farmer's product.

The provision was in the last OPA law, and it is copied word for word from the bill which the House passed. It is a companion measure for the general farm measure.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from South Carolina.

Mr. MAYBANK. Would it not apply to every processor who processed something from an animal? Would it not apply to the hide manufacturers? The Senator knows hide prices have gone very high. Is not this a very far-reaching amendment, covering every byproduct of an animal? I was so advised.

As the Senator said, a similar provision was in the last OPA law. With deep respect for the Senator from Virginia, who has done bo much for the bill, let me say that the great fear I have is that if we undertake to legislate OPA regulations on the Senate floor we will never get anything. The provision is in the House

text, it will go to conference, the Senate will have to approve the conference report, and if we write the same language that is found in the House text, it might entail a little delay in agreeing to the conference report and enacting the bill.

I favor everyone receiving a fair profit, but I have conferred with experts and find that the proposal would effect pharmaceutical products, hides, and other items. As the Senator so ably stated, one of the great troubles that afflict us is that the prices charged by those in the leather business have been going up far beyond what they should be. I believe, as I have said, in fair prices being paid, and fair profits being received, but I do not believe we should legislate a whole OPA program on the Senate floor.

Mr. ROBERTSON. The amendment does not go any further than the last OPA law went.

Mr. MAYBANK. And the OPA regulations?

Mr. ROBERTSON. I recall no trouble occurring during the last war because of this provision. While it is true the matter would be in conference, because the House has adopted the provision, I think it is also true that from a percentage standpoint there are as many friends of the farmer in the Senate as there are in the House, and, frankly, I would like to go on record as being a friend of the farmer.

Mr. MAYBANK. I think the Senator will bear me out in the statement that the farmer has no better friends than he and I and many other Senators. But the proposal goes beyond the farmer. It takes in the drug manufacturer and all others connected with the business.

Mr. ROBERTSON. It affects only farm products, and if it affects only farm products it does not go beyond the farmer.

Mr. MAYBANK. Wood and trees are farm products. How would it affect lumber? I cannot find out for certain how it would affect lumber.

Mr. TAFT. Mr. President, the amendment reads as follows:

> That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing.

In the first place, that covers not only the packer, but as I read the amendment it covers every other processor, the man who tans the hides, the man who makes shoes, it covers everyone engaged in processing of all agricultural products. I cannot see how the Senator can talk about it as having something to do only with livestock. Is it not inevitable, from a reading of the language, to conclude that it covers every processor?

Mr. ROBERTSON. I think it could do so. But I said it was submitted primarily to protect farmers who raise vegetables to be canned. That is the segment of the farmers now concerned, because if a price is put on the canner which denies to him a generally fair and equitable profit, he will quit canning, and the farmer who raises his vegetables to be canned will take a loss. There is nothing in the law to protect him.

Mr. TAFT. I do not say I am against the amendment. I am only trying to point out that we are legislating on something that has not been considered or discussed.

In the typewritten copy of the amendment will be found the additional language:

> In establishing and providing a ceiling, a generally fair and equitable margin of profit shall be allowed for such processing.

Does that mean a profit for each processor?

Mr. ROBERTSON. No; as I construe the language it means in the case of the industry engaged in canning peas allowance will be made for that particular industry, or if they are canning corn or beans, or whatever they are canning, that segment would get generally whatever the main industry receives. We cannot pick them out individually. That is quite impossible, as the Senator pointed out so well on yesterday.

Mr. TAFT. Yesterday we adopted an amendment which set a profit on the average of the industry. The Senator does not say anything about the average of the industry. It could be interpreted to mean a profit for every single processor, no matter how inefficient he might be. I wonder if that is what the Senator meant when he used this language.

Mr. ROBERTSON. I do not mean that, and I do not think it can be construed that way. I was told it was taken from the OPA law, and it is certainly bottomed on the bill passed by the House.

Mr. TAFT. I cannot find such a provision in the House language. I wonder if the Senator can refer me to the OPA law.

Mr. ROBERTSON. I checked it with Mr. Boots, of our drafting service, this morning and he told me, as I understood him to say, that the provision was in the Stabilization Act of 1942.

Mr. MAYBANK. Will the Senator yield to me to make a statement?

Mr. TAFT. Certainly.

Mr. MAYBANK. I wish to say in respect to the statements made by the distinguished Senators from Virginia and Ohio that I talked with Mr. Trigg and other officials of the Department of Agriculture today. They said they were very much concerned about the language of a House provision, for they do not know to what it applies. It would apply to everything, the way they construe it.

Mr. ROBERTSON. I hope the distinguished chairman of the Committee on Banking and Currency has not confused my amendment with the amendment that was offered by Representative STANLEY of Virginia to protect tobacco. The Department of Agriculture says they do not know to what that amendment applies; that it goes far beyond tobacco, and that they were going to send up a substitute for it.

Mr. MAYBANK. They have given me a substitute for that amendment so that it may be discussed. But the amendment the Senator from Ohio has read applies to everything processed from agriculture or agricultural commodities, from trees, or from drugs, or from anything else. That is the way they interpret it.

Mr. TAFT. I do not think there is any other interpretation possible with respect to leather. I do not object to the scope of it. Only here we would lay down one standard of profit. Yesterday we laid down another standard of profit in all packing industries—at least, those packing beef or sheep or hogs. The bill itself contains a wholly vague standard. It seems to me that if we are going to have this kind of a law, and if we are going to try to prescribe standard margins, cost plus a profit, or whatever it is, it ought to be uniform and it ought to be worked out with the committee. There should not be adopted here offhand provisions applying three or four different standards to three or four industries.

Mr. ROBERTSON. Mr. President, I heard the Senator's speech yesterday, and to make sure that I understood it I read it again this morning. I want to call to the attention of the Senator from Ohio that in the OPA law in the last war, and the Senate substitute now before us, all through, while we referred to a margin of profit, we used the same term, "fair and equitable." Those are the words we use here. Those are the words we use wherever we refer to profits anywhere in the bill—"fair and equitable." As I understand, the only reason some of the canners wanted this amendment was that we put a floor under the prices of the farmers. We cannot roll them back below parity, and we cannot roll them back below the highest figure between May 24 and June 24. If the farmer has that price, but the canner cannot get a fair and equitable profit, as I have stated, he will not buy, and the farmer then is left holding the bag. I believe the amendment may be very broad in its application. Yet I am told that either in the law during World War II or in the regulations this exact language was used and interpreted, and that we did not have all the terrible consequences which it is now suggested may happen.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CAPEHART. First, let me say that I shall vote for the Senator's amendment. However, yesterday we turned down an amendment I offered which would do exactly what the Senator's amendment would do, except that it provided for fair and equitable treatment to everyone in the United States. My amendment read:

> No ceiling shall be established on any commodity or material which does not allow for a reasonable gross margin of profit.

Not a net profit, but a gross profit, to the industries or groups affected. That is certainly what the amendment of the Senator from Virginia does.

Mr. ROBERTSON. With all due deference, I think the amendment is different from the amendment of the Senator from Indiana, because as I interpret his amendment, and according to the best advice I could receive, his

amendment went down to the retail level.

Mr. CAPEHART. That is not true.

Mr. ROBERTSON. That is the way I construed it, and that is the way others construed it.

Mr. CAPEHART. I am going to support the amendment offered by the Senator from Virginia because I think it is a good amendment; because I believe it applies to everything the able Senator from Ohio said it applied to. My amendment simply provided: "No ceiling shall be established which does not show a fair margin of gross profit." I think it is a good amendment.

I want to say, Mr. President, that we might as well accept all these amendments. It does not make any difference, because title IV which has to do with price control and rationing and wage controls, is such a big subject, and so broad that when we get through adopting title IV we are going to have to go back and write a new law anyway. I do not know why we spend time on title IV. I do not know why all amendments that are offered to it are not accepted, because, when we get through, it is not going to be workable, even if we adopt all the amendments which are offered to it.

Mr. TAFT. If I have a correct copy of the amendment of the Senator from Virginia, it goes on to provide that "nothing in this act shall be construed as either eliminating or restricting the use of trade and brand names."

Mr. ROBERTSON. Mr. President, I explained this morning that after offering the first part of this as a printed amendment I then heard the proposal made on yesterday by the distinguished Senator from Indiana that the rest of this language ought to be included. But when I reached the floor this morning I looked over some of the amendments which had been offered, and I found that the junior Senator from Ohio [Mr. BRICKER] had pending an amendment which covers everything that is in the second paragraph of the typewritten sheet from which the senior Senator from Ohio is reading. I have just talked with the Parliamentarian, who has been looking at the act, and he says I am correct in saying that the language I proposed in this amendment was actually written into the OPA law.

Mr. TAFT. Let me ask what year it was. I have about six different amendments; the law was almost constantly changed. I do not find it in the 1942 law.

Mr. ROBERTSON. The drafting clerk showed the amendment to me this morning. It is in the Stabilization Act of 1942, as amended, I now find. I knew I had read it.

Mr. TAFT. It is toward the end of the 1942 act, is it not?

Mr. ROBERTSON. It is on page 39 of the pamphlet entitled "Price Control Laws and Executive Orders, as Amended, August 1946."

Mr. TAFT. What paragraph is it?

Mr. ROBERTSON. It is near the middle of the page.

Mr. TAFT. Is it section 2, with a small letter to indicate a subdivision of that section?

Mr. ROBERTSON. It is called the Stabilization Act of 1942, as amended; and in the pamphlet which I have before me it appears on page 39, and reads as follows:

> *Provided further,* That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further,* That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor.

I did not include the farm-labor weighting provision in my amendment; I included the first part of the language I have just read.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Virginia yield to the Senator from Nebraska?

Mr. ROBERTSON. I yield.

Mr. WHERRY. This is the amendment which, as I said in the course of the debate yesterday, is the one I had hoped to have offered for the consideration of the Senate. Now it has been offered, and I expect to support it.

It is a fact, is it not, that this language was used many, many times very advantageously when processors of agricultural products as a group came to the Special Committee on Small Business and requested the level of profits which we talked about yesterday?

Mr. ROBERTSON. That is correct.

Mr. WHERRY. However, the Senator from Ohio has raised a very important question, namely, whether the profit should be figured on the basis of the groups of persons involved. The only ones we ever considered were the complete groups of processors, in connection with establishing the fair-margin-of-profit level. Certainly such a provision did not mean to those of us engaged in the activities of the Special Committee on Small Business that every processor would be guaranteed a fair margin of profit.

Mr. ROBERTSON. Of course not.

Mr. WHERRY. Certainly it does not guarantee a profit to one who is inefficient. To the contrary, this provision was construed on the basis of groups; that is the way we handled such matters in the course of our experience while serving on the Special Committee on Small Business.

I am quite satisfied that in the butter business or other dairy products businesses and in connection with canning factories, and so forth, this amendment will be very helpful.

The livestock amendment offered yesterday specifically provides that the persons involved shall be considered by groups. That was the point the distinguished Senator from Virginia raised with me.

Mr. ROBERTSON. That is correct.

Mr. WHERRY. It calls for taking them by groups. However, that language is not included in this amendment. I do not know whether it is needed. I think the legislative history should show that it is not the intention of the Senate to pass a measure which will guarantee an inefficient processor a fair margin of profit, but that, to the contrary, the intention of the Senate is to have them taken as a group.

Mr. ROBERTSON. I absolutely agree that there is no intention of trying to do the impossible, namely, to give a reasonable profit to poor management. Of course that is impossible.

Mr. WHERRY. Certainly.

Mr. ROBERTSON. But the language of the amendment is the same as that used in the Stabilization Act of 1942, as amended; and therefore I thought the prudent thing to do was to use it.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. MAYBANK. I am very glad to hear the distinguished Senator from Virginia make the statement he has just made. Now that he has made that statement, I feel much more reassured in regard to accepting the amendment and taking it to conference, for, as the Senator from Ohio has said, the amendment will not mean that a fair or reasonable margin of profit will be guaranteed to everyone—for instance, to a manufacturer of hides——

Mr. TAFT. Or to a shoe manufacturer.

Mr. MAYBANK. Yes. In individual cases, the amendment would not require that a profit be guaranteed. If the amendment is applied to groups, I shall not oppose it.

The PRESIDING OFFICER. The question is an agreeing to the amendment of the Senator from Virginia [Mr. ROBERTSON].

Mr. WILLIAMS. Mr. President, will the Senator accept, as a modification of his amendment, the following provision:

> No ceiling for any material, service, or property shall be established or maintained which is designed to allow any seller a margin of profit greater than his normal margin of profit on sales of such material, service, or property.

I have read the amendment which guarantees a normal margin of profit; and it seems to me that as of the date when the freeze was made, the operator might be enjoying a greater-than-usual margin of profit, although of course it would be possible for the reverse to be the case, namely, for the operator to be having a smaller profit than usual. So it seems to me that if we are to guard against one, we should guard against the other.

Mr. ROBERTSON. Mr. President, with all due deference to the Senator from Delaware, I think his amendment should be offered to the part of this measure relating to a fair profit, and should not be offered to this amendment.

I am sorry that I cannot accept his amendment to this one.

The amendment I have offered contains the exact language of the House bill, and also the language is copied from the former act. I prefer to stick by this amendment.

Mr. WILLIAMS. I may say that the legislative counsel had in mind that the amendment would be offered on page 43,

in line 21. However, I think it is essential that it be put in the same bill, because this matter could work both ways.

Mr. ROBERTSON. It might be well to put the amendment in the same bill, but not in the same section with my amendment.

The amendment of the Senator from Delaware is prepared in respect to a different section of the bill. With all due deference to him, I think that is where his amendment should be offered.

Mr. WILLIAMS. Very well; I shall offer the amendment later.

Mr. MAYBANK. I assume that the Senator from Virginia was discussing the language on page 43, where the following appears:

Any regulations or order under this title shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title.

Mr. ROBERTSON. That is what I had in mind.

Mr. WILLIAMS. Then I shall offer the amendment later. In the meantime, Mr. President, I withhold my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia [Mr. ROBERTSON].

The amendment was agreed to.

Mr. WILLIAMS. I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 43, in line 21, after the period it is proposed to insert the following:

No ceiling for any material, service, or property shall be established or maintained which is designed to allow any seller a margin of profit greater than his normal margin of profit on sales of such material, service, or property.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I may say that the purpose of the amendment is to guard against a situation where the period selected for the freezing of prices would be one in which the processor was enjoying a greater-than-usual margin of profit.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 57, between lines 17 and 18, it is proposed to insert the following:

SEC. 410. Each contract providing for the purchase of processed chickens or turkeys by any department or agency of the United States from any contractor, entered into at any time when ceiling prices are in effect under this act for whichever of such fowl is covered by such contract, shall contain the following provision (with such change as may be necessary to describe the fowl covered by the contract):

"The contractor represents that the contract price is based upon an estimated price paid to the producers for live chickens or live turkeys to be processed hereunder. In the event and to the extent that the actual price paid to the producers of live chickens or live turkeys purchased for the performance of this contract is less than such estimated price, the contract price shall be reduced by the same number of cents or fraction thereof, per pound."

Mr. WILLIAMS. Mr. President, this amendment merely provides that in the event ceiling prices are imposed upon poultry products, if the Government is purchasing such poultry for its own use and paying the ceiling price, then in turn the processors must pay to the farmers a ceiling price for the live product.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WILLIAMS. In a moment. In the event the processor buys the poultry from the farmer at lower than the ceiling price, the saving must be passed on to the Government; in other words, he cannot put it into his pocket.

I may say that this clause, which is supposed to be put into the contract, was in all the Government contracts during the last war, except that, during the last war, the clause merely carried the proviso that the Government could claim the money at any time within a 60-day period, and that if it did not claim the money within the 60-day period it forfeited the right to claim it. The facts are that the Government did not claim any of the money, and that the farmers sold their products at below the ceiling in several instances, but there was no penalty provision in the act to cover it. This amendment makes such transactions subject to the same penalty provisions, by incorporating it into the bill instead of incorporating it into a regulation, as was done before.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MAYBANK. It would be up to the Administrator then, would it not?

Mr. WILLIAMS. This amendment was incorporated in War Food Order No. 19 during the last war. It was not enforced, but it was incorporated in all the regulations and orders; but the farmers were not protected. This would give to the farmers the protection that the administration during the last war said it was intended they should have.

Mr. MAYBANK. I am a friend of the farmers of the Nation, as is the Senator from Delaware, and I should like to have the meaning of the amendment made clear. If a processor has a Government contract and he buys chickens, turkeys, or other poultry——

Mr. WILLIAMS. If he buys at 3 cents below the ceiling, he must sell to the Government likewise.

Mr. MAYBANK. He bases his sales on parity, does he not?

Mr. WILLIAMS. That is correct.

Mr. MAYBANK. He must refund to the farmer, must he not?

Mr. WILLIAMS. He must either refund to the farmer or refund to the Government; he cannot put it into his pocket.

Mr. MAYBANK. In other words, he cannot take advantage of the 3-cent differential, or whatever the differential may be, from the farmer or from the Government, and put it into his own pocket; is that correct?

Mr. WILLIAMS. That is correct.

Mr. MAYBANK. He must refund it to one or the other, must he not?

Mr. WILLIAMS. That is correct. In the bill he is guaranteed a margin of profit. This simply says he cannot take advantage of the farmer.

Mr. CAPEHART. Mr. President, I think this is a good amendment and should be adopted.

Mr. MAYBANK. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment was agreed to.

Mr. CAPEHART. I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 82, line 9, after the word "terminate", it is proposed to strike out "June 30, 1952" and insert "August 31, 1951."

Mr. CAPEHART. Mr. President, that simply makes this bill for 1 year instead of 2. I think the date is exactly the same as the date in the House bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MAYBANK. The Senator from Indiana is a distinguished member of the committee and a hard worker.

It was hoped by the committee that we could extend this bill for 2 years. The House has extended it for 1 year, but the Senate has put into the bill two amendments, one by the Senator from Vermont and myself, which was recommended by the Grange, which gives the right to eliminate any part of this bill upon 48 hours' notice, with the Congress voting it.

Mr. CAPEHART. Mr. President, I am going to withdraw the amendment temporarily. I ask unanimous consent that I may do so.

Mr. MAYBANK. I wish the Senator would not withdraw the amendment, though of course he has that right if there is no objection.

Mr. CAPEHART. I ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER. The Senator has a right to withdraw his amendment.

Mr. MAYBANK. Mr. President, may I complete my remarks?

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. MAYBANK. I merely want to say that the House provided 1 year, but General Bradley, Chairman Symington, and others pleaded with the committee to make it 2 years, because it would take quite a while before it could be placed in operation. Furthermore, we do not know when it is going to become a law. We put safeguards in the bill permitting the Congress to repeal the law at any time it got ready. We put further safeguards in the bill as recommended by the farm organizations and other organizations, and any title in the bill can be repealed by a joint resolution of the Congress. I merely wanted the RECORD to show that, because I am hopeful the

Senate will maintain the 2-year provision.

Mr. LUCAS. Mr. President, I should like to make a brief statement. I have not been in the Senate Chamber too much during the debate, but I notice certain amendments are being adopted. It seems to me we ought to be very careful, and that amendments ought to be debated rather thoroughly. Members of the Committee on Banking and Currency ought to agree upon an amendment before accepting it. I say that regardless of what kind of amendment it is.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. In a moment. If we are not extremely careful, we are going to end by having an OPA bill written on the floor of the Senate. I do not think anyone wants that kind of bill. Various Senators are proposing amendments, trying to protect some particular commodity. I do not think the President of the United States wants that. The President did not ask for it in his message to the Congress, and I sincerely hope that the Banking and Currency Committee will resist all the amendments that its members do not conscientiously believe will aid the fundamental principles which have been laid down in the President's message, and the request that was made by him when he sent his bill to the Congress.

When I look over these amendments and when I see what is going on, I am fearful that we are going to wind up with a bill which no one will understand, and that it will be so confused, if we are not careful, that someone is going to ask someone else what it all means. We may wind up, as I said yesterday, with a motion to recommit. If we do, there is a possibility that such a motion might be agreed to. I am not criticizing anyone; I am merely making a request. I know the chairman and other members of the committee will watch it to see that it is done, and that no amendment which really does not belong in the bill is placed in it, at least unless it is debated and unless a vote is taken upon it.

Mr. WILLIAMS. Mr. President, I may say to the Senator from Illinois, to put his mind at ease, that the amendment which was adopted a few moments ago does not protect any special group, but, had it been enforced during the last war, we would have saved the Government or the farmers of the Del-Mar Peninsular, alone, more than $10,000,000. I have the figures in my office. The amendment was designed to protect the farmer, so that he will get what he is entitled to.

Mr. LUCAS. It might be that the Senator's amendment would be satisfactory to everyone. It may be that it will do exactly what it proposes. But the Senator did not present his amendment before the committee, though the committee was in session for some time. I have found that amendments which are offered upon the floor without consideration require, as a general rule, some supervision and careful study. That is all I am talking about. I did not even have the Senator's amendment in mind.

Mr. WILLIAMS. I understand.

Mr. LUCAS. I merely rose to make a general statement in respect to an important piece of legislation, which we should pass as quickly as possible, and with as few amendments as possible, so that we can get it on to the White House. The President did not ask for very much, as I see it, and yet, if we are not careful, and if I read some of these amendments correctly, before we get through we are going to give him something that is going to be almost impossible of administration. That is what is worrying me a little in respect to this bill.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, again I am forced to invite the attention of the Senate, for the RECORD, to the fact that no hearings were held on title IV. We are now talking about title IV. The majority leader stated a moment ago that the able Senator from Delaware had not offered his amendment to the committee. He had no opportunity to offer it. The hearings which were held on this particular title were held in executive session. There was no public hearing, and no one knew anything about it, other than the members of the committee.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MAYBANK. I want to say to my friend from Indiana that there were no hearings held on any section or any subsection. There were hearings held on the general over-all bill.

Mr. CAPEHART. The original bill on which public hearings were held did not contain titles IV and V.

Mr. MAYBANK. The Senator is correct. The hearings brought forth titles IV and V.

Mr. WILLIAMS. Mr. President, at this time I call up my amendment A, dated July 14, 1950.

The PRESIDING OFFICER. The Clerk will state the amendment offered by the Senator from Delaware.

Mr. WILLIAMS. It is offered on behalf of myself and the Senator from Kansas [Mr. SCHOEPPEL].

The LEGISLATIVE CLERK. On page 76, between lines 8 and 9, it is proposed to insert the following:

(e) Chapter 15 of title 18 of the United States Code is amended by adding at the end thereof the following new section:

"§ 292. Whoever, being an officer or empoyee of the United States or any department or agency thereof (including any Member of the Senate or House of Representatives or of the Armed Forces of the United States), shall speculate directly or indirectly on any commodity exchange, or shall knowingly publish or disclose any information designated by the President as confidential for the purpose of aiding any other person so to speculate, shall be fined not more than $10,000 or imprisoned not more than 1 year, or both. As used in this section, the term 'speculate' shall not include a legitimate hedging transaction, or a purchase or sale which is accompanied by actual delivery of the commodity. The President shall designate as confidential any information which would give any person an undue advantage in trading on any commodity exchange." Notwithstanding the provisions of section 716 of this act, this subsection shall continue in effect after June 30, 1952.

On page 82, line 9, after the word "shall", insert a comma and the following: "except as otherwise provided."

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MAYBANK. Mr. President, I thoroughly agree with the distinguished Senator from Delaware. Any man who would come to the Congress of the United States and take an oath to support the Constitution of this country, and then gamble on the commodity exchange, ought to be put in jail. I hope every such person will be put in jail. But the Committee on Banking and Currency should not interfere with the duties of the Committee on Agriculture and Forestry, of which the distinguished present Presiding Officer [Mr. HOEY] is a member, or with the Committee on the Judiciary, of which the Senator from Nevada [Mr. MCCARRAN] is chairman, and put into effect penalties which run beyond the life of the control bill. I think if that is done we shall make a mistake. With all due respect to the distinguished Senator from Delaware, his Republican colleagues will agree that we decided not to go beyond our jurisdiction. I would support such an amendment if it came from the Judiciary Committee or from the Committee on Agriculture and Forestry. I am in thorough accord with the sentiments and thoughts of the Senator from Delaware, but I do not think this is the appropriate place for his amendment.

Mr. WILLIAMS. Mr. President, there is not a single bill which could be placed before us as to which this amendment would be more appropriate. We are placing in the hands of departments in Washington, upon recommendation of the Banking and Currency Committee of the Senate, the power to limit and control the commodity markets. It is very easy for any man having access to the information to make an unlimited amount of money. I am not condemning the operations of the commodity exchanges as such. For 25 years, before I came to the Senate, I made my living in the grain business and have operated at various times on commodity exchanges. It is a part of a legitimate transaction. But it is not a part of the work of a Member of Congress or of a Government employee who is in any position to shape policies and make decisions which will affect the commodity markets. Any Member of Congress or any Government employee who accepts his job should separate himself from operations in those markets. If he is not willing to separate himself from such speculations, he should resign his position.

No Member of the Senate is more violently opposed to unnecessary controls than I am, but I endorsed the proposed legislation and I intend to support the giving of the President the necessary powers which I think he needs in order to cope with the situation. I shall not vote for any bill which gives to any bureau in Washington the power to regulate markets when, at the same time, by declining to accept this amendment, we tell them we are going to criticize them if they use this information in order to

make money, but that it is not a violation of the law, and they may go ahead, but do not let us find out about it.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MAYBANK. Is such speculation not now a violation of the law?

Mr. WILLIAMS. It is not now a violation of the law for a man to speculate. I am not a lawyer. But if it is a violation of the law, we are spelling it out in this amendment. My understanding from the legislative counsel is that any Member of Congress or an employee of any Government department can speculate without violating the law. Instances of speculation were brought to the attention of the Senate during the last war, but there was absolutely nothing done about it. If it was a violation of the law, why was not something done about it? In this bill there is a provision that if a housewife buys illegally 5 pounds of sugar, the merchant who sells it can go to jail, but if a Member of Congress speculates and makes a fortune he can get away with it. I shall not support any such proposed legislation as that. This amendment, in my opinion, is the most important one that can be offered to the bill.

Mr. MAYBANK. Would this amendment in any way, directly or indirectly, affect the sections of which the Committee on Agriculture and Forestry had charge?

Mr. WILLIAMS. Not to my knowledge. It would not affect them in any manner whatsoever.

Mr. MAYBANK. Can the Senator assure us that it would have no effect upon the regulation of commodity exchanges?

Mr. WILLIAMS. It has no effect on the regulation of commodity exchanges such as was proposed in the original bill. It does not refer to them at all.

Mr. MAYBANK. This amendment goes far beyond the life of the bill, does it not?

Mr. WILLIAMS. It expires June 30, 1952. Frankly, I think it should go beyond the life of the bill, but I made the termination of it the same as that of the bill. If we are to grant extraordinary power to regulate commodity markets, we have no other alternative than to restrict their operation.

Mr. MAYBANK. I shall join the Senator in an effort to put any Government employee or anyone else in jail who gambles on the exchanges, but his amendment provides as follows:

> Nothwithstanding the provisions of section 716 of this act, this subsection shall continue in effect after June 30, 1952.

I want to know the reason for going that far. I am willing to make it permanent, but I want to know the reason for it.

Mr. WILLIAMS. I think it should be made permanent, but I should be willing to terminate it with the expiration of the life of the bill, provided it runs as long as the bill is in effect. I think it should be in effect at all times.

Mr. MAYBANK. Mr. President, I want the Senator from Delaware to understand that no one is more in accord with his ideas on this question than I am, but I thought it might be something which intruded on the legislative authority of the Judiciary Committee or the Committee on Agriculture and Forestry. That was the reason for my remarks. So far as I am concerned, I am willing to have the amendment go beyond the scope of the bill, provided it does not interfere with the jurisdiction of the Committee on Agriculture and Forestry or the Committee on the Judiciary.

Mr. BRICKER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Delaware yield to the Senator from Ohio?

Mr. WILLIAMS. In just a moment. Mr. President, I should like to modify my amendment, on page 2——

Mr. MAYBANK. Mr. President, I am not asking the Senator to modify his amendment. I wanted the RECORD to show that in going beyond the scope of the bill it would not take jurisdiction from the Committee on Agriculture and Forestry or the Committee on the Judiciary.

Mr. WILLIAMS. I modify my amendment to make the termination date in it to read the same as the termination date in the bill.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. WILLIAMS. In so doing, I should like to have it understood that I am endorsing the principle that the bill should cease to be effective at that time, but I recognize the fact that permanent legislation will come from another committee.

Mr. MAYBANK. I will join the Senator in permanent legislation.

Mr. BRICKER. Mr. President, I understand that the amendment offered by the Senator from Delaware refers to a person in an official position who secures confidential information on prices which might be controlled or regulations which may affect prices, and has nothing to do with the substantive legislation with which we are dealing.

Mr. MAYBANK. I have no objection to the amendment.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator yield, and if so, to whom?

Mr. WILLIAMS. I yield to the Senator from Virginia.

Mr. ROBERTSON. I understand the theory of the amendment is that, under existing law, employees in the marketing and agreement divisions of the Department of Agriculture are prohibited from speculating on commodity exchanges because of access to confidential information as to what regulations and quotas are to be imposed, which would affect the market.

Mr. WILLIAMS. That is correct.

Mr. ROBERTSON. We have pending before us now a bill which will confer that power upon the Secretary of Agriculture, and no one knows who will get the confidential information. Therefore the Senator would like to have the law applied to everyone?

Mr. WILLIAMS. I want the law to apply to everyone in an official capacity in a department, and to anyone, including Members of Congress, who are in a position to dictate the policies of a department.

Mr. ROBERTSON. The termination date is limited to the date in the bill?

Mr. WILLIAMS. Yes; the termination date of the amendment is the same as the termination date of the bill. I modified my amendment accordingly in order to overcome the objection of the Senator from South Carolina [Mr. MAYBANK].

Mr. MAYBANK. I should like to say to my friend it was called to my attention by the legislative counsel that the amendment went beyond the date of the bill, and I was fearful the Committee on Banking and Currency would be taking over jurisdiction of permanent legislation on the subject.

Mr. WILLIAMS. I have modified my amendment to make the termination date read the same as the termination date in the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment, as modified, offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment, as modified, was agreed to.

Mr. WILLIAMS. Mr. President, I send forward another amendment and ask to have it stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 76, between lines 8 and 9, it is proposed to insert:

> (e) Section 284 of title 18 of the United States Code is amended by adding at the end thereof the following new subsection:
>
> "(b) Whoever, having been employed in any department or agency of the United States (including the Armed Forces of the United States), within 2 years after negotiating or participating in the negotiation of any contract on behalf of the United States or any department or agency thereof, shall accept employment with any other party to such contract shall be fined not more than $10,000 or imprisoned not more than 1 year, or both."
>
> Notwithstanding the provisions of section 716 of this act, this subsection shall continue in effect after June 30, 1952.

On page 82, line 9, after the word "shall", it is proposed to insert a comma and the words, "except as otherwise provided."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Delaware.

Mr. WILLIAMS. I should like to modify the amendment in the same way I modified the previous amendment, to make the expiration date in the amendment conform to the expiration date in the bill itself.

The VICE PRESIDENT. The Senator modifies his amendment accordingly.

Mr. MAYBANK. Mr. President, I appreciate that the Senator from Indiana [Mr. CAPEHART], the Senator from Ohio [Mr. BRICKER], and the other members of the Committee on Banking and Currency were present at the hearing, but how would this affect, for instance, those who Secretary Sawyer suggested should be given certain freedom from double-compensation laws, such as dollar-a-year men, and others?

Mr. WILLIAMS. It is my opinion, Mr. President, that this amendment would not affect the dollar-a-year men except in this manner——

Mr. MAYBANK. How would it affect the men who would give up their positions in industry?

Mr. WILLIAMS. Mr. President, if X corporation loaned one of its officials to the Government during an emergency for $1 a year in order to have that official not bar himself from going back to X corporation at the expiration of his service with the Government, all he would have to do during his service with the Government would be to disqualify himself from rendering any opinion or helping to formulate the terms of any contract which his company is negotiating with the Government. He would be in the position of a judge on a bench who disqualifies himself in a case or in the rendering of a decision.

Mr. MAYBANK. We sat in hearings and we tried to write a law which would give Secretary Sawyer voluntary controls. The Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. CAPEHART], and I were impressed by the fact that it was necessary to obtain good men for the Government service. We did not want civil-service employees to be transferred from one department to another. If this amendment does not affect the good men whom we would expect the Secretary to bring to Washington, I would have no objection to the amendment, but I am fearful that under the amendment he would not be able to get the type of men needed in an emergency.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BRICKER. Would this amendment, in the judgment of the Senator from Delaware, prevent Secretary Sawyer, for instance, from taking employment as an attorney representing a company with which he had been dealing as Secretary of Commerce in entering into a contract under the bill for the purpose of carrying out the President's program of allocation, procurement, making of contracts, setting priorities, and the like?

Mr. WILLIAMS. If Secretary Sawyer were associated with X corporation on the outside, when the corporation came before the Government to negotiate a contract, the Secretary would have to disqualify himself.

Mr. BRICKER. Assuming he had not been associated with any corporation on the outside, let us assume that as Secretary he enters into a contract with a corporation. Would he be prohibted for 2 years from accepting employment with that corporation?

Mr. WILLIAMS. That is correct. Perhaps in some cases a certain amount of hardship would be involved. On the other hand, we have had several instances pointed out of employment by certain corporations which had the appearance of being pay-offs. There was not so long ago the case of an RFC official, shortly after the Waltham Watch Co. had obtained a sizable loan from the RFC, obtaining employment with the Waltham Watch Co. at a substantially higher salary than he had been getting with RFC. Conceivably there could be nothing wrong with such a situation. However, it is best that any question in that respect be removed. It is simply one of the penalties a man must pay for service to his country.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAPEHART. I dislike very much to say that I shall have to oppose the amendment offered by the Senator from Delaware because it includes the Armed Forces of the United States. A man serving in the Armed Forces of the United States may be about ready to retire, and when he retires he must still make a living, and he may need a job.

Mr. WILLIAMS. I should like to point out to the Senator from Indiana that no man serving in the Armed Forces would be in a position of negotiating a contract.

Mr. CAPEHART. It would include thousands of them.

Mr. WILLIAMS. A man serving in the field would have nothing to do with it. If there are thousands of them, they should be included. I have sat on investigating committees, and I know of an instance where a man was prosecuted under similar circumstances. I think the chairman of the committee was the Senator from Michigan. This amendment would prevent a man from taking a Government position and negotiating a contract either with himself or with his firm.

Mr. CAPEHART. I know the problem that is involved when a nation is at war. Certainly we are at war, and we may be in total war before the bill expires. The problem of Government is to get men to do the things that must be done. No man would accept employment temporarily with the Government during a war period if after the war ends or his service ends with the Government he cannot obtain a job with someone with whom he may have come in contact during his employment with the Government. He simply would not do it. He would not take the Government job. I know what the Senator from Delaware is attempting to do, and I think what he is trying to do has considerable merit. However, I shall have to oppose the amendment.

Mr. WILLIAMS. Does not the Senator think that when a man comes to Washington and takes employment with the Government the very least he should do is dissociate himself from his own contracts?

Mr. CAPEHART. Yes; however, the amendment offered by the Senator from Delaware does not cover that point. It says that within 2 years after he leaves his service with the Government, he cannot take employment with anyone with whom he came in contact as an employee of the Government. We could not get people to accept employment with the Government under those conditions.

Mr. WILLIAMS. Mr. President, I should like to point out to the Senator from Indiana the fact that at the bottom of page 1, and going over on to page 2, the amendment provides that it shall apply only to those who within 2 years after negotiating or participating in the negotiation of a contract take employment with companies having to do with the contracts. This does not say with whom the man comes in contact, or with whom he discusses any related contract. It relates to negotiating or participating in the negotiation of a contract. All any dollar-a-year man would have to do would be to dissociate himself from negotiating or participating in the negotiation of a contract.

Mr. CAPEHART. Mr. President, I know exactly what the Senator is seeking, and I am in sympathy with it. He is trying to eliminate men coming to Washington and working for the Government and taking advantage of their employment either to make money while they are working for the Government or when they leave the Government employment. But I shall have to be opposed to the amendment because I do not see how it would be possible to get a sufficient number of good men in the United States to run the Government, particularly if we have an all-out war, as was the case in World War II, and which we may have in the present instance, though I hope we may not.

Mr. WILLIAMS. I have no intention of handicapping the work of the Government, and if I felt this amendment would have any such result, I would withdraw it. My only thought is that any man working for the Government should dissociate himself from negotiating a contract with his own concern.

Mr. CAPEHART. That is not what the amendment says.

Mr. WILLIAMS. Or obtaining employment with a concern with which he has negotiated a contract.

Mr. CAPEHART. The amendment is directed to 2 years after the man leaves Government employment, not 2 years prior to or 2 years during his employment. The amendment applies only after he leaves the employ of the Government.

Mr. WILLIAMS. We could not prevent a man from taking employment if he had worked for a corporation 2 years prior, but we can prohibit him from obtaining employment 2 years following the war.

Mr. BRICKER. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield to the Senator from Ohio.

Mr. BRICKER. I am not concerned alone with those who are brought into the service of the Government on a dollar-a-year basis. I am concerned with the regular employees of the Government, the members of the Cabinet, the members of various administrative boards which would be created under the bill, and the like, who would be dealing with business extensively throughout the country, with all the steel corporations, with the oil companies, and with the communication and transportation companies. If they had anything to do with the negotiation of a contract during the period of their employment, when they were on the Government payroll, they would be restricted, under penalty of a heavy fine and jail sentence, if they accepted employment within 2 years after they left the

service of the Government, regardless of the kind or character of service they rendered while on the Government payroll. I think that is going entirely too far in a bill of this kind.

Mr. MAYBANK. Mr. President, I might mention one company, the Cadillac Co. Suppose the Government needed a man to negotiate a contract covering the price of tanks, or the like, and the man took employment with the Government. Such a man could not work for that company for 2 years after he left the Government service. I do not see how we could obtain men to work for the Government if they were forbidden to work for a company after severing their connection with the Government.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Ohio.

Mr. BRICKER. There are only only a few who would take advantage of their services with the Government to secure personal advantage afterward. There might be a few, but 99 out of 100 of the employees who would enter the Government service, or who are now working for the Government and will be associated with the program, are entirely patriotic and honest, and would not do anything to the detriment of their Government. I think it would be unfair to penalize a great number of honest employees who do conscientious and patriotic work by preventing their further employment with a great segment of American industry; and this amendment would cover a great deal of American industry.

Mr. WILLIAMS. Mr. President, there is no disagreement about what we are trying to accomplish. I have no intention in the world of penalizing men who are coming into the Government service on a temporary basis, and I have no recollection at this moment of a single instance in which such men have been criticized for what they have done while in the Government service.

Since there seems to be no disagreement as to the purpose of the amendment, I shall withdraw it temporarily, and will consult with the legislative counsel to see if we cannot draft an amendment which will take care of what we are all trying to achieve, and at the same time not penalize anyone who desires to serve his country.

The VICE PRESIDENT. The Senator withdraws his amendment. The bill is still open to amendment.

Mr. FERGUSON. Mr. President, I send to the desk a new title to the pending bill in behalf of myself and the junior Senator from South Dakota [Mr. MUNDT], together with other amendments, and ask that they lie on the table to be brought up later.

The VICE PRESIDENT. The amendments will be received and printed, and will lie on the table.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 305. An act for the relief of Julio Laffitte;

S. 459. An act for the relief of Cornelis Ruhtenberg, also known as Cornelis Ruhtenberg Helmsing;

S. 819. An act for the relief of Herman L. Weiner;

S. 918. An act for the relief of Clara Sogor;

S. 1222. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Agency, S. Dak.;

S. 1420. An act for the relief of Antonio Garcia Jiminez;

S. 1426. An act to authorize the sale of lands allotted to James Brown on the Crow Reservation, Mont.;

S. 1506. An act for the relief of Andre Lan;

S. 1568. An act for the relief of Anna Rajmann;

S. 1800. An act for the relief of J. Don Alexander;

S. 1866. An act for the relief of Mrs. Clayre Louise Forsyth;

S. 2173. An act for the relief of Giuseppe Moschetti and his wife, Dina Bartoli Moschetti;

S. 2204. An act for the relief of Rudolph Farcher;

S. 2257. An act for the relief of Hyman Winterman;

S. 2401. An act for the relief of Elizabeth Martha Haug;

S. 2614. An act for the relief of O. O. Haugen;

S. 2617. An act for the relief of Ermalinda Mary Pizzuto;

S. 2780. An act for the relief of Jaime Riel;

S. 2897. An act for the relief of Hyman D. Langer and Alta Jourard Langer;

S. 2954. An act for the relief of Agnes Biro and Anna Biro;

S. 3035. An act for the relief of Olga Haddad;

S. 3017. An act for the relief of Sgt. James C. Hollon and Bessie L. Hollon;

S. 3059. An act for the relief of John J. Sebenick;

S. 3097. An act conferring jurisdiction on the United States District Court for the Southern District of Mississippi to hear, determine, and render judgment upon the claim of O. S. Rees;

S. 3129. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Rosebud Indian Agency, S. Dak.;

S. 3238. An act for the relief of Dr. Frederick Daniel McDade;

S. 3289. An act for the relief of Hisako Okamoto;

S. 3325. An act for the relief of Isolde Bezner;

S. 3446. An act to authorize the restoration of Edwin M. Rosenberg, lieutenant commander, retired, to the active list of the United States Navy;

S. 3610. An act for the relief of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department;

S. 3611. An act for the relief of Dorrance Ulvin, former certifying officer, and for the relief of Guy F. Allen, former chief disbursing officer;

S. 3613. An act for the relief of certain Chinese stewards of the United States Navy;

S. 3614. An act for the relief of John B. Underwood, Jr., TMC, United States Navy; and

S. 3709. An act for the relief of certain disbursing officers and former disbursing officers of the naval service, and for other purposes.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. BRICKER. Mr. President, I wish to call up my amendment "Q."

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to delete lines 7 and 8 on page 68 and to insert the following on page 72, after line 18:

All litigation arising under this act or the regulations promulgated thereunder, shall be under the supervision and control of the Attorney General.

Mr. MAYBANK. Mr. President, I have no objection to the amendment. The Senator from Ohio and I discussed yesterday several of his amendments, and last evening, in his absence, the Senate agreed on two which he authorized me to bring up. I think there are one or two more to which we will have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BRICKER].

The amendment was agreed to.

Mr. BRICKER. Mr. President, I should now like to call up amendment "J."

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 46, line 18, it is proposed to insert the following subsections:

(h) The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except where such action is affirmatively found by the President to be necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this act.

(i) Nothing in this act shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the President to require the grade labeling of any materials or property; (3) as authorizing the President to standardize any materials, services, or property, unless the President shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such materials, services, or property; or (4) as authorizing any order of the President establishing price ceilings for different kinds, classes, or types of material, service, or property which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

(j) No rule, regulation, order, or price schedule issued under this act shall require any seller of materials or property at retail or any operator of any service establishment to limit his sales with reference to any highest price line offered for sale by him at any prior time.

Mr. BRICKER obtained the floor.

Mr. MAYBANK. Mr. President, if the Senator will yield, there is one section of the amendment which I shall have to discuss with him at a little length. Referring to line 1, on page 2, I presume

the Senator intends to refer to "title" instead of "act."

Mr. BRICKER. Yes.

Mr. MAYBANK. When the Senator gets through explaining the amendment, I may have something to say about it, but with three-fourths of it I am in accord.

Mr. BRICKER. Mr. President, the language of the amendment is almost self-explanatory. The amendment is directed to the protection of the conduct of business in the use of trade practices, trade names, processes of manufacture, and things of that kind. It is the amendment to which the Senator from Virginia referred a little while ago which he said had been deleted from his amendment because it had been included in another amendment.

Except where the President finds that it is positively necessary to adjust the practices of a business, the amendment would permit business to continue the practices under which it had been operating.

The amendment was designed also to do away with practices developed during the war, of changing price schedules, and going into the manufacture of one type of goods and excluding another type of goods so that the profits would be higher, and the producers would avoid the rules and regulations of the War Production Board or of the OPA.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from South Carolina.

Mr. MAYBANK. If the Senator will bear with me, I presume he has some idea of the rules and regulations covered in the 1946 act about which we have been talking.

Mr. BRICKER. Yes.

Mr. MAYBANK. This would prohibit a manufacturer, we will say, of $2 shirts, stopping the manufacture of $2 shirts and going into the sport-shirt business.

Mr. BRICKER. Yes, and using the same material.

Mr. MAYBANK. It is more or less of the same provision as (k) on page 17, which says:

> No regulation, order, or price schedule issued under this act shall alter the effective date of this subsection—

And so forth and so on. Am I correct?

Mr. BRICKER. It is supplemental.

Mr. MAYBANK. I feel certain that the Senator from Ohio will agree that the word "title" should be inserted instead of the word "act." The Senator intends to refer only to this title.

Mr. BRICKER. Yes. Mr. President, I modify my amendment accordingly.

The VICE PRESIDENT. The Senator from Ohio has so modified his amendment.

Mr. CAPEHART. Mr. President, I see no objection to the amendment. It simply writes into the bill regulations that were in the OPA regulations in World War II. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BRICKER], as modified.

The amendment, as modified, was agreed to.

Mr. BRICKER. I now call up my amendment lettered "L."

Mr. MAYBANK. As I understand, that is only a corrective amendment.

Mr. BRICKER. A technical amendment.

Mr. MAYBANK. I thought we accepted that amendment yesterday.

Mr. BRICKER. That was accepted yesterday; yes. I thank the gentleman for calling my attention to that.

Mr. MAYBANK. I felt sure it had been. If not, the amendment can be put to a vote now.

The VICE PRESIDENT. The Chair is advised that the amendment was agreed to yesterday.

Mr. WHERRY. Mr. President, I send to the desk an amendment which I ask to have read.

The VICE PRESIDENT. Does the Senator offer the amendment now?

Mr. WHERRY. Yes, Mr. President.

The VICE PRESIDENT. The amendment will be read.

The LEGISLATIVE CLERK. On page 66, between lines 7 and 8, it is proposed to insert the following:

> (c) Whenever the President invokes the powers given him in this act to allocate, or approve agreements allocating, any material, he shall do so in such manner as to assure each individual business in the normal channel of distribution of such material of its fair share of the available civilian supply based, insofar as practicable, on the share received by such business during a representative period preceding June 24, 1950.

Mr. MAYBANK. Mr. President, will the Senator yield so I may make a unanimous consent request with respect to another amendment?

Mr. WHERRY. Yes.

Mr. MAYBANK. Mr. President, I should like to have the attention of the Senator from Ohio, the Senator from Indiana, and the Senator from New York.

Mr. WHERRY. Just what is the unanimous-consent request?

Mr. MAYBANK. The unanimous-consent request is that the Senate consider an amendment which the Committee on Banking and Currency last evening, by a vote of 9 to 0, agreed be made a part of the bill; that three lines be corrected in keeping with the wishes expressed by the Senator from New York and the Senator from Ohio. The Senator from Virginia was absent, but I understand it is agreeable to him.

Mr. WHERRY. The Senator means to ask unanimous consent temporarily to lay aside my amendment.

Mr. MAYBANK. Yes.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 48, line 9, after the word "order", it is proposed to insert "relating to price controls."

On page 48, line 11, after the word "order", it is proposed to insert "relating to price controls."

On page 54, line 10, after the word "order", it is proposed to insert "relating to price controls."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. MAYBANK. I may say that the Senator from New York [Mr. IVES] and I yesterday had a conference with Mr. Ching, the Federal Mediator, and it was agreed that these words would make the section similar to the powers of the War Labor Board in World War II insofar as voluntary adjustments are concerned. These adjustments, as I understand, are brought about by an agreement between management and labor, and therefore, there cannot be any appeal to the courts after they have reached this mutual agreement. Such appeal may delay or hamper work in connection with the war effort.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. IVES. It is intended to correct an oversight by the committee when the bill was drafted. The correction is rather technical.

The VICE PRESIDENT. The amendment has already been agreed to.

Mr. IVES. I understand that.

The VICE PRESIDENT. The question recurs on the amendment offered by the Senator from Nebraska [Mr. WHERRY].

Mr. WHERRY. Mr. President, my amendment has already been read. I should like to say that the amendment is not taken from the old law. It is a brand new suggested piece of legislation. It is occasioned by questions I have asked different Senators, members of the Committee on Banking and Currency, on the floor, as to whether or not there was any evidence adduced in the hearings by which the matter dealt with in the amendment was brought to their attention, and there is no such evidence in the hearings. All Senators to whom I have spoken, while they have not seen the amendment, having only heard it read, I believe feel that the objectives I am attempting to accomplish are worthy and should be made a part of the bill. Whether or not the language I have suggested accomplishes the designed purpose is another matter. The amendment is proposed to assure small independent businesses who depend on the major integrated producers for a large portion of their supplies, a fair and equitable share of the supplies available to the civilian market under any rationing or allocation program.

I desire to make it perfectly clear that the amendment deals only with civilian production. It comes into play only when all the priorities which are set up in the interest of national defense have taken whatever amount of production is necessary for the national defense. The wording of the amendment is "in the normal channel of distribution of such material of its fair share of the available civilian supply." So it can refer only to that part which is left, which is to be distributed for civilian use. Any priorities that are provided for are taken out of complete production. I am talking only about what is left for the civilian production; that is all.

Title VII of the pending bill pays a great deal of lip service to small-business enterprise. That is a good thing. Throughout the entire bill, beginning with the declaration of policy in section

2, the bill calls for the placing of controls within the framework of the American system of competitive enterprise, and I endorse that 100 percent. The proposed amendment puts teeth behind the lip service of the bill as written. I am confident that the Banking and Currency Committee and the Members of the Senate actually intend to aid independent business. At least I am giving them full credit for intending to do so. This is our opportunity to show the independent businessman that we want to help him and to protect him.

America became great as the result of independence of action of the small-business man. In a free economy the independent man purchased supplies from the integrated businessman and still sells in competition with his larger competitor, and on many fronts very favorably so.

In a controlled economy, however, this one weapon no longer is available to the independent, because the very essence of controls means elimination of freedom of action.

If at the same time we also destroy or take away the supply of the independent businessman we are sounding his death knell. In most industries the large integrated business is a major factor in the control of the available supply.

In normal times integrated business sells products to the independent and also competes with the independent businessman at each level of distribution. In a period of short supply of available civilian material, such as that we now apparently are entering—and the existence of such a period is the justification for this bill—the large enterprise can absorb all the available civilian supply and can eliminate its former customers and competitors—the independents. We must make sure that the normal practice by which the larger sells to the smaller is maintained if free enterprise is to survive this control period. That is the objective of the Banking and Currency Committee, and it is set forth in the declaration of policy to be found at the beginning of title VII of this measure.

Thus if enterprise A purchased X amount of material from enterprise B during a representative pre-Korean-situation period, when allocation or rationing is instituted, enterprise A is entitled to its proportionate share of the available civilian supply produced and sold by enterprise B during the control period. The amendment is as simple as that; that is all this formula does.

Mr. President, if there must be consultations between the distinguished chairman of the committee and various other members of the committee, I do not object to having them confer, but I wish they would do so off the floor, for I have not yet finished my statement.

Mr. MAYBANK. Mr. President——

Mr. WHERRY. Mr. President, I prefer not to yield until I finish my statement.

Mr. MAYBANK. Mr. President, let me say that I have not been conferring with anyone. The conference was going on between my distinguished friend the Senator from Louisiana and the Senator from Indiana.

Mr. ELLENDER. Mr. President, I was not conferring; I was simply reading the amendment.

Mr. WHERRY. I am not complaining, but it is difficult to buck the competition.

The VICE PRESIDENT. The Chair hopes that all Senators, as well as others who are not Senators, will recognize the difficulty of transacting business here if there are constant conversations. It is difficult for a whisper not to be heard in this Chamber.

Mr. WHERRY. I thank the Chair.

Mr. President, I have just given an illustration of how the formula would work. All Members of the Senate who have had anything to do with the Special Committee on Small Business, and other Members of the Senate who have had something to do with petroleum, know that the greatest source of supply of petroleum products is the large integrated companies, and that over the years many small independents purchase their supplies from such integrated companies, after which the independents resell the product, either under their own label or as independents, to the people of the communities. That occurs, for instance, in the case of fuel oil, gasoline, other petroleum products, distillates, and what not.

Every member of the committee knows that during the last war, many of the integrated companies continued to control and sell their output, clear down to the retail level. When independents were dependent upon them for their source of supply, the integrated companies did not continue to make the supply available to the independents. Then the independents had to try to find another source of supply, and then another source of supply; but in each case, the independent was told, "We have to take care of our own allocations, so we cannot supply you at this time." That is exactly what happened.

I sat in the committee meeting at Chicago, one afternoon, as chairman of the Special Committee on Small Business, and in the course of that afternoon and during the next 2 days I heard more than 200 independent dealers in gasoline testify that their source of supply had been taken away from them. It was only after that matter was forcibly called to the attention of the Special Committee that we were able to get a voluntary agreement on the part of the integrated companies that from then on they would give to the small-dealers the same quotas they had had during the 2 years prior to the time of the allocation. That was done under a voluntary plan. At that time under a voluntary plan there was being done what we would like to see done now, in the case of the entire distribution of civilian goods through the normal channels of trade.

If that is not done, there will be dislocation; and then the very ones we want to help by this measure will be forced to go to new sources of supply, and there is where the black market begins.

Of course, what is true in the case of fuel oil is also true in the case of steel, newspaper print, and meat. The Special Committee on Small Business had a wide experience with all of them.

So all we are attempting to do by means of this amendment is to give the President full power to determine the base period which he wishes to use in connection with the determination of the percentage of the supply of a commodity which a purchaser is entitled to receive under the civilian economy.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. MAYBANK. I should like to ask the Senator a question. Has he submitted the amendment today?

Mr. WHERRY. Yes.

Mr. MAYBANK. I understand that the distinguished Senator from Nebraska consulted the legislative counsel in regard to the amendment.

Mr. WHERRY. Yes, I did; after the amendment was prepared. I prepared the amendment.

Mr. MAYBANK. I understand that.

Mr. WHERRY. I prepared the amendment; and then I submitted it to the legislative counsel, and a man from the office of the legislative counsel stayed with us until we finally had the amendment in shape ready to be offered in the Senate.

Mr. MAYBANK. That is what I meant.

When the Senator from Nebraska concludes his speech, I should like to suggest that I have conferred with the legislative counsel regarding the amendment, because the legislative counsel told me they had seen the amendment the Senator from Nebraska had completed. Of course, I realize the Senator from Nebraska drew the amendment, and then the legislative counsel saw it.

However, I have not seen the amendment. So I wonder whether the Senator from Nebraska will withhold the amendment until I can read it and study it, inasmuch as it has not been printed. I am not opposing the distinguished Senator from Nebraska in this connection, but I should like to be able to read the amendment.

Mr. WHERRY. Mr. President, I do not wish to interfere in any way with the consideration of all amendments and the speedy passage of this bill.

Last Thursday this matter first developed, in the course of colloquy, when I asked some questions about the distribution of the civilian supply.

Mr. MAYBANK. That is correct.

Mr. WHERRY. I think the question arose in the course of a colloquy between myself and the distinguished Senator from New York.

It was then that I went to the chairman of the Banking and Currency Committee and asked if there had been any evidence to show a need for the distribution of products through the normal channels of trade. He said there had not been. Then I suggested that I would offer the amendment.

Mr. MAYBANK. The Senator from Nebraska is correct.

Mr. WHERRY. Several suggestions were made—by the distinguished Senator from New York, I believe—to the effect that if I had any amendments to offer, I should get them ready to offer, and then should submit them to the Senate.

Mr. MAYBANK. Mr. President, I did not mean to differ with the Senator from Nebraska.

Mr. WHERRY. Mr. President, if the Senator from South Carolina will permit me to finish the explanation, I do not think there will be any difficulty regarding the amendment.

It is a minor amendment, of course. I do not believe it is of such major importance that we should delay much longer in adopting it. But if it is felt that the amendment should go over until tomorrow, then, when I complete my explanation of the amendment, I shall be glad to let the amendment go over until tomorrow, if Senators wish to have that done.

Mr. BRICKER. Mr. President, if the Senator will yield to me, let me ask a question. During the explanation, does the Senator intend to bring to the attention of the Senate what provision would be made for new businesses or for anyone wishing to go into a new business in a field or industry where a shortage exists?

Mr. WHERRY. No; that is outside of this amendment; but the suggestion the Senator from Ohio has made is a most important one.

Under the voluntary plan we worked out, there was a certain reserve which the integrated companies took out of their own supply, in order to be able to take care of whatever new businesses they felt should be served. I say to the distinguished Senator from Ohio that it was very difficult then, and it will be very difficult in the future, to provide allocations for new businesses, because not only is there the problem of allocations, but also the problem in connection with the establishment of the new businesses themselves.

Men who came back from the war wanted to go into business. After they got the facilities, then they could not get the supplies. That was true with respect to gasoline, it was true in the case of the newspaper business, it was true in the meat business, it was true in the automobile business.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WHERRY. In a moment, when I finish the answer to the Senator from Ohio. That is another problem which has to be confronted by the economy, and especially when there are integrated sources of supply. Now, if anyone wants to propose an amendment to modify my amendment so as to include new sources, there is no objection on the part of the Senator from Nebraska.

Mr. SPARKMAN. Mr. President, will the Senator yield in that connection?

Mr. WHERRY. In a moment, please. I was simply offering an amendment which I thought to be absolutely necessary, an amendment to subsection (2), page 77, in relation to allocations of the civilian supply under this section.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WHERRY. I have told the Senator from Alabama I would yield to him. If he does not object, I shall yield to the Senator from Louisiana and then to the Senator from Alabama. But I said I would yield to the Senator from Alabama next, and I certainly shall.

Mr. SPARKMAN. That is satisfactory.

Mr. ELLENDER. Mr. President, the questions I desire to ask the distinguished Senator are along the line of the one propounded by the distinguished Senator from Ohio. If this amendment is adopted, would it not have the tendency of freezing in the hands of a company its old customers, so that it would not be able to sell to anyone else?

Mr. WHERRY. Mr. President, that is exactly what I want to do, depending upon the base period. It is immaterial to me whether the President makes the decision, though I leave it to him in the amendment. If the President can decide upon the base period, he should have the power, and he should do it. I only want to go back as far as practical. If it is 30 days, all right; if it is 6 months, it is all right; if it is 1 year, it is all right. But if there is to be any allocation to new business, I think it ought to come out of the share of the great integrated businesses, not out of the share of the independents. If those who administer the proposed act do what they did under the previous act, that will be the result. The Senator from Ohio has raised another part of this question; and if any Senator wants to suggest a modifying amendment to make some provision for new business, it is all right with me. But I was simply proposing to amend subsection (2), which has to do with business already established. I am now glad to yield to the Senator from Louisiana.

Mr. ELLENDER. How could that be done, unless the producer were given more to distribute?

Mr. WHERRY. If the producer gets more to distribute, he can take care of new business, and if he does not get more to distribute, he should take care of the customers he already serves, and, if he can be assured of his source of supply, out of his own allocation he should take care of new business. Does that answer the question?

Mr. ELLENDER. The distinguished Senator referred to numerous hearings which were held with respect to small business. I was a member of the Small Business Committee. But is it not a fact that all the complaints came from those who had new business?

Mr. WHERRY. Oh, no.

Mr. ELLENDER. And from those who expanded themselves tremendously during the war?

Mr. WHERRY. Mr. President, the Senator has not read my amendment.

Mr. ELLENDER. Yes, I have.

Mr. WHERRY. If he has, he should have noted that it does not provide for increasing business to old customers.

Mr. ELLENDER. No. It does not provide for increasing the business of old customers.

Mr. WHERRY. I will read the amendment:

> When the President invokes the powers given him in this act to allocate or approve agreements allocating any material, he shall do so in such manner as to assure each individual business, in the normal channel of distribution of such material, of its fair share of the available civilian supply, based insofar as practicable on the share received by such business during a representative period preceding June 24, 1950.

The amendment would not give an old customer one drop more fuel oil than he previously had. He could not get a drop more unless, if you please, the distributor had an abundant supply, so that if he wanted to give him more he could. But this amendment would guarantee that at least the old customer, on a percentage basis, would get what he was entitled to according to the base period. If 20 percent were lopped off, he would have to take 20 percent less; and that would be his fair share.

Mr. IVES. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. IVES. I am sure this is an amendment which was drafted as a result of the conversation which the distinguished Senator from Nebraska and the Senator from New York had on the floor of the Senate.

Mr. WHERRY. That is correct.

Mr. IVES. I wish to commend the Senator from Nebraska for having prepared this amendment and having offered it.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield. I am sorry not to have been able to yield to the Senator sooner.

Mr. SPARKMAN. That is all right, because I think a full discussion of all these matters is quite helpful, and I believe the objective sought by the Senator from Nebraska is a good one. Some of us have been troubled about the position of businesses which might not be able to establish a base period under the Senator's amendment. We have jotted down certain language which I should like to read and have the Senator follow, to see whether it does not make the very modification he is suggesting, and whether perhaps it might be acceptable to the Senator from Nebraska. The amendment proposes to insert at the same place this language:

> It is the intent of Congress that in allocating materials and in approving agreements allocating materials the President shall, to the maximum extent practicable, make use of the normal channels of business, particularly independent small-business enterprises, and prevent diversions of materials from such normal channels and independent small-business enterprises.

Mr. WHERRY. Mr. President, that language would not be acceptable to the junior Senator from Nebraska. I say that, much as I would like to take it. I believe if I could sit down with the distinguished chairman of the Small Business Committee I could point out why. It would entail much argument. Briefly, it would give discretionary power to the President, insofar as practicable, to do what I am trying to do. I want to make it mandatory that in the allocation of materials they be distributed in the normal channels of trade, in order to eliminate black markets. That is my purpose.

I may say that the expression "as far as practicable" in the last line refers only to the base period, and with that I would go along, because I do not want to provide any base period which is not practicable. Does the Senator see what I mean? I would give unlimited discretion to the President to make that determination. But I simply want to make it mandatory that the normal channels of trade shall be followed in the distribution of the civilian supply of any scarce commodity. I may say to the distinguished Senator that unless that is done, independents will be cut off, time after time, and will be forced to seek new sources of supply. When that is done, they bid up the gray market, and when they bid up the gray market in steel and in gasoline a price is obtained that results in a black-market price to the distributor and, finally, to the retailer. It simply cannot be done.

I say to the distinguished Senator that if there is any reason this afternoon why the committee does not want to vote on this amendment or wants to give it further consideration, though I should like to finsh my remarks on it, I should be glad to have it considered by the committee until tomorrow or until such time as the committee would like to bring it up. But I should like to say as forcefully as I can that the whole economy of the small independent businessman is at the mercy of those who distribute, if you please, these goods finally down to the retailer.

In the case of voluntary agreements we did the best we could in attempting to get distribution through the normal channels of trade. I am satisfied that the formula we used should be written into the legislation in order to accomplish that purpose and to eradicate as far as possible the black market which always occurs when there is a dislocation at the source of supply.

Mr. CAPEHART, Mr. SPARKMAN, and Mr. MAYBANK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. WHERRY. First, I yield further to the Senator from Alabama, with whom I have been discussing this question, and I will then yield to the Senator from Indiana.

Mr. SPARKMAN. I fully understand the point made by the Senator from Nebraska, that he wants this made mandatory.

Mr. WHERRY. That is correct.

Mr. SPARKMAN. I wonder, then, if the rest of the language I suggested would be acceptable if we drop out the first few words, "It is the intent of Congress," and say, "In making allocations the President shall," and then go on with the rest of the language.

Mr. WHERRY. I have not had an opportunity to look over the language, but if the Senator wants to let it go over until tomorrow, I shall have plenty of time to look it over.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. I want to thank the Senator from Nebraska. I am in thorough accord with his ideas.

Mr. WHERRY. Mr. President, I shall withdraw the amendment at this time and bring it up again later.

The PRESIDING OFFICER. The Senator withdraws his amendment without prejudice.

Mr. WHERRY. I certainly want to withdraw it without prejudice. I thank the Presiding Officer for those words.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. SPARKMAN. I wonder if it would be agreeable to the Senator from Nebraska, in order that we may have the amendments in printed form before us, if I offer my amendment at this time and let it be printed and lie on the table.

Mr. WHERRY. My understanding was that I would confer with the distinguished Senator from Alabama and try to prepare language which would be acceptable to both the Senator from Alabama and the junior Senator from Nebraska, and then the amendment can be offered, if we can agree on the same language. If we cannot agree, then the Senator can offer his amendment and I can offer mine.

Mr. SPARKMAN. Of course, that is perfectly agreeable. I should be very glad to wait and attempt to draft language acceptable to the Senator, and then have it offered as an amendment.

Mr. WHERRY. I understand what the Senator wants. Possibly the best thing to do is to offer it. I shall offer my amendment and ask to have it printed and lie on the table. In the meantime I shall talk with the distinguished Senator from Alabama, and if we can draft language which is satisfactory we can agree and can offer one amendment.

The PRESIDING OFFICER. Then the Senator does not withdraw his amendment for the time being?

Mr. WHERRY. That is correct.

Mr. SPARKMAN. He wishes to have it printed and lie on the table?

Mr. WHERRY. That is correct.

Mr. SPARKMAN. I should like to offer the amendment which I read a few moments ago and ask to have it printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendments will be printed and lie on the table.

Mr. WHERRY. Mr. President, different industries will have to be administered in different ways. But the formula is there. The intent of Congress is clear. It does not matter whether it concerns fuel oil, newsprint, steel, meat, or anything else, the formula is there, so that those who have been dependent upon an integrated source of supply, will not, when materials become scarce, be shut off because they have no other place to get their supplies. We should not fold up an economy which has already been established.

The incentive for black markets will be eliminated. I say that constructively. I want to agree with the Banking and Currency Committee as to the time or anything else. If they want to offer an amendment, it is all right with me, but I think that when this formula is in actual operation the black markets will be eliminated, in that each segment of our economy will thus be assured of its fair share of the available civilian supply. They may have to take 25 percent less or 50 percent less than they formerly received, but they will not be cut off entirely and have to shut their doors.

This is a formula which was proved in a voluntary allocation period by action of the oil industry. Possibly I should not mention my name, but the formula did go under the name of the Wherry formula. It was a formula of the Small Business Committee, but because I happened to be the chairman my name was attached to the formula. The staff and all who worked with us devised this formula, and I want to give them the credit for it.

The combined Senate and House Small Business Committees, during the last control period, by concurrent resolution, requested that a similar program be instituted for the meat industry.

The American businessman will cooperate with the program rather than seek devious means of avoiding it, because he knows his source of supply will not dwindle and dry up. Then he is not going to worry about going into the black market. The rules of fair play will be evident; and Americans are known for their cooperation when they are getting an even break.

We do not know when the President will invoke the authority granted him. We do not know what Russia's time table may be, and, consequently, we do not know how long these controls will last. We must, therefore, give the President a formula by which he is to control American business. This is a responsibility of Congress which it should never delegate to the executive branch. When we adopt this amendment we shall be able to face the country in the certain knowledge that we have done all within our power to protect the American way of life by having civilian production distributed through the normal channels of trade.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. ELLENDER. Suppose company A has 100,000 tons of steel and distributes that steel among 50 customers over the period of a year, and suppose the allocation were reduced to 60 percent of the prewar quantity: Is it the Senator's intention, by his amendment, to provide that all the 50 customers shall receive 60 percent of what they receive prior to the war?

Mr. WHERRY. It would be that portion which would be left for civilian distribution.

Mr. ELLENDER. I am not speaking of civilian distribution; I am talking about the amount to be allocated.

Mr. WHERRY. I am talking only about civilian distribution. Let us start from there. If the Government agencies, for military or defense purposes, should take 40 percent of the steel and there were no other priorities established by the agency making allocations, then the available supply would be 60 percent of what it was before the allocations were made to the military. On the basis of the period which the President would

select the 50 purchasers would be entitled percentagewise to their percentage.

Mr. ELLENDER. So that the 50 companies would take the whole supply?

Mr. WHERRY. The base period might be so established that only those customers who had been purchasing—possibly 25 percent of them had not purchased during the year, but we can set up the base period in any way we want to. We can make it 2 years.

Mr. ELLENDER. Would the Senator make it a particular day?

Mr. WHERRY. That is left up to the President.

Mr. ELLENDER. If only 10 customers out of 50 bought on that one day——

Mr. WHERRY. I would not make it a day, but if the President made it a 6-month period and 40 percent of the customers had been customers for more than 6 months, they would be entitled to a supply. If 10 percent of them had been taken on within 6 months, they would not be entitled to the supply.

Mr. ELLENDER. The distributing concern would not be able to sell to them?

Mr. WHERRY. It would be like a new business: They would have to seek their source of supply wherever they could find it. That is exactly what they will do anyway. The minute the Government takes up 40 percent, the supplier has to look to how he is going to distribute 60 percent when he used to distribute 100 percent. To whom will he distribute? Will it be to the man who offers more money than the normal channels of trade would pay him in the legal market?

The Senator has raised a very good point, and the answer is right there. The moment they take a new source of supply at a higher price, there is a gray market, and that results in a black market to the retail purchaser.

There is no provision made for new business. There was that difficulty during the last war, and we shall have it during this war, whether we adopt this formula or whether we do not. If there were some way in which allocations could be made for new business it would be very helpful indeed.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. I wonder whether we could dovetail them together.

Mr. WHERRY. I am willing to listen to any suggestion any Senator may desire to offer, but it is a very difficult thing to handle.

I will say, Mr. President, that most of the integrated oil companies—and I want to pay them a high compliment—voluntarily did this during the period of the last war, and they did a magnificent job. The same thing was finally accomplished in other fields. The Senator from Indiana [Mr. CAPEHART] had more to do with it than did any other member of the committee at that time. He did a good job in ironing out a formula.

The same thing was true to a great extent with respect to steel. It was a little more difficult in the case of steel because steel was very scarce. The percentage that was taken for defense was enormous. However, in a large measure it was accomplished in the case of steel.

The same argument was presented relative to meat on the amendment which we discussed yesterday. If we keep the normal supply and the normal production in normal channels of trade, we eliminate the black market. It is when we have a dislocation in the normal supply that black markets spring up all over the country. I hope my amendment or a similar amendment will be placed in the bill, whether it be voluntary or mandatory, so that the normal channels of trade can be assured of supplies and the integrated companies will not take away the normal channels of trade from the small independent companies.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. WHERRY. Yes.

Mr. BRICKER. I wish to say to the Senator from Nebraska that I am also concerned with the stagnation which may come to American business. There is nothing in the formula which would take care of one business which is more essential than another business or which is a growing business. I am thinking of the vast varieties of uses in the fabrication of steel. The needs of society generally may not be satisfied, and the whole program of industry might be curbed or stagnated if no consideration were given to that phase of the allocation problem.

Mr. WHERRY. It has been taken care of in this amendment because the President would be given the authority under the bill to allocate anything in the interest of national defense. He would have authority to allocate anything that is necessary in the interest of national defense down to housing or anything else. That would be taken care of. Therefore, it would not come into the distribution at all. This applies only after all priorities have been set up.

Mr. BRICKER. Mr. President, will the Senator yield further?

Mr. WHERRY. I yield.

Mr. BRICKER. It applies to civilian goods, does it not?

Mr. WHERRY. There would be no priorities on what is left. It would apply to anything in the interest of the war effort or for the defense of the country. It would apply to housing, probably, so far as steel for windows in housing was concerned. That would come under the power given to the President in the interest of national defense. This would apply only to what is left for the civilian economy. If the amendment can be worded any differently——

Mr. BRICKER. Under this formula it would be limited, and after the war would go back into normal production channels?

Mr. WHERRY. If the supply is taken over for war purposes, there would be no allocations for civilian purposes.

Mr. BRICKER. But when the war program is over, do conditions return to those prevailing at the base period?

Mr. WHERRY. The controls would last as long as the President kept them in effect. The minute the controls were taken off the supplier could do as he pleased. So long as allocations remained this amendment would be in full force and effect. The moment controls were taken off it would no longer be in effect.

Mr. BRICKER. I am thinking of the manufacturer of automobiles, for example. If a manufacturer of automobiles should switch to the manufacture of tanks, shells, and other armaments, how would that situation be taken care of at the end of the period?

Mr. WHERRY. I have given most of my attention to the purchases of supplies from an integrated company, but my answer to the Senator's question would be that any company which turned over its facilities to make tanks and materials of war would be compensated by the Government if the contracts were terminated. In other words, they would have to find their own purchasers, just as anyone else would have to do.

Mr. BRICKER. Would the amendment follow down through the various strata of frabrication to the ultimate consumer?

Mr. WHERRY. Absolutely.

I call the Senator's attention to the hearing we had with reference to a blast furnace which was being built either under lease or contract for the Republic Steel Co. in the Senator's own State. He remembers well the hearing we had in reference to that plant. The plant was about to be sold to an automobile manufacturer. It would have taken away the source of supply of at least 200 small foundries in Ohio. The amendment means that integrated companies that have their supply must come right down through the normal channels of trade. I have in mind a packing plant.

A great corporation with many stores in this section of the country, one of the four largest retailers of foods in the United States, went into my State and bought a big packing plant. The corporation bought it for the purpose of increasing their meat supply during the present scarce period, so they could supply their customers in the seaboard States. One cannot blame them for trying to do that. However, this rule applied, and they had first to supply the dealers who were dependent on the big plant through 2 years before they could take any of that product for their use in the seaboard States. I think everyone will agree that is good business, and that it is normal business. They had to take care of the small retailers and the small independent merchants on the percentage basis which had obtained prior to the purchase of the plant before they could take the meat supply and distribute it through their stores.

Mr. CAPEHART. Mr. President, would this amendment apply to all retailers in the Nation?

Mr. WHERRY. The retailers would finally get the benefit of it, although the source of steel, newsprint, fuel oil, and so forth, must make the intermediate steps. That is where our first difficulty comes. However, the retailer would finally get his normal supply under the terms of this amendment.

Mr. CAPEHART. Assuming the manufacture and production of everything in the United States were reduced. We have about 10,000,000 items of production in the United States. Would the amendment require that the President take the 3,800,000 business units in the United States and issue coupon books to them?

Mr. WHERRY. Oh, no. The allocation of steel and the allocation of all such other materials would be done mostly at the source of supply. It would follow normal channels of trade without any difficulty. If a retailer obtained his source of supply from a wholesaler of fuel oil, let us say, in South Bend, Ind., and the wholesaler refused to sell that retailer, he could come before our committee and show cause to the committee, and the committee could make a finding that the retailer, being an old customer, was entitled percentagewise to the same quantity that he received before, instead of having an integrated company process the fuel oil and sell it through a retailer across the street.

Mr. CAPEHART. Would this compel a distributor likewise to allocate his distribution to other retailers?

Mr. WHERRY. Certainly; all the way through.

Mr. CAPEHART. Would it compel the retailer to allocate to the farmers?

Mr. WHERRY. If he were a truck man or an automobile man—and the Senator is a manufacturer—a wholesaler and a retailer would be entitled percentagewise to the amounts they had obtained during the base period the President would set up. If they should not get it, what would happen? They would take their money and go into the market and pay a bootleg price for it. That is exactly what happens. They would pay either a bootleg or a black-market price. That is what causes the black market. The same applies to meats. If meat is not handled through the normal channels of trade, there will be small packing plants springing up all over the United States. There were 26,000 during the war. They do not use the offal, and the insulin is lost, and the meat is handled on the black market.

If I ever made an appeal in my life for a piece of legislation that I thought was needed, I am making it for the amendment now pending. I may not have the amendment written as the Committee on Banking and Currency would like to have it, and I am perfectly willing to sit down with the committee and attempt to adjust the language to make it satisfactory, but I do not want to adjust the language so that it will defeat the purpose of the formula. If the formula which was successful in voluntary allocations is adopted, I am satisfied it will help make the act successful, if there are mandatory controls, and allocations placed upon the American economy.

Mr. MAYBANK. Mr. President, the Senator from Nebraska postponed the consideration of his amendment until tomorrow, and that is appreciated. Another Senator is going to have an amendment, and I have an amendment which I send to the desk and ask to have printed and held over until tomorrow. The Department of Agriculture and the Commodity Credit Corporation advise me that there are conflicts between the dates of May 24 and June 24. I shall not ask to have the amendment considered this afternoon, but I present it and ask to have it printed and we can consider other amendments this afternoon.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. LUCAS. Mr. President, immediately following the quorum call this afternoon, I discussed with the minority leader, the Senator from Nebraska, the question of a unanimous-consent agreement under which the Senate might vote upon the bill and all amendments thereto. No definite agreement was reached. Several different days were suggested, and I am wondering if we might not explore the situation at the present time to see whether or not we could reach some sort of unanimous-consent agreement to fix a date when we might be able to vote on the amendments and the bill. Insofar as I am concerned, any day is satisfactory with me—tomorrow, the next day, or the next day, certainly sometime soon.

In talking a moment ago with the able junior Senator from California [Mr. KNOWLAND], who is a member of the Committee on Appropriations, he advised me that the phase of the appropriation bill dealing with Federal Security and Labor had been unanimously agreed upon in conference, and there was some indication by the Senator from California, as well as other Senators, at noon, when we were discussing matters before the Democratic Policy Committee, that the Committee on Appropriations might be able to finish the conference perhaps this week, certainly not later than sometime next week.

As soon as we can act on the conference report on the appropriations bill, and the conference report on the social-security bill, and finish with the pending bill and the conference report on that, and the tax bill, and, as I told the able Senator from Nebraska at noon, the security measures which are now on the Senate Calendar, it would be my intention to see if we could not then perhaps make an arrangement for recesses for periods of 3 days at a time.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Will the Senator permit an inquiry from the Chair as to the highway bill?

Mr. LUCAS. I was about to come to that. In the discussion of the various bills by the Democratic Policy Committee it was brought out that perhaps the mineral interest conveyance bill, H. R. 4800, should be considered. I believe the Senator from Delaware [Mr. WILLIAMS] objected to that, and I presume he persists in his objections, and we may be compelled to move to bring the bill before the Senate for consideration.

Then there is H. R. 7941, a bill to extend the Federal aid highways program, and also the possibility of considering H. R. 2734, which amends section 7[illegible] of the Clayton Act. There may be a few other bills of a minor nature which are not too important, which we could probably finish before we conclude.

Furthermore, Mr. President, I told the Senator from Nebraska that we would also consider definitely at the proper time, following the disposition of the pending bill and the tax bill, all the different phases of the internal-security bills which are on the calendar at the present time.

I have noticed that the Senator from Michigan [Mr. FERGUSON] and the Senator from South Dakota [Mr. MUNDT] have offered an amendment to the pending bill to be known as title VIII, under the caption "Subversive Activities Control Act of 1950." I hope the Senators will not insist upon that amendment to this defense-production bill, because, as I told the Senator from Nebraska today, at the proper time we are going to consider all the internal-security measures. It seems to me we should consider the Mundt-Ferguson proposal upon its merits, and its merits alone, and not attach it to the important measure we are now considering.

I will say now definitely that if we are asked to proceed with that amendment it will be the intention of the majority leader to oppose with all the strength he has including it in the pending bill. I do not think it belongs on this bill, in view of the fact that we are going to debate all the phases of internal security before the Congress adjourns.

It should be sufficient for any Senator to know that the Mundt-Ferguson bill, any bill which the administration has to offer, the McCarran bill, the internal-security bills which are on the calendar, and any other security measure, will probably be discussed at one time and disposed of at one time.

Mr. ELLENDER. Mr. President, I desire to ask the distinguished majority leader about the court picketing bill.

Mr. LUCAS. The policy committee has not considered the picketing bill. The Senator can throw that in when we start talking about security measures. I presume he can bring that up also.

Mr. ELLENDER. If we cannot consider it independently, I propose to follow that course.

Mr. LUCAS. I am in favor of getting all the internal security possible.

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Alabama.

Mr. SPARKMAN. The able majority leader may have mentioned this, but I did not hear it. Was anything said about the renegotiation bill? Is it contemplated that Congress will complete action at this session on the renegotiation bill?

Mr. LUCAS. So far as the policy committee is concerned, or so far as the administration is concerned, there has been no discussion of it.

Mr. SPARKMAN. I have received several inquiries, as I presume other Senators have, from a good many small businesses, which are particularly interested in ascertaining whether or not there will be an accelerated depreciation provision. I understood that might be a part of the renegotiation bill.

Mr. LUCAS. It could be. I have not discussed it.

Mr. WHERRY. Mr. President——

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield first to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I talked with the majority leader at the beginning of the session, and I am sure he remembers the colloquy we had, in which I said that the minority was ready and willing to enter into a unanimous-consent agreement at any time when we could arrange for a vote on a day certain. I gave the distinguished majority leader my viewpoint at that time, and told him I would wait until he would make a proposition to us. Since that happened several amendments have been offered. If the majority leader wishes to suggest a day for the votes to be taken I shall be glad to let him know whether the date he suggests is agreeable. I should be glad to talk to him off the floor and try to arrange for a day. I did not know that so many amendments were to be offered to the bill. I still think the date I suggested is satisfactory. I shall be glad to talk with the majority leader off the floor on the subject.

Mr. LUCAS. Let me say to the Senator from Nebraska that insofar as the majority leader is concerned I am ready to vote tomorrow, or the next day, or the next day. Certain Senators desire to do certain things with respect to engagements they have made some time in the past. They made them probably with the thought, or at least with the hope, that we might be able to get away from Washington on August 1 or August 5. Many Senators have important engagements they obviously would like to fill. It certainly is my intention to accommodate any Senators I possibly can accommodate, but at the same time I should like to move along with the pending bill, because of its importance. It is a war measure. We should move along with it as rapidly and expeditiously as possible. I know the Senator from Nebraska desires to do that. So I say that if we could vote tomorrow on the bill and all amendments thereto I should like to enter into a unanimous-consent agreement to that effect. If that is not possible, I should like to make it the next day, or any day the Senator from Nebraska feels will be acceptable to the Members on his side of the aisle. I have discussed the proposition with various Senators on this side of the aisle, and I doubt if there is any Senator who would not be willing to vote tomorrow night on the bill.

Mr. WHERRY. Mr. President, I did not know that Wednesday was being considered. I believe a unanimous-consent agreement can be arranged for action probably on Thursday or Friday or Monday of next week. I cannot say for sure. However, when I discussed the time for voting I was attempting to suggest a day that was agreeable to both sides. I at least gained the impression that possibly Monday of next week was most agreeable to Senators. But if the Senator from Illinois wants to make a proposition for Thursday or Friday, I shall discuss it with the minority Members and will let him know what is agreeable to them.

Mr. LUCAS. Let me say to the distinguished Senator from Nebraska that either Thursday or Friday of this week is satisfactory to me. We have our Democratic rally, the Governor's Day, in Illinois on Thursday. I had planned to be there. But it will be perfectly all right with me if I miss being there and remain here to vote on the bill on Thursday.

Mr. WHERRY. If the Senator will yield, I will say I am quite satisfied there is going to be considerable debate on the bill.

Mr. LUCAS. I thought the Senator was going to say there would be considerable debate over the speech I intend to make.

Mr. WHERRY. There will probably be a considerable amount of debate about it in Illinois. I should like to skip as much of that as we can at this time.

Mr. LUCAS. The Senator means my speech.

Mr. WHERRY. Yes. The Senator's speech in Illinois can be discussed by the people there.

Mr. LUCAS. I did not think the Senator was coming out there to hear it.

Mr. WHERRY. I did not mean that I was going out there, no. My thought was that there will be considerable discussion of his speech in Illinois, when it is delivered.

Mr. President, I am serious about the proposal for a unanimous-consent agreement. I suggested what I thought was a date most agreeable to all parties concerned. I shall not attempt to work the other side of the aisle. I have enough trouble working my own side. But I am satisfied that Monday of next week would be agreeable now, provided we could vote on all the amendments which have been offered and the amendments which may be offered, and I would even be willing to limit the time for debate to 10 minutes on each amendment, allowing 5 minutes' discussion on each side on each amendment. If that is agreeable we can reach such an agreement now. I shall be glad to canvass the membership on this side of the aisle, and let the Senator from Illinois know whether we can agree to a date earlier than that.

I make that statement because I know Thursday is an important day in Illinois, and I know it is important in other sections of the United States. If it will be of any help, I shall be glad to canvass this side of the aisle to see if we can reach an agreement. I should like the Senator to know that I am just as anxious as he is to get a vote on the bill tomorrow, or the next day, or the next day.

Mr. LUCAS. I want it understood that it is perfectly all right with me, regardless of what day is agreed upon.

Mr. WHERRY. I might be able to work out an agreement for the vote to be had on Thursday, if that is satisfactory to the Senator from Illinois.

Mr. LUCAS. It is satisfactory to me.

Mr. WHERRY. I do not want to hold up action on the bill for 1 minute. I simply want to have an agreement as to the most advantageous time to act.

Mr. President, if the majority leader will permit me to say so, I believe it would be well for him and the minority leader to work out a unanimous-consent agreement, and bring it to the floor of the Senate for action. It ought to be written out so there will be no misunderstanding about it. I shall be glad to do that tomorrow, if it is agreeable to the Senator from Illinois.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. If an agreement is worked out, as suggested by the Senator from Nebraska, for a vote on the amendments and on the bill itself, with a total of 10 minutes being allowed for discussion of each amendment, that is 5 minutes to each side, then, if the vote is fixed for Monday, the amendments should be printed and should lie on the desk on Friday, as under the rule of the Senate the amendments will have to lie on the desk for 1 day. I do not want amendments to be brought in at the last moment. We should have time to study them.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I now extend an invitation to the chairman of the Committee on Banking and Currency or to the majority leader, to work out a unanimous-consent agreement, and I want to say that it might be worked out, so far as we are concerned, for tomorrow, if necessary. I shall be glad to spend the intervening time endeavoring to discover whether an agreement can be made for tomorrow.

Mr. MAYBANK. Did the Senator say for tomorrow?

Mr. WHERRY. It might be late tomorrow.

Mr. CAPEHART. We are ready to vote tomorrow.

Mr. WHERRY. I should like to work out an agreement with the majority leader. I want to have it written out. The last time we entered into a unanimous-consent agreement, it was entered into on the floor, and from time to time during the discussion something was added to the proposed agreement, or taken from it, so when we finally got through we did not know just what the agreement contained. I should like to have a written agreement presented to the Senate for its action upon it.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. LANGER. If an agreement is proposed to be entered into to vote tomorrow, I shall object.

Mr. LUCAS. Mr. President, will the Senator please repeat his statement?

Mr. LANGER. If it is proposed that a vote be taken tomorrow, I shall enter an objection.

Mr. CAPEHART. How about Thursday?

Mr. LANGER. That is all right.

Mr. WHERRY. We can eliminate much discussion and misunderstanding

if the majority and minority leaders endeavor to work out the agreement.

Mr. MAYBANK. Mr. President, I should like to see the plan the majority and minority leaders work out, for I may have certain objections to raise.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Chair wishes to announce that no amendment is now pending before the Senate.

Mr. BRICKER. Mr. President, I call up my amendment M.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all of section 708, commencing on line 7, of page 73, through line 3, on page 74, and to insert:

SEC. 708. (a) The President is authorized to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making by such persons with the approval by the President of voluntary agreements and programs to further the objectives of this act.

(b) No act or omission to act requested by the President pursuant to a voluntary agreement or program approved under subsection (a) and found by the President to be in the public interest as contributing to the national defense shall be construed to be within the provisions of the antitrust laws or the Federal Trade Commission Act of the United States.

(c) The authority granted in subsection (b) shall only be delegated upon the condition that such official consult with the Attorney General not less than 10 days before making any request or finding thereunder. For the purpose of carrying out the objectives of title I of this act, the authority granted in subsection (b) of this section shall not be delegated except to a single official of the Government.

(d) Upon withdrawal of any request or finding made hereunder the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

Strike all of section 712, commencing on line 20 of page 76 through line 2 on page 79.

Renumber sections 713, 714, 715, and 716 as necessary.

Mr. BRICKER. Mr. President, the amendment is somewhat technical, and I had hesitated to bring up this afternoon any technical or controversial amendments to the bill. However, the main provisions of the amendment are substantially agreed upon.

The amendment eliminates the entire section in regard to removal of voluntary agreements for the allocation of materials from application of the prohibitions of the antitrust laws and the Federal Trade Commission laws, and has the effect of placing such agreements under the mandatory-agreement provisions. I think the amendment clarifies the program. This matter was originally considered in that way, and the other provision was put in as a precaution.

In discussing the matter with the staff of the committee, the staff of my office, and a representative of the Department of Commerce, I have concluded that my amendment provides a better way of handling the matter.

One provision of the amendment is somewhat controversial. In the beginning, the committee included a provision to the effect that before the President makes the allocation orders, under either voluntary agreements or mandatory allocations, he shall consult with the Attorney General; and then provision was added that the President also should consult with the Chairman of the Federal Trade Commission. Of course, both of those officials have some somewhat conflicting and overlapping authority in the field of enforcement of the antitrust laws, as we well know.

The amendment does not require that they approve such agreements or that the President follow their suggestions or that they shall have a veto power over the President's action in this connection or over the arrangements entered into by the industry generally in respect to an allocation program; but the amendment eliminates the requirement for consultation with the Chairman of the Federal Trade Commission.

The provision requiring consultation with the Chairman of the Federal Trade Commission was written in the bill by the committee. I opposed such a provision there, and I can see no reason why the President should be required to confer with the Attorney General and with the Chairman of the Federal Trade Commission before the President signs one of these orders or before an industry is relieved from the obligations under the antitrust laws and the Federal trade laws. I think such a requirement would be needlessly encumbering and would be likely to cause constant conflict between the Attorney General and the Chairman of the Federal Trade Commission. In my opinion, the Attorney General is the chief officer who is charged with enforcement of the antitrust laws, and I do not think we should encumber the President or industry with a requirement that the Chairman of the Federal Trade Commission also be consulted in such cases.

As I have said, I think the other provisions of the amendment are generally acceptable to the committee and to the Department. The provision of the amendment to which I have just referred is its only controversial feature. In regard to it, I stand on one side, and others stand on the other side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. SPARKMAN. Mr. President, I am in accord with the Senator from Ohio insofar as he seeks to combine these two provisions of the bill. The only point at issue, as the Senator from Ohio has stated, is the question of leaving out the provision with respect to consultation with the Chairman of the Federal Trade Commission.

If the Senator from Ohio would agree to reinsert the name of the Chairman of the Federal Trade Commission in the two places in the bill where it would be omitted under the provisions of his amendment, then I would raise no question about the amendment and I would hope that no other Senator on this side would do so, because I think the amendment then would be a good solution in respect to combining the two sections which some of us have felt might be construed as contradictory or to some extent conflicting with each other.

Mr. BRICKER. I do not wish to consent to such a modification of my amendment, and I will vote "no" if the Senator from Alabama offers such an amendment to mine.

Mr. SPARKMAN. Mr. President, I shall offer such an amendment to the Senator's amendment.

As a matter of fact, I should prefer that we have the language of the House bill in this particular section. The House bill provides exactly what I tried to have included in our bill in the committee, in that the House bill provides that the consultation shall be with the Attorney General and with the Chairman of the Federal Trade Commission, and that any notice served on the Attorney General as to the withdrawal or the setting up of an agreement shall likewise be served upon the Chairman of the Federal Trade Commission.

As the Senator from Ohio will recall, I offered an amendment to the effect that if the Attorney General and the Chairman of the Federal Trade Commission differ in their interpretations in regard to any ruling which they believe should be made, the President then shall decide as between them, and also that in normal cases there shall be publication of the findings in the Federal Register.

In the committee, the Senator from Ohio argued against that suggestion, doing so with such force and, I feared, so effectively, that I withdrew the amendment before it was voted on in the committee, and I said I would be content to rest with the insertion of the words "Chairman of the Federal Trade Commission," in the proper places in this measure.

I understand the objection of the distinguished Senator from Ohio to this provision, of course. I wish to state my position, because I am just as convinced that my viewpoint is right as he is convinced that his viewpoint is right.

Congress has seen fit to give to the Department of Justice certain parts of the jurisdiction in respect to antitrust matters, and Congress has seen fit to give to the Federal Trade Commission other parts of that jurisdiction.

To state the matter briefly, let me say that the Department of Justice looks after the criminal features regarding prosecutions or suits for violation of the various antitrust laws, and the Federal Trade Commission looks after such matters on the civil side. The farthest the Federal Trade Commission can go in its orders is, I believe, to order that those engaging in certain practices cease and desist.

Mr. BRICKER. The Federal Trade Commission also can go into court in order to have such orders enforced.

Mr. SPARKMAN. Yes; to have its orders to cease and desist enforced.

However, the Federal Trade Commission has no power in regard to criminal prosecutions in that connection.

Mr. President, a great deal of dissatisfaction was expressed in regard to the

idea of putting in this bill or any other bill a provision to exempt such agreements from the operations of the antitrust laws. We had before our committee some testimony in opposition to that proposal. I am sure every Senator has received many letters on the subject. I have received some very strong protests from various small-business organizations and from many small businesses over the country which are afraid of agreements which in ordinary times might have the effect of squeezing them out or of damaging them in their efforts to keep up with the sharp competition in business. They are, therefore, afraid of anything being done which would take away from them that mantle of protection. I believe that the way we have written it and the way it is proposed to be written through the amendment offered by the Senator from Ohio, provided he will include those two little safeguards, no small-business concern in this country ought to be afraid. I am a strong believer in the voluntary agreements. As a matter of fact, in the Eightieth Congress, when the plan was before us to provide for voluntary allocations and to exempt such agreements from the antitrust provisions, I supported that measure. I received some criticism for having supported it, but I still believe that it was right, and I believe it is right to include it in this bill. I want to see as much worked out as we possibly can in the way of voluntary agreements and to carry them into effect, yet I know that many businesses in this country, particularly small businesses, are afraid of this thing being put into effect. Merely by inserting these two little safeguards they will be given a much better feeling of assurance. I do not believe it would create any friction.

As a matter of fact, I have in my files a letter from the Attorney General of the United States written to Representative CELLER, of the House of Representatives, who had made inquiry regarding this matter when this bill was under discussion in the House of Representatives. In his letter the Attorney General joined in the request that the Chairman of the Federal Trade Commission be included at these two places in the bill, in accordance with the manner in which the Senate committee included it. Certainly, if the Attorney General were at all afraid that there would be friction, he would not agree to this suggestion. I should like to read a few excerpts from his letter, which was dated August 2, 1950, and was addressed to the Honorable EMANUEL CELLER, chairman of the Committee on the Judiciary, of the House of Representatives:

> At a conference yesterday with representatives of the Antitrust Division, you asked that this Department express its views with respect to certain proposed amendments to subsections (a) and (b) of section 508, of H. R. 9176—

I may say that is the section to which the Senator's amendment is offered. The Attorney General sets out those proposed amendments, adding the Chairman of the Federal Trade Commission, and says:

> In view of the Attorney General's responsibility for the enforcement of the antitrust laws and his close familiarity with the operation of the Federal Trade Commission Act as well, both by virtue of his position as the chief law officer of the Government and his direct responsibility for enforcement of orders entered under the latter act, we are satisfied that the Attorney General could discharge his responsibilities under the provision requiring his review of proposed exemptions, and that he could do so promptly, effectively, and without delaying the administration of the program contemplated by the Defense Production Act. This view is supported by our experience in the administration of similar statutes during World War II.
>
> Considering the importance of the matter in question, the provision of it leaving the final decision to the President in the event of objection also seems desirable in principle.

Mr. President, I regret that I have really read the part which pertains to the amendment which I offered and which I later withdrew in committee, which the Attorney General asked. But in this same letter he proposes the other two amendments—that is, that we include the Chairman of the Federal Trade Commission—and he asks further that it be included in the Defense Production Act.

It seems to me that he has indicated clearly in the letter that he is not afraid of any friction developing between the Department of Justice and the Federal Trade Commission in administering the respective parts that belong to each.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BRICKER. Is not the Attorney General the official legal adviser for the Federal Trade Commission, aside from its inner-office activities?

Mr. SPARKMAN. I suppose he is, in the same sense that he is the official legal adviser to all Government departments.

Mr. BRICKER. To all Government departments.

Mr. SPARKMAN. That is true. And yet the Senator knows, of course, and I am sure he will agree with me, that every department and agency looks to its own legal department for its operations. The only thing about this, as I see it, is that the Department of Justice, and particularly the Antitrust Division, is concerned primarily with prosecutions, not with studies of acts which fall short of criminal liability.

Mr. BRICKER. But the Attorney General is not excluded from the jurisdiction to bring a civil suit.

Mr. SPARKMAN. He is not, and yet it is not primarily the function of the Department of Justice, and the Attorney General recognizes it in asking that the Chairman of the Federal Trade Commission be associated with him in these two respects only. It is notice to the Federal Trade Commission of what is contemplated in the way of consultation with the Attorney General. There is nothing here to show he does not agree.

Mr. BRICKER. I would not object to the Chairman of the Federal Trade Commission being notified of any agreements; in fact, I think he ought to be. But I should object to his having to be consulted as a prerequisite to any rule or order of the President concerning any allocation agreement.

Mr. SPARKMAN. My attention has been called to the fact that the way the Senator has his amendment drawn there is only one place at which it could be inserted in the bill, and that the notification provision is no longer a part of it, but that the consultation is. It would be my intention to offer to amend the Senator's amendment, on page 2, in line 12, after the words "the Attorney General", by inserting "and with the Chairman of the Federal Trade Commission." I ask the Senator from Ohio whether it was his intention also to omit from his amendment the requirement that notice be published in the Federal Register.

Mr. BRICKER. If the agreement were entered into, yes. I read from the amendment:

> The authority granted in subsection (b) shall only be delegated upon the condition that such official consult with the Attorney General not less than 10 days before making any request or finding thereunder. For the purpose of carrying out the objectives of title I of this act, the authority granted in subsection (b) of this section shall not be delegated except to a single official of the Government.

I think notice would have to be filed in the Federal Register, anyway, under the other provision of the act. This brings the voluntary agreements in keeping with the orders of the President.

Mr. SPARKMAN. As I recall, in section 708 (a) of the committee bill, not the Senator's amendment, there is a requirement that notice be published in the Federal Register. I merely wonder whether the Senator intended to omit that.

Mr. BRICKER. The Senator refers to section 708.

Mr. SPARKMAN. On page 73 of the bill, section 708 (a), line 16.

Mr. BRICKER. The President has the right to accept it if he cares to. I did not think it was either essential or important, so far as the amendment is concerned. It would not make it any more valid. It is no better public notice than to put it in the public press, possibly not even as good public notice.

Mr. SPARKMAN. As I understand the Senator's amendment, it strikes out section 712 of the bill.

Mr. BRICKER. That is correct.

Mr. SPARKMAN. In section 712 we have a requirement that it be published in the Federal Register. As I say, I have no strong feelings with regard to it, but it seems to me it should be published in the Federal Register.

Mr. BRICKER. I have no objection to that at all. I simply thought it was not essential or necessary to do it.

Mr. SPARKMAN. It seems to me that there should be a requirement that it be published in the Federal Register.

Mr. BRICKER. I shall be glad to accept such a modification, and I would

so modify my amendment as to require publication in the Federal Register.

Has the Senator submitted an amendment?

Mr. SPARKMAN. No. I should be glad to, or to have the Senator submit one.

Mr. President, I ask unanimous consent to modify the amendment offered by the Senator from Ohio by inserting in line 19, on page 2, of the Senator's amendment, after the word "hereunder," the words "and publication in the Federal Register thereof."

Mr. BRICKER. I accepted that modification.

Mr. SPARKMAN. Mr. President, I should like to offer a further modification, which I hope the Senator will accept. On line 12, page 2, of the Senator's amendment, after the words "Attorney General," I suggest the insertion of the words "and with the chairman of the Federal Trade Commission."

Mr. BRICKER. I shall be glad to have that put to a vote, but I do not accept it.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). The question is on agreeing to the amendment offered by the Senator from Alabama to the amendment offered by the Senator from Ohio.

Mr. KNOWLAND. Mr. President, may the amendment be stated?

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the amendment of Mr. BRICKER on page 2, line 12, it is proposed to insert after the words "Attorney General" the words "and with the Chairman of the Federal Trade Commission."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama to the amendment of the Senator from Ohio.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Ohio as amended.

Mr. SPARKMAN. Mr. President, I should like to ask the Senator from Ohio one further question. My attention has been called to the fact that the reference to publication in the Federal Register ought to occur in two places in the amendment. If the Senator will look at page 73 of the bill, in section 708 (a), line 16, he will see that there is a provision in that section which reads as follows: "and it shall be published in the Federal Register."

Just before that it is provided as follows:

A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register.

I wonder if the Senator would be agreeable to accepting that language.

Mr. BRICKER. I shall be glad to accept that amendment.

Mr. SPARKMAN. I offer that further modification, Mr. President, that on page 2 of the amendment of the Senator from Ohio, in line 9, after the words "United States," there be inserted a new sentence——

Mr. BRICKER. That is where it was put in before.

Mr. SPARKMAN. No; it was in line 19. I am now referring to line 9.

Mr. President, if it is acceptable to the Senator from Ohio, I should like to insert the sentence which is in the bill on page 73, which brings it into line, so far as notice is concerned.

Mr. BRICKER. I thought that was what was amended a while ago. Is it to be inserted at the end of paragraph (b), in line 9, page 2, of my amendment?

Mr. SPARKMAN. Yes. I should like to have the Senator refer to the sentence on page 73 of the bill, which, if it is acceptable to him, I should like to add at the point in his amendment to which I have referred.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. CAPEHART. The Senator from Alabama wants to insert after the words "United States", the language of section 708 (a) down through line 18.

Mr. SPARKMAN. That is correct.

Mr. BRICKER. That is in regard to the filing with the Attorney General and the Federal Trade Commission and publishing in the Federal Register, beginning at line 12, and ending with line 18.

Mr. SPARKMAN. That is correct.

Mr. BRICKER. That is satisfactory. It would read as follows:

A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

Mr. SPARKMAN. That is correct.

There should be such a sentence added to subsection (b) of the Senator's amendment.

Mr. BRICKER. I accept the modification.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio, as amended, and modified.

The amendment, as amended and modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CAPEHART. Mr. President, there does not seem to be any Senator on our side of the aisle who has any further amendments to offer or who cares to speak.

Mr. MAYBANK. Mr. President, the Senator from Washington [Mr. MAGNUSON] has a 5-minute speech which he would like to make.

Mr. CAPEHART. I shall be very happy to listen to it.

TRADE BETWEEN ENGLAND AND RUSSIA

Mr. MAGNUSON. Mr. President, from the first shot at the thirty-eighth parallel last June 26, the United States never has had any misapprehension that this is a situation which calls now, not eventually, for total preparedness. There will be no half measures taken by the Communist aggressors; there can be none taken by us.

The peril created by Soviet armed aggression in Korea cannot be stressed too heavily.

The Soviet Union's hand becomes exposed more clearly each day in the Korean conflict. There is a constant threat, in Asia as well as in Europe, that a similar outbreak will occur. As long as our strength grows in the one area where our forces are committed, Soviet purposes will be served by setting aflame, either as an attempt to divert our forces or to probe for the weak link in freedom's chain.

I am attempting to be dispassionate. But the situation is grave, and only a corner of Russia's strategy so far has been unfolded. The maneuvers of Jacob Malik in the United Nations Security Council and his propagandist tirades against the United States within the past week have helped fill in communism's ominous design.

The Soviet Union is strong, not only in its own resources but also in the manpower and wealth it can extract from its satellites. The United States, we believe, is stronger. We do not have satellites. We neither pretend to pull the strings, nor do we want to pull the strings of puppets. Our strength derives from the willing support of other members of the United Nations, which like us, believe in peace. So far, many of these nations either have failed to recognize how great the danger is, or have failed to meet their responsibilities. War materials for Communist China still flow from British Hong Kong. Rubber, copper, lead, tin, and machinery, all of which are potential weapons to add to our danger and intensify our sacrifices, are exported under British license to Red China.

Britain continues to play into Communist hands by its insistence on recognizing Red China, despite the fact that Communist China refuses to grant her recognition. It should be clear even to British statesmen that Red China is a puppet of the power which is trying to throttle Britain's own way of life. That power is Soviet Russia.

Mr. President, in addition to dealing with Red China while our troops are fighting and dying in nearby Korea, according to the best information available Great Britain is apparently also dealing directly with Soviet Russia, which is the arsenal of its North Korean puppet. She is sending to Russia valuable machinery, thus augmenting Russian industry, and is supplying the machinery in exchange for Soviet crab meat, which Britain, in turn, is trying to dump on us. Only yesterday the British attempted to unload on us 160,000 pounds of Soviet-produced crab meat, which it now owns by reason of its barter deal in supplying Russia with British-made machinery. There has been some suggestion made, by those who apparently are not completely informed of the facts, that this crab meat is a direct sale in our country in violation of tariff provisions or because we do not

have proper tariff prohibitions against such shipments directly from Russia. However, it is a British attempt to sell us the crab meat.

Longshoremen in New York refused to handle the shipment last week, and news dispatches say the British freighter with the crab meat aboard has moved on to Boston. I think it can be taken for granted that British efforts to dump the shipment of crab meat on us will continue. It seems to be adding insult to injury. It is surely playing Russia's game not only by helping to build Russia's industrial potential, but by trying to unload Russian products in this country in competition with America's own struggling fisheries industries. This is not a mark of friendship or of unity between two great English-speaking democracies. It seems to be cold-blooded British commercialism.

Mr. President, the time has come to ask: Is Britain on the side of the democracies, or is Britain straddling the issue, waiting to see where her pocketbook will best be served? If Great Britain continues to put trade above our united efforts in the war she will become, unfortunately, a bad risk. We hope such situations will not continue, because we know the heart of the British people is entirely different. However, if these instances continue, and until Great Britain recognizes the fact that the lives of our boys and the lives of boys of other members of the United Nations are more important than the profits of her traders, she should not be qualified to receive further military or economic support from this country.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Gillette	Long
Anderson	Graham	Lucas
Benton	Green	McCarran
Brewster	Gurney	McKellar
Bricker	Hayden	McMahon
Butler	Hendrickson	Magnuson
Byrd	Hickenlooper	Malone
Capehart	Hill	Martin
Chapman	Hoey	Maybank
Chavez	Holland	Millikin
Connally	Humphrey	Morse
Cordon	Hunt	Mundt
Darby	Ives	Murray
Donnell	Johnson, Colo.	Myers
Douglas	Johnson, Tex.	Neely
Downey	Johnston, S. C.	O'Conor
Dworshak	Kefauver	O'Mahoney
Eastland	Kem	Pepper
Ecton	Kerr	Robertson
Ellender	Kilgore	Russell
Ferguson	Knowland	Saltonstall
Frear	Langer	Schoeppel
Fulbright	Lehman	Smith, Maine
George	Lodge	Smith, N. J.
Sparkman	Thye	Williams
Stennis	Tydings	Withers
Taft	Watkins	Young
Thomas, Okla.	Wherry	
Thomas, Utah	Wiley	

The PRESIDING OFFICER. A quorum is present. The bill is open to further amendment.

Mr. MAYBANK. Mr. President, I was about to address the distinguished minority leader, because we have been working for some time, I might say for some days, in an effort to complete the legislation we are considering, for the benefit of the people of the United States. Every day we delay means that much more harm done to the people. It is my belief that we can work out a unanimous-consent agreement, and I believe that is why the Senator from Indiana called for a quorum.

I have been in conference with the Senator from Nebraska and with the Parliamentarian in the hope that something might be prepared looking to a final vote on the bill. I appreciate, as does every other Senator, that many Senators have engagements, but the issues before us in this bill are far more important than any engagement any Senator may have.

The President wrote to the Banking and Currency Committee that time was of the essence. The committee have been considering the bill since the 19th of July. We were hopeful that the bill would be passed as the committee reported it, and that whatever amendments were desired, could be voted upon separately. Whatever sections of the bill the Senate wishes to vote up or down can be voted up or down, but I think something should be done as soon as possible. With that understanding I have conferred with the minority leader and we have prepared a unanimous-consent request which I ask to have read.

The PRESIDING OFFICER. The unanimous-consent request will be read.

The legislative clerk read as follows:

Ordered, That after the hour of 1 o'clock p. m. on the calendar day of Friday, August 18, 1950, during the further consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, debate upon any amendment or motion (including appeals) that may be pending or that may be thereafter proposed including the amendment proposed today by Mr. MUNDT (for himself and Mr. FERGUSON), and upon the bill itself shall be limited to not exceeding 10 minutes, to be equally divided and controlled, respectively, by the mover of such amendment or motion and the chairman of the Committee on Banking and Currency [Mr. MAYBANK]: *Provided*, That amendments intended to be proposed submitted hereafter shall be germane to the subject matter of the said bill.

Mr. MAYBANK. I may say that that is a simple agreement satisfactory to the distinguished minority leader and myself, after discussion with the Parliamentarian, subject, of course, to the wishes of the Senate. Of course, the time would be divided between the present ranking Republican member of the Committee on Banking and Currency, the Senator from Indiana [Mr. CAPEHART], and myself. We are hopeful that the agreement may be entered into, because if we go over another weekend without passing the bill, it might be that it will not be passed until another week has passed.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. I do not believe the unanimous-consent request included that we were to start voting on all amendments at 1 o'clock on Friday. I did not hear any such provision read. Does the unanimous-consent request mean that, or do we vote on amendments prior to 1 o'clock.

The PRESIDING OFFICER. That is when limitation of debate would begin.

Mr. WHERRY. There should be no vote on any amendments prior to 1 o'clock. If we are to enter into the unanimous consent agreement I should like to have that provision included.

Mr. MAYBANK. The agreement was that there be no votes between 12 and 1 o'clock, but that the time between 12 and 1 be left open for routine matters being presented for the RECORD.

Mr. WHERRY. I should like to have the unanimous consent request modified to include the proviso that voting on all amendments shall begin at 1 o'clock, and not prior thereto.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. The Senator does not mean that we may not vote on amendments tomorrow.

Mr. WHERRY. I certainly do. We should have a unanimous consent agreement to vote on all amendments beginning at 1 o'clock, and Senators will be put on notice to that effect. We can then discuss the bill from now until 1 o'clock Friday, but Friday at 1 o'clock we begin voting on all amendments. That is the only proper way to enter into a unanimous-consent agreement. Then every Senator will know when we are going to vote on all the amendments.

Mr. President, the time is limited to 10 minutes on each amendment. That should be made plain to every Senator. That means only 5 minutes to each side, including the debate on the bill itself. That is contained in the agreement.

Mr. MAYBANK. Mr. President, the distinguished Senator from Nebraska understands that between now and 1 o'clock on Friday unlimited time will be given to debating the amendments.

Mr. WHERRY. Certainly; or for debate on anything.

Mr. MAYBANK. Yes.

Mr. WHERRY. But no votes are to be had on any amendments until 1 o'clock on Friday.

The PRESIDING OFFICER. May the Chair make an inquiry? Do the two Senators agree on amending the request to cover the point expressly that there shall be no vote until 1 o'clock on Friday? The Chair understands that is agreed upon.

Mr. FERGUSON. I should like to inquire whether it is understood that the limitation of debate will begin at 1 o'clock on Friday; that no vote will be taken prior to that, but that votes will be taken after 1 o'clock, following the debate?

Mr. WHERRY. Yes.

The PRESIDING OFFICER. The Chair so understands.

Mr. MAYBANK. Unlimited debate may be had until 1 o'clock on Friday.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I yield for a question.

Mr. SPARKMAN. It is not included in the unanimous consent request, and I am not even suggesting that it should be there, but I believe it would be well, and I think we all might express the hope, that any Senator having an amendment to offer would offer it by the time the Senate takes a recess on Thursday.

Mr. WHERRY. No.

Mr. SPARKMAN. I say there should be no such requirement, but I think it would be a good thing for Senators having amendments to offer, at least to let them be printed and lie on the table so that other Senators would be familiar with them.

The PRESIDING OFFICER. That is a request, but not a part of the unanimous consent request.

Is there objection to the unanimous consent request?

Mr. NEELY. Mr. President, reserving the right to object, please let me urge that we vote on Thursday instead of Friday for the following reason: The annual convention of the Young Democratic Clubs of West Virginia will be held in Huntington from next Thursday morning until next Saturday night. The distinguished Senator from Alabama [Mr. SPARKMAN] has been advertised as the convention's speaker for Friday afternoon. The able senior Senator from West Virginia [Mr. KILGORE] will also address the convention on that day.

Speaking not only for myself, but for the thousands of other West Virginians who will attend the convention in the hope of hearing these eminent senatorial orators I entreat the Senate to vote on the pending bill on Thursday, or postpone its final action until next Monday.

Mr. MAYBANK. Mr. President, I want to say to the distinguished Senator from West Virginia [Mr. NEELY], for whom we all have the greatest affection, and to his distinguished colleague [Mr. KILGORE], and to my good friend from Alabama [Mr. SPARKMAN], who is a member of the Banking and Currency Committee, that we were hopeful we could finish the proposed legislation this week. The Senator from West Virginia suggested that we vote tomorrow. Unfortunately the Senator from Nebraska put off offering his amendments until tomorrow, and I put off mine also. I sent them to the desk this afternoon to be printed. I do not see exactly how we can possibly vote on those amendments until Friday.

We have discussed the matter, and I hope the Senator from West Virginia will agree to the proposal to vote on Friday. I also have been invited to speak on Friday, and refused the invitation. I do not know how the Senator from Alabama feels about the matter. If we can complete action on this bill this week we will move far toward a reasonably early recess.

The Senator from Georgia [Mr. GEORGE] is waiting to bring up a tax bill from the Finance Committee. Matters are being brought in from other committees. I hope action on the pending bill will not be put off over the week end, because then consideration of the bill will be continued into next week, thus causing considerable delay.

Mr. KILGORE. Mr. President, reserving the right to object, I wonder why we cannot vote on the bill on Thursday. Considerable time has already been used in debating the bill. It seems to me that it already has been considered rather thoroughly. So I cannot understand why an extra day is required and why Friday is selected as the day for the vote to be taken. It seems to me that, in all fairness, an arrangement should be made to have the vote taken on Thursday.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. The answer to the question posed by the distinguished Senator from West Virginia is that a few minutes ago the distinguished majority leader, the Senator from Illinois [Mr. LUCAS], said he would like to go to Illinois to address a Democratic convention there; I think it is to be a meeting at the State fair, and I think he regards it as a very important meeting.

The exact date when the vote is taken is immaterial to me. If we worked hard enough and long enough, I think we might be able to persuade Senators to cancel any conflicting engagements and to enter into a unanimous-consent agreement to have the vote taken earlier in the week.

However, at the suggestion of the distinguished majority leader, we contacted everyone concerned, and finally we worked out agreement to have the vote taken on Friday.

I am willing to try to work out an agreement to have the vote taken tomorrow, so far as that is concerned. However, certainly all Senators realize that there are a number of amendments, many of which have not yet even been offered, and they would not have much chance to be debated—especially the amendment relating to the handling of supplies through the normal channels of trade—if we were to advance the date for the vote on the bill.

I have a press report to the effect that the majority leader said that after a meeting of the Democratic policy committee he hoped to obtain agreement to have the vote taken on Monday on the economic-control bill. I wonder whether that statement to the press was made after the agreement now before us was proposed.

In any event, I am agreeable to having the Senate reach an agreement which will be acceptable to everyone concerned.

Mr. SPARKMAN. Mr. President, the distinguished Senator from West Virginia has suggested that I am scheduled to speak at a meeting of the Young Democrats in West Virginia on Friday afternoon. I wish to say that when I accepted the invitation, some 2 months ago, I thought I would be going to that meeting directly from Alabama, and that the Senate would not then be in session.

I wish to say that during the time I have been in Congress I have never requested the postponement of a vote on any measure by reason of my being absent; nor have I ever objected to a proposed unanimous-consent agreement, even though it required me to cancel an engagement.

I also wish to make it very clear that I have not made any such request at this time.

Naturally I have looked forward with great interest to the meeting in West Virginia. I always look forward with pleasure and interest to any meeting with good Democrats, and my appetite has been particularly whetted by the statement of the distinguished Senator from West Virginia that there will be 9,000 or 10,000 good Democrats at the meeting in West Virginia. Naturally I should like to be there, but I wish the RECORD to show that I am not asking that the arrangement now proposed be changed because of my situation.

Mr. NEELY. Mr. President, the junior Senator from West Virginia knows nothing whatever about the observations which were made by the distinguished senior Senator from Illinois [Mr. LUCAS] except what was stated a moment ago by the distinguished minority leader [Mr. WHERRY]. I did not know that the Senator from Illinois had suggested that the vote on the bill be cast on Monday. Personally, I prefer that the Senate dispose of this important matter tomorrow or Thursday. I do not wish to delay action. But in my opinion, except the saving of immortal souls, the most important thing this side of the grave to the people of the world is the success of the Democratic Party in the approaching election. The success of the Democratic Party in the Nation is largely dependent upon its success in West Virginia. The Democratic success in West Virginia is largely dependent upon the speech which the Senator from Alabama [Mr. SPARKMAN] has promised to deliver in Huntington next Friday.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I wish to say that the success of the Democratic Party in South Carolina has already been assured.

Mr. NEELY. Unhappily, in West Virginia we do not complete our voting until November. Although the political situation in West Virginia is highly satisfactory it nevertheless requires the formality of ratification at the polls.

Mr. President, let me entreat the Senator from South Carolina in behalf of the Democratic Party and the prosperity and happiness of the world, to postpone the proposed consent agreement until tomorrow. In the meantime let us negotiate with the always accommodating, lovable leader of the minority, the distinguished Senator from Nebraska [Mr. WHERRY], an arrangement by means of

which we can vote on the bill on Thursday instead of Friday.

Mr. MAYBANK. Mr. President, I have conferred with the minority leader, and I should like to amend the proposed unanimous-consent agreement by substituting the word "Monday" for the word "Friday." I hope that change will be agreeable to everyone concerned.

So I modify the unanimous-consent agreement by striking out the word "Friday" and inserting the word "Monday," so as to provide that the vote be taken on Monday next at 1 o'clock.

The PRESIDING OFFICER. The Senator from South Carolina has modified the proposed unanimous-consent agreement by substituting the word "Monday" for the word "Friday"; otherwise the requested unanimous-consent agreement is the same as when previously proposed.

Is there objection to the unanimous-consent agreement as now proposed? The Chair hears none, and it is so ordered.

The unanimous-consent agreement as entered into is, as follows:

Ordered, That after the hour of 1 o'clock p. m. on the calendar day of Monday, August 21, 1950, during the further consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, debate upon any amendment or motion (including appeals) that may be pending or that may be thereafter proposed, including the amendment proposed today by Mr. MUNDT (for himself and Mr. FERGUSON), and upon the bill itself shall be limited to not exceeding 10 minutes, to be equally divided and controlled, respectively, by the mover of such amendment or motion and the chairman of the Committee on Banking and Currency [Mr. MAYBANK]: *Provided,* That amendments intended to be proposed, submitted hereafter, shall be germane to the subject matter of the said bill: *Provided further,* That no vote on any amendment or motion shall be had prior to said hour of 1 o'clock p. m. on Monday next.

EXECUTIVE SESSION

Mr. MAYBANK. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. STENNIS in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there be no reports of committees, the clerk will call the executive calendar.

TREATY

The treaty, Executive K (80th Cong., 2d sess.), a treaty of extradition between the United States of America and the Union of South Africa, was announced as first in order.

Mr. MAYBANK. Mr. President, I ask that the treaty be passed over.

The PRESIDING OFFICER. Without objection, the treaty will be passed over.

The nominations on the calendar will be stated.

ADVISORY BOARD FOR THE POST OFFICE DEPARTMENT—NOMINATION PASSED OVER

The Chief Clerk read the nomination of Morris L. Ernst, of New York, to be a member of the Advisory Board for the Post Office Department.

The PRESIDING OFFICER. Without objection——

Mr. WHERRY. Mr. President, because of the confusion existing in the Chamber, it has been difficult to hear; but do I correctly understand that the nomination of Morris L. Ernst has just been stated?

The PRESIDING OFFICER. That is correct.

The Senate will be in order, so that all Senators may understand the business being transacted.

Mr. MAYBANK. That nomination has been stated and is before the Senate now, as I understand.

Mr. WHERRY. Mr. President, I ask that the nomination be passed over, and that we proceed to take up the new reports on the executive calendar.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

The clerk will state the new reports on the executive calendar.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Thomas H. Roberts to be United States district judge for the district of Puerto Rico.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Harvey L. Carey to be United States attorney for the western district of Louisiana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The Chief Clerk read the nomination of Leo A. Casey to be United States marshal for the northern district of West Virginia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That concludes the nominations on the calendar.

Mr. WHERRY obtained the floor.

Mr. MAYBANK. Mr. President, will the Senator from Nebraska, the distinguished minority leader, yield to the Senator from Texas for the purpose of calling up a treaty which is on the executive calendar?

Mr. WHERRY. I yield.

The PRESIDING OFFICER. The Senator from Texas is recognized.

EXTRADITION TREATY WITH UNION OF SOUTH AFRICA

Mr. CONNALLY. Mr. President, the treaty on the calendar is not of a great deal of importance. It is a treaty with the Union of South Africa and relates to extradition. I see no reason why it should not be considered at this time.

Mr. WHERRY. Very well; I have no objection to its immediate consideration.

The Senate, as in Committee of the Whole, proceeded to consider the treaty (Executive K, 80th Cong., 2d sess.), a treaty of extradition between the United States of America and the Union of South Africa, signed at Washington on December 18, 1947, which was read the second time, as follows:

TREATY OF EXTRADITION WITH THE UNION OF SOUTH AFRICA

The President of the United States of America,

And His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, acting for the Union of South Africa,

Desiring to make more adequate provision for the reciprocal extradition of criminals,

Have resolved to conclude a Treaty for that purpose, and to that end have appointed as their plenipotentiaries,

The President of the United States of America:

Robert A. Lovett, Acting Secretary of State of the United States of America;

and

His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, for the Union of South Africa:

Harry Thomson Andrews, Envoy Extraordinary and Minister Plenipotentiary of the Union of South Africa at Washington;

Who, having communicated their full powers, found in good and due form, have agreed as follows:

ARTICLE 1

The High Contracting Parties engage to deliver up to each other, under certain circumstances and conditions stated in the present Treaty, those persons who, being accused or convicted of any of the crimes or offences enumerated in article 3, committed within the jurisdiction of the one Party, shall be found within the territory of the other Party.

ARTICLE 2

For the purposes of the present Treaty:

(a) the territory of His Majesty shall be deemed to be the Union of South Africa together with any territory at any time under the jurisdiction of His Majesty's Government in the Union of South Africa whether as mandated territory, protectorate, or otherwise, if said Treaty is extended to that territory under Article 14; and

(b) the territory of the United States of America shall be deemed to be all territory wherever situated belonging to the United States of America, including its dependencies and all other territories under its exclusive administration or control.

ARTICLE 3

Extradition shall be reciprocally granted for the following crimes or offences:

1. Murder, or attempt or conspiracy to murder.
2. Culpable homicide or manslaughter.
3. Assault with intent to do grievous bodily harm; maliciously wounding or inflicting grievous bodily harm.
4. Any act done with intent to endanger the safety or lives of persons travelling upon a railway.
5. Abortion or attempted abortion.
6. Rape.
7. Indecent assault.
8. Unlawful carnal knowledge, or any attempt to have unlawful carnal knowledge, of a girl under sixteen years of age.
9. Abduction.

10. Procuration, i. e., the procuring even with her own consent of a woman or girl under age for immoral purposes or of a woman or girl over age, to become a common prostitute, or the procuring, by threats, intimidation or false pretences of a woman or girl to have unlawful carnal connection, provided that such crime or offence is punishable by imprisonment for at least one year or by more severe punishment.

11. Bigamy.

12. Kidnapping or man-stealing, including woman-stealing and child-stealing.

13. Illtreatment, neglect or abandonment of a child.

14. False imprisonment.

15. Robbery with violence.

16. Extortion.

17. Arson.

18. Malicious injury to property.

19. Burglary or housebreaking with intent to commit an offence.

20. Larceny or theft including embezzlement.

21. Receiving money, valuable security or other property, knowing the same to have been stolen, embezzled or obtained by false pretences.

22. Fraud by a bailee, banker, agent, factor, trustee, director, member or officer of any company, or the obtaining of money, valuable security or other property by false pretences.

23. Forgery or uttering what has been forged.

24. Counterfeiting or altering money, or uttering counterfeit or altered money.

25. Being in possession of any implement with intent to make counterfeit coin therewith or with the aid thereof.

26. Contraventions of the insolvency or bankruptcy laws.

27. Crimes or offences against any enactment relating to dangerous drugs, or attempts to commit such crimes or offences.

28. Bribery, i. e., the offering, giving or receiving of bribes.

29. Perjury, subornation of perjury or knowingly making a false statement in contravention of a statute.

30. (a) Piracy by the law of nations.

(b) Revolt, or conspiracy to revolt, by two or more persons on board a ship on the high seas against the authority of the master; wrongfully sinking or destroying a vessel at sea, or attempting to do so; assaults on board a ship on the high seas, with intent to do grievous bodily harm.

31. Dealing in slaves.

Extradition is also to be granted for participation in any of the aforesaid crimes or offenses.

ARTICLE 4

The extradition shall not take place if the person claimed has already been tried and discharged or punished, or is still under trial in the territories of the High Contracting Party applied to, for the crime or offence for which his extradition is demanded.

If the person claimed should be under examination or under punishment in the territories of the High Contracting Party applied to for any other crime or offence, his extradition shall be deferred until the conclusion of the trial and the full execution of any punishment awarded to him.

ARTICLE 5

The extradition shall not take place if the crime or offence is not indictable in the place where the person claimed is apprehended or if, subsequently to the commission of the crime or offence or the institution of the penal prosecution or the conviction thereon, exemption from prosecution or punishment has been acquired by lapse of time, according to the laws of the High Contracting Party applying or applied to.

ARTICLE 6

A fugitive criminal shall not be surrendered if the crime or offence in respect of which his surrender is demanded is one of a political character, or if he proves that the requisition for his surrender has, in fact, been made with a view to try or to punish him for a crime or offence of a political character.

ARTICLE 7

A person surrendered can in no case be kept in custody or be brought to trial in the territories of the High Contracting Party to whom the surrender has been made for any other crime or offence, or on account of any other matters, than those for which the extradition shall have taken place, until he has been restored, or has had an opportunity of returning, to the territories of the High Contracting Party by whom he has been surrendered.

This stipulation does not apply to crimes or offences committed after the extradition.

ARTICLE 8

The extradition shall take place only if the evidence be found sufficient, according to the laws of the High Contracting Party applied to, either to justify the committal of the prisoner for trial, in case the crime or offence had been committed in the territory of such High Contracting Party, or to prove that the prisoner is the identical person convicted by the courts of the High Contracting Party who makes the requisition, and that the crime or offence of which he has been convicted is one in respect of which extradition could, at the time of such conviction, have been granted by the High Contracting Party applied to.

ARTICLE 9

If the individual claimed by one of the High Contracting Parties in pursuance of the present Treaty should be also claimed by one or several other Powers on account of other crimes or offences committed within their respective jurisdictions, his extradition shall be granted to the Power whose claim is earliest in date, unless such claim is waived.

ARTICLE 10

If sufficient evidence for the extradition be not produced within two months from the date of the apprehension of the fugitive, or within such further time as the High Contracting Party applied to, or the proper tribunal of such High Contracting Party, shall direct, the fugitive shall be set at liberty.

ARTICLE 11

All articles seized which were in the possession of the person to be surrendered at the time of his apprehension, and any articles that may serve as a proof of the crime or offence shall be given up when the extradition takes place, in so far as this may be permitted by the law of the High Contracting Party granting the extradition.

ARTICLE 12

The extradition of fugitive criminals under the provisions of this Treaty shall be carried out in the United States of America and in the territory of His Majesty respectively, in conformity with the laws regulating extradition for the time being in force in the territory from which the surrender of the fugitive criminal is claimed.

ARTICLE 13

All expenses conected with the extradition shall be borne by the High Contracting Party making the application.

ARTICLE 14

His Majesty's Government in the Union of South Africa may accede to the present Treaty in respect of any territory at any time under the jurisdiction of His Majesty's said Government, whether as mandated territory, protectorate or otherwise. Such accession shall be effected by a notice to that effect given by the diplomatic representative of the Union of South Africa at Washington which shall specify the authority to which the requisition for the surrender of a fugitive criminal who has taken refuge in the said territory shall be addressed. From the date when such notice comes into effect, the said Territory shall be deemed to be territory of His Majesty for the purposes of the present Treaty.

The requisition for the surrender of a fugitive criminal who has taken refuge in the above-mentioned Territory shall be made by the appropriate diplomatic or consular officer of the United States of America.

Either High Contracting Party may terminate this Treaty separately in respect of the above-mentioned Territory. Such termination shall be effected by a notice given in accordance with the provisions of Article 15.

ARTICLE 15

The present Treaty shall come into force ten days after its publication, in conformity with the forms prescribed by the laws of the High Contracting Parties. It may be terminated by either of the High Contracting Parties by a notice not exceeding one year and not less than six months.

In the absence of an express provision to that effect, a notice given under the first paragraph of this Article shall not affect the operation of the Treaty in respect of the Mandated Territory of South West Africa, if notice of accession has been given under Article 14.

The present Treaty shall be ratified, and the ratifications shall be exchanged at Washington as soon as possible.

On the coming into force of the present Treaty the provisions of Article 10 of the Treaty of the 9th of August, 1842, of the Convention of the 12th of July 1889, of the supplementary Convention of the 13th December, 1900, and of the supplementary Convention of the 12th April, 1905, relative to extradition, shall cease to have effect as between the United States of America and the Union of South Africa.

In faith whereof the above-named plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

DONE in duplicate in the English and Afrikaans languages at the city of Washington this eighteenth day of December, 1947.

For the United States of America:
[SEAL] ROBERT A. LOVETT

For the Union of South Africa:
[SEAL] H. T. ANDREWS

The PRESIDING OFFICER. The treaty is open to amendment. If there be no amendment to be proposed, the treaty will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive K, Eightieth Congress, second session, a treaty of extradition between the United States of America and the Union of South Africa, signed at Washington on December 18, 1947.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to and the treaty is ratified.

LEGISLATIVE SESSION

The Senate resumed the consideration of legislative business.

ACTION OF SECURITY COUNCIL ON KOREA

Mr. KNOWLAND. Mr. President, I have received a letter from the Assistant Secretary of State, Mr. John D. Hickerson, reading as follows:

ASSISTANT SECRETARY OF STATE,
Washington.

The Honorable WILLIAM F. KNOWLAND,
United States Senate.

MY DEAR SENATOR KNOWLAND: In accordance with our telephone conversation today, I am sending the attached material with respect to the action of the Security Council on Korea. It does not include a report on the meeting today, August 10.

Sincerely yours,

JOHN D. HICKERSON,
Assistant Secretary.

The material gives a brief résumé of the vote of the various nations of the Security Council at each Security Council meeting, together with copies of the several resolutions which I think will be of interest to the Senate. I desire also to have printed immediately following that an Associated Press dispatch of today relative to the Indian proposal for a Little Six committee to present the plan for a peace settlement. The only thing I wish to point out—and I hope that the United States Government, particularly the State Department, is giving very careful consideration to it—is that when we eliminate the Big Five and leave the Little Six, of those six there are four of the nations which have voted at one time or another with the Soviet Union, and one of them at least has voted with the Soviet Union or abstained almost every time, namely, Yugoslavia; and India, which has voted with them four times, abstained twice, and voted with the western world on one roll call.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

THE KOREAN CASE IN THE SECURITY COUNCIL
JUNE 25 TO AUGUST 9, 1950

MEETING OF JUNE 25

On June 25, 1950, the United States introduced a draft resolution, which was adopted by 9 votes to 0, with 1 abstention (Yugoslavia), and 1 absence (U. S. S. R.). Prior to the vote on the resolution as a whole, votes were taken on each paragraph. The votes on individual paragraphs were the same as the final vote except in one instance: Yugoslavia voted in favor of the following part of the first operative paragraph: "Calls for the immediate cessation of hostilities." The resolution, which determined that the armed attack upon the Republic of Korea constituted a breach of the peace, called for (1) immediate cessation of hostilities and (2) withdrawal of North Korean forces to the thirty-eighth parallel. The resolution also called upon "all members to render every assistance to the United Nations in the execution of this resolution and to refrain from giving assistance to the North Korean authorities" and requested the United Nations Commission to observe the withdrawal of the North Korean forces and to keep the Security Council informed on the execution of the resolution (exhibit I).

At the same meeting the Council agreed, without objection, to a United States proposal that the representatives of the Government of the Republic of Korea be permitted to sit at the Council table during the consideration of the Korean case. The Yugoslav representative submitted a resolution to invite "the Government of North Korea to state its case before the Security Council." This resolution was rejected by 6 votes (China, Cuba, Ecuador, France, United Kingdom, United States) to 1 (Yugoslavia), with 3 abstentions (Egypt, India, Norway), and 1 absence (U. S. S. R.).

MEETING OF JUNE 27

On June 27, Ambassador Austin presented a draft resolution recommending "that the members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area" (exhibit II).

The Yugoslav representative introduced a resolution under which the Council would decide (a) to renew its call for the cessation of hostilities; (b) to initiate a procedure of mediation between the two parties involved; and (c) to this end invite the Government of the People's Republic of Korea to send a representative to the headquarters with full powers to participate in the mediation procedure. The representatives of France, the United Kingdom, China, Cuba, Ecuador, and Norway supported the United States resolution. The Egyptian and Indian representatives announced they lacked instructions. The meeting was accordingly suspended at 5:10 p. m., and resumed at 10:25 p. m. to enable them to telephone their governments. When it reconvened, both the Egyptian and Indian representatives announced they had not succeeded in reaching their governments and requested that they be considered as not participating in voting, reserving the right subsequently to communicate their views with respect to the resolutions to the Council.

The United States resolution was first put to the vote, and carried by a vote of seven (China, Cuba, Ecuador, France, Norway, United Kingdom, United States) to one (Yugoslavia), with Egypt and India not voting, and the U. S. S. R. absent. The Yugoslav motion was then put to the vote and rejected, Yugoslavia voting for the resolution; China, Cuba, Ecuador, France, Norway, United Kingdom and United States voting against; Egypt and India not voting; and the U. S. S. R. absent.

MEETING OF JUNE 30

The Egyptian representative stated that Egypt would have abstained from voting on the June 27 resolution had it been able to participate, both because the conflict was but a new phase in the East-West conflict and because other cases of aggression had not been acted upon in the same way by the United Nations, while the Indian representative accepted the June 27 resolution in behalf of his Government. Cables from 20 members (United Kingdom, Uruguay, Colombia, Belgium, India, China, New Zealand, Australia, Brazil, Netherlands, Dominican Republic, Turkey, United States, Argentina, El Salvador, Venezuela, Honduras, Mexico, Canada, Pakistan) supporting the Security Council resolution and pledging assistance were read, together with two messages (Czechoslovakia, U. S. S. R.) stating the Council's action was illegal. A resolution of the Organization of American States declaring its adherence to the Council's decision was also read.

MEETING OF JULY 7

Under its new chairman for July, the Norwegian representative, the Council considered a joint British-French draft resolution (a) welcoming the prompt and vigorous support of members for the resolutions of June 25 and 27; (b) noting that members have transmitted to the United Nations offers of assistance to the Republic of Korea; (c) recommending that members providing military forces and other assistance make such assistance available to a unified command under the United States; (d) requesting that the United States designate the commander of such forces; (e) authorizing the unified command at its discretion to use the United Nations flag; and (f) requesting the United States to provide the Council with reports as appropriate on the Korean action. The resolution was adopted by a vote of seven (China, Cuba, Ecuador, France, Norway, United Kingdom, United States) to none, with three abstentions (Egypt, India, Yugoslavia), the U. S. S. R. being absent. Ambassador Austin accepted the responsibilities of the Unified Command on behalf of the United States (exhibit III).

MEETING OF JULY 25

Ambassador Austin read to the Council the full text of the first report to the Security Council "on the course of action taken under the Unified Command (United States Government) in accordance with the Security Council resolution of July 7, 1950. Mr. Sunde (Norway), the president of the Council, thanked the United States for this report.

MEETING OF JULY 28

The Council, in a brief meeting devoted to commendatory statements by the representatives of France, the United Kingdom, Cuba, China, India, and Ecuador with regard to the report of the Unified Command, adjourned further discussion of the Korean question until July 31.

MEETING OF JULY 31

The Council considered a joint resolution submitted by Norway, France, and the United Kingdom on Korean relief. The resolution expressed appreciation for spontaneous offers of aid to the Korean people made by governments, specialized agencies and nongovernmental organizations; requested the Unified Command to take responsibility for determining relief requirements for Korea's civilian population and for establishing procedures for relief; requested the Secretary-General to transmit relief offers to the Unified Command which was asked to report to the Council as appropriate in this regard; and requested the Secretary-General, the Economic Social Council, other United Nations organs, and specialized agencies and appropriate nongovernmental organizations to provide appropriate relief aid as the Unified Command might request. This resolution was adopted by nine votes in favor, none against, with one abstention (Yugoslavia), the U. S. S. R. being absent (exhibit IV).

Ambassador Austin then tabled a resolution under which the Security Council would condemn the North Korean authorities for continued defiance of the United Nations; and would call upon all states (a) to use their influence to prevail on the North Korean authorities to cease their defiance; (b) to refrain from assisting or encouraging them; and (c) to refrain from any action which might lead to the spread of the Korean conflict to other areas and thus further endanger peace and security (exhibit V).

MEETING OF AUGUST 1

At the outset of the meeting, Mr. Yakov Malik (U. S. S. R.), who had assumed the presidency of the Council, ruled that the representative of the Kuomintang group seated in the Security Council did not represent China and could not therefore take part in the meetings of the Security Council. This ruling was immediately challenged by representatives of the United States, the United Kingdom, and France. The Indian and Yugoslav representatives supported the President's ruling, while the Norwegian, Egyptian, Cuban, and Ecuadoran representatives opposed it. The President consequently put his ruling to a vote, and it was rejected by a vote of eight (China, Cuba, Ecuador, Egypt, France, Norway, United Kingdom, United States) to three (India, U. S. S. R., Yugoslavia).

The Council then turned to the question of its agenda, which the President stated to be adopted, if there were no observations. In response, Ambassador Austin immediately

objected that the previous item of business before the Council, "Complaint of aggression upon the Republic of Korea," was not on the provisional agenda and suggested that it should be included. He also stated that he did not consider it appropriate at this time for the Council to take up the question of recognition of the Central People's Government of the People's Republic of China, which was listed as the first item on the President's agenda inasmuch as that question was not linked in any way with the Korean aggression. He opposed the wording of the second item, "Peaceful settlement of the Korean question," and formally moved that the first item to be taken up be "Complaint of aggression upon the Republic of Korea" and that the Council vote separately with regard to the other two items. Following a Soviet rebuttal, the Council adjourned.

MEETING OF AUGUST 2

This meeting was devoted to discussion of the provisional agenda. President Malik favored a preliminary decision on inclusion in the agenda of each of the three items proposed: The two Soviet items on Chinese representation and peaceful Korean settlement, and then the United States item on aggression against the Republic of Korea. Ambassador Austin proposed as an amendment that the item on aggression replace the two Soviet-submitted items. During the discussion, the representatives of the United Kingdom, France, Cuba, and Norway opposed linking the Chinese and Korean questions and supported prior consideration of the item on Korean aggression. The Chinese and Ecuadoran representatives supported the United States amendment. The Council adjourned without decision after President Malik had indicated that he considered Ambassador Austin's motion unprecedented and not in accord with Council procedures which did not require that an item carried over from a previous meeting should appear first on the Council's agenda.

MEETING OF AUGUST 3

Following an exchange between the British and Soviet representatives with respect to the procedural situation and to Korea, an intervention by the Indian representative to the effect that the question of which items should be included on the agenda should be separated from that of their priority, which was supported by the Egyptian delegate; a Yugoslav statement of abstention; and a French declaration of support for the United States item; President Malik ruled that the Council would vote first on the Chinese representation item, second on peaceful settlement in Korea, and third on the United States item, Korean aggression. The British representative challenged the ruling, and on a vote it was rejected by seven votes (China, Cuba, Ecuador, France, Norway, United Kingdom, United States) to two (India, U. S. S. R.), with two abstentions (Egypt, Yugoslavia).

The United States amendment that the first agenda item should be "Complaint of aggression upon the Republic of Korea" was then put to the vote and accepted by a vote of eight in favor (China, Cuba, Ecuador, Egypt, France, Norway, United Kingdom, United States), one against (U. S. S. R.), and two abstentions (India, Yugoslavia). The Indian representative explained that his abstention related only to the priority of consideration of the item, and not to its inclusion on the agenda.

The Council then voted on the inclusion of the item, "Recognition of the representative of the Central People's Government of the People's Republic of China as the representative of China." The proposal was lost since the vote resulted in a tie, five for (India, Norway, U. S. S. R., United Kingdom, Yugoslavia), five against (China, Cuba, Ecuador, France, United States), with Egypt abstaining. Finally, the Council voted on inclusion of the item, "Peaceful settlement of the Korean question," which was rejected by a vote of seven (China, Cuba, Ecuador, France, Norway, United Kingdom, United States) to three (Egypt, India, U. S. S. R.), with Yugoslavia abstaining.

MEETING OF AUGUST 4

The Soviet representative introduced a resolution under which the Security Council would decide (a) to consider it necessary to invite the representative of the People's Republic of China and also to hear representatives of the Korean people in the course of the discussion of the Korean question and (b) to put an end to the hostilities in Korea and at the same time to withdraw foreign troops from Korea. The remainder of the meeting was devoted to debate over a Chinese motion, supported by the United States, Egypt, United Kingdom, India and Norway, to seat the representative of the Republic of Korea in accordance with the previous decision of the Council to this effect. The British representative asked for separate votes on the invitation of the representative of the Republic of Korea and that of the representative of North Korea. The Chinese representative believed the representative of the Republic of Korea should be invited automatically. The Indian representative believed the vote should be as to whether to cancel the previous invitation to the representative of the Republic of Korea. The President refused to make any ruling on the matter, and the meeting adjourned without decision (exhibit VI).

MEETING OF AUGUST 8

The procedural debate regarding the seating of a representative of the Republic of Korea was resumed but no decision was reached, the Soviet President continuing to refuse to issue any ruling, although he was willing to put the question to a vote in the form of whether members supported or opposed the view that the Council's June 25 decision to seat the representative of the Republic of Korea was still in force. The British representative pointed out that putting the question in this way would permit a Soviet veto and accordingly suggested adjournment.

At the beginning of the meeting President Malik referred to a cable from the North Korean Minister of Foreign Affairs complaining of United States air bombings and machine gunning, and at its close tabled a resolution concerning "inhuman bombing" by the United States Air Force of peaceful population, towns, and populated areas in Korea, under which the Council would recognize such bombings as a violation of international law, would call on the United States to stop such bombing and not permit it in future, and would instruct the Secretary-General to bring this decision immediately to the attention of the United States Government (exhibit VII).

Following sharp exchanges between Austin and Malik respecting the nature of the Korean situation and responsibilities therefor, Ambassador Austin proposed that the Council adjourn until 3 p. m. August 10 to allow the Soviet representative to consult his Government in the interest of obtaining instructions which would enable the Council to function and the Soviet representative to rule on the matter before the Council. During this time he suggested that other members could consult on steps to be taken in the event the Soviet Government continued its present attitude. President Malik proposed adjournment until August 9, at which time he asked that the Council consider his motion on bombing of civilian population in Korea. However, he put the United States motion for adjournment to August 10 to the vote first, and it was adopted by nine votes in favor, with one against (U. S. S. R.), and one abstention (Yugoslavia).

EXHIBIT I

RESOLUTION CONCERNING THE COMPLAINT OF AGGRESSION UPON THE REPUBLIC OF KOREA ADOPTED AT THE FOUR HUNDRED AND SEVENTY-THIRD MEETING OF THE SECURITY COUNCIL ON JUNE 25, 1950

The Security Council—

Recalling the finding of the General Assembly in its resolution of October 21, 1949, that the government of the Republic of Korea is a lawfully established government "having effective control and jurisdiction over that part of Korea where the United Nations Temporary Commission on Korea was able to observe and consult and in which the great majority of the people of Korea reside; and that this government is based on elections which were a valid expression of the free will of the electorate of that part of Korea and which were observed by the Temporary Commission; and that this is the only such government in Korea";

Mindful of the concern expressed by the General Assembly in its resolutions of December 12, 1948 and October 21, 1949, of the consequences which might follow unless member states refrained from acts derogatory to the results sought to be achieved by the United Nations in bringing about the complete independence and unity of Korea; and the concern expressed that the situation described by the United Nations Commission on Korea in its report menaces the safety and well being of the Republic of Korea and of the people of Korea and might lead to open military conflict there;

Noting with grave concern the armed attack upon the Republic of Korea by forces from North Korea—

Determines that this action constitutes a breach of the peace,

I. Calls for the immediate cessation of hostilities; and

Calls upon the authorities of North Korea to withdraw forthwith their armed forces to the thirty-eighth parallel;

II. Requests the United Nations Commission on Korea—

(a) To communicate its fully considered recommendations on the situation with the least possible delay;

(b) To observe the withdrawal of the North Korean forces to the thirty-eighth parallel; and

(c) To keep the Security Council informed on the execution of this resolution.

III. Calls upon all members to render every assistance to the United Nations in the execution of this resolution and to refrain from giving assistance to the North Korean authorities.

EXHIBIT II

RESOLUTION CONCERNING THE COMPLAINT OF AGGRESSION UPON THE REPUBLIC OF KOREA ADOPTED AT THE FOUR HUNDRED AND SEVENTY-FOURTH MEETING OF THE SECURITY COUNCIL ON JUNE 27, 1950

The Security Council—

Having determined that the armed attack upon the Republic of Korea by forces from North Korea constitutes a breach of the peace,

Having called for an immediate cessation of hostilities, and

Having called upon the authorities of North Korea to withdraw forthwith their armed forces to the thirty-eighth parallel, and

Having noted from the report of the United Nations Commission for Korea that the authorities in North Korea have neither ceased hostilities nor withdrawn their armed forces to the thirty-eighth parallel and that urgent military measures are required to restore international peace and security, and

Having noted the appeal from the Republic of Korea to the United Nations for immediate and effective steps to secure peace and security,

Recommends that the members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area.

EXHIBIT III

RESOLUTION CONCERNING THE COMPLAINT OF AGGRESSION UPON THE REPUBLIC OF KOREA ADOPTED AT THE FOUR HUNDRED AND SEVENTY-SIXTH MEETING OF THE SECURITY COUNCIL ON JULY 7, 1950

The Security Council—

Having determined that the armed attack upon the Republic of Korea by forces from North Korea constitutes a breach of the peace,

Having recommended that members of the United Nations furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area,

1. Welcomes the prompt and vigorous support which governments and peoples of the United Nations have given to its resolutions of June 25 and June 27, 1950, to assist the Republic of Korea in defending itself against armed attack and thus to restore international peace and security in the area;

2. Notes that members of the United Nations have transmitted to the United Nations offers of assistance for the Republic of Korea;

3. Recommends that all members providing military forces and other assistance pursuant to the aforesaid Security Council resolutions make such forces and other assistance available to a unified command under the United States;

4. Requests the United States to designate the commander of such forces;

5. Authorizes the unified command at its discretion to use the United Nations flag in the course of operations against North Korean forces concurrently with the flags of the various nations participating;

6. Requests the United States to provide the Security Council with reports as appropriate on the course of action taken under the unified command.

EXHIBIT IV

UNITED STATES OF AMERICA: DRAFT RESOLUTION SUBMITTED AT THE FOUR HUNDRED AND SEVENTY-NINTH MEETING OF THE SECURITY COUNCIL, JULY 31, 1950, CONCERNING THE COMPLAINT OF AGGRESSION UPON THE REPUBLIC OF KOREA

The Security Council—

Condemns the North Korean authorities for their continued defiance of the United Nations;

Calls upon all states to use their influence to prevail upon the authorities of North Korea to cease this defiance;

Calls upon all states to refrain from assisting or encouraging the North Korean authorities and to refrain from action which might lead to the spread of the Korean conflict to other areas and thereby further endanger international peace and security.

EXHIBIT V

RESOLUTION CONCERNING KOREAN RELIEF ADOPTED AT THE FOUR HUNDRED AND SEVENTY-NINTH MEETING OF THE SECURITY COUNCIL ON JULY 31, 1950

The Security Council—Recognizing the hardships and privations to which the people of Korea are being subjected as a result of the continued prosecution by the North Korean forces of their unlawful attack; and

Appreciating the spontaneous offers of assistance to the Korean people which have been made by governments, specialized agencies, and non-governmental organizations;

Requests the unified command to exercise responsibility for determining the requirements for the relief and support of the civilian population of Korea, and for establishing in the field the procedures for providing such relief and support;

Requests the Secretary-General to transmit all offers of assistance for relief and support to the Unified Command;

Requests the Unified Command to provide the Security Council with reports as appropriate, on its relief activities;

Requests the Secretary-General, the Economic and Social Council in accordance with Article 65 of the Charter, other appropriate United Nations principal and subsidiary organs, the specialized agencies in accordance with the terms of their respective agreements with the United Nations, and appropriate non-governmental organizations to provide such assistance as the Unified Command may request for the relief and support of the civilian population of Korea, and as appropriate in connection with the responsibilities being carried out by the Unified Command on behalf of the Security Council.

EXHIBIT VI

UNION OF SOVIET SOCIALIST REPUBLICS: DRAFT RESOLUTION CONCERNING THE COMPLAINT OF AGGRESSION UPON THE REPUBLIC OF KOREA, SUBMITTED AT THE FOUR HUNDRED AND EIGHTY-THIRD MEETING OF THE SECURITY COUNCIL, AUGUST 4, 1950

PEACEFUL SETTLEMENT OF THE KOREAN QUESTION

The Security Council decides—

(a) To consider it necessary, in the course of the discussion of the Korean question, to invite the representative of the People's Republic of China and also to hear representatives of the Korean people;

(b) To put an end to the hostilities in Korea and at the same time to withdraw foreign troops from Korea.

EXHIBIT VII

UNION OF SOVIET SOCIALIST REPUBLICS: DRAFT RESOLUTION CONCERNING THE COMPLAINT OF AGGRESSION UPON THE REPUBLIC OF KOREA, SUBMBITTED AT THE FOUR HUNDRED AND EIGHTY-FOURTH MEETING OF THE SECURITY COUNCIL, AUGUST 8, 1950

PROPOSAL CONCERNING THE INHUMAN, BARBAROUS BOMBING BY THE AMERICAN AIR FORCE OF THE PEACEFUL POPULATION, TOWNS AND POPULATED AREAS IN KOREA

The Security Council—

Having considered the protest of the Government of the People's Democratic Republic of Korea against the inhuman, barbarous bombing of the peaceful population and of peaceful towns and populated areas which is being carried out by the American Air Force in Korea;

Recognizing that the bombing by the American Armed Forces of Korea towns and villages, involving the destruction and mass annihilation of the peaceful civilian population is a gross violation of the universally accepted rules of international law;

Decides:

To call upon the Government of the United States of America to cease and not permit in future the bombing by the air force or by other means of towns and populated areas and also the shooting up from the air of the peaceful population in Korea;

To instruct the Secretary-General of the United Nations to bring this decision of the Security Council to the very urgent notice of the Government of the United States of America.

LAKE SUCCESS.—India's plan for a "Little Six" committee to blueprint a Korean peace settlement probably will be presented formally to the UN Security Council Thursday, it was learned.

Indian sources said the initial reaction to the plan had been good and Indian delegate Sir Benegal N. Rau hoped to have a draft of the proposal ready for the Thursday meeting.

While first indications were that the Indian formula might get the needed seven votes, the issue appeared to hinge on whether the Russians would veto it.

It was probable that in order to minimize the chances of a Soviet veto, the resolution would omit any reference to the June 25 Council decree calling on the North Koreans to cease fire and backtrack to the thirty-eighth parallel.

Rau said yesterday the committee of the Council's nonpermanent members could hear all proposals, but he emphasized that a settlement would have to be based on the June 25 decree.

However, Indian sources indicated the resolution might gloss over this point in order to keep the draft as inoffensive to the Russians as possible.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. MAYBANK. Mr. President, before the minority leader offers certain amendments, as to which I should like to have his attention for a moment or two, I should like to make a brief statement. In view of the fact that we changed the unanimous-consent agreement so as to postpone the vote from Friday until Monday, I think it is the hope of the minority leader, as it certainly is mine and I trust of all Senators on this side of the aisle as well as on the other side, because I have talked with members of the Banking and Currency Committee on both sides, and any Senators having amendments will certainly offer them on Friday, so that members of the committee and Members of the Senate will have an opportunity to read them and study them. I should like to ask the Senator from Nebraska his opinion on that, since we changed the date.

Mr. WHERRY. Mr. President, I am in complete accord with the statement made by the distinguished chairman, and that is that if any amendments are to be offered, if they can be offered by Friday, it would be beneficial to the membership of the Senate. They can be read and studied and members of the committee can make up their minds as to how they are going to vote on them. Certainly those who intend to offer amendments should offer them, if they can, and make their observations on them, so that the members of the committee may have time between now and Friday to go into the details of the amendments.

The only reason for my insisting, in the unanimous consent, upon the right to offer an amendment or make a motion up to the very time of voting, or thereafter, either way, is because something might develop in connection with the bill which would cause some Sena-

tor to offer an amendment to correct something, or to do this or that, and that right should be preserved. But certainly I agree with the acting majority leader that any Senator who has an amendment to offer should offer it as quickly as possible, and discuss it for the benefit of the Senate.

Mr. MAYBANK. I thoroughly agree with what the Senator from Nebraska has said. Of course, there might be some error which would call for an amendment, which would have to be offered, but we provided in the unanimous-consent agreement that amendments which were not germane could not be offered. Therefore, I hope that those who have amendments which are germane may be able to comply with the wishes of both sides.

Mr. WHERRY. Mr. President, I send to the desk various amendments, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received, printed and lie on the table.

FOREIGN POLICY CHARGES OF GOP STAND UP—ARTICLE BY GOULD LINCOLN

Mr. WHERRY. Mr. President, the Washington Star today carries an article by Gould Lincoln on foreign affairs. In view of Mr. Lincoln's objectivity as a political reporter and commentator his writings carry much weight. His article today is especially timely and I ask unanimous consent for its insertion in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN POLICY CHARGES OF GOP STAND UP—DEMOCRATS CANNOT REFUTE STORY OF WHAT HAPPENED

(By Gould Lincoln)

The Republican members of the Senate Foreign Relations Committee have added their testimony to the fact the Roosevelt and Truman administrations played right into the hands of the Russian Communists and in 1945 gave Russia "a green light to grab whatever it could in China, Korea, and Formosa." The fact is as plain as the nose on the face of a camel.

Senator CONNALLY, of Texas, Democratic chairman of the Foreign Relations Committee, in reply complains that the statement issued by the Republican Senators is a "palpably political statement intended to influence the coming elections." Of course it is political and intended to influence votes in the coming election. But that's no argument against the Republican memorandum. The whole issue is whether the statement is correct, whether it gives a true picture of what happened.

CHARGES STAND UP

An administration of the stupidity with which the Truman administration is now charged—and certainly the charges have not been disproved but appear to stand up clearly—is vulnerable politically.

If it has been responsible for getting the United States and the American people into present conditions, where they have neither ample national defense nor peace, the voters are entitled to know it and should act on the knowledge in the elections next November.

The Republican memorandum says: "The major tragedy of our time was the failure and refusal of American leadership in 1945 to recognize the true aims and methods of the rulers of Soviet Russia." Admittedly the Roosevelt administration and the Truman administration both failed to recognize these aims. They must have or else be charged with having deliberately destroyed the strength of this country, which, if retained, would have forced a peace and prevented the spread of Communist aggression. Indeed, the Roosevelt administration, early in its control of government, wrapped its arms around Soviet Russia, giving it recognition, sympathy, and assistance.

The Republican memorandum continues that: "To this failure can be traced the disintegration of our Armed Forces in 1945; to this failure can be traced the blindness of our leadership in ignoring the Communist attempt to capture the minds of men." This, too, cannot be denied.

RECITES ERRORS MADE

The Republican memorandum recites the errors made by these Democratic administrations at the Yalta and Potsdam Conferences, where the Russians, including "Uncle Joe," pulled the wool over the eyes of our leaders, and where concessions were made to the Russian Communists which resulted in putting Russia in position where it could overrun eastern Europe and move communism deep into the continent of Asia.

No one can reasonably deny now that these errors were made. So the memorandum becomes a political document of great force—unless the American people are content to close their eyes to these errors of judgment.

Why should the American people retain in control of their Government an administration which has been so greatly at fault? It has been at fault, too, over a long string of years in its dealing with Communist Russia. This was no flash-in-the-pan mistake. The administration and its predecessor failed utterly to understand or to see the Russian Communists were bent on world domination through the spread of communism everywhere, including the United States. Yet it was the business of the administration. Certainly if the administration did understand, then it has been guilty of something far worse than dumbness.

RECESS

Mr. MAYBANK. I move that the Senate recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 16, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 15 (legislative day of July 20), 1950:

IN THE ARMY

The following-named persons for appointment in the Regular Army of the United States in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), Public Law 625, Eightieth Congress, Public Law 36, Eightieth Congress, and Public Law 36, Eightieth Congress, as amended by Public Law 514, Eighty-first Congress, subject to physical qualification:

To be majors

Robert J. Bernucci, MC, O1686859.
Frederick M. Jacobs, MC, O397758.
Jose A. Willie, MC, O490267.
H. Haskell Ziperman, MC, O423565.

To be captains

John R. Arbucci, DC, O1692363.
John W. Collard, DC, O937810.
David J. Ellis, DC, O1775628.
James K. Foster, Jr., DC, O985463.
Russell J. Gale, MC, O1705085.
Roger M. Mitts, MC, O1786788.
Loran E. Mott, MC, O495266.
Jacob F. Schirmer, MC, O937207.
Frank J. Shannon, Jr., MC, O1726524.
Francis O. Stalker, DC, O976464.
Douglas A. Zimmerman, MC, O1756905.

To be first lieutenants

Glen K. Arney, MC, O978749.
Loren R. Baumgartner, MC, O965211.
Robert A. Dietzschold, DC, O960387.
Stella G. Duc, ANC, N802083.
Austin J. Gerber, JAGC, O523223.
Harold R. Hayes, Jr., DC, O965056.
Bertha J. Hoehn, ANC, N779773.
Harry Levin, DC, O965209.
Martha E. Mayfield, ANC, N764689.
Thomas H. Morton, JAGC, O982159.
Wallace S. Murphy, JAGC, O974892.
Mary J. Olssen, ANC, N754136.
Agnes J. Ratcliff, WMSC, R2517.
Waldemar E. Santiago, MC, O963246.
Faye R. Sullivan, ANC, N785300.
Earl C. Thomas, JAGC, O980761.
Billie G. West, DC, O965610.
Edward J. Whalen, JAGC, O969761.
Warren N. Wheeler, DC, O1284068.

To be second lieutenants

Margaret M. Brosmer, ANC, N804086.
Elizabeth A. Chapman, WAC, L1010077.
Marian R. Christensen, ANC, N804273.
Martha J. Eason, WMSC, M2862.
Irma L. Jaakkola, WMSC, M2856.
Jane E. Jacoby, ANC, N792972.
Mary H. Koenig, ANC, N792857.
Claire V. LeBlanc, ANC, N792320.
Ethel Liebowitz, ANC, N792175.
Katherine M. Marta, ANC, N792742.
Hanssen Schenker, MSC, O407736.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship, and subject to physical qualification:

Edgar L. Cook, O975704.
Edwin G. Eklund, Jr., O975711.
Ralph H. Forrester, O971615.
Harvey J. Galloway, Jr., O975085.
David E. Johnson, O976275.
William A. Williams, O975088.

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

Louis G. Broad, Jr., O1341072.
Charles J. Buchanan, O2202641.
Joseph P. Carniglia, O954410.
Cosimo L. Cataldi.
Alfred J. deLorimier.
Samuel S. Dugan.
John C. Eargle, Jr.
Lee V. Frazier.
Nicholas George.
Robert L. McClure.
Allan M. Sheets, O2202656.
Charles E. Strigle.
Charles C. Stringfellow.
James R. Woodall, Jr., O2207186.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Carroll G. Allen.
Daniel O. Fox.
Rodney P. Harrington, O2202533.
John F. Harris.

Richard H. Jacobs.
Richard E. Leithiser.
George A. McClellan, Jr.
James E. Price, Jr., O972126.
James B. Stewart, O2206904.
John P. Sullivan, Jr.
Whitfield F. Woodhead.
Thomas W. Worthington.

The following-named distinguished military student for appointment in the Medical Service Corps, Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 281, 80th Cong.), subject to designation as a distinguished military graduate, and subject to physical qualification:

Dan C. Cavanaugh, O971021.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 15 (legislative day of July 20), 1950:

UNITED STATES DISTRICT JUDGE

Thomas H. Roberts to be United States district judge for the district of Puerto Rico.

UNITED STATES ATTORNEY

Harvey L. Carey to be United States attorney for the western district of Louisiana.

UNITED STATES MARSHAL

Leo A. Casey to be United States marshal for the northern district of West Virginia.

IN THE ARMY

Maj. Gen. Frank William Milburn, O3738, United States Army, for appointment as a corps commander, with the rank of lieutenant general, and as a lieutenant general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 15, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Infinite and eternal God, the strength of heroic souls in every generation, grant that daily we may be inspired with those lofty ideals and aspirations which are the progenitors of noble achievements.

May our minds and hearts be brought under the spell and sway of the guiding and interpreting light of Thy divine spirit for we humbly confess that we are frequently bewildered and doubt our own best judgment.

We pray that the leaders and Members of this legislative body, whom we honor and revere as our first men and women, may also be our best men and women, walking and working in the fear of the Lord, thinking clearly and acting courageously as they strive to kindle anew the high idealism of our beloved country.

Grant that the day may come when nations everywhere shall be eager to enlist in that glorious warfare, not waged with carnal weapons but with the insight and understanding of minds and souls that are seeking to witness to the glory of Thy righteousness and the wonder of Thy goodness.

Hear us in the name of the Christ who is our hope and our peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3666. An act to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry.

POSTAL SERVICE CURTAILMENT RESCISSION BILL

Mr. CORBETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CORBETT. Mr. Speaker, I would like to ask if House Resolution 667, which the House adopted yesterday, having to do with the recognition of the gentleman from Indiana for the purpose of bringing up the so-called curtailment rescission bill would be in order at any time during this legislative day?

The SPEAKER. It would.

SPECIAL ORDER GRANTED

Mr. PERKINS asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

DANGEROUS PROPAGANDA

Mr. CROOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CROOK. Mr. Speaker, under leave to extend my remarks, I wish to state that over the week end I received a package of mail at my hotel address, the same coming from the Constitutional Educational League, Inc., of New York. The envelope contained a red-covered pamphlet carrying these words in very conspicuous black letters, "It isn't safe to be an American."

In my judgment, this type of spurious, vicious, and unpatriotic propaganda designed to shield some individuals that have never learned to adjust themselves and govern their actions in keeping with the long-established principles, ideals, and philosophy of our American Republic, should never be permitted dissemination through our United States postal service.

I harbor no respect for a person, firm, or group of people that resort to such un-American practice that would poison the minds of men. This is America and we propose to keep it America for freedom-loving people, notwithstanding the fact that a few organized groups attempt to usurp power delegated to the Executive, the Congress, the FBI, the State and national police, and the educational system of our Republic.

We have always had a few people that have caused about 99 percent of the trouble in the world and a very small fraction of 1 percent of the population causing most of the trouble in the United States. If any man or woman privileged to live in and enjoy the blessings and opportunities of America, the greatest country on the face of the globe, is not satisfied with the philosophy of our Government, and thinks he knows of a better country in which to live, let him pack his grip and take the splendid transportation afforded to some other country where his convictions are not in conflict with the dictator that stimulates his thinking and enslaves his actions.

REREFERENCE OF A BILL

Mr. CELLER. Mr. Speaker, I ask unanimous consent to have rereferred to the Committee on Post Office and Civil Service the bill (S. 2927) for the relief of Edmon Burgher, since that bill provides for an advancement in status in the civil service, particularly the Post Office Department.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REPUBLICAN PARTISAN BICKERING

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, we are being treated to more partisan pronunciamentos of Democratic guilt for lack of war preparation.

Democrats, according to Republican standards, are guilty of all the sins in the decalog, and are to blame even for the fall of Humpty Dumpty.

How wonderful is hindsight.

Republicans are real smart—they know all the answers—now—but not then.

Frankly, all the American people are to blame for lack of preparedness. "Get the boys back home at once" was the cry.

"Reduce taxes."

"Stop military expenses."

And the Republicans joined the pack.

I suppose the Truman plan, the Marshall plan, the ECA, the North Atlantic Treaty are just fiddlesticks.

Let us stop the bickering and partisan caterwauling which undoubtedly weakens morale at home and abroad and among our troops. Let us unite and get the Korean affair over as soon as possible so that the Kremlin will not dare risk again our thrusts—the thrusts of a unified nation.

RENT DECONTROL IN LOS ANGELES

Mr. POULSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. POULSON. Mr. Speaker, we find in the office of Mr. Tighe Woods, the Housing Administrator, the greatest display of autocratic disrespect for Congress that has yet been seen. The City

Council of Los Angeles by an overwhelming majority voted on July 28 to decontrol rents in the city of Los Angeles. Tighe Woods and his gang of power-hungry bureaucrats have tried every conceivable method of postponing the signing of the order to decontrol.

Just yesterday Mr. Woods flew to Los Angeles and appeared before the city council to try and have them rescind their actions and right in the face of that they again voted 10 to 5 to decontrol rents. That was yesterday morning, and last night after hours the machinists union, under the pretext of representing the tenants' group, filed a restraining order in the chambers of Judge James E. Kirkland.

Now, it seems strange that this order should not be filed until after the meeting of the city council, and at a time when the regular Federal judges who hear such motions were not in session, and that they should go to the offices of a newly appointed judge who no doubt has been indoctrinated with the philosophy that the bureaucrats shall control this country.

Is there not collusion between Mr. Woods and the proponents of rent control? I charge that Mr. Woods is not fulfilling his office in a respectful manner. Of course, such a charge will no doubt strengthen him with the administration.

The SPEAKER. The time of the gentleman from California has expired.

HINDSIGHT VERSUS FORESIGHT

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman from New York [Mr. CELLER] was telling us that Republican hindsight was better than their foresight. I am one Republican who wants to admit that. That happens to a lot of us, but if my hindsight was as helpful to me as the hindsight of the gentleman from New York [Mr. CELLER], I would be pretty happy.

I remember when the gentleman from Texas, Martin Dies, the gentleman from Alabama, Joe Starnes, the gentleman from Mississippi, John Rankin, and the gentleman from Louisiana, Mr. Hébert, were trying to uncover Communists, and the gentleman from New York [Mr. CELLER] was so mistaken that he stood up here and he condemned that Committee on Un-American Activities from that place to breakfast. In my extension of remarks I will cite you to some of the things the gentleman from New York [Mr. CELLER] has had to say about that committee. In view of his statement of a few days ago you may find them interesting—just see the CONGRESSIONAL RECORD of the Seventy-sixth Congress, first session, volume 84, pages 1099, 1115, 1127; Seventy-sixth Congress, third session, volume 86, pages 583, 584, 4227, 4228, 4296; Seventy-seventh Congress, second session, volume 88, page 3755; Seventy-eighth Congress, first session, volume 89, pages 1110, 1111; Seventy-ninth Congress, first session, volume 91, pages 142, 209, 420, 421, 10025–10032, A261; Seventy-ninth Congress, second session, volume 92, pages 3763, 5210, 5211, 5213; Eightieth Congress, first session, volume 93, pages 10782, 10783; Eightieth Congress, second session, volume 94, pages 2405, 2406, 6033, 6034.

The SPEAKER. The time of the gentleman from Michigan has expired.

RUSSIAN CRABMEAT

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, the New York Times on its front page this morning carried a news story which stated that union longshoremen in New York City were refusing to unload 80 tons of Russian canned crab, valued at $250,000, from the British Cunard liner, *Parthia*. The steamship *Parthia* then sailed to Boston and endeavored to unload the Russian canned crab there, but the Boston longshoremen this morning likewise refused to handle this cargo.

A union leader, explaining the longshoremen's action, said, "Why help Russia to make money in this country?"

That is a question our Cabinet Department heads should answer.

In the first 5 months of this year the United States bought $17,049,488 in goods from Russia, according to figures supplied me by the Department of Commerce. During the same 5 months we sold Russia only $514,050 worth of American goods. In short, in these 5 months there was a balance of trade favorable to the Russians of more than $16,500,000. Russia got that much of our money.

What are the Russians doing with this almost $3,000,000 a month which our trade is dumping into her war coffers? Why she is spending it to buy war supplies in western Europe.

The gentleman from Wisconsin [Mr. SMITH] the other day inserted tables of statistics in the RECORD—page A5640—showing that Russia last year bought millions of dollars of steel, iron, copper, zinc, lead, and rubber from Belgium, France, and the United Kingdom. Is there any Member of Congress so naive as to believe these materials did not go into Russian weapons of war? Is it not likely that some of this material bought with American dollars supplied to the Russians by our trade went into the making of the very tanks, guns, and shells that are being used against American troops in Korea?

There are those who say we should demand that western European nations discontinue their trade with Russia. How can we do that with good grace when our own State Department and other top Government agencies are encouraging Russian imports into the United States? If we want western European nations to discontinue carrying on a billion dollars a year trade with the enemy, we must set example by refusing to trade with the enemy ourselves.

What are we buying from Russia? Mostly such luxury items as crab and furs, these two items alone accounting for more than 60 percent of all the goods we buy from Russia. In exchange for these luxury items we give the Soviets American dollars with which they can purchase war supplies.

This trade with the Russians ought to be stopped. There are laws on the books that will stop it, if only our administrative officials will enforce those laws.

The SPEAKER. The time of the gentleman from Washington has expired.

MONDAY MORNING QUARTERBACKS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, I am getting a little sick and tired of hearing the gentleman from California, Mr. CHET HOLIFIELD, and the gentleman from New York, Mr. EMANUEL CELLER, getting up here and talking about Monday morning quarterbacks. We all know that hindsight is better than foresight; they did not make that discovery. I stood here ten years ago in the well of this House. A man is not so much different from a lighting bug who has his headlight on his rear end. We all know that hindsight is better than foresight, but I want to call your attention to a speech I delivered on September 17, 1945, five years ago, immediately after the surrender of Japan. I said:

> Sir, when I have been engaged in deadly combat with a bitter, vicious, and ruthless foe, I shall not throw away my weapons and carelessly walk away from him after beating him to the ground unless I want a stab in the back or a shot through my head.
>
> After all the billions of treasure we have poured out; after all the lives we have sacrificed; after all that we have given up not only on the battlefields, on the seas, in the air, but here on the home front shall we foolishly and recklessly abandon the objective of our achievement and let the sands of victory flow through our open fingers?

I made a fight against demobilization when my own Republican friend, the gentleman from Michigan, CLARE HOFFMAN, took me to task. I want you to read that speech, September 17, 1945, when it took guts to say it, when you were all clamoring to bring the boys back home, not next month, not next week, but fly them back tomorrow.

Mr. Speaker, under leave to extend my remarks I include the speech I made on September 17, 1945:

> Mr. SHORT. Mr. Chairman, if there is one admonition that the Members of this body ever needed and particularly at this moment, it is the advice that Hamlet's mother gave her son in that great tragedy of Shakespeare's when she said:
>
> "O gentle son, upon the heat and flame of thy distemper sprinkle cool patience."
>
> If we will keep calm and try to throw more light and less heat on this subject, I think

we will discover there is not so much difference between the various views that have been expressed on this floor.

The whole problem of demobilization is not as simple as it first seemed. Indeed, it is very difficult and complex, and it is utterly impossible for anybody or any agency, not only the Army, the Navy, or the Marine Corps, but even this august Congress, to lay down a definite, hard, and fast plan, or rule, or inflexible formula without doing some men an injustice. It is inescapable by the very nature of the problem. There are bound to be cases of individual inequities. I regret there are so many. We must correct all we can.

During the recess I had prepared a resolution to introduce the first day we reconvened to declare a cessation of hostilities and an end of the war. I had another bill to introduce to stop the draft immediately. But our Committee on Military Affairs held hearings for a whole week before we reassembled and after listening attentively and carefully to the testimony of General Edwards and General Henry, I was convinced that for a little while following the capitulation of both Germany and Japan we should move slowly, cautiously, and exercise the greatest care in order not to lose the very thing for which millions of our men have been fighting and over a million of whom have suffered either death or serious wounds.

Sir, when I have been engaged in deadly combat with a bitter, vicious, and ruthless foe, I shall not throw away my weapons and carelessly walk away from him after beating him to the ground unless I want a stab in the back or a shot through my head.

After all the billions of treasure we have poured out; after all the lives we have sacrificed; after all that we have given up not only on the battlefields, on the seas, in the air, but here on the home front, shall we foolishly and recklessly abandon the objective of our achievement and let the sands of victory flow through our open fingers?

Mr. Chairman, what will it suffice us to defeat the Axis Powers—Italy, Germany, and Japan—on the field of battle and then lose all the fruits of peace in the open wide world of public opinion? There are economic, political, and moral, as well as military, issues to be considered.

If the Members of the House had heard the fair, logical, and clear presentation by the War Department there would not be all this hullabaloo on the floor and we would not as Members of Congress be swamped by an avalanche of mail from naturally disgruntled and discontented people all over America.

I do not know of any member of the Committee on Military Affairs or of this House—yes; I do not know of anyone in this country, regardless of race, party, or creed—who is not exceedingly anxious to bring as many of these boys and girls back home at the earliest possible moment unless it is the PAC of CIO. God knows I would like to see some of my kin. I have a nephew 36 years of age who has a wife and two children, 10 and 12 years of age, who has been in the Pacific for over 2 years. He is in Tokyo now. I was happy to receive a letter from him this morning in which he said, "Uncle Dewey, I am glad to be here as a part of this show. I would not have missed it." I have another nephew down in the stinking, steaming equatorial region in South America who was in the service 6 or 8 months before Pearl Harbor. He wants to come home. But he is not bellyaching. Of course, it is the privilege and prerogative of any soldier or sailor to bellyache at any time. We did it in the last war, and they do it in this. Another nephew is in Germany, and he is barely 19. His mother would like to see him. I have other nephews in this country. We all want these boys and girls brought home at the earliest possible moment. Nearly every family in America is affected.

How are we going to do it? We took five long years, gentlemen, to build up the mightiest war machine in the history of the world. About 12,000,000 men and women are scattered all over this universe—on every continent and on every sea. It has taken years to get them out there. Now, after four long years of war and after glorious victory over two of the mightiest, most determined, and most ruthless military powers the world has ever known, we stop fighting the Italians, the Germans, and the Japs and start fighting among ourselves and start kicking around the "brass hats" and the "gold braids" who, in spite of all their faults and shortcomings, have won immortal renown. Heaven knows that I have never claimed infallibility for any of our generals or admirals. No member of our committee has more violently opposed them at times. I know that they are not perfect, and that they have and will make mistakes. Nevertheless, it must be conceded that they are free from many of the pressures that elected officers are subject to and that they can with sympathy and resoluteness decide certain problems peculiar to their own field.

It does seem strange that only a few months ago when the fate of this Nation hung in the balance, when our very lives were at stake, that we were praising to the skies our generals and admirals. You know, I wonder how in the name of God, Leahy and Marshall, King and Arnold, Eisenhower and Devers, Bradley, Patch, Hodges, and Patton, Simpson, Brereton, Doolittle, and Chennault, Spaatz and Kenney, Eaker and Sommervell—I wonder how in the name of heaven Nimitz or his commanders in the Pacific, Mitscher, whom we will soon see in this House, along with Admirals Halsey, Kinkaid, and Spruance—I wonder how in the world these gallant marines under Vandegrift, and the forces under gallant and colorful MacArthur, able Krueger, suffering Wainwright, patient Eichelberger, ever won this war without these parlor generals and pink tea strategists back home who are now willing, after they have saved our necks, to kick them all over hell's half acre. But it is only natural after a war for everybody to want to come home. And it it also natural to "cuss" the generals and admirals. They expect it. And I say this as one who I do not think has ever kow-towed to them or been subservient in the least—I know that the generals and admirals make mistakes; even Members of Congress do sometimes, because all of us are human.

I do want to say that I think the Army was not prepared for demobilization as it was for war. Why should it be? The primary interest, the paramount duty of the leaders of our Armed Forces on land and sea and in the air was to win this war. It was not to think, plan, dream, and waste time about setting up machinery to demobilize. It was to win the war quickly and stop the bloodshed immediately. This they have done. Now, then, we are so darned impatient we are not willing to give them a few weeks to adjust themselves and find out where they really are. MacArthur has to take inventory.

I did not want to see the Eighty-sixth, the Ninety-fifth, or the Ninety-seventh Divisions that had seen long months of bitter combat in Europe transferred or redeployed to the Pacific. It was bad, but MacArthur demanded seasoned combat troops. Why? Because he did not know what in the world he was going to get into when he went into Japan. He did not want an army of green, raw, inexperienced troops. What intelligent general would? He knew he would have to go in there under an air umbrella; he knew he would have to have the best naval support possible; he knew he would have to have a ground force that could hold this toehold. He did not know just what resistance he might possibly meet. He did know there were millions of Japanese under arms that they had never encountered, and he was thinking only of the safety of our men. That was the one thing foremost in his mind. That is why he demanded that these trained combat divisioins go in there. I do not blame him. He did it for safety. We were assured by the War Department that these combat divisions from Europe will be the first to be brought back from the Pacific, and I dare say they will. They had better be.

I do not like to see 18- and 19-year-old boys drafted; in fact, I think that is one of the mistakes we made in this war. I never did think they were essential, and I think we could have won the war without them. We were told they were needed because of their boldness, their daring, their resiliency. I know they were good in combat, but the casualties were high; they were enormous and terrific. Certainly we should not need them for occupational purposes, because you need older men with mature judgment to occupy territory.

I also know we are going to wake up 5, 7, or 10 years from now with an acute shortage of doctors, dentists, technicians, scientists, and engineers. I think we have been more foolish than some of our allies. Britain and Russia and other countries have continued the education of their youth. I realize that it is tough to take 18- and 19-year-old boys, but you are confronted with this alternative. What are you going to do with these married men with families back home who have been in Europe and in the Pacific fighting for 2, 3, and 4 years through the stinking, steaming jungles of Burma and the Southwest Pacific, the hot sands of north Africa and India, the cold and fog of Iceland and the Aleutians, the mud and hills of Italy, the unspeakable conditions and the rugged barriers of western Europe. Are you going to keep them on without rotating them in an orderly and a gradual manner? That is the thing we have to decide. We want only justice. Most people want the other fellow to do it.

I think we can reduce the occupational forces in both Germany and Japan. I stated so in the hearings before our Committee on Military Affairs several days ago. General MacArthur so announced today. I do not see why in the name of common sense we need 370,000 to 400,000 men to occupy Bavaria, a little section of Germany. Germany is divided into four zones; it is occupied by the Russians, the British, the French, and the Americans. I do not see why any occupation force of 400,000 men is needed in our particular region in Bavaria in Germany. All Germany has been blasted and annihilated. General Knudsen was correct the other day when he stated it would take 50 years to repair the damage to Berlin. God only knows when there will be a market for automobiles or any other American goods in Germany, which has been literally leveled.

It is better to have too many men there than too few. Bring them home in a gradual and orderly manner. Tell your friends back home to be patient. They are a little impatient. I built a fire under the Army, I put a burr under the tail of several generals, and told them to get busy, that if they did not speed up demobilization, Congress would take this thing over. But I think the Army can do a better job than we can. I think a lot of us are demagoging and taking advantage of a critical situation here in a perilous time, absolutely because we know it is popular back home. I had rather be right than to be popular. Play safe with the country and not your seat in Congress.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I will always have to yield to my dear friend. I hate to oppose him, but I shall not hesitate to when I know he is wrong.

Mr. HOFFMAN. The gentleman must be conscious of being wrong or he would not say

he is opposing me, when he does not know what I am going to ask. The gentleman is talking about the armchair generals that demand the return of the boys. Does not the gentleman know it is the men themselves, their fathers and mothers and wives, who are asking it? I have not heard from any armchair generals, but I have heard from the boys.

Mr. SHORT. Oh, I have, too. However, I know several generals who are not let out and who want to be retired. I know a great many officers who are trying to be retired and they cannot get out. These subordinate officers are anxious to get home, to get into their professions, into law and medicine, and to go back on the farm. They have jobs to do and families to care for.

Mr. HOFFMAN. You talk about demagogs—will you speak for yourself and not for the rest of us?

Mr. SHORT. Oh, well, you maintain your own opinion; you are welcome to it. I speak for the whole country—neither for you nor myself.

They are landing thousands of men every day in the ports of Boston, New York, and Charleston, and particularly in Norfolk and Newport News, and they are landing thousands in Seattle and San Francisco. They are landing some in Los Angeles and in New Orleans. We will bring these men home just as quickly as shipping facilities will permit, and as quickly as we can set up these separation centers and the machinery whereby they can be carefully discharged. I am trying to tell my constituents, and I do not care what the gentleman from Michigan tells his, but I am trying to tell my constituents not to be too anxious to get out too fast. A lot of the boys did that in the last war. I had buddies who were so anxious to get back home that they never took the time nor the trouble to have their disabilities written on their discharges and ever since the close of the last war they have been hounding me to death, for the 14 years that I have been in Congress, trying to establish service connection. If they had been discharged just a little more slowly and in a little more orderly way, we would not have had all that trouble. We had only 2,000,000 men in France in the last war. We had 3,500,000 there this time. We have an Army and Navy and Air Force and Marine Corps of 12,000,000 men and women. I want to say that the parents in this country should be advised to see to it that each one of their boys or girls who happen to be in the service is given a proper physical examination. They should inquire about their GI rights and benefits, their insurance, reemployment, and all other rights. The Army is seeing to that much better in this war than they did in the last. They should see that everything is absolutely in order before they finally get their release because they will need that information in days to come. We want to avoid past mistakes and take proper care of those entitled to it.

The passage of this bill will speed the end of the draft. I am for it.

KOREAN WAR CASUALTY LISTS

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, during World War II, the armed services furnished to all Members of Congress the casualty lists of all military personnel who were killed, or had received injuries in combat, or who were missing in action. This was a convenient service to Members of Congress and it was an important service. It provided an easy method whereby Members could be informed concerning casualties of war in their own States and districts, as well as the Nation.

For some reason of which I am not informed, no such lists are being supplied to Members of Congress during the present struggle in Korea. It may merely be an oversight in the Defense Department, and if that is so, I hope my remarks will bring about the correction of that oversight. But if it is not an oversight and there is some other reason for not supplying us with the casualty lists, I believe the Department of Defense should explain what that reason is.

The Korean campaign is a war in the same sense as any other war in which the country has been engaged. When American young men are being killed or wounded or are missing in action, that is war.

Up to this moment, the only means I have of finding out what young men in my district have been killed or who have been wounded is to try to find the time in our busy days to closely follow the newspapers in my district.

This is information to which Members of Congress are clearly entitled and it is up to the Department of Defense to change its methods and see that we get this information. We should not be obliged to depend upon reading the newspapers to find out which of our fine young men are casualties of battle.

RUSSIAN CRAB MEAT

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, I hope the Members of the House realize the importance of the statement just made by the gentleman from Washington [Mr. MACK] on the Russian-produced crab meat that is being refused to be unloaded in New York and Boston. Let me call your attention to another situation that you can do something about along those lines. A discharge petition is at the Clerk's desk, filed by the gentleman from Ohio [Mr. SECREST], which calls upon the President to withdraw the reciprocal trade agreements between this country and Communist-controlled countries.

Are we going to be so naive as to permit the wealth of this Nation to pour through the ports of these Communist-controlled countries and their products to us to subordinate our labor, to reduce our wealth, to finance the military aggression approach on the part of Russia to control the world? That is what we are doing and we are doing nothing about it. It is time we wake up to the dangers we are facing—to the threat to democracy. We must be alert to the duplicity of Russia, especially where our reciprocal trade agreement permits Communist-controlled countries to ship goods to us while Russia grows fat at our expense, and at the same time prepares to fight us at every turn through her satellites.

HINDSIGHT VERSUS FORESIGHT

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I had no intention of saying anything about this question of hindsight and foresight which is now being discussed on this floor, but I think the membership of the House should be informed of the fact that one committee of this House, the Armed Services Committee, had the foresight to do something of advantage to this country in an hour of danger. Because of the firm stand of 33 members of the House Committee on the Armed Services we have been reaping the rewards of foresight as it pertains to military preparedness. Had it not been for the action of our committee, and I say this as sincerely as I know how, our Marine Corps today might well have been practically liquidated and we would have had but a toy or token Navy. Here is a definite example of foresight for you to look at. Our committee took a long-range view toward a better prepared America and events today show how right we were. Mistakes have been made and such mistakes should be placed right in the laps of those who made them.

COMMUNISTS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, my office recently had a request for copy of H. R. 9321, covering a new navigation code. The bill was sent, and today a reply was received thanking us, together with the following comment:

> While they seem to be able to dash off navigation codes without difficulty, they are having one sweet time steering the ship of state through this international mess. I'll bet they couldn't hit more shoals and boulders if Browder were at the helm.

Mr. Speaker, now that we have locked up Harry Bridges, let me remind you that there are plenty more in this country who bear careful watching. And I hope this President will not pardon Bridges, as was previously done by the President. We seem continually to overlook the fact that Communists in this country are dangerous to the American way of life.

This is no red herring.

DEPENDENCY ALLOWANCE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, a good deal has been said in the press recently about the possibility of a dependency allowance bill. I think it proper to take this opportunity to tell the Members of the House what is being done in this direction.

I am chairman of a subcommittee of the Armed Services Committee that has been given the job of writing a proper dependency allowance bill. That committee has already met several times and has gone over this situation very carefully. Today the experts from our committee are meeting with the Senate committee so that we can harmonize our ideas. Tomorrow we will have a committee meeting with the idea of writing a bill which we hope to have before the House before the end of this week.

Mr. Speaker, this Congress and the country want well-considered legislation. I do not think it wants the subcommittee of any committee to be stampeded into hasty action.

I invite the attention of the Members to the fact that dependency allowances in the Second World War cost this Government approximately $12,000,000,000. Of that sum a little less than $10,000,000,000 was paid by the United States of America. The balance was paid by the enlisted personnel.

Mr. Speaker, in writing such a bill we should write it carefully and bring in a bill which we can defend and which the country, the men entering the armed services and those dependent upon them will feel is well-considered legislation and legislation which is proper. I personally favor such a bill, and I hope we can get it to the House for consideration very soon.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

RETIREMENT OF MEMBERS OF THE ARMED FORCES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, when the Committee on the Armed Services reported out, and the Congress passed, a retirement bill forcing men to retire from the Army, including the disabled, instead of being discharged so that they could receive their compensation from the Veterans' Administration in lieu of retirement pay, which was often lower, I do not think that committee and the Congress realize the great injustice it was doing to those men. They lose their mustering-out pay unless the Comptroller General decides that they may receive their mustering-out pay and be retired, also. Officers have the option to take discharge or retirement; the enlisted men should be allowed also to elect that which they choose to take.

The Comptroller General will decide, I think, whether legally they can have that mustering-out pay. I know the Committee on Armed Services meant no injustice when they presented that bill. That injustice should be rectified and rectified at once.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

RADAR SCREEN

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, I rise this morning to raise the question of the radar defense. I understand that a subcommittee of the Committee on Armed Services is studying the problem.

From what I have been able to learn, the problem is being approached from a "short distance" point of view. If we have planes as we do today traveling at the rate of 600 to 1,000 miles an hour and try to set up an umbrella radar screen just a few hundred miles away from these large cities of ours, No. 1, there is no time for interception because our planes cannot get up to intercept, or overtake the attackers; No. 2, there is no time for the population to get to adequate air raid shelters and there are not any, anyhow; No. 3, if you have fighter bomber dogfights, they will occur over the towns, cities, and built-up communities themselves; and, No. 4, should an atomic bomb be carried, the bomb will be released over the United States rather than over the ocean expanses.

My point this morning is that we should put the outer radar screen much farther away than just the eastern and western coast of the United States or the northern border of the United States and have coverage clear out in the oceans, possibly, on these jeep carriers, or guard ships moored or patrolling for both surface and air coverage.

We should face the known fact that we are not now adequately defended against bombing attack with World War II equipment because of its limited range and inability to give total coverage. World War II certainly demonstrated the inability of World War II equipment to handle saturation bombing by World War II planes, let alone the modern jet planes. I have seen the results in Berlin, Hamburg, and other European cities. We should plan now to integrate immediately an umbrella coverage by radar with our various associated nations, so that we have adequate warning not only for certain picked cities, but for our whole country, our allies, and the logical approaches from which possible attacks almost certainly would originate.

I urge the Air Force to proceed quickly for the development of the $85,500,000 aircraft warning and radar system which was authorized by Congress in 1949. I have been pressing for the development of an integrated radar warning system by friendly countries through the mutual defense assistance legislative programs, as a complement to our own radar defense system.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I take this time to allay the fears of the gentleman from Pennsylvania [Mr. FULTON]. Apparently he is under the impression that the country at the present time is not defended by a radar screen. That is a common misapprehension. We do have a radar screen. We have, however, what we might term an inadequate screen because it happens to be of World War II character. The problem at hand is to improve the radar screen, and I think we can allay the fears of the House and at the same time assure the American people that the proper attention is being given to this important matter by the military. The House Committee on Armed Services is greatly interested in it; a special subcommittee is now at work with the Air Force and the proper officials in trying to expedite improvement in the radar network, which I assure the gentleman is not circled around any one particular city but over the entire North American Continent.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. My information is directly contrary to the gentleman's, that there is any adequate radar screen or that it does circle the North American Continent.

Mr. PRICE. I will say to the gentleman that he probably has considerable misinformation. I do not say that the screen is now adequate, but we are working to improve its adequacy and have been increasing its efficiency rapidly.

EXTENSION OF REMARKS

Mr. HAYS of Ohio asked and was given permission to extend his remarks and include newspaper editorials.

Mr. McCARTHY asked and was given permission to extend his remarks.

Mr. BATTLE asked and was given permission to extend his remarks in two instances and include extraneous material.

Mr. MANSFIELD asked and was given permission to extend his remarks and include certain extraneous matter.

Mr. PRICE asked and was given permission to extend his remarks and include several editorials.

Mr. GORDON asked and was given permission to extend his remarks and include a speech he made on the Voice of America.

Mr. FISHER asked and was given permission to extend his remarks and include a statement regarding the Texas tidelands case.

Mr. ELLIOTT asked and was given permission to extend his remarks in two instances and include certain extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. McGREGOR asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. TAYLOR asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. BIEMILLER asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. MULTER asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. WALTER asked and was given permission to extend his remarks and include an address by Assistant Secretary of Defense Paul Griffith at an American Legion convention.

Mr. McCORMACK asked and was given permission to extend his remarks and include an editorial.

Mr. DEANE asked and was given permission to extend his remarks.

Mr. HAGEN asked and was given permission to extend his remarks and include a letter on the report on flood conditions in Minnesota and North Dakota.

Mr. COX asked and was given permission to extend his remarks in the RECORD.

Mr. REED of New York asked and was given permission to extend his remarks in five instances and include extraneous matter.

Mr. HAND asked and was given permission to extend his remarks and include two radio broadcasts.

Mr. WOODRUFF asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. SHORT asked and was given permission to revise and extend his remarks and include a reprint of the speech he made on September 17, 1945.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

PASCH BROTHERS

The Clerk called the bill (S. 1208) for the relief of Pasch Bros.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MRS. BARBARITA ROMERO

The Clerk called the bill (S. 1320) for the relief of Mrs. Barbarita Romero.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Barbarita Romero, of Albuquerque, N. Mex., the sum of $10,000, in full satisfaction of her claim against the United States for compensation on account of the death of her daughter, the late Rosina Romero, who was fatally injured on September 12, 1947, in the performance of her duties as an employee of the Institute of Inter-American Affairs: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OTHO F. HIPKINS AND OTHERS

The Clerk called the resolution (H. Res. 734) for the relief of Otho F. Hipkins, individually, and Otho F. Hipkins; Cecil Clyde Squier; Conrad Reid; J. Thomas C. Hopkins, Jr.; and Isaiah Lawrence Paxton, as trustees of the Hipkins Traction Device Co.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

H. HALPERN & BRO., INC.

The Clerk called the bill (H. R. 9236) for the relief of H. Halpern & Bro., Inc., of Boston, Mass.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,874.79 to H. Halpern & Bro., Inc., of Boston, Mass., in full settlement of all claims against the United States for reimbursement for dried apricots purchased from the Production and Marketing Administration, Fruit and Vegetable Branch, of the Department of Agriculture, and shipped from Memphis, Tenn., to Boston, Mass. Upon receipt of the said apricots they were found to be substandard quality, and upon advice from the Department of Agriculture a certificate was secured from the Inspection Service of the Department of Agriculture showing that these apricots were United States Grade D, or substandard, on account of damage by discoloration.

With the following committee amendment:

Page 2, line 6, after the colon insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COMDR. EDWIN M. ROSENBERG

The Clerk called the bill (S. 3446) to authorize the restoration of Edwin M. Rosenberg, lieutenant commander, retired, to the active list of the United States Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States is hereby authorized to appoint Edwin M. Rosenberg, now an officer on the retired list of the United States Navy, an officer on the active list of the line of the United States Navy with the permanent rank of lieutenant commander and with the date of rank of October 3, 1945. Upon such appointment the said Edwin M. Rosenberg shall be given the same precedence on the lineal list of officers of the United States Navy to which he would have been entitled had he not been placed on the retired list of officers of the United States Navy.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN LAND OF CROW CREEK INDIAN AGENCY

The Clerk called the bill (S. 815) to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Crow Creek Indian Agency, S. Dak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to sell the trust allotments Nos. 190 and 192 of Red Star, deceased, described as the south half of section 21, township 107, range 74, fifth principal meridian, South Dakota, and the northeast quarter of section 33 township 107, range 74, fifth principal meridian, South Dakota, conveyance to be made by the issuance of a patent in fee to the purchaser, and to distribute the proceeds of such sale among the heirs of the said Red Star in accordance with their respective interests.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Lower Brule Tribe, of Indians of the Crow Creek Reservation of South Dakota or a member thereof, unless (1) at least 60 days prior to such sale the superintendent of the Crow Creek Agency shall have been served with notice of the terms thereof, and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the Lower Brule Tribe or any member thereof and a copy thereof served upon

the superintendent of the Crow Creek Agency.

(b) A certificate of the superintendent of the Crow Creek Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the register of deeds of the county in which such lands situated, shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

With the following committee amendments:

Page 2, line 5, before the word "Tribe", insert the word "Sioux." Add a comma after the word "Tribe" and strike the remainder of the line.

Page 2, line 6, strike the first three words of the line as follows: "Creek Reservation of."

The committee amendments were agreed to.

Mr. MORRIS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRIS: On page 3, line 5, after the word "lands", insert "are."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN LAND OF PINE RIDGE INDIAN RESERVATION

The Clerk called the bill (S. 816) to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Reservation, S. Dak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to sell the trust allotment No. 2109 of James Richard, deceased, described as the south half section 2, township 38 north, range 36 west, sixth principal meridian, South Dakota, conveyance to be made by the issuance of a patent in fee to the purchaser, and to distribute the proceeds of such sale among the heirs of the said James Richard in accordance with their respective interests.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Pine Ridge Ogalala Sioux Tribe of Indians of the Pine Reservation of South Dakota or a member thereof, unless (1) at least 60 days prior to such sale the superintendent of the Pine Ridge Agency shall have been served with notice of the terms thereof, and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the Pine Ridge Ogalala Sioux Tribe or any member thereof and a copy thereof served upon the superintendent of the Pine Ridge Agency.

(b) A certificate of the superintendent of the Pine Ridge Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the register of deeds of the county in which such lands are situated, shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

With the following committee amendments:

Page 2, line 3, strike the word "Ogalala" and insert in lieu thereof "Oglala."

Page 2, line 15, strike the word "Ogalala" and insert in lieu thereof "Oglala."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF LAND ALLOTTED TO MRS. IRIS HUEBNER MARAK

The Clerk called the bill (S. 1064) to authorize the sale of land allotted to Mrs. Iris Huebner Marak on the Pine Ridge Reservation, S. Dak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to sell the trust allotment No. OS7531 of Mrs. Iris Huebner Marak, situated on the Pine Ridge Reservation and described as lot 4, southeast quarter southwest quarter, south half southeast quarter section 31, township 41 north, range 46 west, sixth principal meridian, Shannon County, S. Dak., conveyance to be made by the issuance of a patent in fee to the purchaser, and to distribute the proceeds of such sale to Mrs. Iris Huebner Marak, of Buffalo Gap, S. Dak.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Ogalala Sioux Tribe of Indians of the Pine Ridge Reservation of South Dakota or a member thereof, unless (1) at least 60 days prior to such sale the superintendent of the Pine Ridge Agency shall have been served with notice of the terms thereof, and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the Ogalala Sioux Tribe or any member thereof and a copy thereof served upon the superintendent of the Pine Ridge Agency.

(b) A certificate of the superintendent of the Pine Ridge Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the register of deeds of the county in which such lands are situated, shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

With the following committee amendments:

Page 2, line 5, strike out the word "Ogalala" and insert in lieu thereof "Oglala."

Page 2, line 16, strike out the word "Ogalala" and insert in lieu thereof "Oglala."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN LAND OF PINE RIDGE INDIAN AGENCY

The Clerk called the bill (S. 1222) to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Agency, S. Dak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to sell the trust allotment No. 1971 of Roy Lone Dog, deceased, described as the northeast quarter section 29, township 39 north, range 37 west, six principal meridian, South Dakota, conveyance to be made by the issuance of a patent in fee to the purchaser, and to distribute the proceeds of such sale among the heirs of the said Roy Lone Dog, in accordance with their respective interests.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Oglala Sioux Tribe of Indians of the Pine Ridge Reservation of South Dakota or a member thereof, unless (1) at least 60 days prior to such sale the Superintendent of the Pine Ridge Agency shall have been served with notice of the terms thereof and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the Oglala Sioux Tribe or any member thereof and a copy thereof served upon the Superintendent of the Pine Ridge Agency.

(b) A certificate of the Superintendent of the Pine Ridge Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the register of deeds of the county in which such lands are situated shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF LANDS ALLOTTED TO JAMES BROWN

The Clerk called the bill (S. 1426) to authorize the sale of lands allotted to James Brown on the Crow Reservation, Mont.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to sell, under existing regulations, the homestead and other land of James Brown, Crow allottee No. 3097, described as lots 1, 2, 3, and 4 in section 3 and lots 1, 2, and 3 and the southeast quarter of the northwest quarter of section 4, all located in township 6 south, range 30 east, Montana principal meridian, containing three hundred and

nineteen and thirty-two one-hundreds acres, conveyance to be made by the issuance of a patent in fee to the purchaser, and to distribute the proceeds of such sale under existing regulations to James Brown.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Crow Tribe or a member thereof, unless (1) at least 60 days prior to such sale the superintendent of the Crow Agency shall have been served with notice of the terms thereof and such notice, together with a description of the lands and an offer by the owner thereof to sell such lands upon the terms specified in such notice to the Crow Tribe or any member thereof, shall have been posted in a conspicuous public place at such agency, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the Crow Tribe or any member thereof and a copy thereof served upon the superintendent of the Crow Agency.

(b) A certificate of the superintendent of the Crow Agency stating that notice of the proposed sale was given and was posted for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection shall, when filed and recorded in the office of the county clerk and recorder of the county in which such lands are situated, be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF LANDS ALLOTTED TO GEORGE C. ESTES

The Clerk called the bill (S. 1457) to authorize the sale of lands allotted to George C. Estes on the Lower Brule Indian Reservation, S. Dak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to sell the trust allotment No. 599 of George C. Estes, described as the southwest quarter section 27, township 107 north, range 77 west, fifth principal meridian, South Dakota, conveyance to be made by the issuance of a patent in fee to the purchaser, and to distribute the proceeds of such sale to said George C. Estes.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Lower Brule Sioux Tribe, of Indians of the Crow Creek Reservation of South Dakota or a member thereof, unless (1) at least 60 days prior to such sale the Superintendent of the Crow Creek Agency shall have been served with notice of the terms thereof and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the said Lower Brule Sioux Tribe or any member thereof and a copy thereof served upon the Superintendent of the Crow Creek Agency.

(b) A certificate of the Superintendent of the Crow Creek Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the register of deeds of the county in which such lands are situated shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

With the following committee amendments:

Page 2, line 1, after the word "Tribe", insert a comma and strike out the remainder of the line.

Page 2, line 2, strike out the first four words as follows: "Crow Creek Reservation of."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN LAND OF ROSEBUD INDIAN AGENCY

The Clerk called the bill (S. 3129) to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Rosebud Indian Agency, S. Dak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to sell the trust allotment numbered 7500 of Anna Louise Whitford, deceased, described as the southwest quarter of section 28, township 36 north, range 25 west, sixth principal meridian in Todd County, S. Dak.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Rosebud Sioux Tribe of Indians of the Rosebud Reservation of South Dakota or a member thereof, unless (1) at least 60 days prior to such sale the Superintendent of the Rosebud Agency shall have been served with notice of the terms thereof and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner, shall have been made by the said Rosebud Sioux Tribe or any member thereof and a copy thereof served upon the Superintendent of the Rosebud Agency.

(b) A certificate of the Superintendent of the Rosebud Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the register of deeds of the county in which such lands are situated shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORNELIS RUHTENBERG

The Clerk called the bill (S. 459) for the relief of Cornelis Ruhtenberg, also known as Cornelis Ruhtenberg Helmsing.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Cornelis Ruhtenberg, also known as Cornelis Ruhtenberg Helmsing, of Colorado Springs, Colo. From and after the date of enactment of this act, the said Cornelis Ruhtenberg shall not again be subject to deportation by reason of the same facts upon which any such deportation proceedings were commenced or any such warrants and order have issued.

SEC. 2. In the administration of the immigration and naturalization laws, the said Cornelis Ruhtenberg, who entered the United States from Mexico on a temporary visa, shall be considered as having been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States, on payment of the required visa fee and head tax.

SEC. 3. Upon enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the proper immigration quota.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARA SOGOR

The Clerk called the bill (S. 918) for the relief of Clara Sogor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Clara Sogor (A6707901), who was admitted into the United States on a temporary visa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States, upon the payment by her of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the proper immigration quota.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTONIO GARCIA JIMINEZ

The Clerk called the bill (S. 1420) for the relief of Antonio Garcia Jiminez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Antonio Garcia Jiminez, of Garfield, N. J. From and after the date of enactment of this act, the said Antonio Garcia Jiminez shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

SEC. 2. In the administration of the immigration laws, the said Antonio Garcia Jiminez shall be considered as having been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 3. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available quota for nationals of Spain.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA RAJMANN

The Clerk called the bill (S. 1568) for the relief of Anna Rajmann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Anna Rajmann, of New York, N. Y. From and after the date of enactment of this act the said Anna Rajmann shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

SEC. 2. In the administration of the immigration and naturalization laws the said Anna Rajmann, who served as a civilian employee of the United States Army in Austria, and who entered the United States on a temporary visa, shall be considered as having been lawfully admitted for permanent residence as of the date of her last entry into the United States upon payment of the required visa fee and head tax.

SEC. 3. Upon the enactment of this act the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Austria.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CLAYRE LOUISE FORSYTH

The Clerk called the bill (S. 1866) for the relief of Mrs. Clayre Louise Forsyth.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of section 401 (e) of the Nationality Act of 1940, as amended (U. S. C., title 8, sec. 801 (e)) (relating to loss of nationality through voting or participating in an election or plebiscite to determine the sovereignty over foreign territory), shall not apply in the case of the participation of Mrs. Clayre Louise Forsyth, who was born in Augusta, Ga., in the plebiscites held in Labrador in June and July of 1948.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIUSEPPE MOSCHETTI AND HIS WIFE

The Clerk called the bill (S. 2173) for the relief of Giuseppe Moschetti and his wife, Dina Bartoli Moschetti.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Giuseppe Moschetti and his wife, Dina Bartoli Moschetti, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the dates of their last entries into the United States upon payment of the required visa fees and head taxes. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HYMAN WINTERMAN

The Clerk called the bill (S. 2257) for the relief of Hyman Winterman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws Hyman Winterman shall be deemed to be a native of Great Britain.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH MARTHA HAUG

The Clerk called the bill (S. 2401) for the relief of Elizabeth Martha Haug.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Elizabeth Martha Haug, of Wilhelmsburg, Germany, may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Elizabeth Martha Haug is coming to the United States with a bona fide intention of being married to Robert Koyen, a citizen of the United States and an honorably discharged veteran of World War II, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Elizabeth Martha Haug, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Elizabeth Martha Haug, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Elizabeth Martha Haug as of the date of her entry into the United States, upon the payment by her of the required fees and head tax.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERMALINDA MARY PIZZUTO

The Clerk called the bill (S. 2617) for the relief of Ermalinda Mary Pizzuto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Ermalinda Mary Pizzuto. From and after the date of enactment of this act, the said Ermalinda Mary Pizzuto, shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced, or any such warrants and order have issued.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAIME RIEL

The Clerk called the bill (S. 2780) for the relief of Jaime Riel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Jaime Riel, of Waukesha, Wis., an honorably discharged veteran of World War II, who entered the United States as a member of the Armed Forces, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon the payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of the Republic of the Philippines.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HYMAN D. LANGER AND ALTA JOURARD LANGER

The Clerk called the bill (S. 2897) for the relief of Hyman D. Langer and Alta Jourard Langer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Hyman D. Langer and his wife, Alta Jourard Langer, shall be held and considered to have been lawfully admitted for permanent residence as of the date of their last entries into the United States upon payment of the required head taxes and visa fees. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGNES BIRO AND ANNA BIRO

The Clerk called the bill (S. 2954) for the relief of Agnes Biro and Anna Biro.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of the immigration and naturalization laws, Agnes Biro and Anna Biro shall be considered to be the natural-born alien children of Mr. and Mrs. Andrew Slovak, United States citizens.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OLGA HADDAD

The Clerk called the bill (S. 3005) for the relief of Olga Haddad.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Olga Haddad, of Philadelphia, Pa., who was admitted into the United States on a temporary visa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her

last entry into the United States, upon the payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the proper immigration quota.

The bill was ordered to be read a third time, was read the third time, and passed, and motion to reconsider was laid on the table.

DR. FREDERICK DANIEL McDADE

The Clerk called the bill (S. 3238) for the relief of Dr. Frederick Daniel McDade.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Dr. Frederick Daniel McDade, a native of Canada, shall be deemed to have been lawfully admitted to the United States for permanent residence as of September 4, 1944, the date on which he was lawfully admitted to the United States temporarily.

SEC. 2. Upon the enactment of this act, Dr. Frederick Daniel McDade may file the petition for naturalization prescribed by law without making the preliminary declaration of intention and, upon satisfactory proof to the court that he is otherwise qualified to become a citizen of the United States, the said Dr. Frederick Daniel McDade may be admitted as a citizen of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HISAKO OKAMOTO

The Clerk called the bill (S. 3289) for the relief of Hisako Okamoto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Hisako Okamoto, the Japanese fiancée of Frank Koshak, a citizen of the United States and an honorably discharged veteran of World War II, and that Hisako Okamoto may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided,* That the administrative authorities find that the said Hisako Okamoto is coming to the United States with a bona fide intention of being married to said Frank Koshak, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after entry of said Hisako Okamoto, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after entry of said Hisako Okamoto, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Hisako Okamoto as of the date of her entry into the United States, upon the payment by her of the required fees and head taxes.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ISOLDE BEZNER

The Clerk called the bill (S. 3325) for the relief of Isolde Bezner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws the eleventh category of section 3 of the Immigration Act of 1917, as amended (8 U. S. C. 136 (e)), shall not hereafter be held to apply to Isolde Bezner, a native and citizen of Germany, the fiancée of Lt. Jack L. White, a veteran of World War II, and a citizen of the United States, insofar as concerns any conviction or admission of the commission of a crime by her of which the Department of Justice or the Department of State has knowledge on the date of enactment hereof, and that Isolde Bezner may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided,* That the administrative authorities find that the said Isolde Bezner is coming to the United States with a bona fide intention of being married to Lt. Jack L. White, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Isolde Bezner, she shall be required to depart from the United States, and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Isolde Bezner, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Isolde Bezner, as of the date of her entry into the United States, upon the payment by her of the required visa fees and head tax.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FUKUKO ENDO

The Clerk called the bill (H. R. 8385) for the relief of Fukuko Endo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion from the United States of persons inadmissible because of race, shall not apply to Fukuko Endo, Japanese fiancée of Minoru Tsuchimochi (a natural-born United States citizen and honorably discharged World War II veteran who is serving in Japan in a civilian status with the Armed Forces of the United States) and the said Fukuko Endo shall be granted admission to the United States as a nonquota immigrant for permanent residence if she is otherwise admissible under the immigration laws and if the appropriate administrative authorities find that marriage took place between the above-named parties not later than 3 months after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSAN E. SCOTT

The Clerk called the bill (H. R. 8761) for the relief of Susan E. Scott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, shall not apply to Susan E. Scott, alien minor child in the care of Mr. and Mrs. Denny F. Scott, United States citizens, and the said Susan E. Scott shall be held and considered to be the alien natural-born child of the said Mr. and Mrs. Denny F. Scott.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUM YING

The Clerk called the bill (H. R. 8802) for the relief of Lum Ying.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is hereby directed to cancel any exclusion order and bond outstanding in the case of Lum Ying, Battle Creek, Mich. For the purposes of the immigration and naturalization laws, the said Lum Ying shall be held and considered to have been born in the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in the administration of the immigration and naturalization laws, Lum Ying, of Battle Creek, Mich., shall be held to have been lawfully admitted to the United States under the provisions of section 4 (b) of the Immigration Act of 1924 as amended (8 U. S. C. 204) on January 22, 1950, upon the payment of the required head tax and visa fee."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HIDEKO KASAHARA AND FAMILY

The Clerk called the bill (H. R. 9056) for the relief of Hideko Kasahara and family.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to exclusion from the United States of aliens inadmissible because of race shall not apply to Hideko Kasahara, Japanese fiancée of Donald W. Doss, United States citizen and member of the Armed Forces of the United States. The said Hideko Kasahara shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months if the appropriate administrative authorities find that she is coming to the United States with a bona fide intention of marrying the said Donald W. Doss and that she is otherwise admissible under the immigration laws. If such marriage does not occur within 3 months after her entry, the said Hideko Kasahara shall be required to depart from the United States and upon failure to do so shall be deported under sections 19 and 20 of the Immigration Act of 1917, as amended (8 U. S. C., secs. 155 and 156). If such marriage occurs within 3 months after her entry, the Attorney General shall record the lawful admission of the said Hideko Kasahara to the United States for permanent residence, as of the date of her entry, upon payment by her of the required fees and head tax.

SEC. 2. The provisions of the immigration laws relating to exclusion from the United States of aliens inadmissible because of race shall not apply to any minor child or children, now or hereafter in being, of which the said Hideko Kasahara and the said Donald W. Doss are the natural parents. The provisions of section 4 (a) of the Immigration Act of 1924, as amended (8 U. S. C., sec. 204 (a)), relating to the nonquota immigrant status of unmarried children under 21 years

of age of a United States citizen, shall be held and considered to apply to such minor child or children.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Hideko Kasahara, the Japanese fiancée of Donald W. Doss, a citizen of the United States and a member of the United States Armed Forces, and her minor child, and that the said Hideko Kasahara and her minor child may be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Hideko Kasahara is coming to the United States with a bona fide intention of being married to said Donald W. Doss, and that they are found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Hideko Kasahara and her minor child, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of Hideko Kasahara and her minor child, the Attorney General is authorized and directed to record the lawful admission for permanent residence of them as of the date of their payment by them of the required visa fees and head taxes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Hideko Kasahara and her minor child."

A motion to reconsider was laid on the table.

KIMIE KURIO

The Clerk called the bill (H. R. 9077) for the relief of Kimie Kurio.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion from the United States of aliens inadmissible because of race shall not hereafter apply to Kimie Kurio, the Japanese fiancée of Ben T. Yoshikawa, a United States citizen and veteran of World War II. The said Kimie Kurio shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months if the appropriate administration authorities find that the said Kimie Kurio is coming to the United States with a bona fide intention of being married to the said Ben T. Yoshikawa and that she is otherwise admissible under the immigration laws. If the marriage between the above-named parties does not occur within 3 months after the entry of the said Kimi Kurio, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with sections 19 and 20 of the Immigration Act of 1917, as amended (8 U. S. C., secs. 155 and 156). If the above-named parties are married within 3 months after the entry of the said Kimie Kurio, the Attorney General is authorized and directed to record the lawful admission of the said Kimie Kurio to the United States for permanent residence, as of the date of her entry into the United States, upon payment by her of the required fees and head tax.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CHANG-SEI KIM AND DAVID KIM

The Clerk called the bill (H. R. 9082) for the relief of Mrs. Chang-Sei Kim and David Kim.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, section 13 (c) of the Immigration Act of 1924, as amended, excluding from the United States aliens ineligible to citizenship, shall not apply to Mrs. Chiang-Sei Kim (King) nee Chung Sil Lee and David Kim (King). The said Mrs. Chang-Sei Kim and the said David Kim shall be granted admission to the United States for permanent residence upon application hereafter filed and without presenting immigration visas or other travel documents.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, Mrs. Chang-Sei Kim and David Kim may be eligible for admission into the United States for permanent residence provided they are otherwise admissible under the immigration laws.

"SEC. 2. The Attorney General is authorized and directed to record the lawful admission for permanent residence in the United States of Arthur Kim as of the date of his last entry into the United States upon payment of the required visa fee and head tax. The Secretary of State shall, upon the enactment of this act, instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Chang-Sei Kim, David Kim, and Arthur Kim."

A motion to reconsider was laid on the table.

HIFUMI KATO AND HER MINOR SON, KAZUYUKI KATO

The Clerk called the bill (H. R. 9084) for the relief of Hifumi Kato and her minor son, Kazuyuki Kato.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion from the United States of aliens inadmissible because of race shall not hereafter apply to Hifumi Kato and her minor son Kazuyuki Kato. Hifumi Kato is the Japanese fiancée of John B. Howenstein, a citizen of the United States and an honorably discharged veteran of World War II. The said Hifumi Kato and Kazuyuki Kato shall be eligible for visas as nonimmigrant temporary visitors for a period of three months if the appropriate authorities find that the said Hifumi Kato is coming to the United States with a bona fide intention of being married to the said John B. Howenstein and that they are otherwise admissible under the immigration laws. If the marriage does not occur within three months after the entry of the said Hifumi Kato, she and her son shall be deported in accordance with sections 19 and 20 of the Immigration Act of February 5, 1917, as amended (U. S. C., 1946 edition, title 8, secs. 155 and 156). If Hifumi Kato and John B. Howenstein are married within 3 months after entry of Hifumi Kato, the Attorney General is authorized and directed to record the lawful admission for permanent residence of Hifumi Kato and her son, Kazuyuki Kato, as of the date of their entry into the United States, upon the payment of the required fees and taxes.

The bill was ordered to be engrossed and read a third time, was read the the third time, and passed, and a motion to reconsider was laid on the table.

HERMAN L. WEINER

The Clerk called the bill (S. 819) for the relief of Herman L. Weiner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herman L. Weiner, of Philadelphia, Pa., the sum of $3,500, in full satisfaction of his claim against the United States for reimbursement of money forfeited by him to the United States on March 5, 1941, in connection with the breach of the condition of a bail bond by one for whom the said Herman L. Weiner posted bond in the sum of $4,000; such sum, having never been remitted to the said Herman L. Weiner although the person for whim such bond was posted and for whose breach of bail such sum was forfeited was subsequently apprehended and convicted in a court of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. SANFORD PRUITT

The Clerk called the bill (S. 858) for the relief of Mrs. Sanford Pruitt.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

J. DON ALEXANDER

The Clerk called the bill (S. 1800) for the relief of J. Don Alexander.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. Don Alexander, of Colorado Springs, Colo., the sum of $16,720.41, in full satisfaction of his claim against the United States for refund of an erroneous payment of income tax for the year 1929 which covered the capital net gain from the sale of 9,000 shares of stock in the Alexander Industries, Inc., which stock was later held by the United States Circuit Court of Appeals in Alexander against Theleman (69 F. (2d) 610) to be the property of such corporation

and not of J. Don Alexander: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUDOLPH FARCHER

The Clerk called the bill (S. 2204) for the relief of Rudolph Farcher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Rudolph Farcher, of Huntington, W. Va., in full satisfaction of his claim against the United States for compensation for injuries sustained by him on August 21, 1939, when he was on a milk wagon which was struck by a truck operated by John Cromwell, an employee of the Work Projects Administration, who was assigned to the United States Engineer Office: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A. K. CHAHROUDI

The Clerk called the bill (S. 2457) to confer jurisdiction on the Court of Claims to hear, determine, and render Judgment upon the claim of A. K. Chahroudi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any limitation upon the jurisdiction of the Court of Claims with respect to claims against the United States by subjects of foreign governments which do not accord to citizens of the United States the right to prosecute claims against their governments, jurisdiction is hereby conferred upon such court, to hear, determine, and render judgment upon the claim of A. K. Chahroudi, a subject of Iran, now a permanent resident of the United States, growing out of an alleged breach by the United States of war construction contract No. W-512-eng-7, dated November 22, 1942, under which the said A. K. Chahroudi constructed certain cantonment buildings for the United States at Ahwaz, Iran.

SEC. 2. Suit upon such claim may be instituted at any time within 6 months after the date of enactment of this act. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims over which such court has jurisdiction under section 1491 of title 28 of the United States Code.

With the following committee amendment:

Page 1, line 8, after the word "court", insert "notwithstanding any statute of limitation."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

O. O. HAUGEN

The Clerk called the bill (S. 2614) for the relief of O. O. Haugen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to O. O. Haugen, Route 3, Box 147, Port Orchard, Wash., the sum of $456, in full satisfaction of his claim against the United States for compensation for a fence removed from his land near Charlson, N. Dak., by the Works Project Administration: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SGT. JAMES C. HOLLON AND BESSIE L. HOLLON

The Clerk called the bill (S. 3017) for the relief of Sgt. James C. Hollon and Bessie L. Hollon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to Sgt. James C. Hollon and his wife, Bessie L. Hollon, the sum of $6,500, in full satisfaction of their claim against the United States for compensation for the death of their infant son, and (2) to Bessie L. Hollon the sum of $6,000, in full satisfaction of her claim against the United States for compensation for personal injuries received by her, both such death and such injuries having resulted from the collision of a train and a jeep owned by and on an official mission for the Department of the Air Force in which the said Bessie L. Hollon and her infant son were passengers, such collision having occurred near the Nagoya Air Force Base in Japan on January 23, 1949, due to the negligence of the driver of such jeep: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN J. SEBENICK

The Clerk called the bill (S. 3059) for the relief of John J. Sebenick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John J. Sebenick, of 4722 Cleveland Avenue, Columbus, Ohio, a sum equal to his pay and allowances for 34 additional days of terminal leave as a lieutenant (junior grade) in the United States Naval Reserve, which the Board for the Correction of Naval Records found he was entitled to, in a decision dated May 23, 1947: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

O. S. REES

The Clerk called the bill (S. 3097) conferring jurisdiction on the United States District Court for the Southern District of Mississippi to hear, determine, and render judgment upon the claim of O. S. Rees.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Southern District of Mississippi to hear, determine, and render judgment upon the claim of O. S. Rees, of Jackson, Miss., against the United States for compensation for loss and damage sustained by him as a result of the destruction of his pipeline and the acquisition by the United States of land in which he claims to have held an easement for such pipeline, in connection with the construction of Foster General Hospital.

SEC. 2. Notwithstanding any statute of limitations or lapse of time, suit upon such claim may be instituted at any time within 1 year after the date of enactment of this act. In any such suit brought pursuant to this act proceedings shall be had and the liability, if any, of the United States shall be determined in accordance with the provisions of law applicable in the case of tort claims against the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

R. W. HARRIS

The Clerk called the bill (S. 3610) for the relief of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to allow credit in the accounts of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department, for the amount of $149.40, for which credit has been suspended, and disallowances raised, by the General Accounting Office, on account of payments made in accordance

with two vouchers certified by the said certifying officer: *Provided*, That the Administrator of General Services or his authorized representative shall certify that in his opinion there is no evidence of fraud or collusion on the part of said certifying officer in connection with such payments.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORRANCE ULVIN AND GUY F. ALLEN

The Clerk called the bill (S. 3611) for the relief of Dorrance Ulvin, former certifying officer, and for the relief of Guy F. Allen, former chief disbursing officer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Dorrance Ulvin, former certifying officer of the Federal Public Housing Authority (now Public Housing Administration), be, and is hereby relieved of financial liability by reason of erroneous payment in February 1943, in the sum of $1,025 under disbursing office symbol 86-774, and the Comptroller General is hereby authorized and directed to allow credit in the settlement of the accounts of Guy F. Allen, former chief disbursing officer, Treasury Department, by reason of such erroneous payment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN CHINESE STEWARDS OF THE UNITED STATES NAVY

The Clerk called the bill (S. 3613) for the relief of certain Chinese stewards of the United States Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the claims of the United States against Chun S. Chien, SDC, United States Navy, Gin F. Fung, SDC, United States Navy, Sung Y. Koo, SD1, United States Navy, Chow (N) Lee, SDC, United States Navy, Kan (N) Ming, SDCA, United States Navy, Wan K. Wang, SDC, United States Navy, and Kam C. Yee, SDC, United States Navy, in the amount of $756 each, said amount representing overpayments of money allowances for quarters from January 28, 1949, to August 31, 1949, inclusive, are hereby canceled and the Comptroller General of the United States is hereby directed to allow credit in the accounts of the disbursing officers concerned for the payments so made.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each of the persons mentioned in section 1 of this act, any sums which have heretofore been paid to the United States by such persons in partial or complete liquidation of the respective claims of the United States against such persons, which claims are canceled by section 1 of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN B. UNDERWOOD, JR.

The Clerk called the bill (S. 3614) for the relief of John B. Underwood, Jr., TMC, United States Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That John B. Underwood, Jr., TMC, United States Navy, is hereby relieved of all liability to pay to the United States the sum of $576.25, said amount representing overpayments to him of money allowance for quarters for a dependent wife for the period July 28, 1942, to October 31, 1943.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN DISBURSING OFFICERS AND FORMER DISBURSING OFFICERS OF THE NAVAL SERVICE

The Clerk called the bill (S. 3709) for the relief of certain disbursing officers and former disbursing officers of the naval service, and for other purposes.

There being no objection, the Clerk read the bill, as follows.

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, to the following disbursing officers and former disbursing officers of the naval service the amounts listed opposite their names, which amounts represents moneys paid from their personal funds to liquidate deficiencies incurred in their accounts in good faith and without fraud or collusion on their part:

Asher, Jeanne A., lieutenant (junior grade), SC(W), United States Naval Reserve, $260.

Battelle, Gordon K., lieutenant (junior grade), Supply Corps, United States Naval Reserve, $1,022.99.

Brew, John P., lieutenant, Supply Corps, United States Naval Reserve, $2,000.

Bock, Forrest J., warrant officer, United States Marine Corps, $50.

Delany, Johnie L., lieutenant, Supply Corps, United States Navy, $790.61.

Folger, Francis W., ensign, Supply Corps, United States Naval Reserve, $1,171.

Haydel, Henry J., ensign, Supply Corps, United States Naval Reserve, $78.

Henson, Harry D., warrant officer, United States Marine Corps, $462.

Jacobs, A. D., lieutenant (junior grade), Supply Corps, United States Naval Reserve, $21.74.

Kaufman, F. A., commander, Supply Corps, United States Naval Reserve, $122.

Moolenaar, C. E., ensign, Supply Corps, United States Naval Reserve, $616.80.

Newlin, George W., lieutenant (junior grade), Supply Corps, United States Naval Reserve, $688.

Powell, J. Z., lieutenant, Supply Corps, United States Naval Reserve, $165.44.

Riewerts, D. E., ensign, Supply Corps, United States Naval Reserve, $50.

Riley, Rosemary P., lieutenant (junior grade), SC(W), United States Naval Reserve, $17.27.

Roman, C., Jr., lieutenant (junior grade), Supply Corps, United States Naval Reserve, $280.

Stafford, Otis W., commander, Supply Corps, United States Navy, $76.32.

Strange, R. P., lieutenant (junior grade), Supply Corps, United States Navy, $222.

Vaughan, F. M., lieutenant (junior grade), Supply Corps, United States Naval Reserve, $65.

Ward, David W., lieutenant, United States Coast Guard, $1,000.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ensign Leland E. Byers, Hospital Corps, United States Navy, the sum of $50. This amount represents a personal advance by Ensign Byers on July 20, 1945, to replace one-half of a shortage in the accounts of Warrant Officer Forrest J. Bock, United States Marine Corps, which resulted from acceptance of a forged pay receipt in connection with paying casual marine hospital patients at the United States Naval Hospital, Camp Lejeune, New River, N. C., when Ensign Byers was witnessing officer.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY ALICE FLOYD

The Clerk called the bill (H. R. 7539) for the relief of Mary Alice Floyd.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Alice Floyd, of Woodruff, S. C., former teacher in the Woodruff Public Schools, the sum of $10,000. Payment of such sum shall be in full settlement of all claims of the said Mary Alice Floyd against the United States for severe and permanent personal injuries and for continuing medical and hospital expenses arising out of an automobile accident in which she was involved on October 11, 1940, while she was traveling from Woodruff to Spartanburg, S. C., to receive instructions for conducting registrations under the Selective Training and Service Act of 1940. The State of South Carolina paid the salary and medical and hospital expenses of the said Mary Alice Floyd from October 1940 until June 1945 but thereafter discontinued such payments on the ground that the said Mary Alice Floyd was acting for the Federal Government when injured: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMERICAN BARREL CO., INC.

The Clerk called the bill (H. R. 8934) for the relief of the American Barrel Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $29,292.10 to the American Barrel Co., Inc., of Boston, Mass., in full settlement of all claims against the United States as reimbursement for the purchase of surplus steel drums from the Department of State, Office of the Foreign Liquidation Commissioner, under contracts No. W-ANL (ETO-II) 3831 and W-ANL (ETO-II) 4125, dated October 30, 1947, and February 12, 1948. Such reimbursement is due to erroneous representations made that the said steel drums were in usable condition and it were determined that they were worthless: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIO LAFFITTE

The Clerk called the bill (S. 305) for the relief of Julio Laffitte.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Julio Laffitte, of New York, N. Y., shall be held and considered to have been lawfully admitted into the United States for permanent residence as of October 11, 1946, upon payment of the head tax and visa fee.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the non-preference category of the first available immigration quota for nationals of Spain.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDRE LAN

The Clerk called the bill (S. 1506) for the relief of Andre Lan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the laws relating to immigration and naturalization the alien, Andre Lan, a lawful resident of the United States, shall be held and considered to have resided in the United States for 5 years prior to the date of the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called Senate Concurrent Resolution 97.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-6023124, Taylor, Sidney Norman (formerly Tatelman, alias Samuel Norman Taylor).
A-6725875, Laks, Joseph Lyndel.
A-1781352, Fuhrmann, Michael.
A-6868227, Triantafilos, Georgios (alias George Triantafilos).
A-6428636, Safani, Ezatollah Hashem.
A-6428635, Safani, Fakhre Moluk (nee Mahboubian).
A-6481412, Salzman, Salomon.
A-6481325, Halzman, Necka or Necha (nee Hartmann).
A-6409553, Thout, Henri.
A-6423544, Thout, Mathilde Lucienne (nee Four).
A-7560616, Van Sant, Helen Josefna (nee Helen Gavrilkina or Helen Josefna Smith).
A-6421714, Wattinne, Emmanuel Andre.
A-6421712, Wattinne, Genevieve (nee Dubart).
A-6738893, Cohen, Theodore, or Theodor Cohen or Theodor Moscovitz.
A-6738894, Cohen, Zeev.
A-6422172, Ramirez-Calvillo, Basilio.
A-6763248, Ramirez-Munoz, Anastacia.
A-6763249, Ramirez-Munoz, Francisco.
A-6763250, Ramirez-Munoz, Reynalda.
A-9776746, Gawronski, Marian.
A-6171825, Mercader, Antonio Jimenez, or Jimenez Mercador.
A-5991076, Schwarz, Maria or Werner (nee Reiner).
A-5991075, Schwarz, Morris, or Ceza Gabriel Werner.
A-5435491, Kroog, Fritz Heinrich Konrad, or Fred Henry Conrad Kroog or Fred Fischer.
A-3638660, Cavaco, Francisco Da Silva, or Frank Silva.
A-1317193, Cohen, Eva.
A-7041970, Cohen, James Irving.
A-5709166, Cohen, Morris.
A-5622032, Daschek, Franz Ludwig.
A-5622079, Daschek, Marie Antonia (nee Sustr).
A-4287504, De Castro, Joaquin Fernandes, or Luis Vedro or Jack Valaria.
A-3288227, Dimos, Isidoros, or Isidoros Nicolaou Dimos.
A-2944819, Gerolimatos, Dionisios, or Denis Nicholas.
A-3699009, Goncalves, Antonio.
A-5422978, Gonsalves, Maria (alias Maria Anna Celina Parent, alias Marie Anna Parent, alias Mrs. De Courville).
A-4325050, Jimoyjanis, George C., or Georgios Chris Jimoyianes or George Christ Jimos.
A-3261929, Katechis, Constantine Spiros.
A-7029793, King-Yien, Laai.
A-1073649, Kliglich, Bronislaw.
A-3694825, Krol, Joseph, or Joseph Carl Krol.
A-4572952, Labdas, Demetrios, or James Constantine Lavdas.
A-3249920, Livanis, Michael Panagiotis, or Michael Peter Livanis.
A-3889829, Lombardi, Ciuliano, or Dominic Lombarde.
A-1755458, Loussedes, Basilios Antonios (aliases William Anthony Loussedes, William Anthony Loussedos, Vassilios Lousidis).
A-2281926, Maglish, Efim Jim.
A-2541839, Mandarakas, John, or John Mandas.
A-2923256, Moscos, Georgios Giannes, or George Moskos or Moschos.
A-7029794, Mo-Yien, Laai.
A-2561962, Pagiou, Panagiotis Christov (alias Panayiotis Christov Pagio alias Pete Pagiou).
A-5750550, Palffy, Frank, or Ference Palfi or Frank P. Baker.
A-3722917, Paparizos, Regas Antonios, or Regas A. Paparizos.
A-7722859, Perez, Estelle Ruby Curtis (nee Goodalle, alias Goodall alias Estelle Ruby Curtis Martin).
A-7685398, Plesman, Alma Emelie Francoise (nee Berner).
A-7505700, Plesman, Cornelis.
A-3919787, Run, Wong Look, or Wong Luk Run or Wong Ding or Pee Wee or Run Luk Wong or Run L. Wong.
A-3225657, Suan, Aw Tee, or Hong Fong or Fong Hong.
A-3776006, Sui-Laan, Loh, or Mrs. Laai Yi-Faai.
A-2185135, Yang, Ho Ching, or Yang Ho Ching.
A-1894434, Yang, Von Sung (nee Von Sung Soung).
A-3076334, Yi-Faai, Laa.
A-4352509, Aikaterines, Demetrios, or James M. Katerinis.
A-6748311, Ali, Kubaiyat, or Kalafi Ali.
A-6606703, Bisenz, Rudolf, or Rudolf Bisentz.
A-6606704, Bisenz, Suzanne (nee Hoffman).
A-4631507, Bufi, Giuseppe.
A-2292029, Calamaras, Peter, or Panagiotis Calamaras.
A-5785879, Chow, Shu Ping.
A-4004076, Coveris, Emanuel Stamatiou.
A-2245431, Gianiotis, George Gregorios, or John Kordonas.
A-4680895, Gifford, Joseph.
A-3269763, Hallas, Sotirios, or Sam Hallas or Sotirios Halas.
A-2966003, Kakouris, Matheos, or Mathaios Kakouris or Mike Coris.
A-3082607, Kantsos, Angelos Angoniou, or Angelo Anthony Kantsos.
A-1441262, Kriticos, Evangelos Georgious, or Angelos Kriticos.
A-6489656, Lybarger, Gladys Maud, or Gladys Marjorie Lybarger or Gladys Marjorie Turner or Gladys Marjorie Glend.
A-6948932, Pagoulatis, Spironilolaos, or Nicholas Pagoulatos.
A-3111122, Palazzo, Berardino, or Berardino Palazzo Di Antonio.
A-2033686, Pinto, John.
A-2363849, Said, Abdul, or Reefat Ullah.
A-5930863, Scuglia, Domenico.
A-2073291, Sikoutris, Evengelos Nicolaus.
A-3749650, Stef, Nicolae, or Nick Stef.
A-3902033, Young, Chin Kung (alias George Chan, George Chin, Chin Gene Pong).
A-6965100, Iacono, John George Dello.
A-7500627, Yamagiwa Hanako.
A-7124032, Tsai, Mark, or Mark Chai.
A-7578919, Freel, Pansy Muriel, or Pamela Muriel Freel.
A-6377729, Sun, Dr. Kuei-shu.
A-7284887, Didner, Samuel.
A-2053412, Mrak, Joseph or Joe Mrak.
A-3683972, Folitis, Petros Andrea.
A-6235601, Kia, Ghodsee Zaman (nee Alborz).
A-6079535, Wyss, Maria Luling or Maria Milagros Luling Wyss.

With the following committee amendment:

On page 7, after line 7, insert the following registration numbers and names:

"A-7203368, Andronico, Adolfo Paul.
"A-7057136, Cognets, Ingeborg des or Ingeborg Dedering.
"A-1745860, Coumantaros, Spiro Stavros Nicolas.
"A-7546054, Iliopoulos, Florika.
"A-6727197, Lambros, Alexandra Kalognomou nee Kalognomou.
"A-62727197, Lambros, Anthony Ilias.
"A-4076425, Moatsos, George Nicholas.
"A-4314344, Boatsos, Lily or Evangelia nee Hadjiargyris.
"A-7040189, Mohl, Sophie.
"A-7040188, Mohl, Therese Margaret or Therese Mohl or Terese Mohl.
"A-6700887, Rodman, Sidra Vellatrani nee Sidra Velletrani.
"A-7779638, Yeh, Chang Shang-Wen or Chang Shang Wen.
"A-7779639, Yeh, Jun-Sun or Stephen Yeh or Jun-Sun Stephen Yeh."

The committee amendment was agreed to.

The Senate concurrent resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELSE SAMSTAG YURCHAK

The Clerk called the bill (H. R. 9334) for the relief of Mrs. Else Samstag Yurchak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917 (8 U. S. C. 136 (e)), Mrs. Else Samstag Yurchak, the wife of a citizen of the United States who served honorably in the Armed Forces of the United States during World War II, may be admitted to the United States for permanent residence if she is found otherwise admissible under the provisions of the immigration laws.

The bill was ordered to be engrossed and read a third time, was read the

third time, and passed, and a motion to reconsider was laid on the table.

ALONZO P. BROWN

The Clerk called the bill (H. R. 8563) for the relief of Alonzo P. Brown.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Alonzo P. Brown, Cherry Hill., Va., is hereby relieved of all liability to refund to the United States amounts paid to him as postmaster at the Cherry Hill (Va.) post office, during the period when he was not eligible to receive compensation from funds appropriated for the Post Office Department because the combined amount of his salary as postmaster and his salary as an employee in the municipal government of the District of Columbia exceeded the sum allowed by law. Any amounts heretofore credited to the said Alonzo P. Brown by the withholding of annuity payments under the Civil Service Retirement Act of May 29, 1930, as amended, on account of such unauthorized payment to him shall be paid to him out of the civil-service retirement and disability fund. In the audit and settlement of the accounts of any disbursing officer of the United States the payment of such amounts for services as postmaster shall be considered to have been authorized.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACOB F. RIEDEL

The Clerk called the bill (H. R. 2093) authorizing the Secretary of Agriculture to execute a quitclaim deed to property owned by Jacob F. Riedel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized and directed to execute and deliver to Jacob F. Riedel a quitclaim deed of all that property lying south of Telegraph Road, Bowie District, Prince Georges County, Md., and particularly described as follows:

All that tract of land containing 35 acres of land, more or less, situated on both sides of the county road leading from Glenn Dale to Springfield and being the residue of the farm of the late Shadrach Beall and bounded quintrally as follows:

On the north side of the road it has for its east line a new road, to Mr. Richard Hall's line, thence west to Mrs. Dowling's line, which bounds it on the west to the county road, south of the county road the line starts from a dead cedar running along Mr. Knop's line (my old home) to Mr. Oscar Banner's corner, where it crosses and a little way down on the south side to Harrison's boundary, thence parallel with Mr. Banner's line, leaving a 30-foot avenue to the road leading to Glenn Dale, through the colored settlement then with Banner's on the east and Dr. Aunklin's on the northeast to the northeast to the county road.

Saving and excepting therefrom all that part thereof described in a deed from Jacob F. Riedel and others to the county commissioners of Prince Georges County, Md., dated January 25, 1933, and recorded in Liber 391, at folio 338, for the construction of a county road leading from Telegraph Road to Glenn Dale; and

Further saving and excepting therefrom all that part thereof conveyed by Jacob F. Riedel and wife to George Riedel by deed dated September 17, 1933, and recorded in Liber 397, at folio 333, containing nine and seventy-eight one-thousandths acres, more or less, as more particularly described in said deed; and

Further saving and excepting therefrom that part thereof lying north of said Telegraph Road which has heretofore been conveyed to the United States of America, containing seven and forty-two one-hundredths acres, more or less, and being more particularly described in confirmatory deed from Jacob F. Riedel and Barbara Riedel, his wife, to the United States of America, dated July 13, 1936, and recorded in Liber 446, at folio 306, described as follows:

Beginning at a stone at the corner of the property of Mary S. Hall and others, the corner of the property now or formerly owned by John G. Hall and the northeast corner of this property, thence binding along the east side of a road as set out in a certain deed from Margaret A. Beall to Henrietta K. Hall, dated June 24, 1925, and recorded among the land records of Prince Georges County in Liber 233, at folio 464, being also along the property now or formerly owned by N. E. Ryon, south thirty-five degrees no minutes east one thousand and twenty-seven and eighteen one-hundredths feet to the north side of the Telegraph Road; thence along the north side of said road south forty degrees thirty-five minutes west three hundred feet; thence leaving said road and along the dividing line between this property and the property now or formerly owned by George H. Riedel north thirty-three degrees fifty-four minutes thirty seconds west one thousand two hundred and eighty and twenty-seven one-hundredths feet to the line of Mary S. Hall and others; thence along the line of the last mentioned property north eighty-eight degrees forty-five minutes east three hundred and twenty feet to the point of beginning. Said tract of land containing seven and forty-two one-hundredths acres, more or less.

Said property was conveyed by mistake to the United States of America by Jacob F. Riedel and Barbara Riedel, his wife, by deed dated February 3, 1936, and recorded in Liber 435, at folio 345, and by confirmatory deed dated July 13, 1936, and recorded in Liber 446, at folio 306.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That concludes the call of the Private Calendar.

CALL OF THE HOUSE

Mr. CANFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 237]

Angell	Gore	Magee
Barrett, Wyo.	Gwinn	Mason
Blackney	Hall,	Monroney
Boggs, Del.	Leonard W.	Morrison
Brehm	Hare	Morton
Bulwinkle	Havenner	Murray, Wis.
Carlyle	Hinshaw	Nelson
Carroll	Hobbs	Nixon
Case, S. Dak.	Hoeven	O'Hara, Ill.
Chiperfield	Hoffman, Ill.	O'Neill
Cole, N. Y.	Irving	Pace
Davies, N.Y.	Jenkins	Patten
Dawson	Johnson	Pfeiffer,
DeGraffenried	Jonas	William L.
D'Ewart	Kee	Phillips, Tenn.
Dingell	Keefe	Pickett
Eaton	King	Plumley
Eberharter	Latham	Powell
Engel, Mich.	Lodge	Quinn
Frazier	Lyle	Redden
Furcolo	McMillen, Ill.	Regan
Gillette	Macy	Sadowski
Scott, Hardie	Stefan	Wickersham
Scott,	Talle	Wier
Hugh D., Jr.	Towe	Williams
Smathers	Velde	Winstead
Smith, Kans.	Vinson	Wolcott
Smith, Ohio	Vorys	Wood
Stanley	Walsh	
Steed	White, Idaho	

The SPEAKER. On this roll call 341 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR THE ACQUISITION, CONSTRUCTION, EXPANSION, REHABILITATION, CONVERSION, AND JOINT UTILIZATION OF FACILITIES NECESSARY FOR THE ADMINISTRATION AND TRAINING OF UNITS OF THE RESERVE COMPONENTS OF THE ARMED FORCES

Mr. MADDEN. Mr. Speaker, I call up House resolution (H. Res. 682) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8594) to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

And at this time I yield myself such time as I may desire.

Mr. Speaker, this bill was reported out of the Committee on Armed Services unanimously.

It is to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States. The purpose of the Act is to make provision to purchase, transfer, lease, construct, expand, rehabilitate, and develop training operations and the maintenance of units of the Reserve components of the armed services. This legislation is a part of the war program. As I understand it, there is no opposition to the granting of the rule.

I reserve the remainder of my time, Mr. Speaker.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, it is my understanding there is no objection to this bill. The armed services, the National Guard, and

the Reserves are all in agreement in favoring this bill. I also understand that the Armed Services Committee was unanimously for this bill, as well as the Rules Committee.

I reserve the remainder of my time, Mr. Speaker.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. BROOKS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8594) providing for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House of the State of the Union for the consideration of the bill H. R. 8594, with Mr. POAGE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rules, the gentleman from Louisiana [Mr. BROOKS] is recognized for 30 minutes and the gentleman from Missouri [Mr. SMITH] will be recognized for 30 minutes.

Mr. BROOKS. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Louisiana is recognized.

Mr. BROOKS. Mr. Chairman, the bill before the House at this time has a two-fold purpose. One purpose is to build, convert, expand, or rehabilitate armories for the National Guard and the Reserve components of the armed services. The second purpose of the bill is to obtain the maximum joint utilization of these facilities necessary for the administration and training of our Reserve units.

Now how is the construction of armories accomplished under the terms of the bill? It may be done in three ways:

First. Armories may be constructed with 100 percent Federal funds. These would be under the control of the Secretary of Defense, and title to the facility would be in the United States.

Second. One hundred percent contributions may be made to the several States to expand, rehabilitate, or convert existing armories. Under this provision of the bill, the control of the armory will be established by an agreement entered into between the Secretary of Defense and the State concerned prior to the contribution being made. Title to the facility under this provision would be in the State concerned.

Third. Contributions up to 75 percent of the total cost of construction may be made to the several States for construction, rehabilitation, conversion, et cetera, of armories. The States must make up the balance of the cost under this provision of the bill. Control of the facility would be established by an agreement entered into by the Secretary of Defense and the State concerned prior to making the contribution. Title to the facility would be in the State concerned.

Now that is all there is to the bill. Those three methods of building, converting or repairing armories take in every situation which can be imagined. For instance, if the State does not want to contribute, the Federal Government can build under the first provision of the bill. If expansion or repairs of an existing State armory are needed, it can be done under the second provision. If the State will contribute 25 percent, the Federal Government can put in 75 percent and build a new armory for the State.

Furthermore, I think the problem of control of the facility is well worked out in the bill. Before any money is contributed to a State, the Secretary of Defense and the State concerned work out the control of the facility in an agreement. This insures that joint utilization will be accomplished to the greatest possible extent.

Now when this bill was before the Armed Services Committee, there was an authorization amount in the bill for $400,000,000, which was to be made available at a rate not in excess of $50,000,000 per year. Since that time, however, the Korean situation has arisen and the committee is now ready to offer amendments to strike all the money out of the bill. We do not think that we should be authorizing the expenditure of funds for this purpose during a time when the Nation is involved in military action abroad.

However, Mr. Chairman, the Services do need some authorization for planning purposes in order that they can go ahead and make their plans for the future. Now we all hope that this Korean situation is going to be over in the not too distant future, and we all know that with our expanded National Guard and Reserve components we are going to have to have facilities to train new men and to keep our forces constantly trained and ready for combat.

The bill, as it will be amended, is merely an authorization bill with no money in it, and, as I have stated, the reason I am urging its passage is so that the Department of Defense will know that they have an authorization to build and expand facilities for the National Guard and the Reserve components when such time comes as it is necessary to do so.

Mr. Chairman, I would also invite the Members' attention to the fact that before anything can be accomplished under the terms of this bill the Secretary of Defense must come up to the Armed Services Committees of the Congress and let us know why and where they are going to build these armories and other facilities. In this way the Congress will keep their eyes on this building program.

This is a good bill. It is a bill which all of the Reserve components, the National Guard, and the Department of Defense are in favor of. It also has the blessing of the Bureau of the Budget.

Mr. Chairman, I think all of the Members realize that our Reserve program was running behind schedule before the Korean incident. The principal reason was the lack of training facilities and that is what this bill is for—to build up these training facilities so that the Reserves can go forward with their program. I repeat, the most serious obstacle at this time to the creation and maintenance of Reserve units is the nonavailability of armories and other facilities.

Without adequate safe storage, the necessary training equipment cannot be issued. Without essential training space and equipment, the training afforded is below standard. Without attractive facilities and equipment, the recruiting of enlisted personnel and the retention of their interest is most difficult. Consequently, the provision of adequate armories and training facilities for the Organized Reserve and the National Guard is of prime importance for the preservation of the national defense.

Mr. Chairman, in conclusion may I say that at the present time when this country and the world are in a crisis we need training facilities to be used by the National Guard and Reserve components. You may say, well, the Guard is being called into active service. You may say that the Reserve components are being called into active service. This is all true but only to a limited extent. The Guard that is not being called into active service ought to be trained. It should be trained constantly. It ought to be placed in a well-trained condition for the time that it may be called into the active service. That is likewise true of your Reserve components. Some of them will have been called into service before they can use the facilities which can be arranged for under the terms of this bill, but that does not relieve us of the obligation of making available, within our ability, to those not in the active Federal service facilities for training purposes. Again I say this is an extremely important bill. It represents the thinking of the Reserve components over a long period of time, so I am naturally in favor of the passage of the bill.

Mr. VAN ZANDT. Mr. Chairman will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Would the gentleman tell the committee of the many months of effort put forth by the committee and also the broad investigation conducted by the Department of National Defense before we were asked to consider this bill?

Mr. BROOKS. I am happy that the gentleman has brought that matter up. The distinguished gentleman from North Carolina [Mr. DURHAM] and his subcommittee had before them this same bill. The members of that committee worked hard on it.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. BROOKS. Mr. Chairman, I yield myself three additional minutes.

Mr. Chairman, that subcommittee worked very hard and accumulated a lot of valuable testimony for the use of our subcommittee and the members of that subcommittee are entitled to commendation, from the distinguished

chairman the gentleman from North Carolina [Mr. DURHAM] right on down to all members on both sides for the valuable contribution which they have made in the drafting of this bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Does this mean that under the legislation, if approved, new armories will be built in all communities where they are needed to house all of these different activities?

Mr. BROOKS. We hope that eventually the whole program for the construction of armories will be worked out in an orderly fashion. Heretofore armories have largely been built by the several States and have been for National Guard purposes. They have been built through contributions from municipalities and parochial or county governments. But it has not been on a standardized basis. This bill will permit a well-ordered program for the whole thing and eventually as we build up a reserve we hope, yes, to have available armories, whether owned by the State or owned by the United States available for the National Guard and for the Reserves. When I say "Reserves" I mean the Army, the Navy, and the Marine Reserves. We plan to use those facilities in the most efficient manner, so that if you have in one locality a Naval Reserve unit and a National Guard unit and an Air Force unit, those three units can get together on provisions for joint use of those same facilities, thereby saving the United States a great deal of money and saving the local government likewise a great deal of money.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that this program will eliminate the necessity of having more than one armory in the same community because it will permit joint utilization by all Reserve units?

Mr. BROOKS. That is correct. We are now spending three to four million dollars a year for leases, for the use of armories, and we hope eventually by this great program here of joint utilization to eliminate the payment in large part of the rents which are now being paid for the use of these facilities.

Mr. BENNETT of Florida. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Florida.

Mr. BENNETT of Florida. I am very much in favor of this legislation. I do hope, however, that it will have the objective of the achievement that the gentleman has mentioned, because I know in the last few years there have been Navy armories and Army armories built in the same locality, in the same town. I think that is a great waste of money, because, undoubtedly, by coordination, they could, at least, reduce the total. They may have a larger armory but they would have a lesser expense for total outlay, and I hope that somebody under this bill will be a watchdog to see to it that that is not repeated in the future.

Mr. BROOKS. Without the provisions in this bill it might be possible, for instance, to have a National Guard armory, an Army armory, a naval armory, and a Marine armory, ad infinitum, in the same locality, providing duplication in so many aspects of the reserve work. We have to avoid that and eliminate it, and our committee is asking that continued reports be made to the committee so that they can check the program.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. BROOKS. Mr. Chairman, I yield 5 minutes to the distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Chairman, it has always been a pleasure for me as leader of the House to work with and cooperate with the Committee on Armed Services. As we know, under the Legislative Reorganization Act the Committee on Naval Affairs and the Committee on Military Affairs were incorporated into one committee now known as the Committee on Armed Services. Our friend from Georgia [Mr. VINSON] is chairman of that committee, and prior to the reorganization plan he was chairman of the Committee on Naval Affairs. Any bill that came out of the Committee on Naval Affairs was very carefully considered and was supported by Members on both sides of the aisle when the bill reached the floor of the House, and any bill coming out of the Committee on Armed Services, under the chairmanship of the gentleman from Georgia [Mr. VINSON] occupies the same situation and the same status. The committee always considers its legislation very well, and when it comes on the floor of the House the Members on both sides are well informed and in a position, and from the angle of knowledge and information they are able to advise their colleagues on other committees in a very effective way so that legislation coming from that committee very seldom encounters any serious opposition. As the situation existed 10 years ago, before World War II, in relation to the Committee on Naval Affairs, so did it also exist in relation to the Committee on Military Affairs.

I want to say a few words about a man who was a Member of this body then but who is not a Member now. He has a cloud hanging over him, but not in my mind. I believe that we should stick with our friends when they need us. The test of real friendship is when one is in distress or when one is undergoing trouble. That is when friendship undergoes its test and that is when true friendship asserts itself. There is one man that I served with who comes in this category, and I pick him out not to the exclusion of all others, but because of the predicament he is in now. And, with this bill before the House and the world in a similar situation today as it was 10 years ago, and let us hope it will not culminate in the war that happened in 1941, I want to refer to him, I introduced a resolution in this body at that time which brought us into the war.

I hope I shall never have to introduce another one. But if it is my duty to do so, I shall do it.

Ten years ago today the chairman of the Committee on Military Affairs was our good friend Andrew Jackson May—Jack May, of Kentucky. He is a great American. The people of his district are justified in being proud of him. None of us know what we are going to encounter in our journey through life; also, in our opinions of our fellowmen, we should not overlook the entire picture of a person. We should look at a person's whole record in their journey through life. I can remember 10 years ago during those trying days when there were such tense legislative battles on the floor of the House, when there were honest differences of opinion, and as chairman of the then Committee on Military Affairs, Jack May, now former Congressman from Kentucky, was here courageously performing his duties. All of us who served with Jack—or Andy, as some others called him—remember him for the tireless man that he was—temperamental, it is true, but a man of fidelity to duty, a man possessed of unlimited courage. In those days, 10 years ago, just as the gentleman from Georgia, CARL VINSON, did then on the old Committee on Naval Affairs, and others on the Committee on Military Affairs, and as the gentleman from Georgia, CARL VINSON, is doing today, and as other members of the Committee on Armed Services are doing today—they rendered their duty as Americans ably and courageously, before and during World War II.

When he was chairman of the Committee on Military Affairs, Jack May rendered outstanding service. He served his country ably and courageously.

Mr. Chairman, I could not let this occasion pass without commenting on this courageous legislator, this great American, as I am going to term him, the gentleman from Kentucky, Mr. May.

Mr. SHORT. Mr. Chairman, I am glad that the distinguished majority leader took just a minute or two to speak words of commendation about Andrew Jackson May, former Member of the House of Representatives, who served faithfully, diligently, and untiringly as chairman of the old Committee on Military Affairs during the greatest war in the history of the world.

There is not a bad bone in his body. For many years I sat with Andy May. I know he was temperamental, impetuous, a bit high-strung, but he was a man who at all times cooperated with his colleagues on his committee and in the House. He rendered a great and honorable service to our Nation during World War II. I do not condone wrong. He may have been indiscreet at times. He might have picked one leaf out of the book. But I certainly think we all will agree with the majority leader when he says that you must look at the whole picture, or read the whole book, or judge a man by all the years he has lived and all the things he has done. Do not judge the whole by a part. I love Andrew Jackson May and I shall always love him.

Now, a word or two about this bill. Heretofore there have been many bills introduced into the Congress for the construction of armories. But it has

been next to impossible to get the civilian components of the Organized Reserves and the National Guard and the Military Establishment to agree on a bill. But I am happy to say that our committee has held extensive hearings and have ironed out the differences and have brought in this particular measure by unanimous report which I think meets with the approval, not only of the different component parts of the Reserves and the National Guard, but of the Department of Defense as well as the Bureau of the Budget. The bill authorizes $400,000,000, not more than 50 percent of which is to be spent in one fiscal year for the construction, expansion, development of armories, and of training facilities for our Reserve forces.

I do not have to remind the Members of the House that at the height of the last global conflict we had 12,000,000 men and women in our armed services. Counting the rotation, there were perhaps eighteen or twenty million. Of course, we realize that only a small percentage of those 12,000,000 men and women were graduates of the military or naval academies or were even Regular Army, Navy, and Marine Corps officers.

It is impossible for a nation, even with our population and our great wealth, to maintain a huge standing army, navy, and air force that would be a perpetual drain on our economy and that perhaps would end in bankruptcy of the Nation.

So modern wars are won really by the Reserves or civilian components of the different branches of the services. Had we passed legislation similar to this a few years ago, I dare say you would not have heard all of this clamor at this hour for universal military training, which I am vehemently and unalterably against, because I do not want to see America Prussianized, and I do not like to see Members of this Congress, in an hour of peril, swept off their feet by hysteria and by the editorials that we read in the newspapers.

If we would build our Reserve forces into a great Organized Reserve, and we had six or seven million highly trained, valued, experienced men, who had gone through combat and who wanted to remain in the Reserve—in each one of the branches—the Navy was not too bad, the Army certainly was a sinner, and the Air Force was worse—almost completely ignored the reserved forces, to keep those men in training who wanted to be in training and to be ready in this hour. That is where we have fallen down. Do not blame the Congress. Blame the Department of Defense.

When we pass this bill and spend $400,000,000 for the construction of armories and training facilities all over the country, and when we keep in the Reserves of our Army, Navy, Air Force, Marine Corps, and Coast Guard, all of whom are included in this bill, you will not have to Prussianize America. You will not have to militarize this Nation in order to have a highly trained, well-equipped, alert cadre group, capable of meeting any emergency at any time.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman has consumed 7 minutes.

Mr. BROOKS. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I am very glad that the majority leader and the gentleman from Missouri [Mr. SHORT] said what they did today about our former chairman. I worked with Jack May. I know the contribution he made to his country in the days when it was not easy to secure the enactment of legislation in 1939 and 1940. There was a fight on almost every measure. He spent long hours and worked late into the night, and, in my opinion, rendered a very patriotic service during that crisis.

In regard to this measure, this study which we began in 1948 has been very, very extensive. I headed a subcommittee at that time. When we began to study this matter in regard to our armories and the contribution they would make to the national effort, there was a conglomeration of training. We discovered that the National Guard had something like $600,000,000 worth of equipment. It was stored in basements, it was stored in old shacks, it was stored everywhere throughout the country. Also, the Navy had initiated and put into operation a very extensive program of building some very fine armories throughout the country. Also, many of the States had National Guard armories. Also, many of the municipalities had armories. So the committee immediately decided that some plan should be made to coordinate these different functions into a tight organization—as tight as possible. The committee at that time was giving over-all study to it, and we decided it was best for some agency of the Federal Government to make an over-all study.

It was agreed in the fall of 1948 that this should be turned over to an agency of the Government for an over-all survey throughout the United States. The Munitions Board at that time was given the job, and later on this civilian board which was appointed within the agency of the National Defense Establishment. I think they have done an excellent job. It was a very difficult and a complicated job. At that time there was a difference of opinion on the cooperation and coordination of the armory program. I felt that the Reserve units should have the best of facilities. We found, for instance, that a naval armory might have a very expensive piece of equipment, sometimes costing thousands and thousands of dollars, and the other Reserve components, the Air Force and the Army, would have to go at least 60 miles to receive training with similar equipment. That type of operation and training simply does not make good sense, and I want to compliment the subcommittee, the gentleman from Louisiana [Mr. BROOKS] which brought out the over-all bill as you have it before you today.

I think it is important that we start this program. I think we made the mistake in 1946 of not initiating some program which would stimulate interest in these boys, stimulate them to do a good job. Today we have got another job before us, and many of them, as you and I know, are not properly trained. It is our responsibility to provide the facilities and equipment for them to train with. By doing this we render a great service not only to the States but to our national defense program.

I think it should be stated that the program that California has initiated and put into operation is one of the best jobs that has been done in the United States. They initiated their own primary program and today they have almost completed it. They will take the final step in their program this year and this will give them a complete program. If every State in the Union had such a program you would not have to worry today about our Reserve units not being trained and ready to go into operation anywhere in the world.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. SHORT. The gentleman from North Carolina, the gentleman from Louisiana, and the gentleman from Florida [Mr. SIKES] who used to be a member of our committee and is tremendously interested in this whole program, deserve, I think, the thanks of the Members of the House for the valuable contributions they made.

The gentleman from North Carolina stated a moment ago that it was too bad that we failed to initiate this program in 1946. I think it needs a bit of clarification. We certainly want the country to know that it was not the fault of Congress or the fault of our Committee on the Armed Services. They wanted this program all along. It perhaps was due to difference of opinion among the different branches of the Reserve components as well as the Regular Military Establishment.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SHORT. Mr. Chairman. I yield the gentleman 2 minutes.

Mr. DURHAM. I think the gentleman is correct in his analysis.

I want the House to know that this legislation has taken time. I hold here in my hand one of the most comprehensive studies that has yet been made of this subject. It gives the location of every armory in the United States. Numbers today I think are not so important, but at the present time we have 317 naval reserve training centers, Government-owned; we have 500 electronic warfare facilities and stations throughout the country at which these boys can get their training. National Guard State armories number 1,027; and State guard armories 518; state police 608, giving us the total of 2,025. Out of that there are only 1,087 adequate for training purposes, and 325 susceptible of expansion. That leaves a total of 1,388 necessary to be built if you carry out your training program based on the authorized present strength of all the reserve units in the National Guard to this date.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. SHORT. I think perhaps the gentleman ought to mention that due to increases in pay, retirement benefits, and additional incentives to enlistment we will have no difficulty whatever in getting the youth of America to enlist in the National Guard Reserve.

Mr. DURHAM. The gentleman is correct, but they have got to have training and facilities with which to train. We are here authorizing the facilities as we should have done earlier so that they may have the training and carry out the program in the future.

I also want to compliment the gentleman from Florida [Mr. SIKES] who has worked very diligently on this program. He initiated the program for the reserves of the country. I believe there was something like $13,200,000 carried in the appropriation bill last year, and this year it is $16,000,000.

This is sound legislation for the defense planning of our country.

Mr. SHORT. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. COUDERT] and ask unanimous consent that he may speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SHOWDOWN DEMANDED ON FOREIGN POLICY

Mr. COUDERT. Mr. Chairman, the American people are deeply troubled by the failure of their Government's foreign policy. They justifiably believe that no nation or combination of nations can destroy the United States if the latter is properly led. But they are equally aware that the United States can commit suicide by overextending itself militarily in support of unlimited political commitments.

On July 19 I pointed out that the Korean tragedy was the inescapable outcome of a tortuous, contradictory and short-sighted foreign policy, if any such uncertain and confusing course can be called policy. Essentially we are in a red-hot war, cruelly expensive in blood and in treasure, primarily because of the absence of any intelligent, consistent foreign policy and military strategy to support it. Later, during the course of consideration of bills to set in motion the military mobilization of the United States, I asked the distinguished chairman of the Armed Services Committee to inform the House whether or not the Government had as yet formulated a consistent foreign policy and corresponding military strategic plans. The House is still awaiting an answer.

The American people have a right to know what is the foreign policy of their Government, the right to assess that policy before they are called upon to shed their blood and spend their treasure in wars all over the world. There must be a truly national policy, openly and freely arrived at in traditional American fashion. No secret, personal Presidential substitute will do.

I am personally convinced that the administration has not had, and does not now have, a consistent foreign policy and military strategy to support it. Korea is painfully convincing proof of this. The only foreign policy that we have actually had during the past 5 years has been a policy of secret, personal presidential decision, moving from crisis to crisis, uncertain and contradictory as any purely personal and secret policy must be, and having no relation whatsoever to military and other elements necessary to support a successful foreign policy. What the United States must have if it is to survive in this world is a truly national policy, carefully thought out, understood and accepted, with all of its implications, by the American people.

If the administration is unable to formulate and propose such a policy, then the Congress and the people must do so themselves. As a first step here are some of the questions which the American people are asking, and to which Congress has a duty to demand the answers or to supply them itself:

I

What is the policy of the United States now as to Korea (a) if and when the North Koreans are forced back to the thirty-eighth parallel; (b) if the North Koreans succeed in driving our forces out of Korea?

What is the policy of the United States now as to Formosa (a) if a Soviet satellite—Communist China—should attack the island of Formosa; (b) if a Soviet satellite—Communist China—succeeds in conquering Formosa? Is it the policy of the United States now to go to war with the 450,000,000 people of Communist China in support of Formosa, Indo-China, or any other Asiatic country?

II

What is the policy of the United States now as to the following countries: (a) If attacked by Soviet satellite forces; (b) if conquered by Soviet satellite forces; (c) if attacked by Russian forces; (d) if conquered by Russian forces; (e) if taken over by internal Communist revolution: French Indo-China, population 25,000,000; Hong Kong, 1,000,000; British Malaya, 5,000,000; Indonesia, 70,000,000; Thailand, 17,000,000; Burma, 17,000,000; India, 337,000,000; Pakistan, 70,000,000; Tibet, 4,000,000; Iran, 18,000,000; Turkey, 19,000,000; Greece, 8,000,000; Yugoslavia, 16,000,000; Finland, 4,000,000; western Germany, 48,000,000?

III

What is the policy of the United States now if (a) Soviet satellite forces, or (b) Russian forces attack a North Atlantic Pact nation? Is it intended to make unlimited commitment of American ground forces in defense of Atlantic Pact nations?

The magnitude and difficulty of securing the above-mentioned countries from aggression is evident from a consideration of their populations. The total population of these Asiatic countries is over 700,000,000. Western Europe has a total population in excess of 250,000,000.

Americans are certainly entitled to demand immediate answers to these life-and-death questions. They have sufficient intelligence and good sense to be trusted with frank disclosure of the facts of life. They are fully aware that their manpower and resources are definitely limited by their relatively small population and territorial area. They have a right to know now what their Government intends to do with the men and resources which it is now mobilizing. It is not enough merely to mobilize. Where and to what extent are American military forces to be committed? Americans want to know that now and should know it now. The rest of the world should know it.

We were caught by surprise in Korea. Six weeks have elapsed since that attack. We must not be caught by surprise again. We must know where we are going and what we are going to do. Our political plans and commitments must not exceed our military capacity.

JOINT RESOLUTION

Whereas the American people are deeply disturbed by the disastrous failure of the foreign policy heretofore pursued by their Government and are apprehensive lest future blundering jeopardize their very national existence; and

Whereas the American people demand that there be an end of secret decisions and commitments made by personal Presidential determination on a day-to-day basis and from crisis to crisis without consultation with Congress or the American people; and

Whereas the American people demand that there be established a truly national policy, openly and freely arrived at in traditional American fashion, to the end that there may be general knowledge and acceptance of commitments made by their Government with all the implications of such commitments; and

Whereas the American people have a right to know what is the foreign policy of their Government and the right to assess that policy before they are called upon to shed their blood and spend their treasure in war, and in the absence of a satisfactory foreign policy, they have the right to formulate such foreign policy through their representatives in the Congress:

Resolved, etc.—

I

That the critical situation demands, as never before, a truly national policy, openly arrived at and satisfactory to the people of the United States, and further that secret determination of policy is wholly inconsistent with the institutions and traditions of a free people.

II

That the Congress requests the President to inform it specifically what is the foreign policy of the United States, if there be one, particularly as to the presently critical areas of the world.

III

That the President is hereby requested to furnish the Congress with answers to the following specific questions which are today being asked whenever Americans gather:

What is the policy of the United States now as to—

1. Korea:

(a) If and when the North Koreans are forced back to the thirty-eighth parallel?

(b) If the North Koreans succeed in driving our forces out of Korea?

2. Formosa:

(a) If a Soviet satellite (Communist China) should attack the island of Formosa?

(b) If a Soviet satellite (Communist China) succeeds in conquering Formosa?

3. Communist China: (a) Is it the policy of the United States to go to war with the 450,000,000 people of Communist China in support of Formosa, Indochina, or any other Asiatic country?

4. French Indochina:

(a) If Soviet satellite forces should attack French Indochina?

(b) If Soviet satellite forces succeed in conquering French Indochina?

(c) If Russian forces should attack French Indochina?

(d) If Russian forces should succeed in conquering French Indochina?

(e) If Communists should acquire control of French Indochina by internal revolution?

5. Hong Kong:

(a) If Soviet satellite forces should attack Hong Kong?

(b) If Soviet satellite forces succeed in conquering Hong Kong?

(c) If Russian forces should attack Hong Kong?

(d) If Russian forces should succeed in conquering Hong Kong?

(e) If Communists should acquire control of Hong Kong by internal revolution?

6. British Malaya:

(a) If Soviet satellite forces should attack British Malaya?

(b) If Soviet satellite forces should succeed in conquering British Malaya?

(c) If Russian forces should attack British Malaya?

(d) If Russian forces should succeed in conquering British Malaya?

(e) If Communists should acquire control of British Malaya by internal revolution?

7. Thailand:

(a) If Soviet satellite forces should attack Thailand?

(b) If Soviet satellite forces succeed in conquering Thailand?

(c) If Russian forces should attack Thailand?

(d) If Russian forces should succeed in conquering Thailand?

(e) If Communists should acquire control of Thailand by internal revolution?

8. Burma:

(a) If Soviet satellite forces should attack Burma?

(b) If Soviet satellite forces succeed in conquering Burma?

(c) If Russian forces should attack Burma?

(d) If Russian forces should succeed in conquering Burma?

(e) If Communists should acquire control of Burma by internal revolution?

9. India:

(a) If Soviet satellite forces should attack India?

(b) If Soviet satellite forces succeed in conquering India?

(c) If Russian forces should attack India?

(d) If Russian forces should succeed in conquering India?

(e) If Communists should acquire control of India by internal revolution?

10. Pakistan:

(a) If Soviet satellite forces should attack Pakistan?

(b) If Soviet satellite forces succeed in conquering Pakistan?

(c) If Russian forces should attack Pakistan?

(d) If Russian forces should succeed in conquering Pakistan?

(e) If Communists should acquire control of Pakistan by internal revolution?

11. Tibet:

(a) If Soviet satellite forces should attack Tibet?

(b) If Soviet satellite forces succeed in conquering Tibet?

(c) If Russian forces should attack Tibet?

(d) If Russian forces should succeed in conquering Tibet?

(e) If Communists should acquire control of Tibet by internal revolution?

12. Iran:

(a) If Soviet satellite forces should attack Iran?

(b) If Soviet satellite forces succeed in conquering Iran?

(c) If Russian forces should attack Iran?

(d) If Russian forces should succeed in conquering Iran?

(e) If Communists should acquire control of Iran by internal revolution?

13. Turkey:

(a) If Soviet satellite forces should attack Turkey?

(b) If Soviet satellite forces succeed in conquering Turkey?

(c) If Russian forces should attack Turkey?

(d) If Russian forces should succeed in conquering Turkey?

(e) If Communists should acquire control of Turkey by internal revolution?

14. Greece:

(a) If Soviet satellite forces should attack Greece?

(b) If Soviet satellite forces succeed in conquering Greece?

(c) If Russian forces should attack Greece?

(d) If Russian forces should succeed in conquering Greece?

(e) If Communists should acquire control of Greece by internal revolution?

15. Yugoslavia:

(a) If Soviet satellite forces should attack Yugoslavia?

(b) If Soviet satellite forces succeed in conquering Yugoslavia?

(c) If Russian forces should attack Yugoslavia?

(d) If Russian forces should succeed in conquering Yugoslavia?

(e) If Russian Communists should acquire control of Yugoslavia by internal revolution?

16. Finland:

(a) If Soviet satellite forces should attack Finland?

(b) If Soviet satellite forces succeed in conquering Finland?

(c) If Russian forces should attack Finland?

(d) If Russian forces should succeed in conquering Finland?

(e) If Communists should acquire control of Finland by internal revolution?

17. Western Germany:

(a) If Soviet satellite forces should attack western Germany?

(b) If Soviet satellite forces succeed in conquering western Germany?

(c) If Russian forces should attack western Germany?

(d) If Russian forces should succeed in conquering western Germany?

(e) If Communists should acquire control of western Germany by internal revolution?

18. North Atlantic Pact nations:

(a) If Soviet satellite forces should attack a North Atlantic Pact nation?

(b) If Soviet satellite forces succeed in conquering a North Atlantic Pact nation?

(c) If Russian forces should attack a North Atlantic Pact nation?

(d) If Russian forces should succeed in conquering a North Atlantic Pact nation?

(e) If Communists should acquire control of a North Atlantic Pact nation by internal revolution?

(f) For the defense of an Atlantic Pact nation or nations? Has it given, or does it intend to give, unlimited commitment of American ground forces in such event?

IV

Be it further resolved, That in the event of failure of the President to supply, within a reasonable time, the information heretofore requested, then the Speaker of the House and the President pro tempore of the Senate shall appoint a select joint committee of the two Houses for the purpose of considering and recommending a national foreign policy designed to meet the vital questions pressing for decision by the American people. The membership of such committee shall consist of an equal number of Democrats and Republicans. Not more than one-half of the members of such select committee shall be members of the Foreign Relations Committee of the Senate or the Foreign Affairs Committee of the House.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield to the gentleman from California.

Mr. McDONOUGH. Does not the gentleman believe that the foreign policy of the present administration has been the most misunderstandable of any foreign policy of any administration in the past?

Mr. COUDERT. I would say that the gentleman does not overstate the case. I will say that the American people have never been in such a state of utter confusion. I will say that America cannot expect to make its greatest strength available in self-defense unless the people are given to understand what their commitments are, what the limits of their commitments are, and have a truly established foreign policy resulting from free debate and open discussion.

Mr. BROOKS. Mr. Chairman, I yield 5 minutes to my distinguished friend the gentleman from Florida [Mr. SIKES], who has shown such great, active, and continuing interest in Reserve affairs.

Mr. SIKES. Mr. Chairman, I have long hoped to see the enactment of legislation which will accomplish what this measure proposes. As a matter of fact, I think I introduced the first bill in the postwar period to provide for armories for the Reserve components; a bill very similar to the one now before us.

Mr. Chairman, first I want to compliment the committee. This is a hard-working and an earnest committee which has rendered valuable service to the Nation. It now offers the opportunity for us to have a coordinated approach to the serious need for armories for the Reserve components.

I do not think there is any valid argument against this bill. I think the reception which has been accorded it by the House demonstrates that. It involves no expenditures at this time. It simply provides an immediate framework on which we can plan a workable armory program for all of the Reserves. It will eliminate the present unsatisfactory and costly patchwork program.

It has beeen said that because of the Korean conflict we should postpone the enactment of this measure. Instead of that, I feel that the Korean conflict is possibly the strongest argument for this bill, because we have seen very clearly, Mr. Chairman, from the Korean conflict, that what we need is men in combat units, men who can speedily be used for emergencies wherever they are needed

in the world. As a matter of fact, although the services are comparatively large, the number of men in combat units are comparatively few. For instance, the Army with 637,000 men, has only 10 divisions. We need more men in combat units, and men in combat units are available in the guard and in the Reserves.

Perhaps the guard and Reserves provide the best answer to our need for men who are ready for action upon very short notice. It is probable, Mr. Chairman, that Korea will happen elsewhere; it may happen many times, for the Communists will seek to bleed us whenever and wherever they can. We have to be ready for any emergency. This legislation is needed if the guard and the Reserves are to be combat ready.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Maryland.

Mr. MILLER of Maryland. I just want to say that with the background of a great many years in the Reserve I think that this bill is everything that the gentleman has mentioned, and even more. I think it is one of the most constructive measures for the general all-around defense, but at the same time the timing, if anything, is late rather than early. The committee deserves great commendation for having brought forth something very well worth while at this time.

Mr. SIKES. I want to go one step further. I think this. The guard and the Reserves offer the most economical answer to the need for men in combat units. I would like to point out, as I have before, that we get seven guardsmen for the price of one Regular. The same is true with respect to the other Reserve components, except that in most instances the costs of training are still less for the Reserves.

Actually we have taken care of most of the needs of the Reserve components. There remains this very material need which should be provided at this time. We have taken care of the pay situation. We have taken care of retirement provisions. We are now in the process of taking care of equipment needs. So we have provided most of the things they need, other than armories. The Reserve components obviously must have a satisfactory place to meet and a place to work if they are going to do their job adequately. Many units are now meeting in buildings which are unsatisfactory and which do not provide adequate security for supplies and equipment.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. BROOKS. To comment further along the line of what the distinguished gentleman said in reference to equipment, I would like to point out that we cannot provide expensive equipment such as electronics equipment, for example, and other costly and essential present-day equipment, unless they have a place in which to locate that equipment, and certainly we cannot train the Reserves adequately without the equipment which is needed together with a place in which to store the equipment.

Mr. SIKES. The gentleman is correct.

I feel that the fine work done by the Reserve components fully justifies the enactment of this legislation. It will further strengthen a valuable and needed segment of our national defense.

Mr. SHORT. Mr. Chairman, I am happy to yield 5 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I heartily concur in the remarks of my very able friends and colleague of the Committee on Armed Services relative to the bill H. R. 8594, which we now have before us, to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States and for other purposes.

Mr. Chairman, too long have we neglected the component parts of our Armed Forces of the United States, the National Guard, the Air National Guard of the United States, the Organized Reserve Corps, the United States Naval Reserve, the United States Marine Corps Reserve, the United States Air Force Reserve, and the Coast Guard Reserve.

This bill should have been passed about ten years ago. It is part of our over-all program to build our national defense, our Army, our Navy, our air power and Marine Corps and National Guard and Air National Guard. So this is a very important piece of legislation, and it is part of the program that will alert this Nation of ours to meet the demands that are being made and will be made upon us over the years that lie ahead.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I am glad to yield to my colleague.

Mr. SHORT. I did not get whether the gentleman mentioned the Coast Guard, and I am sure if he did not, that he does not mean to overlook the Coast Guard.

Mr. GAVIN. I thank the gentleman. I believe I did previously mention the Coast Guard Reserve, they are a most important branch of the service.

Mr. Chairman, too long we have neglected these Reserve units. It is about time that we recognize they are part of our national defense program. As I said, in building this great defense program it is my opinion we should build the greatest national defense that this country has ever known. We want to cooperate with all the nations of the world. We want to work with all the nations of the world, but as Jan Smuts, the great South African leader said, "Peace without the power to back it up becomes but an empty dream."

Mr. Chairman, we have been dreaming. Now we want to alert this Nation of ours to meet the needs and demands that may be made upon us in event we should again suddenly find ourselves in a world war emergency. So this program is very important and necessary. As already stated this legislation should have been enacted 10 years ago, when we were trying to appease Japan, when we were shipping our coal and iron ore and our steel and our industrial equipment to Japan, and then suddenly the Japs dump tons of dynamite on our battleships and fortifications, wiping out 50 percent of our fleet and the lives of 3,300 Americans and we were walking around with wooden guns and dummy cannons. Instead of becoming practical realists after World War II, we again strolled down the pathway of pacifistic peace and idealism. We demobilized our Army and Navy and Air Corps and National Guard and our Reserves, thinking and dreaming that peace and stability had been returned to the world when we should have known you can't do business with the Russians.

But again we suddenly are plunged into an emergency—this Korean situation—and again find ourselves in a very desperate and critical position of unpreparedness. Let us not find ourselves in that position in the future, let us correct the iniquities that exist now and provide facilities to build up our National Guard, our Reserves, and our Coast Guard Reserves to meet the demands that will be made upon us.

I say to you that this legislation is very important legislation to build up the facilities to train the youth of America so that if they find themselves in the service they will have some education, training, and knowledge of warfare and will be prepared to take care of themselves when they are brought into service.

I sincerely hope that the House will pass this legislation overwhelmingly, because it is a part of our over-all defense program.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GAVIN] has expired.

Mr. BROOKS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "National Defense Facilities Act of 1950."

SEC. 2. It is the purpose of this act to make provision for—

(a) the acquisition by purchase, lease, or transfer, construction, expansion, rehabilitation, or conversion, of such facilities as may be necessary for the proper development, training, operation, and maintenance of units of the Reserve components of the Armed Forces of the United States; and

(b) the joint utilization of such facilities by units of two or more such Reserve components, and in time of war or national emergency by such units and other units of the Armed Forces of the United States or any other use by the Federal Government, to the greatest practicable extent in the interest of efficiency and economy.

SEC. 3. Subject to the provisions of section 4 of this act, the Secretary of Defense is authorized, after prior consultation with the Armed Services Committees of the Congress, in an aggregate amount not in excess of $400,000,000, which shall be available for obligation purposes at a rate not in excess of $50,000,000 in any fiscal year, to—

(a) acquire by purchase, lease, or transfer, to construct, expand, rehabilitate, or convert and equip such facilities as he shall deter-

mine to be necessary to effectuate the purposes of this act;

(b) contribute to any State such funds as he shall determine to be necessary to expand, rehabilitate, or convert facilities owned by such State to the extent required for the joint utilization of such facilities; and

(c) contribute to any State such funds for the acquisition, construction, expansion, rehabilitation, or conversion by such State of such additional facilities as he shall determine to have been made essential by any increase in strength of the National Guard of the United States or the Air National Guard of the United States.

SEC. 4. (a) No expenditure or contribution shall be made for any facility pursuant to this act until it shall have been determined by the Secretary of Defense that—

(1) the number of units of Reserve components of the Armed Forces of the United States located or to be located in the community or area within which such facility is to be provided does not exceed the number which reasonably can be expected to be maintained at authorized strength, taking into account the number of persons residing in such community or area who are qualified for membership in such Reserve units; and

(2) the plan or program under which such facility is to be provided makes the maximum practicable provision for the joint utilization of such facilities.

(b) No unit of the National Guard of the United States or the Air National Guard of the United States shall be withdrawn from any community or area, nor shall the location of any such unit be changed, pursuant to any authority conferred by this act, until the governor of the State within which such unit is situated shall have been consulted with regard to such withdrawal or change of location.

(c) Title to all real or personal property acquired under section 3 (a) of this act shall be vested in the United States. The Secretary of Defense is hereby authorized, after prior consultation on matters of general policy and changes in general policy with the Armed Services Committees of the Congress, to administer, operate, maintain, and equip all facilities constructed, expanded, rehabilitated, or converted pursuant to section 3 (a) hereof and facilities otherwise acquired and being used for the purposes of this act, and may (1) permit any such facility to be used from time to time by persons or organizations other than members or units of the armed services under such leases or other agreements as the Secretary shall deem appropriate, and (2) cover the payments received under such leases or agreements into the Treasury to the credit of appropriation or appropriations from which the cost of maintenance including providing of utilities and services is paid, but the Secretary shall at no time permit any disposition or use to be made by such facilities which will interfere with their use for the administration and training of units of the Reserve components of the Armed Forces of the United States, or in time of war or national emergency of other units of the Armed Forces of the United States or any other use by the Federal Government.

(d) Each contribution made pursuant to section 3 (b) or 3 (c) of this act shall be subject to such terms and conditions as the Secretary of Defense, after prior consultation with the Armed Services Committees of the Congress, shall deem necessary to accomplish the purposes of this act: *Provided*, That except as agreed at the time the contribution is made the facilities provided through contributions made pursuant to section 3 (c) of this act shall be subject to joint utilization only to the extent deemed practicable by the State concerned. No contribution shall be made under section 3 (c) for any facility in an amount exceeding 75 percent of the cost of the additional or improved facilities to be constructed: *And provided further*, That the amount to be contributed by any State shall be exclusive of the cost or market value of any real estate which might be acquired by the United States from the State concerned for the purposes of section 3 (c) of this act.

(e) Each State which shall have acquired, constructed, expanded, rehabilitated, or converted any facility with any funds contributed under section 3 (b) and 3 (c) of this act may (1) permit such facility to be used from time to time by persons or organizations other than members or units of the armed services under such leases or other agreements as such State shall deem appropriate, and (2) apply the sums received under such leases or agreements to defray in whole or in part the cost of maintaining such facility, but, except as agreed at the time such contribution is made, at no time shall such State permit any disposition or use to be made of such facility which will interfere with its use for the administration and training of units of the Reserve components of the Armed Forces of the United States, or in time of war or national emergency of other units of the Armed Forces of the United States.

SEC. 5. The Secretary of Defense may delegate all or any part of the authority conferred or the duties imposed upon him by this act, without relieving himself of the responsibility therefor, to such department, agency, officer, or officers of the Department of Defense as he may designate from time to time.

SEC. 6. All construction, expansion, rehabilitation, or conversion of facilities pursuant to the provisions of this act may be performed under the supervision of the Chief, Corps of Engineers, or the Chief, Bureau of Yards and Docks.

SEC. 7. As used in this act, the terms—

(a) "facility" includes any interest in land, any armory or other structure together with any improvement thereto, and any storage or other facility normally required for the administration and training of any unit of any Rserve component of the Armed Forces of the United States;

(b) "State" includes (1) any State or Territory of the United States, any political subdivision thereof, any tax-supported agency therein, or any military unit situated therein; (2) Puerto Rico; and (3) the District of Columbia;

(c) "Reserve component of the Armed Forces of the United States" shall include—

(1) the National Guard of the United States;

(2) the Air National Guard of the United States;

(3) the Organized Reserve Corps;

(4) the United States Naval Reserve;

(5) the United States Marine Corps Reserve;

(6) the United States Air Force Reserve; and

(7) the Coast Guard Reserve; and

(d) "joint utilization" shall mean the occupancy or use of any facility by units of two or more Reserve components of the Armed Forces of the United States.

SEC. 8. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act. When any act whereby any such appropriation is made so provides, such sum shall remain available until expended.

Mr. BROOKS (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent to dispense with the further reading of the bill and that it be printed at this point and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. Are there any amendments?

Mr. BROOKS. Mr. Chairman, I offer a committee amendment.

The Clerk read the committee amendment, as follows:

Committee amendment offered by Mr. BROOKS: On page 2, line 14, following the comma after the word "Congress", strike the balance of line 14, all of lines 15 and 16, through the comma following the word "year."

And on page 8, strike all of section 8.

Mr. BROOKS. Mr. Chairman, this committee amendment simply does one thing. It takes out the authorization of any stated amount of money. Originally the bill provided for $400,000,000, but it was thought, in considering the needs on account of the actual fighting in Korea and the other needs of defense that are so urgent, it would be preferable for the time being to strike out the cash authorization.

I ask for the adoption of this amendment.

Mr. SHORT. Mr. Chairman, there is no objection on this side.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Are there any further amendments? If there are no further amendments, under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. POAGE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8594) to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes, pursuant to House Resolution 682, he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

RESCISSION OF CURTAILMENT OF CERTAIN POSTAL SERVICES

The SPEAKER. Pursuant to the provisions of House Resolution 667, the Chair designates the gentleman from Tennessee [Mr. MURRAY], chairman of

the Committee on the Post Office and Civil Service, to control time for debate in opposition to the bill H. R. 8195.

Mr. WALSH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8195) to rescind the order of the Postmaster General curtailing certain postal services.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8195, rescinding the curtailment of certain postal services, with Mr. THOMAS in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Tennessee [Mr. MURRAY] is recognized for 1 hour, and the gentleman from Indiana [Mr. WALSH] for 1 hour.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may need.

Mr. JAVITS. Mr. Chairman, will the gentleman yield for a question?

Mr. WALSH. I yield.

Mr. JAVITS. How will those who favor this bill on this side secure time in general debate? It seems to be all concentrated on the Democratic side.

Mr. WALSH. I do not think it is; I think it is evenly divided.

Mr. JAVITS. Will the gentleman share his time?

Mr. WALSH. I certainly will.

Mr. JAVITS. Will the gentleman then yield 30 minutes to the ranking member of the Committee on the Post Office and Civil Service on this side?

Mr. WALSH. Let me complete my remarks; I just arrived on the floor.

Mr. JAVITS. I thank the gentleman.

Mr. WALSH. Mr. Chairman, yesterday I was on my way to Wisconsin with my wife, after having obtained a live pair for the bill which was before the House on yesterday. I think an open statement as to my reasons for being away should be given to the House of Representatives. I had no idea that I would be required to be here. I had a previous commitment, given several weeks ago, to appear on the Town Meeting program. I took my wife up to Anderson, Ind., my home, at the completion of the session on Friday and left Sunday morning for Wisconsin. I was intercepted by a State police officer somewhere in Wisconsin and since then without sleep, and I guarantee without one bite of food, I am now here. So I will do my best to make a presentation of my views upon this bill that I have been so strongly supporting. I wish again to say that I am apologizing to the House for the inconvenience I have caused the Members.

I am also going to say that I will be in Wisconsin tonight at 7 o'clock their time, 9 o'clock Washington time, to appear on the Town Meeting program.

I am also going to do something else I do not like to do: I do not like to read a speech, but I prepared a speech a few days ago and I am going to read it rather than speak without notes.

Mr. Chairman, for the past 4 months we have witnessed the fall and decline of one of our most cherished institutions—the United States postal service. The opportunity presents itself to us today to restore the postal service to the high level of efficiency that heretofore we have taken for granted. The forthright passage of H. R. 8195 will be the first step on the road to recovery.

The postal cuts ordered by the directive of the Postmaster General on April 17, 1950, have failed miserably to accomplish any of the results hoped for in their publication. On the contrary, the curtailment of certain postal functions and the complete elimination of other services have been inconvenient to mail users, costly to business and the general public, and above and beyond those considerations, the cut-backs have been the greatest irritant of the last 2 decades. During that period our Nation engaged in a global war that was accompanied by all types of necessary restrictions on the home front. The citizens of this great republic willingly and cheerfully accepted these restrictions. I am certain they would do the same thing again, if called on to do so. But there is no rhyme or reason to these postal cut-backs. People who ordinarily would gladly sacrifice every possession in response to their patriotic impulses and in defense of our heritage are unwilling—and rightfully so—to tolerate bureaucratic interference in their lives, especially when there is no cause for such interference.

The postal service is one of the few remaining functions of the Federal Government available to every man, woman, and child in these United States. The curtailment order of the Postmaster General has, in effect, denied the benefits of good mail service to many of our people. The stipulation is laid down that a patron of the post office must live and conduct his business in certain well-defined areas to receive frequent and good mail service. But we all know that not all of our citizens can meet those rigid requirements. These cut-back orders were ill-advised, to say the least. They are particularly harsh on the small-business man, who must depend on multiple deliveries of his mail to stay in business.

A few short weeks ago, the Joint Congressional Economic Committee made its regular report. Here is what the report had to say about small-business profits:

> In the last few years the rate of profits has declined the most for the small-sized business. * * *
>
> In the postwar boom, when most goods were scarce, there was an unlimited market for everyone's goods. Therefore, for the time being, the small businesses of this country did well. Their profit rates rose to levels as high or higher than those of the business giants. When this exceptional period of scarcity came to an end, big business was scarcely affected. The earning rates of the little concerns started downhill.

In my own home town, a city of fifty or sixty thousand people, we have a mail order house that does a tremendously large business. It is important to this concern to receive its mail promptly if it is going to stay in business. They have the reputation of promptly answering their mail and sending out dresses and other wearing apparel to the people who buy from them through the mail service. We have other big companies in this Nation that have become great, who operate almost exclusively as mail order houses. The people have appealed to every Member of Congress because of this restriction.

Mr. Chairman, I submit the present inferior method of conducting the postal service has in no manner enhanced the position or possibilities of these small-business firms. Rather, I believe, the elimination of mail pickups, deliveries, and other services has further burdened these small businesses.

And speaking of business, Mr. Chairman, I want to say a word to those critics of the bill under consideration who would insist the Post Office Department is a business and as such should show a profit. In the broadest interpretation of the term, the Post Office Department is not a business institution. It is a function of the Federal Government, originally designed and created to provide service to the American taxpayer. The service ideal has been the historical role of the Department from the days of Ben Franklin. Practically every Postmaster General since Franklin's day has reiterated that policy of service. The present incumbent of that position has seen fit to deviate from that historical role, for reasons probably best known to himself. I would not criticize the present policy of the Postmaster General if it could be shown that his attempted economies were accompanied by even a small degree of efficiency. I am not prepared to state what savings, if any, have been accomplished as a result of these postal cut-backs. I am prepared, however, to say that it is my observation that postal efficiency has been tossed out the window, as a result of the burden imposed on the Department by the order of April 17, 1950. The collection, sorting, transportation, and delivery of mails is a hit and miss proposition these days. I believe it was Dr. Robert L. Johnson, of the Citizens Committee for the Hoover Report, who described the situation within the postal service in this manner: he stated, "the Post Office Department is trying to meet an atomic-age emergency with hand-cranking equipment and methods."

Mr. Chairman, I want to say right here to any people who may contend that the order of Postmaster General Donaldson of April 17 is in conjunction with the recommendations of the Hoover Commission report that they are absolutely mistaken.

Every Member of Congress is concerned about the mounting defense needs of our Nation. Certainly, every effort should be made to trim the fat wherever it can be done without jeopardizing the inescapable needs of the time. I, for one, do not believe that cutting postal service is going to help in the least. As a matter of fact, the Post Office faces huge new burdens as the military prepares to send more and more of our boys to the battlefront. If the pattern of World War II is followed, our troops are going to be

stationed in distant and far-away places; at home our communications will be speeded up to assist in the vital production of arms, equipment, and the other necessary matériel. Both of these possibilities call for an efficient mail service. We do not have and we shall not have an efficient postal service as long as the present curtailment program remains in effect.

Mr. Chairman, the time for real action in the matter of restoring the postal service is right now. I sincerely hope that the bill sponsored by the gentleman from Louisiana will have the support of every Member. It would be positive proof in the grand manner of demonstrating to the taxpayers of this country that Congress is alert to the needs of the hour, and that we are anxious to do the job for which we were sent to Congress; namely, protect the privileges and benefits of American citizenship and improve on them wherever possible.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I hope the gentleman will not misinterpret this question but I would like to ask him if he has been influenced in the slightest in his action on this matter by the great number of postal employees who walked day and day and day up and down through the House Office Building urging Members to sign this petition?

Mr. WALSH. I have not been.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. SUTTON].

Mr. SUTTON. Mr. Chairman, I am not going out of town to make any speech tonight; I have to stay here on the job.

Mr. Chairman, I have not been impressed by the fact that a mail-order house wants this order rescinded; I would not be impressed by that. If anything, I would say, "Let us impose excess-profits taxes against those mail-order houses." You know, back during World War II the boys expected the people here at home to sacrifice. And the people here at home did sacrifice. They only had one mail delivery a day; they got by pretty good. We did not even have one mail service a day while overseas. If we got our mail once a week or once every 2 weeks, we were lucky. Now we are in a crisis again. The American people are sacrificing once more, but those boys over in Korea are sacrificing, too. They do not get one mail a day; they do not even get one mail in 3 weeks. Yet here we have people complaining because we are trying to save $70,000,000 a year to buy those boys over there some ammunition to fight and protect themselves with. Why can we not sacrifice here in America? Seventy million dollars would buy lots of bullets. I remember the time during World War II that I would like to have had some bullets, and you Members who served in World War II would like to have had bullets and ammunition, too, at times. But we ran out. The trouble today in Korea is that they do not have enough ammunition; they do not have enough planes; they do not have enough tanks to fight with. This $70,000,000 saving that the Postmaster General has brought about would help our boys over there, and it is a measly sacrifice that we in America are asked to make. Everybody says they believe in economy. Well, that is nice to talk about. Why do you not vote for economy sometime? You voted for the Taber-Thomas amendment to cut the appropriations. The Committee on Appropriations reduced the appropriation for the Post Office Department and we told the Postmaster General to cut down his expenses. He did it. Now what are you doing? You are back here griping again. Why did you not vote him more money then? These people that have these petitions around here did not offer an amendment to increase the Post Office appropriations. It is your fault. And that is an executive branch of the Government. Here you are trying to tell the Postmaster General how to run his job. Why do you not tell General MacArthur who to send to the front lines? It is the same principle. Why do you not tell the Secretary of State who to put in the front office of the Department of State? It is the same principle. No, you want to come back here because of politics and cater to the masses of the voters; this is election year. Do you not have any guts? Why do you not bring about two mail deliveries a day to the rural sections if you want two in town? We would like to have better service in the rural areas, but we are satisfied with one, and if necessary, we want to sacrifice some more. We in the rural sections will do without for 2 or 3 days in order to take care of those boys overseas. Why do you people in town not sacrifice a little, too? Let us economize to the tune of $70,000,000 by refusing to pass this bill. No one but your mail-order houses are griping. I have not had one letter from the Seventh Congressional District of Tennessee complaining, and I have four towns in my district that are affected by the postal-service curtailment. My people in the great Volunteer State of Tennessee are willing to sacrifice. Why are not the people in Indiana willing, too?

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I would like to say that I have not had a single letter about this except from the post-office employees, and their letters came from one side of the country to the other.

Mr. SUTTON. Oh, I had a man up here representing the NALC, from up in Illinois, who asked me to sign a petition and I would not do it, and then he came to Columbia, Tenn., and tried to campaign against me in my primaries. But, thanks to him, it helped me.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Virginia.

Mr. ABBITT. Reference was made recently to the mail order houses. Is it not a fact that all they did was to rent lock boxes in the post office and send special messengers every time they wanted to get the mail?

Mr. ROONEY. Mr. Chairman, will the gentleman from Tennessee yield?

Mr. SUTTON. I yield to the gentleman from New York.

Mr. ROONEY. Does the gentleman realize that nearly all of the temporary employees affected by this order for curtailment of service in the Post Office Department are veterans of World War II, many of them disabled and with families, and that they fought for an American way of life and services to which they had become accustomed.

Mr. SUTTON. Does the gentleman think that those few veterans are more important than the boys in Korea?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WALSH. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, in the discussion of this bill there are certain facts which have been overlooked. There has been a good deal of oratory. Some people seem to think this is divided between the people who want economy and the people who do not.

Of course that is utterly absurd. Everybody wants economy, just as everybody is against sin. But we have no economy in this Government and we still have sin in the United States. So let us just dismiss that from the argument.

The point is that the Post Office Department is a very big business concern. It is, however, not run as a business concern, and ever since I have been on the committee I have said over and over again that I thought we must determine once and for all whether the Post Office Department is to be a service to the people, paid for by the taxpayers, or whether it is to be run as postal departments are run all over the civilized world, notably in England, Canada, and on the Continent of Europe, as a business that comes through the fiscal year in the black. We have never determined what we wanted to do.

Now we have the question of our penalty mail which is all lumped into the postal deficit, where I do not think, and never have thought that it belongs. The Postmaster General estimates this as $150,000,000 per year. I think this estimate is definitely on the conservative side. We are ending the fiscal year just past with a deficit of $551,129,528.

Mr. Chairman, there are many ways in which economies can be effected. They have notably been brought out by the reports of the Hoover Commission and the task force. The Hoover Commission suggested cuts which could be made which would amount to $256,000,000.

Now what are we doing? We are coming up with a proposed cut which at best, and there is grave question as to whether this amount is correct, would amount to $70,000,000. It has also been stated by others in a position to know that this cut, which will be caused by the Postmaster General's curtailment of service, will amount to $20,000,000. So

you can take your choice. I venture to say that the cut will not amount to more than $50,000,000.

In doing this, in curtailing in this way, we are going back to the horse-and-buggy age. It has been well said that maybe carrier pigeons would be less expensive. No doubt that is true. First of all, take your air mail. You can go anywhere by air in the United States in less than 12 hours. But when you post your air-mail letter it may sit in the box 12 hours and then may be received at the other end to sit there for another 12 hours. Does that make very good sense? I submit to you that it does not.

If we have to curtail service, as the first way to save, I think it is unfortunate. The Hoover Commission did not ask for this kind of curtailment. The Hoover Commission pointed out other ways in which to effect economies, ways which were more efficient and which would make for greater service. In my humble opinion, this whole thing is exactly like the man who would burn down his barn to get rid of mice. You are cutting off an infinitesimal amount of your deficit. You are curtailing service. You are putting business and the public—and I speak only for the public, because I come from a little rural district where we have no mail-order houses—as I say, you are putting business and the public to great inconvenience.

I would also suggest, if you want to raise money for the post office, that you stop charging 6 cents for air mail. That is putting the telegraph companies out of business. If you would raise the air-mail rate so that you might make a little money, that would be a better way. No one would object to paying 10 cents or perhaps a little more for air mail which really takes the place of a night letter.

You might also cut down on your parcel post, which is putting the express companies out of business.

Oh, there are a great many ways in which big savings can be effected. But the curtailment of service is not the way.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield myself 15 minutes.

I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MURRAY of Tennessee. Mr. Chairman, I rise in opposition to this unfair and arbitrary bill which would rescind the order of economy by the Postmaster General—I realize that it is probably a hopeless cause that I am leading against this legislation, but I am determined to make the most aggressive fight that I can within my own limited powers, because I am absolutely convinced that I am on the side of right and economy.

Many Members who are going to vote for this outrageous bill have told me that they know I am making a righteous fight, but that they are going to vote for the bill on the ground of political expediency, with an eye on their election in November. Other Members have advised me that they know I am right in my position in opposing this bill but that they have promised the National Association of Letter Carriers that they would support the bill. They said to me yesterday and today that if they had not previously made a promise to this organization of the National Association of Letter Carriers, they would join with me in opposition to this measure.

I am against this bill because my honest convictions and the dictates of my conscience support my position. I realize that the officers of the National Association of Letter Carriers have waged a terrific campaign, a pressure campaign and a strong propaganda drive to prevail upon the Members of this House to sign the discharge petition and support this bill. They summoned letter carriers from all the States of the Union to come to Washington to pressure and lobby with Members to sign the discharge petition. Numerous Members told me that they signed the discharge petition as a result of this campaign.

As one Member of Congress, I do not tremble with fear or shake in my boots whenever William C. Doherty, national president of the Association of Letter Carriers, raises the whip. I know something about his pressure tactics, and I am not afraid to resist them when I think his cause is unjust or unfair.

Do you know that it is being boasted around the corridors and in the cloakrooms that whenever the House Committee on Post Office and Civil Service or the House Committee on Rules refuses to do the bidding of William C. Doherty, president of the National Association of Letter Carriers, all that Doherty has to do is to get the distinguished gentleman from Indiana [Mr. WALSH] to file a discharge petition, and then 218 Members will sign same so as to discharge the committee in question.

This is, indeed, an unfortunate situation and we are witnessing a sad, shabby spectacle today. If in the future, in order to remain in Congress, I must do violence to my conscience and must surrender my convictions, and must be voted by a highly organized pressure group or a group of selfish lobbyists against my best judgment, then I do not care to stay in Congress any longer under such conditions and circumstances.

Now, what are the facts about the background of this order of the Postmaster General? First, on March 21, 1950, the House Appropriations Committee in its report on the omnibus appropriation bill, told the Postmaster General that he must effect economies; that the committee believed there was considerable room for reducing expenditures and said that the committee had discussed with the Postmaster General a proposal for certain economies. The Appropriations Committee in its report stated that a sizable savings could be made by a reduction of mail deliveries in many areas, particularly in those areas serving residential areas exclusively. As a result of this recommendation of the Appropriations Committee and because the appropriation of the Post Office Department had been reduced by the House Appropriations Committee, the Postmaster General issued this order on April 17. What happened then after the order was issued? The order provided it would not become fully operative until July 1—the main part of this order was not put into operation until the 1st of last July—but just as soon as the order was issued the National Association of Letter Carriers got busy and created hysteria by a campaign of misinformation and misrepresentation. President Doherty made uncomplimentary and undignified remarks about the Postmaster General and said that the postal service had been raped by this order. Then 40 bills were introduced within a week or 10 days after this order was issued on April 17, calling for the rescinding of this order, even before it was put into operation. The bill we are considering today was introduced only 8 days after the order of the Postmaster General was issued.

I want to include in my remarks the order of the Postmaster General. It is a sound order. It is a fair order. It is one for economy.

[Reprint of notice which appeared in the Postal Bulletin of April 18, 1950]

ORDER OF THE POSTMASTER GENERAL

READJUSTMENTS OF SERVICE

(Order No. 42946; dated April 17, 1950)

The postal service of today has become a complex enterprise serving an ever-increasing population. In 1930, the population of the country was 123,000,000 and the revenues of the postal service were $705,500,000. By 1940, the population had increased to 131,600,000 and the revenues were $767,000,000. In 1950, the population has increased to more than 150,000,000 and the postal revenues are approximately $1,600,000,000. This shows a constantly expanding use of the postal services by business and by people in all walks of life.

This Department is exerting every effort to provide for the public the best possible postal service at the least possible cost. We are taking advantage of every known device or program that is suitable in the operation of the postal service, to improve the service, better the working conditions of the postal people, and reduce the operating costs.

For years the Post Office Department has carried on what is known today as management improvement programs. Its post offices have been inspected annually and surveys have been made from time to time as the need thereof developed in both departmental and field activities. These surveys and studies have been made on a Nation-wide basis as well as for the purpose of solving the problems in specific postal units. Mechanical equipment has been installed to the extent that its use today in post offices and transportation terminals probably exceeds that of commercial enterprises such as the railway express and other transportation agencies.

Splendid progress has been made and the productive effort of the employees has been increased as indicated by the accomplishments in the fiscal year 1949, compared with the fiscal year 1939. During that period, the revenues increased more than 110.72 percent, the number of pieces handled increased 64.70 percent, the weight of the mails increased more than 104.73 percent while the increase in the number of employees was less than 48.43 percent.

About 96 percent of all expenditures in the operation of the postal service is for salaries and transportation costs. We in the Department have no control over either. Salaries are fixed by the Congress, and transportation rates are fixed by the Interstate Commerce Commission and the Civil Aeronautics Board. The remaining 4 percent of expenditures covers rentals, equipment, supplies, and miscellaneous costs.

The additional cost for increased salaries provided for by law since July 1, 1945, approximates $740,000,000. Additional costs for transportation of mail by rail and by air since July 1, 1945, approximate $125,000,000. These and other increased costs in rental for post-office quarters and cost for equipment and supplies have brought our total additional annual expenses since July 1, 1945, to the amazing sum of approximately $900,000,000.

There has been a great increase in the mailing of newspapers and magazines, generally referred to as scond-class mail, and of advertising matter, generally referred to as third-class mail. There has also been a great increase in the volume of fourth-class mail (parcel post) due to increases in express rates.

Our paramount problem today lies in the handling of this great volume of mail with a lack of proper facilities. In all of the large centers of the country, and to a lesser extent in the smaller cities, there is a lack of workroom space, of platform space, of railroad terminal facilities, and of adequate transportation facilities.

Briefly stated, the revenues, expenditures, and operating deficit expressed in even dollars and stated on an accrual basis for the fiscal year 1949 are as follows:

Audited revenues	$1,571,851,202
Audited expenditures	2,149,322,128
Less payments for prior years	147,013,101
Payments for 1949	2,002,309,027
Add unpaid obligations for 1949	120,671,703
Payments and unpaid obligations for 1949	2,122,980,730
Operating deficit	551,129,528

The revenues derived from postage on first-class matter have been sufficient to pay the cost of handling, and the income from the postal-savings system has been sufficient to pay for its maintenance. On all other classes of mail and on all other services rendered by the Department, the revenues fall far short of the cost of handling.

I have repeatedly recommended an upward revision of the rate structure. Legislation providing for limited increases in rates is now before the Congress. However, the increases established in the legislation now pending, if approved, will be wholly insufficient to make up a deficit of $551,000,000.

Regardless of the causes of the deficiency and the suggested remedies for eliminating the major portion of such loss, the Bureau of the Budget and the Congress are naturally influenced by this factor when determining the amounts to be appropriated each year for the operation of the postal service. This item is a part of the over-all deficit in the national budget, and when it amounts to more than one-half billion dollars, it represents a substantial part of that deficit.

The Committee on Appropriations in the House of Representatives in its report of March 21, 1950 (Rept. No. 1797), on the general appropriation bill for 1951, with particular reference to the appropriation for the Post Office Department, stated:

"The volume of mail handled has continued to rise through the year 1950, and the Department estimates a continued rise in 1951. However, the committee feels that the amount allowed in this bill should suffice to operate the Department through the fiscal year 1951 except in cases where increased costs may subsequently occur due to legislative or regulatory action beyond the control of the Post Office Department, and in those cases the committee must insist that every possible effort be made by the Department to absorb additional costs of this nature.

"The Post Office Department has made some progress in the past year in handling an additional workload with fewer employees. It should be pointed out for the first time in modern history the Post Office Department contemplates a reduction in the number of employees on its rolls. At the end of the fiscal year 1950, the Department anticipates having 504,755 employees as compared with 517,690 at the close of the fiscal year 1949. The committee believes that there is considerable room for further improvement in the operations of the postal service from a budgetary standpoint, even though there may still be a slight increase in the volume of postal operations.

"The committee has discussed with the Postmaster General certain proposals for effecting economies, and realizes that probably all of the suggestions made will provoke some complaints from one source or another. Nevertheless the financial condition of the United States Treasury is such that every step possible must be taken to save money.

"The committee believes that sizable savings could be made by a reduction of the number of deliveries per day to many areas, particularly on those routes serving residential areas exclusively. Residential areas receive from one to three deliveries a day; rural patrons receive one delivery a day. The committee urges the Postmaster General to provide for the rearrangement of city delivery service so as to reduce the number of deliveries wherever possible."

The Committee on Appropriations recommended the following amounts for the postal service for the fiscal year 1951:

General administration	$16,000,000
Postal operations	1,786,000,000
Transportation of mails	400,000,000
Claims	5,500,000
Total, fiscal year 1951	2,207,500,000

The actual expenditures for the fiscal year 1950 will be more than $2,240,000,000.

With respect to postal operations, the Committee on Appropriations stated:

"The committee recommends an appropriation of $1,786,000,000, a reduction of $24,921,000 in the amount of the estimate. This amount should suffice to render adequate service without requiring the Department to come in later for deficiency requests. This appropriation contains items that were formerly scattered through 31 other titles, and its adoption should considerably lessen the administrative work of the Department. It covers the operations of all local post offices, including salaries, rent, supplies, equipment, and local transportation and delivery of mail."

There is constant pressure from many sources for reductions in the cost of the postal service in order to grant relief to the taxpayers who are called upon to make up from general taxation the difference between our revenues and our expenses. Therefore, in view of the fact that the funds available for the remainder of the current fiscal year, and the anticipated appropriations for the next fiscal year, are not sufficient to permit the continuance of our present service standards, it is necessary to direct a readjustment of our services.

The readjustments, which will be outlined in special orders issued by the operating bureaus, are calculated to meet the reasonable requirements of business and the reasonable requirements of our citizens for service to their homes. Every effort should be made to maintain to the fullest extent possible the existing high-speed service in the handling of air mail, first-class mail, and daily newspapers and to restrict the expenditures for the handling of the low revenue-producing mails and service to daylight hours and to shorter periods. In many instances, this will eliminate premium payments to employees for night work.

General notice should be given to the public immediately that steps will be taken to readjust the delivery schedules providing service to their homes. Postmasters should be careful to explain that while the Department appreciates that all citizens would prefer to have deliveries of mail made to their places of residence during the early morning hours, the necessity to prescribe one delivery to all strictly residential areas makes it impossible to grant this convenience. A large percentage of the patrons will receive mail at their homes in the afternoon under the one-trip delivery arrangement.

Postmasters should also give ample notice to the public, particularly to the large users of the mails, of changes in service schedules affecting window service and the hours during which low revenue-producing mails will be accepted in the post office. Thirty days, notice should be given of such changes in order that the citizens generally and business organizations may arrange to accommodate their operations to the new post-office schedules.

Now, I wish to refer to a statement by the Postmaster General. It was given to me by him on August 11, 1950, last Friday, and he advised me that I could put it in the RECORD, because it is the truth and the whole truth about this situation. It shows that 85 percent of all mail in residential areas is and always has been delivered on the first trip. It shows that there will be a savings of $70,000,000 per year as a result of the order and that the Postmaster General has received hundreds upon hundreds of letters commending him for the order.

What were the conditions during World War II? Seventy-five percent of the residential areas had only one delivery a day at one period or another during World War II because of the shortage of manpower. Did you hear any complaint or criticism about that? Not one word.

What is the further situation today? Over one-half of the people today have no delivery at all or only one delivery of mail a day or one delivery every other day. In only about 11 percent of the post offices do we have city mail delivery service. There are over 23,000,000 people who live in towns who have to walk to the post office to get their mail because there is no city delivery. There are over 32,000,000 people who live on rural routes and star routes who get their mail every day or every other day, because in a great many areas there is only triweekly rural delivery service. There are 5,000 city carriers who give only one delivery a day. They serve about 6,000,000 people. So, Mr. Chairman, over half of the people already have either no city delivery or only one delivery or less a day.

Now, let us see whether this order is wise, whether it is economical. The order is not causing any complaint from the general public; all the complaints you get are inspired by propaganda and by pressure from the National Association of Letter Carriers.

What does this order do about saving money? The statement from the Postmaster General says this order will save $70,000,000.

Do you know that over 85 percent of the mail is delivered in the first delivery and that heretofore when you had two deliveries in the residential areas the only material practically delivered in the second delivery in the afternoon consisted of circular mail, third- and fourth-class mail?

Mr. Chairman, there has not been a single classified civil-service regular or substitute employee who has lost his job as a result of this order; the only ones who have been affected are temporary employees who have no civil-service status and who have no regular employment or regular hours.

Mr. Chairman, for the information of the Members, at this point I set forth in full the statement of the Postmaster General of August 11, 1950:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C.

Subject: H. R. 8195.

On April 17, 1950, I promulgated an order, No. 42946, which was directed to postmasters, all field postal officials, and employees, on readjustment of postal service.

This order contained instructions to make readjustments of certain postal activities to become effective on or before July 1, 1950, which is estimated to reduce postal expenditures by approximately $70,000,000 on an annual basis. It directed that postmasters should give ample notice to the public concerning these service changes in order that all patrons could be advised and could adjust their transactions with the postal service on that basis.

There was no public dissemination of this order. It was printed in the Postal Bulletin which is distributed to all post offices throughout the country. Within 48 hours after the order was published in the Postal Bulletin, a campaign was started by the national officers of one postal group in an effort to defeat the program for economy in the operation of the postal service. Much misrepresentation was made concerning the effect of this order. The dissemination of these misrepresentations, through bulletins and on the radio, was evidently calculated to mislead the public into believing that their postal service would be seriously impaired. It was urged that the public make complaints to Members of Congress and, no doubt, many complaints were received by Members of Congress as a result of this campaign of misrepresentation, even before service adjustments had been made at any post office in the country.

As a result of this, resolutions were introduced in the House to require the Postmaster General to revoke this order and to restore the postal service to its status prior to the issuance of the order. Most or all of these resolutions were introduced before the service changes had been made in the larger post offices throughout the country. H. R. 8195, in effect, directs that my order of April 17, 1950, be revoked.

Practically all of the complaints that were made to Members of Congress and to the Post Office Department contained objections to the reduction of carrier deliveries in residential sections of cities from two to one per day. Of the complaints received in the Post Office Department concerning the reduction in the number of delivery trips to residential areas, approximately 99 percent were obviously provoked and came from persons and from offices where such delivery service had not been reduced at the time the complaint was made. Other complaints that were made after the service had been adjusted did not show that any particular harm had been done to the complainant, or that a vital or necessary postal service had been withdrawn from the patron. The unprovoked complaints have been very few in number and it is indicative of the fact that some patrons of the postal service have become so used to taking everything for granted, that they protest at the first sign of what seems to be an invasion of their rights and privileges and which so often is no more serious than a slight inconvenience.

On the other hand, I have received hundreds upon hundreds of commendatory letters from business people and from housewives residing in residential areas who feel that there is necessity for reducing expenditures that are not considered essential or vital in the interest of national economy. These commendatory letters were received prior to the invasion of the Republic of Korea and since that invasion it is all the more imperative that the savings be made in the operation of the postal service where this can be done without seriously impairing essential service to the public. I do not consider that the service curtailments ordered by me under date of April 17 have taken from the patrons of the postal service any essential service, and I feel that they should cooperate in accepting a little less of this nonessential service in the interest of the taxpayer.

On an average 85 percent of all mail is and always has been delivered on the first trip in residential areas.

There are 41,464 post offices in the United States and its possessions, and city-delivery service has been inaugurated at 4,651 post offices. Therefore, there are 36,813 post offices where no city-delivery service is performed. The total population of these communities where no city-delivery service has been established is approximately 23,000,000 and these patrons must call at the post office to get their mail. The rural delivery and star-route service delivers mail to another 32,000,000 people. There is a maximum of one delivery each weekday to these patrons and in many cases the delivery service is on a triweekly basis. There are approximately 5,000 city-delivery routes served by mounted carriers where only one delivery per day has been provided. They serve a population of approximately 6,000,000 people.

Many people living in suburban areas have no delivery service because the particular subdivisions do not meet delivery requirements. They must go to post offices or stations of post offices to obtain their mail. In addition to this, there are countless numbers of patrons who obtain their service through post-office boxes and are, therefore, not affected by this order. Practically half of the population of this country either has no delivery service or has been receiving delivery not more frequently than once a day.

With the exception of eliminating one trip on Saturdays, there has been no reduction in the delivery of business districts. It must be remembered that we serve the business districts three times a day, and in addition to this serve their residences once each day, and prior to the service curtailments had been serving their residences twice each day.

There are approximately 90,000 regular carriers and not more than 60 percent of the carriers serve residential areas. The other carriers are assigned to delivery service in business areas, to the collection service, and to the delivery of parcel post. The service adjustments do not adversely affect any civil service regular postal employee. No classified substitute employee was or will be dismissed from the service incident to these service readjustments. The Department did have on the rolls thousands of temporary or part-time employees who have no civil-service status and who are employed on a temporary basis and who knew at the time of accepting their employment that such was on a temporary basis. Therefore, the order will in no way, so far as security of position is concerned, affect postal employees with full civil-service status but it has resulted in taking from our rolls temporary or part-time employees.

These service adjustments have been in effect now for more than 30 days and communications from postmasters throughout the country clearly indicate that such adjustments meet with the approval of a vast majority of the patrons and that there have been no serious impairments of the postal service rendered the public. Since these service adjustments have been placed into effect, the complaints have been practically nil.

These service readjustments are in effect throughout the country and a sizable sum of money will be saved without seriously impairing the service to the public. It is more apparent now than ever that no action should be taken to prevent the saving of millions of dollars, especially at a time when Congress will be called upon to appropriate billions of dollars in the interest of our national defense.

J. M. DONALDSON,
Postmaster General.

Mr. Chairman, I appeal to the Members to give this matter their serious consideration. Just because a Member signed the discharge petition does not obligate him to vote for this bill. One hundred and twenty Members who signed the discharge petition voted for the Taber-Thomas amendment reducing the appropriations for nondefense agencies by 10 percent to the omnibus appropriation bill. I voted for that amendment and I am proud I did. This is the first test in the House for Members who stand for economy in expenditures of nondefense agencies since the Korean war. Now I am going to ask for a "yea" and "nay" vote on this bill. I want the Members to stand up and be counted; I want everyone to go on record. You will find out when you vote for this bill that the people back home, the taxpayers, will be looking at your record and will be thinking about your vote and will consider it in November, in my opinion. Can any Member tell me how with any sense of justice, fairness, and economy he can vote against a sound order to save $70,000,000? Such an attitude I cannot understand.

Mr. ROONEY. Mr. Chairman will the gentleman yield?

Mr. MURRAY of Tennessee. I refuse to yield.

Mr. ROONEY. If the gentleman will yield I will tell him.

Mr. MURRAY of Tennessee. I refuse to yield, I do not have the time to yield to anyone.

Are you going to substitute your judgment for that of the Postmaster General on the administrative operations of the Post Office Department? Oh, I have never seen so many experts on postal matters and operations as I have seen today in this House. Mr. Chairman, to my mind, we have the greatest, the ablest, the most efficient Postmaster General in the history of our country. He is a career employee; he has served the postal service of 42 years. He started out as a letter carrier, and he worked as a clerk, as an inspector, as Chief Inspector, as First Assistant Postmaster General, and now as Postmaster General. He knows the service from every angle; he knows what he is doing; he knows that this economy order is not crippling any essential mail service today. So I appeal

to the Members to give this matter their careful consideration and then vote for economy. I have every confidence and trust in the wisdom, the good judgment, and the fairness of our distinguished and capable Postmaster General.

Let me say this to you, I expected some of my liberal friends on the right in my own Democratic Party to sign this discharge petition and vote for this bill because liberals are always liberal with the taxpayers' money, but I was surprised and disappointed to find so many of my friends on the left, you have been howling and screaming to the mountain tops and who are supporting this bill today. It was a great shock to me. Why, my friends on the left, you have been howling and screaming to the mountain tops about economy, about bureaucrats, about cutting down expenditures—I had expected that you would stand as firm and strong as the Rock of Gibraltar behind this order saving $70,000,000.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. RICH. Who is the gentleman talking about?

Mr. MURRAY of Tennessee. I am talking about those who are supporting the bill today, who have howled and screamed heretofore for economy and yet now when they have a chance and an opportunity to vote for economy in a nondefense agency they will not back up the order of the Postmaster General in the interest of economy. I appeal to them to stand by this order which will save $70,000,000. I think it is high time that my friends on my right and my left vote for economy in nondefense departments just like they talk.

Mr. Chairman, you may think it is all right to go ahead and vote for this bill because the National Association of Letter Carriers wants it. You may say that the people back home are indifferent about this and that they do not care about saving $70,000,000 by this order but, Mr. Chairman, the people back home are waking up. They want their money spent for efficient and economical operations of the Government. They are willing to pay higher taxes for the conduct of the war; they are willing to bear the necessary burdens and make the sacrifices to win the war, but they are against the reckless expenditure of money in our nondefense, nonmilitary establishments. So am I. I for one am ready to cut to the bone all nondefense expenditures in our Government today but I am ready, eager, and willing to vote for any appropriation necessary for the prosecution of the war.

Mr. Chairman, this is a real test today on whether or not you favor economy. Why, it is said that this order of the Postmaster General will impede the war effort. That is poppycock. It has nothing to do with the war effort. The Postmaster General is right. We know he is right. Let us back him up. What business has Congress trying to take over the administrative responsibilities of the Postmaster General?

Mr. Chairman, I hold in my hand hundreds and hundreds of letters that have been sent commending the Postmaster General for his bold, courageous stand in favor of economy. These letters were given to me by the Postmaster General. This is but a few of the letters that the Postmaster General has received. I wish I had the opportunity and time to read each one of them. These letters come from taxpayers all over the United States. They praise him to the sky and say: "We are for you because you had the intestinal fortitude to try to save money for our Government."

The Post Office Department has a deficit of $551,000,000 for the past fiscal year. Are you going to say: "Mr. Postmaster General we know you are right, yet at the same time because some special group asked us to vote for this bill rescinding the order, we are not going along with you." I hope you will vote this bill down.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. CORBETT. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, I take this time in the hope that I may shed a little light rather than heat on this matter. I feel we should look at the facts.

The facts are that if some of the champions of economy, from whom we have heard today, had put through the Committee on the Post Office and Civil Service the legislation recommended to it by the Hoover Commission we would have reduced the cost of operating the Post Office Department, we would have eliminated most of the Department's deficit, its cost of operation would have been reduced by about $256,000,000 a year directly and, if they had put through the Hoover Commission legislation and modernized the Post Office Department, we could have saved a great deal more money and obtained more efficiency in the postal service.

The facts are the reduction in post-office service was made before the Korean situation developed.

The facts are that the Congress of the United States appropriated more money for bullets than have been spent by the national defense for bullets.

The facts are that the Post Office Department, the one agency of Government that renders the greatest service to the people, should not be the only agency of the Government which is expected to operate in the black. There is the Department of Agriculture, for instance, and I represent a great agricultural district, wherein about 88 percent of its cost is borne by the taxpayer.

The facts are, of course, if you want to get down to facts, that this order was put in effect last April or May, and if the Congress does not do anything about it—I am rather reliably informed it is the plan of the administration to rescind the order before the November election. So why kid yourselves and talk about the people on the left-hand side of the aisle?

The facts are that if they would quit paying post-office funds out for unwarranted subsidies to the airlines they would not have such a big deficit.

The facts are if they would require penalty mail to bear its fair proportion of the cost of operating the Post Office Department, they would not have such a big deficit.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The facts are that the substantial cut in the appropriation for the Post Office Department for 1951 was made by the executive establishment—the Bureau of the Budget?

Mr. BROWN of Ohio. That is correct.

Mr. CANFIELD. To the amount of $42,000,000.

Mr. BROWN of Ohio. That is entirely correct.

Mr. CANFIELD. And only $28,000,000 by the Congress.

Mr. BROWN of Ohio. The facts are that this reduction in postal service to the people was ordered after the Budget Bureau and the House of Representatives refused to give to the Post Office Department, or the Postmaster General, all the appropriations wanted for the fiscal year beginning last July 1, and had no effect whatsoever on the fiscal year ending last June 30, the year in which the cuts were made.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Chairman, the gentleman from Ohio is the last man that I would have expected to take the position which he has just expressed on this floor. The gentleman sometimes plays politics for fun. But, this is not fun; this is serious business. Here this House is in the act of, in effect, creating new jobs to do unessential work that costs the Government $70,000,000. Mr. Chairman, the membership of this House should be ashamed of itself for playing politics on a matter of this nature here at a time when the country is confronted with a foe that threatens to dominate the world.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, the facts are that the signers of this petition are 133 Democrats, 84 Republicans, and 1 American Labor Party for a total of 218 Members of the House. But, I do not like to be accused by anybody here of being one of those fellows who is interested in trying to keep this country from doing its duty at any time, whether it is because of the Korean situation or because it is a matter of politics. I think the opposition to this bill has been brought about because the administration does not want it. This is a squandering and spending administration. This ruling of the Postmaster General is a mighty poor ruling for economy. But, that is not the reason I am opposed to this legislation. I am opposed to this legislation just because it is going to require the gentleman from North Carolina [Mr. DOUGHTON] to raise a whole lot more money to carry on this Government, unless we stop some of the spending that is going on. You know, they have got a lot of dollars, the dollars that they took away from us a year ago, and

that is the gold that they would not allow us to have, and I am going to give Mr. DOUGHTON the imitation gold dollars to help pay the national debt. We are $550,000,000 in the red in running the Post Office Department. Natural for the Democrats. I want to see the Post Office Department put on a good, sound basis, and the only way to do it is that every time you get an opportunity to save, economize, and if the Postmaster General sees fit to cut out deliveries, that is up to him; he directs the Post Office Department. I am not in sympathy generally with the idea of the Postmaster General. The civil service in the Post Office Department is a farce, but I believe the thing is so serious in this country that I am going to do my duty whether I believe that the Postmaster General is doing a good job here or not.

The fact of the matter is, as was said here a while ago, the boys at the front do not get one mail a day, and they are sacrificing their lives to win a war that the President says we are not in. But, what we to do? We are to economize every place we can, and the only way to economize is to eliminate a lot of unnecessary spending. So, I believe that while a lot of people would like to have two mails a day they can forego that now, and I want them to forego it. Naturally, I think that they would like to have two mails a day, and a lot of these post-office employees would like to have their jobs. My gracious, a lot of fellows would like to have jobs. The Post Office Department does not need to take them on now. So, let us economize to the extent that we are going to try to save the jobs and let them go out in some other branch of employment in this country, whether it be in business or agriculture, and work. I want to tell you, the great trouble with this country now is that people do not want to work; they want make-believe jobs so that they do not have to work. They want Government subsidies, they want something for nothing, and I am against that, because I believe in work.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Iowa.

Mr. GROSS. How many deliveries to your office have been cut? Why did not the Postmaster General cut the deliveries to Members of Congress?

Mr. RICH. Well, he can cut all the deliveries to the Members of Congress and we would be a whole lot better off if we did not get so much mail. We do a lot of things that we are honestly convinced we ought to do rather than do something because we have a lot of mail from people back home, that a lot of these post-office employees that are lobbying around here are trying to get us to do. And, if there is any lobbying in this country that ought to be sat upon it is this post-office lobby. I think they are a bunch of fellows that do not want anything but something for themselves. They do not care what the cost. They do not care how much we go in debt. The post-office lobby is strong, it is a lobby for anything they can get, and get it they will by coercion, by intimidation, or by any method at their command. They are well paid and have good permanent jobs. If the Government goes broke they have a great part to that end. Let me tell you what the predictions were for the Department many years ago.

One hundred years ago Charles A. Dana, famous journalist and later editor of the New York Sun, writing of the general post office in Washington, called attention to the evils which might arise over a course of years. At that time he wrote in part:

> Indeed, no man, who is not blind to what passes before every eye, can fail to perceive the degree of influence which the Post Office Department already has in every canvass, nor how keen is the stimulus which partisans find in the hope of keeping or obtaining possession of its patronage. If the pernicious tendency of centralization as exhibited in this Department and that of the customhouse, is balanced and overcome by the influence of other more democratic institutions, it is certainly strong enough and active enough to cause serious anxiety to the thoughtful patriot. With so great a number of offices in the gift of the Federal Executive and with the habit of turning out political opponents from all places, lowest as well as highest, in order to make way for political friends on every change in the party hue of the administration, there has arisen a large body of men whose business is the pursuit of office, gamblers in politics, speculators in principle, seeking the triumph of this or that party solely for the sake of the public spoils, and at the easy sacrifice of every consideration of the public welfare. Thus a large amount of profligacy and corruption is kept in existence and exercises a baneful influence upon the political morality of the land, while the public service suffers from frequent changes in its agents, no degree of capacity or experience being secure against proscription. As a remedy against these growing evils of Executive influence in the elections and these pretorian bands of office seekers and jobbers, it has been proposed to render the office of postmaster elective by the people of each locality. This reform would strike at the very root of the evil, for it would make the place dependent on capacity and the esteem of the aspirant's acquaintances and fellow citizens, and not on the favor of a distant official, looking for a shrewd political agent or bent on rewarding some political service quite as much as on securing an honest and efficient discharge of public duty.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. RICH. My time has expired, but I am against this bill at this time, in this manner, for the best interest of country and people.

Mr. CORBETT. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I want to compliment my very good and able friend, ROBERT RICH; however, I expect to vote for this bill.

I did want to comment on some of the remarks made about politics—politics. Well now, really, is not that a laugh, because some of the people who have been talking about politics, when their own backyard is affected, are certainly right on the ball to get a bill through. I want to call to the attention of the House that there was $2,222,000,000 in counterpart funds unexpended in the ECA as of December 31, 1949. But many of these same gentlemen voted $3,100,000,000 more, which gives ECA $5,300,000,000 for this coming year. I also want to call to the attention of the House that we have between four billion and four billion seven hundred and fifty million dollars tied up in surplus foods, why we do not have places to store those surplus foods, which we have already purchased yet another $2,000,000,000 was voted to buy more foodstuff, but when it comes to looking after our own backyard, and our own people, then we find these same gentlemen condemning any legislation that will be beneficial to all of the American people.

Mr. Chairman, I intend to vote for the bill.

Mr. CORBETT. Mr. Chairman, I yield to the gentleman from Indiana [Mr. CROOK] 5 minutes.

Mr. CROOK. Mr. Chairman, I am very grateful that we here in America do not have to have all our consciences molded over the same last. I believe we will get further in this question were we to temper ourselves a bit and get away from some of the animosity and be realistic in the matter.

Mr. Chairman, we in the large metropolitan and industrial centers, where we work around the clock 24 hours per day, have had a gross injustice rendered by the cutback in postal service. This reduction in postal service was encouraged by the failure of this Congress to make adequate appropriation to provide the usual service we have been privileged for many years, and it was wrapped in what some Members called economy, but it has been false economy.

The lifeblood of industry, business, and commerce has been sadly impaired by such action. Now certain advocates proclaim the Korean war makes it essential that we not return to our normal mail service. Such argument is as full of holes as a sieve.

If there were ever a time that mail delivery should be expedited, it is in time of war and grave emergencies. The war situation is just a poor alibi. Concerted efforts by the apostles of the economy drive hung a crepe on the Post Office Department and postal service long before the ruthless aggressors launched their campaign in Korea. This is an unadulterated fact, and no one can truthfully deny it.

In this age of speed, when man outflies the eagle, mail is flown across the skies at terrific speed for quick delivery in the channels of commerce, industry, and business, only to meet with horse-and-buggy age delivery on the ground. What a sordid vanity fair, my friends. Long years of neglect in building adequate post offices to provide facilities conducive to handling the mails in our fast-growing municipalities pyramid our difficulties. Many of our post offices, for lack of space, have grown constipated with the stacks of mail, working conditions made almost impossible, and letter carriers denied the privilege of living like other people, can frequently be seen eating their dinner on a street curbstone.

Postal delivery was given inception to render a service for the dissemination of information, and, as we all know, service costs money. The sources of revenue

for such service are either appropriation or established rates on the various classes of mail delivered. Frankly, I wish to say that some users of the mail have never met their proportional cost of the service rendered them, and, too frequently, they have been the first to criticize the deficit in the Post Office Department.

Whenever the Congress is willing to appropriate money for the subsidies allowed the airlines, railroads, and the cost of that portion of floor space in Federal buildings not used by the post office branches, instead of charging it against the Post Office Department, and every person, firm, or corporation is willing to pay his or its fair share of postal rates, there will be no deficit in the Post Office Department. The Post Office Department is the most decentralized agency of Government; it is about the most efficiently operated, and every employee thereof renders very efficient service, despite the conditions under which he is compelled to work. Every home in America is the beneficiary of the letter carriers' dedicated and determined efforts to render commendable service.

I am an advocate of economy in Government, but not false economy as we now have in reduced postal service. The many coauthors of legislation to restore our normal postal services, and all the Members of this Congress that signed the discharge petition to liberate this measure, H. R. 8195, from the Rules Committee, in the absence of malice toward none, propose to stop nothing short of restoration of our former postal service for our American people and the economy of our Nation. To cripple our long-established postal service in this modern age of speed is highly unjustifiable and just does not make sense.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, in taking a position against H. R. 8195, I do so not against our faithful employees of the postal service, but because I feel that if we are really interested, as Members of Congress, in economy, this is one way by which we may proceed in a very sound way and not injure anyone. My support of the postal employees will show that I have at all times supported all legislation to promote their welfare.

May I state, Mr. Chairman, that I took it upon myself to write 8 of the first-class offices in various sections within the 12 counties of my congressional district to get the reaction of the postmasters on the Postmaster General's order, feeling that these postmasters were in the best position to say whether the Postmaster General was right in his action. I am going to give you the benefit of some of the replies I have received. All of them are similar.

From this letter, dated July 7, 1950, I quote:

> My frank opinion is that the patrons in residential sections are satisfied with one delivery each day, as I have had no complaints at all so far. We still have two deliveries per day in business sections.

This letter is dated June 17, 1950:

> My personal opinion of the matter is that the carriers are not put to any undue hardships, and the residential areas are getting one complete delivery a day and the business sections are getting two. In the past, I think probably some of the residential areas only got but one delivery a day.
>
> At the present time this office is saving approximately $80 a week under the new set-up.

Here is another letter dated July 15, 1950:

> I wish to advise that I have had complaints from three patrons regarding the curtailment of delivery service at my office.

This postmaster writes under date of July 18, 1950:

> The reaction of the patrons of this office to the Postmaster General's order curtailing delivery service has been very favorable. Not a single complaint has been filed protesting the single delivery in the residential sections served by the carriers.
>
> If we continue the present arrangement, the annual saving should be about $2,000 to $2,200.

A complete analysis of these letters from postmasters in seven first-class offices in my district, and I contend that they would be representative of the entire country, would represent an average annual savings of approximately $2,000 per year in every first-class post office throughout the country. I feel that in opposing this bill I am voting in the interest of the post-office service as well as the postal employees.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. CANFIELD. I wonder if the gentleman knows that throughout the country the postmasters have an association, and many weeks ago they met and agreed, practically unanimously, to support the edict of the Postmaster General?

Mr. DEANE. I wonder if I may reply to the gentleman from New Jersey [Mr. CANFIELD] if this action did not follow the pressure from organizations urging the postmasters to take such position. I am advised, I might state to the gentleman, that one State association after another has gone on record approving the action of the Postmaster General.

I feel from the direct replies from the individual postmasters such as I have, that if each Member of Congress would write to their own particular districts, they would determine that the replies that I have received are representative of the entire country.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. HUBER. I am advised that we pay $160,000,000 in subsidies to newspapers and other publishers. If that is true, we could take away some of that subsidy and restore this service at no additional cost.

Mr. DEANE. The gentleman, of course, is making a sound statement. Furthermore, the other body should proceed to act upon the postage rate increase bill. It seems that the Postmaster General is being criticized for actions that the Congress itself should take. I admire the Postmaster General for taking the position he did.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. GARY. Does the gentleman know that a great many of the signers of the discharge petition voted to recommit the bill, to increase rates to make this very service self-sustaining, just recently?

Mr. DEANE. That is true. I recall also, Mr. Chairman, that the Bureau of the Budget cut the Post Office budget as submitted by Postmaster General Donaldson in the amount of $42,000,000. In turn, the House followed the recommendation of the Appropriation Committee and cut the Post Office Department budget by another $28,000,000; then followed the Thomas-Taber amendment representing another cut in the Post Office Department budget by $200,000,000. That means, Mr. Chairman and members of the Committee that the Postmaster General was directed by this House to operate on a budget for the coming fiscal year with a budget of $270,000,000 less than for the fiscal year ending June 1950, and despite greatly increased services which we Members have and continue to demand.

I submit, Mr. Chairman, that we are not dealing fair with one of the most sincere and able gentlemen that has ever served as Postmaster General and I trust that he will stand firm on the position that he has taken.

Mr. CORBETT. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. BUCKLEY].

Mr. BUCKLEY of Illinois. Mr. Chairman, while we realize, of course, that there is a great economy drive on, yet I do not believe that it should be practiced solely on the postal service. In some sense of the word probably the Postal Committee is to blame for not raising the rates on mail-order houses such as Sears, Roebuck and Montgomery Ward, of Chicago. Those people operate for a profit, and they are making millions and millions of dollars at the cost of the poor, underclad, and undershod letter carrier.

I resent very much some of the remarks that our chairman made about Bill Doherty. I think he is a fine, capable, and distinguished gentleman; I think that his work for the letter carriers has been effective, and I think that they have secured some of the things to which they are entitled as a result of his great efforts. I believe that we should pick up the burden in our committee and raise the rates to where they belong.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. BUCKLEY of Illinois. I yield.

Mr. ROONEY. I wish to commend the gentleman from Illinois on the statement that he has just made about Bill Doherty. Bill Doherty is a fine, upstanding American citizen fitted in all respects to lead the postal employees he so ably represents. He understands how to properly intercede for them under our Constitution and laws.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. BUCKLEY of Illinois. I yield.

Mr. JAVITS. I wish the gentleman would say just about a word about all

this talk of this bill being at the instigation of the post-office employees. It is all nonsense. I have not had more mail on any issue than I have had on this petition to rescind the curtailment of deliveries, and it has come from the rank and file of the people back home, general protests.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. BUCKLEY of Illinois. I yield.

Mr. EDWIN ARTHUR HALL. I wish to commend the gentleman for what he said about Mr. Doherty and I also want to say that if it were not for these post-office employee organizations who would speak for the postal employees? Certainly not a lot of Members on the floor of this House.

Mr. BUCKLEY of Illinois. The great corporations of this country have their lawyers, their superintendents, their foremen, and they are all well-organized, but when it comes to somebody speaking a decent and civil word for the laboring man his championship often seems unwelcomed; I do not think it is fair, and I know it is not square, and I know it is not right. I think that the labor organizations of this country should and will be recommended by people who know what they have done. We do not like this talk about the leaders of these labor organizations; they are decent, honorable gentlemen; they represent the people of their organizations the way they should be represented. I have the highest respect for the organizers of the letter carriers. It is the greatest and most efficient part of our Government. I say that Bill Doherty and all of his men deserve the highest honor and the greatest respect.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman——

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Texas yield to me briefly for an observation?

Mr. GOSSETT. I yield to the distinguished gentleman from New York.

Mr. ROONEY. I thank the gentleman. I am going to vote for this bill. We had two deliveries of mail a day in Brooklyn before the turn of the century, before I was born. Since the gentleman from Pennsylvania [Mr. GAVIN] injected the word "politics" when he spoke a few moments ago, and since, of course, I very seldom get into political debates on this floor, I should like to call attention to some hocus-pocus that has been going on here this afternoon. You have the gentleman from Ohio [Mr. BROWN], the gentlewoman from New York [Mrs. ST. GEORGE], and the gentleman from Pennsylvania [Mr. GAVIN] getting up here today and talking favorably on the bill now before the House which affects only the temporary or extra employees of the Post Office Department. Yet on the 10th day of May of this year on roll call No. 161, the Jensen amendment to the omnibus appropriation bill—do you remember? Our friends from the other side of the aisle voted to cut 1 out of every 10 of the permanent employees from the rolls of the Post Office Department. Is that not double talk?

Mr. GOSSETT. I may say to the gentleman from New York that I am continually amazed at so many of my Republican colleagues who talk one way and vote another way. I am going to be interested in observing how some of the so-called Republican leaders vote on this bill.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. If the gentleman will refer to the roll call of yesterday he will find out how the Republican leaders voted on it.

Mr. GOSSETT. Mr. Chairman, there is more involved in this bill than $70,000,000. There is a principle involved that is as fundamental as Americanism itself. During the 12 years I have been in the Congress we have damned and cussed bureaucrats because they refused to economize or to be efficient in their departments. Now, the first time one has the courage to stand up and invoke efficiency and promote economy we turn around and try to kick him in the pants.

If you believe in economy you will vote against this bill. If you believe in efficiency you will vote against this bill. If you believe in the integrity of the American Congress you will vote against the bill. If you want to reduce the size and cost of the Federal Government you will vote against this bill. A vote for this bill is a complete surrender to a short-sighted, selfish, minority pressure group, or to its assumed bosses, to wit, the National Association of Letter Carriers.

Let me tell you how our potential enemies intend to destroy this country. It is through infiltration and the dissipation of our economic strength. They work for a breakdown of the home front which will inevitably occur if we continue to live beyond our means. Our enemies are counting on our moral bankruptcy and our economic ruin making us ripe for defeat. If we continue to encourage the growth of bureaucracy, if we pass such bills as this, the day will come when we will be an easy prey to those who would destroy us. Here is the issue and I want you to listen, you folks who are hypocritical and demagoging on this thing. If you want to continue to demagogue and pussyfoot and compromise this country into a national graveyard, then, you go ahead and vote for such a bill as this. If we pass this sort of legislation we cannot ever again with good faith and good grace demand economy and efficiency in the executive branch of the Government. If this sort of legislation is to be our policy, we might just as well inscribe across the face of this civilization that inscription which Dante's Inferno wrote over the gates of hell: "Abandon hope, all ye who enter here."

Mr. CORBETT. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman, I suppose all of you have been deluged as I have been with protests occasioned by the issuing of the directive order by the Postmaster General severely curtailing delivery service throughout the United States. This directive order was as of April 18, 1950. The issuing of this order by the Postmaster General about-faces upon the traditional policy of our Government in not recognizing the fact that the Postal Department was established as a service department and that it was never intended to be operated upon a pay-as-you-go basis. The postal service should not be used as a revenue producing agency. It should be conducted as an organization for service only. There is no denying the fact that this great governmental agency has done more to develop this Nation than any one other governmental agency. Notwithstanding the known accomplishments of the Postal Department, the Postmaster General arbitrarily issued this sweeping and drastic order.

Now let us analyze how consistent the Postmaster General has been in dealing with the railroads who are, through mail contracts, given substantial mail subsidies when, as a matter of fact, they are paid for over 580,000,000,000 cubic-foot miles for transportation of the mails; when in reality, they carry a little over 300,000,000,000 cubic-foot miles of mails. In other words, a little over 55 percent of the space paid for by the Postal Department, is used. Probably the policy of the Postal Department is best illustrated by the testimony given by John Hardy, General Superintendent, Railway Mail Service, Post Office Department, under oath in the Georgia & Florida Railroad against United States Government case. I quote Mr. Hardy:

> I might add that the most—probably the determining factor in my decision was the fact that the railroad company pleaded that we continue the service because of the financial benefits that were accruing to the railroad, and that has been one of the policies of the Department, that in considering any curtailment or discontinuance of rail service, is to first make inquiry of the railroad company as to what effect upon the finances of the operation of their railroad any such curtailment would have, and we are invariably governed in our decision by the plea of the railroad in response to our inquiry.

Mr. Hardy, in this declaration under oath, stated the policy of the Department relative to railway mail contracts; that the determining factor was the effect of the canceling or curtailing of the contracts upon the railroad company's finances. The question of whether or not the railroad company was giving dollar for dollar service was entirely secondary. Contrast that with the treatment given the public in the Postmaster General's order of April 18. Contrast the attitude of the Postmaster General and his method of procedure to the other heads of our important Government agencies. They do not contin-

ually come before the Congress with a theme song "We must do something to wipe out the deficit in our Department." The only Department of our Government that is asked to wipe out a deficit is the Postal Department.

Contrast the one-a-day delivery service being given mail users of this great Nation to the service rendered by postal officials in foreign countries. A survey of European countries indicates that all of these countries, despite their economic hardships, have been receiving two and three deliveries a day. The following table shows the results of this survey:

Country:	*Number of deliveries per day*
Belgium:	
Large cities	3
Smaller cities	2
Germany	2
Great Britain:	
London	3
Other cities	2
Holland	3
Ireland	3
Sweden:	
Stockholm	3
Other cities	2
Switzerland	2
Austria	2

Even in India, there are two deliveries per day. I would like to observe at this time that most of the countries mentioned in the above table have been and are receiving material help from the United States. It seems to me that there is, indeed, a great deal of irony in this situation.

The paper deficit of $551,000,000 of the Postal Department has direct relationship to the directive order issued by the Postmaster General April 18. In reality, this deficit is fictitious and, as such, should not be taken seriously by Members considering the directive order. The truth of the matter is that the Postal Department renders innumerable services to the other departments of our Government for which it is not paid. In addition, the Postal Department in reality grants innumerable subsidies to airline companies and to railroads handling the mail, all of which is included in this so-called deficit. In 1930, legislation was passed—it was commonly known as the Kelly Act—which made it mandatory that the Postmaster General must report to the Comptroller General of the United States certain services. I am including in the RECORD at this point a letter from Mr. V. C. Burke, Acting Postmaster General, addressed to the Comptroller General of the United States, dated December 9, 1949, in which a few of the services are listed.

DECEMBER 9, 1949.

The COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D. C.

DEAR MR. COMPTROLLER GENERAL: Pursuant to the provisions of the act of June 9, 1930 (39 U. S. C. 793), embodied in section 18.7, Postal Laws and Regulations of 1948, the amounts set forth below with respect to certain mailings during the fiscal year ended June 30, 1949, as determined under our present system of estimating, are certified to you in order that they may be separately classified on the books of the General Accounting Office:

(a) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by officers of the Government (other than those of the Post Office Department) under the penalty privilege, including registry fees:	
Postage	$54,209,127
Registry fees, including surcharges	21,951,827
Total	76,160,954
(b) The estimated amount which would have been collected at regular rates of of postage on matter mailed during the year by—	
1. Members of Congress under the franking privilege	1,027,692
2. By others under the franking privilege	53,588
Total	1,081,280
(c) The estimated amount which would have been collected during the year at regular rates of postage on publications going free in the county	803,695
(d) The estimated amount which would have been collected at regular rates of postage on matter mailed free to the blind during the year	108,548
(e) The estimated difference between the postage revenue collected during the year on mailings of newspapers and periodicals published by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, and fraternal organizations, and that which would have been collected at zone rates of postage	480,490
(f) The estimated excess during the year of the cost of aircraft service over the postage revenues derived from air mail	41,483,696
Grand total	120,118,663

It has not been the practice to include in item (f) the total cost of handling and transporting air mail. Under the system of estimating which is the same as used in prior years, the cost of the items considered amount to $132,910,908 for the fiscal year 1949. This estimate includes only payments to air carriers, personnel costs at air-mail field, and the extra transportation cost involved in getting mail to and from air-mail fields. Preliminary figures for the fiscal year 1949 indicate that the total cost of handling and transporting air mail, as determined by cost ascertainment procedure, amounted to $164,552,000. The combined revenue from foreign and domestic air mail including air parcel post was $91,427,212.

Sincerely yours,

V. C. BURKE,
Acting Postmaster General.

The large items are penalty mail, over $76,000,000; franking privilege, over $1,000,000; publications free in county, over $800,000. More than $108,000 on matter mailed free to the blind. Mail on newspapers and periodicals and in the interests of religious, educational, scientific, and so forth, $480,000. Estimated excess during the year of the cost of aircraft service, $41,000,000, making a total of more than $120,000,000 reported by the Postmaster General. For these services the postal department received no credit and the cost of the services are included in the $551,000,000 deficit.

I want it distinctly understood that I do not criticize the services mentioned above and the costs of them but I do criticize the method of bookkeeping whereby the postal department is compelled to render these services gratis to the other departments of government. In addition to the above-mentioned services reported by the Postmaster General we have subsidies direct and indirect granted to the railroad companies and others. The estimates on the subsidies to railroad carriers vary from $70,000,000 to $100,000,000. It is conservative to say that the amount involved in these subsidies is a very considerable sum of money. In the items in the report and the mail subsidies, we have more than $200,000,000. I am not in a position to say how much more is involved in other indirect subsidies.

I would suggest to the Members of this Congress that they read the testimony given by William Doherty, president of the National Association of Letter Carriers before the Post Office and Civil Service Committee of the Senate and likewise the testimony of Jerome J. Keating, secretary of the National Association of Letter Carriers before the Senate Finance Subcommittee. The testimony is a full and complete case intelligently presented.

I urge you, my colleagues, to vote for this rescinding measure because the directive order is doing a grave injustice to the mail users of the United States and, likewise, is manifestly unfair to a multitude of loyal postal employees.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, I would like, if I could in the 5 minutes I have, to discuss with you the issue that is before this committee. I do not believe any of us have any monopoly on the desire to serve our country well or a monopoly on the patriotism that motivates our services here. But, I think there is an opportunity for the members of the committee to pause and reflect upon what you are attempting to do here. So many of us, when we talk about economy, as has been demonstrated here, want to talk about something that we have done somewhere else, or something that we could do tomorrow or should have done yesterday. But, the issue before us is how we are going to vote on this particular bill which it is estimated will cost in the neighborhood of $70,000,000.

Now, let me say to you that in this bill you are not only ordering the Postmaster General to restore two deliveries a day,

but you are saying to him that you shall restore 16 other nonessential services he has ordered curtailed in order to save money. The truth of the matter is that the Members of this House brought about this situation when they voted for the appropriation bill. The Bureau of the Budget ordered a reduction of $42,000,000, and this House ratified that action and upped it $28,000,000 and said to the Postmaster General, "You shall spend $70,000,000 less than you did the year before." Now what are you going to say to the Postmaster General? Are you going to say, "Oh, we did not intend for you to reduce services in our districts; we wanted you to cut where it did not hurt us." Now, that is what you are fixing to do with this bill. You are fixing to say to the Postmaster General, "Go out and restore the two mail deliveries a day where most of the votes are; restore the after-hours services, help the third- and fourth-class mail, which is causing the huge deficit in the postal service, and then let the taxpayers who receive none of the benefit of these nonessential services receive the benefit,"

Let me say to you further, you are going to say to the Postmaster General, "Go out and reduce the services somewhere else," and those of you who have rural routes in your districts and fourth-class post offices, I want you to listen. The Postmaster General has no other recourse except to reduce the service in the fourth-class post offices and on rural routes, where the services are already limited.

Now, in a moment, I am going to offer a couple of amendments, and we will see whether or not we mean what we say. One amendment will provide that any action taken by the Postmaster General under this bill shall not reduce essential services in any other part of the Post Office Department, and the other amendment will authorize the appropriation of money to pay for it. Now, if you believe in this sort of thing, be honest and say, "All right, we are willing to appropriate $70,000,000."

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. THORNBERRY. I yield.

Mr. HOLIFIELD. I am glad to hear the gentleman say, as a member of the committee, he is going to offer this amendment. I had offered a similar amendment, and I shall support the gentleman's amendment because it is an honest approach. If we want this service, let us appropriate the money.

Mr. THORNBERRY. I thank the gentleman.

When this situation arose, there was no emergency in Korea. I realize some Members may have made a commitment saying that we ought to restore these services. But back in my home town 2 weeks ago a company of marines were shipped to the California coast and they will soon leave for Korea. Those people back there are concerned why we are not busy providing allowances for their dependents and they are going to wonder why we are so concerned about restoring some services that are not needed in this time of stress. I firmly believe that we owe it to the people of this Nation to cut out every nonessential cost of this Government. I know that the people who live in the district I am privileged to represent are willing to make every sacrifice necessary to preserve our economy and I believe that the people of America feel the same way.

Mr. CORBETT. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. McCARTHY].

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. CANFIELD. I would like to put a question to the gentleman who preceded the gentleman now in the well of the House. Does he know why the Bureau of the Budget cut $42,000,000 off the 1951 request? I will tell you why.

Mr. THORNBERRY. Oh, no; you asked me.

Mr. CANFIELD. Did the gentleman not refuse to yield to me a moment ago?

Mr. THORNBERRY. You asked me and I am going to answer—because the Bureau of the Budget decided on its responsibility that these services could be done without. And let me say to the gentleman that he ratified it and came in and cut it $28,000,000 more.

Mr. CANFIELD. The testimony of Department officials before our subcommittee was that the Bureau of the Budget held they had overestimated their requirements for 1951.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Minnesota yield to me briefly?

Mr. McCARTHY. I yield.

Mr. ROONEY. I thank the gentleman. A while ago in the short space of time I had to interpolate a word or so I overlooked mentioning the fact that an examination of roll call 161 on May 10, on the so-called Jensen amendment, which guts the Post Office Department permanently, reveals that there were only four gentlemen from across the aisle—and if I am incorrect in this statement, I would like to be corrected—there were only four gentlemen from across the aisle who voted against the Jensen amendment. Further, the same people across the aisle who today arise and so sanctimoniously say they favor this legislation all voted in favor of the Thomas-Taber amendment to the omnibus appropriation bill—and I think you understand what that would do to appropriations for the Post Office Department in the present fiscal year.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. HOLIFIELD. As long as the gentleman from Minnesota is so generous in yielding his time, I would like to point out—and I have the official figures in my hand—that it is true that $42,000,000 was cut from the original budget request of the Post Office Department by the Bureau of the Budget, and the House of Representatives cut it $28,107,000 more. Then the estimated cut of the Thomas-Taber amendment is $200,000,000 and the estimated cut by the limitation of the post office rehiring under the Jensen amendment is $125,000,000. So that is a total of $395,000,000 cut off the original budget request of the Post Office Department, which is about 18 percent. If we want to be honest, and if we want to restore this service, we will go as far as supporting the amendment offered by the gentleman from Texas [Mr. THORNBERRY], and authorize to be appropriated such funds as are necessary. Then you can honestly vote for the bill.

But if we do not vote for the funds to authorize the services, then it is hypocritical to vote for the bill and not give them the money to pay for the services.

Mr. McCARTHY. I thank the gentleman from California.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. GAVIN. Mr. Chairman, I am very sorry that I disturbed the equilibrium of my very distinguished friend from Brooklyn, whom I greatly admire, but the Jensen amendment has nothing to do with the legislation we are considering here today.

Mr. ROONEY. It does not? It does not concern the services to be rendered by the Post Office Department? I have heard enough from the gentleman from Pennsylvania.

Mr. GAVIN. This is an attempt to muddy up the waters and confuse the issue, and it is certainly out of order at this time.

Mr. ROONEY. I am terribly sorry that the distinguished gentleman from Pennsylvania does not understand the situation.

Mr. McCARTHY. Mr. Chairman, it is my purpose to clarify some of the debate that has taken place on this particular question. The contribution of the gentleman from California of course has helped me very much. I think the argument thus far shows very clearly the fallacy of both the Jensen amendment and the Taber amendment, particularly when we realize that as the Post Office Department does more business in second-, third-, and fourth-class mail, the deficit increases.

The same is true of the penny post card. Every time you send a penny post card in your campaign it costs the Government 1.7 cents, in addition to the one cent you pay.

I was somewhat disturbed about the willingness of the chairman of the committee to abdicate the responsibility of the committee. This action was never brought before the committee, except in the way of action to rescind the order of the Postmaster General. The Postmaster General should have anticipated a problem of this kind and consulted with the entire committee. Whether he consulted with the chairman or not, I do not know.

I want to make one other observation in regard to the disposition of the general public. In my district, which is principally an urban district, the post-office employees have sent out a post card. I think it was fairly worded. They asked this simple question: Do you want the mail service restored? Out of nearly 750 replies there were less than 10 who say, according to my office count, that we should continue to curtail service. The other 740 say we should restore it.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. McCARTHY] has expired.

Mr. CORBETT. Mr. Chairman, I yield myself 1 minute.

I would like to take this time to comment on the Taber-Thomas and Jensen amendments. Those two amendments, as we all recall, provided for equalizing cuts for all Government agencies of the executive branch, with certain exceptions. Now then, should they become law, can anyone tell me why the single-revenue-producing agency, the Post Office Department, should have to undergo the handicap of an additional cut over and beyond? What we are attempting to do here is to prevent the Post Office Department from being singled out for cuts over and beyond those cuts given to any other agency.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GORSKI. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GORSKI. Mr. Chairman, the hundreds of letters I have received from individuals and business concerns protesting against the postal curtailment order of the Postmaster General compels me to add my voice to the many for placing postal deliveries back to normal. It is especially important with so many being called into the armed services that delivery be made twice daily and other services restored. Letters mean a lot to the mothers of the boys who are overseas and a day's difference may mean a good night's rest to millions of those mothers.

I do not feel that it has been expedient to cut back service in such a drastic manner. One service in the post office showing a profit is the first-class mail. The people who pay the price for first-class service are deserving of two deliveries a day. This means if the service is important enough to them to pay the additional cost and with first-class service showing a profit it is unfair to curtail these deliveries.

The public needs these so that it will not hamper the efficient operation of business. Whether it means a saving as referred to is a question. People tell me this is the most drastic and destructive order ever issued by the Post Office Department. The ideal of service has been eliminated.

The efficiency of the individual postal employee has been seriously impaired because he has entirely too much mail to handle. One trip routes are not efficient nor economical and are inhumane.

I do not hesitate to say that this order has demoralized the whole postal service and has caused the American people much concern.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Chairman, the gentleman from Indiana said at the beginning of this debate that there was no rhyme or reason to the curtailment order of the Postmaster General. Let us look at that for a few moments to see whether there is any rhyme or reason to it.

The Post Office Department last year operated at a deficit of $551,000,000. The Committee on Appropriations reduced the budget estimate of the Post Office Department and called on the Postmaster General to make cuts in the service. We endorsed that by passing the omnibus appropriation bill with this reduced appropriation. Then we demanded still further cuts by passing the Taber-Thomas amendment and the Jensen amendment. The Postmaster General found himself in the position of the housewife who was given money with which to buy hamburgers and was told she had to buy steaks.

Further complicating the Postmaster General's position and his problem, we passed H. R. 4495, which gave every postal employee a raise of from $120 to $420 per year, which added $150,000,000 annually to the Postmaster General's headache. Not being content with this, the House has passed, over the President's veto, H. R. 87, which, if it is passed by the other body, would add another $23,000,000 to the headache of the Postmaster General. To say that the Postmaster General had a practical problem is a masterpiece of understatement. What could he do? He either had to get more revenue or he had to cut down expenses. He first tried to get more money through the enactment of H. R. 2945. The House passed that bill which would give $130,000,000 extra revenue to the Post Office Department.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HERLONG. Not at this time.

This would raise $130,000,000 more for the Post Office Department. That legislation is bottled up in the other body at this time.

I might add that the bill only passed the House by a narrow margin, and that 79 of the number who signed this discharge petition No. 31 also voted to recommit that bill for added revenue for the Post Office Department. It does not seem likely at this late date that this additional revenue is going to be coming in. Certainly, to count on it at this time would be counting your chickens before they are hatched. The Postmaster General was directed to reduce deliveries wherever possible. We did that. Where was it possible? Would it be in the rural delivery service, where they get only one delivery a day now? Could this saving be effected by eliminating the third- and fourth-class post offices where there is no city delivery service now? Incidentally, only 11 percent of our post offices have this city delivery service. Or he could eliminate one of two daily deliveries in the residential areas of cities and towns where city delivery service is now provided. It seems to me that the choice that the Postmaster had was to either cut from the fat or cut from the bone, and he chose wisely to cut from the fat.

Now, there are lot of "economy, buts" in this Congress. Many Members say: "I am for economy, but do not economize with my people, do not economize on me; cut somewhere else." I feel confident that the same people who oppose this cut would oppose any other curtailment order or any other saving that the Postmaster General tried to put into effect anywhere else.

The people who are sponsoring this legislation say in effect that the Post Office is a service institution and that no curtailment is necessary; that the people are willing to pay for this service. Maybe they are, but you certainly did not think so a few weeks ago when you voted on this appropriation bill and for the Taber-Thomas amendment. What I want to know is, have the people at home changed in these few weeks? Have they decided now that they do not want economy?

I have heard attempts to justify this legislation by saying that it is in the interests of national defense. Pure sophistry. There is not a single Member of Congress but who has ingenuity enough to twist any project in which he is interested around to show that it is in the interests of national defense. Actually the logical argument is the other way—because every dollar we add to the expense of operating here at home takes a dollar away from the amount we need to prepare to defend ourselves.

We hear pleas for giving the people better service. I wonder whether the people are really concerned about this, or whether they have been influenced by letter carriers to write their Congressman? I wonder, too, if the picture has been accurately presented to them.

One lady wrote me that she couldn't see why I wanted to reduce her postman's pay—that he was not making enough to live on now. Well, in the first place, he is making more than the school teacher who is teaching her children—and in the second place, his salary is not being reduced. He gets the same pay, and has better hours than he previously had.

Another complained that she couldn't get service at the post office at certain hours because of this curtailment order.

I checked into that particular post office and found that the hours of that post office had not been changed in 5 years, either before or after this curtailment. This is just a part of the campaign of misinformation and sabotage that has been carried on by some postal employees. And why? Simply because the postal employees' union leaders want to have more dues-paying members; and we might as well face the fact, because that is just what it is.

This order has not caused the lay-off of one single solitary classified civil-service employee. It has laid off enough part-time nonclassified temporary substitutes to save $70,000,000 a year. They have not lost any security, and would be much better off from a financial and security position to be working full time at some other work.

What do the rank and file of postal employees think of this order? I have talked to some of them personally and have voluntary letters from them where they state that they like the present system better, and wonder why it was not done long ago. They also said that over 90 percent of the employees felt the

same way, but that they were directed on the action they should take by their Washington representative, again so they will have more dues-paying members from among these nonclassified temporary substitutes.

When I first felt the desire to become a Member of Congress I suppose I was not much different from anyone else. I thought that here I would become associated as a colleague with men and women whose foremost objective would be what is best for our country. I expected, of course, that there would be disagreements as to what was best for our country, but I did believe that when the chips were down and when our country found itself confronted with an emergency such as we are now facing, that practical politics would be cast aside at least for the duration of the emergency. I often wonder now, since I am here, if the most important thing in the eyes of the average Member of Congress is not what happens to the United States or what happens to the world, but what will be the result of the next election.

I listened with interest to Members giving their conclusions under the guise of facts. My conclusion from that is that the facts are that there is an election next November.

I wonder how long it will be before we realize that what happens to you and to me in the next election is not nearly as important as what happens to our country?

Our political lives should not even be considered in the same breath as the very lives of our boys in Korea.

Let us not take any necessary dollars away from them in order that we may have business, comforts, conveniences, and, yes, luxuries, as usual here here at home.

It is a very small sacrifice for the people in 4,500 cities and towns to give up one of two mail deliveries a day in a part of those cities and towns. I for one believe that our people are ready and willing to make that small contribution.

Mr. CORBETT. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Chairman, I have the greatest respect and esteem for my colleague on the committee who just preceded me, but I disagree with him unqualifiedly.

Mr. Chairman, the Postmaster General under date of April 17, 1950, issued the most drastic, far-reaching order ever issued by any Postmaster General. We passed through two major wars without having any such orders issued. The strongest lines of defense in America today are lines of communication and transportation. It is necessary to maintain strong lines of communication and transportation if we are going to be successful in meeting the economic challenge of this century. It is vital to the safety and security of the Nation that we have fast, dependable means of communication if we are to succeed in our war effort.

The gentleman who preceded me mentioned that most of the letters he has received have been favorable, that the writers liked the service they are receiving and that the only complaints he had were from letter carriers.

I would like at this time to read a letter which was not, I am sure, induced by a letter carrier. It is a short letter from West Hartford, Conn., in my district. This is a copy of the letter addressed to the Postmaster General and it reads as follows:

> Enclosed is the cover from a package shipped from Saks Fifth Avenue, New York, to me at the above address. As you will observe, the package was postmarked 2 p. m., June 23, in New York and 1:30 p. m., June 28, in Hartford. It was delivered between 8 and 9 o'clock last night. It appears to me that 5 days and 6 hours is an unreasonable time for the delivery of a special-delivery package from New York to West Hartford.

I am sure that no letter carrier had to induce this gentleman to write a letter of that kind.

It was also pointed out by one of those who made inquiry previously that a lock box should be obtained at the post office in order that delivery may be effected. I have before me a letter which states:

> We have tried to get a box at the post office to get our mail at regular intervals. None was to be had since this curtailment.

Mr. Chairman, the order issued by the Postmaster General curtailed the handling of the mail in every single function. It radically reduced the hours of collection. It limited the hours of distribution of certain classes of mail to an extreme degree. It abolished the directory service section. It limited the hours of service at windows and over the platforms. It curtailed deliveries in residential areas from two trips to one trip a day. The order issued hastily by the Postmaster General has resulted in chaos and has weakened the dependability of our postal service. There have been many complaints from people all over the United States.

From Boise, Idaho, a factory representative for machine tools and accessories filed the following protest:

> Since the curtailment has taken effect we have had a number of calls on our orders sent direct from the manufacturer to customer. The customers have been used to receiving shipments in a certain number of days from a designated shipping point and now it takes several days longer.

During our all-out effort to meet the present military situation a delay of several days in the shipment of tool parts could well result in the loss of days and days of productive effort. The loss of days and days of productive effort could result, and probably would result, in the loss of thousands of lives.

In the present crisis we should have excellent service to preserve the morale of our troops and of people on the home front. Our military leaders have told us that the greatest single factor in maintaining morale is the mail call. The Army gives priority to the shipment of mail. Unfortunately the Postmaster General does not feel that mail is very important.

Many units of the National Guard, including the Forty-third of Connecticut, Rhode Island, and Vermont have been activated. The members of this outstanding military organization and each of the loved ones being left behind are very much interested in maintaining as close touch as possible. This can only be done in most instances through letter writing. The acknowledged day and more of delay in the letter exchange now existing because of the curtailment order should be removed now to provide a much-needed boost in the morale of the soldiers and their families and relatives.

I am sure many of my colleagues have seen the picture that has been printed in many of the papers throughout the United States on Saturday, Sunday, and Monday that depicted GI's with but a single thought:

> Hoping for a letter from home, battle-grimed and weary Yanks answer mail call on the fighting front in South Korea.

You saw there the picture of those young men waiting for a letter from home. The gentleman from Tennessee [Mr. SUTTON] talked about the mail call. I am sure he remembers the great boost in morale for him, and for me and for many of our colleagues in the last war when they received mail from home. We should not permit a delay of even 1 day in the delivery of this GI mail. There should be no delay whatsoever in the mail going out to those boys or in their mail coming back to us.

Under the curtailed system now in effect if a letter is mailed in Brooklyn, N. Y., in many localities, at 7 p. m., it is not picked up until sometime the next morning and will not be delivered in New York City until 2 days later. This type of service is disgraceful in our modern day and age. A letter mailed in the evening stays in the mail box for 16 hours before being picked up. It takes almost 24 hours to get the mail out of the city. If it is an air-mail letter it is placed upon an airplane and hurriedly flown across the country in 12 hours and then it lies in the post office until the next day before it is delivered. We are living in an atomic age, but the Post Office Department since the order of April 17 has gone back to the stone age.

In the vicinity of Chicago and Los Angeles, the Post Office Department has been spending millions of dollars on experiments using a helicopter to take the mail from Chicago and Los Angeles to surrounding cities. The mail is deposited at the airport by the regular airlines, is then picked up by helicopter and flown to the surrounding towns. For the purpose of illustration, the helicopter arrives in the city of Harvey, Ill., at 11 a. m. The mail then lies in the Harvey Post Office until the next day when it is delivered. It is absurd to spend millions of dollars using helicopters to speed the transmission of mail and then, because of the silly order of the Postmaster General, have that mail spend hours lying around the post office. Just as good service could be provided by sending the mail from Chicago to Harvey by horseback.

The problems created by the Postmaster General's orders on the individual businessmen are described by the operator of a tool manufacturing concern in New Britain, Conn., as follows:

> We deal with industrial firms, receiving their requests for quotation by mail, and also return our bids on these quotations by

mail. Many of these requests are for rush orders, and we receive them late, and therefore, we are late in returning important mail, which is highly essential to our business. We also order material for the work which we do by mail, and a serious and definite delay has been noted in the delivery of our material. Due to the delays caused by the postal curtailment, we have been forced to make lengthy and costly phone calls regarding matters which formerly were well taken care of by daily mailing. It took a period of years for our postal service to reach its high peak of efficiency, and in a progressive Nation such as ours, it seems a shameful error, and a terrific step backward, to put a curtailment on the mail service.

There have been many, many complaints from mail users all over the country relative to the losses they sustained because of the present method now in use in the Post Office Department in holding third-class mail until they get around to it..

An operator of a market at Waterbury, Conn., complains:

Our firm looks forward to our morning dailies to secure market prices. These prices should be received at the earliest possible date and time. Advertising material sent to our customers, which is third-class mail, is never received at the proper time when the sale date expires.

There have been hundreds and hundreds of incidents brought to our attention—complaints on the part of mail users over the curtailed service. Complaints about the curtailment of delivery represent only a small portion of it. The elimination of directory service, an inferior collection service, and delayed distribution are the results of the orders of the Postmaster General.

In Chicago the failure of a great number of individuals to respond to a call from the draft board was attributed to the elimination of directory service; 300 were called only 182 showed up. The most interesting comment on the low estate to which the postal service has sunk because of the order of the Postmaster General is carried in the Bethesda-Chevy Chase Tribune of Friday, July 21. I was particularly interested in one specific comment in this editorial wherein the editor declared:

The postal service is one of the very oldest services our Government has furnished to our people. The public was conditioned to good postal service. So efficient was the service that the courts came to hold that proof of posting a letter in the mail was actually proof of delivery.

The present Postmaster General's economy order, however, has spiked the Department's long-established reputation for good service. The service today is just plain lousy. Post-office officials and letter carriers know this as well as the public; and as a result they have suffered a loss of morale. To be told to do just a half-way job after being bred in the tradition of tip-top service is not good for the morale of any outfit.

From a great many quarters complaints are pouring in and demands for restoration of the Post Office Department's former high standards of service. There may possibly be a slight economy insofar as the actual cost of running the Department is concerned. But from the public's standpoint there is no economy, not when you consider the hardships and actual money losses to business places and the inconveniences that affect everybody.

Of course, we are interested in economy; we feel that there should be economy in the postal service. Investigations have established the fact that the Post Office Department is guilty of many uneconomical practices. Failure to replace equipment and the use of outdated specifications cost the American people a world of money. Improper organization has been demonstrated by the Hoover Commission to result in greatly increased administrative costs. In this fast-moving world of ours, in this highly competitive world where we are only 1 day away from all other continents, it is vital to our very existence that we maintain the very finest communication, the most rapid and the most dependable that we can possibly have.

The curtailment of the mail service put into effect by the Postmaster General was not a curtailment of a luxury. It was a curtailment of a vital service paid for by the users and paid a second time by all taxpayers. It was short-sighted, poorly considered, and has cost the American people and American business a great deal more money than the small amount of savings that allegedly have been effected. Bombs dropped on the post offices of the United States could not have had a more demoralizing effect on the postal employees than this directive of the Postmaster General. The order should be immediately rescinded.

Mr. CORBETT. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I think that we should get this debate back on solid ground. We are dealing with a service; the postal service. It has never paid its own way; it has never been expected to pay its own way. Here we now come in to wring out of the bodies of the people who work for the Post Office Department additional services in order to help balance the Post Office budget that never should be balanced.

There are two theories that I, for one, have always worked on in connection with the postal service. One is that it is a service and, as the gentlewoman from New York said sometime ago, it is here to serve the American people just as the Department of Commerce or the Department of Agriculture. I do not hear any crocodile tears being shed for the great losses that this country sustains through the support prices on agriculture. I have voted for subsidies and will continue to vote for support prices because I feel it is in the interest of the economy of this country. I believe that that is part of our over-all economy, and so is the matter of communication a part of our over-all economy. We have a good form of communication and we should preserve it in this country. Second. There is no relation between the salaries paid postal employees and the so-called postal deficit. The Postmaster has no control over rates and services. We in Congress have that responsibility. Members in opposition have tried to wrap the American flag around it with the plea that the war is on. The order was issued long before the war took place, and that argument has no part in this particular forum. I want to pay my compliments to the men and women who work in the Post Office Department, who have done a valiant job in making it the great service that typifies the American system. It is the one branch of Government that comes close to the people, and those who work in the postal service deserve our thanks and not our condemnation. Sure, we gave them a few raises in salary, and I do not know yet that we have caught up with the lag that took place for so many years in which they were underpaid. I want to pay my compliments to the gentlemen who represented the several groups of postal employees. I have found them courteous; I have found them persuasive, but I have never found them domineering. They are not in the same category as those who come in here representing the Farm Bureau or the NAM or many of the other groups who maintain lobbies here in Washington. No one has shed crocodile tears about those gentlemen. We come here and we accept responsibility for the job, and I am certain that all of us do the job according to our own conscience. I resent the inference that people weaken to pressures. Perhaps those who make these charges know more about weakening to pressure than I do. I do not weaken to pressure.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Iowa.

Mr. GROSS. Will the gentleman deal very briefly with the subject of collections and other post-office services? That has not been touched on.

Mr. MILLER of California. We put on the Post Office Department a large amount of service for which they are not credited such as public-building administration, for example. They sell war-savings bonds, they have been called upon to do everything. The postal service has grown up like Topsy, without having any real beginning, it has become a catch-all service. Today those people who are making a profit out of the Post Office Department are not paying their full share of the costs of operations that help render them that profit.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. As to the weakness the gentleman referred to, yesterday when there was a division vote there were 146 noes.

Mr. MILLER of California. Just a minute. I yielded for a question.

Mr. ABERNETHY. But on a roll call there were only 81.

Mr. MILLER of California. I refuse to yield further, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, it has been my privilege to serve as a Member of this body for a little more than 5

years. In my humble judgment this is the most iniquitous bill that has come before the House during that time.

In the first place, the bill is wrong in principle. Our founding forefathers very wisely provided for three separate and independent branches of the Government. Each branch has its own responsibilities and its duties. The Post Office Department is a part of the executive branch of the Government and is entrusted with the responsibility of administering the postal service. In this bill the Congress would step out of its legitimate sphere of action and assume the prerogatives and duties of the Post Office Department. Such a policy will inevitably result in inefficiency, chaos, and confusion.

In the second place, the bill suffers from the defect of faulty draftsmanship. After providing that the order of the Postmaster General dated April 18, 1950, curtailing delivery and other essential postal services shall be rescinded, it further provides, "The Postmaster General is hereby directed to maintain such services on the basis existing immediately prior to the issuance of such order until otherwise provided by Congress." This language would freeze the postal service until the Congress sees fit to act again. The Post Office Department could neither curtail nor enlarge the service regardless of circumstances. During every previous war, the domestic postal service has been severely curtailed, but in the struggle in which we are now engaged and in which we are fighting for our very existence, the Post Office Department would be saddled with a law requiring a fixed and unchangeable service.

In the third place, this bill cannot be defended on its merits. The Members of this Congress have long prated of economy and the reduction of Federal expenditures. Perhaps I am too credulous, but I believed that at least a majority of the Members meant what they were saying and were not talking for political gain.

The national debt of this country is now $258,000,000,000. The estimated deficit for this fiscal year is $5,000,000,000, which will be increased to $15,000,000,000 or $20,000,000,000 by additional defense expenditures. Five hundred and fifty-five million dollars of this deficit arises from the operations of the Post Office Department which should be conducted on a self-sustaining basis. In view of this unhappy situation, the Post Office Subcommittee of the Appropriations Committee, of which I have the honor of being the chairman, instructed the Postmaster General that he must eliminate nonessential services and modernize the equipment of the Post Office Department in an effort to cut expenditures and reduce the deficit. In our report published on March 21 of this year, we said:

> The committee has discussed with the Postmaster General certain proposals for effecting economies, and realizes that probably all of the suggestions made will provoke some complaints from one source or another. Nevertheless the financial condition of the United States Treasury is such that every step possible must be taken to save money.
>
> The committee believes that sizable savings could be made by a reduction of the number of deliveries per day to many areas particularly on those routes serving residential areas exclusively. Residential areas receive from one to three deliveries a day; rural patrons receive one delivery a day. The committee urges the Postmaster General to provide for the rearrangement of city delivery service so as to reduce the number of deliveries wherever possible. The committee does not insist that one delivery a day would suffice in certain extremely congested areas, but it does not believe that the opportunity to retrench on postal expenditures should be jeopardized by failure to take any action in this respect. The Post Office Department through the past few years has conducted an extensive program to adjust rural routes and such a program applied to city delivery would certainly not be out of reason.
>
> The committee believes that considerable savings could be made by the installation of mechanical devices and methods of handling mail in many of its operations. A mechanical sorting machine is now in operation at the Chicago post office for the primary sorting of outgoing mail. This machine is working out very well. However, there is no indication of any great desire on the part of the Department to purchase and install similar machines in other offices. There are also many other machines of a less expensive type which would undoubtedly be of considerable assistance to the Department in handling its work. The committee believes that immediate steps should be taken by the Department to survey its needs for such equipment and make installations of same, particularly in the larger offices throughout the country where the volume of mail handled would be sufficient to justify such installation and eventually result in a saving of money as well as decreasing the actual handling problem. The Department has been too reticent in adopting improved methods, and the committee insists that immediate change be made in this policy. It is suggested that careful consideration be given by the Department to the question of employing industrial engineers for a thorough survey of the Department's equipment and methods.

Not a word of protest to that report was raised by any member of the subcommittee or of the Appropriations Committee, or of the House, but to the contrary the gentleman from Louisiana [Mr. LARCADE] offered an amendment on the floor of the House to restore some of the funds stricken from the Post Office budget, which was defeated by an overwhelming majority.

Please note that our committee did not undertake to dictate to the Postmaster General how he should run his Department, but suggested that he give consideration to the reduction of the number of deliveries of mail and to the installation of modern devices and methods of handling the mail. The Postmaster General took the committee at its word and issued his order of April 18, 1950. If the Congress rescinds that order in the face of this background, any department head who in the future attempts to economize in his department would be a dolt and a fool.

The order of the Postmaster General is fair and reasonable in every respect. Its purpose is to eliminate nonessential services. It cannot be contended that two mail deliveries a day are essential for a part of the residences of the Nation when a majority of the residences receive only one, and a large number receive no deliveries whatever. As a matter of fact, it is impossible to justify the discrimination in favor of those previously receiving two deliveries in the face of our present critical fiscal situation.

Mr. Chairman, I say with all the earnestness which I possess that the time has come when, if we would save this Nation from bankruptcy and ruin, we must rid the Federal payrolls of all nonessential employees. This order, however, does not go that far. Not one regular postal employee has lost or will lose his position because of this curtailment of service. Some who had hoped to obtain employment may be disappointed because it has resulted in a freeze on personnel, but many who are supporting this bill recently voted for the Jensen amendment to the general appropriations bill which would have put a personnel freeze on all Government departments.

There has been no clamor from the people in opposition to this curtailment of service. I am advised by the Postmaster General that the communications commending his action far exceed those condemning it.

Now, Mr. Chairman, last, but by no means least, this bill should be considered in the light of the present Korean crisis. Apparently we do not realize the gravity of the situation which we face. Last week we passed a bill authorizing the President of the United States to control the entire economy of this Nation. This bill proposes to take away from a member of his Cabinet the authority to control his own department. Such action would be ludicrous and would make the Congress the laughing stock of the entire Nation.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. FERNANDEZ. In our committee this was not the only department that was cut to the bone. All of the other departments were cut to the bone and the other departments were given the same instructions.

Mr. GARY. That is true.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. McDONOUGH. Does the gentleman believe that the nations abroad who are receiving money from the United States through the ECA fund should have more mail deliveries than we do?

Mr. GARY. I am not regulating, nor is the United States Government regulating the mail of foreign countries. What mail they receive, I do not know, but whatever it is they are paying for it out of their own funds, not with United States Government funds. United States Government funds are not used for that purpose.

Mr. McDONOUGH. But they are used indirectly for that purpose, and we are sacrificing to meet the deficiencies that they cannot meet, and we are not giving the service to the American public.

Mr. GARY. I have heard no public clamor over the curtailment of this serv-

ice. Most of them commend the Post Office Department for the order issued.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. TABER. I wish to say, if I may be permitted, that I feel the House of Representatives should show some sense of responsibility this afternoon, and that we should not go on record in favor of fastening an additional expense of $50,000,000 or $70,000,000, or whatever it may be on the Government at this time.

Mr. GARY. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. GARY] has expired.

Mr. CORBETT. Mr. Chairman, I yield myself the remainder of the time on this side.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. FULTON. I believe the gentleman from Florida [Mr. HERLONG] said that this was simply a method of recruiting by the postal carriers association of members. I would like to point out to the gentleman from Florida that no temporary employee of the postal service has ever been a member of the National Postal Carriers Association; and that they have lost not one member through the Postmaster General's curtailment order. There are 103,000 members of that association, and 75 percent of them are World War I and World War II veterans, and we certainly cannot call their patriotism into question.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. JAVITS. A great deal has been said here about the mobilization effort with respect to the Korean emergency as a reason why we should vote against this measure. Is it not a fact that there is no fact adduced today which indicates that this will in any way interfere with the mobilization effort, in view of the fact that this order was made long before the Korean emergency, and that it is just being dragged in by the hair to endeavor to intimidate so many of us who have been working hard to see that this emergency is fully met?

Mr. CORBETT. The gentleman's comment requires no answer. I want to take just a few moments to point out here that—No. 1—it is entirely proper that we here today are considering a rescission of curtailment orders of the Postmaster General. Time after time the Postmaster General and his assistants have come before our committee and pointed out to us that we were the board of directors for the Post Office Department. Time after time our advice has been sought on matters of some embarrassment or importance. However, no member of the committee was consulted on this matter. No one had any advance information that this curtailment order was coming; we simply read in the papers, as did the other Members of the House, that beginning as of a certain date the orders were out that services would be discontinued.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. Not until I finish my statement.

So here and now I want to point out that this Congress and this Committee on the Post Office and Civil Service has every right to set the policies for the Department, that it should have been consulted; that it has a right now to say what services shall be extended to the people of these United States. It is not the business of an executive officer to tell us or the people how their money shall be spent.

There has been no demand from the American people, not even a hint of it, that their postal services should be cut out. You gentlemen are hearing the wrong echoes. What they want cut out is the hundreds of millions of dollars for spoiled potatoes, eggs, and milk; what they want cut out is the terrific quantities of tax money going for peanuts, and wheat, and cotton and storage of all kinds; what they want cut out is money for gambling casinos, bubble gum and throwing away money down rat holes. That is what they want cut out, not services for our own people to which they are entitled.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Mr. Chairman, the New York Times editorially says:

This is not real economy.

I hold in my hand a copy of the New York Times of August 1, 1950, with two-column spread headlines saying: "Faster mail service here urged—Cuts called damaging to business."

Here is the first paragraph of that article:

A series of steps to improve postal service here was outlined yesterday by the Commerce and Industry Association of New York. The recommendations grew from a survey of 500 companies, which showed that recent curtailments in postal service have had a disruptive effect on business in the city.

I have in my hand a letter from one of the largest manufacturing establishments in my congressional district, the Botany Mills, of Passaic, New Jersey, employing thousands of men, and having millions of dollars in contracts with the Federal Government for the supply of cloth for uniforms for the Army, Navy, Air Force, and Marine Corps. This is a letter of August 2 that Col. Charles F. H. Johnson, president of these mills, wrote to Postmaster Anthony V. Gross, of Passaic:

Confirming my phone talk with you of this morning, this is the straw that breaks the camel's back. Progressively the postal service has become very costly and very inefficient. A letter dated July 26 and mailed on that date to 140 Cedar Street, New York, was received August 1. Swell service but not unusual. Progressively we have been getting worse and worse service, whether it is in our business or in our home deliveries, and frankly, it smells to heaven.

Now, I want to call as a witness Mr. Jesse M. Donaldson, who, appearing before our Subcommittee on Appropriations on November 28, 1945, asked for the return of the two-delivery system bogged down during the war first because the people of the United States were clamoring for it; and, second, because he testified that the post offices of the country were becoming congested with mail.

I said to him when he was before our committee this year shortly after his order:

I take it from this testimony, Mr. Donaldson, that in 1945 you and Mr. Uttley and others in the Post Office Department were insisting on the restoration of the very type of delivery service that you have now ordered curtailed. Is that right?

His answer was:

My opinion has not changed since I gave that testimony.

And my comment was: "I believe that."

Mr. CORBETT. Mr. Chairman, I just want to say in closing this debate that we all recognize that the issue has been exaggerated far beyond its real importance. There is involved here something which has been estimated from $15,000,000 to $70,000,000. I certainly subscribe to the belief that $15,000,000 is probably a higher amount than will actually be saved by this order. I wonder if we, for the saving of some fifteen or twenty millions, will deprive business of good service and deprive the people of a fine communicaiton to their loved ones? We do all of this when the people are willing to pay for the kind of service they have always received and I hope that this Congress has the raw courage and good sense to stand up here today and vote to tell the Postmaster General that the people's Representatives are still the organization deciding what services shall be rendered by the people's Government to the people.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to call the attention of the gentleman to the fact that recently we passed the point 4 program saying that we are going to render service all over the world.

Mr. CORBETT. Let me say that practically every nation in the world receiving ECA help from us has better and more frequent mail delivery than this great country that is going out to police and rehabilitate economically and do everything for all of the countries that want something.

Mr. GAVIN. But when it comes to rendering a service to the American people well, then, we hear objection after objection.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That (a) the order of the Postmaster General, dated April 18, 1950, curtailing delivery and other essential postal services is hereby rescinded, and (b) the Postmaster General is hereby directed to maintain such services on the basis existing immediately prior to the issuance of such order until otherwise provided by the Congress.

Mr. THORNBERRY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THORNBERRY: After line 8 insert the following:

"SEC. 2. Essential postal services other than those curtailed by the order of the Postmaster General, dated April 18, 1950, shall not be curtailed or terminated by reason of the enactment of this act.

"SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this act."

Mr. THORNBERRY. Mr. Chairman, this is the amendment to which I referred when we were speaking in general debate. The first part of the amendment offers a section 2 to the bill and provides that the Postmaster General in carrying out rescission of the order shall not curtail any other essential services. I pointed out a while ago that those of us with rural routes and fourth-class post offices would be affected if the Postmaster General were required to eliminate not only the two-a-day delivery service but the 16 other nonessential services eliminated by the order. In the appropriation bill we told him he would have to cut $70,000,000 from the operation of the Post Office Department. If he has to restore the service cut out by this order, then he will have to go somewhere else to obtain the reduction of $70,000,000 which the Members of this House have already ordered.

This amendment simply says that "When you rescind the order you cannot eliminate any essential function of the Post Office Department."

The other section of the amendment states that we are hereby authorizing an appropriation of sufficient funds to pay for this bill.

You might as well be honest about this matter. If you are going to say to the Postmaster General that he has to rescind the order, then you ought to be willing to say that he shall have the funds to do it. As far as I am concerned, I do not think we have any business ordering him to rescind the original order. Our first duty during these days is to cut nonessential spending to the bone so that we can send bullets, guns, tanks, and airplanes to our men in Korea. I think the amendment is in order and I hope it will be adopted.

Mr. GUILL. Mr. Chairman, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Texas.

Mr. GUILL. I called Mr. Donaldson today and I said: "Mr. Donaldson, if we pass this bill where do you get the money?" He says, "You will have to appropriate it."

Mr. THORNBERRY. The gentleman is correct and that is the purpose of the amendment.

Mr. ROONEY. Mr. Chairman, will the gentleman from Texas yield?

Mr. THORNBERRY. I yield to the gentleman from New York.

Mr. ROONEY. Is it not the fact that the language in the second part of the gentleman's proposed amendment is entirely superfluous and unnecessary because at the present time the Appropriations Committee already has full and unlimited authorization to appropriate whatever money that in its discretion is required for the operations of the Post Office Department?

Mr. THORNBERRY. Let me say that the committee does have the authority, but this House passed a bill in which we reduced the Post Office Department $70,000,000. Let the Members of the House who now want to back up at least be honest enough to say we are willing to appropriate the money which this bill will cost.

Mr. ROONEY. The gentleman certainly understands that he is not appropriating money under the second part of his amendment. He is merely authorizing an expenditure, which authorization is already in the law.

Mr. THORNBERRY. I understand that, and I think the gentleman understands it. I want the House to go on record and say: "We not only ask you to rescind the order but we are in favor of appropriating the money."

That is exactly the amendment.

Mr. ROONEY. That is unusual and unnecessary. The amendment is intended to kill the bill. I am likewise opposed to the gentleman's amendment insofar as the first part of it is concerned. I do not believe that the huge subsidies for airmail pay should be included in the Post Office Department budget. The gentleman's amendment would lend some color of authority and support to the proposition that such subsidies should be continued through the Post Office Department budget. Further, the first part of the gentleman's amendment would freeze the funds for all other functions of the department and not allow funds to restore the curtailed services.

Mr. THORNBERRY. I do not think the amendment says that. It simply says "shall not eliminate any other essential function."

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Kansas.

Mr. REES. As I understand the gentleman's amendment, he means that if this House is willing to approve this legislation to restore the so-called curtailment of mail service, that it go on record as saying that we are authorizing, thereby meaning we want the apropriation of these funds to pay for it; is that it?

Mr. THORNBERRY. That is exactly right.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Can the gentleman give me any information as to the amount that was requested for the Post Office Department by the Bureau of the Budget?

Mr. THORNBERRY. As I remember, it was somewhere in the neighborhood of $2,777,000,000.

Mr. FOGARTY. And how much did the Bureau of the Budget allow?

Mr. THORNBERRY. The Bureau of the Budget cut it $42,000,000 and then the Committee on Appropriations cut it $28,000,000 more.

Mr. FOGARTY. And then how much of a cut was the Thomas-Taber amendment on top of that?

Mr. THORNBERRY. $200,000,000.

Mr. FOGARTY. On top of the other?

Mr. THORNBERRY. Yes.

Mr. FOGARTY. They cut them $200,000,000?

Mr. THORNBERRY. Yes.

Mr. FOGARTY. What effect would the Jensen amendment have on the postal service?

Mr. THORNBERRY. According to the figure furnished me $125,000,000.

Mr. FOGARTY. And that was by a vote of this House.

Mr. THORNBERRY. Yes.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Connecticut.

Mr. SADLAK. Has the gentleman's amendment been put before the Committee on Post Office and Civil Service?

Mr. THORNBERRY. The gentleman remembers that I wanted to offer the amendment in committee and the majority of the committee, of which the gentleman is a member, refused to even give me the courtesy of offering the amendment.

Mr. SADLAK. Of course, the gentleman from Connecticut is not the chairman of the committee.

Mr. THORNBERRY. I am not talking about the chairman; I am talking about the majority of the committee that refused to give me an opportunity to present the amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JACOBS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. JACOBS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. JACOBS. Mr. Chairman, I have been all afternoon wondering just what we are talking about or whether, in fact, most of us know what we are talking about. On April 17, 1950, this order that everyone has been talking about in this debate was issued. It is dated April 17. If you will look at your bill you will see that it provides that the order of the Postmaster General dated April 18, 1950, be rescinded.

Now, that might give us some insight as to how carefully and meticulously this bill was considered, and if that is an indication of the care with which this bill was studied and considered, then I think it is the strongest argument that could be offered here as to why it should be recommitted for further consideration.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. For a question or comment?

Mr. MURRAY of Tennessee. A brief comment. I might state that the majority of the committee refused to let us even consider the bill, refused to let us have hearings, refused to let the Postmaster General come before us and explain the order, over my protest and that

of the gentleman from Florida and the gentleman from Texas.

Mr. JACOBS. I thank the gentleman.

Let me go further: I submit to the Members of this House as a lawyer, an opinion in which I have rather profound convictions. We are, as the gentleman from Virginia well said, forcing an administrative officer to rescind an order which no reasonable man who has listened to the facts can say that we did not force upon that officer by virtue of appropriations. But we are also freezing the operation of the Post Office Department until we give consent for him to make any further changes. It is, ladies and gentlemen, the most ridiculous thing I have ever heard.

Now pardon me a moment if I say to you that there is something far more sacred involved in this than the $70,000,000 or the $200,000,000 or $395,000,000 that we are talking about. We have a government of checks and balances.

Here we are trying to take over the executive department of this Government. The Congress tried to do this in the administration of Abraham Lincoln, tried to take over by an executive committee, to usurp the functions of the executive, and that has happened in many, many instances of parliamentary history. It happened in my State in 1940 when there was a legislature of one political party and a Governor of the opposite political party.

They attempted to strip the Governor of his executive functions and he resisted that attempt just as Mr. Lincoln resisted. They were both called dictators. They were not dictators; they were good, patriotic, public servants who stood up and fought for the prerogatives of the Executive under our system of checks and balances. I am not going to question the motive of any man or woman on this floor. Every Member of the House of Representatives is the keeper of his own conscience. But I say to you it is clear this bill did not have the careful consideration that a bill of this kind is entitled to. He who runs can read the bill and see that if we are going to do our duty as constitutional officers of the greatest parliamentary body that man has ever known you are going to vote to recommit this bill. It is unconstitutional and it is unconscionable.

Mr. HERLONG. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

Mr. CORBETT. I object.

Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, I am glad the gentleman who preceded me made the remarks he did, because I believe he pointed up one of the crucial issues in this debate. The gentleman said, as you recall, something to the effect that this is an awful thing to be voting to force the head of the department to rescind an order which would attempt to establish certain economies in his department. The point which I can make more clearly than I can by quoting the gentleman is just this: if economies were ordered by the Committee on Appropriations, and if the Congress wants economies in the Post Office Department, why then did the Postmaster General pick out the most essential service in the Post Office for his curtailment order? Why is it, if you please, that he did not recommend to the Senate of the United States, where the bill is languishing in committee, that they end the political control of the Post Office Department by the majority party in this Government? Why did they not recommend that there be certain economies and efficiencies in the operation of handling the mail? Why did he not recommend this—and I want you to get this fact, gentlemen, because it is not generally known—the Postmaster General not only has the power, but the law which created the parcel post system in this country makes it mandatory for the Postmaster General to maintain rates on parcel post at at least the break-even point. He has consistently failed to do so. We are at this moment carrying in the Post Office Department so-called deficits of over $100,000,000 for penalty mail and we are carrying something between twenty-five to one hundred million dollars of actual freight subsidies for the railroads and $47,000,000 of subsidies on the operation of foreign air mail and $37,000,000 of subsidies on domestic air mail. We are providing in the buildings throughout the United States no end of services to all other agencies of the Government chargeable to the Post Office Department.

I am going to say this to you—I believe that the Postmaster General's order was the worst possible thing done in the worst possible way. If economy had to be established as a result of decreased appropriations, curtailment anywhere would have been better than at the actual point of delivery. I say to you this, which cannot be proved, but it is a mighty strange thing that every time we cut an appropriation for a department, they economize at a place where the public will scream the loudest. For example, they took the men off the locks when the appropriation was cut for the Army Engineers. They picked on the investigators of the Treasury Department when their funds were cut. All along the line we have the same old trick of bureaucratic pressure.

Mr. Chairman, I simply say in opposing this motion that the House is working its will and we are sending word to the Post Office Department that if the money is not forthcoming to do all of the things that might be done, then they at least ought to economize where economy is in order and not take it out on the taxpayers who are paying the freight.

The CHAIRMAN. The question is on the motion offered by the gentleman from Indiana [Mr. JACOBS].

The question was taken; and the Chairman being in doubt, on a division there were—ayes 71, noes 109.

Mr. JACOBS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JACOBS and Mr. CORBETT.

The Committee again divided; and the tellers reported that there were—ayes 82, noes 132.

So the motion was rejected.

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am a member of the committee. I have refrained from saying anything on the subject, but it seems that we have all inadvertently misrepresented the situation. Everyone refers to the fact that we are $500,000,000 in the red in the Post Office Department. That is entirely untrue, and those Members who use such figures ought to be sure of their ground before they talk about the subject.

If the cost of postage in the State Department were taken out—there is no reason why the Post Office Department should pay that postage because when we appropriate for the State Department we might as well put in a provision for postage; and the same thing is true about the Agriculture Department and the Department of Justice, the Department of Commerce, the Interior Department, and the Congress of the United States. There is no reason why our franked mail should be charged up to the Post Office Department, but that is what happens. You say it does not amount to much. One Member recently rose and said: "I resent the idea that we send out much mail; I do not send out over a ton a month." Why should the costs of superintending the public buildings in the city of Washington be charged to the Post Office Department? And the subsidies to railroads, steamship lines, and the commercial air service are also charged to the Post Office Department. When you take those cats and dogs out of the situation you have $383,000,000 that is now charged up to the Post Office Department. That leaves less than $150,000,000 deficit, and Postmaster Generals have said for years that they considered a deficit of $150,000,000 a part of the public service rendered by the Post Office Department.

So while you are curtailing the delivery of mail it does not affect my country, because if we get mail once a week we are doing well; and we do not want your newspapers any oftener than we have to take them. But if we are taking a daily newspaper in the East we want two a day because they change their policy between issues. I have practiced law for 50 years but according to what I have heard here I probably do not know anything about law. If this is right I will be the first one to admit it. I am thinking about the rising young lawyers in this House, those for whose display of legal acumen I had great respect. They say that we have no right to legislate for the Post Office Department—that we are interferring with an executive department. I say to you we have the right to legislate for any department, and that the executive department carries out the orders of this Congress. Is not that the law? But we should not interfere because these constitutional lawyers from Indiana and Virginia say we should not.

In congested areas in the East, the people demand a mail service that they have been having in the past. The West understands their needs and will support them in their needed mail service.

Western Representatives are not selfish and see the needs of the whole Nation and as well as their own.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Was I referring to the gentleman?

Mr. JACOBS. I am the one who made the speech.

Mr. BURDICK. I did not refer to the gentleman by name.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have an amendment very much like the amendment offered by the gentleman from Texas [Mr. THORNBERRY]. I made the statement previously that I was going to support his amendment. After studying his amendment and mine I find this difference between them: My amendment strikes out the language in line 8 of the bill "until otherwise provided by the Congress."

The gentleman from Virginia [Mr. GARY] brought out the fact that this language would freeze all services on the basis existing immediately prior to the issuance of this order on April 18. I do not want to freeze completely every administrative discretionary act of the Postmaster General. I think we are all agreed upon that.

The balance of my amendment, which is not in order at this time because it strikes out language, would strike out the words appearing in line 8 and at the end of line 7 add the following: "and such funds as are necessary to accomplish the purpose of this act are hereby authorized to be appropriated."

I believe my language is better because it does not freeze the administrative discretion of the Postmaster General and it accomplishes the same purpose as the gentleman from Texas [Mr. THORNBERRY] seeks to accomplish. If his amendment is defeated I shall offer my amendment, if I am recognized. I am sure it will accomplish what we want to do.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. Will the gentleman add to his amendment the words "and this act shall not go into effect until such appropriations have been made"?

Mr. HOLIFIELD. I will not add that. I do not consider it is within my province to add that language. If the gentleman wishes to offer an amendment after mine is voted upon he is at liberty to do so.

I believe the Appropriations Committee will take into consideration the justice of reconsidering this matter of Congress reasserting that it wants this additional service and I believe the members of that committee will follow the will of the Congress. I might point out, if we want to be honest on this matter, we either want two services a day or we do not want them.

At the present time we must admit that a combination of cuts as the result of the Budget Bureau, the action of the House, the Thomas-Taber amendment, and the Jensen amendment have brought about a total cut of $395,000,000 out of a total request for $2,277,000,000. This action, however, has not been taken in the other body, which has cut $70,000,000 only.

The appropriation bill now must go to conference. As a matter of fact, it is in conference and the cut will undoubtedly be somewhere between $70,000,000 which the other body has cut and the potential $395,000,000 which the House has cut. I do not know just how much it will be but if it is over $70,000,000 we are taking away from the Postmaster General the necessary funds to restore this service.

So, if we want to be honest we will, along with the passage of this bill, also authorize the appropriation of such funds as are necessary, be they whatever they may. There have been various estimates from $25,000,000 to $70,000,000. It will be necessary to do that to restore these services and we will be doing in an orderly fashion that which the House wishes to accomplish.

Mr. CLEMENTE. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. CLEMENTE. Several references today have been made to a deficit in the Post Office Department. Are there not other departments which have deficits?

Mr. HOLIFIELD. I am sure there are.

Mr. CLEMENTE. For a similar period the Commerce Department has a deficit of $667,000,000, the Department of Agriculture a deficit of $474,000,000, and the Interior Department a deficit of $459,000,000.

Mr. HOLIFIELD. The gentleman is correct. All of the departments incur deficits as far as I know. That is because we want to render certain services to the people of the Nation and they must run at a deficit. I am personally in favor of putting the Post Office Department as nearly as possible on the basis of self-sustainment, because I believe that the subsidies offered at this time to newspapers, to magazines, to catalogs, to all kinds of second- and third-class mail, should be borne by the people who incur the expense.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JACKSON of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the decision that we each have to make today on this measure is not an easy one. It is a very difficult decision for some of us to make from a political standpoint because, unlike the gentleman from North Dakota many of us have hundreds of postal workers living and working in our districts.

Nor it is an easy decision to make in terms of human conscience. Economy has been defined as something which everybody wants to achieve at somebody else's expense; so it is that the human thing to do is to resist economies which cut home, which affect us or our own districts. When the order of the Postmaster General was issued in April, I was very much opposed to the cuts in service. It appeared to me that there was an element of personal pique in the way the cuts were enforced. I thought that the arbitrary issuance of the order without consultation with the appropriate committee of the House was not the way to effect such economies. I deplore the unemployment which came as a result of the cuts, and in general it seemed to me that the order and the way the order was effected evidenced a cavalier disregard for the public interest.

Then overnight, Mr. Chairman, something happened 7,000 miles west of San Francisco that changed a lot of previous concepts. The Communist aggression in South Korea shed an entirely new light on the order of the Postmaster General and on many other things transpiring in government. Issues that loomed large on the horizon on the 24th of June suddenly assumed new and insignificant proportions on the morning of the 25th. Virtual mobilization of our resources was started immediately after the attack. Men were called from their homes and from their families to go into combat 7,000 miles away from home or into camps for training. Defense requirements have multiplied; billions of dollars which we did not anticipate we would be called upon to spend are now very real matters confronting us immediately. Other billions of dollars will undoubtedly be required before we see the end of this business to which we have committed ourselves. I venture to suggest, Mr. Chairman, that the people of this country, the American citizens of this land, are today more concerned with what is happening to their American males in Korea than they are worried about twice-a-day delivery of the domestic mail here at home. The American people are rightfully demanding immediate cessation of all expenditures which do not bear directly upon the essential and basic defense of this country, and for that reason, and in spite of the fact that I have opposed the cuts, opposed them at the time they were made, I expect to oppose this bill and its passage today. I am sure that the Americans in my district, postal workers, businessmen, and housewives alike will applaud an honest stand and assume their share of the national sacrifice which we must make. The debate today has convinced me that the cuts should stand in the interest of economy at home and the welfare of our fighting men into whose hands we must deliver an ever-increasing volume of weapons and equipment.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CORBETT. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, reserving the right to object, I would like to get into this.

Mr. VURSELL. I object.

Mr. CORBETT. Mr. Chairman, I move that all debate on this amendment close in 10 minutes.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Did the Chair understand on this amendment and all amendments thereto?

Mr. CORBETT. And all amendments thereto.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this amendment and all amendments thereto close in 10 minutes.

The question is on the motion.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, the point was made here on the floor that the Korean situation would suffer in the event we rescinded this order of the Postmaster General. I had a letter from a mother the other day who spoke of 12 letters which she had sent to her soldier son. They had been unopened and had been returned to her with the address marked "unknown." I say to you, in view of that and many other letters which are not getting through from the parents to the soldiers and from the soldiers to the parents, we owe it to the people of the United States to oppose this order and pass this resolution today to tell the Postmaster General that he had better get busy and think about the people of this country so that we will have an opportunity to exchange mail with our fighting sons.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. CANFIELD. What would they do if we held a referendum among the troops?

Mr. EDWIN ARTHUR HALL. What would they do? They would tell us to take this order and throw it out the window.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to extend his remarks at this point in the RECORD and to yield his time to Mrs. ST. GEORGE.)

Mr. GROSS. Mr. Chairman, there are one or two points I want to make clear.

First of all, emphasis has been placed this afternoon on the curtailment of mail delivery service as though that were the only service that has been affected by Postmaster General Donaldson's decree of April 18. Let it be kept in mind that several other vital services, including mail collections and directory service, have likewise been hamstrung.

It is argued here, and some Members of the House seem to favor the curtailment order because it is claimed there is no effect upon rural delivery. Rural service, always notoriously slow because carriers usually leave early in the morning and there is but one delivery per day, is indirectly affected by virtue of drastically curtailed overnight collections and handling of mail in cities and towns, destined for delivery to farmers.

Much has been said about the saving of money as a result of this curtailment order. Appearing before an appropriations subcommittee in May of this year, the Postmaster General estimated the annual saving would not exceed $25,000,000. It is contended here this afternoon the saving will reach $70,000,000. What is the truth? I am convinced it is more accurate to take the testimony given before the subcommittee rather than a glowing statement issued here today, perhaps intended to influence this action of the House.

And right here I want to reiterate what I have said on other occasions: That in my opinion the original curtailment order was issued in an attempt to bludgeon Congress into appropriating all of the money demanded by the Post Office Department.

Yes, I am for economy in government, but I am not for the kind of economy that curtails a vital service, used by all the people of this country, while foreign countries to which we ladle out billions of dollars, have better mail service than we here in the United States under the Postmaster General's curtailment edict.

Of course, there is a deficit in the Post Office Department and there always will be as long as the handling of hundreds of tons of congressional and other franked mail is charged each year to the postal service; as long as subsidies for airlines and railroads are charged to the postal service; as long as costs of maintaining offices for Internal Revenue bureaus, space for Federal courts, triple A offices, recruiting offices, and so forth, are charged to the postal service.

On March 7, 1949, Postmaster General Donaldson appeared before the House Post Office and Civil Service Committee, and was questioned concerning payments to the railroads for the transportation of mail. I quote an excerpt from his testimony:

> Now, with reference to the space for transporting mails by full carlots or by 15 feet or 30 feet or 45 feet, or what not, I think our investigation indicated that we used about half of the space that we paid for.

Would not it be plain business sense for the Postmaster General to get what he pays for with the taxpayers' dollars before he slaps the same taxpayers with a denial of even the kind of mail service they help provide foreigners?

Incidentally, what Member of the House, who supports this curtailment order, has taken the floor today to complain because of the four or five mail deliveries he gets at his office each day? And what about that Sunday mail delivery to every Member's office? How about the mail collections from the House and Senate Office Buildings that are made until late at night? Can it be the Postmaster General simply overlooked Members of Congress when he put his curtailment order into effect with respect to the garden variety of our citizens? Or is it possible that politics, about which we have been hearing so much on this occasion, played a hand in providing special favors to Members of Congress?

In conclusion, Mr. Chairman, I want to say a word about the statements that have been leveled here today against the representatives of the various postal workers' organizations. I have found these men to be courteous and fair at all times. I have agreed with them on some issues and disagreed with them on others. They have a perfect right and a duty, not only to speak for their members but whatever they believe for the common good of this country.

I resent the attempts that have been made to impugn their motives or mine in support of this legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, the fundamental weakness here, it seems to me, is that there was no hearing given to the Postmaster General. I usually do not believe in deciding a matter, especially of this moment, without a hearing. Unless we give the Postmaster General a hearing, I do not know how we are going to determine whether or not this order was justified.

I wish I had a little more time because I would like to make an argument on this. But I will conclude by saying that my mind is still open although at this time I definitely intend to vote against H. R. 8195, but I hope that someone may be able to say something which will give me some more light on the subject as to why I should support it, but I do not see how I can support it in good conscience at this time.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, we, on this side, feel that in no wise does this amendment seriously upset the meaning or spirit of the rescission order. The majority of us who have considered it at least find the amendment quite acceptable and therefore we do not oppose its passage.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, I do not propose to discuss this legislation in 1 minute. I rise at this time because the recommendations of the Hoover Commission as related to the Post Office Department have been mentioned. The recommendations of the Hoover Commission with respect to the House Committee on Post Office and Civil Service should be kept straight.

I had the honor to be the chairman of the House Committee on Post Office and Civil Service for a period of 2 years during the Eightieth Congress.

For the benefit of Members who are apparently not familiar with the work of the House Post Office and Civil Service Committee during the Eightieth and Eighty-first Congresses as related to the postal service, I should like to make a few observations.

During the Eightieth Congress our committee, working together, made numerous recommendations for greater efficiency and economy in the Post Office Department operations. I should add they were all on a nonpartisan basis. It is not strange these recommendations were adopted in the Hoover report on the postal service. It should be observed a number of the recommendations did not require legislation but could be handled by Executive order.

During the Eighty-first Congress our committee has approved all legislation referred to it carrying out Hoover Commission recommendations except a bill relating to confirmation of postmaster

appointments, which is a Senate prerogative. This legislation, if approved, would not save a lot of money. In any event it is a prerogative of the Senate to pass on this legislation first. The reorganization proposal suggested by the Hoover Commission is being handled by Executive order. It does not require legislation.

I should add one thing more. Our committee made recommendations for the saving of a good many more millions of dollars than were in the Hoover Commission report. Many of them are still pending and under consideration in the Post Office Department.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I feel in good conscience entitled to support this legislation, for the following reasons: The order to curtail mail service in city residential areas, like my district, was made in April of this year, long before Korea was in conflict, and was made solely on the grounds of what the Postmaster General considered to be a necessary economy. The people in my district, not alone the post-office employees, in my opinion, overwhelmingly want this residential delivery service restored and are ready to pay for it. I will support an amendment to provide the authorization for appropriations for this reason—and the same people, as soon as the mobilization effort requires it, will just as cheerfully give up this service as they did during the war.

This is neither a moral nor a policy issue. It is a straight issue of personal convenience. I am convinced that the people in the big cities want the residential delivery service restored and are willing to pay for it. They ought to have it, and when the mobilization effort requires that they should not have it, they will just as cheerfully forego it.

Mrs. ST. GEORGE. Mr. Chairman, I am sorry to take up more of the committee's time, but I do want to explain my vote, because I shall not support this amendment. The reason I say that is because there seems to be quite a few of my very dear colleagues who follow these votes very closely, and therefore I think it is just to give them my reason.

The reason I cannot support this amendment is that if I believe the only way to economize in the Post Office Department were to curtail mail service, I would certainly vote against the resolution. I do not believe that. My studies in the Department and my work in the committee have convinced me that there are many more efficient ways and greater economies that can be effected, notably in the parcel post.

It is written in the law of the land that parcel post has got to pay its way and that the Postmaster General shall see that it does pay its way. This law has never been observed in any possible respect.

Mr. CANFIELD. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield

Mr. CANFIELD. That concerned the Subcommittee on Appropriations very much, because he has been remiss in not applying for a proper rate.

Mrs. ST. GEORGE. And that law is written on the statute books.

Mr. KEATING. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. KEATING. In other words, as I understand the gentlewoman's position, it is not necessary for us to authorize any additional funds, because the Postmaster General already has sufficient funds to put this order back into effect, without asking for any more?

Mrs. ST. GEORGE. In effect, but not entirely. What I wanted to convey was that there are other economies, and more pressing ones, that could be effected without this very small one.

Mr. KEATING. Which, if put into effect, would not effect the appropriation of any additional funds?

Mrs. ST. GEORGE. Quite correct. Another thing, they would not curtail a very vital service, not only to the people at home but to our boys who appreciate mail now more than ever.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

The gentleman from New Jersey [Mr. CANFIELD] is recognized.

Mr. CANFIELD. Mr. Chairman, mention has been made of the fact that the Postmaster General, before he issued this order, did not consult with members of the House Appropriation Committee dealing with the Post Office Department funds.

May I read to you the opening remarks of the very distinguished chairman of our subcommittee, Mr. GARY, of Virginia, when he examined Mr. Donaldson early in April, shortly after his order was issued:

> Mr. GARY. Before considering those estimates, however, I want to take this opportunity of commending the Postmaster General for his recent order, which is designed to save some money in the operations of the Post Office Department.
>
> Frankness compels me to say, Mr. Postmaster General, that I think the timing was a little bad, and I was somewhat embarrassed because of the fact that no mention was made to this committee of the fact that the order was to be issued.
>
> The first intimation I had of it came from the chairman of another committee in the Congress, and then when the newspapers called me up and requested a statement with reference to the matter, I had not seen the order, I knew nothing about it, and it was a little embarrassing.

The CHAIRMAN. The gentleman from California [Mr. WERDEL] is recognized.

Mr. WERDEL. Mr. Chairman, I believe this is a crucial vote on this amendment. I speak in opposition to the amendment for that reason. I say that because the amendment does two things, both of which are unnecessary under the laws that now exist, in my opinion.

In the first place, the power is now in existence to make these appropriations. In the second place, it is contrary to public interest and contrary to the duties of the Department to shut off any services that are fundamentally necessary. I think the amendment suggested is dangerous to those who would like to see this bill pass, for this reason: The Congress last year, and in this year, in cutting the appropriation of the Post Office Department, found that it should operate with less money, and expressed itself in that regard, and we have an expression of congressional intent. If the Members relied upon the Hoover reports, or whatever it was they relied upon, proper studies were made in the committee. If this amendment goes into the bill, saying that we are going to appropriate $70,000,000 more, votes will be lost on the final passage, I am sure.

The CHAIRMAN. The time of the gentleman from California has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. THORNBERRY].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 93, noes 70.

Mr. WERDEL and Mr. ROONEY demanded tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. THORNBERRY and Mr. ROONEY.

The Committee again divided; and the tellers reported that there were—ayes 120, noes 104.

So the amendment was agreed to.

Mr. GUILL. Mr. Chairman, I move to strike out the last word.

Mr. CORBETT. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. GUILL. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 20 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Pennsylvania.

The motion was agreed to.

Mr. GUILL. Mr. Chairman, I rise in opposition to this bill and I would like to state at the outset that I am one of those who signed the petition.

I found myself in the position of having a lot of letters from my friends at home who wrote and said: "BEN, we thank you for signing the petition to get it before the House."

I want you to know that I signed that petition because there was some controversy and also on the day I signed the petition the so-called police affair in Korea had just started. Also I was informed that the reductions in service only saved the people of these United States $15,000,000 a year. As great a sum of money as that is it was only a drop in the bucket compared with the $500,000,000 the Department suffered as a deficit in the fiscal year ending in June 1950.

Mr. Chairman, this morning I thought I would find out a few things myself, so I called up Mr. Donaldson and asked him if he would be kind enough to speak with me about this present situation. He assured me that the saving would not be $15,000,000 but $70,000,000. People back home tell me: "We want to pay for this war as we go but, for God's sake, cut out unnecessary expenses."

Seventy million dollars a year is not hay. I do not understand for the life of me whether it be the Republicans or whether it be the Democrats, or whether it be Mr. Donaldson who wish to make

these savings. The point is, the money is to be saved. Now, I have never had the pleasure of meeting Mr. Jesse Donaldson in my life but here is a man who has offered us a chance to save $70,000,000, yet we are in here wrangling over this issue when we need the $70,000,000 for other purposes. When you break down $70,000,000 into a few tanks, shells, and bazookas, when you think of $70,000,000 for the war effort, I do not think anybody in this House can honestly vote to spend it on something as nonessential as an extra mail delivery a day.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. GUILL. I yield to the gentleman from Indiana.

Mr. JACOBS. May I make the observation that I have just been informed that today the Committee on Armed Services reduced an appropriation $50,000,000 for the building of training installations for our fighting men.

Mr. GUILL. Gentlemen, I want to say one other thing. I do not think there is a single ex-serviceman sitting in this House, in this gallery, or on a postal route in my home town, who thanked me for signing this petition, but who will say, "BEN, you are exactly right."

I want to go a little bit further there. That $70,000,000 we can save. And, I am particularly in favor of saving the $200,000,000 that it cost last year on second-class mail, and some $135,000,000 on third-class mail, and also $105,000,000 on fourth-class mail. But, here is a start. Let us carry on and let us save this $70,000,000.

Mr. VURSELL. Mr. Chairman, some personalities have been brought into the debate today which I think are hardly necessary. Reference has been made to the national president of the letter carriers association, Mr. Doherty, relative to this legislation.

I regard Mr. Doherty as a very high grade gentleman in the postal organization and, of course, expect him to represent the men in his organization to the best of his ability.

On this piece of legislation, however, I disagree with him. I am against the bill and do not believe it should be enacted into law.

I should like also to say that I have the highest regard for the postal employees in all branches of the service. They are intelligent, patriotic citizens. No group of Federal employees in America, in my judgment, outrank them or do their jobs better.

During the past 8 years, because of their fine record of service, Members of Congress have expressed their appreciation by passing much legislation beneficial to them. During the past 8 years I have served in the Congress, much of the time on the Post Office and Civil Service Committee, I have constantly supported legislation in their interest including some four or five salary raises, the broadening and increasing of their retirement benefits and much other legislation. These men know and appreciate what this Congress has done.

Mr. Chairman, I believe if they were seated in the Congress instead of us as Members of this body, with all the facts before them, they would not approve this legislation.

In fact, I have made some investigation over the phone and by letter in my district, contacting some of the employes in an effort to find out how much of a hardship, if any, is being thrown upon the letter carriers since the order of the Postmaster General took effect July 1.

Those whom I have contacted tell me that the new order is working out very well and that it throws little or no hardship on the classified letter carriers and that probably only a few hours during the week may be lost by some non-classified substitute. In fact, I have been told by postal employees they prefer the new working order.

Mr. Chairman, another thing that makes me think the postal employees are pretty well satisfied is that I have received less than a dozen letters from postal employees asking me to support this bill out of 15 counties, and only three letters from the public in favor of it.

I believe the fair thing to do is to defeat or defer this legislation for the remainder of this year. That will give more time to determine whether it is wise to continue it and we fervently hope that the war clouds will clear up, that victory will come to American armies in Korea before the end of the year and possible dangers of other wars will have subsided.

Mr. Chairman, this would give time to give a fair try-out to the Postmaster General's order which has cut back some of the service. I think my past record in the interest of the postal employees proves my desire to be fair in dealing with legislation affecting them. If, during the rest of this year this cut-back order is not justified under trial and error, I will be the first one to introduce or support legislation of the type we have before us today, next January.

The only sacrifice those living in the towns in my district are called upon to make—if it is any sacrifice—is to receive only one delivery of mail to their residences a day instead of two.

They, with all of the other citizens in the United States, on the other hand, secure the benefit of this Government saving of $70,000,000 a year.

I am sure that in these serious times the people would rather have one delivery a day instead of two and make this $70,000,000 saving so desperately needed in these chaotic times.

Let us look at it another way. The farmers who are fortunate enough to live on a rural route never get but one mail delivery a day.

Is there any more reason why those who live in the towns and cities should have two deliveries a day than the farmer?

Mr. Chairman, we are now in a war and our soldiers are fighting and dying in Korea. They are lucky if they get their mail once in 2 or 3 weeks. They are fighting to protect the liberty of all the people in the towns and countryside of this Nation. You have read in the press that they have been woefully short in equipment. By reason of not having proper equipment many of them have lost their lives. Seventy million dollars would help alleviate the situation we are now in in Korea and billions of dollars more will be necessary in the manufacture of planes, guns, tanks, munitions, and so forth, before the defenders of our country will be properly supplied with the equipment that is necessary to give them the best opportunity to protect their life and defend our country.

Mr. Chairman, dozens of times on the floor of the House in the debates throughout the past year I have urged that on the home front we should cut out every expense not necessary and use the money to build up the military equipment of our Nation, due to the chaotic conditions now eixsting throughout the world.

We need this $70,000,000 and we need many billions more in building up our defenses to protect the freedom and liberty of all of us. I cannot, in good conscience, support this legislation.

Talk about sacrifices here at home. The real sacrifices that are being made are by the boys who are fighting and dying in Korea this very day. Radio commentators this morning state that 60,000 heavily armed northern Korean Communists are massed to make the final drive to push our soldiers into the ocean at Pusan. Our men are still outnumbered, still out-gunned, yet this Congress is frittering away its time debating whether or not some few people should have two mail deliveries or one a day in our towns and cities.

Let us defeat this legislation, save this $70,000,000, and use it for the manufacture of guns, tanks, and ammunitions for the defense of our country and to save American lives.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Strike out all of the language in line 8 and insert a period after the word "order" in line 7.

Mr. HOLIFIELD. Mr. Chairman, the purpose of my presenting this amendment is to clear up the language which I believe freezes administration discretion of the Postmaster General as of the date immediately prior to the issuance of the order, particularly in view of the fact that the words "and other essential postal service is hereby rescinded" include about 16 different minor services which it may or may not be administratively wise to change. It is a clarifying amendment and I offer it for the purpose of making the amendment offered by the gentleman from Texas and mine agree in intent.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Kansas.

Mr. REES. Does the gentleman have any figures with respect to the cost of these other services that he has mentioned?

Mr. HOLIFIELD. I have no figures. That has already been agreed to by the House. I am merely clarifying the fact

that it will give the Postmaster General administrative discretion to do these minor things if he wants to, without awaiting the direction of the Congress.

Mr. REES. Does he realize the thing we are talking about today is a question of the delivery of mail and that that is only a part of the service involved in this resolution we have before us this afternoon?

Mr. HOLIFIELD. Yes.

Mr. REES. Those matters have not been discussed at all.

Mr. HOLIFIELD. The House will have an opportunity of voting on the question of whether we want the Postmaster General to restore this service or not. I think there is a clear-cut and honest issue now that appropriations have been authorized for the restoration of this service and the Members may vote according to their consciences on whether they want to adopt the restoration in an orderly way.

Mr. REES. In other words, you are cutting out part of the restoration.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, all sorts of figures have been bandied about the Chamber today, indicating the saving which might result in the operations of the Post Office Department by this curtailment order. When Mr. Vincent Burke, the Deputy Postmaster General, was before our Subcommittee on Appropriations, dealing with the Post Office Department funds on April 27, 1950. I read from page 443 of the subcommittee hearings:

> Mr. CANFIELD. Mr. Burke, I am sure that the Postmaster General, and you also, have in mind, too, the fact that this order is now the subject of inquiry on the part of the Senate committee, and I just want to read briefly some testimony adduced at the hearings held on Tuesday, April 25, when Senator NEELY, questioning the Postmaster General, said:
>
> "Do you not think there ought to have been some attempt to ascertain how much, if any, would be saved?
>
> "Mr. DONALDSON. We have a fair idea.
>
> "Senator NEELY. Would you say $25,000,000?
>
> "Mr. DONALDSON. No; I would say something around $20,000,000 may be saved by this procedure.
>
> "Senator NEELY. I have endeavored to obtain some estimates during the last 2 days. Twenty-five million dollars was the highest, and $15,000,000 was the lowest that it was estimated would be saved.
>
> "Mr. DONALDSON. That is right."

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. KEATING. In other words, we have been hearing a lot of talk about $70,000,000 and so forth.

Mr. CANFIELD. Yes; and we have been hearing talk about $200,000,000.

Mr. KEATING. Is there anything in the RECORD about $70,000,000?

Mr. CANFIELD. I have read to the gentleman from the RECORD.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. MICHENER. Does not the gentleman know as a matter of fact that he is reading the best guess as of last April? It has been testified to here on the floor, and when I say testified to, I mean by a number of gentlemen—the gentleman from Texas [Mr. GUILL] and others a few minutes ago. One of the gentlemen stated that he had talked personally with the Postmaster General.

Mr. CANFIELD. It is obvious that he is revising his figures.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, I regret I was not allocated time to speak earlier in the day on this bill.

I do not think there is need to become unduly excited with regard to this proposal. The order you offer to rescind is an Executive order approved by the administration.

I regret so much feeling has been engendered over this proposal at a time when there are so many serious problems to be considered that involve the safety and security of our country.

Let me say I respect the Postmaster General, but I hold no particular brief for him. He certainly does not need any defense from me. I have differed from him on a number of occasions.

He has been praised from one end of this country to the other by representatives of postal employees, and by many representative organizations, and by Members of this Congress for the reason he is one of the few persons in high places in Government and because he came up from the ranks and is really a career employee. I have heard him lauded in high places by people who are today criticizing him.

I want it known too, I have high regard for the fine service being rendered by those employed in the Postal Department and for those who represent them. We are for them. They are every one fine patriotic persons. They render faithful and courteous service everywhere you find them.

If this order is causing undue hardship for those employed in service, or if they are required to work too long hours, then that situation should be remedied. I don't want to economize at the expense of postal workers. That is false economy as everyone knows. If $70,000,000 can be saved, let us do it. We need it for the war effort. The argument here today is that the legislation is for the benefit of people who, before April 17, received two deliveries of mail per day and now receive one delivery every day. I think it is fair, as has been suggested, that a great segment of our people, in fact most of them, have always received only one delivery, and are glad to have it. People in rural districts get one delivery. Those in small towns get one if they go to the post office, otherwise not at all. Many people in this great country get mail only two or three times per week. People in the business district continue to have mail two or three times per day.

Mr. Chairman, there is little suggestion here that this legislation is for the benefit of the employees. The Postmaster General insists no regular postal employee has lost his job by reason of this order. I hope that is correct.

It is claimed $70,000,000 is being saved by reason of this order. This is a considerable amount of money that can be applied against a terrific obligation we are assuming these days. It is said more can be saved in other places in the Post Office Department. I agree. I have insisted on many occasions that millions more can be saved, without impairing the service, and have pointed the way to do it. I shall continue to do so. We are not in very good shape to talk about saving money for the taxpayers of this country and then support this legislation, until we have at least given the order a fair trial. Wait at least until the first of next year and then look it over again.

Mr. Chairman, these are serious times. They call for a lot of sacrifices. This order calls only for some inconvenience. I think those whose mail is cut to one delivery a day will be glad to go along if they understand the situation.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. SUTTON].

Mr. THORNBERRY. Mr. Chairman, I ask unanimous consent that I may yield my time to the gentleman from Tennessee.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SUTTON. Mr. Chairman, I would like to address one statement to the Members on the Republican side of the aisle. I do not see how any member of the Republican Party who believes in economy can vote against this $70,000,000 saving. To my good friends of my own party, I would like to know how any Democrat in the House can vote against an order by a Cabinet officer of the Democratic Party.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. JACOBS. I thank the gentleman for yielding to me so that I can clarify the remarks I made a moment ago while the gentleman from Texas was speaking. I was in error in regard to the Armed Services Committee having reduced appropriation requests for the Defense Establishment $50,000,000.

I want to advise the House that this House today, when it passed the bill H. R. 8594, struck out section 3, the following language of authorization:

> In the aggregate amount, not in excession of $400,000,000, which shall be available for obligation purposes at the rate of not in excess of $50,000,000 in any fiscal year.

This refers to the acquisition, purchase, and lease of property, and so forth.

This House today eliminated the authorization of $50,000,000 for training facilities for men for the armed services. That is what you did, folks. Now, in a few moments you are going to have a chance to spend that $70,000,000 some other way, and it is going to be interesting to see who wants to and who does not. I question no one's motives, but I warn someone is liable to make some interesting reading in the way of contrasts.

Mr. SUTTON. If this House does pass this bill, I hope the other body will defeat it. Then, if the other body does not defeat it, I hope that the President will veto it, because I think it is unfair legislation. It is not the right time for it.

We are in a crisis right now. We need to save this $70,000,000 to buy munitions. We do not need but one service of mail a day.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. Yes; I yield to my friend from Ohio.

Mr. HAYS of Ohio. I would like to say to my very good friend the distinguished gentleman from Tennessee who inquired how any Democrat could vote to overrule a member of the Cabinet, that the Postmaster General testified this was going to save $15,000,000. Then he was cut $25,000,000 by the Appropriations Committee, so he said, "I will slap the Congress down. I will show them they cannot do that to me." I for one will vote to overrule him, because the people through their elected representatives in Congress are running this country and some of the Cabinet officers need to know it.

Mr. SUTTON. In answer to the gentleman from Ohio [Mr. HAYS], I would like to say that he is a very competent and efficient legislator but the Postmaster General is supposed to be running the Post Office Department of the United States. I admire my friend from Ohio greatly. If we are going to run the Post Office Department, why have a Cabinet position of Postmaster General?

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. GARY. May I say to the gentleman that some of the people who are supporting this legislation do not know what they are talking about. I will personally assume responsibility for it. Fortunately, all of the members of my committee have not run out on the instructions they gave to the Postmaster General. We instructed the Postmaster General to do this. He is carrying out the instructions of our committee. I take credit for it and not the blame.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

The gentleman from Pennsylvania [Mr. CORBETT] is recognized to close debate.

Mr. CORBETT. Mr. Chairman, in closing this debate, let us get one thing clear, and that is that the amount of money involved is probably less than fifteen or twenty million dollars. We have reports from the Deputy Postmaster General that they are not beginning to save the money they thought they would. The postmaster of the city of Washington is finding out that the money expected is not being saved. This curtailment order might properly be named "curtailment of postal income" as well as "curtailment of service." Most of the volume that is being cut down is very important and very serious, and the net effect may be a reduction of postal revenue. I say to you, as the gentleman earlier said, this is a matter of policy. I agree with the gentleman from Kansas [Mr. REES] that it will probably not become the law; but the House of Representatives has the prime duty of telling the people of the United States that they too want adequate and proper postal service, as they have always had.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. HAYS of Ohio. In reply to the gentleman from Virginia [Mr. GARY], I think perhaps he does not know so much what he is talking about either. As I remember, he has changed his mind about this since his primary.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. ROONEY. I would like to make this observation. The order was in effect from the 18th of April until the end of the fiscal year, June 30, 1950. The fact is that not a dime was returned to the Treasury by the Post Office Department at the end of the fiscal year 1950 as a result of the alleged saving.

Mr. CORBETT. Mr. Chairman, in conclusion, let us restore the postal service to the people of these United States, so that it can continue to be progressively better.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. If I have any time remaining.

Mr. GARY. I would like to ask the gentleman from Ohio to produce proof of the statement he has just made.

Mr. CORBETT. He can do it later, we hope; and I hope that on tomorrow this bill will pass by an overwhelming majority of the House.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, I intend to support this resolution. Even though the appropriation for the Post Office Department is substantially above last year, the Postmaster General has instituted these wholly unnecessary cuts in service to the public. He has admitted in committee hearings that the effect of his order is to cause mail to pile up in the post offices, thereby impeding distribution and frequently delaying deliveries substantially. Some complaints coming to me say that mail is delayed from 2 up to 5 days, since this order went into effect. Many working people are unable to transact their business at the post office, since windows have been closed during off hours.

The only way to deal with such arbitrary administrative action is through legislation. The people want action on the Hoover Commission recommendations to eliminate waste and politics from the Post Office Department. These would save more than 10 times the amount the Postmaster General claims he can save by reducing the postal service to the lamplight days, contrary to the Hoover Commission recommendations.

No additional appropriation should be necessary if this resolution is adopted. In order to sustain his position, the Postmaster General has apparently been stating to Members of Congress who talked with him that he expected to save $70,000,000 by this curtailment order. There is no shred of evidence in the testimony which he gave before the Appropriations Committee to support any such figure. In fact, he denied that such a cut would save as much as $25,000,000 and said it would not exceed $20,000,000. The total Post Office Department appropriation for 1951 is $2,207,500,000. Hence, the saving here proposed is, at best, only a fraction of 1 percent of the budget. But it is made at the very point where the general public will be most seriously inconvenienced. The Postmaster General should not be allowed by Congress to succeed in diverting attention from his opportunity and responsibility for effecting real savings running into hundreds of millions of dollars through the scheme which he has so skillfully devised. His purpose is obvious. By stirring up such a storm of protest as has been aroused by this curtailment of service in the larger metropolitan communities, he can dramatically demonstrate the dire results of any reduction in the appropriation which he requests and thereby try to put a damper on the demands for real economies of a substantial character in the administration of his office.

So far as I am concerned, I propose to oppose this plan through support of this resolution.

Mr. DAVIS of Wisconsin. Mr. Chairman, on July 30, I joined with 14 of my colleagues in a statement of our views on the current situation in which our country found itself as a result of international developments, particularly in Korea. At that time, with my full support and approval, we said:

> Recognizing that taxes today are at an abnormally high rate, first emphasis must be placed upon a diversion of present nondefense spending to meet defense needs. Spending for activities of Government that in ordinary times may be desirable must give way to the greater and immediate needs of the national security. This requires the elimination of all spending not essential to the basic civilian and defense requirements of the Nation.

Mr. Chairman, I believe that statement was sound on July 30. I believe it is equally sound today. I intend to do my part to carry out its theme. I shall vote against this bill.

Perhaps there have been some individual cases of hardship, both among patrons of the mail service and among the postal employees. But such individual cases ought not cause this legislative body to throw up its collective hands in resignation and thus give up all that has been or may be accomplished by the Postmaster General's order.

I do not know whether this order was designed or has been administered in such a way as to embarrass our efforts toward economy. But I do know that this Congress—every Member of this Congress—will have suffered a real and substantial defeat if this bill passes today. We shall have knuckled under in one of the all-too-rare cases of application of economy in Government. How long will it be before the Congress will again muster the courage to take any

action that may be the subject of a barrage of mail and telegrams from certain groups among our constituents?

I join with those who have expressed admiration for the personnel of the postal service. My oldest brother is one of them. But they are not at issue here. The real issue is the responsibility of this Congress in a time of grave financial and international stress.

Many of those who talk about economy at other times and for other people and purposes have done their best to differentiate this extra proposed spending from other proposed spending. They repeat the shopworn and threadbare phrases of "not real economy" and "false economy." The only real difference is that in this particular instance the economy attempt has directly and quickly affected quite a number of people back home who have made themselves heard by the Members of this House.

Mr. Chairman, we have had too much of this "economy for the other fellow." Too much abstract talk of economy, without enough actual practice. I intend to face up to my responsibility as I see it; I intend to vote against this buck-passing bill.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired; all time has expired.

The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8195) to rescind the order of the Postmaster General curtailing certain postal services, pursuant to House Resolution No. 667 he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that further proceedings on this bill may go over until tomorrow.

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, have we passed the stage where we can demand a separate vote on any amendment?

The SPEAKER. Nothing has been done with respect to amendments. The previous question has been ordered on the bill and all amendments thereto.

Is there objection to the request of the gentleman from Tennessee that further proceedings on this bill go over until tomorrow?

There was no objection.

PROHIBITING TRANSPORTATION OF GAMBLING DEVICES IN INTERSTATE COMMERCE

Mr. SABATH, from the Committee on Rules, and on behalf of Mr. SMITH of Virginia, reported the following privileged resolution (H. Res. 807, Rept. No. 2918), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3357) to prohibit transportation of gambling devices in interstate and foreign commerce. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

DISSEMINATION OF TECHNOLOGICAL, SCIENTIFIC, AND ENGINEERING INFORMATION

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 808, Rept. No. 2919), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 868) to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

IMPROVEMENT AND DEVELOPMENT OF MARKETING FACILITIES FOR PERISHABLE AGRICULTURAL COMMODITIES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 809, Rept. No. 2920), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9141), to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDMENT OF AGRICULTURAL ACT OF 1949

Mr. DELANEY, from the Committee on Rules, submitted the following privileged resolution (H. Res. 810, Rept. No. 2921), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9313) to amend the Agricultural Act of 1949. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CODIFICATION OF TITLE 21, UNITED STATES CODE

Mr. COLMER, from the Committee on Rules, submitted the following privileged resolution (H. Res. 811, Rept. No. 2922), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9158) to revise, codify, and enact into law, title 21 of the United States Code, entitled "Food and Drugs." That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EMERGENCY SCHOOL CONSTRUCTION

Mr. McSWEENEY, from the Committee on Rules, submitted the following privileged resolution (H. Res. 812, Rept. No. 2923), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2317) to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes, and all points

of order against said bill are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without intervention of any point of order the substitute committee amendment recommended by the Committee on Education and Labor now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and any Member may demand a separate vote in the House on any amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, and such motion to recommit may contain instructions germane to the bill or committee substitute.

INCREASED STATIONERY ALLOWANCE

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 687) authorizing an increase of $300 in the stationery allowance for each Representative, Delegate, and the Resident Commissioner from Puerto Rico, and ask unanimous consent for its immediate consideration.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this a general increase in the stationery allowance for all Members?

Mrs. NORTON. Yes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I think this ought not to be taken up at this late hour. We have been through a pretty heavy day and some Members have asked me to object to it. I do not think it should be called up at this time.

The SPEAKER. Will the gentlewoman from New Jersey withdraw her request for the time being?

Mrs. NORTON. Yes, Mr. Speaker, I will withdraw it; but may I say to the gentleman from Massachusetts that a great many Members have come to me and asked me to call this up and seemed to think that it is terribly important.

Mr. MARTIN of Massachusetts. I think it can go over until tomorrow. It is now 6 o'clock and it is pretty late to call up a bill like that, without anybody's knowing about it.

NATIONAL SECURITY OF THE UNITED STATES

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7439) to protect the national security of the United States by permitting summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, lines 6 and 7, strike out "Department of Justice" and insert "Attorney General."

Page 3, line 8, after "statement", insert "within 30 days after his suspension."

Page 3, line 9, after "be", insert "subject to amendment within 30 days thereafter and which shall be."

Page 3, line 10, strike out "a reasonable" and insert "an."

Page 3, line 10, after "opportunity", insert "within 30 days thereafter (plus an additional 30 days if the charges are amended)."

Page 4, line 9, strike out "shall" and insert "may."

Page 4, line 11, after "authority", insert "at the written request of either the head of such agency or such employee."

Page 4, line 23, after "security", insert "If any departments or agencies are included by the President, he shall so report to the Committees on the Armed Services of the Congress."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. JACKSON of Washington (at the request of Mr. McCARTHY) was given permission to address the House for 30 minutes on today, following the legislative program and any special orders heretofore entered.

SOUTHERN FIREPROOFING CO., OF CINCINNATI, OHIO

Mr. BYRNE of New York. Mr. Speaker, I call up the conference report on the bill (H. R. 627) for the relief of Southern Fireproofing Co., of Cincinnati, Ohio, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2807)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 627) for the relief of Southern Fireproofing Company, of Cincinnati, Ohio, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
KENNETH B. KEATING,
Managers on the Part of the House.

H. M. KILGORE,
WARREN G. MAGNUSON,
FORREST C. DONNELL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 627) for the relief of Southern Fireproofing Co., of Cincinnati, Ohio, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

This bill as passed the House appropriated the sum of $27,019.39 to Jacob Lichter and Jennie L. Lichter, partners doing business as Southern Fireproofing Co., of Cincinnati, Ohio, in full settlement of all claims against the United States, arising under certain negotiation agreements between them and the Secretary of War (now the Secretary of the Army).

The Senate amended the bill, striking out all after the enacting clause and inserted:

"That jurisdiction is hereby conferred upon the United States Tax Court to hear, determine, and render judgment upon the claim of Jacob Lichter and Jennie L. Lichter, partners doing business as Southern Fireproofing Company, of Cincinnati, Ohio, in a claim arising under certain negotiation agreements between them and the Secretary of War (now the Secretary of the Army): *Provided*, That the passage of this Act shall not be construed as an inference of liability on the part of the Government of the United States."

and at the conference it was agreed that the House agree to the amendment of the Senate.

It appears in House Report No. 978 and Senate Report No. 1168 that the statement of facts therein is stated as follows:

"The court held that the subcontracts involved, and out of which the sums said to be due the Government arose, were awarded to the partners as a result of competitive bidding under a prime contract with a department of the Government for the construction of buildings and facilities; that the contracts were exempt from renegotiation by the terms of the Renegotiation Act itself (sec. 403 (1) 1 and 701 (d)); but that nevertheless the court had no power to give any relief because the Tax Court had exclusive jurisdiction to make all such determinations; and that, accordingly, it would hear no evidence on the issues raised in the answer of the partners."

The conferees, after a study, find that the above statement was in error when it stated that the court held that the contracts were exempt from renegotiation by the terms of the Renegotiation Act itself.

A reading of the findings of fact and conclusions of law in the case of the *United States of America, plaintiff*, v. *Jacob Lichter, Jennie L. Lichter, Individually and as Copartners Doing Business as Southern Fireproofing Co., a Copartnership, defendants*, in the United States District Court, Southern District of Ohio, Western Division, discloses, commencing on page 4 thereof, the following:

"(5) The Tax court of the United States has exclusive jurisdiction under the statute to determine all questions of law and fact relating to the amount of defendants' excessive profits for the calendar year 1942, and the failure of defendants to petition the Tax Court of the United States for a redetermination of the amount of their excessive profits renders the following allegations of the answer immaterial: * * *

* * * * *

"'(d) That defendants' subcontracts were exempt from renegotiation because they were subcontracts awarded as a result of competitive bidding, under prime contracts with a Department, and awarded as a result of competitive bidding, for the construction of buildings and facilities.'"

* * * * *

The court, as can be seen, simply determined that, in view of the fact that it did

not have jurisdiction in the case, the allegations set forth in the defendants' answer were immaterial and, therefore, did not make any finding as to the truth or falsity of such allegations.

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
KENNETH B. KEATING,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CARROLL, for an indefinite period, on account of official business.

The SPEAKER. Under previous order of the House, the gentleman from Kentucky [Mr. PERKINS] is recognized for 15 minutes.

SOCIAL SECURITY

Mr. PERKINS. Mr. Speaker, I rise in defense of the purposes and principles of the House version of the social security bill. At the outset, I wish to state that I intend to support the motion of the gentleman from New York [Mr. LYNCH] to recommit the report with instructions to the House managers to insist upon the House version for total and permanent disability insurance and to delete the Knowland provision in the Senate amendment, in the event the gentleman from New York is recognized for the purpose of making this motion.

I will not support a simple motion to recommit without reference to insist upon the House provision for total and permanent disability insurance. A simple motion to recommit would, in my judgment, only be offered for the purpose of freezing the Knowland amendment into the bill, and should be defeated.

The total and permanent disability provision will not necessitate any increased burden on industry.

Mr. Speaker, I realize that H. R. 6000 as a whole is a great improvement in the field of social security legislation. I realize that benefits payable to a single man or the head of a family are increased by about 77½ percent for those already retired. The most a single man could receive under the new bill is $80 a month, compared with $46 at present. The most a family could receive would be $150 a month, compared with the present $85.

Mr. Speaker, the House version of the social security bill differs from the one we will be considering tomorrow in two very important respects. It called for a long-needed total and permanent disability insurance program to supplement a vastly improved old-age and survivors' insurance system. And it did not contain the Knowland amendment, whose innocent wording does not deceive those of us who are genuinely concerned for men and women who, through no fault of their own, are temporarily unemployed.

Let us look briefly at the bill we will be considering tomorrow. It is true that it contains a very greatly improved system of old-age and survivors' insurance. It is true that we are providing more adequately for the wives and the minor children of workers who die before their time. We have built a broad line of defense against economic insecurity. But now we are proposing to weaken two very important segments in that line.

In the first place, we are being asked to yield in our position that workers who incur a permanently disabling injury or disease before retirement age, are entitled to protection against the resulting loss of the right to work. Let us think first of this issue in terms of people we know: Of a man of 50 who has worked hard all of his life, has contributed his share of the social-security payroll tax regularly each quarter. And then one day he suffers a severe heart attack or is instantaneously injured in the mines, and his doctor says he can never return to work.

What will our vote tomorrow say to that man? Shall we say, in arbitrary terms, "You are not entitled to any benefits now, my friend. You should have postponed that heart attack, or your injury, until you are 65 years old. It is true that you have worked hard all your life; it is true that you have contributed regularly to your social-insurance account; it is true your pay check is stopping at the very time you need it most; it is true that you are incapacitated through no fault of your own. But you are not entitled to any benefits—not until you get to be 65 years old."

In many types of injuries it may be conceded that workmen's compensation is paid to employees for injuries arising out of and in the course of their employment where State laws so provide, but such compensation usually runs out when the need is greatest.

And now, with that man in mind, let us look briefly at the total picture, the picture which prompted the House of Representatives to vote for a system of total and permanent disability insurance in October 1949. According to census figures, about 2,000,000 people are kept from employment on an average working day by disabilities which have lasted 6 months or longer—the kind of disability we are considering. Altogether, about 8,000,000 Americans are so disabled every year, and the annual wage loss from this cause runs to around $10,500,000,000. We know we are dealing with an insurable risk—that it is reasonably predictable for the whole working population. We know that this risk is not being adequately met in any other way. On-the-job disability, covered by workmen's compensation plans, takes care of only 3 to 5 percent of the total problem. Public, private, and union systems protect a limited number of workers, but most of these plans stop at 6 months—the point where our bill starts protection.

Private insurance covers only about 1 percent of wage loss—for the reason that rates are high, and it is usually available only to the best risks. The usual benefit rate, for example, is $5 or $10 a month for each $1,000 of the face value of the policy, and coverage is usually limited to persons below the age of 55 or 60. We understand that the time lost because of disability rises sharply with increasing age—not chiefly because the older workers are sick more often, but because their illnesses last longer. We understand that permanent disability amounts to a form of premature retirement, beyond the control of the individual, and assistance for such disability would be, therefore, an appropriate extension of our established old-age and survivors insurance system. Why should our social-security system penalize an insured worker who is retired from the labor force by what might be called an act of God? As the report of the Ways and Means Committee puts it:

> Such a worker has a real stake in the system which deserves to be recognized.

Even without these considerations, it is clear to me that the whole American public would benefit from this measure. We know that about half of all the families on general assistance, come to the relief rolls because of a disability. In effect, therefore, we are saying to an estimated 46,000,000 Americans that their Government will not help them to prepare in advance for such an eventuality. They must wait until their resources are gone; they must accept the charity of family, or friends, or the community, until the day when they get to be 65 years of age.

We are not considering a makeshift solution; our votes are concerned with a provision which has been very carefully considered. It provides a waiting period of 6 months; it specifies that benefits can be paid only for an illness or injury which, in medically demonstrable form, makes it impossible for the worker to continue in any substantially gainful activity. Benefits are contingent upon the worker's willingness to accept rehabilitation measures to return him to the labor force if it is possible. When you offer me the alternative of a public-assistance program to solve this problem, I reply that you are trying to meet a broad-gage problem at the level of economic desperation. We have voted for a good bill here in the House, and I want to see that bill written into the law of the land.

And now let us look briefly at the second weakness which has developed in our line of defense against insecurity. It is cloaked in elaborate language which, when translated, seems at first to say simply that the Federal Government cannot withhold funds from a State which seems to have violated the Federal law, until the courts of that State have decided on the question.

It sounds reasonable. But what do we find when we examine it carefully? As we know, the existing Federal law contains certain minimum requirements—and I say minimum advisedly—to which State unemployment-compensation plans must conform. The Knowland amendment, in effect, voids these minimums by providing that States can refuse to pay unemployment benefits for 3 years or so, until the issue is decided in the courts.

I voted for the House version of this social-security bill because I am convinced that, on the whole, it was well-

written, carefully considered legislation designed to do a job that has long needed to be done. Mr. Speaker, let us hold the line so carefully established in the House version of the social-security bill.

SOCIAL SECURITY

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YOUNG. Mr. Speaker, I assert the people's representatives can provide reasonable social security for the less fortunate among us without in any way sacrificing that liberty which we know as the American way of life. An adequate old-age insurance program, reasonable aid to the unfortunate, and extension of retirement benefits is not statism, nor is it socialism. Your Congress is determined that aid for the aged shall be based on an insurance system instead of a mere pension system. We have broadened coverage; benefits have been greatly increased. A worker who would now retire at $31 monthly, which is the present average payment, will, under the new bill, get approximately $60 monthly.

Under this social-security program as set forth in H. R. 6000, we of this generation do not impose upon our grandchildren to find the money to pay benefits we have promised. This is a pay-as-you-go social-security program. It is sound in every respect. It represents the greatest legislative achievement of your Congress within the past 10 years. We provide a social-security system under which people may retire in comfort instead of at a mere subsistence level.

The dignity of every individual in the Nation is involved. Something deep inside a person is offended if after a lifetime of productive work all he gets is a hand-out. If we are not going to have social insurance, we must have relief.

General Motors, in April 1950, voted bonus awards of $6,000,000 plus 24,000 shares of stock to officers and directors. This was for services for 1949. Charles E. Wilson, president, received $586,000 salary and bonus awards. Three executive vice presidents received salary and bonus awards totaling $1,503,000.

In addition, General Motors' directors voted Charles E. Wilson and the three executive vice presidents $25,000 each per year retirement pensions effective when they decide to retire.

If American industry—big business—can afford to pay huge pensions to retired officials who do not need them, is it state socialism when the peoples' representatives impose a tax on industry and on employees to pay retirement pensions or social-security payments to those who do need them?

I favored including total and permanent disability insurance benefits, regardless of age, but we had to compromise this proposal for public assistance grants of $65,000,000 a year to the 200,000 needy persons who are totally and permanently disabled.

Three million individuals already on social security retirement rolls will have their benefits nearly doubled commencing next November.

New groups covered include 5,000,000 self-employed, 1,000,000 domestic workers, 1,000,000 farm workers, 600,000 employees of non-profit organizations and 1,400,000 State and municipal employees in States other than Ohio where there are no retirement systems. Coverage has gone up to $3,600 per annum. Family benefits jump from $85 to $150 per month.

The Social Security Act for which I voted in 1935 is by far the most important social legislation ever considered in the American Congress. I recall that reactionaries shouted socialism and voted against the social security legislation of President Roosevelt. We sought and we propose in liberalizing social security to free men and women from the fear of sickness, unemployment and indigent old age.

This is a good bill. I helped draft it. Yet I know it falls short of meeting adequately and fully the problem of our aged citizens who are in need. I will not say quits until we have a Federal social security program which will cover all our senior citizens, in whatever occupations they may have worked, and cover them in every State, and cover them adequately to maintain them in comfort and dignity.

In the depression days of 1932 President Hoover said, "Relief is a local problem." We have gone a long way since those dark depression days when the entire financial structure of the United States had collapsed. We provide social-security coverage for 46,000,000 individuals, employees and self-employed. We have restored 750,000 individuals removed by the Eightieth Congress and have added 10,000,000 more participants in the old-age retirement benefit program of our amended and liberalized social-security law. This is the same Social Security system that was opposed by Republican leaders in 1935 as socialistic.

It is only a matter of time before this humanitarian program will be made universal. This is not charity. This Congress has rendered a real and needful public service for all Americans. In this expanding system of safeguards against the hazards and cruelties of penniless old age, new concepts of security and human dignity are involved, as well as a new relationship between the individual and his government. Enactment of the amended and liberalized social-security law is a victory for the Truman administration. Benefits for existing beneficiaries are just about double.

The current 1½ percent pay roll tax paid by employee and the similar tax paid by employer will continue until 1954, then it becomes 2 percent. Also, in addition, this new law provides increased Federal contributions to the State for supplementary old-age assistance, for aid to dependent children, and the blind. The town post office will become an even greater center of Federal activities by reason of almost universal coverage and the necessity for quarterly reports.

The hope we all cherish is an old age free from care and want. To that end people toil patiently and live closely, seeking to save something for the day when they can earn no more. In the life of the worker there are weeks, often months, of enforced idleness, weeks of unavoidable sickness, losses from swindling, and then, as age creeps on, there is a constantly declining capacity to earn, until at 65 many find themselves unemployable. There was no more pitiful tragedy than the lot of the worker who had struggled all his life to gain a competence and who, at 65, was poverty stricken and dependent upon charity. The black slave knew no such tragedy as this. It was a tragedy reserved for the free worker in the greatest nation on earth.

Private charities, bread lines, and soup kitchens must not be the answers of American intelligence and sense of justice to the problem of unemployment and indigent old age.

The Senate-House conferees agreed benefits to those now retired would be increased 77½ percent, and workers retiring in the future would receive increases of about 100 percent.

The bonus formula based on the number of years of coverage was dropped. A proposal to combine the withholding of income taxes and social security taxes was dropped. It was agreed to grant my comrades of World War II $160 a month wage credit for time spent in service. This is simple justice.

A provision was accepted which would permit persons to qualify for full benefits under a formula providing for a new start after 1950.

It was agreed to exclude school teachers, State and local government employees who have their own retirement systems. In those States such as Ohio where school teachers, policemen, firemen, and other public employees have retirement systems, this legislation does not apply to any of these workers. Coverage of such employees who have no retirement program whatever would be on a voluntary basis.

Social-security coverage is extended to 600,000 employees of nonprofit and charitable organizations on a voluntary basis if two-thirds of the employees agree to it and the employers waive their tax exemptions.

Regularly employed domestic servants, other than those employed in farm homes, will now be included within social security and these 800,000 persons surely need the benefits of social security.

An added reason we should pass the social security expansion bill is to head off the trend toward private pension plans in industry. The pension issue cuts a big figure in the steel and coal contract controversies.

The demand for social-security payments by segments of our population, by Ford employees, and steel workers, for example, threatens to result in unbalanced, overlapping and competing programs. The financing of such private programs may become chaotic and their economic effects dangerous. We Congressmen intend to liberalize the Nation-wide system before it is undermined

by these outside forces. Once this basic system is firmly established, remaining needs of particular groups in industry can be assessed and met in an orderly manner.

EXTENSION OF REMARKS

Mr. McGUIRE asked and was given permission to extend his remarks and include an article.

Mr. BOYKIN asked and was given permission to extend his remarks and include a statement by Dr. John Steelman and Steve Early.

Mr. PHILBIN asked and was given permission to extend his remarks and include a recent address by Brig. Gen. Eric Dorman O'Gowan.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. WOLVERTON asked and was given permission to extend his remarks.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2121. An act to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials;

H. R. 4584. An act to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes;

H. R. 6958. An act authorizing the Secretary of the Interior to issue a patent in fee to Francis Lee Edwards;

H. R. 7017. An act authorizing the Secretary of the Interior to issue a patent in fee to Edgar S. Bigman;

H. R. 8230. An act to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida; and

H. J. Res. 434. Joint resolution providing for recognition and endorsement of the California World Progress Exposition.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1858. An act to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces; and

S. 3666. An act to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 59 minutes p. m.) the House adjourned until tomorrow, Wednesday, August 16, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred, as follows:

1628. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1951 in the amount of $5,910 for the legislative branch, House of Representatives (H. Doc. No. 686); to the Committee on Appropriations and ordered to be printed.

1629. A letter from the Under Secretary of the Navy, transmitting a report to the Congress on the settlement of claims for damage caused to Navy Department property for the fiscal year ending June 30, 1950, pursuant to section 2 of the act of December 5, 1945 (34 U. S. C. 600a); to the Committee on the Judiciary.

1630. A letter from the Secretary of the Interior, transmitting copies of certain legislation passed by the Municipal Council of St. Thomas and St. John, V. I.; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SPENCE: Committee on Banking and Currency. S. 2491. An act providing for the conveying of land and buildings at Fort Philip Kearney Military Reservation to the State of Rhode Island; without amendment (Rept. No. 2915). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 7340. A bill to amend section 5192 of the Revised Statutes, with respect to the reserves of certain national banks; without amendment (Rept. No. 2916). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 8458. A bill authorizing the Housing and Home Finance Administrator to release the trustees of Columbia University, in the city of New York, and the Citizens' Veterans Homes Association of Rockland County, Inc., from obligations under their contracts for operation of veterans' temporary housing project NY-V-30212; without amendment (Rept. No. 2917). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 807. Resolution for consideration of S. 3357, an act to prohibit transportation of gambling devices in interstate and foreign commerce; without amendment (Rept. No. 2918). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 808. Resolution for consideration of S. 868, an act to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes; without amendment (Rept. No. 2919). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 809. Resolution for consideration of H. R. 9141, a bill to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities; without amendment (Rept. No. 2920). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 810. Resolution for consideration of H. R. 9313, a bill to amend the Agricultural Act of 1949; without amendment (Rept. No. 2921). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 811. Resolution for consideration of H. R. 9158, a bill to revise, codify, and enact into law, title 21 of the United States Code, entitled "Food and Drugs"; without amendment (Rept. No. 2922). Referred to the House Calendar.

Mr. McSWEENEY: Committee on Rules. House Resolution 812. Resolution for consideration of S. 2317, an act to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction; and to authorize grants for emergency school construction to school districts overburdened with enrollments resulting from defense and other Federal activities, and for other purposes without amendment (Rept. No. 2923). Referred to the House Calendar.

Mr. McCULLOCH: Committee on the Judiciary. H. R. 5941. A bill to incorporate The Military Chaplains Associations of the United States of America; without amendment (Rept. No. 2924). Referred to the House Calendar.

Mr. HOBBS: Committee on the Judiciary. H. R. 7900. A bill to incorporate the American Society of International Law, and for other purposes; with amendment (Rept. No. 2925). Referred to the House Calendar.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 9111. A bill to incorporate the United States Olympic Association; with amendment (Rept. No. 2926). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LANE:

H. R. 9435. A bill to provide for the training of nurses for the Armed Forces, governmental and civilian hospitals, health agencies, and defense industries, through grants to institutions providing such training, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LANHAM:

H. R. 9436. A bill to amend the Selective Service Act of 1948 to exempt from induction for service the sole surviving sons of certain fathers who died in the Armed Forces; to the Committee on Armed Services.

By Mr. RANKIN (by request):

H. R. 9437. A bill to authorize the payment by the Administrator of Veterans' Affairs of a gratuitous indemnity to survivors of members of the Armed Forces who die in active service, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SADLAK:

H. R. 9438. A bill to amend the Nationality Act of 1940 to provide expeditious naturalization for persons serving in the present hostilities, and for other purposes; to the Committee on the Judiciary.

By Mr. BECKWORTH:

H. R. 9439. A bill to provide that the former owners of land acquired by the United States shall, in certain cases, have the right to reacquire the mineral rights in such land when it is sold by the United States; to the Committee on Public Lands.

By Mr. HARDY:

H. R. 9440. A bill to provide lump-sum life indemnity payments for survivors of members of the Armed Forces who die while on active duty, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CLEMENTE:

H. R. 9441. A bill to establish a national lottery, the proceeds from which are to be used for the expenses of the Korean incident, for disability and hospital benefits to veterans, and for the payment of a Federal bonus to veterans of the Armed Services of World War II and of the Korean incident, and for other purposes; to the Committee on Ways and Means.

By Mr. HORAN:

H. J. Res. 520. Joint resolution amending the Armed Services Procurement Act of 1947 to require certain contractors to provide adequate protection for employees not covered or inadequately protected by workmen's compensation laws; to the Committee on Armed Services.

By Mr. COUDERT:

H. J. Res. 521. Joint resolution requesting the President to answer questions relating to our foreign policy, and for the creation of a select joint committee on foreign policy; to the Committee on Foreign Affairs.

By Mrs. NORTON:

H. Res. 805. Resolution providing for six additional telephone pages; to the Committee on House Administration.

By Mr. BURLESON:

H. Res. 806. Resolution to authorize the Committee on the Judiciary to investigate and study the desirability and feasibility of establishing an island prison for the confinement of persons convicted of crimes involving disloyalty; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. RODINO:

H. R. 9442. A bill for the relief of Mrs. Ella Nolan; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 9443. A bill for the relief of Renato Ugo Raffaelli and Ottilia Raffaelli; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2333. By the SPEAKER: Petition of Henry Herman, Manila, Philippine Islands, relative to a letter addressed to the Treasurer of the United States requesting that veterans of past wars or their beneficiaries be given proper consideration relating to method of payment of pensions, compensations, and similar allotments; to the Committee on Veterans' Affairs.

2334. Also, petition of Gabriel Kalokairinos Archimandrite, secretary, Chamber of Commerce, Corinth, Greece, requesting the return of Cyprus to Greece; to the Committee on Foreign Affairs.

2335. Also, petition of W. M. Caldwell, president, California Association of Employers, San Francisco, Calif., recommending to the Congress immediate enactment of emergency legislation to deal with inflation and the mobilization of our domestic economy; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, AUGUST 16, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Father of all men, at noontide amidst the clamor of demanding national problems, we seek a quiet cloister of the soul where spirit with spirit may meet. In the midst of world conditions that baffle us, swift social currents which sweep away our strongest bulwarks, of evil forces let loose in the earth whose hideous cruelty stabs our anguished hearts, we confess that the world in which our lot is cast is too much for us. We must find a strength not our own or our feet will slip in this whelming flood. Forgive us that it has taken the dreadful threat of a global war with its terror and horror for us to recognize that all peoples must work out the common concerns of humanity together, or else go down together into the red burial of a final suicidal holocaust.

O Thou strong Father of the nations, draw all Thy great family together with an increasing sense of our common blood and destiny, that peace and justice, with equal worth and freedom to all, may come at last to a cleansed earth—the home of a holy brotherhood of peoples. Amen.

THE JOURNAL

On request of Mr. MAYBANK, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 15, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 15, 1950, the President had approved and signed the act (S. 2591) to amend the Public Health Service Act to support research and training in matters relating to arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, blindness, leprosy, and other diseases.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 815. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Crow Creek Indian Agency, S. Dak.;

S. 816. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Reservation, S. Dak.; and

S. 1064. An act to authorize the sale of land allotted to Mrs. Iris Huebner Marak on the Pine Ridge Reservation, S. Dak.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1320. An act for the relief of Mrs. Barbarita Romero;

S. 1457. An act to authorize the sale of lands allotted to George C. Estes on the Lower Brule Indian Reservation, S. Dak.; and

S. 2457. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 97) favoring the suspension of deportation of certain aliens, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 627) for the relief of Southern Fireproofing Co., of Cincinnati, Ohio.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7439) to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2093. An act authorizing the Secretary of Agriculture to execute a quitclaim deed to property owned by Jacob F. Riedel;

H. R. 7539. An act for the relief of Mary Alice Floyd;

H. R. 8385. An act for the relief of Fukuko Endo;

H. R. 8563. An act for the relief of Alonzo P. Brown;

H. R. 8761. An act for the relief of Susan E. Scott;

H. R. 8802. An act for the relief of Lum Ying;

H. R. 8934. An act for the relief of the American Barrel Co., Inc.;

H. R. 9056. An act for the relief of Hideko Kasahara and her minor child;

H. R. 9077. An act for the relief of Kimie Kurio;

H. R. 9082. An act for the relief of Mrs. Chang-Sei Kim, David Kim, and Arthur Kim;

H. R. 9084. An act for the relief of Hifumi Kato and her minor son, Kazuyuki Kato;

H. R. 9236. An act for the relief of H. Halpern & Bro., Inc., of Boston, Mass.; and

H. R. 9334. An act for the relief of Mrs. Else Samstag Yurchak.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 6958) authorizing the Secretary of the Interior to issue a patent in fee to Francis Lee Edwards, and it was signed by the President pro tempore.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MCCARRAN, and by unanimous consent, the Committee on the Judiciary was authorized to meet Thursday afternoon, August 17, during the session of the Senate.

CALL OF THE ROLL

Mr. MAYBANK. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	George	Lehman
Brewster	Gillette	Lodge
Bricker	Graham	McCarran
Bridges	Green	McClellan
Butler	Gurney	McFarland
Byrd	Hayden	McKellar
Capehart	Hendrickson	McMahon
Chapman	Hickenlooper	Magnuson
Chavez	Hill	Malone
Connally	Hoey	Martin
Cordon	Holland	Maybank
Darby	Humphrey	Millikin
Donnell	Hunt	Morse
Douglas	Ives	Mundt
Downey	Jenner	Murray
Dworshak	Johnson, Colo.	Myers
Eastland	Johnson, Tex.	Neely
Ecton	Johnston, S. C.	O'Conor
Ellender	Kem	O'Mahoney
Ferguson	Kerr	Pepper
Flanders	Kilgore	Robertson
Frear	Knowland	Russell
Fulbright	Leahy	Saltonstall

Schoeppel	Thomas, Okla.	Wherry
Smith, N. J.	Thomas, Utah	Wiley
Sparkman	Thye	Withers
Stennis	Tydings	Young
Taft	Watkins	

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Louisiana [Mr. LONG], and the Senator from Illinois [Mr. LUCAS] are absent on public business.

The Senator from Tennessee [Mr. KEFAUVER] is necessarily absent.

The Senator from Idaho [Mr. TAYLOR] is absent by leave of the Senate.

Mr. SALTONSTALL. The Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Delaware [Mr. WILLIAMS] are absent by leave of the Senate.

The Senator from Wisconsin [Mr. MCCARTHY], the Senator from Maine [Mrs. SMITH], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent on official business.

The PRESIDENT pro tempore. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF REVISED STATUTES, RELATING TO EXEMPTION OF CERTAIN ADDITIONAL VESSELS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend subsection (1) of section 4551 of the Revised Statutes, as amended, to exempt additional vessels from the requirements thereof (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

LAWS ENACTED BY MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.

A letter from the Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal Council of St. Thomas and St. John, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON COOPERATION, UNITED STATES AND MEXICO, IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month of June 1950 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON SETTLEMENT OF CLAIMS FOR DAMAGE TO NAVY DEPARTMENT PROPERTY

A letter from the Under Secretary of the Navy, transmitting, pursuant to law, a report on the settlement of claims for damage caused to Navy Department property, fiscal year ending June 30, 1950 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON SETTLEMENT OF CLAIMS FOR DAMAGES CAUSED BY NAVAL VESSELS

A letter from the Under Secretary of the Navy, transmitting, pursuant to law, a report on settlement of claims for damages caused by naval vessels, fiscal year ending June 30, 1950 (with an accompanying report); to the Committee on Armed Services.

REPORT OF BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM

A letter from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, a report of the Board covering its operations during the year 1949 (with an accompanying report); to the Committee on Banking and Currency.

JOURNAL OF HOUSE OF REPRESENTATIVES OF LEGISLATURE OF HAWAII

A letter from the Director, Division of Territories and Island Possessions, Department of the Interior, transmitting, pursuant to law, a copy of the Journal of the House of Representatives of the Legislature of Hawaii, special session of 1949 (with an accompanying document); to the Committee on Interior and Insular Affairs.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers), to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Senate of the Legislature of Puerto Rico; to the Committee on Interior and Insular Affairs:

"Be it resolved by the Senate of Puerto Rico:

"First. To express to the President and the Congress of the United States the appreciation of the people of Puerto Rico for the democratic reception accorded to our petition for the enactment of legislation authorizing the Puerto Ricans to write and adopt a constitution, as embodied in Public Law No. 600 of the Eighty-first Congress.

"Second. That copy of this resolution be transmitted to His Excellency, the President of the United States, to the President of the Senate, and the Speaker of the House of Representatives of the United States, and to the Resident Commissioner for Puerto Rico in Washington."

A resolution adopted by the National Association of Retail Meat and Food Dealers, Inc., at Omaha, Nebr., relating to a fair meat-control program; to the Committee on Banking and Currency.

A letter in the nature of a petition from the Woman's Society of Christian Service, Los Angeles Heights Methodist Church, San Antonio, Tex., signed by Evelyn Forester, secretary, relating to world peace; to the Committee on Foreign Relations.

A resolution adopted by the Central Labor Council of Honolulu, T. H., relating to support of the Government and the United Nations in the Korean crisis; to the Committee on Foreign Relations.

A resolution adopted by the Maine Dental Society, Bangor, Maine, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the Maui A. J. A. Veterans' Club, of Hawaii, favoring the enactment of legislation providing statehood for Hawaii; ordered to lie on the table.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. GEORGE, from the Committee on Finance:

H. R. 3278. A bill to amend section 22 (d) (6) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory; without amendment (Rept. No. 2366); and

H. R. 7840. A bill to provide for the refund of certain estate taxes; without amendment (Rept. No. 2367).

By Mr. BUTLER, from the Committee on Finance:

H. R. 6343. A bill relating to customs duties on articles coming into the United States from the Virgin Islands; without amendment (Rept. No. 2368).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of New Jersey:

S. 4053. A bill for the relief of Herk Visnapuu and his wife, Naima; to the Committee on the Judiciary.

By Mr. GREEN:

S. 4054. A bill for the relief of Emiko Ichiki; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 4055. A bill for the relief of Emilio Tagle; to the Committee on the Judiciary.

By Mr. LEHMAN:

S. 4056. A bill for the relief of Wong Woo, also known as William Curtis; and

S. 4057. A bill for the relief of Maly Braunstein and her daughter, Aurelia Rappaport; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. O'CONOR):

S. 4058. A bill to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes; to the Committee on Armed Services.

INVESTIGATION OF ACQUISITION OF PALMER AIRPORT BY TERRITORY OF ALASKA

Mr. BUTLER submitted the following resolution (S. Res. 331), which was referred to the Committee on Expenditures in the Executive Departments:

Resolved, That the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of the circumstances surrounding the acquisition of Palmer Airport, or other lands in the vicinity thereof, by the Territory of Alaska, and other matters relating to the handling of Federal funds expended in the Territory of Alaska, with a view to determining whether any actions were taken by any person or persons with respect to such transactions for the purpose of obtaining Federal funds in excess of the amount allowable by law, or for any other purpose not in accordance with law, and if such actions were fraudulent, or otherwise in violation of law. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem advisable.

DEFENSE PRODUCTION ACT OF 1950—AMENDMENTS

Mr. HOLLAND submitted an amendment intended to be proposed by him to the bill (S. 3936) to establish a system of priorities and allocations for materials

and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. WHERRY submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. KEM submitted an amendment intended to be proposed by him to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, as indicated:

H. R. 2093. An act authorizing the Secretary of Agriculture to execute a quitclaim deed to property owned by Jacob F. Riedel; to the Committee on Agriculture and Forestry;

H. R. 7539. An act for the relief of Mary Alice Floyd;

H. R. 8385. An act for the relief of Fukuko Endo;

H. R. 8563. An act for the relief of Alonzo P. Brown;

H. R. 8761. An act for the relief of Susan E. Scott;

H. R. 8802. An act for the relief of Lum Ying;

H. R. 8934. An act for the relief of the American Barrel Co., Inc.;

H. R. 9056. An act for the relief of Hideko Kasahara and her minor child;

H. R. 9077. An act for the relief of Kimie Kurio;

H. R. 9082. An act for the relief of Mrs. Chang-Sei Kim, David Kim, and Arthur Kim;

H. R. 9084. An act for the relief of Hifumi Kato and her minor son, Kazuyuki Kato;

H. R. 9236. An act for the relief of H. Halpern and Bro., Inc., of Boston, Mass.; and

H. R. 9334. An act for the relief of Mrs. Else Samstag Yurchak; to the Committee on the Judiciary.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate mesages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

REAPING THE RED WHIRLWIND—ADDRESS BY HON. HAROLD E. STASSEN

[Mr. SMITH of New Jersey asked and obtained leave to have printed in the RECORD a radio address entitled "Reaping the Red Whirlwind," delivered on August 15, 1950, by Hon. Harold E. Stassen, former Governor of Minnesota, and now president of the University of Pennsylvania, which appears in the Appendix.]

OUR FOREIGN POLICY—EDITORIAL FROM THE WASHINGTON DAILY NEWS

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD an editorial entitled "A Policy That Can Win," published in the Washington Daily News of August 16, 1950, which appears in the Appendix.]

EARLY HISTORY OF WASHINGTON CITY—ARTICLE BY MAUD PROCTOR CALLIS

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an article on the early history of Washington City by Maud Proctor Callis, which appears in the Appendix.]

HAPPENINGS IN WASHINGTON—RADIO BROADCAST BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a copy of a radio broadcast entitled "Happenings in Washington," made by him on August 14, 1950, which appears in the Appendix.]

WISCONSIN CONSERVATION CONGRESS—A SYMBOL OF BADGER PIONEERING IN CONSERVATION

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him on the Wisconsin Conservation Congress, and the roster of the conservation congress for 1950–51, which appears in the Appendix.]

REORGANIZING CONGRESS—LETTER FROM HOWARD N. MANTEL

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a letter on the subject Reorganizing Congress, addressed by Howard N. Mantel to the editor of the New York Times and published in the issue of August 6, 1950, which appears in the Appendix.]

PAUL M. HERZOG—EDITORIAL TRIBUTES

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD three editorials paying tribute to Paul M. Herzog, as Chairman of the National Labor Relations Board, which appear in the Appendix.]

BULLDOZING COUNSEL

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Bulldozing Counsel," published in the Washington Post of August 5, 1950, which appears in the Appendix.]

NEWSPAPER COMMENT ON VIEWS OF MINORITY OF FOREIGN RELATIONS COMMITTEE ON FOREIGN POLICY

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks two editorials from the New York Herald Tribune, one entitled "The Republican Challenge," published on August 15, 1950, and the other entitled "The Role of the Opposition," published on August 16, 1950.

The reason I am asking that these editorials be published in the RECORD is that, as one of the signers of the statement which was issued on Monday and which has been criticized by some of our colleagues, I feel there has been a misunderstanding of the purpose of our group in presenting some of the issues which lie ahead. In the two editorials the New York Herald Tribune expresses the spirit of our statement in a very effective way, and also discusses the question of the role of the opposition, both in times of war and in times of peace. I feel it would be very enlightening and would bring about a greater understanding of the purpose of our statement if the two editorials were published at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of August 15, 1950]

THE REPUBLICAN CHALLENGE

The Republican Party, as the party of the opposition, has faced the extremely difficult decision of whether or not to bring into the fall campaigns the whole issue of America's foreign policy, leading up to the present fighting in Korea. If it did choose to inject foreign policy into political discussion, it risked being accused of weakening national unity at a time when great effort and sacrifice are required. It risked, moreover, seeing its isolationist fringe run away with the ball. Not to examine the question of responsibility for our present condition, however, was to deprive the public of an opportunity to weigh and appraise an issue of transcendent importance to the national life.

After much soul searching, a representative group of Republican leaders has chosen the harder way, but the one that seems to us incontestably right. The careful statement of four minority members of the Senate Foreign Relations Committee (to which Senator VANDENBERG gives his general assent) forms the groundwork for a great debate, in the course of which the citizenry should have an opportunity to perform its true function of fixing responsibility and assessing merit and blame. Senators LODGE, HICKENLOOPER, SMITH, and WILEY deliberately and soberly lay at the feet of the Democratic administration the charge of having by acts of commission and omission weakened the world position of the United States and invited the aggression against Korea. That is a heavy charge, and in substantiating it the Republicans will be called to offer serious and weighty proofs.

The manifesto which bears the signatures of the four Republican members of the Foreign Relations Committee does not pretend to present more than the general outline of the case against the Democratic administration. In certain details it seems to us (even for a frankly political document) to make points of questionable validity. Thus the failure to achieve international control of atomic energy, or the disappearance of eastern European countries behind the iron curtain, should hardly be set down as due to any lack of understanding of Russian purposes or methods—both occurred because Russia was obstinately and intransigently determined that they should occur. Such details apart, however, the document stands as a broad-visioned and statesmanlike indictment. It avoids calling for congressional investigations or seeking to make scapegoats of individual members of the administration. It surveys, instead, the events of the last 5 years, during which the Democrats have held executive power, and it draws from these its somber and devastating conclusions.

Seldom have events spoken out more forcibly against the party in power. A nation at the pinnacle of victory, strong beyond the possibility of challenge, respected universally by the world's free peoples, has in a brief space of years been permitted to slide into a position of weakness from which it can only hope to save itself by the most desperate, last-minute efforts. That unpleasant story forms the substance of the Republican charge. As it is reviewed, episode by episode over the coming months, Americans will have the chance of judging the quality of their leaders. It is a chance which, as a free people they thoroughly deserve.

[From the New York Herald Tribune of August 16, 1950]

THE ROLE OF THE OPPOSITION

In bringing Korea into current political discussion the Republicans have raised anew the old question of the proper role of an opposition party under the American constitutional system. It has been easy for the Democrats to act shocked and grieved, as if it were a crime of lese-majesty to focus attention upon past errors of the administration. Less politically minded citizens have questioned whether raising issues of foreign policy may not create dangerous divisions among us. Yet the fact remains that constitutional government, as the free

peoples understand it, requires criticism and dissent—in short, an organized opposition. We are a two-party nation, and if the Republicans do not act as the opposition, no other group can. As for eliminating from the political forum all questions of defense and foreign policy, that would be tantamount to saying that a free people can discuss secondary matters, but that it must fall silent and acquiescent where the great issues are involved that affect its liberty and its very life.

In the present situation, it is suggested that the Republicans do not have the right to critize the Democrats for past mistakes except insofar as they were invariably right and far-sighted themselves. It would be agreeable to be able to maintain that the Republicans always had been right, but this is neither necessary nor, in the circumstances, possible. By the nature of the constitutional system, the opposition in the United States is lacking in leadership as well as in defined responsibility. It inevitably gives rise to diverse and conflicting views. To the extent that Republicans in the Congress and elsewhere have, during these years out of power, failed to avert errors or have proposed false views of their own, they make their role as the opposition party the more hazardous and difficult. But they are not relieved thereby of their duty to oppose. The Democrats have possessed day to day control of our affairs, with the enormous power, both direct and indirect, with which the Constitution endows the Presidential office. The responsibility has been theirs, and in the end they must be called to account.

The fact that the Republicans must play—and are beginning to play very effectively—the part of the opposition does not mean that there are no limits upon their conduct. It is inconceivable that they should jeopardize the national interest for the sake of the partisan advantage. The major statements which have been made on foreign affairs thus far—the manifesto of the four Republican Senators on the Foreign Relations Committee and the speech last evening by Mr. STASSEN—have both been distinguished by an awareness that frank criticism does not make cooperation impossible or forestall the re-creation of a sounder and more firmly based bipartisanship. It is this search for an ultimate agreement which lifts these criticisms above what Senator CONNALLY called "quarrelsome and pettifogging attacks," placing them on the high level where our historic controversies have been fought out and settled.

ECONOMIC COOPERATION ADMINISTRATION APPROPRIATIONS—LETTER FROM LEAGUE OF WOMEN VOTERS OF MINNESOTA

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD a letter from Mrs. Malcolm Hargraves, president of the Minnesota League of Women Voters, urging adequate appropriations for the ECA, and indicating that a recent Minnesota poll shows that the weight of public opinion is in favor of continuing aid under this program until 1952.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LEAGUE OF WOMEN VOTERS
OF MINNESOTA,
Minneapolis, Minn., August 2, 1950.

Senator HUBERT H. HUMPHREY,
The United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: The League of Women Voters feels that the outbreak of war in Korea increases the importance of economic rehabilitation in Europe. We are anxious that appropriations be adequate for the Economic Cooperation Administration. Mr. Hoffman's request for successively smaller appropriations and his pledge to return funds which might be saved by unexpected developments, as was done this year, gives assurance of efficient and faithful administration.

You will be interested to know that a recent survey of the Minnesota Poll indicates that 7 out of every 10 Minnesota adults believe that the European recovery program has done "some" or "a great deal" of good and that the weight of public opinion is in favor of continuing aid until 1952. Approval of the program is shared by city, town, and farm residents alike.

Sincerely yours,
Mrs. Malcolm Hargraves,
MILDRED HARGRAVES,
President.

PROPOSAL OF INDIA FOR SETTLEMENT OF KOREAN CONFLICT—ARTICLE BY LUDWELL DENNY

Mr. KNOWLAND. Mr. President, a short article appearing in the Washington News of today, written by Mr. Ludwell Denny, is, I think, of great importance, and should have the attention of the Senate. I am going to take the liberty of reading it into the RECORD. The article reads:

ROPE TRICK

(By Ludwell Denny)

India's proposal for settling the Korean conflict gets trickier and trickier. Its probable result would be to split the 53 members of the United Nations who support the Security Council's condemnation of Communist aggression and defense of the Korean Republic.

At first there was sugar coating on the Indian suggestion that the six small-nation members of the Council break the UN-Russian deadlock by acting as a drafting committee on UN war aims and on the kind of postwar government a united Korea must have. This was sweetened with assurances that the proposed committee's work would be based on the Security Council's resolutions condemning the Red invader and ordering him to cease fire and retire.

That assurance was worth very little. It would accept the indictment which Russia challenges as illegal and, therefore, is no basis for breaking the deadlock. Russia could and would veto formation of any committee with such instructions unless there was a tacit agreement that the committee would disregard them in practice.

As soon as the Soviet delegate frowned on this sugar coating, the Indian spokesman obligingly conformed. At least the Indian told the press yesterday he expects to introduce his proposal tomorrow without any reference to the Security Council's Korean resolutions or anything else which might offend Stalin.

This is not the first move by India to appease Moscow. Pandit Nehru's initial proposal could not have been more acceptable to Moscow if Stalin himself had made it. Nehru then ignored the Security Council's ultimatum to the Reds to cease fire and withdraw, and suggested instead that admission of Red China to Security Council membership be the basis of Korean peace negotiations.

That was precisely the issue on which Stalin had been boycotting the UN unsuccessfully, and one of the main reasons for his satellite aggression in Korea—as blackmail to obtain a Red China seat on the Council with veto power. Of course, Stalin promptly accepted the Nehru's proposal, but the other powers refused.

If the Security Council is foolish enough to accept the latest Indian proposal, the way will be open to sabotage of the Council's antiaggression resolutions and sanctions.

The committee can receive and hear the Red Korean outlaw on the same basis as the Korean victim—which Russia demands and which the Council refuses to do.

The committee can receive and hear the Red China satellite, which boasts of its support to Red Korea, and which publicly proclaims it will attack Formosa in defiance of the United States Seventh Fleet.

The committee can consider a new government, including the Red aggressors, for a postwar united Korea. Yet the present legal Korean government was established by a free UN-supervised election, and is now being defended on Security Council orders by American and UN forces.

The net effect of such phony peace maneuvers would be to confuse the issue and divide the UN alliance against Red agression. That is Stalin's aim.

That is the end of the article by Mr. Denny appearing in the Washington News of today.

I merely wish to point out, Mr. President, that if the big five of the Security Council are eliminated, it leaves six nations. Of the six nations remaining, three have already recognized the Communist regime of China. It seems to me that if we are to have a system of collective security, any proposals which are submitted should be submitted to the entire Security Council.

The people of the United States, through their Government, have given prompt support to the United Nations resolution and against aggression. At the very hour when I am speaking, so far as I know, there is not a single other member of the United Nations that has ground troops doing any fighting in Korea. It seems to me that when we have assumed these responsibilities, our State Department should be very loath indeed to permit a situation to develop whereby the major powers will be eliminated from the discussion, and where Mr. Stalin may be able to achieve, by indirection, what Mr. Malik has not been able to achieve for him on the Security Council.

I believe it will be a betrayal of the men who have been fighting and dying in Korea if now, at this date, the Little Six, so-called, in the Security Council, receive in the committee which is proposed to be set up a representative of the Communist regime in Korea or receive a representative of the Communist regime in China.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Vermont.

Mr. FLANDERS. In looking back over both the First World War and the Second World War, I have been impressed with what seems to be, in retrospect, the unwisdom of demanding total and unconditional surrender.

I wonder whether we would be in a better position if we were to accept proposals for an arrangement of the Korean situation, with these two conditions firmly and plainly expressed: First, that it must involve the immediate retirement of the North Korean forces to points north of the thirty-eighth parallel; second, that there will not be tied up with it recognition of Communist China.

It seems to me we should not simply close the door on every proposal for a settlement. If we make those two conditions, let us see whether these nations have anything to offer.

Mr. KNOWLAND. Mr. President, I do not disagree with the able Senator from Vermont, and I am not proposing that we close the door, because I think we always should be willing to sit down and listen to any reasonable proposal.

The point I make is that instead of making it clear in their proposals that there would still have to be a withdrawal to the thirty-eighth parallel, the Indian proposal now is apparently attempting to sugar-coat that end of the matter. If, as I understand from my reading of dispatches of today, they do not mean to have that as a condition precedent to the discussion, I do not see how they can expect to have a settlement of the war or how they can expect to establish a system of collective security which will mean anything to the small law-abiding nations, or how we can negotiate with the Communists while they are acting as active aggressors in South Korea.

Our Government's position, as I have understood it to be up to this time, and as I believe it still to be, is that the aggressors must retire beyond the thirty-eighth parallel, and also that we will not tie that in with the question of recognition of the Communist regime in China.

When they have done that, I quite agree with the Senator from Vermont that the United Nations Security Council, as a security council, or the General Assembly of the United Nations, as a general assembly, then should discuss what further steps, if any, should be taken in the interest of the future peace of the world.

Mr. FLANDERS. Mr. President, I think the Senator from California and I are in complete agreement on those two conditions.

The only plea I make is that we should maintain a friendly attitude toward attempts to settle the Korean situation. We can be firm, yet friendly. I do not want us to be, and I do not think this country should be, in the position of just pushing off everyone who makes any suggestion which might be helpful toward solving the situation. We have perfectly good reasons for saying that the invaders must retire beyond the thirty-eighth parallel. We have perfectly good reasons for saying that recognition of Communist China must not be part of the agreement. However, let us say it in a gentlemanly, friendly, and approachable way. That is the point I am making.

Mr. KNOWLAND. Mr. President, I do not disagree with the Senator from Vermont on that point. Of course, when the United States has its forces fighting and dying in Korea, it is a little difficult to have a friendly approach to the North Koreans, under the circumstances with which we now are faced in Korea. However, I certainly believe that we should keep the door open for suggestions from such countries as India or any others which might make suggestions.

Mr. FLANDERS. The friendliness I am suggesting is friendliness toward those who are proposing to make suggestions as to the composition of the difficulty. That is the area of friendliness to which I refer.

Mr. KNOWLAND. However, I think the Senator from Vermont will agree with me that for the invaders merely to move north of the thirty-eighth parallel will not mean a great deal in the final analysis. If the Republic of Korea, the United States, and the western world are to be living under a gun, in that aggression of the same type might take place 3 months from now or 6 months from now, a peace achieved under those circumstances would be a very uneasy one. It seems to me that the United Nations Security Council must consider how the peace of the world can be preserved in the future, so that the pledges of the great powers at Cairo that Korea would be a free and independent nation may be carried out, and so that the mandate of the United Nations itself that a free election would be held in Korea—although such an election was blocked by Soviet Russia in the area north of the thirty-eighth parallel—can be implemented at this late date.

PRINTING OF CERTAIN TESTIMONY TAKEN IN EXECUTIVE SESSION BY BANKING AND CURRENCY COMMITTEE ON DEFENSE PRODUCTION ACT OF 1950

Mr. MAYBANK. Mr. President, I desire to propound a unanimous-consent request. I think the Senator from Ohio [Mr. BRICKER] is in complete agreement with me regarding the request.

Of course, I appreciate that the matter to which I shall now refer would best be brought up in a meeting of the Banking and Currency Committee. However, in view of the fact that it would be rather difficult to have a meeting of the committee at this time and to have the committee vote on this matter—although it is one within the jurisdiction of the committee—I now ask unanimous consent that there may be printed parts of the hearings held by the committee in executive session. I refer to the testimony of certain witnesses which certain Senators desire to have made available.

I have talked to a number of Senators, and it is agreeable to them to have that part of the testimony in executive session printed.

I have talked to the Senator from Ohio, and I understand that what I propose now is agreeable to him. The Senator from Indiana [Mr. CAPEHART] was not here, or I would have consulted him.

I make that request, Mr. President.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

Mr. BRICKER. I think it will be very helpful to have that testimony printed.

Mr. MAYBANK. I thank the Senator.

EFFECT ON HAND-MADE GLASSWARE AND POTTERY INDUSTRY OF GOVERNMENT POLICY AGAINST A PROTECTIVE TARIFF

Mr. BRICKER. Mr. President, even in the midst of world-wide confusion and problems involving the future destiny of mankind, we must realize at times that there are problems among our people at home, and we must consider the interests of our own people. People still work and produce and are paid wages.

I hold in my hand a letter from the Court of Common Please of Guernsey County, Ohio, the letter coming from the office of Judge Howard E. Faught, the common pleas judge of that county. He is also chairman of the Guernsey County Democratic Executive Committee. He appeals to me, on behalf of the labor in that county and in the general community of our State where hand-made glassware and pottery are produced. In the southeastern section of Ohio labor is being put out of employment by the importation of foreign-made glassware without any adequate protection by way of tariff or otherwise. That is a result of the reciprocal trade agreements. Much of the imported glassware, according to Judge Faught, comes from behind the iron curtain or from countries satellite to Russia.

I ask unanimous consent to have printed at this point in the body of the RECORD, as a part of my remarks, the letter I have received from Judge Faught, whom I have known for many years, who is a patriotic citizen, sincerely interested in the welfare of his country and the people of his community.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COURT OF COMMON PLEAS,
GUERNSEY COUNTY,
Cambridge, Ohio, August 3, 1950.

Hon. JOHN W. BRICKER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BRICKER: The Guernsey County Democratic Executive Committee at a recent meeting held a lengthy discussion on the following issue: The effect our Government's present policy against a protective tariff for hand-made glassware and pottery is having upon the domestic manufacture of these articles.

Guernsey County, of which Cambridge is the county seat, is largely dependent upon our glass and pottery industries. It is our understanding that hand-made glassware and pottery are being imported into this country from nations now under the domination of Communist Russia and this, our committee feels, should stop.

Our committee unanimously passed a resolution directing me, as its chairman, to urge you as our representative to do everything within your power to give adequate protection, through a proper tariff, to the hand-made glass and pottery industries of our Nation.

It is our belief that should the present flow of imports continue, entire cities in the Ohio Valley and other parts of our Nation will suffer the distress of widespread unemployment. If our Nation is to be benevolent, we urge you to focus some of that benevolence on our domestic industry.

We trust that you will direct your best efforts toward stopping the importation of cheap labor products, which has so greatly influenced the demand for and production of these two stable American industries.

Sincerely yours,

HOWARD E. FAUGHT,
Chairman, Guernsey County Democratic Executive Committee.

NEED FOR ACTION ON CONTROL BILL—PRICE INCREASES

Mr. MORSE. Mr. President, I have two subject matters upon which I wish

to comment briefly today. I am taking advantage of what is an obvious lull in the proceedings of the Senate, a lull which seems to arise inevitably whenever we enter into a unanimous-consent agreement to vote at some specific time. I recognize that, on occasion, such unanimous-consent agreements are necessary in order to speed up the business of the Senate. In this instance, however, I think that, as has so frequently happened in the past, we have an example of a unanimous-consent agreement which has delayed action in the Senate. I think we could very well have gone to work and voted on the pending bill probably as early as tonight. We should have done it, because every hour of delay in the passage of this bill is injurious to the consumers of the country. I believe the passage of the bill itself, even though it only provides for stand-by powers, will have a very beneficial effect by way of psychological control of selfish interests that are taking great advantage of the consuming public in these days.

I was rather interested, as I walked out of my apartment house this morning, to hear the woman at the lobby desk call out after me and say, "Senator, will you do what you can about meat prices?" She said, "They have even increased the price of ham now, and there is no meat that a woman in my position can afford to buy for her family by reason of the great increases in prices which have occurred within recent weeks."

Once before, Mr. President, I commented on this subject on the floor of the Senate, and the American Meat Institute denied my charges of profiteering in the meat industry. I repeat them today, because the American Meat Institute is not going to get by, so far as I am concerned, with a denial of facts. My charge is that there is no justification for the increase in meat prices since the beginning of the Korean war at any level, whether at the level of packers' wholesale prices or at the retail level in the butcher shops, and that those who have charge of the distribution of meat are taking advantage of the American consumer.

I did not rise, however, to discuss the pending bill, other than to remark that I think quick action on the control bill is essential on the part of the Senate to stop the selfish profiteering that has come to characterize so many of the activities of the sellers of consumer goods in America in recent weeks. I did rise to talk about two other matters for the RECORD.

The PRESIDENT pro tempore. The Senator from Oregon has the floor.

SALE OF STRATEGIC GOVERNMENT-OWNED PLANTS

Mr. MORSE. Mr. President, a free and inquiring press is one of our greatest safeguards against bungling and corruption in Government. Many scandals have been averted by reporters calling to the attention of Congress and the people provable facts.

On August 6 a reporter whom I know and respect as trustworthy, Tris Coffin, reported on the radio:

> Attention, Senate watchdog committee. You could well investigate to see who is behind the questionable sale of strategic Government-owned plants. At the last minute Chairman Symington, of the Resources Board, stopped the bargain sale of a Government-owned synthetic-rubber plant at Akron. The deal was all set for General Tire & Rubber Co. to buy the six-and-a-half-million-dollar plant for only $2,200,000.
>
> General Tire did not even propose to make rubber at the plant—instead, plastics. Someone—and the committee could find out who—declared this strategic plant surplus.

This is indeed a problem that should be brought to the attention of the Nation. The United States is today consuming rubber at the rate of 1,200,000 tons a year. Our capacity for producing synthetics is 675,000 tons a year, so I am informed. Communist guerrilla operations in Malaya and southeast Asia are destroying our natural-rubber supply at its source.

It is claimed that this particular plant at Akron, Ohio, with some rehabilitation, could produce more than 30,000 tons of synthetic rubber annually. Both the respected elder statesman, Chairman CARL VINSON, of the House Armed Services Committee, and the Senator from Texas [Mr. JOHNSON], the able chairman of the Senate watchdog committee, objected in writing to the National Security Resources Board regarding the sale of this strategic plant. The sale was stopped.

But there are still hidden facts that should be revealed.

Who approved the sale of the plant? The Resources Board now says the sale should not go through. Presidential Assistant John Steelman says he was not for the sale. The RFC denies it was pushing the sale, and the Munitions Board takes the same position.

Was the go-between in this strange deal a former employee of Rubber Reserve?

Was the Under Secretary of the Navy in any way involved in the back-stage negotiations?

What is this mysterious essential plastic the General Tire Co. now says it was going to produce? A check of the military and the Munitions Board does not disclose any new essential plastic so far as I can find out. Nor is the Resources Board familiar with it.

Last Sunday General Tire & Rubber ran a large and misleading advertisement sharply criticizing the original broadcast which called attention to the proposed sale. This advertisement was not merely an attack on a reliable reporter; it appears to be an attempt to intimidate or, at least, to mislead Congress. General Tire knew that an investigation by the Senate watchdog committee was probable; and the advertisement was, I think, an attempt to intimidate the committee.

It is nothing new for General Tire & Rubber to be at odds with the Government. William O'Neil, president of General Tire, strongly opposed the Shafer Rubber Act of 1948, which requires that facilities be maintained in the United States for the production of not less than 600,000 tons of rated capacity. Mr. O'Neil, in testimony before the Senate rubber subcommittee 2 years ago, said:

> Why do we have to waste our money on some kind of a foolish dream of an impossible stock in this country? The price of rubber today indicates there is no shortage of rubber.

Today, however, with great consumption of rubber, there is a deliberate Communist sabotage campaign in natural-rubber areas, and rearmament rubber is once again scarce.

The General Tire & Rubber Co. also is in controversy with the Treasury Department over import duties on styrene, an ingredient used both in synthetic-rubber and plastic production.

The questionable sale of strategic Government-owned plants is but one area where a free and aggressive press and radio can serve the Nation. Any attempt to intimidate such investigations should be sharply criticized.

Furthermore, Mr. President, in my opinion there is a great need for a congressional investigation into the whole question of the transfer of surplus property since the close of World War II hostilities. I think such an investigation will show that great mistakes in judgment were made by many Government officials in respect to the disposal of surplus Government property. I was shocked and disturbed to find since the outbreak of the Korean war that a large number of Sherman tanks, following the end of hostilities, were sold as surplus in the Philippine Islands. Their armament was removed, but other than that I am advised they were left in first-class condition. How valuable those Sherman tanks would have been, Mr. President, at the outbreak of hostilities in Korea, if they could have been quickly removed from the Philippines, certainly a short distance away compared with that involved in shipping tanks from continental United States to Korea. I throw this out as but one suggestion of what I think will be disclosed if there is a thorough investigation on the part of Congress as to the disposition of surplus property, including, for example, the disposition of very useful and large quantities of military trucks, all in first-class shape. I am advised that today there is a shortage of military trucks needed for the transfer of troops to the front lines in case of a sudden outbreak of a full-scale war with Russia.

I sincerely hope that the matter in regard to the particular rubber plant in Akron, Ohio, will simply be the initiating project that will start a thorough investigation of the whole question of the disposal of surplus property, now so vitally needed for a successful prosecution of the war in Korea and elsewhere, in case it should break out elsewhere in the world.

Mr. TYDINGS rose.

Mr. MORSE. Does the Senator from Maryland wish to have me yield?

Mr. TYDINGS. If the Senator would yield, I should like to say to him, since he is a member of the Armed Services Committee, and I know he will recall the

facts, that approximately 3 or 4 months ago there was a proposition before the Committee on Armed Services as to whether we should sell the synthetic rubber plants or extend the Synthetic Rubber Act. The committee took counsel one with another and decided to extend the Synthetic Rubber Act and keep the plants available for us in case of emergency. At that time the atmosphere was peaceful, and there was a good deal of sentiment and support for the statement that the Government should get out of business. Many persons said, "Get the Government out of business and turn the plants over to private industry." If that had been done it is not unlikely that the plants might have been closed down, or, at least, their usefulness would have been impaired if we had needed them quickly.

I am glad to say that the committee of which the able Senator from Oregon is a member was unanimous in saying that until the international situation, which looked relatively calm 3 or 4 or 5 months ago, cleared completely so that we could turn these plants over to private industry with a degree of safety which we did not at that time think was present, we had better hold on to them. So I think it is to the credit of the Armed Services Committee that we took that action and extended the Synthetic Rubber Act, which became the law of the land, rather than to dispose of the plants.

Mr. MORSE. Mr. President, I am very glad the Senator from Maryland, chairman of the Armed Services Committee, has made these observations in connection with my remarks. I want to say for the RECORD that what he has said with regard to the action of the committee is an accurate statement. More than that, I do not think there is any member of the Armed Services Committee or any Member of the Senate who has taken a more firm position in favor of arming the country and seeing to it that we do not dissipate military equipment than has the Senator from Maryland. Time and time again, Mr. President, as a member of the committee, I have observed him raise what we may, for the purpose of description, call the danger signal, the word of caution with regard to too hasty action in disposing of surplus property or of weakening the military forces of the Nation. I think it is due him as chairman of the Armed Services Committee that one on the minority side of the committee, should pay to him what I think is a deserved tribute with respect to the position he has taken in the committee concerning strengthening the military defenses of the United States.

Mr. TYDINGS. I thank the Senator.

THE NEED TO BE FAIR TO GOVERNMENT ADMINISTRATORS—COLUMBIA VALLEY AUTHORITY

Mr. MORSE. Mr. President, I now want to address myself to another subject matter.

If I were to label my speech with a title, I think it would be "There Is a Need To Be Fair to Government Administrators."

Mr. President, these are trying days in the life of our country, certainly as critical as those of the fateful summer of 1939. Once again our democracy faces a test of its strength, a determination of whether freedom and decency can triumph over the forces of oppression and darkness.

All of us will recall how amazed we were at the weakness of the French nation in 1939 and 1940. We now know how a venal press, corrupted by selfish interests, virtually sold its columns to the highest bidder, and sold its people into defeat and slavery.

It is a lesson to remember, for we know that the security of our democracy in a large measure depends upon the enlightment of our people. So, today, a free press is more important than ever in our history.

I have the greatest confidence in the newspapers of America. Almost without exception they uphold the best traditions of reportorial accuracy and editorial independence. They are public trusts rather than organs of personal whim or venom.

I do not claim that they do not make serious mistakes in reporting, but I think, by and large, they have lived up to the great constitutional guaranty which is theirs and which belongs also to the American people, namely, freedom of the press. Today, however, I would invite attention to one particular incident which I think seriously reflects upon the journalistic integrity of one of America's influential and widely circulated magazines, the Reader's Digest.

Here is a publication with an enormous circulation in this country alone. Its influence is not limited to our own citizens. It publishes translations which circulate to millions of Spanish- and Portuguese-speaking people, as well as to a large Danish, Finnish, Swedish, and Arabic audience. With three, four, or more people reading each copy, its potential influence—for good or for evil—is tremendous.

Like most Americans, I have regarded the success of the Reader's Digest as an interesting phenomenon of American journalism—a spectacular financial success for its publishers, and a pleasant way for travelers to while away the time as they waited in the depot between trains.

I have regarded with casual interest the Digest's carefully constructed reputation as an objective eclectic journal.

I have also regarded with casual interest its careful efforts to gain acceptance by our public-school systems as a proper addition to their current events curricula.

However, there has been, during the past several years, a growing multiplicity of symptoms that this magazine is not all that its carefully constructed reputation would indicate.

There has been a slowly growing knowledge by a larger and larger body of persons that is it not, in fact, an objective and disinter ted journal at all; but, rather, a publication which grinds certain axes under the cloak of objectivity and makes a very good thing of it.

Some years ago former Senator Guffey called our attention to the fact that the Reader's Digest had ceased to be the accurate reflection of our American magazines upon which it had built its world-wide reputation. In this connection, I invite attention to the CONGRESSIONAL RECORD of February 2, 1944, page 1070.

He declared that an article on our relations with Latin America was so mischievous and full of misinformation that the Digest owed an apology and explanation to the American people.

That was in 1944—in the critical days of World War II. Today the struggle for the minds of men is no less vital if freedom and democracy are to prevail against despotism. If our Nation's most widely circulated magazine can deliberately spread malicious falsehoods about our American institutions and our American officials it is again giving aid and comfort to the enemies of our democratic way of life.

I do not make these charges lightly. I have in my hands evidence which demands immediate investigation to determine whether Reader's Digest has not secretly conspired with powerful business interests to discredit governmental institutions and defame governmental administrators acting under authority of this and other Congresses.

The broad outlines of this conspiracy are beginning to be apparent. There is some indication that some segments of the privately-owned electric utility industry have launched a tremendous campaign to smear as subversive, un-American and socialistic the great power, navigation, and reclamation projects undertaken by our Federal Government.

I hold in my hand a pocket size handbook which has been produced by the ECAP. Mark these initials well. They do not represent another Government bureau. They stand for Electric Companies' Advertising Program. This booklet is called the Public and You. It has been prepared by the staff of these electric companies and is addressed to the utility managements. It proposes a campaign of deceit and falsification no less infamous than the callous program launched by Samuel Insull a quarter of a century ago, when he sought to rewrite our school books and corrupt our teachers.

Insull, as Senators will recall, before he fled to Greece, told his holding company underlings not to argue the theory of public power, but to smear proponents of public developments as Bolsheviks.

In documentation I invite attention to Federal Trade Commission report, part II, pages 68 to 72. In this booklet the power company investigators have found that approximately two-third of the American people approve of such developments as the Federal Government has undertaken on the Tennessee River. Among editors and educators, 83 percent favor such Federal development, with only 7 percent against it. For documentation I suggest the power company's own booklet the Public and You at pages 16, 17, and 18.

Apparently the power company experts also found that Americans oppose socialism 7 to 1. For documentation see the same booklet at page 28. They admit that to link our fight to the TVA

question would run us into a lot of opposition. So they advise power companies to link our fight to socialism. See their booklet at page 29.

Mr. President, that is paid propaganda, openly advocated by the power companies and their lobbyists. They have a perfect right to circulate such propaganda if they care to do so. But I think the propaganda should be given great scrutiny and weighed with care by any journalist who in the name of journalistic objectivity seeks to present facts to the American readers. I think infinitely worse than this paid propaganda of power companies is the subtle campaign they have launched to corrupt avenues of public information. It now appears that the Reader's Digest, that self-styled paragon of honest, wholesome publishing, has endorsed and deliberately embarked upon this campaign of smear and falsehood, if the article in the August 1950 issue which I am about to comment upon is to be typical of their propaganda.

I have the article before me. I am particularly disappointed because this concoction of half truths and whole lies is directed against the CVA issue of my region. I am against the CVA but I disapprove of the smear tactics resorted to in the article. I am sure the claim will be made that the article proves to the people of the Northwest that here is a prime example of creeping socialism. I presume millions of reprints of this article will be scattered across the Nation by those who are seeking to defeat not alone the CVA but any Federal program of public power. The thinking people who back the Federal program of public power 12 to 1 I am sure will not be deceived by this kind of propaganda. However, it will have its effect upon many citizens who do not know the facts first hand, especially those living outside the Pacific Northwest.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the article entitled "What Does CVA Mean to You?" published in the August 1950 issue of the Reader's Digest.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT DOES CVA MEAN TO YOU?

(By Leslie A. Miller, former Democratic Governor of Wyoming and former chairman of the Natural Resources Committee of the Hoover Commission for Reorganization of the Executive Branch of the Government)

How many people bother to read on when they see a headline about CVA? What's CVA? Oh, that means Columbia Valley Authority. Uncle Sam wants to build a lot of big dams to give the people in the Pacific Northwest cheap electricity. Well, what does it all mean to me?

The CVA means plenty to you. It is just one more step in an ambitious plan to socialize the electric-power industry as a big stride toward socialism. And while the Government may dig the dirt out of some distant State, it will dig the billions the project will cost out of everybody's pocket, including yours.

The Columbia Valley Authority, covering Washington, Oregon, Idaho and parts of Montana, Wyoming, Nevada and Utah, is just one of nine huge power authorities into which Washington is planning to divide the entire country. These authorities will embrace hundreds of huge power dams built and operated by the Government. They will produce all the hydroelectric power in the Nation and will sell it to no private electric distributors—only to Government-owned or State-owned utilities. The President, in May 1950, declared that "these benefits must not be diverted to private profits."

Holding in its hands the power by which almost all industry operates, the Federal Government will be able to dominate the industrial life of the Nation. Socialist planners inside the Government admit, privately, that they look upon socialization of electric power as the key to socialization of the United States.

The unsuspecting American imagines we are safe from socialism because he knows the people will never vote for it. But socialism can be put over by a small minority. And the struggle now going on in the valley of the Columbia River is a good example of how it can be done.

Up in the Northwest corner of the Nation are seven States, all or part of which make up an integrated economic region dominated by the Columbia River and its tributaries. Along these rivers 130 dams have already been built. Of these, 86 are hydroelectric-power dams, 32 are irrigation dams, and 12 are multipurpose—for irrigation, power, flood control. Some were built by private companies, some by municipally owned utility systems, some by the Federal Government. All have been hooked up by high-voltage transmission lines to form one giant power pool. The States, cities, private companies, and Federal Government have joined in a voluntary arrangement under which power can be shifted from one locality to another to meet varying seasonal needs. This region has the Nation's most bountiful supply of electricity and the lowest rates—half the national average. It is handled by a body representing all the partners in the pool—the private companies, States, cities, and Uncle Sam.

Now let us see how a small group of men, inserting themselves in strategic positions in the Washington bureaus, have set out to grab the whole Columbia River power network for the Federal Government. The Government built and operates the dam at Bonneville, and it is through this that it finds itself in the present Columbia River power pool. The Government also has control over the Nation's navigable rivers, and the management of irrigation and power schemes heads up in the Reclamation Bureau in the Department of the Interior. If, therefore, a Socialist intriguer wanted a finger in this great power pie, the thing to do would be to get into the Reclamation Bureau.

This is what an old-time Socialist did. He is Stephen Raushenbush, who had spent years promoting Government ownership of power. He believes the first decisive step toward socialism is the public ownership of all utilities. He has written that the socializing program should begin with local and State ownership, then power authority, then complete nationalization. The program could be eased along gradually by a small group in the right positions. He wrote: "One good man with his eyes, wits, and ears about him inside a department * * * can do more to perfect the technique of control of industry than a hundred men outside."

In 1941 Raushenbush turned up as the chief economist and planner of the Power Division of the Interior Department. And he was not alone. There were two other good men—Dr. Carl D. Thompson and Dr. Paul J. Raver. Dr. Thompson, once research director of the Socialist Party, has written that when the Government owns electric power this will mean control of transportation and industrial production. Dr. Thompson was consultant to the Bonneville Power Administration from 1938 to 1947. Dr. Raver, also a Socialist, has been Administrator of the Bonneville Power Administration since 1939. So we find these three men neatly placed in strategic spots for promoting their Socialist dream. When Raushenbush left the Department in 1947, the Secretary of the Interior told him, "We have relied heavily on you." That marks the degree of his influence.

Dr. Raver represents the Government in the Columbia power pool. But he does not like the way that pool works. He declares he wishes to revitalize the power program in the Northwest. By this he means pulling together all of the public-ownership forces of the region around an agreed program of public ownership and acquisition of private utilities. He has refused to let private companies have long-term contracts for any part of the power produced by Bonneville dams.

The proposed Columbia Valley Authority will supersede the present power pool. It will be a monopolistic Government corporation, run by three men answerable only to the President. It will have autocratic power over the rivers and the power generated in them. It will control all natural resources, including land, forests, soil conservation, irrigation, and water rights.

The three directors of this proposed CVA could spend money as they saw fit. They could buy and sell real estate and private utilities. They could regulate mining, lumbering, and fishing. They would be authorized to determine the size of farms and to dictate farm practices through their control of irrigation water. They could establish any business they might think desirable by calling it a demonstration operation. Their mission would be to plan the economic life of the whole region—to establish a balanced and stable economic development. Add to these powers the Federal Government's control of credit through its numerous lending agencies, and you will realize what the word "Authority" means.

These planners have a theory that our division into States is unnatural. They believe the country should be divided into economic regions. Dr. Arthur Morgan, who built TVA and was its first chairman, wrote to the Senate Commerce Committee saying that while he was Chairman of TVA his colleagues were talking about the Authority gradually taking over the functions now being exercised by the States, towns, and counties, and that they had the dream that this might go on gradually as the functions of the local authorities withered away.

Thus you behold the revolution that creeps over the land. But those managing it never disclose their intentions. They advertise, instead, the rich fruits they will bestow.

Opposition to CVA in the Pacific Northwest remains obdurate and up to now has been able to hold the Federal Government planners off. More than 200 organizations have protested, including irrigation districts, citizens' committees, Grange units, the Farm Bureau Federation, organized cattlemen, miners, lumbermen, and businessmen. The legislatures of Idaho, Oregon, Montana, and Wyoming have protested it. The Governors of Oregon, Nevada, Utah, Washington and Wyoming have spoken against it, along with most of the Senators and Congressmen from that region. The opposition would be even more intense if more people understood this important fact: Under CVA, irrigation would of necessity have to take a back seat to power production, and private ownership of water rights, so precious in the West, would go by the boards.

In Seattle, Mayor William F. Devin, who is also head of the municipally owned power system, says, "This is not a fight between public and private power. This is a case of the Federal Government using phony gifts of our own taxes as bribes to rob us of our basic rights. * * * We are capable of developing our own economy. I say let us

develop the Columbia River as our own responsibility."

This is precisely what the Federal Government does not wish that valley, or any other valley, to do. Once the Columbia River area is made over in the socialist pattern, it would be followed by the Missouri Valley Authority, and then the others, to blanket the Nation.

Governor Langlie of Washington says: "The issue here is whether the people are to manage their own affairs or have them entrusted to three men appointed in Washington, D. C., and given almost unlimited power. What would be left of our State and local government when such an agency gets into full swing?"

The CVA project has been stalled for the moment. But it will be resumed in the next Congress. We must not forget that what is planned for the Columbia River Valley is planned ultimately for the entire Nation.

Mr. MORSE. Ostensibly the attack is on CVA, the proposed Columbia Valley Authority. Let me make it perfectly clear, Mr. President, because I know how easily my speech probably will be misunderstood by some people, that I am opposed to the CVA. I am completely opposed to the CVA. However, as an opponent of the CVA, I have no intention of countenancing or condoning what I consider to be improper tactics used in the fight against the CVA. I take the position which I took on October 14, 1949, in the Senate of the United States, when I spoke for some 3 hours in opposition to the CVA, that we can defeat the CVA on the basis of its demerits, and we can win our fight on the CVA issue on the basis of the merits of our contentions against it. Therefore, I plead today with those who see eye to eye with me on the demerits of the Columbia Valley Authority that we hold our opposition to the issues, and not resort to a smear campaign, or to the type of tactics which Mr. Miller uses in the article published in the Reader's Digest. As one reads the literature put out by some of the utility companies, and as one reads the article in the Reader's Digest, it becomes clear that the fight is not against CVA alone, but apparently it is actually against any development of public power.

The man whose name appears as the writer of the article is not the usual Reader's Digest staff writer. The alleged author of the article is former Gov. Leslie A. Miller, of Wyoming. The Reader's Digest goes on to point out that he is former chairman of the natural resources committee of the Hoover Commission. I do not disagree with everything Mr. Miller says in the article. I particularly agree with his thesis that the CVA would vest too much power over the economic life of the region in the hands of three Presidential appointees. I think Miller is right in calling attention to the unchecked power that the directors of CVA would have. I think the people of the region must be given voting representation on the board of any agency that is set up to coordinate the work of the various agencies which have some jurisdiction over river-development projects. I agree that a CVA gives the Federal Government entirely too much control over our region, but I do not think it is fair to make the type of attack on Dr. Paul Raver which is made in the article.

Mr. President, let me digress further to say that the junior Senator from Oregon is opposed to the Columbia Valley Authority because he thinks there are much sounder ways of bringing about a needed coordination of the various agencies, Federal and State, in the operation of the various projects which necessarily must be developed on the great rivers of America if we are to use our rivers to accomplish an expanding economy which is so sorely needed in order to make our sound capitalistic system work for the benefit of all the people. It is so easy to have one's political critics read into one's language meanings that the speaker did not intend to convey. Therefore, Mr. President, so that there may be no doubt as to the position of the junior Senator from Oregon, let me say I yield to no one in any private utility in America in support of the need for the perpetuation of America's capitalistic system. I take the position that the perpetuation of our capitalistic system is essential if we are to preserve political democracy in America. I also wish to point out that our capitalistic system must be rid of any maladministration or abuses within it, and that it must be made to work for the common good, and not primarily for the self-interests of great, powerful economic groups.

I say further that I would have the American people keep in mind that mass production is essential to the survival of the capitalistic system, and that in order to have successful mass production, there must also be mass consumption in America. That is why the junior Senator from Oregon has so frequently taken the position on the floor of the Senate that as a Congress we should support necessary economic reforms to the extent that Government can help the masses of the American people raise their standards of living, so that their purchasing power will be greater, if we are to have the mass consumption necessary to sustain the capitalistic system based upon mass production.

Mr. President, the development to the maximum extent possible of the great river resources of America and the development of reclamation, irrigation, and power resources are essential in the years immediately ahead in order to provide the much needed expanded economy which I think is the greatest defense weapon America possesses today.

Oh, I have said so many times, and repeat today, Mr. President, that I believe our capitalistic economy, functioning under a minimum of governmental regulation and control, the minimum necessary to prevent the free-enterprise system from changing into a system of license to exploit the weak, is the greatest defense weapon America has. I propose to do what I can to strengthen it and oppose proposals which I believe will weaken it.

Thus, in regard to the whole CVA question, I happen to think that the adoption of the major recommendations of the Hoover Commission report—and Mr. Leslie Miller was chairman of the section on river development—and the development of a Federal corporation through an interstate compact, with representatives of the Federal Government and of the States concerned on the board of directors of such a corporation, is the proper approach to make to the much-needed task of coordinating the activities of the various agencies and projects charged with the responsibility of developing the economic resources of our rivers.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MORSE. In a moment. This position is the one I have consistently taken on CVA, and in criticizing Mr. Miller for the article which it is alleged he wrote for the Reader's Digest for August, I wish to make it perfectly clear that I do not criticize him because of his opposition to CVA. I am opposed to it too. I criticize him because I am opposed to a CVA, and I think the tactics to which he has resorted in this article will weaken the position of those of us who are fighting the CVA. I believe whenever one uses smear tactics he plays right into the hands of the opposition. I think it was unfair of him to smear Dr. Paul River with the label "socialist" when I am satisfied that the charge is not true.

I now yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I merely desire to associate myself with the distinguished junior Senator from Oregon in his feeling about the article in the Reader's Digest to which he has referred.

I also desire to commend the Senator, although he and I differ on what we might term "good management" for the development of our great area. I commend him because our argument, whatever it may be regarding the kind of management we should have, has always been on a high plane, discussing the matter abstractly, and the kind of things written in the Reader's Digest article in my opinion deserve the comments directed toward them today by the Senator from Oregon.

Mr. MORSE. I thank the Senator from Washington very much. I hope that in due course of time we will be able to iron out our differences in regard to the particular type of administrative organization which should be provided for the handling of the river developments. I have not given up hope that I may be successful, in due course of time, in persuading the Senator from Washington to go along with the junior Senator from Oregon by adopting the major recommendations of the Hoover Commission report, and trying to work out a governmental corporation organized on the basis of an interstate compact which will give to the people of his State and of mine a voting representation on the board of directors of any administrative agency that may be set up to administer the river projects.

I desire to be frank with the Senator from Washington. I believe that anyone who studies this problem ought to recognize that what we are going to work out finally will be a reasonable compromise, taking in the best features of all the proposals, but keeping, I am sure,

within the compromise a procedure which will permit the people of the Northwest themselves to have a check, an effective voting check, upon the administration of the projects, whatever system may be set up. I want to say to the Senator from Washington [Mr. MAGNUSON] that he has been exceedingly fair and reasonable in all of the discussions I have had with him over the CVA issue. He has told me many times that he is very anxious to work out with the other Senators from the Northwest a program or plan which can be accepted by all concerned and which at the same time will do the job of coordinating these projects into an efficient administration of them. There is no doubt about the fact that a program of coordination is sorely needed.

Mr. MAGNUSON. That is why the Senator from Oregon and I have always suggested that before anything is done in this matter there should be exhaustive public hearings in the States, so that everyone can give his ideas, and a program may be worked out for the best interests of all the people.

Mr. MORSE. I have joined with the Senator from Washington in regard to asking for such public hearings, as has my very able colleague, the senior Senator from Oregon [Mr. CORDON]. I hope that once the Congress finds it possible to recess, we may then be able to go forward with such public hearings.

Mr. MURRAY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. Before I yield, I ask permission to have inserted in the RECORD at this point as a part of my remarks, because I want it referred to by the readers in connection with what I have said concerning my opposition to CVA, the colloquy between the Senator from Wyoming [Mr. O'MAHONEY] and myself some months ago, found in the CONGRESSIONAL RECORD of April 17, at pages 5256 and following. The first insert starts near the top of the third column on page 5656.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

Mr. O'MAHONEY. I am glad to yield to the Senator from Oregon.

Mr. MORSE. I should like to ask two or three questions of the Senator from Wyoming. First I wish to say that I find myself enthusiastically supporting the resolution for a survey and review, which the Senator from Wyoming and my distinguished senior colleague from Oregon [Mr. CORDON] have introduced. I believe the statistics and figures which the Senator from Oregon has put into the RECORD, along with data presented by the Senator from Wyoming, make perfectly clear the need for the passage of legislation providing for such a survey and review.

One of the things, however, which has disturbed me is that during the course of the debate on the pending bill I have developed the feeling that a great many of my colleagues are both disturbed and confused as to where we are going in the West and Pacific Northwest in respect to great public works. It seems to me that we need to be careful that the impression is not created—or if a basis exists for any such impression, that it be eliminated—that there is a jurisdictional problem developing between the committee headed by the distinguished Senator from New Mexico [Mr. CHAVEZ] and the committee headed by the Senator from Wyoming [Mr. O'MAHONEY]. Comment has been made to the effect that underlying discussion of the pending bill is jurisdictional strife between the Army engineers and the Bureau of Reclamation.

Our interest should be the interest of the American taxpayer in respect to the work which is to be performed by both of these agencies. So I ask the Senator from Wyoming whether the experience which we have had with the pending bill on the floor of the Senate does not itself show the need for greater coordination of activities among Federal departments such as the Bureau of Reclamation, the Corps of Army Engineers, and the Federal Power Commission, as such activities relate to river and harbor development in the field of public works.

Mr. O'MAHONEY. It seems to me that is clearly indicated, and that it is highly desirable.

Mr. MORSE. The Senator from Wyoming and the junior Senator from Oregon, if I understand correctly the position of the Senator from Wyoming, are on opposite sides of the fence when it comes to the Columbia Valley Authority proposal for bringing about cordination through the establishment of a Federal board which would give any such power as the pending CVA proposal would give to three directors. Therefore, the question I now ask may be interpreted by the Senator from Wyoming as not exactly fair. However, I mean it to be fair from the standpoint of the premise which I wish to establish.

Is the Senator from Wyoming willing to say whether or not he agrees with the junior Senator from Oregon that the type of review legislation which he and the senior Senator from Oregon are now asking for at least would bring out the purpose and show the need for coordination of the activities of the various agencies? Would we not then be in a better position to find out on the floor of the Senate the particular pattern for cooperation, leaving it to the Senator from Wyoming, if he wishes, to support a CVA, and to the junior Senator from Oregon to continue, as he can assure the Senator he will, to oppose the type of coordination which is offered by the opposition through the pending CVA bill.

Mr. O'MAHONEY. Mr. President, I have never hesitated to express my opinion on any pending legislation, or any suggestion for legislation, upon which I have had an opportunity to make up my mind. I will say to the Senator from Oregon that my mind is perfectly clear. I do not believe that the valley authority approach is the proper approach in the arid land States of the West. It may be, and I think it is, a perfectly sound, excellent, and efficient approach in the Tennessee Valley, where there is a great supply of water, where farmers and other residents are not dependent upon a very short supply of water, and where there has been no long history of water legislation built up.

The situation in the Tennessee Valley is completely different from that in the Missouri Valley, and in Wyoming, Colorado, Montana, Idaho, or in any of the other arid Western States. My State of Wyoming was admitted into the Union under an act of Congress which conveyed to the State jurisdiction over its water supply. Ever since the State has become a part of the Union the State courts have adjudicated water rights. I have no desire to transfer that local State authority over water rights to a valley authority or whatever name it may be called. That was one of the reasons why, I may say to the Senator from Oregon, I supported the basin account in the amendment which the Committee on Interior and Insular Affairs offered to the bill, because I believe that the establishment of a basin account would make unnecessary in the Columbia Valley the establishment later of a Columbia Valley Authority. May I ask the Seantor how we are on opposite sides of the fence?

Mr. MORSE. I hasten to correct the RECORD, if the Senator will permit me to do so. The Senator's statement for the first time clears up a misunderstanding under which the junior Senator from Oregon has been laboring apparently for many months. He had taken it for granted that he and the Senator from Wyoming did not agree on the question of opposition to the CVA proposal. He wants to say now that he has not had better news for a long time than the statement which the Senator from Wyoming has just made on the floor of the Senate, because he has always had very high respect for the record and views of the Senator from Wyoming on great issues affecting public works. I completely agree with the premise he has laid down with regard to the dangers of a CVA. I wish to say to him that I think he has made very clear the need for the type of survey called for by the resolution offered by himself and the senior Senator from Oregon.

I close with one further comment. I wish to say to all my colleagues from the West that I think debate on the pending bill shows that Senators from the West should get together on the whole question of public works, because I think the type of split which has occurred among us during the course of this debate is going to set back needed self-liquidating public works in the West for a considerable period of time, unless an end is put to it.

I sincerely hope that at the earliest possible date the bill which I understand has already been introduced, and another bill which will be introduced by another group of western Senators for consideration by the Committee on Public Works, will receive a hearing and subsequently favorable consideration of the Senate.

Mr. THYE rose.

Mr. O'MAHONEY. Mr. President, before I yield to the Senator from Minnesota, I should like to make one additional comment. I am not aware of any conflict of jurisdiction between the Committee on Public Works and the Committee on Interior and Insular Affairs. Certainly the Committee on Interior and Insular Affairs has not attempted and does not attempt to seek any of the jurisdiction which under the Reorganization Act was placed in the Committee on Public Works. For that reason, although there were sent to the Vice President of the United States at the beginning of this session numerous amendments dealing with this particular bill, the Committee on Interior and Insular Affairs did not take up any one of them except the one which had to do with the irrigation of the Columbia Basin, the building of reclamation and irrigation projects, and the establishment of the basin account.

Mr. President, I am just as desirous of coordination, cooperation, and unification in the Senate as I am among the executive bureaus of the Government.

I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I should like to ask the distinguished Senator from Wyoming whether he entertains the same convictions about the Missouri Valley Authority as those expressed about the CVA.

Mr. O'MAHONEY. My feelings are the same with respect to the Missouri Valley Authority.

Mr. THYE. In other words, is it the Senator's conviction that CVA would in effect take away some sovereignty of both the State of Oregon and the State of Washington?

Mr. O'MAHONEY. That is my feeling; yes.

Mr. THYE. If we were to authorize a Missouri Valley Authority, we could well expect that the States which adjoin the Missouri River would give up their sovereignty to a great extent, because MVA would extend up the valley and involve the Dakotas and Montana, and all the States on which the Mis-

souri River borders or which it traverses. So the States in reality would give up their sovereignty. Eventually there would be up the Missouri, on to the Columbia, a CVA which would split the United States right down from the Northwest to the Southeast. Is that not true?

Mr. O'MAHONEY. I do not care to become diverted into a discussion of the details of the valley authority systems. I have already made it clear, as they have been presently proposed for Western States, that I believe they would invade the rights which belong to the people in local communities. I have yet to see a Missouri Valley Authority bill or a Columbia Valley Authority bill which to my mind adequately protects the self-governing rights of the people living in those valleys.

I realize, however, how strong the drift is toward the establishment of authorities of that kind, and I cannot refrain from pointing out that so long as we continue to permit the concentration of economic power in the hands of great corporations, the stronger do we make the drive for the establishment of Government authority over the rights and economic welfare of the people.

Mr. THYE. Mr. President, I thank the Senator for his explanation, and for the time given me to enable me to make my comment about the proposals for the Columbia River Valley and the Missouri River Valley.

Mr. O'MAHONEY. Mr. President, I rose this afternoon merely for the purpose of pointing out that there is not only an overlapping of authority and a conflict of jurisdiction, but also a tremendous expenditure of public funds for the same purposes by two different agencies, and I have no doubt in the world that the record shows there is great waste, that many projects are built which need not be built because in the past there has been competition between these agencies.

The Senator from Minnesota spoke about the Missouri Valley development. I was very much interested in bringing about the establishment of the irrigation, reclamation, and power development of the Missouri Valley.

I found, when the time was approaching for that to be done, that the Army Engineers and the Bureau of Reclamation were vying with one another, each trying to beat the other to the design and construction of projects. That was making it impossible to get anything done. There was the Sloan plan, designed by the Bureau of Reclamation, and there was the Pick plan, devised by the Army Engineers. Finally it became necessary for me to urge President Roosevelt to exercise his influence to bring those two agencies together so that they would stop their conflict and divide the projects between them so that there could be some progress. That finally was done, and the Pick-Sloan plan was the outcome. Under that plan we are now getting much needed power and reclamation and flood-control development in the Western States.

Mr. MORSE. I now yield to the Senator from Montana.

Mr. MURRAY. Mr. President, I wish to express my appreciation of the remarks being made by the able Senator from Oregon. He has presented the situation very clearly. A great effort has been made to discourage legitimate projects in the West by smearing them with the name "socialism." That has been going on for a long time. It prevented us from procuring appropriations in the State of Montana for the development of the Hungry Horse Dam, which is now in the course of construction. It prevented its construction prior to the last war, although if it had been constructed it would have been of great value to the country during that period. Those opposed continue that kind of effort to discourage these projects.

I have in my hand a pamphlet issued by the Montana Power Co. which says:

> To socialize the electric industry must be the primary purpose of the Interior Department public power program in Montana and in the entire West.
>
> This can well lead to complete socialism such as is taking place in England.

The article proceeds to continue to misrepresent the facts of the case.

The Reader's Digest magazine, to which the able Senator from Oregon has referred, has attained a very powerful position. It is recognized as a very influential magazine. Books have been written about it lately, and the National Council of Teachers of English devoted a study to the Reader's Digest. They find that it is being used as a propaganda institution, and they hold that it should not be permitted to get away with the reputation it has because it is really designed to carry on propaganda and to discredit legitimate activities which are for the welfare of the people of our Nation.

The National Council of Teachers of English devoted itself largely to the editorial policy of Reader's Digest at home. It stated in its report:

> It has been criticized as being anti-Semetic, anti-Negro, and antilabor, anti-Roosevelt. It has been said that it does not support the war effort and the unity of the United Nations. How serious are these criticisms if true? * * *
>
> Reading influences the lives of people. This is a reading problem. Teachers must judge how serious the criticism of the Reader's Digest are and whether or not they are valid.

There follows page after page of the evidence on which the charges are based. Emphasis is placed on the fact that almost the entire labor press of America has denounced the Digest as its enemy. For example, the National Council of Teachers of English report quotes the CIO News articles:

> There is proof aplenty that the Digest has sandwiched lies, distortion, and dangerous half truths between innocent human-interest stuff and patter. In wartime this is a matter of grave concern because of the tremendous power of the Digest in molding public opinion. (This CIO report, incidentally, was also used in a special edition sent to the hundreds of thousands of union men in the armed services, most of whom were getting free copies of the Digest.)

Another book I notice is entitled "Little Wonder," by John Bainbridge, in which he says:

> As a publicative phenomenon, the Reader's Digest compares favorably with the Holy Bible. Except for the Scriptures, nothing ever published has been circulated more widely than the Digest. Like the Bible, the Digest is printed in many tongues and distributed on all continents.

The book proceeds to point out how the Digest puts over propaganda. It seems to me the Senator from Oregon is doing a splendid work in the Senate in exposing that kind of activity.

Mr. President, we want the problems affecting these developments fought out in some such legitimate manner as has been proposed by the Senator from Oregon. The CVA problem should be fought out, but not by trying to smear it, to lie about it, and deceive the people about it. Particularly in an election campaign there should be no such effort directed against those who have had the temerity to support a program of this kind in opposition to the big power monopolies of the country.

The Senator from Oregon has already referred to the investigation which took place some years ago when the late Tom Walsh, of Montana, was a Member of the Senate. At that time it was discovered that propagandists were even getting into the schools of the country and trying to rewrite the textbooks for the purpose of deceiving our people. I want to thank the Senator from Oregon for what he is doing today in disclosing what is taking place.

Mr. MORSE. I am greatly indebted to the Senator from Montana for the contribution he has made to the discussion. The Senator's record in fighting the people's cause, in fighting for development of a public-power policy, needs no defense by the Senator from Oregon. However, I am glad to add this word of praise of the Senator from Montana, because while he and I differ on some of the procedures that should be adopted, we do not differ as to the great objective, namely the development of the large rivers which are, after all, great natural resources which ought to be developed for the benefit of all the people. The full development of the electric power resources of our rivers involves the building of projects which only the Federal Government, in the last analysis, can afford to build. In other words, I think the electric power resources of the rivers of America well illustrate the tenet of Lincoln when he pointed out—and I do not quote him verbatim, but I am sure I set forth his meaning accurately—that after all it is an obligation of Government to do for all the people what they cannot do for themselves or what they cannot so well do for themselves but what nevertheless needs to be done for the common good.

Certainly we need to face the fact that the building of great power dams, with their objectives of not only developing power, but also of developing land resources through reclamation and irrigation, represents a governmental function in the sense that they ought to be built by all the people, through the payment of taxes, and then should not be turned over to any selfish group from which to make monopolistic profit.

Of course, Mr. President, that raises the whole question of bus bar versus Government load center transmission lines, and I think this is the place to make a brief statement about it. There is nothing more socialistic about building great multiple-purpose power dams by the Federal Government that there is in appropriating funds for the building of the highways of America, or in appropriating Federal funds in connection with any other great public service economic enterprise which we know must be developed by the Government, if it

is to be developed at all. Private industry does not have the wherewithal to develop much enterprises. But once we build such projects, then if we are going to be true to the free enterprise system—and this is important in the philosophy of the junior Senator from Oregon in respect to the whole question of river development—once those projects are developed, there does rest upon the Government the duty of seeing to it that their use will be consonant with the free enterprise system. That does not mean, however, that after we get through building a great multiple-purpose power dam, we should turn that power dam over to the private utilities at the bus bar. The junior Senator from Oregon has always opposed the bus-bar theory for the distribution of electric power because he takes the position that the bus-bar theory will mean eventually a monopoly over Government-built dams with control being vested in private utilities.

The junior Senator from Oregon has taken the position that once those dams are built with the taxpayers' money, then the Government should build so-called load center transmission lines or grid back lines to the load centers. Once those lines are built, then the private utilities are entitled to receive from the Federal Government fair consideration in the execution of equitable contracts with the Government for taking power from such transmission lines in order to serve their consumers. That is the position I have always taken. That is the position I shall continue to take throughout the CVA debate, which undoubtedly will be waged in the Pacific Northwest in the years immediately ahead.

Mr. President, I believe that private utilities and public power utilities can live together side by side, and I think one is good for the other. I am not a public power man in the sense that I would eliminate private utilities; nor am I a public power man in the sense that I would permit the Government to take unfair advantage of private utilities. This problem, as the other problems which face us in the Senate, call for reasonableness and for fair play. I take the position that the people in the locality to be served have the primary right to determine whether they are going to be served by a private utility or a public power utility. Once they make that decision, then I shall do whatever I can, so long as I am in the Senate, to see to it that those consumers receive from the Federal Government—if they are taking their power from a Federal dam—a fair contract for the power the private utility needs to service those who have expressed a preference for private utility power. Likewise the consumers within a public power district are entitled to a fair contract from the Government agency that has the responsibility of administering the sale of Government-owned power such as that controlled by the Bonneville Administration.

Mr. President, I hold in my hand an article related directly to the subject matter of my speech today, published in a magazine entitled "Public Power" of July 1950. I ask unanimous consent to have published at this point in my remarks the article entitled "Plans To Attack Public Power With Phony 'Socialism' Charge Revealed," minus the charts which are contained in the article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLAN TO ATTACK PUBLIC POWER WITH PHONY "SOCIALISM" CHARGE REVEALED

Apparently having made little headway in fighting public power on the basis of its merits, the private electric utility industry is now launching an all-out, millions of dollars campaign (financed by the ratepayers) to fight public power by deliberately setting up a straw man of "socialism."

Public power leaders have for a long time accused the private utility industry of using the scare word of "socialism" to smear public power, but last month, for the first time, there was evidence—in black and white—to show that the industry is going to soft-pedal its attack on TVA and will link its fight to socialism.

The evidence outlining the private power strategy was found in a booklet summarizing the results of a public opinion survey made under the sponsorship of the electric companies' advertising program, which consists of about 150 private utility companies serving a majority of the customers of the so-called business-managed utilities. The survey, made by the Opinion Research Corp., was conducted in January 1949, but results were not made available until early this year. A foreword to the booklet explained that the survey was based on a scientifically determined representative national cross-section of the population, and requiring slightly in excess of 3,000 individual interviews. When carefully selected, this number will give as accurate a result as many times that number, it was explained.

Here are some of the results of the survey—results which must have proved startling to the industry:

Sixty-three percent of the people approve of the TVA, while only 10 percent disapprove.

Eighty-three percent of the editors and educators approve of TVA, while only 7 percent disapprove.

Fifty-five percent of the Republicans approve of the TVA, while only 17 percent disapprove.

Even among the employees of private utilities—subjected to a constant barrage of private utility propaganda—45 percent approve of TVA. This represents a majority of those employees having an opinion about TVA, since only 40 percent disapprove, and 15 percent have no opinion.

Only 27 percent of those polled thought the private company would give the lowest rates, while 48 percent thought the private company would give the best service. The summary of the survey which was available to Public Power was inconclusive on these points, since no figures were given for the standing of public power on these questions. Whether the remaining 73 percent felt that public power would give the lowest rates and 52 percent felt that public power would give the best service was not indicated.

Even though operators of public-power systems themselves do not advocate Federal Government ownership of all electric utilities, among those polled in the survey, 43 percent of the general public favored Government ownership, while 48 percent favored private ownership, 9 percent having no opinion on this question.

KEY TO ATTACK

The key to the private utility decision to concentrate its attack on socialism was found in the response to the question: "Would socialism be a good thing or a bad thing for the United States?" Sixty-nine percent felt that it would be a bad thing, while only 10 percent felt it would be a good thing. Twenty-one percent had no opinion.

Commenting on the response to this question, the industry booklet reveals why the fight will be made on the phony issue of socialism:

"From the preceding charts (showing favorable reaction to TVA), it is apparent that to link our fight to the TVA question would run us into a lot of opposition, most of it based on lack of knowledge. But to link our fight to socialism is something else again. The people do not want socialism.

"We're on favorable ground there. ECAP advertising in magazines and on the radio will stress the fight against the socialistic state more in the future. It should be stressed, too, on the local level—in speeches, radio talks, interviews, and other public expressions of management opinion."

The booklet revealed that the private utilities' propaganda program, as represented in the electric companies advertising program, is being carried this year in 17 leading national magazines designed to influence all segments of American life. In addition, ECAP sponsors a radio broadcast over a national network each Sunday evening at an expensive time. Other activities are also being carried on. Estimates of the total budget of ECAP are unavailable, but the figure undoubtedly runs into millions. The program is reportedly being financed as follows by each company participating:

For the first 100 customers, 10 cents each.

For the next 100,000 customers, 8½ cents each.

For the next 200,000 customers, 7 cents each.

For the next 200,000 customers, 5½ cents each.

For excess over 600,000 customers, 4 cents each.

The schedule is subject to a maximum of $55,000 from any one electric company.

In addition to the activities being carried on by ECAP, there are numerous other industry groups, such as the public information program, which also engage in widespread propaganda activities. The Edison Electric Institute, which is supposed to be the high-level fact-finding and statistical organization for the industry, is itself engaging in more and more propaganda activities. The institute let down practically all bars last month at its meeting in Atlantic City, and was at times reminiscent of the old National Electric Light Association as speaker after speaker complained about alleged socialism in the power industry.

Accompanying this article are some of the charts contained in the booklet which digested results of the complete public opinion survey.

Mr. MORSE. Mr. President, in respect to the article in Reader's Digest, I wish respectfully to suggest that I think the House committee, which I understand is carrying on an investigation of lobbying activities, under the leadership of Representative BUCHANAN, should subpena Governor Miller to appear before that committee and testify under oath whether he wrote the article as it appears in the August Reader's Digest. I should like to know whether or not it is true—and I should like to know from Governor Miller's own lips—that the article, as it finally appeared in the Reader's Digest, contained language that did not appear in the original manuscript which Governor Miller submitted to the editors of Reader's Digest. I should like to know whether or not there is any exact connection between Governor Miller, the private power utilities, and this article. I should like to know how the ar-

ticle was conceived, who really wrote it, and who is responsible for what I believe is a violation of the principles of objective, honest journalistic ethics in printing it.

Again I want to make clear that I am not speaking as an advocate of CVA. I am as much opposed to CVA as is Governor Miller. I have publicly opposed, all over the State of Oregon, the bill to establish a Columbia Valley Authority. In fact, I think the RECORD will show that I have given one of the two major speeches against the CVA bill, delivered on the Republican side of the aisle in the Senate of the United States. I do not believe the legislation thus far proposed will meet the very different requirements of our great Northwest area, but I have opposed, and I shall continue to oppose, the bill on the merits, and I shall continue to suggest ways of improving the Federal Columbia Basin program in accordance with the recommendations of the Hoover Commission, and in accordance with the well-established Federal law on the purposes on interstate compacts, in keeping with the interstate compact section of the Constitution of the United States.

However, as one reads the Reader's Digest article, I think it must be agreed that it was not the intention of the author of that article to present an unbiased position in regard to the CVA.

Mr. President, in reading the article in the Reader's Digest, we find, first, a "boxed" introduction to the article, slanted at labor. It attacks both Federal agencies and local public power systems with the claim that "the workingman gets a better break in a private enterprise that operates at a profit than in a publicly owned outfit that operates at a perpetual loss."

What are the facts? Speak to the representatives of labor in the Pacific Northwest and you will find they have continuously endorsed Federal public power programs. In my region the local public power systems have, time after time, offered better wages and working conditions than have the private companies which preceded them. The public power program had also compelled utilities to bring their standards up to the levels established by municipally owned plants. So labor has materially benefited from the progress of public power development in the Pacific Northwest.

Let us look at the second propaganda charge hurled by the Digest—that private power operates at a profit, while public systems operate at a perpetual loss. I know something about public power systems, because for the past 20 years I have lived in a city which operates a municipally-owned power plant. It is Eugene, Oreg., somewhat larger than Cheyenne, Wyo., the home town of Governor Miller. Let us see how they compare.

Cheyenne is served by the Cheyenne Light, Fuel & Power Co. with an outstanding bonded indebtedness of about $1,350,000 and common stock issue of $1,500,000 for the 9,843 record customers in that city. The company's surplus is $444,000. Eugene's municipal system has, on the other hand, nearly paid off its entire bonded debt.

So the people of Eugene has an earned equity of more than $11,000,000 in their plant—while Governor Miller's neighbors have nothing but a bunch of receipted light bills. Is this the perpetual loss the Reader's Digest is talking about?

Has Eugene's public system achieved this debt-free position at the expense of its customers? Let us look at the monthly light bill of the average home. For 200-kilowatt-hours, Cheyenne residents pay $5.25; Eugene's public system charges $2.80—a saving of $30 a year.

What about Pleasantville, N. Y., the headquarters of the Reader's Digest? Mr. DeWitt Wallace—publisher of the Digest—today pays the Westchester lighting power company $7.60 a month for electricity that costs $2.80 in my home town of Eugene.

I do not expect Governor Miller—or Mr. Wallace—to print these facts, even though they may claim the Digest makes an impartial presentation of American life. But I think we have the right to demand a retraction of the outright falsehoods that have been leveled against the Federal power program on the Columbia River. I think we have the right to know whether these misrepresentations came from the pen of Governor Miller or whether they were contrived in the editorial sanctum of the Reader's Digest, as part and parcel of a Nation-wide propaganda conspiracy to smear public power developments.

Let us examine the contention that the Federal dams do not—or will not—sell power to private utilities. Last year more than three and one-third billion kilowatt-hours of electric energy from Bonneville and Grand Coulee Dams were sold to Northwest private utility companies. This is 35 percent more power than was sold to public systems such as those at Eugene and Tacoma. The Columbia Valley Administration bills propose no change in the method of marketing power from Federal dams.

Specifically, the Reader's Digest article claims that Dr. Raver, the Bonneville Power Administrator, refuses to make long-term power contracts with privately-owned utility companies in the Pacific Northwest, although giving such contracts to public agencies. The statement implies a willful, arbitrary action by the Bonneville Power Administrator.

Actually, the facts are quite different. Early this year, Bonneville executed a contract for 5 years for 50,000 kilowatts of electricity to the Montana Power Co. This is a firm power contract.

I am informed that Bonneville has never taken any arbitrary position against long-term contracts with power companies. I have been advised by Dr. Raver that some 10 years ago, when he first became Administrator at Bonneville, that he was willing to agree upon the terms and conditions of a 20-year power contract with an officer of the Portland General Electric Co. However, at that time apparently a financial reorganization of that company was under way; and the contract was never finally executed—at the request of the company, nor at the request of the Bonneville Power Administration. Dr. Raver assures me that at that time a firm power contract could have been negotiated if the company had found itself in a position to negotiate it, and apparently he so advised them. I understand that the officers of the company did not object to the terms and conditions of the contract which was being offered.

I wish to emphasize that at that early date in the history of Bonneville, it was ready and willing to sign so-called long-term, firm-power contracts with private utilities. At no time since I have watched the operation of the Bonneville Power Administration have I been able to find any evidence that Bonneville would refuse to make long-term, firm-power contracts with private power companies, whenever the private companies would agree to terms and conditions which would permit the Federal agency to carry out the provisions of the statute under which it operates.

Mr. President, certainly we cannot expect—and we have no right to expect—Dr. Raver, the Administrator of the Bonneville Power Administration, to negotiate with any private utility a power contract that is inconsistent with the Federal Power Act. If there is need for a change in that act, let such a showing be made before the appropriate congressional committees, and let the issue come to the floor of the House and to the floor of the Senate for full and free debate. But let us not take the position that we can justify smearing an Administrator as being socialistic if the position he takes is simply to say, "I am bound by the terms and the language and the provisions of the existing Bonneville Power Act."

The next false statement—either Governor Miller's or the ghost writer in the Reader's Digest office—is that the proposed Federal program would ultimately produce all the hydroelectric power in the Nation, and would sell none of it to private companies. What are the facts about that charge? During 1948 over 43,000,000,000 kilowatt-hours of hydroelectric power were produced in 44 States by private utility companies, which operated 1,124 plants, with installed capacity of over 9,000,000 kilowatts. I know of no case in my area where a Federal agency has taken, or plans to take a single one of these away from the private power companies.

I am sure Governor Miller knows that to be true, too. I cannot believe that the printed words are his. I recommend that Representative BUCHANAN call upon the Reader's Digest or Mr. Miller to produce his original draft, and find out who is falsifying the record in behalf of this propaganda conspiracy.

Time does not permit me to recite the long list of false statements contained on virtually every page of the Reader's Digest article. But there is one outrageous piece of libel which I cannot in fairness to Dr. Raver permit to go unchallenged. As a Senator from Oregon, I do not propose to remain silent when a Government official who has done for the Pacific Northwest as much as Dr. Raver has done while serving as Administrator of Bonneville is smeared as he is smeared in this article. Although I differ with Dr. Raver on a great many issues and

have argued with him at length on differences that he and I have on certain policies in respect to power development, I desire to say that I am satisfied that Dr. Raver is an honest, able, conscientious, sincere public servant, and that he is not a Socialist.

But, Mr. President, the Reader's Digest goes beyond every bound of decency and I think stoops to willful character assassination of Dr. Raver when it prints the charge that Raver is a Socialist. For the past 10 years Dr. Raver has directed the Federal power program for marketing hydroelectric energy from Grand Coulee and Bonneville Dams. He is a nationally known engineer and public-utility expert, and formerly was chairman of the Illinois Commerce Commission.

His record for management of the Federal power program on the Columbia River has been outstanding. Since its inception the Columbia River power system has more than paid its way. By the end of fiscal year 1949, it had returned to the Federal Treasury income totaling more than $150,000,000. After payment of all operating expenses, including interest and depreciation, it has accumulated a total surplus of more than $42,000,000, according to the 1949 Report on Columbia River Power System, published December 31, 1949. Dr. Raver has achieved this record while selling power to public- and private-utility systems at the lowest wholesale rate in all America.

This is the man who is publicly maligned before millions of readers of the Reader's Digest as a Socialist, promoting a Socialist dream. The paragraph that follows contains two other statements about Dr. Raver, both equally false.

These are the accusations leveled against Dr. Paul J. Raver over the imposing signature of a former Governor of Wyoming, a distinguished official serving as chairman of the natural resources committee of the Hoover Commission. But are those words really Governor Miller's? Did he write them? Or are they the reckless and slanderous assertion of the editorial writers of a magazine, contemptuous of the democratic process, who has entered upon a utility conspiracy to denounce the development of public power and defame and drive from office our Federal executives?

Again I ask Representative BUCHANAN to subpena Mr. Miller and Publisher DeWitt Wallace and determine who is the real author of this unworthy attack upon the character of Dr. Raver. Furthermore, I also ask that he call Dr. Raver and hear his side of the story. On his record to date, on whatever facts have been made available to me, I say this attack upon him in the Reader's Digest is uncalled for, it is unfair, it is unsportsmanlike, and I think the Buchanan committee ought to find out whether it is true that this article is part and parcel of what apparently is a great lobby program that is about to be put under way to smear with the label "socialism" the development of our river projects. I repeat that we can beat CVA on its demerits without smearing any of its advocates.

I say that neither Governor Miller nor the Reader's Digest offers any documentation for their attack upon Dr. Raver.

I have asked Dr. Raver himself about it, and he is at a loss to know what Mr. Miller or the magazine could possibly have in mind.

His only suggestion has been that the charge probably is based on the findings of an investigator for the House Appropriations Committee of the Eightieth Congress. This man 2 years ago, I understand, completed his investigation and it was introduced into House debate on the 1950 appropriation for the Bonneville Power Administration by Representative JENSEN, of Iowa. Representative JENSEN was chairman of the House Committee on Interior Appropriations during the Eightieth Congress; and, last year, when he introduced this material, was ranking minority member on the same committee in the Eighty-first Congress.

This investigator's report, which Representative JENSEN introduced, received careful attention not only by members of the House Appropriations Committee, but by a great many other Members of Congress as well. It was a majority opinion of our colleagues at the other end of the Capitol that the House investigator's report was not sound, that it was concocted out of the flimsiest of evidence, and that the case it attempted to make against the Bonneville Administrator failed miserably.

In defense of Governor Miller, I must say I am reliably informed that he did not write the words attributed to him. In fact, I understand that at one time he was considering issuing a retraction of those words; but he did not. At least, to my knowledge, he has not issued any retraction. To the contrary, he has permitted this article to be circulated widely across the United States without one word of retraction from him. Thus I want to say to Mr. Miller from the floor of the Senate today that I think he ought to "put up or shut up," and not only that, but I think, in all fairness, if he cannot substantiate his charge that Dr. Raver is a Socialist, he should be big enough and fair enough to retract publicly the statement which appears in an article in the August issue of the Reader's Digest over his name as author.

Most of us are aware that the Federal Government's water-power program on the Columbia River made a tremendous contribution to victory in World War II. On the eve of Pearl Harbor, only the Federal dams had the reserve power needed to produce the aluminum and atomic energy which we so desperately needed.

During that conflict the power from Bonneville and Grand Coulee Dams produced the vital aluminum for one out of every three of our fighting planes, built ships faster than they were ever built before, and created the plutonium which was the heart of the atomic bomb itself.

Today the power of the Columbia River dams is producing half of the aluminum, aluminum we need for planes to support our ground forces. The aluminum plants have called for more and more power, but Dr. Raver has been unable to supply it. The local power companies throughout the Northwest have urged Congress to speed construction of more Federal dams and power lines on the Columbia. They have been forced into this position by the overwhelming weight of public opinion in the region. But a selfish national utility industry lobby has mobilized its propaganda forces to halt construction of these dams and power lines by the Federal Government.

Mr. President, in this global fight against despotism, we must demonstrate that the American system has a positive answer to communism. That such programs as the Federal Government of our rivers for irrigation, power flood control and navigation are concrete examples of democracy functioning for the benefit of all our people. From the Yangtze to the Jordan, and from the Danube to the Congo, the little peoples of many nations are looking to the harnessing of their rivers as a means of developing their resources, increasing their crops, expanding their opportunities, and giving their children a chance to live in peace and decency. Grand Coulee Dam is a symbol of what the American concept of democratic government can mean to the hungry peoples of the world; it is a weapon as potent as tanks and guns and planes, and we cannot afford to have it misrepresented and slandered even by the Reader's Digest.

Therefore, Mr. President, I think an immediate investigation, full and impartial, should be conducted by the Buchanan committee to disclose the facts about this article to the people of the United States. The article already has called forth considerable discussion in the Pacific Northwest.

I have before me, Mr. President, an editorial appearing in the Portland Oregonian for Tuesday, July 25, 1950, entitled "Putting the Finger on Raver." I wish to read the editorial and to emphasize particularly certain paragraphs. I read:

PUTTING THE FINGER ON RAVER

The article on the proposed Columbia Valley Authority in the July 21 issue of Reader's Digest, under the byline of ex-Governor Leslie A. Miller, of Wyoming, is a poor piece at best, with some errors in the few facts presented and consisting mostly of opinion and flat assertions without offering of evidence. But the odd part is that Mr. Miller denies having written at least one part of it, or knowledge of its inclusion.

This is the section which calls Dr. Paul J. Raver, Bonneville Administrator, a "Socialist," and links him with two other "old-time" Socialists, Stephen Raushenbush and Dr. Carl D. Thompson. These three, the article says, were "neatly placed in strategic spots for promoting their Socialist dreams."

Alfred S. Dashiell, managing editor of the magazine, told The Oregonian that the phrase calling Dr. Raver a "Socialist" was inserted at Pleasantville, N. Y., after Miller's article was accepted, but that the final draft

was approved by the author before publication.

Though Administrator Raver, personally and as the official administering the Bonneville Act, has been thoroughly in accord with the public power movement, no evidence has been produced by his detractors that he is now or ever has been a Socialist. (Mr. Raushenbush left the Interior Department in 1947 and became a United Nations consultant; Dr. Thompson died more than a year ago, after several years of retirement. They are not a present menace, if they ever were.)

Perhaps a clue to the use of this method of attack against CVA—the socialism line—may be found in a booklet published in January by the "Electric Companies Advertising Program."

This is the article, Mr. President, which I have already inserted in my remarks today. I continue reading from the editorial:

It gave results of a public opinion poll showing, among other things, that: 48 percent of those questioned favor private ownership of electric light and power companies, 43 percent favor Government ownership and 9 percent have no opinion; 63 percent approve TVA, 10 percent disapprove and 27 percent have no opinion; but only 10 percent think socialism would be a good thing for the United States, 69 percent think it would be a bad thing and 21 percent have no opinion.

"From the preceding charts," the booklet observed, "it is apparent that to link our fight to the TVA question would run us into a lot of opposition, most of it based on lack of knowledge. But to link our fight to socialism is something else again. The people do not want socialism. We're on favorable ground there."

It touches absurdity for opponents of a CVA—any sort of a CVA—to blanket out facts which may be advanced on both sides with a chorus of "socialism."

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point an editorial from the Capital Press of July 9, 1950, from which I should like to read a paragraph or two. The title of the editorial is "Stink for Hire."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STINK FOR HIRE

In Pleasantville, N. Y., there is published a pocket-size magazine called the Reader's Digest.

It is a publication without visible means of support.

It carries no advertising, the backbone of legitimate publications.

It has a rather wide circulation, but it is a low-priced one.

Its principal business seems to be propaganda.

In the August issue of this magazine there is scheduled to be published a propaganda article exposing the nefarious plot of a trio of Socialists to grab the whole Columbia River power network for the Federal Government.

The author of this hair-raising melodrama is Leslie A. Miller, an affiliate of a tribe of self-serving politicians who stink for hire.

The tribe is not a new one.

It has been in existence since the dawn of American politics.

It is partial to no party or State.

We have members of the tribe right here in Oregon—some in high political office.

Author Miller is now chairman of the Herbert Hoover Commission committee on natural resources.

Before he attained that position he was Governor of Wyoming, where the cattle barons and power magnates loot the public domain.

As a former Governor of that special-interest-controlled State he was a natural for the chairmanship he now holds.

It is a post where he can render signal service to the exploiters and despoilers of the people's natural resources.

In the article to appear in the Reader's Digest, Miller demonstrates that he is right on the job.

It is a gem of the purest ray in private power propaganda.

In the article Miller sensationally relates how three socialists, Stephen Raushenbush, Dr. Carl D. Thompson, and Dr. Paul J. Raver, socialized Federal power development in the great Columbia Basin.

So that the scintillating rays of this propaganda gem may not be dimmed to the reader we quote, in part, therefrom:

"In 1941, Raushenbush turned up as chief economist and planner of the Power Division of the Interior Department.

"He was not alone.

"There were two other good men, Dr. Carl D. Thompson, and Dr. Paul J. Raver.

"Dr. Thompson was consultant to the Bonneville Power Administration from 1938 to 1947.

"Dr. Raver has been Administrator of the Bonneville Power Administration since 1939.

"So we find these three men neatly placed in strategic spots for promoting their Socialist dream."

After considerable more of this propaganda claptrap Miller significantly adds that Dr. Raver "has refused to let the private companies have long-term contracts for any part of the power produced by Bonneville dams."

That particular sentence was a fatal slip.

It exposed to full view the Senegambian in this power propaganda article.

In other words, Dr. Raver's high crime is his refusal to put a padlock on the Federal power dams built with the people's money—a padlock that would forever bar public distribution of the power of the dams—a padlock that would open only to the golden key of the power monopoly.

With the exception of this single sentence the entire paragraph is a colossal lie.

It was the late President Roosevelt who launched the Pacific Northwest's Federal power program, and since his death his successor, President Truman, has been carrying it on.

It was the late Senator Charles L. McNary, and former United States Senator Homer Bone, now on the bench of the circuit court of appeals, who drafted the Bonneville Power Act.

All of which is fully known to Miller.

He knows that the three alleged Socialists had nothing more to do with this Federal power development than the man in the moon.

But as a past master of the Goebbels technique of the big lie, Miller also knows that the bigger and more fantastic the falsehood the more apt it is to be believed.

Hence his deliberate falsehoods in the article.

In justice to Dr. Raver it should be interposed here that he is not now, and never has been, a Socialist. He is a Democrat.

He was an officer in the Army of World War I and was awarded the Purple Heart citation.

He was also awarded the honor of being the most distinguished citizen in the Northwest area.

Miller knows this, and he deliberately smears a man whose shoes he is unfit to blacken.

Back in the 1930's when the power monopoly was in the heyday of its glory the Federal Trade Commission launched an investigation of its propaganda activities.

The probe revealed that they permeated the press, civil organizations, the schools, colleges, even the church.

It is time for another such probe.

Mr. MORSE. Mr. President, I think it is only fitting that the Senate should see for itself that strong opposition exists—and rightly so—to this attack on the political philosophy, and thereby indirectly upon the whole character and integrity, of Dr. Raver. If he is a Socialist—and I am satisfied he is not—he is holding his office under false pretense. False pretenders in my book are not men of character and integrity.

Mr. President, in closing I want to say that I have seen a transcript of a telephone conversation with Governor Miller about the article I have discussed in this speech. If Governor Miller said what the transcript says he said he owes a public retraction of the charge in the Reader's Digest that Dr. Raver is a Socialist. In any event, I think there is a sufficient problem presented here to warrant early consideration of it by the Buchanan committee, and I hope the committee will call the parties in and proceed to find out the facts in regard to the charge that Dr. Raver is a Socialist.

NATIONAL POWER POLICIES

Mr. MURRAY subsequently said: Mr. President, I had intended to make the remarks I am now about to make, immediately following the speech of the Senator from Oregon [Mr. MORSE]. Therefore, I ask unanimous consent that the remarks I am now about to make may appear in the RECORD immediately following those of the Senator from Oregon.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MURRAY. Mr. President, I wish to associate myself with the views expressed here earlier today by the distinguished Senator from Oregon with respect to our national power policies. The Senator made a notable speech exposing the vicious propaganda being spread in this country to deceive the American people in reference to our national power policies. The issue on which he has spoken is certainly not a partisan issue. It is an issue, rather, which affects in a high measure the well-being of this Nation and its citizens, regardless of party.

The Senator from Oregon is thoroughly informed on power problems, not only the power problems of the Pacific coast but of the entire Nation. He knows what public power has meant in the industrial development and growth of the Pacific Northwest. He is seeking to carry out the power policies of his able predecessor, Senator McNary, who was a distinguished and highly respected leader of the Republican minority in the

Senate a few years back. The Senator from Oregon is entitled to high praise for his able and eloquent speech today on this important subject.

Every once in a while we read that some Power Trust advocate refers to the CVA, rural electrification, and public power generally, as being communistic. I can think of nothing more silly or more stupid.

Mr. President, I think the American people are entitled to the factual information which has been placed in the RECORD here today by the Senator from Oregon. The people should be warned of what the Reader's Digest is trying to do to our system of free enterprise. A similar exposé of the efforts of the power monopoly was made by the late Senator Tom Walsh, of Montana, some years ago. At that time he showed how the power interests had intruded into the American school system and were changing the textbooks in an effort to influence the education of children against the program of public power development. They were seeking to lead the people of this country to believe that the national power policy was socialistic or communistic.

I well remember a similar attack made slightly more than a year ago on the occasion of the debate relative to the Interior Department program for the construction of electric power transmission lines in the State of Montana. At that time there was an effort on the part of the private power interests to block the Bonneville Power Administration program for the construction of transmission lines. These lines were designed to carry the power to the load centers in that section of the country, where the people have access to and advantage of low-cost electricity on their farms and for the development of industry. Charges were made then that the Interior Department's program was socialistic. I am happy to say that the Congress on that occasion, in both Houses, voted to appropriate the funds required for the transmission lines, thus preventing a monopoly control of power in that area. The Congress of the United States specifically instructed the Bonneville Power Administration to build these lines for the purpose of aiding in the industrial development of my State. Those instructions have been carried out by the Bonneville Power Administration and the lines are now in course of construction.

This program does not injure the private power interests. In fact, the private power interests in Montana will be tremendously benefited by the program. Just shortly after the commencement of this year, the Bonneville Power Administration executed a contract for the delivery and sale of power over these lines to the Montana Power Co. This contract is for a term of 5 years. It will make available to the Montana Power Co. firm power to the extent of 50,000 kilowatts, to be generated at the Hungry Horse Dam. The Bonneville Power Administration, headed by Dr. Paul J. Raver, initiated this contract. He actively pursued the negotiation of the terms and conditions of this contract with officials of the Montana Power Co. Both Dr. Raver and President Frank Bird of the Montana Power Co. have signed this contract. I understand the Montana Power Co. is highly pleased with this contract.

Now, Mr. President, earlier today we heard the Senator from Oregon [Mr. MORSE] state that the Reader's Digest has charged that Dr. Raver is a socialist and that the Federal power program as authorized by this Congress, and by previous Congresses, is a socialistic program. I ask, how can this absurd charge have any truth in it when the Bonneville Power Administrator is executing contracts for the sale of power with such capitalistic enterprises as the Montana Power Co., giving it the lowest possible rates so that it can make huge profits in resale?

How can the Department of the Interior be charged with socialism when its program includes such a high degree of cooperation with private power companies? How can the Department of the Interior and its officials be charged with socialism when their every action is devoted to the development of new, free, private enterprise by making available cheap power from Federal-built dams? It is a program for the expansion of free enterprise. At this time contracts are being entered into with industries which are coming into my State, and which will be of tremendous benefit to Montana. For many years the population of Montana was dwindling because we had no industries; when the young people finished school in Montana and wanted to get jobs, they had to leave the State. The president of the State university made that statement many times, in speaking throughout the State; and the presidents of the railroads there, particularly the president of the Great Northern Railroad, had pointed out that Montana was in a bad plight, that she needed a balanced economy and needed some industries. He also pointed out that we had an opportunity to construct dams and to create low-cost electric power which would have the effect of bringing industries into the State.

Now that is occurring. An aluminum plant is being built near the Hungry Horse Dam, and a chemical company is coming into Montana; and many other industries will follow it, as a result of the availability of this low-cost electric power.

Of course, it is obvious that behind the charges in the Reader's Digest are the eastern electric utility-holding companies which in many instances control the common stock of western power companies. The people who control these eastern utility-holding companies are doing themselves, as well as the Nation, a disservice in attacking the Interior Department's program and in attacking the electric power policies of the Congress. Mr. President, I think it is, likewise, clear that the Reader's Digest, in lending itself as an instrument to the spreading of these false attacks and charges of socialism, is doing our country a great disservice.

I wish to congratulate the distinguished Senator from Oregon for rendering such valuable service to the country and to the Senate by bringing this matter to the attention of the Senate, and for so effectively exposing the fraud and deceit attempted to be practiced through this propaganda in the Reader's Digest.

Mr. President, I now ask unanimous consent to insert at this point in the RECORD a very able editorial by Mr. Miles Romney, editor of the Western News, of Hamilton, Mont., appearing in that publication on September 8, 1949. This editorial is an effective answer to the critics of the Columbia Valley Authority.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DON'T LET ANYONE FOOL YOU ABOUT THE CVA

Recently we have given considerable attention to the CVA—(Columbia Valley Administration)—which the WN favors as a means for attaining development of the latent natural resources of the Northwest—including the Bitter Root Valley.

The prime reason we have given so much consideration to the subject is that I consider it the outstanding problem which confronts the people of the area concerned.

For that reason, and for the reason that certain selfish interests, such as the Montana Power Co., have been disseminating vast quantities of misinformation about the proposed CVA, I intend to refer to the matter here again and again, in a small effort to nail some of the lies of those opposing CVA, and in a similar effort to promote the establishment of a sound governmental reorganization.

The Columbia Valley Administration would take over the work of the Army Engineers, the Bonneville Power Administration, and the Bureau of Reclamation in the area of the Columbia River drainage. The CVA would also take directive control of the planning on a region-wide scale of the 29 other Federal agencies of the region. Thus instead of 32 heterogeneous natural resource agencies of the Federal Government, often working at cross-purposes, there would be one streamlined agency to do the job.

The CVA bill sets up utterly no new function of Government, with one exception which I will note in this comment. All of the other functions of the CVA would simply be functions which are today done by 32 Federal agencies, only under CVA they would be consolidated so that the results could be attained with a minimum of lost motion and expense. That's the way you would run your business. Why not operate the governmental agency that can give or deny fulfillment of the promise of the region the same why?

Thus when some agent of the power trust or some person who has been fooled into doing the chores of the power trust tells you that the CVA would have the power to take away your water right you may know that it actually would have no more power to touch your water right than does the Federal Government today under law of the land because it is written into the CVA bill that the powers of the proposed establishment on this subject are exactly what they are under the current Reclamation Act.

Thus when somebody tells you it will take administration away from the people you may know there is a nigger in the woodpile for the proposed bill places the administration into the hands of a three-man board to be appointed by the President—just as the heads of all the 32 agencies now running the job are appointed by the President—with the advice and consent of Congress, and all three such members must live within the

region and two of them must by law be residents of the region when appointed.

Thus when they tell you of taxes that would be lost through Government acquisition of property you have a right to know that the plan envisions a payment by the Government to the agencies of local government concerned, of funds in lieu of taxes, which system in the Tennessee Valley, under a somewhat similar program which has proved a supreme triumph, has returned far more to the local governments than the taxes formerly received by them from properties taken over by the Government.

The only exception in the matter of authority to rights already owned by the Federal Government is the proposal to permit the CVA to buy electric power company properties—providing the private companies wish to sell—and providing the CVA can immediately thereafter sell such properties to REA, to municipalities, or to some other designated group.

All this boils down to one primary need. It is that you people of Montana, the Northwest, and the Bitter Root must get a copy of the proposed bill which would create the Columbia Valley Administration, read it, learn the truth from the proposed law itself, and until you have secured such an understanding of the plan refuse to take the word of anyone else upon the subject. There is a widespread, well-financed corporate attempt to poison the public against CVA. This stems from a selfish interest which would rather keep electrical energy selling at an inflated price, would prefer that electric service be restricted and erratic in serving the public, wishes to keep the farmers of our region paying double that which is a fair price for fertilizer, insists that we do not have industrial development of the fertilizer and other industries that lie dormant in nearby Montana areas due to lack of electrical energy; that places an iron curtain over the truth due to pressure upon news sources and which corrupts the political life of the entire region of the Northwest, including Montana.

Since 1889, when the State was established, Montana has been strangled in the grip of selfish corporate interests intent only upon plundering the Treasure State in order to send the harvested riches to points afar. It's high time we terminated this foul practice. The CVA offers people an instrument to bring them industrial freedom from beneath the corporate heel which is grinding them for profits for nonresidents, just as the feet of the peasants of Normandy grind the red wine from the grapes of their region.

Get a copy of the CVA bill, read it, learn the truth. Be free men and women. Don't seek worldly profits from a few vile sheckels you may be able to beg from the exploiting nonresident overlords of Montana. Even if you gain a plenty of such coin remember there are no pockets in a shroud. You can't take anything with you from this world but a good name.

UNITED STATES AID TO KOREA SINCE CLOSE OF WORLD WAR II

Mr. TYDINGS. Mr. President, the days through which we are passing are tragic enough when facts and truths are told to the people of our own country and of the world. The news that men are fighting in far-off Korea and are making a contribution to the defense of liberty and in opposition to aggression carries its own sad notes as the casualty lists come in, and we read of the soul-stirring acts of heroism performed on the battlefield. However, it is regrettable that with all this sorrow and responsibility there are circularized from time to time reports which are totally untrue and inaccurate.

I learned some time ago that a Member of Congress had said that all we had sent to South Korea was $200 worth of baling wire. Naturally that story was carried all over the country in the press and to a considerable extent was relayed to the people through the medium of the radio. It seemed to me that this story was untrue from facts that had come to my attention. Therefore, I asked the Department of Defense to make available a statement on the weapons and other war supplies which had been furnished to the South Korean people prior to the outbreak of the recent aggression in that country. I asked that the information be declassified, so that I could relate it to the Senate and to the country, in order to supplant falsehood with truth and to dispel error with fact. A day or so ago I was able to accomplish the result, and I have in my hand a factual account of the United States aid to Korea since the close of World War II, which I read:

Acting under the directive of the occupying powers, the United States occupation forces in Korea carried out the program of demilitarization of the surrendering Japanese forces south of the thirty-eighth parallel. Considerable quantities of small arms, vehicles, ammuntion, weapons, and aircraft were surrendered. Aircraft and heavier types of armament and ammunition were generally demilitarized, scrapped, or dumped at sea. Usable items such as vehicles, clothing, blankets, and shoes were turned over to the Korean people. Immediately after January 1, 1946, when it was apparent that South Korean security forces would have to be organized, about 40,000 Japanese rifles were turned over to the South Koreans together with available stocks of ammunition.

In addition to the above-mentioned Japanese military equipment, Korea has, since World War II, received substantial United States military and economic aid from three sources, exclusive of the mutual defense assistance program, as follows:

I hope the figures and results that I am about to read will be listened to by my colleagues who are present.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I should like to finish the statement before yielding to the Senator, because I think what the Senator is about to ask me will be cleared up by the following paragraph:

	Value of aid
Office of the Foreign Liquidation Commissioner (surplus military property)	$141,000,000
Department of the Army (Government and relief in occupied areas—GARIOA)	301,000,000
Economic Cooperation Administration (shipments through May 31, 1950)	53,700,000
Total United States aid prior to the outbreak of the Korean war	495,700,000

That is a long way from $200 worth of baling wire.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield for a question.

Mr. WHERRY. Outside the economic aid, do the figures which the Senator has referred to include property that was left in Korea when the Army was taken out of the country?

Mr. TYDINGS. I was going to analyze the figures in order to answer the very question which the Senator is now asking.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. TYDINGS. I yield.

Mr. WHERRY. As the Senator analyzes it, I wonder if he will state whether the value of the property was the value of it when the Army left it in Korea?

Mr. TYDINGS. I was going to analyze it. That is why I was hoping the Senator would withhold his question until I had finished with the statement.

Military aid to Korea, exclusive of the mutual defense assistance program, resulted from the United States Military Establishment declaring its properties surplus to the Office of Foreign Liquidation Commissioner under the Surplus Property Act. OFLC—

That is the Office of the Foreign Liquidation Commissioner—

contracted with the Government of Korea under various terms to make these properties available to Korea. Under these arrangements, a series of seven contracts were negotiated involving a $25,000,000 credit. Equipment, supplies, and matériels transferred under these contracts had a procurement cost to the United States of $92,000,000. In addition, one contract was negotiated on a grant basis largely for the purpose of augmenting the Korean military establishment. According to the latest data available in Washington, matériel with a procurement cost to the United States of $49,000,000 has been transferred under this grant contract.

Thus the surplus military property transferred to Korea under the eight contracts by OFLC has a total procurement cost of $141,000,000

That was the first figure I cited in reading the table.

The Korean Military Advisory Group has estimated that approximately $56,000,000, or 40 percent, of the surplus equipment and supplies were transferred to the Korean military establishment specifically for military purposes. The major items transferred are as follows:

Airplane, liaison type	20
Carbines, .30 caliber, M1	49,107
Gun, machine, .50 caliber	759
Gun, machine, .30 caliber (light)	433
Gun, machine, .30 caliber	294
Gun, 57mm, M1	117
Gun, 37mm, M6	56
Gun, machine, .30 caliber (HB)	390
Gun, submachine, 45 caliber, M3	1,320
Howitzer, 105mm, M2-A1	91
Mortar, 60mm, M2	417
Mortar, 81mm, M1	284
Launcher, grenade	8,884
Pistols, .45 caliber, automatic	6,844
Rifle, United States, .30 caliber, M1	41,897
Rifle, auto., .30 caliber (BAR)	1,324
Car, armored, M8	19
Car, ½-track	11
Truck, ¼-ton, 4 x 4	2,000
Truck, ¾-ton, 4 x 4	884
Truck, 1½-ton, 6 x 6	597
Truck, 2½-ton, 6 x 6	1,380
Truck, 10-ton, wrecker	11
Cartridge, carbine, .30 caliber (rounds)	9,747,800
Cartridge, .30 caliber, ball (rounds)	36,680,871
Cartridge, .45 caliber, ball (rounds)	1,864,600

Cartridge, .50 caliber, linked (rounds)	2,144,000
Rocket, 2.36"	43,776
Rifle, grenade, HE–AT	170,275
Hand grenade, offensive	125,000
Shell, 60mm mortar	350,000
Shell, 81mm mortar	265,000
Shell, HE, 105mm howitzer	108,000
Mine, AP, HE	10,000
Block, demolition	42,000
Radio sets (all types)	3,075
Telephone (all types)	2,102
Bazookas 2.36"	150
Vessels for Coast Guard:	
Yard mine sweeper (YMS)	25
Landing craft medium (LCM)	13
Landing craft infantry (LCI)	6
Picket boat	26
Miscellaneous types	9

Estimated acquisition cost of entire program, including the above, was $56,000,000.

Estimated replacement cost—$110,000,000.

That is one of the items heretofore referred to.

The following additional surplus individual equipment for 15,000 men was transferred to the South Korean Government during the first quarter of fiscal year 1950: 15,000 rifles M–1 (Garand), 15,000 helmets and liners, 15,000 pair combat boots, 3,000 blankets, 15,000 cartridge belts, 15,000 tents, shelter halves; acquisition cost, $775,000.

The remaining 60 percent of the above-mentioned $141,000,000 was for use in strengthening the basic economy of Korea. Large portions of this equipment and supplies were of military origin, and although not transferred to Korea specifically for military purposes, had considerable military significance for defense purposes. Examples of this type of equipment and supplies, usable for either military or civilian purposes, were trucks, tractors, trailers, signal supplies, motors, generators, drills, saws, construction machinery, plumbing materials, small ships, barges, medical installations, equipment, and supplies.

The grant aid portion of the mutual defense assistance program for Korea for fiscal year 1950 was $10,230,000. The purpose of this assistance was to provide maintenance and spare parts for the considerable quantities of United States equipment in the hands of the Korean military forces which were established for the purpose of maintaining internal order and border security.

In addition, equipment was included for the Korean Coast Guard which was established to suppress smuggling, piracy, illegal entry, and hostile infiltration by sea into South Korea. In addition to the above, reimbursable aid was furnished to date under section 408 (e) of the Mutual Defense Assistance Act of 1949:

1. Naval guns and artillery ammunition for outfitting ex-*Ensign Whitehead*—

That was a boat, I think—

$56,161.40.

2. Outfitting of 10 AT–6 aircraft, $20,000.

3. Armament and ammunition for three ex-PC boats, $177,000.

All of which was delivered, of course. The total of those three items is $253,161.40.

Before continuing I shall be very glad to yield to any questions about the tables I have presented.

Mr. WHERRY. Mr. President, I want to be sure the record is clear. The distinguished Senator from Maryland spoke of airplanes. He mentioned one type, 20, and then the next type, and then a third type, and he said "49,000." I wonder if that figure is correct. I believe it was in connection with the third bracket of airplanes. I believe he said "49,000" or "47,000." I wonder what that was.

Mr. TYDINGS. I know we gave them 20 airplanes, if that is what the Senator refers to, as a liaison flight.

Mr. WHERRY. What is the next item?

Mr. TYDINGS. Carbines, 49,000.

Mr. WHERRY. The Senator mentioned airplanes, and then the figure 49,000 came immediately afterward.

Mr. TYDINGS. I should have said carbines. I thank the Senator for calling that to my attention.

Mr. President, the point is this: While these figures are relatively unimportant, the National Defense Establishment, if it were to give out promiscuously figures of this kind as to our arms-aid program, would receive my condemnation and censure, and I think that of nearly every other Senator on this floor. Since our men are dying in Korea, and their families back in this country are filled with anxiety, and when more men are being called up to serve, I think it would be well if all of us in positions of responsibility would not make statements concerning equipment unless, first, it is cleared and declassified, and, more important than that, the statements are accurate. To make statements to the effect that nothing has been done, when the mere inquiry of the proper officials would show what has been done, is to deceive our own people and sap the confidence which we must all have if we are to carry on this unwanted war in Korea.

Having now at last gotten permission from the Defense Establishment, who have kindly declassified this information, and which embraces only the period up to the outbreak of the war, and not what has been done since then, I hope that those who have been parties to disseminating the error, in the best of faith in most instances, will find it possible to make correction, so that the American people will know that a tremendous program, in the way of equipment, costing as much $495,700,000, has gone from the United States to the people of South Korea since the close of World War II, and not merely $200 worth of baling wire.

Mr. BUTLER obtained the floor.

Mr. WHERRY. Mr. President, will my colleague yield to me?

Mr. BUTLER. I yield.

Mr. WHERRY. As one of those who made the statement on the floor of the Senate that the only military equipment we had sent to South Korea was $200 worth of wire, I wish to say that in the hearings of the Armed Services Subcommittee of the Appropriations Committee I heard testimony to that effect. The record I think is indelibly clear that that is a fact.

I do not disagree with the distinguished Senator. I have never used the figures he has presented, but inasmuch as they have been made public, we can talk about them now. I have spoken only of the $200 worth of signal wire that was sent to South Korea under the military-assistance program, which had not arrived in South Korea at the time the officials testified about it, but which was on the way; approximately 30,000 feet of wire which was charged up to the military-assistance allotment.

I have questioned officials of the military, including General Roberts and others, and have found that the only material left in Korea, as has been so well pointed out by the distinguished Senator from Maryland, the chairman of the Armed Services Committee, was the property left there for distribution under the Surplus Property Act. We were told in the Senate committee time and time again that that was small-arms equipment. The largest items were some howitzers, as I recall, 105's. There were no tanks. Of the planes, only 10 were fighter planes, and they were small planes. There were no bombers. There were no large cannon except the howitzers to which I have referred. All were small-arms equipment, and they were to be used for what purpose? They were to be left for the purpose of training an internal constabulary force in Korea. The general who testified before the committee said that the ammunition we furnished was used in connection with training the internal constabulary force in Korea. He said our military had done their level best to train an internal police force in the tactics usually taught in connection with boot training.

That was the purpose, that was the policy in connection with the small-arms equipment. The arms were not left there with any intention of being used in resisting an external force. That testimony appears in the record of the executive sessions. Whatever was left there as surplus property was left there with that idea in mind. That was the policy of Mr. Acheson. And the only thing that has come under the military-assistance program is the $200 worth of which the junior Senator from Nebraska mentioned on the floor nearly 6 weeks ago.

Mr. TYDINGS. Mr. President, will the Senator allow me a minute to make an observation?

Mr. BUTLER. I yield.

Mr. TYDINGS. We must first of all keep in mind that under the arms-aid plan the Senate itself wrote a provision which required that before any arms were sent to any country there must be a mutual-assistance agreement worked out and signed and approved by the two governments involved. That was not done until the spring of 1949, and that provision was written into the law on the floor of the Senate of the United States.

Furthermore, at the very time of the outbreak there was loaded on the ships a vast quantity of supplies, and they were actually on their way at the time of the Korean outbreak.

Thirdly, we must not lose sight of the fact that many Members of Congress have opposed, by speeches and by votes, all the arms assistance program, not only to Korea, but to every place else. So I say it does not lie well in the mouths of any of us, particularly those who have opposed the arms assistance program by

their speeches and their votes, to find fault because the equipment was not there at the time the outbreak took place.

Mr. WHERRY. Mr. President, will my colleague yield for a further observation?

Mr. BUTLER. I yield.

Mr. WHERRY. I should like to make a statement, since the inference is drawn that, because I voted against MAP when it was authorized, I am responsible for the South Koreans not having the necessary equipment. I voted for the authorization for aid to Korea and China. I voted for the appropriations. It does not make any difference whether I did or did not, however. The policy of Mr. Acheson has been one of equipping only an internal police force in Korea, and not a force which could resist external aggression, if South Korea were called upon to do so. It is the policy of Mr. Acheson to let the dust settle in Asia, and that cannot be denied. The blood of our boys today is on his shoulders, and not on the shoulders of anyone else.

ADMINISTRATION OF CERTAIN FEDERAL FUNDS IN CONNECTION WITH AN ALASKAN AIRPORT

Mr. PEPPER. Mr. President, will the Senator from Nebraska yield?

Mr. BUTLER. I cannot yield further, Mr. President, for the reason that I am due to attend the final meeting of the Finance Committee. I desire to make a statement. I have been waiting for 3 hours to make it. I hope the Senator will defer making any further remarks on the subject which has just been under discussion, debate on which will continue for an interminable length of time, until I can make my statement.

Mr. President, I shall take the time of the Senate for a few moments today to discuss a matter of rather grave importance which has arisen concerning the Territory of Alaska and the administration of certain Federal funds, which are provided through acts of the Congress to assist the Territory in its operation.

Very recently, Mr. President, a member of the Alaska Legislature wrote the United States district attorney in Juneau asking that a Federal grand jury be impaneled forthwith to investigate a land transaction to which the Federal Government would ultimately have been a party. The legislator stated in his letter to the district attorney that he believed he would be failing in his duty if he did not ask that a full and complete inquiry into the transaction be made. I am sure we all agree that this is a very worthy attitude on the part of this Territorial legislator. We must respect the viewpoint of any man, especially a man in public life, aware of his duty and prepared to fulfill it to the extent of taking so serious a step as that of requesting that a grand jury be required to investigate the governmental activities of his fellow officials. I was further impressed to learn that this legislator is a member of the majority party in Alaska, which is also the majority party in this Chamber. I mention this only because I am sure that many Senators will desire to be informed on this point.

I believe that any matter which concerns the welfare of the Territory at the present time and the kind of government it is receiving, particularly in reference to moneys supplied out of the Federal Treasury, is the concern of all Members of the Senate. I am sure that the questions I am about to raise will receive the deepest consideration by my distinguished colleagues.

It is my purpose, Mr. President, to go into this matter in some detail to illustrate a condition in Territorial affairs which has been brought to my attention in recent weeks.

The sum of money involved here—$37,500—is not large in the light of the sizable appropriations voted for Alaska from time to time by the Congress. But the principle is not small; and it is the same, regardless of the amount. I am interested in the principle and the underlying attitude or philosophy of government of certain officials of the Territory, as indicated by the facts of this case.

Recently the Territory began construction of a small airport at Palmer, Alaska, under the terms of the Federal Airport Aid Act. Let me say that the town of Palmer is a community of about 500 population, located in the Matanuska Valley, exactly 48 miles from Anchorage, the most populous city in the Territory. Driving time by auto between Palmer and Anchorage on the paved road which serves the two centers is about an hour; flying time is less than 20 minutes. I mention these points, Mr. President, because the two largest and most developed airports in the Territory are located at Anchorage. This is a fact which cannot escape our consideration in the discussion of plans to increase the aviation facilities at Palmer. I shall refer to it later in my remarks.

The proposed new airport at Palmer is one of a series of airports being built through this act, which provides for Federal matching funds to offset the cost of the project to the Territory.

Mr. President, we are familiar with those matching-fund programs designed to encourage the States and the Territories to participate in worthy endeavors in many fields, including public health, welfare, old-age assistance, and others. The cost to Federal taxpayers represents many millions of dollars annually.

In the case of the Airport Aid Act of 1946, the Federal Government has undertaken to promote the development of aviation in small communities throughout the United States and the Territories of Hawaii and Alaska, and to bring to these communities the same benefits of air transportation enjoyed by their larger neighbors. The smaller population centers normally do not have the funds with which alone to build and maintain adequate flying facilities. This is especially true of the tiny, far-flung communities in Alaska. Nowhere in the world is aviation more an integral part of everyday life than in Alaska. Flying fields are vital to the social and commercial intercourse of the Territory.

Thus, the airport aid program as applied to Alaska is a worthy one. Many benefits are certain to accrue to the inhabitants as a result of these joint expenditures by Alaska and the Federal Government.

In these projects the Federal Government supplies 75 percent of the total construction costs and 25 percent of the cost of the land on which the air fields are located. However, there are circumstances surrounding the financing of the airport at Palmer which demonstrate a most dangerous frame of mind on the part of the responsible Territorial officials.

The land involved in this project is 127.94 acres, most of which comprises the site of an old, smaller airport built several years ago at a cost to the Territorial government of $50,000. This was before Alaska was eligible for Federal funds under the Airport Aid Act. The Territory did not qualify to participate in the program until 1949, when its legislature passed the necessary enabling legislation. This fact notwithstanding, according to documents which I have in my possession, the Alaska administration is now planning to collect, retroactively and through a subterfuge, money from the Federal Treasury, to which the Territory is not legally entitled, to offset expenditures on the old airport.

This is being done by placing—I use that word advisedly—an inflated value on the land involved in the new Palmer Airport, thereby increasing the amount of the 25-percent matching fund contribution which is proposed to be collected from the Federal Government under the Airport Aid Act.

The means devised to make this possible are set forth in the records of the Territory and of the Palmer Airport Association. The association, Mr. President, is an organization of private citizens, residents of the town of Palmer, who sponsored the original airport, beginning about 6 years ago, and contributed their own time and money to the project before the Territory made the first of its contributions in 1946. The association, therefore, was the proprietor of the original airport and is the organization with which the Territory had to do business in completing arrangements for construction of a new and enlarged airport, with the help of the United States Government. The manner of these arrangements, with particular reference to the transference of the land, is the subject which interests us today.

In brief, the records show that an arbitrary value of $150,000 was placed by the Territory officials and the Palmer Airport Association on the value of the 127.94 acres of land involved in the Palmer project. This was accomplished by a wash-out transaction in which the Palmer Airport Association sold the land to the Territory for that amount, and then returned $145,000 to the Territory a few days later. The purpose of this scheme, again the records show, was to enable the Territorial administration to claim 25 percent of this amount of $145,000, in matching funds under the Federal Airport Aid Act, or to obtain $37,500. This merely would be the Government's share

of the land acquisition. The 75 percent share of the construction costs would be an additional sum taken from the Federal Treasury for this project.

As I have said, Mr. President, the Territory originally provided a total of $50,000 for the Palmer Airport before Alaska became qualified to receive matching funds under the Federal Act.

This money went to meet construction costs. Had the Territory been qualified to receive grants-in-aid in that period, it could rightfully have claimed 75 percent of the $50,000 expenditure. It is not without significance, I think, that the amount which would have been claimed in that case would have been $37,500, exactly the sum which the Territory would now obtain through the financial transaction I have outlined. It is also interesting, Mr. President, to note that the cost of the land established under the $150,000 valuation amounts to $1,172 an acre. Records show that the bulk of the land for the original airport was purchased at a cost of $70 an acre. I am also informed that official records of the CAA in Anchorage, Alaska, placed the value on the land only last year at $43 an acre.

Even in these inflationary times, I am sure my distinguished colleague will agree that is a rather amazing increase in land value in so short a time.

Mr. President, in support of the contentions we have made here today, I hold in my hands a voucher covering the payment by Alaska to the Palmer Airport Association of $150,000 for this transaction. It is a photostatic copy of a Territorial voucher, No. 283,549, for the amount I have named—$150,000. It bears signatures purporting to be those of Roland Snodgrass, the secretary of the association, and George S. Schwamm, the Territorial director of aeronautics. The voucher was presented on April 7 of this year and the warrant for payment was issued on April 11. Mark those dates because there are many startling details to this transaction. This voucher, Mr. President, was the first step in the scheme to establish the inflated and wholly false valuation on the Palmer Airport land. As I have said, records of the Territory in the auditor's office in Juneau, show that the Palmer Airport Association repaid $145,000 to the Territory a few days later. The $5,000 balance was retained by the association to purchase some 44 acres of new land needed in the construction of the new and enlarged airport under the Federal-aid program. Let me say that the purchase price for the parcels in this acreage ranged from $69 to $240 an acre, which hardly compares with the $1,172 price set for the purpose of securing Federal matching funds.

I ask unanimous consent that the photostat of the voucher may be printed at this point in the RECORD.

There being no objection, the photostat was ordered to be printed in the RECORD, as follows:

Use by Territorial Auditor

Warrant No. 283549
Date presented: April 7, 1950
Date warrant issued: April 11, 1950

TERRITORY OF ALASKA

Payee: Palmer Airport Association
Postal address: Palmer, Alaska

Date of purchase			ORIGINAL		
April	8	50	Property of the following description, at Palmer, Alaska, purchased from the Palmer Airport Association for the construction of the Palmer Municipal Airport, under the Federal Aid Airport Program: From the interior One Fourth (¼) Sec. Cor. of Section 4, TS 17 N, R 2 E, SM, designated as Cor. One (1, and point of beginning, N 0°13′ W 1410.00 feet to Cor. Two (2), thence S 66°43′ E 431.25 feet to Corner Three (3), thence S 89°59′ E 696.48 feet to Cor. Four (4), Thence S 0°13′ E 300.00 feet to Cor. Five (5), thence S 66°43′ E 794.41 feet to Cor. Six (6), thence S 82°40′ E 321.38 feet to Cor. Seven (7), thence N 0°11′ W 2024.17 feet to Cor. Eight (8), thence S 89°59′ E 500.00 feet to Cor. Nine (9) which lies S 0°11′ E 30.00 feet from Sec. Cor. $\frac{33}{4}+\frac{34}{3}$ thence S 0°11′ E 2088.40 feet to Cor. Ten (10) thence S 82°40′ E 1327.45 feet to Cor. Eleven (11) thence S 28°12′ E 397.20 feet, thence S 34°10′ E 333.77 feet, thence S 33°54′ E 674.70 feet, thence S 31°4′ E 343.02 feet to corner Twelve (12), thence N 66°44′ W 2441.29 feet to Cor. Thirteen (13), thence S 0°11′ E 985.13 feet to Cor. Fourteen (14), thence S 90°00′ W 400.00 feet to Cor. Fifteen (15), thence 0°11′ W 1150.93 feet to Cor. Sixteen (16) thence S 89°57′ W 2239.20 feet to point of beginning· containing 127.94 acres more or less.	$150,000	00
			TOTAL	$150,000	00

TERRITORIAL DISTRIBUTION OF EXPENDITURES

Personal services			Vehicle operation			Equipment		
Office expense and supplies						Structures		
Travel expenses						Real estate purchase	$150,000	00
Advertising and public notices								

I, the undersigned, hereby certify that the material furnished, service rendered, or expenditures incurred as shown above or attached, is a true and correct charge against the Territory of Alaska, that no part of the same has been paid.

(Signed) PALMER AIRPORT ASSOCIATION,
By ROLAND SNODGRASS, *Secretary.*

I, the undersigned, do hereby certify to the correctness of the above-stated amount and is to be charged to:

Alaska Aeronautical Revolving Fund,
Name: George S. Schwamm,
Title: Director of Aeronautics.

Mr. BUTLER. Mr. President, I also hold in my hand at this time a photostatic copy of the minutes of the Palmer Airport Association meeting at which the $150,000 transaction was agreed upon by the members of the association. At a later point I am going to ask that the text of the minutes be made a part of my remarks but, for the present, I will read into the RECORD only that portion which covers the attempt to establish a value of $1,172 per acre on the Palmer land.

The minutes state that the members of the association and a number of others who were present discussed the Palmer project and reached certain conclusions, among which were the following:

That the Territory of Alaska had expended some $50,000 of the funds of the Territory in the construction of the present Palmer Airport prior to the effective date of the Federal Airport Aid Act for which no matching moneys could be received.

That in order to receive credit under said act for moneys already expended it would be necessary for the Palmer Airport Association to place a value of $150,000 on the present promises and to sell the same to the Territory of Alaska at such figure thereby allowing the Territory to receive 25 percent thereof credit in matching funds for land acquisition, an allowable cost under said act.

It was agreed by the board of directors, and the said board did, through its president, convey the entire airport premises to the Territory of Alaska for the consideration of $150,000, it being fully understood that the consideration as reflected in the records in the form of a Territorial draft payable to the Palmer Airport Association was for the purpose of allowing the Territory to qualify under the Federal Airport Aid Act to the extent of 25 percent thereof and and for no other purpose except that portion held for land acquisition from private owners.

That upon receipt of the said draft in the sum of $150,000, the said board of directors unanimously empowered the president to execute a draft in favor of the Territory of Alaska in the sum of $145,000, the difference being that sum expended for acquisition of land from private persons.

Mr. President, the foregoing must leave little doubt as to the manner and purposes of the land transaction described here today. These minutes disclose that the association meeting was held on April 15. Now, Mr. President, that in itself is an extraordinary circumstance since the voucher setting the transaction in motion was presented to the Territorial Auditor on April 7 and the payment was made on April 11. In other words, Mr. President, the Palmer Airport Association met on April 15 to authorize a transaction which had already taken place. But this is not the strangest circumstance in connection with this matter. As in the case of the voucher, the minutes of the association bear the signature of the association secretary, Mr. Snodgrass, but even the most cursory examination of the two signatures shows they were not signed by the same hand.

The association minutes state that Mr. Snodgrass was present at the meeting,

therefore, we may assume that his signature appearing thereon is genuine. This leads to the inevitable conclusion that someone other than Mr. Snodgrass signed the $150,000 voucher in his name. This fact was also noticed by the Auditor of Alaska who, on July 13, several months later, dispatched the following telegram to Mr. Snodgrass in Palmer:

ROLAND SNODGRASS,
Palmer, Alaska:

Question has come up as to your signature on voucher in payment to Palmer Airport Association for Palmer Airport. Did you sign voucher yourself? Reply by wire collect.

FRANK A. BOYLE,
Auditor of Alaska.

Mr. Snodgrass on the same date replied as follows:

FRANK A. BOYLE,
Territorial Auditor,
Juneau, Alaska:

My signature affixed airport voucher by agent authorized by telephone and confirmed in writing subsequently. Telephone conversation transcribed and signed by witness at both ends.

ROLAND SNODGRASS.

Mr. President, you will note that Mr. Snodgrass refrained from naming his agent who signed his name in this transaction 8 days before it was authorized by the association of which Mr. Snodgrass is secretary. From that day to this, I am informed, there has been no word as to the identity of that agent, so gifted with foresight as to be able to tell what steps the association was going to take more than a week before it was called into session to consider the matter. But, Mr. President, I believe I will be able today to clear up this mystery which must be perplexing many of the Members of the Senate. I hold in my hands a large photostatic copy of the signatures on these documents. The signature "Roland Snodgrass" appears at the top, with the initials underneath, and his genuine signature appears below that, made in connection with the meeting which he attended. The similarity between the signature "Roland Snodgrass" appearing at the top, and the signature lower down, "Stanley McCutcheon," is quite noticeable. The first two of these signatures are the two dissimilar ones of Mr. Snodgrass. The top one is an enlargement of the signature on the $150,000 voucher which Mr. Snodgrass says was signed by his agent. The second one is Mr. Snodgrass' signature appearing on the Palmer Airport Association minutes. This is the meeting which Mr. Snodgrass attended, and this is the signature which we assume to be his real one.

The third signature is that of a Mr. Stanley McCutcheon. It is obvious to me, a layman, and I am sure it will be equally obvious to my distinguished colleagues, that the hand which wrote the signature of Mr. Snodgrass on the $150,000 voucher, the one which he says was written by his agent, and the hand which wrote Mr. McCutcheon's signature, was one and the same hand. Let me say, Mr. President, I am fully aware that the Federal Bureau of Investigation has ways for determining the similar characteristics of handwriting in these instances. I am hopeful that the FBI will have the opportunity in the near future to examine and report on the handwriting before us today. I have no doubt as to what the findings will be and I am sure that my colleagues who examine this photostat will have no doubt either on this score. This being the fact in the case, I have made it my business to inquire into the identity of Mr. McCutcheon in an effort to determine just where he fits into this most amazing land deal designed to yield a mastly increased and totally disproportionate sum of money from the Federal Treasury to offset moneys spent by the Territory of Alaska before the Territory became eligible to receive this money under the Federal Airport Aid Act. I have learned that Mr. McCutcheon is a member of the Territorial legislature. He was speaker of the house in the last regular session. As such, he voted for and helped to create the Aeronautical Agency of the Territory through which this land transaction was consummated between the government of Alaska and the Palmer Airport Association. He voted for the appropriation for the agency which gave it substance and started it in public business.

Then, if you please, Mr. President, the same Mr. McCutcheon was hired by the agency as its attorney. On April 19, last, he received a fee for his services amounting to $5,628 paid out of public money, a part of which will be borne by the Federal Government through its matching fund contributions to the Territory to help pay for the airport program. These facts are attested to in the official records of the Territory in the auditor's office in Juneau. Thus, Mr. President, we have here a member of the legislature who is profiting as the results of legislative acts of the legislature in which he served. This is a circumstance which many of the Members of the Senate will, quickly and with reason, assert is not the usual course of events at all. Nevertheless it is the fact of the case covered by photostatic documents which I have in my possession.

Mr. President, I inquired further into Mr. McCutcheon's background and I find, strangely, that he is also, among other things, a practicing attorney who certainly must know the law, and is also the president of the Alaska Airlines. It seems indeed strange to me that Mr. McCutcheon, who served in a legislature which created a government agency and voted its appropriation, should have permitted himself to be hired by the same agency. But, further, it seems most unusual that an airlines president vitally interested in flying as a private enterprise, should have been hired to act, of all things, as legal adviser to a public agency which is charged with supervising aviation in the Territory in the public's interest. Nor, Mr. President, is that all that I have discovered in my inquiries about Mr. McCutcheon, a high-ranking Territory official who has profited from his legislative endeavors. I observed at the outset of my remarks that the town of Palmer is located quite near the city of Anchorage, Alaska's largest city, where the Government has built two of the largest airports in the Territory, one military and one civilian. It has also been noted that there already was an airport at Palmer, withal a smaller one than the new one being built at the present time with the help of Federal funds. Meanwhile, other towns, Mr. President, are and have been in much greater need of flying facilities of the type which the Federal Aid Act seeks to provide. I cite as examples the towns of Kotzebue and Fort Yukon, high up in the Arctic, for which air transportation is virtually the only means of communication with the Territorial population centers and the outside world. Yet the records show, that the Palmer airport was one of the first on the list under the program and that this construction is much farther advanced than any of the other airports. One explanation for this which has been brought to my attention is that the same Mr. McCutcheon who is the legal adviser to the aeronautical agency, notwithstanding the fact that he served in the legislature which created the agency, was one of the founders and is presently a stockholder in the Union Bank of Anchorage. This bank, I have learned, financed the construction of the Matanuska Valley Hotel in Palmer. Thus, Mr. President, Mr. McCutcheon and his bank would derive private profit from the development, at public expense, of increased air facilities at Palmer. I find these facts disturbing, and I am further disturbed to learn that the Governor of Alaska, at an open forum in Palmer on July 14, placed his personal stamp of approval upon this most unique method of valuing land for the purposes of establishing a claim for increased matching funds from the Federal Treasury. I am told that the Governor described the transaction as a highly conservative and intelligent piece of work and that he termed it completely correct and honorable.

Mr. President, this is a conclusion which I am at a loss to understand in the light of the facts of the matter as they are shown in the record and as they have been presented here today. I believe the Governor of Alaska and a number of others involved here should have the opportunity to explain fully to the Congress their activities in connection with the Palmer land deal. This matter goes beyond the sum of money which the Territory would seek to obtain from the Federal Treasury in this instance.

Rather, the matter opens up the whole question of the handling of Federal grants in aid by the present administration of Alaska. As noted earlier in my remarks, these matching funds made available to the Territory by Federal taxpayers amount to many millions of dollars annually. Also, Mr. President, there is a grave question here as to the philosophy and outlook of the present Territorial officials in whom has been vested the responsibility for the government of a Federal Territory—a philosophy and an outlook which permits them to plan or to condone the placing of an inflated value on a piece of land simply for the purpose of enhancing the amount of their claim against the Government of the United States; a philosophy and an outlook which permits a member of the legislature to be hired by an agency

which he helped to create and to be paid out of moneys in part which he helped appropriate and in part from Federal matching funds; a philosophy and an outlook which enables the same official, in his capacity as a banker, to place himself in a position to profit through the expenditure of Federal and Territorial money in Palmer, Alaska, hard by a hotel financed by the bank with which he is connected.

Mr. President, this is not the first news of a grave nature concerning the administration of Alaska which has reached our ears in recent months. Many Senators are doubtless aware that the former treasurer of Alaska, a former member of the present Territorial administration, is now in prison serving a term of 10 years for embezzlement of public funds entrusted to his care. Two other former officials, who served under this administration, were dismissed last year after the legislature found that they were unfit for public service. An audit of Territorial funds, which was made last year after having been delayed for 2 years by the administration, disclosed not only the embezzlement for which the former treasurer is now serving a prison term but also 20 other violations of Territorial law in the handling of the people's money. Although the taxpayers of Alaska are currently bearing the heaviest tax burden in their history, the Territory is unable to meet the appropriations voted by the last legislature by a margin of more than $5,000,000. These are facts regarding the current status of Territorial affairs, Mr. President, which arouse my deepest concern. I want to know more about them. I want to know more about Mr. McCutcheon and his other roles in the Administration of Alaska at the present time. I want to know more about his bank and more about the other ways he may be receiving private advantage through public trust. To this end and to assure that the Members of the Senate may be fully informed on these matters, I am proposing that an investigation be made into the Palmer land transaction by the Committee on Expenditures. I have introduced a resolution calling for such an inquiry, which reads as follows:

That the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of the circumstances surrounding the acquisition of Palmer Airport, or other lands in the vicinity thereof, by the Territory of Alaska, and other matters relating to the handling of Federal funds expended in the Territory of Alaska, with a view to determining whether any actions were taken by any person or persons with respect to such transactions for the purpose of obtaining Federal funds in excess of the amount allowable by law, or for any other purpose not in accordance with law, and if such actions were fraudulent, or otherwise in violation of law. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation together with such recommendations as it may deem advisable.

Before concluding, Mr. President, I ask that the full text of the minutes of the Palmer Airport Association be made a part of my remarks at this point.

There being no objection, the minutes were ordered to be printed in the RECORD, as follows:

MINUTES—THE PALMER AIRPORT ASSOCIATION, APRIL 15, 1950, PALMER, ALASKA

A special meeting of the board of directors of the Palmer Airport Association was regularly called to order on the 15th day of April 1950, at Recreation Hall, Palmer, Alaska, by the secretary of the corporation, Roland Snodgrass. The roll was called and all members of the board of directors were found to be present. Membership of the board is as follows:

1. C. R. Monaghan, president.
2. Roland Snodgrass, secretary.
3. Leo Lucas, treasurer.
4. Ralph Goodrich, member.
5. Claire Stock, member.

The meeting was declared to be for the purpose of further negotiating with the Territory of Alaska for the construction of a proposed airport at Palmer.

Mr. C. R. Monaghan was regularly elected president of the board with full power to execute all instruments in connection with property acquisition and other matters and things necessary in the premises, in behalf of the board of directors.

After lengthy discussion on the part of the membership and those present including George S. Schwamm, director of aeronautics for the Territory, Stanley McCutcheon, attorney for the Department of Aeronautics; Jack Maze, manager and secretary-treasurer of the Matanuska Valley Bank; and others; certain conclusions were reached from the following facts.

That the Territory of Alaska, through the department of aviation, acting as sponsor was successful in obtaining financing under the Federal Airport Aid Act for construction of the Palmer Airport.

That the Territory of Alaska would receive from the Federal Government under said act generally 75 percent of the total project cost in accordance with certain written agreements between the Territory and the Federal Government, save and except that the Territory would only receive 25 percent of moneys expended for land acquisition.

That the Territory of Alaska had expended some $50,000 of the funds of the Territory in the construction of the present Palmer Airport prior to the effective date of the Federal Airport Aid Act for which no matching moneys could be received.

That in order to receive credit under said act for moneys already expended it would be necessary for the Palmer Airport Association to place a value of $150,000 on the present premises and to sell the same to the Territory of Alaska at such figure thereby allowing the Territory to receive 25 percent thereof credit in matching funds for land acquisition, an allowable cost under said act.

It was agreed by the board of directors, and the said board did, through its president, convey the entire airport premises to the Territory of Alaska for the consideration of $150,000, it being fully understood that the consideration as reflected in the records in the form of a Territorial draft payable to the Palmer Airport Association was for the purpose of allowing the Territory to qualify under the Federal Airport Aid Act to the extent of 25 percent thereof and for no other purpose except that portion held for land acquisition from private owners.

That upon receipt of the said draft in the sum of $150,000 the said board of directors unanimously empowered the President to execute a draft in favor of the Territory of Alaska in the sum of $145,000, the difference being that sum expended for acquisition of land from private persons.

Dated at Palmer, Alaska, this 15th day of April 1950.

C. R. MONAGHAN,
President.

LEO LUCAS.
CLAIRE STOCK.
RALPH A. GOODRICH.
ROLAND SNODGRASS.

Mr. BUTLER. Mr. President, I have before me an editorial from the Fairbanks Daily News-Miner which bears on the Palmer land deal, and I ask that it be made a part of the RECORD at this point, together with certain news articles on the same subject, and a letter from Marcus F. Jensen to United States District Attorney Gilmore.

There being no objection, the articles and the editorial were ordered to be printed in the RECORD, as follows:

AUGUST 1, 1950.

Mr. PAT GILMORE,
United States District Attorney,
Federal Building, Juneau, Alaska.

DEAR SIR: Enclosed herewith you will find a copy of the Fairbanks News-Miner paper of July 7, 1950, in which an article is printed giving facts concerning the Palmer Airport. This newspaper also shows the copy of a voucher made payable to the Palmer Airport Association.

Also enclosed are copies of letters of July 19 and July 26, sent by the auditor's office to the Territorial Attorney General, wherein he requests an opinion on certain questions. From careful study of the information given in the News-Miner, and from the questions raised by the auditor, it is apparent to me that a crime may have been committed against the Federal Government.

In the capacity of a member of the house investigating committee a good deal of information on the Palmer Airport and the Alaska Aeronautics Board came under my observation. This information I would like to present to a grand jury.

I believe because of the concrete evidence shown in the newspaper, plus the objections raised by the auditor, I would be failing in my duty if I did not ask for a special grand jury panel to analyze the information made public through the press, in addition to what I have to offer as a member of the house investigating committee.

I, therefore, at this time, request you to ask for a special grand jury panel, and will appreciate an early reply to your decision.

Yours very truly,

MARCUS F. JENSEN,
Member, House Investigating Committee.

[From the Fairbanks Daily News-Miner of July 7, 1950]

PALMER LAND DEAL

A $150,000 land transaction believed without precedent in Territorial financing, has been brought to light in official records and through personal interviews in Juneau, Anchorage, and Palmer.

The land involved is 127.94 acres in Palmer on which is being built the new Palmer Airport at an estimated construction cost of $120,000.

To acquire the land, the Territory paid the Palmer Airport Association $150,000 or at the rate of $1,172 per acre. The voucher for this payment is part of the records in the auditor's office in Juneau.

Shortly after receiving this money, the Palmer Airport Association paid back to the Territory $145,000. This payment is also recorded in Juneau.

The $5,000 balance was retained by the association to buy land adjoining the old Palmer Airport, needed in the construction of the new and enlarged landing field. The additional land thus acquired included 11 acres bought for $2,640, or at the rate of $240 per acre, and 23 acres costing $1,600, or at the rate of approximately $70 per acre.

Minutes of the Palmer Airport Association state that the $150,000 payment and the $145,000 repayment were arranged specifically to enable the Territory to collect from the Federal Government matching funds against money spent by the Territory on the old Palmer Airport before the Federal Airport Aid Act became effective in Alaska.

Under the terms of the Federal act, the United States Government provides 75 percent of the construction costs of airports built under the program and approved by the Civil Aeronautics Administration. For land acquired in building the airports, the Federal Government pays 25 percent in matching funds.

The Federal act, although passed in 1946, was not effective in Alaska until after the last session of the legislature, in early 1949, at which was created the Territorial Department of Aviation. The department was created among other things, according to the Territorial act, to enable Alaska to utilize Federal funds in an airport-development program.

Thus the Territorial administration is now prepared to seek through this transaction to recover from the Federal Treasury a retroactive payment of $37,500 (25 percent of the $150,000 land acquisition cost) to offset expenditures on air-landing facilities at Palmer which predate the creation of the Territorial Department of Aviation and the effectiveness of the Federal act.

There is no mistaking the language of the minutes of the Palmer Airport Association. These state in part:

"That the Territory of Alaska has expended some $50,000 of the funds of the Territory in the construction of the present Palmer Airport prior to the effective date of the Federal Airport Act for which no matching moneys could be received.

"That in order to receive credit under said act for moneys already expended it would be necessary for the Palmer Airport Association to place a value of $150,000 on the present premises and sell the same to the Territory of Alaska at such figure thereby allowing the Territory to receive 25 percent thereof credit in matching funds for land acquisition, an allowable cost under said act."

This bizarre method of financing public improvements out of the Federal Treasury should be investigated by Congress. The system of matching funds is an outgrowth of the New Deal whereby large blocs of Federal cash are dangled before State and municipal governments to induce them steadily to increase their expenditures.

The system is bad enough, carried to the extreme, and its evils have been pointed out in these columns before. But the use of paper transactions to increase further the burden on Federal taxpayers should not be tolerated for longer than the time necessary to summon into session a qualified investigating committee.

Alaska taxpayers have already paid $50,000 to finance the construction of the existing airport at Palmer. Now, as Federal taxpayers, they would be required to put up $37,500 more, merely duplicating the earlier expenditure.

Records of the CAA in Anchorage do not show that the Territory has yet applied to the Federal Government for payment of the 25 percent matching funds under the $150,000 Palmer land transaction. Until such application is made taxpayers will have no way of knowing whether Federal officials in Washington were involved in the deal or to what extent they had prior knowledge that it was being consummated.

There are also a number of glaring inconsistencies in the records which demand a full explanation.

For example, the meeting of the Palmer Airport Association at which the association agreed to place a value of $150,000 on the airport land was held on April 15, or 8 days after the voucher for the $150,000 payment was presented to the Territory and 4 days after the warrant for payment was issued.

And the records of the CAA show that in the original request for Federal aid in the construction of the Palmer airport (from ACA-1623), filed in November 1949, the estimated land cost was given as $5,500 and the total cost of the entire project was estimated at $130,000.

But when a project application (from ACA-1624) was filed in March 1950 the cost of the land had risen to an estimated $150,000. The Government's share of the cost of the entire project was given on this form as $142,000, indicating an over-all cost of the airport of $289,000 to be borne by the United States and the Territory.

The question is, Who devised this transaction and by what authority? Certainly not the members of the Palmer Airport Association who appear merely to have been called into session to rubber-stamp a deal which had already reached Juneau and gone through the auditor's office.

The association's minutes state that among those present at the April 15 meeting were George S. Schwamm, director of aeronautics for the Territory; Stanley McCutcheon, attorney for the department of aeronautics; and Jack Maze, manager and secretary-treasurer of the Matanuska Valley Bank.

Readers of the Daily News-Miner will not need to be reminded that McCutcheon is a member of the Territorial legislature; that he was speaker of the house in the last session which created the new aeronautical agency, which in turn hired him as its counsel; that he has already received a fee of $5,600 from the agency for his services, and that he is president of Alaska Airlines, therefore a vitally interested party in any matters pertaining to aviation in Alaska.

Nor is the Daily News-Miner unaware of the fact that McCutcheon was a founder of and continues to be a stockholder in the Union Bank in Anchorage which financed the construction of the Matanuska Valley Hotel in Palmer, making him also an interested party in the development of airplane facilities serving that community.

The airport-building program in Alaska is a forward move with which there can be no quarrel. The long and sincere efforts of the inhabitants of Palmer to secure an airport, dating from the period when the community raised its own money for the project through civic enterprise, do them credit as alert and conscientious citizens.

It is deplorable, to say the least, that the program has been allowed to degenerate into a now-you-see-it, now-you-don't financial manipulation of this character. Only a full investigation by the Federal Government will clear away the shadow thus cast on the integrity of the Territorial administration.

One Hundred and Fifty Thousand Dollar Land Deal Disclosed—Palmer Airport Site Involved in Transaction—Minutes Reveal Plan To Obtain Federal Matching Funds

A plan to place the value of $150,000 on 127.94 acres of land at Palmer for the new Palmer airport in a transaction between the Territory and the Palmer Airport Association is disclosed today by the Daily News-Miner.

The transaction involved payment of $150,000 by the Territory to the airport association, official records reveal, and the repayment to the Territory of $145,000 by the association.

The land includes the existing Palmer Airport, plus additional acreage required in the construction of a new and enlarged landing field at that community under the Territorial airport building program authorized by the last legislature. The $5,000 balance from the exchange of payments was used to pay for the additional tracts of land, officials of the Palmer association explained.

FINANCING OF PROGRAM

The program is being financed in part by the Territorial treasury out of gasoline-tax funds and in part by Federal matching funds provided under the Federal Airport Aid Act of 1946. The Federal Government pays 75 percent of the construction costs for each new airport, with the Territory supplying 25 percent. In the case of land acquisition, however, the Territory pays 75 percent and the Federal Government 25 percent.

Included in the program, records show, are airports at Palmer, Nilchik, Skagway, and Seldovia, all of which are in the process of construction, and others at Fort Yukon and Kotzebue, which are scheduled to get under way soon. There are also seaplane bases being installed at Baranof, Craig, Gustavus, Hood Bay, Hoonah, Ketchikan, Port Althorp, Seldovia, Sitka, Tamgass Harbor, Tenakee, and Todd.

Records in Juneau disclose that the acquisition of the land for the Palmer airport was accomplished through the payment of $150,000 by the Territory to the Palmer Airport Association, or at the rate of $1,172 per acre. The warrant covering this transaction was No. 283540, issued April 11, 1950.

ONE HUNDRED AND FORT-FIVE THOUSAND DOLLARS REFUNDED

The airport association soon thereafter paid back to the Territory $145,000, retaining $5,000 to pay for the added land needed to make the new Palmer airport being built under the program.

The minutes of the Palmer Airport Association, dated April 15, state that this transaction was entered into so as to enable the Territory to claim 25 percent matching funds, or $37,500, from the Federal Government based on a $150,000 cost for the land. The money thus yielded, the minutes state, would offset expenditures by the Territory of approximately $50,000 on the old Palmer Airport before the Federal airport aid act became effective in Alaska.

The Federal act did not become effective in the Territory until after the last session of the legislature which established the new department of aviation and authorized the agency to take advantage of Federal matching funds in the airport-building program.

The efforts of the inhabitants of Palmer to provide their community with an airport date back more than 6 years and comprise a story of civic enterprise and endeavor. The story was told to a representative of the Daily News-Miner by Roland Snodgrass, secretary of the airport association, who readily made available all his records on the subject.

"About 6 years ago," said Snodgrass, "Palmer community leaders decided at a meeting of the Northland Pioneer Grange, No. 1, to appoint a committee to head a drive for funds to finance the building of an air-landing strip at Palmer. The Matanuska Valley Co-op Association, the Moose Lodge, the American Legion, the Grange, and the Alaska Rural Rehabilitation Corporation agreed to aid in a suitable program.

"Each organization appointed three of its members to sit on a central committee to handle the project." Snodgrass continued, "This was the beginning of the Palmer Airport Association.

"The association members contacted Marshall Hoppin, at that time head of the CAA in the Territory, and asked him for aid," Snodgrass said. "He sent a CAA engineer,

H. F. Henkel, to decide and give aid in choosing a site. Henkel recommended the present site as being the best, due to level ground.

"Then the association saw Kirby Egvet, a farmer who owned the largest piece of land needed for the strip. They also saw Mrs. Tom Hunt, formerly of Fairbanks, then living in Palmer, who owned a 150-acre tract, 23 acres of which were needed for the airport."

MONEY RAISED

"To raise the necessary money to acquire the needed land" said Snodgrass, "the association secured contributions from businessmen ranging from $10 to $200, based on ability to pay, and thereby raised $6,000. The figure was boosted to $7,200 through community projects, including dances and entertainments. Deeds and options were obtained for the necessary land tracts."

Snodgrass said that he and his brother bought the farm from Mrs. Hunt and turned the necessary 23 acres over to the association. Labor was donated for bulldozer work and land clearance and the community thus built itself a small plane-landing strip.

1946 IMPROVEMENTS

"Leonard Smith, then the Territorial highway engineer, saw the airport and obtained $10,000 from the Territory for its improvement in 1946," Snodgrass continued. "This was spent for widening and clearing the strip. In 1947 about $3,000 more was appropriated for the airfield by the Territory. In 1948, Frank Metcalf, the present highway engineer, made $33,000 available for clearing the land further."

It is these payments, according to the record, that the Territory would now seek to recover from the Federal Government through the 25-percent matching funds derived from the $150,000 cost of the land acquisition. Through these years, prior to the last legislative session in early 1949, the necessary enabling legislation had not been passed by the legislature whereby the Territory could receive Federal aid for an airport program such as is now in progress.

A bill to create an aviation department in the Territorial government was introduced in the 1947 session but was defeated. Thus, it was explained, until the current program was started all funds for the Palmer Airport came directly out of the Territorial treasury.

Through the earlier period, Snodgrass said, the Territory was in the position of putting money in an airfield which was privately owned by the Palmer Airport Association. He added that the Territory was unable to accept an offer made by the association at one point to give the old Palmer Airport to the Territory because the strip was privately owned.

AGREEMENT MADE

However, he continued, an agreement was made at this time under which the association pledged itself to deed the airport to the city free when Palmer became incorporated.

Snodgrass defended the $150,000 transaction for the land acquisition, asserting that the minutes of the association plainly show the purposes for which it was undertaken. The $145,000 repayment by the association, he said, constitutes a full-price option on the airport which the city of Palmer can claim at such time as it is incorporated.

APPRAISERS APPOINTED

He said the price of the land was set by regularly appointed appraisers, consisting of M. D. Snodgrass, Jim Hurley, and Jack Maze. Roland Snodgrass said they arrived at their valuation in the following fashion:

Using the center of town as the center point, a circle was drawn on a map, showing that the airport property fell the same distance away from the center of town as a developed subdivision owned by Max Sherrod on the other side of town. The price of Sherrod's lots were found to be $250 each, Snodgrass explained, so the committee decided the airport lots, had they been subdivided and improved, would be worth $236 each, figured on the basis of five lots to the acre, or $1,180 per acre.

LAND PURCHASES

The extra land purchased for the new airport out of the $5,000 balance remaining after the exchange of payments between the Territory and the association included 11 acres purchased from Harold Thuma for $2,640, or at the rate of $240 per acre, and 23 acres purchased from Snodgrass and Newcombe, partners, for $1,600, or at the rate of $69 per acre. The bulk of the original land for the old airport was purchased from Egvet at the rate of $70 per acre, Snodgrass said.

The land transaction was also defended by George S. Schwamm, Territorial director of aeronautics, who asserted that the price paid by the Territory represented the true value of the land. The price paid, he said, was necessary to secure adequate tracts for the new airport and speed the project into the construction stage. The appraisers, he said, were qualified to perform the work assigned to them.

REASONABLE PRICE

E. G. Fisher, assistant to Walter Plett, Director of the Civil Aeronautics Administration in Alaska, said in an interview that, as far as he is aware, the $150,000 figure is a reasonable price for the land. He said he knew of no attempt to put an arbitrary price on the land to secure added matching funds from the Federal Government.

He said that the Territory has not yet applied for payment of the matching funds on the Palmer land transaction from the Federal Treasury. The normal investigation of the figures will be made by the Government when such application is made, Fisher added.

MATCHING FUNDS

In these matters, he explained, the Government must be shown that the costs are reasonable and fair before the matching funds are paid. If costs are found greater than is deemed proper, payment is based on the amount which the Government deems proper in the specific cases under consideration.

Records in the CAA office in Anchorage showed that the cost of the land for the Palmer Airport project was estimated at $5,500 when the original request for Federal aid was made in November 1949. The total estimated cost of the project was given on this form (ACA-1623) as $130,000.

TOTAL COST

In a subsequent form, the project application (ACA-1624), filed in March of this year, the land cost was estimated at $150,000. The estimated Federal share of the cost of the entire project was given as $142,000. Assuming this figure included $37,500 as the Government's 25 percent share of the project, the balance to be paid by the Government as its 75 percent share of the construction cost would be $104,500. The total construction cost, or 100 percent, thus would amount to $139,332 or an over-all total of $289,332, including the $150,000 cost of the land.

INVESTIGATOR DEMANDS DISTRICT ATTORNEY TAKE ACTION—NEWS-MINER STORY CITED AS EVIDENCE IN PROBE REQUEST

(By Jack Daum)

A full-scale grand jury hearing to determine the legality of a $150,000 land transaction between the Territory and the Palmer Airport Association, believed to have been made to obtain retroactive matching funds from the Federal Government, has been demanded by Marcus Jensen, of Douglas, investigating committee member of the Alaska House of Representatives.

As revealed in the July 7, 1950, edition of the Daily News-Miner, the transaction involved payment of $150,000 by the Territory to the Airport Association for 127.94 acres of land at Palmer for the new Palmer Airport, and the repayment to the Territory of $145,000 by the association.

PRICE HIKE

The price per acre paid by the Territory for the land was $1,172. Official records of the Civil Aeronautics Administration show that the land was valued last year at $43 per acre.

Jensen's demand for grand jury action is based on charges that the inflated value of the land was paid by the Territory to obtain Federal matching funds under the Federal Airport Aid Act in order to offset Territorial expenditures made on the Palmer Airport prior to the effective date of the act.

Under the Federal Airport Aid Act the Federal Government agrees to pay 25 percent of money spent by the Territory for purchasing land for airports and 75 percent of money spent in construction of those airports.

The Federal Aid Act did not become effective in the Territory until after the last session of the legislature had established the new department of aviation and had authorized that agency to take advantage of the Federal matching funds in the airport-building program.

BUILT PRIOR TO ACT

Prior to this action by the legislature, the Territory had expended an estimated $50,000 in the construction of an airport at Palmer. If this money had been spent under the provisions of the act, the Federal Government would have reimbursed the Territory 75 percent of the construction cost, or $37,500.

CAA attorneys in Washington, however, advised members of the Palmer Airport Association that matching funds could not be obtained for money spent prior to the effective date of the act.

Minutes of a meeting of the Palmer Airport Association, published in the News-Miner of July 7, disclosed that the association, in agreement with George S. Schwamm, head of the newly created Territorial department of aviation, and Stanley J. McCutcheon, attorney for that department, decided to set the value of the land at $150,000 "in order to receive credit under said act for moneys already expended."

The Federal share of this inflated land cost would be 25 percent, or $37,500.

In his demand for grand-jury action, which was filed Wednesday in the Juneau office of Pat Gilmore, district attorney for the first division, Jensen stated:

"From careful study of the information given in the News-Miner, and the questions raised by the auditor, it is apparent to me that a crime may have been committed against the Federal Government."

The questions raised by the auditor, to which Jensen refers, are published on page 1 of today's News-Miner, along with Jensen's letter to Gilmore.

In an interview with a News-Miner representative in July, Roland Snodgrass, secretory of the Palmer Airport Association, defended the intentions of the association in setting the price of the airport land at $150,000.

"This was not done to permit the association to extort money from the Territory," he said, "and we made this clear in the minutes of our meeting."

Snodgrass pointed out that the association kept only $5,000 of the $150,000 and that this $5,000 was used to purchase additional needed land adjacent to the landing strip.

"The transaction was worked out with full knowledge of Schwamm and McCutcheon,"

Snodgrass said, "and we were advised by McCutcheon that it was perfectly legal."

McCutcheon, a partner in the Union Bank of Anchorage which owns the Matanuska Valley Hotel at Palmer, and a member of the legislature which created the department of aviation, was hired by the department he helped create and was paid $5,628.42 for legal services rendered in the obtaining of lands for Territorial airports.

Of this $5,628.42, McCutcheon charged the Territory $1,500 for negotiations with property owners at Palmer.

One of the questions raised by Territorial Auditor Frank A. Boyle in a letter to the Territorial attorney general is:

"Was there collusion between the Palmer Airport Association and agents of the Territory to raise the price of the land, and was this reasoning for the purpose of hiding facts from the Federal Government so as to force them to pay according to the contract on the inflated value, which value is only a book value?

DIMOND O. K.'S "PALMER DEAL" DISBURSEMENTS—TERRITORY HELD NOT COMPETENT TO EYE "COLLUSION" QUERY

(By Jack Daum)

The question of possible "collusion between the Palmer Airport Association and agents of the Territory to raise the price of [Palmer] land * * * for the purpose of hiding facts from the Federal Government * * *" went unanswered today as an opinion of the assistant Territorial attorney general, rendered July 27, was made public. Assistant Attorney John H. Dimond, however, ruled that the auditor's office had no legal basis for refusing payment for services performed in connection with the Palmer Airport construction.

The question posed by Territorial Auditor Frank A. Boyle pertained to the Territorial purchase of 127.94 acres of Palmer land from the Palmer Airport Association for use as a Territorial airport. The transaction involved the payment by the Territory of $150,000 to the association and the repayment to the Territory of $145,000 by the association.

LAND VALUE

The value of the land for which the Territory paid $1,172 per acre had been estimated last year at $43 per acre.

Agents for the Territory were George S. Schwamm, director of the Territorial Aeronautics Board, and Stanley J. McCutcheon, attorney for that board. Acting for the association was Roland Snodgrass, of Palmer.

In phrasing his question as to the possibility of "collusion" between Territorial agents and agents of the association, Auditor Boyle quoted from the minutes of a meeting of the association at which Schwamm, McCutcheon, and Snogdrass were present. The minutes said:

MINUTES QUOTED

"That the Territory of Alaska had expended $50,000 of the funds of the Territory in the construction of the present Palmer Airport prior to the effective date of the Federal Airport Aid Act for which no matching moneys could be received.

"That in order to receive credit under said act for moneys already expended it would be necessary for the Palmer Airport Association to place a value of $150,000 on the present premises and to sell the same to the Territory of Alaska at such figure, thereby allowing the Territory to receive 25 percent thereof credit in matching funds for land acquisition, an allowable cost under said act."

BOYLE'S QUESTION

Boyle's question was:

"Was there collusion between the Palmer Airport Association and agents of the Territory to raise the price of the land, and was this reasoning for the purpose of hiding facts from the Federal Government so as to force them to pay according to the contract on the inflated value, which value is only a book value, because the Palmer Airport Association did return to the Territory $145,000 of the said purchase price?"

DIAMOND'S OPINION

In his written opinion, John H. Dimond, assistant attorney general of Alaska, answered:

"I have no idea as to whether or not there was collusion between the Palmer Airport Association and agents of the Territory of Alaska, since I do not have sufficient facts to enable me to ascertain what was intended by the parties when the transactions occurred."

He continued: "However, if anything is illegal in such transactions, it would seem to me the Federal Government would be the one chiefly concerned."

HEARING ASKED

The matter was brought to the attention of the Federal Government last week when Marcus Jensen, of Douglas, investigating committee member of the Alaska House of Representatives, filed a request for a grand-jury hearing of the facts in the Palmer transaction. The request was filed with P. J. Gilmore, district attorney for the first division.

In his request for a hearing, Jensen said: "From careful study of the information given in the News-Miner, and the questions raised by the auditor, it is apparent to me that a crime may have been committed against the Federal Government."

JURISDICTION QUESTIONED

When interviewed by members of the press yesterday, Gilmore said:

"If a grand jury investigation is indicated, it should be in the third division, the site of the transaction. An investigation in this division is procedurally incorrect."

Jensen said today that the reason he requested grand jury action in the first division is that the Territorial vouchers involved in the transaction were paid in the first division.

"This is a Territorial matter," he said, "and Juneau, in the first division, is the capital of the Territory."

PAYMENTS UPHELD

In answer to Auditor Boyle's question, "Can the auditor's office continue to make payments to engineers, contractors, and others for services on the Palmer airport?" Dimond stated:

"Your office has no legal basis for refusing to make payments to engineers, contractors, and others for their services performed in the construction of the airport * * * since the contract between the Territory and the association has been fully executed and since the association, under the articles of its incorporation, has the power to convey real estate for the purposes mentioned.

"SIGNATURE IMMATERIAL

"The fact that the voucher submitted to your office for payment of such land was not signed by the proper person," Dimond continued, "is no valid ground for collateral attack upon the contract itself."

Dimond continued: "The contract, therefore, between the Territory and the association being valid, and the aeronautics commission, on behalf of the Territory, having express authority under section 5 of chapter 123, session 1949, to use public moneys for the construction of airports within the Territory, the vouchers submitted to your office for services performed by those who are constructing the airport at Palmer constitute valid and existing obligations of the Territory of Alaska."

Mr. BUTLER. I remarked earlier that a member of the Territorial Legislature has requested a grand jury investigation of the Palmer land transactions. I have here a copy of that request embodied in a letter from the legislator, Mr. Marcus F. Jensen of Douglas, Alaska, to the United States District Attorney in Juneau. I ask that it be made a part of the RECORD at this point. The same matter of the land evaluation has also caused no little concern to the Auditor of Alaska, Mr. Frank A. Boyle, on July 19 and July 26. Mr. Boyle, through his deputy, Neil Moore, addressed to the Alaska Attorney General, a series of inquiries regarding the legality of the transaction. I believe these inquiries will indicate how one Alaska official, at least, looks upon the transaction. I ask that the Auditor's letter to the Attorney General be made a part of the RECORD of my remarks at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TERRITORY OF ALASKA,
Juneau, July 19, 1950.

J. GERALD WILLIAMS,
Attorney General of Alaska,
Juneau, Alaska.

DEAR SIR: Recently this office paid a voucher to the Palmer Airport Association in the amount of $150,000 for the Palmer Airfield. This voucher was signed by Roland Snodgrass, secretary. However, on investigation it was discovered that Mr. Snodgrass had not signed the voucher but had delegated what authority he may have had to another. The name of the agent does not show on the voucher. This voucher was received in this office on April 7, 1950.

On April 15, 1950, the board of directors held a meeting in behalf of the Palmer Airport Association, and Mr. C. R. Monaghan was regularly elected president of the board with full power to execute all instruments in connection with property acquisition and other matter and things necessary in the premises, in behalf of the board of directors.

The problem confronting this office is this—Was there a legal transaction? Mr. Snodgrass appears to have usurped the authority of the duly elected president prior to any meeting held for the purpose of selling the said airport.

Can this office continue to make payments to engineers, contractors, and others for services on the Palmer Airport?

Does the Palmer Airport Association still owe the Territory $5,000, making the total refund $150,000, thereby nullifying the whole transaction?

Your opinion is requested as soon as possible since we are holding vouchers in payment for services on the said field.

Yours very truly,

FRANK A. BOYLE,
Auditor of Alaska.
NEIL F. MOORE,
Deputy Auditor of Alaska.

TERRITORY OF ALASKA,
Juneau, July 26, 1950.

J. GERALD WILLIAMS,
Attorney General of Alaska,
Juneau, Alaska.

DEAR SIR: In conjunction with my letter of the 19th, additional questions have been raised as to the legality of the Palmer Airport deal.

The questions are: Is the transaction in question legal? If not, will it jeopardize future Federal aid insofar as airports being established are concerned?

To aid you in your opinion, the following is presented including an excerpt from the minutes of the board of directors of the Palmer Airport Association. Quote. "That

the Territory of Alaska had expended $50,000 of the funds of the Territory in the construction of the present Palmer Airport prior to the effective date of the Federal Airport Aid Act for which no matching moneys could be received. That in order to receive credit under said act for moneys already expended it would be necessary for the Palmer Airport Association to place a value of $150,000 on the present premises and to sell the same to the Territory of Alaska at such figure thereby allowing the Territory to receive 25 percent thereof credit in matching funds for land acquisition, and allowable cost under said act."

The points brought out are: Was there collusion between the Palmer Airport Association and agents of the Territory to raise the price of the land and was this reasoning for the purpose of hiding facts from the Federal Government so as to force them to pay according to the contract on the inflated value, which value is only a book value, because the Palmer Airport Association did return to the Territory $145,000 of the said purchase price?

This value is sufficiently high so as to make possible a payment from the Federal Government in the amount of $37,500 which is 25 percent of $150,000.

However, in the minutes of the said Board, such value was established so as to secure reimbursement for money spent prior to the Federal Airport Act. The amount spent by the Territory has been estimated by the said Board at $50,000, and since the present Federal Government agreement is that 75 percent of construction will be refunded, the amount to be refunded in this case is $37,500, an identical amount.

An answer to the two questions will be appreciated.

Presented as a personal observation, it appears that all contacts entered into by the Territory through its agents should be passed upon by the legal representative of the people, the Attorney General; and all plans, specifications, etc., dealing with public works and buildings should be passed upon by the Superintendent of Public Works as outlined in the Alaska Code so as to avoid further controversies.

Yours very truly,

FRANK A. BOYLE,
Auditor of Alaska.
NEIL F. MOORE,
Deputy Auditor of Alaska.

Mr. BUTLER. Mr. President, in his reply to the auditor's questions, the Alaska Attorney General did not have an answer to the direct question as to whether there had been collusion between the Territory and the Palmer Airport Association in establishing the value of the land for the new airport. I have no doubt that he had no answer for what must have appeared to him the very good and sufficient reason that to have attempted to answer the auditor on this point would have been to embarrass further the administration of which he is a member. However, the attorney general's opinion, drafted by an assistant, Mr. John Dimond, did suggest that any illegality in the transaction would be the concern of the Federal Government, which is exactly the point I am raising here today. The Alaska Assistant Attorney General also raised other interesting legal points such as his claim that the fact that the voucher was not signed by the proper person—I am using Mr. Dimond's own words—is no valid ground for a collateral attack upon the contract itself. This is the contract between the Territory and those employed to build the new Palmer Airport.

In conclusion, I ask, Mr. President, that a newspaper article published in the Daily News-Miner, describing this opinion of the Alaska Assistant Attorney General in detail, be made a part of my remarks at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEGALITY OF AIRPORT SALE UNDER FIRE

(By Jack Daum)

Territorial Auditor Frank A. Boyle recently submitted a list of six questions to Territorial Attorney General J. Gerald Williams concerning the legality of the $150,000 Palmer Airport transaction between the Territory and the Palmer Airport Association.

In a letter to Williams dated July 19, 1950, Auditor Boyle said:

"Recently this office paid a voucher to the Palmer Airport Association in the amount of $150,000 for the Palmer Airfield. This voucher was signed by Roland Snodgrass, secretary. However, on investigation it was discovered that Mr. Snodgrass had not signed the voucher but had delegated what authority he may have had to another. The name of the agent does not show on the voucher. This voucher was received in this office on April 7, 1950.

"On April 15, 1950, the board of directors held a meeting in behalf of the Palmer Airport Association, and Mr. C. R. Monaghan was regularly elected president of the board with full power to execute all instruments in connection with property acquisition and other matter and things necessary in the premises, in behalf of this board of directors."

Auditor Boyle posed the question:

"Was there a legal transaction? Mr. Snodgrass appears to have usurped the authority of the duly elected president prior to any meeting held for the purpose of selling the said airport.

"Can this office continue to make payments to engineers, contractors, and others for services on the Palmer Airport?"

Referring to the $145,000 repaid the Territory by the Palmer Airport Association, Auditor Boyle goes on to ask:

"Does the Palmer Airport Association still owe the Territory $5,000, making the total refund $150,000, thereby nullifying the whole transaction?

"Your opinion is requested as soon as possible since we are holding vouchers in payment for services on the said field."

One week later Auditor Boyle had apparently received no opinion from Attorney General Williams, for on July 26 Boyle wrote Williams:

"In conjunction with my letter of the 19th, additional questions have been raised as to the legality of the Palmer Airport deal.

"The questions are: Is the transaction legal? If not, will it jeopardize future Federal aid insofar as airports being established are concerned?

"To aid you in your opinion, the following is presented including an excerpt from the minutes of the board of directors of the Palmer Airport Association. Quote: 'That the Territory of Alaska had expended $50,000 of the funds of the Territory in the construction of the present Palmer Airport prior to the effective date of the Federal Airport Aid Act for which no matching moneys could be received. That in order to receive credit under said act for moneys already expended it would be necessary for the Palmer Airport Association to place a value of $150,000 on the present premises and to sell the same to the Territory of Alaska at such figure, thereby allowing the Territory to receive 25 percent thereof credit in matching funds for land acquisition, and allowable cost under said act.' "

Auditor Boyle then raised the question of a possible attempt having been made to hide facts from the Government in order to force the Government to pay matching funds based on nonintrinsic values. He said:

"The points brought out are—Was there collusion between the Palmer Airport Association and agents of the Territory to raise the price of the land and was this reasoning for the purpose of hiding facts from the Federal Government so as to force them to pay according to the contract on the inflated value, which value is only a book value, because the Palmer Airport Association did return to the Territory $145,000 of the said purchase price?

"This value is sufficiently high so as to make possible a payment from the Federal Government in the amount of $37,500 which is 25 percent of $150,000.

"However, in the minutes of the said board, such value was established so as to secure reimbursement for money spent prior to the Federal Airport Act. The amount spent by the Territory has been estimated by the said board at $50,000, and since the present Federal Government agreement is that 75 percent of construction will be refunded, the amount to be refunded in this case is $37,500, an identical amount.

"Presented as a personal observation," Boyle concluded, "it appears that all contracts entered into by the Territory through its agents should be passed upon by the legal representative of the people, the attorney general; and all plans, specifications, etc., dealing with public works and buildings should be passed upon by the superintendent of public works as outlined in the Alaska Code so as to avoid further controversies."

CALL OF THE ROLL

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HILL in the chair). The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Anderson	Hayden	Maybank
Brewster	Hendrickson	Millikin
Bricker	Hickenlooper	Morse
Bridges	Hill	Mundt
Butler	Hoey	Murray
Byrd	Holland	Myers
Capehart	Humphrey	Neely
Chapman	Hunt	O'Conor
Chavez	Ives	O'Mahoney
Connally	Jenner	Pepper
Cordon	Johnson, Colo.	Robertson
Darby	Johnson, Tex.	Russell
Donnell	Johnston, S. C.	Saltonstall
Douglas	Kem	Schoeppel
Downey	Kerr	Smith, N. J.
Dworshak	Kilgore	Sparkman
Eastland	Knowland	Stennis
Ecton	Leahy	Taft
Ellender	Lehman	Thomas, Okla.
Ferguson	Lodge	Thomas, Utah
Flanders	McCarran	Thye
Frear	McClellan	Tydings
Fulbright	McFarland	Watkins
George	McKellar	Wherry
Gillette	McMahon	Wiley
Graham	Magnuson	Withers
Green	Malone	Young
Gurney	Martin	

The PRESIDENT pro tempore. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that Mr. BATES of Kentucky, Mr. PASSMAN, Mr. MCGRATH, and Mr. FURCOLO had been appointed on the part of the House, to serve as alternates in lieu of managers unavoidably absent at the conference on

the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The message announced that the House had agreed to the amendment of the Senate to the bill (H. R. 7209) authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic coast fish species for the purpose of developing and protecting fish resources.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7155) to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest landowners, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 627. An act for the relief of Southern Fireproofing Co., of Cincinnati, Ohio; and

H. R. 7439. A bill to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes.

SALE OF INHERITED INTERESTS IN CERTAIN ALLOTTED LAND, CROW CREEK INDIAN AGENCY, S. DAK.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 815) to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Crow Creek Indian Agency, S. Dak., which were, on page 2, line 5, after "Brule", insert "Sioux"; and on page 2, lines 5 and 6, strike out "Tribe of Indians of the Crow Creek Reservation of" and insert "Tribe."

Mr. O'MAHONEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

SALE OF INHERITED INTERESTS IN CERTAIN ALLOTTED LAND, PINE RIDGE INDIAN RESERVATION, S. DAK.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 816) to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Reservation, S. Dak., which were, on page 2, line 3, strike out "Ogalala" and insert "Oglala."

Mr. O'MAHONEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

SALE OF LAND ALLOTTED TO MRS. IRIS HUEBNER MARAK, PINE RIDGE RESERVATION, S. DAK.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1064) to authorize the sale of land allotted to Mrs. Iris Huebner Marak on the Pine Ridge Reservation, S. Dak., which were, on page 2, line 5, strike out "Ogalala" and insert "Oglala"; and on page 2, line 16, strike out "Ogalala" and insert "Oglala."

Mr. O'MAHONEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

SALE OF LANDS ALLOTTED TO GEORGE C. ESTES, LOWER BRULE INDIAN RESERVATION, S. DAK.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1457) to authorize the sale of lands allotted to George C. Estes on the Lower Brule Indian Reservation, S. Dak., which was, on page 22, line 1, strike out all after "Sioux" down to and including "of" in line 2, and insert "Tribe."

Mr. O'MAHONEY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

JURISDICTION IN CIVIL ACTIONS INVOLVING CERTAIN INDIANS IN NEW YORK

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 192) to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties, which were, on page 1, line 9, strike out all after "State:" down to and including "issue" on page 2, line 8, and insert *"Provided,* That full faith and credit shall be given by such courts to all treaties between the United States and any recognized tribe or tribes of Indians in the State of New York, and in all actions and proceedings with respect to tribal laws and customs between and among reservation Indians full faith and credit shall also be given by such courts to the tribal laws and customs of such tribe or tribes"; and on page 3, line 4, after "York", insert *"Provided further,* That nothing herein contained shall be construed as conferring jurisdiction on the courts of the State of New York or making applicable the laws of the State of New York in civil actions involving Indian lands or claims with respect thereto which relate to transactions or events transpiring prior to the effective date of this act."

Mr. O'MAHONEY. I move that the Senate disagree to the amendments of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. O'MAHONEY, Mr. MCFARLAND, Mr. LEHMAN, Mr. BUTLER, and Mr. CORDON conferees on the part of the Senate at the conference.

ORDER OF BUSINESS

Mr. MAYBANK. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2048, House bill 7941, a bill to amend and supplement the Federal Aid Road Act.

Mr. WHERRY. Mr. President, there are three or four Senators on both sides of the aisle who have several amendments to offer to the pending bill. I would have no objection to taking up any bill which the distinguished acting majority leader desires to have taken up, if there is to be no further debate upon the bill now pending. But there are nearly 50 amendments on the table. I am not sure how many Senators will desire to speak on the amendments. I ask the distinguished acting majority leader if he does not feel that, taking into consideration the Senators whose names I have already given him who desire to be heard this afternoon, he might not renew his request tomorrow morning, or even tonight, and let us see how the debate goes along on the pending bill.

There is no disposition on the part of the minority to delay the consideration of any legislation, but if the road bill is taken up, ample time should be afforded those who have amendments to present them and debate them between now and Monday, at which time the Senate will return to the consideration of the pending bill.

Mr. MAYBANK. I appreciate the remarks of the distinguished minority leader. I wonder if later on this afternoon, when Senators on both sides who have spoken to me and have indicated they desired to speak for several hours, have completed their speeches, we could take up the bill referred to, and make it the unfinished business, and discuss it tomorrow.

Mr. WHERRY. I will say to the acting majority leader that I will canvass the situation, and discuss the matter with him later.

Mr. MCFARLAND. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. MCFARLAND. All I wish to say is that I think the time has come when the Senate should proceed to act. We postpone action on legislation from day to day. I think the time has now come for action. If we take up the bill we have discussed I think we should dispose of it as quickly as possible. Of course no Senator should be deprived of the opportunity of offering any amendments to the unfinished business he may desire to offer, but I do not think the Senate should remain inactive for 3 days this week.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. Certainly there has been no inaction today. About 50 amendments have been offered to the unfinished business. When debate runs out on the unfinished business I have no objection to the acting majority leader asking the Senate to take up for consideration some other piece of legislation, after there has been a quorum call. I am sure the distinguished acting

majority leader knows how I feel about the matter. I shall be glad to cooperate with him in respect to taking up any bill he desires, when the debate on the unfinished business has reached the point where the Senate is ready to consider other measures.

Mr. MAYBANK. Mr. President, I am in a rather embarrassing position. The Senator from Montana [Mr. MURRAY] at about 1 o'clock today said he desired to make a speech in connection with the speech previously delivered by the Senator from Oregon [Mr. MORSE]. I told him that I would suggest the absence of a quorum, and after the quorum call he might seek recognition. I, of course, have no prerogative to recognize any Senator. That is the function of the Chair.

Later the distinguished Senator from California [Mr. KNOWLAND] told me he desired to make a statement.

Mr. KNOWLAND. Mr. President, I should like to make a statement. Prior to the quorum call the Senator from California was preparing some material in order to answer a statement made on the Senate floor earlier today by the Senator from Maryland [Mr. TYDINGS], the chairman of the Armed Services Committee. At that time the acting majority leader did not indicate to me that any other Senator was scheduled to speak. He did ask me if I had any objection to the Senate taking up the road bill. The Senator from South Carolina will recall that I told him I would have no objection, so far as I was personally concerned. The only reason I raised the question between us respecting the matter of the Senator from South Carolina yielding to the Senator from Montana, was that I felt it was the prerogative of the Chair to recognize Senators who desired to speak; that the Senator from California had been on his feet at the time the Senator from Montana rose to discuss the matter with the acting minority leader.

Mr. President, I would not press the point were it not for the fact that, as a member of the Joint Committee on Atomic Energy, I am making a trip this afternoon on official business. My remarks will not occupy more than 15 minutes at the most. I have to catch a naval plane at 4 o'clock this afternoon.

The PRESIDENT pro tempore. The Chair recognizes the Senator from California, and if the Senator from Montana addresses the Chair later, the Chair will recognize him.

Mr. MURRAY. The Senator from South Carolina has made an absolutely correct statement. My remarks, as he said, are to be made in connection with the remarks made by the Senator from Oregon [Mr. MORSE] a little earlier in the day. I was unable to speak immediately following the remarks of the Senator from Oregon, because the Senator from Maryland interrupted to make a statement.

Mr. MAYBANK. How long will the Senator from Montana speak?

Mr. MURRAY. About 10 or 12 minutes.

The PRESIDENT pro tempore. The Senator from California has been recognized, and the Chair will state that if the Senator from Montana is on his feet at the conclusion of the statement by the Senator from California, the Chair will recognize him.

UNITED STATES AID TO KOREA SINCE CLOSE OF WORLD WAR II

Mr. KNOWLAND. Mr. President, earlier in the afternoon, when I was unfortunately absent from the Senate Chamber, the able chairman of the Armed Services Committee, the Senator from Maryland [Mr. TYDINGS], made a statement on the floor relative to Korean aid. I happen to serve as a member of the Armed Services Committee as well as a member of the Committee on Appropriations. I sent for a copy of the transcript of the remarks of the Senator from Maryland, which I have before me. I also notified Mr. Johnson, one of the assistants on the majority side, to try and locate the Senator from Maryland so that he might be present during the period of this discussion. I would await his arrival, were it not for the fact that I have an engagement which is going to take me out of the city a little later this afternoon.

I desire to quote from the remarks of the Senator from Maryland, as they are to be found in the official transcript. The Senator said:

> However, it is regrettable that with all this sorrow and responsibility there are circularized from time to time reports which are totally untrue and inaccurate.
>
> I learned sometime ago that a Member of Congress had said that all we had sent to South Korea was $200 worth of bailing wire. Naturally that story was carried all over the country in the press and to a considerable extent was relayed to the people through the medium of the radio. It seemed to me that this story was untrue from the facts that had come to my attention. Therefore, I asked the Department of Defense to make available a statement on the weapons and other war supplies which had been furnished to the South Korean people prior to the outbreak of the recent aggression in that country.

Then the Senator continued with his remarks.

Mr. President, if anyone said that the equipment which was sent was baling wire, he was in error, because the equipment that was actually on shipboard out of the arms implementation program was signal wire, primarily signal wire equipment. But the fact that only $200 worth had been charged to the arms implementation bill is the undisputed fact as established by the testimony of the responsible officials of the Department of the Army before the Senate Committee on Appropriations. I think this should be made clear, and I do not think that that fact will be disputed.

In giving his version of this situation the Senator from Maryland includes all the equipment which was turned over to the Koreans from the time the American Army of Occupation left Korea.

Mr. President, that is not the issue that was raised on the floor or before the committee. The issue which had been raised before the committee was: How much of the $27,000,000 set aside in the arms implementation bill of 1949, of which approximately $10,000,000 was allocated to Korea and the remainder to Iran and the Philippines, was actually shipped to Korea prior to the outbreak of hostilities on the 25th day of June?

The fact of the matter is that $200 worth of surplus signal equipment is all the equipment which was on shipboard up to the day of the outbreak of hostilities. It is true that other equipment was on order. It is true that there was other equipment it was hoped to have in the future. But even as to that, the undisputed facts, as brought out before the Committee on Armed Services when General Roberts testified, are that up to the outbreak of hostilities, all that equipment was merely replacement parts for the equipment which our mission had left in Korea.

So, Mr. President, when any attempt is made to give the American people the impression that there had been an alert and businesslike job in supplying the Republic of Korea with the kind of equipment necessary for it to have in order to meet the type of armed invasion with which it was faced, that simply is not in keeping with the facts.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Some time after the $200 item was mentioned and testified to—and that is all that was charged against the $10,230,000 appropriated for South Korea by the Congress—was not it then stated that the original cost of the cable wire or other kinds of wire for the signal corps was, in fact, around $52,000?

Mr. KNOWLAND. That is correct—the original cost of new equipment, if new equipment had been available to be sent there.

Mr. FERGUSON. Yes.

Mr. KNOWLAND. But the fact is that it was excess or surplus equipment which, if it had not been given for use there, in due time would have been utterly worthless, because signal wire can be kept only a certain length of time. The actual charge against the amount of approximately $10,000,000 appropriated by Congress for Korean allocation was the $200 item required in order to have that wire put into condition.

Mr. FERGUSON. That was the direct testimony given before the Appropriations Committee.

Mr. KNOWLAND. Mr. President, it is true that at the time when the American forces left Korea—the last of them left in June 1949—we turned over certain equipment, including some howitzers, some rifles, some mortars, and so forth, to the Army of the Republic of Korea. No one has disputed that fact, and it is not at issue at this point.

It is a well-known fact that the United States was trying to equip a constabulary force which could preserve internal order and could meet occasional border raids. However, the testimony before the committee and the information I gathered when I was in Korea makes it amply clear that time after time the Government of the Republic of Korea and the American mission in Korea had requested the kind of equipment which would enable the Republic of Korea to resist the type of invasion which has

taken place, and which at that time they feared might take place. Nevertheless, despite those constant appeals for help, the fact remains that the artillery we left the Republic of Korea was outranged by some 10,000 yards, and our military mission in Korea knew it was outranged by some 10,000 yards.

It is also a fact that it was known that the North Koreans had tanks; but the South Koreans had no tanks, despite the fact that the Government of the Republic of Korea had asked for some.

It is a well-known fact that the North Koreans had mortars which outranged our mortars.

It is a well-known fact that the Soviet Union had supplied certain fighter aircraft to the North Koreans. We had indisputable evidence of that fact. Despite that and despite the pleas of the Republic of Korea for some fighter aircraft, we did not supply them with a single fighter plane for their air force. I personally saw their air force; it consisted of some 20 light liaison planes and several trainer planes, not one of which had a single machine gun on it. They were the type of planes which could be used for observation.

Mr. THYE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. THYE. When Congress appropriated the $10,000,000 did it intend to have those funds used to equip the Republic of South Korea in such a way so that its forces could stand up and meet with some assurance an enemy if an enemy appeared across the border of the South Korean sector?

Although the amount of the approximately $10,000,000 was appropriated by Congress for that purpose, the fact that it had not been allocated by either the State Department or those charged with the responsibility for allocating it, certainly left us and the Republic of Korea in an absolutely defenseless position, as subsequent developments have proved.

Mr. KNOWLAND. I may say to the Senator from Minnesota that to my personal knowledge—because I met him when I was in Korea—the President of the Republic of Korea, Mr. Syngman Rhee, was so concerned about the lack of defense against possible aggression from the north, that he asked the retired General Randall, of the United States Air Force, to go to the Republic of Korea and give the President of Korea some expert advice in regard to the type of defensive fighter planes which would be needed to help defend the capital, Seoul.

My information was—and I state it on my responsibility as a Senator of the United States—that General Randall estimated that they would need in the neighborhood of 100 or 125 fighter planes—not jet planes, but planes of the type we used in World War II. The Government of the Republic of Korea requested most urgently that it receive all or a part of that number of planes. However, my best information is that up to the time of the outbreak of hostilities, they had not received a single fighter plane, pursuant to that or any other request.

Mr. THYE. It is a certainty that the United States had such planes as surplus equipment, in what we term cold storage—in other words, prepared for dead storage—and could well have made those planes available, rather than to sell the motors of the planes and the other metal parts of the planes for salvage. Is not that correct?

Mr. KNOWLAND. The Senator is absolutely correct.

Mr. President, the fact of the matter is that we have been sending equipment to Europe; and I fully approve of that. On several occasions the Senator from Michigan [Mr. FERGUSON] and I have been invited to attend ceremonies in connection with turning over to certain of the North Atlantic Pact countries certain United States equipment. Only a few days ago we went to the Philadelphia Navy Yard to attend the ceremony in connection with delivering to the Republic of France two destroyer escorts. That ceremony was held, I assume, to help build up the morale of the people of France, by showing that the equipment was actually going into their hands. I had been invited to attend other ceremonies of that kind—but had not been able to attend them—when equipment was delivered to other countries of the North Atlantic Pact area.

I say to the Senator from Minnesota that nothing would have contributed more to the defense of Korea—and probably it would have prevented the outbreak of war in Korea—than for our Government to have been as much interested in protecting our Pacific flank as it has been in protecting our Atlantic flank. If the Government of the United States had put aboard an aircraft carrier a few P–51's, or whatever other planes our Armed Forces had in surplus supply, and had sent them to the Republic of Korea, it would not have been a sitting duck for the Communist planes which had been turned over to the North Korean forces.

Mr. THYE. There can be no question that if the military men of the Republic of South Korea had had that equipment, they could have trained themselves to become qualified to meet the enemy in modern warfare, rather than to be "sitting ducks," so to speak, on the ground when they were strafed by the air forces of the North Korean Government, and also when they were attacked by the armored equipment which the North Korean Government sent into South Korea.

In other words, the $10,000,000 which Congress had appropriated for that purpose could have been used to equip the Republic of South Korea to meet the enemy in modern warfare, rather than in old-fashioned, antiquated foot warfare, which is the type of warfare the South Koreans have had to attempt to engage in against modern military equipment.

Mr. KNOWLAND. Mr. President, I wish to be perfectly fair about the situation. I say to the Senator from Minnesota that even if the Republic of Korea had had all the equipment which Congress intended to have sent to it under the $10,000,000 program—instead of $200 worth of signal wire—I do not think the South Koreans could have withstood the type of invasion with which they were confronted, because under that $10,000,000 program we had no intention of sending the South Koreans the heavy equipment or the planes with which they might have met that assault. What we were sending them with the $10,000,000 consisted primarily of replacement parts and materials to build up their stock of ammunition, for the weapons they then held. So I do not think it is correct to say that even if the entire $10,000,000 worth of equipment had been shipped, that in itself would have stopped the invader. But I do say to the Senator from Minnesota that if we had taken a realistic viewpoint of that area of the world if we had listened to what our mission had advised, if we had listened to the request of the Republic of Korea for some of the tools with which to confront Russian tanks, they might not have been able to hold the invaders at the border, but the invasion might have been delayed sufficiently long so that we now would not be back in one small corner, the southeastern corner of Korea.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. KNOWLAND. I yield.

Mr. THYE. If it required $10,000,000 to repair the equipment which they had and also to supply the necessary ammunition, then it is quite certain that the equipment they had was of absolutely no avail to the Republic of South Korea. If it required $10,000,000 to maintain it in good repair, we know that the equipment must have been almost useless.

Mr. KNOWLAND. It is not quite that bad. Some of the equipment, for the purposes for which it was supplied—that is, the preservation of internal order—the carbines and the M1's, were suitable for that purpose. The light bazookas could perhaps have stopped an armored car as distinguished from a tank, and, for border-raiding and that type of thing, their equipment was reasonably satisfactory for a constabulary force.

ORDER OF BUSINESS

Mr. MAYBANK. Mr. President, will the distinguished Senator from California yield to me, so that I may discuss a certain matter with the minority leader?

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from South Carolina?

Mr. KNOWLAND. I yield for that purpose.

Mr. MAYBANK. I discussed earlier with the junior Senator from Nebraska Calendar Order 2048, the bill (H. R. 7941) to amend and supplement the Federal Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes. I suggested to the minority leader that that bill, known as the road bill, be taken up next for consideration. I understand that since making that request conference report on the social security bill has passed the House and is on the way to the Senate. I understood earlier today that the Senator from Georgia [Mr. GEORGE] desired to speak on that for a few moments. I further understand that there are certain Senators on the other side of the

aisle who wish to speak on other matters, as does the Senator from Montana [Mr. MURRAY], on this side. So I am going to ask unanimous consent to take up the road bill, H. R. 7941, after a quorum is obtained tomorrow.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. I should like to ask the Senator, as the acting majority leader, whether, in the event the road bill is brought up, he intends to try to get a vote on it Friday?

Mr. MAYBANK. I shall try to do so.

Mr. SALTONSTALL. I may say most respectfully to the Senator from South Carolina that my colleague from Massachusetts [Mr. LODGE] and I, as well as other Senators, have at least seven amendments which are, in our opinion, very important, and I hope that with the cooperation of the majority leader, wherever he has gone, that the road bill will not be voted on on Friday, if it is brought up tomorrow. If it were to be brought up tomorrow with the idea of voting on it on Friday, I should have to say most respectfully that I would object to bringing it up. I think the Senator from New York [Mr. IVES] feels as I do on the subject.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MAYBANK. Let me answer my distinguished friend from Massachusetts. I do not believe there has been 3 minutes of debate today on the pending measure, which is the so-called defense production bill. It has been set for a vote on Monday. I do not blame the other side for that, because they wanted the vote to come either on Thursday or Friday. I have no criticism to offer. But certainly, as the acting majority leader, I want the Senate to make some progress.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. IVES. Reserving the right to object, the Senator from New York would like to inquire of the able Senator from South Carolina whether he would be willing to propound the unanimous-consent request in such form that no vote would be taken on the road bill prior to Tuesday; or, if he does not care to put it that way, whether he would make the request in such form that we could have an hour set on next Tuesday for the vote.

Mr. MAYBANK. I may only say to the distinguished Senator from New York, who was anxious to vote on the pending measure, which affects so many people in the United States, that I think the Senate is becoming bogged down through unanimous-consent agreements. The only thing that I intend to do tomorrow is to ask unanimous consent to take up the road bill, and, if Senators desire to debate it, to have the debate continue until perhaps 9 o'clock tomorrow night. That would be satisfactory to this side of the aisle. But Senators on this side certainly want some action, as do Senators on the other side of the aisle. We want to have something done with the road bill, and then, as I suggested to the distinguished minority leader this morning, we want to bring up Calendar No. 1333, which is House bill 4800. We thought we could finish both of them tomorrow.

Mr. WHERRY. Is House bill 4800 the mineral bill?

Mr. MAYBANK. It is a bill to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes.

Mr. WHERRY. Mr. President, if the distinguished Senator from California will yield to me, I desire to make an observation.

Mr. KNOWLAND. I yield to the distinguished Senator from Nebraska.

Mr. WHERRY. As I understand what the distinguished acting majority leader is proposing now is a unanimous-consent agreement to make the so-called road bill the unfinished business after a quorum is obtained tomorrow. I see no objection to that.

Mr. MAYBANK. I want to be perfectly frank.

Mr. WHERRY. I think the Senator from South Carolina is outlining the program in a very fair way. Of course, any Senator has a right to object and may object tomorrow, and possibly between now and tomorrow noon the acting majority leader and the minority leader can work out some arrangement whereby the vote can be taken on the road bill.

Mr. MAYBANK. The Senator knows that I favor unlimited debate, but for 3 weeks the pending bill has been before the Senate and nothing has been accomplished. My sole interest is in seeing that the Senate accomplishes something by passing sound legislation this week, and I feel sure the minority leader is in accord with that wish.

Mr. WHERRY. Mr. President, if the distinguished acting majority leader will permit, and if the distinguished Senator from California will yield further——

Mr. KNOWLAND. I yield.

Mr. WHERRY. I should simply like to say that, inasmuch as the Senator mentioned three bills—and there might be another bill—it may be that we could take up one of the bills tomorrow afternoon, without too much difficulty, and I shall endeavor to do my best to iron it out with the acting majority leader.

Mr. MAYBANK. I merely want to say to the distinguished minority leader that I discussed the two bills with him, in connection with the possibility of bringing one or both of them up in case we bogged down on the pending measure. Of course, we expect to continue in session until 6 o'clock this afternoon, and to sit even later tomorrow. No one has talked today about the pending measure. Unless some Senator desires to talk about it——

Mr. WHERRY. Mr. President, if the acting majority leader will permit, and if the Senator from California will yield for one last observation——

Mr. KNOWLAND. I yield.

Mr. WHERRY. I desire to say to the acting majority leader that there are Senators who wish to discuss amendments. I desire to discuss some of them, myself. We have not had an opportunity to do so. The very subject that is being discussed by the Senator from California was brought up by the distinguished chairman of the Armed Services Committee. It has aroused considerable interest. I am interested in it because I feel that the record should be cleared regarding the observation he made. But certainly I have considerable argument I desire to make on two or three of the amendments which I have offered to the pending measure. I believe if we could proceed tomorrow with the pending bill we could get all the arguments out of the way.

Mr. MAYBANK. I can appreciate what the distinguished minority leader has said, because I know he has tried to cooperate in every way possible to bring about a vote. I also appreciate that the distinguished Senator from South Dakota wants to discuss an amendment. But I did not want to leave the Senator from Massachusetts with the thought in mind that if, when we obtained a quorum tomorrow, Senators did not want to be heard in connection with the pending measure, we would not consider some other measure. I also want to cooperate.

Mr. SALTONSTALL. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I am sure the Senator from South Carolina desires to cooperate. I may merely point out to him that, in connection with the Federal highway aid bill a substantial number of States are very vitally interested in the bill in its present form, and there may be very considerable discussion. Certainly we should hope to have all interested Senators present when the bill comes to a vote. Possibly late tomorrow or Friday may be a difficult time for them to be here. Perhaps there is another bill that could be taken up.

Mr. MAYBANK. I agree with the Senator from Massachusetts. The distinguished Senator from Virginia has advised me that he has two or three amendments. I earnestly hope that the Senate will remain in session tomorrow night until 9 or 10 o'clock if necessary, in order that we may finish the road bill on Friday.

UNITED STATES AID TO KOREA SINCE CLOSE OF WORLD WAR II

Mr. KNOWLAND. Mr. President, because I think it is important that we deal with facts—and I would not have raised this issue on the floor today if the Senator from Maryland [Mr. TYDINGS] had not put into the RECORD some information which I believe gives an impression which is not in keeping with the facts as we know them—in support of the statement I made that up until the time of the outbreak of hostilities in Korea there had actually not been shipped, of the arms implementation aid, anything more than second-hand equipment, I wish to read an extract from a letter written by the Defense Establishment to a Member of the Senate of the United States:

> The first actual shipment was made in June 1950—
>
> Hostilities broke out on June 25, Korean time; June 24, our time—
>
> and additional amounts of equipment were moving toward the Port of San Francisco for

shipment to Korea, so that there was nothing else that was loaded aboard ship at the time of the outbreak of hostilities.

I read the following paragraph:

The first shipment consisted of communications cable which was supplied from United States stock and accordingly there was a very small charge made against the appropriation to reimburse the Department of the Army for the cost of putting this cable in first-class condition. This, of course, is grant in aid, and Korea has not been charged anything for the equipment.

Parenthetically, Mr. President, I want to say that that very small amount is the $200 about which we have been talking.

The equipment which I have mentioned is the surplus signal equipment which was valueless, practically, until it had been put into shape to be shipped.

So the fact of the matter is, and the record so stands, that of the $10,000,000 allocated for Korean aid, the only equipment which had been put aboard ship at the time of hostilities was signal equipment for which a charge of $200 had been made against the funds, and which had an arbitrary valuation which might have been in excess of $52,000.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. The Senator stated that in his opinion it is possible, or even probable, that $10,230,000 would not have equipped the South Koreans sufficiently to have withstood what now turns out to have been the forces north of the thirty-eighth parallel. Is it not also a fact that Congress had appropriated $75,000,000 for the China area?

Mr. KNOWLAND. Yes.

Mr. FERGUSON. So that that or any part of the $75,000,000 could have been used in Korea.

Mr. KNOWLAND. The Senator is absolutely correct. That is in addition to the $27,000,000 with reference to which there was an arbitrary division of $10,000,000 for Korea. They could have divided it in any way they wanted to. They could have put the whole $27,000,000 in Korea; they could have made it more, or they could have made it less. In addition to that amount, there was $75,000,000 which Congress provided in the bill, over the protest of the administration, which took a very dim view of the amendment, but finally accepted it with some reluctance. Any part of that amount could have been allocated for Korea, because Korea is in the general area of China.

In addition to those two items, Korea, as was any other nation mentioned in the bill, was eligible to receive excess equipment at no charge except for the amount necessary to put it into shape, packing it and shipping it.

Mr. FERGUSON. Was there not a further item of 5 percent which could have been taken from other appropriations and put into the bill?

Mr. KNOWLAND. I am not able to give a categorical answer to that question without an examination of the law. That is true as to the North Atlantic nations. I am not certain whether it could have been made available to the far eastern nations. So I do not want to give the Senator a categorical answer to that question.

Mr. FERGUSON. I know the Senator is familiar with the minutes of the House hearings of July 3 with reference to the $27,640,000 about which Mr. Webb testified. I read from page 287:

The Republic of Korea is under constant threat from North Korea, a Communist-dominated state. Korea's ability to maintain its sovereignty depends largely on the degree to which we are prepared to support its military establishment. That Republic came into being under the auspices of the United Nations. If we fail to continue our help and it goes down under the pressure which faces it, both the United States and the United Nations will suffer a severe blow.

Mr. KNOWLAND. I will say, if the Senator will permit an interruption at that point, that not only was the Government of the United States amply on notice, as exemplified in the testimony which the Senator has just read, but we had been warned not once, but on several occasions, by the Government of the Republic of Korea through notes from the Ambassador at Washington to our Government, and by their Government to our Ambassador in Seoul. Only a short time ago Mr. Pauley appeared before the Committee on Armed Services at a hearing and indicated that some time ago he advised the Government of the United States that the Soviet Union had no intention of getting out of Korea, that they were a danger to the peace of the world and the security of this country. So that we were on ample notice that this place, of all places, was one of the great danger spots in the world.

Mr. FERGUSON. Mr. President, in fact, the justification for the $27,620,000, which arbitrarily allocated $10,230,000 to Korea, states, at page 311 of the House hearings, as follows:

The United States policy with respect to Korea is to strengthen the democratically elected Government of the Republic of Korea to the point where it can, first, withstand the threat of expanding Communist influence and control arising out of the existence in North Korea of an aggressive Soviet-dominated regime, and, secondly, to serve as a nucleus for the eventual unification of the entire country on a democratic basis. In view of the fact that the effective maintenance of Korea's armed forces upon which that government must depend for its security following the withdrawal of the United States occupation forces, is largely dependent upon United States aid. It is clear that the foregoing policy cannot be obtained without an accompanying program of military assistance to Korea.

Does not that demonstrate clearly that the United States Government was familiar with the weakness of the armaments of the South Koreans, as I know it was expressed to the Senator from California, and as it was expressed by the President of Korea, Mr. Syngman Rhee, to the three Senators who visited Korea—the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], and the Senator from Michigan—and that the Koreans desired more equipment with which they could meet the situation? As a matter of fact, a demonstration of the armed might of South Korea in the form of a parade was put on for the three visiting Senators so that they could see the equipment. It was noted at that time how light the equipment was. There were no tanks and no heavy artillery. The President of Korea asked that America send some heavy equipment.

Mr. KNOWLAND. I agree that we should not spend too much on what has happened in the past, except as it may help us not to make the same mistake in the future. For that reason, if other danger spots exist around the world to which we can get American equipment promptly, we are entitled to discuss the horrible example of the mistake in Korea, and give them the equipment with which to withstand an invasion.

I may say to the Senator from Michigan that it is my judgment, based on personal observations and the testimony which I have heard given, that two things furnished a green light to encourage the Soviet Union finally to support the North Korean regime in its attack on South Korea. The first was when the Government of the United States withdrew its troops from South Korea subsequent to the time the Government of the Republic was set up. Had the United Nations insisted at that time that all Korea, as was promised at Cairo, be set up independently following a free election, probably we would not have had the situation of a potential aggressor in the northern part of the country. We withdrew our troops, and that weakened the defensive position of the Southern Koreans.

The second factor which gave a green light was the speech made by Secretary of State Acheson on the 12th day of January, 1950, at the National Press Club, when in his remarks he drew a defense line which included Japan, the Ryukyu Islands, of which Okinawa is one, and the Philippine Islands, but excluded, in the maps that were drawn based on his speech, the island of Formosa and South Korea. Certainly with that green signal the men in the Kremlin thought it was a calculated risk they could afford to take to tell their puppets in North Korea to try to eliminate the Government of the Republic of Korea before any aid could come to their assistance. They were fooled in that respect because of the prompt way in which the United Nations responded by resolution and the United States responded with ground forces, air forces, and naval forces, and the manner in which some of the other UN members helped out with limited air and naval forces, although up to the moment, so far as I have been advised, there are no other ground troops in South Korea outside of those representing the people of the United States.

Mr. FERGUSON. I agree with the Senator from California on the green lights to which he has referred. Is it not also a fact, as the Senator from California pointed out on the floor of the Senate some time ago, that messages were sent from the State Department to the various representatives of the State Department in the Far East justifying the program of not including in our sphere of defense Formosa and Korea.

Mr. KNOWLAND. I think the Senator may be in error as to the latter. The message which I saw meant to advise the representatives of the State Department overseas—and that was the message of December 23—that they should be prepared to write off Formosa. I do not think Korea was included in that message.

Mr. FERGUSON. I wanted to ask the Senator whether Korea had been included.

Mr. KNOWLAND. No; Korea was not included in the message of December 23, 1949.

Mr. FERGUSON. But on the 12th of January there is no doubt that Korea was left outside the sphere of defense.

Mr. KNOWLAND. It was left outside the defense line.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. WHERRY. Does not the Senator remember hearing before the Committee on Appropriations, along about June 26 or 27 when a representative of the State Department—and I am not sure that I should mention his name because I do not remember whether he appeared before the committee in executive session—stated that the State Department was carrying out a policy of providing the South Korean Republic only the necessary military equipment with which to train a constabulary force, and that that was the declared policy of the State Department?

I think the Senator will remember that when the witness was confronted with the testimony in the House hearings to which the distinguished Senator from Michigan has just made reference, he practically folded up and said he did not know that it was the policy under the MAP Act to furnish military equipment to protect the sovereignty of Korea, but that the policy of the State Department, so far as he knew it up to that moment, was to furnish equipment that was necessary only to train a constabulary force in South Korea.

Mr. KNOWLAND. I will say to the Senator from Nebraska that I believe he is quite correct in his statement. To confirm it, I will again read from the letter from the Defense Establishment to which I had previously referred, which was sent to a Member of the United States Senate. In the letter this statement is made:

> When United States forces withdrew from Korea, we turned over to the Koreans equipment for an internal security and border and coastal patrol force.

There is no doubt about it according to what the Senator has stated and the letter written by the Defense Establishment from which I have read.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. The Senator from California brought up the point that there was only $200 worth of signal equipment furnished. Did the Senator bring out the fact that General Lemnitzer testified that while South Korea was in low priority, the reason that more had not been furnished her was because most of what was necessary to send to Korea was repair and replacement parts for the surplus equipment that had been left there. Therefore, when the Senator from Maryland brings out the point that a substantial amount of surplus equipment was left there, it was really in unusable condition, because it had not been repaired, and it was almost impossible to get replacement parts from the United States factories. Does not the Senator agree with that statement?

Mr. KNOWLAND. I do not agree entirely with the statement that it was unusable equipment which was left. As I pointed out before the Senator returned to the Chamber, insofar as it related to M–1's, carbines, machine guns, and light mortars, and even howitzers and some truck equipment, although it was used equipment, it was usable by an internal security force. Of course, there is a high degree of obsolescence on equipment of this kind, and unless replacement parts are available, it will become unusable. Therefore, in the limited amount of allocations for Korea, approximately $10,000,000, none of it was the type of equipment which could be used to stop an invasion of this kind, but all of it had to be used for replacement parts, or for ammunition supplies, so that they could at least withstand more than a week's conflict.

Mr. SALTONSTALL. Much of the MAP equipment consisted of replacement parts which it was impossible to get elsewhere than in the United States.

Mr. KNOWLAND. Yes. The Senator from Massachusetts has raised a very crucial point in this issue. The complaint that some of us have had relative to our far eastern policy has been not that priorities were given to Europe. I think we all understand that it would be detrimental to the peace of the world and the security of this country to have all the priorities go to countries facing the iron curtain in Europe. I do not think anyone on the floor of the Senate will dispute the fact that of the arms implementation program 60 percent should go to Europe and 40 percent to Asia, or even 70 percent to Europe and 30 percent to Asia. A case could be made out for even 80 percent to Europe and 20 percent to Asia, although in so doing we would get close to the point of no return.

The fact of the matter is that despite the movement of communism in China, despite the danger which the administration was amply advised of in Korea, despite the reports from the supreme commander in the Far East of the need of improving the American defense position in the Far East, when the arms implementation bill of 1949 was presented it included 1½ percent for the entire Far East, including China, Korea, the Philippines, and so forth. Had it not been for the $75,000,000 which the Senator and others helped to get into the bill in the Senate last year, it would have been only 1½ percent. By including the $75,000,000, we raised that to the magnificent ratio of 8 percent. So it was 92 percent to Europe and about 8 percent to the Far East.

Of that 8 percent the administration spent none of the funds to help the Republic of China, though China was included in the program. They were very slow in getting any wherewithal to Korea, and they certainly did not use any undue haste in getting any of the other equipment to the far eastern area.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MAYBANK. I remind the Senators on the other side of the aisle, as well as some on this side, that we voted for a 70-group air force.

Mr. KNOWLAND. That is correct.

Mr. MAYBANK. I make the suggestion that since we were both together on that issue, as a Democrat and as a Republican, regardless of what has happened in the past, I am interested in knowing who is going to win the war in Korea. I hope we may join together, as we have stood together in the Committee on Appropriations, and get this thing over as soon as possible, and not criticize anybody. It is about time we got down to work to help win the war, and not talk about what happened before. Unless I am mistaken, the Senator from California and the Senator from Nebraska voted the same way in the Committee on Appropriations, not only for the 70-group air force, but for the expansion of the Navy.

Mr. THYE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. In a moment. I wish to say to the Senator from South Carolina, who may have been busy with his duties as acting majority leader, that, in the first place, I would not have risen on the floor today had it not been for the earlier statement of the Senator from Maryland [Mr. TYDINGS], who I think put some information into the RECORD which is not in keeping with the facts. Perhaps it was done inadvertently, but nevertheless I believe the statement is not in keeping with the facts as they were presented to responsible committees of the Senate.

Mr. MAYBANK. I want the Senator to understand that I am not criticizing him.

Mr. KNOWLAND. I understand. The second thing I point out is that the only excuse for discussing the Korean situation, now that the question has been raised by the chairman of the Committee on Armed Services, the Senator from Maryland, is that if we can learn from the mistakes in Korea, we may prevent the same horrible mistakes being made elsewhere in the world, and the very security of this country may be involved upon our doing just that.

Mr. MAYBANK. I might add, with the deepest respect, that if we would learn from mistakes we have made on both sides of the aisle, we would be much better off.

Mr. KNOWLAND. I agree. I now yield to the Senator from Minnesota.

Mr. THYE. The junior Senator from California practically answered the acting majority leader on the question of who raised the issue. It was the chairman of the Committee on Armed Services who raised the issue, and the Senator from California is merely trying to make the record clear, to balance the Record, so as to show what has taken

place in the past, and not leave the record showing that a mistake had been made by some Senator on this side of the aisle, which the Senator from Maryland was attempting to correct for the benefit of the public.

Mr. MAYBANK. I know the Senator would never suggest I would do that.

Mr. THYE. No. If the Senator from California will yield further, I wish to concur in the expression voiced by the able acting majority leader that we must proceed with legislation. There is much proposed legislation on the calendar which must be enacted as speedily as possible, and I personally concur with him that we should look forward to winning the war rather than look backward to who made mistakes. Winning the war is the big issue before us. But the junior Senator from California is absolutely correct in making the record clear here this afternoon as to who started the discussion, and what was said.

Mr. MAYBANK. I was on the Committee on Appropriations, and an amendment was offered providing for a 70-group air force, for which I voted. I voted also for the amendment to increase the Navy last year.

Mr. KNOWLAND. The Senator from South Carolina has had a very fine record, both on the Committee on Appropriations and on the floor of the Senate, on questions affecting the national defense.

Reading again, Mr. President, from the speech of the Senator from Maryland [Mr. TYDINGS], he gave a breakdown of "Value of Aid," in which he listed the following:

1. Office of the Foreign Liquidation Commissioner (Surplus Military Property), $141,000,000.

2. Department of the Army (Government and Relief in Occupied Areas—GARIOA), $301,000,000.

3. Economic Cooperation Administration (shipments through May 31, 1950), $53,700,000.

At this time I am not disputing these figures as figures, but I merely wish to point out that a quick reading of the statement might indicate that the total of $495,700,000 represented military aid, because we were talking about the defense of Korea and the problems of getting military equipment there.

I merely desire to point out that the GARIOA funds listed here are funds for the improvement of the economy, and ECA funds are for the same general purpose. I think they are necessary. They obviously would not have been spent if they were not necessary, but they did not supply a single gun, bazooka, plane, tank, or howitzer, that would outrange what the Russians had given the Koreans on the other side of the line.

Mr. President, at a later date, when I have had more time, I shall give a more detailed analysis of the figures of the Senator from Maryland, but taking his figure of $141,000,000, I assume that that covers the equipment left by our armies in Korea at the time when we finally departed, in July of last year, and the amount that might have been turned over prior to VJ-day, prior to our departure.

I tried to square those figures with what had been supplied by the Department of Defense, and for that purpose I desire to read another paragraph from a letter of an official of the Defense Department to a Member of the Senate:

When United States forces withdrew from Korea we turned over to the Koreans equipment for internal security, and border and coastal patrol forces. For the most part this consisted of * * * small arms, vehicles, ammunition, signal equipment, liaison aircraft, and coastal patrol vessels.

They seem to be the matters which have been mentioned, which no one disputes. Further:

This equipment originally cost the United States $56,000,000, and was valued at well over $100,000,000 at the time of transfer.

In other words, we have a little bookkeeping profit here. Apparently at the time we bought the equipment it was worth $56,000,000. At the time we turned it over the war cost had gone up, so we figured that had it been new, it would have been worth, as he said, approximately $100,000,000. It has again been inflated a little, apparently, by the Senator from Maryland, and that must be the item which he calls $141,000,000.

Mr. WHERRY. Mr. President, if the Senator from California will yield, that was what I wanted the distinguished Senator to explain, the replacement value and the inventory value, and what was finally received.

The Senator will recall that testimony was adduced, for example, as to the transfer of the B–29's to Great Britain. The only thing that was charged up against the military-assistance program was the rehabilitation of all those planes. Is that not correct? That is the same as the situation with respect to the signal wire that was transferred.

I was at a loss to understand the figures. I think the Senator will recall that the representative of the State Department corroborated exactly what the distinguished Senator just called to our attention, the $56,000,000, and also the testimony given just a day or two ago by the woman who had been in Korea with the military mission, which also corroborated the fact that the equipment that was left in Korea was left there as surplus property. It consisted of light arms. It was not the kind of equipment the South Korean Republic could depend upon to use in preventing an armed force from invading South Korea. Is that not true?

Mr. KNOWLAND. I think, as the Senator put it, that what we were able to do was to equip lightly a number of Korean divisions for the purpose of maintaining internal security and for border control. The South Koreans were armed much more lightly than we would consider that an American division should be armed in order to meet invasion.

Mr. WHERRY. Was it not the testimony of the witness who appeared before the committee that it was hoped the State Department would see the light; that the South Koreans needed heavy equipment; that they needed heavy artillery; that they needed the armament so necessary now to protect the security of South Korea?

Mr. KNOWLAND. I think there is no doubt about it. Without trying to quote the person who testified——

Mr. WHERRY. I cannot quote him.

Mr. KNOWLAND. I have discussed the matter with members of the misson and have some knowledge of Korea. From time to time they pointed out that they needed heavier equipment, but that a ceiling had been placed upon them with respect to equipment; that they were only going to receive so much money, and, as a result, they had to use the money primarily for replacement parts. That is the actual fact of the situation. I am obliged to leave in a moment to catch a plane. I wanted to mention that point.

I had previously discussed with the Senator from Massachusetts the fact that in the arms-implementation bill less than 8 percent was allocated to the Far East, an important theater. On top of that priority, the testimony is clear that so far as the South Koreans receiving any excess equipment is concerned, they were also receiving a low priority.

Mr. WHERRY. That is a fact.

Mr. KNOWLAND. So what they got was a double-low priority.

Mr. WHERRY. Yes, and then the representative said that because of the low priority it was impossible to obtain this other equipment.

Mr. KNOWLAND. Yes.

Mr. WHERRY. So that corroborates and establishes the correctness of the statement the junior Senator from Nebraska made during his colloquy with the Senator from Maryland, as to what the policy was; that there was no opportunity for South Korea to obtain the military equipment so desperately needed. Is that not true?

Mr. KNOWLAND. Yes. I should like to say, so neither Senators nor anyone else will think that this information is not up to date, that the date of the letter from the representative of the Defense Department is July 19, 1950.

Mr. WHERRY. Mr. President, I should like the record to show it was only after the distinguished chairman of the Armed Services Committee raised this issue that I, knowing of the visit of the distinguished Senator from California to Korea, and that he had in his possession the memorandum, that he has industriously followed the hearings, and has made notes respecting the equipment in question, I felt it was absolutely necessary that the Senator from California come to the Senate Chamber and set the record straight once and for all respecting the low priority to the South Korean Government in the matter of military equipment and the fact that the equipment furnished them was simply for the training of a constabulary force. That is the way the State Department has treated the South Korean Government from the beginning.

Mr. KNOWLAND. I thank the Senator from Nebraska.

Mr. President, I thoroughly agree with the acting majority leader, the Senator from South Carolina, and I am sure I express the views of Members on this

side of the aisle that the big job ahead of us is to bring the Korean war to a successful conclusion, but that if we are not to become involved in a similar type of situation elsewhere in the world we had better learn from the mistakes—and I think they have been real mistakes—we have made in the past.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. KEM. Mr. President, I submit an amendment to the bill, and ask that it be printed and lie on the table.

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). The amendment will be received, printed, and lie on the table.

Mr. KEM. Mr. President, in January 1945, the OPA and WPB jointly undertook to issue a regulation which they called "maximum average pricing," or more popularly known as MAP. The object of this plan was to require each seller of merchandise to sell exactly the same amount or quantity of merchandise in each price range to each customer as the seller had done in the base period.

The proposal met with Nation-wide opposition. Protests were immediately forthcoming. It was obviously impossible for any seller to deliver specified quantities of merchandise at any price because of shortages of material and labor. Therefore, if the seller had adequate material available to sell at five price ranges and little or no material to sell at a sixth price range, it was virtually impossible for him to sell at any price range.

In view of the fact that some ill-advised officers of the OPA insisted upon having the program inaugurated, a special committee of the House of Representatives under the chairmanship of Representative B. HOWARD SMITH of Virginia, held hearings in the House caucus room during March and April 1945. An adverse report was made to the House on the maximum average price plan as proposed.

As a result of this report by the Smith committee, the plan was withdrawn; but it revised and proposed again in the fall of 1945 in a form known as S. 108. Fortunately, at that time both the House and the Senate were considering the extension of the Emergency Price Control Act of 1942, and, therefore, both the House and Senate Banking and Currency Committees had an opportunity to hear testimony on the proposed plan. The result was that the House Banking and Currency Committee proposed an amendment prohibiting any regulation requiring the maximum average pricing formula. This provision was passed in the spring of 1946 by the Eightieth Congress, second session. This provision remained the pricing policy of the Congress and the Nation from that time to the end of price controls.

Despite this, last week when the House bill on this subject was under consideration, an attempt was made in the House to authorize a maximum average price formula. The House, by an overwhelming vote, defeated the proposal, and reaffirmed its stand on it. Since that time, the view has been expressed in some quarters that despite this evidence of legislative intent, the language of the bill is broad enough to permit the application of the now discredited maximum average price formula.

All my amendment seeks to do, therefore, is to reaffirm the congressional policy established on this subject after more than a year of investigation and painstaking consideration.

Mr. President, I hope very much that my friend, the distinguished Senator from South Carolina [Mr. MAYBANK] the chairman of the Banking and Currency Committee, will see fit to accept the amendment.

Mr. MAYBANK. Mr. President, I appreciate what the Senator from Missouri has said. I can only say that I will give consideration to the amendment when we vote on the bill and on the amendments, beginning at 1 o'clock on Monday next.

Mr. KEM. I thank the Senator.

LEGISLATIVE PROGRAM

Mr. MAYBANK. Mr. President, I understand that the conference report on the social-security bill has come from the House of Representatives.

The PRESIDING OFFICER. The Chair is informed that the conference report has been messaged to the Senate and is being located at the present moment.

Mr. MAYBANK. Mr. President, I desire to state that I have just spoken to the distinguished senior Senator from Georgia [Mr. GEORGE] the chairman of the Finance Committee. The Finance Committee is in session, endeavoring to work out the final draft of the tax bill, which we shall take up next Tuesday or Wednesday, as I understand. The Senator from Georgia asked me to state that he has some remarks to make on the conference report on the social-security bill, and that he had expected to deliver those remarks in the Senate this afternoon, but that for him to do so now would necessitate having the Finance Committee adjourn. The Senator from Georgia said that inasmuch as the Finance Committee hopes to finish its deliberations on the tax bill today, he will make his remarks on the conference report on the social-security bill tomorrow.

I wish to say that tomorrow, when the Senate meets, the first matter to be considered will be the road bill, which I discussed earlier today with the Senator from Nebraska [Mr. WHERRY]; and we shall make that bill the order of business as soon as we are able to do so, either by means of obtaining unanimous consent for that purpose, or, if objection is made, by motion. Of course, any Senator will have a right to move that the bill be taken up.

So, Mr. President, if there is nothing further to come before the Senate this afternoon—in view of the necessity of the Finance Committee meeting this afternoon, in order to finish its deliberations on the tax bill—I shall move that the Senate take a recess until 12 o'clock tomorrow.

STUDY OF FUEL RESERVES—MOTION TO RECONSIDER

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Before the Chair entertains a motion for the Senate to take a recess, the present occupant of the chair, as a Senator speaking from the floor, enters a motion that the Senate reconsider the vote by which Senate Resolution 239 was agreed to yesterday.

The Chair wishes the record to show that the motion to reconsider is entered; and at a later date the motion will be called up.

Mr. KEM. Mr. President, may the acting minority leader inquire what that resolution is?

The PRESIDING OFFICER. It is a resolution which was reported by the Senator from Arizona and adopted by the Senate yesterday. It provides for an investigation of available fuel reserves and the formulation of a national-fuel policy.

Mr. KEM. I thank the Chair.

Mr. MAYBANK. The acting majority leader understands that the present occupant of the chair, the Senator from Oklahoma, moves to reconsider the resolution (S. Res. 239), and that the motion will be entered. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

RECESS

Mr. MAYBANK. I move that the Senate recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 4 o'clock and 42 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 17, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 16 (legislative day of July 20), 1950:

SUPREME COURT, TERRITORY OF HAWAII

Hon. Louis LeBaron, of Hawaii, to be associate justice of the Supreme Court, Territory of Hawaii. He is now serving in this post under an appointment which expired July 9, 1950.

CIRCUIT COURTS, TERRITORY OF HAWAII

Chuck Mau, of Hawaii, to be second judge, First Circuit, Circuit Courts, Territory of Hawaii, vice Hon. Edward A. Towse, elevated.

Jon Wiig, of Hawaii, to be fifth judge, First Circuit, Circuit Courts, Territory of Hawaii, vice Hon. John A. Matthewman, term expired.

Hon. Gerald R. Corbett, of Hawaii, to be sixth judge of the First Circuit, Circuit Courts, Territory of Hawaii. He is now serving in this post under an appointment which expired July 31, 1950.

Maurice Sapienza, of Hawaii, to be judge, Third Circuit, Circuit Courts, Territory of Hawaii, vice Martin Pence, term expired.

IN THE MARINE CORPS

The following officer of the Marine Corps for permanent appointment to the grade of captain for limited duty:

Matthew J. Kruszewski

The following-named civilian college graduates for permanent appointment to the grade of second lieutenant in the Marine Corps:

Richard K. Angerer	James E. Kerr
Donald J. Beatty	Richard E. Keshen
Frank B. Bradshaw, Jr.	Edward W. LeBaron, Jr
Lee C. Bramlette, Jr.	Henry V. Martin
Robert G. Brown	Richard D. Mickelson
James H. Bryson	Ira L. Morgan, Jr.
John S. Carter	Thomas A. Palmer
Byront Chen	Bryan M. Rust
Charles R. Cote	Robert K. Shelton
Lawrence R. Dorsa	William B. Shields
Sheldon H. Dunlap	Charles H. Stewart
Jack Erwin	Donaldson Tall
Milton A. Fischer	William M. Tatum, Jr.
John M. Frease	John M. Travis
William N. Gregory	Andrew F. Toxey
Vernon D. Grizzard	Charles B. Walker
Robert L. Gunter	Ronald L. Walsh
Joseph R. Gutheinz	Charles K. Whitfield
Jack L. Handey	Robert J. Whitsitt
Harold T. P. Hayes	William T. Woodley
Peter J. Hayes	Keith L. Woods
Davis L. Hiday	John E. Woodward
Wilfred M. James	

The following-named enlisted men of the Marine Corps for permanent appointment to the grade of second lieutenant in the Marine Corps:

Arthur W. Anthony, Jr.	William E. Duncan
	David J. Hytrek
Howard L. Barrett, Jr.	Lewis A. McPherren
	Leslie T. Shelton, Jr.

The following-named meritorious noncommissioned officers of the Marine Corps for permanent appointment to the grade of second lieutenant in the Marine Corps:

Charles W. Abbott	Robert O. Lewis
James W. Abraham	Robert A. Lindsley
Birney A. Adams	John L. Lowe
James R. Aichele	Thomas F. Manley
James L. Bowman	William B. McCurdy
Richard K. Buchanan	James R. McEnaney
Robert E. Byle	Alexander P. McMillan
Winston D. Chapman	Audrey P. McNair
William F. Cross, Jr.	David G. Mehargue
Stanley P. Daggett, Jr.	Steve Minko
John D. Driggers, Jr.	Robert R. Montgomery
Marvin J. Fournier	Frederick M. Muer
Wilson A. Frease	William B. Muir
Harry L. Gary	Neil H. Ness
Robert N. Good	Edward J. Rigsby
Joseph W. Hall	Charles A. Rosenfeld
Elwin B. Hart	Adolph G. Sadeski
Gilbert H. Holmes	Marvin H. Stevens
George W. Houck	Paul D. Walker, Jr.
Troy T. Hysmith	Walter V. Walsh
Richard E. Jones	Robert E. Wehrle
Grover C. Koontz	Richard B. Wyatt
William Lesser	Albert J. Zlogar

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 16, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, our Father, in these days of tragedy and of desperate needs, we are not turning our eyes upon the ground whence no help can come but we are turning them heavenward and unto Thee.

Wilt Thou emancipate our minds and hearts from that low visibility which comes from spiritual poverty and from self-seeking. Establish within us that courageous faith which cannot be shaken and those loyalties and integrities of character which will be our strength and hope when we are perplexed and in despair.

May Thy divine voice of wisdom and counsel be heard and heeded by Thy servants as they face heavy responsibilities. May we be worthy comrades of all who are now struggling so valiantly in far-off lands to preserve and perpetuate our heritage of freedom.

Grant that the victory which we are striving to gain may be a victory for Thee. May we have a large share in establishing the kingdom of justice, righteousness, and peace.

In Christ's name we bring our petition. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 4027. An act to amend the Selective Service Act of 1948, as amended, and for other purposes.

GENERAL APPROPRIATION BILL, 1951

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Speaker appoint four alternate managers on the part of the House at the conference with the Senate on House bill 7786 to serve in lieu of managers unavoidably absent.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BATES of Kentucky, PASSMAN, MCGRATH, and FURCOLO.

POSTAL SERVICE

The SPEAKER. The unfinished business is the question on the adoption of amendments to the bill (H. R. 8195) to rescind the order of the Postmaster General curtailing certain postal services.

Is a separate vote demanded on any amendment?

Mr. ROONEY. Mr. Speaker, I demand a separate vote on the Thornberry amendment.

Mrs. ST. GEORGE. Mr. Speaker, I demand a separate vote on the Holifield amendment.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Strike out the language in line 8 and add a period after the word "order" in line 7.

The question was taken; and on a division (demanded by Mr. CANFIELD) there were—ayes 52, noes 42.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. THORNBERRY: After line 8 insert the following:

"SEC. 2. Essential postal services other than those curtailed by the order of the Postmaster General, dated April 18, 1950, shall not be curtailed or terminated by reason of the enactment of this act.

"SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this act."

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 51, noes 64.

Mr. MURRAY of Tennessee. Mr. Speaker, the vote discloses that a quorum is not present; I object to the vote therefore and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 159, nays 213, answered "present" 1, not voting 57, as follows:

[Roll No. 238]

YEAS—159

Abbitt	Fernandez	Morris
Abernethy	Fisher	Morton
Albert	Fogarty	Moulder
Allen, La.	Forand	Murdock
Anderson, Calif.	Ford	Murray, Tenn.
Andresen, August H.	Frazier	Noland
	Fugate	Norblad
Andrews	Gary	Norrell
Aspinall	Gilmer	O'Hara, Minn.
Baring	Gossett	Pace
Bates, Ky.	Granger	Patman
Battle	Grant	Patten
Beckworth	Guill	Perkins
Bennett, Fla.	Hardy	Peterson
Bentsen	Harris	Pfeifer, Joseph L.
Blatnik	Harrison	
Boggs, La.	Hart	Poage
Bolling	Hays, Ark.	Polk
Bonner	Hébert	Preston
Bosone	Herlong	Priest
Boykin	Hobbs	Rains
Brooks	Hoffman, Mich.	Rankin
Brown, Ga.	Holifield	Rees
Bryson	Hope	Richards
Buckley, N. Y.	Howell	Rivers
Burke	Huber	Robeson
Burleson	Jackson, Calif.	Rogers, Fla.
Burnside	Jennings	Sikes
Burton	Jones, Ala.	Sims
Byrnes, Wis.	Jones, Mo.	Smith, Va.
Camp	Jones, N. C.	Spence
Cannon	Kelley, Pa.	Stanley
Carlyle	Kennedy	Sutton
Carnahan	Kerr	Taber
Case, S. Dak.	Kilburn	Tackett
Chatham	Kilday	Teague
Chelf	Kruse	Thomas
Colmer	Lanham	Thompson
Combs	Larcade	Thornberry
Cooley	LeCompte	Towe
Cooper	McCarthy	Trimble
Cox	McCormack	Underwood
Crawford	McKinnon	Wheeler
Davis, Ga.	McSweeney	Whitaker
Davis, Tenn.	Macy	Whitten
Davis, Wis.	Mahon	Whittington
Deane	Mansfield	Wickersham
Denton	Marsalis	Willis
Doughton	Marshall	Wilson, Okla.
Eberharter	Michener	Wilson, Tex.
Elliott	Miles	Wood
Ellsworth	Miller, Nebr.	Woodruff
Engle, Calif.	Mills	Young
Evins	Monroney	

NAYS—213

Addonizio	Bramblett	Corbett
Allen, Calif.	Brown, Ohio	Cotton
Allen, Ill.	Buchanan	Coudert
Andersen, H. Carl	Buckley, Ill.	Crook
	Burdick	Crosser
Angell	Byrne, N. Y.	Cunningham
Arends	Canfield	Curtis
Auchincloss	Case, N. J.	Dague
Bailey	Cavalcante	Davenport
Barrett, Pa.	Celler	Delaney
Bates, Mass.	Chesney	Dollinger
Beall	Chiperfield	Dolliver
Bennett, Mich.	Christopher	Dondero
Biemiller	Chudoff	Donohue
Bishop	Clemente	Douglas
Bolton, Md.	Clevenger	Doyle
Bolton, Ohio	Cole, Kans.	Elston

Fallon	Kee	Powell
Feighan	Kelly, N. Y.	Price
Fellows	Keogh	Rabaut
Fenton	King	Ramsay
Flood	Kirwan	Reed, Ill.
Fulton	Klein	Reed, N. Y.
Gamble	Kunkel	Rhodes
Garmatz	Lane	Ribicoff
Gavin	LeFevre	Rich
Golden	Lichtenwalter	Riehlman
Goodwin	Lind	Rodino
Gordon	Linehan	Rogers, Mass.
Gorski	Lodge	Rooney
Graham	Lovre	Roosevelt
Granahan	Lynch	Sabath
Green	McConnell	Sadlak
Gross	McCulloch	St. George
Hagen	McDonough	Sanborn
Hale	McGrath	Sasscer
Hall, Edwin Arthur	McGregor	Saylor
	McGuire	Scott, Hardie
Hall, Leonard W.	McMillan, S. C.	Scrivner
	Mack, Ill.	Scudder
Halleck	Mack, Wash.	Secrest
Hand	Madden	Shafer
Harden	Magee	Shelley
Harvey	Marcantonio	Simpson, Ill.
Havenner	Martin, Iowa	Simpson, Pa.
Hays, Ohio	Martin, Mass.	Smith, Wis.
Hedrick	Merrow	Staggers
Heffernan	Meyer	Stigler
Heller	Miller, Calif.	Stockman
Herter	Miller, Md.	Sullivan
Heselton	Mitchell	Tauriello
Hill	Morgan	Taylor
Hoffman, Ill.	Multer	Tollefson
Holmes	Murphy	Van Zandt
Horan	Nelson	Velde
Hull	Nicholson	Vorys
Irving	Nixon	Vursell
Jackson, Wash.	Norton	Wadsworth
Jacobs	O'Brien, Ill.	Wagner
James	O'Brien, Mich.	Walter
Javits	O'Hara, Ill.	Weichel
Jenison	O'Konski	Welch
Jenkins	O'Neill	White, Calif.
Jensen	O'Sullivan	Widnall
Jonas	O'Toole	Wier
Judd	Passman	Wigglesworth
Karst	Patterson	Wilson, Ind.
Karsten	Philbin	Withrow
Kean	Phillips, Calif.	Wolverton
Kearney	Phillips, Tenn.	Woodhouse
Kearns	Plumley	Yates
Keating	Poulson	Zablocki

ANSWERED "PRESENT"—1

Lucas

NOT VOTING—57

Barden	Gore	Regan
Barrett, Wyo.	Gregory	Sadowski
Blackney	Gwinn	Scott, Hugh D., Jr.
Boggs, Del.	Hare	Sheppard
Breen	Hinshaw	Short
Brehm	Hoeven	Smathers
Bulwinkle	Johnson	Smith, Kans.
Carroll	Keefe	Smith, Ohio
Cole, N. Y.	Latham	Steed
Davies, N. Y.	Lyle	Stefan
Dawson	McMillen, Ill.	Talle
DeGraffenried	Mason	Vinson
D'Ewart	Morrison	Walsh
Dingell	Murray, Wis.	Werdel
Durham	Pfeiffer, William L.	White, Idaho
Eaton	Pickett	Williams
Engel, Mich.	Potter	Winstead
Furcolo	Quinn	Wolcott
Gathings	Redden	
Gillette		

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Lucas for, with Mr. Werdel against.

Mr. Smith of Ohio for, with Mr. Hoeven against.

Until further notice:

Mr. Morrison with Mr. Keefe.
Mr. Hare with Mr. Eaton.
Mr. Carroll with Mr. Hinshaw.
Mr. Breen with Mr. Potter.
Mr. Lyle with Mr. D'Ewart.
Mr. DeGraffenried with Mr. Engel of Michigan.
Mr. Walsh with Mr. Gillette.
Mr. Furcolo with Mr. Mason.
Mr. Gathings with Mr. Barrett of Wyoming.
Mr. Gore with Mr. McMillen of Illinois.
Mr. Sadowski with Mr. Boggs of Delaware.
Mr. Smathers with Mr. Cole of New York.
Mr. Vinson with Mr. Latham.
Mr. Davies of New York with Mr. Gwinn.
Mr. Steed with Mr. Talle.
Mr. Winstead with Mr. Stefan.
Mr. Williams with Mr. Brehm.
Mr. Redden with Mr. William L. Pfeiffer.
Mr. Regan with Mr. Short.
Mr. Sheppard with Mr. Hugh D. Scott, Jr.
Mr. Durham with Mr. Wolcott.
Mr. Dingell with Mr. Smith of Kansas.
Mr. Pickett with Mr. Blackney.
Mr. Gregory with Mr. Murray of Wisconsin.

Mr. LUCAS. Mr. Speaker, I have a live pair with the gentleman from California, Mr. WERDEL. If he were present, he would vote "no." I voted "yea." I withdraw my vote and answer "present."

Mr. CELLER changed his vote from "yea" to "nay."

Mr. JONES of North Carolina changed his vote from "nay" to "yea."

Mrs. DOUGLAS changed her vote from "yea" to "nay."

Mr. JONAS changed his vote from "yea" to "nay."

Mr. O'KONSKI changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read the third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MURRAY of Tennessee. Mr. Speaker, I offer a motion to recommit.

Mr. RICH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman from Pennsylvania opposed to the bill?

Mr. RICH. I certainly am, Mr. Speaker.

Mr. MURRAY of Tennessee. Mr. Speaker, I am in charge of the opposition and I have a motion to recommit.

The SPEAKER. The Chair believes the right to make the motion to recommit should go to the minority.

The Clerk will report the motion to recommit offered by the gentleman from Pennsylvania [Mr. RICH].

The Clerk read as follows:

Mr. RICH moves to recommit the bill to the Committee on Post Office and Civil Service.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. MURRAY of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 111, nays 261, answered "present" 2, not voting 56, as follows:

[Roll No. 239]

YEAS—111

Abbitt	Bonner	Chelf
Abernethy	Bosone	Clevenger
Andersen, H. Carl	Boykin	Colmer
	Burleson	Combs
Anderson, Calif.	Burton	Cooper
Andresen, August H.	Byrnes, Wis.	Cotton
	Camp	Cox
Andrews	Cannon	Curtis
Bates, Ky.	Case, S. Dak.	Davis, Ga.
Bentsen	Chatham	Davis, Wis.
Deane	Jensen	Rich
Doughton	Jones, Ala.	Richards
Eberharter	Jones, Mo.	Robeson
Ellsworth	Kerr	Scrivner
Engle, Calif.	Kilburn	Sikes
Fernandez	Kruse	Sims
Fisher	Lanham	Smith, Va.
Ford	McCulloch	Stanley
Fugate	McMillan, S. C.	Stigler
Furcolo	Mahon	Stockman
Gary	Marshall	Sutton
Gathings	Michener	Taber
Gossett	Miller, Md.	Teague
Guill	Miller, Nebr.	Thomas
Halleck	Mills	Thompson
Hardy	Morton	Thornberry
Harrison	Murdock	Trimble
Harvey	Murray, Tenn.	Underwood
Hays, Ark.	Nixon	Vorys
Herlong	Norblad	Vursell
Hobbs	O'Hara, Minn.	Wadsworth
Hoffman, Mich.	Pace	Wheeler
Hope	Passman	Whitaker
Jackson, Calif.	Poage	Whitten
Jacobs	Polk	Whittington
Jenison	Preston	Wilson, Tex.
Jenkins	Rankin	Woodhouse
Jennings	Rees	

NAYS—261

Addonizio	Forand	McCarthy
Albert	Frazier	McConnell
Allen, Calif.	Fulton	McDonough
Allen, Ill.	Gamble	McGrath
Allen, La.	Garmatz	McGregor
Angell	Gavin	McGuire
Arends	Gilmer	McKinnon
Aspinall	Golden	McSweeney
Auchincloss	Goodwin	Mack, Ill.
Bailey	Gordon	Mack, Wash.
Baring	Gorski	Macy
Barrett, Pa.	Graham	Madden
Bates, Mass.	Granahan	Magee
Battle	Granger	Mansfield
Beall	Grant	Marcantonio
Beckworth	Green	Marsalis
Bennett, Fla.	Gross	Martin, Iowa
Bennett, Mich.	Hagen	Martin, Mass.
Biemiller	Hale	Merrow
Bishop	Hall, Edwin Arthur	Meyer
Blatnik		Miles
Boggs, La.	Hall, Leonard W.	Miller, Calif.
Bolling		Mitchell
Bolton, Md.	Hand	Monroney
Bolton, Ohio	Harden	Morgan
Bramblett	Harris	Morris
Brooks	Hart	Moulder
Brown, Ga.	Havenner	Multer
Brown, Ohio	Hays, Ohio	Murphy
Bryson	Hébert	Nelson
Buchanan	Hedrick	Nicholson
Buckley, Ill.	Heffernan	Norrell
Buckley, N. Y.	Heller	Norton
Burdick	Herter	O'Brien, Ill.
Burke	Heselton	O'Brien, Mich.
Burnside	Hill	O'Hara, Ill.
Byrne, N. Y.	Hoffman, Ill.	O'Konski
Canfield	Holifield	O'Neill
Carlyle	Holmes	O'Sullivan
Carnahan	Horan	O'Toole
Case, N. J.	Howell	Patman
Cavalcante	Huber	Patten
Celler	Hull	Patterson
Chesney	Irving	Perkins
Chiperfield	Jackson, Wash.	Peterson
Christopher	James	Pfeifer, Joseph L.
Chudoff	Javits	
Clemente	Jonas	Philbin
Cole, Kans.	Jones, N. C.	Phillips, Calif.
Cooley	Judd	Phillips, Tenn.
Corbett	Karst	Plumley
Coudert	Karsten	Poulson
Crawford	Kean	Powell
Crook	Kearney	Price
Crosser	Kearns	Priest
Cunningham	Keating	Rabaut
Dague	Kee	Rains
Davenport	Kelley, Pa.	Ramsay
Davis, Tenn.	Kelly, N. Y.	Reed, Ill.
Delaney	Kennedy	Reed, N. Y.
Denton	Keogh	Rhodes
Dollinger	Kilday	Ribicoff
Dolliver	King	Riehlman
Dondero	Kirwan	Rivers
Donohue	Klein	Rodino
Douglas	Kunkel	Rogers, Fla.
Doyle	Lane	Rogers, Mass.
Elliott	Larcade	Rooney
Elston	LeCompte	Roosevelt
Evins	LeFevre	Sabath
Fallon	Lichtenwalter	Sadlak
Feighan	Lind	St. George
Fellows	Linehan	Sanborn
Fenton	Lodge	Sasscer
Flood	Lovre	Saylor
Fogarty	Lynch	Scott, Hardie

Scudder	Tauriello	Widnall
Secrest	Taylor	Wier
Shafer	Tollefson	Wigglesworth
Shelley	Towe	Willis
Sheppard	Van Zandt	Wilson, Ind.
Simpson, Ill.	Velde	Wilson, Okla.
Simpson, Pa.	Wagner	Withrow
Smith, Wis.	Walter	Wolverton
Spence	Weichel	Woodruff
Staggers	Welch	Yates
Sullivan	White, Calif.	Young
Tackett	Wickersham	Zablocki

ANSWERED "PRESENT"—2

Lucas Noland

NOT VOTING—56

Barden	Gwinn	Sadowski
Barrett, Wyo.	Hare	Scott,
Blackney	Hinshaw	Hugh D., Jr.
Boggs, Del.	Hoeven	Short
Breen	Johnson	Smathers
Brehm	Keefe	Smith, Kans.
Bulwinkle	Latham	Smith, Ohio
Carroll	Lyle	Steed
Cole, N. Y	McCormack	Stefan
Davies, N. Y.	McMillen, Ill	Talle
Dawson	Mason	Vinson
DeGraffenried	Morrison	Walsh
D'Ewart	Murray, Wis.	Werdel
Dingell	Pfeiffer,	White, Idaho
Durham	William L.	Williams
Eaton	Pickett	Winstead
Engel, Mich.	Potter	Wolcott
Gillette	Quinn	Wood
Gore	Redden	
Gregory	Regan	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Noland for, with Mr. Walsh against.
Mr. Williams for, with Mr. Carroll against.
Mr. Lucas for, with Mr. Werdel against.
Mr. Smith of Ohio for, with Mr. Hoeven against.
Mr. Gregory for, with Mr. Morrison against.
Mr. Durham for, with Mr. Dingell against.

Until further notice:

Mr. McCormack with Mr. Barrett of Wyoming.
Mr. Steed with Mr. Blackney.
Mr. Winstead with Mr. William L. Pfeiffer.
Mr. Vinson with Mr. Stefan.
Mr. Smathers with Mr. Latham.
Mr. Sadowski with Mr. Hugh D. Scott, Jr.
Mr. Hare with Mr. Short.
Mr. Breen with Mr. Gwinn.
Mr. Wood with Mr. Engel of Michigan.
Mr. Gore with Mr. McMillen of Illinois.
Mr. Davies of New York with Mr. Mason.
Mr. deGraffenried with Mr. Eaton.
Mr. Bulwinkle with Mr. Smith of Kansas.
Mr. Barden with Mr. Wolcott.
Mr. Lyle with Mr. Johnson.
Mr. Dawson with Mr. Hinshaw.
Mr. Pickett with Mr. Brehm.
Mr. White of Idaho with Mr. Potter.
Mr. Redden with Mr. Talle.
Mr. Regan with Mr. Cole of New York.
Mr. Quinn with Mr. Boggs of Delaware.

Mr. LUCAS. Mr. Speaker, I have a live pair with the gentleman from California, Mr. WERDEL. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. NOLAND. Mr. Speaker, I have a live pair with the gentleman from Indiana, Mr. WALSH. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. LODGE changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MURRAY of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 264, nays 108, answered "present" 3, not voting 55, as follows:

[Roll No. 240]

YEAS—264

Addonizio	Granger	Morris
Albert	Grant	Moulder
Allen, Calif.	Green	Multer
Allen, Ill.	Gross	Murdock
Allen, La.	Hagen	Murphy
Angell	Hale	Nelson
Arends	Hall,	Nicholson
Aspinall	Edwin Arthur	Norrell
Auchincloss	Hall,	Norton
Bailey	Leonard W.	O'Brien, Ill.
Baring	Hand	O'Brien, Mich.
Barrett, Pa.	Harden	O'Hara, Ill.
Bates, Mass.	Harris	O'Konski
Battle	Hart	O'Neill
Beall	Havenner	O'Sullivan
Beckworth	Hays, Ohio	O'Toole
Bennett, Fla.	Hébert	Patman
Bennett, Mich.	Hedrick	Patten
Biemiller	Heffernan	Patterson
Bishop	Heller	Perkins
Blatnik	Herter	Peterson
Boggs, La.	Heselton	Pfeifer,
Bolling	Hill	Joseph L.
Bolton, Md.	Hoffman, Ill.	Philbin
Bolton, Ohio	Holmes	Phillips, Calif.
Bosone	Horan	Phillips, Tenn.
Bramblett	Howell	Plumley
Brooks	Huber	Poulson
Brown, Ga.	Hull	Powell
Brown, Ohio	Irving	Price
Bryson	Jackson, Wash.	Priest
Buchanan	James	Rabaut
Buckley, Ill.	Javits	Rains
Buckley, N. Y	Jenkins	Ramsay
Burdick	Jonas	Reed, Ill.
Burke	Jones, N. C.	Reed, N. Y.
Burnside	Judd	Rhodes
Byrne, N. Y.	Karst	Ribicoff
Canfield	Karsten	Riehlman
Carlyle	Kean	Rivers
Carnahan	Kearney	Rodino
Case, N. J.	Kearns	Rogers, Fla.
Cavalcante	Keating	Rogers, Mass.
Celler	Kee	Rooney
Chesney	Kelley, Pa.	Roosevelt
Chiperfield	Kelly, N. Y.	Sabath
Christopher	Kennedy	Sadlak
Chudoff	Keogh	St. George
Clemente	Kilday	Sanborn
Cole, Kans.	King	Sasscer
Corbett	Kirwan	Saylor
Coudert	Klein	Scott, Hardie
Crawford	Kunkel	Scudder
Crook	Lane	Secrest
Crosser	Larcade	Shafer
Cunningham	LeCompte	Shelley
Dague	LeFevre	Sheppard
Davenport	Lichtenwalter	Simpson, Ill.
Davis, Tenn.	Lind	Simpson, Pa.
Delaney	Linehan	Smith, Wis.
Denton	Lodge	Spence
Dollinger	Lovre	Staggers
Dolliver	Lynch	Sullivan
Dondero	McCarthy	Tackett
Donohue	McConnell	Tauriello
Douglas	McDonough	Taylor
Doyle	McGrath	Tollefson
Elliott	McGregor	Towe
Elston	McGuire	Van Zandt
Evins	McKinnon	Velde
Fallon	McMillan, S. C.	Wagner
Feighan	McSweeney	Walter
Fellows	Mack, Ill.	Weichel
Fenton	Mack, Wash.	Welch
Flood	Macy	White, Calif.
Fogarty	Madden	Wickersham
Forand	Magee	Widnall
Frazier	Mansfield	Wier
Fulton	Marcantonio	Wigglesworth
Gamble	Marsalis	Willis
Garmatz	Martin, Iowa	Wilson, Ind.
Gavin	Martin, Mass.	Wilson, Okla.
Gilmer	Merrow	Withrow
Golden	Meyer	Wolverton
Goodwin	Miles	Wood
Gordon	Miller, Calif.	Woodruff
Gorski	Mitchell	Yates
Graham	Monroney	Young
Granahan	Morgan	Zablocki

NAYS—108

Abbitt	Ford	Nixon
Abernethy	Fugate	Norblad
Andersen,	Furcolo	O'Hara, Minn.
H. Carl	Gary	Pace
Anderson, Calif.	Gathings	Passman
Andresen,	Gossett	Poage
August H.	Gulil	Polk
Andrews	Halleck	Preston
Bates, Ky.	Hardy	Rankin
Bentsen	Harrison	Rees
Bonner	Harvey	Rich
Boykin	Hays, Ark.	Richards
Burleson	Herlong	Robeson
Burton	Hobbs	Scrivner
Byrnes, Wis.	Hoffman, Mich.	Sikes
Camp	Holifield	Sims
Cannon	Hope	Smith, Va.
Case, S. Dak.	Jackson, Calif.	Stanley
Chatham	Jacobs	Stigler
Chelf	Jenison	Stockman
Clevenger	Jennings	Sutton
Colmer	Jensen	Taber
Combs	Jones, Ala.	Teague
Cooley	Jones, Mo.	Thomas
Cooper	Kerr	Thompson
Cotton	Kilburn	Thornberry
Cox	Kruse	Trimble
Curtis	Lanham	Underwood
Davis, Ga.	McCulloch	Vorys
Davis, Wis.	Mahon	Vursell
Deane	Marshall	Wadsworth
Doughton	Michener	Wheeler
Eberharter	Miller, Md.	Whitaker
Ellsworth	Miller, Nebr.	Whitten
Engle, Calif.	Mills	Whittington
Fernandez	Morton	Wilson, Tex.
Fisher	Murray, Tenn.	

ANSWERED "PRESENT"—3

Lucas Noland Woodhouse

NOT VOTING—55

Barden	Gregory	Redden
Barrett, Wyo.	Gwinn	Regan
Blackney	Hare	Sadowski
Boggs, Del.	Hinshaw	Scott,
Breen	Hoeven	Hugh D., Jr.
Brehm	Johnson	Short
Bulwinkle	Keefe	Smathers
Carroll	Latham	Smith, Kans.
Cole, N. Y.	Lyle	Smith, Ohio
Davies, N. Y.	McCormack	Steed
Dawson	McMillen, Ill.	Stefan
DeGraffenried	Mason	Talle
D'Ewart	Morrison	Vinson
Dingell	Murray, Wis.	Walsh
Durham	Pfeiffer,	Werdel
Eaton	William L.	White, Idaho
Engel, Mich.	Pickett	Williams
Gillette	Potter	Winstead
Gore	Quinn	Wolcott

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Walsh for, with Mr. Noland against.
Mr. Carroll for, with Mr. Williams against.
Mr. Werdel for, with Mr. Lucas against.
Mr. Hoeven for, with Mr. Smith of Ohio against.
Mr. Morrison for, with Mr. Gregory against.
Mr. Quinn for, with Mr. Durham against.

Until further notice:

Mr. Breen with Mr. Engel of Michigan.
Mr. Hare with Mr. Gillette.
Mr. Pickett with Mr. Gwinn.
Mr. Gore with Mr. Brehm.
Mr. Sadowski with Mr. McMillen of Illinois.
Mr. Winstead with Mr. Johnson.
Mr. Vinson with Mr. Wolcott.
Mr. Redden with Mr. Hugh D. Scott, Jr.
Mr. Regan with Mr. Latham.
Mr. Lyle with Mr. Blackney.
Mr. deGraffenried with Mr. Boggs of Delaware.
Mr. Davies of New York with Mr. D'Ewart.
Mr. Dingell with Mr. Eaton.
Mr. Steed with Mr. Stefan.
Mr. Smathers with Mr. William L. Pfeiffer.
Mr. Barden with Mr. Hinshaw.
Mr. White of Idaho with Mr. Potter.
Mr. Dawson with Mr. Talle.
Mr. Bulwinkle with Mr. Short.
Mr. McCormack with Mr. Barrett of Wyoming.

Mr. MITCHELL changed his vote from "nay" to "yea."

Mrs. WOODHOUSE changed her vote from "nay" to "present."

Mr. NOLAND. Mr. Speaker, I have a live pair with the gentleman from Indiana, Mr. WALSH. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. LUCAS. Mr. Speaker, I have a live pair with the gentleman from California, Mr. WERDEL. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPROVAL OF H. R. 8195 FOR SO-CALLED RESTORATION OF MAIL SERVICES WILL NOT ACCOMPLISH THE OBJECTIVES HOPED FOR BY THE SPONSORS OF THE BILL

Mr. REES. Mr. Speaker, the debate on this bill for restoration of services in the Post Office Department has not, in my judgment, centered around the real issue involved. The real issue is whether the House will use a legislative bill to carry out an appropriation function.

When the omnibus appropriation bill for the fiscal year 1951, now in conference, was under consideration, the House of Representatives, by overwhelming vote, curtailed appropriations for the postal service. This action required curtailment of services. Whether we liked it or not, the Postmaster General made cuts in certain postal services. The House agreed to cut appropriations for the postal service on the ground it was an economy measure and would eliminate unnecessary expenditures for nondefense agencies. It has been suggested the Postmaster General could have cut in other areas, but it must be remembered that he was expected to make his cut in services in the Post Office Department.

It should be observed also that if this legislation is approved, it cannot take effect until the Congress appropriates funds to reestablish the services that have been curtailed. If these services are resumed without appropriation, then other services must be curtailed.

This is not the way to handle the problem. In my judgment, this is an appropriation matter. I voted against the adoption of the bill, taking the position that the problem should come before Congress as an appropriation measure, and not as a legislative bill. It should be observed too that if the intent and purpose of this legislation is carried out, it will mean, according to the Postmaster General's figures the need for an additional appropriation of $70,000,000.

I would like to repeat that I want to do everything I can that is fair and reasonable for and on behalf of the employees in the postal service, as well as the people who are served thereby. I have done that in the past and shall continue to do it in the future. The approval of this bill, in my opinion, will not accomplish the objectives claimed by its sponsors. One of the principal sponsors of the legislation said "after all, it is a gesture." He is correct, except I regret to say it is a futile gesture that will be misunderstood by many people who hope to benefit in the event of its approval.

Mr. McDONOUGH. Mr. Speaker, I sincerely believe that the passage of H. R. 8195, which I supported to restore the mail service to two deliveries per day and the other services which were curtailed by the Postmaster General's order of April 18 is fully justified and is in response to the public demand.

I signed the Walsh discharge petition to bring this bill to the House for action. I voted against the Thornberry amendment, believing that this amendment might have killed this bill. I voted against the motion to recommit this bill because I know if it were recommitted it probably would never have been reported to the House again during this session of Congress.

I then voted for the final passage of this bill because I believe the people of this Nation are entitled to the restoration of mail service curtailed by the arbitrary order of the Postmaster General of April 18.

The Postmaster General's order cannot be justified on the grounds of economy, not when the administration has squandered billions on our Military Establishment over the past 5 years and now we find that we do not have enough war equipment on hand to meet our requirements in Korea.

The Postmaster General's order has upset business, has demoralized the personnel of the Department, and has not brought about the economy that was expected of it.

My mail is full of complaints from all classes of people, businessmen, housewives, relatives of servicemen, and others who wonder why we should have less mail service then some of the foreign countries that we are helping through the Marshall plan.

The added load placed on the mailman who must carry twice as much on one delivery as he had to carry on one is working a hardship on him. I am glad that the House passed this bill and I hope the Senate will approve it in short order so that we will soon have the mail service we are entitled to.

Mr. CORBETT. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SERVICEMEN'S READJUSTMENT ACT

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 474, Rept. No. 2927), which was referred to the House Calendar and ordered to be printed:

Resolved, That there is hereby created a select committee to be composed of nine Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of the alleged abuses in the education and training program of World War II veterans, and of action taken or the lack of action taken by the responsible officers and employees of the Veterans' Administration and State approving authorities to prevent abuses under the Servicemen's Readjustment Act, as amended.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution the committee is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

DEVELOPING AND PROTECTING FISH RESOURCES

Mr. HART. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7209) authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic coast fish species for the purpose of developing and protecting fish resources, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 12, insert:

"SEC. 3. There is authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, such sums, not in excess of $250,000 per annum, as may be necessary to carry out the purposes and objectives of this act."

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SOCIAL SECURITY ACT OF 1950

Mr. DOUGHTON. Mr. Speaker, I call up the conference report on the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2771)

The committee of conference on the disagreeing votes of the two Houses on the

amendment of the Senate to the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recomend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this Act, with the following table of contents, may be cited as the 'Social Security Act Amendments of 1950'.

"Table of contents

Section of this Act	Section of amended Social Security Act	Heading
Title I		AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT.
101 (a)	202	OLD-AGE AND SURVIVORS INSURANCE BENEFIT PAYMENTS.
	202 (a)	Old-Age Insurance Benefits.
	202 (b)	Wife's Insurance Benefits.
	202 (c)	Husband's Insurance Benefits.
	202 (d)	Child's Insurance Benefits.
	202 (e)	Widow's Insurance Benefits.
	202 (f)	Widower's Insurance Benefits.
	202 (g)	Mother's Insurance Benefits.
	202 (h)	Parent's Insurance Benefits.
	202 (i)	Lump-Sum Death Payments.
	202 (j)	Application for Monthly Insurance Benefits.
	202 (k)	Simultaneous Entitlement to Benefits.
	202 (l)	Entitlement to Survivor Benefits Under Railroad Retirement Act.
101 (b)		Effective Date of Amendment Made by Subsection (a).
101 (c)		Protection of Individuals Now Receiving Benefits.
101 (d)		Lump-Sum Death Payments in Case of Death Prior to September 1950.
102 (a)		MAXIMUM BENEFITS.
	203	REDUCTION OF INSURANCE BENEFITS.
	203 (a)	Maximum Benefits.
102 (b)		Effective Date of Amendment Made By Subsection (a).
103 (a)		DEDUCTIONS FROM BENEFITS.
	203 (b)	Deductions on Account of Work or Failure to Have Child in Care.
	203 (c)	Deductions From Dependents' Benefits Because of Work by Old-Age Insurance Beneficiary.
	203 (d)	Occurrence of More Than One Event.
	203 (e)	Months to Which Net Earnings From Self-Employment Are Charged.
	203 (f)	Penalty for Failure to Report Certain Events.
	203 (g)	Report to Administrator of Net Earnings From Self-Employment.
	203 (h)	Circumstances Under Which Deductions Not Required.
	203 (i)	Deductions With Respect to Certain Lump-Sum Payments.
	203 (j)	Attainment of Age Seventy-five.
103 (b)		Effective Date of Amendment Made by Subsection (a).

"Table of contents—Continued

Section of this Act	Section of amended Social Security Act	Heading
104 (a)		DEFINITIONS.
	209	DEFINITION OF WAGES.
	210	DEFINITION OF EMPLOYMENT.
	210 (a)	Employment.
	210 (b)	Included and Excluded Service.
	210 (c)	American Vessel.
	210 (d)	American Aircraft.
	210 (e)	American Employer.
	210 (f)	Agricultural Labor.
	210 (g)	Farm.
	210 (h)	State.
	210 (i)	United States.
	210 (j)	Citizen of Puerto Rico.
	210 (k)	Employee.
	210 (l)	Covered Transportation Service.
	211	SELF-EMPLOYMENT.
	211 (a)	Net Earnings From Self-Employment.
	211 (b)	Self-Employment Income.
	211 (c)	Trade or Business.
	211 (d)	Partnership and Partner.
	211 (e)	Taxable Year.
104 (a)	212	CREDITING OF SELF-EMPLOYMENT INCOME TO CALENDAR QUARTERS.
	213	QUARTER AND QUARTER OF COVERAGE.
	213 (a)	Definitions.
	213 (b)	Crediting of Wages Paid in 1937.
	214	INSURED STATUS FOR PURPOSES OF OLD-AGE AND SURVIVORS INSURANCE BENEFITS.
	214 (a)	Fully Insured Individual.
	214 (b)	Currently Insured Individual.
	215	COMPUTATION OF PRIMARY INSURANCE AMOUNT.
	215 (a)	Primary Insurance Amount.
	215 (b)	Average Monthly Wage.
	215 (c)	Determinations Made by Use of the Conversion Table.
	215 (d)	Primary Insurance Benefit for Purposes of Conversion Table.
	215 (e)	Certain Wages and Self-Employment Income Not To Be Counted.
	215 (f)	Recomputation of Benefits.
	215 (g)	Rounding of Benefits.
	216	OTHER DEFINITIONS.
	216 (a)	Retirement Age.
	216 (b)	Wife.
	216 (c)	Widow.
	216 (d)	Former Wife Divorced.
	216 (e)	Child.
	216 (f)	Husband.
	216 (g)	Widower.
	216 (h)	Determination of Family Status.
104 (b)		Effective Date of Amendment Made by Subsection (a).
105	217	BENEFITS IN CASE OF WORLD WAR II VETERANS.
	217 (a)	Wage Credits for World War II Service.
	217 (b)	Insured Status of Veteran Dying Within 3 Years After Discharge.
	217 (c)	Time for Parent of Veteran to File Proof of Support.
	217 (d)	Definitions of World War II and World War II Veteran.
106	218	VOLUNTARY AGREEMENTS FOR COVERAGE OF STATE AND LOCAL EMPLOYEES.
	218 (a)	Purpose of Agreement.
	218 (b)	Definitions.
	218 (c)	Services Covered.
	218 (d)	Exclusion of Positions Covered by Retirement Systems.
	218 (e)	Payments and Reports by States.
	218 (f)	Effective Date of Agreement.
	218 (g)	Termination of Agreement.

"Table of contents—Continued

Section of this Act	Section of amended Social Security Act	Heading
106	218 (h)	Deposits in Trust Fund Adjustments.
	218 (i)	Regulations.
	218 (j)	Failure To Make Payments.
	218 (k)	Instrumentalities of Two or More States.
	218 (l)	Delegation of Functions.
107	219	EFFECTIVE DATE IN CASE OF PUERTO RICO.
108	205	RECORDS OF WAGES AND SELF-EMPLOYMENT INCOME.
108 (a)	205 (b)	Addition of Interested Parties.
108 (b)	205 (c)	Wages and Self-Employment Income Records.
108 (c)	205 (o)	Crediting of Compensation Under the Railroad Retirement Act.
	205 (p)	Special Rules in Case of Federal Service.
108 (d)		Effective Date of Amendments.
109		MISCELLANEOUS AMENDMENTS.
109 (a)	201	Amendments Relating To Trust Fund.
109 (b)	204-206	Substitution of Federal Security Administrator for Social Security Board.
109 (c)	208	Change in Reference From Federal Insurance Contributions Act to Internal Revenue Code.
110		SERVICES FOR COOPERATIVES PRIOR TO 1951.
	Section of amended Internal Revenue Code	
Title II		AMENDMENTS TO INTERNAL REVENUE CODE.
201		RATE OF TAX ON WAGES.
201 (a)	1400	Tax on Employee.
201 (b)	1410	Tax on Employer.
202		FEDERAL SERVICE.
202 (a)	1412	Instrumentalities of the United States.
202 (b)	1420 (e)	Special Rules in Case of Federal Service.
202 (c)	1411	Adjustment of Tax.
202 (d)		Effective Date.
203 (a)	1426 (a)	DEFINITION OF WAGES.
203 (b)	1401 (d) (2)	Refunds With Respect to Wages Received During 1947, 1948, 1949, and 1950.
203 (c)	1401 (d)	Refunds With Respect to Wages Received After 1950.
203 (d)		Effective Date of Subsection (a).
204		DEFINITION OF EMPLOYMENT.
204 (a)	1426 (b)	Employment.
204 (b)	1426 (e)	State, etc.
204 (c)	1426 (g)	American Vessel and Aircraft.
204 (d)	1426 (h)	Agricultural Labor.
204 (e)	1426 (i)	American Employer.
	1426 (j)	Computation of Wages in Certain Cases.
	1426 (k)	Covered Transportation Service.
	1426 (l)	Exemption of Religious, Charitable, Etc., Organizations.
204 (f)	1426 (c)	Technical Amendment.
204 (g)		Effective Date.
205 (a)	1426 (d)	DEFINITION OF EMPLOYEE.
205 (b)		Effective Date.
206		RECEIPTS FOR EMPLOYEES; SPECIAL REFUNDS.
206 (a)	1633	RECEIPTS FOR EMPLOYEES.
	1633 (a)	Requirement.
	1633 (b)	Statements to Constitute Information Returns.
	1633 (c)	Extension of Time.
	1634	PENALTIES.
	1634 (a)	Penalties for Fraudulent Statement or Failure to Furnish Statement.
	1634 (b)	Additional Penalty.
206 (b) (1)	322 (a) (4)	Credit for "Special Refunds" of Employee Social Security Tax.

"Table of contents—Continued

Section of this Act	Section of amended Internal Revenue Code	Heading
206 (b) (2)	1403 (a)	Receipts for Employees Prior to 1951.
206 (b) (3)	1625 (d)	Application of Section.
206 (c)		Effective Dates of Amendments.
207		PERIODS OF LIMITATION ON ASSESSMENT AND REFUND OF CERTAIN EMPLOYMENT TAXES.
207 (a)	1635	PERIOD OF LIMITATION UPON ASSESSMENT AND COLLECTION OF CERTAIN EMPLOYMENT TAXES.
	1635 (a)	General Rule.
	1635 (b)	False Return or No Return.
	1635 (c)	Willful Attempt to Evade Tax.
	1635 (d)	Collection After Assessment.
	1635 (e)	Date of Filing of Return.
	1635 (f)	Application of Section.
	1635 (g)	Effective Date.
	1636	PERIOD OF LIMITATION UPON REFUNDS AND CREDITS OF CERTAIN EMPLOYMENT TAXES.
	1636 (a)	General Rule.
	1636 (b)	Penalties, Etc.
	1636 (c)	Date of Filing Return and Date of Payment of Tax.
	1636 (d)	Application of Section.
	1636 (e)	Effective Date.
207 (b)		Technical Amendments.
208		SELF-EMPLOYMENT INCOME.
208 (a)	480	RATE OF TAX.
	481	DEFINITIONS.
	481 (a)	Net Earnings From Self-Employment.
	481 (b)	Self-Employment Income.
	481 (c)	Trade or Business.
	481 (d)	Employee and Wages.
	482	MISCELLANEOUS PROVISIONS.
208 (b)	3810	EFFECTIVE DATE IN THE CASE OF PUERTO RICO.
	3811	COLLECTION OF TAXES IN VIRGIN ISLANDS AND PUERTO RICO.
	3812	MITIGATION OF EFFECT OF STATUTE OF LIMITATIONS AND OTHER PROVISIONS IN CASE OF RELATED TAXES UNDER DIFFERENT CHAPTERS.
	3812 (a)	Self-Employment Tax and Tax on Wages.
	3812 (b)	Definitions.
208 (c)	3801 (g)	Taxes Imposed by Chapter 9.
208 (d)		Technical Amendments.
209		MISCELLANEOUS AMENDMENTS.
209 (a)	1607 (b)	Definition of "Wages" for Federal Unemployment Tax Act.
209 (b)	1607 (c)	Definition of "Employment" for Federal Unemployment Tax Act.
209 (c)	1621 (a)	Definition of "Wages" for collection of Income Tax at source on wages.
209 (d) (1)	1631	FAILURE OF EMPLOYER TO FILE RETURN.
209 (d) (2)		Effective Date.
209 (e)		Change in Domicile of Employer Corporation.

Section of this Act	Section of amended Social Security Act	Heading
Title III	Titles I, IV, V, X, and XIV.	AMENDMENTS TO PUBLIC ASSISTANCE AND MATERNAL AND CHILD WELFARE PROVISIONS OF THE SOCIAL SECURITY ACT.
Part 1	Title I	OLD-AGE ASSISTANCE.
301	2 (a)	REQUIREMENTS OF OLD-AGE ASSISTANCE PLANS.
302	3 (a)	COMPUTATION OF FEDERAL PORTION OF OLD-AGE ASSISTANCE.
303	6	DEFINITION OF OLD-AGE ASSISTANCE.
Part 2	Title IV	AID TO DEPENDENT CHILDREN.
321	402 (a)	REQUIREMENTS OF STATE PLANS FOR AID TO DEPENDENT CHILDREN.
322	403 (a)	COMPUTATION OF FEDERAL PORTION OF AID TO DEPENDENT CHILDREN.
323	406 (b), (c)	DEFINITION OF AID TO DEPENDENT CHILDREN.
Part 3	Title V	MATERNAL AND CHILD WELFARE.
Part 4	Title X	AID TO THE BLIND.
341	1002 (a)	REQUIREMENTS OF STATE PLANS FOR AID TO THE BLIND.
342	1003 (a)	COMPUTATION OF FEDERAL PORTION OF AID TO THE BLIND.
343	1003	DEFINITION OF AID TO THE BLIND.
344		APPROVAL OF CERTAIN STATE PLANS.
Part 5	Title XIV	AID TO THE PERMANENTLY AND TOTALLY DISABLED.
Part 6	Titles I, IV, V and X.	SUBSTITUTION OF "ADMINISTRATOR" FOR "SOCIAL SECURITY BOARD" AND "CHILDRENS' BUREAU."
Title IV		MISCELLANEOUS PROVISIONS.
401	701	OFFICE OF COMMISSIONER FOR SOCIAL SECURITY.
402	704	REPORTS TO CONGRESS.
403		AMENDMENTS TO TITLE XI OF THE SOCIAL SECURITY ACT.
403 (a)	1101 (a)	Definition of "State" and "Administrator".
403 (b)	1101 (a)	Definition of "physician", "medical care," and "hospitalization".
403 (c)	1102	Substitution of Federal Security Administrator for Social Security Board.
403 (d)	1106	Disclosure of Information in Possession of Agency.
403 (e)	1107 (a)	Change in Reference to Federal Insurance Contributions Act.
403 (f)	1107 (b)	Substitution of Federal Security Administrator for Social Security Board.
403 (g)	1108	Limitation on Payments to Puerto Rico and Virgin Islands.
404	1201 (a)	ADVANCES TO STATE UNEMPLOYMENT FUNDS.
405		PROVISIONS OF STATE UNEMPLOYMENT COMPENSATION LAWS.
406		SUSPENDING APPLICATION OF CERTAIN PROVISIONS OF CRIMINAL CODE TO CERTAIN PERSONS.
407		REORGANIZATION PLAN NO. 26 OF 1950.

"TITLE I—AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT

"OLD-AGE AND SURVIVORS INSURANCE BENEFITS

"SEC. 101. (a) Section 202 of the Social Security Act is amended to read as follows:

"'OLD-AGE AND SURVIVORS INSURANCE BENEFIT PAYMENTS

"'Old-age insurance benefits

"'SEC. 202. (a) Every individual who—

"'(1) is a fully insured individual (as defined in section 214 (a)),

"'(2) has attained retirement age (as defined in section 216 (a)), and

"'(3) has filed application for old-age insurance benefits,

shall be entitled to an old-age insurance benefit for each month, beginning with the first month after August 1950 in which such individual becomes so entitled to such insurance benefits and ending with the month preceding the month in which he dies. Such individual's old-age insurance benefit for any month shall be equal to his primary insurance amount (as defined in section 215 (a)) for such month.

"'Wife's insurance benefits

"'(b) (1) The wife (as defined in section 216 (b)) of an individual entitled to old-age insurance benefits, if such wife—

"'(A) has filed application for wife's insurance benefits,

"'(B) has attained retirement age or has in her care (individually or jointly with her husband) at the time of filing such application a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of her husband,

"'(C) was living with such individual at the time such application was filed, and

"'(D) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than one-half of an old-age insurance benefit of her husband, shall be entitled to a wife's insurance benefit for each month, beginning with the first month after August 1950 in which she becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs; she dies, her husband dies, they are divorced a vinculo matrimonii, no child of her husband is entitled to a child's insurance benefit and she has not attained retirement age, or she becomes entitled to an old-age insurance benefit equal to or exceeding one-half of an old-age insurance benefit of her husband.

"'(2) Such wife's insurance benefit for each month shall be equal to one-half of the old-age insurance benefit of her husband for such month.

"'Husband's insurance benefits

"'(c) (1) The husband (as defined in section 216 (f)) of a currently insured individual (as defined in section 214 (b)) entitled to old-age insurance benefits, if such husband—

"'(A) has filed application for husband's insurance benefits,

"'(B) has attained retirement age,

"'(C) was living with such individual at the time such application was filed,

"'(D) was receiving at least one-half of his support, as determined in accordance with regulations prescribed by the Administrator, from such individual at the time she became entitled to old-age insurance benefits and filed proof of such support within two years after the month in which she became so entitled, and

"'(E) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than one-half of an old-age insurance benefit of his wife.

shall be entitled to a husband's insurance benefit for each month, beginning with the first month after August 1950, in which he becomes so entitled to such insurance benefits and ending with the month preceding the month in which any of the following occurs: he dies, his wife dies, they are divorced a vinculo matrimonii, or he becomes entitled to an old-age insurance benefit equal to or exceeding one-half of an old-age insurance benefit of his wife.

"'(2) Such husband's insurance benefit for each month shall be equal to one-half of the old-age insurance benefit of his wife for such month.

"'Child's insurance benefits

"'(d) (1) Every child (as defined in section 216 (e) of an individual entitled to old-age insurance benefits, or of an individual

who died a fully or currently insured individual after 1939, if such child—

"'(A) has filed application for child's insurance benefits,

"'(B) at the time such application was filed was unmarried and had not attained the age of eighteen, and

"'(C) was dependent upon such individual at the time such application was filed, or, if such individual has died, was dependent upon such individual at the time of such individual's death,

shall be entitled to a child's insurance benefit for each month, beginning with the first month after August 1950, in which such child becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: such child dies, marries, is adopted (except for adoption by a stepparent, grandparent, aunt, or uncle subsequent to the death of such fully or currently insured individual), or attains the age of eighteen.

"'(2) Such child's insurance benefit for each month shall, if the individual on the basis of whose wages and self-employment income the child is entitled to such benefit has not died prior to the end of such month, be equal to one-half of the old-age insurance benefit of such individual for such month. Such child's insurance benefit for each month shall, if such individual has died in or prior to such month, be equal to three-fourths of the primary insurance amount of such individual, except that, if there is more than one child entitled to benefits on the basis of such individual's wages and self-employment income, each such child's insurance benefit for such month shall be equal to the sum of (A) one-half of the primary insurance amount of such individual, and (B) one-fourth of such primary insurance amount divided by the number of such children.

"'(3) A child shall be deemed dependent upon his father or adopting father at the time specified in paragraph (1) (C) unless, at such time, such individual was not living with or contributing to the support of such child and—

"'(A) such child is neither the legitimate nor the adopted child of such individual, or

"'(B) such child had been adopted by some other individual, or

"'(C) such child was living with and was receiving more than one-half of his support from his stepfather.

"'(4) A child shall be deemed dependent upon his stepfather at the time specified in paragraph (1) (C) if, at such time, the child was living with or was receiving at least one-half of his support from such stepfather.

"'(5) A child shall be deemed dependent upon his natural or adopting mother at the time specified in paragraph (1) (C) if such mother or adopting mother was a currently insured individual. A child shall also be deemed dependent upon his natural or adopting mother, or upon his stepmother, at the time specified in paragraph (1) (C) if, at such time, (A) she was living with or contributing to the support of such child, and (B) either (i) such child was neither living with nor receiving contributions from his father or adopting father, or (ii) such child was receiving at least one-half of his support from her.

"'*Widow's insurance benefits*

"'(e) (1) The widow (as defined in section 216 (c)) of an individual who died a fully insured individual after 1939, if such widow—

"'(A) has not remarried,

"'(B) has attained retirement age,

"'(C) has filed application for widow's insurance benefits or was entitled, after attainment of retirement age, to wife's insurance benefits, on the basis of the wages and self-employment income of such individual, for the month preceding the month in which he died,

"'(D) was living with such individual at the time of his death, and

"'(E) is not entitled to old age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of her deceased husband,

shall be entitled to a widow's insurance benefit for each month, beginning with the first month after August 1950 in which she becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: she remarries, dies, or becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of her deceased husband.

"'(2) Such widow's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of her deceased husband.

"'*Widower's insurance benefits*

"'(f) (1) The widower (as defined in section 216 (g) of an individual who died a fully and currently insured individual after August 1950, if such widower—

"'(A) has not remarried,

"'(B) has attained retirement age,

"'(C) has filed application for widower's insurance benefits or was entitled to husband's insurance benefits, on the basis of the wages and self-employment income of such individual, for the month preceding the month in which she died,

"'(D) was living with such individual at the time of her death,

"'(E) (i) was receiving at least one-half of his support, as determined in accordance with regulations prescribed by the Administrator, from such individual at the time of her death and filed proof of such support within two years of such date of death, or (ii) was receiving at least one-half of his support, as determined in accordance with regulations prescribed by the Administrator, from such individual, and she was a currently insured individual, at the time she became entitled to old-age insurance benefits and filed proof of such support within two years after the month in which she became so entitled, and

"'(F) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of his deceased wife,

shall be entitled to a widower's insurance benefit for each month, beginning with the first month after August 1950 in which he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: he remarries, dies, or becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of his deceased wife.

"'(2) Such widower's insurance benefits for each month shall be equal to three-fourths of the primary insurance amount of his deceased wife.

"'*Mother's insurance benefits*

"'(g) (1) The widow and every former wife divorced (as defined in section 216 (d)) of an individual who died a fully or currently insured individual after 1939, if such widow or former wife divorced—

"'(A) has not remarried,

"'(B) is not entitled to a widow's insurance benefit,

"'(C) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of such individual,

"'(D) has filed application for mother's insurance benefits,

"'(E) at the time of filing such application has in her care a child of such individual entitled to a child's insurance benefit, and

"'(F) (i) in the case of a widow, was living with such individual at the time of his death, or (ii) in the case of a former wife divorced, was receiving from such individual (pursuant to agreement or court order) at least one-half of her support at the time of his death, and the child referred to in clause (E) is her son, daughter, or legally adopted child and the benefits referred to in such clause are payable on the basis of such individual's wages and self-employment income,

shall be entitled to a mother's insurance benefit for each month, beginning with the first month after August 1950 in which she becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: no child of such deceased individual is entitled to a child's insurance benefit, such widow or former wife divorced becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of such deceased individual, she becomes entitled to a widow's insurance benefit, she remarries, or she dies. Entitlement to such benefits shall also end, in the case of a former wife divorced, with the month immediately preceding the first month in which no son, daughter, or legally adopted child of such former wife divorced is entitled to a child's insurance benefit on the basis of the wages and self-employment income of such deceased individual.

"'(2) Such mother's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of such deceased individual.

"'*Parent's insurance benefits*

"'(h) (1) Every parent (as defined in this subsection) of an individual who died a fully insured individual after 1939, if such individual did not leave a widow who meets the conditions in subsection (e) (1) (D) and (E), a widower who meets the conditions in subsection (f) (1) (D), (E), and (F), or an unmarried child under the age of eighteen deemed dependent on such individual under subsection (d) (3), (4), or (5), and if such parent—

"'(A) has attained retirement age,

"'(B) was receiving at least one-half of his support from such individual at the time of such individual's death and filed proof of such support within two years of such date of death,

"'(C) has not married since such individual's death,

"'(D) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of such deceased individual, and

"'(E) has filed application for parent's insurance benefits,

shall be entitled to a parent's insurance benefit for each month beginning with the first month after August 1950 in which such parent becomes so entitled to such parent's insurance benefits and ending with the month preceding the first month in which any of the following occurs: such parent dies, marries, or becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of such deceased individual.

"'(2) Such parent's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of such deceased individual.

"'(3) As used in this subsection, the term "parent" means the mother or father of an individual, a stepparent of an individual by a marriage contracted before such individual attained the age of sixteen, or an adopting parent by whom an individual was adopted before he attained the age of sixteen.

"'Lump-sum death payments

"'(i) Upon the death, after August 1950, of an individual who died a fully or currently insured individual, an amount equal to three times such individual's primary insurance amount shall be paid in a lump sum to the person, if any, determined by the Administrator to be the widow or widower of the deceased and to have been living with the deceased at the time of death. If there is no such person, or if such person dies before receiving payment, then such amount shall be paid to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid the expenses of burial of such insured individual. No payment shall be made to any person under this subsection unless application therefor shall have been filed, by or on behalf of any such person (whether or not legally competent), prior to the expiration of two years after the date of death of such insured individual.

"'Application for monthly insurance benefits

"'(j) (1) An individual who would have been entitled to a benefit under subsection (a), (b), (c), (d), (e), (f), (g), or (h) for any month after August 1950 had he filed application therefor prior to the end of such month shall be entitled to such benefit for such month if he files application therefor prior to the end of the sixth month immediately succeeding such month. Any benefit for a month prior to the month in which application is filed shall be reduced, to any extent that may be necessary, so that it will not render erroneous any benefit which, before the filing of such application, the Administrator has certified for payment for such prior month.

"'(2) No application for any benefit under this section for any month after August 1950 which is filed prior to three months before the first month for which the applicant becomes entitled to such benefit shall be accepted as an application for the purposes of this section; and any application filed within such three months' period shall be deemed to have been filed in such first month.

"'Simultaneous entitlements to benefits

"'(k) (1) A child, entitled to child's insurance benefits on the basis of the wages and self-employment income of an insured individual, who would be entitled, on filing application, to child's insurance benefits on the basis of the wages and self-employment income of some other insured individual, shall be deemed entitled, subject to the provisions of paragraph (2) hereof, to child's insurance benefits on the basis of the wages and self-employment income of such other individual if an application for child's insurance benefits on the basis of the wages and self-employment income of such other individual has been filed by any other child who would, on filing application, be entitled to child's insurance benefits on the basis of the wages and self-employment income of both such insured individuals.

"'(2) (A) Any child who under the preceding provisions of this section is entitled for any month to more than one child's insurance benefit shall, notwithstanding such provisions, be entitled to only one of such child's insurance benefits for such month, such benefit to be the one based on the wages and self-employment income of the insured individual who has the greatest primary insurance amount.

"'(B) Any individual who under the preceding provisions of this section is entitled for any month to more than one monthly insurance benefit (other than an old-age insurance benefit) under this title shall be entitled to only one such monthly benefit for such month, such benefit to be the largest of the monthly benefits to which he (but for this subparagraph (B)) would otherwise be entitled for such month.

"'(3) If an individual is entitled to an old-age insurance benefit for any month and to any other monthly insurance benefit for such month, such other insurance benefit for such month shall be reduced (after any reduction under section 203 (a)) by an amount equal to such old-age insurance benefit.

"'Entitlement to survivor benefits under Railroad Retirement Act

"'(l) If any person would be entitled, upon filing application therefor, to an annuity under section 5 of the Railroad Retirement Act of 1937, or to a lump-sum payment under subsection (f) (1) of such section, with respect to the death of an employee (as defined in such Act), no lump-sum death payment, and no monthly benefit for the month in which such employee died or for any month thereafter, shall be paid under this section to any person on the basis of the wages and self-employment income of such employee.'

"(b) (1) Except as provided in paragraph (3), the amendment made by subsection (a) of this section shall take effect September 1, 1950."

"(2) Section 205 (m) of the Social Security Act is repealed effective with respect to monthly benefits under section 202 of the Social Security Act, as amended by this Act, for months after August 1950."

"(3) Section 202 (j) (2) of the Social Security Act, as amended by this Act, shall take effect on the date of enactment of this Act."

"(c) (1) Any individual entitled to primary insurance benefits or widow's current insurance benefits under section 202 of the Social Security Act as in effect prior to its amendment by this Act who would, but for the enactment of this Act, be entitled to such benefits for September 1950 shall be deemed to be entitled to old-age insurance benefits or mother's insurance benefits (as the case may be) under section 202 of the Social Security Act, as amended by this Act, as though such individual became entitled to such benefits in such month."

"(2) Any individual entitled to any other monthly insurance benefits under section 202 of the Social Security Act as in effect prior to its amendment by this Act who would, but for the enactment of this Act, be entitled to such benefits for September 1950 shall be deemed to be entitled to such benefits under section 202 of the Social Security Act, as amended by this Act, as though such individual became entitled to such benefits in such month."

"(3) Any individual who files application after August 1950 for monthly benefits under any subsection of section 202 of the Social Security Act who would, but for the enactment of this Act, be entitled to benefits under such subsection (as in effect prior to such enactment) for any month prior to September 1950 shall be deemed entitled to such benefits for such month prior to September 1950 to the same extent and in the same amounts as though this Act had not been enacted.

"(d) Lump-sum death payments shall be made in the case of individuals who died prior to September 1950 as though this Act had not been enacted; except that in the case of any individual who died outside the forty-eight States and the District of Columbia after December 6, 1941, and prior to August 10, 1946, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall not be applicable if application for a lump-sum death payment is filed prior to September 1952.

"MAXIMUM BENEFITS

"SEC. 102. (a) So much of section 203 of the Social Security Act as precedes subsection (d) is amended to read as follows:

"'REDUCTION OF INSURANCE BENEFITS

"'Maximum benefits

"'SEC. 203. (a) Whenever the total of monthly benefits to which individuals are entitled under section 202 for a month on the basis of the wages and self-employment income of an insured individual exceeds $150, or is more than $40 and exceeds 80 per centum of his average monthly wage (as determined under subsection (b) or (c) of section 215, whichever is applicable), such total of benefits shall, after any deductions under this section, be reduced to $150 or to 80 per centum of his average monthly wage, whichever is the lesser, but in no case to less than $40, except that when any of such individuals so entitled would (but for the provisions of section 202 (k) (2) (A)) be entitled to child's insurance benefits on the basis of the wages and self-employment income of one or more other insured individuals, such total of benefits shall, after any deductions under this section, be reduced to $150 or to 80 per centum of the sum of the average monthly wages of all such insured individuals, whichever is the lesser, but in no case to less than $40. Whenever a reduction is made under this subsection, each benefit, except the old-age insurance benefit, shall be proportionately decreased.'

"(b) The amendment made by subsection (a) of this section shall be applicable with respect to benefits for months after August 1950.

"DEDUCTIONS FROM BENEFITS

"SEC. 103. (a) Subsections (d), (e), (f), (g), and (h) of section 203 of the Social Security Act are amended to read as follows:

"'Deductions on account of work or failure to have child in care

"'(b) Deductions, in such amounts and at such time or times as the Administrator shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits under section 202 for any month—

"'(1) in which such individual is under the age of seventy-five and in which he rendered services for wages (as determined under section 209 without regard to subsection (a) thereof) of more than $50; or

"'(2) in which such individual is under the age of seventy-five and for which month he is charged, under the provisions of subsection (e) of this section, with net earnings from self-employment of more than $50; or

"'(3) in which such individual, if a wife under retirement age entitled to a wife's insurance benefit, did not have in her care (individually or jointly with her husband) a child of her husband entitled to a child's insurance benefit; or

"'(4) in which such individual, if a widow entitled to a mother's insurance benefit, did not have in her care a child of her deceased husband entitled to a child's insurance benefit; or

"'(5) in which such individual, if a former wife divorced entitled to a mother's insurance benefit, did not have in her care a child, of her deceased former husband, who (A) is her son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her deceased former husband.

"'Deductions from dependents' benefits because of work by old-age insurance beneficiary

"'(c) Deductions shall be made from any wife's, husband's, or child's insurance benefit to which a wife, husband, or child is entitled, until the total of such deductions equals such wife's, husband's, or child's insurance benefit or benefits under section 202 for any month—

"'(1) in which the individual, on the basis of whose wages and self-employment income such benefit was payable, is under the age of seventy-five and in which he rendered services for wages (as determined under section 209 without regard to subsection (a) thereof) or more than $50; or

"'(2) in which the individual referred to in paragraph (1) is under the age of 75 and for which month he is charged, under the provisions of subsection (e) of this section, with net earnings from self-employment of more than $50.

"'*Occurrence of more than one event*

"'(d) If more than one of the events specified in subsections (b) and (c) occurs in any one month which would occasion deductions equal to a benefit for such month, only an amount equal to such benefits shall be deducted. The charging of net earnings from self-employment to any month shall be treated as an event occurring in the month to which such net earnings are charged.

"'*Months to which net earnings from self-employment are charged*

"'(e) For the purposes of subsections (b) and (c)—

"'(1) If an individual's net earnings from self-employment for his taxable year are not more than the product of $50 times the number of months in such year, no month in such year shall be charged with more than $50 of net earnings from self-employment.

"'(2) If an individual's net earnings from self-employment for his taxable year are more than the product of $50 times the number of months in such year, each month of such year shall be charged with $50 of net earnings from self-employment, and the amount of such net earnings in excess of such product shall be further charged to months as follows: The first $50 of such excess shall be charged to the last month of such taxable year, and the balance, if any, of such excess shall be charged at the rate of $50 per month to each preceding month in such year until all of such balance has been applied, except that no part of such excess shall be charged to any month (A) for which such individual was not entitled to a benefit under this title, (B) in which an event described in paragraph (1), (3), (4), or (5) of subsection (b) occurred, (C) in which such individual was age seventy-five or over, or (D) in which such individual did not engage in self-employment.

"'(3) (A) As used in paragraph (2), the term "last month of such taxable year" means the latest month in such year to which the charging of the excess described in such paragraph is not prohibited by the application of clauses (A), (B), (C), and (D) thereof.

"'(B) For the purposes of clause (D) of paragraph (2), an individual will be presumed, with respect to any month, to have been engaged in self-employment in such month until it is shown to the satisfaction of the Administrator that such individual rendered no substantial services in such month with respect to any trade or business the net income or loss of which is includible in computing his net earnings from self-employment for any taxable year. The Administrator shall by regulations prescribe the methods and criteria for determining whether or not an individual has rendered substantial services with respect to any trade or business.

"'*Penalty for failure to report certain events*

"'(f) Any individual in receipt of benefits subject to deduction under subsection (b) or (c) (or who is in receipt of such benefits on behalf of another individual), because of the occurrence of an event specified therein (other than an event described in subsection (b) (2) or (c) (2)), shall report such occurrence to the Administrator prior to the receipt and acceptance of an insurance benefit for the second month following the month in which such event occurred. Any such individual having knowledge thereof, who fails to report any such occurrence, shall suffer an additional deduction equal to that imposed under subsection (b) or (c), except that the first additional deduction imposed by this subsection in the case of any individual shall not exceed an amount equal to one month's benefit even though the failure to report is with respect to more than one month.

"'*Report to Administrator of net earnings from self-employment*

"'(g) (1) If an individual is entitled to any monthly insurance benefit under section 202 during any taxable year in which he has net earnings from self-employment in excess of the product of $50 times the number of months in such year, such individual (or the individual who is in receipt of such benefit on his behalf) shall make a report to the Administrator of his net earnings from self-employment for such taxable year. Such report shall be made on or before the fifteenth day of the third month following the close of such year; and shall contain such information and be made in such manner as the Administrator may by regulations prescribe. Such report need not be made for any taxable year beginning with or after the month in which such individual attained the age of seventy-five.

"'(2) If an individual fails to make a report required under paragraph (1), within the time prescribed therein, of his net earnings from self-employment for any taxable year and any deduction is imposed under subsection (b) (2) by reason of such net earnings—

"'(A) such individual shall suffer one additional deduction in an amount equal to his benefit or benefits for the last month in such taxable year for which he was entitled to a benefit under section 202; and

"'(B) if the failure to make such report continues after the close of the fourth calendar month following the close of such taxable year, such individual shall suffer an additional deduction in the same amount for each month during all or any part of which such failure continues after such fourth month;

except that the number of the additional deductions required by this paragraph shall not exceed the number of months in such taxable year for which such individual received and accepted insurance benefits under section 202 and for which deductions are imposed under subsection (b) (2) by reason of such net earnings from self-employment. If more than one additional deduction would be imposed under this paragraph with respect to a failure by an individual to file a report required by paragraph (1) and such failure is the first for which any additional deduction is imposed under this paragraph, only one additional deduction shall be imposed with respect to such first failure.

"'(3) If the Administrator determines, on the basis of information obtained by or submitted to him, that it may reasonably be expected that an individual entitled to benefits under section 202 for any taxable year will suffer deductions imposed under subsection (b) (2) by reason of his net earnings from self-employment for such year, the Administrator may, before the close of such taxable year, suspend the payment for each month in such year (or for only such months as the Administrator may specify) of the benefits payable on the basis of such individual's wages and self-employment income; and such suspension shall remain in effect with respect to the benefits for any month until the Administrator has determined whether or not any deduction is imposed for such month under subsection (b). The Administrator is authorized, before the close of the taxable year of an individual entitled to benefits during such year, to request of such individual that he make, at such time or times as the Administrator may specify, a declaration of his estimated net earnings from self-employment for the taxable year and that he furnish to the Administrator such other information with respect to such net earnings as the Administrator may specify. A failure by such individual to comply with any such request shall in itself constitute justification for a determination under this paragraph that it may reasonably be expected that the individual will suffer deductions imposed under subsection (b) (2) by reason of his net earnings from self-employment for such year.

"'*Circumstances under which deductions not required*

"'(h) Deductions by reason of subsection (b), (f), or (g) shall, notwithstanding the provisions of such subsection, be made from the benefits to which an individual is entitled only to the extent that they reduce the total amount which would otherwise be paid, on the basis of the same wages and self-employment income, to him and the other individuals living in the same household.

"'*Deductions with respect to certain lump sum payments*

"'(i) Deductions shall also be made from any old-age insurance benefit to which an individual is entitled, or from any other insurance benefit payable on the basis of such individual's wages and self-employment income, until such deductions total the amount of any lump sum paid to such individual under section 204 of the Social Security Act in force prior to the date of enactment of the Social Security Act Amendments of 1939.

"'*Attainment of age seventy-five*

"'(j) For the purposes of this section, an individual shall be considered as seventy-five years of age during the entire month in which he attains such age.'

"(b) The amendments made by this section shall take effect September 1, 1950, except that the provisions of subsections (d), (e), and (f) of section 203 of the Social Security Act as in effect prior to the enactment of this Act shall be applicable for months prior to September 1950.

"DEFINITIONS

"SEC. 104. (a) Title II of the Social Security Act is amended by striking out section 209 and inserting in lieu thereof the following:

"'DEFINITION OF WAGES

"'SEC. 209. For the purposes of this title, the term "wages" means remuneration paid prior to 1951 which was wages for the purposes of this title under the law applicable to the payment of such remuneration, and remuneration paid after 1950 for employment, including the cash value of all remuneration paid in any medium other than cash; except that, in the case of remuneration paid after 1950, such term shall not include—

"'(a) That part of the remuneration which, after remuneration (other than remuneration referred to in the succeeding subsections of this section) equal to $3,600 with respect to employment has been paid to an individual during any calendar year, is paid to such individual during such calendar year;

"'(b) The amount of any payment (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) made to, or on behalf of, an employee or any of his dependents under a plan or system established by an employer which makes provision for his employees generally (or for his employees generally and their dependents) or for a class or classes of his employees (or for a class or classes of his employees and their dependents), on account of (1) retirement, or (2) sickness or accident disability, or (3) medical or hospitalization expenses in connection with sickness or accident disability, or (4) death;

"'(c) Any payment made to an employee (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) on account of retirement;

"'(d) Any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability, made by an employer to, or on behalf of, an employee after the expiration of six calendar months following the last calendar month in which the employee worked for such employer;

"'(e) Any payment made to, or on behalf of, an employee or his beneficiary (1) from or to a trust exempt from tax under section 165 (a) of the Internal Revenue Code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust, or (2) under or to an annuity plan which, at the time of such payment, meets the requirements of section 165 (a) (3), (4), (5), and (6) of such code:

"'(f) The payment by an employer (without deduction from the remuneration of the employee) (1) of the tax imposed upon an employee under section 1400 of the Internal Revenue Code, or (2) of any payment required from an employee under a State unemployment compensation law;

"'(g) (1) Remuneration paid in any medium other than cash to an employee for services not in the course of the employer's trade or business or for domestic service in a private home of the employer;

"'(2) Cash remuneration paid by an employer in any calendar quarter to an employee for domestic service in a private home of the employer, if the cash remuneration paid in the quarter for such service is less than $50 or the employee is not regularly employed by the employer in such quarter of payment. For the purposes of this paragraph, an employee shall be deemed to be regularly employed by an employer during a calendar quarter only if (A) on each of some twenty-four days during the quarter the employee performs for the employer for some portion of the day domestic service in a private home of the employer, or (B) the employee was regularly employed (as determined under clause (A)) by the employer in the performance of such service during the preceding calendar quarter. As used in this paragraph, the term 'domestic service in a private home of the employer' does not include service described in section 210 (f) (5);

"'(h) Remuneration paid in any medium other than cash for agricultural labor;

"'(i) Any payment (other than vacation or sick pay) made to an employee after the month in which he attains retirement age (as defined in section 216 (a)), if he did not work for the employer in the period for which such payment is made; or

"(j) Remuneration paid by an employer in any quarter to an employee for service described in section 210 (k) (3) (C) (relating to home workers), if the cash remuneration paid in such quarter by the employer to the employee for such service is less than $50.

"'For purposes of this title, in the case of domestic service described in subsection (g) (2), any payment of cash remuneration for such service which is more or less than a whole-dollar amount shall, under such conditions and to such extent as may be prescribed by regulations made under this title, be computed to the nearest dollar. For the purpose of the computation to the nearest dollar, the payment of a fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case it shall be increased to $1. The amount of any payment of cash remuneration so computed to the nearest dollar shall, in lieu of the amount actually paid, be deemed to constitute the amount of cash remuneration for purposes of subsection (g) (2).

"'DEFINITION OF EMPLOYMENT

"'SEC. 210. For the purposes of this title—

"'*Employment*

"'(a) The term "employment" means any service performed after 1936 and prior to 1951 which was employment for the purposes of this title under the law applicable to the period in which such service was performed, and any service, of whatever nature, performed after 1950 either (A) by an employee for the person employing him, irrespective of the citizenship or residence of either, (i) within the United States, or (ii) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States, or (B) outside the United States by a citizen of the United States as an employee for an American employer (as defined in subsection (e)); except that, in the case of service performed after 1950, such term shall not include—

"'(1) (A) Agricultural labor (as defined in subsection (f) of this section) performed in any calendar quarter by an employee, unless the cash remuneration paid for such labor (other than service described in subparagraph (B) is $50 or more and such labor is performed for an employer by an individual who is regularly employed by such employer to perform such agricultural labor. For the purposes of this subparagraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

"'(i) such individual performs agricultural labor (other than service described in subparagraph (B)) for such employer on a full-time basis on sixty days during such quarter, and

"'(ii) the quarter was immediately preceded by a qualifying quarter.

For the purposes of the preceding sentence, the term "qualifying quarter" means (I) any quarter during all of which such individual was continuously employed by such employer, or (II) any subsequent quarter which meets the test of clause (i) if, after the last quarter during all of which such individual was continuously employed by such employer, each intervening quarter met the test of clause (i). Notwithstanding the preceding provisions of this subparagraph, an individual shall also be deemed to be regularly employed by an employer during a calendar quarter if such individual was regularly employed (upon application of clauses (i) and (ii)) by such employer during the preceding calendar quarter.

"'(B) Service performed in connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton;

"'(2) Domestic service performed in a local college club, or local chapter of a college fraternity or sorority, by a student who is enrolled and is regularly attending classes at a school, college, or university;

"'(3) Service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is $50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For the purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if (A) on each of some twenty-four days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business, or (B) such individual was regularly employed (as determined under clause (A)) by such employer in the performance of such service during the preceding calendar quarter. As used in this paragraph, the term "service not in the course of the employer's trade or business" does not include domestic service in a private home of the employer and does not include service described in subsection (f) (5);

"'(4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one in the employ of his father or mother;

"'(5) Service performed by an individual on or in connection with a vessel not an American vessel, or on or in connection with an aircraft not an American aircraft, if the individual is employed on and in connection with such vessel or aircraft when outside the United States;

"'(6) Service performed in the employ of any instrumentality of the United States, if such instrumentality is exempt from the tax imposed by section 1410 of the Internal Revenue Code by virtue of any provision of law which specifically refers to such section in granting such exemption;

"'(7) (A) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is covered by a retirement system established by a law of the United States;

"'(B) Service performed in the employ of an instrumentality of the United States such an instrumentality was exempt from the tax imposed by section 1410 of the Internal Revenue Code on December 31, 1950, except that the provisions of this subparagraph shall not be applicable to—

"'(i) service performed in the employ of a corporation which is wholly owned by the United States;

"'(ii) service performed in the employ of of a national farm loan association, a production credit association, a Federal Reserve Bank, or a Federal Credit Union;

"'(iii) service performed in the employ of a State, county, or community committee under the Production and Marketing Administration; or

"'(iv) Service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department;

"'(C) Service permormed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is performed—

"'(i) as the President or Vice President of the United States or as a Member, Delegate, or Resident Commissioner, of or to the Congress;

"'(ii) in the legislative branch;

"'(iii) in the field service of the Post Office Department unless performed by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is serving under a temporary appointment pending final determination of eligibility for permanent or indefinite appointment;

"'(iv) in or under the Bureau of the Census of the Department of Commerce by temporary employees employed for the taking of any census;

"'(v) by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is paid on a contract or fee basis;

"'(vi) by any individual as an employee receiving nominal compensation of $12 or less per annum;

"'(vii) in a hospital, home, or other institution of the United States by a patient or inmate thereof;

"'(viii) by any individual as a consular agent appointed under authority of section 551 of the Foreign Service Act of 1946 (22 U. S. C., sec. 951);

"'(ix) by any individual as an employee included under section 2 of the Act of August 4, 1947 (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government; 5 U. S. C., sec. 1052);

"'(x) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;

"'(xi) by any individual as an employee who is employed under a Federal relief program to relieve him from unemployment;

"'(xii) as a member of a State, county, or community committee under the Production and Marketing Administration or of any other board, council, committee, or other similar body, unless such board, council, committee, or other body is composed exclusively of individuals otherwise in the full-time employ of the United States; or

"'(xiii) by an individual to whom the Civil Service Retirement Act of 1930 does not apply because such individual is subject to another retirement system;

"'(8) Service (other than service included under an agreement under section 218 and other than service which, under subsection (l), constitutes covered transportation service) performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions;

"'(9) (A) Service performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order;

"'(B) Service performed in the employ of a religious, charitable, educational, or other organization exempt from income tax under section 101 (6) of the Internal Revenue Code, but this subparagraph shall not apply to service performed during the period for which a certificate, filed pursuant to section 1426 (l) of the Internal Revenue Code, is in effect if such service is performed by an employee (i) whose signature appears on the list filed by such organization under such section 1426 (l), or (ii) who became an employee of such organization after the calendar quarter in which the certificate was filed;

"'(10) Service performed by an individual as an employee or employee representative as defined in section 1532 of the Internal Revenue Code;

"'(11) (A) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 101 of the Internal Revenue Code, if the remuneration for such service is less than $50;

"'(B) Service performed in the employ of a school, college, or university if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university;

"'(12) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

"'(13) Service performed in the employ of an instrumentality wholly owned by a foreign government—

"'(A) If the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

"'(B) If the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality and employees thereof exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof;

"'(14) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law; and service performed as an interne in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered or approved pursuant to State law.

"'(15) Service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed by any such individual as an ordinary incident to any such activity), except (A) service performed in connection with the catching or taking of salmon or halibut, for commercial purposes, and (B) service performed on or in connection with a vessel of more than ten net tons (determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States);

"'(16) (A) Service performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

"'(B) Service performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back; or

"'(17) Service performed in the employ of an international organization entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (59 Stat. 669).

"'Included and excluded service

"'(b) If the services performed during one-half or more of any pay period by an employee for the person employing him constitute employment, all the services of such employee for such period shall be deemed to be employment; but if the services performed during more than one-half of any such pay period by an employee for the person employing him do not constitute employment, then none of the services of such employee for such period shall be deemed to be employment. As used in this subsection, the term "pay period" means a period (of not more than thirty-one consecutive days) for which a payment of remuneration is ordinarily made to the employee by the person employing him. This subsection shall not be applicable with respect to services performed in a pay period by an employee for the person employing him, where any of such service is excepted by paragraph (10) of subsection (a).

"'American vessel

"'(c) The term "American vessel" means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.

"'American aircraft

"'(d) The term "American aircraft" means an aircraft registered under the laws of the United States.

"'American employer

"'(e) The term "American employer" means an employer which is (1) the United States or any instrumentality thereof, (2) a State or any political subdivision thereof, or any instrumentality of any one or more of the foregoing, (3) an individual who is a resident of the United States, (4) a partnership, if two-thirds or more of the partners are residents of the United States, (5) a trust, if all of the trustees are residents of the United States, or (6) a corporation organized under the laws of the United States or of any State.

"'Agricultural labor

"'(f) The term "agricultural labor" includes all service performed—

"'(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

"'(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

"'(3) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes.

"'(4) (A) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than one-half of the commodity with respect to which such service is performed.

"'(B) In the employ of a group of operators of farms (other than a cooperative organization) in the performance of service described in subparagraph (A), but only if such operators produced all of the commodity with respect to which such service is performed. For the purposes of this subparagraph, any unincorporated group of operators shall be deemed a cooperative organization if the number of operators comprising such group is more than twenty at any time during the calendar quarter in which such service is performed.

"'(5) On a farm operated for profit if such service is not in the course of the employer's trade or business or is domestic service in a private home of the employer.

The provisions of subparagraphs (A) and (B) of paragraph (4) shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

"'*Farm*

"'(g) The term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

"'*State*

"'(h) The term "State" includes Alaska, Hawaii, the District of Columbia, and the Virgin Islands; and on and after the effective date specified in section 219 such term includes Puerto Rico.

"'*United States*

"'(i) The term "United States" when used in a geographical sense means the States, Alaska, Hawaii, the District of Columbia, and the Virgin Islands; and on and after the effective date specified in section 219 such term includes Puerto Rico.

"'*Citizen of Puerto Rico*

"'(j) An individual who is a citizen of Puerto Rico (but not otherwise a citizen of the United States) and who is not a resident of the United States shall not be considered, for the purposes of this section, as a citizen of the United States prior to the effective date specified in section 219.

"'*Employee*

"'(k) The term "employee" means—

"'(1) any officer of a corporation; or

"'(2) any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee; or

"'(3) any individual (other than an individual who is an employee under paragraph (1) or (2) of this subsection) who performs services for remuneration for any person—

"'(A) as an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for his principal;

"'(B) as a full-time life insurance salesman;

"'(C) as a home worker performing work according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by such person which are required to be returned to such person or a person designated by him, if the performance of such services is subject to licensing requirements under the laws of the State in which such services are performed; or

"'(D) as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal (except for side-line sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations;

if the contract of service contemplates that substantially all of such services are to be performed personally by such individual; except that an individual shall not be included in the term "employee" under the provisions of this paragraph if such individual has a substantial investment in facilities used in connection with the performance of such services (other than in facilities for transportation), or if the services are in the nature of a single transaction not part of a continuing relationship with the person for whom the services are performed.

"'*Covered transportation service*

"'(1) (1) Except as provided in paragraph (2), all service performed in the employ of a State or political subdivision in connection with its operation of a public transportation system shall constitute covered transportation service if any part of the transportation system was acquired from private ownership after 1936 and prior to 1951.

"'(2) Service performed in the employ of a State or political subdivision in connection with the operation of its public transportation system shall not constitute covered transportation service if—

"'(A) any part of the transportation system was acquired from private ownership after 1936 and prior to 1951, and substantially all service in connection with the operation of the transportation system is, on December 31, 1950, covered under a general retirement system providing benefits which, by reason of a provision of the State constitution dealing specifically with retirement systems of the State or political subdivisions thereof, cannot be diminished or impaired; or

"'(B) no part of the transportation system operated by the State or political subdivision on December 31, 1950, was acquired from private ownership after 1936 and prior to 1951;

except that if such State or political subdivision makes an acquisition after 1950 from private ownership of any part of its transportation system, then, in the case of any employee who—

"'(C) became an employee of such State or political subdivision in connection with and at the time of its acquisition after 1950 of such part, and

"'(D) prior to such acquisition rendered service in employment in connection with the operation of such part of the transportation system acquired by the State or political subdivision,

the service of such employee in connection with the operation of the transportation system shall constitute covered transportation service, commencing with the first day of the third calendar quarter following the calendar quarter in which the acquisition of such part took place, unless on such first day such service of such employee is covered by a general retirement system which does not, with respect to such employee, contain special provisions applicable only to employees described in subparagraph (C).

"'(3) All service performed in the employ of a State or political subdivision thereof in connection with its operation of a public transportation system shall constitute covered transportation service if the transportation system was not operated by the State or political subdivision prior to 1951 and, at the time of its first acquisition (after 1950) from private ownership of any part of its transportation system, the State or political subdivision did not have a general retirement system covering substantially all service performed in connection with the operation of the transportation system.

"'(4) For the purposes of this subsection—

"'(A) The term "general retirement system" means any pension, annuity, retirement, or similar fund or system established by a State or by a political subdivision, thereof for employees of the State, political subdivision, or both; but such term shall not include such a fund or system which covers only service performed in positions connected with the operation of its public transportation system.

"'(B) A transportation system or a part thereof shall be considered to have been acquired by a State or political subdivision from private ownership if prior to the acquisition service performed by employees in connection with the operation of the system or part thereof acquired constituted employment under this title, and some of such employees became employees of the State or political subdivision in connection with and at the time of such acquisition.

"'(C) The term "political subdivision" includes an instrumentality of (i) a State, (ii) one or more political subdivisions of a State, or (iii) a State and one or more of its political subdivisions.

"'SELF-EMPLOYMENT

"'SEC. 211. For the purposes of this title—

"'*Net earnings from self-employment*

"'(a) The term "net earnings from self-employment" means the gross income, as computed under chapter 1 of the Internal Revenue Code, derived by an individual from any trade or business carried on by such individual, less the deductions allowed under such chapter which are attributable to such trade or business, plus his distributive share (whether or not distributed) of the ordinary net income or loss, as computed under section 183 of such code, from any trade or business carried on by a partnership of which he is a member; except that in computing such gross income and deductions and such distributive share of partnership ordinary net income or loss—

"'(1) There shall be excluded rentals from real estate (including personal property leased with the real estate) and deductions attributable thereto, unless such rentals are received in the course of a trade or business as a real estate dealer;

"'(2) There shall be excluded income derived from any trade or business in which, if the trade or business were carried on exclusively by employees, the major portion of the services would constitute agricultural labor as defined in section 210 (f); and there shall be excluded all deductions attributable to such income;

"'(3) There shall be excluded dividends on any share of stock, and interest on any bond, debenture, note, or certificate, or other evidence of indebtedness, issued with interest coupons or in registered form by any corporation (including one issued by a government or political subdivision thereof), unless such dividends and interest (other than interest described in section 25 (a) of the Internal Revenue Code) are received in the course of a trade or business as a dealer in stocks or securities;

"'(4) There shall be excluded any gain or loss (A) which is considered under chapter 1 of the Internal Revenue Code as gain or loss from the sale or exchange of a capital asset, (B) from the cutting or disposal of timber if section 117 (j) of such code is applicable to such gain or loss, or (C) from the sale, exchange, involuntary conversion, or other disposition of property if such property is neither (i) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year, nor (ii) property held primarily for sale to customers in the ordinary course of the trade or business;

"'(5) The deduction for net operating losses provided in section 23 (s) of such code shall not be allowed;

"'(6) (A) If any of the income derived from a trade or business (other than a trade or business carried on by a partnership) is community income under community property laws applicable to such income, all of the gross income and deductions attributable to such trade or business shall be treated as the gross income and deductions of the husband unless the wife exercises substantially all of the management and control of such trade or business, in which case all of such gross income and deductions shall be treated as the gross income and deductions of the wife;

"'(B) If any portion of a partner's distributive share of the ordinary net income or loss from a trade or business carried on by a partnership is community income or loss under the community property laws applicable to such share, all of such distributive share shall be included in computing the net earnings from self-employment of such partner, and no part of such share shall be taken into account in computing the net earnings from self-employment of the spouse of such partner;

"'(7) In the case of any taxable year beginning on or after the effective date specified in section 219, (A) the term "possession of the United States" as used in section 251 of the Internal Revenue Code shall not include Puerto Rico, and (B) a citizen or resident of Puerto Rico shall compute his net earnings from self-employment in the same manner as a citizen of the United States and without regard to the provisions of section 252 of such code.

If the taxable year of a partner is different from that of the partnership, the distributive share which he is required to include in computing his net earnings from self-employment shall be based upon the ordinary net income or loss of the partnership for any taxable year of the partnership (even though beginning prior to 1951) ending within or with his taxable year.

"'Self-employment income

"'(b) The term "self-employment income" means the net earnings from self-employment derived by an individual (other than a nonresident alien individual) during any taxable year beginning after 1950; except that such term shall not include—

"'(1) That part of the net earnings from self-employment which is in excess of: (A) $3,600, minus (B) the amount of the wages paid to such individual during the taxable year; or

"'(2) The net earnings from self-employment, if such net earnings for the taxable year are less than $400.

In the case of any taxable year beginning prior to the effective date specified in section 219, an individual who is a citizen of Puerto Rico (but not otherwise a citizen of the United States) and who is not a resident of the United States during such taxable year shall be considered, for the purposes of this subsection, as a nonresident alien individual. An individual who is not a citizen of the United States but who is a resident of the Virgin Islands or (after the effective date specified in section 219) a resident of Puerto Rico shall not, for the purposes of this subsection, be considered to be a nonresident alien individual.

"'Trade or business

"'(c) The term "trade or business", when used with reference to self-employment income or net earnings from self-employment, shall have the same meaning as when used in section 23 of the Internal Revenue Code, except that such term shall not include—

"'(1) The performance of the functions of a public office;

"'(2) The performance of service by an individual as an employee (other than service described in section 210 (a) (16) (B) performed by an individual who has attained the age of eighteen);

"'(3) The performance of service by an individual as an employee or employee representative as defined in section 1532 of the Internal Revenue Code;

"'(4) The performance of service by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

"'(5) The performance of service by an individual in the exercise of his profession as a physician, lawyer, dentist, osteopath, veterinarian, chiropractor, naturopath, optometrist, Christian Science practitioner, architect, certified public accountant, accountant registered or licensed as an accountant under State or municipal law, full-time practicing public accountant, funeral director, or professional engineer; or the performance of such service by a partnership.

"'Partnership and partner

"'(d) The term "partnership" and the term "partner" shall have the same meaning as when used in supplement F of chapter 1 of the Internal Revenue Code.

"'Taxable year

"'(e) The term "taxable year" shall have the same meaning as when used in chapter 1 of the Internal Revenue Code; and the taxable year of any individual shall be a calendar year unless he has a different taxable year for the purposes of chapter 1 of such code, in which case his taxable year for the purposes of this title shall be the same as his taxable year under such chapter 1.

"'CREDITING OF SELF-EMPLOYMENT INCOME TO CALENDAR QUARTERS

"'SEC. 212. For the purposes of determining average monthly wage and quarters of coverage the amount of self-employment income derived during any taxable year shall be credited to calendar quarters as follows:

"'(a) In the case of a taxable year which is a calendar year the self-employment income of such taxable year shall be credited equally to each quarter of such calendar year.

"'(b) In the case of any other taxable year the self-employment income shall be credited equally to the calendar quarter in which such taxable year ends and to each of the next three or fewer preceding quarters any part of which is in such taxable year.

"'QUARTER AND QUARTER OF COVERAGE

"'Definitions

"'Sec. 213. (a) For the purposes of this title—

"'(1) The term "quarter", and the term "calendar quarter", mean a period of three calendar months ending on March 31, June 30, September 30, or December 31.

"'(2) (A) The term "quarter of coverage" means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages. In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled.

"'(B) The term "quarter of coverage" means, in the case of a quarter occurring after 1950, a quarter in which the individual has been paid $50 or more in wages or for which he has been credited (as determined under section 212) with $100 or more of self-employment income, except that—

"'(i) no quarter after the quarter in which such individual died shall be a quarter of coverage;

"'(ii) if the wages paid to any individual in a calendar year equal or exceed $3,600, each quarter of such year shall (subject to clause (i)) be a quarter of coverage;

"'(iii) if an individual has self-employment income for a taxable year, and if the sum of such income and the wages paid to him during such taxable year equals $3,600, each quarter any part of which falls in such year shall be a quarter of coverage; and

"'(iv) no quarter shall be counted as a quarter of coverage prior to the beginning of such quarter.

"'Crediting of wages paid in 1937

"'(b) With respect to wages paid to an individual in the six-month periods commencing either January 1, 1937, or July 1, 1937; (A) if wages of not less than $100 were paid in any such period, one-half of the total amount thereof shall be deemed to have been paid in each of the calendar quarters in such period; and (B) if wages of less than $100 were paid in any such period, the total amount thereof shall be deemed to have been paid in the latter quarter of such period, except that if in any such period, the individual attained age sixty-five, all of the wages paid in such period shall be deemed to have been paid before such age was attained.

"'INSURED STATUS FOR PURPOSES OF OLD-AGE AND SURVIVORS INSURANCE BENEFITS

"'SEC. 214. For the purposes of this title—

"'Fully insured individual

"'(a) (1) In the case of any individual who died prior to September 1, 1950, the term "fully insured individual" means any individual who had not less than one quarter of coverage (whenever acquired) for each two of the quarters elapsing after 1936, or after the quarter in which he attained the age of twenty-one, whichever is later, and up to but excluding the quarter in which he attained retirement age, or died, whichever first occurred, except that in no case shall an individual be a fully insured individual unless he has at least six quarters of coverage.

"'(2) In the case of any individual who did not die prior to September 1, 1950, the term "fully insured individual" means any individual who had not less than—

"'(A) one quarter of coverage (whether acquired before or after such day) for each two of the quarters elapsing after 1950, or after the quarter in which he attained the age of twenty-one, whichever is later, and up to but excluding the quarter in which he attained retirement age, or died, whichever first occurred, except that in no case shall an individual be a fully insured individual unless he has at least six quarters of coverage; or

"'(B) forty quarters of coverage.

"'(3) When the number of elapsed quarters specified in paragraph (1) or (2) (A) is an odd number, for purposes of such paragraph such number shall be reduced by one.

"'Currently insured individual

"'(b) The term "currently insured individual" means any individual who had not less than six quarters of coverage during the thirteen-quarter period ending with (1) the quarter in which he died, (2) the quarter in which he became entitled to old-age insurance benefits, or (3) the quarter in which he became entitled to primary insurance benefits under this title as in effect prior to the enactment of this section.

"'COMPUTATION OF PRIMARY INSURANCE AMOUNT

"'SEC. 215. For the purposes of this title—

"'Primary insurance amount

"'(a) (1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage shall be 50 per centum of the first $100 of his average monthly wage plus 15 per centum of the next $200 of such wage; except that if his average monthly wage is less than $50, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.'

"I *Average monthly wage*	II *Primary insurance amount*
$30 or less	$20
$31	$21
$32	$22
$33	$23
$34	$24
$35 to $49	$25

"'(2) The primary insurance amount of an individual who attained age twenty-two prior to 1951 and with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage shall be whichever of the following is the larger—

"'(A) the amount computed as provided in paragraph (1) of this subsection; or

"'(B) the amount determined under subsection (c).

"'(3) The primary insurance amount of any other individual shall be the amount determined under subsection (c).

"'Average monthly wage

"'(b) (1) An individual's "average monthly wage" shall be the quotient obtained by dividing the total of—

"'(A) his wages after his starting date (determined under paragraph (2)) and prior to his wage closing date (determined under paragraph (3)), and

"'(B) his self-employment income after such starting date and prior to his self-employment income closing date (determined under paragraph (3))

by the number of months elapsing after such starting date and prior to his divisor closing date (determined under paragraph (3)) excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of twenty-two which was not a quarter of coverage, except that when the number of such elapsed months thus computed is less than eighteen, it shall be increased to eighteen.

"'(2) An individual's "starting date" shall be December 31, 1950, or, if later, the day preceding the quarter in which he attained the age of twenty-two, whichever results in the higher average monthly wage.

"'(3) (A) Except to the extent provided in paragraph (D), an individual's "wage closing date" shall be the first day of the second quarter preceding the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred.

"'(B) Except to the extent provided in paragraph (D), an individual's "self-employment income closing date" shall be the day following the quarter in which ends his last taxable year (i) which ended before the month in which he died or became entitled to old-age insurance benefits, whichever first occurred, and (ii) during which he derived self-employment income.

"'(C) Except to the extent provided in paragraph (D), an individual's "divisor closing date" shall be the later of his wage closing date and his self-employment income closing date.

"'(D) In case of an individual who died or became entitled to old-age insurance benefits after the first quarter in which he both was fully insured and had attained retirement age, the determination of his closing dates shall be made as though he became entitled to old-age insurance benefits in such first quarter, but only if it would result in a higher average monthly wage for such individual.

"'(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred.

"'Determinations made by use of the conversion table

"'(c) (1) The amount referred to in paragraph (3) and clause (B) of paragraph (2) of subsection (a) for an individual shall be the amount appearing in column II of the following table on the line on which in column I appears his primary insurance benefit (determined as provided in subsection (d)); and his average monthly wage shall, for purposes of section 203 (a), be the amount appearing on such line in column III.

"'I If the primary insurance benefit (as determined under subsection (d)) is:	II The primary insurance amount shall be:	III And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$20.00	$40.00
$11	22.00	44.00
$12	24.00	48.00
$13	26.00	52.00
$14	28.00	56.00
$15	30.00	60.00
$16	31.70	63.40
$17	33.20	66.40
$18	34.50	69.00
$19	35.70	71.40
$20	37.00	74.00
$21	38.50	77.00
$22	40.20	80.40
$23	42.20	84.40
$24	44.50	89.00
$25	46.50	93.00
$26	48.30	96.60
$27	50.00	100.00
$28	51.50	110.00
$29	52.80	118.60
$30	54.00	126.60
$31	55.10	134.00
$32	56.20	141.30
$33	57.20	148.00
$34	58.20	154.60
$35	59.20	161.30
$36	60.20	168.00
$37	61.20	174.60
$38	62.20	181.30
$39	63.10	187.30
$40	64.00	195.00
$41	64.90	210.00
$42	65.80	220.00
$43	66.70	230.00
$44	67.60	240.00
$45	68.50	250.00
$46	68.50	250.00

"'(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d) falls between the amounts of any two consecutive lines in column I of the table, the amount referred to in paragraph (3) and clause (B) of paragraph (2) of subsection (a) for such individual, and his average monthly wage for purposes of section 203 (a), shall be determined in accordance with regulations of the Administrator designed to obtain results consistent with those obtained for individuals whose primary insurance benefits are shown in column I of the table.

"'(3) For the purpose of facilitating the use of the conversion table in computing any insurance benefit under section 202, the Administrator is authorized to assume that the primary insurance benefit from which such benefit under section 202 is determined is one cent or two cents more or less than its actual amount.

"'Primary insurance benefit for purposes of conversion table

"'(d) For the purposes of subsection (c), the primary insurance benefits of individuals shall be determined as follows:

"'(1) In the case of any individual who was entitled to a primary insurance benefit for August 1950, his primary insurance benefit shall, except as provided in paragraph (2), be the primary insurance benefit to which he was so entitled.

"'(2) In the case of any individual to whom paragraph (1) is applicable and who is a World War II veteran or in August 1950 rendered services for wages of $15 or more, his primary insurance benefit shall be whichever of the following is larger: (A) the primary insurance benefit to which he was entitled for August 1950, or (B) his primary insurance benefit for August 1950 recomputed, under section 209 (q) of the Social Security Act as in effect prior to the enactment of this section, in the same manner as if such individual had filed application for and was entitled to a recomputation for August 1950, except that in making such recomputation section 217 (a) shall be applicable if such individual is a World War II veteran.

"'(3) In the case of any individual who died prior to September 1950, his primary insurance benefit shall be determined as provided in this title as in effect prior to the enactment of this section, except that section 217 (a) shall be applicable, in lieu of section 210 of this Act as in effect prior to the enactment of this section, but only if it results in a larger primary insurance benefit.

"'(4) In the case of any other individual, his primary insurance benefit shall be computed as provided in this title as in effect prior to the enactment of this section, except that—

"'(A) In the computation of such benefit, such individual's average monthly wage shall (in lieu of being determined under section 209 (f) of such title as in effect prior to the enactment of this section) be determined as provided in subsection (b) of this section, except that his starting date shall be December 31, 1936.

"'(B) For purposes of such computation, the date he became entitled to old-age insurance benefits shall be deemed to be the date he became entitled to primary insurance benefits.

"'(C) The 1 per centum addition provided for in section 209 (e) (2) of this Act as in effect prior to the enactment of this section shall be applicable only with respect to calendar years prior to 1951.

"'(D) The provisions of subsection (c) shall be applicable to such computation.

"'Certain wages and self-employment income not to be counted

"'(e) For the purposes of subsections (b) and (d) (4)—

"'(1) in computing an individual's average monthly wage there shall not be counted, in the case of any calendar year after 1950, the excess over $3,600 of (A) the wages paid to him in such year, plus (B) the self-employment income credited to such year (as determined under section 212); and

"'(2) if an individual's average monthly wage computed under subsection (b) or for the purposes of subsection (d) (4) is not a multiple of $1, it shall be reduced to the next lower multiple of $1.

"'Recomputation of benefits

"'(f) (1) After an individual's primary insurance amount has been determined under this section, there shall be no recomputation of such individual's primary insurance amount except as provided in this subsection or, in the case of a World War II veteran who died prior to July 27, 1954, as provided in section 217 (b).

"'(2) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed (within a period of thirty-six months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage. A recomputation under this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the

month in which such application for recomputation is filed.

"'(3) (A) Upon application by an individual entitled to old-age insurance benefits, filed at least six months after the month in which he became so entitled, the Administrator shall recompute his primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section for computation of such amount except that his closing dates for purposes of subsection (b) shall be deemed to be the first day of the quarter in which he became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the first month in which he became entitled to old-age insurance benefits.

"'(B) Upon application by a person entitled to monthly benefits on the basis of the wages and self-employment income of an individual who died after August 1950, the Administrator shall recompute such individual's primary insurance amount if such application is filed at least six months after the month in which such individual died or became entitled to old-age insurance benefits, whichever first occurred. Such recomputation shall be made in the manner provided in the preceding subsections of this section for computation of such amount except that his closing dates for purposes of subsection (b) shall be deemed to be the first day of the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred. Such recomputation shall be effective for and after the month in which such person who filed the application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph shall affect the amount of the lump-sum death payment under subsection (i) of section 202 and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation.

"'(4) Upon the death after August 1950 of an individual entitled to old-age insurance benefits, if any person is entitled to monthly benefits, or to a lump-sum death payment, on the basis of the wages and self-employment income of such individual, the Administrator shall recompute the decedent's primary insurance amount, but (except as provided in paragraph (3) (B)) only if—

"'(A) the decedent would have been entitled to a recomputation under paragraph (2) if he had filed application therefor in the month in which he died; or

"'(B) the decedent during his lifetime was paid compensation which is treated, under section 205 (o), as remuneration for employment.

If the recomputation is permitted by subparagraph (A), the recomputation shall be made (if at all) as though he had filed application for a recomputation under paragraph (2) in the month in which he died, except that such recomputation shall include any compensation (described in section 205 (o)) paid to him prior to the divisor closing date which would have been applicable under such paragraph. If recomputation is permitted by subparagraph (B), the recomputation shall take into account only the wages and self-employment income which were taken into account in the last previous computation of his primary insurance amount and the compensation (described in section 205 (o)) paid to him prior to the divisor closing date applicable to such computation. If both of the preceding sentences are applicable to an individual, only the recomputation which results in the larger primary insurance amount shall be made.

"'(5) Any recomputation under this subsection shall be effective only if such recomputation results in a higher primary insurance amount.

"'*Rounding of benefits*

"'(g) The amount of any primary insurance amount and the amount of any monthly benefit computed under section 202 which (after reduction under section 203 (a)) is not a multiple of $0.10 shall be raised to the next higher multiple of $0.10.

"'OTHER DEFINITIONS

"'SEC. 216. For the purposes of this title—

"'*Retirement age*

"'(a) The term "retirement age" means age sixty-five.

"'*Wife*

"'(b) The term "wife" means the wife of an individual, but only if she (1) is the mother of his son or daughter, or (2) was married to him for a period of not less than three years immediately preceding the day on which her application is filed.

"'*Widow*

"'(c) The term "widow" (except when used in section 202 (i) means the surviving wife of an individual, but only if she (1) is the mother of his son or daughter, (2) legally adopted his son or daughter while she was married to him and while such son or daughter was under the age of eighteen, (3) was married to him at the time both of them legally adopted a child under the age of eighteen, or (4) was married to him for a period of not less than one year immediately prior to the day on which he died.

"'*Former wife divorced*

"'(d) The term "former wife divorced" means a woman divorced from an individual, but only if she (1) is the mother of his son or daughter, (2) legally adopted his son or daughter while she was married to him and while such son or daughter was under the age of eighteen, or (3) was married to him at the time both of them legally adopted a child under the age of eighteen.

"'*Child*

"'(e) The term "child" means (1) the child of an individual, and (2) in the case of a living individual, a stepchild or adopted child who has been such stepchild or adopted child for not less than three years immediately preceding the day on which application for child's benefits is filed, and (3) in the case of a deceased individual, (A) an adopted child, or (B) a stepchild who has been such stepchild for not less than one year immediately preceding the day on which such individual died. In determining whether an adopted child has met the length of time requirement in clause (2), time spent in the relationship of stepchild shall be counted as time spent in the relationship of adopted child.

"'*Husband*

"'(f) The term "husband" means the husband of an individual, but only if he (1) is the father of her son or daughter, or (2) was married to her for a period of not less than three years immediately preceding the day on which his application is filed.

"'*Widower*

"'(g) The term "widower" (except when used in section 202 (i)) means the surviving husband of an individual, but only if he (1) is the father of her son or daughter, (2) legally adopted her son or daughter while he was married to her and while such son or daughter was under the age of eighteen, (3) was married to her at the time both of them legally adopted a child under the age of eighteen, or (4) was married to her for a period of not less than one year immediately prior to the day on which she died.

"'*Determination of family status*

"'(h) (1) In determining whether an applicant is the wife, husband, widow, widower, child, or parent of a fully insured or currently insured individual for purposes of this title, the Administrator shall apply such law as would be applied in determining the devolution of intestate personal property by the courts of the State in which such insured individual is domiciled at the time such applicant files application, or, if such insured individual is dead, by the courts of the State, in which he was domiciled at the time of his death, or if such insured individual is or was not so domiciled in any State, by the courts of the District of Columbia. Applicants who according to such law would have the same status relative to taking intestate personal property as a wife, husband, widow, widower, child, or parent shall be deemed such.

"'(2) A wife shall be deemed to be living with her husband if they are both members of the same household, or she is receiving regular contributions from him toward her support, or he has been ordered by any court to contribute to her support; and a widow shall be deemed to have been living with her husband at the time of his death if they were both members of the same household on the date of his death, or she was receiving regular contributions from him toward her support on such date, or he had been ordered by any court to contribute to her support.

"'(3) A husband shall be deemed to be living with his wife if they are both members of the same household, or he is receiving regular contributions from her toward his support, or she has been ordered by any court to contribute to his support; and a widower shall be deemed to have been living with his wife at the time of her death if they were both members of the same household on the date of her death, or he was receiving regular contributions from her toward his support on such date, or she had been ordered by any court to contribute to his support.'

"(b) The amendment made by subsection (a) shall take effect January 1, 1951, except that sections 214, 215, and 216 of the Social Security Act shall be applicable (1) in the case of monthly benefits for months after August 1950, and (2) in the case of lump-sum death payments with respect to deaths after August 1950.

"WORLD WAR II VETERANS

"SEC. 105. Effective September 1, 1950, title II of the Social Security Act is amended by striking out section 210 and by adding after section 216 (added by section 104 (a) of this Act) the following:

"'BENEFITS IN CASE OF WORLD WAR II VETERANS

"'SEC. 217. (a) (1) For purposes of determining entitlement to and the amount of any monthly benefit for any month after August 1950, or entitlement to and the amount of any lump-sum death payment in case of a death after such month, payable under this title on the basis of the wages and self-employment income of any World War II veteran, such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States during World War II. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

"'(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

"'(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran during World War II is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

"'(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any World War II veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran during World War II, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

"'(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service during World War II shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

"'(b) (1) Any World War II veteran who died during the period of three years immediately following his separation from the active military or naval service of the United States shall be deemed to have died a fully insured individual whose primary insurance amount is the amount determined under section 215 (c). Notwithstanding section 215 (d), the primary insurance benefit (for purposes of section 215 (c)) of such veteran shall be determined as provided in this title as in effect prior to the enactment of this section, except that the 1 per centum addition provided for in section 209 (e) (2) of this Act as in effect prior to the enactment of this section shall be applicable only with respect to calendar years prior to 1951. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

"'(A) a larger such benefit or payment, as the case may be, would be payable without its application;

"'(B) any pension or compensation is determined by the Veterans' Administration to be payable by it on the basis of the death of such veteran;

"'(C) the death of the veteran occurred while he was in the active military or naval service of the United States; or

"'(D) such veteran has been discharged or released from the active military or naval service of the United States subsequent to July 26, 1951.

"'(2) Upon an application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any World War II veteran, the Federal Security Administrator shall make a decision without regard to paragraph (1) (B) of this subsection unless he has been notified by the Veterans' Administration that pension or compensation is determined to be payable by the Veterans' Administration by reason of the death of such veteran. The Federal Security Administrator shall thereupon report such decision to the Veterans' Administration. If the Veterans' Administration in any such case has made an adjudication or thereafter makes an adjudication that any pension or compensation is payable under any law adminstered by it, it shall notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment, or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection. Any payments theretofore certified by the Federal Security Administrator on the basis of paragraph (1) of this subsection to any individual, not exceeding the amount of any accrued pension or compensation payable to him by the Veterans' Administration, shall (notwithstanding the provisions of section 3 of the Act of August 12, 1935, as amended (38 U. S. C., sec. 454a)) be deemed to have been paid to him by such Administration on account of such accrued pension or compensation. No such payment certified by the Federal Security Administrator, and no payment certified by him for any month prior to the first month for which any pension or compensation is paid by the Veterans' Administration shall be deemed by reason of this subsection to have been an erroneous payment.

"'(c) In the case of any World War II veteran to whom subsection (a) is applicable, proof of support required under section 202 (h) may be filed by a parent at any time prior to July 1951 or prior to the expiration of two years after the date of the death of such veteran, whichever is the later.

"'(d) For the purposes of this section—

"'(1) The term "World War II" means the period beginning with September 16, 1940, and ending at the close of July 24, 1947.

"'(2) The term "World War II veteran" means any individual who served in the active military or naval service of the United States at any time during World War II and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense.'

"COVERAGE OF STATE AND LOCAL EMPLOYEES

"SEC. 106. Title II of the Social Security Act is amended by adding after section 217 (added by section 105 of this Act) the following:

"'VOLUNTARY AGREEMENTS FOR COVERAGE OF STATE AND LOCAL EMPLOYEES

"'*Purpose of agreement*

"'SEC. 218. (a) (1) The Administrator shall, at the request of any State, enter into an agreement with such State for the purpose of extending the insurance system established by this title to services performed by individuals as employees of such State or any political subdivision thereof. Each such agreement shall contain such provisions, not inconsistent with the provisions of this section, as the State may request.

"'(2) Notwithstanding section 210 (a), for the purposes of this title the term "employment" includes any service included under an agreement entered into under this section.

"'*Definitions*

"'(b) For the purposes of this section—

"'(1) The term "State" does not include the District of Columbia.

"'(2) The term "political subdivision" includes an instrumentality of (A) a State, (B) one or more political subdivisions of a State, or (C) a State and one or more of its political subdivisions.

"'(3) The term "employee" includes an officer of a State or political subdivision.

"'(4) The term "retirement system" means a pension, annuity, retirement, or similar fund or system established by a State or by a political subdivision thereof.

"'(5) The term "coverage group" means (A) employees of the State other than those engaged in performing service in connection with a proprietary function; (B) employees of a political subdivision of a State other than those engaged in performing service in connection with a proprietary function; (C) employees of a State engaged in performing service in connection with a single proprietary function; or (D) employees of a political subdivision of a State engaged in performing service in connection with a single proprietary function. If under the preceding sentence an employee would be included in more than one coverage group by reason of the fact that he performs service in connection with two or more proprietary functions or in connection with both a proprietary function and a nonproprietary function, he shall be included in only one such coverage group. The determination of the coverage group in which such employee shall be included shall be made in such manner as may be specified in the agreement.

"'*Services covered*

"'(c) (1) An agreement under this section shall be applicable to any one or more coverage groups designated by the State.

"'(2) In the case of each coverage group to which the agreement applies, the agreement must include all services (other than services excluded by or pursuant to subsection (d) or paragraph (3),)(5), or (6) of this subsection) performed by individuals as members of such group.

"'(3) Such agreement shall, if the State requests it, exclude (in the case of any coverage group) any services of an emergency nature or all services in any class or classes of elective positions, part-time positions, or positions the compensation for which is on a fee basis.

"'(4) The Administrator shall, at the request of any State, modify the agreement with such State so as to (A) include any coverage group to which the agreement did not previously apply, or (B) include, in the case of any coverage group to which the agreement applies, services previously excluded from the agreement; but the agreement as so modified may not be inconsistent with the provisions of this section applicable in the case of an original agreement with a State.

"'(5) Such agreement shall, if the State requests it, exclude (in the case of any coverage group) any agricultural labor, or service performed by a student, designated by the State. This paragraph shall apply only with respect to service which is excluded from employment by any provision of section 210 (a) other than paragraph (8) of such section.

"'(6) Such agreement shall exclude—

"'(A) service performed by an individual who is employed to relieve him from unemployment,

"'(B) service performed in a hospital, home, or other institution by a patient or inmate thereof,

"'(C) covered transportation service (as determined under section 210 (1)), and

"'(D) service (other than agricultural labor or service performed by a student) which is excluded from employment by any provision of section 210 (a) other than paragraph (8) of such section.

"'*Exclusion of positions covered by retirement systems*

"'(d) No agreement with any State may be made applicable (either in the original agreement or by any modification thereof) to any service performed by employees as members of any coverage group in positions covered by a retirement system on the date

such agreement is made applicable to such coverage group.

"'*Payments and reports by States*

"'(e) Each agreement under this section shall provide—

"'(1) that the State will pay to the Secretary of the Treasury, at such time or times as the Administrator may by regulations prescribe, amounts equivalent to the sum of the taxes which would be imposed by sections 1400 and 1410 of the Internal Revenue Code if the services of employees covered by the agreement constituted employment as defined in section 1426 of such code; and

"'(2) that the State will comply with such regulations relating to payments and reports as the Administrator may prescribe to carry out the purposes of this section.

"'*Effective date of agreement*

"'(f) Any agreement or modification of an agreement under this section shall be effective with respect to services performed after an effective date specified in such agreement or modification, but in no case prior to January 1, 1951, and in no case (other than in the case of an agreement or modification agreed to prior to January 1, 1953) prior to the first day of the calendar year in which such agreement or modification, as the case may be, is agreed to by the Administrator and the Senate.

"'*Termination of agreement*

"'(g) (1) Upon giving at least two years' advance notice in writing to the Administrator, a State may terminate, effective at the end of a calendar quarter specified in the notice, its agreement with the Administrator either—

"'(A) in its entirety, but only if the agreement has been in effect from its effective date for not less than five years prior to the receipt of such notice; or

"'(B) with respect to any coverage group designated by the State, but only if the agreement has been in effect with respect to such coverage group for not less than five years prior to the receipt of such notice.

"'(2) If the Administrator, after reasonable notice and opportunity for hearing to a State with whom he has entered into an agreement pursuant to this section, finds that the State has failed or is no longer legally able to comply substantially with any provision of such agreement or of this section, he shall notify such State that the agreement will be terminated in its entirety, or with respect to any one or more coverage groups designated by him, at such time, not later than two years from the date of such notice, as he deems appropriate, unless prior to such time he finds that there no longer is any such failure or that the cause for such legal inability has been removed.

"'(3) If any agreement entered into under this section is terminated in its entirety, the Administrator and the State may not again enter into an agreement pursuant to this section. If any such agreement is terminated with respect to any coverage group, the Administrator and the State may not thereafter modify such agreement so as to again make the agreement applicable with respect to such coverage group.

"'*Deposits in Trust Fund; adjustments*

"'(h) (1) All amounts received by the Secretary of the Treasury under an agreement made pursuant to this section shall be deposited in the Trust Fund.

"'(2) If more or less than the correct amount due under an agreement made pursuant to this section is paid with respect to any payment of remuneration, proper adjustments with respect to the amounts due under such agreement shall be made, without interest, in such manner and at such times as may be prescribed by regulations of the Administrator.

"'(3) If an overpayment cannot be adjusted under paragraph (2), the amount thereof and the time or times it is to be paid shall be certified by the Administrator to the Managing Trustee, and the Managing Trustee, through the Fiscal Service of the Treasury Department and prior to any action thereon by the General Accounting Office, shall make payment in accordance with such certification. The Managing Trustee shall not be held personally liable for any payment or payments made in accordance with a certification by the Administrator.

"'*Regulations*

"'(i) Regulations of the Administrator to carry out the purposes of this section shall be designed to make the requirements imposed on States pursuant to this section the same, so far as practicable, as those imposed on employers pursuant to this title and subchapter A or E of chapter 9 of the Internal Revenue Code.

"'*Failure to make payments*

"'(j) In case any State does not make, at the time or times due, the payments provided for under an agreement pursuant to this section, there shall be added, as part of the amounts due, interest at the rate of 6 per centum per annum from the date due until paid, and the Administrator may, in his discretion, deduct such amounts plus interest from any amounts certified by him to the Secretary of the Treasury for payment to such State under any other provision of this Act. Amounts so deducted shall be deemed to have been paid to the State under such other provision of this Act. Amounts equal to the amounts deducted under this subsection are hereby appropriated to the Trust Fund.

"'*Instrumentalities of two or more States*

"'(k) The Administrator may, at the request of any instrumentality of two or more States, enter into an agreement with such instrumentality for the purpose of extending the insurance system established by this title to services performed by individuals as employees of such instrumentality. Such agreement, to the extent practicable, shall be governed by the provisions of this section applicable in the case of an agreement with a State.

"'*Delegation of functions*

"'(l) The Administrator is authorized, pursuant to agreement with the head of any Federal agency, to delegate any of his functions under this section to any officer or employee of such agency and otherwise to utilize the services and facilities of such agency in carrying out such functions, and payment therefor shall be in advance or by way of reimbursement, as may be provided in such agreement.'

"PUERTO RICO

"SEC. 107. Title II of the Social Security Act is amended by adding after section 218 (added by section 106 of this Act) the following:

"'EFFECTIVE DATE IN CASE OF PUERTO RICO

"'SEC. 219. If the Governor of Puerto Rico certifies to the President of the United States that the legislature of Puerto Rico has, by concurrent resolution, resolved that it desires the extension to Puerto Rico of the provisions of this title, the effective date referred to in sections 210 (h), 210 (i), 210 (j), 211 (a) (7), and 211 (b) shall be January 1 of the first calendar year which begins more than ninety days after the date on which the President receives such certification.'

"RECORDS OF WAGES AND SELF-EMPLOYMENT INCOME

"SEC. 108. (a) Subsection (b) of section 205 of the Social Security Act is amended by inserting 'former wife divorced, husband, widower,' after 'widow,'.

"(b) Subsection (c) of section 205 of the Social Security Act is amended to read as follows:

"'(c) (1) For the purposes of this subsection—

"'(A) The term "year" means a calendar year when used with respect to wages and a taxable year (as defined in section 211 (e)) when used with respect to self-employment income.

"'(B) The term "time limitation" means a period of three years, two months, and fifteen days.

"'(C) The term "survivor" means an individual's spouse, former wife divorced, child, or parent, who survives such individual.

"'(2) On the basis of information obtained by or submitted to the Administrator, and after such verification thereof as he deems necessary, the Administrator shall establish and maintain records of the amounts of wages paid to, and the amounts of self-employment income derived by, each individual and of the periods in which such wages were paid and such income was derived and, upon request, shall inform any individual or his survivor, or the legal representative of such individual or his estate, of the amounts of wages and self-employment income of such individual and the periods during which such wages were paid and such income was derived, as shown by such records at the time of such request.

"'(3) The Administrator's records shall be evidence for the purpose of proceedings before the Administrator or any court of the amounts of wages paid to, and self-employment income derived by, an individual and of the periods in which such wages were paid and such income was derived. The absence of an entry in such records as to wages alleged to have been paid to, or as to self-employment income alleged to have been derived by, an individual in any period shall be evidence that no such alleged wages were paid to, or that no such alleged income was derived by, such individual during such period.

"'(4) Prior to the expiration of the time limitation following any year the Administrator may, if it is brought to his attention that any entry of wages or self-employment income in his records for such year is erroneous or that any item of wages or self-employment income for such year has been omitted from such records, correct such entry or include such omitted item in his records, as the case may be. After the expiration of the time limitation following any year—

"'(A) the Administrator's records (with changes, if any, made pursuant to paragraph (5)) of the amounts of wages paid to, and self-employment income derived by, an individual during any period in such year shall be conclusive for the purposes of this title;

"'(B) the absence of an entry in the Administrator's records as to the wages alleged to have been paid by an employer to an individual during any period in such year shall be presumptive evidence for the purposes of this title that no such alleged wages were paid to such individual in such period; and

"'(C) the absence of an entry in the Administrator's records as to the self-employment income alleged to have been derived by an individual in such year shall be conclusive for the purposes of this title that no such alleged self-employment income was derived by such individual in such year unless it is shown that he filed a tax return of his self-employment income for such year before the expiration of the time limitation following such year, in which case the Administrator shall include in his records the self-employment income of such individual for such year.

"'(5) After the expiration of the time limitation following any year in which wages were paid or alleged to have been paid to, or self-employment income was derived or alleged to have been derived by, an individual, the Administrator may change or delete any entry with respect to wages or self-employment income in his records of such year for such

individual or include in his records of such year for such individual any omitted item of wages or self-employment income but only—

"'(A) if an application for monthly benefits or for a lump-sum death payment was filed within the time limitation following such year; except that no such change, deletion, or inclusion may be made pursuant to this subparagraph after a final decision upon the application for monthly benefits or lump-sum death payment;

"'(B) if within the time limitation following such year an individual or his survivor makes a request for a change or deletion, or for an inclusion of an omitted item, and alleges in writing that the Administrator's records of the wages paid to, or the self-employment income derived by, such individual in such year are in one or more respects erroneous; except that no such change, deletion, or inclusion may be made pursuant to this subparagraph after a final decision upon such request. Written notice of the Administrator's decision on any such request shall be given to the individual who made the request;

"'(C) to correct errors apparent on the face of such records;

"'(D) to transfer items to records of the Railroad Retirement Board if such items were credited under this title when they should have been credited under the Railroad Retirement Act, or to enter items transferred by the Railroad Retirement Board which have been credited under the Railroad Retirement Act when they should have been credited under this title;

"'(E) to delete or reduce the amount of any entry which is erroneous as a result of fraud;

"'(F) to conform his records to tax returns or portions thereof (including information returns and other written statements) filed with the Commissioner of Internal Revenue under title VIII of the Social Security Act, under subchapter E of chapter 1 or subchapter A of chapter 9 of the Internal Revenue Code, or under regulations made under authority of such title or subchapter, and to information returns filed by a State pursuant to an agreement under section 218 or regulations of the Administrator thereunder; except that no amount of self-employment income of an individual for any taxable year (if such return or statement was filed after the expiration of the time limitation following the taxable year) shall be included in the Administrator's records pursuant to this subparagraph in excess of the amount which has been deleted pursuant to this subparagraph as payments erroneously included in such records as wages paid to such individual in such taxable year;

"'(G) to correct errors made in the allocation, to individuals or periods, of wages or self-employment income entered in the records of the Administrator;

"'(H) to include wages paid during any period in such year to an individual by an employer if there is an absence of an entry in the Administrator's records of wages having been paid by such employer to such individual in such period; or

"'(I) to enter items which constitute remuneration for employment under subsection (o), such entries to be in accordance with certified reports of records made by the Railroad Retirement Board pursuant to section 5 (k) (3) of the Railroad Retirement Act of 1937.

"'(6) Written notice of any deletion or reduction under paragraph (4) or (5) shall be given to the individual whose record is involved or to his survivor, except that (A) in the case of a deletion or reduction with respect to any entry of wages such notice shall be given to such individual only if he has previously been notified by the Administrator of the amount of his wages for the period involved, and (B) such notice shall be given to such survivor only if he or the individual whose record is involved has previously been notified by the Administrator of the amount of such individual's wages and self-employment income for the period involved.

"'(7) Upon request in writing (within such period, after any change or refusal of a request for a change of his records pursuant to this subsection, as the Administrator may prescribe), opportunity for hearing with respect to such change or refusal shall be afforded to any individual or his survivor. If a hearing is held pursuant to this paragraph the Administrator shall make findings of fact and a decision based upon the evidence adduced at such hearing and shall include any omitted items, or change or delete any entry, in his records as may be required by such findings and decision.

"'(8) Decisions of the Administrator under this subsection shall be reviewable by commencing a civil action in the United States district court as provided in subsection (g).'

"(c) Section 205 of the Social Security Act is amended by adding at the end thereof the following subsections:

"'*Crediting of compensation under the Railroad Retirement Act*

"'(o) If there is no person who would be entitled, upon application therefor, to an annuity under section 5 of the Railroad Retirement Act of 1937, or to a lump-sum payment under subsection (f) (1) of such section, with respect to the death of an employee (as defined in such Act), then, notwithstanding section 210 (a) (10) of this Act, compensation (as defined in such Railroad Retirement Act, but excluding compensation attributable as having been paid during any month on account of military service creditable under section 4 of such Act if wages are deemed to have been paid to such employee during such month under section 217 (a) of this Act) of such employee shall constitute remuneration for employment for purposes of determining (A) entitlement to and the amount of any lump-sum death payment under this title on the basis of such employee's wages and self-employment income and (B) entitlement to and the amount of any monthly benefit under this title, for the month in which such employee died or for any month thereafter, on the basis of such wages and self-employment income. For such purposes, compensation (as so defined) paid in a calendar year shall, in the absence of evidence to the contrary, be presumed to have been paid in equal proportions with respect to all months in the year in which the employee rendered services for such compensation.

"'*Special rules in case of Federal service*

"'(p) (1) With respect to service included as employment under section 210 which is performed in the employ of the United States or in the employ of any instrumentality which is wholly owned by the United States, the Administrator shall not make determinations as to whether an individual has performed such service, the periods of such service, the amounts of remuneration for such service which constitute wages under the provisions of section 209, or the periods in which or for which such wages were paid, but shall accept the determinations with respect thereto of the head of the appropriate Federal agency or instrumentality, and of such agents as such head may designate, as evidenced by returns filed in accordance with the provisions of section 1420 (e) of the Internal Revenue Code and certifications made pursuant to this subsection. Such determinations shall be final and conclusive.

"'(2) The head of any such agency or instrumentality is authorized and directed, upon written request of the Administrator, to make certification to him with respect to any matter determinable for the Administrator by such head or his agents under this subsection, which the Administrator finds necessary in administering this title.

"'(3) The provisions of paragraphs (1) and (2) shall be applicable in the case of service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department; and for purposes of paragraphs (1) and (2) the Secretary of Defense shall be deemed to be the head of such instrumentality.'

"(d) The amendments made by subsections (a) and (c) of this section shall take effect on September 1, 1950. The amendment made by subsection (b) of this section shall take effect January 1, 1951, except that, effective on September 1, 1950, the husband or former wife divorced of an individual shall be treated the same as a parent of such individual, and the legal representative of an individual or his estate shall be treated the same as the individual, for purposes of section 205 (c) of the Social Security Act as in effect prior to the enactment of this Act.

"MISCELLANEOUS AMENDMENTS

"SEC. 109. (a) (1) The second sentence of section 201 (a) of the Social Security Act is amended by striking out 'such amounts as may be appropriated to the Trust Fund' and inserting in lieu thereof 'such amounts as may be appropriated to, or deposited in, the Trust Fund.'

"(2) Section 201 (a) of the Social Security Act is amended by striking out the third sentence and by inserting in lieu thereof the following: "'There is hereby appropriated to the Trust Fund for the fiscal year ending June 30, 1941, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

"'(1) the taxes (including interest, penalties, and additions to the taxes) received under subchapter A of chapter 9 of the Internal Revenue Code (and covered into the Treasury) which are deposited into the Treasury by collectors of internal revenue before January 1, 1951; and

"'(2) the taxes certified each month by the Commissioner of Internal Revenue as taxes received under subchapter A of chapter 9 of such code which are deposited into the Treasury by collectors of internal revenue after December 31, 1950, and before January 1, 1953, with respect to assessments of such taxes made before January 1, 1951; and

"'(3) the taxes imposed by subchapter A of chapter 9 of such code with respect to wages (as defined in section 1426 of such code) reported to the Commissioner of Internal Revenue pursuant to section 1420 (c) of such code after December 31, 1950, as determined by the Secretary of the Treasury by applying the applicable rates of tax under such subchapter to such wages, which wages shall be certified by the Federal Security Administrator on the basis of the records of wages established and maintained by such Administrator in accordance with such reports; and

"'(4) the taxes imposed by subchapter E of chapter 1 of such code with respect to self-employment income (as defined in section 481 of such code) reported to the Commissioner of Internal Revenue on tax returns under such subchapter, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such subchapter to such self-employment income, which self-employment income shall be cer-

tified by the Federal Security Administrator on the basis of the records of self-employment income established and maintained by the Administrator in accordance with such returns.

The amounts appropriated by clauses (3) and (4) shall be transferred from time to time from the general fund in the Treasury to the Trust Fund on the basis of estimates by the Secretary of the Treasury of the taxes, referred to in clauses (3) and (4), paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the amounts of the taxes referred to in such clauses.'

"(3) Section 201 (a) of the Social Security Act is amended by striking out the following: 'There is also authorized to be appropriated to the Trust Fund such additional sums as may be required to finance the benefits and payments provided under this title.'

"(4) Section 201 (b) of such Act is amended by striking out 'Chairman of the Social Security Board' and inserting in lieu thereof 'Federal Security Administrator'.

"(5) Section 201 (b) of such Act is amended by adding after second sentence thereof the following new sentence: 'The Commissioner for Social Security shall serve as Secretary of the Board of Trustees.'

"(6) Paragraph (2) of section 201 (b) of such Act is amended by striking out 'on the first day of each regular session of the Congress' and inserting in lieu thereof 'not later than the first day of March of each year'.

"(7) Section 201 (b) of such Act is amended by striking out the period at the end of paragraph (3) and inserting in lieu thereof '; and', and by adding the following new paragraph:

"'(4) Recommend improvements in administrative procedures and policies designed to effectuate the proper coordination of the old-age and survivors insurance and Federal-State unemployment compensation programs.'

"(8) Section 201 (b) of such Act is amended by adding at the end thereof the following: 'Such report shall be printed as a House document of the session of the Congress to which the report is made.'

"(9) Section 201 (f) of such Act is amended to read as follows:

"'(f) (1) The Managing Trustee is directed to pay from the Trust Fund into the Treasury the amount estimated by him and the Federal Security Administrator which will be expended during a three-month period by the Federal Security Agency and the Treasury Department for the administration of titles II and VIII of this Act and subchapter E of chapter 1 and subchapter A of chapter 9 of the Internal Revenue Code. Such payments shall be covered into the Treasury as repayments to the account for reimbursement of expenses incurred in connection with the administration of title II and VIII of this Act and subchapter E of chapter 1 and subchapter A of chapter 9 of the Internal Revenue Code.

"'(2) The Managing Trustee is directed to pay from time to time from the Trust Fund into the Treasury the amount estimated by him as taxes which are subject to refund under section 1401 (d) of the Internal Revenue Code with respect to wages (as defined in section 1426 of such code) paid after December 31, 1950. Such taxes shall be determined on the basis of the records of wages established and maintained by the Federal Security Administrator in accordance with the wages reported to the Commissioner of Internal Revenue pursuant to section 1420 (c) of such code, and the Administrator shall furnish the Managing Trustee such information as may be required by the Trustee for such purpose. The payments by the Managing Trustee shall be covered into the Treasury as repayments to the account for refunding internal revenue collections.

"'(3) Repayments made under paragraph (1) or (2) shall not be available for expenditures but shall be carried to the surplus fund of the Treasury. If it subsequently appears that the estimates under either such paragraph in any particular period were too high or too low, appropriate adjustments shall be made by the Managing Trustee in future payments.'

"(b) (1) Sections 204, 205 (other than subsections (c) and (l)), and 206 of such Act are amended by striking out 'Board' wherever appearing therein and inserting in lieu thereof 'Administrator'; by striking out 'Board's' wherever appearing therein and inserting in lieu thereof 'Administrator's'; and by striking out (where they refer to the Social Security Board) 'it' and 'its' and inserting in lieu thereof 'he', 'him', or 'his', as the context may require.

"(2) Section 205 (l) of such Act is amended to read as follows:

"'(2) The Administrator is authorized to delegate to any member, officer, or employee of the Federal Security Agency designated by him any of the powers conferred upon him by this section, and is authorized to be represented by his own attorneys in any court in any case or proceeding arising under the provisions of subsection (e).'

"(c) Section 208 of such Act is amended by striking out the words 'the Federal Insurance Contributions Act' and inserting in lieu thereof the following: 'subchapter E of chapter 1 or subchapter A or E, of chapter 9 of the Internal Revenue Code'.

"SERVICES FOR COOPERATIVES PRIOR TO 1951

"SEC. 110. In any case in which—

"(1) an individual has been employed at any time prior to 1951 by organizations enumerated in the first sentence of section 101 (12) of the Internal Revenue Code,

"(2) the service performed by such individual during the time he was so employed constituted agricultural labor as defined in section 209 (l) of the Social Security Act and section 1426 (h) of the Internal Revenue Code, as in effect prior to the enactment of this Act, and such service would, but for the provisions of such sections, have constituted employment for the purposes of title II of the Social Security Act and subchapter A of chapter 9 of such Code,

"(3) the taxes imposed by sections 1400 and 1410 of the Internal Revenue Code have been paid with respect to any part of the remuneration paid to such individual by such organization for such service and the payment of such taxes by such organization has been made in good faith upon the assumption that such service did not constitute agricultural labor as so defined, and

"(4) no refund of such taxes has been obtained,

the amount of such remuneration with respect to which such taxes have been paid shall be deemed to constitute remuneration for employment as defined in section 209 (b) of the Social Security Act as in effect prior to the enactment of this Act (but it shall not constitute wages for purposes of deductions under section 203 of such Act for months for which benefits under title II of such Act have been certified and paid prior to the enactment of this Act).

"TITLE II—AMENDMENTS TO INTERNAL REVENUE CODE

"RATE OF TAX ON WAGES

"SEC. 201. (a) Clauses (2) and (3) of section 1400 of the Internal Revenue Code are amended to read as follows:

"'(2) With respect to wages received during the calendar years 1950 to 1953, both inclusive, the rate shall be 1½ per centum.

"'(3) With respect to wages received during the calendar years 1954 to 1959, both inclusive, the rate shall be 2 per centum.

"'(4) With respect to wages received during the calendar years 1960 to 1964, both inclusive, the rate shall be 2½ per centum.

"'(5) With respect to wages received during the calendar years 1965 to 1969, both inclusive, the rate shall be 3 per centum.

"'(6) With respect to wages received after December 31, 1969, the rate shall be 3¼ per centum.'

"(b) Clauses (2) and (3) of section 1410 of the Internal Revenue Code are amended to read as follows:

"'(2) With respect to wages paid during the calendar years 1950 to 1953, both inclusive, the rate shall be 1½ per centum.

"'(3) With respect to wages paid during the calendar years 1954 to 1959, both inclusive, the rate shall be 2 per centum.

"'(4) With respect to wages paid during the calendar years 1960 to 1964, both inclusive, the rate shall be 2½ per centum.

"'(5) With respect to wages paid during the calendar years 1965 to 1969, both inclusive, the rate shall be 3 per centum.

"'(6) With respect to wages paid after December 31, 1969, the rate shall be 3¼ per centum.'

"FEDERAL SERVICE

"SEC. 202. (a) Part II of subchapter A of chapter 9 of the Internal Revenue Code is amended by adding after section 1411 the following new section:

"'SEC. 1412. Instrumentalities of the United States.

"'Notwithstanding any other provision of law (whether enacted before or after the enactment of this section) which grants to any instrumentality of the United States an exemption from taxation, such instrumentality shall not be exempt from the tax imposed by section 1410 unless such other provision of law grants a specific exemption, by reference to section 1410, from the tax imposed by such section.'

"(b) Section 1420 of the Internal Revenue Code is amended by adding at the end thereof the following new subsection:

"'(e) Federal service.—In the case of the taxes imposed by this subchapter with respect to service performed in the employ of the United States or in the employ of any instrumentality which is wholly owned by the United States, the determination whether an individual has performed service which constitutes employment as defined in section 1426, the determination of the amount of remuneration for such service which constitutes wages as defined in such section, and the return and payment of the taxes imposed by this subchapter, shall be made by the head of the Federal agency or instrumentality having the control of such service, or by such agents as such head may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 1410 with respect to such service without regard to the $3,600 limitation in section 1426 (a) (1), and he shall not be required to obtain a refund of the tax paid under section 1410 on that part of the remuneration not included in wages by reason of section 1426 (a) (1). The provisions of this subsection shall be applicable in the case of service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department; and for purposes of this subsection the Secretary of Defense shall be deemed to be the head of such instrumentality.'

"(c) Section 1411 of the Internal Revenue Code is amended by adding at the end thereof the following new sentence: 'For the purposes of this section, in the case of remuneration received from the United States or a wholly owned instrumentality thereof during any calendar year after the calendar year 1950, each head of a Federal agency or instrumentality who makes a return pursuant to section 1420 (e) and each agent, designated by the head of a Federal agency or instrumentality, who makes a return pursuant to such section shall be deemed a separate employer.'.

"(d) The amendments made by this section shall be applicable only with respect to remuneration paid after 1950.

"DEFINITION OF WAGES

"SEC. 203. (a) Section 1426 (a) of the Internal Revenue Code is amended to read as follows:

"'(a) WAGES.—The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include—

"'(1) That part of the remuneration which, after remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) equal to $3,600 with respect to employment has been paid to an individual by an employer during any calendar year, is paid to such individual by such employer during such calendar year. If an employer (hereinafter referred to as successor employer) during any calendar year acquires substantially all the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and immediately after the acquisition employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessor, then, for the purpose of determining whether the successor employer has paid remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment equal to $3,600 to such individual during such calendar year, any remuneration (other than remuneration referred to in the succeeding pragraphs of this subsection) with respect to employment paid (or considered under this paragraph as having been paid) to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor employer;

"'(2) The amount of any payment (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) made to, or on behalf of, an employee or any of his dependents under a plan or system established by an employer which makes provision for his employees generally (or for his employees generally and their dependents) or for a class or classes of his employees (or for a class or classes of his employees and their dependents), on account of (A) retirement, or (B) sickness or accident disability, or (C) medical or hospitalization expenses in connection with sickness or accident disability, or (D) death;

"'(3) Any payment made to an employee (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) on account of retirement;

"'(4) Any payment on account of sickness or accident disability of medical or hospitalization expenses in connection with sickness or accident disability, made by an employer to, or on behalf of, an employee after the expiration of six calendar months following the last calendar month in which the employee worked for such employer;

"'(5) Any payment made to, or on behalf of, an employee or his beneficiary (A) from or to a trust exempt from tax under section 165 (a) at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust, or (B) under or to an annuity plan which, at the time of such payment, meets the requirements of section 165 (a) (3), (4), (5), and (6);

"'(6) The payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under section 1400, or (B) of any payment required from an employee under a State unemployment compensation law;

"'(7) (A) Remuneration paid in any medium other than cash to an employee for service not in the course of the employer's trade or business or for domestic service in a private home of the employer;

"'(B) Cash remuneration paid by an employer in any calendar quarter to an employee for domestic service in a private home of the employer, if the cash remuneration paid in the quarter for such service is less than $50 or the employee is not regularly employed by the employer in such quarter of payment. For the purposes of this subparagraph, an employee shall be deemed to be regularly employed by an employer during a calendar quarter only if (i) on each of some twenty-four days during the quarter the employee performs for the employer for some portion of the day domestic service in a private home of the employer, or (ii) the employee was regularly employed (as determined under clause (i)) by the employer in the performance of such service during the preceding calendar quarter. As used in this subparagraph, the term "domestic service in a private home of the employer" does not include service described in subsection (h) (5);

"'(8) Remuneration paid in any medium other than cash for agricultural labor;

"'(9) Any payment (other than vacation or sick pay) made to an employee after the month in which he attains the age of sixty-five, if he did not work for the employer in the period for which such payment is made; or

"'(10) Remuneration paid by an employer in any calendar quarter to an employee for service described in subsection (d) (3) (C) (relating to home workers), if the cash remuneration paid in such quarter by the employer to the employee for such service is less than $50.'

"(b) So much of section 1401 (d) (2) of the Internal Revenue Code as precedes the second sentence thereof is amended to read as follows:

"'(2) Wages received during 1947, 1948, 1949, and 1950: If by reason of an employee receiving wages from more than one employer during the calendar year 1947, 1948, 1949, or 1950, the wages received by him during such year exceed $3,000, the employee shall be entitled to a refund of any amount of tax, with respect to such wages, imposed by section 1400 and deducted from the employee's wages (whether or not paid to the collector), which exceeds the tax with respect to the first $3,000 of such wages received.'

"(c) Section 1401 (d) of the Internal Revenue Code is amended by adding at the end thereof the following new paragraphs:

"'(3) Wages received after 1950: If by reason of an employee receiving wages from more than one employer during any calendar year after the calendar year 1950, the wages received by him during such year exceed $3,600, the employee shall be entitled to a refund of any amount of tax, with respect to such wages, imposed by section 1400 and deducted from the employee's wages (whether or not paid to the collector), which exceeds the tax with respect to the first $3,600 of such wages received. Refund under this section may be made in accordance with the provisions of law applicable in the case of erroneous or illegal collection of the tax; except that no such refund shall be made unless (A) the employee makes a claim, establishing his right thereto, after the calendar year in which the wages were received with respect to which refund of tax is claimed, and (B) such claim is made within two years after the calendar year in which such wages were received. No interest shall be allowed or paid with respect to any such refund.

"'(4) Special rules in the case of Federal and State employees:

"'(A) Federal employees: In the case of remuneration received from the United States or a wholly owned instrumentality thereof during any calendar year after the calendar year 1950, each head of a Federal agency or instrumentality who makes a return pursuant to section 1420 (e) and each agent, designated by the head of a Federal agency or instrumentality, who makes a return pursuant to such section shall, for the purposes of subsection (c) and paragraph (3) of this subsection, be deemed a separate employer; and the term "wages" includes, for the purposes of paragraph (3) of this subsection, the amount, not to exceed $3,600, determined by each such head or agent as constituting wages paid to an employee.

"'(B) State employees: For the purposes of paragraph (3) of this subsection, in the case of remuneration received during any calendar year after the calendar year 1950, the term "wages" includes such remuneration for services covered by an agreement made pusuant to section 218 of the Social Security Act as would be wages if such services constituted employment; the term "employer" includes a State or any political subdivision thereof, or any instrumentality of any one or more of the foregoing; the term "tax" or "tax imposed by section 1400" includes, in the case of services covered by an agreement made pursuant to section 218 of the Social Security Act, an amount equivalent to the tax which would be imposed by section 1400, if such services constituted employment as defined in section 1426; and the provisions of paragraph (3) of this subsection shall apply whether or not any amount deducted from the employee's remuneration as a result of an agreement made pursuant to section 218 of the Social Security Act has been paid to the Secretary of the Treasury.'

"(d) The amendment made by subsection (a) of this section shall be applicable only with respect to remuneration paid after 1950. In the case of remuneration paid prior to 1951, the determination under section 1426 (a) (1) of the Internal Revenue Code (prior to its amendment by this Act) of whether or not such remuneration constituted wages shall be made as if subsection (a) of this section had not been enacted and without inferences drawn from the fact that the amendment made by subsection (a) is not made applicable to periods prior to 1951.

"DEFINITION OF EMPLOYMENT

"SEC. 204. (a) Effective January 1, 1951, section 1426 (b) of the Internal Revenue Code is amended to read as follows:

"'(b) Employment: The term "employment" means any service performed after 1936 and prior to 1951 which was employment for the purposes of this subchapter under the law applicable to the period in which such service was performed, and any service, of whatever nature, performed after 1950 either (A) by an employee for the person employing him, irrespective of the citizenship or residence of either, (i) within the United States, or (ii) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States, or (B) out-

side the United States by a citizen of the United States as an employee for an American employer (as defined in subsection (i) of this section); except that, in the case of service performed after 1950, such term shall not include—

"'(1) (A) Agricultural labor (as defined in subsection (h) of this section) performed in any calendar quarter by an employee, unless the cash remuneration paid for such labor (other than service described in subparagraph (B)) is $50 or more and such labor is performed for an employer by an individual who is regularly employed by such employer to perform such agricultural labor. For the purposes of this subparagraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

"'(i) such individual performs agricultural labor (other than service described in subparagraph (B)) for such employer on a full-time basis on sixty days during such quarter, and

"'(ii) the quarter was immediately preceded by a qualifying quarter.

For the purposes of the preceding sentence, the term "qualifying quarter" means (I) any quarter during all of which such individual was continuously employed by such employer, or (II) any subsequent quarter which meets the test of clause (i) if, after the last quarter during all of which such individual was continuously employed by such employer, each intervening quarter met the test of clause (i). Notwithstanding the preceding provisions of this subparagraph, an individual shall also be deemed to be regularly employed by an employer during a calendar quarter if such individual was regularly employed (upon application of clauses (i) and (ii) by such employer during the preceding calendar quarter.

"'(B) Services performed in connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton;

"'(2) Domestic service performed in a local college club, or local chapter of a college fraternity or sorority, by a student who is enrolled and is regularly attending classes at a school, college, or university;

"'(3) Service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is $50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For the purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if (A) on each of some twenty-four days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business, or (B) such individual was regularly employed (as determined under clause (A)) by such employer in the performance of such service during the preceding calendar quarter. As used in this paragraph, the term "service not in the course of the employer's trade or business" does not include domestic service in a private home of the employer and does not include service described in subsection (h) (5);

"'(4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one in the employ of his father or mother;

"'(5) Service performed by an individual on or in connection with a vessel not an American vessel, or on or in connection with an aircraft not an American aircraft, if the individual is employed on and in connection with such vessel or aircraft when outside the United States;

"'(6) Service performed in the employ of any instrumentality of the United States, if such instrumentality is exempt from the tax imposed by section 1410 by virtue of any provision of law which specifically refers to such section in granting such exemption;

"'(7) (A) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is covered by a retirement system established by a law of the United States;

"'(B) Service performed in the employ of an instrumentality of the United States if such an instrumentality was exempt from the tax imposed by section 1410 on December 31, 1950, except that the provisions of this subparagraph shall not be applicable to—

"'(i) service performed in the employ of a corporation which is wholly owned by the United States;

"'(ii) service performed in the employ of a national farm loan association, a production credit association, a Federal Reserve Bank, or a Federal Credit Union;

"'(iii) service performed in the employ of a State, county, or community committee under the Production and Marketing Administration; or

"'(iv) service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department;

"'(C) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is performed—

"'(i) as the President or Vice President of the United States or as a Member, Delegate, or Resident Commissioner, of or to the Congress;

"'(ii) in the legislative branch;

"'(iii) in the field service of the Post Office Department unless performed by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is serving under a temporary appointment pending final determination of eligibility for permanent or indefinite appointment;

"'(iv) in or under the Bureau of the Census of the Department of Commerce by temporary employees employed for the taking of any census;

"'(v) by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is paid on a contract or fee basis;

"'(vi) by any individual as an employee receiving nominal compensation of $12 or less per annum;

"'(vii) in a hospital, home, or other institution of the United States by a patient or inmate thereof;

"'(viii) by any individual as a consular agent appointed under authority of section 551 of the Foreign Service Act of 1946 (22 U. S. C., sec. 951);

"'(ix) by any individual as an employee included under section 2 of the Act of August 4, 1947 (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government; 5 U. S. C., sec. 1052);

"'(x) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;

"'(xi) by any individual as an employee who is employed under a Federal relief program to relieve him from unemployment;

"'(xii) as a member of a State, county, or community committee under the Production and Marketing Administration or of any other board, council, committee, or other similar body, unless such board, council, committee, or other body is composed exclusively of individuals otherwise in the full-time employ of the United States; or

"'(xiii) by an individual to whom the Civil Service Retirement Act of 1930 does not apply because such individual is subject to another retirement system;

"'(8) Service (other than service which, under subsection (k), constitutes covered transportation service) performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions;

"'(9) (A) Service performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order;

"'(B) Service performed in the employ of a religious, charitable, educational, or other organization exempt from income tax under section 101 (6), but this subparagraph shall not apply to service performed during the period for which a certificate, filed pursuant to subsection (l), is in effect if such service is performed by an employee (i) whose signature appears on the list filed by such organization under subsection (l), or (ii) who became an employee of such organization after the calendar quarter in which the certificate was filed;

"'(10) Service performed by an individual as an employee or employee representative as defined in section 1532;

"'(11) (A) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 101, if the remuneration for such service is less than $50;

"'(B) Service performed in the employ of a school, college, or university if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university;

"'(12) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

"'(13) Service performed in the employ of an instrumentality wholly owned by a foreign government—

"'(A) If the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

"'(B) If the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality and employees thereof exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof;

"'(14) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law; and service performed as an intern in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered or approved pursuant to State law;

"'(15) Service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed by any such individual as an ordinary incident to any such activity), except (A) service performed in connection

with the catching or taking of salmon or halibut, for commercial purposes, and (B) service performed on or in connection with a vessel of more than ten net tons (determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States);

"'(16) (A) Service performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

"'(B) Service performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back; or

"'(17) Service performed in the employ of an international organization.'

"(b) Effective January 1, 1951, section 1426 (e) of the Internal Revenue Code is amended to read as follows:

"'(e) State, etc.:

"'(1) The term "State" includes Alaska, Hawaii, the District of Columbia, and the Virgin Islands; and on and after the effective date specified in section 3810 such term includes Puerto Rico.

"'(2) United States: The term "United States" when used in a geographical sense includes the Virgin Islands; and on and after the effective date specified in section 3810 such term includes Puerto Rico.

"'(3) Citizen: An individual who is a citizen of Puerto Rico (but not otherwise a citizen of the United States) and who is not a resident of the United States shall not be considered, for the purposes of this section, as a citizen of the United States prior to the effective date specified in section 3810.'"

"(c) Section 1426 (g) of the Internal Revenue Code is amended by striking out '(g) American vessel.—' and inserting in lieu thereof '(g) American vessel and aircraft'—, and by striking out the period at the end of such subsection and inserting in lieu thereof the following: '; and the term "American aircraft" means an aircraft registered under the laws of the United States.'"

"(d) Section 1426 (h) of the Internal Revenue Code is amended to read as follows:

"'(h) Agricultural labor: The term "agricultural labor" includes all service performed—

"'(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife .

"'(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

"'(3) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes.

"'(4) (A) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than one-half of the commodity with respect to which such service is performed.

"'(B) In the employ of a group of operators of farms (other than a cooperative organization) in the performance of service described in subparagraph (A), but only if such operators produced all of the commodity with respect to which such service is performed. For the purposes of this subparagraph, any unincorporated group of operators shall be deemed a cooperative organization if the number of operators comprising such group is more than twenty at any time during the calendar quarter in which such service is performed.

"'(C) The provisions of subparagraphs (A) and (B) shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

"'(5) On a farm operated for profit if such service is not in the course of the employer's trade or business or is domestic service in a private home of the employer.

"'As used in this section, the term 'farm' includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.'

"(e) Section 1426 of the Internal Revenue Code is amended by striking out subsections (i) and (j) and inserting in lieu thereof the following:

"'(i) American employer: The term 'American employer' means an employer which is (1) the United States or any instrumentality thereof. (2) an individual who is a resident of the United States, (3) a partnership, if two-thirds or more of the partners are residents of the United States, (4) a trust, if all of the trustees are residents of the United States, or (5) a corporation organized under the laws of the United States or of any State.

"'(j) Computation of wages in certain cases: For purposes of this subchapter, in the case of domestic service described in subsection (a) (7) (B), any payment of cash remuneration for such service which is more or less than a whole-dollar amount shall, under such conditions and to such extent as may be prescribed by regulations made under this subchapter, be computed to the nearest dollar. For the purpose of the computation to the nearest dollar, the payment of a fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case it shall be increased to $1. The amount of any payment of cash remuneration so computed to the nearest dollar shall, in lieu of the amount actually paid, be deemed to constitute the amount of cash remunerations for purposes of subsection (a) (7) (B).

"'(k) Covered transportation service:

"'(1) Existing transportation systems—General rule: Except as provided in paragraph (2), all service performed in the employ of a State or political subdivision in connection with its operation of a public transportation system shall constitute covered transportation service if any part of the transportation system was acquired from private ownership after 1936 and prior to 1951.

"'(2) Existing transportation systems—Cases in which no transportation employees, or only certain employees, are covered: Service performed in the employ of a State or political subdivision in connection with the operation of its public transportation system shall not constitute covered transportation service if—

"'(A) Any part of the transportation system was acquired from private ownership after 1936 and prior to 1951, and substantially all service in connection with the operation of the transportation system is, on December 31, 1950, covered under a general retirement system providing benefits which, by reason of a provision of the State constitution dealing specifically with retirement systems of the State or political subdivisions thereof, cannot be diminished or impaired; or

"'(B) no part of the transportation system operated by the State or political subdivision on December 31, 1950, was acquired from private ownership after 1936 and prior to 1951;

except that if such State or political subdivision makes an acquisition after 1950 from private ownership of any part of its transportation system, then, in the case of any employee who—

"'(C) became an employee of such State or political subdivision in connection with and at the time of its acquisition after 1950 of such part, and

"'(D) prior to such acquisition rendered service in employment (including as employment service covered by an agreement under section 218 of the Social Security Act) in connection with the operation of such part of the transportation system acquired by the State or political subdivision,

the service of such employee in connection with the operation of the transportation system shall constitute covered transportation service, commencing with the first day of the third calendar quarter following the calendar quarter in which the acquisition of such part took place, unless on such first day such service of such employee is covered by a general retirement system which does not, with respect to such employee, contain special provisions applicable only to employees described in subparagraph (C).

"'(3) Transportation systems acquired after 1950.—All service performed in the employ of a State or political subdivision thereof in connection with its operation of a public transportation system shall constitute covered transportation service if the transportation system was not operated by the State or political subdivision prior to 1951 and, at the time of its first acquisition (after 1950) from private ownership of any part of its transportation system, the State or political subdivision did not have a general retirement system covering substantially all service performed in connection with the operation of the transportation system.

"'(4) Definitions: For the purposes of this subsection—

"'(A) The term "general retirement system" means any pension, annuity, retirement, or similar fund or system established by a State or by a political subdivision thereof for employees of the State, political subdivision, or both; but such term shall not include such a fund or system which covers only service performed in positions connected with the operation of its public transportation system.

"'(B) A transportation system or a part thereof shall be considered to have been acquired by a State or political subdivision from private ownership if prior to the acquisition service performed by employees in connection with the operation of the system or part thereof acquired constituted employment under this subchapter or was covered by an agreement made pursuant to section 218 of the Social Security Act and some of such employees became employees of the

State or political subdivision in connection with and at the time of such acquisition.

"'(C) The term "political subdivision" includes an instrumentality of (i) a State, (ii) one or more political subdivisions of a State, or (iii) a State and one or more of its political subdivisions.

"'(l) Exemption of religious, charitable, etc., organizations:

"'(1) Waiver of exemption by organization: An organization exempt from income tax under section 101 (6) may file a certificate (in such form and manner, and with such official, as may be prescribed by regulations made under this subchapter) certifying that it desires to have the insurance system established by title II of the Social Security Act extended to service performed by its employees and that at least two-thirds of its employees concur in the filing of the certificate. Such certificate may be filed only if it is accompanied by a list containing the signature, address, and social security account number (if any) of each employee who concurs in the filing of the certificate. Such list may be amended, at any time prior to the expiration of the first month following the first calendar quarter for which the certificate is in effect, by filing with such official a supplemental list or lists containing the signature, address, and social security account number (if any) of each additional employee who concurs in the filing of the certificate. The list and any supplemental list shall be filed in such form and manner as may be prescribed by regulations made under this subchapter. The certificate shall be in effect (for the purposes of subsection (b) (9) (B) and for the purposes of section 210 (a) (9) (B) of the Social Security Act) for the period beginning with the first day following the close of the calendar quarter in which such certificate is filed, but in no case shall such period begin prior to January 1, 1951. The period for which the certificate is effective may be terminated by the organization, effective at the end of a calendar quarter, upon giving two years' advance notice in writing, but only if, at the time of the receipt of such notice, the certificate has been in effect for a period of not less than eight years. The notice of termination may be revoked by the organization by giving, prior to the close of the calendar quarter specified in the notice of termination, a written notice of such revocation. Notice of termination or revocation thereof shall be filed in such form and manner, and with such official, as may be prescribed by regulations made under this subchapter.

"'(2) Termination of waiver period by Commissioner: If the Commissioner finds that any organization which filed a certificate pursuant to this subsection has failed to comply substantially with the requirements of this subchapter or is no longer able to comply therewith, the Commissioner shall give such organization not less than sixty days' advance notice in writing that the period covered by such certificate will terminate at the end of the calendar quarter specified in such notice. Such notice of termination may be revoked by the Commissioner by giving, prior to the close of the calendar quarter specified in the notice of termination, written notice of such revocation to the organization. No notice of termination or of revocation thereof shall be given under this paragraph to an organization without the prior concurrence of the Federal Security Administrator.

"'(3) No renewal of waiver: In the event the period covered by a certificate filed pursuant to this subsection is terminated by the organization, no certificate may again be filed by such organization pursuant to this subsection.'

"(f) Sections 1426 (c) and 1428 of the Internal Revenue Code are each amended by striking out 'paragraph (9)' and inserting in lieu thereof 'paragraph (10)'.

"(g) The amendments made by subsections (c), (d), (e), and (f) of this section shall be applicable only with respect to services performed after 1950.

"DEFINITION OF EMPLOYEE

"SEC. 205. (a) Section 1426 (d) of the Internal Revenue Code is amended to read as follows:

"'(d) Employee: The term "employee" means—

"'(1) any officer of a corporation; or

"'(2) any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee; or

"'(3) any individual (other than an individual who is an employee under paragraph (1) or (2) of this subsection) who performs services for remuneration for any person—

"'(A) as an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for his principal;

"'(B) as a full-time life insurance salesman;

"'(C) as a home worker performing work, according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by such person which are required to be returned to such person or a person designated by him, if the performance of such services is subject to licensing requirements under the laws of the State in which such services are performed; or

"'(D) as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal (except for side-line sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations;

if the contract of service contemplates that substantially all of such services are to be performed personally by such individual; except that an individual shall not be included in the term "employee" under the provisions of this paragraph if such individual has a substantial investment in facilities used in connection with the performance of such services (other than in facilities for transportation), or if the services are in the nature of a single transaction not part of a continuing relationship with the person for whom the services are performed.'

"(b) The amendment made by this section shall be applicable only with respect to services performed after 1950.

"RECEIPTS FOR EMPLOYEES; SPECIAL REFUNDS

"SEC. 206. (a) Subchapter E of chapter 9 of the Internal Revenue Code is amended by adding at the end thereof the following new sections:

"'SEC. 1633. Receipts for employees.

"'(a) Requirement: Every person required to deduct and withhold from an employee a tax under section 1400 or 1622, or who would have been required to deduct and withhold a tax under section 1622 if the employee had claimed no more than one withholding exemption, shall furnish to each such employee in respect of the remuneration paid by such person to such employee during the calendar year, on or before January 31 of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of remuneration is made, a written statement showing the following: (1) the name of such person, (2) the name of the employee (and his social security account number if wages as defined in section 1426 (a) have been paid), (3) the total amount of wages as defined in section 1621 (a), (4) the total amount deducted and withheld as tax under section 1622, (5) the total amount of wages as defined in section 1426 (a), and (6) the total amount deducted and withheld as tax under section 1400.

"'(b) Statements to constitute information returns: The statements required to be furnished by this section in respect of any remuneration shall be furnished at such other times, shall contain such other information, and shall be in such form as the Commissioner, with the approval of the Secretary, may by regulations prescribe. A duplicate of any such statement if made and filed in accordance with regulations prescribed by the Commissioner with the approval of the Secretary shall constitute the return required to be made in respect of such remuneration under section 147.

"'(c) Extension of time: The Commissioner, under such regulations as he may prescribe with the approval of the Secretary, may grant to any person a reasonable extension of time (not in excess of thirty days) with respect to the statements required to be furnished under this section.

"'SEC. 1634. Penalties.

"'(a) Penalties for fraudulent statement or failure to furnish statement: In lieu of any other penalty provided by law (except the penalty provided by subsection (b) of this section), any person required under the provisions of section 1633 to furnish a statement who willfully furnishes a false or fraudulent statement, or who willfully fails to furnish a statement in the manner, at the time, and showing the information required under section 1633, or regulations prescribed thereunder, shall for each such failure, upon conviction thereof, be fined not more than $1,000, or imprisoned for not more than one year, or both.

"'(b) Additional penalty: In addition to the penalty provided by subsection (a) of this section, any person required under the provisions of section 1633 to furnish a statement who willfully furnishes a false or fraudulent statement, or who willfully fails to furnish a statement in the manner, at the time, and showing the information required under section 1633, or regulations prescribed thereunder, shall for each such failure be subject to a civil penalty of $50. Such penalty shall be assessed and collected in the same manner as the tax imposed by section 1410.'

"(b) (1) Section 322 (a) of the Internal Revenue Code is amended by adding at the end thereof the following new paragraph:

"'(4) Credit for "special refunds" of employee social security tax: The Commissioner is authorized to prescribe, with the approval of the Secretary, regulations providing for the crediting against the tax imposed by this chapter for any taxable year of the amount determined by the taxpayer or the Commissioner to be allowable under section 1401 (d) as a special refund of tax imposed on wages received during the calendar year in which such taxable year begins. If more than one taxable year begins in such calendar year, such amount shall not be allowed under this section as a credit against the tax for any taxable year other than the last taxable year so beginning. The amount allowed as a credit under such regulations shall, for the purposes of this chapter, be considered an amount deducted and withheld at the source as tax under subchapter D of chapter 9.'

"(2) Section 1403 (a) of the Internal Revenue Code is amended by striking out the first sentence and inserting in lieu thereof the following: 'Every employer shall furnish to each of his employees a written statement or statements, in a form suitable for retention by the employee, showing the wages paid by him to the employee before January 1, 1951. (For corresponding provisions with

respect to wages paid after December 31, 1950, see section 1633.)'.

"(3) Section 1625 of the Internal Revenue Code is amended by adding at the end thereof the following new subsection:

"'(d) Application of section.—This section shall apply only with respect to wages paid before January 1, 1951. For corresponding provisions with respect to wages paid after December 31, 1950, see section 1633.'

"(c) The amendments made by this section shall be applicable only with respect to wages paid after December 31, 1950, except that the amendment made by subsection (b) (1) of this section shall be applicable only with respect to taxable years beginning after December 31, 1950, and only with respect to 'special refunds' in the case of wages paid after December 31, 1950.

"PERIODS OF LIMITATION ON ASSESSMENT AND REFUND OF CERTAIN EMPLOYMENT TAXES

"SEC. 207. (a) Subchapter E of chapter 9 of the Internal Revenue Code is amended by inserting at the end thereof the following new sections:

"'SEC. 1635. Period of limitation upon assessment and collection of certain employment taxes.

"'(a) General rule: The amount of any tax imposed by subchapter A of this chapter or subchapter D of this chapter shall (except as otherwise provided in the following subsections of this section) be assessed within three years after the return was filed, and no proceeding in court without assessment for the collection of such tax shall be begun after the expiration of such period.

"'(b) False return or no return: In the case of a false or fraudulent return with intent to evade tax or of a failure to file a return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

"'(c) Willful attempt to evade tax: In case of a willful attempt in any manner to defeat or evade tax, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

"'(d) Collection after assessment: Where the assessment of any tax imposed by subchapter A of this chapter or subchapter D of this chapter has been made within the period of limitation properly applicable thereto, such tax may be collected by distraint or by a proceeding in court, but only if begun (1) within six years after the assessment of the tax, or (2) prior to the expiration of any period for collection agreed upon in writing by the Commissioner and the taxpayer.

"'(e) Date of filing of return: For the purposes of this section, if a return for any period ending with or within a calendar year is filed before March 15 of the succeeding calendar year, such return shall be considered filed on March 15 of such succeeding calendar year.

"'(f) Application of section: The provisions of this section shall apply only to those taxes imposed by subchapter A of this chapter, or subchapter D of this chapter, which are required to be collected and paid by making and filing returns.

"'(g) Effective date: The provisions of this section shall not apply to any tax imposed with respect to remuneration paid during any calendar year before 1951.

"'SEC. 1636. Period of limitation upon refunds and credits of certain employment taxes.

"'(a) General rule: In the case of any tax imposed by subchapter A of this chapter or subchapter D of this chapter—

"'(1) Period of limitation: Unless a claim for credit or refund is filed by the taxpayer within three years from the time the return was filed or within two years from the time the tax was paid, no credit or refund shall be allowed or made after the expiration of whichever of such periods expires the later. If no return is filed, then no credit or refund shall be allowed or made after two years from the time the tax was paid, unless before the expiration of such period a claim therefor is filed by the taxpayer.

"'(2) Limit on amount of credit or refund: The amount of the credit or refund shall not exceed the portion of the tax paid—

"'(A) If a return was filed, and the claim was filed within three years from the time the return was filed, during the three years immediately preceding the filing of the claim.

"'(B) If a claim was filed, and (i) no return was filed, or (ii) if the claim was not filed within three years from the time the return was filed, during the two years immediately preceding the filing of the claim.

"'(C) If no claim was filed and the allowance of credit or refund is made within three years from the time the return was filed, during the three years immediately preceding the allowance of the credit or refund.

"'(D) If no claim was filed, and (i) no return was filed or (ii) the allowance of the credit or refund is not made within three years from the time the return was filed, during the two years immediately preceding the allowance of the credit or refund.

"'(b) Penalties, etc: The provisions of subsection (a) of this section shall apply to any penalty or sum assessed or collected with respect to the tax imposed by subchapter A of this chapter or subchapter D of this chapter.

"'(c) Date of filing return and date of payment of tax: For the purposes of this section—

"'(1) If a return for any period ending with or within a calendar year is filed before March 15 of the succeeding calendar year, such return shall be considered filed on March 15 of such succeeding calendar year; and

"'(2) If a tax with respect to remuneration paid during any period ending with or within a calendar year is paid before March 15 of the succeeding calendar year, such tax shall be considered paid on March 15 of such succeeding calendar year.

"'(d) Application of section: The provisions of this section shall apply only to those taxes imposed by subchapter A of this chapter, or subchapter D of this chapter, which are required to be collected and paid by making and filing returns.

"'(e) Effective date: The provisions of this section shall not apply to any tax paid or collected with respect to remuneration paid during any calendar year before 1951 or to any penalty or sum paid or collected with respect to such tax.'

"(b) (1) Section 3312 of the Internal Revenue Code is amended by inserting immediately after the words 'gift taxes' (which words immediately precede subsection (a) thereof) a comma and the following: 'and except as otherwise provided in section 1635 with respect to employment taxes under subchapters A and D of chapter 9.'

"(2) Section 3313 of the Internal Revenue Code is amended as follows:

"(A) By inserting immediately after the words 'and gift taxes,', where those words first appear in the section, the following: 'and except as otherwise provided by law in case of employment taxes under subchapters A and D of chapter 9,'; and

"(B) By inserting immediately after the words 'and gift taxes', where those words appear in the parenthetical phrase, a comma and the following: 'and other than such employment taxes'.

"(3) Section 3645 of the Internal Revenue Code is amended by striking out 'Employment taxes, section 3312.' and inserting in lieu thereof the following: 'Employment taxes, sections 1635 and 3312.'

"(4) Section 3714 (a) of the Internal Revenue Code is amended by inserting at the end thereof the following:

"'Employment taxes, see sections 1635 (d) and 3312 (d).'

"(5) Section 3770 (a) (6) of the Internal Revenue Code is amended by inserting at the end thereof the following:

"'Employment taxes, see sections 1636 and 3313.'

"(6) Section 3772 (c) of the Internal Revenue Code is amended by inserting at the end thereof the following:

"'Employment taxes, see sections 1636 and 3313.'

"SELF-EMPLOYMENT INCOME

"SEC. 208. (a) Chapter 1 of the Internal Revenue Code is amended by adding at the end thereof the following new subchapter:

"'SUBCHAPTER E—TAX ON SELF-EMPLOYMENT INCOME

"'SEC. 480. Rate of tax.

"'In addition to other taxes, there shall be levied, collected, and paid for each taxable year beginning after December 31, 1950, upon the self-employment income of every individual, a tax as follows:

"'(1) In the case of any taxable year beginning after December 31, 1950, and before January 1, 1954, the tax shall be equal to 2¼ per centum of the amount of the self-employment income for such taxable year.

"'(2) In the case of any taxable year beginning after December 31, 1953, and before January 1, 1960, the tax shall be equal to 3 per centum of the amount of the self-employment income for such taxable year.

"'(3) In the case of any taxable year beginning after December 31, 1959, and before January 1, 1965, the tax shall be equal to 3¾ per centum of the amount of the self-employment income for such taxable year.

"'(4) In the case of any taxable year beginning after December 31, 1964, and before January 1, 1970, the tax shall be equal to 4½ per centum of the amount of the self-employment income for such taxable year.

"'(5) In the case of any taxable year beginning after December 31, 1969, the tax shall be equal to 4⅞ per centum of the amount of the self-employment income for such taxable year.

"'SEC. 481. Definitions.

"'For the purposes of this subchapter—

"'(a) Net earnings from self-employment: The term "net earnings from self-employment" means the gross income derived by an individual from any trade or business carried on by such individual, less the deductions allowed by this chapter which are attributable to such trade or business, plus his distributive share (whether or not distributed) of the ordinary net income or loss, as computed under section 183, from any trade or business carried on by a partnership of which he is a member; except that in computing such gross income and deductions and such distributive share of partnership ordinary net income or loss—

"'(1) There shall be excluded rentals from real estate (including personal property leased with the real estate) and deductions attributable thereto, unless such rentals are received in the course of a trade or business as a real estate dealer;

"'(2) There shall be excluded income derived from any trade or business in which, if the trade or business were carried on exclusively by employees, the major portion of the services would constitute agricultural labor as defined in section 1426 (h); and there shall be excluded all deductions attributable to such income;

"'(3) There shall be excluded dividends on any share of stock, and interest on any bond, debenture, note, or certificate, or other evidence of indebtedness, issued with inter-

est coupons or in registered form by any corporation (including one issued by a government or political subdivision thereof), unless such dividends and interest (other than interest described in section 25 (a)) are received in the course of a trade or business as a dealer in stocks or securities;

"'(4) There shall be excluded any gain or loss (A) which is considered as gain or loss from the sale or exchange of a capital asset, (B) from the cutting or disposal of timber if section 117 (j) is applicable to such gain or loss, or (C) from the sale, exchange, involuntary conversion, or other disposition of property if such property is neither (i) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year, nor (ii) property held primarily for sale to customers in the ordinary course of the trade or business;

"'(5) The deduction for net operating losses provided in section 23 (s) shall not be allowed;

"'(6) (A) If any of the income derived from a trade or business (other than a trade or business carried on by a partnership) is community income under community property laws applicable to such income, all of the gross income and deductions attributable to such trade or business shall be treated as the gross income and deductions of the husband unless the wife exercises substantially all of the management and control of such trade or business, in which case all of such gross income and deductions shall be treated as the gross income and deductions of the wife;

"'(B) If any portion of a partner's distributive share of the ordinary net income or loss from a trade or business carried on by a partnership is community income or loss under the community property laws applicable to such share, all of such distributive share shall be included in computing the net earnings from self-employment of such partner, and no part of such share shall be taken into account in computing the net earnings from self-employment of the spouse of such partner;

"'(7) In the case of any taxable year beginning on or after the effective date specified in section 3810, (A) the term "possession of the United States" as used in section 251 shall not include Puerto Rico, and (B) a citizen or resident of Puerto Rico shall compute his net earnings from self-employment in the same manner as a citizen of the United States and without regard to the provisions of section 252.

If the taxable year of a partner is different from that of the partnership, the distributive share which he is required to include in computing his net earnings from self-employment shall be based upon the ordinary net income or loss of the partnership for any taxable year of the partnership (even though beginning prior to January 1, 1951) ending within or with his taxable year.

"'(b) Self-employment income: The term "self-employment income" means the net earnings from self-employment derived by an individual (other than a nonresident alien individual) during any taxable year beginning after December 31, 1950; except that such term shall not include—

"'(1) That part of the net earnings from self-employment which is in excess of: (A) $3,600, minus (B) the amount of the wages paid to such individual during the taxable year; or

"'(2) The net earnings from self-employment, if such net earnings for the taxable year are less than $400.

For the purposes of clause (1) the term "wages" includes such remuneration paid to an employee for services included under an agreement entered into pursuant to the provisions of section 218 of the Social Security Act (relating to coverage of State employees) as would be wages under section 1426 (a) if such services constituted employment under section 1426 (b). In the case of any taxable year beginning prior to the effective date specified in section 3810, an individual who is a citizen of Puerto Rico (but not otherwise a citizen of the United States) and who is not a resident of the United States or of the Virgin Islands during such taxable year shall be considered, for the purposes of this subchapter, as a nonresident alien individual. An individual who is not a citizen of the United States but who is a resident of the Virgin Islands or (after the effective date specified in section 3810) a resident of Puerto Rico shall not, for the purposes of this subchapter, be considered to be a nonresident alien individual.

"'(c) Trade or business: The term "trade or business", when used with reference to self-employment income or net earnings from self-employment, shall have the same meaning as when used in section 23, except that such term shall not include—

"'(1) The performance of the functions of a public office;

"'(2) The performance of service by an individual as an employee (other than service described in section 1426 (b) (16) (B) performed by an individual who has attained the age of eighteen);

"'(3) The performance of service by an individual as an employee or employee representative as defined in section 1532;

"'(4) The performance of service by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

"'(5) The performance of service by an individual in the exercise of his profession as a physician, lawyer, dentist, osteopath, veterinarian, chiropractor, naturopath, optometrist, Christian Science practitioner, architect, certified public accountant, accountant registered or licensed as an accountant under State or municipal law, full-time practicing public accountant, funeral director, or professional engineer; or the performance of such service by a partnership.

"'(d) Employee and wages: The term "employee" and the term "wages" shall have the same meaning as when used in subchapter A of chapter 9.

"'SEC. 482. Miscellaneous provisions.

"'(a) Returns: Every individual (other than a nonresident alien individual) having net earnings from self-employment of $400 or more for the taxable year shall make a return containing such information for the purpose of carrying out the provisions of this subchapter as the Commissioner, with the approval of the Secretary, may by regulations prescribe. Such return shall be considered a return required under section 51 (a). In the case of a husband and wife filing a joint return under section 51 (b), the tax imposed by this subchapter shall not be computed on the aggregate income but shall be the sum of the taxes computed under this subchapter on the separate self-employment income of each spouse.

"'(b) Title of subchapter: This subchapter may be cited as the "Self-Employment Contributions Act".

"'(c) Effective date in case of Puerto Rico: For effective date in case of Puerto Rico, see section 3810.

"'(d) Collection of taxes in Virgin Islands and Puerto Rico: For provisions relating to collection of taxes in Virgin Islands and Puerto Rico, see section 3811.'"

"(b) Chapter 38 of the Internal Revenue Code is amended by adding at the end thereof the following new sections:

"'SEC. 3810. Effective date in case of Puerto Rico.

"'If the Governor of Puerto Rico certifies to the President of the United States that the legislature of Puerto Rico has, by concurrent resolution, resolved that it desires the extension to Puerto Rico of the provisions of title II of the Social Security Act, the effective date referred to in sections 1426 (e), 481 (a) (7), and 481 (b) shall be January 1 of the first calendar year which begins more than ninety days after the date on which the President receives such certification.

"'SEC. 3811. Collection of taxes in Virgin Islands and Puerto Rico.

"'Notwithstanding any other provision of law respecting taxation in the Virgin Islands or Puerto Rico, all taxes imposed by subchapter E of chapter 1 and by subchapter A of chapter 9 shall be collected by the Bureau of Internal Revenue under the Direction of the Secretary and shall be paid into the Treasury of the United States as internal revenue collections. All provisions of the internal revenue laws of the United States relating to the administration and enforcement of the tax imposed by subchapter E of chapter 1 (including the provisions relating to the Tax Court of the United States), and of any tax imposed by subchapter A of chapter 9, shall, in respect of such tax, extend to and be applicable in the Virgin Islands and Puerto Rico in the same manner and to the same extent as if the Virgin Islands and Puerto Rico were each a State, and as if the term "United States" when used in a geographical sense included the Virgin Islands and Puerto Rico.

"'SEC. 3812. Mitigation of effect of statute of limitations and other provisions in case of related taxes under different chapters.

"'(a) Self-employment tax and tax on wages: In the case of the tax imposed by subchapter E of chapter 1 (relating to tax on self-employment income) and the tax imposed by section 1400 of subchapter A of chapter 9 (relating to tax on employees under the Federal Insurance Contributions Act)—

"'(1) (i) if an amount is erroneously treated as self-employment income, or

"'(ii) if an amount is erroneously treated as wages, and

"'(2) if the correction of the error would require an assessment of one such tax and the refund or credit of the other tax, and

"'(3) if at any time the correction of the error is authorized as to one such tax but is prevented as to the other tax by any law or rule of law (other than section 3761, relating to compromises),

then, if the correction authorized is made, the amount of the assessment, or the amount of the credit or refund, as the case may be, authorized as to the one tax shall be reduced by the amount of the credit or refund, or the amount of the assessment, as the case may be, which would be required with respect to such other tax for the correction of the error if such credit or refund, or such assessment, of such other tax were not prevented by any law or rule of law (other than section 3761, relating to compromises).

"'(b) Definitions: For the purposes of subsection (a) of this section, the terms "self-employment income" and "wages" shall have the same meaning as when used in section 481 (b).'

"(c) Section 3801 of the Internal Revenue Code is amended by adding at the end thereof the following new subsection:

"'(g) Taxes imposed by chapter 9: The provisions of this section shall not be construed to apply to any tax imposed by chapter 9.'

"(d) (1) Section 3 of the Internal Revenue Code is amended by inserting at the end thereof the following:

"'Subchapter E—Tax on Self-Employment Income (the Self-Employment Contributions Act), divided into sections.'

"(2) Section 12 (g) of the Internal Revenue Code is amended by inserting at the end thereof the following:

"'(6) Tax on self-employment income: For tax on self-employment income, see subchapter E.'

"(3) Section 31 of the Internal Revenue Code is amended by inserting immediately after the words 'the tax' the following: '(other than the tax imposed by subchapter E, relating to tax on self-employment income)'; and section 131 (a) of the Internal Revenue Code is amended by inserting immediately after the words 'except the tax imposed under section 102' the following: 'and except the tax imposed under subchapter E'.

"(4) Section 58 (b) (1) of the Internal Revenue Code is amended by inserting immediately after the words 'withheld at source' the following: 'and without regard to the tax imposed by subchapter E on self-employment income'.

"(5) Section 107 of the Internal Revenue Code is amended by inserting at the end thereof the following new subsection:

"'(e) Tax on self-employment income: This section shall be applied without regard to, and shall not affect, the tax imposed by subchapter E, relating to tax on self-employment income.'

"(6) Section 120 of the Internal Revenue Code is amended by inserting immediately after the words 'amount of income' the following: '(determined without regard to subchapter E, relating to tax on self-employment income)'.

"(7) Section 161 (a) of the Internal Revenue Code is amended by inserting immediately after the words 'The taxes imposed by this chapter' the following: '(other than the tax imposed by subchapter E, relating to tax on self-employment income)'.

"(8) Section 294 (d) of the Internal Revenue Code is amended by inserting at the end thereof the following new paragraph:

"'(3) Tax on self-employment income: This subsection shall be applied without regard to the tax imposed by subchapter E, relating to tax on self-employment income.'

"MISCELLANEOUS AMENDMENTS

"SEC. 209. (a) (1) Section 1607 (b) of the Internal Revenue Code is amended to read as follows:

"'(b) Wages: The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include—

"'(1) That part of the remuneration which, after remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) equal to $3,000 with respect to employment has been paid to an individual by an employer during any calendar year, is paid to such individual by such employer during such calendar year. If an employer (hereinafter referred to as successor employer) during any calendar year acquires substantially all the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and immediately after the acquisition employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessor, then, for the purpose of determining whether the successor employer has paid remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment equal to $3,000 to such individual during such calendar year, any remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment paid (or considered under this paragraph as having been paid) to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor employer;

"'(2) The amount of any payment (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) made to, or on behalf of, an employee or any of his dependents under a plan or system established by an employer which makes provision for his employees generally (or for his employees generally and their dependents) or for a class or classes of his employees (or for a class or classes of his employees and their dependents), on account of (A) retirement, or (B) sickness or accident disability, or (C) medical or hospitalization expenses in connection with sickness or accident disability, or (D) death;

"'(3) Any payment made to an employee (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) on account of retirement;

"'(4) Any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability, made by an employer to, or on behalf of, an employee after the expiration of six calendar months following the last calendar month in which the employee worked for such employer;

"'(5) Any payment made to, or on behalf of, an employee or his beneficiary (A) from or to a trust exempt from tax under section 165 (a) at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust, or (B) under or to an annuity plan which, at the time of such payment, meets the requirements of section 165 (a) (3), (4), (5), and (6);

"'(6) The payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under section 1400, or (B) of any payment required from an employee under a State unemployment compensation law;

"'(7) Remuneration paid in any medium other than cash to an employee for service not in the course of the employer's trade or business;

"'(8) Any payment (other than vacation or sick pay) made to an employee after the month in which he attains the age of sixty-five, if he did not work for the employer in the period for which such payment is made;

"'(9) Dismissal payments which the employer is not legally required to make.'

"(2) The amendment made by paragraph (1) shall be applicable only with respect to remuneration paid after 1950. In the case of remuneration paid prior to 1951, the determination under section 1607 (b) (1) of the Internal Revenue Code (prior to its amendment by this Act) of whether or not such remuneration constituted wages shall be made as if paragraph (1) of this subsection had not been enacted and without inferences drawn from the fact that the amendment made by paragraph (1) is not made applicable to periods prior to 1951.

"(3) Effective with respect to remuneration paid after December 31, 1951, section 1607 (b) of the Internal Revenue Code is amended by changing the semicolon at the end of paragraph (8) to a period and by striking out paragraph (9) thereof.

"(b) (1) Section 1607 (c) (3) of the Internal Revenue Code is amended to read as follows:

"'(3) Service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is $50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For the purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if (A) on each of some twenty-four days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business, or (B) such individual was regularly employed (as determined under clause (A) by such employer in the performance of such service during the preceding calendar quarter;'.

"(2) Section 1607 (c) (10) (A) (i) of the Internal Revenue Code is amended by striking out 'does not exceed $45' and inserting in lieu thereof 'is less than $50'.

"(3) Section 1607 (c) (10) (E) of the Internal Revenue Code is amended by striking out 'in any calendar quarter' and by striking out ', and the remuneration for such service does not exceed $45 (exclusive of room, board, and tuition)'.

"(4) The amendments made by paragraphs (1), (2), and (3) shall be applicable only with respect to service performed after 1950.

"(c) (1) Section 1621 (a) (4) of the Internal Revenue Code is amended to read as follows:

"'(4) for service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is $50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For the purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if (A) on each of some twenty-four days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business, or (B) such individual was regularly employed (as determined under clause (A)) by such employer in the performance of such service during the preceding calendar quarter, or'.

"(2) Section 1621 (a) of the Internal Revenue Code is amended by striking out paragraph (9) thereof and inserting in lieu thereof the following:

"'(9) for services performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order, or

"'(10) (A) for services performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution, or

"'(B) for services performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back, or

"'(11) for services not in the course of the employer's trade or business, to the extent paid in any medium other than cash, or

"'(12) to, or on behalf of, an employee or his beneficiary (A) from or to a trust exempt from tax under section 165 (a) at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust, or (B) under or to an annuity plan which, at the time of such payment, meets the requirements of section 165 (a) (3), (4), (5), and (6).'

"(3) The amendments made by paragraphs (1) and (2) shall be applicable only with respect to remuneration paid after 1950.

"(d) (1) Section 1631 of the Internal Revenue Code is amended to read as follows:

"'SEC. 1631. Failure of employer to file return.

"'In case of a failure to make and file any return required under this chapter within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not to willful neglect, the addition to the tax or taxes required to be shown on such return shall not be less than $5.'

"(2) The amendment made by paragraph (1) shall be applicable only with respect to returns filed after December 31, 1950.

"(e) If a corporation (hereinafter referred to as a predecessor) incorporated under the laws of one State is succeeded after 1945 and before 1951 by another corporation (hereinafter referred to as a successor) incorporated under the laws of another State, and if immediately upon the succession the business of the successor is identical with that of the predecessor and, except for qualifying shares, the proportionate interest of each shareholder in the successor is identical with his proportionate interest in the predecessor, and if in connection with the succession the predecessor is dissolved or merged into the successor, and if the predecessor and the successor are employers under the Federal Insurance Contributions Act and the Federal Unemployment Tax Act in the calendar year in which the succession takes place, then—

"(1) the predecessor and successor corporations, for purposes only of the application of the $3,000 limitation in the definition of wages under such Acts, shall be considered as one employer for such calendar year, and

"(2) the successor shall, subject to the applicable statutes of limitations, be entitled to a credit or refund, without interest, of any tax under section 1410 of the Federal Insurance Contributions Act or section 1600 of the Federal Unemployment Tax Act (together with any interest or penalty thereon) paid with respect to remuneration paid by the successor during such calendar year which would not have been subject to tax under such Acts if the remuneration had been paid by the predecessor.

"TITLE III—AMENDMENTS TO PUBLIC ASSISTANCE AND MATERNAL AND CHILD WELFARE PROVISIONS OF THE SOCIAL SECURITY ACT

"PART 1—OLD-AGE ASSISTANCE

"Requirements of State old-age assistance plans

"SEC. 301. (a) Clause (4) of subsection (a) of section 2 of the Social Security Act is amended to read '(4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for old-age assistance is denied or is not acted upon with reasonable promptness.'

"(b) Such subsection is further amended by striking out 'and' before clause (8) thereof, and by striking out the period at the end of such subsection and inserting in lieu thereof a semicolon and the following new clauses: '(9) provide that all individuals wishing to make application for old-age assistance shall have opportunity to do so, and that old-age assistance shall be furnished with reasonable promptness to all eligible individuals; and (10) effective July 1, 1953, provide, if the plan includes payments to individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions.'

"(c) The amendments made by subsections (a) and (b) shall take effect July 1, 1951.

"Computation of Federal portion of old-age assistance

"SEC. 302. (a) Section 3 (a) of the Social Security Act is amended to read as follows:

"'SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1950, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $50—

"'(A) three-fourths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $20 multiplied by the total number of such individuals who received old-age assistance for such month; plus

"'(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose.'

"(b) The amendment made by subsection (a) shall take effect October 1, 1950.

"Definition of old-age assistance

"SEC. 303. (a) Section 6 of the Social Security Act is amended to read as follows:

"'Definition

"'SEC. 6. For the purposes of this title, the term "old-age assistance" means money payments to, or medical care in behalf of or any type of remedial care recognized under State law in behalf of, needy individuals who are sixty-five years of age or older, but does not include any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual (a) who is a patient in an institution for tuberculosis or mental diseases, or (b) who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof."

"(b) The amendment made by subsection (a) shall take effect October 1, 1950, except that the exclusion of money payments to needy individuals described in clause (a) or (b) of section 6 of the Social Security Act as so amended shall, in the case of any of such individuals who are not patients in a public institution, be effective July 1, 1952.

"PART 2—AID TO DEPENDENT CHILDREN

"Requirements of State plans for aid to dependent children

"SEC. 321. (a) Effective July 1, 1951, clause (4) of subsection (a) of section 402 of the Social Security Act is amended to read as follows: '(4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for aid to dependent children is denied or is not acted upon with reasonable promptness;' ".

"(b) Such subsection is further amended by striking out 'and' before clause (8) thereof, and by striking out the period at the end of such subsection and inserting in lieu thereof a semicolon and the following new clauses: '(9) provide, effective July 1, 1951, that all individuals wishing to make application for aid to dependent children shall have opportunity to do so, and that aid to dependent children shall be furnished with reasonable promptness to all eligible individuals; (10) effective July 1, 1952, provide for prompt notice to appropriate law-enforcement officials of the furnishing of aid to dependent children in respect of a child who has been deserted or abandoned by a parent; and (11) provide, effective October 1, 1950, that no aid will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2 of this Act.'

"(c) Effective July 1, 1952, clause (2) of subsection (b) of section 402 of the Social Security Act is amended to read as follows: '(2) who was born within one year immediately preceding the application, if the parent or other relative with whom the child is living has resided in the State for one year immediately preceding the birth.'

"Computation of Federal portion of aid to dependent children

"SEC. 322. (a) Section 403 (a) of the Social Security Act is amended to read as follows:

"'SEC. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1950, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $27, or if there is more than one dependent child in the same home, as exceeds $27 with respect to one such dependent child and $18 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $27—

"'(A) three-fourths of such expenditures, not counting so much of the expenditures with respect to any month as exceeds the product of $12 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children is paid for such month, plus

"'(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to one-half of the total of the sums expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 with respect to one such dependent child and $12 with respect to each of the other dependent children; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to dependent children, or both, and for no other purpose.'

"(b) The amendment made by subsection (a) shall take effect October 1, 1950.

"Definition of aid to dependent children

"SEC. 323. (a) Section 406 of the Social Security Act is amended by striking out subsection (b) and inserting in lieu thereof the following:

"'(b) The term "aid to dependent children" means money payments with respect to, or medical care in behalf of or any type of remedial care recognized under State law in behalf of, a dependent child or dependent

children, and (except when used in clause (2) of section 403 (a)) includes money payments or medical care or any type of remedial care recognized under State law for any month to meet the needs of the relative with whom any dependent child is living if money payments have been made under the State plan with respect to such child for such month;

"'(c) The term "relative with whom any dependent child is living" means the individual who is one of the relatives specified in subsection (a) and with whom such child is living (within the meaning of such subsection) in a place of residence maintained by such individual (himself or together with any one or more of the other relatives so specified) as his (or their) own home.'

"(b) The amendment made by subsection (a) shall take effect October 1, 1950.

"PART 3—MATERNAL AND CHILD WELFARE

"SEC. 331. (a) Section 501 of the Social Security Act is amended by striking out 'there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of $11,000,000' and inserting in lieu thereof 'there is hereby authorized to be appropriated for the fiscal year ending June 30, 1951, the sum of $15,000,000, and for each fiscal year beginning after June 30, 1951, the sum of $16,500,000.'

"(b) So much of section 502 of the Social Security Act as precedes subsection (c) is amended to read as follows:

"'Allotments to States

"'SEC. 502. (a) (1) Out of the sums appropriated pursuant to section 501 for the fiscal year ending June 30, 1951, the Federal Security Administrator shall allot $7,500,000 as follows: He shall allot to each State $60,000 and shall allot each State such part of the remainder of the $7,500,000 as he finds that the number of live births in such State bore to the total number of live births in the United States, in the latest calendar year for which the Administrator has available statistics.

"'(2) Out of the sums appropriated pursuant to section 501 for each fiscal year beginning after June 30, 1951, the Federal Security Administrator shall allot $8,250,000 as follows: He shall allot to each State $60,000 and shall allot each State such part of the remainder of the $8,250,000 as he finds that the number of live births in such State bore to the total number of live births in the United States, in the latest calendar year for which the Administrator has available statistics.

"'(b) Out of the sums appropriated pursuant to section 501 the Administrator shall allot to the States (in addition to the allotments made under subsection (a)) for the fiscal year ending June 30, 1951, the sum of $7,500,000, and for each fiscal year beginning after June 30, 1951, the sum of $8,250,000. Such sums shall be allotted according to the financial need of each State for assistance in carrying out its State plan, as determined by the Administrator after taking into consideration the number of live births in such State.'

"(c) Section 511 of the Social Security Act is amended by striking out 'there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of $7,500,000' and inserting in lieu thereof 'there is hereby authorized to be appropriated for the fiscal year ending June 30, 1951, the sum of $12,000,000, and for each fiscal year beginning after June 30, 1951, the sum of $15,000,000'.

"(d) So much of section 512 of the Social Security Act as precedes subsection (c) is amended to read as follows:

"'Allotments to States

"'SEC. 512. (a) (1) Out of the sums appropriated pursuant to section 511 for the fiscal year ending June 30, 1951, the Federal Security Administrator shall allot $6,000,000 as follows: He shall allot to each State $60,000, and shall allot the remainder of the $6,000,000 to the States according to the need of each State as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in section 511 and the cost of furnishing such services to them.

"'(2) Out of the sums appropriated pursuant to section 511 for each fiscal year beginning after June 30, 1951, the Federal Security Administrator shall allot $7,500,000 as follows: he shall allot to each State $60,000, and shall allot the remainder of the $7,500,000 to the States according to the need of each State as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in section 511 and the cost of furnishing such services to them.

"'(b) Out of the sums appropriated pursuant to section 511 the Administrator shall allot to the States (in addition to the allotments made under subsection (a)) for the fiscal year ending June 30, 1951, the sum of $6,000,000, and for each fiscal year beginning after June 30, 1951, the sum of $7,500,000. Such sums shall be allotted according to the financial need of each State for assistance in carrying out its State plan, as determined by the Administrator after taking into consideration the number of crippled children in each State in need of the services referred to in section 511 and the cost of furnishing such services to them.'

"(e) Section 521 (a) of the Social Security Act is amended by striking out '$3,500,000' and inserting in lieu thereof '$10,000,000', by striking out '$20,000' and inserting in lieu thereof '$40,000', by striking out in the second sentence 'as the rural population of such State bears to the total rural population of the United States' and inserting in lieu thereof 'as the rural population of such State under the age of eighteen bears to the total rural population of the United States under such age', and by striking out the third sentence thereof and inserting in lieu of such sentence the following: 'The amount so allotted shall be expended for payment of part of the cost of district, county, or other local child-welfare services in areas predominantly rural, for developing State services for the encouragement and assistance of adequate methods of community child-welfare organization in areas predominantly rural and other areas of special need, and for paying the cost of returning any runaway child who has not attained the age of sixteen to his own community in another State in cases in which such return is in the interest of the child and the cost thereof cannot otherwise be met: *Provided*, That in developing such services for children the facilities and experience of voluntary agencies shall be utilized in accordance with child-care programs and arrangements in the States and local communities as may be authorized by the State.'

"(f) The amendments made by the preceding subsections of this section shall be effective with respect to fiscal years beginning after June 30, 1950.

"PART 4—AID TO THE BLIND

"Requirements of State plans for aid to the blind

"SEC. 341. (a) Clause (4) of subsection (a) of section 1002 of the Social Security Act is amended to read as follows: '(4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for aid to the blind is denied or is not acted upon with reasonable promptness;'.

"(b) Clause (7) of such subsection is amended to read as follows: '(7) provide that no aid will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2 of this Act or aid to dependent children under the State plan approved under section 402 of this Act;'.

"(c) (1) Effective for the period beginning October 1, 1950, and ending June 30, 1952, clause (8) of such subsection is amended to read as follows: '(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the blind; except that the State agency may, in making such determination, disregard not to exceed $50 per month of earned income;'.

"(2) Effective July 1, 1952, such clause (8) is amended to read as follows: '(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of the individual claiming aid to the blind; except that, in making such determination, the State agency shall disregard the first $50 per month of earned income;'.

"(d) Such subsection is further amended by striking out 'and' before clause (9) thereof, and by striking out the period at the end of such subsection and inserting in lieu thereof a semicolon and the following new clauses: '(10) provide that, in determining whether an individual is blind, there shall be an examination by a physician skilled in diseases of the eye or by an optometrist; (11) effective July 1, 1951, provide that all individuals wishing to make application for aid to the blind shall have opportunity to do so, and that aid to the blind shall be furnished with reasonable promptness to all eligible individuals; and (12) effective July 1, 1953, provide, if the plan includes payments to individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions.'

"(e) Effective July 1, 1952, clause (10) of such subsection is amended to read as follows: '(10) provide that, in determining whether an individual is blind, there shall be an examination by a physician skilled in diseases of the eye or by an optometrist, whichever the individual may select;'.

"(f) The amendments made by subsections (b) and (d) shall take effect October 1, 1950; and the amendment made by subsection (a) shall take effect July 1, 1951.

"COMPUTATION OF FEDERAL PORTION OF AID TO THE BLIND

"SEC. 342. (a) Section 1003 (a) of the Social Security Act is amended to read as follows:

"'SEC. 1003. (a) From the sum appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing October 1, 1950, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $50—

"'(A) three-fourths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $20 multiplied by the total number of such individuals who received aid to the blind for such month, plus

"'(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to

any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the blind, or both, and for no other purpose.'

"(b) The amendment made by subsection (a) shall take effect October 1, 1950.

"Definition of aid to the blind

"SEC. 343. (a) Section 1006 of the Social Security Act is amended to read as follows:

" 'Definition

" 'SEC. 1006. For the purposes of this title, the term "aid to the blind" means money payments to, or medical care in behalf of or any type of remedial care recognized under State law in behalf of, blind individuals who are needy, but does not include any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual (a) who is a patient in an institution for tuberculosis or mental diseases, or (b) who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof.'

"(b) The amendment made by subsection (a) shall take effect October 1, 1950, except that the exclusion of money payments to needy individuals described in clause (a) or (b) of section 1006 of the Social Security Act as so amended shall, in the case of any of such individuals who are not patients in a public institution, be effective July 1, 1952.

"Approval of certain State plans

"SEC. 344. (a) In the case of any State (as defined in the Social Security Act, but excluding Puerto Rico and the Virgin Islands) which did not have on January 1, 1949, a State plan for aid to the blind approved under title X of the Social Security Act, the Administrator shall approve a plan of such State for aid to the blind for the purposes of such title X, even though it does not meet the requirements of clause (8) of section 1002 (a) of the Social Security Act, if it meets all other requirements of such title X for an approved plan for aid to the blind; but payments under section 1003 of the Social Security Act shall be made, in the case of any such plan, only with respect to expenditures thereunder which would be included as expenditures for the purposes of such section under a plan approved under such title X without regard to the provisions of this section.

"(b) The provisions of subsection (a) shall be effective only for the period beginning October 1, 1950, and endinge June 30, 1955.

"PART 5—AID TO THE PERMANENTLY AND TOTALLY DISABLED

"SEC. 351. The Social Security Act is further amended by adding after title XIII thereof the following new title:

" 'TITLE XIV—GRANTS TO STATES FOR AID TO THE PERMANENTLY AND TOTALLY DISABLED

" 'APPROPRIATION

" 'SEC. 1401. For the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to needy individuals eighteen years of age or older who are permanently and totally disabled, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1951, the sum of $50,000,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Administrator, State plans for aid to the permanently and totally disabled.

" 'STATE PLANS FOR AID TO THE PERMANENTLY AND TOTALLY DISABLED

" 'SEC. 1402. (a) A State plan for aid to the permanently and totally disabled must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for aid to the permanently and totally disabled is denied or is not acted upon with reasonable promptness; (5) provide such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Administrator shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Administrator to be necessary for the proper and efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Administrator may from time to time require, and comply with such provisions as the Administrator may from time to time find necessary to assure the correctness and verification of such reports; (7) provide that no aid will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2 of this Act, aid to dependent children under the State plan approved under section 402 of this Act, or aid to the blind under the State plan approved under section 1002 of this Act; (8) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the permanently and totally disabled; (9) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of aid to the permanently and totally disabled; (10) provide that all individuals wishing to make application for aid to the permanently and totally disabled shall have opportunity to do so, and that aid to the permanently and totally disabled shall be furnished with reasonable promptness to all eligible individuals; and (11) effective July 1, 1953, provide, if the plan includes payments to individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions.

" '(b) The Administrator shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes, as a condition of eligibility for aid to the permanently and totally disabled under the plan—

" '(1) Any residence requirement which excludes any resident of the State who has resided therein five years during the nine years immediately preceding the application for aid to the permanently and totally disabled and has resided therein continuously for one year immediately preceding the application;

" '(2) Any citizenship requirement which excludes any citizen of the United States.

" 'PAYMENT TO STATES

" 'SEC. 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning with the quarter commencing October 1, 1950, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $50—

" '(A) three-fourths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $20 multiplied by the total number of such individuals who received aid to the permanently and totally disabled for such month, plus

" '(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to one half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the permanently and totally disabled, or both, and for no other purpose.

" '(b) The method of computing and paying such amounts shall be as follows:

" '(1) The Administrator shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of permanently and totally disabled individuals in the State, and (C) such other investigation as the Administrator may find necessary.

" '(2) The Administrator shall then certify to the Secretary of the Treasury the amount so estimated by the Administrator, (A) reduced or increased, as the case may be, by any sum by which he finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State under subsection (a) for such quarter, and (B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Administrator, of the net amount recovered during a prior quarter by the State or any political subdivision thereof with respect to aid to the permanently and totally disabled furnished under the State plan; except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Administrator for such prior quarter: *Provided*, That any part of the amount recovered from the estate of a deceased recipient which is not in excess of the amount expended by the State or any political subdivision thereof for the funeral expenses of the deceased shall

not be considered as a basis for reduction under clause (B) of this paragraph.

"'(3) The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Administrator, the amount so certified.

"'OPERATION OF STATE PLANS

"'SEC. 1404. In the case of any State plan for aid to the permanently and totally disabled which has been approved by the Administrator, if the Administrator after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

"'(1) that the plan has been so changed as to impose any residence or citizenship requirement prohibited by section 1402 (b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

"'(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 1402 (a) to be included in the plan;

the Administrator shall notify such State agency that further payments will not be made to the State until he is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

"'DEFINITION

"'SEC. 1405. For the purposes of this title, the term "aid to the permanently and totally disabled" means money payments to, or medical care in behalf of, or any type of remedial care recognized under State law in behalf of, needy individuals eighteen years of age or older who are permanently and totally disabled, but does not include any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual (a) who is a patient in an institution for tuberculosis or mental diseases, or (b) who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof.'

"PART 6—MISCELLANEOUS AMENDMENTS

"SEC. 361. (a) Section 1 of the Social Security Act is amended by striking out 'Social Security Board established by Title VII (hereinafter referred to as the "Board")' and inserting in lieu thereof 'Federal Security Administrator (hereinafter referred to as the "Administrator")'.

"(b) Section 1001 of the Social Security Act is amended by striking out 'Social Security Board' and inserting in lieu thereof 'Administrator'.

"(c) The following provisions of the Social Security Act are each amended by striking out 'Board' and inserting in lieu thereof 'Administrator': Sections 2 (a) (5); 2 (a) (6); 2 (b); 3 (b); 4; 402 (a) (5); 402 (a) (6); 402 (b); 403 (b); 404; 702; 703; 1002 (a) (5); 1002 (a) (6); 1002 (b); 1003 (b); and 1004.

"(d) The following provisions of the Social Security Act are each amended by striking out (when they refer to the Social Security Board) 'it' or 'its' and inserting in lieu thereof 'he', 'him', or 'his', as the context may require: Sections 2 (b); 3 (b); 4; 402 (b); 403 (b); 404; 702; 703; 1002 (b); 1003 (b); and 1004.

"(e) Title V of the Social Security Act is amended by striking out 'Children's Bureau', 'Chief of the Children's Bureau', 'Secretary of Labor', and (in sections 503 (a) and 513 (a)) 'Board' and inserting in lieu thereof 'Administrator'.

"(f) The heading of title VII of the Social Security Act is amended to read 'ADMINISTRATION'.

"(g) Title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"'*Limitation on payments to Puerto Rico and the Virgin Islands*

"'SEC. 1108. The total amount certified by the Administrator under titles I, IV, X, and XIV, for payment to Puerto Rico with respect to any fiscal year shall not exceed $4,250,000; and the total amount certified by the Administrator under such titles for payment to the Virgin Islands with respect to any fiscal year shall not exceed $160,000.'

"TITLE IV—MISCELLANEOUS PROVISIONS

"OFFICE OF COMMISSIONER FOR SOCIAL SECURITY

"SEC. 401. (a) Section 701 of the Social Security Act is amended to read:

"'OFFICE OF COMMISSIONER FOR SOCIAL SECURITY

"'SEC. 701. There shall be in the Federal Security Agency a Commissioner for Social Security, appointed by the Administrator, who shall perform such functions relating to social security as the Administrator shall assign to him.'

"(b) Section 908 of the Social Security Act Amendments of 1939 is repealed.

"REPORTS TO CONGRESS

"SEC. 402. (a) Subsection (c) of section 541 of the Social Security Act is repealed.

"(b) Section 704 of such Act is amended to read:

"'REPORTS

"'SEC. 704. The Administrator shall make a full report to Congress, at the beginning of each regular session, of the administration of the functions with which he is charged under this Act. In addition to the number of copies of such report authorized by other law to be printed, there is hereby authorized to be printed not more than five thousand copies of such report for use by the Administrator for distribution to Members of Congress and to State and other public or private agencies or organizations participating in or concerned with the social security program.'

"AMENDMENTS TO TITLE XI OF THE SOCIAL SECURITY ACT

"SEC. 403. (a) (1) Paragraph (1) of section 1101 (a) of the Social Security Act is amended to read as follows:

"'(1) The term "State" includes Alaska, Hawaii, and the District of Columbia, and when used in titles I, IV, V, X, and XIV includes Puerto Rico and the Virgin Islands.'"

"(2) Paragraph (6) of section 1101 (a) of the Social Security Act is amended to read as follows:

"'(6) The term "Administrator", except when the context otherwise requires, means the Federal Security Administrator.'"

"(3) The amendment made by paragraph (1) of this subsection shall take effect October 1, 1950, and the amendment made by paragraph (2) of this subsection, insofar as it repeals the definition of 'employee', shall be effective only with respect to services performed after 1950.

"(b) Effective October 1, 1950, section 1101 (a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"'(7) The terms "physician" and "medical care" and "hospitalization" include osteopathic practitioners or the services of osteopathic practitioners and hospitals within the scope of their practice as defined by State law.'

"(c) Section 1102 of the Social Security Act is amended by striking out 'Social Security Board' and inserting in lieu thereof 'Federal Security Administrator.'

"(d) Section 1106 of the Social Security Act is amended to read as follows:

"'DISCLOSURE OF INFORMATION IN POSSESSION OF AGENCY

"'SEC. 1106. (a) No disclosure of any return or portion of a return (including information returns and other written statements) filed with the Commissioner of Internal Revenue under title VIII of the Social Security Act or under subchapter E of chapter 1 or subchapter A of chapter 9 of the Internal Revenue Code, or under regulations made under authority thereof, which has been transmitted to the Administrator by the Commissioner of Internal Revenue, or of any file, record, report, or other paper, or any information, obtained at any time by the Administrator or by any officer or employee of the Federal Security Agency in the course of discharging the duties of the Administrator under this Act, and no disclosure of any such file, record, report, or other paper, or information, obtained at any time by any person from the Administrator or from any officer or employee of the Federal Security Agency, shall be made except as the Administrator may by regulations prescribe. Any person who shall violate any provision of this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or both.

"'(b) Requests for information, disclosure of which is authorized by regulations prescribed pursuant to subsection (a) of this section, may be complied with if the agency, person, or organization making the request agrees to pay for the information requested in such amount, if any (not exceeding the cost of furnishing the information), as may be determined by the Administrator. Payments for information furnished pursuant to this section shall be made in advance or by way of reimbursement, as may be requested by the Administrator, and shall be deposited in the Treasury as a special deposit to be used to reimburse the appropriations (including authorizations to make expenditures from the Federal Old-Age and Survivors Insurance Trust Fund) for the unit or units of the Federal Security Agency which prepared or furnished the information.'

"(e) Section 1107 (a) of the Social Security Act is amended by striking out 'the Federal Insurance Contributions Act, or the Federal Unemployment Tax Act,' and inserting in lieu thereof the following: 'subchapter E of chapter 1 or subchapter A, C, or E of chapter 9 of the Internal Revenue Code,'.

"(f) Section 1107 (b) of the Social Security Act is amended by striking out 'Board' and inserting in lieu thereof 'Administrator', and by striking out 'wife, parent, or child', wherever appearing therein, and inserting in lieu thereof 'wife, husband, widow, widower, former wife divorced, child, or parent'.

"ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 404. (a) Section 1201 (a) of the Social Security Act is amended by striking out 'January 1, 1950' and inserting in lieu thereof 'January 1, 1952'.

"(b) (1) Clause (2) of the second sentence of section 904 (h) of the Social Security Act is amended to read: '(2) the excess of the taxes collected in each fiscal year beginning after June 30, 1946, and ending prior to July 1, 1951, under the Federal Unemployment Tax Act, over the unemployment administrative expenditures made in such year, and the excess of such taxes collected during the period beginning on July 1, 1951, and ending on December 31, 1951, over the unemployment administrative expenditures made during such period.'

"(2) The third sentence of section 904 (h) of the Social Security Act is amended by

striking out 'April 1, 1950' and inserting in lieu thereof 'April 1, 1952'.

"(c) The amendments made by subsections (a) and (b) of this section shall be effective as of January 1, 1950.

"PROVISIONS OF STATE UNEMPLOYMENT COMPENSATION LAWS

"SEC. 405. (a) Section 1603 (c) of the Internal Revenue Code is amended (1) by striking out the phrase 'changed its law' and inserting in lieu thereof 'amended its law', and (2) by adding before the period at the end thereof the following: 'and such finding has become effective. Such finding shall become effective on the ninetieth day after the Governor of the State has been notified thereof unless the State has before such ninetieth day so amended its law that it will comply substantially with the Secretary of Labor's interpretation of the provision of subsection (a), in which event such finding shall not become effective. No finding of a failure to comply substantially with the provision in State law specified in paragraph (5) of subsection (a) shall be based on an application or interpretation of State law with respect to which further administrative or judicial review is provided for under the laws of the State'.

"(b) Section 303 (b) of the Social Security Act is amended by inserting before the period at the end thereof the following: ': *Provided*, That there shall be no finding under clause (1) until the question of entitlement shall have been decided by the highest judicial authority given jurisdiction under such State law: *Provided further*, That any costs may be paid with respect to any claimant by a State and included as costs of administration of its law' '.

"SUSPENDING APPLICATION OF CERTAIN PROVISIONS OF CRIMINAL CODE TO CERTAIN PERSONS

"SEC. 406. Service or employment of any person to assist the Senate Committee on Finance, or its duly authorized subcommittee, in the investigation ordered by S. Res. 300, agreed to June 20, 1950, shall not be considered as service or employment bringing such person within the provisions of section 281, 283, or 284 of title 18 of the United States Code, or any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"REORGANIZATION PLAN NO. 26 OF 1950

"SEC. 407. For the purposes of section 1 (a) of Reorganization Plan No. 26 of 1950, this Act shall be deemed to have been enacted prior to the effective date of such plan."

And the Senate agree to the same.

R. L. DOUGHTON,
W. D. MILLS,
A. SIDNEY CAMP,
DANIEL A. REED,
ROY O. WOODRUFF,
THOMAS A. JENKINS,
Managers on the Part of the House.

WALTER F. GEORGE,
TOM CONNALLY,
HARRY F. BYRD,
E. D. MILLIKIN,
ROBERT A. TAFT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two houses on the amendment of the Senate to the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute amendment. The conference agreement is a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, technical, and necessary conforming changes, the following statement explains the differences between the House bill, the Senate amendment, and the substitute agreed to in conference:

OLD-AGE AND SURVIVORS INSURANCE

COVERAGE

Definition of employment

Agricultural Labor

The House bill continued the exclusion under existing law of agricultural labor from the definition of "employment," although the House bill narrowed the definition of "agricultural labor." The Senate amendment excluded from the definition of "employment" agricultural labor performed in any calendar quarter by an employee, but only if the cash remuneration paid for such service is less than $50 or the service is performed by an individual who is not regularly employed by the employer to perform such service. The Senate amendment further provided that for this purpose an individual is deemed to be regularly employed by an employer during a calendar quarter only if (i) on each of some 60 days during the calendar quarter such individual performs agricultural labor for such employer for some portion of the day, or (ii) such individual was regularly employed (determined in accordance with the test in the preceding clause) by such employer in the performance of service of the prescribed character during the preceding calendar quarter. The amendment provided that remuneration paid for such service in any medium other than cash would not constitute wages.

The Senate amendment, however, did not apply in the case of service performed in connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton. Such service is specifically excepted from employment under the Senate amendment, regardless of the amount of the remuneration paid for, or the regularity of the performance of, such service. This specific exclusion from employment under the Senate amendment of service performed in connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, applies only to service performed in connection with the production or harvesting of crude gum (oleoresin) from a living tree or the processing of such crude gum into gum spirits of turpentine and gum resin, provided such processing is carried on by the original producer of such crude gum.

The conference agreement adopts the Senate provision with a change in the test of when an individual is deemed to be regularly employed in performing agricultural labor for an employer. Under the conference agreement, an individual is deemed to be regularly employed by an employer during a calendar quarter (including the first quarter of 1951) only if (i) such individual performs agricultural labor (other than services in connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton) for such employer on a full-time basis on 60 days (whether or not consecutive) during the quarter, and (ii) the quarter was immediately preceded by a qualifying quarter. A qualifying quarter is defined as (I) any quarter during all of which the individual was continuously employed by the employer, or (II) any subsequent quarter meeting the test of clause (i) above, if, after the last quarter during all of which the individual was continuously employed by the employer, each intervening quarter met the test of clause (i). An individual is also deemed to be regularly employed by an employer during a calendar quarter if he was regularly employed (upon application of clauses (i) and (ii) by the employer during the preceding calendar quarter. Under the conference agreement remuneration for services in connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton, is not counted for purposes of the $50 cash wage test.

The Senate amendment adopted the definition contained in the House bill of the term "agricultural labor" except that the Senate amendment adds to the list of service constituting agricultural labor the following: Service performed in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes; and service not in the course of the employer's trade or business or domestic service in a private home of the employer, if such service is performed on a farm operated for profit. The conference agreement adopts the House provision with the additions made by the Senate amendment.

Domestic Workers

The House bill excluded from employment service not in the course of the employer's trade or business (including domestic service in a private home of the employer) performed in any calendar quarter by an employee, but only if the cash remuneration paid to an individual for such service is less than $25, or such service is performed by an individual who is not regularly employed by the employer to perform such service. For the purposes of the exception, an individual is deemed to be regularly employed by an employer during a calendar quarter only if (i) such individual performs for such employer service of the prescribed character during some portion of at least 26 days during the calendar quarter, or (ii) such individual is regularly employed (determined in accordance with clause (i) by such employer in the performance of service of the prescribed character during the preceding calendar quarter. The Senate amendment modified the House bill by requiring $50 of cash wages instead of $25 of cash wages earned in the quarter; and providing that the test of regularity be based upon performance of services on each of some 24 days during a quarter rather than 26 days.

The conference agreement adopts the Senate amendment as to service not in the course of the employer's trade or business. The agreement also conforms with the policy of the Senate amendment with respect to domestic service, but the cash test of $50 is changed from a remuneration earned in the quarter basis to a remuneration paid in the quarter basis. Under the conference agreement, cash remuneration received by an employee in a calendar quarter for domestic service in a private home of the employer does not constitute wages unless the cash remuneration for such service received by the employee from the employer in such quarter is $50 or more, and the employee is regularly employed by the employer in such quarter of payment in the performance of such service.

The House bill excepted from employment service not in the course of the employer's trade or business (including domestic service

in a private home of the employer) performed on a farm operated for profit. The Senate amendment omitted this provision because of its amendment (adopted under the conference agreement) including such service within the definition of agricultural labor. The conference agreement conforms with the Senate action.

Federal Employees

The House bill excluded from employment service performed in the employ of the United States Government or in the employ of any instrumentality of the United States Government which is partly or wholly owned by the United States but only if (1) such service is covered by a retirement system established by a law of the United States for employees of the United States or of such instrumentality, or (2) the service is of the character described in any one of a list of 13 special classes of excepted services. The Senate amendment adopted the general policies of the House bill except for one area of Federal employment. The large group covered under the Senate amendment and not under the House bill consists of employees serving under a temporary appointment pending final determination of eligibility for permanent or indefinite appointment; and the conference agreement extends coverage to this group.

The conference agreement contains three separate subparagraphs. Subparagraph (A) excepts from employment service performed in the employ of the United States or of any instrumentality of the United States, if such service is covered by a retirement system established by a law of the United States. Determinations as to whether the particular service is covered by a retirement system of the requisite character are to be made on the basis of whether such service is covered under a law enacted by the Congress of the United States which specifically provides for the establishment of such retirement system. Subparagraph (B) excepts from employment service performed in the employ of an instrumentality of the United States if such an instrumentality was exempt from the tax imposed by section 1410 of the Internal Revenue Code on December 31, 1950. This provision can apply in the case of an instrumentality created after 1950 if such instrumentality, had it been in existence on December 31, 1950, would have been exempt from such tax by reason of a provision of law in effect on that date. The exception from employment under subparagraph (B) does not apply to (i) service performed in the employ of a corporation which is wholly owned by the United States (but such service, of course, is not included as employment if the service is excluded upon application of the rules contained in subparagraph (A) or (C); (ii) service performed in the employ of a national farm loan association, a production credit association, a Federal Reserve bank, or a Federal credit union; (iii) service performed in the employ of a State, county, or community committee under the Production and Marketing Administration; (iv) service performed by a civilian employee, who is not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force motion picture service, Navy exchanges, Marine Corps exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department. Subparagraph (C) excepts from employment service performed in the employ of the United States or in the employ of any instrumentality of the United States if the service is of the character described in any one of a list of 13 special classes of excepted services. These 13 special classes of excepted services include the 12 special classes of excepted services listed in the Senate amendment and, in addition, service performed by an individual to whom the Civil Service Retirement Act of 1930 does not apply because such individual is subject to another retirement system (either established by a law of the United States or by the agency or instrumentality for which the service is performed).

Employees of Transportation Systems Operated by a State or Political Subdivision

The House bill included as employment service performed in the employ of a political subdivision of a State (including an instrumentality of one or more subdivisions) in connection with the operation of a public transportation system if such service is performed by an employee who (i) became an employee of the political subdivision in connection with and at the time of its acquisition after 1936 of the transportation system or any part thereof, and (ii) prior to the acquisition rendered services which constituted employment (for social-security-coverage purposes) in connection with the operation of the transportation system or part thereof acquired by the political subdivision. Under the House provision if a city acquired a transportation system in 1930, and in 1940 acquired from private ownership a bus line which became part of the city transportation system, only the employees taken over from the privately owned bus line would be covered for social-security purposes. Other employees working for the city in connection with the operation of its transportation system, including employees hired after the acquisition of the bus line, would not have been covered under the House provision.

However, in the case of employees taken over by a political subdivision in connection with an acquisition made prior to the effective date of the provisions in the House bill amending the definition of employment, the House bill provided that if the political subdivision filed with the Commissioner of Internal Revenue prior to such effective date a statement that it did not favor the coverage of any employee who became an employee in connection with acquisitions made before such effective date, then the services of such employees would not constitute employment.

The Senate amendment provided for the inclusion as employment of all service performed in the employ of a State or political subdivision (or instrumentality) in connection with the operation of any public-transportation system the whole or any part of which was acquired after 1936. The Senate amendment did not limit coverage to those employees taken over from private employers at the time of such acquisition.

The conference agreement adopts the provision of the Senate amendment as the general rule to be applied, but the agreement sets forth certain conditions and circumstances under which none, or only some, of the employees will be covered.

Under the conference agreement, if the State or political subdivision acquires a transportation system, or any part thereof, from private ownership after 1936 and before 1951, all employees (with respect to services rendered after 1950 in connection with the operation of the transportation system) will be covered unless—

(i) The State or political subdivision on December 31, 1950, has a general retirement system (a defined term) in effect, covering substantially all services performed in connection with the operation of the transportation system; and

(ii) Such general retirement system provides benefits which are protected from diminution or impairment under the State constitution by reason of an express provision, dealing specifically with retirement systems established by the State or subdivisions of the State, which forbids such diminution or impairment.

A constitutional provision permitting diminution or impairment by action of the legislature would not qualify, under the conference agreement, as a constitutional provision described in clause (ii).

If the State or political subdivision made an acquisition described in the preceding paragraph and the employees are not covered under a general retirement system described in clause (ii) above, all service in connection with the transportation system will constitute employment, including the service of all employees hired after 1950 and including the service of employees who did not work for the private employer from whom the State or political subdivision acquired its transportation system.

If the State or political subdivision which acquired part of its transportation system after 1936 and before 1951 had on December 31, 1950, a general retirement system covering the services of its transportation employees, and the tests of clauses (i) and (ii) are both satisfied, none of the employees (subject to a limited exception set forth in the following paragraph) would be covered. This exclusion from employment will apply even in the case of employees who worked for the private employer from whom the State or political subdivision acquired the transportation system (or part thereof) and who became employees of the State or political subdivision in connection with the acquisition.

The conference agreement provides, however, in the case of a transportation system in which service is not employment by reason of rules set forth in the preceding paragraphs, that if the State or political subdivision makes a new acquisition from private ownership after 1950 of an addition to its transportation system, then in the case of any employee who—

(A) Became an employee of the State or political subdivision in connection with and at the time of its acquisition (after 1950) of the addition to its transportation system, and

(B) Prior to such acquisition rendered service which constituted employment (for social-security-coverage purposes) in connection with the operation of the addition to the transportation system acquired by the State or political subdivision,

the service of such employee (in connection with any part of the transportation system) shall constitute employment, commencing with the first day of the third calendar quarter following the calendar quarter in which the acquisition of the new addition took place, unless on such first day the service of the employee is covered by a general retirement system which does not contain special provisions applicable only to employees taken over by the State or political subdivision in connection with such acquisition.

The rule of the immediately preceding paragraph is, under the conference agreement, applicable in one other situation. If a State or political subdivision is operating a public transportation system on December 31, 1950, but no part of the system was acquired after 1936 and before 1951, none of the service of the employees will constitute employment unless the State or political subdivision makes an acquisition on or after January 1, 1951, from private ownership of an addition to its existing system. In the case of such an acquisition of a part of its transportation system, the employees taken over by a State or political subdivision at the time and in connection with such acquisition will be covered, or not covered, upon application of the rule set forth in the pre-

ceding paragraph. Employees of the public transportation system not taken over from private ownership at the time of such acquisition would not be affected at all—their service would remain excluded from employment.

In the case of a State or political subdivision which does not operate on December 31, 1950, a transportation system, but acquires a transportation system after such date, the conference agreement provides that all service performed in connection with the operation of the acquired transportation system will constitute employment, unless at the time the first part of such transportation system is acquired by it from private ownership the State or political subdivision has a general retirement system covering substantially all the service performed in the operation of the transportation system.

The term "general retirement system" is defined to mean any pension, annuity, retirement, or similar fund or system established by a State or political subdivision for employees of the State, political subdivision, or both, but does not include a fund or system which covers only service performed in positions connected with the operation of its public transportation system.

A transportation system or part thereof is considered to have been acquired by a State or political subdivision from private ownership if prior to the acquisition service performed by employees in connection with the operation of the system or the acquired part constituted employment (for social-security-coverage purposes) and some of such employees became employees of the State or political subdivision in connection with and at the time of such acquisition.

The term "political subdivision" is defined to include an instrumentality of a State, of one or more State political subdivisions, or of a State and one or more of its political subdivisions.

Coverage of State and Local Employees Under Compacts

The House bill provided for the extension of old-age and survivors insurance coverage to employees of State and local governments under agreements negotiated between the States and the Federal Security Administrator. The House bill also permitted the employees of State and local governments, covered by State or local government retirement systems, to be included in such agreements if two-thirds of the employees consented to be covered under the program. The Senate amendment modified the House provisions. It excluded from the purview of such agreements employees of States and local governments covered by State and local government retirement systems. The Senate amendment further provided for the establishment of separate coverage groups of employees engaged in the performance of single proprietary functions. The conference agreement adopts the Senate provisions.

Employees of Religious, Charitable, and Certain Other Nonprofit Organizations

Under the House bill, employees of religious, charitable, educational, and other organizations exempt from income tax under section 101 (6) of the Internal Revenue Code were covered on a compulsory basis. The House bill, however, granted an exemption to such organizations from the tax imposed on the employer under section 1410 of such code. Provision was made for waiver by the organization of such exemption. If the exemption from taxation was not waived, the employees of the organization would, for the purpose of computing insured status and average monthly wage, receive wage credits for only one-half of the wages paid. An organization waiving its exemption from tax was permitted, under the House bill, to regain its tax-exempt status by giving a 2 years' notice. Such notice of termination could not be given prior to the expiration of 5 years following the effective date of the waiver period.

The Senate amendment provided for compulsory coverage of organizations which are not organized and operated primarily for religious purposes or which are not owned and operated by one or more organizations operating primarily for religious purposes. The organizations whose employees were covered under the compulsory basis were, under the Senate amendment, subject, on a compulsory basis, to the employers' tax imposed under section 1410 of the Internal Revenue Code. The employees of such organizations were also subject, on a compulsory basis, to the employees' tax imposed under section 1400 of the code In the case of religious organizations, or organizations owned and operated by religious organizations, provision was made under the Senate amendment for coverage of employees upon filing a statement with the Commissioner of Internal Revenue that the organization desired to have the old-age and survivors insurance system extended to its employees. If such a statement was once filed, it could not thereafter be revoked by the organization.

The conference agreement differs from both the House bill and the Senate amendment. Under the conference agreement service performed in the employ of an organization exempt from income tax under section 101 (6) is excluded from employment unless the organization files a certificate that it desires to have the old-age and survivors insurance system extended to its employees. If it does not file such a certificate, neither the organization nor its employees are subject to the social-security taxes imposed by the Federal Insurance Contributions Act. If it does file such a certificate, both the employer and the employee are, for the period during which the certificate is in effect, subject to such taxes in the same manner as a private employer and his employees. The certificate filed by the organization must certify that at least two-thirds of its employees concur in the filing of the certificate, and the certificate must be accompanied by a list containing the signature, address, and social-security account number (if any) of each employee who concurs in the filing of the certificate. Such list may be amended, at any time prior to the expiration of the first month following the first calendar quarter for which the certificate is effective, by filing a supplemental list or lists containing the signature, address, and social-security number of each additional employee who concurs in the filing of the certificate. Commencing with the first day following the close of the calendar quarter in which the certificate is filed, the employees who have concurred in the filing of such certificate will be covered for social-security purposes. Any employee who is hired on or after such first day will be covered on a compulsory basis. If an individual, who on such first day was in the employ of the organization, should leave his position and thereafter reenter the employ of such organization, such employee will be covered on and after the date of such reentry, whether or not he concurred in the filing of the certificate when he was previously in the employ of the organization.

The conference agreement further provides that the period for which the certificate is effective may be terminated by the organization upon giving 2 years' advance notice in writing of its desire to terminate the effect of the certificate at the end of a calendar quarter; but only if the certificate has been in effect for a period of not less than 8 years at the time of the receipt of the notice of termination. The organization may revoke its notice of termination by giving a written notice of such revocation prior to the close of the calendar quarter specified in the notice of termination. The certificate (and any notice of termination or revocation of such notice) must be filed in such form and manner and with such official as may be prescribed by regulations.

Provision is also made, under the conference agreement, for termination of the waiver period upon the initiative of the Commissioner of Internal Revenue. If the Commissioner finds that an organization which filed a certificate has failed to comply substantially with the provisions of the Federal Insurance Contributions Act, or is no longer able to comply with such provisions, the Commissioner can give such organization a 60 days' advance notice in writing that the period covered by the certificate will terminate at the end of the calendar quarter specified in the notice. Such notice by the Commissioner may be revoked by him by giving, prior to the close of the calendar quarter specified in his notice of termination, written notice of the revocation. The Commissioner cannot give notice of termination or revocation thereof without prior concurrence of the Federal Security Administrator.

If the period covered by the certificate is terminated by the organization itself, it may not thereafter file a certificate waiving the exclusion from employment of its employees.

Service performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order would not constitute employment under the House bill, the Senate amendment, or the conference agreement.

Effective Date

The provisions of the conference agreement amending the definition of employment apply only with respect to service performed after December 31, 1950.

Definition of "wages"

The House bill continued the provisions of existing law which exclude from wages payments made to or on behalf of an employee under a plan or system providing for payments on account of (1) retirement, (2) sickness or accident disability, (3) medical or hospitalization expenses, or (4) death but provided that such payments made for death benefits should be excluded from wages regardless of whether the employee has certain options or rights, such as the option to receive, instead of the provision for such death benefit, any part of such payment made by the employer, or the right to assign the death benefit or to receive a cash consideration in lieu thereof. The Senate amendment adopted the House provision, but in addition excluded from wages any such payment made to or on behalf of any dependents of an employee under a plan or system providing for the employee and his dependents. The conference agreement adopts the Senate provision.

The House bill excluded from wages certain payments made to, or on behalf of, an employee from or to a trust exempt from tax under section 165 (a) of the code or under or to an annuity plan which meets the requirements of section 165 (a) (3), (4), (5), and (6). The Senate amendment made a clarifying change in the House provision to assure the exclusion from wages of a payment of the prescribed character made to, or on behalf of, a beneficiary of an employee. The conference agreement adopts the Senate provision.

The Senate amendment added a new provision excluding from wages remuneration for agricultural labor paid in any medium other than cash. The Senate provision was necessary because under the Senate amendment agricultural labor may be covered under certain conditions. The House bill contained no comparable provision. The conference agreement adopts the Senate provision.

The House bill contained an express provision relating to tips and other cash remuneration customarily received by an employee in the course of his employment from persons other than the person employing him. The Senate amendment eliminated this provision of the House bill. The conference agreement conforms to the Senate amendment.

The Senate amendment contained a provision designed to make easier the computation of wages for services not in the course of the employer's trade or business, particularly with respect to wages for domestic service. The House bill contained no comparable provision. The conference agreement adopts the Senate provision, but limits its application to remuneration for domestic service in a private home of the employer. The agreement authorizes the issuance of regulations in appropriate cases for the rounding of remuneration payments for such service to the nearest whole dollar. For example, if a household employee receives a cash remuneration payment of $9.50, or $10.49, or any amount in between, the payment could, if the regulations so provide, be considered to be $10. The rounding of cash wage payments to the nearest whole dollar will ease the householder's part in the social security program for purposes of applying the tax rate to the wage payment, for purposes of any required record keeping, and for purposes of determining whether $50 or more has been paid to the employee in any calendar quarter.

Under the House bill, remuneration paid to certain home workers would constitute wages, but the definition of "employee" contained in the Senate amendment resulted in the exclusion of such remuneration from wages. Under the conference agreement, which includes home workers as employees, remuneration paid by an employer in any calendar quarter to a home worker (if such home worker is an employee under the definition of "employee") will constitute wages, but only if cash remuneration of $50 or more is paid during the calendar quarter by the employer to such home worker. If $50 or more of cash remuneration is paid by the employer to such home worker during the calendar quarter, it is immaterial whether the $50 is in payment of services rendered the employer during the quarter of payment or during a previous quarter.

The conference agreement also makes certain amendments in the definition of "wages" for purposes of the Federal Unemployment Tax Act and income-tax withholding to conform such definitions in certain respects with the definition of "wages" under the Federal Insurance Contributions Act.

Effective Date

The provisions of the conference agreement amending the definition of wages apply only with respect to remuneration paid after December 31, 1950.

Definition of "employee"

The definition of the term "employee" in the House bill required that the usual common-law rules be used to determine whether an individual is an employee. The Senate accepted this provision without change but struck out the second sentence of the paragraph in the House bill which was designed to change the effect of the United States Supreme Court's holding in the case of *Bartels* v. *Birmingham* (332 U. S. 126 (1947)). The conference agreement accepts the Senate amendment. With regard to the meaning of the phrase "the usual common law rules applicable in determining the employer-employee relationship," this opportunity is taken to reiterate and endorse the statement made in the Report of the Committee on Ways and Means in connection with the Social Security Act Amendments of 1939:

"A restricted view of the employer-employee relationship should not be taken in the administration of the Federal old-age and survivors insurance system in making coverage determinations. The tests for determining the relationship laid down in cases relating to tort liability and to the common-law concept of master and servant should not be narrowly applied (p. 76)."

This statement made in 1939 is equally applicable to the phrase in the bill as agreed upon in the conference agreement, which contemplates a realistic interpretation of the common law rules.

Provisions in both the House bill and the Senate amendment added individuals in certain specified occupational groups who are not necessarily employees under the usual common law rules. However, the Senate amendment made substantial revisions in the additions which were provided in the House bill.

The Senate amendment eliminated entirely the House additions with respect to driver-lessees of taxicabs, contract loggers, mine lessees, and house-to-house salesmen. The conference agreement adopts these Senate amendments.

The Senate amendment struck out the House provision which added outside salesmen in the manufacturing or wholesale trade, substituting a more detailed provision which added city and traveling salesmen performing services under certain specified conditions. Under the conference agreement, city and traveling salesmen are included (subject to the general limitations which appeared in both the House bill and Senate amendment and which are applicable to all of the categories listed in par. (3) if they are engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, their principals (except for side-line sales activities on behalf of other persons) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations. City and traveling salesmen who sell to retailers or to the others specified, operate off the companies' premises, and are generally compensated on a commission basis are included within this occupational group. Such salesmen are generally not controlled as to the details of their service or the means by which they cover their territories, but in the ordinary case they are expected to call on regular customers with a fair degree of regularity. The conference agreement requires with respect to a city or traveling salesman that, in order for him to be included within the term "employee," his entire or principal business activity must be devoted to the solicitation or orders for one principal. Thus, the multiple-line salesman generally will not be within the scope of this subparagraph of the definition. However, the conference agreement specifies that, if the salesman solicits orders primarily for one principal, he shall not be excluded solely because of side-line sales activities on behalf of one or more other persons. In such a case, the salesman would be the employee under paragraph (3) of the definition only of the person for whom he primarily solicits orders and not of such other persons.

The conference agreement specifically excludes agent-drivers and commission-drivers from the scope of this subparagraph of the definition.

The following examples illustrate the application of the paragraph as it relates to city and traveling salesmen:

1. Salesman A's principal business activity is the solicitation of orders from retail pharmacies on behalf of the X wholesale drug company. A also occasionally solicits orders for drugs on behalf of the Y and Z companies. Within the meaning of subparagraph (3) (D), A is the employee of the X company but not of the Y and Z companies.

2. Salesman B's principal business activity is the solicitation of orders from retail hardware stores on behalf of the R tool company and the S cooking utensil company. B regularly solicits orders on behalf of both companies. Within the meaning of subparagraph (3) (D), B is not the employee of either the R or S company.

3. Salesman C's principal business activity is the house-to-house solicitation of orders on behalf of the T brush company. C occasionally solicits such orders from retail stores and restaurants. Within the meaning of subparagraph (3) (D), C is not the employee of the T company.

The Senate amendment added certain agent-drivers and commission-drivers to paragraph (3) of the definition as it appeared in the House bill. Under paragraph (3) (A) as it appears in the conference agreement, the definition of "employee" includes agent-drivers or commission-drivers who are engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for their principals. This category includes an individual who operates his own truck or the truck of the company for which he performs services, serves customers designated by the company as well as those solicited on his own, and whose compensation is a commission on his sales or the difference between the price he charges his customers and the price he pays to the company for the product or service.

The Senate amendment struck out the House provision which added home workers to the definition of "employee." Under paragraph (3) (C) of the definition agreed to by the conferees, a home worker is included in the term if he performs work, according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by such person which are required to be returned to such person or a person designated by him, if the performance of such services is subject to licensing requirements under the laws of the State in which such services are performed. However, as provided in the definition of "wages" adopted by the conference agreement, a home worker who meets the requirements of this definition of "employee" still will not be covered unless he is paid remuneration in cash of $50 or more in any calendar quarter by the person for whom the services are performed. It is not required that such remuneration must be paid in the quarter in which the services are performed.

With respect to the requirement that the performance of services by a home worker must be subject to licensing laws in the State in which the work is performed as a prerequisite to the inclusion of such individual in the definition of "employee," the conference agreement intends that this requirement will be met either in the case where the State requires a home-work license on the part of the person for whom the services are performed or in the case where the State requires a home-work certificate on the part of the individual who performs the services.

The House bill contained a paragraph (4) of the definition of "employee" which would have included within the meaning of the term any individual who had the status of an employee as determined by the combined effect of seven enumerated factors. The Senate amendment struck out this paragraph, and the conference agreement follows the Senate amendment with respect to this matter.

Self-employed

In providing coverage for the self-employed, the House bill excluded from tax (and from benefit coverage) income derived from the performance of service by an individual (or partnership) in the exercise of his profession as a physician, lawyer, dentist, osteopath, veterinarian, chiropractor, Christian Science practitioner, or as an aeronautical,

chemical, civil, electrical, mechanical, metallurgical, or mining engineer. The Senate amendment added to the list of exclusions the following: naturopaths, architects, certified public accountants, and accountants registered or licensed as accountants under State or municipal law, and funeral directors; and substituted "professional engineers" in lieu of the specific engineers listed in the House bill. The conference agreement adopts the Senate provision, with an addition (to the group excluded) of full-time practicing public accountants.

The House bill also excluded income derived from a trade or business of publishing a newspaper or other publication having a paid circulation. The Senate amendment deleted such exclusion. The conference agreement conforms with the Senate action in extending coverage in this area.

BENEFITS

Individuals entitled to benefits

Wife's Insurance Benefits

The House bill provided for payment of wife's insurance benefits to a wife under age 65 if she has in her care a child entitled to benefits on the basis of the wages and self-employment income of her husband. The Senate amendment contained no such provision. The conference agreement is the same as the House bill.

Husband's Insurance Benefits

The House bill contained no provision for payment of benefits to aged husbands of insured women. The Senate amendment provided for payment of benefits at age 65 to the husband of a woman who was currently insured when she became entitled to old-age insurance benefits if he had received at least one-half his support from her and filed proof thereof within 2 years after she became entitled to old-age insurance benefits (or prior to September 1952 in respect to women now receiving primary insurance benefits who under the conference agreement became entitled to old-age insurance benefits for September 1950). The amount of benefits payable is one-half the primary insurance benefit, as in the case of wife's benefits based on the husband's wage record. The conference agreement adopts the provision of the Senate amendment.

Child's Insurance Benefits

The House bill would deem a child dependent upon a natural or adopting mother if she was both fully and currently insured at the time of her death. The Senate amendment would permit a finding of such dependency if the mother was currently insured at her death or entitlement to old-age insurance benefits. Under the Senate amendment children of women possessing such qualifications who died or became entitled to primary insurance benefits prior to September 1950 could become entitled to child's benefits in September 1950. The conference agreement adopts the Senate provision.

Widower's Insurance Benefits

The House bill provided for no benefits to the aged widowers of insured women. The Senate amendment included a provision parallel to that for aged husbands, permitting payment of benefits at age 65 to the widower of a woman who died after August 1950 and who was both fully and currently insured at her death or entitlement to old-age insurance benefits, if he had been receiving at least one-half his support from her and filed appropriate proof within 2 years either of her death or entitlement to old-age insurance benefits. The widower's benefit, like that for a widow, is three-fourths of the primary insurance amount. The conference agreement is the same as the Senate amendment.

Lump-Sum Death Payments

The House bill provided that a lump-sum death payment should be payable on the death of every insured worker. The Senate amendment would have retained existing law with respect to the circumstances under which a lump-sum death payment would be payable, and in addition provided for a residual lump-sum death payment in certain cases. The conference agreement adopts the provisions of the House bill so that survivors' benefits need not be diverted for payment of burial expenses of an insured worker.

Computation of benefits payable

Computation of Primary Insurance Amount

The House bill defined an individual's "primary insurance amount" as the sum of (1) his base amount multiplied by his continuation factor, and (2) one-half of 1 percent of his base amount multiplied by the number of his years of coverage. The "base amount" would have been defined as an amount equal to 50 percent of the first $100 of his average monthly wage plus 10 percent of the next $200 of such wage. The Senate amendment eliminated the continuation factor and the "increment" for years of coverage, and provided a primary insurance amount equal to 50 percent of the first $100 of average monthly wage plus 15 percent of the next $200 of such wage. Under the House bill, the benefit formula stated above would be applicable to any individual who had not received an insurance benefit for a month prior to 1950, or who had not died prior to 1950, and other persons would have had their benefits raised by a conversion table. The Senate amendment would permit any individual who had six or more quarters of coverage after 1950 to have his primary insurance amount computed either by means of the new benefit formula or by means of the formula in the present law (but without "increment" for years after 1950) with the resulting amount raised by the conversion table (discussed hereafter), whichever results in the larger benefit (except that such an individual who attained age 22 after 1950 would always be given the benefit derived under the new formula). The conference agreement adopts the Senate amendment.

Minimum Primary Insurance Amount

Under the House bill, the minimum primary insurance amount was $25. The Senate amendment provided for a minimum primary insurance amount of $25 in those cases in which the average monthly wage was $34 or more, and of $20 where the average monthly wage was less than $34. The conference agreement provides for a minimum primary insurance amount as follows:

If the average monthly wage is:	The primary insurance amount will be:
$30 or less	$20
$31	$21
$32	$22
$33	$23
$34	$24
$35 to $49	$25

Average Monthly Wage

Under the House bill, an individual's "average monthly wage" would have been computed by dividing the total of his wages and self-employment income during "years of coverage" after a specified starting date by twelve times the number of such years of coverage. The Senate amendment provides that the average monthly wage should be the total of wages and self-employment income, after a starting date and prior to a closing date, divided by the total number of months in that elapsed period. The conference agreement follows the Senate amendment, thus retaining the method of computation in the present Social Security Act, modified to provide for new starting and closing dates. The conference agreement provides that the average monthly wage may be computed as of the first quarter in which an individual both was fully insured and had attained retirement age if this produces a more favorable result. In the case of individuals age 65 and over on September 1, 1950, who become fully insured under the new insured status provisions and who on such date would not have been fully insured under provisions of present law, the third quarter of 1950 will be considered as such first quarter rather than any earlier quarter in which they both had obtained six quarters of coverage and had attained retiremen age.

Conversion Table

The House bill provided for increasing existing benefits according to a conversion table which showed, for each dollar amount of existing primary insurance benefit, a new primary insurance amount and an assumed average monthly wage for the purpose of computing maximum benefits. The increase in the average benefit under this table would have been 70 percent. Under the Senate amendment the increase in the average benefit would have been 85 percent and the conversion table would have been used for the computation of the benefits of some persons who first become entitled to benefits after the date of enactment of the Act. The conference agreement follows the Senate amendment except that it provides a schedule of increases about midway between the increases provided by the House bill and the Senate amendment.

Parent's Insurance Benefits

The House bill raised the amount of a parent's benefit from one-half the primary insurance amount to three-fourths. The Senate amendment would have retained existing law under which the parent's benefit is one-half the primary insurance amount. The conference agreement adopts the House provision.

Insured status

Definition of "Quarter of Coverage"

The House bill provided that after 1950 a quarter of coverage for purposes of insured status would be a calendar quarter in which an individual had been paid $100 in wages or had been credited with $200 of self-employment income. The Senate amendment provided that, for calendar quarters after 1950, wages of $50 or self-employment income of $100 would result in a quarter of coverage. The conference agreement follows the Senate amendment.

Fully Insured Individual

The House bill provided that an individual would be fully insured if he either met the requirements of the present Social Security Act or had at least 20 quarters of coverage out of the 40-quarter period ending with the quarter in which he attained retirement age or with any subsequent quarter, or ending with the quarter in which he died. The Senate amendment provided that the individual (if living on September 1, 1950) would be fully insured if he had at least 1 quarter of coverage (no matter when acquired) for each 2 quarters elapsing after 1950, or later attainment of age 21, and up to but excluding the quarter in which he attained retirement age or died, whichever first occurred, but in no case less than 6 quarters of coverage or more than 40 quarters of coverage. The conference agreement adopts the Senate language.

Permanent and total disability insurance

The House bill provided insurance benefits for totally and permanently disabled insured individuals. The Senate amendment contained no comparable provision. The conference agreement does not provide for permanent and total disability insurance benefits.

World War II military service

The House bill provided wage credits for World War II military service regardless of whether benefits based in whole or in part upon such service became payable under

another Federal benefit system, the cost of such credits to be borne by the Federal Treasury. The Senate amendment provided the same wage credits but only if a benefit based in whole or in part upon the veteran's military service during World War II were not payable under another Federal benefit system, and provided that the costs should be borne by the trust fund. The Senate amendment also provided that the Federal Security Administrator should ascertain from the Civil Service Commission whether benefits were payable by other Federal agencies based in whole or in part upon military service. The conference agreement follows the Senate amendment except that it requires the Federal Security Administrator to ascertain the facts with respect to other Federal benefit payments directly from the agency involved rather than through the Civil Service Commission.

Effective dates

The House bill provided that the effective date for the new benefit provisions would be January 1, 1950. The Senate amendment provided that the new benefit provisions would be effective with respect to months beginning with the second calendar month after the date of enactment of the bill. Under the conference agreement the new benefit provisions will be applicable for months after August 1950.

FINANCING AND ADMINISTRATIVE PROVISIONS

Tax rates

Rate of Tax on Wages

The House bill increased the rate of the employees' tax and of the employers' tax under the Federal Insurance Contributions Act from 1½ to 2 percent on January 1, 1951. The Senate amendment postponed the increase in rates until January 1, 1956. The conference agreement increases the rate of each tax to 2 percent on January 1, 1954. Otherwise the rates under the House bill, the Senate amendment, and the conference agreement are the same. Under the agreement the rates of each tax are as follows:

	Percent
For the calendar years 1950 to 1953, inclusive	1½
For the calendar years 1954 to 1959, inclusive	2
For the calendar years 1960 to 1964, inclusive	2½
For the calendar years 1965 to 1969, inclusive	3
For the calendar year 1970 and subsequent calendar years	3¼

Rate of Tax on Self-Employment Income

Under the House bill, the Senate amendment, and the conference agreement, the rates of tax on self-employment income are one and one-half times the rates of the employees' tax under the Federal Insurance Contributions Act.

The rates of the tax on such income for the respective taxable years under the conference agreement are as follows:

For taxable years—	Percent
Beginning after Dec. 31, 1950, and before Jan. 1, 1954	2¼
Beginning after Dec. 31, 1953, and before Jan. 1, 1960	3
Beginning after Dec. 31, 1959, and before Jan. 1, 1965	3¾
Beginning after Dec. 31, 1964, and before Jan. 1, 1970	4½
Beginning after Dec. 31, 1969	4⅞

Appropriations to the trust fund

The Senate amendment changed that portion of section 201 (a) of the Social Security Act which appropriates to the trust fund amounts equivalent to 100 percent of the taxes received under the Federal Insurance Contributions Act and covered into the Treasury. Under the amendment amounts appropriated would be determined by reference to the taxes on the total taxable wages and self-employment income reported for tax purposes, rather than by reference to the sum of the collections of such taxes. However, with respect to taxes deposited into the Treasury by collectors of internal revenue before January 1, 1951, the amount appropriated will be determined in the same manner as under the present method. After that date and for an additional period of 2 years ending with the close of 1952, collectors of internal revenue would be required to continue to account separately for collections of such taxes which had been assessed but not collected before January 1, 1951. The House bill contained no comparable provision. The conference agreement adopts the Senate amendment.

The House bill continued the provisions of existing law which appropriate to the trust fund, in addition to the taxes, any interest, penalties, or additions to the taxes collected under the old-age and survivors insurance program. The Senate amendment did not appropriate to the trust fund any such interest, penalties, or additions to the taxes. Nor does the conference agreement appropriate to the trust fund any interest, penalties, or additions to the taxes. It is believed, however, that the fact that no interest, penalties, or additions to the taxes are appropriated to the trust fund should be given consideration in determining the estimated amounts of administrative expenses charged to the trust fund by the Treasury Department for the performance of its duties in collecting the taxes under the old-age and survivors insurance program, although it is recognized that no fixed amount can be assigned to this factor.

Payments of special refunds from trust fund

The House bill changed section 201 (f) of the Social Security Act to require that refunds of the taxes collected for the old-age and survivors insurance program be made from the trust fund beginning January 1, 1950. The Senate amendment continued the provisions of existing law which appropriate to the trust fund amounts equivalent to 100 percent of the taxes collected for the old-age and survivors insurance program, except that such amounts would be determined by reference to the taxes on the total taxable wages and self-employment income reported for tax purposes, rather than by reference to the sum of the collections of such taxes. The Senate amendment did not expressly authorize refunds of such taxes to be made from the trust fund. An adjustment for erroneous payments of employer and employee taxes would automatically have been made in the trust fund by means of the new appropriation procedure provided under the Senate amendment.

The conference agreement requires the managing trustee to pay from the trust fund into the Treasury the amount estimated by him as taxes which are subject to refund under section 1401 (d) of the Internal Revenue Code with respect to wages paid after December 31, 1950. Such taxes are to be determined on the basis of the records of wages established and maintained by the Federal Security Administrator in accordance with the wages reported to the Commissioner of Internal Revenue pursuant to section 1420 (c) of the Internal Revenue Code. The Federal Security Administrator is required to furnish the managing trustee such information as may be required by the trustee for making such estimates. The payments by the managing trustee are required to be covered into the Treasury as repayments to the account for refunding internal revenue collections.

Return of self-employment tax

Under the House bill the provisions imposing the tax on self-employment income were included in the Internal Revenue Code as subchapter F of chapter 9, so that such tax was levied as one of the employment taxes subject to the administrative provisions relating to miscellaneous taxes. The Senate amendment included the provisions imposing the self-employment tax as subchapter E of chapter 1 of the code, relating to the income tax. Under the Senate amendment the self-employment tax would be levied, assessed, and collected as part of the income tax imposed by chapter 1 of such code, except that it would not be taken into account for purposes of the estimated tax. In view of the close connection between the self-employment tax and the present income tax, and in the interests of simplicity for taxpayers and economy in administration, your conferees believe that it is preferable to have the tax on self-employment income handled in all particulars as an integral part of the income tax. The conference agreement therefore adopts the provisions of the Senate amendment with respect to the integration of the self-employment tax with the income tax under chapter 1. Thus, except as otherwise expressly provided, the self-employment tax will be included with the normal tax and surtax under chapter 1 in computing any overpayment or deficiency in tax under such chapter and in computing the interest and any additions to such overpayment, deficiency, or tax. The self-employment tax will be subject to the jurisdiction of The Tax Court to the same extent and the same manner as other taxes under chapter 1.

Subsection (a) of section 482 of the code, as added by the Senate amendment, would require every individual (other than a nonresident alien) having net earnings from self-employment of $400 or more for the taxable year to file a return containing such information for the purpose of carrying out the provisions of the subchapter imposing the tax on self-employment income as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury shall by regulations prescribe. Such a return would be considered a return required under section 51 (a), and the provisions applicable to returns under section 51 (a) would be applicable to such return. However, the tax on self-employment income, in the case of a joint return of husband and wife, is the sum of the taxes computed on the separate self-employment income of each spouse. With respect to the tax on self-employment income, the requirement of section 51 (b) that in the case of a joint return the tax is computed on the aggregate income of the spouses is not applicable. The conference agreement adopts the Senate provision.

Receipts for employees

The Senate amendment contained a provision relating to receipts for employees, which is similar to the existing section 1625 of the code, relating to receipts for income tax withheld (the Form W–2 furnished to employees). The provision would supersede section 1625, and section 1403 (relating to employee receipts for social-security tax withheld), of the code with respect to wages paid after December 31, 1950, and would provide for one receipt which would give the employee full information (1) as to his wages subject to employee social-security tax, and the amount deducted and withheld from him as such tax, and (2) as to his wages subject to income tax withholding and the amount deducted and withheld as such tax. The House bill contained no comparable provision. The conference agreement, by adding a new section 1633 to the code, adopts the provisions of the Senate amendment, relating to receipts, with conforming amendments to reflect the elimination of the Senate provisions relating to combined withholding.

The Senate amendment contained a provision, relating to penalties, which corresponds to the existing section 1626 (a) and (b) of the code. The amendment provided penalties applicable in the case of a fraudu-

lent statement and in the case of a failure to file a statement required under the provision discussed in the preceding paragraph. The provision was applicable with respect to wages paid after December 31, 1950. The House bill contained no provision with respect to this matter. The conference substitute, by adding a new section 1634 to the code, adopts the provision of the Senate amendment.

Special refunds creditable against income tax

The Senate amendment authorized the Commissioner of Internal Revenue under regulations to permit "special refunds" to be taken by the taxpayer as a credit against his income tax. The Senate amendment amended section 322 (a) of the code by authorizing the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to prescribe regulations which would permit the employee-taxpayer to claim credit against his income-tax liability under chapter 1 of the code for employee social-security tax withheld on his wages in excess of $3,600 received during the calendar year by reason of his employment by two or more employers. "Special refunds" so credited would be treated for all purposes in the same manner as amounts withheld as tax under subchapter D of chapter 9 of the code. This provision of the Senate amendment is only applicable with respect to "special refunds" of employee social-security tax on wages paid after December 31, 1950. Nor may "special refunds" be claimed as a credit against the tax for any taxable year beginning before January 1, 1951.

The House bill contained no comparable provision. The conference agreement adopts the language of the Senate provision.

Periods of limitation on assessments and refunds

Under the existing law, the periods of limitations on the taxes imposed by chapter 9 are prescribed in section 3312 of the Internal Revenue Code, relating to assessments and collections, and section 3313, relating to refunds and credits. In general, those sections provide a 4-year period of limitation on both assessments and refunds, and a 5-year period for bringing a proceeding in court for collection without assessment. On the other hand, the general rule of the income tax is that assessment must be made and refund must be claimed in the 3-year period after the return is filed, except that if no return is filed refund must be claimed within 2 years after the tax is paid, and in any event refund may be claimed within such 2-year period. The Senate amendment provided special periods of limitation similar to those provided for income tax in the case of those taxes under the Federal Insurance Contributions Act, the income-tax-withholding provisions, and the combined withholding provisions, which are collected and paid under a return system. The House bill contained no provision with respect to this matter. The conference agreement adopts the provisions of the Senate amendment, with conforming amendments to reflect the elimination of the provisions relating to combined withholding.

The conference agreement provides, by inserting new sections 1635 and 1636 in chapter 9 of the code, special periods of limitation which are applicable to such of the taxes under the Federal Insurance Contributions Act, and the income-tax-withholding provisions, as are collected and paid under a return system. These provisions are in lieu of the provisions of sections 3312 and 3313 with respect to those taxes. However, the provisions of sections 3312 and 3313 will be applicable to any taxes imposed by the Federal Insurance Contributions Act and subchapter D of chapter 9 of the code (relating to income-tax withholding) which the Commissioner of Internal Revenue may require to be collected and paid, not by making and filing returns, but by stamp or by other authorized methods. The periods of limitation prescribed by sections 1635 and 1636 are measured from the date the return is filed, which date is subject to the conclusive presumption described in the next sentence. Returns for any period in a calendar year, such as quarterly returns, which are filed before March 15 of the succeeding calendar year, are deemed filed (and tax paid at the time of filing such returns is deemed paid) on March 15 of such succeeding calendar year, so that the period of limitations with respect to the tax for any part of a calendar year will run uniformly from a date in the succeeding year which corresponds to the filing date for income-tax returns.

The periods of limitation prescribed by sections 1635 and 1636 will be applicable only to taxes imposed with respect to remuneration paid during calendar years after 1950. The taxes under chapter 9 imposed with respect to remuneration paid during any calendar year before 1951 will continue to be subject to sections 3312 and 3313.

Mitigation of effect of statute of limitations, etc.

The Senate amendment would add to the code a new section (sec. 3812), not included in the House bill, relating to the mitigation of the effect of the statute of limitations and other provisions in case of related taxes under different chapters. This section is made necessary by the fact that adjustments to the wages under the Federal Insurance Contributions Act may, by reason of the effect of such wages on the $3,600 limitation applicable in determining self-employment income, affect the tax under the Self-Employment Contributions Act, and by reason of the fact that an item of income may be erroneously reported as taxable under one act when it should have been taxable under the other act. If adjustment under only one of the two acts is prevented by the statute of limitations or any other law or rule of law (other than sec. 3761 of the code, relating to compromises), then the adjustment (that is, the assessment or the credit or refund) otherwise authorized under the one act will reflect the adjustment which would have been made under the other act but for such law or rule of law. The conference agreement adopts the language of the Senate amendment.

Collection of taxes in Virgin Islands and Puerto Rico

The House bill and Senate amendment both provided that, notwithstanding any other provision of law respecting taxation in the Virgin Islands or Puerto Rico, all taxes imposed by the Self-Employment Contributions Act and the Federal Insurance Contributions Act shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury and shall be paid into the Treasury of the United States as internal-revenue collections. This provision is retained in the conference agreement. In addition, the conference agreement provides that all provisions of the internal-revenue laws of the United States relating to the administration and enforcement (such as the provisions relating to the ascertainment, return, determination, redetermination, assessment, collection, remission, credit, and refund) of the tax imposed by the Self-Employment Contributions Act, including the provisions relating to The Tax Court of the United States, and of any tax imposed by the Federal Insurance Contributions Act shall, in respect of such tax, extend to and be applicable in the Virgin Islands and Puerto Rico in the same manner and to the same extent as if the Virgin Islands and Puerto Rico were each a State, and as if the term "United States" when used in a geographical sense included the Virgin Islands and Puerto Rico.

Combined withholding of income and employee social security taxes

The Senate amendment provided under certain conditions for the combined withholding of the income tax at source on wages under subchapter D of chapter 9 of the code and of the employees' tax under the Federal Insurance Contributions Act. The House bill contained no provision with respect to combined withholding. The conference agreement contains no such provision.

PUBLIC ASSISTANCE AND MATERNAL AND CHILD HEALTH AND CHILD WELFARE PROGRAMS

PUBLIC ASSISTANCE

Requirements for State plans

Opportunity for a Fair Hearing

The House bill providing with respect to all categories of public assistance for granting an opportunity for a fair hearing before the State agency to any individual whose claim for assistance is denied or is not acted upon within a reasonable time. The Senate amendment provided for granting an opportunity for a fair hearing before the State agency to any individual whose claim for assistance is denied or is not acted upon with reasonable promptness. The conference agreement follows the Senate amendment.

Training Program for Personnel

The House bill provided with respect to all categories of public assistance for a training program for the personnel necessary to the administration of each plan. The Senate amendment contained no such provision. Most public assistance agencies have developed training programs which are being used to advantage in the efficient expenditure of public funds. The further establishment and expansion of such programs should be encouraged, but this is left as a matter for State initiative. The conference agreement, therefore, contains no such provision.

Opportunity To Apply for and To Receive Assistance Promptly

The House bill provided with respect to all categories of public assistance that all individuals wishing to make application for assistance shall have opportunity to do so and that assistance shall be furnished promptly to all eligible individuals. The Senate amendment provided that all individuals wishing to make application for old-age assistance shall have opportunity to do so and that old-age assistance shall be furnished with reasonable promptness to all eligible individuals. The conference agreement follows the Senate amendment.

The requirement to furnish assistance "with reasonable promptness" will still permit the States sufficient time to make adequate investigations but will not permit them to establish waiting lists for individuals eligible for assistance.

Residence Provisions

The Senate amendment added a provision to the present residence requirement with respect to aid to dependent children which would prevent the States from denying assistance with respect to any child who was born within 1 year immediately preceding the application for assistance if the parent or other relative with whom the child is living has resided in the State for 1 year immediately preceding the birth. The House bill contained no such provision. The conference agreement follows the Senate amendment.

For aid to the blind, the House bill provided that the State could not, as a condition of eligibility, require residence in the State of more than 1 year immediately prior to filing the application for aid. The Senate amendment did not contain any such provision. The conference agreement does not contain any such provision.

Special Requirements for Aid to the Blind

The House bill provided that a State might disregard such amount of earned income up to $50 per month as the State vocational rehabilitation agency for the blind certifies will encourage and assist the blind to prepare for or engage in remunerative employment. It also provided that the State must take into consideration the special expenses arising from blindness and must disregard income or resources not predictable or actually available. The Senate amendment provided that prior to July 1, 1952, a State might disregard earned income up to $50 per month in the discretion of each State. After July 1, 1952, the State would be required to disregard earned income up to $50 per month. The conference agreement follows the Senate amendment.

The House bill provided that any State which did not have an approved plan for aid to the blind on January 1, 1949, could have its plan approved even though it did not meet the requirements of clause (8) of section 1002 (a) of the Social Security Act relating to the consideration of income and resources in determining need. It was specified, however, that the Federal participation would be limited to payments made to individuals whose income and resources had been taken into consideration in the manner required by such clause 1002 (a) (8). Under the House bill these provisions would have been effective for the period beginning October 1, 1949, and ending June 30, 1953. Under the Senate amendment they would have been permanent. The conference agreement provides that they shall be effective for the period beginning October 1, 1950, and ending June 30, 1955.

The House bill provided that in determining blindness there must be an examination by a physician skilled in diseases of the eye or by an optometrist. The Senate amendment provided that in determining blindness there must be an examination by a physician skilled in diseases of the eye. It further provided that the services of an optometrist within the scope of the practice of optometry, as prescribed by the laws of the State, shall be made available to recipients of aid to the blind as well as to recipients of any grant-in-aid program for improvement or conservation of vision. The conference agreement follows the House provision with an amendment providing that after June 30, 1952, an applicant for aid to the blind may select either a physician skilled in diseases of the eye or an optometrist to make the examination.

Federal share of expenditures

The House bill provided with respect to old-age assistance and aid to the blind for Federal participation to the extent of four-fifths of the first $25 of the State's average monthly payment per recipient, plus one-half of the next $10 of the average, plus one-third of the remainder of the average within the individual maximums of $50. The Senate amendment retained the formula in the present law with the exception of a special provision in the old-age-assistance title reducing the Federal percentage contributed toward assistance payments to certain individuals who were also primary insurance beneficiaries under the old-age and survivors insurance program. Under existing law the Federal share is three-fourths of the first $20 of the State's average monthly payment plus one-half of the remainder within individual maximums of $50. The conference agreement follows existing law.

With respect to aid to dependent children the House bill provided for Federal participation to the extent of four-fifths of the first $15 of the State's average monthly payment per recipient, plus one-half of the next $6 of the average payment, plus one-third of the remainder of the average payment within the individual maximums of $27 for the relative with whom the children are living, $27 for the first child, and $18 for each additional child. The Senate amendment retained the present formula for determining the Federal percentage contributed toward assistance payments but increased the maximum with respect to individual payments to $30 for the relative with whom the children are living, $30 for the first child and $20 for each additional child. Under existing law the Federal share is three-fourths of the first $12 of the average monthly payments per child, plus one-half of the remainder within individual maximums of $27 for the first child and $18 for each additional child in a family. The conference agreement retains existing law with respect to the maximums for children and the formula and provides a maximum of $27 with respect to the relative with whom the children are living.

Medical care

The House bill provided with respect to all categories of public assistance that the term "assistance" might include money payments to, or medical care in behalf of, needy individuals. The Senate amendments provided for the inclusion of money payments to, or medical care in behalf of, or any type of remedial care recognized under State law in behalf of, needy individuals. The conference agreement follows the Senate amendment. The addition of remedial care was to make it clear that assistance includes the services of Christian Science practitioners.

Establishment of a new program of aid to the permanently and totally disabled

The House bill provided for a new title XIV of the Social Security Act making Federal grants-in-aid available to needy permanently and totally disabled individuals. The Senate amendment contained no such provision.

The conference agreement provides for a new title XIV under which aid would be provided to needy permanently and totally disabled individuals 18 years of age and older. The maximum residence requirement that a State might impose is established at 5 out of the last 9 years and 1 year immediately preceding the application. The plan requirements and provisions for medical care are identical with those established by the conference agreement for old-age assistance. Likewise the Federal share of expenditures will be three-fourths of the first $20 of the State's average monthly payment plus one-half of the remainder within an individual maximum of $50, as in the case of old-age assistance.

Although assistance would be confined to those who are permanently and totally disabled, it is recognized that with proper training, some of the individuals aided possibly could be returned to a condition of self-support. With the authorizations for an assistance program to cover this group it is believed that the State public assistance agencies will work even more closely than before with State rehabilitation agencies in developing policies which will assure that every individual for whom vocational rehabilitation is feasible will have an opportunity to be rehabilitated. To the extent that such efforts are successful the assistance rolls will be lowered.

Puerto Rico and the Virgin Islands

The House bill provided that all categories of public assistance be extended to Puerto Rico and the Virgin Islands. The Federal share of expenditures was limited to 50 percent. The maximums on individual payments with respect to old-age assistance, aid to the blind, and aid to the permanently and totally disabled, were $30 per month. For aid to dependent children the maximums were $18 with respect to the first child and $12 with respect to each of othe other dependent children in the same home. The Senate amendment contained no such provision. The conference agreement follows the House bill, but limits the total amount authorized to be certified by the Federal Security Administrator in all four categories with respect to any fiscal year to $4,250,000 for Puerto Rico and $160,000 for the Virgin Islands.

MATERNAL AND CHILD HEALTH AND CHILD WELFARE

Maternal and child health

The Senate amendment provided for increasing the authorization for annual appropriations for maternal and child health from $11,000,000 to $20,000,000, with the $35,000 uniform allotment to each State increased to $60,000. The House bill contained no such provision. The conference agreement provides for the fiscal year beginning July 1, 1950, an authorization of $15,000,000 and for each fiscal year thereafter $16,500,000, and in each case the uniform allotment to each State is to be $60,000.

Crippled children

The Senate amendment provided for an increase in the amount authorized to be appropriated annually with respect to crippled children to $15,000,000 with the annual uniform allotment to each State to be increased to $60,000. The House bill contained no such provision. The conference agreement provides for the fiscal year beginning July 1, 1950, for an authorization of $12,000,000 and for each year thereafter $15,000,000. In each case the uniform allotment is to be $60,000.

Child welfare services

The House bill provided for an authorization for annual appropriation for child welfare services of $7,000,000, with the $20,000 uniform allotment to each State increased to $40,000. A specific provision was made authorizing expenditures for returning any run-away child under age 16 from one State to his own community in another State if such return is in the interest of the child and the cost cannot otherwise be met. The Senate amendment provided for increasing the amount authorized to be appropriated annually to $12,000,000, with the allotments to the States to be on the basis of rural population under the age of 18. It also provided that in developing the various services under the State plans, the States would be free, but not compelled, to utilize the facilities and experience of voluntary agencies for the care of children in accordance with State and community programs and arrangements. The Senate amendment retained the increased $40,000 allotment and the provision relating to run-away children that were in the House bill. The conference agreement follows the Senate amendment, except that the amount authorized to be appropriated annually is $10,000,000.

MISCELLANEOUS

DEFINITIONS

The Senate amendment contained a provision, not in the House bill, defining for the purposes of the Social Security Act the terms "physician", "medical care", and "hospitalization" to include osteopathic practitioners or the services of osteopathic practitioners and hospitals within the scope of their practice as defined by State law. The conference agreement follows the Senate amendment.

DISCLOSURE OF INFORMATION

The House bill retained existing law with respect to disclosure of information and in addition specifically authorized the Federal Security Administrator to release, upon request, and to charge fees for, (1) wage-record information for State unemployment-compensation agencies, (2) special reports on individual wage records, and (3) special statistical studies and compilations of data relating to social-security programs.

The Senate amendment authorized the Administrator to release, upon request, and to charge fees for (1) wage-record information to State agencies administering unemployment-compensation laws, and (2) special statistical studies and compilations of data relating to social-security programs. The Senate amendment required the Administrator to furnish wage-record information to a wage earner or his agent designated in writing (or, after death, his wife, child, or parent). The Senate amendment did not authorize any other disclosures.

The conference agreement retains existing law respecting the authority for disclosure of information and authorizes the Administrator to charge fees for the information furnished. In addition, it requires the Administrator to furnish wage-record information to the legal representative of an individual or to the legal representative of the estate of a deceased individual.

ADVANCES TO STATE UNEMPLOYMENT FUNDS

The Senate amendment contained a provision, not in the House bill, making operative until December 31, 1951, title XII of the Social Security Act ; roviding for advances to the accounts of States in the Unemployment Trust Fund. The conference agreement adopts the Senate provision.

SERVICES FOR COOPERATIVES PRIOR TO 1951

The Senate amendment provided that wages paid to an individual for services performed prior to 1951 in the employ of a farmers' cooperative should be deemed to constitute remuneration for employment for benefit purposes if (1) the employer was a farmer cooperative within the meaning of section 101 (12) of the Internal Revenue Code; (2) the services constituted agricultural labor within the meaning of section 209 (1) of existing law and the corresponding section of the Internal Revenue Code and, except for such sections, would have constituted employment under existing law; (3) the employer paid the taxes imposed by sections 1400 and 1410 of the Internal Revenue Code with respect to the remuneration paid for the services upon the assumption that the services did not constitute agricultural labor; and (4) no refund of such taxes had been obtained. The House bill contained no comparable provision. The conference agreement adopts the Senate amendment.

CERTAIN REINCORPORATIONS PRIOR TO 1951

The Senate amendment provided certain limited relief from the taxes under subchapters A and C of chapter 9 of the Internal Revenue Code, where a corporation incorporated under the laws of one State is succeeded by another corporation incorporated under the laws of another State. There was no corresponding provision in the House bill. The conference agreement adopts the provisions of the Senate amendment. The relief is applicable only in the case of successions taking place at some time during the period from January 1, 1946, to December 31, 1950, both dates inclusive. If all of the conditions specified in the provision are met, the successor may count toward the $3,000 limitation in the definition of wages under such subchapters, before applying such limitation to remuneration paid by the successor to its employees in the calendar year in which the succession takes place, the amount of the taxable wages paid by the predecessor in such calendar year to the same employees, as though such wages paid by the predecessor had been paid by the successor; and, subject to the applicable statutes of limitation, the successor may be entitled under the provision to a credit or refund, without interest, of certain taxes (together with any interest or penalty thereon) paid by it with respect to certain remuneration which it paid during such calendar year. The credit or refund is limited to employer tax under section 1410 of subchapter A and employer tax under section 1600 of subchapter C.

PROVISIONS OF STATE UNEMPLOYMENT COMPENSATION LAWS

The Senate added to the House bill a new section 405 relating to findings under section 1603 of the Internal Revenue Code and under section 303 (b) (1) of the Social Security Act. The conference agreement adopts the Senate amendment in this respect. The present authority of the Secretary of Labor under section 1603 of the Internal Revenue Code and section 303 (b) of the Social Security Act is not changed but would merely be delayed in operation by providing:

(1) That no finding shall be made under section 1603 (c) of the Internal Revenue Code that a State law no longer contains the provisions specified in subsection 1603 (a) unless the State has amended its law;

(2) That a finding under section 1603 (c) of the Internal Revenue Code shall become effective on the ninetieth day after the Governor of a State is notified thereof unless the State law is sooner amended to comply substantially with the Secretary's interpretation of the applicable provision of section 1603 (a), thus, where circumstances require, giving retroactive effect to the finding so as to invalidate any intervening temporary certification to the Secretary of the Treasury and at the same time enabling the State to act in the interim to amend its law;

(3) That no finding that the State is failing to comply substantially with the requirements of section 1603 (a) (5) of the Internal Revenue Code shall be based on an application or interpretation of State law with respect to which further administrative or judicial review is provided for under the laws of the State, thereby ensuring that no finding may be made unless further appeal or review is impossible in the particular case;

(4) That there shall be no finding under section 303 (b) (1) of the Social Security Act until the question of entitlement to benefits is decided by the highest judicial authority given jurisdiction under State law.

The amendment also permits any costs of litigation to State benefit claimants, if paid by the State, to be included as part of the cost of administration to be paid for from granted funds.

The conference agreement is intended as a temporary measure of a stop gap nature pending reexamination by the appropriate committees during the next session of Congress of the whole field of unemployment insurance legislation to ascertain the desirability of appropriate permanent legislation.

SUSPENDING APPLICATION OF CERTAIN PROVISIONS OF CRIMINAL CODE TO CERTAIN PERSONS

The Senate amendment provided that service or employment of any person to assist the Senate Committee on Finance, or its duly authorized subcommittee, in the investigation of the Social Security Act program ordered by Senate Resolution 300 shall not be considered as service or employment bringing such person within certain provisions of law relating to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States. The House bill contained no such provision. The conference agreement adopts the Senate amendment.

R. L. DOUGHTON,
W. D. MILLS,
A. SIDNEY CAMP,
DANIEL A. REED,
ROY O. WOODRUFF,
THOMAS A. JENKINS,
Managers on the Part of the House.

Mr. DOUGHTON (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent to dispense with the further reading of the statement and that the statement be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Of the hour to which I am entitled, under the rules, I yield 26 minutes to the gentleman from New York [Mr. REED], and now yield myself 10 minutes.

(Mr. DOUGHTON asked and was given permission to revise and extend his remarks and include a summary of the principal provisions of H. R. 6000.)

Mr. DOUGHTON. Mr. Speaker, 15 years ago last Monday the original Social Security Act first became law.

I am proud of the fact that as chairman of the Committee on Ways and Means in 1935 I had the honor and privilege of initiating that law which has been of such great help to thousands of families throughout the length and breadth of this land.

Although we have made a number of changes in the social-security law since that time I believe that the Congress has a right to be proud of the humanitarian motives and basic decisions made 15 years ago in the Social Security Act. Today we are considering amendments to the social-security law as a result of nearly 18 months of careful deliberation in the Congress. I believe that the changes which have been incorporated in the conference report before us today make a tremendous improvement in our social-security system. Perhaps these improvements do not go as far as some people would like them to go—perhaps in some respects they go farther than other people would like them to go.

Undoubtedly experience will show the need for making further changes in the law as time goes on. Those of us who have been in Congress a long period of time know that all legislation is a matter of compromise between different points of view.

I had hoped that we could make further improvements in the insurance program so that we might have been able to reduce the amount of Federal grants to the States for assistance purposes. I supported the provisions in the bill, as passed by the House, for paying insurance benefits to individuals permanently and totally disabled in the hope that by such a provision we could help to reduce the number of persons on the assistance rolls. These and other related matters will continue to be studied by our committee in the hope that we can make the insurance program as effective as possible, and also reduce the mounting cost of public assistance.

The conference report deals primarily with four main programs as follows:

First. The Federal old-age and survivors insurance program.

Second. Federal grants to the States for public assistance to needy persons.

Third. Federal grants to the States for maternal and child health, crippled children, and child welfare service; and

Fourth. The Federal provisions relating to State unemployment insurance systems.

FEDERAL OLD-AGE AND SURVIVORS INSURANCE

With respect to Federal old-age and survivors insurance the conference report extends coverage to about 10,000,000 additional persons. Included in this group are nearly 5,000,000 self-employed persons; about one million domestic employees; 850,000 regularly employed farm workers; one and one-half million employees of State and local governments not covered under any retirement plan; 600,000 employees of nonprofit organizations; 400,000 persons employed in Puerto Rico and the Virgin Islands; and about 200,000 Federal civilian employees not covered under a retirement system. The conference report therefore takes a long step toward the goal of universal coverage under the insurance system of all persons who work for a living.

Benefits are liberalized very substantially in the conference agreement. For those persons who have already retired and for widows and orphans already on the rolls the average increase in benefits will be about 77½ percent. For future beneficiaries the increase in benefits will be more than doubled. The conference report therefore is a major contribution toward making the benefits of the insurance program more adequate.

The conference report greatly liberalized the eligibility for insurance benefits so that many persons now 65 or over will be able to draw retirement benefits immediately, and many persons close to 65 will be able to qualify for insurance benefits much more quickly.

The conference report provides for the payment of benefits on a more liberal basis to the surviving children of married women. Benefits for dependent husbands of deceased or retired women workers are added to the law.

The conference report provides for a lump-sum payment to be made at the death of every insurance worker. This should help very materially in making it possible for the family of the deceased worker to pay the medical bills and funeral expenses of the deceased person.

A most important provision in the conference report is the provision for the revision of the retirement test under which a beneficiary may earn in covered employment without loss of benefits $50 a month instead of $14.99, and also receive full benefits at age 75 regardless of the amount of earnings.

The conference report provides for giving World War II veterans wage credits under the insurance system of $160 per month for the time spent in service.

The conference report provides that the benefit increases for persons now on the benefit rolls will be effective for the month of September 1950. The effective date for new coverage provisions is January 1, 1951.

Under the conference agreement the contribution tax rate will remain at 1½ percent on the employee and 1½ percent on the employer through 1953. The rate will then increase in four step-ups so that in the year 1970 and thereafter the rate will be 3¼ percent each. The contribution rate for self-employed will be three-fourths of the combined employee-employer rate. In other words the initial rate on the self-employed will be 2¼ percent. The maximum taxable wage base has been increased in the conference report from the present $3,000 to $3,600 a year.

PUBLIC ASSISTANCE

The conference report provides for increasing Federal funds to the States for public assistance. On a full-year basis it is estimated that the conference report will provide an additional one hundred and fifty to two hundred million dollars Federal aid to the States annually for public-assistance purposes.

The conference report provides for the establishment of a new category of Federal grants to the States of assistance to needy permanently and totally disabled persons.

Provision is also made for increasing the Federal share of expenditures for aid to dependent children by including one adult relative in a family as a recipient for Federal matching purposes.

The conference report authorizes Federal grants to the States for direct payments to doctors, hospitals, and other persons or institutions furnishing medical care. Provision is also made for the Federal Government sharing the cost of assistance to needy aged and blind persons in public medical institutions.

The conference report makes a number of amendments to the blind-assistance program. The existing law is amended to disregard earned income up to $50 per month of recipients of aid to the blind.

The conference report also provides that in determining blindness there must be an examination by a physician skilled in the diseases of the eye or by an optometrist.

The conference report provides for extending the four categories of public assistance to Puerto Rico and the Virgin Islands.

MATERNAL AND CHILD HEALTH, CRIPPLED CHILDREN, AND CHILD WELFARE

The conference report provides for an increase of $19,500,000 a year for maternal and child health and child-welfare services. These additional amounts should help crippled children particularly and also help the States to meet the problems of run-away and delinquent children.

UNEMPLOYMENT INSURANCE

The conference report extends the provision for making loans to State unemployment insurance agencies for the 2 years 1950 and 1951. The report also adopts the so-called Knowland amendment, which is a States'-rights amendment prepared by the State administrators of unemployment compensation to meet a threat of premature interference by the Secretary of Labor in regard to the conformity of provisions of State laws with Federal standards and substantial compliance by States with such provisions. This amendment will prevent the Secretary of Labor from holding a State out of compliance with Federal standards in State law unless and until the application or interpretation complained of has been passed on by the highest State court having jurisdiction. This rule is deemed essential as a minimum protection to orderly appeals procedure under a State unemployment-compensation system pending further study of the authority of the Secretary of Labor to disqualify a State unemployment-insurance program. The conference report makes clear that the amendment is intended "as a temporary measure of a stopgap nature pending reexamination by the appropriate committees during the next session of Congress of the whole field of unemployment-insurance legislation to ascertain the desirability of appropriate permanent legislation."

CONCLUSION

Mr. Speaker, in my opinion the conference report is better than either the House bill or the Senate bill. At the very least the conference agreement would make such substantial improvements in social security that it would be a major legislative tragedy if it were not to become law. Those who would insist upon their own idea of perfection by moving to recommit this conference report would, in my opinion, seriously jeopardize the ultimate enactment of a social-security bill during this Congress.

Therefore, I trust that any motion to recommit the report will be voted down and that the previous question will be ordered on the motion to recommit.

I trust the conference report will be adopted.

SUMMARY OF PRINCIPAL PROVISIONS OF H. R. 6000, THE SOCIAL SECURITY ACT AMENDMENTS OF 1950, AS AGREED TO BY THE JOINT CONFERENCE COMMITTEE

BRIEF SUMMARY OF THE MAJOR PROVISIONS

The conference committee has completed action on H. R. 6000 and has announced agreement on 28 major points of difference between the two bills.

Federal old-age and survivors insurance

There were 16 major points in the insurance program. The decisions reached on these points are as follows:

1. Elimination of the House provision for permanent and total disability insurance.

2. Elimination of the House provision for increment for years of contributions to the insurance program.

3. Elimination of the House provision specifically including tips in covered wages.

4. Coverage of some salesmen, some home workers, certain kinds of agent-drivers, and certain other groups as employees (compromise between Senate and House).

5. Exclusion of State and local governmental employees covered under retirement plans from obtaining coverage under voluntary agreements (Senate provision).

6. Exclusion of naturopaths, architects, full-time practicing public accountants, funeral directors, and all professional engineers from coverage as self-employed persons.

7. Increase in the second step in the benefit formula from 10 percent to 15 percent (Senate provision).

8. A substantial increase in benefits for current beneficiaries averaging 77½ percent.

9. Liberalization of the eligibility provisions so as to make it easier for persons to become insured for benefits during the next decade (Senate provision).

10. Liberalization of the method of computing the "average monthly wage" for benefit purposes (Senate provision).

11. Inclusion of regularly employed agricultural labor (substantially the same as Senate provision).

12. Inclusion of publishers as self-employed persons (Senate provision).

13. Inclusion on a compulsory basis of employees of certain transit systems taken over in whole or in part by State or local governments after 1936.

14. Payment of benefits to dependent husbands and widowers of insured women workers (Senate provision).

15. Liberalization of survivors' insurance benefits with respect to deaths of insured married women (Senate provision).

16. Provision for voluntary coverage of employees of nonprofit organizations through an election by the employer and a referendum of the employees.

Public assistance

There were eight major points of difference in the assistance program. Decisions on these were as follows:

1. Elimination of the House provision which would have increased assistance payments by providing a higher percentage of Federal funds under a formula weighted in favor of States with low payments.

2. Acceptance of the House provision for Federal grants to the States for the needy permanently and totally disabled, with amendments.

3. Acceptance, with amendments, of the House provision extending Federal grants for public assistance to Puerto Rico and the Virgin Islands.

4. Elimination of the Senate provision for Federal matching of State supplementary old-age assistance payments on a 50–50 basis in cases where a person becomes an insurance beneficiary after the effective date of bill.

5. Elimination of the Senate provision increasing the maximum payments for aid to dependent children in which the Federal Government would share, from $27 to $30 a month for the first child and from $18 to $20 for each additional child.

6. Acceptance of the Senate provision for mandatory exemption of $50 earned income for the blind, beginning July 1952.

7. Acceptance of the Senate provision for continuing the present maximum 5-year residence requirement for aid to the blind instead of the 1-year requirement in the House bill.

8. Extending to 1955 the provisions in the House-approved bill for Federal grants to aid-to-the-blind programs in Pennsylvania, Missouri, and Nevada (compromise between Senate and House).

Other programs

There were four other major points of difference, decisions on which were as follows:

1. Increase in Federal grants for maternal and child health from $11,000,000 to $16,500,000 annually (except that for present fiscal year the grant would be $15,000,000); for cripped children from $7,500,000 to $15,000,000 (for present fiscal year, $12,000,000); and for child welfare services, from $3,500,000 to $10,000,000 (compromise between Senate and House).

2. Amendment of the child-welfare program by adding the following Senate provision:

"*Provided*, That in developing such services for children the facilities and experience of voluntary agencies shall be utilized in accordance with child-care programs and arrangements in the State and local communities as may be authorized by the State."

3. Continuation for two additional years of the George loan fund for State unemployment insurance funds which run low.

4. Provision for reveiw by State courts of administrative decisions by State agencies in certain cases prior to a ruling by the Secretary of Labor on conformity questions under the Federal unemployment insurance law.

The following summary explains in more detail the decisions reached by the conference committee:

OLD-AGE AND SURVIVORS INSURANCE (TITLE II)

I. Coverage

Under the House bill, compulsory coverage would have been extended to about 7,000,000 persons and voluntary coverage would have been available for about 4,000,000 State and local government employees. The conference committee's decisions, like the Senate bill, would extend compulsory coverage to about 7,500,000 persons, but voluntary coverage would be available only for about 2,000,000 employees of State and local governments and nonprofit organizations. Table 1 shows the number of persons covered in the new groups.

The specific decisions on coverage are as follows:

A. Self-employed: The conference committee agreed to cover approximately 4,750,000 self-employed persons whose annual net income from self-employment is at least $400, except for farmers, physicians, lawyers, dentists, osteopaths, chiropractors, optometrists, Christian Science practitioners, naturopaths, professional engineers, veterinarians, architects, funeral directors, and certified, registered, licensed, and full-time practicing public accountants. The provision is the same as the provision of the House bill except that (a) publishers would be covered, and, (b) naturopaths, architects, accountants, funeral directors, and all professional engineers would be excluded.

TABLE 1.—*Extension of coverage under the conference committee's decision*

Category:	Number covered
Nonfarm self-employed	4,700,000
Agricultural workers	850,000
Border-line employment	(200,000)
Regularly employed on farms	(650,000)
Domestic workers	1,000,000
Employees of nonprofit organizations (voluntary coverage)	600,000
Employees of State and local governments (voluntary coverage)	[1] 1,450,000
Federal civilian employees not under a retirement system	200,000
Employees outside the United States	150,000
Employment in Puerto Rico and Virgin Islands	400,000
New definition of "employee"	350,000
Total under compulsory coverage	2,050,000
Total under voluntary coverage	7,650,000
Grand total	9,700,000

[1] Exclusive of a relatively small number of transit workers who would be compulsorily covered.

NOTE.—Figures in parentheses are subtotal figures.

B. Agricultural workers: Both the Senate and House had voted to cover border-line agricultural labor, such as processing workers. In addition, the conference committee agreed to cover regularly employed agricultural workers, as in the Senate bill. However, the definition of regularly employed in the Senate bill is changed to require 8 months continuous service for one employer before coverage starts, and thereafter employment by that employer for at least 60 days in a calendar quarter with cash wages of at least $50 for services in the quarter.

C. Domestic workers: The conference committee accepted the Senate provision to cover approximately 1,000,000 domestic employees not in farm homes (those in farm homes would be covered as agricultural workers) if employed by a single employer for at least 24 days in a calendar quarter with cash wages of at least $50 for services in the quarter.

D. Employees of nonprofit organizations: The conference committee agreed on the following provisions for voluntary coverage of employees of nonprofit organizations:

1. If the employer did not agree to pay his share of the contribution, the employees could not be covered.

2. If the employer was willing to pay his share, a referendum among the employees on the question of coverage would be held.

3. If less than two-thirds of the employees voted in favor of coverage, none of the employees could be covered.

4. If two-thirds or more of the employees voted in favor of coverage, those employees who did so vote, plus any employees hired in the future, would be covered.

5. Coverage would have to be for an additional period of at least 8 years, and in addition 2 years' advance notice would have to be given before coverage could be terminated. Thus the minimum period of coverage would be 10 years.

This provision differs considerably from both the House and Senate provisions. Under the Senate provision, employees of religious denominations and of institutions owned and operated by religious denominations would continue to be excluded unless the religious denomination elected to pay the employer contribution; in that event its employees would be subject to the employee contribution. Other nonprofit employment would be covered on a compulsory basis both as to employers and employees. Under the House bill, all nonprofit employees would be covered on a compulsory basis, but their employees would be covered voluntarily (if the employer did not pay the tax, the employee would receive credit for only half of his wages).

Under all three versions of the bill ministers and members of religious orders would continue to be excluded.

E. Employees of State and local governments.

The conference committee agreed to provide voluntary coverage for approximately 1,400,000 State and local government employees through agreements between the States and the Federal Government, but excluded public employees covered under a retirement system on the date when the agreement is made applicable to the governmental unit which employs them (unless the retirement plan already contains a provision making it supplementary to old-age and survivors insurance). Under the House bill, employees under a retirement system could have been covered if they elected coverage by a two-thirds vote in a written referendum.

The conference committee also agreed to extend compulsory coverage to employees of transit systems taken over by State or local governments after 1936 unless they are covered by a general retirement system which is protected by the State constitution. The Senate bill would have covered all such employees. Under the House bill, transit employees working for the transit system on the date when it was taken over would be covered voluntarily if the system was taken over after 1936 and before 1950, or compulsorily if the system was taken over after 1949.

F. Tips: The conference committee accepted the Senate provision which leaves tips as in present law. The House bill would have included tips in the amount reported in writing to the employer by the employee.

G. Definition of employee:

The conference committee agreed to define an employee as "any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee," and also covered as employees (1) full-time life insurance salesmen, (2) agent-drivers or commission drivers engaged in distributing meat or bakery products, vegetables or fruit products, beverages (other than milk) or laundry or dry-cleaning services, (3) full-time traveling or city salesmen (other than house-to-house salesmen) taking orders from retailers, hotels, wholesalers, jobbers, and contractors, and (4) industrial home workers who earn at least $50 in a calendar quarter if they are subject to regulation under State law and work in accordance with specifications prescribed by the employer.

This provision is a compromise between the Senate and House bills. The Senate bill would not have covered home workers or agent-drivers distributing vegetables or fruit products or beverages. The House bill would have covered several additional groups, who under the committee's decision will be covered as self-employed individuals.

H. Federal civilian employees not under a retirement system.

The committee agreed to cover employees of the United States Government or wholly owned corporations of the United States who are not covered under any Federal retirement system. This results in covering most short-term Federal employees, including those serving under temporary appointment pending final determination of eligibility for permanent or indefinite appointment. In addition, employees of the following instrumentalities of the Federal Government would be covered: national farm loan associations; production credit associations; Federal credit unions; the Tennessee Valley Authority (if not under the TVA retirement system); post exchanges and similar activities under the National Defense Establishment; State, county, and community committees under the Production and Marketing Administration, and certain employees of the Federal Reserve System.

I. Effective date: The conference committee agreed that the effective date for coverage changes would be January 1, 1951.

II. Benefit amounts

A. Current beneficiaries: The conference committee agreed that persons currently receiving benefits would have their benefits increased on the average by about 77½ percent (or midway between the 85 percent agreed to in the Senate and the 70 percent under the House bill). Increases would range from about 50 percent for highest benefit groups to about 100 percent for low-benefit groups. The average primary benefit of approximately $26 per month for a retired insured worker would be increased to about $46. Table 2 shows the increased amounts which will be payable:

TABLE 2

Present primary insurance benefit:	*New primary insurance amount*
$10	$20.00
$15	30.00
$20	37.00
$25	46.50
$30	54.00
$35	59.20
$40	64.00
$45	68.50
$46	68.50

B. Future beneficiaries: The conference committee accepted the Senate version providing for a new benefit formula for persons retiring in the future, which would be applicable to those who have at least six quarters of coverage after 1950. The new formula is 50 percent of the first $100 of average monthly wage, plus 15 percent of the next $200 (based on a maximum wage base of $3,600 per year), with no increase in benefits for years of coverage. The House bill would have provided only 10 percent of the wages above $100 but would have included a one-half-percent increase in the benefit for each year of coverage. However, benefits for those not constantly in covered employment would have been reduced by a so-called continuation factor.

Under the conference committee's action the present minimum primary benefit of $10 is increased to $25, except that for those with wages averaging under $35 per month the minimum might be as low as $20. Under the House bill the minimum for all cases would have been $25. As in both the House and Senate bills, the present maximum family benefit of $85 is increased by the conference committee to $150 (but not more than 80 percent of the average monthly wage).

Under the committee action, as under the Senate bill, average benefit amounts in the next decade will be about 110 percent higher than under existing law, whereas under the House bill benefits would have been about 100 percent higher.

Table 3 compares the benefits payable under the House bill and under the conference committee action (which is the same as the Senate bill).

TABLE 3

A. Benefit for a retired single man

5 YEARS OF COVERAGE

Average monthly wage	House bill	Committee action	Increase or decrease from House bill
$100	$51.30	$50.00	−$1.30
$200	61.50	65.00	+3.50
$250	66.70	72.50	+5.80
$300	71.80	80.00	+8.20
30 YEARS OF COVERAGE			
$100	$57.50	$50.00	−$7.50
$200	69.00	65.00	−4.00
$250	74.80	72.50	−2.30
$300	80.50	80.00	−.50

B. Benefits for retired man and wife

5 YEARS OF COVERAGE

$100	$77.00	$75.00	−$2.00
$200	92.30	97.50	+5.20
$250	100.10	108.80	+8.70
$300	107.70	120.00	+12.30
30 YEARS OF COVERAGE			
$100	$80.00	$75.00	−$5.00
$200	103.50	97.50	−6.00
$250	112.20	108.80	−3.40
$300	120.80	120.00	−.80

C. Computation of average wage: The conference committee accepted the Senate provision under which the average monthly wage would be computed as under present law except that if the individual had six quarters of coverage after 1950 and if a larger benefit would result, his average wage would be computed over the period following 1950 rather than from 1936 on.

III. Eligibility for benefits

The conference committee accepted the Senate provision under which future eligibility requirements are greatly liberalized by requiring quarters of coverage for only one-half of the number of quarters since 1950, instead of since 1936 as under existing law. Quarters of coverage earned before 1951 may be counted toward the requirement. Thus a person aged 62 or over on the effective date of the bill would be fully insured for benefits at age 65 if he had at least six quarters of coverage acquired at any time. The maximum requirement for fully insured status would remain at 40 quarters of coverage, and the minimum at 6 quarters, as in existing law. Also as in existing law, a quarter of coverage would be a calendar quarter with $50 or more in wages.

This liberalization would enable many people now 65 or over to draw retirement benefits immediately and also would enable the newly covered groups to qualify much more quickly. About 500,000 additional persons would be paid benefits in the first year of operation. The House bill would have liberalized eligibility conditions, but only to a slight extent, since the only change in present law would be to provide a new alternative requiring 20 quarters of coverage in the 10 years prior to age 65. Furthermore, that bill would have increased the present requirement of $50 for a quarter of coverage to $100.

Table 4 indicates the number of quarters of coverage required by individuals in various age groups:

TABLE 4.—*Quarters of coverage required to be fully insured*

Age attained in first half of 1951	Present law	Committee action
76 or over	6	6
75	8	6
74	10	6
73	12	6
72	14	6
71	16	6
70	18	6
69	20	6
68	22	6
67	24	6
66	26	6
65	28	6
64	30	6
63	32	6
62	34	6
61	36	8
60	38	10
59	40	12
58	40	14
57	40	16
56	40	18
55	40	20
50	40	30
45 or under	40	40

IV. Benefit categories

A. Dependents of women workers: The conference committee agreed to the provision of the Senate bill under which benefits are payable on a more liberal basis to the survivors of married women, and benefits for dependent husbands of deceased or retired women workers are added. If a woman has 6 quarters of coverage out of the 13-quarter period ending with the quarter of her death, her children will be eligible for monthly survivor benefits even though living with their father. Under existing law and the House bill such children would be ineligible for benefits.

B. Wives of retired workers: The committee accepted the House provision under which a wife under 65 may draw benefits if she has a child in her care. Under the Senate bill, as under existing law, benefits would not be payable to a wife until she attains age 65.

C. Dependent parents: The committee accepted the House provision increasing the benefit for a dependent parent to 75 percent of the primary benefit. Under the Senate bill the benefit for a dependent parent would have been retained at 50 percent of the primary benefit, as in present law.

D. Lump-sum payments: The committee accepted the provision in the House bill under which the lump-sum payment would be made at the death of every insured worker. Under the Senate bill, as in present law, the lump sum would be paid only when no survivor is immediately eligible for monthly payments.

V. Permanent and total disability insurance

Under the committee action, as under the Senate bill, no benefits would be pro-

vided for this category, whereas under the House bill such benefits would be provided.

VI. Limitation on earnings of beneficiaries

Both the Senate and the House had adopted a provision under which the amount a beneficiary may earn in covered employment without loss of benefits would be increased from $14.99 to $50 per month, and after age 75 benefits would be payable regardless of the amount of earnings. This point, therefore, did not require action by the conference committee.

VII. Veterans

Both the Senate and the House had provided for granting World War II veterans wage credits of $160 per month for time spent in service. However, the Senate had made two changes in the House provisions. First, under the Senate bill wage credits would not be provided if the period of service is credited toward any other Federal retirement benefits. Second, the Senate bill provided that the additional cost of the benefits arising from the wage credits would be borne by the contributions of covered workers and their employers to the trust fund, rather than from the General Treasury. Both of these provisions were accepted by the conference committee.

VIII. Effective date

The conference committee agreed on the following effective dates:

1. As previously indicated, the effective date for the new coverage provisions would be January 1, 1951.

2. The benefit increases for persons now on the benefit rolls would be effective for the month of September 1950.

3. Benefits based on the new benefit formula would first be paid in May 1952. Persons coming on the rolls before that time will have their benefits computed under the present formula with the increases provided for those now receiving benefits.

IX. Financing of old-age and survivors insurance

A. Taxable wage base: Both the Senate and the House had approved provisions increasing to $3,600 the limit on total annual earnings on which benefits would be computed and contributions paid. Therefore this point did not require action by the conference committee. The present law provides a limit of $3,000.

B. Contribution schedule: Under the committee action employers and employees will continue to share equally. The rate on each will be as follows:

Calendar years:	Rate (percent)
1950–53	1½
1954–59	2
1960–64	2½
1965–69	3
1970 and thereafter	3¼

The self-employed would pay one and one-half times the above rates.

Under both the House and Senate bills the same schedule would apply except that the increase to 2 percent would be effective in 1951 in the House bill and 1956 in the Senate bill.

C. Level premium cost: The level premium cost (on an intermediate basis) of the bill as approved by the conference committee is about 6 percent of payroll, as compared with 6.25 percent for the House bill.

PUBLIC ASSISTANCE

The conference committee did not accept the provisions of the House bill which would have increased the Federal share of public assistance expenditures by providing a higher percentage of Federal funds under formulas weighted in favor of those States making low assistance payments.

The other major decisions of the conference committee relating to public assistance are as follows:

I. Old-age assistance (title I)

The conference committee eliminated the Senate provision under which State old-age assistance payments would be shared by the Federal Government on only a 50–50 basis in cases where a retired worker becomes an old-age and survivors insurance beneficiary after the effective date of the bill.

II. Aid to dependent children (title IV)

A. The conference committee did not accept the Senate provision which would have increased the maximum payments in which the Federal Government shares from $27 to $30 per month for the first child and from $18 to $20 for each additional child in a family.

B. Both the Senate and House bills included a provision increasing the Federal share of expenditures by including one adult relative in aid to dependent children families as a recipient for Federal matching purposes. No action was required, therefore, on this point by the committee.

III. Aid to the blind (title X)

A. Beginning July 1952 all States administering federally approved aid-to-the-blind programs would be required to disregard earned income, up to $50 per month, of recipients of aid to the blind in determining eligibility for and the amount of aid. Prior to July 1952 the exemption of earnings is discretionary with each State. Under the House bill the exemption of earnings for aid-to-the-blind claimants was not mandatory, and related to cases involving vocational rehabilitation.

B. The temporary provisions for Pennsylvania, Missouri, and Nevada were extended to July 1, 1955, instead of indefinitely, as in the Senate bill, or until July 1, 1953, as in the House bill.

C. The committee accepted the House provision adding to the other requirements of State plans for aid to the blind a clause requiring the State plan to provide that, in determining blindness, there shall be an examination by a physician skilled in diseases of the eye or by an optometrist.

IV. Aid to the needy permanently and totally disabled

The conference committee agreed to the establishment of Federal grants-in-aid for a fourth category of assistance—aid to the needy permanently and totally disabled. The matching formula for this category is the same as is provided under present law and under the committee bill for old-age assistance and aid to the blind payments, i. e., three-fourths of the first $20 of a State's average monthly payment per recipient, plus one-half of the remainder, within individual maximums of $50.

V. Inclusion of Puerto Rico and the Virgin Islands

The conference committee agreed to extend the four categories of public assistance to Puerto Rico and the Virgin Islands under the following matching formula: The Federal share for old-age assistance, aid to the blind, and aid to the permanently and totally disabled is limited to one-half of the amounts expended under an approved plan up to a maximum payment for any individual of $30 per month. For aid to dependent children the Federal share is limited to one-half of the expenditures under an approved plan up to individual maximums of $18 for the first child and $12 for each additional child in a family. The total Federal share for Puerto Rico for the four programs is limited to $4,250,000 a year, and for the Virgin Islands to $160,000 a year.

VI. Direct payment for medical care

The Senate had concurred in the provisions of the House bill under which States would be authorized to make direct payments to doctors or others furnishing medical care, except that technical amendments were added to make it clear that the States would be authorized to make direct payments to anyone providing recipients with remedial care as authorized under State law. The committee accepted these amendments. Under existing law the Federal Government does not participate in the cost of medical care unless payment for such care is made to the recipient.

VII. Medical institutions

The Senate had concurred in the provisions of the House bill under which the Federal Government would share the costs of assistance to needy aged and blind persons in public medical institutions, so no action by the conference committee was required on this point. Existing law limits Federal participation to residents of private institutions.

MATERNAL AND CHILD HEALTH, CRIPPLED CHILDREN AND CHILD WELFARE

The conference committee agreed to increase substantially (though to a somewhat smaller extent than provided for in the Senate bill) the Federal grants to States for the service programs provided for in title V of the Social Security Act.

I. Child welfare services (part 3 of title V)

The committee agreed to increase the authorization for child welfare services from the $7,000,000 per year authorized in the House bill to $10,000,000 (rather than $12,000,000 as in the Senate bill). The committee also accepted the following Senate amendment to the child welfare provisions of the act:

"*Provided,* That in developing such services for children the facilities and experience of voluntary agencies shall be utilized in accordance with child-care programs and arrangements in the State and local communities as may be authorized by the State."

II. Maternal and child health services (part 1 of title V)

The conference committee agreed to increase the authorization for Federal grants for maternal and child health services from the $11,000,000 per year in existing law to $16,500,000 ($15,000,000 in the present fiscal year), rather than to $20,000,000 as in the Senate bill.

III. Services for crippled children (part 2 of title V)

The conference committee agreed to increase the authorization for Federal grants for services for crippled children from the $7,500,000 per year in existing law to $15,000,000, as in the Senate bill (but only $12,000,000 in the current fiscal year).

Table 5 compares the provisions in the present law, the House bill, the Senate bill, and the conference committee's action:

TABLE 5

[Amounts in millions]

Provision in title V	Present law	House bill	Senate bill	Committee action
Maternal and child health.	$11.0	No change	$20.0	[1] $16.5
Crippled children.	7.5	No change	15.0	[2] 15.0
Child welfare services.	3.5	$7.0	12.0	10.0
Total	22.0	25.5	47.0	41.5

[1] $15,000,000 in current fiscal year.
[2] $12,000,000 in current fiscal year.

GENERAL

Osteopaths

The conference committee accepted the Senate provision which amends section 1101 of the Social Security Act by the addition of a definition of the terms "physician," "medical care," and "hospitalization." These terms are defined to include osteopathic practitioners and the services of osteopathic practitioners and hospitals within the scope of their practice as defined by State law.

The effect of this definition is to leave the States free to utilize the services of the osteopathic profession and its institutions.

Costs of changes in public assistance and service programs to children

Under the House bill the additional cost to the Federal Government for public assistance and child-welfare services above existing law would have been $275,000,000 annually. Under the Senate bill this additional cost would have been reduced to about $112,000,000, of which $25,000,000 would have been for the service programs for children under title V and practically all of the balance for assistance payments to dependent children under title IV. Under the conference committee's action the additional cost will be about $180,000,000 to $200,000,000 annually.

Unemployment insurance (title XII)

A. The conference committee accepted the Senate provision for reestablishment and continuation of the George loan fund, which permits advances to State unemployment insurance funds which might run low. The loan fund is continued for the 2 years 1950 and 1951 by amending the appropriate provisions of title XII of the Social Security Act.

B. The conference committee accepted the Senate provision for review by State courts of administrative decisions of State agencies prior to a ruling in certain cases by the Secretary of Labor on conformity questions under the Federal unemployment insurance law.

Mr. McCORMACK. I understand from the conferees that the Knowland amendment was to be very broadly construed by the Secretary of Labor; is that correct?

Mr. DOUGHTON. I should say, rather, that the Knowland amendment should be fairly and reasonably construed by all interested parties. It is a controversy that is very serious. I think there is more fuss and feathers about it than anything else. It provides that the question of compliance with State law shall not be determined by the Secretary of Labor until passed upon by the State courts. In other words, it is a States' rights amendment, pure and simple.

Mr. REED of New York. Mr. Speaker, I yield 6½ minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Speaker, the time being so short, I will discuss briefly only two items, the coverage provisions.

Mr. Speaker, the long-awaited H. R. 6000 was passed by the House on October 5, 1949, and an amended version was passed by the Senate on June 20, 1950. It is of paramount importance that the conference report on this legislation be adopted by the House so that the meager benefits now paid under the old-age and survivors insurance program will be increased, additional groups will be brought under the system and the eligibility requirements for benefits will be relaxed. The conference report achieves these objectives and is a forward step in the imperative need to strengthen the insurance program and thereby reduce the need for public-assistance payments.

Today Federal expenditures for public assistance amount to over $1,000,000,000 annually; whereas the benefits paid under the insurance program amount to less than $800,000,000. Each year the cost to the Federal Government for assistance payments has steadily increased and more than three-fourths of this cost is for dependent old people. This is a serious indictment against the present program and the passage of this legislation will go far in bringing the two programs more nearly in balance.

Every Member of the House can probably find one or two provisions in the conference report with which he may not fully agree. But viewed as a whole, the over-all product is most satisfactory.

The following are the main old-age and survivors insurance provisions of H. R. 6000 as agreed to by the conferees:

First. Extension of coverage to all gainful employment, except railroad, casual domestic service, casual agricultural service, farmers, certain professional self-employed persons, service in the Armed Forces, and Federal, State, and local government service covered by a retirement system—except for a few instances. State and local government employees not under a retirement system are covered on a voluntary basis, but all such employees already covered under their own retirement systems are specifically excluded. Employees of nonprofit organizations are covered if two-thirds so elect and the employer agrees to coverage. The net effect is to increase the number of covered jobs by about 30 percent.

Second. Maximum annual wage base of $3,600. Requirement for quarter of coverage is $50 for wages and $100 for self-employment income.

Third. Average monthly wage determined over all years after 1936, or after 1950—if having six quarters of coverage since then—whichever yields the larger benefit.

Fourth. Monthly primary benefit based on 50 percent of the first $100 of average monthly wage—determined from wages after 1950—plus 15 percent of the next $200. Minimum monthly primary benefit of $25, unless average wage is less than $35—then graded down to $20 for average monthly wage of $30 or less. Maximum family benefits of $150, or 80 percent of average wage, if less. Beneficiaries on the roll are to be given an increase—such increase ranging from 100 percent for the lowest benefits to 50 percent for the highest, and with the average benefit rising 77½ percent—by means of a conversion table—which is also applicable for those retiring in the future, on the basis of average wage after 1936, if more favorable.

Fifth. Lump-sum death payment to be three times the monthly primary benefit and payable for all insured deaths.

Sixth. New-start provision introduced for insured status, permitting many more to be eligible immediately.

Seventh. Benefits for parents and youngest survivor child increased to 75 percent of primary benefit.

Eighth. Work clause of $50 per month on an all-or-none basis for wages and on a reduction basis for self-employment income in excess of $600 per year. Work clause not applicable after 75 years of age.

Ninth. Child-survivor benefits in respect to married women workers liberalized. Dependent husband's and widower's benefits added.

Tenth. Wage credits of $160 for each month of military service given to World War II veterans—including those who died in service. The cost of veterans' benefits to be met from trust fund.

Eleventh. The retention of the common-law rule for determining employee-employer relationships with specific groups added as employees.

Twelfth. Federal grants in aid made available to the States for needy permanently and totally disabled individuals. No disability program under the insurance system.

Thirteenth. Puerto Rico and the Virgin Islands are included under both the old-age and survivors insurance programs and the public-assistance programs.

Fourteenth. Limitation on the premature arbitrary exercise by the Secretary of Labor of his power to find a State's unemployment insurance law out of conformity.

Fifteenth. Matching formula of Federal share of public-assistance expenditures contingent as under existing law, except that relative with whom children are living will be included for Federal matching purposes within individual maximums of $27 per month.

Sixteenth. Increase in the annual authorization for maternal and child-health services, child-welfare services and services for crippled children.

Seventeenth. The contribution rate on employer and employee is 1½ percent each in 1950–53, 2 percent in 1954–59, 2½ percent in 1960–64, 3 percent in 1965–69, and 3¼ percent thereafter. Contribution rate for self-employed is 1½ times the employee rate.

I think the question which is most frequently asked is the extent to which benefit payments will be increased for those persons now receiving them and the amount of benefits which a person may expect to receive in the future. The following table shows the increased benefits which will be paid to present beneficiaries:

Present benefit	*New benefit*
$10	$20.00
11	22.00
12	24.00
13	26.00
14	28.00
15	30.00
16	31.70
17	33.20
18	34.50
19	35.70
20	37.00
21	38.50
22	40.20
23	42.20
24	44.50
25	46.50
26	48.30
27	50.00
28	51.50
29	52.80
30	54.00
31	55.10
32	56.20
33	57.20
34	58.20
35	59.20
36	60.20
37	61.20
38	62.20
39	63.10
40	64.00
41	64.90
42	65.80
43	66.70
44	67.60
45	68.50
46	68.50

Under the House bill, the minimum primary insurance amount was $25. The Senate amendment provided for a minimum primary insurance amount of $25 in those cases in which the average monthly wage was $34 or more, and of $20 where the average monthly wage was less than $34. The conference agreement provides for a minimum primary insurance amount as follows:

If the average monthly wage is $30 or less, the primary insurance amount will be $20.

If the average monthly wage is $31, the primary insurance amount will be $21.

If the average monthly wage is $32, the primary insurance amount will be $22.

If the average monthly wage is $33, the primary insurance amount will be $23.

If the average monthly wage is $34, the primary insurance amount will be $24.

If the average monthly wage is $35 to $49, the primary insurance amount will be $25.

In the future, the wage base used for determining benefits will be $3,600 instead of $3,000 as under existing law. The percentage formula applied against the average monthly wage used in determining the benefits is raised to 50 percent of the first $100 of the average monthly wage plus 15 percent of the next $200 of such wage.

Under existing law the average monthly wage is obtained by dividing the individual's total taxable wages by the number of months beginning in 1937, excluding the months occurring any quarter before the individual attained the age of 22 in which his wages were less than $50 and up to the time his benefit is calculated at the age of 65 or later, or death. The conference agreement continues this method of calculation, the average monthly wage, and adopts the Senate amendment for an alternate new start. The new start provision eliminates the disadvantage to any covered groups which would otherwise result. This results from the fact that a worker, who has been in employment which was not covered under the system, would have his wages from the newly covered employment averaged over all the months elapsed since 1936 or since he reached the age of 22, if later. His average wage would, therefore, be considerably lower and would result in low benefit payments. Under the new start provision, contained in the conference agreement, any person, aged 62 or over on the effective date of the bill, would be fully insured for benefits at 65 if he had at least 6 quarters of coverage acquired at any time. Persons aged 61 would need 8 quarters of coverage; those aged 60, 10 quarters of coverage; those aged 59, 12 quarters; those aged 58, 14 quarters, and so on down the line, with the maximum requirement for fully insured status never exceeding the 40-quarter provision under existing law. As a result of the new-start provision, approximately 500,000 additional persons will become immediately eligible for benefits, thereby greatly reducing the public assistance rolls and strengthening the entire insurance system. The following are some illustrations of the amount of primary benefits which individuals will receive under varying periods of covered employment:

1. Illustrative primary benefits for 10 years of coverage, no period of noncoverage

Level monthly wage	Present law	H. R. 6000
$100	$27.50	$50.00
$150	33.00	57.50
$200	38.50	65.00
$250	44.00	72.50
$300	44.00	80.00

2. Illustrative primary benefits for 40 years of coverage, no periods of noncoverage

Level monthly wage	Present law	H. R. 6000
$100	$35	$50.00
$150	42	57.50
$200	49	65.00
$250	56	72.50
$300	56	80.00

3. Illustrative primary benefits for 5 years of coverage, 5 years of noncoverage, all after 1950

Level monthly wage	Present law	H. R. 6000
$100	$21.00	$25.00
$150	23.63	37.50
$200	26.25	50.00
$250	28.88	53.80
$300	28.88	57.50

4. Illustrative primary benefits for 20 years of coverage, 20 years of noncoverage, all after 1950

Level monthly wage	Present law	H. R. 6000
$100	$24	$25.00
$150	27	37.50
$200	30	50.09
$250	33	53.80
$300	33	57.50

5. Illustrative primary benefits for 10 years of coverage, 30 years of noncoverage, all after 1950

Level monthly wage	Present law	H. R. 6000
$100	$11.00	$20.00
$150	16.50	25.00
$200	22.00	25.00
$250	23.38	31.30
$300	23.38	37.50

The other changes in the benefits paid to a worker's dependents or survivors are as follows:

Existing Law	H. R. 6000
(a) Wife, one-half primary.	No change.
(b) Widow, three-quarters of primary.	No change.
(c) Child, one-half of primary.	No change, except for deceased worker family, first child gets three-quarters of primary.
(d) Parent, one-half of primary.	Three-quarters of primary.
(e) Lump sum at death, six times primary benefit.	Three times primary benefit.

COVERAGE

The coverage provisions of the conference report are different from the House bill in the following respects:

(a) Agricultural labor: Farm workers were not covered in the House bill, but the Senate extended coverage to this group, provided the farm worker was employed by a single employer for at least 60 days in a calendar quarter and earned cash wages of at least $50 for services in the quarter. The House conferees agreed to the coverage of this additional group with a restrictive amendment providing for a prior 3-month period of continuous employment with the same employer as a part of the eligibility test. The conference report provides, therefore, for the coverage of farm workers under the social-security system if the worker is employed continuously for 3 months by one employer and works 60 full days and earns at least $50 in wages in the calendar quarters immediately following the 3 months of continuous employment for the same employer.

(b) Firemen, policemen, teachers, and other groups having their own retirement systems: One of the objectionable features of the House bill which was opposed by the Republican minority was the inclusion of firemen, policemen, teachers, and other State and local government employees who are already covered under their own retirement systems. The conference report follows Senate amendment and our recommendation eliminating this group completely from coverage. The elimination of this group is typical of the specific recommendations made by the Republican minority for improving this bill when it was debated on the floor. Unfortunately, however, we were forced to consider this legislation under a gag rule and no amendments could, therefore, be made. This was an unfortunate procedure and much time could have been saved in the passage of this legislatior of an opportunity had been given to perfect it on the floor of the House.

(c) Self-employed: In providing coverage for the self-employed, the House bill excluded from tax—and from benefit coverage—income derived from the performance of service by an individual—or partnership—in the exercise of his profession as a physician, lawyer, dentist, osteopath, veterinarian, chiropractor, Christian Science practitioner, or as an aeronautical, chemical, civil, electrical, mechanical, metallurgical, or mining engineer. The Senate amendment added to the list of exclusions the following: Naturopaths, architects, certified public accountants, and accountants registered or licensed as accountants under State or municipal law, and funeral directors; and substituted professional engineers in lieu of the specific engineers listed in the House bill. The conference report adopts the Senate provision, with an addition—to the group excluded—of full-time practicing public accountants.

The House bill also excluded income derived from a trade or business of publishing a newspaper or other publication having a paid circulation. The Senate amendment deleted such exclusion.

The conference agreement conforms with the Senate action in extending coverage in this area.

(d) Employees of nonprofit organizations: The conference agreement differs from both the House bill and the Senate amendment. Under the conference agreement service performed in the employ of an organization exempt from income tax under section 101 (6) is excluded from employment, unless the organization files a certificate that it desires to have the old-age and survivors insurance system extended to its employees. If it does not file such a certificate, neither the organization nor its employees are subject to the social-security taxes imposed by the Federal Insurance Contributions Act. If it does file such a certificate, both the employer and the employee are, for the period during which the certificate is in effect, subject to such taxes in the same manner as a private employer and the employees. The certificate filed by the organization must certify that at least two-thirds of its employees concur in the filing of the certificate, and the certificate must be accompanied by a list containing the signature, address, and social-security account number—if any—of each employee who concurs in the filing of the certificate. Such list may be amended at any time prior to the expiration of the first month following the first calendar quarter for which the certificate is effective by filing a supplemental list or lists containing the signature, address, and social-security number of each additional employee who concurs in the filing of the certificate. Commencing with the first day following the close of the calendar quarter in which the certificate is filed, the employees who have concurred in the filing of such certificate will be covered for social-security purposes. Any employee who is hired on or after such first day will be covered on a compulsory basis. If an individual, who on such first day was in the employ of the organization, should leave his position and thereafter reenter the employ of such organization, such employee will be covered on and after the date of such reentry, whether or not he concurred in the filing of the certificate when he was previously in the employ of the organization.

The conference report further provides that the period for which the certificate is effective may be terminated by the organization upon giving 2 years' advance notice in writing of its desire to terminate the effect of the certificate at the end of a calendar quarter; but only if the certificate has been in effect for a period of not less than 8 years at the time of the receipt of the notice of termination.

DISABILITY BENEFITS

The emotional appeal for broadening the old-age and survivors program to include benefits to permanently and totally disabled persons is strong, but the problem is too important to permit emotionalism to be our guide, and I believe that anyone who realistically studies the problem will come to the inevitable conclusion that the disability program contained in the House bill was unsound.

In my opinion, the fundamental object of any disability program should be in the field of rehabilitation. We are just beginning to realize the great proportion of people who are considered to be totally disabled who can be brought back into productive activity through rehabilitation programs. I am proud to say that Michigan is one of the progressive and far-seeing States that for many years has done a magnificent job in bringing back to usefulness and happiness many former hopeless citizens of that State. The House bill not only contained no rehabilitation program, but its whole emphasis was away from rehabilitation and toward the actual encouragement of permanent and total disability cases. By providing benefits as a matter of right and without even any safeguarding periodic review of individual cases, the House bill would have positively discouraged any attempt by persons receiving disability payments from reentering the labor force.

Under the present old-age and survivors insurance program benefits are payable under fixed conditions and to a great extent beyond the control of the individual. Age is the determining factor. But, under the House bill, disability payments would be paid under a purely subjective test, and it is perfectly obvious that an ailment which disables one person may not disable another. Nervous conditions, arthritis, imaginary heart ailments—all of these could, and undoubtedly would, be claimed as disabling conditions, particularly in times of depressed employment when the urge to get on the benefit rolls would be magnified. Rather than embark on a program offering millions of workers a potential life income from the Federal Government, the sounder approach is to meet the problem of disability through increased Federal participation in rehabilitation programs.

Another basic objection to the disability program contained in the House bill is that permanent and total disability is not related to age or conditions of employment. The person who is disabled at 30, and who has worked only 4 years, may be just as much in need of disability payments as a worker who has worked for 10 years and meets the arbitrary eligibility requirements contained under the House bill. It is obvious that tremendous and constant pressure would be brought on the Congress to relax the eligibility requirements, and, instead of moving toward the desirable social objective of an effective rehabilitation program, we would move swiftly toward the encouragement of all persons, however capable of rehabilitation, remaining inactive in order to receive their monthly disability payment from the Government.

There is no question that the problem of disability, with its vast ramifications and its subjective characteristics, is a problem which can more effectively be met at a local rather than a Federal level. Moreover, the facts presented to the Ways and Means Committee on which a decision to make disability payments was reached consisted only of the vague recommendations of the Social Security Administration.

The whole field of loss of earnings from disability is one which should be carefully studied and explored, and it should be the subject of a special study. Until this is done, and until facts and not emotional appeal deliberately fostered by the Social Security Administration serve as the foundation for congressional action, the disability program contained in the House bill should not be undertaken. Constructive rehabilitation, and not a vast program of Federal paternalism, based on arbitrary requirements unrelated to the problem of disability, should be our objective.

UNEMPLOYMENT COMPENSATION

Seldom, if ever, has adroit bureaucratic husbandry produced such a raging lion from a mild-mannered mouse, as has happened in the case of the so-called Knowland amendment. Using numerous propaganda channels available to them, opponents of this item have endeavored—and with considerable success, judging from the many remarks we have heard here—to completely distort the situation. They have given it a significance completely out of perspective with the fundamental and important provisions of the measure we are here considering.

It is charged that the adoption of this amendment will completely nullify the power of the Secretary of Labor over the performances of unemployment compensation agencies with the consequence that State officials in my State and other States represented here will immediately indulge in an orgy of breaking strikes and the promotion of "yellow dog" contracts through the withholding of unemployment compensation benefits to those justly entitled.

Mr. Speaker, these charges are absolutely without foundation. I suggest you refer to the conference report before you for a proper interpretation. On page 122 it is stated that "present authority of the Secretary of Labor under section 1603 of the Internal Revenue Code and section 303 (b) of the Social Security Act is not changed, but would merely be delayed in operation." The referred to delay in operation of the Secretary's authority was brought about by the requirement that any party aggrieved by the decision of a State administrator must pursue the remedies provided in the law of his State before the Secretary of Labor can act in the situation. Bear in mind that all State unemployment compensation laws are by the Social Security Act required to provide administrative and judicial procedure for remedying improper administrative determinations.

The Knowland amendment simply prevents the assumed authority of the Secretary from intervening in an issue arising under the law of a State until the courts of the State have pronounced what the law is. Is this not eminently reasonable and in the interest of the orderly administration of State laws as required by the Congress in the "fair hearings procedures" which all State laws must contain?

Bear in mind this fact—after State courts have spoken, the power of the Secretary to exercise the sanctions to

compel State adherence to Federal standards is in no manner impaired.

At this time, when the full attention of the Congress and all Federal officials should be directed to strengthening our international and domestic positions, there is a basis for questioning the wisdom and the proper sense of direction of those who have been earnestly bent during this crisis in producing this lion from an inconsequential mouse.

Mr. Speaker, I most sincerely hope the House will approve the conference report as submitted.

Mr. DOUGHTON. Mr. Speaker, I yield 8 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may be permitted to extend his remarks at the conclusion of the remarks I am about to make.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman from Michigan [Mr. WOODRUFF] a moment ago said it would only delay the power of the Secretary of Labor a short while. I want to ask how long the delay?

Mr. LYNCH. About 3 or 4 years.

Mr. McCORMACK. Every employee who is out of work, who goes to get other work in any State that the regulation is changed will be compelled to bring suit?

Mr. LYNCH. Yes.

Mr. McCORMACK. And would have to hire his own lawyer?

Mr. LYNCH. Yes.

Mr. McCORMACK. That is the thing they are glossing over, yet it is one of the most destructive blows against the compensation laws that could be dealt and it is being done by two of the most vicious lobbyists in the country.

Mr. LYNCH. Mr. Speaker, it was with great reluctance that I refused to sign the conference report on the social-security bill, H. R. 6000. I did this in spite of the fact that I believe that most of the bill represents a great step forward in providing social security for the American people. However, the failure of the House conferees to insist upon the House provision for total and permanent disability insurance and their acceptance of the Knowland provision in the Senate amendment made it impossible for me, in good conscience, to sign the report.

In my address before the House on August 9 under a special order I discussed total and permanent disability insurance, knowing that in the time allotted to me today I would be unable to cover both points. Therefore, I shall confine my remarks this afternoon to my opposition to the Knowland amendment.

I took the liberty of sending each Member of the House, under date of August 8, a letter outlining my objections to the Knowland amendment. And so that you might, if you so desire now, to refer to that letter, it appears also on page A5721 of the CONGRESSIONAL RECORD of August 8.

I desire to call to your attention that the Knowland amendment was never considered by the Committee on Ways and Means; that it was rejected by the Senate Finance Committee and was finally put into the bill by an amendment on the floor of the other legislative body. It is the only provision, with but a minor exception, in this social-security bill that has to do with unemployment compensation. To my mind it has no place in this bill. It should be noted that of the scant 10 minutes of debate upon the floor of the other body, 7½ of them were taken up by proponents of the bill and only 2½ minutes in opposition on a piece of legislation that vitally affects the whole unemployment insurance program.

The author of this amendment has said that—

> It is very limited and the changes it makes in existing law are more of a clarifying and procedural than a substantive nature.

Actually this amendment basically affects the Federal-State relationship in the unemployment insurance program. It is a real threat to the rights which labor has gained over the years through collective bargaining and progressive legislation. This threat is buried under technical legal language revising the procedure under which the Secretary of Labor is to determine whether the States are meeting the Federal requirements in their unemployment insurance laws. Special restrictions are placed in the amendment on the power of the Secretary of Labor to find whether a State is conforming with the requirements of the Federal Unemployment Tax Act. These requirements were imposed by Congress to make sure that unemployment insurance would not be used as a strike-breaking weapon or as a means of forcing a worker to sign a yellow-dog contract or as a means of forcing sweat-shop wages, hours, and working conditions upon the worker.

The present law provides that a State cannot deny unemployment compensation to an otherwise eligible worker for refusing new work under any of the following conditions—and I quote:

> (A) If the position offered is vacant due directly to a strike, lockout, or other labor dispute; (B) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality; (C) if as a condition of being employed the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

When workers become unemployed and file claims for unemployment compensation, they are also required to register for work at their local public employment office, and make such other searches for work as the agency may require. If they are offered work that is suited to their abilities and experience and the wages, hours, and working conditions are such as they could be reasonably expected to accept, they are required to accept such work. If they refuse such suitable work, they are disqualified from benefits. However, the unemployed worker can turn down the job if any of the conditions exist which are enumerated in the Federal requirement just quoted: that is, if he would have to scab by taking a job vacant because of a labor dispute, if he could not belong to a bona fide union and would have to sign a yellow-dog contract, or if the wages, hours, or working conditions were substantially below those prevailing in the community. For example, if the job was not covered by the 75-cents-an-hour minimum prescribed by the Fair Labor Standards Act and paid only 50 cents an hour, he could refuse it. A worker's right to refuse a job under such circumstances is so firmly written into law and accepted by the public that one may wonder why Congress felt it necessary to put such prohibitions into the Social Security Act. But that it was a wise provision is demonstrated by the fact that the enemies of labor are today trying to get the requirement nullified by subterfuge, when they would not dare come out and directly ask that this provision be repealed.

These enemies of decent labor standards also know that they can no longer get away with forcing workers who have jobs to be scabs or sign "yellow-dog contracts" or accept sweat-shop conditions. So they aim to hit workers below the belt when they are in the weakest position to maintain their hard-earned gains—when they are unemployed. Through the Knowland amendment, they are seeking to nullify the ability of the Federal Government to keep the State unemployment insurance agencies from forcing unemployed workers to take jobs under these conditions under the threat that they will otherwise lose their unemployment benefits. Knowing that they cannot force Congress to break down these labor standards, they are hoping to be left free to throw their weight around on the State agencies and break down these standards.

The Knowland amendment specifically prohibits the Secretary of Labor from raising any conformity question on standards required in State unemployment insurance laws by the Federal Unemployment Tax Act except where the State legislature has actually changed the law by amendment. A change in State law by regulation or by administrative or judicial interpretation, no matter how generally applied, could not be the basis of the Secretary's finding a State out of conformity unless it has the final determination of the highest appeals court in the State. If the State law contains the words required by the Federal act, no conformity question could be raised, no matter how these words are interpreted by State administrative or judicial bodies. This could result in 51 different interpretations of the same Federal requirements in the 51 State and Territorial jurisdictions having unemployment insurance laws. The effect of this provision would be to make it virtually impossible for the Secretary

of Labor to require that the States meet the Federal standards.

The amendment would prohibit the Secretary of Labor from raising any question as to whether the State was complying with the so-called labor standards required in State laws until an interpretation had gone through all the administrative appeals and court reviews prescribed by the State law. If claimants, due to a lack of understanding of their rights had failed to appeal decisions or the time for review had expired so that no appeal could be taken, nothing could be done. If any interpretation by an administrative appeals tribunal or a lower court contrary to Federal standards had become final and was being generally applied, nothing could be done. In the meantime, hundreds or thousands of claims could be denied. This would particularly hurt the unorganized unemployed man, who has neither the technical knowledge nor resources to fight his case through the courts. The amendment provides that the State may pay the litigation costs for the claimant, but it does not say that the State shall do so. Who is so naive as to believe that an unemployed worker aggrieved by an unjust and unfair decision of a State agency is going to hire a lawyer, appeal the decision through whatever appeal procedure the agency provides and then, in addition, start an action in the State court and pursue his case to the highest court, until his every legal remedy is exhausted? Where would he get the money? What would he be doing meanwhile? Who would pay his lawyer and who would pay the costs of the appeal? There is no requirement that the State must pay and there is certainly no power in the Federal Government to direct the State to make an appropriation for the legal fees incurred. Mr. Speaker, by the time he got a final decision he probably would not only be entitled to his unemployment compensation benefits, but in all likelihood he would have reached the age when he would receive his old-age and survivors insurance.

It is the enforcement of these labor standards that the proponents of the Knowland amendment are particularly aiming at. These standards protect an unemployed claimant from having to accept new work, on penalty of otherwise losing his benefit, when the job is on struck work, when the pay, hours, or other conditions of work are substantially below those prevailing in the community, or when he would have to sign a yellow-dog contract as a condition of getting the job.

Thus it is clearly evident what caused this amendment to be cooked up. On the west coast, employers got two State agencies to rule that when a strike was called, all members of the union that called the strike were disqualified from drawing unemployment benefits, whether or not they were involved in the strike or were even unemployed and drawing unemployment compensation when the strike was called. Unemployment compensation is not paid to workers actually on strike—no one is arguing about that. But to deny to workers who were unemployed at the time the strike was called, unemployment benefits just because they carried the same union card is another matter. Having gotten the rule applied to four striking maritime unions—and not Harry Bridges' union, either—the employers proceeded to get the ruling applied to a carpenter's strike. Their aim was twofold: To save themselves money by preventing unemployment benefits being paid to their employees that they had previously laid off, and to put pressure on these workers to take struck jobs—to scab, in plain words—by having them cut off from their unemployment benefits.

When the Secretary of Labor raised a question as to whether this did not constitute breaking down the labor standards required by the Federal act, the employers howled to high heaven and hired high-priced lawyers to try to prevent the Secretary of Labor from finding these two States out of conformity with the Federal act. The State ruling was so raw that in one State the State administrator did not even follow the ruling of the State appeals tribunal and the Secretary of Labor, therefore, dropped the proceeding against that State. When, however, he stuck by his guns and found the other State out of conformity, the employers took another tack. They worked up this slyly worded amendment and got it slipped into H. R. 6000 through a floor amendment in the other House without hearings and with scarcely any debate. To make it stick, they put this House under a barrage of telegrams and letters which did not mention the real issue—that the labor standards against scabbing, yellow-dog contracts, and sweatshop wages would be undermined—but rather sought to arouse our emotions and prejudices by shouting to the high heavens that this was an issue of States' rights.

Mr. Speaker, it is absolutely necessary that there be, on the part of the States, uniform adherence to the standards laid down by Congress in the original act as essential features of the whole unemployment compensation insurance plan. It is interesting to note that in his annual report in 1949, Mr. Milton O'Loysen, then president of the Interstate Conference of Employment Security Agencies, and then, as now, executive director of the division of placement and unemployment insurance of the State of New York, made the following statement:

> There is no basis, and from what I know of the administration of the laws, there is no sound reason for attacks upon the labor standards in the laws, nor for attacks on the people appointed to enforce and uphold these standards which were adopted by Congress in the Federal Social Security Act.
>
> These basic rules are essential to a good plan; they are in fact, rules that guarantee protection of the rights of the individual, but it takes wise and expert administration of the laws to prevent abuses and slants to the favored groups.

It has been said that this is stopgap legislation. It is nothing of the kind. It has no termination date or cut-off time. It is permanent legislation—so permanent that it will remain on the statute books until we have repeal legislation. The fact that a subcommittee of the Ways and Means Committee will shortly study the whole question of unemployment compensation insurance is beside the question. The House conferees should not have accepted this amendment, in my judgment, until they had the benefit of the study of their own subcommittee. I believe that the conference report should be sent back into conference with instructions to the managers on the part of the House that they insist on the House provision for total and permanent disability insurance and that they refuse to accept the Knowland provision which strikes a blow at the very foundation of the entire unemployment insurance program.

Let's get the record straight. The Knowland amendment is a flank attack on labor rights and standards that we thought were settled for all time. It is aimed at making it possible to use unemployment insurance as a club to force unemployed men, who have hungry wives and children to feed, to take jobs in struck plants, for starvation wages or under yellow-dog contracts. Let's stop this cowardly attack on labor standards through the unemployed. I urge as strongly as I can that this House recommit the conference report on H. R. 6000 with instructions that this nefarious so-called Knowland amendment be stricken from the bill, and that the House conferees refuse to recede from the House provision on total and permanent disability insurance.

Mr. DINGELL. Mr. Speaker, disappointment and fear pervade my entire being as I contemplate the dangerous result inherent in the so-called Knowland proposal. This vicious scheme, in the form of a Senate floor amendment, was fastened like a death pall upon the liberalized social-security bill, which had been perfected through the long and painstaking deliberations of the Ways and Means Committee.

The practice of the other body in tacking on dangerous floor amendments without hearings, and often without any understanding as to what is involved, may be in line with their philosophy, prevailing custom, and legislative practice, but concurrence by the House does violence to the conscience, practice, and rules of this body. The House must not take such a dangerous and corrosive action in abject subserviency. This House is at least coequal in power and prestige, and it must not supinely surrender or in any way jeopardize its own position. Especially must we insist upon our constitutional responsibilities and right of origin when we are so certain that the Knowland amendment is the most dangerous and devastating thrust ever made against the unemployment compensation of the Social Security Act.

It is ironic, indeed, Mr. Speaker, that this iniquitous proposal should originate with a distinguished Senator from a State that has received, perhaps, a proportionately greater reinforcement to its erratic economy, due to alternating peak and depression and the resultant unemployment, than any other State in the Union.

As one who has labored long and faithfully in the creation and the perfection of the entire social-security system, over the many years since its enactment, it is

very depressing and disappointing to me to observe that, instead of maintaining the minimal standards prescribed by the Federal law—and God knows they are reasonable and low enough for compliance by any State—we discover that unwittingly or intentionally attempts are being made to progressively undermine and destroy the entire system.

Mr. Speaker, I believe I might state for the benefit of the House that a similar subtle attempt to destroy the effectiveness of the minimum Federal standards by a round-about and equally devious procedure was made at the Conference of Governors in Chicago in 1947, which I was privileged to attend. It was at this meeting that the thrust was parried, and the plot subsequently was squelched at the conference held in the city of Washington.

The proposal then advanced to undermine Federal unemployment insurance standards was "that the Federal Government should relinquish to the States the Federal tax on employers levied to cover the administrative expenses of the State employment security programs, and the States will assume the responsibility for the administration of the unemployment-compensation and employment-service programs." In other words, it was proposed that the States be excused from compliance with Federal standards in order to obtain their share of the Federal tax for administration of the unemployment-insurance program.

This is another slick trick of Frank Bane, of that I am sure. It did not fool the governors at their several conferences, so the attack was made where no one need be fooled. I am never surprised by such tactics, but did not expect them to be proposed by a Californian. This is a low, foul blow which should not be applauded by the House. If we cannot instruct the conferees to try once again to eliminate this blackjack amendment it will be too bad for the millions of workers who heretofore enjoyed the protection of existing law.

I remember very distinctly the luncheon meeting held at the Hotel Mayflower where I sat and discussed the problem with Gov. Earl Warren, of California, whose philosophy and attitude paralleled my own views. But the organized influence of some State unemployment-insurance directors under the domination of organized groups of employers continued to bore in. And I surmised that an attempt would be made at the meeting held in Detroit, and a later one held in Colorado Springs, to reduce these standards. So I undertook to write the attached letter to the following list of governors warning them of the impending danger: Hon. William Lee Knous, Governor of Colorado; Hon. Earl Warren, Governor of California; Hon. Chester Bowles, Governor of Connecticut; Hon. Adlai E. Stevenson, Governor of Illinois; Hon. William Preston Lane, Jr., Governor of Maryland; Hon. Paul A. Dever, Governor of Massachusetts; Hon. G. Mennen Williams, Governor of Michigan; Hon. Thomas E. Dewey, Governor of New York; Hon. W. Kerr Scott, Governor of North Carolina; Hon. Frank J. Lausche, Governor of Ohio.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 19, 1949.

Hon. WILLIAM LEE KNOUS,
Governor of Colorado,
Care of Governors' Conference,
Colorado Springs, Colo.

DEAR GOVERNOR KNOUS: I am vitally concerned about administrative financing proposals relating to unemployment compensation and the employment service.

The 100-percent offset is extremely dangerous, emanates from doubtful or unfriendly sources, and as occurred once before, should again be defeated. The same proposals deferred at the Chicago conference, and at my initiative disapproved at the Washington conference, are again being advanced in new garb but with the same objective to remove Federal Government from participation in present Federal-State cooperation. Basically this involves the wiping out of the minimal standards of existing law and jeopardizes the welfare of workers and of industry by creating a competitive advantage in States which would then lower benefits, impose insurmountable conditions and in devious other ways undermine the present system. Stagnant pools of unemployed in backward States would tend materially to reduce the high standards in force in the more progressive and industrialized States. The general tendency would be reversed from advancement to retrogression.

These proposals to disrupt essential Federal-State cooperation come at a most critical time when rising unemployment and economic uncertainty call for the closest possible understanding and cooperation.

I regard the Lynch bill as less objectionable than the original 100 percent tax offset, but I am opposed to the proposition of distributing excess Federal collections among States for purposes other than administrative emergency expenditures, and use of such excess funds for reinsurance to pay benefits to workers when State funds may become insolvent.

The proponents of the idea to sabotage unemployment in devious and appealing ways have presented their plan to the people not the least of which is the demand for State control—which ignores the fatal implications that will follow to annihilate the present system.

The proponents according to Associated Press dispatches have already jumped the gun and loosed their barrage upon all forms of Federal-State cooperation with emphasis upon the alleged gross abuse in unemployment compensation payments which of course can be corrected by the complaining States wherein such abuses occur without voiding Federal-State cooperation so essential to the maintenance of the higher standards protecting workers and industry in all States.

I trust your views coincide with mine and that you will assume a forthright position when the matter is presented to the conference.

I subscribe myself,
Cordially and sincerely yours,
JOHN D. DINGELL,
Member of Congress.

I might add, parenthetically, that when my attitude became known to the master mind of the governors' conference, Frank Bane, who as secretary brags publicly about his powerful position and claims to run, not serve, the governors he did not invite me either to the Detroit conference in my home town or to the Colorado Springs conference. The reasons are obvious. Nevertheless, despite my absence this move through the governors' conferences was killed.

But now, Mr. Speaker, the attack has been launched within Congress itself and takes form in the California Senator's proposal, known as the Knowland amendment, which ought to be ripped out of the bill. The membership of this House should define its position clearly by instructing its conferees to stand firmly against this amendment.

If there is to be any modification in existing law so far-reaching, and in an area where there is so much apprehension about the corrosive effect and even possible destruction, such proposals should be presented for separate study which the junior Senator from California could do by introducing his amendment in the form of a bill. Changes are sometimes made by way of amendments in the other body because under the Constitution they do not have the jurisdiction to originate a revenue measure, but why hearings are not held to thoroughly examine such a destructive amendment as this transcends comprehension. For myself, personally, I have reached the point of outright rebellion against this practice which, to me, is more than short-sighted, it is downright vicious.

Those who have had nothing whatsoever to do with the creation and the perfection of the Social Security Act are now attempting to destroy it. Labor generally, and in California particularly, will not take this dagger thrust lying down.

It may be more than a mere coincidence that the only social-security bill passed by the Republican Eightieth Congress was the infamous Gearhart resolution depriving nearly 750,000 workers and their families of social-security coverage. Now another Republican from the same great State—but this time a Member of the other body—sponsors legislation to cripple another vital part of the social-security program. And this is done despite Republican promises and protests in support of a stronger social-security law.

Aside from the Knowland amendment which is as sinful as anything could be, the social-security bill in the liberalized form presented to you by the conferees merits approval. It is not, as a matter of fact, the same bill that the House proposed. It has been narrowed in some respects and liberalized in others. We could well be proud of the advances made in the completed bill were it not for the Knowland amendment for which we will have to make everlasting apologies and hang our heads in shame until it is eventually repealed.

The simple and the easy way would be to instruct the House conferees to insist upon the removal of this iniquitous amendment. Should the House refuse to do this, thereafter, each Member must vote according to the dictates of his own conscience. But should the bill in the present form with the Knowland amendment retained become law,

then the fight begins immediately to bring about its repeal, and in that fight there will be many political casualties. A roll call should be had to record the individual sentiments of the friends and the enemies of the worker and of unemployment compensation. We must separate the sheep from the goats.

Mr. REED of New York. Mr. Speaker, I yield such time as he may require to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Speaker, I am more than delighted that at long last sharp increases in benefits and a broadening of the coverage under the old-age and survivors insurance law seems to be finally in sight. I have been working toward this end for a long time. I introduced three bills to attain this objective in the last few years, and so I am supporting the conference report with enthusiasm.

Of course no legislation is perfect. The proposed law is not exactly as I would have written it, but the matters to which I object are of minor importance as compared to the great good which will be accomplished by the other sections of the bill. In fact, in its present form it is much closer to H. R. 6297 which I introduced last October, than it is to H. R. 6000, the bill which passed the House.

In my bill which was supported on the floor by a majority of the Republicans, I provided for more adequate protection for those irregularly employed. This is provided in the bill before us.

My bill called for elimination of the "increment" factor which would have benefited only the "economic royalists" among workers. This provision is eliminated in the bill before us and the benefits which would have gone to the less needy workers have been given to the more needy.

My bill provided that those suffering from total and permanent disability be taken care of through the assistance program rather than under the insurance program. This is incorporated in the bill before us.

My bill provided for the elimination of the authority for the Treasury to extend the definition of "employee." This is in the bill before us.

My bill provided a more realistic coverage for household workers. Though I do not think that the present bill goes far enough in this line, at least it is a step in the right direction.

My bill provided complete exemption for State and municipal employees having their own pension systems, which provision is included in the bill before us.

I criticized the proposed formula for assistance which would have reduced the incentives of the States to provide adequate payments, by discriminating against States which were doing their part and in favor of States which were not meeting their full responsibility. The bill before us does not change the formula as did H. R. 6000.

I have continually advocated broader coverage and this bill for the first time does include regularly employed farm workers, a great step in the right direction.

I do feel that there is one important mistake in the bill before us and that is—that the conferees have eliminated the provision which was in the House bill for increasing the payroll tax to 2 percent on January 1, 1951. It is true that perhaps the trust fund does not need this additional amount in the next 3 years. But it seems to me that it is of the utmost importance that beneficiaries realize that they cannot have greatly increased benefits without paying increased taxes and, therefore, I have felt that it is important that at the time we sharply increase benefits we increase the tax so that the public will realize that there is a close relationship between benefits and taxes.

If we had increased the tax now, instead of 1954, it would have been possible to put off the further increase to 2½ percent, say to 1965 instead of 1959 as provided in this conference report.

However, this is a comparatively minor matter and, as I said before, I am supporting this conference report with enthusiasm.

Mr. REED of New York. Mr. Speaker, I yield myself 6½ minutes.

Mr. Speaker, the attempt to defeat the Knowland amendment is another drive for excessive centralization of power for a Washington bureaucrat.

There is too much bureaucracy constantly creeping into our Federal Government.

This drive to defeat the Knowland amendment is an interference with the rights of the State and the liberties of the individual citizen.

Let us not revert to bureaucratic tyranny instead of trusting to our State courts.

The State courts are close to the problems of unemployment and are trained and skilled in the interpretation of State laws.

It should be remembered that each State enacts its own unemployment insurance law and operates its own program.

Is State compliance with a State statute to be determined by an arbitrary bureaucrat in Washington in utter disregard of the State courts?

If such is the case then the State system of unemployment insurance becomes a Federal bureaucratic system of unemployment. It transforms home rule into a farce.

It is the 48 sovereign States that do not want to be penalized by a far distant bureaucrat without an opportunity to have their laws of compliance tested in their own courts. The State administrators have been called here from the four corners of the United States by the Secretary of Labor to listen to his appeal for power to bypass the State courts by his personal edict. Conference after conference has been held, and all the pressure the Secretary of Labor could bring to bear on the State administrators to yield to him the arbitrary power to refuse benefits to a State without any hearing before the courts of the State has been had.

The State administrators refused to insult their governors, administrators, and the courts of the respective States by yielding to such a bureaucratic proposal.

All of the conferees except one signed the conference report. Thus 11 conferees favor the Knowland amendment.

Every Member of the House should know that if this legislation is not signed by the President on or before August 26, approximately 3,000,000 persons now receiving social-security benefits will be denied the benefit increase for the month of September promised them under this legislation. If this legislation does not become law on or before August 26, it means that the Congress is deliberately depriving 3,000,000 persons—old people, widows, dependent children of $50,000,000 in benefits promised them under the bill.

It is unthinkable that the Congress would deliberately breach this promise in playing party politics. That this denial of increased benefits for the month of September will result if this legislation is not signed by the President on or before August 26 is confirmed by the Federal Security Agency which advised my distinguished colleague, the gentleman from Pennsylvania [Mr. SIMPSON] by letter yesterday as follows:

FEDERAL SECURITY AGENCY,
SOCIAL SECURITY ADMINISTRATION,
Washington, D. C., August 15, 1950.

Hon. RICHARD M. SIMPSON,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN SIMPSON: This is in reply to your request for information concerning the operating schedule involved in the issuance of old-age and survivors insurance checks for the month of September.

The conference committee included in the final version of H. R. 6000 provision for the payment of benefits for the month of September on the basis that the law would be signed by the President on or before August 26, 1950. Our administrative plans have likewise been based upon that assumption * * *.

Sincerely yours,
WILLIAM L. MITCHELL,
Deputy Commissioner.

Moreover, the Congress should fully realize that a direction by the House to the House conferees to insist on the permanent and total disability provisions contained in the House bill is tantamount to a direction to the House conferees to completely rewrite the whole social security system around the new disability program. It would be impossible for the House and Senate conferees to get together on any disability insurance program without considering an enormous number of complicated problems including the various conditions under which payments would be made, the method of computing such payments, the place of vocational rehabilitation in the disability scheme, the effect of the adoption of such a scheme on the presently agreed approach of disability assistance, and numerous revisions in other parts of the bill. For example, a new tax rate would have to be worked out and estimates obtained of the prospective cost of the particular compromise agreed upon would have to be computed. This is a long and complicated process and would have to be done at intervals between the necessary actions of the Senate Finance Committee and the Ways and Means Committee on the pending tax and renegotiation legislation which

in itself will constitute a full time activity for both these committees.

Bear in mind that the conference agreement is the final product of work on the part of the Ways and Means Committee and the Senate Finance Committee which began on February 28, 1949. The effect of directing the House conferees to now insist on a disability insurance program will be to start the whole proceedings again, and most certainly the result will be to sign the death knell of any social security legislation for this year. This means that—

There will be no increase in benefit payments.

There will be no increased coverage.

The work-clause will remain at only $15—this is the amount which a worker may earn without losing his benefits.

Benefits for parents and the youngest survivor child would not be increased.

No wage credits for each month of military service would be provided for World War II veterans.

No Federal funds would be made available to the States for needy permanently and totally disabled individuals.

There would be no increase in the annual authorization for maternal and child health services, child-welfare services, and services for crippled children.

There would be no increased benefits for the blind.

Now let me tell you in simple language what the Knowland amendment is all about. Clear your mind of all the charges and countercharges which have been made concerning this Senate amendment and picture yourself in the local office of a State unemployment compensation claims examiner. The door to the claims examiner's office opens and a claimant walks in and makes a claim for unemployment compensation benefits. The claims examiner denies the claim on the ground that under the State law which has been approved by the Federal Government the claimant is not entitled to benefits. Thereupon the individual claimant appeals to the Board of Review and supposing the Board of Review upholds the State claims examiner's decision that the claimant is not entitled to benefits. The sole issue in the Knowland amendment is whether at that point the claimant walks across to the local courthouse or whether he makes a long-distance call to the Department of Labor in Washington. All the Knowland amendment does is to say that a claimant must give his State courts an opportunity to pass on the validity of the ruling by the Board of Review before the Secretary of Labor can hold the whole State program out of conformity with the Federal minimum specifications. There is nothing more to it than that. It is simply a question of whether the review procedure of the State courts provided in every State unemployment-compensation law should have a chance to operate before the Secretary of Labor steps in. The Knowland amendment in no way limits the power of the Secretary of Labor. It simply restricts his arbitrary exercise of this power until the State courts have had a chance to speak. Those who attack the Knowland amendment are in essence attacking our State systems, our State employees, and our State courts.

Mr. Speaker, the statement of the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill, H. R. 6000, contain a detailed explanation of all the provisions of the conference agreement on this highly complex legislation. I will not, therefore, attempt to discuss each provision of the conference agreement in detail but will confine my remarks to showing the major points of difference between the House bill and Senate amendments to H. R. 6000 and the solution of these differences arrived at in the conference agreement.

At the outset I wish to state that in my opinion, and in the opinion of the other Republican conferees, the conference agreement represents a considerable improvement over both the House and Senate version of H. R. 6000, and I urge that the conference report be adopted by the House.

Of course, not all the agreements reached in conference are entirely satisfactory, and our whole social-security system should be completely overhauled if we are ever to have a system which is fair and equitable to everyone and one which is built on a sound financial basis.

COVERAGE

(a) Farm workers: Farm workers were not covered in the House bill, but the Senate extended coverage to this group provided the farm worker was employed by a single employer for at least 60 days in a calendar quarter and earned cash wages of at least $50 for services in the quarter. The House conferees agreed to the coverage of this additional group with a restrictive amendment providing for a prior 3-month period of continuous employment with the same employer as a part of the eligibility test. The conference agreement provides, therefore, for the coverage of farm workers under the Social Security System if the worker is employed continuously for 3 months by one employer and works 60 full days and earns at least $50 in wages in the calendar quarters immediately following the 3 months of continuous employment for the same employer.

(b) Employees of State and local governments: Under the House bill employees of State and local governments were covered under a voluntary Federal-State compact agreement and even all employees already covered by an existing retirement system of their own would have been brought under social security if such employees and beneficiaries of the existing system elected to be covered by a two-thirds vote. On behalf of all our teachers, firemen, policemen and other groups already covered under their own State and local retirement systems the Republican Minority protested vigorously against the inclusion of these groups in the House bill on the ground that it would jeopardize their own systems. The merit of the Republican position has been recognized and accordingly all State and local government employees who are already covered by an existing retirement system are excluded from social security under the conference agreement.

(c) Employees of nonprofit organizations: The conference agreement provides for the coverage of employees of all nonprofit institutions on an elective basis. In order to obtain coverage the nonprofit organization must certify that it desires to have the old-age and survivors insurance program extended to the services performed by its employees and at least two-thirds of the employees must concur in the filing of the certificate. Those employees who do not concur in the filing of the certificate will not be covered, but all employees engaged after the effective date of the certificate will be covered on a compulsory basis. Once an employer has elected coverage concurred in by two-thirds of the employees the employer cannot withdraw the certificate for a minimum period of 10 years. The purpose of the 10-year requirement is to prevent an employer from jeopardizing the opportunity of a worker to achieve a fully insured status. I personally believe that this solution to the troublesome problem of extension of coverage to employees of nonprofit organizations will be generally satisfactory and will not raise any constitutional issue nor involve difficult questions of interpretation. As you know the social-security tax is an income tax on the employee and an excise tax on the employer, and the Senate provision for coverage at the election of the employer therefore raised a question as to whether the imposition of a tax on the employee at the election of the employer would not be an unconstitutional delegation by the Congress of its taxing power. On the other hand the House version providing for compulsory coverage to all employees of organizations exempt from the Federal income tax under section 101 of the Internal Revenue Code and voluntary election on the part of the employers to pay the tax met with vigorous opposition in the Senate by certain religious denominations and organizations owned and operated by religious denominations. The conference agreement is an attempt to meet these two basic difficulties, and to avoid making any distinction in the application of the law between religious and other charitable organizations.

(d) Domestic workers: The House conferees receded and concurred in the Senate amendment extending coverage to domestic workers in private homes—but not on a farm operated for profit—if the worker is employed 24 days or more in a calendar quarter by one employer and is paid cash wages of at least $50 for the services rendered in the quarter. The Senate amendment differed only from the House version in that it reduced from 26 to 24 the necessary days of employment and raised the amount of cash wages required from $25 to $50. This is an improvement over the House bill in that it eliminates the objection to the House provision which would have required many domestic workers to have paid the social-security tax even though they did not receive wage credits.

In addition to the above coverage provisions the conference agreement provides a satisfactory solution to the problem of coverage of public transportation workers, the self-employed, Federal employees, and other miscellaneous groups whose status was either not clearly defined in the House or Senate version, or about which there were minor shades of disagreement between the two bills.

DEFINITION OF "EMPLOYEE"

One of the principal objections to the House version of H. R. 6000 was the new definition of "employee." The Republican minority opposed the definition of "employee" contained in the House version on the ground that it left the determination of social-security tax liability to the unbridled discretion of the Treasury Department and the Federal Security Agency. The Senate amendment eliminated the objectionable paragraph (4) of the House definition, and the conference agreement follows the Senate definition with only minor modifications. The conference report provides that an "employee," for social-security purposes, will continue to be determined under the usual common-law rules, and the following individuals who perform services under prescribed conditions are also included as "employees."

First. Agent-drivers or commission-drivers engaged in distributing meat, vegetable, or fruit products, bakery products, beverages—other than milk—or laundry or dry-cleaning services for his principal;

Second. Full-time life-insurance salesmen;

Third. Home workers performing work, according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by such person which are required to be returned to such person or a person designated by him, if the performance of such services is subject to licensing requirements under the laws of the State in which such services are performed; or

Fourth. Traveling or city salesmen, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal—except for side-line sales activities on behalf of some other person—of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations; if the contract of service contemplates that substantially all of such services are to be performed personally by such individual; except that an individual shall not be included in the term "employee" under the provisions of this paragraph if such individual has a substantial investment in facilities used in connection with the performance of such services—other than in facilities for transportation—or if the services are in the nature of a single transaction not part of a continuing relationship with the person for whom the services are performed.

The Senate amendment of the definition of "employee" did not seek to nullify the Bartels case—*Bartels* v. *Birmingham* (332 U. S. 126 (1-947))—which the House definition did, and the House conferees receded and concurred in the Senate amendment on this point.

INCREASED BENEFITS

Both the House bill and Senate amendments increased benefit amounts received by present beneficiaries and for beneficiaries retiring in the future. The Republican minority actively supported and urged this increase. In general the House bill provided average increases of approximately 70 percent and the Senate bill provided average increases of about 85 percent. The conference agreement represents a compromise between the two bills so that the average benefit increase provided for by the conference agreement is approximately 77 percent. The following is an indication of the increased benefits that will be paid under the conference agreement:

Present primary insurance program:	*New primary insurance amount*
$10	$20.00
$15	30.00
$20	37.00
$25	46.50
$30	54.00
$35	59.20
$40	64.00
$45	68.50

The minimum primary benefit was raised from $10 to $25 in both versions but the Senate provided a $20 minimum for individuals with an average wage of under $34 per month. The Senate conferees agreed to a modification of this $5 differential in the minimum benefit so that individuals with an average wage of $34 or less will receive minimum primary benefits on a sliding scale as follows:

Average wage:	*Minimum primary benefit*
$35 to $49	$25
$34	24
$33	23
$32	22
$31	21
$30 or less	20

WORLD WAR II VETERANS

Under both the House and Senate versions veterans of World War II, including those who died in service, are granted wage credits of $160 for each month of military or naval service in World War II, and the House conferees agreed to the Senate provision that service credits will not be provided if the period of service in the Armed Forces is credited for civil service, military, railroad, or any other Federal retirement system. The House conferees also agreed to the Senate provision that the cost of these benefits will be paid from the trust fund and not from the general Treasury as provided in the House bill.

INSURED STATUS

In order to qualify for old-age and survivors insurance benefits under existing law, an individual must have either (a) one quarter of coverage for each two calendar quarters elapsing after 1936—or after attainment of age 21, if later—and before age 65 or death, or (b) 40 quarters of coverage. The House bill continued existing law but provided that a fully insured status could also be acquired by obtaining 20 quarters of coverage. The required quarters could be acquired either before or after extension of coverage. The Senate provision, which was agreed to by the House conferees, provides for a "new start"—that is, one quarter of coverage for each two calendar quarters elapsing after 1950—with a minimum of 6 quarters of coverage required—but in no case more than 40 quarters. Quarters of coverage obtained any time after 1936 count toward meeting the requirement. As the result of this provision any person aged 62 or over on the effective date of the bill would be fully insured for benefits at age 65 if he had at least 6 quarters of coverage acquired at any time. The following table shows the required number of quarters for fully insured status which individuals of varying ages must have under the conference agreement:

Age attained in first half of 1951	Present law	Conference agreement
76 or over	6	6
75	8	6
74	10	6
73	12	6
72	14	6
71	16	6
70	18	6
69	20	6
68	22	6
67	24	6
66	26	6
65	28	6
64	30	6
63	32	6
62	34	6
61	36	8
60	38	10
59	40	12
58	40	14
57	40	16
56	40	18
55	40	20
50	40	30
45 or under	40	40

BENEFIT FORMULA

The House conferees receded and concurred in the Senate provisions for computing the amount of benefits, thereby eliminating the objectionable ½ percent increment provided in the House version together with the "continuation factor" and the resulting complexities which it introduced. Under the Senate version adopted by the conference agreement a worker's average monthly wage is computed as under existing law except that any worker who has 6 or more quarters of coverage after 1950 would have his average wage based either on the wages and elapsed time counted as under present law or on the wages and elapsed time after 1950, whichever gives the higher benefit. His primary insurance benefit is then arrived at by taking 50 percent of the first $100 of this average monthly wage plus 15 percent of the next $200. For example, take a worker who retires at 65, 25 years after the new start. While working he averaged $200 a month and assume he worked 20 years out of the 25-year period. His average monthly wage for benefit purposes would be obtained by dividing his total wages during the period in which he worked by the total number of months in the 25-year period. This would yield an average monthly wage of $160. His primary insurance

benefit would therefore be $59—50 percent of the first $100 of this average monthly wage plus 15 percent of the next $60 of average wage, or $50 plus $9.

PERMANENT AND TOTAL DISABILITY

The House bill established a vast new program of disability insurance costing as a bare theoretical minimum at least $700,000,000 a year and a probable cost of several times this amount. Not counting doctors on contract, the number of additional Federal employees required to handle this new program would be over 5,000 and the additional administrative cost would be over $20,000,000 annually. Pending an opportunity to give the whole problem of loss of earning due to disability careful study, the Senate version made no provision for this new field of Federal insurance, and the House conferees receded and concurred. This was a wise decision, particularly in view of the fact that Federal funds for permanent and total disability cases were made available for the first time under the public assistance provisions of the House bill and this provision was adopted in the conference agreement.

UNEMPLOYMENT COMPENSATION

The Federal unemployment compensation tax laws now levy a 3-percent tax on employers but when a State has an unemployment compensation law approved under the Federal Security Act employers receive a 90-percent credit against the 3 percent Federal tax. The States receive Federal grants covering their administrative costs in operating their system and every State is now receiving these grants and employers under the individual State systems are receiving the 90-percent credit against the Federal tax.

Under existing law the Secretary of Labor is required to certify for the 90-percent tax credit each State whose law has been approved as containing the provisions required in the Federal law. Under the Federal law, however, grants to cover the administrative costs and the tax credit may be withheld if the Secretary of Labor makes a finding either that the State, first, "has changed its law so that it no longer contains the provisions"; or, second, "has with respect to such taxable year failed to comply substantially with any such provision."

It is perfectly clear that first, above, refers to the State statutes and that second refers to the application and interpretation of these statutes. The provision in the Senate bill adopted by the conference agreement rewrites first, above, to read "has amended its law so that it no longer contains the provision." This amendment merely clarifies congressional intent as to the obvious meaning of the phrase "has changed its law so that it no longer contains the provision." A State statute is initially approved if it contains the required provision, and the State law will be disapproved if the State legislature thereafter changes the law in this respect. The Secretary of Labor recently construed this phrase to apply to a case where there was an administrative application of State law which he disapproved. The only possible question was whether the State had "failed to comply substantially with" the provision. Certainly the ruling did not "change the law so it no longer contained the provision." It was still in the statute. The clarifying amendment will make such interpretations impossible in the future.

The second corrective provision contained in the Senate amendment adopted by the conference agreement is to give the individual States a 90-day period to get in conformity after the Secretary of Labor has held the State out of compliance or conformity. In the event that the Secretary of Labor finds against a State as a result of a State court decision it would be necessary to convene the legislature in order to take the remedial action necessary. Where a court decision or legislative change is late in the year it may be impossible for the State legislature to meet and take the necessary action prior to December 31, and for this reason the provision contains a 90-day compliance period and relieves the State of the severe penalties of the Secretary of Labor's action if the State conforms with the Secretary's interpretation within 90 days.

The third provision imposes the requirement that a claimant must have exhausted the remedies afforded him under the State law before the Secretary of Labor can charge the State with improperly denying him benefits. In two recent actions the Secretary of Labor summoned in the States of California and Washington because of certain appealable claims actions. These State actions were, to quote the new provision, "application or interpretation of State law with respect to which further administration or judicial review is provided under the laws of the State." This provision would prohibit the Secretary from acting in a situation like this until the persons concerned had availed themselves of their appeal rights under State law. Under the new provision he is authorized to act only when the persons concerned have done this and the State appeal process has been completed. This is in accord with one of our most basic concepts of Federal-State relationship.

If claimants are not interested enough to follow the review and appeal procedure provided in their State law, the Secretary will not be authorized to hold a hearing on their cases.

As stated in the statement of the managers on the part of the House:

> The present authority of the Secretary of Labor under section 1603 of the Internal Revenue Code and section 303 (b) of the Social Security Act is not changed but would merely be delayed in operation.

The Secretary of Labor can still hold a State out of conformity if it has amended its law so that it no longer contains the required Federal provisions. This has always been the law and will continue to be so. The substitution of the word "amended" for the word "changed," as I have stated, is merely to prevent the Secretary from construing actions such as an application or interpretation of the law to be a "change in law so that it no longer contains" the required provision. It does not change the Secretary's authority, but clarifies its scope under this phrase.

Nor does the requirement that claimants exhaust their administrative remedy change the authority of the Secretary to hold a State out of conformity where there has been a substantial failure to comply with the provisions of 1603 (a) (5). Until recently there was no formal attempt to construe a mere appealable claims action to be a change in State law. The act, properly interpreted, has always contemplated that benefits are denied by the States, if and only if, the authority authorized by the State to take the final action in the case has been appealed to and has denied the claim. The precipitate action taken by the Secretary of Labor in the Washington and California cases was a clearly erroneous interpretation of what is intended by the "State," as used in the law. The State has designated a particular court to decide whether the claims should be paid. This court had never spoken. Apparently the claimants had not even asked the court to decide. Thus the new provision which requires the Secretary to wait until an appealable case has been decided by the court does no more than require him to wait until the State itself has acted.

Where a person does not apply for benefits, or having applied, does not pursue his claim through the review procedures available under State law, the Secretary cannot be permitted to intervene without destroying the entire appeal procedure of the States, and it is the purpose of this amendment to protect this appeal procedure. This does not affect the Secretary's authority to see that the State is in substantial compliance with Federal standards, for when the State has finally acted through its designated final authority, the Secretary can hold the State out of compliance with the Federal standards if such in fact turns out to be the case.

In the statement on the part of the House managers it is stated that by the new amendment the "Secretary's authority would merely be delayed in operation" by its several provisions. This very generalized statement is correct as applied to situations where a finding has been made and the State takes no steps to correct the situation. In such event the Secretary's finding becomes final at the end of 90 days. The statement, of course, is not intended to apply to the situation where within the 90 days the State amends its law so that the court decisions or other actions on which the Secretary's findings are based will no longer serve as a precedent. In that case, the Secretary's findings will not afford him a basis of refusing certifications because it is the intention of this provision to allow the State in all events a 90-day period to take such legislative action as is necessary to safeguard against a repetition of its noncompliance or nonconformity. This achieves the purpose served by the tax-credit provisions without imposing this penalty.

The generalized statement that the Secretary's authority will merely be delayed also applies to claims cases where the claimant pursues the appeal procedure and is finally denied benefits—to quote from the paragraph dealing with this situation where "further appeal or

review is impossible in the particular case." It, of course, is not intended to imply that the Secretary has any authority to act where claimants have failed to follow the State review procedure. Here, further review is possible in the particular case, and the Secretary has no authority to act, either before or after the time to appeal has expired, or before final review has been completed.

The general statement that the Secretary's authority is merely delayed applies also to the amendment to section 303 (b) (1) of the Social Security Act, relating to the withholding of grants where benefit payments are denied a substantial number of persons entitled thereto under their State law. Where the highest court having jurisdiction has not made a decision on the question of entitlement controlling in the cases under consideration, the Secretary would be required to await such a decision. Thus he could not make a finding that persons are entitled to benefits under State law unless and until he has an affirmative State court precedent covering their situation. The statement that the general authority is only delayed is not intended to imply that he has authority to hold a person entitled to benefits where the State courts have not acted on the situation or after they have held that benefits are not payable.

The Secretary can act only against the State itself. In the case of applications or interpretation of the State statutes affecting claimants he can act only where two things occur (1) claimants affected have exhausted their administrative and judicial remedies and their cases have been decided by the highest judicial court having jurisdiction to make decisions on their cases, and (2) these court decisions are of such broad application, affecting the rights of such substantial numbers of claimants under section 1603 (a) (5) of the Internal Revenue Code, that the State is substantially failing to comply with such provision.

The amendment makes this requirement apply to every State action which claimants may test through one or more reviews. Thus not only claims decisions in specific cases but also general administrative interpretations by regulation or otherwise, as well as lower court decisions are subject to the requirement I have outlined. For any claimant feeling aggrieved thereby can pursue his appeal to the highest State court having jurisdiction. These are all "applications or interpretations of State law with respect to which further administrative or judicial review is provided for under the laws of the State."

TAX RATE

The House bill increased the rate of the employees' tax and of the employers' tax under the Federal Insurance Contributions Act from 1½ to 2 percent each on January 1, 1951. The Senate amendment postponed the increase in rates until January 1, 1956. The conference agreement increases the rate of each tax to 2 percent on January 1, 1954. Otherwise the rates under the House bill, the Senate amendment, and the conference agreement are the same. Under the agreement the rates of each tax are therefore as follows:

	Percent
1950 to 1953, inclusive	1½
1954 to 1959, inclusive	2
1960 to 1964, inclusive	2½
1965 to 1969, inclusive	3
1970 and subsequent calendar years	3¼

Under the House bill, the Senate amendment, and the conference agreement, the rates of tax on self-employment income are 1½ times the rates of the employees tax under the Federal Insurance Contributions Act.

The rates of tax on the self-employed for the respective taxable years under the conference agreement are therefore as follows:

For taxable years—	Percent
Beginning after Dec. 31, 1950, and before Jan. 1, 1954	2¼
Beginning after Dec. 31, 1953, and before Jan. 1, 1960	3
Beginning after Dec. 31, 1959, and before Jan. 1, 1965	3⅜
Beginning after Dec. 31, 1964, and before Jan. 1, 1970	4½
Beginning after Dec. 31, 1969	4⅞

PUBLIC ASSISTANCE

Permanently and totally disabled: The House bill established a new category—the needy permanently and totally disabled individual, for Federal grants-in-aid under the public-assistance program. The Senate amendment made no provision for Federal funds to this group, but the Senate receded and concurred in this provision. The Republican minority urged the extension of Federal participation in payments made by the States to permanently and totally disabled needy persons, thereby attempting to meet the problem of disability at local levels rather than through a vast bureaucracy of additional Federal employees in Washington.

Matching formula: Under existing law the Federal share is three-fourths of the first $20 of the State's average monthly payment plus one-half of the remainder within individual maximums of $50. The conference agreement continues existing law as did the Senate bill.

With respect to old-age assistance and aid to the blind the House bill provided for Federal participation to the extent of four-fifths of the first $25 of the State's average monthly payment per recipient, plus one-half of the next $10 of the average, plus one-third of the remainder of the average within the individual maximums of $50. The formula adopted by the House version was objectionable because:

(a) It reduced the incentive of the States to provide adequate payments for the aged, the blind, dependent children, and the permanently and totally disabled, and discriminated against States which are doing their part in favor of States which are not meeting their full responsibility;

(b) It deviated from the principle of public assistance;

(c) It encouraged the use of this program for political purposes; and

(d) It lent further impetus to the shifting of a basic State responsibility to that of the Federal Government.

Aid to the blind: The House bill provided that a State may disregard such amount of earned income up to $50 per month as the State vocational rehabilitation agency for the blind certifies will encourage and assist the blind to prepare for or engage in remunerative employment. It also provided that the State must take into consideration the special expenses arising from blindness and must disregard income or resources not predictable or actually available. The Senate amendment provided that prior to July 1, 1952, a State might disregard earned income up to $50 per month in the discretion of each State. After July 1, 1952, the State would be required to disregard earned income up to $50 per month. The conference agreement follows the Senate amendment.

The House bill provided that any State which did not have an approved plan for aid to the blind on January 1, 1949, could have its plan approved even though it did not meet the requirements of clause (a) of section 1002 of the Social Security Act relating to the consideration of income and resources in determining need. It was specified, however, that the Federal participation would be limited to payments made to individuals all of whose income and resources had been taken into consideration. Under the House bill these provisions would have been effective for the period beginning October 1, 1949, and ending June 30, 1953. Under the Senate amendment they would have been permanent. The conference agreement provides that they shall be effective for the period beginning October 1, 1950, and ending June 30, 1955.

The House bill provided that in determining blindness there must be an examination by a physician skilled in diseases of the eye or by an optometrist. The Senate amendment provided that in determining blindness there must be an examination by a physician skilled in diseases of the eye. It further provided that the services of an optometrist witin the scope of the practice of optometry, as prescribed by the laws of the State, shall be made available to recipients of aid to the blind as well as to recipients of any grant-in-aid program for improvement or conservation of vision. The conference agreements follows the House provision with an amendment providing that after June 30, 1952, an applicant for aid to the blind may select either a physician skilled in diseases of the eye or an optometrist to make the examination.

Puerto Rico and the Virgin Islands: The House bill provided that all categories of public assistance be extended to Puerto Rico and the Virgin Islands. The Federal share of expenditures would be limited to 50 percent. The maximums on individual payments with respect to old-age assistance, aid to the blind, and aid to the permanently and totally disabled would be $30 per month. For aid to dependent children the maximums would be $18 with respect to the first child and $12 with respect to each of the other dependent children in the same home. The Senate amendment contained no such provision. The con-

ference agreement follows the House bill, but limits the total amount authorized to be certified by the Federal Security Agency Administrator in all four categories with respect to any fiscal year to $4,225,000 for Puerto Rico and $160,000 for the Virgin Islands.

Maternal and child health: The Senate amendment provided for increasing the authorization for annual appropriations for maternal and child health from $11,000,000 to $20,000,000 with the $35,000 uniform allotment to each State increased to $60,000. The House bill contained no such provision. The conference agreement provides for the fiscal year beginning July 1, 1950, an authorization of $15,000,000 and for each fiscal year thereafter $16,500,000, and in each case the uniform allotment to each State is to be $60,000.

Crippled children: The Senate amendment provided for an increase in the amount authorized to be appropriated annually with respect to crippled children to $15,000,000 with the annual uniform allotment to each State to be increased to $60,000. The House bill contained no such provision. The conference agreement provides for the fiscal year beginning July 1, 1950, for an authorization of $12,000,000 and for each year thereafter $15,000,000. In each case the uniform allotment is to be $60,000.

Child-welfare services: The House bill provided for an authorization for annual appropriation for child-welfare services of $7,000,000 with the $20,000 uniform allotment to each State increased to $40,000. A specific provision was made authorizing expenditures for returning any run-away child under age 16 from one State to his own community in another State if such return is in the interest of the child and the cost cannot otherwise be met. The Senate amendment provided for increasing the amount authorized to be appropriated annually to $12,000,000, with the allotments to the States to be on the basis of rural population under the age of 18. It also provided that, in developing the various services under the State plans, the States would be free, but not compelled, to utilize the facilities and experience of voluntary agencies for the care of children in accordance with State and community programs and arrangements. The Senate amendment retained the increased $40,000 allotment and the provision relating to run-away children that were in the House bill. The conference agreement follows the Senate amendment, except that the amount authorized to be appropriated annually is $10,000,000.

The conference report should be adopted without any further delay, and at the same time an immediate study should be undertaken in order to furnish the Congress with information on which to overhaul the entire system, put it on a pay-as-you-go basis, and make adequate provisions for the millions of our aged people who will never get any benefit from the present system. No amount of patchwork can ever correct the basic flaws of the present system with its fake trust fund, its arbitrary eligibility requirements, and its denial of any benefits to millions of our aged people.

The SPEAKER. The time of the gentleman from New York [Mr. REED] has expired.

Mr. DOUGHTON. Mr. Speaker, I yield 8 minutes to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Speaker, I wish to plead very sincerely with this House to adopt this conference report, and to save the work of our committee for about 8 months; and the work so ably done on the other side, covering a period of some 5 months.

The Ways and Means Committee began its consideration of this bill in February of last year, and worked on it daily until October of last year. If I may be excused from passing a compliment on my own committee, I think it is one of the best jobs we have done in years.

Under this bill the social-security system is made of real value to the people of this country. It adds more than 10,000,000 workers to the Social Security System, and it raises the benefits to be drawn by those workers upon retirement 77½ percent on the average for those who are now under the System. And the benefits for those who retire in the future will be doubled. It fixes maximum benefits to be drawn by a totally insured person at $80, and if an insured worker dies leaving a widow and several dependents, the maximum total is $150 a month.

The people of this country are welcoming this new law and looking forward to it, and everything is made possible for them to draw these increased payments, effective beginning September 1.

This conference report is signed by every member of the conference except one. The hitch in this matter occurs over what is known as the Knowland amendment. Mr. Speaker, it has been magnified, in my humble opinion, more than from a mole hill to a mountain. Title III of the Social Security Act, which deals with unemployment insurance, has been in effect about 15 years. For 14 years it was administered by the Social Security Board. Never have we had any trouble like this until, under the Reorganization Act, its administration was transferred to the Department of Labor. Then these difficulties arose which resulted in the introduction of the Knowland amendment in the other body. Frankly, if you will study this matter just for a moment, you will see that the Knowland amendment is not the bear that they say it is. Under the original law, in order for title III to become effective, it became necessary for each State to pass an enabling statute. Those statutes had to come up to certain Federal standards set up in the act. Of course, every State law is practically the same as the other. There are certain minor differences in many, but the general principles are the same. The Knowland amendment provides that, where a State statute has already been accepted by the Federal Administrator as being in conformity with the standard laid down in the law, before they can declare that State out of compliance, by reason of some action of the State administrator in the future, the interpretation of State law must be reviewed by the highest court of that State to which the issue can be appealed. If you are a lawyer, or even if you are not a lawyer, you know that the place to review a State law is in the appellate court of that State. It is not a question of State rights versus Federal rights. The constitution of every State in this Union provides that its own laws shall be interpreted by its own courts.

My colleague has said that it might postpone the receipt by some worker of his benefits as much as 3 or 4 years. It does not take that long to get a case through a State court, and even if it did, the right of that State court to interpret its own law seems to me to be paramount.

Now, let us go a little further. Our committee did not expect title III to be considered under this bill. We made no change in the law regarding unemployment insurance. This amendment was added in the other body. We have already set up a subcommittee to go thoroughly into unemployment insurance and to recommend to the full committee any change that may be necessary to effect easy and reasonable interpretation of the law. That subcommittee is to begin work immediately.

The Knowland amendment is only stop-gap legislation. If we have gone 15 years without any trouble in the administration of this law we can certainly go on another year until the thing can be reviewed. To my mind it would be a great pity to kill the work of the Committee on Ways and Means over a period of 8 months and almost that much time for the Senate Finance Committee, all because of one amendment which was put on in the other body. If I may say so, I should like to tell you that, in my opinion, we shall never get this thing through the conference if it goes back under instructions.

My colleague said that we did not insist. We worked 2 weeks in conference on this bill, and two solid days of our time were devoted to trying to reach some sort of agreement on this Knowland amendment. I regret exceedingly that we could not get it done, but we failed to do it. The managers for the other body are adamant; they are not going to change.

As to the provision for total and permanent disability, that was my special hobby, and I tried the hardest I have ever tried on anything to get the other side to accept a total disability insurance provision in this law. I have given in on it, because I failed to get them to agree to it. With as many changes as were made by the other body, more than 200 in all, we had to give a little here and take a little there in order to ever get together at all; and I plead with the Members not to send this report back to conference, but to adopt the conference report. Let us send out these checks on October 1 to these people who need them so badly all over this land.

Mr. REED of New York. Mr. Speaker, I yield 6½ minutes to the gentleman from Ohio [Mr. JENKINS].

(Mr. JENKINS asked and was given permission to revise and extend his remarks and include therein certain tables.)

Mr. JENKINS. Mr. Speaker, I was a member of the Committee on Ways and Means in 1935 when we prepared and the Congress passed the first social security legislation. I said then and I say now that social-security legislation is of more personal interest to more people than any other legislation that Congress can pass except, legislation necessary to a declaration of war. Thirty-five million people, not including wives and children in the family, 35,000,000 workers are interested in social-security payments and they make social-security contributions. Under this bill we add 10,000,000 more.

I am sorry that every time we have a social security bill under consideration we are always in a hurry. When we considered this bill last October, you will remember, when we were meeting over in the Ways and Means Committee room we did not have half a chance to consider it; it came cut under a gag rule and we could not offer any amendment. You know, I think this bill being a people's bill is one about which every Congressman knows something and every Congressman ought to have a chance to offer amendments if he wishes to do so.

We bring the conference report to you today, the work, as I said, of 8 months and the work of the conferees of 2 or 3 weeks. We bring it to you here under such conditions that you will not have a chance to express yourself. Unfortunately, all the time is taken up by members of the conference committee, and rightly so. It would be well if we could have more time for these things, but we have not. Let me just summarize, like my good friend the gentleman from Georgia [Mr. CAMP] who preceded me did, just kind of in an off-hand manner, some of the changes in this legislation.

When you go home the old-age pensioners will ask: "How about the old-age pensions; did you increase them?" You will have to say "No." You will have to say that you did not but that you added a new provision in the law that will benefit them indirectly. The same formula was approved but we did something else that will eventually help them a great deal. We put a new provision in the insurance sections that will help a lot the old people who are moving up into the 65-year group. I cannot explain what it is now for it is very complicated; we have not time. If we had more time, we could go into these important changes. Let me make this plain. In the matter of the blind pensions the formula for that plan is not changed except this. They are permitted to earn up to $50 a month without having any deductions made.

A new class has been added in this bill we have not the time to discuss extensively. But we did discuss this for hours and days and days prior to this time. If you have not read this bill you may not know that we have added this new class, the totally disabled. A person who is totally disabled and in need of help is in the same class and in the same group as a blind person and the old-age pensioner. That is one change in the bill which recommends it very highly. I have always been in favor of taking care of the totally disabled person who is in need. That is what this will do. I refer to paralytics and people like that who have no chance or hope physically to put themselves in competition with the average man and woman.

Mr. Speaker, this bill provides a great many advantages to those who carry social security insurance, under what we call the insurance features of the Social Security Act. It provides higher payments, it provides more felicity in the relationships and more facility in the administration. There are a great many improvements in it that are worth while. For the present there is to be no increase in the rates; however, that time for increase will soon come. You know, you cannot pay out money indefinitely without having some income. Sometime somebody must supply the money out of which to pay this money. This will come a little later.

There is another brand new feature in this bill, a feature that was never in it before, nothing like it. The bill provides compulsory insurance for the self-employed. Any person who is self-employed or employing other people, for instance, who earns more than a net of $400 a year will be required to come under the provisions of this law except those who are professionals, the doctors, engineers, lawyers and the like, who are excluded. Every garage man, every barber, everyone in the country except farmers who employ people will have to come under this new provision. Many of them want it; many of them do not want it. Anyway, after we pass this bill today that will be the law, if the President signs it.

Mr. Speaker, I dare say you have been receiving more complaints from the teachers, the firemen, and the policemen than any other group. I was not altogether satisfied with the bill we passed in the House and I vigorously opposed that particular provision, the provision that would permit these groups to come in if they voted themselves in. In other words, it opened the door to them. This bill, I am glad to say, provides that the teachers, the policemen, and all of these groups that carry their own insurance in the form of what they call a retirement fund are not now included. You can tell them they are out and there is no provision by which they can come in. They have been put out and as far as I am concerned I hope they will be permitted to stay out.

I could go on further and talk about a great many other things. There was one that was of particular interest to me and I refer to what we call the Gearhart amendment. You are not familiar with that amendment by that description, but it was a very important amendment that was passed and put in the bill the last time we amended it.

What did the Gearhart amendment do? It defined the term "employees." You lawyers know that is a very difficult thing to do. The House bill suggested a number of changes which I did not approve. I am glad to say that the bill presently under consideration is more acceptable than the House bill.

Mr. Speaker, the conference report on H. R. 6000 should be adopted. It represents a fair compromise between the House bill and the Senate amendments and most certainly no further delay in providing increased benefits and increased coverage as recommended by the Republicans should be countenanced.

The conference agreement is not perfect in every respect, of course, and unfortunately there are still many inequities and injustices under the system which have not been, and never can be, remedied by this legislation. But by and large the good far outweighs the bad, and it is particularly gratifying to note that most of the Republican minority's recommendations for improving the House bill have been recognized and adopted.

I shall proceed to discuss the bill more extensively and shall no doubt repeat some of the statements that I have already made.

You will recall that H. R. 6000 was brought to the floor under a closed rule. Every Republican member of the Ways and Means Committee vigorously opposed this high-handed procedure whereby no amendments could be offered or considered on the floor of the House by any of the Members although there were many major social policies involved which should have been considered on their individual merits. In effect we were compelled to take it or leave it. The Republican minority felt that we should at least have had an opportunity to offer our specific recommendations for improving the bill and to allow the Members of this House to individually decide whether some or all of our recommendations should have been incorporated in the bill. But no opportunity to perfect this legislation was provided, and as a result the House was forced into the position of having to accept the entire bill without amendments or vote against it. This was indeed a mockery of the legislative process, particularly in view of the fact that the House bill was prepared in secret session and the public never had an opportunity to know the decisions reached by the committee until only a day or so before the legislation was brought hurriedly to the floor under a "gag" rule in the last days of the session. Many times during the preparation of the bill in the committee one or more of the Democratic members would vote with us Republicans against some of the "must" provisions sent up by the New Deal administration. But today most Republicans can join in supporting the conference report because we Republicans have as a party always supported and favored social security. I was a member of the Ways and Means Committee when the first social-security bill was prepared in 1936. And without boasting, I think it is generally conceded that I am the author of title 10 of the social-security law. This is the title that provides for pensions for the blind. The original social-security bill which

was prepared by the Roosevelt committee did not contain any provision for blind pensions. It was only after a hard battle in the House and Senate that title 10 was added.

One of the most unfortunate provisions of the House version of H. R. 6000 was that it permitted employees of State and local governments already covered by their own State retirement systems to be included under the old-age and survivors insurance program. The Republican minority fought long and hard against this provision, and we specifically recommended the direct exclusion of all teachers, firemen, and policemen and other groups who are already covered under their own retirement and pension systems. The teachers, policemen, and firemen, and the State and county employees in Ohio were violently opposed to being taken under the Federal system and I had on many occasions supported their views. The Republicans argued that it would be a serious mistake to take any action which might jeopardize these existing systems to which contributions have been made over long periods of time. We pointed out that the retirement system of these groups are specifically designed to more nearly meet their needs than the broad social-security program, and not only are their retirement benefits greater, but they can be more easily adjusted to their changing needs through the local and State action. The Senate version followed the Republican recommendations by excluding all employees of State and local government and the conference agreement adopts the Senate amendment, and also the Senate amendment providing for the establishment of the separate coverage group of employees engaged in the performance of proprietary functions. We on the Republican side are proud of our fight to protect the teachers, firemen, policemen, and other groups from losing their retirement systems as advocated by the Democratic majority in the House bill. The following is the language of the bill as it is recommended for passage:

EXCLUSION OF POSITIONS COVERED BY RETIREMENT SYSTEMS

(d) No agreement with any State may be made applicable (either in the original agreement or by any modification thereof) to any service performed by employees as members of any coverage group in positions covered by a retirement system on the date such agreement is made applicable to such coverage group.

Another provision in the House bill which the Republican minority vigorously opposed and which has been eliminated in the conference agreement in accordance with modifications of the Senate amendment was the definition of "employee" contained in the House bill. Our principal objection to the definition in the House bill was that it left the determination of social security tax liability to the wide-open discretion of the Treasury Department and the Federal Security Agency. The adoption of the House definition, against which there was overwhelming testimony by the public, would have been a severe blow to small businesses throughout the country, and it would have produced endless costly litigation. Inasmuch as self-employed persons were covered under both the House and Senate bills, the sole purpose for clearly defining "employee" was a tax purpose and the Republican minority felt that such determination was the proper responsibility of the Congress. The conference agreement adopts the Senate amendment eliminating paragraph (4) from the House definition to which we were opposed; it eliminates the provision in the House bill designed to change the effect of the Supreme Court holding in the case of *Bartels* v. *Birmingham* (332 U. S. 126 (1947)); and it reaffirms the principle that the common-law rule will be used in determining the employer-employee relationship. Provisions in both the House bill and the Senate amendment added individuals in certain specified occupational groups who are not necessarily employees under the usual common-law rules. The conference agreement adopted the Senate amendment eliminating entirely the House additions with respect to driver-lessees of taxicabs, contract loggers, mine lessees, and house-to-house salesmen. The result of the conference agreement is a carefully defined definition and is a vast improvement over the House bill. It is in accordance with the Republican position that extension of the definition be made by congressional action and not by arbitrary determination of the executive departments under a vague test involving the juggling of seven factors as provided for in paragraph (4) of the House definition.

The Republican minority protested against the use of the so-called increment in determining the amount of a person's benefit and this feature of the House bill has been eliminated. In general the conference agreement follows the Senate amendment for computing benefits, thereby not only eliminating the one-half percent increment but also the complicated "continuation factor" which the House bill established for the first time. The Republican minority pointed out that the increment by which the benefit amount a person receives is increased by one-half percent for each year in covered employment was objectionable because:

(a) It discriminated against older persons first entering the system with only a few years to retirement;

(b) It discriminated against workers who do not have continuous employment;

(c) It in effect postponed payment of the full rate of benefits for many years;

(d) It committed future generations to higher benefits than the Congress was willing to pay today; and

(e) It increased the cost of the system on an average of approximately $1,000,000,000 a year.

No justification was advanced for imposing this additional cost on future generations nor was the increment necessary in order to relate benefits to the continuity of the worker's coverage and contributions to the system as well as to the amount of his earnings. But the social-security representatives who sat with the committee in executive session recommended it.

Under the Senate amendment and the conference agreement the benefit formula is 50 percent of the first $100 of the average monthly wage and 15 percent of the next $200. This increase in the benefit formula together with the "new start" provision will increase the amount of benefits substantially as the Republicans have recommended. The following are some examples of the calculations of benefits under the House bill and the Senate amendment adopted by the conference agreement:

ILLUSTRATIONS OF CALCULATIONS OF OLD-AGE BENEFITS UNDER HOUSE BILL AND CONFERENCE REPORT

A. Man employed for 40 years out of possible 40 years:

1. Monthly wage of $150 while working:

(a) House bill—Average wage, $150; basic benefit, 50 percent of $100 plus 10 percent of $50, or $55; increment amount, 40 times one-half percent times $55, or $11; continuation factor, 40/40, or 1; benefit, one times $55 plus $11, or $66.

(b) Conference report—Average wage, $150 times 40/40, or $150; benefit, 50 percent of $100 plus 15 percent of $50, or $57.50.

2. Monthly wage of $300 while working:

(a) House bill—Average wage, $300; basic benefit, 50 percent of $100 plus 10 percent of $200, or $70; increment amount, 40 times one-half percent times $70, or $14; continuation factor, 40/40, or 1; benefit, one times $70 plus $14, or $84.

(b) Conference report—Average wage, $300 times 40/40, or $300; benefit, 50 percent of $100 plus 15 percent of $200, or $80.

B. Man employed for 20 years out of possible 40 years:

1. Monthly wage of $150 while working:

(a) House bill—Average wage, $150; basic benefit, 50 percent of $100 plus 10 percent of $50, or $55; increment amount, 20 times one-half percent times $55, or $5.50; continuation factor, 20/40, or one-half; benefit, one-half times $55 plus $5.50, or $33.

(b) Conference report—Average wage, $150 times 20/40, or $75; benefit, 50 percent of $75, or $37.50.

2. Monthly wage of $300 while working:

(a) House bill—Average wage, $300; basic benefit, 50 percent of $100 plus 10 percent of $200, or $70; increment amount, 20 times one-half percent times $70, or $7; continuation factor, 20/40, or one-half; benefit, one-half times $70 plus $7, or $42.

(b) Conference report—average wage, $300 times 20/40, or $150; benefit, 50 percent of $100 plus 15 percent of $50, or $57.50.

C. Man employed for 10 years out of possible 40 years:

1. Monthly wage of $150 while working:

(a) House bill—Average wage, $150; basic benefit, 50 percent of $100 plus 10 percent of $50, or $55; increment amount, 10 times one-half percent times $70, or $2.75; continuation factor, 10/40, or one-fourth; benefit, one-fourth times $55 plus $2.75, or $16.50.[1]

(b) Conference report—Average wage, $150 times 10/40, or $37.50; benefit, 50 percent of $37.50, or $18.75.[1]

2. Monthly wage of $300 while working:

(a) House bill—Average wage, $300; basic benefit, 50 percent of $100 plus 10 percent of $200, or $70; increment amount, 10 times one-half percent times $70, or $3.50; continuation factor, 10/40, or one-fourth; benefit, one-fourth times $70 plus $3.50, or $21.[1]

(b) Conference report—Average wage, $300 times 10/40, or $75; benefit, 50 percent of $75, or $37.50.

The Republican minority have consistently urged that every effort be made

[1] $25 minimum applicable.

to strengthen the insurance system so that the public-assistance programs may be lightened and the proper relationship between the two systems established. By adopting the Senate amendment for liberalizing the eligibility requirements the conference report represents a major step in that direction. Under the provisions of the House bill it would take newly covered workers 5 years to become fully insured. But the conference agreement requires only the same qualifying period for an older worker now as was required for an older worker when the system first began. As the result of the new start provided for in the conference agreement any person aged 62 or over on the effective date of the bill would be fully insured for benefits at age 65 if he had at least six quarters of coverage acquired at any time. As a result of the adoption of this Senate amendment, approximately 700,000 additional persons will be paid benefits in the first year of operation thus reducing the need for public-assistance expenditures by the States. Moreover, thousands of persons who had previously not qualified will become entitled to benefits, inasmuch as the necessary quarters of coverage can have been obtained at any time since the beginning of the program.

Another feature of the conference agreement which is particularly commendable is the reduction in the amount of wages which a worker must receive in a calendar quarter in order to qualify from $100 to $50. The existing law is $50 in wages in a calendar quarter but the House bill raised this amount to $100. It will again be recalled that the Republican minority pointed out that as a result of the $100 requirement the extension to the system to Puerto Rico and the Virgin Islands would be unsound. The result would have been that thousands of persons in Puerto Rico and the Virgin Islands would not have been eligible for benefits. Our position was substantiated in the report made by a subcommittee of the Ways and Means Committee which went to Puerto Rico and the Virgin Islands following the passage of H. R. 6000 in the House for the purpose of evaluating the extension of the social-security system to these two possessions. As we had pointed out, the subcommittee found that unless the amount of wages required was reduced, the extension of the system to Puerto Rico and the Virgin Islands would have had unfortunate results. The conference report remedies this defect.

One of the major controversial issues was the provision in the House bill establishing a vast new program of paying benefits to permanently and totally disabled persons. The Republican minority argued that before launching into this new program on which there was no study or analysis made, an opportunity should first be given to meet the problem at local levels through the public assistance programs. The Republican minority recommended therefore that the Federal Government share in the assistance payments made by the States to needy permanently and totally disabled persons and although the Senate amendment contained no such provision, the conference agreement followed the House bill on this point.

There are many serious and basic objections to the establishment of permanent and total disability payments as provided for in the House bill and no information was presented to the committee during its public hearings on this question except the vague recommendations of the Federal Security Agency which also recommended a program of temporary disability and an over-all welfare program costing approximately $21,000,000,000. A payroll tax of 15 percent was indicated as the approximate cost of these programs. In my opinion the extension of the insurance system to cover benefits for permanently and totally disabled persons should not be adopted on a hit-or-miss basis as in the House bill, and the additional estimated cost of at least $700,000,000 a year should not be undertaken without careful regard to the objectives to be obtained. The conference agreement adopting the Senate amendment eliminating this program was a commendable decision.

UNEMPLOYMENT COMPENSATION

In order to be approved and certified by the Secretary of Labor a State Unemployment Compensation law must contain certain provisions set out in the Federal act. If the State law is changed so as not to contain these provisions, or if it fails to substantially comply with these provisions in the administration of its law, the Secretary of Labor has the power to withhold certification of the State law for that year. If the Secretary of Labor makes a finding either that the State has changed its law so that it no longer contains the required provisions or has with respect to such taxable year failed to comply substantially with any such provision, Federal grants to the State to cover the administrative cost and the 90-percent tax credit will be withheld. If this occurs, as it almost did for the State of California and Washington last year, it means that the taxpayers of that State lose their 90-percent credit against the 3-percent Federal unemployment compensation tax and that the State will receive no Federal funds to cover the administrative cost of operating their unemployment compensation law.

The amendment in the Senate bill adopted by the conferee agreement is designed to restrict the Secretary of Labor from arbitrarily and without justification withholding certification until the State judiciary has at least had an opportunity to pass on its own State law. The Senate amendment does not deprive the Secretary of Labor, as erroneously alleged by the Department of Labor, of any power he now has but it merely postpones its exercise until the judicial review process of the State has had an opportunity to function.

The Senate amendment adopted by the conference agreement does just three simple things: First, it clarifies congressional intent as to the meaning of the phrase "has changed its law so that it no longer contains the provision"; second, it requires that a claimant must exhaust the remedies afforded him under the State law before the Secretary of Labor can charge the State with improperly denying benefits; and, third, it gives the individual States a 90-day period to get in conformity after the Secretary of Labor has held the State out of compliance or conformity. This amendment confirms the rights of the individual States to follow their own orderly review procedures and any argument that individual hardship may result from delays occasioned in following established judicial review procedure is untenable. Every State law has provisions for judicial review and there is no more validity to the argument of delay in this case than there is when any claimant. whether his claim be for unemployment compensation, workman's compensation, old-age and survivors insurance, follows the established State review procedure. In the California and Washington cases the Secretary of Labor attempted to destroy the State judicial review process in unemployment compensation cases and substitute for it his own judgment, or the judgment of one of his assistants, as to whether or not an individual was entitled to unemployment compensation benefits under State law. The Secretary of Labor can always withhold certification on the grounds that the State has failed "to substantially comply" and all that the Senate amendment does is to say that he cannot use a simple administrative benefit decision which had not even been appealed nor reviewed by the State administrator or State courts, as a basis for failing to certify the State law. I think every Member of the House should hear the position of the executive committee of the Conference of State Employment Security Agencies on this amendment. Their statement is as follows:

A State unemployment-compensation law to be approved and certified by the Secretary of Labor must contain certain provisions set out in the Federal act (1603 (a)). If in any later year the State law is changed so as not to contain these provisions or the State fails to substantially comply with these provisions in its administration, the Secretary will not approve and certify the law for that year (1603 (c)).

Such failure to certify means that the employers of the State are denied all credits against the Federal unemployment tax, and that the State agency is denied Federal administrative grants for administration of the State law.

In the light of the foregoing provisions the State group submits that it is the intent of the Congress that the State statute must contain federally required language and State administration must substantially comply with this required language in its regulations, interpretations, and decisions, etc. Thus a State is given some latitude and discretion is being required to only substantially comply. It was not intended that the State be compelled to follow the Secretary of Labor's interpretation of federally required provisions in every instance.

In the California and Washington conformity cases of December 1949 the Secretary acted contrary to the above interpretation and incidentally contrary to the practice of Federal administrative officials through 13 years of Federal-State relations. The Secretary disagreed with administrative benefit rulings which rulings denied benefits to certain members of the union engaged in the Pacific water-front strike of 1948. The Secretary ruled that these decisions changed

the State laws so they no longer contained the required provisions.

The State group submits that the application of the State laws in these instances was properly a matter of compliance and did not properly raise the question of whether the State law had been changed. The Secretary of Labor takes the position that a single benefit determination or single administrative interpretation can remove a required provision from a State law—thus putting him in a position to decertify it. In this manner he is completely circumventing a provision that a State need only substantially comply with the required provisions. If the Secretary is correct, then it is clear that the provision that the State can be decertified only if it fails to substantially comply is pure surplusage.

The State group does not believe that an administrative decision or interpretation can remove from the State law the provisions enacted by its legislature—nor can a State court through its decisions. However, the State agencies and courts can fail to comply with the Federal-required provisions as interpreted by the Secretary.

The State group does not believe, however, that the Secretary should be able to raise a compliance issue with a State unless and until the parties adversely affected by administrative action have pursued their judicial remedies as provided in the law of that State. If a party thinks that the administrator is wrong in his application of the State law, it is the function of a State court to first determine the issue. Only the high court of the State has the power to determine the meaning of the State law and whether the administrator is complying with it.

In furtherance of the State's position is the Federal-requirement section (303 (a) (3)) that a State must afford a fair hearing to contestants. In accordance with this requirement, States must provide administrative hearings to contestants and further provide a review to their courts.

The State group strongly feels that the action of the Secretary of Labor in the California and Washington cases was improper in his findings that (a) benefit decisions changed the law of the State so that they no longer contained the required provisions and (b) he had jurisdiction to take up the matter although the affected parties had failed to pursue their judicial remedies provided in the laws of the State and thus secure a judicial determination of what the State law meant.

The Knowland amendment is designed to correct the misinterpretation placed on the Federal statute by the Secretary of Labor. It provides, in effect, that only a State legislature can change the law of the State so that it no longer contains the required provision. The matters of benefit decisions, interpretations, etc., are clearly made matters of compliance in acccordance with the original intent of the Congress. Moreover, the Knowland amendment requires that the affected parties pursue their remedies as provided in the State laws (by reason of the fair-hearings requirement) before the Secretary is able to take jurisdiction.

In the event that State courts hand down decisions which in the estimate of the Secretary fails to substantially comply with the Federal-required language, he can proceed to decertify the law. Also, if a State legislature removed the required language, he may proceed to decertify the law.

The State group humbly submits that the Knowland amendment does not add or detract from the powers of the Secretary as properly constructed from existing Federal law. The Knowland amendment only clarifies the original congressional intent and assures observance by the Secretary.

PUBLIC ASSISTANCE

As in the case of the insurance provisions of H. R. 6000 the conference agreement represents a commendable adjustment between the House bill and the Senate amendments. The Senate version did not change the present matching formula under the public assistance programs because the philosophy of the Senate amendments is to make the insurance program dominant over the assistance programs. Having adopted the Senate amendment for the new start which will result in the paying of benefits to an additional 500,000 persons in the first year at a cost of approximately $200,000,000 the House conferees receded and concurred in the Senate provision maintaining the existing matching formula.

The change in the matching formula provided in the House bill was not satisfactory because it would have unfairly discriminated against those States which are doing their part in raising their assistance payments. The effect of the House provision would have been to reduce the incentive of the States to provide adequate payments for the aged, the blind and dependent children, and would have encouraged the use of this program for purely political purposes.

Although, however, the conference agreement makes no change in the Federal share of expenditures under the assistance programs, it does provide for a new title XIV making Federal grants-in-aid available to needy permanently and totally disabled individuals as was specifically recommended by the Republican minority. The Federal share of expenditures for this new category will be three-fourths of the first $20 of the State's average monthly payment plus one-half of the remainder within an individual maximum of $50 as in the case of old-age assistance. As pointed out in the statement of the managers on the part of the House it is contemplated that the State public assistance agencies will work closely with State rehabilitation agencies in developing policies to assure rehabilitation in all possible cases.

The conference agreement provides for increasing the authorization for annual appropriations for maternal and child health from $11,000,000 to an authorization of $15,000,000 for the fiscal year beginning July 1, 1950, and for each fiscal year thereafter $16,500,000. The conference agreement also provides for increasing the crippled-children program to $12,000,000 for the fiscal year beginning July 1, 1950, and $15,000,000 each year thereafter. These provisions of the conference agreement are a compromise of the provisions in the Senate amendment.

With respect to aid to dependent children the House bill provided for Federal participation to the extent of four-fifths of the first $15 of the State's average monthly payment per recipient, plus one-half of the next $6 of the average payment, plus one-third of the remainder of the average payment within the individual maximums of $27 for the relative with whom the children are living, $27 for the first child, and $18 for each additional child. The Senate amendment retained the present formula for determining the Federal percentage contributed toward assistance payments but increased the maximum with respect to individual payments to $30 for the relative with whom the children are living, $30 for the first child, and $20 for each additional child. Under existing law the Federal share is three-fourths of the first $12 of the average monthly payment per child, plus one-half of the remainder within individual maximums of $27 for the first child and $18 for each additional child in a family. The conference agreement retains existing law with respect to the maximums for children and the formula and provides a maximum of $27 with respect to the relative with whom the children are living.

I am particularly pleased with the provisions of the conference agreement providing additional incentives for the blind—a problem in which I have long been interested. The House bill provided that a State might disregard such amount of earned income up to $50 per month as the State vocational rehabilitation agency for the blind certifies will encourage and assist the blind to prepare for or engage in remunerative employment. It also provided that the State must take into consideration the special expenses arising from blindness and must disregard income or resources not predictable or actually available. The Senate amendment provided that prior to July 1, 1952, a State might disregard earned income up to $50 per month in the discretion of each State. After July 1, 1952, the State would be required to disregard earned income up to $50 per month. The conference agreement follows the Senate amendment.

I have attempted to show you that the conference agreement on this important legislation contains many provisions for strengthening and improving our social-security system. Republicans have played a major role in framing this legislation and urging its passage so that the meager benefits now being paid will be increased, the public assistance rolls reduced and at least some of the inequities of the existing law eliminated. It would be a most serious mistake if the existence in the conference report of only one or two minor provisions which may be objectionable to some should stand in the way of the final passage of this legislation.

Mr. DOUGHTON. Mr. Speaker, I yield the remainder of my time to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Speaker, anyone may observe on page 123 of the statement on the part of the managers that I joined the other members of the conference committee in signing the conference report. I did so even though I had some concern about the Knowland amendment. I regretted the fact that we were unable to obtain a concession from the Senate conference managers on the provisions of our bill relating to insurance for the totally and permanently disabled.

I worked with my friend the gentleman from New York [Mr. LYNCH] as

diligently as I knew how in attempting to perfect language that, in my opinion, would be preferable to the Knowland amendment. I worked with the gentleman from Georgia [Mr. CAMP] as well as I knew how in an effort to obtain provisions for disability insurance under title II. I signed the conference report even though the first was left in and the other was left out.

Maybe my reasons for signing it might be helpful—at least, I offer them in the hope they may be helpful—to Members in making up their minds as to what action should be taken on this conference report. The conference report itself is a new bill.

The House passed a bill. The Senate struck everything after the enacting clause and wrote a new bill. The conference report itself is a third bill. It is very technical, detailed, and involved, as the gentleman from Georgia [Mr. CAMP] pointed out.

Your Ways and Means Committee worked all of last year on the subject; the Senate Finance Committee worked all this year on the subject. Everyone I know of who favors a liberalization of the Social Security Act is in favor of what is in this conference report, with the exception of the Knowland amendment.

There are some people who are not completely satisfied with the conference report, of course; some people wanted more than we could get, and others would have liked to see certain provisions omitted or changed. But as one conferee I want to tell you that it is my honest opinion that, if you send this conference report back to the conferees, with or without instructions, the entire subject may be reopened. So that, if we come back to you again, we will come back to you with the Knowland amendment; we will come back to you without total and permanent disability under title II; and we are more than likely to come back to you lacking some of the things that are in this bill that all of us favor.

The gentleman from New York [Mr. REED] has pointed out that there is a matter of time involved in this issue. We have got to do something. This bill must be signed by the President by the 26th of August if the benefits to some 3,000,000 people that are increased as the result of this amendment are to be paid for the month of September, which would be the 1st day in October. Certainly, we should not, in my opinion, reject the work of the conference committee because of our objection to one thing in it. I am just as opposed to this provision as any of you. We said in the statement of the House managers, if you will turn to page 122, that we considered the Knowland amendment to be nothing in the world but stop-gap legislation. The entire subject matter must be looked into. The Secretary of Labor will tell you, in my opinion, if you call him, that there needs to be some legislation in this area that the Knowland amendment seeks to improve.

Mr. JACOBS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Indiana.

Mr. JACOBS. As I understand the Knowland amendment, it does not require litigation and interpretation of an original State statute to comply, but rather once the statute is enacted and it has been declared in compliance, there must be a determination of any interpretation under that statute; is that correct?

Mr. MILLS. It has to do with compliance under the State statute by the administrator of unemployment compensation within the State.

Mr. JACOBS. But not original compliance.

Mr. MILLS. The gentleman is thinking of conformity.

Mr. JACOBS. Yes.

Mr. MILLS. No; it has nothing to do with that. It has to do with compliance by the State administrator, with the State law, which is in conformity with Federal standards, supposedly.

I trust that the committee of conference may receive the approval of the House in this matter. I would hate to see this go back to conference. We have a lot of things to do that are very important in the closing days of this session between now and such time as we adjourn or leave here. We have a tax bill to write. These same men on the Committee on Ways and Means and the Finance Committee are busily engaged in attempting to prepare and bring to you this interim tax bill requested by the President. Our time will be pretty well taken up. If you send this report back to conference there is no telling when we can bring a new report back to you as a matter of time. Certainly, I think I am right in saying that we will not have anything better for your consideration than we have today.

Now, a subcommittee in our committee has been appointed to study unemployment insurance. The gentleman from Rhode Island [Mr. FORAND], one of the ablest Members of the House, is chairman of the subcommittee, charged with the responsibility of considering the entire field of unemployment compensation either this fall or next year and reporting back to the full committee such amendments as that subcommittee feels should be adopted to improve the unemployment compensation system. I know my good friend is opposed to the Knowland amendment. I know that one of the first acts of that subcommittee will be to prepare permanent legislation that will improve the situation and repeal the Knowland amendment.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Rhode Island.

Mr. FORAND. Will my good friend from Arkansas not admit that this will make our task so much more difficult?

Mr. MILLS. Yes, the task will be more difficult as the result of the Knowland amendment. We argued that in the conference. But, I think my friend from Rhode Island will admit that the conferees, the members of his own committee who served with the full committee, did just as good a job as they could do in the first instance, and I am trying to impress on you that we will not be able to do a better job if it is sent back for further conference with the Senate.

I am afraid, my friends, and I am deeply concerned about it, that if we send this conference report back we will come back to you with one that is not as good as we have. Your House conferees took every provision that the Senate adopted which liberalized Social Security; every one of them that was not already contained in the House bill.

We obtained as much out of the Senate as we are going to be able to get from them, even if we stay with them until Christmas. I certainly hope the conference report will not be recommitted, and that the House will accept the report in spite of the Knowland amendment, with assurances from the Committee on Ways and Means as contained in the report that there will be a study of the entire matter and that legislation can be prepared and will be prepared to correct the situation on a permanent basis.

Mr. REED of New York. Mr. Speaker, I yield 6½ minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, there is one thing I trust I will never do as a Member of the House, and that is to have my position on any particular piece of legislation not clear to the Members or to my constituents. I hope that there will never be any question with regard to my purpose or motive behind any action that I might take.

Let me state that the gentleman from New York [Mr. LYNCH] was correct in his letter which he circulated among the membership this morning to the effect that there would be a motion to recommit, or an attempt at least on the part of the minority to offer such a motion, because, Mr. Speaker, it is my intention to seek recognition at the proper time to offer a motion to recommit, with instructions to the House conferees.

I have two purposes in doing so. Let me make this clear. No. 1 is to try to close out any attempt to remove the Knowland amendment from the conference report. No. 2 is to try to call attention to what, to me and to many people involved, is an inequity created in the bill by the conferees.

As to the first purpose, may I make it perfectly clear that I for one at least believe that the Knowland amendment is a sound addition to the unemployment compensation laws of this Nation. I for one have confidence in the integrity and honesty of our State governments and our State legislatures and also in our State administrators. I think it comes with somewhat poor grace for the majority leader and others to suggest that the State administrators and State legislatures are going to act in a capricious manner; that they are going to try to destroy the benefits of unemployment compensation to the workers in their States by twisting and turning the language of their various State laws. Let me remind the gentlemen that unemployment compensation laws originated in the States. Unemployment compensation systems are still State systems.

Oh, I know that great effort has been made by certain persons in the admin-

istration to eliminate completely State unemployment compensation laws and drag it all in here to Washington so that you would have one standard unemployment compensation law. They would eliminate, for instance, laws in the State of Wisconsin which give recognition to an experience-rating principle and which have worked for the good of both industry and labor. I know that is the objective of many. It has been a battle that has been waged for many years.

I have confidence, however, in the State administrations and I therefore want to do everything I can to close out any attempt to remove the Knowland amendment from this bill.

At this point, Mr. Speaker, I should also like to make clear that my opposition to the basic provisions of this legislation stems from the gross inequities I feel it contains. My analysis of those inequities is contained in a broadcast I made to my constituents on October 11, 1949, at the time the bill passed the House, and I include, at this point, a copy of the script of that broadcast:

YOUR WASHINGTON OFFICE

(Program for October 11, 1949)

Last week, the House passed the social-security-revision bill.

Briefly, the bill extends social-security coverage to 11,000,000 more persons, provides an average increase of 70 percent in present benefits, creates a new classification of totally and permanently disabled, credits World War II veterans with time in service, and increases the amount to be collected in future years in taxes upon employees and employers and self-employed persons.

This bill must, of course, pass the Senate before becoming law. According to the present plans of the administration, it will not be considered by the Senate this year but will be brought up in 1950. It is believed in Washington, however, that the Senate will pass substantially the same bill at that time.

On final passage of this bill in the House of Representatives, your Congressman found himself in an increasingly familiar position. I was 1 of 14 lonely Members who voted against the measure. The number of us who are opposing the grandiose proposals now being dished up in Congress appears to diminish each day. I am rapidly reaching the conclusion that I will soon become a minority of one if the present trend continues.

In any event, I am sure that you realize that my votes against this and other proposals have not been cast lightly nor without a good deal of study and investigation of all of the factors involved. In this case, I was a member of the committee which handled this bill. For the past 6 months, we have literally eaten, slept, and drank social-security revision. This continuous study convinced me that this bill is unsound, and I hope to tell you why during this visit to your Washington office tonight.

I cannot deny that there are some very meritorious provisions in the social-security revision bill which passed the House last week. The inclusion of some or many meritorious provisions in a bill, however, does not make that legislation sound. We must always balance the good with the bad, the safe with the dangerous, the sound with the unsound. If this is done with the new social-security bill, in my opinion, one is forced to conclude that the bad far outweighs the good.

Many of the reforms contained in the bill pertaining to the program of public assistance to the aged, the blind, dependent children, and permanently disabled are greatly needed and praiseworthy. My principal concern lies, however, in the field of old-age and survivors' insurance—the program which pays retirement benefits to the workers—and under the bill to self-employed persons and survivors' benefits to their families. That, after all, is the program with which the bill is primarily concerned. It is the program constantly referred to by its supporters as social insurance.

In my opinion, this program, under the new bill, is no longer social nor insurance. It fails in many major respects to do the very things that a liberal and effective social-security program should do.

Consider, first, the social aspects—its concern for the people who need or should have protection.

This bill does increase the benefits to be paid, but it must be thoroughly understood that it does not provide any retirement benefits for those who have not acquired insurance status. The bill extends coverage, but it does not provide any coverage for the great majority of today's older people. Only one-third of the 5,200,000 men over 65 today are insured under this program, and only one-fourth of the 5,500,000 women over 65 are either insured or are the wives or widows of insured men. This is true because only those who were fortunate enough to have remained at work for much of the time since the program actually started in 1937 could obtain the necessary calendars of covered employment. This bill does not correct that situation in any way. This program, advertised far and wide as a social program, offers nothing for today's needy aged.

Now, this fact is recognized sometimes by the supporters of old-age and survivors' insurance and is rationalized by the argument that this discrimination is justified because the program is an insurance program and those who receive the benefits have paid for those benefits. Let us be honest with ourselves and see whether this is true.

All actuaries, including those with the Social Security Administration, admit that those persons now on the insurance benefit rolls have not paid the costs of the benefits they are presently receiving. They agree further that those who will receive benefits during the next 30 years will not have paid for the true cost of the benefits that they will receive. They agree that a total tax of over 6 percent is necessary to finance the program. As long as the tax is under that rate, and it is presently 2 percent, the program cannot be called an insurance program.

In effect what is happening is that the present social-security taxes are paying for one-third the cost of the program; the other two-thirds represents a general pension, and it will be paid for, not by our generation, but by the next and the next. Most important since this is not an insurance program, being paid for by current taxes, it is difficult to see the justification for the continuation of the inequality of treatment to our present aged population and the absolute discrimination against two-thirds of that group.

We must remember, and remember well, that this program does not expire at some future date. There is no end to it. It runs into perpetuity. Yet we are now binding oncoming generations to pay untold billions of dollars, giving them absolutely no choice in the matter. We are binding, for instance, the taxpayers of 1990 to a minimum cost of $10,000,000,000 a year for this one program. We are obligating them, for instance, to provide a new program of disability insurance the cost and extent of which no living man can hazard a guess. We are making contracts today which we have no assurance that future Americans will be either willing or able to meet. Who among us, or among the geniuses at work in Washington today, can look 50 years ahead and predict our national income, our productivity, our cost of living, and our cost of other governmental services and say that we can safely assume this $10,000,000,000 obligation?

Last year, a Hoover Commission task force looked over our social-security set-up and found four basic faults with it. They were:

First, it leads to a constant demand for more benefits immediately to those persons who have been coverered only a short time. Unless everybody is covered, and this is far from realization, the effect is the creation of a specially privileged class.

Second, it encourages the tendency to pass on to future generations the cost of free benefits and the deficits which result from charging less than the true cost of the program.

Third, it commits future generations by telling them what benefits they shall pay and under what conditions, despite the fact that there is no known way to predict the economic circumstances which might prevail at that time.

And, finally, it commits us to a large degree of control over the earnings of our people by requiring compulsory contributions, opening the way to a high degree of governmental control over the national economy.

None of these four major and basic defects have been remedied by the new bill; if anything, they have been made more serious. It is my considered opinion that we are creating a gigantic and monstrous system that has become so topheavy and loaded with inequities that it will fall of its own weight at some future date.

To find the remedy we must determine how we arrived at our present situation. What brought us to this present patchwork program?

In its original conception, this program was designed to secure employed workers, under an insurance program, against the hazards of old age. As such, it was a straight insurance program, requiring special taxes to pay for the cost of retirement benefits, and it was confined to those who feel more sharply the hazards of old age—industrial workers. As such, it was basically sound and met a real need in the growing complexity of modern industrial life.

But then the pressure groups began to work. The cry arose for increased coverage, more benefits, protection against new contingencies, and the postponement of the increased taxes necessary to maintain a sound insurance system. It was the old story of wanting more for nothing and putting off the inevitable day when the costs must be met. Since Congress is subject to pressures, since it controlled the basic program, and since it was easy to postpone the day of reckoning, these pressures were successful.

In 1939 Congress abandoned the concepts of the original system. The necessary reserve to meet future payments was eliminated; the increase in payroll taxes, supposed to reach 6 percent in 1948, was postponed; the benefit formula was changed so as to require relatively larger payments to those who had been covered only a short time; and, in addition to retirement benefits, benefits for survivors and dependents was introduced.

In this way, the original insurance concept was knocked high, wide, and handsome. For all practical purposes, a partially gratuitous program was established. Only half the cost of the program was being met out of contributions by the insured and their employers. But the pressure groups and the politicians were still not satisfied.

The pressure continues. Now the cry is for increased benefits, more coverage and more protection against new hazards. What started out as a simple insurance system has now been dumped smack into the political arena, and promises of more and bigger benefits to more and more people fill the air. Under this new bill, the direct result of such promises, we have reached the point where present social-security taxes will pay only one-third of the cost of the program. A beneficiary retiring after enactment of the new law will be receiving one-third insurance

and two-thirds gratuitous pension—thanks to the politicians and to the inability of future generations to protect themselves against this robbery.

Who can say what new pressures will shortly arise and what new concessions will be made as more and more people seek to be cut into this gigantic pie? Plainly, our trouble is that we are attempting to maintain the fiction of a contributory insurance system, because it sounds good, and to superimpose upon it a general pension system for everybody, because that brings in more votes.

The solution, it seems to me, is a complete overhaul of the present system upon a pay-as-we-go basis eliminating the present discriminations between segments of our population. As a prerequisite to this complete overhaul, we need a thoroughgoing and impartial examination and study of the whole field by qualified and nonpartisan experts who can devote their full time to a complete and unbiased survey. Strangely enough, this has never been done. Until it is done, however, and the groundwork for a sound, equitable, and workable program is laid, we shall continue to be plagued with the unfairnesses of the present system, and we shall continue to thrust our burdens onto the backs of our children and our children's children.

I am not submitting my motion to recommit on the basis of those general and basic defects of the legislation.

My second purpose is to try to call attention to just one of the inequities created by the conferees. I am under no illusion that this inequity will be corrected by my motion. I am under no illusion that my motion to recommit will carry. This inequity taken by itself may not satisfy Members from other States as a justification for recommitting the report. I do, however, want to use this means in order to call your attention to the inequity which exists and its particular reference to the State of Wisconsin.

As the bill passed the House, provision was made for the coverage under the old-age and survivors insurance system of public employees, employees of cities and municipalities, even though they may be also covered under a retirement plan within the State. As the bill comes from the Senate, if they belong to such a system they are prohibited from any coverage under the act.

Back in 1943, in the State of Wisconsin we adopted a State retirement fund, and we provided for a pension or annuity system for persons who were employed by cities, by States, and by local units of Government. We now have about 9,000 people in that system. At that time, in 1943, when the legislature passed that act, it provided that in the event provision is ever made for coverage under a national system, the two systems should be integrated. In other words, they foresaw and did in 1943 what most industries are doing today with the approval of their labor unions. They provided for a system of integration. This bill as it comes from conference absolutely prohibits integration, even though the State back in 1943 designed its law on that basis. During the conference a provision was agreed to by the conferees which would have taken care of this injustice, but then a flood of telegrams were sent out by some of the national organizations who objected to the original wording, and so the conferees changed their minds. They struck it out, even though an agreement was made and reached with all of these national organizations which met their objections completely.

As the bill now stands a public employee who does not belong to a retirement system is covered by the survivors insurance provisions of the bill. But if he belongs to a State or local retirement plan he is prohibited from being covered by the national plan.

For a more complete analysis I will include at this point a memoranda covering the effect of this situation upon public employees in Wisconsin:

As passed by the House, H. R. 6000 enabled persons under existing retirement systems for public employees to be included under the Federal old-age and survivors insurance system if: (a) The State legislature approved, (b) the employees covered agreed by a two-thirds vote at a referendum election. The Senate version of H. R. 6000 absolutely bars all persons under such existing retirement system from procuring the benefits of social security, and also excludes future incumbents in these positions. This Senate action disregarded the recommendation on this point made to the Senate Finance Committee by the advisory council on social security.

Since those under retirement systems in other States insist on being excluded, it is only natural for Congress to agree thereto. However, no harm whatsoever would be done to these employees throughout the country if this exclusion were modified so as not to be applicable to the Wisconsin retirement fund.

Wisconsin is the only State which has framed a retirement system for State, county, and municipal employees which has as its foundation complete integration with social security. This has been in the law establishing the Wisconsin retirement fund since it was first enacted in 1943. Therefore an amendment providing that such exclusion of existing systems would not be applicable where the law already provided for integration would affect only the Wisconsin retirement fund and no other system anywhere in the country. Such an amendment could read "unless the State or political subidivision by which such retirement system was established had in effect on January 1, 1950, a statute, ordinance, or other legislative act providing for making such retirement system supplementary to the insurance system established by this title."

In Wisconsin there is complete agreement in favor of such integration by (a) covered employees, (b) the legislature, (c) municipal governments. Under the Wisconsin law the integration becomes automatic when Congress authorizes. The existing system continues as a supplementary system so that upon retirement an employee would receive benefits from both systems.

The integration of the Wisconsin retirement fund with social security is essential for the following reasons:

1. Under the Senate version counties, cities, villages, etc., not under the existing system are eligible for inclusion under social security. These could then subsequently come under the Wisconsin retirement fund and procure dual coverage. This would undermine the basic Wisconsin plan because the 128 counties, cities, and villages now covered would be denied inclusion under social security, while the 462 other counties, cities, and villages could give their employees the full benefits of both the Wisconsin system and social security.

2. Permitting such integration would only treat the 30,000 State, county, and municipal employees under the Wisconsin retirement fund the same as the many persons in private employment who are both under social security and a supplementary system.

3. Many individuals who have worked in private employment most of their lives are now under the Wisconsin retirement fund, and will receive annuities entirely insufficient to support them because of the few years of public employment. Inclusion under social security is essential if they are to receive any consideration for many years of private employment and thus receive an adequate annuity.

4. The Wisconsin system provides no annuity for a widow and minor children when an employee dies before retirement.

5. The Wisconsin system makes no direct provision for surviving aged widows.

6. The monthly payments to the Wisconsin system would be reduced by the amount of the payments to social security, but the aggregate annuities from both systems would substantially exceed the annuity payable from the Wisconsin system only.

7. If the same benefits are provided under the Wisconsin system as would be available from integration with social security, the cost to the public employee and the taxpayer in Wisconsin would be materially raised. Thus these persons would have to underwrite social-security benefits to citizens generally, and then be compelled to pay a second time to provide the same benefits for themselves.

The SPEAKER. The time of the gentleman from Wisconsin [Mr. BYRNES] has expired.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks at this point on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, the so-called Knowland amendment is an attempt to destroy the uniform and fair administration of the Federal-State unemployment compensation system.

I am quite sure that if the House could adequately debate this amendment it would be overwhelmingly rejected.

SOCIAL SECURITY AND OLD-AGE PENSIONS

Mr. NOLAND. Mr. Speaker, the House today is enacting one of the most necessary pieces of legislation which has been before the Eighty-first Congress. The new social-security bill makes great strides in improving social security benefits for the millions of wage earners of this country.

One of the greatest improvements is the fact that 10,000,000 more workers are brought within the coverage of the provisions of this legislation. In addition, self-employed persons may now be eligible for social security benefits. Of course, this is with the exception of members of various professions who do not wish to be covered. The self-employed may pay a social security tax 1½ times that of the regular contribution, and thereby avail themselves of social-security benefits.

This bill also provides an increase in benefits up to 77 percent on the average. With this increase in benefits, social security will come much nearer meeting present needs of retired workers. Minimum benefits would be increased from $10 to $20 per month, and maximum benefits would be increased to $80 a month. In addition, the maximum family benefit payments have been increased from $85 a month to $150 a month.

A retired worker is entitled to 50 percent extra when his wife reaches 65. He is also entitled to 75 percent for his first child under 18 years, and an additional 50 percent for each additional child. A worker's widow receives 75 percent of the benefits her husband would have received.

Even with the passage of this increased social security legislation, the problem of old age security is still an extremely pressing one because of the millions of older citizens in our Nation who have never had an opportunity to work in social security-covered employment.

Recent studies show that those persons 65 or over number approximately 11,500,000 in 1950, and constitute about 7.7 percent of the population. Fewer than 20 percent of those now 65 and over are financially independent, and the pensions or charitable allowances are lower than the minimum amount set in official surveys needed to maintain them in good health.

The President of the United States has called a Nation-wide conference for this month on the problems of our aged citizens. As the Federal Social Security Administrator has said, "the nub of the problem is not so much that of adding years to life as that of adding life to years."

From my own experience during the many tours which I have made of the Seventh District, I have talked with great numbers of our elder citizens who are receiving very small sums under old-age assistance which are pitifully inadequate to keep them in any kind of good health and in decent living conditions. I discussed their problems with them and know of their difficulties first-hand.

Private pension plans, which are spreading at a rapid rate, are pointing the way to a universal old-age pension. Today pensions are provided for many of the large organized-labor groups, such as the miners, steel workers, and the automobile workers. Government officials and employees may obtain pensions on a contributory basis. A majority of the industrial pensions are noncontributory and are paid by the company concerned.

The miners' pension has been of great benefit to my own district in southern Indiana. The aged persons to whom I talked to do not begrudge this opportunity for independence and a decent living to the retired miners. As I told John L. Lewis, the miners' pension has been a wonderful thing to many of our Seventh District residents. However, the people are fully cognizant that they and their families are helping to provide these general pensions to the various segments of our national economy. Anyone today who buys coal, an automobile, or any steel product is providing his part of the pensions for the workers in those industries. Is it any wonder that the aged generally are interested in a good pension which will enable them to maintain a reasonable standard of living in which they can enjoy an independence in their later years?

I strongly feel that action should be taken to meet the needs of these older retired citizens who have never had an opportunity to be covered by social security. If it is possible for them to retire from their jobs without being subject to hunger and want, they will naturally make positions available for younger people. An old-age pension system would do a great deal to maintain a high national income and distribute purchasing power throughout the Nation.

There is only one real answer to this problem as I see it, and that is a Federal old-age pension to take the place of old-age assistance. It would reduce the administrative costs which derive from the case-worker system and would make these amounts available for payment of pensions. In addition, a Federal system would provide for uniform payments in all of the States and would remove the discrepancies whereby some States pay an average of $20 a month and others pay an average of $75 per month in old-age assistance.

It would also eliminate such objectionable features as the old age lien law in Indiana which tends to penalize the industry of those elder citizens who saved during their working years so that they can have a home at the time of retirement. Laws such as this discriminate unfairly against the persons who have been thrifty in the period of their earning power.

Certain Members of the House have recommended a program which would be extremely helpful to the elder citizens of our country. This plan provides $60 per month for every citizen 60 years or older who does not have an income sufficient to require the filing of a Federal income tax. Such a plan would be very easy to administer, would be easy to check, and would eliminate altogether the case workers which make the administrative costs of the present system so high. I am firmly in favor of a plan which will provide our elder citizens with a good living.

Our social-security system is a step in the right direction for those persons who have had an opportunity to work in covered employment, but it is up to us to continue to work to meet this problem of our aged citizens who do not come under the provisions of this law.

Mrs. WOODHOUSE. H. R. 6000 deals with improvements in the old-age and welfare programs of the social-security law. The Knowland amendment has no place in this bill. It was not in the House bill. It was opposed by the Senate committee, introduced on the floor, debated for 10 minutes with only 2½ minutes for the opponents. The House Ways and Means Committee has recently appointed a subcommittee to review the unemployment-compensation sections of the social-security law. If the Knowland amendment is to be considered that is where it should first be discussed. It should be deleted from H. R. 6000 now before us.

The Washington Post in an editorial July 16, 1950, quoted an opponent of this amendment as saying it would "destroy the Federal minimum requirements in the program which has been created by Federal legislation," and added, "as a matter of fact, that appears to be the real purpose of the Knowland amendment which is backed by various west-coast employers' associations." In brief, the Knowland amendment would enable a State unemployment compensation commissioner to use unemployment insurance as a device for undermining prevailing wage rates and for breaking strikes.

This is not fanciful thinking. In recent years two Western States have been forced by the Secretary of Labor to modify their rulings in regard to payments of unemployment insurance to members of a union other members of which were on strike. This action is, no doubt, the immediate factor behind the Knowland amendments. The Secretary has not used his power capriciously. Differences have been settled by negotiation between the State and Federal officials.

The Secretary acts under authority in the Social Security Act of 1935 and of the Internal Revenue Code.

The social-security law requires that every State in order to qualify for tax set-off—that is, a refund credit to employers of 90 percent of the Federal unemployment-compensation tax—should incorporate in its unemployment-insurance law the following:

> Compensation should not be denied in such State to any otherwise eligible individual for refusing to accept new work under any of the following conditions: (a) If the position as offered is vacant due directly to a strike, lock-out, or other labor dispute; (b) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality; (c) if as a condition of being employed the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

The Internal Revenue Code specifies procedure for approval and year-end certification or own certification of State laws as to their compliance with Federal law requirements. Paragraph (c), section 1063, now reads that any State which has changed its law so as not to be in compliance shall not be certified and therefore not eligible for credit against Federal insurance tax payments.

The Knowland amendment substitutes "amended its law" for "changed its law." "Changed" has been interpreted to include administrative rulings and practices at State levels which served to avoid the intent of Congress. "Amend" would require action by the State legislature.

Under the Knowland amendment the State law may be found to meet the Federal requirements. Thereafter, unless the State law has been amended by the legislature, there can be no finding by the Secretary of Labor that the State law does not conform to the conditions necessary to enable employers to secure credit against the Federal tax, until the highest court of the State has passed on the question. We all realize that interpretation of the State law by those administering it can result in important changes. Under the Knowland amendment an employee aggrieved by such administrative ruling would have to bring suit and the case carried to the highest State court before the Secretary of Labor could act to hold a State out

of compliance. This amendment reverses the accepted legal procedure whereby Federal administrative review operates before court action is initiated.

True, after the court decision the Secretary may proceed just as he would today. The court acts only on the interpretation of the State law. But meanwhile many months might well elapse and the administrative ruling would continue in effect.

Thus this amendment would make possible 51 different programs of unemployment insurance. It would destroy the nationally uniform Federal minimum requirements of the program which was created by Federal legislation. With our mobile labor such uniformity is essential to the successful working of the program.

The intent is obvious: To cause delay and by indirection to strike at labor through the unemployment compensation program which Congress established to aid labor and to help stabilize our entire economy. Striking at labor in this manner is striking at the stability of our whole industrial organization. Today we are all interdependent. No one group in our economy can be hurt without all suffering. Only the short-sighted endeavor, as via the Knowland amendment, to gain a temporary special advantage for it means a long-time general loss. The amendment should be deleted.

The House Committee on Ways and Means did an excellent job in incorporating in H. R. 6000 a system of permanent and total disability insurance benefits. It is unfortunate that our conferees permitted it to be struck out of the bill.

The old-age and survivor's insurance system does not cover the problem of those who become permanently disabled before they reach the normal age of retirement. There are some 2,000,000 such unfortunate persons in our country. Many of them have been in covered employment and have made substantial social-security payments. Yet there is no provision for them until retirement age and by then their benefits are reduced or even extinguished. Only about 5 percent of them come under State workmen's compensation laws. Victims of heart diesase, cancer, and other chronic ailments have no protection under social security.

The major retirement programs for Federal, State, and local government employees, railroad workers and private employers contain provision for premature retirement because of disability. The House bill sections providing protection in case of permanent disability should be returned to H. R. 6000.

Mr. BLATNIK. Mr. Speaker, the conference report on H. R. 6000 represents a definite defeat for the House. The House managers gave in to the Senate managers on almost every important point.

The first of the provisions on which our managers gave in is permanent and total disability insurance. H. R. 6000 as passed by the House had contained two provisions for the permanently disabled: Insurance and public assistance. Neither of these was enacted by the Senate. The Senate managers accepted public assistance for the disabled, but not insurance. In other words, a worker who becomes a permanent invalid at 45 must go on relief for 20 years before he can draw his old-age insurance benefits. The Senate let itself be talked out of providing invalidity insurance by the slick tongues of the insurance-company actuaries, who claimed it could not be administered without abuse. But we have been providing disability benefits as a part of our civil-service retirement system for years and no one has ever complained about any abuse. Permanent disability insurance has been provided for railroad workers, and no one claims it has not been successfully administered. The House should insist that workers who are totally disabled by sickness or accident before their time should be protected by insurance and not merely by relief.

The second important feature on which the House managers receded was the proposed increases in the Federal share of public assistance payments approved by the House. These increases were designed to help the poorer States, who recognize that their public assistance payments are inadequate, but can do nothing about it for lack of resources. Under the House provisions, payments to the aged and blind would have been increased about $5 a month in the Southeast, even though the States were unable to put up any more money. When it is realized that average monthly payments range from $19 to $23 in the South, the desperate need of the aged and the blind in these States for these increases needs no argument. Also, under the House provisions, the Federal share of payments to dependent children would have been increased. And more important, the widowed mother or other relative caring for the child would have received Federal assistance, where today she must live on the meager payments given her children. Throughout the country this would have resulted in an average increase per family of about $19, an increase of about 50 percent in the South. With prices rising and assistance already inadequate in many States, these increases are desperately needed. Again the House managers should be instructed to hold out for the increased public assistance payments the House voted.

Finally, the House conferees accepted a rider to the bill, the so-called Knowland amendment, that will undermine the security for the unemployed now backed up by the Federal provisions on unemployment insurance. This dishonest amendment, plausible on its face, would make it virtually impossible for the Federal Government to enforce the standards required by Congress in unemployment-insurance laws. This amendment was added by the Senate on the floor after the Senate Finance Committee had voted that morning to oppose it. Mysteriously, between 12 and 4 o'clock on the day the amendment was voted on, the majority of the Finance Committee switched their votes. It would be well worth investigating what caused that switch. Only 2½ minutes debate in opposition to the amendment was permitted and its proponents so misrepresented it that those who voted for it did not know what they were voting for. I am informed that the eminent senior Senator from Ohio, when he really looked at the amendment in conference, admitted that it was so ambiguously worded that he was willing to consider a substitute amendment. The House has had no opportunity to consider this amendment. There have been no hearings on it. It is poorly worded and thoroughly vicious. The House conferees should be instructed to reject it and let the newly created subcommittee of the Committee on Ways and Means give the matter the study it deserves.

Because of these three totally unsatisfactory decisions by the House conferees, the House should reject the conference report and instruct our managers to hold out for permanent and total disability insurance, and higher public-assistance payments, and reject the Knowland unemployment-insurance amendments.

REASONS BEHIND KNOWLAND AMENDMENT—WASHINGTON AND CALIFORNIA HEARINGS

Mr. CHRISTOPHER. Mr. Speaker, there is not any doubt that the Knowland amendment was prompted originally by the dissatisfaction of employers with the labor standards set by Congress in section 1603 (a) (5) of the Internal Revenue Code. These standards have been previously explained and require the law of the State to provide that compensation shall not be denied to individuals who refuse to accept new work vacant on account of a labor dispute or at working conditions substantially less than those prevailing or where a yellow-dog contract is made a condition of employment. If the law is interpreted in a manner inconsistent with these requirements to deny benefits in this area, the State finds itself in conflict with the congressional standards.

Decisions of the highest administrative authorities in both California and Washington involving the denial of benefits to several hundred workers were called into question by the Secretary of Labor in December 1949 because, after conferences with the State authorities, it appeared that these decisions conflicted with the standard relating to denial of benefits to those refusing new work vacant on account of a labor dispute. These decisions had all become final and there was no possibility of appealing them to the State courts.

Washington: In the construction industry the Washington agency denied benefits to 269 carpenters in Spokane who were unemployed before a strike involving their union caused vacant jobs in that area. The benefits were denied on the grounds that but for the strike these men would have been employed in the vacant jobs. The theory was that, since these workers, if and when employed, would be working as union carpenters under an area agreement for some contractor after referral to the job by the union agent, these circumstances made all work in the industry old work instead of new work. Hence the State

thought the prohibition respecting new work in the standards set by Congress should not apply. The same result was reached respecting workers previously employed in the maritime industry and who were on the beach at the time of the 1948 west coast maritime strike.

Because such a construction was contrary to the clear intent of Congress and because any work for completely unemployed workers is new work to them, the Secretary of Labor, after a notice and a hearing found this provision of the Washington law was in conflict with the standard of the Internal Revenue Code. The Washington agency then reversed its position and the commissioner stated that henceforward the Washington law meant the same thing as the Federal law. Thereafter the State was certified for tax-credit purposes.

California: Unemployed seamen who were on the beach at the time of the west coast maritime strike of 1948 were held by the California Appeals Board not to be entitled to benefits even though their separation from previous employment had nothing to do with the labor dispute. Here, again, the conclusion was that men in this category would have been employed in due course in the vacant jobs if the strike had not happened because they would have been referred to work by the union agent at the hiring hall under the collective agreement. The appeals board concluded that work in the industry was their work rather than new work for these men. Consequently, no effort was made to meet the standards set by Congress.

Hearings were called by the Secretary of Labor under the Internal Revenue Code—only after conferences with the Appeals Board and its staff—on the same basis as in the case of Washington. During the hearings the California Department of Employment discovered for the first time that all of the workers under these decisions actually had been employed at the time of the strike and actually left work on account of the strike. Thereupon the Appeals Board explained that its decision was moot on the point of conflict, was not a precedent, and did not express the California law. The hearing was terminated, the questions raised were considered to have been satisfactorily explained, and California was never out of line with congressional standards at any time. Certification for tax credit purposes followed on December 31, 1949.

EFFORT TO RIP OUT LABOR STANDARDS

Looking at these Washington and California hearings, there is no question concerning the appropriateness of the action taken. There appeared at the outset a denial of benefits contrary to Federal law. The decisions had become final and there was no opportunity for the courts to consider the matter. If such an appeal had been taken, no question would, of course, have been raised until after the courts had spoken.

The issues were discussed in detail with the appropriate State officials, who, as the record of the subsequent hearings shows, completely and emphatically confirmed the decisions as expressing the state of the law in the two jurisdictions. The evidence seemed clear that for every purpose at that time the law of the State was contained in the decisions of the Commissioner of Washington and the California Appeals Board.

It was only after having taken these prior steps that the hearings were called, and even then the State of California was, on the basis of further information, found never to have deviated from the congressional standard. These hearings were held in the manner required by the Federal Administrative Procedure Act and were entirely appropriate in this respect.

As an aftermath of these hearings the Pacific American Shipowners Association, the San Francisco Waterfront Employers Association, and the California chapter of the Council of State Governments sponsored the Knowland amendment primarily to prevent action under the labor standards set by Congress. These standards had been set by Congress to insure benefits to workers who refuse to take struck work. The abovementioned groups wish to have benefits denied in cases where workers refuse to accept jobs as strikebreakers.

Mr. RHODES. Mr. Speaker, I am not surprised that this conference report does not contain the House provision to extend social-security benefits to disabled persons. I am sure that it is not because a person is less needy when he becomes disabled than one who reaches age 65. When a person becomes disabled he is likely to be in far greater need, especially if he is the head of a family.

I rather think it is because many Members of the House and Senate are opposed to the very principle of social security. I realize the pressure that has come from powerful financial interests which have fought social security from its inception. It has been labeled welfare-state legislation which would undermine and destroy our way of life and turn the people into helpless slaves.

In fact social security is the very heart and the very core of the so-called welfare-state program. Nevertheless it is popular with the people of the Nation despite its false labels and the scare propaganda which has been spread to discredit it.

Today nothing can illustrate its popularity better than the record vote on this legislation in the Eighty-first Congress. The most bitter opponents of this so-called welfare-state legislation are now on the band wagon. They still prattle about the welfare state, they still spread false fears, but when the chips are down and when the showdown comes they vote for this far-reaching welfare-state legislation.

But while our fair-weather friends are riding the bandwagon they don't hesitate to throw the monkey-wrench around. That is why we have the Knowland amendment. It has no place in this bill. The real purpose is to use the popularity of social security to undermine our unemployment insurance system. It seems to me that the supporters of the Knowland amendment are not in sympathy with either social security or unemployment insurance.

I believe this bill should be sent back to the conference committee.

INCREASED SOCIAL-SECURITY BENEFITS

Mr. WOLVERTON. Mr. Speaker, it is with pleasure that I give my support to the conference report amending the Social Security Act. It is regrettable, however, that the so-called Knowland amendment was included. This, in my opinion, should not have been done. It was fought by the friends of labor and justifiably so. However, in other respects the amendments provide an improved social security law that will prove highly beneficial to workers.

The original Social Security Act was adopted in 1935. I voted for the bill at that time because it seemed the best that could be gotten. I realized from the beginning that the benefits were greatly inadequate to provide the kind of security that the workers would need and was entitled to have in his or her retirement. Through the years that have intervened I have time and again spoken of this inadequacy and urged enactment of legislation that would deal more generously with retired workers and the handicapped who came within its provisions. At last an improvement has come. My support of the first bill was given upon the basis that it was at least a start in the right direction although inadequate in its provisions. The present bill, although it does not in all particulars go as far as I would like, yet it does go far beyond the original law and can be looked upon as a great achievement. The law does not begin to approach what it should be. As the experience of the past has led to this present improvement, so, with confidence, we can expect the future will bring additional benefits, and, cover an increasing number of workers in occupations not now included within its provisions. I look forward to that day and trust it will not be long delayed.

The conference report, presented by Chairman DOUGHTON, deals primarily with four main programs, as follows:

First, the Federal old-age and survivors insurance program.

Second, Federal grants to the States for public assistance to needy persons.

Third, Federal grants to the States for maternal and child health, crippled children, and child-welfare service.

Fourth, the Federal provisions relating to State unemployment insurance systems.

FEDERAL OLD-AGE AND SURVIVORS INSURANCE

With respect to Federal old-age and survivors insurance the conference report extends coverage to about 10,000,000 additional persons. Included in this group are nearly 5,000,000 self-employed persons; about 1,000,000 domestic employees; 850,000 regularly employed farm workers; 1,500,000 employees of State and local governments not covered under any retirement plan; 600,000 employees of nonprofit organizations; 400,000 persons employed in Puerto Rico and the Virgin Islands; and about 200,000 Federal civilian employees not covered under a retirement system. The conference report therefore takes a long step toward the goal of universal coverage under the insurance system of all persons who work for a living.

Benefits are liberalized very substantially in the conference agreement. For those persons who have already retired and for widows and orphans already on the rolls the average increase in benefits will be about 77½ percent. For future beneficiaries the increase in benefits will be more than doubled. The conference report therefore is a major contribution toward making the benefits of the insurance program more adequate.

The conference report greatly liberalized the eligibility for insurance benefits so that many persons now 65 or over will be able to draw retirement benefits immediately, and many persons close to 65 will be able to qualify for insurance benefits much more quickly.

The conference report provides for the payment of benefits on a more liberal basis to the surviving children of married women. Benefits for dependent husbands of deceased or retired women workers are added to the law.

The conference report provides for a lump-sum payment to be made at the death of every insurance worker. This should help very materially in making it possible for the family of the deceased worker to pay the medical bills and funeral expenses of the deceased person.

The most important provision in the conference report is the provision for the revision of the retirement test under which a beneficiary may earn in covered employment without loss of benefits $50 a month instead of $14.99, and also receive full benefits at age 75 regardless of the amount of earnings.

The conference report provides for giving World War II veterans wage credits under the insurance system of $160 per month for the time spent in service.

The conference report provides that the benefit increases for persons now on the benefit rolls will be effective for the month of September 1950. The effective date for new coverage provisions is January 1, 1951.

PUBLIC ASSISTANCE

The conference report provides for increasing Federal funds to the States for public assistance. On a full-year basis it is estimated that the conference report will provide an additional one hundred and fifty to two hundred million dollars Federal aid to the States annually for public-assistance purposes.

The conference report provides for the establishment of a new category of Federal grants to the States of assistance to needy permanently and totally disabled persons.

Provision is also made for increasing the Federal share of expenditures for aid to dependent children by including one adult relative in a family as a recipient for Federal matching purposes.

The conference report authorizes Federal grants to the States for direct payments to doctors, hospitals, and other persons or institutions furnishing medical care. Provision is also made for the Federal Government sharing the cost of assistance to needy aged and blind persons in public medical institutions.

The conference report makes a number of amendments to the blind assistance program. The existing law is amended to disregard earned income up to $50 per month of recipients of aid to the blind.

MATERNAL AND CHILD HEALTH, CRIPPLED CHILDREN, AND CHILD WELFARE

The conference report provides for an increase of $19,500,000 a year for maternal and child health and child-welfare services. These additional amounts should help crippled children particularly and also help the States to meet the problem of delinquent children.

CONCLUSION

This is but a brief summary of the new social-security law, but it is sufficient to justify my statement that the enacement of this legislation will constitute a great advance in our social-security system. It has been a real pleasure to have had a part, first in establishing a social-security policy for our Nation, and, second, to have had a part in providing the improvements to the act that this legislation makes possible.

The SPEAKER. All time has expired.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. BYRNES of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. BYRNES of Wisconsin. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BYRNES of Wisconsin moves to recommit the conference report on H. R. 6000 to the committee of conference with instructions to the managers on the part of the House to incorporate in the conference report the following provision:

On page 44, paragraph (d) of section 106 of the conference report, strike out the period following the word "group" and add the following: "Unless the State statute by which such retirement system was established contained a specific provision in effect on January 1, 1950, requiring that whenever any employee becomes subject to the old-age and survivors insurance benefit provisions of Federal law any contribution shall be reduced by the amount of the contribution made by such employee pursuant to such provisions of Federal law."

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the motion to recommit.

Mr. LYNCH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LYNCH. As I understand the situation, the gentleman from Wisconsin [Mr. BYRNES] having made a motion to recommit, and the previous question being put, if the motion for the previous question is voted down, an amendment could be offered to the motion to recommit? Is my understanding correct?

The SPEAKER. If the motion for the previous question is not adopted, an amendment to the motion would be in order.

The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. LYNCH) there were—ayes 121, noes 106.

Mr. LYNCH. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas, 188, nays 186, answering "present" 1, not voting 55, as follows:

[Roll No. 241]

YEAS—188

Abbitt	Hall, Leonard W.	Murray, Tenn.
Abernethy	Halleck	Nelson
Allen, Calif.	Hand	Nicholson
Allen, Ill.	Harden	Nixon
Andersen, H. Carl	Hardy	Norblad
Anderson, Calif.	Harris	Norrell
Andrews	Harrison	O'Hara, Minn.
Arends	Harvey	O'Konski
Auchincloss	Hays, Ark.	Pace
Bates, Mass.	Herlong	Passman
Battle	Herter	Patterson
Bennett, Fla.	Heselton	Phillips, Calif.
Bentsen	Hill	Plumley
Bolton, Ohio	Hobbs	Poage
Bonner	Hoffman, Ill.	Poulson
Boykin	Hoffman, Mich.	Preston
Bramblett	Holmes	Rankin
Brown, Ga.	Hope	Reed, Ill.
Brown, Ohio	Horan	Reed, N. Y.
Bryson	Jackson, Calif.	Rees
Burleson	Jacobs	Rich
Burton	James	Richards
Byrnes, Wis.	Jenison	Riehlman
Camp	Jenkins	Rivers
Carlyle	Jennings	Robeson
Case, S. Dak.	Jensen	Rogers, Fla.
Chatham	Jonas	Rogers, Mass.
Chiperfield	Jones, Mo.	Sadlak
Clevenger	Jones, N. C.	St. George
Cole, Kans.	Judd	Sanborn
Colmer	Kean	Scott, Hardie
Cooley	Kearney	Scrivner
Cotton	Kearns	Scudder
Coudert	Keating	Shafer
Cox	Kerr	Sheppard
Crawford	Kilburn	Simpson, Ill.
Curtis	Kilday	Simpson, Pa.
Dague	Kunkel	Smathers
Davis, Ga.	Lanham	Smith, Va.
Davis, Tenn.	LeCompte	Smith, Wis.
Davis, Wis.	LeFevre	Stanley
Deane	Lichtenwalter	Stockman
Dolliver	Lodge	Taber
Dondero	Lovre	Taylor
Doughton	Lucas	Teague
Ellsworth	McConnell	Thompson
Elston	McCulloch	Thornberry
Fellows	McDonough	Towe
Fenton	McGregor	Velde
Fisher	McMillan, S. C.	Vorys
Ford	Mack, Wash.	Vursell
Fugate	Macy	Wadsworth
Gamble	Mahon	Weichel
Gary	Martin, Iowa	Wheeler
Gathings	Martin, Mass.	Whitten
Gavin	Merrow	Whittington
Goodwin	Meyer	Widnall
Gossett	Michener	Wigglesworth
Graham	Miller, Md.	Wilson, Ind.
Grant	Miller, Nebr.	Wilson, Tex.
Guill	Mills	Wood
Gwinn	Monroney	Woodruff
Hale	Morton	

NAYS—186

Addonizio	Buckley, N. Y.	Denton
Albert	Burdick	Dollinger
Allen, La.	Burke	Donohue
Angell	Burnside	Douglas
Aspinall	Byrne, N. Y.	Doyle
Bailey	Canfield	Eberharter
Baring	Cannon	Elliott
Barrett, Pa.	Carnahan	Engle, Calif.
Bates, Ky.	Case, N. J.	Evins
Beall	Cavalcante	Fallon
Beckworth	Chelf	Feighan
Bennett, Mich.	Chesney	Fernandez
Biemiller	Christopher	Flood
Bishop	Chudoff	Fogarty
Blatnik	Clemente	Forand
Boggs, La.	Combs	Frazier
Bolling	Cooper	Fulton
Bolton, Md.	Corbett	Furcolo
Bosone	Crook	Garmatz
Brooks	Crosser	Gilmer
Buchanan	Davenport	Golden
Buckley, Ill.	Delaney	Gordon

Gorski
Granahan
Granger
Green
Gross
Hagen
Hart
Havenner
Hays, Ohio
Hébert
Hedrick
Heffernan
Heller
Holifield
Howell
Huber
Hull
Irving
Jackson, Wash.
Javits
Jones, Ala.
Karst
Karsten
Kee
Kelley, Pa.
Kelly, N. Y.
Kennedy
Keogh
King
Kirwan
Klein
Kruse
Lane
Larcade
Lind
Linehan
Lynch
McCarthy
McCormack
McGrath
McGuire
McKinnon
McSweeney
Mack, Ill.
Madden
Magee
Mansfield
Marcantonio
Marsalis
Marshall
Miles
Miller, Calif.
Mitchell
Morgan
Morris
Moulder
Multer
Murdock
Murphy
Noland
Norton
O'Brien, Ill.
O'Brien, Mich.
O'Hara, Ill.
O'Neill
O'Sullivan
O'Toole
Patman
Patten
Perkins
Peterson
Pfeifer, Joseph L.
Philbin
Phillips, Tenn.
Polk
Powell
Price
Priest
Rabaut
Rains
Ramsay
Rhodes
Ribicoff
Rodino
Rooney
Roosevelt
Sabath
Sasscer
Saylor
Secrest
Shelley
Sikes
Sims
Spence
Staggers
Stigler
Sullivan
Sutton
Tackett
Tauriello
Thomas
Tollefson
Trimble
Underwood
Van Zandt
Wagner
Walter
Welch
Whitaker
White, Calif.
Wickersham
Wier
Willis
Wilson, Okla.
Withrow
Wolverton
Woodhouse
Yates
Young
Zablocki

ANSWERING "PRESENT"—1

Cunningham

NOT VOTING—55

Andresen, August H.
Barden
Barrett, Wyo.
Blackney
Boggs, Del.
Breen
Brehm
Bulwinkle
Carroll
Celler
Cole, N. Y.
Davies, N. Y.
Dawson
DeGraffenried
D'Ewart
Dingell
Durham
Eaton
Engel, Mich.
Gillette
Gore
Gregory
Hall, Edwin Arthur
Hare
Hinshaw
Hoeven
Johnson
Keefe
Latham
Lyle
McMillen, Ill.
Mason
Morrison
Murray, Wis.
Pfeiffer, William L.
Pickett
Potter
Quinn
Redden
Regan
Sadowski
Scott, Hugh D., Jr.
Short
Smith, Kans.
Smith, Ohio
Steed
Stefan
Talle
Vinson
Walsh
Werdel
White, Idaho
Williams
Winstead
Wolcott

So the previous question was ordered.

The Clerk announced the following pairs:

On this vote:

Mr. Williams for, with Mr. Carroll against.

Mr. William L. Pfeiffer for, with Mr. Quinn against.

Mr. Smith of Ohio for, with Mr. Cunningham against.

Mr. Eaton for, with Mr. Dingell against.

Mr. Hoeven for, with Mr. Celler against.

Mr. Latham for, with Mr. Breen against.

Mr. Short for, with Mr. Morrison against.

Mr. Smith of Kansas for, with Mr. Walsh against.

Mr. Cole of New York for, with Mr. Gregory against.

Mr. McMillen of Illinois for, with Mr. Engel of Michigan against.

Until further notice:

Mr. Sadowski with Mr. Boggs of Delaware.

Mr. Bulwinkle with Mr. August H. Andresen.

Mr. Barden with Mr. Nelson.

Mr. Pickett with Mr. Mason.

Mr. Steed with Mr. Brehm.

Mr. Lyle with Mr. Barrett of Wyoming.

Mr. Davies of New York with Mr. D'Ewart.

Mr. Winstead with Mr. Edwin Arthur Hall.

Mr. Hare with Mr. Hinshaw.

Mr. Redden with Mr. Talle.

Mr. Regan with Mr. Potter.

Mr. Gore with Mr. Hugh D. Scott, Jr.

Mr. DeGraffenreid with Mr. Johnson.

Mr. Durham with Mr. Stefan.

Mr. Vinson with Mr. Werdel.

Mr. White of Idaho with Mr. Blackney.

Mr. Dawson with Mr. Wolcott.

Mr. Bulwinkle with Mr. Keefe.

Mr. MAHON changed his vote from "nay" to "yea."

Mr. CUNNINGHAM. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. SMITH. I voted "nay." If the gentleman from Ohio were present, he would have voted "yea." I therefore withdraw by vote and answer "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on agreeing on the motion to recommit.

Mr. KEATING. On that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

The motion to recommit was rejected.

The SPEAKER. The question is on agreeing to the conference report.

Mr. DOUGHTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 374, nays 1, not voting 55, as follows:

[Roll No. 242]

YEAS—374

Abbitt
Abernethy
Addonizio
Albert
Allen, Calif.
Allen, Ill.
Allen, La.
Andersen, H. Carl
Anderson, Calif.
Andrews
Angell
Arends
Aspinall
Auchincloss
Bailey
Baring
Barrett, Pa.
Bates, Ky.
Bates, Mass.
Battle
Beall
Beckworth
Bennett, Fla.
Bennett, Mich.
Bentsen
Biemiller
Bishop
Blatnik
Boggs, La.
Bolling
Bolton, Md.
Bolton, Ohio
Bonner
Bosone
Boykin
Bramblett
Brooks
Brown, Ga.
Brown, Ohio
Bryson
Buchanan
Buckley, Ill.
Buckley, N. Y.
Burdick
Burke
Burleson
Burnside
Burton
Byrne, N. Y.
Camp
Canfield
Cannon
Carlyle
Carnahan
Case, N. J.
Case, S. Dak.
Cavalcante
Celler
Chatham
Chelf
Chesney
Chiperfield
Christopher
Chudoff
Clemente
Clevenger
Cole, Kans.
Colmer
Combs
Cooley
Cooper
Corbett
Cotton
Coudert
Cox
Crawford
Crook
Crosser
Cunningham
Curtis
Dague
Davenport
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Deane
Delaney
Denton
Dollinger
Dolliver
Dondero
Donohue
Doughton
Douglas
Doyle
Eberharter
Elliott
Ellsworth
Elston
Engle, Calif.
Evins
Fallon
Feighan
Fellows
Fenton
Fernandez
Fisher
Flood
Fogarty
Forand
Ford
Frazier
Fugate
Fulton
Furcolo
Gamble
Garmatz
Gary
Gathings
Gavin
Gilmer
Golden
Goodwin
Gordon
Gorski
Gossett
Graham
Granahan
Granger
Grant
Green
Gross
Guill
Gwinn
Hagen
Hale
Hall, Leonard W.
Halleck
Hand
Harden
Hardy
Harris
Harrison
Hart
Harvey
Havenner
Hays, Ark.
Hays, Ohio
Hébert
Hedrick
Heffernan
Heller
Herlong
Herter
Heselton
Hill
Hobbs
Hoffman, Ill.
Hoffman, Mich.
Holifield
Holmes
Hope
Horan
Howell
Huber
Hull
Irving
Jackson, Calif.
Jackson, Wash.
Jacobs
James
Javits
Jenison
Jenkins
Jennings
Jensen
Jonas
Jones, Ala.
Jones, Mo.
Jones, N. C.
Judd
Karst
Karsten
Kean
Kearney
Kearns
Keating
Kee
Kelley, Pa.
Kelly, N. Y.
Kennedy
Keogh
Kerr
Kilburn
Kilday
King
Kirwan
Klein
Kruse
Kunkel
Lane
Lanham
Larcade
LeCompte
LeFevre
Lichtenwalter
Lind
Linehan
Lodge
Lovre
Lucas
Lynch
McCarthy
McConnell
McCormack
McCulloch
McDonough
McGrath
McGregor
McGuire
McKinnon
McMillan, S. C.
McSweeney
Mack, Ill.
Mack, Wash.
Macy
Madden
Magee
Mahon
Mansfield
Marcantonio
Marsalis
Marshall
Martin, Iowa
Martin, Mass.
Merrow
Meyer
Michener
Miles
Miller, Calif.
Miller, Md.
Miller, Nebr.
Mills
Mitchell
Monroney
Morgan
Morris
Morton
Moulder
Multer
Murdock
Murphy
Murray, Tenn.
Nelson
Nicholson
Nixon
Noland
Norblad
Norrell
Norton
O'Brien, Ill.
O'Brien, Mich.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
O'Sullivan
O'Toole
Pace
Passman
Patman
Patten
Patterson
Perkins
Peterson
Pfeifer, Joseph L.
Philbin
Phillips, Calif.
Phillips, Tenn.
Plumley
Poage
Polk
Poulson
Powell
Preston
Price
Priest
Rabaut
Rains
Ramsay
Rankin
Reed, Ill.
Reed, N. Y.
Rees
Rhodes
Ribicoff
Rich
Richards
Riehlman
Rivers
Robeson
Rodino
Rogers, Fla.
Rogers, Mass.
Rooney
Roosevelt
Sabath
Sadlak
St. George
Sasscer
Saylor
Scott, Hardie
Scrivner
Scudder
Secrest
Shafer
Shelley
Sheppard
Sikes
Simpson, Ill.
Simpson, Pa.
Sims
Smathers
Smith, Va.
Smith, Wis.
Spence
Staggers
Stanley
Stigler
Stockman
Sullivan
Sutton
Taber
Tackett
Tauriello
Taylor
Teague
Thomas
Thompson
Thornberry
Tollefson
Towe
Trimble
Underwood
Van Zandt
Velde
Vorys
Vursell
Wadsworth
Wagner
Walter
Weichel
Welch
Wheeler
Whitaker
White, Calif.
Whitten
Whittington
Wickersham
Widnall
Wier
Wigglesworth
Willis
Wilson, Ind.
Wilson, Okla.
Wilson, Tex.
Withrow
Wolverton
Wood
Woodhouse
Woodruff
Yates
Young
Zablocki

NAYS—1

Byrnes, Wis.

NOT VOTING—55

Andresen, August H.
Barden
Barrett, Wyo.
Blackney
Boggs, Del.
Breen
Brehm
Bulwinkle
Carroll
Cole, N. Y.
Davies, N. Y.
Dawson
DeGraffenried
D'Ewart
Dingell
Durham
Eaton
Engel, Mich.
Gillette
Gore
Gregory
Hall, Edwin Arthur
Hare
Hinshaw
Hoeven
Johnson
Keefe
Latham
Lyle
McMillen, Ill.
Mason
Morrison
Murray, Wis.
Pfeiffer, William L.
Pickett
Potter
Quinn
Redden
Regan
Sadowski
Sanborn
Scott, Hugh D., Jr.
Short
Smith, Kans.
Smith, Ohio
Steed
Stefan
Talle
Vinson
Walsh
Werdel
White, Idaho
Williams
Winstead
Wolcott

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. August H. Andresen for, with Mr. Mason against.

Mr. Brehm for, with Mr. Smith of Ohio against.

Until further notice:

Mr. Carroll with Mr. D'Ewart.
Mr. Dingell with Mr. Keefe.
Mr. Pickett with Mr. William L. Pfeiffer.
Mr. Morrison with Mr. Cole of New York.
Mr. Williams with Mr. Talle.
Mr. deGraffenried with Mr. Stefan.
Mr. Breen with Mr. Hoeven.
Mr. Gregory with Mr. Johnson.
Mr. Quinn with Mr. Gillette.
Mr. Redden with Mr. Boggs of Delaware.
Mr. Gore with Mr. Barrett of Wyoming.
Mr. Hare with Mr. Latham.
Mr. Barden with Mr. Smith of Kansas.
Mr. Davies of New York with Mr. Murray of Wisconsin.
Mr. Winstead with Mr. Potter.
Mr. Steed with Mr. Blackney.
Mr. Dawson with Mr. Engel of Michigan.
Mr. Lyle with Mr. Edwin Arthur Hall.
Mr. Sadowski with Mr. Eaton.
Mr. Durham with Mr. Hugh D. Scott, Jr.
Mr. Vinson with Mr. Short.
Mr. Walsh with Mr. Hinshaw.
Mr. Bulwinkle with Mr. Wolcott.
Mr. White of Idaho with Mr. Werdel.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING TECHNICAL SERVICES TO FOREST LANDOWNERS

Mr. GRANGER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7155) to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest landowners, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, line 7, after "possession." insert "The provisions of this act and the plan agreed upon for each State, Territory, or possession shall be carried out in such manner as to encourage the utilization of private agencies and individuals furnishing services of the type described in this section."

Page 3, line 10, strike out "1950" and insert "1951."

The SPEAKER. Is there objection to the request of the gentleman from Utah? There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

RUSSIAN RAILWAY SERVICE CORPS

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 716 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6277) to give discharges to the members of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I yield one-half hour to the gentleman from Illinois [Mr. ALLEN] and now yield myself 3 minutes.

Mr. Speaker, House Resolution 716 makes in order the bill H. R. 6277, introduced by the gentleman from California [Mr. ANDERSON]. This bill provides for granting veteran status to men who served in the Russian Railway Corps.

Mr. Speaker, there has been much controversy over this bill in the Committee on Rules, and while at one time I may have felt opposed to a bill such as this, after having gone over it very carefully and fully, and with the other veterans' organizations espousing this cause, although the American Legion is opposed to it at this time, I feel we would only be doing justice to the few people coming under the provisions of this bill by granting them honorable discharges on the same basis as others serving in the military service of the United States. The word "Russian" today does not connote anything we would like to have in legislation, but this goes back to World War I, when these men were trying to facilitate the movement of our matériel and material into Russia, and they operated the railroads at great disadvantage and, according to the reports, did splendid work for our Government and in reality for our then ally in making it possible for them to operate the railroads.

These men had the pay of high-ranking officers, from colonel on down through lieutenant. That was predicated upon what we might call a wage basis. The wages of these men were not out of line. I know that when the bill is discussed by members of the committee they will go into it, and I am sure that you, like myself, after you have heard the discussion on this bill, will feel inclined to go along with them and to pay this tribute to these men who apparently rendered special service in World War I.

Mr. Speaker, I reserve the balance of my time, and now yield to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, this is a very controversial bill. There seem to be a great many differences of opinion. While we have some veterans' organizations for the bill, we have the American Legion opposed to it. I believe the War Department also is opposed to it. However, as the gentleman from Ohio [Mr. McSWEENEY] has just said, back in 1917 the Russian Government requested, through the State Department, bringing over to Russia some experienced railroad men to run their railroads during the war. Approximately 400 went over there with the rank from lieutenant to colonel. The testimony of those who went over there claimed that they went over there with the belief that they were commissioned officers, that they were right in the United States Army. They contend that they had enlisted men under them and they wore the uniform of the United States Army.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. WALTER. Did these men not realize that they were serving in a civilian capacity when they signed the contracts for this work?

Mr. ALLEN of Illinois. That is where there is a difference in the testimony of the men themselves as compared with the contention of the War Department. These men contend that they went there with the belief that they were in the United States Army, but the United States Army takes the opposite view.

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. TEAGUE. The gentleman has stated that they wore the same uniform as the United States Army, but according to the hearings, they had a special uniform with a different insignia than our Army uniforms. The only reason they wore the regular uniform was because they could not get the material to make the special uniform for them.

Mr. ALLEN of Illinois. According to the report of the Army, they were issued regular uniforms, but they were distinguished only by the letters "RRSC." Where they might have "Artillery" or "Infantry" insignias, they had this "RRSC" on their regular uniforms.

Mr. TEAGUE. On page 6278 of the hearings it reads:

As was stated in the previous hearing, a distinctive uniform for the members of this corps was originally designed. However, due to the inability to procure a satisfactory quantity of gray cloth or any other color but olive drab, it was necessary to change from gray to olive drab.

Mr. ALLEN of Illinois. I do not differ from that, but I contend that inasmuch as this bill has passed the Senate six times, and the Armed Services Committee of this House twice, and it has now passed the Rules Committe, the rule, beyond question, should be passed, and we should settle it. At this moment, I am frank to confess I do not know how I am going to vote on the bill. But I reiterate, inasmuch as it has been going all these years and has passed the Senate six times and the Armed Services Committee twice, we should at least give it its day in court and then let the gentleman from California [Mr. ANDERSON] come in, and if he can convince us sufficiently we will go along with him. If he cannot, then we will oppose him.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. MICHENER. Did these men take physical examinations and otherwise comply with the same law that those entering the military service complied with?

Mr. ALLEN of Illinois. I will yield to the author of the bill to answer the question.

Mr. ANDERSON of California. I am prepared to discuss this bill as soon as the rule is adopted; I should like to be given that opportunity by the House. I

think I can convince the Members of the House that these men are entitled to just exactly what this bill will provide, that is, military status and an honorable discharge.

I can answer the question of the gentleman from Michigan by saying that these men did take physical examinations. These men were asked to volunteer; they were requested to volunteer through their railroad organizations by the Army, and at that time thought they were in the military service of the United States. After they had gone abroad their commissions which they had previously been issued were revoked, and their war-risk insurance was canceled, after they had gone to war, after they had left the United States. So they were over there thinking that they were in the Military Establishment of the United States Government only to find out later that they were not.

I might say to the gentleman from Michigan and to the gentleman from Illinois that I have prepared a statement on the subject and I should like to have an opportunity to present it to the House if I may be given my day in court.

Mr. MICHENER. The reason I raise the question is that the fundamental thing back of an honorable discharge is the benefits that go to those in the military service who have an honorable discharge. In the Spanish-American War, for instance, there were still a lot of people working on the Panama Canal. We had legislation here for many years—suggested legislation—from that group who built the Panama Canal. They were working with the Army engineers under the Army, and some of them got exceptionally high pay because they volunteered to do the job as civilians in preference to enlisting as soldiers because there was such a vast difference in pay; and the Congress—I did not always agree—but the Congress in its wisdom felt that they were civilians and that they should not be given honorable discharges from a service to which they never belonged in order that they might have all the benefits that would go to those who enlisted in the service. During the time they were in that particular service they received high pay, far in excess of military pay.

Mr. REES. As I understand, this service is alleged to have been rendered some 32 or 33 years ago; is that correct?

Mr. ALLEN of Illinois. I believe so.

Mr. REES. Is it not rather interesting that some thirty-odd years have passed since this service was alleged to have been rendered without anybody's coming in and asking for this particular assistance?

Mr. ALLEN of Illinois. I would say that it is extraordinary, but I still insist that the gentleman from California, inasmuch as this bill has passed the Senate six times and been reported from the Armed Services Committee unanimously, should have his day in court.

Mr. MICHENER. I am for that.

Mr. ALLEN of Illinois. That is the reason I think we should adopt the rule and let the gentleman make his statement.

Mr. SUTTON. Mr. Speaker, will the gentleman yield ?

Mr. ALLEN of Illinois. I yield to the gentleman from Tennessee.

Mr. SUTTON. Does not the gentleman think that if we should give these men an honoroble discharge that it would make eligible for such discharge also those who worked in the Red Cross, the merchant marine, and other civilians who worked for the Government, the Salvation Army also? Our honorable discharge which we received will be worth nothing if we give these fellows an honorable discharge.

Mr. ALLEN of Illinois. I would say that that is the position that the Army takes, and more or less the Army feels they are not eligible.

Mr. SUTTON. I think everybody here will take that same position too.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the author of the bill.

Mr. ANDERSON of California. I wish to say to the gentleman from Tennessee in answer to his observation that I will resist as vigorously as he or any veteran in this House the granting of honorable discharges and a military status to civilian organizations; but these men are in an entirely different status.

Mr. SUTTON. They are in the same category exactly; they were hired as civilian personnel.

Mr. ANDERSON of California. I wish to tell the gentleman that they were not in the same status at all.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. NICHOLSON. Were these men paid in Russian money or in United States money?

Mr. ALLEN of Illinois. As I understand they were paid by the United States Government, or with United States funds. As in the case of other foreign countries the money was sent to the Russians and the Russians deposited it here in this country, and they were paid from this fund.

Mr. RANKIN. They were paid by the Russian Government.

Mr. ALLEN of Illinois. There was a so-called loan to Russia. The Russian Government deposited the money here; then it came out of this deposit. The money came out of the loan we made to the Russian Government.

Mr. RANKIN. The members of the Red Cross would be infinitely more entitled to a discharge from the United States Army by the Government than were these men who went over there and drew as high as $20,000 a year working on the Russian Railroad from the Russian Government, men who had never earned more than $4,000 here in the United States.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr .CASE of South Dakota. Whether or not this will create a precedent will be for the Congress itself to decide. It certainly would create a persuasive precedent for the members of the merchant marine who braved the submarines and things of that sort. I think it would be a dangerous precedent and I personally would not be in favor of its adoption at this time.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Minnesota.

Mr. O'HARA of Illinois. Is it not true that these men were armed with rifles and side arms and were in a semicombat position at times under the warfare that was going on where they were located?

Mr. ALLEN of Illinois. I have stated that they carried side arms and that they were in Russia in the midst of warfare and they had enlisted men of the United States Army under them. The Red Cross, I do not believe, could order enlisted men to do the things these men were ordered to do. They had enlisted men taking their orders just the same as other general officers of the United States Army.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to ask the gentleman if these men had the Articles of War read to them and were mustered into the United States Army?

Mr. ALLEN of Illinois. I cannot answer that but I think that is a good question to ask the author of the bill after we adopt the rule.

Mr. MORRIS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Oklahoma.

Mr. MORRIS. I understood the gentleman to say that commissions were issued to these men and later canceled, is that correct?

Mr. ALLEN of Illinois. I did not make that statement.

Mr. MORRIS. I thought the gentleman said something about commissions being issued.

Mr. ALLEN of Illinois. No. The Secretary of War asked certain individuals to organize this corps. I believe it was organized in St. Paul, Minn., but I do not know what commissions, if any, they received.

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Texas.

Mr. TEAGUE. The gentleman has stated that this bill or a similar bill has passed the Senate six times.

Mr. ALLEN of Illinois. Yes.

Mr. TEAGUE. Is the gentleman aware of the fact that during the war this same group of men opposed this same bill because it would cut their wages from $20,000 to $4,000?

Mr. ALLEN of Illinois. Does the gentleman mean during the First World War?

Mr. TEAGUE. Yes.

Mr. ALLEN of Illinois. I have no information.

Mr. ANDERSON of California. May I say to the gentleman from Texas, it is true that the bill was opposed, but it was not opposed by these men.

Mr. TEAGUE. It was opposed by Mr. Felton.

Mr. ANDERSON of California. Mr. Felton is one of the men who helped to recruit these men.

Mr. TEAGUE. Mr. Felton opposed it.

Mr. ANDERSON of California. He opposed the bill originally.

Mr. TEAGUE. Because it would cut the salaries.

Mr. ANDERSON of California. The men themselves had no opportunity to oppose or defend the legislation. They were over there thinking they were helping to fight the war for the United States Government.

Mr. TEAGUE. And were drawing greater salaries over there. A colonel was drawing $20,000 in Russia while at the same time a colonel in France was drawing only $4,000.

Mr. ANDERSON of California. There was one colonel and four or five others who were drawing higher than Army wages, but those five men are now dead, so they can obtain none of the benefits from this legislation. Majors were about equal. Captains, second lieutenants, and first lieutenants actually drew less as members of the Russian Railway Service Corps.

Mr. TEAGUE. Not according to your hearings.

Mr. ANDERSON of California. I have the hearings here.

Mr. RANKIN. I have the information, too.

Mr. ALLEN of Illinois. Mr. Speaker, in conclusion I feel that inasmuch as there are so many differences of opinion, at least we should adopt the rule, then let our good colleague from California have his day in court to see whether or not he has justification for the soundness of his bill.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from West Virginia.

Mr. BAILEY. Does the gentleman know whether all of these people who would benefit from this legislation are actually American citizens?

Mr. ANDERSON of California. There are 122 who are still alive and they range in age from 65 to 85 with an average age of 70, if my understanding is correct.

Mr. BAILEY. I asked the gentleman about citizenship.

Mr. ANDERSON of California. Every one of them is an American citizen.

Mr. McSWEENEY. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I am not in favor of creating a precedent whereby a large number of other people might seek to claim military service and obtain extra compensation. However, I know something about these men and how they were recruited and sent out of the country.

They were enlisted in the Railway Service Corps by our Government and sent overseas. I have a man in my office who at that time made an investigation contemplating entering that service and was ready to enlist. They told him he would be a regular member of the Army and would be given the rank of lieutenant in the Regular Army. I refer to Mr. T. Howard Dolan who called my attention to the circumstances and inducements that were made these men to enlist.

Please remember that these men were not sent there to protect Russia. They were sent there to protect President Kerensky, who was then head of the Russian Army. We aided the Kerensky government and sent a considerable amount of material and supplies. I recollect that about 1,500 men were sent there to protect our stores. Half of them came back with their feet frozen, crippled, and with other infirmities. These men in Siberia suffered terribly, and I feel that the few remaining men who still live are entitled to be honorably discharged as having served in the Army.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Louisiana.

Mr. BROOKS. I will say to the gentleman, regardless of how you may feel toward this bill, that these men were deferred from selective service to be put in this Russian Railway Corps. They were sent over there to help win the First World War.

Mr. SABATH. That is correctly stated.

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Texas.

Mr. TEAGUE. In the hearings there is a War Department statement that these men were not even exempted from the draft. If they were in the Army, why would they not have been exempted from the draft?

Mr. SABATH. I only know what I have been told. I know the condition the men were in when they returned from Siberia. They rendered the service they were asked to render, a service for which very few Americans were ready to enlist. These men did enlist and did go to Siberia and rendered service, protected our property, and helped out those forces that were against the Communist regime. They did safeguard the interests of our country and the property that we advanced to the Kerensky government at that time.

Mr. McSWEENEY. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. RANKIN].

(Mr. RANKIN asked and was given permission to revise and extend his remarks and include a letter from the Veterans' Administration and a letter from the American Legion.)

Mr. RANKIN. Mr. Speaker, I am opposed to this bill. It will open the door to members of nonmilitary organizations of various kinds, which in my opinion would be an insult to the men who wore the uniform. Someone said a while ago that it would not affect the Red Cross. The members of the Red Cross would be infinitely more entitled to this recognition than would these people who were hired to the Russian Government to do railroad work in 1917.

The purpose of this bill is to give an honorable discharge to certain civilian employees of the Russian Railway Service Corps who served in Siberia after 1917.

I have previously called the attention of the House to the opposition of the American Legion to this and any other similar type of legislation. I objected to its consideration when it was originally called on the Consent Calendar, and when it was called the second time, I again objected to its consideration.

The important thing about this bill is that it would establish a precedent and confer military status upon members of a civilian group. I have been advised by the Veterans' Administration that it would grant compensation ranging from $15 to $360 a month, non-service-connected pension; eligibility for United State Government life insurance, hospitalization, special housing grants, and burial expenses. It is not simply an honorable discharge that is sought by this bill, but the benefits which I have enumerated. True the bill provides that no back pay or pension should accrue should this bill be approved, but it is evident to anyone who looks into the situation that there is plenty of possibility for such benefits to be granted in the future. This group was recognized by the Department of the Army for what it was—a civilian organization.

The pay of the men in this corps ranged from $2,000 to $20,000 a year, while the comparable pay for Army officers serving at that time was $1,870 to $4,440.

I have received a letter from the Veterans' Administrator, the Honorable Carl R. Gray, Jr., which sets forth in some detail the items to which these people would be entitled should this bill be enacted into law, I am inserting in the RECORD the letter to which I have referred.

It has been the historic policy of the Congress to deny veterans' benefits to all of those people who are not in the active military or naval service. I believe that this has been a wise policy, and I do not see any reason for a departure for this policy at this time. Should this bill be enacted, there would immediately be claims for members of many other organizations of a similar character.

For these reasons, I earnestly hope that the House will reject this measure.

These men were not in a war; we were not at war with Russia, and Russia had got out of the war that she was engaged in at that time.

These were civilian employees.

I will read to you the salaries paid to these men now, because I may not be able to read them before my time expires.

A colonel in the Russian Railway Service Corps received $20,000 a year. If he had been in the United States he would have received $4,000 a year. Now remember he was never under fire.

A lieutenant colonel received $3,000 a year when in this country he would have received $3,500.

A major received $5,000 a year, whereas if he had been in this country he would have received $3,000 a year.

A captain received $3,000, whereas here he would have received $2,400.

A first lieutenant received $2,500, whereas in this country he would have received $2,000.

A second lieutenant received $2,000, where in this country he would have received $1,170.

Now, I am going to read to you General Gray's letter; and if I have the time I will read to you the letter of the American Legion which is absolutely unanswerable.

If you break this down you must realize that you cannot vote for this and then vote against putting the Red Cross on the same basis. You cannot vote for this measure and then vote against putting the members of the Maritime Union on the same basis. It would be ridiculous to do that.

Now I am going to read to you a letter of Gen. Carl R. Gray, head of the Veterans' Administration. It reads as follows:

VETERANS' ADMINISTRATION,
Washington, D. C., July 24, 1950.

Hon. JOHN E. RANKIN,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D. C.

DEAR MR. RANKIN: In connection with H. R. 6277, Eighty-first Congress, "A bill to give discharges to the members of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany," you have requested information as to the extent to which persons within the purview of the bill would become entitled to benefits administered by the Veterans' Administration should the measure be enacted.

Insofar as laws administered by this agency are concerned, enactment of the bill would, generally speaking, confer upon former members of the Russian Railway Service Corps the status of World War I veterans of the Armed Forces of the United States. Accordingly, they and their dependents would become potentially entitled prospectively to the following major benefits:

Compensation: For wartime service-connected disability and death. Wartime disability compensation rates range from $15 to $360 monthly, depending upon the degree and combination of disabilities, with additional allowances for dependents. Wartime death compensation for a widow alone is $75 per month and $58 for a child alone and higher rates are provided where additional children or dependent parents are involved.

Pension: For non-service-connected, permanent and total disability and for death from non-service-connected causes. The rate of disability pension is $60, increased to $72 at age 65 or after continuous receipt of pension for 10 years. Examples of death pension rates are, widow alone, $42; child alone, $21.60.

United States Government life insurance: Protection against death or permanent and total disability in a principal sum up to $10,000, subject to the submission of satisfactory evidence of good health and payment of premiums. Automatic insurance at the rate of $25 monthly if death or permanent and total disability was incurred on or before February 15, 1918.

Hospitalization: For service-connected disability; or non-service-connected disability if discharged for a line of duty disability or in receipt of compensation. Otherwise, hospitalization for non-service-connected disability is subject to availability of beds and the assertion of one's inability to defray the expenses of private hospitalization.

Out-patient treatment (medical and dental): For service-connected conditions.

Domiciliary care: Upon generally the same eligibility basis as required for hospitalization, provided the applicant is incapacitated from earning a living.

Special housing grants: Up to 50 percent of cost of house and land (but not exceeding $10,000) for persons with permanent and total service-connected disabilities due to loss, or loss of use of both lower extremities from certain causes, which precludes locomotion.

Burial expenses: May be reimbursed in a sum not to exceed $150. In addition, an American flag to drape the casket is provided.

It is the view of the Veterans' Administration that enactment of the bill would not entitle former members of the Russian Railway Service Corps to adjusted service compensation (the so-called World War I bonus) under the World War Adjusted Compensation Act, as amended, or any benefits under the Emergency Officers' Retirement Act of May 24, 1928, as amended. The periods of time within which application for the benefits of each of the mentioned acts must be filed have long since expired and the bill does not propose an extension of such time limitations.

You have also requested that reference be made in this letter to the legislative policy of the Congress with respect to those persons deemed to be veterans of the Armed Forces. The record discloses that it has been the general policy of the Congress to restrict the benefits provided under the various laws administered by the Veterans' Administration to persons who actually served in the active military or naval service of the United States, a distinction being drawn as between members of the Armed Forces and persons engaged in civilian occupations for the Government, serving with or in aid of our Armed Forces, such as employees of the Merchant Marine, the American National Red Cross, Civil Air Patrol, American Field Service, civilian pilots of the Air Transport Command, Army Transport Service, and many other organizations of a similar nature.

Sincerely yours,

CARL R. GRAY, Jr.,
Administrator.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. McSWEENEY. It is my understanding that the members of the merchant marine were not armed, but had a cadre of men to take care of the guns. Will the gentleman from Mississippi tell us whether any of the other groups he has mentioned bore arms? I understand that these men in the Russian Railway Service Corps bore arms, and I am sure the gentleman realizes that if a man bears arms, he is in a different status than a man who does not bear arms.

Mr. RANKIN. He did not bear arms under the direction of the United States, and he never did come under the fire that members of the Red Cross did in both wars.

Mr. SUTTON. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. SUTTON. I personally saw World War II merchant marine men carrying guns in battle areas, and they would have been fools if they had not carried guns.

Mr. RANKIN. Many, many members of the Red Cross were killed taking care of our disabled veterans under fire.

Here is a letter from the American Legion which is unanswerable. It is signed by Miles D. Kennedy, director of the national legislative commission here in Washington. It is dated July 24, 1950, and addressed as follows:

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMISSION,
Washington, D. C., July 24, 1950.

Hon. JOHN E. RANKIN,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: A rule has been granted for consideration of H. R. 6277, a bill to give military status and grant discharges to the Russian Railway Service Corps.

The American Legion, by its constitution and Federal act of incorporation, requires an honorable discharge, as a prerequisite for membership, from those who served in World War I and World War II. Since December 10, 1918, the Sixty-fifth Congress, when S. 5034 was introduced for this purpose, legislation has been before the Congress every session, except for those years during World War II, to carry out this same purpose to grant military status and honorable discharges to this group of officers.

The Russian Railway Service Corps was composed entirely of officers. Congress has for the past 30 years refused to enact such legislation. There have been extensive hearings with practically the same arguments advanced by the members of the Russian Railway Service Corps. A great many similar civilian individuals and organizations requested legislation of this character after World War I. Congress rejected all of the bills. Exactly the same situation has developed after World War II. Various bills have been introduced to grant a military status to persons who were employed on a contract basis during a war period. The American Legion has opposed such legislation and repeated its opposition to bills of this character at the Philadelphia convention, held August 29–September 1, 1949, just last year. The resolution follows:

"Resolution 302

"Whereas it has been the traditional policy of the United States to limit veteran's benefits to full-time active duty members of the Armed Forces of the United States; and

"Whereas only those on active duty in the Armed Forces of the United States during wartime were subject to the complete dislocation and uncertainties for the future so characteristic of wartime service in the military and naval forces; and

"Whereas the members of the nonmilitary and quasi-military groups were not forced involuntarily into combat conditions and were not subject to the exigencies of the military processes; and

"Whereas members of the merchant marine received additional bonuses for service in war zones and bonuses on top of these for being exposed to enemy fire, and were not required to remain with their ship on returning to port: Now, therefore, be it

"Resolved by the American Legion in national convention assembled in Philadelphia, Pa., August 29–September 1, 1949, That we are opposed to any legislation granting to former members of the merchant marine any veterans' benefits or any benefits akin to those normally granted veterans for their rehabilitation; and be it further

"Resolved, That the American Legion similarly oppose the granting of such benefits to former members of the American Field Service, Coast Guard Temporary Reservists (except those on full-time active duty), Civilian Air Patrol, American Red Cross Office of Strategic Services (civilians), and other nonmilitary or quasi-military groups."

I call particular attention to the closing language of the resolution, "and other nonmilitary or quasi-military groups." I might also state that year after year these various groups or members thereof have appeared

before the American Legion national conventions, seeking their support and cooperation to secure the passage of such legislation. The American Legion has never supported these legislative proposals.

You will note that the organization is called Russian Railway Service Corps, not American Railway Service Corps. The status of the members of this organization is set forth in the report of the War Department on S. 3265, dated April 20, 1938, the bill introduced 20 years after the date of the original bill in 1918. This report was made to the Committee on Military Affairs, and for your information, the following are exact quotations:

The following appears on page 15 of said report:

"Certain aspects of S. 3265 are, however, of serious concern to the Department. The conferring of a military status by legislation upon persons who like the thousands of others performed service under contracts as civilians, and who were liberally compensated therefor by a foreign government detracts from the prestige, distinction, and honor that have throughout history been accorded to the military and leaves little inducement or encouragement to the following, particularly in time of war, of the military vocation. The personnel which S. 3265 proposes to benefit served only in limited and restricted capacities and were subject to the laws of war only as civil agents of the United States. * * *

"On that date (September 21, 1917) the Secretary of War approved the recommendation of the Chief of Engineers that a corps to be known as the Russian Railway Service Corps be authorized; that the Director General of Railways be authorized to select the officials, and that they be commissioned in the corps in the same manner as commissions were lately issued for the Red Cross, all salaries and expenses of all kinds to be borne by the Russian Government. The recommendation further stated that it was considered very desirable, since these men were to work in official and advisory capacities, that they have military rank and grade corresponding to the grades held by similar officials in the Russian employ; that the Russian Government had agreed to pay the men such compensation as might be deemed fair and equal in every respect to what they receive for similar work in the United States, and that these men were to be selected and prepared for transportation abroad by the Director General of Railways under the Engineer Department.

"Since the compensation which the Russian Government proposed to pay these men was greatly in excess of that received by officers of identical rank or grade of the Army, and as, under the law, all officers and enlisted men of the Army must be paid exclusively by the United States, unless other arrangement is especially authorized by Congress, they were barred from service as members of the Army. It was therefore considered in the interest of the men and of expediency to give this special corps a semimilitary organization and, in compliance with the desires of the Russian Government, to uniform, and give title as officers to the entire membership and, also, to issue letters of appointment to each individual indicating a status of authority in order that they might better accomplish their task, and to serve for organizaion and pay purposes. They were purposely to be accorded military courtesy."

The following appears on page 16:

"The uniform authorized for, and worn by the members of the Russian Railway Service Corps upon leaving the United States was not the uniform of the United States Army, and although the uniforms later adopted by the corps, through necessity, were similar in most respects to those of officers of the Army, due to the status of the members of the corps, and to the difference of insignia, these men cannot be said to have worn the uniform of the United States Army. * * *

"No commissions were issued. No record has been found to show that any member of the corps ever subscribed to an oath of office as an officer in the Army nor of the Russian Railway Service Corps. Each man signed an attested letter of acceptance as follows: 'I hereby accept appointment as (title) in the Russian Railway Service Corps, organized under authority of the President of the United States.' * * *

"Since the men were not members of the Army, every member was required to comply with passport regulations of the State Department and signed a certificate of identity bearing his photograph and fingerprint, which record states his status as a civilian. The certificates of identity were accomplished before boarding the transport at Seattle, Wash."

The following appears on page 18:

"No authority issued from or through the War Department authorizing the organization of the corps as part of the Army.* * *

"The railroad men sent to France were regularly inducted, enlisted, appointed, or commissioned members of the United States Army and received pay in accordance with their rank or grade in the military service, from Army funds. Their organizations were regularly organized regiments of the Engineer Corps of the Army. * * *

"At the time appointments in the Russian Railway Service Corps were authorized and made and while these men were members of the corps, there was never any thought on the part of the War Department that they would later be given any status other than as civilians. No United States Army officer was at any time authorized to hold out any promise of future commission in the Army. Affidavits submitted to the Department indicate that the commanding officer was the person who held out these promises to the men."

The following appears on page 19:

"Since the members of the Russian Railway Service Corps were civilians; served only in limited capacities, and were paid by a foreign government, there is no basis for holding that they were constructively enlisted in the military service of the United States."

The following appears on page 20:

"The War Department considers that the legislation proposed in the bill S. 3265 is not justified and that there is no merit in the claims of the members of the Russian Railway Service Corps which warrants the consideration asked. The Department strongly recommends that the bill be not favorably considered."

The following taken from House Document No. 40 of the Seventy-sixth Congress, first session, shows the original pay schedule of the Russian Railway Service Corps, as compared to the pay of officers of the United States Army in domestic and foreign service:

Rank	Russian Railway Service Corps	U. S. Army domestic service	U. S. Army foreign service
Colonel	$20,000	$4,000	$4,400
Lieutenant colonel	8,000	3,500	3,850
Major	5,000	3,000	3,300
Captain	3,000	2,400	2,640
First lieutenant	2,500	2,000	2,200
Second lieutenant	2,000	1,700	1,870

From the above, taken from official reports, it is certainly clearly evident that it was never the intention to consider the members of this organization a part of the armed services. As stated above, they were all officers. I call your attention to the statement that railroadmen sent to France were regularly inducted, enlisted, appointed, or commissioned members of the United States Army and received pay in accordance with their rank or grade in the military service, from Army funds.

The members of this organization received their pay in accordance with the schedule set forth above, not from the United States, but from the Russian Government. They lay great stress on the fact that they wore uniforms which, in the beginning, were not the uniforms of our Army, but every organization overseas in World War I, the Red Cross, the Salvation Army, the YMCA, Red Cross nurses, telephone operators, field clerks, dietitians, and many other were, of course, required to wear uniforms, so that there is nothing unusual in the requirement to wear a uniform.

I wish to emphasize particularly the fact that they were obliged to obtain passports and comply with passport regulations. They could remain in this corps as long as they pleased and resign whenever they wished. Certainly this was not applicable to any officer or soldier in the Armed Forces.

For 32 years this legislative proposal has been rejected by the Congress, but if given serious consideration, then countless other organizations in exactly the same category and status will insist upon similar legislation being enacted in their behalf.

We respectfully request your rejection of this bill, H. R. 6277, in order that no such precedent might be established.

Sincerely yours,

MILES D. KENNEDY,
Director.

Now remember, the Russian Railway Service Corps was composed entirely of officers.

These were all commissioned officers and were drawing pay on that basis from the Russian Government.

Congress has for more than 30 years refused to enact such legislation. There have been extensive hearings from time to time with practically the same arguments advanced by the members of the Russian Railway Service Corps; but Congress has always refused to enact such legislation.

I trust that this rule will be voted down, and, if it should pass, that Congress will have the wisdom and the courage to vote down this legislation.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. ANDERSON].

Mr. McSWEENEY. I yield the gentleman 3 minutes, Mr. Speaker.

(Mr. ANDERSON of California asked and was given permission to revise and extend his remarks and include certain documents.)

Mr. ANDERSON of California. Mr. Speaker, the gentleman from Mississippi [Mr. RANKIN] brought to the floor of the House a letter from the American Legion, to which I wish to address myself now. He said that letter is unanswerable. That I think is a moot question which we Members of the House are going to decide.

I do not remember my Sunday School days very well, and I was not much of a Bible student, but I do recall a quotation, "The hand is the hand of Esau, but the voice is Jacobs." That applies in this instance so well. The letter from the Legion is signed by Kennedy but it has been well "Taylored."

Back in 1934 the American Legion considered the case of these survivors of the Russian Railway Service Corps. I have here a report of the subcommittee on the Russian Railway Service Corps to the national executive committee of the American Legion. I am not going to read the entire report, but let me read the last two paragraphs:

> Your committee is convinced of the sincerity of these men that they believed at the time they received their commissions that they were being commissioned in the United States Army as a part of the Armed Forces of the country, and we further believe that this belief was justified by the representations made to them by representatives of the United States Government. Your committee, therefore, recommends that the national executive committee report the findings to the next National Convention of the American Legion, with the recommendation that the said convention favor the passage of legislation now pending in Congress, as amended, and that our national legislative committee give to the legislative committee of the Russian Railway Service Corps every assistance within their power.

That is signed, "Respectfully, Mr. George Fisk, of Missouri; Mr. Probst, of Wyoming; and Mr. Barron, of Michigan."

It seems to me that is at least a partial reply to the sttaement made by the gentleman from Mississippi that the Legion letter is unanswerable.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. COOPER. What action did the executive committee take or what action did the Legion take on this committee recommendation?

Mr. ANDERSON of California. When these gentlemen came to Washington this year in support of this legislation which I have introduced, the Legion assured them that they would give them every possible support in their fight to get this bill through. Then they send out a letter like this.

Mr. COOPER. But the point is, this letter you read from was in 1934.

Mr. ANDERSON of California. That is correct.

Mr. COOPER. And it was the recommendation of a subcommittee to the American Legion executive committee?

Mr. ANDERSON of California. That is correct.

Mr. COOPER. I have had the honor of serving on the national executive committee of the American Legion, and we receive many reports from subcommittees, but what I am interested to know is what action did the full national executive committee take.

Mr. ANDERSON of California. I am unable to reply, but I am saying that the recommendation of the subcommittee, after studying this subject, was favorable.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. McSWEENEY. I am one of those persons who is trying to clear this matter up in my own mind. Is it not true that some of these men were admitted to the American Legion, and bore American Legion cards?

Mr. ANDERSON of California. That is correct. Over half of the surviving members of the Russian Railway Service Corps have become members of the Legion. One of them became State Legion commander and later national committeeman.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. Just a moment, please. I have the floor.

I am going to reply to the statement made by the gentleman from Mississippi who quoted at great length the letter from the American Legion. This response that I am quoting from now was written by the president of the surviving members of the Russian Railway Service Corps:

> Mr. Kennedy states the requirement for membership in the American Legion—"the American Legion by its constitution and Federal act of incorporation required an honorable discharge"—as prerequisite for membership for those who served in World War I and World War II. We do not disagree with him on this. Late in 1919 and in 1920 many of our membership were solicited for membership in the Legion. Wishing to be honest in this respect, certain members insisted that our appointments as officers and our separations from service be submitted to national headquarters of the Legion at Indianapolis, which was done. These papers being upon War Department forms, carrying appointment by the President of the United States, denoting actual military rank and titles, and signed by the Adjutant General of the United States Army, were considered at National Legion headquarters and a decision made that we were military and entitled to membership.

How can the American Legion at this date say that they will not recognize the military status of these men when they required that as a prerequisite for membership in their own organization?

Mr. MURRAY of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. MURRAY of Tennessee. What is the position and attitude of the Secretary of the Army on this legislation?

Mr. ANDERSON of California. The Army is definitely opposed to the passage of this legislation.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I shall be delighted to.

Mr. RANKIN. These men to whom he refers were admitted to the American Legion because they served in the Armed Forces during the war, not because of this Russian railway service.

Mr. ANDERSON of California. Pardon me; I do not think I quite understood the gentleman.

Mr. RANKIN. I said they were admitted to the American Legion because they had honorable discharges from the United States Army and were not admitted because of their services to the Russian railway.

Mr. ANDERSON of California. How could they have honorable discharges from the United States Army when the Army claims they were never in the military service of the United States?

Mr. RANKIN. They may not have been then but they were later; they were in the Army either before or afterward.

Mr. ANDERSON of California. Not at all; the gentleman is entirely incorrect. These gentlemen were all railroad workers, and they volunteered at the request of their Government for service and were given what they thought were commissions in the United States Army, only to find out later that they had not been commissioned.

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. TEAGUE. Is it not true that any commissioned or noncommissioned officer of the United States, regardless of the date of his appointment, is not effective until he takes an oath of office?

Mr. ANDERSON of California. That is my understanding.

Mr. TEAGUE. Is it true that these men never took an oath of office?

Mr. ANDERSON of California. So far as I know, these men did not take an oath of office. They were given this form of commission and told that it was temporary and that the permanent commission would be sent to them afterward.

Mr. TEAGUE. I know that a man has to take an oath of office before he can become an officer of the United States Army.

Mr. ANDERSON of California. The gentleman from Texas is certainly most familiar with the matter, and he is a man who has served his country with distinction.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. BROOKS. These men were exempted by the Selective Service Board for service because of their work with the Russian Railway Service.

I have in my hand an affidavit asking for the exemption of an officer by Selective Service Board No. 10 in St. Paul, Minn., which served as the basis for the exemption of one of the members of the corps. This is made by the commanding officer; he made the statement at that time:

> That he further certified that the said Robert Dudley Lewis is now in the military services of the United States, in the Russian Railway Service Corps thereof, under Col. George H. Emerson, and that his rank is that of second lieutenant.

On the basis of this statement presented to the Selective Service Board, this man was exempted.

Mr. ANDERSON of California. Mr. Speaker, I wish to include with my remarks some very pertinent documents which, if carefully considered, should convince any fair-minded person that the members of the Russian Railway Service Corps are entitled to the benefits provided in my bill.

I also wish to include the letter written by Mr. Hoskins in direct reply to the many misstatements contained in the letter from the American Legion which the gentleman from Mississippi has asked permission to place in the RECORD. I admire the Legion and usually support their recommendations, but I deplore

their attitude and policies on the bill before us.

EXHIBIT A

MINNEAPOLIS, MINN., *October 4, 1917.*

Mr. R. D. HOWIE AND OTHERS,
Fort Dodge, Iowa.

GENTLEMEN: In conference at St. Paul yesterday, representative railroad men in the Northwest were advised that Mr. George H. Emerson, general manager of the Great Northern Railroad had been commissioned to go to Russia to direct and assist in the operation of the Russian railroads. He will take with him 12 complete division organizations of train dispatchers, trainmasters, traveling engineers, line repairmen, foundry, boiler, machine, engineer erecting, and roundhouse foremen, telephone erectors, mechanical superintendents and master mechanics. Two hundred and six men in all are to go October 25 from some Pacific coast port.

Mr. Emerson will desire to see personally any men endorsed by the officials of this company. Men must be of good physical condition so as to take active part in the operation of the Russian railroads, in a cold climate. These men will be enlisted in the United States Army and given commissioned officers rank, the enlistment to be for the period of the war. They must be men of experience, good character, and of mature judgment.

We consider this a very fine opportunity for some of our best railroad men to serve our country. Mr. Daniel Willard, president of the Baltimore & Ohio Railroad, has said that whatever may be done to advance the interest of the Allies is going to reduce the number of young men who must go on the firing line. This, therefore, is a patriotic call to our men. We hope they may respond in goodly numbers.

R. G. KENLY, *General Manager.*

NOTE.—The above is a true copy of a letter sent out to the division officials of the Minneapolis & St. Louis Railroad, and is an excellent example of the way in which the information was passed on to the men of the Northwest.

This letter is part of the record made before the House Military Committee in each of the hearings on this legislation.

EXHIBIT B

CONTRACT OF ENLISTMENT

The CHIEF OF ENGINEERS,
United States Army,
Washington, D. C.

SIR: I have the honor to apply for examination for a commission as (rank) ——— of Engineers in the Officers' Reserve Corps, organized under the authority of Congress.

——— ———.

(Copy of application, p. 51 hearings, pt. 2, S. 28, 1922.)

NOTE.—This application, signed by all Russian Railway Service Corps members, was inserted in the record by representatives of the War Department.

EXHIBIT C

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
Washington, April 3, 1920.

In reply refer to 201, French, Orland A., Off. Div., NSS/AD-r. 435.

From: The Adjutant General of the Army.

To: Lt. Orland A. French, care of Interallied Techical Board, Russian Division, Department of State, Washington, D. C.

Subject: Resignation.

The Secretary of War accepted your resignation as second lieutenant in the Russian Railway Service Corps March 12, 1919.

P. C. HARRIS,
Adjutant General.

(October 8, forwarded. Approved by ———, ———, for Victory Medal with Siberia.)

EXHIBIT D

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
Washington, February 10, 1919.

Mr. G. H. SPENGLER.

SIR: You are hereby informed that the President of the United States has appointed you captain in the Russian Railway Service Corps, in the military service of the United States, to rank as such from the 10th day of February, one thousand nine hundred and nineteen. Immediately on receipt hereof, return the oath herein enclosed, properly filled in, subscribed and attested to.

This notice of appointment will be regarded as a commission for all purposes.

GEO. L. HICKS,
Adjutant General.

(A true copy of commission, p. 4, Senate hearings on S. 2320, March 1, 1934.)

NOTE.—The above commission issued to men after the original contingent went overseas definitely mentions "in the military service." The men questioned the original commission when sailing at San Francisco, and were told to go ahead and hurry over there and that everything would be straightened out and other commissions would follow.

It shows that there must have been an intention by the War Department to change the form of commission; however it was not furnished the men already overseas.

While the date shows February 1919, the end of the war for Siberian forces was fixed by act of Congress as July 1920.

EXHIBIT E

Officers of the Russian Railway Service Corps were paid salaries as listed below plus $25 per month expenses and this $25 was paid in foreign money which was not worth $25 and which progressively lost its value after being paid the men due to the civil war that was on in Russia:

	Annual salary	Annual allowance	Total
Second lieutenants	$2,000	$300	$2,300
First lieutenants	2,500	300	2,800
Captains	3,000	300	3,300
Majors	5,000	300	5,300
Lieutenant colonels	8,000	300	8,300
Colonel	20,000	———	———

The outfit consisted mostly of second and first lieutenants.

There were some 60 second lieutenants recruited in the Philadelphia area and integrated into the outfit when they sailed from San Francisco that were paid annual salaries of $1,800.

The Army forces in Siberia consisted mostly of the Twenty-seventh and Thirty-first Infantry from the Philippines, and composed of officers who had been in the service a great length of time, and on that basis a very conservative assumption would be that first and second lieutenants were in service over 5 years, captains over 10 years, majors and lieutenant colonels over 15 years, and the following summary is based upon that estimate:

Summary and comparison between total pay and allowances of the U. S. Army and Russian Railway Service Corps

	U. S. Army	Russian Railway Corps
Second lieutenants	$2,498.16	$2,300
First lieutenants	3,043.56	2,800
Captains	3,968.52	3,300
Majors	5,265.60	5,300
Lieutenant colonels	6,101.64	8,300
Colonels	6,705.24	20,000

These figures show that the Russian Railway Service Corps officers as second lieutenants, first lieutenants, and captains, received less remuneration than the Regular Army officers. Majors were practically identical while the lieutenant colonels and the colonel were higher.

There was one colonel and five lieutenant colonels and these men are all dead and cannot benefit in any way from this legislation.

There are only 124 men left alive ranging in age from 62 to 87 years of age with the average age around 70.

The members of the Russian Railway Service Corps did not know at the time they volunteered for this service what salaries were to be paid and when signing the application for a commission in the Army expected to be paid the same rate and thought they were being paid the same rate as Regular Army officers. They understood they were being commissioned in the Army.

The cost to the Government of this legislation is practically nothing. These men being railroad men nearly all of them have their own hospital insurance bought and paid for with the railroads they work for and would receive their hospitalization at their own hospitals near their homes.

These men have waived the adjusted compensation. They volunteered for patriotic reasons without any thought of a bonus and do not want a bonus. Their sole aim is to have a wrong made right.

EXHIBIT F

VETERANS OF THE RUSSIAN RAILWAY SERVICE CORPS

WASHINGTON, D. C., *July 31, 1950.*

Re H. R. 6277.

Hon. JACK Z. ANDERSON,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: Under date of July 24 Mr. Miles D. Kennedy, director of legislation for the American Legion, wrote nearly all Congressmen stating opposition of the American Legion to H. R. 6277, a bill to grant military status to members of the Russian Railway Service Corps.

There are many statements in Mr. Kennedy's letter that are absolutely untrue and I want to cover those statements in this letter.

Mr. Kennedy states the requirement for membership in the American Legion: "The American Legion by its constitution and Federal act of incorporation required an honorable discharge as prerequisite for membership from those who served in World War I and World War II. We do not disagree with him on this. Late in 1919 and in 1920 many of our membership were solicited for membership in the Legion. Wishing to be honest in this respect certain members insisted that our appointments as officers and our separations from service be submitted to national headquarters of the Legion at Indianapolis, which was done. These papers being upon War Department forms, carrying appointment by the President of the United States, denoting actual military rank and titles and signed by the Adjutant General of the United States Army, were considered at national Legion headquarters and a decision made that we were military and entitled to membership.

As a result of this decision over half of our corps joined the Legion and many have been members for 30 years. Some have been post commanders, one was a State commander and later a national committeeman.

Mr. Kennedy quotes a resolution adopted at a Philadelphia National Legion convention last year opposing the efforts of certain groups to secure military status and mentions such groups by name. We are not named in this resolution and the words "other nonmilitary or quasi military" do not apply to us as we were military in every sense of the word.

In 1934 a subcommittee of the national committee of the American Legion at Indianapolis investigated our claim and made a strong recommendation in favor of legislation to correct our status.

In 1937 17 State department resolutions endorsing our claim and efforts went to the national convention of the Legion at New York City. These 17 departments were Washington, Illinois, South Dakota, Louisiana, Iowa, Oregon, Minnesota, Texas, California, Michigan, Colorado, Hawaii, Nevada, North Dakota, Missouri, Florida, and Wyoming. We could not cover all States but we were not turned down by any State.

As a result of these 17 department resolutions the national convention adopted a resolution reading:

"*Resolved*, That Congress be requested to continue their investigation of the status of the Russian Railway Service Corps and take such action as is warranted by such investigation."

The above resolution has never been rescinded by the American Legion.

Mr. John Thomas Taylor, then director of legislation for the Legion, making his report of action in the New York convention, to the national committee at Indianapolis said "A number of resolutions came to the New York convention dealing with this subject. * * * All these resolutions were consolidated into one resolution. * * * You will note that our resolution simply asks that Congress be requested to continue their investigation of the status of the members of the corps and take such action as is warranted by such investigation."

Mr. Kennedy's statement that the Legion has never supported these efforts to secure legislation is therefore untrue.

Mr. Kennedy told me a month ago that he had to do what John Thomas Taylor told him to do. Mr. Taylor, as you know, is counselor to Mr. Kennedy. It is, therefore, obvious that this opposition to our bill comes from Mr. Taylor and Mr. Kennedy in utter disregard of the wishes and mandate of the rank and file of the American Legion and the action of the Legion national convention in 1937.

This raises the question: Who are Taylor and Kennedy "fronting for," who are they "carrying the ball" for? Since our bill was reported out of the Armed Services Committee without objection we have met no apparent opposition except from Mr. Kennedy.

This legislation was endorsed in national convention in 1937 by the Veterans of Foreign Wars and by the Disabled American Veterans.

Mr. Kennedy's letter quotes at length from of War Department report on our bill back in 1938. The War Department opposes us as a matter of policy and to cover up mistakes made back in 1917–18 but many statements and inferences made by the War Department in 1938 have been dropped in their report on the present bill, H. R. 6277.

Mr. Kennedy says we were paid by the Russian Government. This is not true. Mr. Poole, formerly of the State Department, testified in a previous hearing that the Russian Government collapsed a few days after we left San Francisco for Russia, and that all continuity of relationship with Russia was ended.

In the office of the Adjutant General of the Army on February 18, 1938, in company of three other men I asked the Adjutant General where the War Department received authority to commission us as officers in the service of the Russian Government and he replied that "you were in the service of the United States."

I asked him why the Army had made statements that we were paid by the Russian Government and he replied "We paid you right here."

He was then asked why the Army opposed us and replied that we had merit to our case but by holding us down they were able to block others that did not have merit.

I ask you, Mr. Congressman, is that the kind of American justice we are fighting for today?

Mr. Kennedy states we had to secure passports and comply with passport regulations. That again is not true. We did not apply for or carry passports. We did carry a certificate of identity, given to us with the explanation that it was done so we would have no trouble in securing hotel accommodations when traveling in the rural sections of Russia. I have been told by an officer who served in France that he saw one of the same certificates carried by a major general in France.

We wore the regulation Army uniform and insignia. We were armed with side arms and also with rifles in combat zones. We had troops placed under our command and were assigned duties in Army General Orders. We served as officer of the day on transports. In no way are we comparable to such units as the YMCA, Red Cross, Salvation Army, etc.

We were hospitalized in Army hospitals overseas and at the Presidio in San Francisco.

The comparison of pay in Mr. Kennedy's letter is not complete nor comprehensive in that it does not show the total amount of pay and all allowances received by the Army officers and the Russian Railway Service Corps. When this complete comparison is made, according to schedule furnished you, it shows that 267 lieutenants and captains received in sum total money less in the Russian Railway Service Corps than in the Army. Fifteen majors were equal. Five lieutenant colonels and one colonel in the Russian Railway Service received more and these six men are now dead.

There were 288 men in the original outfit, only 122 are living today with their average age now 70. Our bill waives all retroactive features, including adjusted compensation. The cost is negligible. We are railroad men and nearly all have their hospitalization bought and paid for in railroad hospitals near at home.

We are not after money. We ask our Government to keep faith with us. We are respectfully asking the Congress to right a long-overdue injustice.

Similar legislation has passed the Senate six times.

Very sincerely yours,

HARRY L. HOSKIN,
President, Veterans-Russian Railway Service Corps.

EXHIBIT G

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
Washington, November 1, 1917.

ORLANDO ADAMS FRENCH.

SIR: You are hereby informed that the President of the United States has appointed you second lieutenant in the Russian Railway Service Corps, organized under authority of the President of the United States, to rank as such from November 1, 1917.

Immediately on receipt hereof return the acceptance herewith inclosed, properly filled in, subscribed, and attested.

JOSEPH F. JAUDA,
Adjutant General.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE. Mr. Speaker, I want to get away from all guesswork. Certainly the War Department should know whether or not these men were in the military service. In the first place, the gentleman from California said that these men were asked to join this service by the War Department. I would like to ask him if it is not true that they were invited to join by the general manager of some railroad and not by the United States Army?

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. ANDERSON of California. If I left any misinformation such as that I did not want to do that because the letter indicating how they were asked is right here as exhibit A.

Mr. TEAGUE. And the man who invited them is Mr. Henney or Mr. Henley, the general manager of a railroad. He invited them, not the Army.

Mr. ANDERSON of California. That is correct.

Mr. TEAGUE. You will find this all in the hearings. All I know about this is what I have read in the hearings of the Armed Services Committee. I do not know a member of the Russian Railway Service Corps. I do not know anything about this bill except what is in the hearings.

According to the hearings, Senator Poindexter introduced the bill on November 18, 1918, to give these men military status and put them in the United States Army.

Mr. Felton, the Director of Military Railways, on January 17, said against Senate bill 5034:

> If the bill introduced by Senator Poindexter were passed it would reduce the pay of all the men in the Russian Railway Service Corps.

And, incidentally, in regard to that pay, they also received $100 a month expenses.

When these men went to Russia they were given an identification card. That is in the hearings, at page 6272. The card reads:

> United States of America. War Department. Certificate of identity. I hereby certify that Emerson Earl Willis is a civil agent of the United States detailed for services as first lieutenant in the Russian Railway Service Corps, and is entitled under the laws of war if captured to the privileges of a civil official of the United States.

That is the identification they took to Russia with them.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. McSWEENEY. I do not want to try to interpose too many things into this controversy, but these men were entitled to wear arms. The gentleman from Tennessee said that the men in the merchant marine wore arms. If they were not entitled to wear them under the Geneva Convention or any other international arrangement, they were spies and could have been treated as such if they were bearing arms. If these men were entitled to bear arms they were legitimate soldiers of the United States Army, is that not correct?

Mr. TEAGUE. No; I do not believe that is correct. During World War II we had Red Cross men up in front and there were periods when there were Germans in front of us and Germans behind us. When those men went to the rear they carried guns with them. They were not entitled to carry them, but they did.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. McSWEENEY. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. MURRAY of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Tennessee.

Mr. MURRAY of Tennessee. Who paid the salaries of these men and what were their salaries?

Mr. TEAGUE. According to the hearings, they were paid by the Russian Government.

Mr. BROOKS. They were paid out of funds made available by this Government, as I recall the record.

Mr. TEAGUE. But they were paid by the Russian Government.

Mr. BROOKS. They were paid with Government checks.

Mr. TEAGUE. Will the gentleman try to find that in the hearings and show it to me? Mr. Hoskins, who comes from California, the district represented by the gentleman from California——

Mr. ANDERSON of California. Mr. Hoskins does not come from my district.

Mr. TEAGUE. Then I will say he is a friend of the gentleman's. Mr. Hoskins stated this on page 6289 of the hearings:

> There were a number of the men of the corps sent home and that was for drinking.

I do not believe that the Army sent their men home in wartime for drinking. Surely he knew whether or not he was in the Army when he knew something like that. Were they under military law? Evidently not or they would have been taken care of in a different way.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Texas.

Mr. THOMAS. The gentleman touched on a point just now I wish he would elucidate a little more on. Were these gentlemen under military discipline at the time they were in Russia?

Mr. TEAGUE. I am unable to answer that question.

Mr. THOMAS. Does the gentleman know how much this bill will ultimately cost the taxpayers of the Nation?

Mr. TEAGUE. As I understand it, there is no cost to the taxpayers.

Mr. THOMAS. What about the benefits they will get under it? If there are none, what is the purpose of this bill?

Mr. TEAGUE. To get an honorable discharge. I understand from others there are some costs, but I did not pay any attention to the cost.

Mr. THOMAS. Could the gentleman from California give us that information? What is the ultimate cost of the bill?

Mr. ANDERSON of California. The exact cost cannot be computed, but if these men are entitled to honorable discharges they are entitled to all that goes with it.

Now this is in response to a letter from the American Legion about how they were paid:

> Mr. Kennedy says we were paid by the Russian Government. This is not true. Mr. Poole, formerly of the State Department, testified in a previous hearing that the Russian Government collapsed a few days after we left San Francisco for Russia, and that all continuity of relationship with Russia was ended.
>
> In the office of The Adjutant General of the Army on February 18, 1938, in company of three other men I asked the Adjutant General where the War Department received authority to commission us as officers in the service of the Russian Government and he replied that "you were in the service of the United States."
>
> I asked him why the Army had made statements that we were paid by the Russian Government and he replied, "We paid you right here."

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman one additional minute.

Mr. TEAGUE. Mr. Speaker, on page 6292 of the hearings there is a letter from Maj. Gen. W. M. Black, Office of the Chief of Engineers, which says:

> Reference is made to your communication of October 29, addressed to the Secretary of War, in regard to your proposed connection with the Russian Railway Service.
>
> The matter mentioned was taken up with the Secretary of War and it was decided that the law does not permit the exempting of men from the draft for the Russian Railway Service Corps. The law is quite explicit in this matter and the Secretary of War is, of course, bound to abide by the law.

That letter was written to Mr. R. W. Magett, Company A, Three Hundred and Forty-sixth Machine Gun Battalion, Camp Lewis, Wash.

If they were in the military service, why would they not be exempt from the draft?

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Pennsylvania.

Mr. RICH. As I understand it, the salary of a colonel in the Army at that time was $4,000. When these men went to work for the railroad over there they got $20,000?

Mr. TEAGUE. They were considered to be in a civil status, and they were trying to pay them the same salaries they received in the United States.

Mr. RICH. But they gave them four times as much money.

Mr. TEAGUE. Not all of them.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. McSWEENEY. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Speaker, I want to make some comment on and for this bill, and in this communication I have here I think there will be answers to some questions that I have just heard.

To begin with, I have not always been in accord with the position of the American Legion on a number of their legislative matters, either in my own home State or here in the Halls of Congress, so I am not influenced by the decision they made with reference to these men. I am influenced by the relationship of these men to the activities of World War I.

I would like to have you comprehend for a moment as to just what differentiation you are going to draw here between General Gray's American Military Railroad Corps, that served in World War II, and this corps because they were both recruited in the same manner.

Uncle Sam asked the railroads of this country to recruit railway employees for the purpose of transportation, operation, and maintenance on the war fronts. So this organization was likewise organized under the same assumption.

This communication that I have comes from a man in my district who formerly worked for the Soo Line Railway shops. He says:

> In 1917 I was roundhouse foreman for the Soo Line at Thief River Falls, Minn., and we received notice from the president of the Soo Line at that time to the effect that this railroad had been called upon to furnish enough supervisors to complete a contingent. A superintendent of a division was to be granted the rank of major; a master mechanic, captain; trainmasters, chief dispatchers, and traveling engineers, first lieutenants; and roundhouse foremen and train dispatchers, second lieutenants. The thought in mind at that time was that, if the trans-Siberian road could be put in operation from Vladivostok to the eastern front, the Kerensky government would, in time, open up this front.
>
> I volunteered as second lieutenant and received the salary of a second lieutenant for foreign service, or $166.33.
>
> We started from San Francisco on transport *Thomas*, November 11, 1917, but when we arrived at Vladivostok the Kerensky government had been overthrown. Therefore, the transport left in a few days for Nagasaki, Japan, where we were ordered for some time pending further negotiations. Later some of the contingents, of which one was the Soo Line, moved to Harbin, Manchuria, by rail through Korea. After being there a while, we were sent out on the line to assist the Russians in operating the railroad. Just why we were kept there, in view of the fact that the eastern front was never opened, always was a mystery to us, but it was our understanding that we were kept there to help operate the railroad so that the Japanese would have no excuse to take it over. I think that this was handled by the State Department. We were in there quite a while before the United States Government moved armed forces into this territory, and we were kept there even after the armistice was signed.
>
> We learned, after we had been there for some time, that the insurance that we had applied for through the United States Government had been rejected, as they stated we were not part of the Armed Forces, although the fact remains that we wore the regulation uniforms and had to comply with all the military rules. Certainly we felt that, although we were not in combat service, we were essential, insofar as moving troop trains was concerned.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. HOEVEN] be permitted to extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOEVEN. Mr. Speaker, H. R. 6277 provides that officers who served honorably in the Russian Railway Service Corps during World War I be considered as having served in the military service of the United States, and that they be entitled to an honorable discharge. They are to receive no benefits, back pay,

compensation, or allowances which may have accrued up to the date of the enactment of this act.

Similar legislation passed the Senate on six separate occasions. The legislation has had favorable reports by the old Military Affairs Committee of the House of Representatives in 1924 and 1935. The fact that the legislation has been favorably considered on these many occasions certainly indicates that the legislation must have some real merit.

In the first place, the Secretary of War authorized the organization of the Russian Railway Service Corps during World War I. Members of the corps were issued and wore standard United States uniforms distinguished only by the letters "RRSC" on the collar insignia. The insignia included the letters "U. S." and the castle insignia of the United States Army engineers. They carried sidearms and performed the duties of commissioned officers. They had enlisted men under their command. They were issued commissions signed by the Adjutant General appointing them on behalf of the President of the United States, and a few of the commissions stated, "In the military service of the United States."

War-risk insurance was issued to those members of the Corps who made application. Draft boards excused these men on affidavit of their commanding officers that they were in the military service of the United States. Many applied for service on the standard Army application form for a commission.

It is interesting to note that this all happened in 1917 when the men entered the service and it was not until 1919 and 1920 that the Army had an afterthought that these men were not a part of the military service of the United States. After the fall of the Karenski government in Russia, these men were sent into Siberia and were with the Allied troops all of the time, and to all intents and purposes were a part of the United States Expeditionary Force to Siberia. If they were in civilian employment as claimed by the Army, why were they not brought home? It was not until after these men had left the United States that the State Department entered the picture and decided that the Russian Railway Service Corps was not a military mission. When that decision was made, their military connections were canceled.

There are only 128 of these veterans still living, 2 of whom reside in my congressional district. The youngest of the 128 survivors is 62 years of age and the oldest is 82. They have not long to live. This legislation is to right a wrong and not to secure benefits. It is simply a question of keeping faith with these men who at all times were led to believe they were a part of the Army of the United States. Regardless of the argument against this legislation, the fact remains that the members of the Russian Railway Service Corps entered the service of their Government in good faith, believing at all times that they were members of the United States Army. One of the telling arguments in favor of H. R. 6277 is found on page 6320 of the full committee hearing where it is shown that the bodies of 85 of the members of the Corps who died overseas during their service were brought back to the United States by the Quartermaster General of the Army and buried in the uniform of the United States Army.

In supporting this legislation, I would rather resolve the doubt in favor of the men in the Russian Railway Service Corps than to do an injustice to them. I earnestly recommend that the bill be passed.

Mr. McSWEENEY. Mr. Speaker, I yield the remainder of my time to the gentleman from Tennessee [Mr. SUTTON].

Mr. SUTTON. Mr. Speaker, it seems that during the debate on the adoption of a rule it is in order to discuss any matter that comes up on the floor. But, this is one of the most asinine pieces of legislation I have ever seen in my life to legislate for 128 members, when outside of that you have the Salvation Army, you have the Red Cross, the construction workers in World War II and World War I, and any number of other people that would like to come in and have an honorable discharge, even though they did work for the United States Government during World War I and World War II in the armed services.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Ohio.

Mr. McSWEENEY. I still think it revolves around this one point that a person not entitled to carry arms as a soldier, but does, is a spy. I wish the gentleman would cite the distinction.

Mr. SUTTON. As to the question raised by the gentleman from Pennsylvania [Mr. RICH] this would cost billions of dollars. It would affect not only the 128 people, so far as pensions and benefits are concerned, but it would open wide the gates and let a lot of other people come in. So, eventually, we do not know how much it would cost. This is a bad bill and we should not even debate it on the floor of the House at this time. I hope that this rule is defeated.

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Texas.

Mr. TEAGUE. The question of the cost was raised a few moments ago. On page 6291 of the hearings will be found a letter from the Russian Embassy to Hon. S. M. Felton, Director General of the Railways, which says:

> DEAR SIR: Enclosed you will find a copy of a letter sent on even date to Hon. O. T. Crosby, Acting Secretary of the Treasury, and requesting the allocation of $1,500,000 to cover expenses required for the proposed sending to Russia of American railway experts.

It seems to me the Russians were paying for it.

Mr. SUTTON. These men who were in the Russian Railway Service were railroaders. They came back and became railroaders and entitled to railway pensions, and so forth, as railroaders.

Now, I would like to say this about the question of the arms that they were carrying. A lot of people carried arms during World War II, to my personal knowledge, that under the Geneva conference were not entitled to carry them. But as a matter of self-protection they had to carry them.

Mr. Speaker, I hope this rule is not adopted.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, I think the argument just made that a bill like this should not be passed because it only affects one-hundred-and-twenty-or-so people, is not a sound argument, if our Government is the sort of government I have always though it is. If there is a question of justice involved in this bill, then it ought to be brought up for discussion on that basis. Even if it affects only one person, and regardless of where or who he is. The question here is not how many individuals are affected; the question is whether an injustice has been done, and if so how to correct the injustice, whether it was caused through misunderstanding, was intentional, or otherwise.

It is clear that these men thought they were in the military service and the documents convince me they were entitled to think so. Later it was decided and declared by the Army that they were not. In my judgment justice is due them and if so, it does not make any difference how much money is involved or how many people are involved. As a matter of fact, if the number of voters affected had been a million instead of a hundred, the bill would doubtless have been passed many years ago, no matter what the cost.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield.

Mr. RICH. If a man was working in the Russian Railway Service Corps as a colonel, and the pay of a Regular United States Army colonel was $4,000 a year and he got $20,000, do you think for a minute that he thought he was in the United States Army?

HYSTERIA?—A STAMPEDING CONGRESS

Mr. HOFFMAN of Michigan. Mr. Speaker, editors, columnists, radio commentators, some of whom are paid by the word, some of whom have no more knowledge of what is happening nor ability to judge what should be done than have you, and some of whom have an ax to grind, create a barrage of propaganda which stampedes Congress.

With a third world war looming over the horizon, after several days of confusion, of futile debate, the House insisted upon passing price control, rationing legislation, which the President said he did not want, but under which he may—but need not—fix prices, wages, allocate essential materials.

Some of those who have been yelling the loudest against giving dictatorial power to the President in effect said:

> Let us give the President this power. If he doesn't use it and prices go up, he will be to blame. If he does use it and a horde of snoopers, under another OPA, make the people angry, the responsibility will be upon him.

I do not believe we should let political thought dictate wartime legislation.

Apparently, the President wanted authority to hold down prices, to put on the Federal payroll a hundred thousand

or more new Federal employees, but he does not want to be forced to hold down wages.

There is plenty of evidence that selfish individuals are trying to make a profit, some by hiking prices on things they have to sell, or protect themselves by excessive buying and hoarding. Every thinking individual knows that you cannot successfully fix prices without also fixing wages.

The House, by a vote of 383 to 12, voted for a bill which gives the President authority to control essential materials, fix prices, but does not require him, when he fixes prices, to fix wages.

I did not vote for that bill because the President's record with reference to Korea, his refusal to recognize the danger in harboring Communists, his deficit spending, all show that he is incompetent to manage our national affairs. His denial that there were Communists in the executive departments—specifically none in the State Department—his support of Acheson, who was sympathetic toward communistic Russia's program, proves that he has no settled foreign policy designed to protect our national welfare.

Do I hear you say, "Admitting all that, it being apparent that we must stop skyrocketing prices, what have you to offer?" As always, I do not criticize unless I think there is a remedy. In this case I offered a bill, short and to the point, which provided that certain members of the Cabinet, or individuals selected by them, get out a price list which would cover all materials and services based upon the average prices of materials and services during the last 6 months of 1949 and the first 6 months of 1950.

The bill further provided that it was an offense for anyone to charge or for anyone to pay a higher price for any article, a higher wage for any service, than that fixed in the schedule.

The bill provided for enforcement of its provisions through the law enforcing agencies and courts—not only of the Federal Government but of the State, county, and municipality. Under that bill, any citizen could file a complaint against any profiteer and, if the local magistrate thought there was reasonable cause, a trial would be had before a local jury. If the individual was found guilty of profiteering, the local magistrate would impose the penalty.

That type of legislation would freeze prices and wages right where they were at the end of 1949 and the beginning of 1950. No one could profiteer. All would be on an equal footing.

Under the proposed bill, it would not be necessary to appoint a horde of price fixers, snoopers, Federal employees.

The proposed remedy is simple. It would be effective. It would cost very little. But the administration did not want it. The House did not even take time to consider it. Hence we will probably have employment of several hundred thousand new Federal employees. We will have snoopers. We will have an OPA. But all this may not come until after election on November 7, for the administration probably will do nothing more to make the people angry or displeased until that date.

Mr. McSWEENEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. ALLEN of Illinois) there were—ayes 44, noes 60.

Mr. ANDERSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 91, nays 242, not voting 97, as follows:

[Roll No. 243]

YEAS—91

Allen, Calif.	Hardy	Mansfield
Allen, Ill.	Hart	Marcantonio
Anderson, Calif.	Harvey	Marshall
Aspinall	Havenner	Mitchell
Auchincloss	Herter	Morris
Bates, Ky.	Heselton	Morton
Bennett, Fla.	Hill	O'Hara, Minn.
Bishop	Hoffman, Mich.	Peterson
Bramblett	Holmes	Philbin
Brooks	Horan	Phillips, Calif.
Brown, Ohio	Huber	Poulson
Burdick	Hull	Price
Byrne, N. Y.	Irving	Rivers
Clemente	Jackson, Calif.	Sabath
Colmer	Jackson, Wash.	Sasscer
Crawford	Javits	Saylor
Deane	Jenison	Scudder
Dolliver	Judd	Shelley
Douglas	Karsten	Simpson, Ill.
Doyle	Kee	Simpson, Pa.
Elston	Kelley, Pa.	Sullivan
Engle, Calif.	Kennedy	Thompson
Feighan	Kilburn	Thornberry
Fogarty	King	Tollefson
Gavin	LeCompte	Towe
Granger	McCarthy	Van Zandt
Green	McCormack	White, Calif.
Gross	McDonough	Wier
Guill	McKinnon	Wolverton
Hale	McSweeney	
Harden	Macy	

NAYS—243

Abbitt	Christopher	Gary
Abernethy	Chudoff	Gathings
Addonizio	Clevenger	Gilmer
Albert	Cole, Kans.	Goodwin
Allen, La.	Combs	Gordon
Andersen, H. Carl	Cooley	Gore
Andrews	Cooper	Gorski
Angell	Corbett	Gossett
Baring	Cotton	Graham
Bates, Mass.	Crosser	Grant
Battle	Cunningham	Gwinn
Beckworth	Curtis	Hagen
Bennett, Mich.	Dague	Hall, Leonard W.
Bentsen	Davenport	Halleck
Biemiller	Davis, Ga.	Hand
Boggs, La.	Davis, Tenn.	Harris
Bolling	Davis, Wis.	Harrison
Bonner	Delaney	Hays, Ark.
Bosone	Denton	Herlong
Boykin	Dondero	Hobbs
Brown, Ga.	Donohue	Hoffman, Ill.
Bryson	Doughton	Hope
Buchanan	Eberharter	Howell
Buckley, Ill.	Elliott	Jacobs
Burke	Ellsworth	James
Burleson	Evins	Jenkins
Byrnes, Wis.	Fallon	Jensen
Camp	Fellows	Jonas
Canfield	Fenton	Jones, Ala.
Cannon	Fernandez	Jones, Mo.
Carlyle	Fisher	Jones, N. C.
Carnahan	Flood	Karst
Case, N. J.	Forand	Kean
Case, S. Dak.	Ford	Kearns
Cavalcante	Frazier	Keating
Chatham	Fugate	Kelly, N. Y.
Chelf	Fulton	Keogh
Chesney	Furcolo	Kerr
Chiperfield	Gamble	Kirwan
Combs	Garmatz	Kruse
Cooley	Gary	Kunkel
Cooper	Gathings	Lane
Corbett	Gilmer	Lanham
Cotton	Goodwin	Larcade
Crosser	Gordon	LeFevre
Cunningham	Gore	Lichtenwalter
Curtis	Gorski	Lind
Dague	Gossett	Linehan
Davenport	Graham	Lodge
Davis, Ga.	Grant	Lovre
Davis, Tenn.	Gwinn	Lucas
Davis, Wis.	Hagen	Lynch
Delaney	Hall, Leonard W.	McConnell
Denton	Halleck	McCulloch
Dondero	Hand	McGrath
Donohue	Harris	McGregor
Doughton	Harrison	McGuire
Eberharter	Hays, Ark.	McMillan, S. C.
Elliott	Herlong	Mack, Ill.
Ellsworth	Hobbs	Mack, Wash.
Evins	Hoffman, Ill.	Madden
Fallon	Hope	Magee
Fellows	Howell	Mahon
Fenton	Jacobs	Marsalis
Fernandez	James	Martin, Iowa
Fisher	Jenkins	Martin, Mass.
Flood	Jensen	Merrow
Forand	Jonas	Meyer
Ford	Jones, Ala.	Michener
Frazier	Jones, Mo.	Miller, Calif.
Fugate	Jones, N. C.	Miller, Md.
Fulton	Karst	Miller, Nebr.
Furcolo	Kean	Mills
Gamble	Kearns	Monroney
Garmatz	Keating	Moulder
Gary	Kelly, N. Y.	Murdock
Gathings	Keogh	Murphy
Gilmer	Kerr	Murray, Tenn.
Goodwin	Kirwan	Nelson
Gordon	Kruse	Nicholson
Gore	Kunkel	Nixon
Gorski	Lane	
Gossett	Lanham	
Graham	Larcade	
Grant	LeFevre	
Gwinn	Lichtenwalter	
Hagen	Lind	
Hall, Leonard W.	Linehan	
Halleck	Lodge	
Hand	Lovre	
Harris	Lucas	
Harrison	Lynch	
Hays, Ark.	McConnell	
Herlong	McCulloch	
Hobbs	McGrath	
Hoffman, Ill.	McGregor	
Hope	McGuire	
Howell	McMillan, S. C.	
Jacobs	Mack, Ill.	
James	Mack, Wash.	
Jenkins	Madden	
Jensen	Magee	
Jonas	Mahon	
Jones, Ala.	Marsalis	
Jones, Mo.	Martin, Iowa	
Jones, N. C.	Martin, Mass.	
Karst	Merrow	
Kean	Meyer	
Kearns	Michener	
Keating	Miller, Calif.	
Kelly, N. Y.	Miller, Md.	
Keogh	Miller, Nebr.	
Kerr	Mills	
Kirwan	Monroney	
Kruse	Moulder	
Kunkel	Murdock	
Lane	Murphy	
Lanham	Murray, Tenn.	
Larcade	Nelson	
LeFevre	Nicholson	
Lichtenwalter	Nixon	
Lind	Noland	Shafer
Linehan	Norblad	Sikes
Lodge	Norrell	Smathers
Lovre	O'Brien, Ill.	Smith, Wis.
Lucas	O'Brien, Mich.	Spence
Lynch	O'Hara, Ill.	Staggers
McConnell	O'Konski	Stanley
McCulloch	O'Neill	Stigler
McGrath	O'Sullivan	Stockman
McGregor	O'Toole	Sutton
McGuire	Pace	Taber
McMillan, S. C.	Passman	Tackett
Mack, Ill.	Patman	Tauriello
Mack, Wash.	Patten	Teague
Madden	Perkins	Thomas
Magee	Phillips, Tenn.	Trimble
Mahon	Plumley	Underwood
Marsalis	Poage	Velde
Martin, Iowa	Polk	Vorys
Martin, Mass.	Preston	Vursell
Merrow	Priest	Wadsworth
Meyer	Rabaut	Wagner
Michener	Rains	Walter
Miller, Calif.	Rankin	Weichel
Miller, Md.	Reed, Ill.	Welch
Miller, Nebr.	Reed, N. Y.	Wheeler
Mills	Rees	Whitten
Monroney	Rhodes	Whittington
Moulder	Rich	Wickersham
Murdock	Richards	Widnall
Murphy	Riehlman	Wigglesworth
Murray, Tenn.	Robeson	Willis
Nelson	Rodino	Wilson, Ind.
Nicholson	Rogers, Fla.	Wilson, Okla.
Nixon	Rogers, Mass.	Wilson, Tex.
	Rooney	Withrow
	Roosevelt	Wood
	Sadlak	Woodhouse
	St. George	Yates
	Sanborn	Young
	Scrivner	Zablocki
	Secrest	

NOT VOTING—96

Andresen, August H.	Gillette	Pfeiffer, William L.
Arends	Golden	Pickett
Bailey	Granahan	Potter
Barden	Gregory	Powell
Barrett, Pa.	Hall, Edwin Arthur	Quinn
Barrett, Wyo.	Hare	Ramsay
Beall	Hays, Ohio	Redden
Blackney	Hébert	Regan
Blatnik	Hedrick	Ribicoff
Boggs, Del.	Heffernan	Sadowski
Bolton, Md.	Heller	Scott, Hardie
Bolton, Ohio	Hinshaw	Scott, Hugh D., Jr.
Breen	Hoeven	Sheppard
Brehm	Holifield	Short
Buckley, N. Y.	Jennings	Sims
Bulwinkle	Johnson	Smith, Kans.
Burnside	Kearney	Smith, Ohio
Burton	Keefe	Smith, Va.
Carroll	Kilday	Steed
Celler	Klein	Stefan
Cole, N. Y.	Latham	Talle
Coudert	Lyle	Taylor
Cox	McMillen, Ill.	Vinson
Crook	Mason	Walsh
Davies, N. Y.	Miles	Werdel
Dawson	Morgan	Whitaker
DeGraffenried	Morrison	White, Idaho
D'Ewart	Multer	Williams
Dingell	Murray, Wis.	Winstead
Dollinger	Norton	Wolcott
Durham	Patterson	Woodruff
Eaton	Pfeifer, Joseph L.	
Engel, Mich.		

So the resolution was rejected.

The Clerk announced the following pairs:

Mr. Carroll with Mr. William L. Pfeiffer.
Mr. Morrison with Mr. Coudert.
Mr. Celler with Mr. Eaton.
Mr. Pickett with Mr. Blackney.
Mr. Gregory with Mr. Arends.
Mr. Breen with Mr. Latham.
Mr. Steed with Mr. Short.
Mr. Williams with Mr. Taylor.
Mr. Winstead with Mr. Werdel.
Mr. Regan with Mr. Kearney.
Mr. Redden with Mr. Hoeven.
Mr. Whitaker with Mr. Hinshaw.
Mr. Hays of Ohio with Mr. Edwin Arthur Hall.
Mr. Hébert with Mr. Engel of Michigan.
Mr. Kilday with Mr. Brehm.
Mr. Burnside with Mr. Mason.
Mr. Hedrick with Mr. Patterson.

Mr. Lyle with Mr. Potter.
Mr. Sadowski with Mr. Gillette.
Mr. Holifield with Mr. Cole of New York.
Mr. Heffernan with Mr. Boggs of Delaware.
Mr. Davies of New York with Hardie Scott.
Mr. Joseph L. Pfeifer with Mr. Talle.
Mr. Quinn with Mr. August H. Andresen.
Mr. Multer with Mrs. Bolton of Ohio.
Mr. Heller with Mr. D'Ewart.
Mr. Durham with Mr. Golden.
Mr. Dollinger with Mr. Johnson.
Mr. Dingell with Mr. Wolcott.
Mr. Crook with Mr. Stefan.
Mr. Morgan with Mr. Smith of Kansas.
Mr. deGraffenried with Mr. Hugh D. Scott, Jr.
Mr. Granahan with Mr. Beall.
Mr. Barrett of Pennsylvania with Mr. Barret of Wyoming.
Mr. Hare with Mr. Murray of Wisconsin.
Mr. Burton with Mr. Woodruff.
Mr. Ribicoff with Mr. Keefe.
Mr. Smith of Virginia with Mr. McMillen of Illinois.
Mr. Walsh with Mr. Jennings.
Mr. Klein with Mr. Smith of Ohio.

Messrs. BURKE, MCGRATH, O'SULLIVAN, CHELF, BATTLE, BATES of Massachusetts, NIXON, LODGE, and CHUDOFF changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight tonight to file a report on the bill H. R. 8677.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 15 minutes on tomorrow, following the legislative business of the day and any other special orders heretofore entered.

LEAVE OF ABSENCE

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent that I be granted leave of absence for the next 2 weeks because of urgent business.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

By unanimous consent, leave of absence was granted to Mr. YATES, from August 17 to August 22, on account of official business.

SPECIAL ORDER GRANTED

Mr. MANSFIELD asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. SCRIVNER asked and was given permission to extend his remarks on Korea, China, and Formosa.

Mr. EBERHARTER asked and was given permission to extend his remarks and include an editorial.

Mrs. ST. GEORGE asked and was given permission to extend her remarks and include a newspaper article.

Mr. MCCONNELL (at the request of Mr. MCGREGOR) was given permission to extend his remarks and include an article from the New York Herald Tribune.

Mr. ALLEN of California asked and was given permission to extend his remarks and include an editorial.

Mr. SCUDDER asked and was given permission to extend his remarks.

Mr. LODGE asked and was given permission to extend his remarks in three instances, in each to include extraneous matter.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include an article.

Mr. LEFEVRE (at the request of Mr. KEATING) was given permission to extend his remarks and include an editorial.

Mr. VAN ZANDT asked and was given permission to extend his remarks and include an editorial from the Washington Evening Star.

Mr. LEONARD W. HALL (at the request of Mr. CANFIELD) was given permission to extend his remarks in two instances.

Mr. JENKINS asked and was given permission to extend his remarks and include excerpts.

Mr. BLATNIK asked and was given permission to extend his remarks and include an article.

Mr. FEIGHAN asked and was given permission to extend his remarks and include an article.

Mr. DOYLE asked and was given permission to extend his remarks in two instances and include appropriate material in same.

Mr. FURCOLO asked and was given permission to extend his remarks in two instances.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks and include a newspaper article.

Mr. ENGLE of California asked and was given permission to extend his remarks and include an editorial.

Mr. HOWELL asked and was given permission to extend his remarks.

Mr. DONOHUE asked and was given permission to extend his remarks and include an editorial.

Mr. PHILBIN asked and was given permission to extend his remarks and include an address by Brigadier Eric Dorman O'Gowan.

Mr. RICH asked and was given permission to extend his remarks and include two articles.

Mr. MACY asked and was given permission to extend his remarks and include an article from the United Press.

Mr. ANDERSON of California asked and was given permission to extend his remarks and include an editorial.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Montana [Mr. MANSFIELD] is recognized for 15 minutes.

(Mr. MANSFIELD asked and was given permission to extend his remarks and include a letter and a radio program.)

KGVO RENDERS A REAL PUBLIC SERVICE

Mr. MANSFIELD. Mr. Speaker, I am in receipt of a letter from my old friend, W. J. (Bill) Strothman, of radio station KGVO in my home town of Missoula, Mont. Along with his letter, Bill included a copy of a radio program aired at 8 p. m. on Wednesday, August 9, 1950.

In going over the program, I must say that I was very much impressed. It is my hope that other radio stations and systems will take up this idea so that the people of the country will be made more aware of what is going on.

My congratulations to Bill Strothman, Dan Snyder, John Dziak, and Clarence Proper for a great job on a vital subject and my commendation to KGVO for performing a real public service.

Mr. Speaker, under unanimous consent, I am including in the RECORD at this point Bill Strothman's letter and a copy of the program referred to:

KGVO.
Missoula, Mont., August 11, 1950.

The Honorable MIKE MANSFIELD,
Representative from Montana,
House of Representatives,
Washington, D. C.

DEAR MIKE: Just a line to let you know something of what we are doing here at KGVO to try to demonstrate forcibly to our listeners the futility of panic buying.

The enclosed program was aired at 8 p. m. Wednesday, August 9, 1950. Dan Snyder, our chief announcer, was the "buyer," announcer John Dziak played Stalin, and I took the master of ceremonies portion. It was a very effective piece.

The program was written and produced under my direction. In addition to this sketch, we sign off all our newscasts with this tag line: "Buy what you need but don't buy more. Greedy hoarding makes prices soar." Then, too, station breaks throughout the day carry the same message in different words.

We hope we are helping to stop this panic buying and if any Government agency can use this script, please send it along to them. Other radio stations may like to use something similar. A copy has been forwarded to CBS in New York.

We are planning further pertinent public interest programs in addition to the ones we now broadcast and if you are interested, we'll keep you informed.

Yours truly,

BILL
(W. J. Strothman),
Director of Programs and Traffic, KGVO.

MASTER OF CEREMONIES. This program, fellow citizens, is about panic buying, and this program is about hoarding.

Music.

BUYER (petulant and smug). I'm getting mine. Yeah, I'm getting mine. Here's one guy who ain't going to do without. I'll tell you some of the things I've got on hand: a few hundred pounds of sugar, a few cases of canned goods, my wife's got herself a couple dozen pair of nylons. I'm getting more, too, come payday. Yeah, I'm getting mine.

VOICE (a satisfied chuckle). Da, da, da, da.

MASTER OF CEREMONIES. Yeah, you're getting yours. You gotta be sharp to get by in this world. There's some guys over in Korea who are getting theirs, too. But never mind them. Let's see what's happening at home. Let's read the news. Let's listen to the radio. What's happening? In the East, North, South, and West. In the Middle West—in the towns all through this land housewives are buying hundred-pound sacks of sugar where they used to buy a few pounds. In San Francisco food sales leaped about 25 percent in 10 days. The buying is concentrated on sugar, coffee, canned meats. They are buying like that in the East, too. Cooking fats are going fast. Toilet paper is being sold in wholesale lots. Tires and tubes are running short in the smaller stores.

Nylons? You know they are buying them—fast, too. That's the small stuff. What about appliances? They're booming, too. Some stores in this great land of ours are reporting a 100 percent increase in sales. Incidentally, I see where two of the major appliance companies are putting dealers on allotment. A lot of people are getting theirs—those guys over in Korea are getting theirs. There must be a lot of sharpshooters over there.

BUYER. Don't think I'm not sharp when it comes to washing machines and refrigerators. I've made a good deal with a friend of mine. He's giving me a good refrigerator deal. Of course mine's only a year old, but he's giving me twenty-five on it. I could probably do better later on, but I'm not stalling. I'm getting mine while the getting's good.

VOICE. Da, da. Da, da.

MASTER OF CEREMONIES. Yeah, you'd better hurry. That run on appliances has been pretty bad. In San Francisco, in Oshkosh, and in Santa Fe, dealers' floors are being stripped. In New York City there's scare buying in home freezers. Television sets are being allocated to dealers. Oh, well. That's one thing we don't have to worry about here. Not a television station within five hundred——

BUYER (interrupting). Maybe we ain't got one. Me? I don't like to take chances. I've got a television on order from a mail-order house. I'm getting mine, pal. I'm getting mine.

VOICE. Da, da. Da, da.

MASTER OF CEREMONIES. Yeah, a lot of guys are getting theirs. Did you notice all the National Guard units that are being called up? A lot of those guys will get theirs. Look at the car situation. It's enough to make a guy sweat. Dealers all over the country are swamped with orders. The floors are clean. The cars are sold before they roll out of Detroit. In New Orleans you've got to wait. In Spokane and Long Beach you've got to wait. Yes, sir, you've got to wait 3 to 6 months. A lot of dealers have stopped taking orders. Let's look at the lists some more: Hunting rifles and ammunition are having a nice healthy run. It's funny, too. The factories are turning them out fast—faster than ever before. Even bicycle dealers are allocating. Liquor sales are going up, too. I've been mentioning the names of the big cities. This scare buying is everywhere. The big mail-order houses are limiting purchases on hose, tires, sheets. Mail-order stuff goes to the smaller towns, and to the country, you know.

BUYER. You know, one thing that worries me is that I don't know hardly what to buy. I'm sure about one thing, though. I'm getting mine. A guy gotta be sharp to get by in this world.

VOICE. Da, da. Da, da.

MASTER OF CEREMONIES. Yeah, go ahead and get yours. There's nothing like being a sharpshooter. Those North Koreans know that. Let's don't talk about them. Let's talk about us. I have last Friday's Wall Street Journal here.

BUYER. Wall Street? Big shot stuff. They'll know what's going on.

MASTER OF CEREMONIES. Here's a headline. It says drain on metals. That sounds bad. Let's see. What does it say about it? Listen to this. Arms will take triple the steel—five times the aluminum. But it says steel demands will be minute compared to World War II. Then it says that munitions have been taking 1½ percent of the steel output. They'll start taking 5 percent. What about copper? The military is going to take 11 percent of the copper output. They have been taking 3 percent. You know, those figures don't sound so high. Five percent of the steel production is 3,500,000 tons a year. Did you know that shipbuilding required three times that much steel in 1 year alone in World War II? That was just shipbuilding, too. According to the Wall Street Journal, then the military will take about one-twentieth of the steel and a tenth of the copper.

BUYER. Yeah, but you know there's a lot of things made with steel. Cars for instance.

MASTER OF CEREMONIES. Steel is used in about everything in one way or another. The civilian shoe is going to pinch in metals. It's better than have the military shoe pinch there, though. Let's see what the experts have to say—what the inventories and America's potentials are. Here it is in short form. Textiles are going to be on the shelves for a long, long time. There's not going to be a shortage in women's or children's clothings. The supply of men's clothes is big enough for normal consumption. You notice it says "normal." The same thing goes for nylons. Meat? An enormous amount in cold storage. Hogs and cattle are eating their heads off—and they stand thick on the range. Grain? Plenty of it. Canned goods? The pack is good this year. Sugar? Anyone who hoards that has rocks in his head. It's at surplus. Say you know, I'm beginning to wonder what all this hoarding is all about. Why the panic buying?

Music.

BUYER. Listen, stupid. Do you remember the last war? I see you're old enough to shave. You should remember all those shortages in the last war—think back, then you'll understand this so-called panic buying.

VOICE. Da, da. Da, da.

MASTER OF CEREMONIES. Yeah, I'm old enough to shave. I was shaving then and I was a civilian during that war. Let's see—what did I do without? Here's what I remember. Meat, coffee, and cigarettes. That was tough, wasn't it? I had to do without a lot of steaks I wanted. There was Spam, fish, and the cheaper cuts of meat a guy could usually get. No, I didn't do without meats. I did without the exact cut I wanted. Coffee? I didn't get all that I wanted. I never have got all that I wanted. I like coffee. I drink too much coffee. I remember I had enough, though. Cigarettes were an item that bothered me. I used to have to stand in line for them. Didn't do without smoking. What else was there? Tires, gas, cars, appliances. It was hard to get a lot of things, but it was never impossible to get your fair share. Maybe some of our listeners remember going hungry—remember sacrifices. Those who remember doing without will be ex-soldiers. The civilian didn't give up much of his worldly goods. That was a big war, though. The United States had to train and equip 12,000,000 men. This time the military is asking for two or three million men. We supplied the world with weapons and we supplied the world with food—and that's well over a billion people we were feeding. This time we are feeding ourselves and part of South Korea. There's the deal. I've laid it out the way it is. Maybe you aren't so sharp after all.

BUYER. Who'd you think you're kidding. That's hog wash. That's propaganda.

VOICE. Da, da. Da, da.

MASTER OF CEREMONIES. Hog wash and propaganda? Those are statistics. I gave you logic. It's all there. Use your head. Don't use your stomach as a thinking machine.

BUYER. Talk all you want, but I'm going to get mine.

VOICE. Da, da. Da, da.

MASTER OF CEREMONIES. Yeah, you're getting yours. You're getting yours because a lot of men are fighting for you in Korea. They are getting theirs too. They are getting theirs with mortar fire. They are getting theirs from tanks and they're fighting those tanks with machine guns. They're getting theirs, all right. They're getting theirs in death—in bloodshed, in heartbreak because they haven't the guns to fight with—the manpower to help them. They're getting theirs—good and final—they are getting theirs in death.

BUYER. O. K. So what? What does my buying have to do with it? I'm just as good an American as the next guy.

VOICE. Da, da. Da, da.

MASTER OF CEREMONIES. That's a good question—a very good question. Here's a UP dispatch.

REPLY. "The price of waging a world-wide battle against the spread of communism is going up daily. And the cost of living for the average American seems to be keeping pace. A United Press survey shows that food is leading the parade up the price ladder, with beef and pork showing the sharpest increases. And the upward trend is appearing in other vital consumer goods. Standard Oil stations throughout Ohio boosted the price of gas one-half cent a gallon today, tomorrow Royal Typewriters go up about 7 percent, and a 7-percent boost in the wholesale cost of Procter & Gamble soaps and fats is expected to reach the corner markets later in the week. It all adds up to a dangerous picture says the price watchdog of World War II. Former OPA Chief Chester Bowles, who is now Governor of Connecticut, is urging Congress to grant the President immediate authority to roll back the prices of basic commodities to where they stood on June 15. Fifteen Republicans in the House are calling for stand-by price, wage, and rent controls with Congress retaining the trigger to set them in motion. They also want stand-by controls on excessive profits. But a Wyoming Democrat believes that the excess profits should be taxed right now. Senator JOSEPH O'MAHONEY"——

MASTER OF CEREMONIES (fades in at JOSEPH O'MAHONEY). The trouble with a news dispatch, it always seems to be about the other fellow. I guess the best way to understand that news item is to look at the President and Congressmen as plain human beings like ourselves. They are trying to figure the best way to handle a tough situation and this buying spree is helping them a bit. Then look at yourself—examine your conscience. What do you have to do with runaway prices? Have you been buying as you should? Remember, all abnormal buying, every extra article you buy is part of a Nation-wide movement to get while the getting is good. I can't tell you that you're doing right or wrong. I don't know what you have on your pantry shelves and in the attic. You know, though. Your conscience can tell you if you are doing the right thing. I know, a lot of people can ignore their conscience, but at times they have to look at what's within them, the thing that's replaced the conscience. It's not very nice, this thing they see.

BUYER. Hog wash.

VOICE. Da, da. Da, da.

MASTER OF CEREMONIES. You know who your pal is, don't you? This da, da character?

BUYER. Sure, nice guy. He's been going shopping with me. Funny name though, told me once—say, what did you say your name was?

VOICE. Dzugashvili. Josef Dzugashvili.

BUYER. Yeah, that's it.

MASTER OF CEREMONIES. Any other name?

VOICE. Da, da. Josef Stalin.

Music.

ANNOUNCER. There is nothing Joe likes more than your panic buying. Yes; he likes our selfishness—our determination to get ours. He likes the upward price spiral—a spiral that goes up and up into chaos. You as an individual—whether you buy at retail or wholesale—whether you manufacture or market—are going to cause the chaos—the viciousness that will come with panic buying. You want to win this war—and you are not alone, but your fear of personal inconvenience is greater than your desire for

victory. When you buy abnormally, you are competing with yourself—you are competing with your Government on the open market. You are competing for those supplies the UN forces need in Korea. You are denying yourself weapons to fight for what you believe in. [Pause.] There has been little asked of you. The Government has asked only for your support. Perhaps they will demand more later—we have no way of knowing, and neither do they. You are expected to be good citizens though—to go quietly about your business—to wait for your Government's call. But, whoever you are, don't interfere by being a fool with your dollar. When you're getting yours—remember those soldiers in Korea—they're getting theirs. Yours can be stored on shelves. Theirs is a bullet in soft flesh.

Music.

(This program was written by Clarence Bernard Proper.)

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 4027. An act to amend the Selective Service Act of 1948, as amended, and for other purposes; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 627. An act for the relief of Southern Fireproofing Co., of Cincinnati, Ohio; and

H. R. 7439. An act to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 2121. An act to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials;

H. R. 4584. An act to provide for disposition of lands on the Cabazon, Augustine, and Torres-Martinez Indian Reservations in California, and for other purposes;

H. R. 7017. An act authorizing the Secretary of the Interior to issue a patent in fee to Edgar S. Bigman;

H. R. 8230. An act to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida;

H. J. Res. 21. Joint resolution to provide for the utilization of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray (1) the Civil War, (2) the Spanish-American War, and (3) the birth of aviation in the United States; and

H. J. Res. 434. Joint resolution providing for recognition and endorsement of the California World Progress Exposition.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House adjourned until tomorrow, Thursday, August 17, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1631. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1632. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend subsection (1) of section 4551 of the Revised Statutes, as amended, to exempt additional vessels from the requirements thereof"; to the Committee on Merchant Marine and Fisheries.

1633. A letter from the Assistant Secretary of the Interior, transmitting a joint reconnaissance survey report made by the Bureau of Public Roads of the Department of Commerce and the National Park Service upon the advisability and practicability of constructing a parkway along the route of the Chesapeake & Ohio Canal between Great Falls and Cumberland, Md., pursuant to Public Law 618, Eightieth Congress (H. Doc. No. 697); to the Committee on Public Lands and ordered to be printed with illustrations.

1634. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1951 in the amount of $3,605,669 for the Department of State (H. Doc. No. 688); to the Committee on Appropriations and ordered to be printed.

1635. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1951 in the amount of $55,000 for the Treasury Department (H. Doc. No. 689); to the Committee on Appropriations and ordered to be printed.

1636. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1951 in the amount of $3,450,000 for the Department of the Interior (H. Doc. No. 690); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on Rules. House Resolution 474. Resolution authorizing the creation of a select committee to investigate the education and training program under the Servicemen's Readjustment Act; without amendment (Rept. No. 2927). Referred to the House Calendar.

Mr. MURDOCK: Committee on Public Lands. Senate Joint Resolution 163. Joint resolution to designate the reservoir above the Baldhill Dam in North Dakota as Lake Ashtabula; without amendment (Rept. No. 2928). Referred to the House Calendar.

Mr. ENGLE of California: Committee on Public Lands. S. 1140. An act to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico; without amendment (Rept. No. 2929). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 2930. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. MORRIS: Committee on Public Lands. H. R. 9272. A bill to amend the act of October 5, 1949 (Public Law 322, 81st Cong.), so as to extend the time of permits covering lands located on the Agua Caliente Indian Reservation; without amendment (Rept. No. 2932.) Referred to the Committee of the Whole House on the State of the Union.

Mr. LYNCH: Committee on Ways and Means. H. R. 7932. A bill to amend section 2383 (d) of the Internal Revenue Code, as amended, by Public Law 448, Eighty-first Congress; with amendment (Rept. No. 2933). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 9134. A bill to amend title 46, United States Code, section 251; with amendment (Rept. No. 2934). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'TOOLE: Committee on Merchant Marine and Fisheries. H. R. 8677. A bill to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone; and for other purposes; with amendment (Rept. No. 2935). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. S. 2948. An act to authorize the sale of certain land allotted to Clara Whitesell, Standing Rock allottee No. 915; without amendment (Rept. No. 2931). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'HARA of Illinois:

H. R. 9444. A bill to extend the Housing and Rent Act of 1947, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. REED of New York:

H. R. 9445. A bill to amend the Tariff Act of 1930 to facilitate the enforcement of certain provisions thereof prohibiting importation of products of forced labor, and for other purposes; to the Committee on Ways and Means.

By Mr. ADDONIZIO:

H. R. 9446. A bill to extend the Housing and Rent Act of 1947, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. CELLER:

H. R. 9447. A bill to facilitate the deportation of aliens from the United States, to provide for the supervision of aliens whose deportation cannot be readily effectuated because of reasons beyond the control of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. DAVIS of Wisconsin:

H. R. 9448. A bill to amend the act of September 16, 1942, as amended, so as to facilitate voting by members of the Armed Forces, and certain others, absent from their places of residence; to the Committee on House Administration.

By Mr. DOLLINGER:

H. R. 9449. A bill to extend the Housing and Rent Act of 1947, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. JAVITS:

H. R. 9450. A bill to provide for the administration of the Housing and Rent Act of 1947, as amended, in consonance with superseding State rent-control laws; to the Committee on Banking and Currency.

By Mr. MACK of Washington:

H. R. 9451. A bill to amend the Tariff Act of 1930 to facilitate the enforcement of certain provisions thereof prohibiting importation of products of forced labor, and for other purposes; to the Committee on Ways and Means.

By Mr. MANSFIELD:

H. R. 9452. A bill to authorize the Secretary of the Interior to issue to the town of St. Ignatius, Mont., a patent in fee to certain Indian land; to the Committee on Public Lands.

By Mr. SMITH of Virginia:

H. R. 9453. A bill to designate the Tomb of the Unknown Soldier of the American Revolution; to the Committee on House Administration.

By Mr. BOLLING:

H. R. 9454. A bill to extend the Housing and Rent Act of 1947, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. NIXON:

H. R. 9455. A bill to amend the act of September 16, 1942, as amended, so as to facilitate voting by members of the Armed Forces, and certain others, absent from their places of residence; to the Committee on House Administration.

By Mr. DINGELL:

H. R. 9456. A bill to amend section 1603 (c) of the Internal Revenue Code and section 303 (b) of the Social Security Act; to the Committee on Ways and Means.

By Mr. DAVIES of New York:

H. J. Res. 522. Joint resolution proposing an amendment to the Constitution relating to the qualifications of electors; to the Committee on the Judiciary.

By Mr. ELLSWORTH:

H. Res. 813. Resolution to provide for the study and investigation of railroad equipment shortages; to the Committee on Rules.

By Mrs. NORTON:

H. Res. 815. Resolution providing for the employment of an auditor-accountant in the House stationery room; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 9457. A bill for the relief of Mrs. Bessie Gathgens; to the Committee on the Judiciary.

By Mr. CORBETT:

H. R. 9458. A bill for the relief of Sister Maria Urbana Cihovics (also known as Sister M. Urbana Cihovics); to the Committee on the Judiciary.

H. R. 9459. A bill for the relief of Sister Anna M. Alzbeta Sijarto-Hajdukova (also known as Sister M. Elizabeth); to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 9460. A bill for the relief of Maly Braunstein and Aurelia Rappaport; to the Committee on the Judiciary.

By Mr. MARTIN of Iowa:

H. R. 9461. A bill for the relief of Roy F. Wilson; to the Committee on the Judiciary.

By Mr. UNDERWOOD:

H. R. 9462. A bill for the relief of Nishigaki Katsuko and son; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. Res. 814. Resolution for the relief of the former shareholders and debenture noteholders of the Goshen Veneer Co., an Indiana corporation; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2336. Mr. PLUMLEY presented a resolution of Franklin County Pomona Grange, of St. Albans, Vt., and Shepherd Pomona Grange, of West Danville, Vt., protesting the adoption of any form of compulsory health insurance or any system of political medicine, which was referred to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, AUGUST 17, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God and Father of all mankind, whose paths are mercy and truth, before the white splendor of whose purity every vileness must shrink away, lift us above the immediate and set our lives in the wide horizons of abiding verities, with high resolves and selfless endeavors that take counsel not of our fears, but of our hopes, may we match these epic days with daring faith that will yet clear a highway across all the nations for the feet of our God.

Forbid that comfort and temporary safety should cushion us against a complete sharing in spirit and sacrifice of the grim test which is being demanded of those who fight against aggression in a far land. Make us, indeed, one with the valiant who in mud and fatigue, yea, in wounds and death this very day are standing between our loved homes and the war's desolation. Make us all worthy to wear the white plume of a great cause.

As a united nation and with united nations may we march forward with the triumphant faith that this is our Father's world, and though the wrong seems oft so strong, God is the ruler yet. We ask it in the Name that is above every name. Amen.

THE JOURNAL

On request of Mr. MAYBANK, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 16, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 16, 1950, the President had approved and signed the following acts:

S. 2128. An act to provide for the cancellation of certain licenses granted to the Government by private holders of patents and rights thereunder;

S. 3584. An act to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes";

S. 3644. An act to amend the War Claims Act of 1948, as amended; and

S. 3875. An act to amend section 9 of the Central Intelligence Agency Act of 1949.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3099) to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8195. An act to rescind the order of the Postmaster General curtailing certain postal services; and

H. R. 8594. An act to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 305. An act for the relief of Julio Laffitte;

S. 459. An act for the relief of Cornelis Ruhtenberg, also known as Cornelis Ruhtenberg Helmsing;

S. 819. An act for the relief of Herman L. Weiner;

S. 918. An act for the relief of Clara Sogor;

S. 1222. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Agency, S. Dak.;

S. 1420. An act for the relief of Antonio Garcia Jiminez;

S. 1426. An act to authorize the sale of lands allotted to James Brown on the Crow Reservation, Mont.;

S. 1506. An act for the relief of Andre Lan;

S. 1568. An act for the relief of Anna Rajmann;

S. 1600. An act for the relief of J. Don Alexander;

S. 1866. An act for the relief of Mrs. Clayre Louise Forsyth;

S. 2173. An act for the relief of Giuseppe Moschetti and his wife, Dina Bartoli Moschetti;

S. 2204. An act for the relief of Rudolph Farcher;

S. 2257. An act for the relief of Hyman Winterman;

S. 2401. An act for the relief of Elizabeth Martha Haug;

S. 2614. An act for the relief of O. O. Haugen;

S. 2617. An act for the relief of Ermalinda Mary Pizzuto;

S. 2780. An act for the relief of Jaime Riel;

S. 2697. An act for the relief of Hyman D. Langer and Alta Jourard Langer;

S. 2954. An act for the relief of Agnes Biro and Anna Biro;

S. 3005. An act for the relief of Olga Haddad;

S. 3017. An act for the relief of Sgt. James C. Hollon and Bessie L. Hollon;

S. 3059. An act for the relief of John J. Sebenick;

S. 3097. An act conferring jurisdiction on the United States District Court for the Southern District of Mississippi to hear, determine, and render judgment upon the claim of O. S. Rees;

S. 3129. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Rosebud Indian Agency, S. Dak.;

S. 3238. An act for the relief of Dr. Frederick Daniel McDade;

S. 3289. An act for the relief of Hisako Okamoto;

S. 3325. An act for the relief of Isolde Bezner;

S. 3446. An act to authorize the restoration of Edwin M. Rosenberg, lieutenant commander, retired, to the active list of the United States Navy;

S. 3610. An act for the relief of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department;

S. 3611. An act for the relief of Dorrance Ulvin, former certifying officer, and for the relief of Guy F. Allen, former chief disbursing officer;

S. 3613. An act for the relief of certain Chinese stewards of the United States Navy;

S. 3614. An act for the relief of John B. Underwood, Jr., TMC, United States Navy;

S. 3709. An act for the relief of certain disbursing officers and former disbursing officers of the naval service, and for other purposes;

H. R. 7155. An act to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest landowners, and for other purposes; and

H. R. 7209. An act authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic coast fish species for the purpose of developing and protecting fish resources.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MAYBANK, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate today.

CALL OF THE ROLL

Mr. MAYBANK. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hayden	Millikin
Bricker	Hendrickson	Morse
Bridges	Hickenlooper	Mundt
Butler	Hill	Murray
Byrd	Hoey	Myers
Capehart	Holland	Neely
Chapman	Humphrey	O'Mahoney
Chavez	Hunt	Pepper
Connally	Ives	Robertson
Cordon	Jenner	Russell
Darby	Johnson, Colo.	Saltonstall
Donnell	Johnston, S. C.	Schoeppel
Douglas	Kem	Smith, Maine
Downey	Kerr	Smith, N. J.
Dworshak	Kilgore	Sparkman
Eastland	Langer	Stennis
Ecton	Leahy	Thomas, Okla.
Ellender	Lehman	Thomas, Utah
Ferguson	Lodge	Thye
Flanders	McCarran	Tydings
Frear	McClellan	Watkins
Fulbright	McFarland	Wherry
George	McKellar	Wiley
Gillette	Magnuson	Williams
Graham	Malone	Withers
Green	Martin	Young
Gurney	Maybank	

Mr. MYERS. I announce that the Senators from Connecticut [Mr. BENTON and Mr. MCMAHON], the Senator from Maryland [Mr. O'CONOR], the Senator from Louisiana [Mr. LONG], and the Senator from Illinois [Mr. LUCAS] are absent on public business.

The Senator from Texas [Mr. JOHNSON] is absent because of illness in his family.

The Senator from Tennessee [Mr. KEFAUVER] is necessarily absent.

The Senator from Idaho [Mr. TAYLOR] is absent by leave of the Senate.

Mr. SALTONSTALL. The Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from California [Mr. KNOWLAND] is absent on official business.

The PRESIDENT pro tempore. A quorum is present.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT OF 1950—UNANIMOUS-CONSENT AGREEMENT

Mr. MAYBANK. Mr. President, the distinguished minority leader and I have worked for some time on the drawing of a unanimous-consent agreement, and I should like to ask that the clerk read the agreement which has been prepared.

Mr. WHERRY. Mr. President, will the distinguished acting majority leader yield for a question?

Mr. MAYBANK. Yes.

Mr. WHERRY. The agreement which is acceptable to the two leaders is subject to the approval of the Senate. I understand the distinguished acting majority leader has asked that the clerk read the agreement.

Mr. MAYBANK. I would rather have it read. In substance, it proposes to bring up before the Senate the road bill and to vote on it, and on all amendments, beginning at 12:30 o'clock on Tuesday next, with a limitation of debate of 5 minutes on each side, provided that only germane amendments may be offered. I would prefer to have the clerk read the agreement.

The PRESIDENT pro tempore. The clerk will read the proposed unanimous-consent agreement.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. Of course the agreement which is about to be read is based upon the fact that the road bill will be made the pending business.

Mr. MAYBANK. The Senator is correct.

Mr. WHERRY. If the road bill is made the pending business this proposed unanimous-consent agreement will go into effect, provided it is agreeable to all Members.

Mr. IVES. Mr. President, am I to understand that two unanimous-consent agreements are tied in together?

Mr. MAYBANK. The unanimous-consent agreement would take effect in the event the road bill were made the pending business. The unanimous-consent agreement would be submitted immediately if the road bill were made the pending business.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WILLIAMS. Do I understand correctly that the road bill would be made the pending business and remain the pending business until 1 o'clock on Monday, when we start to vote on the control bill?

Mr. MAYBANK. I hope the Senator from Delaware will withhold his inquiry until the road bill is made the pending business.

Mr. CHAVEZ. Mr. President, is it not correct to say that it is impossible to agree to a unanimous-consent agreement until one knows what he is agreeing to? Is that not correct?

The PRESIDENT pro tempore. That is correct.

Mr. CHAVEZ. The first matter to be considered now is whether the consideration of House bill 7941 is to be made the pending business.

Mr. MAYBANK. That is what I intended to say, if I did not make it clear. I wanted the clerk to read what the minority leader and the acting majority leader had agreed upon if the road bill were made the pending business. It is our intention to bring up the road bill, but I wanted Senators to know what agreement we had made with respect to it.

The PRESIDENT pro tempore. May the Chair ask whether or not the agreement would interfere with the present unanimous-consent agreement?

Mr. MAYBANK. No.

The PRESIDENT pro tempore. The clerk will read the proposed agreement.

Mr. CHAVEZ. A parliamentary inquiry, Mr. President.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CHAVEZ. Is not the situation one in which unanimous consent must be asked to have the Senate make House bill 7941 the pending business?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CHAVEZ. Yes.

Mr. WHERRY. The agreement is being read for the information of the Senate, so that Senators may know what kind of unanimous-consent agreement is contemplated. It will not be offered until the road bill is taken up, but in order to have the bill taken up we should have this information before us.

The PRESIDENT pro tempore. Let the unanimous-consent request be read.

The legislative clerk read as follows:

Ordered, That on the calendar day of Tuesday, August 22, 1950, at the hour of 12:30 o'clock p. m., the Senate proceed to vote, under the limitation of debate hereinafter provided, upon any amendment or motion (including appeals) that may be pending or that may thereafter be proposed to the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes: *Provided*, (1) That after said hour of 12:30 o'clock p. m. debate upon any amendment or motion (including appeals), when proposed, and upon the bill itself shall be limited to not exceeding 10 minutes to be equally divided and controlled, respectively, by the mover of any such amendment or motion and the chairman of the Committee on Public Works [Mr. CHAVEZ] (2) that no amendment or motion that is not germane to the subject matter of said bill shall be in order; and (3) that no vote on any amendment or motion shall be had on said bill prior to said hour of 12:30 o'clock p. m. on Tuesday next.

The PRESIDENT pro tempore. Is there objection?

Mr. MAYBANK. Mr. President, I may say that the proposed unanimous-consent agreement was read only for the purpose of giving information to Senators who have asked about other measures and about the program generally.

Now, I ask unanimous consent that the Senate proceed to the consideration of House bill 7941, the so-called Federal-aid road bill.

Mr. WHERRY. Mr. President, reserving the right to object—although I am not going to object—I ask the distinguished acting majority leader whether he will tie this unanimous-consent request with the unanimous-consent request to vote on next Tuesday, so as to make them one request. In that case both the agreement to take up the road bill and the agreement to vote on it on Tuesday will be effective.

So I ask the distinguished acting majority leader to modify the request by including a request to take up the road bill, so that both objectives will be accomplished at the same time.

Mr. MAYBANK. Mr. President, it is perfectly agreeable to me to include in the proposed agreement a unanimous-consent request to take up the road bill. The proposed agreement was read to the Senate for the information of Senators in regard to what the minority and the majority have worked on.

Mr. WHERRY. Yes.

Mr. McFARLAND. Mr. President, reserving the right to object, I should like to observe that after this discussion today, there probably will not be any action taken by the Senate for the remainder of this week; the Senate probably will not have anything to do during that time.

We have had no major votes this week. Some Members of the Senate have made it a point to attend the sessions, although it was inconvenient for them to do so; and they would like to see some business transacted.

There are three small Indian bills which we have been unable to have passed during the call of the Consent Calendar, and I would hope that the consideration of those bills might be included under the unanimous-consent agreement; and that tomorrow we could consider those bills. One is a small hospital bill which was reported by the junior Senator from Montana [Mr. ECTON] for the senior Senator from Nebraska [Mr. BUTLER], another is House bill 6116, in which the Senators from South Dakota are very much interested, and the other is known as the Fort Reno bill. It would not take long to dispose of those three bills, if they can be brought before the Senate and discussed.

I do not wish to interfere with the proposed unanimous-consent agreement, but I feel that the Senate should transact some business this week and should make some progress and should vote on some measures.

So I would ask that the proposed unanimous-consent agreement be modified so as to provide that tomorrow the three bills I have mentioned may be considered, in order, after having been made the unfinished business for that 1 day.

Mr. MAYBANK. Mr. President, let me say——

Mr. ELLENDER. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. MAYBANK. I yield for either a question or a parliamentary inquiry.

Mr. ELLENDER. Then, Mr. President, I desire to propound a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. ELLENDER. Notwithstanding the proposed unanimous-consent agreements, would not any Senator have a right to call up, for instance, House bill 4800, calendar No. 1333, a bill directing the Secretary of Agriculture to convey certain mineral interests, and for other purposes, and to do so at any time there is no other business before the Senate?

The PRESIDENT pro tempore. That would be possible, of course.

Mr. ELLENDER. Under those circumstances, if I were to move to have that measure taken up, it would be the pending business, would it not?

The PRESIDENT pro tempore. If the Senate so voted.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TYDINGS. I wonder whether the Senator from South Carolina knows—I am sure he does, but I should like to ask him the question—that with the induction of many units of the National Guard into the Federal service, and with more about to be called up currently, together with the recall of very great numbers of men in the Marine Corps Reserve, the Army Reserve, and the Navy Reserve, there has developed a situation in which married men with children are suddenly taken away from their positions, and there is no provision in present law to take care of their families.

Mr. MAYBANK. Mr. President, I yielded only for a question. I am well aware of the matter the Senator has mentioned.

Mr. TYDINGS. I know the Senator from South Carolina is.

I should like to ask the Senator also—for I doubt whether he knows this—if he is aware of the fact that this morning, after long hearings, the Senate Committee on Armed Services has come forward with a bill to take care of the situation I have mentioned along lines somewhat similar to those followed in 1942, when Congress enacted the family allowance plan.

Whatever agreement is reached, I beseech Senators to allow us, when this bill comes on the floor, to have it speedily considered, because real hardships are being inflicted on thousands of men who are wearing the uniform and who have suddenly been called into service; and unless this bill is promptly enacted, those hardships will continue.

Mr. MAYBANK. Mr. President, let me say in reply to the distinguished Senator from Maryland that I am familiar with the situation he has mentioned; but there are also many hardships being imposed upon such persons and their families because the price-control bill has not yet been enacted.

Mr. TYDINGS. That is correct.

Mr. MAYBANK. I do not want any misunderstanding to exist; I do not want it to be thought that we regard one measure as more important than the other. Certainly the wives and children of those who are being drafted or called into the Armed Forces should be protected by means of the enactment of additional legislation; they cannot be adequately protected by the existing military legislation or regulations alone.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. CHAVEZ. Let me say to the Senator from Maryland that I realize what he has in mind, and I realize the hardships which are being caused. Inasmuch as the defense production bill is not to be acted upon today, we would like to have the road bill made the pending business; but I assure the Senator from Maryland that any time he wishes to bring forward either the defense production bill or the proposed legislation he has just mentioned, such a course will be agreeable to me.

Mr. TYDINGS. Mr. President, if the Senator from South Carolina will yield to me at this time, I should like to say to him that my observation was not made for the purpose of attempting to have any particular bill displaced, but I did so to acquaint the Senate with the fact that the matter I have mentioned is urgent and that proposed legislation on that subject is available. In the consideration of the prospective program, I did not want that measure to be left out.

Mr. MAYBANK. Mr. President——

Mr. THYE. Mr. President, will the Senator yield?

Mr. MAYBANK. Not at this time, Mr. President.

Request has been made to bring up the so-called Federal-aid road bill, Mr. President, by means of a proposed unanimous-consent agreement, which has been read, but which has not yet been approved. There is no intention to block any measure providing for allotments to the wives and children of the members of the National Guard or of the Reserves. Of course the Senator from Maryland can move at any time to have that bill considered.

Mr. CHAVEZ. Certainly; and it will be agreeable to the Senator who is in charge of the road bill to have that done. If at any time any proposed legislation of that nature comes up, we shall be most agreeable to having it considered.

Mr. MAYBANK. Mr. President, I wish to make it plain that the acting majority leader and the minority leader have only submitted the proposed unanimous-consent request for the information of Senators. As the distinguished minority leader has said, there is a proposal to tie up with it an agreement to have the Senate take up House bill 7941, the bill amending and supplementing the Federal-aid road act, and to authorize appropriations for that purpose. That additional proposal is made so that there will be before the Senate some business on which it will be able to act this week.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. McCLELLAN. I should like to request the able acting majority leader and the minority leader to consent to a modification of the request, so as to provide that the time to begin voting shall be 1:30, instead of 12:30.

The PRESIDENT pro tempore. Is there objection?

Mr. WILLIAMS. Mr. President, reserving the right to object, the Senator from Louisiana [Mr. ELLENDER] indicated he was going to move to bring up Calendar Order 1333, the bill H. R. 4800 to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes. There are certain features of that bill which I wish to discuss, and I should prefer not to discuss them on the floor of the Senate. I may say my reason for that is that in discussing and raising these questions certain implications could be drawn. I think these questions should be presented first to the committee.

I wrote a letter to the chairman of the Committee on Agriculture and Forestry in June, requesting an opportunity to appear before his committee to discuss this bill in executive session. I have never had an opportunity to do that. I would not agree to any unanimous-consent request unless it were understood that the road bill would not be withdrawn and Order No. 1333, H. R. 4800, brought before the Senate at this time.

Mr. MAYBANK. Mr. President, I may say to the Senator from Delaware that I can understand his suggestion. I hope he will not object to bringing up this bill, because any Senator at any time can move to bring up any bill he desires. But it will be necessary to have a vote, and it will be necessary to have a quorum call. I know the minority leader feels as I do about a quorum call. But we cannot enter into a unanimous-consent agreement limited to one bill, because, if there is an agreement as to that particular bill, then some other Senator will want an agreement as to some other bill.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WILLIAMS. May I have the assurance of the acting majority leader that he will not support the displacement of the road bill if it is made the pending business by unanimous consent?

Mr. MAYBANK. I can only say, that if I am the acting majority leader at the time, I shall not move to bring up the bill. But as to whether I shall favor the bill or oppose it, I do not at this time wish to commit myself.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. Mr. President, I have done my level best to cooperate with the majority in outlining a program for today and tomorrow. If there is to be a grand scramble to see whose bill is going to be brought up first, we shall get nowhere with a unanimous-consent request. It seems to me absolutely ridiculous to say that a very important bill such as a military bill might not be given the right-of-way. Every Senator is just as anxious to pass such bills as is the chairman of the Armed Services Committee, and he will get the right-of-way. But if, after some byplay with unanimous-consent requests, something else, which may be very important, is to be taken up on Friday afternoon, then I think we should lay aside unanimous-consent requests and proceed with the work of the Senate.

I have tried to cooperate with the distinguished acting majority leader. He felt, and I think other Senators felt that there might not be debate on the unfinished business, which is the control bill, throughout the sessions today and tomorrow, and he suggested to the majority leader before he left here that if we could work out a unanimous-consent request to take up the road bill in the event debate on the control bill terminated, he would appreciate it. It is very difficult to make unanimous-consent agreements.

I do not believe any Senator wants to move to displace the unfinished business for the purpose of shutting off debate. It should be remembered that 50 amendments have been offered to the control bill. If we are to take up one bill, then another, and then another, the situation may arise that time will not be available for ample discussion of certain of the amendments which are supposed to be discussed between now and Monday on the control bill, and on Tuesday on the road bill.

I submit that if the Senate would agree to the unanimous-consent request of the acting majority leader we could direct our attention to the control bill and the road bill, debate those bills, and then vote on them, on Monday and Tuesday. If that could be done, in my opinion it would be an orderly way to proceed.

Mr. MAYBANK. Mr. President, I only wanted to say that my desire was to displace the pending bill with the so-called road bill, Calendar No. 2048, House bill 7941, and, by unanimous consent, if that were obtained, to vote on Tuesday. I perhaps did not make that perfectly clear at first. The Senator from Delaware talked to me about the bill to which he has referred, and frankly, I talked to the minority leader yesterday about the same bill.

Mr. WHERRY. Mr. President, it will be perfectly agreeable to me if the Senate wants to take up the mineral bill, provided unanimous consent is given to do that.

Mr. ELLENDER. It is unnecessary to enter into a unanimous-consent agreement, as I understand the rules. That is the question I asked the Chair.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. McFARLAND. I regret very much that the distinguished minority leader referred to my having engaged in something as a byplay.

Mr. WHERRY. I was not referring to the distinguished Senator from Arizona.

Mr. McFARLAND. I was simply trying to get the Senate to do something.

Mr. CHAVEZ. Then why not finish the road bill?

Mr. McFARLAND. Mr. President, may I finish my remarks?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I have the floor, and I have yielded to the Senator from Arizona [Mr. McFARLAND].

Mr. McFARLAND. I merely wanted to say that there are three small bills which I should like very much to have considered. They are of great importance to the Indians. One of them is a bill involving the Indians of South Dakota, a bill in which I have no special interest. My experience has been that when a unanimous-consent agreement is entered into to vote on a certain day the following week, the debate suddenly stops, because there is no possibility of a vote before the time fixed. I anticipate that debate will likewise stop on the road bill, as it has already stopped on the control bill. If it does stop, while I shall not interfere with any unanimous-consent agreements which may be entered into, I merely want to give notice, without wishing to be accused of byplay, since I am merely trying to assist Senators from other States, that when we proceed tomorrow, if debate ceases and there comes a lull, which I anticipate will come, I expect then to move to take up House bills 4815, 6114, and 5372.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Delaware.

Mr. McFARLAND. Mr. President, I have not quite finished. I do not anticipate that either of those bills will take over 30 minutes.

Mr. MAYBANK. I yield to the Senator from Delaware.

Mr. WILLIAMS. I have conferred with the majority and minority leaders relative to their intentions, and I withdraw my objection.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent agreement, as modified? The Chair hears none, and it is so ordered.

Mr. MAYBANK subsequently said: Mr. President, there seems to be some difference of opinion as to when we shall vote on the so-called public-roads bill on Tuesday next. It was my understanding at the time we agreed to the unanimous-consent agreement that the hour was changed, and the minority leader agreed.

Mr. WHERRY. To change the hour from 12:30 to 1:30.

Mr. MAYBANK. So that the record may be clear, because I assured the Senator from Arkansas [Mr. McCLELLAN], the Senator from New Mexico [Mr. CHAVEZ], and the minority leader with regard to it, I ask that the hour of 1:30 be officially recorded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL-AID HIGHWAY ACT OF 1950

The Senate proceeded to consider the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other

purposes, which had been reported from the Committee on Public Works with an amendment.

Mr. LODGE. Mr. President, on behalf of myself, the Senator from Rhode Island [Mr. GREEN], the Senator from Connecticut [Mr. MCMAHON], the Senator from West Virginia [Mr. NEELY], the junior Senator from Delaware [Mr. FREAR], the senior Senator from Ohio [Mr. TAFT], the Senator from Michigan [Mr. FERGUSON], the senior Senator from New Jersey [Mr. SMITH], the senior Senator from Massachusetts [Mr. SALTONSTALL], the Senator from California [Mr. KNOWLAND], the junior Senator from Ohio [Mr. BRICKER], the senior Senator from New York [Mr. IVES], the Senator from Pennsylvania [Mr. MARTIN], the senior Senator from Delaware [Mr. WILLIAMS], the junior Senator from New Jersey [Mr. HENDRICKSON], the Senator from New Hampshire [Mr. TOBEY], the junior Senator from Vermont [Mr. FLANDERS], the Senator from Illinois [Mr. DOUGLAS], the senior Senator from Vermont [Mr. AIKEN], and the junior Senator from New York [Mr. LEHMAN], I submit an amendment to the pending bill.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 20, beginning with the word "The" in line 4, it is proposed to strike out all down to and including "funds." in line 7, and insert in lieu thereof the following:

The sum herein authorized for each fiscal year shall be apportioned among the several States in the ratio which the population of each State bears to the total population of all States as shown by the latest available United States census, but no State shall receive less than three-fourths of 1 percent of the sum authorized to be appropriated for each year under this subsection.

TRANSACTION OF ROUTINE BUSINESS

Mr. IVES obtained the floor.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. MAYBANK. I thank the Senator from New York. Before the distinguished Senator from New Mexico presents his bill, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate and without speeches, and that they may be permitted to offer amendments.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT OF ECONOMIC COOPERATION ADMINISTRATION — MESSAGE FROM THE PRESIDENT (H. DOC. NO. 645)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States of America:

I am transmitting herewith the eighth report of the Economic Cooperation Administration created by the Foreign Assistance Act of 1948 (Public Law 472, 80th Cong.), approved April 3, 1948.

The report covers activities under the Economic Cooperation Act of 1948 (title I of Public Law 472), as amended, as well as the programs of economic aid to China under Public Laws 47 and 447, Eighty-first Congress, and to the Republic of Korea under the provisions of the Foreign Aid Appropriation Act of 1949 (Public Law 793, 80th Cong.), and Public Laws 430 and 447, Eighty-first Congress.

There is included in the appendix a summary of the status of the United States foreign-relief program (Public Law 84, 30th Cong.) and the United States foreign-aid program (Public Law 389, 80th Cong.).

This report covers the quarter ended March 31, 1950.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 17, 1950.*

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Acting Attorney General, transmitting, pursuant to law, copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien and the reasons for ordering suspension of deportation (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Acting Attorney General, transmitting, pursuant to law, copies of orders of the Commissioner of the Immigration and Naturalization Service granting the application for permanent residence to certain aliens, together with a statement of the facts and pertinent provisions of law as to each case, and the reasons for granting the applications (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAMES

Two letters from the Acting Attorney General, withdrawing the names of Petra Liduvina Luis nee Petra Lidwina Santos Del Rio, Ho Sang or Sang Ho or Ho Tin Sik, and Hans Wills Schrapler or Hans Schraepler, from a report relating to aliens whose deportation he suspended more than 6 months ago, transmitted to the Senate on January 16, 1950; to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by Aeronautical Industrial District Lodge 751, International Association of Machinists, Seattle, Wash., favoring the enactment of legislation providing an excess-profits tax; to the Committee on Finance.

A resolution adopted by the thirty-first annual encampment of the Veterans of Foreign Wars, Department of Pennsylvania, at Harrisburg, Pa., favoring the enactment of legislation requiring the registration of all Communists; to the Committee on the Judiciary.

UNIVERSAL MILITARY TRAINING—RESOLUTION OF FIFTH DISTRICT, THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Fifth District American Legion of Minneapolis, Minn., on August 2, 1950, relating to universal military training.

There being no objection, the resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

RESOLUTION REAFFIRMING FIFTH DISTRICT AMERICAN LEGION, DEPARTMENT OF MINNESOTA, SUPPORT FOR A UNIVERSAL MILITARY TRAINING PROGRAM

Whereas the Fifth District American Legion, Department of Minnesota, has previously supported the American Legion universal military training program; and

Whereas this program is now identified as the national security training program and embodied in Senate bill 66 and House bill 1305; and

Whereas the present world crisis clearly indicates the need for a permanent universal military training program to protect our country from aggression, and those countries of the world believing in our way of life: Now, therefore, be it

Resolved, That the Fifth District American Legion, Department of Minnesota, at its regular district meeting, August 2, 1950, reaffirm its support of the universal military training program, now known as the national security training bill and advise the United States Senators in the State of Minnesota, and the United States Representatives from this District of such action.

F. W. AMES, *Adjutant.*

POOLING OF UNUSED IMMIGRATION QUOTAS—LETTER FROM AMERICAN FRIENDS SERVICE COMMITTEE

Mr. HUMPHREY. Mr. President, I present for appropriate reference and I ask unanimous consent to have printed in the RECORD, a letter I recently received from Mr. Lewis M. Hoskins, executive secretary of the American Friends Service Committee, expressing the endorsement and support of that committee for S. 3950, a bill which I introduced, providing for the pooling of unused immigration quotas.

There being no objection, the letter was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

PHILADELPHIA, PA., *August 11, 1950.*

The Honorable HUBERT H. HUMPHREY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR MR. HUMPHREY: We were very much interested to receive the copy of S. 3950 which you recently introduced. While it is in general against our policy to have our name used in connection with pending legislation we are glad to express an opinion when it is requested. In this case I am happy to say that we are completely in sympathy with the provisions of your bill and hope that it will become law. We have long been concerned over the inequities and hardships that are caused by the rigidity of our immigration quota system and heartily favor this move in the direction of greater flexibility. We also endorse the bill on the basis of the fact that it makes possible complete utilization of the number of visas that our present law provides, instead of letting a larger proportion of them lapse each year.

In connection with the need for such a bill as you have introduced I should like to cite a case in point with which we are familiar. It is the case of two orphan girls born in Spain, of a Spanish mother and a Czech father, whose American aunt has been

trying for more than 5 years to get them to this country in order to provide for them. The death of the parents left these children completely alone in Spain, with no future to which they could look forward there. The aunt here is able and eager to give them a home and her own loving care, yet they have languished in a Spanish orphanage for over 5 years waiting for United States quota numbers. Even after this long wait, the Spanish quota is still so oversubscribed that no date for their coming can be predicted. This story is illustrative of large numbers of hardship cases that would be taken care of by the provisions of your bill which, as I have already indicated, we fully endorse.

Sincerely yours,

LEWIS M. HOSKINS,
Executive Secretary, American Friends Service Committee, Inc.

PREVENTION OF PROFITEERING—TELEGRAM FROM PRESIDENT OF WISCONSIN FARM BUREAU FEDERATION

Mr. WILEY. Mr. President, I have this morning received an important telegram from one of the outstanding farm leaders of my State, Mr. Curtis Hatch, the distinguished president of the Wisconsin Farm Bureau Federation. Naturally I am always delighted to hear from this splendid grass-roots farm organization which is so well represented in America's dairyland. Needless to say I agree absolutely with Mr. Hatch's contention that no one on the home front should profiteer from the war emergency. I ask unanimous consent that the text of Mr. Hatch's telegram be printed at this point in the body of the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MADISON, WIS., *August 16, 1950.*

ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

No one on home front should profit from war emergency. Pending defense production bill should treat all alike. Wages and prices should be controlled with profits if it necessary to impose price ceilings. Attempting to control one segment without the others unworkable. Desire your influence in act comprehensive stand by price and production bill avoiding piecemeal expedients and makeshift arrangements.

CURTIS HATCH,
President, Wisconsin Farm Bureau Federation.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 4037. A bill to protect the internal security of the United States, and for other purposes; with amendments (Rept. No. 2369).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 17, 1950, he presented to the President of the United States the following enrolled bills:

S. 305. An act for the relief of Julio Laffitte;

S. 459. An act for the relief of Cornelis Ruhtenberg, also known as Cornelis Ruhtenberg Helmsing;

S. 819. An act for the relief of Herman L. Weiner;

S. 918. An act for the relief of Clara Sogor;

S. 1222. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Agency, S. Dak.;

S. 1420. An act for the relief of Antonio Garcia Jiminez;

S. 1426. An act to authorize the sale of lands allotted to James Brown on the Crow Reservation, Mont.;

S. 1506. An act for the relief of Ardie Lan;

S. 1568. An act for the relief of Anna Rajmann;

S. 1800. An act for the relief of J. Don Alexander;

S. 1866. An act for the relief of Mrs. Clayre Louise Forsyth;

S. 2173. An act for the relief of Giuseppe Moschetti and his wife, Dina Bartoli Moschetti;

S. 2204. An act for the relief of Rudolph Farcher;

S. 2257. An act for the relief of Hyman Winterman;

S. 2401. An act for the relief of Elizabeth Martha Haug;

S. 2614. An act for the relief of O. O. Haugen;

S. 2617. An act for the relief of Ermalinda Mary Pizzuto;

S. 2780. An act for the relief of Jaime Riel;

S. 2897. An act for the relief of Hyman D. Langer and Alta Jourard Langer;

S. 2954. An act for the relief of Agnes Biro and Anna Biro;

S. 3005. An act for the relief of Olga Haddad;

S. 3017. An act for the relief of Sgt. James C. Hollon and Bessie L. Hollon;

S. 3059. An act for the relief of John J. Sebenick;

S. 3097. An act conferring jurisdiction on the United States District Court for the Southern District of Mississippi to hear, determine, and render judgment upon the claim of O. S. Foes;

S. 3129. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Rosebud Indian Agency, S. Dak.

S. 3233. An act for the relief of Dr. Frederick Daniel McDade;

S. 3289. An act for the relief of Hisako Okamoto;

S. 3325. An act for the relief of Isolde Bezner;

S. 3446. An act to authorize the restoration of Edwin M. Rosenberg, lieutenant commander, retired, to the active list of the United States Navy;

S. 3610. An act for the relief of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department;

S. 3611. An act for the relief of Dorrance Ulvin, former certifying officer, and for the relief of Guy F. Allen, former chief disbursing officer;

S. 3613. An act for the relief of certain Chinese stewards of the United States Navy;

S. 3614. An act for the relief of John B. Underwood, Jr., TMC, United States Navy; and

S. 3709. An act for the relief of certain disbursing officers and former disbursing officers of the naval service, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah:

S. 4059. A bill for the relief of Tokiko Ohara and her minor daughter, Vera Matsuno Vance; to the Committee on the Judiciary.

By Mr. MARTIN:

S. 4060. A bill for the relief of Yoshiko Yamauchi; to the Committee on the Judiciary.

(Mr. MAGNUSON (for himself, Mr. LUCAS, Mr. MYERS, Mr. KILGORE, Mr. KEFAUVER, Mr. GRAHAM, Mr. GREEN, Mr. DOUGLAS, Mr. HUMPHREY, and Mr. LEHMAN) introduced Senate bill 4061, to protect the internal security of the United States, and for other purposes, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

(Mr. TYDINGS (for himself and Mr. MALONE) (by request) introduced Senate bill 4062, to provide for the common defense by establishing a universal training program, and for other purposes, which was referred to the Committee on Armed Services, and appears under a separate heading.)

By Mr. MAGNUSON:

S. 4063. A bill to amend the act of July 24, 1941 (55 Stat. 605), as amended, so as to remove the discrimination now existing against certain members of the Fleet Reserve and Fleet Marine Corps Reserve; to the Committee on Armed Services.

INTERNAL SECURITY

Mr. MAGNUSON. Mr. President, on behalf of the majority leader, the Senator from Illinois [Mr. LUCAS], myself, the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. KILGORE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Rhode Island [Mr. GREEN], the junior Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from North Carolina [Mr. GRAHAM], and the Senator from New York [Mr. LEHMAN], I introduce a bill to protect the internal security of the United States, and for other purposes, and request its immediate reference.

The bill (S. 4061) to protect the internal security of the United States, and for other purposes, introduced by Mr. MAGNUSON (for himself, Mr. LUCAS, Mr. MYERS, Mr. KILGORE, Mr. KEFAUVER, Mr. GRAHAM, Mr. GREEN, Mr. DOUGLAS, Mr. HUMPHREY, and Mr. LEHMAN), was read twice by its title, and referred to the Committee on the Judiciary.

INCREASE IN LIMIT OF EXPENDITURES BY COMMITTEE ON FOREIGN RELATIONS

Mr. CONNALLY submitted the following resolution (S. Res. 332), which was referred to the Committee on Rules and Administration:

Resolved, That the Committee on Foreign Relations hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, as supplemented by Senate Resolution 148, agreed to August 11, 1949.

DEFENSE PRODUCTION ACT OF 1950—AMENDMENTS

Mr. HUNT submitted an amendment intended to be proposed by him to the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. FULBRIGHT submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. FULBRIGHT (for himself and Mr. DOUGLAS) submitted amendments intended to be proposed by them, jointly, to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. CAPEHART submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. SALTONSTALL submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

Mr. YOUNG submitted an amendment intended to be proposed by him to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

Mr. MAYBANK submitted an amendment intended to be proposed by him to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

Mr. KEM submitted an amendment intended to be proposed by him to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

Mr. IVES submitted an amendment intended to be proposed by him to Senate bill 3936, supra, which was ordered to lie on the table and to be printed.

HOUSE BILL PLACED ON CALENDAR

The bill (H. R. 8195) to rescind the order of the Postmaster General curtailing certain postal services was read twice by its title and ordered to be placed on the calendar.

GENERAL APPROPRIATIONS, 1951—CHANGE IN CONFEREES

Mr. HAYDEN. Mr. President, I ask unanimous consent that I may be relieved from further service as a Senate conferee on chapter IX of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes which deals with civil functions, and that the Senator from Louisiana [Mr. ELLENDER] be appointed in my place.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arizona? The Chair hears none, and appoints the Senator from Louisiana [Mr. ELLENDER].

Mr. HAYDEN. I further ask unanimous consent that I may be relieved from further service as a Senate conferee on chapter X–A and X–B and chapter XI of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, and that the Senator from Wyoming [Mr. O'MAHONEY] be designated in my place.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arizona? The Chair hears none, and appoints the Senator from Wyoming [Mr. O'MAHONEY].

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Norman O. Tietjens, of Ohio, to be judge of the Tax Court of the United States for a term of 12 years from June 2, 1950, vice John A. Tyson.

By Mr. CONNALLY, from the Committee on Foreign Relations:

Josiah Marvel, Jr., of Delaware, to be a member of the International Claims Commission;

Raymond S. McKeough, of Illinois, to be a member of the International Claims Commission;

Roy G. Baker, of Texas, to be a member of the International Claims Commission;

Orin Lehman, of New York, to be a member of the Public Advisory Board;

Milton Katz, of Massachusetts, the United States special representative in Europe, to serve concurrently as a representative on the Economic Commission for Europe of the Economic and Social Council, vice W. Averell Harriman, resigned;

Woodbury Willoughby, of Virginia, to be a foreign service officer, consul, and secretary in the diplomatic service, and sundry other persons for appointment in the diplomatic and foreign service; and

Stanley R. Chartrand, of Colorado, and sundry other foreign service officers to be consuls and secretaries in the diplomatic service.

THE FAITH OF OUR FATHERS—ADDRESS BY WILLIAM JENNINGS BRYAN, JR.

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address entitled "The Faith of Our Fathers," delivered by William Jennings Bryan, Jr., which appears in the Appendix.]

TWENTY-EIGHTH CALLED UP—EDITORIAL FROM THE WASHINGTON (PA.) REPORTER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Twenty-eighth Called Up," published in the Washington (Pa.) Reporter of August 2, 1950, which appears in the Appendix.]

APPOINTMENT OF MAJ. GEN. NORMAN D. COTA AS DIRECTOR OF CIVIL DEFENSE IN PHILADELPHIA, PA.

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial from the Philadelphia Inquirer with reference to the appointment of Maj. Gen. Norman D. Cota as director of civil defense in Philadelphia, Pa., which appears in the Appendix.]

WASHINGTON AND THE WAR—EDITORIAL BY VIRGINIUS DABNEY

[Mr. BYRD asked and obtained leave to have printed in the RECORD an editorial entitled "Washington and the War," written by Virginius Dabney and published in the Richmond Times-Dispatch of August 17, 1950, which appears in the Appendix.]

LILY-WHITE BAR—EDITORIAL FROM THE WASHINGTON POST

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Lily-White Bar," published in the Washington Post of August 6, 1950, which appears in the Appendix.]

CITATION OF SENATOR LODGE BY LIFE MAGAZINE

Mr. IVES. Mr. President, two qualities which are highly prized in a legislator are foresight and effectiveness—that is, first, the capacity to look ahead into the future and, secondly, the capacity to get results actually enacted into law. In an editorial in the current issue of Life magazine, praise is bestowed on our colleague, the junior Senator from Massachusetts [Mr. LODGE], for having demonstrated these qualities.

The editorial refers primarily to his bill to authorize the enlistment of aliens in the Army. This bill clearly showed foresight, because, if we had enacted this legislation when he first proposed it in 1947, there could now be good, strong, anticommunist foreign armies all over the world. It is proof of effectiveness, because he secured the passage of actual legislation which was signed by the President a few weeks ago.

To this could be added his motion in 1947 to amend the appropriations bill so as to provide funds for a 70-group air force; his advocacy in that year of building up the Army; and his sponsorship of the Lodge-Brown bill, which set up the Hoover Commission and which became law in the Eightieth Congress. The proposed constitutional amendment to abolish the electoral college and count the electoral vote in proportion to the popular vote, which, for the first time in history, passed the Senate by a two-third majority, is also a case in point.

Mr. President, ordinarily I should ask permission to insert editorials in the Appendix, but in this instance I ask that this editorial be printed in the body of the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TARGETS FOR OPPORTUNITY

As another example of senatorial leadership, we cite HENRY CABOT LODGE, JR. He has to the credit of his foresight passage of a bill providing for enlistment of 2,500 aliens (he wanted 10,000) in the United States Regular Army. From the large pool of officer-caliber candidates available it should be possible to enlist high-class professional soldiers able to speak foreign languages—one of the great lacks in our Military Establishment.

Senator LODGE's bill is the equivalent of providing us with a specially valuable weapon. For which, all thanks. Valuable in itself, this kind of action serves to illustrate the many targets of opportunity we have available. We have to mobilize effectively not only ourselves but all of the more than one billion people outside the iron curtain who, under inspiring leadership, will work and fight for the total defeat of world communism.

WARNING AGAINST INVOLVEMENT IN MILITARY STRUGGLE WITH RED CHINA

Mr. WILEY. Mr. President, the most menacing element in the whole world situation is the possibility that hundreds of thousands of crack Chinese Communists will move into the Korean area.

I believe, therefore, that America's diplomats and other leaders must exercise every possible precaution so as to prevent ourselves from being trapped

into an endless struggle with the Chinese Reds. If Joe Stalin were to spring that trap, it would constitute the worst military and diplomatic disaster for the United States in our history.

One of the principal ways by which we can prevent this from coming about is by mobilizing the friendly peoples of the Far East on our side, the people of India, the people of the Philippines, so that the Communists will not be able to pretend that they are in a holy race war against the white race.

In line with these comments I have issued a release today condemning what I feel to be bungling in the Far East. In this statement I have reemphasized points made by the minority members of the Foreign Relations Committee.

I ask unanimous consent that the text of my release be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

WILEY CAUTIONS ADMINISTRATION TO PLAN AGAINST MILITARY INVOLVEMENT WITH RED CHINA

A warning that America hovers at the brink of military disaster by becoming involved in an endless battle with 400,000,000 Red Chinese has been issued by Senator ALEXANDER WILEY, Republican, of Wisconsin.

The Wisconsin Senator, ranking Republican member on the Foreign Relations Committee in the illness of Senator VANDENBERG, has asked the administration for a complete report of its diplomatic and other plans by which we can avoid a complete debacle which would occur if Soviet Russia were to order the Communist armies of Mao Tse-tung to pour over the borders into Korea beachhead or into the lands of southeast Asia.

The American people have not been informed of the tremendous stakes involved in the Far East. We have been told that the Russians might make a move in Iran, Yugoslavia, or elsewhere; but a move by satellite troops in those countries would be as child's play compared to what would happen if the Chinese armies were to engage our hopelessly outnumbered American forces in Korea or in Malaya, Indochina, and so forth.

WILEY BLASTS CRITICISM OF GOP STATEMENT

The Wisconsin Senator thus renewed an attack on the Administration's foreign policy which began on Monday, August 14, with the filing of a statement by the four minority members of the Senate Foreign Relations Committee against the series of blunders which have led us to the present appalling situation in Asia.

WILEY dismissed the charges made by administration Senators that the Monday GOP statement was pettifogging. On the contrary, said WILEY, "we of the Republican minority on the committee have raised the most crucial issue of our time—namely a Far East catastrophe because we are sincerely devoted to the welfare of 150,000,000 Americans, a completely nonpartisan objective."

WE WILL NOT UNITE BEHIND BUNGLING

"We will not allow the cloak of national unity to be wrapped around horrible blunders. We will not unite behind bungling. That would be the complete absence of patriotism. We will back our brave fighting forces in Korea, but we will never back the diplomatic disasters being brewed for us by incompetence and sheer bluff."

WILEY criticized the failure to recognize the potential Chinese disaster as another example of the administration's ostrich in the sand policy. "The Democrats have long been accusing the Republicans of what they (the Democrats) sneering called isolationism, and yet there is no more guilty isolationist group to be found anywhere than in the State Department leadership and in congressional Democratic leadership which has failed to recognize the horrible Asiatic mess into which administration blunders have plunged us.

"The Russians have baited a trap for us in the huge land mass of China. The five divisions or so that we may commit to Korea would be as nothing compared to the fifty or many times more divisions that would barely make a dent in facing the Chinese Red Armies. It is silly for the administration to talk about using the atomic bomb as if that would solve all our problems. Instead the atomic bomb would create terrible new ones."

WE MUST USE ORIENTAL ALLIES TO PREVENT RACE WAR

"The greatest challenge that we now face is to use every ounce of diplomatic strategy that we have in preventing the Chinese Red Armies from becoming involved with us in a titanic struggle. Such a conflict would bleed us completely dry—bleed us of our manpower, bleed us of our arms, bleed us of our economic strength. The Chinese Reds can and may act if they are convinced that they can rally their people and other Asiatic people in a crusade of the Orient against the white man, represented by the United States. It is up to us, therefore, to use our good friends among the peoples of the Far East, the peoples of the yellow and other races, the people of the Philippines, the people of India, so as to prevent the Communists from attempting to stir up a race war against the United States.

"I stand by our GOP statement that one of the worst contributing factors to the appalling series of disasters in the Far East consisted in President Roosevelt's and the State Department's 'sellout' of European and Asiatic peoples at the Yalta, Cairo, and Tehran secret conferences."

GOP RECORD HAS BEEN SOUND

"We of the GOP have consistently pointed out the menace in the Far East, at the same time as we have aided in the bipartisan policy in Europe.

"Let me say just a brief word on our historical record. We of the Republican Party, before World War II, were mostly noninterventionists. We supported the position of 90 percent of the American people who, according to every public opinion poll, did not want to become entangled in the war, if it was humanly possible. I personally supported this policy of nonintervention, but simultaneously, I—

"(a) voted for or supported every single dime that was requested by the Defense Department—thirty-nine billions in all;

"(b) fought to protect international law and to prevent deliberate acts of war;

"(c) warned of the danger in the Far East and in particular of a surprise attack against our far-eastern fleet (this was in February 1941, 10 months before Pearl Harbor);

"(d) warned of the menace of the fifth column here at home; and

"(e) warned that the Army, and the Navy, and the Air Force were fumbling the ball by failure to build up new military weapons."

REPUBLICANS HAVE SUPPORTED ANTI-RED EFFORT IN EUROPE

After World War II, I supported every single plank in the program of European bipartisan policy. Yes, other Republicans and I voted for the British loan, the Greek-Turkish loan, Bretton Woods, UNRRA, the Marshall Plan, the North Atlantic Pact, the military-assistance bill, military aid to Korea, point 4, aid to China, aid to Spain, and every other single bill that has ever been presented, designed to build up the bulwark against communism in Europe. At the same time, however, we have insisted that the administration was leading up down a blind alley of isolationism in the Far East.

MY WARNING THREE AND ONE-HALF YEARS AGO

"Lastly, without taking any bows but merely citing the facts, I refer my readers to an occasion 3½ years ago.

"You will find in the CONGRESSIONAL RECORD of February 10, 1947, the text of a radio address which I delivered in which I stated as follows in an open letter to President Truman:

" 'There stands the Russian bear whose official literature proclaims the inevitable conflict between the Communist and capitalistic worlds. Are we ready? We are not * * * nor have we even made plans to be ready. Many of the brass hats fattening on their belated success are lolling back in the same mental attitude as that of 1917 and 1939.

" 'After the First World War, they were content to improve on "Squads right," sink our battleships, and ignore Billy Mitchell's warning. We must announce total preparation to meet any emergency.'

"I urged President Truman to announce total defense against over-all warfare. I stated, announce it to the world, so potential enemies will know we are ready.

"Among my points on total plans against total emergency were these:

" 'Necessary as economy is, we must not slash vital appropriations for our defense, particularly bacteriological, atomic, and guided missiles research * * * a worldwide intelligence system superior to that of any other power * * *. There will be no time for setting up Federal emergency agencies. This must be done in advance. * * * We must have and maintain in usable condition stockpiles of every essential needed by the civilian population as well as the military to carry on in the event of attack.'

"The President chose not to heed that and other appeals which other Republicans and I made for preparedness. As a result, our men found themselves with weapons which bounced harmless shells off tanks like so many ping-pong balls. We do not have the stockpiles; we do not have the emergency agency set-up nor the decentralized position. We do not have the plan for overall control of our economy nor do we have the plan for psychological preparedness which I also urged.

"In fact, all we have is the bluff and bluster of the incompetent, unprepared Democratic administration. Brave men—the sons of American people are dying in Korea today, because of our inadequacy. Will our brave Americans perish in worse catastrophies to come?"

CONFIRMATION OF NOMINATIONS IN THE ARMED SERVICES

Mr. TYDINGS. Mr. President, before taking up a matter which I should like to discuss, I ask, as in executive session——

The PRESIDENT pro tempore. Will the Senator yield for other Senators who are seeking to insert matters in the RECORD?

Mr. TYDINGS. Mr. President, I shall not take very long. I waited for 2½ hours yesterday to get an opportunity to make a statement, so I do not feel like yielding today.

I ask, as in executive session, to report routine nominations for promotion in the armed services which come from the Committee on Armed Services unanimously and against which no objections have been heard after the nominations had lain on the committee table for a

week. I ask for their immediate confirmation and that the President be notified.

Mr. MAYBANK. Mr. President, I object. The request has been granted that Senators be permitted to introduce bills and make insertions in the RECORD.

Mr. TYDINGS. Mr. President, I withdraw the request, and shall proceed on my own time.

The PRESIDENT pro tempore. The request is withdrawn.

UNIVERSAL MILITARY TRAINING PROGRAM

Mr. TYDINGS. Mr. President, I send to the desk for introduction a bill dealing with selective service which has just come to me from the National Defense Establishment, together with a letter from the Secretary of Defense, dated August 16, 1950, which I desire to read——

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MAYBANK. Did I not ask unanimous consent for Senators to introduce bills and insert matters in the RECORD? I just want to get the RECORD straight.

The PRESIDENT pro tempore. That is correct.

Mr. MAYBANK. With all my appreciation of the distinguished Senator from Maryland, I assured other Senators that they would have an opportunity to insert matters in the RECORD.

Mr. TYDINGS. Mr. President, I am making a statement for the RECORD. Is there any objection to that?

Mr. MAYBANK. All I desire to know from the Presiding Officer is whether the agreement is still in effect, because some Senators want to offer amendments——

Mr. TYDINGS. Mr. President, they can file their amendments.

Mr. WHERRY. Mr. President, if the distinguished acting majority leader will yield, I think it would be perfectly in the interest of good procedure to ask unanimous consent that the distinguished Senator from Maryland finish his statement. He is not going to be long, I take it. That would be perfectly agreeable to me.

Mr. CHAVEZ. Mr. President, I am sure it is agreeable to me, but we should have order. Prior to the unanimous-consent agreement the acting majority leader asked that Senators be allowed to insert matters in the RECORD, and after that we should try to proceed in regular order with what the Senate agreed unanimously to do, namely, to proceed with the consideration of House bill 7941. I should like to proceed in that way.

Mr. TYDINGS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TYDINGS. Under the agreement into which we have entered, when a Senator obtains the floor is there any limitation on the amount of time he can speak?

The PRESIDENT pro tempore. No.

Mr. TYDINGS. I have the floor in my own right, and I shall not yield to any Senator for any purpose.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CHAVEZ. Mr. President, I can yell as loudly as can the Senator from Maryland. No one can browbeat me. I have no objection, but I want to make this parliamentary inquiry. If any Senator is tolerant, I am, and I am not arrogant, either.

Mr. President, I have a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CHAVEZ. What is the pending business?

The PRESIDENT pro tempore. The pending business is the consideration of the public road bill.

Mr. CHAVEZ. Directly after the unanimous-consent agreement was made, should not the chairman of the committee handling the bill have been recognized?

Mr. TYDINGS. Not unless he was on his feet.

The PRESIDENT pro tempore. Not unless he addressed the Chair. If the Chair had seen him on his feet he would have been recognized.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MAYBANK. Mr. President, I have no objection, and I concur in what the Senator from Maryland is doing, but I had assured the Senator from West Virginia [Mr. KILGORE] and the Senator from Arkansas [Mr. FULBRIGHT] that they would have an opportunity to insert matters in the RECORD. I want to be sure that they shall have an opportunity when the Senator from Maryland has completed his remarks.

Mr. TYDINGS. Mr. President, if Senators simply want to file amendments, without lengthy explanations, I shall be very glad to yield to them for that purpose before I start.

Mr. MAYBANK. I thank the Senator.

NEED FOR CONTROLS IN INDUSTRIAL AND AGRICULTURAL SECTIONS OF WEST VIRGINIA

Mr. KILGORE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from the assessor of Wyoming County, W. Va., which describes accurately and bluntly the need for controls in the industrial and agricultural sections of my State, and which shows terrible abuses existing there with reference to prices, and atrocious practices. For that reason, Mr. President, I ask unanimous consent to have the letter printed in the body of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF ASSESSOR,
WYOMING COUNTY,
Pineville, W. Va., August 10, 1950.

Hon. JOHN KEE,
Congressman.
Hon. M. M. NEELY,
United States Senator.
Hon. HARLEY M. KILGORE,
United States Senator.

DEAR CONGRESSMAN AND SENATORS: We are again engaged in a terrible war, and justly so. Fighting that all the people may enjoy freedom and liberty which God intended for everyone regardless of race, color, or creed. For these principles we were justified in entering this war. To all our sorrow and regret we have hoarders, profiteers, chiselers, and those engaged in the black-market business, grabbing everything that got scarce in World War II.

It is getting impossible for us to go to an honest merchant and buy a pound of sugar, coffee, soap, pepper, tires, and dozens of other commodities needed daily.

But on the other hand we have large trailers holding as much as boxcars making trips through the country selling sugar only in 500 pounds to the customer. This makes it impossible for the common man and working people to be able to buy at from 16 cents to 18 cents per pound. I have heard it reported that individuals are buying 1,000 pounds of sugar at a time, $15 worth of black pepper to the family, and as high as eight sets of automobile casings to one individual. There are dozens of other like reports on other scarce articles.

Our sons would not like to fight for a dirty bunch of traitors like this if they knew what was going on over here in America.

This dirty bunch of chiselers, profiteers, and dealers in the black-market business back here that are getting rich robbing the men, women, and children working in the factory, on the farm and in the mine, and other honest occupations are not worth our sons dying for.

Isn't there some way where we can clamp down upon such people as I have mentioned and expose them through the press?

For God's sake and the sake of decent humanity let's get the FBI and all State police and all local officers lined up in West Virginia and smash hell out of this damnable traitorious bunch who have set out to make billions from the black-market business from honest, hard-working, patriotic people.

Very truly yours,

HENRY CLAY,
Assessor of Wyoming County.

UNIVERSAL MILITARY TRAINING PROGRAM

Mr. TYDINGS. Mr. President, I shall not talk long. I wish to address myself to the selective service and universal military training proposals. In response to a request made by me some time ago, the Secretary of Defense sent a letter to me this morning, which I should like to read for the information of Senators:

THE SECRETARY OF DEFENSE,
Washington, August 16, 1950.

Hon. MILLARD E. TYDINGS,
Chairman, Armed Services Committee,
United States Senate.

MY DEAR MR. CHAIRMAN: This is in response to the recent inquiry received from you as chairman of the Armed Services Committee asking for a report on the bill S. 66 which provides for a system of universal training for the young men of America. In addition to this bill, other proposals for universal training have been introduced in the Senate and in the House of Representatives, and I should like this letter to be considered as a report on those bills also, as well as being a general discussion of the subject of universal training.

As you know, the Select Committee on Post War Military policy of the House of Representatives considered various proposals for universal training in 1945, but after lengthy hearings, took no further action. President Truman addressed a joint session of the Congress on October 23, 1945, and strongly recommended a program of universal training. The President has renewed his recommendations to each session of Congress since that date, most recently in submitting the budget for 1951.

In addition to the hearings held by committees of the Congress from time to time,

the Congress has the advantage of the recommendations contained in the very excellent report of the Advisory Commission on Universal Training, under the chairmanship of Dr. Karl T. Compton. The statesmanlike conclusions unanimously reached by that Commission in 1947 have been taken into account in the various bills which have been introduced in the Congress since that time. The recommendations of that Commission still constitute a solid foundation for a program of universal training.

In my opinion, the recent events in Korea have only served to emphasize the fact that universal training is an essential element of an integrated and balanced system of national security. It is vitally necessary that there be a program which will assure the Nation that all mentally and physically qualified young men are subject to a period of active training and that, thereafter, these young men be available for service in such capacities where they would be most needed in the event of national emergency. Universal training is the only means of providing on a continuing basis sufficient numbers of men for the reserve forces. There is no long-range alternative to large standing forces except universal training.

As the Congress knows, we are faced with the necessity of increasing very rapidly the size of the military forces on active duty, and we cannot divert officers and men of the regular services to the task of planning and beginning a training program at this time. Therefore, while I urge most strongly the immediate consideration and enactment of legislation authorizing universal training, I wish to recommend that the Congress include in such legislation the proviso that universal training will not be initiated until such time as the President may direct.

I believe that when your committee considers universal-training legislation, it will find that certain changes are desirable in the bills which have been introduced to date. I am enclosing the most recent draft of a universal training bill, as prepared by the Department of Defense. This draft is based upon the legislation recommended by the administration in 1948, brought up to date to take into account various statutes that have been enacted since 1948, including the Uniform Code of Military Justice. This draft is currently undergoing review within the executive branch, and any changes in this draft which such review indicates to be desirable will be communicated to you in the immediate future.

With warm personal regards, I am,

Sincerely yours,

LOUIS JOHNSON.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes.

Mr. MAYBANK. A short time ago the Senator sent to the desk certain nominations which were approved unanimously by the Committee on Armed Services. I wish to withdraw my objection so that they may be considered. The reason I objected previously was that several Senators desired to submit routine matters for the RECORD and introduce bills, and for that reason I objected at that time. I have no objection now.

Mr. TYDINGS. I thank the Senator.

Mr. WHERRY. Mr. President——

Mr. TYDINGS. I hope the Senator will not interrupt me at this time. I am very anxious to complete my statement.

Mr. WHERRY. I merely wished to know the date of the letter. I understood the Senator to say it was dated August 26.

Mr. TYDINGS. August 16, 1950.

It would be idle to say that the Congress or the country can get ready for world war III. There is no such thing as being ready. We simply get ready as best we can. When we have done everything that can be done, and everything that one can imagine should be done, we shall always surely find when war comes that there are some things one wished he had thought of, and that will not have been done when war breaks out. I suppose I have made about 12 speeches on this subject on the floor of the Senate in the past 4 years, and I have used a little expression, which is not original with me, in trying to point up the danger inherent in the present situation. I have said that never, never, never again will the United States enjoy the luxury of time in which to get ready. Heretofore the great oceans gave us time. Before the day of the airplane we could rest reasonably content between the great Atlantic and Pacific Oceans, and with our great Navy we could feel that no matter what happened we could have a reasonable time within which to call men from the farms, shops, counting rooms, and factories and put the Nation in a state of reasonable preparedness. With the coming of the atomic age, the intercontinental bomber, the snorkel submarine, and various other inventions of science, time is something we cannot buy with all the billions of dollars in Christendom. Time is now, whereas a decade or so ago it was next month, next year, or the next 5 years. Time is the present second, the present minute, the present hour, the present day. Speed, the element of surprise, the magnitude of destruction possible in a single day, accompanied by a surprise attack baffles the imagination of every reasonably informed man.

America is very strong economically. American is very strong on the sea, with its great Navy and naval aviation. America is very strong in the air in an over-all capacity with its great Air Force. American is very strong in the atomic field. But America and the countries with which America is associated are not strong in ground forces. If there is anything to be learned from the tragic days of our experience in Korea, it is that we must always have ground forces. I would be the last one in the world to advocate cutting down the Navy or naval aviation, or the Air Force, but we must, while keeping these branches strong, set about, and set about quickly, to build up our ground forces. In my opinion, so long as we are the principal partner in the North Atlantic alliance, we must aid the countries who are allied with us in the creation of a ground army on the spot in Europe.

I see sitting in the room the able and eminent Senator from Texas [Mr. CONNALLY]. He and I, as co-chairmen of the committee composed of members of his committee and my committee, recently scanned the general picture in Europe. I cannot quote him, but I do not think he will disagree with the observation that, even though great progress has been made in Europe in the creation of a ground army, the fact remains that because European countries were occupied for 5 years, during which time many of them had no armies, because the dictator permitted them to have no armies, and during which time their bridges and ships were destroyed, their harbors filled with sunken ships, their homes bombed, railroad rolling stock destroyed, and thousands of miles of track torn up, they do not have the economic vitality to create the revenues which are essential to support a considerable number of troops.

Whether we create it or not, either they must formulate a ground army for the North Atlantic security countries, or we must do it. Of course, the obvious and best way to deal with this matter is for both ourselves and for them to do it jointly, within reason and within equity, each doing what it can afford to do best.

Even if we create the ground army in America, and war should come between ourselves and the great Russian power—and the battlefield certainly in the initial stages would be Europe—our army would not be over there to meet the aggressor. At best it would be 3,000 miles away. It would take considerable time to move it there, and if the continent of Europe should by any chance be lost to our alliance, we would have to go through the same experience through which we went in World War II, when General Eisenhower led the great attack, first at Anzio and then at Normandy, which, after years of preparation, launched the great operation that culminated in the fall of Berlin.

Therefore, even if we have a great ground army, that is not alone going to solve our preparedness problem, unless hand in hand with the development of our ground forces we induce our allies to do more than they have done up to the present, and we do what is necessary to help them reach what we might call the irreducible minimum of troops.

Mr. President, a long time ago, when I was a young lawyer, I defended a colored girl in a criminal case. Her mother came to my house one Sunday and asked me if I would not defend her daughter. I had been practicing law only about 9 months, and as a young man in his very early twenties I was in those days, although I was not wealthy and am not yet, more interested in winning a case than I was in getting a fee. So I learned the details of the particular case from the mother of the colored girl accused.

I told her I would represent her daughter. We had not mentioned money up to that time. She left, and after going some distance, turned around and came back and said, indicating with her fingernail, "Mr. TYDINGS, as soon as I see that much of that girl's nose outside of the jail, you will get your money." I not only got her nose out, fellow Senators, but her entire anatomy, and from that day to this I have not even mentioned or received a single penny for that heroic act.

The point is one which we might apply here and now, with respect to the situation in Korea. We hear on all sides, "Why this, why that, why not this, why not that?" That will continue to be heard on the Russian perimeter, or elsewhere, until we give to the United States of America a ground force able to deal with the situations which may arise. But it simply is not possible to create a

ground force overnight, or create a Navy overnight.

Mr. THYE. Mr. President——

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Maryland yield to the Senator from Minnesota?

Mr. TYDINGS. I yield.

Mr. THYE. Not desiring to differ with the Senator relative to his statement in connection with the universal military training bill, we must not leave the issue as if we did not have the authority to get men, which is the big question we are meeting in connection with the situation in Korea. We have the Selective Service Act. The authorities did not exercise their power to call up the young men under the law which was enacted by Congress, permitting the War Department and the Government to train foot troops to meet any crisis such as the one which now exists in South Korea. Let us keep the record clear so that the mothers and the fathers, and the people of the United States generally, may not feel that we in Congress have failed to meet a crisis.

The Selective Service Act was passed, and from time to time I have heard the statement that we are not calling up men because the world situation has improved; we are closer to peace now than we have ever been since the end of the war, and we have not needed the young men from the factories, or the farms, or the business places. Let us keep the record straight. The military training program could have been carried out under the Selective Service Act, but the authorities did not do it, and the one who could make the decision has the responsibility on his shoulders.

I am not differing with the Senator's pleas for a universal military training program.

Mr. TYDINGS. What the Senator says I think must to a great extent be admitted, in candor. In Congress we have furnished the machinery for getting the men. I am not a member of the Committee on Appropriations, except in a limited manner on some bills, but I rather take it that the Appropriations Committees of the two Houses have laterally afforded such funds, in the main, as the military authorities thought would be required.

There is no point in going back over that, particularly, and the Senator from Maryland is not in any way attempting to find fault with the military, or with the Congress, or with anyone. He is merely standing on the ground of the present and looking to the horizon of the future and hoping to be guided somewhat by the lessons of the past in drawing a picture which, in his judgment, must now be faced lest again we find ourselves caught unprepared.

It is my thought that we do not have to rely on the military in all matters to tell us what the character and kind and extent of defense should be. We have a responsibility now of making sure that the military will have more of everything than they probably need, because this is not only a question of winning the war, but it could be a matter of whether we survive or not.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. TYDINGS. I yield to the Senator from Minnesota.

Mr. THYE. I fully concur in what the able Senator from Maryland has stated. In this time of world crisis, the world having shrunk as it has, modern transportation, the speed of planes, the mechanical control of missiles, new types of bomb, have led this Nation right onto the battle front, so to speak. We need universal military training in order to equip the oncoming generation to defend itself, and to know how to deal with modern warfare, whether it is on the home front or on a foreign battlefield. For that reason I shall support universal military training, and I think the Senator's statement has been timely and to the point as to what is necessary in the United States.

Many persons will disagree with those of us who advocate universal military training. Some years ago I was opposed to it. I felt we could deal with the necessity for defense through selective service, and I supported that phase of military preparation. But in view of the developments in the study of atomic energy, and mechanically controlled missiles, which can be shot through the air at any altitude, and can reach their objective with almost perfect accuracy, I feel that for the safety of the people, whether civilian or military, universal military training is a necessity in order that we have trained men in every corner of the Nation, as well as on the battle front.

Mr. TYDINGS. I thank the Senator.

Mr. THYE. So I shall support the Senator in what he is proposing.

Mr. TYDINGS. I should like to say about the Senator from Minnesota, although he may not think that I have noticed it, that I have observed, since I have been chairman of the Committee on Armed Services in the Senate, that he has always been anxious and willing, and vociferous, when necessary, in rallying to the support of needed defense measures. I can recall several instances during the pendency of bills which were controversial when he has risen and, in his rather quiet but convincing manner, contributed a great deal to the enactment of the measures.

I should like at this time to review a few of the things we have done in the past 18 months. I regret that our military officials have probably erred on the side of optimism, and that we have not done some other things which, in the light of the present experience, might have been done.

Mr. President, my predecessor as chairman of the Armed Services Committee, the Senator from South Dakota [Mr. GURNEY], who, to my very great regret, is leaving the Senate, and leaving my committee, introduced the universal military training bill following the appointment and report of the Compton committee either in 1947 or 1948. We held hearings on the bill, but sufficient sentiment did not develop in the country to warrant bringing out the bill when those on the other side of the aisle were in control of both Houses of Congress. The Senator from South Dakota made a valiant effort to get the proposed legislation on the floor. But we were entering a period of so-called normalcy, and the emphasis was on tax reduction and prosperity rather than on survival.

When I became chairman of the Armed Services Committee in 1949, I reintroduced the bill, in January 1949. There seemed to be little sentiment for the measure. We had some discussion about it, but it was generally recognized that the military authorities and the people of the country together had formed the opinion that we did not have to go to such an extreme as universal military training. Now, I think we should come face to face and at grips with the problem.

I have—pardon the use of the personal pronoun, first person singular, but I have to illustrate my point in this fashion—in the past 4 years had the good fortune to visit a great many of the defense ministers of western Europe. I have had the good fortune to talk to the defense chiefs of staff of the great countries of western Europe. I have had access to a great deal of confidential information. I think I have said on the floor of the Senate several times that in my judgment it would be a long, long time before the countries of western Europe, emerging from the ravages of the last war, would be in a position successfully to engage in a war, to perform the task which must be performed if we are to have the degree of defense over there and over here for which we all long. I have advocated not only Marshall-plan aid to help them revive their economy so that it would be sufficiently dynamic to furnish taxes with which to support a military renaissance, but I have likewise helped the chairman of the Foreign Relations Committee to get through the Senate the various arms assistance measures which would accelerate their contribution to the safety of us all.

I have no authority to speak for anyone else, and I am speaking in my individual capacity. I am not speaking for any of the military men. They may disagree with me; I want that understood. In my judgment, even after what we have done up to now—and I think I could prove it in executive session—it is going to be a long, long while before western Europe can evolve the strength and vitality, can enlist sufficient numbers of men, and produce weapons in sufficient quantity to make its contribution to the ground forces of the North Atlantic Security Pact countries what the American people hope it will be and what the people over there would want it to be.

Mr. President, we have the alternative of letting them do the best they can, in which event, if war comes, we must do more than we would have had to do if they were stronger. We will be furnishing not only a large part of the Navy—practically a majority of it by long odds—a great deal of the Air Force, all the atomic bombs, and, if we do not watch out, we will be furnishing most of the ground army, too, and the drain upon the economic machine in fighting a war of the magnitude I fore-

see will be exceedingly severe. It will be global in extent, against a country it is very hard to penetrate except by the air, and difficult to occupy even if we defeat her, so great is her extent and so ramified are her interests, and so extensive is the spread of the Communist philosophy. Therefore, we may very well even win and yet lose all as we stand amid the shambles of what it has done to this economic machine of ours, our way of life, our traditions, and our freedom.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. Let me finish.

Mr. WHERRY. Very well, I will wait until the Senator concludes.

Mr. TYDINGS. I do not want to be discourteous, but I should like to go on.

Mr. WHERRY. I shall be glad to wait.

Mr. TYDINGS. I shall yield plentifully before I get through.

So, my fellow Senators, I hope we will form the resolution, if Senators agree with me, to take money to the extent necessary, and take it soon, and with it put in the hands of the countries of western Europe the margin which they need in weapons and other munitions of war which they are unable, by their own efforts, to supply themselves, and which are necessary to bring them up to what we would call minimum requirements for the safety of mankind.

In any event, we can no longer go along with selective service, business as usual, and the other old-fashioned means of supplying our Armed Forces if we want to guard against involvement in a great world war. In my judgment, if this Nation is sufficiently strong on the sea, in the air, and on the ground, it is the most certain guaranty against the outbreak of world war III of anything it can possibly do.

Keep in mind that World War II cost us $2,000,000,000 a week, $100,000,000,000 a year, $400,000,000,000 or more as of V-day. Its cost is reverberating down the financial corridor of time in every tax bill and in every consideration which we make in our legislative deliberations. If we only had the will to spend sufficiently to put every nation on notice that involvement with the United States means a devastation almost beyond description to the aggressor people, we will have peace treaties signed with more alacrity, and the peace treaties will not be broken so quickly, either.

Mr. President, we are living in an age of force. No nation can command respect at the council table unless it is either strong itself or under the wing of a strong nation which will support it. I deplore that condition. I would love to see reason and justice, rather than force, determine the future of mankind and of nations. But as a realist, for the present, and as far as I can see ahead, force is the greatest handmaiden of reason at the council tables of nations.

Mr. CHAVEZ and Mr. STENNIS rose.

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. No, Mr. President; I have not finished yet.

Mr. STENNIS. I thought the Senator had concluded. I wished to ask him to yield for a question.

Mr. TYDINGS. No; I am simply rambling along. I have no set speech. I am thinking a little bit on my feet, but I hope I am planting a little seed here, because the Committee on Armed Services, the Senate of the United States, the House of Representatives, and the President, and the Pentagon, cannot perform miracles. They cannot do anything the American people will not support them in. Unless we can get sentiment from the grass roots that will transmit itself in activity in these various responsibilities, organizations, and arms of the Government, some day in the future we will be confronted perhaps with another Korea, only it may be 10 or 15 or 100 times as large. If we are to learn anything from the story about the old colored woman, we must come to the realization that the time for us to avoid such a situation is now, while we are trying to get the poor colored girl out of jail, so to speak, and when she sees what the consequences of the other course may be—not after we have been weaned away from this realization by some future victory, when we might go back to business as usual and when tax reduction might become the dominant cry of our people, along with demands for subsidies and roads and help in other forms, and various other matters which in one way or another great groups of the people think, often with some truth, contribute to the welfare of the Nation.

I say this is a time when we must take advantage of the opportunity which is at hand, and I am hoping that the Senate will not go home until we have written on the statute books, not merely for the Korean situation but for the years which lie ahead, provision for a ground defense because it is the Achilles heel in our great structure of national defense. We have a fine Navy, a fine Naval Aviation Force, a fine Air Corps, and a fine Army, but we do not have an Army commensurate with the responsibilities painted on the world canvas—commensurate with our responsibilities in a world in which no man knows where tomorrow the troops of the United States may be called with the approval of the people and by the vote of the Congress.

The old days when we could take refuge behind our oceans have gone forever; we shall never, never again have the luxury of time in which to get ready. We are the keystone in the whole arch of civilization and democracy and liberty. If we do not take adequate steps to defend it, there is no nation on God's earth which has the power and the possibilities and the natural resources and strength with which to do it.

As Mr. Churchill said in Strasbourg a week or so ago, I believe we still have some time, but the sands in the hourglass are running out, running out, running out. We are not weak or vulnerable, in the main, except that we are lacking in uniformed manpower on the ground, armed with a decisive weapon. If we can cure that defect, if we can help the nations which are associated with us to build up their ground forces more rapidly, more efficiently, more potently, and do so in the next year or two—for beyond that time, if we have that much time, I would hesitate to take a chance—and if, while we are helping those nations, we help ourselves to fill this one great gap, which is larger than any other, in our Defense Establishment, I believe there will be some hope for continuance of our way of life, for avoidance of world war III, and for the preservation of our economic system.

If we do not do it, then some morning out of the coming dawn, just as we were surprised at Pearl Harbor, and just as we were surprised at the thirty-eighth parallel, we shall be surprised again; and in view of the speed with which modern war is begun and fought, as the aggressor seeks to keep the initiative which he has when he begins his action, it will be too late for universal military training, too late for civilian defense, too late for our traditions to survive under the atomic bombs of the flying eagles of some aggressor.

I do not know what our Joint Chiefs of Staff and the administration are going to ask of us; but I hope they will ask us for more arms aid to the deserving countries of western Europe, and I hope that aid will not be provided on a basis of too little and too late, but that we shall gear ourselves, while we still have months to go, to strengthen those countries. Commensurate with that, I am hoping that now that the administration and the Department of Defense have formally again asked us to give them this weapon, so as to be able to deal with the weakest link in our chain of preparedness, the Congress will—in the light of Pearl Harbor and Korea and the possibilities of the future—give them that support.

In conclusion, let me say that in this undertaking we are gambling for more than the survival of our economic system; we are gambling for more than our American way of life. The scientific weapons now in being or in the offing are capable of destroying one of our great cities and everyone in it. We are gambling for existence. This is an age of force. We must first try to survive and, being stronger than anyone else, insist at every opportunity that reason reassert itself in the minds of man, so that people can live in peace and security by means of some program, such as we now have in theory, but which we pray God may become a reality.

Mr. President, before I conclude, I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I wish to go back to the appeal the distinguished Senator from Maryland made about having Congress support the military.

One of the questions already asked by the distinguished Senator from Minnesota brought out the fact that the Congress has gone a long way toward providing the machinery which the military has requested over the years.

Mr. TYDINGS. Except for universal military service.

Mr. WHERRY. I could ask the distinguished Senator from Maryland what Congress has not provided, for I am satisfied that it is negligible, as compared to

what Congress has provided all along the line.

Although as a Member of the Appropriations Committee I would not fully agree with the distinguished Senator that we should accept the judgment of the military men as to the military needs, at least to some extent I believe we should be guided by their judgment.

At one time I went beyond what the military wanted; I voted for a 70-group Air Force and for the radar screen system which the Senator from Maryland came before the Senate to request. In fact, I went beyond even what has been suggested in the Appropriations Committee, so far as making provision for our military forces is concerned.

Of course at the beginning of the session this year, we were told—although I shall not go back to make an issue of it—that everything was in good shape, that probably there would not be the difficulty with appropriations that there had been in the past, and that apparently peace was "just around the corner" everywhere.

At that time, in checking on the needs presented to the Appropriations Committee, I found that there was considerable money which had been appropriated by the Congress but had not been spent by the military, for the then current fiscal year 1950. The Senator from Maryland knows the figures in respect to the funds the administration held in reserve—funds which had been requested of Congress by the military, and for which the military had made justification in presenting their views to the Appropriations Committees of the Congress, in connection with their program for the fiscal year 1950.

Does the Senator from Maryland know how much has been held in reserve, or really has been frozen, and not spent by the military, in the past year?

Mr. TYDINGS. I do not have the figures before me, but I can give the Senator a statement of some of my thoughts regarding that matter, and it may throw some light on the question.

I know there has never been a time in the history of our country when there has had to be more secrecy thrown around what our military men happened to be doing, than is required at the present time. War is no longer a matter of having great armies fight each other from trenches or on the ground; today war consists of the mobilization and employment, on an intelligent basis, of entire populations. That is true because science and discovery have to a large extent torn the veil of ignorance from the future, and by means of inventions have brought into the hands of the soldiers, sailors, and airmen things such as atomic bombs, hydrogen bombs, guided missiles, atomic-driven submarines, proximity-fuse explosives, recoilless weapons, radar screens, and a variety of other things which I shall not mention.

As the able Senator from Nebraska was asking his question, this panorama of events went through my mind, some of which he referred to. Since 1947 we have provided in part for a radar screen across North America. It is highly secret. The bill was debated a little on the floor and was passed. We provided for a giant guided-missile range. The less said about it the better. I do not know, and I am speaking again without any scientific authority to support the statement I make, but I look ahead to the day when guided missiles can be fired from this side of the Atlantic and with uncanny accuracy hit a certain city in Europe.

I myself had seen the atomic bomb dropped at Bikini on our fleet, and that was a crude bomb. I have likewise kept reasonable pace with the development of the atomic bomb since then. The whole field is in such a state of flux and change that the expenditure of today has to be made with the full knowledge that within a year the weapon provided for may be surpassed by a better one and may be obsolete. Two years ago—and the Senator will recall that he was on the committee, and I think, was present—I went to see General Bradley. I do not think General Bradley would mind my telling this. I said, "General, I am not satisfied with the progress of our tank program." He said, "Neither am I." "What are we going to do about it?" I asked. He replied, "Well, we have got many new things coming along. We do not want to put a large amount of money in tanks and then find that somebody has a better one. The tank program is leap-frogging through everything we now conceive so rapidly that I am trying to hold off as long as I can putting the final O. K. on it, for fear that when we get all the tanks built, the American people will find that there is a better tank and all their money has been tied up, and this, that, and the other." I said, "I think you ought to have some money, anyway, so that you can get some tanks, even if they are going to be surpassed a year from now by better tanks."

I went before the Appropriations Committee on my own initiative and did my best and tried to tell them what little I knew about the thing. The Appropriations Committee allowed $20,000,000 which was put in the bill for tanks which the military had not asked for. About a week after that I was advised that there had just been discovered and that there were in the offing innovations of the tank program which made it unadvisable for them to put that sum of money into tanks which they felt that a year or two from now would be inferior to one they were just about to bring into reality. And so, although the appropriation was provided by the Senate, it was taken out in conference for the reasons I have indicated.

There was the unification bill, on which I worked with my predecessor, the able Senator from South Dakota [Mr. GURNEY]. The people of America and of his own State will never know his devotion to the defenses of his country when, as chairman of the committee, and when I was the ranking minority member, we worked as a team. There was no politics. His service was extensive, intense, patriotic, imaginative, and many fine contributions were made by him. It is with extreme regret that we shall lose the benefit of his able service and support. He was the author of some of the unification amendments, and I, of others. I think we did our country a service. It has not all been as we should have liked it to be, but on the over-all basis it has made a team out of the military services.

We both tried to build up our aviation. We have our Uniform Code of Military Justice. We had our wind-tunnel bill, which I brought up in this very Chamber on several occasions, and finally a wind-tunnel measure was enacted into law which provides the experimental means of developing the best airplanes that will ever be developed in your lifetime, Mr. President, or mine, by the United States of America.

This Congress, with the help of Senators on the other side of the aisle and with the help of Senators on this side of the aisle has put more military legislation on the statute books than in any other period of the peacetime history of the United States. Had we only made more provision for a larger ground army in keeping with our scientific invention and progress, indeed, this country could feel very secure today.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Nebraska.

Mr. WHERRY. The Senator still has not answered my question. Perhaps he does not know the answer offhand.

Mr. TYDINGS. Does the Senator mean in dollars and cents?

Mr. WHERRY. Approximately how much has been appropriated and has been justified for the military services, the Air Corps, the Navy, and the ground army, and all, that has been held in reserve by this administration and not used?

Mr. TYDINGS. I may tell the Senator what I can do, and I think the Senator can do it. Of course, he is a member of the Appropriations Committee, and he can get the answer to that question, so that at the very time he asks it of us, he can give the answer, and the public will have both the question and the answer simultaneously.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. TYDINGS. I yield.

Mr. WHERRY. I was not attempting to give the answer myself.

Mr. TYDINGS. I thought the Senator had the figures.

Mr. WHERRY. I have the approximate figures, because I think I remember them.

Mr. TYDINGS. I do not have them.

Mr. WHERRY. I asked the question in all sincerity, because the distinguished Senator is chairman of the Armed Services Committee. The point I want to illustrate, if I can get an answer to the question is, that so far as the appropriations are concerned, as I think the Senator has already stated—I am not sure that he stated this—the administration has had the appropriations with which to carry out the plans which the military presented in the Eighty-first Congress, and certainly the fact that the amount withheld runs up to nearly a billion dollars ought to be convincing evidence of that.

Mr. TYDINGS. Strange and paradoxical as it may seem, this Nation is prepared primarily to fight a major power. It is prepared to fight a nation of big cities, of great expanse. It is prepared to fight a nation that lives more or less on level ground. It is not prepared for guerrilla warfare 6,000 or 7,000 miles from home. We have always looked in one direction toward the country we thought we would have to fight, and our defenses have not been built without primary consideration of the fact that we would have to meet that problem perhaps eventually with atomic bombs, with airplanes, with guided missiles, and with other modern weapons which are not usable in many instances in the kind of guerilla warfare we are fighting in Korea.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. TYDINGS. I yield.

Mr. WHERRY. I have the memorandum on the Navy and the Air Force Corps, but I do not have it on the Army. The amount of the contract authorizations and cash that has been held in reserve and not spent for 1950, and which is now being released for 1951, is $124,797,000 for the Navy, $726,151,000 for the Air Force, and $22,461,000 which is in another fund, making a total of about $873,409,000 that has been held in reserve, either by way of contract authority or cash.

The point I want to make is that as a member of the Subcommittee on the Armed Services, and as a member of the Appropriations Committee itself, the Senator from Nebraska has supported these appropriations.

Mr. TYDINGS. I believe that is correct.

Mr. WHERRY. Certainly with the selective service force, and certainly with the appropriations to do the job, it seems to me there is no excuse for the lack of preparation on the part of the military. If it can prepare to whip big nations on the flat fields, it certainly ought to be prepared to win in guerrilla warfare.

I should like to ask the Senator another question, and I do not want him to answer if it involves any secret information. We are talking about ground forces in Europe. It has been stated that there has come a demand from, I believe, France, or from some other of the MAP countries, for five divisions of American soldiers. I should like to ask the distinguished Senator what has been and what is the administration's policy with reference to arming Germany?

Mr. TYDINGS. I do not know about that. I doubt if that problem has been thoroughly considered, because the situation which brings it into consideration is so recent that I doubt very much whether any formalized campaign has been undertaken. I would say to the Senator—I think I can answer his question indirectly; at least, I can speak for myself—that we must, to a large extent, in the face of the realities of the present hour, leave our prejudices, our emotions, and our preconceptions to one side and make up our minds that our problem is thus and so in speaking of national defense. We must thereupon review the possibilities of what we have and what we can do to provide for ourselves the kind of defense that is adequate and necessary, and set our sights accordingly. That is something that cannot be done instantly, and the Senator would not insist that it be done in that way, but there is also in his question and in my answer the proposition that we are living on the 17th of August 1950, with a world situation which is full of realities. The Senator wants to survive and I want to survive. We have got to survive by taking advantage of all the things of which we can safely take advantage to meet whatever problem may arise.

Mr. WHERRY. Is not this one of them?

Mr. TYDINGS. It is one of the things which must have consideration; there can be no question about that.

Mr. WHERRY. The Senator from Nebraska has been advocating that for years. It is not a new idea with him. I submit to the distinguished Senator that if we expect to impose military training upon the boys at home, and if he is seeking the cooperation which the Senator says we should have from the countries of western Europe, certainly in his visits to different areas over the world he has found that in Germany, at least, there is need for establishing a limited defense, if possible, to resist the very thing about which the Senator has been speaking.

Mr. TYDINGS. I think we must also make up our minds that we shall probably not have an attack where we are prepared. If the South Koreans had had such forces below the thirty-eighth parallel as to make it inadvisable for the North Koreans to attack, there probably would not have been any attack there. But it would have come at some other place. This is a game in which two great powers are boxing, and we must look for the strike wherever we are the most vulnerable. When we look at the whole perimeter of Russia, it can hardly be imagined that she would strike equally at every one of the points. The technique very likely would be to pick out that point where we can least meet the attack, and attack us there. So that even if the South Koreans and this Nation had been abundantly prepared, the attack might have been made in Iran or Greece or Trieste or in one of a number of other places. The point is that this is all a part of a battle, and we must be strong enough to land the first and, we hope, the last force with devastating certainty.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. TYDINGS. I yield.

Mr. WHERRY. Mr. President, in my opinion, the question which I asked the Senator from Maryland is a very important one, and I think it should be answered by the administration when we are considering the mobilization of the youth and the manpower of the country. We spent a great deal of money in western Europe. Does the Senator mean to say that they are so devoid of divisions there at this time that it is necessary now for the United States to send five divisions to police western Europe?

Mr. TYDINGS. Mr. President, on several occasions, and in great particularity, on the floor of the Senate I have tried to describe both the military and the economic situations as I thought I saw them. The Senator from Nebraska has been good enough several times to give me his attention and has been rather complimentary on a couple of occasions and I have been very grateful for his observations.

Europe was pretty well devastated in World War II. Just before the Korean war broke out I put into the RECORD the figures as to the number of bridges destroyed in France, alone, which amounted to 6,000. I placed in the RECORD the number of locomotives and freight cars, the railroad tracks, the factories, the amount of machinery in the factories, and harbors which had been destroyed, the number of homes totally or partially destroyed, and the number of farm buildings and the amount of farm equipment which had been destroyed. I remember that 600,000 Frenchmen were either killed in battle or taken from their homes and pressed into labor battalions and who never returned to France. That is a large number of persons, considering the fact that the actual war in France lasted only a few months.

Furthermore, France was occupied for 5 years, during which time all the equipment of the great French Army, its Maginot line, its cannon, its tanks, were taken by the conqueror. Only a remnant of the French Army existed, and that was in Africa. As we know, the French fleet was interned at Toulon by Hitler, and when the break came the French fleet tried to escape. All the ships did not get away. Then there was the regrettable situation in which we saw the British Navy firing on French ships, one of which was the *Richelieu*, which, I think, was hit by great projectiles while in one of the harbors in Africa.

In Holland I found the same situation. Thousands of homes, factories, bridges, ships, and the like, were destroyed. It occurred to me that no country on earth can support a military establishment if it does not have an economic machine. Therefore, in order to get the sinews with which to equip an army, navy, and air force there must be production of goods to the extent that taxes will flow therefrom, because an army, no matter how necessary it is, or a navy, no matter how necessary it is, or an air force, no matter how necessary it is, is not a creator of wealth; it is a destroyer of wealth. It is parasitical in its economic implications. It exists on the toil and the earnings of normal people who till the soil, work in the factories, and sit on the stools in the counting houses.

So, Mr. President, having seen this economic picture in Europe, I realized that America stood alone, for Britain, although not a part of the Continent of Europe and although not so badly off as France had been from the standpoint of the sheer impact of war in a physical way, had lost her colonies, her investments overseas, and had suffered some damage, and the British economy, instead of sucking money into Britain,

sent money away from Britain to pay her debts overseas.

So I supported the bill to rehabilitate those nations, because I realized that otherwise communism would take some of them over; at least, I thought so. I may have been wrong. But it seemed to me that communism was pretty close in Italy at one time, and I thought France was not too far away from going completely overboard.

Luckily in France there has been a good recovery, and the Communist membership in the Parliament has gradually subsided, as it has in Italy.

Coming to the military, I found that when the war was over France had about nine divisions, more or less. They were completely equipped with American equipment. I do not mean completely in the sense that there may not have been a bullet here and there that was of another manufacture, but in the larger sense that was true. The tanks were American tanks, which had been furnished to France in Africa, and they were part of the army that landed in southern France and came up the Rhone Valley. In 1946 and 1947, when I had a little contact with this problem, I found that parts of many of these tanks were wearing out. I found there was no place in France where they could be made, because they had been made with special tools. I found that much of the equipment that we had given to France was beginning to show real strain, not only from its use in the war, which had taken some toll of its vitality, but in the course of the training period, merely from keeping it, and so on. I realized, from my own small knowledge of things, that France in 1946 and 1947 was far from being the country to make the contribution to the military picture of western Europe which my countrymen thought France was competent to make. The France of World War I and the France of even the early part of World War II was not the France which had been nearly obliterated during World War II and its further later ramifications.

General Bradley and General Marshall, who was then our Chief of Staff, realized the problem. They realized that one could take either horn of the dilemma. One could create a giant army in America, with which to meet a country like Russia in time of war, or one would have to strengthen the countries over there to bear some of the responsibility. The argument made on the floor of the Senate was a good argument. No man could be sure in his heart of hearts that if the money to arm western Europe was appropriated it would achieve the objective desired. Neither could anyone be certain that if it was not done our country would not be worse off, standing completely alone, in the event of Russian attack, which would sweep all the way to the shores of the Atlantic and would leave us isolated in a Communist world, with Communists all up and down the Pacific coast and Communists all up and down the Atlantic coast.

However, to come back to the Senator's question, it is my candid belief that the countries of western Europe, even with the help we have given them up to now, are far from reaching the degree of military efficiency which would be required, even with our great Navy and Air Force and such ground troops as we have, to discharge the job and perform their part of the dual undertaking. Unless that is done, and done quickly—and the Senator's question is an apt one—in my judgment we may have to consider strengthening our forces in Europe.

Mr. WHERRY. If the programs in western Europe have cost nearly $89,000,000,000—though of course all figures are subject to interpretation—how does the Senator account for our finding western Europe in the shape the Senator has described?

Mr. TYDINGS. I would say that western Europe has made gigantic strides in economic and military recovery. However, as in our case, one cannot have 99 percent of what he needs with which to fight a war. We all know now, after 6 or 7 weeks looking westward across the Pacific, that one must have 100 percent, or nearly 100 percent, or the other fellow will beat us to it.

Mr. WHERRY. That is the question I am asking. What have we now? The Senator is the chairman of the Committee on Armed Services. I am serious about this.

Mr. TYDINGS. So am I.

Mr. WHERRY. We cannot vote billions and billions of dollars unless we get results.

Mr. TYDINGS. I think we are getting results.

Mr. WHERRY. If we are getting results, why is there an urgent request today for five divisions of American troops in France?

Mr. TYDINGS. Because the countries of western Europe had nothing at the end of the war. They had no army, navy, or air force.

Mr. WHERRY. What will it take to get something?

Mr. TYDINGS. The more we give now the sooner we can get results. But I should like to ask the able Senator from Nebraska: What is his alternative to helping these countries? I should like to have an answer.

Mr. WHERRY. That is the question raised by the Senator from Nebraska, and he will try to give an answer to the Senator. I think the United States of America must begin to choose where it will place its defense dollars. Certainly I think the countries we help, and must help, should cooperate with us. For another thing, we must change our policy in western Europe. I have said more than once on the floor of the Senate, and I say again, that if one people in western Europe should be permitted to be armed and integrated into a western Europe defense, it is Germany.

Mr. MAYBANK. Western Germany.

Mr. WHERRY. Western Germany. They have courage and fortitude—and I am not casting any reflections on anyone else—and we have done nothing to help arm them. The amazing fact, as the Senator has stated today—and I agree with him—is the utter lack of providing anything like the military strength it was even thought we would get with all the money that has been poured into western Europe. I think it has been the policy of the administration—and I do not say this in a political way at all—not to integrate Germany, Spain, and other countries into a policy of defense which could have accomplished the purpose.

Mr. TYDINGS. I should like to have an answer to my question.

Mr. WHERRY. I intend to answer the Senator's question. What has been done in Japan, for example? I do not know whether I should ask that question of the Senator, because I do not want to ask a question which would in any way invade the secrecy that ought to be imposed.

Mr. TYDINGS. I have no secrecy.

Mr. WHERRY. The Senator started out with that idea in mind. My feeling is that, if we are to meet the punching that is being done by Russia through its satellites, we must be in a position to do some effective punching through the countries with which we are associated. We failed by not providing arms to the German people, who have a 700-mile corridor along which they cannot defend themselves. The Senator knows, because he is a military man, that an invader can walk right through that line and go on to the Atlantic coast. We have spent $89,000,000,000. What have we got to show for it?

Mr. TYDINGS. I think the Senator has inadvertently and perhaps a little more directly answered my question.

Mr. WHERRY. Not inadvertently.

Mr. TYDINGS. I think he said that we must either get more forces over in Europe or we must have more in this country. In either event, we must have more.

Mr. WHERRY. The Senator did not permit me to finish my answer. I say we should enforce the Monroe Doctrine in western Europe as we are doing over here, and we should spend our dollars to protect the United States of America with bombers and bombs, which is something we could not do with armed forces in western Europe. I do not think there is much difference between the objectives of the Senator from Maryland and the Senator from Nebraska, except that I had an entirely different opinion about how to achieve and provide national defense, which we so desperately need. If it can happen in Korea, it is possible that it can happen in Iran, Yugoslavia, and all around the world. Then where will the United States be? As a member of the Appropriations Committee, I have supported everything which the chairman of the Committee on Armed Forces has asked for. Is that not correct?

Mr. TYDINGS. I have not any knowledge as to that. I am sure the Senator knows his own record, and if he says so, it is so.

Mr. WHERRY. I mean for our own Nation's defense.

Mr. TYDINGS. Yes.

Mr. WHERRY. In the United States we are at the point where we have to choose, and after spending $89,000,000,000, if the nations of Europe are in such shape that they have to have five divisions of American soldiers, I ask the distinguished Senator, with all the money that has been poured in, how much more do we have to pour in?

Mr. TYDINGS. I am going to conclude by making the statement that the question is not any longer what we want to do; it is not a question of what we would like to do; the question every man has to put to himself, and answer as he thinks best, is whether or not he wants to survive. It may be that in the course of wanting to survive we may do more than we have to do. That is the surest way to survive. But the surest way not to survive is to do less than we have to do. The emphasis, in this time of world peril, has been on doing as little as we thought we could do to meet the situation.

I believe democracy and civilization must from this good hour on not ask, "Can we bear this burden?" but ask, "Must we bear this burden?" I am hopeful that we can secure the enactment of a bill which will accomplish this time what the Senator from South Dakota [Mr. GURNEY] and the present speaker have tried to do on several occasions during the past 4 years. We have to find the men to build up our Ground Forces, and I pray that the people of America, the Senate of the United States, and the House of Representatives, when the committee reports a bill, as I hope we shall be able to do, will support the bill quickly, because time is the most precious thing in the whole scheme of human existence and human survival on this day in August 1950.

I now ask unanimous consent to introduce a bill establishing a universal training program, and I request that it be appropriately referred.

The PRESIDING OFFICER. Without objection, the bill will be received, and appropriately referred.

The bill (S. 4062) to provide for the common defense by establishing a universal training program, and for other purposes, introduced by Mr. TYDINGS (for himself and Mr. MALONE) (by request), was received, read twice by its title, and referred to the Committee on Armed Services.

Mr. CHAVEZ obtained the floor.

Mr. SALTONSTALL. Mr. President, I should like to ask the chairman of the Armed Services Committee a question, if he has not yet yielded the floor.

Mr. TYDINGS. I yielded the floor, but I shall be glad to answer if I can.

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

Mr. CHAVEZ. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I did not hear all the discussion of the Senator from Maryland, but did I understand him correctly to state that in the next month or so he intends to take up in the Armed Services Committee a bill providing for universal military training?

Mr. TYDINGS. I hope to do so.

Mr. SALTONSTALL. I ask that question because I have been asked many times whether it is the intention of the chairman and the intention of the committee to try to work out a bill on that subject.

Mr. TYDINGS. The Department of Defense has asked for it, and I assume the military people in the Department of Defense think it is necessary. This is the third time the President has asked for it. A similar bill was introduced heretofore by the Senator from South Dakota [Mr. GURNEY], when he was chairman of the Armed Services Committee, and now is introduced by myself, and in the present emergency, unless there is a change of opinion on the part of our defense officials, it is my hope and desire to begin hearings very soon.

Mr. SALTONSTALL. I have read in the newspapers that the chairman of the House committee stated that he would do nothing about the matter until the Senate had acted on the bill. Has the chairman of the Senate Armed Services Committee seen that statement, or has he discussed it?

Mr. TYDINGS. I have heard that that is true. I have not discussed it with the chairman of the Armed Services Committee of the House. What he does, of course, is his own business. I consider that if I were asked to introduce and survey a piece of legislation by the highest authority, particularly the military, it would be our duty to take it up and see whether or not we could not pass it.

Mr. SALTONSTALL. In concluding his remarks, the Senator made some very strong statements about the difficulties this country faces in the world in general, and its responsibilities in Korea in particular. There have been presented to the present Congress requests for very substantial increases in appropriations, amounting to some $10,000,000,000, for the armed services, $4,000,000,000 for the MAP, and requests for other appropriations. In view of what the Senator has said, and in view of the difficulties we face in Korea, is it not the opinion of the Senator, in his position as chairman of the Committee on Armed Services, that these appropriations must be given very serious consideration, and the armed services present as complete justifications for the appropriations as possible.

Mr. TYDINGS. It is up to the Committee on Appropriations as to the amounts to be appropriated.

Mr. SALTONSTALL. I refer especially to the defense program.

Mr. TYDINGS. Of course, the Senator knows that the carrying out of our appropriation policy is exclusively in the jurisdiction of the Committee on Appropriations. Sometimes they do not give as much as we think they should give; at other times they give more.

Mr. SALTONSTALL. As chairman of the Committee on Armed Services, the Senator has intimate knowledge—perhaps more intimate knowledge than many of us have—of these matters. Is it not his feeling that the Defense Establishment should be required to give very minute—as minute as possible—justifications for the various appropriations requested, in order that we may see if they are going to do the utmost good in this very critical time?

Mr. TYDINGS. I would certainly say "Yes" to that, and to any other similar observation. As I have said—and I want to reiterate it again and again—time is more important in what we do now than any other single element that enters into what we may do in this or any other Congress respecting national defense. It will not do any good to do everything we ask if it is done too late. We must do it quickly. It takes quite a long time to call up the necessary forces, give them the necessary weapons, train them and allocate them so they can perform as intelligent parts of a machine.

CONFIRMATION OF NOMINATIONS IN THE ARMED SERVICES

The PRESIDING OFFICER. The Senator from New Mexico [Mr. CHAVEZ] is entitled to the floor.

Mr. TYDINGS. Mr. President, will the Senator from New Mexico yield for a moment?

Mr. CHAVEZ. I yield.

Mr. TYDINGS. Mr. President, as in executive session, I ask that the nominations in the armed services which I reported earlier today be confirmed and that the President be notified.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). Is there objection?

Mr. DONNELL. Mr. President, will the Senator state what his request was?

Mr. TYDINGS. These are routine promotions in the Army, Navy, and Air Force, most of them in the lower grades of officers, which come unanimously from the Armed Services Committee. Now that the war is on, it is the policy of the committee to report such nominations and to have them confirmed as soon as possible, so that the forces may be built up quickly.

Mr. DONNELL. I have no objection to immediate confirmation.

The PRESIDING OFFICER. The question——

Mr. DONNELL. I understood the request was whether or not there was objection.

The PRESIDING OFFICER. The Senator is correct.

Mr. DONNELL. That is what I am addressing myself to. The question has been before the Senate several times before as to the notification of the President. I appreciate that in this time, as a matter of fact, and in these cases, it may be perfectly safe to notify the President immediately, but I think the Senator from Maryland knows the view I have taken.

Mr. TYDINGS. Will the Senator yield?

Mr. DONNELL. I yield.

Mr. TYDINGS. I believe the Senator's position to be absolutely sound, and I think it is a desirable one. I should like to say, however, that during this particular emergency period, when the nominations concern only military personnel, no civilians at all, I believe that if he will allow me to make the suggestion, it would be wise to relax what in normal times would be fine procedure, and with which I have cooperated heretofore, as the Senator knows.

Mr. DONNELL. Does the Senator regard this particular series of nominations such that it is exceedingly important, from the standpoint of the national safety, that the President be immediately notified as to this particular list?

Mr. TYDINGS. I do, and I will tell the Senator why. While I have not the knowledge as to where all these men will go, I was told there was a promotion

of a man to be lieutenant general who was going to assume a very particular role in our present difficulty. Many of these men are lieutenants in the Marine Corps. Some of them are perhaps on the high seas, and I believe that if it could be telegraphed to them that their nominations were confirmed, so that they would know their commissions had been approved by the President before certain things take place, it would do much for the morale of the whole organization.

Mr. DONNELL. Mr. President, I am not going to object in this instance, in view of the statement made by the distinguished Senator from Maryland, but I want it distinctly understood that my failure to object does not in any sense constitute a precedent with respect to any future instance or instances. I particularly am impressed with the point the Senator has made as to what he considers the urgency in these particular cases, and that they are routine nominations.

Mr. TYDINGS. They are all routine. I give the Senator my word, that as long as we are at war, I will not bring in any nominations and ask for immediate confirmation and for notification of the President unless they fit into the military picture. If there is any civilian involved at all, and if there is anything of a nature other than the kind of nominations we have discussed, I shall not ask for immediate consideration.

Mr. DONNELL. On the statement that is made, that this is not to constitute a precedent as to any future nominations, and in view of the statement of the Senator from Maryland, I shall not object.

The PRESIDENT pro tempore. Without objection, as in executive session, the several nominations will be confirmed en bloc, and the President will be duly notified.

FEDERAL-AID HIGHWAY ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Massachusetts [Mr. LODGE].

The Chair recognizes the Senator from New Mexico [Mr. CHAVEZ].

Mr. KERR. Mr. President, I ask if the Senator from New Mexico will yield to me so I may suggest the absence of a quorum.

The PRESIDENT pro tempore. Does the Senator from New Mexico yield for that purpose?

Mr. CHAVEZ. I yield for that purpose.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Byrd	Connally
Bricker	Capehart	Cordon
Bridges	Chapman	Darby
Butler	Chavez	Donnell
Douglas	Ives	Myers
Downey	Jenner	Neely
Dworshak	Johnson, Colo.	O'Mahoney
Eastland	Johnston, S. C.	Pepper
Ecton	Kem	Robertson
Ellender	Kerr	Russell
Ferguson	Kilgore	Saltonstall
Flanders	Langer	Schoeppel
Frear	Leahy	Smith, Maine
Fulbright	Lehman	Smith, N. J.
George	Lodge	Sparkman
Gillette	McCarran	Stennis
Graham	McClellan	Thomas, Okla.
Green	McFarland	Thomas, Utah
Gurney	McKellar	Thye
Hayden	Magnuson	Tydings
Hendrickson	Malone	Watkins
Hickenlooper	Martin	Wherry
Hill	Maybank	Wiley
Hoey	Millikin	Williams
Holland	Morse	Withers
Humphrey	Mundt	Young
Hunt	Murray	

The PRESIDENT pro tempore. A quorum is present.

Mr. CHAVEZ. Mr. President, let me say——

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LODGE. I thank the Senator from New Mexico.

I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared descriptive of the amendment which I and a number of other Senators have offered to House bill 7941, the Federal-aid road bill. The amendment is now the pending question.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LODGE

This amendment, identified as 7-28-50-D, is sponsored by the senior Senator from Rhode Island, Mr. GREEN; the Senior Senator from Connecticut, Mr. MCMAHON; the junior Senator from West Virginia, Mr. NEELY; the junior Senator from Delaware, Mr. FREAR; the junior Senator from Illinois, Mr. DOUGLAS; the junior Senator from New York, Mr. LEHMAN; the senior Senator from Ohio, Mr. TAFT; the senior Senator from Vermont, Mr. AIKEN; the junior Senator from Michigan, Mr. FERGUSON; the senior Senator from New Jersey, Mr. SMITH; the senior Senator from Massachusetts, Mr. SALTONSTALL; the junior Senator from California, Mr. KNOWLAND; the junior Senator from Ohio, Mr. BRICKER; the senior Senator from New York, Mr. IVES; the junior Senator from Pennsylvania, Mr. MARTIN; the senior Senator from Delaware, Mr. WILLIAMS; the junior Senator from New Hampshire, Mr. TOBEY; the junior Senator from Vermont, Mr. FLANDERS; the junior Senator from New Jersey, Mr. HENDRICKSON; and the junior Senator from Massachusetts, Mr. LODGE.

On July 13, 1950, a resolution was unanimously adopted by the conference of northeastern region highway officials, the States of Massachusetts, New Hampshire, Vermont, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, and Maryland voting.

The text of this resolution is as follows:

"Whereas the pending Federal-aid highway legislation has established tentative formulas for the allocation of funds to be appropriated for highway purposes; and

"Whereas it is to the interest of better Nation-wide highway transportation that such allocations be established in respect to predominate needs: Be it therefore

"Resolved, That in the authorization of Federal-aid highway funds, and in the allocation of such funds to the various States that the Congress of the United States give full consideration to the needs of the more populous States where the need for such highways is the greatest, the cost of construction is the highest, and where the traffic load is the heaviest; and be it further

"Resolved, That the amendments proposed by the Senate of the United States, Committee of Public Works, to the Federal Aid Highway Act of 1950, are utterly contrary to the transportation and highway needs of the Nation."

The Commissioner of Public Works in Massachusetts has informed me that the principal objection which he has to H. R. 7941 is in this method of apportioning the funds for improvement of the national system of interstate highways, as set forth in section 5 (b).

Under the original draft passed by the House of Representatives, the funds for aid to the States for improving this system of highways was to be apportioned to each State in the ratio which the population of each State bears to the total population of all States as shown by the latest available Federal census.

The Senate version of H. R. 7941 proposes to amend this section of the House bill to distribute this money on the basis provided for the apportionment of Federal-aid primary funds, which apportionment is made in the following manner: One-third in the ratio which the area of the State bears to the total area of all States; one-third in the ratio which the population of each State bears to the total population of all States as shown by the latest Federal census; and one-third in the ratio which the mileage of rural delivery routes and star routes in each State bears to the total mileage of such routes in all States. This would result in a reduction of funds for the 18 more heavily populated States.

This amendment on the other hand, apportions this $70,000,000 on the single basis of population. It does not increase the overall amount.

The system of interstate highways was selected and adopted by the Federal Government to provide for a basic network of the most important roads in the Nation which serve the greatest proportionate volume of traffic. This 1-percent system of approximately 37,000 miles serves over 20 percent of the traffic. Of this mileage, the Federal Government's own studies show that the heaviest volumes and the most important parts of this network from the standpoint of national transportation need are in the heavily populated States. These are the States where the costs for construction are the greatest for the reason that higher traffic volumes demand construction to standards much greater than in the less heavily populated States where, in most cases, low traffic volumes are encountered. Equally important, because of the heavy concentration of population, more of the construction of this network of roads is in urban and suburban areas where construction costs are higher, costly designs must be used to avoid wholesale acquisition of expensive rights-of-way and the number of intersecting arteries which must be bridged is greater.

Under the bill as it is now before us, the Northeastern States, for example, because of their high population but smaller areas would be reduced in their share of this Federal aid from almost $20,000,000 to only $11,000,000. This represents a reduction of almost 50 percent. This change in the apportionment will mean severe curtailment of the various States' plans for improvement of the interstate system. At this point in this statement the following table is inserted indicating the amount by which not only the Northeastern States, but some of the other more heavily populated States

would be reduced in their apportionment for this purpose:

Approximate reduction in apportionment of Federal-aid interstate-system funds authorized by Federal Aid Highway Act of 1950, H. R. 7941

State	House version	Senate version
California	$3,241,000	$2,769,000
Connecticut	802,000	428,000
Delaware	505,000	337,000
Illinois	3,713,000	2,713,000
Kentucky	1,341,000	1,295,000
Louisiana	1,105,000	1,043,000
Maryland	856,000	564,000
Massachusetts	2,028,000	904,000
Michigan	2,466,000	2,099,000
New Hampshire	505,000	337,000
New Jersey	1,961,000	880,000
New York	6,340,000	3,327,000
North Carolina	1,678,000	1,668,000
Ohio	3,247,000	2,424,000
Pennsylvania	4,656,000	2,820,000
Rhode Island	505,000	337,000
Vermont	505,000	337,000
West Virginia	896,000	760,000

I have been advised that while Massachusetts, for example, contributes to the Federal Government in all its imposts on auto and truck transportation, a sum of approximately $30,000,000, it receives but $10,000,000 in Federal aid for our highways. This disparity will be increased by the Senate amendment. The same variance holds for all industrial areas. While these States contribute in the various automotive taxes the sum of $290,000,000 they receive for highway purposes from the Federal Government only $93,000,000. It would appear that the Federal legislation should recognize the importance which highway transportation is to the Nation and that the greatest transportation need and usage is in the populous States. Instead, section 5 (b), as reported to the Senate, favors the construction in areas where less need exists for highway transportation improvement.

For all these reasons, I most urgently hope that the Senate will adopt this amendment which seeks to remove such an obvious penalty against those States which most need this Federal assistance. This seems to me a matter of plain common sense, as well as simple justice.

Mr. CHAVEZ. Mr. President, the Senate has, by unanimous consent, agreed to make the pending measure House bill 7941, an act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

I have read the title of the bill for the reason that I think the attention of the Senate should be called to the fact that, after all, we are thinking of a measure which will help unite the people of the United States.

It was a Missourian, a Member of the House of Representatives from the State of the Senator from Missouri [Mr. DONNELL], who first had that idea. That was away back in 1915. Not only was it his idea to provide transportation for the people of the United States, but he had been worried for years because of the fact that the various sections of the United States were isolated from each other and there was not a united citizenship. Many of our people were still talking about the War Between the States. The people of the South knew little about the so-called Yankees, residing in the northern and northeastern sections of the United States; and the people in those sections knew very little of the people who lived in the South. It was very difficult for persons to travel from one section of the country to another. Both the people of the North and the people of the South were condemning the so-called wild and woolly West; they condemned it because they did not know it.

That situation worried Representative Dorsey W. Shackleford, so he begin to consider what could be done. He realized that the steps to be taken would have to be taken in a constitutional manner; he realized that our country is a land of law and order, and that any desired progress must be made along that line. So he studied the Constitution, and he tried to determine what had to be done in order to conform to the constitutional requirements and also to do equity in the matter.

He found that the only authority Congress had to enact legislation dealing with roads was the constitutional provision that the Congress shall have the right to provide for post roads and post offices. Of course, Mr. President, Congress had provided for post offices, but that was the first time that post roads entered the general picture. Post roads meant transportation. That is the legal history of the original Federal-Aid Road Act of July 11, 1916.

There are still in the Senate members who participated in the consideration and passage of that original law. The distinguished President pro tempore, the Senator from Tennessee [Mr. MCKELLAR] who now is presiding over the Senate, was a member of the House at that time. The Senator from Arizona [Mr. HAYDEN] was a Member of the House of Representatives at that time, and was a colleague of Representative Shackleford. The chairman of the Senate committee which had charge of the consideration of the bill was none other than Senator John H. Bankhead, of Alabama, the father of the late Senator John H. Bankhead II, of Alabama, and of the late Will Bankhead, Speaker of the House. John H. Bankhead then was chairman of the Senate Committee on Post Offices and Post Roads, and presided in the committee during its consideration of the bill. I wish to make that statement to the Senate, Mr. President, because I think all of us should know the history of this measure.

I desire to thank the Senator from Arkansas [Mr. MCCLELLAN], the chairman of the subcommittee of the Committee on Public Works which has had charge of the roads bill. I thank him and the members of the subcommittee—the Senator from Mississippi [Mr. EASTLAND], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Utah [Mr. WATKINS], and all other members of the committee for their patience. They have devoted much time to this measure.

I also wish to state to the Senate that this bill was considered by the committee, prior to the Korean situation. I am saying this in order that the Senate, when it comes to pass upon the provisions of the bill, may understand that, at the time it was considered, we were thinking of amending the act of July 11, 1916, to meet the present day problem under ordinary conditions. The conditions now are somewhat different.

What does the bill provide? It authorizes a 2-year extension of a Federal highway program which has been in force since July 1916, or over 30 years. The value of the program to our national economy has long been recognized in each of the 48 States and in the possessions of the United States. The program reaches into all the States and possessions of the United States. It has been one of the most important factors in our progress since the turn of the country. As I stated before, it has done more to unite the people of the United States, it has done more for the economy of the country, than any other single piece of legislation that I know of.

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Minnesota?

Mr. CHAVEZ. I yield.

Mr. THYE. I should like to ask the able Senator whether the provisions of this bill would in any way aid what may be termed the farm-to-market road? I note that section 9 refers to "primary and secondary Federal-aid highways." That would include roads which had been designated either by the county or by the State as State-aid roads and Federal-aid roads, would it not?

Mr. CHAVEZ. That is correct.

Mr. THYE. The funds then could be used, of course, to assist in the construction not only of a turnpike but of the ordinary hard-surfaced road, could they not?

Mr. CHAVEZ. That is correct. I may suggest that if the Senator will but be patient, I think he will find the answer to his question as I proceed. But the bill does provide a means of trying to get some aid down to the county level.

Mr. THYE. But what about the townships?

Mr. CHAVEZ. It would apply also to the local unit.

Mr. MCCLELLAN. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MCCLELLAN. I suggest that the able Senator from Minnesota read subsection (b) appearing on page 13 of the bill, where I think he will find evidence of a very definite effort to see that some of this money is applied to the rural roads.

Mr. CHAVEZ. When I referred to the local unit as a "county" I may say to the Senator from Minnesota that is the popular name, the one better known; but the provision applies to parishes and townships, or whatever the local units of the State in the individual case may be called.

Mr. THYE. Mr. President, if the Senator will permit, I may say that the township road today is faced with a terrific financial burden by reason of the school bus, the milk truck, and the grain truck. That heavy traffic has

placed a financial burden on the township, and the township has had only its own small local revenues from assessments on property within the township with which to meet that tremendous burden.

Mr. CHAVEZ. I assure the Senator from Minnesota that the subcommittee and also the committee, realizing the condition which the Senator has so well described, devoted a large amount of time to an effort to meet that situation.

Mr. THYE. Does the pending bill provide also that in the event of floods and the destruction of roads and bridges as a result of floods, the provisions of the Federal act will authorize extending aid to the township for the purpose of making repairs? I note that it provides that the "primary and secondary Federal-aid highways" shall receive such assistance, provided the Governor of the State declares that an emergency exists.

Mr. CHAVEZ. The Senator from Mississippi [Mr. STENNIS], the Senator from Oklahoma [Mr. KERR], and the Senator from Utah [Mr. WATKINS] worried more about the particular problem of roads of that type than about the others, because it needed attention and consideration at the moment. The other roads were provided for.

Mr. THYE. The others have had the benefit of the Federal act for a great many years, have they not?

Mr. CHAVEZ. That is correct.

Mr. THYE. Persons residing within the township have not had the benefit of snow removal, of having the weeds cut, and they have not had the benefit of the emergency measure in the event of something in the nature of a disastrous flood which might destroy the roadbed. Is not that correct?

Mr. CHAVEZ. That is correct. We tried to give it our best attention, and we tried to meet all contingencies that might arise.

Mr. THYE. The intent of Congress in writing the law was that it would extend to the township level such assistance as had normally been extended to so-called secondary and Federal-aid roads, was it not?

Mr. CHAVEZ. That was the intent. But I want to tell the Senator from Minnesota that, this being an innovation so far as Federal aid is concerned, consideration was given to the technical aspects of the matter. The average county, or let us say township——

Mr. THYE. Let us confine it to the township.

Mr. CHAVEZ. The average county or parish does not have the technical engineering facilities with which to do the work which was intended to be done, and it was the hope of the committee, as indicated by the provisions found in the bill, that we would be contributing something to the education of the people along that line. In other words, if Congress saw fit to spend the taxpayers' money in the construction of highways in isolated places, we did not want the money to be turned over to local politicians, be they in Massachusetts or in New Mexico.

Mr. THYE. Mr. President, will the Senator yield not only for one other question but——

Mr. CHAVEZ. Let me finish my point.

Mr. THYE. Certainly.

Mr. CHAVEZ. I say it was our hope. The mere appropriation of money or the authorization of expenditures will not in itself build roads. Roads must be constructed.

Mr. THYE. I am only too familiar with that fact.

Mr. CHAVEZ. I am sure the Senator is familiar with it, having been Governor of his home State—and a good one.

Mr. THYE. I thank the Senator. I served many years in connection with problems having to do with roads and highways.

Mr. CHAVEZ. Therefore, I am sure the Senator was confronted with that problem. The committee did not want to treat it, as suggested in some quarters, as a political proposition. Rather, we wanted to get the farmer out of the mud. We did not want to turn large sums of money over to the county commissioners, for example.

Mr. THYE. Then I may ask the very able Senator, what provision did the committee write into the bill to safeguard the taxpayers against such a misuse of public funds, while at the same time providing for assistance to the township in constructing a road that would bring the farmer out of the mud?

Mr. CHAVEZ. If the Senator will allow me to proceed, I think he will find that I shall cover that point.

Mr. THYE. I thank the Senator. I shall wait patiently.

Mr. SALTONSTALL. Mr. President, since the Senator from New Mexico has been interrupted, will he yield to me for a question?

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Massachusetts?

Mr. CHAVEZ. I am delighted to yield to the Senator.

Mr. SALTONSTALL. I should like to ask the distinguished Senator how the total authorization of the pending bill compares with the previous 2-year authorization?

Mr. CHAVEZ. I think I can tell the Senator that.

Mr. SALTONSTALL. If the Senator expects to cover that later in his speech, I do not care to interrupt him, but I wondered whether it would be covered in his speech. I should like to know.

Mr. CHAVEZ. It is in the speech; not only that, but I am going to insert the figures showing the differences as between the House bill and the bill as reported to the Senate, and also figures showing what was authorized before compared to what is being authorized now.

Mr. SALTONSTALL. Then I shall not interrupt the Senator.

Mr. CHAVEZ. I thank the Senator from Massachusetts.

Mr. President, our highway network is used by almost every family in the Nation. It affects the American people. We all know how much it meant to us in World War II.

Speaking of war, can the Senate visualize what would have happened to us during the late unpleasantness if there had not been a national road system and a network of highways throughout the country? We must recognize that existing international conditions make it imperative that we restore our highway system and keep it at least in as good condition as it was in during World War II.

The bill as reported by the committee is designed to serve equally as well if total war breaks out or if we are lucky enough to escape war. The bill extends the Federal-aid program for the 2-year period of the fiscal years 1952 and 1953.

Possibly there is some question in the mind of some Senator as to why we look that far ahead. The reason is this: This is a Federal-aid bill. That means, in simple language, the aid which is given by the Federal Government by way of contribution to the State efforts to construct roads. As we know, the average State legislature meets only once every 2 years, and individual States have to get ready, have to have a program, and have to prepare plans, so the National Government has to be ahead in the way of authorizations in order to be able to cooperate with the State governments as was intended by the original law.

The bill extends Federal-aid programs for the fiscal years 1952 and 1953. It emphasizes the 40,000-mile national system of interstate highways, namely, highways which connect Maine with California, or the State of Washington with the State of Florida. That is what is meant by that statement. The system is made up of the most important and heavily traveled interconnecting highways of the Nation. It forms the backbone of the strategic network of highways essential in any defense or war activities.

The bill provides authorization for access roads to military installations from sources of critical materials, similar to the program undertaken during World War II, but only after some unfortunate delays. This bill would permit us to build access roads, when they are needed, without any further delay.

It also provides authorization for forest roads so that tremendous resources of timber may be tapped to help in any mobilization program undertaken.

In many instances, Mr. President, I know that the people of the United States do not appreciate the tremendous utility and the enormous value to the welfare of the country of our National Forest Service. I had the opportunity and the pleasure a few years ago of traveling through the forest areas of several States. I went through New Mexico, Arizona, and California. There are in the State of California five different national forests belonging to the Federal Government. There is virgin timber by the mile. There is no particular place to go in or to get out, because there are no

access roads. Came the war, and lumber was needed in great quantities. That is what we mean when we say that roads are a part of the scheme of things if we want to carry on a sound policy of national defense.

I wish the Senator from Oregon were present. I went through the national forests at Stanislaus, Modoc, Lassen, and two other forests in northern California, and into the State of Oregon, always over forest roads. I never took the main roads. I wish every person in the United States could visit and really understand those forests. I went over the Cascades into Oregon, followed the Willamette into Eugene, and over to the coast. I saw forests there which produced 150,000 board feet of lumber per acre, all belonging to the American people. It is necessary to have roads in order to protect that property, not only to get out the timber, but as a matter of insurance against forest fires.

I went to the little town of Newport, on the Pacific, and Tillamook at the mouth of the Columbia River, where there is a great cypress area producing 150,000 board feet of lumber per acre. Between Tillamook and Portland there is an area of 27 miles through a canyon. On both sides it resembles a graveyard with large monuments. Twenty-seven miles of forest had burned down. The National Congress gives consideration to matters of this nature.

Furthermore, we have provided additional funds for secondary roads, and have made important adjustments in the present program so that it will reach to the county level and give the farmers a better opportunity to bear their full contribution to the national economy in time of either war or peace. The poor farmer, away out in the wilds of a far-off State, is producing something which the people of Boston, Albuquerque, and Washington need, something to eat, food; but he cannot get it to the market. It was that which we had in mind when the members of the committee at least tried to start to do something for those people, not for them individually, as such, but because they, as citizens and as workers, should contribute to the national weal and welfare.

We have profited by the difficult experiences which occurred at the outbreak of hostilities in World War II, when there was some delay in undertaking essential defense roads because of lack of appropriate legislation. We have included a provision in the bill which will permit the use of any available Federal highway funds for certain essential defense projects whenever a national emergency is declared by the Congress or by the President.

Mr. President, I think the average attorney, lawyer, or judge who interprets the law would say that the President has inherent power to use any national funds for any purpose in case of an emergency. There may be a school of thought, a small minority, who will disagree with that statement, but in order to be sure there will be no question whatsoever that if an emergency should arise and this country needed the road money for national defense, there are words in the law declaring that the President has that authority. It is in the bill.

The modifications which we have made to the House bill are explained fully in the printed committee report, Senate Report No. 2044, and there are separate sections showing differences between the House and Senate bills, and explaining other provisions of the bill which were not changed by the Senate committee. I have also had made a complete analysis of the bill as reported to the Senate and I should like permission to have this analysis in the RECORD at this point.

The PRESIDING OFFICER (Mr. KERR in the chair). Is there objection? The Chair hears none.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF H. R. 7941 AS REPORTED TO SENATE

Section 1: Authorizes the sum of $550,000,000 for each of the fiscal years 1952 and 1953 for continuing the Federal-aid road program. The total authorization is divided as follows:

Primary system	$225,000,000
Secondary system	200,000,000
Urban system	125,000,000

The bill provides that the secondary funds shall be expended only on local rural roads or roads of the county road class, to be selected by the State highway departments and local officials cooperatively. The roads are to be of an economical, all-weather type. If any State highway department, with the concurrence of the Commissioner of Public Roads, certifies that it will be impracticable to spend the secondary funds on this class of roads, then those funds, or such portion thereof so certified, may be expended on other secondary roads, including State highways.

The apportionments will be in accordance with the long-established formulas and the latest available Federal census figures will be used for this purpose. The period of availability for the authorizations is continued at 2 years after the close of the year for which the authorizations are provided.

Section 2: Provides that any State desiring to obtain secondary road funds shall establish a secondary road unit in its State highway department within 6 months after the close of the next regular session of its legislature. The State highway departments may arrange with a county or group of counties suitably organized to supervise the secondary road program. The provisions of this section are similar with respect to the secondary road program to the previous provisions calling for the establishment of State highway departments when the primary program was first started.

Section 3: Authorizes $20,000,000 for each of the fiscal years 1952 and 1953 for forest highways and an identical amount for the same 2 years for forest development roads and trails. It also authorizes $3,500,000 for each of the fiscal years 1951 and 1952 for forest highways in or adjoining the Tongass National Forest in southeastern Alaska.

Section 4: (a) Authorizes $10,000,000 for each of the fiscal years 1952 and 1953 for roads and trails in national parks, with a limitation of $4,000,000 on the amount that can be used for maintenance and $1,000,000 on the amount that can be used for minor roads and trails. It also provides that this road program shall be developed and administered jointly by the Secretary of the Interior and the Secretary of Commerce.

(b) Authorizes $13,000,000 for parkways for each of the fiscal years 1952 and 1953, with a limitation of $500,000 for maintenance and $400,000 for minor roads and trails. This program also is to be administered and developed jointly by the Secretaries of Interior and Commerce, and provides that $3,000,000 of the 1952 authorization shall be available for contract immediately.

(c) Authorizes $10,000,000 for each of the fiscal years 1952 and 1953 for Indian reservation roads, to be approved and supervised by the Commissioner of Public Roads.

Section 5: (a) Provides a new authorization of $70,000,000 for each of the fiscal years 1952 and 1953 for the national system of interstate highways, which is composed of portions of the primary and urban systems having the greatest value from the standpoint of national interest. These funds are to be apportioned among the States in the same manner as the primary funds. Preference is to be given to widening and strengthening narrow roads and deficient bridges.

(b) The matching provisions provide for the present 50–50 matching or two alternates, namely, (1) 25 percent State funds, 50 percent Federal primary funds, and 25 percent Federal interstate funds, or (2) matching in the ratio of 75 percent Federal interstate funds and 25 percent State funds.

(c) Provides that Federal funds for the interstate system or the primary or urban systems may be used to aid in the retirement of bonds issued by any State, county, city, or other political subdivision for construction of roads on such systems. All such roads must be constructed in accordance with plans approved in advance by the Commissioner of Public Roads. This provision is not to be construed as a commitment or obligation on the part of the United States to provide these funds.

Section 6: Amends section 14 of the 1921 Highway Act with respect to responsibility for proper maintenance by the States. Responsibility for maintaining secondary and urban roads is placed upon the proper local officials, and the penalty of withholding approval of further projects applies only to the particular local government that fails to provide proper maintenance.

Section 7: Amends section 5a of the 1944 act to increase the Federal share payable for rights-of-way costs from one-third to not to exceed one-half. This places the sharing of rights-of-way costs on the same basis as other features of the highway projects.

Section 8: Amends section 3a of the Federal Highway Act of November 9, 1921, as amended by the act of February 20, 1931 (46 Stat. 1173), so as to authorize the Secretary of Commerce to cooperate with the State highway departments and with the Department of the Interior in the construction of public highways within national parks and monuments and to pay all or any part of the cost thereof from funds apportioned to the States under the Federal-aid road legislation in the same manner that has been authorized in Indian reservations ever since the approval of the Federal Highway Act of November 9, 1921.

Section 9: Authorizes the use of not to exceed $10,000,000 of any money heretofore or hereafter appropriated for expenditure in accordance with the provisions of the Federal Highway Act, as amended and supplemented, as an emergency relief fund for the repair, restoration, or reconstruction of highways damaged or destroyed on the primary or secondary highway systems as a result of severe storms, floods, landslides, or other like catastrophes of nature. This is similar to authorizations made pursuant to the act of June 18, 1934 (48 Stat. 993), June

8, 1938 (52 Stat. 633), and July 13, 1943 (57 Stat. 560).

Section 10: Authorizes $5,000,000 for each of the fiscal years 1951 and 1952 for roads through the public domain, to be expended on the basis of need as determined by the Commissioner of Public Roads upon application by the respective States.

Section 11: This amends the act of December 26, 1941, to authorize $8,000,000 for each of the fiscal years 1951 through 1958, inclusive, to be expended in cooperation with the Central American governments for completion of the Inter-American Highway. These funds will be matched by the Central American governments in amounts equal to at least one-third of the expenditures by the United States, except that $3,000,000 of the authorizations may be expended without matching if the Secretary of State determines that matching would be beyond their reasonable capacity. Construction work will be performed by contract except where not adapted to normal procedures or where the public interest warrants other methods. The highway is to be toll free and provision is made for reciprocal recognition of vehicle registration and drivers' licenses.

Section 12: Authorizes $4,000,000 for each of the fiscal years 1951 and 1952 for completion of the road from San Benito to Rama in Nicaragua, which has been partially completed pursuant to agreement between the United States and Nicaragua. Completion of this work will fulfill diplomatic obligations entered into when the initial work was accomplished several years ago.

Section 13: (a) Authorizes $25,000,000 for access roads to military and other defense facilities and installations. These funds may be used without any matching by local governments.

(b) Authorizes the Secretary of Commerce to use any unexpended balances of Federal-aid funds to undertake any highway projects certified as essential to the national defense when a national emergency is declared by Congress or by the President.

Section 14: Provides that whenever plans are submitted by a State Highway Department involving the by-passing of a city, town, or village, certification shall be made to the Commissioner of Public Roads that the State has had public hearings and considered the economic effects of such a location.

Section 15: Authorizes and directs the Commissioner of Public Roads to assist in carrying out the action program of the President's Highway Safety Conference and to cooperate with the State highway departments and other agencies to advance the cause of safety on the streets and highways. Not to exceed $75,000 may be expended annually from administrative funds for this purpose.

Section 16: Authorizes the Secretary of Commerce to delegate authority contained in this act to the Commissioner of Public Roads.

Section 17: Is a saving provision to the effect that if any section, subsection, or other provision of the bill, or the application to any person or circumstance, is held invalid, such invalidity shall not affect the validity of the remainder thereof.

Section 18: Provides for the repeal of all acts or parts of acts inconsistent with the bill and that the bill shall take effect on its passage.

Section 19: Provides that the act may be cited as the "Federal-Aid Highway Act of 1950."

Mr. CHAVEZ. Mr. President, I should like to insert in the RECORD at this point some general data with respect to the bill.

General data. Period covered: fiscal years 1952 and 1953. Current authorizations, $450,000,000. Total authorizations, $513,500,000. The House bill provides $500,000,000. The Senate bill provides $550,000,000. The total of the House bill is $646,500,000. The total of the Senate bill is $748,500,000.

Total highway needs: It was brought out at the hearings that in order to get the roads in the shape they should be the country would have to spend $41,000,000,000.

Motor vehicles: Over 45,000,000 motor vehicles are now in use. One can realize what they do to the roads.

Mileage on Federal-aid systems: Primary, 233,583 miles; secondary, 398,449 miles.

Urban—included in primary—14,000 miles.

Interstate—included in primary—37,800 miles. The total mileage is 632,037.

The total road mileage in the United States is 3,327,000. Those are the roads aided by Federal highway legislation, and they are ones that are built locally by cities, counties, towns, and townships.

Federal share in cost of all roads in the United States: In 1949, State and local governments spent $2,671,000,000. The Federal Government spent $460,000,000. The total amount spent was $3,131,000,000. In other words, local governments spent $2,200,000,000, in round figures, more than the Federal Government. Of the total expenditures for roads throughout the country the Federal share is only 14.7 percent of the total amount spent.

Mr. President, at this point in my remarks I should like to have inserted in the RECORD a list of the unobligated balances of previous highway aid authorizations.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNOBLIGATED BALANCES OF PREVIOUS HIGHWAY AID AUTHORIZATIONS

The evidence taken by the committee shows that obligations of the previous authorizations are considerably ahead of schedule. Authorizations prior to the current fiscal year have been completely exhausted, and nearly half of the authorizations for the current fiscal year, that is, the fiscal year 1951, have been used as of July 1, 1950. The total authorization for the three Federal-aid systems for the fiscal year year 1951 is $450,000,000. Of this amount there remains unprogramed only $244,000,000, or slightly more than one-half of the total for the year.

The break-down of the unprogramed balance among the three systems is as follows:

Primary system	$78,000,000
Secondary system	80,000,000
Urban system	86,000,000
Total	244,000,000

The procedure for using the Federal-aid highway authorizations may be summed up briefly in this way: After an authorization act is passed by Congress, the Bureau of Public Roads is required by law to make an apportionment of the authorizations among the States not later than January 1 preceding the beginning of the fiscal year for which the funds are authorized. Following this apportionment, the State highway departments submit programs of projects to be constructed with these funds. After review and approval by the Bureau of Public Roads, these programs represent a commitment to the State that it may proceed to acquire rights-of-way and place the project under construction. Actual payments to the States under authorizations for any particular year cannot be made until after the beginning of that fiscal year, and due to the length of time required for construction, they usually lag considerably longer than this. However, this method, adopted by Congress many years ago, requiring the apportionment at least 6 months in advance of the fiscal year permits the States to develop and plan a sound and orderly program of construction. Without such advance notice and continuity of authorizations, the highway program would be seriously impeded by interruptions and delays due to the uncertainties of future legislative action.

Mr. CHAVEZ. Mr. President, our highway systems have not yet recovered from the battering given by traffic during World War II when road construction was stopped and even maintenance was severely curtailed.

Highway improvements are still far behind urgent traffic demands.

Present authorizations are nearly exhausted. Only about one-half of the 1951 authorizations remain available although the year has barely started.

State highway departments must have some advance notice of Federal-aid authorizations in order to continue their construction programs without interruption or costly delay.

Most State legislatures meet only once every 2 years and therefore must have advance notice to take action on providing the State matching funds.

If full mobilization becomes necessary, many of the provisions in this bill will be a necessity for national defense. Many deficient portions of the national interstate system, which is our strategic defense network, will have to be speeded up on certification of defense officials, and access highways to defense installations and sources of critical materials will be needed immediately. The committee recognized these dangers and included measures in the bill to take care of such essential defense requirements.

Most important of all, however, is the provision inserted by the committee which will permit the use of any available Federal highway funds for essential defense roads when a national emergency is declared by the Congress or the President. In such an event, the President would stop all nonessential road work, and this bill will provide the standby authority to use any available funds immediately for certified defense roads. This will overcome the difficulties which were experienced at the outbreak of the recent war when lack of necessary legislation seriously impeded construction of many essential defense roads.

The bill therefore provides stand-by authority designed to meet defense needs if all-out mobilization becomes necessary, and at the same time it also will serve as stand-by authority for contin-

uing the improvement of our still deficient highway systems if we are fortunate enough to escape a full-scale war.

Mr. President, I ask unanimous consent to insert additional data in the RECORD at this point in my remarks.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

Summary of amounts in H. R. 7941 compared with current authorization

	Current authorization (1948 act)	H. R. 7941	
		As passed by House	As recommended by Senate committee
Federal-aid systems:			
Primary	$202,500,000	$225,000,000	$225,000,000
Secondary	135,000,000	150,000,000	200,000,000
Urban	112,500,000	125,000,000	125,000,000
Interstate system		70,000,000	70,000,000
Forest highways	20,000,000	20,000,000	20,000,000
Forest roads and trails	17,500,000	17,500,000	20,000,000
Park roads and trails	10,000,000	10,000,000	10,000,000
Parkways	10,000,000	13,000,000	13,000,000
Indian roads	6,000,000	6,000,000	10,000,000
Emergency fund		$10,000,000	$10,000,000
Inter-American Highway			8,000,000
Rama Road			4,000,000
Access roads			25,000,000
Tongass Forest roads, Alaska			3,500,000
Roads on public domain			5,000,000
Local roads			[1]
Total	$513,500,000	646,500,000	748,500,000

[1] Included in secondary funds.

Comparison of apportionment for interstate-system funds as recommended by Senate Public Works Committee and as adopted by the House of Representatives

State	Apportionment recommended by Senate committee (primary-road formula)	Apportionment adopted by House (population formula)	Increase resulting from use of Senate formula instead of House formula	Decrease resulting from use of Senate formula instead of House formula
Alabama	$1,457,000	$1,246,000	$211,000	
Arizona	991,000	505,000	486,000	
Arkansas	1,167,000	838,000	329,000	
California	3,223,000	4,551,000		$1,328,000
Colorado	1,210,000	519,000	691,000	
Connecticut	457,000	862,000		405,000
Delaware	337,000	505,000		168,000
Florida	1,060,000	1,064,000		4,000
Georgia	1,716,000	1,364,000	352,000	
Idaho	834,000	505,000	329,000	
Illinois	2,697,000	3,605,000		908,000
Indiana	1,701,000	1,704,000		3,000
Iowa	1,697,000	1,128,000	569,000	
Kansas	1,716,000	831,000	885,000	
Kentucky	1,282,000	1,235,000	47,000	
Louisiana	1,060,000	1,122,000		62,000
Maine	589,000	505,000	84,000	
Maryland	600,000	928,000		328,000
Massachusetts	912,000	2,011,000		1,099,000
Michigan	2,205,000	2,711,000		506,000
Minnesota	1,841,000	1,271,000	570,000	
Mississippi	1,239,000	909,000	330,000	
Missouri	2,029,000	1,679,000	350,000	
Montana	1,344,000	505,000	839,000	
Nebraska	1,338,000	549,000	789,000	
Nevada	$857,000	$505,000	$352,000	
New Hampshire	337,000	505,000		$168,000
New Jersey	938,000	2,080,000		1,142,000
New Mexico	1,081,000	505,000	576,000	
New York	3,303,000	6,141,000		2,838,000
North Carolina	1,694,000	1,649,000	45,000	
North Dakota	996,000	505,000	491,000	
Ohio	2,498,000	3,409,000		911,000
Oklahoma	1,518,000	982,000	536,000	
Oregon	1,210,000	741,000	469,000	
Pennsylvania	2,820,000	4,537,000		1,717,000
Rhode Island	337,000	505,000		168,000
South Carolina	936,000	854,000	82,000	
South Dakota	1,056,000	505,000	551,000	
Tennessee	1,500,000	1,380,000	120,000	
Texas	4,431,000	3,214,000	1,217,000	
Utah	768,000	505,000	263,000	
Vermont	337,000	505,000		168,000
Virginia	1,306,000	1,324,000		18,000
Washington	1,180,000	1,102,000	78,000	
West Virginia	749,000	828,000		79,000
Wisconsin	1,659,000	1,432,000	227,000	
Wyoming	825,000	505,000	320,000	
Hawaii, District of Columbia, Puerto Rico	337,000	505,000		168,000

NOTE.—The apportionment formula recommended by the Senate committee is the long-established primary road formula, which is based upon the three factors of area, population, and rural mail routes, with special recognition for States with large areas of public domain. The apportionment formula adopted by the House is an entirely new formula based upon population only. It has never been used before in Federal-aid highway programs.

Manufacturers' excise taxes relating to motor vehicles [1]

[United States internal revenue collections, summary by years]

[In thousands of dollars]

Calendar year	Excise taxes							Motor-vehicle use tax	Total	
	Gasoline	Lubricating oil	Motor vehicles and parts				Total excise taxes		Calendar year	Cumulative
			Automobiles and motorcycles	Trucks, busses, and trailers	Parts and accessories	Tires and tubes	Total			
1917							5,276	5,276	5,276	5,276
1918							45,564	45,564	45,564	50,840
1919							89,592	89,592	2,066	91,658	142,498
1920							149,194	149,194	1,807	151,001	293,499
1921							99,967	99,967	1,796	101,763	395,262
1922							114,793	114,793	1,845	116,638	511,900
1923							155,797	155,797	2,088	157,885	669,785
1924							139,201	139,201	1,894	141,095	810,880
1925							143,431	143,431	1,871	145,302	956,182
1926							96,256	96,256	176	96,432	1,052,614
1927							60,504	60,504		60,504	1,113,118
1928 [2]							28,222	28,222		28,222	1,141,340
1932 [3]	62,840	7,067	4,222	720	1,900	7,545	14,387	84,294		84,294	1,225,634
1933	181,126	22,290	22,476	3,047	4,443	23,836	53,802	257,218		257,218	1,482,852
1934	170,109	24,844	31,534	5,261	5,886	24,704	67,385	262,338		262,338	1,745,190
1935	172,262	28,819	42,263	6,674	7,019	28,102	84,058	285,139		285,139	2,030,329
1936	186,542	28,986	56,476	8,044	8,748	38,242	111,510	327,038		327,038	2,357,367
1937	203,025	33,681	64,722	8,812	9,620	40,088	123,242	359,948		359,948	2,717,315

[1] Since June 1, 1944, the Federal Government has paid these taxes on its own purchases, and the amounts are included in this table. The estimated portions of the total Federal excise taxes on automotive and related products that were paid by highway users are given in table E-38.

[2] In 1928, these taxes were imposed only during the 5 months ended May 29.

[3] In 1932, these taxes were imposed only during the 6 months beginning July 1.

Manufacturers' excise taxes relating to motor vehicles [1]—Continued

[United States internal revenue collections, summary by years]

[In thousands of dollars]

Calendar year	Excise taxes								Motor-vehicle use tax	Total	
	Gasoline	Lubricating oil	Motor vehicles and parts					Total excise taxes		Calendar year	Cumulative
			Automobiles and motorcycles	Trucks, busses, and trailers	Parts and accessories	Tires and tubes	Total				
1938	200,881	30,495	29,405	5,230	7,068	26,772	68,475	299,851	----------	299,851	3,017,166
1939	215,217	29,837	51,063	7,145	8,957	41,131	108,296	353,350	----------	353,350	3,370,516
1940	281,654	34,420	71,275	9,285	12,147	45,091	137,798	453,872	----------	453,872	3,824,388
1941	371,136	43,852	101,464	14,253	18,562	71,858	206,137	621,125	----------	621,125	4,445,513
1942	336,685	41,176	26,890	13,329	26,121	25,357	91,697	469,558	210,158	679,716	5,125,229
1943	265,303	49,211	1,087	1,798	25,064	31,948	59,897	374,411	134,619	509,030	5,634,259
1944	328,598	66,283	1,560	10,120	38,776	54,250	104,706	499,587	128,054	627,641	6,261,900
1945	424,585	96,998	4,665	32,874	61,055	88,185	186,779	708,362	124,501	832,863	7,094,763
1946	413,953	73,442	111,921	42,719	81,245	159,128	395,013	882,408	849	883,257	7,978,020
1947	455,350	78,649	244,914	75,506	117,103	171,156	608,679	1,142,678	2	1,142,680	9,120,700
1948	498,363	81,884	275,456	135,608	129,028	158,944	699,036	1,279,283	----------	1,279,283	10,399,983
1949	504,063	80,317	448,875	114,532	98,323	146,308	808,038	1,392,418	----------	1,392,418	11,792,401

[1] Since June 1, 1944, the Federal Government has paid these taxes on its own purchases, and the amounts are included in this table. The estimated portions of the total Federal excise taxes on automotive and related products that were paid by highway users are given in table E–38.

SOCIAL SECURITY ACT AMENDMENT OF 1950—CONFERENCE REPORT

Mr. GEORGE obtained the floor.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. MAYBANK. I wonder whether the Senator desires that I suggest the absence of a quorum. I shall abide by the wishes of the Senator from Georgia.

Mr. GEORGE. I do not believe it is necessary to call a quorum, inasmuch as it may take some time to develop one. I hope the Senator will withhold his suggestion.

Mr. MAYBANK. Mr. President, I withhold my suggestion of the absence of a quorum.

Mr. GEORGE. Mr. President, I submit the conference report on House bill 6000, Social Security Act amendment of 1950, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of August 16, 1950, pp. 12610–12645.)

The PRESIDING OFFICER. Is there objection to the consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. GEORGE. Mr. President, it is most gratifying to be able to report that the conference agreement on H. R. 6000 incorporates the principal provisions of the bill as passed by the Senate. Thus, the objective of having the contributory social-security system become the major method of providing protection against the economic hazards of old age and premature death should soon become an accomplished fact. I believe we may now look forward to a reversal of the trend of continually increasing expenditures from general revenues for the aged and for children who are dependent because of death of the family breadwinner.

Currently there are about 3,000,000 beneficiaries of old-age and survivors insurance. Under the conference agreement it is estimated that within a year this number will exceed 4,250,000. By 1960 the beneficiaries will number more than 7,000,000. Benefit payments for retired workers now averaging $26 per month will in a few years exceed an average of $50. In providing for these liberalizations, the Conference Committee was not unmindful of the increase in costs to the system.

Mr. WHERRY. Mr. President, I was about to ask the Senator a question, but one of my colleagues has just given me information which may answer the question. I wondered if the Senator from Georgia did not think it necessary to have a quorum called. I would suggest to the able Senator that Senators on this side of the aisle are most interested in the report, not that they are opposed to the report, but they would like to hear the Senator's explanation, and if he would permit a quorum call, I should like to get Senators to the floor if possible.

Mr. GEORGE. I have no objection. It would merely delay action. The distinguished Senator from South Carolina [Mr. MAYBANK] offered to call a quorum, but I suggested it would merely result in delay.

Mr. WHERRY. Mr. President, I will not delay action on the report. Several Senators have said they would like to be here when the conference report was laid before the Senate.

Mr. GEORGE. If the Senator feels he should call a quorum on that account, I yield for that purpose.

Mr. WHERRY. I do not think I would want to have it on that basis, because it is not because Senators oppose the report, but they wanted to get the information the Senator would impart in his remarks. I shall not call for a quorum at this time.

Mr. GEORGE. Mr. President, the tax schedule in the conference agreement is designed to make the program self-supporting so as to avoid the necessity for appropriating funds to the system out of general revenues.

I shall summarize very briefly the major provisions of the conference agreement that differ from those contained in the bill as passed by the Senate.

OLD-AGE AND SURVIVORS INSURANCE COVERAGE

The conference agreement extends coverage to substantially the same number of persons as under the Senate-passed bill, namely, ten million.

Nonprofit and religious institutions: The principal change made as to coverage relates to employees of nonprofit organizations that are exempt from income tax under section 101 (6) of the Internal Revenue Code. The bill as passed by the Senate provided compulsory coverage of employees of nonprofit organizations not owned or operated by a religious denomination. Employees of religious organizations were to be covered on a voluntary basis at the option of the employer.

The House-passed bill provided compulsory coverage of employees of nonprofit and religious organizations, but granted an exemption as to the employer's share of the tax. Unless the exemption were waived by the employer, only the employees would be required to make contributions to the system, resulting, of course, in a decrease of benefits received.

Under the conference agreement employees of all nonprofit and religious organizations exempt from income tax under section 101 (6) of the Internal Revenue Code may be extended coverage on a voluntary basis. For these employees to be covered the organization must file a certificate stating it desires coverage for its employees and that two-thirds of the employees concur in the filing of the certificate.

A very serious question was presented to the conference committee, namely, whether or not it would be valid to leave it to the employing corporation to decide for its employees, and thereby subject its employees to tax.

I repeat, under the conference agreement employees of all nonprofit and religious organizations exempt from in-

come tax under section 101 (6) of the Internal Revenue Code may be extended coverage on a voluntary basis. For these employees to be covered the organization must file a certificate stating it desires coverage for its employees and that two-thirds of the employees concur in the filing of the certificate. Then the employees so concurring would be afforded the protection of the system. Moreover, employees engaged by the employer after the certificate became effective would also be covered.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I yield.

Mr. SALTONSTALL. Does that mean that hospitals which are operated on a charitable basis, which are incorporated for nonprofit purposes, would come within the provision the Senator has just described?

Mr. GEORGE. I think so. I believe there is no doubt about that.

Mr. WATKINS. Mr. President, did I understand the Senator correctly to say that agricultural cooperatives also were included?

Mr. GEORGE. No; cooperatives are not included. The Senator from Massachusetts was asking about nonprofit hospitals, under section 101 (6). This provision does not refer to cooperatives.

Mr. WATKINS. There is another section dealing with them, is there not?

Mr. GEORGE. Yes; there is.

Mr. SALTONSTALL. If the Senator will further yield, what about nonprofit colleges, schools, and institutions of that character?

Mr. GEORGE. They are treated exactly as hospitals are. They are covered precisely on the same basis.

Agricultural workers: Under the bill as passed by the Senate about 1,000,000 agricultural workers, of whom 800,000 are regularly employed workers on farms, would have been covered by the system. The conference agreement makes no change as to coverage of the 200,000 borderline or marginal agricultural workers, as they are some times called, engaged in processing agricultural or horticultural commodities off the farm. As to regularly employed workers on farms the conference agreement reduces the number covered from 800,000 to about 650,000 by imposing a somewhat more restrictive definition of regular employment.

Under the Senate bill an individual would have been deemed to be regularly employed and to be covered by the system if he worked for one employer at least 60 days and earned $50 or more in a calendar quarter. The conference agreement modifies the provisions in the Senate-passed bill so as to cover an employee on a farm only if he has (1) worked for his employer on a full-time basis for 60 days in a calendar quarter, and (2) worked continuously for the same employer throughout the preceding calendar quarter.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I yield.

Mr. THYE. We should interpret that to be 6 months; that would be 6 months' time the worker would actually be employed, 3 months previous to, plus 3 months within that calendar quarter?

Mr. GEORGE. The Senator is correct.

Mr. THYE. I thank the Senator.

Mr. GEORGE. That was the concession we made to the House conferees in order to bring about an agreement upon the bill; and that is the effect of the conference report.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Florida.

Mr. HOLLAND. With reference to this coverage of agricultural employees, did I correctly understand the Senator to say that instead of requiring merely 60-day employment during a calendar quarter plus the earning of $50, in order to be entitled to coverage that under the conference report, to be covered in that first calendar quarter of coverage there shall have to be 60 full days of employment?

Mr. GEORGE. That is correct. What most concerned the conference committee, or at least some members of the committee, was that a worker might work part time on the farm, and then go into town to a shop and finish up his day's work. He could work a part of 60 days under present high-wage rate scales, and could easily earn $50 or more per quarter. So it was meant to be stated as clearly as we could by this provision that he must be a regular employee on the farm, and he is not required to put in a full day's time, because weather conditions and other things may interrupt, but that must be his regular employment; and he must not be a mere part-time worker who devotes an hour to the farm and works enough time elsewhere within a quarter to earn $50 or more.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. GEORGE. I yield.

Mr. HOLLAND. Is it then correct to say that in the case of an interruption for a day by weather, when a worker is ready to work the full day, but is prevented from so working simply by reason of the weather, that that day would count upon the 60 full days as embraced in the conference report?

Mr. GEORGE. That is correct. In other words, it would not interfere with that element insofar as his qualifying is concerned. His readiness to work the full day would meet the requirement, if he appeared, and if rain or other conditions interfered, and he was not able to work more than an hour, or not at all. But he must have within that quarter earned $50 or more.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. GEORGE. Yes; I yield.

Mr. HOLLAND. Then with reference to the effect of weather upon employment, the provisions of the bill are identical with those of the bill as adopted on the Senate floor; are they not? Namely, to work or be available and ready to work for the day constitutes a full day even though weather may interfere and cut down the hours of actual work?

Mr. GEORGE. That feature of it remains the same. The feature of the bill which was changed in conference was the requirement that in order to become eligible the regularly employed farm worker must have worked an immediately preceding qualifying quarter for the same employer. That was earnestly insisted upon by the House conferees, and the conference committee accepted that compromise.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. GEORGE. I am glad to yield.

Mr. HOLLAND. Now, without reference in this question to the qualifying quarter and solely with reference to the second consecutive quarter of coverage, the provision of the Senate bill, as I recall it, was merely that $50 had to be earned within a second quarter of coverage, in working for the same employer, to bring the workman under the coverage provisions of the bill for that quarter? Does the same provision apply to the conference bill?

Mr. GEORGE. That is correct; and in addition he must have worked 60 full days and earned $50 in the preceding quarter, the first quarter of coverage.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. GEORGE. Yes.

Mr. HOLLAND. With reference to the second quarter, of coverage, which is, of course, the third quarter of employment, and the requirements for coverage during that second quarter of coverage, as now stated under the conference bill, did I understand the Senator to say that one of the conditions for coverage in that second quarter of coverage is continuous employment during the first quarter of coverage by the employee for the same employer, or would only 60 days' employment during that first quarter of coverage serve to qualify him?

Mr. GEORGE. I believe this is the correct statement: He must have worked for his employer on a full-time basis for 60 days in the preceding calendar quarter, the first quarter of coverage, and, second, he must have worked continuously for the same employer throughout a former or next preceding calendar quarter which was the qualifying quarter. It was insisted by the House conferees that for one to become eligible under this title of the Social Security Act he must have been a regularly employed workman for one quarter, and in the second quarter, in which he could first qualify for coverage, he must have worked 60 days on a full-time basis; that is, as distinguished from a part-time or job worker; and he must have earned $50 or more in that second quarter. There is no requirement as to his earnings in the first quarter.

Mr. HOLLAND. May I ask the Senator: Is there any requirement for the

number of days he must have worked in the second quarter to qualify him for coverage?

Mr. GEORGE. In the second quarter?

Mr. HOLLAND. Yes, in the second quarter.

Mr. GEORGE. Sixty full days, yes. That is to say he must have been ready, able, and willing to work; he must have been there reporting for work, with such interruptions as occasioned by providential interventions or causes; he must have been there for 60 days within the 90-day quarter. He must have been regularly employed on a full-time basis for 60 days.

Mr. HOLLAND. Is it correct to say then that the provisions of the conference report on this particular item in the bill are less generous to the employee than the provisions of the Senate bill?

Mr. GEORGE. That is correct. As I have already stated, they are more restrictive than the provisions in the original Senate bill. But I may say to the Senator that it was necessary in the conference to make this concession in order to cover any regularly employed farm worker. We had to make that concession.

Mr. HOLLAND. Will the Senator yield for one further question? I appreciate greatly the patience shown by the Senator.

Mr. GEORGE. I yield.

Mr. HOLLAND. Would the Senator outline, for the record, clearly the exact distinction now appearing in the conference report between the requirement for qualification, not for coverage, in the first of two consecutive quarters and the requirement for actual coverage in the second of those two consecutive quarters.

Mr. GEORGE. The two quarters might be roughly described as being identical in the respect in which the Senator presents his question, except in the last he must earn $50. In other words, he must be employed by the same employer, and he must be employed regularly, or as we say in the bill, continuously, for one qualifying quarter, and in the second or immediately following quarter in order to be covered under the bill for that quarter, he must also be regularly employed for 60 days on a full-time basis and must have earned $50. The real distinction being that in the second quarter his earnings must have amounted to $50 or more. That is the substantial difference.

Mr. HOLLAND. I thank the Senator.

Mr. GEORGE. I am quite glad to be interrupted by the Senator from Florida.

Although the conference agreement does not go quite as far as the Senate-passed bill in extending coverage to agricultural labor, the basic principle contained in the Senate bill of providing coverage at this time to the steadily employed workers on farms is retained. The limited extension of coverage in this area assures simplicity of administration for the farmer and should provide the necessary experience on which to base future decisions as to the extent that coverage of agricultural labor should be broadened.

Employees of State and local governments: The provisions in the Senate bill providing for voluntary coverage of State and local employees not under a retirement system, by means of Federal-State agreement, were adopted by the conference committee. The conference agreement, however, does modify somewhat the provisions in the Senate bill for the extension of compulsory coverage to employees of certain publicly owned transportation systems.

The Senate bill provided compulsory coverage for all employees of publicly owned transportation systems, the whole or any part of which was acquired by a State or political subdivision after 1936.

The conference agreement adopts the provisions of the Senate bill as the general rule to be applied if a State or political subdivision acquires a transportation system, or any part thereof, from private ownership after 1936 and before 1951, except that old-age and survivors insurance coverage would not be extended to employees of a transportation system who are covered by a general retirement system under which the benefits are protected from diminution or impairment by a State constitutional provision. Acquisitions from a private company after 1950 are to be governed by special provisions which perhaps may need some revision as experience is gained in this new area of compulsory coverage.

Mr. SALTONSTALL. Mr. President, will the Senator yield at this point?

Mr. GEORGE. I am pleased to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I thank the Senator.

I believe that the distinguished chairman of the committee is somewhat familiar with the Boston metropolitan transit system about which I receive some correspondence. Does this conference report cover that system? The date used is 1936, and that makes me wonder.

Mr. GEORGE. The conference committee was advised that it does cover the Boston situation.

Mr. SALTONSTALL. I thank the Senator.

Mr. GEORGE. It seemed to cover that situation very well indeed; and the conference committee heard quite a good deal about Boston, Chicago, New York, and also Cleveland, let me say to the distinguished Senator from Ohio, whom I now see present in the Chamber.

I repeat that the report does cover the Boston situation.

Mr. SALTONSTALL. I thank the Senator.

Mr. GEORGE. I may add that it seemed to cover quite completely the Chicago situation, also.

Mr. President, I have just referred to the special provisions, which perhaps may need later revision, governing acquisitions from a private company after 1950. If these special provisions do not adequately meet situations arising in the future, the Congress will have ample time to make any necessary modifications to protect the rights of the individuals under the old-age and survivors insurance system.

Definition of employee: The conference agreement retains the usual common-law rules for determining the employer-employee relationship, except for specified occupational groups. The so-called economic reality test, based on seven indefinite factors, as contained in the House bill, was rejected by the conference committee. Thus, the basic principles of the bill as passed by the Senate govern. The usual common-law rules realistically applied, and not the restrictive rules of a particular State, are to be used for the purpose of ascertaining whether an individual is an employee or is self-employed, except that individuals in the following occupational groups are to be classified as employees if they perform service under prescribed circumstances—which, of course, are set out in the conference report:

First. Full-time life-insurance salesmen;

Second. City and traveling salesmen engaged on a full-time basis in soliciting orders for their principals—except for side-line sales activities — from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments;

Third. Agent-drivers or commission drivers engaged in distributing meat products, vegetable products, fruit products, baking products, beverages—other than milk—or laundry or dry-cleaning services, for their principals; and

Fourth. Industrial home workers licensed under State law, and who work in accordance with specifications prescribed by their employers.

LIBERALIZATION OF BENEFIT PAYMENTS

The conference agreement retains the benefit formula as passed by the Senate, so that workers who retire with earnings in covered employment in six calendar quarters after 1950 may have their benefits computed as follows: 50 percent of the first $100 of the average monthly wage, plus 15 percent of the next $200. Present beneficiaries, as well as individuals who retire in the future without having earnings in covered employment in six calendar quarters after 1950, will have their benefits increased 77½ percent on the average over the level provided in present law. Under the bill as passed by the Senate, this increase would have averaged more than 85 percent, while under the House bill the average increase was 70 percent.

Although this compromise does not provide for as high a level of benefits for present beneficiaries and those retiring in the near future as would have been provided under the Senate-passed bill, the long-range level of benefits will be substantially the same as under the Senate bill, because the afore-mentioned benefit formula will be used in most instances for persons retiring after June 30, 1952.

ELIGIBILITY

The provisions in the Senate-passed bill which greatly liberalized the eligibility requirements for older workers are

retained in the conference agreement. Thus, a worker who just attained the age 65 needs only six quarters of coverage to be eligible for benefits, instead of 27 quarters, as is the case under present law, or 20 quarters, as was prescribed in the House bill. Moreover, under this new start provision for eligibility requirements any person now aged 62 or over can qualify for benefits with the minimum of six quarters of coverage. All others can qualify if they have coverage in one-half the quarters elapsing after 1950 and before attainment of age 65, but in no case are more than 40 quarters required. Quarters of coverage, for the purpose of meeting the new eligibility requirements, include those earned in 1950 and prior years, as well as those earned subsequently.

FINANCING

The conference agreement retains the tax rates that were provided in the Senate-passed bill, except that the present rates of 1½ percent on employer and 1½ percent on employees are scheduled to be increased to 2 percent in 1954, instead of in 1956. The complete schedule is as follows: 1½ percent on employers and 1½ percent on employees for 1950–53, inclusive; 2 percent for 1954–59, inclusive; 2½ percent for 1960–64, inclusive; 3 percent for 1965–69, inclusive; and 3¼ percent thereafter, with the self-employed paying 1½ times the employee rate.

PUBLIC ASSISTANCE

The conference agreement retains the Federal grant-in-aid formulas of present law for the existing programs of old-age assistance and aid to the blind.

AID TO DEPENDENT CHILDREN

For aid to dependent children, the amount of funds made available to the States will be increased approximately $75,000,000 a year, because of the provision, which was in the bill as passed by the House and by the Senate, making the mother or other adult relative of the children a recipient for Federal matching purposes. The maximum payments for Federal participation in aid to dependent children, which, under the Senate-passed bill, were to be $30 per month for the caretaker, $30 for the first child, and $20 for each additional child in a family, are cut back to $27, $27, and $18, respectively, under the conference agreement.

AID TO PERMANENTLY AND TOTALLY DISABLED

A new program for aid to the needy permanently and totally disabled, estimated to cost the Federal Government about $65,000,000 a year, is established by the conference agreement. Federal grants-in-aid are made available to the States for this program under the same matching formula now used for old-age assistance and aid to the blind. Thus the Federal share is three-fourths of the first $20 of a State's average monthly payment per recipient plus one-half of the remainder within individual maximums of $50. Accordingly, the maximum in Federal funds for any recipient is limited to $30 per month.

Although the bill as passed by the Senate made no provision for the establishment of this program, a floor amendment authorizing Federal grants-in-aid for the needy disabled was defeated on a yea-and-nay vote by the narrow margin of 42 to 41. The conferees for the Senate in agreeing to recede were guided by the fact that there was only a one-vote difference when the Senate considered the establishment of a program for the needy disabled.

PUERTO RICO AND THE VIRGIN ISLANDS

The conference agreement extends the State-Federal public assistance programs to Puerto Rico and the Virgin Islands. The Federal share is limited, however, to one-half the expenditures made to recipients of assistance. Moreover, the total Federal costs may not exceed $4,250,000 a year for Puerto Rico and $160,000 for the Virgin Islands.

The Senate-passed bill made no provision for extending the public-assistance programs to those insular possessions while the House bill authorized such extension without an over-all dollar limit on annual Federal participation in costs. I may say, in passing, that the conference committee was advised that the limit of $4,250,000 a year for Puerto Rico and $160,000 for the Virgin Islands on the formula of matching, approved in the conference report, would be adequate.

CHILD HEALTH AND WELFARE SERVICES

The House bill authorized an increase in the annual authorization for Federal grants to the States for child-welfare services from $3,500,000 to $7,000,000, but made no provision for increasing the authorizations for the other service programs for crippled children and maternal and child health. The bill as passed by the Senate would have increased the annual authorization from $3,500,000 to $12,000,000 for child-welfare services, from $7,500,000 to $15,000,000 for crippled-children services, and from $11,000,000 to $20,000,000 for maternal and child-health services.

Under the conference agreement the authorizations provided for these programs are reduced somewhat from the figures contained in the Senate-passed bill. However, substantial increases are provided so as to assist the States to meet the health and welfare needs of a greater number of children. For child-welfare services the annual authorization is increased to $10,000,000; for crippled-children services $12,000,000 is authorized for the present fiscal year, and $15,000,000 for each year thereafter; for the maternal and child-health services $15,000,000 is authorized for this year and $16,500,000 for each year thereafter.

UNEMPLOYMENT INSURANCE

The bill as passed by the Senate contained two provisions relating to unemployment insurance which were not included in the House bill. The first of these reenacts the provisions in title XII of the act, which expired January 1, 1950, under which the Federal Government was authorized to make advances to the accounts of States in the unemployment trust fund. The conference agreement permits such advances, in order to assure the solvency of State unemployment insurance accounts, until December 31, 1951, thus affording ample time for other legislative treatment, in the event this problem should become acute in any State.

The second provision is the amendment sponsored by the junior Senator from California [Mr. KNOWLAND] added to the bill on the floor of the Senate, which restricts the authority of the Secretary of Labor over State unemployment-insurance programs.

Both of these Senate provisions were adopted by the conference committee without change.

CONCLUSION

The conference agreement makes it possible for 10,000,000 individuals to begin making contributions to the old-age and survivors insurance system beginning the first of next year and to obtain old-age security for themselves and protection for their dependents in case of death. Increased benefit payments are provided for the 3,000,000 beneficiaries now on the rolls. It should be remembered that retired workers are now receiving an average of only $26 per month, as their benefits are computed on the basis of a formula adopted more than 10 years ago, which was geared to prewar wage and price levels. Under the conference agreement these beneficiaries will receive an average of $46 per month beginning with the payments for the month of September.

Although the conference agreement relates primarily to improving and expanding the old-age and survivors' insurance system, provision is also made for strengthening State-Federal public-assistance and child-health and welfare services. As I have indicated earlier, additional Federal funds are made available for aid to dependent children, maternal and child health, crippled children, and child-welfare services. Moreover, a fourth category of public assistance for the needy permanently and totally disabled is established.

Mr. President, the conference agreement perhaps is more important to the citizens of the Nation than any domestic legislation that has come before the Eighty-first Congress. I urge immediate adoption of the agreement so that the beneficiaries now on the rolls may have their small benefit payments increased, effective with the checks they will receive for the month of September.

Mr. President, before resuming my seat, I wish to say that the conference was entirely harmonious. Each conferee gave to the other his very best service in working out the difficult problems presented by the disagreeing votes of the two Houses. I may also say that the House yesterday approved the conference report by a vote of 374 to 1.

Mr. MILLIKIN. Mr. President, I congratulate the distinguished chairman of the Senate Finance Committee on the excellent and very clear statement he has just made on the work of the conferees. I should like also to state my belief that the conferees did a fine job in representing the basic views of the Senate on this subject. I hope the conference report will be approved.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to place in the body of the RECORD at this point some remarks I have prepared on what the

new and improved social security law means.

There being no objection, Mr. MAGNUSON's remarks were ordered to be printed in the RECORD, as follows:

WHAT THE NEW AND IMPROVED SOCIAL SECURITY LAW MEANS

(By Senator WARREN G. MAGNUSON)

Mr. President, this Eighty-first Congress can take pride in its victory in creating a better program for social security than the one enacted 15 years ago.

The fight for destruction of the "poorhouse philosophy" that once prevailed has been an uphill battle.

It can truthfully be said that I remember every step of that fight. From the outset, I vigorously opposed the theory that human beings who had given their best years to improving this Nation should be junked because of old age, lack of employment, or disability.

Farsighted fraternal organizations, such as the Fraternal Order of Eagles, have been in the patrols out in front of this fight. Their pioneering made possible the strengthened social security system now offered to the United States.

Way back in 1933, when I was a member of the State legislature, I participated in the first fight to abolish "poor farms" in my State and begin a sound social security and old-age pension system. We had a difficult fight to convince reactionary members of this necessity. I led the floor fight. We won by a narrow margin. From that start, we have developed a fine system in the State that can now participate to great advantage with this fine piece of Federal legislation.

Together we established the first unemployment compensation legislation in this country, and their firmness and resolve will never be forgotten.

This is what it means to the Nation and to the State of Washington.

This new legislation adds about 10,000,000 persons to the 35,000,000 covered by the social security law up to now. For the first time, the self-employed come under its benefits, excepting some specified groups such as doctors and lawyers.

Included among the 4,500,000 self-employed who are to be benefited by the old-age and survivors insurance program are the publishers. I cite this only because the House bill neglected to include them. Publishers in my State were interested in the program. I asked the Senate to include them, and both the Senate and House agreed.

There are many other improvements in this legislation.

Benefits are increased, as well as coverage. Increases will average about 77½ percent, and some of the low benefit groups will benefit 100 percent.

The average "primary benefit," meaning the benefit which the breadwinner alone gets as distinct from what is added because of his dependents, will increase for a worker now retired from an average $26 a month to $46 per month. The present $85 maximum family benefit will be raised to $150 a month.

The expanded coverage will include some 850,000 agricultural workers, of whom 650,000 are on farms. The 200,000 are engaged in processing farm products instead of actually working on farms.

It will include 1,000,000 persons employed in domestic service, if they are employed at least 24 days and paid $50 by one employer during one calendar quarter. Coverage also includes: casual laborers similar to those in domestic work; State and local government employees who are lacking a retirement system now, Federal employees who are not now covered by Federal retirement, those employed by some public transit systems, certain outside salesmen, some abroad employed by Americans and some employees of nonprofit organizations.

New benefits become effective this September. Extended coverage is effective with the new year, 1951.

Better benefits apply to those already retired as well as those who will retire in the future.

More people will enter under the new start provision. For instance, a 62-year-old worker who was employed for any six quarters becomes eligible when he reaches 65. Present law made him ineligible unless he had been employed for half of all working quarters from 1936 to retirement.

Veterans of World War II will benefit, through wage credits of $160 for each month of service.

This program raises from $3,000 to $3,600 the amount of yearly pay taxed for social security. It will gradually increase the tax on both employers and employees, beginning in 1954, from the present 1½ percent to 3¼ percent each by 1970.

Here, in brief summary, are the major changes:

1. More coverage: About 10,000,000 more persons will come under social security, mostly the self-employed, farm workers, and household workers.

2. Higher benefits: First, for those now getting benefit pay, who will get roughly 77½ percent more, beginning with checks to be mailed out October 3. Second, for "new starts" who retire after June 30, 1952; their benefits will average double the present payments.

3. Easier eligibility: It will take less years, generally, to come under social security. Survivors and dependents will also be able to earn $50 monthly in covered employment without losing benefits, instead of the present $15 limit.

WHO WILL BENEFIT?

In more detail, here is the picture:

Small business people, the grocery and service station proprietor and others, will be covered, but not lawyers, dentists, doctors, accountants, engineers, or architects.

In figuring benefits, a self-employed person will simply transfer information from his regular income tax return to a simple added form. His tax contribution will be one-half more than the wage earner's, meaning that if the worker puts in 1½ percent of his wages (and his employer does the same) the self-employed person puts in 2¼ percent.

One million persons who work in homes (not farm homes) become the second largest group covered. Those working in farm homes are also covered, as agricultural workers. A domestic worker who works for one employer at last 24 days in each quarter-year, and gets cash wages of at least $50, is covered. For example, a maid working two days a week would benefit, but not if working only one day per week.

The third large group includes agricultural workers, those working regularly on farms and also those processing farm products off the farm. This means those working for poultry hatchers, irrigation projects, and commercial handlers of fruits and vegetables. It also includes employees of farmer cooperatives, which is important in my State.

To qualify as regularly employed a farm worker must work steadily for one employer for 3 months before coverage starts, then continue to work for that employer for 60 full days and receive cash wages of at least $50 for each quarter-year.

Some 1,500,000 employed by State and local governments will be covered through voluntary agreements with the Federal Government (unless they were already covered by a State or local system when the agreement is reached). Federal employees not previously covered by a Federal retirement system come under the new social security.

Those employed by nonprofit groups (religious, education, etc.) will be covered if (1) the employer agrees to pay his part of the contribution, and (2) two-thirds or more of the employees favor such coverage. Ministers and members of religious orders are exempt, however.

Others newly covered will be: Full-time life insurance salesmen, some full-time traveling salesmen (not house-to-house sellers), and many delivery truck drivers and home industrial workers (who produce certain things at home) working under specified conditions.

HOW MUCH MORE BENEFIT?

Those already retired or getting benefits, and those who will retire or start getting benefits before June 1952 will receive (average) benefits of about 77½ percent more than now. This will be amounts about half again as large for those now receiving the higher benefits. It will be about double for the present low-benefit groups. Example: A person getting only $10 will get $20 under the new law, while one getting $46 will get $68.50. These increases start at once (effective September 1950), and checks mailed out October 3 will carry the higher amounts.

People do not have to apply for the increase, they will start automatically. If the increase fails for any reason to be in the October check, it will show up later in full. Recipients are asked not to start writing for information because the fewer letters received in the next few months the faster will the new program take shape. If inquiries are necessary they may best be addressed to the old age and survivors insurance regional offices.

This table shows what those now getting benefits, or who will before June 1952, will get under the new law as compared with the old:

Present benefit	*New benefit*
$10	$20.00
$11	22.00
$12	24.00
$13	26.00
$14	28.00
$15	30.00
$16	31.70
$17	33.20
$18	34.50
$19	35.70
$20	37.00
$21	38.50
$22	40.20
$23	42.20
$24	44.50
$25	46.50
$26	48.30
$27	50.00
$28	51.50
$29	52.80
$30	54.00
$31	55.10
$32	56.20
$33	57.20
$34	58.20
$35	59.20
$36	60.20
$37	61.20
$38	62.20
$39	63.10
$40	64.00
$41	64.90
$42	65.80
$43	66.70
$44	67.60
$45	68.50
$46	68.50

The foregoing applies to those under the program before June 1952.

The second main group to be benefited are those who will retire or start to draw benefits after June 1952. Their benefits will be figured on a new basis that will give them, on the average, twice the benefits now being received. This new formula will not apply

to those whose benefits started before June 1952.

This new formula takes effect no earlier than June 1952 (but applies to those having at least six quarters, meaning one and a half years, after January 1, 1951).

This formula sets the "primary benefit," meaning the basic amount an individual insured worker with dependents receives, at 50 percent of the first $100 of his average monthly wage, plus 15 percent of the next $200 of his wage. The old formula set the primary benefit at 40 percent of the first $50, and 10 percent of the next $200 of the average monthly wage.

In other words, the maximum monthly wage to be used for setting benefits has been raised from $250 to $300.

Minimum primary benefit has been raised, in most cases, from $10 to $25. Maximum family benefit has been raised from $85 to $150. These are vitally important changes, long overdue in view of high living costs today.

It is unfortunate, I think, that the annual increase in benefits of 1 percent for each year of coverage has been eliminated. A person who has been covered for 30 years will get only the same benefits as one covered for 5 years.

HOW ABOUT DEPENDENTS?

Dependents and survivors will receive generally the same proportion of primary benefits paid to the wage earner, meaning that their benefits also will be about 77½ percent higher than at present, up until 1952 (or twice the present level if they begin after June 1952).

Benefit for a wife will still be one-half of the primary benefit. But under the new bill, benefit payments can be made to a retired worker's wife who is 65, if she has a child in her care. Benefit for a widow is three-fourths of the primary benefit; for a child, one-half the primary benefit (except when the insured worker dies, in which case the benefit for the first child will be three-fourths of the primary benefit).

Benefit for a dependent parent, now one-half of the primary benefit, has been raised to three-fourths. Lump-sum payments, upon death of any insured worker, have been changed from 6 times the primary benefit to 3 times the primary, but will now be paid to the family of an insured worker regardless of whether any other member is entitled to receive benefits at the time of his death. (Under present law, lump-sum death benefits were made only when no other member of the family was entitled to survivors benefits at time of the wage earner's death.)

Also important is the new change allowing survivors or dependents to earn $50 monthly without losing their benefits, as against the previous $14.99 limit.

HOW LONG TO QUALIFY?

The question of how long you have to be covered before you can start drawing benefits brings up one of the most liberal changes in the new law.

Retirement age remains unchanged, age 65, but it is now much easier for a 65-year-old person to begin to draw benefits.

Previously we had to have been working in covered employment, meaning under the social security system, for half of the time since January 1, 1937. At present, that would mean a person reaching 65 must have been covered for 27 quarter-years, or 7 full years of consecutive coverage.

From now on, he need only have worked under coverage for half the time since January 1, 1951, but in no case is less than 6 quarters required, nor more than 40.

This means three things:

First, any insured worker 65 or over on January 1, 1951, already covered for 6 quarter-years, can draw benefits immediately. He needs only those 6 quarters.

Second, any worker, whether or not covered up to now, who is 62 or over on January 1, 1951, can draw benefits upon reaching 65, if he has had 6 quarter-years of coverage at 65.

Third, and most important, workers who have come under social security only recently, and particularly the 10,000,000 starting next January 1, will be eligible to receive benefits on retirement with much less coverage than now. The following table shows how many quarter-years are needed under the old and new law; simply look at the figures next to your age on January 1951:

Quarters of coverage required to be fully insured

Age reached in first half of 1951	Present law	New law
76 or over	6	6
75	8	6
74	10	6
73	12	6
72	14	6
71	16	6
70	18	6
69	20	6
68	22	6
67	24	6
66	26	6
65	28	6
64	30	6
63	32	6
62	34	6
61	36	8
60	38	10
59	40	12
58	40	14
57	40	16
56	40	18
55	40	20
50	40	30
45 or under	40	40

NECESSITY FOR TOTAL MOBILIZATION OF OUR RESOURCES, INCLUDING MORAL AND SPIRITUAL STRENGTH

Mr. MARTIN. Mr. President, 10 days ago it was my great privilege to witness the Twenty-eighth Division in its final parade before answering the call into Federal service.

At the Indiantown Gap Military Reservation 10,000 sons of the Keystone State, citizen soldiers of the Pennsylvania National Guard, marched in review before the Governor of the Commonwealth and Gen. Mark W. Clark, Chief of the Army Field Forces.

Thousands of admiring relatives and friends were present and every heart was thrilled by the magnificent spectacle.

Mr. President, there was deep and solemn inspiration as these fine young men marched on the field to the impressive music of Onward Christian Soldiers. With flags flying, and battle streamers and guidons waving beautifully in the sunlight, each unit paraded by the reviewing stand to the strains of its own marching song.

The One Hundred and Twelfth Infantry, with a brilliant record of service dating back to the Spanish-American War, marched to the tune of Old Soldiers Never Die.

The One Hundred and Tenth Infantry, which first covered itself with glory in the Philippines, stepped to its favorite, Khaki Bill.

The One Hundred and Ninth Infantry, from the hard-coal region of Pennsylvania, marched to the strains of the Old Gray Mare.

The famous artillery song, the Caissons Are Rolling Along, was played when the artillery units passed the reviewing stand.

Roll on Twenty-eighth, the combat song of the division, rolled over the field when the special units marched by.

And finally, the stirring notes of Onward Christian Soldiers were heard again when the historic Philadelphia First City Troop brought the procession to a close.

This unit, officially designated as the Twenty-eighth Reconnaissance Company, boasts the longest, unbroken military record in the United States. It frequently served as bodyguard to Gen. George Washington in the Revolution and has escorted every President of the United States.

In its glorious history the Twenty-eighth Division has been commanded by many outstanding soldiers and great Americans—Gen. John F. Hartranft, Gen. Charles M. Clement, Gen. Charles H. Muir, Gen. William G. Price, Jr., Gen. E. C. Shannon, Gen. Omar Bradley, Chairman of the Joint Chiefs of Staff, and Gen. Normal D. Cota, who has just been named director of civilian defense for the important city of Philadelphia.

The present division commander, Maj. Gen. Daniel B. Strickler, is a worthy successor of that distinguished list. He is a brilliant soldier with an exceptional record of heroic service in both world wars.

Mr. President, there were tears in the eyes of many strong men as they watched the guardsmen march.

It recalled to them the grim realities of war and its tragic toll in suffering and sacrifice.

It brought to mind that liberty, to be retained, must be defended by the blood of heroes and patriots.

Freedom can be preserved only by hard fighting and that means getting down into the fox holes, in the mud, and crawling from point to point with rifles and bayonets.

The review was also a grim reminder that every American must be alerted to do his full duty on the home front.

We are facing a time when the highest patriotic principles must be called forth in defense of our country and our way of life.

In the situation confronting us selfishness is sabotage. This is no time to think about increased profits. It is no time to demand wage increases. It is no time for business as usual or pleasure as usual.

It is a time for willing sacrifice in the service of our flag and our Republic. It is a time for Americans to practice 100 percent Americanism 100 percent of the time.

What is the right course to take as we face this grave threat to our freedom?

I have outlined some steps which, in my judgment, we should take as part of an American program.

First. We should support universal military training. This will prepare our young men to meet the enemy on the field of battle. It is fair because it places equal military obligation upon every citizen. If we are to preserve our Republic its wars must be fought by the people.

Second. We must have total mobilization of all our resources—labor, industry, agriculture, and finance, and all our moral and spiritual strength.

Third. We must fight inflation and keep our currency sound by restricting credit and by placing controls on prices and on salaries and wages at the same time.

Fourth. All critical materials in short supply, needed for war production, should be placed on a rigid system of priorities and allocations.

Fifth. All Government spending, not directly connected with national defense, should be reduced to the lowest possible level.

Sixth. As far as possible the cost of war should be paid out of current revenue. Otherwise we may lose our freedom of the individual even though we win the war.

Seventh. We must stamp out law evasion, racketeering, black markets, and profiteering.

Eighth. We must constantly teach the meaning of the American way of life. The blessings of individual freedom should be compared with the terror and tyranny under which millions of people are enslaved behind the iron curtain of godless communism.

Ninth. All those disloyal to our form of government and who prefer communism to Americanism should be deported if they are not citizens of the United States. If naturalized, their citizenship should be revoked. Native born Communists should be placed where they cannot sabotage our military effort, our war production, or our schools and churches.

Tenth. We should work for a great spiritual awakening, based on the eternal truths of the Holy Bible. We must recognize that God stands at the portal of destiny.

Communism denies God. It worships the state.

God-fearing, law-abiding Americans pray for divine help and guidance.

We believe in the fatherhood of God. In that faith lies our hope for lasting peace in the world.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). Does the Senator from Pennsylvania yield to the Senator from Virginia?

Mr. MARTIN. I shall be glad to yield.

Mr. ROBERTSON. The Senator has delivered a very wonderful speech. I listened to it with great interest and with keen approval of its appeal to the Nation to mobilize our spiritual powers, and our physical powers, and to spread evenly the burden of defending our manner of life. I have read in the press that a great and crippling railroad strike may occur next week. Does the Senator from Pennsylvania think that in this emergency we can afford the luxury of that method of settling a difference of opinion as to whether railroad workers shall have the same pay for 40 hours as they have been receiving for a longer work period?

Mr. MARTIN. Mr. President, I appreciate the comments of the distinguished Senator from Virginia. I made the statement in my prepared address that anything which retards the military effort of the United States is sabotage. I will go still further. Anything that sabotages the production of America now is treason to our way of life. I feel if we start to mobilize all our forces, spiritual and material, that the great godless country of Russia will back down, and we can save the lives of thousands of fine young men and women of this country.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MARTIN. I am glad to yield.

Mr. ROBERTSON. On Monday we shall vote on the defense production bill. In the preparation of the bill our committee tried to tie price fixing to wage stabilization. It has been reported to me that a loophole has been left which is big enough to drive a horse and wagon through. I hope that is not true. But if we have left such a loophole in the language of the bill, we should rectify it. However, does the Senator from Pennsylvania agree with me that if we are to fix prices, it is absolutely necessary to stabilize wages?

Mr. MARTIN. I agree fully with the distinguished Senator from Virginia.

Mr. ROBERTSON. Mr. President, will the Senator yield further?

Mr. MARTIN. Certainly.

Mr. ROBERTSON. The Senator made a very strong and pertinent comment about those who are alien to our form of government and who would, if they had the opportunity, overthrow our Government by force. Does the Senator think that we should definitely act on some type of legislation on that subject before we recess next month?

Mr. MARTIN. Mr. President, I think the distinguished Senator from the Commonwealth of Virginia is absolutely right. We would be almost traitors to our duty if we failed to enact appropriate legislation to curb all subversive and communistic activities in this country. For the past 20 years I have fought against communism in America. I am willing now to stand up and take my chance in opposition to it in any form. We are having many military casualties in far off Korea. It may be necessary to have political casualties here on the home front. I am willing to vote for measures which will protect the United States, regardless of political consequences.

Mr. ROBERTSON. I should like to make one other suggestion, if the Senator will yield.

Mr. MARTIN. I am glad to yield.

Mr. ROBERTSON. I have been very much engrossed during the present session of Congress with the work of the Committee on Appropriations and the Committee on Banking and Currency. Consequently I have not been able to follow the work of the Committee on the Judiciary, especially with respect to the Mundt-Ferguson bill and other similar proposals. However, my surface impression is that the Mundt-Ferguson bill is the correct approach to the problem. I do not want any milk sop measure, because we are not dealing with any minor threat to our security. Does not the Senator agree with me that it would be desirable to get an agreement to take up next week the Mundt-Ferguson bill, and to consider it on its merits, subject to such amendments as may be proposed, and then let it go to conference with the House, to a conference committee composed of members of the House and Senate Judiciary Committees, who have been studying this matter for 3 or 4 years, rather than attach it to the control bill and have the Committee on Banking and Currency go into conference with the House on something which they have not acted on?

Mr. MARTIN. I agree fully with what the Senator says, unless it is impossible for us to get the Mundt-Ferguson bill up for consideration. However, I feel it to be so important that it should be considered as a rider, if necessary.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MARTIN. I yield gladly.

Mr. MAYBANK. The distinguished former Governor of Pennsylvania has expressed my sentiments with respect to the armed services. I merely wish to say that as chairman of the Committee on Banking and Currency I want to have no part in controlling Communists. I think they ought to be in jail, or they should be deported. For that reason, I hope the distinguished Senators on both sides of the aisle will permit the issue to be taken up separately. I am as much against Communists as is the Senator from Pennsylvania, whom I knew when he was governor of his State. I spoke for the Mundt-Ferguson bill some 2 weeks ago. It is an excellent bill, and it has come to the Senate from the Committee on the Judiciary. I do not think we should have any control of Communists. We ought to get rid of them.

Mr. MARTIN. I appreciate very much what the distinguished Senator from South Carolina has said. I agree with him as to the mechanics of the procedure. However, if we cannot get a bill before the Senate on which we can act, I think it should be in the form of a rider to the pending bill.

Mr. MAYBANK. We are both realists.

Mr. MARTIN. Yes.

Mr. MAYBANK. We have come up the hard way or the easy way, or whatever one may wish to call it. I shall join the distinguished former Governor of Pennsylvania in bringing up any sort of bill he cares to have considered. Of course, I speak only for myself.

Mr. MARTIN. Yes.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MARTIN. I am glad to yield.

Mr. BRICKER. I certainly approve the patriotic spirit manifested in the remarks made by the distinguished Senator from Pennsylvania, and I wish to associate myself with them. The Senator is well aware that there has been an infusion of subversive Communist strength into many labor organizations in the country. I am confident that the Senator deplores it as much as I do. However, there is being made a strong effort by the patriotic leadership of some of the unions to eradicate that influence. I should like to ask if the Senator from Pennsylvania will yield to me so that I may ask unanimous consent to insert

in the RECORD at this time a resolution adopted by Local Union No. 1190, CIO, in Ohio, asking that the Communist Party in the United States be outlawed as a matter of law, setting up proper penalties, and that they be driven out of positions of influence and power.

Mr. MARTIN. I shall be glad to yield for that purpose.

Mr. BRICKER. Mr. President, I ask that the resolution be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas we, the members of Local Union No. 1190, USA-CIO, sitting in open meeting on this the 7th day of August 1950, do hereby unanimously concur in an opinion that the peace, security, and welfare of the people of these United States is now being jeopardized by the constant spread and encroachment of communism upon the lives and welfare of all free people; and

Whereas we are convinced that the strength of these United States and her allies is now being tested by Soviet Russia in Korea to sound out the possibilities of a world conquest by Soviet Russia in order to indoctrinate the world with the philosophy of communism. We further agree that history itself gives us the pattern of aggression by Russia in recording a similar incident, with the same intent and purpose, when the soil of Spain was stained red by the blood of thousands of innocent people when it became the testing grounds for Hitler's legion of death, Stalin's red hordes, and Mussolini's Fascists, that eventually set off the greatest holocaust in the history of the world; and

Whereas we are firmly convinced that threats of world-wide communism is not confined to European and Asiatic countries alone but is threatening us from within our own borders. That members of the Communist Party in this country who are allegiant to Soviet Russia will aid her in times of duress and are now subversively plotting against the United States and the people thereof; and

Whereas with definite overt arts of aggression being committed by Soviet Russia in Korea that is undermining the peace of the world, we do hereby unanimously agree that all members of the Communist Party, both here and abroad, openly commit themselves as enemies of this country and should be treated as such; and

Whereas we consider a national emergency to be existing, creating the necessity of constant vigilance by all citizens of the United States in the preservation of our freedom: Now be it

Resolved, That we believe the facts set forth in this resolution are basically sound; therefore we petition you to exercise the powers of your high office to assist us in securing the necessary legislation outlawing the Communist Party in the United States and to establish by law a severe penalty for a violation thereof; be it further

Resolved, That, as citizens of the United States, we do not consider such action to be in violation of any of the individual rights and privileges guaranteed us by the Constitution; be it further

Resolved, That we seek the aid and assistance of all local labor, civic and fraternal organizations in securing the passage of this legislation; be it further

Resolved, That a copy of this resolution be mailed to Senator Robert A. Taft, Senator John W. Bricker, Congressman Wayne L. Hays, Mayor Walter C. Sterling, Steubenville City Council, Steubenville Herald Star, Station WSTV, Staff Representative John Phalen, District Director Paul Rusen, International Secretary-Treasurer David J. McDonald.

NELLO J. AMEDEI,
President, Local Union No. 1190.
A. R. CAMPBELL,
Recording Secretary, Local Union No. 1190.

Mr. MARTIN. Mr. President, before I yield the floor I wish to apologize to the Chair and to the distinguished chairman of the Committee on Finance. When I rose to speak I thought the conference report had been adopted.

SOCIAL SECURITY ACT AMENDMENT OF 1950—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes.

Mr. IVES obtained the floor.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. IVES. Mr. President, inasmuch as the senior Senator from New York will not be speaking on the conference report, but definitely desires to speak this afternoon, if the Senator from Nebraska and other Senators desire to speak now on the conference report the Senator from New York would ask unanimous consent that he may yield for that purpose, with the definite understanding also that his right to the floor immediately after the adoption of the conference report is not prejudiced.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUTLER. Mr. President, as a member of the Committee on Finance I wish to join in the statement made by my colleague, the junior Senator from Colorado [Mr. MILLIKIN] in commending the wonderful work that was done in handling this bill in committee by the senior Senator from Georgia.

Mr. President, I realize that at this late hour there is no real possibility of defeating the pending social-security measure. Nevertheless, I want the RECORD to show that at least one voice was raised in protest against it. I definitely want to assert my support of a genuine security program, based on a pay-as-you-go plan.

Mr. President, in my judgment this bill will not provide the security it promises. Millions of people, many of them in the greatest need, are completely excluded from this so-called security system, although they must share directly or indirectly in carrying the cost of it. Other millions can secure assistance only by submitting to the humiliating means test.

Furthermore, our experience is that the Federal Government itself by its own inflationary policies has destroyed more security than it has created. The debasement of the buying power of the dollar has swept away the security of tens of thousands of industries, thrifty people who planned and worked to provide for their own security.

I am afraid of this bill because it makes rosy promises but provides no real guaranty that they will be fulfilled. At the same time it places heavy and perhaps impossible burdens on the productive forces of this country, which in the long run are the only real basis for any kind of security. I believe we will never have a system of real security until we go over to a pay-as-you-go method, under which all the aged will be eligible, at moderate benefit rates within the capacity of the producing workers of the country to support.

Mr. President, at this point I ask consent to have inserted in the RECORD an article entitled "The Federal Government Is Undermining the Foundation of Security," from the New England Letter of June 30, 1950, published by the First National Bank of Boston.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FEDERAL GOVERNMENT IS UNDERMINING THE FOUNDATION OF SECURITY

The recent passage by the United States Senate of an expanded and liberalized social-security bill calls attention to the intense pressure of demand upon our economy for funds. While the craving for security is a challenge that must be met with sympathetic understanding, at the same time there should be a realistic appraisal of its impact. Any proposal along this line must be kept within our economic capacity and not defeat its purpose by carrying it so far that it cripples and paralyzes personal initiative and enterprise as well as imposes an intolerable burden upon our economy.

The quest for security is world-wide. Demands for protection against the hazards of life in this country have stemmed from the growing complexity of our industrialized society as well as from the depression of the 1930's, threats of war, and inflationary trends. To aggravate the problem, medical science has extended the life span by one-third in the course of the past half century. Since 1900, the number of persons 65 years of age and over has increased by 264 percent as compared with a 100-percent gain for the population in general. Not only is the number of aged growing at a much faster pace than is the rest of the population, but also in view of their numbers they could become the most powerful pressure group in the country, and by demanding periodic increases in pension payments could place a back-breaking load on the productive workers.

If we are to retain our present American system, the cost of social security must be paid out of current production which is the only real common pool that can be drawn upon for current consumption. A large proportion of the people, however, are under the illusion that by some magic power the Government can provide an abundant life and guarantee security without the recipients earning their passage. Throughout all ages, whenever a government endeavored to provide for people on an extensive scale it did so by using up past reserves followed by confiscatory taxes and sharp, extension of governmental power until free citizens became mere puppets. This same trend is clearly in evidence in Great Britain today. Sir Stafford Cripps, Chancelor of the Exchequer, reports that there has already been such a great redistribution of wealth in Great Brittain within the past few years to provide for extended social services that "* * * for

the future, we must rely rather upon the creation of more distributable wealth than upon the redistribution of the income that exists. Total taxation, local and national, is now more than 40 percent of the national income, and at that level the redistribution of income entailed in the payment for social services already falls, to a considerable extent, upon those who are the recipients of these services. We must, therefore, moderate the speed of our advance in the extended application of the existing social services to our progressive ability to pay for them by an increase in our national income. Otherwise, we shall not be able to avoid entrenching, to an intolerable extent, upon the liberty of spending by the private individual for his own purposes." Here then is a sober message from one of the outstanding leaders of the Labor Party who is learning from bitter experience the economic facts of life. This warning should be heeded by our own country, which is traveling at high speed down the same road as Great Britain. Based upon past experience, America follows British social welfare plans by a time lag of one or two decades.

The irony of it all is that while the administration is aggressively carrying on a campaign for a comprehensive and liberal social-security program, at the same time it is undermining the very foundation of its program by diluting the purchasing power of the dollar through deficit financing. For 18 of the past 20 years the Federal Government has operated in the red. During this same period the administration has pursued an "easy" money policy with a resultant decline in the yield of bonds as well as a reduction in the rate of interest on savings deposits. As a consequence, the purchasing power of income, based on conservative investments, has been cut in half since the Social Security Act started operations in 1937. The inflationary policies of the Government are chipping away the real value of payrolls, savings deposits, life insurance policies, annuities, and all other means that individuals have taken to protect themselves against the hazards of life. The net result is that because of the dilution of the purchasing power of the dollar several million persons who had planned for what they considered adequate security have had their living standards sharply reduced. Through unsound fiscal policies, the Government is making it increasingly difficult for the American people to provide for their own security, and this in turn compels them to turn to the Government for aid. Because of this situation, demands for social security grow in snowball fashion.

While claims on future wealth for social welfare are multiplied manyfold, at the same time the creation of new wealth is throttled by taxes that severely restrict the flow of fresh capital into the purchase of the necessary tools and equipment that would provide new jobs and increase production. Prior to the war, the rise in man-hour output was at the rate of about 2 percent a year. Since the end of the war, however, according to the most reliable estimates, it has been less than 1 percent. When security claims, wages, and other costs increase at a faster rate than productivity, buying power shrinks so that each dollar buys less in terms of goods and services. France is a striking example of what happens when claims on the national economy far exceed productivity. In that country the purchasing power of pensioners has declined by 99 percent since 1914.

Moreover, the time has come when a comprehensive survey must be made of all the types of claims on our economy and these allocated on a priority basis according to their relative importance, since taxes are in the danger zone. Colin Clark, an Australian economist, after an extensive research of many countries throughout the world, concluded that the critical limit of taxation is about 25 percent of national income, or possibly less. He observed that when this point is reached, governments resort to the easy way out by monetary devaluation, deficit financing, and inflation rather than by increased taxation. Taxes in the United States—Federal, State, and local—are now about 25 percent of national income and have therefore reached the peril point. This Nation, in keeping with the experience of other countries under similar circumstances, has deliberately embarked upon a deficit financing program which the administration justifies on the grounds that it will expand the economy, provide increased revenue, and fortify our fiscal position. But the theory of spending our way to solvency is repudiated by the experience of every country that has tried this experiment.

In view of the pressure of expenditures on our impaired margin of safety, it is highly essential that Government waste should be kept to a minimum. Outstanding authorities, both liberal and conservative, have agreed that the Federal budget could be reduced by at least $5,000,000,000 without impairing any essential services. Public money wasted is parasitical as it robs the welfare plans, the schools, and all other deserving projects of money that could otherwise be made available to them. It would be well for the social agencies, educators, clergymen, and others deeply concerned with the promotion of social welfare to campaign against extravagance and waste of public money, since apparently this country has reached the limit of obtaining any further substantial sums from taxation. In other words, the time has come, if this Nation is to remain solvent, when hard choices must be made on Government expenditures from money provided by the taxpayers.

Any comprehensive social security program must therefore rest on a relatively stable purchasing power of the dollar based on sound fiscal policies and on a dynamic productive economy with adequate incentives for risk-taking and rewards for contributions to the productive output of the country.

Mr. LEHMAN. Mr. President, I shall of course vote for the pending conference report on H. R. 6000. This bill contains many provisions for which I have worked with all my strength and effort throughout this session. No bill which we have enacted at this session of Congress is of greater importance for the long-range welfare of America than these amendments to the Social Security Act. The work of the Senate finance committee and of the House Ways and Means Committee and the long and careful deliberation given this bill in both the Senate and in the other Chamber, have produced legislation which is a far advance on the road we must travel to bring social security and social welfare to our citizens. The committees deserve our admiration and thanks.

But this conference report contains one provision, the so-called Knowland amendment, which the Senate adopted and which was approved in conference which, in my judgment, is one of the most dangerous and unfortunate provisos to be included in any legislation enacted by the Congress this year.

I cannot find it in my heart to delay for a moment the increased pensions for the aged, and the public assistance for the needy and the blind and the children of our country. I must therefore, for my part, accept the Knowland amendment as violently as I disagree with the wisdom of it. I accept it, however, with a heavy heart.

None of us is so naive as not to realize that a law, in large measure, is what administration makes of it. Under the terms of the Knowland amendment, the unemployment compensation authorities of a State could interpret their unemployment compensation law in a manner wholly at variance from the clear intent of the language of the law. The Secretary of Labor would be powerless to raise any question of whether that administration conforms to the clear intent of the law as enacted by Congress. This is a virtual abandonment by the Congress of its obligation to insure uniformity and consistency of administration of the unemployment insurance provisions of the law.

This provision may be used in many States by those interested in breaking strikes. The whole force of unemployment insurance administration may be brought to bear to threaten men who are unemployed with the penalty of losing their unemployment compensation unless they are willing to scab, to take the jobs of strikers. This is only one of the grave misuses to which this provision could be put.

Mr. President, I wish there were some way—I know some way was sought in the House—to set this provision aside. It was adopted in the Senate in haste. I was the only Senator who protested. It will be regretted at leisure. Nevertheless, I shall vote for the conference report. I hope that the next Congress—or, if it were possible, this Congress—will correct this inequity.

Mr. HOLLAND. Mr. President, the distinguished senior Senator from Georgia has been kind enough to say to me that he plans to prepare a statement in some detail on the coverage proposed for agricultural workers under the provisions of the conference report, and to insert it in the RECORD tomorrow so that the statement will become a part of the legislative history of the bill. With that understanding I am very happy to accede to a vote on the conference report at this time.

Mr. GEORGE. Mr. President, if there is no further address to be made on the conference report, I hope we may have it agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MAYBANK. Mr. President, will the Senator from New York yield?

Mr. IVES. I yield to the Senator from South Carolina.

Mr. MAYBANK. I demand the regular order. Since the conference report on the social security bill has been agreed to I ask that the Senate return to the consideration of the Federal-aid highway bill which was taken up this morning.

Mr. IVES. Mr. President, I intend to speak on that bill.

FEDERAL-AID HIGHWAY ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 7941) to amend and

supplement the Federal-Aid Road Act, appproved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. IVES. Mr. President, the Senator from New York is speaking on H. R. 7941, and in particular he is speaking on the amendment which has been offered by the junior Senator from Massachusetts [Mr. LODGE], which substitutes in the Senate bill the apportionment formula, based on population alone, for Federal interstate highway funds, which is contained in the House-passed bill.

The question to be decided is, Which standard of allocation best serves the needs of interstate road development? In the bill before the Senate, contrary to the recommendation of every expert in the field, population as the sole criterion for apportionment has been rejected. Instead of population alone, the pending bill contains a three-way formula based on State area, mileage of rural mail routes, and only incidentally population.

To adopt this allocation formula would be to ignore the accumulated knowledge of men closely acquainted with the problems of highway development and seriously to endanger the success of the entire interstate program.

The Senate bill rejects expert advice and accepts in its place apportionment criteria that bear little relation to the economic realities of interstate highway transport.

The Senate committee formula fails to reflect accurately the interstate highway needs of each State.

The American Association of State Highway Officials, made up of representatives of the 48 State highway departments, announced at its 1949 convention that—

> Undoubtedly, funds for interstate highway development should be made available to each State on the basis of a new formula of population.

But support for the population apportionment criterion is by no means confined to State agencies.

The President of the United States, in his report on the highway needs of the national defense, said:

> Consideration should be given to the advisability of the authorization of additional Federal appropriations earmarked for expenditure only on the interstate system. * * * Funds so authorized should be apportioned among the States in such proportions as to permit substantially equal progress in the correction of existing deficiencies in all States.

With the President's goal of equal progress in mind, the Commissioner of the Bureau of Public Roads, in his testimony before the Senate committee said that—

> The proposal for the apportionment of interstate highway funds on the basis of population is probably as fair and reasonable a formula as can be developed on the basis of all available information.

The Commissioner's opinion is well supported by statistical studies.

Estimates of the amount necessary in each State to build an interstate highway system adequate for national defense and development show that the estimated amounts are most closely approximated by an apportionment formula based on population.

This is seen by comparison of the estimated cost of necessary interstate highway construction—by States—as prepared by the Administrator of the Federal Security Agency with the amounts that the alternative formulas would grant each State.

In 44 of the 48 States, the straight population formula comes closer to estimated need than does the Senate proposal.

It is immediately apparent that the needs of the more populous States are ignored by the Senate committee formula; thus interstate highway development—under the Senate bill—would be seriously hampered in those very areas where the need is greatest.

Mr. President, I ask unanimous consent to have printed at this point in my remarks two tables, designated as exhibit I. One table shows the estimated needs by States. The other shows how much the alternative formulas would grant to each State.

There being no objection, the tables (exhibit I) were ordered to be printed in the RECORD, as follows:

(Exhibit I, chart I, not printed in RECORD.)

EXHIBIT I

TABLE 1.—*Mileage of the interstate highway system and estimated costs of improvements proposed, by States*

State	Mileage of the system, when improved						Estimated total cost of improvements proposed					
	Rural	Percent of total	Urban	Percent of total	Total	Percent of total	Rural	Percent of total	Urban	Percent of total	Total	Percent of total
Alabama	826.2	2.46	64.6	1.83	890.8	2.40	$73,306,050	1.23	$14,670,200	0.28	$87,976,250	0.78
Arizona	1,123.3	3.34	13.6	.39	1,136.9	3.06	80,579,000	1.35	11,529,000	.22	92,108,000	.82
Arkansas	476.5	1.42	41.3	1.17	517.8	1.39	58,752,400	.98	19,536,800	.37	78,289,200	.69
California	1,714.2	5.10	186.3	5.29	1,900.5	5.11	552,672,000	9.25	616,755,000	11.65	1,169,427,000	10.38
Colorado	627.1	1.86	34.6	.98	661.7	1.78	39,175,883	.66	33,117,640	.62	72,293,523	.64
Connecticut	163.3	.49	99.1	2.82	262.4	.71	63,596,000	1.06	155,706,000	2.94	219,302,000	1.95
Delaware	22.9	.07	2.6	.07	25.5	.07	25,019,500	.42	24,409,000	.46	49,428,500	.44
Florida	1,012.6	3.01	128.6	3.65	1,141.2	3.07	63,137,100	1.06	52,125,400	.98	115,262,500	1.02
Georgia	1,027.3	3.05	83.3	2.37	1,110.6	2.99	103,148,750	1.73	72,578,835	1.37	175,727,585	1.56
Idaho	608.2	1.81	8.7	.25	616.9	1.66	46,773,000	.78	3,470,000	.07	50,243,000	.45
Illinois	1,314.1	3.91	226.8	6.44	1,540.9	4.15	321,168,042	5.38	535,209,461	10.11	856,377,503	7.60
Indiana	906.0	2.69	159.4	4.53	1,065.4	2.87	139,233,570	2.33	250,203,840	4.73	389,437,410	3.46
Iowa	640.5	1.90	29.7	.84	670.2	1.80	68,935,700	1.15	9,413,000	.18	78,348,700	.70
Kansas	672.8	2.00	28.7	.82	701.5	1.89	71,698,390	1.20	18,085,000	.34	89,783,390	.80
Kentucky	578.8	1.72	69.6	1.98	648.4	1.74	100,534,698	1.68	81,398,001	1.54	181,932,699	1.61
Louisiana	470.7	1.40	126.4	3.59	597.1	1.61	89,665,900	1.49	131,944,000	2.49	221,009,960	1.96
Maine	277.8	.83	22.6	.64	300.4	.81	43,740,000	.73	30,431,000	.58	74,171,000	.66
Maryland	219.8	.65	45.7	1.30	265.5	.71	140,493,484	2.35	101,784,296	1.92	242,277,780	2.15
Massachusetts	176.8	.53	159.0	4.52	335.8	.90	112,783,600	1.89	339,112,500	6.41	451,896,100	4.01
Michigan	894.1	2.66	68.4	1.94	962.5	2.59	181,335,450	3.04	235,063,700	4.44	416,399,150	3.70
Minnesota	766.9	2.28	83.6	2.37	850.5	2.29	58,395,501	.98	103,115,543	1.95	161,511,044	1.43
Mississippi	569.3	1.69	121.7	3.46	691.0	1.86	62,017,800	1.04	26,122,000	.49	88,139,800	.78
Missouri	1,032.8	3.07	38.0	1.08	1,070.8	2.88	133,579,990	2.24	101,704,000	1.92	235,283,990	2.09
Montana	1,217.4	3.62	26.3	.75	1,243.7	3.35	108,507,450	1.82	8,097,000	.15	116,604,450	1.03
Nebraska	453.9	1.35	6.7	.19	460.6	1.24	40,869,000	.68	7,370,000	.14	48,239,000	.43
Nevada	526.3	1.56	11.0	.31	537.3	1.45	17,940,300	.30	1,628,000	.03	19,568,300	.17
New Hampshire	169.0	.50	32.0	.91	201.0	.55	26,910,000	.45	13,419,000	.25	40,329,000	.36
New Jersey	90.3	.27	102.1	2.90	192.4	.52	59,703,300	1.00	344,350,100	6.51	404,053,400	3.59
New Mexico	989.7	2.94	22.8	.65	1,012.5	2.72	52,257,000	.87	5,852,700	.11	58,109,700	.52
New York	962.3	2.86	72.0	2.04	1,034.3	2.78	643,146,000	10.77	219,135,000	4.14	862,281,000	7.65
North Carolina	637.0	1.89	75.7	2.15	712.7	1.92	42,993,000	.72	29,864,000	.56	72,857,000	.65
North Dakota	478.8	1.42	19.5	.55	498.3	1.34	29,365,120	.49	15,785,600	.30	45,150,720	.40
Ohio	999.8	2.97	216.6	6.15	1,216.4	3.27	396,185,000	6.63	362,406,000	6.85	758,591,000	6.73
Oklahoma	734.4	2.18	45.7	1.30	780.1	2.10	136,767,500	2.29	29,650,000	.56	166,417,500	1.48
Oregon	675.2	2.01	27.8	.79	703.0	1.89	94,450,000	1.58	23,465,000	.44	117,915,000	1.05
Pennsylvania	1,025.9	3.05	331.0	9.40	1,356.9	3.65	528,013,000	8.84	398,566,000	7.53	926,579,000	8.22
Rhode Island	23.4	.07	25.2	.72	48.6	.13	6,082,000	.10	79,925,976	1.51	86,007,976	.76
South Carolina	604.5	1.80	92.5	2.63	697.0	1.88	39,425,750	.66	80,143,000	1.51	119,568,750	1.06
South Dakota	499.5	1.48	15.2	.43	514.7	1.39	40,196,800	.67	4,638,000	.09	44,834,800	.40
Tennessee	967.2	2.88	77.7	2.21	1,044.9	2.81	172,634,734	2.89	69,022,782	1.30	241,657,516	2.15
Texas	2,573.0	7.65	191.8	5.45	2,764.8	7.44	286,883,400	4.80	149,104,200	2.82	435,987,600	3.87
Utah	672.3	2.00	31.8	.90	704.1	1.89	61,208,300	1.03	23,045,000	.44	84,253,300	.75
Vermont	311.4	.93	28.4	.81	339.8	.91	47,508,220	.80	6,910,300	.13	54,418,520	.48
Virginia	844.6	2.51	57.1	1.62	901.7	2.43	170,536,000	2.86	36,773,000	.69	207,309,000	1.84
Washington	521.0	1.55	58.5	1.66	579.5	1.56	118,363,500	1.98	66,096,600	1.25	184,460,100	1.64
West Virginia	165.7	.49	46.2	1.31	211.9	.57	94,514,500	1.58	112,095,000	2.12	206,609,500	1.83

TABLE 1.—*Mileage of the interstate highway system and estimated costs of improvements proposed, by States*—Continued

State	Mileage of the system, when improved						Estimated total cost of improvements proposed					
	Rural	Percent of total	Urban	Percent of total	Total	Percent of total	Rural	Percent of total	Urban	Percent of total	Total	Percent of total
Wisconsin	424.4	1.26	24.7	0.70	449.1	1.21	$75,025,050	1.26	$52,178,950	0.99	$127,204,000	1.13
Wyoming	949.0	2.82	23.7	.67	972.7	2.62	54,309,750	.91	5,759,910	.11	60,069,660	.53
District of Columbia			16.6	.47	16.6	.04			180,670,000	3.41	180,670,000	1.60
National total	33,638.0	100.00	3,520.9	100.00	37,158.9	100.00	5,972,936,482	100.00	5,293,435,334	100.00	11,266,371,816	100.00

Mr. IVES. Mr. President, the economics of interstate highway transport also show that the straight population apportionment formula is, by far, the most realistic one.

There is a direct relationship between population and motor vehicle use; and experts agree that the extent of motor vehicle use of roads is the greatest single determining factor in measuring each State's interstate highway needs.

The relation between population and motor vehicle use is shown equally clearly by two different statistical studies.

First, population and road use can be related by comparing census population figures with road usage as measured by Federal gasoline taxes paid.

The Bookings Institution, in its book American Highway Policy, says:

In final analysis, the gasoline tax may be considered the best device for measuring the dynamic factors of highway occupancy.

Indeed, logic attests to the common sense truthfulness of that statement. For the amount of gasoline purchased within a State would seem to show—approximately—the number of miles traveled by motor vehicles over that State's roads.

Mr. President, I ask unanimous consent that at this point in my remarks two more tables, designated as exhibit II, be printed in the RECORD.

There being no objection, the tables (exhibit II) were ordered to be printed in the RECORD, as follows:

EXHIBIT II

TABLE 1.—*Estimates of the total and civilian population of the United States, by regions, divisions, and States: July 1, 1949*

[Total population figures include persons in the Armed Forces stationed in each State and exclude members of the Armed Forces overseas. Estimates are rounded to the nearest thousand without being adjusted to group totals, which are independently rounded. Derived figures are based on the unrounded absolute numbers]

Region, division, and State	Total population				Civilian population			
	July 1, 1949	Apr. 1, 1940 (census)	Increase (+) or decrease (−), 1940 to 1949		July 1, 1949	Apr. 1, 1940	Increase (+) or decrease (−), 1940 to 1949	
			Number	Percent			Number	Percent
United States	[1] 148,720,000	131,669,275	+17,051,000	+12.9	147,752,000	131,401,985	+16,350,000	+12.4
Regions:								
The Northeastern States	39,195,000	35,976,777	+3,218,000	+8.9	39,066,000	35,938,020	+3,128,000	+8.7
The North Central States	44,181,000	40,143,332	+4,038,000	+10.1	44,078,000	40,118,881	+3,959,000	+9.9
The South	45,558,000	41,665,901	+3,892,000	+9.3	45,065,000	41,521,487	+3,544,000	+8.5
The West	19,786,000	13,883,265	+5,903,000	+42.5	19,543,000	13,823,597	+5,720,000	+41.4
The Northeastern States:								
New England	9,298,000	8,437,290	+860,000	+10.2	9,259,000	8,423,129	+836,000	+9.9
Middle Atlantic	29,897,000	27,539,487	+2,358,000	+8.6	29,807,000	27,514,891	+2,292,000	+8.3
The North Central States:								
East North Central	30,139,000	26,626,342	+3,512,000	+13.2	30,072,000	26,609,703	+3,462,000	+13.0
West North Central	14,042,000	13,516,990	+525,000	+3.9	14,006,000	13,509,178	+497,000	+3.7
The South:								
South Atlantic	19,954,000	17,823,151	+2,131,000	+12.0	19,675,000	17,730,642	+1,945,000	+11.0
East South Central	11,177,000	10,778,225	+399,000	+3.7	11,114,000	10,761,311	+352,000	+3.3
West South Central	14,427,000	13,064,525	+1,362,000	+10.4	14,276,000	13,029,534	+1,246,000	+9.6
The West:								
Mountain	4,802,000	4,150,003	+652,000	+15.7	4,753,000	4,145,454	+607,000	+14.7
Pacific	14,984,000	9,733,262	+5,251,000	+53.9	14,791,000	9,678,143	+5,112,000	+52.8
New England:								
Maine	909,000	847,226	+62,000	+7.3	907,000	845,153	+61,000	+7.3
New Hampshire	544,000	491,524	+53,000	+10.7	540,000	490,626	+50,000	+10.1
Vermont	369,000	359,231	+9,000	+2.6	368,000	358,851	+10,000	+2.7
Massachusetts	4,713,000	4,316,721	+397,000	+9.2	4,692,000	4,313,799	+378,000	+8.8
Rhode Island	743,000	713,346	+29,000	+4.1	737,000	707,846	+29,000	+4.1
Connecticut	2,019,000	1,709,242	+310,000	+18.1	2,015,000	1,706,854	+308,000	+18.0
Middle Atlantic:								
New York	14,392,000	13,479,142	+913,000	+6.8	14,365,000	13,462,417	+903,000	+6.7
New Jersey	4,873,000	4,160,165	+713,000	+17.1	4,824,000	4,156,594	+668,000	+16.1
Pennsylvania	10,633,000	9,900,180	+733,000	+7.4	10,618,000	9,895,880	+722,000	+7.3
East North Central:								
Ohio	7,989,000	6,907,612	+1,081,000	+15.7	7,980,000	6,905,058	+1,075,000	+15.6
Indiana	3,994,000	3,427,796	+567,000	+16.5	3,991,000	3,427,389	+564,000	+16.5
Illinois	8,449,000	7,897,241	+552,000	+7.0	8,402,000	7,887,193	+515,000	+6.5
Michigan	6,352,000	5,256,106	+1,096,000	+20.8	6,344,000	5,252,879	+1,092,000	+20.8
Wisconsin	3,355,000	3,137,587	+217,000	+6.9	3,354,000	3,137,184	+217,000	+6.9
West North Central:								
Minnesota	2,977,000	2,792,300	+185,000	+6.6	2,976,000	2,791,928	+184,000	+6.6
Iowa	2,643,000	2,538,268	+105,000	+4.1	2,643,000	2,537,596	+105,000	+4.1
Missouri	3,935,000	3,784,664	+150,000	+4.0	3,933,000	3,783,748	+149,000	+3.9
North Dakota	605,000	641,935	−37,000	−5.7	605,000	641,874	−37,000	−5.7
South Dakota	649,000	642,961	+6,000	+.9	646,000	642,865	+3,000	+.5
Nebraska	1,285,000	1,315,834	−31,000	−2.3	1,282,000	1,314,234	−32,000	−2.5
Kansas	1,947,000	1,801,028	+146,000	+8.1	1,921,000	1,796,933	+124,000	+6.9
South Atlantic:								
Delaware	311,000	266,505	+44,000	+16.5	310,000	266,123	+44,000	+16.6
Maryland	2,175,000	1,821,244	+354,000	+19.4	2,141,000	1,813,022	+328,000	+18.1
District of Columbia	870,000	663,091	+207,000	+31.1	840,000	658,018	+182,000	+27.6
Virginia	3,102,000	2,677,773	+425,000	+15.9	3,042,000	2,649,572	+392,000	+14.8
West Virginia	1,941,000	1,901,974	+39,000	+2.1	1,941,000	1,901,918	+39,000	+2.0
North Carolina	3,964,000	3,571,623	+293,000	+8.2	3,813,000	3,566,133	+247,000	+6.9
South Carolina	2,001,000	1,899,804	+101,000	+5.3	1,981,000	1,885,826	+95,000	+5.0
Georgia	3,196,000	3,123,723	+73,000	+2.3	3,153,000	3,099,199	+54,000	+1.7
Florida	2,494,000	1,897,414	+597,000	+31.4	2,456,000	1,890,831	+565,000	+29.9

[1] The estimated total population of the United States including armed forces overseas, for July 1, 1949, is 149,215,000.

TABLE 1.—*Estimates of the total and civilian population of the United States, by regions, divisions, and States, July 1, 1949*—Continued

Region, division, and State	Total population				Civilian population			
	July 1, 1949	Apr. 1, 1940 (census)	Increase (+) or decrease (−), 1940 to 1949		July 1, 1949	Apr. 1, 1940	Increase (+) or decrease (−), 1940 to 1949	
			Number	Percent			Number	Percent
East South Central:								
Kentucky	2,893,000	2,845,627	+47,000	+1.7	2,863,000	2,840,881	+22,000	+.8
Tennessee	3,234,000	2,915,841	+318,000	+10.9	3,218,000	2,915,532	+303,000	+10.4
Alabama	2,920,000	2,832,961	+87,000	+3.1	2,913,000	2,821,498	+91,000	+3.2
Mississippi	2,130,000	2,183,796	−54,000	−2.5	2,121,000	2,183,400	−63,000	−2.9
West South Central:								
Arkansas	1,964,000	1,949,387	+14,000	+.7	1,954,000	1,948,036	+6,000	+.3
Louisiana	2,630,000	2,363,880	+266,000	+11.3	2,620,000	2,359,349	+261,000	+11.1
Oklahoma	2,302,000	2,336,434	−35,000	−1.5	2,288,000	2,332,800	−45,000	−1.9
Texas	7,532,000	6,414,824	+1,117,000	+17.4	7,413,000	6,389,349	+1,024,000	+16.0
Mountain:								
Montana	521,000	559,456	−39,000	−6.9	517,000	559,380	−43,000	−7.6
Idaho	592,000	524,873	+67,000	+12.8	590,000	524,873	+65,000	+12.4
Wyoming	284,000	250,742	+34,000	+13.4	279,000	249,861	+29,000	+11.8
Colorado	1,215,000	1,123,296	+92,000	+8.2	1,199,000	1,121,510	+77,000	+6.9
New Mexico	559,000	531,818	+57,000	+10.8	578,000	531,785	+47,000	+8.7
Arizona	745,000	499,261	+245,000	+49.1	737,000	497,804	+239,000	+48.0
Utah	682,000	550,310	+132,000	+24.0	681,000	550,059	+131,000	+23.7
Nevada	174,000	110,247	+64,000	+57.7	172,000	110,122	+62,000	+56.0
Pacific:								
Washington	2,582,000	1,736,191	+846,000	+48.7	2,526,000	1,732,313	+793,000	+45.8
Oregon	1,736,000	1,089,684	+647,000	+59.3	1,734,000	1,088,460	+646,000	+59.3
California	10,665,000	6,907,387	+3,758,000	+54.4	10,531,000	6,857,370	+3,673,000	+53.6

TABLE 2.—*Estimated amounts of Federal motor-vehicle taxes paid by highway users, 1948* [1]

[Thousands of dollars]

State	Excise taxes							
	Gasoline	Lubricating oil	Motor vehicles and parts					Total excise taxes
			Automobiles and motorcycles	Trucks, busses, and trailers	Parts and accessories	Tires and tubes	Total	
Alabama	6,153	513	3,174	2,851	1,766	2,212	10,003	16,669
Arizona	2,739	228	1,020	772	786	985	3,563	6,530
Arkansas	4,200	350	1,674	2,338	1,205	1,509	6,726	11,276
California	40,486	3,374	21,369	8,181	11,621	14,551	55,722	99,582
Colorado	4,371	364	2,194	1,570	1,255	1,571	6,590	11,325
Connecticut	6,039	503	3,984	1,266	1,733	2,170	9,153	15,695
Delaware	1,062	88	785	414	305	382	1,886	3,036
Florida	8,281	690	4,219	2,500	2,377	2,976	12,072	21,043
Georgia	8,201	683	4,687	3,605	2,354	2,947	13,593	22,477
Idaho	2,156	180	1,143	1,055	619	775	3,592	5,928
Illinois	25,101	2,092	18,937	6,729	7,205	9,021	41,892	69,085
Indiana	13,006	1,084	7,939	3,476	3,733	4,674	19,822	33,912
Iowa	8,900	742	5,412	3,369	2,555	3,199	14,535	24,177
Kansas	6,420	535	3,844	2,843	1,843	2,307	10,837	17,792
Kentucky	6,580	548	3,382	2,834	1,888	2,365	10,469	17,597
Louisiana	5,781	482	3,527	2,053	1,659	2,078	9,317	15,580
Maine	2,771	231	1,358	958	795	996	4,107	7,109
Maryland	5,695	475	4,142	1,696	1,635	2,047	9,520	15,690
Massachusetts	11,514	960	8,026	2,285	3,305	4,138	17,754	30,228
Michigan	20,578	1,714	19,692	5,057	5,907	7,396	38,052	60,344
Minnesota	9,215	768	6,027	3,067	2,645	3,312	15,051	25,034
Mississippi	4,763	397	2,217	2,313	1,367	1,712	7,609	12,769
Missouri	12,642	1,053	7,322	4,040	3,629	4,543	19,534	33,229
Montana	2,120	177	1,414	1,336	608	762	4,120	6,417
Nebraska	4,832	403	2,766	2,130	1,387	1,737	8,020	13,255
Nevada	877	73	395	211	252	315	1,173	2,123
New Hampshire	1,605	134	827	491	461	577	2,356	4,095
New Jersey	14,416	1,201	9,180	3,223	4,138	5,181	21,722	37,339
New Mexico	2,411	201	855	777	692	866	3,190	5,802
New York	29,995	2,500	26,554	7,981	8,610	10,780	53,925	86,420
North Carolina	10,009	834	4,677	3,586	2,873	3,597	14,733	25,576
North Dakota	1,812	151	1,049	1,059	520	651	3,279	5,242
Ohio	25,203	2,100	17,290	6,104	7,234	9,058	39,686	66,989
Oklahoma	6,591	549	3,528	2,881	1,892	2,369	10,670	17,810
Oregon	5,916	493	3,113	1,989	1,698	2,126	8,926	15,335
Pennsylvania	26,082	2,173	20,235	7,703	7,486	9,374	44,798	73,053
Rhode Island	2,029	169	1,555	588	583	729	3,456	5,654
South Carolina	4,879	407	2,402	1,602	1,400	1,754	7,158	12,444
South Dakota	2,341	195	1,126	1,006	672	842	3,646	6,182
Tennessee	7,573	631	4,721	3,420	2,173	[1] 2,722	13,036	21,240
Texas	26,384	2,199	13,218	8,658	7,573	9,482	38,931	67,514
Utah	2,306	192	1,089	763	662	829	3,343	5,841
Vermont	1,225	102	706	549	352	440	2,047	3,374
Virginia	8,794	733	5,771	3,007	2,524	3,160	14,462	23,989
Washington	7,802	650	4,248	2,308	2,240	2,804	11,600	20,052
West Virginia	4,567	381	1,970	1,544	1,311	1,642	6,467	11,415
Wisconsin	10,524	877	6,612	2,991	3,021	3,782	16,406	27,807
Wyoming	1,387	116	688	620	398	499	[1] 2,205	3,708
District of Columbia	2,354	196	1,984	510	676	846	4,016	6,566
Continental United States	430,688	35,891	274,048	132,309	123,623	154,790	684,770	1,151,349
Alaska	113	9	146	164	32	41	383	505
Hawaii	977	82	534	291	281	351	1,457	2,516
Total	431,778	35,982	274,728	132,764	123,936	155,182	686,610	1,154,370

[1] Both the highway-user portion of total taxes paid and the distribution by States were estimated by the Bureau of Public Roads, based on U. S. Bureau of Internal Revenue collections. Amounts paid on U. S. Government purchases, as estimated by the Bureau of Public Roads, have been excluded.

Mr. IVES. Mr. President, one table, prepared by the United States Bureau of the Census, shows the estimated population by States as of July 1949. In this connection, Mr. President, I will say that I did not endeavor to obtain the estimated figures for the year 1950, because they are not final, and not official, and the figures themselves were approximately the same as those estimated for 1949. The other table, prepared by the Bureau of Public Roads, shows the amount of highway user—or gasoline taxes—paid by each State during the same year.

Accepting gasoline tax receipts as the best available measure of motor vehicle use, examination of the two tables shows a direct relationship between population and motor vehicle mileage.

The State of New York, for example, pays over 7 percent of the tax and has a little under 9 percent of the national population.

About the same percentage relationship between tax and population is found in all the States.

The second method for establishing the relationship between population and motor vehicle use is comparison of census population figures with registration figures of automobiles, trucks, and busses in each State. Again an equally clear picture is established.

The number of registered vehicles varies consistently with population.

These two tables, prepared by the Department of Commerce, show vehicle registrations.

At this point in my remarks I ask unanimous consent to have printed as exhibit III the two tables to which I have just referred.

There being no objection, the tables (exhibit III) were ordered to be printed in the RECORD, as follows:

EXHIBIT III

TABLE 1.—*State motor-vehicle registrations, 1948*

[Compiled for calendar year from reports of State authorities] [1]

State	Motor vehicles								Trailers and semitrailers				Motorcycles				Comparison of registrations of private and commercial motor vehicles, 1947–48		
	Total	Private and commercial				Publicly owned			Total	Private and commercial [6]	Publicly owned		Total	Private and commercial	Publicly owned		Total 1947 registrations	Increase 1948	Percent increase
		Total	Automobiles (including taxicabs)	Busses [2]	Trucks and tractor trucks [3]	Total	Federal [4]	State, county, and municipal [5]			Federal [7]	State, county, and municipal			Federal [7]	State, county, and municipal			
Ala	541,993	533,074	391,704	3,859	137,511	8,919	1,496	7,423	9,153	9,014	34	105	8,720	8,620	------	100	483,990	49,084	10.1
Ariz	216,702	210,997	161,547	813	48,637	5,705	2,477	3,228	20,045	19,765	16	264	3,600	3,545	------	55	186,044	24,953	13.4
Ark	389,410	382,433	256,527	1,276	124,630	6,977	905	6,072	26,561	26,258	5	298	3,318	3,279	------	39	352,858	29,575	8.4
Calif	3,798,813	3,748,307	3,194,226	6,801	547,280	50,506	6,200	44,306	363,594	360,496	48	3,050	62,898	60,653	4	2,241	3,478,500	269,807	7.8
Colo	469,545	462,336	354,748	1,349	106,239	7,209	2,234	4,975	17,268	17,113	30	125	4,952	4,890	2	60	422,925	39,411	9.3
Conn	632,053	625,479	536,867	2,737	85,875	6,574	385	6,189	19,138	18,704	------	434	4,315	4,210	------	105	589,651	35,828	6.1
Del	88,316	87,056	68,240	512	18,304	1,260	117	1,143	3,555	3,446	2	107	768	682	------	86	79,502	7,554	9.5
Fla	782,435	770,935	616,432	2,837	151,666	11,500	1,406	10,094	70,145	69,599	14	532	15,843	15,550	------	293	693,071	77,864	11.2
Ga	716,287	707,817	540,984	3,641	163,192	8,470	1,891	6,579	27,078	26,938	7	133	9,455	9,221	------	234	648,535	59,282	9.1
Idaho	221,983	217,569	156,979	258	60,332	4,414	1,587	2,827	35,381	35,129	21	231	3,236	3,223	------	13	191,365	26,204	13.7
Ill	2,222,953	2,205,066	1,899,305	3,143	302,618	17,887	2,413	15,474	56,161	55,803	5	353	30,363	29,818	------	545	2,030,001	175,065	8.6
Ind	1,304,824	1,295,457	1,059,447	8,530	227,480	9,367	770	8,597	134,029	133,711	4	314	15,501	15,201	------	300	1,151,157	144,300	12.5
Iowa	897,755	887,198	734,281	1,222	151,695	10,557	544	10,013	135,397	134,593	1	803	11,244	11,172	------	72	816,785	70,413	8.6
Kans	758,149	749,765	570,705	601	178,459	8,384	701	7,683	16,421	16,415	6	------	9,430	9,430	------	------	697,217	52,548	7.5
Ky	616,400	608,822	468,901	3,194	136,727	7,578	732	6,846	19	(8)	19	------	7,941	7,941	------	------	549,697	59,125	10.8
La	518,601	512,589	390,663	3,471	118,455	6,012	1,028	4,984	29,393	29,178	7	208	7,025	6,955	1	69	466,656	45,933	9.8
Maine	251,870	248,717	187,132	647	[9] 60,938	3,153	346	2,807	17,974	[9] 17,651	------	323	2,982	2,862	------	120	240,436	8,287	3.4
Md	574,005	569,082	469,500	4,188	95,394	4,923	1,162	3,761	15,471	15,336	15	120	7,815	7,770	------	45	539,597	29,485	5.5
Mass	1,111,359	1,098,793	943,329	5,724	149,740	12,566	1,335	11,231	46,420	46,417	3	------	6,884	6,884	------	------	1,037,643	61,150	5.9
Mich	2,005,949	1,979,329	[10] 1,741,613	4,200	[10] 233,516	26,620	1,237	25,383	227,748	227,746	2	------	16,977	16,977	------	------	1,799,578	179,751	10.0
Minn	977,474	968,478	798,144	2,466	167,868	8,996	1,194	7,802	109,890	[11] 109,443	17	430	12,007	11,884	------	123	875,042	93,436	10.7
Miss	397,723	390,974	263,239	2,354	125,381	6,749	1,101	5,648	18,635	18,546	24	65	2,890	2,889	------	1	352,115	38,859	11.0
Mo	1,112,229	1,104,130	876,882	4,640	222,608	8,099	1,543	6,556	79,426	79,334	2	90	8,479	8,476	2	1	1,039,149	64,981	6.3
Mont	221,222	215,793	145,800	834	69,159	5,429	2,358	3,071	6,317	6,148	9	160	1,372	1,368	------	4	193,383	22,410	11.6
Nebr	509,666	503,815	394,306	894	108,615	5,851	928	4,923	61,973	61,689	11	273	5,641	5,581	------	60	466,847	36,968	7.9
Nev	63,223	60,999	47,328	246	13,425	2,224	793	1,431	4,494	4,403	30	61	570	554	------	16	56,952	4,047	7.1
N. H	160,487	156,975	119,611	585	36,779	3,512	207	3,305	9,535	9,450	------	85	2,255	2,255	------	------	150,271	6,704	4.5
N. J	1,331,916	1,317,719	1,112,470	5,989	199,260	14,197	926	13,271	23,999	23,984	15	------	10,925	10,479	------	446	1,220,634	97,085	8.0
N. Mex	178,258	173,618	126,458	1,722	45,438	4,640	2,854	1,786	5,544	5,486	25	33	2,276	2,272	4	------	155,487	18,131	11.7
N. Y	3,195,072	3,155,891	2,721,884	11,249	422,758	39,181	3,640	35,541	106,707	105,202	4	1,501	27,207	26,192	1	1,014	2,889,209	266,682	9.2
N. C	848,357	831,706	659,725	2,941	169,040	16,651	1,099	15,552	74,380	73,017	11	1,352	15,123	15,003	------	120	766,234	65,472	8.5
N. Dak	235,743	233,544	162,796	250	70,498	2,199	737	1,462	1,896	[12] 1,891	5	------	1,276	1,272	------	4	213,308	20,236	9.5
Ohio	2,423,264	2,396,548	2,096,623	3,629	296,296	26,716	1,841	24,875	192,318	190,726	10	1,582	27,867	27,479	3	385	2,239,202	157,346	7.0
Okla	683,465	673,240	508,318	1,981	162,941	10,225	1,295	8,930	12,267	12,014	20	233	7,477	7,477	------	------	611,076	62,164	10.2
Oreg	574,331	564,777	448,545	1,496	114,736	9,554	2,004	7,550	20,791	20,387	30	374	7,122	7,116	6	------	522,500	42,277	8.1
Pa	2,570,792	2,542,632	2,131,326	9,112	402,194	28,160	2,040	26,120	80,823	79,782	5	1,036	31,407	30,888	3	516	2,366,686	175,946	7.4
R. I	224,244	222,049	190,452	713	30,884	2,195	135	2,060	3,771	3,732	3	36	2,082	1,999	------	83	207,592	14,457	7.0
S. C	484,570	476,542	381,152	2,389	93,001	8,037	752	7,285	8,322	8,315	7	------	8,512	8,436	------	76	449,819	26,723	5.9
S. Dak	249,659	246,421	185,953	305	60,163	3,238	1,182	2,056	32,789	32,638	9	142	2,329	2,304	------	25	218,906	27,515	12.6
Tenn	672,522	666,340	518,604	2,716	139,020	12,182	4,827	7,355	104	(8)	104	------	9,625	9,594	------	31	600,882	59,458	9.9
Tex	2,301,638	2,271,970	1,774,498	5,397	492,075	29,668	4,071	25,597	111,404	110,464	37	903	29,791	29,411	12	368	2,023,501	248,469	12.3
Utah	208,908	205,113	164,538	585	39,990	3,795	1,181	2,614	1,617	1,555	35	27	1,844	1,804	------	40	184,740	20,373	11.0
Vt	111,603	110,673	[13] 95,407	445	[13] 14,821	930	214	716	5,561	5,558	3	------	1,108	1,108	------	------	107,469	3,204	3.0
Vt	769,010	758,297	610,301	2,994	145,002	10,713	1,668	9,045	32,351	32,113	13	225	12,448	12,291	10	147	700,691	57,606	8.2
Wash	791,226	771,728	623,913	1,497	146,318	19,498	6,559	12,939	58,497	58,024	53	420	7,653	7,421	2	230	711,584	60,144	8.5
W. Va	406,147	399,491	302,356	1,624	95,511	6,656	473	6,183	9,972	9,864	1	107	5,958	5,940	------	18	349,299	50,192	14.4
Wis	1,042,035	1,028,150	829,100	2,547	196,503	13,885	929	12,956	13,071	12,664	1	406	11,536	11,260	------	276	976,937	51,213	5.2
Wyo	115,943	112,820	82,431	744	29,645	3,123	1,301	1,822	13,508	13,360	5	143	1,109	1,109	------	------	99,613	13,207	13.3
D. C	171,188	167,010	146,164	2,083	18,763	4,178	1,594	[14] 2,584	1,654	1,501	6	147	1,009	846	51	112	156,133	10,877	7.0
Total	41,151,326	40,622,264	33,261,454	133,430	7,227,380	529,062	78,412	450,650	2,372,567	2,354,602	734	17,231	492,165	483,591	101	8,473	37,360,463	3,261,801	8.7

[1] Registration periods ending not earlier than Nov. 30 and not later than Jan. 31 are considered calendar-year periods. In those States where the registration period is definitely removed from the calendar year, registration figures are given for the 12 consecutive months of the calendar year.

[2] For States that did not segregate busses from other vehicles, the segregation has been approximated from other data available, for detail of bus registrations, see table MV–10, to be published later.

[3] For detail of truck and tractor-truck registration, see table MV–9, to be published later.

[4] Does not include vehicles owned by the military services, or by the Maritime Commission. For classification of Federal vehicles, see table MV–7.

[5] For States that did not segregate State, county, and municipal motor vehicles, the segregation has been approximated from other data available. For classification of State, county, and municipal vehicles, see table MV–7.

[6] Figures for trailers and semitrailers are given as reported by the States in most cases. Apparent inconsistencies are due to the fact that some States require the registration of house trailers, light utility trailers, and similar vehicles, whereas other States register only freight-carrying trailers and semitrailers.

[7] Data on trailers and motorcycles owned by the Federal Government are not available for 1948. The figures given are those reported for 1946.

[8] Heavy semitrailers are registered with the tractor as a unit. Full trailers are not permitted. Automobile trailers are permitted but are not required to register.

[9] Commercial full trailers are included with trucks.

[10] Taxicabs are included with trucks.

[11] Includes 65,768 tax-free light trailers used with automobiles. Such trailers are registered for 3 years, and those registered in 1946, 1947, and 1948 are included here.

[12] Trailers shown are house trailers. Commercial trailers and semitrailers are registered with the truck or tractor as a unit. Light car trailers are not required to register.

[13] Trucks under 1,500 pounds capacity are included with automobiles.

[14] Includes 1,319 automobiles of the diplomatic corps.

EXHIBIT III

TABLE 2.—*Motor-vehicle operators and chauffeurs licenses, 1948—Compiled for calendar year from reports of State authorities* [1]

State	Licenses issued during 1948					Estimated total licenses in force during 1948 [3]	Private and commercial motor vehicles registered in 1948	Licensed operators per registered motor vehicle
	Learners' permits	Operators licenses		Chauffeurs licenses [2]				
		Period for which issued	Number issued during 1948	Period for which issued	Number issued during 1948			
Alabama		2 years	112,493		Not required	775,356	533,074	1.45
Arizona		Indefinite	50,132	1 year	29,441	276,307	210,997	1.31
Arkansas		1 year	510,435	do	19,603	530,038	382,433	1.39
California		4 years	1,118,573	4 years	98,386	4,970,111	3,748,307	1.33
Colorado		3 years	275,293	1 year	48,332	639,332	462,336	1.38
Connecticut		1 year	765,718	do	8,385	*765,718	625,479	1.22
Delaware	11,830	(4)	69,118	(4)	22,465	117,887	87,056	1.35
Florida		1 year	956,913	1 year	195,715	1,152,628	770,935	1.50
Georgia	14,096	(5)	894,209	(5)	95,576	1,029,845	707,817	1.45
Idaho		2 years	115,541	2 years	17,842	339,882	217,569	1.56
Illinois		3 years	1,996,414	1 year	232,637	3,105,045	2,205,066	1.41
Indiana	48,228	2 years	1,301,962	2 years	203,657	1,895,665	1,295,457	1.46
Iowa		do	182,358	1 year	111,936	1,320,788	887,198	1.49
Kansas		do	131,852	2 years	29,030	1,094,444	749,765	1.46
Kentucky		1 year	812,541	1 year	29,731	*812,541	608,822	1.33
Louisiana		2 years	69,100	do	56,398	708,418	512,589	1.38
Maine	19,897	1 year	317,533		Not required	317,533	248,717	1.28
Maryland	103,523	Indefinite	56,084	2 years	51,527	*705,700	569,082	1.24
Massachusetts		1 year	1,565,371	1 year	8,433	*1,565,371	1,098,793	1.42
Michigan		3 years	765,488	do	178,473	2,796,003	1,979,329	1.41
Minnesota		4 years	602,074	do	131,330	1,713,142	968,478	1.77
Mississippi		1 year	[6] 458,980	do	[6] 17,932	476,912	390,974	1.22
Missouri		2 years [7]	425,884	do	85,535	1,446,050	1,104,130	1.31
Montana		1 year	259,268	do	(5)	259,268	215,793	1.20
Nebraska		2 years	68,295		Not required	707,820	503,815	1.40
Nevada		do	12,258	1 year	6,913	79,423	60,999	1.30
New Hampshire		1 year	110,139	do	85,700	195,839	156,975	1.25
New Jersey	257,873	do	1,668,499		Not required	1,668,499	1,317,719	1.27
New Mexico		(9)	150,337	(9)	33,459	183,796	173,618	1.06
New York		(10)	813,034	(10)	246,299	4,833,523	3,155,891	1.53
North Carolina		4 years	301,276	1 year	40,228	1,123,928	831,706	1.35
North Dakota		2 years	37,573		Not required	280,276	233,544	1.20
Ohio	382,246	1 year	2,844,984	1 year	291,396	3,136,380	2,396,548	1.31
Oklahoma		2 years	335,843	2 years	47,944	772,307	673,240	1.15
Oregon	20,780	do	328,480	1 year	49,761	*700,323	564,777	1.24
Pennsylvania	340,969	1 year	3,323,137		Not required	3,323,137	2,542,632	1.31
Rhode Island	16,185	do	288,168	1 year	3,283	*288,168	222,049	1.30
South Carolina		4 years	68,926	do	4,088	685,986	476,542	1.44
South Dakota			Not required		Not required	298,400	246,421	1.21
Tennessee	5,490	2 years	85,318	2 years	3,508	924,086	660,340	1.40
Texas		do	1,246,230	do	437,359	2,773,357	2,271,970	1.22
Utah		3 years	(11)	3 years	(11)	276,400	205,113	1.35
Vermont		1 year	138,352		Not required	138,352	110,673	1.25
Virginia		3 years	585,293	1 year	50,121	970,000	758,297	1.28
Washington		2 years	132,400		Not required	1,067,400	771,728	1.38
West Virginia	92,929	4 years	253,778	1 year	55,332	716,626	399,491	1.79
Wisconsin		do	455,381		Not required	1,618,608	1,028,150	1.57
Wyoming		3 years	28,431	3 years	2,458	165,838	112,820	1.47
District of Columbia	17,894	do	95,840		Not required	295,305	167,010	1.77
Total						56,038,661	40,622,264	1.38

[1] Complete data for all States were not available.

[2] Includes public service and other special licenses that are issued to operators of vehicles for hire.

[3] Estimated by the Bureau of Public Roads from data reported by the States for current and previous years. No allowance was made for deaths, emigrations, or revocations. Chauffeurs' licenses have not been added to operators' licenses in the States that require an operator's license in addition to the chauffeur's license. Such States are indicated with an asterisk (*). (The figure for South Dakota is an estimate by the Bureau of Public Roads of the number of motor-vehicle operators in that State.)

[4] Licenses are issued for a 1-year period but drivers meeting certain requirements and having a motor-vehicle operation record showing no previous arrest or conviction may obtain licenses for an indefinite period. Licenses were issued as follows:

	1 year	Indefinite	Total
Operators	66,732	2,386	69,118
Chauffeurs	21,957	508	22,465

[5] Operators' and chauffeurs' licenses are issued for a 1-year or 5-year period at the option of the applicant. Licenses were issued as follows:

	1 year	5 years	Total
Operators	881,718	12,491	894,209
Chauffeurs	95,420	156	95,576

[6] Mississippi reported an unsegregated total of 476,912 operators' and chauffeurs' licenses. The segregation given here was estimated by the Bureau of Public Roads.

[7] Includes 33,697 registered operators licensed for a 1-year period. These are required for persons whose employment requires the operation of motor vehicles other than their own but whose principal occupation is not the operation of such vehicles.

[8] Chauffeurs' licenses are included with operators' licenses.

[9] Licenses are issued for a 1-year, 2-year, or 3-year period at the option of the applicant. Licenses were issued as follows:

	1 year	2 years	3 years	Total
Operators	109,883	20,888	19,566	150,337
Chauffeurs	27,891	4,015	1,553	33,459

[10] Some of these licenses were for a 1-year period and some for a 3-year period, at the option of the applicant. Licenses were issued as follows:

	1 year	3 years	Total
Operators	16,271	796,763	813,034
Chauffeurs	493	245,806	246,299

[11] The amount received from operators' and chauffeurs' licenses was $46,677, but no segregation between operators and chauffeurs was available, either in amounts or numbers.

Mr. IVES. Mr. President, thus, it is apparent that motor vehicle use of highways is proportional to population; the greater the population of a State, the greater the number of miles of traffic that burden its roads.

Since the figures indicate that population is in proportion to traffic density, the basic desirability of straight population apportionment can be shown by relating traffic burden to the estimated cost, per State, of interstate highway development.

There are estimates prepared by the President's Committee on Highway Needs of how much spending will be required—in each State—to build the interstate

highways our defense chiefs say are necessary.

When these estimates, by States, are compared to the traffic burden within each State's boundaries, the relationship becomes apparent.

Those States with heavier traffic uniformly require greater expenditures to build the projected system.

This can be shown by a comparison of the two tables for all the 48 States, which I now ask to have printed in the RECORD at this point, as exhibit IV.

There being no objection, the tables (exhibit IV) were ordered to be printed in the RECORD, as follows:

EXHIBIT IV

TABLE 1.—*Mileage of the interstate highway system and estimated costs of improvements proposed, by States*

State	Mileage of the system, when improved						Estimated total cost of improvements proposed					
	Rural	Percent of total	Urban	Percent of total	Total	Percent of total	Rural	Percent of total	Urban	Percent of total	Total	Percent of total
Alabama	826.2	2.46	64.6	1.83	890.8	2.40	$73,306,050	1.23	$14,670,200	0.28	$87,976,250	0.78
Arizona	1,123.3	3.34	13.6	.39	1,136.9	3.06	80,579,000	1.35	11,529,000	.22	92,108,000	.82
Arkansas	476.5	1.42	41.3	1.17	517.8	1.39	58,752,400	.98	19,536,800	.37	78,289,200	.69
California	1,714.2	5.10	186.3	5.29	1,900.5	5.11	552,672,000	9.25	616,755,000	11.65	1,169,427,000	10.38
Colorado	627.1	1.86	34.6	.98	661.7	1.78	39,175,883	.66	33,117,640	.62	72,293,523	.64
Connecticut	163.3	.49	99.1	2.82	262.4	.71	63,596,000	1.06	155,706,000	2.94	219,302,000	1.95
Delaware	22.9	.07	2.6	.07	25.5	.07	25,019,500	.42	24,409,000	.46	49,428,500	.44
Florida	1,012.6	3.01	128.6	3.65	1,141.2	3.07	63,137,100	1.06	52,125,400	.98	115,262,500	1.02
Georgia	1,027.3	3.05	83.3	2.37	1,110.6	2.99	103,148,750	1.73	72,578,835	1.37	175,727,585	1.56
Idaho	608.2	1.81	8.7	.25	616.9	1.66	46,773,000	.78	3,470,000	.07	50,243,000	.45
Illinois	1,314.1	3.91	226.8	6.44	1,540.9	4.15	321,168,042	5.38	535,209,461	10.11	856,377,503	7.60
Indiana	906.0	2.69	159.4	4.53	1,065.4	2.87	139,233,570	2.33	250,203,840	4.73	389,437,410	3.46
Iowa	640.5	1.90	29.7	.84	670.2	1.80	68,935,700	1.15	9,413,000	.18	78,348,700	.70
Kansas	672.8	2.00	28.7	.82	701.5	1.89	71,698,390	1.20	18,085,000	.34	89,783,390	.80
Kentucky	578.8	1.72	69.6	1.98	648.4	1.74	100,534,698	1.68	81,398,001	1.54	181,932,699	1.61
Louisiana	470.7	1.40	126.4	3.59	597.1	1.61	89,065,900	1.49	131,944,000	2.49	221,009,900	1.96
Maine	277.8	.83	22.6	.64	300.4	.81	43,740,000	.73	30,431,000	.58	74,171,000	.66
Maryland	219.8	.65	45.7	1.30	265.5	.71	140,493,484	2.35	101,784,296	1.92	242,277,780	2.15
Massachusetts	176.8	.53	159.0	4.52	335.8	.90	112,783,600	1.89	339,112,500	6.41	451,896,100	4.01
Michigan	894.1	2.66	68.4	1.94	962.5	2.59	181,335,450	3.04	235,063,700	4.44	416,399,150	3.70
Minnesota	766.9	2.28	83.6	2.37	850.5	2.29	58,395,501	.98	103,115,543	1.95	161,511,044	1.43
Mississippi	569.3	1.69	121.7	3.46	691.0	1.86	62,017,800	1.04	26,122,000	.49	88,139,800	.78
Missouri	1,032.8	3.07	38.0	1.08	1,070.8	2.88	133,579,990	2.24	101,704,000	1.92	235,283,990	2.09
Montana	1,217.4	3.62	26.3	.75	1,243.7	3.35	108,507,450	1.82	8,097,000	.15	116,604,450	1.03
Nebraska	453.9	1.35	6.7	.19	460.6	1.24	40,869,000	.68	7,370,000	.14	48,239,000	.43
Nevada	526.3	1.56	11.0	.31	537.3	1.45	17,940,300	.30	1,628,000	.03	19,568,300	.17
New Hampshire	169.0	.50	32.0	.91	201.0	.55	26,910,000	.45	13,419,000	.25	40,329,000	.36
New Jersey	90.3	.27	102.1	2.90	192.4	.52	59,703,300	1.00	344,350,100	6.51	404,053,400	3.59
New Mexico	989.7	2.94	22.8	.65	1,012.5	2.72	52,257,000	.87	5,852,700	.11	58,109,700	.52
New York	962.3	2.86	72.0	2.04	1,034.3	2.78	643,146,000	0.77	219,135,000	4.14	862,281,000	7.65
North Carolina	637.0	1.89	75.7	2.15	712.7	1.92	42,993,000	.72	29,864,000	.56	72,857,000	.65
North Dakota	478.8	1.42	19.5	.55	498.3	1.34	29,365,120	.49	15,785,600	.30	45,150,720	.40
Ohio	999.8	2.97	216.6	6.15	1,216.4	3.27	396,185,000	6.63	362,406,000	6.85	758,591,000	6.73
Oklahoma	734.4	2.18	45.7	1.30	780.1	2.10	136,767,500	2.29	29,650,000	.56	166,417,500	1.48
Oregon	675.2	2.01	27.8	.79	703.0	1.89	94,450,000	1.58	23,465,000	.44	117,915,000	1.05
Pennsylvania	1,025.9	3.05	331.0	9.40	1,356.9	3.65	528,013,000	8.84	398,566,000	7.53	926,579,000	8.22
Rhode Island	23.4	.07	25.2	.72	48.6	.13	6,082,000	.10	79,925,976	1.51	86,007,976	.76
South Carolina	604.5	1.80	92.5	2.63	697.0	1.88	39,425,750	.66	80,143,000	1.51	119,568,750	1.06
South Dakota	499.5	1.48	15.2	.43	514.7	1.39	40,196,800	.67	4,638,000	.09	44,834,800	.40
Tennessee	967.2	2.88	77.7	2.21	1,044.9	2.81	172,634,734	2.89	69,022,782	1.30	241,657,516	2.15
Texas	2,573.0	7.65	191.8	5.45	2,764.8	7.44	286,883,400	4.80	149,104,200	2.82	435,987,600	3.87
Utah	672.3	2.00	31.8	.90	704.1	1.89	61,208,300	1.03	23,045,000	.44	84,253,300	.75
Vermont	311.4	.93	28.4	.81	339.8	.91	47,508,220	.80	6,910,300	.13	54,418,520	.48
Virginia	844.6	2.51	57.1	1.62	901.7	2.43	170,536,000	2.86	36,773,000	.69	207,309,000	1.84
Washington	521.0	1.55	58.5	1.66	579.5	1.56	118,363,500	1.98	66,096,600	1.25	184,460,100	1.64
West Virginia	165.7	.49	46.2	1.31	211.9	.57	94,514,500	1.58	112,095,000	2.12	206,609,500	1.83
Wisconsin	424.4	1.26	24.7	.70	449.1	1.21	75,025,050	1.26	52,178,950	.99	127,204,000	1.13
Wyoming	949.0	2.82	23.7	.67	972.7	2.62	54,309,750	.91	5,759,910	.11	60,069,660	.53
District of Columbia			16.6	.47	16.6	.04			180,670,000	3.41	180,670,000	1.60
National total	33,638.0	100.00	3,520.9	100.00	37,158.9	100.00	5,972,936,482	100.00	5,293,435,334	100.00	11,266,371,816	100.00

TABLE 2.—*Highway use of motor fuel, by months, in 1948* [1]

[Thousands of gallons]

State	January	February	March	April	May	June	July	August	September	October	November	December	Total	Percent of total
Alabama	34,274	31,855	37,636	37,377	35,627	33,419	36,753	37,183	37,883	38,988	37,069	40,048	438,112	2.1
Arizona	15,565	15,908	16,017	15,391	15,918	17,064	16,064	16,178	15,897	15,629	17,271	19,372	196,274	1.0
Arkansas	22,015	18,403	23,486	24,435	23,773	23,836	26,079	25,949	28,266	28,241	26,375	28,360	299,218	1.5
California	207,202	221,194	234,162	228,321	230,847	253,751	260,236	247,795	240,280	223,119	251,422	254,178	2,852,507	13.9
Colorado	20,178	19,567	23,429	26,472	24,321	27,918	32,560	33,560	26,970	25,291	24,385	24,960	309,611	1.5
Connecticut	29,379	27,626	31,869	34,107	35,898	37,928	41,466	40,476	37,849	36,887	35,425	36,513	425,423	2.1
Delaware	5,241	4,694	6,091	6,330	6,352	6,612	7,387	6,909	6,583	6,247	6,152	6,214	74,812	.4
Florida	52,889	51,172	55,987	50,963	47,231	46,009	46,180	45,017	43,046	46,073	49,645	55,996	590,208	2.9
Georgia	46,212	42,941	49,797	49,882	46,639	44,649	48,041	49,310	49,012	51,049	49,820	51,696	579,048	2.8
Idaho	9,268	9,028	11,938	12,708	13,249	13,855	14,657	15,827	16,518	13,986	12,464	10,525	154,023	.8
Illinois	114,637	105,229	143,107	161,903	166,093	164,465	161,622	154,013	154,903	157,150	141,121	137,177	1,761,420	8.6
Indiana	63,969	63,937	73,265	76,752	82,928	78,219	80,126	85,023	81,964	78,379	73,485	74,384	912,431	4.5
Iowa	34,819	45,541	53,850	68,207	60,857	55,865	52,543	52,242	55,202	59,860	47,128	41,617	627,731	3.1
Kansas	39,040	33,005	34,082	36,985	37,722	43,929	39,388	39,046	40,884	37,862	37,683	35,684	455,310	2.2
Kentucky	34,143	30,100	36,691	40,029	40,390	40,913	40,712	42,177	40,212	40,320	39,357	40,081	465,125	2.3
Louisiana	30,063	26,393	35,081	34,683	33,492	33,712	34,333	34,149	37,365	37,467	35,457	37,572	409,767	2.0
Maine	12,542	11,689	13,478	14,313	16,247	18,087	21,282	21,562	18,200	17,078	15,452	15,188	195,118	1.0
Maryland	29,091	25,912	32,811	34,288	36,859	34,125	36,220	34,905	35,288	34,999	33,840	34,496	402,834	2.0
Massachusetts	54,402	52,720	61,705	65,364	67,806	73,193	80,513	76,553	72,803	69,030	65,413	69,068	808,570	4.0
Michigan	106,678	99,110	109,134	124,377	122,815	130,526	135,566	136,457	125,798	122,178	122,616	125,687	1,460,942	7.1
Minnesota	45,037	43,463	52,038	52,591	55,503	56,449	59,186	60,515	59,522	61,696	54,425	48,072	648,497	3.2
Mississippi	24,397	20,000	27,730	29,511	30,534	26,700	30,767	30,975	30,416	29,571	28,088	29,870	338,559	1.7
Missouri	67,717	60,836	67,202	74,402	76,044	79,586	78,223	81,622	75,489	76,871	73,410	75,683	887,085	4.3

[1] This table is one of a series (G–21 through G–24) giving an analysis of motor-fuel consumption. Table G–21 gives the segregation between highway and nonhighway use, table G–22 gives total use by months, and table G–24 gives nonhighway use by purpose of use. See notes to table G–21.

TABLE 2.—*Highway use of motor fuel, by months, in 1948* [1]—Continued

[Thousands of gallons]

State	January	February	March	April	May	June	July	August	September	October	November	December	Total	Percent of total
Montana	8,988	8,113	11,127	13,674	15,858	[2]13,561	15,932	15,756	13,186	12,722	12,406	11,046	152,369	.7
Nebraska	24,345	22,875	25,028	31,337	29,069	30,153	35,559	34,456	30,466	27,846	26,028	24,389	341,551	1.7
Nevada	3,803	3,925	4,265	4,597	5,245	6,344	6,519	6,954	6,249	5,296	4,926	4,582	62,705	.3
New Hampshire	7,532	7,040	7,964	8,390	9,188	10,142	12,787	12,638	11,075	9,625	8,879	9,051	114,311	.6
New Jersey	70,503	65,366	78,399	82,582	87,375	89,069	98,157	96,240	88,792	85,716	84,447	85,114	1,011,760	4.9
New Mexico	12,018	11,682	13,108	13,176	14,678	14,853	16,046	16,775	14,376	14,325	15,404	15,413	171,854	.8
New York	143,611	132,906	160,394	171,920	184,013	192,616	209,145	206,442	192,789	187,355	179,766	177,249	2,138,206	10.5
North Carolina	55,486	47,020	56,825	59,824	59,314	60,777	60,919	59,733	64,828	60,871	62,878	61,176	709,651	3.5
North Dakota	5,663	5,178	5,957	9,217	11,327	14,306	15,367	15,597	14,228	13,922	9,921	7,159	127,842	.6
Ohio	128,304	124,048	143,237	151,277	156,346	160,400	159,030	156,038	150,490	152,818	150,569	144,884	1,777,441	8.7
Oklahoma	30,981	34,985	36,272	38,503	39,670	41,266	41,107	41,091	40,926	40,815	40,911	42,573	469,100	2.3
Oregon	27,442	28,005	31,022	32,917	34,462	38,177	40,223	42,717	43,230	34,623	34,060	32,125	419,003	2.0
Pennsylvania	128,190	117,885	143,656	153,340	159,260	164,515	169,117	166,679	159,719	161,319	156,128	156,155	1,835,983	9.0
Rhode Island	10,911	8,884	11,239	11,277	12,142	12,774	14,237	13,663	12,883	11,990	11,457	12,568	144,025	.7
South Carolina	26,652	24,355	28,483	29,601	28,509	29,388	31,107	30,818	30,164	30,435	30,009	30,754	350,275	1.7
South Dakota	11,701	12,255	12,818	10,623	15,295	13,645	13,319	15,932	14,957	15,086	15,120	15,232	165,983	.8
Tennessee	35,826	31,207	42,010	47,020	50,207	43,376	51,801	48,378	44,403	53,572	47,852	45,697	541,349	2.6
Texas	134,356	117,885	153,374	150,145	142,004	152,387	185,850	171,286	157,855	160,886	165,774	176,486	1,868,288	9.1
Utah	11,478	10,155	11,970	13,294	13,575	15,436	15,434	16,543	15,488	14,523	14,491	11,539	163,926	.8
Vermont	5,568	5,007	5,681	6,275	7,041	7,726	9,533	9,487	8,234	7,773	6,873	6,563	85,761	.4
Virginia	43,335	38,751	48,278	51,739	52,889	55,111	59,800	53,959	56,242	53,493	53,157	53,525	620,279	3.0
Washington	37,303	36,461	43,759	47,304	47,118	51,824	54,978	56,308	54,642	45,393	43,975	43,034	562,099	2.7
West Virginia	22,711	18,971	24,568	26,992	29,060	28,771	28,814	31,824	31,692	26,814	29,073	24,667	323,957	1.6
Wisconsin	48,778	50,246	56,540	64,340	64,905	68,246	70,738	68,857	65,572	66,388	62,554	57,359	744,523	3.6
Wyoming	5,622	5,192	6,540	7,179	8,266	9,514	11,802	11,720	9,584	8,556	7,112	7,819	98,906	.5
District of Columbia	12,911	11,544	13,709	14,344	14,125	14,389	14,701	14,041	13,884	14,341	13,945	14,935	166,869	.8
Total	2,152,776	2,040,264	2,406,809	2,550,278	2,598,106	2,679,576	2,821,926	2,781,375	2,676,304	2,624,474	2,565,218	2,563,535	30,460,641	100.00

Mr. IVES. Mr. President, since the estimated needs of heavily populated States are uniformly greater, then—clearly—that formula which grants more funds to the most densely populated States should be adopted.

Population—traffic burden—and estimated cash need for interstate highways are all directly related—one to the other. To adopt any apportionment formula—other than straight population—would be to fail to reflect accurately the comparative needs of each State. To leave unfulfilled the needs of the States would be—in turn—to fail to attain the President's goal of "substantially equal progress in the correction of existing deficiencies."

Not only would the Senate committee formula fall short of the announced goal, but there is serious doubt that the interstate program could even be carried on—under the proposed Senate bill.

Since population is concentrated in cities, the straight population formula for fund allocation concentrates more Federal funds in the urban areas. More funds—in city areas—are required because, first, the cost per mile of construction is roughly eight and one-half times as much in urban as it is in the rural areas, and second, two-thirds of the people this highway system will serve—when completed— are city dwellers.

The President's Committee on the Highway Needs of National Defense has said:

> On the interstate highway system as a whole, the per mile cost of urban and rural work are in the ratio of about 8.5 to 1.

When this great difference in rural and urban costs is extended over the entire proposed system, the necessity for concentration of funds in city areas becomes immediately apparent.

The same committee reports that the projected interstate highways will serve 65 percent of the total urban population of this country and 50 percent of the people who live in rural areas. Some idea of the proportion of this highway system, which will cross high-cost urban areas, can be gained from the fact that it will serve 57,000,000 urban dwellers and only 30,000,000 of the rural population.

The difference in urban rural cost ratios has not gone unnoticed. The Highway Act of 1944—Fifty-eight Statutes 838, section 4 (c)—provides that all funds for highways classified as urban shall be apportioned on a straight urban population basis.

The immediate need for road improvement is most keenly felt in metropolitan and suburban areas. As the prime targets for either atom bomb or sabotage attacks, residents of metropolitan districts must be provided with means for rapid egress to less crowded areas.

Also, in recent weeks we have been much concerned with expansion of the wartime industrial capacity. This task of production for war requires, first, the utilization of existing facilities located near supplies of urban plants and labor.

Thus rapid interstate highway transport—linking the principal cities of the Nation—has become increasingly important.

Studies show that unless funds are allocated on a population formula, the proposed program can, at best, be only partially successful. Even the States which, superficially at least, may benefit now from increased funds under the Senate committee formula, will in the long run suffer with the country as a whole from the bad effects of an inadequate interstate system.

In many of the rural States this increase in Federal money may remain unused because of the States' inability to provide the required matching funds. Thus a short-term gain of an unneeded and unused appropriation would be more than overcome by the eventual commercial losses stemming from the faulty and uneven development of a national pattern of interstate highway transit.

Men closely acquainted with the interstate highway development have unanimously recommended a straight population formula. Their opinions are well supported by available statistics, many of which I have incorporated in my remarks this afternoon. Research shows, first, that in 44 of the 48 States the population formula comes closest to meeting the estimated needs of each State; and, second, that apportionment by population concentrates interstate funds where they are needed most, namely, in the high-cost, densely populated areas.

Because straight population allocation will best promote achievement of the goal, namely, the development of the most efficient interstate highway development, I urge rejection of the Senate committee formula, and I urge as strongly as I possibly can the adoption of the population apportionment provision contained in the House-passed bill, and as contained also in the amendment offered by the junior Senator from Massachusetts.

Mr. THYE. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. THYE. I should like to ask the able Senator from New York if he understands that it was the thought of Congress, when it enacted the bill providing for Federal aid to the States in connection with the development of roads, that there were many States, particularly those in the western part of the United States and in the mountainous areas, which could not in any sense construct or finance the construction of roads which would permit continuity of Federal and State roads adequate to provide transportation across the country, from coast to coast or from border to

border, whereas if the allocation were based on population, there are many States which would not receive sufficient funds to make it possible to provide not only national safety but uniformity of highway construction from coast to coast, spanning the areas where the population is very limited and where the costs of construction of roads are excessive, because of the mountainous conditions.

Mr. IVES. Of course, at that time Federal aid to highways was inaugurated because of the inability of some States to pay——

Mr. THYE. It is true today, is it not?

Mr. IVES. Yes; it is equally clear today that Federal aid for highways is necessary. But in my remarks I have tried to emphasize that there is fully as much need for construction of interstate highways in urban areas as there is for construction of such highways in rural districts. There is little point in speculating as to how much will be necessary to spend, in each State, on the interstate system; the tables I have inserted show clearly both the estimated cash need and also that the population formula comes closest to meeting the need.

I also pointed out that the cost of construction of highways in the urban areas is a great deal more than the cost of construction of highways in rural areas—even including the highways to which the distinguished Senator from Minnesota has referred. I have knowledge of the cost of those roads; but I can tell him also that connecting highways of the type contemplated are urgently needed in urban centers. In cities, highways cost, not several hundred thousand dollars a mile, but actually millions of dollars a mile to construct.

Mr. THYE. The Senator from New York has in mind underpasses and overpasses, I assume.

Mr. IVES. Yes. They must be built in connection with roads constructed in urban centers, and such roads are especially vital now. If we are to be engaged in an all-out war effort, I think we should act rapidly to improve our urban highways as quickly as possible.

I know that New York State has appropriated a great deal of money for this purpose; but our urban highway development still is nowhere near what it must be if the urban population is to be properly taken care of.

Mr. THYE. I thank the Senator.

Mr. IVES. I thank the Senator from Minnesota.

Mr. CHAVEZ. Mr. President, will the Senator yield to me?

Mr. IVES. I am glad to yield to the chairman of the committee.

Mr. CHAVEZ. Mr. President, I fully agree with the Senator from New York as to the necessity for such construction in urban areas. I also realize that it is more expensive to construct a highway in New York City, for instance, than it is to construct a highway from Poughkeepsie to some other section at some distance from a large city.

Mr. IVES. That situation applies not only to New York City, but to any large city.

Mr. CHAVEZ. Yes. However, regardless of the expenditures required for the construction of highways in urban areas—and again I refer to New York City for illustration—what good would it do to construct highways in the urban areas if they were not connected with the remainder of the State of New York and with the other sections of the country? Even in terms of national defense, the people in the urban areas have to be fed by means of the shipment of thousands upon thousands of tons of food daily.

Mr. IVES. The Senator from New York points out that presumably a formula on the basis of population would permit them to be fed. After all, what good does it do to have fine highways in farm districts, and then because of inadequate approaches to large urban areas, not have adequate highways to convey the produce from the farms to the cities?

Mr. CHAVEZ. I may say in answer to the Senator from New York that I think he is correct. It would not do any good. But why? Because the problem is not being met the way it should be met in the urban areas. The only way to solve it is to do away with an inequitable distribution of the taxpayers' money. I may say to the Senator from New York that I think the fair American way of doing it is according to the formula contained in the Senate bill.

Furthermore, with the Senator's permission, I may say that to pass the House version of the bill and not to stand by what has been in existence since 1916 will have this effect: There will not be a State west of the Mississippi or south of the Ohio that will not lose practically half the moneys to be distributed for the construction of roads. With the exception of Texas and California every State west of the Mississippi will be worse off, including North Dakota, South Dakota, Iowa, and Nebraska.

Mr. THYE. Mr. President, if the Senator will yield, I should like to make the comment that that is what I had in mind when I said there were within the United States areas where, if we used population as a basis of the formula, the highways would suffer very drastically. There would not be the continuity of Federal and State highways which would permit traffic from coast to coast or from border to border.

Mr. IVES. If the Senator from New York may comment on that, and also upon the remarks of the Senator from New Mexico——

Mr. CHAVEZ. Mr. President, will the Senator yield for a moment?

Mr. IVES. I yield.

Mr. CHAVEZ. I thank the Senator. There is another reason for that. Most of the western States contain millions of acres of public domain. In my State 63 percent of the entire area is owned by the Federal Government. I cannot state what the percentage is in North Dakota and South Dakota, but I do know it is large. In Nevada, more than 80 percent of the entire area of the State belongs to the Federal Government. In Arizona, Utah, California, Oregon, Washington, and other States, a large percentage of the acreage is owned by the Federal Government. If the Federal Government were willing to turn back the tremendous areas included in national parks, in forest areas, and in the public domain generally back to the States, I probably should say to the Senator, "Very well."

Mr. IVES. In that connection, the Senator from New York would observe that under such conditions it would occur to him that a special provision for aid should be created. These unique problems and special provisions, however, should not be tangled up with this interstate highway construction program.

Mr. CHAVEZ. The condition referred to has prevailed for more than 30 years.

Mr. IVES. The Senator from New York understands that.

Mr. CHAVEZ. I want to tell the Senator from New York that I fully appreciate the work of the officials of his State. They are good. They are learned men.

Mr. IVES. We think they are pretty good, and have full confidence in them.

Mr. CHAVEZ. They are all right. They asked for a bill three times as large as this. They would have liked a bill which carried $1,500,000,000 a year, so I am informed.

Mr. IVES. I say the reason for that is that New York has a very broad highway program in blueprint form.

Mr. CHAVEZ. Every State has that. I may say to the Senator from New York that the amount represented by this bill is approximately one-third of the total revenue collected by the Federal Government through the gasoline tax. In other words, two-thirds of the total revenue goes back to the general treasury, and we use but one-third.

Mr. THYE. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Minnesota?

Mr. IVES. The Senator from New York would like to point out that the figures which have been offered by him remain unrefuted. They are accurate and cover every State. The results which are obtained from them are concurred in by rather distinguished groups. The Senator from New York feels very strongly that when it comes to the interstate highway systems of the country, the population—because it is so closely related to highway usage and to road-tax contribution—is the only sound long-term basis for such construction.

The Senator from New York wants it definitely understood that he is not arguing against preventing the States to which the Senator from New Mexico has referred from getting a sufficient amount to take care of their needs. But whatever the amount may be, the Senator from New York still insists that the population basis is the sound one. Interstate highway needs in the States of New York, Pennsylvania, Massachusetts, and Ohio, where the large industrial areas are largely found, are just as great, proportionately speaking, as they are anywhere else in the country.

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Minnesota?

Mr. IVES. I yield.

Mr. THYE. Looking at the formula of apportionment provided in the Senate bill and comparing it with the apportionment as it would be under the House provision, let us take, for example, the State of Nevada. Under the Senate bill, the State would get $857,000, and under the House provision it would get $505,000, or a loss of $352,000.

I call attention to the State of Nevada. One cannot reach the west coast without crossing the State of Nevada, if he is taking the central route, nor can interstate trucking shipments or interstate bus travel be carried on without likewise passing through Nevada. A State such as Nevada, with its small population, could in no sense afford the expense of construction of highways that would permit interstate travel. If we were to compare other States, we should find, for example, that North Dakota would lose $491,000, whereas the State of New York, in the event we adopted the House provision, would gain considerably; in fact, it would gain $2,838,000.

Mr. IVES. The Senator from New York knows that.

Mr. THYE. It is for that reason that I call the attention of the able junior Senator from New York to the fact that if we are to have a highway system which will permit travel from coast to coast or from border to border, we are only going to get it when we have a system of Federal aid which will permit the construction of highways in the sparsely populated areas, as in some of the mountainous regions, where the cost of construction is tremendous. No State could afford it. Yet the wealth of the Nation is constantly going to the densely populated areas of the United States, which are able, through revenues derived from the manufacturer and the processor and from the people themselves, to finance their local activities in the urban areas, whereas in the western regions, where the population is sparse, they collect neither from the manufacturer and the processor nor from the general population the revenue with which to construct the highways.

Mr. IVES. The Senator is expressing fear which find little basis in fact. Exhibit 4, which I have inserted, compares just what it will cost to build this interstate system—in each State—with what the alternative formula would grant each State. These tables show, beyond doubt, that in 44 of 48 States, population comes closer to estimated need.

Mr. CHAVEZ. Mr. President, if the Senator will yield, I should like to ask this question: If that is the case, why is it that the State of New York permits its highway administration to divert road funds to other purposes? Last year it diverted more than $27,000,000.

Mr. IVES. The State of New York very definitely has a situation similar to what exists in some other States: The tax on gasoline is merely an excise tax for general purposes. I should prefer not to get into a discussion regarding the use of the gasoline tax or the use of motor-vehicle taxes, if it is possible to avoid it in this instance.

Mr. CHAVEZ. But that is where the money comes from.

Mr. IVES. No; the money comes from all the people of the State of New York who pay taxes within the State.

Mr. CHAVEZ. Yes; but so far as the Federal contribution is concerned, it comes from the specific tax on gasoline.

Mr. IVES. That is true.

Mr. CHAVEZ. Generally it is required in the States that, when the tax is collected, it cannot be diverted to any other purpose, but must be used exclusively for road purposes. I notice the record shows that the State of New York does divert millions of dollars every year from the road fund for other purposes.

Mr. IVES. It has to, and occasionally, as it is doing under some of the road programs which are now in process of construction, it will spend more money than will be derived from the gasoline and motor-vehicles taxes which are imposed in the State.

However, I should like to point out, with reference to taking the gasoline tax, that I am very much opposed to any diversion of the gasoline tax. I do not like the idea at all. I have come to the conclusion that there is really no more equitable method of raising taxes than is the gasoline tax. A possible exception may be the personal income tax. Therefore, when the State of New York is not able to support its budget to take care of its going requirements, without dipping into the gasoline tax money, it probably is dipping into moneys that should be used for highways. But I do not think that is really pertinent to the subject. The Federal Government has its system of doing it, and I do not quarrel with the Federal Government in this connection, it is perfectly all right. All the States have their own financial problems, and they need their share of this money.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. McCLELLAN. Mr. President, I should like to ask unanimous consent that at the conclusion of the remarks of the able Senator from New York there may be inserted in the RECORD a table which shows the apportionment to the States under either formula and which shows the mileage of the interstate system.

Mr. IVES. In that connection, and relative to the Senator's remarks concerning it, I would again point out that the amount of mileage has nothing to do with the cost. Anyone who has ever been connected with highways knows that the cost per mile varies tremendously. I refer to some of the areas to which the able Senator from Minnesota mentioned earlier. I could point out sections of the country in which the cost per mile is almost prohibitive.

Mr. McCLELLAN. I appreciate that, but I think the question which actually presents itself here is whether we shall have a formula based on population alone or whether other factors should be included. We should make an intelligent decision about it, but there may be differences of opinion. In my opinion, however, we should have these mileage figures before us, and I ask that they may be placed in the RECORD at the conclusion of the Senator's remarks.

Mr. IVES. That is perfectly agreeable to me. I have some tables also.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the table to which I have referred be inserted in the RECORD following the remarks of the Senator from New York.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit I.)

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. YOUNG. I should like to point out the problem we have in North Dakota with 7,000 miles of State and Federal highways. Two of the highways are east-west highways and are of military importance. Through the years we have not been able to bring these roads up to standard. We have a 4-cent gasoline tax which is all applied to roads. We diverted $9,000,000 from the general funds of the State for road purposes. That is probably one-fourth or one-fifth of all the money that comes into our State general fund each year. I do not think there is any other State which has gone to the extent which we have in taxing our people to maintain our road system. We shall have to have considerable assistance from the Federal Government. Changing the ratio of matching as proposed would greatly increase our problem.

Mr. IVES. I thank the distinguished Senator, and I want him to know that I am in full sympathy with the statement he has just made. However, in making this statement, I would point out that there are many miles of through highways in the State of New York today which are not in proper condition. They must be reconstructed to take care of the great density of traffic which passes over them. Probably in a different way the people of New York are just as much bothered and troubled by the situation to which the Senator from North Dakota refers as are the people of North Dakota.

Mr. YOUNG. I realize that the populous States have a real problem on their hands when it comes to widening streets, underpasses, and what not, but I am wondering if the State of New York is diverting from its general fund money for road purposes as my State is doing.

Mr. IVES. We are not diverting it from the general fund. Every item collected in the State of New York goes into the general fund. We do not have any special fund except in certain situations, which are very limited. It does not make any difference to us; it is as broad as it is long. If we have a highway program, we have to pay for it, if we can. I do not think we owe too much at the moment.

EXHIBIT I

Comparison of apportionment for interstate-system funds as recommended by Senate Public Works Committee and as adopted by the House of Representatives

State	Apportionment recommended by Senate committee (primary-road formula)	Mileage, I. H. S.	Apportionment adopted by House (population formula)	Increase resulting from use of Senate formula instead of House formula	Decrease resulting from use of Senate formula instead of House formula	State	Apportionment recommended by Senate committee (primary-road formula)	Mileage, I. H. S.	Apportionment adopted by House (population formula)	Increase resulting from use of Senate formula instead of House formula	Decrease resulting from use of Senate formula instead of House formula
Alabama	$1,457,000	890.8	$1,246,000	$211,000		New Hampshire	$337,000	201.0	$505,000		168,000
Arizona	991,000	1,136.9	505,000	486,000		New Jersey	938,000	192.4	2,080,000		1,142,000
Arkansas	1,167,000	517.8	838,000	329,000		New Mexico	1,081,000	1,012.5	505,000	$576,000	
California	3,223,000	1,900.5	4,551,000		$1,328,000	New York	3,303,000	1,034.3	6,141,000		2,838,000
Colorado	1,210,000	661.7	519,000	691,000		North Carolina	1,694,000	712.7	1,649,000	45,000	
Connecticut	457,000	262.4	862,000		405,000	North Dakota	996,000	498.3	505,000	491,000	
Delaware	337,000	25.5	505,000		168,000	Ohio	2,498,000	1,216.4	3,409,000		911,000
Florida	1,060,000	1,141.2	1,064,000		4,000	Oklahoma	1,518,000	780.1	982,000	536,000	
Georgia	1,716,000	1,110.6	1,364,000	352,000		Oregon	1,210,000	703.0	741,000	469,000	
Idaho	834,000	616.9	505,000	329,000		Pennsylvania	2,820,000	1,356.9	4,537,000		1,717,000
Illinois	2,697,000	1,540.9	3,605,000		908,000	Rhode Island	337,000	48.6	505,000		168,000
Indiana	1,701,000	1,065.4	1,704,000		3,000	South Carolina	936,000	697.0	854,000	82,000	
Iowa	1,697,000	670.2	1,128,000	569,000		South Dakota	1,056,000	514.7	505,000	551,000	
Kansas	1,716,000	701.5	831,000	885,000		Tennessee	1,500,000	1,044.9	1,380,000	120,000	
Kentucky	1,282,000	648.4	1,235,000	47,000		Texas	4,431,000	2,764.8	3,214,000	1,217,000	
Louisiana	1,060,000	597.1	1,122,000		62,000	Utah	768,000	704.1	505,000	263,000	
Maine	589,000	300.4	505,000	84,000		Vermont	337,000	339.8	505,000		168,000
Maryland	600,000	265.5	928,000		328,000	Virginia	1,306,000	901.7	1,324,000		18,000
Massachusetts	912,000	335.8	2,011,000		1,099,000	Washington	1,180,000	579.5	1,102,000	78,000	
Michigan	2,205,000	962.5	2,711,000		506,000	West Virginia	749,000	211.9	828,000		79,000
Minnesota	1,841,000	850.5	1,271,000	570,000		Wisconsin	1,659,000	449.1	1,432,000	227,000	
Mississippi	1,239,000	691.0	909,000	330,000		Wyoming	825,000	972.7	505,000	320,000	
Missouri	2,029,000	1,070.8	1,679,000	350,000		Hawaii	337,000		505,000		168,000
Montana	1,344,000	1,243.7	505,000	839,000		District of Columbia					
Nebraska	1,338,000	460.6	549,000	789,000		Puerto Rico					
Nevada	857,000	537.3	505,000	352,000							

NOTE.—The apportionment formula recommended by the Senate committee is the long-established primary road formula, which is based upon the 3 factors of area, population and rural mail routes, with special recognition for States with large areas of public domain. The apportionment formula adopted by the House is an entirely new formula based upon population only. It has never been used before in Federal-aid highway programs.

Mr. MUNDT. Mr. President, I should like to say a word about the highway discussion in which we have been engaged in a very informative and interesting manner, it has seemed to me. I want to associate myself completely and enthusiastically with the comments just made by my distinguished colleague from North Dakota. The State of South Dakota has a number of east-west highways clear across the State which are frequently used for interstate traffic and traversed by heavy trucks. It is almost impossible for a small State like ours to maintain these arterial roads. In fact, we have used the full returns from our gasoline taxes for that purpose, and the next legislature is contemplating increasing the gasoline tax for that purpose. The highways are going to pieces, in part, because of the heavy traffic imposed upon them by interstate trucks and busses traveling across the country and using our interstate highways.

I desire now, Mr. President, to refer to another subject.

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

PROTECTION OF GOVERNMENT AGAINST COMMUNISTS AND SUBVERSIVE GROUPS

Mr. MUNDT. Mr. President, I want to address the Senate in connection with the amendment which, by unanimous consent, is to be voted on next Monday and which has been introduced jointly by the Senator from Michigan [Mr. FERGUSON] and by the junior Senator from South Dakota. As every Member of the Senate knows, that amendment is, in essence, Senate bill 2311. It is the entire text of that measure, and is known as the Subversive Activities Control Act of 1950.

Mr. President, I want to express my appreciation of the Democratic Members, and especially the acting majority leader [Mr. MAYBANK], for working out a unanimous-consent agreement whereby on next Monday we can have a showdown vote on this question which has been before the Senate in one way or another for more than 30 months. It has been on the calendar since March 22 of this year. It has been voted upon in its essential features by the House of Representatives in the Eightieth Congress. The Senate did not then have an opportunity to vote upon it.

Certainly, Mr. President, we are not considering something in haste; certainly we are not considering something about which all Members of the Senate are not clearly and fully advised; nor are we considering a measure which is new to the general public, because ten or a dozen of the outstanding national organizations of America have by convention resolutions endorsed Senate bill 2311, the so-called Mundt-Ferguson-Johnston bill. Those organizations include the American Legion, Veterans of Foreign Wars, the Amvets, the Catholic War Veterans, to mention some of the war veterans' organizations. The National Education Association and the United States Chamber of Commerce have endorsed it, as have fraternal groups, business groups, and organizations throughout the country which normally study legislative matters and try to register their opinions with Congress.

It seems to me, Mr. President, that it is fitting and proper that we shall now at long last have a definite opportunity in the Senate to vote our wishes.

Since that opportunity is coming along, several Senators have suggested that I discuss the record behind the bill and the specific purpose and provisions of the legislation. I think probably it is a good idea, if we are to have a chance to vote on S. 2311, because of late we have had a whole rash of so-called Communist-control bills, some of them conceived in tremendous haste, some of them virtually whipped together with scissors and Scotch tape, some of them rushed up here by special messenger from the White House, with the messenger all out of breath.

I welcome this general outburst of interest in legislation of this type. As the Senator from Michigan [Mr. FERGUSON] and I have stated, if it is necessary to remove the names of Republican Senators from the legislation, we are perfectly willing to do that and support the McCarran bill, if it is reported from the committee, because the major portion of the McCarran bill is a complete replica of S. 2311, and was prepared by cutting pages from S. 2311 and pasting them together as the major part of the McCarran omnibus legislation.

However, I think we should be a little concerned about the possibility that in the zeal and zest to be sure that measures of this kind which come from the Democratic side of the aisle, we do not jump too quickly to support legislation which is improperly conceived. When dealing with subversive-activity controls we are dealing with the rights of all Americans. It seems to me to be important that we go into these matters in detail and that proposed legislation be screened by the best legal talent available in America. It is also important that we do not simply pass ineffective legislation which appears to be an effective kind of control, and thus putting abroad in this land a sense of false security.

We are certainly insecure enough with 55,000 known disloyal Communist agents in our midst—insecure enough that we cannot afford to pass legislation which appears to do the job, but fails to do it, with our boys dying in Korea fighting for what they believe to be an all-out effort against communism.

I notice in the legislative daily which comes to our desks that in the Tuesday issue Chairman CELLER, of the House Committee on the Judiciary, said he and the Senate majority leader, the Senator from Illinois [Mr. LUCAS], were preparing a new internal security bill to replace several pending House and Senate measures which President Truman dislikes. I do not know whether President Truman dislikes Senate bill 2311, because he has never specifically referred to it. I do know that Chairman CELLER, of the House Judiciary Committee, has been one of the most bitter and outspoken foes of Senate bill 2311 ever since its introduction in the House. He has decried time after time legislation of this type which requires a Communist to register and to come out into the open. I am afraid that if our majority leader associates himself with Mr. CELLER in the introduction of a bill, which the news report indicates they are trying to draw up quickly, they will bring in some kind of milk-toast proposition which will fail to give us the kind of legislation which is required. I do not propose to condemn legislation before I see it. However, I venture far enough in the uncertain ground of prophecy to predict that that legislation will lack what every good American realizes must be contained in a bill dealing with Communists in this country while fighting it abroad. I predict it will be a weak, ineffective, and disillusioning proposition.

Mr. President, I think, first of all, a word should be said as to why this legislation fits into the pattern of legislative machinery which we are considering this week, the Maybank production-control bill, which will come up for a vote on Monday.

I think we can start out by agreeing that both pieces of legislation, Senate bill 2311 and the Maybank production-control bill, grow out of the same source. They grow out of the menace of world communism. They both grow directly out of the fact that we are at war with communism. They grow directly out of the fact that we are at war with communism, an ideological cold war at the time the Mundt-Ferguson bill was introduced and a hot blood-letting and shooting war now in Korea. Both that bill and the Mundt-Ferguson bill grow out of the conflict we are having with communism. Both move toward utilizing the same kind of cure. Both would impose upon Americans certain regulations, certain stipulations, certain controls, in order that the people within our boundaries may marshal the greatest possible strength to defeat communism wherever it challenges our Christian civilization and the freedoms which we have always enjoyed in America. Hence, both bills are part of the same pattern. They are part of the legislative machinery required to do the job. They are part of the same job, unless we propose to draft boys to fight and die for a purpose abroad and somehow lack the courage to face up to communism at home. Unless we are willing to accept that unhappy hypothesis it must be realized that both pieces of legislation strike at the same evil. They can therefore very appropriately be considered together. They utilize the mechanics of control, the mechanics of Government authority, and the mechanics of Government regulation to move against the evil forces of communism.

I think it was Abraham Lincoln who on being asked how long the man's legs should be said they should be just long enough to reach the ground. I think we can apply that kind of test to legislation of this type. What do we need in this type of legislative pattern on the home front to meet the challenge of communism when we are fighting it 6,000 miles away? What we need is just enough legislation to do the job. It would be foolish to add anything extra, but it would be suicidal to settle for anything else. With the exception of perhaps 8 or 10 Senators I doubt that anyone will stand up between now and Monday and say, "All we need is legislation which will require patriotic and decent Americans to curb their acquisitive instincts a little, so that we can get enough productive impetus going to supply our soldiers in Korea." That is necessary, of course, and certainly I shall support such legislation. However, it will not do the job alone. Something else will be required. We can no more afford to have the war effort of America sabotaged by some conspiratorial communistic means than we can afford to have it sabotaged by someone's selfishness in the production effort.

Mr. President, I should like to reduce the required legislation down to its three essential elements, because in the frantic effort downtown to rush up Communist-control bill after Communist-control bill and submit them to the committee even before the ink on them is dry, it seems that recognition is not made of the fact that in dealing with Communists one does not have half a hundred different alternatives. Certain things must be included. Certain things must be stressed. If not, we fail to recognize the nature of the conspiratorial enemy with which we are dealing. I wish to reduce them to those elements. They are all found in S. 2311, and S. 2311 is the amendment which we have offered for consideration next Monday.

DISCLOSURE

The first important element in any kind of effective Communist-control bill is the element of disclosure. When we are dealing with the secret Communist conspiratorial apparatus, unless we can disclose and expose it we cannot fight it effectively. If and when the so-called Celler-Lucas bill comes before the Senate, I would ask Senators to see what kind of provision is made on the matter of disclosure. Will it require Communists to come out in the open, or will they be permitted to continue to sneak around and drive the dagger of treason into the backs of our men in uniform? S. 2311 provides for complete disclosure. We say to the Communists: "You must register. You must come out into the open. You must register in a public place, in the Office of the Attorney General. You must register as a member of the Communist Party. You must register and operate in the open, where good, patriotic people will see to it that your excesses are curbed. You must register and come out in the open, or you must go to jail. You can take your choice."

If the junior Senator from South Dakota could make the choice for them, he would prefer to see them in jail. But we give them their choice. That is their American right. If they come out in the open, and we know where they are, we can protect ourselves against the evil.

IDENTIFICATION

The second element we put in is identification. We require the Communists to identify their sources of income, where they get their treacherous money, and how they spend it. Who is providing the money to murder freedom on American soil? Who is financing the Communist publications? Who is financing the organizers they have in all our States? Who contributes the money, and where is it spent?

We require them to identify not only that, but the officials of the party. Who is it who calls the signals? Who does the master minding? Who are the members of the American Communist politburo? More Americans today know who it is who is running the Politburo in the Kremlin than know the names of the Communist politburo in America.

Mr. President, is that security? Is that defense? Can I be happy, along with the Democratic policy committee, knowing that since March 22 of this year we have had a legislative proposal which would correct that situation, but which they have refused to bring to the floor of the Senate for a vote? I cannot. So I look forward to an opportunity next week to get a vote on legislation of this kind, when we can stand up and be counted, when men can rearrange their alibis and go home and explain their votes, or proudly go home to boast of the decisions they have made. That is the American procedure. It is an opportunity courageous men should always crave. It is an opportunity I hope we will soon have on the floor of the United States Senate.

We require Communists to identify their front organizations. Who are the prettily named organizations outdoing the nasty work of these godless Communists? Had the so-called Mundt-Ferguson-Johnston bill been in effect 4 years ago, when the Communist Party conceived the idea of having the American Youth for Democracy, a nice sounding title, on the college campuses, some college professors joining, many American boys and girls joining, everyone would have known it was a Communist organization and they would have

thrown it from the campuses; but they did not know it until it was too late.

Mr. YOUNG. Mr. President——

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from South Dakota yield to the Senator from North Dakota?

Mr. MUNDT. I yield.

Mr. YOUNG. One of the most alarming things that has recently come to my notice concerns some of the letters from constituents, in my State. Some of these letters contain direct quotes from Communist-front publications, although I am sure many are unaware of the type publication from which they are quoting. They would have no way of knowing unless they had access to information assembled by the Un-American Activities Committee or other authoritative sources. May I ask the Senator how the Mundt-Ferguson bill would assist in enabling people to identify literature coming from subversive organizations? Would not the provisions of this bill protect the American people in this respect?

Mr. MUNDT. I thank the Senator for asking that question. I have had the same situation brought to my attention. I suppose some believe that the only opponents of communism live in South Dakota, and that everyone in South Dakota thinks the legislation we are proposing is the only answer to the difficulties. I have received some letters in opposition from some farmers in my State. One said, "I have an article from In Fact magazine." That is In Fact—f-a-c-t. It is a magazine published by George Seldes. In this letter this man says:

> Your bill is a dangerous venture. In Fact says so. In Fact calls it a police-state bill.

I had to send him the record of Mr. George Seldes taken from the records of the Un-American Activities Committee. In Fact and Mr. Seldes have been associated with Communist causes for years and years, and according to the former editor of the Daily Worker, Mr. Budenz, Seldes had been offered the same position held by Budenz. He was considered for the editorship of the Daily Worker. Then the Communists decided they could use Seldes in another capacity.

Every branch of the Communist Party would have to carry the name of the organization, and show that it was an organization financed by the Communist Party or controlled by the Communist Party, under the provisions of S. 2311.

I have here another magazine of the same kind, Political Affairs for August 1950. This is a well-printed magazine. It is printed on eggshell paper, and the articles are well written. This is another that is distributed on the college campuses in America, and it will be found in many public libraries. Students take it home and use it in preparing essays in schools. It says it is "reentered as second-class matter January 4, 1945, at the post office at New York, N. Y., under the act of March 3, 1879. Political Affairs is published monthly by New Century Publishers."

We all remember that the New Century was a great magazine in America—along with the Atlantic Monthly, Scribner's, and Harper's, Century, the four of them. Here is something published by the New Century Publishers, something up to date, something streamlined and modern. That is the only identification. It is a clever attempt to confuse and befuddle innocent Americans. It is such strange things as these that are found on the college campuses, read by members of women's clubs and professional people of standing, when they pick this magazine up. They read this, for example:

> Wall Street aggression in Asia.

A mother whose son has just been drafted to go to Korea, or perhaps a family which has just received the sad news from the War Department that their boy has died in Korea, read, "Halt Wall Street aggression in Asia."

Then they read:

> The bipartisan war coalition has solely one aim: To conquer the people of Asia, to rob them of their natural resources, to multiply big business' profits from a subjugated world.

If they read further, they will find another article, Wall Street's War Against the Korean People, by Betty Gannett. People might wonder whether she was a relative of the Gannetts of the great publishing family, because, as these Communists change their names as they so frequently do, they, by something more than coincidence, select the names of well-established American families. So Betty Gannett writes an article, Wall Street's War Against the Korean People.

I read from the article:

> The war in Korea is not a civil war. It is not a war between the people of the north and the south. It is not, as the Truman-Acheson-Dulles bipartisan combination would have the American people believe, a war to repel the Communist invasion of South Korea and to stop aggression against the democratic republic. It is a war of imperialist aggression. It is Wall Street's war.

Does that help the war effort? Does the Democratic policy committee believe that is the way to get unity behind the President? Does the policy committee believe we should have legislation identifying that as communistic or not?

We have been talking about that since last March, but we cannot get an answer, cannot get a vote. There is the same old talk, "Give us more money, more authority. Let us push Americans around. We politicians will solve everything."

But it is necessary to do something about the disloyal people in America. It is not enough to push good Americans around all the time. It is necessary to start pushing around those traitors slinking in the dark recesses of Communist-conspiratorial quarters in America.

So it goes throughout this magazine. On page 10 is another article, written by another person talking about the fact that the great moral leadership of Russia has been helping the North Koreans, by John Pittman. There are many articles of that type.

The strange thing about it is that every Communist knows this is an official Communist publication. Pin them down and they will admit it. They will not deny it. The New Century Publishers, Inc., is one of the great outlets of communism in America. We propose to identify not only the profiteer but the political privateer in our effort to merge the Mundt-Ferguson-Johnston bill with the Maybank production and civilian control bill next Monday afternoon.

When discussing our amendment on Monday we propose to show that, while it is proposed that controls be established so as to make people register how much iron and steel and strategic material they have, we also propose to make people of Communist convictions register so we may know whether they are trying, through certain front organizations, to destroy America.

It must be realized that one Gerhardt Eisler is now the propaganda minister of the Communists in the eastern part of Berlin, in Germany. For 12 years Gerhardt Eisler was in charge of the Communist espionage organization in America. He remained such until the time the FBI got after him and arrested him. Somehow, however, he got away and went to Europe on the Polish ship which carries strange cargoes across the ocean, from one side of the ocean to the other. He was the first of such to get away. Our British cousins said they did not think they could deliver him back to us. Somehow they felt he was no enemy to the United States, though he had been working against the interests of the United States for many years. That is a legalistic argument which only a Britisher can figure out. I cannot understand it. But he is over in Germany now.

Mr. President, I want to call attention to some of the literature now being circulated in America. I have in my hand a pamphlet on the front page of which appears Eisler Hits Back. It says, "Who am I?—an international spy? A spy? A man who wants to boss all the Reds in this country?" Then the words, "Eisler hits back." That publication is sent through our mails and distributed throughout our country. Who puts it out? Not the Communist Party, according to the label. But it is distributed in America by an organization called, The German-American, Inc., 305 Broadway, room 207, New York 7, N. Y. A German-American publication. No one would know that this was a Communist organization unless one happened to know something about its location, its street address; unless one knew that that street address was connected with the Communist Party in New York. No one would know that until Eisler shows up in eastern Germany propagandizing against America. If we continue to follow the lead of the Democratic policy committee, a thousand Gerhardt Eislers can thumb their noses at America, can lie about us, can lead spy rings in America, and so long as they do not run into certain restrictive features of existing and inadequate law they do not even have to register, and their publications will be carried through the mails at second-class rates.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. FERGUSON. Does the Senator from South Dakota know whether Eisler was ever registered as a foreign agent under our registration law?

Mr. MUNDT. Of course, he was never registered as a foreign agent. Of course, under the President's unique proposal that he would like to see the so-called Mundt-Ferguson-Johnston bill replaced by his substitute, whereby he would have espionage agents trained abroad registered, under such a provision Eisler would have been compelled by the law to register. But Eisler would not have registered any more than if there was a law which says that murderers have to register, that kidnapers have to register, that counterfeiters have to register, because registration for committing that kind of crime is self-confession and would bring about conviction and a prison sentence.

There is no law against one being a Communist. Being a Communist would not automatically result in being put in jail. We would identify them and make them identify all their propaganda and literature.

CURTAILMENT

The third thing we would do, Mr. President, is provide curtailment. The curtailing of activities of spies and their dupes and the kept associates of the Communists, and the crypto-Communists, and the fellow travelers and the fellow wanderers in America. We would curtail them. We would curtail them to the minimum essential to our internal security.

I should like you to take a look at the so-called Emanuel Celler-Scott Lucas substitute when it comes along, in order to see how much identification, how much registration, how much curtailment there is in it.

What do we curtail? Just the minimum. We say, Mr. President, that we are going to curtail Communists to the point where they cannot secure Federal passports to travel abroad. Who objects to that? Who objects to saying that we are not going to permit known enemies of America to secure passports to travel overseas, to visit Russia, to bring back ideas and money and schemes with which to overthrow freedom and home? We curtail that.

There is one other thing we curtail, Mr. President. We curtail by law the privilege of Communists to hold Federal jobs. One would think everyone by this time would be against having Communists in government. The State Department brags about the fact that it has fired 200 of them since Yalta. The Senator from Wisconsin [Mr. McCARTHY] brags that he can name 57 of them, or 85 of them, or 200 of them. The House Un-American Committee brags about the fact that, "We got Alger Hiss and Henry Julian Wadleigh." The Justice Department brags about what it did in the case of Judy Coplon. Every department of Government now claims it is chasing them. Everybody is glad to see them go. But the Democratic policy committee does not seem concerned about "Where do we go from here?" because this legislation curtails them from getting any more jobs or getting any jobs back. But it has been pigeonholed since March.

To make it effective we would put in jail the Communists who surreptitiously gets the job and the bureaucrat who knowingly employs him. No one disagrees with that. No one thinks that goes too far. If he does, let him speak out now.

When the President spoke of "excessive legislation" I deny that he meant our bill. I do not think the President referred at all to our bill when he sent us his message. Having read the President's message I do not find a single thing that points to Senate bill 2311.

There is one other thing we curtail. We curtail the privilege of Communists serving as peacetime espionage agents in America. We make that illegal. If the Celler-Lucas-Magnuson substitute, or if the Lucas-Magnuson-McCarran-Celler substitute, or if anyone else's substitute, whether written in the White House, or cut with scissors from our bill and clipped together with paper clips contains anything less than these curtailments, it is not adequate. Are we going to permit Communists to practice espionage legally in America? I defy anyone to curtail less than we do, and at the same time safeguard America. If anyone goes further than we do, he would have to outlaw the Communist Party.

Mr. President, I should like to enumerate the President's recommendations, to point out how our legislation meets those recommendations. The President says we should have legislation expanding the law with respect to peacetime espionage. If Senators will read section 4 of S. 2311, which is the amendment we have offered for consideration next Monday, they will see that section 4 does exactly that. It extends the statute of limitations with respect to espionage in peacetime from 3 years to 10 years. And it writes a concise definition of a new crime—peacetime espionage. So up to now we are even with the President, except we are 3 years ahead on the calendar in the matter of legislation. But we have arrived at the same goal. We have gotten together in August of 1950. One group of us wanted legislation for the control of Communists beginning 35 or 36 months ago. The other group started 30 days ago. But we are all together now in August of 1950, and we want to expand this kind of legislation.

The second thing the President said is: "There should be registration of foreign agents who have received instructions from a foreign government or political party." Mr. President, on page 23 of S. 2311, section (e), the Mundt-Ferguson-Johnston bill sets up eight specific criteria for determining who it is who should register and those criteria, each and every one, refer to the fact that the Communists are the people who should register, that they are agents of a foreign government.

Again starting at different eras of history the President and the Senate Committee on the Judiciary and those favoring this legislation arrive on the Senate floor in August favoring the same thing.

The third provision the President requests is one which would make peacetime espionage a crime. Section 4 of the Mundt-Nixon bill, Senate bill 2311, does precisely that; it spells out the crime of peacetime espionage.

Finally, the President says there should be additional security regulations in regard to defense installations and military bases. In our bill we move in that direction by making it clear that Communists shall be registered, so that we shall know who are the Communist spies and potential saboteurs who live in the neighborhood of military bases and military plants, so that our officials will have an opportunity to safeguard those installations. So we also travel down the same pathway in that connection.

I think it is important that we begin traveling in that direction, Mr. President. This continued delay, this evasion, this effort to get a different bill up yesterday and a new bill tomorrow, and something else the next day, while the Communists continue to have a Roman holiday with their espionage and Communist conspiracy and propaganda in America, is not good for the safety of our country.

I hold in my hand, for example, a clipping from a Los Angeles newspaper, which states that the city council of Los Angeles is considering acting along the lines of the Mundt-Nixon bill by requiring all Communists entering Los Angeles to register with the police. I have a similar clipping from a Detroit newspaper.

Of course, Mr. President, if the Congress is hamstrung to such an extent that it cannot write effective legislation on this subject, the patriotic groups in the States will urge the State legislatures and the city councils to write substitutes. However, that is not a good way to proceed in this matter—to have individual legislatures and city councils in the various States to try to write legislation of this sort in a period of hysteria, for in that case certainly some of the legislation would not go far enough, and some would go too far.

The demands of the many groups in the various States for the enaction of such legislation dramatize the situation at this stage, and show that we in the Congress are not even marching in the dust of the parade, in the vanguard of which march the people of America.

We in Congress who have asked for the speedy enactment of a measure on this subject have been put off and asked to delay and wait, and we have been argued with and urged to postpone our efforts in regard to the passage of such bills. Probably on Monday we shall be told, "This is not the way, this is not the time; wait some more. Just give us time."

Mr. President, I think a good time to act on this proposed legislation is now, when we face the fact that world conditions have become so bad that in these concluding days of this session of Congress we need to enact special legislation to deal with the activities of the patriotic friends and neighbors of us all; legislation to keep the farmer and the laboring man and the businessman and the housewife following certain rules of good behavior. What strange mentality indeed must be possessed by those who say, "I favor legislation to push

around the housewife and the shopkeeper and the farmer and the laboring man, but I do not want to be included among those favoring the enactment of legislation to push around the traitors and the spies and the Communists in our midst, or at least I do not want legislation controlling them to be included in the same bill, and I do not want such legislation to be enacted right away. Let us see if we cannot extract a few more teeth from that proposal. Let us water down the proposed legislation"—legislation which is urged by the American Legion, the Veterans of Foreign Wars, the Catholic War Veterans, and almost all other patriotic groups of Americans.

We are told, "The enactment of such a bill should wait, because we do not think such legislation would be constitutional. Let us wait, because this afternoon we finally got from Peyton Ford—a rushed-up opinion—in which he says there may be some doubts about the constitutionality of such legislation."

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. FERGUSON. Does the Senator know that the opinion of Peyton Ford, to which he has referred, was not requested by at least some of the members of the Judiciary Committee? Does the Senator know that the opinion was voluntarily delivered to the offices of the members of the committee, and that there was a request that it be delivered to those Senators? Does the Senator know that the committee itself made no request for such an opinion? I have inquired of the chairman of the committee, and I have learned that the committee did not request such an opinion.

Does the Senator know that the facts are that when Senate bill 2311 was before the committee, the members of the committee made various requests for an opinion on the subject, and they waited months before they received an opinion? Does the Senator from South Dakota realize that?

Mr. MUNDT. I do.

Mr. FERGUSON. Does the Senator from South Dakota realize that at this time, after the Senator from Nevada [Mr. McCARRAN], the chairman of the Judiciary Committee, has had before the Judiciary Committee an omnibus bill, and after there was introduced on behalf of the Democratic policy committee around noon today or early this afternoon a so-called policy committee bill, in order that it might be referred to the Senate Judiciary Committee, at this last moment these so-called opinions have been submitted, in an endeavor to indicate that Senate bill 2311 if adopted as an amendment to the Defense Production Act of 1950 would be unconstitutional, whereas the same Attorney General's office, in submitting the opinion which was really forced from them by the Judiciary Committee prior to this last opinion, did not say that Senate bill 2311 was unconstitutional, but said it involved a policy matter for the Congress of the United States to determine. Does the Senator from South Dakota realize that?

Mr. MUNDT. I was not aware of that very bizarre chain of events, but I was aware of the fact that months and months ago the Senate Judiciary Committee asked the Attorney General for an opinion, and I knew that it had not been forthcoming. I am inclined to believe that what we now have before us is not so much legal opinion as it is a piece of lobbying literature.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MAYBANK. In justice to the Attorney General of the United States, I wish to say that he was invited to come before the committee by the distinguished Senator who temporarily is the ranking Republican member of the committee, in the absence of the Senator from New Hampshire [Mr. TOBEY], namely, the Senator from Indiana [Mr. CAPEHART].

Mr. MUNDT. If the Senator from South Carolina will forgive me for interrupting him for a moment, let me say that I think what he has said should properly be deleted from the RECORD, inasmuch as he and I are talking about two different committees and two different bills. The Senator from Michigan was talking about a different bill.

Mr. MAYBANK. That is correct; but the Senator from Indiana [Mr. CAPEHART]—who, in the absence of the Senator from New Hampshire [Mr. TOBEY], is the ranking Republican member of the committee—requested the attendance of the Attorney General of the United States, Mr. McGrath; and as chairman of the committee, I invited Mr. McGrath to come before the committee at a public hearing in the Caucus Room. He did so, and at that time he was asked many questions. His answers to those questions are the ones to which the distinguished Senator from Michigan referred, I assume.

Mr. MUNDT. Mr. President, I shall yield now to the Senator from Michigan [Mr. FERGUSON], to permit him to straighten out the acting majority leader, because the Senator from South Carolina is talking about a different bill and a different committee. He is speaking of the Banking and Currency Committee, whereas the Senator from Michigan has been speaking of the Judiciary Committee.

Mr. MAYBANK. Mr. President, I do not wish to be misunderstood. I wish to state that my objection is to having the distinguished Senator from South Dakota and the distinguished Senator from Michigan add Senate bill 2311 to the Defense Production Act of 1950, as an amendment to it, because I have no desire to control Communists. They ought not be put under control; they should either be put in jail or under the jail.

Mr. FERGUSON. Mr. President, the Senator from South Carolina indicates that his idea of control is to put the Communists in jail.

Mr. MAYBANK. I merely wish to say that the Defense Production Act of 1950 affects 150,000,000 American people, and I hope there would not be even 500 Communists whom we would be called upon to control by means of the Mundt-Nixon bill, if it were to be adopted as an amendment to the Defense Production Act.

I do not wish to be misunderstood in regard to my position on the subject, for I am in favor of the theory of the Mundt-Nixon bill.

However, the Senator has referred to what the Democratic policy committee has done, and I wish to say that I do not think the Democratic policy committee is in any way favorable to Communists.

Mr. FERGUSON. Mr. President, if the Senator from South Dakota will further yield, I should simply like to ask the acting majority leader whether he will indicate to the Senate that he will be agreeable to having Senate bill 2311 made the order of business after we dispose of the tax bill, which now is on the calendar.

I see that the majority whip is also in the Chamber at this time, and I shall also ask that question of him, for Senate bill 2311 might be withdrawn as an amendment to the Defense Production Act, if such an indication is given by either of those Senators.

Mr. MAYBANK. Mr. President, I have no authority to speak for the majority leader. The only reason I am acting majority leader is that the Defense Production Act is before the Senate, and the President has requested that we act as speedily as possible on certain parts of that bill.

I should imagine that the Democratic policy committee—of which I am not a member—would give consideration to whatever the minority would request. Certainly I have done so, in my work on the Banking and Currency Committee. So far as I am concerned, I think something should be done. I am not going to say that I favor this bill or that bill, but certainly some legislation on the subject should be passed. In my opinion, however, there should not be tacked onto the defense production measure an amendment to accomplish that purpose. With deep appreciation of the efforts of the distinguished Senator from Michigan and the distinguished Senator from South Dakota, I may say that a conference committee to be composed of members of the Banking and Currency Committee of the House and members of the Banking and Currency Committee of the Senate should not be called upon to consider an antisubversive bill. That simply does not make sense. At least, Mr. President, I hope I am a realist. First things should come first. I am not saying that the so-called Mundt-Ferguson bill, or something along the same line, should not come next. I was not at the meeting of the policy committee. The distinguished Senator from Pennsylvania can speak about what the committee intends to do. But I do not think we can tack the Mundt-Ferguson amendment onto this bill, in view of the conferees who will consider it in conference.

Mr. FERGUSON. As to what the conferees can do, it is clear that the Senate can send to the conference any Senators it may desire to send. It would be a very easy matter to send members of the Judiciary Committee, who could handle this phase of the legislation, as well as members of the Banking and Currency Committee, of which the dis-

tinguished Senator from South Carolina is the chairman, who could handle the other features of the proposed legislation. It has been done before.

Mr. MUNDT. Mr. President, if I may inject a few words in my own time——

Mr. MAYBANK. Mr. President, if the Senator will yield, I should like to suggest that the Vice President appoints the conferees.

Mr. MUNDT. It has been done with respect to the Armed Services Committee and the Committee on Foreign Relations at the time they took up Atlantic Pact defense legislation. It is neither novel nor unprecedented. It has been done before. It is entirely discretionary with the majority as to which conferees shall be appointed.

Mr. MAYBANK. I do not believe there are any precedents. I am one who believes in precedents. So far as I am concerned, the senior members on each side should be the conferees. I certainly should not wish to have a conference which would involve the Judiciary Committee and the Banking and Currency Committee together on an amendment which is not germane. Of course, from here on, we cannot have any amendment which is not germane. I am not opposed to the purpose contemplated by the Senator from South Dakota and the Senator from Michigan. I am not opposed to doing something about Communists. I want to join them in doing something about them. I do not want to promise anything with respect to any particular bill. I cannot speak for the majority with respect to its policy, but I know the Democratic policy committee wants to do as much about Communists as does my distinguished friend from South Dakota, or my distinguished friend from Michigan, or myself. I should rather have the policy committee answer that.

Mr. MYERS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Pennsylvania?

Mr. MUNDT. I yield.

Mr. MYERS. Mr. President, as a proud member of the Democratic policy committee, which I believe has been so unfairly condemned and criticized and castigated this afternoon, I say to the Senator from South Dakota that the Democratic policy committee has always been of opinion that internal-security legislation must be brought upon this floor before the recess of this Congress. But I do not recall that in the Eightieth Congress the then minority was ever allowed to fix the calendar, or was ever permitted to dictate which bill was to be placed upon the Senate agenda for floor consideration or to determine which legislation was to be given priority. The Democratic policy committee intends, as it has always intended, to have the full Senate consider internal-security legislation. But certainly it is not our intention to allow the minority to tell us how we are to consider such legislation or which bill we must bring up first. It is not our intention to take orders from the minority in regard to such things. But, I repeat, the Senate will have an opportunity to vote on internal-security legislation. The Eightieth Republican Congress never brought it up; of course it didn't. It was too busy playing politics. But I think the Senator from South Dakota has been wholly unfair in his attack on the Democratic policy committee. I regret to say I believe there is a little politics in his attacks. We are well able and willing to meet the Senator on that ground. Certainly no member of the Democratic policy committee has any less hatred of Communism than has the Senator from South Dakota. We intend to oppose the Communists throughout the world, as we have been fighting them with various programs, which have been proven most successful programs, to which the Senator's party did not give too much help and assistance. At the proper time we shall bring that out on this floor and we shall carry the record to the American people. Certainly we intend to fight the Communists at home and we intend to continue these policies which have contained the Communists the world around, and which have been successful, and I may say very successful, in many parts of the world.

Mr. MUNDT. Is the Senator referring to Korea?

Mr. MYERS. I am referring to Korea, and we can read the record of Republican Senators and Representatives in regard to Korea, as we can read their record regarding Greece and Turkey; we can read their record with respect to their efforts to reduce the military-aid program, their efforts to cut appropriations for our own military, their efforts to cripple and destroy the Marshall plan. We shall discuss those votes before this Senate completes its business, if the Senator wants to inject politics into the subject, as four Senators recently attempted to do in their nonpartisan, bipartisan, unpartisan statement. But I certainly do not believe that the Senator is fair in his castigations of the Democratic policy committee. He is unaware of the facts, I am sure, for, if he were aware of them, he would not have made his unwarranted attack upon me and my colleagues who are members of that committee.

And so in answer to the question of the Senator from Michigan, internal-security legislation will be brought upon the floor of the Senate, and every Senator will be given an opportunity to offer amendments and substitutes, before this Congress recesses. In conclusion, Mr. President, I only wish some Senators could forget about election day and think more about the next generation of Americans.

Mr. MUNDT. Mr. President, I did not begin my discussion with the intention of predicting what activities are to come from the Democratic policy committee; of which, of course, I know nothing. I can only judge the future by the past.

Mr. MYERS. I did not hear the Senator.

Mr. MUNDT. I say I know nothing about what the Democratic policy committee plans to do in the future; I can only judge the future by the past. I know, however, that on March 22 this legislation was reported to the Senate. I know that it was placed on the calendar and assigned a calendar number. I know that it has been withheld from the floor of the Senate for a long, long time. I can well appreciate that up until the outbreak of the war in Korea the rather lackadaisical, easy-going procedure described by the Senator from Pennsylvania just now, that "in good time, we will get to this in our policy committee," may have been considered appropriate.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. MUNDT. The Senator knows as well as I do that we are now in a war.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. MUNDT. In just a moment. The Senator knows as well as I do that we are now in a war, and that when war comes it upsets schedules. I know that the Senator from Pennsylvania may be as much opposed to communism as I am, but I know also that for some reason the Democratic policy committee has chosen to delay and delay and delay doing something on the home front about communism, as important as this is, even while our boys are dying fighting against communism in Korea. The Senator knows and I know that every Communist in this country is trying to sabotage the war effort, that the Communists in this country comprise the most critical chorus against the President that one could possibly find either in time of war or in time of peace—the President of the Senator's own party. The Communists and those they influence are going to try deliberately to sabotage this production-control legislation. We certainly cannot afford to wait forever. Time is moving on. That is why I have been so eager to have a day or a time set when we could get to important legislation of this kind to expose and curb communism in America.

Mr. MYERS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Pennsylvania?

Mr. MUNDT. I yield.

Mr. MYERS. I am sure the Senator is aware there is not much more legislation upon the calendar necessitating action by this Congress before it recesses. I give the Senator my assurance that within a very reasonable time, within a very brief period of time, internal-security legislation will be called up by the majority leader. I cannot give the Senator an exact day or hour, but he knows we are not going to be in session a great while longer unless total war engulfs the world. I should think my assurance should be sufficient for the Senator, and I hope that assurance should make it unnecessary for us to get into a controversy regarding the Senator's bill as an amendment to the pending legislation. The Senator knows his amendment is not germane to the pending legislation. I realize that the Senator sought an opportunity to secure action by the Senate in the matter because he was fearful he might not have another opportunity to call up his bill.

Mr. MUNDT. The Senator from South Dakota was very, very fearful of that.

Mr. MYERS. That undoubtedly is why he has offered this as an amendment to the pending bill. I assure the Senator from South Dakota that the subject in which he is so greatly interested and in which I am interested, and in which all other Senators are interested, will be brought up on this floor within a very brief period of time.

Mr. MUNDT. May I suggest to the Senator that one reason for my feeling of urgency in this connection was that it has been reported in the press and elsewhere that should the bill S. 2311 be enacted by this Congress, the President would be expected to veto it. I do not know whether that is correct or incorrect. I know that 2 years ago the President was referring to measures of this kind as dealing with a "red herring." I know that he referred to communism then as just a bugaboo. I know the President has not always been as alert to the immediate challenge of communism as he is at this time, nor as has been the Senator from Pennsylvania.

Mr. President, I am concerned primarily that the Senate shall have an opportunity to act on the proposed legislation in time, so that a pocket veto shall not ensue, so that if the President should decide to veto it, Congress would have its chance to work its will upon a veto.

I suggest to my good friend, in a very amiable mood, that, of course, I cannot expect him to say that if we do not vote on it on Monday, we shall vote at 4 o'clock on Wednesday. That is pinning it down too closely. But if he will get into consultation with some of his friends on the Democratic policy committee and come back with some assurance to the Senate that this bill will come up in a certain sequence, before the tax bill or after the tax bill, before the highway bill or after the highway bill, so we could be thoroughly assured that it would not come along in the fag-end of the session, and so that the Congress, having passed upon it, and having returned home, would be confronted with a pocket veto, I think it would be very desirable. We want to have it acted upon in time for Congress to complete its action. I am concerned primarily with having an opportunity to vote on this proposed legislation which has not been diluted by riders, but is legislation on which the people can express themselves. I do not want it made, either, just a vehicle for distasteful and disconnected riders aimed at defeating Senate bill 2311.

Mr. President, I want to conclude my remarks by inserting some matters in the RECORD. I have had prepared by the Library of Congress a study showing how the provisions incorporated in our act of registration and identification are tried and tested devices for securing regulation in America. Lobbyists engaged by shipbuilders were covered by the Merchant Marine Act of 1936, requiring the registration of those individuals and their expenses and compensation.

One piece of legislation is the Hatch Act which now requires Democrats and Republicans alike to do things which Communists are not compelled to do. Of all the people calling themselves a political party in America, only the Communists today have a cyclone cellar in which they can conceal their identity, conceal where they get their money, how they spend it, and how they put out their literature. Maybe I am critical about the lethargy and the delay in the approach which the Democratic policy committee has made in connection with this matter. I am not easy about the fact that we have kept a cyclone cellar for the Communists and have rightfully denied any such privilege to patriotic members of the Democratic and Republican Parties, or even members of the Progessive Party.

The Civil Aeronautics Act of 1938 requires the registration of air carriers.

We have the Alien Fingerprinting and Registration Act; we have registration of investment advisers; we have the Foreign Agents Registration Act of 1938. We have another act, which was passed in 1946, requiring Filipinos to register when they come into this country. We require lobbyists to register. We have the Selective Service Act, under which all Americans have to register. We have the Foreign-Control Organization Act. We have registration of the distribution of poisons, and we have registration for manufacturers of filled cheese, narcotics, oleomargarine, and synthetic food. Certainly, Mr. President, if we can require the registration of the producers of synthetic food, we should be able to register the distributors of synthetic creeds and false philosophies.

Mr. President, I ask unanimous consent to have inserted in the RECORD the complete statement from the Library of Congress.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PROVISIONS OF FEDERAL LAW WHICH REQUIRE REGISTRATION AND IDENTIFICATION AS A TOOL OF GOVERNMENT

LOBBYISTS ENGAGED BY SHIPBUILDERS

Persons engaged in lobbying activities, employed or retained by shipbuilders holding contracts under the Merchant Marine Act of 1936, are required to file with the United States Maritime Commission (now the Federal Maritime Board), a statement of expenses incurred and compensation received. The shipbuilders and operators are likewise required to file a statement as to the subject matter in connection with which such persons are employed or retained (act of June 23, 1938 (52 Stat. 963, sec. 38)).

AIR CARRIERS

The Civil Aeronautics Act of 1938 requires the following in connection with registration, etc.: (1) Certificate to authorize air carriers to engage in air transportation, (2) permits to authorize foreign air carriers to engage in foreign air transportation, and (3) registration of aircraft. As to the registration of aircraft, only that which is owned by a citizen of the United States and not registered under the laws of a foreign country, and aircraft of the Government of the United States, or of a State, Territory, etc., shall be eligible for registration. A certificate of registration issued to the owner shall be conclusive evidence of nationality for international purposes (act of June 23, 1938 (52 Stat. 987, sec. 401; 991, sec. 402; 1005, sec. 501)).

NATIONAL SECURITIES ASSOCIATIONS

Brokers' or dealers' associations operating in interstate or foreign commerce or through the mails are required to file statements as to organization, membership, etc., in order to be registered as national securities associations (act of June 25, 1938 (52 Stat. 1070–1076)).

ALIENS

Registration and fingerprinting is required under the Alien Registration Act before any visa is issued to an alien seeking to enter the United States, in order to maintain a check on possible unlawful and subversive activities. The registration is conducted by the various local postmasters, with the cooperation of the Commissioner of Immigration and Naturalization (act of June 28, 1940 (54 Stat. 673–676)).

INVESTMENT ADVISERS

Investment advisers, under the Investment Company Act of 1940, are required to register with the Securities and Exchange Commission in order to be entitled to use of the mails or any instrumentality of interstate commerce in connection with their business as investment advisers (act of August 22, 1940 (54 Stat. 850–855)).

FOREIGN AGENTS

Under the Foreign Agents Registration Act of 1938, as amended April 29, 1942, persons acting as agents of a foreign principal are required to register complete information with the Attorney General, so that "the Government and the people of the United States may be informed of the identity of such persons and may appraise their statements and actions in the light of their associations and activities" (act of June 8, 1938, as amended by the act of April 29, 1942 (56 Stat. 248–258)).

ALIENS

Filipinos entering the United States for training under the Philippine Rehabilitation Act of 1946 are not exempted from the registration and fingerprinting provisions of the Alien Registration Act (act of April 23, 1946 (60 Stat. 139, sec. 311 (d))).

LOBBYISTS

Persons engaged in lobbying are required under the Regulation of Lobbying Act to register with the Clerk of the House of Representatives and the Secretary of the Senate, indicating the name and address of the person by whom employed, the duration of employment and how paid (act of August 2, 1946 (60 Stat. 841, sec. 308)).

SELECTIVE SERVICE

Under the Selective Training and Service Act of 1948, every male citizen of the United States and every other male person residing in the United States who is between the ages of 18 and 26 shall register in accordance with prescribed rules and regulations determined by proclamation of the President (act of June 24, 1948 (62 Stat. 605, sec. 2)).

FOREIGN-CONTROL ORGANIZATIONS

Organzations subject to foreign control which engage in political activities, etc., are required to register with the Attorney General. Violations of this provision are punishable by a fine up to $10,000 and/or imprisonment up to 5 years. False or misleading statements made hereunder are punishable by a fine up to $2,000 and/or imprisonment up to 5 years (act of June 25, 1948 (62 Stat. 808–811, sec. 2386)).

The foregoing compilation does not include the following types of registration:

1. Investment companies, where necessary in the public interest or for the protection of the investors (54 Stat. 803, sec. 8, August 22, 1940).

2. Poisons distributed, sold, etc., under Federal Insecticide, Fungicide, and Rodenticide Act (61 Stat. 167, sec. 4).

3. Public utility holding companies—in the public interest or for protection of investors (49 Stat. 812–814).

4. Copyrights and trade-marks.

5. Manufacturers of products, such as filled cheese, narcotics, oleomargarines, stills, tobacco, white phosphorous matches, etc., under internal revenue.

Mr. MUNDT. Mr. President, I ask unanimous consent to insert in the RECORD an address delivered by Past National Commander James F. O'Neil, of the American Legion, delivered at Mount Holly, N. J., last month. It calls for immediate and favorable action on Senate bill 2311.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

O'NEIL DEMANDS REDS REGISTER—FORMER LEGION COMMANDER SAYS VICTORY NEEDS POWER, AND MUNDT BILL IS LOGICAL

Victory in Korea and world peace depend on the "moral and physical strength that can be assembled at this hour by free peoples of the world united in their determination to remain free."

Past National Commander James F. O'Neil, of the American Legion, raised that challenge in an address on July 16 at Mount Holly, N. J., services honoring the late Mexican aviator, Capt. Emilio Carranza.

O'Neil also issued a stout appeal for united action to get aid to United States fighting forces in Korea, and for all-out support of the Communist-control bill now before Congress.

"Because a few insanely ambitious men in positions of vast power have seen fit to reject (humane) principles, the world today again stands at the edge of war,' O'Neil declared. "In Korea there is war, with all of the violence and tragedy that the term implies. * * * All this only 5 years less 1 month after the end of a war whose terrible toll of lives and manpower was thought to have banished for all time any recourse to aggression."

GREAT NEED FOR UNITY

Assailing what he termed Soviet Russia's engineered enslavement of a dozen liberty-loving countries, the Legion official stated:

"The need for unity of strength and action among the Americas is far more urgent now than ever before. For the new world, there are today only two alternatives. We can either contribute our concerted strength to the support of distant peoples threatened by communism, or suffer their capture and prepare for a bitter last stand in our own homelands."

O'Neil noted the grey and ominous background for a service commemorating an emissary of good will. But he said there was hope and encouragement in Mexico's prompt indorsement of intervention by the United Nations. By that action, he added, Mexico gave a dramatic reassertion of her democratic faith and won renewed affection of United States veterans.

"The man who fights a war comes back hating war," O'Neil declared. "Three million Legionnaires have had love of peace drilled deeply in their hearts by personal fighting experience. Our prayers today are for peace * * * our every impulse cries out for peace.

"But let no one read into that creed the slightest hint of capitulation or fear. The veterans of America—the people of America—never have and never will exchange liberty for security. If the mad masters of the Kremlin overlooked that fact before, they must see it now through the battle smoke of Korea."

O'Neil labeled as the biggest of all Kremlin lies the Communist effort to represent Soviet Russia as the defender of peace.

The Communist-control bill now before Congress, said O'Neil, "represents what may be our last chance to lower the boom on the Reds before they turn on us. If it is right to register the young men of America to serve in the Armed Forces, then isn't it right and mandatory to register the enemies of America?"

The former Legion commander called on his audience to shower Members of Congress with personal messages in support of the Mundt-Ferguson-Johnston measure.

"Here is an opportunity to speak out as Americans for America. In the name of freedom and good sense, I urge you to make the most of it."

Taking note of critical questions being raised about the weakness of anti-Communist forces in South Korea, O'Neil asserted:

"They are good questions and they deserve good answers—but the time for answering them is not here. Isn't it enough that American boys are dying with their backs to the wall because they are too few with too little? MacArthur's GI's do not want indignation and sympathy from the home front. What they want and what every loyal American must strive to give them is action—the kind of action that will speed guns and tanks and manpower to their aid."

Mr. MUNDT. Mr. President, because we find so many devious arguments for delay and inaction, I ask unanimous consent to insert in the RECORD an interesting and informative article appearing in the New Leader, in its issue of June 17, 1950, entitled "Exit Party-Liner, Enter the AAC."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXIT PARTY-LINER, ENTER THE AAC

(By William Henry Chamberlin)

The influence of out-and-out Communist sympathizers has declined in the United States during the last 5 years. Books that preach the straight-party line are not so readily accepted by publishers, and find fewer readers when they are published. The CIO has performed an excellent house-cleaning job on the unions most obviously infiltrated with Kremlin partisans. It is no longer smart or fashionable to join a score or more obvious Communist-front organizations.

But as the fellow traveler fades in political and intellectual influence, a new and more complex type has been filling the vacuum left by his departure. This is the anti-anti-Communist, to borrow an apt phrase from Arthur Koestler—the man who prefaces his remarks with: "I'm not a Communist, but * * *."

The AAC, as we may call him for the sake of convenience, is inspired by various motivations. Sometimes he is simply an individual who is cheating the Communist Party of its dues, whose professions of antipathy to communism are only camouflage for views which are in line with Kremlin goals. More often he is not pursuing such a Machiavellian objective consciously, but is afflicted with a bad case of political astigmatism.

The AAC's first distinctive trait is that, while voicing more or less sincere aversion to communism as an abstract idea, he is dead set against doing anything about it. Other characteristic mental habits of the species may be listed as follows:

He is very fond of the inaccurate cliché that "you can't stop an idea by force." He never seems to grasp the distinction between communism as an abstract idea and communism as a technique of conspiracy and subversion in the service of a mighty totalitarian empire.

He is quick to see imaginary danger of aggression in a disarmed western Germany and unwilling to recognize the real danger in the heavily armed Soviet empire. And if you think the AAC brand of thinking is not influential, try going through the serious monthlies and quarterlies and see if you can find a single article urging the speedy integration of Germany with west European defense.

If pushed into a corner, your AAC will grudgingly admit that there is something of a case for keeping Communist sympathizers out of the Government service. But he will argue, in the face of the clearest evidence, that anyone dismissed on loyalty grounds is the victim of an unscrupulous witch hunt. (Mark that expression, "witch hunt." It is—or ought to be—the exclusive copyright of AAC's and fellow travelers.)

Again, if hard pressed, your AAC will reluctantly admit that there was a Canadian spy case and an Amerasia affair, that Alger Hiss was legally convicted, that Henry Julian Wadleigh confessed handing over confidential Government documents to Soviet agents, and that Klaus Fuchs confessed (and not under iron-curtain pressure methods) that he betrayed atomic secrets to the Russians. But the AAC will show the most venomous hatred for the ex-Communists whose revelations made possible the smashing of at least some of these conspiracies.

For an illustration of the confusion the Alger Hiss case can cause in a person with no conscious Communist sympathies, but a naive propensity for joining Communist-infiltrated organizations, one need only turn to the record of former Judge Dorothy Kenyon's appearance on the radio program Meet the Press, which is available in the June issue of the American Mercury. Miss Kenyon was questioned by a panel of journalists:

"SPIVAK. Miss Kenyon, when you said Alger Hiss is a sacrifice to the hysteria created by the House Committee on Un-American Activities, did you mean by that that you thought Alger Hiss was innocent?

"KENYON. No. I didn't mean that because I haven't at any time had the faintest idea as to the nature of his guilt or innocence.

"SPIVAK. What did you mean then?

"KENYON. I must say Chambers seemed to be a most unsavory character, and it was difficult for me to——

"SPIVAK. What do you mean, then, by saying that he was a sacrifice?

"KENYON. I don't really recall that I used the word 'sacrifice.' I said the Alger Hiss case was a product of the hysteria produced by that committee.

"WHITE. Did you mean that you thought the prosecution was a product of hysteria?

"KENYON. I thought the bringing of the suit was such a product; yes.

"SPIVAK. Do you think it shouldn't have been brought at all?

"KENYON. No; I don't think so."

A clearer example of complete confusion of thought and judgment would be hard to find.

The influence of the AAC should not be underestimated. This attitude of mind finds expression in the most respectable places, in well-established serious magazines, in college commencement addresses. Work has barely begun on the task of educating the American public to accept the conclusions that must be accepted—and acted upon—if there is to be a reasonable chance of winning the cold war.

Mr. MUNDT. Mr. President, the AAC is that strange group of Americans who are classified by their activities and customs as anti-anti-Communists. They say they are against Communists, but they are not in favor of doing anything to expose them or to curb them.

There is another reason, Mr. President, that we should act, preferably on Monday, or, if not on Monday, to try to work

out some agreement to act on some day certain on this measure.

We have heard a great deal on both sides of the aisle this week, as we have debated bipartisan foreign policy, about the time having come when we should recapture the initiative from Russia. I think the Senator from Massachusetts [Mr. LODGE] was exactly correct in his statement. He criticized American foreign policy, whoever conceived it, because it has lost the initiative to Joe Stalin. We can ill afford that, Mr. President. The passage of our Communist-control bill will help us recapture the initiative, because it will signal clearly to the Russians that we have decided to resist their kind, their creed, and their fellow travelers; that we have decided, at long last, to enforce the provisions included in the guaranty given by Stalin in 1933, when we first recognized Russia. He committed himself in 1933, in November, not to tamper with our internal affairs. Let the world know that we mean business. That is recapturing the initiative. That is getting our foreign policy out of the cantankerous controversy and bickering in which politicians are trying to shift responsibility for the failure which resulted in the shooting war in Korea.

War is the trade-mark of a foreign policy which has collapsed and gone bankrupt. It is not the goal of anyone's foreign policy to promote war; it is to avert war. Whoever is responsible for our foreign policy failed miserably when the shooting started in Korea.

There is another way in which we can recapture the initiative, and that is by letting the world know that America means business in the fight against communism. If we act favorably next Monday we shall let the boys in Korea know we have quit coddling Communists at home. Someone this afternoon has said something about putting first things first. I am trying to put first things first for the benefit of the boys in the front lines. I do not think they are very much concerned about any political jockeying which might go on between my friend from Pennsylvania and myself. The boys would like to know that the great Senate of the United States has declared that we are going to compel the saboteurs and the Communist agents to come up out of the ground or go to jail. We thought enough about winning the war, Mr. President, to put on a rider, even though it was not exactly in the right place. We thought maybe the time had come to put policy, principle, patriotism, and winning the war above a silly and mildewed precedent with reference to saving the integrity of some committee. We went on the initiative.

Finally, Mr. President, I think favorable action by the Senate will be an excellent example to set before the rest of the world, encouraging some of our friends in other countries, also, to do something about communism. Let them know that the United States is facing up to the issue; it will help nudge them to face up to the issue over there. We are the great democratic leader of the world. They look to us and say, "What are you doing about Communists in America?" We say, "Nothing, except talking about them and 'cussing' them out. We are not compelling them to register. We are not forcing them out above ground. We are giving them privileges and opportunities and favors which are denied Republicans and Democrats at election time.

I thing we ought to tell the world now that we are in a crusade against communism, and thus do something that they can imitate and cannot fail to understand and respect. I submit we can do nothing in the field of foreign policy now that would more readily capture the initiative and more encouragingly inspire our soldiers in Korea, or would set a better example before friendly countries, than to act on Monday, precedent or no precedent, and to declare that we favor this Communist-control legislation.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. FERGUSON. I merely wished to call to the Senator's attention the fact that the provisions of the Mundt-Ferguson-Johnston bill have not been debated or opposed in the Senate of the United States. It is only the fact of bringing it up for a vote that has been the subject of debate. The Senator, I think, will agree that that is correct.

Mr. MUNDT. That is correct.

Mr. FERGUSON. In looking over the RECORD, I have failed to discover any debate or any real opposition to the merits of the bill. All the debate regarding it has occurred on the question of its consideration. Is that not correct?

Mr. MUNDT. That is correct. I think there is also involved, of course, the point of whose brand is to be put on the heifer. I think there is a little interest in that. Let me say this in conclusion, in response to the interesting commentaries of my good friend, the Senator from Pennsylvania [Mr. MYERS]. He said something about politics in this bill. I have searched my mind and heart to find any basis for the charge that we are playing politics. The charge has been made repeatedly by the majority leader, and it has now been made by the acting majority leader, the Senator from Pennsylvania [Mr. MYERS].

We do not want to be guilty of playing politics with communism. I have tried to find out how we can be accused of playing politics. Let me restate the history of this bill, so that we have it in the RECORD. This legislation was introduced by a bipartisan group consisting of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Michigan [Mr. FERGUSON] and myself. It was referred to a subcommittee headed by a great distinguished jurist, a member of the Judiciary Committee, the Senator from Mississippi [Mr. EASTLAND]. Three members of the committee were Democrats, and two were Republicans. The subcommittee voted the bill out unanimously. It came before the Committee on the Judiciary. That committee is comprised overwhelmingly of Democratic Senators, headed by the Democratic Senator from Nevada [Mr. MCCARRAN]. The committee voted the bill out with only one dissenting vote. That was by a Republican Senator [Mr. LANGER]. So I cannot see how any politics is involved. Politics did not come into it until something happened and it changed from a rolling legislative ball into something tied up in moth balls in the Democratic policy committee which is of course a hand maiden of the Democratic National Committee. I do not know what happened to put this measure in a pigeonhole.

Certainly I can't understand how we can be guilty of politics. We are willing to work out any cooperative program that Senators on the other side of the aisle wish to suggest in order to get action. What distresses us is that while the war goes on, the sabotage goes on, propaganda goes on, and the Communist conspiracy goes on at home, and while all this twaddle appears in the Daily Worker about the war effort, we continue to wait and delay and act uncertain and send up new bills, trying to get away from doing something to meet the menace of communism. We have already lost many weeks of valuable and irretrievable time. Some day we may all rue this fact.

. Mr. President, I hope that without further delay the Senate will be given a chance to declare itself on this important matter of such great significance all around the world.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. MAYBANK. Mr. President, I understand that three Senators would like to submit amendments to the pending measure. First, I should like to send to the desk an amendment with the explanation that it is a corrective amendment, which I submit at the request of the Department of Agriculture. I submit it in behalf of myself, the Senator from Virginia [Mr. ROBERTSON], and the Senator from Kentucky [Mr. CHAPMAN].

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. MAYBANK. Mr. President, I ask unanimous consent that a statement which I have prepared on the proposed amendment be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

1 and 3. The amendment changing the word "higher" to "highest" is necessary because there are more than two minimum prices applicable to ceilings on agricultural commodities.

2. The amendment to be inserted at page 44, line 20, will add two additional minimum standards applicable to ceilings on agricultural commodities. S. 3396, as reported by the committee and amended on the floor, prohibits the establishment of any ceiling

on agricultural commodities below (1) the parity price of such commodity or (2) the price received by producers during the period May 24, 1950–June 24, 1950. There are a number of agricultural commodities which because of their seasonal nature were not marketed during this period; hence the effective minimum ceiling prices for those commodities would be the parity price. The provision contained in the amendment adding section 402 (d) (3) (iii) establishes an additional minimum ceiling price which will be applicable to these commodities for which the market was not active during the specified period. Such price will be the average price received by producers during the most recent representative period prior to May 24, 1950, as determined by the Secretary of Agriculture, in which the market for such commodity was active, adjusted to a price in line with the level of prices received by producers for agricultural commodities generally during the period May 24 to June 24, 1950.

This will tend to assure an equality in treatment between producers whose commodities were not marketed during the period May 24, 1950–June 24, 1950, and producers of commodities which were marketed during the specified period.

Under existing law the price of fire-cured tobacco is mandatorily supported at 75 percent of the loan rate of Burley tobacco of the corresponding crop, and the prices of dark air-cured tobacco and Virginia sun-cured tobacco are mandatorily supported at 66⅔ percent of the loan rate of Burley tobacco.

This amendment would insure minimum ceiling prices for these commodities which would be the same percentage above the support price as the minimum ceiling for Burley tobacco is above the support price for Burley.

4. The other amendment requires the President in establishing maximum prices for any agricultural commodity for which the 1950 marketing season commenced prior to the enactment of this act and for which different areas have different periods of marketing during such season to give due consideration to affording equitable treatment to all producers of such agricultural commodity in all areas.

Some agricultural commodities have already been marketed at prices above the minimum ceiling prices specified in this section. The proposed amendment would require that due consideration be given to the establishment of ceiling prices on these commodities at levels which will afford producers in all marketing areas an opportunity to receive the prices obtained by the producers who marketed such commodities in areas prior to the enactment of this act. This paragraph also requires that due consideration be given to affording producers of similar commodities produced for the same general purpose ceilings in line with those commodities for which the marketing season began prior to the enactment of this act. This provision is limited to ceilings which may be established only during the 1950 marketing season and, therefore, may prove to be of limited applicability.

Mr. IVES. Mr. President——

Mr. MAYBANK. I yield to the Senator from New York.

Mr. IVES. Mr. President, I ask unanimous consent at this time to offer an amendment to Senate bill 3936, which I send to the desk and ask to have printed and lie on the table. At the same time I ask that a statement which I have prepared regarding the amendment be incorporated in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table. Without objection, the statement will be printed in the RECORD.

STATEMENT BY SENATOR IVES UPON AMENDMENT DEFINING THE POWER OF THE SECRETARY OF AGRICULTURE TO SET MILK PRICES IN AREAS NOT COVERED BY FEDERAL MILK MARKETING ORDERS

The purpose of this amendment is to insure that fluid milk prices in different areas of the country—not covered by Federal marketing agreements—are fixed in the same ratio as prevailed in the pre-Korea base period.

At present this bill contains a comparable provision affecting those 150,000 farm families which now are subject to Federal milk-marketing orders. This amendment remedies the inequity brought about by ignoring the over 700,000 farm families which are not covered by Federal marketing agreements.

The measure merely provides that—in fixing milk prices—the ratio between prices in different areas must be maintained. Since milk prices in the different areas were determined in the first instance by differences in milk quality, and costs of feed, this bill simply directs the Administrator to take these varying factors into consideration.

It is further provided that—whenever the Secretary of Agriculture decides that this formula would not be in the best interest of a given area—it need not be applied.

Because this amendment insures a steady milk supply by guaranteeing equitable treatment to the 85 percent of farm families which are not covered by Federal milk marketing agreements, its inclusion now would be in the best interests of both the farmers and the milk-consuming public.

Mr. KEM. Mr. President——

Mr. MAYBANK. Mr. President, I yield to the Senator from Missouri.

Mr. KEM. Mr. President, I ask unanimous consent to offer an amendment to Senate bill 3936. I ask that the amendment be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. MAYBANK. Mr. President, I yield to the Senator from Pennsylvania.

Mr. MYERS. Mr. President, I enjoyed the remarks of the Senator from South Dakota. As is ofttimes the case—and I am sure he did not mean to do it—words have been put in my mouth which I did not utter. The Senator from South Dakota was not criticized for playing politics because of the bill which he is sponsoring and which he has offered in the form of an amendment to the pending bill. I mentioned politics because of the Senator's fantastic attack, as it seemed to me, upon the foreign policy of America. I think there have been too many political attacks made upon the foreign policy of America. I intend in the near future to discuss this on the floor of the Senate. I hope the Senator did not think that I meant to infer that he was playing politics because of his sponsorship of his internal-security bill or his offering of it as an amendment to the pending legislation. The Senator is mistaken if he so interpreted my remarks.

Mr. MUNDT. I am happy to have the Senator's interpretation. However, if the Senator will search my remarks, I think he will find that the junior Senator from South Dakota had not even criticized Democratic foreign policy at all at the time the Senator from Pennsylvania made his attack about politics.

Mr. MYERS. He made a political attack upon the Democratic policy committee. The Senator time. after time this afternoon, as well as on previous days, made atacks which I believe were political attacks upon the Democratic policy committee. I raised the issue of politics not because of the nature of the legislation involved. It is my intention in the near future to review our foreign policy, to review the votes of the leadership of the Republican Party in the United States Senate, and to review the votes of the Republican Party on these great issues that have helped to contain communism, that kept the Communists behind the iron curtain. Those are matters which I intend to raise. However, I hope the Senator understands that when I attributed some politics to him it was not because of his sponsorship of his bill.

Mr. MAYBANK. Mr. President, I yield to the Senator from South Dakota.

Mr. MUNDT. Mr. President, I have no disposition today to engage in any political debate which the Senator desires to instigate about our foreign policy. He has a right to inject that into the debate at any time. I may be inspired to participate in it at some later time. Just now I am concerned that we delay no longer in enacting legislation to curb and expose Communists here in America. What we need now is action, not alibis.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. The distinguished Senator from Minnesota [Mr. HUMPHREY] and the distinguished Senator from New Jersey [Mr. HENDRICKSON] have indicated that they wish to speak this afternoon. They will take probably 40 minutes. The Senator from Illinois [Mr. DOUGLAS] has been waiting all day to speak. I understand the Senator from Mississippi [Mr. STENNIS] likewise intends to speak this afternoon.

Mr. STENNIS. Yes.

Mr. MAYBANK. I appreciate the fact that the first Senator who addresses the Chair is recognized. Would it be in keeping to have a unanimous-consent agreement that the Senator from Illinois may be recognized to make his address tomorrow following the convening of the Senate at noon and after a quorum call, unless there be some matters such as conference reports before the Senate. If such an arrangement can be made, we may conclude by 7 o'clock today.

The PRESIDING OFFICER. The request of the Senator from South Carolina is in order. Is there objection to it?

Mr. MAYBANK. I ask unanimous consent that upon the convening of the Senate tomorrow, and following the quorum call, if there are no conference reports ready for consideration, the Senator from Illinois be given an opportunity to address the Senate.

Mr. FERGUSON. May we waive the quorum call?

Mr. DOUGLAS. I have no objection.

Mr. FERGUSON. If we do not have a quorum call the Senator could start immediately after the Senate convenes.

Mr. MAYBANK. There may be some conference reports ready for action. I should like to have a quorum call, if it is agreeable to the acting minority leader.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina?

The Chair hears no objection, and it is so ordered.

Mr. MAYBANK. I understand the Senator from New Jersey and the Senator from Minnesota have an agreement as to which will proceed at this time.

Mr. HENDRICKSON. I yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from New Jersey. It is very courteous and kind of him to yield.

Mr. MAYBANK. Mr. President, I have been advised that the Senator from New Hampshire [Mr. BRIDGES] also desires to speak tonight. So, when the Senator from New Jersey concludes, the distinguished Senator from New Hampshire, who is the ranking Republican member on the Committee on Appropriations, will be heard.

The PRESIDING OFFICER. The Chair has a list of those who desire to be heard. First on the list to be recognized after the Senator from South Dakota concluded was the Senator from New Hampshire [Mr. BRIDGES], but the Senator from New Hampshire is not present at the moment. The Senator from New Jersey [Mr. HENDRICKSON] is next, then the Senator from Illinois [Mr. DOUGLAS,] and the Senator from Mississippi [Mr. STENNIS].

Mr. MAYBANK. The Senator from Illinois [Mr. DOUGLAS] will wait until tomorrow, and the Senator from New Hampshire [Mr. BRIDGES], just notified me he desires to be heard tonight. When the Senator from Minnesota and the Senator from New Jersey conclude, if it is agreeable, the Senator from New Hampshire will be heard.

The PRESIDING OFFICER. Followed by the Senator from Mississippi.

Mr. MAYBANK. Again I wish to advise Senators who may be interested as to the time when the Senate will recess, that it will be at least an hour or an hour and a half from now.

FIFTH ANNIVERSARY OF THE INDEPENDENCE OF INDONESIA

Mr. HUMPHREY. Mr. President, today marks a holiday for the Republic of Indonesia, and it is entirely fitting and proper that this honorable body, the United States Senate, should give special recognition to this important holiday. Its importance is clearly outlined by the terrific struggle in which we are engaged in the Far East, and the necessity of the United States of America and the other free and independent nations of the United Nations maintaining the most cordial, friendly, and hospitable relationships.

Five years ago the people of Indonesia declared their independence as a free nation. It is an occasion which affords us a singular opportunity to reaffirm our support of the people of Indonesia and of free peoples everywhere who seek genuine national independence and democratic self-government. The Senate of the United States has already, to its credit, unanimously passed a resolution to this effect.

One hundred and seventy-five years have passed since our own Revolutionary experience. That is a long time, but the names of Concord, Lexington, Valley Forge, and Yorktown have not lost their capacity to stir our deepest emotions. In our hearts, there is still the ring of Jefferson's undying words which began "When, in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, * * *." We remember the proclamation to the unbelieving world of 1776 that "We hold these truths to be self-evident: That all men are created equal; that they are endowed, by their Creater, with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. * * *"

We know that these are not mere words out of the past, echoes of some forgotten era. They are the eternal symbols of American liberty. They are vital mainsprings of our ceaseless efforts to improve the institutions under which we live. It is to them that we invariably turn for a renewal of faith in the never-ending struggle against injustice and tyranny.

Other peoples, too, have drawn strength and hope from our revolutionary symbols. During the nineteenth century our symbols of liberty spread throughout much of the world. Crowns in Europe tumbled at their approach, and in South America colonies threw off their shackles. Today in Asia the beliefs of the founders of this Nation are finding a renewed expression and the truths they articulated a new confirmation.

The peoples of that vast area demand and are obtaining that basic right of all human beings—the right to order their national existence in their own way, the right to live in independence, in peace, and in equality with the other nations of the world. It is the same right which was claimed by the Thirteen Colonies in America in the eighteenth century. It is the same right which later generations of Americans have fought to uphold.

National freedom does not come easily to peoples nor is it easily defended. This is no less true for Asia than for the United States. In Asia, as in America, freedom has exacted its sacrifice of patriots. In Asia, as in America, it has demanded the putting aside of personal fortunes in a common dedication to noble purpose.

Asians have shown that they are willing to pay this price. They have the selflessness, the courage, and the determination to establish foundations of enduring liberty.

Nowhere is this better demonstrated than in the Republic of Indonesia. Not a few of the present Indonesian leaders have spent long months in prison for their dream of liberty. Others who shared this elusive dream have had to lay down their lives before it could become a reality. For decades the nationalist movement felt the heavy hand of foreign domination.

But the Indonesian peoples refused to abandon their hope, and by the summer of 1945 a mighty tide of national liberation had swept over Java and Sumatra and rolled on into the outlying islands. From one end of the archipelago to the other, the cry "Mederka"—freedom—was heard as the republic came into being.

Four years were to pass, however, before that cry obtained the sanction of a legal transfer of sovereignty. They were difficult and bitter years. To make matters worse, in the midst of their greatest difficulties for independence, the republicans were beset with an internal Communist uprising, which was put down only by a near-exhausting expenditure of their strength.

By the winter of 1948–49, the fortunes of the Republic were at their lowest ebb. President Soekarno and other leaders were in jails. Almost all the principal Indonesian cities were held by the Dutch Armies, which numbered more than 100,000 men. But the spirit and will for democracy and independence was strong and deeply embedded within the people.

Gradually the weight of world opinion began to make itself felt in the situation. The United Nations worked tirelessly to bring about a settlement which would protect the legitimate interests of the Netherlands, but which would also insure the independence of Indonesia. Such a settlement was achieved at The Hague in December 1949. Sovereignty was transferred in the same month to the United States of Indonesia. On December 28, 1949, the United States recognized the new nation, and we today pay our respects to the Republic of Indonesia.

We as Americans can take pride in the part our Government has played within the United Nations to bring into being an independent Indonesia. Our representatives on the Security Council consistently opposed efforts to seek a solution by force. Moreover, since the creation of the UN Committee of Good Offices on Indonesia in 1947, we have had representatives in that country who have worked to achieve a satisfactory formula for reconciling the Dutch and the Indonesians. We in the Senate have even a more direct cause for pride. Our colleague, the distinguished junior Senator from North Carolina [Mr. GRAHAM], was a member of the UN committee that helped to negotiate the Renville Agreement, and it was that agreement which showed the way to an eventual settlement of the problem.

Now that the Indonesians have achieved their independence, what lies ahead for them? Our own experiences indicate that a revolution is a beginning, not an end. National freedom would be an empty phrase unless it had as its objectives human equality and a freer more satisfying way of life for all people.

We may expect that, as they met their responsibilities in bringing about their independence, the Indonesians will also meet those new responsibilities to their country and to the world community

which are an essential obligation of freedom. As they move forward, therefore, toward new horizons of accomplishment, it is altogether appropriate that we wish them well and express to them our hope that in the very near future we will see and live with a prosperous Asia, independent and democratic, free from militarism, oppression, and fear of totalitarianism.

Again I thank my friend and colleague from New Jersey for his courtesy and kindness.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. HENDRICKSON. Mr. President, it is with extreme reluctance that I arise today to associate myself with the unfinished business, Senate bill 3936. With its immediate purposes I am in genuine accord, but with the philosophies it engenders, I have little sympathy. This is so first, because as an American, I resent mandatory controls and their attendant restrictions, and second, such a program is contrary to the whole philosophy of our form of government and our way of life.

The sort of controls we here seek to impose could, in the flash of an eye under dictatorial influence, crush and destroy all the precious heritages which we seek by their enactment to protect. Truly, they represent another surrender of our representative form of government to the totalitarian ideologies. They should not be necessary, but in the world-shaking crisis which presently confronts our Nation, they are necessary.

If we are to be honest with ourselves, we must admit they are necessary because selfish, unpatriotic Americans have allied themselves with either one of two groups, both of which put the needs of their Nation second to their own selfish purposes. They are the profiteers on the one hand, and the hoarders on the other. We have had them with us always, but never have they been so prevalent and so disgustingly avaricious as they disclosed themselves to be since the Korean war.

It is, of course, a sorrowful thing that to weed out these people who insist upon excessive profits and well-stocked larders while boys are bleeding and dying in Asia, we must inconvenience and embarrass countless thousands who would neither profiteer nor hoard. But well-ordered law, which is what we are fighting to protect, must sometimes work hardships to the end that its advantages to the whole people may survive. In our everyday lives we can treat individually with those who cause us inconvenience and embarrassment by their dishonest and fraudulent practices. But in time of national and international peril, only by strict, rigid and sometimes arbitrary governmental control can we check the selfishness and greed of unscrupulous traders.

Piecemeal efforts and voluntary controls will not do the job.

Mr. President, I know the weakness of controls. I know the natural trend toward black markets which results therefrom. Again and again, in the occupation of Europe, I was charged with the enforcement of rationing measures, of controls of the severest nature, but they were emergency measures forced by stark necessity and though there were violations—wholesale violations in some instances—the value of controls was definitely and generally established. Those controls at that time fed and clothed great populations. They kept our fighting forces free and clear of rioting and civil commotion in our immediate rear.

Yes, sadly enough, we do have to meet necessity when it arises, and at times by extraordinary methods, and today necessity knocks at our door, not gently, but with a firm and threatening hand—indeed, with an armed fist. Members of the Senate, we are at war—longer to think of the Korean incident as a "police action" is to think of Gettysburg as a mere skirmish—it is to think of Pearl Harbor as a water-front fire.

We today not only fight the army of North Korea—we fight the cold and treacherous forces of communism the world over. We fight a Russia which is far more imperialistic and ruthless than the Russia of the czars. We fight a godless and dogmatic regime dedicated to the proposition that they will either rule or ruin.

Of course, Mr. President, I know how illogical it may seem to damn and criticize a vicious ideology based upon totalitarianism and in the same breath centralize further controls in our country where centralization has nearly reached the breaking point. But the American people still speak through the ballot and when a few years ago, they wanted to be rid of controls, they said so in no uncertain terms in the selection of their representatives—and they will do so again when the time is appropriate. In fact, on this issue I can state with certainty that the people of my great State have already spoken with clarity and force, this time of course for controls. During the past 6 weeks my mail has been almost unanimous in favor of an all-out control program to be applied when necessary. And strange as it may seem, most of the support emanates from responsible citizens in every level of life who heretofore had looked upon price controls with alarm and as a vehicle of political regimentation toward a socialistic state. Today, as in the past, our citizens are prepared for any sacrifice in order to protect and defend those brave men and women who are presently and who, in the future, will be offering their lives in the defense of our Nation and free men the world over.

The bill before the Senate of the United States is by its very nature offensive to most of us because, as I have said, it violates the very spirit of our way of life.

There is an old axiom to the effect that we must fight fire with fire, we must kill poison with poison, and so as I see the two-horned dilemma with which we are presently being gored, we have but one choice, and that is to invoke the philosophy of that axiom. Without question, it was in this sphere of thought and in this spirit that the distinguished Committee on Banking and Currency of the Senate of the United States approached the difficult and complex problem with which it was confronted on this extremely vital issue, and at this point, I may say that that committee has produced a document which in principle is a magnificent attest to the ingenuity of inspired American patriotism in an hour of tension, sadness, and not a little frustration.

With the general policies of the bill under consideration, I can, under existing circumstances, have no quarrel. Those policies, to me, as I have indicated, are crystal clear necessities of the moment regardless of my fundamental beliefs upon our normal constitutional limitations and procedures in the interest of the people. And so to the committee I can only say, "Well done, good and faithful servants." Their patriotic and arduous labors in a time of stress and strain will be to the everlasting credit of every member of the committee.

And I may say, further, that their efforts are another brilliant indication that America in a crisis can be completely without partisanship—that it can forget party strife and party pettiness even in an important election year. Indeed, the efforts of the committee in this instance furnish proof positive of the fact that to attack the integrity of America and its high and lofty aims for mankind is only to strengthen its economy and unite its forces, regardless of party, race, or creed. I commend, despite my disagreement with some phases of the bill, the committee for its bold and fearless approach to what to most Americans under more normal circumstances would be a very unpopular program.

Mr. President, I shall not at this point belabor the Senate with those provisions of the bill concerning which I have serious reservations because I am sure that appropriate amendments, both pending and heretofore adopted, will alleviate much of my concern in this respect. But I would like briefly to discuss the one phase of the over-all problem of controls as it confronts us in this bill which must give concern, not only to the Members of the Congress but to the people whom they represent, and, I may say, to those who are concerned the world over with their individual liberties. I refer to the all-out powers which we would vest in the executive branch of Government by enacting the bill.

For 18 years now the executive branch of our Government has virtually dominated our entire system of checks and balances through one crisis after another, each time using the crisis as the excuse, and throughout those 18 years each succeeding Congress—with the exception of that "infamous" Eightieth Congress, which to me will ever belie the

indictments of its opposition—each succeeding Congress has surrendered more and more of its authority, its power, and it moral and legal responsibilities, and here today we find ourselves again preparing to surrender tremendous all-out powers to the executive and administrative branches of Government.

I have said that in this instance there is no escape; but in the interest of America and its future, in the interest of our time-honored constitutional procedures, under which the legislative, executive, and judicial branches of Government each has its separate and distinct functions in the interest of the survival of all the traditions which have reflected themselves so vividly in our accomplishments as a nation, down through the years of our existence, I take this opportunity both to warn our people and to challenge the inner soul of the American President, that this surrender of powers might well be the last surrender unless those powers are used with the utmost discretion, unless those powers are applied with the greatest exactness of the purpose for which they are intended. I warn that unless the greatest integrity is invoked in the execution of the broad powers of this bill, they will fail of their purposes, even as the surrender of powers in the greatest era of the Roman Empire failed in its purpose.

Yes, Mr. President, the responsibility which by the enactment of this bill will be placed on the doorstep of the President of the United States, is equally as great as the challenge which, by our action on this issue, we have hurled to the American people, for clearly unto them we say, "To protect your precious liberties, we, the Congress of the United States, have unleashed powers which can clearly destroy those liberties unless you are constantly aware of and alert to the dangers which they offer in the difficult months and perhaps years ahead." The eternal vigilance of which Mr. Jefferson spoke so eloquently more than 150 years ago, is now the challenge to all of us, as we await the faithful execution of the extraordinary powers contained in the pending legislation; and this is so now, more than ever before in our history.

On this score, I should like to bespeak my deep personal convictions regarding one of the important features of Senate bill 3936.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HENDRICKSON. I am glad to yield.

Mr. MAYBANK. I wish to compliment the Senator from New Jersey on the speech he is making; and I wish to point out that the only person to whom we could give such powers, under the Constitution, is the President of the United States. I am as hopeful as is the Senator from New Jersey that the President will exercise those powers wisely.

Mr. HENDRICKSON. I am sure that will be so, and I thank the Senator from South Carolina for his contribution.

Mr. President, by the enactment of section 304 we would virtually authorize the credit of the United States, on the approval of the President, to be used to the extent of $2,000,000,000 on a contingent basis. This, in my judgment, in the light of present fiscal trends and present fiscal needs, goes too far. Already we have mortgaged our future to a point of internal danger; and whether we of the Congress like it or not, we, each of us, under the Constitution of the United States, have both a legal and a moral responsibility to our country and its people to control the purse strings of the Nation. What does the Constitution say in this respect? Section 8 of article 1 provides, in part, that—

> The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States;
>
> To borrow money on the credit of the United States—

And so forth.

To me, that provision of the Constitution means that we are the sole custodian of the Nation's fiscal business; and we therefore have no right to delegate excessive authority in this regard. Clearly, we have a solemn obligation which we cannot escape or avoid without both an actual and a moral violation of our oath as Senators. Again and again for the last 18 years we have been shirking responsibilities in respect to this phase of the Nation's business, doing so under the guise of emergencies. I believe that the people of America want an end to the sort of fiscal management which they have seen in their National Government in recent years. So, in respect to this particular provision of the bill, namely, section 304, I shall support any reasonable amendment to curtail such an excessive authorization.

Further than this, I shall support, as I have indicated, other amendments which are designed to safeguard and to bring the measure more in line with our constitutional concepts.

I want now to reiterate a thought which I expressed at the very outset of my remarks, to the effect that by the action we are taking on this measure or by the action we shall take on it on Monday, we are surrendering certain elements of liberty guaranteed under our Constitution. We are doing this to meet the impact of an aggression which may lead, if it has not already led, to another global war; and so we justify the course of action we are about to pursue.

But that justification, Mr. President, relieves us not one mite of our responsibilities to the people. Indeed, it adds a vast new responsibility to those we assumed when we took our respective oaths of office. It charges us with a new duty—to be ever watchful and ever alert to the slightest abuses, wherever they may occur, as a result of the enactment of this legislation; and this is so, whether those abuses be abuses of powers or abuses of administrative authority.

Under our form of government, we are more responsible for the preservation of the liberties of our people than are the people themselves. So, Mr. President, as we yield some of the inherent rights which the people of America normally possess, let us be mindful from this moment forward, and until this measure has by the blessings of the Almighty taken its place with all obsolete things, that only by our "eternal vigilance" can we square ourselves with the people, whose rights and privileges we undertake, for their benefit, to subject to such broad limitations.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HENDRICKSON. I yield.

Mr. MAYBANK. I feel, as does the Senator from New Jersey, that as if the war should spread and conditions become worse, the enactment of this bill would be necessary.

Mr. HENDRICKSON. I feel exactly that way.

Mr. MAYBANK. If that condition should develop, I know the Senator would be among the first on the floor of the Senate to propose the enactment of such legislation.

Mr. HENDRICKSON. Of course, I am convinced of the absolute necessity for the enactment of such legislation.

Mr. MAYBANK. I wish to assure the Senator that I would join him in such case.

Mr. HENDRICKSON. I am sure the Senator from South Carolina and I feel exactly the same way about this matter. I believe that our minds are not one iota apart in regard to it.

Mr. STENNIS. Mr. President, I too, would like to commend the Senator from New Jersey for what I regard as the very fine and statesmanlike contribution which he has made to this debate; and I am sorry that not more Senators have had the privilege of hearing his remarks.

Mr. HENDRICKSON. I thank the Senator.

Mr. STENNIS. Mr. President, I wish to raise on the floor of the United States Senate some pertinent questions which I know are on the minds and are of great concern to every Member of the Congress and to every other loyal American citizen.

These questions concern our foreign policy and our war plans. I wish to make perfectly clear in the beginning that I am not in a critical mood, and I am not searching for someone to blame for our present situation. What we need is a way out. I have supported by my voice and by my vote every phase of our war effort in Korea, from the very minute it was announced to the Congress that we had started fighting. I was the first Member of the United States Senate, I believe, to announce on the floor of the Senate that, much as I disliked controls, I would support a control bill to back our war effort. I mention these points merely to show that I am not an obstructionist, and that I am not undertaking merely to criticize.

I expect to continue to back our position in every way I can. But, Mr. President, what is our position, and what is our policy? That is the question the American people want answered. They are entitled to have it answered, but no answer has been forthcoming.

The fighting has been going on now for more than 7 weeks. During that time we have been called on to extend the term of service for all our enlisted men. We did that, and the American people backed us up. Furthermore, we

in the Congress have been called on to enact another draft law. We have done so, and the American people have backed us up. But still we have not been given any definite word that even remotely outlines our policy or our plan in present foreign affairs, particularly in the Pacific and Asiatic areas.

Furthermore, we have been called on in the Congress to appropriate the first $10,000,000,000 of what will be a multi-billion-dollar military program. We will vote the money, its initial part at least, and the people will back us up. But still, we and the American people are absolutely in the dark as to our real policy, and the Congress is actually having to take these far-reaching steps at a time when the only light before us as to policy is the former policies of our present Secretary of State, which were repudiated by our march into Korea. This was a march for which our Defense Department had not been forewarned nor prepared.

Moreover, we are called on to enact a control bill regulating and controlling the economic forces and power of the Nation, and we shall pass this bill after a few more days of consideration, and the people are backing us up as to this bill. We shall be called on shortly to increase taxes for the war effort. However, we still have no plan or policy as to our real position. At the beginning I heard our action compared to the foray into Mexico in 1915 during President Wilson's administration. I also heard it called a police action. But, Mr. President, the Nation does not enact a draft law, lay out a military program costing billions of dollars, enact new tax laws, mobilize its military power, and enact laws to control materials merely because of a police action.

The people have backed these steps and measures, but, Mr. President, the people of the United States will not long support an undeclared and undefined war that does not have a definite direction, a clear purpose, and an ultimate goal. The people will soon be clamoring, and rightfully so, for an outline of our situation and a statement of our purposes. The people are not afraid of the facts. They will set their shoulders to the wheel in any emergency, but they must know which way the wheel is turning. We cannot fight on imaginary lines nor for an imaginary principle, and we should not.

The people and I believe many of us in the Congress are looking to someone for a statement of policy and of war ideals. We have been told we would carry out the United Nations request as to Korea; that we would defend Formosa; and, that we would aid with matériel and a military mission in Indochina. But nothing further has been said. What about China? Shall we intercede there? What about the remainder of Asia? If we are to draw a line, and I think we should, where shall it be? We cannot fight for an imaginary line, nor for an imaginary principle, especially when they are locked in the secret confines of someone else's mind.

Are we to look to the Congress to formulate a policy? Ordinarily, Congress does not originate such policies, but of course has to approve or reject or modify proposals made by others. But if the leadership is not coming from elsewhere, then it behooves us, the Members of the Congress, to quickly put aside other matters and formulate a foreign and war policy that will be based on reason and will meet the hard realities that face us. There will be differences of opinion among us, and our information will not be full and complete, but we do have trained, able, experienced, and patriotic men on our Foreign Relations Committee and on our Armed Services Committee. We have others in the Congress who can make splendid contributions. We will be handicapped in many ways, it is true, but we can formulate a firm, positive policy that will have a definite course.

I want a policy that is directed at the heart of the threat to us. That threat is Russia, a nation that stands convicted in the eyes of the American people, and I believe in the eyes of free peoples in a majority of the other sovereign nations of the world. This policy must be outlined in terms so clear-cut that no room for doubt will exist as to where we stand. This policy must not be one that will force us to spend our strength and sacrifice our sons on the fringes of the threat. We must not continue to court disaster in such adventures.

Mr. President, this is a dark day in America now, but not caused altogether by the unfavorable news that comes from Korea. I have a confident feeling that the trend there will be reversed. The darkness of the hour is due to the lack of a policy and the lack of a plan that extends beyond Korea. The people want light from Washington. Mr. President, I repeat, the people of the United States will not long support an undeclared war that does not have definite direction, a clear purpose, and an ultimate goal. We are supporting such a war now, but that support will not long last, nor should it last long without a policy for which definite plans can be made and carried out. Without a clearly defined cause to fight for, made unmistakably plain to all of us, this war will soon grow sour and stale.

I repeat, I have no political brickbat to throw at anyone, and no political bouquets to bestow on anyone. The world is literally trembling on the threshold of world war III. This is no time for politics. This is no time for favoritism. This is no time for soft words. We must have a definite, realistic, positive policy as to this war and our future protection. We do not have it now. If such a policy and plan is not forthcoming in a matter of days, we, the Members of the Congress, cannot hesitate longer; we must tell the American people there is no well-defined policy, and then proceed to consult here in the Halls of Congress and formulate one the best way we can.

Mr. MAYBANK. Mr. President, I commend the distinguished Senator from Mississippi upon his eloquent speech.

Mr. STENNIS. I wish to thank the Senator.

Mr. MAYBANK. I wanted to ask the Senator some questions, but I realized he wanted to complete his speech without interruption.

Mr. STENNIS. I certainly thank the Senator.

TARIFF-REDUCING PARLEY AT TORQUAY, ENGLAND, A THREAT TO FREE TRADE

Mr. MALONE. Mr. President, I ask unanimous consent to insert in the RECORD at this point in my remarks a release from my office dated August 16, dealing with the continued threat to free trade and to the industries of this Nation, and particularly dealing with the Torquay, England, parley in September, which is evidently aimed at completing the job.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 16, 1950.—United States Senator GEORGE W. MALONE, Republican, of Nevada, charged today that under cover of war the State Department officials "who have been Red-sympathizers all along are advancing their scheme to wreck American industry and bring on socialism."

In support of this charge, Senator MALONE said: "In the face of national mobilization for war, these State Department officials are now making plans for an anti-American tariff-reducing parley in Torquay, England, next month. Not 'Business-as-usual', but 'Attack-American-business-as-usual' seems to be their slogan. There is evidence that while our boys are being attacked in Korea by the Communists, the Communist-sympathizers in our midst are planning insidious attacks on American industry. There is much more to the long-range Communist conspiracy against the security of America than espionage and sabotage by foreign spies and American traitors.

"One of the attacks on American industry which is far-reaching and devastating is the removal or reduction of import fees on foreign cheap-labor products, against which American workers cannot compete without lowering their standard of living. The American watch industry, glassware industry, textile, fuel, and copper industries, and a hundred others, have been seriously hurt already by the lowering of tariffs, but the State Department plans further destructive tariff-lowering at the Torquay parley.

"The Red-sympathizers would like to see their plot develop to the extent that (a) as soon as the war is over, all investments would be wiped out; (b) there would be an end to venture capital; (c) all producers and distributors would be forced to seek Government subsidies; (d) all production and distribution would be guaranteed by the Government; and (e) we would be forced into the bottomless pit of socialism.

"If we could stop the schemers in the State Department, it would be the first important step toward saving America."

PENETRATION OF FOREIGN IDEAS INTO THE THOUGHT LIFE OF AMERICA

Mr. BRIDGES. Mr. President, our country is engaged in a war with communism. The immediate manifestation of that war is on the soil of South Korea. The realism of that war is apparent to our outnumbered boys who fight and die there. To many people in this country it is a remote war. They feel no sense of participation.

But there is a home front. We are asked almost daily for unity. The administration wants unity on the home front.

Mr. President, there can be no real unity in the United States so long as we

coddle an American fifth column. Our reluctance to immediately identify and brand these enemies of America is a matter of genuine concern to real Americans.

There is yet another aspect of our home-front situation which contributes to disunity. It is not a matter which Congress can consider, since it affects the public at large. It is the state of mind—the thinking, if you please, of so many of our people.

Let there be no misunderstanding of what I say. I do not, I have not, and I never shall advocate thought control.

But we have an American tradition. Our tradition is typified by a way of thinking. It is an aggressive, forward, progressive way of thinking. It is the kind of thinking which is exemplified by that slogan, "We can do anything immediately; the impossible takes a little longer."

It is this traditional way of thinking which has contributed greatly to our America. As we seek to preserve our Nation we must give some attention to the preservation of our way of thinking.

It is distasteful to admit that the Communist propaganda has made inroads on our way of thinking. But we would be less than honest, less than American, in our thinking if we failed to recognize realities. It is a horrible fact that ways of thinking foreign to America have permeated all sections of our society; none to a greater extent than our Government.

I want to give Senators an example of what I mean. It is in capsule form. It involves no charges that anyone is a Communist, a Socialist, or anything else. It merely indicates the way the employees of one Government agency do their thinking.

I have taken a considerable interest in the case of George A. Richards. I do not know Mr. Richards. Insofar as I can recall, I have never met the man. He is the largest stockholder in three radio stations. They are located in Los Angeles, Cleveland, and Detroit—three of our great cities.

Insofar as I know, Mr. Richards has no connections with New Hampshire or New England. He happens to be a Republican. I would be just as much interested in his case if he were a Democrat, for I believe a Democrat can still be an enterprising, thoughtful, and considerate American.

What appeals to me about Mr. Richards is that he thinks like an American. Apparently, he does not believe that patriotism is an old-fashioned, out-dated word. I draw this conclusion from the public record. He is a man who, on the record, is devoted to the American way of doing things.

Mr. Richards is having trouble with the Federal Communications Commission. The FCC is a child of Congress, set up to administer radio communications in the United States. It was not intended, and should not now be intended to be a thought-control agency. It has very wide discretionary authority over American radio stations—life and death authority. It can, with a single decision, wipe out a large investment.

The FCC is like most other Government agencies. It is largely operated by its professional staff. The staff compiles a record. The Commissioners make decisions from that record. That is all right. That is the manner in which most of the official business of the Government is conducted. Professionals gather the information. Policy makers act on that information.

This system is predicated on sound staff work. If the thinking of the professional staff goes haywire, the decisions of the policy makers are likely to be subject to undue influence from one side or the other.

In the case involving Mr. Richards, it seems to me, the FCC's professional staff is off the beam. They are either off the beam of American thinking or they must have a very good explanation, which I have not heard, for the renewal of the license of WLOA in Braddock, Pa.

This is a presentation of what I chose to term un-American thinking. On the one side we find Mr. Richards with his three radio stations. These stations are committed to a course of public service which embodies traditional American patriotism.

Mr. Richards, as I believe he has every right to do, has concluded that some of our governmental programs are leading this Nation to national socialism. Privately he has been critical of the trend which he discerns. He has not been critical in a partisan political sense in his broadcasts. But as an individual, merely as an American who would warn those of his fellow Americans, he has expressed his views privately.

On the complaint, among others, of James Roosevelt, a political candidate for Governor of California, Mr. Richards is being tried by the staff of the FCC. The staff is making a record from which the Commission will decide either to cancel or reissue his permits to broadcast.

The star witness called by the staff of the FCC in compiling their record is a man named Clete Roberts at the present time. I understand that his real name is Cletus E. B. Haase. I do not know Mr. Roberts. All I know is that the FCC record shows that he classified all the people of southern Italy as "not worth a tinker's damn." This appears to me to be a singularly un-American remark. This is one of the witnesses who questions the patriotism of Mr. Richards.

While I was pondering this most unusual hearing concerning the patriotism of Mr. Richards, I happened to read an article in the Saturday Evening Post entitled "I Posed as a Communist for the FBI." The author is Matt Cvetic, until recently one of those nameless heroes who has fought the Communist fifth column from within. Cvetic has lived with traitors, been part and parcel of the Communist conspiracy in order that America might live and the FBI could follow the course of this conspiracy. I quote from Cvetic's story in the Saturday Evening Post of July 22. On page 53 he states:

One of the ways the Communist Party in the Pittsburgh district was subsidized by front organizations was through their buying advertising space in the local foreign-language newspapers that were controlled by Communists. But ads placed in party-line papers was not the only method used to subsidize the party. It was also done by buying time on a radio program. The Pittsburgh Communists had a program called Keep America Free. It went out over Station WLOA in nearby Braddock. We had convinced the station that we would restrict ourselves to cultural matters, such as educational discussions and music, but that kind of presentation lasted only the first 5 minutes of our first broadcast. After that we switched to Communist political preaching and pounded away on that theme for weeks. The manager of the station was engaged in constant warfare with the party member who was the program's master of ceremonies and who planned most of it.

This was very interesting. I decided to check Station WLOA at Braddock, Pa., to see what kind of a hearing its owner had been afforded by the FCC.

In checking, I find that Station WLOA of Braddock, Pa., received its construction permit on December 5, 1946, was granted its original license on July 10, 1947, and obtained a renewal of this license on April 27, 1948. At the time of the application for renewal of this radio station's license no hearing was set to consider this application for renewal and no public hearing was held or has been held. In other words, Mr. President, this application for renewal of the license of Station WLOA of Braddock, Pa., was granted automatically.

This indicates that the staff of the FCC made no investigation of the operation of this station. Or if they did make such an investigation, they decided that it had been operated in the best interests of the safety of our country. Furthermore, I have had the public records of the FCC checked and they show absolutely no public investigation of this station or its practices at any time following the initial grant of its license on July 10, 1947. For the further information of the Senate, this station's present license expires on May 1 of 1951.

I believe that it is pertinent that we examine the testimony given by Mr. Cvetic on this subject before the House Un-American Activities Committee on February 23, 1950.

Mr. President, I ask unanimous consent that this testimony, which is very brief, be inserted in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

Mr. TAVENNER. Mr. Cvetic, are you acquainted with radio station WLOA in Braddock, Pa.?

Mr. CVETIC. Yes; I am

Mr. TAVENNER. Tell us what you know about that station in regard to the use of Communist propaganda in the last few years.

Mr. CVETIC. While I was a member of the executive committee of the American Slav Congress, I met with Roy Hudson and George Wuchinich at the YMCA in downtown Pittsburgh, and at Tambillini's Restaurant on Fourth Avenue, to discuss a radio program for the American Slav Congress of western Pennsylvania. At that time Roy Hudson was district organizer for the Communist Party.

As a result of these meetings, we decided to initiate a program in the name of the American Slav Congress of western Pennsylvania at radio station KQV. However, radio station KQV rejected our program, and after meeting with Calvin Brook, who is also a member of the Communist Party, we were

able to obtain the facilities of radio station WLOA in Braddock because Calvin Brook had what he said was a good contact out there and made the arrangements for us.

Mr. TAVENNER. When you say "For us," what group are you referring to?

Mr. CVETIC. I am referring to the American Slav Congress, but actually the program was organized by the Communist Party. The people who initiated the program were Roy Hudson, George Wuchinich, and myself. We were all Communist Party members at the time.

Mr. TAVENNER. Tell us what happened.

Mr. CVETIC. Mr. Matta having agreed to accept our program, broadcasts were immediately initiated in the name of "Keep America Free," the program of the American Slav Congress of western Pennsylvania.

Mr. TAVENNER. The title was "Keep America Free"?

Mr. CVETIC. That was the title of the program.

Mr. TAVENNER. Free for the Communists?

Mr. CVETIC. It took us 2 hours to work out the title.

Mr. TAVENNER. Proceed.

Mr. CVETIC. George Wuchinich was the master of ceremonies of this broadcast.

Mr. TAVENNER. What was the type of the usual program?

Mr. CVETIC. The program usually dealt with some political topic, and the treatment of the topic was usually discussed at meetings in the American-Slav Congress office or at the YMCA or at Tambilini's Restaurant, with Roy Hudson, the district organizer of the Communist Party, when he was there, and later with Steve Nelson when he became the district organizer of the Communist Party, George Wuchinich, and myself. We would sit down and discuss the content of the program.

Mr. TAVENNER. In other words, just as in the case of the usual front organization, the policy and plans of this program were formed by the officers of the Communist Party?

Mr. CVETIC. That is right. Steve Nelson would come in the office of the American-Slav Congress and sometimes say, "The weekly program this week will be this." We always followed the Communist Party line. I have the scripts with me and will submit them later to the committee.

Mr. TAVENNER. Was the script usually gone over by the officers of the Communist Party at these meetings?

Mr. CVETIC. The scripts in most cases were prepared by George Wuchinich, and after he prepared them we would call a meeting of Roy Hudson, George Wuchinich, and myself, when Roy was there, and when he was not there with Steve Nelson, and the three of us would go over the scripts.

Mr. TAVENNER. Do you know whether or not Mr. Matta, to whom you referred as being in charge of radio station WLOA, I believe that is William G. Matta, E. R. Matta, or George C. Matta, the directors and incorporators of that radio station, are members of the Communist Party?

Mr. CVETIC. To the best of my knowledge they are not.

Mr. TAVENNER. Do you have any knowledge of other programs broadcast over WLOA which were supervised by the Communist Party or a front organization?

Mr. CVETIC. Yes. There was a Croatian program which was directed by the Croatian Commission of the Communist Party, Arthur Bartl being in charge.

There was a Ukrainian program which was in charge of Mike Hanusiak.

Then there was a Polish program sponsored by the Gdynia-American Lines and narrated by Paul Kluvo.

And there was a Slovak program narrated by Calvin Brook and Mike Dudash.

All the men I have mentioned here as being in charge of these broadcasts are members of the Communist Party; that is, in the foregoing statement in answer to your question about the programs.

Mr. TAVENNER. Are all these programs handled in the same manner as were the programs of the American Slav Congress.

Mr. CVETIC. Yes. The line taken into these programs was always discussed by the nationality commission of the Communist Party or by the Communists at the language press and then carried into the program.

Mr. TAVENNER. Are these programs still being conducted over the air over this station?

Mr. CVETIC. The American Slav Congress program went off the air at the request of Bill Matta over 6 months ago. As to the others, some have cut down their time and we understand some have ceased broadcasting altogether.

Mr. TAVENNER. How long were these broadcasts used, under this plan, by the American Slav Congress?

Mr. CVETIC. The American Slav Congress used them for a period of 80 weeks or more. I made the final broadcast. I believe it was the eighty-first or eighty-second, something like that.

Mr. BRIDGES. Mr. President, I believe it is time to find out the actual purposes behind the attempt to crucify a man like Mr. Richards, who all his life has fought anyone and everyone who would attempt in any way to subvert our form of Government.

Is it not an irony that auditoriums can be hired, that radios can be used, that street corners can be utilized by those who spew doctrines subversive to our safety? And yet, a two-fisted American apparently will not be permitted to possess or utter an opinion that would expose fellow travelers or that would disagree with the policy, in American fashion, of any political party.

Although Hugh Fulton, the chief trial counsel for Mr. Richards' stations, has hundreds of witnesses who want to testify, he was able to put only one of these witnesses on the stand. Who was this witness? Capt. Eddie Rickenbacker, America's hero of both World War I and World War II. In his forceful testimony on July 12, Eddie Rickenbacker said:

> There is no greater patriot in America today than Mr. Richards and there never has been. If we had more true Americans like him, we would not be sending our boys 7,000 miles overseas to be slaughtered today. He has a great love for his country and believes in its welfare. He is a real contributor to the American way of life that we are fast losing and a greater fighter for the freedom and liberties of this great Nation. I know that during the last war he did everything to inspire men and women of the land to produce the products that General MacArthur and his boys needed to win the war. He has a reputation for great generosity and has constantly gone out of his way to be of service to the underprivileged, regardless of race, color, or creed.

Mr. President, we have voted millions for the Voice of America. I have supported this idea that we tell the people behind the iron curtain the truth about democracy. But why spend millions to send the Voice of America overseas while the same Government devotes its energies to investigating the voice of an American in the United States?

I object, Mr. President, to the thinking of the staff of the FCC in the light of the very illuminating article written by the FBI agent and published in the Saturday Evening Post, from which I have quoted. I believe the Congress could well afford an inquiry as to the identity of the individuals on this staff who have decided to harry Mr. Richards but who have overlooked the need for an investigation of WLOA in Braddock, Pa.

I am sure that Congress has no desire to control the thinking of the American people. This is a free country. The citizens of this country are free to accept or reject un-American ideas. But Congress, I assert, does have the right to inquire as to the thinking of Government employees. These employees have no inherent right to accept un-American ideas or to further un-American thought. The American Government has not only a right, but a solemn duty, to expect and demand traditional American thinking from those citizens who are privileged to be Federal employees.

SECRETARY ACHESON AND THE KOREAN WAR

Mr. WHERRY. Mr. President, today the President of the United States issued a statement to the effect that the statement I made to the Senate fixing the responsibility on the shoulders of Mr. Dean Acheson for the blood of the boys in Korea was so contemptible as not to be worthy of any comment. However, he did make comment.

Mr. President, Secretary of State Dean Acheson has blundered the United States into war in Korea. What is worse, he may have blundered us into war in other parts of the world.

Dean Acheson's pal, Alger Hiss and his clique, played a major role in drafting the infamous Yalta agreement, which President Truman ratified at Potsdam. Acheson carried out this appease-Russia policy up to a few weeks ago when the President himself repudiated Mr. Acheson's let-the-dust-settle attitude, but it was too late to avert war. And Acheson still lingers on in the State Department.

It was Acheson's consistent appeasement and coddling of Russia that paved the way for the Moscow-directed Communists to overrun China and for the Moscow-directed North Koreans to spring upon the Republic of South Korea.

Acheson's bungling in western Europe may prove to be equally disastrous, for he knocked peace in the head by his years of effort to impose the revengeful Morgenthau plan upon western Germany. In line with the Communists' wishes, he has stubbornly fought inclusion of anti-Communist Spain in the defense network of western Europe. And he has stood out against arming western Germany, thereby leaving a corridor from Russia to the English Channel. America's military security has become secondary to Acheson's political maneuvers.

We have spent more than $50,000,000,000 in cash and goods in peacetime lend-lease, economic recovery, and for military preparedness in western Europe since the war, and today the chairman of the Senate Armed Services Committee told the Senate that western Europe

is woefully unprepared for possible aggression and we should give consideration to increasing our American troops in western Europe. Acheson is against arming Japan and obviously Communist aggression is a threat to that country.

Contemptible? In 1945, Acheson sought to establish a four-power commission to control occupied Japan. General MacArthur was to receive his orders from that commission in which Russia would have an equal voice with the United States.

In Korea, we are now reaping the whirlwind of Acheson's blunders and the President seems to be so confused and perplexed by the flood of events that he is blind to the devious paths down which Acheson has advised him.

One day the President says there is no need for UMT and within 48 hours he asks Congress, through the Secretary of Defense for passage of the universal military training bill.

The Congress has given the President every dime he has asked for national defense and more too. Now, he calls for UMT when he has had available the selective-service law.

The President has either frozen or held back nearly $900,000,000 in cash and contract authority that Congress provided for fiscal year 1950. Now we are told these funds are to be released for expenditure in the present fiscal year 1951. Before Korea, it was "freeze" defense appropriations and now it is "unfreeze" them.

The American people are alert to the blunders of the Truman administration. They have seen Acheson's policies lead us down the road to another war. In any other country, Acheson long ago would have received a vote of no confidence. The President's failure to remove Acheson, after repudiating his stupid foreign policies, is contemptible.

Let the President appoint as Secretary of State some one in whom the American people have confidence; some one who is in sympathy with the present policy in South Korea. Under that kind of leadership we shall go forward to victory in Korea and under that kind of leadership we shall have a foreign policy in keeping with American traditions and American principles. Under that kind of leadership in America lies hope for durable peace.

DEFENSE PRODUCTION ACT OF 1950—UNANIMOUS CONSENT AGREEMENT

Mr. MAYBANK. Mr. President, earlier today we entered into a unanimous-consent request under which the Senator from Illinois [Mr. DOUGLAS] will speak tomorrow morning. The Senator from Nebraska has indicated that he has some questions which he desires to ask me with respect to some amendments to the pending bill which we are to take up tomorrow. I ask unanimous consent that after the Senator from Illinois has concluded his remarks we may have a discussion of the amendments.

Mr. WHERRY. The Senator is referring to the amendments to the control bill, is he not?

Mr. MAYBANK. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. MAYBANK. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 3 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 18, 1950, at 12 o'clock meridan.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 17 (legislative day of July 20), 1950:

IN THE NAVY

Capt. Richard W. Ruble, United States Navy, for temporary appointment to the grade of rear admiral.

IN THE MARINE CORPS

PERMANENT APPOINTMENTS

The following officer of the Marine Corps for permanent appointment to the grade of captain for limited duty:

Matthew J. Kruszewski.

The following-named civilian college graduates for permanent appointment to the grade of second lieutenant in the Marine Corps:

Richard K. Angerer	James E. Kerr
Donald J. Beatty	Richard E. Keshen
Frank B. Bradshaw, Jr.	Edward W. LeBaron, Jr
Lee C. Bramlette, Jr.	Henry V. Martin
Robert G. Brown	Richard D. Mickelson
James H. Bryson	Ira L. Morgan, Jr.
John S. Carter	Thomas A. Palmer
Bryont Chen	Bryan M. Rust
Charles R. Cote	Robert K. Shelton
Lawrence R. Dorsa	William B. Shields
Sheldon H. Dunlap	Charles H. Stewart
Jack Erwin	Donaldson Tall
Milton A. Fischer	William M. Tatum, Jr.
John M. Frease	John M. Travis
William N. Gregory	Andrew F. Toxey
Vernon D. Grizzard	Charles B. Walker
Robert L. Gunter	Ronald L. Walsh
Joseph R. Gutheinz	Charles K. Whitfield
Jack L. Handey	Robert J. Whitsitt
Harold T. P. Hayes	William T. Woodley
Peter J. Hayes	Keith L. Woods
Davis L. Hiday	John E. Woodward
Wilfred M. James	

The following-named enlisted men of the Marine Corps for permanent appointment to the grade of second lieutenant in the Marine Corps:

Arthur W. Anthony, Jr.	David J. Hytrek
Howard L. Barrett, Jr.	Lewis A. McPherren
William E. Duncan	Leslie T. Shelton, Jr.

The following-named meritorious noncommissioned officers of the Marine Corps for permanent appointment to the grade of second lieutenant in the Marine Corps:

Charles W. Abbott	Robert O. Lewis
James W. Abraham	Robert A. Lindsley
Birney A. Adams	John L. Lowe
James R. Aichefe	William B. McCurdy
James L. Bowman	James R. McEnaney
Richard K. Buchanan	Alexander P. McMillan
Robert E. Byle	Audrey P. McNair
Winston D. Chapman	Thomas F. Manley
William F. Cross, Jr.	David G. Mehargue
Stanley P. Daggett, Jr.	Steve Minko
John D. Driggers, Jr.	Robert R. Montgomery
Marvin J. Fournier	Frederick M. Muer
Wilson A. Frease	William B. Muir
Harry L. Gary	Neil H. Ness
Robert N. Good	Edward J. Rigsby
Joseph W. Hall	Charles A. Rosenfeld
Elwin B. Hart	Adolph G. Sadeski
Gilbert H. Homes	Marvin H. Stevens
George W. Houck	Paul D. Walker, Jr.
Troy T. Hysmith	Walter V. Walsh
Richard E. Jones	Robert E. Wehrle
Grover C. Koontz	Richard B. Wyatt
William Lesser	Albert J. Zlogar

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 17, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who hast brought us out of the darkness of the night into the glory and beauty of this new day, grant that in all the tasks and responsibilities of our high calling we may have the assurance of Thy presence, the fullness of Thy power, and the benediction of Thy peace.

Grant that we may now yield ourselves to the guidance of Thy spirit. We know that Thou art the God of righteousness and of victory and that we have been created not for failure but for triumph.

We pray that we may have the courage to believe that a day will dawn when all the instruments of warfare shall become the instruments of welfare in the building of a nobler civilization and nations shall rise to the loftier altitudes of amity of peace.

We offer our prayer through the merits and mediation of the Christ, our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On August 12, 1950:

H. J. Res. 453. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First United States International Trade Fair, to be held at Chicago, Ill., August 7 through 20, 1950.

On August 14, 1950:

H. R. 4528. An act conferring jurisdiction on the United States District Court for the Southern District of New York, to hear, determine, and render judgment upon the claim of Louis J. Marx;

H. R. 4788. An act to provide for a mutual-aid plan fo fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes;

H. R. 4942. An act to regulate the collection and disbursement of moneys realized from leases made by the Seneca Nation of Indians of New York, and for other purposes;

H. R. 6225. An act for the relief of Mrs. Aimee Hoyningen-Huene;

H. R. 6363. An act conferring jurisdiction on the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.; and

H. R. 6454. An act to authorize the appointment of two additional district judges for the northern district of Illinois.

On August 15, 1950:

H. R. 7695. An act to provide a 5-day week for officers and members of the Metropolitan Police Force, the United States Park Police Force, and the White House Police Force.

On August 16, 1950:

H. R. 1988. An act for the relief of Leslie A. Fry;

H. R. 6104. An act to authorize the establishment of an educational agency for sur-

plus property within the Government of the District of Columbia, and for other purposes;

H. R. 8767. An act to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes;

H. R. 9074. An act to amend chapter 61 (relating to lotteries) of title 18, United States Code, to make clear that such chapter does not apply to nonprofit contests wherein prizes are awarded for the specie, size, weight, or quality of fish caught by the contestant; and

H. J. Res. 501. Joint resolution to authorize the procurement of an oil portrait and a marble bust of the late Chief Justice Harlan Fisk Stone.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 815. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Crow Creek Indian Agency, S. Dak.;

S. 816. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Reservation, S. Dak.;

S. 1064. An act to authorize the sale of land allotted to Mrs. Iris Huebner Marak on the Pine Ridge Reservation, S. Dak.; and

S. 1457. An act to authorize the sale of lands allotted to George C. Estes on the Lower Brule Indian Reservation, S. Dak.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 192) entitled "An act to confer jurisdiction on the courts of the State of New York with respect to civil actions between Indians or to which Indians are parties"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McFARLAND, Mr. LEHMAN, Mr. BUTLER, and Mr. CORDON to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 51–4.

ELECTION CAMPAIGN TRUTHFULNESS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, in recent weeks I have noted an increasing number of speeches inserted in the CONGRESSIONAL RECORD which have no relationship to any pending legislation but which are obviously designed to be franked for political campaign purposes. Although I believe this privilege can be abused, I voice no objection to such political insertions. It is important that the people know the opinions and views of their representatives.

But I rise at this time to appeal to the Members to stick to the facts in expressing their opinions and not mislead the people. I appeal to the Members not to represent their opinions as facts. Let us have a campaign of truth.

Of course, we have differences of opinion as to what certain facts may mean, and we arrive at different conclusions. It is the clash of opinions that makes campaign issues and makes the wheels of democracy turn. I shall always defend everyone's right to express his opinion, but I strenuously object to any representation of his opinion as a fact.

And I object, Mr. Speaker, to some of the things which the gentleman from Michigan [Mr. SADOWSKI] said in the political speech he inserted as his own in the RECORD of August 15. I disagree with practically all his conclusions, but it is not that which prompts me to rise. Facts are facts, and I object to their being misrepresented.

In his speech he refers to what the Republican Eightieth Congress did and did not do. He says, for example, that it passed "a tax bill for the relief of the rich and the powerful." That is his opinion. I do not agree with it, but I take no exception to it. But when he represents as a fact that the Republicans took the controls off food and necessities, he is not stating a fact. He surely knows that the President himself took off the controls before the election.

He says the Republicans put the RFC out of business. That simply is not true, and he knows it. He represents as a fact that home construction went down 40 percent. The fact is that we had the largest boom in history. He can argue, if he wishes, that home construction should have been larger; but he should not state as a fact, when it is not true, that home construction decreased. It actually increased.

And there are other such items I could mention. My point is, Mr. Speaker, let us have a political campaign in which we vigorously argue the issues and vigorously present our respective points of view. But let us have a campaign of truth. Let us not misrepresent to the people the actual facts. If we give the people the facts they will arrive at a conclusion, whether we agree with it or not, as to what they want from their Government.

ADDITIONAL STATIONERY ALLOWANCE FOR MEMBERS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, the gentlewoman from New Jersey [Mrs. NORTON] will call up a bill, no doubt, which provides that each Member of Congress may receive $300 additional credit at the stationery room. I have been trying to get information in reference to this matter and I find that there are some 60 Members who have overdrawn their accounts at the stationery room. I asked the stationery room and Mr. Roberts if he would give me the amounts and the Members who are overdrawn there, but that information will not be revealed. I do not care who the Members are, I am not interested in that, but it is my contention that we do not need this additional $300.

If the House of Representatives passes this bill, especially when some Members go there and secure merchandise at the stationery room or machines to do some of their work, it is not right and should not be done.

STASSEN ADDRESS ON OUR DIPLOMATIC AND MILITARY POLICY TOWARD RUSSIA

Mr. JUDD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. Mr. Speaker, it is too bad that 7 weeks after the United Nations decided and President Truman announced that we would resist Communist aggression in South Korea, our men fighting and dying on the battlefields and our people here at home still have not been given a full understanding of the whole perilous situation we are in. Whether those who are directing our foreign policy have been too busy with the day to day decisions, to tell the full story of what they believe is ahead for our country and what we should do about it; or whether they are deliberately playing down the seriousness of the situation, hoping some miracle will save us without disturbing business and politics as usual; or whether they themselves have not yet thought through what our over-all world policy in this desperate crisis should be—I do not know. I do know that from the standpoint of the morale and effectiveness of our armed forces, the unity and dedication of our people, and the understanding and support of other peoples throughout the world, there are few if any things more urgently needed than for America's full position and policy to be set forth in unmistakable terms—what we ourselves aim to do positively in the world, as well as what we are determined to prevent the Soviet Union and its satellites from doing.

Inasmuch as the administration is not doing this job, it is fortunate that some public-spirited citizens are. Night before last one of them, Mr. Harold Stassen, former Governor of my State of Minnesota and now president of the University of Pennsylvania, made a Nation-wide broadcast which in my view is a sound analysis of the problem, a forthright recognition of what and where the real threat to our Nation is, a call to end the shadow-boxing and get at the real business at hand, and a comprehensive plan of action for dealing intelligently and courageously with the whole world problem of which Korea is only a portion or a preview. His statements cannot be called second-guessing because he long

ago called the tune and warned the administration and the country on every one of the major dangers with which we are now struggling. The New York Times considers the address of sufficient importance to publish it in full. I hope all will read it carefully on page A5882 of the Appendix of the RECORD, where it was inserted at the request of the senior Senator from New Jersey [Mr. SMITH].

HOW THEY SPEND THE MONEY

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, during the past few weeks the Armed Forces went into the market and brought twenty-three and one-half million pounds of potatoes at $2.95 a hundred pounds. At the same time the Agriculture Department was buying No. 1 potatoes in North Carolina at $1.68 a hundred pounds and reselling them to farmers for fertilizer at 1 cent a bag.

It would seem that Secretary Brannan should have sold these potatoes that the Government is buying to the Armed Forces and prevented this great loss.

Public Law 434 specifically authorized the Secretary of Agriculture to turn over or sell to the Armed Forces any such surplus food commodities. The law was written to fit just such cases.

During the past 4 weeks the Armed Services spent $6,000,000 in the open market, buying 5,000,000 dozens of eggs at 40 cents a dozen and millions of pounds of butter and cheese. Great savings could have been made also in securing these items from surplus commodities now owned by the Government.

PAJAMA SURVEY

Mr. Speaker, Secretary Brannan has found time to make a survey in compiling information and publishing a booklet on pajamas. Some have called it Brannan's undercover survey.

Mr. Brannan's Agriculture Department has published a 192-page pamphlet at the taxpayer's expense which is entitled "Men's Preferences Among Selected Clothing Items." It is estimated that the survey on which the pamphlet was based cost the people $100,000.

Among the items of masculine apparel to which the Government investigators devoted considerable time was the item of pajamas and their use. According to Mr. Brannan's pamphlet, the survey revealed the very vital information that slightly more than half the men in the United States use pajamas for sleeping purposes. Some other facts and examples of bureaucratic pioneering developed by this survey are:

Rich men have more pajamas than poor men;

Pajamas are worn more in cold climates than warm climates;

The more educated the man the more likely he is to sleep in pajamas;

About half the pajama wearers buy the sleeping garments themselves, while one-third leave the selection to their wives. The pamphlet does not disclose how the other sixth gets its slumber togs;

More men between the ages of 30 and 54 years wear pajamas than those in the lower and higher age brackets.

Brannan's investigators apparently conducted their survey with a feeling of prejudice, because nowhere in the thick booklet is any mention made of nightshirts.

At any rate, the Agriculture Secretary was able to keep a considerable amount of employees at work while he was spending the $100,000 earmarked for compiling the booklet.

ADDITIONAL STATIONERY ALLOWANCE TO MEMBERS

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'TOOLE. Mr. Speaker, in answer to the gentleman from Pennsylvania [Mr. RICH], I would like to say that when the people of my district selected me to be their spokesman in Congress they knew that I had the power to vote for appropriations necessary to run my congressional office. They had faith in me and knew that I would not abuse this privilege. I am sorry if the gentleman from Pennsylvania's constituency does not have that kind of faith. That may be one of the reasons why he is retiring at the end of the present Congress. If the gentleman from Pennsylvania does not have enough work in his office to necessitate an increase in his stationery account, he need not take the additional sum, but there are Members who do their work and find that the original appropriation is entirely inadequate.

I can see no reason why any Member of this House should desire to snoop into the accounts of other Members. We will soon reach the point where Members will be demanding to know how other Members spend their salaries. If the gentleman is so keen on saving money why does he not give up his franking privilege. I, for one, am sick and tired of having to listen every time an appropriation comes before this body to assist the Members in doing their work to chest thumpers exclaiming, "Thank God I am not as other men." I have faith in the honesty of every Member of this House and know that no one is going to abuse the privileges granted.

LIFE INDEMNITIES FOR SURVIVORS OF MEMBERS OF THE ARMED SERVICES WHO DIE WHILE ON ACTIVE DUTY

Mr. HARDY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include excerpts from a committee report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARDY. Mr. Speaker, on Tuesday of this week I introduced a bill, H. R. 9440, which would provide a lump-sum life indemnity payment to survivors of members of the Armed Forces who die while on active duty.

This bill would prohibit issuance of national service life insurance to persons entering the armed services after its effective date, but would not affect any policies previously issued. In hearings recently held before the Government Operations Subcommittee, of which I am chairman, the inequity, inefficiency, and extravagances of the present Government insurance program were unquestionably established. I feel that the bill which I have introduced will more fully meet the needs of the members of the armed services on active duty in providing adequate protection for their beneficiaries.

This bill is a gratuitous life indemnity but had it, instead of NSLI, been in effect during the past 10 years the estimated cost to the Federal Government of providing a life-indemnity coverage to persons serving in the Armed Forces would have been more than a billion dollars less than has been the cost of the present program. In addition to this dollar saving, my proposal is important because of the manpower it will save to the armed services of the United States.

During World War II the handling of insurance policies and claims within the Veterans' Administration bogged down, and the assistant administrator of insurance for the Veterans' Administration testifying before my subcommittee stated that he did not feel that the insurance operations could be improved upon and that the present system would perhaps break down in the event of another general mobilization because of the lack of trained personnel in adequate numbers.

At the present time there are over 13,000 civil-service employees in the Insurance Division of the Veterans' Administration. I am of the opinion that if my proposed bill becomes law the number of personnel could be significantly reduced.

I am delighted to note that the chairman of the House Veterans' Affairs Committee has also offered a bill providing a gratuitous life indemnity. This gives me hope that early action on this important legislation may be anticipated. I commend the gentleman from Mississippi for initiating legislation and offer him my fullest cooperation in working out the most satisfactory and equitable bill possible.

THE KOREAN SITUATION

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, during the past few weeks, the people of this Nation, faced with the realization of the reversals that the forces of the United Nations, comprised primarily of the South Korean and American forces, have suffered, are seeking an explanation. No doubt all of us have received innumerable letters asking for the answer to the perplexing situation.

Mr. Speaker, I desire to share with my colleagues excerpts from a letter received this morning from a classmate of mine, an Army chaplain, who served in the European theater in World War II and now is serving in Korea. I believe it very vividly presents some of the answers for the Communist gains and advances thus far in embattled Korea.

SOMEWHERE IN KOREA,
August 10, 1950.

DEAR FRIEND: Your most welcome letter of July 10 arrived a few days ago, but due to circumstances beyond my control I have been unable to answer before this time.

There is something different about this war that I have not noticed in the war of Europe. During those days the men generally felt that right was on their side and that it was only a matter of time before our superior equipment and personnel would bring the enemy to subjection. This time men are not too sure. The enemy comes at them in waves. Life to the enemy is nothing, since hundreds of men, women, and children are forced forward until they are overcome, or overpower our positions and we are forced to withdraw. They know, moreover, that there will be no prisoners as far as the Reds are concerned. The absolute ruthlessness of the enemy is something no one has ever seen before. The enemy is everywhere. Somehow he infiltrates, and one never knows when he may be ambushed. For the first time, many men are beginning to realize what absolute communism means. It is deadly earnest, and there are thousands who believe it with all their heart.

With these sentiments, we are all praying earnestly to Our Lady of Fatima, who predicted that such things would take place if we did not do penance and pray the Rosary. Maybe this is the way some of us must do penance. In a few minutes some lads make up for years of neglect.

Very sincerely yours in my prayers,
HAROLD O. PRUDELL,
Major, United States Army,
Office of the Catholic Chaplain.

With our young men faced with such a ruthless enemy under adverse conditions, it is unbelievable that there are people at home who would even dare entertain a thought of selfishness on their part, thinking solely of themselves, and practice hoarding. If it were possible for those who have purchased unnecessary items with intent of future personal comfort to witness and experience one moment of the anguish of our boys in Korea, they would mend their ways. There would be no hoarding. There would be no profiteering. There would be no need for controls. There would exist a unified determination to exert every effort to a speedy end of the present crisis with everybody's cooperation.

CONFINEMENT OF PERSONS CONVICTED OF TREASON

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURLESON. Mr. Speaker, I hope it may be of interest to the House to know that on yesterday I introduced a resolution which authorizes and directs the Committee on the Judiciary, acting as a whole or by subcommittees, to investigate and determine the feasibility of establishing an island prison somewhere in the Pacific, remotely removed from the United States and of no commercial or defense value, which may be used specifically for the confinement of persons convicted of acts relating to the security of this Nation.

Those holding citizenship in this country, of course, cannot be deported, but for treasonable acts—whether it be sabotage, espionage, false swearing, perjury, or any offense related to such acts—should be removed beyond the shores of the United States and placed in exile. They should not have the benefit of our Federal prisons, where they can maintain their contacts and perhaps influence other prisoners.

The cost would not be great. During the war I saw some very good places in the Pacific which would make an ideal location. Knowing banishment to be a part of the punishment, it should have its effect upon those who contemplate acts inimical to the best interest of this country.

I hope the Judiciary Committee will advise with the Attorney General at an early date on this proposal. We should soon have ready several customers, including the 11 convicted Communist conspirators in New York, and if war should occur, nothing in the past will remotely compare to the situation which I think we must face in quickly ridding this land of such treacherous elements.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTOMOBILES FOR DISABLED VETERANS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, today there are service men and women in hospitals for whom the blood and sweat and tears are not over—men who are awaiting discharge—men who are awaiting prosthetic appliances—men for whom an inch-by-inch operation for the removal of a leg is necessary. Some of these boys have been hospitalized for 6 and 7 years, ever since they were wounded.

Mr. Speaker, a small amount of money, some $800,000, appropriated would give these men a chance when they are discharged to get automobiles. Men already discharged from the service because they are veterans, leg amputees, have automobiles. There are 150 to 200, Mr. Speaker, who have been discharged and who are processed for automobiles, veterans, who are not receiving them because there is no appropriation. These were discharged before the bill expired on June 30. Mr. Speaker, the boys ask me why the Congress of the United States does not give them that money? Does it not care? Does it want only to send money to foreign countries to build hospitals in foreign countries? Does it only want to send money to foreign countries for luxuries? We Members of Congress sent these boys to fight for us. Our responsibility is to see they are cared for.

Mr. Speaker, this is a debt that we owe them. I cannot see why that money is not given to them. I cannot understand the lack of interest for these boys. I have asked for hearings on bills to correct this injustice. I have asked for appropriations to correct this injustice. Why have these things not been done? Can anyone give me a logical or kind reason why not?

EIGHTH REPORT OF ECONOMIC COOPERATION ADMINISTRATION — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 645)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed, with illustrations:

To the Congress of the United States of America:

I am transmitting herewith the eighth report of the Economic Cooperation Administration created by the Foreign Assistance Act of 1948 (Public Law 472, 80th Cong.), approved April 3, 1948.

The report covers the activities under the Economic Cooperation Act of 1948 (title I of Public Law 472), as amended, as well as the programs of economic aid to China under Public Laws 47 and 447, Eighty-first Congress, and to the Republic of Korea under the provisions of the Foreign Aid Appropriation Act of 1949 (Public Law 793, 80th Cong.) and Public Laws 430 and 447, Eighty-first Congress.

There is included in the appendix a summary of the status of the United States foreign relief program (Public Law 84, 80th Cong.) and the United States foreign aid program (Public Law 389, 80th Cong.).

This report covers the quarter ended March 31, 1950.

HARRY S. TRUMAN.
THE WHITE HOUSE, *August 17, 1950.*

EXTENSION OF REMARKS

Mr. ALLEN of Illinois asked and was given permission to extend his remarks and include a letter he received from a young wife in his district.

Mr. JUDD asked and was given permission to extend his remarks and include an editorial.

Mr. CLEVENGER asked and was given permission to extend his remarks and include a speech of an Under Secretary of State.

Mr. GUILL asked and was given permission to extend his remarks and include an article by Mr. J. C. Phillips, appearing in the Borger Herald, of Borger, Tex.

Mr. HESELTON asked and was given permission to extend his remarks and include extraneous matter.

Mr. SADLAK (at the request of Mrs. ST. GEORGE) was given permission to extend his remarks.

Mr. REES asked and was given permission to extend his remarks and include an editorial.

Mr. O'TOOLE asked and was given permission to extend his remarks and include an editorial appearing in the Brooklyn Daily Eagle.

Mr. FURCOLO asked and was given permission to extend his remarks.

Mr. TEAGUE (at the request of Mr. BURLESON) was given permission to extend his remarks.

Mr. TAURIELLO asked and was given permission to extend his remarks and include an editorial from the Washington Post.

Mr. JACOBS asked and was given permission to extend his remarks and include an editorial from the Indianapolis Times.

Mr. POULSON asked and was given permission to extend his remarks.

Mr. COUDERT (at the request of Mr. COLE of Kansas) was given permission to extend his remarks and include an article.

Mr. MILLER of California asked and was given permission to extend his remarks and include extraneous matter.

PROVIDING ADDITIONAL DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF OHIO

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 707 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7570) to provide for the appointment of one additional district judge for the northern district of Ohio. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final pasage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALLEN of Illinois. I am wondering if we could not take up all four of these rules regarding judgeships by unanimous consent at the same time.

The SPEAKER. The Chair believes it would be just about as expeditious to do it the other way. We will take up all the rules, however, before we take up the bills.

Mr. McSWEENEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and at this time I yield myself 5 minutes.

Mr. Speaker, House Resolution 707 makes in order a bill introduced by my colleague from Ohio [Mr. FEIGHAN], H. R. 7570, for the creation of an additional judgeship in northeastern Ohio. I am sure that Members of the House realize that we do need additional judges in northeastern Ohio. I am sure that Members of the House realize that, but, on the other hand, I do think we need additional legislation. For instance, in our diversity of citizenship cases, we allow him to go into the Federal court on a $3,000 involvement. I feel that should be raised to $10,000 or probably $15,000. I hope I am not speaking disparagingly of a Federal judge, but at the present time many of the things that come before him make him almost a justice of the peace. In other words, we should lift the type of cases that come before him, but until the Congress takes such action I think it is definitely necessary that we create these additional judges. I think it is unfair for people to have, as Shakespeare said, "A delay of the law." We must expedite them as much as possible. Under the present set-up, the only possible way to do it is to have additional judges. We in northeastern Ohio have a definite need for an additional judge at this time.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. McSWEENEY. I yield to my colleague.

Mr. ELSTON. I quite agree with my colleague from Ohio that the law probably ought to be amended so that there would be fewer cases in the United States courts. I wonder if the gentleman can tell the House how many years ago it was that the $3,000 limitation was fixed.

Mr. McSWEENEY. I think it was in 1912.

Mr. ELSTON. It was a great many years ago, at least. At that time $3,000 meant $3,000.

Mr. McSWEENEY. I appreciate my colleague's calling this to the attention of the House. We realize that the expanding use of transportation, trucks, and things like that, that pass over State boundaries, and of course pass over international lines, makes many more involvements.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. McSWEENEY. I yield.

Mr. MICHENER. As I recall, there are four judges in this district in Ohio. You need more judges, you say. There has been a vacancy there for over a year. If you need an additional judge in Ohio, why do you not fill the vacancy which you have before asking for more judges?

Mr. McSWEENEY. The gentleman's question is well taken. We have been urging this appointment, and, with other things confronting the appointing officer, it has not been made.

Mr. MICHENER. Now, that is just it. As I understood it, the Democratic politicians cannot agree as to who will be the judge. So, if you get another judge, then you will have a judge for each faction. Is that right?

Mr. McSWEENEY. I do not think that is the reason for the request.

Mr. MICHENER. I do not think we ought to establish judges on that principle.

Mr. McSWEENEY. We are predicating our request entirely on the need in that section of the United States.

Mr. MICHENER. You certainly need the judge. You have needed one for over a year. All you need to do is to have the President send the name to the Senate and you will have a judge.

Mr. McSWEENEY. As I say, in addition to that, the gentleman knows that in this section we will need this extra judge for future cases.

Mr. MICHENER. You need a judge but you do not appoint one. There is a vacancy. Fill that before you ask for more judges.

Mr. McSWEENEY. There are answers for that, too.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, it is my understanding there is no one on this side objecting to the consideration and the passage of this rule. I therefore reserve the remainder of my time.

Mr. McSWEENEY. Mr. Speaker, I have no further requests for time.

I move the previous question on the resolution, Mr. Speaker.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

DISTRICT JUDGE FOR THE WESTERN DISTRICT OF PENNSYLVANIA

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 709 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6869) to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. McSWEENEY].

Mr. McSWEENEY. Mr. Speaker, I take this opportunity to express my deep appreciation to the gentleman from New York [Mr. KEATING], and to the gentleman from Virginia [Mr. SMITH], for allowing me to present my rule out of the regular order.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and yield myself such time as I may consume.

The SPEAKER. The gentleman from Virginia is recognized.

Mr. SMITH of Virginia. Mr. Speaker, this resolution provides for the consideration of a bill which will do away with the prohibition against filling a vacancy in a judgeship in Pennsylvania. I assume that the Judiciary Committee having reported this bill think that it is necessary to fill this vacancy, and I shall leave the question of the merits of the situation to those gentlemen who are more familiar with it than I.

I know of no opposition to the rule.

I do, however, wish to discuss with the House seriously the question raised by the gentleman from Ohio on the previous rule, and that is this situation we have here of the Judiciary Committee coming in every year and asking for a large number of new and additional Federal judges. That committee has had before it for years bills to raise the jurisdictional amount in cases of diversity of citizenship from $3,000 to $10,000. A year ago when the Judiciary Committee came asking for its annual flock of new judges I questioned the chairman of the committee on that subject. He assured me that if that could be done it would save, I think he said, 30 percent of the work of the Federal judiciary. He assured me that it was before a subcommittee and would be reported out in due course. It still is before a subcommittee.

Every time you create a new Federal judgeship you create a continuing considerable expense on the Federal Treasury; you take away from the State courts the jurisdiction that they normally should enjoy. As a matter of fact here is what happens when the citizen of a State brings a suit against a foreign corporation, if it is a damage suit or any suit that involves over $3,000 the corporation immediately removes it to the Federal court; then they have in those Federal courts a little system known as the blue-ribbon jury system, a different system from that in the State courts. In the State courts the juries are selected by lot; they involve all kinds of citizens. In the Federal court you have an entirely different system of selecting juries, and those juries are quite often not so sympathetic to the needs and the justice of the ordinary run of citizens. That is an actual fact, known all over the country. What I want to know is, why does not the Judiciary Committee bring out a bill and let the House have an opportunity to reduce the work of the Federal courts, to restore the Federal courts to the position of dignity to which they are entitled, and let the State courts perform their normal functions?

I want to call attention to a fact which was raised a few moments ago by the gentleman from Ohio [Mr. ELSTON]; namely, that when this $3,000 limitation, which is causing all this flood of cases in the Federal courts, was created years and years and years ago, $3,000 was much more than $10,000 is now. I wish some member of the Judiciary Committee would give me some assurance that before that committee goes to the Rules Committee again asking for this annual flock of new judges that we may have some assurance that the Judiciary Committee is going to act on that matter.

I yield to the gentleman from New York.

Mr. KEATING. I cannot answer the gentleman's question directly, but as a member of the Judiciary Committee, I share emphatically the views which the gentleman has expressed. That is one of my principal reasons for opposing these bills, because I think we should not create additional judgeships until we have taken care of the existing situation by raising the jurisdiction of these courts to a point comparable or at least somewhere near comparable with the jurisdiction which was intended when the courts were created. When they were created the $3,000 limitation was fixed. Certainly to raise that to $10,000 would get rid of a great many of these cases and would be today no more than making it equivalent to what it was when the courts were originally created. I hope that the gentleman as a member of the Rules Committee will oppose bringing additional bills of this kind to the floor until such action is taken by the Judiciary Committee.

Mr. SMITH of Virginia. I certainly expect to do so.

Mr. HOBBS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Alabama.

Mr. HOBBS. The amendment that has just been suggested by the distinguished gentleman and jurist from Virginia was offered to one of these judgeship bills on the floor within the last 10 days by the gentleman from Pennsylvania [Mr. WALTER] of the Judiciary Committee. Were he here I am sure he would do the same thing again.

I would like to ask unanimous consent that sections 1331 and 1332 of title 28 of the United States Code, Chapter 85, District Courts; Jurisdiction, be each amended by striking out the sign and figures $3,000 in each place they occur, and substituting $10,000. Both of those amendments will be made in the present bill, H. R. 9306, now pending in the Committee on the Judiciary, and as so amended that bill would be added as a final section to the bill now being considered.

Mr. SMITH of Virginia. May I ask the gentleman from Alabama, is it his intention when the first of these judgeship bills is called up to offer such an amendment?

Mr. HOBBS. We have been working on it. The trouble has been all the time that we could not get a correct evaluation of the dollar at the present time. When the $3,000 minimum limitation was put on Federal jurisdiction in the legislation of 1911, the dollar was worth a dollar, but now it is worth 41 cents, comparatively. We got that information yesterday. So this is some basis for our thinking on this subject.

Mr. SMITH of Virginia. I am encouraged to know that the Committee on the Judiciary really means this. We can settle this matter today by putting it at $10,000. If that is not enough, let somebody else change it, but it is certainly a step in the right direction.

Mr. HOBBS. That is why I am asking unanimous consent to amend both of these bills now.

Mr. SMITH of Virginia. I yield to the gentleman to propound his unanimous-consent request.

Mr. HOBBS. I make such a request.

The SPEAKER pro tempore (Mr. COOPER). The Chair would like to know what the request is. What is the request of the gentleman from Alabama?

Mr. HOBBS. To amend both the qualifying provision for Federal jurisdiction in suits in the United States district courts and also in statutes authorizing removal of cases from the State courts to the Federal courts, by substituting $10,000 for $3,000, wherever necessary to carry out the manifest intent.

The SPEAKER pro tempore. The Chair regrets that he is unable to understand just what the unanimous-consent request is.

Mr. HOBBS. There is a statute and, of course, no one knows it better than the distinguished lawyer who now occupies the chair, there is a requirement that for Federal jurisdiction of original suits in Federal district courts there must be involved $3,000 exclusive of interest and costs; section 1331 of title 28, United States Code. The same thing is true in the next section of the same statute. These sections affect removals from a State court to a Federal court.

The SPEAKER pro tempore. The Chair is aware of the statement made by the gentleman from Alabama; but what is the unanimous-consent request?

Mr. HOBBS. I ask unanimous consent to amend each section by changing the $3,000 to $10,000.

The SPEAKER pro tempore. The Chair feels that the gentleman should present his request in writing or in some form that the House may understand what the request is. If the gentleman is asking unanimous consent to offer an amendment, the Chair feels that the amendment should be written and the bill identified to which it is offered.

Mr. MICHENER. Mr. Speaker, there is a rule for a particular bill before the House at the moment. That is what we are considering. We are not considering the bill that the gentleman desires to amend. So I think he would have to offer his amendment after we get the bill before the House for consideration. I am in sympathy with what the gentleman wants to accomplish, but we cannot do it that way.

Mr. HOBBS. I realize it is technically subject to the germane provision of the rules of the House, but I hoped that we might have unanimous consent so to amend each of those two sections to which I refer. I can put the amendment in writing if the Chair desires.

Mr. DELANEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. DELANEY. We are now considering a rule, and I do not think the amendments are proper at this particular time.

The SPEAKER pro tempore. The Chair has indicated that it would be better to offer any amendment that is sought to be proposed in writing so that it may be clearly understood.

Mr. SMITH of Virginia. Mr. Speaker, the unanimous-consent request seems to me a little premature. But, I am awfully glad that we have had this discussion because it shows, so far as the discussion has disclosed, the unanimous opinion on the part of this House that here is a defect that is costing the Federal Government a great deal of money every year; a defect that can be corrected, that ought to be corrected, and can be corrected today, and I hope this House will do it.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Iowa.

Mr. GROSS. Then if this amendment is adopted, do we need these judges?

Mr. SMITH of Virginia. I am not familiar with this particular situation with which this rule deals, where there is already a judge in Pennsylvania, except that the bill deals with the repealing of the prohibition to appoint his successor. I understand that in Pennsylvania, where the docket is very much crowded, they need the continuation of that judge.

Mr. GROSS. Probably it will obviate the necessity for additional judges.

Mr. SMITH of Virginia. It will obviate the necessity for additional judges in the future and save the Federal Government a good deal of money. I hope such an amendment will be attached to these bills.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPEALING THE PROHIBITION AGAINST THE FILLING OF A VACANCY IN THE OFFICE OF DISTRICT JUDGE FOR THE DISTRICT OF DELAWARE

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 704 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6836) to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and I yield myself such time as I may desire.

Mr. Speaker, this resolution makes in order the bill H. R. 6836 to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware. I think most of the Members recognize the fact that nearly all corporations, for one reason or another, are formed in Delaware. The courts have a backlog of work having to do with antitrust cases and corporate actions. There are now two judges. In 1946, when the second judgeship was created, the bill provided that the vacancy shall not be filled when a vacancy occurred. This is to make permanent the second judgeship. I think that everyone who is familiar with the courts in Delaware recognizes the need of an additional judge. It simply makes the temporary judge permanent.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Iowa.

Mr. GROSS. How many judges do they have in Delaware?

Mr. DELANEY. They have two. One was appointed under the act of 1789, and it was not until 1946 that the second judge was appointed. This resolution makes the second judge, instead of temporary, permanent.

Mr. GROSS. Can the gentleman tell me what the population of Delaware is?

Mr. DELANEY. I do not know; I have no idea. But, I think the gentleman will recognize the fact that most people who form corporations go to the State of Delaware because of the favorable corporate laws. I can say this, there is a greater backlog of corporate cases in Delaware than in any other portion of the country, and at the present time they have more antitrust actions in Delaware than any other section of the country. Therefore, there is need for this additional judge. I think the gentleman will also recognize that in corporate actions for accounting or for any other reason, it sometimes entails long trials, as much as 3, 4, and 5 months. That prevents those awaiting trial an opportunity to be heard.

Mr. ALLEN of Illinois. Mr. Speaker, after my good friend the gentleman from New York [Mr. DELANEY] so ably explained the bill, there is really very little left to say. I am sure that this rule will be adopted unanimously after his clear remarks.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL DISTRICT JUDGE FOR THIRD DIVISION OF DISTRICT OF ALASKA

Mr. SMITH of Virginia. Mr. Speaker, on behalf of the gentleman from Georgia [Mr. Cox] I call up a resolution (H. Res. 705) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3775) to provide for an additional district judge for the third division of the district court for the district of Alaska. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself 1 minute.

Mr. Speaker, this resolution makes in order a bill for the creation of one additional judgeship in the Territory of Alaska. There are now four judges there, and this will increase the number to five. I might say that this judgeship is not affected by the questions which were raised in the discussion by myself and others on a previous resolution. These are territorial courts having general jurisdiction handling all the business in the Territory, and it seems that the courts there have become very much congested.

Mr. Speaker, I know of no objection to either the rule or the bill.

Mr. Speaker, does the gentleman from Illinois [Mr. ALLEN] desire to use any time?

Mr. ALLEN of Illinois. Mr. Speaker, I yield back the balance of my time.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. COOPER). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL DISTRICT JUDGE FOR NORTHERN DISTRICT OF OHIO

Mr. BYRNE of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7570) to provide for the appointment of one additional district judge for the northern district of Ohio.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7570, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BYRNE of New York. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, Ohio, which is a part of the sixth judicial district, is divided into two districts, the northern and the southern. The northern district comprises two divisions covering 40 counties. Court is held at Cleveland, Youngstown, Lima, and Toledo, all large cities. At present there are four permanent judgeships for this district. At the present time, however, there are only three judges, since one judge retired on August 31, 1949, and the vacancy resulting therefrom has not been filled.

This bill was recommended by the judicial conference of the United States at its annual meeting in September 1949.

Mr. Chairman, I have a report here from Mr. Henry P. Chandler of the Administrative Office of the United States Courts.

I will quote from that because I think it completely fills the entire scope of argument which might be made in favor of the passage of this bill:

The law thus provides for four district judges for the district involved. At present there are only three active judges for the district. Judge Robert N. Wilkin, of the district, retired on August 31, 1949, and the resulting vacancy has not been filled. Of the three active judges, two, Chief Judge Paul Jones and Judge Emerich B. Freed, have their headquarters in Cleveland, which is the seat of the eastern division of the district, as does retired Judge Wilkin when he is performing judicial duties. Judge Frank L. Kloeb, who is next senior in service to Chief Judge Jones, has had his headquarters continuously since his appointment in Toledo in the western division of the district where he resides.

The salient facts in relation to the business of the court are shown in the accompanying tables which have been prepared by the Division of Procedural Studies and Statistics of this office. The significant fact which they show is a marked increase in the civil business of the court in the last 10 years, and a civil case load per judge which is considerably above the average for the country. The total number of civil cases filed in the district, which was 661 in 1940, was 1,176 in 1949. The number of cases filed in the first half of the present fiscal year 1950 was 611, which would be at a rate of considerably more than 1,200 for the year, the number of cases filed in the second half of each fiscal year being normally above that filed in the first half. A high number of civil cases was filed in the years 1946 and 1947 but this was not so significant of the demand upon the time of the judges as the present inflow of civil cases because in the earlier years a large proportion of the cases were cases in relation to price regulations which, as a class, were quickly disposed of.

The increase in the burden upon the court and the judges is especially shown by the increase in the number of private cases filed in recent years, because it is these cases which by and large take the greatest amount of time on the part of the judges for disposition per case. The number of private civil cases begun in the district, which was 443 in 1940 and declined to a low point of 242 in 1945, rose to 488 in 1947, 515 in 1948, and 639 in 1949. The number of such cases filed in the first half of 1950, 371, points to a number of well over 700 and probably close to 800 for the year. (The figures thus far given are drawn from table 1 of the accompanying tables.)

As appears from table 1, the number of criminal cases brought in the court, while it has gone up and down in the last 10 years, is not above the number 10 years ago, and the number of bankruptcy cases, as in virtually all parts of the United States, has greatly decreased. These cases are, however, a minor factor in measuring the load of the court. A large proportion, something like 85 percent as a rule, of criminal cases are disposed of on pleas of guilty and do not require proportionately a large amount of time of the judges. Bankruptcy cases, save for occasional reviews by the court and large reorganization cases, are handled almost altogether by the referees in bankruptcy.

The load per judge of civil cases in the northern district of Ohio formerly, in comparison with the other districts in the States having only Federal jurisdiction, 84 in number excluding the District of Columbia, and now in comparison with the load in those districts and also in the districts of Hawaii and Puerto Rico which are included in chapter 5 of title 28 of the United States Code, is shown by the attached tables 2 and 4. As there appears, the number of civil cases per judge filed in the northern district of Ohio in 1949 was 294 in comparison with an average civil case load per judge in the 86 districts of 217. The number of private cases filed per judge in the northern district of Ohio in the same year was 160, compared with an average number of 110 private civil cases per judge filed in the 86 districts (table 2).

The number of civil cases based on diversity of citizenship filed in the northern district of Ohio in 1949 was 95 per judge compared with an average of 62 such cases per judge filed in the 86 districts. Personal-injury cases growing out of accidents are a type of litigation that take a proportionately high amount of the time of the judges per case. There were 39 personal-injury cases growing out of automobile accidents filed per judge in the northern district of Ohio in 1949, compared with an average of 19 in the 86 districts, and 25 suits for personal injuries resulting from other causes filed per judge in the northern district of Ohio in 1949, compared with an average of 12 such suits in the 86 districts (table 4).

The inability of the court to cope with the rising volume of civil litigation is shown by the increase in the number of such cases pending at the end of each year in recent years. The number at the end of 1940, 588, had risen to 1,025 at the end of 1949, and 1,104 at the end of the first half of the current fiscal year on December 31, 1949. The number of private civil cases pending, which was 485 at the end of 1940, was 648 at the end of 1949, and 749 at the end of the first half of the present fiscal year (table 1). The percentage of civil cases terminated by trial, exclusive of land condemnation, habeas corpus, and forfeiture proceedings, which have been terminated within 6 months from the time of filing in the northern district of Ohio, has been consistently less than the percentage terminated within that period in the districts of the country generally. Also the median time from filing to termination for the disposition of such cases has been not greatly longer but somewhat longer in the northern district of Ohio (table 3).

The increase in pending civil cases and the mounting backlog of the court have been due to some extent to the fact that only three of the four authorized district judgeships have been filled since the retirement of Judge Wilkin, and Judge Wilkin on account of illness had been unable to sit for some months before his retirement.

During this period, however, the court has been assisted by both circuit and district judges who have been temporarily assigned to sit in the district from other locations in the circuit. It appears clear that five resident judges are requisite and will be needed permanently in order to handle the business of the district with reasonable expedition.

Other reasons are set forth. Then Mr. Chandler concludes as follows:

For the reasons stated above in this letter the pending bill is essential in order to enable the court to serve the public properly, and I trust that it may be enacted. The urgency is great.

That is the situation in this particular district. In the testimony before our committee Judge Allen, a lady from the State of Ohio who is very well acquainted, of course, with conditions in the court, spoke very fully. She was delegated apparently by the chief judge of the circuit to appear before our committee and testify. It was very manifest to us who sat and listened to the witness that in the interest of judicial procedure, in the interest of the welfare of the residents of that particular district, and in the interests of justice there should be another judge appointed shortly to the vacancy that is now caused by the retirement of this one particular judge.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, this bill before us today is the most lacking in merit of any of the judgeship bills which have been submitted to us. I hope to enlist the opposition of more of my friends on the right than has been evident heretofore.

The situation is briefly this, and it can be very succinctly put: There are four judges now in the northern district of Ohio. They are authorized. They want to create by this bill a fifth judgeship. Of the four now authorized there has been a vacancy in this court since August 31 of last year, practically a 1-year vacancy, which has not been filled. From here on I shall have to speak from rumor rather than personal knowledge, but my understanding is that the two factions of the Democrat Party cannot agree on who should be named for this fourth judgeship; so the device is originated of asking us to create a fifth judgeship which will permit both factions of the Democrat Party to be satisfied.

I shall be happy to yield to my colleague from Ohio who may be able to clarify the situation.

Mr. FEIGHAN. To the best of my ability I will try. So far as I have been able to ascertain, there has been no argument or difference of opinion with reference to the Democratic organizations in the State as to the qualifications and ability of the man whom they have recommended, but he has not been appointed. It is not a question of the Democratic Party in any way being at odds with reference to the ability and qualifications of the man whom they have endorsed.

Mr. KEATING. I may have been misinformed about the schism in the Democratic Party in that area. If they are all agreed upon a certain man, the fact remains that he has not been appointed and the vacancy still exists, and has existed since last year; no appointment has been made.

Before another judgeship is created in this district the present vacancy should be filled. That is a principle to which I am sure anyone will agree. In my motion to recommit I shall ask to recommit this bill to the Committee on the Judiciary until such time as all existing vacancies in this district have been filled. I cannot understand how anyone could support a bill of this kind until the present existing vacancy has been filled.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. MICHENER. The gentleman from Ohio [Mr. FEIGHAN] has clarified the situation, as far as the factional difference in Ohio is concerned; in other words, he answered that there was no factional difference and that the Ohio Democrats have all settled upon a candidate.

I want to call the attention of the House to the fact that the law places the duty of nominating judges on the President; it is his duty to select a qualified man and send that name to the Senate. If the Senate finds the man not qualified, it refuses to confirm. If the Senate concurs with the President in his recommendation, then the man is appointed. Therefore, the trouble must lie in the White House because the President has not sent in a name to the Senate for confirmation in over a year. I may say to the gentleman that this district is contiguous to the congressional district which I have the honor to represent in Congress and I know of my own knowledge that they do need a judge right now. They have needed one for months and they should have one, but I think the Congress would be remiss in its duty if it created a new judgeship when a vacancy has existed for more than a year.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MICHENER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. KEATING. Mr. Chairman, I entirely agree with the gentleman, we would be remiss in our duty, and I point out to those who have voted in favor of the preceding judgeship bills that they should not be governed by what they may have done on previous bills. This is the first one that has come before us where there is an existing vacancy which has existed for a year and where they are now coming in asking the Congress to create a new judgeship when there is already the opportunity and indeed the duty to appoint a judge to an existing vacancy.

The report of Mr. Chandler, to which my distinguished friend from New York, chairman of the subcommittee, has referred, is quite apologetic. You will find on page 3 his statement that the increase in pending civil cases, to which the gentleman referred, and the mounting backlog of that court, to which he has referred, have been due to some extent to the fact that only three of the four authorized district judgeships have been filled since the retirement of Judge Wilkin. Then here is an additional point. Judge Wilkin, on account of illness, had been unable to sit for some months before his retirement. So, if the President will perform the duty which is now his of appointing a judge to the existing vacancy, that should take care of this situation completely.

Mr. Chairman, I should like to refer to page 5 of the report. Mention has been made of the case load of both civil and criminal cases pending in this Ohio district. As you will see by the table at the bottom of page 5, the civil cases have been running along in this Ohio district some years a few more and in some years a few less than the national average throughout the country. When you come to the second column covering criminal cases you will find, and I compliment the gentleman from Ohio on this, that the number of criminal cases per judge in Ohio is well below the national average. So that if you will take the two columns at the top of page 5 and add together the civil and criminal cases, as I have done, and follow this table down from the year 1940 to date and compare the number of civil and criminal cases in this district with the average number of civil and criminal cases in districts throughout the country, you will find that they run year after year substantially below the national average.

In the year 1940 there were 249 as against 331 throughout the country. I will not belabor the committee with the figures down through the years, but shall insert those with my remarks. Thus for 1941 there were in this district 258 against 329 average country-wide; for 1942, 248 against 342; for 1943, 296 against 348; for 1944, 317 against 380; for 1945, 361 against 404; for 1946, 438 against 492; for 1947, 369 against 444; for 1948, 292 against 372; and for 1949, 380 against 379. Right down to that last year there have been substantially less cases with four judges, mind you, not the fifth that is sought to be created here, but with the four judges, than the national average. The case load per judge has been consistently substantially less in this district than the average throughout the country.

If you will refer to page 6 and the following page you will find the median time between the filing of the case and its disposition, which is, of course, an important factor. You will find that the median time in this district last year was 11 months. The average throughout the country was 10.4 months. That was the year in which for the last part of the year there was no judge sitting at all, and for many months before that he was ill and not able to sit.

So it is fair to conclude from that that the cases are being disposed of or will be disposed of by these four judges—not the fifth judge created here—somewhat faster than is the national average.

Mr. BURKE. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Ohio.

Mr. BURKE. I just wanted to ask the gentleman this question. The number of cases is not always indicative of the case load, and I believe the gentleman pointed that out in the statement that he just made. However, I would like to point out that in my particular district our Federal judge has been engaged in an antitrust case of several years duration, with many thousands of pages of testimony being taken and that, of course, has built up a backlog of both civil and criminal cases on his docket.

Mr. KEATING. That is true. The gentleman is quite correct in his statement that you must not place too great emphasis upon the generalization as to the number of cases involved. However, so far as I know and so far as this record discloses, there is no preponderance of long and involved cases in this district as against other districts. The same factors to which the gentleman from Ohio has referred also apply, of course, in the other districts throughout the country which go to make up the national average, so that, so far as I know, that would iron out across the board.

Mr. BYRNE of New York. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from New York.

Mr. BYRNE of New York. Has the gentleman recognized the number of judges that were brought in from other places throughout the country? Two were brought in. They have filled in with other judges, you know.

Mr. KEATING. Oh, I have no doubt about the fact that judges have been brought in when the backlog got too great, as is the general practice throughout the country from time to time. That, again, would apply to all of the 86 districts throughout the country. There is nothing to indicate in this record that an inordinate or unusual number of judges has been brought in from the outside to do the work and, if they have, it has been due, first, to the illness of one of the sitting judges, and then to the failure on the part of the President to appoint a judge to fill the vacancy caused by his retirement.

Mr. BYRNE of New York. The gentleman also recognizes that the case load has increased very heavily in the last few years.

Mr. MICHENER. Well, it should, with one judge short.

Mr. KEATING. As to the case load, I am very happy the gentleman brought up that point, because it emphasizes a factor which I was mentioning. The gentleman speaks of the case load per judge for the last 2 or 3 years. Let us take the year 1947. The case load per judge in this northern district was 369 and on the average across the country it was 444. In 1948 it was 292 in this district and across the board it was 372. In 1949, as I have pointed out, it was the same in this district as the general average across the country. Furthermore, those figures are based on the existing number of four judges. If we were to authorize a fifth judge, it would throw those figures still further out of line. In other words, there would be serious doubt or at least some doubt, if we were here with a bill to make permanent a present existing fourth judge; there would be at least some doubt whether we should do that; whether there is

really a need for the fourth judge. I am inclined to share the view of the gentleman from Michigan that there is a need for the fourth judge whose appointment has for some inexplicable reason been delayed by the President. But, there is certainly no proof here, nothing whatever, on which this House can base a case for the creation of a new fifth judgeship.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BYRNE of New York. Mr. Chairman, I yield 7 minutes to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, the very able chairman of the subcommittee, the gentleman from New York [Mr. BYRNE] has outlined, I think, in a very clear manner the urgent need for an additional judge, especially because of the heavy case load within recent years, in the northern district of Ohio. As the gentleman stated, court is held in four places, the large metropolitan cities of Cleveland, Toledo, Lima, and Youngstown. This district includes many thriving centers of industry, shipping, and agriculture. In addition to the four large cities in which the court sits, the district includes Akron, Canton, Massillon, Alliance, Ashtabula, Painesville, Elyria, Lorain, Norwalk, Sandusky, and Mansfield.

These cities are the sites of many large and small industries. This district is one of the heaviest patent districts in the United States, and it encompasses the entire scope of industry. It includes a good deal of the aircraft industry. It has the heart of the tire and rubber industry in Akron, and a very substantial segment of the steel and glass industry.

It is my feeling that the people in every Federal district should have courts available within which to seek legal redress. If there is a need for an additional judge, I believe it places a duty incumbent upon the Congress to provide facilities sufficient to enable the people to settle differences in court, and also to provide for the prosecution of criminal cases.

It is with no small degree of pride that I am happy that the gentleman from New York [Mr. KEATING] referred to the small number of criminal prosecutions in our Federal district. However, the urgent need for the creation of an additional judgeship is based primarily on the increased number of important and involved civil cases that have been filed.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

I assumed that was because the crimes were not committed in the gentleman's district.

Mr. FEIGHAN. That is the proper conclusion, and assumption, and I am very glad that you were keen enough to catch it.

Mr. KEATING. I am very happy that is the situation.

Mr. FEIGHAN. The judicial conference and the Ohio State Bar Association and local bar associations have attested to the need for an additional judge.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield.

Mr. KEATING. Has the gentleman ever known a bar association to oppose the creation of a new judgeship?

Mr. FEIGHAN. I understand it happens quite frequently when there is no need presented. In this particular instance, where the need has been shown without any doubt, the bar associations have vigorously advocated creation by Congress of an additional judgeship.

Mr. KEATING. If that is the attitude of the bar association in the gentleman's district, that they do frequently oppose the creation of additional judgeships, either Federal or State, I want again to commend the gentleman on the rather unusual district which he represents.

Mr. FEIGHAN. I thank the gentleman.

These recommendations were made by both Democrats and Republicans alike, and their recommendations were based upon the study of the needs. Statistics, I admit, are cold. Sometimes they do not reflect the exact burden which is upon the court. Although figures are sometimes misleading, it is of interest to note that the number of filings in Cleveland are substantially the same as those in Detroit where there are presently five Federal judges to deal with court business. The real truth, however, is that it is extremely difficult to compare filing figures so as to obtain conclusive, useful standards. One case, in its complexity and its magnitude, may require vastly more effort and more time from a judge than a dozen ordinary run-of-mine lawsuits.

For a variety of reasons the Federal judges in Cleveland must deal with a great many cases of extraordinary difficulty and scope. For example, one judge was compelled to preside in an antitrust lawsuit which required over 5 weeks for the actual trial. Before the trial was begun the case had entailed an almost interminable amount of time with preliminary motions and hearings. There are numerous other antitrust lawsuits pending and it is anticipated that more will be filed, in view of the fact that the Government has recently opened in Cleveland what has been termed the Great Lakes office of the Antitrust Division.

I believe that no court can function effectively or with the dignity that ought to clothe it, if it is desperately overburdened or if the litigants who appear before it have been delayed too long. As we know, witnesses often die before a case is reached for trial, or move to another jurisdiction which increases the burden of the litigants.

Justice delayed is justice denied. Congress has the responsibility within its power to alleviate further injustices. The docket is in a state of delay and arrears. The condition of the docket in the eastern division is causing an unreasonable delay in the handling of civil cases. The jury assignment, at Cleveland, last April assigns for trial some 50 cases. The last of these 50 cases on the assignment list have been pending approximately 1½ years. Cases that have not been pending in the court for at least 1½ years have not even been placed on the assignment list and will not be reached for trial before next fall, at the earliest.

I could, with sufficient time, enumerate the tables, particularly with reference to the civil cases, which show that the case load for a judge in the northern district of Ohio far exceeds the average case load per judge in the 86 districts. The fact that a judge has not been appointed to fill the vacancy may create in your minds doubt as to the wisdom of creating an additional judgeship. Justification can logically be found in the heavy burden upon the court and the fact that litigants have not been able to get legal redress to which they are justly entitled.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield.

Mr. KEATING. What is the cause of that? Is not the first and primary cause the failure of the President to appoint to the existing vacancy?

Mr. FEIGHAN. That is a contributory cause, but it certainly is not the reason for the continued filing of these cases and the continuous overburdening of the court.

Mr. KEATING. Would not the gentleman agree with me that the first step to be taken is to fill the existing vacancy, before creating a new judgeship?

Mr. FEIGHAN. Well, the answer to that is there should be two judges. Whether the vacancy should be filled before an additional judgeship is created is a matter of no particular importance if your concern is to render to the people an opportunity for legal redress.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. MICHENER. Mr. Chairman, there is not much to this to argue about. There is not any question in my mind, and I have studied the cases, but that this district needs another judge there right now. They have needed one, in my judgment, for a whole year. But the cases have been piling up because for months, as stated by the gentleman from New York [Mr. KEATING], one judge was ill. He could not carry his part of the burden. He retired. The President was notified, and the President possibly has not been able—in his judgment—to find a qualified lawyer in this district to be appointed to the judgeship. That must be the reason, if the reason is not political.

Now, I am familiar with this district. There are some of the best lawyers in the United States, both Republicans and Democrats, a great many of them very capable, outstanding lawyers, and many of those capable and outstanding Democratic lawyers would be tickled to death to get this appointment. The same is true with the Republicans, although they do not even have hopes or prospects in the present administration. So I am talking for the Democratic lawyers and the other good lawyers of that district. If the President of the United States wants to assume the responsibility and make it impossible for justice to be administered in these courts, then I think it little behooves the Congress of the United States to attempt to solve his political difficulties by creating more judges, more marshals, more clerks, more

salaries, more everything that goes with a court.

Toledo, Ohio, of which the gentleman from Ohio [Mr. BURKE] just spoke, is within 32 miles of my home city. I have talked with the lawyers down there. The gentleman from Ohio [Mr. BURKE] knows the situation. He is honest and fair about it. The President ought to appoint somebody; and I, for one, am not going to set a precedent to create a new judgeship when there are vacancies existing.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. FEIGHAN. I would like to call attention to the fact that the judicial conference recommended the appointment of an additional judge within 2 weeks after the judge resigned, which created a vacancy presently existing. So their recommendation was based upon the need, and that is the basis upon which this bill is presented.

Mr. MICHENER. Yes. Now, that emphasizes what I have been trying to say. They need a judge there. The need is greater every day. They have called in a lot of outside judges from other districts, where they are needed at home, to take care of emergency cases; and still the President for some reason—I do not know what it is—will not appoint a judge. If he is in doubt I would suggest this to him, that he ask the bar associations of this district to select a good Democrat for judge. They would recommend a man who would be satisfactory to the bar and to the people. Let the President then name that man and not make him run through the political screen.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. SMITH of Wisconsin. I am wondering why the gentleman is suggesting that they appoint a good Democratic judge; why not a good Republican judge?

Mr. MICHENER. The gentleman from Michigan is a realist. Therefore I am accepting the facts as they are; we all know the next judge will be a Democrat; and there are good Democratic lawyers in Ohio. I should like to see one of them appointed.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. HOFFMAN of Michigan. I think the gentleman about expresses the sentiments of the Republicans, who realize they are going to pick Democrats. What the gentleman means is that, realizing that the President is going to appoint a judge, he will be greatly pleased if he will appoint a good Democrat.

Mr. MICHENER. That is what I attempted to say.

Mr. HOFFMAN of Michigan. That is what I thought.

Mr. MICHENER. I used clumsy language, perhaps.

Mr. HOFFMAN of Michigan. No; you said that there were good Democrats. I agree with that. What I have never been able to understand is why the President has to step out of his party ranks and pick someone who may be a good judge—maybe.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. FEIGHAN. I am sure that all Democratic judges will be very much pleased by the very generous remarks of my distinguished colleague. I wish to say also that there are exceptionally able Republican lawyers.

Mr. HOFFMAN of Michigan. And judges.

Mr. FEIGHAN. One of whom was very justly elevated to the Supreme Court. I refer to Mr. Associate Justice Harold Burton.

Mr. MICHENER. I quite agree with the gentleman. However, I do not want to be misunderstood. Some of the Democratic lawyers, and there are good ones—Republicans and Democrats—came to see me about this judgeship; they said they needed help. But they did not tell me that there had been a vacancy, that a vacancy existed. I told them that I was satisfied they did need help, and that they should take it up with the gentleman from Cleveland [Mr. FEIGHAN], a member of the Judiciary Committee; that I would assist him and that he would undoubtedly get what they needed, whatever that was, because he was fair, he was honest, and he was influential. When I got back to Washington I found that the real trouble was that they could not agree on a political judge in Ohio. Whether it is the President or the factions or who it is I do not know, but I am convinced that that is the question really before the Congress right now.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. ELSTON. Does not the gentleman feel that a great many of these judgeships could be vacated if the law were amended with respect to transferring to the Federal courts cases where there is diversity of citizenship?

Mr. MICHENER. Yes; and there is such a bill under consideration. The gentleman from Pennsylvania [Mr. WALTER] offered an amendment to one of these bills the other day, but he did not get anywhere on the ground that it was not germane. The Committee on the Judiciary has prepared a bill; I think it has been reported favorably. It will take care of that very situation, and I favor it.

Mr. ELSTON. Does not the gentleman believe that under the circumstances it would be well to defer the appointment of Federal judges until that law is enacted? I think we all recognize that the $3,000 limitation that was established many years ago, when $3,000 was worth a whole lot more than it is worth today, is inadequate. We all know a great many cases are transferred to Federal court that ought not to be there. When foreign corporations get into court they transfer their cases to the United States court when there is no particular reason for doing it. But that situation has burdened the Federal courts with a tremendous amount of litigation, and that burden could have been avoided had the bill to which the gentleman refers had been passed.

Mr. MICHENER. I quite agree with the gentleman.

Mr. LANE. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. LANE. May I say to the gentleman from Michigan that the Honorable Edward B. Freed, judge of the district court, in testifying before the subcommittee on this bill, stated, and I take this answer from his testimony as it appears in the record:

> The present almost staggering backlog in the Northern District of Ohio has been occasioned in some measure by the failure to fill the vacancy created by the retirement of Judge Robert N. Wilkin by reason of physical disability. However, it is my sincere belief and the belief of my colleagues that the situation would have become critical even if that had not occurred.

Mr. MICHENER. That is probably true. He did not, of course, mention these other judges who were taken away from their duties and brought in there to serve where a judge should be appointed. To you gentlemen who talk about economy, may I say that every time you call on a judge to go into another district you have to pay extra compensation to that judge who goes into the district; so that by reason of the failure on the part of the President to designate and appoint a new judge here, additional expense has been incurred so far as the taxpayers are concerned.

Mr. BYRNE of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. YOUNG].

Mr. YOUNG. Mr. Chairman, it appears that whenever the Congress has not anything else to do we sit here and create new judgeships. Personally, I propose to vote for the Keating motion to send this bill back to the Committee on the Judiciary.

May I preface what I am going to say with just a personal reference or two. I have been a practicing lawyer for many years in Cleveland. At the time I was elected to the Congress in 1948 I had some 200 lawsuits I was personally handling pending in the courts of Cuyahoga County and elsewhere in Ohio and in the United States District Court, both civil and criminal. I think I know something personally about the situation.

If you will pardon a further personal reference, I am a member of the Cleveland Bar Association, I have been an officer of the Cuyahoga County Bar Association and following my return in 1946 I served for two terms as president of the War Veterans Bar Association of Cleveland and I am also a member of the Ohio State Bar Association.

The United States judges in Cleveland are very outstanding men. There is Judge Paul Jones, of Youngstown, who has been a United States district judge since 1921, I believe, one of the very distinguished and one of the most industrious judges in the entire country. There is Judge Emerich B. Freed, of Cleveland, and Judge Frank L. Kloeb, former Member of this body. They are hard-working judges. They stand out as eminent jurists who are exceedingly hard working. They are three United States judges, Mr. Chairman, who do

not take the 3 months' vacation that most United States judges take, from June to October. If the judges generally throughout the country would work as hard as executives in business and take not more than 1 month's vacation, I do not think we would have people coming in and associations coming in and asking for additional United States district judges.

Mr. Chairman, let me give you some figures. In 1949 the total civil cases and criminal cases per judge in the northern district of Ohio was 380. The total average throughout the country in 84 districts was 379. As was stated, in August 1949, Judge Robert N. Wilkin retired on account of disability. He had been disabled for some months before. Of course, the lawsuits have piled up.

Since August 31, 1949, there has been a vacancy that has not been filled. I feel, like the gentleman from New York, that this vacancy should first be filled before we go ahead and create a new judgeship.

Let me argue that the Judiciary Committee, a great and powerful committee of this House, is going about things backward and deserves criticism from us for not bringing in a bill to raise from $3,000 to $10,000 or $15,000 the diversity-of-citizenship clause. In northern Ohio we have the Pennsylvania Railroad, a foreign corporation, that runs through our State; also the Baltimore & Ohio Railroad runs through the State of Ohio, and is a foreign corporation. As the gentleman from Michigan [Mr. MICHENER] knows, the great big trucking companies of Ohio as well as Michigan are, as a rule, chartered in Detroit, Mich. So when there is an accident on the streets of Cleveland or elsewhere, I, as a lawyer for an injured person, must sue for $2,999 because if I sue for more than that amount, then the case is just arbitrarily taken under this diversity-of-citizenship clause to the Federal court. That has been used as a racket by corporations to transfer cases to United States courts and thereby depriving litigants with claims from prosecuting those claims in their county courts and having jurors in their own communities pass on the merits of the lawsuit.

Let me say in that connection that the number of civil cases to the court for diversity of citizenship in United States district court by reason of removal in the northern district of Ohio in 1949 was 95 per judge. The average in 86 other United States district courts is only 62 per judge. I assert that at this time this bill should be defeated.

The Cleveland Press, in an editorial, stated as follows, and I embody this as part of my remarks:

A half century ago Congress decided that any suit for $3,000 or more in which the defendant lived in another State could be taken to Federal court if the defendant requested it.

The $3,000 provision was established because of a tendency of some local and State courts to be prejudiced in favor of citizens who sued the big corporations. Such prejudice may still exist in some places, and for that reason it is conceded some kind of protection for the corporation may be justified.

But $3,000 was a lot of money in 1890, though it is not so much now. As a matter of fact, that prejudice no longer exists. If the Committee on the Judiciary would bring in a bill raising this limitation from $3,000 to $10,000, and we tried that out for a while, you would find that the total of these civil cases would drop off tremendously, and you would find that four judges as now provided for by law would probably be able to carry the load.

It does seem to me, Mr. Chairman, that the situation is very acute in Cleveland. We all agree, just as my distinguished colleague, the gentleman from Ohio [Mr. FEIGHAN] said, that justice delayed is justice denied, but the thing for us to do is to send this bill back to the committee, and the thing for the Committee on the Judiciary to do is to bring in that remedial legislation which is so sorely needed by the people of this country, and which would probably pass both branches of Congress with unanimity. If the President will fill this vacancy that has existed for about a year, we could try it out a little while, and then maybe next year determine if an additional United States judge for the northern district of Ohio is necessary.

The CHAIRMAN. The time of the gentleman from Ohio has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, one additional district judge for the northern district of Ohio.

With the following committee amendment:

At the end of the bill add the following: "Accordingly, title 28, United States Code, section 133, is amended to read as follows with respect to said district:

"'Districts:	Judges
* * * * *	
"'Ohio:	
"'Northern	5'"
* * * * *	

The committee amendment was agreed to.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 1, after line 12, insert the following new paragraph:

SEC. 2. That sections 1331 and 1332 of title 28, United States Code, are amended to read as follows:

"§ 1331. Federal Question; Amount in Controversy

"The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy exceeds the sum of value of $10,000, exclusive of interest and costs, and arises under the Constitution, laws, or treaties of the United States.

"§ 1332. Diversity of Citizenship; Amount in Controversy

"(a) The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and is between—

"(1) citizens of different States;

"(2) citizens of a State, and foreign states or citizens or subjects thereof;

"(3) citizens of different States and in which foreign states or citizens or subjects thereof are additional parties.

"(b) The word 'States', as used in this section, includes the Territories and the District of Columbia."

Mr. BYRNE of New York. Mr. Chairman, I make the point of order that the proposed amendment is not germane.

Mr. SMITH of Virginia. Mr. Chairman, I make the point of order that the point of order comes too late. I have been recognized and was on my feet and speaking at the time the gentleman rose.

The CHAIRMAN. The gentleman from Virginia had not begun his remarks when the point of order was raised.

Mr. SMITH of Virginia. Mr. Chairman, if the gentleman from New York does not wish to be heard on his point of order, I would like to be heard.

The CHAIRMAN. The gentleman from New York was on his feet seeking recognition at the time.

The Chair will hear the gentleman from New York on the point of order.

Mr. SMITH of Virginia. Will the gentleman from New York reserve his point of order?

Mr. BYRNE of New York. Yes.

The CHAIRMAN. The gentleman from New York reserves the point of order. The Chair recognizes the gentleman from Virginia in support of his amendment.

Mr. SMITH of Virginia. Mr. Chairman, it seems that there may be quite some controversy on some of these bills and it seems that the Committee on the Judiciary is not in very good shape on this particular bill. We discussed this question of raising the jurisdictional limit from $3,000 to $10,000 here a little while ago when the rules were being considered, and there was a unanimity of opinion that it ought to be done. I take it there is still a unanimity of opinion, that if you raise this jurisdictional limit from $3,000 to $10,000 you will avoid many injustices which now occur through this blue-ribbon system of juries that they have in the Federal courts and you will save the Federal Government many, many millions of dollars.

If everybody thinks this ought to be done and everybody is in favor of doing it, it strikes me that it is not the part of wisdom for the member of the Committee on the Judiciary in charge of this bill to now raise a point of order on this amendment which will prevent from being done the very thing that every member of the Committee on the Judiciary who spoke here this morning agreed ought to be done and ought to be done now.

I do not care to argue the point of order. I concede the point of order. But I am appealing to the gentleman in charge of this bill that he ought not to raise the point of order now and that if he does raise it, I think it will raise further opposition to his bill.

Some of the gentlemen who are here now were not here this morning when this matter was discussed. Under the

situation as at present, if there is a diversity of citizenship between the parties, and there is as much as $3,000 involved, the case may be removed from the State court to the Federal court. That is done, as was pointed out here this morning, and again by the gentleman from Ohio [Mr. YOUNG] where a citizen sues the corporation in a damage suit or in any other kind of suit, and the foreign corporation immediately goes into the Federal court and removes that case to the Federal court so that this citizen of Ohio, or this citizen of New York, if you please, does not have the opportunity usually afforded a citizen of trying his case before a jury of his fellow citizens, a jury of people who know him and a jury of people in his neighborhood. No, he goes off here to some city where there is a Federal court and the Federal court selects a jury by this blue-ribbon system, a jury that very often is composed of people who are not in sympathy with the justice of the case of this citizen of your community.

This case is one which justice demands a remedy in this situation which is bad and a situation which is costing the Treasury of the United States millions of dollars and which the Committee on the Judiciary knows is costing millions of dollars, and which it has been said, the Committee on the Judiciary time and time again would bring out and offer this bill to the House. Yet, these judgeship bills come, and nothing is done about it.

I appeal to the gentleman from New York not to make a mistake and raise the point of order against this just and proper amendment which everybody is in favor of.

The CHAIRMAN. Does the gentleman from New York [Mr. BYRNE] insist on his point of order?

Mr. BYRNE of New York. Mr. Chairman, under the circumstances I must insist on the point of order. We have bills of a character which will remedy the condition which is complained of in our committee, and it would be absolutely unfair.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BYRNE of New York. I yield.

Mr. SMITH of Virginia. Yes; that is what we are complaining about. The bill is in your committee. It has been there for years and you will not report it out of your committee, and give the Congress a chance to pass it.

Mr. BYRNE of New York. Mr. Chairman, I regret, nevertheless, that I must insist upon the interposition of my point of order.

The CHAIRMAN. Does the gentleman from New York desire to be heard further on his point of order?

Mr. BYRNE of New York. Not at this time, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. SMITH of Virginia. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman from Virginia concedes the point of order. The Chair sustains the point of order.

Mr. KEATING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I by no means intend to be critical of the gentleman from New York because I realize he is occupying a position of responsibility in charge of this bill, and is under an obligation to do whatever he feels should be done to protect the bill and to protect the jurisdiction of his committee, but in view of his action with regard to this point of order it seems to me that all those who feel as does the gentleman from Virginia that the first step which the Committee on the Judiciary should take should be to report a bill raising the jurisdictional amount from $3,000 to some larger figure should support a motion to recommit this bill. Insofar as that is concerned, I think it should apply as the gentleman from Virginia has intimated to any of the measures to create additional Federal judgeships. The first thing we should do is to raise this jurisdictional limit and see then, as the gentleman from Ohio [Mr. YOUNG], has indicated, whether that does not take care of the situation without going all through the country creating these additional judgeships.

In addition to that, as to this particular bill, the gentleman from Ohio [Mr. YOUNG] mentioned the possibility of an amendment.

It is not my intention to offer an amendment to the bill, but I do intend to offer a motion to recommit the bill to the Committee on the Judiciary until such time as any vacancies existing in the northern district of Ohio have been filled. Certainly we should not act until that has been done in the first instance.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEATING] has expired.

Under the rule, the Committee will rise.

Accordingly the Committee rose; and Mr. COOPER having assumed the Chair as Speaker pro tempore, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7570) to provide for the appointment of one additional district judge for the northern district of Ohio, pursuant to House Resolution 707, he reported the same back to the House, with an amendment adopted in Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. KEATING. Mr. Speaker, I offer a motion to recommit, which I send to the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. KEATING. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies, and the Clerk will report the motion offered by the gentleman from New York.

The Clerk read as follows:

Mr. KEATING moves to recommit H. R. 7570 to the Committee on the Judiciary until such a time as any vacancies existing in the northern district of Ohio have been filled.

Mr. BYRNE of New York. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore being in doubt, on a division, there were—ayes 39, noes 42.

Mr. KEATING. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently there is no quorum present. The roll call is automatic.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 142, nays 146, not voting 142, as follows:

[Roll No. 244]

YEAS—142

Abernethy	Gross	Morton
Allen, Calif.	Guill	Murray, Tenn.
Allen, Ill.	Hagen	Nicholson
Andersen, H. Carl	Hale	Nixon
	Harden	Norblad
Anderson, Calif.	Harrison	O'Hara, Minn.
Andrews	Harvey	O'Konski
Angell	Herter	Pace
Auchincloss	Heselton	Patten
Baring	Hill	Phillips, Calif.
Bates, Mass.	Hoffman, Ill.	Poage
Bennett, Fla.	Hoffman, Mich.	Polk
Bonner	Holmes	Potter
Bosone	Hope	Poulson
Boykin	Horan	Reed, Ill.
Bramblett	Huber	Rees
Brown, Ohio	Hull	Richlman
Burdick	James	Robeson
Byrnes, Wis.	Jenison	St. George
Camp	Jenkins	Sanborn
Canfield	Jensen	Saylor
Carlyle	Jonas	Scudder
Case, S. Dak.	Judd	Secrest
Chatham	Kearns	Sikes
Clevenger	Keating	Simpson, Ill.
Cole, Kans.	Kilburn	Simpson, Pa.
Colmer	Kunkel	Smathers
Corbett	Lanham	Smith, Va.
Cotton	LeCompte	Smith, Wis.
Crawford	Lodge	Stanley
Cunningham	Lovre	Stefan
Dague	Lucas	Taber
Davis, Ga.	McCarthy	Tollefson
Davis, Wis.	McConnell	Towe
Dolliver	McDonough	Van Zandt
Dondero	McGregor	Velde
Ellsworth	Mack, Wash.	Vursell
Elston	Macy	Wadsworth
Fenton	Mahon	Wagner
Fernandez	Marsalis	Wheeler
Fisher	Marshall	Whitten
Ford	Martin, Mass.	Wigglesworth
Fulton	Merrow	Wilson, Ind.
Gamble	Meyer	Withrow
Gary	Michener	Wood
Golden	Miller, Md	Woodruff
Goodwin	Miller, Nebr.	Young
Granger	Mills	

NAYS—146

Abbitt	Buckley, Ill.	Cooper
Albert	Burke	Cox
Allen, La.	Burleson	Crosser
Aspinall	Burnside	Davenport
Bates, Ky.	Byrne, N. Y.	Deane
Battle	Cannon	Delaney
Beckworth	Carnahan	Denton
Bennett, Mich.	Case, N. J.	Doyle
Biemiller	Cavalcante	Eberharter
Bishop	Chelf	Elliott
Blatnik	Chesney	Engle, Calif.
Brown, Ga.	Christopher	Evins
Bryson	Combs	Fe'ghan
Buchanan	Cooley	Flood

Fogarty	Larcade	Rains
Forand	Lind	Rankin
Frazier	Linehan	Rhodes
Fugate	Lynch	Rogers, Mass.
Furcolo	McCormack	Rooney
Garmatz	McCulloch	Sabath
Gathings	McGuire	Sasscer
Gilmer	McKinnon	Shelley
Gordon	McMillan, S. C.	Sims
Gore	McSweeney	Spence
Gorski	Mack, Ill.	Staggers
Gossett	Madden	Stigler
Grant	Magee	Sullivan
Hardy	Mansfield	Sutton
Harris	Miles	Tackett
Havenner	Miller, Calif.	Tauriello
Hays, Ark.	Monroney	Thomas
Hobbs	Morris	Thornberry
Holifield	Moulder	Trimble
Irving	Murdock	Underwood
Jackson, Wash.	Norrell	Vorys
Jacobs	Norton	Walsh
Jones, Ala.	O'Brien, Ill.	Walter
Jones, Mo.	O'Brien, Mich.	Weichel
Jones, N. C.	O'Hara, Ill.	Welch
Karst	O'Neill	White, Calif.
Karsten	O'Toole	Whittington
Kee	Passman	Wickersham
Kelley, Pa.	Patman	Wier
Kelly, N. Y.	Perkins	Willis
Keogh	Peterson	Wilson, Okla.
King	Phillips, Tenn.	Wilson, Tex.
Kirwan	Preston	Woodhouse
Kruse	Price	Zablocki
Lane	Rabaut	

NOT VOTING—142

Addonizio	Green	Pfeifer,
Andresen,	Gregory	Joseph L.
August H.	Gwinn	Pfeiffer,
Arends	Hall,	William L.
Bailey	Edwin Arthur	Philbin
Barden	Hall,	Pickett
Barrett, Pa.	Leonard W.	Plumley
Barrett, Wyo.	Halleck	Powell
Beall	Hand	Priest
Bentsen	Hare	Quinn
Blackney	Hart	Ramsay
Boggs, Del.	Hays, Ohio	Redden
Boggs, La.	Hébert	Reed, N. Y.
Bolling	Hedrick	Regan
Bolton, Md.	Heffernan	Ribicoff
Bolton, Ohio	Heller	Rich
Breen	Herlong	Richards
Brehm	Hinshaw	Rivers
Brooks	Hoeven	Rodino
Buckley, N. Y.	Howell	Rogers, Fla.
Bulwinkle	Jackson, Calif.	Roosevelt
Burton	Javits	Sadlak
Carroll	Jennings	Sadowski
Celler	Johnson	Scott, Hardie
Chiperfield	Kean	Scott,
Chudoff	Kearney	Hugh D., Jr.
Clemente	Keefe	Scrivner
Cole, N. Y.	Kennedy	Shafer
Coudert	Kerr	Sheppard
Crook	Kilday	Short
Curtis	Klein	Smith, Kans.
Davies, N. Y.	Latham	Smith, Ohio
Davis, Tenn.	LeFevre	Steed
Dawson	Lichtenwalter	Stockman
DeGraffenried	Lyle	Talle
D'Ewart	McGrath	Taylor
Dingell	McMillen, Ill.	Teague
Dollinger	Marcantonio	Thompson
Donohue	Martin, Iowa	Vinson
Doughton	Mason	Werdel
Douglas	Mitchell	Whitaker
Durham	Morgan	White, Idaho
Eaton	Morrison	Widnall
Engel, Mich.	Multer	Williams
Fallon	Murphy	Winstead
Fellows	Murray, Wis.	Wolcott
Gavin	Nelson	Wolverton
Gillette	Noland	Yates
Graham	O'Sullivan	
Granahan	Patterson	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Martin of Iowa for, with Mr. Granahan against.

Mr. Wolverton for, with Mr. Fallon against.

Mr. Gavin for, with Mr. Crook against.

Mr. Eaton for, with Mr. Addonizio against.

Mr. Coudert for, with Mrs. Douglas against.

Mr. Hand for, with Mr. Hart against.

Mr. Latham for, with Mr. Joseph L. Pfeifer against.

Mr. Taylor for, with Mr. Barrett of Pennsylvania against.

Mr. Hugh D. Scott, Jr., for, with Mr. Rodino against.

Mr. Leonard W. Hall for, with Mr. McGrath against

Mr. Hoeven for, with Mr. Klein against.

Mr. Werdel for, with Mr. Buckley of New York against.

Mr. Short for, with Mr. Celler against.

Mr. LeFevre for, with Mr. Heller against.

Mr. Beall for, with Mr. Roosevelt against.

William L. Pfeiffer for, with Mr. Dollinger against.

Mr. Sadlak for, with Mr. Clemente against.

Mr. Kean for, with Mr. Multer against.

Mr. Kearney for, with Mr. Chudoff against.

Mr. Arends for, with Mr. Morrison against.

Mr. Blackney for, with Mr. Heffernan against.

Mr. Hardie Scott for, with Mr. Dawson against.

Mr. August H. Andresen for, with Mr. Davies of New York against.

Mr. Mason for, with Mr. Powell against.

Until further notice:

Mr. Doughton with Mr. Wolcott.

Mr. Priest with Mr. Rich.

Mr. Noland with Mr. Graham.

Mr. Winstead with Mr. Curtis.

Mr. Davis of Tennessee with Mr. Murray of Wisconsin.

Mr. Sheppard with Mr. Brehm.

Mr. Bailey with Mr. Edwin A. Hall.

Mr. Kerr with Mrs. Bolton of Ohio.

Mr. Ribicoff with Mr. Reed of New York.

Mr. Boggs of Louisiana with Mr. D'Ewart.

Mr. Williams with Mr. Hinshaw.

Mr. Murphy with Mr. Jackson of California.

Mr. Mitchell with Mr. Engel of Michigan.

Mr. Bolling with Mr. Nelson.

Mr. Hays of Ohio with Mr. Cole of New York.

Mr. Vinson with Mr. Johnson.

Mr. Carroll with Mr. Patterson.

Mr. Howell with Mr. Chiperfield.

Mr. Green with Mr. Gillette.

Mr. Philbin with Mr. Smith of Kansas.

Mr. Gregory with Mr. Barrett of Wyoming.

Mr. Donahue with Mr. Shafer.

Mr. Ramsay with Mr. Stockman

Mr. Kilday with Mr. Talle.

Mrs. ROGERS of Massachusetts and Mr. BATES of Kentucky changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. KEATING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 96, noes 84.

Mr. KEATING. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. COOPER). The Chair will count. [After counting.] A quorum is not present. The roll call is automatic. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 133, nays 148, not voting 149, as follows:

[Roll No. 245]

YEAS—133

Albert	Aspinall	Bates, Ky.
Allen, La.	Baring	Beckworth
Biemiller	Hays, Ark.	O'Toole
Bishop	Hobbs	Passman
Blatnik	Irving	Patman
Brooks	Jackson, Wash.	Perkins
Brown, Ga.	Jacobs	Peterson
Bryson	Jones, Ala.	Preston
Buchanan	Jones, Mo.	Price
Buckley, Ill.	Karst	Rabaut
Burke	Karsten	Rains
Burnside	Kee	Rankin
Byrne, N. Y.	Kelley, Pa.	Rhodes
Carnahan	Kelly, N. Y.	Rooney
Case, N. J.	Keogh	Sabath
Cavalcante	Kirwan	Sasscer
Chelf	Kruse	Sims
Chesney	Lane	Spence
Christopher	Lanham	Staggers
Combs	Larcade	Stigler
Cooper	Lind	Sullivan
Crosser	Linehan	Sutton
Davenport	McCormack	Tackett
Delaney	McCulloch	Tauriello
Denton	McGuire	Thompson
Doyle	McKinnon	Thornberry
Eberharter	Mack, Ill.	Trimble
Elliott	Madden	Underwood
Evins	Magee	Vorys
Feighan	Mansfield	Walsh
Fernandez	Miles	Walter
Flood	Miller, Calif.	Weichel
Forand	Miller, Md.	Welch
Frazier	Mitchell	White, Calif.
Furcolo	Monroney	Whittington
Garmatz	Morris	Wickersham
Gathings	Moulder	Wier
Gilmer	Murdock	Willis
Gordon	Norrell	Wilson, Okla.
Gore	Norton	Wilson, Tex.
Gorski	O'Brien, Ill.	Wood
Gossett	O'Brien, Mich.	Woodhouse
Grant	O'Hara, Ill.	Zablocki
Harris	O'Neill	
Havenner	O'Sullivan	

NAYS—149

Abbitt	Gary	Miller, Nebr.
Abernethy	Gavin	Mills
Allen, Calif.	Golden	Murray, Tenn.
Allen, Ill.	Goodwin	Nicholson
Andersen,	Granger	Nixon
H. Carl	Gross	Norblad
Anderson, Calif.	Guill	O'Hara, Minn.
Andrews	Hagen	O'Konski
Angell	Hale	Patten
Auchincloss	Halleck	Phillips, Calif.
Bates, Mass.	Harden	Phillips, Tenn.
Battle	Hardy	Poage
Bennett, Fla.	Harrison	Polk
Bennett, Mich.	Harvey	Potter
Bonner	Herter	Poulson
Bosone	Heselton	Reed, Ill.
Boykin	Hill	Rees
Bramblett	Hoffman, Ill.	Riehlman
Brown, Ohio	Hoffman, Mich.	Rivers
Burdick	Holmes	Robeson
Burleson	Hope	Rogers, Mass.
Camp	Horan	St. George
Canfield	Huber	Sanborn
Cannon	Hull	Saylor
Carlyle	Jenison	Scudder
Case, S. Dak.	Jenkins	Secrest
Chatham	Jensen	Shafer
Clevenger	Jonas	Sikes
Cole, Kans.	Jones, N. C.	Simpson, Ill.
Colmer	Judd	Smathers
Cooley	Kearns	Smith, Va.
Corbett	Keating	Smith, Wis.
Cotton	Kilburn	Stanley
Cox	Kunkel	Stefan
Crawford	LeCompte	Taber
Cunningham	Lodge	Tollefson
Dague	Lovre	Towe
Davis, Ga.	Lucas	Van Zandt
Dolliver	McCarthy	Velde
Dondero	McConnell	Vursell
Doughton	McDonough	Wadsworth
Ellsworth	McGregor	Wagner
Elston	McMillan, S. C.	Wheeler
Engle, Calif.	Mack, Wash.	Whitten
Fenton	Mahon	Wigglesworth
Fisher	Marsalis	Wilson, Ind.
Ford	Marshall	Withrow
Fugate	Merrow	Wolverton
Fulton	Meyer	Woodruff
Gamble	Michener	Young

NOT VOTING—148

Addonizio	Barrett, Wyo.	Bolton, Md.
Andresen,	Beall	Bolton, Ohio
August H.	Bentsen	Breen
Arends	Blackney	Brehm
Bailey	Boggs, Del.	Buckley, N. Y.
Barden	Boggs, La.	Bulwinkle
Barrett, Pa.	Bolling	Burton

Byrnes, Wis.	Herlong	Philbin
Carroll	Hinshaw	Pickett
Celler	Hoeven	Plumley
Chiperfield	Holifield	Powell
Chudoff	Howell	Priest
Clemente	Jackson, Calif.	Quinn
Cole, N. Y.	James	Ramsay
Coudert	Javits	Redden
Crook	Jennings	Reed, N. Y.
Curtis	Johnson	Regan
Davies, N. Y.	Kean	Ribicoff
Davis, Tenn.	Kearney	Rich
Davis, Wis.	Keefe	Richards
Dawson	Kennedy	Rodino
Deane	Kerr	Rogers, Fla.
DeGaffenried	Kilday	Roosevelt
D'Ewart	King	Sadlak
Dingell	Klein	Sadowski
Dollinger	Latham	Scott, Hardie
Donohue	LeFevre	Scott, Hugh D., Jr.
Douglas	Lichtenwalter	Scrivner
Durham	Lyle	Shelley
Eaton	Lynch	Sheppard
Engel, Mich.	McGrath	Short
Fallon	McMillen, Ill.	Simpson, Pa.
Fellows	McSweeney	Smith, Kans.
Fogarty	Macy	Smith, Ohio
Gillette	Marcantonio	Steed
Graham	Martin, Iowa	Stockman
Granahan	Martin, Mass.	Talle
Green	Mason	Taylor
Gregory	Morgan	Teague
Gwinn	Morrison	Thomas
Hall, Edwin Arthur	Morton	Vinson
Hall, Leonard W.	Multer	Werdel
Hand	Murphy	Whitaker
Hare	Murray, Wis.	White, Idaho
Hart	Nelson	Widnall
Hays, Ohio	Noland	Williams
Hébert	Pace	Winstead
Hedrick	Patterson	Wolcott
Heffernan	Pfeifer, Joseph L.	Yates
Heller	Pfeiffer, William L.	

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Granahan for, with Mr. Martin of Iowa against.

Mr. Buckley of New York for, with Mr. Taylor against.

Mr. Celler for, with Mr. Latham against.

Mr. Lynch for, with Mr. Macy against.

Mr. McGrath for, with Mr. Mr. Hardie Scott against.

Mr. Rodino for, with Mr. Werdel against.

Mr. Deane for, with Mr. Eaton against.

Mr. Dingell for, with Mr. Hand against.

Mrs. Douglas for, with Mr. Hoeven against.

Mr. Fallon for, with Mr. Jackson of California against.

Mr. Heffernan for, with Mr. James against.

Mr. Heller for, with Mr. Blackney against.

Mr. Roosevelt for, with Mr. Beall against.

Mr. Joseph L. Pfeifer for, with Mr. Nelson against.

Mr. Fogarty for, with Mr. Smith of Ohio against.

Mr. Barrett of Pennsylvania for, with Mr. Kean against.

Mr. Addonizio for, with Mr. Gillette against.

Mr. Crook for, with Mr. Coudert against.

Mr. Klein for, with Mr. Morton against.

Mr. Murphy for, with Mr. Kearney against.

Mr. Davies of New York for, with Mr. Hoeven against.

Mr. Shelley for, with Mr. Macy against.

Mr. Carroll for, with Mr. Widnall against.

Mr. WOOD changed his vote from "nay" to "yea."

Mr. NICHOLSON changed his vote from "yea" to "nay."

Mr. DAVENPORT changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

On motion by Mr. CASE of South Dakota, a motion to reconsider the vote by which the bill was rejected was laid on the table.

MILITARY LEADERSHIP IN KOREA

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, it is time for some fresh leadership in Korea. Let us quit making sacred cows out of the top brass and admit that mistakes have been made out there—costly mistakes.

We may as well face facts. We have been taking a licking, a terrific licking. We have lost face from the start. And we have lost much more; we have lost American lives which appear to have been lost needlessly. For instance, the heights of Chinju are still red with American blood. We gained those heights at great cost, only to retreat without a struggle.

It is time to put men in charge who can and will get on with the job. Let us not kid ourselves any longer by thinking all problems can be solved and all wars won simply by passing bigger and better appropriations.

The SPEAKER pro tempore. The time of the gentleman from Florida has expired.

REPEALING PROHIBITION AGAINST FILLING OF VACANCY IN THE OFFICE OF DISTRICT JUDGE FOR THE WESTERN DISTRICT OF PENNSYLVANIA

Mr. BYRNE of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6869) to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6869, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York [Mr. BYRNE] is recognized for 30 minutes and the gentleman from Michigan [Mr. MICHENER] will be recognized for 30 minutes.

Mr. BYRNE of New York. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the purpose of this bill as amended is to make permanent the judgeship presently existing in the western district of Pennsylvania, which judgeship now exists under an act which prohibits the filling of the first vacancy occurring in said office.

The act passed last year creating additional circuit judgeships and district judgeships (Public Law 205, approved August 3, 1949) provided for an additional district judge for the western district of Pennsylvania, but with a proviso that the first vacancy occurring in the office of district judge in the district should not be filled (sec. 2 (c)). The Judicial Conference of the United States at its annual meeting in September 1949, acting upon the recommendation of the Judicial Council for the Third Circuit in which the western district of Pennsylvania is situated, reported by Chief Judge Biggs of the circuit, recommended that the existing temporary judgeship be made permanent. It took this action because study of the business of the district court for the district in recent years indicates that there will be a continuing need for the service of four district judges.

The business of the district is shown in detail in the attached memorandum submitted by the Administrative Office of the United States Courts. There has been, as shown in the memorandum, a substantial increase in the number of civil cases filed, and particularly of private civil cases which as a class take per case a high proportion of a judge's time. As the table of the memorandum shows, the total number of civil cases filed which was 600 in 1940, has been over 700 in each of the last three fiscal years, 1947, 1948, and 1949, and the number in the first half of the present fiscal year 1950 was 510, which is at the rate of over 1,000 for the year. The higher number of civil cases filed in 1945 and 1946 may be disregarded because those were principally price-regulation cases which took a comparatively small amount of time for disposition. The number of private civil cases filed in the district which was 231 in 1940 and went far down during the war, was 285 in 1947, 317 in 1948, and 323 in 1949. The number in the first half of the current year, 213, would be at a rate of more than 400 for the year, or virtually double the number 10 years ago.

The number of pending civil cases, which in 1940 was 485, was over 1,000 in three out of the last four fiscal years, and was 1,083 on December 31, 1949, the end of the first half of the present fiscal year. The number of private civil cases pending in 1940, which was 237, has doubled and almost trebled in the last years, being 445 in 1947, 492 in 1948, 662 in 1949, and 683 at the end of the first half of 1950.

An inevitable consequence of the marked increase in pending cases has been the lengthening of time required for the trial of civil cases.

In 1945 the median time from issue to trial for all civil cases in which a trial was held (excluding land condemnation, habeas corpus, and forfeiture cases which are not typical) was 5.1 months, compared with a national average of 5.3 months. But in 1949 this time in the western district of Pennsylvania had increased to 10.1 months, almost doubled, while the median in the 86 districts of the United States included in chapter 5 of the Judicial Code was only 5.9 months.

Criminal cases in the district being given priority, as uniformly in the United States courts, are handled as rapidly as the circumstances of the individual cases permit. But the time requisite for the

dispatch of civil cases has lengthened until the delay amounts to a serious impairment of justice rendered by the court. A fact which accentuates the congestion is the considerable proportion of time-consuming reorganization cases and two pending antitrust cases.

Because of the large population and the high development of industry and business in the western district of Pennsylvania, not only in Pittsburgh but in Erie, which is another seat of the court, it now seems abundantly clear that the court will always need four judges to handle the civil litigation in the district expeditiously and render the service to litigants and the public which they are entitled to receive from the Federal courts.

After consideration of the data hereto attached, together with the other information contained in the files of the Senate Committee on the Judiciary, the committee believe that H. R. 6869 is meritorious and recommend that the same do pass.

I will quote a paragraph from a letter written to the chairman of our committee by Henry B. Chandler, the Director of the Administrative Office of the United States Courts:

> The act passed last year creating additional circuit judgeships and district judgeships (Public Law 205, approved August 3, 1949) provided for an additional district judge for the western district of Pennsylvania, but with a proviso that the first vacancy occurring in the office of district judge in the district should not be filled (sec. 2 (c)). The Judicial Conference of the United States at its annual meeting in September 1949, acting upon the recommendation of the Judicial Council for the Third Circuit in which the western district of Pennsylvania is situated, reported by Chief Judge Biggs of the circuit, recommended that the existing temporary judgeship be made permanent. It took this action because study of the business of the district court for the district in recent years indicates that there will be a continuing need for the service of four district judges.
>
> Because of the large population and the high development of industry and business in the western district of Pennsylvania, not only in Pittsburgh but in Erie, which is another seat of the court, it now seems abundantly clear that the court will always need four judges.

Therefore, Mr. Chairman, we feel that there is no question but what this particular judgeship requested in the pending bill should be granted.

Mr. MICHENER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I think I would be something less than frank were I not to say at the outset that this is a better bill and more deserving of passage than the one which was just defeated. Having said that, however, I am still opposed to it.

This bill seeks to make permanent a temporary judgeship which we just created last year. It is the old story: We create a temporary judgeship, then in a year or two we come along and make it permanent. We decided just within a year that this judgeship should be a temporary one. The situation was such it was not clear whether it should be made permanent. It seems to me that decision should stand for the present. There seems to be some mix-up here about a vacancy in the temporary judgeship and possibly when he makes his remarks on the subject my distinguished friend from Pennsylvania [Mr. WALTER], for whom I entertain both a high regard and deep affection, will clarify that point.

I want to refer for just a moment to the basic table upon which it seems to me we must decide these issues as to the need for additional judges. If there is any table of importance, if any statistics are to prevail with us in our thinking, it seems to me that the case load per judge compared to the case load throughout the country is about the best criterion upon which we can settle.

If you will turn to page 9 of the report you will find there the case load in this district compared to the case loads throughout the country, first of civil cases, then of criminal cases. Here again I find, and I am gratified, the relative freedom from crime of the area covered by this judicial district which, of course, results in fewer criminal cases.

If you add the columns relating to civil cases and criminal cases on page 9 for both this district and the average for the country as a whole, it presents a fair comparison. I will give you the figures for the last 3 years. From 1947, there were 327 cases per judge filed in this district. The average across the country in 1947 was 404; for 1948, 286 in this district, throughout the country 372; in 1949 in this district 228, throughout the country 379.

In other words, the number of cases per judge in this judicial district is substantially below the national average. I do not contend for nor would the defeat of this bill result in any reduction in Federal judges. I do say that those figures reveal that the time has not yet come when we should make this judgeship permanent. Let us wait until the situation is sufficiently serious.

In addition to that point, again I want to stress the argument made by the gentleman from Virginia [Mr. SMITH] also the gentleman from Ohio [Mr. YOUNG] in the debate on the previous bill we had before us.

It seems to me that the Committee on the Judiciary should, in the first instance, report out a bill raising the jurisdictional limit for cases in the Federal court before we come in and ask for the creation of additional judgeships or the making of present judgeships permanent. In other words, let us try that and see whether that does not do away with the need for such a bill as this. It seems to me that that is the proper and sound way to approach this problem.

It is for those reasons that I am opposing this bill before us.

Mr. BYRNE of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, the bill under consideration should be enacted not only because the case load in the Western District of Pennsylvania is much greater than the average case load in the United States, but because recently the House passed a bill which eliminated a roving judge which we had in the State of Pennsylvania. I am very much surprised that my distinguished friend from New York, for whom I have the highest esteem, should oppose this bill, because he knows full well that at the time we eliminated the roving judge for the State of Pennsylvania the Western District was deprived of the occasional services of a judge so badly needed in that district.

Another reason for the enactment of this bill, in addition to the one I just stated, is that one of the judges is nearly 80 years of age. There is no question but what he will retire soon. He would have retired some years ago but for the fact he felt that at some time or other a member of his own party would occupy the White House, and he just could not bear to think of a Democrat being appointed in his place. So he has hung on throughout all of these years. But, that gentleman, fine, distinguished jurist that he is, a man of great ability, whose work will be remembered long after he leaves the bench, has not functioned as well as he once did because of physical disability. But, come the day when he leaves, a successor will have to be appointed, and unless this position is made permanent, then it will be impossible to fill that vacancy and we will be confronted with the need of enacting another bill for the purpose of creating a new judgeship.

I agree very largely with my distinguished friend when he mentions the need for a change of the jurisdictional amount, and as proof of my position in that respect I would like to state that I introduced a bill some time ago that increases the jurisdictional amount from $3,000 to $10,000. I believe that that bill will be reported by the full committee in the near future. But until such time as that legislation is enacted, it certainly seems to me that we are depriving the people of the Western District of Pennsylvania of the kind of justice that they are entitled to under the law if we do not provide them with an adequate number of judges.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. The gentleman has stated the case very well. This is one district in the United States that an additional judge is most needed. The case load there sometimes requires 2 or 3 years for a civil case to come up. I know if the Members of this body understood how very difficult it has been for the justices there to attempt to carry that case load, they would not hesitate to vote for this bill. In fact, I know that it has caused sickness among those judges because they had to work so hard in trying to do their duty. I trust that no partisanship will be shown in the vote that is soon to come.

Mr. WALTER. I am sure that no partisanship is ever shown in the consideration of legislation of this sort.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. FULTON. In order that there be some expression of support from the Republican side and in a spirit of nonpartisanship, may I say that as a practicing attorney I have been before the court in Pittsburgh, and I know of the crowded condiiton of the calendar and know that this bill is more than necessary.

Mr. WALTER. Actually no additional judgeship is being created by this bill. This is making it possible to fill the position come the day when there is a vacancy.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

IS THE PRESS DOING A RIP VAN WINKLE?

Mr. HOFFMAN of Michigan. Mr. Chairman, the public press, usually alert, has been strangely indifferent to the recent sneak attack encouraged, if not instigated, by the staff of the House Committee on Lobbying, headed by the gentleman from Pennsylvania [Mr. BUCHANAN] to intimidate those exercising the constitutional right of free speech, a free press, the right of petition.

This is not the first attempt of politically and financially powerful groups backing the New Deal and the internationalists to suppress all criticism of or opposition to their propaganda.

Through editorials, by the writing of columnists, the words of radio commentators, and propaganda put out by Government agencies, many people have not only been led to believe that it is the duty of the Federal Government to care for them from the cradle to the grave, that it is the duty of the American taxpayer to carry the burden of contributing to the support and happiness of other peoples wherever in the world they may live, but that American youth are obligated to fight in every war, no matter where or for whatever purpose that war may be carried on, and that no one should be permitted to freely express an adverse opinion or oppose any part of that program.

Back in 1945, a House committee headed by Congressman ANDERSON, of New Mexico, charged with investigating election expenditures, unwittingly had its activities directed by one John Abt, later disclosed to be a Communist. Through his activities, the committee sought a list of the contributors to the Constitutional Educational League and to the Committee for Constitutional Government, neither of which were engaged in political activities, but both of which were making a worth-while fight for constitutional government.

Representatives of both organizations were subpenaed by the committee and because of their refusal to disclose information sought by the committee were cited for contempt. One Rumley, was acquitted—the other, Joseph P. Kamp, was convicted. Kamp, refusing to accept probation, was sentenced to 4 months in the Federal prison here in Washington for his refusal to turn over to that committee a list of the contributors to the Constitutional Educational League.

Abt and his Communist friends wanted that list so that he and they might by smear "put the heat" on those who were fighting the Communists and the New Deal. Kamp blocked his efforts but Kamp is in jail where Communists hope he will serve as an example of what happens to some of those who are good Americans with courage to uncover and oppose the subversives.

More recently, Mr. Louis Little, a Pittsburgh attorney, who apparently would like to smear New Deal critics, volunteered to serve on the committee headed by the gentleman from Pennsylvania [Mr. BUCHANAN]. His offer was accepted and he was put on the payroll of the House Committee on Lobbying.

Thereafter, one of the committee's first moves was to call upon some 166 corporations to answer an exhaustive questionnaire calling for information, much of which in no way shed any light upon improper or illegal lobbying.

Mr. Little seemed to be especially interested in getting the names of those who contributed to or bought the publications of the Committee for Constitutional Government, the Constitutional Educational League, and the National Economic Council. Some of his or the committee's snoopers went through the records and correspondence files of one or more of these organizations which are engaged in educational activities.

Some of the information so obtained by these snoopers immediately turned up in the hands of the CIO and was published by the CIO as political propaganda. The purpose, of course, was to cause the contributors to withdraw their support.

Because some of the representatives of the three organizations declined to give some of the information sought by the committee staff, the chairman of the committee [Mr. BUCHANAN] intimated they would be cited for contempt.

When on the floor of the House I disclosed, in part, the kind of legal business that Lou Little on the committee staff was doing, he either resigned or was fired.

The House of Representatives, when it created this committee, certainly had no intention of giving it or its staff any authority to suppress or limit lobbying, which was neither improper nor illegal.

The House certainly had no intention of giving the committee authority to intimidate the press, those who exercised their right to free speech or the right of petition.

Unfortunately, the hearings and the activities of the CIO and a few other groups disclose that it was, if it is not now, the purpose of those who have been directing the committee's activities to, by smear and intimidation, silence some Congressmen who are critics of the New Deal, the vocal opponents of the Communists, and to prevent the publication and circulation of literature and propaganda put out by these three organizations.

The committee staff has been attempting to force the officers of some of these organizations to disclose who purchased their publications and in what amount. What right has the committee, or, for that matter, the Congress, to demand the names of those who wrote the books or pamphlets, or who purchased them, as long as there is nothing illegal or disloyal in the publications themselves?

The committee staff, and apparently the majority members of the committee itself, wants to know who purchased certain publications. Well, here is a list of some of those to whom the publications were distributed.

The Committee for Constitutional Government, among other books, has distributed the following: The Constitution of the United States; Its Sources and Application.

Let me name just a few of those who distributed this book:

Duquesne University, 3,000; Great Neck High School, New York, 1,750; Bemidji State Teachers College, Minnesota, 1,200; Fordham University, 10,000; University of Nevada, 1,000; Mississippi State College for Women, 1,625; Yale, 2,200; University of Notre Dame, 3,500; Harding College, Arkansas, 4,500; American Legion, Minnesota, 1,000.

In addition, the American Legion asked for and received other thousands of copies.

Of Jefferson, the Forgotten Man, 68,000 copies went out in 1938. Four hundred and fifty thousand copies of Smoke Screen were distributed. More than 400,000 copies of For Americans Only were sent out by the committee. The Road Ahead went to more than 600,000 people.

Apparently the majority members of the staff of the Lobbying Committee want to stop the printing and distribution of the publications to which reference has been made.

In the Saturday Evening Post, dated August 19, there is an editorial captioned "We can't salvage free enterprise without a battle."

Neither can the public press preserve its right to a free press if it continues to sleep on, like Rip Van Winkle, unaware of the implications carried by the investigations of the House Committee on Lobbying.

Nor can the Members of the Congress preserve their right of free speech, no longer can they avoid organized smear campaigns if they permit the staff of this committee to get away with the intimidation program it started.

The editorial to which I refer reads as follows:

WE CAN'T SALVAGE FREE ENTERPRISE WITHOUT A BATTLE

The late Professor Schumpeter, of Harvard, used to contend that the most serious threat to capitalism was the ineptitude of the capitalists. As a current example you could take the weak response of too many businessmen and capitalists to the threat of the Buchanan Lobbying Committee, which is engaged in a counteroffensive against the few conservatives who have waged effective war against the Socialist drift of the Truman Fair Deal.

The Buchanan committee has haled before it several groups which are engaged in propaganda in opposition to socialism. One of these groups is Frank Gannett's Committee

for Constitutional Government, which is not charged with lobbying in Washington, but does print paper-covered editions of various books, including John T. Flynn's the Road Ahead, for distribution to the public.

Now comes the Buchanan committee and demands a full account of this operation, with a list of all those who have paid for bulk orders of the Road Ahead. The justification of this procedure, as attempted by Representative BUCHANAN, is that Congress is influenced by public opinion, therefore it is necessary to investigate bodies which influence public opinion. For the moment, the committee seems to be concerned mainly with certain unpopular individuals and with large corporations. But if the Lobbying Act is to be stretched out of its commonly accepted interpretation to include efforts to persuade the people as a whole, what becomes of freedom of press and opinion?

Opposition to the machinations of the Buchanan committee has usually taken the form of refusal to produce the information demanded by the committee. Inasmuch as a committee of Congress can compel the surrender of almost any information it wants, this is likely to be futile. Unaccompanied by adequate explanation, it also creates the impression that the individuals subpenaed are trying to conceal something.

President W. C. Mullendore, of the Southern California Edison Co., did go to the bat with vigor on what he called the effort of the committee to "use intimidation in limiting the exercise of the right of free speech in opposing or supporting proposed legislation"; and the Committee for Constitutional Government took the ground that the Buchanan committee was interfering with its constitutional right as a publisher to immunity from unreasonable search and seizure. These were justified defenses, but more is required.

What is lacking is an offensive, more or less like that suggested by Frank Chodorov in Human Events. He quotes the Buchanan committee's statement that the Committee for Constitutional Government spent $1,571,240.72, or an average of $40,000 a month for the 38 months studied. Says Mr. Chodorov:

"Peanuts and fiddlesticks. Every hour of the day the agencies of the Government spend more than that monthly average to influence legislation, and the legislation they plug is to lengthen their tenure, increase their appropriations, better their emoluments, strengthen their hold on the public purse. * * * The biggest, most pernicious, most unscrupulous and entirely selfish lobby in Washington is the Government. * * * Its list of contributors includes every man, woman and child in the United States. And yet it has the effrontery to point the finger of scorn at an organization that digs up a piddling $40,000 a month for printing and distribution of literature."

Let somebody add to the conventional lawyers' defense against the aggressions of the Buchanan committee something like this: "We challenge your authority under the Constitution, but we are not embarrassed or ashamed of what we are doing. John Flynn's The Road Ahead is an angry book, with here and there an excess of zeal, but it does expose the socialist nature of the Fair Deal program, an analysis already accepted by the British Labor Party. If there is any restriction in America on the right of persons, including corporations, to challenge the pretensions of a political group in this country, it hasn't yet been put in the form of law. Until freedom of speech has been outlawed by Congress, we intend to support our ideas by whatever authorities seem to us likely to arouse the people to their danger."

The only way the battle for a free economy will be won is by forthright resistance in terms that can be understood, not exclusively by demurrers and legal responses and applications for injunctions, important as these are. If the fight can be staged in an arena where people can see what punches are being thrown, free enterprise may have a chance. It certainly has none if its protagonists always make themselves look like bad boys talking their way out of something sly and discreditable.

Mr. MICHENER. Mr. Chairman, I have no further requests for time.

Mr. BYRNE of New York. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the provision of section 2 (c) of the act approved August 3, 1949 (ch. 387, 63 Stat. L. , Public Law No. 205), which reads: "*Provided*, That the first vacancy occurring in the office of district judge in said district shall not be filled.", be, and it is hereby, repealed, and that section 133 of title 28, United States Code, "Judiciary and judicial procedure," be, and it is hereby, amended by striking out the number "3" following the words "Pennsylvania:----------western," and inserting in lieu thereof the number "4."

With the following committee amendment:

Strike out all after the enacting clause and insert "That the judgeship for the western district of Pennsylvania provided for by the act entitled 'An act to provide for the appointment of additional circuit and district judges, and for other purposes,' approved August 3, 1949 (Public Law 205, Eighty-first Congress), shall hereafter be a permanent judgeship. Accordingly, in order to incorporate the permanent provisions of the said act into the United States Code, as a continuation of existing law and not as a new enactment, title 28, United States Code, section 133, is amended to read as follows with respect to the western district of Pennsylvania:

" 'Districts:

	Judges
* * * * *	
Pennsylvania:	
* * * * *	
Western----------	4
* * * * *	

"SEC. 2. Subsection (c) of section 2 of the act entitled 'An act to provide for the appointment of additional circuit and district judges, and for other purposes,' approved August 3, 1949 (Public Law 205, Eighty-first Congress), is hereby repealed, but its repeal shall not affect the tenure of office of the incumbent of the judgeship created by such subsection who shall henceforth hold such position under title 28 in the United States Code, section 133, as amended by this act."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. COOPER, having assumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6869) to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania, pursuant to House Resolution 709, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The questior is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3099) to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. KEATING. Mr. Speaker, reserving the right to object, may I ask if this bill has the same wording?

Mr. WALTER. It is identical, and includes the amendment which was adopted in Committee and by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the judgeship for the western district of Pennsylvania provided for by the act entitled "An act to provide for the appointment of additional circuit and district judges, and for other purposes", approved August 3, 1949 (Public Law 205, 81st Cong.), shall hereafter be a permanent judgeship. Accordingly, in order to incorporate the permanent provisions of the said act into the United States Code, as a continuation of existing law and not as a new enactment, title 28, United States Code, section 133, is amended to read as follows with respect to the western district of Pennsylvania:

"Districts:

	Judges
* * * * *	
Pennsylvania:	
* * * * *	
Western----------	4
* * * * *	

SEC. 2. Subsection (c) of section 2 of the act entitled "An act to provide for the appointment of additional circuit and district judges, and for other purposes", approved August 3, 1949 (Public Law 205, 81st Cong.), is hereby repealed but its repeal shall not affect the tenure of office of the encumbent of the judgeship created by such subsection who shall henceforth hold such position under title 28 of the United States Code, section 133, as amended by this act.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

By unanimous consent, the proceedings by which the bill H. R. 6869 was passed were vacated and that bill was laid on the table.

SPECIAL ORDER GRANTED

Mr. SMITH of Wisconsin asked and was granted permission to address the

House for 15 minutes today, following the legislative business of the day and any other special orders heretofore entered.

FAMILY ALLOWANCES FOR ALL SERVICEMEN

Mr. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Speaker, on July 27 I introduced a bill to provide family allowances for all servicemen called to active duty. Three weeks has elapsed and no action has been taken by either the House or Senate on this important legislation. In the meantime men are being called to active duty, taken from their civilian jobs, and no adequate compensation is forthcoming for their dependents. In order to protect the homes and families of those called to service increases over the World War II allowances should be included in the law when finally enacted We cannot expect families to live on the same income they received in 1943.

The necessary legislation is apparently roadblocked by some of our military leaders on purely technical grounds. I admit it is complicated legislation, but it seems to me the tremendous staffs in the Pentagon and the House and Senate committees could have worked out a fair solution by this late date. I strongly urge that our military leaders and the committee members work night and day on this problem until a bill is ready for immediate enactment.

RUSSIA SHOULD BE EXPELLED FROM THE UN

Mr. BENNETT of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT of Florida. Mr. Speaker, section 1 of article 1 of the UN Charter says that the purpose of the UN is "to maintain international peace and security." Article 6 of the UN Charter provides for expulsion of a member nation "which has persistently violated the principles contained in the Charter."

It has long been apparent that Russia has provided adequate grounds for her expulsion. In my opinion, Russia should be expelled, at least until such time as she gives good evidence that she has mended her ways. This move would place world censure where it belongs and would relieve the UN of the obviously dangerous efforts of Russia to sabotage every UN resistance to aggressions dictated from Moscow. It would also allow the strengthening of the police forces of the UN and make feasible the imposition of economic and other sanctions against Russia and her satellites.

It might be argued that there is a value in having all nations in the UN, particularly the strong ones. There is such a value, but, in my opinion, it is outweighed by the value of having Russia placed in a position where she cannot sabotage UN efforts to stop her aggressions. There are other nations not in the UN because of lesser crimes against world peace. The move would be a mere recognition of an already apparent fact, that Russia is not in any real union whatsoever except the Union of Soviet Socialist Republics.

Some may argue that Russia cannot be expelled from the UN, because she is a permanent member of the Security Council. There is no specific statement that permanent members of the Security Council cannot be expelled from the UN, while in article 6 there is a specific statement that—

> A member of the United Nations which has persistently violated the principles contained in the present Charter may be expelled from the organization by the General Assembly upon the recommendation of the Security Council.

It would seem to follow that a member expelled from the UN would not be able to sit or vote on the Security Council, because the Security Council is specifically limited—article 23—to members of the United Nations. It is my opinion that Russia not only can be expelled but that she should be expelled immediately.

It may be argued that Russia could block expulsion by use of the veto; but I maintain that the very nature of the proceedings imply, from necessity, that the veto could not be so used. The word "permanent" is used only as to the Security Council and does not relate to expulsions from the UN. By providing for expulsion of members of the UN the Charter implies that all members can be expelled. To hold that a member could use a veto to block its own expulsion would be to violate the explicit provision for expulsion of guilty members. Moreover, the veto power, besides being specifically limited to nonprocedural matters, is also limited as follows—article 27—"in decisions under chapter VI and under paragraph 3 of article 52 a party to a dispute shall abstain from voting." Chapter VI relates to disputes "the continuance of which is likely to endanger the maintenance of international peace and security" and provides that the Security Council may "recommend such terms of settlement as it may consider appropriate."

Following expulsion of Russia, every possible pressure should be placed upon her to cease her aggressions, including the strengthening of the police forces of the UN by better organization and substantial requisitions for troops—backed by UN financing so as to eliminate inequalities of pay, and so forth. Some of these steps can be taken under chapters VI and VII without the expulsion of Russia and they should be taken now. The United States can and should impose immediate restrictions on Russia; for example, it should deny aid to countries engaging in trade and commerce with Russia and its satellites.

The expulsion of Russian satellite nations might follow or accompany the expulsion of Russia, but that is not so important because they do not have the veto power, are in a tiny minority, and may possibly be won over to freedom's cause by decisive action against Russia itself.

Another point on Russian relationships should be mentioned, the question of diplomatic recognition and relationships. The only objection I can see to severing such relationships immediately is that it might deprive us of contacts which may be useful to use in working for the cause of freedom. If diplomatic relationships are continued with Russia we should impose the same restrictions on their representatives and visitors here that Russia imposes on our representatives and visitors there. Ours are greatly restricted in freedom of movement. Theirs here should likewise be so restricted. We should establish ramparts of freedom to protect us and other freedom-loving people from clandestine attacks from our visitors from behind the iron curtain.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Florida. I yield.

Mr. HOFFMAN of Michigan. Under article V, is not the authority of the President to call out troops limited to disturbances which may occur in America and Europe, saying nothing about Asia? Is that not true?

Mr. BENNETT of Florida. The gentleman from Michigan is not referring to the UN Charter to which I am referring. There is no such restriction in the UN Charter. What he refers to is article V of the North Atlantic Treaty and the restriction to which the gentleman refers is found in article V of the North Atlantic Treaty.

The SPEAKER pro tempore. The time of the gentleman from Florida has expired.

PROGRAM FOR WEEK OF AUGUST 21

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. I do this, Mr. Speaker, in order to ask the majority leader about the program for next week.

Mr. McCORMACK. I am very glad to reply to the gentleman.

I have put down a lot of bills for next week, and I hope we will be able to dispose of as many of them as possible. I have bracketed the whole week, and this is what the order will be:

The Consent Calendar will be called on Monday.

House bill 8850, Assistant Secretaries, Department of Agriculture.

Senate bill 3357, gambling devices in interstate commerce.

House bill 9313, disposing of surplus perishable products.

House bill 9141, Agricultural Marketing Facilities Improvement Act.

S. 2317, known as the school-impact bill, aid to States for schools as the result of defense activities.

Then there are the two judgeship bills that have not been disposed of, Delaware and Alaska.

Then, H. R. 9158, amending United States Code relating to food and drugs.

H. R. 8677, relating to Panama Canal, maintenance and operation.

H. R. 8847, American-flag shipping, Great Lakes.

H. R. 8201, Administrative Practitioners Act.

S. 456, District of Columbia airport.

S. 868, scientific, technological, and engineering information.

S. 784, first, second, and third national steamship companies. That is a private bill.

There are a great many bills there, but I do not imagine there is any opposition to a considerable number of them.

It is understood that if there is to be a roll call on any bill that might come up Monday or Tuesday that the roll call will be put over until Wednesday. There are primaries in some of the States, and we have made it a policy, a wise one, I think, not to have roll calls on days when there are primaries. I am informed there are primaries in New York, also Mississippi and Wyoming on Tuesday.

The omnibus appropriation conference report, of course, will have priority, but that will not be called up before Wednesday if it is called up then. In the priority status would be the final supplemental appropriation bill. I tried to get definite information which I could pass on to the membership as to when both these matters would come up, but I am sorry I cannot say any more definitely than I have. Whether the conference report will be ready on Wednesday or not I cannot say, but it will not be ready before Wednesday; I can at least give the House that degree of definiteness.

I do not, of course, want to be committed to the order of the program, but I shall adhere to this order as strictly as I can, and will not depart from it unless there is justifiable cause. Other conference reports, of course, have priority.

Any change in the program will be announced later.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BONNER. I am particularly interested in a bill pertaining to the transfer of ships from the reserve fleet to the Great Lakes.

Mr. McCORMACK. That is the American-flag ship bill.

Mr. BONNER. I should like to know whether the gentleman contemplates bringing that bill up before Wednesday.

Mr. McCORMACK. That is H. R. 8847.

Mr. BONNER. Yes. It pertains to the transfer of ships from the reserve fleet to the Great Lakes.

Mr. McCORMACK. Yes. I cannot see that coming up before Wednesday.

Mr. BONNER. So I am safe in assuming that the bill will not come up on Monday or Tuesday?

Mr. McCORMACK. I will give the gentleman the assurance that it will not come up on Monday or Tuesday.

Mr. BONNER. I thank the gentleman.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOFFMAN of Michigan. I wish to ask the majority leader whether if a roll call should be demanded on the measure increasing the stationery allowance of Members it will be voted upon before Wednesday?

Mr. McCORMACK. The understanding is that any roll call that might be demanded on Monday or Tuesday will be postponed until Wednesday. That general statement, of course, answers the gentleman from Michigan, but specifically answering him, I may say that that resolution is included in it.

Mr. HOFFMAN of Michigan. I was asking in behalf of the gentleman from Pennsylvania [Mr. RICH] who is interested in it, he said.

Mr. McCORMACK. The postponement of a roll call, of course, involves the question of unanimous consent, but I am sure that where the leadership is agreed on such a matter that no Member will object.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MICHENER. I wonder if the distinguished majority leader can tell us if there is anything to the rumor that when the work here as outlined has been disposed of, including the conference reports, it is contemplated to take 3-day recesses until the 2d of September?

Mr. McCORMACK. I wish I could answer that Yes, but I cannot in good faith. All I can say is that if this program is disposed of that a very marked step in that direction will have been taken. That is why I put this program down. Some days, next week, with the indulgence of the House I may ask that we meet earlier than 12 o'clock, because with the disposition and final settlement of the supplemental appropriation bill that is all unless something is done on universal military service, and I have no knowledge of that. From what I know that is the last major piece of legislation that this House will act on, on the basis of original jurisdiction. Other matters, of course, will depend upon action of the Senate and on conference reports.

Mr. MICHENER. In other words, it is the devout hope of the majority leader that the suggested rumor that I heard may be consummated?

Mr. McCORMACK. I may add that it is more than the devout hope of the gentleman from Massachusetts. The gentleman from Massachusetts will contribute in every way possible to make that rumor an actuality.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Michigan.

Mr. McCORMACK. I may have something to do with the rumor too.

Mr. HOFFMAN of Michigan. May I ask the House leadership if it has any idea as to whether the Democratic version of the Ferguson-Mundt bill will come over here for a vote?

Mr. McCORMACK. That is a subject that at the present time the mind of the gentleman from Massachusetts is completely vacant on.

Mr. HOFFMAN of Michigan. That cannot be.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. Under previous special order of the House, the gentleman from Wisconsin [Mr. SMITH] is recognized for 15 minutes.

STILL DOING BUSINESS WITH STALIN

Mr. SMITH of Wisconsin. Mr. Speaker, the people of this country know that we are at war with Russia and while our boys are dying in Korea we look at the record and see that we are still doing business with Russia and with its satellite countries. This is a strange business. Are we fighting communism or not?

On August 4 I placed in the CONGRESSIONAL RECORD some tables showing the extent of that business by ECA countries in western Europe, which tables indicate that only a partial list of the items that have been going behind the iron curtain amounted to over $1,285,000,000 in 1949. Much to my surprise in a report from the Department of Commerce I find that the good old United States of America is still doing business with Russia and with its satellite countries. True, it has not been on such an extensive basis, but in checking the record I find that for 1948 and 1949 we have shipped to iron curtain countries, including Russia, more than $200,000,000 of supplies. This includes iron, copper, lead, zinc, motors, industrial supplies; in other words, we have again a repetition of the condition that existed prior to Pearl Harbor when we were shipping scrap iron and oil to Japan.

It was our good friend the gentleman from Minnesota [Mr. JUDD] who prior to Pearl Harbor went all over this country and called attention to the fact that unless we stopped shipping oil and scrap material to Japan that material might some day find its way into the bodies of our own men. He was a prophet. We all know what has happened. Now we have a repetition of what happened before 1941. We are selling potential war

supplies to our enemies. Again our boys may get this same material back in a different form. Will we never learn?

Mr. Speaker, I want to insert at this point a table that I have prepared from a Commerce Department report which shows the kind of supplies that have been shipped from this country to the iron curtain countries.

ALBANIA	
Total exports of United States merchandise for 1948 and 1949: Animals and animal products; vegetable food products and beverages; vegetable products, inedible; textile fibers and manufactures; nonmetallic minerals; machinery and vehicles; chemicals and related products; all other exports of United States merchandise	$471,000
BULGARIA	
Total exports of United States merchandise for 1948 and 1949: Animals and animal products, edible; vegetable products, inedible; textile fibers and manufactures; wood and paper; nonmetallic minerals; metals and manufactures; machinery and vehicles, chemicals and related products; all other exports of United States merchandise	3,468,000
CZECHOSLOVAKIA	
Total exports of United States merchandise for 1948 and 1949: Animals and animal products, edible; animals and animal products, inedible; vegetable food products and beverages; vegetable products, inedible; textile fibers and manufactures; wood and paper; nonmetallic minerals; metals and manufactures; machinery and vehicles; chemicals and related products; all other exports of United States merchandise	43,005,000
HUNGARY	
Total exports of United States merchandise for 1948 and 1949: Animals and animal products, edible; animals and animal products, inedible; vegetable food products and beverages; vegetable products, inedible; textile fibers and manufactures; wood and paper; nonmetallic minerals; metals and manufactures; machinery and vehicles; chemicals and related products; all other exports of United States merchandise	13,054,000
POLAND AND DANZIG	
Total exports of United States merchandise for 1948 and 1949: Animals and animal products, edible; animals and animal products, inedible; vegetable food products and beverages; vegetable products, inedible; textile fibers and manufactures; wood and paper; nonmetallic minerals; metals and manufactures; machinery and vehicles; chemicals and related products; all other exports of United States merchandise	78,108,000
RUMANIA	
Total exports of United States merchandise for 1948 and 1949: Animals and animal products, edible; animals and animal products, inedible; vegetable food products and beverages; vegetable products, inedible; textile fibers and manufactures; wood and paper; nonmetallic minerals; metals and manufactures; machinery and vehicles; chemicals and related products	$10,710,000
RUSSIA	
Total exports of United States merchandise for 1948 and 1949: Foodstuffs; vegetable products, inedible; textile fibers and manufactures; nonmetallic minerals; metals and manufactures; machinery and vehicles; chemicals and related products; scientific and professional instruments, apparatus and supplies; household and personal effects; all other exports of United States merchandise	23,940,000
YUGOSLAVIA	
Total exports of United States merchandise for 1948 and 1949: Animals and animal products, edible; tallow, inedible; vegetable food products and beverages; vegetable products, inedible; textile fibers and manufactures; nonmetallic minerals; metals and manufactures; machinery and vehicles; chemicals and related products; all other exports of United States merchandise	28,840,000
Total	201,596,000

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Mr. Speaker, may I say in reply to the gentleman's observation in reference to the gentleman from Minnesota [Mr. JUDD] many of us have a personal knowledge of the service that he rendered at that time. Some of us also recall that a bill was introduced in this House to prohibit the exportation of that scrap, but it got into a pigeonhole in the committee's desk somewhere, and that was the last of it.

Mr. SMITH of Wisconsin. I thank the gentleman.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from New Jersey.

Mr. CANFIELD. It is true that the gentleman from Minnesota [Mr. JUDD] made approximately 1,400 speeches in these United States before Rotary Clubs, the Kiwanis, the Lions, and various chambers of commerce, and other organizations predicting what would come to pass at Pearl Harbor. I am not a prophet, but I rose on the floor of this House in October 1947, after returning from a trip to Europe and the Middle East, to argue that we should stop the sending of military potentials to the Soviet Union.

Mr. SMITH of Wisconsin. I thank the gentleman for his contribution.

Now, I want to call attention to an article that appeared in the New York Times on last Saturday in which it states that our representatives on the allied council in western Germany have just removed the ban upon shipments of steel to the eastern area of Germany. That is behind the iron curtain.

What kind of business is that?

Mr. Speaker, I ask unanimous consent to insert at this point an article entitled "German Steel Ban Found Ineffective" by Kathleen McLaughlin.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. The article reads as follows:

[From the New York Times of August 12, 1950]

GERMAN STEEL BAN FOUND INEFFECTIVE—BRITISH COMMANDANT IN BERLIN SAYS CONTRABAND SHIPMENTS TO EAST ZONE CONTINUED

(By Kathleen McLaughlin)

BERLIN, August 11.—The lifting of the west German embargo on shipments of steel to eastern Germany received official sanction today from the western allied high commission.

The British commandant in Berlin, Maj. Gen. G. K. Bourne, declared that the embargo "never was effective" and that contraband shipments of steel and steel products to the east had continued without interruption.

Private sources estimated that approximately 100,000 tons of raw steel and finished steel products, such as machine tools, had been smuggled across the zonal border since the ban had been imposed.

The disposition of west German industrialists to circumvent the embargo has convinced United States and British economic officials that only the most rigid supervision of transactions specified in the new east-west trade treaty, to be negotiated as quickly as possible, can prevent even greater violations of this nature in the future.

October 1 has been set as the effective date of the supplementary trade pact. Conferences will begin early next week in view of the eagerness on both sides to conclude the preliminaries.

There has been implicit agreement in the talks up to now that the new treaty will call for enlarged quotas of deliveries. Future shipments to the east exceeding the terms of the new pact are expected, in view of the eagerness of the Ruhr concerns to expand their business.

The original quota of iron and steel products for east German purchases was 335,000 tons, of which 150,000 were to have been rolling mill products, 25,000 casting products, 110,000 pig iron and 50,000 scrap metal.

Germans in touch with the situation acknowledge the existence of an illegal traffic to the east. They estimate that the entire quota of scrap, and possibly more, has been delivered, despite the embargo, and that as much more tonnage in other classifications was transferred since April.

Both east and west zone Germans are eager for a resumption of trade relations, despite the fact that the westerners have been the victims of several deals in which the Communists profited handsomely.

Although suspension of the steel embargo had been agreed to last February 25 by the west German authorities, this arrangement was not authorized by the western allies until today.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from California.

Mr. PHILLIPS of California. I think the gentleman is doing a service to bring this matter to the attention of the public. I have felt and expressed on the floor the feeling that the enemy is Russia and that we should not be misled by some idea that we are fighting a group of North Koreans. And, I think if the enemy is Russia, then certainly we should take the first step in the nature of economic bans against shipments to Russia which might later be used against us.

Mr. SMITH of Wisconsin. I thank the gentleman for his contribution. His remarks are very pertinent.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The gentleman spoke of these materials going to eastern Germany.

Mr. SMITH of Wisconsin. Yes.

Mr. HOFFMAN of Michigan. I assume the gentleman is referring to that part of Germany which is under the control of Russia.

Mr. SMITH of Wisconsin. That is exactly it.

Now, then, from this it seems to me we can conclude that we have no foreign policy on this proposition. I doubt if we have a military policy, and if there is one thing that the people are insisting upon it is that somewhere, someday, pretty soon, we are going to have a statement by the President of the United States as to just where we are going. I can tell you that in our Committee on Foreign Affairs we have asked the top officials of the State Department as to what our foreign policy is, and without exception we have been told, "Well, the situation is fluid and we have to meet it day by day." Now, I will wager a plugged nickel that the Russians have an over-all long-range foreign policy and they also have a long-range military policy.

Now, what to do about this situation? I have four suggestions that I would like to make.

First. I believe that trade relationships with Russia and her satellites should stop immediately. These countries are our enemies and we should not do business with them.

Second. Marshall-aid money should not be used by western European countries to trade with our enemy. The President of the United States should serve notice to that effect immediately.

Third. I believe that diplomatic relationships with Russia and her satellites should be terminated and every embassy and consulate in this country closed.

Fourth. I believe that President Truman should announce at once just what our long-range military and foreign policies are.

It is obvious to everybody that this country cannot furnish men, money, and munitions to every nation that runs afoul of Communist aggression. The American people are demanding such a declaration from the President now.

PRACTITIONERS BEFORE ADMINISTRATIVE AGENCIES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 816, Rept. No. 2954), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8201) to protect the public with respect to practitioners before administrative agencies. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMERICAN-FLAG SHIPPING ON THE GREAT LAKES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 817, Rept. No. 2955), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8847) to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FIRST, SECOND, AND THIRD NATIONAL STEAMSHIP COS.

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 818, Rept. No. 2956), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 784) for the relief of the First, Second, and Third National Steamship Cos. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

DEPARTMENT OF AGRICULTURE

Mr. SABATH, from the Committee on Rules, on behalf of Mr. MCSWEENEY, reported the following privileged resolution (H. Res. 819, Rept. No. 2957), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8850) to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Assistant Secretary of Agriculture, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PANAMA CANAL

Mr. SABATH, from the Committee on Rules, on behalf of Mr. MCSWEENEY, reported the following privileged resolution (H. Res. 820, Rept. No. 2958), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, (H. R. 8677) to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PUBLIC AIRPORT IN VICINITY OF DISTRICT OF COLUMBIA

Mr. SABATH, from the Committee on Rules, on behalf of Mr. DELANEY, reported the following privilege resolution (H.

Res. 821, Rept. No. 2959), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 456), to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MCGREGOR, indefinitely, on account of official business.

To Mr. JUDD, for Monday and Tuesday, on account of illness in family.

LIFE INSURANCE FOR MEMBERS OF ARMED SERVICES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have introduced two bills, one extending certain GI benefits to the men in Korea, and the other is an insurance bill. I understand General MacArthur has requested that the veterans serving in Korea be given insurance.

Based upon the information I have been able to secure from the armed services, approximately 22 percent of all persons in our armed services have no Government life insurance protection. My information also shows that a high percentage of our military personnel who have dependents are without Government insurance protection.

It is estimated based on sample surveys that approximately 41 percent of those with dependents have the full $10,000 insurance protection; 25 percent have less than $10,000 coverage and 23 percent have no Government insurance. Of those serving overseas who have dependents it is estimated that approximately 18 percent have no insurance.

Since June 25, the date of the attack in Korea, many applications for insurance have been received by the Veterans' Administration from our boys serving overseas. Many of these applications are incomplete and do not meet the legal requirements for acceptance by the Veterans' Administration.

Based on this information, I am introducing a bill to amend the National Service Life Insurance Act to provide for gratuitous insurance for these boys fighting in Korea, giving them the same protection granted to members of our armed services in World War II serving under similar conditions. My bill also carries a provision which would cure the deficiencies for those making incomplete application for insurance now being received by the Veterans' Administration. This provision of the bill gives the boys on Korea the same insurance protection given World War II veterans serving under similar circumstances.

The bills referred to are as follows:

H. R. 9467

To extend to personnel of the Armed Forces engaged in operations against the forces of North Korea certain insurance benefits provided by law for certain veterans of World War II

Be it enacted, etc., That paragraph (3) of section 602 (c) of the National Service Life Insurance Act of 1940, as amended, is amended to read as follows:

"(3) Any person in the active service—

"(A) between October 8, 1940, and September 2, 1945, both dates inclusive, or

"(B) between June 25, 1950, and the date of the termination (as determined by proclamation of the President) of military, naval, and air operations against the forces of the Government of North Korea, who at any time during such period was actively engaged in such operations, and

who, while in such service, made application in writing for insurance while performing full military or naval duty, which application was denied solely on account of his condition of health, and the applicant thereafter shall have incurred a total and permanent disability in line of duty or died in line of duty, shall be deemed to have applied for and to have been granted such insurance as of the date of such application and such insurance shall be deemed to be or to have been continued in force to the date of death of such person. In any case in which insurance deemed to have been granted under this paragraph matures or has matured, there shall be deducted from the proceeds of such insurance the premiums payable thereon from the date of application to the date of incurrence of total and permanent disability in line of duty or to the date of death, if permanent and total disability was not incurred. Any payments on such insurance shall be made directly from the national service life insurance appropriation. The amount of insurance deemed to have been granted under this paragraph, when added to any other insurance in force under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or this part, shall not in the aggregate exceed $10,000."

SEC. 2. Paragraph (2) of section 602 (d) of the National Service Life Insurance Act of 1940, as amended, is amended to read as follows:

"(2) Any person in the active service on or after October 8, 1940, who—

"(A) while in such service and before the expiration of 120 days after the date of enactment of the act entitled 'An act to amend the Selective Training and Service Act of 1940 by providing for the extension of liability for military service and for the registration of the manpower of the Nation, and for other purposes', approved December 20, 1941 (55 Stat. 844), or

"(B) while in such service and before the expiration of 120 days after the date of enactment of the act entitled 'An act to extend to personnel of the Armed Forces engaged in operations against the forces of the Government of North Korea certain benefits provided by law for veterans of World War II, and for other purposes,' is actively engaged in military, naval, or air operations against the forces of the Government of North Korea, and who

dies or has died in line of duty (including death resulting from disease or injury incurred in line of duty), without having in force at the time of such death insurance under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or this act, in the aggregate amount of at least $5,000, shall be deemed to have applied for and to have been granted insurance as of the date of entry into active service or October 8, 1940, whichever is later, in the sum of $5,000 payable as provided in section 602 (h), except that payments hereunder shall be made only to the following beneficiaries and in the order named—

"(i) to the widow or widower of the insured, if living and while unremarried;

"(ii) if no widow or widower entitled thereto, to the child or children of the insured, if living, in equal shares;

"(iii) if no widow or widower entitled thereto, or child, to the dependent mother or father of the insured, if living, in equal shares:

Provided, That if such person serving as a flying cadet or aviation student, Navy or Army, between October 8, 1940, and June 3, 1941, the date of approval of Public Law No. 97 and Public Law No. 99, Seventy-seventh Congress, and died as the result of an aviation accident incurred in line of duty while in such active service, such person shall be deemed to have applied for and to have been granted an aggregate amount of insurance of not less than $10,000. Any additional insurance granted by virtue of this proviso shall be payable in the manner provided by this section."

SEC. 3. Subparagraph (3) (A) of section 602 (d) of the National Service Life Insurance Act of 1940, as amended, is amended to read as follows:

"(3) (A) Any person in the active service who—

"(i) on or after October 8, 1940, and prior to April 20, 1942, or

"(ii) on or after June 25, 1950, and prior to the date of the termination (as determined by proclamation of the President) of military, naval, and air operations against the forces of the Government of North Korea is actively engaged in such operations, and who

becomes totally disabled as a result of injury or disease incurred in line of duty and such disability continues without interruption for a period of 6 months or until death intervening prior to the end of such 6 months' period without having in force at time of incurrence of such disability at least $5,000 insurance issued under the War Risk Insurance Act, as amended, or the World War Veterans' Act, 1924, as amended, or this act, shall be deemed to have applied for and to have been granted, effective as of the commencement of such total disability national service life insurance in an amount which together with any such insurance then in force shall aggregate $5,000 and such gratuitous insurance shall continue in force without payment of premiums until 6 months after the insured ceases to be totally disabled or until 1 year after the date of enactment of this amendatory act, whichever is the earlier date: *Provided,* That such protection shall cease and terminate unless within either such period (whichever is applicable) such disabled person shall make application in writing for continuance of all or any part of such insurance and shall submit evidence satisfactory to the Administrator of entitlement to waiver of premiums under section 602 (n) of this act or tender the premiums thereafter becoming due: *Provided further,* That waiver of premiums under section 602 (n) shall not be

denied under this subsection on the ground that total disability commenced prior to the effective date of such insurance: *And provided further*, That anyone who applied for and was issued insurance after becoming totally disabled, and but for such application would be entitled to insurance hereunder, shall have the right, upon application within the time and in the manner as above limited, to elect to surrender insurance applied for and to be issued insurance hereunder, or if such insurance shall have lapsed without election, such person shall be considered subject in all respects to the provisions of this subsection, as hereby amended, but policies issued hereunder shall be effective from date of surrender or lapse of policy previously issued."

SEC. 4. Subparagraph (3) (B) of section 602 (d) of the National Service Life Insurance Act of 1940, as amended, is amended to read as follows:

"(3) (B) Any person in the active service who—

"(i) on or after December 7, 1941, and prior to April 20, 1942, has been or shall be captured, besieged, or otherwise isolated by the forces of an enemy of the United States for a period of at least 30 consecutive days and extending beyond April 19, 1942; or

"(ii) on or after June 25, 1950, and prior to the date of the termination (as determined by proclamation of the President) of military, naval, and air operations against the forces of the Government of North Korea has been or shall be captured, besieged, or otherwise isolated by the forces of the Government of North Korea for a period of at least 30 consecutive days extending beyond the date of enactment of the act entitled 'An act to extend to personnel of the Armed Forces engaged in operations against the forces of the Government of North Korea certain benefits provided by law for veterans of World War II, and for other purposes,' and at the time of such capture, siege, or isolation did not have in force insurance in the aggregate amount of at least $5,000 under the War Risk Insurance Act, as amended, the World War Veterans' Act, as amended, or this act, shall be deemed to have applied for and to have been granted, effective as of the date of such capture, siege, or isolation, national service life insurance in an amount which together with any such insurance then in force shall aggregate $5,000 of insurance, and such insurance shall remain in force and premiums on such insurance shall be waived during the period while such person remains so captured, besieged, or isolated, and for 6 months thereafter: *Provided*, That such protection shall cease and terminate at the end of such period of 6 months unless within such period such person shall make application in writing for the continuance of all or any part of such insurance and shall submit evidence satisfactory to the Administrator of entitlement to waiver of premiums under section 602 (n) of this act, or tender the premiums thereafter becoming due."

H. R. 9468

A bill to extend to personnel of the Armed Forces engaged in operations against the forces of the Government of North Korea certain benefits provided by law for veterans of World War II, and for other purposes

Be it enacted, etc., That for the purposes of all laws and regulations administered by the Veterans' Administration, active service performed by any member of any of the Armed Forces of the United States, during the period from June 25, 1950, to and including the date of the termination (as determined by proclamation of the President) of military, naval, and air operations against the forces of the Government of North Korea, in the course of such operations, shall be deemed a period of active military or naval service in time of war, and each person who has engaged actively in such operations shall be entitled to receive all benefits provided by such laws or regulations to the same extent as if his service during such period had been performed during World War II.

SEC. 2. (a) Any person who (1) served in the active military or naval forces of the United States on or after June 25, 1950, and prior to the termination (as determined by proclamation of the President) of military, naval, and air operations against the forces of the Government of North Korea, (2) participated actively in such operations, and (3) shall have been discharged or released from such service under conditions other than dishonorable, shall, subject to the limitations hereinafter prescribed, be entitled to receive all benefits provided by titles II, III, IV, and V of the Servicemen's Readjustment Act of 1944, as amended, for persons who served in the active military or naval forces during World War II. The benefits conferred by this subsection shall be granted under the same conditions, and to the same extent, as those conferred by such titles upon persons who served in the active military or naval forces during World War II.

(b) For the purposes of this section the following terms appearing in such act, as amended, or any amendment made thereby shall have the meanings hereinafter prescribed:

(1) "termination of hostilities in the present war" shall mean the termination (as determined by proclamation of the President) of military, naval, and air operations against the forces of the Government of North Korea which began on or about June 26, 1950;

(2) "September 16, 1940" shall mean June 25, 1950;

(3) "discharge," "release", and their equivalents, when used to mark the termination of active military or naval service, shall mean the release of any person from active military or naval service (by discharge or otherwise) which first occurs after the termination (as determined by proclamation of the President) of military, naval, and air operations against the forces of the Government of North Korea which began on or about June 26, 1950; and

(4) "date of enactment," when used to mark the date of enactment of the Servicemen's Readjustment Act of 1944 to fix the entitlement of any person to, or the duration or extent of, any benefits provided thereby, shall mean the date of enactment of this act.

(c) In carrying into effect the provisions of this section, the Administrator of Veterans' Affairs shall have the same powers and duties as those conferred or imposed upon him by the Servicemen's Readjustment Act of 1944, as amended, with respect to the administration of titles II, III, IV, and V thereof and the amendments made thereby.

(d) No person entitled to any benefit pursuant to title II, III, IV, or V of the Servicemen's Readjustment Act of 1944, as amended, or any amendment made thereby, shall be entitled to receive a second benefit of like kind pursuant to this section, except that—

(1) any person entitled under any such title to receive any benefit the extent or duration of which is measured by the length of his active military or naval service during World War II at his election shall be entitled, in the computation of the length of such service for the purposes of such title, to include all service which, except for this subsection, would be creditable pursuant to subsection (a) of this section; and

(2) with respect to any person who on the date of enactment of this act was eligible to receive any benefit under any such title, and who has engaged actively in military, naval, or air operations against the forces of the Government of North Korea in the period from June 25, 1950, to the date of termination of such operations (as determined by proclamation of the President), the period prescribed by existing law within which application must be made for, and the period prescribed by existing law during which such person may receive, such benefit shall be extended by a period of time equal to the period of time which shall have passed between June 25, 1950, and a date 6 months following such date of termination of operations.

SEC. 3. Notwithstanding the provisions of section 515 (c) of the Career Compensation Act of 1949 or any other provision of law, the provisions of title I of the Servicemen's Dependents Allowance Act of 1942, as amended, shall be applicable, during the period from June 25, 1950, to and including the last day of the sixth month following the month in which military, naval, and air operations against the forces of the Government of North Korea are terminated (as determined by proclamation of the President), with respect to each member of the Armed Forces of the United States who at any time during such period has been actively engaged in such operations, and his dependent or dependents.

SEC. 4. Paragraph (14) of section 2 of the United States Housing Act of 1937 (50 Stat. 893, as amended; 42 U. S. C. 1402) is amended to read as follows:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States—

"(A) at any time on or after September 16, 1940, and prior to July 26, 1947; or

"(B) at any time on or after April 6, 1947, and prior to November 11, 1918; or

"(C) at any time on or after June 25, 1950, and prior to the termination (as determined by proclamation of the President) of military, naval, and air operations against the forces of the Government of North Korea which began on or about June 26, 1950, if such person was at any time during such period actively engaged in such operations, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein—

"(i) at any time on or after September 16, 1940, and prior to July 26, 1947; or

"(ii) at any time on or after April 6, 1917, and prior to November 11, 1918; or

"(iii) at any time on or after June 25, 1950, and prior to the termination (as determined by proclamation of the President) of military, naval, and air operations against the forces of the Government of North Korea which began on or about June 26, 1950, if such person was at any time during such period actively engaged in such operations."

Mr. Speaker, I am very sure that these bills will be passed. It is only a matter of simple justice that they be passed.

DEPENDENCY ALLOWANCE FOR MEMBERS OF THE ARMED FORCES

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, there has been so much interest in the dependency allowance bill that the subcommittee of which I am chairman has been meeting night and day. We met until late last night writing out the provisions of a bill. We have been in session all day. Just 5 minutes ago the subcommittee reported out a bill unanimously, and it is a bill which I think is going to be very satisfactory to the country and to the servicemen and their dependents.

Of course, it is not all that we want. We never get all we want. But I do think it will have the effect of reassuring the servicemen overseas who are fighting for our country today in Korea, that their wives and families are going to be cared for in a reasonable American fashion. We hope to take this measure up before the full committee on Tuesday; of course, subject to the call of the chairman of the full committee.

I make this statement so that the Members of the House may be reassured as to what our committee is doing on this problem.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes in order to ask the gentleman from Louisiana a question.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOFFMAN of Michigan. I would say to the gentleman from Louisiana that I know of no Member of the House who will oppose the type of legislation to which he has just made reference, or the type of legislation to which the lady from Massachusetts [Mrs. ROGERS] referred. I wonder if it has ever occured to you or to her that there is a possibility that we cannot forever continue to send American youth to every place where Stalin or some of his satellites may start a war, and still protect the security of the Republic? Has any thought ever been given to that phase of the problem by either of you?

Mr. BROOKS. It has been, but when men are dying in Korea I know that the gentleman will not take issue with me that we ought not make suitable provision in this Congress to take care of the needy and sometimes destitute families of those who are willing to give their lives for their country. I do not think the gentleman will take issue with that.

Mr. HOFFMAN of Michigan. I do not. I am in thorough accord with that position, but my question is, Is there ever going to be a limit to where our men are going to fight or to how many you are going to send? The supply of flesh and blood is not inexhaustible. It is the most precious of all. To waste our youth in futile wars all over the world—seems to be a possible result I have never heard the one-worlders, the internationalists, discuss on this floor, the cost, and the result of the program seems to never have been given consideration.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes in order to ask some questions.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I know the gentleman from Louisiana [Mr. BROOKS] has made a great study of servicemen's legislation and the care of dependents. I think everybody in the United States today feels that we should take care of the dependents of men who fight for us and take care of those fighters. We in the Congress are responsible. We are the ones who sent those men to fight. There is no doubt about that. The responsibility is on our heads.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I do not yield at this time. I shall be glad to yield later.

In the instance of Korea, the President, as Commander in Chief, saw fit to send our fighting men into Korea. I think I know what the gentleman from Michigan was going to say. But we are the ones who voted for the draft. We should keep the men supplied with arms and munitions of war, and we did vote billions upon billions for arms and munitions. We thought our boys were well supplied but they were not. It is the duty of the Members of Congress, and I know the citizenship of the United States is heartily in accord with me when I say that men who fight for us, the men who die for us—and I have seen those boys in hospitals suffer and die for us, and I have seen a good many of them in the past few days—I know the people want to see that they are cared for. They are young to be wounded. They are young to die. They are young to be unhappy before they die because their families are not looked after. There is nothing in the country today that matters except national defense and the protection of those men. Nobody pays anything really but those boys.

Mr. BROOKS. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. BROOKS. I was much impressed with the information which the gentlewoman from Massachusetts gave us about the insurance. I have been thinking for a long time along the line that the gentlewoman has indicated. I know that the country would welcome some provision like the one in the bill which the gentlewoman has mentioned. If the gentlewoman will permit me, we have a responsibility to men who fight, regardless of why they are there. I am not going to let anybody turn me aside from the responsibility of taking care of the dependents of those men overseas when they are helpless to take care of their own dependents.

Mrs. ROGERS of Massachusetts. That is true. I understand also that the Hardy report states that to give the men their insurance outright will be less costly than for the men to pay their own insurance under the present system.

The SPEAKER pro tempore. The time of the gentlewoman from Massachusetts has expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, neither the Representative from Massachusetts [Mrs. ROGERS] nor the gentleman from Louisiana [Mr. BROOKS] is alone in this proposition as to what this Congress should do or is going to do for those men who have enlisted or who have been drafted to fight the battles of the United Nations. No one in the House, as far as I know, has a thought of opposing any proposed legislation for the relief of their families. But that is not what I was talking about and that is not the question I am now asking. It is all very well to get up here and cry and sob, and justifiably so, about those who are fighting, with inadequate weapons, food, supplies of all kinds—some dying, some murdered.

In the last few years, I have heard many, many speeches from the well of this House about the necessity of caring for our veterans and their dependents, and every Member of the House will go along with proposed legislation to in part repay them for the sacrifices they have made. But the speeches which I have heard from the well of the House which would have aided in keeping them from becoming veterans I could almost number on the fingers of one hand.

Over the weeks, the months—yes, and over the years—I have heard much about our obligation to restore and maintain peace throughout the world, but never, so far as I can recall, have I ever heard anyone who advocated that we join some sort of a one world—a united states of the world—organization, that we furnish an armed force to maintain peace throughout the world, either estimate the cost, not in dollars and cents, but in men, or make any informed prediction as to the result of the policy which they advocated.

True, I have heard this internationalism described, once as, and I quote, "a great speculation." Again, I heard it referred to as, and again I quote, "a great adventure," and several times, if memory serves correctly, we have been told that it was, and once more I quote, "a calculated risk."

But never were facts or figures given in connection with those statements which would indicate that the proposal under consideration was anything other than the wildest kind of speculation.

No one, so far as I know, has ever given us any information which would have enabled us to determine what the term "calculated risk" meant. For some, for those who have died in Korea, it has been not "a great adventure," but to them the final adventure.

One thing I have noted—that there has been a strange and, with but very few exceptions, an almost complete silence from those who have spoken so often, so loudly and, as some think, so eloquently, in favor of the United Nations, the Atlantic Pact, the Marshall plan, the one world, our participation in a world police force.

My remarks are not made in a spirit of criticism, for many of those to whom I refer were no doubt sincere, held honest convictions about the efficacy of their proposals. But some of them—many of them—now seem to realize that the American people have been led into a situation which will require an almost destructive effort if we are to extricate ourselves.

When you read accounts, for example the one today about 32 of those men, boys

they were, babes in the woods, you might say, being caught over there and shot—murdered—after they were taken prisoners, of course you begin to wonder and to think.

The gentlewoman from Massachusetts [Mrs. ROGERS] made the statement that this Congress was responsible for the present dilemma in which we now find ourselves. To a certain extent, the Congress is responsible—yes, but not Members of the Congress. Then she said we voted. We voted. I want to say to you, and to every Member of the House, that some of us never voted for this program which committed us to sending our men, our flesh and blood all over the world to fight in every quarrel that any nation might pick or get into.

Some of us who opposed the so-called bipartisan international lack of policy which is the cause of our present danger were smeared—our loyalty questioned—and I for one do not propose to take more of that without publicly laying the facts on the line placing the responsibility right where it belongs—on the heads of those who surrendered our independence of thought and action, those who made us subservient to the United Nations—a member of Atlantic Pact—those who committed us to what now looks like an almost endless war.

But the gentlewoman from Massachusetts [Mrs. ROGERS] cannot lay the blame for our present predicament on all the Members of Congress. Some of us never, at any time, voted to entangle our country in the quarrels of other nations. We did have our internationalists, sure; many of our people, good, honest people, who sincerely thought it was the duty of America not only to feed, clothe, and shelter all the people of all the world but also to fight all of their battles.

I think today as I thought in those days, that that was a mistaken policy, that it was committing us to a policy which we could not carry on to success. It is absurd, at least in my judgment, it is absurd to say that 150,000,000 or 160,000,000 people can take care of all the rest of the world and fight their battles. What are you going to do when you are pushed off Korea, if you are? And if you are not pushed off Korea what are you going to do when our men fight back to the thirty-eighth parallel? Will you then go on to Manchuria? And when Stalin starts his puppets fighting down in Indochina, when he goes into western Germany, when he takes over Berlin, when he starts his battles in a hundred other places—a half dozen other places, put it that way, that is more realistic—what are you going to do? Are you going to send young American boys over there to fight and die? In their place here at home put one of these displaced persons after the war is over? You continue the present course and, in my judgment, you will wreck this country.

At least one columnist who, if I remember her writings correctly, was something of an internationalist, has evidently seen the error of her way. Permit me to read you what she wrote night before last in the Washington Star. I quote:

ON THE RECORD—FAR EAST ALREADY LOST TO AMERICA BY FAILURE TO CHANGE FOREIGN POLICY

(By Dorothy Thompson)

Those of us who believe that the American foreign policy is utterly reckless and leading us straight into catastrophe are effectively disfranchised. There is only one party, and it is a war party. There is no patriotic leadership that challenges the course on which we have embarked, or has the brains or the courage to chart another.

The present course is to offer ourselves as the policeman of the world, to enforce, by the sacrifice of American lives and fortune, the court orders (as it were) of United Nations countries who will not or cannot themselves fight to enforce them, and to put down aggression wherever it may raise its ugly head, in whatever corner of the globe.

The law against aggression, which Mr. Truman, the generals, and the majority of Republicans have committed us to police, is now law. There is not even a definition of aggression in the UN charter. There is no impartial judgment to which it can be referred. The judges include the charged aggressors or their partisans. There is no international police force to execute judgment, nor is any nation required to commit its own forces.

ARENA FOR POWER POLITICS

The United Nations, divided into two factions, sharing no common notions of civilization, law or order, is, as an institution to enforce peace, pure fiction. It is, in fact, an arena for the great game of power politics. Stalin and company, who know this, use it for what it is and play the game supremely well, while our vacant-minded leaders appoint the American people to be the Galahads of the world, to liberate all victims of aggression—whether they want to be liberated or not. Since the process, once the initial aggression has succeeded, involves the wholesale destruction of the countries and inhabitants to be liberated, enthusiasm is notably lacking. That is the lesson of Korea.

The Russian game is to fight for nobody except Russians. It is to use the armies of its allies to fight Russia's enemies, under the conditions Russia picks.

Now, I submit that if the United States irrevocably commits herself to fighting for all who won't or can't fight for themselves, while Russia pours into the fray only her allies' resources while reserving her own, there can be but one outcome. The final phase of the conflict will find the West utterly exhausted, its forces dispersed, and unable to defend itself on its own ground.

WAR WE CANNOT WIN

Stalin's game is to involve this country in war with China. It is a war we cannot win, morally, politically, or militarily.

We cannot win it morally because no Asiatic trusts the foreign devil, no matter what banner he carries.

We cannot win it politically, because we have not one ally in Asia—having already done our best to extirpate all western influences and sympathetic powers. A policy which commands the British to get out of India and the Dutch out of Indonesia, and then decides to support the French in Indochina—who desperately need their troops to defend France in France; which refuses to support Chiang in China, and then decides to support him in Formosa; and which totally disarms Japan, and then decides to defend it, is not a policy. It is a tale told by an idiot. Nehru's recent bitter words about both Russia and America were spoken by a true Asiatic.

We cannot win a war involving China militarily. If there is any general who can tell us how to accomplish what Asiatic Japan could not, or how to overcome by any sort of super-duper weapon the numerical superiority of half a billion Asiatics, fighting on familiar terrain, highly trained in guerrilla tactics and utterly careless of death; or how to blockade a land mass with interior sources of supply that reach from the Yellow Sea to the Elbe in Europe, let that genius arise and tell us how.

We have already lost Asia, chiefly by the great Nationalist revolts that the last war let loose, aided by our own past policies.

It is a loss we can acknowledge and sustain.

For Stalin has not yet won Asia. He wants us to win it for him, by a war with China, which will force China into servitude to Russia.

You ask: What would you do? I would do what every general who ever fought a successful war right from the beginning down to the very last war has done, I would get back on a line I could at least have some hope of defending. That is just what our military experts in Korea have been trying to do for the past 3 weeks. I would not scatter my forces all over the world where it is impossible for them even to fight on anywhere even terms. I would not when a mistake in strategy has been made like a stubborn mule stick to it when my error was costing the lives of our men without even a chance to fight back. If this atom bomb, Mr. Speaker, has anything, or the hydrogen bomb, or the other bombs the boys were dropping in World War II are worth anything at all I would get back home and consolidate my forces, build up our national defense, quit wasting our money on things that can wait and I would say to "Good Old Joe": "We will bomb the Hades"—I guess that is the word, is it not?—"We will bomb the Hades out of you if you do not quit sicking your dogs of war on us." Yes that I would do, and instead of having to sacrifice in impossible positions here, there, and all over the world these young American boys—I looked at the pictures in some of the magazines at home last night—looked at their faces. I put a magnifying glass on pictures in the Saturday Evening Post. What do they show? Tired, lonesome, homesick boys—not men—who know nothing about the reason for the fighting that they are called on to do, who had no choice as to whether they would fight, who are inadequately armed.

Oh, do I hear somebody ask me: "Well, you did not vote to give them the arms." I voted for every bill for military defense. I will continue to vote for every dollar they think they need. But I never voted for a dollar to spend over there needlessly, uselessly on some of these silly, foolish programs—and there are dozens of them. I will vote to give these boys the weapons they need to defend themselves; I will vote for every bill you can bring in for their dependents. But I am not going to vote to take care of other people elsewhere who make no effort to take care of themselves.

I never have and I never will vote to surrender any degree of our independence, of our sovereignty as a Nation.

I never have and I never will vote to force our young men to fight a war, the existence of which in no way endangers our national security, the welfare of our people.

I still believe in the advice given us by George Washington. The bitter, bitter news which has been coming to us for the past 3 weeks shows that the Father of our County had far more wisdom than all of those, however sincere they may have been, who had so little faith in our form of government, in the ability and the courage of our people, that they thought we must seek protection in some form of an international organization.

Events have demonstrated their folly. May God save us from the results thereof.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in two instances and include newspaper excerpts.

Mr. SMITH of Wisconsin asked and was given permission to further revise and extend the remarks he made in the House on July 18.

Mr. DAVENPORT asked and was given permission to extend his remarks and include an editorial.

Mr. CASE of New Jersey asked and was given permission to extend his remarks and include an editorial.

Mr. GATHINGS asked and was given permission to extend his remarks in four instances and include editorials.

Mr. McDONOUGH asked and was given permission to extend his remarks.

Mr. SIMPSON of Pennsylvania (at the request of Mr. BRAMBLETT) was given permission to extend his remarks and include an article.

Mr. CASE of South Dakota (at the request of Mr. CANFIELD) was given permission to extend his remarks and include some editorial comment.

Mr. HARRISON (at the request of Mr. BENNETT of Florida) was given permission to extend his remarks and include extraneous matter.

Mr. JENISON asked and was given permission to extend his remarks and include an editorial.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7155. An act to authorize the Secretary of Agriculture to cooperate with the States to enable them to provide technical services to private forest landowners, and for other purposes; and

H. R. 7209. An act authorizing and directing the Secretary of the Interior to undertake continuing studies of Atlantic coast fish species for the purpose of developing and protecting fish resources.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 305. An act for the relief of Julio Laffitte;

S. 459. An act for the relief of Cornelis Ruhtenberg, also known as Cornelius Ruhtenberg Helmsing;

S. 819. An act for the relief of Herman L. Weiner;

S. 918. An act for the relief of Clara Sogor;

S. 1222. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Agency, S. Dak.;

S. 1420. An act for the relief of Antonio Garcia Jiminez;

S. 1426. An act to authorize the sale of lands allotted to James Brown on the Crow Reservation, Mont.;

S. 1506. An act for the relief of Andre Lan;

S. 1568. An act for the relief of Anna Rajmann;

S. 1800. An act for the relief of J. Don Alexander;

S. 1866. An act for the relief of Mrs. Clayre Louise Forsyth;

S. 2173. An act for the relief of Giuseppe Moschetti and his wife, Dina Bartoli Moschetti;

S. 2204. An act for the relief of Rudolph Farcher;

S. 2257. An act for the relief of Hyman Winterman;

S. 2401. An act for the relief of Elizabeth Martha Haug;

S. 2614. An act for the relief of O. O. Haugen;

S. 2617. An act for the relief of Ermalinda Mary Pizzuto;

S. 2780. An act for the relief of Jaime Riel;

S. 2897. An act for the relief of Hyman D. Langer and Alta Jourard Langer;

S. 2954. An act for the relief of Agnes Biro and Anna Biro;

S. 3005. An act for the relief of Olga Haddad;

S. 3017. An act for the relief of Sgt. James C. Hollon and Bessie L. Hollon;

S. 3059. An act for the relief of John J. Sebenick;

S. 3097. An act conferring jurisdiction on the United States District Court for the Southern District of Mississippi to hear, determine, and render judgment upon the claim of O. S. Rees;

S. 3129. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Rosebud Indian Agency, S. Dak.;

S. 3238. An act for the relief of Dr. Frederick Daniel McDade;

S. 3289. An act for the relief of Hisako Okanoto;

S. 3325. An act for the relief of Isolde Bezner;

S. 3446. An act to authorize the restoration of Edwin M. Rosenberg, lieutenant commander, retired, to the active list of the United States Navy;

S. 3610. An act for the relief of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department;

S. 3611. An act for the relief of Dorrance Ulvin, former certifying officer, and for the relief of Guy F. Allen, former chief disbursing officer;

S. 3613. An act for the relief of certain Chinese stewards of the United States Navy;

S. 3614. An act for the relief of John B. Underwood, Jr., TMC, United States Navy; and

S. 3709. An act for the relief of certain disbursing officers and former disbursing officers of the naval service, and for other purposes.

ADJOURNMENT

Mr. BENNETT of Florida. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 3 minutes p. m.), under its previous order, the House adjourned until Monday, August 21, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1637. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

1638. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service granting the application for permanent residence filed by the subjects of such orders; to the Committee on the Judiciary.

1639. A letter from the Acting Attorney General, transmitting a letter relative to the cases of Ho Sang or Sang Ho or Ho Tin Sik, file No. A-5885559 CR 26264, and Hans Willi Schrapler or Hans Schraepler, file No. A-5669980 CR 25758, and requesting that they be withdrawn from those before the Congress and returned to the jurisdiction of the Department of Justice; to the Committee on the Judiciary.

1640. A letter from the Acting Attorney General, transmitting a letter relative to the case of Petra Liduvina Luis, nee Petra Liduvina Santos Del Rio, file No. A-6849182 CR 25933, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of the Department of Justice; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on Rules. House Resolution 816. Resolution for consideration of H. R. 8201, a bill to protect the public with respect to practitioners before administrative agencies; without amendment (Rept. No. 2954). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 817. Resolution for consideration of H. R. 8847, a bill to aid the development and maintenance of American-flag shipping on the Great Lakes, and for other purposes; without amendment (Rept. No. 2955). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 818. Resolution for consideration of S. 784, a bill for the relief of the First, Second, and Third National Steamship Cos.; without amendment (Rept. No. 2956). Referred to the House Calendar.

Mr. McSWEENEY: Committee on Rules. House Resolution 819. Resolution for consideration of H. R. 8850, a bill to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Assistant Secretary of Agriculture, and for other purposes; without amendment (Rept. No. 2957). Referred to the House Calendar.

Mr. McSWEENEY: Committee on Rules. House Resolution 820. Resolution for consideration of H. R. 8677, a bill to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes; without amendment (Rept. No. 2958). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 821. Resolution for consideration of S. 456, a bill to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia; without amendment (Rept. No. 2959). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 294. An act for the relief of Hernando J. Abaya, his wife, and two children; without amendment (Rept. No. 2936). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 665. An act for the relief of Margaret D. Scott; without amendment (Rept. No. 2937). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1344. An act for the relief of Gerda Moller Uldall and her son, Mikkel Moller; without amendment (Rept. No. 2938). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1913. An act for the relief of Adelaide Giovanna Summa; without amendment (Rept. No. 2939). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2047. An act for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito; without amendment (Rept. No. 2940). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3094. An act for the relief of Miriam Rosenblum; without amendment (Rept. No. 2941). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3107. An act for the relief of Boleslaw H. Drobinski, his wife, Marjorie, and his daughter, Janina; without amendment (Rept. No. 2942). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3426. An act to authorize the admission into the United States, of an alien possessing special skill, namely, Gerhard Zahn, and his wife; without amendment (Rept. No. 2943). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3724. An act for the relief of Maria Sulikowska Forbes; without amendment (Rept. 2944). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 3367. An act for the relief of the law firm of Hunt, Hill & Betts; without amendment (Rept. No. 2945). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. House Resolution 814. Resolution for the relief of the former shareholders and debenture noteholders of the Goshen Veneer Co., an Indiana corporation; without amendment (Rept. No. 2946). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3463. A bill for the relief of Mr. and Mrs. Fred A. Fletcher; with amendment (Rept. No. 2947). Referred to the Committee of the Whole House,

Mr. JENNINGS: Committee on the Judiciary. H. R. 3666. A bill for the relief of the Lillington Roller Mills, Inc.; with amendment (Rept. No. 2948). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 6528. A bill for the relief of the Western Chemical & Manufacturing Co.: without amendment (Rept. No. 2949). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 8152. A bill for the relief of Warren Thomas and others; with amendment (Rept. No. 2950). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 8337. A bill for the relief of William A. Hogan; with amendment (Rept. No. 2951). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 8362. A bill for the relief of Bernard Croft; with amendment (Rept. No. 2952). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 8687. A bill for the relief of Angelo Messina; with amendment (Rept. No. 2953). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TAURIELLO:

H. R. 9463. A bill to provide family allowances for the dependents of enlisted members of the Armed Forces of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. STAGGERS:

H. R. 9464. A bill to authorize, for a temporary period, the purchase by the Government of bituminous coal in amounts sufficient to maintain normal production and employment in the bituminous-coal region, to promote the general national welfare, and for other purposes; to the Committee on Public Lands.

By Mrs. DOUGLAS:

H. R. 9465. A bill to extend to personnel on active service with the Armed Forces during the military, naval, and air operations against the forces of the Government of North Korea certain benefits provided by law for veterans of World War II, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DOYLE:

H. R. 9466. A bill to amend section 304, subsections (a) and (b), of the Federal Food, Drug, and Cosmetic Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mrs. ROGERS of Massachusetts:

H. R. 9467. A bill to extend to personnel of the Armed Forces engaged in operations against the forces of North Korea certain insurance benefits provided by law for certain veterans of World War II; to the Committee on Veterans' Affairs.

H. R. 9468. A bill to extend to personnel of the Armed Forces engaged in operations against the forces of the Government of North Korea certain benefits provided by law for veterans of World War II, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BROOKS:

H. R. 9469. A bill to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:

H. R. 9470. A bill authorizing issuance of a patent in fee to Joseph A. Brave; to the Committee on Public Lands.

By Mr. GARY:

H. R. 9471. A bill for the relief of Eldridge Waranch; to the Committee on the Judiciary.

H. R. 9472. A bill to authorize the conveyance by the Secretary of the Interior to Virginia Electric & Power Co. of a perpetual easement of right-of-way for electric transmission line purposes across lands of the Richmond National Battlefield Park, Va., such easement to be granted in exchange for, and in consideration of, the donation for park purposes of approximately 6 acres of land adjoining the park; to the Committee on Public Lands.

By Mr. O'HARA of Illinois:

H. R. 9473. A bill to provide for the advancement of Col. Samuel Robert Todd to the grade of brigadier general on the Army of the United States retired list; to the Committee on Armed Services.

By Mr. O'NEILL:

H. R. 9474. A bill for the relief of John R. Harris; to the Committee on the Judiciary.

By Mr. RAMSAY:

H. R. 9475. A bill for the relief of Mrs. Enid Louise Noble Romick, Jr.; to the Committee on the Judiciary.

By Mr. SMITH of Ohio:

H. R. 9476. A bill for the relief of Harvey T. Gracely; to the Committee on the Judiciary.

By Mr. SAYLOR:

H. J. Res. 523. Joint resolution to authorize the presentation of a civilian Medal of Honor to Mr. Joseph Leib; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2337. By the SPEAKER: Petition of Louie J. Hougardy, commander, Veterans of Foreign Wars of the United States, Los Angeles County Council, Los Angeles, Calif., requesting that universal military training shall be enacted into law during the present session of Congress; to the Committee on Armed Services.

2338. Also, petition of Harold J. Gibson, president, Aeronautical Industrial District Lodge, No. 751, International Association of Machinists, Seattle, Wash., urging the immediate enactment of an excess-profits tax; to the Committee on Ways and Means.

SENATE

FRIDAY, AUGUST 18, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, Thou great indwelling Spirit, who art ever attempting to guide the spirit of man to the realization of abundant life, give us a greater expectancy. Deliver us, we pray, from fears that paralyze the will, and from doubts that breed despair. Let us see Thee, the unchanging, secure foundation upon which we can continue to build a glorious heritage of freedom and fidelity. We need the insight of Thy Spirit and the all-pervading power of Thy love. To this end grant unto us the divine initiative that, as imitators of the Infinite, we may be bearers of light and abundant life to our age. Teach us to look upon our purpose and place in the world with the same sense of mission of the One who staggered the world by the daringness of His faith, the Man of Galilee. Amen.

THE JOURNAL

On request of Mr. MAYBANK, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 17, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 17, 1950, the President had approved and signed the joint resolution (S. J. Res. 193) to amend section 14 of the Merchant Ship Sales Act of 1946, as amended, for the purpose of correcting an error in Public Law 591, Eighty-first Congress.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. LEHMAN was excused from further attendance on the session of the Senate today.

ORDER OF BUSINESS

Mr. MAYBANK. Mr. President, last evening two unanimous-consent agreements were entered into. One agreement was that after a quorum call today the Senator from Illinois [Mr. DOUGLAS], who had waited last evening for quite some time, would speak on the road bill. The other agreement was made between the distinguished minority leader and myself, to the effect that he and I would discuss certain amendments which had met with the approval of legislative counsel, the Senator from Nebraska [Mr. WHERRY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Ohio [Mr. BRICKER], and Senators on this side of the aisle. After conferring with the Senator from Nebraska we decided that we would not discuss the amendments at this time because of the unanimous-consent agreement to vote on Monday, starting at 1 o'clock, for fear that some Senators might think that we were discussing in their absence amendments in which they are interested. With that thought in mind, if it is agreeable to the Senator from Nebraska, I should like on his behalf and myself to withdraw the unanimous-consent agreement with respect to our discussion of the amendments, so that the Senator from Illinois [Mr. DOUGLAS] may proceed with his speech on the road bill, which is the pending business.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina?

Mr. WHERRY. Mr. President, I am in complete sympathy with the suggestion made by the distinguished acting majority leader. I believe the proper procedure would be to ask that the unanimous-consent agreement be vacated, because it has been offered and accepted.

The PRESIDENT pro tempore. Is there objection to the request? The Chair hears none, and it is so ordered.

DEFENSE PRODUCTION ACT OF 1950

Mr. MAYBANK. Mr. President, for the benefit of Senators who may wish further information, I should like to state that according to the unanimous-consent agreement entered into yesterday, we shall vote on all amendments that may be offered and on the defense production bill itself starting at 1 o'clock on Monday, with a limitation of debate of 5 minutes on each side, and with the understanding that only germane amendments may be offered, with the exception of the so-called Mundt-Ferguson amendment, as to which I do not desire to raise any question of germaneness, but as to which it was distinctly understood that we would vote on it.

I wish to say also for the benefit of the Senate that we had already agreed, before we entered into the unanimous-consent agreement, to about 15 amendments, which were merely clarifying amendments. Between 45 and 50 amendments have been submitted. After conference with the legislative counsel until late last evening and again this morning from 8 o'clock until I came to the Chamber, we find there are about 10 amendments which have been offered by the Senator from Ohio, the Senator from Florida, and the Senator from Massachusetts, which are acceptable to the committee. I understand, of course, that on Monday when we commence voting on the amendments and the bill, the Senator who is first recognized can offer his amendments. I merely wish to say that I should like to dispose first of the amendments which have been agreed upon, because in that way I think we shall save a considerable amount of time.

Mr. WHERRY. I suggest that the Senator from South Carolina assemble the amendments to which he has reference, and when he is recognized he can present them at one time.

Mr. MAYBANK. That is what I want to do. Of course, I appreciate the fact that any Senator who gets recognition can present his amendment. I shall present some 10 or 12 amendments, if that is agreeable.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

Mr. MAYBANK. Mr. President, I ask unanimous consent that at this point there be printed in the RECORD a memorandum prepared by the legislative counsel on the extent to which price and wage controls are tied together in Senate bill 3936.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR SENATOR MAYBANK

This memorandum discusses the extent to which price and wage controls are tied together in S. 3936. Price and wage controls with respect to industries producing or handling materials important to the national defense, or significantly affecting the cost of living, are authorized, except at the retail level, by section 402 (b) of the bill. Price and wage controls generally are authorized by section 402 (c).

Both of these subsections require the issuance of orders prohibiting increases in wages (except when necessary to prevent gross inequity or to effectuate the purposes of the act) whenever an increase in wages would either require an increase in a price ceiling, or impose an undue burden on a seller operating under a price ceiling. There is a certain amount of flexibility in these provisions. Wage increases which would neither require price increases nor impose an undue burden on a seller could be allowed. Thus, in an industry where profit margins are large, wages might be allowed to rise to the extent of wiping out a large part of such margin so long as the President determined that such increases did not impose an undue burden on the seller. The committee report (last full paragraph on p. 32) indicates that if the seller is left a fair and reasonable profit he probably has not been subjected to an undue burden. The President could also permit promotions, merit increases, increases in incentive payments and similar wage increases which he determined did not impose such an undue burden. It is argued that in some instances such increases might actually result in lowered costs for the seller of an article. The committee evidently felt that some wage increases might be desirable to prevent inequities or to effectuate the purposes of the act, even though such increases might require increases in price ceilings; and the President is authorized to permit such increases. Thus the President might permit increases in defense industries, if necessary to enable them to obtain workers. And if such increases rendered inequitable wages in nondefense industries, conceivably the President might permit increases in such nondefense industries, also.

In addition to requiring restrictions on increases in wages which affect the costs of a seller operating under a ceiling price, the President is authorized generally to stabilize wages to effectuate the purposes of the act. Furthermore, section 402 (c) provides that wages shall be stabilized generally whenever price ceilings have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living. In such case the President would be stabilizing wages because of their inflationary effect upon purchasing power as well as because of their inflationary effect upon a seller's costs.

It is seen, therefore, that an attempt has been made to tie price and wage ceilings together, but that wage increases could be made in some cases where prices are controlled. As the committee points out in the paragraph beginning at the bottom of page 33 of the report:

While the general parallelism of price and wage controls has been preserved, it is not the intention of the committee that price and wage controls should be thought of as coextensive in all cases. There will be occasions when one needs to be applied without the other. For example, it is not the committee's intention that the exemptions from price control as provided in subsection 402 (f) should imply in all cases a corresponding exemption from wage control; nor is it the intention that every case of a controlled price will have its counterpart in controlled wages. The general parallelism is provided to assist in carrying out the purposes of the act, which is the controlling criterion.

Respectfully,

S. E. RICE.

Mr. MAYBANK. So, Mr. President, approximately 32 amendments are to be disposed of. I find that of the 32 amendments, 12 are in the nature of duplicating amendments. That leaves 20 germane amendments to the bill which are to be discussed and voted upon. I merely wished to make that statement for the benefit of Senators so they will know what the situation will be on Monday.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. I should like to submit a modification of the amendment lettered "I," which, in line 3, would insert the words "to an extent which the President finds will result in a dislocation of the normal distribution in the civilian market." I ask that the amendment as modified, be printed and lie on the table I may say that the Senator from Ala-

bama [Mr. SPARKMAN] has joined me in this modification.

The PRESIDENT pro tempore. The amendment as modified will be received, printed, and lie on the table.

Mr. MAYBANK. I have nothing further to say. I merely wished to advise Senators that probably there will be at least 12 duplicating amendments. In my judgment there will be about 20 amendments to be considered and voted on starting at 1 o'clock Monday. If there is no further discussion about the amendments which are pending before the committee, I shall suggest the absence of a quorum.

ORDER OF BUSINESS

Mr. WHERRY. I am confident there will be considerable debate today on the control bill and the road bill. I am satisfied that a number of amendments will be brought up today. Therefore, I think Members of the Senate ought to be advised of any motions which the distinguished acting majority leader knows will be made to take up any other measure, so that they may be on the floor.

Mr. MAYBANK. I wish to assure my distinguished friend that there will be no motion made to consider any bill without first having a quorum call.

Mr. WHERRY. Does the distinguished acting majority leader know of any contemplation to consider any other bill?

Mr. MAYBANK. There is some contemplation with respect to a bill which the Senator from Arizona [Mr. MCFARLAND] may desire to have considered. He mentioned three bills.

Mr. MCFARLAND. Mr. President, two of those bills would not take very long. However, I do not wish to interfere with the normal program. If debate should lag and time is available, I shall make a motion to consider them. Otherwise, I shall not do so.

Mr. WHERRY. I understand the bills which the Senator has mentioned have to do with Indian legislation.

Mr. MCFARLAND. The first two, I think, can be disposed of without much controversy.

Mr. WHERRY. Now that the distinguished Senator from Arizona [Mr. MCFARLAND] has made his position clear as to the bills which he intends to bring up, if debate on either the control bill or the road bill should run out, is it the intention of the distinguished Senator from Louisiana [Mr. ELLENDER] to bring up the so-called mineral bill? If so, I know that Members of the Senate who are interested in the bill would like to be here when it is brought up.

Mr. MAYBANK. As the distinguished Senator from Nebraska knows, the Senator from Delaware [Mr. WILLIAMS] is deeply interested in that bill. It was stated that a motion would be made to proceed to the consideration of the bill. If I am here and such a motion is made I assure the distinguished minority leader that a quorum call will be had, so that all Senators will have an opportunity to be heard.

FEDERAL AID HIGHWAY ACT OF 1950

Mr. CHAVEZ. Mr. President, the pending business is the road bill.

Mr. HUNT. Mr. President, will the Senator from New Mexico yield?

Mr. CHAVEZ. Yes; but let us clear the atmosphere. The pending business is the road bill. There is nothing else before the Senate at the moment, though some individual Senator might want to bring up some other matter during the discussion. Aside from remarks by the Senator from New York [Mr. IVES] and myself, the road bill has not been discussed up to the present, and it is the purpose of the chairman of the Committee on Public Works, in charge of the bill, to proceed without any lagging whatsoever.

Now I wish to propound a parliamentary inquiry. Is there anything in the unanimous-consent agreement which would prevent the Senate from voting on the road bill at some time this afternoon?

The PRESIDENT pro tempore. There is, because there is a provision in the unanimous-consent agreement that no vote shall be taken on the bill before 1:30 o'clock on Tuesday.

Mr. CHAVEZ. That being the case, then the order of business is to proceed with the unanimous-consent agreement entered into yesterday, that the Senator from Illinois [Mr. DOUGLAS] may proceed to discuss the pending business.

Mr. MAYBANK. The Senator is correct.

Mr. CHAVEZ. It is the purpose of the chairman of the committee, and of the committee itself, to proceed to discuss the road bill, so that there will be no lag whatsoever.

Mr. MAYBANK. Mr. President, I appreciate the remarks of the Senator from New Mexico, and I hope the course he has indicated will be followed. I merely desired to have the RECORD show that if the debate did lag, some other Senator might bring up some other measure.

Mr. President, let me suggest that under the unanimous-consent agreement there will be a quorum call, which will be followed by the remarks of the distinguished junior Senator from Illinois [Mr. DOUGLAS] on the road bill. The Senator from Illinois advises me that he does not desire to have a quorum call, and he assures me that he is going to yield to other Senators to submit unanimous-consent requests. Therefore, I yield the floor to the Senator from Illinois, in accordance with the unanimous-consent agreement.

The PRESIDENT pro tempore. The Senator from Illinois [Mr. DOUGLAS] is recognized.

Mr. DOUGLAS. I yield briefly for the transaction of routine business.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

FLATHEAD INDIAN IRRIGATION PROJECT, MONTANA—RESOLUTION OF MISSION IRRIGATION DISTRICT WATER USERS

Mr. ECTON. Mr. President, not very often do we receive resolutions from any group in our respective States asking that we cut down appropriations made in the Congress. I have such a resolution addressed to the Senate and the House of Representatives from the Mission irrigation district in Montana. In the resolution the irrigation district recommends that certain Interior Department appropriations be withheld at this time until negotiations are completed between the irrigation district and the Interior Department.

I ask unanimous consent to have the resolution printed in the body of the RECORD, along with the names of the petitioners who have signed it, together with the letter of the attorney for the irrigation district enclosing the resolution, and appropriately referred.

There being no objection, the letter and resolution, together with the signatures, were referred to the Committee on Interior and Insular Affairs and ordered to be printed in the RECORD, as follows:

MISSOULA, MONT., *August 10, 1950.*

Honorable Senators and Congressmen, Senate and House of Representatives, Washington, D. C.

DEAR MEMBERS OF CONGRESS: Attached herewith is a copy of the resolution of the Mission irrigation district water users. The Mission irrigation district is a portion of the Flathead Indian project in the State of Montana.

Your attention is respectfully directed to the resolution in view of the fact that it specifically requests that no future appropriation be made in connection with this project until a satisfactory contract can be entered into between the Mission irrigation district and the United States Government acting through the Department of the Interior.

Yours very truly,

EDWARD T. DUSSAULT,
Attorney for Mission Irrigation District.

MISSION IRRIGATION DISTRICT RESOLUTION, FLATHEAD INDIAN IRRIGATION PROJECT IN MONTANA

To the Honorable Senate and House of Representatives of the United States in Congress assembled:

Your memorialists, landowners, and water users of the Mission irrigation district, being a part of the Flathead irrigation project in the State of Montana, respectfully represent and request:

Whereas on July 16, 1855, a certain treaty was entered into by and between Isaac H. Stevens, governor and superintendent of Indian affairs for the Territory of Washington on the part of the United States and the chiefs, headman, and delegates of the Confederated Tribes of the Flathead, Kootenai, and Upper Pend d'Oreille Indians. This treaty provided among other things that the waters of the Flathead Indian Reservation in Montana were reserved to the individual use of the Indians and not to the tribe; and

Whereas the Congress by act of February 8, 1887 (C. 119, 34 Stat. 390; sec. 381, title 18, U. S. C. A.), gave the Secretary of the Interior authority to prescribe rules and regulations to secure a just and equal distribution of the water on the Flathead Indian Reservation in Montana among the Flathead Indians; but, he was not thereby authorized to deprive any allottee or the successor in interest of any allottee of irrigable lands on said Flathead Indian Reservation in Montana of the right to the use of such an amount of water as may be required to irrigate such lands; and

Whereas on April 23, 1904 (33 Stat. L., p. 302), Congress authorized the survey and the allotment of lands embraced within the limits of the Flathead Indian Reservation in the State of Montana, which was to be done with the use of tribal funds; and

Whereas on June 21, 1906 (34 Stat. L., p. 354), Congress enacted legislation which protected all rights to the use of waters on

said Flathead Indian Reservation which had been developed by the Indians, persons, or corporations; and

Whereas on May 29, 1908 (35 Stat. L., p. 448), Congress allotted lands to the Indians of the Salish and Kootenai tribes and among other things provided; "the land irrigable under the systems herein provided which has been allotted to Indians in severalty shall be deemed to have a right to so much water as may be required to irrigate such lands without cost to the Indians for construction of such irrigation systems." (The land allotted amounted to 70,000 acres); and

Whereas numerous Federal court decisions (*Winters* v. *United States* (207 U. S. 564); *United States* v. *Powers CCA* (9th C. 94 Fed. 2d 783), and others) support the contention that no congressional act subsequent to the creation of the Flathead Indian irrigation project authorized a lien on allotted lands for construction of irrigation facilities; and

Whereas in 1910 surplus lands of the Flathead Valley were opened for homesteads; and

Whereas in 1916 the United States Government returned tribal moneys paid on construction (except $64,000 mentioned in proposed amendatory contract and which was a previous bookkeeping error); and

Whereas in 1926, three irrigation districts were formed under Montana law for the purpose of negotiating a contract with the United States Government and to levy taxes to cover certain costs;

1. The Flathead district signed in 1927 a contract with the United States pursuant to the act of May 10, 1926 (44 Stat. 464).

2. The Mission irrigation district executed the above contract as amended and approved by the Court February 17, 1931. (This contract is now in force.)

3. The Jocko district signed in 1934 and their contract had been amended to fit their needs on construction; and

Whereas in 1948, Congress passed Public Law 554 (62 Stat. 269), authorizing amendments of the above recited contracts between the three districts and the United States Government through the Department of the Interior. Such amendments to be negotiated and to be acceptable by all parties before becoming effective; and

Whereas during the years 1948, 1949, and thus far in 1950 negotiations have been attempted by the Mission irrigation district water commissioners, by the Mission District Water Users Association, and by individuals, but to no avail. Department of Interior Assistant Solicitor, Herbert J. Slaughter, was invited to come to Missoula in July 1948. He came on August 24, 1948. He was met in Missoula and gave his interpretation of the Public Law 554. At a second meeting in Polson, Mont., Mr. Slaughter submitted to the Jocko and Mission district boards four tables of figures which he designated as the basis of negotiation. (These figures and the figures later used in the proposed contract by the Department of Interior are not identical); and

Whereas in April 1949 the Department of Interior sent to the respective districts a set of proposed amendments to the original contract asking the district commissioners to approve them as to form. At an irregularly called meeting of the mission district commissioners on July 20, 1949, the proposal of the Department of Interior was approved as to form but no resolution was ever signed and this action was rescinded on August 6, 1949 because the commissioners had no intention of approving the contents of the proposed amendments as they had thought their approval as to form had only approved the order of the various subjects covered by the proposal of the Department of the Interior; and

Whereas during 1949 and 1950 the Mission irrigation district has repeatedly endeavored to secure amendments to the proposal submitted by the Department of the Interior, our congressional delegation has been asked to assist. The Secretary of Interior, the Honorable Oscar Chapman, has been seen in person (May 9, 1950). A resolution asking the Department of the Interior to be made to negotiate with us has been given to members of the Montana congressional delegation and even to the President of the United States (May 12, 1950). To date the Department of the Interior has failed to negotiate with us, saying the contract they submitted was the culmination of negotiations (which to our knowledge have never taken place); and

Whereas in May 1950, Congress passed a bill granting 1 year extension of time for the Mission irrigation district to sign the amendatory contract submitted by the Department. This bill accepted the Jocko and Flathead districts signatures for the amendatory contract and applied power revenues to immediate payment of the two districts' costs; and

Whereas the people of the Mission irrigation district are still desirous of renegotiating their original contract with the United States Government, as a free people we believe we have the right to insist on what we believe to be some salient points which must be included in such a contract to keep us free and not as serfs for the lackeys of a Government bureau; and

Whereas these are some of the matters which we, the landowners, are most desirous of having included in the amendatory contract:

1. Their limitation of liability on the construction costs to white lands only, with the Government assuming costs for all Indian lands.

2. Supervisory authority over water storage and distribution by the elected water board in cooperation with the project engineer.

3. Supervisory authority over expenditures made by the project engineer by the elected commissioners, of any and all moneys which must be repaid by the water users.

4. Indication by contract, that the Government will transfer to the district both the irrigation project and the power project, when the construction costs have been paid: Now, therefore, be it

Resolved, That none of the above changes will be made by the Department of the Interior unless the bureaucrats in control are forced to negotiate; be it further

Resolved, That we, the people of the Mission irrigation district, do hereby request the Congress of the United States that no further reimbursable funds be appropriated to the Department of the Interior for expenditure for construction or for operation and maintenance of the Flathead irrigation project, in Montana, until the Department of the Interior has negotiated and signed a satisfactory amendatory contract with the Mission irrigation district of the Flathead irrigation project, in Montana.

Mission Irrigation District Water Users Association: Isaac Rognrud; C. L. Sanders, Vice President; John E. Boller, Secretary; Lloyd R. Smyth; Mission district water board: A. J. Riggert, R. H. Strong, W. K. Phillips; Mission district water users: J. V. Hammond, Ruby Anderson, R. N. Lensman, E. Q. Ferguson, Alfred Hilton, Esther Hilton, W. H. Johns, Robert J. Hamel, John E. Boller, W. J. Smyth, Arvil O. Anderson, J. R. Fry, J. E. Jacobson, D. W. Jensen, Sidney Strong, L. A. Durrant, E. B. Craney, William E. Nelson, Samuel P. Beaver, Robt. H. Huddleston, F. E. McNees, Edmond D. Hamel, A. W. Hare, R. O. Lark, Otto Wegner, Leo L. Bowman, Joseph F. Lee, W. K. Phillips, Virgil M. Phillips, J. Ernest Lee, Golden Kent, R. H. Strong, Gus Pinsonneault, Ray Simonson, Lloyd R. Smyth, L. G. Phillips, W. H. Lushman, J. V. Hammond, Cyril San Haverbeke, Mildred L. Phillips, L. Lenoir Lark, R. L. Johnston, C. Leishman, Emma Fry, Mrs. W. W. Hilton, W. W. Hilton, Merl Shipman, Ed Engebritson, Seret Vos, Chester W. Hilton, John E. Lee, Marie Brubaker, Arley M. Shelton, Cecil M. Shelton, T. H. Williams, F. R. Maxwell, Theresa H. Maxwell, W. L. and Edna Sainsbury, Clarence Erickson, I. W. Stobie, Jake Neese, Harold Carbine, Homer Welch, L. M. Rickard, Ora Lee Rickard, Archie R. Anderson, Lillie L. Anderson, Chas. Kreis, C. R. Bauer, Sterling Ball, Mrs. Leslie Cromwell, B. R. Green, Josephine Green, Carl O. Nelson, Galen Simonson, Blanche Simonson, Mary Rognrud, Lewis Cotrell, Betty J. Cotrell, Anna C. Hartzell, Nick Tonkovich, Gertrude Stevens, Don Stevens, Ralph McCallum, G. S. Gullickson, Mrs. Edmond Hamel, A. J. Detert, H. R. Thornock, Mrs. Gerda Doritz Hooyenga, Edwin Linderman, Carl M. Linderman, Herman Detert, O. S. Mikkelson, Robert Hogge, Wm. Cromwell, Charles D. Hubbard, Mrs. E. L. Robbins, Al Loenton, Walter N. Pond, C. L. Sanders, Homer W. Drake, Howard Delaney, Nels Johnson, Walter Johns, M. Edison White.

THE KOREAN CRISIS AND COMMUNISM—RESOLUTIONS OF GENERAL EXECUTIVE BOARD OF UPHOLSTERERS' INTERNATIONAL UNION OF NORTH AMERICA

Mr. MYERS. Mr. President, on August 7, 1950, the general executive board of the Upholsterers' International Union of North America adopted two resolutions concerning the present Korean crisis and the dangers of communism. The first, which is entitled "Resolution of Approval and Support of Our Government and the United Nations in Korean Crisis and Soviet Communist War on Peace and All Free Peoples," is a clear and wholehearted endorsement of our action and the action of 52 other nations in the measures which have been taken since the unprovoked Communist attack on the Republic of Korea on June 25. The second, entitled "Resolution of Warning on Phony Communist Peace Petition for Dupes," shows clearly, I believe, that Americans are not to be taken in by Communist propaganda which distorts and disdains truth, hoping thereby to create distrust in democratic ideals. I present the resolutions for appropriate reference, and ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

RESOLUTION OF APPROVAL AND SUPPORT OF OUR GOVERNMENT AND THE UNITED NATIONS IN KOREAN CRISIS AND SOVIET COMMUNIST WAR ON PEACE AND ALL FREE PEOPLES

The general executive board of the Upholsterers' International Union, in its August 1950 quarterly meeting on behalf of the union's members in the United States and Canada, expresses its unanimous and enthusiastic support of their Governments and the United Nations in their prompt action to meet with force and truth the military attack of the Communist aggressors upon the Republic of Korea and upon the peace of the world in June of this year.

We recognize that this is only the beginning of the post World War II open military phase of Communist aggression against the

peace resuming the stage reached once before in the attacks on Poland, Finland, and the Baltic countries when the Russian dictatorship was the open ally of its brother Nazi dictatorship of Hitler in 1930 and 1940, and that the Soviet regime has been conducting its cold war against world peace and order since it denounced its peace treaty with Turkey in 1945 before the end of World War II and entered upon the imperialist course of the Czars on a round-the-world scale.

We pledge our support to our governments and the United Nations in the enduring effort to control the effort of Stalin and his evil Communist Party machine dictatorship to make themselves the heirs and assigns of Hitler, and we will support governments in every necessary and effective measure to preserve the peace in the greatest possible measure until the Communist dictatorship dies and its fanatical forces disperse as did those of Genghis Khan and all the bloody imitators of the great conquerors and murderers to this date.

We recognize that the curbing of the present-day conqueror can only come with the organization of preponderant force through the instrumentality of the United Nations representing all the free and independent nations of the world and such subordinate alliances of the free countries, such as the North Atlantic Pact and Pan-American Defense Union. We solemnly recognize further that until the aggressor is so overawed, or, if he resorts to full-scale war, destroyed, that we as citizens of free nations must make the sacrifices necessary to rearm and live in at least a semiwar economy for possibly 10 or more years ahead. We believe most earnestly that, given plain-spoken and vigorous leadership, such as that given by President Truman to the United States and other free countries in the United Nations upon the launching of the North Korean attack in June, the people of the democracies like ourselves will make the sacrifice and exert the self-discipline required to win the peace and the freedom which alone makes peace permanent and worth having.

Democracy to win the peace with freedom requires only that the principle of equality of sacrifice be put at center of all special armament and defense measures and the overwhelming majority given leadership and the always selfish and profiteering few the minimum of coercion required to gain success in the greatest common enterprise of all time—world peace and order with freedom.

Facing a world in which the aggressor dictatorship of communism has temporarily acquired military superiority in every arm except atomic power, we urge upon our countrymen and the free men of the world in the great contest and sacrifices ahead the mighty spirit of John Dickinson of Pennsylvania's proud boast to a nearly defeated Continental Congress here in Philadelphia—that "our towns may be destroyed, but they will grow again. We compare them not with our rights and liberties." Only a determination to prefer death to loss of liberty in the literal sense of Patrick Henry can win the peace for the free world in 1950.

We respectfully submit this resolution of our principles and desires to our President and Members of Congress and to the Ambassador of Canada for transmission to his Government on behalf of our Canadian members and to our members for their certain ratification in action to our Nation's political leaders in this crisis that tries men's souls again.

RESOLUTION OF WARNING ON PHONY COMMUNIST PEACE FETITION FOR DUPES

Whereas the launching of fully armed and long-prepared military aggression by the North Korean puppets of Stalin's Communist Russia on June 25, 1950, clearly shows that the Communist dictatorship of Russia has taken up the course of world domination by deception, infiltration and military violence in which Stalin's one-time ally Hitler died amid world-wide destruction and bloodshed only 5 years before; and

Whereas the world-wide Communist fifth column for paralysis by propaganda, disruption and sabotage of the free world, maintained by the Russian Communists under the form of national Communist parties ever since it overthrew the only democratic government ever to exist in Russia, has now swung into action along with the North Korean puppet troops; and

Whereas one of the main Communist efforts now in operation in the United States is the fraudulent world peace appeal launched on the world by the international Communist apparatus of the World Committee in Defense of Peace in Stockholm in March of 1950 and in the United States by the Daily Worker and assorted stooges on May 1 and directed through a so-called peace information center in New York; and

Whereas the sole purpose of this petition is to distract the attention from Stalin's armed aggression by protesting the possible use of atomic weapons, the only field in which the Communist dictatorship has not built up overwhelming superiority over the free world which mistakenly rushed to disarm after the death of Stalin's one-time pal Hitler; and

Whereas, those subscribing to this fraudulent world peace appeal petition are consciously or unconsciously making themselves part of the Communist enemy's sabotage and conquest apparatus: Therefore be it

Resolved, That the General Executive Board of the Upholsterers' International Union of North America directs this resolution to the attention of the officers, members, families, employees, and friends of the union and asks their cooperation in exposing this Communist maneuver and its sinister purpose and in taking appropriate action against any sponsors of such petition; and be it further

Resolved, That in accord with the mandate of our twenty-sixth biennial convention, this General Executive Board endorses the bill proposed by Congressman WALTER, of Pennsylvania, for complete registration of Communists and their organization in the United States and directs our political education department to consult with friendly political leaders on the possible State and Federal legislation for complete registration, identification, and disclosure of the source of financial and other support by all organizations seeking to influence public opinion in our free and open society in accordance with the recommedations of the 1947 report of the President's Commission on Civil Rights.

CONTINUATION OF RENT CONTROL—RESOLUTION OF BOROUGH COUNCIL OF POTTSTOWN, PA.

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the RECORD a certified copy of a resolution adopted by the Town Council of the Borough of Pottstown, Montgomery County, Pa., requesting continuation of rent control in Pottstown.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION DECLARING NECESSITY FOR EXTENSION OF FEDERAL RENT CONTROLS IN THE BOROUGH OF POTTSTOWN FROM DECEMBER 31, 1950, TO JUNE 30, 1951

Be it and it is hereby resolved by the Burgess and Town Council of the Borough of Pottstown at the regular meeting of Monday, August 14, 1950, That a shortage of rental housing accommodation exists within the Borough of Pottstown, which requires the continuance of rent control beyond December 31, 1950, and that the Office of the Housing Expediter, Washington, D. C., is hereby requested to extend rent control in the Borough of Pottstown from December 31, 1950, to June 30, 1951.

Adopted at the council chamber this 14th day of August A. D. 1950.

THE BURGESS AND TOWN COUNCIL OF THE BOROUGH OF POTTSTOWN.
W. H. REIFSNYDER, *President.*

Attest:

DOW I. SEARS,
Borough Manager.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. HUMPHREY, from the Committee on Post Office and Civil Service:

S. 3910. A bill relating to the assignment of surplus clerks in the Postal Transportation Service; with amendments (Rept. No. 2371).

INTERIM REPORT OF SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE (REPT. NO. 2370)

Mr. HUNT. Mr. President, on behalf of and for the junior Senator from Tennessee [Mr. KEFAUVER], who is ill, I ask unanimous consent to submit an interim report of the Special Committee to Investigate Organized Crime in Interstate Commerce.

The PRESIDENT pro tempore. Without objection, the report will be received and printed.

Mr. HUNT. Mr. President, I also ask permission to read a statement prepared by the junior Senator from Tennessee [Mr. KEFAUVER] regarding the report, which will take only a couple of minutes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and the Senator may proceed.

Mr. HUNT. The statement by the Senator from Tennessee reads:

INTERIM REPORT OF THE SPECIAL COMMITTEE TO INVESTIGATE CRIME IN INTERSTATE COMMERCE PRESENTED FOR AND ON BEHALF OF SENATOR KEFAUVER BY SENATOR HUNT, AUGUST 18, 1950.

While the inquiry of the special Senate Committee to Investigate Organized Crime in Interstate Commerce may fairly be said to be only getting under full steam, the results of its investigation into criminal affairs in the southern part of Florida so far have been most revealing.

They show very clearly a pattern which many cities in other parts of the country pretty closely duplicate. They show that there are organized gangs of criminals operating widely and that tacitly one gang does not infringe upon or invade the territory or the racket of another. They show that these criminal organizations are rich and powerful enough to buy police protection and political favoritism. They show that in Miami and Miami Beach, where the committee's attention was recently focused, a group of organized criminals had a virtual monopoly on horse-race gambling with an annual take running into millions, a monopoly that only existed because law-enforcement officers chose to look the other way.

The committee's interim report does not paint a pretty picture. From information already in hand, we know that the same situation exists elsewhere in the country.

We know, too, that these similar conditions have their roots in the same miasma of corruption.

In the preliminary recommendations contained in the report may lie the answer to some of the problems of control of organized crime. The study is far from complete, however; the final recommendations will seek to offer a fuller remedy for this evil.

I should like to impress on the Senate that we are talking here not merely about gambling and whether it is right or wrong. We are talking about corruption, corruption of those who are sworn to enforce the law and corruption of those who are sworn to administer it. Unless this tide of corruption is stemmed, it can have tragic consequences for all the American people.

These criminal organizations, having accumulated almost astronomically large capital funds, seek an outlet for investment, usually in legitimate businesses.

To these pseudo-legitimate activities they bring, however, the same gangster methods of corruption, intimidation, and strong-arm monopoly that characterize their activities beyond the pale of the law, to the detriment and disadvantage of the honestly legitimate businessman against whom they compete.

At public hearings scheduled to be held in Washington next week, these gangster methods as employed in their so-called legitimate business activities will be brought into the open. They will show that the racketeers continue to cheat, even when they try to pretend themselves respectable. They cheat the Government, they cheat their creditors—they even cheat their friends and business partners. There is really no honor among thieves, as the evidence will prove.

I should also like to point out that the special committee's investigation is in the nature of a two-way street. We are receiving excellent help from a number of the Government's law-enforcement agencies, and in return are making available to them all the information obtained by the committee's own investigators except that which we cannot disclose under Presidential order.

For example, the Bureau of Internal Revenue has been able to obtain information through the committee on the true incomes of some of these racketeers as against smaller incomes reported, and while the committee is really only getting started, it is quite likely the Government, as a result of our investigation thus far, will collect through increased income-tax levies against some of the individuals whose books we have checked many times the $150,000 appropriated to cover the cost of the committee's investigation.

Mr. WILEY subsequently said: Mr. President, earlier today the Senator from Wyoming [Mr. HUNT] discussed the first report of the Senate Crime Committee. I had prepared a statement which I had intended to read. The sum and substance of it is that we have thus far only scratched the surface, and that we must track down rumors of a tie-up with politics. In conclusion, I said:

I know that it is the intention of my colleagues on the committee and of myself to give to the committee's work all of the possible attention we can.

I ask that the entire statement be printed in the RECORD following the remarks made this morning by the distinguished Senator from Wyoming.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR WILEY COMMENTS ON FIRST REPORT OF SENATE CRIME COMMITTEE—PROMISES "THE HEAT" WILL NOT DIE DOWN

Mr. President, I should like to add a few words by way of supplement to the remarks of the distinguished junior Senator from Wyoming [Mr. HUNT] with regard to the first interim report which has been filed today by the Special Senate Committee To Investigate Organized Crime in Interstate Commerce.

I believe that my colleagues will be, indeed, interested in this preliminary report because I feel that it fulfills the expectation and the standards of the Senate when it originally passed Senate Resolution 202 back in May.

I want to take this opportunity to congratulate the able chairman of the committee, the junior Senator from Tennessee [Mr. KEFAUVER] who has given to this task his complete devotion, his tireless energy, and his keen ingenuity. May I say a word, too, by way of appreciation to the hard-working members of the staff, headed by Mr. Halley, who have, I believe, done a conscientious job.

WE HAVE THUS FAR ONLY TAPPED SURFACE

It will be obvious to anyone reading the interim report that the biggest job still lies before the crime committee. We have barely tapped the surface of interstate crime. We have but a small legion of investigators and allied police departments and crime commissions, compared to an army of hoodlums in the 48 States.

Let me, however, say a word of warning to the underworld—and I assure you that it does not consist of mere words—behind it, there is genuine intent and purpose. If the underworld expects to lie low until presumably this special Senate committee expires next year, if the underworld expects to take it easy until the heat is off and escape punishment, it has another think coming. If it expects that this is strictly a one-shot investigation, which will help nab a few hoodlums and then pass into limbo, then I believe it will soon change its mind.

Regardless of the length of the Senate Crime Committee, I know that it is the intention of the chairman, of my colleagues and of myself to lay, by legislation and otherwise, insofar as possible, a permanent basis for the continuing war against organized crime. We will be helped in that task if my suggestion is followed for the activation of crime commissions throughout the country. If in each major city of our Nation wherever crime flourishes, there could be a crime commission (as in Miami, Chicago, etc.) independent nonpartisan groups of civic-minded individuals who have hired the most expert crime-hunting staff possible, then organized crime would be dealt a crippling and more lasting blow.

WE MUST TRACK DOWN RUMORS OF TIE-UPS WITH POLITICS

For a long time, there have been ugly rumors about the interrelation between the underworld and State and National politics. The first interim report outlines very clearly the relation between the underworld and local politics, particularly in the Florida region. It is my intention and that of the committee to follow up on these rumors and reports of a tie-up between national politicians, crooked party leaders, and individuals representing illegitimate pursuits. Obviously, the tie-up is not a direct one. Obviously it is veiled through financial contributions by intermediaries and intermediary companies for services rendered. But these rumors are too prevalent, they are too destructive of public faith in the general integrity of the Government to be allowed to go unchecked.

Of course, we do not intend to honor malicious rumors, smear attacks, purely partisan hate programs. The chairman of the committee has followed a model course of fairness in his assembling of evidence and that policy will of course continue.

I for one want to learn the details of more instances like that cited on page 8, the purchase of 10 tickets to a Democratic fundraising dinner, $2,500 worth on behalf of the now convicted gambler Frank Erickson. Participation by gamblers or the underworld in political (Republican or Democratic) parties results in too foul a stench in the nostrils of the American people to tolerate.

CONCLUSION

I know that it is the intention of my colleagues on the committee and of myself to give to the committee's work all of the possible attention we can; subject, of course, to the need for handling our other committee assignments and Senate work. In my own case, I have often found it difficult to fulfill all of my simultaneous obligations on the Senate Foreign Relations Committee, the Senate Judiciary Committee, and the Special Senate Crime Committee, but we will squeeze every available minute that we can out of the 24-hour day for this high purpose.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GREEN:

S. 4064. A bill for the relief of James C. White; to the Committee on the Judiciary.

By Mr. LEAHY:

S. 4065. A bill for the relief of Clarice D'Amico, Chiara Antonucci, Antonietta Angelicola, Carmela Antonucci, Anna Cagnazzo, Olimpia Cibelli, Maria Dachille, Giuliva D'Amico, Lucia Di Foggia, Maria Stella Fatibene, Anna Marino, and Lucia Spinelli; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 4066. A bill to provide for the installation of improvements and facilities needed for the protection, development, and utilization of Federal resources affected by dam and water reservoir projects constructed by the Federal Government, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado (by request):

S. 4067. A bill to amend section 22 of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

By Mr. WATKINS:

S. 4068. A bill for the relief of Dr. Aristides E. Bolotas; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 4069. A bill for the relief of Edulji Dinshaw and his sister, Mrs. Bachoo Dinsha Woronzow; to the Committee on the Judiciary.

By Mr. WILEY:

S. 4070. A bill for the relief of Gloria Wilson; to the Committee on the Judiciary.

DEFENSE PRODUCTION ACT OF 1950—AMENDMENTS

Mr. WHERRY (for himself and Mr. SPARKMAN) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. WILLIAMS submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. FULBRIGHT submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. MILLIKIN submitted amendments intended to be proposed by him to Senate bill 3936, supra, which were ordered to lie on the table and to be printed.

Mr. MAYBANK. Mr. President, I submit an amendment intended to be proposed by me to the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, and I ask unanimous consent that an explanatory statement of the amendment by me may be printed in the RECORD.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table, and, without objection, the explanatory statement of the amendment will be printed in the RECORD. The Chair hears no objection.

The explanatory statement presented by Mr. MAYBANK is as follows:

STATEMENT BY SENATOR MAYBANK

This amendment arises from a recommendation contained in Secretary of Defense Johnson's letter of August 11, 1950, relating to section 301 (c), page 34, lines 19–21, wherein the Federal Reserve Board is authorized to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guarantees.

Secretary Johnson's letter to the chairman of your committee pointed out that this language is not in accord with the practice which prevailed so successfully in World War II, and places an agent in the position of prescribing to its principal on important matters relating to the principal's financial commitments.

Because of the need for coordination of thought on this matter, I asked the committee staff to secure the joint thoughts of the counsel for the Federal Reserve Board and representatives of the Department of Defense. Their discussions resulted in complete agreement on the desirability of this amendment.

This amendment will restore the balance of authority as it existed under Executive Order 9112 during the past war and will give to the guaranteeing agencies the authority to prescribe their forms and procedures after consultation with the Federal Reserve Board, subject to the requirement that there must be uniformity to the extent practicable.

Mr. MAYBANK. I also submit amendments intended to be proposed by me to the bill (S. 3936) to establish a system of priorities and allocation for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, and I ask unanimous consent that a statement explaining the amendments, prepared by me, be printed in the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table, and, without objection, the statement presented by the Senator from South Carolina will be printed in the RECORD.

The statement is as follows:

STATEMENT OF SENATOR MAYBANK

These amendments would extend the V-loan type guaranty provided for in section 301 of the bill and the direct loans provided for in section 302 of the bill to contracts and operations providing for the performance of services. Those sections now apply only to contracts or operations providing for the production and delivery of materials. I do not believe that the committee intended to exclude contracts and operations involving the performance of services from these provisions. Service contracts which this amendment would provide for would include contracts for the transportation of military personnel or of goods previously delivered, management contracts, surveying and map-making contracts and research contracts. I think the importance of expediting such contracts is obvious and I hope that the amendments will be adopted.

The amendments would also make it clear that contracts with nonprofit research corporations would be covered.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared with reference to certain amendments to the Defense Production Act of 1950.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, there is a movement to incorporate in the Defense Production Act of 1950 certain amendments which if adopted will completely wreck any chance this legislation has of working.

1. The first proposal being sponsored by the so-called agricultural bloc will exempt certain agricultural commodities including wheat, corn, peanuts, cotton, and potatoes from any prospective roll-back in prices to the level prevailing prior to June 24. Under this provision not only will the Government continue to hoard and destroy food products, but actually they will be buying these products at an even higher price than prevailed prior to the outbreak of hostilities.

2. The second proposal is one under which the President—notwithstanding any subsequent wage freeze—will be given the power to authorize wage increases in any industry which he decides can absorb such increase without necessitating a price increase in their products.

Mr. President, there is no such thing as a wage increase which does not result in increased cost of manufactured articles. The argument is being advanced that some of our industries are enjoying profit margins adequate to absorb additional wage increases without compensatory price increases, but I point out that any extra earnings which some corporations might have now will be more than taken care of in the proposed new tax bill which is coming before us next week.

This bill was designed as an enabling act to rebuild our national defense and provide safeguards against the imminent threat of inflation, but I warn the Senate that if in the name of political expediency we allow these exemptions for special groups it will defeat the primary purpose of the bill.

AMENDMENT OF FEDERAL-AID ROAD ACT—AMENDMENTS

Mr. CHAVEZ, from the Committee on Public Works, submitted amendments intended to be proposed to the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to House bill 7941, supra, which was ordered to lie on the table and to be printed.

Mr. HENDRICKSON submitted amendments intended to be proposed by him to House bill 7941, supra, which were ordered to lie on the table and to be printed.

Mr. GRAHAM. Mr. President, on behalf of my colleague, the senior Senator from North Carolina [Mr. HOEY] and myself, I submit amendments intended to be proposed by us, jointly, to the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, and I ask unanimous consent that the amendments and an explanatory statement of the amendments prepared by me be printed in the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table, and, without objection, the amendments and the explanatory statement will be printed in the RECORD. The Chair hears no objection.

The amendments submitted by Mr. GRAHAM (for himself and Mr. HOEY) are as follows:

On page 17, line 24, beginning with the colon, strike out down through "Secretary of Commerce" on page 18, line 12.

On page 18, line 17, strike out "$13,000,000" and insert in lieu thereof "$16,000,000"; and in line 18, commencing with the colon, strike out down through *"Provided further"* in line 4 on page 19, and insert in lieu thereof *"Provided."*

The explanatory statement presented by Mr. GRAHAM is as follows:

STATEMENT BY SENATOR GRAHAM

This amendment will do two things: First it will eliminate dual administration and concentrate in the Secretary of the Interior the responsibility of determining the priority of work and approving the individual road and parkways projects within the areas which have always been under the jurisdiction and administration of the Department of Interior. Dual administration by two departments is not sound administration. This amendment for placing responsibility in the Secretary of the Interior would be in accordance with plan No. 3 providing for the reorganization of the Department of the Interior as set forth in the Reorganization Act of 1949.

Second, it would provide for completing several gaps in the Blue Ridge Parkway. The Federal Government has made a heavy investment in this parkway. It is fake economy to have these dirt gaps in the parkway. It is similar to the failure to put buttons on a valuable overcoat. The lack of buttons impairs the value of the whole overcoat. The dirt gaps in the parkway are similar to the missing buttons on the overcoat. This project is not a new, but is an old project which needs completion. This parkway is a protected highway along the mountain backbone of eastern America and leads from an area where live over 50,000,000 people who

seek recreation in the great mountains and parks of Virginia, North Carolina, and Tennessee.

Furthermore, it is a highway which leads from eastern America to the region where is situated the great Federal hospital for veterans at Oteen, TVA, and the Oak Ridge Laboratories. It is important that this strategic road be completed and kept open in the interest of national defense.

The Bureau of the Budget and the President recommended $20,000,000, this House passed $13,000,000 and then the Senate earmarked $3,000,000 of the $13,000,000 for the Baltimore-Washington project, thus in effect taking $3,000,000 away from the $13,000,000 in the House bill.

With this $3,000,000 of the House bill restored, the total would still be $4,000,000 under the recommendation of the President and Budget Bureau.

This amendment is in the interest of sound administration, real economy, and the national defense.

H. R. 7941—Federal-aid highway bill—sec. 4

	Bureau of Budget recommended—	House bill amount	Senate committee recommended—	Senators Graham and Hoey amendment
Sec. 4 (a). Park roads	$15,000,000	$10,000,000	$10,000,000	$10,000,000
Sec. 4 (b). Parkways	20,000,000	[1] 13,000,000	[2] 13,000,000	[3] 16,000,000

[1] Baltimore-Washington Parkway not included as it was not an authorized project when House bill was passed.
[2] Of which $3,000,000 earmarked for contract authorization on Baltimore-Washington Parkway.
[3] Of which $3,000,000 earmarked for contract authorization on Baltimore-Washington Parkway.

The amount recommended $16,000,000 for parkways, is $4,000,000 below the President's recommendation of $20,000,000 as given by the Bureau of the Budget (p. 371 of the Senate subcommittee hearings on the Federal-aid highway bill).

In effect it restores the item to the amount passed by the House since at the time the bill passed the House the Baltimore-Washington Parkway had not been authorized, and it could not be expected that any portion of the $13,000,000 would be available for that project.

Funds authorized by this bill for parkways will be used to complete gaps in sections, some of which (Blue Ridge Parkway, for example) have been under construction since 1935. The completion of these gaps will enable long units to be paved and utilized as passenger-car routes, supplementing the heavily used highways, which are more suitable to truck use.

Blue Ridge Parkway gaps to be completed are:

1. Grandfather Mountain, North Carolina section, 15 miles.

2. Deep Gap, North Carolina section, 5 miles.

Completion of these two gaps will open up a continuous unit of 190 miles from near Roanoke, Virginia to Asheville, N. C.

3. James River, Virginia section, 11 miles (including James River Bridge). Completion of this gap will open up a 108-mile unit from Shenandoah North Park to Roanoke, Va.

Work on other parkways will be accomplished in similar fashion to open up long usable units for public use. Sections already built will be paved, and the effect will be to provide additional routes for passenger cars, enabling heavier use of highways by trucks. The construction proposed on the Baltimore-Washington Parkway, for example, will provide a much-needed new passenger-car route in addition to its strategic value to national defense as brought out in the Senate subcommittee hearings. Also, the parkway would provide an easily protected route through Virginia and North Carolina to the TVA developments near the Great Smoky Mountains National Park and Oak Ridge, Tenn.

The President's letter to Senator CHAVEZ did not include section 4 (a) and (b) which concern park roads and parkways.

Mr. MAYBANK. Mr. President, I submit amendments intended to be proposed by me to the bill (S. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, and I ask unanimous consent that an explanatory statement of the amendments and a telegram may be printed in the RECORD.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table, and, without objection, the explanatory statement and telegram will be printed in the RECORD. The Chair hears no objection.

The explanatory statement and telegram presented by Mr. MAYBANK are as follows:

STATEMENT BY SENATOR MAYBANK

EFFECT OF AMENDMENT TO H. R. 7941

The Secretary of the Army may condemn and require improvements of any bridge which unreasonably obstructs the free navigation of any navigable waters of the United States. In order to provide Federal funds to aid in the alteration of such bridges, Congress passed Public Law 647, Seventy-sixth Congress entitled "An act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes," also known as the Truman-Hobbs Act. The definition of the type of bridge which could be aided by Federal funds, however, was limited to railroad bridges or bridges which carry combined railroad and highway traffic. Therefore, when the Secretary of the Army has by order required alterations of bridges used exclusively for highway traffic because they obstruct the navigable waters of the United States, Federal funds cannot be made available under this act. This amendment would redefine the term "bridge" in the Truman-Hobbs Act to include one used exclusively for highway traffic. Thus, where the Secretary has by order determined that such a bridge obstructs free navigation on any navigable water of the United States, substantive authorization would be provided for the expenditure of appropriated Federal funds for the cost of improvements in accordance with the terms of such act. This amendment requires no provision authorizing appropriations for such purpose inasmuch as the Truman-Hobbs Act, which is being amended by this amendment, carries its own authorization for the appropriation of such sums as may be necessary to carry out its provisions.

This amendment would also redefine the term "bridge owner" in the Truman-Hobbs Act. The present act does not include a State, municipality, or other political subdivision, as an owner of a bridge used exclusively for highway traffic. The amendment would include such within the definition of a "bridge owner."

Finally, this amendment would amend section 13 of the Truman-Hobbs Act by striking out the words "used for railroad traffic." Section 13, at present, allows Federal funds to be used where a relocation or a construction of a new bridge at a new location is deemed advisable by the owner of a bridge used for railroad traffic and the Secretary of the Army. The cost would be apportioned between the bridge owner and the United States as provided in section 6 of the Truman-Hobbs Act. This amendment would also make these funds available in the case of bridges used exclusively for highway traffic.

COLUMBIA, S. C., *August 17, 1950.*

Hon. BURNET R. MAYBANK,
United States Senate:

Retel House bill 7941 we would prefer Senate Committee on Public Works version if you can get it amended as referred to in my letter to you of July 27, to eliminate the provision requiring State highway departments to set up secondary programs units in their organizations and also the requirement that highway departments must hold public hearings before city bypass routes could be built. If you cannot get these two objectionable provisions eliminated we would prefer to go back to the bill as passed by the House.

C. R. MCMILLAN,
Chief, Highway Commissioner, South Carolina Highway Department.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Sundry postmasters.

THE BIPARTISAN FOREIGN POLICY—ADDRESS BY SENATOR JENNER

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an address on the subject of the bipartisan foreign policy of the United States, delivered by Senator JENNER before the Rotary Club of Indianapolis, Ind., on Tuesday, August 15, 1950, which appears in the Appendix.]

A NONPARTISAN JUDICIARY—STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him on the subject A Nonpartisan Judiciary and an editorial from the Chicago Daily News, which appear in the Appendix.]

LATTIMORE, THE EXPERT, AND THE MESS WE'RE IN—EDITORIAL FROM THE FARGO FORUM

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an editorial entitled "Lattimore, the Expert, and the Mess We're In," published in the Fargo (N. Dak.) Forum of August 10, 1950, which appears in the Appendix.]

PROPOSED LOAN TO SPAIN—EDITORIAL FROM THE COMMONWEAL

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an editorial re-

garding the proposed loan to Spain from the Commonweal for August 18, 1950, which appears in the Appendix.]

ADEQUATE HOSPITAL FACILITIES FOR VETERANS — LETTER FROM JOHN WALKER JONES

[Mr. MORSE asked and obtained leave to have printed in the RECORD a letter written to him under date of July 7, 1950, by John Walker Jones, chairman, rehabilitation committee, department of Oregon, Veterans of Foreign Wars of the United States, dealing with the subject of adequate hospital facilities for veterans, which appears in the Appendix.]

HAWAII MOLDS A CONSTITUTION AND A LEVER FOR OBTAINING STATEHOOD—ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "Hawaii Molds a Constitution and a Lever for Obtaining Statehood," published in the Christian Science Monitor of August 7, 1950, which appears in the Appendix.]

NO COMMON CAUSE WITH FASCISM—EDITORIAL FROM THE OREGON DAILY JOURNAL

[Mr. MORSE asked and obtained leave to have printed in the RECORD an editorial entitled "No Common Cause With Fascism," published in the Oregon Daily Journal, Portland, Oreg., of August 5, 1950, which appears in the Appendix.]

COST OF WAR—EDITORIAL FROM THE WASHINGTON POST

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Cost of War," published in a recent issue of the Washington Post, which appears in the Appendix.]

SENATOR HAYDEN OF ARIZONA

Mr. ROBERTSON. Mr. President, for 18 years I have been privileged to know the senior Senator from Arizona [Mr. HAYDEN]. He told me this morning that he was leaving for Arizona, I believe tomorrow, to give an account of his stewardship to his constituents prior to the primary election on September 12.

While I have known the Senator from Arizona for a long time, I really did not know, until I became a Member of the Senate, of the high esteem and the warm affection in which he is held by Members of this body on both sides of the aisle.

While I have enjoyed good health all my life, and take a pardonable pride in the ability to do hard and sustained work, I did not know the real meaning of sustained work until I labored with the Senator from Arizona on the Committee on Appropriations.

Of course it is not appropriate for any Member of this body to attempt to inject himself or his views into a primary contest in another State, but I feel justified in saying at this time what my predecessor, Carter Glass, once said. After serving for a number of years on the Committee on Appropriations with Senator HAYDEN, Senator Glass said:

If Virginia should ever be permitted to have three Senators, I should certainly make every effort to get CARL HAYDEN as the third Senator.

Mr. MAYBANK. Mr. President, I should like to join in the remarks of my distinguished colleague from Virginia in his well-deserved tribute to the senior Senator from Arizona [Mr. HAYDEN].

I might add that the distinguished senior Senator from Tennessee [Mr. MCKELLAR], the President pro tempore, now presiding over the Senate, has really made me work on the Committee on Appropriations on many occasions.

OLD-AGE AND SURVIVORS INSURANCE COVERAGE OF WORKERS ON FARMS UNDER CONFERENCE AGREEMENT ON H. R. 6000.

Mr. GEORGE. Mr. President, yesterday in connection with submitting the conference report on H. R. 6000, I stated that I would offer for the RECORD this morning as a part of the report from the committee, a further statement regarding farm workers as covered under H. R. 6000. I now submit the statement and ask that it be incorporated in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OLD-AGE AND SURVIVORS INSURANCE COVERAGE OF WORKERS ON FARMS UNDER THE CONFERENCE AGREEMENT ON H. R. 6000

The conference agreement extends old-age and survivors insurance coverage to regularly employed workers on farms. For a farm worker to become regularly employed and thus brought under coverage he must: (1) work continuously for one employer during all of one calendar quarter; and (2) perform agricultural labor for the same employer on a full-time basis on 60 days or more in the next calendar quarter and earn at least $50 in cash wages for such agricultural labor. Under such circumstances the employee is covered for the second calendar quarter. The employee continues to be covered in each succeeding calendar quarter in which he performs agricultural labor for the same employer and meets the 60-day and $50 cash-wages requirements.

If in one of the succeeding calendar quarters he is not continuously employed and does not perform agricultural labor on a full-time basis on 60 days for the same employer, but does earn $50 or more for performing such labor, he is covered for that quarter even though he meets only the cash-wages requirement. However, he is not covered in the quarter following the one in which he met only the cash-wages requirement even though he again performs agricultural labor for the same employer and meets both the 60-day and $50 wage requirements. In such cases the employee, to obtain coverage, must meet the same requirements as if he were a new employee going to work for the employer for the first time. In other words, he has to fulfill the requirements outlined in the preceding paragraph.

The following example illustrates the effect of the provisions in the conference agreement relating to the coverage of workers on farms. A works for farmer B continuously in the October-December quarter of this year. In the January-March quarter of 1951, A works on B's farm on a full-time basis on 60 days and earns $50 or more in cash wages. Then the services performed by A in the January-March quarter are covered employment and B is required to pay the old-age and survivors insurance tax on the cash wages paid for such services. If A performs services on B's farm in the April-June quarter and earns at least $50 in cash wages such services are covered and farmer B would be required to pay the tax on the wages paid even if A leaves B's employment without working 60 days. Under these circumstances A's services in the July-September quarter are not covered even though he again becomes employed by B and works on B's farm continuously through the July-September quarter and earns in excess of $50. This follows from the fact that A did not meet the 60-day test in the April-June quarter. A's services are covered in the October-December, 1951 quarter, however, if he works on B's farm on a full-time basis on 60 days and in such quarter earns $50 or more in cash wages.

SOCIAL SECURITY ACT AMENDMENT OF 1950

Mr. MCFARLAND. Mr. President, following the Senate's approval of the conference report on H. R. 6000 yesterday, the senior Senator from Washington [Mr. MAGNUSON] presented for the RECORD some information as to what the new and improved social-security law means. He has provided some additional information as to how this affects his own State of Washington, and I request unanimous consent that it be printed in the body of the RECORD.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

In Washington State there are 55,944 people now receiving benefits under the old-age and survivors insurance program as of August 1950.

These people have been receiving an aggregate of $1,227,248 monthly. Under the new program and the average increase of 77½ percent, this amount will be increased to $2,212,775 monthly.

In other words, beginning with the month of September, they will receive this automatic increase in benefits, to be paid by the checks issued to them in October.

Additionally, many more people who are now 65 years of age or over and who worked in covered employment for at least six quarters between 1937 and now will be entitled to benefits. These people should file for their benefits immediately.

In Washington State, at present there are 494,000 persons who are covered by the program. This will be increased to a total of more than 650,000 immediately, because of the new groups who are being added.

For instance, 94,000 will be added in the nonfarm self-employed group, which includes grocers, etc. Another 20,000 agricultural laborers will be added. An estimated 9,000 domestic workers will come under coverage, together with an estimated 37,500 who are employees of State and local governments. There are some others, such as Federal workers who are not covered by any previous program, who also will be added.

These are the nearest estimates concerning Washington State now available.

FEDERAL-AID HIGHWAY ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. DOUGLAS. Mr. President, I rise in opposition to the pending bill, House bill 7941, to authorize appropriations for the construction of highways which authorizes an appropriation of $620,000,000 for the fiscal year ending June 30, 1952, and an equal sum for the fiscal year ending June 30, 1953. It will be remembered that a few weeks ago we voted to appropriate $385,000,000 for roads for the current fiscal year which will end June 30,

1951. The present proposal is therefore to increase by 60 percent the road appropriations for the fiscal years 1952 and 1953 above the sum which we voted to appropriate for the fiscal year 1951.

In the discussion of the general appropriation bill it developed, when the junior Senator from Illinois tried to cut the road appropriation from $385,000,000 to $285,000,000 for the current year, that the proponents of the pending measure declared that it would be a legal and a moral breach of faith to alter appropriations which had previously been authorized. According to them, once the authorization bill had been passed, once the States had been told how much money they would get under the bill, once the States had proposed the projects which had been approved by the Bureau of Public Roads, and once the engineers' plans and specifications had been drawn, and approved by the Bureau of Public Roads which then issued a letter to the States saying that Federal funds would be provided to meet the Federal share of the projects, it was then impossible for Congress to diminish the appropriation.

PASSAGE OF HIGHWAY BILL WILL DETERMINE APPROPRIATIONS 2 YEARS IN ADVANCE

Mr. President, we are now determining on this road bill what the appropriations will be for 1952 and 1953. If we pass a bill providing $620,000,000 for each of these years now, then next year when the appropriation bill comes along it will be said, "It is too late for us to alter the terms. You authorized it in H. R. 7941, and if you do not vote for the appropriations asked by the Bureau of Public Roads, you will be breaking a contract between the Federal Government and the States, which Congress has no legal or moral right to do." It will be said, "On the basis of the law, tables were prepared showing how much each State was to receive, and an invitation was extended to all the State departments of highways to 'come and get it.' Then the State departments of highways submitted their plans for general projects, and these, when approved, served as the basis for engineering plans which have been drawn and approved by the Bureau of Public Roads which has agreed to furnish the Federal share of the funds." When the request comes from the Bureau of Public Roads for appropriations for next year, it will be said that these must not be changed.

So, Mr. President, we are now determining how much money is to be spent on highways for the year 1951–52 and for the year 1952–53. We are in effect appropriating the money, because the intermediate step of contract authorizations approved by Congress is swept away, and we move, in the case of public roads, directly from an authorization into an appropriation, and that appropriation, in turn, is said to be outside the control of Congress.

SIX HUNDRED AND TWENTY MILLION DOLLARS IS AN EXCESSIVE SUM AT THE PRESENT TIME

It will be remembered by those on the floor of the Senate that I have tried to argue that the Congress is not legally nor morally bound by commitments made by the administrative authorities. I believe it is dangerous and unconstitutional for Congress to lose the right to appropriate at its discretion. But I have stood alone in the position which I have taken, and it seems to be the general opinion of the Senate that, once the authorization has been made, future Congresses are in effect bound.

Mr. President, I submit that the total of $620,000,000 which we are being asked to authorize, and which will constitute a basis for appropriation, is an excessive sum in view even of peacetime conditions, and certainly an excessive sum in view of the hostilities in Korea, and the long and costly period of military preparation which lies ahead.

The road appropriations for the current year, as I said, are $385,000,000. A 3-year authorization of $500,000,000 a year, stretched over 4 years, makes it approximately $375,000,000 a year, which in turn was stretched to $385,000,000 in the instant year. But the bill which is now before the Senate calls for an appropriation of $620,000,000 per year. Two hundred and twenty-five million dollars of this is for primary highways, $200,000,000 for secondary roads, $125,000,000 for urban highways, and $70,000,000 for interstate highways. This is an increase of approximately 60 percent above the amounts which we are appropriating for the current year, despite the fact that we are in a shooting war in Korea, and no one knows what the end will be.

NOW IS NOT THE TIME TO INCREASE HIGHWAY FUNDS BY 60 PERCENT

It is not merely business as usual and Government as usual, but Government spending on a vastly larger scale than we have had in periods of peace. Instead of curtailing expenditures, in view of the commitments for military outlays and appropriations, this is a proposal to increase by 60 percent expenditures for roads. At a time when we should be contracting, the Government will be putting materials and men into the construction of roads, not all of them—indeed not many of them—vitally connected with the national defense.

I submit that this is a grossly excessive sum. It is greater than the President asked in the budget which he submitted in January, and the President at that time did not anticipate the Korean war or how great our military expenditures would be. At that time the President asked for $500,000,000. The House in the generosity which it displays in such matters, increased the ante to $550,000,000. The Senate committee, exuding goodness and generosity from their very pores, increased the total to $620,000,000, or an increase of $120,000,000 above the amount for which the President asked.

THE PRESIDENT HAS ASKED FOR A CUT IN THESE FUNDS

I read in the newspapers this morning the press release which the President issued yesterday declaring, first, that this sum was excessive, asking that it be cut back at least to $500,000,000, and also implying that there was too great weight given to secondary roads in the program which is contemplated—and I shall say something about that in a few moments—and asking that the totals be reduced, and that the emphasis within the total program be shifted away from secondary roads more toward urban and toward interstate highways.

I have heard by the grapevine this morning—although I have not had it officially confirmed—that the Senate Committee on Public Works is somewhat willing to recede from the position of $620,000,000; that possibly it may back down to $500,000,000, but without the shifting within that total of $500,000,000 to the degree which the President requests.

Mr. President, I intend to submit to the bill a series of amendments which will have the effect of reducing the total authorized appropriations for the fiscal year 1952 and the fiscal year 1953 from $620,000,000 a year to $310,000,000 a year. In global sums, that will cut the appropriations precisely in half; it will effect a saving of $310,000,000 of Federal funds for each of those years, or a total of $620,000,000 for the 2 years. But that is not the total amount that will be saved, because this is a Federal program, and each dollar of Federal money must be matched by the States with an equal amount of State or local money. So when we save $620,000,000 of Federal money, we correspondingly save $620,000,000 of State and local money; and therefore my proposed amendments will effect a total saving of $1,250,000,000 in the 2 years 1952 and 1953. These savings can be transferred from the building of roads and made available for the great program of military preparation to which the Nation must be committed.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. I am not sure I caught the significance of what the Senator from Illinois said in regard to the provisions of the bill, but I understood him to say that it was proposed to make funds available for the so-called secondary or county roads. Does the Senator from Illinois interpret the bill to mean that there is now an endeavor upon the part of some of the States which in years gone by have not really done their share of appropriating State funds for so-called country roads, now to ask the Federal Government in large measure to build those roads for them?

Mr. DOUGLAS. Or to share the burden—yes—because the requested appropriations are $225,000,000 for primary and $200,000,000 for secondary roads.

Mr. MORSE. Is it not true that in a good many of the Northern and Western States in years gone by the legislatures have appropriated State funds and have imposed State gasoline taxes, for example, requiring a certain portion of such taxes to be applied to the so-called county roads, whereas a good many of the Southern States have not taken the same kind of State action that the Northern and Western States have taken?

Mr. DOUGLAS. That is my understanding, and I thought possibly that might be the reason why the appropriations for secondary roads are stepped up in the pending bill.

Mr. MORSE. I think the situation calls for frankness. Does the Senator agree with me that what we are observing here is another attempt on the part of Southern States to get all the people of the country to do for the Southern States some things that they ought to be doing for themselves, by way of appropriating larger portions of State funds for the building of their own country roads, and let the Federal funds go into so-called primary roads and military roads that will benefit all the people of the country?

Mr. DOUGLAS. I think the Senator's observation is correct, but I want the RECORD to show that it was the Senator from Oregon who raised this issue, not the Senator from Illinois. I do not want to raise sectional issues on the floor of the Senate. But since the matter has been raised, I think the Southern and Southwestern States have not developed their secondary roads as they should. Although I am very favorable to grant-in-aid formulas which will help the poorer States, I have never felt that it was the responsibility of the Federal Government to maintain feeder roads to go into the great central highways.

Mr. MORSE. That is exactly my position. I am strong for Federal aid in a great many fields, including the building of so-called primary roads and military roads which can be justified on the basis of national defense. But as I study the history of this bill and its contents, I am convinced that it is a grab-bag of Federal funds for roads which the Southern and Southeastern States should get busy and appropriate funds to build, and they should not expect the Federal Government to build the county roads for them.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. McCLELLAN. Since the able Senator from Oregon wants to single out a section of the Nation and try to place it in a bad light in connection with the consideration of this bill, I want to ask the Senator if he knows that the State of Arkansas diverts none of its road money or tax money to any other purposes, but has done exactly what the Senator from Oregon charges that Southern States have not done, and that is to turn back part of its tax money to the county and local interests for the building of county roads.

When slurring remarks are now being made about other sections of the country, I can say to the Senator from Oregon that Western States were here begging for more than the Senate granted.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. I wish to say to the Senator from Arkansas that I made no slurring remark about any section of the country. I am talking about what the facts will show in regard to the funds the Southern States have used for the building of county roads, in comparison with the funds which have been used for the building of county roads by the Western States.

Mr. DOUGLAS. Mr. President, I think I should interpose my body between the Senator from Arkansas and the Senator from Oregon, in order to insulate any possible heat which may develop.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes, but this will be the last time I shall yield.

Mr. McCLELLAN. I wish to state that the thing the Senator from Oregon has charged against the South as a whole does not apply to the State of Arkansas. When he makes such charges, he should not make them broadside and include those who do not come within the attack he makes.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield just once more.

Mr. MORSE. At the appropriate time I shall discuss this issue from the standpoint of what the Southern States have and have not done.

Mr. DOUGLAS. Mr. President, let me say that I was not attempting to put any section of the country in pillory.

The second point I want to develop is that progressively over the history of the road appropriations, we have found the smaller States, from the point of view of population, the Southern States, the Southwestern States, yes, and the Western States, combining together to get larger and larger amounts of the total funds appropriated, and to diminish the share which the big and thickly settled industrial States receive. Mr. President, that began when they devised the formula for apportioning funds for primary roads. The formula discriminated against the big industrial States, because there are three factors taken into account and given equal weight in the apportionment of the total amount to primary roads:

First, total population. I agree with the Senator from New York that this is probably the best single criterion to use.

Second, area. I would admit that in many cases the factor of area should also be considered.

But, third, in the distribution of funds, the proportion of rural and star-route mileage within the State.

The third factor, at least, is something which gives tremendous weight to the agricultural States, and discriminates very much against industrial States, such as Rhode Island, Delaware, New Jersey, New York, Illinois, Ohio, and Oregon, although they are partially rural States, as well. In other words, through the formula for primary roads, the share of the industrial States is diminished by putting in the rural-route factor.

The PRESIDENT pro tempore. The Senator from Illinois will suspend. The Chair desires at this point to read into the RECORD Senate rule XIX, found on page 28 of the Manual, as follows:

> No Senator in debate shall refer offensively to any State of the Union.

The Chair asks unanimous consent that the statements made by the Senator from Oregon and the Senator from Illinois be stricken from the record.

Mr. DOUGLAS. I object. I have made no reflection upon any State, and the record will so show.

The PRESIDENT pro tempore. The Senator will be in order, and may proceed in order.

Mr. DOUGLAS. Mr. President, I ask to have my statement read by the Official Reporter.

The PRESIDENT pro tempore. Is there objection?

Mr. DOUGLAS. What was the section of the statement of the Senator from Illinois to which the Chair took offense?

The PRESIDENT pro tempore. The Official Reporter will read the statement which the Senator from Illinois desires to have read.

Mr. DOUGLAS. The history of this passage is as follows: The Senator from Illinois was saying that the formula for Federal aid to roads had been devised so as to favor the agricultural States at the expense of the big industrial States. It is not the memory of the Senator from Illinois that he mentioned any particular State, but that he did refer to the fact that the formulae had been devised to favor the agricultural States at the expense of the industrial States. The President pro tempore then declared that both the Senator from Oregon and the Senator from Illinois had been offensive in their references to particular States. The Senator from Illinois replied that that was not his memory, and asked to have his statement read.

The PRESIDENT pro tempore. The Official Reporter will read. Consent was not requested for the reading of the statement of the Senator from Oregon, but that request may be made, if desired.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MORSE. The question is whether under rule XIX the junior Senator from Oregon is not entitled to have the attendance of the Senate, and, following the obtaining of a quorum, to have the reading of the Senators' remarks and a trial then and there as to whether the remarks violate rule XIX. It is the position of the junior Senator from Oregon that they in no way violated rule XIX, and I should like to have the Senate try the issue immediately.

Mr. DOUGLAS. Mr. President——

The PRESIDENT pro tempore. The Senator from Illinois has the floor.

Mr. DOUGLAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Chavez	Green	McKellar
Connally	Hayden	Maybank
Douglas	Hendrickson	Morse
Dworshak	Holland	Mundt
Ellender	Johnston, S. C.	Russell
Flanders	Kerr	Thomas, Okla.
Frear	Knowland	Thye
Fulbright	McClellan	Wherry

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON],

the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. LONG], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], the Senators from West Virginia [Mr. NEELY and Mr. KILGORE], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Texas [Mr. JOHNSON] is absent because of illness in his family.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Maryland [Mr. O'CONOR] are absent because of illness.

The Senator from New York [Mr. LEHMAN] is absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is absent by leave of the Senate.

Mr. WHERRY. The Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The senior Senator from Maine [Mr. BREWSTER], the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the junior Senator from Massachusetts [Mr. LODGE], the senior Senator from Massachusetts [Mr. SALTONSTALL], the junior Senator from Maine [Mrs. SMITH], the Senator from Ohio [Mr. TAFT], and the junior Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official business.

The PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. DONNELL, Mr. HUMPHREY, Mr. IVES, Mr. JOHNSON of Colorado, Mr. LANGER, Mr. MCMAHON, Mr. MURRAY, Mr. MYERS, Mr. SCHOEPPEL, Mr. WATKINS, Mr. WILLIAMS, and Mr. YOUNG answered to their names when called.

The PRESIDENT pro tempore. A quorum is not present.

Mr. MYERS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. MCFARLAND, Mr. GEORGE, Mr. CHAPMAN, Mr. GRAHAM, Mr. WILEY, Mr. SMITH of New Jersey, Mr. O'MAHONEY, Mr. BRICKER, Mr. GURNEY, Mr. HOEY, Mr. BUTLER, Mr. STENNIS, and Mr. HUNT entered the Chamber and answered to their names.

The PRESIDENT pro tempore. A quorum is present.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Illinois is recognized. What is the parliamentary inquiry?

Mr. DOUGLAS. Do I understand correctly that the Chair ordered the remarks of the junior Senator from Illinois and the junior Senator from Oregon stricken from the RECORD on the ground that they were in violation of subsection 3 of rule XIX, namely, "No Senator in debate shall refer offensively to any State of the Union"?

The PRESIDENT pro tempore. That was the ruling of the Chair at the time.

Mr. DOUGLAS. Then, in accordance with the provision of subsection 5 of rule XIX, I ask that the exceptionable words at which the Chair took offense be taken down in writing, and read at the table for the information of the Senate.

The PRESIDENT pro tempore. That will be done immediately. Send for Mr. Budlong, the Official Reporter.

Mr. DOUGLAS. I ask that the whole debate be read, including the remarks of the Senator from Oregon.

Mr. CHAVEZ. Mr. President——

The PRESIDENT pro tempore. The Chair will state that the RECORD shows this:

> The Chair asks unanimous consent that the statements made by the Senator from Oregon and the Senator from Illinois be stricken from the RECORD.
>
> Mr. DOUGLAS. I object. I have made no reflection upon any State and the RECORD will show that.
>
> The PRESIDENT pro tempore. The Senator will be in order and may proceed in order.
>
> Mr. DOUGLAS. Mr. President, I ask to have my statement read by the Official Reporter.
>
> The PRESIDENT pro tempore. Is there objection?
>
> Mr. DOUGLAS. What was the section of the statement of the Senator from Illinois at which the Chair took offense?
>
> The PRESIDENT pro tempore. The Official Reporter will read the statement which the Senator from Illinois desires to have read.
>
> Mr. DOUGLAS. The history of this passage is as follows: The Senator from Illinois was saying that the formula for Federal aid to roads had been devised so as to favor the agricultural States at the expense of the big industrial States.

Mr. DOUGLAS. Mr. President, will the Chair read a little louder?

The PRESIDENT pro tempore. The Chair hopes he can read loud enough. He will ask the Clerk to read it. How much does the Senator desire to have read?

Mr. DOUGLAS. Under paragraph 5 of rule XIX it is provided, "the exceptionable words shall be taken down in writing and read at the table for the information of the Senate." I therefore ask the President pro tempore to state the exceptionable words the Senator from Illinois uttered.

Mr. WHERRY. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. DOUGLAS. No; I do not think I will.

The PRESIDENT pro tempore. The Senator from Illinois declines to yield.

Mr. DOUGLAS. I think any parliamentary inquiry should be addressed to the Chair.

Mr. WHERRY. I am asking unanimous consent to make the inquiry. I will address the parliamentary inquiry to the Chair, if the Senator will yield for that purpose.

Mr. DOUGLAS. That is all right.

Mr. WHERRY. The reading of the statement suggests that the Chair asked unanimous consent——

The PRESIDENT pro tempore. That is correct.

Mr. WHERRY. To have the remarks of the two Senators stricken from the RECORD. The RECORD also shows that the distinguished Senator from Illinois objected. I thought it was the Senator from Oregon, but the RECORD shows it was the Senator from Illinois.

My parliamentary inquiry is, What is before the Senate? If it took unanimous consent to strike the words, and an objection was made, is not this whole subject matter cleared up at this time?

The PRESIDENT pro tempore. The Chair is advised by the Parliamentarian that when objection was raised, that ended the matter.

Mr. CHAVEZ. Mr. President——

Mr. DOUGLAS. Reserving the right to object, I understood the President pro tempore of the Senate to rule that the junior Senator from Illinois had violated rule XIX and that the junior Senator from Oregon had violated rule XIX. I did not understand that unanimous consent had been asked, but that there was a ruling by the Chair eliminating certain remarks from the RECORD.

If the President pro tempore now says that was not a ruling, that he did not rule as Presiding Officer, but merely made a request as a Member of the Senate, I should like to have the RECORD show that. I merely do not want an incorrect entry in the RECORD.

Mr. CHAVEZ. Mr. President——

The PRESIDENT pro tempore. The Senator from Illinois has the floor, but he must proceed in order.

Mr. CHAVEZ. Mr. President, a point of order.

The PRESIDENT pro tempore. Does the Senator from Illinois yield?

Mr. CHAVEZ. I think I can make a point of order.

Mr. DOUGLAS. I yield, if thereby I do not lose my right to the floor.

Mr. CHAVEZ. It is not the desire of the senior Senator from New Mexico to have any Senator lose the floor, but I should like to proceed in order. The junior Senator from Illinois has requested that the RECORD be read.

The PRESIDENT pro tempore. Let it be read.

Mr. CHAVEZ. The RECORD was read, and so far as I know, there was nothing in it which would impugn the motives of the Senator from Illinois. I have not heard a thing in the RECORD which would impugn the motives of the Senator from Illinois. That being the case, may I make a parliamentary inquiry?

The PRESIDENT pro tempore. The Senator will state it.

Mr. CHAVEZ. Why can we not proceed in an orderly manner? If anything was said that should not have been said, may I ask unanimous consent that the junior Senator from Illinois proceed in order?

Mr. DOUGLAS. Mr. President, reserving the right to object——

The PRESIDENT pro tempore. All in favor of granting the request——

Mr. DOUGLAS. Mr. President, I was reserving the right to object.

The PRESIDENT pro tempore. All those in favor——

Mr. DOUGLAS. Mr. President, I am reserving the right to object to the unanimous-consent request.

The PRESIDENT pro tempore. Will say "aye." Opposed "no."

Mr. DOUGLAS. Mr. President, this was a proposal for unanimous consent,

and I said "reserving the right to object."

Mr. CHAVEZ. Mr. President——

The PRESIDENT pro tempore. The Senator from New Mexico.

Mr. CHAVEZ. I withdraw the unanimous-consent proposal and make the motion that the Senator from Illinois or any other Senator may proceed in order.

Mr. DOUGLAS. Mr. President, before that motion is passed upon I should like to make an inquiry of the Chair. When he ordered the remarks of the junior Senator from Oregon and the junior Senator from Illinois stricken from the RECORD, was he speaking as President pro tempore of the Senate and making a ruling, or was he asking unanimous consent of his fellow Members of the Senate?

The PRESIDENT pro tempore. The Chair made a unanimous-consent request.

Mr. JOHNSTON of South Carolina. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSTON of South Carolina. As I understand what happened in the Senate, the President pro tempore, as a Senator asked for unanimous consent, which a Senator has the right to do, even when he is in the chair.

The PRESIDENT pro tempore. That is what the Chair did.

Mr. JOHNSTON of South Carolina. The unanimous-consent request was refused, and the Senator from Tennessee, as the Presiding Officer, then ruled that the Senator from Illinois should proceed in order.

Mr. DOUGLAS. Mr. President, in view of the fact that the charge has been made by the Senator from Tennessee, if not by the Presiding Officer, that the junior Senator from Illinois referred offensively to any State of the Union, in violation of section 5, rule XIX, I ask that the words to which exception was taken be taken down in writing and read at the table to the Senate, and then I ask the Chair to rule whether the Senator from Illinois referred offensively to any State of the Union.

The PRESIDENT pro tempore. The Official Reporter will read his notes.

The Official Reporter (Mr. Herbert N. Budlong) read as follows:

It will effect a saving of $310,000,000——

Mr. DOUGLAS. Will the reporter——

The PRESIDENT pro tempore. The Senator from Illinois must address the Chair.

Mr. DOUGLAS. I beg the Chair's pardon. Mr. President, may I request that the reporter speak somewhat more loudly so the junior Senator from Illinois can hear with what he is being charged?

The PRESIDENT pro tempore. The Chair requests that the reporter speak as loudly as he can so the Senator from Illinois may hear him.

Mr. DOUGLAS. I thank the Chair.

The Official Reporter read as follows:

It will effect a saving of $310,000,000 of Federal funds for each of those years, or a a total of $620,000,000 for the 2 years. But that is not the total amount that will be saved, because this is a Federal program, and each dollar of Federal money must be matched by the States with an equal amount of State or local money. So when we save $620,000,000 of Federal money, we correspondingly save $620,000,000 of State and local money; and therefore my proposed amendments will effect a total saving of $1,250,000,000 in the 2 years, 1952 and 1953. These savings can be transferred from the building of roads and made available for the great program of military preparation to which the Nation must be committed.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. I am not sure I caught the significance of what the Senator from Illinois said in regard to the provisions of the bill, but I understood him to say that it was proposed to make funds available for the so-called secondary or county roads. Does the Senator from Illinois interpret the bill to mean that there is now an endeavor upon the part of some of the States which, in years gone by, have not really done their share of appropriating State funds for so-called country roads, now to ask the Federal Government in large measure to build those roads for them?

Mr. DOUGLAS. Or to share the burden—yes—because the requested appropriations are $225,000,000 for primary and $200,000,000 for secondary roads.

Mr. MORSE. Is it not true that in a good many of the Northern and Western States in years gone by the legislatures have appropriated State funds and have imposed State gasoline taxes, for example, requiring a certain portion of such taxes to be applied to the so-called county roads, whereas a good many of the Southern States have not taken the same kind of State action that the Northern and Western States have taken?

Mr. DOUGLAS. That is my understanding, and I thought possibly that might be the reason why the appropriations for secondary roads are stepped up in the pending bill now.

Mr. MORSE. I think the situation calls for frankness. Does the Senator agree with me that what we are observing here is another attempt on the part of Southern States to get all the people of the country to do for the Southern States some things that they ought to be doing for themselves, by way of appropriating larger portions of State funds for the building of their own country roads, and let the Federal funds go into so-called primary roads and military roads that will benefit all the people of the country?

Mr. DOUGLAS. I think the Senator's observation is correct, but I want the RECORD to show that it was the Senator from Oregon who raised this issue, not the Senator from Illinois. I do not like to raise sectional issues on the floor of the Senate. But since the matter has been raised, I think the Southern and Southwestern States have not developed their secondary roads as they should. Although I am very favorable to grant-in-aid formulas which will help the poorer States, I have never felt that it was the responsibility of the Federal Government to maintain feeder roads to go into the great central highways.

Mr. MORSE. That is exactly my position. I am strong for Federal aid in a great many fields, including the building of so-called primary roads and military roads which can be justified on the basis of national defense. But as I study the history of this bill and its contents, I am convinced that it is a grab-bag of Federal funds for roads which the Southern and Southwestern States should get busy and appropriate funds to build, and they should not expect the Federal Government to build the county roads for them.

Mr. MCCLELLAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. MCCLELLAN. Since the able Senator from Oregon wants to single out a section of the Nation and try to place it in a bad light in connection with the consideration of this bill, I want to ask the Senator if he knows that the State of Arkansas diverts none of its road money or tax money to any other purposes, but has done exactly what the Senator from Oregon charges that Southern States have not done, and that is to turn back part of its tax money to the county and local interests for the building of county roads.

When slurring remarks are now being made about other sections of the country, I can say to the Senator from Oregon that Western States were here begging for more than the Senate granted.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. I wish to say to the Senator from Arkansas that I made no slurring remark about any section of the country. I am talking about what the facts will show in regard to the funds the Southern States have used for the building of county roads, in comparison with the funds which have been used for the building of county roads by the Western States.

Mr. DOUGLAS. Mr. President, I think I should interpose my body between the Senator from Arkansas and the Senator from Oregon, in order to insulate any possible heat which may develop.

Mr. MCCLELLAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes, but this will be the last time I shall yield.

Mr. MCCLELLAN. I wish to state that the thing the Senator from Oregon has charged against the South as a whole does not apply to the State of Arkansas. When he makes such charges, he should not make them broadside and include those who do not come within the attack he makes.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield just once more.

Mr. MORSE. At the appropriate time I shall discuss this issue from the standpoint of what the Southern States have and have not done.

Mr. DOUGLAS. Mr. President, let me say that I was not attempting to put any section of the country in pillory.

The second point I want to develop is that progressively over the history of the road appropriations, we have found the smaller States from the point of view of population the Southern States, the Southwestern States, yes, and the Western States combining together to get larger and larger amounts of the total funds appropriated, and to diminish the share which the big and thickly settled industrial States receive. Mr. President, that began when they devised the formula for apportioning funds for primary roads. The formula discriminates against the big industrial States, because there were three factors taken into account and given equal weight in the apportionment of the total amount to primary roads:

First, total population. I agree with the Senator from New York that this is probably the best single criterion to use.

Second, area. I would admit that in many cases the factor area should also be considered.

But, third, in the distribution of funds, the proportion of rural and star route mileage within the State.

The third factor, at least, is something which gives tremendous weight to the agricultural States, and discriminates very much against industrial States, such as Rhode Island, Delaware, New Jersey, New York, Illinois, Ohio, and Oregon, although we are partially rural States, as well. In other words, through the formula for primary roads, the share of the industrial States is diminished by putting in the rural route factor.

Mr. DOUGLAS. Mr. President, what were the offensive words which were uttered by the junior Senator from Illinois and the senior Senator from Oregon which caused the Senator from Tennessee to ask unanimous consent that their remarks be stricken?

The PRESIDENT pro tempore. They have just been read, as the Senator heard.

Mr. DOUGLAS. What were the particular offensive words? Do I understand the Senator from Tennessee now moves that these remarks be eliminated from the RECORD?

The PRESIDENT pro tempore. The Senator from Tennessee is making no motion.

Mr. CHAVEZ. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from New Mexico?

Mr. DOUGLAS. I yield for a question.

Mr. CHAVEZ. Mr. President, I made a motion a while ago, and I wish to ask a question.

The motion was that the Senator from Illinois, irrespective of the record, proceed in order.

The PRESIDENT pro tempore. The question is on agreeing to the motion. The motion is not debatable.

The question is on agreeing to the motion. [Putting the question.]

The motion is agreed to, and the Senator from Illinois will proceed in order.

Mr. DOUGLAS. Mr. President, I wish to thank my colleagues for upholding the right of free debate in the Senate of the United States.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. McFARLAND. Did the Senator from Illinois mean unlimited debate?

Mr. DOUGLAS. No; I do not believe in the right of unlimited debate, but I do believe in the right of free debate.

Mr. McFARLAND. I simply wanted the record to show just what the Senator meant.

Mr. DOUGLAS. I mean the right of a Senator to speak without being muzzled by the Presiding Officer, contrary to the rules of the Senate.

The PRESIDENT pro tempore. The Chair resents that statement.

Mr. McFARLAND. I simply wish to know whether the Senator from Illinois joins with those of us who believe in unlimited debate.

Mr. DOUGLAS. No.

Mr. President, do I have the floor?

The PRESIDENT pro tempore. Yes, and the Senator will proceed in order.

Mr. DOUGLAS. Mr. President, I was thanking the Senators for the courtesy they have shown by permitting a Senator to discuss the bill and to point out that the apportionment of funds was in favor of some sections of the country and at the expense of other sections.

Now that the adventitious effect of the ruling and the quorum call has been to bring to the floor of the Senate a somewhat larger group of Senators than I could ever have obtained in attendance on my own merits, I should like to refer to the fact that the pending bill calls for an authorization vastly in excess of what the country should pay, because it commits the country for the fiscal years 1952 and 1953 to appropriations of $620,000,000 a year, $120,000,000 more than the President requested, and $235,000,000 more than the Senate has voted to appropriate for the current year. Sixty percent more is proposed to be authorized for appropriation now, despite the fact that we are in the midst of a shooting war in Korea, and despite the fact that all of us know that we are committed to make annual military appropriations of at least $10,000,000,000 more for subsequent years.

Let us make no mistake about it; this authorization is in effect an appropriation. I submit that we should cut the total authorization at least in half, or to not more than $310,000,000.

RURAL STATES FAVORED OVER INDUSTRIAL STATES

Mr. President, when the extraordinary interruption occurred some little time ago, I was proceeding to discuss the fact that in the history of Federal road legislation, the agricultural States have been favored, at the expense of the industrial States. I pointed out that the formula, under which comparative rural route and star route mileage was used as a third factor in connection with the determination of the shares which the various States would receive, had increased the amounts which the South, the Southwest—yes—and the West received. I hope it will not be regarded as a violation of rule XIX if I say that I think the industrial States, with their great populations, their great wealth, and their great number of automobiles, have been discriminated against in the provisions regarding the primary road system of the country.

Mr. President, a second step which was then taken in 1936 was that Federal aid was given to the secondary roads, not merely to the primary roads.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. McFARLAND. I wish to ascertain if I correctly understand the statement the Senator has made. Is the Senator from Illinois opposed to the formula which has been used for primary roads?

Mr. DOUGLAS. I was stating how the formula discriminated against the heavily populated industrial States. I was leading up to the point which I now state, namely, that the formula for primary roads, which I think is unfair to the industrial States, but which I am not proposing to change at this time, should not be extended to interstate highways; we should not as the Senate committee has done take away the last fair break which the industrial States receive.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield with some trepidation to the Senator from Oklahoma.

Mr. KERR. Did I correctly understand the Senator from Illinois to say that he is not proposing at this time to change the allocation, as made by the Congress?

Mr. DOUGLAS. Not for primary roads, secondary roads, or the urban highways; but it is my expectation to support the amendment of the junior Senator from Massachusetts to retain population as a factor for apportioning the funds for interstate highways.

Mr. McFARLAND. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. I am glad to yield.

Mr. McFARLAND. Did the Senator ever drive across the highways of the deserts of New Mexico and Arizona?

Mr. DOUGLAS. No; I have not driven across those highways; that feature of my education has been neglected.

But let me ask the Senator from Arizona, in turn, whether he has tried to get through the great metropolitan cities of New York, Chicago, Detroit, Philadelphia, Providence, New Haven, and so on?

Mr. McFARLAND. Yes, if I may answer the Senator, I have; and I have gotten through those cities.

Mr. DOUGLAS. How much time did it take the Senator to get through them?

Mr. McFARLAND. Of course I have enjoyed seeing the cities and seeing the people as I went along. But the roads did not keep me from going through them. The traffic sometimes was congested. But I wish to invite the Senator to come to Arizona and New Mexico.

Mr. CHAVEZ. I hope the Senator will come to New Mexico first.

Mr. McFARLAND. Of course the Senator will have to go to New Mexico first, if he comes to Arizona, unless he goes around New Mexico; but I would not want to see him do that.

Mr. DOUGLAS. I would be delighted to go to both States. I hope it will not be regarded as a violation of rule XIX if I say that never were there two States with better sunsets, better sunrises, more charming and amiable people, and more gracious representatives in the Senate of the United States. I hope that statement by me is not a violation of rule XIX.

Mr. CHAVEZ. Mr. President, will the Senator yield at this point?

Mr. DOUGLAS. I yield for a question.

Mr. CHAVEZ. Does the Senator from Illinois know that because they realized the trials and tribulations of the urban sections, such as the city of Chicago, it was the President pro tempore, the distinguished senior Senator from Tennessee [Mr. McKELLAR], who now is presiding over the Senate, and the Senator from Arizona and the Senator from New Mexico who made it possible for Mayor Kennelly to appear before the committee and say, "Give us something in this bill"? Does the Senator know that?

Mr. DOUGLAS. We appreciate the graciousness of the Senators in permitting the mayor of an American city to appear before the committee. That is an act of graciousness which we appreciate very much indeed.

Mr. CHAVEZ. Does the Senator from Illinois know that it was only of late—within the past 4 or 5 years—that it was possible for urban centers to get some kind of aid which they so badly needed?

Mr. DOUGLAS. I believe it was provided in the act of 1944.

Mr. CHAVEZ. Yes; and it is sound. The representatives of the Southwestern States were at the head of the battle to make it possible to grant that aid.

Mr. DOUGLAS. I thank the Senator from New Mexico; he is much too mod-

est to refer to his own splendid part in securing the enactment of that legislation, and I now thank him for past favors, and express a lively hope for future justice.

Mr. President, the second step which was taken was in 1936, when Federal aid was extended for secondary roads. Like the junior Senator from Oregon [Mr. MORSE], I have very grave doubt as to whether the provision of aid for secondary roads is really a Federal function. Some years ago I studied the debates both in the House and in the Senate on the original Federal Aid Act of 1916, as they appear in the CONGRESSIONAL RECORD. I had thought that issue was pretty well settled then. For Representative Shackleford, of Missouri, who is ordinarily known as the father of the Federal good-roads law, advocated a fundamental plan, not relating to actual national highways but to a series of farm-to-market roads going out from local marketing centers into the rural areas. That was the bill as passed by the House of Representatives in 1916. But the Senate took a somewhat broader point of view and felt that the constitutional power of Congress dealing with interstate commerce would require national highways rather than local transportation "ganglia," if I may use that phrase, running out from local marketing centers.

BASIC HIGHWAY ACT DID NOT INCLUDE SECONDARY ROADS

In the final act it was the judgment of the Senate, rather than the judgment of Representative Shackleford, which prevailed, and the purpose was to build up a national system of highways, with the understanding that the State and local units should provide for the local and county roads.

But, then, 20 years later the Federal Government was called in to help the States build secondary roads, and the formula again which was devised was one which favored the rural States rather than the industrial States. It did so because not only was area taken taken as one basis and star and rural-route mileage relative to the total of such mileage was taken as another, but the proportion of rural population was taken as a third factor rather than the proportion of total population. So that in this distribution once again the agricultural States scored.

Then, as the able Senator from Arizona [Mr. MCFARLAND] points out in 1944, belatedly, cities were admitted to the Federal-aid program and authorizations were made and appropriations made to aid in the construction of highways through cities. I want to point out that this aid to cities came comparatively late in the Federal-aid program.

Mr. STENNIS. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Mississippi?

Mr. DOUGLAS. I am glad to yield.

Mr. STENNIS. Has not the entire trend of highway building throughout the Nation been to favor the cities, in that people moved into the cities and built up great industrial areas, based upon the factor of easy transportation? Has not that been the entire trend of development in our road program as a whole?

Mr. DOUGLAS. The trend has been toward the population moving into the cities, but the granting of Federal money has not accompanied the movement of population to the same degree, and the result is that in proportion to need we are giving more money to the rural localities than we are giving to the cities.

Mr. HOLLAND rose.

Mr. DOUGLAS. Mr. President, I shall be very glad to yield to my friends after I finish my remarks, but, if I may be permitted to do so, I should like to develop my argument. After that I shall be very glad to yield.

What has been happening is what the Senator from New York [Mr. IVES] pointed out yesterday, and what the Senator from Mississippi has just alluded to. Populations have been moving into the cities and into the suburban areas of cities perhaps to an even greater degree, and we have a situation in which the cities, with such State aid as they can get, are being compelled to make the connections between the national highways, which bring people into the cities, and which then pick them up after they leave the cities. But until 1944 the cities, States, and counties were expected to build these vital connecting links inside the cities themselves, where, as the Senator from New York has pointed out, the costs of construction are extremely high, due to the high costs of acquiring rights-of-way; six- and eight-lane highways, which are required, rather than two- and four-lane highways; the building of parkways; and the construction of underpasses and overpasses; so that the cost of 1 mile of road in Delaware, as a matter of fact, is approximately 30 times the cost of a mile of national highway in Wyoming. In cities the cost per mile is even greater than that, yet the cities have had this burden thrust upon them with little help.

I appreciate the graciousness of our friends in moving in 1944 to rectify this injustice, but I should like to point out that the cities came late to the board of Federal aid, and that they are still Cinderellas at that board, and that the current bill, which authorizes $200,000,000 for secondary roads, only authorizes $125,000,000 for urban roads. We are still Cinderellas and we are still neglected, although the comparative need for highways has shifted from the country to the cities.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from New Mexico?

Mr. DOUGLAS. I am glad to yield.

Mr. CHAVEZ. In order to comply with the desires of the Senator from Illinois, will he submit an amendment now to increase the amount for urban purposes, so that the cities may not continue to be Cinderellas?

Mr. DOUGLAS. No. I am proposing that we reduce all appropriations, but that we do not reduce the appropriations for urban roads as much as we cut the appropriations for secondary roads.

I intend to submit an amendment providing that the amount for secondary roads, instead of being $200,000,000, shall be $75,000,000, and for urban roads, instead of $125,000,000, shall be $75,000,000. We are willing to go 50–50 on it, although we do not think that the secondary roads are entitled to any money. Out of our generosity, we are willing to go 50–50, but we do not want the advocates of secondary roads to walk off with everything.

Mr. KERR. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Oklahoma?

Mr. DOUGLAS. I yield.

Mr. KERR. Mr. President, I am not asking the Senator to yield. I thought he had yielded the floor.

Mr. DOUGLAS. No; I have not yet yielded the floor.

Mr. KERR. I beg the Senator's pardon. I took it when the Senator turned away dramatically from the Senator from New Mexico, after having replied to the Senator's questions, he had concluded his remarks.

Mr. DOUGLAS. That was only an oratorical flourish, for which the Senator from Illinois begs the pardon of the Senator from Oklahoma.

The PRESIDENT pro tempore. The Senator from Illinois may proceed.

Mr. DOUGLAS. I shall stand behind my chair and place both hands on it, so that I do not alter my stance.

The committee now proposes to take a fourth step, namely, the construction of a system of interstate highways, which is now apportioned among the States on the basis of population. They now propose to introduce three factors of this formula, the same factors which are used for the allocation of funds for the primary highways, including, the total population, which I agree with the Senator from New York is the best single standard. But I have always tried to be broadminded about this question and to realize that open spaces, with marvelous climate and not many people, deserve some aid. Personally I should be willing to admit area as a second factor, but I draw the line at having rural and star route mileage included as the third factor, because an analysis will disclose that it helps the small or agricultural States which do not need aid for interstate highways in the same way the industrial States do.

I want to introduce into the RECORD in a moment certain figures to indicate the disparity of the burden which the industrial States are bearing, and to request justice at the hands of the United States Senate.

Mr. CHAVEZ. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from New Mexico?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. CHAVEZ. Along the line the Senator has been discussing, that is, the formula itself, the Senator says it should be based on population, first, does he not?

Mr. DOUGLAS. Yes; that is the best single test.

Mr. CHAVEZ. Very well. That is according to the Senator's idea. But I

still want to try to convince the Senator that he is wrong even about that.

Mr. DOUGLAS. I said, out of generosity, I would also include area.

Mr. CHAVEZ. That is correct; out of generosity, the Senator would also include area.

What is the provision of the Constitution which applies and which gives Congress the power to legislate on these questions? Is area the formula? Is it population, or is it post roads? Why should not mileage on post roads be a factor? The only authority the Congress has—and the Senator knows it—even to discuss the subject is the fact that the Constitution provides that Congress shall establish post offices and post roads. If that does not mean mileage, what does it mean?

Mr. DOUGLAS. It does not mean star-route mileage and it does not mean that each mile shall be given equal value.

Mr. CHAVEZ. Where does Congress gets its authority, if it is not in the constitutional provision for the establishment of post offices and post roads?

Mr. DOUGLAS. I think that is the constitutional basis, along with congressional authority over interstate commerce; but does the Senator from New Mexico imply that Congress has been wrong in the past in apportioning interstate highways on the basis of population, and it has been unconstitutional in its appropriations.

Mr. CHAVEZ. No; it has not been wrong.

Mr. DOUGLAS. Then we shall not be wrong if we continue it in its present form?

Mr. CHAVEZ. We have continued it in its present form.

Mr. DOUGLAS. That is the proposal of the Senator from Illinois.

Mr. CHAVEZ. The proposal of the committee was to continue the present course, because we were thinking of the justice about which the Senator so eloquently speaks.

Mr. DOUGLAS. I understand the Senator is proposing that the formula be changed to a triple formula—area, population, and star-route mileage.

Mr. CHAVEZ. That is the formula which we intend to continue.

Mr. DOUGLAS. That has been the formula for primary roads.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. KERR. Is the Senator aware of the fact that there has never been any legislation with reference to interstate highways, and there is, therefore, no formula with reference to something as to which there is not now and never has been legislation?

Mr. DOUGLAS. What about the bill passed by the House of Representatives?

Mr. KERR. That does not constitute a law. There is a bill now pending before the Senate which has been passed by the House. There is no record of money having been appropriated for an interstate highway system on a population formula, accruing to the benefit of the cities of the great State which the Senator from Illinois represents. There has never been a dollar appropriated for that purpose. Did not the Senator know that?

Mr. DOUGLAS. Yes. Is it not true, however, that the House of Representatives apportioned money between the States for interstate highways on the basis of population, in House bill 7941, as passed by the House?

Mr. KERR. The Senator is aware of the fact that the pending bill contains a proposal with reference to an additional formula and an additional allocation, a formula of which population is one of the factors. But that is not law. There is no record of a dollar having been appropriated by the Congress, for roads in any interstate highway system under any formula.

Mr. DOUGLAS. Is it not true that the amounts authorized by the House were to be distributed on the basis of population?

Mr. KERR. It is true that that proposal is in the bill; but that is not what the Senator said; that is not the remark which the Senator made about which the Senator from Oklahoma is interrogating him.

Mr. DOUGLAS. Those were the remarks which the Senator from Illinois intended to make, and if he did not make them, he would like to have the RECORD changed to that extent.

Mr. KERR. Was not the Senator talking about a record of appropriations, what had been done, and the injustices which had existed?

Mr. DOUGLAS. I spoke of authorizations, which amount to commitments for appropriations.

Mr. KERR. Is not the Senator aware of the fact that there has never been an authorization for an interstate highway system by the Congress of the United States, and there is not now such an authorization?

Mr. DOUGLAS. What about the action of the House of Representatives?

Mr. KERR. The Senator is speaking of a proposed piece of legislation.

Mr. DOUGLAS. Was it not passed by the House of Representatives?

Mr. CHAVEZ. The committee amended it.

Mr. DOUGLAS. That is the point.

Mr. KERR. Does the Senator mean to say that that is legislation?

Mr. DOUGLAS. It was passed by the House of Representatives. What I am trying to say is that the formula proposed by the House of Representatives, to my mind, is a far more equitable formula than is the formula proposed by the Senate. Whether or not this is connected with the fact that the large States have more equitable representation in the House of Representatives than they have in the Senate, I shall leave for the Members of the Senate and the public to decide.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I prefer not to yield for the moment.

Mr. HOLLAND. Mr. President, the Senator yields to every other Senator. I assure him that the Senator from Florida is not the big bad wolf.

Mr. DOUGLAS. No Senator is a big, bad wolf, but it so happens that my emotions move in waves. I am very generous to my colleagues in yielding to them, and then when I realize that this generosity is preventing me from making my points, the Senator from Florida jumps up and I have no opportunity to finish my statement. It is merely one of those fortuitous accidents.

Mr. HOLLAND. I appreciate the Senator's comment, but I really think the question which I was about to ask and the comment which I was about to make, if permitted to do so, might throw some light upon one of the matters which the Senator from Illinois has been mentioning from time to time, namely, the generosity of the rest of the Nation toward certain States and the unwillingness or refusal heretofore of certain parts of the Nation, the South and Southwest, I believe he referred to, to do their part in the matter of road building.

Mr. DOUGLAS. No. The Senator from Florida is in error. I merely said that the formulas regarding the distribution of Federal aid were devised and put into effect in such a way as to favor the South, the Southwest, and the West at the expense of the big industrial States of New York, New Jersey, Pennsylvania, Rhode Island, Connecticut, Ohio, Indiana, Illinois, Michigan, and California.

Mr. HOLLAND. Mr. President, will the Senator yield at this time for a question along the line which I have been suggesting?

Mr. DOUGLAS. My affection for the Senator from Florida is so great that even though I am at a low point in my curve of patience, I shall be glad to yield. Though the tide is at the ebb, the Senator may launch his boat.

Mr. HOLLAND. I thank the Senator, and I hope that I shall not break that curve of patience by anything I may say. I wonder if the Senator realizes that the very States to which he has referred as being the objects of generosity and as being unwilling heretofore to perform their own full part in the building of secondary roads.

Mr. DOUGLAS. That is not quite my statement.

Mr. HOLLAND. That is as I understood his statement. I wonder if the Senator understands that those States are the States which uniformly have taxed themselves far the heaviest on gasoline in order that they might build such roads, and I wonder, specifically, if the Senator realizes that his State of Illinois has a 3-cent gas tax for that purpose, whereas the State of Florida, which is in the area to which he has referred, has a 7-cent tax on gas, every cent of which is dedicated to road construction.

Mr. DOUGLAS. The Senator from Illinois has been careful to make no personal reference of either an offensive or mildly derogatory character about any State in the Union. He does not intend to transgress in that respect.

I am afraid that if I were to mention any State even in a slightly derogatory fashion it might result in my being ruled off the floor. At any rate, the junior Senator from Oregon has stated that he wants to develop this phase of the debate.

Mr. HOLLAND. Would the Senator be willing at this time, because of the mention which the Senator from Florida has already made of the subject of gasoline taxes, to have included as part of the next question of the Senator from Florida the table appearing at page 617 of the hearings before the Committee on

Public Works of the House of Representatives, which shows the gasoline tax rate in all the States of the Union as of March 1, 1950?

Mr. DOUGLAS. I would be very happy to have the Senator do so.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

State gasoline tax rates as of Mar. 1, 1950

State:	Tax rate (cents per gallon)
Alabama	6.0
Arizona	5.0
Arkansas	6.5
California	4.5
Colorado	6.0
Connecticut	4.0
Delaware	5.0
Florida	7.0
Georgia	7.0
Idaho	6.0
Illinois	3.0
Indiana	4.0
Iowa	4.0
Kansas	5.0
Kentucky	7.0
Louisiana	9.0
Maine	6.0
Maryland	5.0
Massachusetts	3.0
Michigan	3.0
Minnesota	5.0
Mississippi	6.0
Missouri	2.0
Montana	6.0
Nebraska	6.0
Nevada	4.5
New Hampshire	4.0
New Jersey	3.0
New Mexico	7.0
New York	4.0
North Carolina	7.0
North Dakota	4.0
Ohio	4.0
Oklahoma	6.5
Oregon	6.0
Pennsylvania	5.0
Rhode Island	4.0
South Carolina	6.0
South Dakota	4.0
Tennessee	7.0
Texas	4.0
Utah	4.0
Vermont	5.0
Virginia	6.0
Washington	6.5
West Virginia	5.0
Wisconsin	4.0
Wyoming	4.0
District of Columbia	4.0

State gasoline tax rates as of Mar. 1, 1950—Continued

Mr. HOLLAND. Mr. President, the table shows that many of the industrial States have tax rates on gasoline in the general average of 3 or 4 cents. The States to which the Senator from Illinois has referred as being the object of generosity uniformly have a much greater gas tax. Florida has a tax of 7 cents; Georgia, 7 cents; North Carolina, 7 cents; South Carolina, 6 cents; Tennessee, 7 cents; Alabama, 6 cents; Mississippi, 6 cents; Louisiana, 9 cents; Arkansas, 6½ cents. I mention those States merely by way of illustration. Did the Senator realize that there was that great disparity between the rate of gasoline taxation in the various States which the Senator has criticized as being the object of unnecessary and unequal generosity by the Federal Government and certain industrial States.

Mr. DOUGLAS. I did not have the detailed figures as to the rate of the gasoline tax levied by each State or whether these taxes are all spent for roads. I do want to protest that the Senator from Florida is attributing remarks to the junior Senator from Illinois which he did not intend to make, namely, that the rest of the country regretted that the South, Southwest, and West were objects of generosity. I merely said that we have tried to be generous in bearing even more than our share of the national burden, but we do not wish to have these States press too far their numerical advantage in the United States Senate on the question of interstate highways. We do not want them to put over a formula which will throw a much larger burden on the other States.

Mr. HOLLAND. Mr. President, will the Senator yield for one additional question?

Mr. DOUGLAS. I am delighted to yield to the Senator from Florida.

Mr. HOLLAND. Does not the Senator think that a State which levies a 7-cent gas tax on gas consumed in such State, and requires that all of it shall be spent upon the roads or upon the servicing of road bonds, does at least as good a job for its own road needs as does the State of Illinois, which levies only a 3-cent tax upon gasoline consumed within that State?

Mr. DOUGLAS. On the basis of the facts as stated by the Senator from Florida, it seems to me that the State of Florida is doing very well indeed. I would like to point out, however, that the South and Southwest, under the present formula for primary and secondary roads, are getting far more favors than the industrial States. But I draw the line on funds for interstate highways which should be allotted according to population. I am not at all certain that in the other States which the Senator has cited the full amount of the gas tax must be used for the construction of secondary roads. I am not certain of that. I hope that question can be cleared up in the course of debate. Certainly it has not been my intention to mention any State unfavorably.

Mr. President, I do not want to take up too much additional time, because I see my good friend the Senator from Mississippi [Mr. STENNIS], who has been delayed for some time in speaking on this subject. I should like to ask unanimous consent to have included in the RECORD at this point in my remarks tables which I have prepared showing the percentage of road funds authorized by States, compared with the percentage of vehicles registered by States, the percentage of Federal gas tax paid by States, the percentage of population, and the percentage of income, estate, and gift taxes paid by each State.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—*Comparative table of States showing how formulas in H. R. 7941 operate against heavily populated, industrial States*

State	Amount of authorization in H. R. 7941	Percent of total authorization	Percent of total vehicle registrations	Percent of total Federal gas tax paid	Percent of total population (1950 census)	Percent of revenue paid [1]
Alabama	$12,049,000	1.94	1.34	1.43	2.00	0.75
Arizona	7,693,000	1.24	.54	.64	.49	.30
Arkansas	9,308,000	1.50	.97	.98	1.33	.37
California	31,971,000	5.31	9.34	9.40	6.99	9.03
Colorado	9,578,000	1.54	1.14	1.02	.87	.78
Connecticut	5,584,000	.90	1.48	1.41	1.33	2.75
Delaware	2,587,000	.42	.22	.25	.21	.59
Florida	9,314,000	1.50	1.94	1.93	1.80	.57
Georgia	14,058,000	2.27	1.77	1.91	2.26	1.02
Idaho	6,351,000	1.02	.55	.50	.39	.25
Illinois	26,043,000	4.20	5.41	5.86	5.80	8.56
Indiana	14,893,000	2.40	3.00	3.03	2.61	1.85
Iowa	13,585,000	2.19	2.21	2.08	1.73	1.26
Kansas	13,340,000	2.15	1.83	1.50	1.26	1.04
Kentucky	10,792,000	1.74	1.55	1.53	1.93	.76
Louisiana	9,279,000	1.45	1.36	1.35	1.80	.94
Maine	4,809,000	.78	.57	.65	.61	.32
Maryland	5,924,000	.96	1.38	1.33	1.53	3.28
Massachusetts	11,007,000	1.78	2.64	2.68	3.13	3.60
Michigan	20,649,000	3.33	4.95	4.80	4.20	5.18
Minnesota	15,117,000	2.44	2.39	2.15	1.97	1.72
Mississippi	9,900,000	1.60	1.98	1.11	1.30	.33
Missouri	17,131,000	2.76	2.68	2.95	2.60	2.45
Montana	10,080,000	1.63	.55	.49	.39	.28
Nebraska	10,307,000	1.66	1.22	1.13	.91	.80
Nevada	6,385,000	1.03	.15	.20	.11	.14
New Hampshire	$2,836,000	0.46	0.37	0.37	0.35	0.23
New Jersey	10,857,000	1.75	3.23	3.36	3.30	3.24
New Mexico	8,222,000	1.33	.46	.56	.45	.22
New York	36,424,000	5.87	7.71	6.99	9.16	18.58
North Carolina	14,254,000	2.30	2.60	2.33	2.66	1.06
North Dakota	7,456,000	1.20	.58	.42	.41	.26
Ohio	23,965,000	3.87	5.81	5.88	5.27	5.91
Oklahoma	12,201,000	1.97	1.69	1.54	1.48	.97
Oregon	9,875,000	1.59	1.41	1.38	1.00	.99
Pennsylvania	28,167,000	4.54	6.19	6.08	6.95	8.01
Rhode Island	3,393,000	.55	.53	.47	.52	.58
South Carolina	7,725,000	1.25	1.18	1.14	1.40	.44
South Dakota	7,901,000	1.27	.61	.55	.43	.25
Tennessee	12,594,000	2.03	1.68	1.77	2.18	.94
Texas	36,617,000	5.91	5.76	6.15	5.12	4.22
Utah	6,043,000	.97	.50	.54	.45	.25
Vermont	2,570,000	.41	.26	.28	.25	.12
Virginia	11,200,000	1.81	1.84	2.05	2.18	1.15
Washington	10,291,000	1.66	2.30	1.82	1.57	1.64
West Virginia	6,448,000	1.04	.98	1.10	1.33	.65
Wisconsin	14,091,000	2.27	2.52	2.45	2.26	1.89
Wyoming	6,188,000	1.00	.26	.32	.19	.14
Hawaii	2,473,000	.40				
District of Columbia	3,681,000	.59	.41	.55	.53	
Puerto Rico	3,544,000	.57				

[1] Income, estate, and gift taxes only.

TABLE II.—*Comparison of 12 Mountain and Plains States with 7 industrial and 9 Southern States as affected by H. R. 7941*

State	Amount of authorization in H. R. 7941	Percent of total authorization	Percent of total vehicle registrations	Percent of total Federal gas tax paid	Percent of total population (1950 census)	Percent of revenue [1]
A. MOUNTAIN AND PLAINS STATES						
Montana	$10,080,000	1.63	0.55	0.49	0.39	0.28
Idaho	6,351,000	1.02	.55	.50	.39	.25
Utah	6,043,000	.97	.50	.54	.45	.25
Wyoming	6,188,000	1.00	.26	.32	.19	.14
Colorado	9,578,000	1.54	1.14	1.02	.87	.78
New Mexico	8,222,000	1.33	.46	.56	.45	.22
Arizona	7,693,000	1.24	.54	1.43	.49	.30
Nevada	6,385,000	1.03	.15	.20	.11	.14
Kansas	13,340,000	2.15	1.83	1.50	1.26	1.04
Nebraska	10,307,000	1.66	1.22	1.13	.91	.80
North Dakota	7,456,000	1.20	.58	.42	.41	.26
South Dakota	7,901,000	1.27	.61	.55	.43	.25
Total, 12 Mountain and Plains States	99,544,000	16.04	6.39	8.66	6.35	4.71
B. INDUSTRIAL STATES						
New York	36,424,000	5.87	7.71	6.99	9.16	18.58
New Jersey	10,857,000	1.75	3.23	3.36	3.30	3.24
Pennsylvania	28,167,000	4.54	6.19	6.08	6.95	8.01
California	31,971,000	5.31	9.34	9.40	6.99	9.03
Illinois	26,043,000	4.20	5.41	5.86	5.80	8.56
Ohio	23,965,000	3.87	5.81	5.88	5.27	5.91
Michigan	20,649,000	3.33	4.95	4.80	4.20	5.18
Total, 7 industrial States	178,076,000	28.87	42.64	42.37	41.67	58.51
C. SOUTHERN STATES						
Alabama	12,049,000	1.94	1.34	1.43	2.00	.75
Arkansas	9,308,000	1.50	.97	.98	1.33	.37
Georgia	14,058,000	2.27	1.77	1.91	2.26	1.02
Kentucky	10,792,000	1.74	1.55	1.53	1.93	.76
Louisiana	9,279,000	1.45	1.36	1.35	1.80	.94
Mississippi	9,900,000	1.60	1.98	1.11	1.30	.33
Oklahoma	12,201,000	1.97	1.69	1.54	1.48	.97
Tennessee	12,594,000	2.03	1.68	1.77	2.18	.94
Texas	36,617,000	5.91	5.76	6.15	5.12	4.22
Total, 9 Southern States	126,798,000	20.41	18.10	17.77	19.40	10.30
SUMMARY						
A. 12 Mountain and Plains States	99,544,000	16.04	6.39	8.66	6.35	4.71
B. 7 industrial States	176,076,000	28.87	42.64	42.37	41.67	58.51
C. 9 Southern States	126,798,000	20.41	18.10	17.77	19.40	10.30

[1] Income, estate, and gift taxes only.

Mr. DOUGLAS. Mr. President, I should also like to make a few brief comments on some of the figures shown in the table. For instance, I have taken 12 Mountain and Plains States. Lest some of my friends from the South and Southwest should feel that I am referring to them, it will be noted that these 12 States to which I am now referring include no Southern States and no Southwestern States. In the 12 States I have included Montana, Idaho, Utah, Wyoming, Colorado, New Mexico, Arizona, Nevada, Kansas, Nebraska, North Dakota, and South Dakota. With the understanding that I am not violating rule XIX I should like to point out that these 12 States, if the bill as presently approved by the committee is passed, will receive 16 percent of the total funds authorized, despite the fact that they have only 6.35 percent of the national population, 6.39 percent of the automobiles and trucks, and pay 8.66 percent of the gas taxes. The gas tax paid is probably as good an indication of the relative degree of road use as there is available. If that is taken as a standard, it will be seen that these 12 States get twice as large a percentage of the funds as the gas tax they pay, and about two and two-thirds times as much as they would get on the basis of comparative population or comparative number of vehicles.

Let us contrast with this figures covering the seven industrial and highly populated States of New York, New Jersey, Pennsylvania, California, Illinois, Ohio, and Michigan. I hope it will not be regarded as being unduly laudatory for me to point out that these seven States have 41.67 percent of the population of the country, or three-sevenths of the entire population of our country; that they have licensed 42.64 percent of the motor vehicles of the country, and that they pay 42.37 percent of the Federal gasoline tax of the country. Therefore, whatever basis we use, whether it be vehicles, percentage of Federal gas tax paid, or percentage of population, it comes to approximately 42 percent. Under the formula proposed in the bill they would get slightly less than 29 percent of the total Federal funds.

If we were to take the percentage of income, estate, and gift taxes, it will be found that the seven industrial States pay 58½ percent of the taxes, whereas the 12 other Western States which I have mentioned pay only 4.7 percent of the taxes and the nine Southern and Southwestern States pay only 10.3 percent of these taxes.

I desire to make it clear—and I wish some of my good friends were now on the floor who previously took exception to my remarks—that I do not insist that each State should get back in Federal aid the proportion of the taxes which its citizens pay into the Federal Treasury. I believe there is a national responsibility involved in these questions. The record will show that when the Federal-aid-for-education bill was before the Senate I supported a formula which would have made a most liberal provision for the poorer States, which happen to be in the South and Southwest. I was very happy to do so, because I felt poor education a national problem, which the people of the country as a whole should assist in meeting, and that these poorer States were already being taxed above the national average. In spite of opposition in my own State, I voted against the Lodge formula, which would have diminished the amounts going to Southern and Southwestern States.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. McFARLAND. I should like to say to the distinguished Senator from Illinois that I was not taking exception to what he was saying. I would not do that. I merely was not agreeing with him entirely. I wanted him to know that I had been to his great city of Chicago and had enjoyed being there, and fully appreciated his desire and the desire of his people, and I wanted to help him in every way I could. However, it seemed to me that he was not informed as well as he should be in regard to the State of Arizona and the State of Montana. I see the Senator from Montana [Mr. ECTON] in the Chamber. That applies to the State of New Mexico and other States. We would like the Senator from Illinois to come to our States. If he would, he would know our needs, and would be able to speak with a little more authority. I think he should come to our States and drive over their roads. If he did so, he would be a little better informed as to conditions there.

Mr. DOUGLAS. If the Senator from Arizona and the Senator from Montana will promise to accompany the Senator from Illinois he will be glad to go to those two beautiful States. Being accompanied by the two Senators would be sufficient recompense for a long trip.

Mr. McFARLAND. That is a promise now.

Mr. ECTON. I assure my good friend from Illinois that the invitation stands, and we would certainly like to have him come to Montana.

Mr. DOUGLAS. I am not a stranger to the two States. I have been a tourist there. I visited the Grand Canyon, which is a natural pride and wonder of the State of Arizona, and I have been to Glacier Park in Montana. I love both States very much. However, it must be remembered that the people in the industrial States deserve consideration too, and I hope the Senators will not press too far the great political power which they have in the United States Senate.

We are anxious to help the other regions of the country but we know these seven industrial States have only 14 votes in the United States Senate and that 12 Mountain and Plains States I have mentioned have 24 votes, and other States from the South and the Southwest which are joined with them have still more. So that we know we can always be outvoted in the Senate, and we are seldom represented on the committees which draw up these bills. Therefore, we do not have much of a voice in the formulation of the bills. We are relatively ineffective when the bills come to the floor, because we do not have the votes. But we plead with the Senators from other regions, not to press their numerical and political advantage in the Senate too far but rather to think of us as people who are anxious to help them but who have some self-respect of our own. Please do not try to see how much you can get out of the industrial States, and how little you can give back.

Mr. President, I yield the floor.

Mr. STENNIS obtained the floor.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Arizona.

Mr. McFARLAND. I ask unanimous consent that the Senator may yield for the purpose of having a quorum called, without losing the floor.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Without objection, the Senator may yield for that purpose without forfeiting his right to the floor.

Mr. McFARLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHAVEZ. Mr. President, will the Senator from Mississippi yield to me?

Mr. STENNIS. I yield to the Senator from New Mexico.

The PRESIDENT pro tempore. The Chair is advised by the Secretary that a quorum is not present.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

Mr. DONNELL. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. DONNELL. Has not an announcement been made that a quorum is not present?

The PRESIDENT pro tempore. The Chair is advised that such an announcement has not been made.

Is there objection to the request of the Senator from Arizona? The Chair hears none and, without objection, it is so ordered.

Mr. STENNIS. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President——

Mr. McFARLAND. Mr. President, will the Senator from New Mexico yield for another unanimous-consent request before he proceeds to make his statement?

Mr. CHAVEZ. I yield for that purpose.

Mr. McFARLAND. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it recess until 12 o'clock noon on Monday next.

The PRESIDENT pro tempore. Is there objection?

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CHAVEZ. What is the unanimous-consent agreement for Monday?

The PRESIDENT pro tempore. It is set forth on the calendar.

Mr. MAYBANK. Mr. President, will the Senator from New Mexico yield to me so I may answer that question?

Mr. CHAVEZ. Yes.

Mr. MAYBANK. The unanimous-consent agreement is that on Monday the Senate shall meet at 12 o'clock noon, and from 12 o'clock noon until 1 p. m. discuss the so-called control bill. That commencing at 1 o'clock the Senate shall vote on all amendments to the bill, and on the bill itself, with a limitation being placed on the debate on the amendments and on the bill itself, including the so-called Mundt-Ferguson amendment, of 10 minutes, that is, 5 minutes to each side, and that no amendment which is not germane to the bill shall be offered.

Mr. CHAVEZ. Mr. President, reserving the right to object, I may say that some Senators may believe that the Mundt-Ferguson amendment is more important than the road bill. I wish to say, however, that there is no more important legislation dealing with the national welfare than the road bill, in spite of all the laudable and sincere remarks made by the Senator from Illinois [Mr. DOUGLAS] with respect to that bill.

The Senator from Illinois in his statement to the Senate today practically accused some Members of the Senate—present Members and past Members—of not being interested in the welfare of the country, or the growth of the country, or the economy of the country, or the taxpayers of the country; of being interested in nothing but to secure some "pork" for the people of their individual States. Included among them would be the members of the Public Works Committee of this body, and all those who participated in bringing about road legislation and construction of roads among them a great gentleman from Alabama who, as I recall, as far back as 1917 was chairman of the Committee on Post Offices and Post Roads, the late Senator John H. Bankhead, father of the late Senator of the same name, John H. Bankhead, both of whom participated in the preparation and passage of road legislation.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. CHAVEZ. I shall yield in a moment. There are now present in the Senate Chamber most of the members of the Public Works Committee, both Democrats and Republicans. The bill was reported unanimously by the committee. Most of the time, since the bill was taken up, has been devoted to discussion of other matters than the bill itself. I say, if the bill is a "pork" bill, let us find out about it. If it is fair legislation which should be passed, let us find out about it.

Mr. President, much as I should like to comply with the request of the Senator from Arizona [Mr. McFARLAND], I think it would be advisable, in order to do justice to the American people, to the American taxpayers, that the bill be discussed fully. I hope some arrangement can be made whereby we can meet tomorrow and continue consideration of the bill. The Senator from Mississippi [Mr. STENNIS] wishes to discuss it. The Senator from Arkansas [Mr. McCLELLAN] desires to discuss the bill. The Senator from Oklahoma [Mr. KERR] desires to discuss it. I know the Senator from Utah [Mr. WATKINS] wants to discuss it. I know the Senator from Nevada wants to discuss the bill. It is a very important measure, and before it is voted on, on Monday, I want to prove to the Senator from Illinois that it is sound American patriotic legislation, and not "pork" legislation, as he would indicate. So I object to the unanimous-consent request made by the Senator from Arizona.

May I now proceed, Mr. President?

The PRESIDENT pro tempore. The Senator from New Mexico.

Mr. STENNIS. Mr. President, in order to keep the record straight, I should like to yield now to the Senator from New Mexico. He has been recognized by the Chair, but I think I have the floor. I ask unanimous consent that I may be permitted to yield to the Senator from New Mexico for a statement without losing my rights to the floor.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. CHAVEZ. Mr. President, several days ago the Senate gave unanimous consent to the request that on yesterday House bill 7941, better known as the Federal-aid road bill, should be made the pending business. The bill was reported to the Senate from the committee several months ago, after long hearings had been had upon it by a subcommittee of the Committee on Public Works headed by the Senator from Arkansas [Mr. McCLELLAN]. Months were devoted to those hearings. Witnesses came from every State of the Union, including the State of Illinois, which is one of the participants in the benefits of the proposed legislation. The Senate committee reported the bill. It is true that the Senate bill was reported several months ago, but because of other business it was not taken up for consideration until yesterday. Yesterday, as the Senate was beginning to proceed with the consideration of the bill, the chairman of the Committee on Public Works received from the President of the United States a letter with reference to the proposed legislation. I wish to read a part of that letter, as follows:

> The bill, in its present form, would increase the Federal-aid highway program some $120,000,000 a year above the January budget recommendations. In view of the rising cost of the defense program now contemplated, I am concerned about these increases in the highway program.

I call particular attention to the following portion of the letter, Mr. President:

Of course, the committee's hearings on this legislation were held before the invasion of Korea and the committee's report was filed before there was a clear indication of the budgetary requirements needed to meet the changed international situation.

Then the President proceeds to state the reasons why he asks us to take certain action, namely, to cut down the amount to what the budget recommended originally.

Mr. President, I now ask unanimous consent to have the entire letter from the President printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 17, 1950.

MY DEAR SENATOR CHAVEZ: I am writing you regarding the Federal-aid highway bill (H. R. 7941), which has been reported by the Senate Committee on Public Works.

The bill, in its present form, would increase the Federal-aid highway program some $120,000,000 a year above the January budget recommendations. In view of the rising cost of the defense program now contemplated, I am concerned about these increases in the highway program. Of course, the committee's hearings on this legislation were held before the invasion of Korea and the committee's report was filed before there was a clear indication of the budgetary requirements needed to meet the changed international situation. Because of the different circumstances which now exist, I would like to ask your committee to consider recommending certain changes in the provisions of this bill, as reported, before it is finally acted upon by the Senate.

In view of our increased defense requirements, I have already directed the Federal agencies to review their programs for the purpose of modifying them wherever practicable to lessen demands for supplies and services in competition with defense needs. One of the programs under review is Federal aid for highway construction. This is one of our major activities in the field of civil public works.

By authorizing a material increase in the level of Federal-highway aid, H. R. 7941 seems inconsistent with the effort to hold down nondefense spending. I believe it is essential that the amounts provided in the bill for the Federal-aid program be reduced at least to the level of $500,000,000 originally recommended in my budget message and that the amounts earmarked for secondary roads be reduced at least to the level of $150,000,000 contained in the bill as passed by the House. In addition, I believe that Federal-aid funds should be limited to the Federal-aid system rather than used for local or county roads which are not a part of that system.

Furthermore, it would seem desirable that the present matching provisions requiring equal sharing by the States and the Federal Government be maintained for all projects. H. R. 7941 changes, in a number of important ways, the matching and other administrative provisions of prior Federal-aid highway legislation. These provisions have recognized the mutual interests of both the States and Federal Government in the improvement of important highways. The Federal-aid program has been very effective in the past and there seems to be no compelling reason to increase the Federal share in the program at this time.

The bill would also permit the use of Federal-aid highway funds which may become available in the future to retire bonds issued by State and local governments for certain road construction. It seems particularly undesirable for the Federal Government to encourage a general acceleration of road building by underwriting highway construction bonds at a time when we are attempting to conserve manpower and materials for our defense effort.

Finally, the $25,000,000 provided in the bill for access roads to military establishments, seems excessive at this time. These roads are intended to speed up traffic movements to and from certain installations not now readily accessible. The need for these roads has been carefully reviewed within the executive branch and it appears that an authorization of $10,000,000 would be adequate for the construction of all access roads now urgently needed.

In light of the international situation and our increased defense requirements, I hope that your committee will feel that it can recommend changes in H. R. 7941 along the lines I have suggested.

Sincerely yours,

HARRY S. TRUMAN.

Mr. CHAVEZ. Mr. President, the committee naturally pays heed to Budget recommendations, but we do not think our duty is one of servility to the Bureau of the Budget.

When the committee was considering this bill, it was duty bound to present a bill to the Senate; and pursuant to that duty, we did present a bill to the Senate, after consideration of the matter by the committee, in accordance with law. Then came the Korean situation.

The only part of the letter of the President with which I disagree is the part in which the statement is made that the recommendations now made are brought about because of the Korean situation. The fact is, Mr. President, that they are exactly the recommendations which were made by the Bureau of the Budget at the time when there was no Korean situation.

The committee realizes fully the Korean situation, and for that reason the committee wishes to cooperate with the Nation, the Government, and the head of the Government in every way, shape, and form, in order that we may carry on, not only in Korea, but in all international obligations or commitments which we may have.

When I received the President's letter yesterday on the floor of the Senate—and before I submitted the letter to the committee, it was given to the public press—it was my purpose to call a meeting of the committee, to advise the members of the committee of the letter, and to let them have knowledge of its contents. I called a meeting of the committee at 9 o'clock this morning. The committee responded in full force.

After going over the situation, we decided—not because the Bureau of the Budget recommended it, but because of the international situation—to do something about it. I am sorry the Senator from Illinois is not here at the moment, because I am about to state what the committee did.

The original recommendation in this connection was for $748,500,000, which still is not half enough to permit doing what is required for the roads of the Nation, including the urban roads about which the Senator from Illinois speaks.

Nevertheless, that was the recommendation. The House voted $646,500,000. In view of the situation as I understand it—and it was again called to our attention by the President's letter—we on the committee took action. I should like to have Senators who are interested and who feel that road legislation is necessary to consider carefully the statement I am about to make. After I read these figures, I shall conclude.

The 1948 authorization for primary roads was $202,000,000 in round figures. This bill, as passed by the House, contains authorization for $225,000,000 for that purpose. The Senate committee's recommendation is identical in amount with the amount voted by the House of Representatives. The action taken by the committee this morning, after the Korean situation developed, and after the letter was received from the President, was the same.

Last year the authorization for secondary roads was $135,000,000. In this bill the House voted $150,000,000. The original Senate committee recommendation was $200,000,000. This morning the committee is recommending an amendment to the sum of $175,000,000, or a reduction of $25,000,000.

For urban roads—the pet item of my good friend, the Senator from Illinois [Mr. DOUGLAS]—in 1948 the authorization was $112,500,000. In this bill the House voted $125,000,000. The Senate agreed, and that amount is in the bill now.

We had begun an innovation which seems to annoy my good friend the Senator from Illinois. Our innovation was based upon trying to extend the road systems to people living in the country districts. We wanted to get the farmer out of the mud, and we were trying an innovation, just as the urban roads were brought into the picture in 1944. We provided $70,000,000 for an interstate system. The purpose really is to enable the farmers to reach the markets. The committee and the Senate were trying to make it possible for the farmers to take their crops to the cities which have the large populations. The House voted for that purpose $70,000,000, which is what we allowed.

However, in view of the recommendation contained in the President's letter and in view of the Korean situation, this morning the Senate committee is recommending to the Senate an amendment doing away with that item.

Mr. HOLLAND. Mr. President, will the Senator yield at this point for a question?

Mr. CHAVEZ. I yield.

Mr. HOLLAND. Is it not true that every mile of the interstate system is either in the primary Federal-aid system or the urban Federal-aid system, and that as to both of those systems the final recommendations of the committee this morning give them increased recognition, and a little increase over the authorizations made in the 1948 act?

Mr. CHAVEZ. There is no question of that.

Mr. President, some persons—I hope the Senator from Illinois is not one of them—might think that forest highways

are not important in connection with the national defense. Yet, Mr. President, where does our lumber come from? It comes from the forests.

In 1948 the authorization for forest highways was $20,000,000. The House voted $20,000,000, and the Senate committee recommended $20,000,000 for that purpose. We need not make a change in that item today.

In 1948 the authorization for forest roads and trails was $17,500,000. In this bill the House voted $17,500,000, and the Senate committee increased that amount by $2,500,000, to a total of $20,000,000. It is still carried in the bill.

Mr. President, the other day we heard the Senator from Maryland [Mr. TYDINGS] speak in reference to a measure calling for the construction of the highway between Washington and Baltimore. Of course, it is fine to have traffic between Washington and Baltimore handled properly in that way; but the major need for that highway arises from the large airfield between here and Baltimore, and also Fort Meade, which is located near there. It is a military necessity that the road be constructed, so we did not figure that we could cut the item for it, but we went along with the amount voted by the House, namely, $13,000,000.

Then there is the item for the Inter-American highway, which had budget approval. There was testimony by Mr. Miller, the Assistant Secretary of State, as to the stern military necessity for that highway. We had originally recommended to the Senate $8,000,000 for that item. This morning we cut it $2,000,000.

There is another international item involved in the bill, which is Rama Road. It appears that during the war some gestures were made to Nicaragua indicating that because we did not comply with some kind of commitment for certain transportation on the Canal, in order to transport troops during periods of crisis from the Pacific to the Atlantic, when transportation on the Canal might not be available, something should be done. The Budget Bureau requested a large amount, as I recall, $10,000,000. The committee originally recommended $4,000,000, but still, in order, if possible, to comply with the situation existing at the moment, the committee reduced it to $2,000,000.

The committee recommended appropriations for certain military necessities. The Budget Bureau had approved $10,000,000. We thought we would try to get ready in time, instead of waiting until too late. The committee had recommended $25,000,000 for military access roads. According to the President's letter, he thinks that is too much, and that the Bureau of the Budget must be correct. He therefore recommended but $10,000,000. So the committee this morning agreed to reduce it to $10,000,000.

We have allowed also for Tongass Forest roads in Alaska $3,500,000, and we have allowed $5,000,000 for roads on the public domain, a matter in which all the States, particularly those of the West, are interested.

In other words, with the cuts the committee made this morning, and which have been submitted to the Senate in the form of proposed amendments, which are now lying on the table, the over-all amount carried in the bill will be reduced by $120,000,000, bringing it down from $748,500,000 to $628,500,000, which is less than the amount provided by the House.

I wanted to make that statement to the Senate before my good friend, the Senator from Mississippi [Mr. STENNIS] proceeded.

To me this is an important measure. I know that there are those who call it pork, but I ask, what would St. Louis do, what would Kansas City do, and what would Chicago do, if Mr. Farmer could not have access to their markets? Even from an economic standpoint, and even from the point of view of feeding the children in the large industrial areas, the greatest piece of legislation which has ever been passed by the Congress of the United States, the thing which has contributed more to unify the people, to bring them together, to prevent sectionalism, and to make the Nation strong, is the transportation which has been afforded the people of the United States. The people of one section were able to become acquainted with the people of other sections.

Mr. President, in concluding my remarks, I ask unanimous consent to have printed in the RECORD at this point a summary of the amounts carried in the pending bill compared with current authorizations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary of amounts in H. R. 7941 compared with current authorization

	Current authorization (1948 act)	H. R. 7941		
		As passed by House	As recommended by Senate committee	Cuts
Federal-aid systems:				
Primary	$202,500,000	$225,000,000	$225,000,000	
Secondary	135,000,000	150,000,000	175,000,000	$25,000,000
Urban	112,500,000	125,000,000	125,000,000	
Interstate system		70,000,000	0	70,000,000
Forest highways	20,000,000	20,000,000	20,000,000	
Forest roads and trails	17,500,000	17,500,000	20,000,000	
Park roads and trails	10,000,000	10,000,000	10,000,000	
Parkways	10,000,000	13,000,000	13,000,000	
Indian roads	6,000,000	6,000,000	6,000,000	4,000,000
Emergency fund		10,000,000	8,000,000	2,000,000
Inter-American Highway			6,000,000	2,000,000
Rama Road			2,000,000	2,000,000
Access roads			10,000,000	15,000,000
Tongass Forest roads, Alaska			3,500,000	
Roads on public domain			5,000,000	
Local roads			(1)	
Total	513,500,000	646,500,000	628,500,000	120,000,000

[1] Included in secondary funds.

Mr. MAYBANK. Mr. President, will the Senator from Mississippi yield for a unanimous-consent request?

Mr. STENNIS. I yield, with the understanding that I do not thereby lose the floor.

Mr. MAYBANK. The distinguished Senator from New Mexico, who has made such an able and eloquent address on this bill, objected a short time ago to perhaps recessing over Saturday. I am wondering whether it will be agreeable to the Senator that we remain here tonight until all those who desire to make speeches in connection with the road bill have an opportunity of doing so, and that the Senate then recess until Monday so that Senators may catch up on their mail and other matters requiring their attention in their offices.

Mr. CHAVEZ. I know that is perfectly fine, but I am serious about this road bill.

Mr. MAYBANK. I know the Senator is serious about it; so am I.

Mr. CHAVEZ. I am extremely serious about the road bill, and I want it discussed so that Senators may at least feel that they can vote intelligently.

Mr. MAYBANK. Of course.

Mr. CHAVEZ. At this particular moment, I withhold my answer to the Senator. I want to see what happens later on. I want every Senator who wants to discuss the bill to have an opportunity of doing so.

Mr. MAYBANK. Of course, I would want the same thing, but I am wondering whether, if that has been accomplished by 7 or 8 o'clock tonight, we might again take up the matter of the Saturday recess, to enable Senators to get their work done in their offices.

Mr. CHAVEZ. At that particular time I might not object to such a request, but at this time I object.

Mr. STENNIS. Mr. President, I shall be very brief in what I say, and I shall confine myself to a factual statement with reference to one particular phase of the pending bill. I am a member of the Public Works Committee and I had the advantage of attending a great number of the hearings, although not a member of the subcommittee. It is my deliberate conclusion that the Senator from Arkansas [Mr. MCCLELLAN], and the members of his subcommittee, as well as the Senator from New Mexico and the other members of the committee, have done a most excellent job in connection with a far-reaching program which affects every State, and every area of every State in the entire Nation. After hearing some of the testimony, I was tremendously impressed with the terrific impact of modern traffic throughout the length and breadth of the land,

and the enormous additional costs thereby entailed. More and more traffic is being served. I understand that 49,000,000 vehicles will be on our highways at the end of this year, according to an estimate based on the normal pace of things, including continued gasoline-tax collections and other factors which show an enormous increase. This is one program of the Government, which is more than paying its way, because the Federal revenue from gasoline taxes, plus taxes on motor oil and on a number of other items exceeds $1,300,000,000. That is approximately the latest figure.

I shall speak briefly with reference to the secondary-highway fund. I think it has been greatly misunderstood, particularly as it is reflected in the pending bill. I first desire to call attention to a table which was placed in the RECORD a few moments ago by the junior Senator from Florida. The charge is made on the floor of the Senate that this, after all, is merely a conspiracy and a grab on the part of certain States at the expense of other States. I do not believe that that thought entered the mind of a single member of the committee. A further charge has been made that the so-called poorer areas are not paying their part or are not taxing themselves sufficiently.

I notice there are but five States in the United States which have a gasoline tax of 7 cents a gallon. One of them is the State of Florida; another is the State of Kentucky; the third is Mississippi; the fourth is North Carolina; and the fifth in Tennessee. They are the States which have the highest taxes on gasoline. They are State-imposed taxes. Those States are in the very area which the Senator from Illinois was charging with being the archconspirators.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. YOUNG. If there is any greater need for rural roads in the South than there is in my section of the country, I am glad to know it. I thought we were in the worst position in that respect. Is it not true that the rural-road section of the bill was supported by the three major farm organizations?

Mr. STENNIS. That is correct.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. McCLELLAN. There are five States, I believe, which have a 7-cent gasoline tax. How many have a tax of 6 cents or more a gallon? My State has a gasoline tax of 6½ cents.

Mr. STENNIS. That is correct. Arkansas is listed as having a tax on gasoline of 6½ cents a gallon. Going on down the line, I find that Colorado has a 6-cent tax, and I find that the State of Georgia also has a 7-cent tax. Mississippi is listed as having a gasoline tax of 6 cents, but that tax has been increased since March 1, 1950, and it is now 7 cents. Mississippi has inaugurated a secondary-road program and has imposed additional taxes, even on beer. Not one cent of the revenue from gasoline in Mississippi goes into the general revenue fund. It is all used for roads and for highways.

I notice, Mr. President, that Louisiana is listed as having a tax of 9 cents a gallon on gasoline. Oklahoma has a tax of 6½ cents. I also find that New Mexico has a gasoline tax of 7 cents.

Mr. McCLELLAN. What are the gasoline taxes in Oregon and Illinois?

Mr. STENNIS. Oregon has a gasoline tax of 6 cents, whereas Illinois has a tax of 3 cents on gasoline. I repeat that, Mr. President. Illinois has a tax on gasoline of only 3 cents a gallon.

In connection with the enormous cost of highway construction, let me invite the attention of the Senate to the tremendous increases in the revenue coming from Federal gasoline taxes and the taxes on motor oil and automobile tires.

In 1946, which was the first year following the war, the total income was, in round figures, $883,257,000. In 1947 it had increased to $1,142,630,000. In 1948, it was $1,279,283,000. In 1949, it was $1,392,418,000. So, even if there is an ascending cost in this program, there is a corresponding increase in revenue pertaining to our highways.

Mr. President, the provision regarding secondary highways, in the pending bill as reported by the Senate committee is almost entirely within the scope and the plan of the present law. A hue and cry has gone out through the land that the committee has so geared it as to put all the Federal money into rural roads. It has been represented to the people that this is a great change in the program, that we are getting away from what has ordinarily been the program.

Mr. President, a letter came into my hands in connection with this bill while the hearings were in progress. The letter was written by the mayor of a city. He was interested in the urban-highway fund, as he had a right to be, provision for which was unanimously supported by the committee. He was writing a fellow mayor and saying, "The thing we are up against in the United States Senate is that there is a group of rural Senators that do not have any sympathy with the urban-highway program."

That was a circular letter, Mr. President, which went all over the Nation. It is purely imagination. I think a great many of the objections raised up on the floor are merely the result of someone's imagination. There is not a scintilla of sentiment of the kind described. The writer of the letter mentioned me by name, saying that I was one of the obstacles to be overcome in trying to get funds for urban roads. I strongly support the urban-road fund. It is sound. I do not think any member of the committee had any other thought.

In 1936 Congress established, for the first time, a special fund for secondary highways. I wish to read the language which was used under which such secondary highways have been successfully operating, except in one major particular. We think that far too much of the money in the secondary-road fund has been used to build a few miles of highly expensive roads. That varies in the different States. I think the committee is virtually unanimous in the belief that the money was originally intended to build down to a lower level than that of the main highways or the secondary highways, unless States had special situations pertaining to the program. The money should be used on high-type roads. That is taken care of in the way the bill is written.

Going back to 1936, I shall trace the history very briefly as to what the law provided. After authorizing $25,000,000, the law provides:

Provided, That the sums herein authorized shall be applied to secondary or feeder roads, including farm-to-market roads, rural free delivery mail roads, and public-school bus routes.

That is the language of the original act of 1936. What kind of public school bus routes were being mentioned? The public-school bus routes that travel the primary highways? Of course not. The debates in the House show that roads on the county level were under consideration. The Members of the House were talking about trying to get the farmer out of the mud. That is the whole point of the language; and that was true.

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Mississippi yield to the Senator from Minnesota?

Mr. STENNIS. I yield.

Mr. THYE. The Senator spoke of the county level. The county level does not reach down to get the farmer out of the mud, so to speak. It is the township roads that do that in the northern section of the United States. In the Senator's section of the country they may be referred to as parish roads, or some such local unit. In the northern section of the United States they are referred to as township roads. They are roads which do not receive gasoline-tax funds except as the county board may designate a certain specific road or so many miles of road to receive gas-tax aid. That is the way it operates in the State of Minnesota. The little township road is constructed on the basis of the tax which can be levied upon the property within the township, and that is the only source of revenue for such construction, with the exception of a small bridge fund which may come from the State.

Mr. STENNIS. The Senator is correct. Such roads would be eligible under the present bill, and they are already eligible under the present law. Let us follow the successive enactments. In 1944 the fund had been increased to $150,000,000. The 1944 law states the money shall be spent for "principal secondary and feeder roads, including farm-to-market roads, rural free delivery mail and public-school bus routes, either outside of municipalities or inside of municipalities of less than 5,000 population."

That is virtually the same language as is contained in the 1936 act.

In 1948 the same provision was in effect. It is carried forward with this additional proviso: "the term 'secondary and feeder roads' and the term 'principal secondary and feeder roads,' whenever used in the Federal-Aid Highway Act of 1944, shall include county and township roads."

That is the present law. My main point is that to herald the amendment as branching out into a new program, and therefore bad, is an unsound argument. The basis for the amendment is found in the present law. It is a system which has worked fairly well with the one exception that the highway commissions, with all due deference to them, have used the money to a large extent in building a few miles of very expensive road, and the groups in such communities for whom the program was originally intended, as expressly provided in the act, are still left without the benefit of the money which is being appropriated for them, and also without the benefit of the leadership, technical skill, understanding, and planning which would come to them from a program carried out in cooperation with the Federal Government, which would tend to give them the advantage of engineering skill.

There is in the bill a section which provides that for a State to be eligible for secondary-road funds it must create within its State highway department or commission a bureau or department of public roads, which in turn would see to it that the counties have the benefit of technical and engineering skill. That program would not cost the Federal Government one penny. I believe it would prove to be one of the most far-reaching things ever done in the Halls of Congress, so far as relieving the situation in which the rural people find themselves with reference to their roads. They have spent large sums of money on their roads, but they simply do not get the results they should obtain because the program is not properly or scientifically planned, and the money is not judiciously spent. I say that with all due deference to the boards of supervisors.

Mr. THYE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. THYE. The able Senator from Mississippi has spoken of technical service on the county level. As I am familiar with the subject, the counties have engineering and technical staffs which deal with county highways. I believe the Senator from Mississippi had in mind the township or smallest local governmental unit which deals with highway construction and bridge construction. In my section of the United States the smallest unit would be the township unit. That is the very smallest form of local governmental body. The counties have their engineers and technical staffs. They do not need those services so badly as do the smallest local governmental units.

Mr. STENNIS. So far as engineering skill is concerned, we are attempting to require over the years—not immediately—that such engineering skill shall be provided. We do not go beyond the county level, the assumption being that if the county has engineering facilities all units of the county will in some way get the benefit of it. The bill attempts to tie it definitely into the State highway commission by requiring them to see that the small units will have the benefit of engineering skill. We were told by many witnesses that when rural road departments are created within the State highway commissions they have made every difference in the world, because there is someone charged with the primary responsibility of looking after that matter, making proper contacts with county officials, and finally being able to evolve a program in the counties which will take care of the problem on the township and county levels. The provision in the bill on this subject does not impose an expense on the Federal Government. It merely does now in 1950 what we did in 1916 in regard to the primary systems, when he required that a State, in order to be eligible for Federal aid, would have to create a State highway department, which would have authority and jurisdiction over the State's highways. We are trying to require the setting up of a rural division within the department. It is not mandatory, but it would be required if they wished to come under this program.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. CHAVEZ. I think the Senator from Minnesota would be interested in learning that in the Bureau of Public Roads a section is devoted to roads of this type. Incidentally, the head of that section is Mr. Leonard, who was a former county engineer in the State of Minnesota.

Mr. THYE. Will the Senator yield?

Mr. STENNIS. I yield for a question.

Mr. THYE. If I may be permitted to brag for a moment, I should like to say that Minnesota has one of the finest reputations of any State in the Union when it comes to highway construction. That was largely due to Mr. Babcock's efforts, because Mr. Babcock was the man who conceived the hard-surface road construction and the State raised the funds which paid for them.

In Minnesota we have a splendid State highway system. We have had excellent county highway planning and construction. We have a splendid network of highways throughout the State. However, my concern is with the local governmental bodies known in my State as township units. They are entirely dependent for revenue on the real estate located within the township, so far as funds for road construction are concerned. Today with the heavy traffic, with the big milk trucks, school busses, and large vehicles passing over the roads, hauling grain and livestock, particularly when county roads are posted in the spring when the frost is going out, oftimes township roads are carrying the bulk of the heavy loads, because the county roads and even State roads are denied to the trucker.

Mr. STENNIS. If the Senator will pardon me, while I appreciate very much his contribution, I had promised some other Senators that I would be very brief so as to give them a chance to be heard.

Mr. THYE. I thank the Senator for having permitted me to make my comments about the road program. There is need to discuss the subject on the township level.

Mr. STENNIS. Mr. President, I think the Senator is entirely correct. The word "township" is used in a 1948 act, and certainly is not left out.

I shall conclude by calling special attention to page 13 of the bill, the paragraph lettered "(b)" in line 10, which provides, as now it would be amended by the Senate committee amendment, $175,000,000, "for projects as set forth in paragraph (b) of section 3 of the Federal Aid Highway Act of 1944."

That expressly ties this program in with the present program. There can be no mistake whatsoever about that. It is not an innovation; there is nothing new about it.

In order to draw a finer bead on the expenditure of the money, and force more of it down to a level where it was originally intended, in 1936, we inserted this provision:

Said funds shall be expended only on local rural roads—

That term is already in the bill—

or county roads, or roads of the county-road class—

The word "township" is not used, but it certainly is included—

with types of construction that can be maintained at reasonable cost to provide reasonable all-year service—

That clause was written by the engineers—

and the projects for construction shall be selected by the State highway departments and by the appropriate local officials with respect to their areas in cooperation with each other.

The Federal Government is not going to originate the projects. They are going to be originated by the State highway commissions, as heretofore, except that though the State highway departments have not always been letting the local authorities in on the selection of some of the projects—and the local authorities are going to put up half the money as heretofore—the bill requires that they shall act together in selecting the projects. If they do not agree on anything, there will not be any projects in the area; but as a matter of practice they always get together.

I read on. We thought the term "Nation-wide" in application might not fit all States, and it will not, so this is the escape hatch:

Provided, That if the State highway department of any State with the concurrence of the Commissioner of Public Roads shall find on a factual basis and so certify that in said State it will be impracticable to expend said funds, or a specified percentage thereof, that have been allotted to said State, on said class or classes of roads, then such percentage of said funds allotted to that State as may be so certified may be expended on other secondary roads or secondary highways, including State highways, in said State.

That takes care of a State such as Massachusetts; it takes care of a State such as Rhode Island, where there is no county road plan, it might be said, and no rural road problem.

In such a situation as that on certification by the State highway commission, which would certainly be concurred in by the Commissioner of Public Roads, all or any part of the money to be spent on highways, including the State highways, would be released. Or if an area in one State had such a condition, on

proper certification, the money would be released for any type of highway, moreover, if peculiar financing of highways in any particular State made it reasonable, where 50 percent of the money was supposed to be used on certain State highways and 50 percent on the basis provided, if the Commissioner of Public Roads concurred—and he certainly is not arbitrary about it—they could spend 50, or 40, or 75 percent, whatever they might agree on, on high-priced roads, or even major secondary State highways.

Mr. President, this section is based largely on the testimony of Mr. MacDonald, the Commissioner of Public Roads, a man of long, outstanding, splendid service as administrator of our highway system, a man who has the respent and confidence of his associates, and of the State highway departments. He made the significant statement that more of this money should go down to the county level. He said, speaking to the committee, "Gentlemen, that is not a very popular position." I have learned since then—and I say this with all deference to the State highway commissioners—that really the situation is that they would rather continue to have more complete control of the money. That is natural. But if in their judgment it is unsound for the money to be spent along the lines I have outlined, all they have to do is to certify to it, and let their people know about it. They would be willing to certify to it before the people of their home States, and that would release the money for these purposes.

Mr. YOUNG. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield to the Senator from North Dakota.

Mr. YOUNG. Is it not true that the distinguished junior Senator from Illinois [Mr. DOUGLAS] forgets one major fact, that much of the travel, or the major part of the travel, on rural roads is in the hauling of produce to the market? When we can decrease the cost of hauling food products to the market by better roads, the consumer gets just as much benefit as the farmer himself gets.

Mr. STENNIS. Absolutely. In that connection, although we find all kinds of statistics with respect to the road program, the national statistics show that 68 percent of all rural traffic has been found by a survey to be essential to the war effort, whereas only 52 percent of city traffic, as I recall the figure, was shown to be essential to the war effort.

Mr. President, let me emphasize that this matter is based in large part on Mr. MacDonald's testimony, and this proviso has the approval of an outstanding engineer of Texas who is the president of the American Association of State Highway Officials. By telephone he helped write it. He has been to my office since then. He approves it, and he has written a letter to all the highway officials of the different States recommending that this bill be passed in substantially the form in which it came from the committee.

I also wish to refer to an outstanding engineer in the State of Iowa, Mr. White. By the way, under a Federal program of rural roads which really has tried to reach down to the people, the one single State of Iowa has 9 percent of all the Federal-aid secondary roads and highways in the United States. Think of that, one relatively small State, over a period of 25 years, has built the mileage up to the point where they have 9 percent.

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Mississippi yield to the Senator from New Mexico?

Mr. STENNIS. I yield.

Mr. CHAVEZ. Is it not true that the American Association of State Highway Officials is an association composed of those who have charge of the program for the construction of roads in their individual States?

Mr. STENNIS. That is correct.

Mr. CHAVEZ. And is it not true that that association as a whole, whether it be the members from Oregon or from any other State, recommends this bill? Incidentally, Mr. Budlock was the president of the association up to a year ago.

Mr. STENNIS. The Senator is correct. The bill has had the very careful consideration of a number of different viewpoints, and it stands the test, and is here on the recommendation of these officials.

All Senators received a letter from the Chamber of Commerce of the United States highly critical of the secondary road feature of the bill. I did not have time to answer the letter, but the fact is that the man who wrote the letter was writing about section 12 of the bill as it was originally introduced, a section which never was adopted, and is not in the bill. Here we find a letter dealing with secondary highways which in its entirety is a criticism of old section 12, which the committee did not adopt. That shows how Members of the Senate can be misled. I do not say that someone is trying willfully to mislead Senators. But someone simply is not informed, and puts out misstatements of fact. That letter, so far as secondary roads is concerned, is not based on the bill as it came from the Senate committee.

Mr. President, I have used considerable time in making my statement. I have tried to make a factual statement. I shall be glad to furnish such information as I have on the subject matter of the bill to Senators who may desire it.

Mr. President, I send to the desk a copy of a letter recently received from Mr. Clarence R. Miles, representing the Chamber of Commerce of the United States, and my reply thereto, each of which I ask to have inserted in the body of the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE
OF THE UNITED STATES,
DEPARTMENT OF GOVERNMENTAL AFFAIRS,
Washington, D. C., August 4, 1950.

To All Members of the United States Senate:

The Chamber of Commerce of the United States strongly opposes those features of the proposed Federal-Aid Highway Act of 1950, as amended by the Senate Committee on Public Works, that would channel funds to minor rural roads of purely local importance.

We believe that Federal funds can be used most effectively in aiding improvement of major routes. This is perhaps the most inappropriate time in our country's history to begin experimenting with a new, expanded system of roads eligible for Federal aid.

Therefore, we urge that the application and administration of secondary-system Federal-aid funds under the 1950 act be kept the same as under the 1944 and 1948 acts.

It is most significant that the very county and State officials charged with the responsibility of applying these funds are the ones who most strongly object to the proposed change. For example, Mr. M. W. Forman of the National Association of County Officials, and Mr. D. C. Greer, president, American Association of State Highway Officials, testified before the Senate Committee on Public Works in favor of continuing the present allocation of secondary road funds. The Board of County Highway Consultants to the United States Bureau of Public Roads, appointed to advise and assist the Bureau in connection with the secondary roads program, stated in a report:

"The most effective application of Federal-aid secondary funds in the improvement of local roads can be obtained through the expenditure of those funds on the principal secondary mileage. * * * The framework of present Federal-aid secondary legislation provides a satisfactory and effective means of extending Federal aid in any amount to local roads."

Others also actively supporting this viewpoint include the United States Department of Commerce, the Bureau of the Budget, the American Trucking Association and the National Grange.

The national chamber believes that the proposed diversion of Federal funds to purely local roads is ill advised, because:

1. It is an uneconomical application of funds. Money spent on major intercounty roads provides greater over-all benefits.

2. Local rural roads are not properly a responsibility of the Federal Government. Federal aid should be extended only to major routes important to interstate traffic (except for military roads and Federal land roads).

The chamber hopes that you will oppose the local rural roads provisions of H. R. 7941 as amended, when this bill is brought before the Senate.

The membership of the national chamber also has expressed strong opposition to the proposed increase of the Federal share of matching funds to 75 percent on the interstate system. We have supported this policy in testimony before the Senate Committee on Public Works, as have the Bureau of the Budget and the Bureau of Public Roads. Others, including highway-user organizations, the National Grange, and State highway officials, also support this policy.

Our reasons for opposing increases in Federal share of expenditures are:

1. It would require extra Federal money to make up part of the State's share.

2. There is no real justification for preferential treatment of any segment of the Federal-aid system.

3. The change opens the door for a Federal-aid highway program completely financed by the Federal Government.

The national chamber urges that you support retention of the 50–50 formula.

Cordially yours,

CLARENCE R. MILES,
Manager.

UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
August 15, 1950.

Mr. CLARENCE R. MILES,
Manager, Department of Governmental Affairs, Chamber of Commerce of the United States, Washington, D. C.

DEAR MR. MILES: Your recent letter to the United States Senate membership necessarily

refers to sections 1 (b) and 2 of H. R. 7941 as it came from the Senate Public Works Committee. These are the only sections dealing with policy questions on secondary highway funds.

With all personal deference to you, you are either uninformed on the substance of these provisions or you have been misled as to their meaning. In either case, your letter is misleading.

Instead of being an experiment into a new, expanded system of roads eligible for Federal aid as you contend, the above sections are entirely within the general framework of our present law as regards secondary highways. Regarding the use of secondary funds, the Highway Act passed 14 years ago, in 1936, provides: "The sums authorized shall be applied to secondary or feeder roads, including farm-to-market roads, rural free delivery mail roads, and public school bus routes, and the debate shows clearly that the rural free delivery mail roads and public school bus routes referred to were certainly not mail roads and bus routes that were located on the primary highways, but rather those on the unimproved county roads.

Further, as to the use of secondary funds, the Federal Highway Act of 1944 provides: "secondary and feeder roads" means "roads in rural areas, including farm-to-market roads, rural mail routes, and school bus routes, and not on the Federal-aid system." The 1948 Federal-Aid Act brings these provisions forward and expressly states that the definition of secondary feeder roads shall include county and township roads. The sole purpose of the above-numbered sections of the act of 1950 is to channel this money to roads of the county level as the previous legislation clearly shows it was originally intended, and thus stop the present practice in some States of using all of this money on a very few miles of very expensive highways.

In your letter you say in effect that Hon. D. C. Greer, president, American Association of State Highway Officials, opposes sections 1 (b) and 2. This is not true. Mr. Greer approves these sections, was consulted in their drafting, came by my office last week, and has also written a letter to the State highway departments asking their cooperation in the passage of the Senate bill.

Your statement that says in effect that the United States Department of Commerce opposes these provisions of the bill is not true. Hon. Thomas H. MacDonald, our valued Commissioner of Public Roads, certainly speaks for the United States Department of Commerce in highway legislation. He gave valuable testimony before the committee, upon which sections 1 (b) and 2 are largely drafted, and gave as his opinion that a much larger percentage of said funds should be channeled to the county level class. (See pp. 504 and 541 of the 1950 Senate Public Works Committee hearings.) Also, Hon. F. R. White, nationally known authority on public roads and highways, and presently chief engineer of the Iowa State Highway Commission, has expressed approval of these sections.

As to the county officials, I have not had a chance to contact Mr. M. W. Forman whom you mentioned, but in my opinion these sections are entirely in line with his testimony, as the sections are within the general framework of the present law. At the hearings, Mr. L. W. Newcomer and Mr. Ben T. Collier, county officials and engineers, gave testimony upon which these sections were later in part drafted. I have unqualified endorsement in my files for these sections by the National Farm Bureau Federation and the National Milk Producers Federation.

All in all, your criticism seems to be directed at section 12 of S. 3424, which was brought forward in the Senate version of H. R. 7941.

The over-all effect of your letter is to try to overturn the definite policy established by the Highway Act of 1936 and subsequent acts, and leave all agricultural areas of the country entirely out of the Federal-aid program, except those actually adjacent to the principal highways. I also note that the Chamber of Commerce of the United States had a witness appear at the Senate hearings on this bill (see p. 12 of the Senate Public Works Committee hearings on the Federal-Aid Highway Act of 1950). This witness did not oppose funds in the bill for urban highways, nor for the primary highways, nor for the secondary highways as now used, but regarding the section dealing exclusively with rural roads, he denounced it as "just plain national socialism."

I also think it pertinent to point out that your witness there said that he represented "the oil interests, the bus and truck interests, automobile interests—and I may add, insurance interests and also highway road contracting interests—and of course, many private owners of automobiles." It is clear that neither you nor your witness nor your association is thinking of those people who live in agricultural communities away from the arterial highways. It would be interesting to note here that during the last war, from a defense standpoint, 67 percent of all farm car travel was found to be essential, whereas only 53 percent of the automobile travel of other classes was considered essential, thus showing that farm-to-market roads are the supply line of our Nation as to farm products.

I call your attention again to the fact that sections 1 (b) and 2 are within the framework of the present system of Federal programs for the use of secondary funds; that no new mileage is added to the system, and the handling of specifications is left as heretofore; that the selection of the projects is left with local and State authorities; and the method of matching is the same. Provision is even made that if for any reason in any State it should be impractical to use the funds on the county highway level, that as much as 100 percent of the funds can be used on even the highest type and most expensive highways. I repeat, these provisions of the Highway Act of 1950 merely make clearer and more definite the expressed purposes of the Federal-Aid to Highways Act of 1936 and subsequent acts.

As your letter was addressed to all Members of the United States Senate, I am going to insert a copy of your letter in the CONGRESSIONAL RECORD, together with a copy of my reply, all for the information of the Members of the Congress and the people of the Nation at large.

Very truly yours,

JOHN C. STENNIS,
United States Senator.

Mr. STENNIS. Mr. President, I also ask to have inserted in the RECORD at this point copies of letters recently received from the American Farm Bureau Federation and the National Milk Producers Association.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., July 19, 1950.

Hon. JOHN C. STENNIS,
United States Senate,
Washington, D. C.

DEAR SENATOR STENNIS: The action of the Senate Public Works Committee in providing for use of secondary highway funds on local rural roads of the county road class is regarded as a desirable step in the long campaign of farmers and rural communities for adequate rural roads.

The membership of the American Farm Bureau Federation firmly believes that State and local governing bodies should have sole responsibility for determining methods of allocation within each State, as well as standards and specifications for rural road construction.

While the bill does not go as far as we would like it to go in the direction of giving more responsibility to State and local units of government, we regard it as a substantial step in that direction.

Sincerely,

HUGH F. HALL,
Assistant Legislative Director, Washington Office.

NATIONAL MILK PRODUCERS FEDERATION,
Washington, D. C., July 20, 1949.

Hon. JOHN C. STENNIS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR STENNIS: For many years the National Milk Producers Federation has been deeply concerned over the slow progress in the improvement of roads in the rural areas of our Nation. Although commendable work has been done in the construction of primary and some secondary roads very little assistance has been given to the construction of local rural roads—the roads over which the farmer must travel to get to the principal roads.

You will recall that we presented testimony early last year to the Subcommittee on Roads of the Senate Committee on Public Works concerning the bills S. 244 and S. 1471. At that time we indicated the importance of good all-weather rural roads to the American farmer in the production and distribution of agricultural commodities, pointing out that in the case of dairy farmers the characteristics of milk made it imperative that there must be no delay in the movement from the farm to assembly points or processing plants. In our testimony we emphasized the need for legislation providing for decentralized authority in the determination of standards and specifications of local rural roads. It was our opinion that the proposed legislation as contained in S. 244 and S. 1471 offered a solution to the problem.

We were hopeful that on the basis of the persuasive evidence presented by numerous witnesses last year the Senate Committee on Public Works, in considering the bill H. R. 7941, would incorporate substantially the provisions of the former bills. We regret that the committee did not do so in reporting the bill H. R. 7941. However, we are of the opinion that the provisions of section 1 (b) of H. R. 7941 is an acceptable compromise and will make it possible to get off the dead center which has plagued the people in our rural areas in the development of an all-weather, year-around system of local rural roads.

We hope that enactment of the proposed legislation will result in real cooperation by the Commissioner of Public Roads, the various State highway departments, and appropriate local officials in the selection and construction of good local rural roads, with standards and specifications adapted to the need for which the roads are used.

The provision of section 1 (b) is a step in the right direction and we are in support of the proposed legislation and earnestly urge its adoption. At a later date, should the proposed legislation prove inadequate in developing a county system of improved roads which will really serve the rural areas we will again urge the enactment of legislation along the lines of our recommendations made early last year.

The dairy farmer members of the National Milk Producers Federation are appreciative of the sincere efforts made by you and others in endeavoring to secure the enactment of legislation which will give the farmers of our Nation the type of roads they want and to which they are entitled.

Sincerely yours,

CHAS. W. HOLMAN,
Secretary.

DEFENSE PRODUCTION ACT OF 1950

Mr. KERR obtained the floor.

Mr. BYRD. Mr. President, will the Senator yield to me to make a brief statement?

Mr. KERR. I yield.

Mr. BYRD. Mr. President, an analysis given to me by the legislative counsel of the United States Senate makes it clear that the pending control bill does not require the President to control wages in the event that price controls are established.

Mr. Baruch emphasized in his testimony before the Senate Committee on Banking and Currency that no price control plan could be effective unless wage control was established coincident with price control. This is unquestionably true, as wages constitute a very large part of the cost of all manufactured articles and agricultural products.

I announced my support of price ceilings providing wages were controlled simultaneously with prices. This the pending bill does not require the President to do, and is so worded as to leave to his own determination whether his failure to establish wage control would constitute an undue burden upon companies producing articles upon which he places price ceilings.

The main purpose of this legislation is to prevent inflation. It would be a farce to pass a bill that does not make wage control mandatory when price controls are established. Such a course would not stop inflation and may result very disastrously to our economic system.

For myself, I cannot support any legislation that does not effectively establish both controls coincident one with the other. I am fortified in this opinion by the statement from the legislative counsel of the Senate.

I hope on Monday the Senate will amend the bill which is the unfinished business in this respect and further provide for a definite expiration date of July 1, 1951, thus enabling a review by the next Congress.

I ask unanimous consent to insert in the RECORD as a part of my remarks a copy of the analysis of Senate bill 3936, as prepared at my request by the Senate legislative counsel.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR SENATOR BYRD BY MR. STEPHEN E. RICE OF THE LEGISLATIVE COUNSEL

This memorandum discusses the extent to which price and wage controls are tied together in S. 3936. Price and wage controls with respect to industries producing or handling materials impcrtant to the national defense, or significantly affecting the cost of living, are authorized, except at the retail level, by section 402 (b) of the bill. Price and wage controls generally are authorized by section 402 (c).

Both of these subsections require the issuance of orders prohibiting increases in wages (except when necessary to prevent gross inequity or to effectuate the purposes of the act) whenever an increase in wages would either require an increase in a price ceiling, or impose an undue burden on a seller operating under a price ceiling. There is a certain amount of flexibility in these provisions. Wage increases which would neither require price increases nor impose an undue burden on a seller could be allowed. Thus, in an industry where profit margins are large, wages might be allowed to rise to the extent of wiping out a large part of such margin so long as the President determined that such increases did not impose an undue burden on the seller. The committee report (last full paragraph on page 32) indicates that if the seller is left a fair and reasonable profit he probably has not been subjected to an undue burden. The President could also permit promotions, merit increases, increases in incentive payments, and similar wage increases which he determined did not impose such an undue burden. It is argued that in some instances such increases might actually result in lowered costs for the seller of an article. The committee evidently felt that some wage increases might be desirable to prevent inequities or to effectuate the purposes of the act, even though such increases might require increases in price ceilings; and the President is authorized to permit such increases. Thus the President might permit increases in defense industries, if necessary to enable them to obtain workers. And if such increases rendered inequitable wages in nondefense industries, conceivably the President might permit increases in such nondefense industries, also.

In addition to requiring restrictions on increases in wages which affect the costs of a seller operating under a ceiling price, the President is authorized generally to stabilize wages to effectuate the purposes of the act. Furthermore, section 402 (c) provides that wages shall be stabilized generally whenever price ceilings have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living. In such case, the President would be stabilizing wages because of their inflationary effect upon purchasing power as well as because of their inflationary effect upon a seller's costs.

It is seen, therefore, that an attempt has been made to tie price and wage ceilings together, but that wage increases could be made in some cases where prices are controlled. As the committee points out in the paragraph beginning at the bottom of page 33 of the report:

"While the general parallelism of price and wage controls has been preserved, it is not the intention of the committee that price and wage controls should be thought of as coextensive in all cases. There will be occasions when one needs to be applied without the other. For example, it is not the committee's intention that the exemptions from price control as provided in subsection 402 (f) should imply in all cases a corresponding exemption from wage control; nor is it the intention that every case of a controlled price will have its counterpart in controlled wages. The general parallelism is provided to assist in carrying out the purposes of the act, which is the controlling criterion.

Mr. McCLELLAN. Mr. President, will the Senator from Oklahoma yield to me so I may ask the able Senator from Virginia a question?

Mr. KERR. I yield.

Mr. McCLELLAN. The Senator from Virginia says he hopes the bill will be amended. I should like to inquire whether the Senator is having prepared an amendment which he believes will satisfactorily amend the bill?

Mr. BYRD. It is my understanding that amendments will be prepared and offered.

Mr. McCLELLAN. In other words, we will be given the opportunity to vote for proper amendments to make certain that the two elements of the economy are geared together?

Mr. BYRD. Amendments will certainly be offered which will gear the two together.

Mr. McCLELLAN. I wish to say to the Senator from Virginia that I join him in hoping that we will pass that kind of legislation. I do not want to see one element of the economy controlled and another element not controlled, and thus not actually prevent inflation.

FEDERAL-AID HIGHWAY ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 7941) to amend and supplement the Federal Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. KERR. Mr. President, the pending road bill is, in my opinion, of great importance, not only as it affects the peacetime economy of the Nation, but also wartime conditions. It was my privilege to serve as a member of the subcommittee which held hearings with reference to the bill, and while I spent less time attending the hearings than some other members of the committee, I was present on many days of hearings. The distinguished chairman of the subcommittee, the Senator from Arkansas [Mr. McCLELLAN], and other Senators, however, spent weeks in attendance at the hearings. The greatest consideration was given to the needs of the country, the wishes of the people, and the responsibility of the Government with reference to both.

There was laid before the committee a letter from the Bureau of the Budget, which referred to the message of the President at the beginning of the year at which time an arbitrary figure of $500,000,000 was fixed as being the amount that should be the limit to be spent for certain classifications of Federal participation in the building of roads. The letter from the Bureau of the Budget to the committee was written in May. I repeat that the position of the executive branch of the Government, the President and the Bureau of the Budget, was that $500,000,000 should be the limit for those items in the road bill.

Yesterday there came to the chairman of the Public Works Committee, the distinguished Senator from New Mexico [Mr. CHAVEZ], a letter from the President in which reference was made to the Korean emergency and the situation which confronted the country because of developments in Korea. The letter set forth that, based upon the needs for national defense, based upon the emergency that had arisen by reason of the Korean situation, the President took the position that $500,000,000 should be the limit in this bill for the items referred to.

It seems to be rather a coincidence that now in August, in the presence of the emergency, the need for certain items of road building, insofar as the Federal Government is concerned, must not exceed the same magic figure of $500,000,000 which was the oft-repeated figure for these particular items mentioned by the President and by the Bu-

reau of the Budget long before the Korean situation was heard of, dreamed of, or contemplated.

However, in pursuance of the request in that letter, consideration was again given to that subject by the committee, and, as the distinguished chairman of the committee has advised the Senate, certain recommendations were agreed to that would result in a decrease of $120,000,000 in the amount of the funds provided by the bill.

Mr. President, I attended that meeting of the committee. I am not seeking now to have that figure, which was arrived at by the committee, changed, but I do not agree to the decrease recommended by the committee. I am as well aware of the emergency before the Nation as it is possible for me to be, but I place a different interpretation upon and attach a different significance to that emergency than is indicated by the letter from the President or in the remarks of those who say that the arising of this emergency makes it mandatory upon the Government to spend less money for highways. I say that the emergency and its development will cause a need for more highways, rather than fewer highways.

Senators remember the conditions that prevailed during World War II. They are aware of the fact that the tremendous demands upon them and their greatly accelerated use created more damage to the highways of the country during World War II than has been repaired or rebuilt since World War II.

Mr. President, principally by reason of the fact that we have an inadequate system of highways, more persons are killed and injured on the highways of the United States than have been killed and injured in the Korean war since it began.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Arkansas.

Mr. McCLELLAN. My recollection is that the testimony before the committee showed that it would require $12,000,000,000 to restore the highways from the damage caused them and the impact upon them during the war years, when we were not able to keep them in as good repair as we would have liked or to continue construction.

Mr. KERR. The Senator from Arkansas is correct. We have not begun to repair the damage caused during the war by the accelerated use of our highways. In fact, the present accelerated expenditure of money by the State and local governments, together with the amount of money provided by the Federal Government, is not sufficient to replace the annual wear and tear and depreciation of the highways.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. YOUNG. Is the Senator aware of the fact that in the West and Northwest we now have a worse boxcar shortage than any which existed at any time during the last war? If we are to get into a full-scale war we shall be in a worse situation in that respect than we are in now, and then we shall need to be able to use our highways more and more to haul things the railways cannot.

Mr. KERR. I am glad the Senator has referred to that fact.

Mr. President, if we are thrown into war, the primary attack of our enemy will be upon the great centers of population and upon the primary needs of transportation. One of the great targets will be the transportation facilities—primarily the railway and highway bridges. The smallest amount of perception will disclose that if war comes, the demands upon the highways then will be far greater than the unprecedented demand during World War II, which resulted in such destruction of our highways.

Senators have spoken about discrimination in the matter of authorizations for highways. I wish to concur in the conclusion and in the statement that there is and there has been discrimination—terrible discrimination, historically and administratively; and it exists today, but not against the industrial centers or the cities of the Nation, not against the primary highway system, not even against the secondary highway system. The discrimination which exists, and which had existed from the time of the inauguration of the road system, is against the rural areas. That is where the discrimination is.

It has been represented here that the Southern and Southwestern and Western States are seeking to make a grab, are asking alms of other areas of the Nation, in order that roads may be built. Mr. President, I am astounded and astonished that men of intelligence and integrity of purpose would believe that or would intimate it.

The facts do not substantiate such a position; the facts directly controvert it. The State of Oklahoma pays into the Federal Treasury twice as much road-user money as the Federal Government sends back to the State of Oklahoma. I venture to say that not a State in the South, Southwest, or West pays into the Federal Treasury less than 1½ to 2 times as much money in road-user taxes as the Federal Government send back to those States in the form of Federal aid in connection with the construction of highways. Even the high-school students in those areas know that none of that money is spent on the roads which are identified as strictly rural roads.

Mr. YOUNG. Mr. President, will the Senator yield at this point?

Mr. KERR. I yield.

Mr. YOUNG. Is it not true that today a farmer in his mechanized farming uses a tremendous amount of gasoline, on which he pays a Federal tax, but he has no chance whatever of getting back any of that money, to use it to take care of the roads he uses every day?

Mr. KERR. That is correct. The farmer pays to the Federal Government an excise tax on every gallon of gasoline he uses, and also on every quart of oil he uses for his automobiles and tractors. However, when the farmer comes to a road on which the Federal Government has spent a dime, he comes face to face with a sign reading:

No tractor is permitted to travel on this road.

So there is discrimination. If men were even mildly curious, they could find where the discrimination exists. The discrimination in connection with the matter of Federal contributious for the building of roads is against the rural areas.

Do we ask alms? Mr. President, I would as soon try to get warmth from a whited sepulcher. We do not ask alms; we ask justice. For each farm family in the Nation, there are many nonfarm families who are dependent upon the farm family for food, clothing, and most of the other necessities of life. No law is based on justice or on equity if it does not give to the farmer a fair proportion of the road-user money, especially in view of the fact that the farmer pays such a large percentage of it. Those who attack this provision of the bill on that ground remind me of the Oklahoman who came to my office when I was Governor of Oklahoma during the war, at one of the times when the coal miners were out on strike. He was mad at the coal miners. He said, "We ought to have a law to keep these men from striking. I think you ought to do something about getting such a law."

I said, "Well, that is an interesting observation. What kind of a law would you suggest? You know, a man cannot be compelled to work. So far as I know, the strike is merely a declination to work on the part of some of the citizens."

He said, "Well, they ought to have a law making it so they would have to work."

I said, "Who?"

He said, "The coal miners."

I said, "Let's consider that. As you know, we have a draft law in this country, because we have to get men into the Armed Forces through the strong arm of the law. There is a funny thing about that draft law."

He said, "What's that?"

I said, "It applies to everybody. Your boy is out somewhere yonder, and my boy is down yonder, and the others are coming along. That law applies to all of them."

He said, "That's right."

I said, "In a democracy laws have to operate on that basis."

He said, "What of it?"

I said, "When a law is passed compelling men to work, you have to have the same thing in it—and that is a clear provision that it applies to everybody."

He said, "What about it?"

I said, "Do you want to fix it so you and I have to start in working for a living again?"

He said, "Wait a minute; would the law have to have that in it?"

I said, "If you can figure out how it could be written so as to make the other fellow work, but not apply to you and me, I will be far more interested in sponsoring such a piece of legislation."

I have not heard from him since.

Mr. President, the trouble with men who are taking a position against this provision for a more adequate program for rural roads is that they are so aware of their own needs—and I admit their great needs—that they lose sight of the fact that a law enacted by the Federal Government for the building of roads

should make equitable distribution of funds among all classifications of roads used by our citizens and paid for by them.

I heard a proposal on this floor today that the amount set forth in the bill should be cut in half. I have read the letter from the President, in which the magic figure $500,000,000 is glorified, and I am reminded that, in the first place, experience has demonstrated that even the Budget Bureau may make errors. I am not sure but that we are living today under the burden of some of the implemented errors of the Budget Bureau. I am not sure but that if the Congress and the Budget Bureau could turn back the hand of time they would rectify errors wherein the Budget Bureau in the past has said that certain figures and no more were needed and must be used. I submit, Mr. President, that if $500,000,000 was the figure which was applicable at the beginning of this year, it is now inadequate.

At the beginning of the year the Commissioner of Public Roads came before the committee and said that, as of the end of 1949, there were 44,000,000 automotive units on our highways, and that probably during 1950 the number would increased to 45,000,000. I asked the gentleman how many automotive units he thought would be manufactured in this country in 1950. He said he thought the number would be about 5,000,000. The record shows that, at the present rate, in excess of 9,000,000 automotive units will be produced in 1950.

As every Senator knows the money authorized by this bill is to be spent in 1951, 1952, and the first part of 1953. If the figure of $500,000,000 was correct when the budget used it in the first part of this year, then the figure as contained in this bill, before the committee reduced it this morning, would have been inadequate to meet the needs, beyond those estimated by the witnesses at the time, inadequate to meet the increased cost which Senators now know will prevail.

So far as I am concerned, the people of Oklahoma sent the junior Senator from that State to Washington to use his judgment, even though it might not conform to that of the Budget Bureau. If the Budget Bureau is going to write these bills, perhaps we ought to fix it so the Budget officials would run for office every 2 years or every 6 years; and if Senators are to let the figures be fixed by others, perhaps we should have the benefit of civil service and protection in the tenure of office against the outraged feelings of those whose needs are inadequately met because we let others determine the figures we use in legislation for which we assume responsibility. I knew there was a Budget Bureau in Washington, Mr. President, but my position is somewhat like that of a certain maiden who got married. She said she had an idea that marriage involved a knowledge of childbirth, but that had she known all the details of it she would never have undertaken the responsibilities.

The language of the bill would insure that a part of the moneys appropriated under the Federal Road Act would be spent for the construction of local rural roads. I once read a story by O. Henry wherein he referred to those "rural areas out in the country," and I got a new concept of the words used for descriptive purposes. As the Senator from Mississippi [Mr. STENNIS] has said, for 14 or 16 years every highway act has had in it words specifying that a part of the money should be used on rural roads. Perhaps some day some of it will be so used. I hope that by reason of the language contained in the pending bill some of the money will be channeled down until it reaches those "rural roads out in the country."

As referred to here this morning, the original Federal Highway Act was justified by the provision of the Constitution which reads, in part, as follows:

> Congress shall have power * * * to establish post offices and post roads.

The original legislation provided, in part:

> *Be it enacted, etc.*, That the Secretary of Agriculture is authorized to cooperate with the States through their respective State highway departments in the construction of rural roads.

Yet there are those who say that the provisions of this bill are an innovation. The original highway legislation authorized the Secretary of Agriculture to cooperate with the States through their respective State highway departments in the construction of rural roads. That cooperation has yet to materialize with reference to rural roads "out in the country." In that original act rural roads are described as follows:

> Rural post roads shall be construed to mean any public road over which the United States mails now are or may hereafter be transported, excluding every street and road in a place having a population of 2,500 or more.

That is a far cry from what the junior Senator from Illinois [Mr. DOUGLAS] had to say this morning, that participation in the building of roads should begin in New York City and Chicago, and should end within a few miles of the city limits or suburban areas of the metropolitan centers. I would not take one penny from them. Neither Mr. President, should they be permitted to take every penny from the rural roads. I shudder to think what that kind of psychology would do to the economic future of the Nation. It is clear that according to the original intent of the Congress the original justification for this program in the Constitution was the idea of building rural post roads . The last Federal Aid Act, the act of 1948, contains the following amendment:

> except that for the purposes of this act and all subsequent acts continuing the postwar construction and reconstruction of highways in accordance with the provisions of the Federal Aid to Highways Act of 1944, (1) the term "secondary and feeder roads" wherever used in the Federal Aid Highways Act of 1944 shall include county and township roads; and (2) in selecting county and township roads on which funds are to be expended, the State highway departments shall cooperate with township trustees and other appropriate local road officials.

I would remind the distinguished Senator from Minnesota [Mr. THYE] that the spirit of the Federal Highway Act has ever been to channel a part of the appropriation and a part of the Federal participation down to the level of the county or township roads. But the stark and awful truth is that that objective, worthy though it may be, is as yet a far-off dream and hope, and never, to this good hour, a reality.

In spite of these facts, only pitiful pennies of the billions of dollars of Federal-aid funds for construction of highways have ever been spent on local or rural post roads. The Federal Government in the current fiscal year will collect in excess of one and a half billion dollars in road-user taxes, of which approximately $450,000,000 will be spent for highway construction.

Mr. President, in the Federal act there is a requirement that for a State to be eligible to receive Federal aid in its highway construction program it must not be guilty of the diversion within the State of road-user funds to other purposes than the building of roads. Yet the Federal Government stands here and holds its stern finger of authority and collects a billion and a half dollars of road-user money every year and spends less than one-third of that for the purposes for which it requires the States to spend every dollar of State money collected.

There are Senators who would seek to reduce the amount spent by the Federal Government from less than one-third of the road-user moneys collected to less than one-sixth of such moneys.

At the end of 1949 Americans owned and operated approximately 44,000,000 automotive units, of which farm families owned and operated approximately 26 percent. Yet the roads which these farm families use most and which mean most to them receive no part of the Federal aid highway funds. I would not reduce amounts now being spent by National Government for either phase of road building now eligible for Federal participation.

Mr. THYE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. THYE. The Senator from Oklahoma just finished stating that the farmer does not receive any benefit——

Mr. KERR. With reference to those roads which mean most to him. That is the sad and awful truth.

Mr. THYE. Nevertheless the bill contains the specific language that the farmers are to participate in the fund. Am I right or wrong?

Mr. KERR. The Senator is correct.

Mr. THYE. What is wrong with the policy of those charged with the responsibility of administering the law, that the producer, the farmer, who must use the township road to get through to the market with that which he produces, does not receive any benefit, when the law specifically provides that he shall be the beneficiary of Federal funds, why has the farmer not received them?

Mr. KERR. "O wad some power the giftie gie" me to be able to determine that, Mr. President. The junior Senator from Oklahoma has been a Member of

the Senate only a little more than a year and a half. During that time I am frank to confess that there is no subject of which I have become the complete master and but few with which I have achieved a reasonable acquaintance. This subject is one of them, and I have come to the conclusion that, while I am unable to have anything to do with changing the record which was written in the past, I hope that I and other Senators may be able, through this bill, to fix it so that from the time of its passage a proportionate equitable share of the Federal moneys appropriated for highway construction will be compelled to be channeled down to the local rural road level.

Mr. THYE. Mr. President, if the Senator will yield further, I should like to ask him this question: How many times in the spring of the year, when the frost is going out of the ground, in the northern section of the United States, has the Senator from Oklahoma noted farm vehicles parked anywhere from half a mile to a mile from the farm buildings, because the farmer is unable to use an automobile to reach the county hard-surfaced road or a State-aid road? The farmer has to travel either by foot or by tractor or by team of horses because the road is impassable. The road which is called a local township road is impassable. It is either full of mud or filled with snowbanks, and the farmer cannot get through except by foot, by team, or by tractor. His car may be parked for many a week on a county road or a State highway. That is a picture which anyone can see in the northern section of the United States, in the early spring or in the wintertime. The farmer's truck or car is parked oftentimes far from his home. Sometimes he cannot get to his own premises because the roads are not passable, because of mud or snowdrifts.

That situation is what we are trying to correct by this bill. We are trying to give the 20 percent of the population of the Nation residing on farms a little benefit from the taxes they pay, the highway-user taxes and all the other sources of revenue which go to make up the Federal budget.

I am pleading for that individual in the countryside when I ask that this type of legislation be given favorable consideration.

Mr. KERR. I thank the Senator from Minnesota, and, in response to his question, I may say that I have seen that picture so often that I have come to the belief that the stalled automobile and the farmer either afoot or in a tractor or with a team are an indispensable and inseparable part of the picture. It is not only to be seen in the northern and western sections; it is to be seen across the length and breadth of the southern areas of the country in many seasons of the year. I should not hesitate to express the belief that it might even be seen across the length and breadth of the States of Illinois and Oregon, in the rural areas, if there were those curious enough to look and able to see that which is so apparent.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. McFARLAND. I should like to ask the distinguished Senator from Oklahoma if he does not think the distinguished Senator from Illinois [Mr. DOUGLAS] and other Senators are overlooking one thing, namely, that when we develop rural areas we create additional wealth which benefits the cities and makes their tax burdens a little lighter? Likewise, when we make it possible for the farmer to get his products to market a little more easily and a little more cheaply, the cities receive the benefit of it. Does the Senator not agree with me that the cities cannot live unto themselves, that they are dependent upon the rural areas of the United States, just as the rural areas are dependent upon the cities?

Mr. KERR. I agree with the Senator, with the exception that the cities are much more dependent upon the rural areas than are the rural areas dependent upon the cities. I am reminded of what the great Bryan once said with reference to the comparative position of the farmer and the worker, on the one hand, and the metropolitan center, on the other. He said, "Give the farmer and the worker prosperity, and cities will spring up and grow like magic, but take the prosperity from the farmer and the worker, and the grass will grow on the streets of every city in the land."

Those who live there would find it both a little indelicate and difficult to use that which would grow there as a substance to meet their needs for food, clothing, and shelter.

Mr. President, every mile of primary or secondary or urban highways constructed in part with Federal funds emphasizes the discrimination under present administration of Federal law against rural roads. The equal, original need for those totally ignored and too long neglected roads cries aloud for just and equitable participation in the overall Federal road program. Americans are fundamentally against any combine they are not in on. This applies to every Member of this body. It applies with equal force to the 30,000,000 Americans who make up our farm families.

They have had more promises and less roads than any other group. They have participated in the voting and payment of bonds; in the payment of State and national gas taxes; in the excise and sales taxes on all automotive units. They are happy that appropriate amounts are spent on primary roads, secondary roads, and urban projects. In simple justice, they now ask that appropriate amounts be spent on those roads which mean the most to them—local rural roads.

The most acute highway need in our country is with reference to approximately 3,000,000 miles of local rural roads. Hardly one-third of these are at present of all-weather type. Approximately one-half are neither graded, drained, nor properly maintained. Over one-half of these roads are used for rural mail delivery; school busses travel 2,000,000 miles each day on these roads. The pupils they carry spend more time in the busses than they do in any single class. Of course, there is no way of knowing how many days' school they miss because the roads are in poor condition or impassable.

Surely this Government has a deep and compelling concern in properly encouraging the fullest development of farm prosperity and, as a matter of common justice, to be as diligent and effective in participating in the building of rural roads as either primary or secondary highways.

Rural roads are just as important to our people in the cities and towns as to those on the farms. These roads will serve not only in getting the farmer's produce to market, but also in getting the general market's products to the farms. They are vital to enable the farmer's family to get to the doctor or the doctor to them. They must be provided to enable the farm population to have equal access to schools, hospitals, and for the sending and receiving of mail.

In closing I call your attention to the following facts:

First. There is a great and growing necessity for more and better rural roads in this Nation.

Second. Present construction and current improvement are not equal to depreciation and current wear and tear, to say nothing of increasing needs.

Third. Present specifications prescribed by the Public Roads Administration are far too severe to permit sufficient rural road building from available funds to ever meet existing requirements.

Fourth. Those specifications are being made more rigid and burdensome each year. This results in less and less roads, when there should be more and more.

Fifth. In reality, and in spite of legislation intended by Congress to be otherwise, we have no farm-to-market or rural-road program in which the Federal Government participates. All money presently allocated for programs as operated by and under the Public Roads Administration goes into primary or secondary highways, not into rural or farm-to-market roads.

Sixth. Existing legislation, if liberally administered—which it is not—is wholly inadequate to bring about the building of rural roads in proportion to primary and secondary systems.

Seventh. Unless this or similar legislation is speedily enacted, the situation will grow steadily worse instead of better.

Eighth. The building or improvement of the type of roads contemplated in this bill is the most acute and worse-neglected road need in this Nation today.

Therefore, to conform the Federal-aid program to the letter and spirit of the Constitution and existing legislation; to meet the national needs for a more prosperous agriculture; to provide better means for the Nation's industrial production to flow without restriction to farms as well as cities and to enable farm production of food, feed and fiber to find its logical markets across the Nation; to do simple justice to 30,000,000 Americans

in the matter of equitable participation in the Nation's over-all road-construction program; a proportionate part of Federal funds spent for road construction should and must be used on that part of our total road mileage where the need is the greatest, to wit: Local rural roads.

ORDER FOR RECESS TO MONDAY

Mr. MAYBANK. Mr. President, earlier today we discussed the question of holding a session tomorrow. I suggested to the Senator who is in charge of the road bill that if it were agreeable to him the Senate would sit this evening until we had finished all debate on the bill. Some Senators have very important matters to take care of in their offices tomorrow, and they would like to know now whether they can arrange their affairs accordingly. I am therefore asking if it would be agreeable to the Senator from New Mexico to have the Senate sit this evening until we have finished debate on the bill, even if it is necessary to sit until 9 or 10 o'clock to do so, and not have a session tomorrow, Saturday.

Mr. CHAVEZ. Reserving the right to object—and I do not believe I shall object—I merely wish to make certain that Senators who desire to discuss the road bill will have an opportunity to do so, because on Tuesday we shall have very little opportunity to discuss it, and we shall have no time at all on Monday. Some Senators perhaps would like to discuss other matters as well, and the kind of request the Senator from South Carolina is making would have to be satisfactory to them as well, so that they would have some time to discuss their matters this afternoon.

Mr. MAYBANK. That is the idea I had in mind. I thought we could remain in session as late as might be necessary to enable all Senators to discuss whatever they may wish to discuss after the road bill has been debated. The Senator knows I have an amendment which I intend to offer, and I intend to support the road bill.

Mr. CHAVEZ. I have no objection.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. McCLELLAN. That would not do away with the unanimous-consent agreement under which we are operating with reference to the road bill, would it?

Mr. MAYBANK. No.

Mr. McCLELLAN. Because there would be a little time available on Tuesday. Perhaps we would have an hour and a half available to discuss the bill.

Mr. MAYBANK. I may say that the distinguished Senator from Arkansas asked that we change the hour from 12:30 to 1:30.

Mr. McCLELLAN. Because I did not want anyone to be foreclosed.

The PRESIDING OFFICER. The time for voting is set for 1:30 o'clock on Tuesday.

Mr. MAYBANK. The Senator from Arkansas suggested that hour.

Mr. McCARRAN. Apparently I was absent from the Chamber when a unanimous-consent agreement was entered into. I hear some reference to 1:30. What does that mean?

Mr. MAYBANK. Under the unanimous-consent agreement entered into we shall vote on the road bill and all pending amendments at 1:30 o'clock on Tuesday.

Mr. McCARRAN. Has such a unanimous-consent agreement been entered into?

Mr. MAYBANK. It was entered into yesterday.

Mr. CHAVEZ. Is it the understanding that what the Senator from South Carolina now asks is that when the Senate recesses this afternoon it recess until Monday?

Mr. MAYBANK. That is correct.

Mr. CHAVEZ. That does not vacate the unanimous-consent agreement with reference to the road bill.

Mr. MAYBANK. Certainly not.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Is it necessary to have a unanimous-consent agreement to accomplish what the Senator from South Carolina is seeking to accomplish?

The PRESIDING OFFICER. It could be done by motion.

Mr. MAYBANK. It could be done on a motion with a roll call.

The PRESIDING OFFICER. It could be done by motion.

Mr. MORSE. Would it not suffice to make a motion that the Senate recess until Monday?

Mr. MAYBANK. The Senator is correct. However, I wanted to make certain that Senators who wanted to make engagements for Saturday could do so with the understanding that the Senate would not sit on Saturday but would sit late this evening. The Senator is correct in suggesting that the motion could be made late this evening.

The PRESIDING OFFICER. An order entered to recess from today until Monday makes assurance doubly sure.

Mr. MORSE. What it amounts to is that there will not be a meeting of the Senate tomorrow.

Mr. MAYBANK. That is all it does.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina that when the Senate concludes its business today it stand in recess until Monday next?

The Chair hears none, and it is so ordered.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. McCARRAN. Mr. President, I ask that the Chair now lay before the Senate a message from the House with respect to Senate Concurrent Resolution 97.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 97) favoring the suspension of deportation of certain aliens, which was, on page 7, after line 7, insert:

A-7203368, Andronico, Adolfo Paul.
A-7057136, Cognets, Ingeborg des, or Ingeborg Dedering.
A-1745860, Coumantaros, Spiro Stavros Nocolas.
A-7546054, Iliopoulos, Florika.
A-6727197, Lambros, Alexandra Kalognomou (nee Kalognomou).
A-6727197, Lambros, Anthony Illias.
A-4076425, Moatsos, George Nicholas.
A-4314344, Moatsos, Lily or Evangelia (nee Hadjiargyris).
A-7040189, Mohl, Sophie.
A-7040188, Mohl, Therese Margaret or Therese Mohl or Terese Mohl.
A-6700887, Rodman, Sidra Vellatrani (nee Sidra Velletrani).
A-7779638, Yeh, Chang Shang-Wen, or Chang Shang Wen.
A-7779639, Yeh, Jun-Sun, or Stephen Yeh or Jun-Sun Stephen Yeh.

Mr. McCARRAN. Mr. President, this is a concurrent resolution favoring the suspension of deportation of certain aliens. The House has amended the resolution by adding 13 names.

The staff of the Immigration Subcommittee of the Committee on the Judiciary has checked each of these cases individually, and it has been found that they all meet the requirements for suspension of deportation under the law, pursuant to which their names were submitted.

Accordingly, I now move that the Senate concur in the House amendment to Senate Concurrent Resolution 97.

The motion was agreed to.

EWA PLANTATION CO., A HAWAIIAN CORPORATION

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2233) for the relief of Ewa Plantation Co., a Hawaiian corporation, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCARRAN. Mr. President, this is a private relief bill, conferring jurisdiction on the court to hear and determine a claim. The House has disagreed to the amendments of the Senate and requested a conference.

Mr. President, I move that the Senate insist on its amendments, agree to the conference requested by the House, and that the Chair appoint conferees.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Presiding Officer appointed Mr. WITHERS, Mr. EASTLAND, and Mr. WILEY conferees on the part of the Senate.

MRS. BARBARITA ROMERO

Mr. McCARRAN. Mr. President, I ask that the Chair lay before the Senate a message from the House with regard to Senate bill 1320.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1320) for the relief of Mrs. Barbarita Romero which was, on page 1, line 6, strike out "$10,000" and insert "$5,000."

Mr. McCARRAN. Mr. President, this is a private relief bill. The claimant is a resident of New Mexico. The purpose of the bill is to compensate her for the fatal injury and death of her daughter. The

Senate passed the bill in the sum of $10,000. The House has amended this to make the amount $5,000.

The sponsor of the bill, the Senator from New Mexico [Mr. CHAVEZ], has been reported to the chairman of the Committee on the Judiciary as being willing that the House amendment should be accepted, because, while he would naturally prefer the larger sum for his constituent, he recognizes that unless the House amendment is agreed to, this legislation might very well fail to pass before the end of the session.

Accordingly I move that the Senate concur in the House amendment to S. 1320.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

A. K. CHAHROUDI

Mr. McCARRAN. Mr. President, I ask that the Chair lay before the Senate a message from the House with respect to Senate bill 2457.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2457) to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi which was, on page 1, line 8, after "court," insert a comma and "notwithstanding any statute of limitation."

Mr. McCARRAN. Mr. President, this is a bill to give the claimant his day in court by granting jurisdiction to the Court of Claims to hear and determine the controversy.

The House has amended the bill by inserting a specific provision that this action may be brought notwithstanding any statute of limitation.

Since the bill by its terms limits the bringing of the action to the period of 6 months following the date of approval of the act, there appears to be no objection to this House amendment.

Accordingly, I move that the Senate concur in the House amendment to the bill S. 2457.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

JOHN J. SEBENICK—CORRECTION IN ENROLLMENT OF BILL

Mr. McCARRAN. Mr. President, S. 3059 is a bill to provide for payment to John J. Sebenick, a former lieutenant, junior grade, in the United States Naval Reserve, a sum equal to his pay and allowances for 34 additional days of terminal leave. The board, for the correction of naval records, has ordered its records corrected to show his entitlement to this leave pay. The committee amended the bill to add the usual proviso limiting attorney's fees to 10 percent. When the amendment was made the following words: "By any agent or attorney on account of services rendered" were inadvertently omitted from the proviso. As the bill now reads, it is subject to the technical interpretation that no more than 10 percent of the amount authorized in the bill may be paid to the claimant. The enrolled bill is now at the White House.

The concurrent resolution which I now send to the desk requests the President of the United States to return said enrolled bill to the Senate and, upon its return, the action of the presiding officers of the two Houses signing said bill shall be deemed rescinded. It further provides that the Secretary of the Senate is authorized and directed to amend the bill by inserting after the word "received" on page 2, line 2, the words: "By any agent or attorney on account of services rendered."

The PRESIDING OFFICER. The concurrent resolution will be read for the information of the Senate.

The concurrent resolution (S. Con. Res. 101) was read as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States is requested to return to the Senate the enrolled bill (S. 3059) for the relief of John J. Sebenick. If and when said bill is returned by the President, the action of the presiding officers of the two Houses in signing said bill shall be deemed rescinded; and the Secretary of the Senate is authorized and directed, in the reenrollment of said bill, to make the following correction: On page 2, line 2, following the word "received", insert the words "by any agent or attorney on account of services rendered."

Mr. McCARRAN. Mr. President, I ask unanimous consent for the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

Mr. MAYBANK. Mr. President, I understand it is quite in order to have the bill sent back.

Mr. McCARRAN. It follows the precedent, and is in order.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

There being no objection, the concurrent resolution (S. Con. Res. 101) was considered and agreed to.

FEDERAL-AID HIGHWAY ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. McCARRAN. Mr. President, I send to the desk an amendment to be offered by myself, the junior Senator from Utah [Mr. WATKINS], the senior Senator from Utah [Mr. THOMAS], and the junior Senator from Oklahoma [Mr. KERR], to H. R. 7941, the Federal-aid highway bill.

In order that Senators may know what my proposal comprehends, may I say that this amendment will make immediately available upon passage of the Federal Aid Highway Act the necessary authority to begin construction on vitally needed links on main highways located entirely with public domain lands. I shall not take the time of the Senate with great explanation, since the bill as it stands before the Senate now authorizes the appropriation of $5,000,000 per year for a period of 2 years to construct and maintain main roads passing through wholly federally owned lands.

My amendment would make it possible that construction might begin immediately on such roads.

To cite one case, let me say this amendment would allow completion of a transcontinental highway, U. S. 6, which now has only 47.4 miles of its 3,000 miles uncompleted. This link lies in eastern Utah, and extends from the Utah line westerly across the State of Nevada and southward to the Pacific coast.

This incomplete link is important to the military security of our Pacific coast. In the State of Utah and surrounding Salt Lake City, there are many military facilities. These facilities manufacture small arms and other armament of various linds. Also located in that immediate area are Hill Field, one of the three largest air bases in America; the important Clearfield, Utah, naval supply depot; the Army supply depot at Hill Field; and the Tooele, Utah, ordnance depot which stores wartime chemicals and munitions. There is the mammoth steel plant at Provo, Utah, and the large chemical warfare depot at the Dugway Proving Grounds.

The city of Salt Lake lies in a basin and is connected to the Pacific coast directly by one main highway—Highway 40. This area needs another route to relieve Highway 40 from its terrific burden. Likewise, if military activity rendered useless this highway, it would be impossible for military traffic to reach the west coast from the Salt Lake City area except by long routes through Idaho to the north, or south through Arizona. Highway 6 would provide this vitally needed alternate route. Since the uncompleted section of this highway lies wholly within public domain lands, existing authorizations allow Federal funds to be utilized.

The Public Works Committee received considerable testimony on this subject of highways lying entirely on the Federal domain which have not been improved due to the lack of habitation on such lands and the inability of the States to spread their highway funds far enough to reach such roads. Only a few remaining links lie within this category. I understand these States, in addition to the State of Utah, are Oklahoma, Arkansas, Arizona, New Mexico, and possibly Oregon.

Because of the military necessity of some of these uncompleted links, and the fact that our faces are turned westward now to the Pacific coast as a staging center for vital shipments to the Far East, I hope favorable consideration can be given to the amendment at the proper time.

Precedent for such immediate contract authorization as I propose exists in the highway aid bill as it now stands, in the section dealing with construction of parkways within national parks.

Mr. President, I ask unanimous consent that the amendment may be printed in full in the RECORD.

The amendment submitted by Mr. McCARRAN (for himself, Mr. WATKINS, Mr. THOMAS of Utah, and Mr. KERR) was received, ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 25, line 19, strike out the period and insert in lieu thereof a colon and the following: "*Provided further*, That $2,500,000 of the sum authorized for the fiscal year ending June 30, 1951, shall be available for contract immediately upon the passage of this act."

PROPOSED PRICE AND ALLOCATION CONTROL

Mr. MALONE. The bill S. 3936 to control prices and allocations seems inconsistent at this time due to many factors.

NO FOREIGN POLICY

Chief among these factors being that the Government has no international policy.

No one knows, least of all the Members of the United States Senate, whether or not we intend to stop at the thirty-eighth parallel in the war we are now conducting and which the President chooses to call a police action; whether we will stop at the thirty-eighth parallel and leave a couple of divisions of troops to maintain the division of the Korean Nation, or whether we will push on to the north boundary of Korea and leave a few divisions there to contain Russia.

CONTROL WITHOUT OBJECTIVES

Either seems to be an impossible condition. The President has not named the objective, but is now asking for controls which obviously is not needed at this time if this is truly only a police action.

OVERSUPPLY AT THIS TIME—OPA

Further, Mr. President, if such controls as are described in the bill mean control of everything from the price of eggs to real estate is to be fastened on this country at this time, when we have more than enough of everything, and when to go into the manufacture of war materials will require several months and an estimated 10 percent of our income the time is not opportune for such controls. The experience of this country through World War II with the OPA, when it was almost impossible to unfasten the Governments tentacles from business following the war, it seems inadvisable to put into the hands of the President of the United States the right to interfere at any time and the right to fasten such controls at random, as he may see fit, to the business life of the Nation.

SENATE SUBJECT TO CALL—24 HOURS

Mr. President, the Senate of the United States will shortly complete its principal work for the year. One suggestion is that we adjourn 3 days at a time. Another suggestion is that we might adjourn subject to the call of the President, the majority or minority leaders.

In either case the Members of the Congress of the United States are within 24 hours of Washington any place in the United States of America.

NO SUCH EMERGENCY

Mr. President, I submit that no such emergency exists at this time as to warrant any such political authority be given to the President of the United States, or for the Congress to divorce itself entirely from this date on, from having any part in deciding either as to the time or extent of the regulation that may later be needed.

STORED FOOD AVAILABLE

Mr. President, when we speak of food, for example, I want to say that the United States of America has stored in caves and warehouses and in various other types of storage a total of $2,295,600,000 worth of food, from Maine to California. This is at least a partial list of such food:

Butter, 192,000,000 pounds, $100,000,000. Dried milk, 322,000,000 pounds, $50,000,000. Cheese, 80,000,000 pounds, $25,000,000. Dried eggs, 170,000,000 pounds, $150,000,000. Cotton 2,551,000 bales, $432,000,000. Corn 325,000,000 bushels, $500,000,000. This is about the amount of money, Mr. President, asked for to build roads in the entire country, as we heard in the debate a few minutes ago. Wheat, 32,000,000 bushels, $797,000,000. Flaxseed, 16,000,000 bushels, $88,600,000. Linseed oil, 502,000,000 pounds, $153,000,000.

GOVERNMENT DISPOSING OF FOOD 10 CENTS ON THE DOLLAR

Mr. President, that probably does not include a great deal of miscellaneous material stored here and there, and bought up under the Government program. We read in the newspapers in the last few weeks that the Government is making a great effort to get rid of this food; to ship it to foreign countries at 2 cents, 5 cents, and 10 cents on the dollar. As a matter of fact, if we are anywhere near the condition the bill would indicate, that some of the Members of Congress and the President seems to think we are in, now is the time to save this food.

CREDIT CONTROLS

Mr. President, we need credit controls. We need better control of the inflationary factors by the Federal Reserve Board.

We know that price control cannot work—it creates cheats and chiselers—it creates competition with the Government instead of cooperation.

Mr. President, an article by Edward H. Collins in the August 8 issue of the New York Times is a well-written and well-thought-out outline of some of the pitfalls of regulation.

Mr. President, I ask unanimous consent that the article may appear at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRICE-WAGE CONTROLS IN PERSPECTIVE

(By Edward H. Collins)

Perhaps the most charitable thing that can be said of those Congressmen who engaged in last week's stampede for an immediate freezing of prices and wages is that they are lamentably in need of a course in memory training.

There is no other logical explanation for the two basic misconceptions which seem to have been implicit in their actions. One of these is the belief that the economic problem posed by the 1950 defense program at this stage is roughly analogous to that which we faced in World War II; the other is the singularly naive idea that earlier experience with such controls was a brilliant and unqualified success. It should hardly be necessary to point out that neither assumption has any warrant in historical fact.

Mr. Truman has pointed out that the new military-expansion program would account for only about 10 percent of our present national product of nearly $270,000,000,000. This means—to state it in somewhat oversimplified terms—that even when the program actually gets under way, which will not be for several months, 90 percent of our productive energies will still be available to serve the Nation's civilian needs. This, it should be added, is 90 percent of a production potential $100,000,000,000 larger than that of 1939.

To bring this picture into perspective, let us refresh our memories briefly on the general character and magnitude of the World War II effort. In that war we retooled most of our heavy peacetime industries, expanded them enormously, and transformed them into one gigantic, coordinated munitions industry. As early as October 1942, we were pouring 50 percent of our national income into war production. A year later the Federal Reserve Board reported that 70 percent of the country's production facilities were concentrated on winning the war. Winning the war meant, among other things, raising, equipping, transporting, and feeding an American armed force of nearly twelve million; providing lend-lease aid to our allies at a rate which by the end of 1944 had reached $1,000,000,000 a month, and producing the bulk of the shipping which, with the aid of new combat techniques, made it possible to eliminate the dreaded menace of the German U-boat.

Now the diversion of that much of a nation's economic effort to war calls for cutbacks of major proportions. In this case it meant, to all intents and purposes, the complete stoppage of the production of peacetime consumer durable goods—automobiles, radios, electric refrigerators, and the innumerable household gadgets which have come to be a symbolic adornment of the American way of life. At the same time, an estimated 50 percent of all American food products had to be earmarked for consumption either by our own military forces or by our allies under lend-lease.

The gross national product in this period increased from $91,300,000,000 in 1939 to $213,700,000,000 in 1944. Our over-all production rose therefore at a spectacular rate. Even allowing for this, however, the picture that unfolded was one of a steadily expanding volume of purchasing power at a time when the supply and variety of civilian goods and services were contracting just as steadily. Here, in this rapidly widening divergence of supply and demand—this inflation gap—is to be found the genesis of price and wage controls and the rationing of food in World War II.

To say that these over-all controls were 100 percent effective would be untrue. To say that they were 60 percent effective would probably be an exaggeration. The Bureau of Labor Statistics' index of the cost of living performed, on its face, respectably enough. But that index, for a number of obvious reasons, left unrecorded many things that vitally affected living costs—the black markets, the deterioration in the quality of many standard civilian items, and the fact that many others were unavailable for the simple reason that they weren't being produced. The Little Steel formula, which was supposed to represent a sort of Maginot line in the field of wages, was irreparably

breached by John L. Lewis in 1943, and from that point forward the War Labor Board found itself fighting a rearguard action against a steady onslaught of demands from the labor unions for higher wages. It is an unpalatable fact that, as against a 1916–35 average of 1,868 labor disputes annually, the numbers in the war period ranged from 2,968 in 1942 to 4,956 in 1944, the latter an all-time high.

In short, price-wage controls were adopted in World War II because in the circumstances no alternative course was available. That they functioned as well as they did is ascribable mainly to two circumstances: (1) The absence of durable consumer goods into which Americans customarily direct their surplus purchasing power, and (2) the patriotic fervor which accompanies an all-out war. Neither of these conditions, of course, is present in the current situation.

RE-CREATING THE BLACK MARKET

Mr. MALONE. We could supply an army of the size of the one we are now getting together for a considerable time.

Aside from food—and certainly there is a great abundance of food at this time—when we start regulating basic industries of the United States, we simply are re-creating the old black-market days.

The minute we give the President the authority now requested, people will be afraid that any morning they may wake up to find that the controls have been imposed. Accordingly many persons hurry to make contracts and to speculate in the basic products; and the result is that we hasten the advent of the very thing we fear the most. The continual immediate threat is almost as bad as the regulation itself. So the black market is created.

PAY THROUGH THE NOSE FOR MATERIAL

Mr. President, in World War II, I was not in the Senate, but I was very close to the War Production Board as special consultant to the Senate Military Committee. We remember that at that time citizens of the United States located from 100 to 3,000 miles away from the Capitol soon were paying anywhere from $100 to $2,000 or several thousand dollars depending on the build-up to someone who was either connected with the rationing organization or was close to the administration, in order to get the material they wanted. That practice developed, and the result was that such persons had to pay anywhere from two to three times what the materials they wanted were worth, and the fee in addition.

Mr. President, the enactment of the measure now before us would lead to the re-creation of that condition. It is not necessary that we take the steps now proposed at this time.

Furthermore, many persons believe that once an OPA is established it will be most difficult to remove it from our business structure. We all know how long it required to shake off the OPA from the American business structure.

THE OPA

After the OPA was established, those who were employed by that agency attempted to hang on and resisted every attempt to remove them from the Government payroll or abolish the agency. That agency had thousands and thousands of Government employees who scarcely knew any other way to make a living. I remember that at the time when it was proposed that OPA be ended, one argument against ending it was that to end it would create a tremendous unemployment problem.

A LONG PREPAREDNESS SESSION

Mr. President, if this bill is enacted into law and if the system now proposed goes into effect, probably we shall experience—according to the best information we can obtain—a considerable number of years of preparation for war and a good many police actions—which is what the President calls the present action in Korea.

If we do not have a major war for 10 or 15 years, we probably shall be continually in the throes of preparation. If we do have a major war, it may least 20 years; many experts agree that it will not be a short one.

CANNOT SHAKE OFF CONTROLS

Mr. President, as soon as such controls are fastened on our business structure, I predict that it will be almost a miracle if we can shake off our economic structure in your lifetime or mine; I predict that you and I will never see the business structure of our country free again.

With that situation in mind, and realizing that the Members of Congress are always within 24 hours of the Capitol—regardless of whether 3-day recesses are taken or whether an adjournment to the first of the year is taken—the Executive can always call Congress back into session immediately that any real emergency threatens.

EMERGENCY NOT HERE

In view of all the food we now have in storage and all the production we have, I submit there is no threatened shortage, because it is admitted that perhaps not more than 10 percent of the economy of the country will be devoted to meeting the emergency now occurring in Korea.

25 PERCENT STEEL INDUSTRY FOR WORLD WAR II

I wish to say that I have been informed by some of the leaders in the steel industry that not more than 25 percent of the steel production was allocated to war uses during the last war, and at that time our steel industry was operating at a production rate of between 90,000,000 and 100,000,000 tons of steel a year.

BUREAUCRATS NOT CAPABLE

I also wish to say at this point that of course we shall find Government officials—Cabinet officers and bureaucrats of all kinds—who think that all that it is necessary to do is for the Congress to turn over to them the job of handling the basic industries.

GOVERNMENT OFFICIALS KNOW LITTLE ABOUT IT

Of course, in such case the regulation of steel, for instance, probably would be turned over to some Government official who knows nothing about the steel business; or in the case of petroleum, the regulation of that industry would be turned over to some Government official who knows little or nothing about the petroleum business; and other of the regulating officials would know nothing about the gas business or the coal business or the power business, or very little about any business as a matter of fact. However, once such persons get the ambition to control American business, they claim to understand all the details of the businesses they seek to control. After having been 30 years in the engineering business, Mr. President, I say it is impossible for any one of those men to comprehend all about any one of the businesses I am about to mention, although those bureaucrats think they know everything about all of those businesses.

POWER—ELECTRICAL ENERGY

For instance, in the power business there are today men who have accurate knowledge about every kilowatt of power their business is capable of producing, and how to control it; but those men are constantly engaged in the power business, either in the private power companies or in the municipal companies.

STEEL

Similarly, the men engaged in the steel industry know the corresponding data about their business. The heads of the various steel companies know, within a few hundred tons, the amount of steel their companies can produce in 6 months, and they know exactly what can be done with that steel, the shapes into which it can be formed, and so forth, and so on. However, all their knowledge of their own businesses is insignificant when compared to the knowledge claimed by the bureaucrats and Cabinet members, who will think they know all about those businesses as soon as the Congress and the President direct them to start regulating them.

STORED FOOD—FROM MAINE TO CALIFORNIA

Mr. President, I shall mention only five or six of the basic industries, in addition to the food production industry. Of course we have vast quantities of food stored in caves and warehouses, all the way from Maine to California. Today we are endeavoring to give much of that food to foreign countries.

LUMBER AND WOOD PRODUCTS

I venture to say that in the case of four or five large lumber companies, if we were just to talk on the telephone to the officials of those companies, they could tell us at once the amounts of lumber and the kinds of lumber their companies can produce each month for the next 12 or 24 months.

PETROLEUM

In the case of the petroleum companies, it is obvious that no one understands that business very well, except those who are engaged in handling that business from month to month and from year to year. Even they understand only their particular part of the petroleum business and the particular area in which they are engaged. Even so, they make some mistakes in their own area; but still they know more about it than do any other human beings on earth. However, it seems that in the last few years there has been a growing feeling that

anyone who really understands a business is not qualified to have anything to do with it, so far as Government regulation is concerned.

COAL

In the case of coal, it is obvious that the officials of the coal companies can tell us almost exactly how much coal their companies can produce at various times.

BASIC COMMODITIES

In addition to the food industry, the power industry, the steel industry, the lumber and wood products industry, the petroleum industry, the coal industry, and the gas industry comprise the basic areas of American production. The moment an attempt is made to regulate one of them, it is necessary to impose regulations upon all the other basic industries of the Nation; and that action creates the black markets I have mentioned.

PRESIDENT CONTACTS LEADERS

However, if the President of the United States were to get in touch with the officials of the Northwest power companies and the Southwest power companies—and I could state their names for the RECORD—they would be able to tell the President, "If you tell us a few weeks or a few months in advance how much power you want, and where, and when, it will be available; and our customers will get what is left." That is the way those men are able to operate. We finally had to come to operations on that basis during the last war, even after trying to have the great minds in the Government service regulate the power business.

In the steel business we could proceed in exactly the same way. The officials of five or six large steel companies, who know all about the steel business, and the officials of the other basic industries I have mentioned, could almost instantly supply the necessary information to the President, and could be depended upon to have the desired production available when and where wanted; and the President of the United States could, by means of the exercise of the power he now has, make all the necessary arrangements with those officials.

DEPEND UPON REAL EXPERTS

So, Mr. President, I say we should let the Government depend upon those who know something about their own businesses—who know how much steel or how much coke or how much coal or how much power or how much lumber and wood products, how much petroleum they can produce, and who can make very accurate predictions, 6 months ahead of time, of the amounts which can be produced, in accordance with the needs under the Government's program.

NO BLACK MARKET

So long as the officials of those industries are permitted to keep their estimates 6 months ahead of deliveries, and so long as the officials of the companies in those industries are kept informed regarding the time and place and amount of the production desired, I venture the assertion that the needed production will be obtained, and without any black-market prices, and without upsetting the entire operations of our domestic structure by the injection of regulation under a bill of the nature of the one now before us.

EXAMPLES OF SUPREME EGOISM

In the last 3 or 4 days I have been attending hearings of the Committee on Interior and Insular Affairs. We discussed control bills, control and ownership of tidewater oil-bearing lands. We have representatives of the Attorney General's office and from the Department of the Interior who testify. They know more about the oil business than any man who ever owned an oil well. Nevertheless, it is only necessary to ask them a question or two in order to learn that they know very little about the subject. The point, however, is that they have authority. To hear some of the testimony we are getting before the committee would make one break down and cry. So, Mr. President, I caution against haste. When we pass a bill of this kind it is only the start.

REGULATION MAY BE NEEDED

Mr. President, I am not today saying that the time will not come when such regulation may be necessary, but let us stop thinking that this regulation was successful in World War II. It lacked a great deal of being successful. While the method I am describing may not be perfect, it is far beyond any regulation by Government officials. I am sure that any Senator on the floor would readily admit that he knows nothing about the regulation of these industries. Nevertheless, by some sort of magic we hear statements on the Senate floor by Senators who apparently seem to think that all we have to do is to pass a law to let some great mind undertake to run the business of the country altogether, and that he can do the job.

EXPERTS OFTEN MAKE MISTAKES

As a matter of fact, experts in the business are worried. They get to their offices early every day and work late, and then make mistakes in their own particular businesses. The proposal is like putting me in charge of a hospital—I know nothing about a hospital so there would be no problems.

WORLD WAR II—EXPERIENCE

It so happens that during the late war I kept close to this subject, I watched thousands of people who had no idea of what they were trying to do, who were working in this field. They had the authority and they made the decisions. It was murderous.

STRATEGIC MINERALS—EXAMPLE

By way of illustration, Mr. President, I may refer to an editorial which appeared yesterday in the New York American. The editorial mentions strategic metals. It reflects what has happened in regard to strategic metals in this country, in the hands of the Government officials, particularly in the hands of the State Department, begun through various conferences, starting at Annecy, France, and which they want to complete, under cover of war, in Tourquay, England, in September.

I shall only touch on the mining business, because, so far as strategic metals are concerned, 70 percent of the mines of the United States have been closed down through the stupid free-trade administration policies, yet we do not have an adequate stockpile of such minerals, and we do not have a going-concern mining industry. What is needed to win a war is an adequate stockpile, and a going concern, a mining industry. I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the editorial appearing in the New York Journal-American of August 17, 1950—relative to the availability of such strategic minerals.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STRATEGIC METALS

One of the vital matters related to national defense in which the Truman administration in general and the State Department in particular have been delinquent is the domestic production of strategic metals.

The strategic metals are those which are essential to modern industry and indispensable to modern warfare.

Most of them are in short supply in the United States, and we have always depended on imports to enable our peacetime industries to function and, of course, to support our war industries when that has been necessary.

But in most cases they are not, as has been mistakenly supposed, unavailable in the United States.

In the case of tungsten, without which steel cannot be made, there are substantial known sources and vast potential sources in this country.

But none of our domestic tungsten mines are operating today and no effort is being made to develop new ones.

The reason for this is that the national tariff policies, for which the Truman administration and the State Department are responsible, have made the import duties on foreign tungsten so low that American production cannot be conducted profitably in competition, and has therefore been abandoned.

The same thing is true of many other metals, most of which could be supplied in sufficient quantity by domestic sources for our own needs in either peace or war, but which come mainly from foreign countries because of the elimination of protective tariff barriers.

Senator MALONE, of Nevada, has remarked in this connection:

"Copper, tungsten, mercury, lead, zinc, aluminum, molybdenum, and vanadium all are vitally necessary, yet the State Department is on the way to put the American production out of business by fixing the import duties so low it is impossible to compete with foreign costs."

Already, as Senator MALONE asserts:

"There is not an independent copper mine in operation in the United States today.

"Copper is a vital war material.

"The tungsten mines are closed.

"Tungsten just happens to be something without which you can't make a pound of high-speed steel."

Ironically, with our own strategic metals sources undeveloped and our main reliance placed upon foreign suppliers, there is an imminent and ominous prospect that the Asiatic war will cut the life line upon which we have so foolishly come to depend.

Then, of course, as Senator MALONE bitterly comments, the American Government will spare neither cost nor effort in bringing American mines and processing industries back to life.

But that will only be at the grave risk of being too late, and in any event there will be a tragic loss of vital months and years.

UNIVERSAL MILITARY SERVICE LEGISLATION MURDERING UNTRAINED BOYS

Mr. MALONE. Mr. President, I desire to mention another preparedness item. About 18 months ago I joined with another Senator in introducing a bill for universal military training, February 1949. The administration opposed the bill, so no hearings have ever been held on it. Yesterday we rushed in to introduce another universal military training bill. Why? . Because, just as we said would be the case, in an emergency untrained boys are sent into Korea and we are murdering those boys, Mr. President, because many of them are untrained. I do not like it. No one else likes it, but it is too late to train them now.

AMERICAN LEGION ALWAYS FOR THE LEGISLATION

The American Legion is for this bill, I understand. I did not intend to digress for the purpose of discussing the bill, but for 25 years the American Legion and other veterans' organizations have tried to secure the passage of a bill of this kind, under which we would have trained soldiers to be used in an emergency, instead of using green boys. They go to the front. They are brave, and they try to do their job, but are unable to do an adequate job because of lack of training. They are in danger 10 times more than they would be had they been properly trained. In other words, trained soldiers have a better chance of survival.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from South Carolina?

Mr. MALONE. I am glad to yield.

Mr. MAYBANK. I am glad the Senator mentioned the American Legion, with which many of us have been associated, which has been supporting legislation of this kind. I am happy to say that I voted in favor of universal military training, not only in the Armed Services Committee, but on this floor.

Mr. MALONE. I am glad the Senator from South Carolina has seen fit to bring up this matter. He has had experience. He has been in the Armed Forces. He knows what happens to a green soldier, and he knows that a trained soldier has a much better chance of survival.

Mr. MAYBANK. I may say that I have always supported universal military training, and always shall.

Mr. MALONE. I join with the Senator now.

Mr. MAYBANK. It is my judgment, however, that it is now a little late.

Mr. MALONE. It is late so far as the Korean War is concerned, but from all indications the boys will be sent into other "police actions."

Mr. MAYBANK. We may have, later on.

SEVENTY-FIVE PERCENT BRASS FABRICATION CONTROLLED BY COPPER COMPANIES

Mr. MALONE. Mr. President, I should like to mention one thing more in connection with the matter of preparedness, which is along the line of the closing of mines by the State Department and by other departments of the Government. Today in the New York Journal of Commerce a brass fabricator "denounces the duty on copper," it says. "Cost must be passed on," Revere chief says. I want to say that the Revere Copper & Brass Co. is controlled by another large company, the American Smelting & Refining Co. We have three large copper companies in the United States which control all the large copper pits. Two of those companies control the working pits in Chile. The three companies own or control 75 to 80 percent of the brass-fabricated production in this country. They want free trade in copper and a tariff on their brass products. Let us see how it works.

STATE DEPARTMENT'S FREE TRADE CLOSED COPPER MINES

Free trade on copper closed every independent copper mine in the United States of America, with the exception of certain small mines in Michigan, which had to lower wages and write off a large amount of the investment in order to keep going. The same principle applies to every industry.

FREE TRADE CLOSED INDEPENDENT COPPER MINES

Mr. President, I should like to say further that all we did when we wrote off the copper tariff—and now great effort is being made to extend free trade on that strategic metal—was to put ourselves into such a position that one snorkel submarine could destroy both the copper deposits in Chile within 48 hours and leave us on our own resources with the independent copper mines closed.

FREE TRADE KILLS VENTURE CAPITAL

So long as we have free trade no venture capital is going into any business, because as soon as the emergency is over the capital is destroyed. So venture capital will not go into business. The only possible way to get capital into business then is through the Government—and everyone knows how inefficient that is, besides destroying our economic structure. We have the Spence bill hanging over our heads like a sword. All we have to do is to complete taking venture capital out of the business and then pass the Spence bill and take the money out of the United States Treasury.

TARIFF ON COPPER—NATIONAL SECURITY MEASURE

The tariff on copper is simply a national security measure and assumes new copper deposits will be found. We must have prospects to have small mines, and we must have small mines to develop large mines.

MUST KNOW OBJECTIVES

Mr. President, it seems to me that before we undertake a regulation of this kind or place this kind of extensive control in the hands of the President of the United States, we should know what the objectives are of this President of the United States. No one has ever said that southern Korea is important to our ultimate safety. I have been talking about this since March 1948. When we first had the great Marshall plan on the floor of the Senate, the junior Senator from Nevada said:

WHAT IS IMPORTANT TO US

Let us separate the objectives and see what they really are. What interests in the world are we going to protect? Are we going to stamp out every fire in the world? Every time a group of Chinese moves down from the Mongolian state into China, are we going to send them back? Or are we going to try to protect the areas which are important to our ultimate safety?

NAME OUR OBJECTIVES

The President has never said what we are going to do when we get to the thirty-eighth parallel—if we do. He has never said whether we will keep the northern Koreans out of South Korea or whether we are going to pack up and come home. The President has never said whether we are going to contain Russia beyond the northern boundary of Korea. It may be that the President will change his mind and go right on through. I do not say it is not the right thing to do, but I say we are entitled to know what we are going to do. It is simply a blind to call it a police action and cover up the $5,000,000,000 domestic debt which he had already incurred. We would have had to sell $5,000,000,000 worth of new bonds in addition to refinancing all the existing obligations anyway—we are now trying to forget that under cover of war.

NOT TIME TO PUT AMERICAN PEOPLE IN STRAITJACKETS

I submit, Mr. President, that this is not the time to put the Congress and the people of the United States into a straitjacket. If he has in mind preparing for a world-wide war, it is time to say so. But the time may come for such controls—but this is not the time.

It is the business of the United States Congress to meet the situation as it comes along and not to dodge it and throw it into the hands of a President just because we may be able to blame him if he makes a mistake. We know he will make a mistake; there is little question about that part of it.

But I am not in the Senate to blame anyone. I want to see Congress assume its responsibility. It is not assuming it when it shifts the responsibility in this manner—through a blanket act.

Mr. President, we have been talking about price control. We are placing in the hands of the President legislation which will allow him to be selective. Many persons believe that if we are going to control one thing, we have to control all the rest. Mr. Baruch said, "If you control the price of one thing, you must control everything, right down to labor."

WAGES MAY BE TIED TO PRICE INDEX

Does he mean that we are to freeze wages and prices as they are now? It might be better to take a leaf out of the General Motors Co. book and say that we shall tie wages to a price index.

No one, I think, objects to raising wages if the cost-of-living index goes up. No one, it seems to me, Mr. President, has thought this thing through. I am not saying I know the answer, because I have been through two world wars, being in the Army in the first war, and close to regulatory bodies during the second war in the South Seas and in Alaska, and Mr. President, controls do not work either.

We are willing, apparently, to take a week to discuss it and then throw it in someone's lap and say, "It is your baby. It is out of our hands. Make a mistake, and we will blame you." We know that there is no man alive who knows how to do this job.

What we are doing is throwing this bill into the greenest of hands. Whose are these greenest of hands? They are the bureau officials, persons brought in and appointed to Government agencies.

GREEN MEN HEAD AGENCIES

I do not, at this late date, Mr. President, need to mention the men at the head of these agencies. They probably did the best they could during World War II with no knowledge at all. Most of them not knowing even one business, they could not know more than one business.

NOT THE TIME FOR CONGRESS TO SHIFT ITS RESPONSIBILITY

In closing, Mr. President, I want to submit that this is not the time for Congress to shift its responsibility and place it entirely in the hands of the executive, simply go home, or, if we do not adjourn, be away on call. But whether we recess and go home or not, we should keep that responsibility and study the situation, and when the President thinks it is time to act, then let him call Congress back into session.

1934 TRADE AGREEMENTS ACT

Mr. President, I want to review briefly one thing that Congress did in 1934, which is a case in point. Congress will never live that one down. It can take it back, and probably it will. The Senate transferred its constitutional responsibility to regulate foreign trade to the executive branch. That was done through the 1934 Trade Agreements Act. The Congress of the United States is charged with that responsibility by the Constitution, and yet today Congress has no more to do with it than does a man plowing corn with a walking cultivator in Kansas. Congress shifted its responsibility, went home, and has never taken it back and as a result venture capital is being frozen out of the country's economic structure.

ERROR IN JUDGMENT

The junior Senator from Nevada many times on the floor has outlined what happened, and he will not review it today. But the fact is that we do not have an inadequate stockpile of strategic and critical minerals and materials, and the people who can produce those things were out of business due to that error of judgment on the part of Congress.

That includes the textile people, the watchmakers, the crockery people, the lumber people, and others. Why? Because the Congress of the United States was sold a bill of goods with reference to foreign trade. So Congress passed a bill, written all on one page, and transferred to the executive branch, which means the State Department, the only real responsibility that ever rested in the United States Congress, so far as the regulation of the national economy is concerned.

REGULATING NATIONAL ECONOMY THROUGH THE REGULATION OF IMPORTS

What does regulation of foreign trade do? It is the regulation of the national economy; that is what it is. It is the regulation of the national economy through the regulation of imports. We placed that power in the hands of an industrially inexperienced State Department whose thoughts do not connect the standard of living in this country with the standard of living in competitive nations, a department which says that destroying an industry in this country is no reason for not lowering tariffs and import fees.

THE ECONOMIC ONE WORLD

They are headed for an economic one world. That is their plan. While we hope that the police action in Korea will be temporary, we know that probably it will not be because of past experience. Because of the possibility of the police action reoccurring and because of the possibility of a major war, we are probably in for 10 or 15 years or more of such preparations. We shall never get back that regulatory authority from the President of the United States and from an executive department that is mad for power once it is transferred as in this legislation.

WHY DISCARD A FREE ECONOMY AT THE FIRST SIGN OF TROUBLE?

So, Mr. President, let me say that it is a puzzle to me why in a free economy in which we are able to outproduce every nation in the world, in which we are able to support the Socialist nations of Europe and able to support half the nations from the products of a capitalistic free-wheeling system, the minute there is any sign of trouble we must adopt their system to beat them.

Mr. President, this Congress is like a bird dog, which every time the master picks up a gun knows he is going out on a hunt. The minute trouble starts we must have controls fastened on us. We connect the two. I say in closing that I believe this Congress will rue the day if we shift this blanket authority to the Executive.

EXECUTIVE CHARGED WITH FOREIGN POLICY

The Executive is charged with the fixing of our foreign policy. He does not fix it. The Senate of the United States cannot fix foreign policy. All it can do is talk. We have shifted the only real authority we ever had, that of regulating foreign trade and therefore regulating the internal economy of our country, and we gave that authority to the President in one single act—the 1934 Trade Agreements Act—and we have extended it every 3 years; we simply follow like a bunch of sheep.

WILL MOVE TO RETURN TO COMMITTEE

On Monday I shall offer a motion to return the bill to committee, to have the committee study it further, with the small hope that we shall have some idea of what we are doing if we are finally forced to pass such legislation.

CONFIRMATION OF NOMINATIONS

Mr. MAYBANK. Mr. President, I ask unanimous consent that as in executive session the Senate proceed to consider nominations on the Executive Calendar.

Mr. DONNELL. I have no objection to that procedure.

Mr. WATKINS. Reserving the right to object, what nominations are included?

Mr. MAYBANK. The United Nations, International Claims Commission of the United States, Public Advisory Board, Tax Court of the United States, and Diplomatic and Foreign Service.

Mr. DONNELL. There is no objection so far as I know. Some individual Senator may make an objection if he so desires.

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Will the acting majority leader restate his request?

Mr. MAYBANK. Mr. President, I ask unanimous consent that, as in executive session, the Senate proceed to consider the nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection?

Mr. DONNELL. Mr. President, the point has been suggested to the speaker at the moment as to whether it is proper to enter into such a unanimous-consent agreement without a quorum call. I make the parliamentary inquiry as to whether there should first be a quorum call.

The PRESIDING OFFICER. The Chair understands that it has not been the rule to require a quorum call in such a situation.

Mr. DONNELL. I know of no objection, Mr. President, to the confirmation of any of these nominations. None has been communicated to me, and I shall personally not offer any objection.

Mr. MAYBANK. Mr. President, I understand that there is no objection.

The PRESIDING OFFICER. The Chair hears no objection.

The clerk will state the nominations on the Executive Calendar.

UNITED NATIONS

The legislative clerk read the nomination of Milton Katz, of Massachusetts, to be the United States Special Representative in Europe, with the rank of Ambassador Extraordinary and Plenipotentiary.

The PRESIDING OFFICER. Without objection, the nomination is confirmed, and the President will be notified.

Mr. DONNELL. Mr. President, on the matter of the notification of the President, I object. I do so for the reason which has been mentioned a number of times, namely, that the effect of such notification would be to waive the right of reconsideration. So I object.

The PRESIDING OFFICER. Without objection, the Chair will correct the rul-

ing and state that without objection, the nomination is confirmed.

INTERNATIONAL CLAIMS COMMISSION OF THE UNITED STATES

The legislative clerk proceeded to read the nomination of Josiah Marvel, Jr., of Delaware, and of two other citizens to be members of the International Claims Commission of the United States.

Mr. MAYBANK. Mr. President, I ask that the nominations for the International Claims Commission of the United States be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

PUBLIC ADVISORY BOARD

The legislative clerk read the nomination of Orin Lehman, of New York, to be a member of the Public Advisory Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of Normal O. Tietjens, of Ohio, to be a judge of The Tax Court of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

Mr. MAYBANK. Mr. President, I ask that the nominations for the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

PROTECTION OF GOVERNMENT AGAINST COMMUNISTS AND SUBVERSIVE GROUPS—AMENDMENT TO S. 3936

Mr. FERGUSON. Mr. President, I wish to make a few remarks in relation to title VIII of the control bill. Title VIII is a proposed amendment adding a subversive activities control section to the economic control bill. Several reasons have been stated why this should not be done. I have heard no arguments made which I would consider as opposing upon its merits a subversive activity control section, or title VIII. The arguments seem to be directed to the proposition that such an amendment should not be attached to this bill, and it should not be brought up for a vote in that form.

What is the objection being made to attaching it to this bill? First, it has been stated that the amendment is not germane, and that subversive controls have no place in an economic control bill. Second, it has been stated that under the agreement to vote on Monday at 1 o'clock only 10 minutes of debate is allowed on each amendment, and that is not sufficient time in which to debate an important question such as a Communist control bill or a subversive activity control bill, which is title VIII. Third, it has been stated that the majority leader has caused to be introduced an administration measure covering subversive activities. I shall discuss later what the bill really covers.

I cannot see that any of the arguments are valid.. Let us consider first the question of germaneness. The question of germaneness does not apply to a bill in the Senate of the United States except where legislation has been placed in an appropriation bill by the House and an attempt is made to amend the legislation. I shall point out later that the bill introduced in behalf of the majority leader would be subject to the same objection in relation to germaneness as applied to the various sections of the pending bill.

There is another rule which never applies in the Senate, and that is that an argument must be relevant to the issue. Those who have sat on the bench know that objection can be made to the relevancy of testimony or argument. We do not apply that rule in the Senate. One can see many reasons why it does not apply when he listens to Senators making their arguments upon various bills. In other words, we have a wide latitude. Amendments on various matters can be attached to legislation which is pending; debate can be free and open, and there is no question about it. It is said, for instance, that this eighth paragraph or title cannot be amended under the unanimous-consent agreement.

I wish to take only a few moments to speak of the history of the unanimous-consent agreement which has been entered into. We have had unlimited debate and shall have until Monday. In other words, we have had 3 days of unlimited debate on the question before us. After the unanimous-consent rule takes effect we shall have 10 minutes of debate on each amendment. So that in accordance with the rule of germaneness under the unanimous-consent agreement it is possible that amendments may be made or substitutions may be had to paragraph or title 8, and upon each one of those amendments 10 minutes of argument will be available.

Mr. President, we find ourselves with a control bill which will control, if carried out, the lives of our people, wages, prices of commodities, and rule the economic life and in a way the political life of this great Nation. It may be well to review the facts to discover why the economic control bill is before the Senate. There is raging in southern Korea a war, or what some may call a police action because the United Nations is in it. What is the cause of the war in Korea? I believe that if we were to search for the reason for the war, it would be found to be the march of communism in Asia, and particularly in Korea. That is the cause. If it were not that I think it could be said that it was no more nor less than a civil war.

Why is the control bill before the Senate today? It must be a great satisfaction to Joe Stalin to know that by the march of communism in Korea he has been able to cause the debate in the United States Senate over proposed control of the economic and political lives of the people of America. But America sees it as a much bigger thing than just a march of communism in Korea. America has taken warning. America, as a republic, has been asleep to communism in the world. There is no doubt that the people of America knew that communism was boiling up in North Korea. There is no doubt that they knew that the head of that snake of aggression was in Moscow and the tip of its tail was in North Korea, and that when it started down over southern Korea it was no more nor less than the sweep of communism, and the American people became awakened.

I made some remarks on this floor to the effect that I believed the United Nations should meet the challenge, that we knew what the head was, who the principal was, and that merely the agent was in North Korea. I said that aid and comfort to North Koreans, which is communism on the march, would be aggression against the free nations of the world, and that we would hold it to be so, and we would hold the principal responsible for the aggression.

America has awakened. America today says, "We want $10,000,000,000, yes, $16,500,000,000." Before the Committee on Appropriations it is not said that the full $10,000,000,000 is wanted in order to stop the aggression in Korea. It is wanted in order to meet aggression which will follow the aggression in Korea.

My knowledge on the subject is limited, and I cannot obtain very much light because, according to my opinion, the information our intelligence service possesses today as to the intention of Russia is very limited. I reach that conclusion because we had so little information as to what was going to happen across the thirty-eighth parallel. I think that speaks very ill of our intelligence system.

Mr. President, I had some experience along that line back in the days of the investigation of the Pearl Harbor disaster, and I saw that if we had had the raw material used in deciphering and interpreting the Japanese codes we would have been informed of the impending attack; but, somehow or other, we of this great Republic have been unsympathetic, let me say, toward obtaining the facts about what the intentions of other nations are.

We have awakened, and, as I said, this control bill is before the Senate because we discovered that communism was on the march, not only in North Korea across the thirty-eighth parallel but for a long time it has been on the march here in the United States.

I realize that since we must meet the challenge with cannon and guns we must call it war. Peace is merely the silencing of the guns, and the negotiations between countries by the diplomats. What is war? War is no more or less than the breakdown of diplomatic negotiations, as a result of which guns and cannon must be used to carry on the controversy. That is war.

We cannot today meet the aggression of communism in other countries of the world except by the sword and by guns and by airplanes. But we have had similar aggression in America from communism. It is on the march, and how can we meet it here? We can meet it by the laws of the land. Law is the only

means of stopping criminal aggression. So we are going to stop political and economic aggression in America through the pending control bill.

We provide that, if the bill shall be enacted, anyone who violates sections of the law relating to controls, for instance, by paying more or receiving more for labor than the law or the regulations permit will be subject to a penalty. If a person stores more than is allowed or if his inventories are larger than allowed, he will be subject to a criminal penalty. That is the only thing we can do. It would be a farce to pass such a law without providing penalties.

Mr. President, I repeat that the reason why economic legislation is before the Senate today is the march of communism in America, and therefore it is very appropriate that we attach to the pending bill title 8, a separate and distinct title. It is germane. What could be more germane? If we are to use economic controls to stop communism, we should use the legal remedies to stop subversion. Therefore, it is germane. If we are to mobilize the United States for an impending war, we had better be ready to stop internal aggression.

It is a well-known fact that J. Edgar Hoover, the head of the FBI, feels that in case of war tomorrow, inasmuch as communism is a world-wide movement, and the real head of that system is the Soviet Union, it would be necessary to take into custody more than 5,000 people in the United States.

Is there really a present danger? O Mr. President, there is. When I think of the real war in Korea, where our boys are dying, and when I think about the delay in providing a remedy here by law and by order, it really shocks me.

Mr. President, let us consider what some of the Government bureaus are doing today toward the war effort. I notice in one newspaper that $100,000 of the taxpayers' money has been used to get out a 192-page pamphlet. What is the object of it? It is to discover the percentage of American men—I take it for granted it relates only to men—who wear pajamas. Think of what they have found while we are fighting a war and are attempting to stop subversion in America. They have found that more than half the men in the United States use pajamas for sleeping purposes.

What else have they found? They have found that more rich men use pajamas than poor men. I have applied that yardstick to Senators, and I find Senators are rich because they wear pajamas.

What else have they found? They have found that the more educated the man is the more likely he is to sleep in pajamas. Then they made another revelation:

> Pajamas are worn more in cold climates than they are in warm climates.

Oh, my friends, Congress is delaying action on a subversive-activity-control bill. Can we not learn from history? Do we not remember that Nero fiddled while Rome burned? Here we find an agency of the Department of Agriculture investigating what percentage of persons in America wear pajamas. Yet we have not been able to secure consideration of a subversive-activities-control bill in the Senate of the United States.

I am sorry the senior Senator from Illinois [Mr. LUCAS] is not present today. He has just delivered a speech in Springfield, Ill., a great city. Mr. Lincoln lived there. In that speech the Senator from Illinois said that all the two Republican Senators who offered the bill are talking about is politics. That all they had in mind in offering the bill was politics. That the reason they have tried to have the bill considered is because it involves politics.

Is it a matter of politics? Let us look at it. The bill was introduced by three Senators, two from the Republican side of the aisle and one from the majority side. It was referred to a bipartisan committee, composed, under the customary practice, of eight Democrats and five Republicans. The committee considered it, and it was reported by the committee, all the Democrats on the committee voting in favor of it, and only one Republican voting against it. Is that politics? The bill was placed on the calendar last March. Since then it has been the desire of those who sponsored it, and even the Senate Committee on the Judiciary, that the bill be brought before the Senate for debate. What an appropriate time this is to consider the bill. When communism is on the march, and we have before us control legislation, we also have the opportunity of putting a stop to subversive activities, or at least checking them in their tracks in America by voting favorably on the proposal when it comes up for consideration on Monday.

Mr. President, the limitation on debate on the amendment works hardship on no one. The subversive activities control bill is not a new subject. It is well known to every Senator. The subject has been debated over and over again on this floor. Senate bill 2311 has been exhaustively investigated by the House and the Senate committees.

The question has been asked: Why did not the Eightieth Congress pass the bill? I will tell the Senate why. It was voted upon favorably by a great majority in the House. It came to the Senate. The Senate Committee on the Judiciary, which is a very careful committee, was not satisfied with it. That committee worked long hours and days on it. While the committee was working on the bill I learned a great deal about communism, because I sat across the table from Foster, the head of the Communist Party, and from Gates, another Communist. Foster has not been tried, as were 11 other Communists, but Gates was tried, and he was convicted in New York. Those men really taught us something about communism. When we heard from their own lips that they would fight only for Russia, and not for America, we realized what they had in mind.

Mr. MUNDT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Does the Senator from Michigan yield to the Senator from South Dakota?

Mr. FERGUSON. I yield.

Mr. MUNDT. The fact is, of course, that the only reason Foster has not been tried with the other 11 is because of illness on his part; not because of the fact that he was not a major part of the Communist conspiracy.

Mr. FERGUSON. Oh, no. It is well known that he was the head of the conspiracy.

I wish to cite something that took place in my great State of Michigan. By reason of the fact that action has not been taken in Washington, a movement has been begun in Michigan to outlaw the Communist Party and penalize subversive activities in Michigan. I have an article headed:

> MOVE TO OUTLAW MICHIGAN REDS WINS APPROVAL—SENATORS FAVOR CHANGE IN CONSTITUTION
>
> LANSING, MICH., August 17—

We have been waiting on our Governor in Michigan to do something about this matter. The Governor, G. Mennen Williams, would not take any action. So—

> The State senate today adopted, 27 to 0, a resolution proposing a constitutional amendment to help outlaw the Communist Party and penalize subversive activities in Michigan.

A man appeared at a public hearing. His name was Nat Ganley. The article says:

> Nat Ganley, Detroit, coeditor of the Michigan Worker and admittedly a spokesman for the Communist Party in Michigan, had appeared at a public hearing during the morning on the proposed amendment. He condemned the measure as a police-state action.

Have Senators ever heard that expression—a "police-state action"?

> Asked by Senate Judiciary Committee members if he would volunteer to defend America, he declared he would volunteer in a just war and not in an unjust war.

There is the give-away. A just war to a Communist is a war by communism on capitalism. Communism is on the road. It is on the march. Sometimes communism seems to be very passive, waiting for the opportunity to spring.

I shall not forget what General MacArthur told me recently in Japan about Jacob Malik. Jacob Malik had been interned in Tokyo. An international commission was formed of which Malik was a member. He seemed rather mild in his presentation. He was asked in effect why he did not make strenuous objections to certain proposals. He laid four matches on the table in a straight line, and he said:

> You see these four matches all in a line. The first match represents capitalism. The second match represents democracy. The third match represents socialism. The fourth match represents communism.

He said:

> We are in favor of anything going down that line from capitalism toward communism.

That is the Communistic aim, to bring capitalism down to communism. Everything they do is with the purpose of making a line of movement from what

they call capitalism down the line to communism, which is absolute dictatorship.

Mr. President, the bill has been on the calendar for months, since March of this year. Debate has been had upon it from time to time. Every Senator now knows exactly how he wants to vote on the measure. He does not have to be convinced by long debate so he may vote one way or the other.

Senate bill 3936, the pending control bill, provides for entire control throughout the Nation. It has been debated for only 10 days at the most. It came to the Senate floor only a short time ago. Yet Senators are ready to vote on it. They were willing to enter into a unanimous-consent agreement to debate each amendment and the bill itself for 10 minutes, on Monday next. Title VIII, our amendment, is not a part of the bill, but, as every Senator knows, under the unanimous-consent agreement debate on it will be limited on Monday. If Senators do not need more time for debate of control legislation which applies to the whole of the Nation's economic and political economy, certainly Senators do not need more time to debate the subject of control over the Communists. We have had unlimited debate on Tuesday, Wednesday, Thursday, and today, up to this very hour. So I say it is a little late to say that some kind of subversive control legislation will be taken up. Will that happen, Mr. President?

Let us examine the bill which was introduced yesterday. It is a bill "to protect the internal security of the United States, and for other purposes." The first few pages of the bill are entirely taken up by stating what laws on the subject are in existence today. I do not think I ever before saw introduced in Congress a bill which told what laws already were in existence to do the very thing the bill itself was intended to do.

Mr. WATKINS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Michigan yield to the Senator from Utah?

Mr. FERGUSON. I yield.

Mr. WATKINS. What does the Senator think was the purpose of restating in the bill the laws on that subject now in force?

Mr. FERGUSON. As the President has said, I think the purpose was to show that we need only minor amendments in order to control the Communists in America.

Mr. WATKINS. Does the Senator think it was an attempt to state the President's views, rather than an honest attempt to obtain the needed legislation?

Mr. FERGUSON. I do not wish to say that. I think it was beneficial for publicity purposes.

Mr. President, let us read the first paragraph of the bill. What is set forth in it is a statement of a condition presently existing, and evidently this is the first time the majority have discovered its existence.

I read now from the bill:

> Totalitarian political movments and individuals and associations of individuals giving aid or support to such movements endanger the military security and constitute a serious threat to the existence of American institutions and the peaceful enjoyment of the American way of life.

Mr. President, it is now the 18th of August; but, according to those who drafted this bill, we in the Congress of the United States are just discovering, for the first time, that—

> Totalitarian political movements, and individuals and associations of individuals giving aid or support to such movements, endanger the military security and constitute a serious threat to the existence of American institutions and the peaceful enjoyment of the American way of life.

Mr. President, who are those associations? They are the Communist political party, the Communist Party in America. Who else? They are the Communist-front organizations in America.

I have looked over the entire bill, but I do not find in it one provision which in any way would hamper or control the Communist political party in America or the Communist-front organizations, even though that would seem to be the entire purpose of section 2 (a) (1) of the bill.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MUNDT. I wonder whether the Senator from Michigan is aware of the fact that the House Committee on Un-American Activities, which for some time has been considering legislation of this nature, after examining that faint-hearted approach to the fanatical creed of communism, today has reported—without a dissenting vote—the bill introduced by Representative NIXON, of California, which is exactly the same bill as the one reported by the Senate Judiciary Committee, the so-called Mundt-Johnston-Ferguson bill, Senate bill 2311. That bill was reported today as a very definite demonstration that the House Committee on Un-American Activities considers the faint-hearted approach of the administration bill utterly unrealistic and unworkable.

Mr. FERGUSON. I am glad to have that information from the Senator.

Mr. President, I agree wholeheartedly with the statement in the first paragraph of the bill, that—

> The Congress hereby finds and declares—

That this totalitarian political movement is what it is said to be, according to the provisions of the bill.

But what do the authors of the bill want to do about that? The only provision of the bill which has to do with those parties and those front organizations, for the protection of America, is set forth on page 7, where this section is added:

> Any person who has knowledge of, or has received instruction or assignment in, the espionage, counterespionage, or sabotage service or subversive tactics of a government of a foreign country or a foreign political party, unless such knowledge, instruction, or assignment has been acquired by reason of civilian, military, or police service with the United States Government, the governments of the several States, their political subdivisions, the District of Columbia, the Territories, the Canal Zone, or the insular possessions, or unless such knowledge has been acquired solely by reason of academic or personal interest not under the supervision of or in preparation for service with the government of a foreign country or a foreign political party or unless, by reason of employment at any time by the Department of Justice or the Central Intelligence Agency, such person has made full written disclosure of such knowledge or instruction to officials within those agencies, such disclosure has been made a matter of record in the files of the agency concerned, and a written determination has been made by the Attorney General or the Director of Central Intelligence that registration would not be in the interest of national security.

In other words, this administration bill would require the registration of only actual Communists, trained by a foreign government or a foreign political party in sabotage and subversive activities. So, the United States Government would be allowed to arrest only actual foreign agents who had been trained in Russia, in Stalin's institute, to engage in subversive activities. Of course there are such persons in America, and on that score I have no objection to this section. The only trouble with it is that it is a milk-toast section—although without the toast—for the registration of such persons. It is an attempt to require only those persons to register. There is very grave doubt about the constitutionality of this measure, although I shall not raise that issue today. Nevertheless, this measure seeks to get at only a small group. The authors of the bill would not require the registration of officials of the Communist Party, and would not make them account for the money they get and how they spend it. The authors of the bill do not want that done. Why not? They say they wish to have only the trained saboteurs registered. Mr. President, I say to the people of the United States that every cell of communism is a potential enemy of ours and constitutes a clear and present danger to America and her institutions. However, not one of those cells would come under that definition in the bill. The bill would require the registration of only trained saboteurs, agents of foreign nations, who come across the seas to our shores. Of course, we should keep them out by means of our immigration laws.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WATKINS. Does the Senator from Michigan imagine that any of those who are trained saboteurs and who wish to get into our Government would register?

Mr. FERGUSON. I have never thought so.

This bill would reach only the trained saboteurs or the trained spies. They would have to register as trained saboteurs and the espionage agents of a foreign country.

Mr. WATKINS. In other words, they would have to register as spies. We are to have a spy book, and all the men who are coming to the United States to spy or to commit sabotage must register, and if any one of them does not, he is in trouble?

Mr. FERGUSON. That is correct. Naturally a trained spy would have to register. What Senate bill 2311 seeks to do is to require the registration of the Communist Party, or the officials of the party. Let us consider for a moment how, with such a provision in the law, the Government would have been able to catch Foster and his entire gang. They would have had to register, because the FBI would have had the evidence on them. And by their registrations the names of all the members would have been disclosed. A man would have to register if his name were left off. All these fronts would have to register, that is, the organizations, the officials would have to register. But under the administration bill only the professional saboteur and espionage agent would be required to register.

Mr. MUNDT. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from South Dakota?

Mr. FERGUSON. I am glad to yield.

Mr. MUNDT. The junior Senator from Michigan is a trained and skilled prosecutor with a considerable background of experience in Michigan. I should like to interrogate him about what he considers to be the effectiveness of the kind of registration provisions he has just quoted from the so-called administration bill. Suppose we were to use the analogy of counterfeiting, and suppose, instead of passing legislation which would do something to curb and control counterfeiting or to outlaw it, we followed the administration example in the type of registration proposed and enacted legislation requiring a man to register his engraving plate before he counterfeits $10 bills; does the Senator think that would be an effective way to eliminate counterfeiting in America?

Mr. FERGUSON. No, and the United States Government has never considered it an effective way. It is like asking a dope peddler to register his dope before he goes on the street to sell it.

Mr. MUNDT. It seems to me it is utterly unrealistic to expect the trained saboteur before he goes forth to blow up a plant or to destroy a transportation network to go to the county courthouse to register the fact that he is a about to perform that kind of sabotage. It simply does not make sense.

Mr. FERGUSON. That is about what it amounts to.

Mr. MUNDT. Is not that all there is in the administration bill?

Mr. FERGUSON. That is all I find regarding registration, except that the next paragraph provides against failure to file a registration statement; that is, failure to fill in all the necessary data about who the man is, where he got his training, his degree, and so forth. I do not know what degree is given by the Stalin institute.

Mr. MUNDT. This is the much-heralded administration Communist-control bill which we have been waiting to receive, in order to be sure that there may be effective legislation, is it?

Mr. FERGUSON. This is it. I should like to go over certain of these other sections, to see what they would require a man to do. They have nothing to do with registration or with getting at really subversive activities and bringing them to the surface, so we can work against them down below. When such activities are carried on in the dark we then have got to work against them. When we get them on the surface I have no fear as to what the American people will do about the situation. The American people will take care of the Communists, once they are brought into the open. But the situation is different when they are down under, when they are in the sewers carrying out their nefarious plots. Then the people are not looking for them and are misled. It is then that we have to do something about it.

Mr. MUNDT. If that is all there is to the restrictive features of the administration's bill, insofar as communism is concerned, it would occur to the junior Senator from South Dakota that the administration, at long last, has decided to go fishing for Communist red herrings, but that it has also decided to use a net with a 2-foot mesh. It is not a very effective way to catch any kind of herring.

Mr. FERGUSON. It is not a very effective way to catch the sort of herring which the Senator and I desire to have caught.

Mr. MUNDT. That is correct.

Mr. FERGUSON. There are other things in the administration bill. I have no objection to them. For instance, it seeks to cover the gathering, transmitting, or losing of defense information. If a man, through gross negligence, should permit such documents containing such information to be removed from his office he would then be held liable. If they were lost and he did not report the loss he would also be held liable. That is in the bill.

Such information cannot be transmitted to Communists on the outside, and Communists may not receive it. That is made a crime also. Under the administration bill if anyone conspires to gather, transmit, or lose defense information, and if it is used—and I emphasize those words—in order that the penalty may be invoked it must be done with intent or reason to believe that the information is to be "used to the injury of the United States or to the advantage of any foreign nation." That, of course, is where Mr. Remington always hung his hat. No one could prove, when he gave information to Bentley, or whoever it was, that it was to be used for the injury of the United States, or to the advantage of a foreign country.

Under the next section, an overt act would be evidence of the conspiracy, and if any one of the conspirators committed an overt act, they would all be liable. It is not the definition of a real conspiracy. It is then said, and here is a peculiar provision:

> No prosecution shall be brought under section 792, or section 794, except upon the express direction of the Attorney General of the United States.

No United States district attorney in any State would have the right to bring such an action without express direction of the Attorney General of the United States.

Mr. WATKINS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Utah?

Mr. FERGUSON. I am glad to yield.

Mr. WATKINS. Does the Senator know of any other Federal law which is enforced in that manner; in other words, under which the district attorney must get permission from the Attorney General before he can bring a prosecution under it?

Mr. FERGUSON. No; I really do not. I have been trying since I read this to think of one, and I cannot. I know that there are now by regulation 22 instances of cases which cannot be investigated by the FBI, except upon express consent and order from the Attorney General. It may surprise Senators to know that one of those is the bribery of an official. A United States district attorney in the Senator's State could not cause an investigation to be made by the FBI, nor could the FBI on its own motion or at its own instigation investigate the bribery of a public official. There are 22 separate and distinct cases in which investigation and prosecution cannot be begun except by order of the Attorney General. Apparently the effort is to make that by statute the law of the land with regard to investigations.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. FERGUSON. I am glad to yield.

Mr. WATKINS. What effect would that have on the United States district attorney in respect to his taking an oath to uphold the Constitution and the laws of the United States? What effect would it have in that regard, if the district attorney were subject to limitations imposed by the Attorney General on his activities under certain laws?

Mr. FERGUSON. I am glad the Senator raises that point, but I am unable to answer the question at the moment except to say that I think the law would change the oath of office of the district attorney requiring him to abide by the Constitution and laws. I think this would in effect vary the oath, as the Senator and I understand it to be.

Mr. WATKINS. Does the Senator know of any reason of policy or any practical reason of law enforcement for vesting in the Attorney General complete control of whether an investigation of that type of crime should be made?

Mr. FERGUSON. No, I do not, unless the purpose is not to offend the Communists in America. How could that be? I know of no other reason than to protect what we may call the vested interests in what has been going on in America. The reason may some day be made known to the United States citizens. I hope someone may be able to think of the real reason and be able to give it.

The next provision relates to the statute of limitations. It is made 10 years, which may be extended; that is to say, the time during which a person holds office or a position or employment is not

to be considered as a part of the 10 years, and it does not apply to offenses punishable by death.

I have discussed the registration provision. The next portion of the administration bill relates to the promulgation of security regulations by the President, or under his direction, or by the Secretary of Defense, for the violation of which there would be a penalty. It then comes to the question of deportation, and a section on that subject is included which has nothing to do with Senate bill 2311. In order that there may be no question about this, I ask that this entire administration bill, so-called, be set forth at the conclusion of my remarks. I think we should have it in the RECORD in its entirety, so that it may be read in connection with Senate bill 2311.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FERGUSON. Senate bill 2311 is so well known that I shall not ask that it be included in the RECORD.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MUNDT. Since the production-control bill is so directly connected with Senate bill 2311, I wonder if it would not be a good thing to include in the RECORD Senate bill 2311, which is the identical language of the amendment we are proposing as title VIII of the so-called production-control bill from the Committee on Banking and Currency.

Mr. FERGUSON. Mr. President, I ask unanimous consent that it be printed right after the administration bill which I have previously asked to have printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. FERGUSON. I hope the Senate of the United States will not quibble over the question of germaneness in its battle against communism, and that we shall vote on Monday or as soon thereafter as the Senate can do so on the amendment proposed by the Senator from South Dakota [Mr. MUNDT] and myself.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MUNDT. Mr. President, I should like to quote briefly from a letter which has just been received from Mr. Louis Waldman, counselor at law, 305 Broadway, New York, N. Y., who is a well-known and highly respected lawyer and who has specialized in labor relations. He includes with his letter a carbon copy of letters which he has sent to the majority and minority leaders of both the Senate and the House.

Mr. FERGUSON. I have taken more time than I thought I would at the beginning. I think it is essential that the matter be discussed so that we may be able to vote on Monday. It is an opportunity to choose between that which is presented by the administration as a curb on communism in America, and Senate bill 2311 which has been studied by various committees of the House and Senate and which has been reported by a majority vote, only one being against it.

Mr. MUNDT. I was about to quote from a letter sent me by Mr. Louis Waldman of New York City, a highly respected and well-recognized liberal lawyer. The letter is dated August 17, 1950. Similar letters were sent to the majority and minority leaders of the House and the Senate.

I should like to quote a few paragraphs of the letter, because it so well dramatizes and underscores the urgency of the matter of which the Senator from Michigan has been speaking so effectively this afternoon. It presents in Mr. Waldman's words how desperately urgent it is that we do not unnecessarily delay a day or an hour in doing something about this question. He says:

> I am writing to you from an intimate knowledge of communism and Communists, a knowledge gained over a period of more than 30 years of unhappy contacts with the Communist movement and many of its leaders, both in the labor movement and in public life.
>
> The immediate need for such legislation cannot be overstressed. While I deny the ill-founded assertion, often made, that there is public hysteria on the question of communism today, there is great danger that the absence of legislation under which the Government can take appropriate steps under law will lead to hysteria.

I believe the Senator from Michigan was emphasizing that a little earlier in his address. I continue reading from the letter. On page 4 of his letter he says:

> The reason for immediate action is that the Communists have turned their cold war against us into an actual war.

I should like to mention the fact that we should keep before us on Monday, when we vote, the proposition that Senate bill 2311, which is offered as an amendment to the proposed control legislation, is definitely a part of the war effort, as much as is making guns for Korea, because it is preserving the situation at home so that we can guard against sabotage and run down the treachery which denies labor and management the opportunity to make the guns.

Mr. FERGUSON. Or even to ship the guns.

Mr. MUNDT. That is correct. As a matter of fact, when we were having such difficulty getting shipments sent to Nationalist China, the Senator from Michigan may recall that the union of seamen, stevedores, and shiphandlers, headed by Harry Bridges, called a strike on the west coast at that particular time, making it increasingly difficult to get supplies sent over to Nationalist China.

So Mr. Waldman says:

> The reason for immediate action is that the Communists have turned their cold war against us into an actual war. This Korean war is not one of nation against nation. It is but a single and tragic manifestation of the general war that Communists, throughout the world, including those in our own country, are waging against us as a nation, as a people, and as a civilization. Our enemy, therefore, is communism and Communists wherever they may be, in whatever nation they are born, including our own. Russia, of course, is the motherland of all Communists. To her they owe their allegiance and from her they take their orders and directions. But that is not because it is Russia, but because it is the center of Communist power. The war against us is on a global scale. Our defenses and our strategy to meet this enemy must also be on a global scale. The fight against communism is not divisible—

I think that is something we must keep in mind. Senators should keep that statement in mind as they measure up to their opportunity to vote next Monday afternoon on effective Communist control legislation, and perhaps the only effective Communist control legislation on which they will be able to vote. By adding S. 2311 to the pending civilian control legislation, we can all be sure we shall be taking action with no longer delay and no continued uncertainty to meet the home-front challenge of communism.

Mr. Waldman's letter continues:

> The fight against communism is not divisible; we cannot call upon our sons to die, resisting Communist aggression in Korea, and fail to combat Communist fifth-column activities at home.

Now let me read two more paragraphs from Mr. Waldman's letter, which I think are tremendously important:

> Another fact to be recognized is that the Communists wage war against American civilization not only as a part of their program of world revolution, but also as part of a program of Russian imperialism. All the activities of Communists here and elsewhere are but tactical steps in their fight for world power. Communists plan for chaos and confusion. They plan for the breakdown and downfall of non-Communist governments everywhere. To that end, the Communist movement fosters civil strife, industrial unrest, espionage, sabotage, and other similar activities.

Mr. President, the legislation on which we shall vote on Monday contains seven titles, proposed by the Committee on Banking and Currency, to establish civilian production controls, as necessary measures directly dealing with the subject of industrial production and getting the matériel of war to the soldiers. As Attorney Waldman properly says, the Communist movement fosters civilian strife in order to make it impossible for us to get that production under way. The Communist movement sponsors industrial unrest.

What good does it do for us to pass legislation which will allocate materials and give priorities to strategic supplies, which will provide certain rules and regulations by which men must govern their profits and direct their economic activities, if we permit industrial unrest to be fostered by the Communists, simply because for some strange reason we refuse to register them and to curb their excesses? If there is no legislation on communism closely geared to the gist of the material contained in the pro-this so-called amendment to add Committee on Banking and Currency, according to the testimony of this distinguished attorney—if we fail to adopt this so-called amendment to add Communist control legislation, we are likely to find ourselves simply and uselessly legislating to restrict good Americans

while miserably failing to restrict the destructive tactics and conspiracies of disloyal Americans.

Mr. Waldman refers also to espionage, sabotage, and other similar activities.

He concludes with this paragraph:

> We are often told that our historic liberties stand in the way of Congress in its efforts to destroy or even control effectively the Communist conspiracy aimed at subverting our democratic institutions and our Bill of Rights and establishing in their place a system of human slavery, ruled by terror, lawlessness, and gangsterism. We must reject this philosophy as false history, unsound constitutional law, and a vapid abandonment of basic human freedoms.
>
> Sincerely yours,
>
> LOUIS WALDMAN.

Mr. President, I think it is refreshing that we have in this country distinguished lawyers and Americans who will take from their time and their talents to write to, and counsel with, Members of the Senate, to make certain that we do not let some parliamentary trick or some antiquated precedent or some tricky technicality prevent us on next Monday from doing the things expected of us by good Americans all over the country, who want to gear this economic act into our winning of the war. We cannot walk to victory on one leg. We cannot win a contest with half a man. We need legislation which is rounded out to do the job. We need legislation which will set up the same equation in dealing with espionage as it deals with the matter of allocations.

I should like to read this further paragraph from Mr. Waldman's letter:

> I strongly urge that such proposed legislation be incorporated in an omnibus bill, sponsored as a bipartisan measure. While Americans are fighting and dying against Communist aggression in Korea there is no time for bickering as to who will get political credit for this legislation.

Mr. President, I concur 100 percent with that statement. I am sure that the Senator from Michigan does also.

Mr. FERGUSON. The Senator from Michigan does.

Mr. MUNDT. I read further:

> On the battlefield our fighting men are not divided into Republicans, Democrats, Liberals, or Conservatives. Likewise at home, there should be no such division in or out of Congress, on the question of fighting and defeating the Communist-controlled fifth column.

I hope that when the distinguished majority leader returns from the political meeting which he addressed in Springfield yesterday, and rereads his statement there that he believes the Senator from Michigan and the Senator from South Dakota are interested in Communist-control legislation solely because of politics, he will measure his words against the constructive statements contained in the letter from Mr. Waldman. As the Senator from Michigan knows, both he and I weeks ago on the floor of the Senate and off the floor stated that we would be happy to join any such bipartisan sponsorship, and to let Democratic names replace our names, if they had to go to that extent, to get effective Communist-control legislation. As we were ready then, I am sure we are ready now, to join in a bipartisan move to get the kind of legislation which is required. It seems to me we have that type of bipartisan measure in S. 2311. More Democrats than Republicans voted for it in committee. I hope that on Monday Democrats will join with Republicans, and Republicans will join with Democrats without partisanship, without bickering, without worrying about tactics, realizing that we are at war and the thing to do is to win it, and to win the war one must move effectively at home, and that we must act now, not after sabotage or perhaps revolution has broken out in our midst. I thank the Senator very much for yielding to me so generously.

Mr. FERGUSON. I appreciate the Senator's comment, and I hope that the letter from Mr. Waldman may be inserted in the RECORD. I ask unanimous consent that the whole letter be inserted in the RECORD.

Mr. MUNDT. I shall be very happy to insert the whole letter in the RECORD at the conclusion of the Senator's remarks.

Mr. FERGUSON. It is very timely.

The PRESIDING OFFICER. Does the Senator make such a request?

Mr. FERGUSON. I ask that the letter be inserted in the RECORD at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD.

(See exhibit 3.)

Mr. FERGUSON. It is very important that men like Mr. Louis Waldman bring to the attention of the Senate—and it can not be too strongly urged—that labor is in need of this type of legislation. Labor is fighting the battle of subversion against Communists. One of the greatest tasks confronting labor today is its fight against subversion on the part of the Communist Party. This type of legislation would be a real weapon. If they were to go to the FBI and ask whether or not a certain officer in the union is a Communist, the FBI could not answer the question, because the FBI has no legal rights to investigate the Communists. We are placing the stamp of approval of investigation on subversive activities by Communists, so that labor unions can determine the answer to the question: Are certain persons subversive to American institutions and labor unions? Labor unions have the right and privilege of negotiation, and they have that right without being trampled upon by subversives.

Mr. MUNDT. I am very happy that the Senator has mentioned the matter of labor, because the junior Senator from Michigan and the junior Senator from South Dakota have been closeted frequently with respresentatives of labor unions and have explained to them how S. 2311 would be beneficial and not injurious to them. I call attention to another paragraph of Mr. Waldman's letter, since the letter will now be in the RECORD in full, which I did not take time to refer to when I read it first. He proposes an omnibus bill to include S. 2311, with one modification, which omits one subsection, and he suggests inclusion in the omnibus bill of the President's recommendation on securing defense plants. He also suggests going beyond S. 2311 to the point of denying Communists the use of the ballot. That suggestion is a much more stringent provision than the Senator from Michigan and I have suggested and at the moment I am not convinced of its necessity or merit.

Referring to labor, Louis Waldman says this:

> In proposing this omnibus law I want to emphasize that there is not a vestige of truth in the claim that the provisions of the Mundt-Ferguson bill are antilabor.

Here is this great attorney, who has represented labor in legal causes over and over again, saying:

> There is not a vestige of truth in the claim that the provisions of the Mundt-Ferguson bill are antilabor. This is a false issue from beginning to end. Nor, in my opinion, would the inclusion of the Mundt-Ferguson bill, as I urged above, violate civil liberties.

I think that is significant, Senators.

Mr. FERGUSON. It is very significant.

Mr. MUNDT. I think it is significant that we have that kind of testimony sent here for the consideration of the Senate just on the eve of the tremendously significant vote we are about to take, come next Monday noon, on the subversive control proposal which is to be offered to the civilian production control measure now before us.

Mr. FERGUSON. Mr. President, I thank the Senator for calling that letter to the attention of the Senate.

I yield the floor.

EXHIBIT 1

A bill to protect the internal security of the United States, and for other purposes

Be it enacted, etc., That this act may be cited as the "Internal Security Act of 1950."

SEC. 2 (a) The Congress hereby finds and declares that—

1. Totalitarian political movements, and individuals and associations of individuals giving aid or support to such movements, endanger the military security and constitute a serious threat to the existence of American institutions and the peaceful enjoyment of the American way of life.

2. The Congress from time to time has enacted various statutes designed to protect the Government against injury resulting from activities of those who adhere to or furnish aid or support to such movements, including the following provisions of existing law:

A. Sections 2384 and 2385 of title 18 of the United States Code, which prohibit advocating and teaching the overthrow of the Government by force or violence, organizing any groups for such purpose, or any conspiracy therefor, and the constitutionality of which has recently been upheld by the United States Court of Appeals for the Second Circuit in affirming the conviction thereunder of 11 leaders of the Communist Party of the United States;

B. The act of June 8, 1938, as amended (22 U. S. C. 611–621), which requires agents of foreign governments to register with the Attorney General and to label their propaganda;

C. The act of October 16, 1918, as amended (8 U. S. C. 137), and section 19 of the Immigration Act of 1917, as amended (8 U. S. C. 155), which provide for the exclusion and deportation from the United States of aliens who advocate the overthrow of the Government by force or violence;

D. Section 2381 of title 18 of the United States Code, which embodies the constitutional definition of treason; and

E. Chapter 105 of title 18 of the United States Code, which prohibits the sabotage of materials, premises, and utilities relating to the national defense.

3. In addition, various other provisions enacted by the Congress and certain administrative practices of agencies engaged in carrying out such provisions have been useful in providing further protection against such injury including:

A. The provisions of law dealing with the issuance of passports (22 U. S. C. 211–299), under which the Secretary of State has denied passports to Communists and others in the interests of national security;

B. The internal revenue laws, under which exemption from taxation under section 101 of the Internal Revenue Code is denied to certain organizations determined by the Attorney General to be subversive, and under which contributors are denied deductions for their contributions to such organizations;

C. Chapter 79 and section 1001 of title 18 of the United States Code, which deal with perjury and the making of false statements, and which have been effective in the prosecution of persons who have untruthfully denied affiliation with subversive groups; and

D. The provisions of section 9A of the act of August 2, 1939, to prevent pernicious political activities (5 U. S. C. 118j), which prohibit membership by Government employees in organizations which advocate the overthrow of the Government by force or violence, and other provisions of law under the authority of which a program has been established for the exclusion from Federal employment of Communists and other persons of doubtful loyalty.

(b) The Congress therefore declares that—

1. The policy embodied in the foregoing statutes is hereby reaffirmed and such statutes should be vigorously enforced so as to minimize the present danger to the national security resulting from activities of associations and individuals aiding and supporting the world Communist movement.

2. In the light of existing world conditions, certain of the statutes herein referred to should be amended in certain respects in order to strengthen their provisions and facilitate their enforcement, in accordance with the recommendations of the President and the departments and agencies directly charged with responsibility for internal security functions.

SEC. 3. Section 793 of title 18 of the United States Code is hereby amended to read as follows:

"§ 793. Gathering, Transmitting, or Losing Defense Information.

"(a) (1) Whoever, for the purpose of obtaining information respecting the national defense with intent or reason to believe that the information is to be used to the injury of the United States, or to the advantage of any foreign nation, goes upon, enters, flies over, or otherwise obtains information concerning any vessel, aircraft, work of defense, navy yard, naval station, submarine base, fueling station, fort, battery, torpedo station, dockyard, canal, railroad, arsenal, camp, factory, mine, telegraph, telephone, wireless, or signal station, building, air force base, office, or other place connected with the national defense, owned or constructed, or in progress of construction by the United States or under the control of the United States, or of any of its officers, departments or agencies, or within the exclusive jurisdiction of the United States, or any place in which any vessel, aircraft, arms, munitions, or other materials or instruments for use in time of war, including items related to nuclear energy, are being made, prepared, repaired, processed, or stored, or are the subject of research and development under any contract or agreement with the United States, or any department or agency thereof, or with any person on behalf of the United States, or otherwise on behalf of the United States, or any prohibited place so designated by the President by proclamation in time of war or in case of national emergency in which anything for the use of the Army, Navy, or Air Force is being prepared or constructed or stored, information as to which prohibited place the President has determined would be prejudicial to the national defense; or

"(2) Whoever, for the purpose aforesaid, and with like intent or reason to believe, copies, takes, makes, or obtains, or attempts to copy, take, make, or obtain, any sketch photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, document, matter, writing, or note of anything connected with the national defense; or

"(3) Whoever, for the purpose aforesaid, receives or obtains or agrees or attempts to receive or obtain from any person, or from any source whatever, any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, matter, or note of anything connected with the national defense, knowing or having reason to believe, at the time he receives or obtains, or agrees or attempts to receive or obtain it, that it has been or will be obtained, taken, made, or disposed of by any person contrary to the provisions of this chapter; or

"(4) Whoever, lawfully having possession of, access to, control over, or being entrusted with any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, matter, or note relating to the national defense, or information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully communicates, delivers, transmits, or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit, or cause to be communicated, delivered, or transmitted, the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it on demand to the officer or employee of the United States entitled to receive it; or

"(5) Whoever having unauthorized possession of, access to, or control over any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, matter, or note relating to the national defense, or information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully communicates, delivers, transmits, or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit, or causes to be communicated, delivered, or transmitted, the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it to the officer or employee of the United States entitled to receive it; or

"(6) Whoever, being entrusted with or having lawful possession or control of any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, note, matter, or information relating to the national defense—

"(A) through gross negligence permits the same to be removed from its proper place of custody or delivered to anyone in violation of his trust, or to be lost, stolen, abstracted, or destroyed; or

"(B) having knowledge that the same has been illegally removed from its proper place of custody or delivered to anyone in violation of his trust, or lost, or stolen, abstracted, or destroyed,

and fails to make prompt report of such loss, theft, abstraction, or destruction to his superior officer—

"Shall be fined not more than $10,000 or imprisoned not more than 10 years or both.

"(b) If two or more persons conspire to violate any of the foregoing provisions of this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be subject to the punishment provided for the offense which is the object of such conspiracy.

"(c) No prosecution shall be brought under this section or under section 792 or 794, except upon the express direction of the Attorney General of the United States."

SEC. 4. (a) The analysis of chapter 213 of title 18, United States Code, immediately preceding section 3281 of such title, is amended by adding at the end thereof the following new item: "3291. Espionage and security of defense information."

(b) Chapter 213 of title 18, United States Code, is amended by adding after section 3290 the following new section: "SEC. 3291. Espionage and security of defense information:

"An indictment for any violation of sections 792, 793, or 794 of this title may be found at any time within 10 years next after such violation shall have been committed: *Provided,* That such period of limitation shall not commence to run in regard to any such violation or violations by any officer, agent, or employee of the United States during any period that such individual holds the office, position, employment, or appointment he held at the time such offense was committed: *And provided further,* That nothing contained in this section shall be construed to impose any limitation in the case of offenses punishable by death."

SEC. 5. The act of June 8, 1938 (52 Stat. 631; 22 U. S. C. 611–621), entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," as amended, is hereby further amended as follows:

"(a) Strike out the word 'and' at the end of section 1 (c) (3), insert the word 'and' at the end of section 1 (c) (4), and add the following subsection immediately after section 1 (c) (4):

"(5) any person who has knowledge of, or has received instruction or assignment in, the espionage, counterespionage, or sabotage service or subversive tactics of a government of a foreign country or a foreign political party, unless such knowledge, instruction, or assignment has been acquired by reason of civilian, military, or police service with the United States Government, the governments of the several States, their political subdivisions, the District of Columbia, the Territories, the Canal Zone, or the insular possessions, or unless such knowledge has been acquired solely by reason of academic or personal interest not under the supervision of or in preparation for service with the government of a foreign country or a foreign political party or unless, by reason of employment at any time by the Department of Justice or the Central Intelligence Agency, such person has made full written disclosure of such knowledge or instruction to officials within those agencies, such disclosure has been made a matter of record in the files of the agency concerned, and a written determination has been made by the Attorney General or the Director of Central Intelligence that registration would not be in the interest of national security."

(b) Add the following subsection immediately after section 8 (d):

"(e) Failure to file any such registration statement or supplements thereto as is required by either section 2 (a) or section 2

(b) shall be considered a continuing offense for as long as such failure exists, notwithstanding any statute of limitation or other statute to the contrary."

SEC. 6. (a) The analysis of chapter 67 of title 18, United States Code, immediately preceding section 1381 of such title, is amended by adding at the end thereof the following new item:

"1385. Promulgation of security regulations."

(b) Chapter 67, title 18, United States Code, is amended by adding after section 1384 the following new section:

"§ 1385. Promulgation of Security Regulations.

"(a) Whoever willfully shall violate any such regulation or order as, pursuant to lawful authority, shall be or has been promulgated by the Secretary of Defense and approved by the President of the United States for the protection or security of military or naval aircraft, airports, airport facilities, vessels, harbors, ports, piers, water-front facilities, bases, forts, posts, laboratories, stations, vehicles, equipment, explosives, or other property or places subject to the jurisdiction, administration, or in the custody of the National Military Establishment, or of any department or agency of which said establishment consists, or of any officer or employee of said establishment, department, or agency, relating to fire hazards, fire protection, lighting, machinery, guard service, disrepair, disuse, or other unsatisfactory conditions thereon, or the ingress thereto, or egress or removal of persons therefrom, or otherwise providing for safeguarding the same against destruction, loss, or injury by accident, or by enemy action, sabotage, or other subversive actions, shall be guilty of a misdemeanor and upon conviction thereof shall be liable to a fine of not to exceed $5,000 or to imprisonment for not more than 1 year, or both.

"(b) Every such regulation or order shall be posted in conspicuous or appropriate places.

"(c) In time of war, or national emergency as proclaimed by the President, the provisions of this section may be extended by Presidential proclamation to include such property and places as the President may therein designate in the interest of national security."

SEC. 7. Section 20 of the Immigration Act of February 5, 1917, as amended (39 Stat. 890; 57 Stat. 553; 8 U. S. C. 156), is hereby amended to read as follows:

"SEC. 20. (a) That the deportation of aliens provided for in this act and all other immigration laws of the United States shall be directed by the Attorney General to the country specified by the alien, if it is willing to accept him into its territory; otherwise such deportation shall be directed by the Attorney General within his discretion and without priority of preference because of their order as herein set forth, either to the country from which such alien last entered the United States; or to the country in which is located the foreign port at which such alien embarked for the United States or for foreign contiguous territory; or to any country in which he resided prior to entering the country from which he entered the United States; or to the country which had sovereignty over the birthplace of the alien at the time of his birth; or to any country of which such an alien is a subject, national, or citizen; or to the country in which he was born; or to the country in which the place of his birth is situated at the time he is ordered deported; or if, deportation to any of the said foregoing places or countries is impracticable, inadvisable, or impossible, then to any country which is willing to accept such alien into its territory. If the United States is at war and the deportation, in accordance with the preceding provisions of this section, of any alien who is deportable under any law of the United States, shall be found by the Attorney General to be impracticable or inconvenient because of enemy occupation of the country whence such alien came or wherein is located the foreign port at which he embarked for the United States or because of other reasons connected with the war, such alien may, at the option of the Attorney General, be deported (1) if such alien is a citizen or subject of a country whose recognized government is in exile, to the country wherein is located that government in exile, if that country will permit him to enter its territory; or (2) if such alien is a citizen or subject of a country whose recognized government is not in exile, then, to a country or any political or territorial subdivision thereof which is proximate to the country of which the alien is a citizen or subject, or, with the consent of the country of which the alien is a citizen or subject, to any other country. No alien shall be deported under any provision of this act to any country in which the Attorney General shall find that such alien would be subjected to physical persecution. If deportation proceedings are instituted at any time within 5 years after the entry of the alien, such deportation, including one-half of the entire cost of removal to the port of deportation, shall be at the expense of the contractor, procurer, or other person by whom the alien was unlawfully induced to enter the United States, or, if that cannot be done, then the cost of removal to the port of deportation shall be at the expense of the appropriation for the enforcement of this act, and the deportation from such port shall be at the expense of the owner or owners of such vessels or transportation lines by which such aliens respectively came, or, if that is not practicable, at the expense of the appropriation for the enforcement of this act. If deportation proceedings are instituted later than 5 years after the entry of the alien, or, if the deportation is made by reason of causes arising subsequent to entry, the cost thereof shall be payable from the appropriation for the enforcement of this act. A failure or refusal on the part of the masters, agents, owners, or consignees of vessels to comply with the order of the Attorney General to take on board, guard safely, and transport to the destination specified any alien ordered to be deported under the provisions of this act shall be punished by the imposition of the penalties prescribed in section 18 of this act: *Provided*, That when in the opinion of the Attorney General the mental or physical condition of such alien is such as to require personal care and attendance, the said Attorney General shall when necessary employ a suitable person for that purpose, who shall accompany such alien to his or her final destination, and the expense incident to such service shall be defrayed in the same manner as the expense of deporting the accompanied alien is defrayed. Pending final determination of the deportability of any alien taken into custody under warrant of the Attorney General, such alien may, in the discretion of the Attorney General (1) be continued in custody; or (2) be released under bond in the amount of not less than $500, with security approved by the Attorney General; or (3) be released on conditional parole. It shall be among the conditions of any such bond, or of the terms of release on parole, that the alien shall be produced, or will produce himself, when required to do so for the purpose of defending himself against the charge or charges under which he was taken into custody and any other charges which subsequently are lodged against him, and for deportation if an order for his deportation has been made. When such an order of deportation has been made against any alien, the Attorney General shall have a period of 6 months from the date of such order within which to effect the alien's departure from the United States, during which period, at the Attorney General's discretion, the alien may be detained, released on conditional parole, or upon bond in an amount and specifying such conditions for surrender of the alien to the Immigration and Naturalization Service as may be determined by the Attorney General. If deportation has not been practicable, advisable, or possible, or departure of the alien from the United States has not been effected within 6 months from the date of the order of deportation the alien shall become subject to such further supervision as is authorized hereinafter in this section.

"(b) Any alien, against whom an order of deportation, heretofore or hereafter issued, has been outstanding for more than 6 months shall be subject to supervision under regulations prescribed by the Attorney General. Such regulations shall require any alien subject to supervision (1) to appear from time to time before an officer designated by the Attorney General for identification; (2) to submit, if directed by such designated officer, to medical and psychiatric examination at the expense of the United States; (3) to give to such designated officer information under oath as to his nationality, circumstances, habits, associations, and activities, and such other information whether or not related to the foregoing as the Attorney General may deem fit and proper; and (4) to conform to such reasonable written restrictions on his conduct or activities as are prescribed by the Attorney General in his case. Such regulations shall also require that any alien subject to supervision shall be denied access to any area designated by the Attorney General, if, in the opinion of the Attorney General, the presence of such alien in such area would endanger the national security.

"(c) Any alien who willfully fails or refuses to comply, and any person who counsels, aids, advises, abets, or encourages any alien not to comply, with any requirement imposed by or pursuant to subsection (b) of this section shall be fined not more than $10,000 or imprisoned not more than 5 years, or both: *Provided*, That the alien may be released from such imprisonment by the Attorney General if the alien's deportation can be immediately effected at any time during the term of his imprisonment.

"(d) If any alien subject to supervision under subsection (b) of this section is able to depart from the United States, except that he is financially unable to pay his passage, the expense of such passage to the country to which he is destined may be paid from the appropriation for the enforcement of this act, unless such payment is otherwise provided for under this act."

SEC. 8. If any provision of this act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of this act and the application of such provision to other circumstances shall not be affected thereby.

EXHIBIT 2

Amendments intended to be proposed by Mr. FERGUSON (for himself and Mr. MUNDT) to the bill (S. 3936). At the end of the bill insert a new title as follows:

"TITLE VIII—SUBVERSIVE ACTIVITIES CONTROL ACT, 1950

"SHORT TITLE

"SEC. 801. This title may be cited as the 'Subversive Activities Control Act 1950.'

"NECESSITY FOR LEGISLATION

"SEC. 802. As a result of evidence adduced before various committes of the Senate and House of Representatives, Congress hereby finds that—

"(1) There exists a world Communist movement which in its origins, its development, and its present practice, is a world-

wide revolutionary political movement whose purpose it is, by treachery, deceit, infiltration into other groups (governmental and otherwise), espionage, sabotage, terrorism, and any other means deemed necessary, to establish a Communist totalitarian dictatorship in all the countries of the world through the medium of a single world-wide Communist political organization.

"(2) The establishment of a totalitarian dictatorship in any country results in the ruthless suppression of all opposition to the party in power, the complete subordination of the rights of individuals to the state, the denial of fundamental rights and liberties which are characteristic of a representative form of government, such as freedom of speech, of the press, of assembly, and of religious worship, and results in the maintenance of control over the people through fear, terrorism, and brutality.

"(3) The system of government known as a totalitarian dictatorship is characterized by the existence of a single political party, organized on a dictatorial basis, and by an identity between such party and its policies and the government and governmental policies of the country in which it exists, such identity being so close that the party and the government itself are for all practical purposes indistinguishable.

"(4) The direction and control of the world Communist movement is vested in and exercised by the Communist dictatorship of a foreign country.

"(5) The Communist dictatorship of such foreign country, in exercising such direction and control and in furthering the purposes of the world Communist movement, establishes or causes the establishment of, and utilizes, in various countries, political organizations which are acknowledged by such Communist dictatorship as being constituent elements of the world Communist movement; and such political organizations are not free and independent organizations, but are mere sections of a single world-wide Communist organization and are controlled, directed, and subject to the discipline of the Communist dictatorship of such foreign country.

"(6) The political organizations so established and utilized in various countries, acting under such control, direction, and discipline, endeavor to carry out the objectives of the world Communist movement by bringing about the overthrow of existing governments and setting up Communist totalitarian dictatorships which will be subservient to the most powerful existing Communist totalitarian dictatorship. Although such Communist political organizations usually designate themselves as political parties, they are in fact constituent elements of the world-wide Communist movement and promote the objectives of such movement by conspiratorial and coercive tactics, instead of through the democratic processes of a free elective system or through the freedom-preserving means employed by a political party which operates as an agency by which people govern themselves.

"(7) In carrying on the activities referred to in paragraph (6), such Communist organizations in various countries are organized on a secret, conspiratorial basis and operate to a substantial extent through organizations, commonly known as "Communist front," which in most instances are created and maintained, or used, in such manner as to conceal the facts as to their true character and purposes and their membership. One result of this method of operation is that such affiliated organizations are able to obtain financial and other support from persons who would not extend such support if they knew the true purposes of, and the actual nature of the control and influence exerted upon, such "Communist fronts."

"(8) Due to the nature and scope of the world Communist movement, with the existence of affiliated constituent elements working toward common objectives in various countries of the world, travel of members, representatives, and agents from country to country is essential for purposes of communication and for the carrying on of activities to further the purposes of the movement.

"(9) In the United States those individuals who knowingly and willfully participate in the world Communist movement, when they so participate, in effect repudiate their allegiance to the United States and in effect transfer their allegiance to the foreign country in which is vested the direction and control of the world Communist movement; and, in countries other than the United States, those individuals who knowingly and willfully participate in such Communist movement similarly repudiate their allegiance to the countries of which they are nationals in favor of such foreign Communist country.

"(10) In pursuance of communism's stated objectives, the most powerful existing Communist dictatorship has, by the traditional Communist methods referred to above, and in accordance with carefully conceived plans, already caused the establishment in numerous foreign countries, against the will of the people of those countries, of ruthless Communist totalitarian dictatorships, and threatens to establish similar dictatorships in still other countries.

"(11) The recent successes of Communist methods in other countries and the nature and control of the world Communist movement itself present a clear and present danger to the security of the United States and to the existence of free American institutions, and make it necessary that Congress, in order to provide for the common defense, to preserve the sovereignty of the United States as an independent Nation, and to guarantee to each State a republican form of government, enact appropriate legislation recognizing the existence of such world-wide conspiracy and designed to prevent it from accomplishing its purpose in the United States.

"DEFINITIONS

"SEC. 803. For the purposes of this title—

"(1) The term 'person' means an individual or an organization.

"(2) The term 'organization' means an organization, corporation, company, partnership, association, trust, foundation, or fund; and includes a group of persons, whether or not incorporated, permanently or temporarily associated together for joint action on any subject or subjects.

"(3) The term 'Communist political organization' means any organization in the United States having some, but not necessarily all, of the ordinary and usual characteristics of a political party, which (A) is substantially dominated or controlled by the foreign government or foreign governmental or political organization controlling the world Communist movement referred to in section 802, and (B) operates primarily to advance the objectives of such world Communist movement, as set forth in section 802 of this act.

"(4) The term 'Communist-front organization' means any organization in the United States (other than a Communist political organization and other than a lawfully organized political party which is not a Communist political organization) which (A) is under the control of a Communist political organization, or (B) is primarily operated for the purpose of giving aid and support to a Communist political organization, a Communist foreign government, or the world Communist movement referred to in section 802.

"(5) The term 'Communist organization' means a Communist political organization or a Communist-front organization.

"(6) The term 'publication' means any circular, newspaper, periodical, pamphlet, book, letter, post card, leaflet, or other publication.

"(7) The term 'United States', when used in a geographical sense, includes the several States, Territories, and possessions of the United States, the District of Columbia, and the Canal Zone.

"(8) The term 'interstate or foreign commerce' means trade, traffic, commerce, transportation, or communication (A) between any State, Territory, or possession of the United States (including the Canal Zone), or the District of Columbia, and any place outside thereof, or (B) within any Territory or possession of the United States (including the Canal Zone) or within the District of Columbia.

"(9) The term 'Board' means the Subversive Activities Control Board created by section 813 of this act.

"(10) The term 'final order of the Board' means an order issued by the Board under section 814 of this act, which has become final as provided in section 815 of this act.

"CERTAIN PROHIBITED ACTS

"SEC. 804. (a) It shall be unlawful for any person knowingly to combine, conspire, or agree with any other person to perform any act which would substantially contribute to the establishment within the United States of a totalitarian dictatorship the direction and control of which is to be vested in, or exercised by or under the domination or control of, any foreign government, foreign organization, or foreign individual. For purposes of this subsection, the term 'totalitarian dictatorship' means a form of government, characterized by (1) the existence of a single political party, with such identity between such party and its policies and the government and governmental policies of the country in which it exists as to render such party and the government itself indistinguishable for all practical purposes, and (2) the forcible suppression of all opposition to such party.

"(b) It shall be unlawful for any officer or employee of the United States or of any department or agency thereof, or of any corporation the stock of which is owned in whole or in part by the United States or any department or agency thereof, to communicate in any manner or by any means, to any other person whom such officer or employee knows or has reason to believe to be an agent or representative of any foreign government or an officer or member of any Communist organization as defined in paragraph (5) of section 803 of this act, any information of a kind which shall have been classified by the President (or by the head of any such department, agency, or corporation with the approval of the President) as affecting the security of the United States, knowing or having reason to know that such information has been so classified, unless such officer or employee shall have been specially authorized by the head of such department, agency, or corporation to make such disclosure of such information.

"(c) It shall be unlawful for any agent or representative of any foreign government, or any officer or member of any Communist organization as defined in paragraph (5) of section 803 of this act, knowingly to obtain or receive, or attempt to obtain or receive, directly or indirectly, from any officer or employee of the United States or of any department or agency thereof or of any corporation the stock of which is owned in whole or in part by the United States or any department or agency thereof, any information of a kind which shall have been classified pursuant to subsection (b) of this section as affecting the security of the United States, unless special authorization for such communication shall first have been obtained from the head of the department, agency, or corporation

having custody of or control over such information.

"(d) Any person who violates any provision of this section shall, upon conviction thereof, be punished by a fine of not more than $10,000, or imprisonment for not more than 10 years, or by both such fine and such imprisonment, and shall, moreover, be thereafter ineligible to hold any office, or place of honor, profit, or trust created by the Constitution or laws of the United States.

"(e) Any person may be prosecuted, tried, and punished for any violation of this section at any time within 10 years after the commission of such offense, notwithstanding the provisions of any other statute of limitations.

"(f) Neither the holding of office nor membership in any Communist organization by any person shall constitute a violation of subsection (a) or subsection (c) of this section. The fact of the registration of any person under section 807 or section 808 of this act as an officer or member of any Communist organization shall not be received in evidence against such person in any prosecution for any alleged violation of subsection (a) or subsection (c) of this section.

"EMPLOYMENT OF MEMBERS OF COMMUNIST POLITICAL ORGANIZATIONS

"SEC. 805. (a) When an organization is registered, or there is in effect a final order of the Board requiring an organization to register as a Communist political organization, it shall be unlawful for any member of such organization, with knowledge that such order has become final—

"(1) in seeking or accepting any office or employment under the United States, to conceal the fact that he is a member of such organization; or

"(2) to hold any nonelective office or employment under the United States.

"(b) When an organization is registered or there is in effect a final order of the Board requiring an organization to register as a Communist political organization, it shall be unlawful for any officer or employee of the United States to appoint or employ any individual as an officer or employee of the United States, knowing that such individual is a member of such an organization.

"(c) As used in this section, the term 'member' shall not include any individual whose name has not been made public because of the prohibition contained in section 9 (b) of this act.

"DENIAL OF PASSPORTS TO MEMBERS OF COMMUNIST POLITICAL ORGANIZATIONS

"SEC. 806. (a) When an organization is registered, or there is in effect a final order of the Board requiring an organization to register as a Communist political organization, it shall be unlawful for any member of such organization, with knowledge that such order has become final—

"(1) to make application for a passport, or the renewal of a passport, to be issued or renewed by or under the authority of the United States; or

"(2) to use or attempt to use any such passport.

"(b) When an organization is registered, or there is in effect a final order of the Board requiring an organization to register as a Communist political organization, it shall be unlawful for any officer or employee of the United States to issue a passport to, or renew the passport of, any individual knowing or having reason to believe that such individual is a member of such organization.

"(c) As used in this section, the term 'member' shall not include any individual whose name has not been made public because of the prohibition contained in section 809 (b) of this act.

"REGISTRATION AND ANNUAL REPORTS OF COMMUNIST ORGANIZATIONS

"SEC. 807. (a) Each Communist political organization (including any organization required, by a final order of the Board, to register as a Communist political organization) shall, within the time specified in subsection (c) of this section, register with the Attorney General, on a form prescribed by him by regulations, as a Communist political organization.

"(b) Each Communist-front organization (including any organization required, by a final order of the Board, to register as a Communist-front organization) shall, within the time specified in subsection (c) of this section, register with the Attorney General, on a form prescribed by him by regulations, as a Communist-front organization.

"(c) The registration required by subsection (a) or (b) shall be made—

"(1) in the case of an organization which is a Communist political organization or a Communist-front organization on the date of the enactment of this act, within 30 days after such date;

"(2) in the case of an organization becoming a Communist political organization or a Communist-front organization after the date of the enactment of this act, within 30 days after such organization becomes a Communist political organization or a Communist-front organization, as the case may be; and

"(3) in the case of an organization which by a final order of the Board is required to register, within 30 days after such order becomes final.

"(d) The registration made under subsection (a) or (b) shall be accompanied by a registration statement, to be prepared and filed in such manner and form as the Attorney General shall by regulations prescribe containing the following information:

"(1) The name of the organization and the address of its principal office.

"(2) The name and last-known address of each individual who is at the time of the filing of such registration statement, and of each individual who was at any time during the period of 12 full calendar months next preceding the filing of such statement an officer of the organization, with the designation or title of the office so held, and with a brief statement of the duties and functions of such individual as such officer.

"(3) An accounting, in such form and detail as the Attorney General shall by regulations prescribe, of all moneys received and expended (including the sources from which received and the purposes for which expended) by the organization during the period of 12 full calendar months next preceding the filing of such statement.

"(4) In the case of a Communist political organization, the name and last-known address of each individual who was a member of the organization at any time during the period of 12 full calendar months preceding the filing of such statement.

"(5) In the case of any officer or member whose name is required to be shown in such statement, and who uses or has used or who is or has been known by more than one name, each name which such officer or member uses or has used or by which he is known or has been known.

"(e) It shall be the duty of each organization registered under this section to file with the Attorney General on or before February 1 of the year following the year in which it registers, and on or before February 1 of each succeeding year, an annual report, prepared and filed in such manner and form as the Attorney General shall by regulations prescribe, containing the same information which by subsection (d) is required to be included in a registration statement, except that the information required with respect to the 12-month period referred to in paragraph (2), (3), or (4) of such subsection shall, in such annual report, be given with respect to the calendar year preceding the February 1 on or before which such annual report must be filed.

"(f) (1) It shall be the duty of each organization registered under this section to keep, in such manner and form as the Attorney General shall by regulations prescribe, accurate records and accounts of moneys received and expended (including the sources from which received and purposes for which expended) by such organization.

"(2) It shall be the duty of each Communist political organization registered under this section to keep, in such manner and form as the Attorney General shall by regulations prescribe, accurate records of the names and addresses of the members of such organization and of persons who actively participate in the activities of such organization.

"(g) It shall be the duty of the Attorney General to send to each individual listed in any registration statement or annual report, filed under this section, as an officer or member of the organization in respect of which such registration statement or annual report was filed, a notification in writing that such individual is so listed; and such notification shall be sent at the earliest practicable time after the filing of such registration statement or annual report. Upon written request of any individual so notified who denies that he holds any office or membership (as the case may be) in such organization, the Attorney General shall forthwith initiate and conclude at the earliest practicable time an appropriate investigation to determine the truth or falsity of such denial, and, if the Attorney General shall be satisfied that such denial is correct, he shall thereupon strike from such registration statement or annual report the name of such individual. If the Attorney General shall decline or fail to strike the name of such individual from such registration statement or annual report within 5 months after receipt of such written request, such individual may file with the Board a petition for relief pursuant to section 814 (b) of this act.

"(h) In the case of failure on the part of any organization to register or to file any registration statement or annual report as required by this section, it shall be the duty of the executive officer (or individual performing the ordinary and usual duties of an executive officer) and of the secretary (or individual performing the ordinary and usual duties of a secretary) of such organization, and of such officer or officers of such organization as the Attorney General shall by regulations prescribe, to register for such organization, to file such registration statement, or to file such annual report, as the case may be.

"REGISTRATION OF MEMBERS OF COMMUNIST POLITICAL ORGANIZATIONS

"SEC. 808. Each individual who is a member of any organization which he knows to be registered as a Communist political organization under section 807 (a) of this act, but which has failed to include his name upon the list of members thereof filed with the Attorney General, shall within 60 days after he shall have obtained such knowledge register with the Attorney General as a member of such organization. The registration made by such individual shall be accompanied by a registration statement, to be prepared and filed in such manner and form, and containing such information, as the Attorney General shall by regulations prescribe.

"KEEPING OF REGISTERS; PUBLIC INSPECTION; REPORTS TO PRESIDENT AND CONGRESS

"SEC. 809. (a) The Attorney General shall keep and maintain separately in the Department of Justice—

"(1) a 'Register of Communist Political Organization,' which shall include (A) the names and addresses of all Communist political organizations registered under section 807, (B) the registration statements and annual reports filed by such organizations

thereunder, and (C) the registration statements filed by individuals under section 808; and

"(2) a 'Register of Communist-Front Organizations,' which shall include (A) the names and addresses of all Communist-front organizations registered under section 807, and (B) the registration statements and annual reports filed by such organizations thereunder.

"(b) Such registers shall be kept and maintained in such manner as to be open for public inspection: *Provided*, That the Attorney General shall not make public the name of any individual listed in either such register as an officer or member of any Communist organization until 60 days shall have elapsed after the transmittal of the notification required by section 807 (g) to be sent to such individual, and if prior to the end of such period such individual shall make written request to the Attorney General for the removal of his name from any such list, the Attorney General shall not make public the name of such individual until 6 months shall have elapsed after receipt of such request by the Attorney General, or until 30 days shall have elapsed after the Attorney General shall have denied such request and shall have transmitted to such individual notice of such denial, whichever is earlier.

"(c) The Attorney General shall submit to the President and to the Congress on or before June 1 of each year (and at any other time when requested by either House by resolution) a report with respect to the carrying out of the provisions of this act, including the names and addresses of the organizations listed in such registers and (except to the extent prohibited by subsection (b) of this section) the names and addresses of the individuals listed as members of such organizations.

"MEMBERSHIP IN CERTAIN COMMUNIST POLITICAL ORGANIZATIONS

"SEC. 810. It shall be unlawful for any individual to become or remain a member of any organization if he knows that (1) there is in effect a final order of the Board requiring such organization to register under section 807 of this act as a Communist political organization, (2) more than 30 days have elapsed since such order became final, and (3) such organization is not registered under section 807 of this act as a Communist political organization.

"USE OF THE MAILS AND INSTRUMENTALITIES OF INTERSTATE OR FOREIGN COMMERCE

"SEC. 811. It shall be unlawful for any organization which is registered under section 807, or for any organization with respect to which there is in effect a final order of the Board requiring it to register under section 807, or for any person acting for or on behalf of any such organization—

"(1) to transmit or cause to be transmitted, through the United States mails or by any means or instrumentality of interstate or foreign commerce, any publication which is intended to be, or which it is reasonable to believe is intended to be, circulated or disseminated among two or more persons, unless such publication, and any envelope, wrapper, or other container in which it is mailed or otherwise circulated or transmitted, bears the following, printed in such manner as may be provided in regulations prescribed by the Attorney General, with the name of the organization appearing in lieu of the blank: "Disseminated by ————, a Communist organization"; or

"(2) to broadcast or cause to be broadcast any matter over any radio or television station in the United States, unless such matter is preceded by the following statement, with the name of the organization being stated in place of the blank: 'The following program is sponsored by ————, a Communist organization.'

"DENIAL OF TAX DEDUCTIONS AND EXEMPTION

"SEC. 812. (a) Notwithstanding any other provision of law, no deduction for Federal income-tax purposes shall be allowed in the case of a contribution to or for the use of any organization if at the time of the making of such contribution (1) such organization is registered under section 807, or (2) there is in effect a final order of the Board requiring such organization to register under section 807.

"(b) No organization shall be entitled to exemption from Federal income tax, under section 101 of the Internal Revenue Code, for any taxable year if at any time during such taxable year (1) such organization is registered under section 807, or (2) there is in effect a final order of the Board requiring such organization to register under section 807.

"SUBVERSIVE ACTIVITIES CONTROL BOARD

"SEC. 813. (a) There is hereby established a Board, to be known as the Subversive Activities Control Board, which shall be composed of three members, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. One of the original members shall be appointed for a term of 1 year, one for a term of 2 years, and one for a term of 3 years, but their successors shall be appointed for terms of 3 years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Board. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.

"(b) A vacancy in the Board shall not impair the right of the remaining members to exercise all the powers of the Board, and two members of the Board shall, at all times, constitute a quorum. The Board shall have an official seal which shall be judicially noticed.

"(c) The Board shall at the close of each fiscal year make a report in writing to the Congress and to the President stating in detail the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees of the Board, and an account of all moneys it has disbursed.

"(d) Each member of the Board shall receive a salary of $12,500 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment.

"(e) It shall be the duty of the Board—

"(1) upon application made by the Attorney General under section 814 (a) of this act, or by any organization under section 814 (b) of this act, to determine whether any organization is a 'Communist political organization' within the meaning of paragraph (3) of section 803 of this act, or a 'Communist-front organization' within the meaning of paragraph (4) of section 803 of this act; and

"(2) upon application made by the Attorney General under section 814 (a) of this act, or by any individual under section 814 (b) of this act, to determine whether any individual is a member of any Communist political organization registered, or by final order of the Board required to be registered, under section 807 (a) of this act.

"(f) Subject to the civil-service laws and Classification Act of 1923, as amended, the Board may appoint and fix the compensation of a clerk and such examiners and other personnel as may be necessary for the performance of its functions.

"(g) The Board may make such rules and regulations, not inconsistent with the provisions of this title, as may be necessary for the performance of its duties.

"(h) There are hereby authorized to be appropriated to the Board such sums as may be necessary and appropriate to carry out its functions.

"PROCEEDINGS BEFORE BOARD

"SEC. 814. (a) Whenever the Attorney General shall have reason to believe that any organization which has not registered under subsection (a) or subsection (b) of section 807 of this act is in fact an organization of a kind required to be registered under such subsection, or that any individual who has not registered under section 808 of this act is in fact required to register under such section, he shall file with the Board and serve upon such organization or individual a petition for an order requiring such organization or individual to register pursuant to such subsection or section, as the case may be.

"(b) Any organization registered under subsection (a) or subsection (b) of section 807 of this act, and any individual registered under section 808 of this act, may, not oftener than once in each calendar year, make application to the Attorney General for the cancellation of such registration and (in the case of such organization) for relief from obligation to make further annual reports. Within 60 days after the denial of any such application by the Attorney General, the organization or individual concerned may file with the Board and serve upon the Attorney General a petition for an order requiring the cancellation of such registration and (in the case of such organization) relieving such organization of obligation to make further annual reports. Any individual authorized by section 807 (g) of this act to file a petition for relief may file with the Board and serve upon the Attorney General a petition for an order requiring the Attorney General to strike his name from the registration statement or annual report upon which it appears.

"(c) Upon the filing of any petition pursuant to subsection (a) or subsection (b) of this section, the Board (or any member thereof or any examiner designated thereby) may hold hearings, administer oaths and affirmations, may examine witnesses, and receive evidence at any place in the United States, and may require by subpena the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed relevant to the matter under inquiry. Subpenas may be signed and issued by any member of the Board or any duly authorized examiner. Subpenas shall be issued on behalf of the organization or the individual who is a party to the proceeding upon request and upon a statement or showing of general relevance and reasonable scope of the evidence sought. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing. Witnesses summoned shall be paid the same fees and mileage paid witnesses in the district courts of the United States. In case of disobedience to a subpena the Board may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence. Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any person, issue an order requiring such person to appear (and to produce documentary evidence if so ordered) and give evidence relating to the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

"(d) All hearings conducted under this section shall be public. Each party to such

proceeding shall have the right to present its case with the assistance of counsel, to offer oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. An accurate stenographic record shall be taken of the testimony of each witness, and a transcript of such testimony shall be filed in the office of the Board.

"(e) In determining whether any organization is a 'Communist political organization', the Board shall take into consideration—

"(1) the extent to which its policies are formulated and carried out and its activities performed, pursuant to directives or to effectuate the policies of the foreign government or foreign governmental or political organization in which is vested, or under the domination or control of which is exercised, the direction and control of the world Communist movement referred to in section 802 of this act;

"(2) the extent to which its views and policies do not deviate from those of such foreign government or foreign organization;

"(3) the extent to which it receives financial or other aid, directly or indirectly, from or at the direction of such foreign government or foreign organization;

"(4) the extent to which it sends members or representatives to any foreign country for instruction or training in the principles, policies, strategy, or tactics of such world Communist movement;

"(5) the extent to which it reports to such foreign government or foreign organization or to its representatives;

"(6) the extent to which its principal leaders or a substantial number of its members are subject to or recognize the disciplinary power of such foreign government or foreign organization or its representatives;

"(7) the extent to which (i) it fails to disclose, or resist efforts to obtain information as to, its membership (by keeping membership lists in code, by instructing members to refuse to acknowledge membership, or by any other method); (ii) its members refuse to acknowledge membership therein; (iii) it fails to disclose, or resist efforts to obtain information as to, records other than membership lists; (iv) its meetings are secret; and (v) it otherwise operates on a secret basis; and

"(8) the extent to which its principal leaders or a substantial number of its members consider the allegiance they owe to the United States as subordinate to their obligations to such foreign government or foreign organization.

"(f) In determining whether any organization is a 'Communist-front organization,' the Board shall take into consideration—

"(1) the extent to which persons who are active in its management, direction, or supervision, whether or not holding office therein, are active in the management, direction, or supervision of, or as representatives of, any Communist political organization, Communist foreign government, or the world Communist movement referred to in section 802; and

"(2) the extent to which its support, financial or otherwise, is derived from any Communist political organization, Communist foreign government, or the world Communist movement referred to in section 802; and

"(3) the extent to which its funds, resources, or personnel are used to further or promote the political objectives of any Communist political organization, Communist foreign government or the world Communist movement referred to in section 802; and

"(4) the extent to which the positions taken or advanced by it from time to time on matters of policy do not deviate from those of any Communist political organization, Communist foreign government, or the world Communist movement referred to in section 802.

"(g) If, after hearing upon a petition filed under subsection (a) of this section, the Board determines—

"(1) that an organization is a Communist political organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served on such organization an order requiring such organization to register as such under section 807 of this act, or

"(2) that an individual is a member of a Communist political organization (including an organization required by final order of the Board to register under section 807 (a)), it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served on such individual an order requiring him to register as such under section 806 of this act.

"(h) If, after hearing upon a petition filed under subsection (a) of this section, the Board determines—

"(1) that an organization is not a Communist political organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts; issue and cause to be served upon the Attorney General an order denying his petition for an order requiring such organization to register as such under section 807 of this act; and send a copy of such order to such organization; or

"(2) that an individual is not a member of any Communist political organization, it shall make a report in writing in which it shall state its findings as to the facts; issue and cause to be served upon the Attorney General an order denying his petition for an order requiring such individual to register as such member under section 808 of this act; and send a copy of such order to such individual.

"(i) If, after hearing upon a petition filed under subsection (b) of this section, the Board determines—

"(1) that an organization is not a Communist political organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts; issue and cause to be served upon the Attorney General an order requiring him to cancel the registration of such organization and relieve it from the requirement of further annual reports; and send a copy of such order to such organization; or

"(2) that an individual is not a member of any Communist political organization, or (in the case of an individual listed as an officer of a Communist-front organization) that an individual is not an officer of a Communist-front organization, it shall make a report in writing in which it shall state its findings as to the facts; issue and cause to be served upon the Attorney General an order requiring him to (A) strike the name of such individual from the registration statement or annual report upon which it appears or (B) cancel the registration of such individual under section 808, as may be appropriate; and send a copy of such order to such individual.

"(j) If, after hearing upon a petition filed under subsection (b) of this section, the Board determines—

"(1) that an organization is a Communist political organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served on such organization an order denying its petition for the cancellation of its registration and for relief from the requirement of further annual reports; or

"(2) that an individual is a member of a Communist political organization, or (in the case of an individual listed as an officer of a Communist-front organization) that an individual is an officer of a Communist-front organization, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served on such individual an order denying his petition for an order requiring the Attorney General (A) to strike his name from any registration statement or annual report on which it appears or (B) to cancel the registration of such individual under section 808, as the case may be.

"JUDICIAL REVIEW

"SEC. 815. (a) The party aggrieved by any order entered by the Board under subsection (g), (h), (i), or (j) of section 814 may obtain a review of such order in the United States Court of Appeals for the District of Columbia by filing in the court, within 60 days from the date of service upon it of such order, a written petition praying that the order of the Board be set aside. A copy of such petition shall be forthwith served upon the Board, and thereupon the Board shall certify and file in the court a transcript of the entire record in the proceeding, including all evidence taken and the report and order of the Board. Thereupon the court shall have jurisdiction of the proceeding and shall have power to affirm or set aside the order of the Board. The findings of the Board as to the facts, if supported by the preponderance of the evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material, the court may order such additional evidence to be taken before the Board and to be adduced upon the proceeding in such manner and upon such terms and conditions as to the court may seem proper. The Board may modify its findings as to the facts, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by the preponderance of the evidence, shall be conclusive, and its recommendations, if any, with respect to action in the matter under consideration. If the court shall set aside an order issued under subsection (j) of section 814 it may, in the case of an organization, enter a judgment canceling the registration of such organization and relieving it from the requirement of further annual reports, or in the case of an individual, enter a judgment requiring the Attorney General (A) to strike the name of such individual from the registration statement or annual report on which it appears, or (B) cancel the registration of such individual under section 808, as may be appropriate. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in title 28, United States Code, section 1254.

"(b) Any order of the Board issued under section 14 shall become final—

"(1) upon the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time; or

"(2) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Board has been affirmed or the petition for review dismissed by the United States Court of Appeals for the District of Columbia, and no petition for certiorari has been duly filed; or

"(3) upon the denial of a petition for certiorari, if the order of the Board has been affirmed or the petition for review dismissed by the United States Court of Appeals for the District of Columbia; or

"(4) upon the expiration of 10 days from the date of issuance of the mandate of the Supreme Court, if such Court directs that the order of the Board be affirmed or the petition for review dismissed.

"PENALTIES

"SEC. 816. (a) If there is in effect with respect to any organization or individual a final order of the Board requiring registration under section 807 or section 808 of this act—

"(1) such organization shall, upon conviction of failure to register, to file any registration statement or annual report, or to keep records as required by section 807, be punished for each such offense by a fine of not less than $2,000 and not more than $5,000; and

"(2) each individual having a duty under subsection (h) of section 807 to register or to file any registration statement or annual report on behalf of such organization, and each individual having a duty to register under section 808, shall, upon conviction of failure to so register or to file any such registration statement or annual report, be punished for each such offense by a fine of not less than $2,000 and not more than $5,000, or imprisonment for not less than 2 years and not more than 5 years, or by both such fine and imprisonment.

For the purposes of this subsection, each day of failure to register, whether on the part of the organization or any individual, shall constitute a separate offense.

"(b) Any individual who, in a registration statement or annual report filed under section 807 or section 808, willfully makes any false statement or willfully omits to state any fact which is required to be stated, or which is necessary to make the statements made or information given not misleading, shall upon conviction thereof be punished for each such offense by a fine of not less than $2,000 and not more than $5,000, or by imprisonment for not less than 2 years and not more than 5 years, or by both such fine and imprisonment. For the purposes of this subsection—

"(1) each false statement willfully made, and each willful omission to state any fact which is required to be stated, or which is necessary to make the statements made or information given not misleading, shall constitute a separate offense; and

"(2) each listing of the name or address of any one individual shall be deemed a separate statement.

"(c) Any organization which violates any provision of section 811 of this act shall, upon conviction thereof, be punished for each such violation by a fine of not less than $2,000 and not more than $5,000. Any individual who violates any provision of sections 805, 806, 810, or 811 of this act shall, upon conviction thereof, be punished for each such violation by a fine of not less than $2,000 and not more than $5,000, or by imprisonment for not less than 2 years and not more than 5 years, or by both such fine and imprisonment.

"APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT

"SEC. 817. Nothing in this title shall be held to make the provisions of the Administrative Procedure Act inapplicable to the exercise of functions, or the conduct of proceedings, by the Board under this title, except to the extent that this title affords additional procedural safeguards for organizations and individuals.

"SEPARABILITY OF PROVISIONS

"SEC. 818. If any provision of this title, or the application thereof to any person or circumstance, is held invalid, the remaining provisions of this title, or the application of such provision to other persons or circumstances, shall not be affected thereby.

"On page 28, strike out lines 1 and 2, and insert in lieu thereof the following: 'Titles I–VII of this act may be cited as "The Defense Production Act of 1950." '

"On page 28, in the Table of Contents, after 'Title VII. General provisions,' insert 'Title VIII. Subversive Activities Control Act, 1950.'

"On page 66, line 8, strike out 'As used in this act—' and insert in lieu thereof 'As used in titles I–VII of this act—.'

"On page 68, line 15, after 'provisions' insert 'of titles I–VII.'

"On page 68, line 24, strike out 'this act is in effect' and insert in lieu thereof 'titles I–VII of this act are in effect.'

"On page 74, line 4, after 'under' insert 'titles I–VII of.'

"On page 74, line 9, after 'authority' insert 'of titles I–VII.'

"On page 82, strike out line 8, and insert in lieu thereof the following: 'SEC. 716. Titles I–VII of this act and all authority conferred there-' "

EXHIBIT 3

NEW YORK, *August 17, 1950.*

Hon. JOHN W. MCCORMACK,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN MCCORMACK: I am writing to you as the majority leader of the House of Representatives to urge the immediate enactment of a comprehensive law for the control of Communist subversive activities in this country. I am sending identical letters to your colleagues, the Honorable JOSEPH W. MARTIN, JR., House minority leader; the Honorable SCOTT W. LUCAS, Senate majority leader; and the Honorable KENNETH S. WHERRY, Senate minority whip.

I am writing to you from an intimate knowledge of communism and Communists, a knowledge gained over a period of more than 30 years of unhappy contacts with the Communist movement and many of its leaders, both in the labor movement and in public life.

The immediate need for such legislation cannot be overstressed. While I deny the ill-founded assertion, often made, that there is public hysteria on the question of communism today, there is great danger that the absence of legislation under which the Government can take appropriate steps under law will lead to hysteria.

I strongly urge that such proposed legislation be incorporated in an omnibus bill, sponsored as a bipartisan measure. While Americans are fighting and dying against Communist aggression in Korea there is no time for bickering as to who will get political credit for this legislation. On the battlefield our fighting men are not divided into Republicans, Democrats, Liberals, or Conservatives. Likewise, at home, there should be no such division in or out of Congress on the question of fighting and defeating the Communist controlled fifth column.

A comprehensive bipartisan measure, such as I am proposing, should include the following elements:

1. Presdient Truman's recommendations embodied in his August 8 message to Congress. Standing alone, they are woefully inadequate. But they must be included in any comprehensive program.

2. The inclusion with the exception of section 4 (a) of the Mundt-Ferguson bill, which, among other things would require Communist and Communist-front organizations to register with the Department of Justice and would compel the Communist Party to file with that Department the names and addresses of its members and officers as well as other information, including the sources of its financial support.

Section 4 (a), commonly known as the sedition section, is a troublesome provision. For one thing, there is a great deal of division of opinion in the country over this section. If I read correctly President Truman's August 8 message to Congress, his implied criticism of the Mundt-Ferguson bill was directed mainly toward this section. Obviously, the law will be better received by the country and will be better enforced, if both the President and Congress can unite on it. The Mundt-Ferguson bill is not dependent on section 4 (a) for its effectiveness. Moreover, with the unanimous affirmance by a very able court of the convictions of the top 11 Communists in a brilliantly written opinion by Chief Judge Learned Hand, in which the court sustained the constitutionality of the Smith Act, there is no longer real need for section 4 (a).

3. The inclusion of a new section, making it unlawful for Communist candidates and the Communist Party to be on the ballot. In effect such section should provide that no person or organization which advocates or teaches the overthrow of the United States Government, or any State or local government, by force or violence, should be allowed to appear on a ballot electing Federal officers. The language, disqualifying those to be on the ballot, should be modeled after section 3 of the Smith Act.

I recognize that proposal "3" has practical limitations, for the Communist Party, as such, functions today only in a few States; in many States it carries on its work through other political organizations, such as the Progressive Party, and in New York, the American Labor Party. Everyone who has his eyes open to communism and Communists knows that they traffic in deceit and falsehood. Their political organizations are a more transparent disguise for their Kremlin-directed fifth-column activities. Without the provisions of the Mundt-Ferguson bill, this section alone would be wholly ineffectual to deal with the problem. But by adding this provision to those of the Mundt-Ferguson bill, the legislative program would squarely meet the evil aimed at. Many people have often claimed, and Communists and their apologists have always capitalized on that claim, that there is an inconsistency between, say, the prosecution of the top 11 Communist leaders, or the exclusion of Communists from Government service, or the propcsed registration of Communists, and the fact that the Communist Party is a legal political party, and Communists are allowed to appear on the ballot. In enacting this section, not only will a real need be met, but the last line of sophistry, used by Communist defenders, will, once and for all, be disposed of.

In proposing this omnibus law, I want to emphasize that there is not a vestige of truth in the claim that the provisions of the Mundt-Ferguson bill are antilabor. This is a false issue from beginning to end. Nor, in my opinion, would the inclusion of the Mundt-Ferguson bill, as I urged above, violate civil liberties.

The reason for immediate action is that the Communists have turned their cold war against us into an actual war. This Korean war is not one of nation against nation. It is but a single and tragic manifestation of the general war that Communists, throughout the world, including those in our own country, are waging against us as a Nation, as a people, and as a civilization. Our enemy, therefore, is communism and Communists wherever they may be, in whatever nation they are born, including our own. Russia, of course, is the motherland of all Communists. To her they owe their allegiance and from her they take their orders and directions. But that is not because it is Russia, but because it is the center of Communist power. The war against us is on a global scale. Our defenses and our strategy to meet this enemy must also be on a global scale. The fight against communism is not divisible; we cannot call upon our sons to die, resisting Communist aggression in Korea, and fail to combat Communist fifth-column activities at home.

Another fact to be recognized is that the Communists wage war against American civilization not only as a part of their program

of world revolution, but also as part of a program of Russian imperialism. All the activities of Communists here and elsewhere are but tactical steps in their fight for world power. Communists plan for chaos and confusion. They plan for the breakdown and downfall of non-Communist governments everywhere. To that end the Communist movement fosters civil strife, industrial unrest, espionage, sabotage, and other similar activities.

We are often told that our historic liberties stand in the way of Congress in its efforts to destroy or even control effectively the Communist conspiracy aimed at subverting our democratic institutions and our Bill of Rights and establishing in their place a system of human slavery, ruled by terror, lawlessness, and gangsterism. We must reject this philosophy as false history, unsound constitutional law and a vapid abandonment of basic human freedoms.

Sincerely yours,

LOUIS WALDMAN.

DEFENSE PRODUCTION ACT OF 1950—LETTER FROM THE PRESIDENT

The PRESIDING OFFICER. The Chair lays before the Senate a letter from the President of the United States to the Vice President, and asks the clerk to read it for the information of the Senate.

The legislative clerk read as follows:

THE WHITE HOUSE,
Washington, August 18, 1950.

Hon. ALBEN W. BARKLEY,
The Vice President of the United States.

DEAR MR. VICE PRESIDENT: I have been following with keen interest the progress of the defense-production bill which passed the House last week and is now being debated in the Senate. As matters now stand, I am much concerned about the outcome.

Two things seem to be happening. First, the powers for which I asked on July 19, in order to meet the immediate situation, are being whittled down in certain important respects. Second, it appears that the price and wage controls which the Congress proposes to add, may be so circumscribed by a host of detailed limitations and provisos as to confuse and hamper administration should it become necessary to invoke them.

It would be tragic if the Congress were to reject controls we need right now, while voting stand-by measures which could neither do the current job, nor be applied successfully to the contingencies which may arise.

Our chief problem now is to increase defense production, in an economy already running close to capacity, without bringing on inflation. Our aim should be to check inflation at its source. The production aids and credit controls which I have recommended to the Congress are vital for this purpose.

But these powers may not be granted in full. Control of commodity speculation, for example, has now been dropped from both Senate and House bills. Control over credit on existing housing has also been eliminated. Amendments now pending in the Senate would weaken the production features of the legislation. Actions of this sort tend to weaken the effectiveness of the whole program and bring us closer to the day when we might have to clamp down general price and wage controls.

If that were to happen we could ill afford to have an unworkable law on the books. Yet that is just what threatens to occur. In the course of debate on the bill, the Senate has been flooded with amendments to the price-wage provisions reported by the Banking and Currency Committee. These provisions were generally sound and workable, providing a flexible framework for whatever action might be required under future conditions. Unfortunately, some of the amendments offered from the floor are intended to assure some special treatment or privilege for a particular industry or commodity. Paradoxically, many of these provisos are carbon copies of amendments added to the last price-control law in 1945 and 1946, in order to relax controls, as we neared the time of their final removal.

I am keenly aware of the difficulties which have confronted the Congress in attempting to speed action on this complex legislation. I know of the hard work and careful thought which the Banking and Currency Committee has put into preparation of the bill now before the Senate. I would not wish for a moment to detract from the caliber of the over-all result. It would undoubtedly be useful to have stand-by powers which were broad enough and flexible enough to work in any situation which might arise. But if many of these amendments are added to the Senate bill, its price-wage provisions will fail completely to meet that description. The enactment of inflexible, patchwork price controls would be a dangerous deception.

Therefore, it is my earnest hope that the Senate will reject the numerous special-purpose amendments proposed for the price control provisions of the bill. I would also urge strongly that the Senate approve the full range of powers recommended on July 19.

Very sincerely yours,

HARRY S. TRUMAN.

The PRESIDING OFFICER. The letter will lie on the table.

DEVELOPMENT OF RIVER RESOURCES

Mr. MORSE. Mr. President, before I discuss the road bill, I wish to make a few brief remarks on another problem, namely, that of working out in the Pacific Northwest a sound, coordinated program between and among the various agencies of government, Federal and State, in connection with the development of our river resources.

I hapen to hold to the view that it is very important that there be worked out in the very near future a coordinated program for the administration of the various projects which are being built and will be built by the use of Federal funds in connection with the development of power, irrigation, and reclamation projects.

However, I have always held to the point of view that these developments should take place within the concept of the free-enterprise system. I have always held to the point of view that the development of electric power in the Pacific Northwest should take place on the basis of a satisfactory working arrangement with the private utilities, leaving to the people in the respective communities and areas and regions the determinative power of deciding whether or not they are to be served by private utilities or by public-utility districts.

We have made great progress in the Pacific Northwest since the consummation of the so-called Tacoma agreement, which was an agreement entered into by representatives of Federal agencies and the private utilities. In my opinion it has formed the basis for a working agreement between the Federal Government and the private utilities, although much still needs to be done in perfecting the program. It, of course, all has a direct relationship to the whole problem of the type of organization which should be set up to administer these projects, whether it should be done by way of a CVA, or whether it should be done by way of some such program as the Senator from Utah [Mr. WATKINS] on a past occasion has recommended to the Senate, or whether it should be done by way of a program which carries out the recommendations of the Hoover Commission, strengthened by a governmental corporation established under an interstate compact in accordance with the purposes of the interstate compact section of the Constitution of the United States.

It has always been the position of the junior Senator from Oregon that the final decision as to the type of service the consumer is to receive in the distribution of power should be determined by the consumers in the area concerned. It has also been his position that the best way to coordinate the administration of agencies in charge of such activities is by the adoption of the major recommendations of the Hoover Commission, plus the creation of a governmental corporation under an interstate compact, keeping in mind that any administrative set-up should guarantee to the people of the States in the Pacific Northwest a voting voice in determining their representations on the governing board, or the board of directors, and thereby an active voice in determining the administrative policies of such an administrative organization.

I cannot stress that point too strongly, Mr. President, because I believe it goes to the heart of my objections to a CVA, at least it goes to the heart of the pending CVA bill, because I can never agree to give to three Presidential appointees the arbitrary, discretionary power which that bill vests in them over the economic life of the Pacific Northwest.

There is always a danger, when such a controversy arises as that which is being developed as a result of the CVA proposal, that men will overlook the fact that after all, some coordination of these developments is needed in the interest of efficiency, in the interest of economy, and in the interest of developing to the maximum extent possible the resources of the great rivers concerned.

However, throughout the controversy, as it has been waged to date, I have noted a great many cool heads that have not

taken a blind partisan attitude in regard to the subject, on either side of the issue, men within the private utilities, as well as men within Federal Government agencies who are strong for CVA, as well as men not connected either with the private utilities or with the Government agencies, who recognize that there is a common denominator in this discussion, that there is a common major premise upon which agreement should be reached, and that is the need for a coordination of the various State and Federal agencies which have a jurisdictional interest in the development of these rivers. Among such men is Thomas W. Delzell, chairman of the board of the Portland General Electric Co., a man with whom I have had several conversations concerning his views as to the type of program toward which he thinks we ought to work. Although I do not agree with Mr. Delzell on some details, I want to say on the floor of the Senate today that I have always recognized in him a man who is trying to make a fair approach to this whole problem, and who recognizes that, after all, the private utilities will get their greatest benefit out of an early settlement of this issue. I think we need more men in the private utilities with the industrial statesmanship of Thomas Delzell, men who try to work with various groups on this issue toward the common denominator, namely, a fair, workable program for coordinating the various agencies that have jurisdiction over river development projects.

Recently Mr. Delzell made what I think is a very profound speech, at Spokane, Wash., at a meeting called for the purpose of discussing the whole problem of river development in its relationship to the future of power development in the Pacific Northwest. The title of his speech was "Suggestions for a Clarified and Fair Federal Water and Power Policy." He laid down a few premises and questions which I wish to call to the attention of the Senate this afternoon, which he said in this speech—and I read from page 1 of it:

> Can private power live with municipal power? By private power, of course, I mean State and federally regulated public utilities, even though I know and you know that about the only thing private about them is the capital provided from the savings of private citizens instead of from the Public Treasury. Everything else is just about as public as anything can be. By municipal power, I mean public corporations, such as municipalities, people's or other public-utility districts and various forms of cooperatives. My answer to this question is an unqualified "Yes." I think that our experience here in Oregon and the Pacific Northwest clearly demonstrates this. Here, for many years, we have had various forms of municipal enterprise in the power development and distribution field, such as Forest Grove, Eugene, and McMinnville, Oreg., and Seattle and Tacoma, Wash., to mention a few and perhaps the most outstanding ones.

Then he goes on in his speech to discuss the record of some of these projects. On page 25 of his speech he says:

> At the outset I stated, and want to reiterate here, my belief that the guiding principle for a Federal policy can be found in our Constitution. Just as the Federal Government's powers were limited in 1787, with all other powers reserved to the States and the people, so should the Federal Government participate in water-resource programs. Basically it should encourage and assist the citizens to do as much as they can through local, public, and private enterprise, as they may prefer, and the Federal Government should do only those things which it can do better. There are three other principles which might well be observed in any program. In somewhat the same vein, the first is that any national plan or policy for governing the development and use of water resources as well as other natural resources, ought to be one which would give the highest priority to the maintenance of the self-reliant and stalwart character of our people.
>
> Perhaps the most basic tenet in our philosophy of democratic and representative government is the belief in equality and abhorrence of discrimination and privilege. Based upon this tenet, a second principle which ought to be followed in the preparation of resource development policies is one which would guarantee all segments of an affected population equal consideration for their legitimate interests and an equitable share in the benefits of development.
>
> Another vital ingredient of our democratic philosophy is the fear of unchecked governmental power, and of the coercion which it can exercise upon the people. This fear of coercion cannot be dissipated merely because the objective of the coercion may be a noble purpose such as the conservation and development of our water resources. A third principle arises from this fear, and it would caution against the grant of any extraordinary Federal power to do things in water resource development which can be efficiently and adequately accomplished by States, municipalities, private concerns, and individuals. The principle also would require a maximum of local autonomy, and that the powers now possessed by the Federal Government in this field, and those which later may be granted to it, be subjected to the check of democratic processes and controls, and the counterbalancing power of independent arms of government.

It is this third principle and tenet which I think needs to be stressed very much in the discussion of the CVA in my section of the country, because it is this tenet of preserving unto our people and their local communities the maximum of local self-government which, in my opinion, is violated by the pending CVA bill.

Mr. President, I had intended to read the entire speech by Mr. Delzell into the RECORD, but because of the lateness of the hour, I ask unanimous consent to have the entire speech incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SUGGESTIONS FOR A CLARIFIED AND FAIR FEDERAL WATER AND POWER POLICY

When Ernie Bredemeier asked me to appear before you today, he was kind enough not to asign me any specific subject. I would, therefore, like to turn to one which has been uppermost in my mind for a long period of time, and particularly during the past few days, because of the hearings conducted in Spokane by the President's Water Resources Policy Commission. I refer to the broad subject of power and water policy.

Early in May, the United States Chamber of Commerce conducted a forum discussion on the subject, Can Federal and Private Power Live Together?" This afternoon, I would like to break that question down into three or four basic and subsidiary questions, such as, "Can private power live with municipal power?"—"Can either private or municipal power live with Federal power?"—"Can the United States and its free institutions, as we know them, live with Federal power?" I think the answer is "yes" to all of these questions, but subject to certain qualifications and reservations, which I will endeavor to touch upon at least briefly this afternoon.

Let us return to the first question, "Can private power live with municipal power?" By private power, of course, I mean State and federally regulated public utilities, even though I know and you know that about the only thing private about them is the capital provided from the savings of private citizens instead of from the public treasury. Everything else is just about as public as anything can be. By municipal power, I mean public corporations, such as municipalities, people's or public-utility districts and various forms of cooperatives. My answer to this question is an unqualified "yes." I think that our experience here in Oregon and the Pacific Northwest clearly demonstrates this. Here, for many years, we have had various forms of municipal enterprise in the power development and distribution field, such as Forest Grove, Eugene and McMinnville, Oreg., and Seattle and Tacoma, Wash., to mention a few and perhaps the most outstanding ones. They have been here for many years—long before the advent of the New Deal—and can justifiably lay claim to being pioneers in the electric-utility business just about as rightfully as can the well-known pioneer companies, such as Portland General Electric Co., which I represent. In eastern Washington, all of Oregon, Idaho and Montana, the regulated public utilities still do the vast majority of the business in this field of public service. It surprises many to learn that these investor-owned utilities continue to serve approximately 800,000 of the 1,200,000 electric customers in Oregon and Washington. Of the customers served by public agencies, nearly one-half are on the lines of long-established municipal systems, such as those operated by the cities of Seattle and Tacoma. The remainder are served mainly by public-utility districts, commonly known as PUDs. This is a remarkable statement in view of the pressures which have been exerted by various agents and agencies of the Federal Government, during the past 12 years, to induce or coerce people, as the case may be, to vote in favor of municipal ownership. Personally, I think it is a compliment, first, to the good sense of the voters, secondly, a compliment to the liberal, forward-looking managements of the utility companies and, thirdly, a compliment to the efficiency of State and Federal regulation. I am inclined to think that the people of Oregon hit the high-water mark of public-ownership sentiment when they amended the State constitution back in 1931 to permit the creation of people's utility districts when the people in any given area chose to organize such a district. But when the people got that out of their system they relaxed and took a long, hard look at any and all specific proposals to go into the business. The people of our State have been notably cautious when it comes to voting bonds. They have been essentially conservative on financial matters, even though historically Oregon has been a leader in certain liberal political movements, such as the initiative and recall, direct election of Senators, etc.

The statistics bear me out. Since 1932 elections have been held with respect to the creation of 55 possible Oregon public utility districts. Of these 43 were defeated and 12 organized, but of the 12 only 4 are active. Of the four, two were created to take over the former West Coast Power Co. properties on a negotiated sale basis. In other words, the

West Coast Power Co. was a willing and anxious seller. During the past 10 to 12 years it is my recollection that two municipalities in Oregon have gone into municipal ownership of their electric utilities, and two have gone out of the business. At the moment, Springfield, Oreg., appears to be in the process of going into the business, which would indicate a net addition of only one to the ranks of municipal ownership communities in the State.

With respect to cooperatives, 28 are served by Bonneville, and one-half (14) are in Oregon. Naturally the activities of the Rural Electrification Administration have brought about a large growth in this type of distributing agency designed to serve the scattered farms and crossroads communities not previously reached by the public utility systems. Although Federal capital is used in these REA undertakings, I hardly classify them as public ownership in the usual sense of the term.

Turning to the State of Washington, I believe Bonneville has six municipal customers, of which two are the Tacoma and Seattle plants previously mentioned. In that State, 29 public utility districts have been organized and 18 are presently served by the Bonneville Power Administration. Thus 82 percent of all the public utility districts served by Bonneville are in the State of Washington, and most of them in the westerly half. Despite the existence of these municipals, PUD's and REA cooperatives, however, the public utilities serve two-thirds of all customers as I have previously pointed out. Not only has private power in this Pacific Northwest region demonstrated that it can live with municipal power, it has demonstrated that it can do so with ever increasing standards of service, with lower rates and with increased consumption by its users; and during the past years great strides have been made in bringing electrification to all corners of the State. Our own company, for instance, serves more than 99 percent of the suburban and farm homes in our service area, and all enjoy city rates. Just to cite a few statistics of our company, which are indicative of what the other companies have done also, I can point out that since 1939 the average cost per kilowatt-hour for residential use has dropped from 2.69 cents to 1.29 cents, as of the year ending December 31, 1949, and consumption by such customers increased from 1,317 kilowatt-hours to 5,186 kilowatt-hours as of May 31. Also large investments have been made in new facilities, notwithstanding the fact that the Federal Government in this particular area has taken over the major responsibility of providing capital for new generating plants and certain of the larger transmission lines. Since 1945, Portland General Electric Co. has invested over $28,000,000, and in 1945 refinanced in such a manner as to reduce interest charges by roughly one-half, and double its net income.

Perhaps one of the outstanding demonstrations of the ability of the public utilities and municipal enterprises to work together and get along, particularly at the operating level, are the activities and results obtained from the Northwest Power Pool and the Northwest Utilities Conference Committee. And the operating organization of Bonneville Power Administration can properly be included in this cooperative work.

But that is a subject in itself, so let us return to the other questions, Can either private or municipal power live with Federal power? Here again the answer is "Yes," assuming the people of America and our Representatives in Congress continue to exercise the good sense that they have for the past 160 years. I think they will. But not for one moment do I underestimate the necessity of constant education and eternal vigilance. That is the price of democracy, and in my opinion the price also of free enterprise, which is inseparably linked with democracy. The Federal Government has always had certain constitutional responsibilities with respect to the control of floods and improvement of navigation, and for many years with respect to the reclamation of arid lands. As an incident to these works, it was decided long ago that it could properly develop hydroelectric power. Until after World War I, such incidental development of hydroelectric power was not too controversial simply because it was a relatively small proportion of the total and affected small portions of the country—some relatively isolated irrigation projects in the West in the main. In recent years, and for a number of reasons with which you are familiar, the Federal projects, particularly in the West, have assumed tremendous proportions. In many respects the development of the byproduct, hydroelectric power, has overshadowed the reclamation, flood control and navigation features which I have indicated are the legal basis for the power development. Naturally the power developments in our northwestern country would be large because the river flows and potentialities are tremendous. It would be senseless to build a Grand Coulee, for instance, and not install generating equipment to take whole, instead of only partial, advantage of its potentialities.

Construction of such projects on a large scale by the Federal Government has taken place almost entirely since World War I. A considerable part of the Muscle Shoals project was completed in 1925. It is now part of TVA which has come into being since 1932. Boulder Canyon was authorized in 1928 and commenced in 1930. Bonneville and Grand Coulee were commenced in the 1930's. Since 1932, Federal projects have increased in capacity from 232,000 kilowatts to 6,210,000 kilowatts at the end of 1949. No halt is indicated for the future. The contrary is true. Federal projects in this northwest area, which now have an installed capacity of roughly 2,000,000 kilowatts, will be increased by almost 4,000,000 with the completion of projects under construction. If and when the comprehensive plans of the Corps of Engineers and the Bureau of Reclamation, as now approved, are carried out, the total would increase to roughly 11,000,000 kilowatts.

The difficulty is not in the projects as such, assuming they are built in accordance with sound engineering and business principles. There can be nothing evil about a Bonneville Dam, for illustration, in itself, regardless of the ownership. Assuming it and similar projects are properly engineered and built within reasonable cost limits, their potentialities as projects to serve the public interest are all for the good. Potentially, at least, they are capable of adding greatly to the productive wealth of the country.

The difficulty arises from the administrative policies which surround such projects. It is the underlying philosophy back of these projects and operational policies which determine whether in fact they serve the public interest or merely have potentialities for service. It is these which give apprehension to investors and to students of the history of free governments. Like the proverbial camel who first got his head under the tent and later occupied it, students of history know that there is a tendency for government to take over and monopolize any field which it enters. Recognizing this, the founding fathers carefully prescribed in our constitution the duties and powers of the Federal Government. They made it a government of limited powers only, with all other powers reserved to the States and the people with whom the final authority rested. They set up a careful system of checks and balances as between the States and the Federal Government, and as between the legislative, judiciary, and executive branches of the Federal Government.

People long ago recognized that utility operations could be most efficient when there was a minimum duplication of facilities and investments. Accordingly, they made utilities semimonopolistic in character, and then to guard against abuses made provisions to regulate them by State and Federal agencies. This was entirely proper. It has been noted for a long time that the possession of power, and I mean by this power in the political and economic sense, tends to corrupt people, and the possession of unlimited power tends to corrupt them completely. With human nature as it is, it is just as dangerous to give monopolistic, unlimited, and unregulated power to a group of Federal officials as it would be to give the same to their counterparts in private enterprise. History, very recent history for that matter, has shown that governments with monopolistic power can be the most vicious of all in their stifling of individual initiative, the freedoms guaranteed by our Bill of Rights and that way of life which we please to call the "American Way." Twice in my lifetime, we have gone to war against governments of that type and much of our present-day troubles can be attributed to another government which insists on the philosophy that it is the master—not the servant of its people.

Great Federal developments, however, can be a boon to us all and not destructive of our freedoms and investments if we simply stick with fundamentals and limit and define the field of Federal activity and responsibility in the power field, in harmony with the Federal limitations defined in 1787. To the extent that we have deviated from those fundamentals, we should return to them.

That is where you accountants can make a real contribution, because you are interested in dealing with facts and with accurate statements. It will take much work to educate our country back to some of these fundamentals. A number of erroneous notions have sprung up with reference to electric power. The definition of the limits may step on some toes. If such happens, we can expect some howls. Special privilege always resents a reduction of its privileges.

But we have a big job before us, and that is, first to rid ourselves of some erroneous notions and then develop a sound water and power policy. For, in terms of ultimate overall power supply, it will prove inadequate if we have only Federal power development of projects which legally are within its scope, and little or no development by private enterprise and by local municipal bodies. Yet unless we have a proper understanding of the subject and proper rules the inevitable result of Federal entrance into this field with all of its tax exemptions, powers, and advantages will mean a drying up of private investments, and local municipal investments also. Thus we will get less power—not more; a lower standard of living—not a higher. Here we get on a wheel—the more we dry up private investments, the more unthinking clamor for the Federal Government to step in and get the job done. The more the Federal Government takes over, with its tax exemptions, the harder it is for the remaining taxpayers to support the Government. Thus, they become discouraged or broke and the Government must then take them over too—the sawmills—the mines and all forms of tax-paying private property. The end then becomes complete Federal domination of industry, and through this domination, complete control of the people by the bureaus. We would then have traveled full circle—the Government would be the master instead of the servant of its people.

Where do we stand now? How far apart is the national administration philosophy from that which some of us think necessary? Let me review very briefly some of the leading statements of presumed authorities on the point of view of the Government. On September 22, 1932, Franklin D. Roosevelt,

then a candidate for the presidency, stated here in Portland his position on the question of the generation and distribution of electric power. He said:

"I now come to the great problem of the relationship of the Government to the development through government itself of power resources and power manufacture.

"I do not hold with those who advocate Government ownership or Government operation of all utilities. I state to you categorically that as a broad general rule the development of utilities should remain, with certain exceptions, a function for private initiative and private capital.

"But the exceptions are of vital importance, local, State, and national, and I believe that the overwhelming majority of the people in this country agree with me.

"Again we must go back to first principles: A utility is in most cases a monopoly, and it is by no means possible in every case for Government to insure at all times from mere inspection, supervision, and regulation that the public shall get a fair deal—in other words, to insure adequate service and reasonable rates, rates as low as you have in Portland where they are lower than in many other cities throughout the country.

"State owned or Federal owned power sites can and should properly be developed by Government itself. When so developed private capital should be given the first opportunity to transmit and distribute the power on the basis of the best service and the lowest rates to give a reasonable profit only."

Later, on September 27, 1937, President Roosevelt dedicated the Bonneville Dam. In his speech on this occasion he declared that the power from Bonneville and Grand Coulee should not be used to nurture favored industries consuming large blocks of power near the switchboard, but that the benefit of these projects and other similar plants should be devoted to the development of farms, factories, and homes in vast areas within the reach of transmission lines.

Mr. Harold L. Ickes, as Secretary of the Interior, issued a memo on power policy to the staff of the Department of the Interior. After summarizing the acts, he stated, in effect, that it is not enough to give public agencies and cooperatives a preference and priority on Federal power as compared with any competing applications by others, but that the staff should from the very beginning give active assistance to the organization of public agencies and cooperatives for the distribution of power in each project area. Parenthetically, I might say in this connection that there are many competent observers who have concluded that the staff goes even farther—that because they should give public power a preference, they seem to think it necessary to eliminate private enterprise.

Subsequently, and in testimony relating to his confirmation as Secretary of Interior, Mr. Krug, in response to a question reading, "Do you feel that as an administrative officer of the Government it would be your duty to pressurize or evangelize in the local field to induce local people to go into the power business on the retail or distribution side?", replied as follows: "No; I don't think it would be. When I said that I probably will from time to time talk of the TVA experience, I meant it, but I don't think the Federal Government has any business in the local field in telling communities what they should be doing. The local communities are intelligent enough to find out for themselves what they should do, and I think the less we have of Federal agencies telling local communities what to do, the better off the country will be."

On May 2, 1950, Mr. William E. Warne, Assistant Secretary of the Interior, made a very interesting talk on the Government's programs and aims in power development before the United States Chamber of Commerce, which I heard. He summarized the Government's Federal power policy, expressed his opinion that it was not at all confusing, and that it could be stated as follows: "Federal dams shall include, where feasible, facilities for generating electrical energy. Power disposal shall be for the particular benefit of rural and domestic consumers. Power shall be sold in wholesale quantities at the lowest possible rates consistent with sound business principles. It should be noted that the Federal Government is not in the retail distribution business. Disposal shall be such as to encourage widespread use and to prevent monopolization." As stated by him, I can agree with Mr. Warne that the Federal power policy is not, or at least should not be, confusing. The difficulty is that Federal actions frequently do not seem to square with the simple policies stated by Mr. Roosevelt, reiterated by Mr. Krug and again by Mr. Warne. It is necessary to take note of other statements by Mr. Warne and other top-flight leaders in the national administration to round out the picture. Here we find statements indicating that the administration does not at all oppose private enterprise nor participation by the private utilities in the development of the resources. Frequently they apparently point with pride to the fact that utilities generally have grown and have improved their earnings, notwithstanding Federal developments as evidence that Federal power has in no way hurt private enterprise in this field. But almost in the same breath we find some of the same spokesmen recommending that the people generally take over the public utilities and distribute the power through public bodies and cooperatives. Then we have the Ickes power policy memo to which I have referred. It is no wonder that many of us are confused, for some of these statements are diametrically opposed. One can hardly travel two directions at the same time.

Now let me turn to some of the questions raised by astute financial analysts and competent observers of the national scene. In this connection our company has had the opportunity to confer with hundreds of investment houses, commercial banks, and representatives of insurance companies from California to Boston. These institutions in the aggregate represent millions of investors who have placed their funds with them to the tune of billions of dollars. We have also conferred directly with a great many stockholder groups throughout the Nation. We have initiated these meetings as a part of our job. I scarcely need tell you accountants that the lifeblood of private enterprise, particularly in the utility field, is a flow of millions upon millions, and even billions, of new investment dollars to provide the capital to maintain and expand the plant facilities. These investments must be made voluntarily. There is no law which compels any man to invest his savings in a public-utility company, if he chooses to invest it in what he considers more attractive fields. Because of State regulation and limited profits, the average investor in our business foregoes any hope of speculative return and invests instead for a steady income. We must raise our capital in competition with all other forms of investment, including Government and municipal bonds. Consequently, when we undertook these conferences we did so with two definite objectives in mind, which can be summarized as follows: 1. To educate industry, other utility companies, and investment and commercial bankers, and through them countless thousands of investors in the Nation, of the need for Federal participation in the development of proper reclamation, flood-control, and navigation projects in these Western States, including in many cases hydroelectric power as an important, but legalistically incidental, feature of such projects. Through this program we have hoped to enlist the support of many so-called conservative groups in favor of sound governmental participation; conditioned, however, upon a recognition by the Federal authorities of the vital and proper part that local private enterprise has played, and should be encouraged to play, in the development and utilization of such projects and resources.

To educate leaders in the Federal Government of the desirability of encouraging maximum participation by local, public, or private enterprises as the local people prefer, in this field of water-resource development, and conversely to educate them with respect to the dangers, inequities, and discrimination implicit in altogether too many Federal policies today, which give evidence of a desire on the part of various governmental officials to eliminate private capital completely from this field and reduce public bodies, such as States, municipalities, PUD's, and co-ops, to the status of mere puppets.

I can assure you that we have been asked many questions of a character which deserve candid and forthright answers from all concerned, whether they be representatives of the Federal Government, the municipal utilities, or the regulated public utilities. Keep in mind that these financial people are intelligent and thoroughly up to date. They are just as well informed with respect to what the law says, what Mr. Roosevelt or Mr. Warne said, as anyone else. They are, in effect, the trustees and managers of the savings of millions of ordinary American citizens. Here are a few examples of the questions which they propound:

"If the Federal power is for the primary benefit of domestic and rural consumers, why is it that the Federal agency in this area has sold 47 percent of its output to the aluminum industry?

"How do you square that action with the antimonopolization provisions of the Federal laws, particularly in a period of power shortage?

"Why is it that such industrial concerns can get long-term contracts for this Federal power with no provision for a pull-back in the event the public agencies need the power?

"If the Federal Government is not unfriendly to private utilities, why can't they also get long-term contracts?

"If the utility companies do not get a reasonable share of the power under proper contracts, how can they ever supply the needs of the 3,000,000 they serve in that area?

"And if they can't supply such needs, won't you have a bad public relations problem?

"If your company has to run its steam plants at full load, what will that do to your expenses? Will it break you? Or will it require a rate increase?

"What is the character of your State regulation—can you expect to get a rate increase? Won't the State public utilities commissioner and the people generally take the attitude that they are being asked to pay higher rates in order to run steam plants while the Government continues to supply large quantities of power to the aluminum industry? It looks to us like this is a pretty clever play on the part of the public power people in the Government to put you fellows in the bight of the line and put you out of business by indirection through higher costs. How about it?"

Well, how about it? I submit that those questions and a great many more are relevant and deserve an answer. In good conscience and in honesty, we have endeavored to answer these questions and in an affirmative manner. That is because I firmly believe and my directors agree with me that these problems can and will be solved. These are times when cool heads, realistic thinkers, and straight talkers are needed. It is no time for recriminations nor for name calling. It is a time for leaders in government to recognize that those of us engaged in this business are people just as they are, and

good people, possessed of a love of their country and with a thorough desire to do a grand job in the public service for a minimum of reward. It is time for them to recognize the legitimate interests of the millions of private investors. And, by the same token, it is time for us to recognize that there is a field for Federal participation in these developments, and that the leaders of government, politicians if you will, from the President, Harry Truman, down, are good citizens, patriots, and anxious to leave behind them a stronger and more secure Nation.

It is my firm belief that we can find great areas of agreement which will overshadow the areas of disagreement. We can take counsel from the popular song, which advised us to "accentuate the positive and eliminate the negative."

And, in this further connection, it is my further belief that a solution can be found through mutual education, for a tremendous amount of misinformation and erroneous notions persist with respect to our industry. It no doubt accounts for the many contradictory statements to which I have made reference. This condition is probably an indictment of our own efforts in the field of public relations. I would like to dispose of a few of these notions before closing with some positive recommendations with respect to the water and power policy. Here are a few:

"That our great natural water resources ought not to be 'exploited for profit' (the inference, of course, being that any private utility company does exactly this)."

I agree with this statement, and I think you do, also. I was taught in my teens to believe that no monopolistic corporation should be permitted to secure control of natural resources and then hold up the public with unconscionable prices. But the answer is that they do not. Apparently a lot of other people had the same idea, because the Congress back in 1920 passed the Federal Water Power Act, which made exploitation wholly impossible. It provided, and has provided for these past 30 years, that the Federal Power Commission would issue licenses for development on streams only after full and complete hearings to explore carefully the public interest and upon a clear showing that a license would be in that interest. The licenses further provide that the Federal Government can recapture the projects upon the expiration of 50 years at their depreciated value. The holder of the license is permitted to earn only so much as the Government deems proper. A number of States, and Oregon is one of them, have similar laws upon their statute books. In either event, it is utterly impossible for a utility company to make any profit whatsoever except upon its legitimate investment, and that profit, as I have explained, is kept at minimum levels.

"That Government power is cheaper than private power."

Again this, in my opinion, is nonsense, and you cost accountants should know this better than I. There is no magic in the cost elements which relate to generation of hydroelectric power any more than there is in the generation of power from other sources of energy. For my purposes today, I am assuming that either type of operation is equally efficient, and if so then the labor and other operation and maintenance costs would be the same, regardless of who held title to the plant. The plant would obviously wear out and become obsolete at the same rate in either case and, therefore, the item of depreciation cost would be a constant. Also I am assuming that the first cost of building the plant would be the same. The only variation then would be in that part of the fixed charges which relate to interest and taxes. Presumably the Government would pay no taxes, and to that extent would have an apparent, but not a real, advantage. Surely the most dense type of a mind ought to recognize that what the Government saved by not paying taxes, it would lose at the sheriff's and collector of internal revenue's windows when tax-payment day rolls around. With respect to interest, the Government, of course, can obtain a lower rate, having as it does its taxing powers and the entire wealth of 150,000,000 citizens to draw upon as credit. But again this is an unrealistic saving; for to the extent that the public, let us say, owns 2-percent Government bonds instead of 3½-percent corporation bonds—it simply means that they have that much less income, so what they save on the apples, they lose on the bananas.

You and I know that taxes are a tremendous part of the cost of doing business. Last year our company paid $2,198,326 in State and local taxes and $1,582,149 in Federal taxes, for a total of $3,780,475. The State and local taxes alone represent a fixed charge equivalent to 2.75 percent of our gross electric utility plant of slightly over $80,000,000. This is not hay. Bonneville Power Administration made a very satisfactory showing in 1949, of which it can be rightfully proud. It showed a gross plant account of over $358,000,000, gross revenues of $27,821,029, and net revenues after all expenses of $10,665,769. But it is rather startling to note that if it had been required to pay as local taxes a charge of 2.75 percent on its gross plant account, this would have been equivalent to about $9,800,000, which would have virtually wiped out its net revenues. Consequently, it would have had very little income subject to any Federal tax. I dare say, however, that such a tax payment to the States of Oregon and Washington would have been considered quite a windfall by them since both are having plenty of financial troubles at the moment.

"That public bodies and cooperatives should have an unlimited preference and priority on Federal power, because they operate at cost (whereas the private utilities, by implication, make a profit on the Federal projects built at taxpayers' expense by all of the people of the Nation)."

For the moment, I will not discuss whether or not public bodies should have preferences. I merely want to dispose of this erroneous idea with respect to costs and profits. Back in 1938 I was assistant public utilities commissioner of Oregon, and prepared a statement for then Gov. Charles H. Martin, with reference to a proposed State policy as it related to the new Bonneville power project. The Governor adopted this statement and pronounced the principle that all regulated public utilities in the State should, in the public interest, pass on to their customers all savings accruing to them by reason of the purchase of surplus Federal power. This was to insure in the interest of economy that the benefits of such low-cost power would be made available and without delay to the greatest possible number of people over a wide area by utilization of existing facilities. Subsequently, various utility commissioners issued formal orders to make this effective and for all practical purposes similar policies were adopted in the State of Washington and are still in effect in both States. The regulated public utilities are restricted to a return, or operating profit, of approximately 6 percent on the cost and/or value of their investments only "used and useful in serving the public." Very emphatically I want to make the point clear that we do not make a thin dime on the investment of the Federal Government. Our return is on our own properties. This return is geared very closely to the utility's cost of money; that is the amount they have to pay in order to attract necessary new capital. This cost of money, using Portland General Electric Co. as the example, is roughly 3 percent for interest on borrowed money, which usually represents not more than 60 percent of the total capital and enough more on the remaining 40 percent of risk capital to pay dividends sufficient to attract this type of capital. And keep in mind that it is the Government which quite properly tells us what the approximate capitalization ratios shall be. As our credit rating improves, the cost of money goes down and so does our permissible rate of return, thus always assuring the consumers of the lowest cost possible, as a result many companies in the Nation are restricted to a return of five and one-half or thereabouts.

But what about the public bodies? Their capitalization usually consists initially entirely of bonds, which may be and frequently is larger than the first cost of their properties. They, too, have to earn an operating profit sufficient to cover the interest on these bonds and a further amount to amortize them over their life. This means that their cost of capital ranges from 3 percent or less to 5 percent or more, depending upon their credit rating. Let us assume that the differential is about 2 percent on the cost of money. Does this mean that they are more efficient? Certainly not. It simply means that they are not subject to Federal taxation and by and large are subjected to less State and local taxes, if any. Since they are not required to pay a 38-percent Federal income tax on any portion of their operating profit, and since the income from their securities is usually not taxable, investors quite naturally are willing to buy their securities for a lower yield. By the same token, if taxes were equalized, the 2-percent differential would evaporate, and the cost of money would be substantially the same. Insofar as operating expenses are concerned, the payment for purchased power appears as such and is passed on to the consumers without change. It is not "marked up" one iota. The truth is that the regulated public utilities sell their product at cost, namely, operating costs plus capital costs in the same sense as the public bodies do.

"That private capital is unequal to the task of financing the power features of multiple-purpose dams."

Assuming the project is feasible, in my opinion, private capital can finance if permitted to do so, any and all power feaures of such projects. True, private capital cannot well undertake flood control or navigation features of such projects which are not productive of sufficient revenue to justify the investment. Such is a proper field for Government activity. Let us look at the record. So far private capital has overwhelmingly supplied the funds for the development of the electric utility industry in this country. Since the recent war, private investors are providing the funds, approximately 10,000,000,000, for over 23,600,000 kilowatts of new generating capacity, either completed or under construction. One large utility in California has alone raised the necessary money to install 862,500 kilowatts of new capacity since World War II and is in the process of adding 500,000 kilowatts more to its capacity by the end of 1951. In the face of this record, how can anyone question the ability of private enterprise to install the electrical features of the multiple-purpose projects, subject, of course, to proper Federal licenses and to Federal and State regulation of their activities.

"That Federal transmission lines must be built to the door step of each and every preferred customer."

This to me is a particularly erroneous notion. It seems to be based on the theory that any kilowatthour from a Federal plant destined for use by the customer of a municipality or cooperative will lose some of its integrity if carried on the common user principle over the lines of any agency except the Federal Government. Or the parallel theory that the private utilities will exact an improper toll for the use of their lines.

It seems to me the objective should be to get such power and energy to the ultimate user in the most efficient manner and at the lowest cost. I feel quite sure that the "kilowatthour" does not particularly care whether it travels over copper wires owned by the Government or a power company. In this process of traveling, I am also quite sure that the line losses are the same, assuming the same voltage and size copper. Surely under State and Federal regulations and in the name of common sense, arrangements can be effectuated in each case so that the most economical procedure will be followed. In some cases this will no doubt mean Federal transmission lines. In most cases, however, it would mean proper wheeling contracts over the lines of existing power companies and municipal corporations.

In these comments I am not referring to backbone transmission lines frequently needed to interconnect various Federal generating plants so as to integrate the output of such plants in accordance with sound business and engineering principles.

"That the private utilities have developed some of the most feasible hydroelectric sites thus in effect skimming off the cream."

There is no doubt here that the regulated public utilities have done just that and if it is a crime the most should be made of it. Good common sense, however, never was a crime. It would have been senseless for them not to have developed economical sites first. And the same observation goes for any municipal corporation or person who may have developed hydroelectric sites in years gone by. What else would you expect them to do?

By developing the most feasible sites first, the public got the benefits of low cost early in the game and this in turn made possible high use and the full development of the industry.

They developed the most economic sites first for exactly the same reason that the pioneer staked out his homestead on fertile bottom lands instead of rocky knolls—for the same reason that the transcontinental railways built their lines along the water grades instead of purposely trying to find the most expensive route.

Having now, I trust, disposed of some of these erroneous notions, I would like to turn to certain affirmative suggestions which deal with the water and power policy which I recently submitted on behalf of our company to the President's Water Resources Policy Commission.

At the outset I stated, and want to reiterate here, my belief that the guiding principle for a Federal policy can be found in our Constitution. Just as the Federal Government's powers were limited in 1787, with all other powers reserved to the States and the people, so should the Federal Government participate in water resource programs. Basically it should encourage and assist the citizens to do as much as they can through local public and private enterprise, as they may prefer, and the Federal Government should do only those things which it can do better. There are three other principles which might well be observed in any program. In somewhat the same vein, the first is that any national plan or policy for governing the development and use of water resources as well as other natural resources ought to be one which would give the highest priority to the maintenance of the self-reliant and stalwart character of our people.

Perhaps the most basic tenet in our philosophy of democratic and representative government is the belief in equality and the abhorrence of discrimination and privilege. Based upon this tenet, a second principle which ought to be followed in the preparation of resource development policies is one which would guarantee all segments of an affected population equal consideration for their legitimate interests and an equitable share in the benefits of development.

Another vital ingredient of our democratic philosophy is the fear of unchecked governmental power, and of the coercion which it can exercise upon the people. This fear of coercion cannot be dissipated merely because the objective of the coercion may be a noble purpose such as the conservation and development of our water resources. A third principle arises from this fear, and it would caution against the grant of any extraordinary Federal power to do things in water-resources development which can be efficiently and adequately accomplished by States, municipalities, private concerns, and individuals. The principle also would require a maximum of local autonomy, and that the powers now possessed by the Federal Government in this field, and those which later may be granted to it, be subjected to the check of democratic processes and controls, and the counterbalancing power of independent arms of government.

Based upon these broad principles I would specifically recommend with reference to the question of "What basis should be established for the decision to authorize water-resources projects of various kinds?" that such projects should be authorized by Congress and appropriations made subject to the following conditions precedent: (A) Thorough investigation of the merits and demerits by the sponsoring Federal agency; (B) full and complete hearings and a report thereon to Congress by some type of board of impartial review and analysis, and the Federal Power Commission, or both, as to the need, costs, and feasibility of such projects, the part or parts which local public or private enterprise can and should undertake, and the part or parts which should be undertaken by the States through agencies, of an interstate character, using in each case non-Federal capital for financing; (C) with the understanding that approval of the Congress of a plan of basin development will not preclude subsequent construction of parts of the over-all project by local, public, or private agencies, as they become able to assume the responsibility for the construction of such parts; (D) the Federal Government should undertake such projects preferably at times when the expenditure of such Federal funds will aid the Nation's economy, overcome the effects of potential depression and not contribute to an inflationary spiral.

The Commission had another question: "How can we assure adequate consideration of all purposes which water resources can serve, including recreation and fish and wild life?"

It is my opinion that a proper answer to this would be for the Congress to insist that in the manner heretofore outlined adequate findings, opinions, and orders by a board of impartial review and analysis, or its equivalent, and the Federal Power Commission, or both, be available prior to its authorization of water resource projects. Necessarily, the hearings should be broad enough in scope to receive the careful attention of and secure evidence from all manner of affected interests.

The question which required the most attention was "What should be the nature and extent of Federal participation in water resource development programs?"

Here I think it would be appropriate for me to confine my suggestions primarily with respect to electric power and leave to others far better qualified recommendations which relate to forests, forestry control, soil conservation, wild life, and so forth.

The Federal Government possesses long-established legitimate powers to develop our country's streams for purposes of navigation, flood control, reclamation, the national defense, and "incidental" production of electric power. It would be difficult to find individuals in the Pacific Northwest who would debate as a general proposition the propriety of these powers. Certainly it would be difficult to find any such who are identified with Portland General Electric Co.

I think it most important, once and for all, to bury the dead cat of alleged opposition within the power industry of the Pacific Northwest against the propriety of appropriate Federal Government participation in the development of the Nation's water resources. It is unfortunate that allegations of this kind have been clothed in the anonymity of such phrases as the "Power Trust" and the "special interests." I should like to state most emphatically that the past record of Portland General Electric Co. certainly, and I think of most other Pacific Northwest companies who like ourselves have been pioneers in our field and who are acquainted with the special problems and needs of the West, justifies specific exemption from misleading generalizations of the kind mentioned.

Portland General Electric Co. has been wholeheartedly in favor of multipurpose projects such as Bonneville Dam and Grand Coulee Dam, of the McNary project, and of other similar projects. It has given endorsement to the principle that where these projects have power-producing facilities they should be interconnected with trunk transmission lines and that these lines should be extended over economical transmission distances to the load centers of this region. It has contributed hard cash and the time and influence of its officers in repeated, and I think successful, attempts to obtain in Congress the authorizations and appropriations for Federal works of this kind which the great majority of us here in the Pacific Northwest believe will bring benefits to our region and to the Nation.

Further, we are of the opinion that projects which involve purposes beyond the scope of private initiative such as flood control, improvement of navigation and reclamation projects which frequently are interstate in character, and require financing on easy terms over long periods of time, and which come within the constitutional authority and responsibility of the Federal Government, require its continued participation in water resource development of such a region as the Pacific Northwest.

Very emphatically, however, I think that works of this nature carried out by the Federal Government should not preclude participation in water resource development by States, by municipalities, and by private companies or individuals in conformance with such over-all and coordinated plans for the river basin as may be developed by competent statutory bodies. And by "participation" I mean to include active initiation, planning, financing, building, and administration of projects by non-Federal groups to the full extent of their willingness and capability. Furthermore it is my view that participation of this kind should be encouraged by the Federal Government's policies and by its administrators, rather than discouraged. There seems to be a growing tendency to adopt as a concept that because the Federal Government now does part of the job it should do it all. I do not agree with that concept; I, in fact, believe it to be an exceedingly dangerous one to our way of life. As I said earlier, the recent history of our times demonstrates the dangers to free people and free institutions implicit in Government monopoly.

Accordingly my specific recommendations would be as follows:

1. The Federal Government should participate in electric power production only in connection with works for improvement of navigation, control of floods and reclamation of arid lands. Such participation

should come under the provisions of the Federal Water Power Act in substantially the same manner and extent as such act now controls installations by municipal bodies and private persons. All projects not involving navigation, reclamation, and flood control purposes should be left for development by States, municipalities, and private individuals or companies, and they also should have the prior opportunity to develop all or such parts of the multiple-purpose projects as they can.

2. A clearly established limitation should be placed upon the Federal Government's responsibility for marketing the power it produces at multipurpose projects. This responsibility should include the construction and acquirement of only such transmission lines and related facilities as are necessary to interconnect projects in accordance with sound engineering and business principles and to achieve delivery of power in wholesale quantities to distributing systems and to large industries where local private or public agencies or agencies of an interstate character are either unable or unwilling to finance the construction of such lines under proper Government regulation. The sales to industry should be confined to those able to take service in large quantities direct from the Federal system and unable to secure adequate service from the public and municipal utilities. The Government should not seek to extend itself beyond this point, into the field of distribution to the general public, nor should it seek in any way to influence or dominate the ideological pattern of distribution to the general public by the practice of subsidization, discrimination, proselyting, or any form of coercion. (I agree with former Secretary Krug that "The less we have of Federal agencies telling local communities what to do, the better off the country will be.")

3. The danger of monopoly is not lessened by making it the agency of Government. Because power marketing agencies of the Federal Government have become important suppliers of a public utility service, and because the essence of a public utility service is that it be made available to all who require it upon reasonable and nondiscriminatory terms, it is not fitting that these agencies themselves should be permitted to determine what is reasonable and what is nondiscriminatory. Neither is it consistent with our Constitution for an administrative agency to exercise judicial powers. Such agencies should have no powers to regulate others as in some respects is now the case. Rather they should themselves be regulated by an independent and impartial arm of the Government, whose findings and orders are subject to judicial review. Such an independent regulatory arm could and probably ought to be the Federal Power Commission.

With respect to this recommendation I would like to comment briefly on additional reasons why an administrative marketing agency of the Federal Government should not undertake regulation of the resale rates of the public utilities. The so-called private utilities are now regulated almost without exception by the States or under home-rule laws by the municipalities within which they operate. When the State does not exercise control the void is filled by the Federal Power Commission and the Securities and Exchange Commission. In frequent cases State and Federal regulatory powers overlap. It should be obvious that further competing regulation by still another branch of the Federal Government can only result in confusion. If the Federal regulatory participation should be increased, then I suggest that it would be better procedure to do so through its existing and long-established regulatory bodies such as the Federal Power Commission and the Securities and Exchange Commission.

4. The powers of the regulatory arm should include the licensing of both Federal and non-Federal generating installations upon streams, over which the Federal Government has jurisdiction; the determination of the public convenience and necessity of transmission lines and other facilities proposed to be built or acquired by Federal power-marketing agencies or by others where Federal interests are involved; supervision of accounts in accordance with law and standard regulatory practices; approval of rates and tariffs; and enforcement of reasonable and nondiscriminatory standards of service.

5. Subsidization, in whatever form, creates an area of economic vacuum from which unsubsidized enterprises are expelled and into which the subsidized enterprises rush. If the foreclosure of individual enterprise is to occur in our business, it will be by this route more than any other. Therefore, rates for the sale of power from Federal projects should be at least sufficient to cover (a) the full cost of maintenance and operation of power production and transmission facilities; (b) interest upon the capital investment allocated to power at least equal to the cost of capital borrowed by the Federal Treasury; (c) amortization of capital investment allocated to power over a reasonable period; (d) the cost of interim replacements of power facilities; (e) repayment over a reasonable period of any capital costs not allocable to power, but which must be repaid from power revenues in order to make projects self-liquidating; (f) taxation or payments in lieu thereof equal in amount to those which would be assessed were the facility in non-Government hands.

6. It is proper that there exist guarantees in Federal statutes governing the marketing of federally produced electric power, which prevent its monopolization. The preferences granted public bodies and cooperatives in present Federal laws are partly based upon such a premise. However, there are hundreds of thousands of people in the States of the Pacific Northwest, and elsewhere, who do not receive electric service through the medium of public bodies or cooperatives, but instead through Government-regulated utility companies. These people have a right to expect protection from monopolization of benefits from Federal projects. The experience of the last few years has demonstrated the need for additional guaranties in Federal law which will assure equitable allocation of power benefits as between the people of States and areas affected by Federal projects, and which will carry out more fully the original intent of Congress that consistent with sound business principles the widest possible distribution of federally generated power, particularly for the benefit of the domestic and rural consumers, be achieved.

Presen preference and priority provisions should be reviewed and amended to provide a proper guaranty against any abridgment of rights to the use and benefits of water resources, including the energy that can be produced therefrom, presently vested in the States. This guaranty should provide, in the interests of equity, that all power generated at Federal projects within a river basin should be fairly and equitably distributed or allocated among the several States within such river basin, by a properly constituted independent Federal commission or agency (the Federal Power Commission is suggested) after giving effect to all relevant factors and subject, from time to time, to revision and judicial review.

The amended preference and priority provisions also should grant a priority right to regulated public utilities which distribute federally generated power without profit upon the Federal investment, ahead of large industrial users.

Specific language also should be incorporated into the statutes which clearly prohibits any interpretations allowing administrators of Federal projects or marketing agencies to—

(a) Deprive the general public of any State or area within economic transmission distance of a Federal power project of its fair and equitable share of the benefits of such project.

(b) Prevent agreement upon long-term firm power contracts with State-regulated public utilities upon essentially the same basis, and containing essentially the same provisions applicable to contracts with other purchasers for resale to the general public.

(c) Withhold contracts from State-regulated public utilities serving the general public, on grounds that regulation by duly constituted State or local authorities is insufficient to determine that rates for resale are reasonable and nondiscriminatory.

(d) Require the inclusion in contracts with State-regulated public utilities any provisions, as a condition to agreement, which impose onerous and unreasonable sell-out requirements, or options for purchase, either by Federal or non-Federal agencies.

Let me recapitulate these recommendations: (1) Congress should not authorize multiple-purpose projects until after a complete report thereon by some type of board of impartial review and analysis or the Federal Power Commission or both, whose report should clearly show that such development will be in the public interest; (2) that congressional approval of a plan of basin development should not preclude subsequent construction of parts of the over-all project by local, public, or private agencies as they become able to assume this responsibility; (3) the Federal Government should only participate in electric power production and marketing in connection with multiple-purpose projects and such should come under the terms of the Federal Water Power Act. All projects not involving navigation, reclamation, and flood control purposes should be left for development by States, municipalities, and private individuals or companies subject to appropriate governmental regulations and they should have the prior opportunity to develop where they can the electrical features of the multiple-purpose projects; (4) the Government-regulated public utilities should have a preference and priority ahead of unregulated industries; (5) the existing preference and priorities for public bodies should be clarified so as to insure an equitable allocation of the Federal power among the affected States within a river basin. The public-body preferences should be within this broad State allocation; (6) the Federal Government should engage only in the sale of wholesale power and the rates, therefore, should be sufficient to cover all proper costs including taxes or payments in lieu thereof equal in amount to those which would be assessed against private enterprise; (7) Federal agencies engaged in the generation and distribution of power should to that extent be deemed to be public utilities and subject to regulation by the Federal Power Commission in substantially the same manner as it now regulates interstate public utilities engaged in a similar business; (8) each community should be free to decide for itself whether it prefers public ownership or service through a regulated utility and without coercion or penalty by reason of its choice.

So, in conclusion, I desire to reiterate that there is a limited field but a very important one nevertheless for the Federal Government in connection with power production as it relates to navigation, flood control, and reclamation projects and in the marketing of such power on an equitable basis.

But the great multipurpose projects will fail in their purpose if they do not improve the well-being of all citizens—not just those who espouse public ownership—if they do not stimulate maximum investments of non-Federal capital in the field of water resource and power development. And this can be done so easily. No drastic changes are re-

quired in the law. A moderate change in administrative policies only is needed to make them conform with Congress' original intent, which was sound and proper. It can be done by observing the checks and balances which are the essence of our constitutional system, by encouraging local interests to do everything they can before asking the Federal Government to do things for them, and when the Federal Government does do these things, require that it shall be done in accordance with the principles of equity and American fair play.

Such a solution will be beneficial to all. It will diminish opposition to appropriate Federal participation in resource development. It will clarify the status of private enterprise and State controls, thus enabling the public utilities to secure private capital at less cost with the savings reflected in lower rates. And when the people prefer municipal enterprise it will also give them a fair deal which is all anyone should want. We are making progress. Let us, as citizens and as representatives of an industry which has made an unparalleled contribution to the public welfare, give leadership to a program which will enable Federal, municipal, and private agencies in the electric business to work together more effectively for the common good.

THOS. W. DELZELL,
Chairman of the Board, Portland General Electric Co.

FEDERAL-AID HIGHWAY ACT OF 1950

The Senate resumed the consideration of the bill (H. R. 7941) to amend and supplement the Federal Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. MORSE. Mr. President, I wish to comment briefly upon the pending measure, because there is certain material which I desire to place in the RECORD, as a matter of record; and under the unanimous-consent agreement in regard to the program on Monday, time simply will not be available then to place the material in the RECORD. Therefore, I shall submit the material at this time, together with very brief comments.

In view of the fact that my good friend, the Senator from Arkansas [Mr. MCCLELLAN], is now presiding over the Senate, and in view of the fact that earlier in the day he engaged with me in a colloquy regarding a point of view of mine concerning this bill—namely, that one of my objections to the bill is that in my opinion, for whatever it is worth, an analysis of the bill will show that it discriminates in favor of the South and the Southwest, as regions, without any particular reference at this time to any particular State—I wish to state that my statement of the fact that I feel that way was not intended, earlier this afternoon, and is not intended now, to constitute an offensive comment in regard to any State of the Union. I was very glad that my friend, the Senator from Illinois [Mr. DOUGLAS] agreed with me in that connection. I think it is only fair to say that during the quorum call he and I had a conference in which we agreed upon the procedure we subsequently followed in regard to that matter; namely, we agreed that in order to clear up the misunderstanding which had developed on the floor of the Senate, all that it was necessary to do was to have read by the official reporter the remarks we had made on the floor of the Senate, for we felt that our remarks themselves would show that not by the slightest stretch of the imagination could there be read into them any violation of rule XIX.

Certainly, Mr. President, in debate in the Senate of the United States we must never reach the point where a Senator who thinks a bill discriminates against a State or a section of the country cannot say so. That is all I have undertaken to say, either now or at any other time in my service in the Senate, regarding such matters.

I have heard made on the floor of the Senate various statements to the effect that certain pieces of legislation or proposed legislation in connection with some of our great river developments, for example, discriminated in favor of the Pacific Northwest. I can understand that point of view. I have never felt that when such statements were made, the Senator making them was speaking offensively of my State. To the contrary, I felt he was simply expressing an honest judgment and evaluation of the bill, as he saw it, during the course of the debate.

That is exactly the way I feel about this particular bill. In the few minutes I shall take, I intend to state why I feel that way about the bill. I shall state that I feel that this bill makes it possible for States in the South and the Southwest to make use of Federal funds for so-called country or rural roads, whereas in my opinion, for whatever it may be worth, such Federal funds should be used for the development of primary and secondary roads. However, when I make that statement, in no way does it mean that I am speaking offensively of any State. To the contrary, I am speaking about a matter of policy. I simply happen to think that it is bad Federal policy for the Congress to authorize the appropriation of Federal funds under this bill, in section 1 (b), on page 13, beginning in line 10, under a Federal-aid program, by means of the terms and conditions of the language of that provision of the bill.

I have no objection to having other Senators disagree with me. The Senator from Oklahoma [Mr. KERR] disagreed with me this afternoon. I wish to say that he completely failed to convince me of the correctness of his position.

I feel that when we come to the proposed use of Federal funds for Federal-aid purposes, we must see a clear national interest concerned in the proposed expenditure of the funds. That becomes a matter of degree, I admit, in specific cases.

Mr. STENNIS. Mr. President, does the Senator care to yield, or does he prefer not to be interrupted?

Mr. MORSE. Mr. President, I prefer not to yield, because the hour is late.

Mr. STENNIS. Very well.

Mr. MORSE. I wish to say to my good friend, the Senator from Mississippi, that my main purpose is to get my point of view into the RECORD. I do not think any Senator's opinion will be changed by the statement I am now making. I think we are dealing here with a question of policy. Senators will take one position or the other regarding it. I am simply expressing now my view of what I think is sound public policy in regard to Federal-aid funds. I do not limit this policy to roads; I would apply it in general to the use of Federal-aid funds.

Mr. President, I say that when we come to the question of the use of Federal funds for Federal aid, we should look to the question of whether such funds will be used for the solution of a problem which is clearly national in character.

I think the use of Federal funds for the building of primary roads is a use vested with a national public interest. I simply do not see much room for dispute about the fact that the people of California and the people of Mississippi and the people of Florida and the people of Maine and the people of all the other States of the Union have a great national interest in the development of a primary road system across the country.

Again I emphasize my belief that probably my difference with the Senator from Mississippi, and, I am sure, my difference with the Senator from Oklahoma—judging from his remarks this afternoon—goes to the question of degree; but we have to draw a line somewhere in demarcating the difference between a Federal, national interest, and a local interest. I can see a rather clear line of demarcation between a system of primary roads, and even between our system of major secondary roads in the United States, and the so-called local, country, farm-to-farm, or small community to small community roads, on which the traffic is very light, roads over which—as has been said by one of the authorities I shall quote later in my remarks—from 25 to 50 cars pass daily. I refer now to roads in many parts of the United States to which this section of the bill would apply, if I understand it correctly—roads of the type we see when, in driving in rural areas, we travel over roads in which at some seasons of the year we see a lush growth of grass, so much so that the grass in the middle of the road strikes against the oil pan of our automobiles. I say that the expenditure of Federal funds for country roads of that kind as a matter of degree is beyond the test which I would apply in regard to the spending of Federal funds, belonging to the taxpayers of the country, for a national purpose, a purpose vested with a Federal interest.

Of course, reasonable men can differ about this matter, just as this debate shows they differ. Certainly, if I correctly judge the remarks which have been made by the Senator from Oklahoma, he completely disagrees with me on this point.

However, I say to the Members of the Senate that I believe that an analysis of this problem will show that there are many States of the Union which have not been doing enough on a State level in defraying the costs of improving the country roads. I think the improvement of the so-called country roads is primarily the job of the State legislatures, not the job of the Federal Government. Why do I say that? Because I do not want to see the principle of Federal aid abused. In my judgment, there is great danger of having a very sound

principle of Federal aid in many fields of social and economic endeavor fall into public disrepute because of the growing fear on the part of millions of American people that there is a movement afoot to have the Federal Government take over more and more of the obligations and governmental duties and activities of local self-governing units. Those of us who favor the use of the Federal-aid principle to help out on problems which are national in scope need to be on guard against a misuse of the Federal-aid principle. I believe we greatly weaken the cause of the Federal-aid principle if in any piece of legislation we provide for its use in helping to defray the cost of a service which ought to be defrayed by the State and local governmental units, be they State, county, or municipal.

To understand my position in this debating quarrel, one must understand that I differ with the committee, because I think in the provision on page 13 the committee has gone too far in its use of Federal aid, and that the committee is seeking to use Federal funds for defraying the cost of maintaining and improving country roads which ought to be developed and paid for by the State government, not by the Federal Government. Or, to put it in another way, I think the principle of Federal aid is properly applied in road legislation only if it is limited in the main to the so-called primary and secondary roads which can be linked up, as road legislation in the first instance in the history of the country was linked up, with a road system which would promote the national defense.

So my difference with the committee in regard to this particular section, as a question of policy, goes to a matter of the degree to which the principle of Federal aid should be applied in connection with road building.

I know, Mr. President, because I have driven over miles of them, that there is great need for improving the farmers' roads. I know that there are a great many so-called country roads which need improvement. But I do not believe that is the job of the Congress. According to my view, as a matter of policy it is primarily the job of the State legislature, because if the responsibility is not placed there, then I believe we lay a basis for the type of criticism I made earlier this afternoon and which I now, in effect, repeat. That is, States that proceed on their own initiative appropriating substantial State funds for the development of their own country roads would be penalized; and the State which is backward in respect to this particular problem would, I think unfairly, be favored; that is, a State which has failed to spend the amount of money it ought to have spent for the development of its country roads and then comes to the Congress for such legislation as this and asks for Federal aid to do a job which in the first instance should have been done by the State itself, not by the Federal Government.

We may differ about that as a matter of policy, but it so happens that that matter of policy seems to be the one which the road authorities in my State think is a very important one. So the remainder of my remarks this afternoon, directed against section 12, subsection (b), beginning on page 13, is to call attention to the arguments of the road authorities in my State and to the statements they make as to the effect of this particular section upon my State, and to say that, for the reasons set forth in the arguments presented to me by these experts, and which I am inclined to think are sound, I am going to favor the Lodge-Saltonstall amendment, which is an amendment, on page 13, beginning in line 12 with the word "Said," to strike out through page 14, line 2.

Mr. President, I have before me a letter from John Aschim, secretary-manager of the Tillamook Chamber of Commerce, dated June 29, in which he says:

> As I ponder the Federal-aid-to-highways program as adopted by the Congress, I am prone to think that the House was more realistic than the Senate in its consideration of States in the West.
>
> Our own State could and would use a larger fund than presently allocated to national advantage. I well know you will devote full effort in that direction. I hope it succeeds.

He goes on to point out his objections to the provisions on page 13, covered by the Lodge-Saltonstall amendment. He points out that it would do great injury to the farmers of our State, because it would handicap the development of the secondary roads so essential to the farmers and so essential to getting out the great natural resource of timber production in our State.

I now wish to read into the RECORD a telegram which I received from R. T. Moore, chairman, Western States Highway Committee, Council of State Governments, Coos Bay, Oreg.:

> COOS BAY, OREG., *July 22, 1950.*
>
> WAYNE L. MORSE,
> *United States Senate,*
> *Washington, D. C.:*
>
> Refer H. R. 7941 Senate amendments increasing secondary road allotments will wreck current program concentrating on badly needed timber access roads in Oregon. Adoption Senate amendments would strike devastating blow at timber economy at time when high production absolutely essential. No bill at all would be preferable. Strongly urge your insisting upon restoration House provisions and adoption of Baldock suggestions air-mailed today. This matter most vital to Oregon lumber industry.
>
> R. T. MOORE,
> *Chairman, Western States Highway Committee, Council of State Governments.*

The next telegram is one under date of July 22, signed by Clay Cochran, manager of the Salem Chamber of Commerce, Salem, Oreg. It reads as follows:

> Senate version, H. R. 7941, is inimical to Oregon interests, particularly the timber industry, in that it virtually prohibits expenditure of secondary Federal-aid funds for State highway. Secondly, State highways are vital to timber industry, and these roads are badly in need of reenforcement to eliminate necessity of winter loads. Moreover, this provision will prevent building North Santiam Highway. Recommend delete from Senate version, page 13, line 10, to page 14, line 2—

That is the Lodge-Saltonstall amendment—

> and insert in lieu thereof the language from H. R. 7941, House version, page 2, line 5, through to line 9.

I had hoped—and I raised this question informally with various members of the committee—that in order to meet the objections of these Oregon critics we could reach some understanding as to a change in the language on page 13 which would make it possible for the State highway commission to exercise its sound discretion in light of the conditions that exist in my State. But the members of the commission who communicated with me—and their communications will be inserted in the RECORD as I proceed with this discussion—have studied this language very carefully. They are familiar with the problems in my State, and they advise me they cannot operate under this language, no matter how much the members of the committee assure them that they think they are making a very strict interpretation of the language.

So, Mr. President, what I am saying is that this section of the bill as it affects my State—and apparently it must be true of some other States, or the Lodge-Saltonstall amendment would not have been offered—irrespective of our point of view as to the general policy which I discussed earlier in my remarks, would work an injury. I cannot believe that the authors of the bill—the members of the committee—want to do that. Therefore, it seems to me that those of us who are opposing this language in the bill are entitled to very careful consideration of our point of view by the members of the committee, to the end of trying to work out between now and Tuesday, if it is at all possible——

Mr. THYE. Mr. President, will the Senator yield?

Mr. MORSE. I should prefer not to yield. The Senator from Minnesota was not present when I refused to yield to another Senator. I want to get these remarks into the RECORD.

I sincerely hope, Mr. President, that the members of the committee will give some consideration between now and Tuesday, before we come to a vote on the Lodge-Saltonstall amendment, to what I have stated because I shall vote for that amendment if I am given no other alternative. There is no other course I can follow, in fairness to my State. But I hope there will be drafted some language which will make it possible for the highway commissions that find themselves in the position in which the Oregon Commission finds itself to be granted discretion to use these funds on those parts of the road system which they think will promote the best interests of the economy of the State.

Mr. President, I read, with some running remarks about the contents of the letter as I go along, the last letter which I have received from R. H. Baldock, the State highway engineer of Oregon. He

is one of the great road authorities of the entire Nation. When we consider his testimony, Mr. President, we are not considering alone the testimony of the State highway engineer of the State of Oregon, but we are considering the testimony of a road man, an authority on roads, who is recognized as such across the Nation, a man who has received a great many honors from various road construction and highway associations. Believe me, Mr. President, as I have weighed his argument against the arguments which I have heard on the floor of the Senate in support of the committee's version of the bill, I have reached the conclusion that those who have spoken for this bill, including my good friend from Oklahoma [Mr. KERR], have not even come anywhere near answering the arguments of Mr. Baldock. Even if we could agree—and we do not agree—that the use of the funds provided in this section of the bill under a Federal-aid principle for country roads is sound in policy, I do not believe we could still justify executing that policy by language in a bill which discriminates so unfairly against Oregon and apparently against the States of other Senators who find themselves in support of the Lodge-Saltonstall amendment.

I hope that between now and Tuesday, when we vote on the bill, we can reach some agreement on the basis of the record which I am hoping to make this afternoon, in behalf of the highway authorities of my State, which will permit some modification of the language and which will give to them the definition they need.

Of course, they particularly object to the kind of language beginning on line 19, page 13, which reads as follows:

Provided, That if the State highway department of any State with the concurrence of the Commissioner of Public Roads shall find on a factual basis and so certify that in said State it will be impracticable to expend said funds, or a specified percentage thereof, that have been allotted to said State, on said class or classes of roads, then such percentage of said funds allotted to that State as may be so certified may be expended on other secondary roads or secondary highways, including State highways, in said State.

The chairman of the Oregon Highway Commission said to me, "Senator, I cannot certify that it would be impracticable to spend those funds, if I correctly understand the dictionary definition of the word 'impracticable'; but I can certify it would be highly undesirable to do so, that it would not be in the best interests of a road system in Oregon that would promote the greatest good for the economy of the State."

Mr. President, what I am about to say is not said in a spirit of boasting, because I am not given to boasting about the accomplishments of my State in a particular field in comparison with the accomplishments of other States in the same field. I do not think that ever helps arguments. I make this observation not in the spirit of boasting. But the chairman of our State highway commission, who is a past president of the Association of American Highway Commissioners, said to me that Oregon has done an outstanding job in the past in the development of her country roads with State funds. He pointed out to me that Oregon has used, apparently, a much larger percentage of its income from gasoline taxes for the development of country roads than have a great many other States.

So the effect of this bill, as the chairman of our commission informs me, is really to penalize my State by mandate, as he interprets the language, requiring the State to spend these funds, under this section of the bill, on so-called country roads, when the funds are needed to be spent on primary and secondary roads, and their expenditure on such roads would afford greater benefit to the Oregon farmer than would be afforded by applying them in any other way.

I read what he says:

Dear Senator MORSE—

The letter is dated July 21. I may say, Mr. President, that I have made my views known, not formally in committee hearings but informally to members of the committee, and I have sent to the committee from time to time copies of letters from road authorities in my State as they have pointed out to me from week to week the bad effects the bill would have upon road problems of the State of Oregon. He says in his letter:

I am greatly disturbed about the congressional action on the 1950 road bill. H. R. 7941, as passed by the House, is perfectly satisfactory to me and, I believe, to the majority of the members of the American Association of State Highway Officials, but the Senate version, while it bears the number of the House bill, after the enaction clause has inserted Senator CHAVEZ' omnibus bill, S. 3424, and deletes all of the House bill.

This bill, if enacted into law, will end Federal aid as we know it and eventually make of the highways a pork barrel, a thing that would be very detrimental to the economy of the entire country.

Mr. President, when he wrote that sentence he expressed in a little different language the point of view of the junior Senator from Oregon when early in his remarks he pointed out that he thought there was involved a fundamental question of policy, the question of drawing a line of demarcation between the use of Federal funds for the promotion of a Federal interest or objective, and the use of Federal funds for the promotion of an interest or activity which is either solely or primarily local in scope and nature. I think the type of roads which are covered by the the section of the bill I am objecting to involves a governmental function which is primarily local in nature and ought to be handled by funds appropriated by State legislatures and not by the Congress of the United States.

Mr. Baldock goes on to say:

In my opinion it would be better for the country to have no bill than this bill.

Here is not only the State highway engineer of Oregon, but a past president of the American Road Association and a recognized national authority in the field of highway problems and road-construction problems, who thinks that the language I am objecting to in the bill is so unfortunate that he would rather have no bill at all than this bill.

He says:

In my opinion it would be better for the country to have no bill than this bill. There is only one ray of hope in the dark sky and that is that, when the bill goes to conferees, some amendments may be made to eliminate the iniquities of the Senate bill.

May I ask your special consideration to strike out from the Senate bill the entire section on page 13 from line 10 to page 14, line 2, and substitute in lieu thereof the original H. R. 7941 language on page 2 from line 5 to line 9, inclusive; to delete from the Senate version on page 19, line 21, through page 21, line 2, and substitute in lieu thereof the text in original H. R. 7941, as passed by the House, from page 3, line 6, to page 4, line 3; also to delete in its entirety section 14, Senate version, page 33, line 8 through line 12.

It would, of course, be much better to delete the entire Senate version of H. R. 7941 and to have the Senate pass in its entirety, without any change or modification, H. R. 7941 as passed by the House.

Very truly yours,

R. H. BALDOCK,
State Highway Engineer.

Mr. President, I may offer some of those amendments on Tuesday, if between now and Tuesday we are not able to work out in conference between and among us some modification of the language on page 13 of the bill which would relieve such highway commissions as the commission in Oregon and other States from the restrictions which they feel would be imposed upon them unfairly by the language.

I think a very sound objection against the language of the bill to which I am taking exception this afternoon was submitted to me in the communication under date of May 18, 1950, the contents of which were made known to the various members of the committee, who told me, though they made no commitment, that they were glad to have the point of view and would see what could be done about working the bill out in a way which would relieve Mr. Baldock of his fears concerning the language of the bill.

I have no criticism of members of the committee as Senators. I think they followed their lights and sights as they have seen this issue. I am satisfied that the Senators to whom I have talked fear Mr. Baldock is unduly disturbed about the effect of the language of the bill. However, Mr. Baldock is not alone. A great many others engaged in highway work across the country entertain the same fears. That is why we have the Lodge-Saltonstall amendment pending before the Senate. In any Federal-aid legislation of this kind when there is such a strong bloc of opposition, representing such a diversified group of States across the country, whose representatives I think will be found on Tuesday voting in support of the Lodge-Saltonstall amendment, it behooves the committee concerned to take cognizance of that opposition and try to work out with

those Senators an acceptable compromise of their differences.

I am discussing Mr. Baldock's letter of May 18 at this time so that it may be in the RECORD, in the hope that the members of the committee who study it will come on Tuesday with some offer to the senior and junior Senators from Oregon for a modification of the language of the bill to which I object.

I wish to say for the RECORD that my senior colleague [Mr. CORDON] agrees with me that this particular language in section 12 is in need of modification and agrees with me that the problem would be solved so far as our particular State is concerned if the Lodge-Saltonstall amendment were adopted. However, speaking for myself, I wish to say to Senators who disagree with me on this matter, the Senator from Oklahoma [Mr. KERR], the Senator from Mississippi [Mr. STENNIS], the chairman of the committee, and the other members of the committee who are making a stand for the retention of this language, that although they and I disagree as to the question of policy in respect to the use of Federal-aid funds for this purpose, nevertheless I will be perfectly willing to work out with them prior to Tuesday some language which would give to the State highway authorities in my State the discretionary power to use the funds, in view of the circumstances that exist in Oregon, for whatever roads they think the funds can best be used in order to serve the best economic interests of the entire State, leaving to the highway commissions in the States of the proponents of the legislation the discretionary power, on the other hand, to use the funds for the development of country roads in those States where apparently the country roads have not been developed to the point of excellence to which they have been developed in the State of Oregon. I think that is a perfectly fair position for the junior Senator from Oregon to take, especially when we keep in mind the fact that, as a matter of sound legislative policy, we should not be using Federal-aid money for this purpose at all, but should be limiting it to roads in regard to which it can be clearly shown that the development promotes the national interest.

It may be asked, "Can the Senator from Oregon name any road which, after it has been improved, does not, to some extent, help the Nation as a whole?" Of course, any road would contribute something. That would be true even if we were improving a cowpath. But it comes again to a matter of degree, and I think we can take judicial notice of the fact that road A is a road the improvement of which will help the national interest, and road B is a country road the improvement of which will help primarily the few users of the road living in the community.

Mr. President, when I say that, I think I have summarized, in essence, the major argument of Mr. Baldock in the letter which I now proceed to read, dated May 18, 1950:

DEAR SENATOR MORSE: With reference to your recent letter with regard to the differences between S. 3424 and H. R. 7941 (the first being the Senate road bill, the second the House road bill of 1950), the following report is made:

S. 3424 would provide $550,000,000 for each of the fiscal years 1952 and 1953, of regular Federal aid for primary, secondary, and urban systems under the same formula and matching ratio as provided in the act of 1948. H. R. 7941 provides $500,000,000 per year for the same purpose. The authorizations for forest-development roads and trails, park roads and parkways, and Indian lands are comparable to those provisions in H. R. 7941, although there would be more money provided under the Senate bill than the House bill.

For the interstate system the Senate bill authorizes $100,000,000 on a 50–50 matching ratio in comparison to $70,000,000 per year for the House version.

If anyone has any doubts as to the qualifications of Mr. Baldock, he need only study this letter, which is an exceedingly able analysis of the pending legislation, and I think presents as fine a case against the position taken by the proponents of the particular section of the bill to which I am objecting as could be made.

Returning to the letter, Mr. Baldock says:

The Senate version would appropriate the money on a one-third population, one-third area, and one-third post road mileage basis in comparison to a population basis under the House version.

Some changes have been made since this letter was written in respect to certain portions of the bill, but as the bill was submitted to us at the time this letter was written, it is a very accurate analysis of it. The letter continues:

The bill contains the same bond provision, maintenance provision, and the disaster provision as contained in the House bill. Here the similarity ends.

The Senate bill provides $64,000,000 for the fiscal year of 1951 to 1958 for the completion of the Inter-American Highway and $8,000,000 for the completion of what is known as the Rama Road in Nicaragua. It also includes provision for the inclusion of Alaska in the apportionment of the Federal-aid funds and for the transfer of the responsibility of the administration of funds in Alaska from the Department of the Interior to the Bureau of Public Roads. The Senate bill provides a total of $50,000,000 for access roads to military establishments and other establishments of that nature under a rather vague formula for the allocation and a variable formula for the matching of these funds.

Section 12 of the bill, which is quite controversial, provides $150,000,000 per year on a 2-year authorization for country roads, and $150,000,000 would be available for the fiscal year beginning July 1, 1950, in contrast to the other portions of the bill, the moneys of which are available for the fiscal year beginning July 1, 1951. It provides that the funds for this purpose shall be available on a matching basis of 40 percent Federal funds, 35 percent county funds, and 25 percent State funds.

Section 13 is a quite unusual provision, having to do with bypasses around cities and towns and would require that public hearings be held prior to any final action.

This is a brief résumé of the differences in the bills. Permit me now to point out the objectionable features in the Senate bill.

It seems rather peculiar to have an authorization for 7 years for the Inter-American Highway, whereas authorizations are made only on a 2-year basis in the case of Federal-aid funds for the States. A review of the matching requirements discloses that the Central American countries would put up very little of the money. It is my opinion that authorizations to the Central American countries for road funds should be the subject of a separate bill and should not be confused with the authorization of funds for highways of the several States of this Union.

I do not believe that the Senate theory of apportionment (which is one-third population, one-third area, and one-third post road mileage) as given in section 4 is equitable. Owing to the proportionately greater mileage of interstate highways required in populous areas as compared with less populous areas and to the excessive per mile cost of building interstate highways in densely populated areas, there is not the same need for the area and post road mileage factors in the allocation formula for interstate funds that there is in the formulas used in the allocation of primary and secondary Federal-aid funds. Estimates of the costs to build the interstate system in the various States indicate that, even with an allocation based 100 percent on population, the Federal funds will be a less proportion of total cost in a small but populous State than in a large but sparsely settled State. For instance, compare the States of Massachusetts and North Dakota.

Then follows in the letter a table showing a comparison of Massachusetts and North Dakota in respect to the various items just discussed by Mr. Baldock, and I ask unanimous consent to have that portion of the letter copied at this point in my remarks.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Share of cost of interstate system	Allocation pro rata based on population alone	Allocation pro rata based on one-third population, one-third area, and one-third post roads
	Percent	*Percent*	*Percent*
Massachusetts	4.01	3.28	0.60
North Dakota	.40	.49	.68

Mr. MORSE. The letter of Mr. Baldock continues:

Thus it is obvious that the one-third population, one-third area and one-third post-road mileage basis of allocation is unequitable when applied to interstate highway funds as proposed in S. 3424.

Section 10 extends the provisions of the Federal-Aid Road Act to the Territory of Alaska and transfers to the Bureau of Public Roads those functions in connection with Alaskan roads which presently come within the control of the Department of Interior. I believe that the appropriation for Alaska should be made separate and apart from the road bill because there is little in common with the States of the Union, and the need for roads in Alaska is primarily for military defense purposes and should be in a separate bill for that purpose. I believe that the transfer from the Department of Interior to the Bureau of Public Roads will be helpful.

Section 12—

Which is the section to which I have directed most of my remarks—

Section 12 would establish a new classification of roads which are local or land-service roads and might be classed as tertiary or third-order roads in contrast to the present primary and Federal-aid designations. The county roads on which the expenditure of

$150,000,000 is to be authorized under the provisions of this section are local and land-service roads carrying less than 15 percent of the Nation's rural traffic.

I digress, Mr. President, to call attention to the fact that we have heard much this afternoon in the debate about helping the farmer and about getting the farmer out of the mud. We are dealing in this authorization with roads which serve less than 15 percent of the rural traffic of the country. I think that is a vital statistic. It is a statistic which supports the junior Senator from Oregon in his point that a fundamental question of policy is involved here, that a question of degree is involved here, and that there is involved the question of how far we are to go in this country in the use of Federal-aid funds for assistance in connection with a problem which can be shown to be primarily local in nature. It is just such a statistic as this upon which I rest in part my case. We cannot accomplish anything by beating our breasts and debating about the farmer. It may be good politics. We have a responsibility as Senators with regard to the use of the funds belonging to all the taxpayers of the country. I am not going to take second place to any Member of the Senate in doing what I can to promote the legitimate interests and rights of the American farmer. I am not going to support legislation in the name of aiding the farmer if I cannot satisfy myself that the legislation can be reconciled to the principle of Federal interest, in connection with the activity on which the funds are to be spent. That is where I differ with some of my good friends on the other side of the issue.

I repeat Mr. President, when we are dealing with a problem which involves less than 15 percent of the rural traffic of America, Senators will have a hard time to convince me that there is involved a great principle or national issue in regard to roads which justifies the use of Federal-aid funds to improve and develop roads which serve farm-to-farm communities that ought to be improved and built by the States, not by the Federal Government.

Returning to Mr. Baldock's letter I read:

They are roads which should be improved and maintained by local governmental agencies.

This is the burden of my argument. I completely agree with him. I think he has advanced an argument which as yet has not been answered satisfactorily on the floor of the Senate. At least it does not satisfy me to give an answer that we must get the farmer out of the mud, when, after all, we are talking about such a small percentage of rural traffic. I would reply to that argument, Mr. President, by saying what we ought to do is to tell the State legislatures to assume their responsibilities in connection with the development of rural roads in their own State, and not be asking all the taxpayers of America to be pouring Federal-aid funds, under this section of the bill, into their States to build farm roads which the States ought to build themselves. That is the burden of my argument.

Coming back to Mr. Baldock's letter, he said:

If this $150,000,000 is available for roads, it should be added to the amounts to be expended on the interstate highway system, the primary highway system, the secondary highway system, and the urban system, the systems which carry most of the traffic, and which are presently so sorely in need of construction, reconstruction, and improvement.

Mr. President, one listening to the debate would get the idea that the only roads in America which are crying for improvement and construction and repair are the back-in-the-hills roads, local in nature, so far as the traffic they serve is concerned, but that the great primary interstate and secondary road systems are in an excellent condition. That is not true. I do not think we begin to go far enough in this bill from the standpoint of national defense to appropriate the money which ought to be appropriated for the construction immediately of primary and secondary roads.

I completely disagree with the President of the United States in his recommendation made today that the appropriations in the road bill be reduced. If I had my way, Mr. President, in view of the international crisis which confronts us, we would increase the appropriations in the bill, and I would say to the President of the United States, "Here is a bill vital to the national defense program." Believe me, if an all-out war should start in this world, we would need the roads of America and we would need them immediately.

The indisputable fact is that during World War II we permitted the primary and secondary road systems to fall into a state of great disrepair, and they are still in a state of bad disrepair.

I happen to be one who, because of the location of my home, frequently drives across the country over various routes. I sometimes go through the State of Minnesota, the State from which the present Presiding Officer [Mr. HUMPHREY] comes. I sometimes go through Iowa. I sometimes take the southern route and go through Colorado and on up from that direction.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MORSE. I prefer not to yield.

Mr. MAYBANK. I was simply going to suggest that the Senator could come through South Carolina and we would all welcome him.

Mr. MORSE. I am sure that if I went to South Carolina I would find exactly the same condition I am now going to describe, because I think the condition is national in nature.

As one who makes at least two transcontinental round trips by automobile a year, across the United States—and during the past year I have made three such trips—I wish to say that I have yet to find a route across America, whether I take the northern or the central or the southern route, where I have not found the roads to be in a shameful state of disrepair. They are a part of the interstate system. The roads got that way during the war because we were diverting so much of our national energy to other things. But the roads are in bad disrepair. So I will say to the President of the United States that, instead of advising us to cut down the appropriations in this bill, he ought to be recommending an increase in appropriations contained in the bill from the standpoint of national defense, from the standpoint of getting our production material, which is so essential to the prosecution of a war, to the ports of embarkation in the quickest possible time.

That is why I say it is a mistake to use language in the bill which will handicap the road commissions of various States in making the most beneficial use of these funds for the construction and repair of roads in their States, determined by what is best for the economy of their States. They are much better qualified than is the Congress to determine how the money should be spent.

What is wrong with the language on page 13 of the bill is that we are setting ourselves up as the Senate to say, for example, to Mr. Baldock, one of the great road authorities in America, "We are better qualified to tell you, Mr. Baldock, how these funds should be spent in Oregon than you are yourself." We cannot justify that, Mr. President. I am still hoping that my plea will cause the able members of the committee to take note of what these road authorities say so that between now and Tuesday the committee members will try to work out some language which will make it possible for me to join forces with them. I should like to join forces with them, but I cannot do so when there is in the bill this language which does such injustice to my State.

Let us consider the primary and secondary road systems of my State which are used to take logs to the sawmills. Unless Senators are familiar with the size of those loads and the great weight that is hauled, they cannot fully appreciate the soundness of Mr. Baldock's argument in his letter to me. Lumber has been one of the critical materials for a long period of time. It is now high on the priority list, insofar as defense interests are concerned. However, our so-called timber access roads and the highways over which we are hauling logs have gone to pieces; and our State highway commission needs to be put into a position where it can determine where this money should be spent in the best interests of the economy of the State. However, this section of the bill does not permit that to be done.

Mr. President, while I am discussing the matter of hauling logs and the need for money for the development of primary and secondary roads—which development, as Mr. Baldock suggests in his letter, can best serve the farmers of Oregon, too—let me point out the need for access timber roads into Federal forests. I wish to say that the section of the bill which provides an authorization of funds for access timber roads, although helpful, is not as helpful as it should be, because it does not authorize sufficient funds to permit us to build the access

timber roads we need. I take this opportunity to say that in recent weeks one of the high officials of the Federal Government, working on plans for wartime civilian and economic mobilization, has told me that access roads into federally owned timber are within the upper 10 percent of priority needs, so far as concerns a civilian defense program. we have great stands of Federal timber which now are not available to production, for the simple reason that we do not have access roads into the timber. The failure to provide such roads involves a great economic waste, also, because a great deal of that timber is spoiling.

Of course, I know that certain powerful economic interests have not encouraged the building of such access roads by the Federal Government because they would prefer to prevent the construction of the roads and thereby force the Federal Government to put large tracts of Federal timber on the auction block to large timber holdings, and then let those large timber holdings build their own access roads, and squeeze out the little fellows, and thus give to the large, powerful timber interests great monopolistic control over Federal timber. Well, Mr. President, they will never do it with my vote.

It was about a year ago, I believe, that I made that fight on the floor of the Senate. The Senate was very kind to me then, because it recognized the soundness of the point I made, namely, that there is a need for the construction of access timber roads. About a year ago the Senate passed my access timber roads bill, but now it is bottled up in the House of Representatives, although high Government officials are telling me that the need for access timber roads is so great that they are considered in the upper 10 percent of civilian defense priorities.

Mr. President, I do not have with me at this time, although I wish I did—and I shall insert it in the RECORD next week—a statement appearing recently in the Oregon newspapers by one of the great industrial statesmen in Oregon, a man who recognizes the need for access timber roads.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MAYBANK. I am sure the Senator from Oregon is familiar with the matter to which I shall refer now, because recently I have received many telegrams and letters about it. Nevertheless, I shall ask him whether he is aware of the enormous demand from contractors in the Pacific Northwest for the construction of roads which will permit certain work to be done in Alaska.

Mr. MORSE. Yes; I am familiar with that demand. That is why I am digressing from my principal remarks of this afternoon, to discuss the access timber roads. I wish to express to the Senator from South Carolina my thanks for the wholehearted support he gave me last year in getting the access timber roads bill through the Senate. He did so because he also recognizes the need for such roads.

Mr. President, I was speaking of a statement made by a great industrial statesman in my State, Mr. Stamm. A few weeks ago he made a statement in which he deplored the fact that the access timber roads bill is bottled up in the House of Representatives. In his statement he pointed out that from the standpoint of the national interest, that bill recognizes one of the critical needs, namely, the need to have access roads built to Federal timber, so that cutting can be conducted on a sustained-yield basis, a sound conservation basis, and an end can be made of the present condition, whereby certain powerful groups seem to be capable of preventing the passage by Congress of proposed legislation which would make possible the construction of these access timber roads.

Mr. MAYBANK. Mr. President, will the Senator yield further?

Mr. MORSE. I yield,

Mr. MAYBANK. The testimony presented last year before the Appropriations Committee showed that for every dollar we spend on the access roads in the States of Oregon and Washington, dividends of almost 100 percent are paid. In fact, I may say that condition obtains throughout the United States.

Mr. MORSE. Yes, there can be no question about that. There would be returned to the Federal Treasury many, many times the cost of these roads, by way of the increased stumpage prices the Federal Government would receive as the result of the construction of these roads, if we could get the Morse access timber roads bill through the House of Representatives and to the President's desk for signature.

Mr. MAYBANK. The Senator from Oregon is correct, because the testimony also was that there is so much publicly owned property to the west of the Mississippi River that if these roads are built the Government can save much money.

Mr. MORSE. There is no question about that; and such roads are needed in the Senator's State of South Carolina, as well as in my own State.

Mr. MAYBANK. That is correct.

Mr. MORSE. Such roads are needed in North Carolina, South Carolina, Georgia, and elsewhere in the South, where there are also great stands of timber. These roads are needed in those areas, as well as in the western areas.

Mr. President, I return to Mr. Baldock's letter and the statements he makes about the objections to the pending bill, which I have been discussing. He says:

> They are roads which should be improved and maintained by local governmental agencies. If this $150,000,000 is available for roads, it should be added to the amounts to be expended on the interstate highway system, the primary highway system, the secondary highway system, and the urban system, the systems which carry most of the traffic and which are presently so sorely in need of construction, reconstruction, and improvement.
>
> The matching plan for this money, as set up in the bill; namely, 40 percent by the Federal Government, 25 percent by the State, and 35 percent by the county, would be difficult of accomplishment, as the State might be more inclined to apply its available moneys on State highways than on county roads. The limit of $4,000 per mile on the Federal participation in cost would be another stumbling block, as this limitation would, in nearly all cases, require excess contributions of considerable amount by the States and/or the county.
>
> The proposal to set up this tertiary or third structure Federal-aid roads under the cry of "taking the farmer out of the mud" would dissipate not only the Federal funds but also the State funds. In the case of the State of Oregon, it will divert—

Note this, Mr. President—

> from needed highway improvements $1,500,000 per year, or approximately 10 percent of our total construction program.

In other words, what we are saying in this language of the bill to the State of Oregon is, "We, the Senate of the United States, believe that we know best how you should spend your money in Oregon for the development of your roads from the standpoint of the economy of your State. We, the Senate of the United States, set ourselves up to tell you, the road authorities in the State of Oregon, that you ought to divert $1,500,000 a year, or approximately 10 percent of your total road construction program, for the building of roads which you have decided you either do not need or which you have already improved."

Mr. President, I simply cannot understand the Senate's taking that kind of arbitrary action. I say it is arbitrary action. I say, most respectfully, that we are not the ones best qualified to determine for the State of Oregon how much of its State funds should be diverted for the development of country roads. I take the position that the State officials of my State know what is best for the road program of my State, and I think it is very unreasonable for the Senate of the United States to adopt language which will have the effect in Oregon that Mr. Baldock, our State highway engineer, says this language will have. He goes on to say:

> The entire economy of the State is geared to the present Federal-aid primary and secondary system. These roads are badly in need of improvement, and it would be absurd to divert State and Federal moneys from these types of roads carrying appreciable traffic to roads that carry a traffic of from 10 to 50 cars per day.

I simply do not think there is an answer to that statement. I have heard no answer to it in this debate. I simply do not think the committee can answer Mr. Baldock's argument, when he says that the effect of this language in the bill would be to order the highway authorities of Oregon to divert $1,500,000 a year from their funds, which is approximately 10 percent of their total construction program, and spend it on roads which they, who know the road problems of Oregon, say would not be in the best interests of the economy of the State. We should not set ourselves up in that way.

I do not think his argument is answered by saying "We think he is making a rather strict construction of the language," because, as he points out to me, he cannot say that it would be impracticable to spend the money in that way, but it would not be wise to spend it in that way. There is a great difference

between the meaning of the word "wise" and the meaning of the word "impracticable." I think the committee should give heed to the representations of an authority such as Mr. Baldock and help those of us in the Senate from the States that would suffer great injury by the language of this bill to find some language or draft some language which will accomplish what the committee has in mind in respect to the States in which the highway commissions want to use the money for the purpose of building country roads, irrespective of the differences I have with the committee over the matter of policy involved. I think the committee ought to try to work out with us some language which will meet the needs of the States which want to use the money for the so-called country roads, but which at the same time will not put the road commissions in States such as Oregon, which have done such a fine job in developing the country roads, in such a position that they will have to divert $1,500,000 a year, or approximately 10 percent, as Mr. Baldock says, of their total construction program, to the construction of roads which they are satisfied would not be in the best interests of the economy of the State, when viewed from a comparative standpoint with the need for the expenditure of the money on primary and secondary roads.

Returning to Mr. Baldock's letter, he says:

This is really a very serious matter and is, in my opinion, highly political in character and opposed to the economic development of the States and the Nation. An attempt to relieve those benefited by land-service roads of land taxes and to substitute therefor general taxes on all the people, to be matched by road-user funds of the States, is not economically sound. Such action operates to increase the tendency of the people to lean upon the Federal Government for all manner of things so that the people will more or less lose sight of the fact that the people must support the Government, not the Government support the people.

Of course that argument supports an observation I made in my speech earlier this afternoon, that we must watch out for a growing dissatisfaction with the Federal-aid program, in that more and more people are beginning to believe that we are making an overuse of the principle of Federal aid. Again I say, although I am for Federal aid in helping solve problems which are vested both with a national and a State interest, that I quite agree with Mr. Baldock that we must watch out for its misuse and abuse.

Returning to his letter, he says:

The Government's interest in these low-class roads is certainly of questionable propriety. The Government should concern itself with the main trunk highways, particularly the interstate system which ties the States together and which has proved to be absolutely necessary in the defense of the Nation, and the Federal Government should not interest itself in these third-order roads which should be the responsibility of the landowner.

The present Federal Highway Act is based upon agreement between the Federal Government and the autonomous States. It has worked out remarkably well in the past 30 years and it should be continued. Additional Federal funds should be earmarked for the building of the interstate system and additional Federal funds should be provided for the restoration of the depreciated primary highway facilities. Failure to provide these funds for this greatly needed work would be a severe blow to the entire economy of the Nation. Failure to carry on the restoration of the depreciated highway facilities has already brought about a grave and serious problem, and the economic expansion of the entire Nation has been retarded. It is certainly no time, when funds are so greatly needed for the roads of major importance, to even talk of Federal expenditures on low-class roads. First things should come first.

Section 11. The provisions of this section authorizing $50,000,000 for the construction and maintenance of various classes of roads having to do with military establishments and defense industries are so broad and so vague with respect to eligibility of projects, selection of projects, control of work, responsibility for maintenance, et cetera, that they afford no adequate basis for an efficient expenditure of an amount of that magnitude.

Mr. President, the remainder of Mr. Baldock's letter goes to other sections of the bill than the one to which I have been directing most of my attention. Therefore, without reading the entire letter, I ask unanimous consent to have printed at this point in my remarks, in the interest of continuity, because of the many diversions I have made from it, Mr. Baldock's entire letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OREGON STATE HIGHWAY COMMISSION,
Salem, May 18, 1950.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: With reference to your recent letter with regard to the differences between S. 3424 and H. R. 7941 (the first being the Senate road bill, the second the House road bill of 1950), the following report is made:

S. 3424 would provide $550,000,000 for each of the fiscal years 1952 and 1953, of regular Federal aid for primary, secondary, and urban systems under the same formula and matching ratio as provided in the act of 1948. H. R. 7941 provides $500,000,000 per year for the same purpose. The authorizations for forest-development roads and trails, park roads and parkways, and Indian lands are comparable to those provisions in H. R. 7941, although there would be more money provided under the Senate bill than the House bill.

For the interstate system the Senate bill authorizes $100,000,000 on a 50–50 matching ratio in comparison to $70,000,000 per year for the House version. The Senate version would appropriate the money on a one-third population, one-third area, and one-third post-road mileage basis in comparison to a population basis under the House version. The bill contains the same bond provision, maintenance provision, and the disaster provision as contained in the House bill. Here the similarity ends.

The Senate bill provides $64,000,000 for the fiscal years of 1951–58 for the completion of the Inter-American Highway and $8,000,000 for the completion of what is known as the Rama Road in Nicaragua. It also includes provision for the inclusion of Alaska in the apportionment of the Federal-aid funds and for the transfer of the responsibility of the administration of funds in Alaska from the Department of the Interior to the Bureau of Public Roads. The Senate bill provides a total of $50,000,000 for access roads to military establishments and other establishments of that nature under a rather vague formula for the allocation and a variable formula for the matching of these funds.

Section 12 of the bill, which is quite controversial, provides $150,000,000 per year on a 2-year authorization for county roads, and $150,000,000 would be available for the fiscal year beginning July 1, 1950, in contrast to the other portions of the bill, the moneys of which are available for the fiscal year beginning July 1, 1951. It provides that the funds for this purpose shall be available on a matching basis of 40 percent Federal funds, 35 percent county funds, and 25 percent State funds.

Section 13 is a quite unusual provision, having to do with bypasses around cities and towns and would require that public hearings be held prior to any final action.

This is a brief résumé of the differences in the bills. Permit me now to point out the objectionable features in the Senate bill.

It seems rather peculiar to have an authorization for 7 years for the Inter-American Highway, whereas authorizations are made only on a 2-year basis in the case of Federal-aid funds for the States. A review of the matching requirements discloses that the Central American countries would put up very little of the money. It is my opinion that authorizations to the Central American countries for road funds should be the subject of a separate bill and should not be confused with the authorization of funds for highways of the several States of this Union.

I do not believe that the Senate theory of apportionment (which is one-third population, one-third area, and one-third post road mileage) as given in section 4 is equitable. Owing to the proportionately greater mileage of interstate highways required in populous areas as compared with less populous areas, and to the excessive per mile cost of building interstate highways in densely populated areas, there is not the same need for the area and post road mileage factors in the allocation formula for interstate funds that there is in the formulas used in the allocation of primary and secondary Federal-aid funds. Estimates of the costs to build the interstate system in the various States indicate that, even with an allocation based 100 percent on population, the Federal funds will be a less proportion of total cost in small but populous State than in a large but sparsely settled State. For instance, compare the States of Massachusetts and North Dakota:

	Share of cost of interstate system	Allocation pro rata based on population alone	Allocation pro rata based on ⅓ population, ⅓ area, and ⅓ post roads
	Percent	*Percent*	*Percent*
Massachusetts	4.01	3.28	0.60
North Dakota	.40	.49	.68

Thus it is obvious that the one-third population, one-third area, and one-third post-road mileage basis of allocation is unequitable when applied to interstate highway funds as proposed in S. 3424.

Section 10 extends the provisions of the Federal-Aid Road Act to the Territory of Alaska and transfers to the Bureau of Public Roads those functions in connection with Alaskan roads which presently come within the control of the Department of Interior. I believe that the appropriation for Alaska should be made separate and apart from the road bill because there is little in common with the States of the Union, and the need for roads in Alaska is primarily for military defense purposes and should be in a separate bill for that purpose. I believe that the transfer from the Department of Interior to the Bureau of Public Roads will be helpful.

Section 12 would establish a new classification of roads which are local or land-service roads and might be classed as tertiary or third-order roads in contrast to the present primary and Federal-aid designations. The county roads on which the expenditure of $150,000,000 is to be authorized under the provisions of this section are local and land-service roads carrying less than 15 percent of the Nation's rural traffic. They are roads which should be improved and maintained by local governmental agencies. If this $150,000,000 is available for roads, it should be added to the amounts to be expended on the interstate highway system, the primary highway system, the secondary highway system and the urban system, the systems which carry most of the traffic and which are presently so sorely in need of construction, reconstruction, and improvement.

The matching plan for this money, as set up in the bill, namely, 40 percent by the Federal Government, 25 percent by the State and 35 percent by the county would be difficult of accomplishment as the State might be more inclined to apply its available moneys on State highways than on county roads. The limit of $4,000 per mile on the Federal participation in cost would be another stumbling block, as this limitation would, in nearly all cases, require excess contributions of considerable amount by the State and/or the county.

The proposal to set up this tertiary or third structure of Federal-aid roads under the cry of "taking the farmer out of the mud" will dissipate not only the Federal funds but also the State funds. In the case of the State of Oregon, it will divert from needed highway improvements $1,500,000 per year, or approximately 10 percent of our total construction program. The entire economy of the State is geared to the present Federal-aid primary and secondary system. These roads are badly in need of improvement and it would be absurd to divert State and Federal moneys from these types of roads carrying appreciable traffic to roads that carry a traffic of from 10 to 50 cars per day.

This is really a very serious matter and is, in my opinion, highly political in character and opposed to the economic development of the States and the Nation. An attempt to relieve those benefited by land-service roads of land taxes and to substitute therefor general taxes on all the people, to be matched by road-user funds of the States, is not economically sound. Such action operates to increase the tendency of the people to lean upon the Federal Government for all manner of things so that the people will more or less lose sight of the fact that the people must support the Government, not the Government support the people.

The Government's interest in these low-class roads is certainly of questionable propriety. The Government should concern itself with the main trunk highways particularly the interstate system which ties the States together and which has proved to be absolutely necessary in the defense of the Nation, and the Federal Government should not interest itself in these third-order roads which should be the responsibility of the landowner.

The present Federal Highway Act is based upon agreement between the Federal Government and the autonomous States. It has worked out remarkably well in the past 30 years and it should be continued. Additional Federal funds should be earmarked for the building of the interstate system and additional Federal funds should be provided for the restoration of the depreciated primary highway facilities. Failure to provide these funds for this greatly needed work would be a severe blow to the entire economy of the Nation. Failure to carry on the restoration of the depreciated highway facilities has already brought about a grave and serious problem, and the economic expansion of the entire Nation has been retarded. It is certainly no time, when funds are so greatly needed for the roads of major importance, to even talk of Federal expenditures on low-class roads. First things should come first.

Section 11. The provisions of this section authorizing $50,000,000 for the construction and maintenance of various classes of roads having to do with military establishments and defense industries are so broad and so vague with respect to eligibility of projects, selection of projects, control of work, responsibility for maintenance, et cetera, that they afford no adequate basis for an efficient expenditure of an amount of that magnitude. Operation of the provisions is made more complex, too, by the clauses which require the application of regular Federal-aid funds and State funds on access road projects which are on the Federal-aid systems. If this authorization is to be left in the bill, the provisions governing its use should be made more definite.

One of the only desirable features in S. 3424 over H. R. 7941 is the provision in section 1 which permits the State to use 25 percent of its primary funds on secondary projects or 25 percent of its secondary funds on primary projects in that it affords a means of adjusting funds to better meet the needs of each particular State. The specified division of funds as between primary and secondary classifications is not an equitable division in all States.

Section 13. The holding of hearings and the obtaining of the approval of the governor will operate to delay the getting of work under way and will seldom change the result, as the bypassing of cities, towns, and villages seldom is done without due consideration of the economic effect upon the city, town, or village.

The provision which denies the right to construct a bypass if the city, town, or village elects to obtain rights-of-way for the improvement on the existing route, provided "there are no further factors of major importance," will also operate to delay the improvement without any considerable compensating benefit.

Sections 1, 2, and 3 provide for increased amounts for authorization for primary, secondary, and urban highways and interstate and forest highways, and it would, of course, be desirable to increase the amounts because of the grave inadequacy of our present highway systems. However, considering all things, it would, in my opinion, be much better for the Senate to pass a road bill which corresponds to H. R. 7941.

Very truly yours,

R. H. BALDOCK,
State Highway Engineer.

Mr. MORSE. Mr. President, I should like to make this additional comment on the letter. It says:

Sections 1, 2, and 3 provide for increased amounts for authorizations for primary, secondary, and urban highways and interstate and forest highways, and it would, of course, be desirable to increase the amounts because of the grave inadequacy of our present highway systems. However, considering all things, it would, in my opinion, be much better for the Senate to pass a road bill which corresponds to H. R. 7941.

Mr. President, I have before me a telegram which I received from Mr. Ben R. Chandler, chairman, Oregon State Highway Commission. He is a very prominent bank president in my State, a man with a fine record of public service over a great many years, who, I can assure the Senate, is a keen student of road problems, and his advice set forth in this telegram is worthy of very careful consideration. In the telegram he says:

PORTLAND, OREG., *July 17, 1950.*

SENATOR WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Despite fact that secondary State highways carry main farm to market traffic, lumber and log haul traffic, counties will want Federal funds for low traffic county roads because growth of welfare and expense of schools combined with 6 percent tax limitation have eliminated county road funds. State does not have funds to match Federal appropriations for county roads which may cause counties to try next legislature to get more road-user funds and still further handicap State highway commission from building class of roads which support Oregon's economy. Take the opportunity to warn you that passage of Senate version 1950 road bill will prevent strengthening secondary State highways which carry log and lumber traffic and badly handicap timber industry in this State.

BEN R. CHANDLER,
Chairman, Oregon State Highway Commission.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter which I received from the very able chairman of the committee, the Senator from New Mexico [Mr. CHAVEZ], in regard to the Chandler telegram which I have just read into the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
July 11, 1950.

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: I have your letter of July 7 with which you enclosed a telegram from the chairman of the Oregon State Highway Commission with regard to amendments to H. R. 7941 concerning the secondary road provisions. I am glad to have the views of the Chairman of the Oregon State Highway Commission on this matter. I believe that there has been considerable misunderstanding with respect to the application and administration of the secondary road funds, and I am sure that the committee hopes to be helpful in clarifying this problem.

The committee expects to take up the road bill tomorrow morning, and I am sure that whatever action the committee decides on concerning the secondary-road problem will be fully explained in the report on the bill. I hope that when the committee's action is taken, and the full explanation is available, it will be possible to remove the misunderstandings which may now exist due to incomplete information prior to the action of the full committee.

Sincerely yours,

DENNIS CHAVEZ,
Chairman, Committee on Public Works.

Mr. MORSE. Mr. President, it would be cumulative for me to take the time to read and comment upon other communications which I have received from Oregon, which bear out the arguments which Mr. Chandler and Mr. Baldock have presented to me and which I have discussed in such detail in this speech. Therefore, I simply ask permission at this time to have printed in the body of the RECORD, at this point, as a part of my remarks, a telegram which I received

under date of July 7, 1950, from Mr. James H. Howes, secretary of Highway 20 Association.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEWPORT, OREG., *July 7, 1950.*

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

Urge your support State Highway Commission position re Federal highway bill as stated their telegram July sixth.

OREGON U. S. HIGHWAY 20 ASSOCIATION,
JAMES H. HOWES, *Secretary.*

Mr. MORSE. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD another telegram which I received from Mr. Ben R. Chandler, under date of July 7, Mr. Chandler being chairman of the Oregon State Highway Commission.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SALEM, OREG., *July 7, 1950.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Senate road bill which amends H. R. 7941 provides $200,000,000 for Federal secondary highways and specifies that all such moneys be spent on county roads; none on State highways except under conditions which will be difficult, if not impossible, to accomplish. Oregon has 3,000 miles of secondaries out of a total system of 7,000. Since the improvement of secondary State highways is imperative for Oregon's economy, and if not accomplished will result in closures of many of said roads to timber haul and other large trucks, such as cattle trucks, request that you prevail on Senate Road Committee to remove such restrictions or, even better, to enact a road bill exactly as passed by House. Time running short, and unless Senate hurries there will be no road bill this session, which will be a calamity, not only to this State but to the Nation as a whole. Please wire answer to Salem.

BEN R. CHANDLER,
Chairman, Oregon State Highway Commission.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, another letter which I received from Mr. Baldock, State highway engineer of Oregon, under date of March 15, 1950, including a statement he made under date of March 14 on the whole question of highway development. The heading of the statement is as follows:

Statement of R. H. Baldock, State highway engineer of Oregon, member, executive committee of the American Association of State Highway Officials, before the Committee on Public Works, House of Representatives, concerning a Federal-Aid Highway Act of 1950, March 14, 1950.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

AMERICAN ASSOCIATION OF
STATE HIGHWAY OFFICIALS,
Washington, D. C., March 15, 1950.

The Honorable WAYNE MORSE,
Member of Congress,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR MORSE: This is the year for the passage of additional Federal road authorizations. Pursuant to recent conversation with your secretary, I am attaching hereto the statement I made before the Committee on Public Works of the House of Representatives concerning H. R. 7398, otherwise known as the House 1950 road bill. I am likewise attaching a copy of this bill.

Briefly, the 1944 legislation provided for the building of Federal-aid highways in accordance with the following schedule:

Primary Federal-aid highways	$225,000,000
Secondary Federal-aid highways	150,000,000
Urban Federal-aid highways	125,000,000
Total	500,000,000

In 1948 these amounts were reduced as follows:

Primary Federal-aid highways	$202,500,000
Secondary Federal-aid highways	135,000,000
Urban Federal-aid highways	112,500,000
Total	450,000,000

H. R. 7398 proposes the same amounts for the primary, secondary, and urban systems as provided in 1944, with the addition of $70,000,000 earmarked for the interstate system, or a total of $570,000,000. The American Association of State Highway Officials has recommended to the Congress the adoption of legislation authorizing the following amounts:

Interstate system	$210,000,000
Primary system	270,000,000
Secondary system	180,000,000
Urban system	150,000,000
Total	810,000,000

Supporting data for the need of replacing the depreciated facilities of the highway plant are given in the statement which I made before the House committee.

There is probably no matter before the Congress that more affects the well being of the American economy than this road bill.

Last year there was introduced in the Senate several bills providing for a tertiary, or third-order, Federal system of roads local in character. I have taken occasion in this presentation to point out the fallacy of such action. Although provision for a tertiary system of roads is not made in the House bill, it is probable that it may appear in the Senate version and will possibly necessitate conference between the Senate and the House before the final enactment of road legislation this session.

I would appreciate your support in the enactment of legislation in the Senate comparable to the bill now in the House, with additional authorizations, if possible, to bring the total funds up to those recommended by the American Association of State Highway Officials.

I am sorry that you were out of Washington while I was here, but I will look forward to seeing you when the hearings on the road bill come up before the Senate, if I can possibly return. If you agree with my analysis of the situation, perhaps you might try to persuade Senator CHAVEZ, chairman of the Senate Committee on Public Works, to enact Federal legislation in the Senate comparable to the House bill.

Permit me to wish you every success in your continued service as Senator from the great State of Oregon. You have filled that position with ability and distinction.

Sincerely yours,

R. H. BALDOCK,
State Highway Engineer.

STATEMENT OF R. H. BALDOCK, STATE HIGHWAY ENGINEER OF OREGON, MEMBER, EXECUTIVE COMMITTEE OF THE AMERICAN ASSOCIATION OF STATE HIGHWAY OFFICIALS BEFORE THE COMMITTEE ON PUBLIC WORKS, HOUSE OF REPRESENTATIVES, CONCERNING A FEDERAL AID HIGHWAY ACT OF 1950, MARCH 14, 1950

Mr. Chairman and gentlemen of the committee, the American Association of State Highway Officials has submitted to you recomendations on continuing road legislation. Your action on them, together with your authorizations of funds for at least another 2-year period is needed at this time to afford the States a basis on which to continue their planning of needed highway improvement in an orderly manner.

Quoting from the Fortune Magazine of November 1949, "The $35,000,000,000 highway plant generates annual income in excess of $30,000,000,000. It is the best investment that the United States ever made. Today the highway plant needs renewal and enlargement. The bill will run into billions—relatively cheap billions, considering what is at stake. One-seventh of United States business lives off the highway, and all United States business sells to that seventh. Road conditions enter into all business costs through their effect on freight charges, and mobility of labor and customers."

Back in 1943, this association recommended an expenditure of not less than $3,000,000,000 a year for 20 years. Last year the expenditure was about $1,500,000,000, or about one-half the amount needed, yet last year's expenditure was the largest ever made.

Now, there are some 3,300,000 miles of roads and streets in the United States, of which about 600,000 miles are on the Federal-aid system. Of the 600,000 miles, about 38,000 miles, comprising the interstate system or about 1 percent of the total mileage, carry about 20 percent of the rural traffic, and the total mileage of Federal-aid roads, about 18 percent of the total mileage, carry 87 percent of the traffic, leaving only about 13 percent of the traffic carried by the remaining 2,700,000 miles of roads and streets not on the Federal-aid system.

The interstate system of highways which, as I have said, carries approximately 20 percent of all the rural traffic is "the main street of America." It ties together the major cities of the Nation and forms a truly national system of highways; a system which comprises the most important roads which are vital to the Nation's economy both in peacetime and in wartime. On account of the national importance of this system, the Federal-aid matching ratio should, we believe, be changed from a 50–50 basis to a 75–25 basis; the Federal Government assuming a larger share of the cost of this interstate system than it does of the costs of the primary and secondary systems. We further recommend that a substantial amount of Federal funds be earmarked each year for the purpose of building the interstate highway system. We believe that an apportionment of these funds among the States on the basis of population alone and without consideration of area and post-road mileage would be equitable. The primary Federal-aid system, comprising, as it does, the general, all-purpose, principal roads which tie together the cities and the counties is next in importance. The roads in this system have not only demonstrated their importance in peacetime, but have proved themselves to be essential to the wartime economy of this Nation. These primary Federal-aid roads, together with the feeder roads and farm-to-market roads which comprise the secondary Federal-aid system, carry about 87 percent of the Nation's traffic.

Fortune magazine points out the obsolescence of the highway plant. The Bureau of Public Roads has determined that the needs of the interstate system alone amount to no less than $11,000,000,000. The American Association of State Highway Officials has determined the needs of all highways during the next 20 years to be not less than $60,000,000,000. Senator O'MAHONEY, Chairman of the Joint Economic Committee of Congress, has announced that the correction of present deficiencies on State highway systems will cost $23,000,000,000.

This report of the Joint Economic Committee of Congress, prepared with cooperation of the Bureau of Public Roads and the State highway departments, and entitled "Highways and the Nation's Economy," presents a measure of the work to be done in bringing the Nation's road systems to proper standards of efficiency. It supports the axiom that people pay for good roads whether they get them or not. "The people of the Nation receive the benefits of economical transportation in lowered transportation costs of the goods and services they produce and consume," the report points out, "or they pay the added cost of deficient highways in higher transportation and consumer costs."

The report compares current highway construction with prewar accomplishment and concludes that with the construction dollar now valued at 54 cents, compared with the 1930 dollar, it is necessary to spend nearly twice as much money today to equal the 1930 construction peak expenditure of $1,505,000,000. Dollar value of all highway construction in the United States in 1948, with and without Federal aid, totaled $1,569,000,000.

Annual construction expenditure in 1936, the report shows, amounted to 1.8 mills per gross ton mile of vehicle travel, whereas, the 1948 expenditure was equivalent to only 0.86 of the 1936 mill per gross ton mile. The report also states that 0.6 percent of the total national expenditures for goods and services was spent for street and highway construction in 1948, which was less than half the 1929–36 rate.

In studying the impact of highways on the national economy, the report takes note of the fact that more than 9,000,000 persons are employed directly or indirectly in highway transportation industries; that many businesses depend solely on patronage of the motorist; that almost all commodities are transported at least partially by motortruck.

"Small savings to individual highway users through road improvements can have a large effect on our economy," the report states. "An average saving of 1 cent a mile due to savings in time and the cost of motor-vehicle operation on the 400,000,000,000 vehicle-miles of travel in 1948 would amount to $4,000,000,000 per year. * * * Operating cost of the average passenger car in the prewar period was reduced approximately 1 cent per mile by traveling on a gravel road as compared to a dirt road, and approximately 1 cent per mile by traveling on a bituminous or concrete paved highway as compared to a gravel road." Economic benefits of highway improvements were cited also in reduction of accidents.

The normal life of a first-class highway is regarded to be from 20 to 30 years. Much of the more important mileage representing the more heavily traveled roads was built in the twenties, and, therefore, much of the road mileage is wearing out all at once. Failure to restore the critical deficiencies with current income has brought about a truly serious problem and has increased maintenance costs to an alarming extent. Maintenance is unavoidable. Unless highway income is increased there soon will be no money for new construction.

It has been proposed to set up a tertiary or third structure of Federal-aid roads under the cry of "taking the farmer out of the mud." As long as the moneys available for highways continue, as at present, far below the amounts needed, it would appear obvious that such funds as are available should be expended where they are most needed and where the expenditure will create the greatest benefits to the people. Expenditures on primary and secondary highways under present conditions yield far greater benefits than do expenditures on roads of lower classification; therefore, whatever additional funds can be made available for roads should be expended on the primary and secondary Federal-aid systems.

An attempt to relieve those benefited by land-service roads of land taxes and to substitute therefor general taxes on all the people, to be matched by road-user taxes, is not economically sound. Such action operates to increase the tendency of the people to lean upon the Federal Government for all manner of things, so that the people will more or less lose sight of the fact that the people must support the Government, not the Government support the people.

The Government's interest in these low-class roads is certainly of questionable propriety. The Government should concern itself with the main trunk highways particularly the interstate system which ties the States together and which has proved to be absolutely necessary in the defense of the Nation, and the Federal Government should not interest itself in these third-order roads which should be the responsibility of the landowner.

The present Federal Highway Act is based upon agreement between the Federal Government and the autonomous States. It has worked out remarkably well in the past 30 years and it should be continued. Additional Federal funds should be earmarked for the building of the interstate system and additional Federal funds should be provided for the restoration of the depreciated primary highway facilities. Failure to provide these funds for this greatly needed work would be a severe blow to the entire economy of the Nation. Failure to carry on the restoration of the depreciated highway facilities has already brought about a grave and serious problem, and the economic expansion of the entire Nation has been retarded. It is certainly no time, when funds are so greatly needed for the roads of major importance, to even talk of Federal expenditures on low-class roads. First things should come first.

H. R. 7398, now under consideration by your committee, embraces the essential principles recommended by our association, but does not provide the authorizations for the needed capital investment in the Nation's highway system and we therefore pray your favorable consideration for an increase in the authorizations to the total amounts recommended by our association, as follows:

1. Interstate system	$210,000,000
2. Primary system	270,000,000
3. Secondary system	180,000,000
4. Urban system	150,000,000
Total	810,000,000

Mr. MORSE. Mr. President, I close with a very brief summary.

My argument covers two main points. First, I differ with the committee on the question of policy as to the use of Federal-aid funds for the construction of country roads.

Second, setting aside for the sake of argument our difference over policy, I take the position that the language of the bill on page 13, to which I have taken exception, results in the Senate of the United States exercising a discretion over the expenditure of funds in States when the State highway officials of the States are much better qualified to make proper expenditures of the funds because of their better knowledge and understanding of State highway problems. I think, Mr. President, we should not set ourselves up as the determiners of how State highway officials should spend highway funds.

A third point of my argument is that I think the committee, between now and next Tuesday, in view of the very sound argument which the State highway commissioner has communicated to me and which I have tried to make available to the Members of the Senate, should try to work out some language in the bill which will permit the States that want to use the $150,000,000 provided in the bill for country roads, to do so if they care to. But we should not place a requirement upon State highway commissioners to spend the money in that way if, in the opinion of those highway commissioners, the economy of the State would be best served by using the money on primary and secondary roads.

That is the burden of my argument, Mr. President. I shall wait with interest for an answer to it, but up to this time all I have heard with respect to it is that this particular section is needed to benefit the farmers of America. I am willing to leave it to the State highway authorities of the respective States to determine for themselves what is needed to benefit the farmers of their respective States with regard to highway construction. I think we are making a great mistake to pass a bill which contains language providing that highway commissioners, who have urged many Senators to support the Lodge-Saltonstall amendment, are practically compelled to spend money on country roads when the money could best be spent on primary and secondary roads. In other words, Mr. President, I say, once again, that the junior Senator from Oregon is protesting against the exercise of arbitrary discretion on the part of governmental officials, even when, in this instance, he believes those Government officials happen to be Members of the United States Senate.

DEFENSE PRODUCTION ACT OF 1950

Mr. HUMPHREY. Mr. President, I wish to address a few questions to the distinguished chairman of the Banking and Currency Committee in reference to the Defense Production Act of 1950, and, in particular, with reference to section 302 of that bill, in order to receive from the chairman of the committee his interpretation of the language as provided in that section.

The first question I should like to ask the distinguished chairman of the committee is as follows:

Is it the opinion of the members of the committee, namely, the Banking and Currency Committee, that the Defense Production Act loan provision as outlined in section 302 would provide Federal loans for the purpose of the development of the iron-ore resources, such as taconite, within the United States?

Mr. MAYBANK. Mr. President, I should like to answer my friend from Minnesota by saying that we considered his bill, and it was the contention of the majority of the committee that it would do so. In considering the bill we thought that the authorization of $2,000,000 would give the President the powers to which the distinguished Senator from Minnesota has referred.

Mr. HUMPHREY. Mr. President, I have introduced a bill, S. 3949, which pertains specifically to loans for the de-

velopment to taconite and other iron ore resources for low-grade iron ore production, and I have discussed it with the chairman of the committee as well as other members of the committee.

Mr. MAYBANK. The committee considered the bill and they thought that if we acted on it, other bills would be introduced pertaining to other types of metals. It was the judgment of the majority—and I am perfectly frank to admit that some members opposed it—that the provision in the pending bill should be adopted.

Mr. HUMPHREY. As I understand section 302, it would make it possible to make loans for this purpose under the broad language of the section.

Mr. MAYBANK. That was my understanding, and it was the understanding of the majority of the members of the committee. Some of the members were opposed to it.

Mr. HUMPHREY. Mr. President, the next question I should like to ask of the able chairman is: In the opinion of the members of the committee should loans for the development of taconite be less reasonable and liberal than the loan policy of the Export-Import Bank, or should they be just as liberal?

Mr. MAYBANK. Mr. President, that is a rather hard question to answer. However, I think to our own people in Minnesota and in the Great Lakes-Lake Superior area, and in the area from which the Senator comes, loans should be more liberal.

Mr. HUMPHREY. The reason I asked the question, Mr. President, is because in checking through the Export-Import Bank loan provisions I found language such as this——

Mr. MAYBANK. I am not speaking for the committee, but I listened to the taconite hearings and I saw the professor from the University of Minnesota, and I believe the American Government could be more liberal in construing loans under that section than Export-Import Bank loans that have been made.

Mr. HUMPHREY. I am grateful to the chairman for his answer. I wish to point out a specific example.

Loan No. 310. The purpose of the loan was made to provide iron ore for the British war effort and to develop Brazilian mining industry. The terms: Payable in 22 years. Interest and principal are payable solely from the operation of the mine and financed by the loan.

All the Senator from Minnesota wanted to do was to get into the RECORD a comparison between what we do under the Export-Import Bank loan provisions, and what we can or should do under our domestic program. It is the purpose of the junior Senator from Minnestota to encourage upon the part of the Government a reasonable loan policy to develop the taconite, which is one of the great strategic metal resources of our country in case of a national emergency such as that in which we are now involved.

My third and final question to my friend, the chairman of the committee is: Does the Defense Production Act of 1950 provide sufficient authority for an administrative agency to establish a loan policy which would accomplish the aims of S. 3949 in the development of taconite and other essential minerals?

Mr. MAYBANK. Mr. President, I can only say that if the bill that comes from the Committee on Banking and Currency is approved as it was written by the committee, and if the item of $2,000,000,000 is retained in the bill, the President would have the right to establish such a policy, or the President would have the right to appoint an agency to do it. Of course we cannot tell what will be done by the Senate. We are hopeful the provision will be left in the bill.

Mr. HUMPHREY. As it is now written the authority would be contained in the bill.

Mr. MAYBANK. That is my understanding.

Mr. HUMPHREY. In order to add further to the legislative history, and not take the time of the Senate, I should like to ask unanimous consent to have a copy of a letter written to the able chairman of the Committee on Banking and Currency on July 26, incorporated in the RECORD, at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

The following is a letter written to the Honorable BURNET MAYBANK, chairman, Senate Banking and Currency Committee by Senator HUBERT H. HUMPHREY, Democrat of Minnesota, regarding S. 3936, the Defense Production Act of 1950:

"I am writing you this letter in connection with S. 3936, the Defense Production Act of 1950, now being considered by your committee. The bill provides for the allocation of scarce commodities under a priority system as well as other policies related to the problem of national defense which we face. I write you in connection with the necessity to expand iron and steel supplies and the relationship that problem has to a bill I recently introduced, S. 3949, to provide for the development of taconite and other strategic minerals. This is a companion bill to a proposal introduced by Representative BLATNIK in the House of Representatives on May 15.

"Title III of S. 3936, the bill you are now considering, authorizes the President to purchase for the use of our Government for storage or for resale any minerals, metals, or raw materials needed to increase the supply of essential supplies. The most important strategic material in the United States is iron ore. Iron and steel are basic to all heavy industry, whether these industries are engaged in the war effort or in peace production. It is fully understandable, therefore, that the need for guaranteeing an adequate supply of iron and steel is one of top priority.

"The Mesabi iron range in the State of Minnesota produces approximately three-fourths of all iron ore in America. I have had many opportunities to become familiar with the iron and steel industries. I know from personal experience and investigation that we face a most serious problem in iron and steel.

"At the present time we in the United States use our iron ore at the rate of 80,000,000 tons per year. In 1948 we in the United States used 84,700,000 tons of iron ore. There is no doubt that in times of national emergency we need at least 100,000,000 tons per year.

"The Great Lakes area has furnished more than 85 percent of our iron-ore needs during the past 50 years. The Mesabi iron range has provided about 75 percent of all iron ore. In 1948, to use that year again as an example, the Mesabi Range provided 62,000,000 tons of iron ore out of a total ore production of 84,700,000 tons.

"Proof seems incontrovertible that the high-grade iron ore of the Mesabi Range is fast being depleted. I am informed that according to official estimates made in 1946, there was only 1,200,000,000 tons of iron ore left in the Great Lakes area, and of that only 900,000,000 tons of iron ore was located in the Mesabi Range. In this connection, the United States Bureau of Mines reports that the Great Lakes iron-ore reserves will be exhausted by 1960 if our ore is used at the present rate of consumption. To the extent that the United States becomes involved in further defense preparations and requires an all-out production effort, this rate may well be accelerated.

"The importance of taconite, therefore, is quite apparent. The northern part of our State of Minnesota possesses a dense siliceous rock known as taconite. The Bureau of Mines estimates that there is enough taconite in northern Minnesota to supply our iron needs for a thousand years if it can be developed commercially.

"With this problem in mind, I introduced on July 20th my bill, S. 3949, which would provide 30-year loans to private firms to develop taconite and other strategic materials. I believe, in view of the recent international crisis, the provisions of my bill might appropriately be included as an amendment to the National Defense Act of 1950, S. 3936, which you are now considering, and it is with this in mind that I write this letter.

"Taconite ore was first made into a commercial product in 1922. It is a hard rock composed of 20 to 30 percent pure iron. To process this rock it is necessary, first, to blast the ore loose, crush it into a fine powder, wash out the silicate and then pelletize it. These pellets contain about 60 percent pure iron, and they can then be utilized by blast furnaces in the same way as regular iron ore is processed.

"Taconite production differs from regular open-pit mining in that it is an industrial process rather than a strictly mining process. It is a more complicated process and involves six times as much manpower and more machinery than ordinary open-pit mining. It also requires heavier capital expenditures as an investment. Thus, whereas open-pit mining would require a capital expenditure of between $3 to $5 per ton of output, the production of taconite requires a capital investment of $20 per ton.

"For these reasons, taconite has never been able to compete with high-grade ore. To promote its production requires that the Federal Government provide liberal long-term loans to mining companies. Experiments undertaken at the University of Minnesota and elsewhere indicate that refinements and changes have taken place and can take place in the processing of taconite to further reduce its production costs to a price which would approximate that of other types of iron ore.

"An amendment to your bill, S. 3936, it seems to me, would be quite appropriate and quite urgent. Without such an amendment, adopting the language of my bill, S. 3949, the bill you are now considering, S. 3936, would, in my opinion, not fulfill the need we face today. S. 3936 does not specifically define what minerals are considered strategic. Furthermore, in view of the long-term nature of taconite development, loans of 30 years maturity are required. S. 3936 does not spell out the terms of the loans. Furthermore, for the full utilization of taconite, new transportation facilities are required. Loans should be authorized, therefore, for the construction of new transportation facilities required in the production of taconite.

"It seems very clear to me that the welfare of our Nation calls for the development of

added mineral resources and that taconite production must be an essential part of such a program. It is for this reason I urge your committee to consider the amendment to your bill which I suggest, namely, which would define taconite as a strategic mineral and authorize loans of 30 years' maturity for taconite development. This would provide new sources for iron and steel. I urge your favorable consideration of this proposal."

Mr. HUMPHREY. Mr. President, I should also like to have incorporated in the RECORD at this point as a part of my remarks a letter which W. Stuart Symington, Chairman of the National Security Resources Board, wrote to the chairman of the Committee on Banking and Currency. It pertains to S. 3949 and it refers to the Defense Production Act of 1950.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
NATIONAL SECURITY RESOURCES BOARD,
Washington, D. C., August 7, 1950.

The Honorable BURNET R. MAYBANK,
Chairman, Committee on Banking and Currency,
United States Senate,
Washington, D. C.

DEAR MR. CHAIRMAN: This is in reply to the request of your committee for the opinion of the Resources Board on S. 3948 and S. 3949, bills to promote the development, production, and utilization of taconite and other minerals advantageous to the national defense and valuable to the national economy.

It is our belief that the provisions of the proposed Defense Production Act of 1950 (S. 3936) now under consideration by Congress would authorize all of the assistance to private mineral enterprises proposed by these bills and would have the added advantages of authorizing similar assistance for other raw materials and of permitting greater flexibility in operations.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely,

W. STUART SYMINGTON.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to incorporate in the body of the RECORD at this point in my remarks an editorial entitled, "Report Stresses State Need of Taconite Development," published in the St. Paul Pioneer Press on August 7, 1950.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REPORT STRESSES STATE NEED OF TACONITE DEVELOPMENT

Although Minnesota has no monopoly on iron ore and its dominance in the field is declining, the State can withstand outside competition if cost of low grade ore production can be kept low.

Five State legislators reached these conclusions in an 82-page report which will be submitted this morning to the legislative research committee at a meeting in the capitol.

The subcommittee on labor, industry, and commerce—headed by Senator Thomas P. Welch, of Buffalo—was ordered specifically by the 1949 legislature to "make a study of iron ore deposits that are or might be competitive with the Minnesota iron ore deposits, including fields in Labrador, Greenland, and South America, and their availability to market."

The report concludes the best estimate is that foreign ores will be used in the future together with beneficiated—concentrated—Minnesota ores of lower grade.

Foreign ores, according to the report, will come mainly from Canada, Labrador, Newfoundland, Latin America, Africa, and Scandinavia.

PROMISING DEPOSITS

The recently discovered Venezuelan deposits are considered in many quarters, the report says, to be the most promising in both quality and quantity and as well as availability to the United States. The legislators point out, however, that wartime hazards complicate ore shipments overseas.

As far as the Labrador and eastern Canada deposits are concerned, availability of those ores during wartime will depend to a great extent on whether the proposed St. Lawrence seaway is in use, the legislators predict.

The report emphasizes that Minnesota iron ore production is beginning to feel the strain of the herculean task of providing most of the ore consumed in this country for more than half a century—including two world wars. It has run as high as 80 percent some years.

The report forsees the end of high-grade Minnesota ores in the not-very-distant future, some estimate by 1970, but does not predict the end of the industry if low-grade ores can be utilized.

"There are too many variable factors," the report explains, "to permit accurate predictions of how long the high-grade ores will last in Minnesota. The exact date of exhaustion is not very important—the significant fact is that Minnesota's iron-mining industry will have to make major adjustments in order to continue to compete with ores from outside the State."

WON'T RELOCATE

The report indicates that steelmakers won't make drastic changes in location of blast furnaces because it is cheaper to ship ore to the steel centers than it is to ship other necessary ingredients—primarily coke and limestone. Those ingredients are plentiful in the major steel-center areas, located mostly on the Great Lakes.

"As the reserves of high-grade ores in Minnesota decline," the subcommittee says, "it is expected that more and more attention will be devoted to developing low-grade ores including taconite.

"More beneficiated iron ore is shipped from Minnesota than from any other State, but beneficiation is on the increase in other States as well as in Minnesota."

Mr. HUMPHREY. Mr. President, I ask that a letter from the St. Paul Association of Commerce, signed by Mr. M. W. Thompson, dated August 7, 1950, be printed in the RECORD at this point as a part of my remarks. The letter pertains to the entire problem as outlined in the Defense Production Act. The letter presents several recommendations which should be of interest in the consideration of this legislation insofar as it pertains to controls, allocations, and priorities. I think it is a very constructive letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. PAUL ASSOCIATION OF COMMERCE,
St. Paul, Minn., August 7, 1950.

Hon. HUBERT H. HUMPHREY,
Senator from Minnesota,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: We note that price control legislation is under very active consideration at the presnt time, and action may be taken within the next few days. We, therefore, submit the following views of St. Paul retailers to you in connection with these probable price control laws. We respectfully ask your consideration regarding the same.

1. No action should be taken on price control and wage control until public hearings have been held. The subject is too important to be passed without the public being given a chance to be heard.

2. If price and wage controls are found to be necessary, then the following should be included in any legislation:

A. Price-control legislation shall recognize the necessity of controlling simultaneously all the elements of cost entering into the seller's price, including raw materials, agricultural commodities, wages, and transportation costs.

B. The method of controlling prices shall conform to the historical practice and experience of the individual seller.

C. Prior to the issuance of any price-control regulations, the controlling governmental agency shall be required to consult fully and effectively with representatives of the industry affected; the respective industry or trade association representing it shall have the right to select representatives of their own choosing for this purpose.

D. Such legislation shall provide for the setting up of a joint congressional committee to act in effect as a legislative court of last resort.

E. In the case of any roll-back in prices, due consideration shall be given to the time lag between manufacturing, wholesaling and retail prices, and equitable machinery set up to correct abnormalities and hardships resulting from any such roll-back.

Yours very sincerely,

M. W. THOMPSON,
Retail Secretary.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have incorporated in the RECORD at this point in my remarks a statement which I had prepared and which I had at one time hoped I would be able to have the time to deliver on the floor of the Senate.

Mr. MAYBANK. Mr. President, let me suggest to the Senator from Minnesota that we would have been glad to have him appear before the committee on his bill. The Senator was most diligent in his duties. He came and testified. We would have considered his bill except that we thought the legislation he sought was included in the bill under section 302 and under the $2,000,000,000 loan provision.

Mr. HUMPHREY. I am happy to know that the bill includes the provision. I discussed it with other members of the committee, but particularly with the chairman, and I am satisfied that section 302 does everything that I was looking forward to having done by the particular bill which I had introduced.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a statement which I issued in the form of a release. It pertains to the essential sections which I believe should constitute a defense production program, particularly as it pertains to the controls which I believe are needed in this stage of the national emergency. Most of the suggested provisions have already been incorporated in the bill as presented by the chairman of the Committee on Banking and Currency. I believe it is vitally important that the bill be passed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY ON CIVILIAN CONTROLS

There is one thing unmistakably clear. We must prevent price gouging, profiteering, and inflation. To do this action is needed. I support the following program and have recommended this program to the Congress.

1. The President must be given the authority to impose price ceilings immedately on basic commodities at the wholesale and producer levels. These prices must be rolled back to their level between June 15 and June 25.

2. The President must be given the authority to impose priorities, production controls, and the allocation of resources in accordance with our objective to maintain full production.

3. The President must be given the authority to impose consumer retail price ceilings to a level between June 15 and June 25.

4. The President must be given the authority to impose wage controls necessary to maintain the consumer price level.

5. The President must be given the authority to impose rationing of those consumer commodities in which shortages may take place. It may be that such rationing will not be necessary at all, but we should be prepared lest inequities take place at the expense of the American consumer.

6. The President must be given the authority to allocate manpower when necessary.

7. The Congress must act to strengthen our existing rent-control laws, extend them, and allow for recontrol whenever housing shortages exist.

8. The Congress must immediately enact a program of tax increases on individuals and corporations. Basic to such a program must be an immediate enactment of an excess profits tax to be effective as of June 25.

There is no room for profiteering in a democracy while American soldiers sacrifice themselves on the battlefield and their families sacrifice on the domestic front.

All of these proposals are necessary if we are to save ourselves from a breakdown of our economy. The cause of human freedom is at stake. The world is engaged in a great conflict of the two philosophies of life: The one—the democratic philosophy—is based upon respect for the individual and his rights as a freeman; the other philosophy—the Communist-totalitarian doctrine—is based upon the principle of force and fear where the individual is but a slave and tool of the power-crazed dictators. Sacrifice is never easy, but sacrifice in behalf of freedom is a noble work. I, for one, believe that the American people are prepared to make whatever sacrifices are necessary.

Mr. HUMPHREY. Mr. President, I wish to thank my good friend the Senator from Arkansas [Mr. FULBRIGHT] for making this time available to me. He had the claim to the floor, and he was most generous and courteous.

Mr. FULBRIGHT. Mr. President, the first item I wish to insert in the RECORD is a letter from the Comptroller General, Mr. Warren, dated August 15, 1950, addressed to me. It pertains to section 304 (a).

The PRESIDING OFFICER. Does the Senator wish to insert the letter in the body of the RECORD?

Mr. FULBRIGHT. I wish to have the letter made a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, August 15, 1950.

Hon. J. WILLIAM FULBRIGHT,
United States Senate.

MY DEAR SENATOR FULBRIGHT: In response to your recent informal request I am pleased to send you this expression of my views on the need, if any, for authority to create new Government corporations, contained in S. 3936 as introduced but stricken from the bill as reported out by the Senate Committee on Banking and Currency.

Section 302 of S. 3936 would authorize the President to provide for loans, including participation therein or guarantee thereof, to private businesses, and section 303 would authorize him to provide for purchases of raw materials for use and resale without regard to limitations of existing law, under certain broad conditions.

Section 304, as introduced, would have authorized the President to create new Government corporations when deemed appropriate by him for carrying out the purposes of sections 302 and 303. The corporations would have had the power to sue and be sued; to acquire, hold, and dispose of property; and to determine the character of and necessity for their obligations and expenditures and the manner in which they would be incurred, allowed, paid, and accounted for subject to laws, including the Government Corporation Control Act, applicable to Government corporations. They would have been financed by borrowings from the Treasury up to an aggregate of $2,000,000,000, and have succession until June 30, 1952, unless extended by Congress.

Such new corporations thus would not have been subject to accounting and audit procedures applicable to Government agencies generally. The General Accounting Office would have been powerless to prevent or collect back any expenditures which, but for the broad corporate authority, would be illegal. It could only report them to the Congress.

My views on the creation of additional Government corporations are well known. In some cases they may be necessary and valuable means of conducting the public business. But there is entirely too much disposition to start new ones, and to perpetuate old ones which are not actually needed.

Unfortunately, the use of the corporate device has been abused. It has been fastened upon as a ready contrivance to evade the disallowance power whereby the General Accounting Office, as the agent of the Congress, can collect and put back into the Treasury illegal expenditures. The importance of the disallowance power is evident from the more than $660,000,000 recovered by the General Accounting Office just in the last 10 years. Even that vast sum is comparatively small beside the untold amounts saved because of the powerful deterrent effect of the General Accounting Office audits.

Observation and experience have shown that some of the largest of questionable payments have been made by Government corporations. There was no way in the world for the General Accounting Office to recover 1 cent of those payments. The corporate charter deprived the office of its only effective means—the disallowance power—to collect them.

Some of the more significant effects of the corporate form were set forth in my letter of December 5, 1947, to Hon. CHARLES A. EATON, House of Representatives (printed at pp. 776–779 of House Rept. No. 1845, 80th Cong.). A copy of that letter is enclosed. Of course, changes have since been made both in special and general legislation dealing with corporations. But, those changes largely indicate the shaping of congressional policy toward closer supervision and control of corporations and modification, not enlargement, of the often too-broad authority they have over their own spending. It is noteworthy, also, that the more than 100 Government corporations in existence when the Government Corporation Control Act was passed in 1945 have been reduced in number by more than one-third.

It may be said as a general proposition that the corporate form for a Government instrumentality—to the extent it is free of compliance with laws applicable to other Government activities and of normal safeguards set up by the Congress to prevent and correct improper expenditures of public funds—can be justified only by the most compelling reasons or overruling public necessity. No such compelling reasons or overruling necessity have been made out for the creation of additional corporations as originally authorized by S. 3936. Indeed, I am not informed that any have even been strongly urged by proponents of the bill. Apparently the Senate Committee on Banking and Currency shares the view that the authority is not needed, since the authorization to create new corporations was eliminated from the bill when reported out by that committee.

From the foregoing, I am not aware of any reasons why the purposes of S. 3936 could not be accomplished without any new corporations. Therefore, the conclusion appears reasonable that delegation by the Congress of authority to create new corporations to carry out those purposes is not only unnecessary but undesirable at this time.

I hope that this expression of my views will be helpful to you.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

Mr. FULBRIGHT. The question of whether or not a new corporation should be created to carry out the functions of this bill has been one that has been debated in the committee. I therefore requested that this letter from the Comptroller General giving his views be printed in the RECORD. I think Mr. Warren has studied the question at great length and has as much information on the subject as anyone else in the Government. I recommend it highly to the attention of the Senate. I hope that the provision which was intended to prevent the formation of new corporations will be retained in the bill.

I have a copy of a letter addressed by the Comptroller General to the Honorable Charles A. Eaton, when he was chairman of the Select Committee on Foreign Aid of the House of Representatives. The letter is dated December 5, 1947. The letter goes into some detail in explaining the way Government corporations function and the extent of their powers. By way of summary and comment I should like to say that Mr. Warren feels and demonstrates that the agencies of Government can really do anything that corporations can do, but that they are subjected to much better accounting checks on the part of the Comptroller.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, December 5, 1947.

Hon. CHARLES A. EATON,
Chairman, Select Committee on Foreign Aid, House of Representatives.

MY DEAR MR. CHAIRMAN: I have your letter of November 24, referring to the investigations being carried on by your committee

with respect to the organization and administration of foreign aid and recovery programs and your request for such information as is available to the General Accounting Office on the subject of Government corporations with respect to three specific questions, the first of which is as follows:

"(1) The actual significance of the use of the corporate form, from the standpoint of appropriations, expenditures, accounting, purchases, receipts, lawsuits, etc."

Of course, in the short time available it is not possible to furnish a definitive analysis and report, but it is believed the following comments will be found helpful to the committee:

1. Appropriations: It is not possible to generalize with completeness as to the actual significance of the use of the corporate form, from the standpoint of appropriations, for the reason that no consistent policy has been adopted by the Congress in financing the corporations, nor, in fact, is it necessarily true that there should be entire uniformity in this regard. In general, however, it may be said that if the more usual form of capitalization is employed, the significant difference with respect to appropriations is that the corporation is given a lump sum in the form of capital stock or authority to borrow, with further authority to use and reuse the sum, and particularly to treat it as a revolving fund, thus permitting the reuse of receipts such as repayment of loans, receipts from the sale of goods, and the like, whereas the normal departmental rule is that income of all types (unless specially excepted) must be deposited to the general fund of the Treasury and is not reused unless appropriated by Congress. The corporation's funds need not be reappropriated; the only comparable requirement is that the over-all budget program of each wholly-owned corporation must be submitted to Congress each year.

There are exceptions both ways to this perhaps too broad generality; thus, certain corporations' expenditure-type activities are carried on under regular annual appropriations which revert to the Treasury unless obligated during the year for which the appropriation is made, while in the case of numerous departments and agencies revolving funds have been established by act of Congress. In other words, there is no necessary distinction between the corporation and the department as to appropriations, but the more frequent characteristic is that the corporation has a single revolving fund while the department operates on an annual grant of funds without the authority to reuse income or receipts.

2. Expenditures: In the matter of expenditures there is not a clear line of distinction for the reason that, while corporations were formed largely for the reason that administrators preferred to find a method of procedure which would permit expenditures by whatever rules they, themselves, chose to adopt, this feature has not until very recent times been the subject of general congressional enactment, and it cannot be said with confidence that Congress has announced a policy with respect to expenditures of corporations as such. Instead, the approach has been to grant to certain corporation an all-inclusive authority to determine for themselves the character and necessity of their expenditures and the manner in which they shall be incurred, allowed, and paid. Where such language appears in the act chartering the corporations, there can be no question but that Congress has determined that the congressional or statutory rules otherwise directing how the public moneys shall be spent are not of their own force to apply to the corporation, but rather that the corporation shall determine for itself what methods, procedures, etc., should be employed.

Where the language as to determining the manner of expenditure, etc., does not appear in the corporate charter, the question is not at all clear. Those operating on behalf of the corporations undoubtedly would assert the right to make such determinations on the basis of the rationale for the employment of the corporate form in the first place, and there are numerous legal materials (not in the form of specific legislation or direct judicial holdings) strongly supporting that view. However, my attention has never been drawn to an act of Congress specifying that the laws of the land do not apply to Government corporations merely because they are Government corporations, and in the absence of such indication of congressional policy, I am not in a position to conclude broadly what difference, if any, there is as to expenditures where the corporate charter does not contain the language above referred to. Some distinction may be found, of course, where the restrictive statutes in terms apply only to the direct expenditure of appropriations as such.

3. Accounting: The matter of accounting is somewhat more readily describable. The accounting required of the departments spending the appropriations of the Congress follows a well-settled and long-established practice, even antedating the formation of our Government. In essence the procedure consists of "advancing" a sum appropriated to an individual officer operating with or for the department responsible for the expenditure. That officer at that time becomes technically indebted to the United States for that amount until he "accounts" for the same. This is done by the process of showing a lawful expenditure of the sum, with the result that if, in the opinion of the auditors (or, on appeal, of the Comptroller General), the expenditure is shown to have been an unlawful one, no credit is allowed for the item, the officer's indebtedness remains, and he is subject to suit therefor in the United States courts, at which stage the question of legality of the expenditure is tested judicially. The ruling of the accounting officer is binding upon the departments, but, of course, is not binding in any way upon Congress or the courts.

In recent years that procedure has been altered slightly for the civilian operations of the Government by the enactment of the Certifying Officers Act, under which the particular person responsible and accountable for the legality of the expenditure is not the fiscal officer to whom the money was advanced and who drew the check, but, rather, is the "certifying officer" who approved the payment and on whose approval the disbursing officer relied.

The result, of course, of that audit and settlement procedure is that the payments are made by the administrative officer at the risk of the subsequent disallowance by the General Accounting Office, and in the event of such disallowance, assuming its correctness, the amount is recoverable by the Government either from the payee who received it in error, or from the officer responsible for the payment, or from his surety. The audit procedure varies widely according to the circumstances and needs of the situation; that is, it may call for a voucher audit here in Washington (which may be more or less detailed), or it may be found more appropriate to make a field audit at the site of the operations. Also the audit does not necessarily call for a review of each item of expenditure; it is essential that under that plan all expenditures are at least subject to such audit.

On the other hand, the accounting required of corporations proceeds upon a somewhat different basis. In the Government corporation control acts of 1945 Congress directed for the first time that the General Accounting Office undertake annually to make a commercial, corporate type of audit of the financial transactions of all the Government corporations. Also, the Comptroller General was authorized to utilize that type of audit (in those few cases where the corporations are financed by departmental-type appropriations) for the purpose of settling the accounts of the officers to whom appropriations are advanced. A regulation has just been adopted to that effect, so that the same audit procedure will apply to corporations, whether they be financed by a capital grant or by an annual expenditure type of appropriation. The commercial, corporate type of audit comprehends an examination of the actual books and records of the agency, and a survey of its transactions on a test-check basis, leading up to a comprehensive annual report to the Congress, to the President, and to the corporation. The result, of course, is an over-all or agency-wide survey type of audit which does not necessarily call for examination of detailed transactions, but which does include the résumé of the entire function under review, its background, authority, and methods of operation.

The remaining significant difference is that the survey type of audit depends upon corrective action being taken by the management or by Congress to prevent future errors, but it does not include any independent machinery for collection back where erroneous payments are found to have been made. On the other hand, the accounting required for appropriations does not call for a survey or periodic report on the operations as a whole, but it does include the important element of control of expenditures through the power of disallowance and the specific authority for, and mechanics of, collection back where erroneous disbursements are shown to have occurred.

4. Purchases: The important distinction with respect to purchases is that created by section 9 of Public Law 600, approved August 2, 1946, when (and, as I believe, for the first time) Congress gave thorough consideration to the assorted freedom of corporation from congressional control and directed that in the single case of purchase and sale transactions the corporation should be required to follow the departmental statute as to advertising for bids, only when there is involved an item of expenditure from their administrative expense funds, which comprises a relatively minor class of transactions. In contrast, where operating expenses are involved, the corporation is not normally required by statute to advertise before purchasing; whether it shall do so is left to administrative regulation or discretion.

5. Receipts: The matter of receipts has been perhaps sufficiently covered above; to reiterate, the department normally must deposit its receipts into the general fund of the Treasury, without authority to reuse them as such, while generally the Government corporation retains its receipts in a revolving fund and may reuse them without congressional reappropriation. The only restriction in that regard would be that the expenditure somehow must be within the framework of the corporate purpose and must be within the budgetary program passed upon by Congress in the annual Government Corporation Appropriation Act, although I do not understand that this sanction would necessarily include a limitation upon the amount of money expended for any corporate program, unless adopted by specific congressional action.

6. Law suits: The matter of law suits does involve a certain distinction. Normally a Government department by itself is not suable, for the reason that the department is not an entity apart from the Government and is entitled to the immunity from suit which attaches to the sovereign. The corporation, however, is suable as such, and that distinction has been given full effect by

the administrative agencies and by the courts (see *Keifer & Keifer* v. *R. F. C.* (306 U. S. 381)). To a certain extent within the past year that difference has lost significance because of the enactment of the Federal Tort Claims Act, since now that branch of litigation with respect to tort claims is covered by that act, irrespective of the prior difference characterizing the corporations. For suits under contracts the difference is not perhaps as real as it may appear to be on the surface, since, under the Tucker Act, the Government is fully suable for breeches of contracts by the departments, and since, in fact, the Government had also a number of times been held to be suable for the defaults of Government corporations. Thus, the difference is believed to be largely one of procedure and not of substantive importance.

Your second question is:

"(2) What important statutory provisions of a restrictive or exemptive nature apply to Government corporations which do not apply to other Government agencies, and correlatively what restrictive and exemptive measures apply to ordinary Government agencies which do not apply to Government corporations?"

Although freedom from general laws regulating the administration of Government departments and agencies is frequently cited as one of the principal reasons for the creation of Government corporations, in practice that freedom has varied greatly, depending on the language of the corporation's charter or other enabling legislation as well as the language of the general laws. A good many of the Government corporations have specific authority in their charters to determine and prescribe the manner in which their obligations shall be incurred and their expenses allowed and paid (RFC), sometimes specifically without regard to the provisions of any other law governing the expenditure of public funds (HOLC). In other cases such determinations are expressly made final and conclusive upon all other officers of the Government.

However, other statutes have modified such broad authority. Annual appropriation acts authorizing the expenditure of corporate funds for administrative expenses have limited the amount and specified the objects of such expenses. Also, the practice has become prevalent in some such cases of granting special authority to incur expenses for which express authority is required by general provisions of law. Such appropriation acts have even prohibited the use of corporate funds for certain purposes. Examples of these types of provisions will be found in title III of the Government Corporations Appropriations Act of 1947.

In cases where the board of directors has authority to determine the corporation's expenses, without regard to other law, the Comptroller General has held that in the absence of the exercise of such authority the general law applied.

Most of the so-called "restrictive statutes" apply to appropriated funds, and so are claimed by the corporations not to affect nonappropriated funds of a Government corporation. Other statutes, directed at Government activities in general, may by their terms or interpretation affect the corporations. Public Law 600, Seventy-ninth Congress, approved August 2, 1946, authorizing certain administrative expenses in the Government service, applies to wholly owned Government corporations. One reason that the question as to what statutes do or do not apply to the Government corporations has not been fully settled is that until recently the General Accounting Office has had no occasion to pass on expenditures of most such corporations.

For that reason, it is not possible to answer your question definitively and in general terms; an important specific difference as to the law governing public purchasing has been explained above.

Your third question is as follows:

"(3) The distinction in foreign law between the operation on their territory of foreign-owned public corporations or their subsidiaries, as opposed to field offices of executive agencies of foreign governments."

One phase of this question—that is, whether a Government corporation may not operate abroad more conveniently and more effectively where a commingling of activities with the local governments may be required—has already been extensively covered by the report of the Committee on Foreign Affairs of the House of Representatives issued in connection with the bill to reincorporate the Institute of Inter-American Affairs (House Rept. No. 955, 80th Cong.). Another phase involves the question whether the freedom from local taxation, police regulation, customs laws, and other incidence of foreign law to which the United States would be entitled under the doctrine of sovereign immunity, may in some countries be lost where the choice is made to operate not directly as a Government operation, but indirectly through the medium of a corporation, especially so if the charter be obtained under foreign law. In the time available I am not in position to examine the question adequately, but a number of useful references on this question are found in volume II of Hackworth's Digest of International Law at pages 471, 475–487. See also the references in Judge Mack's opinion in *The Pesaro* (277 Fed. 473); Hersey, *The Immunity of Foreign States When Engaged in Commercial Enterprises: A Proposed Solution* (27 Mich. Law Rev. 751). (It may be found necessary to provide by statute, by treaty, or by Executive agreement for this immunity in carrying out the program.)

It is recognized that the foregoing discussion is not an adequate treatment of many of the questions you raise, and it is suggested a more helpful treatment definitely could be furnished if there were available specific data as to what activities the contemplated agency is planned to undertake. If I can be of further aid in the matter, particularly along the lines just suggested, please feel free to call upon me. If you prefer, it might be more effectively considered through the medium of an informal discussion with members of my staff, who, of course, would be available at your call.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

Mr. FULBRIGHT. Mr. President, I have submitted an amendment to S. 3936, the defense production bill, and I ask unanimous consent that the text of the amendment be printed at this point in my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

PROPOSED AMENDMENT TO S. 3936, AS REPORTED AUGUST 7, 1950, TO AUTHORIZE FEDERAL RESERVE BOARD TO PRESCRIBE REGULATIONS REGARDING REAL-ESTATE CREDIT EXTENDED OR INSURED BY THE GOVERNMENT, AS WELL AS BY PRIVATE SOURCES, BUT ONLY ON NEW CONSTRUCTION

On page 59, in line 10, strike out the words "Such regulations" and insert in lieu thereof the following:

"Such regulations may, notwithstanding any other provision of law, include provisions relating to any real-estate construction credit extended, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended. Regulations issued under this section."

On page 62, strike out lines 12 to 19, inclusive.

Mr. FULBRIGHT. Mr. President, title IV of the bill covering control of consumer and real estate credit, gives authority to the Federal Reserve Board to reimpose regulation W, governing consumer credit.

It also provides in section 602 that the Board shall have authority to prescribe regulations with respect to real-estate construction credit, including maximum loan or credit values, minimum down payments, maximum maturities, maximum amounts of credit and other related matters.

Section 602 (d) (1), page 62, lines 12 through 19, specifically provides that the term "real estate construction credit" shall not include loans made, insured, or guaranteed by any agency of the Federal Government. Thus, the powers of the Federal Reserve Board are limited to the control of conventional loans on real estate construction. The powers would not be applicable to real estate construction credit where the loans are made, insured, or guaranteed by the Government.

Section 605 of this title now provides that the President may, after consultation with the Federal Reserve Board, reduce the maximum authorized principal amounts, rations of loans to, value or cost, or maximum maturities on loans made, insured, or guaranteed by the Federal Government. It would also provide authority in the President to reduce or suspend entirely any authorized loan program of the Federal Government, upon a determination that such action is necessary in the public interest. It is specifically provided that consideration shall be given, in the exercise of these powers, to the preservation of the relative credit preferences accorded to veterans. This section authorizes restrictions of all new credit, whether new construction or existing housing.

The amendment I have submitted would provide that the authority of the Federal Reserve Board shall extend to and include real-estate construction credit, where the loan is made, guaranteed, or insured by the Federal Government. It would delete this exception to the powers of the Board in this field.

The amendment would retain in the President the power, after consultation with the Federal Reserve Board, to bring the Federal programs into line with the restrictions placed upon private lenders by the Board—whether or not their loans are guaranteed or insured by the Government. In other words, it is expected that the Board would exercise its functions by restrictions upon private lenders whether or not their loans are insured or guaranteed by the Federal Government, but that the Federal agencies would, by their regulations, restrict their maximum guaranties, maturities, and so forth, accordingly.

The authority of the President to reduce or suspend entirely any authorized loan program would be retained if in the

judgment of the President, after consultation with the Federal Reserve Board, such action is necessary in the public interest. The proviso with respect to veterans' preferences would be retained.

Mr. President, at this point in my remarks I wish simply to call particular attention to the statistics and figures regarding the question of real-estate credit found on page 44 of the report on the bill, which is a very excellent report, and calls attention to the extremely serious nature of the expansion of mortgage credit. I read only an excerpt to indicate what this is about:

REAL ESTATE CREDIT CONTROL

NEED FOR CONTROL

The unrestricted continuation of real estate lending at the current rate would be a major inflationary force during the current defense period.

Outstanding mortgage debt is now more than three times as great as all outstanding consumer credit and is currently increasing at a rate about twice the rate of increase in consumer credit.

[In billions of dollars]

	Nonfarm mortgage debt	Mortgage debt on 1-to-4-family houses	Total consumer credit
1941	32.4	19.4	9.9
1949	[1] 7.0	[1] 37.4	18.8

[1] Estimated.

Expansion of mortgage credit contributes not only to the demand for labor, materials, and equipment that go into housing and other construction, but, by increasing available purchasing power, also increases the demand for all other goods. The expansion of such credit has been a necessary factor in the provision of urgently needed homes and other essential construction. However, when our now expanded defense needs are added to the current unprecedented demand for new homes and other buildings, a severe strain is being placed on the resources of the building industry and related construction materials industries. With these industries already operating at capacity new credit cannot increase the general availability of goods or facilities, but must result (as we have seen in the past few months, even before the Korean outbreak) in higher prices. Similarly, when industry operating at capacity diverts or prepares to divert a part of its production to defense uses, there will be inflationary tendencies unless other demands for its production are correspondingly decreased. Curtailment of credit is an effective means for decreasing such other demands and thereby makes easier the release of manpower and critical materials for our defense needs.

The total nonfarm real estate mortgage debt outstanding at the end of 1949 was $57,000,000,000, an increase of 75 percent from the $32,400,000,000 at the end of 1941. As a matter of fact, virtually all of this increase has occurred since 1945. Over 60 percent of this debt was secured by one- to four-family homes, about 20 percent by multifamily structures, and less than 20 percent by commercial or industrial properties. Home mortgages made in the first half of 1950 amount to about $6,500,000,000 or at an annual rate of $13,000,000,000. The net increase in home mortgage debt outstanding during the first half of 1950 (after regular amortization and other repayments) was about $3,000,000,000, bringing the total outstanding on June 30 to about $40,000,000,000 or double the figure outstanding at the end of World War II.

In the first 6 months of 1950 (before the Korean outbreak) construction activity as a whole was 20 percent above 1949, and housing starts were 50 percent above 1949. Prices of building materials had climbed back almost to the postwar peak; during the single month of July, the index rose an additional 3 percent. From all indications prices of both building materials and new housing will continue to increase sharply unless adequate measures are taken promptly. The repercussions of price increases in the construction industry will be felt throughout the entire economy. We cannot maintain the present high level of construction and at the same time meet our new military commitments without running the risk of widespread and serious inflation.

Even more important than the need for avoiding inflation is the necessity for curtailing construction which takes materials and labor needed for military production. The construction industry is an important consumer of steel and other materials in short supply. It employs hundreds of thousands of skilled workers now in great demand. Curtailment of construction will result in the curtailment of demand for the great variety of commodities needed to furnish and equip new buildings, e. g., house furnishings, furniture, and equipment. Construction as usual would greatly impede the acceleration of our defense output, the immediate objective of our Nation.

Historically, high rates of investment in new construction have occurred during periods of liberal credit. Real-estate investment by its nature is usually accomplished by extensive use of long-term borrowed money. It is, therefore, an activity peculiarly sensitive to credit restrictions. Furthermore, control of credit as a device for controlling construction is more easily administered than direct limitations, priorities, and allocations. Credit control does not require elaborate administrative machinery and procedures onerous to both the Government and the public. While more direct controls may prove necessary if a drastic curtailment is required, as a practical matter they cannot be so quickly applied.

Mr. President, I desire to call to the attention of the Senate the tentative estimate by the staff of the Federal Reserve Board of loans made during the first half of 1950, on one- to four-family units, as follows:

	Billions
New housing:	
Government insured	$1.5
Conventional	1.0
Total	2.5
Old housing:	
Government insured	1.0
Conventional	3.1
Total	4.1

Of the $4,100,000,000 on old housing it is estimated that $2,800,000,000 is involved in the purchase of housing, the remainder in raising money for other purposes.

Mr. President, I think that illustrates fairly clearly the seriousness of the question of the control of mortgage credit.

The way to protect the economic system from inflation of prices is to prevent demand from becoming greater than supply. The sound way to carry on the present military effort is to have an amount of purchasing power big enough to buy all the civilian supplies available, but no bigger. Purchasing power in excess of supply inevitably leads to inflation.

In the battle against inflation, we may have to use direct measures such as price controls and rationing as well as the indirect, but more effective, measures of monetary, credit and fiscal restraints. But price controls and rationing in the face of growing credit and monetary inflation can only lead to grayer and grayer markets, with evasive practices widespread. Furthermore, as we have discovered in the past few years, the direct controls do not prevent inflation if credit and monetary expansion is not prevented. Direct controls in these circumstances merely change the form of inflation and the time at which it occurs.

Limitation of inflation by monetary, credit, and fiscal means requires the combined and coordinated use of these instruments. It is not possible to rely on consumer credit regulation, on real estate credit regulation, or other credit restraints, or on fiscal measures separately. They have to be vigorously used together.

Housing starts and extensions of housing credit are by far the greatest rates in the history of the Nation. This construction, so laudable in a time of peace, cannot be continued in a time of rapidly mounting defense effort. It must be in considerable part postponed if we are to have the men and materials necessary for military production.

Even the starts which have already been made and those which inevitably will be made in the near future will provide a great inflationary factor for many months. Mortgage credit will continue to be extended to permit—provide—their completion. Immense amounts of labor and materials will be involved. Contractors are frantically scraping the bottom of the barrel to accumulate the materials to finish these houses. Until it is clear that the men and materials are available to complete these houses, the inflationary pressures should not be increased by starting further houses. Certainly the Government should not positively sponsor the starting of new construction until such policy will not be conducive to inflation. Yet the Government agencies by their policies are still stimulating housing construction.

The legislation under consideration would give the Federal Reserve Board authority to prescribe regulations with respect to real-estate credit for new construction, in order to contain its inflationary expansion and reduce building during the emergency period, but this authority would apply only to real-estate credit for new construction not made, insured, or guaranteed by the Federal Government. At the same time, the legislation would leave to Presidential discretion, after consultation with the Federal Reserve Board, the regulation of Government programs in the real-estate-mortgage field.

This approach is faulty because it divides administrative responsibility. The division of responsibility can seriously interfere with achieving the objectives of this legislation. If the credit terms permitted under the Federal programs are not restricted sufficiently, the Federal Reserve Board has the choice of going along with the Federal programs, or of tightening the terms on private credit severely. If it takes the first course, the purpose of this legislation will be frustrated. If it takes the second, borrowers

and lenders outside the Federal programs are penalized or the business is driven into the Federal programs. If there is to be effective credit regulation in the field of new real-estate construction it must be a single regulation, regardless of what lenders extend the credit and whether the credit is insured, guaranteed, uninsured, or nonguaranteed.

That the Federal programs are important sources of funds for new construction is shown by the fact that over two-thirds of the rental units started in recent months have been financed with insured mortgages, and over two-fifths of the new houses sold have been financed with either FHA or GI mortgages. The terms on these mortgages are considerably more liberal than the terms on unguaranteed mortgages, permitting down payments as low as 5, 10, or 15 percent of the price, compared with 30, 35, or 40 percent in the case of mortgages made by banks, insurance companies and other lenders. Maturities run as long as 20, 25, 30 and even, in a few cases, 40 years, compared with the more conventional 12-, 15,- 18-, or 20-year terms.

This bill provides power to limit the terms of mortgage credit for new construction. But it would be futile and utterly mischievous to apply more stringent restrictions on uninsured than on insured credit. Such a procedure would simply cause the noninsured credit to dry up, and the insured credit to expand correspondingly. It would create arbitrary and unnecessary discriminations.

The essential point I am making is that there can be no effective anti-inflation regulation of real estate credit unless the terms prescribed cut across the board affecting Government-sponsored as well as other credit. Inflation control cannot be effective in one part of the field while forces of inflation are permitted to move forward unchecked, and indeed reinforced, in other parts.

Mr. President, at this late hour I merely desired to put into the RECORD these statistics, because I regard this amendment as one of the most important amendments in the whole control bill. It is one of the two features in the bill which actually is designed to have an effect upon the source of inflation rather than merely to postpone it, as control of consumer prices will do.

I hope to have an opportunity on Monday at least to summarize the effect of these statements, when the amendment is offered.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAYBANK. I assure my distinguished friend from Arkansas, who is a member of the Committee on Banking and Currency, that so far as I am concerned, having charge of half the time, I shall be more than happy to allow him to speak for 5 minutes on his amendment.

I appreciate what the Senator has said, and I am sure that those who read the RECORD tomorrow will understand exactly what he intends to do and what he believes should be done. I may differ with him, but he and I have always believed that we should at least have freedom of debate. As the hour is growing late, I am very appreciative of the action of the Senator in not going further, if that is agreeable to him.

Mr. FULBRIGHT. I thank the chairman of the committee very much for his courtesy. I recognize that he and the other members of the committee are familiar with the problem we are considering, and I desired particularly to get into the RECORD the explanation I have offered, as a source of information.

Mr. MAYBANK. The distinguished Senator from Arkansas is correct in assuming that we should have the information.

Mr. FULBRIGHT. I thank the Senator very much. I may say that I have another amendment printed and lying on the table, which I shall not discuss at this time. I shall defer the discussion of it until Monday.

RECESS TO MONDAY

Mr. MAYBANK. Mr. President, I ask that, in accordance with the agreement made earlier in the day, the Senate now take a recess until Monday at noon.

The PRESIDING OFFICER. Under the unanimous-consent agreement previously entered into by the Senate, the Senate will now stand in recess until 12 o'clock noon Monday next.

Thereupon (at 8 o'clock and 18 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, to Monday, August 21, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 18 (legislative day of July 20), 1950:

DIPLOMATIC AND FOREIGN SERVICE

Joseph Flack, of Pennsylvania, a Foreign Service officer of the class of career minister, now Ambassador Extraordinary and Plenipotentiary to Costa Rica, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Poland.

FEDERAL MARITIME BOARD

Albert W. Gatov, of California, to be a member of the Federal Maritime Board for the term expiring June 30, 1953.

IN THE AIR FORCE

The following-named persons for appointment in the United States Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947), and title II, Public Law 365, Eightieth Congress (Army-Navy-Public Health Service Medical Officer Procurement Act of 1947):

To be major, USAF (medical)

Ramon F. Marchante.

To be captains, USAF (medical)

James L. Borders, AO1745310.
Michael P. Mandarino, O1725046.
Alonzo C. Tenney.
Douglas B. Wilson, AO1718942.

To be captain, USAF (dental)

Carl E. Weber, AO1755813

To be first lieutenants, USAF (dental)

Emanuel A. Carbonaro, AO965561.
Roy L. Mueller, AO1906150.

To be first lieutenant, USAF (chaplain)

Roy M. Terry, AO478833.

The following-named persons for appointment in the United States Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947), and section 2, Public Law 775, Eightieth Congress (act of June 25, 1948):

To be first lieutenants

Nelson Allen, AO732694.
Eugene L. Blanck, AO1895493.
Richard A. Brown, AO822369.
William M. Burch II, AO697817.
Norman F. Carroll, O567601.
Donald C. Dickson, Jr., AO426821.
Eugene C. Frazier, AO763990.
Bernard E. Frizzie, AO427855.
Robert N. Giaimo, O1997399.
Morris J. Greenspun, AO1584297.
William D. Harlow, AO584408.
William A. Harmon, AO355469.
Horace M. Kean.
Albert R. Kuehl, AO438009.
Hugh J. Lacey, Jr., AO926572.
David H. R. Loughrie, AO821306.
Gene S. Martin, O516506.
Carl W. Milzer, AO778895.
Francis P. Murray, AO361398.
Harvey G. Odenbrett, 124433, USNR.
Daniel O'Leary, O1302700.
Leonard W. Pipkin, Jr., AO2056666.
Norman O. Ranz, AO2046412.
Leonard Reiss, AO863222.
Sydney Saxon, 298207, USNR.
Leland C. Shepard, Jr., AO801708.
Earl A. Snyder, AO374292.

The following-named persons for appointment in the United States Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

James O. Alderman, AO877624.
John S. Allison, AO802692.
Joseph D. Bailey, AO527693.
Herman W. Baker, AO867411.
George W. Barnes, Jr., AO777054.
Robert M. Behr, AO666610.
Charles B. Blanding, AO791324.
Franklin D. Blanton, AO669962.
Alpha R. Bond, AO874544.
Earl L. Bozeman, AO560674.
Edward J. Brisick, AO2043127.
Charles L. Brown, AO802713.
Wilton L. Colvin, AO2077205.
Frank E. Cox, AO716631.
Willis A. Cude, Jr., AO880692.
George R. Cummings, AO761895.
Henry E. Davis, AO767504.
Howard S. Davis, AO812554.
Thomas M. Esmond, AO662765.
Charles M. Evans, AO724010.
James M. Fielder, AO561005.
Max E. Frazier, AO439389.
Lowell W. Frederick, AO721687.
Frederick H. Gautschi, Jr., AO769417.
Richard F. B. Gimmi, Jr., AO808481.
Joseph P. Gleason, AO806433.
Elmer K. Goodnight, AO761075.
John W. Goodrich, AO812573.
Verne D. Hale, AO813369.
Vincent F. Hamant, AO703001.
Brian T. Hastings, AO696365.
Cliff C. Hatcher III, AO743243.
Pat N. Hinson, AO661762.
William S. Holman, AO872445.
George M. Hubbard, AO587849.
James T. Jones, AO2060300.
James W. Kelly, AO861196.
William E. Kemerling, AO725743.
Welton R. King, AO775393.
Clyde H. Knapp, Jr., AO452631.

Albert R. Kondall, AO2063642.
Robert P. Kutarnia, AO1644511.
Roland E. Lee, AO2062829.
Albert S. Martin, AO707715.
Jon T. Matsuo, AO1847256.
Donald W. MacLeod, AO1051665.
Bobby R. McClure, AO2099003.
Sidney H. Miller, AO685693.
William P. Miller, Jr., AO745141.
Jackie N. Moore, AO811952.
Ollege B. Morrison, AO855512.
James T. Murphy, AO435978.
Eugene A. Novak, AO683050.
John F. Overstreet, Jr., AO929962.
Russell S. Paulnock, AO807868.
Harry A. Paynter, AO679111.
Glenn H. Pierce, AO685718.
William E. Quinlan, AO566474.
William C. Rawson, AO820058.
Ernest L. Reid, AO416349.
Edwin E. Ruoff, AO799647.
Paul G. Schauwecker, AO683327.
Samuel P. Schmehl, AO953993.
Earl M. Schmidt, AO816803.
Sam E. Sheffield, AO448070.
Chester J. Shusta, AO768846.
James C. Smith, AO728755.
Edwin F. Sweeney, AO792652.
Nicholas Tony, O936384.
Charles B. Wilson, AO466508.
Warren S. Woirol, AO808330.

The following-named distinguished aviation cadets for appointment in the United States Air Force, in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

James A. Adams, Jr.
Lloyd P. Anna
Richard D. Brewer
James O. Carson
Thorvald W. Christiansen
Ralph P. Clark
John J. Davey
Kenneth N. Dennerlein
William M. Fetzer
Eugene Frye
James K. Gleoggler
Robert B. Helle
Robert H. Kulaas
Crawford P. Livesay, Jr.
Ralph John Maglione, Jr.
Horace E. Martin, Jr.
James F. Nuchols
Robert E. Prince
George R. Reinker
Wallace N. Robinson III
Robert A. Wilke
William L. Youman

Subject to physical qualification and subject to designation as distinguished military graduates, the following-named distinguished military students of the senior division, Reserve Officers' Training Corps, for appointment in the United States Air Force, in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

Milton C. Chapman, Jr.
Baird M. Martin
Avie J. Rainwater, Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 18 (legislative day of July 20, 1950.

UNITED NATIONS

Milton Katz, of Massachusetts, the United States special representative in Europe, with the rank of Ambassador Extraordinary and Plenipotentiary, to serve concurrently and without additional compensation as the representative of the United States of America on the Economic Commission for Europe of the Economic and Social Council of the United Nations.

INTERNATIONAL CLAIMS COMMISSION OF THE UNITED STATES

The following-named persons to be members of the International Claims Commission of the United States:

Josiah Marvel, Jr.
Raymond S. McKeough
Roy G. Baker

PUBLIC ADVISORY BOARD

Orin Lehman, of New York, to be a member of the Public Advisory Board, established under title I, of the Foreign Assistance Act of 1948.

TAX COURT OF THE UNITED STATES

Norman O. Tietjens, of Ohio, to be judge of the Tax Court of the United States for a term of 12 years from June 2, 1950.

DIPLOMATIC AND FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

To be Foreign Service officer of class 2, consul, and secretary

Woodbury Willoughby

To be Foreign Service officers of class 3, consuls, and secretaries

Orville C. Anderson
Ernest H. Fisk
Gardner E. Palmer

To be Foreign Service officers of class 4, consuls, and secretaries

Gene F. Caprio
Arthur A. Compton
J. Roland Jacobs
Roswell D. McClelland

To be Consuls

Stanley R. Chartrand
Gilbert E. Clark
James M. Macfarland
Don B. Reynolds
Arthur Menken

To be secretaries

Ben T. Moore
Nils William Olsson